



**September 19, 2016**

# **2017-2018 PROPOSED BUDGETS Internal Service Funds**

- **7100 - Fleet Maintenance**
- **7200 - Public Safety Radio**
- **7300 - Self-Insurance**
- **7400 - Insured Benefits**
- **7450 - Accrued Benefits**
- **7500 - Support Services**
- **7600 - Information Systems**
- **7700 - Facilities & Park  
Maintenance**



**September 19, 2016**

# **2017-2018 PROPOSED BUDGETS**

## **INTERNAL SERVICE FUNDS**

### **Fund 7100 Fleet Maintenance**

## **Fund 7100, Fleet Maintenance**

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: Fleet Operations & Maintenance (including Central Supplies), Fleet 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.

	2015 Actual	2016 Budget	2016 Estimate	2017 Proposed	2018 Conceptual
Total Revenue	\$6,936,459	\$7,882,353	\$7,893,500	\$7,602,642	\$8,674,648
Total Expenses	\$6,508,123	\$9,446,018	\$7,967,000	\$7,781,721	\$8,666,263
Working Capital	\$5,866,599	\$4,302,935	\$5,793,099	\$5,614,020	\$5,622,405
WC Goal	\$2,676,692	\$3,104,555	\$3,269,016	\$3,899,014	\$4,078,163

### **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 66% of the fee in 2017 with the remaining 34% allocated to Replacement. The percentage allocated to O&M usually fluctuates between 65% and 71% 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 \$6,362,942 for 2017, a decrease of \$194,000 from 2016. Fees for 2018 are \$7,242,848.

#### **Revenue**

Total revenue for Operations is projected to be \$4,254,637 in 2017. 2017 charges to other departments total \$4,199,542 and inventory surcharges are \$38,400.

Proposed total revenue for 2018 is \$5,039,266. Departmental charges are included in the General Fund and other funds' budgets.

### **Expenses**

Proposed 2017 expenses are \$5,257,766 and for 2018 are \$5,399,249. 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 2016, the fixed price for unleaded fuel averaged \$1.88 and on the spot market it averaged \$1.68 per gallon. This compares to \$2.71 and \$1.98 at this time last year. Diesel fuel averaged \$1.64 for fixed price and \$1.47 on the spot market. These costs do not include \$0.285 in excise and other taxes the City pays. The budget for fuel went from \$1,240,000 in 2016 to \$1,124,000 in 2017. The Equipment Division has been purchasing bio-diesel fuel since May of 2005.

### **Working Capital**

Working capital is projected to decrease in 2017 by \$1,003,766 to total \$1,474,129. The budget shows a working capital decrease of \$359,983 in 2018 for total working capital of \$1,114,130.

### **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 2017 and 2018 as noted above in Operations & Maintenance.

### **Revenues**

For 2017 budgeted revenues are \$2,381,758. Proposed revenues for 2018 are \$2,488,522 including departmental fees which are budgeted in the General Fund and other funds' budgets.

**Expenses**

Expenses for 2017 are proposed to be \$2,125,000. Expenses are comprised entirely of the cost of replacement equipment. The proposed expenses for 2017 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 2018 are budgeted at \$2,284,000.

**Working Capital**

With the proposed expenses and revenues, this activity shows an increase in working capital in 2017 for total working capital of \$2,574,526. The working capital goal for this activity is one year of fees, or \$2,163,000 for 2017. Working capital for 2018 is budgeted at \$2,779,048.

**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.

**Fees**

Fees for 2017 are budgeted at \$550,000. Proposed fees for 2018 are also \$550,000.

**Revenues**

Total revenues for 2016 are projected to be \$459,600, with \$450,000 coming from internal charges and the remainder from interest earnings. The 2017 and 2018 proposed revenues are \$558,396 and \$563,514. This level of funding is required to meet the anticipated need for equipment replacement in this activity through 2031.

**Expenses**

Estimated expenses for 2016 are \$1,840,560, mostly for a ladder truck. Proposed capital expenses for 2017 are \$180,000 for two Fire Marshalls' vehicles and two Chiefs' vehicles. Capital expenses for 2018 include an ATV and a boat. 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 is included as an attachment.

**Working Capital**

The 2017 working capital balance is proposed to increase by \$378,396 to \$967,712. Working capital is expected to increase by \$528,514 in 2018 to \$1,496,226. The working capital goal for this activity is \$1,100,000.

**Fire Small Equipment Replacement (765605)**

This activity 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**

Proposed revenue for 2017 is \$356,884 which includes departmental charges of \$350,000 and interest earnings. Budgeted revenues for 2018 are \$507,732 which include \$500,000 of departmental charges and interest earnings.

**Expenses**

Expenses for 2017 are proposed to be \$143,400. Budgeted expenses for 2017 are to purchase air bags, defibrillators, hazmat detection gear and technical rescue gear. Expenses for 2018 are \$862,000 which includes self-contained breathing units which are required to be replaced every 15 years and other safety gear (see attached listing).

**Working Capital**

2016 should end the year with working capital of \$340,217. The working capital balance budgeted for 2017 is \$553,701 and for 2018 is \$199,433. The working capital goal for this fund in 2017 is \$356,884 and for 2018 is \$507,732 which is equivalent to one year's revenues. Working capital was built up in this activity to fund replacement of self-contained breathing apparatus in 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**

Proposed 2017 revenues are \$50,967. Budgeted revenues for 2018 are \$75,614.

**Expenses**

Proposed expenses for 2017 are \$75,555, mostly for the purchase of body cameras or squad car cameras. Budgeted expenses for 2018 are \$86,014 to purchase radar units, service weapons and body and squad car cameras (see attached listing).

**Working Capital**

The 2016 working capital balance is projected to be \$68,556. The working capital balance budgeted for 2017 is \$43,967 and for 2018 is \$33,568. The working capital goal for this fund in 2017 is \$86,014 and in 2018 is \$100,163.

**Recommendation:**

Staff recommends approval of the 2017 City Manager's Recommended Budget and conceptual approval of the 2018 budget. Staff also recommends Council approval of the 2017 Equipment Replacement, Fire Equipment Replacement, Fire Small Equipment Replacement and Police Small Equipment Replacement schedules.

CITY OF BLOOMINGTON EQUIPMENT AND SUPPLIES - FUND 7100						
CITY OF BLOOMINGTON DESCRIPTION	2015	2016			2017	2018
	ACTUAL	BUDGET	ADJUSTED	ESTIMATE	PROPOSED	PROPOSED
Total Operations & Replacement Charges	5,929,800	6,557,220	6,557,220	6,711,000	6,362,942	7,242,848
<b>OPERATIONS &amp; MAINTENANCE (765601)</b>						
REVENUES						77%
CHARGES TO DEPARTMENTS	4,447,356	5,049,059	5,049,059	5,049,000	4,199,542	4,980,280
MOTOR POOL RENTAL CHARGES	0	69,195	69,195	69,000	0	0
INTEREST EARNINGS	8,454	7,251	7,251	7,250	16,695	20,586
OTHER REVENUE	172,359	154,380	154,380	140,000	38,400	38,400
TRANSFERS IN -FROM OPERATIONS	0	0	0	0	0	0
<b>TOTAL REVENUES</b>	<b>4,628,169</b>	<b>5,279,885</b>	<b>5,279,885</b>	<b>5,265,250</b>	<b>4,254,637</b>	<b>5,039,266</b>
EXPENDITURES						
WAGES & BENEFITS	1,288,084	1,359,853	1,359,853	1,297,300	1,409,814	1,455,528
MATERIALS & SUPPLIES	2,735,103	3,489,129	3,615,129	2,353,140	3,627,952	3,723,721
CAPITAL	26,984	521,427	521,427	400,000	220,000	220,000
<b>TOTAL EXPENDITURES</b>	<b>4,050,171</b>	<b>5,370,409</b>	<b>5,496,409</b>	<b>4,050,440</b>	<b>5,257,766</b>	<b>5,399,249</b>
GAIN (LOSS)	577,999	(90,524)	(216,524)	1,214,810	(1,003,129)	(359,983)
TRANSFER WORKING CAPITAL						
WORKING CAPITAL BALANCE	1,262,432	1,171,908	1,045,908	2,477,242	1,474,113	1,114,130
WORKING CAPITAL GOAL	571,002	621,000	571,000	571,000	550,000	615,000
<b>EQUIPMENT REPLACEMENT (765602)</b>						
REVENUES						
CHARGES TO DEPARTMENTS	1,482,444	1,508,161	1,508,161	1,662,000	2,163,400	2,262,568
INTEREST EARNINGS	15,586	19,320	19,320	19,360	28,358	35,953
OTHER REV - FED GRANT	30,386	0	0	0	0	0
OTHER REV - TRANS IN	18,098	43,857	43,857	55,800	90,000	90,000
SALE OF EQUIPMENT	94,646	140,000	140,000	0	100,000	100,000
<b>TOTAL REVENUES</b>	<b>1,641,160</b>	<b>1,711,338</b>	<b>1,711,338</b>	<b>1,737,160</b>	<b>2,381,758</b>	<b>2,488,522</b>
EXPENDITURES						
MATERIALS & SUPPLIES						
CAPITAL	1,583,506	2,051,357	2,051,357	1,750,000	2,125,000	2,284,000
TRANSFER TO FACILITIES FUND	0	0	0	0	0	0
TRANSFER TO OPER. & MAINT.	0	0	0	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>1,583,506</b>	<b>2,051,357</b>	<b>2,051,357</b>	<b>1,750,000</b>	<b>2,125,000</b>	<b>2,284,000</b>
GAIN (LOSS)	57,654	(340,019)	(340,019)	(12,840)	256,758	204,522
TRANSFER WORKING CAPITAL						
WORKING CAPITAL BALANCE	2,330,608	1,990,589	1,990,589	2,317,768	2,574,526	2,779,048
WORKING CAPITAL GOAL	1,482,000	1,508,000	1,508,000	1,662,000	2,163,000	2,263,000
<b>FIRE EQMNT REPLACEMENT (765603)</b>						
REVENUES						
CHARGES TO DEPARTMENTS	300,000	450,000	450,000	450,000	550,000	550,000
INTEREST EARNINGS	11,755	9,611	9,611	9,600	8,396	13,514
SALE OF EQUIPMENT/ OTHER	0	0	0	0	0	0
<b>TOTAL REVENUES</b>	<b>311,755</b>	<b>459,611</b>	<b>459,611</b>	<b>459,600</b>	<b>558,396</b>	<b>563,514</b>
EXPENDITURES						
MATERIALS & SUPPLIES	0	562	563	560	0	0
CAPITAL	698,104	1,840,000	1,840,000	1,840,000	180,000	35,000
<b>TOTAL EXPENDITURES</b>	<b>698,104</b>	<b>1,840,562</b>	<b>1,840,563</b>	<b>1,840,560</b>	<b>180,000</b>	<b>35,000</b>
GAIN (LOSS)	(386,349)	(1,380,951)	(1,380,952)	(1,380,960)	378,396	528,514
WORKING CAPITAL BALANCE	1,970,276	589,325	589,324	589,316	967,712	1,496,226
WORKING CAPITAL GOAL	600,000	900,000	900,000	900,000	1,100,000	1,100,000
<b>FIRE SMALL EQUIPMENT (765605)</b>						
REVENUES						
CHARGES TO DEPARTMENTS 101-4703	330,000	400,000	400,000	400,000	350,000	500,000
INTEREST EARNINGS	-	1,077	1,078	1,050	6,884	7,732
TRANSFER IN	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>330,000</b>	<b>401,077</b>	<b>401,078</b>	<b>401,050</b>	<b>356,884</b>	<b>507,732</b>
EXPENDITURES						
MATERIALS & SUPPLIES	136,551	160,000	453,000	303,000	143,400	862,000
CAPITAL	0	0	0	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>136,551</b>	<b>160,000</b>	<b>453,000</b>	<b>303,000</b>	<b>143,400</b>	<b>862,000</b>
GAIN (LOSS)	193,449	241,077	(51,922)	98,050	213,484	(354,268)
WORKING CAPITAL BALANCE	242,167	483,244	190,245	340,217	653,701	199,434
WORKING CAPITAL GOAL	330,000	401,077	401,078	401,050	356,884	507,732
<b>POLICE SMALL EQUIPMENT (765604)</b>						
REVENUES						
CHARGES TO DEPARTMENTS 101-4201	25,000	30,000	30,000	30,000	50,000	75,000
INTEREST EARNINGS	375	442	442	440	967	614
OTHER REVENUE	0	0	0	0	0	0
<b>TOTAL REVENUES</b>	<b>25,375</b>	<b>30,442</b>	<b>30,442</b>	<b>30,440</b>	<b>50,967</b>	<b>75,614</b>
EXPENDITURES						
MATERIALS & SUPPLIES	39,791	23,690	23,690	23,000	75,555	86,014
CAPITAL	0	0	0	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>39,791</b>	<b>23,690</b>	<b>23,690</b>	<b>23,000</b>	<b>75,555</b>	<b>86,014</b>
GAIN (LOSS)	(14,416)	6,752	6,752	7,440	(24,589)	(10,400)
WORKING CAPITAL BALANCE	61,116	67,868	67,868	68,556	43,967	33,668
WORKING CAPITAL GOAL	23,690	75,555	86,014	86,014	86,014	100,163
<b>TOTAL WORKING CAPITAL</b>	<b>5,866,599</b>	<b>4,302,935</b>	<b>3,883,934</b>	<b>5,793,099</b>	<b>5,614,020</b>	<b>5,622,405</b>
<b>WORKING CAPITAL GOAL:</b>						
Inventory replacement		-	-	-	-	-
Operations (1 months Oper. Charges)	371,000	421,000	421,000	421,000	350,000	415,000
Fuel contingency	200,002	200,000	200,001	200,001	200,000	200,000
Equip replacement (1 yr charges)	1,482,000	1,508,000	1,508,000	1,662,000	2,163,000	2,263,000
Fire replacement (2 yr charges)	600,000	900,000	900,000	900,000	1,100,000	1,100,000
Police small eqmt (next yr purchases)	23,690	75,555	86,014	86,014	86,014	100,163
<b>TOTAL WC GOAL</b>	<b>2,676,692</b>	<b>3,104,555</b>	<b>3,115,016</b>	<b>3,269,016</b>	<b>3,899,014</b>	<b>4,078,163</b>
<b>WC Excess/(Deficiency)</b>	<b>3,189,908</b>	<b>1,198,379</b>	<b>768,919</b>	<b>2,524,084</b>	<b>1,715,006</b>	<b>1,544,242</b>

