

City of Bloomington, Minnesota
Annual Budget

Fiscal Year 2009



Budget Overview

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2009 Budget Summary – All Funds

(Excludes Capital Project Funds)

BUDGETED REVENUES			
	2009	2008	2007
GENERAL FUND			
Property Taxes	\$ 35,850,067	\$ 34,034,387	\$ 32,312,819
Hotel-Motel Admissions Tax	6,006,965	6,477,228	5,807,040
Building Permit Fees	2,810,700	2,846,400	2,995,000
License Fees	1,426,850	1,420,125	1,393,435
Fines & Forfeits	1,012,811	1,087,792	1,063,335
Program Income	2,209,940	2,207,855	2,299,309
Intergovernmental Revenue	2,063,977	2,121,064	2,109,394
Interest Earnings	511,560	504,000	400,000
Miscellaneous Revenues	281,016	252,718	236,504
Transfers from Other Funds	2,585,667	1,040,474	1,073,453
	<u>\$ 54,759,553</u>	<u>\$ 51,992,043</u>	<u>\$49,690,289</u>
SPECIAL REVENUE FUNDS			
Health Special Revenue	\$ 983,762	\$ 834,177	\$ 737,716
DWI Forfeiture	113,500	112,000	109,000
Enhanced 911	131,000	127,500	124,500
Drug Forfeiture	135,000	130,000	126,000
Police Grants	68,000	15,000	15,000
Pension Residual	458,534	647,023	715,966
Communications	1,352,100	1,156,400	953,400
Airport South	576,000	787,378	1,071,059
	<u>\$ 3,817,896</u>	<u>\$ 3,809,478</u>	<u>\$ 3,852,641</u>
DEBT SERVICE FUNDS			
Special Assessments	\$ 2,000,000	\$ 2,000,000	\$ 1,800,000
Tax Levy	3,394,509	3,050,682	3,051,966
Interest on Investments	200,000	200,000	200,000
	<u>\$ 5,594,509</u>	<u>\$ 5,250,682</u>	<u>\$ 5,051,966</u>
ENTERPRISE FUNDS			
Recreational Facilities			
Golf Courses			
- Operating	\$ 1,962,500	\$ 1,961,000	\$ 1,934,500
- Non-Operating	60,000	60,000	60,000

City of Bloomington, Minnesota

BUDGETED REVENUES			
	2009	2008	2007
ENTERPRISE FUNDS (continued)			
Ice Garden			
- Operating	\$ 1,377,000	\$ 1,341,915	\$ 1,155,564
- Non-Operating	6,000	5,000	470,000
Aquatic Facilities			
- Operating	796,661	742,625	717,569
- Non-Operating	12,500	12,500	12,500
Center for the Arts	575,532	533,230	463,467
Water Utility			
- Operating	10,543,733	10,030,001	9,596,004
- Non-Operating	336,000	342,000	383,000
Wastewater Utility			
- Operating	9,184,012	8,841,188	8,336,646
- Non-Operating	196,000	190,000	200,981
Storm Water Utility			
- Operating	4,264,606	3,975,100	3,910,915
- Non-Operating	1,150,000	130,000	130,000
Solid Waste Utility			
- Operating	1,003,880	856,624	826,164
- Non-Operating Revenues	165,200	7,500	7,500
Contractual Police	540,000	540,000	525,000
Motor Vehicle	630,580	594,585	566,745
	\$ 32,804,204	\$ 30,163,268	\$ 29,296,555
INTERNAL SERVICE FUNDS			
Support Services	\$ 687,641	\$ 687,400	\$ 620,336
Equipment Fund			
- Operations & Maintenance	3,350,586	3,175,099	3,057,453
- Replacement Reserve	1,844,887	1,856,002	1,774,625
- Fire Equipment	550,000	550,000	550,000
- Police – Small Equipment	35,747	34,500	45,000
Information Systems	3,144,855	3,006,920	3,018,048
Radio	384,899	400,817	269,263
Insured Benefits	8,702,652	7,665,898	7,491,063
Self-Insurance	973,521	923,774	0
Benefit Accrual	3,597,885	1,183,875	0
Facilities Replacement			
- Admin. & Maintenance	2,966,405	2,812,899	2,846,791
- Police/City Hall Replacement	1,129,450	1,091,017	1,164,124
- Fire Station Maintenance	233,555	0	0
- Park Building Maintenance	458,023	0	0
	\$ 28,060,106	\$ 23,388,201	\$ 20,836,703
Strategic Priorities Tax Levy	\$ 0	\$ 838,972	\$ 680,161
Pavement Management Program	1,443,316	2,003,403	1,679,627
TOTAL REVENUES	\$126,479,584	\$117,446,047	\$111,087,942

BUDGETED APPROPRIATIONS			
	2009	2008	2007
GENERAL FUND			
General Government	\$ 411,524	\$ 372,009	\$ 352,088
City Manager	333,631	313,915	297,852
Legal	1,102,407	1,050,158	1,009,738
Human Resources	779,232	710,537	758,273
Finance	1,225,505	1,296,869	1,247,007
Public Safety – Police	19,122,299	17,928,595	16,822,635
- Fire	2,985,022	2,779,720	2,670,237
Community Development	6,079,924	5,742,715	5,582,554
Community Services	8,694,034	8,480,788	8,175,298
Public Works	11,808,895	11,285,911	10,855,890
Technical Services Group	2,340,372	2,218,974	2,109,146
Contingency	1,354,765	1,305,918	1,234,194
Estimated Unexpended	(1,775,557)	(1,518,066)	(1,424,623)
Transfers Out	297,500	24,000	0
	\$ 54,759,553	\$ 51,992,043	\$ 49,690,289
SPECIAL REVENUE FUNDS			
Health Special Revenue	\$ 983,256	\$ 864,220	\$ 761,181
DWI Forfeiture	117,857	114,826	111,717
Enhanced 911	62,694	60,574	65,049
Drug Forfeiture	178,769	374,753	145,472
Police Grants	68,000	15,000	15,000
Pension Residual	1,002,000	1,263,023	1,462,966
Communications	1,592,296	1,183,744	952,642
Airport South	576,000	681,150	1,036,259
	\$ 4,580,872	\$ 4,557,290	\$ 4,550,286
DEBT SERVICE FUNDS			
Bond Principal	\$ 4,025,000	\$ 9,345,000	\$ 3,125,000
Bond Interest	1,874,991	1,775,386	1,597,159
Service Charges	3,000	3,000	3,000
	\$ 5,902,991	\$ 11,123,386	\$ 4,725,159
ENTERPRISE FUNDS			
Recreational Facilities			
Golf Courses			
- Operating	\$ 1,879,633	\$ 1,823,656	\$ 1,843,055
- Capital	74,900	68,000	49,000
Ice Garden			
- Operating	1,045,307	1,005,016	876,827
- Capital	85,000	236,166	1,002,100
- Debt Service	188,578	199,425	245,025
Aquatic Facilities			
- Operating	943,638	911,966	793,010

City of Bloomington, Minnesota

BUDGETED APPROPRIATIONS			
	2009	2008	2007
ENTERPRISE FUNDS (CONTINUED)			
Center for the Arts	\$ 634,617	\$ 583,949	\$ 546,306
Water Utility			
- Operating	10,487,348	9,955,832	9,777,963
- Capital	1,803,000	1,460,000	1,580,000
Wastewater Utility			
- Operating	8,954,117	8,795,196	8,254,713
- Capital	1,640,000	2,795,000	1,285,000
Storm Water Utility			
- Operating	3,179,135	2,735,508	2,136,372
- Capital	2,485,000	2,035,000	1,502,100
- Debt Service	92,183	154,581	222,910
Solid Waste Utility			
- Operating	1,220,136	806,141	807,719
- Capital	25,000	25,000	25,000
Contractual Police	540,000	540,000	525,000
Motor Vehicle	600,649	582,080	560,649
	\$ 35,878,241	\$ 34,712,516	\$ 32,032,749
INTERNAL SERVICE FUNDS			
Support Services	\$ 688,277	\$ 679,858	\$ 1,122,231
- Capital	75,000	97,000	27,000
Equipment Fund			
- Operations & Maintenance	3,351,961	3,195,595	3,077,071
- Capital	20,600	20,000	20,000
- Replacement Capital	1,820,000	1,816,000	1,860,107
- Fire Equipment	500	210	210
- Capital	371,000	385,000	371,000
- Police Small Equipment	22,100	59,500	24,100
Information Systems			
- Operating	4,294,189	4,096,955	4,013,638
- Capital	30,000	640,000	135,000
Radio			
- Operating	417,269	199,659	236,591
- Capital	0	371,190	106,000
Insured Benefits	8,650,029	7,735,000	7,071,953
Self Insurance	1,369,000	1,462,008	0
Benefit Accrual	1,636,376	1,086,650	0
Facilities Replacement.			
- Admin. & Maintenance	3,831,149	3,071,241	2,748,993
- Police/City Hall Replacement	754,958	758,970	783,500
	\$ 27,332,408	\$ 25,674,836	\$ 21,597,394
TOTAL APPROPRIATIONS	\$ 128,454,065	\$ 128,060,071	\$ 112,595,877

2009 Budget Summary – All Funds

As noted in the introduction to the Financial Management Policies, the budget is a blueprint for City services and plans for fiscal year 2009.

