



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..... 952-826-1610

Public Works Director

Brian Olson 952-826-0311

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 2017 CAFR and is consistent with Generally Accepted Accounting Principles. For a complete review of the City's financial position for 2017, consult the CAFR, available online at EdinaMN.gov/Finance or at Edina City Hall, 4801 W. 50th St.



Photo by Kaylin Eidsness

Edina Aquatic Center Installs New Water Playground in 2017

With their children, friends Mike Laux and Dietrich Nissen enjoy the water playground that was added to the Edina Aquatic Center last year, replacing a play structure that was 20 years old. The Edina Aquatic Center will celebrate its 60th anniversary this year from July 9 to 14 and is open for the season through Aug. 19.

Edina Liquor Delivers on Lofty Profit Goal

Profits Topped \$1 million in 2017

For the second straight year, profits are up at Edina Liquor.

That means more money pouring back into the community to support Braemar Arena, Centennial Lakes Park, Braemar Golf Course and other Edina enterprise facilities.

In their heyday, Edina Liquor's three stores generated about \$1.5 million annually in profit. The arrival of Total Wine and other factors pushed that number to as low as \$650,000 in 2015. Some smaller liquor operations around the Twin Cities closed shop, but Edina leaders saw opportunity. They even set a lofty goal of \$1 million in profits in 2017.

General Manager of Liquor Operations Josh Furbish, hired in December 2016, and his team made multiple changes to boost sales, cut expenses, improve organization and better serve customers.

"The major focus of 2017 was operational effectiveness," Furbish said.

The result: \$1,007,000 profits in 2017. That's more than \$200,000 above the 2016 profits.

2018 is looking even better. First-quarter profits were up about 130 percent compared to the same period in 2017. Changes to the Spring Sale format, including flash sales and rotating weekly sales, drove an increase in traffic and profits for the quarter.

"The Spring Sale went great. We had a 15 percent increase in traffic," Furbish said.

Edina Liquor reorganized in 2017, switching to a centralized business model and coordinated purchasing. Inventory practices were improved and operations streamlined. Those moves cut product costs by \$250,000 in 2017. Steering away from traditional advertising in print to more social media marketing decreased costs about \$60,000 while boosting reach and effectiveness. Stores opened an hour later to help offset costs of adding Sunday sales.

Customers will directly see changes in 2018 from the button-down shirts of Edina Liquor store staff to the launch of free home delivery. A customer loyalty program is also in the works. Edina Liquor is working with Vine Lab Wine & Spirits Academy out of St. Paul to help boost staff knowledge to a much higher level and improve customer service.

"We've always been known for our wine selection and expertise," Furbish said. "Now we are applying those same strategies to spirits and beer."

Edina Liquor stores are located at 3943 W. 50th St., 5013 Vernon Ave., and 6755 York Ave. For more information, contact Furbish at jfurbish@EdinaMN.gov or 952-903-5732.

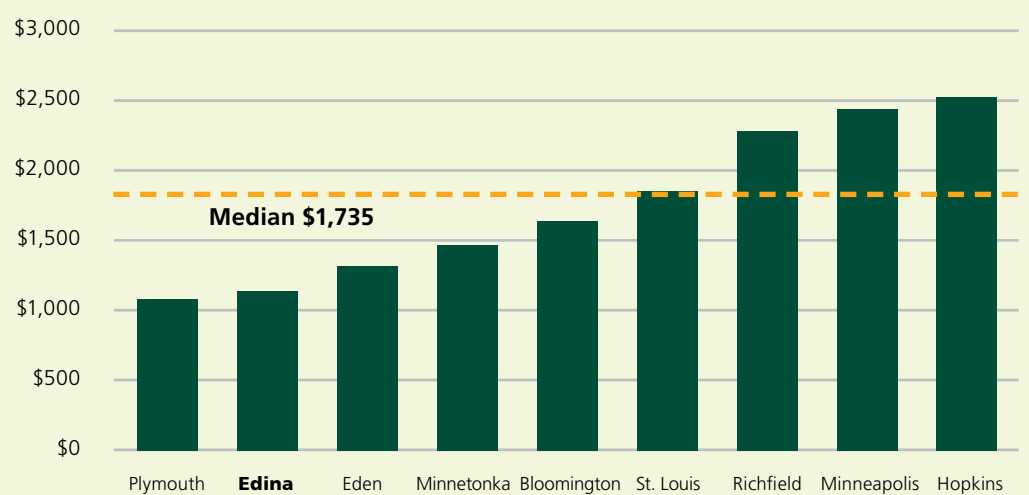
City Keeps Taxes Low For Property Owners

Edina continues to maintain low municipal property taxes, with a current average of \$1,127 per year for a \$400,000 home. Put in context, this is less than half the municipal property taxes for a home in Richfield or Hopkins of equal value.

