

SHAPE^{of} THINGS^{to}COME



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corporate report to the community

FISCAL YEAR ENDING DECEMBER 31, 2014, AND BUDGET YEAR 2015
AUDITED REPORT - JUNE 30, 2015

THE SHAPE OF THINGS TO COME

By Mayor Gene Winstead

Last year was a year of many new starts. This year, we are already seeing a number of those developments, programs, projects and initiatives taking shape.

On the following pages, you'll learn more about development and redevelopment, our financial strength and the people and partnerships that shape the many facets of life in Bloomington. First, I'd like to take a look back at the accomplishments of 2014.

There can be no doubt that last year was a strong year for residential and hotel development. In fact, 2014 was another record year for the value of permits issued in Bloomington.

The City has also 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. In addition, many companies, such as Toro, Ziegler Cat and Luther Infiniti have expanded their facilities and operations in Bloomington.

For the third year in a row, we conducted a National Citizen Survey in Bloomington. The survey allows cities to compare their results to 500 communities nationwide. Overall, at least four out of five residents

gave "excellent" or "good" ratings to Bloomington's overall image, their neighborhoods as places to live, the city as a place to raise children and the community's overall appearance.

For the first time, we conducted a street repair survey. Through the survey, we received valuable feedback that will help us continue to improve our street maintenance and repair services while meeting the needs of the community. *See page CR 3*

The City Council adopted a property tax levy increase of four percent to \$49,971,775. This results in a monthly cost of tax-supported services for the owner of a \$206,900 median-valued home of \$71.66 for 2015. Four out of the past five years this monthly cost was \$67.82.

The increase of \$3.84 from 2014 is the result of a shift in tax base

value from commercial properties to residential properties. From 2013 to 2014, the median-valued home increased from \$188,000 to \$206,900, a growth of 10 percent.

The planning and public infrastructure groundwork the City completed during the downturn years is paying dividends now. Bloomington residents and businesses are seeing things taking shape as land use, housing, transportation, open space and public safety objectives are achieved.

As always, we continue to keep our focus on the future, carrying out the vision of the City's strategic plan, "Imagine Bloomington 2025," which will be our guide for development, redevelopment, services, infrastructure and fiscal sustainability.



Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to
**City of Bloomington
Minnesota**

For its Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Jeffrey R. Egan
Executive Director/CEO

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 that 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.

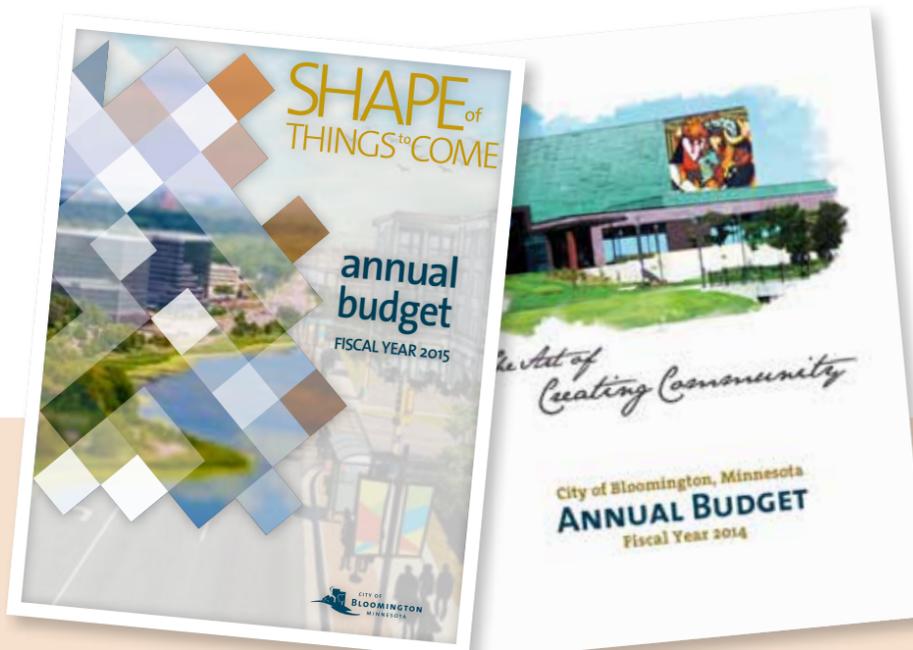
THROUGHOUT THIS REPORT

The monthly expenses for City services described in this report are based on a median-priced home with monthly property taxes for City services of \$71.66 in 2015.

