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City of Edina

2016-2017 BUDGET

For living, learning, raising families, and doing business.

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2015 Edina City Council

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Council Member	Mary Brindle
Council Member	Ann Swenson
Council Member	Kevin Staunton
Council Member	Bob Stewart

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TABLE OF CONTENTS

I. INTRODUCTION

Welcome Letter 5
2016 Citizen's Report 7
Community Background 12
Organizational Highlights 13
Vision Edina 16
Performance Management and Measurement 17
Economic Outlook 24
Budget Process 27

II. EXECUTIVE SUMMARY

2016-2017 Overview 30
Property Tax Levies 31
Consolidated Budget Summaries 32
Combined Budget Summary 33
City of Edina Employees 35
Revenue 37
Capital Improvements 40
Debt Service 43

III. FUND LEVEL FINANCIAL SCHEDULES

Fund Descriptions 46
Operating Fund Crosswalk 49
2014 Actual Financial Results by Fund 50
2015 Budget by Fund 52
2016 Budget by Fund 54
2017 Budget by Fund 56
Transfers 58
Projected Changes in Fund Balance—All Funds 60

IV. DEPARTMENTS

Administration 66
Communications & Technology Services 85
Human Resources 94
Finance 97
Public Works 101
Engineering 114
Police 124
Fire 135
Parks & Recreation 144
Community Development 170

V. COMMUNITY PROFILE 179

VI. GLOSSARY 185

VII. APPENDIX 191

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City Manager's Message

I am pleased to present to you the 2016-2017 biennial budget document for the City of Edina. I often tell City staff members, residents and elected officials alike, that this document and the process used to create it is one of the most important functions of local government. It is representative of the principles and priorities that the City values and is indicative of the direction that the City is heading. Every budget also tells a story. This document strives to tell that story in a comprehensive and comprehendible manner. The new Citizen's Report is a tool that can be used to quickly understand the financial health of the City ad key factors that determined the outcomes of this document. I hope you will find it useful. The most important part of this budget story is that it enables us to continue to provide the public services that help make Edina what it is — one of the most premier places for living, learning, raising families and doing business. Happy reading.

2016-2017 Budget Story

The proposed total property tax levy for 2016 is $31,799,123. This represents a 7.07% increase from 2015. For the property owner of the median single family home in Edina, that increase represents $5.86 more per month paid in City taxes than in 2015. That extra $5.86 will allow us to continue to provide the services our residents have come to know and at the quality they have come to expect. The following are some key issues and decisions that were considered in creating this budget.

Liquor Operations

The City's municipal liquor operation helps offset the amount of property taxes that the City collects by contributing most of its profits to the General Fund as well as to other enterprise funds. The Liquor Fund has transferred out on average $1.4 million a year since 2010. We were projecting to earn approximately $1.8 million in 2016. Though our municipal liquor operation is still profitable, the amount of income being realized is lower than it has been in previous years due to new competition in the marketplace. The City has budgeted a $700,000 transfer out of the Liquor Fund in 2016, which is about $1.1 million less than the previous year's budget. $100,000 of that transfer will go towards the General Fund. That is $665,100 less than what was budgeted for in 2015. About 2.2% of the General Fund levy increase in 2016 is due to the decreased liquor transfer. We have already made structural changes to our stores and adjustments to our operations in response to the new competition. We have also changed the way we budget our profit from the liquor operation so that in the future changes in income will not significantly impact our property tax levy.

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Health Insurance Premiums

In 2016, health insurance premiums for City employees will increase 11.5%. Because costs for employee benefits are shared between employees and the City, the City's portion of benefits will increase.

Employees and Wages

The employees that work for the City are the most important factors in us carrying out our duties. Ensuring that the City's wages are competitive is a high priority in order to ensure that we attract and retain talented individuals. In that regard, we have budgeted for a 2.5% general wage increase for employee salaries in 2016. The 2016-2017 budget has a total increase of two full-time employees from the previous year's budget. The increase is due to five new positions being added and three positions being eliminated. However, four of the five new positions are paid through the General Fund property tax levy while the three that were eliminated were paid through various enterprise funds. The minimum wage will also be increasing in 2016. The increase affects many part-time positions within the City. The impact will be an increase of approximately $30,000 in budgeted funds for 2016. The increase in employee wages and benefits

Service Delivery Levels

This budget ensures that the City is able to deliver the "status quo" of services that our residents, businesses and visitors have come to know. Certain priorities had to be left out due to decreased revenue. However, this budget will serve as a foundation for achieving those projects in the future.

Scott H. Neal

City Manager

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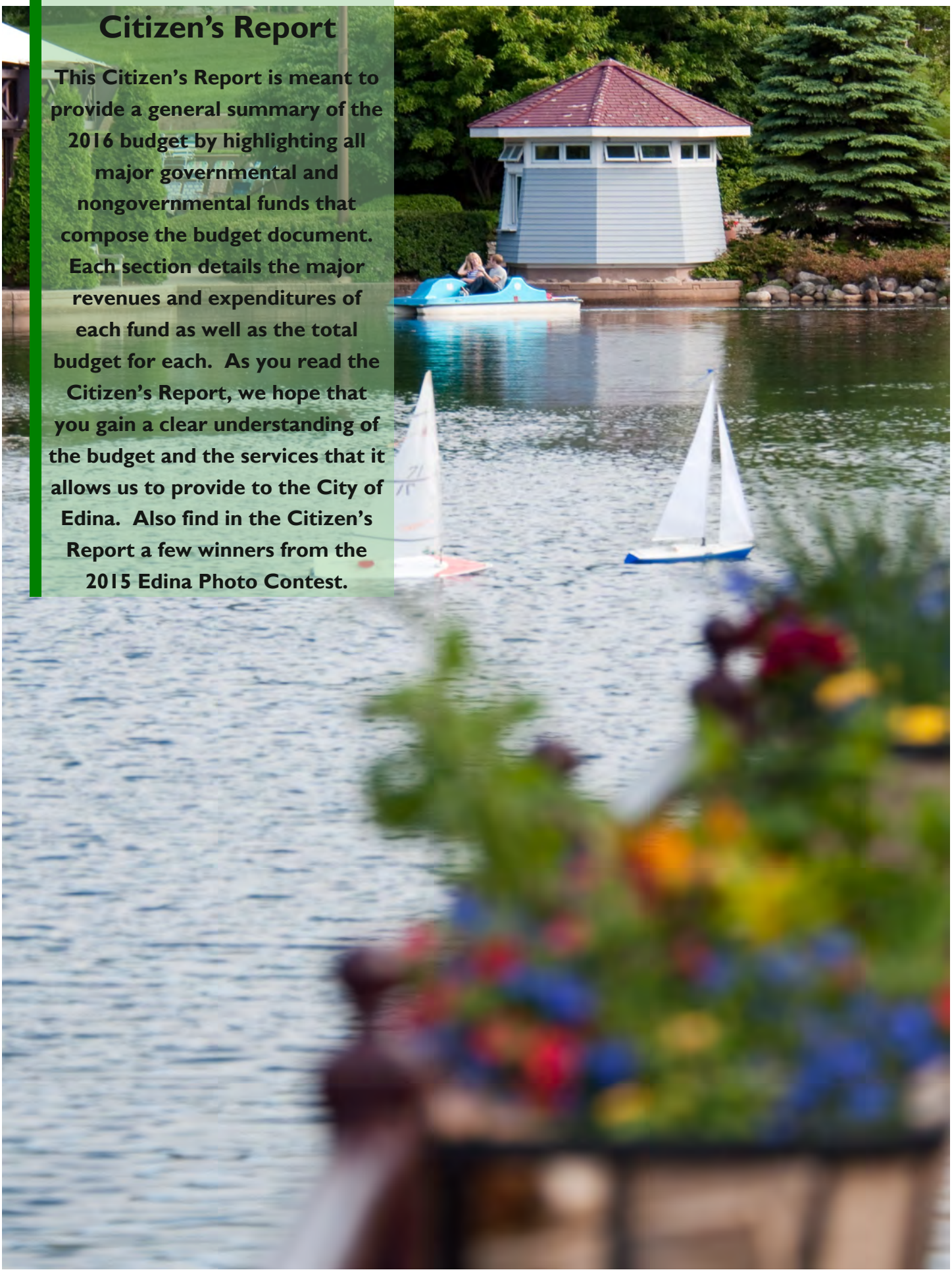
Citizen's Report

This Citizen's Report is meant to provide a general summary of the 2016 budget by highlighting all major governmental and nongovernmental funds that compose the budget document. Each section details the major revenues and expenditures of each fund as well as the total budget for each. As you read the Citizen's Report, we hope that you gain a clear understanding of the budget and the services that it allows us to provide to the City of Edina. Also find in the Citizen's Report a few winners from the 2015 Edina Photo Contest.



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2016 Citizen's Report

Total Tax Levy $31,799,123

The total tax levy for the 2016 budget is $31,799,123. This represents a 7.07% increase from 2015. The total tax levy includes levies for the General Fund, Arts and Culture Fund, Debt Service Fund, and the Construction Fund.

"What an Edina Kid Does in the Winter While Waiting for the School Bus" by Ryan Gordon

Major Governmental Funds

General Fund $36,661,872

The City's General Fund Budget for 2016 is $36,661,872. This is an increase of $1,841,640 or 5.3% from the adopted budget for 2015. The General Fund provides financing for the widest range of services provided by the City including funding for parks, police, fire, engineering and debt payments on major capital projects. Personal services are increasing by $998,604, or 4% from 2015. Transfers into the fund decreased by $665,100, or 89% from the previous year's budget.

HRA Fund $4,780,835

The HRA fund is a special revenue fund used to account for activities related to economic development within the City. It is financed primarily through tax increments and bond proceeds. Significant fund expenditures in 2016-2017 include potential parking improvements at 50th & France including the expansion of the North Parking Ramp and implementing a plan to redevelop the former Public Works site in the Grandview district. In 2017 there is an HRA property tax levy of $90,000 scheduled.

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2016 Citizen's Report

Major Governmental Funds (cont.)

Debt Service Fund $7,552,545

The City's Debt Service Fund is used to pay for principal and interest payments on debt that the City issues to pay for significant capital projects. The debt service property tax levy is $5,075,171 for 2016 which is about a 1% decrease from 2015. Some of the debt issued by the City is paid for by other means than property taxes which is why the total debt service payment is higher than the debt service tax levy. Some projects the debt service fund currently pays for are the new Sports Dome and Public Works facility.

Construction Fund $14,708,871

The City's Construction Fund provides financing for the City's Capital Improvement Plan (CIP) and the Equipment Replacement Program. The City plans to levy $1.7 million in property taxes for the Construction Fund in 2016, about $100,000 more than in 2015. The levy is used for the replacement of vehicles and equipment used across a variety of departments.

"Say Cheese!" by Lisa Hafey

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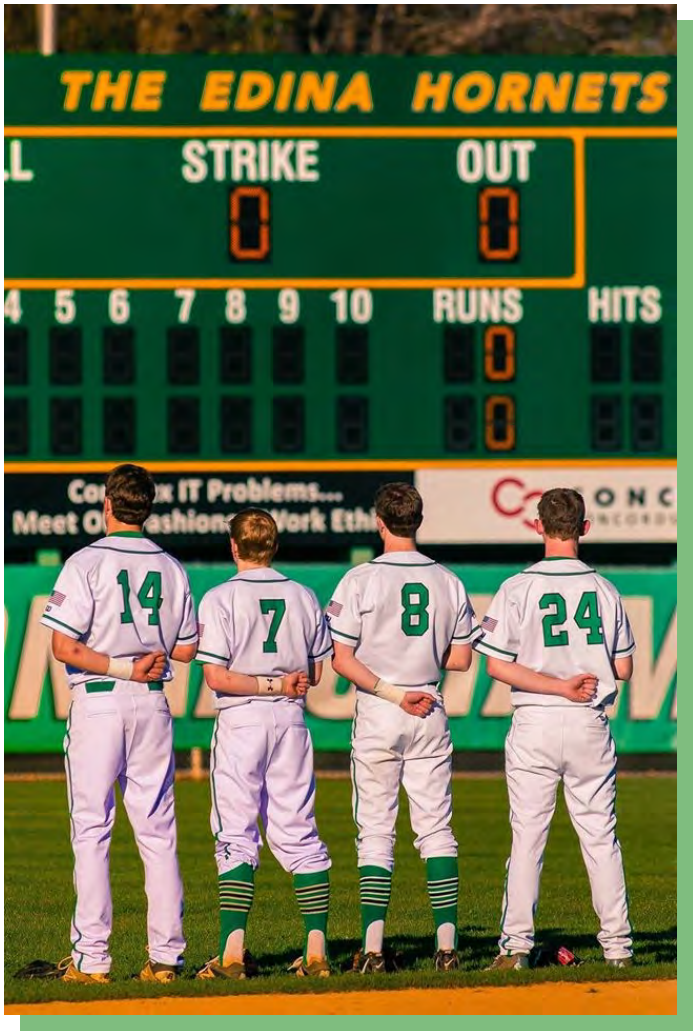
2016 Citizen's Report

Major Enterprise Funds

Utilities Fund $15,918,339

The Utilities Fund is used to account for the use and operation of the City's water and stormwater systems. Expenditures for the fund are increasing by 11% from the 2015 budget due primarily to an increase in depreciation expenses and contractual services. The fund is expected to have a $4,167,671 increase in net position during 2016.



"Sunset at Braemar" by Bryan Singer

Liquor Fund $12,462,118

The Liquor Fund accounts for the operations of the three City owned liquor stores. The fund also provides subsidies from profits to other funds to help finance the basic operating purposes of these funds.. The total transfer out of the liquor fund in 2016 is budgeted for $700,000 and is lower than previous years due to new competition in the marketplace. After the transfer out, the Liquor fund is expected to have a $37,861 decrease in net position in 2016 which will be supported by the Fund's reserve balance.

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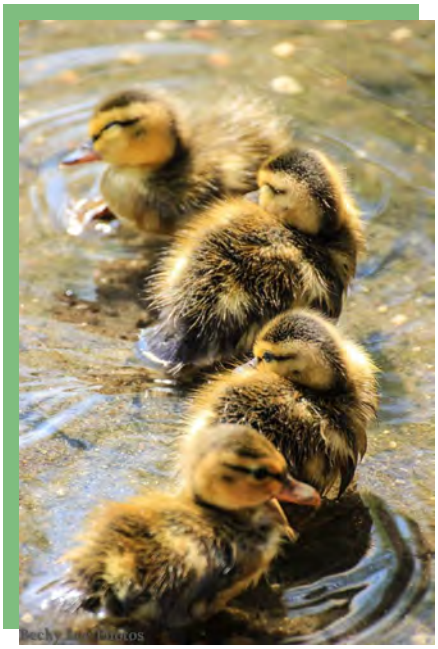
2016 Citizen's Report



"Centennial Lake Babies" by Becky Parkin

Major Enterprise Funds (cont.)

Aquatic Center Fund $918,406

The Aquatic Center Fund accounts for all revenues and expenditures related to the operation of the City's outdoor swimming pool. It was named the best outdoor swimming pool in Edina by the Sun Current. The Aquatic Center Fund has budgeted revenues of $982,477 for 2016, which equates to a 107% cost recovery rate. The City has made it a priority to ensure that enterprise funds are reaching a certain threshold of cost recovery rates.

Golf Course Fund $3,202,114

The 2016 budget for the City's golf operations is $3.2 million. The golf enterprise is currently undergoing significant changes to its operational structure as well as renovations to the courses. In 2015, the driving range at Braemar Golf Course was closed so that renovations could be completed to expand it in order to allow for more users. Braemar Golf Course also outsourced it's food operations to Tin Fish in 2015. The City has approved altering the course from a 27-hole course to an improved, 18-hole course which will maintain revenue streams and cut down on operating expenses.

Arena Fund $2,610,691

The Arena Fund accounts for the operations of Braemar Arena, a facility that houses three indoor skating rinks and one outdoor rink. The Fund is budgeted to have a 85% cost recovery rate before transfers in 2016. The largest revenue source for Braemar Arena is building rental fees from various sporting associations as well as two private enterprises within the building. In 2014 the fund received a $2.4 million transfer to ensure a healthy fund balance moving into the future.

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Community Background

Edina began as a small farming and milling community settled by Irish and Scottish families in the mid 1800s near Minnehaha Creek. At that time, the area was part of Richfield Township, but in 1888, the residents voted to separate from Richfield Township and incorporated as the Village of Edina.

The City is now a fully developed first-ring suburb of Minneapolis. The City occupies a land area of 16 square miles and serves a population of about 50,000 residents. Currently, 98 percent of the City is developed. Its first major period of growth occurred in the 1950s as residents and businesses looked to move into suburban neighborhoods. The late 1960s and early 1970s were another significant period of growth. Today, the City is in a period of "redevelopment" as aging structures (both commercial and residential) are being replaced with newer structures that better suit the needs of 21st century businesses and residents. Approximately 59 percent of Edina's land area is attributed to low-density residential neighborhoods, 12 percent to commercial/industrial uses, 16 percent parks and open space with the remainder used for local, county and state roadways.

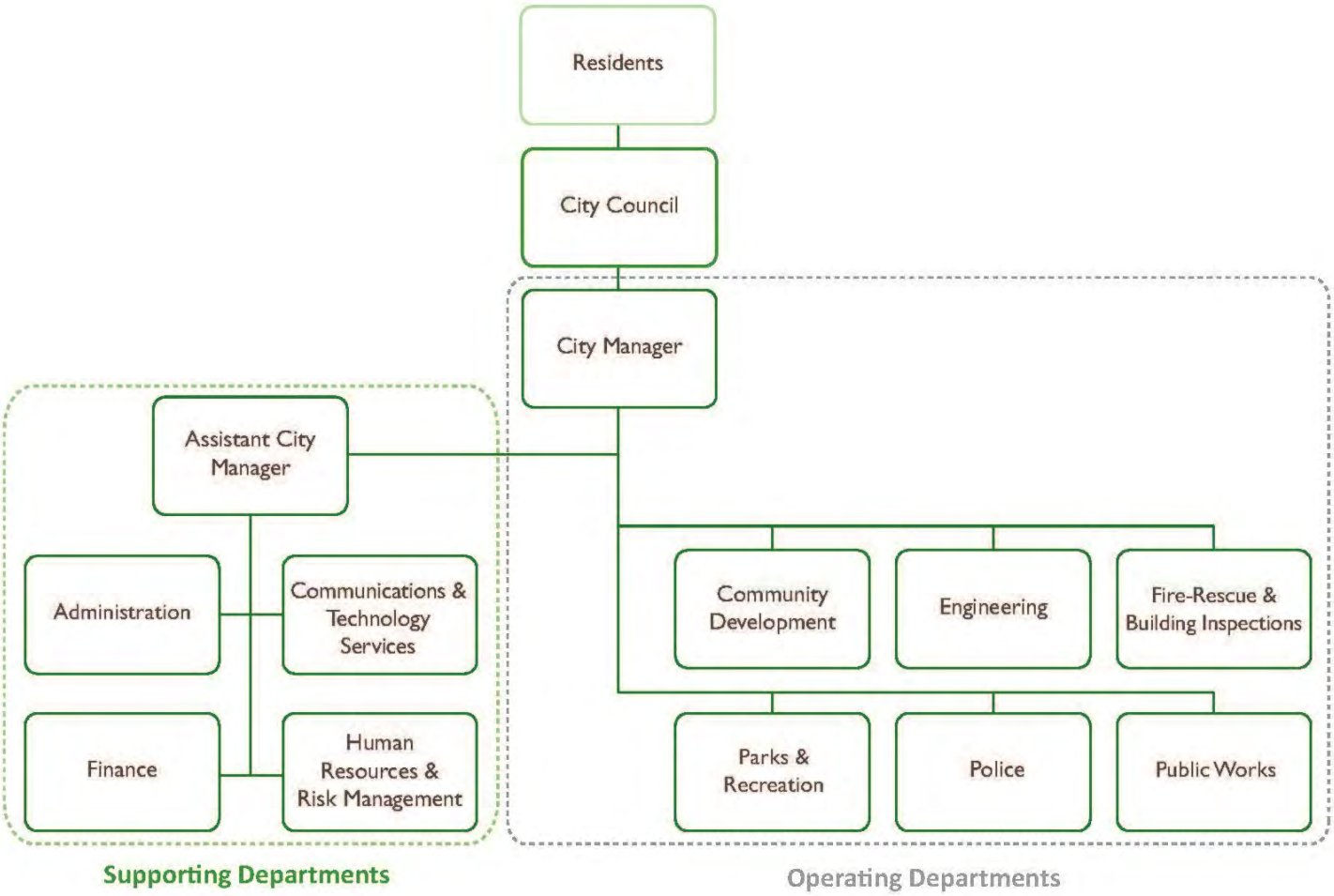
Many major highways run through or are close to Edina, making it readily accessible to all within the Minneapolis metropolitan area. Edina is a short 15 minute drive from the Minneapolis-St. Paul International Airport.

The City provides a full range of public services, including police and fire protection; construction and maintenance of highways, streets, and other infrastructure; water and sewer services and recreational and cultural activities and events.

Organizational Highlights

The City of Edina operates under the Council-Manager form of government. Policy-making and legislative authority are vested in a City Council (Council) consisting of the Mayor and four other members, all elected on a non-partisan basis. The Council is responsible, among other things, for approving ordinances, adopting the budget, appointing committees and hiring the City Manager. Council members serve four-year terms, with two Council members elected every two years. The Mayor also serves a four-year term. The Council and Mayor are elected at large.

The City Manager is responsible for carrying out the policies and ordinances of the Council and for overseeing the day-to-day operations of the city government. Edina has six "operating" departments and four "supporting" departments .



ORGANIZATIONAL HIGHLIGHTS

Edina has three critical sources of policy guidance for the operating budget. Vision Edina serves as the long-range strategic plan for the City. This critical document is an extension of a previous guiding document, Edina Vision 20/20. Vision Edina is a long-term strategic framework that helps our community understand and guide the important decision-making that will impact Edina's future, including the adoption of the 2016-2017 budget. Vision Edina includes the City's mission and vision:

Mission	To provide effective and valued public services, maintain a sound public infrastructure, offer premier public facilities and guide the development and redevelopment of lands, all in a manner that sustains and improves the health and uncommonly high quality of life enjoyed by our residents and businesses
Vision	Edina holds a well-earned reputation as a city of choice. It is the model of a successful, mature, and progressive urban community, that strives to lead in a modern and evolving world. We maintain our heritage and attractiveness, and afford our residents the highest quality of life, while actively embracing the future. The features that define our future community include: Inclusive and Connected Built-to-Scale Development Sustainable Environment Community of Learning Future-Oriented

Another key policy document is the City's Comprehensive Plan, which guides development and redevelopment and addresses changes likely to occur due to various social and market forces. Edina's Comprehensive Plan was last updated in 2008 and formally adopted in 2009. In accordance with State law, it will be updated again in 2018.

The City is continually working to update its aging infrastructure. Our bi-annually adopted five-year Capital Improvement Plan includes spending and financing projections for these projects. The Capital Improvement Plan was first adopted in 2007 and the City Council is currently implementing its 2015-2019 Plan.

Key Policy Documents	Vision Edina Strategic Plan and Framework Comprehensive Plan Capital Improvement Plan

ORGANIZATIONAL HIGHLIGHTS

The City of Edina has had several notable, financial achievements over the last two years. Independent bond-rating agencies Standard & Poor's and Moody's Investors Service affirmed their high bond ratings of Edina in the fall of 2014. Edina is one of just a few communities in Minnesota with both "AAA" and "Aaa" ratings. Moody's Investors Service in 2000 gave the City of Edina its highest rating, Aaa. In 2002, Standard & Poor's upgraded Edina's general obligation bond rating to AAA, the company's highest rating. The agencies have reaffirmed their ratings several times since, most recently in the fall of 2014.

The ratings reflect the agencies' view of the City's:

- Participation in the Minneapolis-St. Paul metropolitan area economy and role as a first-ring suburb in the prosperous Twin Cities western suburbs;
- Continued strong financial performance with very strong fund balance levels on a dollar and percent of expenditure basis;
- Evidence of continued strong management practices; and
- Manageable debt burden with a rapid amortization schedule.

The bond rating upgrade helps to ensure that future Edina debt will be issued with the lowest possible interest expense and cost to the taxpayer.

Vision without Action is a dream.
Action without Vision is simply passing the time.
Action with Vision is making a positive difference.

- Joel Barker

Vision Edina

Vision Edina is a long-term strategic framework that helps our community understand and guide the important decision -making that will impact Edina's future. The vision and strategic framework is the outcome of a broad-based and inclusive community visioning process. The engagement portion of this important planning process ran from September to December 2014 and gathered significant community input. Vision Edina represented an opportunity for all residents to have an impact and contribute to creating the shared future vision. Vision Edina is part of the overall community process to update the long-term vision for the City of Edina. The process of creating the guiding document was completed in May of 2015.

This framework lays out the key issues identified by our community, which we need to be focusing our attention and resources on over the coming years.

Eight key strategic focus areas have emerged through the Vision Edina process. These areas are built from the key drivers and issues identified early in the Vision Edina process, and have carried through the extensive community and stakeholder engagement process.

Below are the eight strategic focus areas as identified through Vision Edina:

Strategic Focus Areas	1. Residential Development Mix 2. Transportation Options 3. Commercial Development Mix 4. Live and Work 5. Educational Focus 6. Population Mix 7. Environmental Stewardship 8. Regional Leadership

Performance Measurement & Management Annual Budget

In the City of Edina, the operating budget is part of a comprehensive approach to performance management. The principles of this performance system are outlined below:

PERFORMANCE SYSTEM PRINCIPLES	
Systemic	Strategic objectives play an integral role in leadership decision-making, organization planning and resource allocation.
Reflects Community Goals	Community input is gathered to determine desired community goals and outcomes. These goals are captured in a strategic plan that serves as the anchor for the performance management system.
Aligned at All Levels	The City's departmental plans/programs reflect community goals. Departments work cooperatively across functional lines to achieve key outcomes. Employees understand how their work ties to City's mission, vision and strategy.
Outcome-Based	Success is measured through performance measures that tie as closely as possible to customer outcomes. Performance data becomes an important factor in future planning.
Drives Budget	Resources are allocated according to strategic priorities. Successful programs, as determined through performance measures, receive more resources.

A summary of the City's performance management system is highlighted in the following graphic:

PERFORMANCE MEASUREMENT & MANAGEMENT ANNUAL BUDGET

The 2016-2017 Work Plan and Operating Budget carry out the policy objectives set forth in the city's long term planning documents. Work plans identify key projects the City hopes to accomplish during the two-year budget cycle. The City Council discusses work plan progress during quarterly business meetings with staff.

The city-wide work plan, developed by staff and the City Council, sets the stage for budget development. Each of the primary areas of the 2016-17 Work Plan is summarized below with specific key performance indicators and related goals.

FOCUSED REDEVELOPMENT

Redevelopment and renewal of the commercial and residential areas is essential to the ongoing health of the community. The City is continuing to focus on the revitalization of two important commercial areas — Southdale and Grandview — as well as nurturing the vibrant 50th and France commercial area. There are also numerous proposed redevelopment opportunities that will need to be addressed in the coming years such as Pentagon Park, the Hennepin County Library Site and the former Fred Richards Golf course. The Pentagon Park redevelopment has the potential to be the most significant redevelopment project in Edina since the completion of Centennial Lakes in the late 1980s.

The redevelopment process of these sites should consider the potential cumulative impact — both positive and negative — on streets and streetscape, transportation, utilities and other services, and nearby single family homes. Tax increment financing and other tools may be used to provide incentives to develop in ways consistent with the City's land use, transit, density and health goals.

Key Performance Indicator #1

Complete redevelopment planning for City's former Public Works site

Goals

- Complete operational and funding studies by 5/31/16.
- Reach decision with respect to type and scale of community use by 6/30/16.
- Conduct referendum regarding community use by 8/31/16.
- If approved, secure development partners by 12/31/16.
- If approved, secure zoning entitlements by 6/30/17.
- If approved, secure financing by 12/31/17.
- If approved, complete construction by 12/31/19.

Key Performance Indicator #2

Complete district-wide planning activities for Grandview District

Goals

- Consider establishing TIF District by 3/1/16.
- Complete transportation study by 5/31/16.
- Complete preliminary study of Highway 100 "Lid" by 12/31/17.
- Promote redevelopment of commercial sites and review any proposals.

FOCUSED REDEVELOPMENT (cont.)

Key Performance Indicator #3

Adopt strategy to redevelop City-owned property on W. 49-1/2 Street

Goals

- Complete demand and usage study of public parking by 2/1/16.
- Implement redevelopment strategy by 3/1/16.

Key Performance Indicator #4

Implement Phase 1 & 2 of Pentagon Park Redevelopment (The Link)

Goals

- Consider final rezoning of South Parcel by 6/30/16.
- Proceed with Phase 1A improvements by 6/30/17.
- Proceed with Phase 1B improvements by 6/30/16.
- Proceed with Phase 2 improvements by 6/30/17.
- Clarify TIF contribution and amend redevelopment agreement as needed.

Key Performance Indicator #5

Adopt and implement reuse plan for Fred Richards Park

Goals

- Fred Richards Master Plan adopted and financing secured by 12/31/16.
- First phase of Fred Richards Master Plan implemented by 12/31/17.

Key Performance Indicator #6

Work in partnership with Hennepin County to redevelop Southdale Regional Library site

Goals

- Complete redevelopment partnership agreement with Hennepin County by 5/31/16.
- Complete vision process for the site by 9/30/16.
- Solicit proposals to redevelop the site with new public library and other compatible uses by 10/31/16.
- Submit redevelopment proposal for review of Hennepin County by 1/30/17.

FUTURE PLANNING

Vision Edina established a long term strategic framework to guide our community's development over two decades. The future holds both great opportunities and challenges as Edina residents seek to preserve what has made the community successful in the past, while reinventing itself to meet the needs of future generations. Residents have made it clear that they believe forward looking planning is critical to the community's success. The next Comprehensive Plan will be the first opportunity to translate Vision Edina into actionable goals with respect to land use, transportation, water resource management, parks, energy and environment, housing and heritage preservation.

Key Performance Indicator #1

Complete draft Comprehensive Plan document with broad community input

Goals

- Outline of Comprehensive Plan process developed and adopted by 2/28/16.
- Issue RFP for consulting partner(s) by 9/31/16 and consultant partner(s) identified by 12/31/16.
- Evaluate the use of multiple single family residential zoning districts by 12/31/17.
- Community engagement process and draft comprehensive plan completed by 12/31/17 with final plan review in 2018.

Key Performance Indicator #2

Development of necessary tools to guide and evaluate redevelopment in the Southdale Area

Goals

- Southdale development guidelines completed and adopted by 3/31/16.
- Public infrastructure, density and transit study completed by 3/31/16.
- Southdale area design guidelines and full pedestrian plan completed by 7/1/16.
- Explore potential for Southdale area special services district by 12/31/17.

INTERGOVERNMENTAL RELATIONS

Achieving many of our goals will require strong intergovernmental relationships. Vision Edina participants identified both education and transportation as critical drivers of future success. In both of these areas, the city must effectively partner with other government entities to promote effective outcomes. Besides the indicators listed, staff members will continue to meet and share information with border cities of Edina.

Key Performance Indicator #1

Work to mitigate disruption of aviation noise

Goals

- Formalize relationship with Minneapolis and St. Louis Park and establish joint goals by 3/31/16. Report updates quarterly.
- Advocate for implementation of the MAC's Runway Use System plan at MSP airport as a noise abatement measure.

Key Performance Indicator #2

Secure MnDOT and Hennepin County funding for key transportation improvements that impact Edina

Goals

- Secure funding for significant interchange improvements at France Avenue and Highway 62.
- Create plan and timetable for County improvements to Vernon Avenue, west of Highway 100.
- Work with MnDOT officials to mitigate impacts to Edina residents with the temporary closing of Hwy. 169 for the bridge replacement project.
- Gain support of MnDOT and State Legislators to study "The Lid" project over T.H. 100 in 2016.

Key Performance Indicator #3

Develop positive working relationships with school districts within City of Edina limits

Goals

- Schedule two joint Council-School Board meetings each year with ISD #273
- Assign staff to monitor opportunities and issues with Hopkins ISD #270 and Richfield ISD #280, and invite superintendents to provide City Council update annually.
- Schedule joint City-School District leadership meetings twice per year with ISD #273.
- Develop formal partnership between Edina Community Education and Edina Parks and Recreation with a goal of providing joint programming and public information materials.

Key Performance Indicator #4

Expand the City's presence with partners working towards regional development and planning

Goals

- Maintain active role with Greater MSP and DEED to promote business development and planning.
- Work cooperatively with Metropolitan Council to pursue shared goals related to infrastructure, transportation and housing affordability.

TRANSPORTATION & INFRASTRUCTURE

The City is committed to preserving and expanding infrastructure systems to maintain reliability and quality, and to meet the demands of redevelopment. This will be accomplished through a long term financing plan that balances prudence and community expectations. Vision Edina highlights residents' strong desire to expand the variety of transportation options both to reduce the dependency on automobiles, and also to enhance the community's ease of connectivity. Adoption of the Living Streets Plan was an important step forward, but significant work has yet to be done.

Key Performance Indicator #1

Identify and complete necessary transportation improvements in the Grandview District

Goals

- Partner with Metro transit to identify site for Park and Ride and secure funding by 12/31/17.
- Complete transportation study by 5/31/16 for the district.
- Develop plan for better access/ramps at Hwy. 100 by 12/31/17.
- Evaluate striping and implementation of pedestrian improvements on Vernon between Hwy. 100 and 53rd Street.
- Complete construction of shared street linking Eden Avenue to north side of railroad track in conjunction with former public works site redevelopment.

Key Performance Indicator #2

Expected level of service is defined and maintained in the Southdale Area

Goals

- Develop plans for reconstruction of water treatment plant #5 by 12/31/16.
- Begin construction on water treatment plant #5 in 2017.
- Complete Southdale sanitary trunk capacity study by 12/31/16.
- Implement result of Southdale sanitary trunk capacity study by 12/31/17.

Key Performance Indicator #3

Ensure that the longevity of useful street life is extended in the most fiscally responsible manner possible

Goals

- Convert opportunity from debt retirement in 2017 into funding for the capital improvement program.
- Consider increasing franchise fees to support street pavement longevity program by 12/31/16.
- Prepare for street and infrastructure improvements as site plans for Pentagon Park are approved through 12/31/17.

ENTERPRISE STABILITY

Edina's enterprises – Art Center, Braemar Golf, Braemar Arena, Braemar Field, Centennial Lakes Park, and Edinborough Park -represent important community amenities. Revenues from Edina Liquor help to defray some of the operating and capital for these enterprises. While still highly profitable, Edina Liquor is generating less revenue with the entry of a new national competitor in the local liquor market. A high level of cost recovery at the enterprise facilities ensures that community resources are being well used and the general tax payers are not heavily subsidizing amenities used by a select group. However, cost recovery at the enterprise facilities also involves careful policy considerations with respect to access, partnerships and types of use.

Key Performance Indicator #1

All enterprise funds have business plans approved and in use

Goals

- Complete marketing plans for each enterprise on an annual basis
- Create coordinated marketing and cross promotion plan for all enterprise facilities by 6/30/16.
- Explore centralized services model for staffing, marketing, purchasing, weddings/events by 12/31/16.
- Explore expansion of food and liquor sales to create more varied customer and corporate outing experiences by 12/31/16.

Key Performance Indicator #2

All enterprise facilities achieve a certain net income or maximum subsidy on an annual basis

Goals

- All enterprise facilities report their quarterly business plan updates.
- Target net income/maximum subsidy and Cost Recovery Expectation (CRE) is identified for each enterprise facility by 2/1/16.

Setting a goal is not the main thing. It is deciding how you will go about achieving it and staying with that plan.

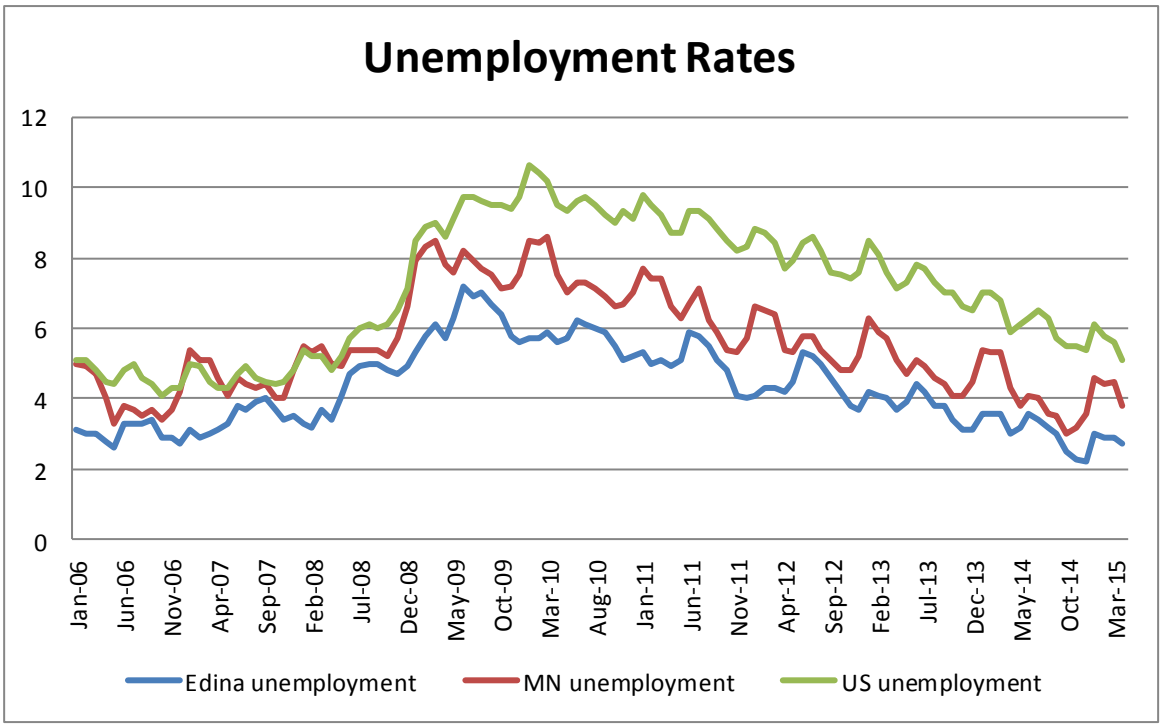
- Tom Landry

Economic Outlook

The City of Edina currently enjoys a favorable economic environment and local indicators point to continued stability. The region, noted for strong retail and professional sectors, has enjoyed considerable redevelopment in recent years. The City employment base is populated with a healthy combination of retail, professional and light industrial businesses. The City does not rely solely on a single sector of employment and is able to weather fluctuations in national and international economic changes better than most municipalities.

Major industries with headquarters or divisions within Edina include Fairview Southdale Hospital, Southdale Center and Galleria regional malls, Spartan Nash (formerly Nash Finch), Regis, Filmtec (Dow) and International Dairy Queen. Edina's robust business community is based in three primary nodes: 50th & France, Greater Southdale and a professional/industrial district adjacent to Highway 100. Numerous employers in the medical, retail, service, manufacturing and distribution industries are located in Edina. Edina is home to approximately 50,000 jobs that are expected to remain stable over the coming years.

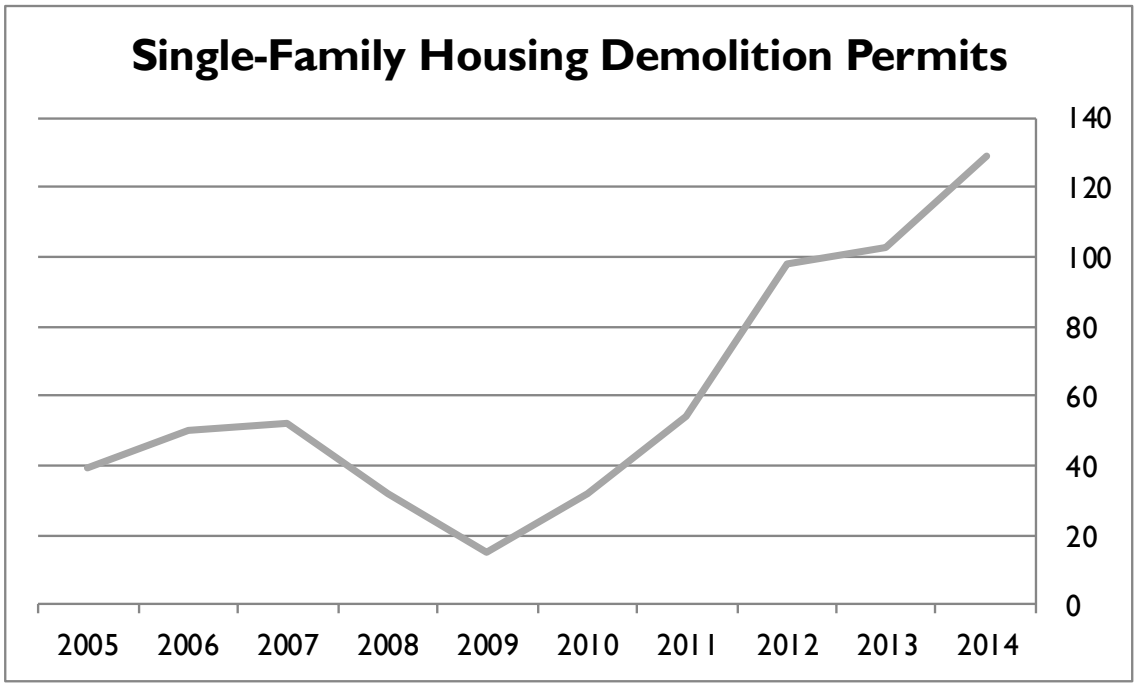
The City contains at least 2.5 million square feet of retail space plus an amount more than twice that of general commercial and industrial space. These businesses occupy facilities ranging from free-standing, wood-frame structures to non-combustible high-rise structures.



The Minnesota Department of Employment and Economic Development estimates that Edina's unemployment rates are consistently lower than comparable state and national rates, as shown in the chart above. Edina's unemployment rate has remained under 5% since mid-2012 (not seasonally adjusted).

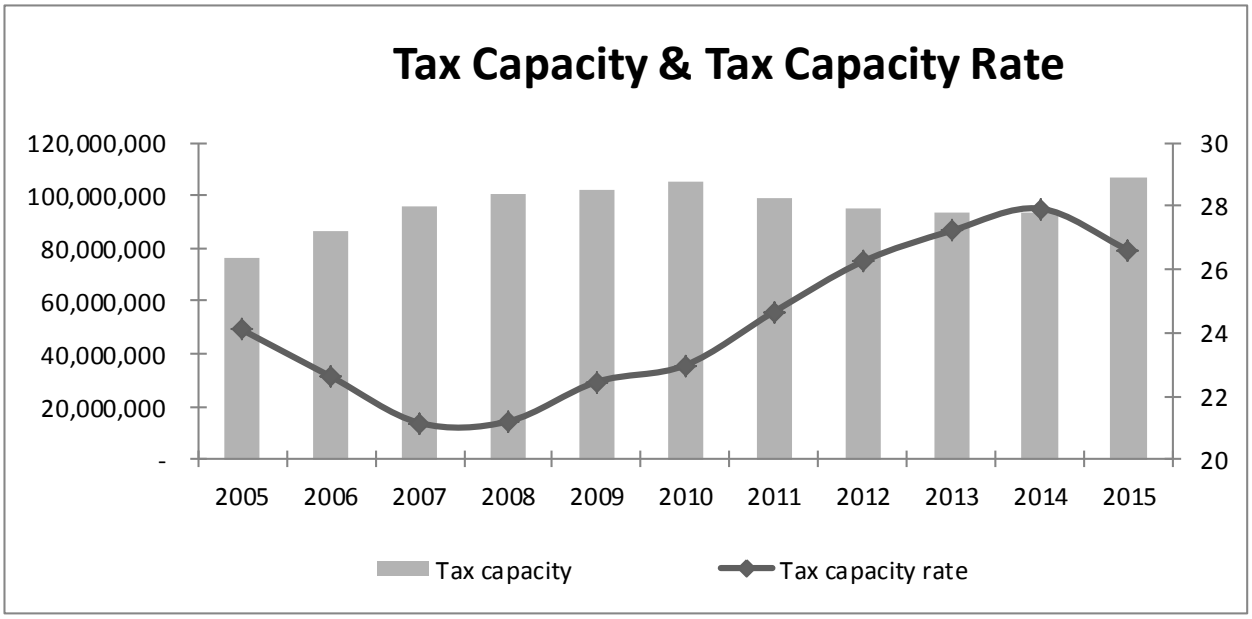
ECONOMIC OUTLOOK

In additional to commercial and industrial redevelopment, the City of Edina continues to remain relevant and desirable to current and new residents. Edina has long been known for its residential housing stock, attractive neighborhoods and high quality of life. Although the emphasis has changed over the years from exclusively single-family housing to a more balanced mix of single and multi-family housing types, the City's concern for overall quality in residential development remains a top priority. Single-family housing demolition permits is one measure used track the recent growth in residential redevelopment in Edina:



Property values in Edina have been more stable than much of the rest of the state and country during the past several years. While our total market value and tax capacity began to fall around 2009, the declines were moderate compared to some other communities. Beginning in 2013, we have begun to see these values trend in the other direction, with continued increases estimated through 2016 according to the preliminary tax capacity reports from Hennepin County.

ECONOMIC OUTLOOK



Tax capacity is a unique property taxing tool that is equivalent to multiplying the taxable market value of a property by it's relevant class rate. The local tax rate of a taxing jurisdiction is determined by dividing the jurisdiction's levy by the jurisdiction's taxable net tax capacity. Rates often move in the opposite direction of tax capacity as shown in the chart above. Edina's tax capacity rate is the lowest among our geographical neighboring communities.

The City's tax capacity has grown in recent years and is expected to see significant, continued growth in the coming years. The net tax capacity for the City of Edina grew by 14% from 2014 to 2015 after adjusting for tax increment valuation and fiscal disparities contribution and distribution. The estimated market value of the City of Edina increased by 7.8% during the same time period, from $9,065,549,600 to $9,837,972,300. This growth in estimated market value and the tax capacity of Edina can be primarily contributed to redevelopment activities taking place in the Southdale area as well as redevelopment occurring in residential neighborhoods, as mentioned on page 25 of this document.

A significant source of revenue for the City of Edina that is directly related to economic conditions is the receipt of building permits from builders and developers of residential and commercial buildings. The City has budgeted conservatively in recent years due to the volatile nature of the revenue source. Since 2011, the City has budgeted on average $2.7 million annually for building permit revenue. Actual revenue has increased 19% annually on average since 2011. The City has budgeted a 5% increase in 2016 from 2015. City staff will closely monitor construction activity in order to adjust the estimated revenue from building permits in future years.

One other area of concern for City staff is the cost of our insurance. Like most private businesses and employers, the City buys many types of insurance; including property, auto, liability, worker's comp, and health insurance. Like energy, insurance cost is a significant factor in the City's budget and pricing also has been volatile over the past several years. The City periodically tests the market for the different types of insurance we buy to make sure the rates we pay are competitive for the coverage and services we expect. However, in areas like health insurance, every provider is raising prices and all employers are experiencing similar price pressures. The City mitigates some of the pressure by purchasing health insurance together with a group of other cities to increase our collective purchasing power. Also, the City of Edina shares the cost of health insurance with our employees, who sometimes must make significant contributions to their monthly premiums, depending on their benefit selections.

Budget Process

The City implemented a two-year budget cycle beginning with the 2012-2013 operating budget. The objective is to take an alternating year approach to the operating budget and Capital Improvement Plan (CIP) processes. While both the operating budget and CIP will be reviewed every year, the majority of our planning, focus and effort will alternate between the two.

During odd-numbered years, the City's focus will be on the operating budget. Extra efforts by staff members are dedicated to examining operating budgets and ensuring that they are sustainable and able to meet the goals of the City. The two-year operating budget that is created during odd-numbered years will take effect on Jan. 1 of the following even-numbered year. The CIP is reviewed, but only updated if necessary.

During the spring and summer of 2015, the Finance Department worked with all City departments to create a budget that was reflective of the goals and priorities that the City Council identified earlier in the year. During these meetings, input was provided on trends and issues happening within each department and the City overall, especially as they relate to the operating budgets of each City department.

During even-numbered years, the City's focus will be on the CIP. Extra efforts are dedicated to reviewing the projects in the CIP and prioritizing them based on information available at the time. The operating budget is reviewed, but only updated if necessary.

The City Council is required to adopt a final budget by no later than the close of the fiscal year. The annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund and by department. The City is empowered to levy a property tax on both real and personal property located within its boundaries.

BUDGET PROCESS

2016-2017 BUDGET PROCESS TIMELINE	
February 28, 2015	Council retreat to develop 2016-2017 City-Wide Work Plan themes.
April 21, 2015	Council work session to introduce the City Manager's proposed 2016-2017 City-Wide Work Plan.
May 15, 2015	Department Heads finalize 2016-2017 budget requests.
July 7, 2015	Council work session to review 2016 Utility Rate Study.
July 8, 2015	The City's Executive Leadership Team (ELT) reviews the 2016-2017 draft budget.
July 21, 2015	Council work session to introduce the City Manager's proposed 2016-2017 City-Wide Work Plan and Budget.
August 18, 2015	Council work session to review proposed 2016-2017 Budgets.
September 1, 2015	Council adopts a formal resolution to set the 2016 preliminary levy and budget. According to Minnesota State law, the final levy can be lower than the preliminary levy, but not higher.
September 16, 2015	Council adopts a formal resolution to set new water/sewer connection charges and utility rates based on the 2016 Utility Rate Study.
November 4, 2015	Council work session to review final proposed 2016-2017 Budgets and Work Plans.
December 1, 2015	Public Hearing on the 2016 operating budget and levy at a City Council Meeting.
December 15, 2015	Council adopts a formal resolution to adopt the final 2016 Budget and property tax levy.
Summer/Fall 2016	City Council and staff will work together to develop the 2017-2021 Capital Improvement Plan (CIP). Exact dates will be determined in Spring 2016.
Summer/Fall 2016	City Council and staff will work together to make any necessary changes to the 2017 Budget and Work Plan. Exact dates will be determined in Spring 2016.
December 6, 2016	Hold a Public Hearing on the 2017 operating budget and levy at a City Council Meeting.
December 20, 2016	Council adopts a formal resolution to adopt the final 2017 Budget and property tax levy.

DRAFT

City of Edina

EXECUTIVE SUMMARY

For living, learning, raising families, and doing business.

DRAFT

2016-2017 Overview

The 2016-2017 Budget provides the resources to achieve key results for Edina residents around work plan themes set by the City Council. The work plan themes for 2016-2017 are:

- Focused Redevelopment
- Future Planning
- Intergovernmental Relations
- Transportation & Infrastructure
- Enterprise Stability

This budget is a continuation of the budget transformation process that began in 2011 when the City switched to a two -year budget cycle and strived to provide increased accountability and transparency into City operations through the budget document itself. This budget is organized both by fund (see section III) and by department (section IV). The fund level section shows all expenditures by department as well as by type. The departmental organization gives insight into service and programs that each one delivers and also reflects organizational changes that have occurred during the last budget cycle.

The 2016-2017 City budget proposal provides funding to continue existing service levels and addresses the new themes identified by the City Council. Some of these priorities and projects include transportation studies, sewer capacity studies and the construction of a new water treatment plant. The creation of a new comprehensive plan draft is also included to ensure that future planning is adequately addressed. There were also priorities that had to be left out due to budgetary challenges. The most significant challenge facing this budget is the decrease in transfers from the Liquor Fund to the General Fund which increases the City's reliance on property tax revenue. The 2016 budgeted Liquor transfer is about $1.1 M less across all funds than what was budgeted in 2015, with approximately $650,000 of the decrease impacting the General Fund. It is important to note that the liquor operations are still profitable and generate the second most sales out of any municipal liquor operation in the State of Minnesota.

Like the previous budget book, this one includes performance measures from each division that assists staff and elected officials in identifying services and programs that are effective and also those that are in need of improvements. Many of the performance measures are based off of the quality of life survey that is administered every other year. Please note, that in 2015 a new company administered the survey used different methods from previous surveys. These methods included online surveys instead of telephone conversations. Online surveys statistically score lower than telephone surveys due to the anonymous nature of online surveys. The City of Edina consistently scored higher than other benchmark communities where quality of life surveys were delivered by the same company, both in Minnesota and across the country.

The 2016-2017 City budget proposal is financially sound and operationally transparent. Through its implementation, the budget will continue to produce an exceptional quality of life for Edina residents.

Property Tax Levies

PROPERTY TAX LEVIES ANNUAL BUDGET— ALL YEARS

	2013	2014	2015	Budget 2016	Budget 2017
General Fund Levies					
General Operating Levy	$ 21,824,894	$ 22,509,403	$ 22,933,958	$ 25,023,952	$ 26,360,319
General Fund Subtotal	21,824,894	22,509,403	22,933,958	25,023,952	26,360,319
Increase From Prior Year (%)	1.02%	3.14%	1.89%	9.11%	5.34%
Arts and Culture Fund Levies					
Arts and Culture	-	-	20,000	20,000	20,000
Arts and Culture Fund Subtotal	-	-	20,000	20,000	20,000
Increase From Prior Year (%)				0.00%	0.00%
Debt Service Fund Levies					
City Hall Debt Service	949,850	947,600	944,400	946,000	946,000
Gymnasium Debt Service	396,444	409,244	409,440	385,901	388,000
Fire Station Debt Service	431,544	441,944	441,940	443,000	443,000
Public Works Facility Debt Service	1,536,743	1,526,809	1,546,600	1,561,000	1,696,000
Park Bond Market Value Levy	615,837	627,800	618,600	571,650	-
Sports Dome	-	-	1,168,000	1,167,620	1,162,500
Weber Woods NOTE 1	-	-	-	-	-
Debt Service Fund Subtotal	3,930,418	3,953,397	5,128,980	5,075,171	4,635,500
Increase From Prior Year (%)	7.63%	4.31%	29.74%	-1.05%	-8.66%
Construction Fund Levies					
Equipment Levy	992,072	992,072	1,617,072	1,680,000	1,750,000
Construction Fund Subtotal	992,072	992,072	1,617,072	1,680,000	1,750,000
Increase From Prior Year (%)	0.00%	0.00%	63.00%	3.89%	4.17%
HRA Fund Levies					
HRA Operating Levy	-	-	-	-	95,000
HRA Fund Subtotal	-	-	-	-	95,000
Increase From Prior Year (%)					
Total Property Tax Levy	$ 26,747,384	$ 27,454,872	$ 29,700,010	$ 31,799,123	$ 32,860,819
Increase From Prior Year (%)	1.90%	2.65%	8.18%	7.07%	3.34%

NOTE 1: The City made an offer to purchase a portion of Weber Woods from the City of Minneapolis. The financing plan for the purchase was not completed or approved by the publication date for this document. One possibility for financing the purchase would be a new tax levy beginning in 2017. If that option is chosen, the percentages shown here could increase.

Consolidated Budget Summaries

CONSOLIDATED BUDGET SUMMARY ANNUAL BUDGET— ALL FUNDS AND YEARS

This page represents all of the financial activities of the City consolidated into one place. It is the best way to look at the overall budget. The City also divides the budget into fund types, funds and departments. This data is presented farther back in the budget book.

	2014 Actual	2015 Budget	2016 Budget		2017 Budget	
REVENUES AND OTHER FINANCING SOURCES						
Property tax levy	$ 26,988,493	$ 29,700,010	$ 31,799,123	7.1%	$ 32,860,819	3.3%
Reductions	-	(123,000)	-	-100.0%	-	NA
Net tax revenue	26,988,493	29,577,010	31,799,123	7.5%	32,860,819	3.3%
Tax increments	5,052,705	100,000	2,500,000	2400.0%	2,500,000	0.0%
Franchise fees & other taxes	2,066,697	2,070,000	2,315,000	11.8%	2,365,000	2.2%
Special assessments	4,606,010	3,992,997	4,127,890	3.4%	3,878,724	-6.0%
Licenses and permits	4,583,183	3,880,080	4,113,160	6.0%	4,282,660	4.1%
Intergovernmental	4,294,999	5,169,825	4,739,550	-8.3%	1,468,550	-69.0%
Charges for services	4,270,720	4,019,494	4,025,310	0.1%	11,327,973	181.4%
Fines and forfeitures	1,163,907	950,000	975,000	2.6%	975,000	0.0%
Operating revenue	39,886,753	42,823,745	41,990,893	-1.9%	41,619,956	-0.9%
Investment income	632,025	463,956	390,737	-15.8%	380,389	-2.6%
Other revenue	1,470,153	1,188,448	743,311	-37.5%	744,711	0.2%
Debt issued	21,483,096	4,599,895	3,852,396	-16.3%	3,193,204	-17.1%
Other financing sources	70,603	-	-	NA	-	NA
TOTAL REVENUES AND OTHER FINANCING SOURCES	$ 116,569,344	$ 98,835,450	$ 101,572,370	2.8%	$ 105,596,986	4.0%
EXPENDITURES, EXPENSES AND OTHER FINANCING USES - BY DEPARTMENT						
Administration	$ 23,125,572	$ 17,963,799	$ 18,464,763	2.8%	$ 26,889,373	45.6%
Communications & tech.	1,205,409	1,506,574	1,853,747	23.0%	1,744,217	-5.9%
Human resources	979,873	692,387	1,455,345	110.2%	1,477,755	1.5%
Finance	1,015,847	1,191,299	1,182,017	-0.8%	1,190,149	0.7%
Public works	24,976,826	22,913,578	25,066,316	9.4%	25,841,762	3.1%
Engineering	7,796,629	13,926,591	11,481,525	-17.6%	7,495,789	-34.7%
Police	11,081,717	11,764,823	12,449,166	5.8%	12,331,502	-0.9%
Fire	6,965,287	7,134,947	8,152,253	14.3%	7,933,806	-2.7%
Parks & recreation	13,120,262	13,244,427	12,549,735	-5.2%	11,724,142	-6.6%
Community development	1,543,486	1,742,160	1,771,945	1.7%	2,134,977	20.5%
Debt service	6,020,022	6,654,894	7,552,545	13.5%	7,620,640	0.9%
TOTAL EXPENDITURES, EXPENSES AND OTHER FINANCING USES	$ 97,830,930	$ 98,735,479	$ 101,979,357	3.3%	$ 106,384,112	4.3%
EXPENDITURES, EXPENSES AND OTHER FINANCING USES - BY TYPE						
Cost of goods sold	$ 10,440,199	$ 10,696,828	$ 9,761,579	-8.7%	$ 9,803,441	0.4%
Personal services	31,436,152	32,759,604	34,314,636	4.7%	34,778,149	1.4%
Contractual services	15,438,487	14,253,910	16,658,674	16.9%	17,302,851	3.9%
Commodities	3,591,254	3,853,162	4,189,290	8.7%	4,069,465	-2.9%
Central services	4,872,724	5,154,924	5,278,548	2.4%	5,445,204	3.2%
Equipment	1,468,320	1,746,978	2,113,177	21.0%	1,024,054	-51.5%
Capital outlay	18,414,824	17,395,224	14,878,386	-14.5%	18,841,300	26.6%
Depreciation	5,198,570	5,471,750	6,538,750	19.5%	6,913,750	5.7%
Debt service	6,970,400	7,403,099	8,246,317	11.4%	8,205,898	-0.5%
TOTAL EXPENDITURES, EXPENSES AND OTHER FINANCING USES	$ 97,830,930	$ 98,735,479	$ 101,979,357	3.3%	$ 106,384,112	4.3%
CHANGE IN FUND BALANCE OR NET POSITION	$ 18,738,414	$ 99,971	$ (406,987)		$ (787,126)	

Combined Budget Summary

COMBINED BUDGET SUMMARY — 2014 Actual and 2015 Budget

This page is a bridge to combine more detailed data found on pages 50-53 in the Fund Level Financial Schedules section of the budget book. The summary totals agree with the Consolidated Budget Summary presented previously.

