Corporate Report to the Community

Fiscal year ending December 31, 2013, and budget year 2014

CITY OF BLOOMINGTON MINNESOTA

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The Art of Creating Community

A place we're proud to call home

By Mayor Gene Winstead

Anyone who lives, works or visits here knows that Bloomington has a lot to offer. Most of what people say they love about this place is the result of years, even decades, of vision and focused implementation. The City's long-term vision is to make Bloomington a stronger and more sustainable community. The City accomplishes this by providing quality services at an affordable price and supporting the long-term property investments residents and businesses have made in Bloomington.

This year's theme, *The Art of Creating Community,* speaks to how we all work together to create a place we are proud to call home. The concept is called "placemaking," which inspires people to create and improve their public and private places. We are all artists in creating community. *See pages CR4 and CR5.*

The City of Bloomington conducted another in-depth community survey in 2013, in which thousands of residents were contacted to get their opinions of Bloomington as a place to live and work. The National Research Center out of Boulder, CO, administered the survey that allowed us to compare results from 500 cities surveyed by the National Research Center and a select group of 21 high performance peer cities like Bloomington, which are similar to us in population, demographics and employment base. Bloomington's rankings were "much above" the ranking of the 500 national cities polled. *See page CR4.*

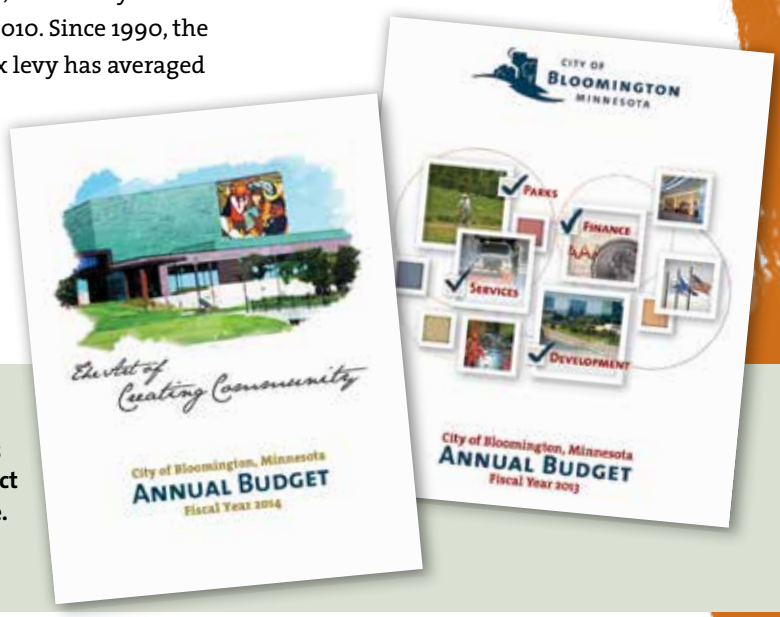
In 2013, the City made many strides toward our vision for a better Bloomington. Progress continues, as evidenced by the many new businesses, hotels, restaurants and housing options in our city. The City Council, in adopting its property tax levy of $48,049,784, achieved its 2014 budget objective of keeping the monthly property tax-supported cost for the median value home of $188,000 at $67.82, essentially the same level since 2010. Since 1990, the City's property tax levy has averaged a 2.22 percent annual increase on existing properties, which was below the average rate of inflation.

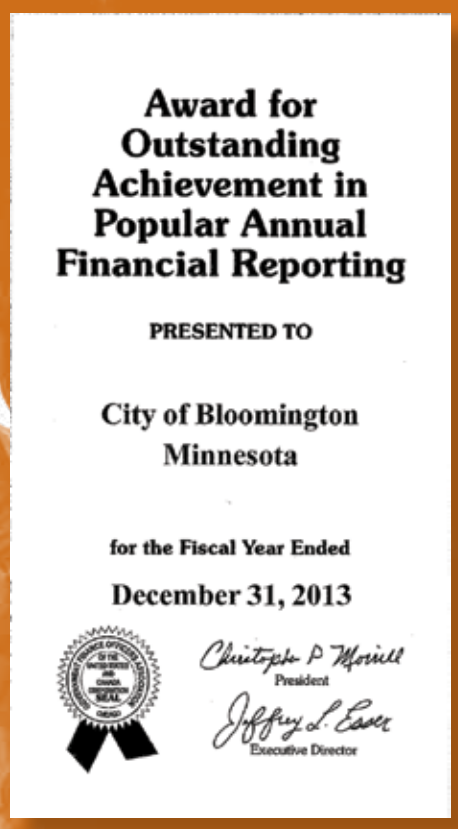
Overall, 2013 was a strong year for new starts, especially for residential and hotel development. In fact, 2013, like 2012, was another record year for permits issued in Bloomington.

New development projects are taking place in the City's South Loop, Penn American and Normandale Lake districts. *See page CR5.*

Additional renewal efforts will improve our transportation systems and create higher-density, pedestrian-friendly communities.

Efforts to move the city closer to its *Imagine Bloomington 2025* vision of being a more sustainable, dynamic community with a variety of recreation opportunities, housing options, revitalized commercial areas and quality services, will continue to be a priority for 2014.





Award for Outstanding Achievement in Popular Annual Financial Reporting

PRESENTED TO

City of Bloomington Minnesota

for the Fiscal Year Ended

December 31, 2013

President

Executive Director

Financial awards

The Government Finance Officers Association (GFOA) of the United States and Canada has given the City of Bloomington the Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year ended December 31, 2013. This national award recognizes the City's conformance with the highest standards for preparation of state and local government popular reports. The City has received the Popular Award for 14 years, the Distinguished Budget Award for 18 years and the Certificate of Excellence in Government Reporting for the past 43 years.