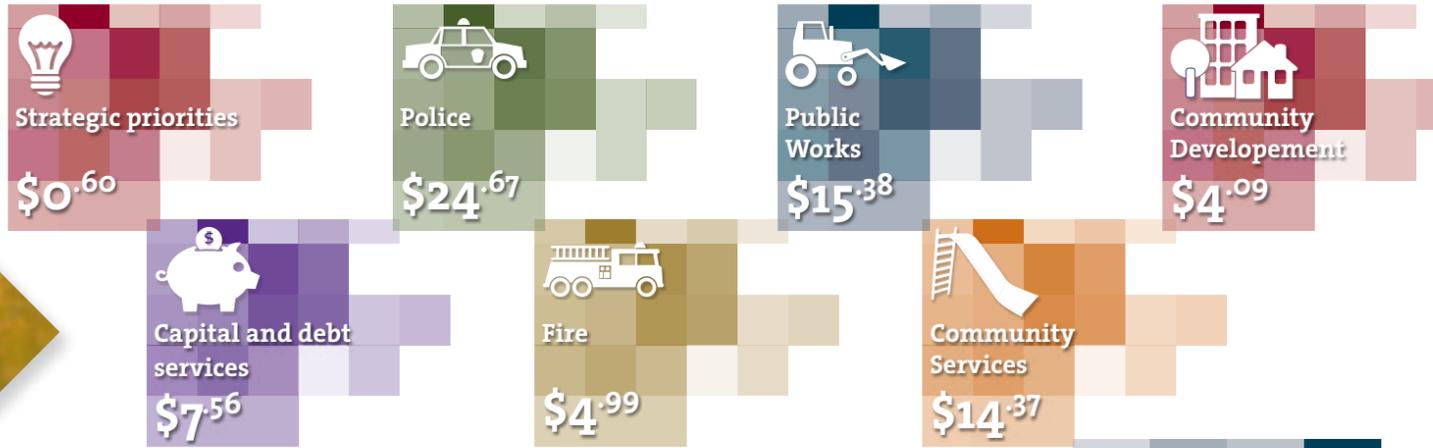
FINANCIAL REPORTS ONLINE

Check out the financial reports on the City's website. The 2015 estimated expenditures in this report will be changed to reflect actual expenditures after the City's audit is completed in June.

WEBSITE KEYWORD: FINANCE.



strong value for your dollar



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 2015 for the owner of a median-priced, single-family home in Bloomington with an assessor's market value of \$206,900 is \$71.66 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 \$71.66 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.

Total
\$71.66

Monthly cost of utilities

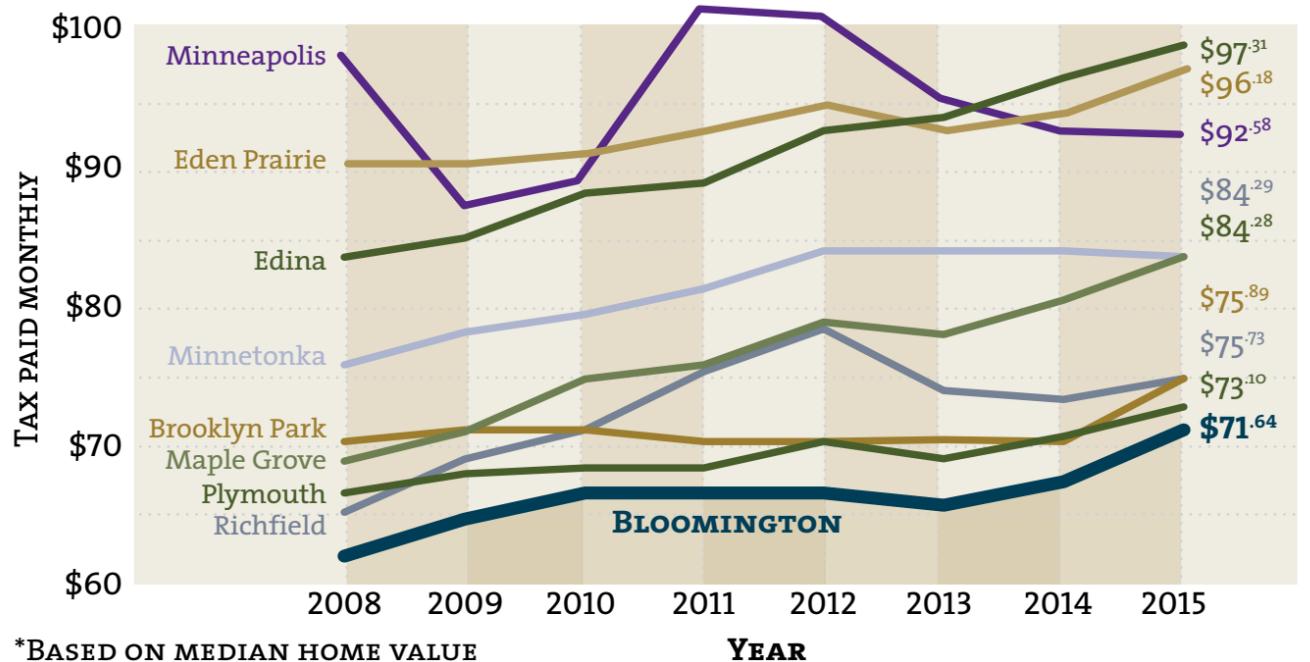
Based on an average water usage of 6,800 gallons per month and sewer usage of 4,740 gallons per month, the monthly cost of utilities for a home in Bloomington is \$41.79 in 2015. Services include water, sewer, stormwater and solid waste.