Total Fund Revenues	6,936,459	7,882,353	7,882,354	7,893,500	7,602,642	8,674,648
Total Fund Expenditures	6,508,123	9,446,018	9,865,019	7,967,000	7,781,721	8,666,263
Fund gain (loss)	428,337	(1,563,665)	(1,982,665)	(73,500)	(179,079)	8,385

Anticipated Budget  
Variance to Anticipated Budget

<b>2017</b>
\$2,125,000
\$0

<b>2017</b>	
<b>Total by Year (All Inclusive)</b>	<b>\$2,125,000</b>
Total by Year (before squad and discretionary)	<b>\$1,713,611</b>
Estimated Squad Count	11
Estimated Squad Expense	<b>\$330,000</b>
Discretionary Expense	<b>\$81,389</b>

**2016 FLEET POINTS REPLACEMENT**

Unit #	Year	Make	Model	Dept.	Total points	Propose to Replace in 2017
						<b>\$1,713,611</b>
155	1992	ISUZU	NPR	Util	45	\$118,450
1515	1992	PB	B-4SM	Streets	41	\$53,045
82	2002	STERLING	LT9511	Streets	38	\$272,950
698	1999	TORO	30788	Parks	36	\$21,218
1146	2006	JOHN DEERE	3720	Parks	36	\$42,436
31	1995	BOMAG	BW120AD-2	Streets	35	\$41,524
157	2006	FREIGHTLINER	M2-106	Util	35	\$222,789
915	1992	GMC	G3500	Police	35	\$49,440
88	2004	STERLING	LT9511	Streets	34	\$272,950
970	1999	CHEVROLET	G20 VAN	Pool	33	\$39,140
679	2004	TORO	74252	Parks	33	\$13,659
3	2002	CATERPILLAR	248	Streets	33	\$84,872
1273	2005	VERMEER	BC1400 XL	Parks	33	\$37,132
623	1999	JOHN DEERE	6310	Parks	33	\$77,250
690	2004	TORO	74252	Parks	33	\$11,330
666	2005	TORO	74252	Parks	32	\$11,330
49	2005	FORD	F350	Streets	32	\$49,862
646	2005	DODGE	RAM 1500	Parks	26	\$24,401
132	2006	FORD	E450	Util	25	\$252,350
454	2007	FORD	TAURUS	Env. Hlth	21	\$17,484

**CITY OF BLOOMINGTON  
FIRE CAPITAL REPLACEMENT SCHEDULE  
2017**

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
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	SPARE	13716	FORD	EXPEDITION	In service as spare Chief
528	RESCUE	1998	2015	0	\$ 400,000.00	RESCUE 1	21574	FREIGHTLINER	AIR/RESCUE	Ordered
	BOAT	1976	2016	0	\$ 20,000.00	BOAT 6		CADILLAC		
547	LADDER	1996	2016	0	\$ 800,000.00	LADDER 2	31600	LTI	AERIAL	Replacement ordered
529	BRUSH	2001	2017	1	\$ 45,000.00	BRUSH 2	4946	CHEVROLET	CK 3500	
530	BRUSH	2001	2017	1	\$ 45,000.00	BRUSH 4	4485	CHEVROLET	CK 3500	
521	CHIEF	2010	2017	1	\$ 45,000.00	CHIEF 7	25000	FORD	EXPEDITION	
520	CHIEF	2010	2017	1	\$ 45,000.00	CHIEF 5	12000	FORD	EXPEDITION	
519	CHIEF	2009	2017	0	\$ 45,000.00	FM 5	40000	CHEVROLET	TAHOE	Int'o Service as FMS
560	ATV	1999	2018	2	\$ 15,000.00	ATV 3	84 hours	POLARIS	RANGER	
1977	BOAT	2006	2018	2	\$ 20,000.00	BOAT 5		ZODIAC	MK2 GR	
526	BRUSH	2004	2019	3	\$ 45,000.00	BRUSH 5	3330	FORD	F 350	
545	LADDER	1999	2019	3	\$ 850,000.00	LADDER 5	18777	AI	AERIAL	
523	CHIEF	2013	2020	4	\$ 45,000.00	CHIEF 1		FORD	EXPEDITION	In service June 2013
524	CHIEF	2013	2020	4	\$ 45,000.00	CHIEF 2		FORD	EXPEDITION	In service July 2013
525	CHIEF	2013	2020	4	\$ 45,000.00	CHIEF 4		FORD	EXPEDITION	In service August 2013
527	UTILITY	2013	2020	4	\$ 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	5	\$ 400,000.00	ENGINE 33	30690	FREIGHTLINER	2000 GPM	Move to spare for remaining 5+ years
512	ENGINE	2001	2021	5	\$ 400,000.00	ENGINE 11	39250	FREIGHTLINER	2000 GPM	Move to spare for remaining 5+ years
510	ENGINE	2001	2021	5	\$ 400,000.00	ENGINE 55	46306	FREIGHTLINER	2000 GPM	Move to spare for remaining 5+ years
522	LADDER	2001	2021	5	\$ 1,000,000.00	LADDER 1	30218	LTI	PLATFORM	
561	SNOWMO	2012	2022	6	\$ 15,000.00	SNOW 1		POLARIS	IQ-LXT	
538	CHIEF	2015	2022	6	\$ 55,000.00	CHIEF 3		FORD	EXPEDITION	
539	CHIEF	2015	2022	6	\$ 55,000.00	FM 2		FORD	EXPEDITION	
565	ATV	2013	2023	7	\$ 15,000.00	ATV 1		POLARIS		
571	FM	2015	2023	7	\$ 45,000.00	FM 3		FORD	EXPLORER	
572	FM	2015	2023	7	\$ 45,000.00	FM 4		FORD	EXPLORER	
509	LADDER	2003	2023	7	\$ 1,000,000.00	LADDER 3	17404	GENERAL/Spartan	PLATFORM	
562	SNOWMO	2013	2023	7	\$ 15,000.00	SNOW 2		POLARIS		
	Inspector	2016	2023	7	\$ 40,000.00	FM 5		FORD	EXPLORER	Ordered
	ATV	2014	2024	8	\$ 15,000.00	ATV 2		POLARIS		
	BOAT	2014	2024	8	\$ 25,000.00	BOAT 1		AB		Hard Hull Inflatable
503	ENGINE	2009	2024	8	\$ 450,000.00	ENGINE 1	29841	FREIGHTLINER	2000 GPM	Move to spare for remaining 5+ years
502	ENGINE	2009	2024	8	\$ 450,000.00	ENGINE 6	25593	FREIGHTLINER	2000 GPM	Move to spare for remaining 5+ years
552	BRUSH	2011	2026	10	\$ 45,000.00	BRUSH 1	2867	FORD	F-350	
551	BRUSH	2011	2026	10	\$ 45,000.00	BRUSH 3	2099	FORD	F-350	
501	HAZMAT	2008	2028	12	\$ 500,000.00	HAZMAT TRUCK	3507	PIERCE	HAZMAT	
514	LADDER	2008	2028	12	\$ 1,000,000.00	LADDER 4	19615	GENERAL/Spartan	AERIAL	
513	ENGINE	2013	2028	12	\$ 450,000.00	ENGINE 2	6481	ROSENBAUR-GEN	2000 GPM	In service July 2013
531	BRUSH	2014	2029	13	\$ 45,000.00	Brush 6	458			
573	ENGINE	2016	2031	15	\$ 450,000.00	ENGINE 3		FREIGHTLINER	2000 GPM	In service March 2016
574	ENGINE	2016	2031	15	\$ 450,000.00	ENGINE 4		FREIGHTLINER	2000 GPM	In service March 2016
575	ENGINE	2016	2031	15	\$ 450,000.00	ENGINE 5		FREIGHTLINER	2000 GPM	In service March 2016

Annual Cost

2015	\$ 445,000
2016	\$ 1,840,000
2017	\$ 180,000
2018	\$ 35,000
2019	\$ 895,000
2020	\$ 180,000
2021	\$ 2,245,000
2022	\$ 15,000
2023	\$ 215,000
2024	\$ 1,070,000
2026	\$ 475,000
2027	-
2028	\$ 495,000
2029	\$ 45,000

FIRE SMALL EQUIPMENT SCHEDULE  
 ORG 765605

Item	2015	2016	2017	2018
SCBA Replacement (2016-2018)				\$750,000.00
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	\$25,000.00	\$25,000.00
Nozzles	\$21,000.00			
	\$251,090.00	\$160,000.00	\$143,400.00	\$862,000.00