Financial reports online

Check out the financial reports on the City's website. The 2013 estimated expenditures in this report will be changed to reflect actual expenditures after the City's audit is completed in June.

Website keyword: Finance.

Throughout this report

The monthly expenses for City services described in this report are based on a median-priced home with monthly property taxes for City services of $67.82.

Strong value for your dollar

Property tax-supported services

These paint splotches include the monthly cost of property tax-supported services and show how it is divided among City departments.

Putting your tax dollars to work

What the owner of a median-value home pays

Residents receive a variety of City services for an affordable price. The cost of City services in 2014 for the owner of a median-priced, single-family home in Bloomington with an assessor's market value of $188,000 is $67.82 per month. Tax-supported services are ranked by the City Council. Public Safety services such as Police and Fire activities are ranked highest for funding. Community Safety, Planning, Prevention and Maintenance are the next level of services to be funded. These include Engineering, Environmental Health, Planning, Parks Maintenance and Emergency Response. The third category is Quality of Life services such as Parks and Recreation, Human Services, Public Health, Aquatics, Special Events and the Center for the Arts. The tax cost per month of $67.82 is the amount left for tax support after allocating grants, program fees, lodging and admission taxes and other non-property tax revenue to the appropriate services.

Monthly cost of utilities

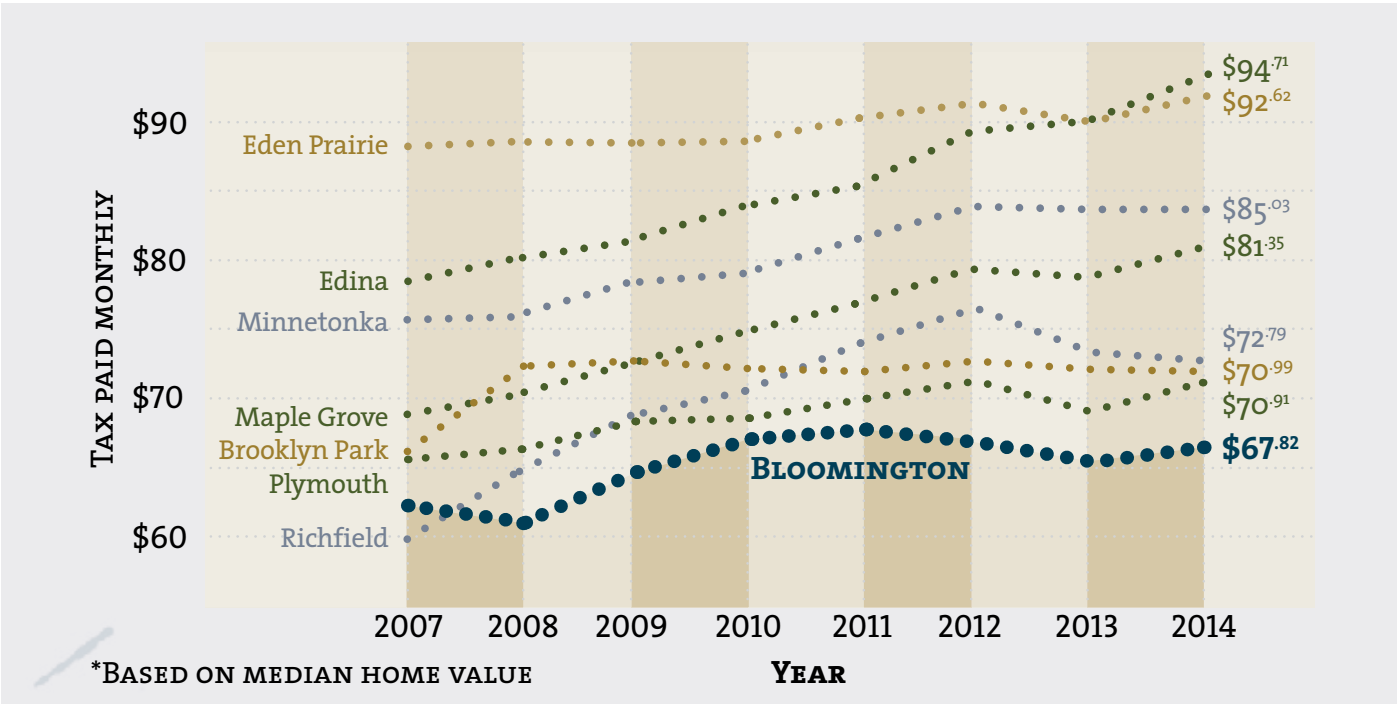
Based on an average water usage of 6,800 gallons per month and sewer usage of 4,740 gallons per month, the monthly cost of utilities for a home in Bloomington is $41.79 in 2014. Services include water, sewer, stormwater and solid waste.

Note: Utility bills are mailed bimonthly and average $83.58 for the two-month billing cycle.

Meeting demands with quality City services

Bloomington ranks well in comparison

The City continues to meet the needs of its residents while constantly looking for ways to improve quality and keep costs affordable. In a 2013 comparison of seven Hennepin County peer communities with more than 20,000 residents, the monthly cost of City services for a single-family home in Bloomington ranked lowest at $66.04. The *graph below* illustrates the cost-effectiveness of Bloomington services in terms of what the owner of a median-value home pays in the metro area. Bloomington is very cost competitive even when compared to newer communities such as Plymouth and Maple Grove that are just starting infrastructure renewal that Bloomington began almost 20 years ago.



City of Bloomington organizational chart

Bloomington's Charter provides for a council-manager government. The stability of our organization is reflected in the City having only two city managers in the last 47 years.

