



October 5, 2015

2016 PROPOSED BUDGETS INTERNAL SERVICE FUNDS

- **Support Services**
- **Information Systems**
- **Equipment**
- **Public Safety Radio**
- **Self-Insurance**
- **Facility & Parks Maintenance**
- **Accrued Benefits**

Fund 7500, Support Services Fund

This fund consists of three different activities that support all City functions: Print Shop, Mailroom and the Information Desk, all managed by Community Services.

	2014 Actual	2015 Budget	2015 Estimate	2016 Conceptual	2016 Proposed	% Change
Total Revenue	\$467,951	\$485,045	\$485,000	\$534,845	\$478,671	(1.3)%
Total Expense	\$477,596	\$534,658	\$508,000	\$522,003	\$508,208	(4.9)%
Working Capital	\$231,325	\$181,712	\$208,325	\$194,554	\$178,788	(1.6)%
WC Goal	\$63,700	\$110,167	\$110,167	\$169,268	\$164,468	

Revenues

All revenues collected in excess of expenses within the Support Services Fund are used to build working capital in order to maintain service levels and provide for the replacement of capital equipment. Total departmental charges are projected at \$482,000 for 2015. Charges for 2016 are budgeted at \$475,471 and are included in the General Fund and other funds' budgets. Total revenue for 2016 includes an additional \$3,200 for interest earnings and charges for outside print jobs. In prior years, as a downturn strategy, the fees for this fund were kept low.

Expenses

Projected expenses for 2015 are \$508,000. Proposed expenses for 2016 are budgeted at \$508,208.

Capital costs for 2015 include a new mail machine. Working capital is accumulating to fund capital in 2017 and 2018. Purchases will be \$70,000 for a duplicator and a color copier for the Print Shop in 2017 and \$98,000 for a color copier and cutter/binder/folder/stapler machine in 2018. Please refer to the attached "Capital Schedule" for more detailed information.

Working Capital

Current projections indicate that the working capital for this fund will be \$208,325 by the end of 2015. Working capital is projected to decrease to \$178,788 by year-end 2016. The working capital goal for this fund is broken down as follows:

	<u>2016</u>
• Operations (1 month cash flow)	\$48,200
• Print Shop/Mail Room Capital	<u>116,268</u>
Total Working Capital Goal	\$164,468

Recommendation

Staff recommends adoption of the 2016 City Manager's Proposed Support Services Budget.

**SUPPORT SERVICES
BUDGET SUMMARY FUND 7500**

DESCRIPTION	2014	2015		2016	
	ACTUAL	ADOPTED	ESTIMATE	CITY MGR. CONCEPTUAL	CITY MGR. PROPOSED
PRINTSHOP 760901					
REVENUES					
INTEREST	3,564	2,000	2,000	2,000	2,000
OTHER REVENUE	990	0	1,000	0	1,200
DEPARTMENTAL CHARGES	143,587	179,260	178,215	205,274	147,900
TOTAL REVENUES	148,141	181,260	181,215	207,274	151,100
EXPENSES					
WAGES & BENEFITS	73,115	78,630	78,000	80,788	76,085
MATERIALS & SUPPLIES	105,691	110,912	110,000	114,250	114,932
CAPITAL	0	0	0	0	0
TOTAL EXPENSES	178,806	189,542	188,000	195,038	191,017
NET GAIN (LOSS)	(30,665)	(8,282)	(6,785)	12,236	(39,917)
Interfund transfer of working capital					
WORKING CAPITAL	97,269	88,987	90,484	101,223	50,567
WORKING CAPITAL GOAL	12,000	71,567	71,567	103,368	98,568
MAILROOM 760902					
REVENUES					
DEPARTMENTAL CHARGES	217,809	204,204	204,204	223,765	223,765
EXPENSES					
WAGES & BENEFITS	59,240	67,242	53,000	68,785	55,441
MATERIALS & SUPPLIES	143,252	152,970	150,000	155,819	154,967
CAPITAL	0	25,000	15,000	0	0
TRANSFER OUT					
TOTAL EXPENSES	202,492	245,212	218,000	224,604	210,408
NET GAIN (LOSS)	15,317	(41,008)	(13,796)	(839)	13,357
Interfund transfer of working capital					
WORKING CAPITAL	103,884	62,876	90,088	62,037	103,445
WORKING CAPITAL GOAL	43,200	22,000	22,000	48,600	48,600
INFORMATION DESK 760903					
REVENUES					
DEPARTMENTAL CHARGES	102,001	99,581	99,581	103,806	103,806
EXPENSES					
WAGES & BENEFITS	65,702	68,342	67,000	68,527	73,908
MATERIALS & SUPPLIES	30,596	31,562	35,000	33,834	32,875
CAPITAL	0	0	0	0	0
TOTAL EXPENSES	96,298	99,904	102,000	102,361	106,783
NET GAIN (LOSS)	5,703	(323)	(2,419)	1,445	(2,977)
Interfund transfer of working capital					
WORKING CAPITAL	30,172	29,849	27,753	31,294	24,776
WORKING CAPITAL GOAL	8,500	16,600	16,600	17,300	17,300
TOTAL Departmental Charges	463,397	483,045	482,000	532,845	475,471
TOTAL Revenue	467,951	485,045	484,000	534,845	478,671
TOTAL Fund Expenses	477,596	534,658	508,000	522,003	508,208
TOTAL Working Capital	231,325	181,712	208,325	194,554	178,788
WORKING CAPITAL GOAL:					
TELEPHONE WORKING CAP. GOAL	8,500	16,600	16,600	17,300	17,300
MAILROOM WC GOAL	43,200	22,000	22,000	48,600	48,600
PRINTSHOP WC GOAL	12,000	71,567	71,567	103,368	98,568
TOTAL	63,700	110,167	110,167	169,268	164,468

Fund 7600, Information Systems

A Steering Committee made up of the Executive Management Team approves the work plan and policies related to Information Systems (IS). During the annual budget process, each Department/Division prepares a request for needed hardware or software upgrades and replacements. Those requests are reviewed by the Information Systems staff, which then forwards a recommendation to the Steering Committee for their approval.

The Information Systems includes two activities: Maintenance and Support; and Replacement (including Copier Replacement which moved from the Support Services Fund in 2010). Maintenance & Support includes general IS operations and responsibility for the physical telephone system. Equipment Replacement includes funding and costs associated with the purchase of both new and replacement equipment. New equipment expenditures are approved as described earlier based on this funding. The total cost of Information Systems Maintenance and Replacement is approximately 5% of total operations of the City.

Graphics was previously included in this fund. User fees are still collected in this fund and transferred to Communications for the graphics activity.

	2014 Actual	2015 Adopted	2015 Estimate	2016 Conceptual	% Change	2016 Proposed	% Change
Total Revenue	\$5,745,619	\$4,726,488	\$4,734,759	\$5,055,613	6.7%	\$4,804,256	1.6%
Total Expense	\$5,163,393	\$4,972,600	\$6,590,129	\$5,107,125	2.7%	\$4,985,057	0.2%
Working Capital	\$3,396,063	\$3,149,951	\$1,540,693	\$3,098,439	(1.6)%	\$1,359,892	(56.8)%
WC Goal	\$759,647	\$863,014	\$831,070	\$954,070	10.6%	\$941,070	9.0%

Maintenance and Support (740101)

Revenues

Total revenue is projected to be \$3,789,759 in 2015. Proposed departmental charges for 2016 are \$3,853,030 including computer, web access and telephone charges. These charges are included in the General Fund and other funds' budgets.

Expenses

Total expenses are projected to be \$3,895,129 in 2015. Proposed 2016 expenses are \$3,881,338 including the transfer out to the Communications Fund for Graphics.

Working Capital

Working capital is projected to be \$560,716 by year-end 2015. This activity is budgeted to generate a working capital loss of \$28,308 in 2016 to reach a balance of \$532,408. The working capital goal for this activity is \$293,000 in 2016 and consists of one month of fees for operations.

Equipment Replacement (740102)

Revenues

Total revenue is projected to be \$945,000 in 2015. Proposed departmental charges for 2016 are \$889,622 and are included in the General Fund and other funds' budgets. Total proposed 2016 revenue of \$951,226 includes \$23,000 for investment interest earnings.

Expenses

Total expenses for 2015 are projected to be \$2,695,000. Proposed expenses for 2016 are \$1,103,719 which includes capital of \$133,000 for network upgrades and replacement copiers. Proposed expenses also include the first repayment for a loan from Strategic Priorities taken in 2014.

Following is a list of planned systems replacements and new acquisitions for 2016. All items are included in the current budget model.

2016

- \$100,000 for network switches
- \$49,000 for copier replacement.

Working Capital

The estimated working capital for 2015 is \$979,977. In 2016 the working capital is proposed at \$827,484. The working capital goal in 2016 for this activity is \$648,070, which includes \$300,000 for equipment replacement, \$100,000 for SAN storage, \$54,000 for copier replacement, \$35,000 for GIS projects and \$159,070 for payments to LOGIS for the public safety system. This working capital goal includes the gradual accumulation of funding for large projects to allow the flexibility of pay-as-you-go financing. The volatility of this activity is a challenge to long-term planning, but a fifteen year plan is in place to monitor the working capital balance and the goal through 2030.

Recommendation:

Staff recommends adoption of the 2016 City Manager's Proposed Budget.

