



**A BRIDGE TO
THE FUTURE**
BUILDING A COMMUNITY OF CHOICE

ANNUAL BUDGET 2020



OLD CEDAR AVENUE BRIDGE • 1920 - 2020

ANNUAL BUDGET

FISCAL YEAR 2020

GENERAL FUND BUDGET
ADOPTED BY THE
BLOOMINGTON CITY COUNCIL
DECEMBER 2, 2019

OTHER FUNDS ADOPTED
SEPTEMBER THROUGH
NOVEMBER 2019



Budget Presentation Award



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

**City of Bloomington
Minnesota**

For the Fiscal Year Beginning

January 1, 2019

Christopher P. Morill

Executive Director

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, 2019.

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.



February 26, 2020

Dear Reader,

With its 100-year celebration right around the corner, Bloomington's Old Cedar Avenue bridge reminds us of the benefit of restoring and reinvesting in our communities. Whether it's a pedestrian bridge, roads, other infrastructure or aging commercial nodes, it takes time, effort and resources to maintain a fully developed city.

In 2020 and beyond, the City's focus will also fall largely on making Bloomington a community of choice. That means finding new and innovative ways to inspire investment and attract new residents and businesses while retaining those who currently call Bloomington home.

Our focus in the Finance Department is on maintaining a strong financial foundation for Bloomington's future.

The City is proactive and deliberate about maintaining that foundation and the level of service we provide to residents and those who choose to visit or do business in Bloomington. We're on the right track, according to the most recent resident survey conducted by the City.

This is the eighth year in a row that the National Citizen Survey™ was conducted in Bloomington. The survey makes it possible for cities to compare their results with up to 500 communities nationwide. A majority of residents gave positive ratings to the City's governance. Eight in 10 respondents offered scores of excellent or good to the overall quality of City services and to the customer service provided by employees.

This document presents the City's approved 2020 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 2020 budget. To determine the current levy and to consider the City's long-term financial stability, 5-, 10- and 15-year budget models were used.

Find this document on our website along with more detailed financial information from the 2020 Comprehensive Annual Financial Report at blm.mn/financialreports.

A handwritten signature in blue ink that reads "Lori Economy-Scholler".

Lori Economy-Scholler
Chief Financial Officer

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INTRODUCTION AND OVERVIEW



City of Bloomington

City Council

Mayor



Tim Busse
Term Expires January 2024

Council Members



Jenna Carter – At Large
Term Expires January 2024



Nathan Coulter – At Large
Term Expires January 2022



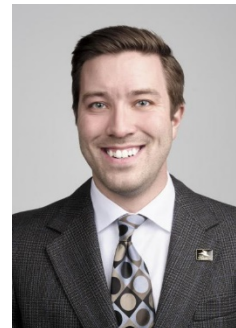
Dwayne Lowman – District I
Term Expires January 2024



Shawn Nelson – District II
Term Expires January 2024



Jack Baloga – District III
Term Expires January 2022



Patrick Martin – District IV
Term Expires January 2022

Executive Leadership Team

James D. Verbrugge, City Manager

Kris Wilson, Assistant City Manager

Community Development	-----	Eric Johnson, Director
Community Services	-----	Diann Kirby, Director
Finance	-----	Lori Economy-Scholler, Chief Financial Officer
Fire	-----	Ulysses Seal, Fire Chief
Information Technology	-----	Amy Cheney, Chief Information Officer
Legal	-----	Melissa Manderschied, City Attorney
Parks and Recreation	-----	Ann Kattreh, Director
Police	-----	Jeff Potts, Police Chief
Public Works	-----	Karl Keel, Director
Racial Equity	-----	Faith Jackson, Coordinator

Strategic Goals and Strategies

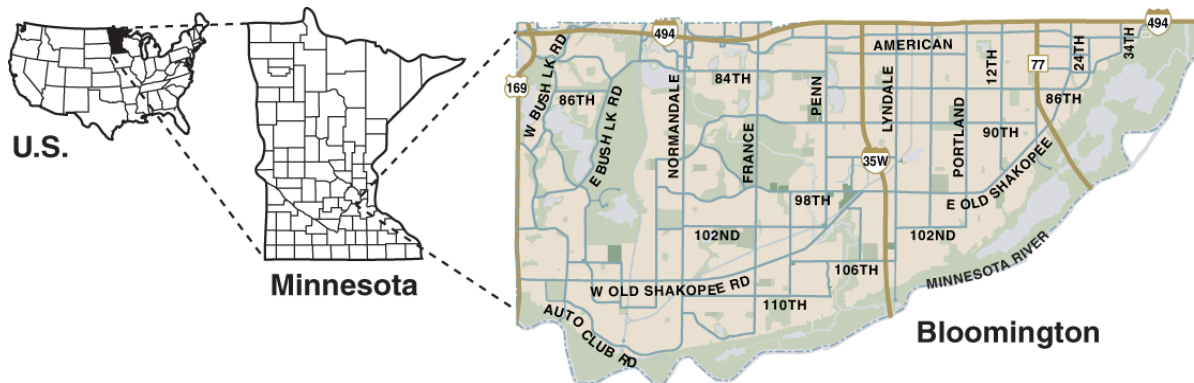
Organization Mission

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

Community Vision

To build and renew the community by providing services promoting renewal and guiding growth in an even more sustainable, fiscally sound manner. Bloomington's vision of success is centered on its people, neighborhoods, businesses and government.

Community Profile



Bloomington, the fifth largest city in Minnesota with a population of over 85,000 residents, 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 Bloomington's South Loop District, an urban center at the crossroads of the metro area's transportation network.

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.

Community Amenities - Maintain and Expand - **A**

- Expand the CIP to include all capital needs.
- Develop a plan for a Community Center based on recommendations of the Taskforce.
- Create customized community engagement strategies for City-owned amenities and park/recreation facilities.

Community Image - **I**

- Create a One Bloomington branding campaign.
- Develop comprehensive media strategies.

- Establish a joint marketing strategy with the school district.
- Develop an art and placemaking plan for the entire city.

Environmental Sustainability – ES

- Establish an Environmental Sustainability Commission.
- Maintain and update water reports.
- Create a solid waste diversion plan.

Focused Renewal – R

- Create a developer and stakeholder engagement plan.
- Adopt strategy and funding for neighborhood and commercial renewal.
- Establish resident engagement on neighborhood innovation and improvement.

High Quality Service Delivery – S

- Establish financial sustainability targets and standards.
- Implement High Performing Organization (HPO) training and incorporate five service areas for targeted customer service improvement.

Inclusion and Equity – IE

- Create a leadership program for underrepresented populations.
- Expand marketing and outreach to underrepresented and underserved populations.
- Adopt pathways and internship programs that target underrepresented populations.
- Create a hiring and retention strategy for people of color.
- Train City staff on diversity.
- Create a racial equity toolkit.



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City Manager's Budget Message:

A bridge to the future: Building a community of choice

In 2020, Bloomington's Old Cedar Avenue Bridge will turn 100. The recently restored amenity is well-used by walkers, runners, cyclists, and bird watchers alike.

While not a century old, much of Bloomington's infrastructure was built in the '50s. Whether it's a pedestrian bridge, roads, infrastructure or aging commercial nodes, it takes time, effort and resources to maintain an aging city. Keeping our foundation strong gives us the ability to look forward and consider the best ways to invest in our future. What should Bloomington look like in another 50 years? How do we continue to make Bloomington a place people choose to be?

Choosing a place to live or do business is very personal. When we started envisioning Bloomington as a community of choice, we had to get specific about what it is that draws people to a place.

Strong school systems, thriving parks, pedestrian and cyclist accessibility, public art, and livable neighborhoods all play a big part in attracting and retaining residents and commercial investment. Ensuring the availability of affordable housing in Bloomington is another major priority. We want people who work here to be able to afford to live here, too. Many projects completed in 2019 provided new opportunities for economic diversity to thrive in our city, including approving the opportunity housing ordinance and affordable housing trust fund.

What does it mean to build a community of choice? With every task we tackle, our ultimate goal is to provide services that meet resident and stakeholder needs and make Bloomington an exceptional place where people choose to live, work and play.

From providing fun recreation programs and beautiful parks to ensuring safe neighborhoods, providing high-quality services enhance and protect peoples' lives. Responsible fiscal management also builds the foundation for the City to run smoothly and provide effective, innovative programs and services while keeping in mind ways to evolve to meet future expectations and demands.

The City's Annual Budget for fiscal year 2020 brings together the City Council priorities and financial planning with community needs and expectations. Doing this ensures that the City continues to meet the needs of residents while maintaining its healthy budget.

Renewing community

2019 was a record year with the City collecting more than \$5 million in permit fees for more than \$441 million in new development and property renovations. The City's budget dedicates resources to implement plans for three key growth districts to create higher density, mixed-use and transit-oriented housing, hotel, and commercial development. The

development district strategy also protects and enhances established single-family neighborhoods.

The following projects, most of which meet the City's strategic objective of focused renewal, were approved and are currently under construction:

- The Fenley, a six-story, 402-unit apartment building with 40 units affordable at 80% area median income (AMI).
- 108 Place Apartments, a three-story, 42-unit apartment building with all units affordable at 60 % AMI.
- Friendship Village expansion with 93 independent senior units and a 140-bed senior health center.
- Cambria Suites Hotel, a 164-room hotel with a restaurant, banquet space and a separate attached 7,400-square-foot restaurant.
- Tru/Home2Suites, a four-story, dual flag 182-room hotel.
- Drury Inn, a nine-story, 214-room hotel with a 7,000-square-foot restaurant.
- Hyatt House, a four-story, 151-room extended stay hotel.
- Element by Westin, a seven-story, 144-room hotel.
- HOM Furniture Expansion, a two-story, 103,000-square-foot retail expansion.
- RBCU (Richfield Bloomington Credit Union)-Old Shakopee, a new credit union.
- RBCU (Richfield Bloomington Credit Union)-Lyndale, a two-story, 12,700-square-foot office expansion.
- Fire Station 3, a new two-story, 29,800-square-foot fire station.
- Luther Subaru, a new 37,000-square-foot, two-story auto dealership.
- Skywater Technology Foundry Expansion, a 67,000-square-foot addition to the semiconductor fabrication facility.
- The District, a four-story, 248-unit apartment building with 50 units affordable at 50% AMI.
- Hayden Grove Senior Living, a four-story, 166-unit senior living facility with 34 units affordable at 50% AMI.
- Founder's Ridge Senior Rental, 71 apartments and 40 brownstones.
- Donaldson Expansion, a 14,000-square-foot new industrial building.
- Olive Garden, a new 9,500-square-foot restaurant.

Bloomington Housing Market

The value of the median home rose from \$256,900 to \$283,900, a 10.5% increase. In the past 20 years, the median home value has increased an average of 4.4% annually. This is despite six years in a row of declining value that started in 2008 following the last recession. The 2019 median value of \$283,900 is now 14.5% above the previous cyclical highpoint of \$247,900 set in 2007. A strong development cycle continues for hotel and multifamily properties. In 2020, the City expects continued tax base growth.

Meeting demands for high quality services

Whether it's safe roads, neighborhoods, or tap water, you don't have to look far to find signs of high-quality City services in Bloomington. Resident and business satisfaction with those services and the City in general remained high in 2019, according to the National Citizen Survey™.

A majority of residents gave positive ratings to the City's governance. Eight in ten respondents offered scores of excellent or good to the overall quality of City services and to the customer service provided by employees.

Respondents poured out their praise for Bloomington's drinking water. This year's approval rating of 91% tied for the all-time high since the survey began in 2012. Snow removal was rated in the top 15% of all jurisdictions polled nationwide.

Opportunities for improvement exist. Public transportation and street repair were also identified as not meeting resident needs and expectations. The score for Bloomington's recreation centers was 75%, a decline of 8% since the survey began in 2012.

Overall however, the survey results show that Bloomington continues to have strong livability scores. Ninety-one percent of residents who responded to the National Citizen Survey™ said that Bloomington is an excellent or good place to live.

Most scores for Bloomington's economy were higher than ratings observed around the country. Ratings for Bloomington as a place to work, shopping opportunities, and economic development eclipsed those in comparison communities.

The strength of the City's economy, police, and safety are critical issues respondents identified as priorities moving forward. Nine out of 10 respondents reported feeling safe in Bloomington's neighborhoods and shopping areas.

To ensure Bloomington remains an innovative community, the City Council reviews and prioritizes all property tax-supported City services annually. The most critical property tax-supported services, such as public safety and infrastructure, comprise 70% of the City's total General Fund expenditures. Community development and park maintenance services constitute approximately 20% of each 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.

The City has continued to strengthen itself as an employer of choice for top quality candidates. 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 40 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.

Factors influencing decisions – Strategic Priorities

In 2016, the City Council created the One Bloomington strategic plan to guide the City through the following three years. It has six priorities, which are focused renewal, equity and inclusion, high-quality service delivery, environmental sustainability, community amenities, and community image. The following projects fall within those priority areas and influenced budget decisions in 2020.

Focused renewal

Opportunity housing ordinance

In 2019, the City Council approved the opportunity housing ordinance, which promotes the development of new affordable housing and the preservation of existing naturally occurring affordable housing while furthering private market development in the City. As a result of the ordinance, developers must offer at least 9% affordable units in all newly constructed or renovated housing developments of 20 units or more. The City has also increased flexibility in building and design requirements, reduced fees, expedited the approval process, and increased financial resources available to housing developers as incentives to produce affordable housing.

90-day tenant protection ordinance

The City Council adopted an ordinance that provides protections for existing residents when a sale of a rental property occurs. The protections include a 90-day period limiting rent increases, preventing non-renewal of leases without cause, and a requirement to provide relocation assistance upon failure to comply with the ordinance.

Affordable housing trust fund

In late 2019, the City launched a \$15 million Affordable Housing Trust Fund. The City worked to identify a strategy to raise the needed capital for the affordable housing trust fund without placing any financial burden on taxpayers, leveraging existing City resources

along with assistance from Old National Bank. This is a significant and innovative investment in retaining economic diversity in Bloomington. Few suburban cities have trust funds dedicated to preserving and creating affordable housing. Hennepin County only recently approved \$15 million for a similar countywide trust fund.

Gateway Development District

The City Council approved the creation of the Gateway Development District in 2019, beginning a transformational opportunity in an area of the city where development and redevelopment has been largely overlooked for decades. By encouraging the redevelopment of Bloomington's aging neighborhood commercial centers within the district, the City increases the likelihood of more business owners and residents naming Bloomington as their community of choice. More importantly, the district's focus is on creating a quality place for current residents and businesses by building on past successes, present opportunities, and future trends.

Lyndale Avenue corridor suburban retrofit

The City is making moves to transform the Lyndale Avenue corridor from an auto-oriented, aging thoroughfare into a series of walkable neighborhood centers. To do that, staff partnered with Stantec, a consulting company that specializes in neighborhood redevelopment, and the community to produce a strategic vision and development strategy that builds upon the assets already in the area.

The contract between the City and Stantec was approved by the City Council in September 2019. The project includes significant community engagement and planning will continue well into 2020. The purpose of this work is to attract public and private investment that will create a variety of housing and mobility options, appealing and inclusive public spaces, and vibrant retail environments using suburban retrofit strategy—a process that takes existing spaces and refashions them to create walkable areas that encourage community gathering.

Equity and inclusion

Hiring a Racial Equity Coordinator

The City continues to make progress on the Council's strategic priority of advancing equity and inclusion. Hiring a full-time Racial Equity Coordinator in late 2019 moved this priority forward. The Racial Equity Coordinator is responsible for integrating race and equity principles into all operations, projects, and services of the City. The coordinator will accomplish this through the application and integration of best practices, training City staff, and tracking and measuring outcomes.

Hiring a diverse workforce

The City is also making progress in recruiting and hiring a more diverse workforce. Of the more than 100 individuals hired for full-time City positions since January 2016, 24%

identify themselves as persons of color. Having a workforce that reflects the community we serve builds connections, enhances trust, and expands perspectives, which ultimately results in better service to all residents.

Community engagement events

From the Food for Thought event at the Farmers Market, or the community presentation of the State of the City address, to the free Parks and Pizza dinner, one of the ways the City sought further engagement with residents in 2019 was with these community engagement events.

Hundreds of people attended these events where City councilmembers and commissioners led discussions on topics varying from parks to sustainability and answered resident questions. The goal of these events is to provide opportunities for face-to-face discussions with representatives in order to build more personal connections to City councilmembers and the City as a whole. More of these types of events are planned for 2020.

Community Outreach and Engagement Division

The City's new Community Outreach and Engagement Division (COED) had its first full year of operation in 2019. The group developed its work plan, which includes seven action areas.

One key area is internal support and research. This includes access to an engagement vehicle that will help staff connect directly with community members in an informal way. COED staff also developed a community engagement toolkit with resources and best practices for staff to use when engaging community members as well as language interpreter service training.

The division is also creating a system to coordinate volunteers across the City. This will make it easier for interested people to get involved and for staff to find volunteers to support their programs and services. To continue to provide learning opportunities, COED will host Diversity and Inclusion in Government (DIG) panels and trainings.

High-quality service delivery

Becoming a High Performing Organization

The City is also taking steps to engage employees in new ways and increase efficiency at work. More than 400 employees have completed High Performance Organization (HPO) training and more are scheduled to complete it in 2020.

HPO training is about empowering people at all levels of our organization to demonstrate leadership, participate in decisions, and make improvements in their areas of expertise. This means more people are working to proactively meet the organization's goals.

Environmental sustainability

Bloomington is SolSmart

The City's Sustainability Commission has made significant strides in 2019. One of these strides was working to ensure that Bloomington received SolSmart Gold designation. This recognizes the City's overall sustainable practices and the ease of getting approved for solar panel installation.

Penn American stormwater project

The Penn American District got a stormwater storage update in 2019. This \$12 million project reduced the size, frequency, and duration of surface flooding events, improving public safety and water quality.

With the addition of the new METRO Orange bus rapid transit line and other developments in the area, the City has been looking to reduce flooding for 12 – 15 years. The project was completed in summer 2019. The area was restored to its original condition as green space.

Normandale Lake water quality project wrapped up

One of Bloomington's most-used natural areas is Normandale Lake. Visitors to the area have often complained of the smell and the amount of algae and weeds in the water. In an effort to improve the water quality, the City and the Nine Mile Creek Watershed District drained the lake in 2018. Draining the lake reduced invasive curly-leaf pondweed by freezing the seeds over the winter. The watershed district also worked to reduce algal bloom by applying an alum treatment in the exposed lake bottom in the spring of 2019.

Community amenities and community image

New community center considered

In spring 2019, the City Council directed staff to engage residents and complete a site capacity study for a potential new community center at Valley View Park. In November, staff reported study results back to the Council and community, including input gathered from residents, a traffic and parking study, and site alternatives that showed different scenarios of what a community center in the park could look like.

After much discussion, the City Council did not reach consensus to move forward with a community center design at Valley View Park. The Council decided that the current proposal for a community center at Valley View Park was not viable and no formal action was taken. In 2020, the new City Council will determine its priorities and decide how a community center might fit within them.

Park System Master Plan

In 2019, Parks and Recreation staff began gathering resident input and doing research to craft its Park System Master Plan. The purpose of the Park System Master Plan is to

establish a clear, 20-year vision for the Bloomington park, trail, recreation, and open space systems. There are nearly 9,000 acres of parkland and open space in Bloomington, of which 3,882 acres are City-owned. Nearly 36% of the City's 38.3 square miles is parkland or open space.

New Fire Station 3 broke ground

A few of the City's fire stations are more than 50 years old and no longer meet the needs of the community or the Bloomington Fire Department. One of those facilities, Fire Station 3, is currently being built at 2301 86th Street East. Construction is on schedule, on budget, and expected to be complete in spring 2020. The City is using South Loop funds to build the new station.

Stations 2, 4, 5 and 6 also need to be replaced in the future. Public engagement will be conducted throughout the construction process of these public safety facilities.

Bloomington Ice Garden (BIG) improvements

Construction on many improvements at the Bloomington Ice Garden (BIG) began in 2019. The facility has remained open during the seven-month, \$2.2 million project. While the bulk of the funding came from bonds, approximately \$400,000 originated from other sources, including a \$75,000 Kraft Hockeyville U.S.A. grant awarded to BIG for taking second place in an online voting competition.

Main entryway upgrades include more welcoming features with automatic doors and enhanced lighting. At rinks one and two, locker rooms are being upgraded with separate restroom and shower areas, along with seating that complies with the Americans with Disabilities Act.

Key Changes in the 2020 Budget

The City's budget was challenged by rising health insurance costs, a tight labor market, and fluctuating construction markets. External factors also pressured City resources.

Health Insurance

During the 2020 budget process, the City was faced with health insurance premium increases of 17-28% from our health insurance carrier which would have resulted in an increase to departments of 10% along with a loss to the Employee Benefits Internal Service Fund of over \$764,000. It would also have resulted in a large increase in the portion of health insurance premiums paid by employees. Our insurance broker issued a request for proposals, and only one other carrier responded with an even larger premium increase. These cost increases were unsustainable for both the City and its employees. After meeting with the Employee Benefits Committee and holding an initial round of informational sessions for City employees to share the renewal information, a suggestion from one of our union representatives lead us to look at the Public Employees Insurance Program (PEIP).

PEIP is a health insurance plan open to all public employers in Minnesota, including cities, counties, school districts, and other special jurisdictions. It is created in state statute and governed by the Minnesota Department of Management and Budget. With PEIP, the City has the benefit of being part of a very large risk pool, with over 20,000 enrollees. This provides greater stability in rates from year to year. All employers enrolled in PEIP experience the same annual premium increase from year to year, and over the last 10 years, PEIP has had an average premium increase of just 2.5% per year.

The move to PEIP made strong financial sense for the City and its employees and the Council approved a contract with PEIP for 2020 and 2021. The lower premiums from PEIP resulted in an increase of 3% in charges to departments, a gain of over \$344,000 to the Employee Benefits Internal Service fund to offset losses from previous years, and a decrease to the portion of the premiums paid by employees.

New Compensation Plan

For a large portion of 2019, Human Resources staff, in consultation with supervisors and a consultant, conducted a Compensation Study to evaluate both the market competitiveness and internal equity of our compensation system. While the City has done occasional market studies over the years relative to specific job titles or positions, it has been more than a quarter century since the last full-blown study of the Compensation Plan. To determine market competitiveness, compensation data was collected from other cities and counties in the seven-county metropolitan area. For the internal equity component, employees were asked to complete detailed questionnaires about their positions. These questionnaires were then reviewed by supervisors, HR staff, and the consultant.

The Compensation Plan in the 2020 budget is different from previous years' plans in that it no longer has pay ranges that are entirely step-based. Under a step-based pay range, an employee's pay is determined solely by job title and their length of service in that job title. This allows no opportunity to adjust compensation based on job performance. The 2020 Plan is also different in that it uses open range systems for many fewer positions. Open range systems have a stated minimum and maximum pay but no formal or defined structure for an employee to progress through the range. This has proven to be problematic for the City as it makes it very difficult to maintain internal equity and fairness amongst employees. As a result of these two changes, the proposed 2020 Plan relies much more heavily on hybrid pay structures, which provide defined pay steps early on in the range and then allow for more flexible, performance-based increases as an employee progresses. The proposed 2020 Compensation Plan provides a general wage increase of 3% to all employees, but makes smaller or larger increases to the pay ranges of positions that were found to be inconsistent with the market. Current employees will generally be placed in the first step of their new pay grade that provides at least a 3% pay increase, and will then advance through the new plan over time. Salary and benefit projections with the new Compensation Plan were run in the financial payroll software for both 2020 and 2021 to ensure salary budgets were adequate.

City Council's 2020 Final Approved Budget and Property Tax Levy

On December 2, 2019, the City Council adopted a 2020 property tax levy of \$64,689,863, an increase of 4.75% from the prior year. Of this increase, 3.61% is for City operations and the remaining 1.14% is needed for payments on existing debt. The monthly cost of tax-supported services for the owner of a \$283,900 median-valued home is \$89.62 for 2020. The increase in the tax levy from 2019 is driven in part by increased spending for roads, buildings and parks and a reinvestment in infrastructure built largely in the '50s. Due to construction labor shortages and increases in construction materials, construction costs continue to outpace inflation.

In Minnesota, local governments set a total property tax dollar amount instead of a tax rate as is done in some other states. Following state law, this is prorated to each property based on its value. With this property tax levy, the City's share of 2020 total residential property taxes is 30 cents out of every tax dollar paid. The remaining amount goes to the county, school district and other taxing districts. A study of home sales occurring between October 2017 and September 2018 reflected the increase in value and are the basis for the 2019 assessment for taxes payable in 2020.

Since 1999, the City's annual base property tax levy increase has averaged 3.88% on existing properties. The Bloomington levy impact is lower than 8 of 11 peer communities for median-valued homes in Hennepin County.

This levy funds 69.4% of the City's General Fund budget. The remainder of the General Fund budget is supported by lodging and admission taxes, license and permit fees, grants, and program revenues.

The City used multiyear modeling and industry information to track revenue and expenditures to predict upcoming trends for 2020. City staff also uses a 10-year planning model that considers both the short-term and future needs of the community to recommend a preliminary levy. The City continues to be cost effective in providing quality services that meet public demand.

Conclusion

As one of only 40 cities nationwide to achieve triple-A ratings from all three credit rating agencies, Bloomington is at the top of its class for financial strength and stability. The budget for fiscal year 2020 will maintain the City's strong financial position. With a strong foundation, we're in a good position to make great progress toward our goal of being a vibrant city where people choose to come and stay.

2020 Budget Overview

The budget is the blueprint for services and plans for fiscal year 2020. It communicates the allocation of resources and the plan to achieve the City's goals and objectives.

Adopted 2020 Budget

Budgeted revenues for all funds total \$196,221,615 and budgeted appropriations for all funds total \$195,076,580. The \$1,145,035 difference is for funding future planned capital expenditures and to bring balances in line with fund goals, as appropriate.

General Fund

The General Fund budget is balanced, with both revenues and expenditures equaling \$76,324,689. The General Fund expenditure budget includes a contingency of 2.5% of proposed expenditures or \$1,937,372 that is available for emergencies or unanticipated expenses.

Special Revenue Funds

Budgeted total revenues of all of the Special Revenue Funds equal \$6,941,072. Budgeted expenditures are \$6,914,113.

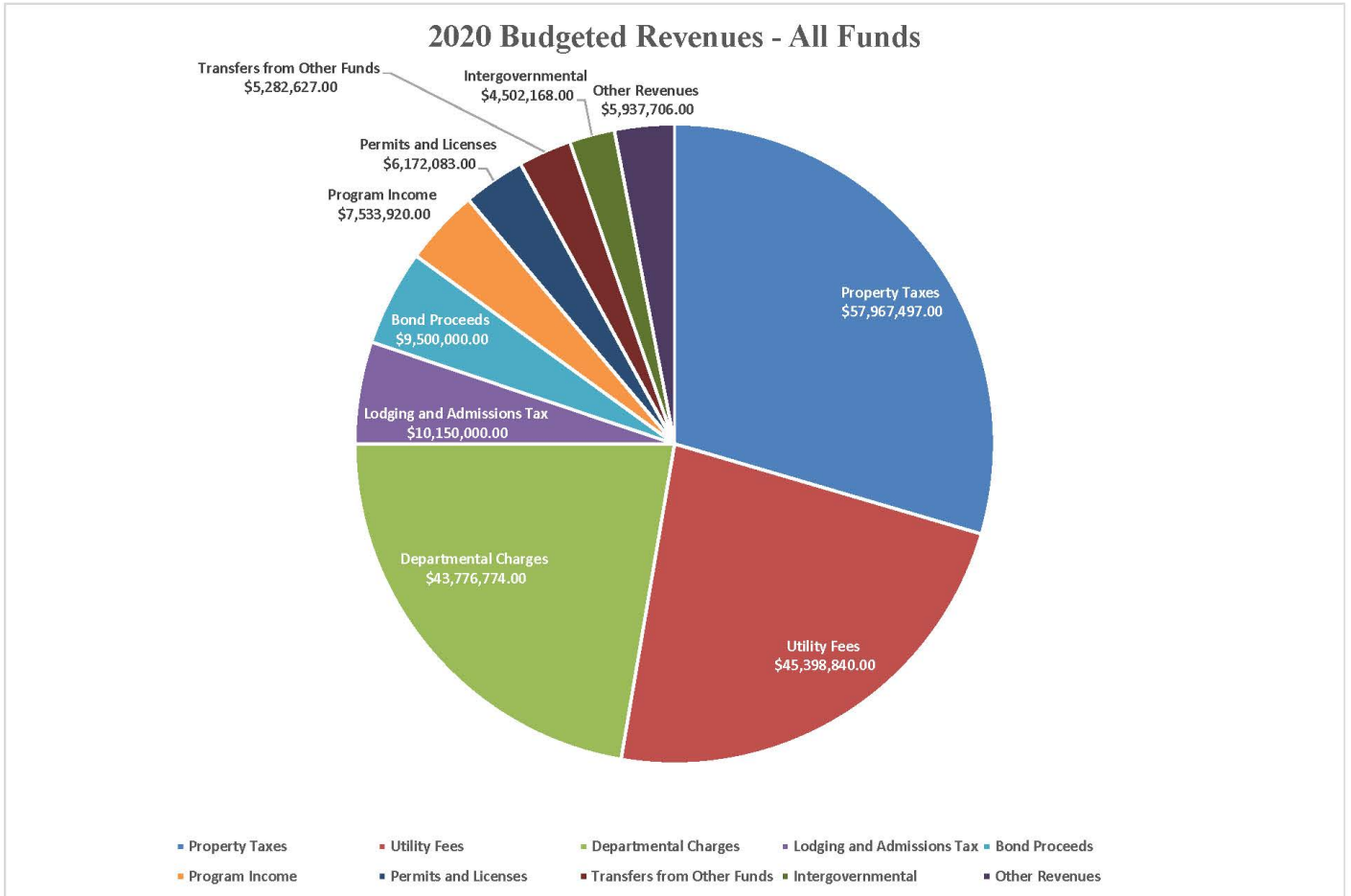
Enterprise Funds

The Enterprise Funds' budgets have total budgeted revenues of \$55,218,991 and expenses of \$53,550,141 resulting in a net increase \$1,668,850. The majority of the budgeted increase is due to accumulating funds in the Wastewater Utility Fund for future asset renewal.

Internal Service Funds

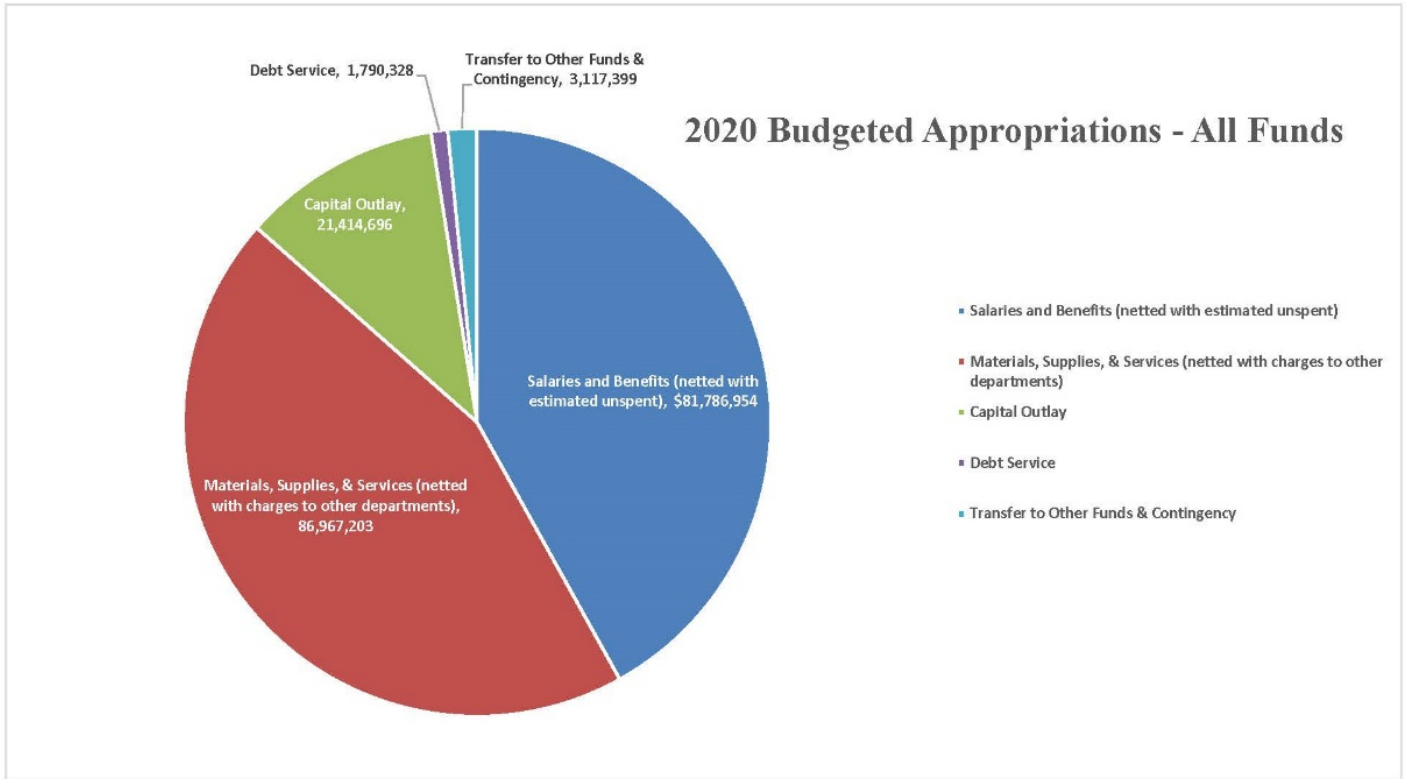
The \$391,334 decrease in the Internal Service Funds results from budgeted revenues of \$54,629,294, being less than the budgeted expenses of \$55,020,628. This is due in part to the Fleet Fund spending down working capital for vehicle purchases as well as a budgeted transfers out of the Self-Insurance Fund. These funds both have 10-year budget models to manage internal fee increases and predict the working capital balance of each fund compared to working capital goals.

Budgeted Revenues – All Funds



Budgeted revenues for all funds total \$196,221,615.

Budgeted Appropriations – All Funds

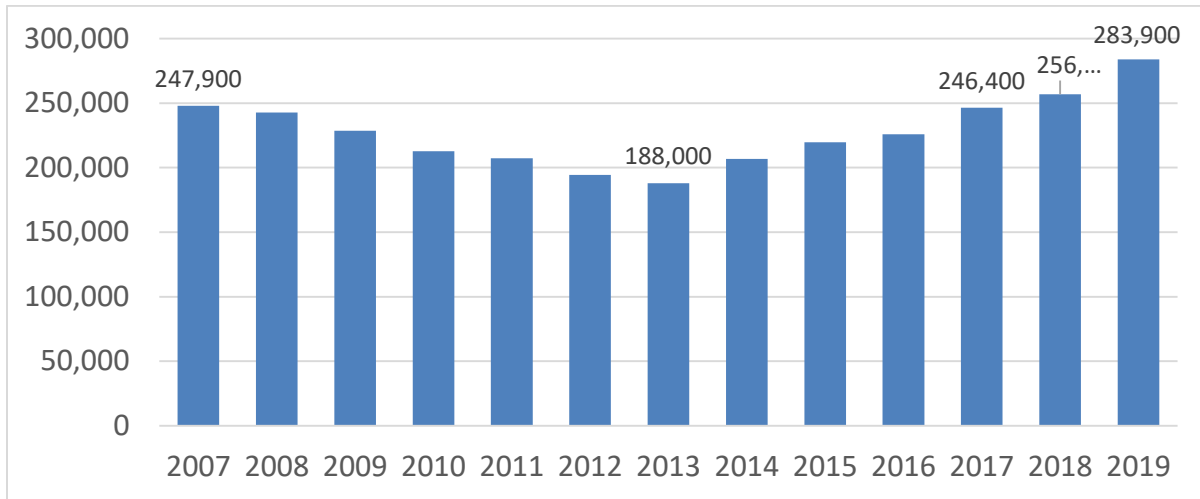


Budgeted appropriations for all funds total \$195,076,580.

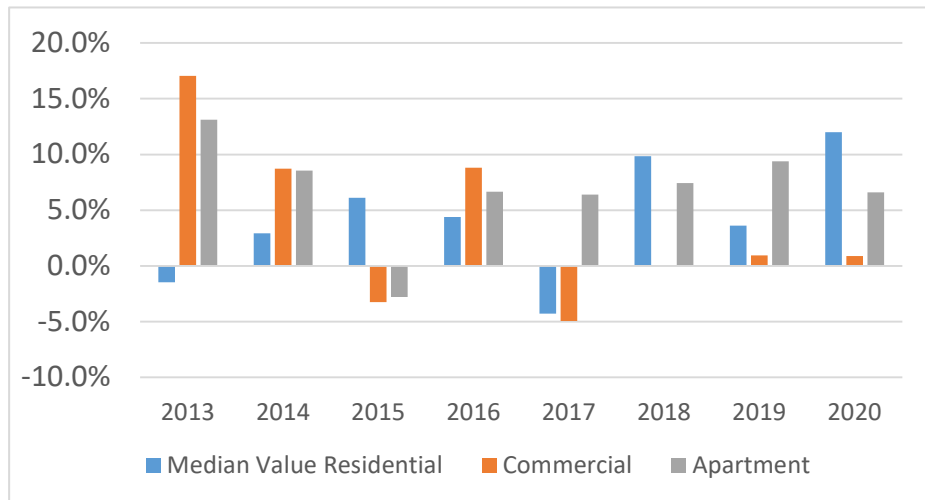
Property Tax Value Information

One of the most difficult concepts of the Minnesota Property System is the proportionate share of the property tax levy. Some states set a mill rate which when applied to the home value creates a property tax similar to a sales tax. In Minnesota, taxing jurisdictions (Cities, Counties, and School Districts) set a total property tax levy (tax dollars) and each individual property's market value gets a proportionate share of the taxing jurisdiction's tax dollars. Therefore, if residential property values increase more than commercial values, residential property values will take on more of the share of the tax levy. This was the case for the property valuations effecting tax levy 2020 as residential home values saw a large increase compared to modest growth experienced in commercial property values.

Median Value Home Values:



City Tax Percentage Change:



Property Tax Levy Components

The dollars levied in 2020 by levy category as compared to the 2019 levy are illustrated in the following table:

	2019 Tax Levy	2020 Tax Levy	\$ Change	% Change to Overall Tax Levy
General Revenues:				
General Fund	\$51,372,396	\$54,041,504	\$2,669,108	
Communications	\$150,000	\$250,000	\$100,000	
Motor Vehicle	\$125,000	\$125,000	\$0	
Forestry / Diseased Trees	\$185,000	\$185,000	\$0	
Sustainability Move to General fund	\$163,000		(\$163,000)	
Fire Pension	\$1,050,000	\$1,050,000	\$0	
Strategic Priorities	\$500,000		(\$500,000)	
Aquatics	\$1,184,606	\$1,226,000	\$41,394	
Art Center	\$1,000,000	\$1,000,000	\$0	
Golf	\$300,000	\$300,000	\$0	
Ice Garden		\$80,000	\$80,000	
Tax Abatement	\$950,000	\$950,000	\$0	
Total General Revenues	\$56,980,002	\$59,207,504	\$2,227,502	3.61%
Debt Service	\$4,776,430	\$5,482,359	\$705,929	1.14%
Total Tax Levy	\$61,756,432	\$64,689,863	\$2,933,431	4.75%



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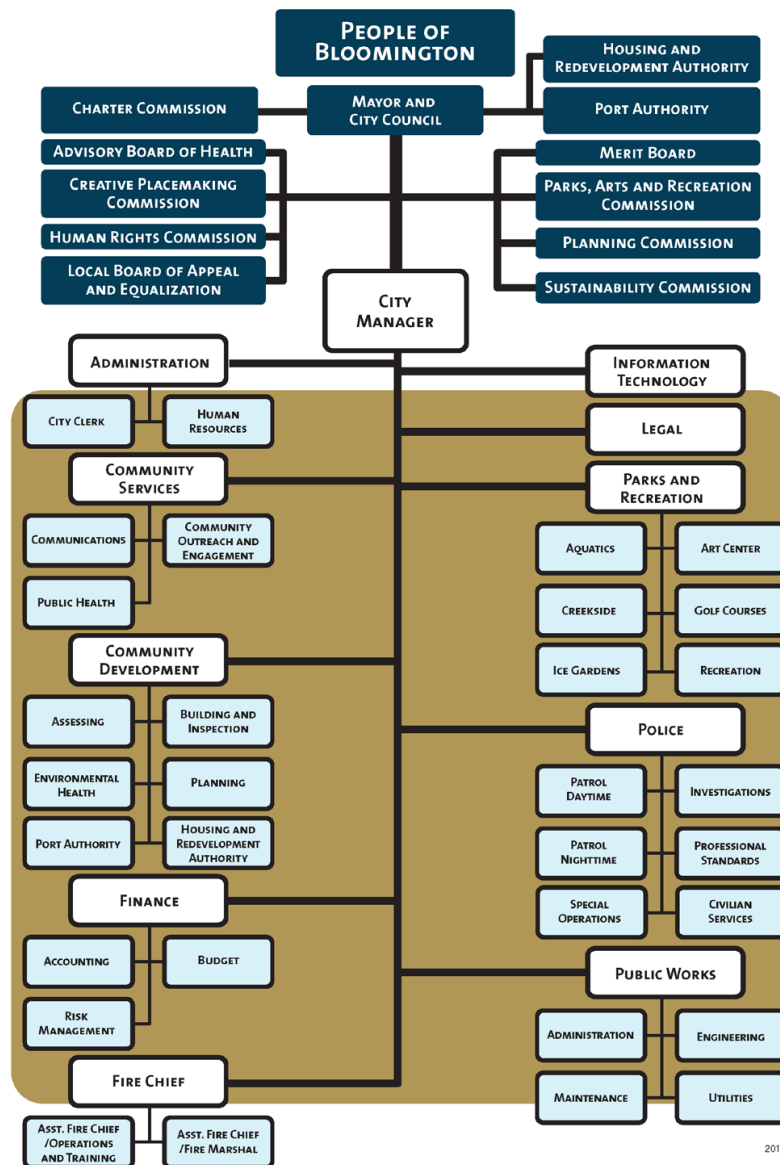
FINANCIAL STRUCTURE, POLICY AND PROCESS



Organization Structure and Chart

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

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



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Fund Descriptions and Structure

Fund Accounting

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

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

Governmental Funds

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

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

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

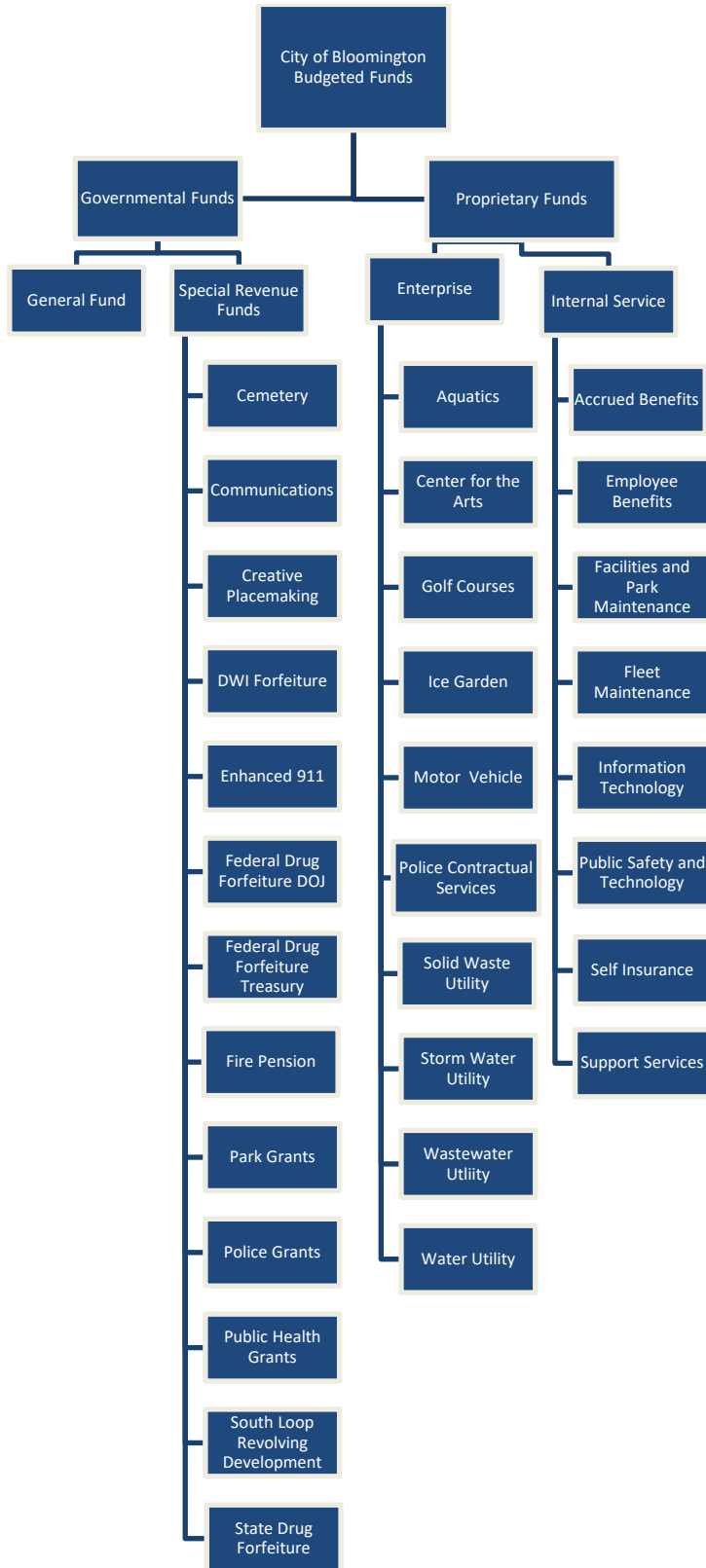
Capital Funds - Capital funds are used to account for financial resources to be used for the acquisition or construction of major capital projects that are not financed by the proprietary funds. (Capital funds are not included in the annual budget process. The Council separately approves the annual Capital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

Proprietary Funds

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

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

Budgeted Fund Structure



Budgeted Fund Descriptions

1. General Fund: The general fund is the basic operating fund of the City. The main source of revenue for the General Fund is property tax. It contains the following department activities:

- Administration
- City Council and Commissions
- Legal
- Finance
- Police
- Fire
- Community Development
- Community Services
- Parks and Recreation
- Public Works

Special Revenue Funds:

2. Cemetery

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

3. Communications

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

4. Creative Placemaking

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

5. DWI (Driving While Intoxicated) Forfeiture

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

6. Enhanced 911

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

7. Federal DOJ (Department of Justice) Drug Forfeiture

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

Treasury. DOJ forfeitures are kept in a separate fund and bank account from other City funds in compliance with U.S. Department of Justice guidelines.

8. Federal Treasury Drug Forfeiture DOT

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

9. Fire Pension

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

10. Park Grants

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

11. Police Grants

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

12. Public Health Grants

The Public Health Grant Fund was established to accommodate larger Public Health grants, especially those that result in the hiring of full-time staff. The current grants in this fund are stable but are static in their funding.

13. South Loop Revolving Development Services

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

14. State Drug Forfeiture

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

Enterprise Funds:

15. Aquatics

The Aquatics Enterprise Fund includes the Bloomington Family Aquatic Center and Bush Lake Beach. The Bloomington Family Aquatic Center is an eight lane, 50 meter lap pool with a zero-depth entry. The facility also has two looping water slides and a concessions operation. Bush Lake Beach is a key component of the Hyland-Bush-Anderson Lakes Regional Park Reserve that provides outdoor

recreation opportunities. The paid parking lot off of East Bush Lake Road provides access to a designated swimming area, indoor restrooms, fishing docks, a playground, volleyball court, picnic shelter, and access to several walking and hiking trails

16. Center for the Arts

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

17. Golf Courses

The Golf Enterprise Fund includes two golf courses operated by the City of Bloomington - Dwan and Hyland Greens. Dwan Golf Course is an award-winning 18-hole regulation length golf course that is home to a wide variety of weekly leagues and groups. Hyland Greens is the smaller of the two golf courses and has a driving range.

18. Ice Garden

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

19. Motor Vehicle

The Motor Vehicle/Deputy Registrar Office has provides driver's license and motor vehicle license services. For every transaction processed at the registrar office, the filing fee portion stays in Bloomington to support the City's ability to offer this service at the local level. Services provided include license tab renewals, driver's license renewals, and vehicle registrations.