The City Council and Mayor, who serve part time, are elected by the people, exercise legislative power and determine overall City policies. Advisory boards and commissions gather information and advise the City Council on specific issues. Policy development and day-to-day operations are directed by the Council-appointed City Manager. The City Manager oversees the eight departments and the Technical Services Group that carry out the services, activities and policies of the City of Bloomington.

What do I love about Bloomington?

"I love working here. We have a great location and great customers."

Corey Lake, Topper's Pizza employee

31¢ Hennepin County

30¢ City of Bloomington

31¢ Bloomington School District

8¢ Other agencies

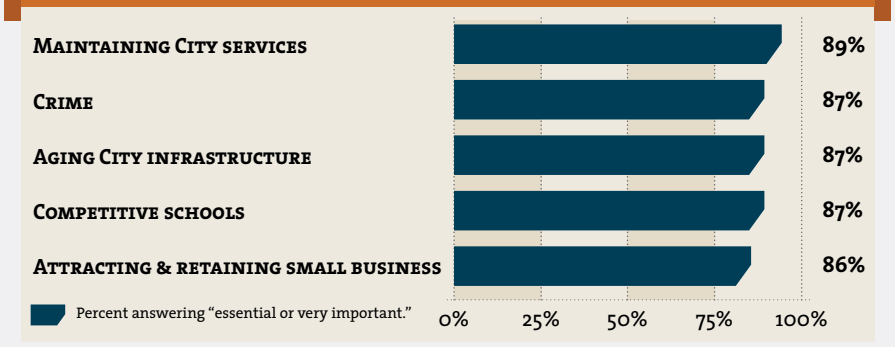
Your 2014 tax dollar

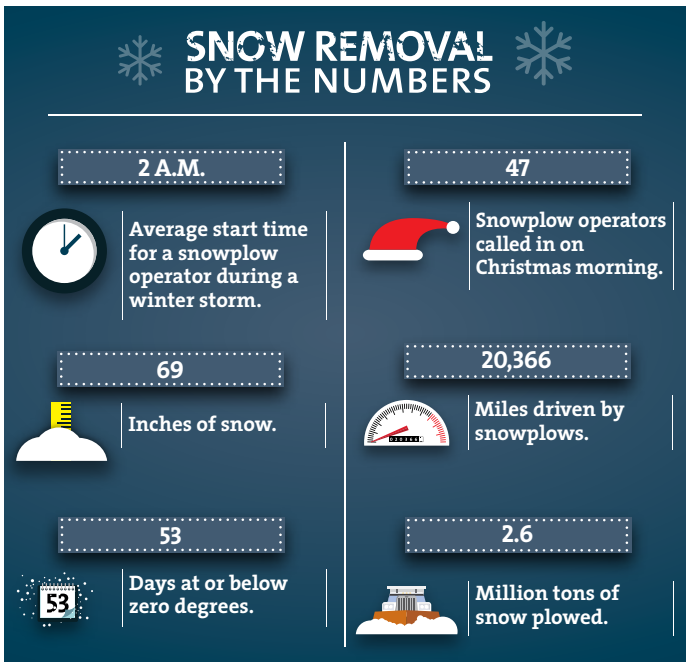
The single-family residential tax dollar is divided among several governmental entities. As the graphic at left shows, for every dollar of taxes paid, 30 cents are for City services. The actual amount of taxes owed is based on market value, tax law and the levy. The levy for all local governmental entities is spread across properties within each entity's respective boundaries using tax capacity, a function of market value and property type. While the City sets a total property tax dollar amount to be levied, as all local Minnesota jurisdictions do, the amount each property pays of that amount is solely a function of the State of Minnesota property tax law based on market value and tax classification. After applying educational aids, a Bloomington homeowner with a median-value home pays $2,738 in property taxes. Of that, $814, or $67.82 per month, goes to the City for services. The remaining $1,924 or $160.33 a month goes to other taxing districts.

What's important to residents?

In 2013, the City conducted a second community survey, *see page 4*, to help guide its strategic planning and vision. One of the questions asked in the survey was "How important is it for the City to address the following over the next 5 years?" Here are the top five actions residents said are essential or very important to address.

How important is it for the City to address the following over the next 5 years?





Maintaining City services

Maintaining City services is the most important area to address over the next five years according to survey respondents. To ensure Bloomington remains a vibrant and healthy community, the City Council reviews and prioritizes all property tax-supported City services. The City's goal is to provide quality services to residents at an affordable cost. In 2014, the owner of a median-valued, single-family home will pay $67.82 in monthly property taxes. Because the City is financially strong, it is able to continue to provide essential and quality of life services to the community at a competitive cost to residents.

Considering the especially cold and snowy winter this year, perhaps nowhere is the value of City services more apparent than in its snowplowing. *See infograph above.*

Addressing crime through community-building programs

The issue of crime was considered by survey respondents to be the second most important issue to address over the next five years. Essential City services such as public safety make up almost 65 percent of City property tax costs and are provided to all single-family homeowners equally. Residents ranked public safety programs #3 in comparison to 21 other high-performing cities. The Bloomington Police Department has a number of outreach programs and initiatives. Through the Multicultural Advisory Committee and other programs such as National Night Out and Neighborhood Watch, the BPD encourages partnerships with community groups, businesses and schools that make Bloomington a safer place.

Renewing our city

As a community ages, so does its infrastructure. Much of Bloomington's infrastructure, including streets, utilities and more, was built decades ago. The City has many programs in place to address aging infrastructure. These include the Pavement Management Program that strategically plans for and implements the repair and replacement of streets, and the Comprehensive Asset Management Program that prioritizes the replacement of water mains, sewers, water towers and more. *See the Water Quality Report cover story for more information.*

Seventy-five percent of Bloomington residents rated the overall quality of new development as excellent or good.

