

Originator Finance	Item Resolution Approving 2015 Special Revenue Fund Budgets		#
Agenda Section Organizational Business	By	Approved	Date December 1, 2014
Description			

The Council is asked to adopt a Resolution approving the following Special Revenue Fund Budgets:

- Park Grants
- South Loop Revolving Development Fund
- Cemetery

Enclosed with the agenda materials are the detailed budgets as recommended by the City Manager.

Requested Action

Adopt a Resolution approving the 2015 Special Revenue Fund Budgets.

Council Action

Motion by _____ Second by _____ to _____

RESOLUTION NO. 2014 -

RESOLUTION ADOPTING 2015 PARK GRANTS, SOUTH LOOP REVOLVING DEVELOPMENT FUND, AND CEMETERY SPECIAL REVENUE FUND BUDGETS

WHEREAS, it is the policy of the Bloomington City Council to formally adopt budgets of the general, special revenue, internal service and enterprise funds and,

WHEREAS, the City Council desires to adopt budgets on a basis consistent with generally accepted accounting principles and,

WHEREAS, these budgets are constructed to meet their working capital goals and,

WHEREAS, the Finance representatives have presented the City Manager's proposed Park Grants, South Loop Revolving Development and Cemetery Special Revenue Fund Budgets for the fiscal year commencing January 1, 2015;

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF BLOOMINGTON, MINNESOTA, that a 2015 budget for Park Grants Special Revenue Fund is hereby approved as follows:

TOTAL REVENUES	\$ 70,352
TOTAL EXPENDITURES	\$ 64,000

BE IT FURTHER RESOLVED, that a 2015 budget for the South Loop Revolving Development Special Revenue Fund is hereby approved as follows:

TOTAL REVENUES	\$ 270,050
TOTAL EXPENDITURES	\$ 150,000

BE IT FURTHER RESOLVED, that a 2015 budget for the Cemetery Special Revenue Fund is hereby approved as follows:

TOTAL REVENUES	\$ 118,298
TOTAL EXPENDITURES	\$ 338,617

Passed and adopted this 1st day of December, 2014.

Mayor

Attest:

Secretary to the Council



December 1, 2014

2015 & 2016 PROPOSED BUDGETS SPECIAL REVENUE FUNDS

- **Park Grants**
- **South Loop Revolving
Development Fund**
- **Cemetery**

Fund 266, Special Revenue - Park Grants

The City Council approved the creation of the Special Revenue - Park Grants Fund 266, on July 11, 2011 (Item #3.3.) This fund was created in order to better track grant revenues and corresponding expenditures for park maintenance and keep the fluctuations of grant revenues out of the General Fund.

Since 2001, the City has received annual grants from the State of Minnesota via the Metropolitan Council for regional park operations and maintenance. These grants are made from the State's Natural Resources Fund (Lottery in Lieu of Sales Tax Revenue). These grants must be used for the City's operational and maintenance expenditures associated with the Hyland-Bush-Anderson Lakes Regional Park Reserve, and they may not be used to supplant local funding for the park reserve.

From 2001 through 2013, the City received a total of \$801,388.45 in Lottery-in-Lieu of operations and maintenance grants, for a yearly average of \$61,645. Prior to the creation of the Special Revenue - Park Grants Fund 266, these funds were placed primarily in the Regional Parks Maintenance account in the City's general fund.

Below are some examples of operational and maintenance expenditures from the past ten years.

- Repaired sprinkler system at the Normandale Lake Bandshell.
- Partial funding for the reconstruction of the bituminous trail along 86th Street between East and West Bush Lake Roads.
- Swim docks for Bush Lake Beach.
- Timer locks on Bush Lake Beach bath house.
- Partial funding for Summer Fete fireworks display.

Revenues

Total revenues are projected to be \$202,742 in 2014. Budgeted revenues for 2015 & 2016 is \$70,352.