20. Contractual Police Services

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

21. Solid Waste Utility

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

22. Storm Water Utility

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

23. Wastewater Utility

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

24. Water Utility

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

Internal Service Funds

25. Accrued Benefits

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

26. Employee Benefits

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

27. Facilities and Parks Maintenance

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

28. Fleet Maintenance

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

29. Information Technology (IT)

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

30. Public Safety Technology and Equipment

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

31. Self-Insurance

The Self-Insurance Fund pays all costs related to the administration of the City's self-insured workers' compensation program, including costs associated with hiring a Third Party Administrator and reinsurance premiums assessed by the Workers Compensation Reinsurance Association as required by law. In addition, this fund pays the insurance premiums for the City's property/casualty

insurance program, made up of municipal liability, auto, and property coverage obtained through the League of Minnesota Cities Insurance Trust (LMCIT), as well as all claims payments and expenses incurred by LMCIT on the City's behalf subject to each policy's deductible.

32. Support Services

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

Department / Fund Relationship

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

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

Basis of Accounting and Basis of Budgeting

Basis of Accounting

The City's basis of Accounting is consistent with Generally Accepted Accounting Principles (GAAP). For the Governmental Funds such as the General Fund and Special Revenue Funds a modified accrual basis of accounting is used which means that revenues considered to be both measurable and available for funding current appropriations are recognized when earned. "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. Revenues that are not susceptible to accrual include fees and miscellaneous revenues that are only recorded 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.

Also in accordance with GAAP, Proprietary Funds such as the Enterprise Funds and Internal Service Funds use the full accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded at the time liabilities are incurred. For example, unbilled utility service receivables are recorded at year-end in the Utility Enterprise Funds.

Basis of Budgeting

For the General Fund and Special Revenue Funds, the City uses the same modified accrual basis of budgeting as the basis of accounting.

For the Enterprise and Internal Service Funds, the City uses the full accrual basis of accounting with the following exceptions to ensure that there is adequate liquid assets (cash on hand or assets that can be readily converted to cash) available for short-term and long-term expenses:

- **Capital Outlay** - The Budgetary Basis for Enterprise and Internal Funds includes expenses for capital outlay, which are not considered expenses in the full accrual basis of accounting. In full accrual basis accounting, capital is put on the balance sheet as an asset and then recognized as depreciation expense over the life of the asset.

- **Depreciation and Amortization** - The Budgetary Basis for Enterprise and Internal Funds does not include depreciation or amortization which are considered expenses on the accrual basis of accounting, but not for budget since these items do not require a cash outlay.
- **Bond Proceeds and Debt Service Payments** – The Enterprise and Internal Fund budgets reflect bond proceeds as revenue when the actual cash is received from selling bonds and recognize the expense for principal debt service payments when the payments are made. For full accrual basis accounting, bond proceeds are not recorded as a revenue, but instead they are recorded as a long-term liability and debt service payments are not recorded as an expense, but as a reduction of the long-term liability.

Funds with Budget Basis vs Accounting Basis Differences

	Capital Outlay (Budgeted)	Depreciation Expense (Not Budgeted)	Bond Proceeds (Budgeted)	Debt Service Payments (Budgeted)
Enterprise Funds				
Aquatics	X	X		
Center for the Arts	X	X		
Golf Courses	X	X		
Ice Garden	X	X	X	X
Motor Vehicle	X	X		
Stormwater Utility	X	X	X	X
Wastewater Utility	X	X		
Water Utility	X	X	X	X
Internal Service Funds				
Facilities and Parks Maint.	X	X	X	X
Fleet Maintenance	X	X		
Information Technology	X	X		
Public Safety Tech. & Equip.	X	X		
Support Services	X	X		



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POLICIES

Note: The following policies are paraphrased. The entire text can be found on the City's website – <https://www.bloomingtonmn.gov/fin/finance-department>

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).

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:
- Budget compilation
 - Budget monitoring
 - Central purchasing (see Purchasing Policy and P-Card Policy)
 - Income and expenditure projections
 - Capital improvement financing
 - Risk management (see Risk Management Policy and Self-Insurance Reserve Policy)
 - Screening of Conduit Debt applications (see Conduit Debt Policy)
 - Cash and investment management
 - Monitoring financial data for warning signals or trends
 - Preparation of financial summary reports for key funds at least quarterly
 - Maintain a detailed inventory listing of all material fixed assets so as to adequately ensure proper accounting of assets.
 - "Project Financial Analysis" to be presented as part of any proposal to the Council in connection with any new or expanded operating or capital improvement programs and other projects. The objective of the financial analysis is to provide the best possible estimate of expenditures, revenues, and staffing impacts of a proposed project. The financial analysis should be factual, informative, and concise which should enable the Council to make intelligent and informed decisions.
 - Payroll
 - Accounts Receivable
 - Receipts, Collections, and Customer Billing
 - Accounts Payable
- B. The City will maintain a program for the investment of funds consistent with the City's Investment Policy.
- C. The City will strive to maintain an undesignated and unreserved General Fund Balance in the range of 35%-40% of the General Fund revenues and/or expenditure of a balanced budget for the following year. Currently, the General Fund, Fund Balance is at 35%. Annually, the goal is to increase the Fund Balance ratio by 1.00% until the Fund Balance reaches the 40% ceiling. If the City has more than the required annual Fund Balance level, after each incremental 1.00% increase, any excess may be used as the City Council designates.
- 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 Bloomington Fire Department Relief Association 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 Manager, Chief Financial 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. Department Directors shall be

responsible for contacting the Chief Financial Officer or Budget Manager should there be any questions regarding financial management or if the issue or concern is related to internal controls. The Chief Financial Officer and Budget Manager will monitor overall budget operating progress routinely throughout the year. The city manager must strictly enforce the provisions of the budget. The city manager cannot approve any order upon the city chief financial officer 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 as defined in City Charter Sections 6.07 and 6.08 except for a purpose and up to the amount authorized in the budget resolution.

- 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. Each year the City will certify only the following year's budget and levy to Hennepin County.
- 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 types 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 Achievement for 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. Any negative variance in any revenue or spending category for their department as a whole projected to exceed \$100,000 by year-end will be reported in writing to the Chief Financial Officer and the City Manager.
- 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.
- R. The City will strive to obtain each year the GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting.
- S. The City will adopt a balanced General Fund budget where revenues offset expenditures without the use of reserves.

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. The following year's budget will be adopted with the year after that conceptually approved on a cycle consistent with 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, shall follow the procurement policy for appropriate dollar levels of authorization.
- D. 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.
- E. 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.
- F. 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. For example, the 2006 per capita debt limit was \$3,502, which translates into a cap of \$ 2,626. Net debt as defined here is to include Port Authority and HRA debt.
- D. Net general obligation debt (as defined above) will not exceed the statutory limit of 2% of the estimated Full Market Value of taxable property in the City as required by Minnesota 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.
- H. 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. The City will aggressively protect its rights to any positive balance in the Fire Relief Funds. Where appropriate, the City will utilize the 10% reduction allowed by Minnesota Statute, Section 69.773, Subd. 4, to reduce the Fire Pension tax levy. Any unfunded actuarial accrued liability calculated will be amortized over a period of 20 years effective December 31 in the year of the change according to Minnesota Statute, Section 69.773, Subd. 4.
- I. 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.

TAX INCREMENT POLICY

For the purpose of this Policy, the term “City” or “City of Bloomington” includes the City of Bloomington, the Housing and Redevelopment Authority in and for the City of Bloomington (HRA), and the Port Authority for the City of Bloomington (Port Authority).

The City of Bloomington is granted the power to utilize Tax Increment Financing (TIF) pursuant to the Minnesota Tax Increment Financing Act, Minnesota State Statutes 469.174 through 469.1794. The fundamental purpose of TIF is to encourage desirable development or redevelopment that would otherwise not occur but for the assistance provided through TIF.

Policy Purpose: To establish the City of Bloomington’s position relating to the use of Tax Increment Financing for private development above and beyond the requirements and limitations set forth by State Law. This policy shall be used as a framework for the review and processing of TIF applications in an equitable and consistent manner.

Objectives: Tax increment financing uses the increased property taxes generated by new real estate development within a tax increment district to pay for certain eligible costs associated with the development. As a matter of adopted policy, the City will consider using TIF to assist private development projects that will achieve one or more of the following objectives:

- To create opportunities for affordable housing, with an array of housing choices that meet the needs of current residents, and attract new residents to the City.
- Projects that improve the quality of life in the City by providing a desirable good or service and address an unmet demand in the community.
- To retain local jobs and/or increase the number and diversity of jobs that offer stable employment and/or attractive wages and benefits.
- Projects that provide value in the forms of needed transportation and other utility infrastructure improvement that would be completed in conjunction with the project.
- To facilitate the development process and to achieve development on sites which would not otherwise be developed but for the use of TIF.
- To support neighborhood retail services, commercial nodes, and employment.
- To contribute to the implementation of other public policies, as adopted by the City from time to time, such as the promotion of quality urban or architectural design, energy conservation, sustainability, and decreasing capital and/or operating costs of local government.
- To remove blight and/or encourage redevelopment of commercial and industrial areas in the City that will result in high quality redevelopment and private reinvestment.
- To encourage additional private development in the area, directly or indirectly, through “spin off” development.
- To offset increased costs of redevelopment (such as, contaminated site clean-up) over and above the costs normally incurred in development.
- To promote development consistent with the City’s Comprehensive Plan.

General TIF Policies

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. Each proposed project must satisfy at least one of the objectives set forth above.
3. Tax increment financed projects, and all other capital projects, of the Port Authority and the HRA shall be included in the City’s 5-Year Capital Improvement Program each year for prioritizing.
4. The City will not approve any new tax increment district if the resulting total projected captured increment tax capacity (net of the City’s estimated contribution to the fiscal disparities pool) of all tax increment districts and abatement districts in the City (including the proposed district, but excluding TIF

Project Numbers 1359 and 1369) exceeds 15.0 % of the total projected net tax capacity of all taxable property (including the proposed district) in the City (termed "Tax Capacity Used for Local Rate" by Hennepin County Taxpayer Services). Further, to allow for flexibility in the future this 15.0% shall be considered allocated between the City and the component governmental units within the ranges expressed below:

City	0.0% to 5.0%
Port Authority	0.0% to 5.0%
HRA	0.0% to 5.0%
Total	0.0% to 15.00%

5. Any proposed alteration of this allocation can only be changed by a super majority (5/6 vote) of a committee comprised of the City's Chief Financial Officer, Port Authority Administrator, Housing & Redevelopment Administrator, City Manager, Community Development Director and the City Attorney.
6. The City will not consider tax increment financing requests for retail, service, industrial, hotel or office development projects that lie outside City approved redevelopment, development, or economic development districts.
7. Types of tax increment financing:
 - a. Tax increment financing will not, unless approved by a 5/7 vote of all members of the 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 all members of the City Council, that:
 - c. 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
 - i. No other, better, financing alternative exists, and
 - ii. 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.
8. As required by State law, each 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. Response from these agencies received within 30 days of notification, if any, shall be forwarded to the City Council prior to approval of the plan. The City will take into consideration any official county request to fund county road costs resulting from the tax increment plan. If funds for the project are not sufficient to cover such expenditures, the TIF plan would not proceed.
9. The City reserves the right to approve or reject the use of TIF, the amount of TIF, and the total term, on a case by case basis, taking into consideration established policies, project criteria, and demand on services in relation to the potential benefits from the project.
10. The applicant will pay for all legal and consultant costs associated with the preparation, processing, review and actual use of TIF. The applicant will submit to the City a deposit equal to the total estimated costs for legal and consultant fees. The City will draw upon these funds to pay all related expenses.
11. The applicant will also pay to the City a separate non-refundable application fee to reimburse staff costs and cover all other City related costs associated with the processing of the TIF request.
12. Projects utilizing TIF are responsible for paying their share of Fiscal Disparities contributions from the project.
13. The City's consultant shall prepare the TIF plan and the applicant will provide to the City and its consultant all information necessary to conduct a financial analysis of the proposed project.
14. The applicant will be required to comply with the City's Business Subsidy Policy.

Application Process

1. Applicant submits the completed application along with a non-refundable initial application fee. The applicant will work with City staff to assure all appropriate information is supplied.
2. City staff reviews the application and completes the Application Review Worksheet.
3. Results of the Application Review Worksheet are submitted to the appropriate governing authorities for preliminary approval of the proposal.
4. If preliminary approval is granted, the applicant shall submit a deposit for legal and consultant costs. Additional deposits from the applicant may be required to pay all fees and expenses incurred by the City.
5. The process of negotiating a contract for private development commences between the City, Port Authority, and/or the HRA.
6. The Tax Increment Financing Plan, along with all necessary notices, resolutions, and certificates are prepared by City staff and/or consultant(s) and sent to the county and the school board.
7. Public Hearing notices are published.
8. Public hearing(s) on the proposed project are held.
9. The City Council grants final approval or denial of the proposal.
10. If the HRA or Port Authority are involved, the applicable board of the HRA or Port Authority must also provide approval of the proposal.

Data Practices Law

The City is a governmental body and is subject to the requirements of Minn. Stat. Chapter 13 (the “Minnesota Government Data Practices Act”). Some of the data provided by the applicant to the City as part of the application for a Tax Increment Financing may be required to be disclosed if requested pursuant to the Minnesota Government Data Practices Act.

Amendments to Tax Increment Financing Act

The references to the Tax Increment Financing Act in this Tax Increment Policy shall include any and all amendments to the Tax Increment Financing Act that are made after this policy is adopted.

ABATEMENT DISTRICT POLICY

The City of Bloomington is authorized by Minnesota Statutes Sections 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;
 5. Help provide access to services for residents of the City of Bloomington;
 6. Finance or provide public infrastructure; or
 7. 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.
- C. 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 net tax capacity of the City for taxes payable in the year in which the abatement applies or \$200,000 if levy is less than \$2,000,000.
- D. Any new abatement district or new tax increment district shall not exceed the monetary limitations set forth in Section 4 of the City’s Tax Increment Policy.

- E. The City of Bloomington will consider all proposals eligible for abatement districts before adopting an abatement district for any project. The City may grant an abatement for a period no longer than fifteen years. The duration may increase to twenty years in the event either the school district or the county chooses to decline the abatement or if 90 days pass after the school district or the county receive the City's abatement request and no response is provided.
- 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 grants of \$25,000 or more or loans of \$75,000 or more. Unless an exception to the Business Subsidy Law applies, 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 as provided in Section 469.1814, subd. 5 of the Abatement Act, (3) to reimburse the property owner for the cost of improvements made to the property, or (4) to pay the cost of issuance of the bonds.
- H. Data Practices Law. The City is a governmental body and is subject to the requirements of Minnesota Statutes Chapter 13 (the "Minnesota Government Data Practices Act"). Some of the data provided by the applicant to the City as part of the application for tax abatement may be required to be disclosed if requested pursuant to the Minnesota Government Data Practices Act.
- I. Amendments to Abatement Act. The references to the Abatement Act in this Abatement District Policy shall include any and all amendments to the Abatement Act that are made after this Policy is adopted.

BUSINESS SUBSIDY POLICY

The following are Bloomington's guidelines for the granting of Business Subsidy to a business or developer. Meeting the criteria does not guarantee a project will be approved, nor does it create any contractual rights on the part of the business or developer requesting assistance. The granting or denial of a request for Business Subsidy is at the sole discretion of the Grantor.

Any Business Subsidy identified under Minnesota Statutes, Sections 116J.993 through 116J.995 as a "Business Subsidy" is covered under these policies.

A. Definitions

Benefit Date means the date that the recipient receives the Business Subsidy. If the Business Subsidy involves the purchase, lease, or donation of physical equipment, then the Benefit Date begins when the recipient puts the equipment into service. If the Business Subsidy is for improvements to property, then the Benefit Date refers to the earliest date of either: (i) when the improvements are finished for the entire project; or (ii) when a business or developer occupies the property.

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. Certain forms of financial assistance set forth in Section 116J.993, subd. 3 of the Business Subsidy Act are not considered a Business Subsidy.

Business Subsidy Act means Minnesota Statutes, Sections 116J.993 to 116J.995, as hereinafter amended.

City means the City of Bloomington.

Criteria means those elements considered by a Grantor as a guide in the consideration of each requested Business Subsidy. Meeting the Criteria does not mean that a project will automatically be approved nor does it create any contractual rights on the part of any applicant.

Development Agreement means a document between the Grantor and Recipient outlining the terms and conditions under which the 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 or any nonprofit business entity meeting the requirements of Section 116J.993, subd. 6 of the Business Subsidy Act that receives a Business Subsidy.

Subsidy Agreement means an agreement between a Grantor and a Recipient that meets the requirements of Section 116J.994, subd. 3 of the Business Subsidy Act. The Subsidy Agreement may be incorporated into a broader Development Agreement for a project.

B. Business Subsidy Criteria

The Criteria set forth in this section establishes minimum requirements that a Recipient must meet in order to be eligible to receive a Business Subsidy. The Grantor reserves the right to approve a project that varies from the Criteria if a Grantor determines a valid public purpose will be served. Criteria may be amended subject to a public hearing, the notice of which shall be published ten days prior to the hearing.

A description of the Criteria is set forth below:

- The request for Business Subsidy must meet a “public purpose.” The public purpose may not be limited to an increase in tax base. Examples of public purposes are contained in Section J.
- The project is unlikely to go forward “but for” the Business Subsidy.
- Developers or businesses receiving a 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. A Grantor can conditionally approve a request for Business Subsidy; if changes in the Comprehensive Plan, the zoning ordinance or other local laws or policies are under active consideration by the City.
- The Recipient must demonstrate the ability to develop the type and size of project proposed. Upon request, the Recipient must provide a pro forma showing all sources and uses of funds, market and financial feasibility studies, appraisals, environmental reports (if applicable), information provided to private lenders regarding the project, or other information or data that the Grantor, or its financial advisor, requests in order to independently determine the need for a Business Subsidy. A Grantor may also rely on data provided by an applicant to a financial institution.
- 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 financially feasible.
- The project will effectively utilize investments in existing public infrastructure and (if applicable) support public services such as transit.

C. Job and Wage Goals

- Unless the creation of jobs is removed from a particular project pursuant to the requirements of the Business Subsidy Act, the creation of jobs is a public purpose for granting a subsidy. Creation of at least 10 Full-Time Equivalent (FTE) jobs (retained or created) is a minimum requirement for consideration of assistance. The goals for the number of jobs to be created or retained must result in job creation or retention by the Recipient within the Grantor's jurisdiction overall.
- The wage floor for wages to be paid for the jobs created shall be not less than 175% of Minnesota State minimum wage. The City will seek to create jobs with higher wages as appropriate for the overall public purpose of the subsidy. Wage goals may also be set to enhance existing jobs through increased wages, which increase must result in wages higher than the minimum under this Section.
- The wage and job goals set forth in this section must be satisfied within two years of the Benefit Date.
- The wage and job goals may be set at zero if the Grantor determines that creation or retention of jobs is not an objective.

D. Requirements for Business Subsidy Recipients

The Recipient of a Business Subsidy must satisfy the following requirements:

- The Recipient must retain ownership of the project at least until the project is completed, a certificate of occupancy is obtained, and the business is operational.
- The Recipient or successor must continue operations at the site where the Business Subsidy is used for at least five years from the Benefit Date.
- The Recipient of a Business Subsidy must meet the wage and job goals set forth above.

E. Business Subsidy Agreements

Any Recipient receiving a Business Subsidy will be required by the Business Subsidy Act to enter into a Subsidy Agreement with the Grantor outlining the terms and conditions under which the Business Subsidy will be provided.

The Subsidy Agreement between the Grantor and the Recipient must meet the requirements set forth in Section L and all other requirements of the Business Subsidy Act and any other requirements which may be incorporated into the Development Agreement for the project.

For a Business Subsidy subject to Section 116J.994, subd. 5 of the Business Subsidy Act (those Business Subsidies exceeding \$150,000), the Grantor must hold a public hearing with a public notice published in the official newspaper at least ten days before the public hearing. The notice must be sufficiently conspicuous in size and placement, make the information available in printed paper copies, and be posted on the City's website.

The Business Subsidy Agreement must be approved by the governing body of the Grantor, and if the Grantor is not the City, the Business Subsidy Agreement must also be approved by the City Council. The Business Subsidy Agreement must be executed by both the Grantor and the Recipient.

F. Exemptions

Under Section 116J.993, subd. 3 of the Business Subsidy Act, a Recipient proposing activities contained in Section K is exempt from the requirements of the Business Subsidy Act. Requests for financial assistance that are exempt from the Business Subsidy Act are still subject to review and approval of the Grantor. The granting of such assistance is at the sole discretion of the Grantor and may be subject to other regulatory requirements and/or policies.

G. Application Process

Business or developers seeking a Business Subsidy must complete an application for assistance. The Grantor may request additional information from the developer or business to determine whether the request for a Business Subsidy is consistent with the Grantor's policies. Failure to provide requested information will result in denial of the request for a Business Subsidy.

H. Fees

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

I. Reports

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

J. Examples of Subsidy Public Purposes

Grantors may consider the following public purposes, among others, when considering the applicant's request:

- The project provides a service or meets a consumer need not currently met or which is underserved in the City.
- The project represents a significant investment in an area of the City that is economically depressed.
- The project will remove blighting influences or rehabilitate an area of the City in need of revitalization.
- The project will stimulate additional capital investment and act as a catalyst for future (re)development.
- The project will enhance the value of surrounding properties, stabilize the area or foster a "sense of community".
- The project will anchor a needed commercial center in the City.
- The project will enhance the viability of other businesses in the City.
- The project will assist in the orderly growth of the City and generate significant economic spin off.
- The project will prevent the closure of businesses due to merger, physical expansion, change in market or economic factors, downsizing, and other factors of business needed in the community.
- The project will employ underserved people in the community who are not fully employed.
- A Business Subsidy will permit the project to employ more people, pay higher wages, be of better quality, or in some way be of more value to the City.
- The project will provide a needed service in the City, including but not limited to health care or social services.
- The project will include necessary environmental clean-up of a site for development.
- The project will preserve or increase the City's tax base.

NOTE: By state law, increasing the tax base may not be solely used as a public purpose, nor can job retention be used unless job loss is specific and demonstrable.

K. Exemptions from the Business Subsidy Act

Section 116J.993, subd. 3 of the Business Subsidy Act provides that the following forms of assistance are not a Business Subsidy within the meaning of the Business Subsidy Act;

- A business subsidy of less than \$150,000, (although certain exceptions exist for business loans and guarantees);

- Assistance that is generally available to all businesses or to a general class of similar businesses, such as a line of business, size, location, or similar general criteria;
- Public improvements to buildings or lands owned by the state or local government that serve a public purpose and do not principally benefit a single business or defined group of businesses at the time the improvements are made;
- Redevelopment of property polluted by contaminants as defined in Section 116J.552, subd. 3 of the Business Subsidy Act;
- Assistance provided for the sole purpose of renovating old or decaying building stock or bringing it up to code, and assistance provided for designated historic preservation districts, provided that the assistance is equal to or less than 50 percent of the total cost;
- Assistance provided to organizations whose primary mission is to provide job readiness and training services if the sole purpose of the assistance is to provide those services;
- Assistance of (exemptions) housing;
- Assistance for pollution control or abatement, including assistance for a tax increment financing hazardous substance subdistrict as defined under Minn. Stat. Section 469.174, subd. 23;
- Assistance for energy conservation;
- Tax reductions resulting from conformity with federal tax law;
- Workers' compensation and unemployment compensation;
- Benefits derived from regulation;
- Indirect benefits derived from assistance to educational institutions;
- Funds from bonds allocated under Chapter 474A, bonds issued to refund outstanding bonds, and bonds issued for the benefit of an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1999;
- Assistance for a collaboration between a Minnesota higher education institution and a business;
- Assistance for a tax increment financing soils condition district as defined under Minn. Stat. Section 469.174, subd. 19;
- Redevelopment when the recipient's investment in the purchase of the site and in site preparation is 70 percent or more of the assessor's current year's estimated market value; and
- General changes in tax increment financing law and other general tax law changes of a principally technical nature;
- Federal assistance until the assistance has been repaid to, and reinvested by, the state or local government agency;
- Funds from dock and wharf bonds issued by a seaway port authority;
- Business loans and loan guarantees of \$75,000 or less;
- Federal loan funds provided through the United States Department of Commerce, Economic Development Administration;
- Property tax abatements granted under Minn. Stat. Section 469.1813 to property that is subject to valuation under Minnesota Rules, Chapter 8100; and
- Such other exemptions as provided by amendments to Section 116J.993, subd.3 of the Business Subsidy Act, as it may be amended.
- Requests for subsidies exempt from the Business Subsidy Act are still subject to review and approval of the Grantor. Such approval is at the sole discretion of the Grantor.

L. Requirements for Subsidy Agreements

Section 116J.994, subd. 3 of the Business Subsidy Act requires a Recipient must enter into a Subsidy Agreement with a Grantor that includes the following:

- A description of the subsidy, including the amount and type of subsidy and type of district if the subsidy is tax increment financing;
- A statement of the public purposes for the subsidy;
- Measurable, specific and tangible goals for the subsidy;

- A description of the financial obligation of the recipient if the goals are not met;
- A statement of why the subsidy is needed;
- A commitment to continue operations at the site where the subsidy is used for at least five years after the Benefit Date;
- The name and address of the parent corporation of the recipient, if any;
- A list of all Business Subsidies by all grantors for the project;
- Wage and job goals;
- Agreement to repay all or a portion of the subsidy if the business subsidy goals set forth in the Development Agreement are not met; and
- Such other requirements as set out in Section 116J.994, subd. 3 of the Business Subsidy Act.
- If a successor takes over operations within the five years from the Benefit Date, the Recipient is responsible to notify the Grantor

M. Data Practices Law

The City of Bloomington is a governmental body and is subject to the requirements of Minn. Stat. Chapter 13 (the “Minnesota Government Data Practices Act”). Some of the data provided by the applicant to the City as part of the application for a Business Subsidy may be required to be disclosed if requested pursuant to the Minnesota Government Data Practices Act.

N. Amendments to Business Subsidy Act

The references to the Business Subsidy Act in this Business Subsidy Policy shall include any and all amendments to the Business Subsidy Act that are made after this policy is adopted.

POST-ISSUANCE COMPLIANCE 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: (i) 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 thereunder (the “Treasury Regulations”), to take certain actions subsequent to the issuance of such bonds to ensure the continuing tax-exempt status of such bonds; (ii) by the terms of Section 6001 of the Code and Section 1.6001-1(a) of the Treasury Regulations, to satisfy certain record retention requirements with respect to its tax-exempt governmental bonds; and (iii) by the terms of Securities and Exchange Commission Regulation, 17 C.F.R. Section 240.15c2-12, as in effect and interpreted from time to time (“Rule 15c2-12”), to satisfy certain continuing disclosure obligations with respect to its governmental bonds (whether tax-exempt or taxable). 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. Occasionally the Housing and Redevelopment Authority in and for the City of Bloomington, Minnesota (the “HRA”) and the Port Authority of the City of Bloomington, Minnesota (the “Port Authority”) issue governmental bonds to finance capital improvements. The term “City” as used in this Policy includes the HRA and the Port Authority with respect to their issuances of governmental bonds.

1. **Effective Date and Term.** The effective date of this Policy is the date of approval by the City Council of the City (September 12, 2011) and shall remain in effect until superseded or terminated by action of the City Council of the City. This Policy amends and restates the Post-Issuance Compliance Procedure and Policy for Tax-Exempt Governmental Bonds adopted by the City Council of the City on 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 will be assisted by the staff of the Finance Department of the City and by other City staff and officials when appropriate. The Chief Financial Officer of the City will also 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) Municipal Advisor (the organization primarily responsible for providing municipal 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 be responsible for assigning post-issuance compliance responsibilities to members of the Finance Department, other staff of the City, Bond Counsel, Municipal Advisor, Paying Agent, and Rebate Analyst. The Chief Financial Officer shall utilize such other professional service organizations as are necessary to ensure compliance with the post-issuance compliance requirements of 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 (this action will be the primary responsibility of Bond Counsel).
- 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, or successor form ("Form 8038-G") (this action will be the primary responsibility of Bond Counsel).
- 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.

Preparation of the allocation memorandum will be the primary responsibility of the Chief Financial Officer (in consultation with the Municipal Advisor and Bond Counsel).

- 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. In consultation with Bond Counsel, the Chief Financial Officer shall determine, with respect to each issue of tax-exempt governmental bonds of the City, whether the City is eligible for any of the temporary periods for unrestricted investments and is eligible for any of the spending exceptions to the rebate requirements. The Chief Financial

Officer shall contact the Rebate Analyst (and, if appropriate, Bond Counsel) prior to the fifth anniversary of the date of issuance of each issue of tax-exempt governmental bonds of the City and each fifth anniversary thereafter to arrange for calculations of the rebate requirements with respect to such tax-exempt governmental bonds. If a rebate payment is required to be paid by the City, the Chief Financial Officer shall prepare or cause to be prepared the Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, Form 8038-T, or successor form ("Form 8038-T"), and submit such Form 8038-T to the IRS with the required rebate payment. If the City is authorized to recover a rebate payment previously paid, the Chief Financial Officer shall prepare or cause to be prepared the Request for Recovery of Overpayments Under Arbitrage Rebate Provisions, Form 8038-R, or successor form ("Form 8038-R"), with respect to such rebate recovery, and submit such Form 8038-R to the IRS.

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 as a result of leases and subleases, licenses, management contracts, research contracts, naming rights agreements, or other arrangements that provide special legal entitlements to nongovernmental persons; 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. The Chief Financial Officer shall provide training and educational resources to any City staff who have the primary responsibility for the operation, maintenance, or inspection of bond-financed facilities with regard to the limitations on the private business use of bond-financed facilities and as to the limitations on the private security or payments with respect to 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, conducted by the Chief Financial Officer with the assistance with any City staff who have the primary responsibility for the operation, maintenance, or inspection of such bond-financed facilities.

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 (including requisitions, draw schedules, draw requests, invoices, bills, and cancelled checks with respect to 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, including letters, faxes or emails, 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) bidding of financial products for investment securities; (xix) copies of all Form 8038-Gs, Form 8038-Ts, and Form 8038-Rs filed with the IRS and any other forms or documents filed with the IRS; (xx) the transcript prepared with respect to such tax-exempt governmental bonds, including but not limited to (a) official statements, private placement documents, or other offering documents, (b) minutes and resolutions, orders, or ordinances or other similar authorization for the issuance of such bonds, and (c) certification of the issue price of such bonds; and (xxi) documents related to government grants associated with the construction, renovation, or purchase of bond-financed facilities.

The records collected by the Chief Financial Officer shall be stored in any format deemed appropriate by the Chief Financial Officer and shall be retained for a period equal to the life of the tax-exempt governmental bonds with respect to which the records are collected (which shall include the life of any bonds issued to refund any portion of such tax-exempt governmental bonds or to refund any refunding bonds) plus three (3) years. The Chief Financial Officer shall also collect and retain reports of any IRS examination of the City or any of its bond financings.

6. Remedies. In consultation with Bond Counsel, the Chief Financial Officer shall become acquainted with the remedial actions (including redemption or defeasance) under Treasury Regulations, Section 1.141-12, to be utilized in the event that private business use of bond-financed facilities exceeds the de minimis 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 Internal Revenue Manual, Part 7.2, 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. The Continuing Disclosure Documents are executed by the City to assist the underwriters of the City's bonds in meeting their obligations under Rule 15c2-12. The continuing disclosure obligations of the City are governed by the Continuing Disclosure Documents and by the terms of Rule 15c2-12. The Chief Financial Officer is primarily responsible for undertaking such continuing disclosure obligations and to monitor compliance with such obligations.

8. Other Post-Issuance Actions. If, in consultation with Bond Counsel, Municipal 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 or to ensure the continuing compliance by the City with applicable federal and state securities laws, the Chief Financial Officer shall take such action if the Chief Financial Officer has the authority to do so. If, after consultation with Bond Counsel, Municipal Advisor, Paying Agent, Rebate Analyst, the City Manager, the City Attorney, or the City Council, the Chief Financial Officer and the City Manager determine that this Policy must be amended or supplemented to ensure the continuing tax-exempt status of any issue of governmental bonds of the City or to ensure continuing compliance with applicable federal and state securities laws, the City Manager shall recommend to the City Council that this Policy be so amended or supplemented.

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. Therefore, if there is any reasonable possibility that an issue of taxable governmental bonds may be refunded, in whole or in part, with the proceeds of an issue of tax-exempt governmental bonds then, for purposes of this Policy, the Chief Financial Officer shall treat the issue of taxable governmental bonds as if such issue were an issue of tax-exempt governmental bonds and shall carry out and comply with the requirements of this Policy with respect to such taxable governmental bonds. The Chief Financial Officer shall seek the advice of Bond Counsel as to whether there is any reasonable possibility of issuing tax-exempt governmental bonds to refund an issue of taxable governmental 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. Although such qualified 501(c)(3) bonds are not governmental bonds, at the election of the Chief Financial Officer, for purposes of this Policy, the Chief Financial Officer shall treat such issue of qualified 501(c)(3) bonds as if such issue were an issue of tax-exempt governmental bonds and shall carry out and comply with the requirements of this Policy with respect to such qualified 501(c)(3) bonds to the extent deemed necessary or appropriate by the Finance Officer.

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, compilation, sales tax audits, counted value audits and financial report assistance proposed by the auditors, or for which the City wishes to hire them exceeding \$100,000 must be approved by the City Council 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:
 - a. Only for law enforcement purposes, or;
 - b. Only as a supplement to budgeted funds, or;
 - c. 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.)
 - a. Vehicles
 - i. Forfeited automobiles may be used to supplement the police fleet, but not to replace existing budgeted vehicles.
 - ii. Unused vehicles will be stored, sold according to City policy, and the proceeds used according to this policy.
 - b. Other Property
 - i. May be used in ongoing Police and City Attorney operations.
 - ii. Will be sold if no police use is imminent and cash proceeds used according to this policy.
 - c. Cash
 - i. A Forfeited Funds activity budget will be presented for approval to the City Council with the regular City budget each year.
 - ii. Unbudgeted proposed purchases will be presented as a budget adjustment to the City Council for approval.
 - d. Examples of Appropriate Uses of Cash
 - i. Vehicles may be rented which do not supplant vehicles normally provided through City funds. Such vehicles are in addition to the regular fleet.
 - ii. Equipment may be purchased providing it is not part of the regular budget.
 - iii. Overtime may be paid providing it is unanticipated in the rest of the Police and City Attorney budgets.
 - iv. Training costs in addition to those in the regular budget may be paid.
 - e. Examples of Inappropriate Uses
 - i. Purchasing any item(s) with forfeited funds, which were already approved in the regular budget.
 - ii. Paying regular salaries or benefits for Drug Forfeiture funds, but permitted for DWI Forfeiture fund as part of program operation.

- iii. Purchasing anything for other City departments unless for a law enforcement purpose.
- iv. Capital purchases previously approved for purchase with City funds.

FUND BALANCE YEAR-END CLASSIFICATION POLICY

(Per GASB 54)

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.

Following governmental accounting standards, the City has three basic categories: governmental funds, proprietary funds, and fiduciary funds. This fund balance classification policy applies only to the governmental categories.

GOVERNMENTAL FUNDS

In 2009, the Governmental Accounting Standards Board (GASB) issued a new standard, GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This new standard has altered the categories and terminology used to describe the components of fund balance in the governmental funds (but it does not apply to the proprietary or fiduciary funds). This standard is effective for Bloomington beginning December 2011.

The City's governmental funds include the following fund types:

- A. General Fund
- B. Special Revenue Funds
- C. Debt Service Funds
- D. Capital Projects Funds

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 is established to account for all revenues and expenditures which are not required to be accounted for in other funds. Revenue sources include property taxes, license and permit fees, fines and forfeits, program revenues, intergovernmental revenues, investment interest earnings, and transfers. The General Fund's resources finance a wide range of functions including the operations of general government, public safety, and public works.

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. The City has eight different special revenue funds as follows:

1. Community Development Block Grant (CDBG) – this normally has a zero fund balance at year end, and if there were to be a balance it would be considered restricted based upon grant requirements.
2. Public Health – these grant funds are considered restricted based on grant requirements.
3. Public Safety – these grant funds are mostly considered restricted based on grant requirements and state statutes regarding police pensions; one area of this fund would be considered committed by the City Council for future fire pension obligations.
4. Communications – this fund is both restricted and committed by franchise agreements. The Public Education in Government (PEG) revenues (4302) are restricted per the franchise agreement. The cable TV franchise fees (4301) are committed per City Council.
5. South Loop Revolving Development District - this fund balance is considered committed. The committed revenue source is permit surcharges.
6. Energy Efficient Block Grant – this fund is restricted based on grant requirements.
7. Cemetery Trust – this is considered restricted based on state statute.
8. Park Grants – these funds are considered restricted by state and Metropolitan Council grant agreements.

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. In Bloomington, capital project funds are split into three categories:

1. Capital Projects – this category has balances that are considered both restricted and committed. The Carlton TIF District and the South Loop Industrial Development District I are both restricted through enabling legislation. The Art Center capital project fund is restricted per bond covenants. The Park Development and Strategic Priorities funds are both committed by the City Council for future projects. The Escrow Trust fund will be considered assigned.
2. Improvement Construction - these funds are considered restricted either through bond covenants or enabling legislation.
3. State Aid Construction - these funds are considered restricted by Minnesota Department of Transportation agreements.

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

This policy has been developed to serve as a reference point for the management of City assets. 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. The City will have two types of portfolios for reporting purposes:

- Short-Term – No less than 85 percent of the total portfolio will be under 5 years to maturity
- Long-Term – No more than 15 percent of the portfolio will be greater than 5 years to maturity

In accordance with this policy, a separate written procedures manual has been developed for the appropriate balance of risk and return for each of the funds under the City’s control. The City Manager will approve periodic changes to the procedures manual.

II. Scope

This Investment Policy applies to all financial assets of the City. All cash and investments are pooled together to achieve economies of scale for each entity. These funds are accounted for in the Comprehensive Annual Financial Report and include all City, Port Authority and HRA funds:

- General Fund
- Special Revenue Funds
- Capital Project Funds
- Debt Service Funds
- Enterprise Funds

- Internal Service Funds
- Fiduciary Funds

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. Investment procedures developed for the Finance Department must be complied with by those with access to and management responsibilities for City investments.

IV. Objective

The primary objective of the City of Bloomington’s investment activities shall be:

- A. Safety - Safety of principal is of critical importance to the investment program. Investments of the City shall be undertaken in a manner that seeks 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 will be minimized by:
 - i. Limiting investments to the types of securities listed in Section IX of this investment policy.
 - ii. Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the City will do business in accordance with Section VIII.
 - iii. Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized. Insurance or collateral may be required to ensure return of principal.
 - Interest Rate Risk – the risk that the market value of securities in the portfolio will fall due to changes in market interest rates will be minimized to:
 - i. Provide for liquidity by reviewing cash flow requirements and make investments to meet the shorter cash flow needs, thereby avoiding the need to sell securities in the open market prior to maturity.
 - ii. Manage the average maturity of the short-term portfolio to be consistent with the risk profile of the City, not to exceed 3.5 years.
 - iii. Manage the average maturity of the long-term portfolio to be consistent with the risk profile of the City, not to exceed 7.5 years. An exception to this average maturity would be any Component Unit bonds purchased by the City with a longer duration.
- B. 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. Additionally, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). Furthermore, a portion of the portfolio may be placed in money market mutual funds or local government investment pools which offer same day liquidity for short-term funds.
- 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 with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal.
- A security swap would improve the quality, yield, or target duration in the portfolio.
- Liquidity needs of the portfolio require that the security be sold.

V. Delegation of Authority

The investment program shall be operated in conformance with federal, state, and other legal requirements. 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 establish written procedures for the operations of the Investment Program consistent with this Investment Policy. The CFO, with assistance from finance department staff, 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.

Procedures should include reference to: safekeeping [see Procedures 1.D], delivery versus payment (DVP) [see Procedures 4.B.1.e], and investment accounting. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the CFO. The CFO shall be responsible for all investment transactions and shall establish a system of controls to regulate the activities of subordinates.

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. Investment staff shall annually disclose to the City Clerk any material financial interests as required by state statute on an annual Statement of Economic Interest form. Investment staff shall subordinate their personal investment transactions to those of the City, particularly with regard to the time of purchases and sales, and shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

VII. Investment Committee

An Investment Committee shall meet at least semi-annually or as needed to review the performance of investments and review the investment strategy. The Investment Committee shall be made up of the following individuals:

Chief Financial Officer

Finance Manager

Assistant Finance Manager (optional)

Cash Management Accountant

Housing and Redevelopment Authority Representative

Port Authority Representative

Notes of the Investment Committee meetings shall be maintained based on the City's retention schedule and a copy forwarded to the City Manager after each meeting.

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. The City does not consider information advice from brokers on bond proceeds.

Financial service providers who desire to become qualified bidders for investment transactions must supply the Investment Committee with the following upon request:

- Audited Financial Statements
- Completed Broker/Dealer Certificate
- Certification of Having Read City's Investment Policy
- Depository Contracts
- Credit Report
- Proof of FINRA (Financial Industry Regulatory Authority) membership
- Proof of State Registration
- Evidence of Adequate Insurance Coverage

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 may be held with next day withdrawal capacity to provide for daily liquidity requirements. These money markets must be AA. They may only invest in securities with a final maturity no longer than 13 months and for which the Investment Committee has obtained and reviewed the fund prospectus.
- B. Savings/demand deposits. A financial institution that is qualified as a "depository" of public funds of government entities. The City may hold balances in qualified bank deposits. Funds may be held in savings accounts at approved depository banks. If balances are greater than the FDIC limit, collateral of 110 percent will be held for the excess balances. Non-interest bearing deposits will be held at a minimum. However, the interest bearing demand deposit programs that banks provide for next day access to funds will be utilized.
- C. Banker's acceptances. Short term debt instruments issued by firms guaranteed by commercial banks. Purchased on the secondary market, these should be rated with the highest short-term credit rating of any two Nationally Recognized Statistical Rating Organizations (NRSROs), at the time of purchase. If the banker's acceptance is rated by more than two NRSROs, it must have the highest rating from all the organizations. Maximum maturity will be 270 days.
- D. Commercial paper. Short term unsecured debt which has been issued by a United States corporation or their Canadian subsidiaries and is not a limited liability corporation (LLC) to fund their day to day operational needs. Maturities typically range from one day to 270 days. The City may only buy paper that meets the Minnesota Statute 118A with the exception that no Asset Backed or Structured Investment Vehicle (SIV) commercial paper is allowed. Only commercial paper with two of the three

highest quality ratings of A1, P1, F1 and the underlying issuer of the commercial paper must have a long-term debt rating of AA to be utilized.

- E. U.S. Treasury obligations including bonds, notes, Treasury bills, or other securities which are direct obligations of the United States. Instruments sold and issued by the U.S. government carry the full faith guarantee of the U.S. government. These instruments provide the highest quality available to purchase and are highly liquid.
- F. U.S. Agency Government Sponsored Enterprises (GSEs) are instrumentalities, or organizations created by an act of Congress. GSE securities have the implied guarantee of the U.S. government and are privileged to certain access to capital and support of government programs. The issuers are generally considered to have the second highest credit quality in the fixed income markets and provide higher yields than U. S. treasury obligations. The ratings on all the agencies in which the City can invest are the highest available and include the following specific issuers:
 - 1. FHLB: The Federal Home Loan Bank System (FHLB) was created by Congress in 1932 and acts as a source of funds for its nearly 8,000 member banks. FHLB does not purchase home mortgages to the same extent as Freddie Mac and Fannie Mae, but primarily lends money to homeowners through its member financial institutions. FHLB System members include commercial banks, thrifts, credit unions and insurance companies. Each member is a shareholder in one of the 12 regional Federal Home Loan Banks; each regional bank is an individual corporate entity, which must meet strict management and capitalization criteria befitting its GSE status. The FHLB System is regulated by the Federal Housing Finance Board (FHFB) and the Office of Finance (OF).
 - 2. FHLMC: The Federal Home Loan Mortgage Corporation encompasses Freddie Mac; it is housing GSE created by Congress in 1970 to provide liquidity and stability in the home mortgage market, thereby increasing the flow of funds available to mortgage borrowers. In order to accomplish this goal, Freddie Mac does not make individual mortgage loans to consumers. Rather, Freddie Mac purchases mortgages from lenders, thereby allowing them to lend the proceeds to more homebuyers. Freddie Mac is regulated by the Secretary of Housing and Urban Development (HUD) and by the Office of Federal Housing Enterprise Oversight (OFHEO).
 - 3. FCCB: The Federal Farm Credit Bureau is an agency of the Federal government set up to supply credit to various classes of institutions and individuals such as farmers and farm cooperatives.
 - 4. FNMA: The Federal National Mortgage Association chartered under the Federal National Mortgage Association Act in 1938 is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal.
 - 5. Other issuers: There are other GSE issuers; however, they issue fewer securities and are less active in the marketplace. Therefore, yields typically are slightly higher but they provide less liquidity. The City may purchase other GSE names but will limit the amount held in the portfolio.
- G. Municipal Securities are registered securities of state/county/local and other governmental agencies. Bonds of the state/county/local and other governmental agencies which have at the time of investment one of the three highest credit ratings of nationally recognized rating agency are allowable investments. They must have a taxing power rating of A, AA or AAA. The City will typically buy only AA or better to provide for quality investments in the portfolio. Any security which is a

general obligation of any state or local government with taxing powers which is rated "A" or better by a national bond rating service is allowed. Tax exempt or taxable bonds qualify as long as they meet the rating standards.

- H. Repurchase agreements consisting of collateral allowable in Minnesota Statute, Chapter 118A, and reverse repurchase agreements may be entered into with any of the following entities:
1. A financial institution qualified as a "depository" of public funds of the government entity;
 2. Any other financial institution which is a member of the Federal Reserve System and whose combined capital and surplus equals or exceeds \$10,000,000;
 3. A primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York; or
 4. A securities broker-dealer licensed pursuant to Minnesota Statute, Chapter 80A, or an affiliate of it, regulated by the Securities and Exchange Commission and maintaining a combined capital and surplus of \$40,000,000 or more, exclusive of subordinated debt. Reverse agreements may only be entered into for a period of 90 days or less and only to meet short-term cash flow needs. In no event may reverse repurchase agreements be entered into for the purpose of generating cash for investments, except as stated in Minnesota Statute, Chapter 118A.
- I. Guaranteed investment contracts. Specific project monies may be invested in agreements or contracts for guaranteed investment contracts may be entered into if they are issued or guaranteed by United States commercial banks, domestic branches of foreign banks, United States insurance companies, or their Canadian subsidiaries, or the domestic affiliates of any of the foregoing. The credit quality of the issuer's or guarantor's short and long-term unsecured debt must be rated in one of the two highest categories by a nationally recognized rating agency. Should the issuer's or guarantor's credit quality be downgraded below "A", the government entity must have withdrawal rights.

Each type of security listed above in Sections E, F and G may have various structures such as non-callable, callable and variable rate debt.

- Non-Callable – A debt instrument issued for the purpose of raising capital by borrowing. They typically pay semi-annual coupons and have a stated final maturity.
- Callable – Debt in which the issuer has the right to redeem prior to its maturity date, under certain conditions.
- Variable – Debt in which the issuer has the right to reset the coupon rate based on specified market conditions and terms.

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. Securities lending transactions may be entered into with entities meeting the qualifications and the collateral for such transactions and shall be restricted to the securities described in Minnesota Statute 118A. Any future security lending contract would be subject to City Council approval.

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.

Specifically restricts:

- A. Obligations whose coupon payments are determined largely or entirely by an embedded range accumulation option. For example, range notes; these securities are used primarily to enhance interest rates when an investor is confident in a forecast.
- B. Obligations whose payment represents the principal stream cash flow from underlying mortgage backed securities collateral. For example, Collateralized Mortgage Obligations (CMO).
- C. Obligations that the interest rate and principal repayment adjusts opposite to the changes in the market. For example, inverse floaters.
- D. Obligations that under certain environments may pay no interest. For example, principal only securities.
- E. Obligations that have a maturity that will extend longer than five years under certain rate environments. These include mortgage-backed securities that are defined as high risk or in certificates of deposit secured by letters of credit issued by federal home loan banks.
- F. Obligations that are derivatives, financial instruments in which the value depends on, or is derived from, the value of one or more underlying assets, indexes, or asset values. And any other transaction that violates City policy or State law.

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)

In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 110% of market value of principal and accrued interest. The underlying securities will be subject to periodic (monthly) market valuations to ensure there is no market exposure.