Updating commercial areas also plays a major part in revitalizing the city. The value of commercial and industrial building construction totaled $62 million in 2013 and the City is on track to have another record year in 2014. Infrastructure improvements are being planned or constructed in the city's South Loop, Normandale Lake and Penn American districts.

Keeping our schools competitive

In the 2013 survey, Bloomington residents rated schools as the fourth most important area for the City to address over the next five years. There is much evidence to suggest that strong schools support strong neighborhoods. Bloomington public schools are focused on academic excellence. Nine Bloomington schools are Blue Ribbon Schools of Excellence and another six have received Minnesota School of Excellence designation. Their distinction is due in large part to dedicated and talented teachers, who consistently earn state and national recognition for their efforts in educational excellence.

Nine Bloomington schools are Blue Ribbon Schools of Excellence.

The variety of higher educational opportunities in Bloomington also supports strong neighborhoods and continues to grow. Northwestern Health Sciences University, North American University, Ausburg College, Rasmussen College, Strayer University, University of St. Thomas and Bethel University all have classrooms in Bloomington.

Attracting and retaining small businesses

Employment is an important indicator of a healthy economy and thriving community. Bloomington's unemployment rate is lower than the nation, the state and the metro region. For those looking to start or expand their small business in Bloomington, Bloomington Port Authority and Hennepin County HRA have joined forces to offer the Open to Business program. Through the program, the nonprofit, Metropolitan Consortium of Community Developers, provides free one-on-one technical assistance to small businesses and entrepreneurs. The City also assists eligible businesses with Hennepin County and Minnesota Department of Employment and Economic Development grants and loans.

A number of Bloomington businesses are breaking new ground or expanding their facilities:

- Open Access Technology International plans to break ground on a 100,000-square-foot office and data center at I-494 and Normandale Boulevard.
- Toro is building a 75,000 square foot office addition northwest of their existing building on Lyndale Avenue.
- Mall of America has broken ground on a $250 million expansion that will include a JW Marriott hotel with 342 rooms and additional stores.

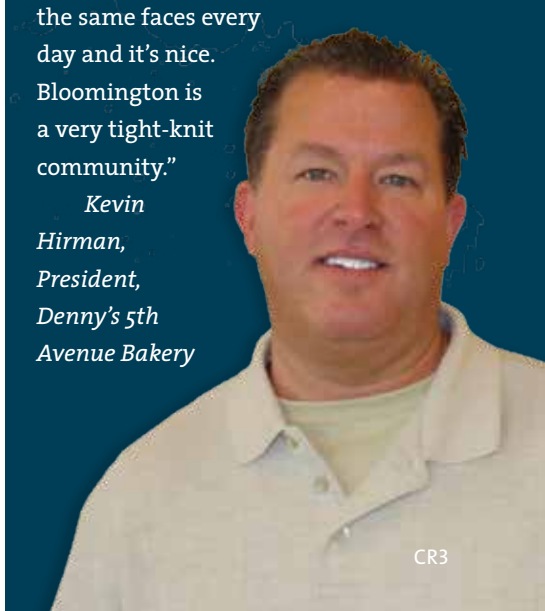
Did you know?

The City keeps you up-to-date on all of the above and more through the *Briefing*. The *Briefing* is published six times per year at a cost of only 27 cents per issue, including printing and mailing.

What do I love about Bloomington?

"I grew up in Bloomington. I like it here. American Boulevard is a great location. We have a lot of dedicated customers. I see a lot of the same faces every day and it's nice. Bloomington is a very tight-knit community."

Kevin Hirman, President, Denny's 5th Avenue Bakery



What makes Bloomington a great community?

In Bloomington, quality of life is high. Our community offers some of the best of everything: a variety of housing, cultural and educational opportunities; retail, small businesses and Fortune 500 companies; a wide range of parks, trails, and downhill skiing, and much more. Bloomington is a great place to raise a family, work and enjoy life. Community-building goes beyond the arts, extending to development, citywide events, programs and services – anything that brings people together to make the community a more vibrant place. What do you love about Bloomington?

Bloomington receives high marks

In 2013, the City of Bloomington conducted another in-depth community survey, in which thousands of residents were contacted to get their opinions of Bloomington as a place to live and work. The National Research Center out of Boulder, Colorado, administered the survey that allowed us to compare results from 500 cities and a select group of 21 high performance peer cities similar to Bloomington in demographics and employment base.

These rankings were much above the ranking of the 500 national cities polled, including:

95% Rate Bloomington as an excellent or good place to live

#5 Among peer cities

94% Rate the overall quality of life here as excellent or good

#4 Among peer cities

90% Would recommend Bloomington as an excellent or good place to live

#3 Among peer cities

For complete survey results, visit the City's website.

Website keyword: Survey.

What is your favorite gathering spot or event?

Bloomington has a number of events that bring the community together to celebrate and rejuvenate. Here's a look at some of the 2013 attendance numbers. Which one is your favorite?

350 Neighborhoods registered for National Night Out parties.

3,000 People attended the summer Farmers Market each Saturday.

2,000 People braved the cold for Winter Fete fun.

40,000 People gathered at Normandale Lake for Summer Fete.

The art of...

Providing places for people to relax and enjoy

In order to thrive, complete communities need the arts, creativity and open spaces where people can relax and regenerate. We have many places like this in Bloomington, including the corner of 98th Street and West Old Shakopee Road where you'll find Bloomington Civic Plaza. More than a government office building, Bloomington Civic Plaza is a place alive with people, music, art, and during the Farmers Market, plenty of delicious, locally grown food and goods.

The Center for the Arts makes it possible to enjoy plays, performances, exhibits and classes all under one roof. The facility is used by nine resident art organizations, the City, and many community groups for arts activities, special events and private rentals. We've done it before, and now we're in a position to do it again in the South Loop. *See below.*

Creekside Community Center is another location where many people gather for senior programs, community meetings and events. The City is currently exploring options for a new community center to replace Creekside.