	2014 Actual			2015 Budget		
	Governmental Funds	Enterprise Funds	Total	Governmental Funds	Enterprise Funds	Total
REVENUES AND OTHER FINANCING SOURCES						
Property tax levy	$ 26,988,493	$ -	$ 26,988,493	$ 29,700,010	$ -	$ 29,700,010
Reductions	-	-	-	(123,000)	-	(123,000)
Net tax revenue	26,988,493	-	26,988,493	29,577,010	-	29,577,010
Tax increments	5,052,705	-	5,052,705	100,000	-	100,000
Franchise fees & other taxes	2,066,697	-	2,066,697	2,070,000	-	2,070,000
Special assessments	4,606,010	-	4,606,010	3,992,997	-	3,992,997
Licenses and permits	4,583,183	-	4,583,183	3,880,080	-	3,880,080
Intergovernmental	3,961,509	333,490	4,294,999	5,053,825	116,000	5,169,825
Charges for services	4,270,720	-	4,270,720	4,019,494	-	4,019,494
Fines and forfeitures	1,163,907	-	1,163,907	950,000	-	950,000
Operating revenue	-	39,886,753	39,886,753	-	42,823,745	42,823,745
Investment income	440,051	191,974	632,025	327,400	136,556	463,956
Other revenue	1,382,927	87,226	1,470,153	1,128,921	59,527	1,188,448
Transfers	1,404,975	10,740,225	12,145,200	1,065,100	1,212,178	2,277,278
Debt issued	21,483,096	-	21,483,096	4,599,895	-	4,599,895
Other financing sources	70,603	-	70,603	-	-	-
TOTAL REVENUES AND OTHER FINANCING SOURCES	$ 77,474,876	$ 51,239,668	$ 128,714,544	$ 56,764,722	$ 44,348,006	$ 101,112,728
EXPENDITURES, EXPENSES AND OTHER FINANCING USES - BY FUNCTION						
Administration	$ 10,738,720	$ 12,386,852	$ 23,125,572	$ 5,457,275	$ 12,506,524	$ 17,963,799
Communication & tech.	1,205,409	-	1,205,409	1,506,574	-	1,506,574
Human resources	979,873	-	979,873	692,387	-	692,387
Finance	769,429	246,418	1,015,847	904,918	286,381	1,191,299
Public works	11,592,570	13,384,256	24,976,826	9,563,518	13,350,060	22,913,578
Engineering	7,695,242	101,387	7,796,629	13,749,591	177,000	13,926,591
Police	10,606,581	475,136	11,081,717	11,323,415	441,408	11,764,823
Fire	6,965,287	-	6,965,287	7,134,947	-	7,134,947
Parks & recreation	3,603,413	9,516,849	13,120,262	2,654,087	10,590,340	13,244,427
Community development	1,543,486	-	1,543,486	1,742,160	-	1,742,160
Debt service	6,020,022	-	6,020,022	6,654,894	-	6,654,894
Transfers	11,010,200	1,135,000	12,145,200	327,178	1,950,100	2,277,278
TOTAL EXPENDITURES, EXPENSES AND OTHER FINANCING USES	$ 72,730,232	$ 37,245,898	$ 109,976,130	$ 61,710,944	$ 39,301,813	$ 101,012,757
EXPENDITURES, EXPENSES AND OTHER FINANCING USES - BY TYPE						
Cost of goods sold	$ -	$ 10,440,199	$ 10,440,199	$ -	$ 10,696,828	$ 10,696,828
Personal services	24,128,271	7,307,881	31,436,152	25,023,800	7,735,804	32,759,604
Contractual services	6,320,388	9,118,099	15,438,487	4,822,492	9,431,418	14,253,910
Commodities	1,730,677	1,860,577	3,591,254	1,880,062	1,973,100	3,853,162
Central services	3,637,530	1,235,194	4,872,724	3,860,316	1,294,608	5,154,924
Equipment	1,468,320	-	1,468,320	1,746,978	-	1,746,978
Capital outlay	18,414,824	-	18,414,824	17,395,224	-	17,395,224
Depreciation	-	5,198,570	5,198,570	-	5,471,750	5,471,750
Debt service	6,020,022	950,378	6,970,400	6,654,894	748,205	7,403,099
Transfers	11,010,200	1,135,000	12,145,200	327,178	1,950,100	2,277,278
TOTAL EXPENDITURES, EXPENSES AND OTHER FINANCING USES	$ 72,730,232	$ 37,245,898	$ 109,976,130	$ 61,710,944	$ 39,301,813	$ 101,012,757
CHANGE IN FUND BALANCE OR NET POSITION	$ 4,744,644	$ 13,993,770	$ 18,738,414	$ (4,946,222)	$ 5,046,193	$ 99,971

COMBINED BUDGET SUMMARY — 2016 Budget and 2017 Budget

This page is a bridge to combine more detailed data found on pages 54-57 in the Fund Level Financial Schedules section of the budget book. The summary totals agree with the Consolidated Budget Summary presented previously.

	2016 Budget			2017 Budget		
	Governmental Funds	Enterprise Funds	Total	Governmental Funds	Enterprise Funds	Total
REVENUES AND OTHER FINANCING SOURCES						
Property tax levy	$ 31,799,123	$ -	$ 31,799,123	$ 32,860,819	$ -	$ 32,860,819
Reductions	-	-	-	-	-	-
Net tax revenue	31,799,123	-	31,799,123	32,860,819	-	32,860,819
Tax increments	2,500,000	-	2,500,000	2,500,000	-	2,500,000
Franchise fees	2,315,000	-	2,315,000	2,365,000	-	2,365,000
Special assessments	4,127,890	-	4,127,890	3,878,724	-	3,878,724
Licenses and permits	4,113,160	-	4,113,160	4,282,660	-	4,282,660
Intergovernmental	4,442,550	297,000	4,739,550	1,356,550	112,000	1,468,550
Charges for services	4,025,310	-	4,025,310	11,327,973	-	11,327,973
Fines and forfeitures	975,000	-	975,000	975,000	-	975,000
Operating revenue	-	41,990,893	41,990,893	-	41,619,956	41,619,956
Investment income	277,500	113,237	390,737	262,500	117,889	380,389
Other revenue	721,811	21,500	743,311	723,211	21,500	744,711
Transfers	2,930,628	500,000	3,430,628	2,983,625	600,000	3,583,625
Debt issued	3,852,396	-	3,852,396	3,193,204	-	3,193,204
Other financing sources	-	-	-	-	-	-
TOTAL REVENUES AND OTHER FINANCING SOURCES	$ 62,080,368	$ 42,922,630	$ 105,002,998	$ 66,709,266	$ 42,471,345	$ 109,180,611
EXPENDITURES, EXPENSES AND OTHER FINANCING USES - BY FUNCTION						
Administration	$ 6,702,645	$ 11,762,118	$ 18,464,763	$ 14,863,687	$ 12,025,686	$ 26,889,373
Communication & tech.	1,853,747	-	1,853,747	1,744,217	-	1,744,217
Human resources	790,345	665,000	1,455,345	812,755	665,000	1,477,755
Finance	883,624	298,393	1,182,017	880,745	309,404	1,190,149
Public works	10,282,436	14,783,880	25,066,316	10,465,889	15,375,873	25,841,762
Engineering	11,242,429	239,096	11,481,525	7,252,535	243,254	7,495,789
Police	11,952,196	496,970	12,449,166	11,823,778	507,724	12,331,502
Fire	8,152,253	-	8,152,253	7,933,806	-	7,933,806
Parks & recreation	1,720,447	10,829,288	12,549,735	1,896,251	9,827,891	11,724,142
Community development	1,771,945	-	1,771,945	2,134,977	-	2,134,977
Debt service	7,552,545	-	7,552,545	7,620,640	-	7,620,640
Transfers	2,630,628	800,000	3,430,628	2,733,625	850,000	3,583,625
TOTAL EXPENDITURES, EXPENSES AND OTHER FINANCING USES	$ 65,535,240	$ 39,874,745	$ 105,409,985	$ 70,162,905	$ 39,804,832	$ 109,967,737
EXPENDITURES, EXPENSES AND OTHER FINANCING USES - BY TYPE						
Cost of goods sold	$ -	$ 9,761,579	$ 9,761,579	$ -	$ 9,803,441	$ 9,803,441
Personal services	26,239,843	8,074,793	34,314,636	27,206,809	7,571,340	34,778,149
Contractual services	6,033,051	10,625,623	16,658,674	6,496,070	10,806,781	17,302,851
Commodities	2,162,014	2,027,276	4,189,290	2,208,623	1,860,842	4,069,465
Central services	3,925,596	1,352,952	5,278,548	4,031,784	1,413,420	5,445,204
Equipment	2,113,177	-	2,113,177	1,024,054	-	1,024,054
Capital outlay	14,878,386	-	14,878,386	18,841,300	-	18,841,300
Depreciation	-	6,538,750	6,538,750	-	6,913,750	6,913,750
Debt service	7,552,545	693,772	8,246,317	7,620,640	585,258	8,205,898
Transfers	2,630,628	800,000	3,430,628	2,733,625	850,000	3,583,625
TOTAL EXPENDITURES, EXPENSES AND OTHER FINANCING USES	$ 65,535,240	$ 39,874,745	$ 105,409,985	$ 70,162,905	$ 39,804,832	$ 109,967,737
CHANGE IN FUND BALANCE OR NET POSITION	$ (3,454,872)	$ 3,047,885	$ (406,987)	$ (3,453,639)	$ 2,666,513	$ (787,126)

City of Edina
Employees

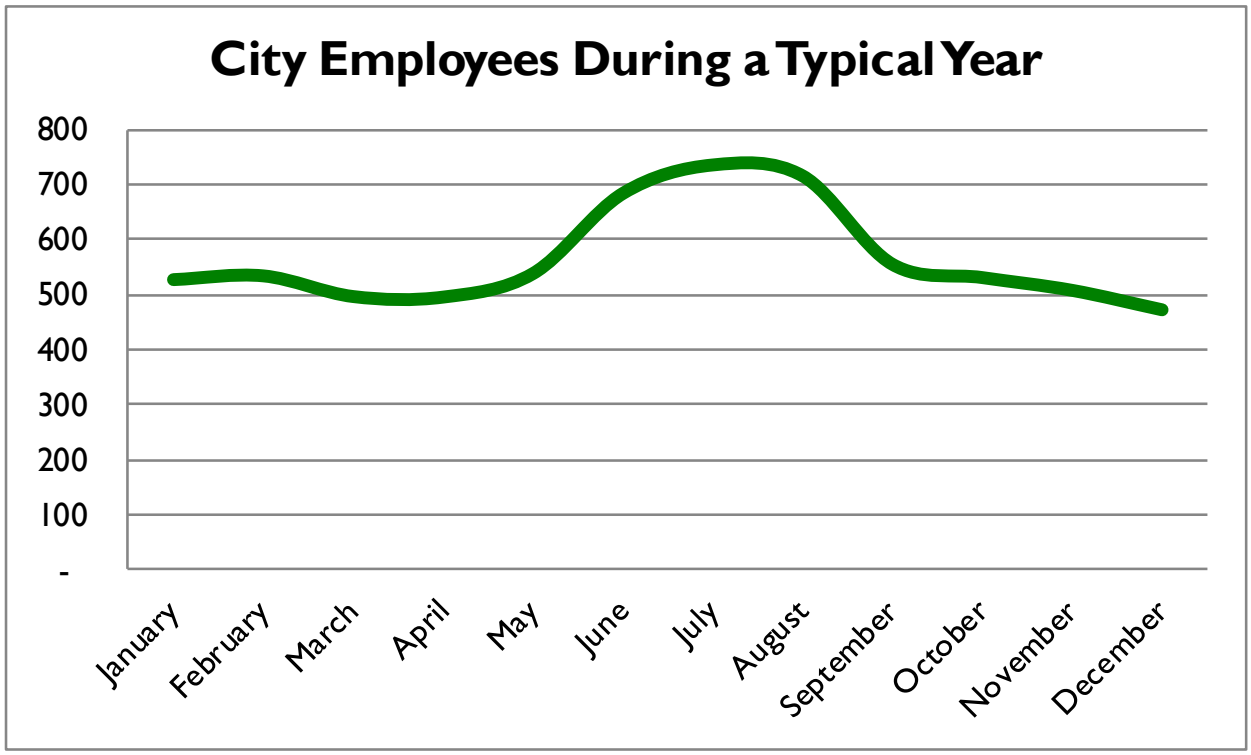
CITY OF EDINA EMPLOYEES ANNUAL BUDGET

The City highly values it's staff members and realizes how critical they are in delivering the high level of services Edina residents have come to know. The City's annual payroll constitutes approximately 35% of the consolidated budget and is over $30 million per year when benefits are included. According to a Quality of Life survey conducted in 2015, 78% of Edina residents rated the overall quality of services provided by the City as "Excellent" or "Good".

During 2012-2014, the City underwent a significant reorganization to maximize staff's ability to be productive and effective. The reorganization did not substantially change the overall number of City employees. The chart on the next page shows full-time City employment over time.

The full-time (FT) employee count has increased by 2 since the last budget cycle. One of the new employees will primarily be working in the new Conservation and Sustainability Fund which was established to make progress towards accomplishing the City's environmental protection goals. Accordingly, this employee will be paid from revenue generated from the new fund; lessening the impact General Fund finances.

In addition to FT staff, the City employs a significant number of part-time (PT) employees, including many on a seasonal basis. So, the total number of City employees is constantly changing, as depicted on the chart below. Over the course of a typical year, the City will employ about 1,000 people.



CITY OF EDINA EMPLOYEES

	Budgeted Full-time Employees for Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Administration										
General Fund	9.25	9.25	9.25	9.25	6.85	5.85	4.85	4.85	5.00	5.00
HRA Fund	-	-	-	-	-	-	1.00	1.00	1.00	1.00
Liquor Fund	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Communications and Technology Services										
General Fund	2.00	3.00	3.00	3.50	4.65	5.15	6.15	6.15	6.00	6.00
Central Services	3.00	3.00	3.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Community Development										
General Fund	10.75	10.85	10.85	10.85	10.85	10.85	12.00	12.00	12.00	12.00
Engineering										
General Fund	8.50	8.50	8.50	8.50	10.50	12.00	10.00	11.00	11.00	11.00
PACS Fund	-	-	-	-	-	-	1.00	1.00	1.00	1.00
CAS Fund	-	-	-	-	-	-	-	-	1.00	1.00
Utilities Fund	-	-	-	-	-	-	1.00	1.00	1.00	1.00
Finance										
General Fund	5.50	5.50	5.50	5.25	5.25	5.25	6.00	6.00	5.00	5.00
Utilities Fund	1.75	2.75	2.75	2.00	2.00	1.00	1.00	1.00	1.00	1.00
Liquor Fund	0.75	0.75	0.75	0.75	0.75	0.75	-	-	-	-
Fire Protection										
General Fund	40.50	40.50	40.50	39.50	39.75	42.75	42.85	43.85	45.90	45.90
Utilities Fund	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	-	-
Human Resources										
General Fund	-	-	-	-	1.00	4.00	4.00	4.00	5.00	5.00
Parks & Recreation										
General Fund	6.80	6.80	6.80	6.80	6.80	8.00	7.00	7.00	7.00	7.00
Aquatic Center	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.60	0.60
Golf Course	13.00	13.00	13.00	11.00	12.00	12.00	12.00	12.00	8.05	8.05
Arena	6.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.85	4.85
Sports Dome	-	-	-	-	-	-	-	-	0.15	0.15
Art Center	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Edinborough Park	7.00	7.00	7.00	7.00	7.00	5.80	5.80	5.80	5.80	5.80
Centennial Lakes	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Police Protection										
General Fund	73.75	74.65	73.65	71.15	71.65	70.65	72.50	70.50	72.55	72.55
Utilities Fund	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.45	0.45
Public Works										
General Fund	48.40	47.40	47.40	47.20	48.20	46.40	43.35	43.35	43.45	43.45
Construction Fund	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.10	1.10
Utilities Fund	13.25	15.25	15.25	14.45	13.95	13.75	15.20	15.20	16.85	16.85
Central Services	8.50	8.50	8.50	8.50	8.50	8.50	11.00	11.00	10.25	10.25
Other	1.00	1.00	1.00	-	-	-	-	-	-	-
Total	278.00	281.00	280.00	274.00	278.00	281.00	285.00	285.00	287.00	287.00

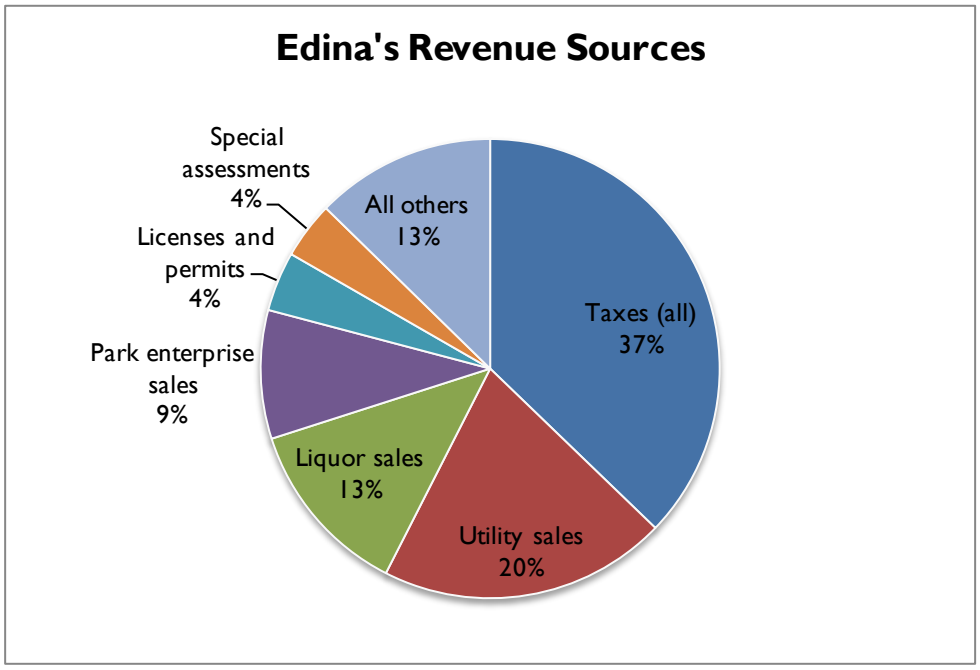
Source: City of Edina Finance Department

Notes:

- Full-time employee counts do not include Council members, part-time, contract or seasonal employees. In a typical year the City will employ an additional 600-700 people in these categories.
- The City completed a major departmental reorganization that is reflected on this chart between years 2012-2014. In some cases, data for years before the reorganization has been modified from what was originally reported to improve comparisons.

Revenues

The City of Edina has many diverse sources of revenue. Most residents know that the City collects property taxes, franchise taxes and tax increments, but some people are surprised to learn that these taxes combined represent only about 37% of the City's annual revenue. In Edina, there are many parks enterprise facilities that generate revenue, in addition to the Utility fund and Liquor fund which are also significant sources of the "Park enterprise sales" category in the chart below. Special assessments and licenses and permits are significant contributors to the City's revenue, at about 4% each. Other sources include aid from federal and state government agencies, police fines, investment income, ambulance charges, park rentals and program registrations, donations, advertising sales, revenue earned from providing dispatch services to other communities, and many others.



Property taxes account for $31,799,123 and $32,860,819 of the City's budgeted revenue in 2016 and 2017, respectively. Property taxes are difficult to compare across jurisdictions due to differences in tax bases, growth and development issues, and the quantity as well as quality of services delivered. However, we believe Edina compares favorably according to the comparison on the following page with other Municipal Legislative Commission (MLC) cities, which tend to share many similarities with Edina. This comparison chart on the next page shows what the buyer of a $400,000 home would pay to each City in annual taxes if the buyer would choose to live in that City. The buyer of a $400,000 home in Edina would pay the lowest City taxes in this comparison group.

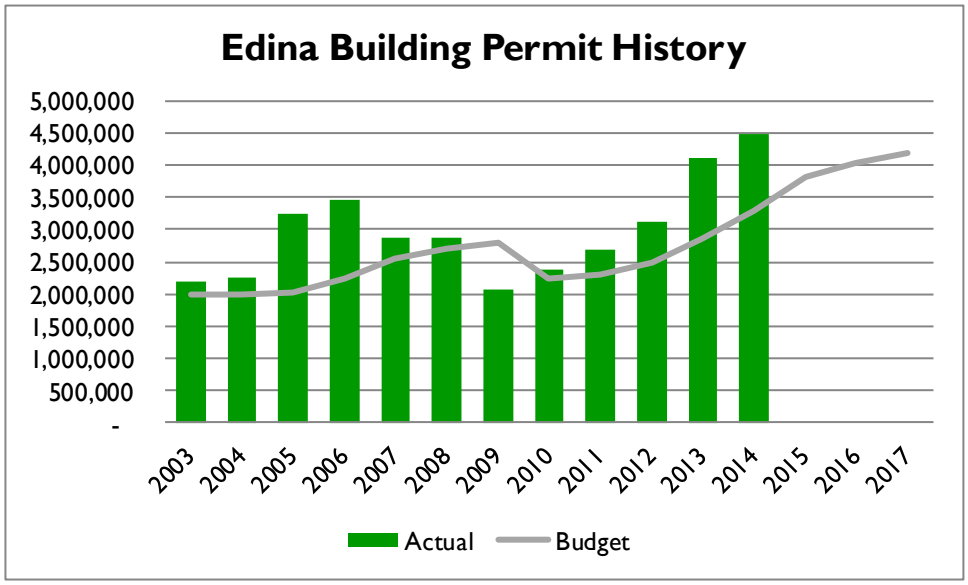
MLC Cities Comparison: 2015 estimated taxes on $400,000 house		
1 Edina	**$**	**1,086**
2 Plymouth	$	1,138
3 Eden Prairie	$	1,386
4 Shoreview	$	1,391
5 Woodbury	$	1,434
6 Minnetonka	$	1,513
7 Eagan	$	1,519
8 Shakopee	$	1,531
9 Lakeville	$	1,553
10 Maple Grove	$	1,581
11 Burnsville	$	1,786
12 Bloomington	$	1,821
13 Maplewood	$	1,883
14 Apple Valley	$	1,887
15 Inver Grove Heights	$	1,937
16 Savage	$	2,123

Source: LMC Property Tax calculator

The property buyer approach: 2015 estimated taxes on $400,000 house	City Taxes		All Districts		Notes
1 Edina	**$**	**1,086**	**$**	**5,305**	**ISD#273 & WS #1**
2 Eden Prairie	$	1,386	$	5,566	ISD#272 & WS #4
3 Minnetonka	$	1,513	$	5,782	ISD#276 & WS#3
4 Bloomington	$	1,821	$	5,976	ISD#271 & WS#1
5 St. Louis Park	$	1,904	$	6,139	ISD#283 & WS#3
6 Richfield	$	2,398	$	6,397	ISD#280 & WS#3
7 Hopkins	$	2,433	$	6,719	ISD#270 & WS#1
8 Minneapolis	$	2,748	$	6,651	ISD#001 & WS#3

Source: LMC Property Tax calculator

REVENUES



License and permit revenue is historically one of the most volatile revenue categories for the City, so our practice has been to budget for this revenue conservatively. License and permit revenue is collected primarily from builders and developers for residential or commercial building projects, but also includes smaller amounts for a variety of City-issued licenses, including liquor licenses, restaurant licenses, etc. The chart above shows the history of building permit revenue collected in the general fund. As of the publication date for this document, it appears 2016 will continue the trend from 2014-2015, and be another record year for building permit revenue.

Special assessments include assessments levied against benefitting properties for various infrastructure improvements and street reconstruction projects. In a typical Edina street reconstruction project, benefitting properties are assessed the full cost of the street repairs. The City's utility fund typically pays for costs related to underground water and sewer infrastructure as well as curbs and gutters. The special assessment process is guided by the City's special assessment policy as well as state law for special assessments.

Enterprise operating revenue is the largest source of City revenue according to the chart presented in the first part of this section. However, there are many smaller sources of revenue that contribute to this category. The largest part of enterprise operating revenue ($19.7M in 2016) comes from the Utility fund for sales of water, sewer, storm sewer and recycling services. The second largest part is sales of "off-sale" liquor at the three municipally owned liquor stores, which are budgeted to combine for about $12.4M in annual sales in 2016. Operating revenue is also collected at the aquatic center (about $1M), golf course (about $2.9M), ice arena (about $2.2M), art center ($450K), Edinborough Park (about $1.3 M) and Centennial Lakes Park (about $780K). The City's financial advisor prepared a long-term rate study in the fall of 2015 that recommended 4.75% annual increases to water rates, 4.50% annual increases to sewer rates, and a 10% increase to storm sewer rates in 2016, with the annual increase thereafter dropping to 6.50%. The water and sewer increases are primarily to cover increasing costs of rebuilding, maintaining, and improving existing infrastructure. The storm increase is higher than previous years due to a one-time change to better align of costs for street sweeping into the storm fund from the general fund. These increases will ensure that enterprise funds are maintained in a healthy and sustainable manner.

Capital Improvements

The City develops a five-year Capital Improvement Plan (CIP) every two years in order to provide a framework for planning the preservation and expansion of infrastructure, facilities and equipment. The most recent CIP adopted by the City Council was for the years 2015-2019. The City's threshold for projects or equipment to be included in the CIP is $15,000. Projects or equipment expected to be under the threshold are part of the operating budget. The definition of capital expenditures to be included in the CIP is not necessarily identical to the definition of capital assets for financial accounting purposes. The main difference is that the CIP may include maintenance expenditures that do not meet the GAAP definition of a capital asset.

While prioritization has always been part of the CIP process, the City implemented a formal process that standardizes priorities across functions and departments beginning with the 2013-2017 CIP. The prioritization process considers strategic goals and objectives, which are set by the City Council and interpreted by City staff. The recommended CIP and priorities are then submitted back to the City Council for consideration, modification, and adoption.

The City uses a 7-point numerical scale to prioritize our CIP, with the number 1 representing the most critical projects and the number 7 representing desirable projects. For projects prioritized in the first two years of the adopted CIP, City staff generally plans, develops and promotes the project until a construction contract is ready to be signed or a purchase over $20,000 is ready to be ordered from a vendor. These types of contracts and purchases receive a final approval by the City Council, according to our policy.

The City recognizes that circumstances and priorities can change over time and in some cases may cause the timing of some projects to be moved forward or backward after adoption of the CIP. These changes are considered by the City Council on a case-by-case basis.

CAPITAL IMPROVEMENTS

The total capital expenditures planned for the 2016 and 2017 fiscal years by fund and priority level are as follows:

Fund	Priority	2016	2017
HRA	2	$ 8,075,000	$ 6,650,000
PACS	1	931,548	747,361
PACS	5-7	163,000	297,000
Construction	Equipment	2,108,337	1,024,054
Construction	1-3	9,165,061	5,726,605
Construction	4-7	1,969,758	2,352,400
Environmental Efficiency	2	104,000	-
Utilities	1-3	10,251,239	5,531,625
Utilities	4-6	1,325,000	5,375,000
Liquor	4	80,000	-
Aquatic Center	1	135,000	120,000
Aquatic Center	5	341,250	525,000
Golf	1-2	111,000	108,000
Golf	4-5	3,330,000	100,000
Arena	5-6	225,000	135,000
Edinborough	2-3	33,100	71,295
Edinborough	6	66,600	-
Centennial	3	35,000	-
Centennial	5	-	50,000
Total Capital Expenditures		$ 38,449,893	$ 28,813,340

The 2017 expenditures shown in this schedule will be reprioritized in the summer of 2016 and are subject to change based on that process. In fact, 2017 projects with a priority rating of 4 through 7 are not yet matched with available financing to proceed.

Some of the City's significant CIP projects planned in the next two years are:

Neighborhood Street Reconstruction Program (Priority 1)

Every year, the City reconstructs streets and underground utilities as resources allow. Costs of the program are extremely variable depending on how many neighborhoods are approved, the mileage and types of streets involved, and the scope of work that needs to be done. For 2016 and 2017, the total costs are estimated to be $11,900,000 and $10,100,000 respectively, when all aspects of the roadway and underground utilities are included. Funding for the projects mostly comes from special assessments to benefitting properties and the utility fund.

CAPITAL IMPROVEMENTS

Comprehensive Plan (Priority 1)

Per State law, cities must update their Comprehensive Plans every 10 years. The City's most recent Comprehensive Plan was completed in 2008, and is a broad statement of community goals and policies that direct the orderly and coordinated physical development of a City into the future. It provides the framework for shaping future growth and change, for protecting what a community values, for enhancing what the community wants to improve, and for creating what the community feels is lacking. Expenses for this project will be incurred throughout 2016, 2017, and 2018, with total cost expected to be about $350,000. Funding is expected to be provided from the General Fund and Construction Fund in the amounts of $50,000 and $300,000 respectively. Elements of a Comprehensive Plan include: vision, goals and objective, community profile, land use, housing, heritage preservation, transportation, water resource management, parks, energy & environment, community services, and facilities.

Golf Course Renovation (Priority 5)

This project was included in the 2015-2019 CIP with a budget of $3,250,000 to be spent in 2016 to renovate the existing 27-Holes. Since the adoption of the 2015-2019 CIP the City Council has approved renovations to Golf Course facilities, expansion of the driving range, and renovation of the executive course. The facilities, driving range and 9-Hole renovations were completed in 2015 at an approximate cost of $2.4 million. These renovations were funded with proceeds from debt issued to be paid back over the next 15 years from Golf Course operating income.

Construction of a new 18-hole regulation golf course that will stay within the existing footprint of the 27-hole course, with an alternate use for the remaining park property is set to begin in 2016, and be completed in 2018. Staff believes that an exceptional 18-hole course can be constructed within the 27-hole footprint, without expanding the footprint of Braemar Park. As of the publication date for this document, the construction cost for this project is expected to be about $6.4 million. A re-designed 18-hole course would be one of the best municipal courses in the region, and would have higher utilization than a 27-hole course resulting in improved profitability and reduced financial risk. Further impacts of this project are represented in the 2016-2017 Fund Level Financial Schedules (section III).

New Water Treatment Plant 5 (Priority 6)

This project includes the design of Water Treatment Plant 5 to be located on property previously acquired for this purpose along France Avenue just north of the Southdale water tower. This plant will filter water from wells 5, 18, and potentially future well 21. Permitting and design will take place in 2016 at an estimated cost of $500,000, and construction will take place from 2017 until mid 2018 at estimated costs of $3,500,000 and $4,000,000 respectively. Expansion of water system capacity is related to peak demand growth, and stable demand due to population growth. Funding will for this project will come from Utility Fund operating income.

Paths and Trails

The City's Pedestrian and Cyclist Safety (PACS) Fund is used to finance the construction of new walking and biking facilities in the City, as well as the maintenance of existing ones. In 2016, the City plans to complete a variety of scheduled projects financed through the PACS Fund. Some of the more significant projects include the construction of new sidewalks on Cornelia Drive from 66th Street to 70th Street and on Xerxes Avenue from 56th Street to West 60th Street. There will also be a sidewalk constructed on Beard Avenue beginning at West 60th Street.

LEGAL DEBT MARGIN

Minnesota laws limit the amount of debt the City may issue to 3% of the assessor's market value of the City's tax base. The assessor's 3% market value less net debt is referred to as the legal debt margin. The following table shows the legal debt margin at December 31, 2014.

Legal Debt Margin Calculation for Fiscal Year 2014

Market value (after fiscal disparities)	$	8,911,694,683
Debt limit (3% of market value)		267,350,840
Debt applicable to limit:		
General obligation bonds		30,200,000
Public project revenue bonds		21,560,000
Total debt applicable to limit		51,760,000
Legal debt margin	$	215,590,840

According to this calculation, the City has the ability to issue over $200 million in additional debt before reaching the statutory limit. This level of capacity to issue new debt means that the City is in a secure financial position.

The City had four types of bonded debt outstanding on December 31, 2014: general obligation (GO) bonds, special assessment bonds, public project revenue bonds and enterprise revenue bonds.

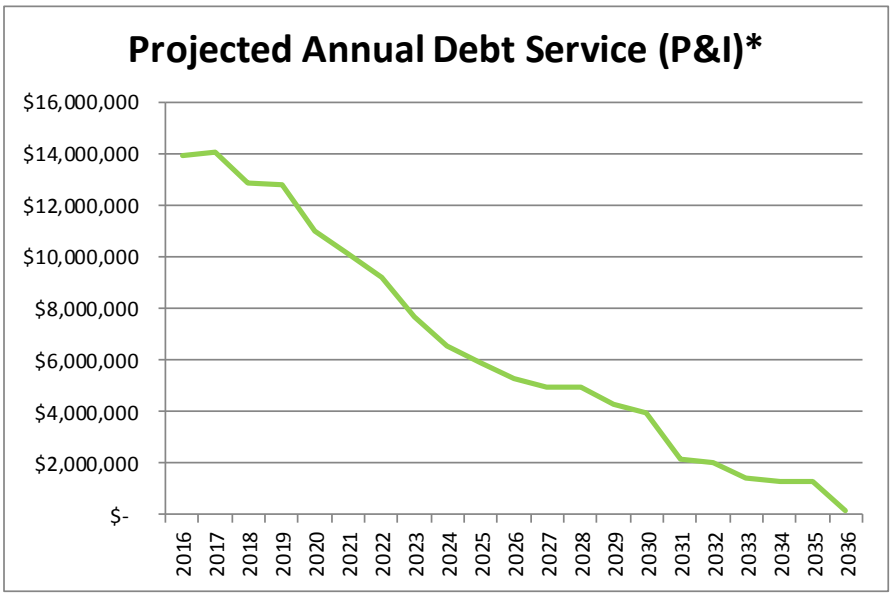
GO bonds are payable from general property taxes. The special assessment bonds include permanent improvement revolving (PIR) bonds and Edina emerald energy program bonds that are payable from special assessments with any deficiency in the PIR variety to be provided for by general property taxes. Public project revenue (PPR) bonds are payable from annual appropriation lease payments received from the City of Edina pursuant to a lease between the Edina Housing and Redevelopment Authority and the City. Enterprise revenue bonds are payable primarily from revenue from the City's enterprise facilities with any deficiency to be provided for by general property taxes.

Edina's long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities in the table on the following page, which projects changes in debt levels for the next two years.

DEBT SERVICE

	12/31/2015 Balance	2016 Additions	2016 Reductions	12/31/2016 Balance	2017 Additions	2017 Reductions	12/31/2017 Balance
Governmental activity debt:							
General obligation	$ 26,710,000	$ -	$ (2,410,000)	$ 24,300,000	$ -	$ (2,475,000)	$ 21,825,000
Special Assessment Bonds	23,955,970	3,852,396	(1,936,375)	25,871,991	3,193,204	(2,116,375)	26,948,820
Public project revenue	21,290,000	-	(900,000)	20,390,000	-	(905,000)	19,485,000
Subtotal	71,955,970	3,852,396	(5,246,375)	70,561,991	3,193,204	(5,496,375)	68,258,820
Business-type activity debt:							
Enterprise revenue	39,145,000	5,000,000	(5,300,000)	38,845,000	6,300,000	(5,540,000)	39,605,000
Citywide Grand Total	$ 111,100,970	$ 8,852,396	$ (10,546,375)	$ 109,406,991	$ 9,493,204	$ (11,036,375)	$ 107,863,820

In addition to principal payments in the chart above, the City also pays interest on outstanding debt. Principal and interest (P&I) payments are sometimes referred to collectively as debt service. Debt service to maturity on all outstanding debt as of December 31, 2014 is shown below.



*Assumes no new debt issued

The City sets annual property tax levies to pay debt service on the debt types that are payable from general property taxes. The debt service levies are shown below, and are separated by purpose.

Debt Service Tax Levies	**2013**	**2014**	**2015**	**Budget 2016**	**Budget 2017**
City Hall	$ 949,850	$ 947,600	$ 944,400	$ 946,000	$ 946,000
Gymnasiums	396,444	409,244	409,440	385,901	388,000
Fire Station #1	431,544	441,944	441,940	443,000	443,000
Public Works Facility	1,536,743	1,526,809	1,546,600	1,561,000	1,696,000
Park Bond Market Value Levy	615,837	627,800	618,600	571,650	-
Sports Dome	-	-	1,168,000	1,167,620	1,162,500
Total	$ 3,930,418	$ 3,953,397	$5,128,980	$5,075,171	$4,635,500

DRAFT

City of Edina

FUND LEVEL FINANCIAL SCHEDULES

For living, learning, raising families, and doing business.

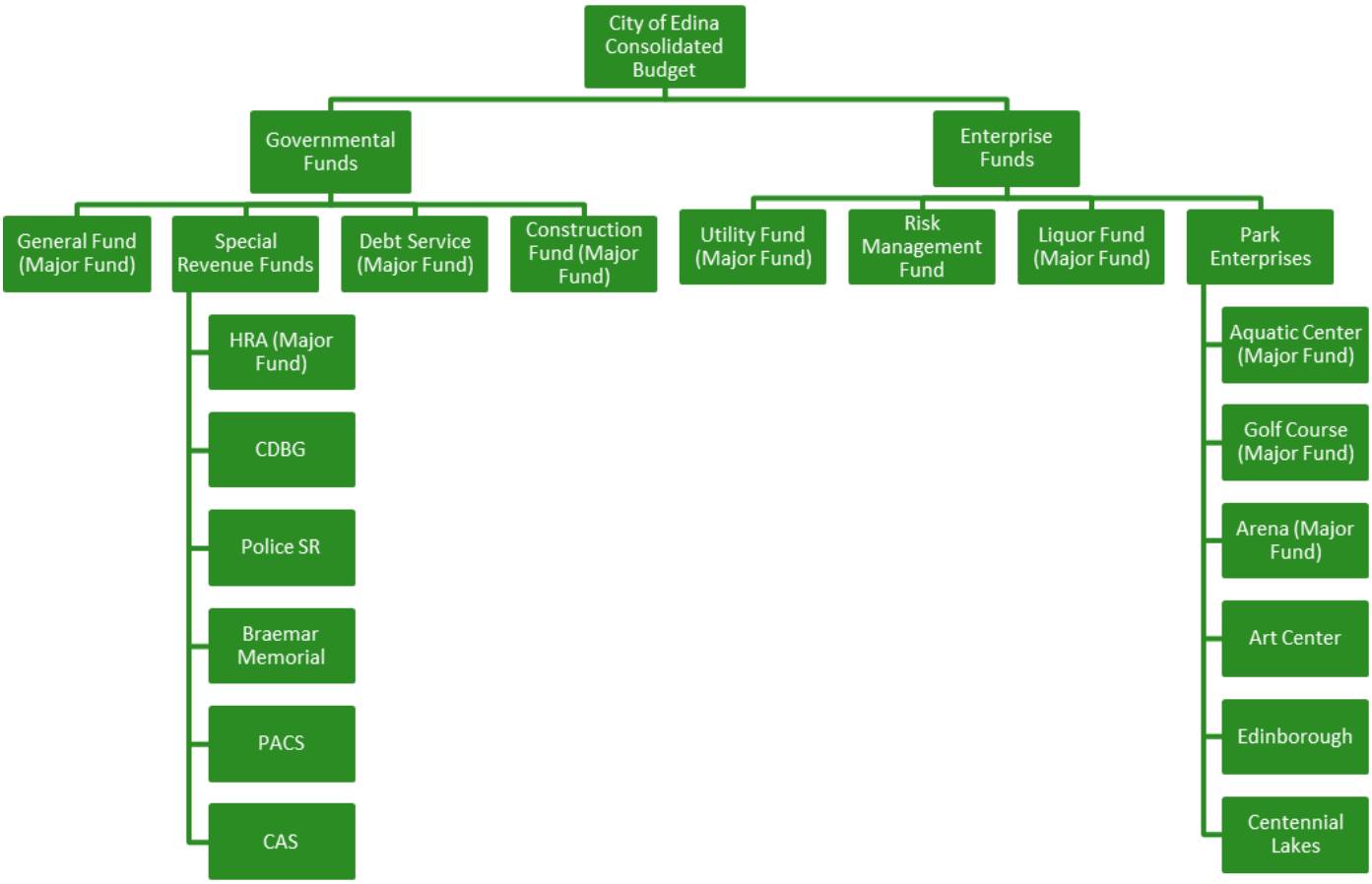
DRAFT

Fund Descriptions

CITY OF EDINA FUND ACCOUNTING

The City is required to account for revenues and expenditures in accordance with Generally Accepted Accounting Principles (GAAP) in the United States of America as applied to governmental units by the Governmental Accounting Standards Board (GASB). GAAP allows the City to set up different funds for different purposes. The City of Edina uses two different types of funds; governmental and enterprise.

The relative size of an individual governmental fund is assessed based on its proportionate share of different financial statement elements. If those financial statement elements are quantitatively significant, the City is required to report the fund as a "major" fund. The City may also choose to evaluate qualitative factors to present additional funds as "major" even when they don't meet the quantitative definition. Edina currently has 9 major funds.



FUND DESCRIPTIONS

GOVERNMENTAL FUNDS

In general, governmental funds are used to account for traditional government services like Police, Fire, Public Works, etc. These activities are often, but not always, supported by a mix of taxes and user fees. The City budgets and reports our governmental funds using the modified accrual basis of accounting, which is required by GAAP. Currently the City has eleven governmental funds:

- **General Fund.** This is the City's primary operating fund. It records most of the City's revenues and expenditures from our core City operations like Administration, Police, Parks, etc. Any activities that are not specifically reported in a different fund can be found in the General Fund. The General Fund is not used for debt service or capital projects.

- **Housing and Redevelopment Authority Fund (HRA).** The HRA is an entity legally separate from the City. However, for financial reporting purposes, the HRA is reported in a special revenue fund as if it were part of the City's operations because the members of the City Council serve as HRA board members and its activity is confined to the same geographic borders as the City of Edina.

- **Community Development Block Grant Fund (CDBG).** This special revenue fund was established to account for funds received under Title I of the Housing and Community Development Act of 1974.

- **Police Special Revenue Fund.** This special revenue fund was established to account for funds received for specific purposes within the Police Department, including E-911 and forfeiture funds.

- **Braemar Memorial Fund.** This account was created in 1976 and formally recognized as a separate special revenue fund by the City Council in 2010. It is used to account for funds donated to the City for the purpose of enhancing the Braemar golf Course with equipment and amenities that might not otherwise be affordable or viewed as a necessity to the golf course.

- **Arts and Culture Fund.** This special revenue fund was established in 2014 to account for funds donated to the City for the purpose of enhancing public arts and culture related activities.

- **Pedestrian and Cyclist Safety Fund (PACS).** This special revenue fund was established in 2013 to account for funds received from gas and electric franchise fees, which the City Council intends to use for pedestrian and cyclist improvements included in future street reconstruction projects.

- **Environmental Efficiency Fund.** This fund was established in 2013 to account for funds received through energy cost savings to be reinvested in future energy efficiencies.

- **Conservation and Sustainability Fund (CAS).** This special revenue fund was established in 2015 to account for funds received from gas and electric franchise fees beginning in 2016. The City will use these funds to provide a dedicated funding source for new conservation and sustainability functionality and programs. The fund will pay for a dedicated staff person to carry out these initiatives.

- **Debt Service Fund.** This fund accounts for the payment of principal and interest on the City's governmental debt.

- **Construction Fund.** This fund accounts for the various special assessment and state aid projects throughout the City. This fund also provides financing for the City's Capital Improvement Plan (CIP) and the Equipment Replacement Program.

FUND DESCRIPTIONS

ENTERPRISE FUNDS

In general, enterprise funds are used to account for activities that the City intends to be mostly self-supporting. The costs of providing these activities are often, but not always, recovered primarily through user charges, similar to private business enterprises. Some of the activities we categorize as enterprise funds receive regular support from other City funds. The City budgets and reports our enterprise funds using the full accrual basis of accounting, which is required by GAAP. Currently the City has eight enterprise funds:

- **Utility Fund**. This fund is used to account for water pumping, treatment and distribution as well as sanitary sewer collection and disposal, storm water collection and recycling services to the City's residents.
- **Liquor Fund**. This fund accounts for the City's off-sale liquor business, which Edina first started around 1948. Today, there are three municipally owned liquor stores in Edina. Excess profits are generally transferred into other City funds.
- **Aquatic Center Fund**. This fund was established to account for the operations of the City's outdoor municipal pool.
- **Golf Course Fund**. This fund was established to account for the City's golf business when the 18-hole Braemar Golf Couse opened in 1964. Today, the City operates Braemar Golf Course (now a 27-hole regulation course), two 9-hole executive courses, a driving range, indoor golf dome, a banquet room and grill.
- **Arena Fund**. This fund was created around 1966 when Braemar Arena was built. Today, there are three indoor, regulation size ice sheets, including the original "West" arena.
- **Sports Dome Fund.** This fund was created in 2013 to account for the revenues and expenses for Braemar Field which was built in 2014.
- **Art Center Fund**. This fund accounts for the revenues and expenses for the Edina Art Center.
- **Edinborough Park Fund.** Edinborough Park's finances were combined with Centennial Lakes Park in one fund through 2011. A separate fund for each facility was created in budget year 2012.
- **Centennial Lakes Fund**. Centennial Lakes Park's finances were combined with Edinborough Park in one fund through 2011. A separate fund for each facility was created in budget year 2012.
- **Risk Management Fund**. This internal service fund was established to account for expenses related to the costs of insurance, safety and prevention measures, and risk management programs across all municipal departments.

Operating Fund Crosswalk

	Appropriated?	ADMIN	CTS	HR	FIN	PW	ENG	PD	FD	PR	CD
General	Yes	X	X	X	X	X	X	X	X	X	X
HRA	Yes	X									
PACS	Yes						X				
CAS	Yes						X				
CDBG	Yes										X
Police SR	Yes							X			
Braemar Memorial	Yes									X	
Arts & Culture	Yes									X	
Debt Service	Yes	X	X	X	X	X	X	X	X	X	X
Construction	Yes	X	X	X	X	X	X	X	X	X	X
Environmental Efficiency	Yes	X	X	X	X	X	X	X	X	X	X
Utilities	Yes	X			X	X	X	X			
Liquor	Yes	X									
Aquatic Center	Yes									X	
Golf Course	Yes									X	
Arena	Yes									X	
Sports Dome	Yes									X	
Art Center	Yes									X	
Edinborough	Yes									X	
Centennial	Yes									X	
Risk Management	Yes			X							

Department Acronym Key	
ADMIN	Administration
CTS	Communications and Technology Services
HR	Human Resources
FIN	Finance
PW	Public Works
ENG	Engineering
PD	Police
FD	Fire
PR	Parks and Recreation
CD	Community Development

2014 Actual Financial Results by Fund

GOVERNMENTAL FUNDS

The City uses two basic fund types to account for our financial activities, governmental fund types and enterprise fund types. In general, governmental funds are used to account for traditional government services and enterprise funds are used to account for business-type activities. All of the City's governmental funds are shown here.

2014 GOVERNMENTAL FUND ACTUAL REVENUES AND EXPENDITURES

	General Fund	HRA Fund	PACS Fund	CDBG Fund	Police SR Fund	Braemar Memorial Fund	Arts & Culture Fund	Debt Service Fund	Environmental Efficiency Fund	Construction Fund	Total
REVENUES AND OTHER FINANCING SOURCES											
Property tax levy	$22,147,135	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,866,611	$ -	$ 974,747	$26,988,493
Reductions	-	-	-	-	-	-	-	-	-	-	-
Net tax revenue	22,147,135	-	-	-	-	-	-	3,866,611	-	974,747	26,988,493
Tax increments	-	5,052,705	-	-	-	-	-	-	-	-	5,052,705
Franchise fees & other taxes	820,039	-	1,144,167	-	-	-	-	-	-	102,491	2,066,697
Special assessments	-	-	-	-	-	-	-	2,870,102	-	1,735,908	4,606,010
Licenses and permits	4,490,993	-	-	-	-	-	-	-	-	92,190	4,583,183
Intergovernmental	1,197,284	-	-	18,700	71,962	-	-	-	-	2,673,563	3,961,509
Charges for services	4,236,442	-	-	-	-	-	-	-	-	34,278	4,270,720
Fines and forfeitures	993,954	-	-	-	169,953	-	-	-	-	-	1,163,907
Investment income	144,127	158,945	7,790	-	201	4,258	62	11,408	6,630	106,630	440,051
Other revenue	1,326,443	-	-	-	-	2,795	1,843	-	-	51,846	1,382,927
Transfers	-	-	-	-	-	-	20,007	-	-	1,384,968	1,404,975
Debt issued	-	-	-	-	-	-	-	5,703,423	-	15,779,673	21,483,096
Other financing sources	-	-	-	-	-	-	-	-	-	70,603	70,603
TOTAL REVENUES AND OTHER FINANCING SOURCES	$35,356,417	$ 5,211,650	$1,151,957	$18,700	$ 242,116	$ 7,053	$ 21,912	$12,451,544	$ 6,630	$ 23,006,897	$77,474,876
EXPENDITURES AND OTHER FINANCING USES - BY DEPARTMENT											
Administration	$ 1,713,818	$ 8,777,293	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 247,609	$10,738,720
Communication & tech.	1,051,309	-	-	-	-	-	-	-	-	154,100	1,205,409
Human resources	979,873	-	-	-	-	-	-	-	-	-	979,873
Finance	769,429	-	-	-	-	-	-	-	-	-	769,429
Public works	8,167,858	-	-	-	-	-	-	-	-	3,424,712	11,592,570
Engineering	1,501,316	-	914,823	-	-	-	-	-	-	5,279,103	7,695,242
Police	9,798,255	-	-	-	215,451	-	-	-	-	592,875	10,606,581
Fire	6,663,937	-	-	-	-	-		-	-	301,350	6,965,287
Parks & recreation	1,283,592	-	-	-	-	32,000	16,328	-	4,358	2,267,135	3,603,413
Community development	1,509,960	-	-	18,700	-	-	-	-	-	14,826	1,543,486
Debt service	-	-	-	-	-	-	-	6,020,022	-	-	6,020,022
Transfers	2,254,968	-	-	-	-	-	-	-	-	8,755,232	11,010,200
TOTAL EXPENDITURES AND OTHER FINANCING USES	$35,694,315	$ 8,777,293	$ 914,823	$18,700	$ 215,451	$ 32,000	$ 16,328	$ 6,020,022	$ 4,358	$ 21,036,942	$72,730,232
EXPENDITURES AND OTHER FINANCING USES - BY TYPE											
Personal services	$23,901,342	$ 114,688	$ 1,079	$ -	$ -	$ -	$ 61	$ -	$ -	$ 111,101	$24,128,271
Contractual services	4,351,144	1,443,672	15,726	18,700	66,217	32,000	15,177	-	-	377,752	6,320,388
Commodities	1,629,083	-	53	-	70,882	-	1,090	-	-	29,569	1,730,677
Central services	3,557,778	-	79,752	-	-	-	-	-	-	-	3,637,530
Equipment	-	-	-	-	78,352	-	-	-	-	1,389,968	1,468,320
Capital outlay	-	7,218,933	818,213	-	-	-	-	-	4,358	10,373,320	18,414,824
Debt service	-	-	-	-	-	-	-	6,020,022	-	-	6,020,022
Transfers	2,254,968	-	-	-	-	-	-	-	-	8,755,232	11,010,200
TOTAL EXPENDITURES AND OTHER FINANCING USES	$35,694,315	$ 8,777,293	$ 914,823	$18,700	$ 215,451	$ 32,000	$ 16,328	$ 6,020,022	$ 4,358	$ 21,036,942	$72,730,232
CHANGE IN FUND BALANCE	$ (337,898)	$ (3,565,643)	$ 237,134	$ -	$ 26,665	$ (24,947)	$ 5,584	$ 6,431,522	$ 2,272	$ 1,969,955	$ 4,744,644

2014 ACTUAL FINANCIAL RESULTS BY FUND

ENTERPRISE FUNDS

The City uses two basic fund types to account for our financial activities, governmental fund types and enterprise fund types. In general, governmental funds are used to account for traditional government services and enterprise funds are used to account for business-type activities. All of the City's enterprise funds are shown here.

2014 ENTERPRISE FUND ACTUAL REVENUES AND EXPENSES

	Utilities Fund	Liquor Fund	Aquatic Center Fund	Golf Course Fund	Arena Fund	Sports Dome Fund	Art Center Fund	Edinborough Fund	Centennial Fund	Total
REVENUES AND TRANSFERS IN										
Operating revenues	$ 17,548,883	$ 13,515,168	$ 918,412	$ 3,229,348	$ 2,091,685	$ 17,874	$ 480,882	$ 1,325,608	$ 758,893	$ 39,886,753
Intergovernmental	333,490	-	-	-	-	-	-	-	-	333,490
Investment income	120,307	20,656	12,830	4,155	-	-	2,103	22,065	9,858	191,974
Other revenue	1,919	(3,366)	-	17,799	882	-	1,345	60,876	7,771	87,226
Transfers	-	-	-	1,699,021	2,351,395	6,409,391	213,825	41,593	25,000	10,740,225
TOTAL REVENUES AND TRANSFERS IN	$ 18,004,599	$ 13,532,458	$ 931,242	$ 4,950,323	$ 4,443,962	$ 6,427,265	$ 698,155	$ 1,450,142	$ 801,522	$ 51,239,668
EXPENSES AND TRANSFERS OUT - BY DEPARTMENT										
Administration	$ -	$ 12,386,852	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 12,386,852
Finance	246,418	-	-	-	-	-	-	-	-	246,418
Public works	13,384,256	-	-	-	-	-	-	-	-	13,384,256
Engineering	101,387	-	-	-	-	-	-	-	-	101,387
Police	475,136	-	-	-	-	-	-	-	-	475,136
Parks and recreation	-	-	827,485	3,342,493	2,375,173	10,879	654,310	1,340,243	966,266	9,516,849
Transfers	100,000	1,035,000	-	-	-	-	-	-	-	1,135,000
TOTAL EXPENSES AND TRANSFERS OUT	$ 14,307,197	$ 13,421,852	$ 827,485	$ 3,342,493	$ 2,375,173	$ 10,879	$ 654,310	$ 1,340,243	$ 966,266	$ 37,245,898
EXPENSES AND TRANSFERS OUT - BY TYPE										
COGS	$ -	$ 9,936,468	$ 31,873	$ 299,949	$ 93,323	$ -	$ 2,881	$ 65,464	$ 10,241	$ 10,440,199
Personal services	1,698,648	1,433,920	315,794	1,468,190	748,750	7,829	434,583	640,110	560,057	7,307,881
Contractual services	6,603,552	527,025	148,971	527,891	746,959	605	89,221	299,975	173,900	9,118,099
Commodities	820,879	180,576	56,649	378,257	103,107	2,445	68,112	116,404	134,148	1,860,577
Central services	678,743	220,594	25,857	123,729	55,061	-	33,540	49,558	48,112	1,235,194
Depreciation	3,642,118	88,269	241,671	502,528	489,471	-	25,973	168,732	39,808	5,198,570
Interest	763,257	-	6,670	41,949	138,502	-	-	-	-	950,378
Transfers	100,000	1,035,000	-	-	-	-	-	-	-	1,135,000
TOTAL EXPENSES AND TRANSFERS OUT	$ 14,307,197	$ 13,421,852	$ 827,485	$ 3,342,493	$ 2,375,173	$ 10,879	$ 654,310	$ 1,340,243	$ 966,266	$ 37,245,898
CHANGE IN NET POSITION	$ 3,697,402	$ 110,606	$ 103,757	$ 1,607,830	$ 2,068,789	$ 6,416,386	$ 43,845	$ 109,899	$ (164,744)	$ 13,993,770

2015 Budget by Fund

GOVERNMENTAL FUNDS

The City uses two basic fund types to account for our financial activities, governmental fund types and enterprise fund types. In general, governmental funds are used to account for traditional government services and enterprise funds are used to account for business-type activities. All of the City's governmental funds are shown here.

