



2016-2017 PRIORITIES

Focused Redevelopment

Planning for the Future

Intergovernmental Relations

Transportation & Infrastructure

Enterprise Facilities

City of Edina Directory

City Council

Mayor Jim Hovland	612-874-8550
Council Member Mary Brindle.....	952-941-7746
Council Member Mike Fischer	952-833-9569
Council Member Kevin Staunton.....	952-836-1020
Council Member Bob Stewart	952-833-9559

Executive Leadership Team

City Manager

Scott Neal..... 952-826-0401

Assistant City Manager

Lisa Schaefer..... 952-826-0416

Communications & Technology Services Director

Jennifer Bennerotte..... 952-833-9520

Community Development Director

Cary Teague..... 952-826-0460

Engineering Director

Chad Millner..... 952-826-0318

Finance Director

Don Uram..... 952-826-0414

Fire Chief

Tom Schmitz..... 952-826-0332

Human Resources Director

Kelly Curtin..... 952-826-0402

Parks & Recreation Director

Ann Kattreh..... 952-826-0430

Police Chief

Dave Nelson..... 952-826-0487

Public Works Director

Brian Olson..... 952-826-0311



File photo

Weber Park

Edina students help Mayor Jim Hovland cut the ribbon at the new Weber Park playground grand opening in June 2017.

City Keeps Taxes Low

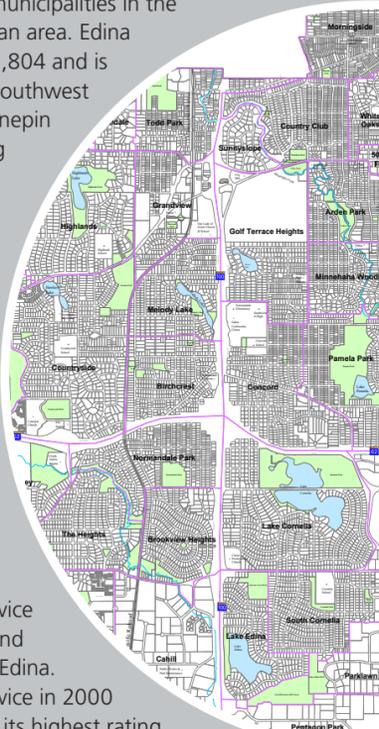
Edina Municipal Taxes Are Half of Those in Richfield, Hopkins

Edina continues to maintain low municipal property taxes, with a 2016 average of \$1,104 per year for a \$400,000 home. Put in context, this is less than half the municipal property taxes for a home of equal value in Richfield or Hopkins.

Property values within the city are one of the most important factors in preserving City property taxes at bedrock levels as well as thoughtful planning by the City. Both ensure municipal property taxes don't needlessly rise.

Edina History

From its incorporation in 1888 as a milling community on the banks of Minnehaha Creek, Edina has evolved into a model among municipalities in the Twin Cities metropolitan area. Edina has a population of 51,804 and is situated immediately southwest of Minneapolis in Hennepin County. It is a first-ring suburb known for its shopping and dining, parks and recreational facilities and the excellent quality of life for residents.



Bond Rating

Independent bond-rating agencies Standard & Poor's and Moody's Investors Service affirmed their high bond ratings for the City of Edina. 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 spring of 2017.

Edina is one of just a few communities in the State with both triple-A bond ratings. Others are Apple Valley, Bloomington, Burnsville, Eagan, Eden Prairie, Maple Grove, Plymouth, Rochester, Roseville and Woodbury.

