



## Careful Planning Helps City Avoid Financial Hit from COVID-19

### Strategy Included Cuts, Investments and Creation of Stabilization Fund

BY DEBBIE TOWNSEND

Prudent planning, smart investing and Edina’s desirability as a place to live and work helped the City weather the economic storm that came with the COVID-19 pandemic.

When the coronavirus began to shut down regular life, Finance Director Don Uram wasn’t sure what to expect. The federal Coronavirus Aid, Relief and Security (CARES) Act didn’t originally include money to help municipalities. Uram felt confident the City’s tax base, primarily based on property values, would minimize economic fallout. Still, he recommended trimming expenses, following through on City Manager Scott Neal’s idea to create a Budget Stabilization Fund.

“We never expected to receive CARES money, so we planned as if we wouldn’t,” Uram said.

While communities that relied heavily on tourism or retail/commercial found themselves in fiscal trouble, Edina’s tax base actually grew. Property values rose, most of them 1 to 5 percent, with only commercial properties dipping, according to the 2021 Assessment Report. The community’s desirability kept property values strong and helped spur building projects, which also brought in license and

permit revenue well above expectations.

Uram’s investment strategy added another \$450,000 above budget. “As always, Don exceeded expectations in investment income,” said Assistant Finance Director Kyle Sawyer.

COVID-19-forced shutdowns of facilities such as Braemar Arena and Edinborough Park cut expenses, but also revenues. Staff still had maintenance to conduct, and they worked on facility and program changes to offer activities as soon as regulations allowed. Edina Liquor stores had to close to visitors, but home delivery rose exponentially, bringing in money.

The \$2 million trimmed from the General Fund budget kept non-COVID-19 expenses flat. The unexpected CARES money covered all COVID-19-related expenses.

The Budget Stabilization Fund, created from General Fund surpluses from previous years and money originally intended for projects that could be postponed or revised, ended up never being needed – at least not yet.

“It will provide flexibility and opportunities for special initiatives or in case of another situation like the pandemic,” Uram said.

*Learn more about the City’s budget at [EdinaMN.gov/Finance](http://EdinaMN.gov/Finance).*

The City of Edina reports financial year-end results in its Comprehensive Annual Financial Report (CAFR). This report summarizes significant data from select funds in the Dec. 31, 2020 CAFR and is consistent with Generally Accepted Accounting Principles. For a complete review of the City’s financial position for 2020, consult the CAFR, available at [EdinaMN.gov/Finance](http://EdinaMN.gov/Finance).

### City of Edina Directory

#### City Council

##### Mayor

Jim Hovland – 612-874-8550

##### Council Members

Ron Anderson – 952-833-9549  
 Carolyn Jackson – 952-833-9547  
 James Pierce – 952-833-9548  
 Kevin Staunton – 952-836-1020

#### Executive Leadership Team

##### City Manager

Scott Neal – 952-826-0401

##### Assistant City Manager

Lisa Schaefer – 952-826-0416

##### Communications 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

Andrew Slama – 952-826-0332

##### Human Resources Director

Kelly Curtin – 952-826-0402

##### I.T. Director

Ryan Browning – 952-826-0434

##### Parks & Recreation Director

Perry Vetter – 952-826-0430

##### Interim Police Chief

Jeff Elasky – 952-826-1610

##### Public Works Director

Brian Olson – 952-826-0311

### General Fund Expenses



### Budget Stabilization Fund Sources



# Organics Recycling Marks Successful First Year

More Than 1,000 Tons of Food Scraps Have Been Turned into Useful Compost

BY DEBBIE TOWNSEND

The first year of Edina residents recycling banana peels, plate scrapings and pizza delivery boxes has shown tangible results.

About 90 tons of organics – the weight equivalent of 45 grand pianos or 12,000 bowling balls – are being recycled into compost every month. That compost is already returning to Edina to benefit yards and gardens. Compost giveaways to residents were held in spring and early summer, and additional events will occur later in the year.