What do I love about Bloomington?

"Great arts reflect a great city. Bloomington plays second fiddle to no one when it comes to its love for music, dance, drama and the visual arts."

Manny Laureano, Artistic Director, Bloomington Symphony Orchestra

Placemaking in the South Loop

From the Farmers Market to Bloomington Central Station Park, placemaking is not new to Bloomington. In the South Loop, placemaking efforts continue to set the stage for a transformation in the district.

The City and Bloomington Theatre and Art Center (BTAC) were awarded a two-year, $100,000 grant from the National Endowment for the Arts to bring more creative placemaking projects to the South Loop.

Along with the grant, more than $100,000 has been secured in matching funds to develop a long-term creative placemaking plan and commission four to six art projects that demonstrate the role art and artists can play in transforming the South Loop District. The City is partnering with BTAC, Mall of America, McGough Development, the Bloomington Convention and Visitor's Bureau and others on the projects that will show how public art and creativity can make the South Loop more interesting.

Community members are invited to get involved by becoming a project host, an artist, or a volunteer participant. For more information, e-mail placemaking@BTACMN.org or call 952-563-8575.

What is creative placemaking?

Creative placemaking is a new and fast-growing approach to enhancing community and economic development through arts, culture and community.

Get involved! Win a prize!

The City of Bloomington, along with project partners, will be hosting a South Loop charrette – an intense period of design and planning – **June 12 - 20**. There will be presentations, idea-sharing, art-making and a competition for an Idea Prize worth $1,000. All are welcome to attend. For more information, visit BTACMN.org/placemaking.

The art of...

Making connections through parks and trails

Bloomington is full of parks and trails that offer endless opportunities for walking, hiking, biking, cross-country skiing and more. Bloomington is home to 97 parks and nearly 20 miles of park trails that are maintained by the City. A number of new park improvement projects are slated for 2014.

- Construction of a new concession and restroom building at Toro Grandstand at Red Haddox Field will take place this summer.
- On the east side of Bloomington, a seven-mile-long, paved, multi-use regional trail from Lake Nokomis Parkway in Minneapolis through Richfield and down Old Cedar Avenue to the 86th Street Bikeway in Bloomington will be constructed. Construction is anticipated to begin this summer with completion by mid-2015. The trail is a partnership among Three Rivers Park District and the cities of Bloomington, Richfield and Minneapolis.
- On the west side of Bloomington, Hyland Trail, an off-road, multi-use trail along Bush Lake Road, West 106th Street and Bloomington Ferry Road, will be constructed this summer. The Hyland Trail will link existing trail systems from Hyland Lake Park Reserve to the planned Minnesota Valley State Trail as well as to trails developing in Scott County. Construction is anticipated to be completed by fall 2014.

The art of...

Building community from the ground up

Updates and improvements designed to improve traffic flow and pedestrian safety, as well as attract more visitors and businesses to Bloomington, literally build community from the ground up. **Nearly 85 percent of the City's future residential and commercial growth potential is in three districts: South Loop, Normandale Lake and Penn American.** The following are just some of the district improvements underway in 2014.

South Loop District

- The City, Mall of America (MOA) and project developers recently broke ground on MOA's next phase. The expansion project includes a 342-room JW Marriott hotel and 100,000 square feet of additional retail and underground parking, as well as multi-story office building to be constructed on top of the underground parking.
- The Lindau Lane extension project will create a walkable street for pedestrian-friendly storefront development between the Mall of America and Bloomington Central Station. Construction is expected to be completed in mid-2015.
- Construction on 30th Avenue between American Boulevard and East Old Shakopee Road will convert a private access area to a public street that connects Lindau Lane to north and south arterial streets. Construction is expected to be completed in mid- 2015.

Normandale Lake District

- Covington Apartments on Green Valley Drive, just north of Normandale Lake Boulevard is nearing completion. The development includes 250 luxury rental apartments.
- The Luxembourg, a 282-unit luxury apartment development, is under construction just west of Normandale Boulevard and north of West 84th Street. The apartments are anticipated to be ready for occupancy by early 2015.

Penn American District

- The City Council adopted the Penn American District Plan in January 2014 and is proceeding with rezoning to implement the plan's vision. United Properties' Penn American District Phase 2 began this spring and includes a 108-room Hilton hotel with a restaurant and retail on the first floor, a grocery store and underground parking.

The art of...

Snow and ice removal

Bloomington Public Works recently received the American Public Works Association (APWA) 2014 Excellence in Snow and Ice Control Award. Established to promote excellence in the management and administration of public works snow and ice operations, the award is given annually to a city or county public works agency that practices and promotes effective snow and ice removal while minimizing environmental impacts. The prestigious award was presented at the APWA North American Snow Conference in Cincinnati on May 5.

The award came on the heels of an especially difficult winter for Public Works crews who had to contend with more than 69 inches of snowfall and unusually brutal cold temperatures – 53 days at or below zero. Snowplow operator Chris Myers, *pictured above,* said the hardest part of his job this winter was working in the extreme cold temperatures and dealing with a lack of sleep because of all the 2 a.m. morning shifts.

What do I love about Bloomington?

"I grew up in Bloomington, so I feel a special connection to the community. Bloomington is really representative of the diversity of the Twin Cities. We have an excellent location here. I really appreciate how easily accessible we are to the surrounding communities."

Jill Measells, CEO, The Works

2014 Operating revenue sources

The City's major funds fall into the categories of General, Enterprise, Debt Service, Capital Projects, Internal Service and Special Revenue. Shown on the next three pages, these funds demonstrate how quality City services provide a good value for your tax dollar.