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 2015 comparison of seven Hennepin County peer communities with more than 20,000 residents, the monthly cost of City services for a single-family home in Bloomington ranked lowest at \$71.66. The graph below illustrates the cost-effectiveness of Bloomington services in terms of what the owner of a median-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.



*BASED ON MEDIAN HOME VALUE

YEAR

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.

The Housing Authority and Port Authority are responsible for redevelopment.

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.

PEOPLE OF BLOOMINGTON



“Bloomington is a community that embraces and supports the important mission of nonprofits through a broad network of civic organizations, the faith community, businesses and individuals. Citizens develop integral relationships with each other toward the common goal of making life better for everyone.”

Meg Schnabel,
Executive Director,
Cornerstone



31¢ Hennepin County

30¢ City of Bloomington

31¢ Bloomington School District

8¢ Other agencies

YOUR 2015 PROPERTY 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 a property's market value, tax law and the levy. The levy for all local governmental entities is spread across properties within each entity's respective boundaries using tax capacity, a function of market value and property type. While the City sets a total property tax dollar amount to be levied, as all local Minnesota jurisdictions do, the portion each property pays of that amount is solely a function of the State of Minnesota property tax law based on market value and tax classification. After applying educational aids, a Bloomington homeowner with a median-valued home pays \$2,860 in property taxes. Of that, \$860, or \$71.66 per month, goes to the City for services. The remaining \$2,000 or \$166.67 a month goes to other taxing districts.

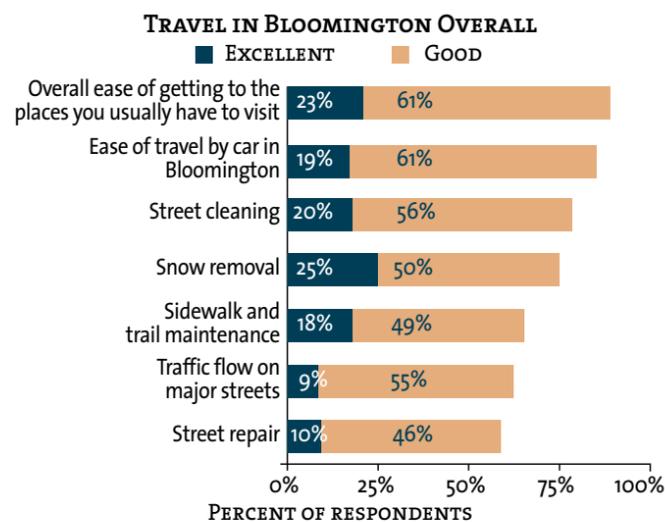
street maintenance gets high marks



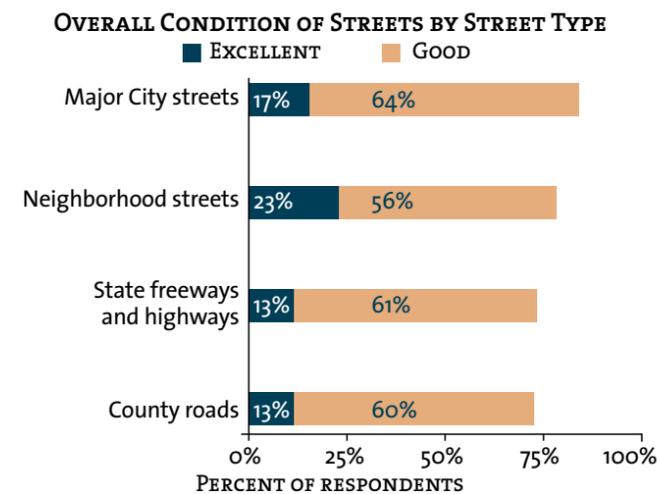
STREET REPAIR RATINGS INCREASING ACCORDING TO SURVEY

The City's goal is to maintain and improve the quality of life in Bloomington, including maintaining and updating city streets. The City of Bloomington conducted a survey in order to gauge how residents view the quality of street repair services in Bloomington.