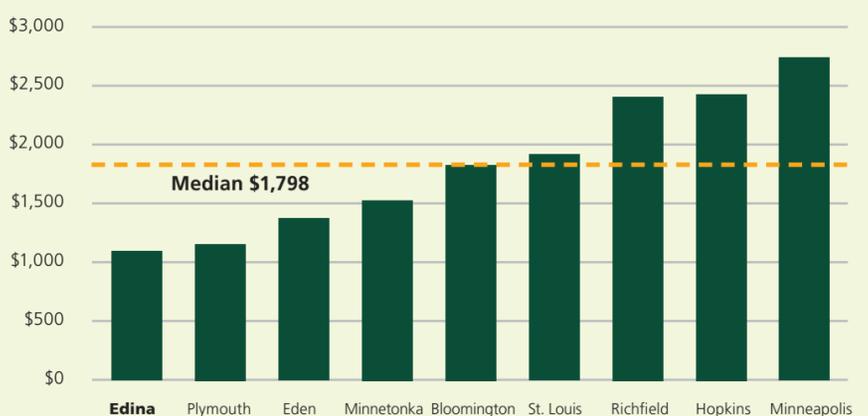
Major Employers

Major employers in the City include Fairview Southdale Hospital, Edina Public Schools, City of Edina, BI Worldwide, Regis Corporation, FilmTec Corporation, Lund Food Holdings, International Dairy Queen, Edina Realty and JC Penney.

An estimated 52,000 people work in Edina.

2016 Property Tax Comparison

*City portion of property taxes only, based on \$400,000 home value



"The strong tax base in Edina continues to grow because of the appreciation in existing property values and the new construction," said City Assessor Bob Wilson.

However, there's a common misconception among residents that taxes in Edina are much higher than surrounding communities. According to the City's biennial Quality of Life Survey administered in 2017, 58 percent of residents responded that they feel property taxes are "very" or "somewhat" high compared with neighboring cities.

"Increasing property values continues to be the primary reason why Edina's taxes are the lowest compared to our neighboring communities," said Finance Director Don Uram. "Redevelopment within the City has contributed to this increase, giving Edina the fourth largest tax base in the state. The City Council's and staff's commitment to prudent fiscal management and continued long-term financial planning is also as important."

Residents also pay property taxes to Hennepin County, their local school district and watershed district.

For more information, contact Uram at 952-826-0414.

"The strong tax base in Edina continues to grow, because of the appreciation in existing property values and the new construction."

The City of Edina reports financial year-end results in its Comprehensive Annual Financial Report (CAFR). This issue of *Edition: Edina* summarizes significant data from select funds in the 2016 CAFR and is consistent with Generally Accepted Accounting Principles. For a complete review of the City's financial position for 2016, consult the CAFR, available online at EdinaMN.gov/Finance or at Edina City Hall, 4801 W. 50th St.

Changes Boost Profit At Edina Liquor

City Clears \$800,000 Profit in 2016

Recent changes at Edina Liquor are already paying off, to the tune of \$232,000 and counting.

Through the first four months of 2017, that's the year-over-year profit increase. Edina Liquor ended 2016 clearing \$806,838 in profit. After the first quarter of this year, staff anticipates clearing an even greater profit in 2017.

It doesn't even include the results of this year's Spring Sale, which was a roaring success with sales increasing almost 6 percent compared to the same period last year. Historically, the high-water mark for monthly sales increases year over year has been 4 percent.

"It's going really well," said General Manager of Liquor Operations Josh Furbish, who has spearheaded the changes since taking the position last fall. "We are headed in the right direction."

The financial numbers are good news for taxpayers as well. Edina Liquor profits are poured back into the City's recreational facilities.



Photo by Katie Laux

The pickleball courts at Rosland Park have proven to be popular with players from the metro area.

Rosland Park Offers Two New Amenities

Pickleball Courts, Universal Playground Popular With Residents

Rosland Park added two amenities last year with the opening of pickleball courts in July and a universal playground in October.

"Both have been tremendous additions to the park system," said Parks & Recreation Director Ann Kattreh.

Rosland Park, 4300 W. 66th St., has one of the most used playgrounds in the city, primarily because of its size and proximity to the Edina Aquatic Center. With the new playground equipment, the playground integrates a variety of play experiences and challenges while providing access to children with physical, sensory and developmental disabilities. It's completely accessible via wheelchair, with ramps on the play structure and possibilities for those in a wheelchair to easily transfer or be transferred to any of the play pieces.

"People of all abilities – kids, parents and even grandparents – are able to enjoy the playground together," said Assistant Parks & Recreation Director Susan Faus, who added that the Parks & Recreation Department will do its best to make future playgrounds accessible for all. "It's the first completely barrier-free playground in Edina and we couldn't be more excited about it."

Some of the new play structures include a merry-go-all, swings, backhoe diggers, Sky Run Zip track, hoop ladder, double-zip slide, river rock climber and ropes course cube net.