Collateral is limited to the following U. S. government securities:

Treasury Issues

Treasury Bills

Treasury Notes

Treasury Bonds

Agency Notes, Bonds, and Letters of Credit

Federal National Mortgage Association

Federal Home Loan Bank

Federal Farm Credit Bank

Federal Home Loan Mortgage Corporation

Mortgage-Backed Securities

No mortgage-backed securities are allowed

For cash deposits on hand, clearly marked evidence of ownership (safekeeping receipt) must be supplied and retained. Collateralization shall be in the form of specific securities with an active secondary market for the City held by an independent third party. The only exceptions are Federal Depository Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) and pre-approved insurance coverage. The City may collateralize its repurchase agreements using longer- dated investments not to exceed 5 years to maturity.

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. Delivery versus payment (DVP) is a way of controlling the risk to which securities market participants are exposed. Delivery of securities (i.e. the change in their ownership) is done simultaneously with payment. This means that neither the buyer nor the seller is exposed to the risk that the other will default.

Investments, contracts, and agreements may be held in safekeeping with:

- any Federal Reserve bank
- any bank authorized under the laws of the United States or any state to exercise corporate trust powers, including, but not limited to, the bank from which the investment is purchased

The City's ownership of all securities should be evidenced by written acknowledgments identifying the securities by:

- The names of issuers
- The maturity dates
- The interest rates
- Any serial numbers or other distinguishing marks

The City may not invest in securities that are uninsured. Securities will be held in the City's designated accounts under their street names.

XIV. Investment Credit Rating Degradation

Credit updates should be completed on all non-insured general obligations (GOs), bankers acceptances and commercial paper with a credit rating that has declined. Credit analysis is necessary to determine if a particular investment is eligible for the City to own as part of prudent portfolio management, as determined on any date that the security is held within the portfolio. If the credit rating of a security is subsequently downgraded below the minimum rating level for a new investment of that security, the Investment Committee shall evaluate the downgrade on a case-by-case basis in order to determine if the security should be held or sold. The Investment Committee will apply the general objectives of safety, liquidity, and yield to make the decision.

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.

Diversification strategies will be implemented with the following constraints:

ISSUER TYPE	% of TOTAL PORTFOLIO
Money Market Funds	50%
Savings/Demand deposits	20%
Bankers Acceptances	10%
Commercial Paper	20%

US Treasury Obligations	100%
GSE-Agency Securities	100%
Municipal Securities:	55%
Non Component Units	20%
With Component Units	35%
Repurchase Agreements	10%

Guaranteed Investment Contracts By Project

Due to fluctuations in the value of the portfolio, maximum percentages for a particular issuer or investment type may be exceeded at a point in time subsequent to the purchase or maturity of a particular security. Securities need not be liquidated to realign the portfolio; however, consideration should be given to this matter when future purchases are made.

Given the smaller portfolio of the Housing and Redevelopment Authority and the Port Authority, the above restrictions will be waived on any portfolio with specific project needs.

XVI. Maximum Maturities

Fund Specific:

- A minimum of five percent of the portfolio will mature under 30 days.
- 85% of total funds will be invested to 5 years and less, and 15% of funds will be laddered out to a maximum of 10 years.
- Total weighted average maturity of total funds will not exceed 3.5 years for the 5 years and less portion.
- Maturities will be diversified to avoid undue concentration of assets in a specific sector.
- An 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.
- Another exception would be the City's purchase of Component Unit bonds with a longer duration, (up to 20 years) with the approval of the City Council.

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.

The City will engage an external auditor for an annual independent review to assure compliance with policies and procedures.

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.

XIX. 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 periodically review whether market yields are being achieved.

XX. 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. The advisor may only act on a non-discretionary basis if they are hired to provide transactional services on behalf of the City.

XXI. Reporting

The CFO is charged with the responsibility of preparing a periodic investment report. This includes a management summary that provides an analysis of the status of the current investment portfolio, the individual transactions executed over the last period, and a detailed listing of portfolio securities held at the end of the period. The report summarizes data on investments by type, maturity, and call date with associated book values, portfolio percentages, and market values. The report also includes a comparison of City yields to U.S. Treasury benchmarks and other information as requested by the Investment Committee.

XXII. 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 endeavor to 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. All existing and potential revenue sources will be re-examined annually.
- 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. On-going, the City will review the full cost of activities supported by user fees to identify the impact of inflation and other cost increases and will review these fees along with the resulting net property tax costs with the City Council at budget time. Sensitivity to market rates will also be considered in setting fees.
- 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.

A transfer of equity from an enterprise fund to the General Fund should only be done on a one-time exception basis, for example, to fund an unusual, extraordinary expense. Equity transfers must be approved in advance by the City Council. Recreation type enterprise funds shall be considered on a combined basis for purposes of this policy and evaluation of financial performance. In no event shall such equity transfers be made in consecutive years.

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. If funding is found to be too low, Council will endeavor to transfer funds from the General Fund, or from any other funds, which might be available, to the Self-Insurance Fund to complete the indicated necessary level of funding. 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

Purpose and Scope

This Policy shall apply to all business trips by City employees, Mayor and Council, all Commission and Authority members, traveling in an official capacity for City business, the cost of which is borne in part or total by the City. 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 allowances will be authorized and to provide procedures for reimbursement. Reimbursements can only be claimed for accommodations and services actually utilized and when an expense is incurred. Travelers are expected to utilize the same care when incurring official expenses that a prudent person would utilize if traveling on personal business. The City will pay or reimburse travel costs. All persons conducting official City business are expected to show good judgment in the nature and amount of expenses incurred while conducting City business in accordance with this policy.

Travelers are encouraged to use their City assigned purchasing card for travel expenses other than meals. A City assigned purchasing card may NOT be utilized to pay for meal expenses requiring overnight travel, but may be used for eligible meal expenses in the metro area. Per diem allowances based on Federal rates should be used for meals associated with overnight travel.

Travel Authorization

City Employees:

In-Metro Travel:

The Traveler attending meetings, workshops, conferences, or training at the expense of the City in the Metro area (Anoka, Carver, Dakota, Hennepin, Scott and Washington Counties) shall first obtain approval from their supervisor.

Out-of-Metro Travel:

All out-of-metro travel must be electronically submitted for approval using the Munis software system in advance of booking the trip. Travel requests will be automatically routed to their supervisor and appropriate Department Head for approval. The request for travel must provide the destination and reason for the travel, list the estimated itemized expenses and amounts, and the account coding where the funds are available.

The Department Head shall determine that sufficient funds have been appropriated and are available for such purpose before approving the request.

Out-of-State Travel

All out-of-state travel must be electronically submitted for approval using the Munis software system in advance of booking the trip. Travel requests will be automatically routed to one's supervisor, then to Department Heads, and then to the City Manager for approval. The request for travel must provide the destination and reason for the travel, list the estimated itemized expenses and amounts, and the account coding where the funds are available.

Mayor/Council members/Commissions/Authorities:

The Mayor, Council, Commission, and Authority members attending meetings, workshops, conferences, or training at the expense of the City, which require out-of-state travel must obtain approval of the travel by the City Council at an open meeting and must include an estimate of the cost of the travel. Once the travel has been approved, the Council Secretary will enter it in to the Munis software system.

In evaluating the out-of-state travel request, the Council will consider the following:

- Whether the elected official will be receiving training on issues relevant to the city or to one's role as the Mayor or as a council member.
- Whether the elected official will be meeting and networking with other elected officials from around the country to exchange ideas on topics of relevance to the City or on the official roles of local elected officials.
- Whether the elected official will be viewing a city facility or function that is similar in nature to one that is currently operating at, or under consideration by the City and the purpose for the trip is to study the facility or function to bring back ideas for the consideration of the full council.
- Whether the elected official has been specifically assigned by the Council to visit another city for a public purpose.
- Whether the elected official has been specifically assigned by the Council to testify on behalf of the City at the United States Congress or to otherwise meet with federal officials on behalf of the City.
- Whether the City has sufficient funding available in the budget to pay the cost of the trip. In some cases, the City may require the elected official to pay for a part of the travel costs as condition of approval.

Commission member travel requests require approvals from the City Manager and Department Head/Program Manager responsible for the budget funding the trip.

Extending Business Travel with Personal Travel

Travelers should be discouraged from extending business travel and combining it with personal travel. When a Traveler combines personal and business travel, reimbursable expenses will cease to accrue as of the expected return date and time. The City will reimburse the Traveler only for the documented expenses that are directly related to the business portion of the trip. Excess travel time and activities not required for the business trip purpose shall be at the Traveler's own expense.

City Reimbursement of Travel Costs that Require Overnight Travel

Transportation

The Traveler should choose the most efficient and economical method of transportation. Travel days should be as close to the conference start and end times. Transportation costs include transportation to and from destination, to and from the airport, and the place of lodging or event. Travel must be by the most direct or normally traveled route unless approved in advance by the Traveler's supervisor. The Traveler will be responsible for any additional costs exceeding the business purpose related expenses. In situations where Traveler would normally travel by air (convenient and time-saving), but a Traveler chooses to drive or use other forms of ground transportation instead, reimbursement will be the lower of the two options, driving or flying.

- a. Air Travel - Coach airplane passage is considered standard for travel out of the five state region (Minnesota, North Dakota, South Dakota, Wisconsin, and Iowa) as air travel is usually more economical in time and money than other modes of transportation when making long trips.
 - o The City will reimburse for economy/coach air only. Business or First Class is not reimbursable. Upgrades are not reimbursable. In unique circumstances, the Department Head will review and determine if additional costs are reimbursable.
 - o The City will reimburse the cost of the first checked bag only. Additional checked bags are not reimbursable. In unique circumstances, the Department Head will review and determine if additional costs are reimbursable.

Documentation: Receipt showing flight details and cost must be submitted.

- b. Automobile –
 - o City Vehicle: When traveling in a City vehicle, the Traveler should use a City assigned purchasing card for fuel expenses or one's own credit card if a City purchasing card is not available. Due to potential liability considerations, transportation of family members not on official City business is prohibited in City vehicles.
 - o Personal Vehicle: When personal vehicles are used as a mode of transportation for travel within the five state region (Minnesota, North Dakota, South Dakota, Wisconsin, and Iowa), 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. Please refer to the City's Mileage Policy. The City is not responsible for damage to one's personal vehicles while on official business, as the Traveler's vehicle is not covered by the City's insurance coverage. The Traveler must maintain appropriate insurance when using personal vehicle for business travel.
 - o Car Rental at Travel Destination: When selecting a method of local transportation, the Traveler should consider public transit or courtesy shuttle first and then taxi/commercial ride-share or a rental car if more economical means is inappropriate or unavailable. 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.
 - 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 Traveler against any claims made by the rental company for damage to the rental car. Minnesota law requires one's personal insurance company to provide coverage when the rental car is being used for personal activities in most instances.

- Car rental insurance will not be reimbursed by the City. If car rental insurance is purchased, it would be at the Employee's personal expense.
 - Fuel for a car is reimbursable, however, fuel pre-payment is not allowed and will not be reimbursed.
- c. Commercial Ride-Share/Taxi/Train/Bus/Shuttle – The cost of taxi or commercial ride- share (Uber, Lyft, etc.) to and from places of business, hotels, airports or railroad stations is reimbursable.
- d. Parking –
- Airport parking of personal automobiles is reimbursable and is limited to the lowest rate daily parking.
 - Parking at destination hotel and destination business site is reimbursable and is limited to the lowest rate daily parking.
 - Valet parking is not reimbursable.

Documentation: Itemized receipt from rental agency and payment documentation, if not shown on the receipt. Fuel receipts must be submitted. Receipts for parking and other transportation must be submitted.

Lodging

Hotel or motel accommodations should be appropriate to the purpose of the trip. Lodging costs will be reimbursed at the single occupancy rate for a standard room. The Traveler is responsible for paying the difference in rate if selecting an upgrade. Other notes to consider:

- a) When a companion travels with the Traveler on official business, reimbursement for the Traveler's lodging will be at the single occupancy rate for the accommodations. It is the responsibility of the Traveler to obtain the lodging rate for both single and double occupancy and to present the supporting documentation.
- b) 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.
- c) Internet access for business purposes is reimbursable.
- d) 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.)

Documentation: Actual receipts must be submitted. Hotel booking confirmation instead of the receipt for payment of the hotel bill is not acceptable.

Meals and Incidental Expenses

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. The City intends for its Travelers to pay for meals, tips and service charges using the current per diem schedules as set by the federal government. These schedules can be found at:

<https://www.gsa.gov/travel/plan-book/per-diem-rates/per-diem-rates-lookup> (M&IE column). The Traveler 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 as published by the U.S. General Services Administration (GSA). 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:

1. Meals including expenses for breakfast, lunch, dinner, and related taxes (specifically excluded are alcoholic beverage and entertainment expenses, and any expenses incurred for other persons) and
2. Incidental expenses, including:
 - a) Fees and tips given to wait staff, baggage carriers, maids, and
 - b) Transportation and tips between places of lodging or business and places where meals are taken, if suitable meals can't be obtained at site.

Meals for which the City pays directly, such as meals included in a conference registration fee or as part of airfare, or hotel costs, must be excluded from per diem and will not be further reimbursed. The Traveler must note on the expense claim if a meal is included in the cost of the travel fare, conference fee, or hotel lodging. If a lodging facility provides a hot breakfast, the breakfast allowance is excluded from the per diem amount. This provision does not apply to "continental breakfast". When the Traveler receives a meal at no cost, the Traveler is not eligible to be reimbursed for that meal and that meal allowance must not be included in the combined total. On "travel days", defined as the first and last day of travel (departure and return), per diem amount equals 75% of total M&IE regardless of departure time.

Reimbursement may be allowed if the Traveler has special dietary needs that cannot be accommodated by the available meal options included in the conference registration or event programming. The Department Head reviews the circumstances and determines when reimbursement is warranted.

If actual expenses exceed the applicable per diem rate, the excess amount is a personal expense of the Traveler. If actual expenses are less than the per diem rate, the Traveler is not required to refund the difference to the City.

If Traveler travels on a conference day, Traveler is allowed the full per diem regardless of departure time.

Travelers should NOT submit receipts for any meal purchases when requesting overnight travel reimbursements. A City assigned purchasing card may NOT be utilized to pay for meal expenses requiring overnight travel.

Documentation: Receipts are not required for M&IE

Example 1: Traveler travels to Orlando, FL for a 3 day conference and travels the day before and after the conference. Lunch is provided for all 3 days. Below is the per diem breakdown for Orlando based on the GSA schedule:

Traveler's allowed per diem per day for days 2-4 is \$44:

\$59 M&IE Total

\$15 Lunch

\$44 Allowed per diem per day

Since lunch is provided, lunch allowance is deducted from the total and Traveler is allowed \$44 per day for days 2-4. On travel days, day 1 & day 5, the Traveler is allowed \$44.25 per day as found on the schedule.

Other Expenses

- Conference, seminar or convention registration fees may be pre-paid once approval is received from the Department Head.
- Other expenses such as fees for social events, activities and tour opportunities during the conference are reviewed on a case-by-case basis. The Department Head will determine if reimbursement is warranted.

- In unique instances involving lost luggage, Traveler may need to purchase clothing and toiletries for the duration of their travel. The Department Head will review and determine if additional costs are reimbursable.

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.

The per diem rates when traveling abroad are determined by the US Department of State and can be found at https://aoprals.state.gov/web920/per_diem.asp.

For foreign travel, all reimbursable expenses that were not paid using a credit card or US currency must be converted to US currency before listing them on the travel expense claim.

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. This includes training or meetings within the metro area.

Transportation

When multiple Travelers are attending the same business activity, Travelers are strongly encouraged to carpool. Mode of transportation:

- City Vehicle: When traveling in a City vehicle, Traveler should use a City assigned purchasing card for fuel expenses or one's 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.
- Personal Vehicle: When personal vehicles are used as a mode of transportation for travel within the five state region (Minnesota, North Dakota, South Dakota, Wisconsin, and Iowa), 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. Please refer to the City's Mileage Policy. The City is not responsible for damage to one's personal vehicles while on official business, as the Traveler's vehicle is not covered by the City's insurance coverage. Traveler must maintain appropriate insurance when using personal vehicle for business travel.

Meals

The Traveler is entitled to reimbursement of meal expenses after submitting actuals 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. Per diem is NOT allowed for travel that does not require overnight accommodations.

Other

Falsification of travel documents/expense reporting, resulting in overpayment of the City's assets, may be cause for disciplinary action.

It is the Traveler's responsibility to:

- Maintain accurate records;

- Provide receipts as applicable for reimbursement
- Make a conscious effort to minimize expenses while maintaining an adequate level of comfort and convenience;
- Request reimbursement in an accurate and timely manner, 60 days or less.

Definitions

Traveler: City employee, Mayor and Council, Commission and Authority members

Reimbursable: Paid either directly by City of Bloomington or to Traveler

Per Diem: Daily allowance for meals and incidental expenses

Metro Area: The 7-county Twin Cities region comprises of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties.

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.

Budget Process

The City of Bloomington follows a calendar fiscal year and annual budgets are developed for the General Fund, Special Revenue Funds, Enterprise Funds, and Internal Service Funds. Debt Service Funds and Capital Project Funds are not included in the annual budget process. Rather, bond sales for debt service are brought separately to the City Council for approval. Also, the City Council separately approves the annual Capital Improvement Plan (CIP) document which is a ten-year summary of capital projects over \$50,000. Capital projects are then individually brought to the City Council for approval.

Recap of the Process to Create the 2020 Budget

In 2019, the Assistant Finance Manager was promoted to the position of Budget Manager who replaced the previous Budget Manager who had been in the position for 18 years. In January 2019, the new Budget Manager and Chief Financial Officer meet individually with the Mayor and each of the six Councilmembers to obtain guidance and direction for the upcoming budget process. Last year's budget process was discussed to document what went well and what did not go well. Proposed improvements and new ideas for the next year's budget process were also discussed. The Budget Manager then met individually with Department Heads in February to have similar discussions and this information was consolidated and shared it with the entire Executive Leadership Team. Consolidation of proposed process improvements and innovative ideas were also brought to the March 18, 2019 City Council Study Session for discussion with the Council to obtain consensus on the upcoming year's budget process approach and message.

In March and April 2019, the Budget Manager reviewed, analyzed, and calculated charges for the Internal Service Funds in coordination with Internal Service Fund managers. These were then pre-loaded into the budget module of the City's financial software. Detailed salary and benefit projections were run in the financial software based on union contracts, non-union compensation plans, and information from Human Resources and these were also pre-loaded into the budget.

Then, in May 2019, the Budget Manager and City Manager held a "Budget Kick-Off" session for City staff to review the budget calendar and deadlines as well as instructions and guidance for entering budget requests. The "Budget Kick-Off" was filmed by the Communications Division and posted on the Budget Page of the City's internal SharePoint website for reference. Departments had from mid May to early June to enter budget requests in to the financial software. Open lab hours were offered for City staff who needed assistance entering budgets or running reports. The Finance Manager, Assistant Finance Manager, and the Accountants were part of the Budget Team. Each one was assigned different Departments to assist the Budget Manager in analyzing budget requests. Preliminary department budget meetings for all funds that require property tax levy support occurred in June 2019 to analyze requests and identify challenges and opportunities. Those meetings included the Department Head as well as Division Managers, along with the Budget Manager, Chief Financial Officer, and the assigned member from the Budget Team. In July 2019, budgets that required property tax levy were presented to the City Manager and Assistant Manager and then revised as needed.

On July 30, 2019 and on August 6, 2019, budget workshops were held at Fire Station #1 with the City Council and City staff. These were both all-day meetings that were noticed and open to the public similar to regular City Council Meetings and Study Sessions. The budget workshops were something that had not been done in the past. It was an idea that came out of the discussions about the budget process at the beginning of the year. During the workshops, Departments gave presentations to the City Council that highlighted their programs, services, priorities, new initiatives, and challenges. Each presentation was followed by a facilitated discussion with Council. The budget workshops resulted in a shared understanding and sense of comfort with the level of service Departments were currently providing and a shared understanding of their story and challenges. It also provided confidence that departments were working towards and achieving the goals of the Council's Strategic Plan. On August 12, 2019, the Budget Manager presented a recap of the budget workshops at a City Council Study Session. Then on August 26, 2019, the Budget Manager presented the Preliminary 2020 General Fund Budget and Tax Levy at a City Council Study Session.

In August 2019, preliminary department budget meetings for all funds that did not require property tax levy support (remaining Enterprise and Special Revenue Funds) occurred to analyze requests and identify challenges and opportunities. In September 2019, budgets that did not require property tax levy were presented to the City Manager and Assistant Manager and then revised as needed.

On September 9, 2019, the Chief Financial Officer presented the Preliminary 2020 General Fund Budget and Tax Levy at a City Council Meeting which was approved by the City Council. The preliminary tax levy was a 6.0% increase from 2019. Direction was given to City staff that the final tax levy would need to be lowered before the end of the year.

From September – November 2019, the remaining 31 non-General Fund budgeted funds were brought first to a City Council Study Session for discussion, and then to a City Council Meeting for approval including the Utility Fund budgets. Both 2020 Utility rates and the corresponding 2020 Utility Fund Budgets were approved by the City Council at the November 25, 2019 meeting following the required 2020 Utility Rate Public Hearing. The Final 2020 Tax Levy and General Fund Budget was presented by the Budget Manager first at the November 25, 2019 Study Session and then at the December 2, 2019 Council Meeting following the required Property Tax Public Hearing. The final 2020 Property Tax levy was a 4.75% increase from the 2019 levy.

Alterations to the Original Budget

Per the Bloomington City Charter, the City Manager can approve transfers of sums within the major expense classifications in a Department or Division. All other budget alterations must be approved by City Council resolution.

2020 Budget Process Calendar

January 2019	Budget Manager and CFO individual meetings with Council Members to obtain guidance and direction for 2020 budget process
February 2019	Budget Manager individual planning meetings with Department Heads to obtain guidance and direction for 2020 budget process
March 18, 2019	City Council Study Session – Recap of meetings and 2020 Budget Plan
March 2019	Review, analyze, and calculate Internal Service Fund charges and General Fund chargebacks which are pre-loaded in budget
April 15, 2019	City Council Study Session – Annual Budget Book and Assessing Report
April 2019	Detailed salary and benefit projections in financial software which are pre-loaded in budget
May 14 & 15, 2019	Budget Kickoff Sessions for City Staff
May 14 – June 7, 2019	Departments enter budget requests with notes in financial software
May 23 & May 30 - 2019	Budget Open Lab Hours for City Staff
June 10 – July 5, 2019	Departmental Preliminary Budget Meetings with Budget Team for funds that receive tax levy support
July 8 – July 26, 2019	Budget meetings with City Manager, Budget Team, and Departments for funds that receive tax levy support
July 30 & Aug 6, 2019	Department Overview Budget Workshops with City Staff and City Council highlighting priorities, new initiatives, challenges, and explanation of services
August 1 – 31, 2019	Departmental Preliminary Budget Meetings with Budget Team for funds that DO NOT receive tax levy support (remaining Enterprise and Special Revenue Funds)
August 12, 2019	City Council Study Session – Recap of Budget Workshops and Preliminary Tax Levy
August 26, 2019	City Council Study Session – 2020 Preliminary General Fund Budget and Tax Levy
September 1 – 30, 2019	Budget Meetings City Manager, Departments, and Budget Team for funds that DO NOT receive tax levy support (remaining Enterprise and Special Revenue Funds)
September 9, 2019	City Council Meeting - 2020 Preliminary General Fund Budget and Tax Levy
September 16, 2019	City Council Study Session - 2020 Internal Service Fund Budgets
September 23, 2019	City Council Meeting - 2020 Internal Service Fund Budgets
September 30, 2019	Preliminary 2020 Tax Levy due to Hennepin County
October 7, 2019	City Council Meeting - 2020 Employee Benefits Fund Budget
October 14, 2019	City Study Session - 2020 Special Revenue and Enterprise Fund Budgets
October 28, 2019	City Council Meeting - 2020 Special Revenue and Enterprise Fund Budgets
October 29, 2019	City Council Special Meeting – 2020 General Fund and Tax Levy Update
November 18, 2019	City Council Meeting – 2020 Utility Rate Public Hearing and Utility Fund Budgets
November 25, 2019	City Council Study Session – Final 2020 Tax Levy and General Fund Budget
December 2, 2019	Public Hearing and Final 2020 Tax Levy and General Fund Budget
December 31, 2019	Final 2020 Tax Levy due to Hennepin County



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FINANCIAL SUMMARIES

FINANCIAL
SUMMARIES



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

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Property Taxes	\$ 52,155,495	\$ 55,228,948	\$ 57,967,497
Utility Fees	40,354,936	38,412,923	45,398,840
Departmental Charges	40,741,313	42,762,834	43,776,774
Lodging and Admissions Tax	10,462,313	10,473,285	10,150,000
Bond Proceeds	12,040,848	1,739,630	9,500,000
Program Income	7,448,072	7,154,174	7,533,920
Permits and Licenses	6,931,718	7,377,515	6,172,083
Transfers from Other Funds	7,746,280	9,650,204	5,282,627
Intergovernmental	4,918,763	6,056,379	4,502,168
Other Revenues	2,703,847	2,674,047	2,470,148
Franchise & PEG Fees	1,417,042	1,384,514	1,356,000
Interest Income	1,420,322	3,711,377	953,604
Fines & Forfeitures	885,261	757,878	835,000
Special Assessments	359,133	626,488	322,954
Total Revenues	\$ 189,585,343	\$ 188,010,196	\$ 196,221,615
Expenses			
Salaries and Benefits	\$ 73,349,562	\$ 77,325,830	\$ 83,436,954
Materials, Supplies, & Services	84,904,950	89,250,595	95,851,862
Capital Outlay	15,723,769	15,357,377	21,414,696
Debt Service	833,928	1,284,242	1,790,328
Transfer to Other Funds & Contingency	3,171,933	6,716,435	3,117,399
Charged to Others	(8,202,018)	(8,303,288)	(8,884,659)
Budgeted Estimated Unspent			(1,650,000)
Total Expenses	\$ 169,782,124	\$ 181,631,191	\$ 195,076,580
Property Tax Levy Amounts in Capital and Debt Service Funds			
Strategic Priorities	\$ 500,000	\$ 500,000	\$ -
Tax Abatement	\$ 996,907	\$ 950,000	\$ 950,000
Debt Service	\$ 4,080,740	\$ 4,744,555	\$ 5,482,359

Total General Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Property Taxes	\$ 48,696,336	\$ 51,128,914	\$ 53,547,980
Lodging and Admissions Tax	10,462,313	10,473,285	10,150,000
Permits and Licenses	6,354,507	6,960,155	5,856,083
Intergovernmental	2,719,342	3,094,912	2,586,606
Program Income	1,849,604	1,724,669	2,052,470
Fines	719,742	673,692	700,000
Interest Income	397,504	464,531	200,000
Other Revenues	1,181,664	1,223,331	1,076,391
Transfers from Other Funds	3,701,072	3,262,869	3,262,728
Total Revenues	76,082,084	79,006,358	79,432,258
Expenses			
Salaries and Benefits	50,090,940	52,737,595	56,529,542
Materials, Supplies, & Services	29,028,817	29,809,063	31,405,003
Capital Outlay	125,657	1,006,340	95,000
Transfer to Other Funds & Contingency	1,235,003	2,443,645	1,937,372
Charged to Others	(8,124,339)	(8,242,465)	(8,884,659)
Budgeted Estimated Unspent			(1,650,000)
Total Expenses	72,356,078	77,754,178	79,432,258
Working Capital			
Net Change	3,726,006	1,252,180	-
Working Capital at Beginning of Year	30,942,840	34,668,846	35,921,026
Working Capital at End of Year	\$ 34,668,846	\$ 35,921,026	\$ 35,921,026
Working Capital Goal	\$ 30,112,286	\$ 32,181,412	\$ 33,625,273

Special Revenue Funds

Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Fire Pension	\$ 2,636,356	\$ 2,670,941	\$ 2,679,645
Communications	1,700,799	2,064,457	1,898,761
Public Health Grants	1,029,510	1,088,909	1,020,716
Creative Placemaking	438,206	438,623	430,325
South Loop Revolving Development	72,362	193,871	354,000
Cemetery	141,340	175,643	212,850
Park Grants	88,757	125,327	95,986
Enhanced 911	114,724	112,729	111,789
DWI Forfeiture	71,369	95,717	61,000
State Drug Forfeiture	59,266	3,004	46,000
Federal Dept. of Justice Drug Forfeiture	339,891	635	30,000
Federal Treasury Drug Forfeiture	81,875	14	-
Police Grants	268,598	550,254	-
Total Revenues	\$ 7,043,053	\$ 7,520,124	\$ 6,941,072
Expenditures			
Fire Pension	\$ 2,160,850	\$ 609,799	\$ 2,541,359
Communications	2,068,609	2,061,110	1,988,505
Public Health Grants	1,026,218	1,068,352	1,064,870
Creative Placemaking	267,542	240,524	430,000
South Loop Revolving Development	28,041	1,119	278,723
Cemetery	272,076	198,538	228,652
Park Grants	88,484	74,408	90,806
Enhanced 911	197,656	145,311	127,234
DWI Forfeiture	73,608	43,903	73,964
State Drug Forfeiture	361,237	-	50,000
Federal Dept. of Justice Drug Forfeiture	66,005	27,681	15,000
Federal Treasury Drug Forfeiture	5	-	25,000
Police Grants	260,244	542,588	-
Total Expenditures	\$ 6,870,575	\$ 5,013,333	\$ 6,914,113

Enterprise Funds Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Water Utility Fund	\$ 14,620,474	\$ 13,882,086	\$ 16,916,421
Wastewater Utility Fund	14,424,502	13,852,399	14,828,064
Solid Waste Utility Fund	7,661,912	7,884,562	8,441,315
Storm Water Utility Fund	18,469,286	7,014,522	7,076,594
Golf Courses Fund	1,867,622	1,913,157	2,067,850
Ice Garden Fund	1,414,272	3,406,249	1,731,621
Aquatics Fund	1,460,139	1,594,438	1,594,946
Center for the Arts Fund	1,381,171	1,166,557	1,197,489
Motor Vehicle Fund	640,334	1,059,026	734,281
Contractual Police Services Fund	1,349,945	934,483	630,410
Total Revenues	\$ 63,289,657	\$ 52,707,479	\$ 55,218,991
Expenses			
Water Utility Fund	\$ 13,337,361	\$ 14,294,049	\$ 16,750,399
Wastewater Utility Fund	11,320,344	12,176,023	12,920,321
Solid Waste Utility Fund	7,607,220	7,967,171	8,574,311
Storm Water Utility Fund	12,018,500	8,546,333	7,226,967
Golf Courses Fund	1,848,925	1,811,624	2,008,256
Ice Garden Fund	1,622,171	3,639,792	1,729,692
Aquatics Fund	1,370,924	1,524,067	1,570,201
Center for the Arts Fund	983,061	932,731	1,276,860
Motor Vehicle Fund	724,778	758,944	862,724
Contractual Police Services Fund	1,350,433	933,995	630,410
Total Expenses	\$ 52,183,717	\$ 52,584,729	\$ 53,550,141

Internal Service Funds Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Facilities & Park Maintenance Fund	\$ 13,461,928	\$ 13,187,052	\$ 22,489,251
Employee Benefits Fund	10,182,516	11,541,875	12,018,077
Fleet Maintenance Fund	8,280,996	8,117,822	7,626,771
Information Technology Fund	5,384,472	6,135,758	5,805,531
Benefit Accrual Fund	1,854,570	2,452,550	1,935,420
Self Insurance Fund	2,476,694	2,305,199	2,343,597
Public Safety Technology & Equipment Fund	704,995	4,296,777	1,863,389
Support Services Fund	481,722	510,348	547,258
Total Revenues	\$ 42,827,893	\$ 48,547,381	\$ 54,629,294
Expenses			
Facilities & Park Maintenance Fund	\$ 10,878,303	\$ 13,287,856	\$ 22,260,811
Employee Benefits Fund	10,317,069	11,288,003	11,673,517
Fleet Maintenance Fund	8,039,050	9,958,637	8,130,143
Information Technology Fund	5,376,126	6,058,270	6,100,208
Benefit Accrual Fund	2,098,757	2,570,869	1,973,904
Self Insurance Fund	1,355,222	2,273,445	2,751,226
Public Safety Technology & Equipment Fund	890,562	428,288	1,574,058
Support Services Fund	448,680	480,642	556,761
Total Expenses	\$ 39,403,769	\$ 46,346,010	\$ 55,020,628

Fund Balances - Governmental Funds

Fund balance is defined as the difference between a fund's assets and liabilities. Adequate fund balance enhances the City's financial position and bond ratings. It also provides cash for operations prior to receipt of tax revenues. Cities in Minnesota receive their largest sources of revenue – property tax – only twice each year. Fund balances are used for day-to-day cash flow for the following six months of operations until the next property tax distribution. Fund balances are required to be categorized as one of five different components on the annual Comprehensive Annual Finance Report:

Fund Balance Restricted Components:

Non-spendable: Dollars that cannot be spent because they are not in a spendable form or they are legally or contractually required to remain intact.

Restricted: Dollars on which there are constraints placed regarding their use. External constraints include those imposed by creditors, grantors, or laws of other governments. Other constraints might be those imposed by law.

Fund Balance Unrestricted Components:

Unrestricted-Committed: Dollars that must be kept for specific purposes as determined by formal action of the decision-making authority.

Unrestricted-Assigned: Dollars that the City intends to use for a specific purpose but they are not committed.

Unrestricted-Unassigned: Dollars that do not fall into any of the other classifications.

Governmental Funds	Estimated Ending 2019 Fund Balance	2020 Budgeted Revenues	2020 Budgeted Expenses	2020 Budgeted Net Change	Projected Ending 2020 Fund Balance	% Change
General Fund	\$ 36,262,998	\$ 79,432,258	\$ (79,432,258)	\$ -	\$ 36,262,998	0.00%
Fire Pension	4,768,200	2,679,645	(2,541,359)	138,286	4,906,486	2.90%
Communications	344,962	1,898,761	(1,988,505)	(89,744)	255,218	-26.02%
Public Health Grants	159,289	1,020,716	(1,064,870)	(44,154)	115,135	-27.72%
Creative Placemaking	487,009	430,325	(430,000)	325	487,334	0.07%
South Loop Revolving Development	281,367	354,000	(278,723)	75,277	356,644	26.75%
Cemetery	504,871	212,850	(228,652)	(15,802)	489,069	-3.13%
Park Grants	73,855	95,986	(90,806)	5,180	79,035	7.01%
Enhanced 911	56,871	111,789	(127,234)	(15,445)	41,426	-27.16%
DWI Forfeiture	434,246	61,000	(73,964)	(12,964)	421,282	-2.99%
State Drug Forfeiture	317,412	46,000	(50,000)	(4,000)	313,412	-1.26%
Federal Dept. of Justice Drug Forfeiture	246,840	30,000	(15,000)	15,000	261,840	6.08%
Federal Treasury Drug Forfeiture	81,884	-	(25,000)	(25,000)	56,884	-30.53%
Police Grants	2,615	-	-	-	2,615	0.00%
	\$ 44,022,419	\$ 86,373,330	\$ (86,346,371)	\$ 26,959	\$ 44,049,378	0.06%

% Changes greater than 10% highlighted and explained below

Communications – Communications is planning for a website redesign in 2020.

Public Health Grants – Public Health is spending down grant revenue balances.

South Loop Development – Permit revenue is expected to exceed consultant activities for 2020.

Enhanced 911 – Includes a transfer to the Public Safety Technology & Equipment Fund for payment of interfund loan used for upgrade of dispatch system.

Federal Treasury Drug Forfeiture – Plans to spend down portion of drug forfeiture funds on allowable Police expenses in 2020. Forfeiture funds that go through the Federal Treasury are required to be held in a separate fund. No revenues were budgeted in 2020 because these types of drug forfeitures are infrequent.

Working Capital

Working Capital balance is defined as the difference between a fund's current assets and current liabilities. It is a measure of operational liquidity in order to meet short-term financial obligations as well as saving for future long-term purchases. It also ensures that there are liquid funds available for unexpected or emergency events.

All budgeted funds' Working Capital balances are analyzed during the budget process to ensure that the requested budget will keep the Working Capital balance near the goal required for the fund - not only in the budget year, but also projected into the future in long-range budget models. The General Fund Financial Summary located earlier in this Financial Summaries section includes the beginning, ending, and net change in Working Capital at the bottom of the summary. All of the Special Revenue, Enterprise, and Internal Service Funds also include beginning, ending, and the net change in Working Capital in their Financial Summaries.

2020 Budgeted Revenue Sources

Budgeted Revenues

The largest budgeted revenue sources are Property Taxes, Utility Fees, Lodging and Admission Taxes, Bond Proceeds, Program Income, and Permits and Licenses. These revenues comprise 93% of the City's overall revenue budget.

Revenue Source	2020 Budget	% of Overall Budgeted Revenue
Property Taxes	\$57,967,497	39.4%
Utility Fees	45,398,840	30.8%
Lodging and Admission Taxes	10,150,000	6.9%
Bond Proceeds	9,500,000	6.5%
Program Income	7,533,920	5.1%
Permits and Licenses	6,172,083	4.2%
Other Revenues	10,439,874	7.1%
Total Revenues	\$147,162,214	
<i>(Not including Internal Service Fund revenue or transfers from other funds)</i>		

Property Taxes – 92% of the budgeted \$57,967,497 in property taxes are expended in the General Fund to support taxpayer services such as Police, Fire, Public Works, Parks and Recreation, and Community Development. The remaining 8% of budgeted property taxes support the Bloomington Family Aquatic Center, Bush Lake Beach, Ice Garden, Hyland Golf Course, the Fire Pension, the Communications Division, the Motor Vehicle Office, and Forestry. Additional property taxes of \$6.2 million were levied for Capital Project Funds and Debt Service Funds that are separate from the City's annual operating budget. The City Council sets a preliminary tax levy that is due to the County by the end of September. The preliminary tax levy for 2020 was a 6% increase from the 2019 tax levy. The City Council then approves a final tax levy in December after a property tax public hearing that is required by State statute. The final tax levy for 2020 was a 4.75% increase from the 2019 tax levy. The City receives taxes from the County twice a year, in January and July.

Utility Fees – The City has utility services for water, sewer, stormwater mitigation, and garbage and recycling. Rates are determined by calculating the amount of funding needed to cover operations and future capital costs.

Water Utility

Recent local weather patterns and conservation efforts have had an effect on overall water use, current water fund reserves, and annual budgeting estimates. Wetter than normal summer seasons have had a significantly lowered water usage which has lowered revenues. Water usage is lower than the last three years and also below the ten-year average. The City Council approved a water utility rate increase of 8.5% for 2020 after a public hearing on November 18, 2019. The increase was necessary to cover annual operational and maintenance costs, while building capital reserves for asset renewal.

Wastewater Utility

A large portion of annual operational expenses for the wastewater utility are for the treatment charges from the Metropolitan Council Environmental Services (MCES). For 2020, MCES increased their rate by 2.75%. The City Council approved a wastewater utility rate increase of 3.5% for 2020 after a public hearing on November 18, 2019. The increase was necessary to cover annual operational and maintenance costs, while building capital reserves for asset renewal.

Stormwater Utility

A stormwater utility fee is charged to property owners to recover costs associated with providing storm water utility service to protect structures and the public from storm water damage caused by surface water runoff. Construction projects strive to improve and renew existing infrastructure as well as build resiliency within the existing storm sewer system. A combination of funds on hand, bond proceeds, and future rate increases are proposed to fund these projects. A rate increase of 4% for 2020 was approved by the City Council on November 18, 2019. This increase will allow the storm utility to continue funding maintenance construction and activity and maintain compliance with State and Federal regulations.

Solid Waste Utility (Garbage and Recycling)

Beginning in October 2016, Bloomington began managing garbage and recycling for approximately 22,000 households that previously had individual contracts with residential haulers. The haulers formed a consortium that handles collection and customer service for these households.

Each component of the garbage rate increased in 2020. The City Council approved the following increases after a public hearing on November 18, 2019:

- The collection rate increased by 2% due to the every other year contract price escalator in the agreement with the haulers' consortium.
- The disposal rate increased 8.62% due to the 8.62% cost increase to process garbage at the Hennepin Energy Recovery Center.
- The administrative fee increased from \$1.00 to \$1.70 based on the actual administrative costs of garbage billing and customer service to the City.
- The recycling rate increased by 2% due to the every other year price escalator as set in the City's Agreement with the Consortium.

Lodging and Admission Taxes – A 7% lodging tax is collected from hotel and motel lodging accommodations and related services. 3% of the lodging tax supports the General Fund. 2% supports the South Loop Capital Fund and 2% supports the Bloomington Visitors and Convention Bureau. A 3% admissions tax is collected on entertainment events in the City that includes ticket sales to theaters, amusement parks, and cover charges to night clubs, bars, and restaurants. The full admission tax supports the General Fund. To forecast lodging tax revenues, City staff attended the “2020 Bloomington Convention and Visitors Bureau 2020 Marketing Outlook Forum”. Speakers from Smith Travel Research and MMGY Global presented the latest trends, travel research, industry updates, and 2020 forecasting insights.

Bond Proceeds – Bond proceeds of \$9,500,000 are budgeted for a new Fire Station 4. A few of the City's fire stations are more than 50 years old and no longer meet the needs of the community. One of those facilities, Fire Station 3, is currently under construction. Construction is on schedule, on budget and expected to be complete spring 2020.

Program Income – Program income is received from fee-supported services such as green fees, pool admissions, sport team fees, and public health fees. Fees are reviewed annually and increased to match the cost of service when necessary. The annual fee schedule is approved by the City Council. Revenues are projected on historical averages with considerations of rate increases and changes to program offerings.

Permits and License Fees – Permits and license fees of \$6,172,083 account for just over 4% of total budgeted revenues. The City Clerk's Office issues licenses as required by the City Code. Licenses for business, liquor, gambling, pets, taxicabs, and rental housing are all examples of licenses issued by the City. The Building and Inspection Division in Community Development issues permits for building, roofing, siding, decks, electrical, mechanical, plumbing, fire prevention, and special events. Permit revenues have been trending higher than budget in recent years. In the beginning of the budget process, revenues were forecasted conservatively, but towards the end of the year revenues were increased after receiving updated information from Community Development on upcoming development projects that allowed for more accurate forecasting.

Long-Range Financial Plans

The City utilizes long-range financial budget models to detect any future structural funding problems as early as possible. Long-range financial models ensure there is sufficient working capital to support current services and future capital needs. If trends show that working capital is decreasing below required goals, decisions can be made now to find additional revenues, identify reductions in operating expenses, modify future capital investments, and/or reduce or eliminate programs or services. Long-range models are also used to provide financial context for significant policy decisions that would impact future tax levies.

Key Assumptions in General Fund Long-Range Model

In 2020, revenues are budgeted to increase from the 2019 budget by 5.51%. In the long-range model, the first five years of which are shown later in this section, revenues are projected to increase each year from 2021 to 2030 at rates ranging from 3.17% percent to 4.17% with an average increase of 3.79%.

Market Value Tax Base Growth is used as a guide in keeping property tax increases to a reasonable level. From 2018 to 2019, the median-valued home increased from \$256,900 to \$283,900, a growth of 10.5%. This increase in valuation means that the monthly cost of tax-supported services for the owner of a \$283,900 median-valued home is \$89.62 for 2020, an increase from the 2019 monthly cost of \$81.02. In Minnesota, local governments set a total property tax dollar amount instead of a tax rate as is done in some other states. Following state law, this is prorated to each property based on its value. With this property tax levy, the City's share of 2020 total residential property taxes is 30 cents out of every tax dollar paid. The remaining amount goes to the county, school district and other taxing districts. Study of home sales occurring between October 2017 and September 2018 reflected the increase in value and are the basis for the January 2019 assessment for taxes payable in 2020. Since 1999, the City's annual base property tax levy increase has averaged 3.88% on existing properties.

Property tax revenues are the primary source to fund a number of activities in the City including Public Safety, Public Works and Community Development. An annual property tax levy increase is modeled in the succeeding ten 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% are collected from businesses for amusement parks, theater, and nightclub admissions. The budget model shows these revenues increasing by a modest 1% each year from 2021 to 2030.

Lodging taxes are sensitive to market fluctuations. 2020 is budgeted at an increase of 10.9% from the 2019 budget based on actual revenues from the past two years and industry forecasts. A 1% per year growth is projected out for the later years of the model.

Business licenses are fairly consistent in quantity each year. Fees for each license type are generally increased to reflect inflation. Business license revenue is modeled to increase by 0.5% for 2020 and then increase by 1.0% each year through 2030.

Permits includes building permits, which can fluctuate significantly depending on the reinvestments made by property owners to upgrade existing properties and invest in significant new projects. Permit fee revenue is budgeted in 2020 to increase by 4.7% from the 2019 budget based on the strength of the building market in 2020. Permit revenue is budgeted to increase by 2.0% each year from 2021-2030.

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 2020 shows a 5.9% increase from the 2019 budget. It is expected to increase by 1% through 2030 based on the historical performance of this revenue.

Appropriation needs are developed by Department Heads and Division Managers after pre-loaded expenses such as salaries, benefits, and internal charges are projected. On average, salaries and benefits make up approximately 70% of General Fund expenses. Overall, appropriations in the model are projected to increase annually at an average rate of 3.79 % annually through 2030.

Salaries are projected to increase by an estimated cost of living plus incentives for performance and step increases. For 2012 through 2019, wage increases averaged 2.5%. In 2020, a 3% increase was budgeted. The later years of the model include wage increases of 3% for modeling purposes only.

Health Insurance expense projections have been reduced in long-range models compared to past years due to the City moving to the Public Employees Insurance Program (PEIP). The move to PEIP made strong financial sense for the City and its employees and the Council approved a contract with PEIP for 2020 and 2021. All employers enrolled in PEIP experience the same annual premium increase from year to year, and over the last 10 years, PEIP has had an average premium increase of just 2.5% per year.

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 and put limits on General Fund expenditures. Another strategy implemented in prior years was to keep open positions vacant longer than normal.

Contingency - A contingency of at least 2.5% of the current year’s budgeted expenditures, is included in the model. An estimated unspent amount is included to offset the budget by an amount historically under spent in the general fund as a whole. This is typically due to savings incurred when full-time positions are vacant.

Structural Balance

The General Fund long-term model is a reflection of conservative estimates of revenue and estimates of expenditures based on trends, industry forecasts, and future service level plans. Each year in the long-range budget model shows a balanced budget. Each year the model is updated 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 levels of service.

During the past 25 years that this model has been used, budget gaps identified have been closed at least a year before budget adoption through the use 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. There are a number of alternatives for increasing revenues and 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 to restore fund balances where appropriate. One of the main principles used is conservative budget management to keep expenditure increases in line with inflation.

City of Bloomington - General Fund Long-Range Model Years 2020 - 2024

	2020 Proposed	2021 Proposed	2022 Proposed	2023 Proposed	2024 Proposed
Property Tax	\$54,041,504	\$56,350,488	\$58,822,417	\$61,374,023	\$64,071,537
Less Delinquent Tax & Abatements	(693,524)	(723,155)	(754,878)	(787,623)	(822,241)
Delinquent Tax Collections	200,000	200,000	200,000	200,000	200,000
Admissions Tax	1,500,000	1,515,000	1,530,150	1,545,452	1,560,906
Lodging Tax	8,650,000	8,736,500	8,823,865	8,912,104	9,001,225
Business Licenses	1,973,258	1,992,991	2,012,920	2,033,050	2,053,380
Permits	3,882,825	3,960,482	4,039,691	4,120,485	4,202,895
Fines	700,000	700,000	700,000	700,000	700,000
Program Income	2,052,470	2,072,995	2,093,725	2,114,662	2,135,809
Intergovernmental Revenue	2,586,606	2,586,606	2,586,606	2,586,606	2,586,606
Interest Earnings	200,000	200,000	200,000	200,000	200,000
Transfers to Other Funds	3,262,728	3,524,496	3,465,765	3,400,622	3,328,734
Other Revenue	1,076,390	1,087,154	1,098,025	1,109,006	1,120,096
Total Revenues	79,432,258 5.51%	82,203,555 3.49%	84,818,287 3.18%	87,508,385 3.17%	90,338,946 3.23%
City Council/Commissions	633,487	652,492	672,066	692,228	712,995
Administration	2,843,659	2,928,969	3,016,838	3,107,343	3,200,563
Legal	2,021,508	2,082,153	2,144,618	2,208,956	2,275,225
Finance	1,255,546	1,293,212	1,332,009	1,371,969	1,413,128
Police	27,826,107	28,660,890	29,520,717	30,406,338	31,318,529
Fire	5,435,871	5,778,306	5,951,655	6,130,205	6,375,413
Community Development	9,828,724	10,123,586	10,427,293	10,740,112	11,062,315
Community Services	4,805,150	4,949,305	5,097,784	5,250,717	5,408,239
Parks and Recreation	10,375,374	10,686,635	11,007,234	11,337,451	11,677,575
Public Works	14,119,459	14,543,043	14,979,334	15,428,714	15,891,575
Offset for Estimated Unspent	(1,650,000)	(1,500,000)	(1,400,000)	(1,300,000)	(1,200,000)
Total Expenditures before contingency	77,494,886	80,198,590	82,749,548	85,374,034	88,135,557
2.5% Contingency	1,937,372	2,004,965	2,068,739	2,134,351	2,203,389
Total Expenditures	79,432,258	82,203,555	84,818,287	87,508,385	90,338,946

Note: Years 2021-2024 are estimates. Property tax increases modeled above will likely be reduced as future budgets are refined through revenue increases and/or reductions of expenses.