2015 GOVERNMENTAL FUND BUDGETS

	General Fund	HRA Fund	PACS Fund	CDBG Fund	Police SR Fund	Braemar Memorial Fund	Arts & Culture Fund	Debt Service Fund	Environmental Efficiency Fund	Construction Fund	Total
REVENUES AND OTHER FINANCING SOURCES											
Property tax levy	$ 22,933,958	$ -	$ -	$ -	$ -	$ -	$ 20,000	$ 5,128,980	$ -	$ 1,617,072	$ 29,700,010
Reductions	(123,000)	-	-	-	-	-	-	-	-	-	(123,000)
Net tax revenue	22,810,958	-	-	-	-	-	20,000	5,128,980	-	1,617,072	29,577,010
Tax increments	-	100,000	-	-	-	-	-	-	-	-	100,000
Franchise fees & other taxes	770,000	-	1,200,000	-	-	-	-	-	-	100,000	2,070,000
Special assessments	-	-	-	-	-	-	-	2,083,699	-	1,909,298	3,992,997
Licenses and permits	3,830,080	-	-	-	-	-	-	-	-	50,000	3,880,080
Intergovernmental	1,113,500	-	-	100,000	115,325	-	-	-	-	3,725,000	5,053,825
Charges for services	3,969,494	-	-	-	-	-	-	-	-	50,000	4,019,494
Fines and forfeitures	950,000	-	-	-	-	-	-	-	-	-	950,000
Investment income	150,000	94,000	-	-	300	200	-	20,000	-	62,900	327,400
Other revenue	461,100	-	-	-	57,821	7,000	23,000	-	-	580,000	1,128,921
Transfers	765,100	-	-	-	-	-	-	-	-	300,000	1,065,100
Debt issued	-	-	-	-	-	-	-	-	-	4,599,895	4,599,895
Other financing sources	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES AND OTHER FINANCING SOURCES	$ 34,820,232	$ 194,000	$ 1,200,000	$ 100,000	$ 173,446	$ 7,200	$ 43,000	$ 7,232,679	$ -	$ 12,994,165	$ 56,764,722
EXPENDITURES AND OTHER FINANCING USES - BY DEPARTMENT											
Administration	$ 1,622,488	$ 3,809,787	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 25,000	$ 5,457,275
Communication & tech.	1,040,674	-	-	-	-	-	-	-	-	465,900	1,506,574
Human resources	692,387	-	-	-	-	-	-	-	-	-	692,387
Finance	904,918	-	-	-	-	-	-	-	-	-	904,918
Public works	8,459,610	-	-	-	-	-	-	-	327,036	776,872	9,563,518
Engineering	1,735,095	-	1,551,303	-	-	-	-	-	-	10,463,193	13,749,591
Police	10,357,415	-	-	-	61,000	-	-	-	-	905,000	11,323,415
Fire	7,007,398	-	-	-	-	-	-	-	41,000	86,549	7,134,947
Parks & recreation	1,388,087	-	-	-	-	240,000	22,907	-	150,915	852,178	2,654,087
Community development	1,612,160	-	-	100,000	-	-	-	-	-	30,000	1,742,160
Debt service	-	-	-	-	-	-	-	6,654,894	-	-	6,654,894
Transfers	-	-	-	-	-	-	-	-	-	327,178	327,178
TOTAL EXPENDITURES AND OTHER FINANCING USES	$ 34,820,232	$ 3,809,787	$ 1,551,303	$ 100,000	$ 61,000	$ 240,000	$ 22,907	$ 6,654,894	$ 518,951	$ 13,931,870	$ 61,710,944
EXPENDITURES AND OTHER FINANCING USES - BY TYPE											
Personal services	$ 24,798,774	$ 118,467	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 106,559	$ 25,023,800
Contractual services	4,469,594	6,120	23,000	100,000	56,000	-	21,057	-	-	146,721	4,822,492
Commodities	1,773,292	200	28,000	-	5,000	-	1,850	-	-	71,720	1,880,062
Central services	3,778,572	-	81,744	-	-	-	-	-	-	-	3,860,316
Equipment	-	-	-	-	-	40,000	-	-	180,606	1,526,372	1,746,978
Capital outlay	-	3,685,000	1,418,559	-	-	200,000	-	-	338,345	11,753,320	17,395,224
Debt service	-	-	-	-	-	-	-	6,654,894	-	-	6,654,894
Transfers	-	-	-	-	-	-	-	-	-	327,178	327,178
TOTAL EXPENDITURES AND OTHER FINANCING USES	$ 34,820,232	$ 3,809,787	$ 1,551,303	$ 100,000	$ 61,000	$ 240,000	$ 22,907	$ 6,654,894	$ 518,951	$ 13,931,870	$ 61,710,944
CHANGE IN FUND BALANCE	$ -	$ (3,615,787)	$ (351,303)	$ -	$ 112,446	$ (232,800)	$ 20,093	$ 577,785	$ (518,951)	$ (937,705)	$ (4,946,222)

2015 BUDGET BY FUND

ENTERPRISE FUNDS

The City uses two basic fund types to account for our financial activities, governmental fund types and enterprise fund types. In general, governmental funds are used to account for traditional government services and enterprise funds are used to account for business-type activities. All of the City's enterprise funds are shown here.

2015 ENTERPRISE FUND BUDGETS

	Utilities Fund	Liquor Fund	Aquatic Center Fund	Golf Course Fund	Arena Fund	Art Center Fund	Edinborough Fund	Centennial Fund	Total
REVENUES AND TRANSFERS IN									
Operating revenues	$ 19,433,473	$ 14,367,118	$ 1,023,000	$ 3,916,400	$ 2,017,519	$ 445,950	$ 1,354,800	$ 786,000	$ 43,344,260
Intergovernmental	116,000	-	-	-	-	-	-	-	116,000
Investment income	96,556	-	-	-	-	-	15,000	25,000	136,556
Other revenue	56,527	-	-	-	-	3,000	-	-	59,527
Transfers	-	-	-	1,540,000	360,000	285,000	264,700	32,000	2,481,700
TOTAL REVENUES AND TRANSFERS IN	$ 19,702,556	$ 14,367,118	$ 1,023,000	$ 5,456,400	$ 2,377,519	$ 733,950	$ 1,634,500	$ 843,000	$ 46,138,043
EXPENSES AND TRANSFERS OUT - BY DEPARTMENT									
Administration	$ -	$ 12,506,524	$ -	$ -	$ -	$ -	$ -	$ -	$ 12,506,524
Finance	286,381	-	-	-	-	-	-	-	286,381
Public works	13,350,060	-	-	-	-	-	-	-	13,350,060
Engineering	177,000	-	-	-	-	-	-	-	177,000
Police	441,408	-	-	-	-	-	-	-	441,408
Parks and recreation	-	-	938,625	4,046,382	2,423,956	683,306	1,616,747	1,014,860	10,723,876
Transfers	100,000	1,850,100	-	-	-	-	-	-	1,950,100
TOTAL EXPENSES AND TRANSFERS OUT	$ 14,354,849	$ 14,356,624	$ 938,625	$ 4,046,382	$ 2,423,956	$ 683,306	$ 1,616,747	$ 1,014,860	$ 39,435,349
EXPENSES AND TRANSFERS OUT - BY TYPE									
COGS	$ -	$ 10,198,628	$ 46,000	$ 385,100	$ 85,000	$ 23,000	$ 105,000	$ 14,000	$ 10,856,728
Personal services	1,732,897	1,419,298	371,593	1,879,494	885,513	449,431	745,581	623,683	8,107,490
Contractual services	6,723,540	522,928	162,300	642,300	612,750	101,175	362,650	177,625	9,305,268
Commodities	999,500	63,150	89,650	436,900	96,950	48,300	183,450	108,300	2,026,200
Central services	708,588	227,520	27,108	132,588	58,836	35,400	53,316	51,252	1,294,608
Depreciation	3,487,500	75,000	236,500	570,000	545,000	26,000	166,750	40,000	5,146,750
Interest	602,824	-	5,474	-	139,907	-	-	-	748,205
Transfers	100,000	1,850,100	-	-	-	-	-	-	1,950,100
TOTAL EXPENSES AND TRANSFERS OUT	$ 14,354,849	$ 14,356,624	$ 938,625	$ 4,046,382	$ 2,423,956	$ 683,306	$ 1,616,747	$ 1,014,860	$ 39,435,349
CHANGE IN NET POSITION	$ 5,347,707	$ 10,494	$ 84,375	$ 1,410,018	$ (46,437)	$ 50,644	$ 17,753	$ (171,860)	$ 6,702,694

2016 Budget by Fund

GOVERNMENTAL FUNDS

The City uses two basic fund types to account for our financial activities, governmental fund types and enterprise fund types. In general, governmental funds are used to account for traditional government services and enterprise funds are used to account for business-type activities. All of the City's governmental funds are shown here.

	2016 GOVERNMENTAL FUND BUDGETS											
	General Fund	HRA Fund	PACS Fund	CAS Fund	CDBG Fund	Police SR Fund	Braemar Memorial Fund	Arts & Culture Fund	Debt Service Fund	Environmental Efficiency Fund	Construction Fund	Total
REVENUES AND OTHER FINANCING SOURCES												
Property tax levy	$ 25,023,952	$ -	$ -	$ -	$ -	$ -	$ -	$ 20,000	$ 5,075,171	$ -	$ 1,680,000	$ 31,799,123
Reductions	-	-	-	-	-	-	-	-	-	-	-	-
Net tax revenue	25,023,952	-	-	-	-	-	-	20,000	5,075,171	-	1,680,000	31,799,123
Tax increments	-	2,500,000	-	-	-	-	-	-	-	-	-	2,500,000
Franchise fees & other taxes	810,000	-	1,200,000	200,000	-	-	-	-	-	-	105,000	2,315,000
Special assessments	-	-	-	-	-	-	-	-	-	-	4,127,890	4,127,890
Licenses and permits	4,023,160	-	-	-	-	-	-	-	-	-	90,000	4,113,160
Intergovernmental	1,191,550	-	-	-	125,000	36,000	-	-	-	-	3,090,000	4,442,550
Charges for services	3,940,310	50,000	-	-	-	-	-	-	-	-	35,000	4,025,310
Fines and forfeitures	975,000	-	-	-	-	-	-	-	-	-	-	975,000
Investment income	120,000	77,000	-	-	-	300	200	-	10,000	-	70,000	277,500
Other revenue	477,900	-	-	-	-	134,061	5,000	4,850	-	-	100,000	721,811
Transfers	100,000	-	-	-	-	-	-	-	2,630,628	-	200,000	2,930,628
Debt issued	-	-	-	-	-	-	-	-	-	-	3,852,396	3,852,396
Other financing sources	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES AND OTHER FINANCING SOURCES	$ 36,661,872	$ 2,627,000	$ 1,200,000	$ 200,000	$ 125,000	$ 170,361	$ 5,200	$ 24,850	$ 7,715,799	$ -	$ 13,350,286	$ 62,080,368
EXPENDITURES AND OTHER FINANCING USES - BY DEPARTMENT												
Administration	$ 1,896,810	$ 4,780,835	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 25,000	$ 6,702,645
Communication & tech.	1,104,618	-	-	-	-	-	-	-	-	-	749,129	1,853,747
Human resources	790,345	-	-	-	-	-	-	-	-	-	-	790,345
Finance	833,624	-	-	-	-	-	-	-	-	-	50,000	883,624
Public works	8,926,600	-	-	-	-	-	-	-	-	104,000	1,251,836	10,282,436
Engineering	1,585,209	-	1,252,566	153,126	-	-	-	-	-	-	8,251,528	11,242,429
Police	11,045,546	-	-	-	-	174,000	-	-	-	-	732,650	11,952,196
Fire	7,457,253	-	-	-	-	-	-	-	-	-	695,000	8,152,253
Parks & recreation	1,374,922	-	-	-	-	-	-	22,425	-	-	323,100	1,720,447
Community development	1,646,945	-	-	-	125,000	-	-	-	-	-	-	1,771,945
Debt service	-	-	-	-	-	-	-	-	7,552,545	-	-	7,552,545
Transfers	-	-	-	-	-	-	-	-	-	-	2,630,628	2,630,628
TOTAL EXPENDITURES AND OTHER FINANCING USES	$ 36,661,872	$ 4,780,835	$ 1,252,566	$ 153,126	$ 125,000	$ 174,000	$ -	$ 22,425	$ 7,552,545	$ 104,000	$ 14,708,871	$ 65,535,240
EXPENDITURES AND OTHER FINANCING USES - BY TYPE												
Personal services	$ 25,797,378	$ 123,970	$ 112,566	$ 103,126	$ -	$ -	$ -	$ -	$ -	$ -	$ 102,803	$ 26,239,843
Contractual services	4,858,026	655,865	20,000	35,000	125,000	104,000	-	20,400	-	-	214,760	6,033,051
Commodities	2,082,840	1,000	20,000	15,000	-	15,000	-	2,025	-	-	26,149	2,162,014
Central services	3,923,628	-	-	-	-	-	-	-	-	-	1,968	3,925,596
Equipment	-	-	-	-	-	55,000	-	-	-	-	2,058,177	2,113,177
Capital outlay	-	4,000,000	1,100,000	-	-	-	-	-	-	104,000	9,674,386	14,878,386
Debt service	-	-	-	-	-	-	-	-	7,552,545	-	-	7,552,545
Transfers	-	-	-	-	-	-	-	-	-	-	2,630,628	2,630,628
TOTAL EXPENDITURES AND OTHER FINANCING USES	$ 36,661,872	$ 4,780,835	$ 1,252,566	$ 153,126	$ 125,000	$ 174,000	$ -	$ 22,425	$ 7,552,545	$ 104,000	$ 14,708,871	$ 65,535,240
CHANGE IN FUND BALANCE	$ -	$ (2,153,835)	$ (52,566)	$ 46,874	$ -	$ (3,639)	$ 5,200	$ 2,425	$ 163,254	$ (104,000)	$ (1,358,585)	$ (3,454,872)

2016 BUDGET BY FUND

ENTERPRISE FUNDS

The City uses two basic fund types to account for our financial activities, governmental fund types and enterprise fund types. In general, governmental funds are used to account for traditional government services and enterprise funds are used to account for business-type activities. All of the City's enterprise funds are shown here.

2016 ENTERPRISE FUND BUDGETS

	Utilities Fund	Liquor Fund	Aquatic Center Fund	Golf Course Fund	Arena Fund	Sports Dome Fund	Art Center Fund	Edinborough Fund	Centennial Fund	Risk Management Fund	Total
REVENUES AND TRANSFERS IN											
Operating revenues	$ 19,704,773	$ 12,414,257	$ 975,477	$ 2,955,168	$ 2,230,250	$ 396,310	$ 453,350	$ 1,350,800	$ 779,000	$ 731,508	$ 41,990,893
Intergovernmental	297,000	-	-	-	-	-	-	-	-	-	297,000
Investment income	74,237	-	7,000	8,000	2,000	3,000	2,000	14,000	3,000	-	113,237
Other revenue	10,000	10,000	-	-	-	-	1,500	-	-	-	21,500
Transfers	-	-	-	150,000	200,000	-	100,000	-	50,000	-	500,000
TOTAL REVENUES AND TRANSFERS IN	$ 20,086,010	$ 12,424,257	$ 982,477	$ 3,113,168	$ 2,432,250	$ 399,310	$ 556,850	$ 1,364,800	$ 832,000	$ 731,508	$ 42,922,630
EXPENSES AND TRANSFERS OUT - BY DEPARTMENT											
Administration	$ -	$ 11,762,118	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 11,762,118
Human resources	-	-	-	-	-	-	-	-	-	665,000	665,000
Finance	298,393	-	-	-	-	-	-	-	-	-	298,393
Public works	14,783,880	-	-	-	-	-	-	-	-	-	14,783,880
Engineering	239,096	-	-	-	-	-	-	-	-	-	239,096
Police	496,970	-	-	-	-	-	-	-	-	-	496,970
Parks and recreation	-	-	918,406	3,202,114	2,610,691	721,441	684,447	1,622,702	1,069,487	-	10,829,288
Transfers	100,000	700,000	-	-	-	-	-	-	-	-	800,000
TOTAL EXPENSES AND TRANSFERS OUT	$ 15,918,339	$ 12,462,118	$ 918,406	$ 3,202,114	$ 2,610,691	$ 721,441	$ 684,447	$ 1,622,702	$ 1,069,487	$ 665,000	$ 39,874,745
EXPENSES AND TRANSFERS OUT - BY TYPE											
COGS	$ -	$ 9,326,730	$ 42,000	$ 185,599	$ 105,500	$ -	$ 2,750	$ 85,000	$ 14,000	$ -	$ 9,761,579
Personal services	2,055,038	1,492,365	331,305	1,356,923	871,133	58,272	439,729	774,962	635,066	60,000	8,074,793
Contractual services	7,312,068	517,906	179,200	490,794	729,950	148,180	106,350	352,250	183,925	605,000	10,625,623
Commodities	1,065,750	74,009	89,150	313,990	104,250	3,277	71,250	169,800	135,800	-	2,027,276
Central services	682,320	256,608	33,228	130,404	68,676	11,712	40,368	68,940	60,696	-	1,352,952
Depreciation	4,227,000	94,500	241,500	640,000	600,000	500,000	24,000	171,750	40,000	-	6,538,750
Interest	476,163	-	2,023	84,404	131,182	-	-	-	-	-	693,772
Transfers	100,000	700,000	-	-	-	-	-	-	-	-	800,000
TOTAL EXPENSES AND TRANSFERS OUT	$ 15,918,339	$ 12,462,118	$ 918,406	$ 3,202,114	$ 2,610,691	$ 721,441	$ 684,447	$ 1,622,702	$ 1,069,487	$ 665,000	$ 39,874,745
CHANGE IN NET POSITION	$ 4,167,671	$ (37,861)	$ 64,071	$ (88,946)	$ (178,441)	$ (322,131)	$ (127,597)	$ (257,902)	$ (237,487)	$ 66,508	$ 3,047,885

2017 Budget by Fund

GOVERNMENTAL FUNDS

The City uses two basic fund types to account for our financial activities, governmental fund types and enterprise fund types. In general, governmental funds are used to account for traditional government services and enterprise funds are used to account for business-type activities. All of the City's governmental funds are shown here.

2017 GOVERNMENTAL FUND BUDGETS

	General Fund	HRA Fund	PACS Fund	CAS Fund	CDBG Fund	Police SR Fund	Braemar Memorial Fund	Arts & Culture Fund	Debt Service Fund	Environmental Efficiency Fund	Construction Fund	Total
REVENUES AND OTHER FINANCING SOURCES												
Property tax levy	$ 26,360,319	$ 95,000	$ -	$ -	$ -	$ -	$ -	$ 20,000	$ 4,635,500	$ -	$ 1,750,000	$ 32,860,819
Reductions	-	-	-	-	-	-	-	-	-	-	-	-
Net tax revenue	26,360,319	95,000	-	-	-	-	-	20,000	4,635,500	-	1,750,000	32,860,819
Tax increments	-	2,500,000	-	-	-	-	-	-	-	-	-	2,500,000
Franchise fees & other taxes	810,000	-	1,200,000	250,000	-	-	-	-	-	-	105,000	2,365,000
Special assessments	-	-	-	-	-	-	-	-	-	-	3,878,724	3,878,724
Licenses and permits	4,192,660	-	-	-	-	-	-	-	-	-	90,000	4,282,660
Intergovernmental	1,195,550	-	-	-	125,000	36,000	-	-	-	-	-	1,356,550
Charges for services	4,017,973	7,275,000	-	-	-	-	-	-	-	-	35,000	11,327,973
Fines and forfeitures	975,000	-	-	-	-	-	-	-	-	-	-	975,000
Investment income	120,000	62,000	-	-	-	300	200	-	10,000	-	70,000	262,500
Other revenue	478,800	-	-	-	-	134,061	5,000	5,350	-	-	100,000	723,211
Transfers	50,000	-	-	-	-	-	-	-	2,733,625	-	200,000	2,983,625
Debt issued	-	-	-	-	-	-	-	-	-	-	3,193,204	3,193,204
Other financing sources	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES AND OTHER FINANCING SOURCES	$ 38,200,302	$ 9,932,000	$ 1,200,000	$ 250,000	$ 125,000	$ 170,361	$ 5,200	$ 25,350	$ 7,379,125	$ -	$ 9,421,928	$ 66,709,266
EXPENDITURES AND OTHER FINANCING USES - BY DEPARTMENT												
Administration	$ 1,839,504	$ 12,985,433	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 38,750	$ 14,863,687
Communication & tech.	1,204,517	-	-	-	-	-	-	-	-	-	539,700	1,744,217
Human resources	812,755	-	-	-	-	-	-	-	-	-	-	812,755
Finance	880,745	-	-	-	-	-	-	-	-	-	-	880,745
Public works	9,227,954	-	-	-	-	-	-	-	-	-	1,237,935	10,465,889
Engineering	1,642,170	-	1,167,265	157,495	-	-	-	-	-	-	4,285,605	7,252,535
Police	11,438,368	-	-	-	-	113,000	-	-	-	-	272,410	11,823,778
Fire	7,746,806	-	-	-	-	-	-	-	-	-	187,000	7,933,806
Parks & recreation	1,597,506	-	-	-	-	-	-	22,450	-	71,295	205,000	1,896,251
Community development	1,809,977	-	-	-	125,000	-	-	-	-	-	200,000	2,134,977
Debt service	-	-	-	-	-	-	-	-	7,620,640	-	-	7,620,640
Transfers	-	-	-	-	-	-	-	-	-	-	2,733,625	2,733,625
TOTAL EXPENDITURES AND OTHER FINANCING USES	$ 38,200,302	$ 12,985,433	$ 1,167,265	$ 157,495	$ 125,000	$ 113,000	$ -	$ 22,450	$ 7,620,640	$ 71,295	$ 9,700,025	$ 70,162,905
EXPENDITURES AND OTHER FINANCING USES - BY TYPE												
Personal services	$ 26,745,744	$ 129,068	$ 117,265	$ 107,495	$ -	$ -	$ -	$ -	$ -	$ -	$ 107,237	$ 27,206,809
Contractual services	5,296,577	679,865	20,000	35,000	125,000	98,000	-	20,425	-	-	221,203	6,496,070
Commodities	2,128,165	1,500	20,000	15,000	-	15,000	-	2,025	-	-	26,933	2,208,623
Central services	4,029,816	-	-	-	-	-	-	-	-	-	1,968	4,031,784
Equipment	-	-	-	-	-	-	-	-	-	-	1,024,054	1,024,054
Capital outlay	-	12,175,000	1,010,000	-	-	-	-	-	-	71,295	5,585,005	18,841,300
Debt service	-	-	-	-	-	-	-	-	7,620,640	-	-	7,620,640
Transfers	-	-	-	-	-	-	-	-	-	-	2,733,625	2,733,625
TOTAL EXPENDITURES AND OTHER FINANCING USES	$ 38,200,302	$ 12,985,433	$ 1,167,265	$ 157,495	$ 125,000	$ 113,000	$ -	$ 22,450	$ 7,620,640	$ 71,295	$ 9,700,025	$ 70,162,905
CHANGE IN FUND BALANCE	$ -	$ (3,053,433)	$ 32,735	$ 92,505	$ -	$ 57,361	$ 5,200	$ 2,900	$ (241,515)	$ (71,295)	$ (278,097)	$ (3,453,639)

2017 BUDGET BY FUND

ENTERPRISE FUNDS

The City uses two basic fund types to account for our financial activities, governmental fund types and enterprise fund types. In general, governmental funds are used to account for traditional government services and enterprise funds are used to account for business-type activities. All of the City's enterprise funds are shown here.

2017 ENTERPRISE FUND BUDGETS

	Utilities Fund	Liquor Fund	Aquatic Center Fund	Golf Course Fund	Arena Fund	Sports Dome Fund	Art Center Fund	Edinborough Fund	Centennial Fund	Risk Management Fund	Total
REVENUES AND TRANSFERS IN											
Operating revenues	$ 20,680,555	$ 12,667,946	$ 1,014,186	$ 1,273,301	$ 2,250,500	$ 401,810	$ 453,350	$ 1,362,800	$ 784,000	$ 731,508	$ 41,619,956
Intergovernmental	112,000	-	-	-	-	-	-	-	-	-	112,000
Investment income	79,889	-	3,000	9,000	4,000	5,000	1,000	13,000	3,000	-	117,889
Other revenue	10,000	10,000	-	-	-	-	1,500	-	-	-	21,500
Transfers	-	-	-	200,000	200,000	-	100,000	-	100,000	-	600,000
TOTAL REVENUES AND TRANSFERS IN	$ 20,882,444	$ 12,677,946	$ 1,017,186	$ 1,482,301	$ 2,454,500	$ 406,810	$ 555,850	$ 1,375,800	$ 887,000	$ 731,508	$ 42,471,345
EXPENSES AND TRANSFERS OUT - BY DEPARTMENT											
Administration	$ -	$ 12,025,686	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 12,025,686
Human resources	-	-	-	-	-	-	-	-	-	665,000	665,000
Finance	309,404	-	-	-	-	-	-	-	-	-	309,404
Public works	15,375,873	-	-	-	-	-	-	-	-	-	15,375,873
Engineering	243,254	-	-	-	-	-	-	-	-	-	243,254
Police	507,724	-	-	-	-	-	-	-	-	-	507,724
Parks and recreation	-	-	938,173	2,023,015	2,654,073	736,043	709,507	1,671,496	1,095,584	-	9,827,891
Transfers	100,000	750,000	-	-	-	-	-	-	-	-	850,000
TOTAL EXPENSES AND TRANSFERS OUT	$ 16,536,255	$ 12,775,686	$ 938,173	$ 2,023,015	$ 2,654,073	$ 736,043	$ 709,507	$ 1,671,496	$ 1,095,584	$ 665,000	$ 39,804,832
EXPENSES AND TRANSFERS OUT - BY TYPE											
COGS	$ -	$ 9,517,071	$ 42,000	$ 37,120	$ 105,500	$ -	$ 2,750	$ 85,000	$ 14,000	$ -	$ 9,803,441
Personal services	2,141,629	1,551,432	343,354	584,204	905,311	60,424	456,631	807,256	661,099	60,000	7,571,340
Contractual services	7,605,022	526,879	179,200	367,175	729,950	149,930	107,950	351,750	183,925	605,000	10,806,781
Commodities	1,116,700	75,032	89,150	104,085	104,750	3,725	73,800	169,800	123,800	-	1,860,842
Central services	696,132	260,772	37,956	139,392	71,628	11,964	44,376	80,940	70,260	-	1,413,420
Depreciation	4,499,500	94,500	246,500	710,000	610,000	510,000	24,000	176,750	42,500	-	6,913,750
Interest	377,272	-	13	81,039	126,934	-	-	-	-	-	585,258
Transfers	100,000	750,000	-	-	-	-	-	-	-	-	850,000
TOTAL EXPENSES AND TRANSFERS OUT	$ 16,536,255	$ 12,775,686	$ 938,173	$ 2,023,015	$ 2,654,073	$ 736,043	$ 709,507	$ 1,671,496	$ 1,095,584	$ 665,000	$ 39,804,832
CHANGE IN NET POSITION	$ 4,346,189	$ (97,740)	$ 79,013	$ (540,714)	$ (199,573)	$ (329,233)	$ (153,657)	$ (295,696)	$ (208,584)	$ 66,508	$ 2,666,513

Transfers

TRANSFERS

Interfund transfers allow the City to reallocate assets to the funds where those assets can be used to achieve desired outcomes. For example, for many years in Edina, the three municipal liquor stores generated excess income that has been reinvested in other purposes. This tradition is expected to continue through 2016, as shown on the next two pages.

	2016 Transfer Out:			
	Construction	Utilities	Liquor	Total
2016 Transfer in:				
General Fund	$ -	$ -	$ 100,000	$ 100,000
Construction	-	100,000	100,000	200,000
Debt Service	2,630,628	-	-	2,630,628
Golf Course	-	-	150,000	150,000
Arena	-	-	200,000	200,000
Art Center	-	-	100,000	100,000
Centennial Lakes	-	-	50,000	50,000
Total	$ 2,630,628	$ 100,000	$ 700,000	$ 3,430,628

Budgeted transfers in 2016 include:

1. $2,630,628 in total transfers out of the Construction Fund to the Debt Service Fund to provide financing for principal and interest payments for special assessment bonds. In previous years, special assessment revenue was primarily recorded in the Debt Service Fund and special assessment funded project expenses were recorded in the Construction Fund. Beginning in 2015, and going forward, both special assessment revenue and special assessment funded project expenses are being recorded in the Construction Fund, and a transfer is made into the Debt Service Fund to pay Special Assessment bond payments when due. This change in accounting procedure allows the City more investment flexibility throughout the year.
2. $700,000 in total transfers from the Liquor Fund to the General Fund, Construction Fund, and to various park enterprise funds, to help finance the basic operating purposes of these funds.
3. $100,000 transfer from the Utilities Fund to the Construction Fund.

TRANSFERS

	2017 Transfer Out:			
	Construction	Utilities	Liquor	Total
2017 Transfer in:				
General Fund	$ -	$ -	$ 50,000	$ 50,000
Construction	-	100,000	100,000	200,000
Debt Service	2,733,625	-	-	2,733,625
Golf Course	-	-	200,000	200,000
Arena	-	-	200,000	200,000
Art Center	-	-	100,000	100,000
Centennial Lakes	-	-	100,000	100,000
Total	$ 2,733,625	$ 100,000	$ 750,000	$ 3,583,625

Budgeted transfers in 2017 include:

1. $2,733,625 in total transfers out of the Construction Fund to the Debt Service Fund to provide financing for principal and interest payments for special assessment bonds. In previous years, special assessment revenue was primarily recorded in the Debt Service Fund and special assessment funded project expenses were recorded in the Construction Fund. Beginning in 2015, and going forward, both special assessment revenue and special assessment funded project expenses are being recorded in the Construction Fund, and a transfer is made into the Debt Service Fund to pay Special Assessment bond payments when due. This change in accounting procedure allows the City more investment flexibility throughout the year.
2. $750,000 in total transfers from the Liquor Fund to the General Fund, Construction Fund, and to various park enterprise funds, to help finance the basic operating purposes of these funds.
3. $100,000 transfer from the Utilities Fund to the Construction Fund.

In addition to budgeted transfers, the City Council will periodically authorize interfund transfers mid-year. The most common example of this is when our General Fund has unassigned fund balance at year-end according to our fund balance policy. Typically we know this amount when the annual audit is finished around June, and the process to reach a decision on where to allocate this money starts then. The fund balance policy also states that, to the extent possible, such excess funds should be transferred to the Construction Fund to support capital improvements and equipment.

As of December 31, 2014, the City had $708,294 in excess funds in our General Fund according to our fund balance policy. During 2015, the City Council decided to allocate this cash to the Construction Fund for 2015-2016 projects.

Projected Changes in Fund Balance — All Funds

Fund balance refers to the difference between assets and liabilities for governmental funds. Since all related assets and liabilities are not reported for governmental funds, fund balance is considered more of a liquidity measure than a net worth measure. Credit rating agencies monitor fund balance levels and consider fund balance when determining the City's creditworthiness.

GASB 54 defines five different classifications that the City may use to disclose constraints for how these amounts can be spent. These classifications are as follows:

- Nonspendable – Amounts that cannot be spent, such as prepaid items, inventory, and other long-term assets.
- Restricted – Amounts subject to externally imposed constraints established by creditors, grantors, contributors, or law.
- Committed – Constrained by formal internal action, such as City Council resolution.
- Assigned – Internally imposed constraints that do not meet the definition of Restricted or Committed.
- Unassigned – Available to spend.

The schedules on the next two pages show fund balance and net position trends for all of the City's funds. The first year of balances and activity shown represent actual amounts from the most recently completed annual audit. The second year of balances and activity shown are projections compiled by City staff for the uncompleted balance of the current fiscal year (the year this budget was written). The third and fourth years of balances and activity shown are continued projections based on the annual revenue and expenditure/expense budgets contained in this document.

PROJECTED CHANGES IN FUND BALANCE—ALL FUNDS

FUND BALANCE—GOVERNMENTAL FUNDS

Fund	Year	Fund Balance January 1	Revenues and other financing sources	Expenditures and other financing uses	Fund Balance December 31	$ Increase/ (Decrease)	% Increase/ (Decrease)	Reason for Increase/(Decrease) > 10%
General Fund	2014	$ 14,331,635	$ 35,356,417	$ 35,694,315	$ 13,993,737	$ (337,898)	-2.4%	
	2015	13,993,737	34,223,048	36,128,992	12,087,793	(1,905,944)	-13.6%	No estimated transfer from Liquor Fund
	2016	12,087,793	36,661,872	36,661,872	12,087,793	-	0.0%	
	2017	12,087,793	38,200,302	38,200,302	12,087,793	-	0.0%	
Housing and Redevelopment Authority (HRA)	2014	11,495,641	5,211,650	8,777,293	7,929,998	(3,565,643)	-31.0%	Capital improvements
	2015	7,929,998	1,884,000	3,999,787	5,814,211	(2,115,787)	-26.7%	Projects detailed in 2015-2019 CIP
	2016	5,814,211	2,627,000	4,780,835	3,660,376	(2,153,835)	-37.0%	Pentagon park developer reimbursement
	2017	3,660,376	9,932,000	12,985,433	606,943	(3,053,433)	-83.4%	Projects detailed in 2015-2019 CIP
Pedestrian and Cyclist Safety (PACS)	2014	492,362	1,151,957	914,823	729,496	237,134	48.2%	Some capital improvements deferred
	2015	729,496	1,200,000	1,540,303	389,193	(340,303)	-46.6%	Projects detailed in 2015-2019 CIP
	2016	389,193	1,200,000	1,252,566	336,627	(52,566)	-13.5%	Projects detailed in 2015-2019 CIP
	2017	336,627	1,200,000	1,167,265	369,362	32,735	9.7%	
Conservation and Sustainability (CAS)	2014	-	-	-	-	-	0.0%	Fund established in 2016
	2015	-	-	-	-	-	0.0%	
	2016	-	200,000	153,126	46,874	46,874	0.0%	
	2017	46,874	250,000	157,495	139,379	92,505	197.3%	Building fund balance for cash flow purposes
Community Development Block Grant (CDBG)	2014	-	18,700	18,700	-	-	0.0%	
	2015	-	125,000	125,000	-	-	0.0%	
	2016	-	125,000	125,000	-	-	0.0%	
	2017	-	125,000	125,000	-	-	0.0%	
Police Special Revenue	2014	717,343	242,116	215,451	744,008	26,665	3.7%	
	2015	744,008	116,121	328,000	532,129	(211,879)	-28.5%	Improvement to 911 phone system
	2016	532,129	170,361	174,000	528,490	(3,639)	-0.7%	
	2017	528,490	170,361	113,000	585,851	57,361	10.9%	External restrictions on spending
Braemar Memorial	2014	335,170	7,053	32,000	310,223	(24,947)	-7.4%	
	2015	310,223	7,200	240,000	77,423	(232,800)	-75.0%	Projects detailed in 2015-2019 CIP
	2016	77,423	5,200	-	82,623	5,200	6.7%	
	2017	82,623	5,200	-	87,823	5,200	6.3%	
Arts & Culture	2014	-	21,912	16,328	5,584	5,584	0.0%	Fund established in 2014
	2015	5,584	24,850	22,425	8,009	2,425	43.4%	Building fund balance for cash flow purposes
	2016	8,009	24,850	22,425	10,434	2,425	30.3%	Building fund balance for cash flow purposes
	2017	10,434	25,350	22,450	13,334	2,900	27.8%	Building fund balance for cash flow purposes
Debt Service	2014	6,246,769	12,451,544	6,020,022	12,678,291	6,431,522	103.0%	Refunding bonds sold in 2014 for 2015 call
	2015	12,678,291	10,869,566	15,502,982	8,044,875	(4,633,416)	-36.5%	Refunding bonds sold in 2014 for 2015 call
	2016	8,044,875	7,715,799	7,552,545	8,208,129	163,254	2.0%	
	2017	8,208,129	7,379,125	7,620,640	7,966,614	(241,515)	-2.9%	
Environmental Efficiency	2014	816,654	6,630	4,358	818,926	2,272	0.3%	
	2015	818,926	-	518,951	299,975	(518,951)	-63.4%	Projects detailed in 2015-2019 CIP
	2016	299,975	-	104,000	195,975	(104,000)	-34.7%	Projects detailed in 2015-2019 CIP
	2017	195,975	-	71,295	124,680	(71,295)	-36.4%	Projects detailed in 2015-2019 CIP
Construction	2014	10,856,561	23,111,625	21,141,670	12,826,516	1,969,955	18.1%	Bonds sold for ongoing capital projects
	2015	12,826,516	12,885,973	14,443,900	11,268,589	(1,557,927)	-12.1%	Projects detailed in 2015-2019 CIP
	2016	11,268,589	13,350,286	14,708,871	9,910,004	(1,358,585)	-12.1%	Projects detailed in 2015-2019 CIP
	2017	9,910,004	9,421,928	9,700,025	9,631,907	(278,097)	-2.8%	

NET POSITION—ENTERPRISE FUNDS

Net position refers to the difference between assets and liabilities for enterprise funds. Since enterprise funds report more assets and liabilities than governmental funds, net position is a more accurate measure of net worth. Credit rating agencies also consider fund net position when determining the City's creditworthiness. Net position is displayed in three classifications:

- Net investment in capital assets – Capital assets less accumulated depreciation and debt, which cannot be spent because the asset is not liquid.
- Restricted – Amounts subject to externally imposed constraints established by creditors, grantors, contributors, or law.
- Unrestricted – Available to spend or allocate.

PROJECTED CHANGES IN FUND BALANCE—ALL FUNDS

NET POSITION—ENTERPRISE FUNDS

Fund	Year	Net Position January 1	Revenues and other financing sources	Expenses and other financing uses	Net Position December 31	$ Increase/ (Decrease)	% Increase/ (Decrease)	Reason for Increase/(Decrease) > 10%
Utilities	2014	$ 65,879,790	$ 18,138,014	$ 14,440,612	$ 69,577,192	$ 3,697,402	5.6%	
	2015	69,577,192	19,250,119	15,128,089	73,699,222	4,122,030	5.9%	
	2016	73,699,222	20,086,010	15,918,339	77,866,893	4,167,671	5.7%	
	2017	77,866,893	20,882,444	16,536,255	82,213,082	4,346,189	5.6%	
Liquor	2014	3,078,285	13,538,824	13,428,218	3,188,891	110,606	3.6%	
	2015	3,188,891	12,301,202	12,239,609	3,250,484	61,593	1.9%	
	2016	3,250,484	12,424,257	12,462,118	3,212,623	(37,861)	-1.2%	
	2017	3,212,623	12,677,946	12,775,686	3,114,883	(97,740)	-3.0%	
Aquatic Center	2014	2,814,917	931,782	828,025	2,918,674	103,757	3.7%	
	2015	2,918,674	973,500	944,425	2,947,749	29,075	1.0%	
	2016	2,947,749	982,477	918,406	3,011,820	64,071	2.2%	
	2017	3,011,820	1,017,186	938,173	3,090,833	79,013	2.6%	
Golf Course	2014	4,992,844	4,951,257	3,343,427	6,600,674	1,607,830	32.2%	Transfers from other funds
	2015	6,600,674	3,132,477	2,895,230	6,837,921	237,247	3.6%	
	2016	6,837,921	3,113,168	3,202,114	6,748,975	(88,946)	-1.3%	
	2017	6,748,975	1,482,301	2,023,015	6,208,261	(540,714)	-8.0%	Course renovation
Arena	2014	2,574,340	4,443,962	2,375,173	4,643,129	2,068,789	80.4%	Transfers from other funds
	2015	4,643,129	2,398,700	2,631,024	4,410,805	(232,324)	-5.0%	
	2016	4,410,805	2,432,250	2,610,691	4,232,364	(178,441)	-4.0%	
	2017	4,232,364	2,454,500	2,654,073	4,032,791	(199,573)	-4.7%	
Sports Dome	2014	-	6,427,265	10,879	6,416,386	6,416,386	0.0%	
	2015	6,416,386	392,310	555,230	6,253,466	(162,920)	-2.5%	
	2016	6,253,466	399,310	721,441	5,931,335	(322,131)	-5.2%	
	2017	5,931,335	406,810	736,043	5,602,102	(329,233)	-5.6%	
Art Center	2014	360,587	702,239	658,394	404,432	43,845	12.2%	Transfers from other funds
	2015	404,432	711,182	640,838	474,776	70,344	17.4%	Transfers from other funds
	2016	474,776	556,850	684,447	347,179	(127,597)	-26.9%	
	2017	347,179	555,850	709,507	193,522	(153,657)	-44.3%	Increased expenses due to inflation
Edinborough Park	2014	2,659,900	1,450,142	1,340,243	2,769,799	109,899	4.1%	
	2015	2,769,799	1,607,400	1,593,347	2,783,852	14,053	0.5%	
	2016	2,783,852	1,364,800	1,622,702	2,525,950	(257,902)	-9.3%	
	2017	2,525,950	1,375,800	1,671,496	2,230,254	(295,696)	-11.7%	Planned use of unrestricted investments
Centennial Lakes	2014	1,244,560	801,522	966,266	1,079,816	(164,744)	-13.2%	Planned use of unrestricted investments
	2015	1,079,816	850,500	1,017,284	913,032	(166,784)	-15.4%	Planned use of unrestricted investments
	2016	913,032	832,000	1,069,487	675,545	(237,487)	-26.0%	Planned use of unrestricted investments
	2017	675,545	887,000	1,095,584	466,961	(208,584)	-30.9%	Planned use of unrestricted investments
Risk Management	2014	-	-	-	-	-	0.0%	Fund established in 2016
	2015	-	-	-	-	-	0.0%	
	2016	-	731,508	665,000	66,508	66,508	0.0%	
	2017	66,508	731,508	665,000	133,016	66,508	100.0%	Building fund balance for budget overages

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City of Edina

DEPARTMENTS

For living, learning, raising families, and doing business.

DRAFT

ADMINISTRATION DEPARTMENT

Lisa Schaefer, Assistant City Manager

lschaefer@EdinaMN.gov 952-826-0416

DEPARTMENT OVERVIEW

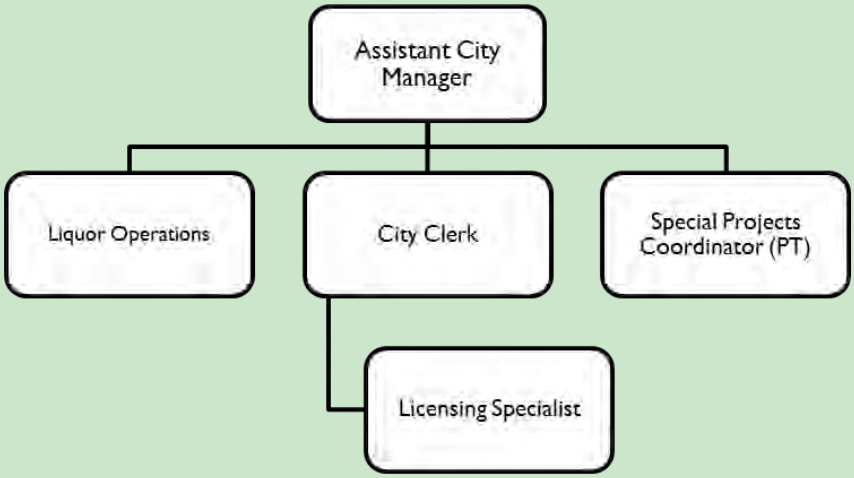
The Administration Department provides an internal focus for the organization and coordinates and oversees the supporting departments of the City. The Administration Department supports the City Manager and leads projects with city-wide impacts including strategic planning, performance management and measurement, oversight of boards and commissions, leadership development, and neighborhood support. The Department is also responsible for growing a values-based organizational culture in alignment with the Edina IQS (Integrity, Quality and Service). The Administration Department contains three divisions: Economic Development (HRA), Elections and Record Management and Liquor Store Operations. The Department serves as the liaison to the Human Rights & Relations Commission, Edina Historical Society, Edina Community Foundation and other non-profit service agencies.

MAJOR SERVICE AREAS

- Strategic Planning
- Performance Management and Measurement
- Boards and Commissions
- Organization and Leadership Development
- Liquor Store Operations
- Legal Services
- Neighborhood Engagement
- Economic Development
- Records Management
- Licensing
- Elections
- Volunteer Program

*The Edina City Council adopted the **Vision Edina Strategic Vision and Framework** document in 2015.*

DEPARTMENT ORGANIZATIONAL CHART



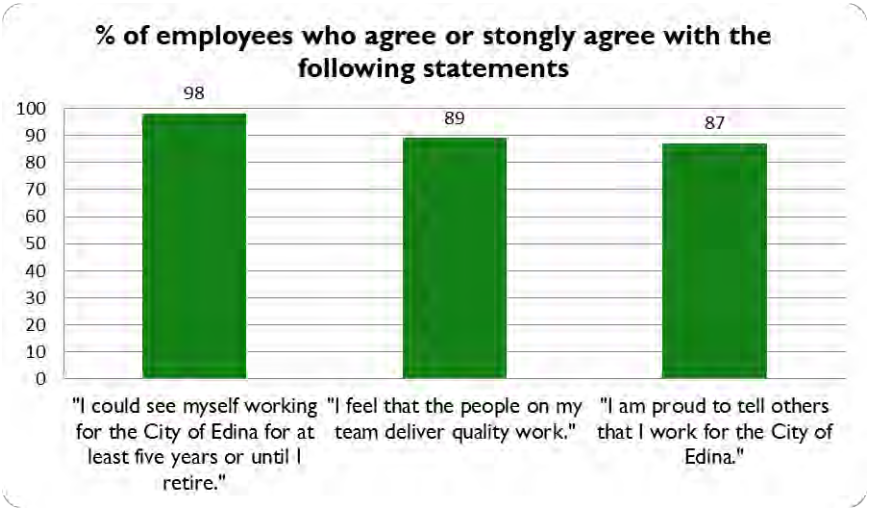
ADMINISTRATION DEPARTMENT

2016-2017 DEPARTMENT GOALS

- Increase the efficiency of internal operations for the City.
- Use technology to streamline workflow across City Departments.
- Establish formal volunteer program.
- Develop and coordinate new leadership training program.

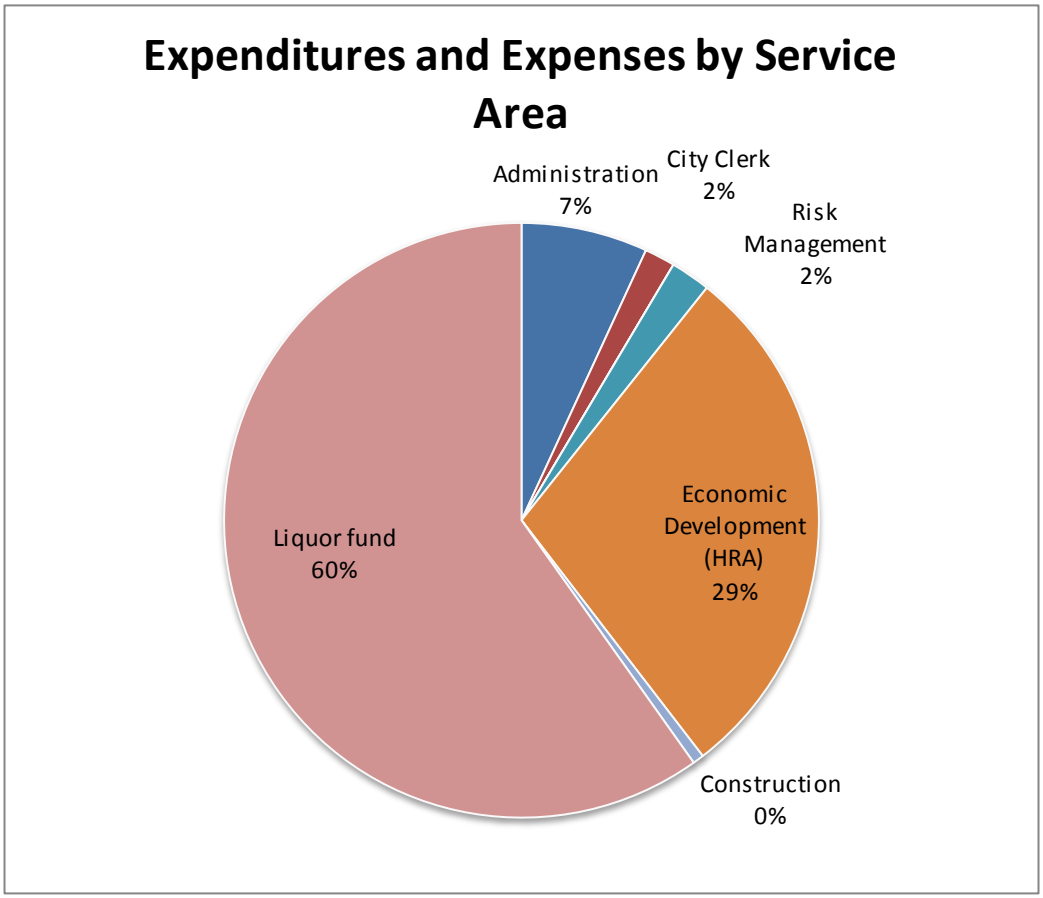
2014-2015 DEPARTMENT ACCOMPLISHMENTS

- Updated the City's long-term strategic plan, Vision Edina, through extensive community engagement meetings and surveys. The document will now serve as the foundation for other strategic efforts including the Comprehensive Plan, Capital Improvement Plans and budget documents.
- Worked with the Customer Service Team to develop and deliver IQS introduction workshop to all City staff.
- Coordinated the first employee engagement survey and follow up action plans.
- Developed a small area planning guidebook and used the guidebook to complete the Wooddale/Valley View Small Area Plan.
- Officially recognized City neighborhoods and hosted first neighborhood workshop for existing associations.
- Rewrote the City's liquor ordinance to reflect the changing industry and current resident preferences.



PERFORMANCE MEASURES	2013	2014	2015
Percentage of residents rating the quality of life in Edina as "excellent" or "good".	99%	N/A	96%
Percentage of residents who feel that they could have a say about how things are run in the community - if they desire	84%	N/A	68%
Percentage of residents who, from their experience, rate the courtesy and friendliness of staff as "excellent" or "good".	91%	N/A	92%
Number of recognized neighborhoods	3	7	9

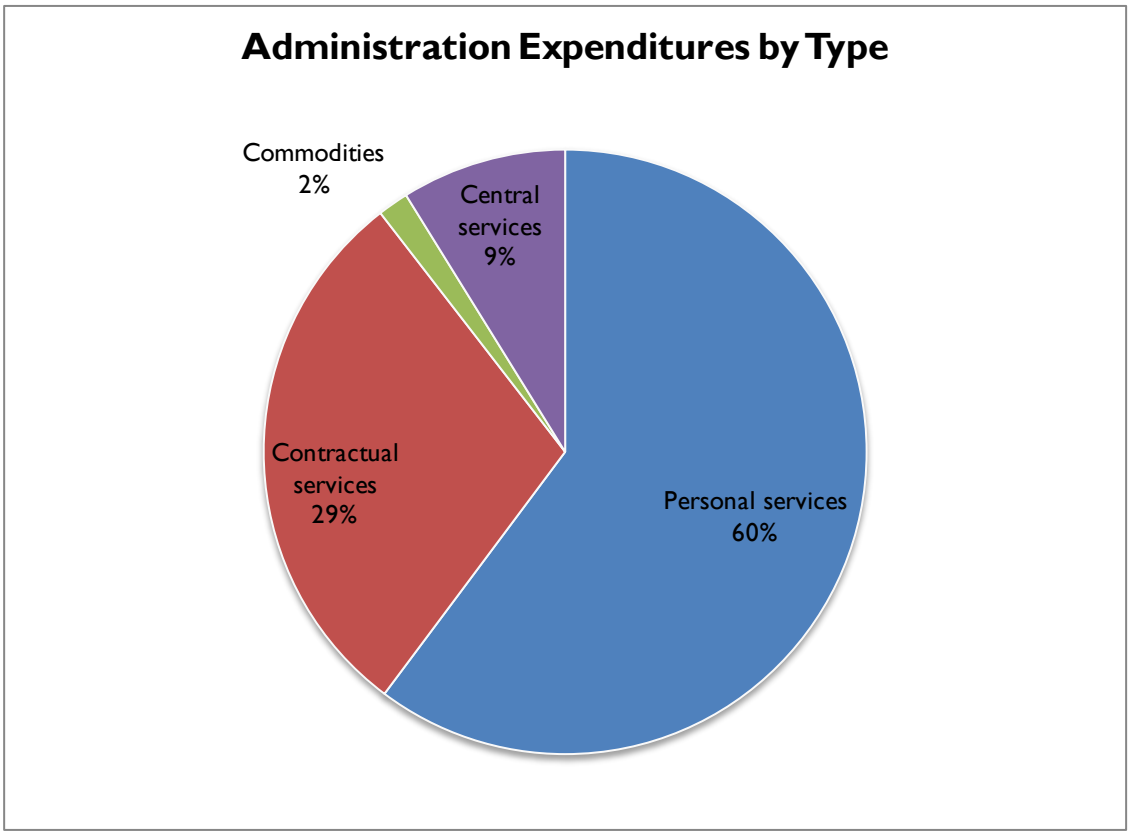
ADMINISTRATION DEPARTMENT



Administration Department Expenditures & Expenses	2013 Actual	2014 Actual	2015 Estimated	2015 Budgeted	2016 Budgeted	2017 Budgeted
General Fund						
Administration	$ 1,456,077	$ 1,307,748	$ 1,294,595	$ 1,294,595	$ 1,456,454	$ 1,494,550
City Clerk	165,306	406,070	327,893	327,893	440,356	344,954
General fund subtotal	1,621,383	1,713,818	1,622,488	1,622,488	1,896,810	1,839,504
Other Funds						
Risk Management	834,129	628,268	555,000	609,000	-	-
Economic Development (HRA)	3,900,927	8,777,293	619,287	3,809,787	4,780,835	12,985,433
Construction	367,399	247,609	25,000	25,000	25,000	38,750
Liquor fund	12,264,413	12,386,852	11,354,609	12,506,524	11,762,118	12,025,686
Department Total Budget	$ 18,988,251	$ 23,753,840	$ 14,176,384	$ 18,572,799	$ 18,464,763	$ 26,889,373

*For comparative purposes previous year figures may be adjusted to reflect realigned responsibilities.

Administration



Administration Expenditures	2013 Actual	2014 Actual	2015 Estimated	2015 Budgeted	2016 Budgeted	2017 Budgeted
General Fund						
Personal services	$ 639,837	$ 579,309	$ 565,832	$ 565,832	$ 623,521	$ 648,383
Contractual services	335,667	273,135	253,475	253,475	317,729	330,835
Commodities	11,845	12,080	5,000	5,000	33,100	32,100
Central services	101,583	83,680	90,288	90,288	82,104	83,232
Total	$ 1,088,932	$ 948,204	$ 914,595	$ 914,595	$ 1,056,454	$ 1,094,550

*For comparative purposes previous year figures may be adjusted to reflect realigned responsibilities.

City Clerk

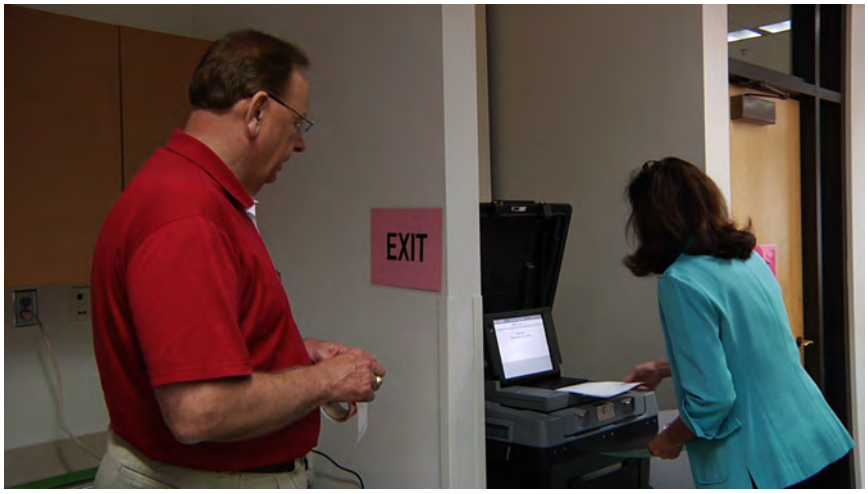
DIVISION OVERVIEW

The City Clerk Division is responsible for duties outlined in Minnesota State Statute 412.151 including: administration of elections, maintenance of official records and the City Code, records management and data practices. The City Clerk serves as the Data Practices Compliance Officer and Responsible Authority.

The Division conducts all national, state, county and City elections held in even-numbered years. Additionally, the City conducts all Edina School District 273 elections held in odd-numbered years. Costs for conducting school elections are billed to the Edina School District. Edina has 20 voting precincts with approximately 32,000 registered voters. The Division recruits and trains approximately 300 election judges each election cycle. Absentee ballots are also issued and processed through the City Clerk division. Typically, about 20% of citizens voting in Edina do so via absentee ballot.

The Division coordinates the issuance of business licenses within the City of Edina, including amusement devices, body art, food establishments, liquor sales, massage, multi-family housing garages, pools, parking ramps, refuse haulers, tobacco and vending sales. Permits are also issued for the following activities: block parties, charitable gambling registration, fireworks sales, loudspeakers and special events. In addition, the Division processes registrations for domestic partnerships and the keeping of honeybees.

24,049 residents *voted during the elections held in 2014.*



ADMINISTRATION DEPARTMENT—CITY CLERK

2016-2017 DIVISION GOALS

- Evaluate online election judge training.
- Update and implement records training for City employees.
- Expand the electronic records archives.
- Select and implement business licensing software in conjunction with the Edina Health Division.
- Administer 2016 general election in an effective and efficient manner.

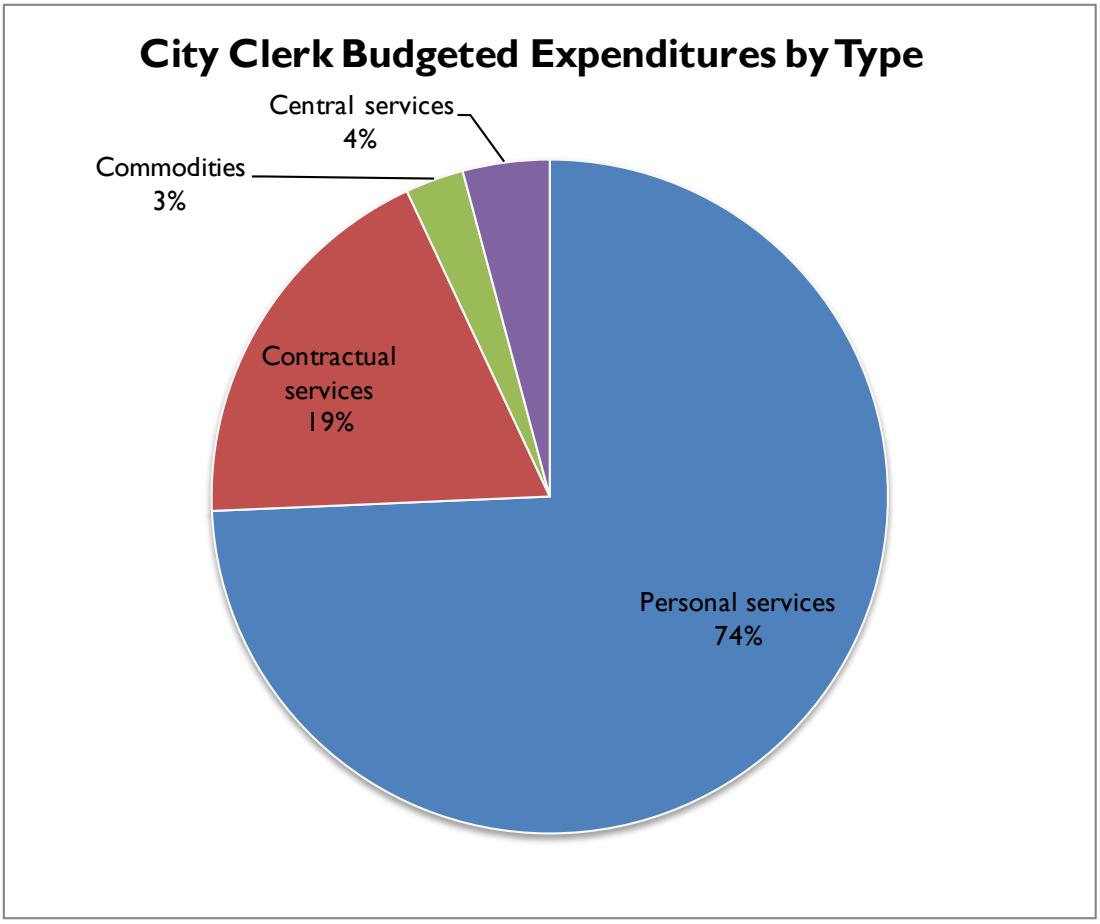
2014-2015 DIVISION ACCOMPLISHMENTS

- Assisted 24,049 citizens cast their ballots during the 2014 General Election — 69.8% of registered voters participated in the election.
- Processed 5,057 absentee ballots, which was 25% more absentee ballots than the previous General Election in 2010.
- Added 530,000 pages to the electronic records archive and eliminated 125 boxes of paper records.
- Implemented Agenda Management Software for City Council and Boards and Commissions to increase efficiency for staff and reduce the use of paper.
- Completed the recodification of Edina City Code and process two supplements with online versions that is updated as each new ordinance is adopted.