The purpose of the budget is to communicate the financial plans of the City and its allocation of resources. This document expresses priorities, goals, plans and targets. The budget is an implementation plan to achieve the City's goals and objectives.

Two-Year Budget

The City of Bloomington has a two-year budget cycle. The 2009 Budget and related property tax levies were approved by the City Council and certified to Hennepin County in December, 2008. The 2010 Budget and related levies were approved in concept by the City Council at the same time. During 2009, the proposed 2010 Budget will be reviewed and refined, where necessary, before adoption by the City Council and certification to the County in December, 2009.

Adopted 2009 Budget

The 2009 Budget Summary schedule is shown on Pages 33 through 36. The budgeted revenues, including transfers in, for all funds total \$126,479,584. Appropriations for all funds total \$128,454,065. The \$1,974,481 differential comes from existing fund balances or retained earnings, as appropriate.

The General Fund is balanced, with revenues equaling expenditures. The expenditure budget includes a contingency of \$1,354,765, 2.5 percent of the proposed budget, that is available for emergencies or unanticipated costs or opportunities.

The Special Revenue Funds' revenue budget of \$3,817,896 is \$762,976 less than budgeted expenditures of \$4,580,872. This is primarily the result of a refined 20-year plan adopted by the City Council in 2008 for the Pension Residual Fund. The City's consolidated Police Pension Fund, which was merged with the statewide Police and Fire Pension Fund, was subsequently closed at the end of 1999, and residual assets (assets in excess of the actuarial value of future obligations) totaling \$26.6 million were returned to the City in December 1999. The residual assets must be spent to offset police operating and capital expenses.

Debt Service Fund revenues of \$5,594,509 are \$308,482 less than the \$5,902,991 required to meet debt service payments. This difference will be covered by Fund Balance in these funds.

The Enterprise Funds' budgets with revenues of \$32,804,204 and expenses of \$35,878,241 result in a net decrease of \$3,074,037. Most of the decrease is due to capital spending in the Utility Funds, accrued for several years for improvements to the water, wastewater and storm water systems.

The \$727,698 increase in the Internal Service Funds results from revenues of \$28,060,106, exceeding expenses of \$27,332,408. This increase is the result of transfer of Transitional Reserve funds to the Accrued Benefit fund.

Revenues

Excluding Internal Service Funds and Capital Project Funds, the largest sources of revenue are described below. The largest five categories account for 87 percent of the revenue budget.

Property Taxes - The largest source of revenue is property taxes of \$42,939,295 comprising 44 percent of total revenues. Property taxes are levied for several different City purposes. The largest portion of property tax is sent to the General Fund to support general taxpayer services such as police and fire protection, street plowing and repair, and human service programs. For 2009 this levy is prorated across the tax base according to market values set at the beginning of 2008 from sales data gathered from October 2006 to September 2007.

Property taxes are also levied to pay debt service and tax abatement and to support recreational facilities and the Pavement Management Program (PMP).

Utility Fees - Utility fees for water, sewer, storm water and waste account for \$25,147,731 of the City's revenues or 26 percent. Fees are charged for purchase of water and sewer service, storm water management and the City wide recycling and solid waste programs. Rates are determined by calculating the amount of funding needed to cover operations and future capital costs less any other operating revenue, grants or intergovernmental funds predicted to be received by each utility operation.

Program Income – Program income for all budgeted funds is \$7,317,568, or seven percent of revenue. Program income includes funds received from fee-supported services such as green fees, pool admissions, sport team fees, and health examination fees. Fees are reviewed every year and most fees are increased by an inflation factor annually. Program revenue growth is expected to stay flat for 2009.

Lodging and Admission Taxes – These taxes account for \$6,006,965 of City revenues, or six percent. Lodging taxes of 7% are collected from the sale of hotel and motel lodging accommodations and related services for a period of fewer than 30 days. Lodging tax is expected to decrease by at least 10% in 2009 due to the economic recession impact on lodging stays. An admission tax of 3% is collected on every entertainment event in the City including theater tickets and cover charges at entertainment venues. Admissions tax is expected to increase by 11% in 2009 after holding flat for the 2007 and 2008 budgets. Actual revenues received in 2008 were 14% greater than budget.

Permits and License Fees – Permits and license fees of \$4,257,550 account for four percent of total revenues. Permits are required for most construction projects and major remodeling projects. Licenses are required for certain businesses such as taxi cabs and locations selling liquor or beer and for cats and dogs in the City. License revenue is expected to remain flat and permit revenue is expected to decrease substantially based on the drop in construction.

Intergovernmental Revenue – Intergovernmental revenue includes PERA (retirement) aid for the Police, grants for health and public safety programs. The 2009 Budget includes a 3% decrease in this type of revenue anticipating a reverse in the slight trend upward from prior years.

2009 Annual Budget

Other Revenue – This category includes transfers in from other funds, such as the Police Pension Residual fund and the Airport South funds. Also included here are cell tower rental income and donations.

Special Assessments – These funds are collections from specific projects that require a payment from the taxpayer, such as street reconstruction, which is charged 25% to the homeowner on that street. This also includes services performed by the City and billed to the property owner such as delinquent weed mowing charges.

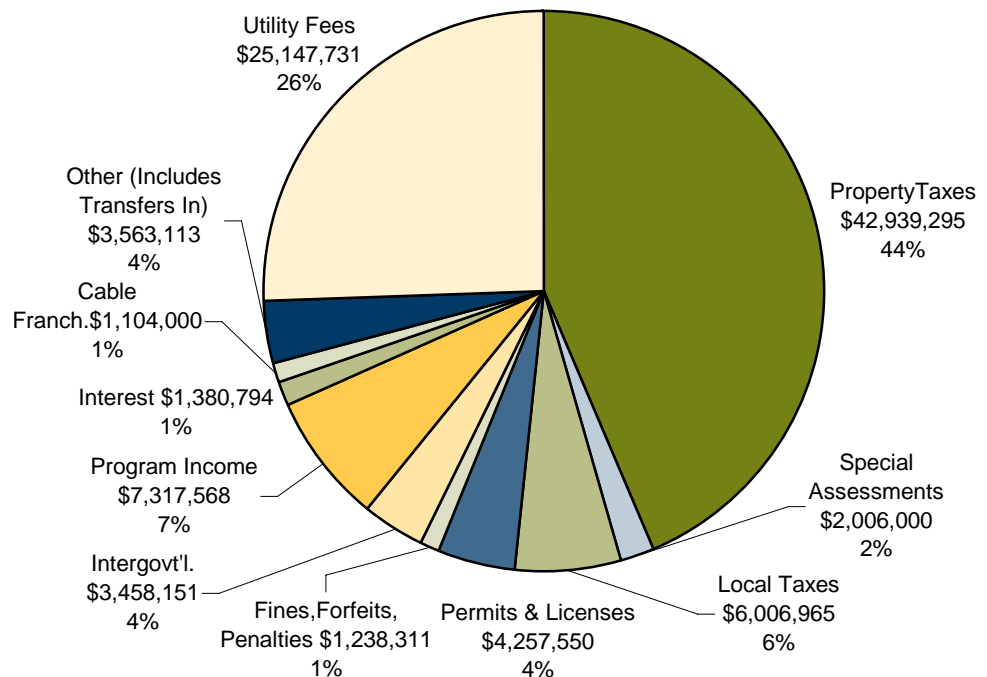
Interest Earnings – Earnings are dependent on interest rates and amount of funds available to invest.

Fines, Forfeitures, Penalties – These funds are the City's share of police patrol traffic citations and other funding coming from the court system. The 2009 budget for this revenue is almost 7% less than the 2008 budget including the revised State formula for local distribution.

Cable Franchise Fee – This funding is paid by the cable television franchise participants in the City of Bloomington based on gross receipts.