**CITY OF BLOOMINGTON, MN
INFORMATION SYSTEMS FUND - 7600
BUDGET SUMMARY**

	2014	2015			2016	2016
	ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATE	CITY MGR CONCEPTUAL	CITY MGR PROPOSED
MAINTENANCE & SUPPORT (INCLUDING GIS) 740101						
REVENUES						
CHARGES TO DEPARTMENTS	3,518,202	3,786,690	3,786,690	3,786,000	4,002,675	3,853,030
TRANSFERS IN	-	-	-	-	-	-
OTHER REVENUE	5,082	-	-	3,759	-	-
TOTAL REV & TRANSFERS IN	3,523,284	3,786,690	3,786,690	3,789,759	4,002,675	3,853,030
EXPENDITURES						
SALARIES/WAGES/BENEFITS	1,508,159	1,663,701	1,663,701	1,663,000	1,588,498	1,520,825
MATERIALS/SUPPLIES/SERVICES	1,841,188	2,109,790	2,136,377	2,110,000	2,291,322	2,232,484
CAPITAL OUTLAY						
TRANSFERS OUT	115,392	122,129	122,129	122,129	128,235	128,029
TOTAL EXP. & TRANSFERS OUT	3,464,739	3,895,620	3,922,207	3,895,129	4,008,055	3,881,338
GAIN (LOSS)	58,545	(108,930)	(135,517)	(105,370)	(5,381)	(28,308)
TRANSFER OF WORKING CAPITAL	-	-	-	-	-	-
WORKING CAPITAL BALANCE	666,086	557,156	530,569	560,716	551,775	532,408
WORKING CAPITAL GOAL	268,000	289,000	289,000	289,000	306,000	293,000
EQUIPMENT REPLACEMENT 740102						
REVENUES						
CHARGES TO DEPARTMENTS	938,472	924,798	924,799	925,000	1,037,938	928,226
INTEREST	33,863	15,000	15,000	20,000	15,000	23,000
TRANSFERS IN	1,250,000	-	-	-	-	-
TOTAL REV & TRANSFERS IN	2,222,335	939,798	939,799	945,000	1,052,938	951,226
EXPENDITURES						
MATERIALS/SUPPLIES/SERVICES	1,589,427	752,510	2,734,171	2,260,000	929,070	770,719
CAPITAL OUTLAY	109,227	324,470	375,970	375,000	170,000	133,000
TRANSFERS OUT	-	-	60,000	60,000	-	200,000
TOTAL EXP. & TRANSFERS OUT	1,698,654	1,076,980	3,170,141	2,695,000	1,099,070	1,103,719
GAIN (LOSS)	523,681	(137,182)	(2,230,342)	(1,750,000)	(46,132)	(152,493)
TRANSFER OF WORKING CAPITAL	-	-	-	-	-	-
WORKING CAPITAL BALANCE	2,729,977	2,592,795	499,635	979,977	2,546,663	827,484
WORKING CAPITAL GOAL	491,647	574,014	574,014	542,070	648,070	648,070
TOTAL FUND REVENUES	5,745,619	4,726,488		4,734,759	5,055,613	4,804,256
TOTAL FUND EXPENDITURES	5,163,393	4,972,600		6,590,129	5,107,125	4,985,057
FUND NET GAIN (LOSS)	582,226	(246,112)		(1,855,370)	(51,513)	(180,801)
TOTAL FUND WORKING CAPITAL	3,396,063	3,149,951		1,540,693	3,098,438	1,359,892

WORKING CAPITAL GOAL:

Operations/GIS (1 month cash flow)	293,000
Replacement (major components)	300,000
GIS	-
SAN	100,000
Police Replacement	154,014
GIS Reserve	35,000
Copier Replacement	38,000
TOTAL WORKING CAPITAL GOAL	920,014

WC Excess/(Deficiency)

Operations and Replacement Deptl Charge	4,456,674	4,711,488	4,711,000	5,040,613	4,781,256
---	-----------	-----------	-----------	-----------	-----------

Fund 7100, Equipment and Supplies

This fund accounts for costs related to the operation, maintenance, repair and replacement of City vehicles, equipment, and the City warehouse. It consists of five activities: Equipment Operations & Maintenance (including Central Supplies), Equipment Replacement, Fire Equipment Replacement, Fire Small Equipment Replacement and Police Small Equipment Replacement. User departments within the City are charged for their use of City vehicles and equipment. A portion of these fees fund operations, while another portion goes toward replacement costs. The user charges for operations and replacement were realigned in the fifteen-year model to better meet the working capital goals on a long-term basis. Fees are also assessed for ordering and receiving supplies from the City warehouse. Any new equipment or non-stocked supplies are generally funded through additional departmental expenses or from transfer of funds if the purchase is for an enterprise operation.

	2014 Actual	2015 Budget	2015 Estimate	2016 Conceptual	2016 Proposed	% Change
Total Revenue	\$6,957,677	\$6,891,635	\$6,899,000	\$8,221,481	\$7,882,352	14.4%
Total Expenses	\$6,254,126	\$8,560,511	\$8,735,000	\$8,498,329	\$8,701,018	1.6%
Working Capital	\$5,438,262	\$3,769,386	\$3,602,262	\$3,325,415	\$2,783,597	(26.2)%
WC Goal	\$2,777,046	\$2,676,690	\$2,753,852	\$3,497,690	\$3,076,046	14.9%

Operations & Maintenance (765601)

This activity accounts for vehicle operating costs including fuel, insurance and repairs. City departments are charged fees based on their usage of vehicles and heavy equipment. Central Supplies controls and accounts for inventory for the central garage and its substantial parts inventory, the water and wastewater utilities, and central office supplies.

Fees

Equipment users are charged a standard rate fee that is based on the type of equipment being used. This fee is designed to cover all operating and maintenance costs as well as replacement costs. Operations and Maintenance (O&M) receives 77% of the fee in 2016 with the remaining 23% allocated to Replacement. The percentage allocated to O&M usually fluctuates between 66% and 77% with the remaining portion going to the Replacement activity. The primary driver behind setting the split is cost for fuel, followed by the costs for equipment purchases. Total fees for Operations & Maintenance and Replacement are \$6,557,220 for 2016, an increase of 10.6% from 2015.

Revenue

Total revenue for Operations is projected to be \$4,608,831 in 2015. 2016 charges to other departments total \$5,118,254 and inventory surcharges are \$154,380. Proposed total revenue for 2016 is \$5,279,885. Departmental charges are included in the General Fund and other funds' budgets.

Expenses

Total expenses are projected at \$4,600,439 in 2015. Proposed 2016 expenses are \$5,335,409. The City uses State contracts for all fuel purchases. State contracts lock in vendor overhead while actual fuel costs fluctuate to reflect market pressures and the cost per barrel of crude oil. The City currently purchases 75% of its unleaded fuel with a fixed contract price and 25% at the daily price. Diesel fuel is proposed to be purchased 50% with a fixed price and 50% at the daily price to more conservatively handle reserve capacity. These splits will be re-evaluated in October. From January through July 2015, the fixed price for unleaded fuel averaged \$2.71 and on the spot market it averaged \$1.98 per gallon. This compares to \$2.95 and \$3.06 at this time last year. Diesel fuel averaged \$2.94 for fixed price and \$1.88 on the spot market. These costs do not include \$0.285 in excise and other taxes the City pays. The 2016 budget for fuel increases slightly from 2015 to match prior usage while including a 4% fuel index increase for unleaded and diesel fuel costs. The budget for fuel went from \$1,175,000 in 2015 to \$1,240,000 in 2016. The Equipment Division has been purchasing bio-diesel fuel since May of 2005.

Working Capital

Working capital is projected to increase by \$8,392 to total \$692,825 in 2015. The budget shows a working capital decrease of \$55,524 in 2016 for total working capital of \$637,301.

Equipment Replacement (765602)

This activity accumulates funds to pay for the replacement of existing vehicles and heavy equipment. User departments are charged a monthly apportionment of estimated replacement cost of the equipment they are using, based on the life expectancy of the piece of equipment. The Fleet Management System tracks actual vehicle costs both individually and by class type. Staff reviews and evaluates the collected data and meets individually with user departments to finalize the yearly vehicle replacement schedule. Criteria used to determine replacement includes individual vehicle operating costs compared to like vehicles, vehicle mileage or hours of use, user department needs, age of vehicle, condition of vehicle and available funding.

Fees

Fees are allocated for 2016 as noted above in Operations & Maintenance.

Revenues

For 2015 estimated revenues are \$1,623,039. Proposed revenues for 2016 are \$1,711,337 including departmental fees which are budgeted in the General Fund and other funds' budgets.

Expenses

Total expenses for 2015 are projected to be \$2,050,000. Expenses are comprised entirely of the cost of replacement equipment. The proposed expenses for 2016 are less than the estimated replacement costs as calculated by the Fleet

Management System, and represent staff's estimates as to what actual expenses will be based on current condition, age and need (see listing attached). Expenses in 2016 are budgeted at \$2,051,357.

Working Capital

The projected working capital balance for the end of 2015 is \$1,845,993. With the proposed expenses and revenues, this activity shows a decrease in working capital in 2016 for total working capital of \$1,505,973. The working capital goal for this activity is one year of fees, or \$1,508,000 for 2016.

Fire Equipment Replacement (765603)

This activity provides funding for the replacement of fire equipment. Revenues from department charges fund this activity. This activity was originally funded when positive performance in the early 1990s was sufficient to meet the City's fire pension obligation. Funding for fire equipment has allowed some cushion in years when this funding was needed for the City's pension contribution. Since the downturn in 2008, the positive performance in the General Fund has been the principal source for the pension contribution to allow replacement of the fire equipment on schedule.

The funding for this activity was reduced from \$550,000 in 2009 to \$50,000 in 2010 to provide some funding to buy down the debt for the normal pension costs due in 2010. Part of the return to normal phase after downturn strategies are used is to restore these funds.

Fees

Fees for 2015 are \$300,000. Proposed fees for 2016 are \$450,000. Part of the funding that would normally reside in this activity is used to fund a new activity, "Fire Small Equipment Replacement" (see below).

Revenues

Total revenues for 2015 are projected to be \$311,755, with \$300,000 coming from internal charges and the remainder from interest earnings. The 2016 proposed revenues are \$459,611. This level of funding is required to meet the anticipated need for equipment replacement in this activity through 2030.

Expenses

Estimated expenses for 2015 are \$1,750,000. Proposed capital expenses for 2016 are \$880,562 for a Fire Marshall vehicle, two boats and a ladder truck. Engines last 15 years on the front lines and five years in reserve. Ladders run 20 years on the front lines. The Fire capital replacement plan through 2033 is included as an attachment.

Working Capital

The 2015 working capital balance is projected to increase by \$1,438,345 to \$918,380. Working capital is expected to decrease by \$420,951 in 2016. The working capital goal for this activity in 2016 is \$900,000.

Fire Small Equipment Replacement (765605)

This activity was new for 2014 and provides funding for the replacement of small equipment for the Fire Department. The on-going funding mechanism for this is from the General Fund since these expenses were formerly accounted for in the General Fund. Locating this activity in an internal service fund allows for funding that is flatter than budgeting for spikes and valleys in purchases. Initial funding for this activity was provided through the General Fund and the Fire Equipment Replacement Activity.

Revenues

Projected revenue for 2015 is \$330,000. Budgeted revenues for 2016 are \$401,077.

Expenses

Expenses for 2015 are projected to be \$275,856. Budgeted expenses for 2016 are \$410,000 to purchase air bags, defibrillators, self-contained breathing units which are required to be replaced every 15 years and other safety gear (see attached listing).

Working Capital

2015 should end the year with working capital of \$102,862. The working capital balance budgeted for 2016 is \$93,939. The working capital goal for this fund in 2016 is \$651,077. Working capital will begin to build up in this activity to fund replacement of self-contained breathing apparatus in 2017 and 2018.