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CAPITAL AND DEBT



Capital Projects

The Capital Budget development process starts with Departments preparing requests for needed projects using the Ten-Year Community Investment Program (CIP) database. Projects can come from the Alternative Transportation Plan, the Park Master Plan, the South Loop Master Plan, the Pavement Management Program, the fifteen year modeling done for water, sewer and storm water utilities and the facility fund. A Facilities Committee reviews and prioritizes these types of structural needs. Once completed, an analysis of funding requirements and any necessary related prioritization is done by the Executive Management Team. 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 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. According to the City's Community Investment Program Policies, operating costs must be projected and included in operating budget forecasts.

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.

Capital projects 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 based on Council appropriation. Individual project budgets are then approved by the Council on a project-by-project basis. The CIP is available on the City's website under Finance.

Highlights of 2020 Capital Funding Projects:

Park Development

Dred Scott Athletic Field Lighting Phase I **\$ 1,334,400**

This project will replace the athletic field lighting on the softball fields in the wheel at Dred Scott Fields. This includes \$810,000 for lighting, \$150,000 for electrical work, 15% for design/bid, 12% for construction, and 12% contingency for a total expected cost of \$1,334,400. Charter bonds will be issued for this project

Normandale Lake Maintenance Building Reconstruction **1,273,309**

This project will replace the existing a-frame restrooms building south of Chalet Road parking lot with new restrooms in order to meet ADA requirements and provide accessible restrooms to the public. The project will also replace the maintenance garage on site in order to improve maintenance services and provide an enclosed trash/recycling facility. Funding will come from State and Met Council Grants and Funds

City Facilities

Fire Station 3 **\$ 2,640,000**

The Fire Station 3 replacement began in 2019 with a budget of \$11,200,000. The project is wrapping up in 2020 with a remaining budget of \$2,640,000. The new Fire Station 3 is in a new location in the South Loop District. It will include additional bays and living quarters for duty crews as well as energy saving

mechanical and efficient air handling equipment. Operating costs for the larger facility will be about double the \$164,000 for the old facility, even though it will be four times the size of the old facility. Bonds were issued to fund this project.

Public Works Roof

\$ 2,550,000

The current roof is past its useful life. The Facilities and Maintenance fund will fund this project

Alternative Transportation

East Bloomington Freeway Sidewalk (106th-99th)

\$ 1,300,000

This project will construct a sidewalk or trail along the west side of East Bloomington Freeway between W 106th Street and W 99th Street. The reconstruction of East Bloomington Freeway from W 106th St and W 99th St. will also be included with this project. The project is identified in the Alternative Transportation Plan as well as the Safe Routes to School Plan. The construction of these pedestrian facilities will fill a critical gap in the sidewalk network and increase safety for non-motorized travelers in the area, including access to the Oak Grove School campus and the South Bloomington Transit Center and Lyndale area retail node. This project will be funded with a combination of Local Government and Federal Grants and Funds.

Sewer, Water, and Storm Water

There are no significant nonrecurring capital expenditures budgeted for 2020, rather the standard maintenance and asset renewal projects budgeted at \$7,140,000. These projects are funded by bonding and utility fees.

Surface Transportation

There are nine street construction and overlay projects planned as part of the City's ongoing Pavement Management Program in 2020 with a total projected cost of nearly \$15 million.

South Loop

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. Anticipated 2020 non-routine capital expenditures include:

\$725,000 for phase two of demolition of Interstate Diesel to prepare for future development.

\$215,000 for Creative Placemaking which engages artists and other creative people in building vibrant, distinctive, and sustainable communities. It bolsters local economies while making physical, place-based improvements and leveraging the distinctive character and cultural resources of a place. This is an ongoing project expecting to be funded over the next 10 years and beyond.

Fleet and Equipment

The 2020 fleet and equipment budget includes \$2,826,096 of planned purchases. By regularly upgrading equipment, the City realizes approximately \$150,000 per year in savings on maintenance costs.

Pavement Management Program

A funding and implementation plan for repair and maintenance of Bloomington roadways was adopted in 1992. Needs are identified, then funding is provided through state aids, assessments and franchise fees. 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. The original plan spanned three specific areas: reconstruction, overlay and seal coating. In 2015 the City Council approved adding trails to the program.

In 2020 approximately \$9,520,800 will be invested in street reconstruction and \$3,780,000 will be spent on overlaying existing pavement. Operating costs are not significantly impacted because on average 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.

Executive Summary

The City has an ongoing ten-year plan which lists projects incorporated for budget purposes. Each project then returns to the City Council for approval.

Summary of 2020 Project Costs

Project Totals including all 2020 CIP projects	
Park Development	\$ 3,600,000
City Facilities	5,180,000
Alternative Transportation	2,521,000
Sewer, Water, and Storm Water	7,140,000
Surface Transportation	14,936,000
South Loop	1,082,000
Total	\$ 34,459,000

Funding Sources for 2020 CIP Projects

Funding for 2020 Projects	
City Funds	\$ 17,351,528
Grants	3,242,618
G.O. Charter Bond	1,594,400
PIR Bonds and Assessments	8,137,535
Other Funds	4,132,919
Total	\$ 34,459,000



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Debt Overview

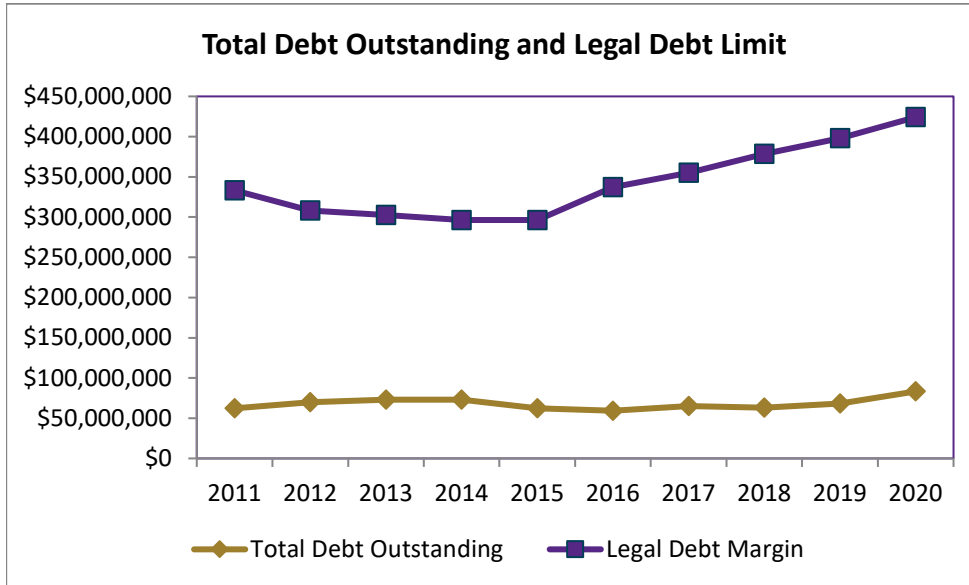
Ongoing positive performance in financial operations and savings from conservative spending assist in reducing the level of annual debt issuance. This results in debt service cost savings and, ultimately, lower debt service levies.

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 limitation provides reasonable assurance of the municipality’s ability to pay its obligations. Bloomington’s estimated taxable market value for taxes payable year 2020 is \$14,351,410,000. The graph below shows ten years of legal debt limit and total debt outstanding. The space between the debt limit and outstanding debt shows that the City is conservative in the amount of debt issued compared to the statutory limit.

	<u>2020</u>
General Obligation Debt Limit	\$ 430,542,300
Bloomington’s Debt Subject to the limit	<u>6,370,000</u>
 Debt Margin	 <u>\$ 424,172,300</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 40 cities to achieve the “Triple Triple A.”

General Obligation Debt Issuances During 2019

In May of 2019, the City issued the following debt:

- \$1,645,000 of Taxable General Obligation Charter Bonds. The proceeds were used to finance improvements to the Bloomington Ice Garden.

In November of 2019, the City issued the following debt:

- \$4,095 of General Obligation Permanent Improvement Revolving Fund Bonds. The proceeds 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.
- \$2,105,000 of General Obligation Charter Bonds. The proceeds were used to finance park and recreation improvements within the City.

In December of 2019, the City issued debt:

- \$15,200,000 of Taxable General Obligation Tax Increment Revenue Bonds. The proceeds were used to establish the Affordable Housing Trust Fund.

Anticipated Debt Issues

The City plans to issue Charter Bonds of up to \$1.3 million in the fall for park improvements and Permanent Improvement Revolving Fund debt of approximately \$8.4 million to replenish funds expended for the Pavement Management Program.

The City's total outstanding tax and assessment supported debt on December 31, 2019, was \$68,610,000 for a per capita amount of \$765 (population 89,654). The per capita limit on the City's debt is \$4,802.

The total debt principal and interest due in 2020 is \$10,925,604 of which \$5,482,359 is borne by the property tax levy. About 49 percent of the currently issued debt will be paid off in five years and over 80 percent in ten years. The ability to retire at least half of a city's debt in ten years is considered a strength.

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 Revenue

2017B Water Utility Bonds (2018-2027)

2018D Storm Water Utility Bonds "Green Bonds" (2020-2034)

2019A Bloomington Ice Garden Charter Bonds (2021-2030)

General Obligation

2010 Permanent Improvement Revolving, Forty-Four Series Build America Bonds (2012-2021)

2011 Permanent Improvement Revolving, Forty-Five Series (2013-2031)
2012 Permanent Improvement Revolving, Forty-Six Series (2014-2023)
2012A Permanent Improvement Revolving Refunding. Bonds refunded 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 refunded the 2009 Permanent Improvement Revolving, Forty-Three Series (2015-2030)
2014 Permanent Improvement Revolving, Forty-Eight Series (2016-2025)
2015 Permanent Improvement Revolving, Forty-Nine Series (2017-2036)
2016 Permanent Improvement Revolving, Fifty Series (2018-2037)
2016B Art Center Refunding Bonds. Bonds refunded the 2007 Art Center Refunding Bonds. (2018-2021)
2016C Permanent Improvement Revolving Refunding. Bonds will refunded the 2007 Series Forty-One and 2008 Series Forty-Two (2019-2029)
2017 Permanent Improvement Revolving, Fifty-One Series (2019-2028)
2017A Charter Bonds (2018-2027)
2018 Permanent Improvement Revolving, Fifty-Two Series (2020-2029)
2018A Charter Bonds (2020-2029)
2019 Permanent Improvement Revolving, Fifty-Three Series (2021-2030)
2019B Charter Bonds (2021-2030)
Permanent Improvement Revolving Bonds will be retired from special assessments and general property tax levies.

General Obligation Tax Increment

2011B Tax Increment Refunding (2014-2032)
2016A Tax Increment Bonds (2018-2022)

Taxable General Obligation

2018B Housing Improvement Bonds (2020-2034)
2019C Taxable Tax Increment Revenue (2022-2036)

Total Outstanding City Debt

Not all debt is paid out of property tax receipts. Less than 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
2020	8,670,000	2,255,604	1,205,000	577,610	7,465,000	1,677,994
2021	9,100,000	2,387,128	1,445,000	520,802	7,655,000	1,866,326
2022	9,485,000	2,104,865	835,000	475,107	8,650,000	1,629,758
2023	6,985,000	1,829,834	875,000	434,932	6,110,000	1,394,901
2024	6,605,000	1,588,956	910,000	391,832	5,695,000	1,197,124
2025	6,470,000	1,355,146	960,000	348,632	5,510,000	1,006,514
2026	5,555,000	1,143,543	990,000	306,707	4,565,000	836,836
2027	5,255,000	951,978	1,035,000	264,189	4,220,000	687,789
2028	4,600,000	774,815	935,000	221,113	3,665,000	553,703
2029	4,055,000	626,859	970,000	185,573	3,085,000	441,287
2030	3,140,000	512,187	995,000	156,046	2,145,000	356,140
2031	2,150,000	422,863	835,000	124,100	1,315,000	298,763
2032	2,095,000	345,496	865,000	90,100	1,230,000	255,396
2033	1,985,000	271,774	895,000	54,900	1,090,000	216,874
2034	2,045,000	199,521	925,000	18,500	1,120,000	181,021
2035	1,085,000	145,544	0	0	1,085,000	145,544
2036	3,945,000	65,018	0	0	3,945,000	65,018
2037	60,000	900	0	0	60,000	900
	\$83,285,000	\$16,982,029	\$14,675,000	\$4,170,144	\$68,610,000	\$12,811,885

DEPARTMENTAL INFORMATION





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Position Summary Schedule Authorized Full-Time Positions

Dept.	Division	2018 Authorized Full-Time	2019 Authorized Full-Time	2020 Authorized Full-Time
ADMINISTRATION				
	CITY CLERK - GENERAL FUND	8	8	8
	CITY MANAGER - GENERAL FUND	3	3	4
	HUMAN RESOURCES - GENERAL FUND	6	6	6
	MOTOR VEHICLE (CITY CLERK) - ENTERPRISE FUND	6	6	6
	ADMINISTRATION Total	23	23	24
CITY COUNCIL				
	CITY COUNCIL - GENERAL FUND	1	1	1
	CITY COUNCIL Total	1	1	1
COMMUNITY DEVELOPMENT				
	ADMIN - GENERAL FUND	4	4	4
	ASSESSING - GENERAL FUND	13	13	13
	BUILDING & INSPECTIONS - GENERAL FUND	21	21	20
	CREATIVE PLACEMAKING - SPECIAL REVENUE FUND	1	1	1
	ENVIRONMENTAL HEALTH - GENERAL FUND	17	17	17
	PLANNING - GENERAL FUND	9	9	10
	COMMUNITY DEVELOPMENT Total	65	65	65
COMMUNITY SERVICES				
	ADMIN - GENERAL FUND	2	2	2
	COMMUNICATIONS - SPECIAL REVENUE FUND	9	9	9
	COMMUNITY OUTREACH & ENGAGEMENT - GENERAL FUND	6	6	6
	PUBLIC HEALTH - GENERAL FUND	19	19	19
	PUBLIC HEALTH GRANTS - SPECIAL REVENUE FUND	6	6	6
	SUPPORT SERVICES (COMMUNICATIONS) - INTERNAL SERVICE FUND	1	1	1
	COMMUNITY SERVICES Total	43	43	43
FINANCE				
	ADMIN & BUDGET - GENERAL FUND	3	3	3
	FINANCIAL OPERATIONS - GENERAL FUND	20	20	20
	RISK MANAGEMENT - GENERAL FUND	1	1	1
	FINANCE Total	24	24	24
FIRE				
	FIRE DEPARTMENT - GENERAL FUND	10	10	11
	FIRE Total	10	10	11
INFORMATION TECHNOLOGY				
	INFORMATION TECHNOLOGY - INTERNAL SERVICES FUND	13	18	18
	INFORMATION TECHNOLOGY Total	13	18	18
LEGAL				
	LEGAL - GENERAL FUND	13	13	15
	LEGAL Total	13	13	15
PARKS & RECREATION				
	ADMIN - GENERAL FUND	4	4	5
	AQUATICS FUND - ENTERPRISE FUND	1	1	1
	CENTER FOR THE ARTS - ENTERPRISE FUND	2	2	1
	CREEKSIDE COMMUNITY CENTER - GENERAL FUND	5	4	4
	GOLF COURSES - ENTERPRISE FUND	7	7	6
	ICE GARDEN - ENTERPRISE FUND	4	4	5
	RECREATION - GENERAL FUND	5	5	5
	PARKS & RECREATION Total	28	27	27

Position Summary Schedule Authorized Full-Time Positions

Dept.	Division	2018 Authorized Full-Time	2019 Authorized Full-Time	2020 Authorized Full-Time
POLICE				
	ADMIN - GENERAL FUND	4	4	4
	POLICE GRANTS - SPECIAL REVENUE FUND	0	1	1
	POLICE OPERATIONS - GENERAL FUND	117	117	117
	POLICE SUPPORT - GENERAL FUND	33	33	34
	PUBLIC SAFETY TECH & EQUIP - INTERNAL SERV. FUND	1	1	1
	POLICE Total	155	156	157
PUBLIC WORKS				
	ADMIN - GENERAL FUND	4	5	5
	ENGINEERING - GENERAL FUND	29	29	29
	FACILITY & PARK MAINT - INTERNAL SERV FUND	40	40	40
	FLEET & EQUIPMENT - INTERNAL SERV FUND	15	15	15
	MAINTENANCE ADMIN - GENERAL FUND	11	9	9
	SOLID WASTE UTILITY - ENTERPRISE FUND	0	1	1
	STORM WATER UTILITY - ENTERPRISE FUND	7	7	7
	STREET MAINTENANCE - GENERAL FUND	28	28	28
	WASTE WATER UTILITY - ENTERPRISE FUND	21	20	20
	WATER UTILITY - ENTERPRISE FUND	32	32	32
	PUBLIC WORKS Total	187	186	186
COMPONENT UNITS				
	HOUSING & REDEVELOPMENT AUTHORITY	10	10	11
	PORT AUTHORITY	3	3	3
	COMPONENT UNITS Total	13	13	14
Grand Total		575	579	585

Changes in Staffing Levels

In 2019, the City hired the following new full-time positions – an Assistant Director of Parks and Park Projects, a Deputy City Attorney (Civil), a Deputy Director of Parks & Recreation, and a Racial Equity Coordinator. The Housing and Redevelopment Authority (HRA), a component unit of the City, also hired a new Housing and Redevelopment Analyst.

Four full-time positions were eliminated in 2019, including an Assistant Parks & Recreation Manager, an Assistant Golf Course Maintenance Superintendent, an Art Center Recreation Supervisor, and a Community Development Office Support Specialist.

The 2020 Budget includes five new full-time positions. Two of the requests are due to an increased workload resulting from the Hennepin County Court moving from the Southdale Court House in nearby Edina, to downtown Minneapolis in February 2019. The Legal budget includes a new Deputy City Attorney (Criminal) position. After trying to manage in 2019 with existing staff, it became clear that the Legal department could not adequately continue their prosecutorial function without additional staff. The prosecutors are traveling further away from Bloomington Civic Plaza to attend court appearances and working with a larger group of public defenders. It is not unusual for the ratio to be 2 prosecutors to 15-20 public defenders; whereas previously at the Southdale Court, the ratio was approximately 2 prosecutors to 4 public defenders. Based on this change, the City's prosecutors have seen a dramatic increase in the number of contested hearings, jury trials, and probation violation hearings. The Police budget includes an addition of a new full-time Data Management Specialist to address the increase in data requests of police records that has grown significantly since the Southdale Court moved downtown due to the discovery requests from the Public Defender's office. From March to October 2019, there were 935 discovery requests that all required careful review prior to release.

The Ice Garden budget will replace some part-time staff hours with a full-time Maintenance Supervisor position that will help improve maintenance and customer service at the Bloomington Ice Garden. The Community Development budget contains an additional Planner position to meet the high level of development activity currently occurring in the City.

The Fire Department budget includes a new Emergency Fleet Technician. In the past, the Fire Department has outsourced preventative maintenance and repairs on their emergency vehicles. The current maintenance contract expired in 2019. There is a clear savings over current expenditures with the acquisition of their own Emergency Fleet Technician. In addition, they will not have to wait for the response of the contractor to conduct repairs. There will be an initial cost to start up for the position for tools and equipment. However, even with the initial startup cost, the position will be a savings over the current contracted maintenance costs and ongoing savings in subsequent years will be substantial.



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City Council

City Council activities are accounted within the General Fund. The City is governed by an elected, part-time City Council consisting of a Mayor and six Council members, two elected at-large and four elected from separate districts. All legislative power is vested in this Council which appoints a full-time City Manager and citizens to boards and commissions.

Authorized Full-Time Position	2018	2019	2020
ADMINISTRATIVE ASSISTANT	1	1	1
	1	1	1

2020 Goals and Objectives

- A I R S** Foster partnerships that will strengthen the community fabric of Bloomington
- A I E S R I E** Provide strategic direction by continuing to support the 2017-2020 Strategic Plan.
Provide policy direction and organization governance.
- A I R S** Adopt an ordinance to preserve and develop additional affordable housing in the City.

2019 Results of Performance Measures

- Adopted an ordinance to preserve and develop additional affordable housing in the City.
- Established a Housing Trust Fund.
- Continued to develop plans and seek civic engagement for a new community center.

City Council's Strategic Priorities



City Council - General Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Other Revenues	\$ 1,321	\$ -	\$ -
Total Revenues	1,321	-	-
Expenditures			
Salaries and Benefits	295,916	338,632	347,280
Materials, Supplies, & Services	337,995	342,100	368,550
Total Expenditures	633,911	680,732	715,830
Less Expenses Charged to Other Funds	(210,864)	(193,102)	(198,899)
Net Total Expenditures	\$ 423,047	\$ 487,630	\$ 516,931

Boards and Commissions

City Boards and Commission activities are also located within the General Fund. 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. The City boards and commissions consist of the Advisory Board of Health, the Charter Commission, the Creative Placemaking Commission, the Human Rights Commission, the Parks, Arts and Recreation Commission, the Planning Commission, the Sustainability Commission, the Merit Board, and the Local Board of Appeal and Equalization. The two component units of the City - The Housing and Redevelopment Authority and the Port Authority also have their own commissions.

2020 Goals and Objectives

- A I S** Ensure a fair and equitable process for reviewing development applications in the best interests of the City. (Planning)
- A I R** Maintain land development ordinances to reflect best practices for managing land use and implementing the *Comprehensive Plan*. (Planning)
- A S** Continue work on the GIS-based asset inventory of the Bloomington parks system. (Parks, Arts and Recreation)
- I S** Study issues affecting the health of residents and make recommendations to City Council as they perform their duties as a Community Health Board. (Advisory Board of Health)
- IE** Increase response rates from Bloomington's traditionally hard to count populations for the 2020 Census by serving as the Complete Count Committee (Human Rights)
- ES** Take a work plan to City Council to implement sustainability strategies by February 2020. (Sustainability)
- I** Create an updated three-year strategic plan for supporting creative placemaking goals in the South Loop. (Creative Placemaking)
- I** Continue to support the implementation and development of 2020 project priorities, such as the South Loop Sculpture, Xcel Substation Wall Mural, Fire Station #3 project, 86th & Nicollet Projects, Creative Happy Hour. (Creative Placemaking)
- I IE** Develop updated Creative Sparks program guidelines for a second round of stipends (Creative Placemaking)

2019 Results of Performance Measures

- The City Council put forth a ballot question to the city residents in a special election to remove charter regulations relating to intoxicating liquor. (Charter)
 - The City received the Public Good award for their work on water quality, conservation and/or the environment. (Sustainability)
 - The City became a Green Step 3 city for program focus on cost savings, energy use reduction, and encouraging civic innovation.
 - Welcome Meals were attended by 350 people and hosted by four community organizations and one private individual. (Human Rights,)
 - Studied tobacco issues and recommended City Council consider tobacco policies that increase smoke-free multi-unit housing and limit tobacco purchases at point of sale. (Advisory Board of Health)
 - Adopted the 2040 Comprehensive Plan Update. (Planning)
 - Several City Code amendments were made; including the Opportunity Housing Ordinance. (Planning)
 - The Wright's Lake Park Mural, "Seasons of Becoming," by Good Space Murals, was recognized nationally as an outstanding public art project through the Americans for the Arts Public Art Network Year in Review program. (Creative Placemaking)
- Four Creative Sparks projects were successfully implemented as part of this inaugural program developed by the Commission. One of the selected groups formed into a 501(c) 3 nonprofit organization. (Creative Placemaking)

Boards and Commissions - General Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Other Revenues	\$ 500	\$ -	\$ -
Total Revenues	500	-	-
Expenditures			
Salaries and Benefits	85,338	67,579	62,108
Materials, Supplies, & Services	42,737	89,163	54,448
Total Expenditures	\$ 128,075	\$ 156,742	\$ 116,556

Administration

The Administration Department includes the City Manager’s Office, Human Resources Division, and the City Clerk’s Office. Each division within the department serves both internal and external customers.

Dept.	Division	2018 Authorized Full-Time	2019 Authorized Full-Time	2020 Authorized Full-Time
ADMINISTRATION				
	CITY CLERK - GENERAL FUND	8	8	8
	CITY MANAGER - GENERAL FUND	3	3	4
	HUMAN RESOURCES - GENERAL FUND	6	6	6
	MOTOR VEHICLE (CITY CLERK) - ENTERPRISE FUND	6	6	6
ADMINISTRATION Total		23	23	24



The City Manager addresses the audience at the 2019 State of the City presentation.

Administration - General Fund

Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Program Income	\$ 42,596	\$ 122,250	\$ 154,600
Total Revenues	42,596	122,250	154,600
Expenditures			
Salaries and Benefits	2,558,054	2,336,901	2,661,404
Materials, Supplies, & Services	835,103	847,414	844,716
Total Expenditures	3,393,157	3,184,315	3,506,120
Less Expenses Charged to Other Funds	(579,996)	(643,166)	(662,461)
Net Total Expenditures	\$ 2,813,161	\$ 2,541,149	\$ 2,843,659

Administration - City Manager

The City Manager’s Office is accounted for within the General Fund. The City Manager leads and manages the daily operations of the City and its various departments in accordance with the policy directives, strategic priorities and resource allocations of the City Council. This includes community outreach, financial management, and personnel administration, as well as short and long-range planning for City operations, facilities and amenities.

2020 Goals and Objectives

- S** Develop community engagement strategies to enhance strategic planning for the community, increase civic participation and build relationships across the diverse resident population.
- S** Facilitate a resolution of the multi-year discussion around a new community center, by bringing together construction, financing and programing.
- S** Enhance efforts to connect staff and the work they do to the organization’s vision and values through one-on-one conversations between the City Manager and each City employee.
- S** Ensure that equity is considered when reviewing or adopting City practices, policies and ordinances, and commit to including a diverse spectrum of stakeholders to be included in the review and approval processes.

2019 Results of Performance Measures

- Advanced implementation of the City Council’s 2017-2020 Strategic Plan.
- Continued the commitment of conducting in-depth service assessments of the City’s departments, divisions and work groups.
- Hired a Racial Equity Coordinator to lead the effort to advance the principles of equity and inclusion throughout the organization.
- Continued implementation of a High Performance Organization (HPO) model to drive employee engagement, encourage innovation and improve city services.
- Prepared budgets that met City Council expectations for maintaining quality services, meeting ongoing obligations and long-term infrastructure needs, and investing in strategic priorities.

Authorized Full-Time Position	2018	2019	2020
CITY MANAGER	1	1	1
ASSISTANT CITY MANAGER	1	1	1
RACIAL EQUITY COORDINATOR	0	0	1
CITY MANAGER'S SECRETARY	1	1	1
	3	3	4

Administration City Manager - General Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Expenditures			
Salaries and Benefits	\$ 567,661	\$ 547,047	\$ 685,842
Materials, Supplies, & Services	219,680	174,539	181,946
Total Expenditures	787,341	721,586	867,788
Less Expenses Charged to Other Funds	(152,100)	(206,162)	(212,352)
Net Total Expenditures	\$ 635,241	\$ 515,424	\$ 655,436

Administration - Human Resources

The Human Resources Division is also part of the General Fund. This division coordinates staff recruitment and hiring, designs and services employee benefit programs and conducts employee relations activities for all City employees. The HR Division also develops and implements classification and compensation systems, as well as employment rules and policies, that are consistent with the City’s mission, vision and values.

Authorized Full-Time Position	2018	2019	2020
DIRECTOR OF HUMAN RESOURCES	1	0	0
HUMAN RESOURCES MANAGER	0	1	1
HUMAN RESOURCES REPRESENTATIVE	3	3	3
OFFICE SUPPORT SPECIALIST	2	2	2
	6	6	6

2020 Goals and Objectives

- S** Enhance the City’s efforts towards employee recognition.
- S** Complete an organization-wide update to the City’s written job descriptions to better reflect current responsibilities, expectations and necessary qualifications by year-end.
- ES S** Set the foundation for moving to paperless personnel files.
- I S IE** Create an HR Analytics dashboard.
- S IE** Engage staff at all levels in a comprehensive review and updating of the City’s onboarding process.
- S** Settle five (5) labor agreements.
- S IE** Continue building toward a more diverse City workforce through continuous improvement of the City’s recruitment and selection processes.

2019 Results of Performance Measures

- Completed a compensation study which evaluated the City’s existing compensation plan and made changes and improvements to ensure market competitiveness, internal equity, and fair and reasonable administration.
- Developed and implemented a supervisor training curriculum.
- Engaged staff at all levels in a comprehensive review and update of the City’s performance evaluation process.
- Completed a review of the City’s options and implemented medical insurance under a new provider.

Administration Human Resources - Gen. Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Expenditures			
Salaries and Benefits	\$ 970,982	\$ 726,701	\$ 762,294
Materials, Supplies, & Services	321,110	300,613	267,444
Total Expenditures	1,292,092	1,027,314	1,029,738
Less Expenses Charged to Other Funds	(332,508)	(320,592)	(330,209)
Net Total Expenditures	\$ 959,584	\$ 706,722	\$ 699,529

Administration – City Clerk

The activities of the City Clerk’s office which are located in the General Fund include elections, business licensing, passports, data governance for all City records, and general data requests. Federal, state, and county elections are held in even-numbered years and city and school district elections are held in odd-numbered years. The City Clerk division also maintains records and provides sales for the Bloomington City Cemetery which is accounted for in the Cemetery Special Revenue Fund and supervises the off-site Deputy Registrar Motor Vehicle Office which is accounted for in a separate Enterprise Fund.

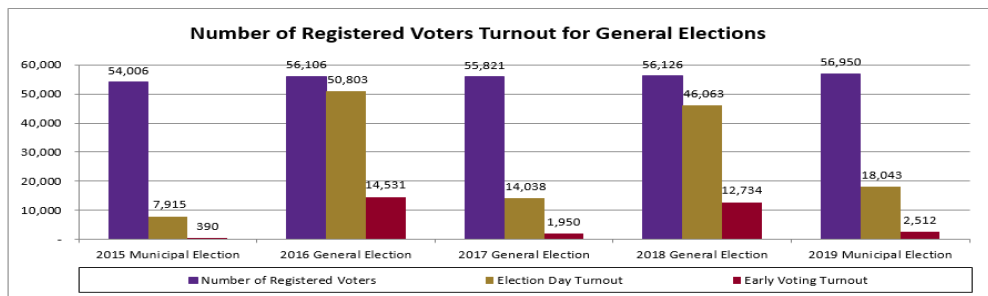
Authorized Full-Time Position	2018	2019	2020
CITY CLERK	1	1	1
DEPUTY CITY CLERK / LICENSE EXAMINER	1	1	1
DEPUTY CITY CLERK / RECORDS MANAGER	1	1	1
DEPUTY CITY CLERK - ELECTIONS & CEMETERY	1	1	1
LEAD LICENSING SPECIALIST	1	1	1
LICENSING SPECIALIST	2	2	2
RECORDS SPECIALIST	1	1	1
	8	8	8

2020 Goals and Objectives

- IE S** Administer the 2020 Elections impartially, accurately, and securely while creating a positive voting experience for all Bloomington residents.
- IE S** Develop online training modules related to data governance and elections.
- IS** Update Chapter 13 of the City Code to regulate taprooms.
- S** Update licensing software to increase efficiency.
- S** Continue to review and update retention schedules and data inventories.
- IS** Coordinate and process data requests pursuant to Minnesota Government Data Practice Act.
- IS** Assist Police Department with the implementation of online data request software.
- IS** Coordinate training opportunities with the state regarding Data Practices and Open Meeting Laws.

2019 Results of Performance Measures

- Implemented new early voting procedures and location; received positive feedback for the changes!
- Amended City Charter, by election, to allow additional liquor licenses (Tap Room).
- Processed 4,845 annual and special event licenses and updated 5 retention schedules for City divisions.
- Received 354 data requests with the average completion time of 6.94 days through online software tool.
- Updated Data Practices Center webpage to ensure information is accessible to the public 24/7.
- Processed 2,532 passport applications and 2,918 passport photos for combined revenue of \$132,390.
- Provided staff training regarding classification and retention of data.
- Installed new passport photo system for improved picture quality.



Administration City Clerk - General Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Program Income	\$ 42,596	\$ 122,250	\$ 154,600
Total Revenues	42,596	122,250	154,600
Expenditures			
Salaries and Benefits	1,019,411	1,063,153	1,213,268
Materials, Supplies, & Services	294,313	372,262	395,326
Total Expenditures	1,313,724	1,435,415	1,608,594
Less Expenses Charged to Other Funds	(95,388)	(116,412)	(119,900)
Net Total Expenditures	\$ 1,218,336	\$ 1,319,003	\$ 1,488,694

Cemetery

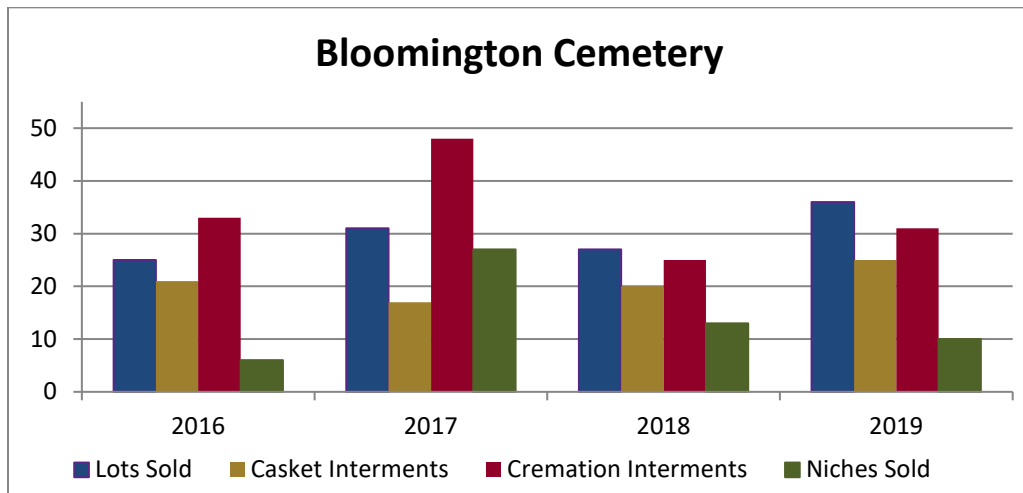
The Cemetery Fund is a Special Revenue Fund for the Bloomington Cemetery which was established in 1858. The Bloomington Cemetery offers burial options within the City with preferred pricing for those that meet eligibility requirements. Customers have expressed their appreciation for the variety of burial options available at the City Cemetery. The oldest part of the cemetery is listed on the National Register of Historic Places.

2020 Goals and Objectives

- A I S R** Continue developing the master plan for cemetery development and expansion by plotting new lots and monitoring homes for sale next to the cemetery
- A I S R** Research software for cemetery records by fourth quarter of 2020
- A I S R** Research GIS cemetery mapping tools for the website by mid-year to develop budget proposals for 2021
- A I S R** Market burial options to general public and businesses with brochures in senior living facilities, when new residents homestead in the city, by publishing articles in the Briefing twice in 2020

2019 Results of Performance Measures

- Provided compassionate and timely service for sales and burials
- Promoted sales of columbaria niches and cremation lots to general public
- Reviewed fee structures to ensure competitive rates and preferred pricing
- Maintained the cemetery as a self-sustaining operation, using no taxpayer funding



Cemetery - Special Revenue Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Program Income	130,370	165,445	204,250
Interest Income	\$ 10,970	\$ 10,198	\$ 8,600
Total Revenues	141,340	175,643	212,850
Expenses			
Materials, Supplies, & Services	163,492	198,538	228,652
Capital Outlay	108,584	-	-
Total Expenses	272,076	198,538	228,652
Working Capital			
Net Change	(130,736)	(22,895)	(15,802)
Working Capital at Beginning of Year	658,502	527,766	504,871
Working Capital at End of Year	\$ 527,766	\$ 504,871	\$ 489,069

Motor Vehicle

The Motor Vehicle Fund is an Enterprise Fund within the Administration Department which is supervised by the City Clerk's Office. The Bloomington Motor Vehicle/Deputy Registrar Office has provided driver's license and motor vehicle license services since 1971. For every transaction processed at the registrar office, the filing fee portion stays in Bloomington to support the City's ability to offer this service at the local level. Approximately 80% of the total transactions are for Bloomington residents. Services provided include license tab renewals, driver's license renewals, and vehicle registrations.

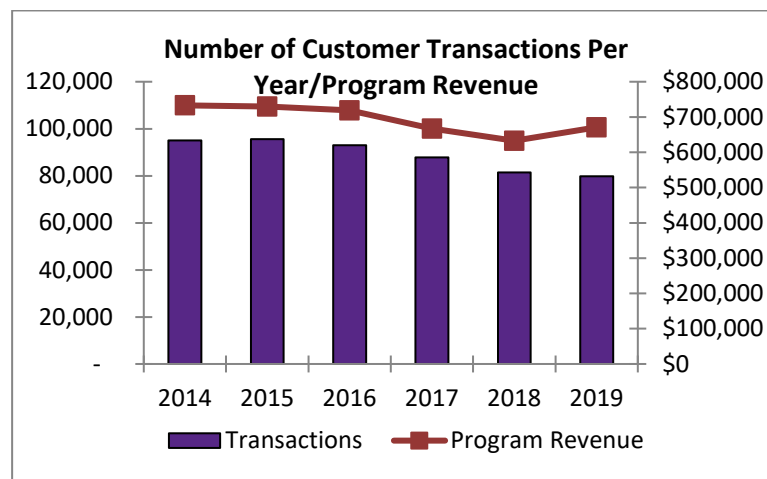
Authorized Full-Time Position	2018	2019	2020
MOTOR VEHICLE SUPERVISOR	1	1	1
OFFICE COORDINATOR	1	1	1
MOTOR VEHICLE LICENSING ASSISTANT	4	4	4
	6	6	6

2020 Goals and Objectives

- S** Maintain staffing levels to provide great customer service with shorter wait times.
- IE** Provide annual staff training on diversity and customer service.
- AS** Continue working with legislators to support legislation that equitably reallocates user fees currently collected by the State and a fee increase for all transactions.
- AS** Continue to assess division service efficiencies to create a positive experience for customers including the possibility of using more technology on the customer side to decrease wait times.
- IS** Explore a new space for Motor Vehicle Services at Civic Plaza.

2019 Results of Performance Measures

- Processed 79,738 total transactions
- Provided secured transport of daily deposits and wire transfers to State
- Maintained a high transaction accuracy rating



Motor Vehicle - Enterprise Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Property Taxes	\$ -	\$ 125,000	\$ 125,000
Program Income	633,651	669,715	605,000
Other Revenue	(110)	137,334	-
Interest Income	6,793	1,977	4,281
Transfers from Other Funds	-	125,000	-
Total Revenues	640,334	1,059,026	734,281
Expenses			
Salaries and Benefits	585,072	619,413	674,062
Materials, Supplies, & Services	139,706	139,531	151,662
Capital Outlay	-	-	37,000
Total Expenses	724,778	758,944	862,724
Working Capital			
Net Change	(84,444)	300,082	(128,443)
Working Capital at Beginning of Year	240,777	156,333	456,415
Working Capital at End of Year	\$ 156,333	\$ 456,415	\$ 327,972

Employee Benefits

The Employee Benefits Fund is an Internal Service Fund that brings in a set, per-employee fee from each Department's operating budget and uses that revenue to fund the core benefits package provided to each full-time employee. This includes the employer-share of medical, dental, life, and disability insurance premiums, as well as tuition reimbursement and health club reimbursement benefits. As a result, departments have a single employee benefits charge and do not need a distinct budget line item for each of these benefits. The employee benefits charge out to each Department is \$17,510 per employee for 2020 which was a 3% increase from 2019.

2020 Goals and Objectives

- S** Stabilize insurance expenses in departmental budgets and moderate large budget spikes due to increases in benefit costs, especially in the area of health insurance.

2019 Results of Performance Measures

- Moved to new health insurance plan with PEIP (Public Employees Insurance Program) to avoid 17-28% premium increases which would have resulted in an increase to departments of 10% along with a loss to the Employee Benefits Fund of over \$764,000.
- Council approved a new health insurance plan with PEIP for 2020 and 2021 which resulted in only a 3% increase in charges to departments, and a gain of over \$344,000 to the Employee Benefits Fund to offset losses from previous years, as well as a decrease to the portion of premiums paid by employees.



Employee Benefits - Internal Service Fund

Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Departmental Charges	\$ 9,536,878	\$ 10,875,656	\$ 11,380,260
Interest Income	26,556	30,609	8,000
Other Revenues	588,578	635,610	629,817
Transfers from Other Funds	30,504	-	-
Total Revenues	10,182,516	11,541,875	12,018,077
Expenses			
Salaries and Benefits	10,740	257,832	236,400
Materials, Supplies, & Services	10,306,329	11,030,171	11,437,117
Total Expenses	10,317,069	11,288,003	11,673,517
Working Capital			
Net Change	(134,553)	253,872	344,560
Working Capital at Beginning of Year	2,166,070	2,031,517	2,285,389
Working Capital at End of Year	\$ 2,031,517	\$ 2,285,389	\$ 2,629,949

Accrued Benefits

The Accrued Benefits Fund is the Internal Service Fund that pays and records the liabilities associated with employee accrued time off - vacation, personal leave, and compensatory time. The possibility of the City going out of existence and needing to fully fund this account to pay all of the employee accrued time off at one time is remote however the goal of this fund is to have enough cash to fully fund the accrued liability. It is currently funded at 90% of the total liability with a long-term plan of being 100% funded in 2026.

Revenues for this fund come from charges to City departments that pay full-time and permanent part-time salaries. Charges are calculated at 3.5% of salaries.

Expenses for this fund come from:

- The year-end conversion of any accumulated personal leave hours over 1,000 hours to either a post-retirement health care savings account (employee self-funded health care) or cash payout.
- Payout of unused vacation, personal leave, and comp. time to employees leaving service (retirements, terminations, or leaving for new opportunities).
- Year-end accrual to cover future liabilities for employees leaving service with the City.

2020 Goals and Objectives

- S** Be in a fully-funded position by 2026.
- S** Continue providing City employees with fair leave policies to retain and attract good employees.

2019 Results of Performance Measures

- Increased funding of total liability to 90% with projection of being 100% funded in 2026.

Accrued Benefits - Internal Service Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Departmental Charges	\$ 1,624,896	\$ 2,164,401	\$ 1,790,320
Interest Income	229,674	288,149	145,100
Total Revenues	1,854,570	2,452,550	1,935,420
Expenses			
Salaries and Benefits	2,098,757	2,570,869	1,973,904
Total Expenses	2,098,757	2,570,869	1,973,904
Working Capital			
Net Change	(244,187)	(118,319)	(38,484)
Working Capital at Beginning of Year	(1,598,678)	(1,842,865)	(1,961,184)
Working Capital at End of Year	\$ (1,842,865)	\$ (1,961,184)	\$ (1,999,668)

Community Development

The Community Development Department supports the long-term vitality of the community. Working together, we're creating a "Community of Choice".

Dept.	Division	2018 Authorized Full-Time	2019 Authorized Full-Time	2020 Authorized Full-Time
COMMUNITY DEVELOPMENT				
	ADMIN - GENERAL FUND	4	4	4
	ASSESSING - GENERAL FUND	13	13	13
	BUILDING & INSPECTIONS - GENERAL FUND	21	21	20
	CREATIVE PLACEMAKING - SPECIAL REVENUE FUND	1	1	1
	ENVIRONMENTAL HEALTH - GENERAL FUND	17	17	17
	PLANNING - GENERAL FUND	9	9	10
COMMUNITY DEVELOPMENT Total		65	65	65

To accomplish this, we will:

- Promote and pursue development and redevelopment of underutilized properties.
- Collaborate on development review activities, maintaining a welcoming environment for businesses, property owners and residents.
- Ensure continued public health and safety through education.
- Educate customers; exercise discretion and fairness; encourage voluntary compliance.
- Create a stronger web presence in order to provide greater access to City documents.
- Promote the professional development of our staff.
- Improve the quality of life for individuals and families by expanding homeownership and affordable housing opportunities.



Community Development - General Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Program Income	\$ 735	\$ 177	\$ 700
Permits and Licenses	142,105	133,094	120,000
Intergovernmental	20,729	64,781	19,500
Other Revenues	165,234	162,448	152,346
Transfers from Other Funds	-	200,000	-
Total Revenues	328,803	560,500	292,546
Expenditures			
Salaries and Benefits	7,339,797	7,834,042	8,238,777
Materials, Supplies, & Services	1,604,199	1,628,305	1,631,182
Transfer to Other Funds	-	21,532	-
Total Expenditures	8,943,996	9,483,879	9,869,959
Less Expenses Charged to Other Funds	(43,034)	(43,253)	(41,235)
Net Total Expenditures	\$ 8,900,962	\$ 9,440,626	\$ 9,828,724

Community Development– Administration and Special Projects & Initiatives

Administration and Special Projects & Initiatives coordinate the development and implementation of the Department’s strategic priorities and objectives. These activities are located within the General Fund.

Authorized Full-Time Position	2018	2019	2020
DIRECTOR OF COMMUNITY DEVELOPMENT	1	1	1
SPECIAL PROJECTS & INITIATIVES MANAGER	0	1	1
OFFICE SUPERVISOR	1	0	0
COMM DEV PROJECT COORDINATOR	0	1	1
ADMINISTRATIVE ASSISTANT	1	0	0
COMM DEV PROJECT ASSISTANT	0	1	1
OFFICE SUPPORT SPECIALIST	1	0	0
	4	4	4

2020 Goals and Objectives

- S IE** Collaborate with City staff to facilitate inclusive conversations and full participation by all residents, increasing well-being for the community.
- S** Pursue resources in non-traditional ways in order to create opportunities to advance our work.
- A I E S R S IE** Continue seeking projects and initiatives to align with the City’s strategic priorities.
- A I E S R S IE** Collaborative approach: engage with partner agencies, community organizations, businesses, residents and other cities in the region to create opportunities for growth.
- I S IE** Support the professional development of our staff.

2019 Results of Performance Measures

- Issued Lyndale Avenue Suburban Retrofit RFP; kick off with consultant October 2019
- Issued Lyndale Properties RFP (former ROW); recommendation to City Council early 2020
- Opportunity Housing Ordinance effective September 2019
- Housing Trust Fund established December 2019



Community Dev. Admin. Division - General Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Intergovernmental	\$ -	\$ 49,250	\$ -
Other Revenues	19,934	24,248	10,000
Transfers from Other Funds	-	200,000	-
Total Revenues	19,934	273,498	10,000
Expenditures			
Salaries and Benefits	879,993	781,559	601,375
Materials, Supplies, & Services	313,090	447,825	294,584
Total Expenditures	\$ 1,193,083	\$ 1,229,384	\$ 895,959

Community Development - Planning

The Planning Division defines and implements future directions for the City through planning studies and zoning controls. This Division also reviews and prepares recommendations on applications for development, rezoning, use permits and variances, and conducts special studies for the City. These activities are located within the General Fund.

Authorized Full-Time Position	2018	2019	2020
PLANNING MANAGER	1	1	1
SENIOR PLANNER	2	2	2
PLANNER	4	4	5
OFFICE SUPPORT SPECIALIST	1	1	1
PLANNING TECHNICIAN	1	1	1
	9	9	10

2020 Goals and Objectives

- R** Promote renewal and guide growth to maximize benefits for Bloomington and Bloomington property owners.
- R** Review development proposals to ensure Code compliance.
- R I** Update the Zoning Ordinance as described in the Planning Commission’s 2020 Work Plan .
- S** Negotiate and administer City wireless and fiber leases.

2019 Results of Performance Measures

- Adopted Forward 2040, a new comprehensive plan update with significant community outreach and input.
- Reviewed 127 development and land use applications, 100 sign permits and 291 driveway permits.
- Prepared 38 zoning letters.
- Assisted with the creation of the Opportunity Housing Ordinance.
- Rezoned land as recommended by the 98th Street Station Area Plan.
- Updated RV, Electric Vehicle Charging and Chicken Standards.
- Reviewed numerous large development projects.