PERFORMANCE MEASURES	2013	2014	2015
Number of people voting in elections	3,480	24,049	6,656*
Number of absentee ballots issued	109	5,057	688
Percentage of Registered Voters voting in elections	12.9%	69.8%	24.5%
Number of business licenses issued	647	522	512
Number of permits issued	232	91	98

*Numbers based off of special election held in May 2015

ADMINISTRATION DEPARTMENT—CITY CLERK



City Clerk Expenditures	2013 Actual	2014 Actual	2015 Estimated	2015 Budgeted	2016 Budgeted	2017 Budgeted
General Fund						
Personal services	$ 124,390	$ 308,305	$ 240,082	$ 240,082	$ 335,384	$ 248,250
Contractual services	17,317	69,177	59,875	59,875	75,700	71,300
Commodities	10,094	13,121	12,000	12,000	13,000	9,000
Central services	13,505	15,467	15,936	15,936	16,272	16,404
Total	$ 165,306	$ 406,070	$ 327,893	$ 327,893	$ 440,356	$ 344,954

*For comparative purposes previous year figures may be adjusted to reflect realigned responsibilities.

Liquor Operations

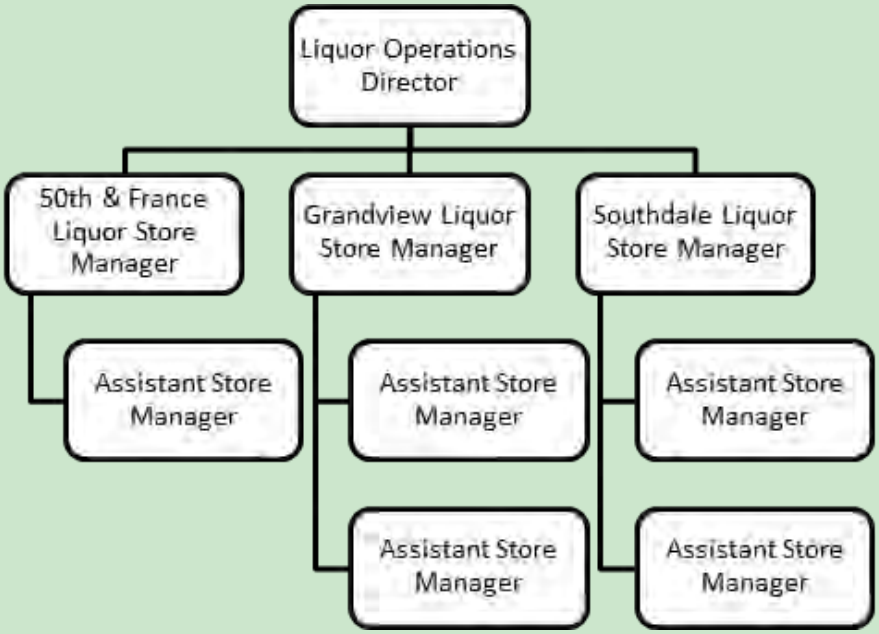
DIVISION OVERVIEW

The City operates three municipal stores. The 50th & France store is located at 3943 W. 50th St. The Grandview store is located at 5013 Vernon Ave. The Southdale store is located at 6755 York Ave S. Stores are strategically located near supermarkets.

The City of Edina is in the municipal liquor business for two reasons: to control the sale of alcohol in our community and to generate revenue for the City of Edina. In the past, the three Edina Liquor locations combined have generated over $1 million a year in operating income. Due to increased competition in the marketplace, the City has budgeted less income for 2016 and 2017. This money will be used to subsidize many of the City's public amenities by transferring cash to other City funds, including the Arena, Golf Course, Art Center and Construction Funds. The General Fund also receives cash from the Liquor Fund.

Edina Liquor continues to be one of the top-performing municipal operations in Minnesota. Edina Liquor consistently ranks in the top three Minnesota municipal operations in sales and net profit. The Southdale store is the largest grossing store for a municipal operation in Minnesota. Edina Liquor leads all municipal liquor operations in gross wine sales, and is one of the top sellers of Scotch Whisky and Irish Whiskey.

DIVISION ORGANIZATIONAL CHART



ADMINISTRATION DEPARTMENT—LIQUOR OPERATIONS

2016-2017 DIVISION GOALS

- Continue to pursue new marketing/advertising opportunities to help increase brand awareness in our ever changing industry.
- Continue to implement product training for staff that was developed in the fall of 2015.
- Increase membership in the customer loyalty program by using new point of sale software installed in the fall of 2015.
- Continue to enhance pricing strategy based on current trends in the industry.
- Take active role in working with the Minnesota Municipal Beverage Association and other liquor organizations to advocate for beneficial legislation.

2014-2015 DIVISION ACCOMPLISHMENTS

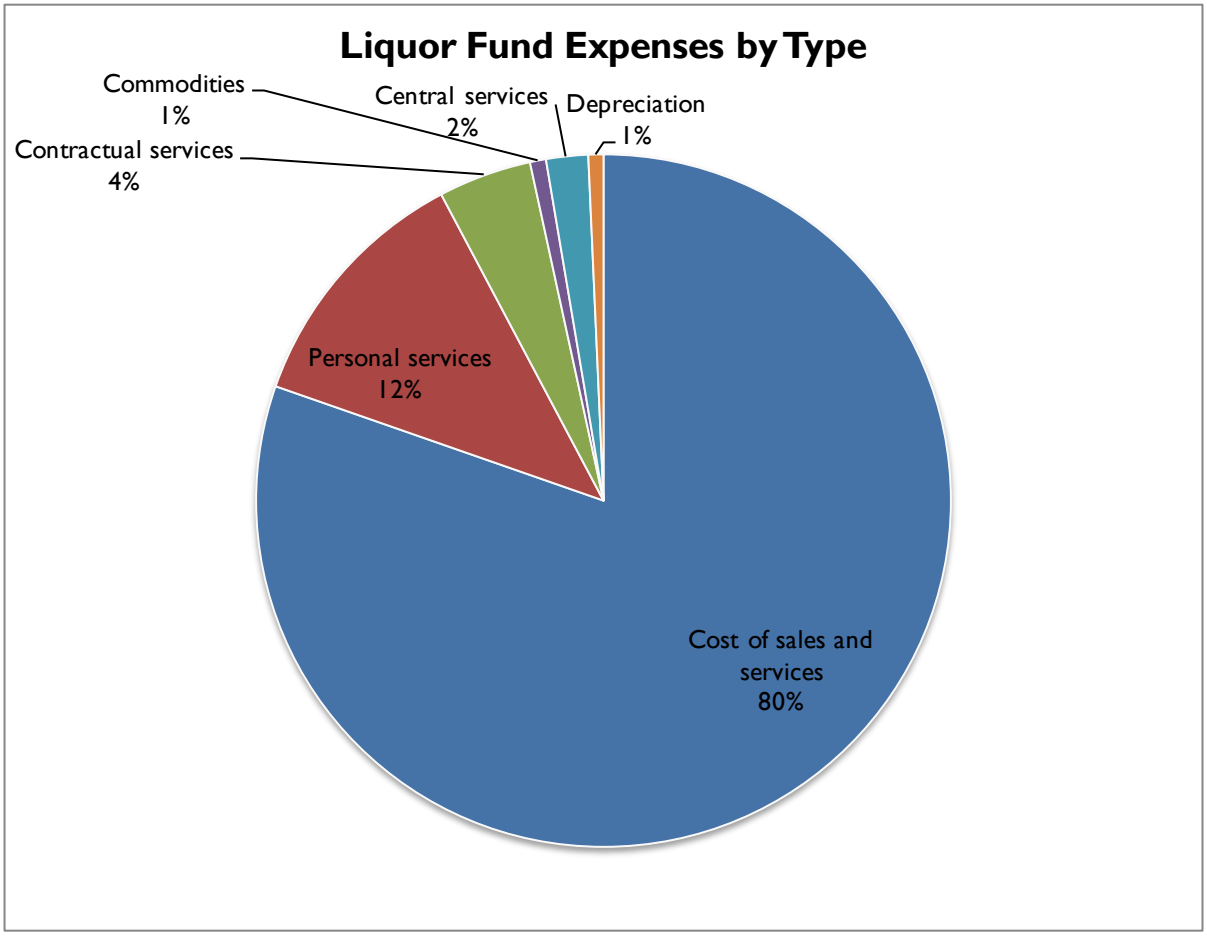
- Finished developing product training manual used to train staff and improve product knowledge.
- Created new community-based branding efforts that received two national awards.
- Installed new point of sale system in the fall of 2015 to help better analyze sales and costs.
- Completed improvement projects at all stores including the installation of new wayfinding signage, LED signage, awnings as well as remodeling projects at the Grandview and 50th and France stores.
- Extended hours at Southdale store until 10 PM .

PERFORMANCE MEASURES	2013	2014	2015**
Operating revenue as a % of operating expenses	112%	109%	104%
Number of customers	510,138	502,540*	348,544
Gross sales	$13,600,099	$13,515,168	$8,840357
Cash transferred out to support other City funds	$1,340,100	$1,035,000	TBD

* 50th and France store was closed for seven weeks for remodeling

** Through September 2015

ADMINISTRATION DEPARTMENT—LIQUOR OPERATIONS



Liquor Fund Revenues and Expenses	2013 Actual	2014 Actual	2015 Estimated	2015 Budgeted	2016 Budgeted	2017 Budgeted
Operating revenues						
Retail sales	$13,711,557	$13,515,168	$12,290,202	$14,367,118	$12,414,257	$12,667,946
Total revenues	13,711,557	13,515,168	12,290,202	14,367,118	12,414,257	12,667,946
Operating expenses						
Cost of sales and services	9,964,763	9,936,468	9,143,626	10,198,628	9,326,730	9,517,071
Personal services	1,384,831	1,433,920	1,324,517	1,419,298	1,492,365	1,551,432
Contractual services	538,765	527,025	509,453	522,928	517,906	526,879
Commodities	73,598	180,576	73,485	63,150	74,009	75,032
Central services	223,334	220,594	227,528	227,520	256,608	260,772
Depreciation	79,122	88,269	76,000	75,000	94,500	94,500
Total expenses	12,264,413	12,386,852	11,354,609	12,506,524	11,762,118	12,025,686
Operating income	1,447,144	1,128,316	935,593	1,860,594	652,139	642,260

*For comparative purposes previous year figures may be adjusted to reflect realigned responsibilities.

ADMINISTRATION DEPARTMENT

Economic Development / Housing and Redevelopment Authority (HRA)

DIVISION OVERVIEW

The City strives to maintain a strong tax base and diversified mixture of land uses to compliment the many single-family neighborhoods with employment opportunities, retail and service destinations and multi-family housing options. The City retains a full-time staff person dedicated to economic development and undertakes economic development projects to sustain and support an environment where businesses can prosper and contribute to the desirable quality of life for which Edina is known. In recent years, a small portion of these activities have been included in the Administrative expenses of the General Fund with primary support from the Edina Housing and Redevelopment Authority (HRA).

The Edina HRA was established in 1974 for the purpose of undertaking urban redevelopment projects and assisting with the development of affordable housing. The HRA has been the driving force behind many notable success stories. The HRA was responsible for planning and implementing streetscape and public parking improvements to revitalize the 50th and France commercial area. The HRA was also the lead partner to guide the development of Edinborough Park and Centennial Lakes. Each of these projects includes a successful combination of public and private uses that were jointly developed. At Edinborough Park, the 1-acre indoor park and 1-acre outdoor park are complimented by professional office space, senior apartments and mixed-income townhouses. Centennial Lakes boasts a 25-acre park surrounded by Class A office buildings, popular shopping centers and multiple phases of townhouse developments. Each of these economic development projects has resulted in additional private sector investment in the areas that surround the initial public investment.

The Edina HRA is an entity legally separate from the City with separate taxing authority. However, for financial reporting purposes, the HRA is reported as if it were part of the City's operations because the members of the City Council serve as HRA board members and its activity is confined to the City of Edina. The special revenue HRA Fund is used to account for revenues from several sources (tax increment, bond proceeds, investment earnings, etc.) that are designated for housing and redevelopment activities. Due to the involvement of tax increment financing (TIF) dollars, there are legal restrictions on how the money in this fund may be spent.

The HRA Fund had a cumulative balance of $9,057,743 as of Dec. 31, 2014. The fund includes balances from decertified and active TIF Districts. Major expenditures are anticipated in the near future to eliminate the fund balance from older TIF Districts and strategically reduce the fund balance from Centennial Lakes TIF. Ongoing expenditures are attributed to the active TIF Districts as well as a new HRA levy anticipated for 2017. The salary of the Economic Development Manager and associated expenses are paid through the HRA.

ADMINISTRATION DEPARTMENT—ECONOMIC DEVELOPMENT/HRA

2016-2017 DIVISION GOALS

- Establish new Grandview TIF district as well as prepare for transportation improvements in the district.
- Implement a plan to redevelop the former Public Works site.
- Adopt redevelopment strategy for City-owned properties on West 49-1/2 Street.
- Establish new Housing TIF to deliver new affordable housing at the 66 West site.
- Prepare agreements related to private improvements and related public infrastructure at Pentagon Park, including Phases IA, IB, and 2.
- Partner with Hennepin County to redevelop Southdale Regional Library property to include new library in addition to market-driven mixed-uses.
- Identify route for Phase 5 of Promenade.
- Complete study of Southdale area.
- Outreach to business community, including key employers, property owners, developers and brokers.
- Develop strategic plan for business attraction, development and retention.

2014-2015 DIVISION ACCOMPLISHMENTS

- Established new Pentagon Park TIF Redevelopment District.
- Completed master redevelopment agreement with Pentagon Revival to incent major investment.
- Achieved special legislation to use Southdale 2 TIF proceeds to fund new affordable housing.
- Helped bring new destination tenant to Southdale Center by revising outdated ordinance.
- Completed roadway and pedestrian improvements to France Avenue and Hazelton Road.
- Completed infrastructure improvements for Phase 4 of the promenade.
- Completed major restoration and improvements to the public parking ramps and streetscaping in the 50th & France commercial district.
- Acquired property at 3944 W. 49-1/2 Street for future redevelopment.
- Completed collaborative redevelopment planning for vacant, City-owned land at 5146 Eden Avenue (former Public Works site).
- Completed small area plan for Wooddale/Valleyview node.

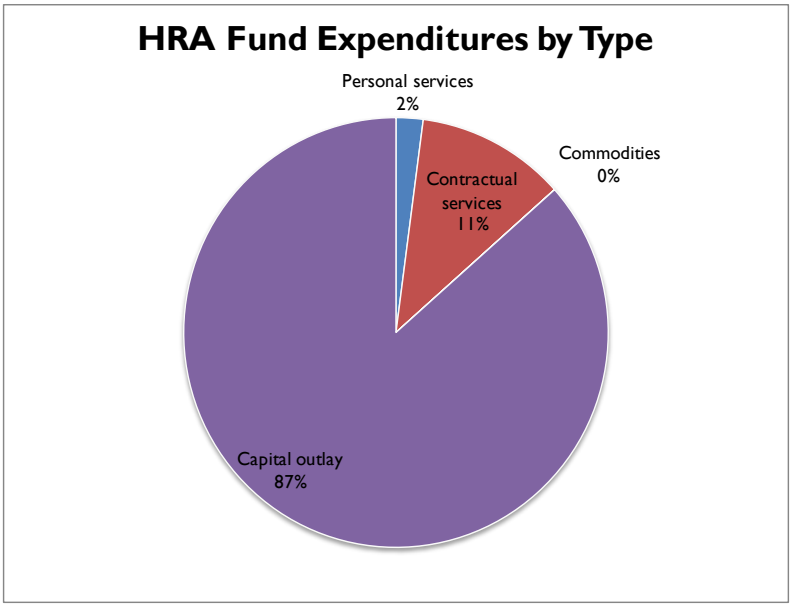
ADMINISTRATION DEPARTMENT—ECONOMIC DEVELOPMENT/HRA

PERFORMANCE MEASURES	2013	2014	2015
Full time equivalent jobs within Edina*	48,148	48,741	49,627
Business Establishments within Edina *	2,755	2,733	2,746
Vacancy Rates in SW metro, including Edina**			
Retail	4.1%	???	???
Office	15%		
Industrial	10.6%		
Non-Residential Tax Base within Edina***	$1.83 B	$2.14 B	$2.39 B
State & Regional grants procured for development ($ awarded)	$535,100	$625,000	TBD

* Q1 per Bureau of Labor Statistics/ MN-DEED

** Source: Colliers Q3 Market Reports

*** Source: Edina Assessing Department; estimated market value of commercial, industrial and apartment properties, in billions



Economic Development Expenditures	2013 Actual	2014 Actual	2015 Estimated	2015 Budgeted	2016 Budgeted	2017 Budgeted
HRA Fund						
Personal services	$ 112,312	$ 114,688	$ 118,467	$ 118,467	$ 123,970	$ 129,068
Contractual services	1,077,559	1,443,672	100,620	6,120	655,865	679,865
Commodities	-	-	200	200	1,000	1,500
Capital outlay	2,711,056	7,218,933	400,000	3,685,000	4,000,000	12,175,000
Total	$3,900,927	$8,777,293	$ 619,287	$3,809,787	$ 4,780,835	$12,985,433

*For comparative purposes previous year figures may be adjusted to reflect realigned responsibilities.

Tax Increment Finance Districts

At this time, Edina has two active TIF Districts (Southdale 2 and Pentagon Park). Three additional TIF Districts are included in the budget to account for expenditures of the remaining fund balances. The City & HRA also oversee two Special Assessment Districts: Grandview and 50th & France. These have been established to maintain and operate public parking ramps and to make other improvements to the public amenities. A summary of each TIF District and anticipated expenditures follows. The 2014 year end balances are identified on pages 100-104 of the 2014 Comprehensive Annual Financial Report (CAFR).

Centennial Lakes TIF Redevelopment District

This district was established in 1988 with the goal of attracting new investment to the under-developed portions of Southeast Edina that had formerly been a gravel pit. The District was decertified in 2014 and retained a balance of $11,584,070 as of 12/31/2014. The balance is intended to be invested in redevelopment projects over the next five years.

Anticipated expenses for 2016-2017 include:

- Building demolition and site preparation at 3944 West 49-1/2 Street
- Urban planning for 50th & France
- Updated traffic model of Greater Southdale area
- Parking improvements at 50th & France, including expansion of North Parking Ramp
- Intersection improvements at France Ave & Highway 62 (design and initial construction)
- Gateway signage at entry points to Edina
- Strategic land acquisition to promote redevelopment in the Grandview District

Centennial TIF District

	2013 Actual	2014 Actual	2015 Estimated	2015 Budgeted	2016 Budgeted	2017 Budgeted
Centennial TIF District						
Personal services	$ 102,524	$ 89,437	$ 118,467	$ 118,467	$ 49,588	$ 25,813
Contractual services	906,851	1,265,039	6,120	6,120	237,865	15,000
Commodities	-	-	200	200	1,000	-
Capital outlay	2,709,357	7,217,315	400,000	-	3,375,000	5,500,000
Total	$3,718,732	$8,571,791	$ 524,787	$ 124,787	$ 3,663,453	$ 5,540,813

*For comparative purposes previous year figures may be adjusted to reflect realigned responsibilities.

Grandview (I) TIF Redevelopment District

This district was established in 1984 with the general goal of attracting new investment to the older industrial areas near Highway 100 and Vernon Avenue. Tax proceeds were used to assemble property, remediate environmental contamination and support the development of three condominium buildings, a Class A office building and a public library and senior center. Additional streetscape improvements were also completed. The District was decertified in 2010 and retained a balance of $401,143 as of 12/31/2014. The balance is intended to be invested in redevelopment planning in the Grandview District over the next two years.

Anticipated expenses for 2016-2017 include:

- District-wide transportation study
- Concept study for Highway 100 "cap" at Vernon Ave.
- Grandview 2 TIF District to achieve additional redevelopment

Grandview TIF District	2013 Actual	2014 Actual	2015 Estimated	2015 Budgeted	2016 Budgeted	2017 Budgeted
Grandview TIF District						
Personal services	$ 9,788	$ 17,792	$ -	$ -	$ 24,794	$ 12,907
Contractual services	167,843	28,810	93,000	-	326,500	1,500
Commodities	-	-	-	-	-	-
Capital outlay	-	-	-	3,685,000	-	-
Total	$ 177,631	$ 46,602	$ 93,000	$3,685,000	$ 351,294	$ 14,407

*For comparative purposes previous year figures may be adjusted to reflect realigned responsibilities.

70th & Cahill TIF Redevelopment District

Three TIF Districts were created in 1990 to encourage redevelopment and economic development at three commercial nodes in Edina. The 70th & Cahill District, 44th & France District and Wooddale Valleyview Districts were decertified in 1999. The remaining balances were pooled together and the cumulative balance as of 12/31/2014 is $364,149. This balance is intended to be invested in redevelopment projects in these districts over the next three to five years.

Anticipated expenses for 2016-2017 include:

- Streetscape improvements on Wooddale, approximately $100,000
- Small area plan for 70th & Cahill
- Financial support will also be considered for additional projects that contribute to the goals

70th & Cahill TIF District

	2013 Actual	2014 Actual	2015 Estimated	2015 Budgeted	2016 Budgeted	2017 Budgeted
Pentagon Park TIF District						
Personal services	$ -	$ -	$ -	$ -	$ -	$ -
Contractual services	-	26,215	-	-	15,000	-
Commodities	-	-	-	-	-	-
Capital outlay	1,699	1,618	-	-	75,000	-
Total	$ 1,699	$ 27,833	$ -	$ -	$ 90,000	$ -

*For comparative purposes previous year figures may be adjusted to reflect realigned responsibilities.

ADMINISTRATION DEPARTMENT—ECONOMIC DEVELOPMENT/HRA

Pentagon Park TIF Redevelopment District

This district was created in 2014 in order to attract first-class investment to this outdated office park that had suffered from disinvestment over the past several years. The District is anticipated to terminate in 2043. The City entered into a Master Redevelopment Agreement with Pentagon Revival, LLC in 2014 and laid out a timeline for the private and sectors to reinvest in this area. While incremental taxes will not be collected until 2018, preliminary planning is under-way so that this multi-phase project can be successful in the marketplace and reflect the goals of the community. This District had a negative fund balance of $6,141 as of 12/31/2014.

Anticipated expenses for 2016-2017 include:

- Prepare TIF financing agreements for Phases 1A, 1B and 2
- Prepare funding agreements for public improvements related to Phases 1A, 1B & 2; including improvements to West 77th Street, Parklawn, Viking and Computer Drive, new 76th Street and new 'living streets' connecting 77th & 76th Streets

Pentagon Park TIF District	2013 Actual	2014 Actual	2015 Estimated	2015 Budgeted	2016 Budgeted	2017 Budgeted
Pentagon Park TIF District						
Personal services	$ -	$ 5,938	$ -	$ -	$ 24,794	$ 12,907
Contractual services	-	44,514	1,500	-	25,000	625,000
Commodities	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	6,675,000
Total	$ -	$ 50,452	$ 1,500	$ -	$ 49,794	$ 7,312,907

*For comparative purposes previous year figures may be adjusted to reflect realigned responsibilities.

ADMINISTRATION DEPARTMENT—ECONOMIC DEVELOPMENT/HRA

Southdale 2 TIF Economic Development District

This district was created in 2010 to spur investment in and around Southdale Center Mall and is anticipated to terminate in 2021. The City entered into an agreement with the owners of Southdale Center to provide a $5 million no-interest loan if they would invest at least $15 million into the common areas of the shopping center. This work was completed in 2012. As of 12/31/2014, this district had a negative fund balance of $4,368,912. This is due to the TIF loan that is being repaid over the remaining life of the District. In 2014, Edina was granted special legislation to use monies from this district to support the construction of new affordably-priced housing in Edina.

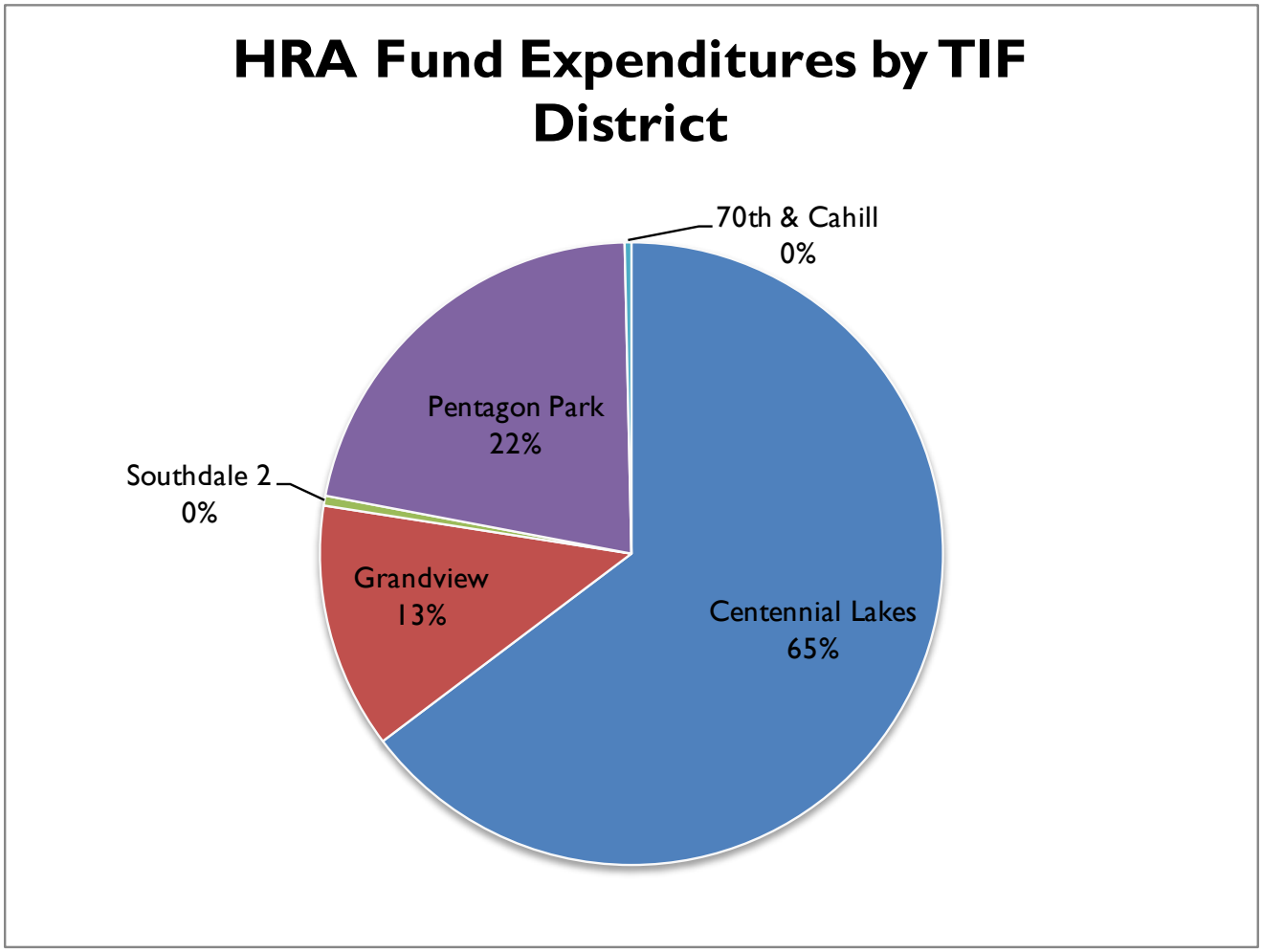
Anticipated expenses for 2016-2017 include:

- Repayment of $5 million TIF loan (principal & interest) from Centennial Lakes District
- 66 West apartments, $550,000 grant for 39 affordably-priced housing units
- Financial support will be considered for additional housing projects that include units that are affordably-priced for households earning 60% of the Area Median Income.

Southdale 2 TIF District

	2013 Actual	2014 Actual	2015 Estimated	2015 Budgeted	2016 Budgeted	2017 Budgeted
Southdale 2 TIF District						
Personal services	$ -	$ 1,521	$ -	$ -	$ 24,794	$ 12,907
Contractual services	2,865	79,094	-	-	51,500	1,500
Commodities	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total	$ 2,865	$ 80,615	$ -	$ -	$ 76,294	$ 14,407

*For comparative purposes previous year figures may be adjusted to reflect realigned responsibilities.



Expenditures by TIF District	2013 Actual	2014 Actual	2015 Estimated	2015 Budgeted	2016 Budgeted	2017 Budgeted
TIF District						
Centennial Lakes	$3,718,732	$8,571,791	$ 524,787	$ 124,787	$ 3,663,453	$ 5,540,813
Grandview	177,631	46,602	93,000	3,685,000	351,294	14,407
Southdale 2	2,865	80,615	-	-	76,294	14,407
Pentagon Park	-	50,452	1,500	-	49,794	7,312,907
70th & Cahill	1,699	27,833	-	-	90,000	-
Total	$3,899,228	$8,749,460	$ 619,287	$3,809,787	$ 4,140,835	$12,882,534

*For comparative purposes previous year figures may be adjusted to reflect realigned responsibilities.

COMMUNICATIONS & TECHNOLOGY SERVICES DEPARTMENT

Jennifer Bennerotte, Director

jbennerrotte@EdinaMN.gov 952-833-9520

DEPARTMENT OVERVIEW

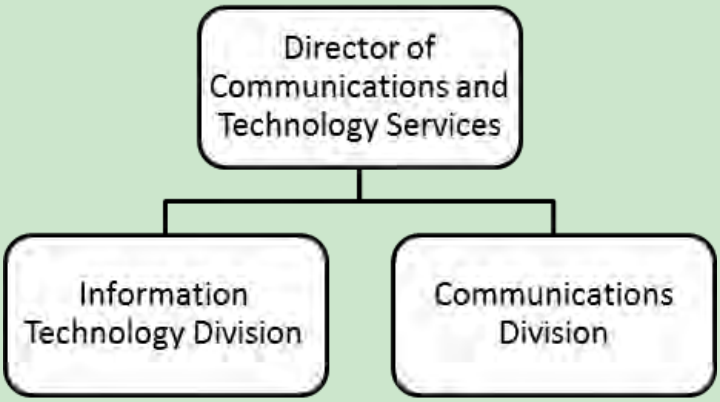
While communications has always been an integral part of local government, the City of Edina's Communications Department was formally established in 2006. As technology was integrated into City operations, so grew the City's Information Technology staff. The I.T. Department was formally established in 2010. In 2012, the two departments were merged to become the Communications & Technology Services Department. It's the job of the Communications & Technology Services Department to help other City departments and facilities identify what information and messages need to be conveyed to Edina's diverse audiences and make sure that this is done in the most effective manner possible.

The Department includes 11 full-time employees and 10 part-time employees.

MAJOR SERVICE AREAS

- Administration of public and education access channels for Southwest Suburban Cable Commission
- Building Security Systems and Access
- End-User Support and Training
- Network Management
- Marketing
- Media and Public Relations
- Publication of the City's Newsletters and Magazine
- Telecommunications
- Video Production and Administration of Government Access Channels
- Development and Oversight of Websites and Social Media Sites

DEPARTMENT ORGANIZATIONAL CHART



COMMUNICATIONS & TECHNOLOGY SERVICES DEPARTMENT

2016-2017 DEPARTMENT GOALS

- Redesign the City's website, www.EdinaMN.gov.
- Advocate for and advance the use of Geographic Information Systems (GIS) in all City operations.
- Implement high-definition webstreaming.
- Complete brand audits at all major City facilities.
- Set up and program PEG channels on CenturyLink.

2014-2015 DEPARTMENT ACCOMPLISHMENTS

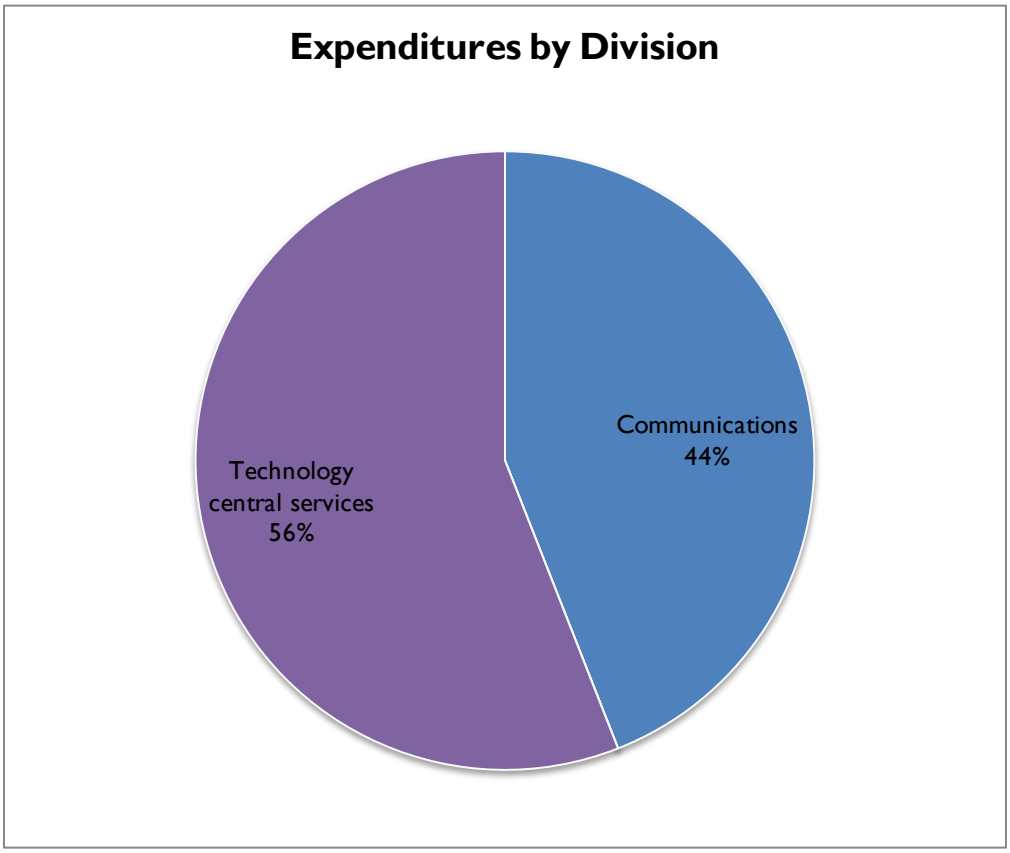
- Reorganized staff in Communications and Information Technology divisions.
- Developed mobile app, Edina to Go.
- Implemented network server and storage visualization.
- Launched an employee extranet, Edinet.
- Implemented a new help desk system for responding to employees' needs.

*In 2015, the Communications & Technology Services Department received one **Regional Emmy**, another **Regional Emmy nomination** and **6 national awards** — three from the National Association of Government Communicators (NAGC) and six from the City-County Communications & Marketing Association (3CMA). In 2014, the Department received **two Regional Emmy nominations** and **11 national awards** — five from NAGC and six from 3CMA.*

PERFORMANCE MEASURES	2013	2014	2015*
Completion of help desk/internal service requests	5,493	8,091	4,351
Quality of Life Survey – Percentage of residents who find *About Town* to be an effective communications tool for keeping them informed of City activities (very effective or somewhat effective)	92%	N/A	82%
Quality of Life Survey – Percentage of residents who find the City's website "Excellent" or "Good"	98%	N/A	73%

*Through September 2015

COMMUNICATIONS & TECHNOLOGY SERVICES DEPARTMENT



Communications and Technology Services Department Expenditures	2013 Actual	2014 Actual	2015 Estimated	2015 Budget	2016 Budget	2017 Budget
General Fund						
Communications	$ 984,921	$1,051,309	$1,073,850	$1,040,674	$1,104,618	$1,204,517
General fund subtotal	984,921	1,051,309	1,073,850	1,040,674	1,104,618	1,204,517
Other Funds						
Technology central services	884,057	990,833	1,044,271	1,021,771	1,234,431	1,321,891
Construction	337,865	154,100	465,900	465,900	749,129	539,700
Department Total Budget	$2,206,843	$2,196,242	$2,584,021	$2,528,345	$3,088,178	$3,066,108

*For comparative purposes previous year figures may be adjusted to reflect realigned responsibilities.

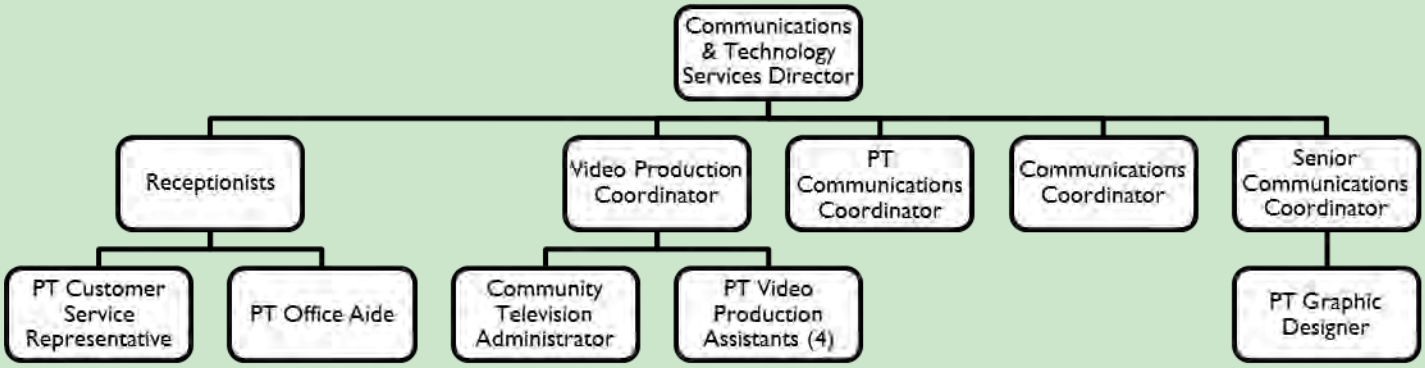
Communications Division

DIVISION OVERVIEW

The Communications division works to find opportunities to promote what makes Edina the great community that it is and the successes of City government. Among other things, the Communications division is responsible for media and public relations; publication of the City's newsletters and magazines, including *About Town*; maintaining the City's internal and external websites and social media sites; and administering the government access channels, Edina Channels 16 and 813.

*Edina was one of the first cities in Minnesota to begin **broadcasting in high definition**. Communications staff began broadcasting meetings in high definition in 2015 after the equipment in the Council Chambers at Edina City Hall was upgraded. All other content, including "Agenda: Edina," "Beyond the Badge," "Enterprise Edina" and public service announcements, has been broadcast in high definition since late 2013.*

DIVISION ORGANIZATIONAL CHART



COMMUNICATIONS & TECHNOLOGY SERVICES DEPARTMENT—COMMUNICATIONS DIVISION

2016-2017 DIVISION GOALS

- Launch mobile-friendly, redesigned website.
- Research feasibility of sign-on for third-party websites and develop such functionality wherever possible.
- Develop content calendars for all social media sites managed by the City.

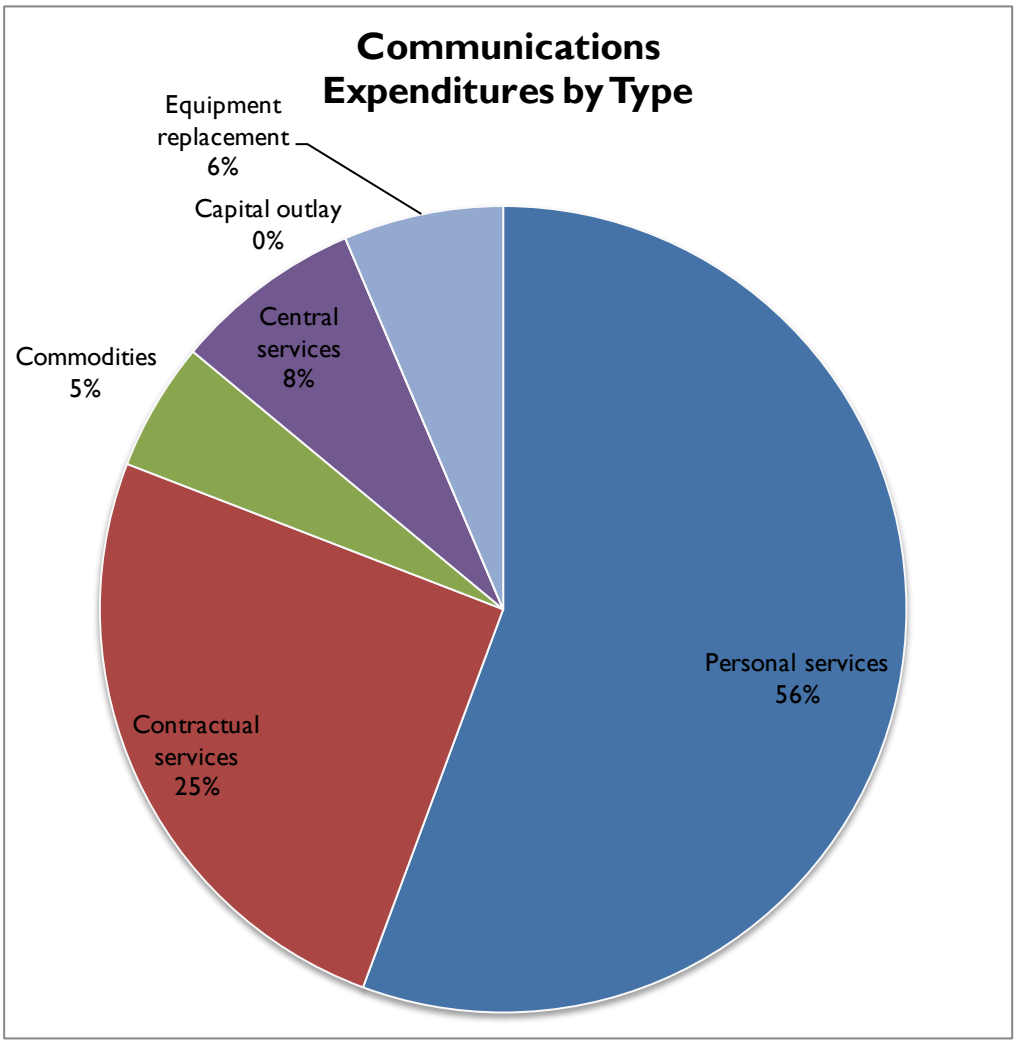
2014-2015 DIVISION ACCOMPLISHMENTS

- Developed award-winning mobile app, Edina To Go.
- Developed award-winning employee extranet, Edinet.
- Hosted and promoted monthly "Speak Up, Edina" topics on www.SpeakUpEdina.org.
- Migrated email subscription service, "City Extra", to MailChimp and grew base of subscribers.
- Began broadcasting government channel programming in high-definition and upgraded the City Council Chambers to high-definition equipment.

PERFORMANCE MEASURES	2013	2014	2015*
Social media fans/followers	16,828	24,939	26,442
Online viewership increases for Edina TV programming	44,668	76,807	96,650
Email subscriptions to "City Extra" lists	19,344	21,345	27,860

*Through September 2015

COMMUNICATIONS & TECHNOLOGY SERVICES DEPARTMENT—COMMUNICATIONS DIVISION



Communications Expenditures	2013 Actual	2014 Actual	2015 Estimated	2015 Budget	2016 Budget	2017 Budget
General Fund						
Personal services	$ 562,773	$ 642,620	$ 620,714	$ 620,803	$ 682,806	$ 711,261
Contractual services	325,455	298,899	327,700	303,935	224,700	259,700
Commodities	38,633	45,148	55,500	46,000	85,500	85,500
Central services	58,060	64,642	69,936	69,936	111,612	148,056
Capital outlay	-	-	-	-	-	-
Construction Fund						
Equipment replacement	139,818	2,100	150,000	150,000	-	-
Capital outlay	-	-	-	-	-	-
Total	$ 1,124,739	$ 1,053,409	$ 1,223,850	$ 1,190,674	$ 1,104,618	$ 1,204,517

*For comparative purposes previous year figures may be adjusted to reflect realigned responsibilities.

Information Technology Division

DIVISION OVERVIEW

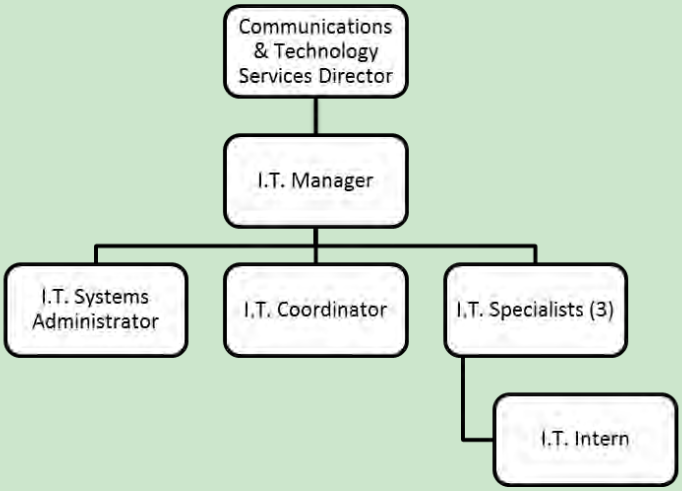
Besides the Director, the Information Technology division includes an I.T. Manager, I.T. Systems Administrator, I.T. Coordinator and three I.T. Specialists.

The I.T. division's primary goal is to enable access to City information and services conveniently, securely and efficiently. The I.T. division provides the central services required by City departments, offices and facilities, including data center operations, network and telecommunications services, end-user support for personal computers, strategic technology investigation, project oversight, and administration of the City's hardware, software, and infrastructure contracts and agreements. They work to provide the vision, leadership and skills that will enable the City to benefit from technological innovation and improve service to the community.

The I.T. division provides support to 540 domain users and 566 email users. At the beginning of 2015, the City's computer inventory totaled more than 365 computers, 114 mobile devices and 30 servers.

In 2015, LOGIS completed a detailed review of the City of Edina's ***network security profile*** *to determine compliancy with the LOGIS Member Security Policy. The audit found City of Edina has implemented many* ***strong security baselines****, though LOGIS made several recommendations to enhance the City's security profile as it relates to industry best practices and BCA, PCI, and LOGIS policies. I.T. staff will work toward meeting those recommendations in the 2016-2017 budget cycle.*

DIVISION ORGANIZATIONAL CHART



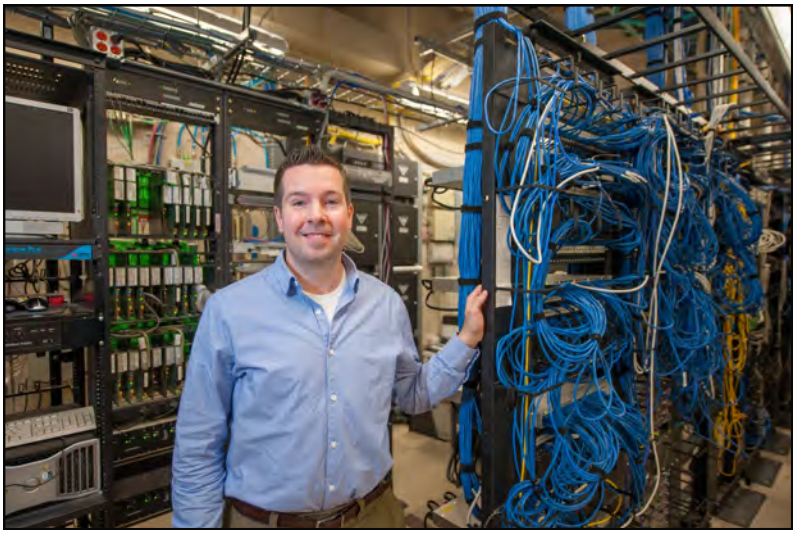
COMMUNICATIONS & TECHNOLOGY SERVICES DEPARTMENT—INFORMATION TECHNOLOGY

2016-2017 DIVISION GOALS

- Complete server virtualization and investigate targeted desktop virtualization.
- Implement log management and file change management to ensure PCI compliance.
- Continue to improve the user experience for remote users.
- Implement LOGIS security audit recommendations to enhance the City's security profile as it relates to industry best practices and BCA, PCI, and LOGIS policies

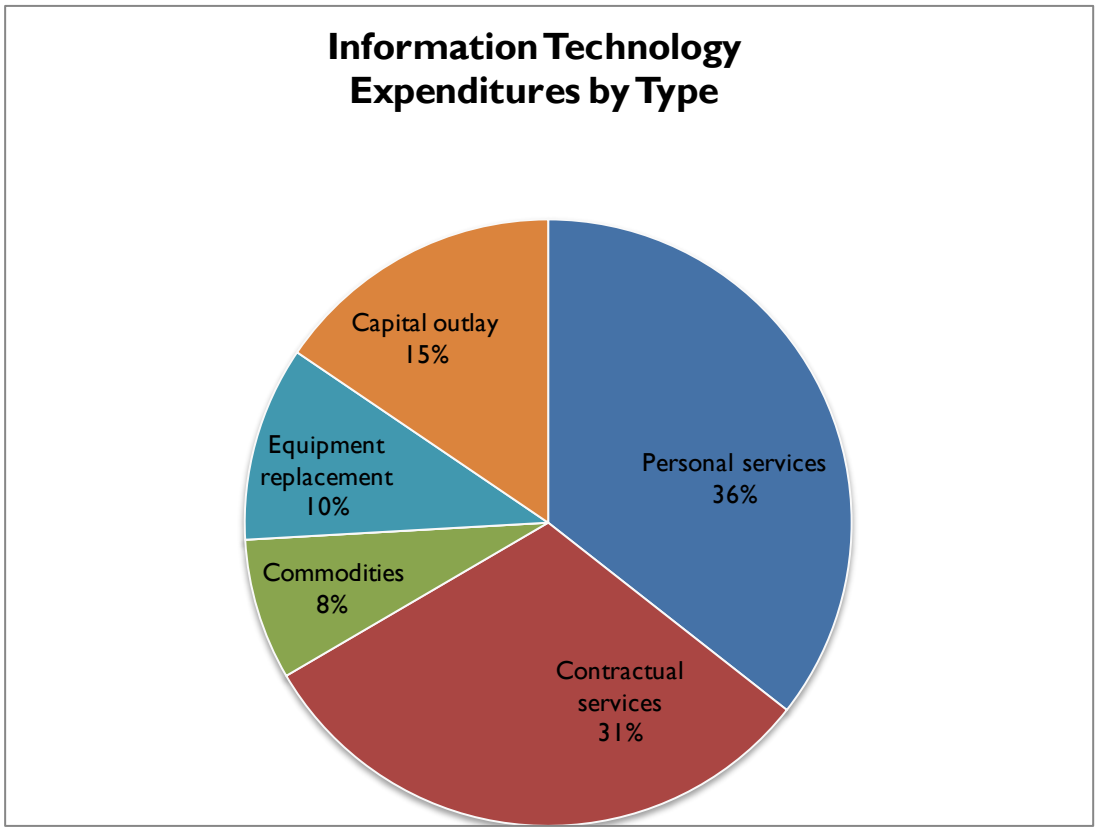
2014-2015 DIVISION ACCOMPLISHMENTS

- Implemented network server and storage virtualization.
- Expanded fiber optic network to Braemar Field, Pamela Park and Edina Police Department precinct at Southdale Center.
- Updated technology in the Cahill room, Mayor's Conference Room and Minnehaha Room at Edina City Hall and at the Edina Senior Center.
- Enhanced internal service levels through increased cross-training, documentation and training.
- Improved I.T. offerings for employees connecting to the network from mobile devices.
- Achieved PCI compliance at the City's various enterprise facilities.



PERFORMANCE MEASURES	2013	2014	2015*
Number of smart mobile devices managed by the City of Edina	54	87	110
I.T. Client Survey — Percentage of employees who said the service provided and the results "exceeded expectations or more"	75%	N/A	72%
I.T. Client Survey — Percentage of employees who said service provided "exceeded expectations or more" in professionalism, receptiveness and helpfulness	75%	N/A	88%
Internal network and server up-time	N/A	N/A	100%

*Through September 2015



Information Technology Expenditures	2013 Actual	2014 Actual	2015 Estimated	2015 Budget	2016 Budget	2017 Budget
Central Services (No Fund)						
Personal services	$ 444,907	$ 495,258	$ 497,455	$ 507,455	$ 576,015	$ 599,975
Contractual services	338,011	401,811	429,750	411,750	529,850	604,850
Commodities	101,139	93,764	117,066	102,566	128,566	117,066
Construction Fund						
Equipment replacement	147,408	128,122	151,900	151,900	279,629	52,000
Capital outlay	50,639	23,878	164,000	164,000	469,500	487,700
Total	$1,082,104	$1,142,833	$1,360,171	$1,337,671	$ 1,983,560	$1,861,591

*For comparative purposes previous year figures may be adjusted to reflect realigned responsibilities.

HUMAN RESOURCES DEPARTMENT

Kay McAloney, Director

kmcaloney@EdinaMN.gov 952-826-0415

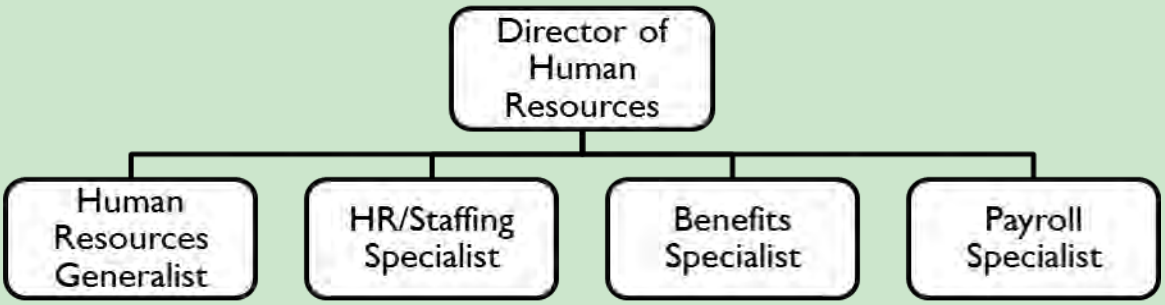
DEPARTMENT OVERVIEW

The Human Resources Department is dedicated to working with other City departments to ensure that employment practices are aligned to meet the goals of the City. This work includes developing recruitment and selection systems to hire top talent. The Department is responsible for designing, implementing and negotiating cost-effective compensation and benefits plans that reward and retain the right talent to deliver quality services. Human Resources develops employment policies based on best management practices and compliance with employment laws as well as employee performance management, training and development systems that align with City goals. The Human Resources Department also provides leadership consulting and training. and participates in effective employee and labor relations to balance the needs of all stakeholders.

MAJOR SERVICE AREAS

- Recruitment and Selection
- Compensation and Benefits
- Employee and Labor Relations
- Employment Policies
- Employee Safety and Wellness
- Leadership and Organizational Development
- Performance Management
- Payroll
- Risk Management

DEPARTMENT ORGANIZATIONAL CHART



HUMAN RESOURCES DEPARTMENT

2016-2017 DEPARTMENT GOALS

- Implement electronic personnel files and develop implementation plan for upgrade of Human Resources Information Systems (HRIS) and payroll systems.
- Transition records to the City's electronic records management system (EdinaDocs).
- Develop and implement a cost-effective strategy for health insurance changes required by healthcare reform.
- Develop and implement a comprehensive new employee onboarding program.