**CITY OF BLOOMINGTON  
POLICE SMALL EQUIPMENT DEPARTMENT 765604  
CAPITAL PURCHASES 2014-2023**

<u>Item</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>2024</u>	<u>2025</u>	<u>2026</u>	<u>Explanation</u>
Laser's	5,509	5,564	5,619	5,675	5,732	5,790	5,847	5,906	5,965	6,025	6,085	Replace 2 units per year on average, 32 units, \$1,700 each
AR-15's	0	0	8,181	8,263	8,345	8,429	8,513	8,598	8,684	8,771	8,859	AR Replacements begin in 2017, 9 per year, \$900 each, 45 guns
SWAT Rifles	0	0	0	0	0	0	0	0	0	39,600	0	18 Rifles at \$2,000 each-10 year replacement
Shotguns	0	0	9,292	9,292	0	0	0	0	0	0	0	Shotgun Replacement in 2017 and 2018, \$400 each, 46 guns
SWAT Helmets	0	0	0	8,000	0	0	0	0	8,400	0	0	5 yr schedule, \$369 each, 21 helmets
Defibs	0	0	0	0	0	0	0	0	49,500	0	0	40 units at \$1,125 each, replace in 2024
Smart Devices	0	6,594	0	0	6,792	0	0	6,996	0	0	7,205	32 devices, replace every 3 years/camera/recorder/phone
PBT's	1,836	1,855	1,873	1,892	1,911	1,930	1,949	1,969	1,988	2,008	2,028	Replace 3 per year, \$600 each, 35 units
Radar Units	5,646	5,702	5,759	5,817	5,875	5,934	5,993	6,053	6,114	6,175	6,237	\$2,795 each, 32 units replace 2 per year on average
Tasers	9,487	4,791	4,839	9,774	9,872	9,971	10,071	10,171	10,273	10,376	10,479	10 yr schedule 93 units, \$1,000 each
Tac Vests	0	0	0	45,000	0	0	0	0	47,250	0	0	5 yr schedule \$2,500 each, 18 vests
Speed Trailers	0	0	0	6,000	6,060	0	0	0	0	0	0	15 yr schedule, \$6,000 each, replace in 2019 and 2020
Glocks	1,212	450	450	450	3,750	3,788	3,825	3,864	3,902	3,941	3,981	10 year schedule, \$150 per gun after trade-in, 123 guns
Body/Squad Car	0	60,600	60,000	0	0	0	0	0	0	0	0	\$5,000 per unit each, 32 cameras
<b>Annual Cost</b>	<b>23,690</b>	<b>85,555</b>	<b>96,014</b>	<b>100,163</b>	<b>48,337</b>	<b>35,841</b>	<b>36,199</b>	<b>43,556</b>	<b>142,077</b>	<b>76,896</b>	<b>44,874</b>	



**September 19, 2016**

**2017-2018  
PROPOSED  
BUDGETS  
INTERNAL SERVICE  
FUNDS  
  
Fund 7200  
Public Safety Radio  
Fund**

## **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 2016 and 2017. Portable radios need to be replaced approximately every eight years and mobile radios need to be replaced approximately every ten years. MDC's need to be replaced every four years.

### **"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 2016 are \$471,690 for radios and \$141,949 for MDC's. Charges to departments for radios are budgeted at \$495,276 for 2017 and \$520,037 for 2018. Charges to departments for MDC's are budgeted at \$183,331 for 2017 and \$188,831 for 2018.

#### **Expenses**

Expenses for "Radio Replacement and Operations" and "MDC's" for 2016 are projected to be \$1,073,520. This includes \$755,695 for the replacement of radios and Fire MDC's. Requested budgeted expenses for 2017 are \$1,083,599 which include purchases of new Police radios, Fire radios, and Police MDC's of \$597,592. Requested budgeted expenses for 2018 are \$606,944 which include purchases of new Police radios of \$194,392. There is a budgeted transfer of \$180,000 to the E-911 Special Revenue fund in 2017 for a necessary update to the 911 Viper phone system. This money will be fully transferred back to the Radio fund by 2023.

**“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. \$60,430 will be spent in 2016 for an expansion of the Metropolitan Area Fiber Optic network. \$40,000 is budgeted in 2017 for Public Works traffic conduit at American Boulevard. An additional \$40,000 is budgeted in 2018 for fiber from American Boulevard to the microwave tower on Nicollet. The remaining budgeted fund balance of \$96,482 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 2016 is estimated to be \$447,609. The working capital balance for the proposed 2017 Budget is \$7,617 and for the proposed 2018 Budget is \$75,421. A fifteen-year replacement schedule of equipment shows the working capital balance increasing over time for purchases of radios and MDC’s in future years.

The proposed working capital goals for 2017 and 2018 are as follows:

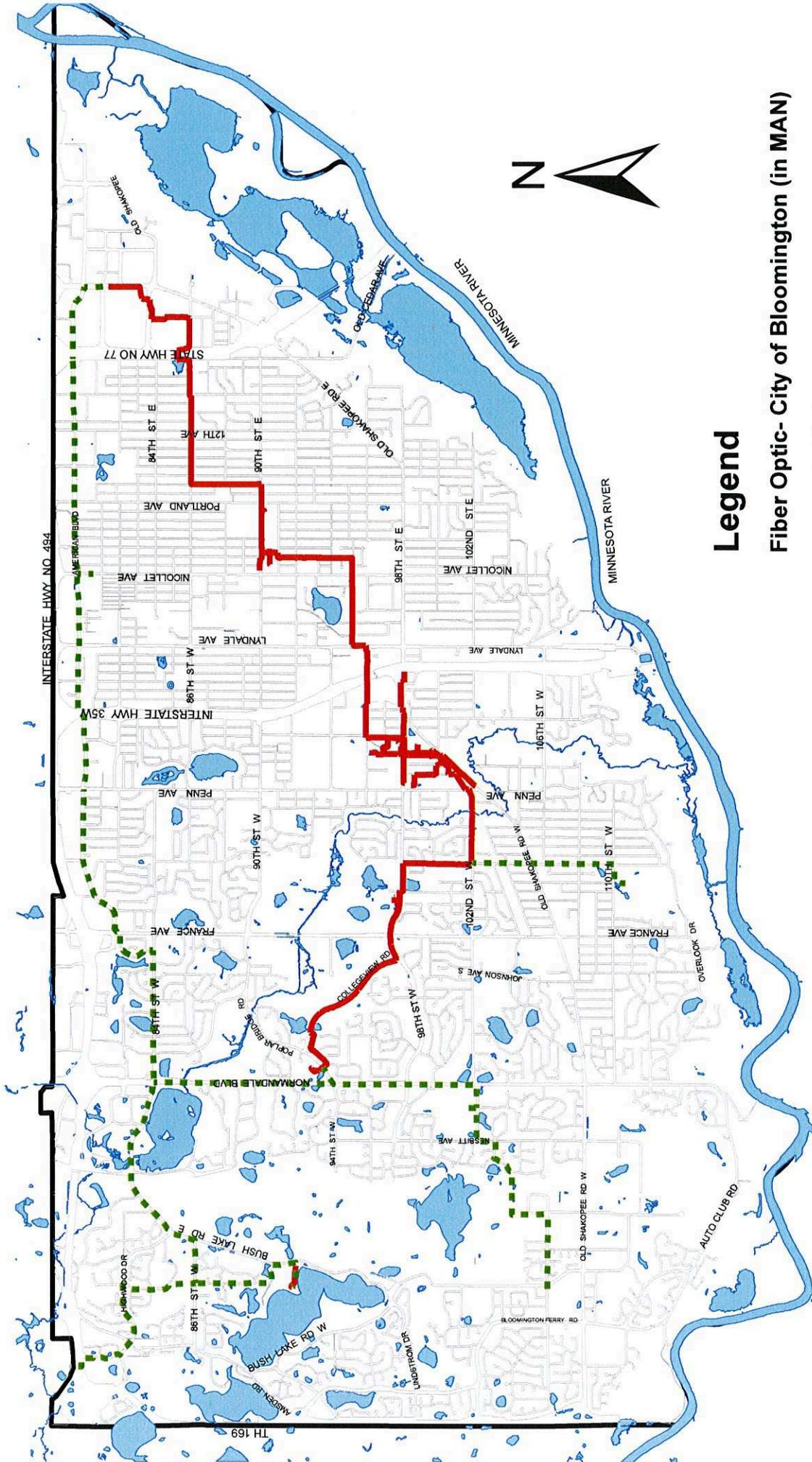
	<u>2017</u>	<u>2018</u>
• Cash Flow - 1/12 of annual operations	41,000	43,000
• Replacement of portables/mobiles & MDC’s	100,000	50,000
• Future Fiber-optics expenses	<u>136,482</u>	<u>96,482</u>
	<b>\$277,482</b>	<b>\$189,482</b>

**Recommendation:**

Staff recommends adoption of the City Manager’s Proposed 2017 & 2018 Public Safety Radio Fund Budget.

**CITY OF BLOOMINGTON**  
**PUBLIC SAFETY RADIO FUND - 7200**  
 Budget Summary

DESCRIPTION	2015 ACTUAL	2016 ORIGINAL BUDGET	2016 REVISED BUDGET	2016 PROJECTED	2017 PROPOSED	% CHANGE 2016 VS 2017	2018 CONCEPTUAL	% CHANGE 2017 VS 2018
<b>Revenues:</b>								
CHARGES TO DEPARTMENTS - RADIOS	451,668	471,690	471,690	471,690	495,276	5.0%	520,037	5.0%
CHARGES TO DEPARTMENTS - MDC'S	101,715	141,949	141,949	141,910	183,331	29.2%	188,831	3.0%
INTEREST	7,469	5,000	5,000	7,900	5,000	0.0%	5,000	0.0%
TRANSFERS IN	17,808	45,000	45,000	45,000	-	-100.0%	-	
<b>TOTAL REVENUE</b>	<b>578,660</b>	<b>663,639</b>	<b>663,639</b>	<b>666,500</b>	<b>683,607</b>	<b>3.0%</b>	<b>713,868</b>	<b>4.4%</b>
<b>Expenses:</b>								
SALARIES & BENEFITS	113,578	100,826	100,826	100,800	105,688	4.8%	109,430	3.5%
NEW RADIOS AND MDC'S	343,233	755,695	755,695	755,695	597,592	-20.9%	194,392	-67.5%
MATERIALS, SUPPLIES, AND SERVICES	200,209	193,945	193,945	217,025	200,319	3.3%	202,242	1.0%
BODY/SQUAD CAMERAS DATA FEES	-	-	-	-	-		100,000	
TRANSFERS OUT (E911 FUND)	90,000	-	-	-	180,000		-	
<b>TOTAL RADIO AND MDC EXPENSES</b>	<b>747,020</b>	<b>1,050,466</b>	<b>1,050,466</b>	<b>1,073,520</b>	<b>1,083,599</b>	<b>3.2%</b>	<b>606,064</b>	<b>-44.1%</b>
CAPITAL - FIBER OPTICS	-	96,000	96,000	60,000	40,000	-58.3%	40,000	
SERVICES - FIBER OPTICS	10,455	20,000	24,545	1,280	-	-100.0%	-	
<b>TOTAL FIBER OPTICS EXPENSES</b>	<b>10,455</b>	<b>116,000</b>	<b>120,545</b>	<b>61,280</b>	<b>40,000</b>	<b>-65.5%</b>	<b>40,000</b>	
<b>TOTAL EXPENSES</b>	<b>757,475</b>	<b>1,166,466</b>	<b>1,171,011</b>	<b>1,134,800</b>	<b>1,123,599</b>	<b>-3.7%</b>	<b>646,064</b>	<b>-42.5%</b>
<b>NET GAIN (LOSS)</b>	<b>(178,815)</b>	<b>(502,827)</b>	<b>(507,372)</b>	<b>(468,300)</b>	<b>(439,992)</b>	<b>-12.5%</b>	<b>67,804</b>	<b>-115.4%</b>
<b>WORKING CAPITAL BALANCE</b>	<b>915,909</b>	<b>413,082</b>	<b>408,537</b>	<b>447,609</b>	<b>7,617</b>		<b>75,421</b>	
<b>WORKING CAPITAL GOAL:</b>								
CASH FLOW - 1 MONTH	38,000	39,000	39,000	39,000	41,000		43,000	
RADIO AND MDC REPLACEMENT	500,000	250,000	250,000	250,000	100,000		50,000	
FIBER PROJECTS	237,762	121,762	117,217	176,482	136,482		96,482	
<b>TOTAL GOAL</b>	<b>775,762</b>	<b>410,762</b>	<b>406,217</b>	<b>466,482</b>	<b>277,482</b>		<b>189,482</b>	
<b>EXCESS (DEFICIENT) WORKING CAPITAL</b>	<b>140,147</b>	<b>2,320</b>	<b>2,320</b>	<b>(17,873)</b>	<b>(269,865)</b>		<b>(114,061)</b>	