Expenditures

Projected 2014 expenditures are \$5,407. The 2015 & 2016 requested budget expenditures are \$64,000 per year which includes operating and maintenance projects such as:

- | | |
|--|-----------|
| • Light rigging and truss system for Normandale Lake Bandshell | \$ 5,000 |
| • Fog coat bituminous trails at East Bush Lake Park – 3,869 l.f @ 3.00/ l.f | \$ 11,607 |
| • Patch damaged areas of parking lots at West Bush Lake | \$ 37,393 |
| • Landscaping of the dam area at Normandale Lake and new informational signage | \$ 3,893 |
| • East Bush Lake Park-replacement of swing structure, swings, border | \$ 8,500 |
| • Bush Lake Beach parking lot chip-seal resurfacing | \$ 44,000 |

- New BBQ grills with concrete pads – 10 @ \$543.60 \$ 5,436
- Replace picnic tables (5 – 8' tables & 3 – 8' handicap accessible tables) \$ 10,000

Working Capital

The working capital goal is \$50,000 in order to have sufficient funds on hand for unexpected repairs or replacement of broken equipment caused by weather events or vandalism. It is anticipated that the year-end working capital balance for 2014 will be \$216,457. The budgeted working capital balance for 2015 is \$222,809 and in 2016 is \$229,161.

Recommendation

Staff recommends Council approval of the City Manager's Proposed 2015 and conceptual approval of the 2016 Special Revenue – Park Grants Budget.

PARKS & RECREATION SPECIAL REVENUE - FUND 266

DESCRIPTION	2012 ACTUAL	2013 ACTUAL	2014 ADOPTED	2014 ESTIMATED	2015 CITY MGR. PROPOSED	2016 CITY MGR. PROPOSED
REVENUES:						
GRANT REVENUE (PARK O&M)	83,840	11,254	63,851	201,773	70,352	70,352
OTHER REVENUE (ATHLETIC ASSOCIATIONS)	1,050					
INTEREST	1,885	212		969		
TRANSFERS IN (SOCCER NET REVENUE)	15,500		-			
TOTAL REVENUE	102,275	11,466	63,851	202,742	70,352	70,352
EXPENDITURES:						
MATERIALS/SUPPLIES/SERVICES (PARK O&M)	83,840	11,254	107,000	5,407	64,000	64,000
MATERIALS/SUPPLIES/SERVICES (ATHLETIC ASSOC.)			6,000			
TOTAL EXPENDITURES	83,840	11,254	113,000	5,407	64,000	64,000
NET GAIN (LOSS)	18,435	212	(49,149)	197,335	6,352	6,352
WORKING CAPITAL BALANCE:	18,910	19,122	(30,027)	216,457	222,809	229,161
WORKING CAPITAL GOAL: OPERATIONAL & MAINT. PROJECT NEEDS	50,000	50,000	50,000	50,000	50,000	50,000
TOTAL WORKING CAPITAL GOAL:	50,000	50,000	50,000	50,000	50,000	50,000
EXCESS OR (DEFICIENCY)	(31,090)	(30,878)	(80,027)	166,457	172,809	179,161

Fund 286, South Loop Revolving Development Services Fund

The South Loop Revolving Development Services Fund was established in 1999 to account for building permit surcharges collected for development in the South Loop District. The surcharge provided funding for environmental studies which expedite entitlement approval of individual redevelopment projects. Initial funding was provided through a transfer of \$285,000 from the City's General fund in April 1999. The source of these funds was permit surcharges collected in the City's General Fund prior to April 1999. Current funding is building permit surcharges coming directly into this fund.

For South Loop activities, monies were advanced for planning and engineering studies to be repaid from building fees and project design fees. In the past, to the extent that total expenses were not reimbursed, South Loop Development Fund (SLDF) has made transfers to this fund that will be repaid.

Revenues:

South Loop permit fees are budgeted at \$270,000 in 2015. Interest is budgeted at \$50 for a total revenue budget of \$270,050. There are no budgeted revenues in 2016.

Expenditures:

A transfer out to the SLDF of \$150,000 is the only budgeted expenditure for this fund in 2015. A payment of approximately \$125,000 will be made in 2016.

**SOUTH LOOP REVOLVING DEVELOPMENT SERVICES - FUND 286
BUDGET SUMMARY**

DESCRIPTION	2012 Actual	2013 Actual	2014 Budget	2014 Projected	2015 Request	2016 Request
REVENUES						
APS Permit Surcharges	79,750	1	270,000	131,083	270,000	-
Interest Earned	(1,558)	270	500	600	50	-
TOTAL REVENUE	78,192	271	270,500	131,683	270,050	-
EXPENDITURES						
SALARIES AND BENEFITS						
Existing Project Staff						
Project Related Staff			-		-	-
Project Dependent staff						-
TOTAL SALARIES & BENEFITS	-	-	-		-	-
MATERIALS, SUPPLIES, SERVICES						
Professional Consulting Services		7,696				-
Other Purchased Services	5,412					-
Interest on loan					-	-
Supplies & Materials					-	-
TOTAL M/S/S	5,412	7,696	-		-	-
Transfers Out	-	-	348,000	240,000	150,000	124,555
TOTAL EXPENDITURES	5,412	7,696	348,000	240,000	150,000	124,555
NET GAIN (LOSS)	72,780	(7,425)	(77,500)	(108,317)	120,050	(124,555)
WORKING CAPITAL BALANCE	120,247	112,822	42,747	4,505	124,555	(0)