Property values within the city is 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.

2017 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 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."

The only other cities with larger tax bases in the state are Minneapolis, St. Paul and Bloomington.

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

For more information, contact Uram at 952-826-0373.

Annual Events



File Photo

JULY

4th of July Parade

Organized by the Edina Community Foundation. Begins 10 a.m. on July 4 behind Edina City Hall, proceeding east on West 50th Street to downtown Edina.

4th of July Fireworks

Typically held at 10 p.m. July 4 at Rosland Park following an 8:30 p.m. concert by the First John Philip Sousa Memorial Band.

AUGUST

Night to Unite

Join other Edina residents and neighborhoods 5-9 p.m. Tuesday, Aug. 7! Night to Unite was created to promote neighborhood spirit, increase awareness in crime prevention and build a stronger partnership between the Edina Police Department and members in the community. Get outside and say hello to some of your friends and neighbors! To register for Night to Unite and have an Edina first responder attend your event, visit EdinaMN.gov/NighttoUnite.



File Photo

Torchlight Concert

Typically held at sundown the second Sunday in August at Centennial Lakes Park.



File Photo

SEPTEMBER

Fall into the Arts Festival

Organized by the Edina Art Center to support the Edina Crime Prevention Fund. Held the second weekend in September at Centennial Lakes Park.

SEPTEMBER THROUGH MAY

Indoor Music in the Park

Held at 7 p.m. on Sundays at Edinborough Park. Children's concerts are held at noon on Thursdays.

SEPTEMBER THROUGH OCTOBER

Members' Juried Art Exhibition

Annual members' juried art exhibition at the Edina Art Center.

OCTOBER

Halloween Party

Held from 6 to 8 p.m. in late October at Edinborough Park. Trick-or-treating throughout the Park, games and more. Play in Adventure Peak and the Great Hall.

DECEMBER

Ice Skating Show

Annual performance by the Braemar-City of Lakes Figure Skating Club at Braemar Arena.



File Photo

Skating with Santa

Held from 10 a.m. to noon one Saturday in December. Visit and take photos with Santa, skate and create a holiday gift.

Breakfast with Santa

Held the first Saturday of December at Edinborough Park. Visit with Santa in a small setting, enjoy a light breakfast and burn some energy at Adventure Peak.

New Year's Eve Party

Held in December at Edinborough Park. Family-friendly evening of music, fun and games. Play in Adventure Peak and the Great Hall. An early countdown will ring in the New Year.



Photo by Jennifer Bennerotte

Several members of the Race & Equity Task Force and its working groups attended the May 15 City Council meeting when their report was presented. Those attending included: Row 1, from left: Katherine Bass, co-chairs Jessi Kingston and James Pierce, and Thuy Anh Fox; Row 2: staff liaison MJ Lamon, Michelle Meek, Chris Smith, Leonel Dorvil and Elena Brito Sifferlin; and Row 3: Randolph Cooper, Chris Bremer, Eric Rehm, Pat Arseneault, Arnie Bigbee and Valerie Burke.

Race & Equity Task Force Makes Recommendations

Recommendations presented after Task Force Completes Year-Long Review

In early 2017, the City organized a Race & Equity Task Force to make recommendations on policies, practices and strategies to identify and eliminate race-based disparities in City facilities, services and institutions.

"The City is part of a larger community initiative to take a deeper look at race and equity in Edina. We are examining whether or not our City government policies, practices and operations create disparate outcomes for peoples of differing racial groups," said City Manager Scott Neal when the initiative kicked off. "If we are creating disparate outcomes, we are committed to discovering why and what can be done to correct that."