The 2014 Street, Road and Highway Survey was developed as a follow-up to the 2014 National Citizen Survey for use in decision-making regarding maintenance of City streets. The National Research Center of Boulder, Colorado, randomly selected 3,000 Bloomington residents to participate in a mail survey between September and November 2014. A total of 1,113 households completed the survey. Respondents were asked to rate their perception of the overall condition of streets and street maintenance services in Bloomington.



Residents feel positively about most aspects of travel in Bloomington. At least three-quarters of respondents indicated the overall ease of getting around, ease of travel by car, street cleaning and snow removal were excellent or good. About two-thirds of respondents rated sidewalk and trail maintenance and traffic flow on major streets at the same level.



The overall condition of neighborhood streets and major City-maintained streets received the highest ratings from residents, with slightly lower ratings for state freeways and county roads. About 80 percent of residents felt the pavement conditions of neighborhood and major City streets were excellent or good. County roads and state highways received

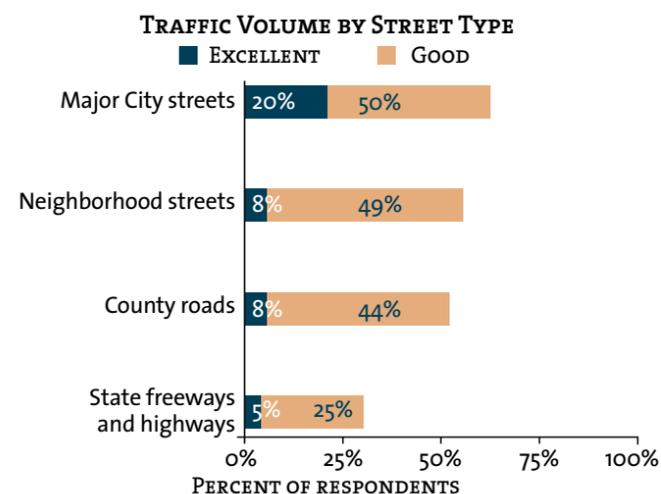
DID YOU KNOW?

Public Works' goal is to respond to reports of potholes within 24 hours of being notified. Pothole repairs are prioritized by size, number and street traffic volume. Potholes are repaired by Street Maintenance workers in order of priority.

PUBLIC WORKS MAINTENANCE DIVISION BY THE NUMBERS

The City's Maintenance Division maintains:

- 29 MILES OF BICYCLE LANES
- 50 CITY-OWNED FACILITIES
- 78 PARKS AND PLAYGROUNDS
- 253 MILES OF STORM SEWERS
- 342 MILES OF STREETS AND BIKE LANES
- 512 MILES OF CUL-DE-SACS
- 600 MILES OF CURBS AND GUTTERS
- 4,339 STREET LIGHTS



positive ratings from more than 70 percent of residents.

Seven in 10 residents felt that traffic volume on their streets was excellent or good compared to 3 in 10 who gave positive ratings to traffic on state freeways and highways.

The survey also found that a majority of residents were willing to pay additional property taxes to improve the condition of Bloomington streets. Sixty-four percent of respondents stated that they were willing to pay additional property taxes for this purpose. Nineteen percent were willing to pay up to \$0.99 per month and 31 percent were willing to pay between \$1 and \$2.99 per month.

For more information, visit the City's website.

WEBSITE KEYWORDS: STREET SURVEY.

A CLEAN SWEEP

Street Maintenance crews have their work down to an art form. In addition to snowplowing in the winter, Street Maintenance conducts an annual street cleaning and repair campaign every spring and summer. The campaign begins with the Pavement Management Program for the maintenance and reconstruction of Bloomington roadways. During the spring, Public Works puts the program into motion by first organizing the city into 10 zones.

According to Assistant Maintenance Superintendent Ken Frosig, the zones that are designated priorities are those closest to lakes, ponds and streams.

"Our goal is to prevent debris and runoff from infiltrating our water," Frosig said.

Sweeper and flush trucks work together to tackle dust and debris left over from the long winter. Then an eco-friendly sweeper removes fine sand and silt using a controlled blast of air to dislodge tiny particles from the street's surface. The end result is a clean street from curb to curb.

Bloomington is a critical and geographically well-positioned transportation corridor. The old expression for successful business, 'location, location, location,' applies. Our company is fortunate to have a great location in Bloomington along I-494 and I-35W. We appreciate the cooperative relationship shared with City staff and that the Planning Commission and City Council have supported our business."