# Legend

Fiber Optic- City of Bloomington (in MAN)

- Installed
- Proposed



**September 19, 2016**

**2017-2018  
PROPOSED  
BUDGETS  
INTERNAL SERVICE  
FUNDS  
  
Fund 7300  
Self-Insurance Fund**

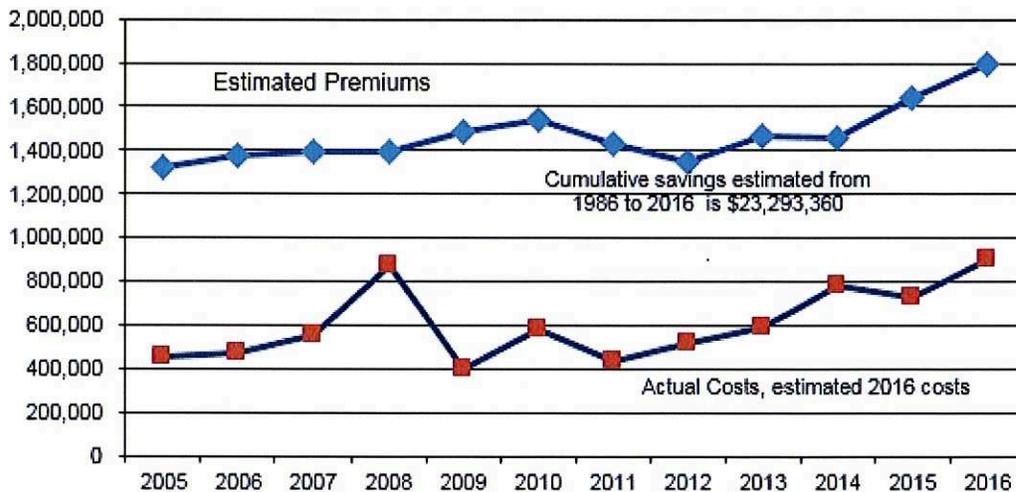
## FUND 7300, Self-Insurance Fund

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 2016 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 2016 for auto, property and liability insurance was very close to what the actuarial determination of funding should be. Actuarial studies will be done every four or five years to determine the level of required reserves.

Staff reviewed the worker's compensation rates charged internally and realigned them more proportionately to market rates. Internal rates were increased to address the trend of increasing expense of claims. 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 2016 are \$22,300. Departmental charges are projected to total \$2,239,600 for 2016. For 2017 and 2018 the recommended budget for interest earnings is \$15,000 each year. For departmental charges the recommended budget is \$2,278,833 for 2017 and \$2,348,006 for 2018.

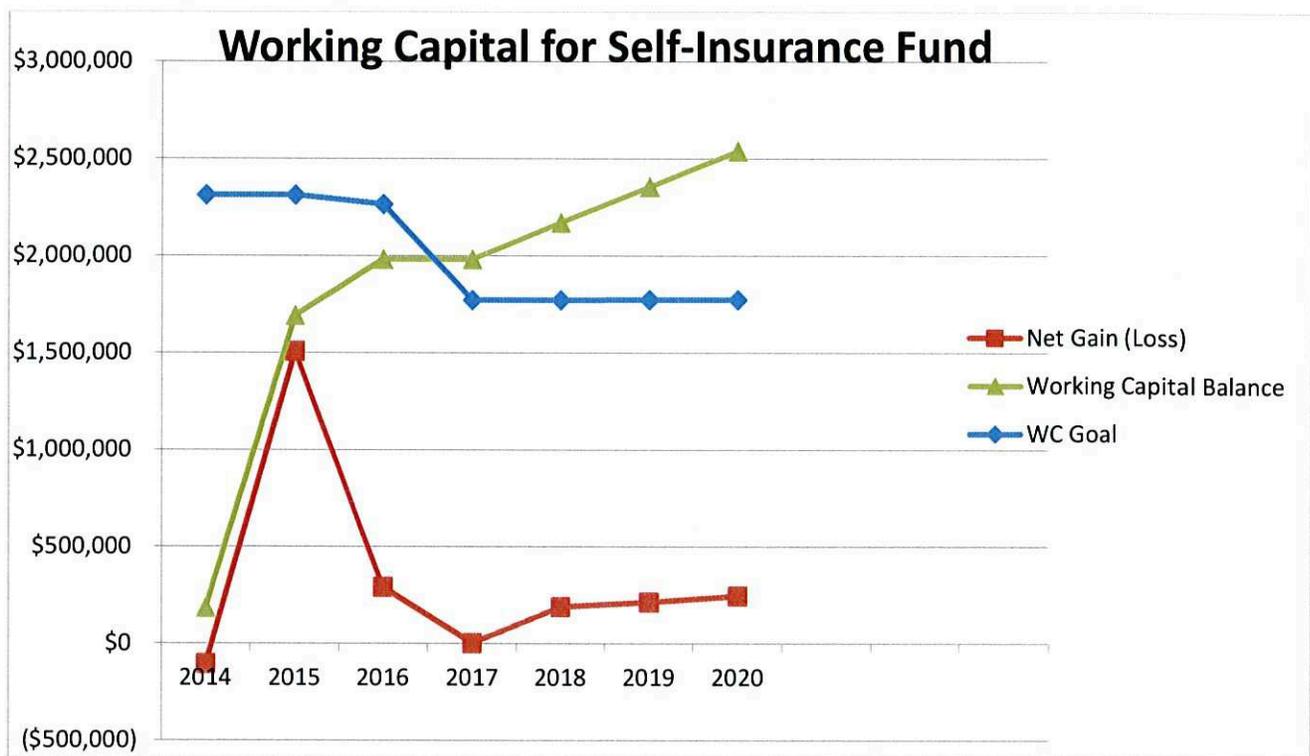
A transfer in from the Insured Benefits (life, health, dental and long-term disability insurances) Fund of \$500,000 was budgeted in 2015 to assist with paying for an increase in workers compensation and liability claims.

### Expenses

In 2016, expenses are projected to be \$2,014,344. This includes charges for claims payments, claims expenses, the cost of insurance and charge-backs to the General Fund for staff time. For 2017, \$2,226,036 is budgeted for total expenses. For 2018 this amount is \$2,272,422. This amount includes reserves for claims from prior years in addition to the expense items listed above.

### Working Capital

The working capital balance for this fund is projected to be \$1,938,577 by year-end 2016. With a \$67,798 increase in working capital balance budgeted in 2017, working capital will be \$2,006,375. A working capital goal of \$1,770,000 for 2017 is recommended. This amount includes the unpaid claims liability as calculated in the most recent actuarial report. For 2018 working capital will be \$2,096,958.



### Recommendation

Staff recommends Council adoption of the City Manager's 2017 Proposed Self-Insurance Fund Budget and conceptual approval of the 2018 Budget.

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

**Budget Summary**

	2015	2016		2017		2018	
DESCRIPTION	ACTUAL	BUDGET	ESTIMATE	CITY MANAGER PROPOSED	% CHANGE FROM 2016	CITY MANAGER PROPOSED	% CHANGE FROM 2017
<b>Self-Insurance General</b>							
<b>Revenues</b>							
INTEREST EARNINGS	16,020	13,000	22,300	15,000	15.38%	15,000	0.00%
TRANSFERS IN	500,004	-	-				
REFUNDS/REIMBURSEMENTS	-						
<b>TOTAL REVENUE</b>	<b>516,024</b>	<b>13,000</b>	<b>22,300</b>	<b>15,000</b>	<b>15.38%</b>	<b>15,000</b>	<b>0.00%</b>
<b>Expenditures</b>							
<b>TOTAL EXPENDITURES</b>							
Net Gain (Loss)	516,024	13,000	22,300	15,000		15,000	
<b>Worker's Compensation</b>							
<b>Revenues</b>							
CHARGES TO DEPARTMENTS	812,542	850,000	849,945	884,907	4.11%	920,422	4.01%
<b>TOTAL REVENUE</b>	<b>812,542</b>	<b>850,000</b>	<b>849,945</b>	<b>884,907</b>		<b>920,422</b>	
<b>Expenditures</b>							
CLAIMS PAYMENTS	723,867	900,000	750,000	775,000	-13.89%	800,000	3.23%
CLAIMS EXPENSES	-	5,000	5,000	5,000	0.00%	5,000	0.00%
RESERVE CHANGES	(591,081)						
INSURANCE AND BONDS	165,969	146,514	146,514	149,884	2.30%	153,331	2.30%
<b>TOTAL EXPENDITURES</b>	<b>298,755</b>	<b>1,051,514</b>	<b>901,514</b>	<b>929,884</b>		<b>958,331</b>	
Net Gain (Loss)	513,787	(201,514)	(51,569)	(44,977)		(37,909)	
<b>General/Special Liability</b>							
<b>Revenues</b>							
CHARGES TO DEPARTMENTS	865,308	831,909	831,909	902,003	8.43%	931,649	3.29%
<b>TOTAL REVENUE</b>	<b>865,308</b>	<b>831,909</b>	<b>831,909</b>	<b>902,003</b>		<b>931,649</b>	
<b>Expenditures</b>							
SUPPORT SERVICES	74,676	70,117	70,117	71,708	2.27%	73,113	1.96%
CLAIMS PAYMENTS	91,680	100,000	75,000	268,000	168.00%	275,000	2.61%
CLAIMS EXPENSES	197,286	400,000	200,000	210,000	-47.50%	220,500	5.00%
RESERVE CHANGES	59,379						
INSURANCE AND BONDS	241,320	350,000	350,000	353,500	1.00%	357,035	1.00%
<b>TOTAL EXPENDITURES</b>	<b>664,341</b>	<b>920,117</b>	<b>695,117</b>	<b>903,208</b>		<b>925,648</b>	
Net Gain (Loss)	200,967	(88,208)	136,792	(1,205)		6,001	
<b>Auto Liability</b>							
<b>Revenues</b>							
CHARGES TO DEPARTMENTS	246,828	253,738	253,738	199,699	-21.30%	205,325	2.82%
<b>TOTAL REVENUE</b>	<b>246,828</b>	<b>253,738</b>	<b>253,738</b>	<b>199,699</b>		<b>205,325</b>	
<b>Expenditures</b>							
SUPPORT SERVICES	18,780	15,005	15,005	18,344	22.25%	18,734	2.13%
CLAIMS PAYMENTS	45,947	50,000	80,000	75,000	50.00%	60,000	-20.00%
CLAIMS EXPENSES	297	10,712	10,712	11,087	3.50%	11,475	3.50%
RESERVE CHANGES	(12,000)						
INSURANCE AND BONDS	79,286	87,000	87,000	89,610	3.00%	92,298	3.00%
<b>TOTAL EXPENDITURES</b>	<b>132,310</b>	<b>162,717</b>	<b>192,717</b>	<b>194,041</b>		<b>182,507</b>	
Net Gain (Loss)	114,518	91,021	61,021	5,658		22,818	
<b>Property Liability</b>							
<b>Revenues</b>							
CHARGES TO DEPARTMENTS	301,728	304,008	304,008	292,224	-3.88%	290,610	-0.55%
<b>TOTAL REVENUE</b>	<b>301,728</b>	<b>304,008</b>	<b>304,008</b>	<b>292,224</b>		<b>290,610</b>	
<b>Expenditures</b>							
SUPPORT SERVICES	25,872	21,996	21,996	25,668	16.69%	26,198	2.06%
CLAIMS PAYMENTS	-	20,000	58,000	22,000	10.00%	22,000	0.00%
CLAIMS EXPENSES	-						
INSURANCE AND BONDS	115,286	145,000	145,000	151,235	4.30%	157,738	4.30%
<b>TOTAL EXPENDITURES</b>	<b>141,158</b>	<b>186,996</b>	<b>224,996</b>	<b>198,903</b>		<b>205,936</b>	
Net Gain (Loss)	160,570	117,012	79,012	93,321		84,674	
<b>NET GAIN (LOSS)</b>	<b>1,505,866</b>	<b>(68,689)</b>	<b>247,556</b>	<b>67,798</b>		<b>90,584</b>	
<b>WORKING CAPITAL BALANCE</b>	<b>1,691,021</b>	<b>1,622,332</b>	<b>1,938,577</b>	<b>2,006,375</b>		<b>2,096,958</b>	
<b>WORKING CAPITAL GOAL:</b>							
Projection of 2010 Loss-Actuarial Report	2,311,498	2,264,000	2,264,000	1,770,000		1,771,000	