The Task Force was comprised of nine community members also who were involved in working groups that reviewed practices and procedures for City services, facilities and institutions. Staff representing a variety of facilities and departments also served on each working group. Members of the Task Force were co-chair James Pierce, co-chair Jessi Kingston, Katherine Bass, Leonel Dorvil, Thuy Anh Fox, Ramla Hasanali, Michelle Meek and Christina Smith. Working group members included Al Alexander, Sharon Allison, Erica Allenburg, Pat Arseneault, Dawn Beitel, Arnie Bigbee, Chris Bremer, Jeff Brown, Valerie Burke, Randolph Cooper, Kelly Curtin, June Yoshinari Davis, Heather Edelson, Brian Hubbard, Ana Munro, Daniel Nye, Kamala Puram, Eric Rehm, Elena Brito Sifferlin and Noah Silver.

Several community and small-group gatherings, one-on-one interviews and an online survey were held to gather community perspective and feedback in order to develop recommendations in five key areas. Those areas are:

- Actively foster a community culture that goes beyond racial inclusion and generates a sense of belonging for all.
- Visibly demonstrate our commitment and accountability to eliminate racial inequities and create an inclusive and engaged community.
- Ensure our policies and procedures eliminate practices that may create or perpetuate racial inequities.
- Implement changes in our community that focuses on building relationships with people of color.
- Improve the ability to leverage data and analytics to drive desired outcomes.

"Culture is defined as a set of shared values, behaviors and beliefs that are practiced. Our history shows that we have established norms that, if not challenged, will continue to impact our goal, to achieve Edina's goal, to foster an inclusive and engaged community," said Pierce. "We believe that executing all of these recommendations will not only set us on the right track, but will over time establish new norms that will help our culture continue to thrive."

After receiving and reviewing the recommendations at the May 15 Council Meeting, the City Council directed staff to evaluate the feasibility and advisability of implementing the recommendations and report back with the results of their evaluation in September.

"I think everyone should read this report to understand why it's so important. I think we're talking about the end of a step, but the work has to start now. Not to diminish the work that's already been done, but we're just starting and we have to be diligent about the next steps," said Council Member Mike Fischer.

For more information about the timeline or to read the full report, visit EdinaMN.gov/Race-Equity or contact Project Coordinator MJ Lamon at 952-826-0360 or MLamon@EdinaMN.gov.

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2017 Was Record-Setting Year for Building Permit Revenue

Building Permit Revenue Brings in \$5.3 Million Last Year

Building permits give residents and contractors assurance a home or building is safe from electrical and heating system fire hazards, structural failure and other health risks. The building permits residents and contractors were issued in 2017 brought in more than \$5.3 million in revenues to the City. This compared to roughly \$5.1 million in 2016.

Though permit fees account for the largest percent of the City's revenue outside of property taxes, Chief Building Official David Fisher will tell you the most important thing about the building permit process is the safety it ensures the city's residents and visitors – not the revenue.

"Inspections protect the public and welfare of the city," he said. "That's our No. 1 priority."

There are important financial benefits as well. While the City budgets conservatively for building permit revenue, any surplus is combined with other revenue sources to finance other capital investments. It also helps to offset the costs of doing multi-year inspections on larger projects that take more than a year to finish.

"The revenues brought in from permits and other sources help the City maintain a moderate tax rate compared to other metro communities while continuing to provide a high level of service," said Finance Director Don Uram. "The additional tax base resulting from increased property values from improvements is also beneficial in that it helps to moderate any future property tax levies."

The increase in building permits shows more houses are being improved and built, and commercial redevelopment is taking place at a higher rate. The revenues brought in by building permits in 2017 more than doubles the revenue delivered to the City in 2009 when permit revenue was just north of \$2 million.