Community Dev. Planning Div. - General Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Intergovernmental	\$ 6,501	\$ 4,304	\$ 6,000
Total Revenues	6,501	4,304	6,000
Expenditures			
Salaries and Benefits	1,011,713	1,096,019	1,239,164
Materials, Supplies, & Services	147,636	141,400	220,515
Transfer to Other Funds	-	11,000	-
Total Expenditures	\$ 1,159,349	\$ 1,248,419	\$ 1,459,679

Community Development – Building & Inspections

The Building and Inspection Division reviews construction plans for consistency with all states codes, provides guidance to homeowners during the permitting and inspection process and administers the time-of-sale (TOS) inspection program for owner-occupied housing to ensure housing stock within the city continues to be upheld to the programs safety standards. These activities are located within the General Fund.

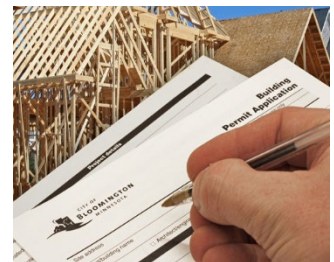
Authorized Full-Time Position	2018	2019	2020
BUILDING & INSPECTION MANAGER	1	1	1
BUILDING & INSPECTIONS SUPERVISOR	1	1	1
PLAN CHECK ENGINEER	1	1	1
PROGRAM COORDINATOR	1	1	1
GENERAL INSPECTOR	4	4	4
BUILDING INSPECTOR	2	2	2
ELECTRICAL INSPECTOR	2	2	2
PLUMBING INSPECTOR	2	2	2
HEATING & VENTILATING INSPECTOR	2	2	2
OFFICE SUPPORT SPECIALIST	5	5	4
	21	21	20

2020 Goals and Objectives

- S** Issue residential remodeling, plumbing, electrical and mechanical permits on the same day the application is taken in.
- S** By December 2019, 98% of all permits will be submitted through the customer portal and plans will be reviewed electronically.
- S** Complete 45% of all time of sale (TOS) inspections by City inspectors versus private inspectors.
- S** Complete 98% of all inspections within 48 hours of request.
- S** Complete 90% of all Plan review within 10 working days (electronic plan review).
- S** Implement an automated customer satisfaction survey to be delivered with each emailed permit by September 30.
- S** Continue to have 100% of all field inspections completed on Cityview Mobile.
- A** Update the City Code to align with division policies.
- R** Provide online inspection scheduling for simple online permits.

2019 Results of Performance Measures

- Issued 100% of residential remodeling, plumbing, electrical and mechanical permits on the same day as application.
- By December 2018, 95% of plans were submitted and reviewed electronically.
- Completed 38% of all TOS inspections by City TOS inspectors.
- Promoted one electrical inspector to general inspector to provide better service to residents by providing an inspector that is able to complete combination inspections.
- Completed 98% of all inspections within 48 hours of request.
- Completed 90% of all plan review within 7 working days.



Comm. Dev. Building & Inspect. Div. - Gen. Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Permits and Licenses	\$ 142,105	\$ 133,094	\$ 120,000
Other Revenues	10,800	-	-
Total Revenues	152,905	133,094	120,000
Expenditures			
Salaries and Benefits	1,879,316	2,156,811	2,485,810
Materials, Supplies, & Services	428,523	383,129	413,192
Total Expenditures	\$ 2,307,839	\$ 2,539,940	\$ 2,899,002

Community Development – Environmental Health

Environmental Health handles inspection and enforcement activities in three program areas all located within the General Fund:

- Minnesota Departments of Health and Agriculture delegate inspection and plan review of **food and lodging establishments, public pools, manufactured home parks and wells**; including investigating lead poisoning, and food and waterborne illness outbreaks in Bloomington and Richfield (contract for services).
- **Residential and commercial property** complaint and systematic inspections including zoning enforcement to maintain the City’s residential and commercial properties. This maintains property values for those living and working in Bloomington.
- **Rental property** inspection and enforcement to provide safe and well-maintained rental housing.

Authorized Full-Time Position	2018	2019	2020
ENVIRONMENTAL HEALTH MANAGER	1	1	1
ENVIRONMENTAL HEALTH SUPERVISOR	2	2	2
ENVIRONMENTAL HEALTH PROGRAM COORDINATOR	2	2	2
ENVIRONMENTAL HEALTH SPECIALIST	10	10	10
OFFICE SUPPORT SPECIALIST	2	2	2
	17	17	17

2020 Goals and Objectives

- SI** Inspect high-risk food establishments twice per year, medium-risk once or twice per year, and low-risk at least once per year plus all needed follow-up inspections.
- SI** Inspect public pools two to three times per year and hotels once per year including 10 percent of rooms.
- SI** Inspect all rented multiple-family buildings (including 10 percent of units) and all single-family homes once per year.
- S** Inspect at least 80% of all well permits.
- SI** Investigate all complaints of food or waterborne illness within 24 hours of receiving the complaint.
- SI** Investigate all residential and commercial nuisance and rental complaints within two days.
- SI** Systematically inspect all residential properties at least once per year.

2019 Results of Performance Measures

- 2 confirmed outbreak of foodborne illness investigated on the day received
- 990 food safety inspections, 73 food illness complaints investigated, 79 non-illness complaints and 69 food and hotel establishment plan reviews
- 215 temporary food and 45 farmers’ market stands inspected
- 439 inspections at 169 licensed public pools and 3 non-illness complaints investigated
- 41 hotels with 8,928 rooms; all inspected, including 10% of rooms and 10 complaints investigated
- 457 multiple-family licensed rental buildings and 12% of apartments inspected
- 1,673 single-family and duplex rental dwelling units licensed and inspected
- 25 group housing buildings with 352 beds inspected
- 3,016 residential, rental and commercial complaints investigated
- 148 of 171 well permits inspected (87%)
- Richfield contract inspections: 400 food safety, 67 pool, and 3 lodging inspections; 27 illness complaints, 4 pool and lodging complaints, 15 plan reviews, and 62 temporary food inspections



Comm. Dev. Enviro. Health Division - Gen. Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Intergovernmental	\$ 14,228	\$ 11,227	\$ 13,500
Other Revenues	134,200	138,200	142,346
Total Revenues	148,428	149,427	155,846
Expenditures			
Salaries and Benefits	2,080,042	2,191,802	2,268,134
Materials, Supplies, & Services	400,291	349,470	378,983
Total Expenditures	\$ 2,480,333	\$ 2,541,272	\$ 2,647,117

Community Development – Assessing

Assessing activities are also part of the General Fund. 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. The Assessor’s Office advises the Bloomington Port Authority and Bloomington Housing Redevelopment Authority on all development projects requesting Tax Increment Financing. Assessing staff also participate in administering Special Assessments and Park Dedication calculations.

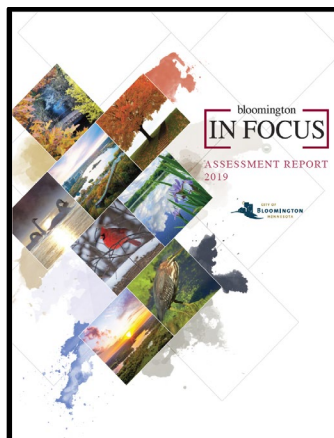
Authorized Full-Time Position	2018	2019	2020
CITY ASSESSOR	1	1	1
COMMERCIAL APPRAISAL SUPERVISOR	1	1	1
RESIDENTIAL APPRAISAL SUPERVISOR	1	1	1
COMMERCIAL PROPERTY APPRAISER	5	5	5
RESIDENTIAL PROPERTY APPRAISER	3	3	3
ASSESSMENT ASSISTANT	2	2	2
	13	13	13

2020 Goals and Objectives

- S** Complete field review and revaluation of required 20% of residential and commercial-industrial parcels annually per State Statute.
- IE** Participate in the City’s Welcome Bag Initiative.
- S** Track improvements and changes to properties completed during the year.
- S** Ensure statistical measurements of accuracy and equalization for both residential and commercial assessments remain within the targets set by the Department of Revenue. We especially want the Mean Ratio (Sales Ratio) to be 95% or more in the ratio between a property sale and the Assessor’s estimated market value. State guidelines say that ratio should be 90% to 105%.

2019 Results of Performance Measures

- Reviewed more than the 20 percent of parcels required –approximately 8,500 of 32,000 parcels.
- Mean ratio of actual sales to estimated market value was 95.2%.



Comm. Dev. Assessing Division - General Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Program Income	\$ 735	\$ 177	\$ 700
Other Revenues	300	-	-
Total Revenues	1,035	177	700
Expenditures			
Salaries and Benefits	1,488,733	1,607,851	1,644,294
Materials, Supplies, & Services	314,659	306,481	323,908
Transfer to Other Funds	-	10,532	-
Total Expenditures	1,803,392	1,924,864	1,968,202
Less Expenses Charged to Other Funds	(43,034)	(43,253)	(41,235)
Net Total Expenditures	\$ 1,760,358	\$ 1,881,611	\$ 1,926,967

Creative Placemaking

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

Authorized Full-Time Position	2018	2019	2020
DIRECTOR OF CREATIVE PLACEMAKING	1	1	1
	1	1	1

2020 Goals and Objectives

- I A** Engage artists, designers, and performers in building social fabric and making place-based improvements throughout the year.
- I R IE** Engage the community to enhance pride of place and community, building on local assets and local character to strengthen the social and civic fabric.
- I R** Facilitate the Creative Placemaking Commission to maintain the momentum to sustain Creative Placemaking well into the future in the South Loop and all of Bloomington by updating another three-year strategic plan by September.
- I** Partner with the MN Valley National Wildlife Refuge and other city departments to organize an event in June celebrating Old Cedar Avenue Bridge area improvements.
- I** South Loop Sculpture installed in August.
- I IE** Xcel substation wall mural: artist team selected in the spring, mural installed in August.
- I** Creative Happy Hour with music, food trucks, cash bar and interactive art activities in August or September.
- I R** 86th & Nicollet (neighborhood focus area): implement creative projects by the fall.
- I** Fire Station #3 creative placemaking continued project planning this summer; select project by end of year.
- IE** Work with consultant to develop equity and inclusion strategies for creative placemaking.
- I R** Develop a creative placemaking project plan to accompany improvements to 106th Street bridge area by September.
- I IE** Update guidelines for the second round of the Creative Sparks program.
- I** Begin discussing a pocket park along Lindau Lane.
- I** Begin to research funding mechanisms and plan for future city-wide creative placemaking.

2019 Results of Performance Measures

- Creative Placemaking Commission: continue to support work plan and prioritize future projects. Develop new strategic plan for next three years.
- Raised awareness of creative placemaking activity and South Loop, resulting in increased attendance at events, engagement of social media posts, and media mentions of projects and the South Loop district.
- The Wright’s Lake Park Mural, “Seasons of Becoming,” by GoodSpace Murals, was recognized as an outstanding public art project through the Americans for the Arts Public Art Network Year in Review program, the only national program that specifically recognizes the most compelling public art.
- Coordinated two South Loop tours: APA MN and “ArtVenture” tour for Americans for the Arts Conference.
- ARTBOX – two utility boxes wrapped in new designs by local artists.

Creative Placemaking (continued)

- Installed a self-guided electronic Augmented Reality Tour on Old Cedar Avenue Bridge in November.
- Creative Sparks, 4 projects implemented, supported, and promoted: “An Owl’s Perspective” temporary sculpture by Gail Katz-James, Pop-up murals by Rock Martinez, Summer Concert organized by Reflections Social Committee, and Bloomington Cultural Festival organized by Together Bloomington.
- South Loop Sculpture: RFQ and RFP released, artist selected, site relocated and confirmed, design finalized.
- Art Chat Open House – artist input event in July to inform Gateway District redevelopment. Summary of survey responses provided to Stantec for consideration.
- Creative Happy Hour event in August with art activities, food trucks, music, and dancing.
- 86th & Nicollet (neighborhood focus area) engagement: Distribute survey, organize two focus groups to determine projects.



Creative Spark project: “An Owl’s Perspective” by Gail Katz-James, outdoor sculpture at MN Valley National Wildlife Refuge, Visitor Center.



ARTBOX design by Mandel Cameron, box located at American Blvd and Thunderbird Way.



2019 Creative Happy Hour at Bloomington Central Station Park.



ARTBOX design by Olivia Novotny, box located at 24th Ave and Lindau Lane.



AR Tour, Old Cedar Avenue Bridge, by Nancy Musinguzi and Adam Davis-McGee.



1 of 3 pop up murals by Rock Martinez at Bloomington Central Station Park.



Bloomington Cultural Festival at MN Valley National Wildlife Refuge Visitor Center, organized by Together Bloomington

Creative Placemaking - Special Revenue Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Interest Income	\$ 3,060	\$ 8,413	\$ 325
Other Revenues	150	214	-
Transfers from Other Funds	434,996	429,996	430,000
Total Revenues	438,206	438,623	430,325
Expenses			
Salaries and Benefits	58,625	88,852	87,682
Materials, Supplies, & Services	208,917	123,711	202,318
Capital Outlay	-	23,961	140,000
Transfer to Other Funds	-	4,000	-
Total Expenses	267,542	240,524	430,000
Working Capital			
Net Change	170,664	198,099	325
Working Capital at Beginning of Year	118,246	288,910	487,009
Working Capital at End of Year	\$ 288,910	\$ 487,009	\$ 487,334



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South Loop Revolving Development Services Fund

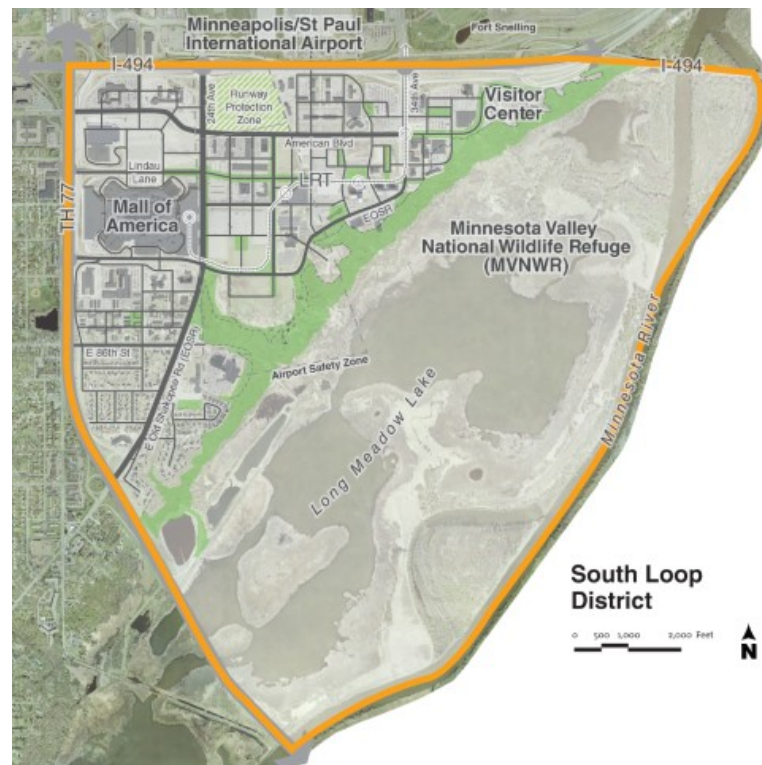
The South Loop Revolving Development Services Special Revenue Fund is supported by a 65 percent building permit surcharge in the South Loop District. This purpose of this fund is to expedite development in the South Loop District.

2020 Goals and Objectives

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

2019 Results of Performance Measures

- Continued development of software that controls digital message signs and other intelligent traffic assets in the District.
- Continued work on Blue Line enhancements that included improvements to signal equipment and infrastructure along the Blue Line to improve running time for LRT and reduce delay for cars at intersections along the tracks.



Aerial view of South Loop

South Loop Revolving Dev. - Special Rev. Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Program Income	\$ 72,011	\$ 188,630	\$ 350,000
Interest Income	351	5,241	4,000
Total Revenues	72,362	193,871	354,000
Expenses			
Salaries and Benefits	9,427	1,119	25,000
Materials, Supplies, & Services	18,614	-	253,723
Total Expenses	28,041	1,119	278,723
Working Capital			
Net Change	44,321	192,752	75,277
Working Capital at Beginning of Year	44,294	88,615	281,367
Working Capital at End of Year	\$ 88,615	\$ 281,367	\$ 356,644

Community Services

Community Services provides programs and services that enhance the lives of all who live and work in Bloomington. The Department oversees the Public Health, Community Outreach and Engagement and Communications divisions. The award-winning *Bloomington Briefing* and *Insider* newsletters, government and public access cable television facilities, City web sites, social media and other activities of the Communications Division are supported through a Special Revenue fund. A portion of the Public Health Grants and related expenditures are also accounted for in a Special Revenue fund. The Communications Division supervises “Support Services” which includes the Information Desk, Print Shop, and Mailroom which are accounted for in an Internal Services Fund. All other Community Services activities are located in the General Fund.

Dept.	Division	2018 Authorized Full-Time	2019 Authorized Full-Time	2020 Authorized Full-Time
COMMUNITY SERVICES				
	ADMIN - GENERAL FUND	2	2	2
	COMMUNICATIONS - SPECIAL REVENUE FUND	9	9	9
	COMMUNITY OUTREACH & ENGAGEMENT - GENERAL FUND	6	6	6
	PUBLIC HEALTH - GENERAL FUND	19	19	19
	PUBLIC HEALTH GRANTS - SPECIAL REVENUE FUND	6	6	6
	SUPPORT SERVICES (COMMUNICATIONS) - INTERNAL SERVICE FUND	1	1	1
COMMUNITY SERVICES Total		43	43	43



Community Services - General Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Program Income	\$ 816,358	\$ 769,910	\$ 880,910
Intergovernmental	1,285,040	1,370,188	1,305,856
Other Revenues	3,502	17,781	7,000
Transfers from Other Funds	-	4,000	-
Total Revenues	2,104,900	2,161,879	2,193,766
Expenditures			
Salaries and Benefits	3,107,578	3,351,986	3,669,114
Materials, Supplies, & Services	980,165	1,012,061	1,136,036
Total Expenditures	4,087,743	4,364,047	4,805,150
Less Expenses Charged to Other Funds	(74,736)	(76,968)	-
Net Total Expenditures	\$ 4,013,007	\$ 4,287,079	\$ 4,805,150

Community Services – Administration

The Community Services Administration provides managerial support to its divisions. This activity is accounted for within the General Fund.

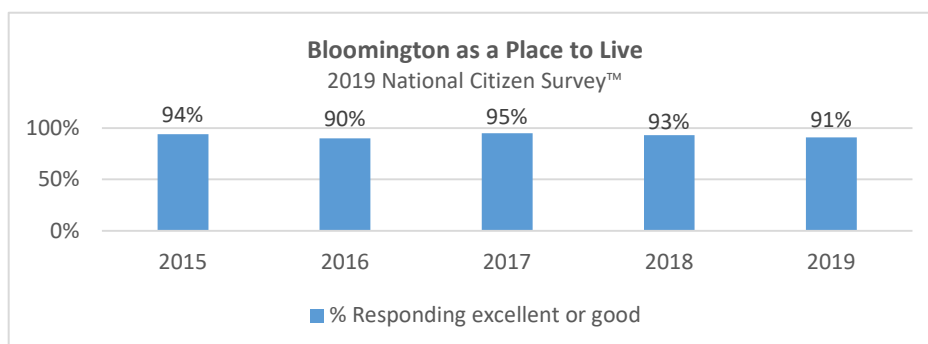
Authorized Full-Time Position	2018	2019	2020
DIRECTOR OF COMMUNITY SERVICES	1	1	1
ADMINISTRATIVE ASSISTANT	1	1	1
	2	2	2

2020 Goals and Objectives

- S** Restructure the Communications Division and merge the Support Services functions into the operation by April 2020.
- SI** Carry out the ninth annual National Citizen Survey™ in May-June 2020 to gauge resident satisfaction with the City’s services and amenities; increase participation in the random sample survey by 3%.
- SIIE** Coordinate efforts to develop and implement a program for onboarding new City employees by September 2020.
- SIIE** Enhance the City’s outreach efforts by implementing online engagement tools by December 2020.
- A** Renovate employee workspaces in the current Public Health facility and identify a future home for the agency by December 2020.

2019 Results of Performance Measures

- SIIE** Replaced the former Human Services Division with the new Community Outreach and Engagement Division as a result of a service assessment that found that the new office would better meet the City’s current and future needs.
- S** Conducted the eighth annual National Citizen Survey™ of Bloomington residents that attracted 1,007 responses; Bloomington as a place to live earned a 91% approval rating from respondents.
- SIIE** Launched the new Community Outreach and Engagement Division in January 2019 and facilitated a series of public engagement efforts such as the Bloomington Leadership Program, Veterans Appreciation Lunch, and Students in Government Day.
- IIIE** Coordinated three City Council outreach events including a State of the City recap, Food for Thought sustainability event at the Farmers Market and a Welcome Meal, attracting approximately 500 participants.
- SI** Collaborated with Bloomington Public Schools to host a continuing education workshop for 50 Realtors, showcasing amenities that make Bloomington an attractive community for families.
- SI** Produced a successful State of the City presentation with a record 300 people in attendance and 98% of survey respondents rating the format favorably.
- S** Chartered the Community Services Decision-Making Microbusiness and charged it with studying how to empower employees to make the department more productive.



Comm. Services Admin. Division - General Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Expenditures			
Salaries and Benefits	\$ 257,007	\$ 271,218	\$ 277,531
Materials, Supplies, & Services	75,365	59,031	63,119
Total Expenditures	332,372	330,249	340,650
Less Expenses Charged to Other Funds	(74,736)	(76,968)	-
Net Total Expenditures	\$ 257,636	\$ 253,281	\$ 340,650

Community Services – Community Outreach and Engagement

The Community Outreach and Engagement Division (COED) is a leader for equity and inclusion. The Division uses innovative and authentic approaches to facilitate, engage and connect internal and external stakeholders. Staff serve as advocates and change agents to ensure the community is considered, accounted for and heard in the development and delivery of programs and services. The mission of the division is involving community, influencing greatness.

Authorized Full-Time Position	2018	2019	2020
COMM OUTREACH & ENGAGEMENT MANAGER	0	1	1
COMM OUTREACH COORDINATOR	4	4	4
OFFICE SUPPORT SPECIALIST	1	1	1
HUMAN SERVICES MANAGER	1	0	0
	6	6	6



2020 Goals and Objectives

- IE** Engage residents of underrepresented populations to provide input in the development of and access to city services, amenities and programs.
- I** Host events and activities designed to provide an opportunity for community members to connect with one another and develop a shared sense of community.
- S** Provide programs and internal leadership and support to City departments to effectively utilize tools available for working with the City’s underrepresented populations.
- R** Provide liaison support for City department projects and initiatives to engage with residents.
- A** Encourage residents to participate in the development/redevelopment of public amenities through utilization of COED engagement tools.
- IE** Support Bloomington’s changing diversity as it becomes more racially, ethnically and culturally distinct.
- SIE** Facilitate engagement activities to build relationships and involve the community in issues that affect them.
- SI** Conduct market research to gauge resident and business satisfaction with City services and amenities.
- SI** Create awareness about the City’s programs, services and activities through a variety of communication and education tools.

Community Services – Community Outreach and Engagement (continued)

2019 Results of Performance Measures

- S** Held meetings with ten departments to assess engagement needs and provided engagement support to multiple initiatives including City Council engagement events, community center and Lyndale Suburban Retrofit Strategy.
- IE** Engaged 22 participants in Bloomington Learn to Lead Program and 16 youth in Students in Government Day.
- SIE** Formed a leadership team of staff from across the organization to implement a volunteer management program.
- I** Rolled out the Bloomington Engagement Vehicle in September and completed an engagement toolkit.
- I** Helped coordinate three City Council engagement events with an estimated 450 individuals in attendance.
- S** Co-sponsored a Veterans Appreciation Brunch with Northwestern Health Sciences University and American Legion Post 550 with 250 veterans and their families in attendance.
- IE** Supported three workplan initiatives of the Human Rights Commission including Pride Month events, Naturalization Ceremony, and Omar Bonderud Human Rights Award.



Comm. Svcs. Outreach & Engage. Div. - Gen. Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Program Income	\$ 14,686	\$ (705)	\$ -
Other Revenues	3,502	12,860	2,000
Transfers from Other Funds	-	4,000	-
Total Revenues	18,188	16,155	2,000
Expenditures			
Salaries and Benefits	570,397	656,941	700,399
Materials, Supplies, & Services	333,873	303,390	385,119
Total Expenditures	\$ 904,270	\$ 960,331	\$ 1,085,518



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Community Services – Public Health General Fund

Mission – To engage the community in promoting, protecting and improving the health of all.

Vision – A healthy community empowered by our locally-based support and services.

The majority of Public Health activities are located in the General Fund. As a nationally accredited Community Health Board, the City of Bloomington receives state and federal dollars as well as property tax dollars, fees and insurance reimbursement to promote, protect and improve the health of all. The Public Health Division is responsible for “administration and implementation of programs and services to address the areas of public health responsibility” as defined in the Local Public Health Act (Chapter 145A of Minnesota Statutes). As a national accredited health department, Public Health fulfills its statutory requirements through four program areas:

- **Clinic Services:** includes Women, Infants and Children Clinic (WIC), immunizations, and follow-up investigations on infectious disease cases.
- **Family Health:** includes home visits and intensive home visits for eligible families, population-based support for older adults, and follow-up on vulnerable adult referrals.
- **Health Promotion:** works on policy, system, and environmental change primarily focused on tobacco, alcohol and other drugs, and obesity.
- **Administration/Emergency Preparedness:** includes data analysis, administration of the division’s work, and public health emergency preparedness.

Public Health has provided the above services to Edina and Richfield under contract since 1977.

Authorized Full-Time Position	2018	2019	2020
PUBLIC HEALTH ADMINISTRATOR	1	1	1
ASSISTANT PUBLIC HEALTH ADMIN	1	1	1
PUBLIC HEALTH PROGRAM MANAGER	3	3	3
PUBLIC HEALTH NURSE COORDINATOR	1	1	1
ACCOUNTANT	1	1	1
PUBLIC HEALTH NURSE	5	5	5
PUBLIC HEALTH SPECIALIST	2	2	2
OFFICE SUPERVISOR	1	1	1
COMMUNICATIONS SPECIALIST	1	1	1
ACCOUNTING ASSISTANT	1	1	1
OFFICE SUPPORT SPECIALIST	1	1	1
OFFICE ASSISTANT	1	1	1
	19	19	19

Community Services – Public Health General Fund (continued)

2020 Goals and Objectives

- S** By December 2020, participate with peers in the State of Minnesota on workgroups to strengthen the public health system for the 21st century while continuing to provide innovative services to the City of Bloomington.
- S** Start the document collection process for reaccreditation in the first quarter of 2020 and continue through reaccreditation submission in 2021.
- S** Implement the following year 2 strategic plan prioritized goals: 1) High-performing organization (HPO) idea time at all-staff meetings; and 2) create an inventory of all information tracked and categorized by the end of the year.
- S** Protect and improve the health of the community through education, promotion of healthy lifestyles, public policy development and clinical services.

2019 Results of Performance Measures

- S** Completed strategic plan implementation and made significant progress towards achieving those goals in 2019.
- IE** As of 4th quarter 2019, 64% of staff completed their annual racial equity training.
- S** In March 2019, customer survey results for WIC and Family Home Visiting services showed 95% of respondents agreed they were treated well.
- S** Successfully secured funding from the state legislature for the Statewide Health Improvement Program for another five-year period.
- S** Negotiated a new shared services budgeting process with the cities of Richfield and Edina to ensure that the cost of services provided by Bloomington Public Health were being provided in an equitable manner.



Comm. Services Public Health Div. - Gen. Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Program Income	\$ 801,672	\$ 770,615	\$ 880,910
Intergovernmental	1,285,040	1,370,188	1,305,856
Other Revenues	-	4,921	5,000
Total Revenues	2,086,712	2,145,724	2,191,766
Expenditures			
Salaries and Benefits	2,280,174	2,423,827	2,691,184
Materials, Supplies, & Services	570,927	649,640	687,798
Total Expenditures	\$ 2,851,101	\$ 3,073,467	\$ 3,378,982



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Public Health Grants Special Revenue

The Public Health Special Revenue Fund was established to accommodate larger Public Health grants, especially those that result in the hiring of full-time staff. The current grants in this fund are stable but are static in their funding.

Authorized Full-Time Position	2018	2019	2020
PUBLIC HEALTH NURSE	2	2	2
PUBLIC HEALTH SPECIALIST	4	4	4
	6	6	6

2020 Goals and Objectives

- IE** Provide support, resources and education to support high-risk families to assure infants are born healthy and grow up safe and nurtured by completing at least 1,300 home visits.
- S** Implement obesity and tobacco strategies for the Statewide Health Improvement Partnership (SHIP) by working with schools to offer more fruits and vegetables and providing education to school staff regarding e-cigarettes and vaping products to have policies and environmental change in place by November 2020.
- IE** Successfully test our mass dispensing plans during a statewide full scale exercise in June.

2019 Results of Performance Measures

Temporary Assistance for Needy Families (TANF) and Maternal, Infant, and Early Childhood Home Visiting (MIECHV) Grants

- Public Health staff made 1,645 home visits to 208 pregnant and parenting residents who were raising new babies with risks for poor childhood outcomes. These visits helped them learn how to positively respond to their babies' needs and foster healthy development.
- Assessed and supported individuals to navigate depression, chemical use, domestic violence and or poverty while promoting healthy and emotional development in infants and toddlers.
- This years' performance measure to screen prenatal and postpartum women for depression 90% of time improved each quarter in 2019. The results were:

Percent screened				
When screened	Q1	Q2	Q3	Q4
Prenatal	57%	75%	84%	89%
Postpartum	48%	65	80%	83%

Statewide Health Improvement Partnership (SHIP) Grant

- Led a cohort of metro area hotels—four in Bloomington—to explore worksite wellness options in the hospitality industry. An additional four new Bloomington hotels have been recruited for 2020.
- Launched a multi-sector work group with city departments and community organizations to improve engagement and programming for residents that live in multiunit rental housing in Bloomington..
- Worked with three Bloomington clinics and Bloomington Early Learning Services to incorporate food insecurity screening questions into regular visits.
- Conducted resident surveying at nine multiunit housing properties in Bloomington to assess readiness to go smoke-free. As a result, 8 out of 9 properties went smoke-free with the remaining property still under consideration

Public Health Emergency Preparedness and Response Grants

- Continued work on revamping public health emergency response plans.
- Conducted exercises and training to improve emergency response capabilities of staff.

Public Health Grants - Special Revenue Fund

Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Intergovernmental	\$ 929,655	\$ 969,890	\$ 954,659
Program Income	100,758	120,380	66,057
Interest Income	(1,011)	(1,361)	-
Other Revenues	108	-	-
Total Revenues	1,029,510	1,088,909	1,020,716
Expenses			
Salaries and Benefits	875,586	945,717	956,760
Materials, Supplies, & Services	150,632	122,635	108,110
Total Expenses	1,026,218	1,068,352	1,064,870
Working Capital			
Net Change	3,292	20,557	(44,154)
Working Capital at Beginning of Year	135,440	138,732	159,289
Working Capital at End of Year	\$ 138,732	\$ 159,289	\$ 115,135

Communications

The Communications Fund is a Special Revenue Fund. This Division of Community Services 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 monthly *Briefing*. The Communications Division also oversees the City’s cable television franchises. The Communications Division fund is supported by cable franchise fees.

Authorized Full-Time Position	2018	2019	2020
COMMUNICATIONS ADMINISTRATOR	1	1	1
WEB COORDINATOR	2	2	2
COMMUNICATIONS SPECIALIST	3	3	3
GRAPHICS PRODUCTION SPECIALIST	1	1	1
SENIOR PRODUCTION SPECIALIST	1	1	1
VIDEO PRODUCTION SPECIALIST	1	1	1
	9	9	9

2020 Goals and Objectives

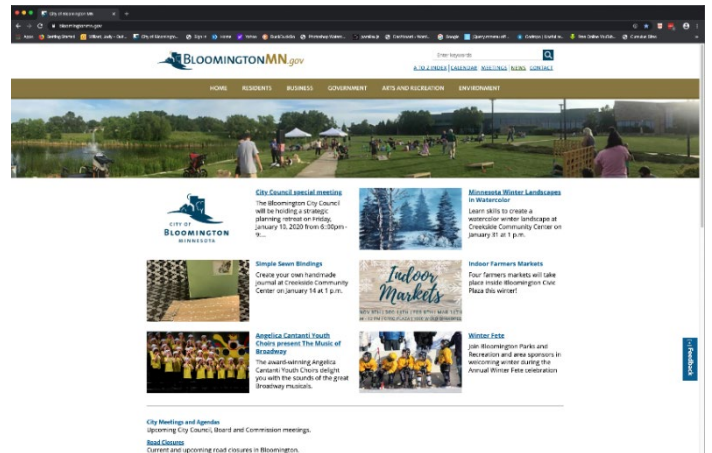
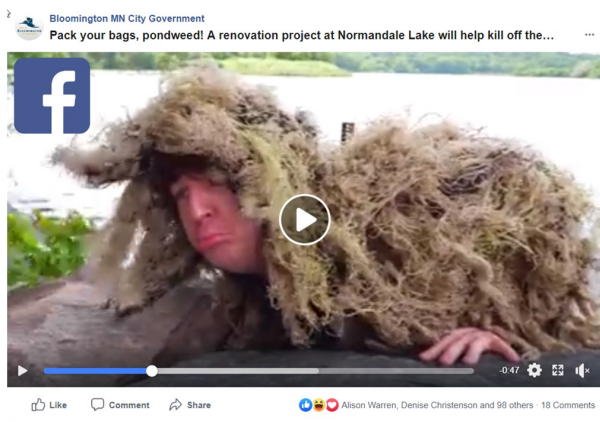
- IS** Reorganize Communications Division, including filling two vacant full-time positions, adding supervisor positions, changing titles, and job functions for some staff, merge all Support Services operations with Communications, onboard and train new Mailroom, Information Desk, Communications video staff and part-time meeting staff by April 2020.
- IS** Identify a Digital Asset Management system that will house images in a central hub for employees to access beginning with initial facilitated discussions January 2020.
- IS** Adopt a social media archiving solution, with IT and Legal’s approval, to increase efficiency for data requests and provide Communications staff with a streamlined way to collect data on specific issues and data ranges by June 2020.
- SIIE** Update the City website’s content management system to the latest content management system to provide increased security and more user-friendly functions by December 2020.
- SIIE** Refresh the website homepage and navigation of the City’s website to improve mobile performance and site speed, and include web trends and analytics of the most popular website pages by December 2020.
- SIIE** Research and possibly purchase a closed captioning solution for City-produced videos and integrate that system into our processes by December 2020.

2019 Results of Performance Measures

- Installed and configured a new VOD server for internet streaming of meetings and other programs along with activating the OTT streaming service offerings like Roku and Apple TV.
- Launched “Around B-Town” initiative for video and social media that included updates on City Council decisions and priorities.
- Increased users to the City’s social media sites, resulting in 11,124 Facebook followers (a 13% increase from 2018) and 5,411 Twitter followers (a 10% increase from 2018).
- Achieved 482,211 views of staff-produced videos on YouTube and gained 714 subscribers.
- Saw website traffic top 1 million sessions (1,044,208), a 10.3% increase from 2018.

Communications (continued)

- Finalized the City's social media policy and provided two in-person training sessions and other communications about the policy changes.
- Worked with Mid-Managers Leadership Team to create awareness of the City's mission and vision. Developed a communications and marketing plan, new vision logo and other materials for the launch to employees in early fall.
- Gained 50 new members with Bloomington Community Access Television, many due to the Teen Video Boot Camps that sold out all three sessions for the third year in a row.
- Honored with 10 local and national communications awards, including four first-place awards from 3CMA and MAGC.
- Coordinated planning, promotion and presentations for all of the City Council's 2019 Town Hall Forum events, including a Facebook Live event at the April forum.



Communications - Special Revenue Fund

Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Property Taxes	\$ -	\$ 150,000	\$ 250,000
Franchise & PEG Fees	1,417,042	1,384,514	1,356,000
Program Income	85,237	102,740	77,862
Interest Income	4,888	2,451	4,000
Transfers from Other Funds	193,632	424,752	210,899
Total Revenues	1,700,799	2,064,457	1,898,761
Expenses			
Salaries and Benefits	979,660	1,010,892	1,095,099
Materials, Supplies, & Services	623,289	691,532	784,806
Capital Outlay	465,660	358,686	108,600
Total Expenses	2,068,609	2,061,110	1,988,505
Working Capital			
Net Change	(367,810)	3,347	(89,744)
Working Capital at Beginning of Year	709,425	341,615	344,962
Working Capital at End of Year	\$ 341,615	\$ 344,962	\$ 255,218



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Support Services

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

Authorized Full-Time Position	2018	2019	2020
PRINT SHOP COORDINATOR	1	1	1
	1	1	1

2020 Goals and Objectives

- S** Market Print Shop activities to staff and seek additional partnerships with outside organizations with a goal to increase revenue by 20 percent by December 2020.
- S** Integrate all of Support Services to have the full complement supervised by Communications to better align all services by February 2020.
- S** Hire, train and cross-train new Information Desk and Mailroom staff by March 2020 to onboard staff and provide essential backup staff for all services.
- S** Conduct an evaluation of supplies and office organization to more efficiently deliver services.

2019 Results of Performance Measures

- Began printing City envelopes that were moved from warehouse inventory, which modestly increased Print Shop revenue by \$466 its first year.
- Printed jobs for outside organizations and employees, which resulted in more than \$16,100 in revenues, a 63 percent increase from 2018.
- Adopted electronic tracking and labeling of UPS packages to improve delivery and lower costs.
- Undertook initial discussion and steps to combine Support Services in Print Shop, Mailroom and Information Desk.



Support Services - Internal Service Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Departmental Charges	\$ 469,408	\$ 490,920	\$ 538,893
Interest Income	2,055	3,242	2,000
Other Revenues	10,259	16,186	6,365
Total Revenues	481,722	510,348	547,258
Expenses			
Salaries and Benefits	224,556	229,580	244,576
Materials, Supplies, & Services	224,124	251,062	312,185
Capital Outlay	-	-	-
Total Expenses	448,680	480,642	556,761
Working Capital			
Net Change	33,042	29,706	(9,503)
Working Capital at Beginning of Year	120,357	153,399	183,105
Working Capital at End of Year	\$ 153,399	\$ 183,105	\$ 173,602

Finance

The activities of Finance are located within the General Fund. The Finance Department provides financial services for the City as well as the City’s two component units- the Port Authority and the Housing and Redevelopment Authority. Financial services include accounting, audit, budget, cash management, investing, general billing, utility billing and customer service, accounts payable, purchasing, payroll, and risk management. The Finance department provides monthly financial reports to the City Council and Executive Leadership Team and is responsible for submitting required reports to the Office of the State Auditor and Hennepin County throughout the year. Through conservative financial management and long-term planning, the City of Bloomington maintains the highest possible bond ratings possible “Triple AAA” bond ratings from Standard & Poor’s, Moody’s, and the Fitch Rating Agency.

Finance Department Vision

“We are a team of dedicated professionals whose diverse strengths are used to create the positive, responsible, and accountable environment necessary to accomplish an accurate and transparent accounting of public funds and provide exceptional customer service for our internal and external customers.”

The following reports are published annually by the Finance Department:

- Comprehensive Annual Financial Report (Certificate of Achievement for Excellence in Financial Reporting received for 48 years)
- Popular Annual Financial Report (Award for Outstanding Achievement in Popular Annual Financial Reporting received for 20 years)
- Annual Budget Document (Distinguished Budget Presentation Award received for 24 years)
- Ten Year Capital Improvement Plan

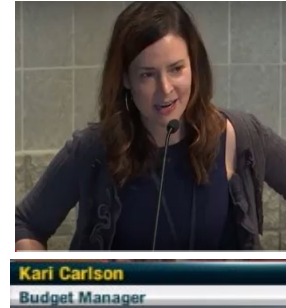
Dept.	Division	2018 Authorized Full-Time	2019 Authorized Full-Time	2020 Authorized Full-Time
FINANCE				
	ADMIN & BUDGET - GENERAL FUND	3	3	3
	FINANCIAL OPERATIONS - GENERAL FUND	20	20	20
	RISK MANAGEMENT - GENERAL FUND	1	1	1
FINANCE Total		24	24	24

Finance - General Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Program Income	\$ 49	\$ 83	\$ -
Lodging and Admissions Tax	22,076	27,133	20,000
Intergovernmental	12,444	12,552	12,500
Other Revenues	201,723	203,692	180,000
Total Revenues	236,292	243,460	212,500
Expenditures			
Salaries and Benefits	2,305,304	2,432,134	2,566,905
Materials, Supplies, & Services	636,631	603,166	712,870
Total Expenditures	2,941,935	3,035,300	3,279,775
Less Expenses Charged to Other Funds	(1,885,067)	(1,897,908)	(2,024,228)
Net Total Expenditures	\$ 1,056,868	\$ 1,137,392	\$ 1,255,547

Finance – Administration and Budget

The Administration and Budget division provides financial management and advice to the City Council, City Manager, and Departments with a focus in capital financing, budget coordination, and debt management. Administration coordinates the City’s capital improvement plan, annual budget document, and numerous reports required by the State and County throughout the year. The City’s annual budget process includes more than 30 individual funds which are presented and discussed with the City Council initially at a Study Session and then presented for approval by resolution at a televised City Council meeting. Once approved by the City Council, budgets are entered in to the accounting system and monitored.



Authorized Full-Time Position	2018	2019	2020
CHIEF FINANCIAL OFFICER	1	1	1
BUDGET MANAGER	1	1	1
ADMINISTRATIVE ASSISTANT	1	1	1
	3	3	3

2020 Goals and Objectives

- S** Provide excellent financial services to internal and external customers.
- S** Prepare accurate and transparent financial reports based on industry best practices.
- S** Take all appropriated budgets to City Council for approval by year end.
- S** Earn the Distinguished Budget Award from the Government Finance Officers Association.
- S** Publish the Annual Budget Document by March 1 (Two weeks after Final Budget and Tax Levy is approved by the City Council) and streamline the process for creating the report using functionality from the City’s ERP software.
- S** Publish the Popular Comprehensive Annual Financial Report (PAFR) by June 30.
- A I R S** Compile and present Ten Year Capital Improvement Plan (CIP) for approvals.

Finance – Administration and Budget (continued)

2019 Results of Performance Measures

- 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
- Received the GFOA Distinguished Budget Award for the 24th consecutive year.
- Received the GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting for the 20th year.
- Published the 10-Year Capital Improvement Plan (2019-2028) prior to April 11.
- Developed 2020 Finance work plan with full participation from all members in department to select the key goals and initiatives.
- Coordinated, analyzed, and presented 2020 budgets to the City Council for all appropriated funds – the Final Budget and Tax Levy was approved by the City Council two weeks earlier than past years.
- Coordinated two full day Budget Workshops with City Council and department staff in July and August with detailed department overviews followed by facilitated discussions with Council to obtain a shared understanding of what departments are currently doing and understanding their challenges and expectations.
- The City issued \$2,105,000 of Taxable General Obligation Charter Bonds to fund Park Improvements.
- The City issued \$15,200,000 of General Obligation Tax Increment Revenue Bonds on behalf of the HRA to establish the first Affordable Housing Trust Fund in the City.
- The City issued \$4,095,000 of General Obligation PIR bonds of 2019 for the Pavement Management Program.
- The City issued \$1,645,000 million of Taxable General Obligation Charter Bonds to finance improvements to the Bloomington Ice Garden.

Standard & Poor's

Fitch

Moody's



Finance Admin. and Budget Div. - General Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Intergovernmental	\$ 12,444	\$ 12,552	\$ 12,500
Other Revenues	2,500	3,642	-
Total Revenues	14,944	16,194	12,500
Expenditures			
Salaries and Benefits	427,141	441,068	464,990
Materials, Supplies, & Services	137,971	138,852	160,152
Total Expenditures	565,112	579,920	625,142
Less Expenses Charged to Other Funds	(263,352)	(276,508)	(284,799)
Net Total Expenditures	\$ 301,760	\$ 303,412	\$ 340,343



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Finance – Financial Operations

The Accounting Division manages and records the day-to-day accounting of the City’s transactions, including audit, payroll, accounts receivable, centralized purchasing, investments, accounts payable, utility billing, cash receipts, and general accounting. The division prepares an analysis of the monthly financial statements for executive leadership and City Council. They prepare the Comprehensive Annual Financial Report which has received the annual GFOA award since 1970. The Audit function monitors the City tax on lodging, admissions, and liquor sales.

Authorized Full-Time Position	2018	2019	2020
FINANCE MANAGER	1	1	1
ASSISTANT FINANCE MANAGER	1	1	1
ACCOUNTANT	3	3	3
AUDITOR	1	1	1
CUSTOMER BILLING SUPERVISOR	1	1	1
PURCHASING AGENT	1	1	1
ACCOUNTING ASSISTANT	5	5	5
OFFICE SUPPORT SPECIALIST	2	2	2
PAYROLL SPECIALIST	1	1	1
PURCHASING SPECIALIST	1	1	1
OFFICE ASSISTANT	3	3	3

2020 Goals and Objectives

- S** Provide quality accounting and related financial services to all City departments.
- S** Publish the Comprehensive Annual Financial Report (CAFR) by June 30.
- S** Report accurate and transparent monthly financial statements in an easily understood format to both internal and external users by the following month end.
- S** Invest public funds in such a manner that all daily cash flow needs are met and the portfolio yield does not fall below 25 basis points of a U.S. Treasury obligation of comparable duration.
- S** Produce vendor checks twice a week, submit purchase orders to vendors within two days of receiving requisitions from departments, maintain accurate records, monitor grants and capital assets for compliance with internal and external policies, process payroll twice a month and provide financial system assistance to users.
- S** Start Certificate of Deposit investing in community banks to promote lending to local residents and businesses and earn market interest rates while being fully collateralized.
- S** Effectively and efficiently upgrade the City’s ERP software to a new version in September 2020.
- S** Update City Ordinances and Sales Tax Audit procedures in order for the City to collect lodging taxes from online travel companies depending on State of Minnesota legislation.

2019 Results of Performance Measures

- Received Certificate of Achievement for Excellence in Financial Reporting for last 48 years.
- Investments yielded more than 25 basis points over the U.S. Treasury bonds.
- Collected an additional \$111,000 of local liquor, lodging, and admission (LLA) sales tax revenue identified as underpaid local taxes through the completion of 11 LLA audits.
- Implemented accounts payable invoice electronic approvals in the City’s ERP software.
- Issued 779 purchase orders, advertised 42 solicitation on the website, and started 62 procurement activities which include bids, requests for proposals and quotes, contracts and contract amendments.
- Increased online utility payment transactions of 35% and accounts that signed up to receive utility bills online increased by 41%.
- Handled 8,091 customer service telephone calls in 2019 compared to 9,344 in 2018.

Finance Operations Division - General Fund

Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Program Income	\$ 49	\$ 83	\$ -
Lodging and Admissions Tax	22,076	27,133	20,000
Other Revenues	199,223	200,050	180,000
Total Revenues	221,348	227,266	200,000
Expenditures			
Salaries and Benefits	1,812,217	1,894,284	1,993,540
Materials, Supplies, & Services	468,209	434,655	516,959
Total Expenditures	2,280,426	2,328,939	2,510,499
Less Expenses Charged to Other Funds	(1,506,515)	(1,483,604)	(1,595,295)
Net Total Expenditures	\$ 773,911	\$ 845,335	\$ 915,204

Finance – Risk and Litigation Management

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

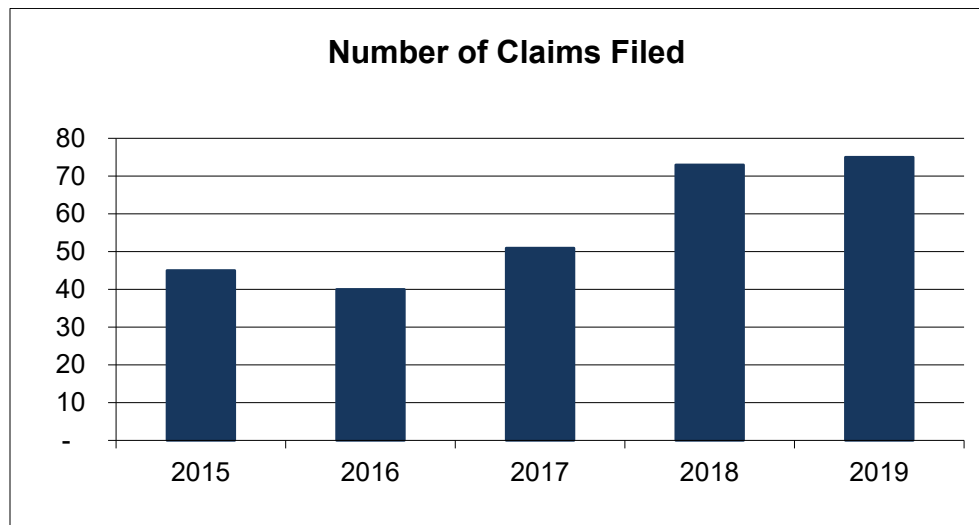
Authorized Full-Time Position	2018	2019	2020
RISK AND LITIGATION MANAGER	1	1	1

2020 Goals and Objectives

- AS** Complete required insurance renewals and provide necessary reports to City Council.
- IS** Re-establish and re-energize the City-wide Safety Committee.
- IS** Implement an insurance certificate tracking system to help departments maintain valid insurance certificates throughout contract terms.