"It's awesome. There are always kids here," said Angel Diehl, who brings her grandson William to the park. "We try to come at least every-other day."

The playground structures and Envirofill Turf safety surface cost \$275,000.

The pickleball courts have also been a big success. "They are some of the very best around," Kattreh said. Pickleball is a racquet sport that combines elements of badminton, tennis and table tennis. The sport is played on a smaller version of a tennis court and the rules are similar to tennis, with a few modifications.

"Pickleball is a sport that people of all ages and abilities can play and that's one of the things that makes it great. It's definitely an up-and-coming sport," said Kattreh, who also enjoys playing pickleball.

National pickleball players John Mitchell of Minneapolis and Jerry Peterson of Plymouth enjoy playing at the Rosland Park pickleball courts.

"We have played all over the country and there are many courts that aren't set up right," said Mitchell. "Here, you have the color courts and color lines, the wind breakers and there's enough space between the courts."

"This has everything going for it," Peterson added.

The courts were made possible because of a generous donation from the John W. Mooty Foundation Trust and the Melvin R. Mooty and Sally R. Mooty Family Foundation.



Photo by Dawn Willis

Friends Kate Kohagura and Lilly Dodd enjoy the universal playground at Rosland Park.



Photo by Dawn Willis

Wine, spirits and beer tastings proved so popular during this year's Spring Sale that they will continue through the year, said Josh Furbish, General Manager of Liquor Operations.

Furbish attributes the profit increase to several factors: improved digital marketing and social media strategies, labor cost reductions and, most notably, a change in purchasing. Assistant General Manager Greg "Woody" Keehr was given the responsibility of ordering for all three stores, which previously had done their own ordering. Keehr has been using his business acumen and customer knowledge to buy the right products at the best time to save thousands and reduce costs.

Free tastings of beer, wine or spirits almost every day at all three Edina Liquor locations helped boost Spring Sale numbers.

"What we really saw coming out of the Spring Sale was the customer engagement," Furbish said about the tastings. "The customers loved it."

In response, free tastings will continue regularly at the stores. Also on the way this year are home delivery, a customer loyalty club, a whiskey club and an online system that allows customers to see what's in stock so they can find a rare favorite or something new.

Learn more at EdinaLiquor.com or contact Furbish at 952-903-5732 or jfurbish@EdinaMN.gov.

Sustainability Fund Targets Reductions in Greenhouse Gas Emissions

Franchise Fee Helps City Fund Initiatives to Reach Its Conservation Goals

Edina residents are helping to reduce greenhouse gases each month, though many may not realize it.

A 50-cent franchise fee on monthly utility bills goes into the Conservation & Sustainability Fund, created by the City Council in 2015 to help the City reach its goal of a 30 percent greenhouse gas reduction by 2025.

"We created the fund to focus on reaching our goals and have a dedicated source to act, measure and meet our goals," said Sustainability Coordinator Tara Brown.

About \$250,000 is expected to come into the fund each year. The money can be spent only on items directly related to the City's conservation and sustainability goals. That includes capital improvements that reduce energy consumption or increase energy efficiency, because energy consumption is one of the biggest producers of greenhouse gases. The fund also pays for the Sustainability Coordinator position.

The City is taking the lead by examining energy use and efficiency at its top 26 facilities.

"We found that a good number were using the average energy use and some key ones aren't that efficient," Brown said. Some buildings are older or have additions and are in need of efficiency upgrades.

The final stages of the City's building review, under way now, will map potential costs of improvements and the expected return on investment so the City can prioritize projects.

"I'm really excited for 2017 and 2018 as we begin to kick off these projects and monitor the energy savings we get from them," Brown said.

For more information, contact Brown at 952-826-1621 or tbrown@EdinaMN.gov.



File photo

Sustainability Coordinator Tara Brown

City Continues to See Historic Permit Revenue

Larger Tax Base Spreads Tax Levy

When a resident or developer pulls a building, mechanical or plumbing permit, they're helping to ensure the safety of the community's buildings, but they may not realize that they're also helping to lessen the impact of a levy for an individual taxpayer.

the additional revenue allows us to maintain our fund balance, giving the City Council the opportunity to earmark funds for priority projects that we didn't have a funding source for," said Finance Director Don Uram. "And, in addition to that more immediate impact, the property tax levy is spread out over a larger base, moderating the impact to the individual taxpayer."