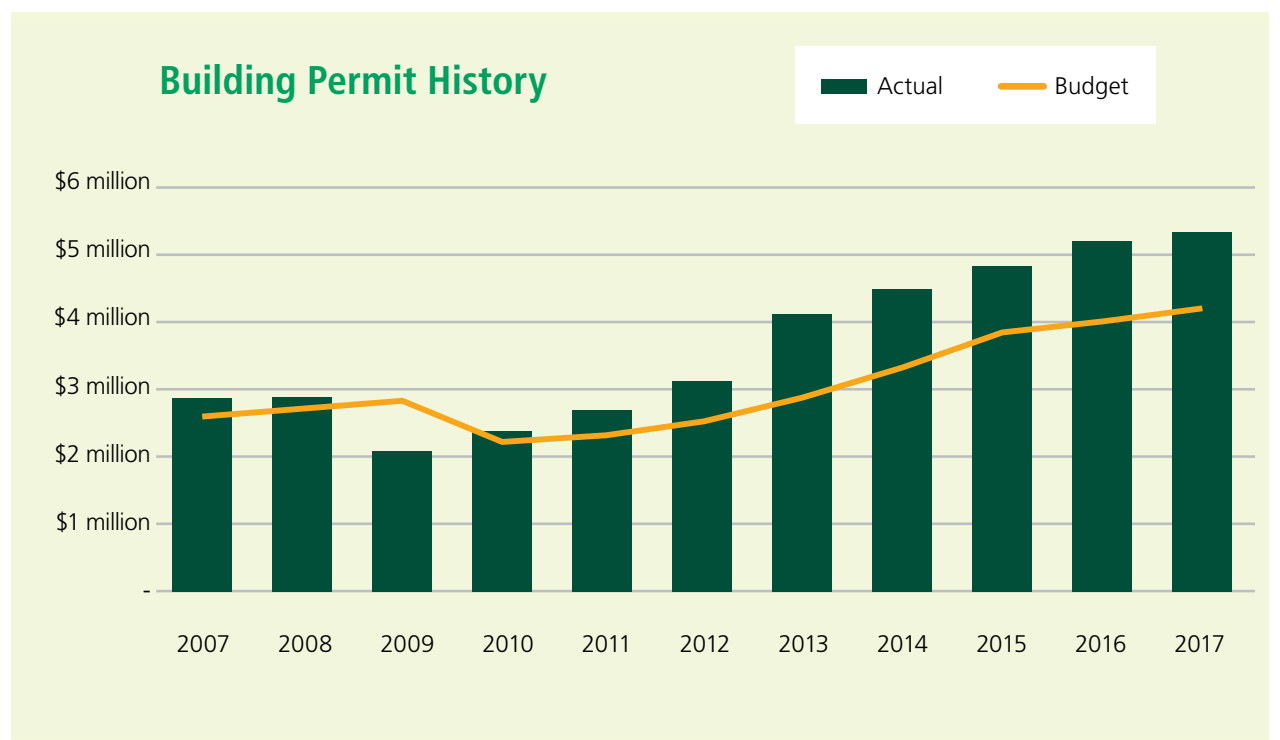
Building permit cost is based on the valuation of the project for which the permit it is being issued. The two largest projects the Building Division inspected in 2017 were The Onyx and The Loden. The Onyx on York Avenue was completed in late 2017. The 244-unit complex was valued at \$44.9 million. The Loden, a luxury apartment building on Lincoln Drive, was completed this summer. The valuation of the 246-unit development was roughly \$36 million.

"Large projects, such as the recent luxury apartment buildings that went up, contribute a substantial amount toward the permit revenues," said Fisher. "They keep our department busy."



Photo by Katie Laux

The City's steady rise in building permits helps moderate the impact of tax levies.



Both the Finance Department and the Building Inspections Division agree the high numbers of permits won't stay this way forever, but the foreseeable future looks promising.

"There are peaks and valleys all the time. In Edina, the highs and lows aren't as dramatic," said Fisher. "The next couple of years look pretty good for continued growth."

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



Photo by Debbie Townsend

The remodeled Pro Shop in the Braemar Golf Course Clubhouse opened this spring with more room for all the clothing, gear and accessories from top brands including Adidas, Callaway, Nike, TaylorMade and Titleist.



Photo by Scott Denfield

Golfers get in some practice on the Driving Range, which is frequently bustling with its ability to accommodate 68 golfers at a time.

Braemar Golf Course Bustling Even Before New Course Opens

Overall Improvements Still Running Under Budget

The construction crews are done transforming the existing 27-hole golf course plagued with flooding problems into an 18-hole championship course with multiple playing options for golfers of all ages and abilities.

Now golfers just have to wait for the grass to grow while the builder wraps up a few punch list items. The new Braemar Golf Course Championship 18 Course will open in Spring 2019, after the grow-in phase of the project ensures a solid foundation to play upon.

The total project to rebuild the Championship 18 plus add and improve amenities around the Braemar Golf Course facility is still running under the \$7.5 million projected cost and is expected to come in under budget, General Manager Joe Abood said.