Bloomington's competitive property tax cost is maintained by utilizing, as appropriate, other funding sources, continuing to encourage growth of the City's diverse tax base and looking at new ways to bolster productivity. By diversifying revenue, the City is in a strong position to withstand economic shifts.

Property taxes	$45,958,416
Fees/charges	28,026,736
Program income	7,734,582
Lodging/admissions	7, 416,550
Transfers/other	4,392,328
Intergovernmental	4,558,609
Licenses/permits	4,964,425
Special assessments	3,434,747
Fines/forfeitures	1,388,000
Franchise fee	1,360,400
Total revenues	**$109,234,793**

2014 Budgeted expenditures by fund

The City of Bloomington's budgeted expenditures for 2014 total $115,195,336.*

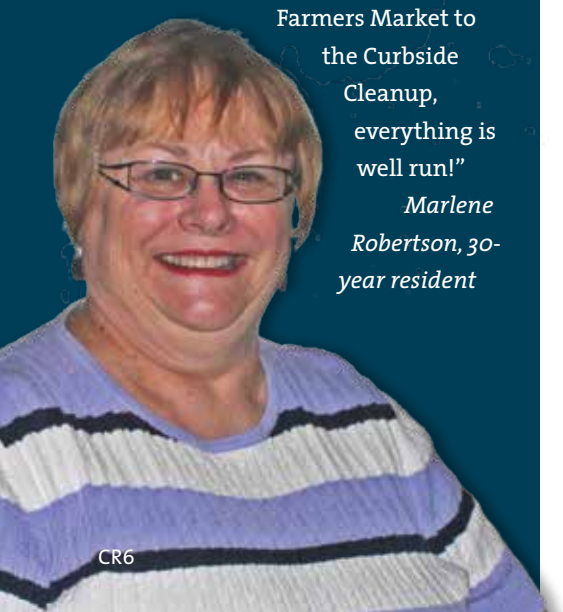
General Fund	$61,452,110
Enterprise Funds	38,305,029
Special Revenue Funds	7,774,877
Debt Service Funds	7,663,320
Total expenditures	**$115,195,336**

* The $5,960,543 difference between 2014 revenues and expenditures is the planned expenditure(s) of reserves for Capital Projects, *see page CR 8.*

What do I love about Bloomington?

"Bloomington is a settled community and the taxes are reasonable. I own a dog, so I appreciate all the open spaces and trails. And from the Farmers Market to the Curbside Cleanup, everything is well run!"

Marlene Robertson, 30-year resident



The General Fund

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

	2012 Actual expenditures	2013 Budget	2013 Estimated expenditures	2014 Budget	Estimated Net property tax*
Police	$20,101,497	$21,476,272	$21,254,659	$22,503,349	$23.95
	The Police Department works with the community to make Bloomington a safe place to live and partners with residents and businesses to address their diverse needs.				
Public Works	9,043,005	9,817,082	9,820,699	10,074,246	14.02**
	Public Works provides safe and efficient transportation routes throughout Bloomington, provides snowplowing services, maintains the City's streets, parks, vehicles and public facilities, and reviews the impact construction and development projects will have on local and regional infrastructure. *Starting in 2012, Parks Maintenance is funded in Community Services.*				
Community Services	11,141,260	12,470,305	12,035,176	12,331,880	13.48†
	Community Services offers human services programs, manages parks and recreational activities, produces communication materials and provides public health services.				
Community Development	6,011,428	6,641,010	6,477,924	6,985,873	4.50
	Community Development partners with the community to enhance Bloomington through planning, economic development and redevelopment activities. The department promotes health and safety by obtaining compliance with state and City codes.				
Fire	2,717,241	3,187,789	3,320,968	3,192,258	3.92
	The Fire Department protects the community by performing rescues; responding to fires, emergencies and hazardous materials incidents; and teaching fire prevention.				
Technical Services	2,347,620	2,609,782	2,623,184	2,694,522	***
	Technical Services furnishes licensing, assessment, elections, records management and cemetery services to Bloomington's residents as well as internal technology support to City departments.				
Legal	1,085,079	1,222,521	1,203,931	1,285,931	***
	Legal prosecutes misdemeanors and advises the City Manager, City Council, City departments, and advisory boards and commissions.				
Finance	853,811	1,041,153	1,007,740	1,087,212	***
	Finance provides financial management and internal support services to other departments.				
Human Resources	601,036	637,059	578,490	670,161	***
	Human Resources recruits and assists in hiring staff, oversees employee benefit programs and conducts employee relations activities on behalf of the City.				
Council, Commissions, City Manager	670,666	903,801	736,971	918,912	***
	Legislative power is vested in an elected, part-time City Council consisting of a mayor and six councilmembers, which appoints citizens to advisory commissions. A city manager administers City business, appoints all other employees and performs duties as directed by the Council.				
Contingency/ Estimated Unspent	(20,000)	(569,486)	(50,000)	(539,184)	
Total	54,592,643	59,437,288	59,109,742	61,142,160††	

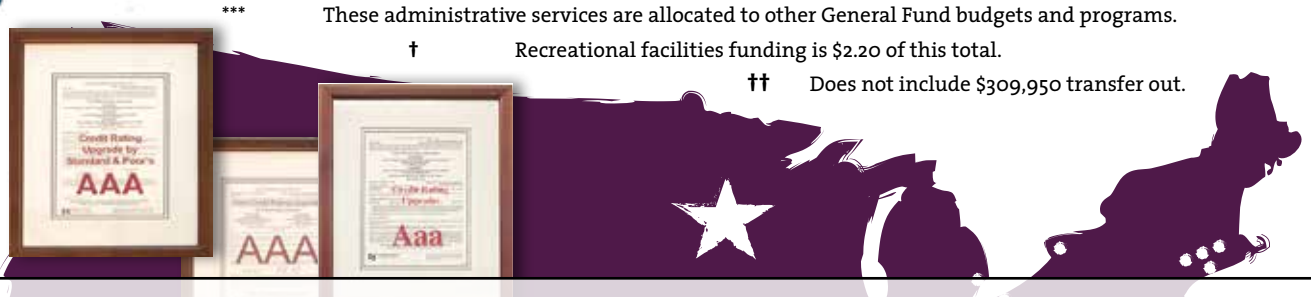
* Net property tax is the portion of the levy allocated to these services per month for the median-valued home. For the net property tax calculation, departments with programs that generate fee revenue have that revenue applied to their budget before property tax. Out of the $67.82 the owner of a median-valued home pays for City services, $56.20 goes to the General Fund.