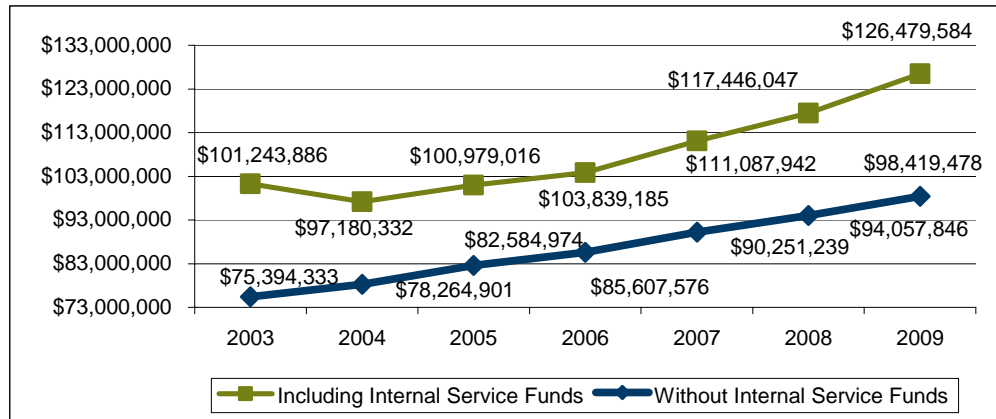
2009 Budgeted Revenues

All Budgeted Funds (Except Internal Service Funds)

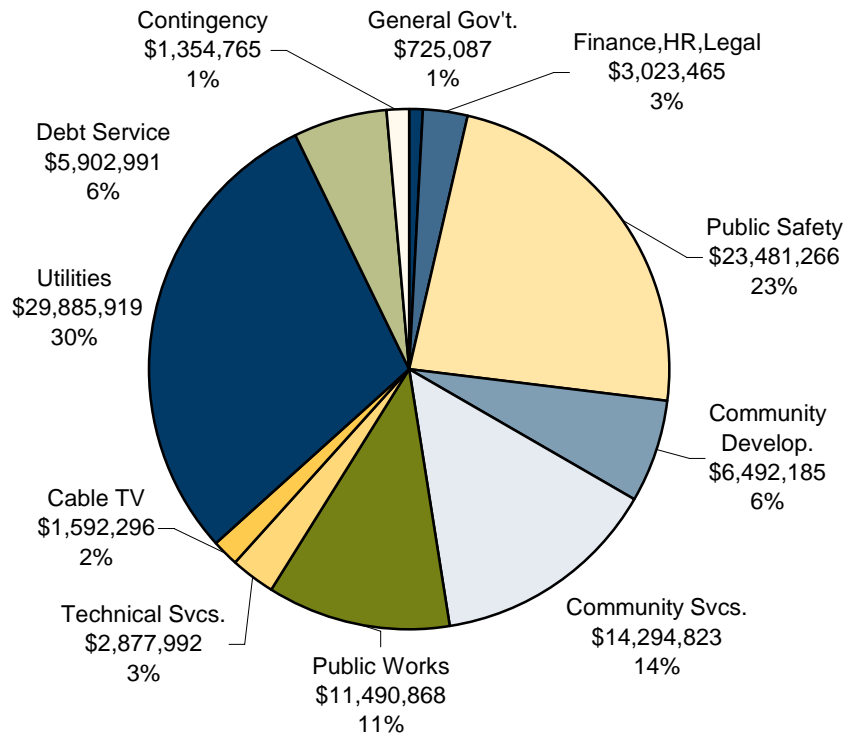


Total Budgeted revenues for all funds equal \$126,479,584. Excluding internal service funds, total revenues equal \$98,419,478 as shown in the graph by major source.

Total Budgeted Revenues



2009 Budgeted Appropriations



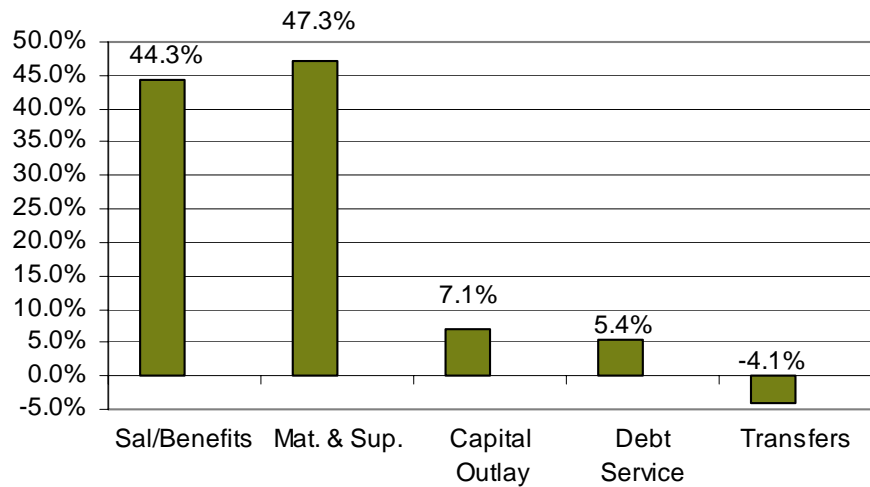
Total appropriations for the General Fund, Special Revenue, Debt Service and Proprietary Funds equal \$128,454,065. Not including Internal Service Funds, total appropriations equal \$101,121,657. Major programs and funds are shown in the above graph.

2009 Annual Budget

The five largest components of the 2009 budget, accounting for 84 percent of the appropriations, in descending order based on dollars are as follows:

Utilities	\$29.9 million	30%
Public Safety	23.5 million	23%
Community Services	14.3 million	14%
Public Works	11.5 million	11%
Community Development	6.5 million	6%

All Funds – Appropriations by Categories



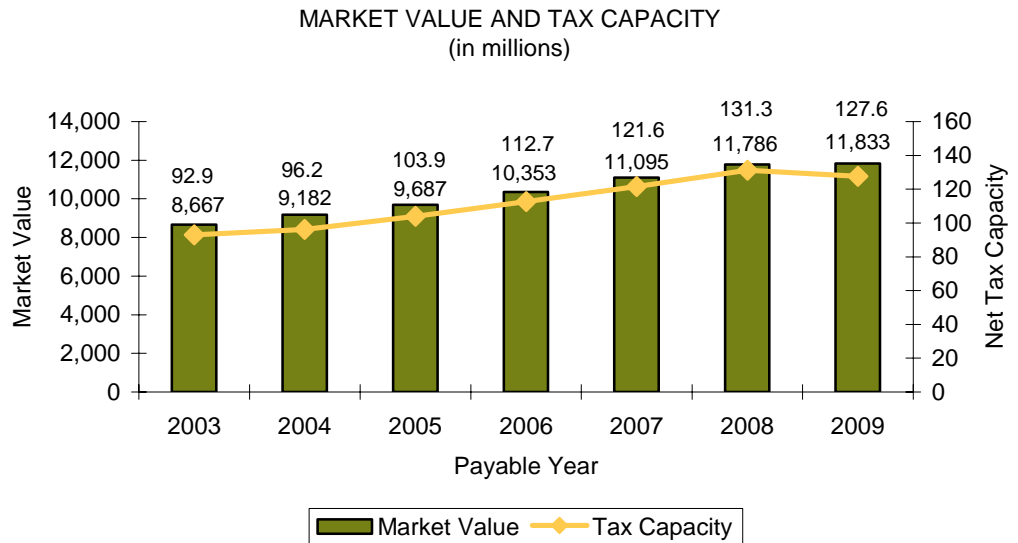
The City's expenditures are budgeted in five major spending categories: salaries and benefits, materials and supplies, capital, debt service and transfers. This chart shows the break down of expenditures by spending category.

Tax Base

While market values used to calculate 2009 taxes increased by 0.39 percent overall, net tax capacity increased by 1.68 percent as a result of shifts in valuation of different property classes.

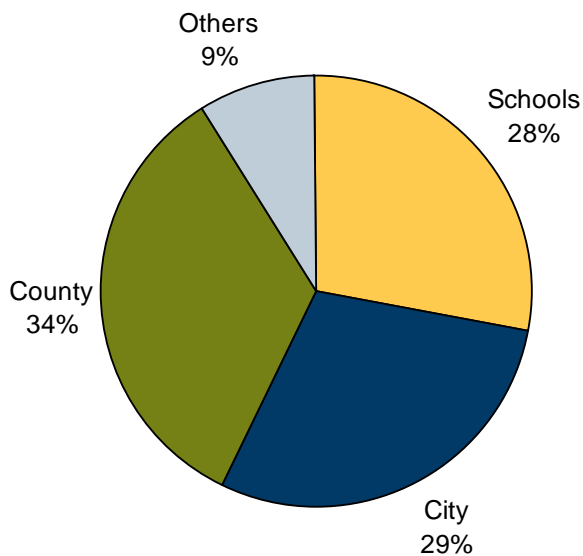
Residential and apartment property tax capacity decreased by less than 2.4 percent and commercial/industrial property tax capacity increased by more than 6 percent.