Total Dept. Charges	2,226,406	2,239,655	2,239,600	2,278,833		2,348,006	
Total Fund Revenues	2,742,430	2,252,655	2,261,900	2,293,833		2,363,006	
Total Fund Expenses	1,236,564	2,321,344	2,014,344	2,226,036		2,272,422	
Total Fund Gain (Loss)	1,505,866	(68,689)	247,556	67,798		90,584	



**September 19, 2016**

**2017-2018  
PROPOSED  
BUDGETS  
INTERNAL SERVICE  
FUNDS**

**Fund 7400  
Insured Benefits**

## **FUND 7400 - INSURED BENEFITS**

This fund accounts for the administration of employee benefits for health, dental, life, long-term disability, and short-term disability insurance. The purpose of the fund is to stabilize insurance expenses in departmental budgets and moderate large budget spikes due to increases in benefit costs, especially in the area of health insurance. Charges to departments change annually as the cost of providing benefits change, however the working capital of this fund can be used to absorb extraordinary increases.

The City changed health insurance providers in 2012 from Health Partners to Medica. There was a proposed 15% increase in rates for 2015. Therefore in 2014, the Benefits Committee, composed of the HR Director, the City's Benefits Consultant from Gallagher & Co., employee representatives from each union, and an employee representative for non-union employees, met several times to discuss possible health insurance plan design changes that could decrease health insurance premiums. The committee decided to eliminate the \$20 co-pay plan in 2015. With the elimination of the \$20 co-pay plan, the 15% increase in premiums was decreased to a 1% increase for City premium expenses in the 2015 budget. This shift was possible because the \$20 co-pay plan was extremely expensive compared to the other plans.

For 2016 Medica health insurance premiums, there was another proposed increase of 15% from the previous year. The Benefits Committee reviewed plan design changes for 2016 and in order to reduce total premium increases from 15% down to 8%, the deductible amounts for the HRA (Health Reimbursement Arrangement) High Deductible health insurance plans were increased from \$1,500 to \$2,600 for single coverage and \$3,000 to \$5,200 for two person and family coverage. In addition, the City added a new HSA (Health Savings Account) High Deductible health insurance plan option with the same high deductible amounts as the HRA plan. The \$30 co-pay plan remained.

State law requires public employers to seek competitive insurance proposals at least once every five years through a formal Request for Proposal (RFP) process. In 2016, the City submitted RFP's for both a Benefits Consultant and for medical, dental, life, and long term disability insurances. A new Benefits Consultant, NFP, was selected. The City convened the Employee Benefits Committee to discuss insurance plans from multiple companies. It was decided to stay with Medica for the City's health insurance which resulted in a reduction of health insurance premiums in 2017 while keeping the same plan options.

In 2008, the City implemented GASB Statement No. 45 - *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. The City does not pay for retiree health insurance premiums. However, since retirees are eligible, as required by State statute, to participate in the City's health insurance plan solely at their own expense but at the same premium rates as active employees, there is a liability due to the implicit rate subsidy. The City's annual Other Postemployment Benefits (OPEB) cost is calculated based on the Annual Required Contribution (ARC) of the employer, an amount actuarially determined in accordance with parameters of GASB Statement No. 45. The City's OPEB information is only recorded at the

government-wide statement presentation in the annual Comprehensive Financial Report. The Insured Benefits fund is not affected by this OPEB liability.

**Revenues**

As with other internal service funds, the Insured Benefits Fund collects revenues from various departments within the City. For 2016, departmental charges are projected at \$7,608,086. They are budgeted at \$7,965,110 in 2017 and \$8,520,555 in 2018. This fund also includes the employee contributions that are paid in the form of payroll deductions for the portion of premium costs that exceed the amount of the City's contribution. Monthly premiums are also received from retirees and former employees who choose to extend their coverage at their own expense. These payments are used to directly offset premium expenses for continued insurance benefits for these individuals, who are no longer employees.

Total 2017 revenues are budgeted at \$8,975,363 and in 2018 revenues are budgeted at \$9,784,094.

**Expenses**

Expenses consist of premiums paid to vendors for the various types of insurance benefits provided to employees. These premiums are for health insurance, dental insurance, life insurance, long-term disability insurance, and short-term disability insurance. There is also an expense for funding the health reimbursement arrangement or health savings account for the employees who choose the high deductible health insurance plans. Total expenses for 2016 are projected at \$10,026,861. Costs in 2017 are budgeted at \$9,217,351 and \$9,980,587 for 2018. A \$200,000 transfer to the General Fund was budgeted for 2016. There are no transfers out to other funds budgeted for 2017 or 2018.

**Working Capital**

The working capital goal for this fund is one month of expenses for the insured benefits paid in this fund as well as a reserve for anticipated future health insurance premium increases. Working capital for 2016 is projected to be \$1,592,069. The projected working capital for 2017 is \$1,350,081 and in 2018 it is projected to be \$1,153,588.

**Recommendation**

Staff recommends adoption of the City Manager's Proposed 2017 and 2018 Budgets for the Insured Benefits fund.

**CITY OF BLOOMINGTON  
INSURED BENEFITS FUND (7400)  
BUDGET SUMMARY**

	2014	2015	2016	2016	2017		2018	
DESCRIPTION	ACTUAL	ACTUAL	BUDGET	ESTIMATED	BUDGET REQUEST	2016/2017 % Change	BUDGET REQUEST	2017/2018 % Change
<b>REVENUES</b>								
City Contributions (Charged to Departments)	7,892,553	7,592,939	7,669,570	7,608,086	7,965,110	3.9%	8,520,555	7.0%
Employee / COBRA / Retiree Contributions	1,064,823	1,205,663	1,903,319	1,239,883	921,753	-51.6%	1,175,039	27.5%
Transfer from Fund 2800 (Pension Residual) for Disabled Public Safety Health Insurance	31,000	30,504	31,000	30,500	30,500	-1.6%	30,500	0.0%
State \$ for Disabled Public Safety Officer Health Ins.	29,182	24,743	25,000	25,000	25,000	0.0%	25,000	0.0%
Wellness \$ - Medica	25,000	25,000	25,000	25,000	25,000	0.0%	25,000	
Interest Income	27,445	26,096	8,000	8,000	8,000	0.0%	8,000	0.0%
<b>TOTAL REVENUES</b>	<b>9,070,003</b>	<b>8,904,945</b>	<b>9,661,889</b>	<b>8,936,469</b>	<b>8,975,363</b>	<b>-7.1%</b>	<b>9,784,094</b>	<b>9.0%</b>
<b>EXPENSES</b>								
Health Insurance Premiums (Employees, Retirees, COBRA)	7,123,500	7,606,037	8,118,823	7,942,203	7,425,960	-8.5%	8,168,556	10.0%
HRA Contributions	440,976	624,100	337,500	430,450	411,250	21.9%	411,250	0.0%
HSA Contributions	-	-	287,500	302,400	306,000	6.4%	307,750	0.6%
Third Party Administrator Contract - Genesis Fees	32,059	45,239	50,190	38,000	39,140	-22.0%	40,314	3.0%
Health Benefit Consultant Fees (NFP)	-	-	-	-	68,500		68,500	0.0%
Core Plus - Biometrics	19,986	17,192	20,400	31,200	31,200	52.9%	31,200	0.0%
\$150 Health Scorecard Program	16,954	12,831	17,000	13,850	13,850	-18.5%	13,850	0.0%
Wellness	20,641	1,017	1,400	9,631	8,000	471.4%	8,000	0.0%
OPEB Actuarial Calc/Fed Excise Tax	-	9,000	-	-	700		700	0.0%
Disabled Public Safety Officers Health Ins. Premiums	85,715	68,761	80,300	210,295	75,076	-6.5%	82,583	10.0%
Dental Insurance Premiums	591,402	610,541	607,700	582,226	589,000	-3.1%	594,890	1.0%
Life Insurance Premiums	144,564	141,275	152,000	152,000	142,075	-6.5%	143,496	1.0%
Long Term Disability Insurance Premiums	92,283	93,507	96,600	99,606	91,600	-5.2%	94,348	3.0%
Short Term Disability Insurance Premiums	13,675	14,568	15,000	15,000	15,000	0.0%	15,150	1.0%
Transfer out	-	1,000,000	200,000	200,000	-	-100.0%	-	
<b>TOTAL EXPENSES</b>	<b>8,581,755</b>	<b>10,244,068</b>	<b>9,984,413</b>	<b>10,026,861</b>	<b>9,217,351</b>	<b>-7.7%</b>	<b>9,980,587</b>	<b>8.3%</b>
<b>NET GAIN (LOSS)</b>	<b>488,248</b>	<b>(1,339,123)</b>	<b>(322,524)</b>	<b>(1,090,391)</b>	<b>(241,988)</b>		<b>(196,492)</b>	
<b>WORKING CAPITAL BALANCE</b>	<b>4,021,583</b>	<b>2,682,460</b>	<b>2,359,936</b>	<b>1,592,069</b>	<b>1,350,081</b>		<b>1,153,588</b>	
<b>WORKING CAPITAL GOAL</b>	<b>2,715,000</b>	<b>2,854,000</b>	<b>2,832,000</b>	<b>2,336,000</b>	<b>1,768,000</b>		<b>1,832,000</b>	
<b>DIFFERENCE BETWEEN GOAL AND ACTUAL</b>	<b>1,306,583</b>	<b>(171,540)</b>	<b>(472,064)</b>	<b>(743,931)</b>	<b>(417,919)</b>		<b>(678,412)</b>	



**September 19, 2016**

**2017-2018  
PROPOSED  
BUDGETS  
INTERNAL SERVICE  
FUNDS**

**Fund 7450  
Accrued Benefits**

## **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. 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.

	2015 Actual	2016 Budget	2016 Estimate	2017 Proposed	% Change from 2016	2018 Proposed	% Change from 2017
Total Revenue	\$2,223,019	\$1,411,800	\$1,387,700	\$2,304,303	63.2%	\$2,379,718	3.3%
Total Expense	\$1,914,394	\$1,815,284	\$1,815,200	\$1,873,738	3.2%	\$1,927,073	2.8%
Working Capital	(\$1,494,290)	(\$1,897,774)	\$(1,921,790)	\$(1,491,225)	(21.4)%	\$(1,038,580)	(30.4)%
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 2015, the rates charged to departments were 4.0% of full-time salaries. For 2016, a 3% rate was used. For 2017 and 2018 a 5% rate is proposed. Revenues from charges to departments for 2017 are projected to be \$2,209,103. In 2018 these charges are budgeted at \$2,275,418 and are included in the General Fund and other funds' budgets. Interest earnings for this fund in 2017 are proposed to be \$85,200. In 2018 interest is budgeted at \$104,300. 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 2017 are \$2,304,303 and in 2018 are \$2,379,718.