2014-2015 DEPARTMENT ACCOMPLISHMENTS

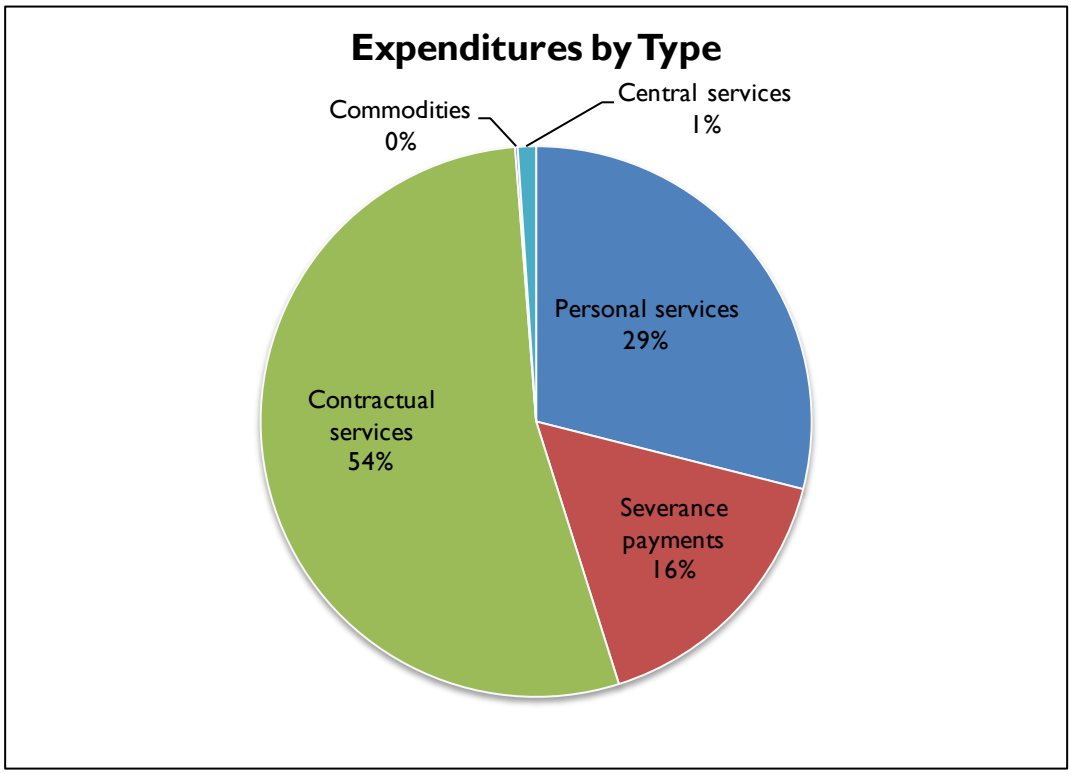
- Completed revision of major employment policies.
- Transitioned the City's Property, Liability, and Worker's Compensation insurance to the League of Minnesota Cities Insurance Trust (LMCIT).
- Restructured payroll software to provide more efficient reconciliation and reporting.
- Implemented new technology to audit and streamline employee benefits administration.
- Moved over 200 employees to electronic timecard entry.
- Implemented new technology to streamline the onboarding of approximately 400 seasonal employees each year.
- Incorporated measures of Edina IQS (Integrity, Quality, Service) into the employee recruitment and performance review processes.
- Developed employee benefits portal for employee extranet.

For the 2016-2017 budget, expenses for payroll and the City's property and liability insurance are reflected in the Human Resources Budget. Previously, payroll was reflected in Finance and Insurance was in Administration.

PERFORMANCE MEASURES	2013	2014	2015*
Number of worker's compensation claims resulting in lost time or medical treatment	31	36	21
Number of external recruitments processes conducted for full-time, part-time, and seasonal positions.	86	83	72
Number of regular full-time employees who left employment with the City of Edina, excluding retirements.	4	13	15

* Through September 2015

HUMAN RESOURCES DEPARTMENT



Human Resources Department Expenditures	2013 Actual	2014 Actual	2015 Estimated	2015 Budget	2016 Budget	2017 Budget
General Fund						
Personal services	$ 432,746	$ 446,268	$ 506,200	$ 435,243	$ 525,553	$ 547,747
Severance payments	336,499	481,617	200,000	200,000	200,000	200,000
Contractual services	50,876	30,051	36,440	35,000	37,200	37,200
Commodities	973	4,437	2,500	2,500	2,500	2,500
Central services	-	17,500	19,644	19,644	25,092	25,308
General fund subtotal	821,094	979,873	764,784	692,387	790,345	812,755
Other Funds						
Risk management fund	-	-	-	-	665,000	665,000
Employee shared services	57,197	121,315	256,200	252,700	227,800	228,300
Construction fund	-	-	-	-	-	-
Department Total Budget	$ 878,291	$ 1,101,188	$ 1,020,984	$ 945,087	$ 1,683,145	$ 1,706,055

*For comparative purposes previous year figures may be adjusted to reflect realigned responsibilities.

FINANCE

Eric Roggeman, Director

eroggeman@EdinaMN.gov 952-826-0414

DEPARTMENT OVERVIEW

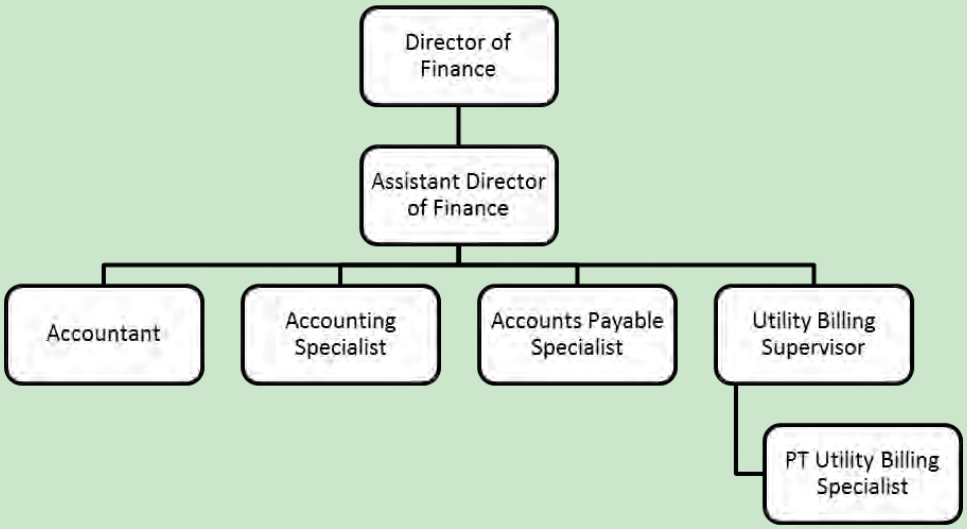
Finance provides accounting and control services for all financial activities of the City, the Housing and Redevelopment Authority (HRA), the South Metro Public Safety Training Facility, and other auxiliary organizations. The department is also responsible for revenue collections, disbursements and investments, preparation of the annual budget and financial statements of the City. Periodically, the department will also perform custom financial analysis for various proposals. The Finance Department is responsible for generating about 55,000 utility bills and 15,000 vendor payments annually. The department is also responsible for managing the City's debt and investments as well as preparing the City budget, annual financial report (CAFR), and capital improvement plan (CIP).

MAJOR SERVICE AREAS

- Accounting
- Accounts payable
- Budget & CIP compilation
- Finance administration
- Financial reporting
- Revenue collections
- Tax compliance
- Treasury & debt administration
- Utility billing

*The Finance Department received the **Certificate of Achievement for Excellence in Financial Reporting** for our CAFR from the Government Finance Officers Association of the US & Canada (GFOA) for our 2014 report. This was the ninth consecutive year the department received the award.*

DEPARTMENT ORGANIZATIONAL CHART



FINANCE DEPARTMENT

2016-2017 DEPARTMENT GOALS

- Convert water meter readings from 100 cubic foot units to gallons to increase transparency and customer understanding of water bills.
- Implement an automated accounts payable system that is configurable to the City's workflow, is capable of reading invoices using optical character recognition, and allows for electronic coding and approval of invoices.
- Work with the City's Communication & Technology Services Department to make improvements to the Finance Department's webpage; allowing residents to more easily access important financial documents.

2014-2015 DEPARTMENT ACCOMPLISHMENTS

- Received an unqualified (clean) opinion from the independent auditors for the 2014 Comprehensive Annual Financial Report (CAFR).
- Implemented an electronic payment program for City vendors. Over 100 vendors have enrolled in the program and over $5 million in payments were made through the program in the first year of implementation.
- Received the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for the City's 2014-2015 Budget book.
- Implemented an eUtility Billing system, allowing residents to view and pay their utility bills online. Currently, over 900 households are enrolled and using the program.
- Successful completion of audits by the MN Department of Revenue related to Sales Tax and MinnesotaCare Tax (Ambulance) with no reportable findings.

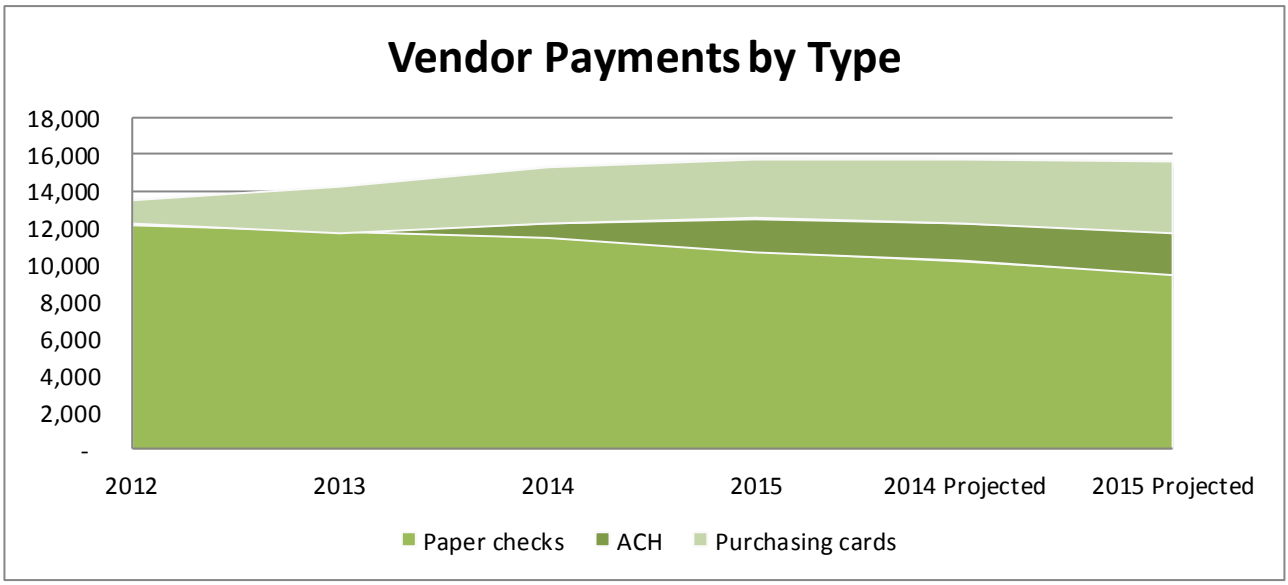
PERFORMANCE MEASURES	2013	2014	2015
Receive unqualified audit report	Yes	Yes	TBD
Receive the Certificate of Achievement for Excellence in Financial Reporting for our CAFR from the Government Finance Officers Association of the US & Canada (GFOA)	Yes	Yes	TBD
Receive the Distinguished Budget Presentation Award from the Government Finance Officers Association of the US & Canada (GFOA)	N/A*	Yes	N/A*
Standard & Poor's debt credit rating	AAA	AAA	AAA
Moody's debt credit rating	Aaa	Aaa	Aaa

* The City completes a biennial budget, and first applied for the budget award with completion of the 2014-2015 budget book.

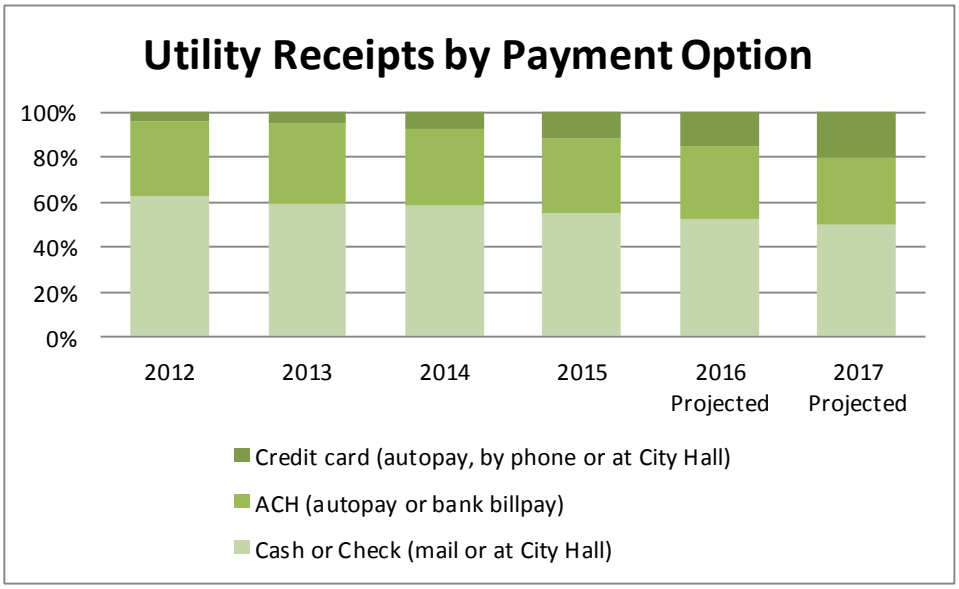
FINANCE DEPARTMENT

ADVANCEMENTS IN SERVICES

The Finance Department is seeing a rapid change in service areas due to changing technology. These new services are in addition to current business operations.

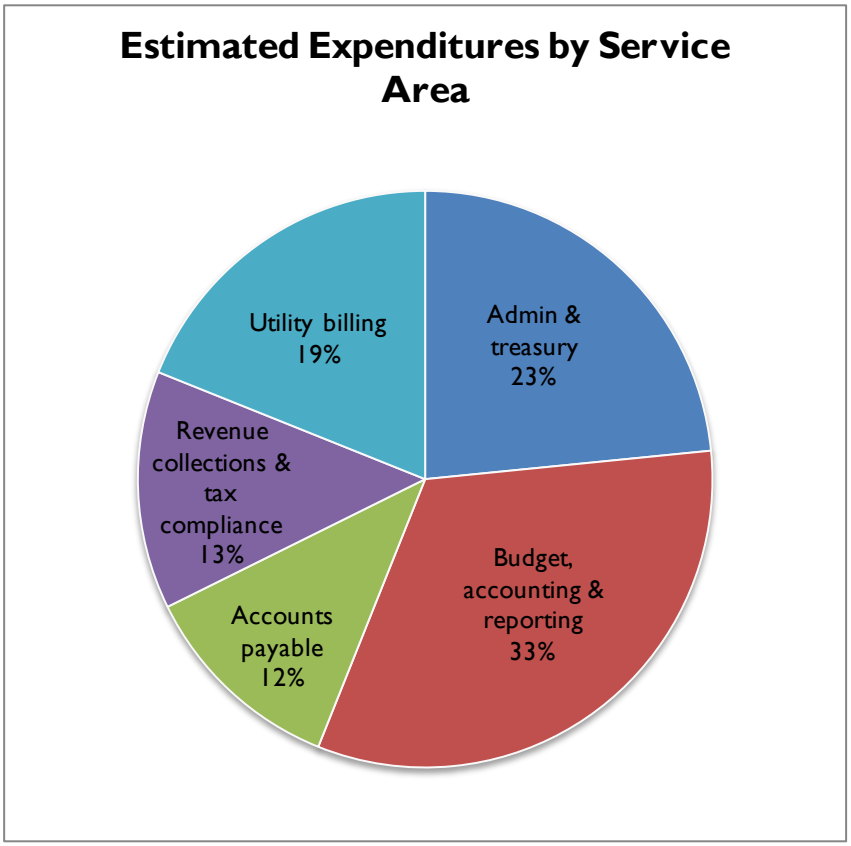


The City expects to process around 5,500 electronic payments in 2016, which includes ACH and purchasing card payments. This represents about one-third of the total, and is an increase from 4,000 from 2012.



Residents have the option to pay their utility bills a variety of ways. The City accepts credit cards through an automatic payment plan, by phone, or in-person at City Hall. Electronic ACH payments are also accepted through an automatic payment plan or through a couple of different bank billpay companies. Despite rapid growth in electronic receipts, the most popular payment method for our customers remains cash and checks, at over 50%. The rapid growth in electronic receipts starting in 2014 is the result of a new online bill view and payment service.

FINANCE DEPARTMENT



Finance Department Expenditures & Expenses	2013 Actual	2014 Actual	2015 Estimated	2015 Budget	2016 Budget	2017 Budget
General Fund						
Personal services	$ 531,918	$ 498,390	$ 534,500	$ 630,730	$ 528,028	$ 550,309
Contractual services	141,576	208,847	239,450	212,700	242,900	267,100
Commodities	1,863	9,258	15,700	4,500	14,000	14,100
Central services	65,443	52,934	56,988	56,988	48,696	49,236
General fund subtotal	740,800	769,429	846,638	904,918	833,624	880,745
Other Funds						
Utility	41,301	246,418	292,381	286,381	298,393	309,404
Construction	-	-	-	-	50,000	-
Department Total Budget	$ 782,101	$ 1,015,847	$ 1,139,019	$ 1,191,299	$ 1,182,017	$ 1,190,149

*For comparative purposes previous year figures may be adjusted to reflect realigned responsibilities.

PUBLIC WORKS DEPARTMENT

Brian Olson, Director

bolson@EdinaMN.gov 952-826-0311

DEPARTMENT OVERVIEW

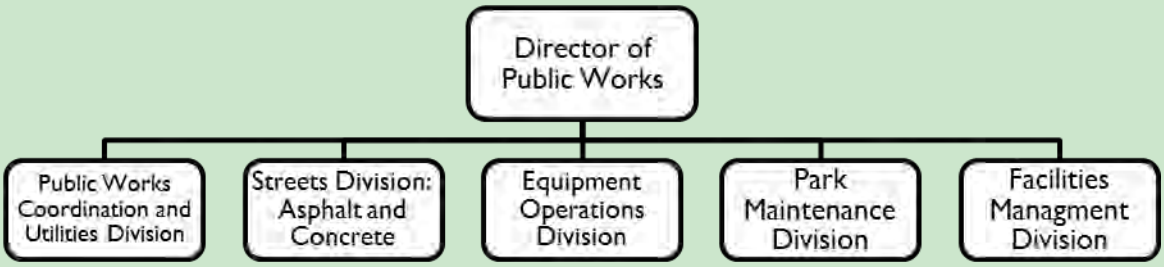
Edina's infrastructure -- its parks, streets and curbs, storm and sanitary sewers, bridges, walking paths and sidewalks, water mains, hydrants, pumping stations and wells (all the behind-the-scenes equipment and structures that form the physical backbone of the City) -- are in the care of the employees of Edina's Public Works Department.

The Public Works Department is comprised of the Streets (Bituminous and Concrete), Park Maintenance, Utilities, Facilities (including HVAC and Electrical) and Equipment Operations divisions. Employees of each of these divisions efficiently and responsibly care for over 40 parks, 230 miles of roadway, 18 deep water wells, four water treatment plants, four water towers with a three million-gallon total capacity, four million gallons of water in underground reservoir, 23 sanitary sewer lift stations, 11 storm sewer lift stations, 80 miles of storm sewer mains, 180 miles of sanitary sewer mains, 200 miles of water mains, 25 miles of sidewalk and eight miles of walking paths, 4 municipal parking ramps, $8 million in rolling stock (vehicles and equipment), including automobiles, mowers, trucks of every description, snowplows, street sweepers, fire trucks, ambulances, and police cars.

MAJOR SERVICE AREAS

- Asphalt Street Maintenance
- Concrete Street Maintenance
- Utility Operations
- Facility Maintenance
- Parks Maintenance
- Equipment Operations

DEPARTMENT ORGANIZATIONAL CHART



PUBLIC WORKS DEPARTMENT

2016-2017 DEPARTMENTAL GOALS

- Implement an on-call policy to improve service response to emergencies.
- Complete the floor and fire sprinkler system at the cold storage facility.
- Focus on integration, implementation and training for technology associated with mobile Edina to Go application.

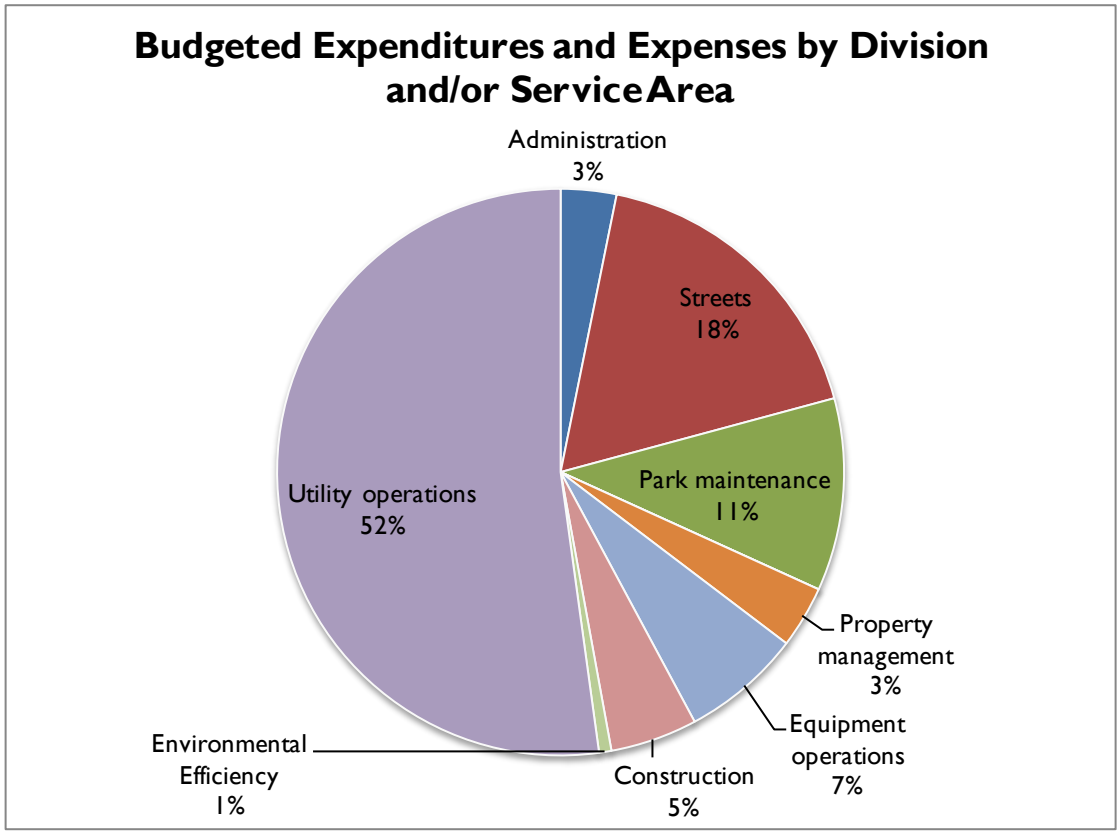
2014-2015 DEPARTMENTAL ACCOMPLISHMENTS

- Upgraded CityWorks work order system.
- "No fault" insurance established through the League of Minnesota Cities Insurance Trust.
- Implemented fleet maintenance software upgrade.

PERFORMANCE MEASURES	2013	2014	2015
Percentage of residents rating the quality of the City's sanitary sewer services as "excellent" or "good" in the Quality of Life Survey.	97%	N/A	83%
Total number of invoices processed	5,798	6,017	3,933*
Total number of work orders written	2,447	2,968	TBD

* Through September 2015

PUBLIC WORKS DEPARTMENT



Public Works Department Expenditures & Expenses

	2013 Actual	2014 Actual	2015 Estimated	2015 Budget	2016 Budget	2017 Budget
General Fund						
Administration	$ 708,582	$ 846,092	$ 817,724	$ 817,824	$ 948,702	$ 974,463
Streets	4,444,686	4,486,520	4,880,755	4,727,255	4,861,481	5,003,380
Park maintenance	2,645,523	2,835,246	2,953,081	2,914,531	3,116,417	3,250,111
General fund subtotal	7,798,791	8,167,858	8,651,560	8,459,610	8,926,600	9,227,954
Other Funds						
Property management	865,152	881,942	1,030,312	997,964	954,666	971,522
Equipment operations	1,772,497	1,795,918	1,856,932	1,824,432	1,849,549	1,902,120
Construction	531,388	3,424,712	776,872	776,872	1,251,836	1,237,935
Environmental Efficiency	-	-	327,036	327,036	104,000	-
Utility operations	13,099,447	13,384,256	14,067,575	13,350,060	14,783,880	15,375,873
Department Total Budget	$ 24,067,275	$ 27,654,686	$ 26,710,287	$ 25,735,974	$ 27,870,531	$ 28,715,404

*For comparative purposes previous year figures may be adjusted to reflect realigned responsibilities.

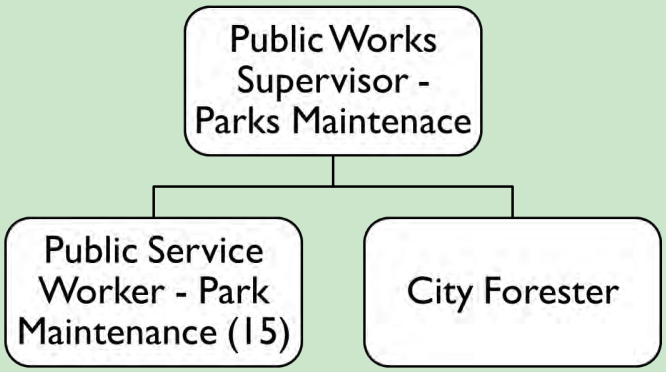
Parks Maintenance Division

DIVISION OVERVIEW

The City of Edina prides itself in providing premier public facilities. The Park Maintenance division operates nearly 40 parks and recreational facilities, including Arneson Acres, Todd, Pamela, Arden, and Highlands Parks and over a dozen warming houses. The activities of the division support more than a dozen athletic associations that serve thousands of athletic participants.

There are currently 16 staff in the Public Works Parks Maintenance Division.

DIVISION ORGANIZATIONAL CHART



PUBLIC WORKS DEPARTMENT— PARKS MAINTENANCE DIVISION

2016-2017 DIVISION GOALS

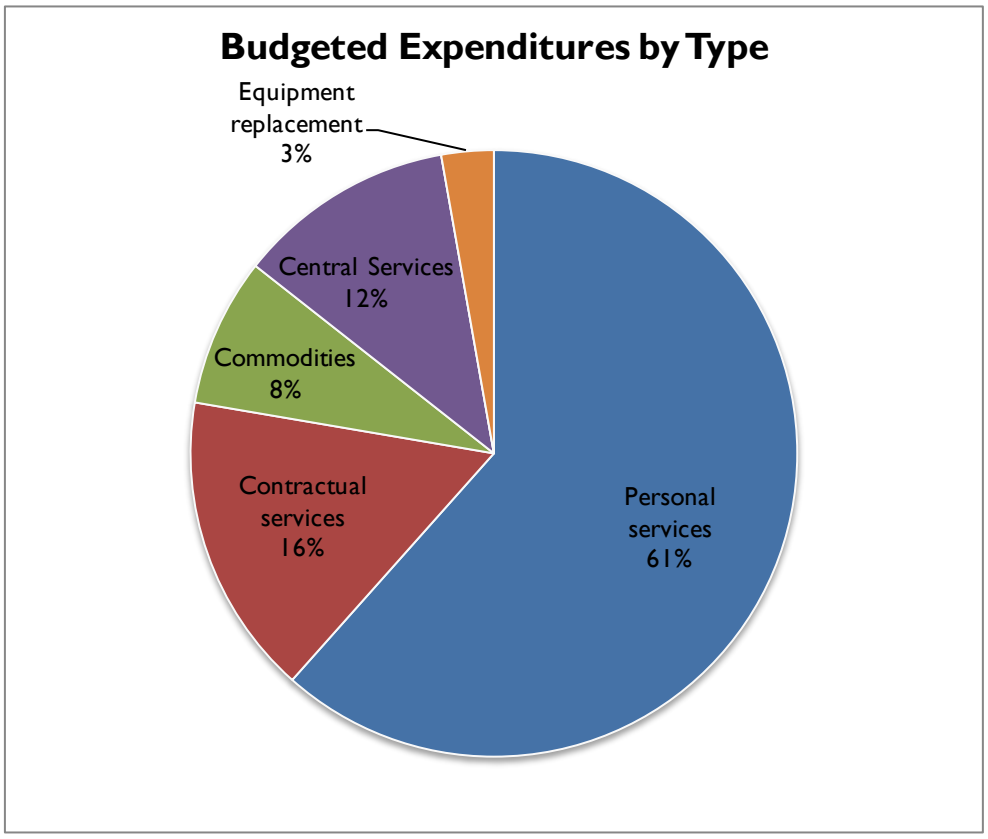
- Identify four special project areas annually for high intensity buckthorn removal projects.
- Complete replacement of equipment as scheduled in the capital improvement project.
- Prepare a response plan for the anticipated impact of the Emerald Ash Borer (EAB) on trees in City right-of-ways and City-owned properties.

2014-2015 DIVISION ACCOMPLISHMENTS

- Utley Park bathrooms remodeled for ADA compliance and under budget.
- Resurfaced Van Valkenburg Park parking lot.
- Completed in-house construction of Garden Park dugouts.
- Hosted State Legion tournament at Courtney Fields.

PERFORMANCE MEASURES	2013	2014	2015
Percentage of residents rating the quality of parks maintenance service as "excellent" or "good" in the Quality of Life Survey.	99%	N/A	91%
Percentage of residents rating the condition of trails and sidewalks as "excellent" or "good" in the Quality of Life Survey.	95%	N/A	83%

PUBLIC WORKS DEPARTMENT— PARKS MAINTENANCE DIVISION



Park Maintenance Expenditures	2013 Actual	2014 Actual	2015 Estimated	2015 Budgeted	2016 Budgeted	2017 Budgeted
General Fund						
Personal services	$ 1,763,414	$ 1,827,088	$ 1,844,549	$ 1,844,549	$ 1,929,605	$ 2,010,851
Contractual services	382,753	468,693	508,000	458,450	542,100	576,800
Commodities	168,234	189,741	260,200	241,200	286,800	297,300
Central Services	331,122	349,724	340,332	370,332	357,912	365,160
Construction Fund						
Equipment replacemen	78,150	119,973	40,000	60,420	82,900	126,100
Total	$ 2,723,673	$ 2,955,219	$ 2,993,081	$ 2,974,951	$ 3,199,317	$ 3,376,211

*For comparative purposes previous year figures may be adjusted to reflect realigned responsibilities.

Facilities Division

DIVISION OVERVIEW

The Facilities Management Division supports all City departments by managing the long term viability of the city's current physical infrastructure and by planning for future needs. The major facilities include City Hall, Public Works and Parks Maintenance Facility, City parking ramps and other non-City facilities including the exterior building services at Edina Community Library/Senior Center, the 50th & France Special Services District, park shelter buildings and utility buildings. The City maintains nearly 80 buildings.

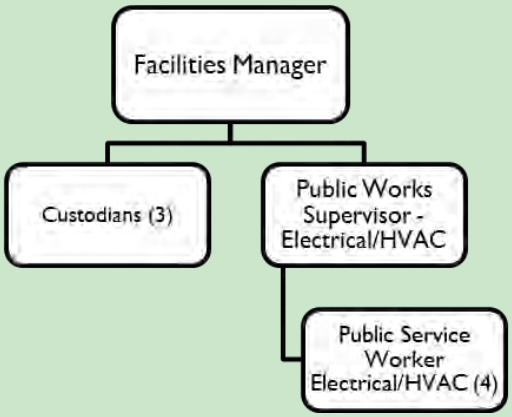
The Facilities Division includes the Electrical and HVAC Division of the City's Public Works Department. It is responsible for the maintenance and repair of more than 40 park shelter buildings, utility buildings and well houses, City Hall and the Public Works building. It also maintains more than 400 street lights, City-owned traffic signals, and lighting fixtures for the more than 80 City facilities and the Electrical/HVAC needs at each of those facilities. They also manage and act as the first contact for each of the 2,500 Xcel Energy-owned street lights, 26 Hennepin County signals and 10 traffic signals owned by the State of Minnesota.

The Public Works Electrical/HVAC Division maintains and repairs Electrical/HVAC needs for:

- 12 neighborhood street lighting systems and more than 400 City-owned street lights.
- Hockey rink lighting and athletic field lighting, warming house lighting/electrical maintenance and heating and air conditioning at 25 park facilities.
- Interior and exterior lighting, electrical maintenance, heating and A/C and a GEO thermal system at 63 City buildings, including Edina City Hall, Public Works & Park Maintenance Facility, two Fire Stations and three Edina Liquor stores.
- 13 City-owned traffic signals.
- Lighting and electrical needs in the four public parking ramps.

In addition, the division locates all electrical underground wires, such as service wires and those for street light and traffic signals.

DIVISION ORGANIZATIONAL CHART



PUBLIC WORKS DEPARTMENT— FACILITIES DIVISION

2016-2017 DIVISION GOALS

- Development and implementation of program to retrofit industrial area lighting replacement
- Implementing Energy Efficiencies and Preventative Maintenance Plan through no and low cost maintenance and operational changes.
- Continue to respond to "light out" concerns in an efficient and timely manner.
- Complete the 4th year of our industrial LED lighting projects.
- Continue to implement traffic signal cabinet removal and replacement program.

2014-2015 DIVISION ACCOMPLISHMENTS

- Implemented the signal control cabinet replacement for 2 of the 13 City owned traffic signal controllers.
- Completed in-house electrical and HVAC modifications of the Utley Park remodel project.
- Implemented new FHWA regulations on crosswalk signal timing for City-maintained traffic signals.
- Completed the parking and wayfinding improvements in the 50th and France Business District.

PERFORMANCE MEASURES	2013	2014	2015
Percentage of residents rating the quality of street lighting as "excellent" or "good" in the Quality of Life Survey.	93%	N/A	69%
Performance savings realized by building interior lighting improvements	$33,748	$39,271	TBD
Performance savings realized by improvements to building infrastructure related to heating and ventilation	$14,312	$0	TBD
Performance savings realized by solar panel installation at City Hall	$1,465.56	$1,624.72	TBD

Streets Division

DIVISION OVERVIEW

The Streets Division is responsible for the year-round maintenance and repair of more than 230 miles of City streets, public parking lots, street signs and pavement markings.

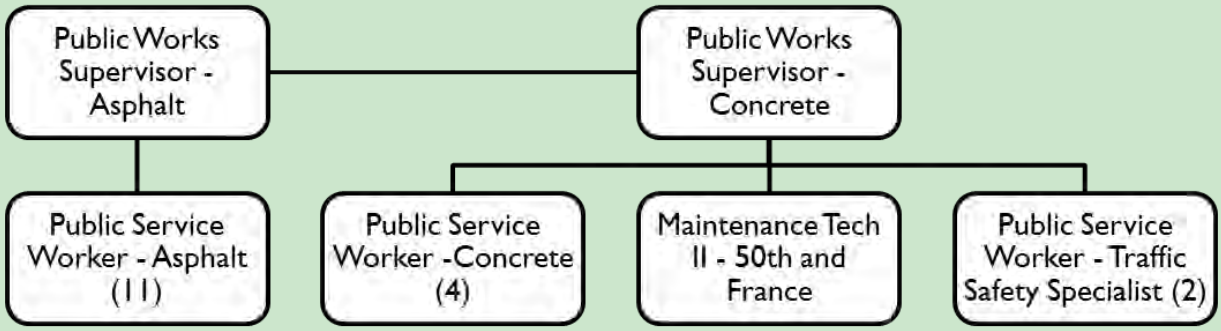
This responsibility is managed by two department divisions: Asphalt (bituminous/blacktop) and Concrete Streets. Approximately 80 percent of Edina's streets are paved with a flexible bituminous pavement. All pothole repairs, street sweeping, crack sealing and a majority of overlay projects and sealcoating are performed by the Asphalt Streets crews. The Concrete Streets crews handle the concrete street repairs, concrete curb and gutter, sidewalk replacements and maintenance of the City's traffic signs.

There are currently 23 Public Works staff in the Streets Divisions.

There are an estimated 1,000 3' x 6' crosswalk blocks that are painted annually by the traffic safety branch of the Concrete Streets Division.

In the off-season, Concrete Streets crews provide non-emergency maintenance services for City Hall.

DIVISION ORGANIZATIONAL CHART



PUBLIC WORKS DEPARTMENT—STREETS DIVISION

2016-2017 DIVISION GOALS

- Successful implementation of street rehabilitation programs (sealcoat, mill and overlay, concrete road repair, etc.).
- Implementation of Sign Maintenance Policy and annual bridge rehabilitation program.
- Full integration of Edina to Go application that allows concerns from residents to be easier logged and more efficiently tracked.
- Continue annual bridge rehabilitation program that will ensure the safety and stability of Edina's bridges.
- Collaborate with Hennepin County to repaint traffic signal arms and posts on France Avenue from TH 62 to Minnesota Drive.

2014-2015 DIVISION ACCOMPLISHMENTS

- Completed annual mill and overlay program in the asphalt area and concrete rehabilitation program.
- Completed software upgrade for pothole crown sourcing application "Edina to Go".
- Responded to 100-year flooding event and provided over 11,000 sand bags to residents in need.
- Implemented snow plow hotline during the winter storm events.
- In cooperation with the Engineering Department, implemented an annual bridge rehabilitation program.
- In cooperation with the Engineering Department, gained approval of the Sign Maintenance Policy to comply with

PERFORMANCE MEASURES	2013	2014	2015*
Percentage of citizens rating street snow plowing as "excellent" or "good" in the Quality of Life Survey.	96%	N/A	87%
Tons of Asphalt pavement constructed	8,829	8,383	8,875
Cubic Yards of Concrete Pavement repair	560	396	560
Number of potholes filled	3,971	3,508	TBD

*Through September 2015

Utilities Division

DIVISION OVERVIEW

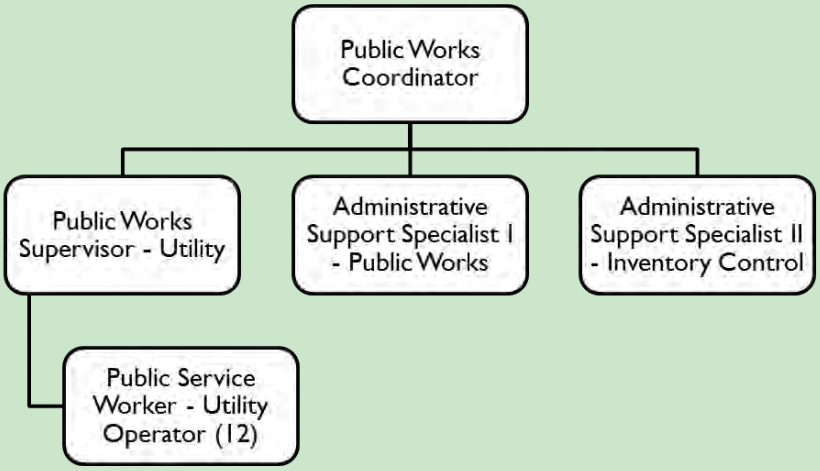
The City's Utilities Division ensures that there is clean, safe water and that what goes down the drain stays down the drain. There are three main components of the Utilities Division: pump, treat and distribute drinking water; sanitary sewer collection; and storm water collection. All members of the Utilities Division are certified and licensed by both the Minnesota Department of Health and the Minnesota Pollution Control Agency, and vary individually in experience from 2 to 30 years working in the water/wastewater field.

The City of Edina operates two separate water systems: The Morningside water system and the Edina water system. The Morningside system is supplied with treated surface water from the City of Minneapolis which utilizes Ultrafiltration, lime softening and multiple chemical treatments. While the water is from Minneapolis, Edina's Utilities Division maintains the system's piping. The Edina system gets its water from 18 groundwater wells. All well water is treated with fluoride (for public health and wellness), chlorine (disinfectant) and polyphosphates (pipe corrosion inhibitor). Water Treatment Plants are used for the additional removal of iron and manganese, naturally occurring minerals common to groundwater. Once the water has been treated, it is distributed through a system of 200 miles of water main, four water towers and a ground reservoir.

Sewage collection and flow is based on gravity and controlled by lift stations and pumps. The City collects and pumps sewage to a neighboring community where it eventually goes to a wastewater treatment facility operated by the Metro Council Environmental Service.

The City also collects storm water. During and after a rain or melt event, it is crucial that water is removed quickly from roadways so it doesn't create a public safety issue. However, instead of being sent to a treatment plant, it is routed to our creeks, ponds, lakes and wetlands. These highly visible areas serve as natural treatment facilities for our storm water, create wildlife habitat and add to the aesthetics of our neighborhoods.

DIVISION ORGANIZATIONAL CHART



PUBLIC WORKS DEPARTMENT—UTILITIES DIVISION

2016-2017 DIVISION GOALS

- Complete the scheduled maintenance rehabilitations of Wells 2, 8, and 10.
- Complete the hydrant maintenance program.
- Complete the Southdale Tower maintenance (cleaning, inspection, design)
- Coordinate and complete the installation of meters in every City owned building

2014-2015 DIVISION ACCOMPLISHMENTS

- Implemented "no fault" insurance plan for residents who experience sewer backups.
- Created and began the implementation of a hydrant maintenance program.
- Completed emergency repair and rehabilitations on Wells 13 and Well 9.
- Upgraded radio system for second leg of SCADA system.

PERFORMANCE MEASURES	2013	2014	2015
Operating cost per 1,000,000 gallons water pumped/produced	$1,385	$1,317	TBD
Number of water main breaks and water service leaks	82	83	TBD
Number of sewer backups or blockages	13	20	TBD
Percentage of unaccounted water	0.97%	2.28%	TBD

Utilities Division Expenses

	2013 Actual	2014 Actual	2015 Estimated	2015 Budgeted	2016 Budgeted	2017 Budgeted
Operating expenses						
Cost of sales and services	-	1,392	-	-	-	-
Personal services	1,547,580	1,547,047	1,565,488	1,565,488	1,792,171	1,867,698
Contractual services	6,021,636	5,942,796	6,221,279	5,999,500	6,554,488	6,832,607
Commodities	880,738	815,579	1,025,200	993,000	1,059,250	1,110,200
Central services	645,865	672,067	701,748	701,748	674,808	688,596
Depreciation	3,148,601	3,642,117	3,951,036	3,487,500	4,227,000	4,499,500
Bond interest and other	855,027	763,258	602,824	602,824	476,163	377,272
Total expenses	13,099,447	13,384,256	14,067,575	13,350,060	14,783,880	15,375,873

*For comparative purposes previous year figures may be adjusted to reflect realigned responsibilities.

Equipment Operations Division

DIVISION OVERVIEW

The Equipment Operations division serves as the City's auto shop. It maintains more than $8 million worth of vehicles and rolling stock. The mechanics that make up this division do all of the routine maintenance, but also are available for the emergency repairs necessary to keep our fleet in operation during critical events such as snow plowing.

2016-2017 DIVISION GOALS

- Continue weekly inspections of emergency vehicle apparatuses.
- Strategically implement equipment replacement plan.

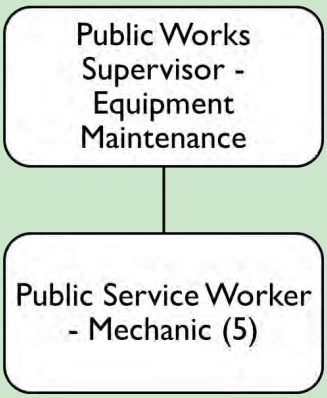
2014-2015 DIVISION ACCOMPLISHMENTS

- Completed the upgrade of Fleet Management software.
- Implemented a scoring methodology for vehicle replacement forecasting

PERFORMANCE MEASURES	2013	2014	2015*
Percentage of internal customers that rated service as "good" or "excellent"	91.9%	N/A	94.2%
Total amount of unleaded fuel used	90,218	104,222	74,648
Total amount of diesel fuel used	66,036	79,097	51,015
Number of repair orders	3,489	6,595	1,837

*Through September 2015

DIVISION ORGANIZATIONAL CHART



ENGINEERING DEPARTMENT

Chad Millner, Director

cmillner@EdinaMN.gov 952-826-0318

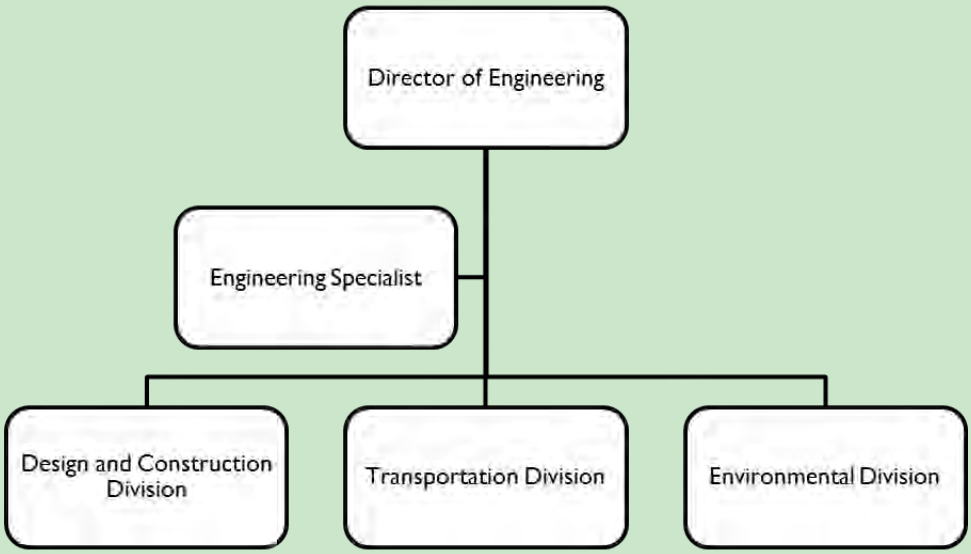
DEPARTMENT OVERVIEW

The Engineering Department is responsible for the planning, design and construction of the City's infrastructure, including the sidewalk system and bikeway systems, local and Municipal State Aid street systems, storm sewer, sanitary sewer, water, and street lighting systems as well as other projects that support residents and businesses. Staff ensures that projects meet design standards and engineering requirements. The Engineering Department provides staff liaisons to the Energy & Environment Commission and the Transportation Commission. The Engineering Department also works directly with other local, regional and state agencies.

MAJOR SERVICE AREAS

- Design, Construction and Project Management of Infrastructure Projects
- Transportation
- Environmental Services
- Asset Management
- GIS

DEPARTMENT ORGANIZATIONAL CHART



ENGINEERING DEPARTMENT

2016-2017 DEPARTMENTAL GOALS

- Update and develop surface water plans and policy to meet growing demands related to trend of increased rainfall and runoff from changing climate and redevelopment. Implement water resource management plan projects including flood protection and water quality improvements.
- Continue to assess risks and maintain and improve the level of service provided from the public utility systems.
- Define infrastructure needs by assessing road and utility condition for MSA Street Reconstruction Projects.
- Improve pedestrian and bicycle safety by implementing projects funded by the Pedestrian and Cyclist Safety Fund (PACS).
- Provide superior (timely and relevant) customer service to internal and external customers.

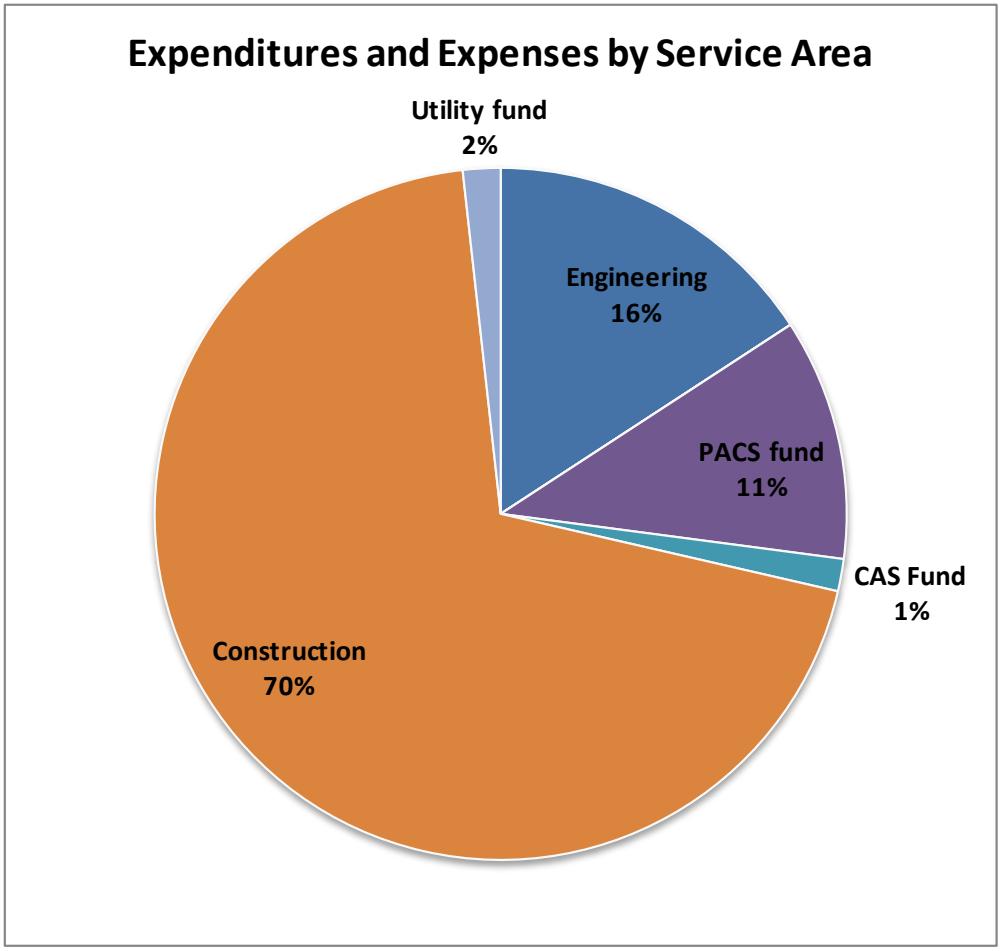
2014-2015 DEPARTMENTAL ACCOMPLISHMENTS

- Renewed aging road infrastructure by reconstructing 10.3 and 1.0 miles of local neighborhood and MSA streets.
- Improved safety of traveling public and promoted walkability of neighborhoods by constructing 1.6 miles of sidewalks.
- Renewed aging water infrastructure by replacing or rehabilitating 9,400 and 3,400 feet of water main, 97 fire hydrants, and 127 gate valves.
- Renewed aging infrastructure and reduced risk of sanitary backup by removing potential inflow and infiltration and rehabilitating more than 30,000 feet of sanitary sewer trunk pipe.
- Reduced the risk to infrastructure and enabled more efficient operations by implementing right-of-way and asset management practices which included the complete inventory and mapping of the following assets: sanitary system, water system, streetlights and street signs.
- Completed the planning and prioritization of a Pedestrian and Bicycle Safety Plan.
- Refined Infrastructure Condition Assessments and Selection Criteria for Neighborhood Street Reconstruction Projects.
- Improved residential and commercial redevelopment permit review processes by engaging with City planning and building code enforcement.

PERFORMANCE MEASURES	2013	2014	2015
Survey Rating from Residents of the Neighborhood Reconstruction Projects	58%	70%	TBD
Miles of sidewalks constructed	0.7	1.6	3.5*
Stormwater and erosion control plans reviewed	243	279	251*

* Through September 2015

ENGINEERING DEPARTMENT



Engineering Department Expenditures & Expenses	2013 Actual	2014 Actual	2015 Estimated	2015 Budget	2016 Budget	2017 Budget
General Fund						
Engineering	$ 1,547,916	$ 1,501,316	$ 1,744,095	$ 1,735,095	$ 1,585,209	$ 1,642,170
General fund subtotal	1,547,916	1,501,316	1,744,095	1,735,095	1,585,209	1,642,170
Other Funds						
PACS fund	542,024	914,823	1,540,303	1,551,303	1,252,566	1,167,265
CAS Fund	-	-	-	-	153,126	157,495
Construction	4,262,011	5,279,103	10,463,193	10,463,193	8,251,528	4,285,605
Utility fund	146,836	101,387	177,000	177,000	239,096	243,254
Department Total Budget	$ 6,498,787	$ 7,796,629	$ 13,924,591	$ 13,926,591	$ 11,481,525	$ 7,495,789

*For comparative purposes previous year figures may be adjusted to reflect realigned responsibilities.

Design and Construction Division

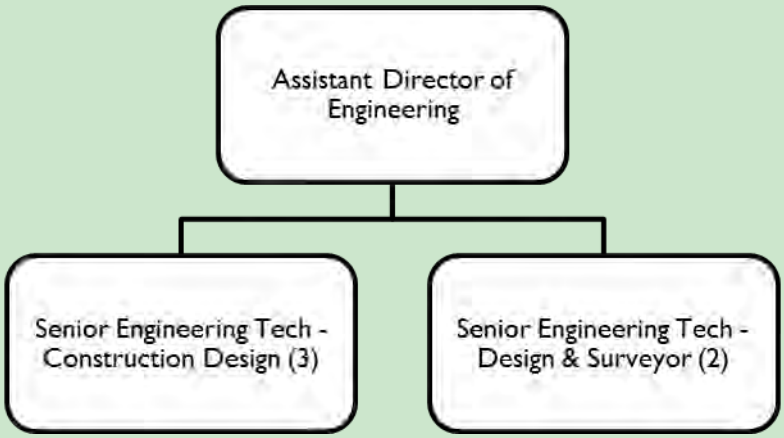
DIVISION OVERVIEW

The Design and Constriction Division is responsible for the design and construction of the City's infrastructure. Staff utilizes the Pavement Condition Index (PCI) to prioritize street reconstruction projects, factoring in water main and water service breaks, storm sewer and drainage concerns, sanitary sewer condition concerns and transportation issues. Streets are grouped together in neighborhoods for major reconstruction and maintenance projects.

Division Service Areas include:

- Design and coordination of the reconstruction of neighborhood and MSA roadways.
- Design and coordinate the rehabilitation of utility infrastructure.
- Coordinate bridge inspections and rehabilitations.
- Implement Pedestrian and Cyclist Safety (PACS) projects.
- Coordinate various projects with MN/DOT and Hennepin County.
- Assist the Parks & Recreation and Communication & Technology Services Departments with design and coordination of infrastructure improvement projects.

DIVISION ORGANIZATIONAL CHART



ENGINEERING DEPARTMENT—DESIGN AND CONSTRUCTION DIVISION

2016-2017 DIVISION GOALS

- Improve communications with residents during the Neighborhood Street Reconstruction Projects through improved meeting materials, increased use of City Extra, efficient use of the City's website and feedback from post project surveys.
- Plan, design, and coordinate street reconstruction utilizing the Living Streets Plan.
- Continue to Refine Infrastructure Condition Assessments and Selection Criteria for Neighborhood Street Reconstruction Projects.
- Define Infrastructure Condition Assessments and Selection Criteria for MSA Street Reconstruction Projects.

2014-2015 DIVISION ACCOMPLISHMENTS

- Successfully constructed 10.3 and 1.0 miles of local neighborhood and MSA streets.
- Installed more than 8,000 feet of raw water main connecting to new Water Treatment Plant #6.
- Improved performance of the water infrastructure system by replacing and rehabilitating more than 11,000 feet of water main, 97 fire hydrants, and 127 gate valves.
- Reduced potential inflow and infiltration by rehabilitating over 30,000 ft. of sanitary sewer trunk pipe.
- Reduced localized flooding risk by coordinating stormwater conveyance improvements within the Countryside F and Bredesen Park D Neighborhood reconstruction areas.
- Installed 1.0 mile of bicycle lane striping and/or route markers.

PERFORMANCE MEASURES	2013	2014	2015
Survey Rating from Residents of the Neighborhood Reconstruction Projects	58%	70%	TBD
Overall Citywide Pavement Condition Index (PCI)	51	54	57

Transportation Division

DIVISION OVERVIEW

The Transportation Division is responsible for the planning, design and management of local transportation systems and facilities in the City of Edina. The division considers social, environmental and aesthetic impacts of those systems when designing projects. Staff work directly with the Transportation Commission on matters related to transportation systems.

Division Service Areas include:

- Oversees the planning and design of traffic operations.
- Administers the Living Streets program and Pedestrian and Cyclist Safety (PACS) fund.
- Manages the PACS fund budget.
- Serves as the staff liaison to the Transportation Commission.
- Coordinates non-motorized transportation facilities (NMTF) marketing and promotional activities aimed at furthering education in the City.
- Receives and reviews resident requests for traffic control or calming devices throughout the City, conducts the appropriate level of analysis and makes recommendations.
- Assists with the preparation and review of City policies related to transportation and traffic systems planning, design and maintenance.

The Transportation Division includes the Transportation Planner and Traffic Safety Coordinator.

2016-2017 DIVISION GOALS

- Continue to prioritize and implement sidewalk and bicycle master plans.
- Continue to implement the PACS Fund and Living Street programs.
- Conduct transportation studies for key redevelopment sites throughout the City, including the Grandview District and greater Southdale Area.

2014-2015 DIVISION ACCOMPLISHMENTS

- Branded and implemented the Living Streets Plan
- Created a new Sidewalk Facilities Map and amended it into the Comprehensive Plan
- Fully implemented the PACS Fund program
- Successfully constructed over five miles of new sidewalk
- Received a Bicycle-Friendly Community Award at the bronze-level
- Initiated a staff-led annual bicycle and pedestrian counting program

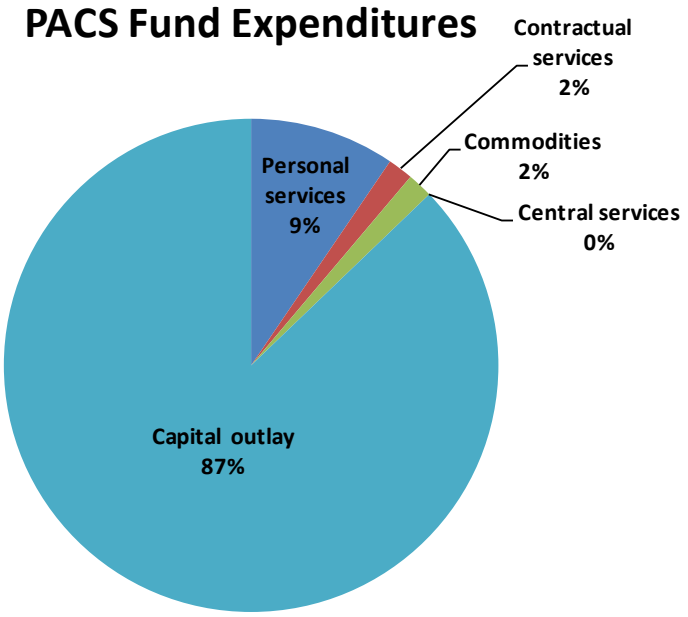
PERFORMANCE MEASURES	2013	2014	2015*
Number of requested and resolved traffic safety issues throughout the City	90/82	126/117	122/111
Miles of sidewalks constructed	0.7	1.6	3.0
Mile of bikeways constructed	4.6	1.0	0.5

*Through September 2015

ENGINEERING DEPARTMENT—TRANSPORTATION DIVISION

PACS Fund

The Pedestrian and Cyclist Safety Fund (PACS Fund) is a special revenue fund created to account for new utility franchise fee revenues from both Xcel and CenterPoint residential customers. The utility franchise fees are dedicated revenue to the PACS Fund. Other potential revenues for the PACS Fund may include grants, gifts, special assessments and transfers from other City funds. The purpose of the PACS Fund is to provide funding for the creation, maintenance and improvement of non-motorized transportation facilities for the primary benefit of pedestrians and cyclists in Edina. Non-motorized transportation facilities (NMTF) shall be defined as sidewalks, trails and other bicyclist-related facilities. In 2015 and 2016 the franchise fees are expected to generate approximately $1.1 million each year in new revenue.