Tax Capacity (\$ in millions)



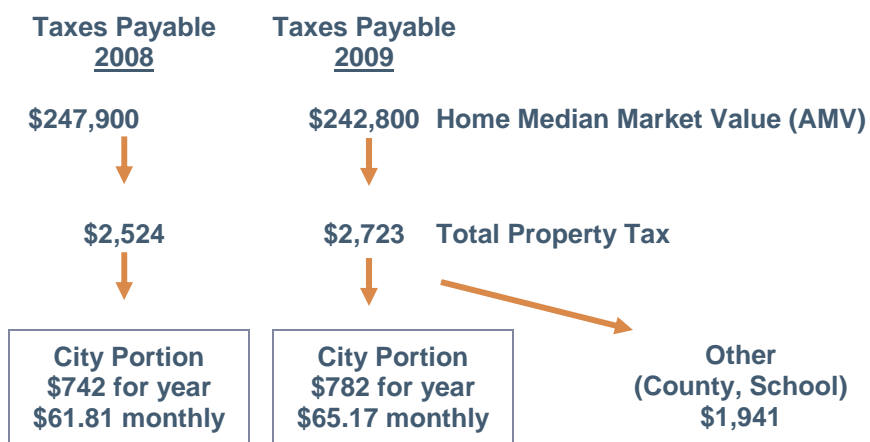
As a result of the 2001 property tax reform that became effective for 2002, a shift of tax base from commercial/industrial to residential property occurred. The shift continued into 2006 with market value for residential property rising faster than commercial/industrial property. In 2007, the trend reversed and residential growth rates were lower than commercial growth. Total market value has continued to increase from \$8.7 billion to \$11.8 billion, a 7 percent annual average increase. Payable years 2008 and 2009 show a shift in tax base from residential to commercial property.

Taxes Payable 2009



This graph illustrates the total tax as shared by the taxing jurisdictions. Only 29 percent of the total tax is levied for City activities.

City Services



The City's levy is allocated against the tax base along with the levies for the school district, county and other local governments. A median value home in Bloomington pays on an assessed market value determined in 2008 of \$242,800. Total taxes of \$2,723 are shared by local governmental agencies.

The City's tax rate results in property taxes of \$782 annually, or \$65.17 per month on a median value home in Bloomington.

City Allocation of Property Tax Resource

The net tax cost by service expenditure was developed by crediting related revenues against the appropriate expenditures and allocating the local taxes against the remaining balances. Net monthly property tax costs for budgeted years 2007, 2008 and 2009 are as follows:

	<u>2007</u>	<u>2008</u>	<u>2009</u>
Police	\$20.27	\$19.97	\$21.88
Public Works	17.31	17.16	17.44
Community Services	8.87	8.74	9.21
Debt and Capital	5.41	5.02	5.84
Fire	3.63	3.48	3.81
Community Develop.	3.61	3.65	3.99
Technical Services	2.55	2.53	2.67
Strategic Priorities	1.17	1.41	0.00
Tax Abatement	<u>0.00</u>	<u>0.00</u>	<u>0.33</u>
	\$62.82	\$61.96	\$65.17

Levy Components

The dollars levied in 2009 by fund as compared to the 2008 levy are illustrated in the following table:

<u>Fund</u>	<u>2008</u>	<u>2009</u>	<u>Current % Increase (Decrease) Over 2008</u>
General	\$35,373,723	\$37,403,049	5.74%
Debt Service	3,050,682	3,394,509	11.27
Tax Abatement	0	194,281	
Recreation Facilities	787,084	880,325	11.85
Strategic Priorities	838,972	0	
Pavement Management	<u>2,003,403</u>	<u>1,443,316</u>	<u>(27.96)</u>
Total	<u>\$42,053,864</u>	<u>\$43,315,480</u>	<u>3.00%</u>

The 3.00 percent levy increase is made up of the following:

- (0.1) percent decrease for the City's primary operations
- 3.1 percent for anticipated possible loss of 2009 Market Value Credit

The City's general fund levy increased from 2008 to 2009 by 5.74 percent or \$2,767,510. The 2009 General Fund budget reflects a slight increase in constant spending level from 2008 and a loss of Market Value Credit.

Strategic Priorities includes funding needs identified through City Council strategic planning and prioritization processes to continue to invest in and renew the community and the municipal organization. The Strategic Priorities levy was shifted in its entirety to the General Fund in 2004 as part of the City's downturn strategies. The Strategic Priorities levy for 2005 funded an operating grant for the Center for the Arts and provided additional funding for the Pavement Management Program. In 2007 the Strategic Priorities funding for the Pavement Management Program was separated from the Strategic Priorities levy to provide a clear distinction between the activities funded by each program. The City Council is engaged in a strategic planning activity and may need access to these funds to implement plans that develop in this process.

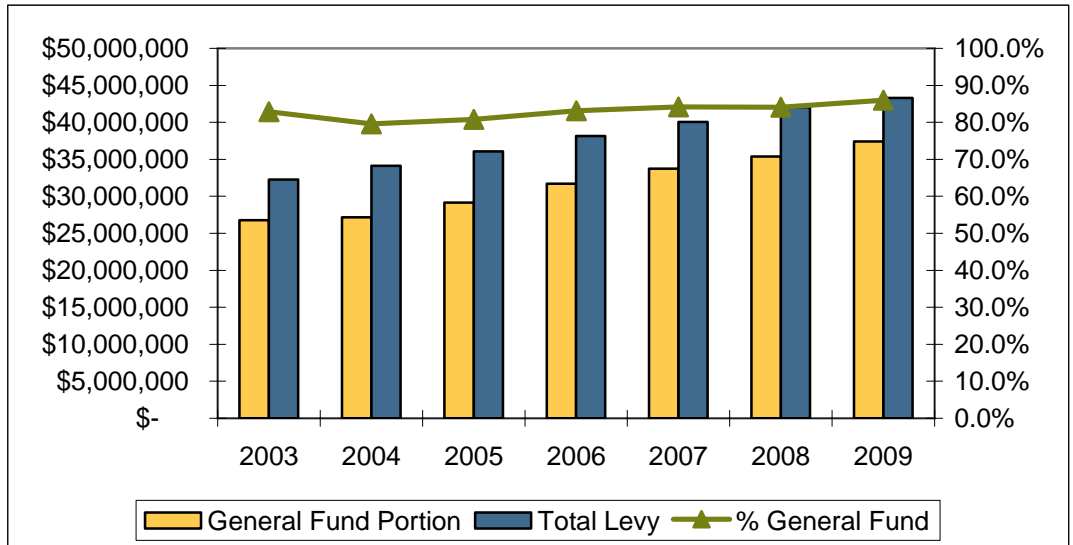
Strategic Priorities Funding

This funding is available for projects the City Council designates for funding:

2001	1,154,682
2002	1,164,438
2003	1,084,454
2004	0*
2005	1,021,805
2006	1,343,638
2007	680,161
2008	838,972
2009	0

*Used as Downturn Strategy for General Fund.

General Fund Portion of Levy



While some shifts have occurred in levies between various funds, the average increase in the gross levy over the past fifteen years is 3.52 percent; the past ten years is 4.68 percent; and the past five years is 4.89 percent.

Changes in Fund Balance and Working Capital Balance

Fund balance is defined as the difference between a fund's assets and liabilities. Adequate fund balance is necessary to have funds for emergency or unexpected events, to enhance the City's financial position and bond ratings, to provide cash for operations prior to receipt of tax revenues and to maximize investment earnings.

Working capital balance, defined as current assets less current liabilities, is carefully monitored to ensure enough financial flexibility to meet both short and long-term goals for each fund.