### **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  
2015 = \$459,043.62 with 122 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  
2015 = \$4,429.20 with 3 participants

These expenses are unpredictable and dependent on the timing of employees leaving service and the amount of accrued benefit hours. Projected expenditures for 2016 total \$1,815,284. Proposed expenditures for 2017 and 2018 are \$1,873,738 and \$1,927,073.

## **Working Capital**

The Accrued Benefit Fund's net asset balance projected at year-end 2016 is a negative \$1,921,790. The net asset balance is budgeted at negative \$1,491,225 at year-end 2017 and negative \$1,038,580 at year-end 2018. A fifteen-year budget forecast shows the balance coming into positive territory in 2021. This result is dependent on keeping the rate for charges at 5.0% from 2017 through 2020.

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 2017 is \$15,035,381 and current assets less current liabilities are \$13,544,156, a difference of \$1,491,225.

## **Recommendation:**

Staff recommends approval of the City Manager's 2017 Proposed Budget and conceptual approval of the 2018 budget.

**CITY OF BLOOMINGTON**  
**ACCRUED BENEFITS FUND - 625**  
 Budget Summary

DESCRIPTION	2015	2016		2017		2018	
	ACTUAL	ADOPTED BUDGET	ESTIMATE	CITY MANAGER'S PROPOSED	% CHANGE 2016/2017	CITY MANAGER'S PROPOSED	% CHANGE 2017/2018
<b>Revenues</b>							
CHARGES TO DEPARTMENTS	1,642,998	1,310,000	1,310,000	2,209,103	69%	2,275,418	3.0%
INTEREST EARNINGS	110,327	101,800	77,700	95,200	-6%	104,300	9.6%
OTHER	469,694	-	-	-		-	
<b>TOTAL REVENUE</b>	<b>2,223,019</b>	<b>1,411,800</b>	<b>1,387,700</b>	<b>2,304,303</b>	<b>63%</b>	<b>2,379,718</b>	<b>3.3%</b>
<b>Expenditures</b>							
WAGES & BENEFITS	1,462,862	1,200,000	1,315,200	1,332,901	11%	1,334,592	0.1%
CHANGES TO RESERVE	451,532	615,284	500,000	540,837	-12%	592,481	9.5%
<b>TOTAL EXPENDITURES</b>	<b>1,914,394</b>	<b>1,815,284</b>	<b>1,815,200</b>	<b>1,873,738</b>	<b>3%</b>	<b>1,927,073</b>	<b>2.8%</b>
<b>NET GAIN (LOSS)</b>	<b>308,625</b>	<b>(403,484)</b>	<b>(427,500)</b>	<b>430,565</b>	<b>-207%</b>	<b>452,645</b>	<b>5.1%</b>
<b>NET ASSETS BALANCE</b>	<b>(1,494,290)</b>	<b>(1,897,774)</b>	<b>(1,921,790)</b>	<b>(1,491,225)</b>		<b>(1,038,580)</b>	

**Alternate Presentation of Net Assets**

Current Assets minus CAFR Current	12,408,050	12,699,683	13,334,667	13,544,156	14,447,862
Liability (Benefits Payable) Net	13,902,340	14,597,457	15,256,457	15,035,381	15,486,442
	<b>(1,494,290)</b>	<b>(1,897,774)</b>	<b>(1,921,790)</b>	<b>(1,491,225)</b>	<b>(1,038,580)</b>



**September 19, 2016**

# **2017-2018 PROPOSED BUDGETS**

## **INTERNAL SERVICE FUNDS**

**Fund 7500**

**Support Services Fund**

## 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.

	2015 Actual	2016 Budget	2016 Estimate	2017 Proposed	2018 Conceptual
Total Revenue	\$415,534	\$478,671	\$472,000	\$498,047	\$532,742
Total Expense	\$460,748	\$508,208	\$470,994	\$510,699	\$624,724
Working Capital	\$186,111	\$156,574	\$187,117	\$174,465	\$82,483
WC Goal	\$42,600	\$164,468	\$163,956	\$142,800	\$69,200

### 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 proposed at \$491,547 for 2017. Charges for 2018 are budgeted at \$527,242 and are included in the General Fund and other funds' budgets. Total revenue for 2017 includes an additional \$6,500 for interest earnings and charges for outside print jobs.

### Expenses

Proposed expenses for 2017 are \$510,699. Proposed expenses for 2018 are budgeted at \$624,724.

Working capital is accumulating to fund capital in 2018. Purchases will be \$85,000 for a duplicator and a color copier for the Print Shop 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 \$187,117 by the end of 2016. Working capital is projected to decrease to \$12,652 by year-end 2017 and decrease by \$91,872 in 2018 to end at \$174,465 and \$82,483 respectively. The working capital goal for this fund is broken down as follows:

	<u>2017</u>	<u>2018</u>
• Operations (1 month cash flow)	\$50,300	\$54,200
• Print Shop/Mail Room Capital	92,500	15,000
Total Working Capital Goal	\$142,800	\$69,200

### Recommendation

Staff recommends approval of the City Manager's 2017 Proposed Support Services Budget and conceptual approval of the 2018 budget.

CITY OF BLOOMINGTON  
CAPITAL SCHEDULE 2017 THROUGH 2047

SUPPORT SERVICES (7500)

<u>YEAR OF PURCHASE</u>	<u>YEAR REPLACED</u>	<u>COST</u>	<u>ITEM</u>
2008	2017	0	
		<b>0</b>	
		50,000	COLOR COPIER - PRINTSHOP
2007	2018	35,000	BLACK & WHITE COPIER - PRINTSHOP
		<b>85,000</b>	
	2019		
		<b>0</b>	
	2020	0	
		<b>0</b>	
2015	2021	30,000	MAIL MACHINE
		<b>30,000</b>	
2013	2022	0	
		<b>0</b>	
	2023	0	
		<b>0</b>	
2018	2024	0	
		<b>0</b>	
2016	2025	25,000	DUPLICATOR - PRINTSHOP
		<b>25,000</b>	
2018	2026	40,000	BLACK & WHITE COPIER - PRINTSHOP
		<b>40,000</b>	
2021	2027	35,000	MAIL MACHINE
2017	2027	79,750	COLOR COPIER - PRINTSHOP
		<b>114,750</b>	
2023	2028		
2023	2029	50,000	
		<b>50,000</b>	
	2030		
		<b>0</b>	
	2031		
	2032		
		<b>0</b>	
2027	2033	35,000	MAIL MACHINE
		<b>35,000</b>	
2026	2034	45,000	BLACK & WHITE COPIER - PRINTSHOP
		<b>45,000</b>	
2025	2035	35,000	DUPLICATOR - PRINTSHOP
		<b>35,000</b>	
2024	2036	0	
		<b>0</b>	
2027	2037	79,750	COLOR COPIER - PRINTSHOP
		<b>79,750</b>	
	2038	0	

**SUPPORT SERVICES  
BUDGET SUMMARY FUND 7500**

DESCRIPTION	2015	2016		2017		2018	
	ACTUAL	ADOPTED	ESTIMATE	CITY MGR. PROPOSED	% CHANGE 2016/2017	CITY MGR. CONCEPTUAL	% CHANGE 2017/2018
<b>PRINTSHOP 760901</b>							
REVENUES							
INTEREST	1,841	2,000	2,000	3,000	50%	2,000	-33%
OTHER REVENUE	3,521	1,200	1,200	3,500	192%	3,500	0%
DEPARTMENTAL CHARGES	104,697	147,900	141,229	148,263	0%	156,747	6%
TOTAL REVENUES	110,059	151,100	144,429	154,763	2%	162,247	5%
EXPENSES							
WAGES & BENEFITS	75,123	76,085	76,051	79,315	4%	82,033	3%
MATERIALS & SUPPLIES	92,484	114,932	92,158	117,137	2%	120,887	3%
CAPITAL	0	0	15,594	0		85,000	
TOTAL EXPENSES	167,607	191,017	183,803	196,452	3%	287,920	47%
NET GAIN (LOSS)	(57,548)	(39,917)	(39,374)	(41,689)	4%	(125,673)	201%
Interfund transfer of working capital							
WORKING CAPITAL	36,681	(3,236)	(2,693)	(44,382)		(170,055)	
WORKING CAPITAL GOAL	8,700	98,568	98,056	97,400		13,100	
<b>MAILROOM 760902</b>							
REVENUES							
DEPARTMENTAL CHARGES	204,259	223,765	223,765	232,268	4%	248,373	6.93%
EXPENSES							
WAGES & BENEFITS	53,456	55,441	55,441	57,232	3%	58,837	2.80%
MATERIALS & SUPPLIES	126,025	154,967	124,967	142,343	-8%	157,851	10.89%
CAPITAL	0	0	0	0		0	
TRANSFER OUT	14,945						
TOTAL EXPENSES	194,426	210,408	180,408	199,575	-5%	216,688	8.57%
NET GAIN (LOSS)	9,833	13,357	43,357	32,693	145%	31,685	-3.08%
Interfund transfer of working capital							
WORKING CAPITAL	116,078	129,435	159,435	192,128		223,813	
WORKING CAPITAL GOAL	17,000	48,600	48,600	26,900		35,700	
<b>INFORMATION DESK 760903</b>							
REVENUES							
DEPARTMENTAL CHARGES	101,216	103,806	103,806	111,016	7%	122,122	10.00%
EXPENSES							
WAGES & BENEFITS	66,274	73,908	73,908	82,529	12%	86,122	4.35%
MATERIALS & SUPPLIES	32,441	32,875	32,875	32,143	-2%	33,994	5.76%
CAPITAL	0	0	0	0		0	
TOTAL EXPENSES	98,715	106,783	106,783	114,672	7%	120,116	4.75%
NET GAIN (LOSS)	2,501	(2,977)	(2,977)	(3,656)	23%	2,006	-154.87%
Interfund transfer of working capital							
WORKING CAPITAL	33,352	30,375	30,375	26,719		28,725	
WORKING CAPITAL GOAL	16,900	17,300	17,300	18,500		20,400	
<b>TOTAL Departmental Charges</b>	410,172	475,471	468,800	491,547	3%	527,242	7.26%
<b>TOTAL Revenue</b>	415,534	478,671	472,000	498,047	4%	532,742	6.97%
<b>TOTAL Fund Expenses</b>	460,748	508,208	470,994	510,699	0%	624,724	22.33%
<b>TOTAL Working Capital</b>	186,111	156,574	187,117	174,465		82,483	
<b>WORKING CAPITAL GOAL:</b>							
TELEPHONE WORKING CAP. GOAL	16,900	17,300	17,300	18,500		20,400	
MAILROOM WC GOAL	17,000	48,600	48,600	26,900		35,700	
PRINTSHOP WC GOAL	8,700	98,568	98,056	97,400		13,100	
TOTAL	42,600	164,468	163,956	142,800		69,200	



**September 19, 2016**

**2017-2018  
PROPOSED  
BUDGETS  
INTERNAL SERVICE  
FUNDS  
Fund 7600  
Information Systems**

## **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. 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.

	2015 Actual	2016 Adopted	2016 Estimate	2017 Proposed	% Change	2018 Conceptual	% Change
Total Revenue	\$4,731,217	\$4,804,255	\$4,790,200	\$4,960,370	3.2%	\$5,211,886	5.1%
Total Expense	\$5,046,247	\$4,985,057	\$6,020,829	\$5,477,274	9.9%	\$5,772,222	5.4%
Working Capital	\$3,080,008	\$2,899,206	\$1,849,379	\$1,332,475	(54.0)%	\$772,140	(42.1)%
WC Goal	\$831,070	\$1,064,070	\$1,604,070	\$1,075,070	1.0%	\$1,230,070	14.4%

### **Maintenance and Support (740101)**

#### **Revenues**

Total revenue is proposed to be \$4,069,120 in 2017 and \$4,261,636 in 2018. These departmental charges including computer, web access and telephone charges. These charges are included in the General Fund and other funds' budgets.