Linda McKinty, Director of Real Estate and Development, Luther Automotive





Infiniti of Bloomington auto dealership and service center along I-35W near American Boulevard is adding to the existing dealership and nearly tripling its size. The reconstruction provides enhanced sales and service areas. Anticipated completion is fall 2015.

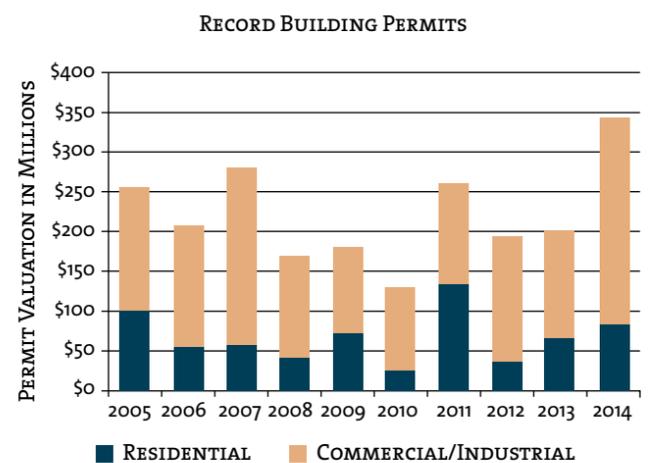


SHAPING A SUCCESSFUL FUTURE

The City's primary goal is to build community, but in order for a community to thrive, existing assets and infrastructure must be continually updated and maintained.

In 2015, Bloomington's total assessed value is estimated to be \$11.3 billion. This is a sign that things are bouncing back from previous years—the City's historical high watermark was \$11.8 billion in 2008. When compared to other cities in Minnesota that are close to us in population, Bloomington's estimated total assessed value is more than 10 percent higher than Rochester and almost twice that of Duluth.

Last year was a record year for building permits and the growth shows no signs of stopping—a sure signal that companies and residents have confidence in the future of Bloomington. The graph at right shows a comparison over the last 10 years. The orange portion of the bars are commercial/industrial, which shows how important commercial/industrial development is to Bloomington.



MORE HOUSING OPTIONS TO CHOOSE FROM

Bloomington has more housing than in prior years, offering current and potential residents a variety of options. The latest additions include:

- **The Bluffs at Sans Pierre**, located at Lyndale Avenue and 107th Street. This development of 17 villa homes and 42 townhouses began construction in 2006.
- **The Summit at Chelsea Ridge** at Rahr Preserve, *photo at right*, located at Boone Circle and west of Dred Scott adds 14 new single-family homes.
- **Masonic Homes** plans to replace an existing portion of their building with a new 52,000-square-foot addition. The proposed addition includes a 420-seat auditorium, multipurpose gathering hall, Masons' museum, library and a Masonic lodge room. The new building will be attached to the existing building.
- **Luxembourg**, located at 5100 West 82nd Street. This is a three-story apartment building with an attached four-story parking ramp. There are 282 rental apartment units under construction.
- **Lennar's IndiGO**, located at American Boulevard and 34th Avenue, is a six-story apartment with nearly 400 units. This new development will be located across the street from the American Boulevard light rail transit platform in the South Loop. Construction begins this summer.



BUSINESS IS BOOMING IN BLOOMINGTON

Business in Bloomington is booming, as evidenced by the number of companies growing their facilities and operations in our community. Bloomington is a place where jobs are plentiful and the unemployment rate is lower than the nation, state and metro area.

- **Toro Company**, a worldwide provider of innovative turf, snow and ground-engaging equipment, and irrigation and outdoor lighting solutions, constructed a 75,000-square-foot, three-story, office building with a 282-space surface parking lot. In addition, the company is currently undergoing a major remodel of space vacated by office users. Toro celebrates its 100th anniversary this year.
- **Ziegler Cat**, *photo at right*, the heavy equipment supplier and a legacy Bloomington business, located at 94th Street on the east side of I-35W, is expanding its operations across the interstate on 96th Street. The 109,000-square-foot industrial facility is a renovation of an existing industrial building and will include new office space, warehousing and distribution, and a manufacturing space for servicing and rebuilding engines and components for their equipment. Construction is underway.
- **OATI (Open Access Technology International)**, a tech company that provides software solutions and management for the energy industry, is building a five-story, 110,000-square-foot office building and data center north of I-494 at Computer Avenue. Construction began last summer and will continue through 2015.



“Ziegler CAT has deep roots in Bloomington, which has served as our headquarters since 1958. We're excited to expand just a few blocks away from our headquarters, and we look forward to maintaining our partnership with the City. With its close proximity and accessibility for our employees and customers, and our longstanding relationship with City professionals, Bloomington continues to be a great home.”