Fund Name	Est. YE 2008 Fund Balance	Revenues	Expenditures	Ending Balance	% Change in Fund Balance	\$ Change in Fund Balance	Reason for Greater than 10 Percent Variance
Public Health Special Revenue Funds	\$ (136,414)	\$ 983,762	\$ 983,256	\$ (135,908)	0.4%	\$ (506)	
Police Special Revenue	3,426,651	906,034	1,429,320	2,903,365	(15.3)%	(523,286)	Includes the Pension Residual Fund. City Council has established a 20-year payout to enhance Police services.
Communications	572,086	1,352,100	1,592,296	331,890	(42.0)%	(240,196)	\$300,000 for moving government access cable head operations to City.
Airport South Development	(262,485)	576,000	576,000	(262,485)	0.0%	0	
Airport South Capital	35,849,950	6,913,972	5,038,881	37,725,041	5.2%	1,875,091	
Water/Wastewater	31,128,496	20,259,745	22,884,465	28,503,776	(8.4)%	(2,624,720)	
Storm Water	21,821,578	5,414,606	5,756,318	21,479,866	(1.6)%	(341,712)	
Solid Waste	536,279	1,169,080	1,245,136	460,223	(14.2)%	(76,056)	Transfer Diseased Tree Activity from General Fund.
Recreational Facilities	6,859,237	4,790,193	4,851,673	6,797,757	(0.9)%	(61,480)	
Police Contractual	705,092	540,000	540,000	704,092	0.0%	0	
Motor Vehicle	3,602	630,580	600,649	33,533	831.0%	29,931	Restructuring to cut costs and improve health of the fund.
Information Systems	1,806,512	3,144,855	4,324,189	627,178	(65.3)%	(1,179,334)	Will purchase two major operating systems.
Equipment	6,888,492	5,781,220	5,586,161	7,083,551	2.8%	195,059	
Support Services	552,874	687,641	763,277	477,238	(13.7)%	(75,636)	\$100,000 transfer to Accrued Benefits Fund.
Public Safety Radios	1,976,340	384,899	417,269	1,943,970	(1.6)%	(32,370)	
Self-Insurance Fund	1,813,622	973,521	1,369,000	1,418,143	(21.8)%	(395,479)	Planned decrease of fund balance.
Insured Benefits	632,176	8,702,652	8,650,029	684,799	8.3%	52,623	
Accrued Benefits	(3,239,494)	3,597,885	1,636,376	(1,277,985)	60.5%	1,961,509	Transfers into Fund of \$2,239,000 to improve health of Fund.
Facilities	45,107,307	4,787,433	4,586,107	45,308,633	0.4%	201,326	

Working Capital Balances

Fund Name	Basis	Justification	Formula (if any)	Current Recommended Balance	Estimated 12/31/08 Working Capital	Estimated 12/31/09 Working Capital
General Fund	Approximately 50% of General Fund Gross Tax Levy	Cash flow – 1 st half of property taxes, including Fiscal Disparities are not received until June	$\$36,280,495 \times 50\%$	\$18,140,248	\$18,880,147	\$18,079,941
Public Health Funds State Incentive Grant	Operates on a reimbursement basis – funds must be expended to receive grant revenue. At year-end current assets equal current liabilities. No working capital.	Generally Accepted Accounting Principles		\$0	\$118,958	\$108,209
Police Special Revenue Funds	DWI Forfeiture – ½ of budgeted operations Enhanced 911 – Lump Sum Drug Forfeiture – Lump Sum Pension Residual Asset Fund	Cash flow Emergency repairs, consoles Emergency Repairs Per 20-year plan	Operating expenditures x 50%	\$59,000 \$520,000 \$20,000 <u>\$1,781,886</u> \$2,380,886	\$191,031 \$512,493 \$278,357 <u>\$2,339,029</u> \$3,320,910	\$186,674 \$383,130 \$234,588 <u>\$1,781,886</u> \$2,586,278
Communications	Volatile revenues; a reserve kept to allow budget amendment if necessary. Lump Sum	Cash flow – Franchise fee is distributed quarterly and is subject to significant fluctuations. To avoid borrowing, a substantial balance is needed Capital replacement	Cable and Franchise Fees x 50%	\$552,000 <u>\$75,000</u> \$627,000	\$881,883	\$594,996
Airport South	Permit surcharges are collected to fund studies that take place prior to project approval. No working capital	Generally Accepted Accounting Principles		\$0	\$0	\$0

City of Bloomington, Minnesota

Fund Name	Basis	Justification	Formula (if any)	Current Recommended Balance	Estimated 12/31/08 Working Capital	Estimated 12/31/09 Working Capital
Water Utility	Two months of customer revenue	Cash flow	$\$10,329,583 \times \frac{2}{12}$	\$1,722,000 +		
	Lump Sum	Unscheduled system alterations		\$500,000 +		
	Lump Sum	Emergency repairs		\$500,000 +		
	Long-term capital needs:					
	Lump Sum	Residential Automated Meter Reading Program		\$525,000 +		
	Lump Sum	Water Mains		<u>\$500,000</u> \$3,747,000	\$4,861,199	\$4,672,909
Wastewater Utility	Two months of customer revenue	Cash flow	$\$9,026,012 \times \frac{2}{12}$	\$1,504,000		
	Lump Sum	Emergency repairs		\$600,000 +		
	Lump Sum	Unscheduled system alterations		\$1,250,000 +		
	Lump Sum	MCES rate increases		\$700,000 +		
	Long-term capital needs:					
	Lump Sum	Sanitary Sewer Laterals		\$350,000 +		
	Lump Sum	Lift Station		\$225,000 +		
	Airport South Enhancements		<u>\$350,000</u> \$4,979,000	\$5,849,643	\$4,758,137	
Storm Water Utility	Two months of customer revenue	Cash flow-maintain	$\$4,187,106 \times \frac{2}{12}$	\$698,000		
	Lump Sum	Emergency repairs		\$300,000 +		
	Lump Sum	Long-term capital needs: PMP & Maintenance projects		\$1,262,000 +		
	Lump Sum	Storm water upgrades		\$375,950 +		
	Lump Sum	Lake, pond, creek improvements		\$550,000 +		

2009 Annual Budget

Fund Name	Basis	Justification	Formula (if any)	Current Recommended Balance	Estimated 12/31/08 Working Capital	Estimated 12/31/09 Working Capital
Storm Water Utility (continued)	Lump Sum	Storm Sewer Improvements		\$1,025,000 +		
	Lump Sum	NPDES requirements		<u>\$500,000</u> \$4,710,950	\$3,463,988	\$3,641,862
Solid Waste Management	40% of the Neighborhood Clean-up Program cost	City is concerned that funding from Hennepin County may be substantially reduced or eliminated.	\$520,000 x 40%	\$208,000		
	25% remaining budgeted operating expenses	Enough reserve is needed for cash flow to draw from rather than raise rates if funding is cut.	\$725,136 x 25%	<u>\$175,000</u> \$383,000	\$521,455	\$389,219
Motor Vehicle	1/8 of budgeted operating expenses	Operating expenses	\$600,649 x 1/6	\$75,000 +		
	Lump sum	Emergency purchase		<u>\$10,000</u> \$85,000	\$13,712	\$64,624
Information Systems	2 month's budgeted operating revenues	Maintenance and Support – GIS	\$1,858,000x 1/6	\$406,000 +		
	Lump Sum	Equipment replacement (major components)		\$500,000 +		
	Lump Sum	Financial System		<u>\$450,000</u> \$1,356,000	\$4,316,376	\$1,704,719
Support Services	1 Month's budgeted operating revenues	Cash flow	\$677,641 ÷ 12	\$56,400 +		
	Lump Sum	Copier Replacement		\$49,400 +		
	Lump Sum	Print Shop Equipment Replacement		<u>\$25,000</u> \$130,800	\$320,898	\$171,511

City of Bloomington, Minnesota

Fund Name	Basis	Justification	Formula (if any)	Current Recommended Balance	Estimated 12/31/08 Working Capital	Estimated 12/31/09 Working Capital
Equipment	Operations & Maintenance One year of charges	Cash flow for operations and inventory replacement	\$3,217,000	\$3,217,000 +		\$471,097
	Replacement – One year of charges	Flexibility to reduce charges in economic downturn	\$1,605,000	\$1,605,000 +		\$2,450,520
	Fire Equipment Replacement – 2 years of charges to Fire Dept. for replacement	Build funds for replacement	\$550,000 x 2	\$1,100,000 +		\$1,478,899
	Small Police Equipment – One year's charges	Build funds for replacement		<u>\$35,747</u>		<u>\$17,501</u>
				\$5,957,747	\$5,112,917	\$4,418,017
Radio Fund	One month's budgeted operating expenses	Cash flow	\$312,435 ÷ 12	\$26,000 +		
	Lump sum	To replace/purchase additional MDT's/Radios		\$20,000 +		
	Lump Sum	Fiber Optic Network		<u>\$150,000</u> \$196,000	\$1,168,085	\$1,070,485
Facility Replacement & Maintenance	Administration & Maintenance 1 months' budgeted operating expenditures	Cash flow	\$3,139,571 ÷ 12	\$256,000 +		
	Replacement	Minimize future debt of facility replacement cash flow		<u>\$5,304,500</u> \$5,560,500	\$1,969,309	\$2,146,348
Insured Benefit Fund	Two Month's Premiums	Operating Expenses	\$8,650,029 ÷ 6	\$1,442,000	\$640,608	\$718,048

2009 Annual Budget

Fund Name	Basis	Justification	Formula (if any)	Current Recommended Balance	Estimated 12/31/08 Working Capital	Estimated 12/31/09 Working Capital
Recreational Facilities Funds	Aquatics facilities (2)	Operations		\$318,000		
	Capital project & operational	Equipment Replacement		+		
				\$75,500	\$315,503	\$164,687
	Ice Garden – Lump sum	Emergency repairs and equipment replacement + debt service		\$243,500	\$23,251	\$77,753
	Art Center – 12 months of selected budgeted operating expenses	Cash Flow		\$263,700		
	Lump Sum	Furniture, fixtures, equipment		+		
Golf courses (2) – Lump Sum		Cash flow		\$50,000	\$485,460	\$418,248
		Emergency repairs		\$460,000		
				<u>\$480,000</u>	<u>\$750,115</u>	<u>\$1,086,125</u>
			\$1,890,700	\$1,574,329	\$1,746,813	
Self-Insurance Fund	Amount cited in Actuarial Report as minimum to cover 2009 losses	Guard against significant impact of large claims		\$855,068	\$2,371,076	\$1,814,825
Accrued Compensation Fund	Enough assets to offset liability	Generally Accepted Accounting Principles		\$0	\$(3,835,026)	\$(2,123,054)

General Fund Budget Projection

The City utilizes a five-year budget model to assist in long-term strategic planning and to detect any future structural funding problems as early as possible. This section looks at these projections and the assumptions made in developing the pro forma projections.