#### **Expenses**

Total expenses are proposed to be \$4,272,704 in 2017 and \$4,438,151 for 2018. Proposed expenses include the transfer out to the Communications Fund for Graphics.

#### **Working Capital**

This activity is budgeted to generate a working capital loss of \$203,584 in 2017 and \$176,515 in 2018. Working capital is proposed to be \$563,572 at year-end 2017 and \$387,057 for 2018. The working capital goal for this activity is \$306,000 in 2017 and \$321,000 in 2018 and consists of one month of fees for operations.

## **Equipment Replacement (740102)**

### **Revenues**

Proposed departmental charges for 2017 and 2018 are \$869,250 and \$930,250 and are included in the General Fund and other funds' budgets. Total proposed 2017 and 2018 revenue of \$891,250 and \$950,250 which includes \$22,000 for investment interest earnings in 2017 and \$20,000 for 2018.

### **Expenses**

Proposed expenses for 2017 and 2018 are \$1,204,570 and \$1,334,071 which includes capital of \$311,000 in 2017 for network upgrades, network switches and technology upgrades. Capital of \$405,000 in 2018 technology and network upgrades. Proposed expenses also include the second and third 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.

#### **2017**

- \$50,000 Council Chambers technology update
- \$84,000 network switch replacement
- \$50,000 network upgrades
- \$61,000 IS office configuration
- \$40,000 conference room upgrades
- \$26,000 wireless amplification for Water Treatment Plant

#### **2018**

- \$300,000 storage area network replacement
- \$40,000 conference room upgrades
- \$25,000 network upgrades
- \$40,000 BGP hardware

### **Working Capital**

The estimated working capital for 2016 is \$1,849,379. In 2017 the working capital is proposed to be \$1,332,475. The working capital goal in 2017 for this activity is \$1,075,070, which includes:

- \$300,000 for equipment replacement
- \$150,000 for SAN storage
- \$306,000 for operations
- \$160,000 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 2031.

### **Recommendation:**

Staff recommends approval of the City Manager's 2017 Proposed Budget and conceptual approval of the 2018 budget.

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

	2015	2016			2017	2018
	ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATE	CITY MGR PROPOSED	CITY MGR CONCEPTUAL
<b>MAINTENANCE &amp; SUPPORT (INCLUDING GIS) 740101</b>						
<b>REVENUES</b>						
CHARGES TO DEPARTMENTS	3,782,102	3,853,029	3,853,029	3,852,429	4,069,120	4,261,636
TRANSFERS IN	-	-	-	-	-	-
OTHER REVENUE	3,908	-	-	4,600	-	-
<b>TOTAL REV &amp; TRANSFERS IN</b>	<b>3,786,010</b>	<b>3,853,029</b>	<b>3,853,029</b>	<b>3,857,029</b>	<b>4,069,120</b>	<b>4,261,636</b>
<b>EXPENDITURES</b>						
SALARIES/WAGES/BENEFITS	1,602,942	1,520,825	1,520,825	1,469,300	1,618,263	1,672,779
MATERIALS/SUPPLIES/SERVICES	2,033,918	2,232,484	2,264,484	2,200,000	2,469,321	2,571,366
CAPITAL OUTLAY	-	-	-	-	-	-
TRANSFERS OUT	122,124	128,029	128,029	128,029	185,120	194,006
<b>TOTAL EXP. &amp; TRANSFERS OUT</b>	<b>3,758,984</b>	<b>3,881,338</b>	<b>3,913,338</b>	<b>3,797,329</b>	<b>4,272,704</b>	<b>4,438,151</b>
GAIN (LOSS)	27,026	(28,309)	(60,309)	59,700	(203,584)	(176,515)
TRANSFER OF WORKING CAPITAL	-	-	-	-	-	-
WORKING CAPITAL BALANCE	707,456	679,147	647,147	767,156	563,572	387,057
WORKING CAPITAL GOAL	289,000	293,000	293,000	293,000	306,000	321,000
<b>EQUIPMENT REPLACEMENT 740102</b>						
<b>REVENUES</b>						
CHARGES TO DEPARTMENTS	924,816	928,226	928,226	923,171	869,250	930,250
INTEREST	20,391	23,000	23,000	10,000	22,000	20,000
TRANSFERS IN	-	-	-	-	-	-
<b>TOTAL REV &amp; TRANSFERS IN</b>	<b>945,207</b>	<b>951,226</b>	<b>951,226</b>	<b>933,171</b>	<b>891,250</b>	<b>950,250</b>
<b>EXPENDITURES</b>						
MATERIALS/SUPPLIES/SERVICES	1,094,546	770,719	1,425,719	1,823,500	693,570	729,071
CAPITAL OUTLAY	132,717	133,000	304,000	200,000	311,000	405,000
TRANSFERS OUT	60,000	200,000	200,000	200,000	200,000	200,000
<b>TOTAL EXP. &amp; TRANSFERS OUT</b>	<b>1,287,263</b>	<b>1,103,719</b>	<b>1,929,719</b>	<b>2,223,500</b>	<b>1,204,570</b>	<b>1,334,071</b>
GAIN (LOSS)	(342,056)	(152,493)	(978,493)	(1,290,329)	(313,320)	(383,821)
TRANSFER OF WORKING CAPITAL	-	-	-	-	-	-
WORKING CAPITAL BALANCE	2,372,552	2,220,059	1,394,059	1,082,223	768,903	385,082
WORKING CAPITAL GOAL	542,070	765,070	765,070	765,070	769,070	909,070
<b>TOTAL FUND REVENUES</b>	<b>4,731,217</b>	<b>4,804,255</b>	<b>4,804,255</b>	<b>4,790,200</b>	<b>4,960,370</b>	<b>5,211,886</b>
<b>TOTAL FUND EXPENDITURES</b>	<b>5,046,247</b>	<b>4,985,057</b>	<b>5,843,057</b>	<b>6,020,829</b>	<b>5,477,274</b>	<b>5,772,222</b>
<b>FUND NET GAIN (LOSS)</b>	<b>(315,030)</b>	<b>(180,802)</b>	<b>(1,038,802)</b>	<b>(1,230,629)</b>	<b>(516,904)</b>	<b>(560,336)</b>
<b>TOTAL FUND WORKING CAPITAL</b>	<b>3,080,008</b>	<b>2,899,206</b>	<b>2,041,206</b>	<b>1,849,379</b>	<b>1,332,475</b>	<b>772,140</b>

**WORKING CAPITAL GOAL:**

Operations/GIS (1 month cash flow)		306,000	321,000
Replacement (major components)		300,000	300,000
GIS		90,000	-
SAN		150,000	150,000
Financial System		-	-
Network Switches		-	300,000
Public Safety Systems		159,070	159,070
GIS Reserve		70,000	-
<b>TOTAL WORKING CAPITAL GOAL</b>		<b>1,075,070</b>	<b>1,230,070</b>

**WC Excess/(Deficiency)**

		257,405	(457,930)
Operations and Replacement Deptl Charge	4,706,918	4,781,255	4,781,255
		4,775,600	4,938,370
			5,191,886

CITY OF BLOOMINGTON

2017 COMPUTER SOFTWARE/HARDWARE REQUESTS

DEPT/DIV	FUNDING STATUS	DESCRIPTION	HARDWARE \$	SOFTWARE \$	OTHER \$	MISC \$	TOTAL \$
Community Development							
Environmental Health	IS	Inspection Software	10,000	100,000		10,000	120,000
Environmental Health	IS	Large Monitor for blue print review	1,000				1,000
Environmental Health	IS	Large format scanner	5,000				5,000
Community Services							
Public Health	PH	Additional Computer (not included in B-10 budget)					0
Communications	IS	Council Chambers Presentation Equipment Replacement	50,000			10,000	60,000
Finance	IS	Plan-IT Software (for CIP) Annual Maintenance			1,350		1,350
Fire	IS or Fire/EM	4 Ruggedized Laptops for EOC	8,000				8,000
Human Resources	IS	Equipment for Telecommuting Pilot Project	26,500		5,000		31,500
Public Works							
Maintenance	IS	VueWorks Annual Maintenance			20,000		20,000
Maintenance	IS	Asset Works FleetFocus Annual Maintenance (IS already paying maintenance)			22,000		22,000
Technical Services							
<b>SUBTOTALS</b>			\$100,500	\$100,000	\$48,350	\$20,000	\$268,850
Activity			56990/57060	52070	53320	52990	
<b>Summary Totals</b>							
A - (Approved) D - (Deleted) IS - (IS FUNDED)							
Information Systems							
		PC Replacements (100 @ \$850 each)				85,000	85,000
		Laptop Replacements (15 @ \$2000)				30,000	30,000
		Replace/Upgrade Laser Printers, plotter				26,000	26,000
		Contractual services			40,000		40,000
		Software - GIS, Public Safety, Single Sign On, MUNIS DR		387,070			387,070
		Software upgrades (misc)		15,000			15,000
		Network Software Upgrades - MDM, VM Ware, NAGIOS, AD Rights,		89,500			89,500
		Network Infrastructure - Switch, Video Conference Pilot, UPS Replacement	52,000			65,000	117,000
		Storage					0
		Copiers					
<b>INFORMATION SYSTEMS TOTAL</b>			\$52,000	\$491,570	\$40,000	\$206,000	\$789,570
<b>TOTALS</b>			\$152,500	\$591,570	\$88,350	\$226,000	\$1,058,420
Activity			56990/57060	52070	52990	56990	





September 19, 2016

**2017-2018  
PROPOSED  
BUDGETS  
INTERNAL SERVICE  
FUNDS**

**Fund 7700  
Facilities and Parks  
Maintenance**

## **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. Proposed departmental charges for 2017 are \$3,552,098. Departmental charges for 2018 are \$3,765,249. 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 2017 are proposed to be \$3,586,423. Proposed expenses for 2018 are \$3,646,725.