That is despite the very rainy and wet 2017 that forced a delay of the opening date. Because of that delay, course builder Mid-America Golf and Landscape agreed to make about \$250,000 worth of what it termed "project betterments."

"We asked them to give us some upgrades for the project," Abood said.

Part of the financial challenge over the next few months is caring for a golf course that isn't bringing in any revenue. Grounds crews must groom and maintain the Championship 18, despite no play, just like they do the popular Academy 9 Par 3 Course to ensure it gets well established.

Those expenses were planned for all along. And in the gap before, plenty is happening at Braemar Golf Course. A new multi-use turf lawn area next to the Clubhouse will open this month for lawn games, weddings, corporate events and more. And Red River Kitchen, a popular farm-to-table food truck and restaurant, is moving into the Clubhouse and will offer cart service to golfers and manage the banquet space.

In addition, the Clubhouse pro shop was remodeled this year and golfers will soon get new chipping and bunker greens to try out.

"We always have a lot going on," Abood said. "People should drop by and see for themselves."

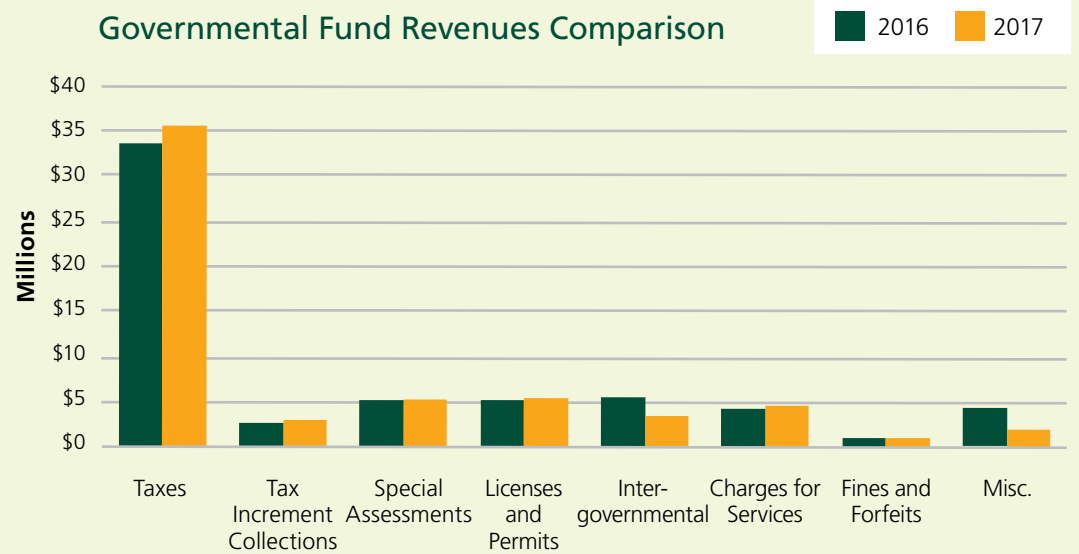
Braemar Golf Course is located at 6364 John Harris Drive. For more information, visit BraemarGolf.com. To keep current on news and hole updates, sign up for emails at EdinaMN.gov/CityExtra.

Governmental Funds

Governmental Fund Revenues

	2016	2017	Difference
Taxes	\$33,723,070	\$36,126,440	▲ \$2,403,370
Tax Increment Collections	\$2,779,097	\$3,422,898	▲ \$643,801
Special Assessments	\$5,276,194	\$5,330,766	▲ \$54,572
Licenses and Permits	\$5,268,519	\$5,403,222	▲ \$134,703
Intergovernmental	\$5,775,114	\$3,687,262	▼ \$2,087,852
Charges for Services	\$4,689,389	\$4,917,173	▲ \$227,784
Fines and Forfeits	\$1,016,817	\$1,135,986	▲ \$119,169
Miscellaneous	\$4,709,129	\$1,766,288	▼ \$2,942,841
Totals	\$63,237,329	\$61,790,035	▼ \$1,447,294