Revenues

Overall, revenues are projected to increase each year at rates ranging from 3.7 percent to 6.6 percent with an average increase of 4.4 percent.

Market Value Tax Base Growth - Projected market value tax base growth is used as a guide in keeping property tax increases to a reasonable level. Market values increased by an average of 4.9 percent since 2003. There is a slight decline in 2009 in residential tax base. The average annual tax capacity increase over the past five years has been 6.7 percent.

Property tax revenues are the primary source to fund a number of activities in the City. The estimated average modeled increase in property tax revenues for the years 2009 through 2014 in the General Fund is 5.7 percent. This increase will probably be reduced as future budgets are refined through appropriation reductions or revenue increases.

Admission taxes of 3 percent are collected from businesses for amusement parks, movie and nightclub admissions. The 2009 budget model shows these revenues increase by 2 percent per year.

Hotel-motel taxes have been hit by the slumping economy. In 2006 through 2008, several major hotels opened and had a positive impact on lodging taxes. For 2008, revenue increased by 18 percent to allow for three more hotels opening in Bloomington and the spillover effect of the Republican National Convention (RNC) held in Minneapolis and St. Paul in September. A reduction in these revenues is budgeted in 2009 with the elimination of the RNC spillover effect. For 2010 through 2013, growth is conservatively estimated at 2 percent annually.

Business licenses and permits are fairly consistent in quantity each year. Fees for each license type are generally increased to reflect inflation. An annual increase of 2 percent is used for projection purposes.

Non-business licenses and permits include building permits, which can fluctuate significantly depending on the efforts made by property owners to reinvest and upgrade existing properties. The adoption of the State's value schedule for building permits will impact other permits in this grouping. A new initiative on time-of-sale inspections increased revenue in this category for 2008. For 2009, a 1.25 percent decrease is projected. 2010 is projected to remain flat.

Court fines and forfeits are generated from traffic and other violations. Revenues declined from 2007 to 2008 due to a change in the funding formula. A 6.9 percent decrease is used for 2009 and a 2.3 percent annual increase is projected for 2010 through 2014.

Program income is generated by various programs throughout the City. Fees are increased by an inflationary rate each year. The volume of activity may fluctuate depending on the weather (for seasonal operations) and the cost of services. The budget for 2009 shows a 0.1 percent increase for 2009, a 1.9 percent increase for 2010 and remains flat through 2014.

Intergovernmental revenues are also held flat in 2009 in the model because of the uncertainties in this funding source.

Interest is scheduled to decrease from \$650,000 in 2008 to \$511,560 in 2009 based on projections of interest rates and cash balances.

Potential Sources

Franchise Fees - The City is authorized to impose a utility franchise fee but does not currently impose such a fee. In 1997 a study was conducted on the impact of this fee and presented to the City Council who may reconsider such a fee, if needed, in the future.

Appropriations

Appropriation needs are developed by the responsible program manager after certain fixed costs such as salaries, benefits and internal charges are forecast. On average, salaries and benefits make up approximately 73 percent of General Fund service costs.

Overall, appropriations are projected to increase annually at a rate of 3.7 percent.

Salaries are projected, as well as most other expenses, to increase by an estimated cost of living plus incentives for merit and step increases in the 3.5 percent to 4.0 percent range.

Health and dental costs are expected to exceed inflation with an annual increase of 13 percent for 2009. The City offers four options for employee health care. The fourth option, a consumer-driven health plan with a Health Reimbursement Account, was added in 2005. This type of plan encourages participants to play an active role in their own health care. The City created the Benefit Insurance Internal Service Fund in 2002 to help smooth out the variability of health and other benefit insurance costs. This is further described in the Internal Service Fund section.

Contingency - An estimated unspent contingency expenditure is included to offset the budget by an amount historically under spent in the general fund as a whole. A contingency of at least 2.5 percent of the current year's budgeted expenditures, as required by the City's Charter, is included in the forecast.

Structural Balance

The model indicates that if current trends continue, a structural imbalance could be eliminated by increasing the levy by amounts ranging from as much as 11.58 percent in 2010 to 5.65 percent in 2013. The out-year modeling is a mathematical exercise intended to include funding at desired levels. In reality, the out-years will be tempered with levy limits, program choices and politically influenced levels of service.

The five-year model, due to conservative assumptions, sometimes shows an unbalanced condition a few years out that is realigned each year as economic factors become more positive or where cuts are made to close the gap. During the past fifteen years that this model has been used, budget gaps identified have always been closed a year or two before budget adoption through the employment of cost reduction and/or revenue enhancement methods.

City of Bloomington, Minnesota

Property Tax Levy Increases in 5-Year Model -

	2009	2010	2011	2012	2013	2014
% Increase	3.00%	11.58%	6.44%	6.10%	5.65%	8.90%

This is a part of a larger model the City developed in 1998 to deal with cyclical downturns. As explained in several sections of this document, there are a number of alternatives for increasing revenues or decreasing expenditures that the City will continue to consider. The City has demonstrated successfully how to apply these to work through the downturn and to phase out their usage in the upturn restoring fund balances where appropriate. One of the main principles used is conservative budget management to keep expenditure increases in line with inflation plus community growth.

	2009	2010	2011	2012	2013	2014
REVENUES						
Property Tax (see TLCALC)	\$37,403,049	\$40,943,338	\$42,758,916	\$44,680,116	\$46,672,206	\$48,768,629
Mkt. Val. Homestead Credit	(1,122,554)	(1,270,714)	(1,163,633)	(1,064,155)	(971,235)	(902,476)
Less Dlinq. & Abatements	(630,428)	(643,037)	(643,037)	(669,015)	(682,396)	(696,043)
Delinquent Collections	200,000	200,000	200,000	200,000	200,000	200,000
Admissions Tax	996,000	1,015,920	1,036,238	1,056,963	1,078,102	1,099,664
Hotel-Motel Tax	5,010,965	5,111,184	5,213,408	5,317,676	5,424,030	5,532,510
Business Lic. & Permits	1,426,850	1,416,790	1,445,126	1,474,028	1,503,509	1,533,579
Non-Bus. Lic. & Permits	2,810,700	2,810,700	2,875,346	2,941,479	3,009,133	3,078,343
Court Fines	1,012,811	1,036,106	1,059,936	1,086,434	1,113,595	1,141,435
Program Income	2,209,940	2,252,468	2,252,468	2,252,468	2,252,468	2,252,468
Intergovernmental Rev.	2,063,977	2,172,407	2,172,407	2,172,407	2,172,407	2,172,407
Interest Earnings	511,560	521,791	534,836	548,207	561,912	575,960
Chg. In Fair Market Value						
Transf. from Other Funds	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Police Pension	423,000	368,000	313,000	258,000	203,000	148,000
Airport South Revenue	662,667	699,675	724,164	749,509	775,742	802,893
All Other	281,016	248,645	257,348	266,355	275,677	285,326
Total Revenues	\$54,759,553	\$58,383,274	\$60,536,523.	\$62,770,473	\$65,088,151	\$67,492,695

	2009	2010	2011	2012	2013	2014
APPROPRIATIONS						
City Council/Com.	\$ 411,524	\$ 441,812	\$ 458,380	\$ 475,569	\$ 493,403	\$ 511,906
City Manager	333,631	349,062	362,152	375,733	389,822	404,441
Legal	1,102,407	1,163,828	1,207,472	1,252,752	1,299,730	1,348,470
Human Resources	779,232	811,221	841,642	873,203	905,948	939,922
Finance	1,225,505	1,296,022	1,344,623	1,395,046	1,447,360	1,501,636
Police	19,122,299	20,356,040	21,119,392	21,911,369	22,733,045	23,585,534
Fire	2,985,022	2,596,260	2,693,620	2,794,630	2,899,429	3,008,158
Community Develop.	6,079,924	6,415,229	6,655,800	6,905,393	7,164,345	7,433,008
Community Services	8,694,034	9,115,356	9,457,182	9,811,826	10,179,770	10,561,511
Public Works	11,808,895	12,588,355	13,060,418	13,550,184	14,058,316	14,585,503
Technical Service Group	2,340,372	2,478,702	2,571,653	2,668,090	2,768,144	2,871,949
Offset for Est. Unspent	(1,775,557)	(1,634,057)	(1,695,334)	(1,758,909)	(1,824,868)	(1,893,301)
Contingency	1,354,765	1,405,444	1,458,025	1,512,580	1,569,184	1,627,915
Transfers to Other Funds	297,500	300,000	301,500	303,008	304,523	306,045
Other (internal svc fund increase)		300,000	300,000	300,000	300,000	300,000
Health Insurance		400,000	400,000	400,000	400,000	400,000
	\$54,759,553	\$58,383,274	\$60,536,523	\$62,770,473	\$65,088,151	\$67,492,696

Operating Fund Crosswalk

This matrix shows the relationship between functional units and funds.