Police Small Equipment Replacement (765604)

This activity provides funding for the replacement of small equipment for the Police Department. The on-going funding mechanism for this is from the General Fund – Patrol (Activity 145201).

Revenues

Projected 2015 revenues are \$25,375. Budgeted revenues for 2016 are \$30,442.

Expenses

Projected expenses for 2015 are \$58,705. Budgeted expenses for 2016 are \$23,690 to purchase radar units, Tasers and service weapons (see attached listing).

Working Capital

The 2015 working capital balance is projected to be \$42,202. The working capital balance budgeted for 2016 is \$48,954. The working capital goal for this fund in 2016 is \$47,046. Working capital is being built up in this activity to fund replacement of tactical vests and dashboard cameras in 2018 and 2019.

Recommendation:

Staff recommends approval of the 2016 City Manager’s Recommended Budget, and approval of the 2015 Equipment Replacement, Fire Equipment Replacement, Fire Small Equipment Replacement and Police Small Equipment Replacement schedules.

**CITY OF BLOOMINGTON
EQUIPMENT AND SUPPLIES - FUND 7100
15 YEAR PROPOSED**

CITY OF BLOOMINGTON DESCRIPTION	2014		2015		2016	
	ACTUAL	BUDGET	ADJUSTED	ESTIMATE	CONCEPTUAL	PROPOSED
Total Operations & Replacement Charges	5,675,748	5,929,810	5,929,810	5,929,810	6,570,187	6,557,220
OPERATIONS & MAINTENANCE (765601)						
REVENUES						77%
CHARGES TO DEPARTMENTS	4,086,540	4,447,358	4,447,358	4,447,358	4,796,237	5,049,059
MOTOR POOL RENTAL CHARGES						69,195
INTEREST EARNINGS	6,933	3,454	3,454	8,454	10,770	7,251
OTHER REVENUE	147,216	149,380	149,380	153,019	154,380	154,380
TRANSFERS IN - FROM OPERATIONS		0	0	0	0	0
TOTAL REVENUES	4,240,689	4,600,192	4,600,192	4,608,831	4,961,387	5,279,885
EXPENDITURES						
WAGES & BENEFITS	1,274,220	1,311,173	1,311,173	1,311,000	1,347,174	1,359,853
MATERIALS & SUPPLIES	3,009,572	3,294,954	3,296,619	3,176,412	3,552,285	3,454,129
CAPITAL	55,655	111,427	113,027	113,027	171,427	521,427
TOTAL EXPENDITURES	4,339,447	4,717,554	4,720,819	4,600,439	5,070,887	5,335,409
GAIN (LOSS)	(98,758)	(117,362)	(120,627)	8,392	(109,500)	(55,524)
TRANSFER WORKING CAPITAL						
WORKING CAPITAL BALANCE	684,433	567,071	563,901	562,925	583,320	617,301
WORKING CAPITAL GOAL	541,000	571,000	571,000	571,000	609,000	621,000
EQUIPMENT REPLACEMENT (765602)						
REVENUES						
CHARGES TO DEPARTMENTS	1,589,208	1,482,453	1,482,453	1,482,453	1,773,950	1,508,161
INTEREST EARNINGS	15,042	11,471	10,586	15,586	18,232	19,320
OTHER REV - FED GRANT		0	0	0	0	0
OTHER REV - TRANS IN	324,936	0	0	0	282,000	43,857
SALE OF EQUIPMENT	288,858	130,000	130,000	125,000	140,000	140,000
TOTAL REVENUES	2,198,044	1,623,924	1,623,039	1,623,039	2,214,182	1,711,337
EXPENDITURES						
MATERIALS & SUPPLIES						
CAPITAL	1,580,679	1,917,600	2,147,666	2,050,000	2,212,600	2,051,357
TRANSFER TO FACILITIES FUND		0	0	0	0	0
TRANSFER TO OPER. & MAINT.		0	0	0	0	0
TOTAL EXPENDITURES	1,580,679	1,917,600	2,147,666	2,050,000	2,212,600	2,051,357
GAIN (LOSS)	617,365	(293,676)	(524,627)	(426,961)	1,582	(340,020)
TRANSFER WORKING CAPITAL						
WORKING CAPITAL BALANCE	2,272,954	1,979,278	1,748,327	1,845,993	1,847,676	1,505,973
WORKING CAPITAL GOAL	1,589,000	1,482,000	1,482,000	1,482,000	1,774,000	1,508,000
FIRE EQMENT REPLACEMENT (765603)						
REVENUES						
CHARGES TO DEPARTMENTS	300,000	300,000	300,000	300,000	560,000	450,000
INTEREST EARNINGS	18,732	11,893	11,755	11,755	14,277	9,611
SALE OF EQUIPMENT/ OTHER		0	0	0	0	0
TOTAL REVENUES	318,732	311,893	311,755	311,755	564,277	459,611
EXPENDITURES						
MATERIALS & SUPPLIES		562	562	0	562	562
CAPITAL	77,980	1,615,000	1,863,644	1,750,000	820,000	880,000
TOTAL EXPENDITURES	77,980	1,615,562	1,864,206	1,750,000	820,562	880,562
GAIN (LOSS)	240,752	(1,303,669)	(1,552,451)	(1,438,245)	(256,285)	(420,951)
WORKING CAPITAL BALANCE	2,358,625	1,052,956	804,174	918,380	682,000	607,429
WORKING CAPITAL GOAL	600,000	600,000	600,000	600,000	1,100,000	900,000
FIRE SMALL EQUIPMENT (765605)						
REVENUES						
CHARGES TO DEPARTMENTS 101-4703	99,996	330,000	330,000	330,000	450,000	400,000
INTEREST EARNINGS	0	244	0	0	979	1,077
TRANSFER IN						
TOTAL REVENUES	99,996	330,244	330,000	330,000	450,979	401,077
EXPENDITURES						
MATERIALS & SUPPLIES	51,278	251,090	275,856	275,856	370,590	410,000
CAPITAL	0	0	0	0	0	0
TOTAL EXPENDITURES	51,278	251,090	275,856	275,856	370,590	410,000
GAIN (LOSS)	48,718	79,154	54,144	54,144	80,389	(8,923)
WORKING CAPITAL BALANCE	48,718	127,072	102,902	102,982	183,211	93,939
WORKING CAPITAL GOAL	99,996	330,244	330,000	330,000	700,979	651,077
POLICE SMALL EQUIPMENT (765604)						
REVENUES						
CHARGES TO DEPARTMENTS 101-4201	56,922	25,000	25,000	25,000	30,000	30,000
INTEREST EARNINGS	1,594	381	375	375	656	442
OTHER REVENUE	41,700	0	0	0	0	0
TOTAL REVENUES	100,216	25,381	25,375	25,375	30,656	30,442
EXPENDITURES						
MATERIALS & SUPPLIES	204,742	58,705	58,705	58,705	23,690	23,690
CAPITAL	0	0	0	0	0	0
TOTAL EXPENDITURES	204,742	58,705	58,705	58,705	23,690	23,690
GAIN (LOSS)	(104,526)	(33,324)	(33,330)	(33,330)	6,966	6,752
WORKING CAPITAL BALANCE	75,532	42,208	42,202	42,202	49,168	48,954
WORKING CAPITAL GOAL	47,046	23,690	23,690	23,690	47,046	47,046
TOTAL WORKING CAPITAL	5,436,262	3,789,386	3,261,371	3,802,262	3,325,415	2,763,607
WORKING CAPITAL GOAL:						
Inventory replacement						
Operations (1 months Oper. Charges)	341,000	371,000	371,000	371,000	400,000	421,000
Fuel contingency	200,000	200,000	200,000	200,000	200,000	200,000
Equip replacement (1 yr charges)	1,589,000	1,482,000	1,482,000	1,482,000	1,774,000	1,508,000
Fire replacement (2 yr charges)	600,000	600,000	600,000	600,000	1,100,000	900,000
Police small eqmt (next yr purchases)	47,046	23,690	47,046	100,852	23,690	47,046
TOTAL WC GOAL	2,777,046	2,676,690	2,700,046	2,753,852	3,497,690	3,076,046
WC Excess/(Deficiency)	2,661,216	1,092,696	561,325	848,410	(172,275)	(292,450)

Total Fund Revenues	6,957,677	6,891,635	6,890,361	6,899,000	8,221,481	7,882,352
Total Fund Expenditures	6,254,126	8,560,511	9,087,252	8,735,000	8,498,329	8,701,018
Fund gain (loss)	703,551	(1,668,876)	(2,176,891)	(1,836,000)	(276,847)	(818,666)