“This is 100 percent recycled product from your food scraps,” said Organics Recycling Coordinator Twila Singh.

And that’s with just a 30 percent participation rate, which was the City’s goal for the first year of the program. Aluminum, paper and glass recycling started much the same way decades ago, and Singh hopes it won’t take nearly

as long for organics to hit the same 90 percent participation.

If nothing else, people should look at the cost savings, Singh said. Trash pickup will increase, especially with landfill space becoming a premium. Residents can recycle all the organics they want for \$5.50 a month, reducing the size and expense of their trash bin. Knowing what can and can’t go in the organics bin also is important: Clean organics keep the costs down.

The initial hesitation at recycling organics is slowly fading. Every week, people call Singh asking for a cart they originally rejected, often after seeing how easily neighbors have adopted the practice.

“We’ve had a couple of housing associations/apartment complexes that weren’t part of the initial program but have voluntarily chosen to try this for their residents, and this is a shift in the right direction,” Singh said.



Edina residents pick up free bags of compost, created from curbside organics recycling, during a May 28 giveaway. (Photo by Twila Singh)

For those still hesitant, Singh says to start small or assign the task to children, who then learn first-hand about the entire cycle of organics along with a little economics.

“Organics recycling is the low-hanging fruit. It’s the easiest thing we can do at a residential and commercial level to better manage our waste,” Singh said.

Learn more about organics recycling at [EdinaMN.gov/organics](http://EdinaMN.gov/organics).

# Building Permits Soar to Record Highs Despite Pandemic

More than 4,000 Permits Issued in 2020

BY DAN REISIG

It wasn’t your imagination – there was more construction than ever in Edina during the year 2020.

Despite the pandemic, the City of Edina set a record for building permits issued in a calendar year. A total of 4,135 building permits were given out, comprising a total valuation of \$357,710,785 – a jump of nearly 68 percent from the prior year.

“That total includes roofs, siding, windows, additions, finishing basements – almost anything anybody does in a house for the most part,” said Chief Building Official David Fisher. “There were people wanting to do improvements in their homes, because they had the time and they were at home more. Additionally, we had a ton of roof repairs because of hail.”

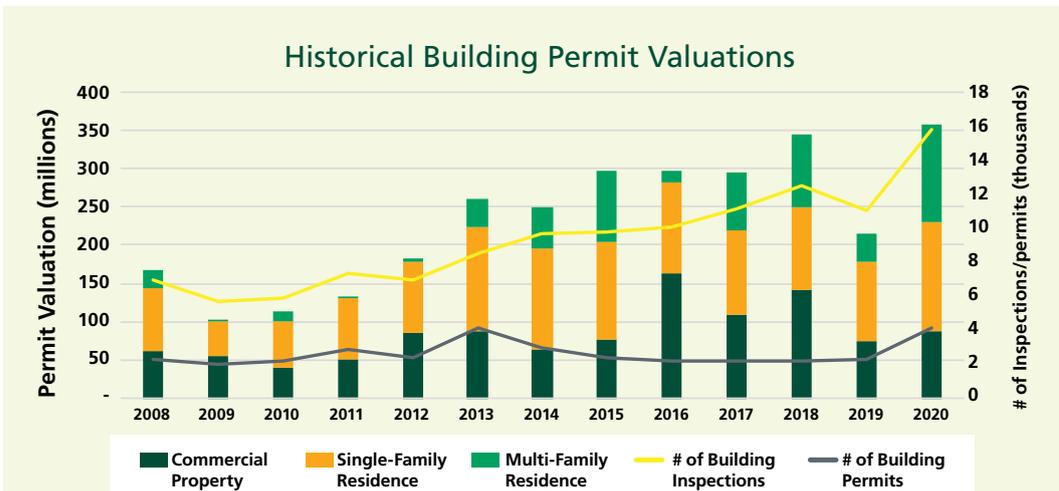
2020’s totals represented growth from the previous high in 2018. That year

saw the same number of total building permits issued as 2019 – 2,168 – but with significantly higher valuation in the multi-family and commercial/industrial spaces. All told, last year saw a 4 percent jump from the more than \$344 million valuation in 2018.