William L. Hoeft,
President and CEO,
Ziegler CAT



a growing, thriving community



HOSPITALITY INDUSTRY CONTINUES TO GROW

Hospitality is also expanding in Bloomington with four new hotels under construction in 2015. The hotels are part of the growing lodging industry in Bloomington. The steady growth of hotel rooms, many located in the South Loop District, strengthens Bloomington's status as a premier destination.

- **TownePlace Suites**, pictured at right, will be located on the corner of 24th Avenue and Lindau Lane. This 118-room hotel at Bloomington Central Station will open this summer. This is the first "new" construction on the extension of Lindau Lane and Lindau Link.
- **The Hyatt Regency Hotel**, pictured above right, a 302-room, full-service hotel, is under construction at Bloomington Central Station. It is scheduled to open spring 2016.
- **AC Hotels by Marriott** has proposed a hotel on the corner of 24th Avenue and Lindau Lane. The plan consists of a five-story, 148-room hotel with a full-service, 50-seat restaurant that includes a patio adjacent to a public plaza. The project will also include a 300-space parking structure. Future phases of the site will include a restaurant, coffee shop and retail building.
- **JW Marriott Hotel** is under construction at Mall of America. The 342-room hotel is part of a larger development that includes retail and office. The project will be completed in phases in 2015.
- **Home2Suites by Hilton**, pictured at top, a 107-room extended stay hotel (the first in Minnesota), is being constructed in the Penn-American District. It is scheduled to open in late 2015.



PEDESTRIAN AND BICYCLE TRAIL IMPROVEMENTS

Several trail improvements are slated to begin this summer, including the long-awaited rehabilitation of the Old Cedar Avenue Bridge over Long Meadow Lake. This two-year project will reopen the historic bridge, providing access to trails along the Minnesota River and a river crossing connection.

Many crosswalk enhancements are in the works to make pedestrian crossings safer near American Boulevard, Bush Lake Beach, Kennedy High School, Valley View Middle School and Oxboro Library.

The City is also moving ahead with plans to replace aging playground equipment at DuPont Playlot, 8807 Dupont Avenue South, and Hampshire Hills Park, 10601 Louisiana Avenue South. Other amenities including benches and bike racks should be completed by the fall.

For more information, visit the City's website.

WEBSITE KEYWORDS: PARK IMPROVEMENTS.



PARKS AND RECREATION

BY THE NUMBERS

Enjoying the City's many parks, trails, playgrounds and open spaces is a big part of life in Bloomington. Here's a look at some of our numbers.

- 1,678 ACRES OF PARKS, PLAYGROUNDS, PLAYFIELDS AND CONSERVATION AREAS
- 97 PARKS
- 80 BASEBALL/SOFTBALL FIELDS
- 53 TENNIS COURTS
- 35 OUTDOOR BASKETBALL COURTS
- 31 SOCCER FIELDS
- 15 PICNIC SHELTERS
- 7 FOOTBALL FIELDS

"United Properties is proud to be part of Bloomington's growth. Besides being our corporate home, Bloomington offers a diverse housing stock, quality office opportunities and with Mall of America a retail offering second to none. The foresight of Bloomington's leadership continues to pay big dividends."

*Keith Ulstad, Senior Vice President
Retail Investment & Development,
United Properties*



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.

	2013 ACTUAL EXPENDITURES	2014 BUDGET	2014 ACTUAL EXPENDITURES	2015 BUDGET	ESTIMATED NET PROPERTY TAX*
POLICE	\$21,254,658	\$22,258,401	\$22,134,712	\$22,920,461	\$24.67
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	9,820,699	10,074,246	9,888,895	10,924,205	15.38**
Public Works provides safe and efficient transportation routes throughout Bloomington, provides snowplowing services, maintains the City's streets, parks, vehicles and public facilities, and reviews the impact construction and development projects will have on local and regional infrastructure.					
COMMUNITY SERVICES	12,035,176	12,331,880	12,086,024	12,892,096	14.36†
Community Services offers human services programs, manages parks and recreational activities, produces communication materials and provides public health services.					
COMMUNITY DEVELOPMENT	6,477,924	6,985,873	6,693,650	6,712,942	4.09
Community Development partners with the community to enhance Bloomington through planning, economic development and redevelopment activities. The department promotes health and safety by obtaining compliance with state and City codes.					
FIRE	3,320,968	3,129,258	3,167,873	4,113,931	4.98
The Fire Department protects the community by performing rescues, responding to fires, emergencies and hazardous materials incidents, and conducting Fire Code inspections and fire cause investigations.					
TECHNICAL SERVICES	2,623,184	2,694,522	2,638,080	2,786,071	***
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	1,203,981	1,285,931	1,308,133	1,319,783	***
Legal prosecutes misdemeanors and advises the City Manager, City Council, City departments, and advisory boards and commissions.					
FINANCE	1,007,740	1,087,212	1,054,512	1,057,734	***
Finance provides financial management and internal support services to other departments.					
HUMAN RESOURCES	578,490	670,161	575,894	671,765	***
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	786,972	918,912	828,799	935,481	***
Legislative power is vested in an elected, part-time city council consisting of a mayor and six councilmembers, which appoints citizens to advisory commissions. A city manager administers City business, appoints all other employees and performs duties as directed by the council.					
TOTAL	59,109,742	61,042,228	60,376,572	64,334,469	