** Includes $871,031 in a separate levy for the Pavement Management Program.

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

† Recreational facilities funding is $2.20 of this total.

†† Does not include $309,950 transfer out.



A significant achievement – three triple-A ratings

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

Bloomington is one of only 27 cities out of more than 19,000 municipal governments in the U.S. that have achieved three triple-A ratings. Our city is currently the only city in Minnesota to hold all three highest ratings.

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

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

Enterprise Funds

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

		2012 operating expenses	2013 Budget	2013 operating expenses	2014 Budget	Average fees per month
Community Services	Recreational Facilities	$5,332,948	$5,893,960	$5,400,202	$5,286,550	$2.20*
Public Safety	Contractual Police	586,649	550,000	620,702	600,000	--
Public Works	Solid Waste Management	1,122,889	1,440,263	1,227,066	1,377,591	2.54**
	Stormwater Utility	3,176,026	6,042,570	3,219,208	6,089,003	5.72
	Water/ Wastewater Utility	21,891,982	22,894,198	22,737,924	24,320,350	33.47***
Technical Services	Motor Vehicle Office	580,635	610,403	623,713	631,535	--

* Amount is included in the $13.48 that the property owner of a median-value home pays in property taxes for Community Services per month.

** Not including a $0.61 recycling credit residents receive per month from a county grant.

*** Rates are based on Bloomington's average winter use of 6,800 gallons per month.

Internal Service Funds

These funds finance interdepartmental goods and services on a cost-reimbursement basis from a variety of end-user funds. Internal Service Funds are supported by interdepartmental user fees already included as expenses to other funds in this report.

	2012 operating expenses	2013 Budget	2013 operating expenses	2014 Budget
Benefit Accrual	$1,586,655	$1,959,341	$1,959,340	$1,398,128
Equipment Fund	5,400,280	5,939,961	6,119,165	7,003,551
Facilities Maintenance and Replacement	8,743,932	10,581,433	9,567,643	11,096,953
Information Systems	3,633,825	5,207,304	4,050,290	6,765,449
Insured Benefits	7,768,808	8,236,615	8,207,552	8,568,100
Public Safety Radio	629,093	622,884	448,084	318,184
Self-Insurance	1,513,610	2,076,966	2,076,966	1,650,469
Support Services	475,225	507,591	495,524	499,152

Special Revenue Funds

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

		2012 total expenditures	2013 Budget	2013 total expenditures	2014 Budget	Funding
Community Development	South Loop Environmental Review	$5,412	$66,720	$7,697	$348,000	Environmental review fees
Community Services	Communications	1,294,311	1,566,606	1,371,583	1,501,049	Franchise fee/ other fund charges
	Public Health Special Revenue	1,575,045	1,882,741	1,661,735	1,538,528	State grants
	Park Grants	83,840	106,000	11,254	113,000	State and federal grants
Public Safety	Public Safety Special Revenue	2,959,570	3,792,086	3,633,821	3,738,764	Forfeited assets and grants
	Fire grants	225,239	159,308	159,308		and one-time reimbursement*/ property taxes**
City Clerk	Cemetery trust	10,661	2,547	2,547	535,536	Lot sales
Public Works	Energy efficiency block grant	20,235	22,534	22,534	0	State and federal grants

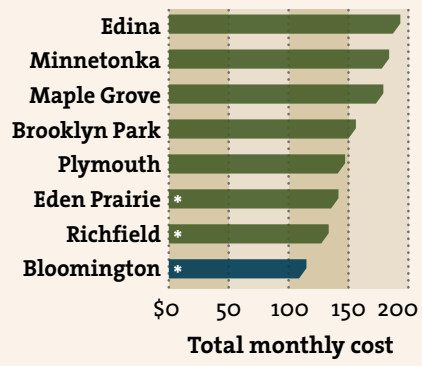
* Used for specific police capital and operating expenses.

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

2013 Residential property tax, water and sewer rate survey

In 2013, the monthly costs to residents in eight cities for single-family property taxes, plus water, sewer and water-softening services ranged from $194 in Edina (including in-home, water-softening costs) to $122 in Bloomington for City-softened water.

2013 Monthly costs for property taxes, water, sewer and water-softening services



Costs are based on a single-family residence. Water and sewer rates are based on 7,500 gallons (average based on the 2013 Residential Water and Sewer Rate survey.)

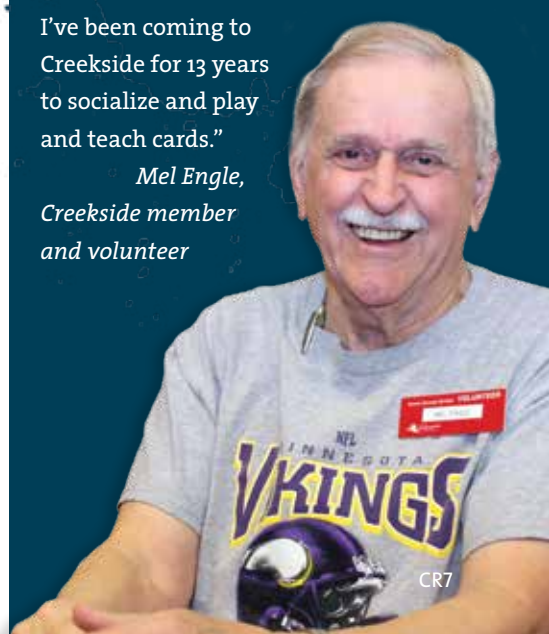
* Cities, including Bloomington, that soften water before distribution.