Fisher is glad to see the continued rise in permits, but realizes it's a double-edged sword. Increased permits lead to more revenue for the department and more opportunities for training, but it also keeps staff busy.

"More permits mean that we're keeping things inspected. They last longer because they were built correctly to begin with," said Fisher. "In Minnesota, we're pretty Building Code conscious and we have top-notch staff. We really have an opportunity to give back through our internships and being involved in code development, but it is sometimes a challenge as the number of permits continues to rise."

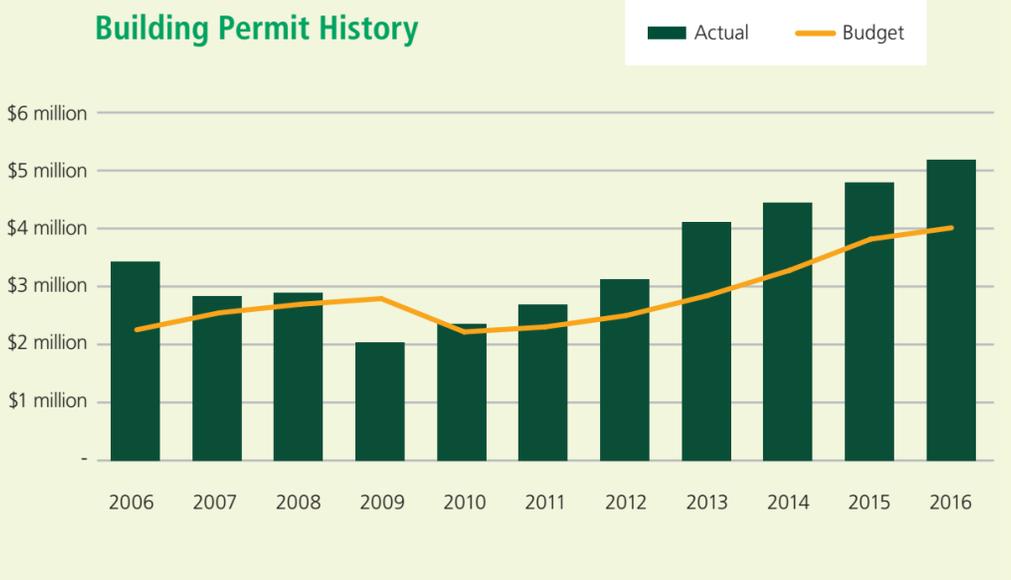
Both the Finance Department and the Building Inspections Division agree that the high numbers of building permits can't be expected to continue indefinitely, but the immediate forecast looks favorable.

"There are peaks and valleys all the time. In this city, the highs and lows aren't as significant. It's not as big of a low from what I've been seeing," said Fisher.

"The next couple years look pretty good for project projection."

"We think about the long-term impact of it the most. The annual surplus is great, but it will drop off at some point and the lasting effect that it leaves is this increased tax base that has a more moderate effect on everyone when we increase levies," said Assistant Finance Director Kyle Sawyer.

For more information on building permits, contact Fisher at 952-826-0450 or dfisher@EdinaMN.gov.



"First and foremost, inspections protect public safety and the welfare of the city," said Chief Building Official David Fisher.

More permits means more houses are being improved and developed at a higher value, improving the overall tax base. In 2016, building permits brought in more than \$5.1 million in revenues to the City, compared with roughly \$4.8 million in 2015. Both of those years are in stark contrast to 2009, when revenues were at their lowest since 2004, bringing in approximately \$2 million in revenues.

"The building permit revenue goes into the general fund, which helps to pay for City operations. Because we budget conservatively for building permits,

New Software Streamlines Invoicing

Finance Department Manages Invoices Electronically

At the start of the year, the City of Edina changed its process for managing invoices and issuing payments. With the help of the Local Government Information Systems (LOGIS) consortium, the City's Finance Department implemented new software, called Tungsten, to begin managing invoices electronically.

"Tungsten automates our entire accounts payable process and centralizes where all the invoices go so they will all be routed to Finance. After they're routed here, the invoices are scanned in using an optical character recognition that picks up the fields of a typical invoice," explained Assistant Finance Director Kyle Sawyer. "Then, it's routed to the right department electronically, all through the Tungsten software. They will approve it and it'll come back to Finance for us to cut a check."