2019 Results of Performance Measures

- Renewed insurance policies for 2019.
- Reviewed 145 of 721 contracts and requests for proposals.
- Received a \$26,014 dividend from the City’s insurance trust.



Finance Risk Mgmt. Division - General Fund

Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Expenditures			
Salaries and Benefits	\$ 65,946	\$ 96,782	\$ 108,375
Materials, Supplies, & Services	30,451	29,659	35,759
Total Expenditures	96,397	126,441	144,134
Less Expenses Charged to Other Funds	(115,200)	(137,796)	(144,134)
Net Total Expenditures	\$ (18,803)	\$ (11,355)	\$ -

Self-Insurance

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

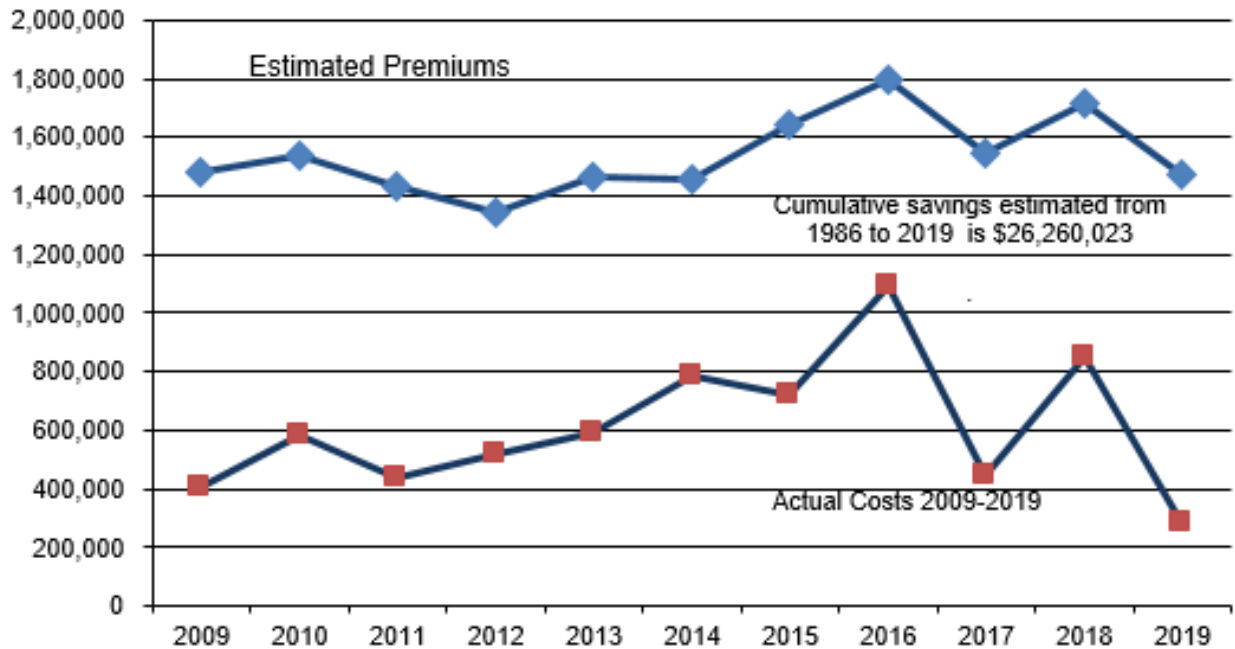
2020 Goals and Objectives

- S** Protect the City's assets and minimize costs of insurance.
- S** Provide departments with reports on claims twice a year, discuss claims and claim prevention.
- S** Continue work with the City's insurance broker and TPA to evaluate coverage and investigate possible premium savings.

2019 Results of Performance Measures

- Received a dividend from LMCIT of \$26,014.

**Cost Savings Resulting from Self-Insurance
Worker's Compensation Costs Self-Insured Plan
Compared to Estimated Insurance Premium Costs**



Self Insurance - Internal Service Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Departmental Charges	\$ 2,384,572	\$ 2,180,848	\$ 2,154,597
Interest Income	85,545	124,351	34,000
Other Revenues	6,577	-	155,000
Total Revenues	2,476,694	2,305,199	2,343,597
Expenses			
Materials, Supplies, & Services	1,355,222	1,773,453	2,251,226
Transfer to Other Funds	-	499,992	500,000
Total Expenses	1,355,222	2,273,445	2,751,226
Working Capital			
Net Change	1,121,472	31,754	(407,629)
Working Capital at Beginning of Year	3,240,795	4,362,267	4,394,021
Working Capital at End of Year	\$ 4,362,267	\$ 4,394,021	\$ 3,986,392

Fire Department

The operational activities of the Fire Department are located within the General Fund. Purchases of equipment are accounted for in the Public Safety Technology and Equipment Internal Service Fund. The Fire Department has 11 full-time authorized positions and 121 paid-on-call firefighters. The department operates out of six fire stations and uses the latest in firefighting equipment including engines, ladders, and other specialty units. Fire Prevention is an integral part of providing fire safety through code enforcement and education. Firefighters install battery operated smoke detectors or replace batteries in detectors for homes that need them upon request.

The Fire Department responded to 2392 calls for service in 2019. These ranged from water rescues and vehicle extrications to structural fires, medical emergencies, and hazardous materials emergencies. The average response time for 2019, from the dispatch of the call until the first fire unit reaches the scene was 6 minutes 30 seconds. To accomplish this, paid on call firefighters located within approximately 4 minutes or less responding time of the City's fire stations are actively recruited. All firefighters are required to meet training standards throughout the year.



Authorized Full-Time Position	2018	2019	2020
FIRE CHIEF	1	1	1
ASSISTANT FIRE CHIEF	2	2	2
DEPUTY FIRE CHIEF	1	1	1
FIREFIGHTER/FIRE INSPECTOR 2	3	3	3
FIREFIGHTER/FIRE INSPECTOR 1	1	1	1
ADMINISTRATIVE ASSISTANT	1	1	1
EMERGENCY VEHICLE TECHNICIAN	0	0	1
OFFICE SUPPORT SPECIALIST	1	1	1
	10	10	11

Paid-on-Call Firefighters:

District Chief	2	2	2
Captains	19	20	20
Firefighters	102	93	99
Total	123	115	121

Fire Department (continued)

Operations and Training

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. 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.

Fire Prevention

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.

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 Emergency Operations Plan (EOP) and Continuity of Operations Plan (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.

The City's emergency early warning capability is also a multi-department effort with Fire, Police, Public Works and Information Systems all working to implement the Everbridge notification system to alert residents and visitors to hazard information.

2020 Goals and Objectives

Fire Department:

- S** Provide fire prevention services and fire education to residents, businesses, and visitors.
- S** Respond to fires, hazardous materials incidents, medical emergencies, and rescues.
- S** Preserve and protect 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** On average, respond to calls within 6 minutes 30 seconds of dispatch.

Operations and Training:

- S** Respond to all emergency calls for service in 4 minutes 30 seconds or less from time of page.
- S** Response of 15 firefighters within 9 minutes to structure fires where fire attack hose 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 achieve call processing time to meet or exceed NFPA standard from receipt of 911 call to dispatch of resources.
- S** Continue to maintain equipment for fire response to prolong life and effectiveness.

Fire Department (continued)

Fire Prevention:

- S Issue the majority of the fire sprinkler and fire alarm permits within five business days.
- S Inspect a majority of designated high-risk occupancies each year.
- S Inspect 45% of existing commercial, industrial and multi-family residential 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 Minimize the number of incendiary and suspicious fires through education and effective investigations
- S Minimize the number of incendiary and suspicious fires through education and effective investigations.
- S Continue to conduct home safety survey inspections in owner-occupied single-family homes with an emphasis on residents over age 55.
- S Conduct fire education programs for business and resident groups upon request:
 - o Assist and monitor fire education and fire drills at all schools.
 - o Assist and monitor the Fire Department open house.
- S Facilitate and coordinate fire department truck visits, smoke detector installations, car seat installation, station tours and other programs

Emergency Management:

- S Review and revise the City's Emergency Operations Plan by November 30.
- S Review and revise the City's Continuity of Operations Plan by November 30.
- S Maintain the operational readiness capabilities of the City's Emergency Operations Center.
- S Conduct inter-departmental training for EOC operations by September 30.
- 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.

2019 Results of Performance Measures

Fire Department

- Averaged a 4 minute response time in 2019 from the time the call was dispatched until the first fire department unit (Ladder or Engine Company or Chief Officer) was on scene.
- Averaged a 5 minute 53 second response time in 2019 from the time the call is received at the 911 public safety answering point until the first fire department unit arrived on scene.

Operations and Training

- Responded to 2392 calls for service.
- Emergency response time average of 4 minutes.
- Responded with 15 or more firefighters within 9 minutes 40% of the time to all structure fires where fire attack hose lines were deployed.
- Provided 14,600 hours of training for current firefighters to meet Federal and State requirements.
- Provided 1272 hours of live fire training to meet Federal and State requirements.
- Coordinated and trained with auto-aid and mutual aid partners to maintain competency and capability for large incident response.
- Represented the Fire Department in ongoing operations of the Tri-Tech Computer Aided Dispatch (CAD) system.
- 15 new recruits completed 216 hours of new recruit training

Fire Department (continued)

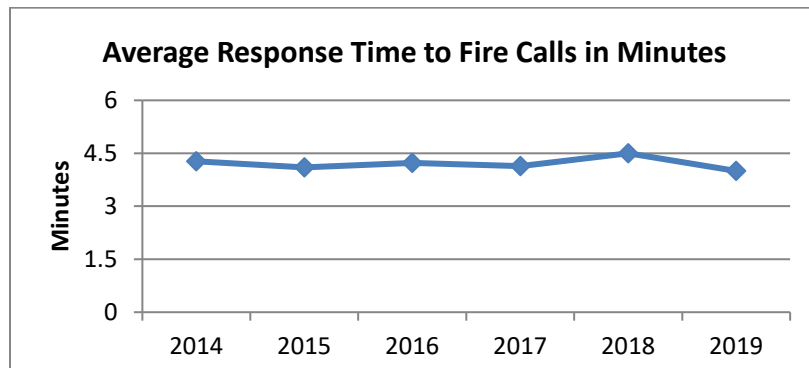
Fire Prevention

- Performed 3274 inspections (annual, building final, fire alarm testing, rough-in, tanks)
- Annual inspections done at 564 buildings out of approximately 1,325 properties, 43%.
- Conducted 67 cause and origin fire investigations including follow-ups with an 82% clearance rate (not including cases pending). Of these, 18 investigations were considered incendiary.
- Completed 11 Home Safety Survey Inspections in owner occupied single family homes.
- Conducted 73 safety presentations at K-12 schools, businesses, senior living facilities and other venues.
- Conducted 77 truck visits, smoke detector installations, station tours and other education presentations

Emergency Management

- Performed monthly checks on the City's 22 emergency warning sirens.
- Maintained the Everbridge emergency notification system for residents to sign up for alerts.
- Maintained and updated senior staff alert notifications as part of the Everbridge implementation.
- Maintained and exercised communication capabilities for use during disasters.

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.



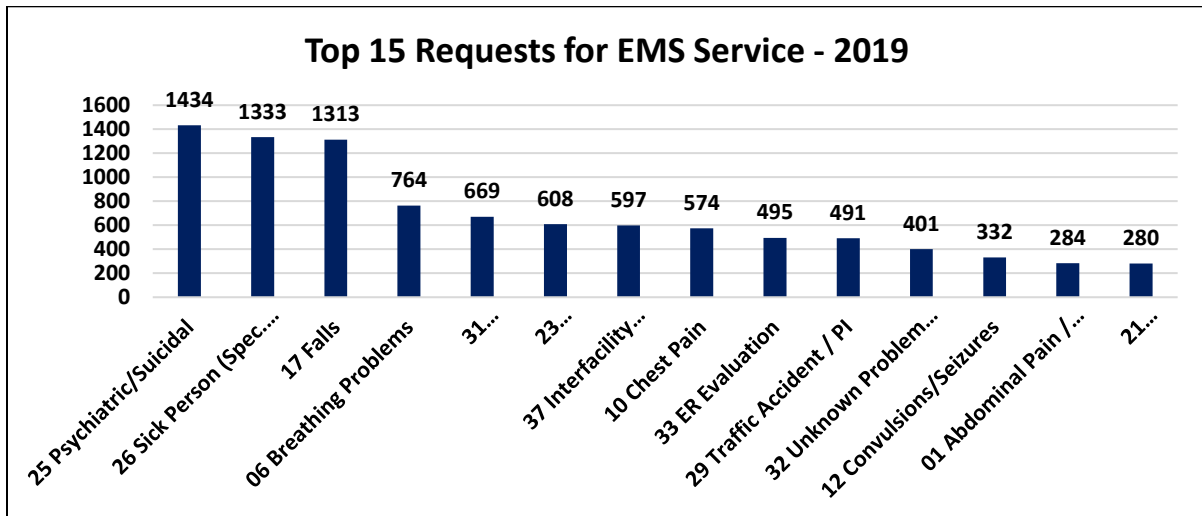
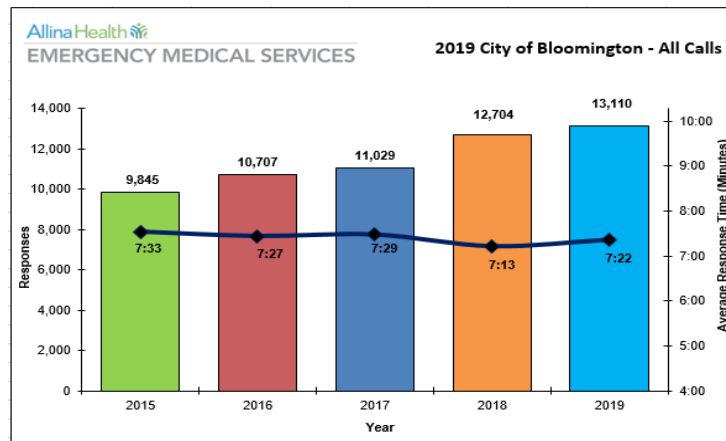
City of Bloomington EMS Response

This report includes a breakdown of all calls responded to by Allina Health EMS within the City of Bloomington during the calendar year 2019. As we roll into the new year of 2020, this will mark our 100th year of service within the medical transportation and EMS industry.

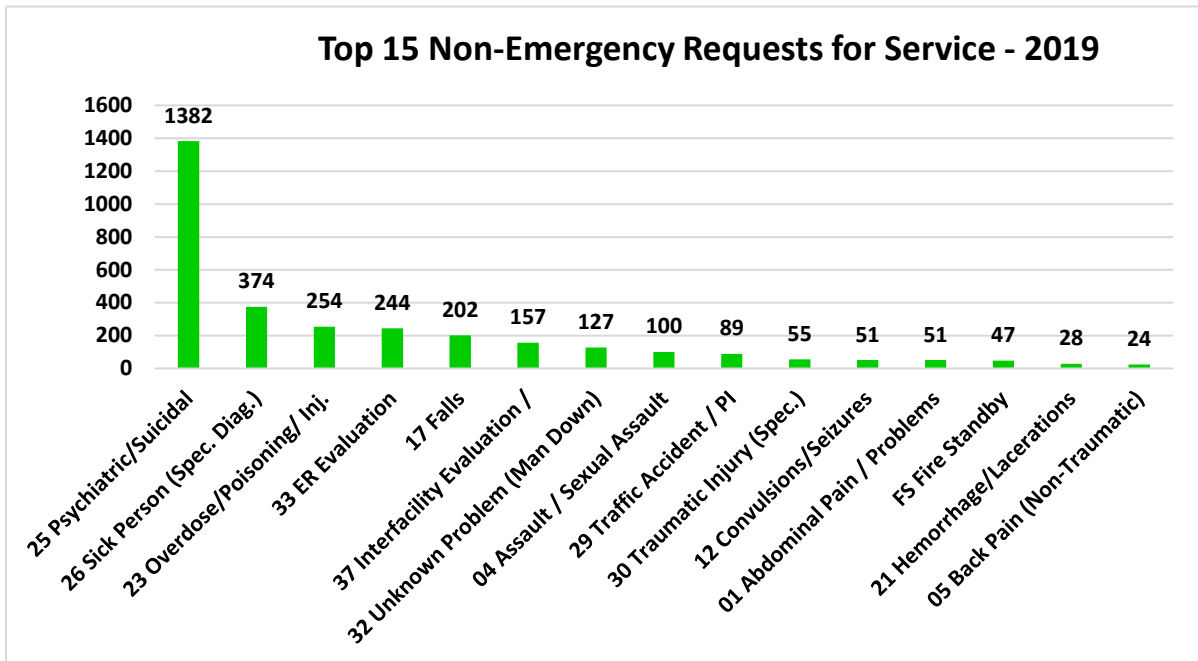
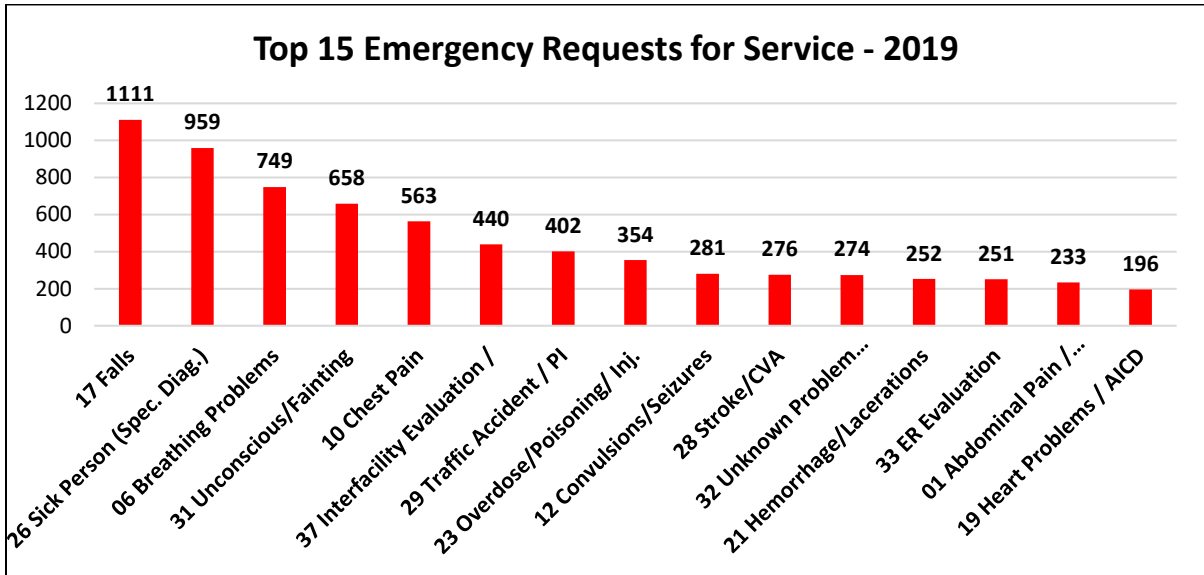
You will find that Calls For Service are categorized into emergency and non-emergency calls, response times for such calls and Hennepin County Ordinance requirements on average. As in previous reports we have also included the five year history for calls and the average response time trend within those five years. Lastly we have included the 15 top reasons for all calls emergent and non-emergent.

Fire Department (continued)

- 2019 – Total Priority – Responses (911) = 13,110
 - Total Emergency Responses (Red Lights / Siren) = 9,211
 - Total Non-Emergent (Routine Response) = 3,899
- 2019 – Average Response Time for all calls Emergent or Routine = 7:22
 - Emergent Responses = 9,211 - Response Time = 6:36
 - Non-Emergent Responses = 3,899 Non-Emergent Response time = 10:58
- Hennepin County Ordinance compliance = 87.3% (Under 10:59)
 - Hennepin County Ordinance requires all emergency 911 EMS calls to be responded to in under 10:59, 80% on average.



Fire Department (continued)



Fire - General Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Intergovernmental	\$ 26,299	\$ 155,348	\$ -
Other Revenues	350	450	-
Total Revenues	26,649	155,798	-
Expenditures			
Salaries and Benefits	1,228,376	1,419,720	1,647,076
Materials, Supplies, & Services	3,946,558	4,084,726	3,763,795
Capital Outlay	-	105,456	25,000
Transfer to Other Funds	-	30,000	-
Total Expenditures	\$ 5,174,934	\$ 5,639,902	\$ 5,435,871



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Fire Pension Fund

The Fire Pension Fund is a Special Revenue Fund for accumulating revenue to pay annual Fire Pension obligations. The City of Bloomington has a Paid-On-Call Fire Department. After 20 years of service, Paid-On-Call firefighters are eligible to receive a pension from the Bloomington Fire Department Relief Association (BFDR). Each year, an independent actuary calculates the fire pension liability due to the BFDR two years in the future. The actuary reviews the financial activities of the Bloomington Fire Department Relief Association. The annual fire pension obligation is impacted by market volatility, investment returns, and firefighter demographics. If the pension is under 120% funded, State statute requires that the City send an annual contribution in addition to State Fire Aid money. Due to a strong investment performance of the BFDR pension fund at the end of 2017, the only contribution due in 2019 was the pass-through State Fire Aid money of \$581,875. In 2020, the pension obligation will be \$2,541,359 based on the investment performance of the pension at the end of 2018.

Fire Pension revenue is received from the following sources:

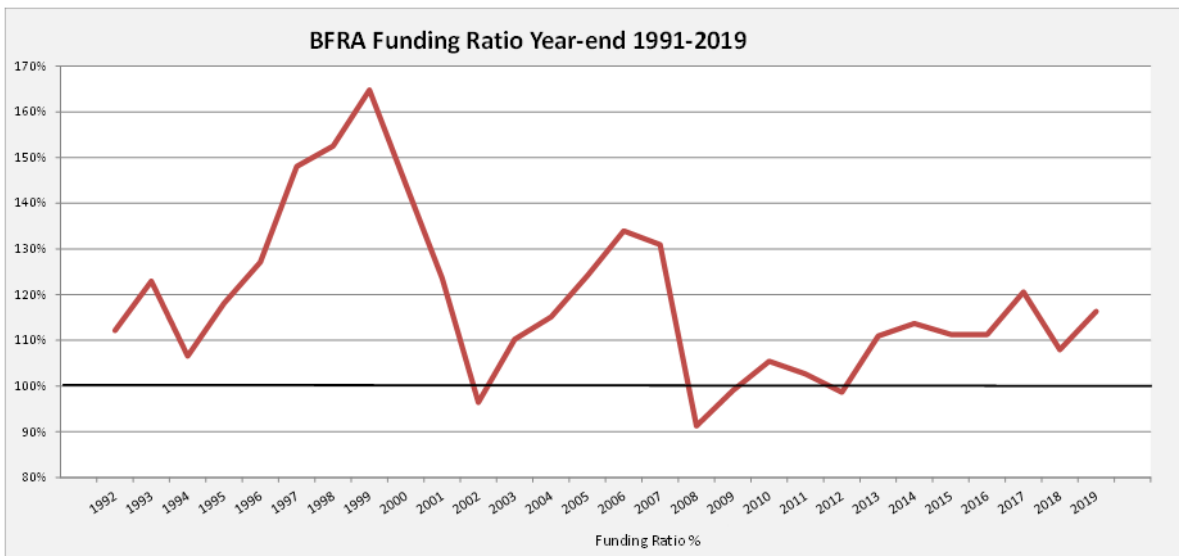
- State Aid
- Property tax levy
- Transfers from the General Fund and/or Strategic Priorities

2020 Goals and Objectives

- S Build a reserve to fund Fire Pension contributions without relying on positive budget variance in the General Fund.

2019 Results of Performance Measures

- Working Capital balance of the Fire Pension fund was above the Working Capital Goal of \$2,500,000.



Fire Pension - Special Revenue Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Property Taxes	\$ 1,000,000	\$ 1,050,000	\$ 1,050,000
Intergovernmental	594,361	609,799	594,361
Interest Income	41,995	61,142	35,284
Bond Proceeds	-	-	500,000
Transfers from Other Funds	1,000,000	950,000	500,000
Total Revenues	2,636,356	2,670,941	2,679,645
Expenses			
Salaries and Benefits	2,130,346	609,799	2,541,359
Transfer to Other Funds	30,504	-	-
Total Expenses	2,160,850	609,799	2,541,359
Working Capital			
Net Change	475,506	2,061,142	138,286
Working Capital at Beginning of Year	2,231,552	2,707,058	4,768,200
Working Capital at End of Year	\$ 2,707,058	\$ 4,768,200	\$ 4,906,486

Public Safety - Technology and Equip.

The Public Safety Technology and Equipment Fund is an Internal Service Fund that has the following six activities:

- Radios
- Mobile Digital Computers (MDC's)
- Body Worn Cameras
- Police Small Equipment
- Fire Small Equipment
- Fire Large Equipment

Radios (Police and Fire):

Portable and dash mounted radio operations are scheduled for replacement every 8-10 years. The Police Department and Fire Department use the majority of the City's radios. However, Public Works and Public Health also use radios in their operations. Charges for operations are internally charged to all four of these departments, but charges for replacement are only charged to Police, Fire, and Public Works and build up working capital balance for future equipment purchase. Public Health purchases their own replacement radios.

MDC's (Police and Fire):

Mobile Digital Computers are located in Public Safety vehicles to communicate with dispatch and access Public Safety databases. They are scheduled to be replaced every 4 years. Charges for operations and replacement are charged to Police and Fire and build up working capital balance for future equipment purchases.

Body Worn Cameras (Police):

Body worn cameras is a new activity in this fund. The initial purchase, implementation, and training of body worn cameras had multiple funding sources including grant and forfeiture funds. Charges for on-going data storage fees are funded from a transfer from Police forfeiture funds and from a transfer of funds from the IT department.

Police Small Equipment:

The Police small equipment activity purchases equipment such as tasers, tactical vests, guns, and other equipment on a replacement schedule of 5-15 years depending on the item. Consistent replacement charges to Police in the General Fund are the revenue for this activity and build up working capital balance for future equipment purchases.

Fire Small Equipment:

The Fire small equipment activity purchases equipment such as fire hoses, gear, and rescue equipment on a varying replacement schedule. Charges to Fire in the General Fund are the revenue for this activity and build up working capital balance for future purchases.

Fire Large Equipment:

The Fire large equipment activity purchases large equipment such as large ladder trucks. Revenues come from the Fire Department activity in the General Fund.

Authorized Full-Time Position	2018	2019	2020
RADIO COMMUNICATIONS TECHNICIAN	1	1	1
	1	1	1

Public Safety – Tech. & Equip. (continued)

2020 Goals and Objectives

- S** Maintain a reliable and efficient communications system for Public Safety.
- S** Maintain adequate, consistent internal charges to fund future purchases of Public Safety equipment without causing large variances in the General Fund.

2019 Results of Performance Measures

- Inventory of 24 Fire Department MDC's is current with next purchases scheduled in 2021 for approximately \$115,000.
- Inventory of 40 Police Department MDC's is current with next purchases scheduled in 2024 for approximately \$235,040.
- Inventory of 81 Fire Department portable radios is current with next purchases scheduled in 2024 for approximately \$480,000.
- Inventory of 38 Public Works portable radios is current with next purchases scheduled in 2025 for approximately \$141,741.
- Inventory of 175 Police Department portable radios is current with next purchases scheduled in in 2026 for approximately \$1,173,000.
- Inventory of 48 Fire Department mobile radios is current with next purchases scheduled in 2028 for approximately \$253,000.
- Inventory of 82 Police Department portable radios is current with next purchases scheduled in 2028 for approximately \$1,173,000.

Public Safety Tech & Equip - Internal Service Fund

Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Departmental Charges	\$ 698,988	\$ 1,157,184	\$ 1,263,389
Interest Income	6,007	38,142	30,000
Other Revenues	-	-	-
Transfers from Other Funds	-	3,101,451	570,000
Total Revenues	704,995	4,296,777	1,863,389
Expenses			
Salaries and Benefits	122,137	101,880	120,253
Materials, Supplies, & Services	593,853	326,408	893,805
Capital Outlay	-	-	560,000
Transfer to Other Funds	174,572	-	-
Total Expenses	890,562	428,288	1,574,058
Working Capital			
Net Change	(185,567)	3,868,489	289,331
Working Capital at Beginning of Year	327,286	141,719	4,010,208
Working Capital at End of Year	\$ 141,719	\$ 4,010,208	\$ 4,299,539



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Information Technology

The Information Technology (IT) Fund is an Internal Services Fund that contains the City's IT Department. The IT Department provides the City with computer hardware and software and coordinates the networking and communications of systems in accordance with the City's Information Technology Strategic plan.

A cross functional Information Technology Steering Committee (ITSC) was convened in 2017 to ensure that technology governance is coordinated and efficient, leading to decreased costs and complexity at the City. The ITSC addresses cross-organizational items having significant short and long-term informational technology impact for the City's employees and community.

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

Authorized Full-Time Position	2018	2019	2020
CHIEF INFORMATION OFFICER	1	1	1
INFORMATION TECH SUPERVISOR	2	3	3
IT SYSTEMS ENGINEER	1	1	1
NETWORK ENGINEER	1	1	1
APPLICATIONS ADMINISTRATOR	1	1	1
DATABASE ADMINISTRATOR	1	1	1
IT SYSTEMS ADMINISTRATOR II	2	2	2
IT SYSTEMS ADMININSTRATOR I	3	7	7
COMPUTER SPECIALIST	1	1	1
	13	18	18

2020 Goals and Objectives

SA Provide technology expertise, equipment, software and services to meet Council's Goals by:

- Continuing to implement initiatives identified in the 5 Year IT strategic plan.
- Concentrating efforts to secure the City's technology systems.
- Implementing additional virtual and cloud services.

S Upgrade desktop and laptop computers to Windows 10 and roll out Office 365.

S Continue efforts to implement the Data Governance Framework identified in 2019.

S Implement formalized project management.

ES Support and coordinate Geographic Information Systems (GIS) functions and activities City-wide.

S Review existing policies and procedures. Identify and implement necessary changes.

S Continue to provide exceptional service to support the City's departments in the area of technology.

2019 Results of Performance Measures

- Evaluated the current state of data management and developed a comprehensive Data Governance Framework.
- Implemented new titles and job descriptions to more accurately reflect the work of IT personnel and job titles widely used in the technology industry and by similarly positioned government agencies.
- Implemented a new Storage Area Network.
- Assisted the Police department with deployment of body-worn cameras.
- 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 \$2,300,000 in hardware and software maintenance agreements.
- Provided reliable technical support and services to over 600 employees.

Information Technology - Internal Service Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Departmental Charges	\$ 5,180,255	\$ 5,452,476	\$ 5,786,231
Interest Income	24,280	26,246	19,300
Other Revenues	5,365	7,040	-
Transfers from Other Funds	174,572	649,996	-
Total Revenues	5,384,472	6,135,758	5,805,531
Expenses			
Salaries and Benefits	1,706,217	1,896,969	1,999,074
Materials, Supplies, & Services	2,978,815	3,424,558	3,687,048
Capital Outlay	297,458	481,983	150,000
Transfer to Other Funds	393,636	254,760	264,086
Total Expenses	5,376,126	6,058,270	6,100,208
Working Capital			
Net Change	8,346	77,488	(294,677)
Working Capital at Beginning of Year	2,164,863	2,173,209	2,250,697
Working Capital at End of Year	\$ 2,173,209	\$ 2,250,697	\$ 1,956,020



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Legal

The Legal Department is within the General Fund. The City Attorney's Office provides legal counsel to the City Council, Advisory Boards and Commissions, the City Manager, and other City departments and prosecutes non-felony criminal offenses occurring within the City.

Authorized Full-Time Position	2018	2019	2020
CITY ATTORNEY	1	1	1
DEPUTY CITY ATTORNEY (CIVIL)	0	0	1
DEPUTY CITY ATTORNEY (CRIMINAL)	0	0	1
ASSISTANT CITY ATTORNEY-CIVIL	2	2	2
ASSISTANT CITY ATTORNEY-PROSECUTION	4	4	4
OFFICE SUPERVISOR	1	1	1
CRIME VICTIM LIAISON	1	1	1
PARALEGAL	2	2	2
LEGAL ADMINISTRATIVE ASSISTANT	1	1	1
OFFICE ASSISTANT	1	1	1
	13	13	15

2020 Goals and Objectives

- SIIE** Create and maintain a highly collaborative, aligned, focused, positive, and professional work environment that promotes employee growth and satisfaction while providing convenient, accessible, and expert legal services to City Departments, staff, elected and appointed officials, and other government entities;
- SIIE** Promote justice, access to justice for victims of crimes, and enhance public safety through locally accountable, fair, and effective criminal prosecution and community outreach;
- SIIE** Deliver timely, high quality, accessible, and cost-effective legal counsel to City Departments;
- SI** Minimize the City's exposure to claims and lawsuits through staff safety and other training, regular review and revision of policies and procedures, and proactive case management;
- SI ES IE** Deploy and promote the use of technology to improve and enhance access to justice; fair and effective criminal prosecution; and timely review, exchange, and execution of documents;
- SA I ES IE R** Draft, negotiate, and review agreements, policies, and programs that address the City's interests and protect its assets;
- SA I ES IE R** Advise and support City Departments' efforts to bring about high-quality, innovative, and collaborative development;
- SA I ES IE R** Advise and support City Departments' efforts to shape the ordinances, policies, and plans that direct the City's growth, development, and renewal;
- SA I ES IE R** Advise and support City Departments' efforts to develop, review, and revise their policies to promote staff development; increase compliance with city objectives; and enhance the overall public experience;

Legal (continued)

2020 Goals and Objectives (continued)

- S A I E S I E R** Advise and support City Departments' efforts to protect the quality and safety of City residents, neighborhoods, licensed establishments, and other businesses through outreach, screening, education, communication, and enforcement actions;
- S I I E** Advise and support efforts to train and educate City Departments to improve and streamline requests, responses, and access to public records; and
- S I A E S I E R** Support City Departments and outside agencies' efforts to facilitate multi-modal transportation.

2019 Results of Performance Measures

- Prepared, reviewed, and finalized 711 waivers, releases, agreements, and contracts.
- Prepared, reviewed, and finalized 412 resolutions, ordinances, and notices of public hearing.
- Prepared, reviewed, and finalized 182 other city documents and policies.
- Prepared, trained staff, and launched new Policy and Miscellaneous review and tracking portal for city staff.
- Opened more than 5,050 criminal cases and 103 civil vehicle forfeiture cases resulting in approximately 21,087 court appearances.
- Implemented full transition to paperless criminal prosecution resulting (in part) to the purchase and use of nearly half as much paper and significant cost savings.
- Filed briefs in two cases before the Minnesota Court of Appeals.
- Ongoing case management of approximately two dozen distinct potential and pending litigation matters.
- Made 2,034 contacts with crime victims to provide criminal justice information and assistance including the delivery of 559 letters to crime victims.
- Outreach to more than 10 new community partners and participated in over 45 outreach and engagement opportunities.
- Ongoing civil and criminal leadership roles in State, County, and 4th Judicial District.

Legal - General Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Program Income	\$ 15,540	\$ 18,267	\$ 8,000
Intergovernmental	53,765	75,847	-
Other Revenues	2,684	-	250
Total Revenues	71,989	94,114	8,250
Expenditures			
Salaries and Benefits	1,571,279	1,727,332	2,033,162
Materials, Supplies, & Services	286,724	366,268	383,691
Transfer to Other Funds	-	10,000	-
Total Expenditures	1,858,003	2,103,600	2,416,853
Less Expenses Charged to Other Funds	(394,619)	(422,193)	(395,345)
Net Total Expenditures	\$ 1,463,384	\$ 1,681,407	\$ 2,021,508



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Parks and Recreation

The Parks and Recreation Department has activities within the General Fund, Enterprise Funds, and a Special Revenue Fund. Administration, Recreation, and the Creekside Community Center activities are located within the General Fund. The Golf Courses, Ice Garden, Aquatics, and Center for the Arts are all in separate Enterprise Funds. Park grant revenue is in a Special Revenue Fund. Parks and Recreation oversees 97 parks and recreational facilities for users to enjoy. The department provides recreational opportunities through programs and facilities offering a wide variety of opportunities for people of all ages and abilities.

Dept.	Division	2018 Authorized Full-Time	2019 Authorized Full-Time	2020 Authorized Full-Time
PARKS & RECREATION				
	ADMIN - GENERAL FUND	4	4	5
	CENTER FOR THE ARTS - ENTERPRISE FUND	2	2	1
	CREEKSIDE COMMUNITY CENTER - GENERAL FUND	5	4	4
	GOLF COURSES - ENTERPRISE FUND	7	7	6
	ICE GARDEN - ENTERPRISE FUND	4	4	5
	RECREATION - GENERAL FUND	5	5	5
	AQUATICS FUND - ENTERPRISE FUND	1	1	1
PARKS & RECREATION Total		28	27	27



Parks and Recreation - General Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Program Income	\$ 692,484	\$ 680,706	\$ 707,660
Other Revenues	473,434	573,202	587,109
Transfers from Other Funds	10,000	-	-
Total Revenues	1,175,918	1,253,908	1,294,769
Expenditures			
Salaries and Benefits	2,068,642	2,283,221	2,686,422
Materials, Supplies, & Services	7,403,797	7,325,420	7,757,475
Capital Outlay	15,988	-	7,000
Total Expenditures	9,488,427	9,608,641	10,450,897
Less Expenses Charged to Other Funds	(892)	(232)	(75,523)
Net Total Expenditures	\$ 9,487,535	\$ 9,608,409	\$ 10,375,374

Parks and Recreation – Administration

Administration provides leadership, planning, budgeting, and training to support to all of its divisions.

Authorized Full-Time Position	2018	2019	2020
DIRECTOR OF PARKS & RECREATION	0	1	1
DEPUTY DIRECTOR OF PARKS & RECREATION	0	0	1
ASSISTANT DIRECTOR OF PARKS & PARK PROJECTS	0	0	1
PARKS & RECREATION MANAGER	1	0	0
ASSISTANT PARKS & RECREATION MANAGER	1	1	0
COMMUNICATIONS SPECIALIST	1	1	1
ADMINISTRATIVE ASSISTANT	1	1	1
	4	4	5

2020 Goals and Objectives

- I S** Update the Parks and Recreation ordinances
- I S** Update the Parks and Trails map
- S IE** Evaluate options for sponsorship, advertising and donation funding
- A S** Complete donation and naming policy update
- I S** Create a comprehensive, overall brand structure for the Parks and Recreation department
- A I E S R S IE** Continue implementation of Park System Master plan process
- I S IE** Evaluate current and create five new partnerships
- A I R S IE** Develop new playground replacement process
- A I R S** Complete Dred Scott Wheelhouse replacement project
- A I R S IE** Complete Normandale Hills and Washburn playground replacements
- A I R S IE** Begin Normandale Lake Restroom and Maintenance building replacement
- A I E S R S IE** Complete path lighting at Normandale Lake from Bandshell to Chalet Road parking lot
- A R S** Complete project management training program for one staff member

2019 Results of Performance Measures

- Completed the restructure of the Park and Recreation department including hiring of new staff
- Began Park Master Plan process
- Conducted community engagement related to potential Community Center
- Formed the department leadership team known as the VISION team
- Completed replacement of playground at Poplar Bridge

Parks and Rec. Admin. Div. - General Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Program Income	\$ 3,763	\$ 5,621	\$ 2,560
Other Revenues	394,846	489,546	506,009
Total Revenues	398,609	495,167	508,569
Expenditures			
Salaries and Benefits	396,440	634,992	937,166
Materials, Supplies, & Services	263,748	254,274	586,953
Total Expenditures	660,188	889,266	1,524,119
Less Expenses Charged to Other Funds	-	-	(75,523)
Net Total Expenditures	\$ 660,188	\$ 889,266	\$ 1,448,596

Parks and Recreation –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 youth summer programming to community wide special events to self-directed leisure activities.

Authorized Full-Time Position	2018	2019	2020
RECREATION MANAGER	1	1	1
RECREATION SUPERVISOR	3	3	3
OFFICE SUPPORT SPECIALIST	1	1	1
	5	5	5

2020 Goals and Objectives

- S** Implement online reservations for picnic shelters and gazebos and other online transactions
- I E S** Create new Arts in the Parks “Friday Nights Live” series
- S IE** Improve seasonal hiring process including the utilization of online learning management system
- S** Update leases for concessions and joint field use agreements
- A S** Update the Bloomington Field Use Policy
- S IE** Update the online WebTrac layout for improved mobile use
- I S** Add three new Winter Fete activities
- S IE** Revisit the Grandparent Policy and registration/authorization form
- S** Finalize agreement with the School District regarding Galaxy program
- S IE** Enhance and develop new volunteer opportunities in programs
- S IE** Partner with Three Rivers Park District to provide new programming for underserved youth

2019 Results of Performance Measures

- Retained volunteer participation in adaptive recreation programming
- Coordinated with Three Rivers Park District, Bloomington Public Schools and other community partners to offer a variety of quality summer recreational opportunities for youth preschool through tenth grade.
- With Three Rivers Park District, offered nature and outdoor recreation programming at 9 different locations, focusing on underrepresented populations
- Executed new Adaptive Recreation event (Lawn Game Extravaganza), collaborating with AR&LE to market the event
- Executed new winter community event (Frozen Jug Curling), attracting additional community members to park facility and introduced new sport.
- Successfully utilized new locations for The View and Camp Kota
- Increased teen volunteer participation in youth programming by 6%
- Staff attended the RecTrac Symposium to be able to better utilize software
- Rented 100% of canoe racks for the 2019 season
- Over 83% of softball team managers stated they were satisfied or extremely satisfied with their experience and 93% stating they would return
- Utilized Remind alert system for weather updates with adult sports leagues with a 90% satisfaction rate
- Obtained corporate sponsorship for more than 50% of Arts in the Parks Thursday Blockbusters and Friday movies for 2019
- Increased number of invasive species removal events in 2019, including successful cosponsoring of Buckthorn event with the sustainability commission

Parks and Recreation –Recreation (continued)

- Created new Kites and Bites summer programming kick-off event at Valley View Park that was attended by more than 500 participants
- Worked with members of the Dakota County Community in putting together idea for a legacy grant proposal for continuation of the Dakota Interpretive work at Pond Dakota Mission Park
- Obtained Summer Fete sponsorships for carnival and kids stage generating \$10,000 in revenue
- Expanded Midweek Music and Market event to include beer sales and an additional food truck resulting in significant attendance averaging more than 500 attendees



Parks and Rec. Recreation Div. - Gen. Fund

Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Program Income	\$ 577,679	\$ 543,795	\$ 585,364
Other Revenues	\$ 78,309	\$ 83,529	\$ 80,500
Total Revenues	655,988	627,324	665,864
Expenditures			
Salaries and Benefits	\$ 1,081,976	\$ 1,062,704	\$ 1,124,333
Materials, Supplies, & Services	\$ 6,667,825	\$ 6,569,648	\$ 6,625,363
Total Expenditures	\$ 7,749,801	\$ 7,632,352	\$ 7,749,696



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Parks and Recreation – Creekside Community Center

The Creekside Community Center is home to active adult programming, community programs, and meal programs. It is a facility in which the community can gather to connect with their friends and neighbors while participating in a variety of programs.

Authorized Full-Time Position	2018	2019	2020
CREEKSIDE COMMUNITY CENTER COORDINATOR	1	0	0
CREEKSIDE COMMUNITY CENTER MANAGER	1	1	1
RECREATION COORDINATOR	1	1	1
OFFICE SUPPORT SPECIALIST	1	1	1
MAINTENANCE WORKER	1	1	1
	5	4	4



Parks and Recreation – Creekside Community Center (continued)

2020 Goals and Objectives

- S** Implement RecTrac software focusing on facility rentals and activity registration
- SA** Increase youth programming at Creekside Community Center
- SA** Implement family programming including holiday events such as the City-wide Halloween Party, in partnership with the Optimist club
- S** Add fitness classes aimed at adult participants
- ES** Implement organics collection in partnership with Public Works

2019 Results of Performance Measures

- Hired a new PT Recreation Coordinator to focus on adding youth and family programming at Creekside.
- Held first Kids Time at Creekside in August. The free family friendly event attracted over 50 children, plus parents/guardians.
- Started Open Rec. A program focused on getting kids moving. Available to families once per month.
- Supported 35 adult and senior programs lead by volunteers with the goal of keeping participants happy, healthy, and socially connected to their friends and neighbors.
- Offered art classes in partnership with Artistry. A total of 381 class registrations, with 92% Bloomington residents.
- Added a new Stretch, Relax, Meditate class in addition to our four current yoga classes. A total of 1,938 class registrations, with 96% Bloomington residents.
- Established a new Craft group. The group meets once per week, is open to adults all ages and is led by a senior volunteer.
- Continue to offer a congregate lunch program. Served 372 different individuals during 2019 and a total of 9377 lunches were served.
- Staff and volunteers supported Fare For All, a cooperative food buying program. An average of 136 meal packs were distributed every month.
- Supported approximately 239 volunteers to provide 27,835 hours in value-added service.
- Increased rental revenue by \$14,899, which was a 21% increase from 2018.
- Increased registration revenue by \$7,333, which was a 63% increase from 2018

Parks and Rec. Creekside Division - Gen. Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Program Income	\$ 111,042	\$ 131,290	\$ 119,736
Other Revenues	279	127	600
Total Revenues	111,321	131,417	120,336
Expenditures			
Salaries and Benefits	590,226	585,525	624,923
Materials, Supplies, & Services	472,224	501,498	545,159
Capital Outlay	15,988	-	7,000
Total Expenditures	1,078,438	1,087,023	1,177,082
Less Expenses Charged to Other Funds	(892)	(232)	-
Net Total Expenditures	\$ 1,077,546	\$ 1,086,791	\$ 1,177,082



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Park Grants Special Revenue

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

Examples of operational and maintenance expenditures funded by these revenues include:

- Normandale Lake Band Shell repairs
- Prairie restorations
- Picnic shelter repairs
- Trail and parking lot maintenance
- Bush Lake Beach bath house improvements
- Salary and benefit costs related to project and maintenance work in the park reserve.



2020 Goals and Objectives

- A** Maintain the safety and viability of regional parks in the City.
- A** Utilize funds to address operational and maintenance needs in the park reserve as shown by the park asset inventory.
- A** Work with the other Metropolitan Regional Parks agencies to lobby the Legislature for continued Lottery-in-Lieu-Of operations and maintenance funding.
- ES** Natural resource restorations – Undertake improvement projects within the Park Reserve.
- A** Focus fund expenditures on equipment and services that support the active usage of the park reserve.

2019 Results of Performance Measures

- Created new landscaped beds inside of sidewalks near Bush Lake Beach House building.
- Tore out shrubs and foreign materials such as roots out of soil and sodded with new grass near Bush Lake Beach House building.
- Began electrical work on a large Normandale Lake Path Lighting Project that will be completed in 2020.

Park Grants - Special Revenue Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Intergovernmental	\$ 84,094	\$ 119,870	\$ 92,615
Interest Income	4,663	5,457	3,371
Total Revenues	88,757	125,327	95,986
Expenses			
Salaries and Benefits	4,286	17,278	44,853
Materials, Supplies, & Services	84,198	57,130	45,953
Total Expenses	88,484	74,408	90,806
Working Capital			
Net Change	273	50,919	5,180
Working Capital at Beginning of Year	22,663	22,936	73,855
Working Capital at End of Year	\$ 22,936	\$ 73,855	\$ 79,035

Parks and Recreation – Golf Courses

The Golf Enterprise Fund includes two golf courses operated by the City of Bloomington: Dwan and Hyland Greens.



Dwan Golf Course

Dwan Golf Course is an award-winning 18-hole regulation length golf course that is home to a wide variety of weekly leagues and groups. In 2019, Dwan introduced new tee options. The traditional red, white, and blue tee markers were replaced with new colors and names reflective of the unique geography surrounding Dwan Golf Club.