Item	Points: as of Jan 2015	Class ID	Section	Unit #	Replacement Recommendation	Est. Replacement Value	Est. Trade-In / Auction Value	Est. Net Cost	Net Running Total
1	44	Van-1/2 T -2WD	Facility	553	Van-1/2 T -2WD	\$26,000.00	\$1,000.00	\$25,000.00	\$25,000.00
2	43	Air Compressor	Utility	196	Air Compressor	\$17,000.00	\$500.00	\$16,500.00	\$41,500.00
3	42	Backhoe-Tractor	Storm Water	20	Backhoe-Tractor	\$150,000.00	\$15,000.00	\$135,000.00	\$176,500.00
4	42	Air Compressor	Utility	198	Air Compressor	\$17,000.00	\$500.00	\$16,500.00	\$193,000.00
5	40	Mower-48"-80"	Park	686	Mower-48"-80"	\$17,500.00	\$500.00	\$17,000.00	\$210,000.00
6	39	Truck-Oil Dist.	Street	71	Truck-Oil Dist.	\$190,000.00	\$10,000.00	\$180,000.00	\$390,000.00
7	39	Truck-Oil Dist.	Street	78	Truck-Oil Dist.	\$190,000.00	\$10,000.00	\$180,000.00	\$570,000.00
8	39	Air Compressor	Street	111	Air Compressor	\$17,000.00	\$500.00	\$16,500.00	\$586,500.00
9	39	Mower-48"-80"	Park	680	Mower-48"-80"	\$17,500.00	\$500.00	\$17,000.00	\$603,500.00
10	38	Mower-48"-80"	Park	685	Mower-48"-80"	\$17,500.00	\$500.00	\$17,000.00	\$620,500.00
11	38	Air Compressor	Street	201	Air Compressor	\$17,000.00	\$500.00	\$16,500.00	\$637,000.00
12	35	Mower-48"-80"	Park	698	Mower-48"-80"	\$17,500.00	\$500.00	\$17,000.00	\$654,000.00
13	29	Truck-Single Axle	Street	53	Truck-Single Axle	\$265,000.00	\$15,000.00	\$250,000.00	\$904,000.00
14	36	Tractor->33HP	Park	1137	Tractor->33HP	\$50,000.00	\$4,000.00	\$46,000.00	\$950,000.00
15	36	Tractor Municipal	Park	663	Tractor Municipal	\$150,000.00	\$1,500.00	\$148,500.00	\$1,098,500.00
16	35	Mower-48"-80"	Park	683	Mower-48"-80"	\$17,500.00	\$500.00	\$17,000.00	\$1,115,500.00
17	35	Mower-48"-80"	Park	684	Mower-48"-80"	\$17,500.00	\$500.00	\$17,000.00	\$1,132,500.00
18	35	Truck-Tandem Axle	Street	79	Truck-Tandem Axle	\$265,000.00	\$30,000.00	\$235,000.00	\$1,367,500.00
19	35	Mower-48"-80"	Park	677	Mower-48"-80"	\$17,500.00	\$500.00	\$17,000.00	\$1,384,500.00
20	35	Roller Steel Wheel	Street	31	Roller Steel Wheel	\$40,000.00	\$2,500.00	\$37,500.00	\$1,422,000.00
21	30	Sport Utility 4x4	Police	904	Sport Utility 4x4	\$40,000.00	\$4,000.00	\$36,000.00	\$1,458,000.00
22			Police	Squad		\$29,500.00		\$29,500.00	\$1,487,500.00
23			Police	Squad		\$29,500.00		\$29,500.00	\$1,517,000.00
24			Police	Squad		\$29,500.00		\$29,500.00	\$1,546,500.00
25			Police	Squad		\$29,500.00		\$29,500.00	\$1,576,000.00
26			Police	Squad		\$29,500.00		\$29,500.00	\$1,605,500.00
27			Police	Squad		\$29,500.00		\$29,500.00	\$1,635,000.00
28			Police	Squad		\$29,500.00		\$29,500.00	\$1,664,500.00
29			Police	Squad		\$29,500.00		\$29,500.00	\$1,694,000.00
30			Police	Squad		\$29,500.00		\$29,500.00	\$1,723,500.00
31			Police	Squad		\$29,500.00		\$29,500.00	\$1,753,000.00
32			Police	Squad		\$29,500.00		\$29,500.00	\$1,782,500.00
					Contingency	\$75,000.00		\$75,000.00	\$1,857,500.00
	B-8	Valve Operator	Utilities			\$43,857.00		\$43,857.00	
	B-8	Sidewalk Snow Plow	Reimbursed by So. Loop			\$150,000.00		\$150,000.00	#REF!
						\$2,149,857.00	\$98,500.00	\$2,051,357.00	

**CITY OF BLOOMINGTON
FIRE CAPITAL REPLACEMENT SCHEDULE
2016**

UNIT #	TYPE	YEAR IN SERVICE	YEAR OF REPLACE	YEARS TO REPLACE	REPLACE- MENT COST	ASSIGNED	MILEAGE	MAKE	MODEL	COMMENTS
536	LADDER	1986	2006	0		Ladder 6	41380	Seagraves		In service as spare until 2017/18
549	MINI PUMP	1992	2014	-1	\$ 248,644.00	E 333	3670	CHEVROLET	CK 3500	Scheduled delivery 2015
1952	BOAT	1994	2014	-2	\$ 20,000.00	Boat 3		ZODIAC	Visage	Missed and moved to 2016
518	CHIEF	2008	2015	0	\$ 45,000.00	CHIEF 7	13716	FORD	EXPEDITION	In service as Chief 7
507	ENGINE	1995	2015	0	\$ 375,000.00	E 33	53309	FREIGHTLINER	1500 GPM	Spare replace at 20 years of service
508	ENGINE	1995	2015	0	\$ 375,000.00	E 55	46222	FREIGHTLINER	1500 GPM	Spare replace at 20 years of service
505	ENGINE	1995	2015	0	\$ 375,000.00	E11	40007	FREIGHTLINER	1500 GPM	Spare replace at 20 years of service
528	RESCUE	1998	2015	0	\$ 400,000.00	RESCUE 1	21574	FREIGHTLINER	AIR/RESCUE	
517	CHIEF	2006	2015	0	\$ 45,000.00	Spare	51147	FORD	EXPEDITION	In service as spare Chief
	BOAT	1976	2016	1	\$ 20,000.00	BOAT 6		CADILLAC		
547	LADDER	1996	2016	1	\$ 800,000.00	LADDER 2	31600	LTI	AERIAL	
529	BRUSH	2001	2017	2	\$ 45,000.00	BRUSH 2	4946	CHEVROLET	CK 3500	
530	BRUSH	2001	2017	2	\$ 45,000.00	BRUSH 4	4485	CHEVROLET	CK 3500	
521	CHIEF	2010	2017	2	\$ 45,000.00	CHIEF 3	25000	FORD	EXPEDITION	
520	CHIEF	2010	2017	2	\$ 45,000.00	CHIEF 5	12000	FORD	EXPEDITION	
519	CHIEF	2009	2017	2	\$ 45,000.00	CHIEF-FM 2	40000	CHEVROLET	TAHOE	Into service as Chief/FM-2 August '13
560	ATV	1999	2018	3	\$ 15,000.00	ATV 3	84 hours	POLARIS	RANGER	
1977	BOAT	2006	2018	3	\$ 20,000.00	BOAT 5		ZODIAC	MK2 GR	
526	BRUSH	2004	2019	4	\$ 45,000.00	BRUSH 5	3330	FORD	F 350	
545	LADDER	1999	2019	4	\$ 850,000.00	LADDER 5	18777	AI	AERIAL	
523	CHIEF	2013	2020	5	\$ 45,000.00	CHIEF 1		FORD	EXPEDITION	In service June 2013
524	CHIEF	2013	2020	5	\$ 45,000.00	CHIEF 2		FORD	EXPEDITION	In service July 2013
525	CHIEF	2013	2020	5	\$ 45,000.00	CHIEF 4		FORD	EXPEDITION	In service August 2013
527	UTILTIY	2013	2020	5	\$ 45,000.00	UTILITY 1	11892	FORD	F350	In service July 2013
532	CHIEF	2014	2021	6	\$ 45,000.00	CHIEF 6		FORD	EXPEDITION	
511	ENGINE	2001	2021	6	\$ 400,000.00	ENGINE 3	30690	FREIGHTLINER	2000 GPM	Move to spare for remaining 5+ years
512	ENGINE	2001	2021	6	\$ 400,000.00	ENGINE 4	39250	FREIGHTLINER	2000 GPM	Move to spare for remaining 5+ years
510	ENGINE	2001	2021	6	\$ 400,000.00	ENGINE 5	46306	FREIGHTLINER	2000 GPM	Move to spare for remaining 5+ years
522	LADDER	2001	2021	6	\$ 1,000,000.00	LADDER 1	30218	LTI	PLATFORM	
561	SNOWMO	2012	2022	7	\$ 15,000.00	SNOW 1		POLARIS	IQ-LXT	
565	ATV	2013	2023	8	\$ 15,000.00	ATV 1		POLARIS		
	Inspector	2015	2023	8	\$ 45,000.00	FM 3		FORD	EXPLORER	
	Inspector	2015	2023	8	\$ 45,000.00	FM 4		FORD	EXPLORER	
509	LADDER	2003	2023	8	\$ 1,000,000.00	LADDER 3	17404	GENERAL/Spartan	PLATFORM	
562	SNOWMO	2013	2023	8	\$ 15,000.00	SNOW 2		POLARIS		
	ATV	2014	2024	9	\$ 15,000.00	ATV 2		POLARIS		
	BOAT	2014	2024	9	\$ 25,000.00	BOAT 1		AB		Hard Hull Inflatable
503	ENGINE	2009	2024	9	\$ 400,000.00	ENGINE 1	29841	FREIGHTLINER	2000 GPM	Move to spare for remaining 5+ years
502	ENGINE	2009	2024	9	\$ 400,000.00	ENGINE 6	25593	FREIGHTLINER	2000 GPM	Move to spare for remaining 5+ years
552	BRUSH	2011	2026	11	\$ 45,000.00	BRUSH 1	2867	FORD	F-350	
551	BRUSH	2011	2026	11	\$ 45,000.00	BRUSH 3	2099	FORD	F-350	
501	HAZMAT	2008	2028	13	\$ 500,000.00	HAZMAT TRUCK	3507	PIERCE	HAZMAT	
514	LADDER	2008	2028	13	\$ 1,000,000.00	LADDER 4	19615	GENERAL/Spartan	AERIAL	
531	BRUSH	2014	2029	14	\$ 45,000.00	Brush 6	458			
513	ENGINE	2013	2033	17	\$ 400,000.00	ENGINE 2	6481	ROSENBAUR-GEN	2000 GPM	In service July 2013
	Inspector	2016		1	\$ 40,000.00	FM 5		FORD	EXPLORER	

Annual Cost

2014	\$ 248,644
2015	\$ 1,615,000
2016	\$ 880,000
2017	\$ 225,000
2018	\$ 35,000
2019	\$ 895,000
2020	\$ 180,000
2021	\$ 2,245,000
2022	\$ 15,000
2023	\$ 1,120,000
2024	\$ 840,000
2026	\$ 90,000
2027	-
2028	\$ 1,500,000
2029	\$ 45,000
2031	\$ -

FIRE SMALL EQUIPMENT SCHEDULE
 ORG 765605

Item	2015	2016	2017	2018
SCBA Replacement (2016-2018)		\$250,000.00	\$250,000.00	\$250,000.00
Thermal Imagers	\$15,000.00			
Chain Saws (kits)	\$4,400.00	\$4,400.00	\$4,400.00	
Hurst - Spreader	\$7,850.00	\$7,850.00		
Hurst - Cutter	\$5,150.00	\$5,150.00		
Hurst - Hose sets	\$1,440.00	\$1,500.00		
K12 Saws	\$3,000.00		\$3,000.00	
Wild Fire PPE	\$18,750.00	\$8,000.00	\$8,000.00	
4-Gas Meters	\$6,000.00	\$6,000.00	\$6,000.00	
Skid for ATV's	\$8,000.00			
Floto pump	\$5,000.00			
Air Bags HP		\$24,000.00		
Air Bags LP		\$10,000.00		
Vehicle Rescue Struts			\$10,000.00	
Portable Radios (25) ea			\$27,000.00	\$27,000.00
Hurst Power Units (ea)	\$8,500.00	\$17,000.00		
Duodotes			\$10,000.00	\$10,000.00
Station 1 AV Upgrade	\$67,000.00			
AED Trainers	\$2,000.00			
AEDs (ea)	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00
Hazmat Detection	\$30,000.00	\$10,000.00	\$10,000.00	\$10,000.00
Tech Rescue Equipment	\$10,000.00	\$11,100.00	\$10,000.00	\$10,000.00
Turnout Gear -		\$35,000.00	\$25,000.00	\$25,000.00
Fire Hose	\$33,000.00	\$15,000.00	\$15,000.00	\$20,000.00
Nozzles	\$21,000.00			
	\$251,090.00	\$410,000.00	\$383,400.00	\$357,000.00