Operating Fund	Administration of Fund							
	Police	Fire	Public Works	Community Development	Community Services	Parks & Recreation	Finance	General Government
General Fund	X	X	X	X	X	X	X	X
Enterprise Funds								
Water			X					
Wastewater			X					
Storm Water			X					
Solid Waste			X					
Golf Course						X		
Ice Garden						X		
Art Center						X		
Aquatics						X		
Police Contractual	X							
Motor Vehicle								X
Special Revenue Funds								
Sage Clinic					X			
Other Health Grants					X			
Drug Forfeiture	X							
Enhanced 911	X							
DUI Forfeiture	X							
Other Police Grants	X							
Pension Residual	X	X						
Airport South								
Revolving Development				X				

Staffing

	2004 Authorized Full-Time	2005 Authorized Full-Time	2006 Authorized Full-Time	2007 Authorized Full-Time	2008 Authorized Full-Time	2009 Authorized Full-Time
General Government/ City Council	1	1	1	1	1	1
City Manager	3	4	3	3	3	3
Legal	11	11	12	12	12	12
Human Resources	6	6	6	6	6	6
Technical Services Group	21	21	20	20	20	20
Finance	23	23	23	22	22	22
Police	144	145	146	146	147	147
Fire Protection	3	3	3	3	3	3
Community Development	51	51	51	54	54	54
Community Services	46	46	46	45	46	46
Public Works	95	95	94	97	98	93
GENERAL FUND TOTAL	404	406	405	409	412	407
Special Revenue	13	14	16	16	18	19
Airport South Revolving Development Svcs.	0	0	2	2	5	5
Communications	5	7	7	7	7	7
Public Health	4	3	3	3	3	5
Pension Asset Residual	4	4	4	4	3	2
Enterprise	84	84	85	89	86	88
Motor Vehicle	6	6	6	6	5	5
Water & Wastewater Utilities	52	52	53	54	54	54
Storm Water Utility	9	9	9	12	11	12
Solid Waste Mgt.	1	1	1	1	1	1
Rec Facilities Fund	16	16	16	16	15	16
Internal Service	37	37	36	36	39	41
Support Services	3	3	3	3	3	3
Information Systems	15	13	13	13	13	13
Equipment Pool	14	14	14	14	14	14
Radio Fund	1	0	0	0	0	1
Facilities Replacement & Maintenance	4	7	6	6	9	10
TOTAL OTHER FUNDS	134	135	137	141	143	148
Housing & Redevelopment	10	10	10	10	10	10
Port Authority	0	1	1	2	2	2
TOTAL ALL	548	552	553	562	567	567

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Debt

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Debt Overview

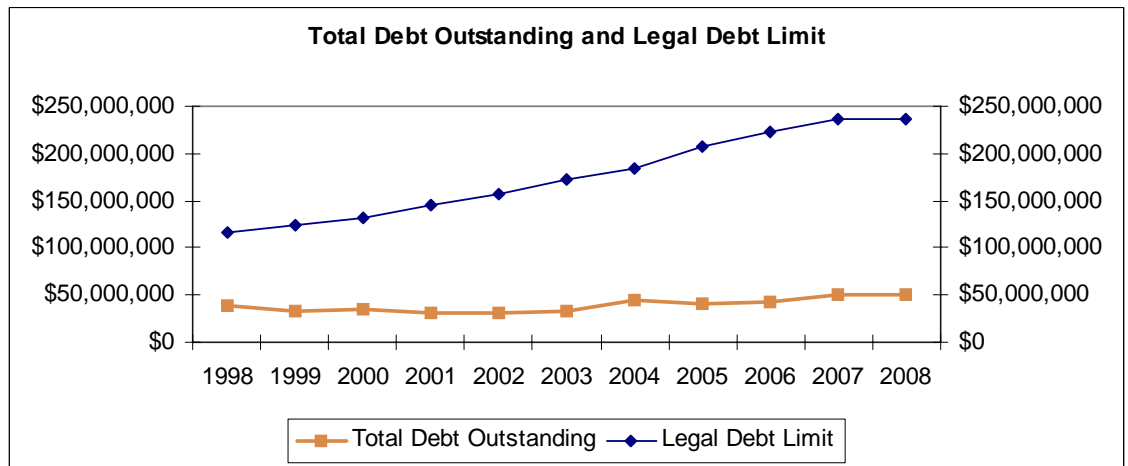
Ongoing positive performance in financial operations and savings from conservative spending assist in reducing the level of annual debt issuance. This results in debt service cost savings and, ultimately, lower debt service levies.

Debt Margin

Minnesota State law limits the amount of General Obligation (GO) debt for any municipality to 2 percent of market value. Bloomington's estimated market value for 2009 is \$11,832,645,700. This limitation provides reasonable assurance of the municipality's ability to pay its obligations. The graph below shows ten years of total debt outstanding and the legal debt limit. The City's debt has remained fairly constant. The space between outstanding debt and the debt limit continues to increase meaning that the City is using a lower percentage of the available debt limit.

2008

General Obligation Debt Limit	\$ 236,652,914
Bloomington's Debt Subject to the limit	<u>5,590,000</u>
 Debt Margin	 <u>\$ 231,062,914</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 20 cities to achieve the "Triple Triple A".

General Obligation Debt Issuances During 2008

In November of 2008, the City issued \$9,570,000 of General Obligation Improvement bonds. The proceeds were used to finance curb and gutter, sidewalk and road surfacing improvement projects within the City.

Anticipated Debt Issues

The City plans to issue Permanent Improvement Revolving Fund debt of approximately \$12.0 million in the fall of 2009 to replenish funds expended for the Pavement Management Program and specific developer assessment projects.

The City's total outstanding GO debt on December 31, 2008, was \$48,980,000, for a per capita amount of \$571 (population 85,832).

The total debt principal and interest due in 2009 is \$6,280,250 of which \$3,492,632 is being raised through levies. Current debt payment requirements will drop to \$3,395,000 in five years and to \$1,940,000 in ten years. The ability to retire at least half of a city's debt in ten years is considered a strength. That Bloomington can achieve this in five years (under \$24,750,000 by 2014), demonstrates the financial strength of the City.

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 Revenue

1999A General Obligation Storm Water Revenue (1999-2009)

Bonds issued to improve the City's storm water system, to be paid from revenues generated by utilities

2002B General Obligation Recreational Facility Gross Revenue Refunding Bonds (2003-2013) Bonds issued to refund the City's Gross Revenue Recreational Facility Bonds, Series 1992E.

General Obligation

2007 Arts Center Refunding Bonds – Tax levy years 2008-2019. Bonds issued to advance refund the 2000 Art Center Bonds to be repaid from tax levies.

1995 Permanent Improvement Revolving, Thirty Series (1995-2015)

1997 Permanent Improvement Revolving, Thirty-Two Series (1997-2017)

1999 Permanent Improvement Revolving, Thirty-Four Series (2000-2009)

2000 Permanent Improvement Revolving, Thirty-Five Series (2001-2010)

2001 Permanent Improvement Revolving, Thirty-Six Series (2002-2011)

2002 Permanent Improvement Revolving, Thirty-Seven Series (2003-2012)

2003 Permanent Improvement Revolving, Thirty-Eight Series (2004-2018)

2004 Permanent Improvement Revolving, Thirty-Nine Series (2005-2025)

2006 Permanent Improvement Revolving, Forty Series (2008-2017)

2007 Permanent Improvement Revolving, Forty-One Series (2009-2028)

2008 Permanent Improvement Revolving, Forty-Two Series (2010-2029)

Permanent Improvement Revolving Bonds will be retired from special assessments and general property tax levies.