PACS Fund Financial Summary

	2013 Actual	2014 Actual	2015 Estimate	2015 Budget	2016 Budget	2017 Budget
Revenues & other financing						
Franchise fees	$ 1,018,308	$ 1,144,167	$ 1,200,000	$ 1,200,000	$ 1,200,000	$ 1,200,000
Intergovernmental	15,000	-	-	-	-	-
Investment Income	1,078	7,790	-	-	-	-
Total revenues	1,034,386	1,151,957	1,200,000	1,200,000	1,200,000	1,200,000
Expenditures & other financing						
Personal services	-	1,079	-	-	112,566	117,265
Contractual services	-	15,726	20,000	23,000	20,000	20,000
Commodities	-	53	20,000	28,000	20,000	20,000
Central services	80,004	79,752	81,744	81,744	-	-
Capital outlay	462,020	818,213	1,418,559	1,418,559	1,100,000	1,010,000
Total expenses	542,024	914,823	1,540,303	1,551,303	1,252,566	1,167,265
Change in fund balance	492,362	237,134	(340,303)	(351,303)	(52,566)	32,735
January 1 balance	-	492,362	729,496	389,193	37,890	(14,676)
December 31 balance	$ 492,362	$ 729,496	$ 389,193	$ 37,890	$ (14,676)	$ 18,059

PACS Fund (cont.)

Projects Scheduled for 2016*	Notes	Location
Concord Avenue Sidewalk	2016 Neighborhood Roadway Improvements	Southview Ln to Lakeview Dr
Beard Avenue South Sidewalk	2016 Neighborhood Roadway Improvements	W 60th St to Service Road
Xerxes Avenue South Sidewalk	Stand-alone Project	58th Street to 60th Street
Oaklawn Avenue Sidewalk	Connect to Nine Mile Creek Regional Trail "On-Ramp" (funded by Three Rivers Park District)	W 72nd St to south of Gilford Dr
W 64th Street Sidewalk	Stand-alone project at Rectangular Rapid Flashing Beacon crossing	York Avenue to Xerxes Ave S
Wooddale Avenue Sidewalk	WVV Small Area Plan recommendation	Fairfax Avenue to Valley View Rd
Tracy Avenue Sidewalk and Bicycle Facility	State Aid reconstruction	Benton Ave to Hwy 62 ramps
Tracy Avenue	Coincident with roundabout construction	Valley Ln to Hwy 62
Valley View/Valley Ln Roundabout Sidewalk and Bicycle Facility	Nine Mile Creek Regional Trail crossing	Valley View/Valley Ln Roundabout
Two miscellaneous enhanced pedestrian (Rectangular Rapid Flashing Beacon) crossings		TBD
Miscellaneous bicycle facility pavement markings		TBD

Projects Scheduled for 2017*		
Hansen Road Sidewalk	2017 Neighborhood Roadway Improvements	Darcy LN to W 60th St
Code Avenue Sidewalk	2017 Neighborhood Roadway Improvements	Valley View Rd to W 60th St
Maddox Lane Sidewalk	2017 Neighborhood Roadway Improvements	Hansen Rd to Mildred Ave
Valley View Road Sidewalk	2017 Neighborhood Roadway Improvements	Mildred Ave to Code Ave
Xerxes Avenue South Sidewalk	Stand-alone Project	56th Street to 58th Street
Highway 169 Frontage Rd Sidewalk	Stand-alone Project	Braemar Blvd to Valley View Rd
Two miscellaneous enhanced pedestrian (Rectangular Rapid Flashing Beacon) crossings		TBD
Miscellaneous bicycle facility pavement markings		TBD

*Projects are subject to change.

ENGINEERING DEPARTMENT

Environmental Division

DIVISION OVERVIEW

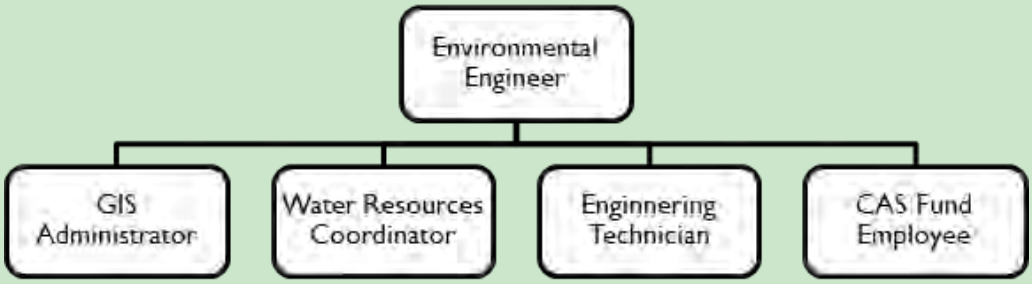
The Environmental Engineering Division provides engineering support services, programmatic services, outreach, engagement and policy review, and other specialty municipal, energy, or environmental projects. In 2015, the City Council approved the creation of the Conservation and Sustainability (CAS) Fund. It is a special revenue fund with dedicated revenue from utility franchise fees. The revenue will be used to pay for devoted staffing and initiatives that are meant to further the City of Edina's goals for environmental protection.

Division Service Areas include:

- Engineering support services: geographic information systems management, asset management system, analysis, utility system planning, and staff training
- Programmatic services: Right-of-way management, development and permit review, inspection and enforcement, floodplain management, sanitary I/I reduction, stormwater management, stormwater pollution prevention, comprehensive water resources management planning and implementation, and related natural resources and water conservation activities.
- Outreach, engagement and policy review: Residential redevelopment, water resource and pollution prevention policy review, serving as liaison to Energy & Environment Commission, and sustainability review.

One Engineering Technician has been added to the Environmental Division. There will also be a dedicated employee added for the new CAS Fund. The budget reflects the change in staffing levels for the Division.

DIVISION ORGANIZATIONAL CHART



ENGINEERING DEPARTMENT—ENVIRONMENTAL DIVISION

2016-2017 DIVISION GOALS

- Accelerate the adoption of mobile GIS and asset management tools and integrate with and develop new public website maps and tools.
- Continue improving the permitting, grading, erosion and sediment control process.
- Continue to provide excellent customer service levels while increasing public health, safety and welfare through the enforcement of engineering standards.
- Update the City's floodplain ordinance and revise the City's Comprehensive Water Resources Management Plan.

2014-2015 DIVISION ACCOMPLISHMENTS

- Acquired responsibility for the grading permitting process, stormwater and erosion control plan review, and inspection and enforcement duties.
- Implemented mobile, server based GIS and Asset Management software programs as well as the PublicStuff mobile application.
- Secured the following grant funding: $20,000 for targeted street sweeping for water quality, $25,000 driving range prairie and forest management and $185,000 for inflow and infiltration abatement.
- Amended the policy and comprehensive water resource management plan for Lakes and Pond services.
- Successful FEMA floodplain appeal based on technical merit.
- Created new Conservation and Sustainability Fund to enhance and further environmental protection goals of the City.

PERFORMANCE MEASURES	2013	2014	2015*
Total City building energy use (kBtu)	75.6M	83.4M	TBD
Total City building energy use cost (B3)	$1.23M	$1.34M	TBD
GIS Service Requests	1700	1546	1892
GIS work orders	600	1064	674
Site grading, erosion and sediment inspections/enforcements	NA/NA	278/28	568/10
Stormwater and erosion control plan reviews	243	279	251
Right-of-way permits processed	255	371	354
Water Resources education and outreach audience	1 About Town article, 3 lakes group meetings, and 2 public events	2 About Town articles, 4 lakes group meetings and 4 public events	1 About Town article, 3 lakes group meetings and 1 public event

*Through September 2015

POLICE DEPARTMENT

Dave Nelson, Police Chief

dnelson@EdinaMN.gov 952-826-0487

DEPARTMENT OVERVIEW

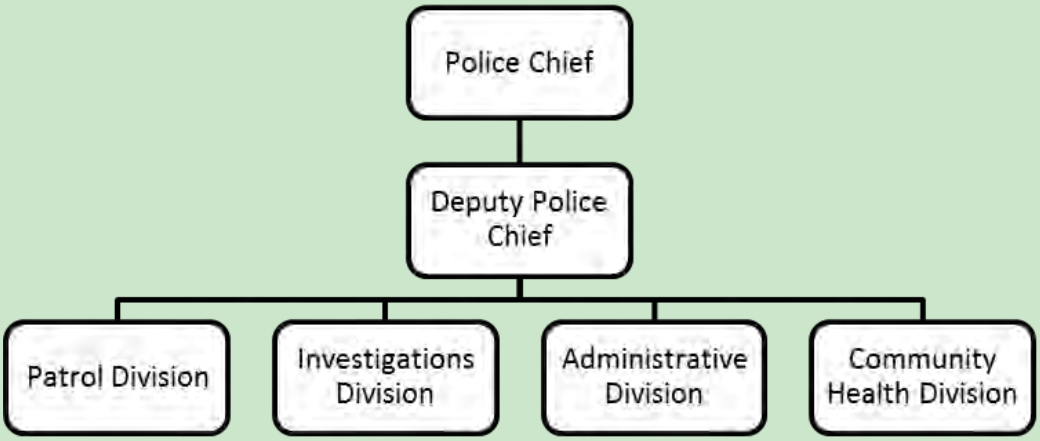
The Edina Police Department's 52 sworn officers and 31 civilian staff consistently deliver outstanding police services, even as they face a variety of law enforcement challenges. The Department is called upon to perform many emergency and public service tasks throughout the year and is also responsible for educating the public in crime prevention techniques and investigating all felony crimes against persons, as well as other crimes. In 2014, the City reported 992 major Part I crimes, such as burglary, robbery, assault and theft, with an additional 686 Part II or lesser crimes. This was an increase of 5.3% from 2013. More than 80% of the Police budget is directly or indirectly spent on labor.

The Police Department operates 7 days a week, 24 hours per day and maintains an average patrol strength of 5.2 officers at any given time.

MAJOR SERVICE AREAS

- Patrol
- Traffic
- Animal Control
- 911 Dispatch
- Investigations
- School Resource Officers
- Drug Task Force
- Computer Forensics
- Civilian Services
- Community Health
- Property and Evidence
- Crime Prevention

DEPARTMENT ORGANIZATIONAL CHART



POLICE DEPARTMENT

2016-2017 DEPARTMENTAL GOALS

- Increase patrol and dispatch staffing levels due to population growth and call-load demands associated with the addition of new multi-unit housing developments.
- Acquire and implement Mobile Pro Systems self-sustaining surveillance equipment to aid crime prevention efforts.
- Add one civilian FTE in Admin/Support Unit to accommodate workload associated with increased video technology demands.
- Transition Crime Prevention position to Crime Analyst to effectively identify, analyze and address crime patterns.

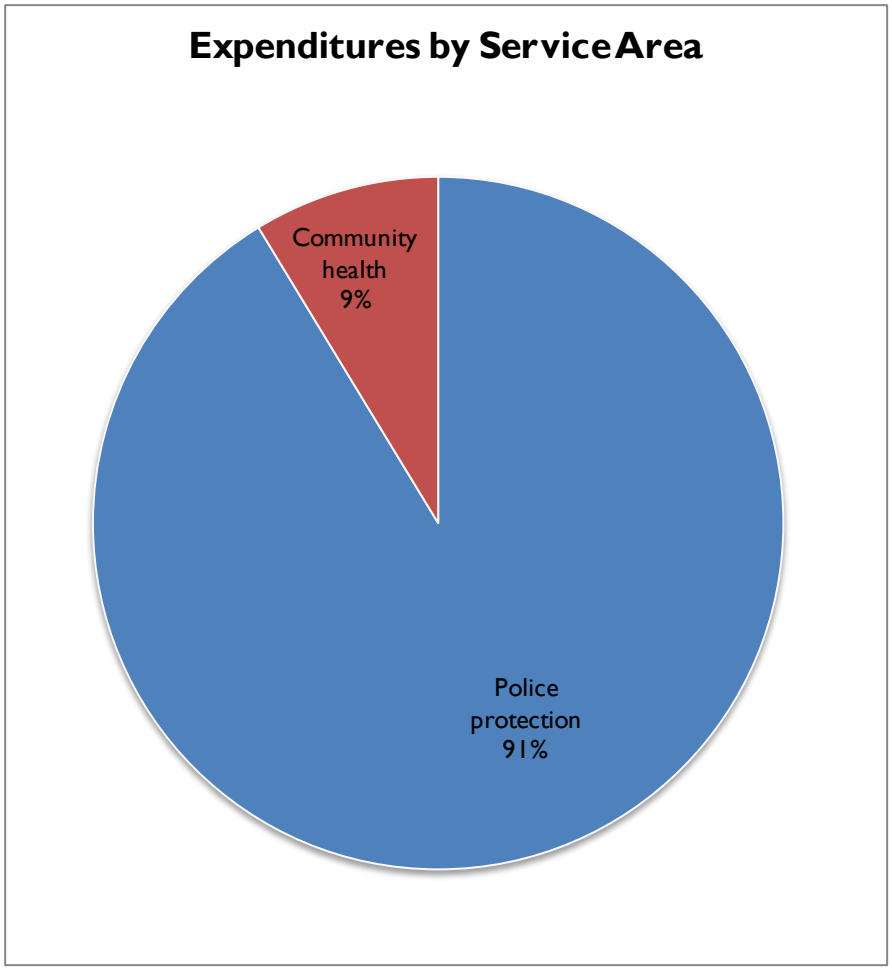
2014-2015 DEPARTMENT ACCOMPLISHMENTS

- Began using PATROL Online training program as a cost-effective and convenient training tool for officers.
- Purchased and implemented two License Plate Reader (LPR) units to aid in crime prevention.
- Due to a greater than 20% attrition rate over two years, successfully hired and trained a total of 14 new officers and facilitated 9 internal promotions.
- The department was awarded a 4-year grant to fund an additional officer dedicated to impaired driving enforcement, increasing the safety of our citizens and roadways.

PERFORMANCE MEASURES	2013	2014	2015**
Percentage of respondents rating police services as "Excellent" or "Good"*	97%	N/A*	90%
Cost of police services per household	$557.91	$565.68	$552.76
Total number of false residential and commercial alarms	1,150	1,096	827
Total number of traffic citations issued	17,000	16,991	12,848

*No survey conducted in 2014 ** Through September 2015

POLICE DEPARTMENT



Police Department Expenditures	2013 Actual	2014 Actual	2015 Estimated	2015 Budget	2016 Budget	2017 Budget
General Fund						
Police protection	$ 8,740,113	$ 9,005,972	$ 9,624,937	$ 9,514,385	$ 10,172,961	$ 10,542,555
Community health	431,735	508,764	588,290	544,030	571,535	589,513
Legal services	260,568	283,519	296,000	299,000	301,050	306,300
General fund subtotal	9,432,416	9,798,255	10,509,227	10,357,415	11,045,546	11,438,368
Other Funds						
Police special revenue	96,775	215,451	328,000	61,000	174,000	113,000
Construction (equipment)	374,634	592,875	905,000	905,000	732,650	272,410
Recycling	460,602	475,136	491,133	441,408	496,970	507,724
Department Total Budget	$ 10,364,427	$ 11,081,717	$ 12,233,360	$ 11,764,823	$ 12,449,166	$ 12,331,502

*For comparative purposes previous year figures may be adjusted to reflect realigned responsibilities.

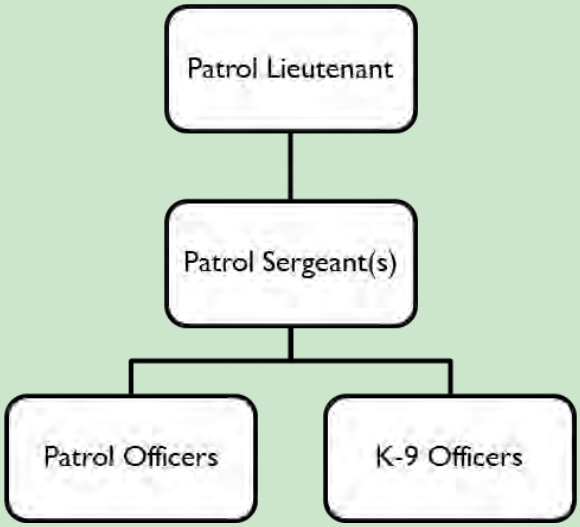
Patrol Division

DIVISION OVERVIEW

In 2014 the Edina Police Department made approximately 19,838 contacts with the public through traffic statute violations and "Focus-In" contacts, along with responding to 40,789 calls for service. Each and every contact is a significant interaction with the public. The criminal deterrent value of the interactions is not measurable, but every contact is a significant step towards crime prevention, public safety and cultivating positive community relations. The Division consists of 28 full-time employees (FTEs), including 1 lieutenant, 4 sergeants, 21 patrol officers, and 2 K-9 Handlers.

Arresting violators who drive under the influence of drugs and alcohol is one of the foremost enforcement objectives for the Edina Police Department. In 2014, 189 people were arrested for DWI. In 2015, the Edina Police Department added an additional officer specifically assigned to target impaired drivers through a grant from the MN Office of Traffic Safety. This additional officer will further our efforts to keep the public safe from impaired drivers.

DIVISION ORGANIZATIONAL CHART



POLICE DEPARTMENT— PATROL DIVISION

2016-2017 DIVISION GOALS

- Advance and continue to develop the training curriculum for new supervisors and Officers-In-Charge.
- Expand the "Focus-In" campaign by increasing the quantity of contacts and awareness.
- Continue cooperative efforts with private/business partners (malls, clinics and hospitals) in learning the Southwest Hennepin Regional Response Plan and procedures.
- Increase proactive enforcement efforts in traffic statute/ordinance violations and DWI arrests.

2014-2015 DIVISION ACCOMPLISHMENTS

- Organized and hosted the U.S. Police Canine Association National Detector Dog Trials.
- Purchased and installed two automatic license plate reader systems.
- Successfully trained all personnel in the Southwest Hennepin Regional Response to Mass Casualty/Active Shooter.
- We had an 11% increase from 2013 in enforcement of statute and ordinance violations and a 14% increase in over-all arrests with a .9% increase in DWI arrests.

PERFORMANCE MEASURES	2013	2014	2015*
Number of traffic and misdemeanor citable violations	17,954	18,733	13,621
Average response time for top priority calls (in minutes)	4.75	5.57	5.41
Number of DWI arrests	182	189	241
Number of K-9 cases or assists**	NA	122	47

*Through September 2015 **Data reflects one K-9 January through June 2014

Investigations Division

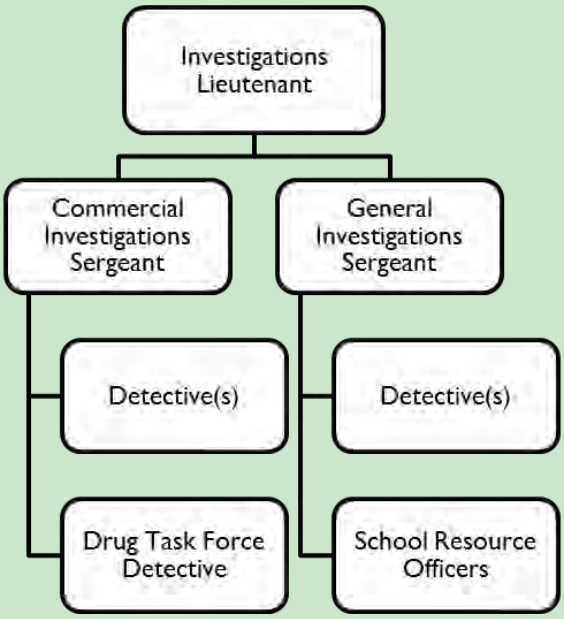
DIVISION OVERVIEW

The Edina Police Department's Investigations Division has 11 FTEs who investigate a wide variety of crimes, including thefts, burglaries and assaults. Detectives prepare and execute search warrants, recover stolen property, collect evidence and conduct background investigations. The Division also includes School Resource Officers, a Drug Task Force Detective, and a part-time Community Service Officer. In 2014, a total of 420 cases were assigned to the Division for investigation.

Reports of child abuse to our department will increase because of the rules requiring cross-reporting from Child Protective Services.

In 2014, the most residential burglaries occurred in June (11), July (12), and October (12). The least were in February (2).

DIVISION ORGANIZATIONAL CHART



POLICE DEPARTMENT— INVESTIGATIONS DIVISION

2016-2017 DIVISION GOALS

- Expand division by one FTE to accommodate the need for computer forensics directly related to increased use of technology in criminal activity.
- Research and possibly implement a "detective in squad cars" program. The goal is to have a detective in uniform in a squad once per month to stay current with technology, trends on the street and remain acquainted with the complexities of being a patrol officer.

2014-2015 DIVISION ACCOMPLISHMENTS

- Detectives utilized the department's Computer Forensic Examiner on many cases. This position is currently split with regular police duties, but is becoming increasingly necessary and time consuming.
- Fully implemented Pro-Case. The detectives are now able to submit a felony case to Hennepin County, streamlining the charging process.
- Partnered with the Edina Project Coordinator to facilitate outreach and communication with neighborhood groups.
- Successfully completed over 13 years with the Minnesota Financial Crimes Task Force. Our detectives were instrumental in many federal cases, arrests and convictions.

PERFORMANCE MEASURE	2013	2014	2015*
Clearance Rates for Part I and Part II crimes	52%	50%	61%

*Through September 2015

Administrative Division

DIVISION OVERVIEW

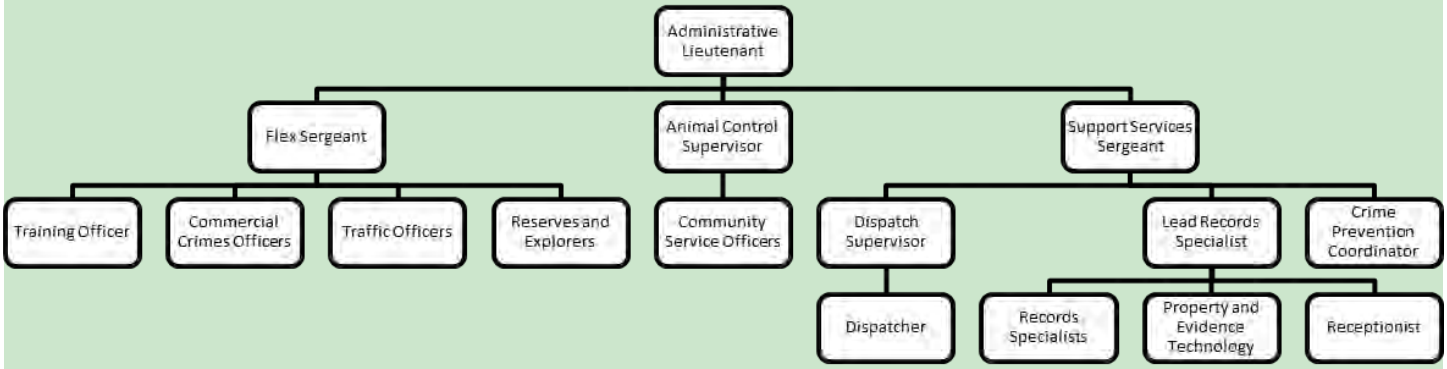
During 2014 and 2015, the Edina Police Department combined several police services under the umbrella of a restructured Administrative Division. The Administrative Division consists of the following 27 full-time employees: Lieutenant, (2) Sergeants, (7) Officers, Dispatch Supervisor, (9) 911 Dispatchers, Animal Control Officer, Crime Prevention Coordinator, (5) Records Management and Administrative Support personnel. There are also five part-time 911 dispatchers, five part-time Community Service Officers, and twenty-four volunteer Police Reserve Officers. The division is also responsible for coordinating special events, acquisition of equipment and the Police Explorer program.

Edina's 911 Communications Center provides Police, Fire, and EMS dispatch services for both Edina and the City of Richfield. The highly trained dispatch staff handles thousands of calls for service annually, directly providing an exceptional level of emergency and non-emergency assistance and customer service to community members.

The Administrative Support staff is responsible for numerous behind the scenes functions in the department including: records management, property and evidence management, finance, false alarm billing, data privacy and public information requests, specialized support to investigators and prosecutors for processing of criminal cases. They also respond to customer service requests to courts, partner agencies, city staff, and members of the community.

The department's Flex Team includes three traffic enforcement officers, a DWI enforcement officer and a training officer. The DWI enforcement officer position began in 2015 and is fully funded by a grant from the State of Minnesota. Two plain clothes retail crime investigators, based at a substation located inside of Southdale Center, focus on retail and commercial crimes. A full-time training officer manages continuing education training for all employees of the department as well as mandated training for officers according to the Minnesota Peace Officer Standards and Training.

DIVISION ORGANIZATIONAL CHART



POLICE DEPARTMENT— ADMINISTRATIVE DIVISION

2016-2017 DIVISION GOALS

- Continue to integrate the Administrative Division into the Department.
- Continue to develop new officer candidates through our Community Service Officer and Reserve Officer programs.
- Coordinate police bike and business patrols to most effectively address safety concerns and crime trends in a proactive manner.
- Increase the property room clearance rate.
- Implement alarm registration program to improve database accuracy and ensure successful collection efforts.
- Purchase and install dispatch radio consoles.
- Evaluate and refine crime analyst and crime prevention functions.
- Add fourth workstation console in dispatch center to accommodate increased call load and staffing levels.

2014-2015 DIVISION ACCOMPLISHMENTS

- Completed the bike hub, allowing for a more efficient and effective method of deployment.
- Developed a new pay structure for off-duty officer work.
- Partnered with the Communications Department to improve bike and pedestrian safety messaging.
- Increased Summer Bike and Foot Patrol Shifts.
- Implemented online crime mapping service to prevent and control crime and inform citizens.
- Completed implementation of shared 911 call handling system with regional partners.
- Began using new dictation and transcription software.

PERFORMANCE MEASURES	2013	2014	2015*
Total number of animal impounds	52	39	57
Number of Summer Bike Patrol Shifts	30	27	35
Number of Summer Foot Patrol Shifts	14	22	28
Total number of 911 and non-emergency calls processed	79,324	111,425	82,929
Total number of solicitor permits/registrations	201	90	31
Rate of false alarm fee collection	88%	88%	85%
Total number of gun permit to purchase applications processed	371	200	155

*Through September 2015

Community Health Division

DIVISION OVERVIEW

The Community Health Division, through a delegation agreement with the Minnesota Department of Health, is responsible for the licensing and inspection of food and beverage establishments, lodging facilities, temporary food events and public swimming pools in the City. These include restaurants, schools, daycares, hotels, apartment complex pools, the Aquatic Center and food vendors at various events. The Community Health Division performs plan reviews for new facilities, investigates foodborne illness complaints, reports waterborne illnesses and responds to disasters such as fires for wastewater backups in regulated facilities.

Public health nuisance complaint investigations, property maintenance inspections and code enforcement activities are also conducted by the Division. These activities range from simple maintenance issues to calls from Police or Fire to order abatement of extreme public health nuisance conditions in a property. An intern is hired each summer to assist with code enforcement activities and gain exposure to public and environmental health regulation.

The Division manages four grants from the Minnesota Department of Health to the Edina Community Health Board which funds contracts with Bloomington Public Health for public health activities in Edina. The Community Health Administrator manages the grants and acts as the liaison to the Community Health Commission.

In addition, the Division is responsible for oversight and education for the residential recycling collection program which provides service to over 14,000 residential households. The Division also manages some programs created by local ordinance, including regulation of body art, massage facilities and noise complaints.

DIVISION ORGANIZATIONAL CHART

POLICE DEPARTMENT— Community Health Division

2016-2017 DIVISION GOALS

- Along with other City divisions, implement electronic plan review process to provide streamlined service to new/ remodeling establishments.
- Update licensing terminology and definitions to be consistent with Minnesota Statutes and ensure proper licensure of facilities in Edina.
- Participate in implementation of new electronic licensing software from LOGIS.
- Become an accredited health department as part of the Public Health Alliance of Bloomington, Edina and Richfield (PHABER).
- Update Division webpages to include additional multi-lingual educational information for licenses.
- Continue expanded use of electronic media to communicate with licensees and the public.

2014-2015 DIVISION ACCOMPLISHMENTS

- Completed standardization of Environmental Health Specialist by the Minnesota Department of Health.
- Participated in the development of electronic plan review software.
- Developed guidance document for PHABER as part of initiating accreditation process by the Public Health Accreditation Board (PHAB).
- Increased frequency of inspections of regulated facilities, including development of frequency tracking system to keep all staff informed and on schedule.
- Interns from past two summers obtained positions in environmental health related fields after completing internships with the Division

PERFORMANCE MEASURES	2013	2014	2015*
Total number of public nuisance complaints investigated	150	248	167
Total number of new licensed establishments	15	5	7
Total number of food, pool and lodging inspections	320	255	297

*Through September 2015

FIRE DEPARTMENT

Tom Schmitz, Fire Chief

tschmitz@EdinaMN.gov 952-826-0332

DEPARTMENT OVERVIEW

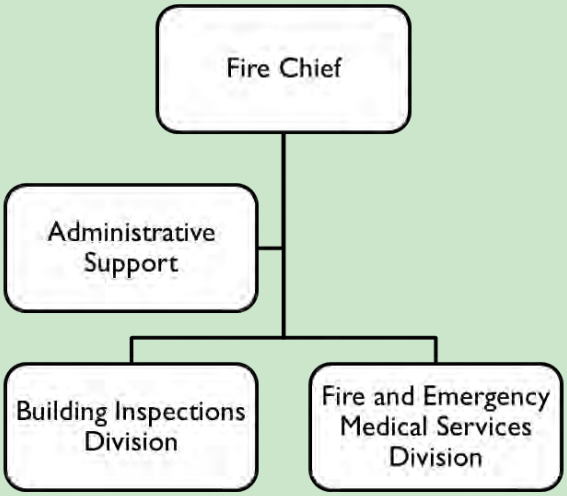
The mission of the Edina Fire Department is to serve the community by protecting lives, property and the environment in a safe, efficient and professional manner. The Department works together to ensure the safety of the City's residents through the implementation of building and fire codes for new constructions, to fire extinguishment and EMS response.

The City of Edina is also responsible for the management of the South Metro Public Training Facility (SMPTF). SMPTF is a joint project of the Cities of Bloomington, Eden Prairie and Edina and the Minneapolis/St. Paul International Airport Police Department. The SMPTF provides high quality, cost effective training and development for public safety organizations through shared resources to ensure premier public safety services to our communities. The facility provides a variety of police and fire training opportunities in a 28,000-square-foot, two-building campus on a 3.5 acre site.

MAJOR SERVICE AREAS

- Building Inspections
- Emergency Medical
- Emergency Management
- Fire Suppression & Prevention
- Special Operations
- Management of the South Metro Public Training Facility

DEPARTMENT ORGANIZATIONAL CHART



FIRE DEPARTMENT

2016-2017 DEPARTMENT GOALS

- Complete replacement of all emergency response radio communications systems within the Fire Department.
- Conduct emergency management training for key leadership staff throughout the City.
- Transition all plan reviews to electronic format.

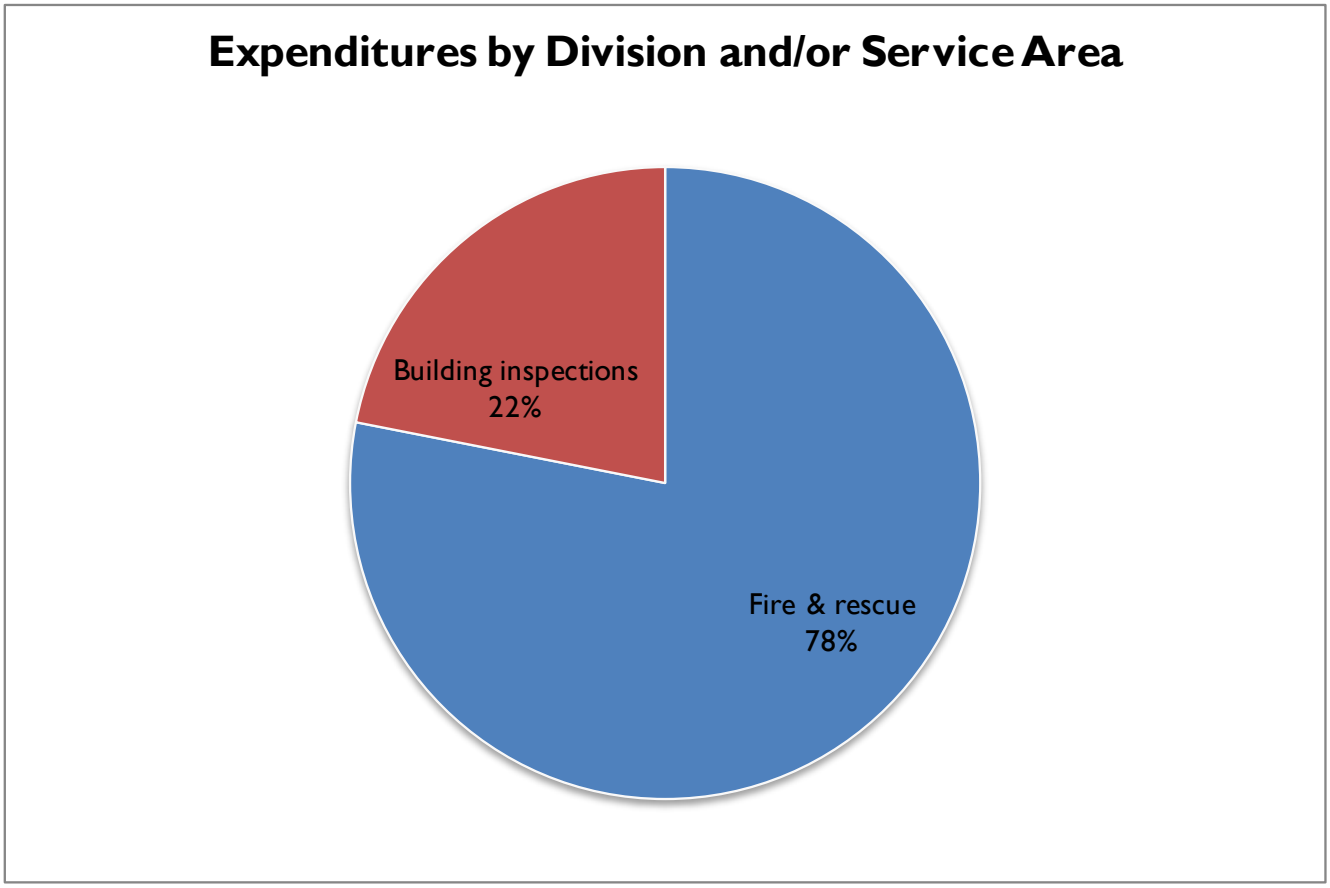
2014-2015 DEPARTMENT ACCOMPLISHMENTS

- Discussed Community EMT pilot program with Fairview Southdale Hospital.
- Upgraded all ambulances with PowerCot loading system.
- Purchased and began training and implementation of electronic plan review throughout key departments within the City

PERFORMANCE MEASURES	2013	2014	2015*
Total calls for Fire Department response	4700	4914	3500
Number of ambulance calls	3629	3826	2631
Fire incidents – structure and non-structure	66	68	65
Number of false fire alarms	292	285	272
Number of all other calls for assistance	713	735	532
Number of public education events	182	177	183
Property dollar loss from fires	$1,214,700	$612,613	$635,500
Dollar value of building permits issued	$84,981	$88,404	$67,791

*Through August 2015

FIRE DEPARTMENT



Fire Department Expenditures	2013 Actual	2014 Actual	2015 Estimated	2015 Budget	2016 Budget	2017 Budget
General Fund						
Fire & rescue	$ 5,259,332	$ 5,286,346	$ 5,562,376	$ 5,550,776	$ 5,727,930	$ 5,946,650
Building inspections	1,322,461	1,377,591	1,664,957	1,456,622	1,729,323	1,800,156
General fund subtotal	6,581,793	6,663,937	7,227,333	7,007,398	7,457,253	7,746,806
Other Funds						
Construction	103,826	301,350	86,549	86,549	695,000	187,000
Energy Efficiency	-	-	41,000	41,000	-	-
Department Total Budge	$ 6,685,619	$ 6,965,287	$ 7,354,882	$ 7,134,947	$ 8,152,253	$ 7,933,806

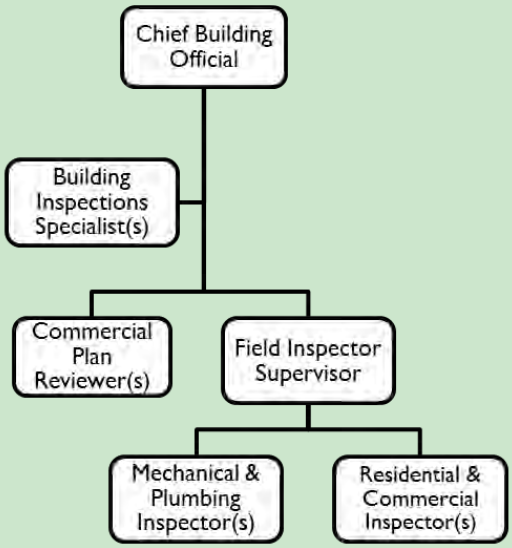
*For comparative purposes previous year figures may be adjusted to reflect realigned responsibilities.

Building Inspections Division

DIVISION OVERVIEW

The Building Inspections Division is responsible for plan review, permitting and inspection of all new construction within the City to ensure that new buildings meet both structural and exiting safety standards. The City of Edina adopts the Minnesota State Building Code, which in turn adopts the International Building Code, International Residential Code and other codes and standards relating to building inspections. The Division includes 14 full-time staff members.

DIVISION ORGANIZATIONAL CHART



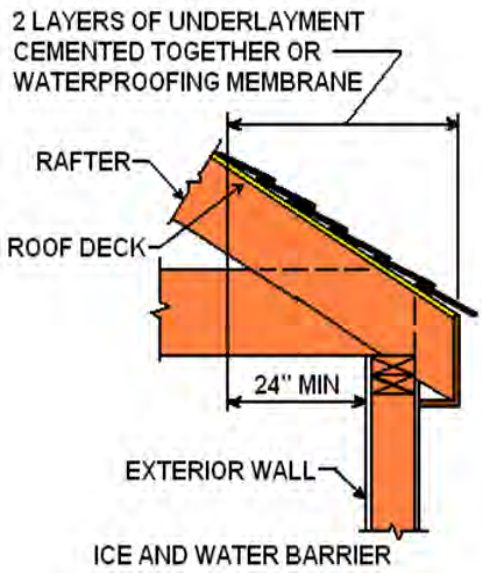
FIRE DEPARTMENT— BUILDING INSPECTIONS DIVISION

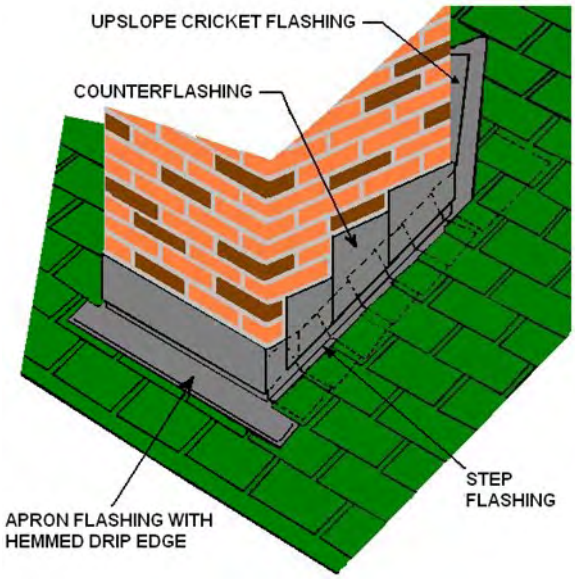
2016-2017 DIVISION GOALS

- Develop a policy for Building Division response to post disasters.
- Install eCodes on all inspectors infield tablets.
- Create definitions and standards for the measurement of wait times for customers.
- All commercial and residential plan reviews are submitted and reviewed electronically.

2014-2015 DIVISION ACCOMPLISHMENTS

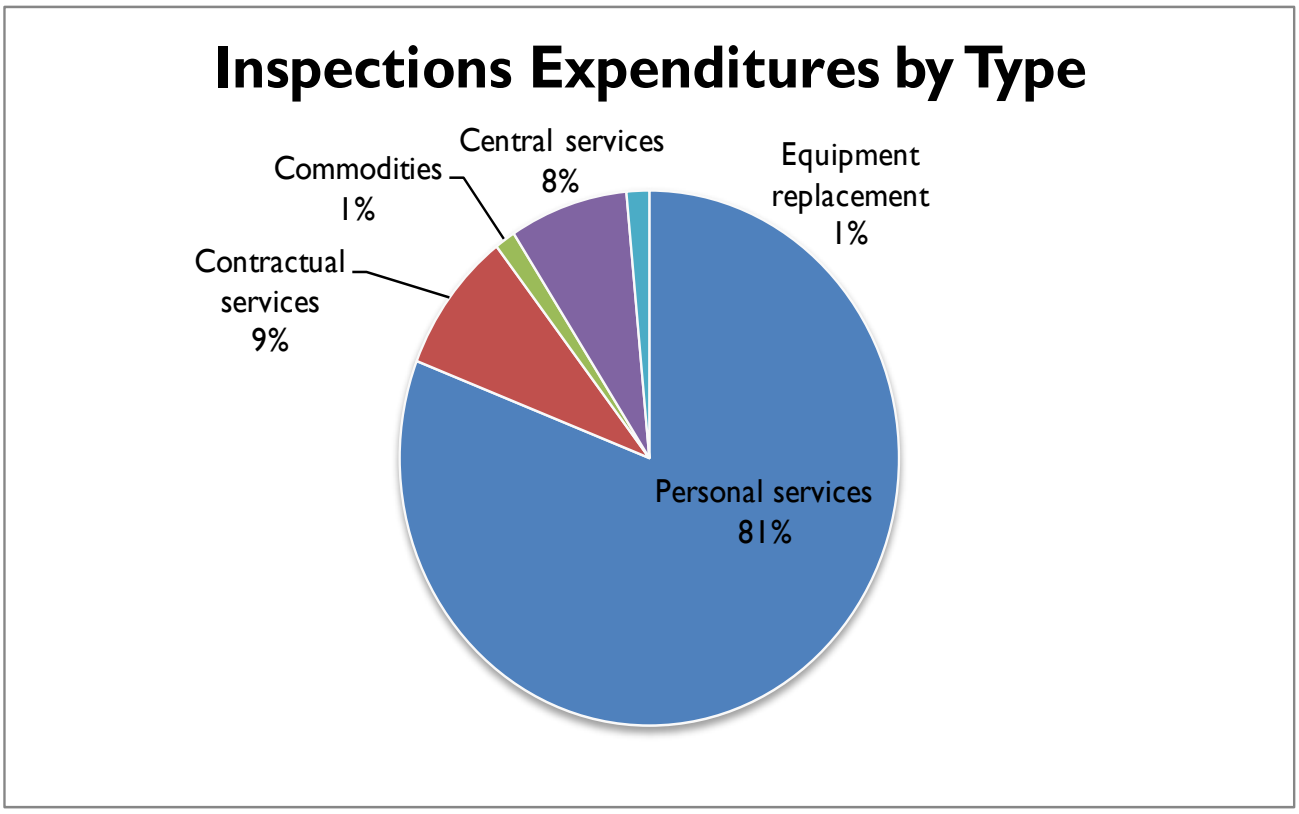
- Restructured and added to additional staff to meet the demands of the community.
- Purchased necessary hardware and software to implement electronic plan review and conducted training with all participating City Staff.
- Implemented infield photo inspection procedures to meet increased demands following August 2013 hail storm.





PERFORMANCE MEASURES	2013	2014	2015*
Number of inspections	18,000	19,869	12,564
Average number days from initial permit application to final approval	221	107	TBD
Number of occupancies inspected	99	103	63
Median time it takes to process a new single dwelling plan (in days)	25	34	28

*Through August 2015



Building Inspections Expenditures	2013 Actual	2014 Actual	2015 Estimated	2015 Budget	2016 Budget	2017 Budget
General Fund						
Personal services	$ 1,085,852	$ 1,143,148	$ 1,377,313	$ 1,189,898	$ 1,410,155	$ 1,469,994
Contractual services	107,286	112,120	145,920	129,000	156,700	165,250
Commodities	18,563	14,264	25,000	21,000	24,000	24,500
Central services	110,760	108,059	116,724	116,724	138,468	140,412
General fund subtotal	1,322,461	1,377,591	1,664,957	1,456,622	1,729,323	1,800,156
Other Funds						
Equipment replacement	-	-	40,000	40,000	-	60,000
Department Total Budge	$ 1,322,461	$ 1,377,591	$ 1,704,957	$ 1,496,622	$ 1,729,323	$ 1,860,156

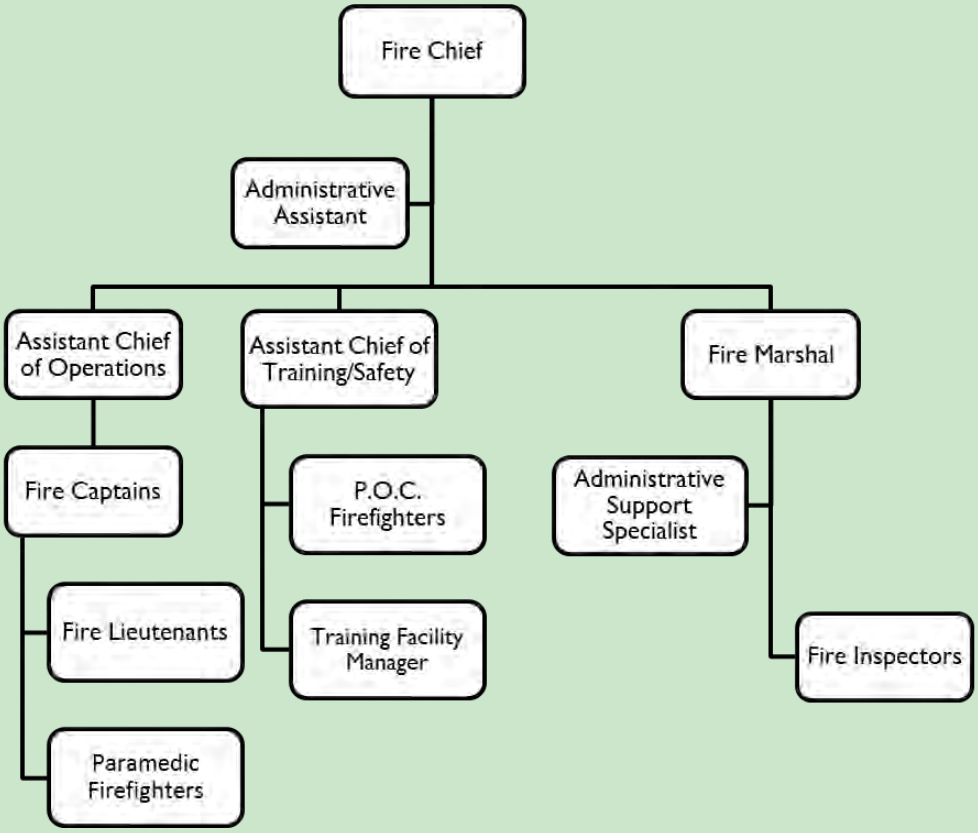
*For comparative purposes previous year figures may be adjusted to reflect realigned responsibilities.

Fire and Emergency Medical Services Division

DIVISION OVERVIEW

The Fire and Emergency Medical Services Division is responsible for extinguishing fires, providing paramedic and advanced life support medical service, special operations, educating the community on fire prevention issues and maintaining firefighting equipment and fire department facilities. In addition, the Division enforces laws and ordinances pertaining to fire safety. The Division currently operates two fire stations with 31 full-time fire personnel, 14 paid-on-call firefighters, and two administrative staff.

DIVISION ORGANIZATIONAL CHART



FIRE DEPARTMENT— FIRE AND RESCUE DIVISION

2016-2017 DIVISION GOALS

- Continue three year CAD computer replacement schedule.
- Implement CAD carry-over software for dispatch CAD to RMS.
- Provide follow-ups for 80% of reported false alarms.
- Conduct 250 commercial life-safety inspections.

2014-2015 DIVISION ACCOMPLISHMENTS

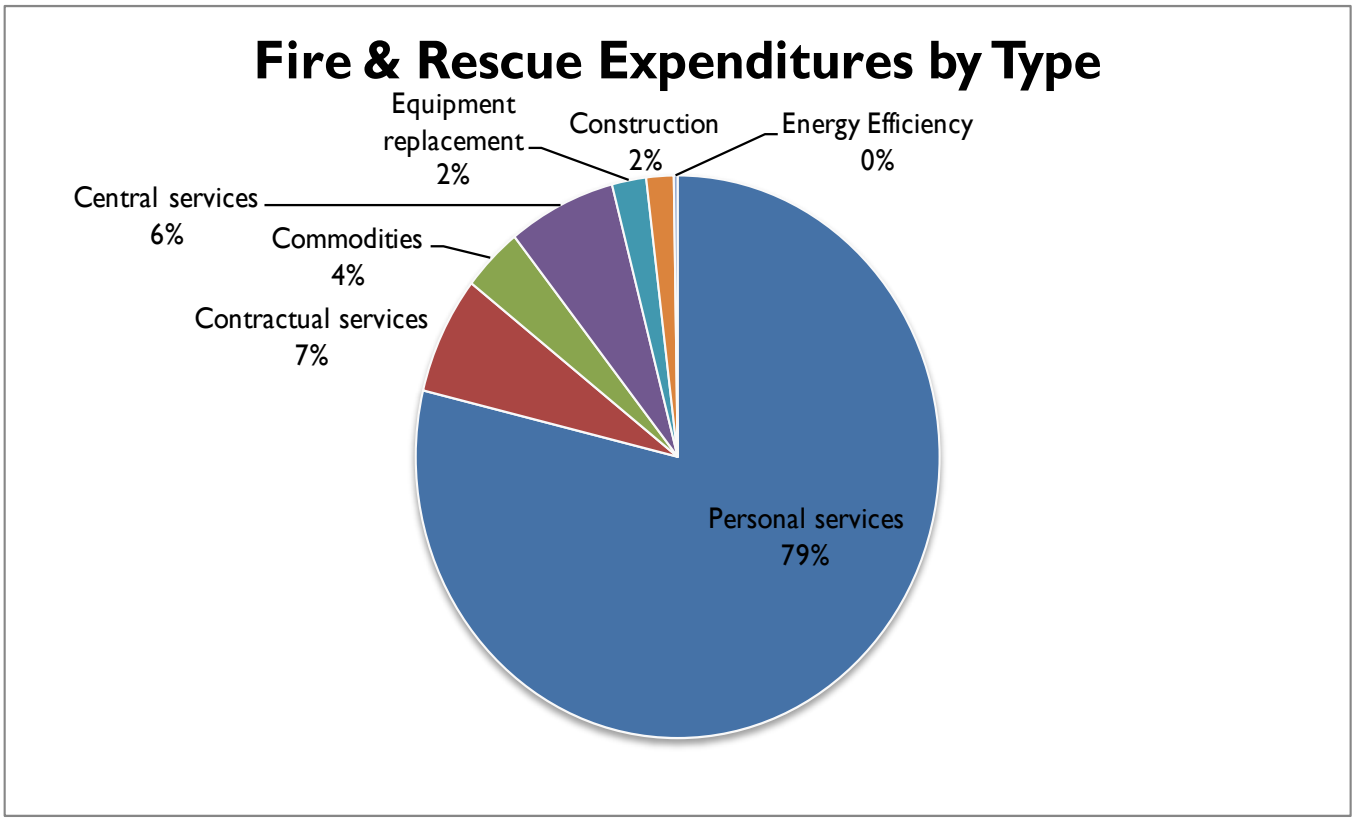
- Upgraded tablets and software for electronic patient care reports on ambulance calls.
- Acquired powered cot loading system for ambulances.
- Developed "cloud based" documentation of fire inspection activities.
- Presented fire prevention program to all Edina pre-school, kindergarten and 1st grade students annually.

PERFORMANCE MEASURES	2013	2014	2015*
Actual annual operating cost per household**	$251.39	$251.42	$269.06
Fire response time	4:62	4:70	4:77
Ambulance response time	3:90	4:65	4:69
Percentage of patients that utilize Medicare or Medicaid	65%	54%	55%
Ambulance net revenues	$1,839,569	$1,902,085	$935,435

* Through August 2015

** Using Met Council housing data

FIRE DEPARTMENT— FIRE AND RESCUE DIVISION



Fire & Rescue Expenditures	2013 Actual	2014 Actual	2015 Estimated	2015 Budget	2016 Budget	2017 Budget
General Fund						
Personal services	$ 4,258,088	$ 4,345,128	$ 4,584,216	$ 4,584,216	$ 4,709,618	$ 4,886,126
Contractual services	378,423	387,325	387,600	386,600	398,600	418,500
Commodities	277,052	187,055	202,000	191,400	209,900	225,600
Central services	345,769	366,838	388,560	388,560	409,812	416,424
General fund subtotal	5,259,332	5,286,346	5,562,376	5,550,776	5,727,930	5,946,650
Other Funds						
Equipment replacement	103,826	72,236	18,000	18,000	395,000	127,000
Construction	-	229,114	28,549	28,549	300,000	-
Energy Efficiency	-	-	41,000	41,000	-	-
Department Total Budge	$ 5,363,158	$ 5,587,696	$ 5,649,925	$ 5,638,325	$ 6,422,930	$ 6,073,650

*For comparative purposes previous year figures may be adjusted to reflect realigned responsibilities.

PARKS & RECREATION DEPARTMENT

Ann Kattreh, Director

akattreh@EdinaMN.gov 952-826-0431

DEPARTMENT OVERVIEW

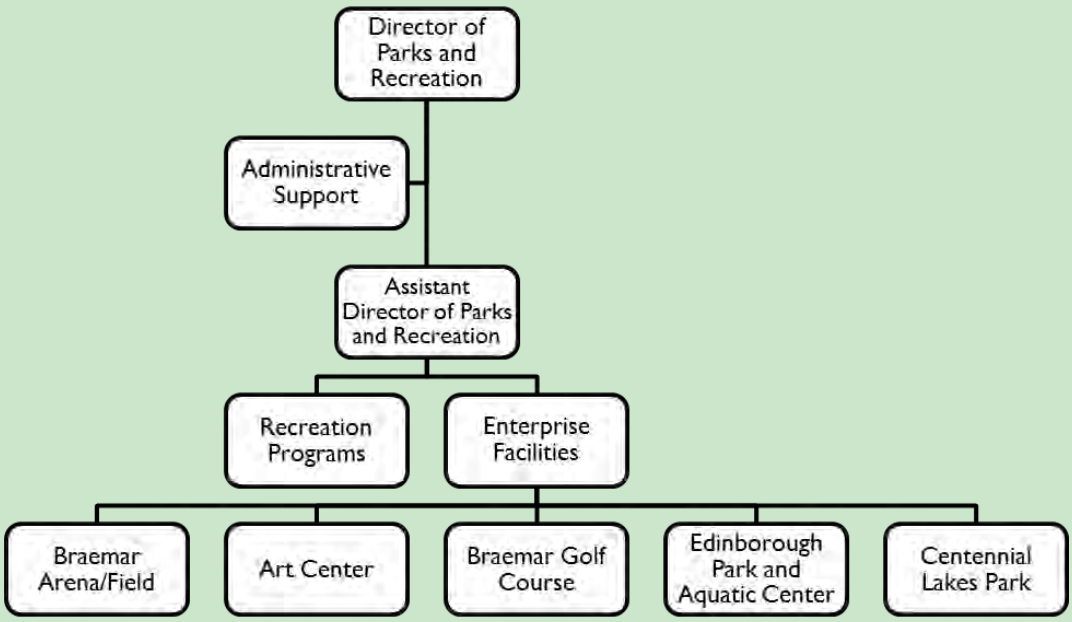
The Parks and Recreation Department is responsible for administering and maintaining the entire parks system. This includes 40 parks that total 1,553 acres of property including park enterprise facilities. The department coordinates adaptive recreation, adult and youth recreation, and works with 14 athletic associations, the Edina Garden Council, the Edina Historical Society and the Edina Museum. The Parks Department acts as staff liaison to the Park Board, which advises the City Council on parks and recreation issues.

Staff consists of 33 full-time employees and approximately 362 part-time seasonal staff, including playground leaders, ice rink attendants, arts and craft specialists, concession employees, sports instructors, recreation supervisors, administrative staff and maintenance personnel.

MAJOR SERVICE AREAS

- Recreation programs
- Park Design
- Art Center
- Special Events
- Aquatic Center
- Braemar Arena
- Braemar Golf
- Centennial Lakes Park
- Edinborough Park
- Strategic Planning
- Project Management

DEPARTMENT ORGANIZATIONAL CHART



PARKS & RECREATION DEPARTMENT

2016-2017 DEPARTMENTAL GOALS

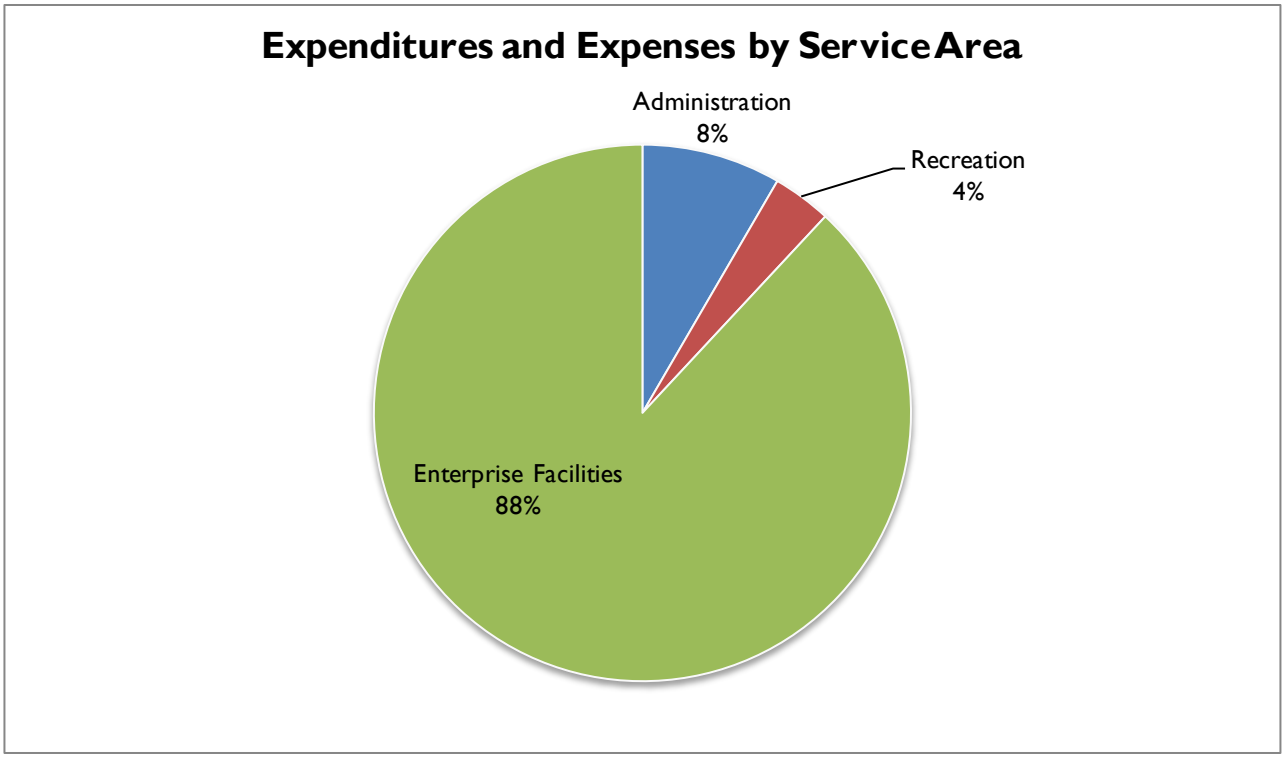
- Complete a Master Plan for Fred Richards Park.
- Prioritize capital improvement projects based on strategic plan.
- Provide enhanced and consistent service to all athletic associations through greater contact with association boards, resulting in increased accountability from athletic association boards regarding financial data, residency percentages, insurance information, etc.
- Develop cost of service analysis to evaluate programs and determine resident needs.
- Develop Business Plans for Enterprise Facilities including cost recovery goals.
- Complete a Grandview site feasibility study.
- Design and implement new park signage and wayfinding.