A closer look at the numbers from 2020 reveals a heavy weight toward existing home construction and renovation. Of the more than 4,000 total permits, 91.2 percent were for improvements at single-family homes, representing a valuation of nearly \$144 million. A total of 76 new single-family homes were built last year, marking \$52.7 million in value, while 110 multifamily permits were issued for a combined value of nearly \$127 million. Commercial/industrial permits represented just 6 percent of total permits, but 24 percent of the total valuation.

Building permit numbers show no signs of slowing down in 2021.

For more information, visit [EdinaMN.gov/BuildingInspections](http://EdinaMN.gov/BuildingInspections) or call 952-826-0372.



# Edina Liquor Delivery Accelerates in 2020

## Quick Thinking and Team Effort Helped Operations Adapt to High Demand



**Edina Liquor's delivery service took off in 2020, generating \$2.2 million in delivery sales alone.**

(Photo by Scott Denfeld)

BY KAITLIN GAULT

Like most businesses operating during the COVID-19 pandemic, Edina Liquor adapted to serve its customers, resulting in record-breaking delivery numbers no one anticipated.

Edina Liquor first added delivery into its operations May 1, 2019, with slow but steady growth. After six months, the new service was going strong with 10-15 daily delivery orders.

"Coming out of the fourth quarter in 2019, we saw some significant delivery growth – especially in the holiday months," said Edina Liquor General Manager Josh Furbish. "When we came into January of 2020, that was the first indication that delivery service was starting to grow, and January 2020 was stronger than ever."

Little did Furbish know, their delivery business was about to boom.

In March 2020, rumors began to swirl that Minnesota Gov. Tim Walz would soon issue a stay-at-home order to slow the spread of COVID-19. While some fled to the grocery store, others fled to Edina Liquor.

"A week before Walz's order, there was a spike in both delivery and retail sales, but then after the order was issued, we were running at volumes like the holidays," said Furbish. "We went from 10 to 15 delivery orders a day to 20 to 40 a day as people prepared to shelter in place."

On March 17, the City suspended its retail operations indefinitely. Although

Edina Liquor's physical doors were closed, Furbish knew they needed to continue to serve the community while keeping staff and customers safe. That is when things got really busy.

"Once we switched to delivery only and customers were being told to stay home, our delivery orders skyrocketed!" Furbish said. "It went from the already high 20 to 40 daily orders to 150, then 200, then 350 and we peaked at 465 orders in a single day right around the middle of April."

The average in-store order in 2020 came to \$34.14. The average delivery total was \$82.85.

Edina Liquor had one driver and one vehicle as orders for delivery poured in. Furbish needed to adapt quickly to provide the high level of customer service customers were used to. He also wanted to do everything possible to keep his retail staff working.

"When the spike in deliveries started, our strategy was to get bodies driving," he said. "Traditional retail staff transitioned into driving delivery orders, which helped us meet demand and keep those people in their jobs. We also had retail workers and staff from Edinborough Park and Park Maintenance supporting deliveries by packing orders. I'm very proud that we didn't furlough any employees during the pandemic and we were able to employ staff from other departments. We have our customers to thank for that!"

Furbish got creative internally by reaching out to other departments to borrow vehicles. Throughout the year, they used four Toyota Priuses from the Building Inspections Division and a Toyota RAV4 from the Engineering Department. In total, 10 vehicles were running routes to handle delivery volumes. Target delivery time was two hours from the time an order was placed to libation in hand.

Retail operations resumed as usual in September 2020.

Total revenue from delivery in 2020 was an impressive \$2.2 million. In the six months delivery was offered in 2019, revenue from delivery was \$80,000. Furbish is anticipating doing \$1 million to

\$2 million in deliveries in 2021 now that retail operations have reopened.