Fund 704, Cemetery

The Bloomington Cemetery is owned and maintained by the City of Bloomington. The cemetery was established in 1856 by Oak Grove Presbyterian Church and acquired by the Town of Bloomington in 1864.

Eligibility for interment is open to all with preferred pricing for those who:

- are residents of Bloomington at the time of their death or
- lived in Bloomington for at least ten years or
- are the spouses or children and their spouses, or the parents, grandparents or grandchildren of those qualifying above.

This Special Revenue Fund accounts for money received from lot and niche sales and interment, monument and marker fees. Until 2014, this fund was receiving tax support in the General Fund. Beginning in 2014, this fund became more self-sustaining and was removed from the General Fund. Activities in this fund include Land Purchase, Permanent Care and Recordkeeping & Maintenance.

An additional property lot was acquired in 2014 to expand the cemetery northward. Prior to the purchase of this lot the cemetery had sufficient unsold lots to last three to five years. Development of this lot will expand the lot inventory to last an additional 25 years. The strategic plan for this fund is to purchase property from willing sellers along Lyndale Avenue, near the current cemetery, and develop both the residential lot and the part of the out lot directly behind the residence. This will keep the cemetery viable for approximately 25 years for each lot purchased. The long-term model for this fund shows a property purchase every five to eight years, depending on willing sellers.

Revenues

Projected revenues for 2014 are \$73,000. Budgeted revenues for 2015 and 2016 are \$115,873 and \$124,933 respectively. About 60% of the budgeted revenue is from lot and niche sales.

Expenditures

2014 projected expenditures are \$439,256 including the purchase of the residential lot to the north of the current cemetery. Requested budget expenditures for 2015 and 2016 are \$338,617 and \$145,183. Included in the 2015 expenditures is \$75,000 for columbarium. An additional \$183,240 is for clearing, road construction, irrigation and fencing of the recently purchased lot.

Working Capital

The net of expenditures over revenues will be covered by the current working capital balance in this fund. Working capital is projected to be \$849,783 at year-end 2014 if all revenues and expenditures happen as planned. For 2015 and 2016 working capital is budgeted to be \$627,039 and \$606,789. The working capital goal for year-end 2015 is \$625,000. The working capital goal will increase in future years to accumulate funding for additional land purchases or capital improvements to the current facility.

Recommendation

Staff recommends Council approval of the City Manager's Proposed 2015 Budget and conceptual approval of the 2016 Budget.

CITY OF BLOOMINGTON
CEMETERY - FUND 704
BUDGET SUMMARY

DESCRIPTION	2013	2014		2015	2016
	ACTUAL	ADOPTED	ESTIMATE	REQUEST	REQUEST
REVENUES					
LOT SALES	68,600	70,000	30,000	44,800	45,900
NICHE SALES	-	-	-	27,000	31,900
BURIAL AND MARKER FEES	-	36,300	38,000	38,000	47,250
OTHER REVENUE	-	-	-	-	-
INTEREST	2,531	9,120	5,000	8,498	6,295
TOTAL REVENUES	71,131	115,420	73,000	118,298	131,345
EXPENSES					
TRANSFER TO GENERAL FUND	2,197	-	-	-	-
RECORDKEEPING CHARGE TO CITY CLERK	-	8,937	8,940	10,245	10,279
MAINTENANCE CHARGE TO FACILITIES	-	143,599	193,992	70,132	134,904
REPURCHASE LOTS	350	-	-	-	-
CAPITAL	-	75,000	-	75,000	-
LAND PURCHASE	-	308,000	236,324	183,240	-
TOTAL EXPENSES	2,547	535,536	439,256	338,617	145,183
NET GAIN (LOSS)	68,584	(420,116)	(366,256)	(220,319)	(13,838)
WORKING CAPITAL BALANCE	1,216,039	795,923	849,783	629,464	615,627
TOTAL WORKING CAPITAL GOAL	-	775,000	775,000	625,000	650,000