2014-2015 DEPARTMENT ACCOMPLISHMENTS

- Completed construction of the Sports Dome and Refrigerated Outdoor Rink.
- Completed new shelter building and other park improvements at Pamela Park, including new trails, athletic fields and parking lot expansions.
- Completed Master Plan for Braemar Golf Course.
- Completed Vision Master Plan at Fred Richards.
- Completed GIS Inventory
- Completed Needs Assessment Survey
- Completed construction of a new driving range and par 3 course at Braemar Golf Course.
- Completed strategic plan of Edina park system.
- Completed renovations to Braemar Clubhouse and opened a year-round Tin Fish restaurant on site.

PERFORMANCE MEASURES	2013	2014	2015
Keep 50-60% of all recreation programs in the introductory, takeoff, or growth lifecycle stage in order to align with trends and help meet the evolving needs of the community.	NA	NA	TBD
Percentage of residents who, from their experience, rate the quality of parks as “excellent” or “good”.	99%	NA	94%
Percentage of residents who, from their experience, rate the recreation programs and classes “Good” or “Excellent”.	99%	NA	85%

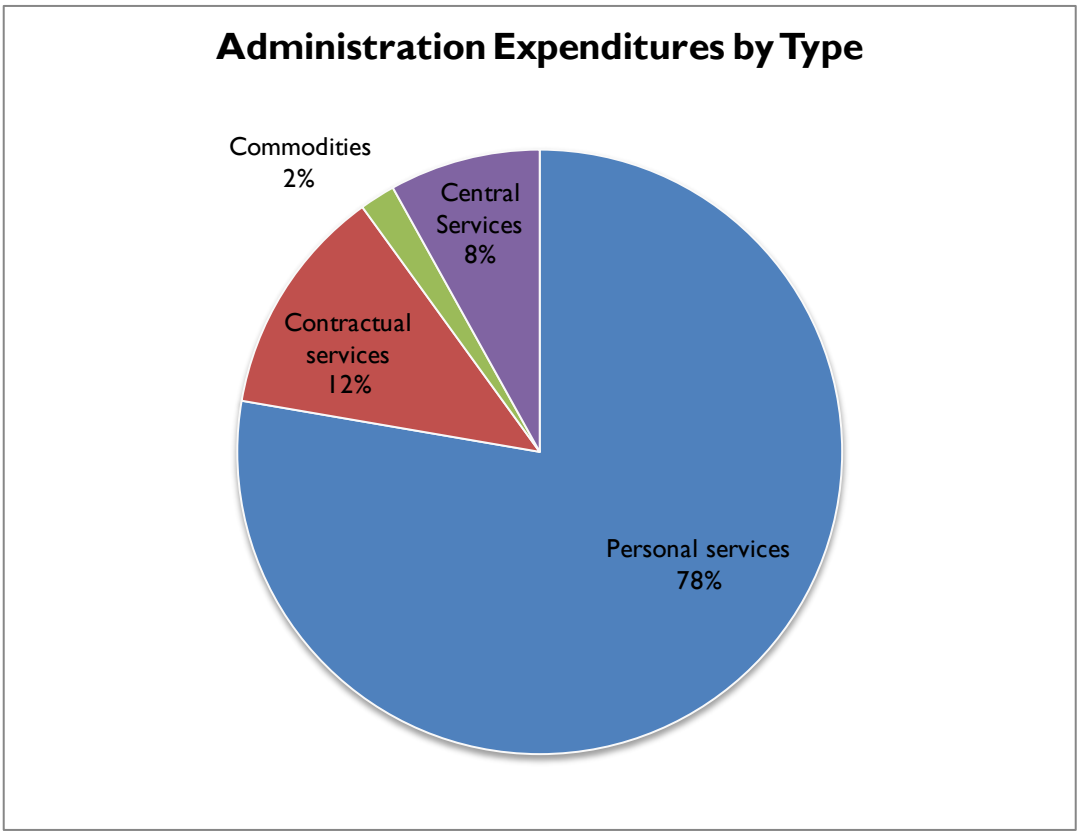
PARKS & RECREATION DEPARTMENT



Parks and Recreation Department Expenditures & Expenses	2013 Actual	2014 Actual	2015 Estimated	2015 Budget	2016 Budget	2017 Budget
General Fund						
Administration	$ 864,255	$ 897,037	$ 959,585	$ 956,414	$ 952,714	$ 1,167,593
Recreation	358,947	386,555	420,711	431,673	422,208	429,913
General fund subtotal	1,223,202	1,283,592	1,380,296	1,388,087	1,374,922	1,597,506
Other Funds						
Braemar Memorial	-	32,000	240,000	240,000	-	-
Arts & Culture	-	16,328	22,425	22,907	22,425	22,450
Construction	1,928,589	2,267,135	525,000	852,178	323,100	205,000
Environmental Efficiency	-	4,358	150,915	150,915	-	71,295
Aquatic Center	822,932	827,485	944,425	938,625	918,406	938,173
Art Center	607,649	654,310	640,838	683,306	684,447	709,507
Golf Course	3,199,815	3,342,493	2,895,230	3,358,756	3,202,114	2,023,015
Arena	2,272,510	2,375,173	2,631,024	2,423,956	2,610,691	2,654,073
Sports Dome	-	10,879	555,230	554,090	721,441	736,043
Edinborough Park	1,415,094	1,340,243	1,593,347	1,616,747	1,622,702	1,671,496
Centennial Lakes	944,372	966,266	1,017,284	1,014,860	1,069,487	1,095,584
Total	$ 12,414,163	$ 13,120,262	$ 12,596,014	$ 13,244,427	$ 12,549,735	$ 11,724,142

*For comparative purposes previous year figures may be adjusted to reflect realigned responsibilities.

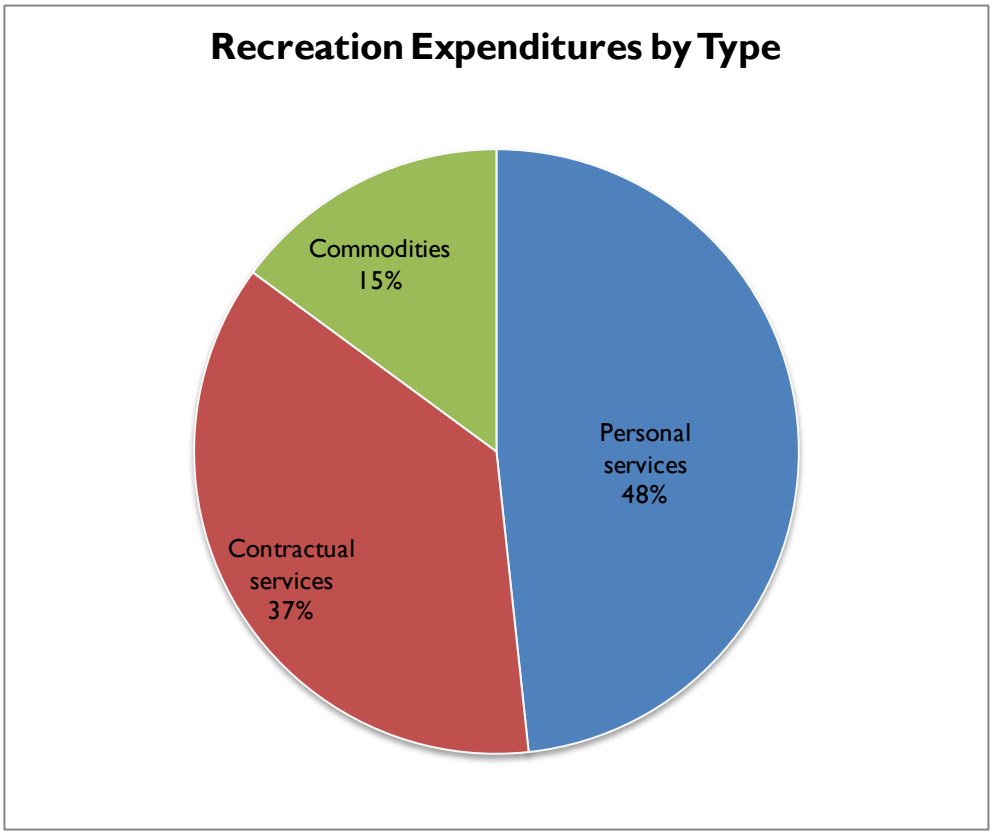
Administration



Park Administration Expenditures	2013 Actual	2014 Actual	2015 Estimated	2015 Budget	2016 Budget	2017 Budget
General Fund						
Personal services	$ 719,118	$ 708,062	$ 760,973	$ 760,973	$ 761,978	$ 793,969
Contractual services	32,462	96,044	99,800	105,209	99,600	281,000
Commodities	23,478	18,157	18,400	9,820	20,300	20,300
Central Services	89,197	74,774	80,412	80,412	70,836	72,324
Total	$ 864,255	$ 897,037	$ 959,585	$ 956,414	$ 952,714	$ 1,167,593

*For comparative purposes previous year figures may be adjusted to reflect realigned responsibilities.

Recreation



Recreation Expenditures	2013 Actual	2014 Actual	2015 Estimated	2015 Budget	2016 Budget	2017 Budget
General Fund						
Personal services	$ 183,081	$ 184,786	$ 202,386	$ 202,386	$ 201,836	$ 208,891
Contractual services	126,314	141,062	154,925	170,230	154,422	154,522
Commodities	49,552	60,707	63,400	59,057	65,950	66,500
Total	$ 358,947	$ 386,555	$ 420,711	$ 431,673	$ 422,208	$ 429,913

*For comparative purposes previous year figures may be adjusted to reflect realigned responsibilities.

Art Center

DIVISION OVERVIEW

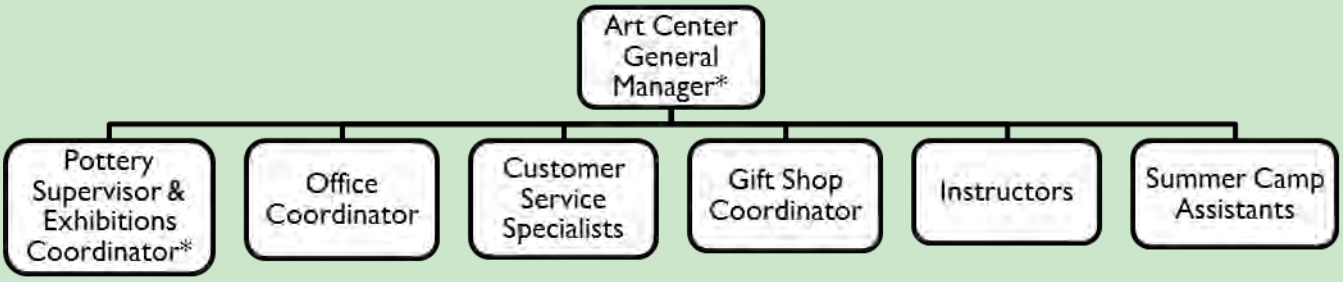
The Edina Art Center provides excellent educational programs for all ages in the visual arts. Located on the west side of Kenneth Rosland Park, it is a tranquil place for residents and visitors to view and purchase local and regional artwork, and a central location for creative energy, discussion, and ideas. The Edina Arts and Culture Commission was formed in May 2013 replacing the Art Center Board and advises City Council on artistic and cultural offerings in Edina.

Art Center staff includes 2 FT, 8 PT and a roster of 51 highly trained instructors. The General Manager acts as staff liaison to the Commission and its working groups.

The Art Center has historically run an annual operating loss that is subsidized by donations from the public and transfers from other City funds, primarily the Liquor and Constructions funds. Traditionally the Liquor fund supports operations and the Construction fund supports building improvement projects.

The Edina Art Center has experienced a 17% increase in the number of people participating in the Art Center programs since 2012.

DIVISION ORGANIZATIONAL CHART



*Full-Time Staff

PARKS & RECREATION DEPARTMENT— ART CENTER

2016-2017 DIVISION GOALS

- Expand partnerships and outreach efforts to build a vibrant community through the arts.
- Maintain 1,000 members monthly.
- Reorganize the Peggy Kelly Media Arts Studio for optimum efficiency in terms of profit and space.
- Improve the Art Center intern program.
- Implement MaxSolutions software to update and modernize registration and room scheduling.

2014-2015 DIVISION ACCOMPLISHMENTS

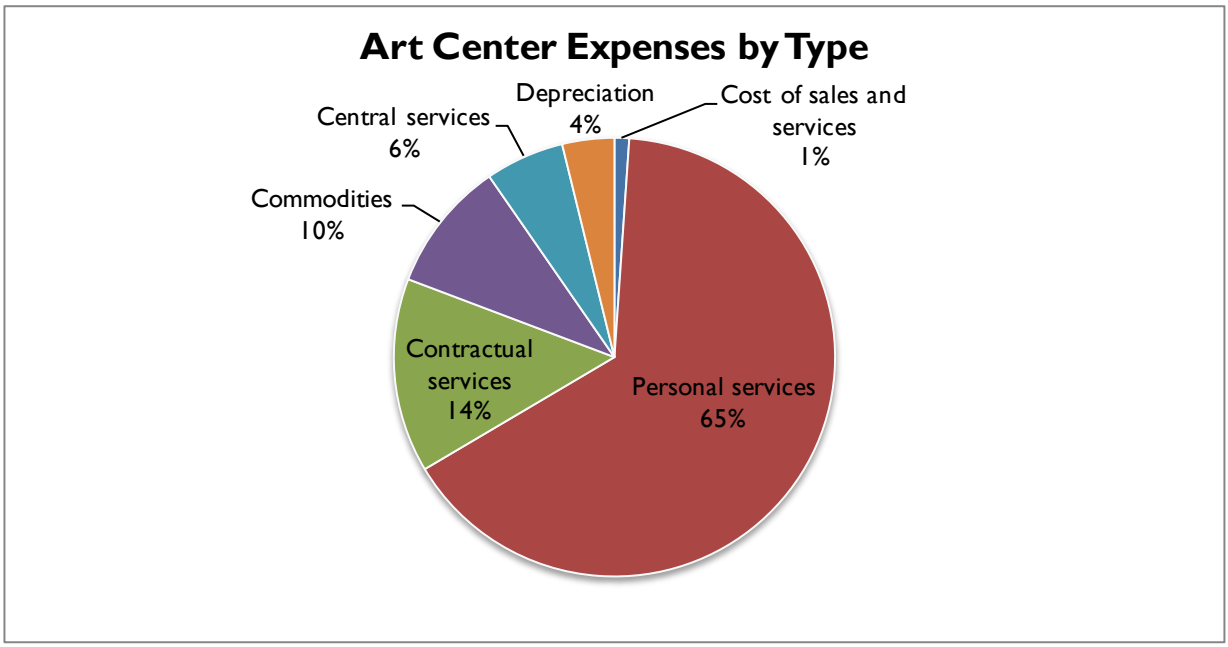
- Increased studio rental availability with discontinuation of media transfer services.
- Developed the Music in Edina and Summer Music in the Parks program with the Arts & Culture Commission.
- Developed partnerships with Edina Chorale, Morningside Women's Group, Lion's Club, Edina Community Foundation, Edina Community Center, and Fairview Southdale Hospital to expand Art Center programming.
- Increased number of summer camps registrants and memberships through LivingSocial and Groupon Marketing.
- Continued The Author's Studio program with monthly conversational interviews with local and regional authors.
- Modernized registration and membership technology and increased use of social media marketing.

PERFORMANCE MEASURES	2013	2014	2015*
Operating revenue as a % of operating expenses	64%	71%	85%
Annual number of class registrations	2,566	2,712	2,782
Annual number of memberships	941	956	998
Annual participants in non-class offerings	575	984	12,191**
Number of outside events hosted by the Art Center	12	20	23

*Through September 2015

**Includes Fall into the Arts participants

PARKS & RECREATION DEPARTMENT—ART CENTER



Art Center Revenues and Expenses	2013 Actual	2014 Actual	2015 Estimated	2015 Budget	2016 Budget	2017 Budget
Revenues						
Retail sales	$ 37,677	$ 42,403	$ 40,000	$ 37,000	$ 40,000	$ 40,000
Concessions sales	442	209	350	500	350	350
Memberships	23,187	24,938	23,000	24,775	23,500	23,500
Class registration & other	405,715	413,332	398,254	383,675	389,500	389,500
Investment income	1,088	2,103	3,000	-	2,000	1,000
Donations	7,341	5,429	3,000	3,000	1,500	1,500
Revenues	475,450	488,414	467,604	448,950	456,850	455,850
Expenses						
Cost of sales and services	8,863	2,881	2,750	23,000	2,750	2,750
Personal services	396,222	434,583	427,160	449,431	439,729	456,631
Contractual services	84,864	89,221	77,818	101,175	106,350	107,950
Commodities	49,597	68,112	71,450	48,300	71,250	73,800
Central services	41,876	33,540	35,400	35,400	40,368	44,376
Depreciation	26,227	25,973	26,260	26,000	24,000	24,000
Expenses	607,649	654,310	640,838	683,306	684,447	709,507
Income (loss)	(132,199)	(165,896)	(173,234)	(234,356)	(227,597)	(253,657)

Aquatic Center

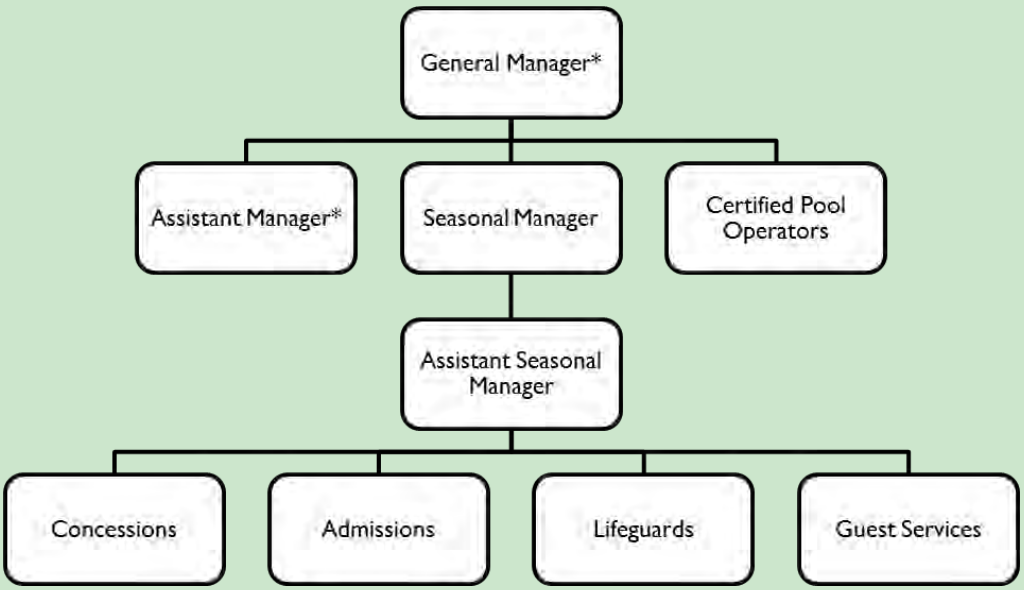
DIVISION OVERVIEW

The Aquatic Center is a unique, high volume facility that accommodates swimmers of all ages and a wide range of activities, including recreational swimming, competitive swimming, lap swimming and swimming lessons. There are four separate bodies of water, including an eight lane, 50-meter lap pool with a diving well; a plunge pool; a zero-depth entry pool with a large play structure; and a FlowRider. The FlowRider was added in 2012 and is unique because it's the only outdoor surf simulator in the state. Significant collaborative relationships have been developed with the Edina Swim Club and the Aquajets Swim Club. In 2014-2015, the Edina Swim Club was selected as the provider of the Learn to Swim program. New initiatives include implementing Birthday Party rental options, as well as expanding choices for a healthier concessions menu.

The Aquatic Center is only open in the summer. The full-time staff consists of four positions with shared responsibilities. There are three FT employees (General Manager, Assistant Manager and Maintenance Coordinator) who have year-round responsibility for Edinborough Park and the Aquatic Center during the summer season. There is also one FT Certified Pool Operator who is dedicated to the Aquatic Center in the summer and also works in Park Maintenance the remainder of the year. The Aquatic Center hires approximately 85 seasonal staff, including lifeguards, concession, admissions and guest services employees.

*The Aquatic Center was voted **"Best Outdoor Water Park in Edina"** by the Sun Current and won the Readers' Choice Award.*

DIVISION ORGANIZATIONAL CHART



*Full-Time Staff

PARKS & RECREATION DEPARTMENT—AQUATIC CENTER

2016-2017 DIVISION GOALS

- Increase FlowRider usage through social media awareness, group promotions and restructured pricing.
- Continue to focus on safety, staff training and customer service at the Center.
- Complete equipment replacements as scheduled in the capital improvement plan.
- Develop plan to modernize the look of the facility including the attractions, amenities, mechanical equipment and overall aesthetics.

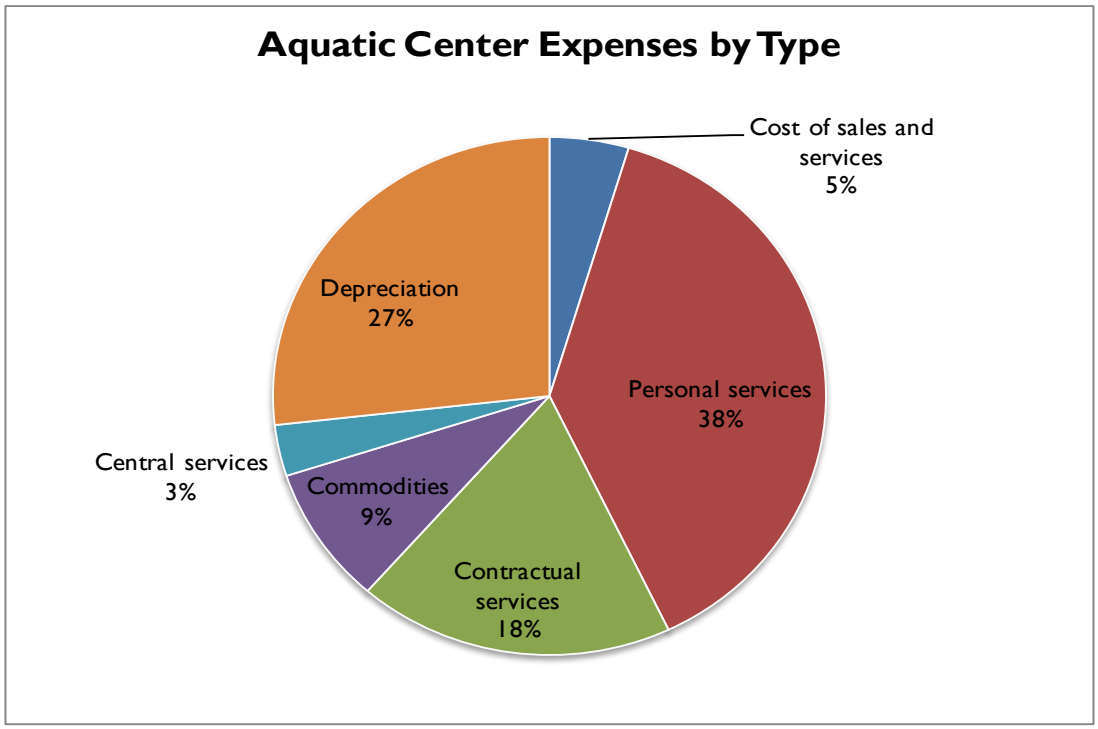
2014-2015 DIVISION ACCOMPLISHMENTS

- Hosted the World's Largest Swimming Lesson in 2013, 2014 and 2015 to raise awareness for swimming lessons and water safety, with nearly 500 participants each year.
- Continued a solid safety record with no major accidents or incidents.
- Awarded the 2014 "Silver International Aquatic Safety Award" by Jeff Ellis & Associates.
- Achieved 120% of General Admissions budgeted revenue and 95% of overall budgeted revenue in 2014.
- Completed zero-depth pool painting, 50 meter main pool painting, bath house roof replacement and bath house hot water heater replacements.

PERFORMANCE MEASURES	2013	2014	2015*
Operating revenue as a % of operating expenses	101%	112%	122%
Number of season passes sold	3,308	3,354	3,257
Number of daily admission sold	39,693	34,648	39,310
Number of birthday parties booked	18	12	23
Percentage of residents who, from their experience, rate the quality of the Aquatic Center as "excellent" or "good".	92%	NA	91%

*Through September 2015

PARKS & RECREATION DEPARTMENT—AQUATIC CENTER



Aquatic Center Fund Financial Summary	2013 Actual	2014 Actual	2015 Estimated	2015 Budget	2016 Budget	2017 Budget
Revenues						
Retail sales	$ 3,090	$ 4,883	$ 6,000	$ 6,000	$ 6,300	$ 6,300
Concessions sales	114,868	108,195	125,000	135,000	135,000	135,000
Memberships	398,626	399,218	412,500	515,000	408,475	428,899
Admissions	365,272	361,156	372,000	322,000	375,702	393,987
Building rental	46,199	44,960	48,000	45,000	50,000	50,000
Investment income	7,596	12,830	10,000	-	7,000	3,000
Other nonoperating revenue	765	-	-	-	-	-
Total revenues	936,416	931,242	973,500	1,023,000	982,477	1,017,186
Expenses						
Cost of sales and services	42,376	31,873	44,000	46,000	42,000	42,000
Personal services	319,089	315,794	371,593	371,593	331,305	343,354
Contractual services	149,732	148,971	173,400	162,300	179,200	179,200
Commodities	49,211	56,649	86,350	89,650	89,150	89,150
Central services	19,904	25,857	27,108	27,108	33,228	37,956
Depreciation	233,946	241,671	236,500	236,500	241,500	246,500
Bond interest	8,674	6,670	5,474	5,474	2,023	13
Total expenses	822,932	827,485	944,425	938,625	918,406	938,173
Income	113,484	103,757	29,075	84,375	64,071	79,013

Braemar Arena

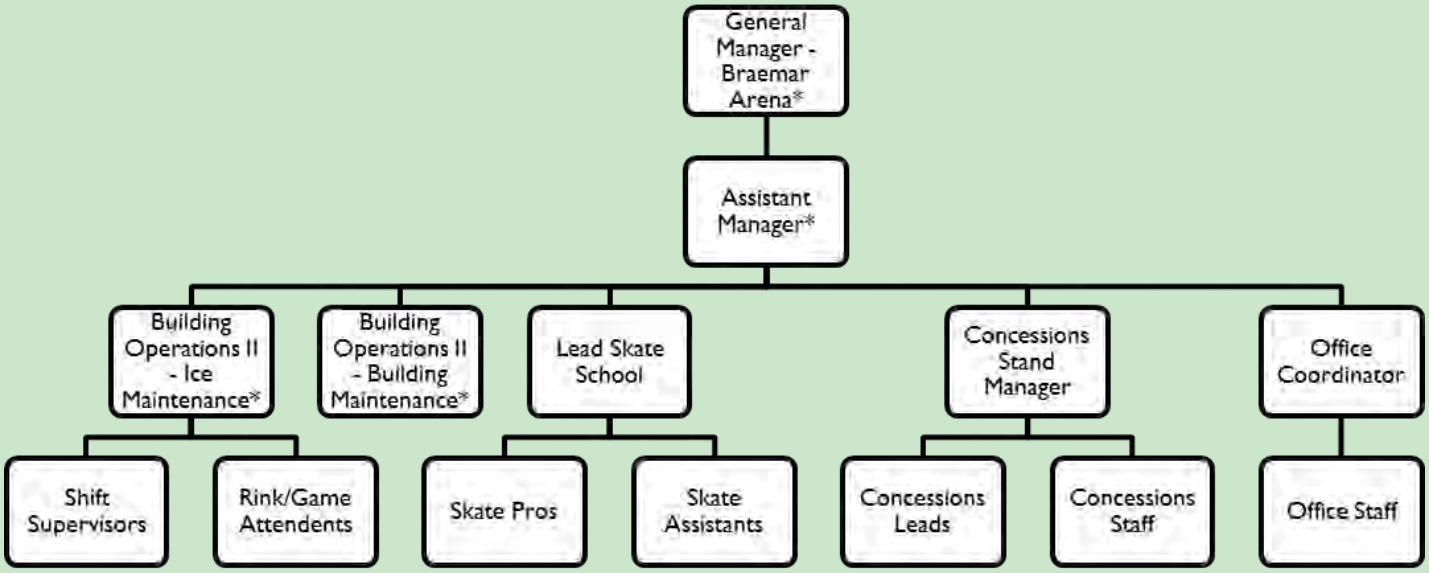
DIVISION OVERVIEW

Braemar Arena features three indoor and one outdoor, regulation-size ice sheets. Braemar is available for open skating, group rental, adult and youth hockey and figure skating programs. The facility also offers group skating lessons for ages 4 through adult and is home to the Braemar-City of Lakes Figure Skating Club, the Edina Hornets high school hockey teams and the Edina Hockey Association. In 2014, Braemar Arena added the Backyard Rink. This outdoor facility is one of the best outdoor hockey rinks in the State. Braemar Arena also recently completed the addition of the Hornets Nest. The Hornets Nest is home to the Edina High School hockey teams and provides a public-private partnership through 10,275 feet of off-ice training and 3,000 square feet of retail.

Braemar Arena currently operates with 4.7 full-time employees. During our prime season, a typical high activity time will have one on duty supervisor, three rink attendants and two concession stand employees. During open skating there is also an office staff person selling admissions and skate rentals. Besides the full-time employees, Braemar Arena has approximately 90 part-time employees.

The Backyard Rink was added during the 2014-2015 season. The Backyard Rink is one of the best covered, outdoor rinks in the State.

DIVISION ORGANIZATIONAL CHART



*Full-Time Staff

PARKS & RECREATION DEPARTMENT—BRAEMAR ARENA

2016-2017 DIVISION GOALS

- Expose new clientele to Braemar Arena by increasing programming and effectively utilizing new and existing spaces.
- Sell 95% of prime ice time.
- Develop thorough and proactive operations plan for staffing and maintaining new and existing facilities.
- Seek out energy saving opportunities to lower expenses and decrease the Arena's carbon footprint.

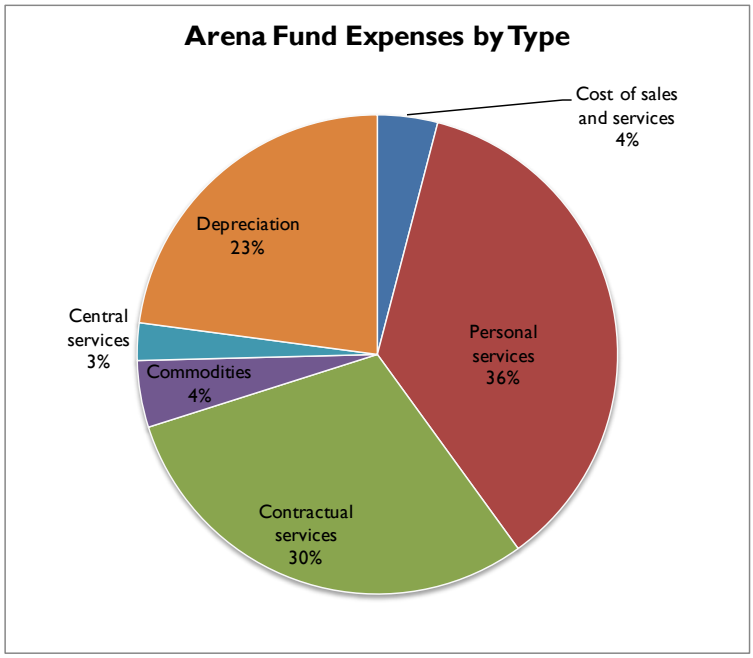
2014-2015 DIVISION ACCOMPLISHMENTS

- Constructed Sports Dome and Outdoor Rink
- Sold 96% of prime ice time in 2014.
- Successfully hosted Midwestern and Pacific Synchronized Skating Event.
- Received over $20,000 in rebates for energy savings.
- Increased participation in classes that exceeded budgeted revenue.
- Successfully negotiated memorandum of understanding for facility use between Edina Hockey Association and Braemar-City of Lakes Figure Skating Club.
- Increased total facility revenue by 44% or $639,249 from 2012 to 2014.

PERFORMANCE MEASURES	2013	2014	2015*
Operating revenue as a % of operating expenses	91.5%	93.5%	74%
Number of hours sold (excludes Arena programs)	8,183	8,298	5,470
Revenue from hours sold (excludes Arena programs)	$1,397,096	$1,392,547	$651,237
Concessions stand revenues	$225,858	$241,718	$160,078
Percentage of residents who, from their experience, rate the quality of Braemar Arena as "excellent" or "good".	88%	NA	89%

* Through June 2015

PARKS & RECREATION DEPARTMENT—BRAEMAR ARENA



Arena Fund Financial Summary	2013 Actual	2014 Actual	2015 Estimated	2015 Budget	2016 Budget	2017 Budget
Revenues						
Retail sales	$ 36,055	$ 30,768	$ 30,300	$ 17,000	$ 35,750	$ 40,750
Concessions sales	231,813	242,309	251,000	202,000	256,000	261,000
Memberships	2,120	2,010	5,000	5,000	5,000	5,000
Admissions	103,289	103,935	105,000	110,000	115,000	120,000
Building rental	1,462,079	1,588,579	1,690,000	1,571,119	1,690,000	1,690,000
Rental of equipment	2,368	3,709	2,400	2,400	3,500	3,750
Class registration & other	105,247	120,375	115,000	110,000	125,000	130,000
Investment income (loss)	21	-	-	-	2,000	4,000
Other nonoperating revenue	17,984	882	-	-	-	-
Total revenues	1,960,976	2,092,567	2,198,700	2,017,519	2,232,250	2,254,500
Expenses						
Cost of sales and services	83,530	93,323	100,000	85,000	105,500	105,500
Personal services	741,639	748,750	936,181	885,513	871,133	905,311
Contractual services	688,457	746,959	742,400	612,750	729,950	729,950
Commodities	118,877	103,107	108,700	96,950	104,250	104,750
Central services	44,130	55,061	58,836	58,836	68,676	71,628
Depreciation	446,588	489,471	545,000	545,000	600,000	610,000
Bond interest & other	149,289	138,502	139,907	139,907	131,182	126,934
Total expenses	2,272,510	2,375,173	2,631,024	2,423,956	2,610,691	2,654,073
Income (loss)	(311,534)	(282,606)	(432,324)	(406,437)	(378,441)	(399,573)

Braemar Golf Course

DIVISION OVERVIEW

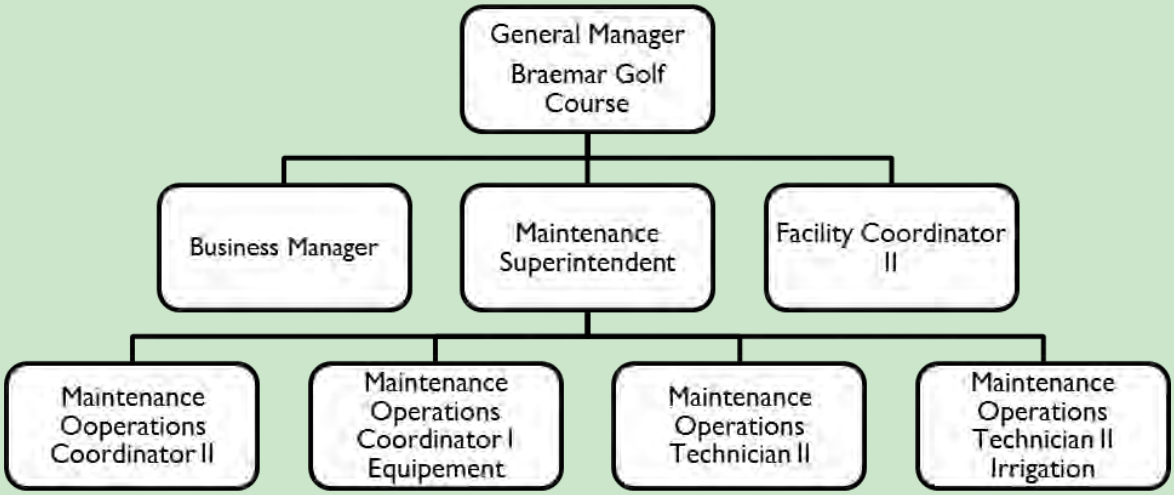
Braemar Golf Course celebrated it's 50th Anniversary in 2014. The original 18-hole golf course, the Castle and the Hays 9-hole courses, opened in 1964. The Clunie 9-hole course was added in 1994. Along with the 27 regulation holes, the Braemar facilities include an executive course, a driving range, a practice area, pro-shop, banquet room and golf dome.

In July 2015, the driving range and executive course closed for renovation. The Braemar Executive Course was updated and converted into a Par 3 golf course. Larger greens and fewer forced carries will make the course much more playable for golfers of all ages and abilities. The driving was expanded and transformed into one of the premier practice and instructional facilities in Minnesota. Our banquet facility was updated in 2014 with the addition of new lighting, carpet, restrooms and furniture and boasts one of the finest views in the area. In April 2015, the Tin Fish opened a year-round restaurant in the Braemar Clubhouse, further reinforcing Braemar as a community gathering destination for golfers and non-golfers alike. The Braemar Golf Dome offers golfers the opportunity to practice during the winter months. Group and private lessons for adults and juniors are offered by the PGA professional staff at the dome and outside at the driving range during the outdoor season. During peak season, the courses see roughly 725 golfers daily. Nearly 900 golfers play in one or more of Braemar's many leagues.

A Master Plan for the Braemar Golf Course will be finalized by the end of 2015 and renovations may occur early as the fall of 2016. The 500 acres of park land is carefully maintained by our grounds maintenance staff.

The golf course has 8 FT employees with more than 100 seasonal employees.

DIVISION ORGANIZATIONAL CHART



PARKS & RECREATION DEPARTMENT—BRAEMAR GOLF COURSE

2016-2017 DIVISION GOALS

- Complete construction and grow in of the driving range expansion and Par 3 course project.
- Develop and market the new "Practice Facility" and golf course to maximize return on investment.
- Begin construction projects at Braemar Golf Course as identified in the approved regulation course master plan.

2014-2015 DIVISION ACCOMPLISHMENTS

- Opened rebuilt Golf Dome and enhanced the customer experience with new amenities.
- Implemented new customer database collection procedures.
- Outsourced food & beverage operation and completed construction of renovated restaurant space.
- Completed upgrades to the banquet facility that includes new lighting, carpet, restrooms and furniture.
- Implemented new tee time interval that drastically improved the pace of play.

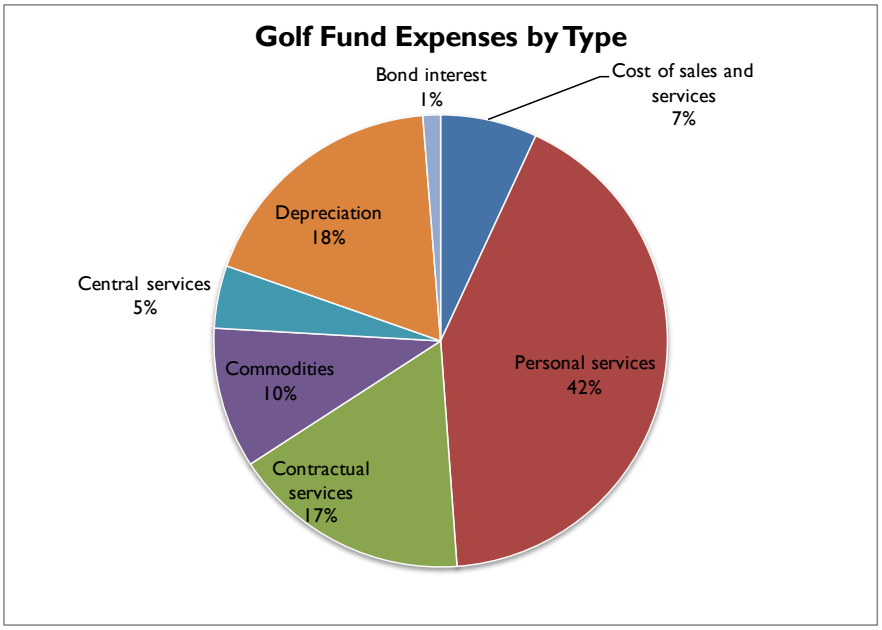
Braemar Golf Course Clubhouse welcomed the opening of the **Tin Fish** restaurant in 2015. The new restaurant will be an asset to the golf course and increase the efficiency of overall golf operations.

PERFORMANCE MEASURES	2013	2014	2015*
Operating revenue as a % of operating expenses	85%	98%	115%
Hours rented at banquet hall	921	952	750**
Total number of rounds sold all courses	78,529	85,231	61,343**
Buckets of balls sold at Driving Range	33,936	40,369	22,082**
Percentage of residents who, from their experience, rate the quality of Braemar Golf Course as "excellent" or "good".	97%	N/A	77%

** Banquet hall was closed for the first quarter of 2015, driving range closed July 6, 2015 & Fred Richards Course was closed for all of 2015

* Through September 2015

PARKS & RECREATION DEPARTMENT—BRAEMAR GOLF COURSE



Golf Fund Financial Summary

	2013 Actual	2014 Actual	2015 Estimated	2015 Budget	2016 Budget	2017 Budget
Revenues						
Liquor sales	$ 147,581	$ 177,915	$ 78,141	$ 65,000	$ -	$ -
Retail sales	210,814	202,339	224,934	260,400	227,046	40,376
Concessions sales	188,850	201,507	-	19,200	-	-
Memberships	80,437	61,280	87,357	100,000	88,230	8,823
Admissions	50,985	338,148	383,953	400,000	342,785	353,069
Building rental	63,982	65,511	110,879	122,025	114,205	100,788
Equipment rental	303,748	348,762	330,675	370,900	334,488	30,264
Greens fees	1,386,194	1,571,900	1,300,488	1,468,000	1,443,015	338,261
Other operating revenue	279,152	261,986	131,050	208,500	405,399	401,720
Investment income	4,585	4,155	5,000	-	8,000	9,000
Other nonoperating revenue	15,800	17,850	-	-	-	-
Total revenues	2,732,128	3,251,353	2,652,477	3,014,025	2,963,168	1,282,301
Expenses						
Cost of sales and services	286,581	299,949	208,514	225,200	185,599	37,120
Personal services	1,479,179	1,468,190	1,218,378	1,453,368	1,356,923	584,204
Contractual services	532,947	527,891	545,325	596,800	490,794	367,175
Commodities	343,421	378,257	294,615	380,800	313,990	104,085
Central services	147,845	123,729	132,588	132,588	130,404	139,392
Depreciation	390,743	502,528	495,810	570,000	640,000	710,000
Bond interest	19,099	41,949	-	-	84,404	81,039
Total expenses	3,199,815	3,342,493	2,895,230	3,358,756	3,202,114	2,023,015
Income (loss)	(467,687)	(91,140)	(242,753)	(344,731)	(238,946)	(740,714)

Centennial Lakes Park

DIVISION OVERVIEW

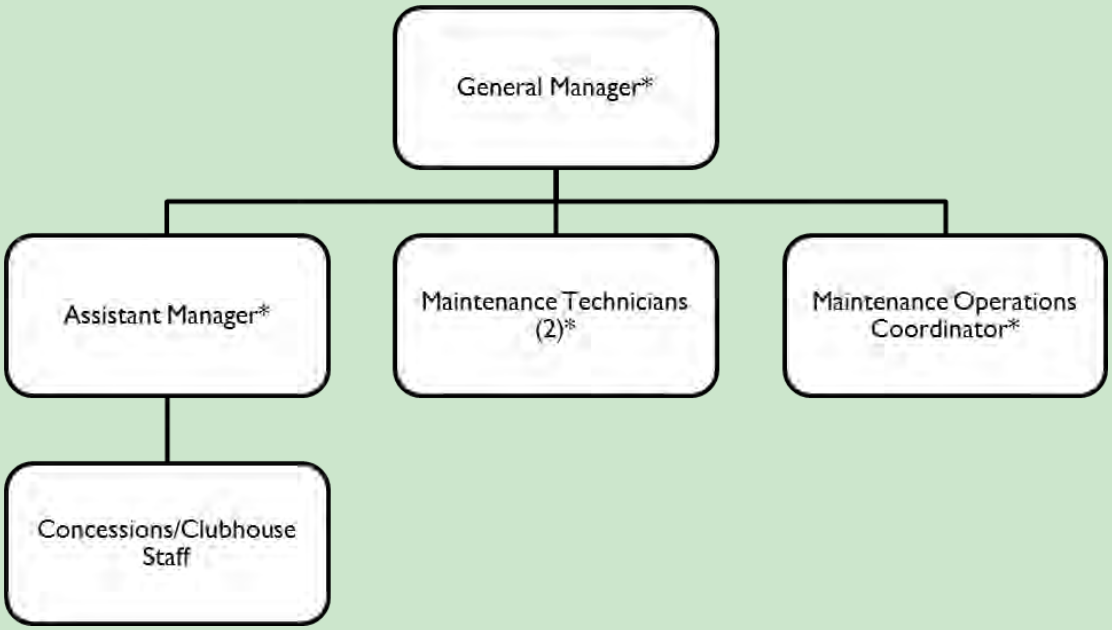
Centennial Lakes Park provides a very unique social and recreational experience for Edina and the metropolitan area. The 24-acre site features more than 1.5 miles of paved pathways meandering around a 10-acre lake and boasts numerous amenities including an amphitheater, putting course, lawn games area, paddleboats, fishing, winter ice skating, banquet space, and a farmers market. The park and the adjacent Edina Promenade, also has a number of sculptures and works of public art for visitors to enjoy.

Staffing at Centennial Lakes consists of a FT General Manager, Assistant Park Manager, 3 Maintenance Technicians, and 35 PT seasonal staffing for Concessions, Horticulture and Maintenance.

Centennial Lakes has historically run an annual operating loss that is subsidized by the Centennial Lakes dedication fund.

Centennial Lakes boasts the largest groomed ice skating rink in the United States.

DIVISION ORGANIZATIONAL CHART



*Full-Time Staff

PARKS & RECREATION DEPARTMENT—CENTENNIAL LAKES PARK

2016-2017 DIVISION GOALS

- Expand social media usage to increase attendance at events.
- Implement MaxGalaxy system for point of sale and reservations.
- Implement Cityworks, a public asset management software to assist with work order tracking.
- Renovate putting course ponds.

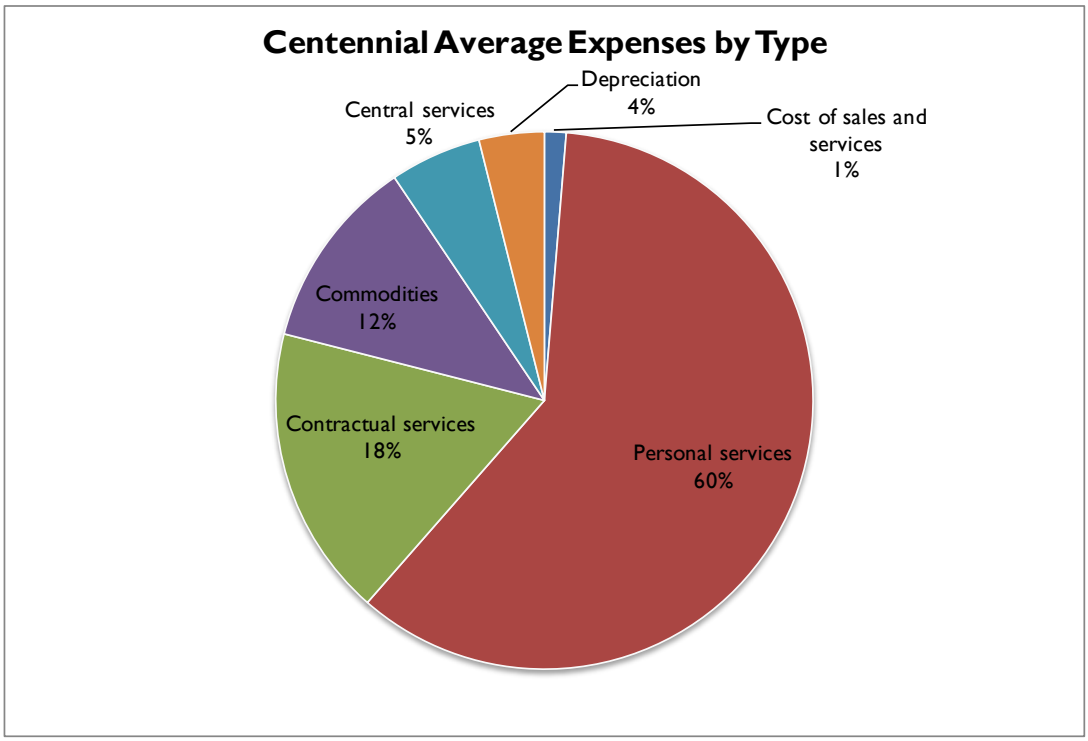
2014-2015 DIVISION ACCOMPLISHMENTS

- Increased paddleboat rental revenue by 29%.
- Increased EBT use at Farmers Market by over 300% from 2013 to 2014.
- The 2013-2014 and 2014-2015 ice skating seasons were the two highest revenue producing seasons in the history of Centennial Lakes Park.
- Lowered lake level and removed organic debris to improve water quality and aesthetics.
- Completed the construction of Phase 4 of the Edina Promenade.

PERFORMANCE MEASURES	2013	2014	2015*
Operating revenue as a % of operating expenses	78%	79%	99%
Number of facility rentals	200	216	204
Number of putting course rounds	21,370	23,098	23,164
Number of Paddleboat Rentals	6,015	7,727	7,052
Percentage of residents who, from their experience, rate the quality of Centennial Lakes Park as "excellent" or "good".	100%	NA	95%

*Through September 2015

PARKS & RECREATION DEPARTMENT—CENTENNIAL LAKES PARK



Centennial Lakes Fund Financial Summary	2013 Actual	2014 Actual	2015 Estimated	2015 Budget	2016 Budget	2017 Budget
Revenues						
Concessions sales	$ 32,398	$ 26,924	$ 34,000	$ 34,000	$ 34,000	$ 34,000
Building rental	102,142	111,184	115,500	114,000	116,000	116,000
Equipment rental	144,654	145,385	145,000	128,000	143,000	145,000
Greens fees	182,125	196,147	205,000	205,000	205,000	205,000
Association fees and other	274,237	279,253	280,000	305,000	280,000	284,000
Investment income (loss)	(51,564)	9,858	6,000	25,000	4,000	3,000
Other nonoperating revenue	765	7,771	-	-	-	-
Total revenues	684,757	776,522	785,500	811,000	782,000	787,000
Expenses						
Cost of sales and services	13,081	10,241	14,000	14,000	14,000	14,000
Personal services	569,029	560,057	623,407	623,683	635,066	661,099
Contractual services	173,218	173,900	180,825	177,625	183,925	183,925
Commodities	98,576	134,148	107,800	108,300	135,800	123,800
Central services	54,120	48,112	51,252	51,252	60,696	70,260
Depreciation	36,348	39,808	40,000	40,000	40,000	42,500
Total expenses	944,372	966,266	1,017,284	1,014,860	1,069,487	1,095,584
Income (loss)	(259,615)	(189,744)	(231,784)	(203,860)	(287,487)	(308,584)

Edinborough Park

DIVISION OVERVIEW

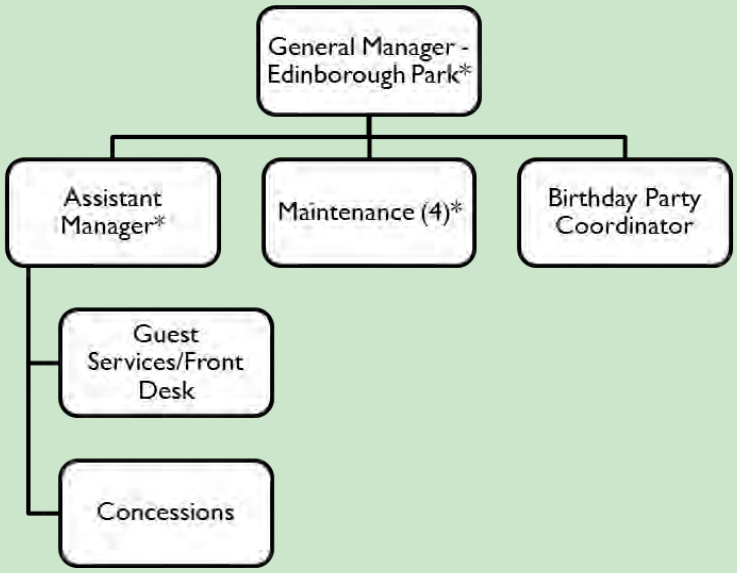
Edinborough Park is Minnesota's unique indoor public park. The enclosed, one-acre park includes a swimming pool, a running track and fitness equipment, multi-purpose activity area, 250-seat amphitheater, a renovated Grotto, and Adventure Peak. One of the most unique features of the park is Adventure Peak, which is the largest and tallest indoor play structure in the region. Each week during the school year, there is free entertainment consisting of music, dance, theater and visual arts programs that attract children, parents and grandparents.

Edinborough Park has six full time employees, including the General Manager, Assistant Manager, and Maintenance Coordinator that have shared responsibilities with the Aquatic Center, and 3 FT Maintenance Coordinators dedicated solely to Edinborough Park. The PT staff consists of 15 guest services staff, 10 concessions staff, three maintenance staff and one birthday party coordinator.

Revenue is generated by season passes, daily admissions, birthday parties, facility rentals and association fees charged to neighboring residents and businesses. Although Edinborough Park has historically run an operating loss that is subsidized out of the Edinborough Park dedication fund, in 2013 Edinborough Park finished in a positive financial position. In 2014, 98% of all costs were recovered.

Edinborough Park conducted a feasibility study in 2012 that prompted several physical and operational changes. Those changes are directly related to the improved cost recovery efforts. In 2013, Edinborough Park finished in a positive financial position and in 2014, 99% of costs were recovered.

DIVISION ORGANIZATIONAL CHART



*Full-Time Staff

PARKS & RECREATION DEPARTMENT—EDINBOROUGH PARK

2016-2017 DIVISION GOALS

- Increase concession revenue by evaluating concession products, pricing and food package promotions.
- Work collaboratively with association partners to strengthen relationships and renew maintenance agreements.
- Increase usage of the amphitheater and generate new revenue with additional programming.
- Complete equipment replacements as scheduled in the capital improvement plan.

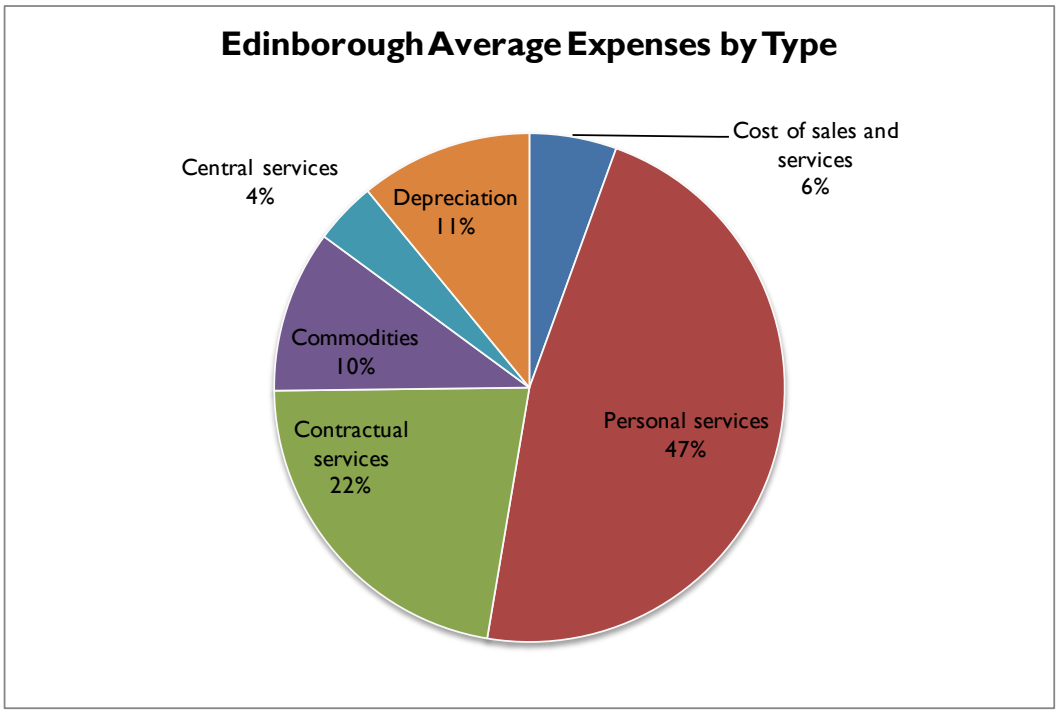
2014-2015 DIVISION ACCOMPLISHMENTS

- Completed installation of the ultraviolet filtration system which was donated by the Edina Swim Club.
- Completed LED lighting retrofit that resulted in savings of $32,000 in 2014.
- Season tickets, general admissions and birthday parties each achieved 105% of the budgeted revenue in 2014.
- Completed lower level renovations in Adventure Peak and the installation of a new triple wave slide. The slide is the tallest and longest open fiberglass triple slide in the upper Midwest.