LOGIS supports the City's accounting software. LOGIS worked with four other cities prior to Edina to set up this software, starting with Apple Valley in May 2015. Since then, Maple Grove, Farmington and Brooklyn Center have also gone live with Tungsten.

The benefits of using an electronic system are plenty. The new process saves time and paper, helps vendors get paid quicker and streamlines the routing of invoices.

"Bills tend to get paid quicker since they don't have an opportunity to sit on someone's desk. It's improved our records storage. We don't have any paper anymore that we have to keep and scan; it's all electronic," said Sawyer. "City employees enjoy not having to shuffle through papers; it's all in one central location. A user can manage the entire process with just a few keystrokes."

In addition to Tungsten, the City also uses software called Hubble to manage the overall budget and gather financial reports. The two programs are integrated, making each department's financial picture even more accessible. Praise for the new process isn't just coming from the Finance Department, either. Users throughout the City appreciate it.

"For me, it has expedited the process of paying invoices because it's all electronic. It saves me time because I no longer have to walk the paper invoice over to the Finance Department. Instead, I just hit the button and it's electronically sent to Finance for payment," said Records Technician Machell Bentley.

"I have found the new Tungsten process very helpful and more convenient in almost every way," said I.T. Manager Ryan Browning. "Being able to quickly and easily forward invoices to other staff or back to Finance is much more efficient. A great deal of effort went into this system and the Finance Department has done an incredible job with the implementation and the regular maintenance of this new system."

"Overall, it's added more efficiency to our department and it's done that for other departments as well. It's made things so much more accessible for everyone," said Sawyer.

For more information, contact Sawyer at 952-826-0420 or ksawyer@EdinaMN.gov.



Photo by Melissa Hunzelman

Kids to Parks Day

Eight-year-old Madison Hunzelman swings from the playground equipment in Strachauer Park on National Kids to Parks Day in May.

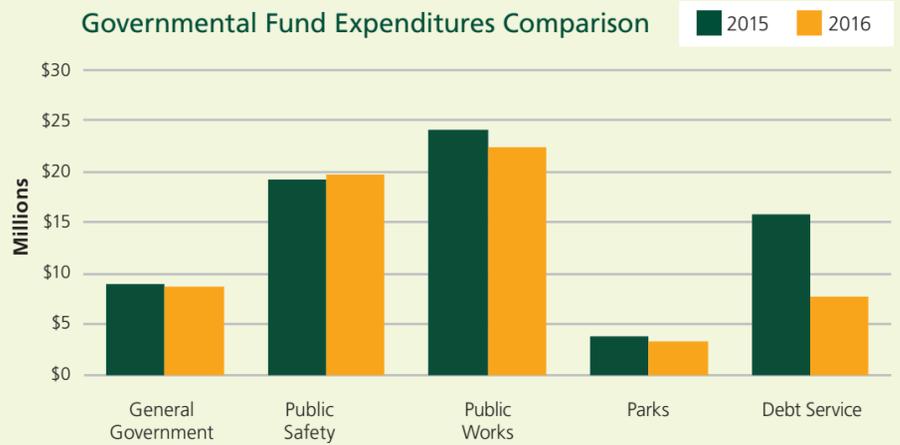


Governmental Funds

Governmental Fund Expenditures

	2015	2016	Difference
General Government	\$8,807,816	\$8,765,620	▼ \$42,196
Public Safety	\$19,135,320	\$19,553,501	▲ \$418,181
Public Works	\$24,138,356	\$22,443,237	▼ \$1,695,119
Parks	\$3,701,875	\$3,398,841	▼ \$303,034
Debt Service	\$15,651,988	\$7,607,202	▼ \$8,044,786
Totals	\$71,435,355	\$61,768,401	▼ \$9,666,954