#### **Working Capital**

Projected working capital at year-end 2016 is \$1,870,590. Working capital at year-end 2017 is projected to be \$543,315 after a planned spend down of \$27,275 and a transfer of working capital to the Replacement activity of \$1,300,000. Working capital for 2018 is proposed to be \$670,839. 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 two months of operating expenses, or \$598,000, for 2017 and \$608,000 for 2018. 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 2017 is proposed to be \$5,854,791. The proposed budget for 2018 is \$6,151,215.

### Expenses

Proposed 2017 expenses are \$5,729,643. Budgeted expenditures for 2018 are \$5,965,941.

### **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 2017 is proposed to be \$319,675. The budget for 2018 is \$329,247.

### Expenses

Proposed 2017 expenses are \$211,507. The 2018 budget is \$214,887.

### Working Capital

Working capital for 2017 is proposed to be \$118,159 after a transfer of working capital to the Replacement activity with a goal of \$127,000. For 2018 working capital is \$132,519 after a transfer of working capital to the Replacement activity with a goal of \$127,000.

### **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 2017 is proposed to be \$166,541. The budget for 2018 is \$125,638.

### Expenses

Proposed expenses for 2017 are \$120,492 with a working capital balance of \$46,049. The proposed budget for 2018 is \$125,638 with a working capital balance of \$0.

### **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 2017 is proposed to be \$6,300,911 which includes \$4,000,000 of bond proceeds to fund a new fire station. Charges to departments for 2017 are budgeted at \$2,262,661. 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 2018 are budgeted at \$2,561,961 which includes interest earnings.

## Expenses

In 2014 Facilities Maintenance funded a Facilities study. The purpose of the study was 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 \$663,723 is budgeted for 2017 for debt service on these bonds.

Capital expenses of \$5,850,000 are proposed for 2017 which includes \$4,000,000 for a new fire station. Capital expenses of \$1,650,000 are planned for 2018 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 2016 is \$5,510,849. Proposed working capital for 2017 is \$6,488,037 which includes transfers of working capital from Operations and the Fire Station Maintenance activities. The working capital goal for this activity is \$6,719,582 for 2017, which provides the capacity to begin to grow reserves for major capital component replacement. Working capital for 2018 is \$5,886,985 with a working capital goal of \$6,921,169.

### Recommendation

Staff recommends adoption of the City Manager's 2017 Proposed Budget and conceptual approval of the 2018 budget.

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

DESCRIPTION	2015	2016			2017		2018	
	ACTUAL	ACTUAL		ESTIMATE	ADOPTED BUDGET	% CHANGE 2014/2015	PROPOSED	% CHANGE 2015/2016
<b>MAINTENANCE (6901)</b>								
<b>REVENUES</b>								
CHARGES TO DEPARTMENTS	3,138,492	3,533,896	3,533,896	3,532,897	3,552,098	0.5%	3,765,249	6.0%
TRANSFER-IN	0	0	0	0	0		0	
OTHER	3,976	300	300	7,600	300	0.0%	300	0.0%
INTEREST	6,000	4,200	4,200	7,605	6,750	60.7%	8,700	28.9%
<b>TOTAL REVENUES</b>	<b>3,148,468</b>	<b>3,538,396</b>	<b>3,538,396</b>	<b>3,548,102</b>	<b>3,559,148</b>	<b>0.6%</b>	<b>3,774,249</b>	<b>6.0%</b>
<b>EXPENSES</b>								
WAGES & BENEFITS	845,840	1,117,718	1,117,718	933,585	963,474	-13.8%	976,825	1.4%
MATERIALS & SUPPLIES	2,276,316	2,646,294	2,646,294	1,739,018	2,622,949	-0.9%	2,669,900	1.8%
CAPITAL	0	0	116,500	0	0		0	
TRANSFER OUT	0	0	0	0	0		0	
<b>TOTAL EXPENSES</b>	<b>3,122,156</b>	<b>3,764,012</b>	<b>3,880,512</b>	<b>2,672,603</b>	<b>3,586,423</b>	<b>-4.7%</b>	<b>3,646,725</b>	<b>1.7%</b>
GAIN (LOSS)	26,312	(225,616)	(342,116)	875,499	(27,275)		127,524	
WORKING CAPITAL BALANCE	995,091	413,364	652,974	1,870,590	543,315		670,839	
WORKING CAPITAL GOAL	260,000	289,000	289,000	289,000	598,000		608,000	
<b>PARKS FACILITY MAINTENANCE (6910)</b>								
<b>REVENUES</b>								
CHARGES TO DEPARTMENTS	5,155,709	5,841,538	5,841,538	5,841,538	5,854,791	0.2%	6,151,215	5.1%
OTHER REVENUE	16,676	0	0	0	0		0	
<b>TOTAL REVENUES</b>	<b>5,172,385</b>	<b>5,841,538</b>	<b>5,841,538</b>	<b>5,841,538</b>	<b>5,854,791</b>	<b>0.2%</b>	<b>6,151,215</b>	<b>5.1%</b>
<b>EXPENSES</b>								
WAGES & BENEFITS	2,379,688	2,774,207	2,774,207	2,667,764	2,870,455	3.5%	2,902,532	1.1%
MATERIALS & SUPPLIES	2,380,477	2,675,766	2,675,766	2,675,766	2,709,188	1.2%	2,913,409	7.5%
CAPITAL	112,371	386,492	386,492	386,492	150,000	-61.2%	150,000	
TRANSFER OUT	0	0	0	0	0		0	
<b>TOTAL EXPENSES</b>	<b>4,872,536</b>	<b>5,836,465</b>	<b>5,836,465</b>	<b>5,730,022</b>	<b>5,729,643</b>	<b>-1.8%</b>	<b>5,965,941</b>	<b>4.1%</b>
GAIN (LOSS)	299,849	5,073	5,073	111,516	125,148		185,274	
WORKING CAPITAL BALANCE	351,960	357,033	357,033	463,476	588,624		773,898	
WORKING CAPITAL GOAL	431,000	487,000	487,000	487,000	488,000		513,000	
<b>FIRE STATION MAINTENANCE (6911)</b>								
<b>REVENUES</b>								
CHARGES TO DEPARTMENTS	296,040	309,075	309,075	309,075	319,675	3.4%	329,247	3.0%
<b>TOTAL REVENUES</b>	<b>296,040</b>	<b>309,075</b>	<b>309,075</b>	<b>309,075</b>	<b>319,675</b>	<b>0</b>	<b>329,247</b>	<b>3.0%</b>
<b>EXPENSES</b>								
WAGES & BENEFITS	32,135	43,708	43,708	43,708	35,161	-19.6%	36,129	2.8%
MATERIALS & SUPPLIES	158,997	180,216	180,216	180,216	176,346	-2.1%	178,758	1.4%
<b>TOTAL EXPENSES</b>	<b>191,132</b>	<b>223,924</b>	<b>223,924</b>	<b>223,924</b>	<b>211,507</b>	<b>-5.5%</b>	<b>214,887</b>	<b>1.6%</b>
GAIN (LOSS)	104,908	85,151	85,151	85,151	108,168	0	114,360	
TRANSFER WORKING CAP TO REPLACE	0	(105,000)		(105,000)	(75,204)		(100,000)	
WORKING CAPITAL BALANCE	189,991	166,919	99,992	99,991	118,159		132,519	
WORKING CAPITAL GOAL	115,000	116,000	116,000	116,000	127,000		127,000	
<b>CEMETERY MAINTENANCE (6912)</b>								
<b>REVENUES</b>								
CHARGES TO DEPARTMENTS	70,128	134,904	134,904	134,904	166,541	23.5%	125,638	-24.6%
<b>TOTAL REVENUES</b>	<b>70,128</b>	<b>134,904</b>	<b>134,904</b>	<b>134,904</b>	<b>166,541</b>	<b>23.5%</b>	<b>125,638</b>	<b>-24.6%</b>
<b>EXPENSES</b>								
WAGES & BENEFITS	75,751	70,457	70,457	70,457	60,831	-13.7%	61,127	0.5%
MATERIALS & SUPPLIES	82,558	62,299	62,299	62,299	59,661	-4.2%	64,511	8.1%
CAPITAL	25,295	0	0	0	0		0	
<b>TOTAL EXPENSES</b>	<b>183,604</b>	<b>132,756</b>	<b>132,756</b>	<b>132,756</b>	<b>120,492</b>	<b>-9.2%</b>	<b>125,638</b>	<b>4.3%</b>
GAIN (LOSS)	(113,476)	2,148	2,148	2,148	46,049		0	
WORKING CAPITAL BALANCE	(48,197)	(1,914)	(1,913)	(46,049)	0		0	
<b>REPLACEMENT (6902)</b>								
<b>REVENUES</b>								
CHARGES TO DEPARTMENTS	2,161,662	2,134,586	2,134,586	2,134,586	2,262,661	6.0%	2,512,661	11.0%
INTEREST	33,997	23,799	23,799	43,095	38,250		49,300	
OTHER REVENUE	120,000	0	0	0	4,000,000		0	
<b>TOTAL REVENUES</b>	<b>2,315,660</b>	<b>2,158,385</b>	<b>2,158,385</b>	<b>2,177,681</b>	<b>6,300,911</b>	<b>191.9%</b>	<b>2,561,961</b>	<b>-59.3%</b>
<b>EXPENSES</b>								
MATERIALS & SUPPLIES	108,218	375,000	375,000	375,000	200,000	-46.7%	200,000	0.0%
DEBT SERVICE - BLDG LEASE	552,463	660,348	660,348	660,348	663,723	0.5%	663,013	-0.1%
DEBT SERVICE - PW STORAGE	77,923	37,391	37,391	37,391	0	-100.0%	750,000	
TRANSFER OUT	0	0	0	0	0		0	
CAPITAL	719,503	1,000,000	1,325,000	317,608	5,850,000	485.0%	1,650,000	-71.8%
<b>TOTAL EXPENSES</b>	<b>1,458,106</b>	<b>2,072,739</b>	<b>2,397,739</b>	<b>1,390,347</b>	<b>6,713,723</b>	<b>223.9%</b>	<b>3,263,013</b>	<b>-51.4%</b>
GAIN (LOSS)	857,554	85,646	(239,354)	787,334	(412,812)		(701,052)	
TRANSFER WORKING CAPITAL	75,204	90,000	89,999	90,000	1,390,000		100,000	
WORKING CAPITAL BALANCE	4,633,515	4,573,493	4,723,514	5,510,849	6,488,037		5,886,985	
WORKING CAPITAL GOAL	6,333,850	6,523,866	6,719,582	6,523,866	6,719,582		6,921,169	
WORKING CAPITAL BALANCE	6,132,302	5,518,838	5,841,543	7,898,856	7,738,134		7,464,240	
WORKING CAPITAL GOAL	7,139,850	7,415,866	7,611,582	7,415,866	7,932,582		8,169,169	
EXCESS OR (DEFICIENCY)	(1,007,548)	(1,897,028)	(1,770,039)	482,990	(194,448)		(704,929)	
TOTAL REVENUES	11,002,680	11,982,298	11,982,298	12,011,300	16,201,066		12,942,310	
TOTAL EXPENSES	9,827,533	12,029,896	12,471,396	10,149,652	16,361,788		13,216,204	
GAIN (LOSS)	1,175,147	(47,598)	(489,098)	1,861,648	(160,722)		(273,894)	
Accumulated Depreciation	\$11,793,228							
TOTAL DEPARTMENTAL CHARGES	10,822,031	11,953,999	11,953,999	11,953,000	12,155,766		12,884,010	
INTEREST ALLOC ON WC BAL	39,997	27,999	27,999	50,700	45,000		58,000	