Hyland Green Golf Course

Many different leagues play regularly at Hyland Greens. In 2019, Hyland Greens extended the length of three holes and converted them to Par 4, extending the overall par for 9 holes of golf to 30. Also, in 2019, Hyland Greens set up a system to allow patrons to book tee times online up to 7 days in advance. The City of Bloomington is exploring a partnership with the nonprofit foundation PGA REACH Minnesota on a project that would bring new life to the game of golf at Hyland Greens Golf and Learning Center and the region. The vision is to potentially “reimagine” the existing Hyland Greens course, driving range and outdoor practice facilities and attract golfers to Bloomington and the region. The plan would construct a new building that would house several golf organizations, serve as a new clubhouse, event center and home of the Minnesota Golf Hall of Fame, and include a classroom and indoor golf training areas.

Authorized Full-Time Position	2018	2019	2020
GOLF COURSE MANAGER	1	1	1
ASSISTANT GOLF COURSE MANAGER	1	1	1
GOLF COURSE MAINTENANCE SUPERINTENDENT	1	1	1
ASSISTANT GOLF COURSE MAINTENANCE SUPERINTENDENT	2	2	1
MAINTENANCE WORKER	2	2	2
	7	7	6

2020 Goals and Objectives

- I S** Plan, coordinate and execute 50th anniversary commemoration of Dwan Golf Club
- IE S** Implement and educate golf customers on new world handicap system
- A I R S** Facilitate partnership between the City and PGA Reach for long term operations of Hyland Greens
- I** Complete redesign of Dwan logo and plan a branding strategy for the course
- A S** Develop a plan for league policies and procedures
- A E S R** Hire consultant to conduct master plan of Dwan Golf Course

Parks and Recreation – Golf Courses (continued)

2019 Results of Performance Measures

- Introduced new Chronogolf computerized point of sale (POS) at Dwan and Hyland Greens to integrate both courses on one operating system, improved customer payment experience, enhanced reporting, manage membership cards, allow for online tee time booking at both facilities and improve operational effectiveness.
- Added additional payment station at Dwan and Hyland to improve customer service and cut down on wait time at registers.
- Re-imagined tee options at Dwan to allow for more tee options and play to a par of 72 on the forward tees.
- Renamed and re-colored the tees to encourage play from skill based tees instead of gender. New tees were named woods, bluff, valley and river reflecting the unique topography of Bloomington
- Implemented 9- minute tee time intervals to improve pace of play and player enjoyment.
- Designed an entirely new foot golf layout at Hyland Greens which allowed for more tee times on the regular course and maintained revenue on foot golf rounds.
- Introduced new pro shop merchandise at both facilities which resulted in increased sales.
- Hired an additional Coordinator at Hyland Greens for better day-to-day management.
- Promoted Golf Shop staff at Dwan to Lead Cashiers to ensure that there was a manager on duty at all times
- Closed the Hyland Greens Range building to reduce labor costs with no net decrease in range ball sales.
- Hosted a local qualifier for National Drive, Chip and Putt competition with over 200 participants.
- Increased Jr. MEGA Pass/traditional Jr. Pass revenue over 2018
- Continued golf course Improvements including mowing target fairways and firming tee box at Hyland Greens driving range, widening fairways and green approaches and improving rough maintenance at both courses to improve customer playing experience.
- Established two new flower beds behind hole #1 and hole #9 to enhance Dwan’s longstanding reputation for beautiful landscaping and perennial gardens.
- Dwan Food & Beverage expanded grab-and-go offerings, expanded menu and realigned pricing which resulted in increased sales over 2018.



Golf Courses - Enterprise Fund

Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Property Taxes	\$ 300,000	\$ 300,000	\$ 300,000
Program Income	1,565,836	1,606,722	1,765,159
Other Revenue	2,124	5,586	500
Interest Income	(338)	849	2,191
Total Revenues	1,867,622	1,913,157	2,067,850
Expenses			
Salaries and Benefits	1,112,087	1,123,739	1,214,077
Materials, Supplies, & Services	709,028	653,464	746,179
Capital Outlay	27,810	34,421	48,000
Total Expenses	1,848,925	1,811,624	2,008,256
Working Capital			
Net Change	18,697	101,533	59,594
Working Capital at Beginning of Year	(4,059)	14,638	116,171
Working Capital at End of Year	\$ 14,638	\$ 116,171	\$ 175,765



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Parks and Recreation – Ice Garden

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

Authorized Full-Time Position	2018	2019	2020
ICE GARDEN MANAGER	1	1	1
ASSISTANT ICE GARDEN MANAGER	1	1	1
ICE GARDEN MAINTENANCE SUPT	1	1	1
ICE GARDEN MAINTENANCE SUPERVISOR	0	0	1
MAINTENANCE WORKER	1	1	1
	4	4	5



2020 Goals and Objectives

AIRS Start Phase II planning including conducting a building assessment

AIS Hire and train FT Maintenance Coordinator

Expanding marketing efforts to increase ice rentals and other programs to generate additional revenue

AS Prepare an operational plan to potentially take over concessions

AS Begin drafting new advertising agreement with Bloomington Area Hockey Association (BAHA)

IS Develop and implement an operations manual for staff

2019 Results of Performance Measures

- Completed phase one of renovations of locker rooms in rink 1 and 2, ADA viewing areas and renovation of the main entrance and sidewalk to the north parking lot.
- Installed LED Lighting in all three arenas and updated the emergency lighting generator.
- Added one new hockey tournament and two new figure skating competitions.
- Replaced the cooling tower/condensing unit for rinks two and three ice plant.

Ice Garden - Enterprise Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Property Taxes	\$ -	\$ -	\$ 283,517
Program Income	1,386,609	1,372,360	1,431,209
Other Revenue	9,002	29,784	12,000
Intergovernmental	7,875	2,625	-
Interest Income	10,786	20,862	4,895
Bond Proceeds	-	1,687,123	-
Transfers from Other Funds	-	293,495	-
Total Revenues	1,414,272	3,406,249	1,731,621
Expenses			
Salaries and Benefits	613,587	660,155	738,560
Materials, Supplies, & Services	783,125	734,348	783,185
Capital Outlay	225,459	2,213,760	145,000
Debt Service	-	31,529	62,947
Total Expenses	1,622,171	3,639,792	1,729,692
Working Capital			
Net Change	(207,899)	(233,543)	1,929
Working Capital at Beginning of Year	792,740	584,841	351,298
Working Capital at End of Year	\$ 584,841	\$ 351,298	\$ 353,227

Parks and Recreation – Center for the Arts

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

Authorized Full-Time Position	2018	2019	2020
ARTS CENTER MANAGER	1	1	1
RECREATION SUPERVISOR	1	1	0
	2	2	1

2020 Goals and Objectives

- A I E S** Develop fee structure that charges per use as well as by attendance at performances
- S** Setup and begin taking online reservation requests through RecTrac from the 7 resident arts organizations
- A R S** Plan and implement renovations to the Black Box Theater to make it more usable for general rentals
- I S** Conduct quarterly meetings with Bloomington Fine Arts Council and other resident arts groups
- A I S** Replace sound system in the Schneider Theater
- A I S** Replace soft good sin the Schneider Theater

2019 Results of Performance Measures

- Interviewed candidates for Center for the Arts Supervisor but did not hire a replacement as the position was eliminated.
- Increased programming in the Black Box Theater to include 12 performances of *My Beautiful Infinity* by the Chameleon Theater Circle as well as numerous meeting rentals.
- Presented a two-week/eight performance run of Alive & Kickin’s new production of “Love is Alive & Kickin” in the Schneider Theater with attendance of 2,536 people and facility revenue of \$19,483.
- Replaced Schneider Theater projection system (projector, Crestron, wiring, electronics, etc.) and replacing electronic reader board on 98th Street with a Daktronics product that is more functional, efficient and has better resolution.
- Work with stakeholders to develop concept plan for a facility expansion to include a concert hall as well as increased rehearsal and storage space. Assisted with \$10 million state bonding request to fund expansion.



Center for the Arts - Enterprise Fund

Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Property Taxes	\$ 1,122,329	\$ 1,000,000	\$ 1,000,000
Program Income	28,738	21,464	30,000
Other Revenue	177,236	135,876	165,200
Interest Income	2,864	9,217	2,289
Transfers from Other Funds	50,004	-	-
Total Revenues	1,381,171	1,166,557	1,197,489
Expenses			
Salaries and Benefits	216,721	178,726	204,258
Materials, Supplies, & Services	752,759	695,337	972,602
Capital Outlay	13,581	58,668	100,000
Total Expenses	983,061	932,731	1,276,860
Working Capital			
Net Change	398,110	233,826	(79,371)
Working Capital at Beginning of Year	234,052	632,162	865,988
Working Capital at End of Year	\$ 632,162	\$ 865,988	\$ 786,617

Parks and Recreation – Aquatics

The Aquatics Enterprise Fund includes the Bloomington Family Aquatic Center and Bush Lake Beach.

Bloomington Family Aquatic Center

The Bloomington Family Aquatic Center is an eight lane, 50 meter lap pool with a zero-depth entry. The zero-depth entry includes three tot-slides and water play features. The diving well has a one meter diving board, a climbing wall, and a drop slide. The facility also has two looping water slides and a concessions operation.

Bush Lake Beach

Bush Lake Beach is a key component of the Hyland-Bush-Anderson Lakes Regional Park Reserve that provides exceptional outdoor recreation opportunities. The paid parking lot off of East Bush Lake Road provides access to a designated swimming area, indoor restrooms, fishing docks, a playground, volleyball court, picnic shelter, and access to several walking and hiking trails.

Authorized Full-Time Position	2018	2019	2020
RECREATION SUPERVISOR	1	1	1
	1	1	1

2020 Goals and Objectives

- A R S** Upgrade Splash pad features at Cedar Crest Park
- A E S I S** Repair slides at the Bloomington Family Aquatic Center per Environmental Health inspection
- S I** Implement Red Cross Aquatic Examiner Service
- E S** Continue to improve landscaping at Bush Lake Beach
- A S** Remove concessions operation at Bush Lake Beach and begin vending services

2019 Results of Performance Measures

- Replaced landscaping around Bush Lake Beach house
- Updated/upgraded the lifeguard and attendant training program to new American Red Cross standards
- 50% staff retention in aquatics and building attendants
- Reserved 100% of canoe racks for the 2019 season
- Exceeded revenue projections for picnic shelter reservations by \$12,000
- Increased ADA accessible parking at Bush Lake Beach by one space



Aquatics - Enterprise Fund

Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Property Taxes	\$ 1,066,996	\$ 1,184,606	\$ 1,226,000
Program Income	361,427	380,974	340,025
Other Revenue	687	649	315
Intergovernmental	28,671	27,101	22,238
Interest Income	2,358	1,108	6,368
Total Revenues	1,460,139	1,594,438	1,594,946
Expenses			
Salaries and Benefits	367,277	375,622	409,210
Materials, Supplies, & Services	994,318	1,006,725	1,060,991
Capital Outlay	9,329	141,720	100,000
Total Expenses	1,370,924	1,524,067	1,570,201
Working Capital			
Net Change	89,215	70,371	24,745
Working Capital at Beginning of Year	235,913	325,128	395,499
Working Capital at End of Year	\$ 325,128	\$ 395,499	\$ 420,244

Police Department

The majority of Police Department activities are within the General Fund. There are also Police activities within other funds. There are six Police Special Revenue Funds for tracking forfeitures, grants, and other revenues that are restricted or committed to expenditures for specific purposes. There is a separate Enterprise Fund for Police Contractual Services for Police overtime services that are billed to outside vendors, as well a Public Safety Technology and Equipment Fund which is an Internal Service Fund for purchases and operations of radios, mobile digital computers, body cameras, and other Police Department equipment as well as Fire Department equipment.

The Bloomington Police Department employs 157 people, of which 124 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. The Patrol Division 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 170,020 emergency and non-emergency phone calls are logged into the dispatch center annually. Of these, approximately 48,402 are emergency (911) calls coming into the dispatch center. Not all of these calls result in a request for police services. Other units include the South Loop Unit, SWAT, Bomb Squad, Hostage Negotiators, Traffic Unit, Crime Prevention and 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 South Loop Unit is paid for through liquor and lodging tax dedicated to South Loop expenses.



Dept.	Division	2018 Authorized Full-Time	2019 Authorized Full-Time	2020 Authorized Full-Time
POLICE				
	ADMIN - GENERAL FUND	4	4	4
	POLICE OPERATIONS - GENERAL FUND	117	117	117
	POLICE SUPPORT - GENERAL FUND	33	33	34
	POLICE GRANTS - SPECIAL REVENUE FUND	0	1	1
	PUBLIC SAFETY TECH & EQUIP - INTERNAL SERV. FUND	1	1	1
POLICE Total		155	156	157

Police - General Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Program Income	\$ 273,845	\$ 117,200	\$ 294,500
Intergovernmental	164,433	217,613	154,750
Other Revenues	62,311	16,295	2,000
Transfers from Other Funds	-	16,632	-
Total Revenues	500,589	367,740	451,250
Expenditures			
Salaries and Benefits	20,129,374	21,164,924	21,931,352
Materials, Supplies, & Services	5,603,306	5,991,468	6,222,133
Capital Outlay	11,000	-	-
Transfer to Other Funds	-	24,510	-
Total Expenditures	25,743,680	27,180,902	28,153,485
Less Expenses Charged to Other Funds	(345,588)	(317,844)	(327,377)
Net Total Expenditures	\$ 25,398,092	\$ 26,863,058	\$ 27,826,108

Police - Administration

Police Administration provides overall administrative support to the Police Department and comprehensive emergency management support for the City. Resource allocations and decisions within the Police Department are largely guided by our Strategic Plan focus areas: Youth, Community Outreach/Engagement, Training and Technology.

Authorized Full-Time Position	2018	2019	2020
CHIEF OF POLICE	1	1	1
DEPUTY CHIEF OF POLICE	2	2	2
ADMINISTRATIVE ASSISTANT	1	1	1
	4	4	4

2020 Goals and Objectives

- S** Plan and coordinate the provision of high quality public safety services to the community at an affordable price while internally incorporating the HPO model of leadership.
- S** Seek grant opportunities to assist with traffic safety issues such as seat belt use, speeding and impaired driving by increasing enforcement efforts; enhance public safety by engaging and educating the community to deter crime and reduce crashes.
- S** Identify problem addresses through the P.R.O.T.E.C.T. program and utilize collaborative efforts with other City departments to resolve issues associated with these properties.
- I** Transition of NIBRS and TriTech Field Based Reporting (FBR) and electronic timecards.
- S** Continued development and training on response to calls involving mental health and persons in crisis. Expand the number of Crisis Intervention Trained (CIT) Officers. Collaborate and embed a Mental Health Professional to our response and services provided to people in crisis. Crisis Intervention Policy roll-out.
- I** Complete proposed jail upgrades.
- I** Creation of the Volunteer in Police Service (VIPS) Program and Policy.
- S** Build upon current Department Wellness programs to include “check up from the neck up.”

2019 Results of Performance Measures

- Continued to monitor goals and measurable objectives for the Police Department, using Police Department’s Strategic Plan focus areas previously identified. These objectives include directing patrols based on statistics showing problems areas; conducting high visibility traffic enforcement in known crash areas; and using technology to deter crime and apprehend criminals in areas of increased criminal activity.
- All supervisors as well as several other members of the Police Department have completed the High Performing Organization (HPO) leadership and management training.
- Expanded the number of Crisis Intervention Trained (CIT) officers, training provided to 11 additional officers.
- Body Worn Cameras were deployed department wide.
- Continued collaboration with Hennepin County on mental health related issues, the department added a embedded social worker from Hennepin County to assist and offer follow-up services to those who are experiencing mental health crisis.
- Response to Sexual Assault training and Policy creation.
- Update our Use of Force Policy (renamed Response to Resistance) and training program by year-end based on recommendations from subject matter experts and a continuous review of court rulings. (Completed)

Police Admin. Division - General Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Other Revenues	\$ 52,370	\$ -	\$ -
Total Revenues	52,370	-	-
Expenditures			
Salaries and Benefits	780,791	686,154	870,531
Materials, Supplies, & Services	113,983	287,378	280,849
Total Expenditures	894,774	973,532	1,151,380
Less Expenses Charged to Other Funds	(2,916)	(3,000)	(3,093)
Net Total Expenditures	\$ 891,858	\$ 970,532	\$ 1,148,287

Police - Operations

Police Operations provides twenty-four hour, seven-day a week response to requests for officer assistance, 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. Five K-9 teams and Crime Scene Technicians are also part of the Patrol response resources.



Authorized Full-Time Position	2018	2019	2020
COMMANDER	4	4	4
SERGEANT	16	16	16
POLICE OFFICER	97	97	97
	117	117	117

2020 Goals and Objectives

- S** Continue Crisis Intervention training, and expand mental health response with an embedded social worker.
- S** Work with neighborhoods and businesses to identify and solve problems such as repeat calls for service.
- S** Reduce number of reported stolen vehicles in 2020 through auto theft prevention education.
- S** Focus efforts to recover stolen vehicles through grant funded auto theft saturation details and use of both stationary and mobile Automatic License Plate Reader technology (ALPR) in 2020.
- I** Continue Community Engagement Events at each of our Elementary Schools, Safe Summer Night events, Holiday Helpers, School Lunch Service, and other activities that will provide a positive contact between patrol officers and our youth.
- S** Continued Evaluation of patrol areas in order to improve service and efficiency to the community. Implimentation of closest unit dispatching software to improve patrol response times is in progress and data sets are being collected.
- S** Maintain a Field Training Program that emphasizes strong training ethics for 6-9 new officers in 2020.
- S** Field Training of 1 “Pathways to Policing” officer to prepare them for patrol duty.
- S** Continue to work towards zero deaths (TZD) and decrease the number of traffic crashes resulting in injury through aggressive traffic and impaired driving enforcement, with the continuation of a grant funded DUI Enforcement Officer.
- S** Continue to work towards zero deaths (TZD) and decrease the number of traffic crashes resulting in injury through aggressive traffic and impaired driving enforcement by continuing to use a grant funded DUI Enforcement Officer which is in the second year of the grant.
- S** Continue to monitor canine deployments and use by utilizing canine specific software to track and monitor training, use and deployments to ensure the canine unit is providing the best service to the community.
- S** Educate local businesses to prevent the distribution of alcohol and tobacco products to underage persons.

Police – Operations (continued)

- S** Educate hotel/hospitality groups on Narcotics/Human Trafficking to prevent these activities in local hotels.
- I** Inform parents, teachers and social workers how to identify youth drug trends.
- S** Continue to provide evening and weekend investigative staff to the public with scheduled Investigative Division personnel beyond traditional business hours and Saturdays.

2019 Results of Performance Measures

- Provided planning and public safety assistance for the 2019 Final Four NCAA basketball tournament.
- Field Training of 2 “Pathways to Policing” officers to prepare them for patrol duty. Both “pathways to Policing” recruits successfully completed the field training program and are on patrol as probationary officers until March of 2020.
- Used technology to recover 92 stolen vehicles in 2019, resulting in 70 arrests.
- Provided auto theft prevention education throughout several different types of communication.
- Currently 17,673 homes, 435 watch groups, 721 Block Captains in the Neighborhood Watch group.
- Received 170,020 calls to the dispatch center in 2019; 48,402 of these were 911 calls.
- Responded to 69,262 requests for Police services in 2019.
- Worked 277 traffic enforcement details that resulted from citizen complaints and traffic crash data.
- Conducted 435 Hit and Run Investigations.
- Investigated four traffic related fatalities in 2019.
- Continue to work towards zero deaths (TZD) and decrease the number of traffic crashes resulting in injury through aggressive traffic and impaired driving enforcement, with the addition of a grant funded DUI Enforcement Officer. In 2019 this grant funded officer made 152 DUI arrests. Department total for 2019 was 476 impaired driving arrests.
- Restructure police canine program to provide more coverage during daytime hours. Continue to utilize our Police Canines to detect hazards and apprehend criminals. K9 program was restructured to cover hours between 1100-0700.
- Evaluation of patrol areas in order to improve service and efficiency to the community was initiated by forming a micro business to evaluate patrol area incidents, calls for service and reports.
- Conducted annual alcohol and tobacco compliance checks of licensed establishments.
- The Special Investigations Unit provided several educational trainings for numerous hotel/hospitality employees throughout the year.
- Continued the P.R.O.T.E.C.T. (Proactive Objectives Targeting Emerging Crime Trends) Program to respond to problem addresses.
- Bomb Squad responded to 32 calls, provided bomb sweeps and assistance for the Final Four and the Women’s LPGA Golf Championship events.
- SWAT Team responded to 22 warrants and callouts, including assistance to Final Four events.

Crimes	2015	2016	2017	2018	2019	5 Year Average
Homicide	0	1	1	2	4	1.6
Rape	43	58	47	51	53	50.4
Robbery	61	64	33	44	61	52.6
Aggravated Assault	58	68	66	68	86	69.2
Burglary	199	182	178	161	180	180
Theft	2,643	2,519	2,334	2,310	2,620	2,485
Vehicle Theft	104	132	141	134	166	135.4
Arson	10	11	12	5	17	11

Police Operations Division - General Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Program Income	\$ 193,213	\$ 76,924	\$ 232,000
Intergovernmental	44,515	98,283	38,000
Other Revenues	450	11,090	-
Transfers from Other Funds	-	16,632	-
Total Revenues	238,178	202,929	270,000
Expenditures			
Salaries and Benefits	15,524,128	16,413,199	16,883,473
Materials, Supplies, & Services	3,852,365	3,917,862	3,950,811
Capital Outlay	11,000	-	-
Transfer to Other Funds	-	24,510	-
Total Expenditures	19,387,493	20,355,571	20,834,284
Less Expenses Charged to Other Funds	(36,996)	-	-
Net Total Expenditures	\$ 19,350,497	\$ 20,355,571	\$ 20,834,284



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Police – Support

The Police Support division consists of the professional standards unit, the police records unit, dispatch operations, property and evidence control, crime prevention, and animal control functions. These activities support the operational units of the Police Department.

Authorized Full-Time Position	2018	2019	2020
COMMANDER	1	1	1
CIVILIAN SERVICES MANAGER	1	1	1
SERGEANT	2	2	2
CRIME ANALYST	1	1	1
DISPATCH SUPERVISOR	1	1	1
CRIME PREVENTION COORDINATOR	1	1	1
CIVILIAN POLICE DISPATCHER	13	13	13
LEAD POLICE RECORDS SPECIALIST	1	1	1
DATA SPECIALIST	0	0	1
ACCOUNTING ASSISTANT	1	1	1
ANIMAL CONTROL COORDINATOR	1	1	1
POLICE RECORDS SPECIALIST	9	9	9
PROPERTY CONTROL SPECIALIST	1	1	1
	33	33	34

2020 Goals and Objectives

- 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 to help local businesses improve the safety of customers and employees and work to reduce crime.
- 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.
- IE** Continue to expand community engagement efforts, Coffee with a Cop, Safe Summer Nights, Kids to Cops and others.
- S** Increase the number of officers receiving the 40 hour Crisis Intervention (C.I.T.)/De-escalation training. Partner with social services to improve response and follow-up to persons in crisis/mental health calls.
- I** Continue to enhance the annual Police Citizens Academy.
- S** Joint training(s) with the owner agencies of the South Metro Public Safety Training Facility (SMPSTF).

2019 Results of Performance Measures

- Entered 13,305 police reports into the record management system (RMS).
- Implemented Patrol Online training for all officers to more efficiently provide mandated training while creating opportunity for additional training as desired.
- Met state-mandated training objectives for all personnel:
 - 48 continuing law enforcement credits every three years.
 - Other mandated training, such as Use of Force, Pursuit Driving and Community Policing
- Completed Physical Fitness Assessments on all sworn personnel.
- Partnered with a local school and significantly increased participation in the New Americans Academy.
- Expanded the Multi-Cultural Advisory Board for multi-cultural residents and broadened their scope.

Police – Support (continued)

- Property and Evidence room received 13,152 property items that were held as evidence. This room currently holds over 48,000 pieces of evidence and averages 36 pieces received each day.
- Participated in Safe Summer Nights, continued to expand the Coffee With a Cop program, organized Back to School and Holiday Shoppers in Blue program and continued holding monthly events at various locations around the city.
- Increased the number of officers receiving 40 hour C.I.T./De-escalation training. C.I.T. Policy ready.
- Increased our Twitter followers, and expanded other social media efforts, including the use of NextDoor, to better connect with the community.
- All sworn personnel received 10 hours of Crisis Intervention/De-escalation training.



Police Support Division - General Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Program Income	\$ 80,632	\$ 40,276	\$ 62,500
Intergovernmental	119,918	119,330	116,750
Other Revenues	9,491	5,205	2,000
Total Revenues	210,041	164,811	181,250
Expenditures			
Salaries and Benefits	3,824,455	4,065,571	4,177,348
Materials, Supplies, & Services	1,636,958	1,786,228	1,990,473
Total Expenditures	5,461,413	5,851,799	6,167,821
Less Expenses Charged to Other Funds	(305,676)	(314,844)	(324,284)
Net Total Expenditures	\$ 5,155,737	\$ 5,536,955	\$ 5,843,537



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Police Grants

The Police Grant Special Revenue Fund contains grants that the Police Department pursues from both Federal and State sources as a means of enhancing enforcement efforts, community outreach and engagement, response to homeland security and/or terrorism, and on-going training in the above areas. The majority of the budgets for both grant and donation revenues and expenditures are brought separately to the City Council at the time that the grant is awarded or donation is received. All expenditures in this fund are reimbursed through a grant or spent from a donation.

The grants included in this fund include:

- Bomb Squad
- Community Block-Justice Assistance Grants
- Auto Theft Prevention
- Toward Zero Death
- High Intensity Drug Trafficking Areas
- National Highway Traffic Safety Administration (This grant is funding one additional full-time Police Officer.)

Police donations and related expenditures toward activities such as National Night Out and the Canine Unit are also recorded in this fund.

Authorized Full-Time Position	2018	2019	2020
POLICE OFFICER	0	1	1
	0	1	1

2020 Goals and Objectives

- S** Improve quality of life in our community through an aggressive approach to reducing and preventing crime through partnerships and community engagement/education efforts.

2019 Results of Performance Measures

- Conducted a proactive strategy to reduce auto theft through public education and enforcement initiatives.
- Equipped and deployed a Bait Car in high-crime areas, targeting car thieves and car prowlers.
- Bloomington Officers worked 114 Toward Zero Death (TZD) details in 2019. Details included 45 DWI, 42 Seatbelt, 15 Speed, 12 Distracted, 0 “Move-Over” to locate and arrest impaired drivers and enforce other traffic laws such as the Trooper Ted Foss “Move-Over” and Seatbelt laws.
- Secured \$35,000 in Federal High Intensity Drug Trafficking Area (HIDTA) grant funding used specifically to combat drug trafficking in Bloomington.

Police Grants - Special Revenue Fund

Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Intergovernmental	\$ 266,422	\$ 520,511	\$ -
Donations	2,176	5,233	-
Transfers from Other Funds	-	24,510	-
Total Revenues	268,598	550,254	-
Expenses			
Salaries and Benefits	167,206	241,571	-
Materials, Supplies, & Services	20,077	171,736	-
Capital Outlay	72,961	112,649	-
Transfer to Other Funds	-	16,632	-
Total Expenses	260,244	542,588	-
Working Capital			
Net Change	8,354	7,666	-
Working Capital at Beginning of Year	(13,405)	(5,051)	2,615
Working Capital at End of Year	\$ (5,051)	\$ 2,615	\$ 2,615

DWI Forfeiture Fund

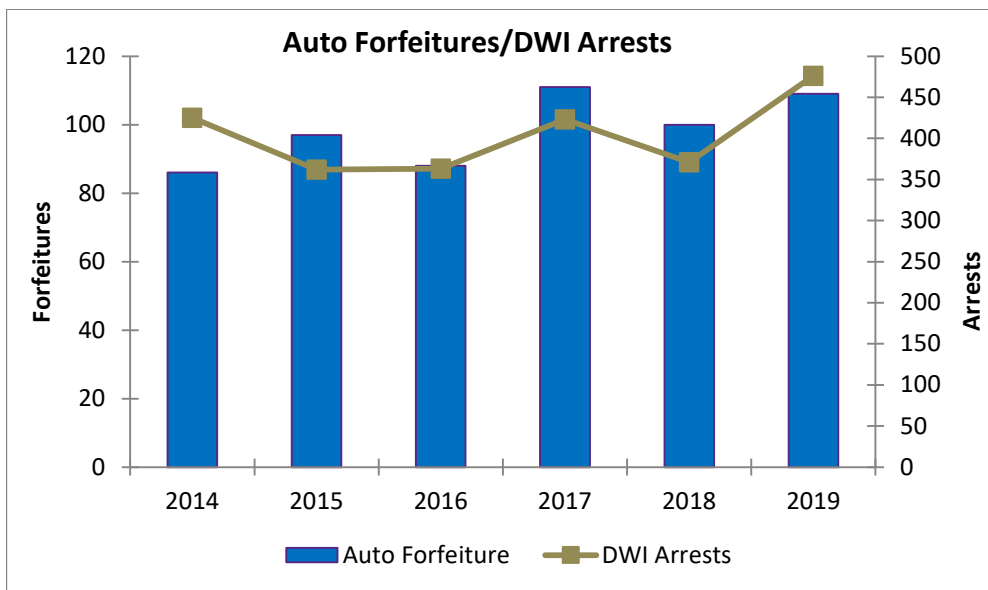
This DWI (Driving While Intoxicated) Special Revenue fund accumulates proceeds from the sale of vehicles seized in DWI arrests of drivers with multiple DWI or DWI related convictions. The funds are statutorily designated to offset the expense of administering the forfeiture process with any residual committed to enforcement of DWI offenses.

2020 Goals and Objectives

- S** Reduce internal costs associated with DWI enforcement in order to provide additional resources for DWI enforcement.
- S** Continue efforts 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 access to vehicles for repeat DWI offenders according to due process.

2019 Results of Performance Measures

- Processed 109 DWI forfeited vehicles with 476 DWI arrests, a 28% increase in DWI related arrests from 2018.



DWI Forfeiture - Special Revenue Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Forfeitures	\$ 64,640	\$ 87,248	\$ 60,000
Interest Income	6,729	8,469	1,000
Total Revenues	71,369	95,717	61,000
Expenses			
Salaries and Benefits	16,467	21,208	30,202
Materials, Supplies, & Services	25,984	22,695	43,762
Transfer to Other Funds	31,157	-	-
Total Expenses	73,608	43,903	73,964
Working Capital			
Net Change	(2,239)	51,814	(12,964)
Working Capital at Beginning of Year	384,671	382,432	434,246
Working Capital at End of Year	\$ 382,432	\$ 434,246	\$ 421,282

Enhanced 911

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

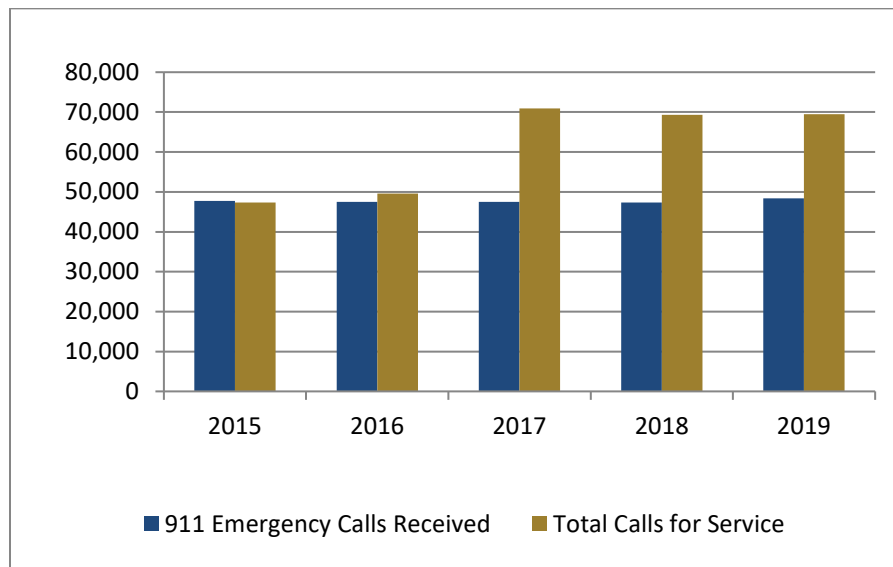
2020 Goals and Objectives

- S Maintain and improve communications center staffing, training and equipment
- S Complete service assessment review and develop changes based upon recommendations
- S Develop efficient workflows for Radio Technician.

2019 Results of Performance Measures

- Viper 911 phone system upgrade completed
- New UPS installed
- Improvements made to training program such as expanding the classroom portion to two weeks with a defined curriculum.
- The text-to-911 implementation was completed.

911 Calls



In 2019, BPD received 48,402 emergency 911 calls and responded to 69,463 calls for service. This number includes calls for service to the Mall of America.

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.

Enhanced 911 - Special Revenue Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Intergovernmental	\$ 111,689	\$ 111,689	\$ 111,689
Interest Income	3,035	1,040	100
Total Revenues	114,724	112,729	111,789
Expenses			
Salaries and Benefits			
Materials, Supplies, & Services	78,033	87,060	82,234
Capital Outlay	119,623	13,251	-
Transfer to Other Funds	-	45,000	45,000
Total Expenses	197,656	145,311	127,234
Working Capital			
Net Change	(82,932)	(32,582)	(15,445)
Working Capital at Beginning of Year	172,385	89,453	56,871
Working Capital at End of Year	\$ 89,453	\$ 56,871	\$ 41,426

Federal Department of Justice Drug Forfeiture

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

2020 Goals and Objectives

- S Use DOJ drug-forfeited equitable sharing funds to cover law enforcement expenses allowed by the DOJ equitable sharing program.
- S Continue to conduct specialized training for narcotics related law enforcement activities such as hotel/motel and motor vehicle interdiction.

2019 Results of Performance Measures

- Removed illicit drugs worth approximately \$2,200,000 from the community.
- Used \$66,000.00 from the DOJ drug-forfeited equitable sharing funds to cover law enforcement expenses (Training, Education, Equipment, Etc.)

DRUG FORFEITURE ACTIVITY

	<u>2017</u>		<u>2018</u>		<u>2019</u>	
	# grams	Est. Street Value	# grams	Est. Street Value	# grams	Est. Street Value
Marijuana	8,953	\$89,530	129,705	\$1,297,000	134,016.47	\$1,340,164.70
Methamphetamine	18,069	\$1,806,900	4,570	\$457,000	4,775.86	\$477,586.00
Crack (Rock) Cocaine	79	\$7,900	36	\$3,600	38.82	\$3,882.00
Cocaine	1,179	\$117,900	2,712	\$271,000	2,765.91	\$276,591.00
Heroin	108	\$43,200	178	\$71,480	582.48	\$116,496.00
TOTAL	28,388	\$2,065,430	137,201	\$2,100,080	142,179.54	\$2,214,719.70

Federal DOJ Drug Forfeiture - Special Rev. Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Forfeitures	\$ 41,894	\$ 585	\$ 30,000
Interest Income	3,356	50	-
Other Revenues			
Transfers from Other Funds	294,641	-	-
Total Revenues	339,891	635	30,000
Expenses			
Materials, Supplies, & Services	41,009	6,106	15,000
Capital Outlay	-	21,575	-
Transfer to Other Funds	24,996	-	-
Total Expenses	66,005	27,681	15,000
Working Capital			
Net Change	273,886	(27,046)	15,000
Working Capital at Beginning of Year	-	273,886	246,840
Working Capital at End of Year	\$ 273,886	\$ 246,840	\$ 261,840

Federal Treasury Drug Forfeiture

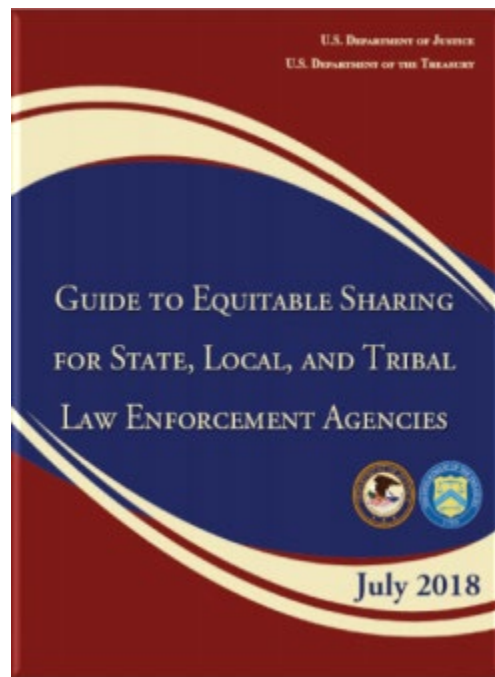
The Federal Department of Treasury (DOT) Drug Forfeiture Special Revenue separately tracks equitable sharing drug forfeiture funds from the DOT Equitable Sharing Program. Expenditures in this fund must comply with the *Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies*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

2020 Goals and Objectives

- S Use DOT drug-forfeited equitable sharing funds to cover law enforcement expenses allowed by the DOT equitable sharing program.

2019 Results of Performance Measures

- In 2019 we didn't receive any funding from the Department of Treasury drug forfeiture fund.



Fed. Treasury Drug Forfeiture - Special Rev. Fund

Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Forfeitures	\$ 3,687	\$ -	\$ -
Interest Income	898	14	-
Transfers from Other Funds	77,290	-	-
Total Revenues	81,875	14	-
Expenses			
Salaries and Benefits	-	-	25,000
Materials, Supplies, & Services	5	-	-
Total Expenses	5	-	25,000
Working Capital			
Net Change	81,870	14	(25,000)
Working Capital at Beginning of Year	-	81,870	81,884
Working Capital at End of Year	\$ 81,870	\$ 81,884	\$ 56,884

State Drug Forfeiture

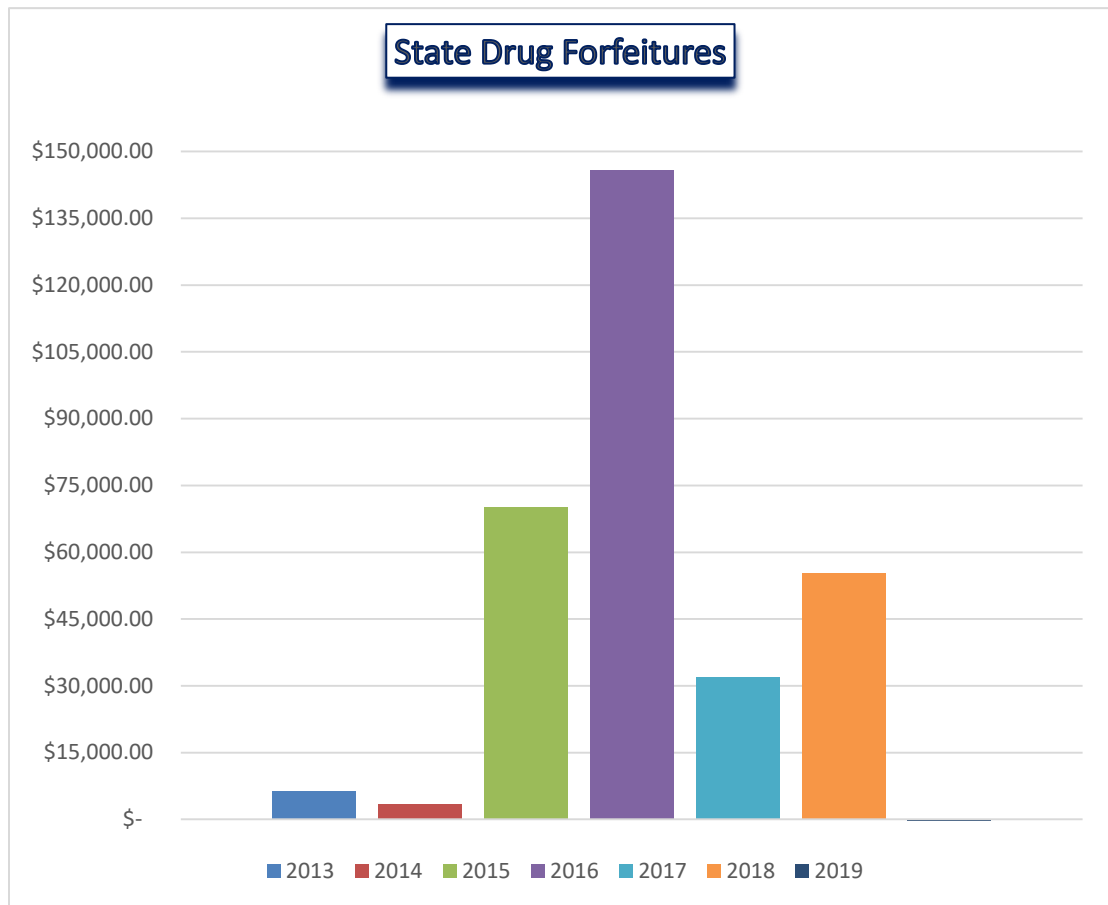
This State Drug Forfeiture Special Revenue Fund accumulates proceeds from the sale of assets (proceeds or instrumentality of criminal enterprises) seized in drug related arrests under State laws. The funds must be used for law enforcement purposes.

2020 Goals and Objectives

- S** Use drug-forfeited assets to cover law enforcement expenses that are not funded by the taxpayers.

2019 Results of Performance Measures

- Conducted training for agencies throughout the state on interdicting hotel-based drug traffickers.



State Drug Forfeiture - Special Revenue Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Forfeitures	\$ 55,299	\$ (3,647)	\$ 45,000
Interest Income	3,967	6,651	1,000
Total Revenues	59,266	3,004	46,000
Expenses			
Transfer to Other Funds	361,237	-	50,000
Total Expenses	361,237	-	50,000
Working Capital			
Net Change	(301,971)	3,004	(4,000)
Working Capital at Beginning of Year	616,379	314,408	317,412
Working Capital at End of Year	\$ 314,408	\$ 317,412	\$ 313,412

Contractual Police Services

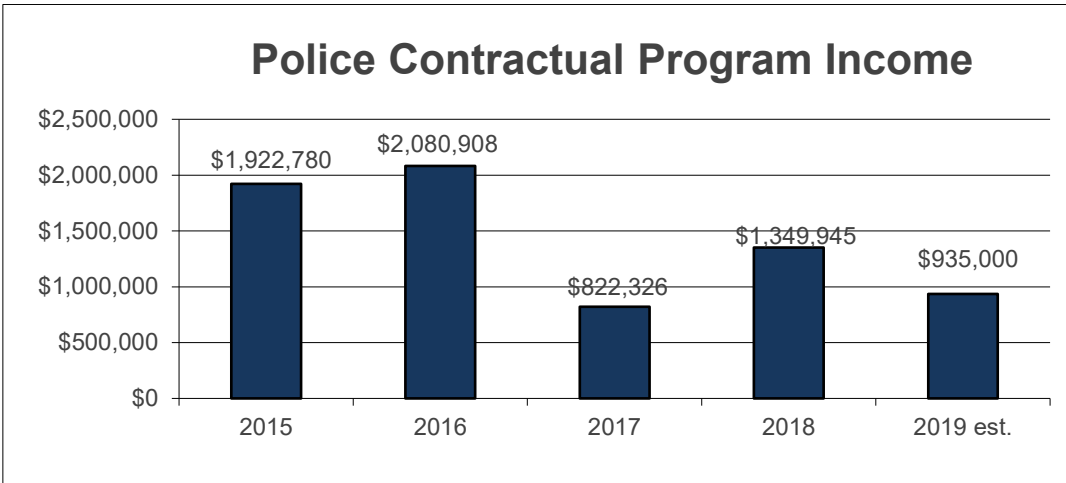
The Contractual Police Service Fund is an Enterprise Fund that accounts for the expenses and related revenues for Police Contractual Overtime (COT). The Bloomington Police Department provides contractual services to businesses that are holding special events or functions that require police assistance beyond that which would normally be provided. The businesses receiving contractual police assistance are billed directly from the City for the cost of the police overtime plus related fringe benefits and overhead. This fund allows for better comparability of basic police services with other communities since the expenses are separate from the General Fund.

2020 Goals and Objectives

- S** Meet requests for 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 and high visibility foot patrol details.
- S** Provide reimbursable police services to enhance public safety during special events.

2019 Results of Performance Measures

- 1,150 events were scheduled for Contractual Police Services.
- The total number of scheduled events included 1748 officer positions and 73 supervisor positions.



Contractual Police Services - Enterprise Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Program Income	\$ 1,208,690	\$ 854,502	\$ 615,000
Other Revenue	141,255	-	15,410
Intergovernmental	-	79,981	-
Total Revenues	1,349,945	934,483	630,410
Expenses			
Salaries and Benefits	1,026,061	833,312	599,273
Materials, Supplies, & Services	151,168	14,868	19,196
Transfer to Other Funds	173,204	85,815	11,941
Total Expenses	1,350,433	933,995	630,410
Working Capital			
Net Change	(488)	488	-
Working Capital at Beginning of Year	-	(488)	-
Working Capital at End of Year	\$ (488)	\$ -	\$ -

Public Works

The Public Works Department is responsible for well-maintained streets and infrastructure in the City of Bloomington. It is responsible for infrastructure, an efficient transportation network, maintenance to parks and buildings, and provides utility services to residents and businesses. Along with activities in the General Fund, Public Works has four Utility Enterprise Funds (Water, Wastewater, Storm Water, and Solid Waste) as well as two Internal Service Funds – the Facilities and Park Maintenance Fund and the Fleet Equipment Fund.

Dept.	Division	2018 Authorized Full-Time	2019 Authorized Full-Time	2020 Authorized Full-Time
PUBLIC WORKS				
	ADMIN - GENERAL FUND	4	5	5
	ENGINEERING - GENERAL FUND	29	29	29
	FACILITY & PARK MAINT - INTERNAL SERV FUND	40	40	40
	FLEET & EQUIPMENT - INTERNAL SERV FUND	15	15	15
	SOLID WASTE UTILITY - ENTERPRISE FUND	0	1	1
	STORM WATER UTILITY - ENTERPRISE FUND	7	7	7
	WASTE WATER UTILITY - ENTERPRISE FUND	21	20	20
	WATER UTILITY - ENTERPRISE FUND	32	32	32
	MAINTENANCE ADMIN - GENERAL FUND	11	9	9
	STREET MAINTENANCE - GENERAL FUND	28	28	28
PUBLIC WORKS Total		187	186	186



Public Works - General Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Program Income	\$ 1,494	\$ 11,991	\$ 100
Permits and Licenses	14,660	31,250	15,000
Other Revenues	163,990	72,097	72,685
Transfers from Other Funds	246,420	-	150,000
Total Revenues	426,564	115,338	237,785
Expenditures			
Salaries and Benefits	7,799,032	8,064,118	8,691,549
Materials, Supplies, & Services	6,992,373	7,193,914	8,202,538
Capital Outlay	98,669	900,884	63,000
Transfer to Other Funds	-	17,603	-
Total Expenditures	14,890,074	16,176,519	16,957,087
Less Expenses Charged to Other Funds	(2,628,067)	(2,631,709)	(2,837,628)
Net Total Expenditures	\$ 12,262,007	\$ 13,544,810	\$ 14,119,459

Public Works - Administration

The administration division provides support to all of its divisions. This includes supervision, planning, accounting, safety training, the garbage and recycling program and liaison for sustainability efforts.

Authorized Full-Time Position	2018	2019	2020
DIRECTOR OF PUBLIC WORKS	1	1	1
DEPUTY DIRECTOR PUBLIC WORKS	1	1	1
ACCOUNTANT	1	1	1
SUSTAINABILITY COORDINATOR	0	1	1
OFFICE COORDINATOR	1	1	1
	4	5	5

2020 Goals and Objectives

- ES** Work with the Sustainability Commission, City Council, and staff to develop and administer an annual work plan for sustainability initiatives.
- ES** Work with staff across the City to develop the benchmarking metrics to achieve GreenSteps Cities Level 4 designation.
- S ES** Negotiate new 5 year contract for city-wide garbage and recycling collection and processing with the inclusion of organics.
- S IE** Coordinate organizational development efforts including monthly meetings of the Public Works Leadership Team, quarterly supervisor trainings, racial equity initiative activities, and continued High Performance Organization training.
- S** Maintain and support a comprehensive safety program for the department including monthly meetings of the Public Works Health and Safety Committee.