**CITY OF BLOOMINGTON
POLICE SMALL EQUIPMENT DEPARTMENT 617-0622
CAPITAL PURCHASES 2014-2023**

0.01

<u>Item</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Explanation</u>
Laser's	5,400	5,454	5,509	5,564	5,619	5,675	5,732	5,790	5,847	5,906	Replace 2 units per year on average, 32 units, \$1,700 each
AR-15's	0	0	0	8,100	8,181	8,263	8,345	8,429	0	0	AR Replacements begin in 2017, 9 per year, \$900 each, 45 guns
SWAT Rifles	0	36,000	0	0	0	0	0	0	0	0	18 Rifles at \$2,000 each-10 year replacement
Shotguns	0	0	0	9,200	9,292	0	0	0	0	0	Shotgun Replacement in 2017 and 2018, \$400 each, 46 guns
SWAT Helmets	7,749	0	0	0	0	8,000	0	0	0	0	5 yr schedule, \$369 each, 21 helmets
Defibs	45,000	0	0	0	0	0	0	0	0	0	40 units at \$1,125 each, replace in 2024
Smart Devices	6,400	0	0	6,594	0	0	6,792	0	0	6,996	32 devices, replace every 3 years/camera/recorder/phone
PBT's	1,800	1,818	1,836	1,855	1,873	1,892	1,911	1,930	1,949	1,969	Replace 3 per year, \$600 each, 35 units
Radar Units	0	5,590	5,646	5,702	5,759	5,817	5,875	5,934	5,993	6,053	\$2,795 each, 32 units replace 2 per year on average
Tasers	9,300	9,393	9,487	9,582	9,678	9,774	9,872	9,971	10,071	10,171	10 yr schedule 93 units, \$1,000 each
Tac Vests	15,000	0	0	0	0	45,000	0	0	0	0	5 yr schedule \$2,500 each, 18 vests
Speed Trailers	0	0	0	0	0	6,000	6,060	6,121	0	6,000	15 yr schedule, \$6,000 each, replace in 2019 and 2020
Glocks	6,000	450	1,212	450	450	450	3,750	3,788	3,825	3,864	10 year schedule, \$150 per gun after trade-in, 123 guns
Squad Cameras	0	0	0	0	60,000	60,600	0	0	0	0	7 year schedule, \$5,000 per unit each, 32 cameras
<hr/>											
Annual Cost	96,649	58,705	23,690	47,046	100,852	151,471	48,337	41,961	27,686	40,958	

Fund 7200, Public Safety Radio

The Public Safety Radio Fund is the Internal Service Fund that supports the operations and replacement costs of the Public Safety Motorola 800MHz system in conjunction with the Metro Radio Board (MRB). Under this system, the MRB is responsible for replacement of the backbone.

The Radio Fund operates within three activities: "Radio Replacement and Operations", which supports the Motorola 800 *Megahertz* radio system; "Mobile Data Computers (MDC's)", which accounts for the maintenance and purchase of computers in Police and Fire vehicles; and "Fiber Optics", which covers the City's master plan for a Citywide Fiber Optic network.

One of the purposes of this fund is to accrue fund balance over time for large replacement purchases of radios and MDC's in the future. This fund has been building up fund balance for major purchases in 2015-2017. Portable radios need to be replaced approximately every eight years and mobile radios need to be replaced approximately every ten years. MDCs need to be replaced every four years.

	2014 Actual	2015 Budget	2015 Projected	2016 Conceptual	2016 Proposed	% Change
Total Revenue	\$416,340	\$456,669	\$577,808	\$546,668	\$663,639	45.3%
Total Expense	\$309,467	\$776,901	\$782,174	\$1,171,153	\$1,166,466	50.1%
Working Capital	\$1,094,724	\$774,492	\$890,358	\$265,873	\$387,551	(50.0)%
WC Goal	\$882,517	\$818,517	\$815,817	\$818,817	\$800,817	(2.2)%

"Radio Replacement & Operations" and "Mobile Data Computers (MDC's)"

Revenues

The "Radio Replacement and Operations" activities are funded through charges to Police, Fire, Public Works, and Public Health. MDC's are funded through charges to just Police and Fire. Charges for operations and future replacements are based on the number of radios and MDC's in each activity. Revenues from charges to departments for 2015 are estimated to be \$554,000. In 2016, the charges to departments are budgeted at \$644,321.

Expenses

Estimated expenses for "Radio Replacement and Operations" and "MDC's" for 2015 are \$711,474. This includes \$333,474 for the replacement of Fire Department radios and a transfer out of \$90,000 to the Police Special Revenue E911 Fund to help fund five new dispatch Motorola MCC7500 Armer Dispatch Radio Consoles. The E911 fund will transfer back \$45,000 to the Radio Fund in 2016 and 2017. Requested budgeted expenses for 2016 are \$1,050,466 which includes a large purchase of new Police and Fire radios of \$755,695.

"Fiber Optics"

The fiber optics plan was developed in 2008. It included constructing fiber optics routes to all key City facilities and to LOGIS. It was estimated to cost \$3.2 million to complete construction of all routes. At that time, the decision was made to set aside a certain amount of dollars annually to work towards completing construction of priority routes. The following budgets have contributed to fiber construction: Police Forfeiture & Seizure, Communications, Information Systems, and Public Works. Routes to Fire Station 1, LOGIS, Valley View Pool, Valley View Field House, Mall of America, Fire Station 3, Bloomington Ice Garden, and the Water Treatment Plant are complete. There are nine facilities that have yet to be connected via fiber. Further transfers for fiber construction were not scheduled for 2015 or 2016. \$68,000 was allocated in 2015 for the replacement of a deteriorated segment near the Mall of America at 24th and Killebrew Drive. \$116,000 has been allocated in 2016 for the construction of a segment near Old Cedar Avenue Bridge. The remaining budgeted fund balance of \$61,817 will remain for smaller projects that may arise. Staff will continue to monitor the need for additional connections.

Overall Working Capital for Fund 7200

This fund's working capital balance at year-end 2015 is estimated to be \$768,731. The working capital balance for the proposed 2016 Budget is \$387,551. A fifteen-year schedule of equipment replacement shows this balance being spent down with enough left to purchase replacement radios and MDC's in future years.

The proposed working capital goal 2016 is as follows:

	<u>2016</u>
• Cash Flow - 1/12 of annual operations	39,000
• Replacement of portables/mobiles & MDC's	700,000
• Future Fiber-optics expenses	<u>61,817</u>
	\$800,817

Recommendation:

Staff recommends adoption of the City Manager's Proposed 2016 Public Safety Radio Fund Budget.

CITY OF BLOOMINGTON
PUBLIC SAFETY RADIO FUND - 7200
Budget Summary

DESCRIPTION	2014 ACTUAL	2015 ORIGINAL BUDGET	2015 REVISED BUDGET	2015 PROJECTED	2016 CONCEPTUAL	2016 PROPOSED BUDGET
Revenues:						
CHARGES TO DEPARTMENTS - RADIOS	407,748	451,669	451,669	451,000	496,668	471,690
CHARGES TO DEPARTMENTS - MDC'S				103,000	-	141,949
INTEREST	8,592	5,000	5,000	6,000	5,000	5,000
TRANSFERS IN	-	-	-	17,808	45,000	45,000
TOTAL REVENUE	416,340	456,669	456,669	577,808	546,668	663,639
Expenses:						
SALARIES & BENEFITS	100,282	100,488	100,488	100,000	102,750	100,826
NEW RADIOS AND MDC'S	16,338	335,805	335,805	333,474	789,655	755,695
MATERIALS, SUPPLIES, AND SERVICES	157,843	182,608	188,369	188,000	178,748	193,925
TRANSFERS OUT	35,004	90,000	90,000	90,000	-	-
TOTAL RADIO AND MDC EXPENSES	309,467	708,901	714,662	711,474	1,071,153	1,050,446
CAPITAL - FIBER OPTICS	-	53,000	53,000	53,000	80,000	96,000
SERVICES - FIBER OPTICS	-	15,000	15,000	17,700	20,000	20,000
TOTAL FIBER OPTICS EXPENSES	-	68,000	68,000	70,700	100,000	116,000
TOTAL EXPENSES	309,467	776,901	782,662	782,174	1,171,153	1,166,446
NET GAIN (LOSS)	106,873	(320,232)	(325,993)	(204,366)	(624,485)	(502,807)
WORKING CAPITAL BALANCE	1,094,724	774,492	768,731	890,358	265,873	387,551
WORKING CAPITAL GOAL:						
CASH FLOW - 1 MONTH	34,000	38,000	38,000	38,000	41,000	39,000
RADIO AND MDC REPLACEMENT	600,000	600,000	600,000	600,000	700,000	700,000
FIBER PROJECTS	248,517	180,517	180,517	177,817	77,817	61,817
TOTAL GOAL	882,517	818,517	818,517	815,817	818,817	800,817
EXCESS (DEFICIENT) WORKING CAPITAL	212,207	(44,025)	(49,786)	74,541	(552,944)	(413,266)

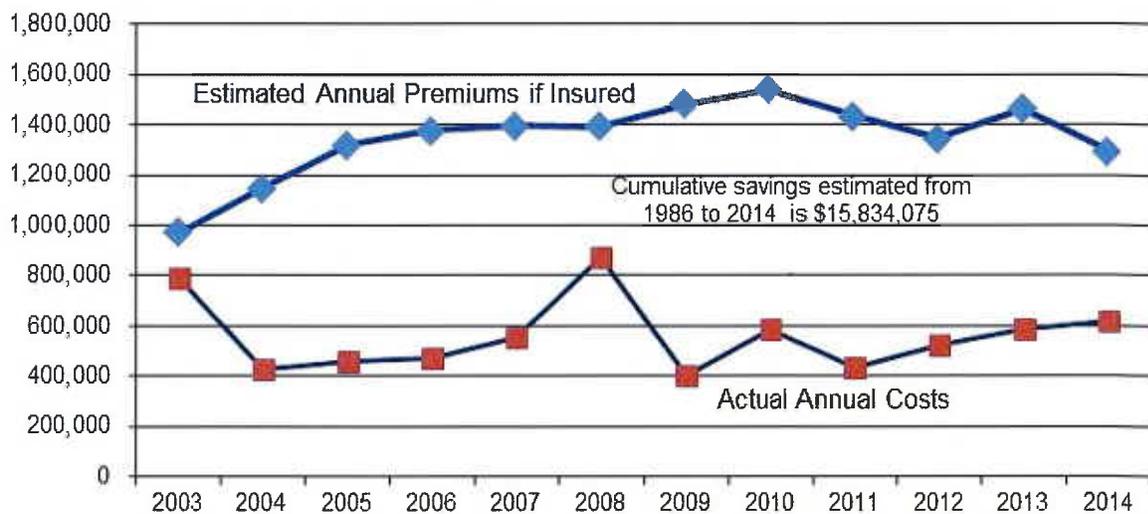
FUND 7300, Self-Insurance Fund

The Self-Insurance Fund was established to account for the City's worker's compensation program and liability insurance funds for which the City self-insures its retentions, including municipal, auto and property liability (property/casualty) coverage.