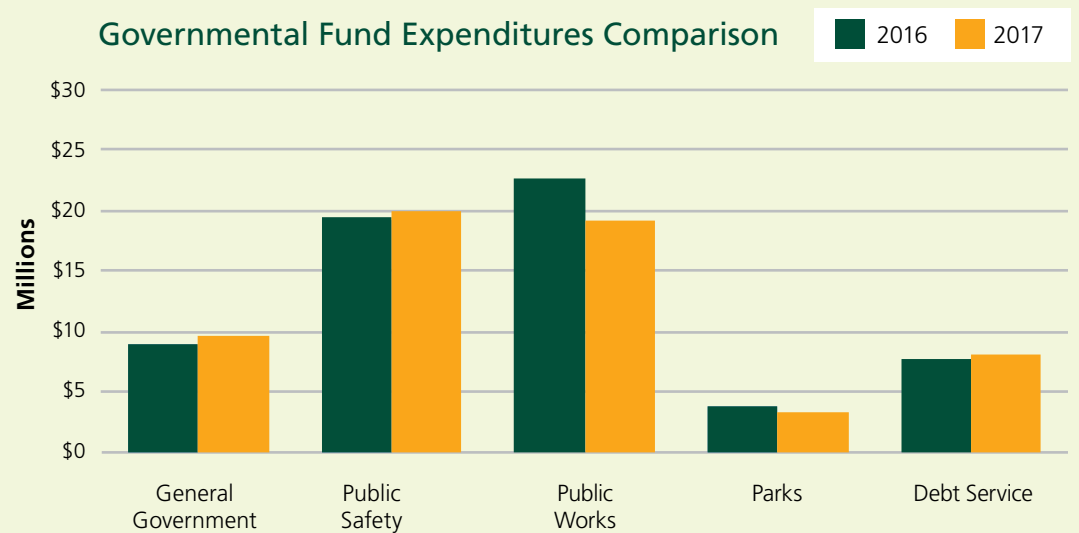
Governmental Fund Revenues Comparison



Governmental Fund Expenditures

	2016	2017	Difference
General Government	\$8,765,620	\$9,701,755	▲ \$936,135
Public Safety	\$19,553,501	\$19,891,159	▲ \$337,658
Public Works	\$22,443,237	\$18,880,439	▼ \$3,562,798
Parks	\$3,398,841	\$2,099,267	▼ \$1,299,574
Debt Service	\$7,607,202	\$7,855,926	▲ \$248,724
Totals	\$61,768,401	\$58,428,546	▼ \$3,339,855

Governmental Fund Expenditures Comparison



Detailed in the graphs provided are the 2016 and 2017 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 and expenditures totaled \$61,790,035 and \$58,428,546, respectively, for an overall increase in fund balance before other financing sources of \$3,361,489. Expenditures came in 5 percent, or \$3,339,855, lower than 2016. The decrease is attributed to Public Works and Parks expenditures decreasing by \$3,562,798

and \$1,299,574, respectively, in 2017 due to fewer capital outlay expenses compared to 2016. Offsetting the decrease is an increase in general government expenditures of \$936,135 resulting from increased capital outlay expenditures by the Housing and Redevelopment Authority. The changes in capital outlay spending were planned in the City's Capital Improvement Plan. Revenues came in 2 percent, or \$1,447,294, lower than 2016. The decrease is attributed to \$1,250,000 of parkland dedication and \$2,000,000 of affordable housing revenue generated in 2016 as a result of

redevelopment; no such amounts were received in 2017. Offsetting the decrease is an increase in taxes of \$2,403,370, primarily due to an increased general fund operating levy that provides funding to continue existing service levels. In addition, tax increment collections increased by \$643,801, primarily due to increased collections from the Southdale 2 tax increment financing district. Taxes, which are made up of property, franchise, and lodging taxes, remain a heavily relied-on revenue source for governmental operations, making up 58 percent of all governmental fund revenues.

BY THE NUMBERS

City of Edina

From its incorporation in 1888 as a milling community on the banks of Minnehaha Creek, Edina has evolved to be a model among municipalities in the Twin Cities metropolitan area. According to the 2010 Census, Edina has an official population of 47,941. The city 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.



\$530,800

Median Home Value

51,804

Estimated Population



More than **52,000** People Work in Edina

Major Employers

Major employers in the City include Fairview Southdale Hospital, Edina Public Schools, City of Edina, BI Worldwide, Regis Corporation, Barr Engineering, Lund Food Holdings, International Dairy Queen, Edina Realty and Dow Chemical Film Tec.



AAA 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 2018.

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.