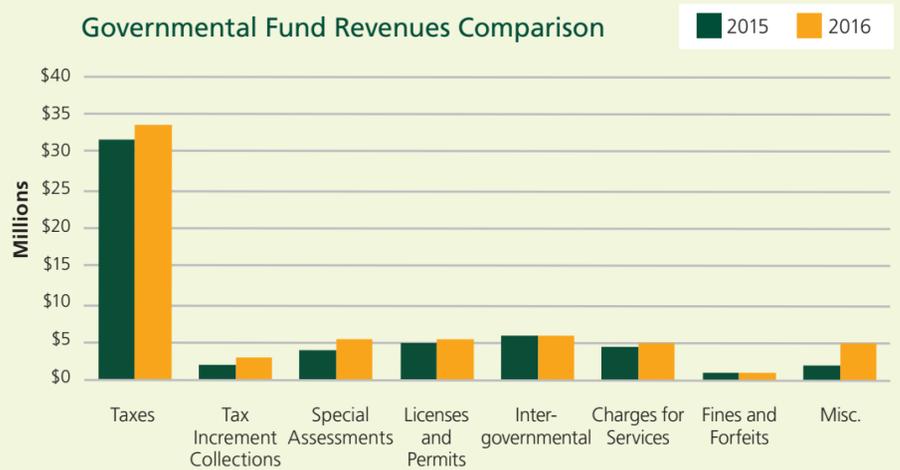
Governmental Fund Expenditures Comparison



Governmental Fund Revenues

	2015	2016	Difference
Taxes	\$31,647,024	\$33,723,070	▲ \$2,076,046
Tax Increment Collections	\$1,792,896	\$2,779,097	▲ \$986,201
Special Assessments	\$4,132,128	\$5,276,194	▲ \$1,144,066
Licenses and Permits	\$4,907,364	\$5,268,519	▲ \$361,155
Intergovernmental	\$6,093,966	\$5,775,114	▼ \$318,852
Charges for Services	\$4,414,991	\$4,689,389	▲ \$274,398
Fines and Forfeits	\$1,195,271	\$1,016,817	▼ \$178,454
Miscellaneous	\$1,773,261	\$4,709,129	▲ \$2,935,868
Totals	\$55,956,901	\$63,237,329	▲ \$7,280,428

Governmental Fund Revenues Comparison



Detailed in the graphs provided are the 2016 and 2015 total revenues and expenditures for all the governmental funds. Expenditures are presented by function, while revenues are presented by category. At the end of the current fiscal year, revenues exceeded \$63 million and expenditures totaled less than \$62 million, for an overall increase in fund balance before other financing sources of \$1,468,928.

Expenditures came in 14 percent lower than 2015. That can be attributed mostly to debt service expenditures, which decreased by \$8 million in 2016 as the result of bond refundings

totaling \$8,910,000 that took place in the City's governmental funds in 2015. Basically, the City took out new bonds at a lower rate to pay back older bonds that were at a higher rate. In addition, Public Works expenditures decreased by nearly \$1.7 million in 2016 due to fewer capital outlay infrastructure expenses compared to 2015, as planned in the City's capital improvement plan.

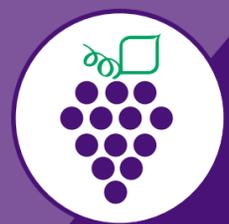
Revenues came in 13 percent higher than 2015. The increase is attributed to higher property taxes resulting from an increased general operating levy that provides funding to continue existing service levels that were previously subsidized by liquor

transfers. In addition, the City continued to see historic residential and commercial redevelopment growth resulting in increased licenses and permit and tax increment collection revenues in 2016. Redevelopment also had a positive impact on miscellaneous revenue in 2016, generating increased parkland dedication fees and \$2 million in revenue to be spent on affordable housing. Taxes, which are made up of property, franchise, and lodging taxes, remain a heavily relied-on revenue source for governmental operations, making up 53 percent of all governmental fund revenues.

BY THE NUMBERS

Edina Liquor

All of the profits from Edina Liquor get poured back into the community! In 2016, more than \$500,000 was used to subsidize operations at City facilities. When you shop at Edina Liquor, you support places such as the Edina Art Center, Braemar Golf Course, Braemar Arena and Centennial Lakes Park! 



50,000

\$50,000 was used to subsidize operations at Centennial Lakes Park.

100,000
\$100,000 was used to subsidize operations at the Edina Art Center.



150,000
\$150,000 was used to subsidize operations at Braemar Golf Course.



200,000
\$200,000 was used to subsidize operations at Braemar Arena.



– Compiled by Kaylin Eidsness