Issues

An actuarial study was done for this fund in 2010 to determine if the level of reserves was adequate to fund the City's liability programs. The study results showed that the level of funding in 2010 for auto, property and liability insurance was very close to what the actuarial determination of funding should be. The Workers Compensation activity was the only activity below the suggested funding level. Actuarial studies will be done every four or five years to determine the level of required reserves. A new study is budgeted in 2015.

Staff reviewed the worker's compensation rates charged internally and realigned them more proportionately to market rates. Internal rates were increased to address the funding deficiency noted in the actuarial study. Even with the increase, the City's rates are approximately one-half of the market rates before experience modifications and discounts are factored into the commercial insurance product (see below). City Staff reviews and implements safe practices to keep down claims and liability.



Revenues

This activity generates revenue from departmental charges for worker's compensation; insurance premiums for auto, property and liability coverage; loss reimbursements; and interest earnings. Projected interest earnings for 2015 are \$23,000. Departmental charges are projected to total \$2,200,000 for 2015. For 2016 the recommended budget for interest earnings is \$7,000. For departmental charges the recommended budget is \$2,239,655 for 2016.

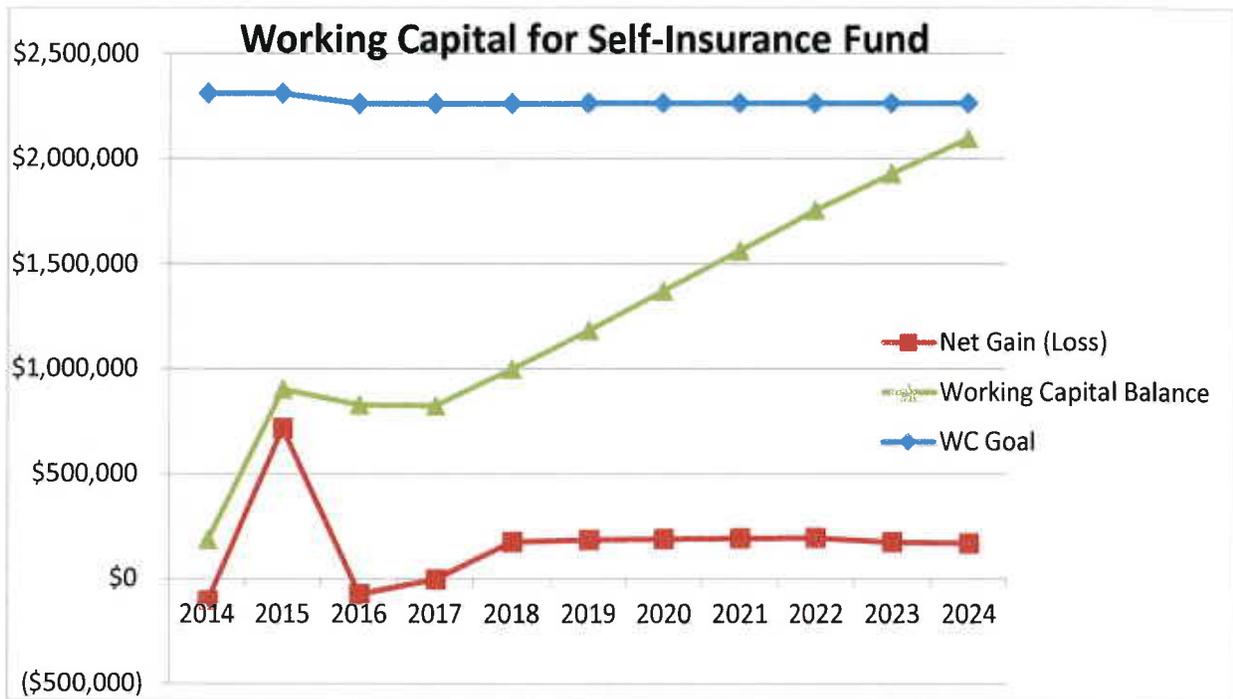
A transfer in from the Insured Benefits (life, health, dental and long-term disability insurances) Fund of \$500,000 was budgeted in 2015 to assist with paying for an increase in workers compensation and liability claims. No transfer is budgeted for 2016.

Expenses

In 2015, expenses are projected to be \$2,006,000. This includes charges for claims payments, claims expenses, the cost of insurance and charge-backs to the General Fund for staff time. For the 2016 Budget, \$2,321,344 is budgeted for total expenses. This amount includes reserves for claims from prior years in addition to the expense items listed above. As noted above, in 2015 a new actuarial study will be done to determine working capital goals.

Working Capital

The working capital balance for this fund is projected to be \$902,155 by year-end 2015. With a \$74,689 spend down in working capital balance budgeted in 2016, working capital will be \$827,466. A working capital goal of \$2,264,000 for 2016 is recommended. This amount includes the unpaid claims liability as calculated in the most recent actuarial report. This goal is based on the current actuarial study, but could change with the completion of the new actuarial study. The long-term model shows working capital for this fund will meet its working capital goal by 2024.



Recommendation

Staff recommends Council adoption of the City Manager's 2016 Proposed Self-Insurance Fund Budget.

**CITY OF BLOOMINGTON
SELF INSURANCE FUND - 7300**

Budget Summary

DESCRIPTION	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	CONCEPTUAL	CITY MANAGER PROPOSED
Self-Insurance General					
Revenues					
INTEREST EARNINGS	14,707	1,000	23,000	7,000	7,000
TRANSFERS IN		500,000	500,000		
REFUNDS/REIMBURSEMENTS					
TOTAL REVENUE	14,707	501,000	523,000	7,000	7,000
Expenditures					
TOTAL EXPENDITURES					
Net Gain (Loss)	14,707	501,000	523,000	7,000	7,000
Worker's Compensation					
Revenues					
CHARGES TO DEPARTMENTS	575,884	820,789	815,000	739,034	850,000
TOTAL REVENUE	575,884	820,789	815,000	739,034	850,000
Expenditures					
CLAIMS PAYMENTS	785,480	650,000	900,000	700,000	900,000
CLAIMS EXPENSES		5,000		5,000	5,000
INSURANCE AND BONDS	161,111	146,970	146,970	146,514	146,514
TOTAL EXPENDITURES	946,591	801,970	1,046,970	851,514	1,051,514
Net Gain (Loss)	(370,707)	18,819	(231,970)	(112,480)	(201,514)
General/Special Liability					
Revenues					
CHARGES TO DEPARTMENTS	634,164	866,230	850,000	903,724	831,909
TOTAL REVENUE	634,164	866,230	850,000	903,724	831,909
Expenditures					
SUPPORT SERVICES	69,492	71,123	71,123	73,316	70,117
CLAIMS PAYMENTS	258,765	100,000	41,620	100,000	100,000
CLAIMS EXPENSES	(811)	300,000	135,000	315,000	400,000
INSURANCE AND BONDS	292,908	350,000	320,000	367,000	350,000
TOTAL EXPENDITURES	620,354	821,123	567,743	855,316	920,117
Net Gain (Loss)	13,810	45,107	282,257	48,408	(88,208)
Auto Liability					
Revenues					
CHARGES TO DEPARTMENTS	201,720	247,742	240,000	258,465	253,738
TOTAL REVENUE	201,720	247,742	240,000	258,465	253,738
Expenditures					
SUPPORT SERVICES	14,868	15,220	15,220	15,689	15,005
CLAIMS PAYMENTS	(31,338)	50,000	30,000	52,500	50,000
CLAIMS EXPENSES		10,350	10,350	10,712	10,712
INSURANCE AND BONDS	71,849	86,000	86,000	87,000	87,000
TOTAL EXPENDITURES	55,379	161,570	141,570	165,901	162,717
Net Gain (Loss)	146,341	86,172	98,430	92,564	91,021
Property Liability					
Revenues					
CHARGES TO DEPARTMENTS	245,928	302,662	295,000	315,763	304,008
TOTAL REVENUE	245,928	302,662	295,000	315,763	304,008
Expenditures					
SUPPORT SERVICES	21,804	22,312	22,312	23,000	21,996
CLAIMS PAYMENTS	(2,500)	22,600	50,000	23,685	20,000
CLAIMS EXPENSES					
INSURANCE AND BONDS	136,624	177,405	177,405	181,123	145,000
TOTAL EXPENDITURES	155,928	222,317	249,717	227,808	186,996
Net Gain (Loss)	90,000	80,345	45,283	87,955	117,012
NET GAIN (LOSS)	(105,849)	731,443	717,000	123,447	(74,689)
WORKING CAPITAL BALANCE	185,155	916,598	902,155	1,040,045	827,466
WORKING CAPITAL GOAL:					
Projection of 2010 Loss-Actuarial Report	2,311,498	2,311,498	2,311,498	2,311,498	2,264,000

Total Dept. Charges	1,657,696	2,237,423	2,200,000	2,216,986	2,239,655
Total Fund Revenues	1,672,403	2,738,423	2,723,000	2,223,986	2,246,655
Total Fund Expenses	1,778,252	2,006,980	2,006,000	2,100,539	2,321,344
Total Fund Gain (Loss)	(105,849)	731,443	717,000	123,447	(74,689)

Fund 7700, Facility & Parks Maintenance

The Facility & Parks Maintenance Fund accounts for the operation and maintenance of, and capital improvement to, most City buildings. This includes the Civic Plaza, Creekside Community Center, the Public Health building, Public Works Facility, fire stations and equipment storage facilities. Those facilities not covered include the golf courses and the ice rink. The user charges for operations and replacement are annually realigned in a fifteen-year planning model to better meet the working capital goals of this fund on a long-term basis.