* Net property tax is the portion of the levy allocated to these services per month for the median-valued home. For the net property tax calculation, departments with programs that generate fee revenue have that revenue applied to their budget before property tax. Out of the \$71.64 the owner of a median-valued home pays for City services, \$59.66 goes to the General Fund.

** Includes \$958,134 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 \$2.26 of this total.

2015 OPERATING REVENUE SOURCES

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

Property taxes	\$47,672,122
Fees/charges	28,776,300
Program income	7,831,609
Lodging/admissions	7,936,905
Transfers/other	5,814,817
Intergovernmental	3,773,869
Licenses/permits	5,125,800
Special assessments	3,446,697
Fines/forfeitures	1,371,250
Franchise fee	1,416,000
Total revenues	\$113,165,369

2015 BUDGETED EXPENDITURES

The City's budgeted expenditures for 2015 total \$116,798,680.*

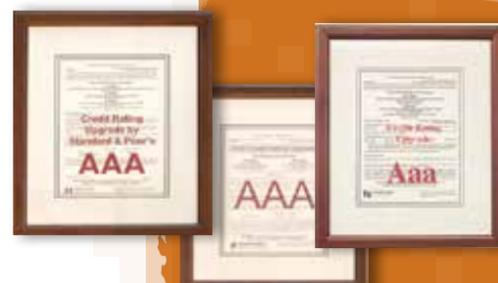
General Fund	\$63,990,682
Enterprise Funds	38,635,819
Special Revenue Funds	6,508,860
Debt Service Funds	7,663,319
Total expenditures	\$116,798,680

* The \$2,663,311 difference between 2015 revenues and expenditures is the planned expenditure(s) of reserves for Capital Projects, see page CR 8.

Mall of America and the City of Bloomington have worked closely together for more than 23 years to develop new offerings for both residents and visitors. The Mall is and has always been dedicated to bringing new growth to this market. Our current expansion

includes additional retail offerings, corporate spaces and tourism projects to enhance the Bloomington area."

Rich Hoge,
Vice President of
Operations, Mall
of America



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. Bloomington is currently the only Minnesota city to hold all three highest ratings.

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

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

reaching our budget goals

ENTERPRISE FUNDS

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

		2013 OPERATING EXPENSES	2014 BUDGET	2014 OPERATING EXPENSES	2015 BUDGET	AVERAGE FEES PER MONTH
COMMUNITY SERVICES	RECREATIONAL FACILITIES	\$5,400,202	\$5,286,960	\$5,713,200	\$5,615,511	\$2.26*
PUBLIC SAFETY	CONTRACTUAL POLICE	620,702	600,000	608,000	600,000	--
PUBLIC WORKS	SOLID WASTE MANAGEMENT	1,227,066	1,678,273	1,602,023	1,958,891	2.84**
	STORMWATER UTILITY	3,219,208	6,089,003	3,434,159	6,449,545	5.95
	WATER/WASTEWATER UTILITY	22,737,924	24,320,350	22,926,265	23,261,146	34.68***
TECHNICAL SERVICES	MOTOR VEHICLE OFFICE	623,713	631,535	632,321	720,726	--

* Included in the \$14.36 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 for water and 4,740 gallons per month for sewer.

INTERNAL SERVICE FUNDS

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

	2013 OPERATING EXPENSES	2014 BUDGET	2014 OPERATING EXPENSES	2015 BUDGET
BENEFIT ACCRUAL	\$1,959,341	\$1,398,128	\$1,649,923	\$1,793,631
EQUIPMENT FUND	6,119,165	7,003,551	6,805,691	8,560,551
FACILITIES MAINTENANCE AND REPLACEMENT	9,567,643	11,096,953	10,368,930	10,819,564
INFORMATION SYSTEMS	4,050,290	6,650,053	5,160,462	4,850,471
INSURED BENEFITS	8,207,552	8,658,100	8,581,754	9,010,958
PUBLIC SAFETY RADIO	448,084	283,184	439,410	686,901
SELF-INSURANCE	2,076,965	1,650,469	1,778,253	2,006,980
SUPPORT SERVICES	495,524	499,152	490,979	534,658

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.