PERFORMANCE MEASURES	2013	2014	2015*
Operating revenue as a % of operating expenses	101%	99%	100%
Number of daily admissions sold	127,705	129,321	125,485
Number of birthday parties	1029	1105	803
Percentage of residents who, from their experience, rate the quality of Edinborough Park as "excellent" or "good".	94%	NA	88%

*Through September 2015

PARKS & RECREATION DEPARTMENT—EDINBOROUGH PARK



Edinborough Fund Financial Summary	2013 Actual	2014 Actual	2015 Estimated	2015 Budget	2016 Budget	2017 Budget
Revenues						
Concessions sales	$ 138,370	$ 118,850	$ 128,000	$ 175,000	$ 130,000	$ 130,000
Memberships	64,515	63,190	60,000	60,000	65,000	65,000
Admissions	755,241	684,881	685,000	665,000	685,000	695,000
Building rental	233,055	227,558	164,000	164,000	226,000	226,000
Equipment rental	12,312	10,951	9,800	9,800	10,800	10,800
Association fees and other	219,563	220,178	292,000	281,000	234,000	236,000
Investment income (loss)	(55,650)	22,065	15,000	15,000	14,000	13,000
Other nonoperating revenues	-	60,876	-	-	-	-
Total revenues	1,367,406	1,408,549	1,353,800	1,369,800	1,364,800	1,375,800
Expenses						
Cost of sales and services	80,981	65,464	90,000	105,000	85,000	85,000
Personal services	649,978	640,110	745,581	745,581	774,962	807,256
Contractual services	328,538	299,975	356,750	362,650	352,250	351,750
Commodities	134,824	116,404	180,950	183,450	169,800	169,800
Central services	59,660	49,558	53,316	53,316	68,940	80,940
Depreciation	161,113	168,732	166,750	166,750	171,750	176,750
Total expenses	1,415,094	1,340,243	1,593,347	1,616,747	1,622,702	1,671,496
Income (loss)	(47,688)	68,306	(239,547)	(246,947)	(257,902)	(295,696)

Braemar Field

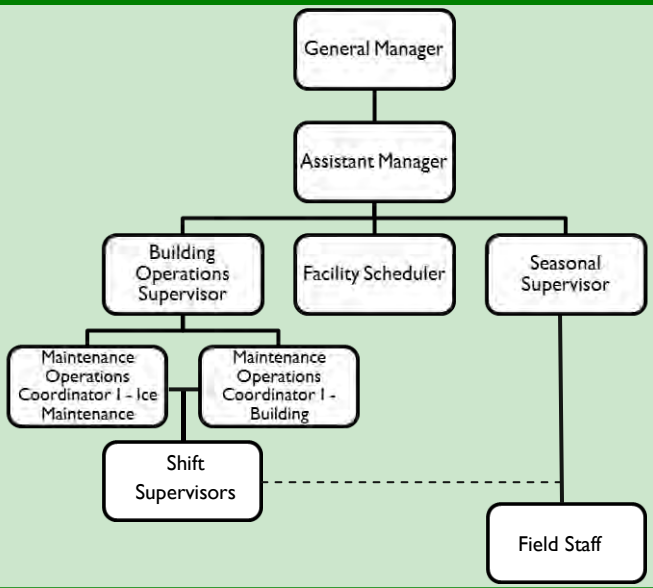
DIVISION OVERVIEW

Braemar Field is a 250 x 400 foot turf field that is covered seasonally by a dome. The facility also includes an accessory building and storage facility for the dome components during the offseason. Braemar Field is located to the north of Braemar Arena and is operated by Braemar Arena staff. Braemar Field was approved by the Edina City Council based in part on a formal agreement that states the Edina Baseball Association, Edina Football Association, Edina Lacrosse Association and Edina Soccer Club all commit to a set schedule of usage and hours purchased. There is also a $30 per participant facility use fee to supplement revenues in order to recover 100% of operating costs and provide for a fund to pay for the replacement of turf and dome fabric when needed.

During the dome season which runs from November to April, a part-time employee supervises he facility from the dome accessory building.

The facility was named Braemar Field instead of Sports Dome to avoid confusion with the Golf Dome.

DIVISION ORGANIZATIONAL CHART



PARKS & RECREATION DEPARTMENT—BRAEMAR FIELD

2016-2017 DIVISION GOALS

- Meet revenue goals identified in pre-construction proformas.
- Sell 95% of prime Field time.
- Develop thorough and proactive operations plan for maintaining new and existing facilities.
- Seek out energy saving opportunities to lower operational expenses and decrease our carbon footprint.

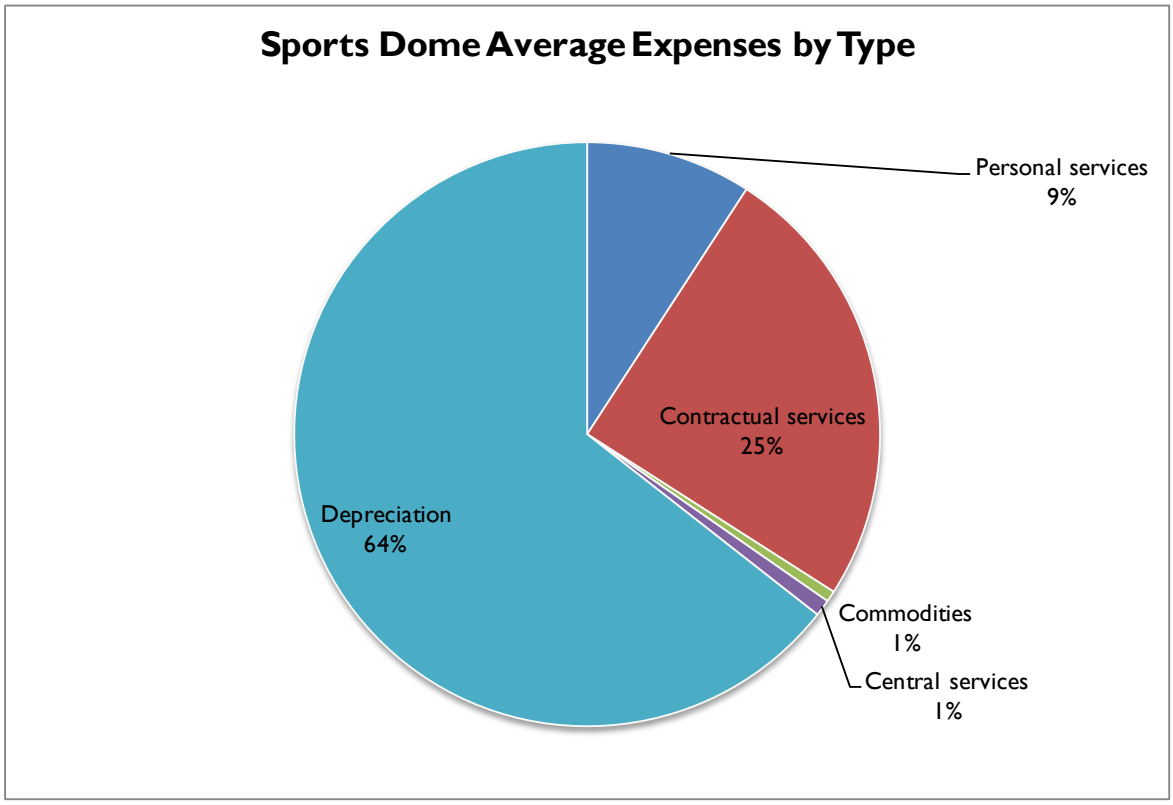
2014-2015 DIVISION ACCOMPLISHMENTS

- Constructed Sports Dome and Outdoor Rink.
- Opened 4 days after target facility opening date.
- Completed the construction process within budget.
- Received $250,000 Hennepin County Sports Grant to assist with construction costs.

PERFORMANCE MEASURES	2013*	2014*	2015
Sell at least 95% of prime time	-	-	Yes
Meet all budget goals for programming	-	-	Yes
Promote family time on Saturday nights to achieve 125 average guest attendances through season	-	-	No

*Braemar Field did not open until December of 2014

PARKS & RECREATION DEPARTMENT— BRAEMAR FIELD



Sports Dome Fund Financial Summary

	2013 Actual	2014 Actual	2015 Estimated	2015 Budget	2016 Budget	2017 Budget
Revenues						
Concessions sales	$ -	$ -	$ 1,000	$ 1,000	$ 1,000	$ 1,000
Admissions	-	84	1,000	1,000	1,000	1,000
Building rental	-	17,380	385,310	375,860	390,310	395,310
Class registration & other		410	4,000	4,000	4,000	4,500
Investment income (loss)	-	-	1,000	-	3,000	5,000
Other nonoperating revenue	-	-	-	-	-	-
Total revenues	-	17,874	392,310	381,860	399,310	406,810
Expenses						
Personal services	-	7,829	55,023	54,440	58,272	60,424
Contractual services	-	605	171,930	171,650	148,180	149,930
Commodities	-	2,445	3,277	3,000	3,277	3,725
Central services	-	-	-	-	11,712	11,964
Depreciation	-	-	325,000	325,000	500,000	510,000
Total expenses	-	10,879	555,230	554,090	721,441	736,043
Income (loss)	-	6,995	(162,920)	(172,230)	(322,131)	(329,233)

COMMUNITY DEVELOPMENT DEPARTMENT

Cary Teague, Director

cteague@EdinaMN.gov 952-826-0460

DEPARTMENT OVERVIEW

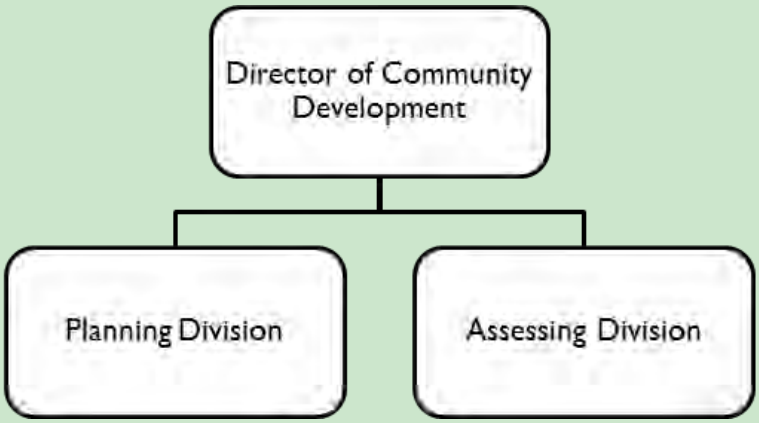
The mission of the Edina Community Development Department is to promote the health, safety and welfare of our residents, neighborhoods, and districts and to preserve our historic and natural resources in an efficient and effective manner through orderly land use and development. The Community Development Department is responsible for planning and zoning, housing and redevelopment, and is responsible for estimating the market value and determining the classification of each piece of property in the City of Edina for property tax purposes.

MAJOR SERVICE AREAS

- Planning
- Zoning
- Heritage Preservation
- Residential Appraisal
- Sign Permits
- Residential redevelopment
- Commercial Appraisal

In 2015, the Community Development Department completed the Valley View Wooddale Small Area Plan.

DEPARTMENT ORGANIZATIONAL CHART



COMMUNITY DEVELOPMENT DEPARTMENT

2015-2016 DEPARTMENTAL GOALS

- Continue to monitor, improve and explore ways to minimize impacts regarding residential redevelopment.
- Complete Study of the density/traffic/utilities issue in the Southdale area.
- Begin the 2018 Comprehensive Plan process by the end of 2016.
- Value all taxable parcels annually and meet the minimum target sales ratio, as required by the County Assessor.
- Participate in the implementation and training for the new Assessment and Taxes program with Hennepin County.

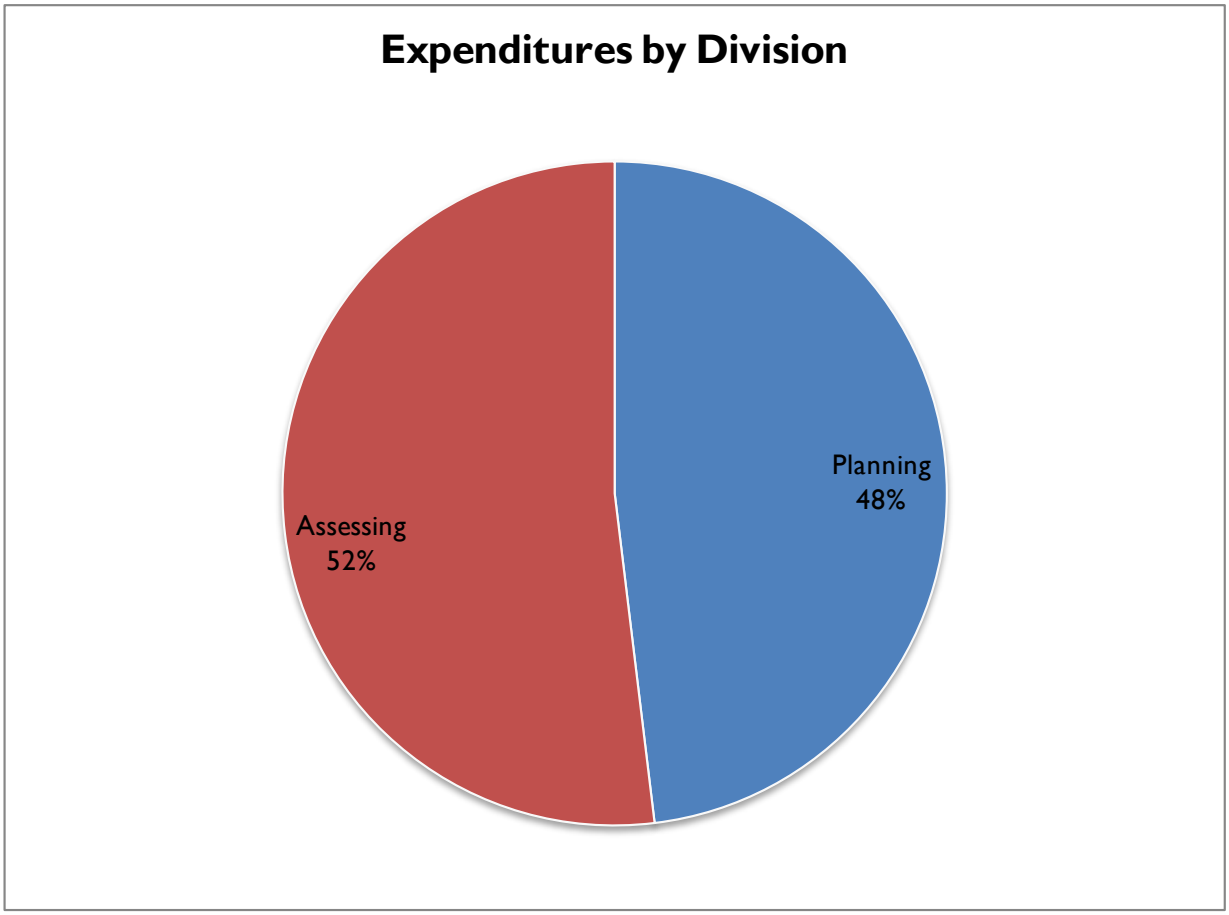
2014-2015 DEPARTMENT ACCOMPLISHMENTS

- The Planning Division applied for and received a Livable Communities Grant through the Metropolitan Council to provide $500,000 for contamination cleanup grants at Pentagon Park.
- Completed the Valley View Wooddale Small Area Plan.
- Completed several Zoning Ordinance Amendments to better regulate residential redevelopment.
- Amended the Comprehensive Plan to better align development density with Metropolitan Council goals.
- Completed a Zoning Ordinance Amendment to make the rezoning process more efficient.
- Created an affordable housing policy with the Edina Housing Foundation.
- Helped guide development proposals in the Southdale Area that will create 799 new housing units, 150,000 s.f. of new medical office, and 60,000 s.f. of new retail space in the area.

PERFORMANCE MEASURES	2013	2014	2015
Number of processed applications and plans reviewed	500	620	300*
Number of residential property inspections	3,800	3,729	2,960*
Number of Special Assessments levied	17	15	12

*Through June 2015

COMMUNITY DEVELOPMENT DEPARTMENT



Community Development Department Expenditures	2013 Actual	2014 Actual	2015 Estimated	2015 Budget	2016 Budget	2017 Budget
General Fund						
Planning	$ 604,437	$ 675,179	$ 675,415	$ 679,087	$ 721,097	$ 847,443
Assessing	840,036	834,781	925,013	933,073	925,848	962,534
General fund subtotal	1,444,473	1,509,960	1,600,428	1,612,160	1,646,945	1,809,977
Other Funds						
Community Development Block Grant	193,340	18,700	125,000	100,000	125,000	125,000
Construction	-	14,826	30,000	30,000	-	200,000
Department Total Budget	$ 1,637,813	$ 1,543,486	$ 1,755,428	$ 1,742,160	$ 1,771,945	$ 2,134,977

*For comparative purposes previous year figures may be adjusted to reflect realigned responsibilities.

Assessing Division

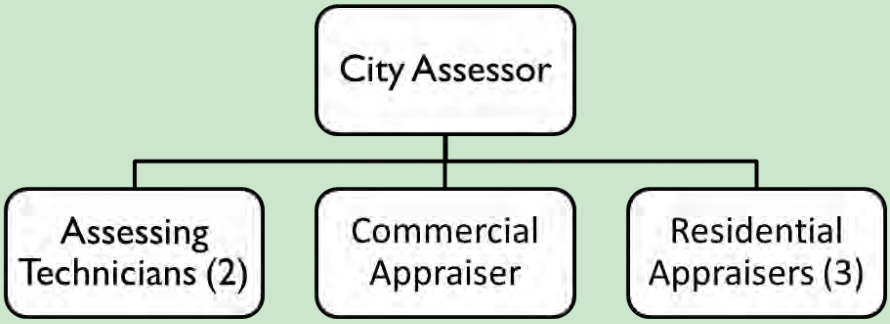
DIVISION OVERVIEW

The Assessing Division conducts quintile field inspections (Minnesota Statute 273.08) and performs annual classification and valuation of Edina's 21,311 real estate parcels. In addition, once every six years, the division must appraise all exempt properties. Accepted approaches (cost, market comparison and income approach) to property valuation are considered in the appraisal process. Each year, all tangible changes to property that may affect value are physically inspected using building permits as an informational source. Statistical analysis is performed on more than 450 residential sales and existing assessor's market values each year, forming a basis for annual adjustments to value. Sales and the analysis of available income and expense data help determine adjustments to commercial, industrial, and apartment values. The division's work culminates each year with the Board of Appeal & Equalization. Hundreds of inquiries and reviews are handled each year prior to that meeting. Throughout the year, staff also manages appeals on commercial/industrial and apartment properties in Minnesota Tax Court.

Hennepin County municipalities compare, coordinate and discuss ratios of assessor's values to sale prices to ensure an acceptable level of assessment and equity between jurisdictions. These ratios indicate the quality of our assessment and are monitored and corrected (if necessary) by the Department of Revenue.

The Assessing Division is also responsible for certification and collection of special assessments.

DIVISION ORGANIZATIONAL CHART



COMMUNITY DEVELOPMENT DEPARTMENT—ASSESSING DIVISION

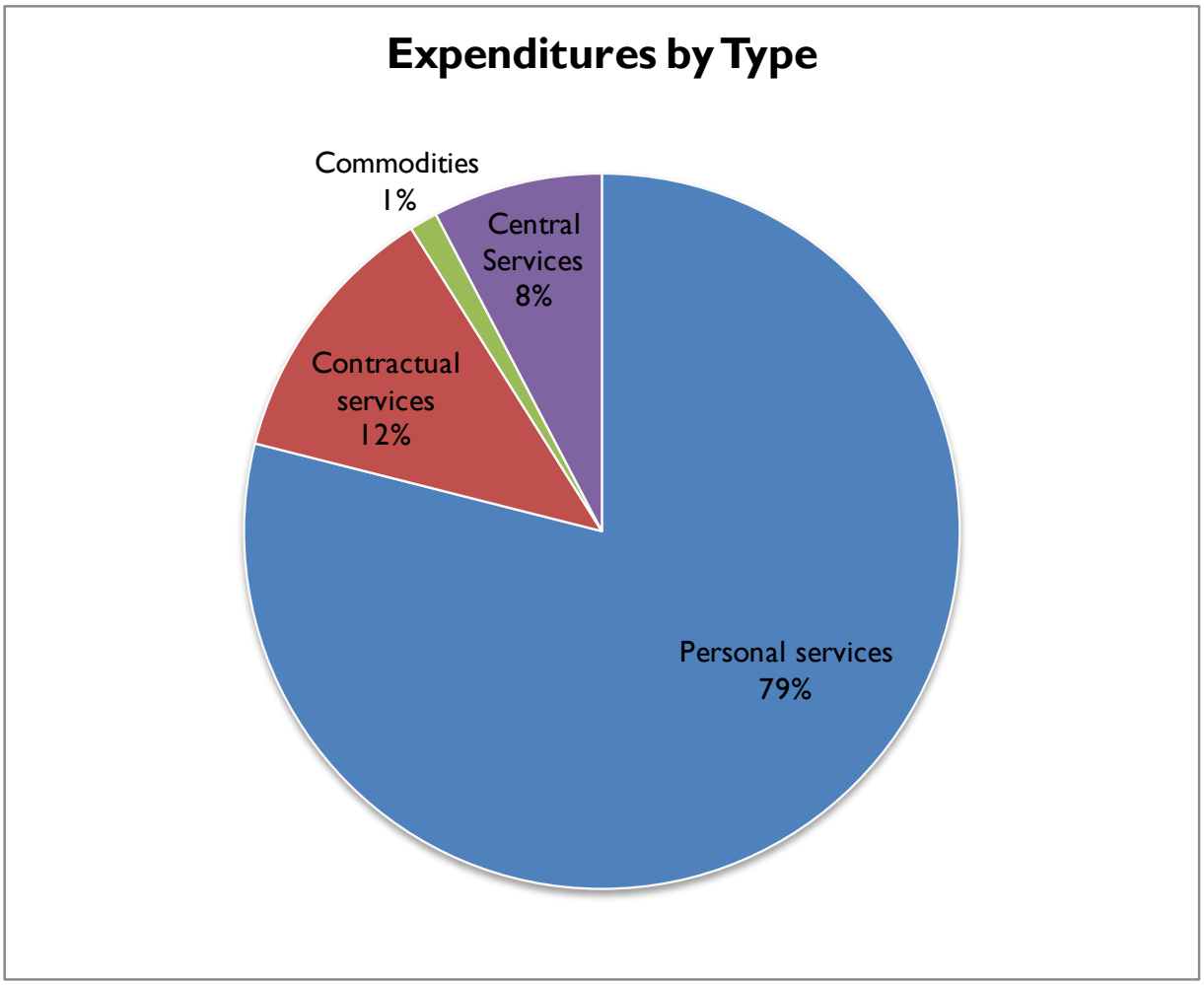
2015-2016 DIVISION GOALS

- Physically inspect and revalue 20 percent of all real property, as required by statute.
- Value all taxable parcels annually and meet the minimum target sales ratio, as required by the County Assessor.
- Appraise all tax exempt properties for the 2016 assessment.

2014-2015 DIVISION ACCOMPLISHMENTS

- Completed the 2015 assessment with a median sales ratio of 95.5 percent and a coefficient of dispersion of 5.3 percent.
- Physically inspected and revalued 20 percent of all real property, as required by statute.
- Valued all taxable parcels annually and met the minimum target sales ratio, as required by the County Assessor.

PERFORMANCE MEASURES	2013	2014	2015
Appraisal value to actual sales value ratio	95.8	97.3	95.5
Board of Appeal and Equalization cases heard	6	16	14
Minnesota Tax Court petitions filed	65	73	71



Assessing Division Expenditures	2013 Actual	2014 Actual	2015 Estimated	2015 Budget	2016 Budget	2017 Budget
General Fund						
Personal services	$ 680,933	$ 665,221	$ 746,389	$ 738,949	$ 727,940	$ 758,738
Contractual services	89,008	101,007	103,920	118,720	125,700	130,700
Commodities	1,264	1,526	2,200	2,900	2,200	2,200
Central Services	68,831	67,027	72,504	72,504	70,008	70,896
Construction Fund						
Equipment replacement	-	14,826	30,000	30,000	-	-
Total	$ 840,036	$ 849,607	$ 955,013	$ 963,073	$ 925,848	$ 962,534

*For comparative purposes previous year figures may be adjusted to reflect realigned responsibilities.

Planning Division

DIVISION OVERVIEW

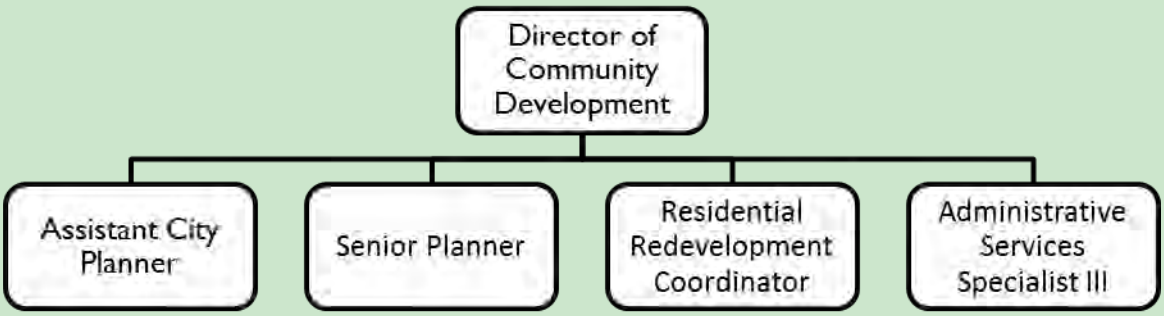
The Planning Division is primarily responsible for the review and management of development and redevelopment in the City of Edina. The division coordinates the preparation of a Comprehensive Plan, including the City's long-range guide to how property should be developed or redeveloped.

Within the context of the Comprehensive Plan, the division administers the City's zoning ordinances, which govern how property can be used. Planning staff provides recommendations to the Planning Commission and City Council on all land use issues. The Planning Division also acts as the staff liaison to the Edina Heritage Preservation Board and the Edina Housing Foundation.

In a typical year, the Planning Division will process 50 variance requests; submit to the City Council between 20 and 30 requests for subdivision, rezoning, site plan and conditional use permit approval; process 100 sign permits and administer $150,000 in Community Development Block Grant funding.

- *The Planning Division helped guide development proposals in the Southdale Area that will create **799** new housing units, **150,000 s.f**. of new medical office, and **60,000 s.f.** of new retail space in the area.*

DIVISION ORGANIZATIONAL CHART



COMMUNITY DEVELOPMENT DEPARTMENT—PLANNING DIVISION

2015-2016 DIVISION GOALS

- Continue to monitor, improve and explore ways to minimize impacts regarding residential redevelopment.
- Complete Study of the density/traffic/utilities issue in the Southdale area.
- Begin the 2018 Comprehensive Plan creation process the end of 2016.

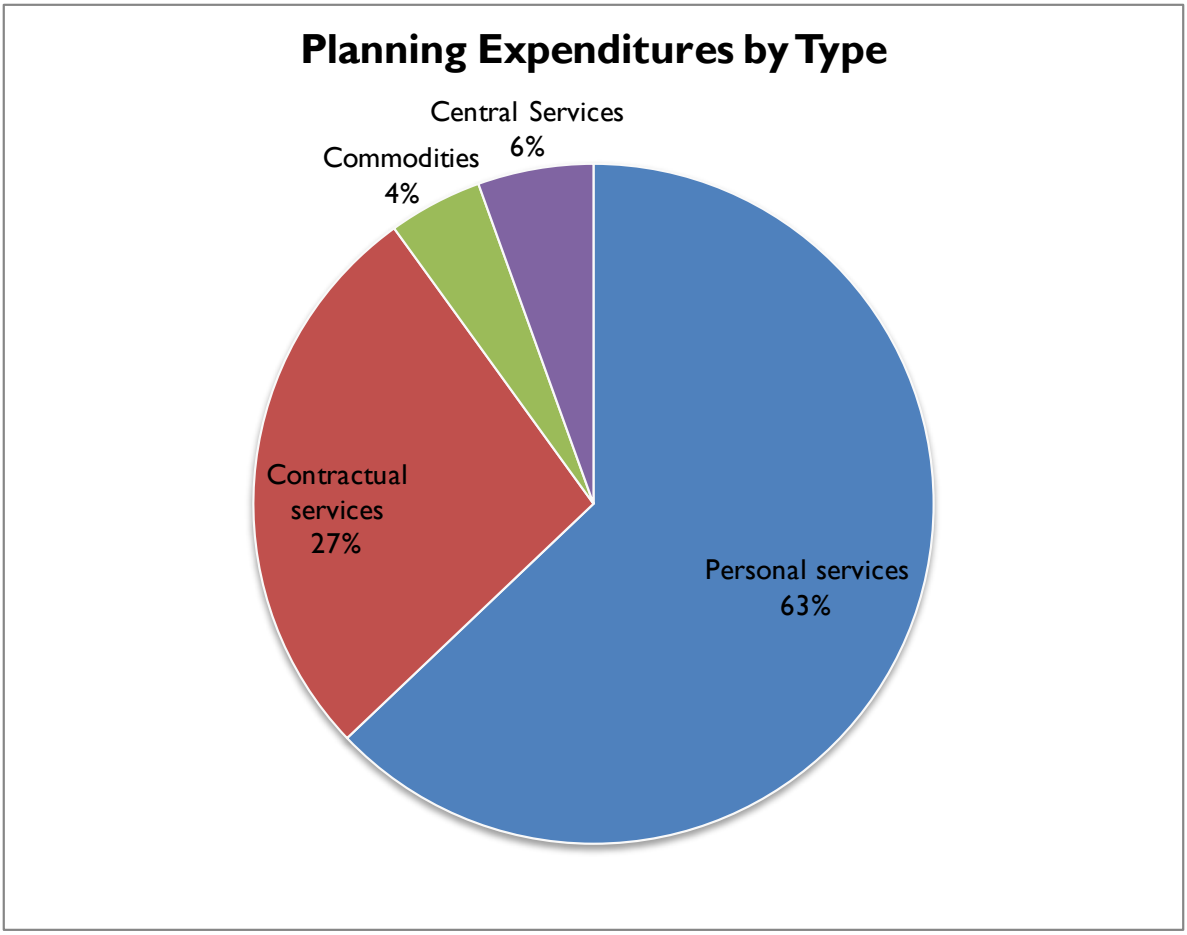
2014-2015 DIVISION ACCOMPLISHMENTS

- Completed the Valley View Wooddale Small Area Plan.
- Completed several Zoning Ordinance Amendments to better regulate residential redevelopment.
- Amended the Comprehensive Plan to better align development density with Metropolitan Council goals.
- Completed a Zoning Ordinance Amendment to make the rezoning process more efficient.
- Created an affordable housing policy with the Edina Housing Foundation.
- Helped guide development proposals in the Southdale Area that will create 799 new housing units, 150,000 s.f. of new medical office, and 60,000 s.f. of new retail space in the area.

PERFORMANCE MEASURES	2013	2014	2015*
Number of Conditional Use Permits submitted	3	5	1
Number of New Home permits reviewed	106	117	65
Number of Sign Permits submitted	157	102	50
Number of Sketch Plans submitted	5	10	4
Number of Variance applications submitted	23	27	18
Number of Subdivision applications submitted	7	2	3
Number of Rezoning applications submitted	3	10	3

*Through June 2015

COMMUNITY DEVELOPMENT DEPARTMENT— PLANNING DIVISION



Planning Division Expenditures	2013 Actual	2014 Actual	2015 Estimated	2015 Budget	2016 Budget	2017 Budget
General Fund						
Personal services	$ 464,594	$ 523,495	$ 537,915	$ 537,915	$ 556,989	$ 580,283
Contractual services	90,766	105,863	85,500	88,000	111,500	212,500
Commodities	3,018	2,212	6,000	6,000	4,500	6,000
Central Services	46,059	43,609	46,000	47,172	48,108	48,660
CDBG Fund						
Contractual services	193,340	18,700	125,000	100,000	125,000	125,000
Construction Fund						
Capital outlay	-	-	-	-	-	200,000
Total	$ 797,777	$ 693,879	$ 800,415	$ 779,087	$ 846,097	$ 1,172,443

*For comparative purposes previous year figures may be adjusted to reflect realigned responsibilities.

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City of Edina

COMMUNITY PROFILE

For living, learning, raising families, and doing business.

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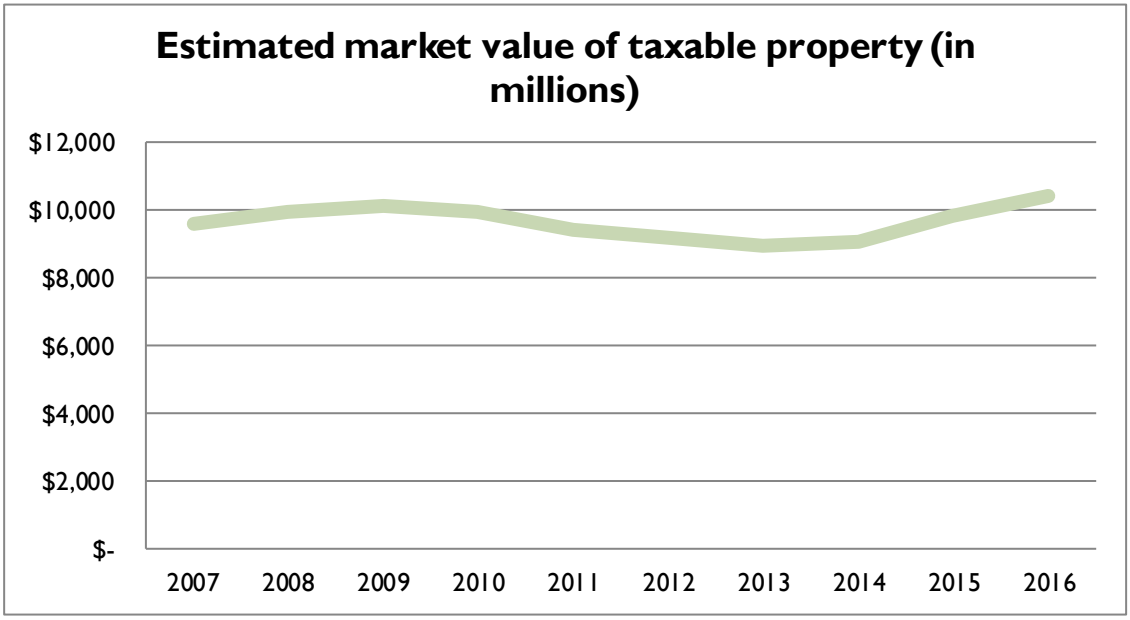
MARKET VALUE OF PROPERTY: LAST TEN FISCAL YEARS

Although the City has been nearly fully developed and our borders haven't changed for many years, total market value of properties in the City has grown. Like many communities, property values dropped somewhat after 2009, but the drop in Edina was not as severe as many other places. Residential and commercial redevelopment in recent years has contributed to the increase in the total market value of Edina.

Fiscal Year	Market Value (In millions) [a]	
	Estimated	Taxable
2007	$ 9,619	$ 9,452
2008	9,987	9,929
2009	10,112	10,079
2010	9,960	9,950
2011	9,442	9,432
2012	9,179	9,026
2013	8,955	8,799
2014	9,066	8,912
2015	9,838	9,702
2016	10,423	10,300

Source: Hennepin County Taxpayer Services.

[a] Property in the City is assessed annually. Assessed value is equal to market value, although taxable value may be different, as shown. The City receives reports from Hennepin County showing total market value, but not separated by property classification.



TOP TEN TAX PAYERS

The City of Edina's local economy is healthy and diverse. There are several large tax payers in the City that are important but none is dominant. Edina is not overly reliant on one business or industry.

	2014		
Taxpayer	Tax Capacity	Rank	Percentage of Total Capacity
Southdale Shopping Center	$2,506,810	1	2.32%
Galleria Shopping Center	1,978,800	2	1.83%
Centennial Lakes Retail	788,526	3	0.73%
Centennial Lakes Phase V	704,848	4	0.65%
Southdale Office Park	701,274	5	0.65%
Centennial Lakes Phase IV	691,196	6	0.64%
Southdale Medical Building	620,285	7	0.57%
National Car	508,794	8	0.47%
Centennial Lakes Phase III	439,470	9	0.41%
Target	439,250	10	0.41%
Totals	$9,379,253		8.68%

Source: City of Edina Assessing Office

Centennial Lakes, Edina

TOP TEN EMPLOYERS

The City of Edina's local economy is healthy and diverse. There are several large employers in the City that are important but none is dominant. Edina is not overly reliant on one employer or industry.

	2014		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**
Fairview Southdale Hospital	2,613	1	10.98%
Edina Public Schools ISD #273	1,860	2	7.81%
City of Edina	811	3	3.41%
BI Worldwide	600	4	2.52%
Regis Corporation	600	5	2.52%
Barr Engineering	453	6	1.90%
Lund Foods Holdings, Inc.	405	7	1.70%
International Dairy Queen Inc.	400	8	1.68%
Edina Realty	400	9	1.68%
FilmTec Corporation	375	10	1.58%
Totals	8,517		35.78%

Sources:

2014 data from ReferenceUSA, written and telephone survey (October 2014) done by Ehlers, and the Minnesota Department of Employment and Economic Development.

COMMUNITY PROFILE

EDUCATION AND WORKFORCE

Fiscal Year	Population	High School Graduation Rate	Unemployment Rate
2005	47,448	92.1%	3.30%
2006	46,896	92.0%	3.00%
2007	47,090	92.0%	3.45%
2008	48,169	92.0%	4.33%
2009	48,169	92.4%	6.38%
2010	47,941	91.6%	5.56%
2011	48,262	92.2%	5.25%
2012	48,829	97.4%	4.56%
2013	49,216	97.7%	3.98%
2014	49,216	97.8%	3.10%

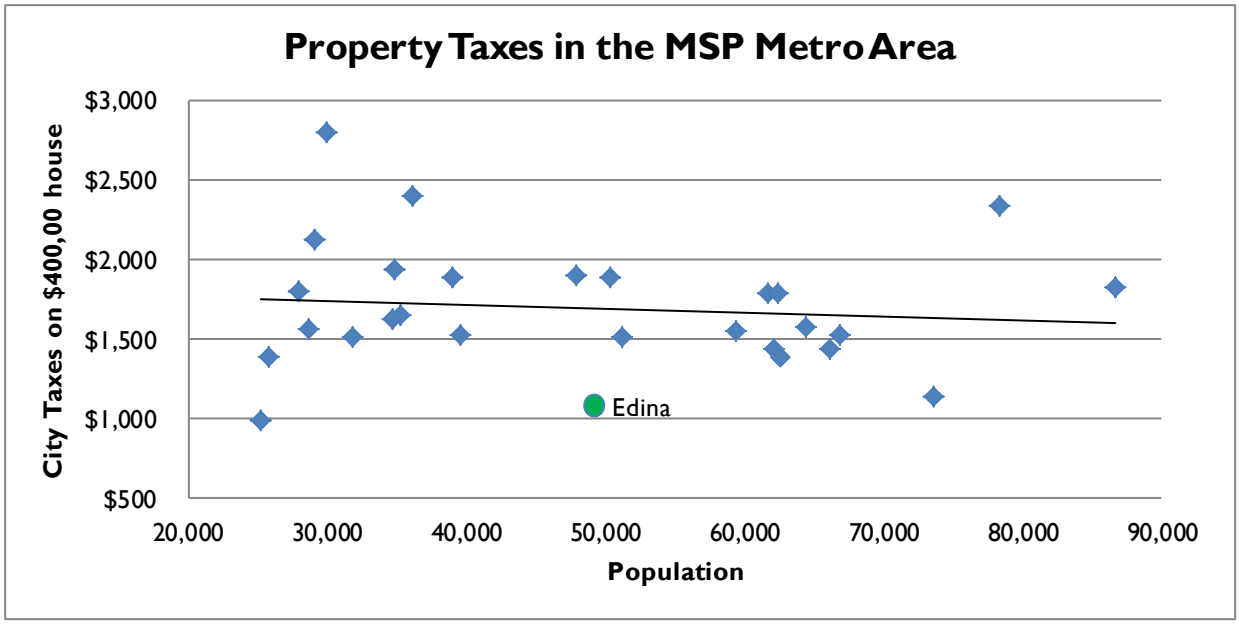
Sources:

Population data from U.S. Census Bureau/Metropolitan Council.

High school graduation rate data from U.S. Census Bureau for all of Hennepin County.

Unemployment rate data from State of Minnesota Department of Employment and Economic Development.

TAXES



Each blue diamond indicates a different city in the MSP area. Includes all cities with population 25,000-100,000

2015 Taxes per LMC Property Tax Calculator

2014 Population per Met Council estimate

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City of Edina

GLOSSARY

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GLOSSARY

Accounting – A system to measure and communicate financial information about an organization, including annual results and current position. It has been called the "language of business".

Accrual basis of accounting – A method of accounting for transactions by recording revenues when they are earned (whether cash is received at the same time or not) and recording expenses when goods and services are received (whether cash is paid at the same time or not).

Adopted budget – The City Council adopts a financial plan for a fiscal year, including revenues and other financing sources as well as expenditures, expenses and other uses.

Appropriation – An authorization made by the legislative body of a government which permits officials to incur obligations against and to make expenditures of governmental resources.

Assessed valuation – Market value for all real or personal property equals the price that a property would command under competitive, open-market conditions, at the time the property is assessed. The City Assessor's Office determines assessed valuation. In Minnesota there is a one year delay between the time a property is valued and the payment of taxes based on that value.

Asset – An accounting term. Any tangible or intangible economic resource that is capable of producing future value can be considered an asset. Assets are shown on the balance sheet. Asset values are sometimes estimated as of the balance sheet date.

Balance sheet – Summarizes an entity's financial position on a specific date, often the last day of the fiscal year. The balance sheet is sometimes described as a "snapshot of an entity's financial position". Governmental accounting sometimes uses alternative words or phrases to describe financial documents similar to a balance sheet, such as "Statement of Net Position" or "Statement of Fund Net Position".

Bond – A written promise to pay (debt) a specified sum of money (called principal, par or face value) at a specified future date (called the maturity date(s)) along with periodic interest paid at a specified percentage of the principal (interest rate). Bonds are typically used for long-term debt.

Capital asset – An accounting term used to describe assets with significant value and having a useful life of several years. Capital assets are sometimes called fixed assets.

Capital Improvement Plan (CIP) – A plan to prioritize expenditures for significant projects and match financing to pay the project costs. The City of Edina prepares a five-year CIP every two years.

Capital outlay – Expenditures for the acquisition of capital assets.

Capital projects fund – A type of fund defined by GASB. Capital projects funds are used to account for all financial resources that are restricted, committed, or assigned to expenditures for capital outlay, other than those financed by proprietary funds. The City of Edina has one capital projects fund that we call the Construction fund.

GLOSSARY

Central services – The City of Edina is a diverse organization that has several departments, divisions and business units. There are some common costs (overhead) like property and liability insurance, IT services, building maintenance and equipment maintenance that we have found are most efficiently performed centrally for all of our business units. The term central service is how we describe our system for allocating the costs of this overhead to the business units that benefit from them. Sometimes other cities will use the term "internal service", which describes the same goal but is a slightly different process with different accounting rules.

City Council – Five elected leaders, including the mayor, that represent the legislative arm of local government in Edina.

Community Development Block Grant (CDBG) – The CDBG program is a federal program that dates back to 1974, and exists to provide communities with resources to address a wide range of unique community development needs. The City of Edina receives CDBG funding through Hennepin County.

Debt service – Payment of interest and repayment of principal to holders of a government's debt instruments.

Debt service fund – A type of fund defined by GASB. Debt service funds are used to account for all financial resources that are restricted, committed, or assigned to expenditures for principal and interest. The City of Edina has one debt service fund that we call the Debt Service fund.

Deficit – (1) May be used when discussing an entity's balance sheet where liabilities exceed assets (2) Also may be used when discussing an entity's income statement where expenditures or expenses exceed revenues during an accounting period.

Depreciation – A system of allocating the cost of a capital asset over its useful life. The City of Edina uses depreciation in our enterprise funds, but not our governmental funds.

Enterprise fund – A type of fund defined by GASB. Enterprise funds use full accrual accounting. The City of Edina has eight enterprise funds; Utilities fund, Liquor fund, Aquatic Center fund, Golf Course fund, Arena fund, Art Center fund, Edinborough fund, and Centennial Lakes fund.

Expenditure – An accounting term often used when discussing governmental or modified accrual accounting. Expenditures are generally recorded when a liability is incurred, as expenses are recorded under accrual accounting. However, some changes in long-term liabilities, like debt service or compensated absences, are recorded as expenditures only when payment is due.

Expense – An accounting term. Expenses include outflows of economic resources or depletions of assets during a period of time, like a month, quarter, or fiscal year.

Fiscal disparities – A program in the Minneapolis/St. Paul (MSP) metropolitan area in which a portion of the commercial and industrial property value of each city and township is contributed to a tax base sharing pool. Each city and township then receives a distribution of property value from the pool based on market value and population in each city.

Franchise fee – Sometimes called a franchise tax, this is revenue the City of Edina collects from a company in exchange for granting the right or license to market that company's goods or services in the City's borders. The City of Edina currently receives franchise fee revenue from Comcast Cable, Xcel Energy, and Centerpoint Energy.

GLOSSARY

Generally Accepted Accounting Principles (GAAP) – The body of rules that govern accounting. The City of Edina uses accounting principles generally accepted in the United States for local governments. The Governmental Accounting Standards Board (GASB) is an influential body that sets GAAP. GAAP is enforced through the audit process, when auditors render opinions on the fairness of financial statement presentations in conformity with GAAP.

Governmental Accounting Standards Board (GASB) – An independent, non-governmental organization that is the official source of Generally Accepted Accounting Principles (GAAP) used by State and Local governments in the United States, including the City of Edina. The GASB was established in 1984 by agreement of the Financial Accounting Foundation (FAF) and 10 national associations of state and local government officials.

Governmental funds – A category of funds that always includes a governmental entity's general fund, special revenue funds, capital projects funds and debt service funds. Governmental funds use the modified accrual basis of accounting with revenues recognized in the accounting period in which they become available and measurable. Expenditures are generally recorded when a liability is incurred, as expenses are recorded under accrual accounting. However, some changes in long-term liabilities, like debt service or compensated absences, are recorded as expenditures only when payment is due.

Government Finance Officers Association (GFOA) – A professional association of local government finance officers in the United States and Canada, headquartered in downtown Chicago. The purpose of the Government Finance Officers Association is to enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and best practices and promoting their use through education, training, facilitation of member networking, and leadership.

Homestead market value exclusion – Property that is homesteaded is eligible to receive the Homestead market value exclusion. The Homestead market value exclusion causes the amount of value that is taxable to be reduced by excluding a portion of a property's estimated market value.

Housing and Redevelopment Authority (HRA) – The Edina HRA is an entity legally separate from the City, established in 1974 for the purpose of undertaking urban redevelopment projects and assisting with the development of affordable housing. The members of the City Council comprise the five-member board of commissioners of the HRA.

Income statement – Summarizes an entity's revenues and expenses or expenditures for a specified accounting period, such as a month, quarter, or fiscal year. The income statement is sometimes also called the profit and loss (P&L), statement of operations, earnings statement or other similar term. Governmental accounting sometimes uses additional alternative words or phrases to describe financial documents similar to an income statement, such as "Statement of Activities", "Statement of Revenues, Expenditures, and Changes in Fund Balances" (governmental funds), or "Statement of Revenues, Expenses, and Changes in Fund Net Position/Equity" (proprietary or enterprise Funds).

League of Minnesota Cities (LMC) – The LMC is a membership organization dedicated to promoting excellence in local government. The League serves its more than 800 member cities, including Edina, through advocacy, education and training, policy development, risk management, and other services.

Levy limit – The amount a local unit of government is permitted to levy for specific services under state law. Annual levy limits, when applicable, are set by the State Legislature.

GLOSSARY

Liability – An accounting term. A liability is an obligation arising from past events, the settlement of which is expected to result in an outflow of resources (assets). Liabilities are shown on the balance sheet. Liability values are sometimes estimated as of the balance sheet date.

Local Government Aid (LGA) – A Minnesota State government revenue sharing program for cities with low property wealth or high service burdens that is intended to provide an alternative to the property tax. The City of Edina doesn't receive LGA.

Local sales taxes – A local tax levied on the sale of goods and services to be used for specific purposes by a local government. The City of Edina doesn't impose or collect any local sales taxes.

Municipal Legislative Commission (MLC) – The MLC is a lobbying group that provides a voice at the state capital for 16 suburban communities, including Edina, sharing common demographic, economic and tax base characteristics.

Pedestrian and Cyclist Safety (PACS) – In 2013 the City began collecting franchise fee revenue from both Xcel and CenterPoint customers to be used for the creation, maintenance and improvement of non-motorized transportation facilities in Edina.

Property tax levy – The City of Edina goes through a budget process to determine what services we will provide, what those services will cost, and where we will get the money. The City Council sets the annual property tax levy, which is then certified to Hennepin County for collection.

Property tax refund – The State of Minnesota has a program to partially refund property taxes to those taxpayers whose property taxes are out of proportion with their incomes, according to program guidelines. The program is available to homeowners and renters.

Quality of Life survey (QLS) – A survey of residents commissioned by the City of Edina designed to provide performance feedback to the City Council and city staff.

Revenue – An accounting term. Revenues include money an organization receives during a period of time, like a month, quarter, or fiscal year.

Special assessment – The City places a financial lien against a property to recoup the cost of certain improvements or services provided to a property, such as a street or utility improvement or unpaid utility services.

Special revenue fund – A type of fund defined by GASB. Special revenue funds are used to account for all financial resources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The City of Edina has five special revenue funds; HRA fund, PACS fund, CDBG fund, Police Special Revenue fund, and Braemar Memorial fund.

State general property tax – The State of Minnesota imposes property taxes on commercial, industrial, and seasonal recreational properties.

Tax capacity – The valuation of property based on market value and class rates. For properties in Edina, the City Assessor's office sets the value, the State of Minnesota sets the class rates, and Hennepin County performs the calculation.

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City of Edina

APPENDIX

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FINANCIAL MANAGEMENT POLICIES

PURPOSE

The City of Edina has a responsibility to provide quality services to its residents, and considers it important to do so in a fiscally responsible fashion designed to keep services and taxes as consistent as possible over time. These financial management policies are meant to serve as the framework upon which consistent operations may be built and sustained.

OPERATING BUDGET POLICIES

Scope. It is the City's policy to budget for all governmental and enterprise funds.

Accounting. The governmental funds use the modified accrual basis of accounting for budgeting and reporting purposes. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities for the current period. The City considers all revenues, except reimbursement grants, to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

The Enterprise Funds use the accrual basis of accounting for budgeting and reporting purposes. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Stakeholder Input. The annual budget process is intended to weigh all competing requests for City resources within expected fiscal constraints. Requests for new programs made outside the annual budget process are discouraged. The City will provide ample time and opportunity for public input into its budget process every year.

Balanced Budget Adoption. The operating budget for the General Fund will be balanced. The City will not use internal or external short-term borrowing, asset sales, or one-time accounting changes to balance the General Fund budget. The balanced budget will include a reasonable annual appropriation for contingencies.

Budgetary Controls. The legal level of budgetary control is at the department level within the General Fund even though budgetary data is presented at lower levels (personal services, contractual services, commodities, and central services). Expenditures may not legally exceed appropriations by department unless offset by increases in revenues. All unencumbered appropriations lapse at year-end.

The City Manager may approve budgetary transfers. The City Council may approve supplemental appropriations.

Monitoring. Department Directors are responsible for administration of their respective department budgets. Such responsibility includes reviewing monthly financial reports to detect errors and assess progress, staying within budget authorization, and submitting requests for budget adjustments, when required.

REVENUE POLICIES

Policies. The City will endeavor to maintain a diversified and stable revenue system to shelter programs and services from short-term fluctuations in any single revenue source.

Property Taxes. It is beneficial for residents and for the City to keep tax rates low and consistent from year to year. The City will strive to proactively avoid large increases in the operating budget levy.

Fees and Charges. The City shall establish user charges and fees for General Fund program activities at a level related to the full cost of providing the services. Components of the user charges shall include direct and indirect costs of providing the service. The City will also consider policy objectives and market rates when setting fees.

Transfers. Transfers should not be used as a revenue source to balance the operating budget except for the annual transfer from our liquor operations.

Investment Income. The City will reasonably budget for investment revenue in our operating budget based on the conservative investment strategy outlined in our investment policy (under separate cover).

FUND BALANCE POLICIES

Definitions. The term *fund balance* describes the net assets of the City's governmental funds calculated in accordance with generally accepted accounting principles (GAAP). GAAP further divides fund balance into five categories; *non-spendable* fund balance, restricted fund balance, *committed* fund balance, assigned fund balance, and *unassigned* fund balance.

- Nonspendable fund balance consists of amounts that cannot be spent because they are not in spendable form, such as prepaid items.
- Restricted fund balance consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.
- Committed fund balance consists of amounts that are constrained for specific purposes that are internally imposed by formal action (resolution) of the City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.
- Assigned fund balance consists of amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the City Council.
- Unassigned fund balance is the residual classification for the general fund and also reflects negative residual amounts in other funds.

Policies. At the end of each fiscal year, the City will maintain nonspendable and restricted fund balance equal to the amounts required by GAAP for a variety of purposes, including but not limited to: prepaid expenditures, park dedication fees, E-911 funds, forfeiture funds, and other assets restricted by grantors, contributors, creditors, or enabling legislation.

At the end of each fiscal year, the City will maintain committed fund balance constrained for specific purposes by City Council.

At the end of each fiscal year, the City will maintain assigned fund balance in the General Fund for investments as calculated by the difference between market value and amortized value of investments held by the City at year-end. The City will also maintain assigned fund balance in the General Fund for Compensated Absences of 40% of the actual full-accrual General Fund liability for compensated absences.

At the end of each fiscal year, the City's goal is to maintain unassigned fund balance for Cash Flow in the General Fund in a range equal to 42-47% of the subsequent year's budgeted tax revenue. In the event that unassigned fund balance falls above or below the desired range, the Finance Director shall report such amounts to the City Council as soon as practicable after the end of the fiscal year. Should the actual amount of unassigned fund balance fall below the desired range, the City shall create a plan to restore the appropriate levels. Should the actual amount of unassigned fund balance fall above the desired range, any excess funds will remain unassigned pending the Council's final decision concerning transfer to another fund. It is the policy of the City that, to the extent possible, such excess funds will be transferred to the Construction Fund to support capital improvements and equipment.

Available fund balances shall not be used for ongoing operating expenditures.

When both restricted and unrestricted resources are available for use, it is the City's policy to first use restricted resources, then use unrestricted resources as they are needed.

When committed, assigned, or unassigned resources are available for use, it is the City's policy to use resources in the following order: 1) committed, 2) assigned, and 3) unassigned.

CAPITAL OUTLAY POLICIES

Equipment Replacement Program. The City strives to maintain its physical assets at a level that minimizes future repair and maintenance costs. To accomplish this goal, the City has established the Equipment Replacement Program to annually budget and set aside funds for the timely replacement of City equipment.

The City's Equipment Replacement Program includes equipment used for General Fund programs.

Capital Improvement Plan (CIP). The goal of the City's CIP is to develop a comprehensive program for use by decision makers to guide capital investments based on an assessment of the community's needs, taking into account the best use of limited resources while providing efficient and effective municipal services.

The City will develop a five-year plan for capital improvements and update it annually. The CIP process includes analyzing projects contributing to the public health and welfare, projects helping to maintain and improve the efficiency of the existing systems, and projects that define a future need within the community.

The City will identify the estimated cost and potential funding sources for each capital project proposal in the CIP. Purchase contracts for equipment and projects included in the CIP must still be properly authorized according to the City's Purchasing Policy.

The CIP will include equipment and projects from any City fund.

DEBT MANAGEMENT POLICIES

Policy Limits. The City will use debt only for capital improvement or projects that have a life of more than 4 years. The City will avoid using debt for cash flow borrowing, operations, or repairs.

When possible, the City will not use debt to finance equipment purchases when it is possible to purchase the equipment on a pay-as-you-go basis with equipment replacement program or capital improvement plan reserves.

The City shall use G.O. tax increment bonds only when the development merits special consideration.

The City's capital improvement plan shall contain debt assumptions which match this policy and requires a commitment to long-range financial planning which looks at multiple years of capital and debt needs.

Legal Limits. Minnesota Statues, Section 475 prescribes the statutory debt limit that outstanding principal of debt cannot exceed 2% of taxable market value. This limitation applies only to debt that is wholly tax-supported. The type of debt included is either general obligation debt of any size bond issue (G.O.) or lease revenue bond issues that were over $1,000,000 at the time of issuance. However, there are also several other types of debt that do not count against the limit. G.O. tax increment, G.O. special assessment, G.O. utility revenue, G.O. recreational facility revenue, and HRA-issued debt are considered to have a separate revenue source other than just taxes and are excluded from the legal debt limit calculation. Local ordinances do not limit the City's ability to issue debt.

Issuance Practices. The City uses the competitive sale method for its general obligation bond sales unless factors such as structure, size or market conditions compel the use of a negotiated sale.

The City may use an outside bond attorney, an independent financial advisor, and/or other service providers to assist with the structuring and sale of the bonds.

Debt Structuring. The City's collective debt shall amortize at least 50% of its principal within 10 years. In all cases, the maturity shall be shorter than the life of the related assets.

Conduit Debt. The City may participate in conduit debt financings. Development proposals are reviewed to determine if they meet program objectives and whether the proposals are financially feasible.

Variable Rate Debt. The City may use variable rate debt to provide debt structuring flexibility and potential interest savings to the total debt portfolio. Variable rate debt should not constitute more than 20% of the City's total debt obligations.

Refunding. Current refunding bonds may be utilized when present value savings of 3% of refunded principal is achieved or in concert with other bond issues to save costs of issuance.

Advance refunding bonds may be utilized when present value savings of 4% of refunded principal is achieved.

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