A study was done in 2014 to determine critical needs for City buildings. Included in the long-term model for this fund is funding for some of the most needed repairs and replacements.

Civic Plaza, Public Works, Creekside, Public Health

While Civic Plaza and the Public Works buildings are relatively new and in good condition, Creekside Community Center was constructed in 1960 and has surpassed its useful life. It currently is in need of a new roof, carpet and several smaller maintenance projects. The Public Health building was constructed in 1960 for Public Works. The building was remodeled and expanded in 1981 for Public Health. The mechanical system is outdated and needs replacement. The main buildings in the Civic Plaza campus have a valuation of approximately \$80,000,000. The buildings have approximately 500,000 square feet

Parks Buildings

There are 38 park buildings. Six of the buildings are termed "temporary" park shelters. They are approximately 50 years old and have outlived their design and construction. 14 of the buildings are small park buildings and were constructed in the 1960's and 70's. They have reached the end of their useful life and a long term plan needs to be developed for which buildings should be replaced. The Valley View complex has five buildings with the field house near the end of its expected life. The pool bath house underwent renovation in 2012. The rest of the buildings vary in age and condition and are located at Bush Lake, Dred Scott, Mount Normandale and Moir Parks.

Fire Stations

There are six fire stations. Stations #2-and #6 were built in the 1960-70's and are nearing renewal/replacement age. Operational changes and the size of fire trucks today require larger and different designs for new stations. Fire Station #1 was constructed in 1993 and is in good condition. The roof was replaced in 2012 and the roof at Fire Station #5 was replaced in 2013. The total valuation for the Fire stations is over \$12,000,000. The six fire stations have 48,956 square feet.

Energy Conservation

Facilities staff continues to look for ways to save energy. A lighting project to conserve energy in the Public Works Garage was completed in 2013 with Xcel estimating \$4,000 in energy savings per year. Touchless faucets and flush valves were installed at Civic Plaza to reduce water consumption. New controls were added to the Civic Plaza HVAC System to reduce heating and cooling requirements.

Background

There are six activities within the Facility and Parks Maintenance Fund. These activities are Facilities Maintenance, Parks/Median Maintenance, Parks Facilities Maintenance, Fire Station Maintenance, Cemetery Maintenance and Facilities Replacement. Nothing is budgeted for the Park/Median Maintenance activity because there is no funding.

Facilities Maintenance 765701

This activity accounts for the facilities maintenance activity which includes electricity, natural gas and other utilities, the cleaning contract, daily maintenance and minor repairs.

Revenues

Departmental fees are the main source of revenue for this activity. Projected departmental charges for 2015 are \$3,138,000. Departmental charges for 2016 are \$3,533,896. These charges are included in the General Fund and other funds' budgets. Approximately 65% of these charges are located in the General Fund and represent 3% of total General Fund expenses.

Expenses

Total expenses for 2015 are projected to be \$3,445,000. Proposed expenses for 2016 are \$3,758,172.

Working Capital

Projected working capital at year-end 2015 is \$681,398. Working capital at year-end 2016 is projected to be \$461,622 after a planned spend down of \$219,776. This activity is undergoing some modifications which will help track expenses more closely and account for more capital projects in the Replacement activity. The working capital goal for this activity is one month of operating expenses, or \$313,000, for 2016. There is a long-term plan in place for this activity to monitor working capital compared with the working capital goal.

Parks Facility Maintenance 765704

This activity provides for the maintenance of miscellaneous City park buildings and other park assets. A restructuring of Public Works charges for Parks Maintenance activities provides for funding in a consolidated account in this fund. All park maintenance related costs appear here instead of part here and part in the General Fund and will be funded by a comparable charge to the General Fund. Another aspect of this restructuring is extensive use of work orders to facilitate reporting and accurate location of work done for charges allocated.

Revenues

As noted, this activity is funded by charges to the Parks and Recreation Department. Revenue for 2015 is projected to be \$5,155,735. The proposed budget for 2016 is \$5,841,538.

Expenses

Projected 2015 expenses are \$4,990,984. Budgeted expenditures for 2016 are \$5,830,839.

Fire Station Maintenance 765705

This activity provides for the maintenance of all the City fire stations.

Revenues

This activity is funded by charges to the Fire Department. Revenue for 2015 is projected to be \$295,133. The budget for 2016 is \$309,075.

Expenses

Projected 2015 expenses are \$210,000. The 2016 budget is \$223,924.

Working Capital

Working capital for 2015 is projected to be \$170,216 with a goal of \$115,000. For 2016 working capital is \$165,367 with a goal of \$116,000.

Cemetery Maintenance 765706

This activity provides for the maintenance of the City cemetery. This activity was formerly found in both Public Works and the City Clerk's Office in the General Fund. Total revenues and expenses for the cemetery operations are in a separate Cemetery Fund.

Revenues

This activity is funded by charges to the Cemetery Fund. Revenue for 2015 is projected to be \$70,132. There was funding carried forward from 2014 to fund 2015 activities. The budget for 2016 is \$134,904.

Expenses

Projected expenses for 2015 are \$130,000 with a working capital balance of \$5,411. The proposed budget for 2016 is \$132,756.

Facilities Capital Improvement and Replacement – Police/City Hall 765702

This activity was developed in the same fashion as the City has developed the equipment replacement, PMP and the utility asset management system for infrastructure replacement to make the City organization even more sustainable in its service delivery by renewing and replacing its facilities when most cost effective over the long term. The fund's current concentration is on renewing major components to older City facilities, such as roof, HVAC and parking lot repairs and replacements. The long-term plan for this fund is to continue component replacement as well as having internal funding of accumulated depreciation to replace facilities that are beyond their useful life. Starting in 2012, Fire Station capital items were included in this budget.

Revenues

Revenues consist mainly of charges to departments and investment interest. Total revenue for 2015 is projected to be \$2,316,000. Charges to departments for 2016 are budgeted at \$2,134,586. These charges are included in the General Fund and other funds' budgets. Approximately 36% of these charges are located in the General Fund. Total revenues for 2016 are budgeted at \$2,158,386 which includes interest earnings.

Expenses

In 2014 Facilities Maintenance funded a Facilities study. The purpose of the study is to evaluate City buildings and building components, identify future capital repairs and develop a life cycle plan for the buildings. This Facilities study is similar to the Pavement Management Program for streets, the Fleet program for equipment and Asset Management for water, sanitary sewer and storm sewer utilities. These long range plans provide an initial assessment of the asset, create a capital improvement plan, and establish a life cycle and potential replacement schedule.

The major components of a building have scheduled maintenance intervals and an expected life cycle as shown in the following:

- Roofing: 15-20 years for single ply rock ballasted; 20-25 years for three ply bituminous. The newer buildings have the single ply roof.
- Mechanical: small units such as furnaces have a 15-20 year life. Roof top units 25 year life. Boilers 50 years. Chillers 25 years. Infra-red heaters 10 years.
- Parking lots. Seal coat every 7 years, Overlay 21 years, reconstruct 45 years.
- Doors (exterior and garage): 15-20 years.
- Technical: (Closed Circuit TV, key cards system): 10-15 years.
- Landscaping: 12-16 years.
- Flooring/carpeting: 5-10 years.

As a separate initiative, Facilities staff will be working with other City staff to determine if smaller outbuildings and park buildings still meet the needs of the occupants or the primary using departments. Those buildings no longer necessary to City functions could be eliminated.

Debt service payments for Civic Plaza construction began in 2001 and continue until 2021. This debt has been refinanced with lower payments and the same debt service ending date. Payment of \$660,348 is budgeted for 2016 for debt service on these bonds. Repayment of a loan from Utilities – Wastewater to build the Public Works garage is also included in 2016. Debt service is \$37,391 in 2016 for this loan.

Capital expenses of \$780,000 are projected for 2015. Capital expenses of \$1,000,000 are planned for 2016 which includes roofing replacement and parking lot paving for selected City facilities that are now beyond their useful life. Projects were chosen from the facilities study based on need and available funding.

Working Capital

Estimated working capital at year end 2015 is \$4,480,961. Proposed working capital for 2016 is \$4,656,608. The working capital goal for this activity is \$6,523,866 for 2016, which provides the capacity to begin to grow reserves for major capital component

replacement. There is a long-term plan for this activity that brings the working capital closer to the working capital goal. Working capital is projected to meet the working capital goal by 2023.

Recommendation

Staff recommends adoption of the 2016 City Manager's Proposed Budget.