***Minnesota state law**, Chapter 156 of the Session Laws of 2005, requires that "a city or county with a population of more than 15,000 must annually notify its residents of the positions and base salaries of its three highest-paid employees." For the City of Bloomington, names, titles and salaries are: Mark Bernhardson, City Manager – $154,569; Karl Keel, Public Works Director – $156,148; and Larry Lee, Director of Community Development – $150,306.*

What do I love about Bloomington?

"I love the variety of activities, and especially the people at Creekside. Everyone is great from the staff to the members. I've been coming to Creekside for 13 years to socialize and play and teach cards."

Mel Engle, Creekside member and volunteer



About this report

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

Mayor

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Councilmembers

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Dwayne Lowman, 952-479-0226 (h)
Jon Oleson, 651-208-6586 (c)

City Manager

Mark Bernhardson, 952-563-8780
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Comprehensive Annual Financial Report

The City of Bloomington reports financial year-end results in the approximately 200-page *Comprehensive Annual Financial Report* (CAFR). The *Corporate Report to the Community* summarizes significant data from the *2013 CAFR* and the *2014 Annual Budget*, and is consistent with Generally Accepted Accounting Principles. The report reflects the net tax cost by service expenditure developed by crediting related revenues against appropriate expenditures and allocating local taxes against the remaining balance.

The *Corporate Report to the Community* is unaudited. This popular report format has been used and improved for the past 14 years and is also available on our website. Audited numbers will appear on our website in June.

For a complete review of the City's financial position for 2013, consult the *2013 CAFR*, available from the Hennepin County Library, Bloomington Finance Department or the City's website after June 30, 2014. For more information on the *2014 Annual Budget*, visit the City's website or call 952-563-8790.

What do I love about Bloomington?

"I love the small-town feel. I've lived here for more than 60 years, put two kids through school here, and I've never wanted to live anywhere else. The people are exceptionally kind."

Nancy Allison, 60-year resident

Capital Projects

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

2012 Actual Expenditures	2013 Estimated Expenditures	2014 Projected Expenditures
$20,635,362	$16,387,814	$45,424,425

Park and recreational facilities improvements

In 2014, the following park and facilities projects will take place.

- $1.2 million for improvements to the Normandale Lake Park Chalet Road parking lot. The reconstruction includes stormwater, lighting and driveway improvements to service the updated Hyland Ski Jump area. Landscaping will change from mowed turf to native plantings to reduce maintenance costs.
- $1.27 million for construction of Hyland Trail, a new bike and pedestrian trail linking Hyland Park to the Bloomington Ferry Bridge river crossing.
- $1.6 million to design and rehabilitate Long Meadow Lake Bridge as a non-motorized trail connection between Hennepin and Dakota Counties' trail systems. This project is funded by federal, state and local sources.

Utility infrastructure improvements

Major utility infrastructure improvements are necessary to maintain and improve sanitary sewer, potable water and storm sewer systems in the City. In 2014, $1.2 million will be used to recondition the Valley View Water Tower.

Transportation improvements

The following major transportation improvements will be taking place in 2014.

- $3.5 million from the Minnesota Department of Transportation (MNDOT) for substantial rehabilitation to the 94th Street Bridge over I-35W.
- $1 million budgeted by MNDOT to plan for a future I-494 and I-35W interchange project for eventual staged improvements that will cost approximately $230 million.
- $2.1 million for traffic management improvements on City streets in the South Loop District. This is funded primarily by a federal transportation grant.

Pavement Management Program

The Pavement Management Program is a funding and implementation plan for repair, maintenance and reconstruction of Bloomington roadways. After needs are identified, funding is provided through state aids, assessments and an annual levy. This program strategically plans for repair and replacement, and maximizes process efficiency by identifying the optimum time to replace or repair streets.

In 2014, approximately $8,825,000 will be invested in street reconstruction, which will be funded through debt service, and $2,884,000 will be spent on overlaying existing pavement.

Debt Service

2012 Actual Expenditures	2013 Budget	2013 Estimated Expenditures	2014 Budget	Average net property tax per month
$10,032,047	$10,592,015	$11,002,187	$20,150,327	$7.35

Many community needs must be cost-effectively met by the City of Bloomington, including street and infrastructure work, construction projects and equipment purchases. The ability to issue future debt at lower interest rates will provide for our community's upkeep and renewal without substantially increasing property taxes for debt service.

Outstanding debt

The City's total outstanding debt on December 31, 2013, was $73,160,000. The total legal debt limit for Bloomington is $296 million. The City's net debt per capita is $525. *See right.* Refunding bonds of $11,320,000, which were paid on February 1, 2014, are included in the amounts listed at right. More than 85 percent of Bloomington's debt will be paid off in 10 years – a sign of strong financial management. The City sees no significant increases in the future.

City of Bloomington Bonds		
General Obligation (G.O.) Bonds	$	5,140,000
G.O. Improvement Bonds		60,125,000
G.O. Tax Increment Bonds		3,095,000
Capital Improvement Plan Bonds		4,800,000
SUBTOTAL	$	73,160,000
Less: Funds on hand		*(27,682,870)*
TOTAL NET DEBT	**$**	**45,477,130**
NET DEBT per capita	**$**	**525**