		2013 OPERATING EXPENDITURES	2014 BUDGET	2014 TOTAL EXPENDITURES	2015 BUDGET	FUNDING
COMMUNITY DEVELOPMENT	SOUTH LOOP REVOLVING FUND	\$7,697	\$6,261	0	0	Environmental review fees
COMMUNITY SERVICES	COMMUNICATIONS	1,371,583	1,559,319	1,509,861	1,542,338	Franchise fee/ other fund charges
	PUBLIC HEALTH SPECIAL REVENUE	1,661,735	1,610,613	1,282,395	1,351,560	State grants
	PARK GRANTS	11,254	113,000	11,227	64,000	State and federal grants
PUBLIC SAFETY	PUBLIC SAFETY SPECIAL REVENUE	3,362,314	3,764,541	3,762,872	2,329,854	Forfeited assets and grants
	FIRE GRANTS	159,305	44,770	212,233	395,000	and one-time reimbursement*/ property taxes**
CITY CLERK	CEMETERY TRUST	2,547	535,536	449,765	338,617	Lot sales
PUBLIC WORKS	ENERGY EFFICIENCY BLOCK GRANT	22,534	0	0	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.

RESIDENTIAL PROPERTY TAX, WATER AND SEWER RATES

In 2014, the monthly costs to residents in eight cities for single-family property taxes plus water, sewer and water-softening services ranged from \$195 in Edina (including in-home, water-softening costs) to \$121.73 in Bloomington for City-softened water.

2014 MONTHLY COSTS FOR PROPERTY TAXES, WATER, SEWER AND WATER-SOFTENING SERVICES



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

* Cities that soften water before distribution.

“As our company grew in the 1950s, so did our need for larger facilities. In 1962, after an extensive search, we opened our 33-acre Bloomington campus, choosing this diverse and thriving community to serve as our global headquarters. Bloomington continues to offer high quality people, a long history of success, significant opportunities for future growth and a shared commitment to our local community.”

William Cook, President and CEO, Donaldson Companies





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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City Manager

Jamie Verbrugge, 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)*. This *Corporate Report to the Community* summarizes significant data from the 2014 CAFR and the 2015 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.

Minnesota state law requires that "A city or county with a population of more than 15,000 must annually notify its residents of the positions and base salaries of its three highest-paid employees." For the City of Bloomington, names, titles and salaries are: Jamie Verbrugge, City Manager – \$165,000; Karl Keel, Public Works Director – \$160,442; and Larry Lee, Director of Community Development – \$154,439.

CAPITAL PROJECTS

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

UTILITIES INFRASTRUCTURE

- Water distribution and sewer collection system improvements: \$750,000.
- Well and well house maintenance projects: \$45,000.

PARK IMPROVEMENTS

- Replace playground equipment at Dupont Playlot and Hampshire Hills Park to meet current safety and accessibility



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 street repair and replacement, and maximizes process efficiency by identifying the optimum time to replace or repair streets. In 2015, approximately \$10 million will be invested in street reconstruction, which will be funded through debt service.

DEBT SERVICE

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.

2013 ACTUAL EXPENDITURES	2014 BUDGET	2014 ESTIMATED EXPENDITURES	2015 BUDGET	AVERAGE NET PROPERTY TAX PER MONTH
\$11,058,597	\$20,150,327	\$20,103,025	\$10,128,335	\$7.56

OUTSTANDING DEBT

The City's total outstanding debt on December 31, 2014, was \$62,415,000. The total legal debt limit for Bloomington is \$313 million. The City's net debt per capita is \$523. *See right.* Refunding bonds of \$1,225,000, which were paid on February 1, 2015, are included in the amounts listed at right. More than 50 percent of Bloomington's debt will be paid off in 10 years—a sign of strong financial management.

CITY OF BLOOMINGTON BONDS

General Obligation (G.O.) Bonds	\$ 4,280,000
G.O. Improvement Bonds	50,930,000
G.O. Tax Increment Bonds	2,970,000
Capital Improvement Plan Bonds	4,235,000
SUBTOTAL	\$ 62,415,000
<i>Less: Funds on hand</i>	<i>(17,073,317)</i>
TOTAL NET DEBT	\$ 45,341,683
NET DEBT per capita	\$ 525