CITY OF BLOOMINGTON
FACILITY & PARKS MAINTENANCE - FUND 7700
BUDGET SUMMARY

DESCRIPTION	2014	2015		2016	
	ACTUAL	BUDGET	ESTIMATE	CONCEPTUAL BUDGET	PROPOSED
MAINTENANCE (6901)					
REVENUES					
CHARGES TO DEPARTMENTS	3,085,692	3,138,398	3,138,000	3,500,579	3,533,896
TRANSFER-IN			0	0	0
OTHER	131,340	300	13,620	300	300
INTEREST	5,177	4,800	6,000	4,200	4,200
TOTAL REVENUES	3,222,209	3,143,498	3,157,620	3,505,079	3,538,396
EXPENSES					
WAGES & BENEFITS	962,898	880,904	850,000	904,348	1,117,718
MATERIALS & SUPPLIES	2,499,904	2,583,399	2,595,000	2,588,621	2,640,454
CAPITAL	0	110,000	0	0	0
TRANSFER OUT	0		0	0	0
TOTAL EXPENSES	3,462,802	3,574,303	3,445,000	3,492,969	3,758,172
GAIN (LOSS)	(240,593)	(430,805)	(287,380)	12,110	(219,776)
WORKING CAPITAL BALANCE	968,777	537,973	681,398	693,508	461,622
WORKING CAPITAL GOAL	289,000	289,000	287,000	291,000	313,000
PARKS FACILITY MAINTENANCE (6910)					
REVENUES					
CHARGES TO DEPARTMENTS	4,678,020	5,155,735	5,155,735	5,361,964	5,841,538
OTHER REVENUE	1,400	0	3,882	0	0
TOTAL REVENUES	4,679,420	5,155,735	5,159,617	5,361,964	5,841,538
EXPENSES					
WAGES & BENEFITS	2,246,630	2,597,740	2,398,121	2,664,451	2,774,207
MATERIALS & SUPPLIES	2,347,681	2,441,917	2,472,863	2,597,317	2,570,140
CAPITAL	23,346	45,000	120,000	45,000	386,492
TRANSFER OUT	39,996	0	0	0	0
TOTAL EXPENSES	4,657,653	5,084,657	4,990,984	5,306,768	5,830,839
GAIN (LOSS)	21,767	71,078	168,633	55,196	10,699
WORKING CAPITAL BALANCE	52,111	123,189	220,744	275,940	231,443
WORKING CAPITAL GOAL	390,000	430,000	430,000	447,000	487,000
FIRE STATION MAINTENANCE (6911)					
REVENUES					
CHARGES TO DEPARTMENTS	269,184	295,440	295,133	319,075	309,075
TOTAL REVENUES	269,184	295,440	295,133	319,075	309,075
EXPENSES					
WAGES & BENEFITS	31,665	41,695	35,000	44,793	43,708
MATERIALS & SUPPLIES	126,964	179,458	175,000	180,216	180,216
TOTAL EXPENSES	158,629	221,153	210,000	225,009	223,924
GAIN (LOSS)	110,555	74,287	85,133	94,066	85,151
TRANSFER WORKING CAP TO REPLACE	(105,000)	(75,204)	(75,204)	(90,000)	(90,000)
WORKING CAPITAL BALANCE	160,287	159,370	170,216	174,282	165,367
WORKING CAPITAL GOAL	112,000	115,000	115,000	117,000	116,000
GEMETERY MAINTENANCE (6912)					
REVENUES					
CHARGES TO DEPARTMENTS	193,992	70,132	70,132	134,904	134,904
TOTAL REVENUES	193,992	70,132	70,132	134,904	134,904
EXPENSES					
WAGES & BENEFITS	61,673	71,311	65,000	72,605	70,457
MATERIALS & SUPPLIES	51,366	62,063	65,000	62,299	62,299
CAPITAL	3,970	0	0	0	0
TOTAL EXPENSES	117,009	133,374	130,000	134,904	132,756
GAIN (LOSS)	76,983	(63,242)	(59,868)	0	2,148
WORKING CAPITAL BALANCE	65,279	2,037	5,411	5,411	7,559
REPLACEMENT (6902)					
REVENUES					
CHARGES TO DEPARTMENTS	2,001,576	2,161,646	2,162,000	2,334,586	2,134,586
INTEREST	29,336	27,200	34,000	23,799	23,800
OTHER REVENUE	0	0	120,000	0	0
TOTAL REVENUES	2,030,912	2,188,846	2,316,000	2,358,385	2,158,386
EXPENSES					
MATERIALS & SUPPLIES	118,391	100,000	125,000	100,000	375,000
DEBT SERVICE - BLDG LEASE	655,323	667,248	667,171	660,348	660,348
DEBT SERVICE - PW STORAGE	40,267	38,829	38,829	37,391	37,391
TRANSFER OUT	0	0	0	0	0
CAPITAL	496,598	1,000,000	780,000	1,200,000	1,000,000
TOTAL EXPENSES	1,310,579	1,806,077	1,611,000	1,997,739	2,072,739
GAIN (LOSS)	720,333	382,769	705,000	360,646	85,647
TRANSFER WORKING CAPITAL	105,000	75,204	75,204	90,000	90,000
WORKING CAPITAL BALANCE	3,700,757	4,158,730	4,480,961	4,931,607	4,656,608
WORKING CAPITAL GOAL	6,149,369	6,333,850	6,333,850	6,333,850	6,523,866
WORKING CAPITAL BALANCE	5,056,297	5,090,384	5,558,099	6,072,754	5,521,968
WORKING CAPITAL GOAL	6,940,369	7,167,850	7,167,850	7,376,866	7,439,866
EXCESS OR (DEFICIENCY)	(1,884,072)	(2,077,466)	(1,609,752)	(1,304,112)	(1,917,898)
TOTAL REVENUES	10,595,717	10,853,651	10,998,502	11,679,407	11,982,299
TOTAL EXPENSES	9,846,222	10,819,564	10,386,984	11,157,389	12,018,430
GAIN (LOSS)	749,495	34,087	611,518	522,018	(36,131)
Accumulated Depreciation	\$16,107,878				

Fund 7450, Accrued Benefits

The Accrued Benefits Fund is the Internal Service Fund that records the assets and liabilities associated with employee accrued time off - vacation, personal leave, and compensatory time. This fund has fallen behind full funding for two reasons. A portion of the deficit occurred because of borrowing from this fund in the downturn strategies of 2004. The remainder of the deficit was attributable to accruals not recording correctly in our financial system in 2004 and 2005. To assist this fund, \$2,255,147 was transferred in from the Transitional Reserve Fund in 2009. Funding for the Transitional Reserve originally came from prior year positive results, partly due to the underreporting of accruals, and closeouts of a few small debt service funds. The original purpose of the Transitional Reserve was to be available when the City lost Local Government Aid – a reason which no longer exists. These funds were used to reduce the deficit in this fund. The possibility of the City going out of existence and needing to fully fund this account to pay all of the employee accrued time off at one time is remote. However, we may someday be required by government accounting standards to be fully funded or have a plan to do so. Also, it does provide a confidence factor to employees knowing that this is fully (or substantially) funded.

	2014 Actual	2015 Budget	2015 Estimate	2016 Conceptual	% Change from 2015	2016 Proposed	% Change from 2015
Total Revenue	\$1,692,810	\$2,275,376	\$2,227,500	\$1,844,432	(18.9)%	\$1,411,800	(38.0)%
Total Expense	\$1,649,923	\$1,793,631	\$1,793,600	\$1,312,245	1.0%	\$1,815,284	1.2%
Working Capital	(\$1,802,915)	(\$1,495,257)	(\$1,369,015)	(\$1,336,828)	(10.6)%	(\$1,772,499)	(18.5)%
WC Goal	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%

Revenues

Revenues for this fund come from:

1. Charges to City departments that pay full-time salaries – allocated monthly.
2. Interest Income – allocated monthly.

In 2013, 2014 and 2015, the rates charged to departments were 4.0% of full-time salaries. For 2016, a 3% rate is proposed. Revenues from charges to departments for 2015 are projected to be \$1,639,600. In 2016 these charges are budgeted at \$1,310,000 and are included in the General Fund and other funds' budgets. Interest earnings for this fund in 2015 are projected to be \$87,900. In 2016 interest is budgeted at \$101,800. A transfer in of \$500,000 from the Insured Benefits Fund (health, life, dental and long-term disability insurances) was received in 2015. Total revenues for 2016 are \$1,411,800.

Expenses

Expenses for this fund come from:

1. Year end conversion of any accumulated Personal Leave hours over 1,000 hours to either a post retirement health care savings account (employee self-funded health care) or cash payout.

2. Payout of unused vacation, personal leave, and comp. time to employees leaving service (retirements, terminations, or leaving for new opportunities)
3. Year end accrual to cover future liabilities for employees leaving service with the City. This is based on a payroll report at the end of the year.

Statistics of Year End Personal Leave Hours Converted to Cash

Personal Leave Sent to Post Retirement Healthcare Savings Plan:

2009 = \$343,806.46 with 106 participants
2010 = \$378,593.40 with 110 participants
2011 = \$398,051.87 with 114 participants
2012 = \$398,344.14 with 114 participants
2013 = \$428,358.63 with 113 participants
2014 = \$440,061.97 with 121 participants

Personal Leave Paid Out in Cash:

2009 = \$1,280.15 with 1 participant
2010 = \$4,237.32 with 2 participants
2011 = \$5,018.48 with 3 participants
2012 = \$5,826.28 with 3 participants
2013 = \$4,820.96 with 2 participants
2014 = \$3,512.08 with 2 participants

These expenses are unpredictable and dependent on the timing of employees leaving service and the amount of accrued benefit hours. Projected expenditures for 2015 total \$1,793,600. Proposed expenditures for 2016 are \$1,812,245.

Working Capital

The Accrued Benefit Fund's net asset balance projected at year-end 2015 is a negative \$1,369,015. The net asset balance is budgeted at negative \$1,772,499 at year-end 2016. This fund provided working capital to the General Fund as part of the City's downturn strategies during the budget pressures in 2004 and is on a plan to get back on track. A fifteen-year budget forecast shows the balance coming into positive territory in 2021. This result is dependent on increasing the rate for charges at 5.0% to 6.0% from 2017 through 2021.

For working capital, this fund only needs the amount of assets that offset the accrued liability for payments to employees. Using the alternate presentation of net assets as shown on the budget model, the goal for 2016 is \$15,657,162 and current assets less current liabilities are \$13,884,663, a difference of \$1,772,499.

Recommendation:

Staff recommends adoption of the 2016 City Manager's Proposed Budget.

CITY OF BLOOMINGTON
ACCRUED BENEFITS FUND - 625

Budget Summary

DESCRIPTION	2013	2014	2015		2016		
	ACTUAL	ACTUAL	ADOPTED BUDGET	ESTIMATE	CONCEPTUAL BUDGET	CITY MANAGER'S PROPOSED	% CHANGE 2013/2014
Revenues							
CHARGES TO DEPARTMENTS	1,564,512	1,598,784	1,644,376	1,639,600	1,696,732	1,310,000	3.2%
INTEREST EARNINGS	96,187	68,386	131,000	87,900	147,700	101,800	12.7%
OTHER	(68,428)	25,640	500,000	500,000	-	-	
TOTAL REVENUE	1,592,271	1,692,810	2,275,376	2,227,500	1,844,432	1,411,800	-18.9%
Expenditures							
WAGES & BENEFITS	1,535,262	1,179,907	1,248,857	1,248,826	1,196,961	1,200,000	-4.2%
CHANGES TO RESERVE	424,079	470,016	544,774	544,774	615,284	615,284	12.9%
TOTAL EXPENDITURES	1,959,341	1,649,923	1,793,631	1,793,600	1,812,245	1,815,284	1.0%
NET GAIN (LOSS)	(367,070)	42,887	481,745	433,900	32,187	(403,484)	-93.3%
NET ASSETS BALANCE	(1,845,802)	(1,802,915)	(1,321,170)	(1,369,015)	(1,336,828)	(1,772,499)	1.2%

Alternate Presentation of Net Assets

Current Assets minus CAFR Current	11,172,098	11,722,330	12,308,447	12,832,492	13,574,755	13,884,663
Liability (Benefits Payable) Net	13,017,900	13,525,245	13,629,617	14,201,507	14,911,583	15,657,162
	(1,845,802)	(1,802,915)	(1,321,170)	(1,369,015)	(1,336,828)	(1,772,499)