General Obligation Tax Increment

1997 Serial Refunding (1998-2013)

1997 Serial (1998-2012)

2003 Serial (2004-2031)

2004 Serial (2005-2032)

2005 Serial Refunding (2006-2012)

Existing Debt Overview

Year	Total		Enterprise Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 4,275,000	\$ 1,905,250	\$ 250,000	\$30,259	\$ 4,025,000	\$ 1,874,991
2010	4,580,000	1,809,525	160,000	21,997	4,420,000	1,787,528
2011	4,585,000	1,627,020	155,000	15,739	4,430,000	1,611,281
2012	4,250,000	1,449,264	150,000	9,488	4,100,000	1,439,776
2013	3,665,000	1,291,838	150,000	3,187	3,515,000	1,288,651
2014	3,395,000	1,150,720	0	0	3,395,000	1,150,720
2015	3,470,000	1,012,682	0	0	3,470,000	1,012,682
2016	3,285,000	876,089	0	0	3,285,000	876,089
2017	3,310,000	742,324	0	0	3,310,000	742,324
2018	2,705,000	619,921	0	0	2,705,000	619,921
2019	1,940,000	524,142	0	0	1,940,000	524,142
2020	1,505,000	452,143	0	0	1,505,000	452,143
2021	1,535,000	388,026	0	0	1,535,000	388,026
2022	1,025,000	332,374	0	0	1,025,000	332,374
2023	1,070,000	285,059	0	0	1,070,000	285,059
2024	1,090,000	235,319	0	0	1,090,000	235,319
2025	1,115,000	183,621	0	0	1,115,000	183,621
2026	575,000	142,849	0	0	575,000	142,849
2027	610,000	112,909	0	0	610,000	112,909
2028	635,000	81,346	0	0	635,000	81,346
2029	580,000	50,290	0	0	580,000	50,290
2030	225,000	29,185	0	0	225,000	29,185
2031	240,000	16,465	0	0	240,000	16,465
2032	180,000	4,950	0	0	180,000	4,950
<hr/>						
	\$49,845,000	\$15,323,311	\$865,000	\$80,670	\$48,980,000	\$15,242,641

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Capital Projects

The Capital Budget development process starts with Departments and ongoing commissions and boards preparing requests for needed projects using the Five-Year Community Investment Program (CIP) database. Once this is completed, an analysis of funding requirements and any necessary related prioritization is done by the Executive Management Team, comprised of Department Directors and the City Manager. 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 incremental 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, which is then forwarded to the Mayor and City Council for their consideration and if appropriate, approval. According to the City's Community Investment Program Policies, operating costs must be projected and included in operating budget forecasts.

Both the proposed per capita debt and debt to market value ratios are benchmarked against City-adopted guidelines during this process. 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, letting of contracts, etc.

Capital projects should 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 and internal budgets are developed based on Council appropriation. Individual project budgets are then approved by the Council on a project-by-project basis. (*See the Capital Funds section on Pages 188 to 191 for more information.*)

Highlights of 2010 Capital Funding Projects Parks

Major improvements scheduled for 2010 include: park trail renovations (including \$4,000 in additional annual maintenance); community park upgrade, playground projects and school turf replacement.

Utilities Infrastructure

Capital projects include \$601,500 for water distribution system improvements. Operating costs will not increase since this is just replacement of old pipe, not an increase in the distribution system. The Storm Water budget includes \$1,803,000 for maintenance projects and \$500,000 to improve the collection system. A brine building is budgeted for \$108,000.

Pavement Management

A funding and implementation plan for repair and maintenance of Bloomington roadways was adopted in 1992. First, needs are identified, then funding is provided through state

aids, assessments and an annual levy. 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. In 2009, approximately \$5,350,000 will be spent for street reconstruction and \$3,175,200 will be spent on overlaying existing pavement. See chart on Page 132 on improved street conditions.

Equipment

The 2009 equipment budget includes \$2,211,600 of planned purchases. By regularly upgrading equipment, the City realizes approximately \$100,000 per year in savings on maintenance costs.

Airport South Capital/Bloomington Central Station

Over \$52 million has been budgeted over the next five years for infrastructure improvements in this development district. The project is being funded from business tax revenues and is in its third year of a revised ten-year program. Anticipated 2009 capital expenditures total \$4.67 million including \$439,000 for road improvements and \$1.0 million for an intelligent transportation system. \$2,838,000 is budgeted for the new light rail station site improvements. An additional \$10,000 in maintenance cost will be included in the operating budget.

Stormwater

Projects include storm sewer segments in the Pavement Management Program projects and upgrade of portions of the storm water system.

Bridges

Bridge reconstruction is budgeted at \$30 million for the Lyndale bridge over Interstate 494. Additional maintenance costs will be less than \$5,000.

Executive Summary

The following pages summarize the significant Capital Improvement Program projects as approved. The name of the fund, the 2009 budget and the project's multi-year total budget are broken-down by funding source.

Approved 2009 Capital Expenditures

Fund/Activity	Actual 2009 Adopted	Purpose	All Fund Sources	Budget Page Number
Fire	\$50,980	Sirens	\$50,980	
	82,400	Rescue equipment	82,400	94
Public Works	13,083	Survey Equipment	13,083	128
Total General Fund	\$ 146,463		\$ 146,463	
Communications	\$100,000	Move Head End to Civic Plaza	\$300,000	
	70,500	Cable TV Equipment	70,500	158
Airport South Revolving Development	317,000	Mall review office build out	317,000	166
Water Utility	54,000	Well and pump rehabilitation	54,000	
	525,000	Radio Read Meter System	3,675,000	
	160,000	Improve supply system	160,000	
	1,064,000	Improve distribution system	1,064,000	170
Wastewater Utility	255,000	Lift station conversion	255,000	
	1,385,000	Improve collection system	1,385,000	172
Stormwater Utility	1,590,000	Maintenance projects	1,590,000	
	895,000	Improve collection system	895,000	174
Solid Waste	25,000	Trash enclosures	25,000	176
Recreational Facilities:				
Golf Courses	8,000	Clubhouse exterior repair	8,000	
	66,900	Mowers, Ranger Cart, Cooler	66,900	178
Ice Garden	45,000	Replace flooring	45,000	
	40,000	Used Zamboni, battery	40,000	178
Support Services	75,000	Copiers	75,000	184
Information Systems	30,000	Network Switch	30,000	188
Equipment & Supplies	2,211,600	Equipment Replacement	2,211,600	190
Facilities Replacement	65,000	Capital Replacement/Repairs	65,000	194
Airport South Capital	439,229	Street Improvements	814,229	
	200,000	South Pad MOA Improvements	200,000	
	1,000,000	Intelligent Transportation System	1,000,000	
	190,000	Pedestrian Bridge	2,590,000	168
Bloomington Central Station	713,000	Site Demolition	713,000	*
	2,125,000	Site/Hotel Improvements	2,125,000	
Park Capital Projects	540,000	Parkland Acquisition	2,340,000	*
	325,000	Park Renovation	325,000	*
	489,000	Trails/Natural Resources	1,701,000	
	320,000	City/School joint projects	860,000	*
	785,160	Baseball field improvements	785,160	*
	134,500	Tennis court repairs	134,500	*
	50,000	Pool repairs	50,000	*

City of Bloomington, Minnesota

Fund/Activity	Actual 2009 Adopted	Purpose	All Fund Sources	Budget Page Number
Road, Street & Bridge Improvements	10,512,000	Street/Intersection improvements	15,753,000	*
	5,350,000	Pavement Management Program	5,350,000	*
	3,175,200	Overlay streets	3,175,200	*
	500,000	Traffic signals	500,000	*
	30,000,000	Bridge reconstruction	30,000,000	*
	300,000	Rail crossing signals	300,000	*
TOTAL ALL FUNDS	\$66,276,552		\$81,194,552	

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

Capital Projects

SUMMARY OF PROJECT COSTS

Project Total	2009	Future 2010-2013
Airport South Capital	\$ 4,667,229	\$ 49,130,000
City Facilities	0	5,935,000
Roads & Streets	19,337,200	215,460,449
Sidewalk & Bikeway	0	1,080,000
Traffic Signals	500,000	1,359,750
Bridges	30,000,000	11,707,000
Sewer, Water & Storm Water	5,928,000	25,833,600
Park Development	2,643,660	20,084,700
Recreational Facilities	159,900	1,132,000
Information Systems & Equipment	30,000	1,075,000
Vehicles	2,211,600	7,586,846
Other Equipment/Improvements	798,963	8,352,150
Total Project Costs	\$ 66,276,552	\$348,736,495