2019 Results of Performance Measures

- Sustainability initiatives resulted in increased participation in Home Energy Squad visits by 44% (436); 49 Low Income Energy Squad Visits; 17 New households enrolled in Windsource; 25 Multi-family buildings engaged in energy efficiency programs; 3 Business Energy Best Practices tours; 3 Business Success case studies; 34 businesses contacted for Xcel Turnkey Services; 6 business irrigation audits; 75 households participating in the Adopt a Drain Program.
- Sustainability initiatives also resulted in the achievement of Sol Smart Gold certification, GreenSteps Cities Level 3 designation, and recognition as an Xcel Energy Most Valuable Player (MVP) City.
- A comprehensive review and audit of the city's Curbside Cleanup program was completed.
- The Public Works Leadership Team met monthly and coordinated quarterly training for all Public Works Supervisors.
- The Public Works Health and Safety Committee led the efforts to update 2 of major safety programs and completed 3 successful safety campaigns.

Public Works Admin. Division - General Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Program Income	\$ 1,404	\$ 826	\$ -
Total Revenues	1,404	826	-
Expenditures			
Salaries and Benefits	480,494	476,005	724,010
Materials, Supplies, & Services	161,924	201,512	363,063
Total Expenditures	642,418	677,517	1,087,073
Less Expenses Charged to Other Funds	(587,460)	(556,152)	(572,832)
Net Total Expenditures	\$ 54,958	\$ 121,365	\$ 514,241

Public Works – Engineering

The Engineering Division provides design and construction inspection for the City’s streets, bridges, water supply, sanitary and storm sewer drainage systems, sidewalks/bikeways, trails, water resource projects and traffic signal systems. It manages more than 15,000 signs, 144 traffic signal systems (including those of the county and others that we don’t own), the construction of approximately 12-13 miles of reconstructed or overlaid streets per year and other local and regional projects.

Authorized Full-Time Position	2018	2019	2020
CITY ENGINEER	1	1	1
SENIOR CIVIL ENGINEER	1	1	1
TRAFFIC & TRANSPORT ENGINEER	1	1	1
CIVIL ENGINEER	4	5	5
PROFESSIONAL LAND SURVEYOR	1	1	1
SENIOR ENGINEERING TECHNICIAN	5	5	5
GIS SPECIALIST	1	1	1
ENGINEERING TECHNICIAN	12	12	12
GIS TECHNICIAN	1	1	1
OFFICE SUPPORT SPECIALIST	1	1	1
IT SYSTEMS ADMININSTRATOR I	1	0	0
	29	29	29

2020 Goals and Objectives

- IRS** Renew the City’s transportation and utility infrastructure throughout 2020 in a cost-effective manner to accommodate forecasted growth and to keep costs affordable.
- AIESRS** Continue to pursue infrastructure improvements that support the Complete Streets Policy of the City by constructing appropriate facilities throughout 2020.
- IRSE** Develop a vision for the Old Shakopee Road and Old Cedar Avenue Intersection project in conjunction with Hennepin County by April 2020 so that appropriate grant applications can be pursued.
- S** Provide assistance and guidance to City property owners, prospective buyers and developers regarding parcel information and data, existing and planned City infrastructure, City code and Engineering policies throughout 2020.
- RS** Improve communication with the public by developing one new GIS story map by October 2020.
- RSIE** Continue to address ADA needs in the community by installation and upgrading of existing right-of-way facilities with construction plans throughout 2020.

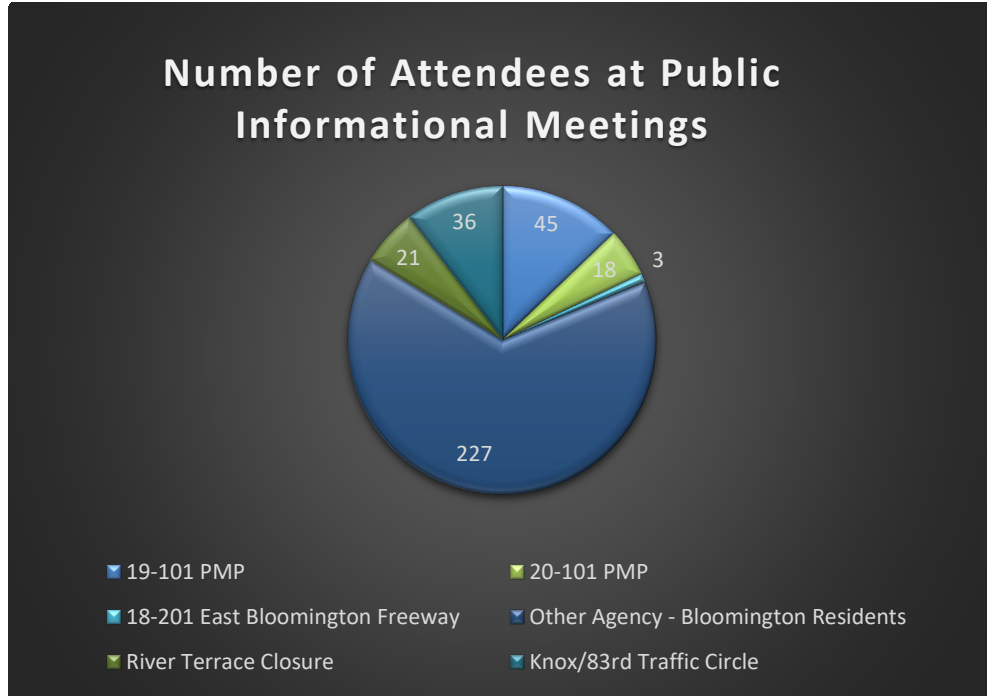
2019 Results of Performance Measures

- Under the Pavement Management Program (PMP) reconstructed 4.1 miles of pavement (at \$1.9 million per mile) and overlaid 8.9 miles of pavement (at \$510,000 per mile).
- Installed 15 accessible pedestrian ramps, upgraded 127 accessible pedestrian ramps.
- Installed 766 linear feet of sidewalk, replaced 3,390 linear feet of existing sidewalk. Installed 3,750 linear feet of trail, replaced 9,875 linear feet of existing trail and installed 8 new public bicycle racks.
- Built one new curb bump out pedestrian crossing intersection.



Public Works – Engineering (continued)

- Held 11 neighborhood project meetings, 3 in conjunction with other agencies for regional projects. Over 10,000 invitations sent out with 350 people attending



Public Works Engineering Division - Gen. Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Program Income	\$ 90	\$ 11,165	\$ 100
Permits and Licenses	14,660	31,250	15,000
Other Revenues	3,890	350	100
Total Revenues	18,640	42,765	15,200
Expenditures			
Salaries and Benefits	3,304,505	3,507,912	3,817,122
Materials, Supplies, & Services	688,078	705,321	1,052,784
Capital Outlay	31,982	-	34,000
Transfer to Other Funds	-	17,603	-
Total Expenditures	4,024,565	4,230,836	4,903,906
Less Expenses Charged to Other Funds	(1,757,975)	(1,834,081)	(1,830,014)
Net Total Expenditures	\$ 2,266,590	\$ 2,396,755	\$ 3,073,892



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Public Works – Maintenance Admin.

Maintenance administration plans, schedules, and coordinates maintenance programs and activities with other City departments and manages 4,400 street lights (1,175 City owned).

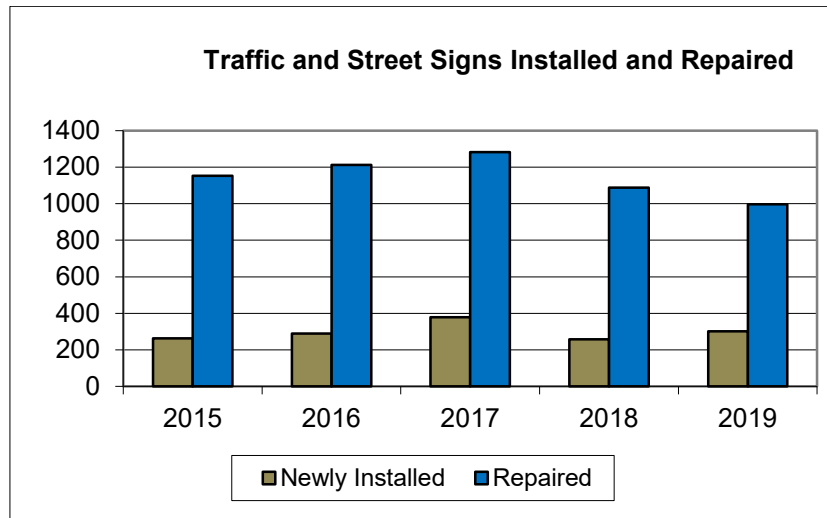
Authorized Full-Time Position	2018	2019	2020
MAINTENANCE SUPERINTENDENT	1	1	1
TRAFFIC MAINTENANCE SUPERVISOR	1	1	1
SIGNAL/INSTRUMENTATION TECH	3	3	3
TRAFFIC TECHNICIAN I	1	1	1
OFFICE SUPPORT SPECIALIST	1	1	1
EQUIPMENT OPERATOR I	1	1	1
IT ANALYST	2	0	0
	10	8	8

2020 Goals and Objectives

- S** Repaint all traffic markings on City roadways on an annual basis.
- S** Replace traffic signage on City roadways to conform to retro reflectivity standards.
- S** Provide maintenance on traffic signal systems for the safety of the public by performing yearly preventative maintenance and responding to trouble calls.
- S** Provide street light services for the safety of the public by maintaining and responding to outages within three days.

2019 Results of Performance Measures

- Repaired 997 traffic and street signs
- Installed 302 new traffic and street signs



Public Works Maint. Admin. Div. - Gen. Fund

Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Other Revenues	\$ 78,472	\$ 71,747	\$ 54,585
Total Revenues	78,472	71,747	54,585
Expenditures			
Salaries and Benefits	1,251,220	1,275,593	1,373,924
Materials, Supplies, & Services	1,715,360	1,770,433	1,744,306
Capital Outlay	27,186	27,214	29,000
Total Expenditures	\$ 2,993,766	\$ 3,073,240	\$ 3,147,230

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.

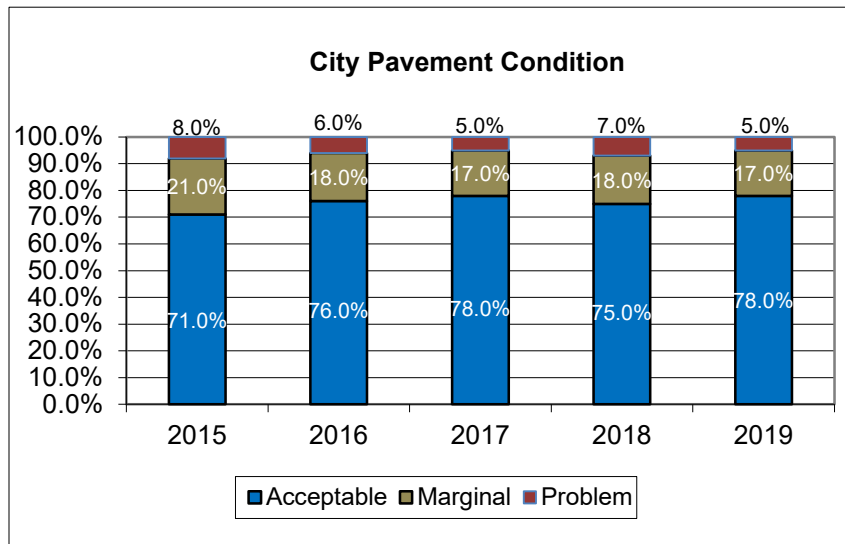
Authorized Full-Time Position	2018	2019	2020
ASSISTANT MAINTENANCE SUPT	1	1	1
STREET MAINTENANCE SUPERVISOR	1	1	1
EQUIPMENT OPERATOR	21	21	21
EQUIPMENT OPERATOR I	5	5	5
	28	28	28

2020 Goals and Objectives

- S Maintain roadways such that at least 90 percent are rated above problem condition status, per the City’s Pavement Management Program condition rating system.

2019 Results of Performance Measures

- For 2019, 95 percent of roadways are above problem condition.



Public Works Street Maint. Div. - Gen. Fund

Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Other Revenues	\$ 81,628	\$ -	\$ 18,000
Transfers from Other Funds	246,420	-	150,000
Total Revenues	328,048	-	168,000
Expenditures			
Salaries and Benefits	2,762,813	2,804,608	2,776,493
Materials, Supplies, & Services	4,427,011	4,516,648	5,042,385
Capital Outlay	39,501	873,670	-
Total Expenditures	7,229,325	8,194,926	7,818,878
Less Expenses Charged to Other Funds	(282,632)	(241,476)	(434,782)
Net Total Expenditures	\$ 6,946,693	\$ 7,953,450	\$ 7,384,096

Public Works – Water Utility

The Water Utility Fund is an Enterprise Fund that accounts for the revenues and costs related to the operation, maintenance and renewal of the City-owned water system. The City strives to provide an uninterrupted supply of water, which meets or exceeds all federal and state quality standards, at a rate that ensures long-term sustainability of the water system. Revenues and expenditure activities within the fund include the following: administration, customer service, supply and treatment, and distribution and storage.

Authorized Full-Time Position	2018	2019	2020
UTILITIES SUPERINTENDENT	1	1	1
ASSISTANT UTILITIES SUPT	1	1	1
CIVIL ENGINEER	1	1	1
CUSTOMER SERVICE SUPERVISOR	1	1	1
INFRASTRUCTURE SYSTEMS ANALYST	1	1	1
UTILITIES SUPERVISOR	2	2	2
WATER QUALITY SUPERVISOR	1	1	1
UTILITY CONTROLS & INSTRUMENTATION TECH	1	1	1
LABORATORY ANALYST	1	1	1
UTILITY SERVICE SPECIALIST	3	3	3
SENIOR UTILITY OPERATOR	6	6	6
UTILITY OPERATOR	9	9	9
OFFICE SUPPORT SPECIALIST	2	2	2
MAINTENANCE WORKER	2	2	2
	32	32	32

2020 Goals and Objectives

- ES S** Provide uninterrupted supply of softened potable water which meets or exceeds all state and federal standards at a rate that is affordable.
- R** Provide sustainable renewal of water system infrastructure, maximizing asset life and minimizing risk while maintaining established levels of service.
- S** Provide timely, state-certified analytical laboratory water testing services to the public and neighboring communities.

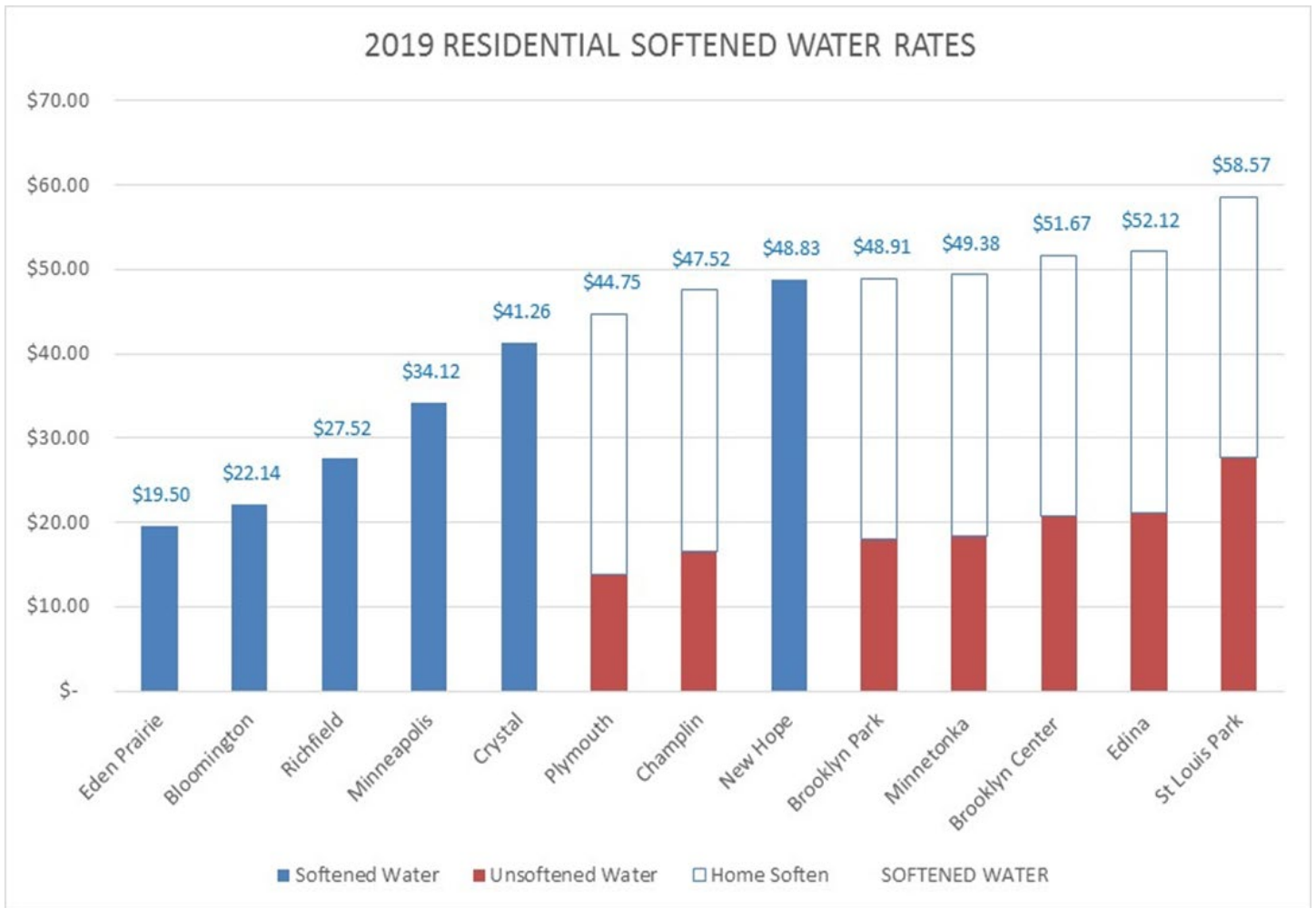
2019 Results of Performance Measures

- Inspected all 4,679 hydrants in spring/fall ensuring operation and emergency availability.
- Delivered 3.4 billion gallons of high quality softened water to customers.
- Received 9,024 samples and performed 19,814 laboratory tests to ensure water quality standards.

Public Works – Water Utility (continued)

Water Rate Comparisons

Bloomington’s costs to provide softened water to customers continues to be one of the lowest in the area. The comparison below is calculated based on usage of 6,000 gallons per month of water flow. Bloomington continues to provide high quality, award-winning, softened water at a relatively low cost.



Water Utility - Enterprise Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Utility Fees	\$ 14,039,773	\$ 13,158,052	\$ 16,511,421
Other Revenue	543,880	676,196	360,000
Interest Income	36,821	47,838	45,000
Total Revenues	14,620,474	13,882,086	16,916,421
Expenses			
Salaries and Benefits	3,598,348	3,901,729	4,209,325
Materials, Supplies, & Services	8,820,154	8,923,494	10,953,080
Capital Outlay	775,899	1,333,995	1,455,000
Debt Service	142,960	134,831	132,994
Total Expenses	13,337,361	14,294,049	16,750,399
Working Capital			
Net Change	1,283,113	(411,963)	166,022
Working Capital at Beginning of Year	3,318,911	4,602,024	4,190,061
Working Capital at End of Year	\$ 4,602,024	\$ 4,190,061	\$ 4,356,083



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Public Works – Wastewater Utility

This Wastewater Utility Fund is an Enterprise Fund that accounts for the City-owned wastewater collection system and the interceptor and treatment charges from the Metropolitan Council Environmental Services (MCES). The objective of the Wastewater Utility is to provide sanitary service capacity and sufficient maintenance to minimize system blockages and infiltration/inflow. The sanitary sewer infrastructure spans 359 miles of pipes, with 28 lift stations, thousands of manholes and serves over 25,000 customers.

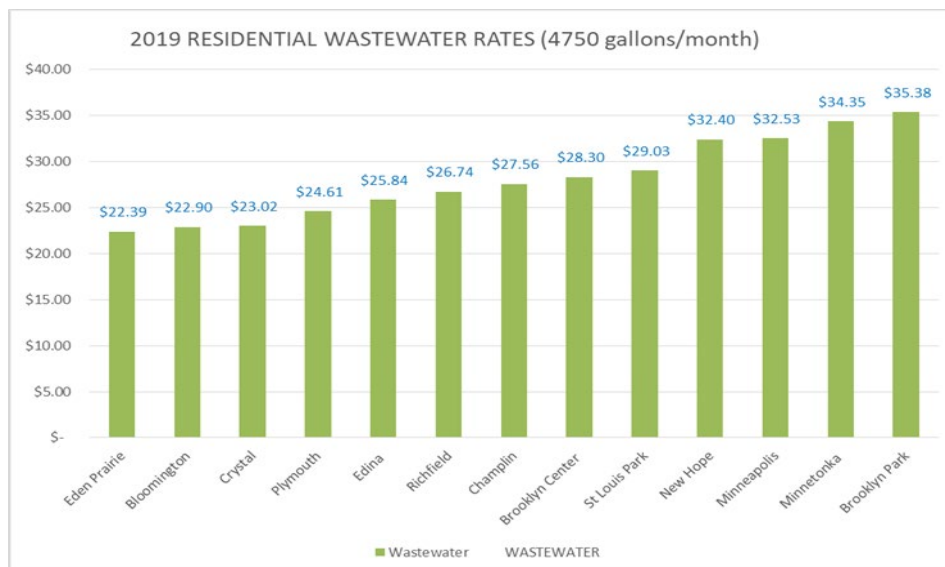
Authorized Full-Time Position	2018	2019	2020
CIVIL ENGINEER	1	1	1
UTILITIES SUPERVISOR	1	1	1
SENIOR UTILITY OPERATOR	9	9	9
UTILITY OPERATOR	6	6	6
OFFICE SUPPORT SPECIALIST	1	1	1
MAINTENANCE WORKER	2	2	2
ANALYST	1	0	0
	21	20	20

2020 Goals and Objectives

- ES S** Provide professional sanitary sewer operations to make available needed capacity while minimizing system blockages and infiltration/inflow, keeping rates competitive with comparable cities.
- R** Provide sustainable renewal of wastewater system infrastructure, maximizing asset life and minimizing risk while maintaining established levels of service.

2019 Results of Performance Measures

- Inspected over 21 miles of sanitary sewer main.
- Cleaned over 213 miles of sanitary sewer main.
- Reconstructed 240 sanitary manholes reducing infiltration/inflow.
- Responded to 5 mainline system blockages due to roots or other “non-flushable” material.



Wastewater Utility - Enterprise Fund

Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Utility Fees	\$ 13,037,821	\$ 12,917,624	\$ 14,143,064
Other Revenue	603,689	353,128	318,000
Intergovernmental	-	169,670	-
Interest Income	35,368	102,977	58,000
Transfers from Other Funds	747,624	309,000	309,000
Total Revenues	14,424,502	13,852,399	14,828,064
Expenses			
Salaries and Benefits	1,814,094	1,793,719	2,007,972
Materials, Supplies, & Services	8,934,688	9,386,493	9,912,349
Capital Outlay	571,562	995,811	1,000,000
Total Expenses	11,320,344	12,176,023	12,920,321
Working Capital			
Net Change	3,104,158	1,676,376	1,907,743
Working Capital at Beginning of Year	3,329,775	6,433,933	8,110,309
Working Capital at End of Year	\$ 6,433,933	\$ 8,110,309	\$ 10,018,052

Public Works – Storm Water Utility

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

Authorized Full-Time Position	2018	2019	2020
WATER RESOURCES MANAGER	1	1	1
CIVIL ENGINEER	1	1	1
STREET MAINTENANCE SUPERVISOR	1	1	1
SENIOR ENGINEERING TECHNICIAN	2	2	2
WATER RESOURCES SPECIALIST	1	1	1
EQUIPMENT OPERATOR	1	1	1
	7	7	7

2020 Goals and Objectives

- ES** Update the Bluff Protection Overlay District for consistency with the new Lower Minnesota River Watershed District step slope standards by June 30, 2020.
- ES S** Respond and consult with city property owners as needed to provide guidance on drainage, erosion control, and pond aesthetics within 48 hours.
- ES** Develop strategy for updating the city’s Storm Water Pollution Prevention Program and Stormwater Management Standards for consistency with the re-issued NPDES MS4 General Permit by year-end.
- R** Provide sustainable renewal of storm system infrastructure by completing winter Pond Maintenance Project by May 31, 2020 and a summer Storm Sewer Maintenance project by October 31, 2020.

2019 Results of Performance Measures

- Completed construction of 2018-905 Penn-American Stormwater Storage Project. Award winning project including: ACEC Honor Award, CEAM Project of the Year Honorable Mention, and APWA-MN Project of the Year Award (photo at right).
- Completed construction on Normandale Lake Water Quality Improvement Project and worked with partners to apply Alum treatment and perform ongoing monitoring activities.
- Inspected: 252 catch basins, 143 manholes and nearly 6 miles of storm sewer pipe.
- Installed 6 rainwater gardens.
- Maintained: 148 rain garden inlet structures and 153 trap manhole structures.
- Responded to various drainage related calls/reports from 107 different properties, many of which on more than one occasion.
- Bloomington Adopt-a-Drain program: 100 new users adopted 200 new drains in 2019; 518 total drains adopted by 280 participants who reported 5,490 lbs. of debris removed during 2019.



Public Works – Storm Water Utility (continued)

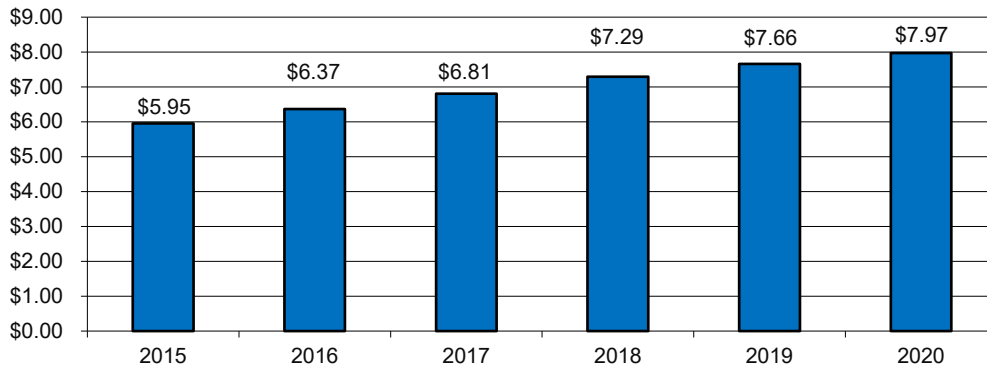
Normandale Lake - Water Quality Improvement Project

Before (July 2012)

After (July 2019)



Storm Water Utility Cost per Month for Single-Family Home



Storm Water Utility - Enterprise Fund

Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Utility Fees	\$ 6,210,952	\$ 6,563,539	\$ 6,817,640
Other Revenue	81,977	145,157	122,954
Intergovernmental	9,985	-	-
Interest Income	125,524	253,319	136,000
Bond Proceeds	12,040,848	52,507	-
Total Revenues	18,469,286	7,014,522	7,076,594
Expenses			
Salaries and Benefits	1,355,460	1,361,297	1,399,109
Materials, Supplies, & Services	1,441,406	1,514,497	1,820,546
Capital Outlay	9,182,787	5,201,085	3,075,000
Debt Service	38,847	469,454	932,312
Total Expenses	12,018,500	8,546,333	7,226,967
Working Capital			
Net Change	6,450,786	(1,531,811)	(150,373)
Working Capital at Beginning of Year	8,263,866	14,714,652	13,182,841
Working Capital at End of Year	\$ 14,714,652	\$ 13,182,841	\$ 13,032,468



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Public Works – Solid Waste Utility

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

Authorized Full-Time Position	2018	2019	2020
PUBLIC WORKS PROJECT COORDINATOR	0	1	1
	0	1	1

2020 Goals and Objectives

- S** Administer the residential garbage and recycling collection program and continue to ensure residents receive excellent customer service.
- ES S** Continue to offer Curbside Cleanup; market the program in a more sustainable way, and encourage residents to recycle and reuse bulky items. Develop recommendations for managing hard to dispose of bulky items in a more sustainable and cost-effective method for Council consideration.
- ES** Research and prepare options to implement curbside organics for Council consideration. Provide outreach and education to residents regarding the City’s organics recycling drop-offs. Add organics recycling collection and improve current recycling programs at some City facilities, including Creekside, Civic Plaza and Public Works.
- ES** Work with the Sustainability Commission to continue to divert more waste from incineration and landfilling through recycling and composting, and encouraging waste reduction and reuse.
- ES** Provide outreach and education to residents regarding how to recycle right, including mailing a new annual recycling guide.

2019 Results of Performance Measures

- Coordinated garbage and recycling service to approximately 22,000 households.
- Analyzed waste stream of Curbside Cleanup Program and found that over 35% of items set out could have been reused or recycled.
- Collected 111 more tons of material that was sent to the landfills during Curbside Cleanup in 2019 from 2018. While tonnage increased, the participation rate was 10% higher than 2018 (due to major snow storm in 2018) and overall tons remain significantly lower (by 414 tons) than the amount of waste collected in 2016 (the last year before program limitations were enforced).
- Collaborated with Sustainability Commission to conduct an Organics Recycling Survey that was completed by over 1,750 Bloomington residents.
- Signed up an additional 403 households to use the organics recycling drop-offs, bringing total registered users to 1,351 households. Collected an average of 3 tons of organics for composting a month at each organics drop-off.
- Conducted a waste audit at Creekside Community Center and found that Creekside’s current diversion rate is 23% and its potential diversion rate if they began composting and recycling more would be 79%.
- Worked with Sustainability Commission to purchase organics recycling kitchen collection containers that will be distributed in 2020.



Monthly Solid Waste and Recycling Rates

Service	2019	2020
City Garbage and Recycling, including taxes and fees For a resident with a medium garbage cart	\$19.46	\$21.91
Curbside Cleanup Fee	\$4.02	\$4.42

Public Works – Solid Waste Utility (continued)

Promoting the Organics Drop-Off at Valley View Park



Conducting the Curbside Cleanup Waste Stream Analysis

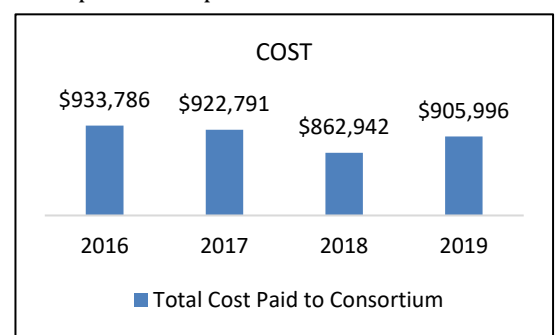
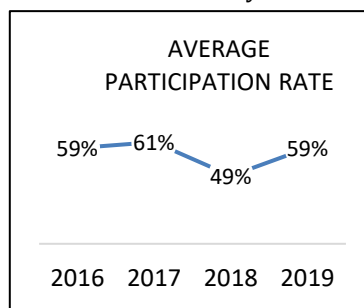
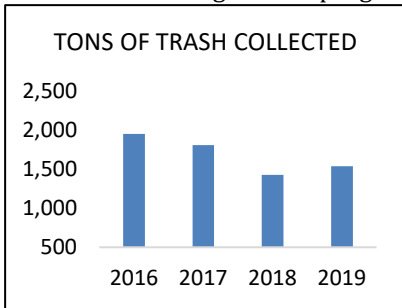


Conducting a waste sort at Creekside

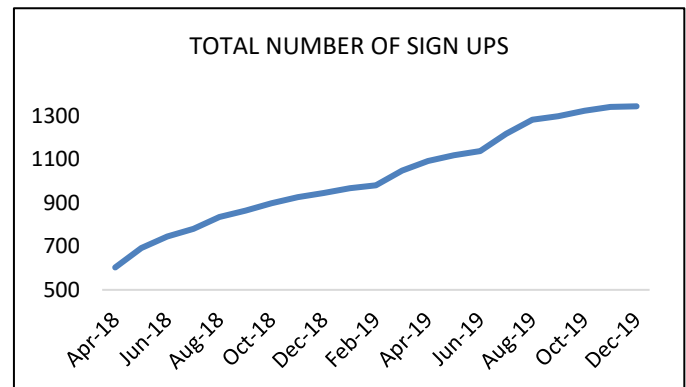


2016 - 2019 Curbside Cleanup Statistics

During Curbside Cleanup, residents can place appliances, brush, scrap metal and trash at their curb and the City contracts with the Consortium of Haulers to make one pass through each neighborhood to pick it up. Large appliances, brush and scrap metal are collected separately for recycling, and all other material is collected and landfilled. Funding for this program comes from the utility fee shown above per month per household.



Organics Recycling Drop-Off Sites – Interest Continues to Grow



Solid Waste Utility - Enterprise Fund Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Property Taxes	\$ -	\$ 348,000	\$ 185,000
Utility Fees	7,066,391	7,248,450	7,926,715
Other Revenue	101,045	113,966	169,500
Intergovernmental	166,669	143,844	140,000
Interest Income	29,811	30,302	20,100
Transfers from Other Funds	297,996	-	-
Total Revenues	7,661,912	7,884,562	8,441,315
Expenses			
Salaries and Benefits	185,581	226,796	217,628
Materials, Supplies, & Services	7,112,639	7,431,375	7,947,683
Capital Outlay	-	-	100,000
Transfer to Other Funds	309,000	309,000	309,000
Total Expenses	7,607,220	7,967,171	8,574,311
Working Capital			
Net Change	54,692	(82,609)	(132,996)
Working Capital at Beginning of Year	2,093,203	2,147,895	2,065,286
Working Capital at End of Year	\$ 2,147,895	\$ 2,065,286	\$ 1,932,290



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Fleet Maintenance Fund

The Fleet Maintenance Fund is an Internal Service Fund that pays for the costs related to the operations, maintenance, repair, and replacement of City vehicles and equipment. Departments are charged for vehicles used by their department. Part of the internal fee is to pay for operations; the other part is allocated for the replacement of the equipment. Any new equipment or additions to the Fleet are funded by the requesting department.

Authorized Full-Time Position	2018	2019	2020
FLEET MANAGER	1	1	1
FLEET MAINTENANCE SUPERVISOR	1	1	1
FLEET SPECIALIST	1	1	1
FLEET TECHNICIAN	10	10	10
OFFICE SUPPORT SPECIALIST	1	1	1
PARTS ROOM ATTENDANT	1	1	1
	15	15	15

2020 Goals and Objectives

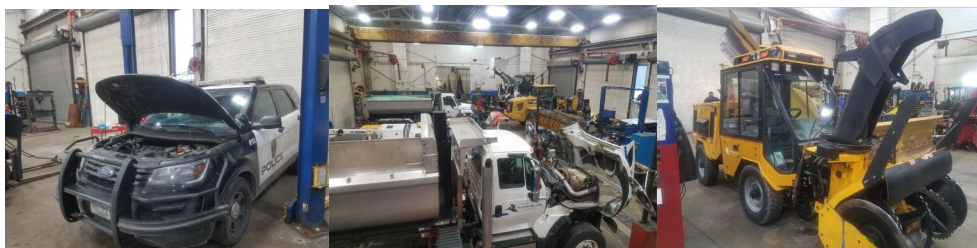
- S** Replace outdated fueling system.
- ES** Implement telematics
- R I** Work with project managers to keep fleet garage building on schedule for the 2021 CIP
- R** Consolidate warehouse and fleet parts operations to reduce redundancies

2019 Results of Performance Measures

- Increased percentage of preventative maintenance by 9%
- Reduced emissions by replacing outdated units with vehicles complying with current standards
- Developed a Vehicle Use Policy
- Completed an in depth evaluation of total fleet operations

By the Numbers

- 580 Vehicles serviced and maintained
- \$40 million value of fleet
- 3.2 Million miles traveled annually
- 300,188 gallons of fuel
- 121 different classes of vehicles
- 4191 services and repairs performed
- \$800,000 parts needed for service and repairs



Fleet Maintenance - Internal Service Fund

Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Departmental Charges	\$ 7,923,149	\$ 7,571,021	\$ 7,468,371
Intergovernmental	-	216,696	-
Interest Income	111,098	115,995	58,400
Other Revenues	196,757	184,110	100,000
Transfers from Other Funds	49,992	30,000	-
Total Revenues	8,280,996	8,117,822	7,626,771
Expenses			
Salaries and Benefits	1,418,074	1,650,675	1,711,532
Materials, Supplies, & Services	3,421,064	4,747,421	3,592,515
Capital Outlay	3,199,912	1,479,094	2,826,096
Transfer to Other Funds	-	2,081,447	-
Total Expenses	8,039,050	9,958,637	8,130,143
Working Capital			
Net Change	241,946	(1,840,815)	(503,372)
Working Capital at Beginning of Year	6,689,671	6,931,617	5,090,802
Working Capital at End of Year	\$ 6,931,617	\$ 5,090,802	\$ 4,587,430

Facilities and Parks Maintenance

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

Authorized Full-Time Position	2018	2019	2020
ASSISTANT MAINTENANCE SUPERINTENDENT	2	2	2
PARK MAINTENANCE SUPERVISOR	2	2	2
FACILITIES MAINTENANCE SUPERVISOR	1	1	1
PARKKEEPER	14	14	14
SERVICE TECHNICIAN	7	7	7
PARKKEEPER I	11	11	11
SERVICE TECHNICIAN I	2	2	2
MAINTENANCE WORKER	1	1	1
	40	40	40

2020 Goals and Objectives

AS To support strategic priorities through efficient and sustainable operation and planned maintenance of the City's building and Park facilities by:

- Finish the \$2 million energy saving projects identified in the 2019 Directed Engineering Study. Projects include LED lighting, mechanical controls upgrades, building envelope sealing and Solar Subscriptions.
- Building recommissioning (ensuring that operating systems are designed, installed and programmed for optimal performance) of Civic Plaza by the end of 2020
- Conduct a Facilities Operations and Maintenance Organizational Study during 2020

AS Participate in the capital improvement process to prioritize and cost out improvements to City facilities to prepare the Capital Improvement Plan to go to the City Council in March.

ES Explore improved maintenance options that are environmentally sustainable and financially responsible by:

- Continue efforts to minimize the impact of EAB by planting 400 trees from our gravel bed nursery.
- Converting more turf parkland into more self - sustaining native prairie plant communities.
- Evaluate trash and recycling collection program for City Parks.
- Based on the University of Minnesota's 2019 MN Tap irrigation study, install Smart Irrigation Controllers at Public Works, Old Town Hall and the Aquatic Center.



2019 Results of Performance Measures

- Identified energy savings after conducting engineering study of City buildings.
- Evaluated irrigation water use at City buildings and parks using the University of Minnesota's MN Tap program.



Facilities and Park Maint - Internal Service Fund

Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Departmental Charges	\$ 12,567,504	\$ 12,851,088	\$ 13,369,251
Interest Income	193,412	263,695	120,000
Other Revenues	7,054	23,134	-
Bond Proceeds	-	-	9,000,000
Transfers from Other Funds	693,958	49,135	-
Total Revenues	13,461,928	13,187,052	22,489,251
Expenses			
Salaries and Benefits	3,613,016	3,988,287	4,059,628
Materials, Supplies, & Services	5,647,056	5,708,807	6,139,108
Capital Outlay	527,486	1,880,376	11,400,000
Debt Service	652,121	648,428	662,075
Transfer to Other Funds	438,624	1,061,958	-
Total Expenses	10,878,303	13,287,856	22,260,811
Working Capital			
Net Change	2,583,625	(100,804)	228,440
Working Capital at Beginning of Year	7,684,471	10,268,096	10,167,292
Working Capital at End of Year	\$ 10,268,096	\$ 10,167,292	\$ 10,395,732

Housing and Redevelopment Authority

The Housing and Redevelopment Authority's (HRA) is a component unit of the City of Bloomington. Its purpose is to provide housing and redevelopment programs to Bloomington. 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.

Authorized Full-Time Position	2018	2019	2020
HRA ADMINISTRATOR	1	1	1
HRA PROGRAM MANAGER	1	1	1
HOUSING & REDEVELOPMENT ANALYST	0	0	1
PROGRAM SPECIALIST II	5	5	5
PROGRAM SPECIALIST I	1	1	1
OFFICE SUPPORT SPECIALIST	1	1	1
OFFICE ASSISTANT	1	1	1
	10	10	11

2020 Goals and Objectives

- R** Acquire and demolish blighted homes
- R** Acquire land for redevelopment in designated areas and sites for affordable housing
- R** Assist 125 seniors with housing maintenance and homemaking services
- R** Provide housing rehab loans to 60 homeowners
- R** Continue use of City Strategic Initiatives funding to provide rehab loans.
- R** Assist with the acquisition/rehabilitation of two homes for the Land Trust Program for re-sale to first-time low/moderate income homebuyers
- R** Conduct three landlord collaborative meetings, including a multi-city meeting and Fair Housing training.
- R** Maintain highest possible utilization of Section 8 Voucher Programs as funding permits
- R** Continue implementation of the Opportunity housing Ordinance and related developments
- R** Complete construction of Phase 3 of the redevelopment of Penn and American, including 50 affordable housing rental units
- R** Offer the Housing Improvement Area program to assist common interest communities with rehabilitation funding
- R** Continue the Home Energy Squad program with Center for Energy & Environment and serve 250 homeowners
- R** Continue planning for future redevelopment opportunities in commercial-retail nodes of the City, including the Lyndale Avenue Corridor
- R** Offer the Housing Improvement Area (HIA) program to condo and townhome associations to complete needed repairs
- R** Complete the construction and lease-up of 42 affordable rental units at 108 Place on former HRA property
- R** Host the 2020 Home Improvement Fair in February 2020 with 60 vendors and rehab focused seminars.

Housing and Redevelopment Authority (Continued)

2019 Results of Performance Measures

- Assisted 137 seniors with housing maintenance and homemaking services
- Provided housing rehabilitation loans to 94 homeowners, including CDBG and Neighborhood and Curb Appeal programs for a total of over \$2.2 million in repairs and improvements to homes in the City
- Provided rental property and manager education through two landlord collaborative meetings (59 attendees)
- Achieved highest utilization of Housing Choice Voucher (Section 8) Rent Assistance that funding permitted
- Achieved HUD's "high performer" rankings for administration of the Section 8 Voucher program
- Provided housing to 46 large families through the HRA's two rental housing programs.
- Sold a vacant lot to a first-time home owner to build an owner-occupied single-family home
- Sold a single-family lot to Habitat for Humanity that had previously been a tax-forfeited home with violations for the development of a new home for a income-qualified first-time homebuyer.
- Acquired one substandard home to be demolished and land re-sold for new owner occupied single-family home
- The Home Energy Squad Enhanced Program provided 348 homeowner visits
- Established a Housing Trust Fund for the creation and preservation of affordable housing with an initial capitalization of \$15 million.
- Provided \$7million dollars form the Housing Trust fund to assist non-profit AEON with the acquisition of 306 Naturally Occurring Affordable Housing (NOAH) rental units.
- Donated a single-family lot to The BATC-Housing First Foundation and the Minnesota Assistance Council for Veterans for the development of a four-bedroom homes to serve homeless veterans.



Component Unit - Housing & Redev. Authority

Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Property Taxes	\$ 2,230,292	\$ 2,352,310	\$ 2,492,370
Intergovernmental	5,830,281	5,781,151	5,859,121
Interest Income	113,114	(4,117)	20,000
Other Revenues	1,514,938	1,802,960	908,524
Bond Proceeds	-	-	-
Transfers from Other Funds	350,000	100,000	-
Total Revenues	10,038,625	10,032,304	9,280,015
Expenses			
Salaries and Benefits	1,138,119	1,185,832	1,363,548
Materials, Supplies, & Services	7,713,396	8,334,351	7,268,345
Capital Outlay	-	-	648,122
Transfer to Other Funds	450,000	100,000	-
Total Expenses	9,301,515	9,620,183	9,280,015
Working Capital			
Net Change	737,110	412,121	-
Working Capital at Beginning of Year	8,585,366	9,322,476	9,734,597
Working Capital at End of Year	\$ 9,322,476	\$ 9,734,597	\$ 9,734,597



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Port Authority

The Port Authority is a component unit of the City of Bloomington. It was created 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 for 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.

2020 Key Projects:

Mall of America (MOA) expansion, Development of former Ramada/Thunderbird site, development of former Interstate Diesel and Alpha V parcels, and further development at Bloomington Central Station.

Authorized Full-Time Position	2018	2019	2020
PORT AUTHORITY ADMINISTRATOR	1	1	1
ECONOMIC DEVELOPMENT ANALYST	2	2	2
	3	3	3

2020 Goals and Objectives

- AR** 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.
- RS** Oversee debt in a conservative manner to assure repayment and adequate resources.
- RS** Make community investments that in turn encourage private investments consistent with the City's sustainability objectives.

2019 Results of Performance Measures

- Continued implementation of the South Loop District Plan.
- Worked with Met Transit to complete construction of MOA transit station.
- Construction of a project with Terratron for a 144-room Element hotel is almost complete.
- McGough began construction of a 402-unit apartment project, The Fenley, at Bloomington Central Station, with the units available in spring of 2020.
- Began construction of Fire Station #3 to be built in the South Loop District scheduled for completion in 2020.



Component Unit - Port Authority Financial Summary

	2018 Actual	2019 Projected	2020 Budget
Revenues			
Other Revenues	500,000	350,000	400,000
Total Revenues	500,000	350,000	400,000
Expenses			
Salaries and Benefits	197,388	188,784	230,000
Materials, Supplies, & Services	202,039	223,782	217,400
Capital Outlay			
Transfer to Other Funds			
Total Expenses	399,427	412,566	447,400
Working Capital			
Net Change	100,573	(62,566)	(47,400)
Working Capital at Beginning of Year	40,337	140,910	78,344
Working Capital at End of Year	\$ 140,910	\$ 78,344	\$ 30,944



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GLOSSARY



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.

Audit – An official inspection of an individual's or organization's accounts, typically by an independent body.

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.

CIP (Capital Improvement Program) – A ten-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.

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.

Certified Levy – Total tax levy of a jurisdiction which is certified to the County Auditor.

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. Larger departments are subdivided in to divisions.

Depreciation - A reduction in the value of an asset with the passage of time, due in particular to wear and tear.

Division – Basic organizational unit of City government that is functionally unique in its service delivery. Larger departments are subdivided in to divisions.

DOJ (Department of Justice) – Federal executive department of the United States government responsible for the enforcement of the law and administration of justice.

DWI (Driving While Intoxicated) – Driving, operating, or being in physical control of a motor vehicle while: under the influence of alcohol or drugs; knowingly under the influence of a hazardous substance that affects the body and substantially impairs driving abilities; having a blood alcohol concentration of .08% or greater; or having any amount of a Schedule I or II drug, except marijuana, in the body.

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.

FTE (Full-Time Equivalent) – 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.

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 - The portion of fund balance that is not reserved. Represents resources that can be used for any purpose of the fund they are reported in.

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.

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) – A computer system for capturing, storing, checking, and displaying data related to positions on Earth's surface.

Governmental Fund – A grouping used in accounting for tax-supported activities completed by the government.

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.

LMCIT (League of Minnesota Cities Insurance Trust) - A self-insured membership cooperative formed by Minnesota cities.

LRT (Light Rail Transit) – 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.

Major Fund – A fund whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds.

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.

MOA (Mall of America) – Nation’s largest retail and entertainment complex located in Bloomington.

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.

PMP (Pavement Management Program) – 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.

PEG Fees (Public, Educational, and Governmental Fees) –Public, Educational, and Governmental Access programming is supported by the PEG fee that is assessed to each cable subscriber. Funds can only be used to finance the production of PEG Access programming.

PEIP (Public Employees Insurance Program) – The health insurance benefit program offered to City employees.

Program – Within each Department are several divisions or programs in the City, each charged with carrying out a specific function.

Proprietary Fund – A business-like fund of a state or local government. For example, enterprise fund and internal service fund.

Proposed Budget – Budget as submitted by the City Manager to the City Council.

Retained Earnings – The profits that a company has earned to date, less any dividends or other distributions to investors.

RFP (Request for Proposals) – A request for proposal is a document that solicits proposal, often made through a bidding process, by an agency or company interested in procurement of a commodity, service, or valuable asset, to potential suppliers to submit business proposals.

Special Revenue Fund – An account established by a government to collect money that must be used for a specific project. These funds provide an extra level of accountability and transparency to taxpayers that their tax dollars will go toward an intended purpose.

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.

TIF (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.

TPA (Third Party Administrator) – Claims processor for certain employee benefits.

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.

WCRA (Workers’ Compensation Reinsurance Association) – Insurance coverage that protects the City from catastrophic workers’ compensation losses.

WIC (Women, Infants and Children) A nutrition and breastfeeding program that serves pregnant women, new mothers, babies, and young children. Nutrition education and counseling are the cornerstones of this public health program.

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