In-store retail operations in 2020 saw revenue of \$9.9 million, a significant drop from the \$13.5 million it typically hits. Edina Liquor's total revenue from 2020 was \$12.1 million, down from the projected \$13.9 million due to retail operations being closed part of the year. Despite a slight loss in total revenue, Edina Liquor was still able to support City enterprise facilities and community programs.

"In Edina, liquor profits are used to fund the City's recreation facilities, including Braemar Arena, Edina Art Center and others," said Assistant City Manager Lisa Schaefer. "During COVID-19 closures, this funding became even more critical for those facilities. Liquor staff made it look easy, but their success was a result of sound strategy, hard work and the ability to quickly overhaul their operations. They partnered with other City departments to ensure safe and efficient services whether that be in-person or delivery."

Furbish is confident the revenue cushion missed out on in 2020 will be made back this year and the lessons learned will help them make future decisions. As of May 2021, revenue for both retail and delivery operations hit \$5.2 million. At the same time in 2020, it was at \$4 million and 2019 at \$4.7 million.

"We returned the cars we were using from other departments and have been approved to purchase two electric Mitsubishi Outlanders to help support our delivery service and support the City's carbon emission goals," Furbish said.

While revenue and supplies are critical to an overall business strategy, the customers' experience is at the top.

"Overall, feedback has been very positive. Residents reached out and thanked us for keeping them and our staff safe. It was outstanding to hear from them, especially during a difficult time."

*For more information about Edina Liquor, visit [EdinaLiquor.com](http://EdinaLiquor.com).*

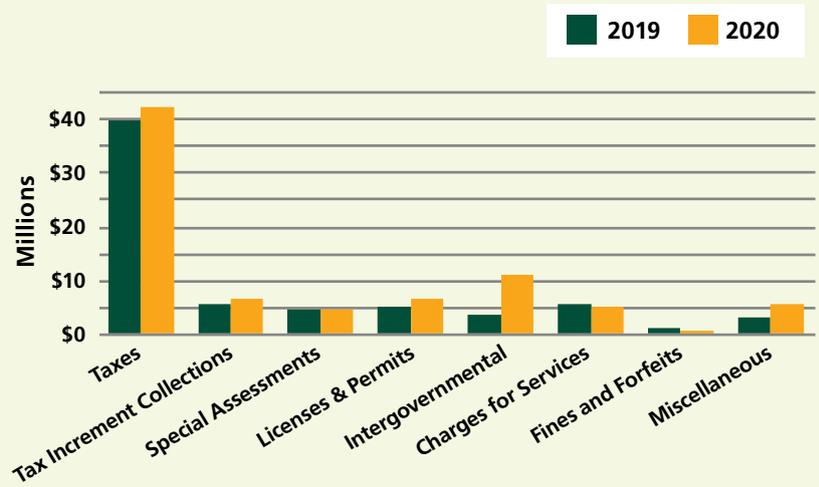


# Governmental Funds

## Governmental Fund Revenues

	2019	2020	Difference
Taxes	\$39,998,919	\$42,588,944	▲ \$2,590,025
Tax Increment Collections	\$5,447,108	\$6,452,819	▲ \$1,005,711
Special Assessments	\$4,741,557	\$4,629,551	▼ \$112,006
Licenses and Permits	\$5,183,754	\$6,454,749	▲ \$1,270,995
Intergovernmental	\$3,687,620	\$11,218,739	▲ \$7,531,119
Charges for Services	\$5,431,941	\$4,968,288	▼ \$463,653
Fines and Forfeits	\$1,097,122	\$485,472	▼ \$611,650
Miscellaneous	\$3,078,583	\$5,384,287	▲ \$2,305,704
<b>Totals</b>	<b>\$68,666,604</b>	<b>\$82,182,849</b>	<b>▲ \$13,516,245</b>

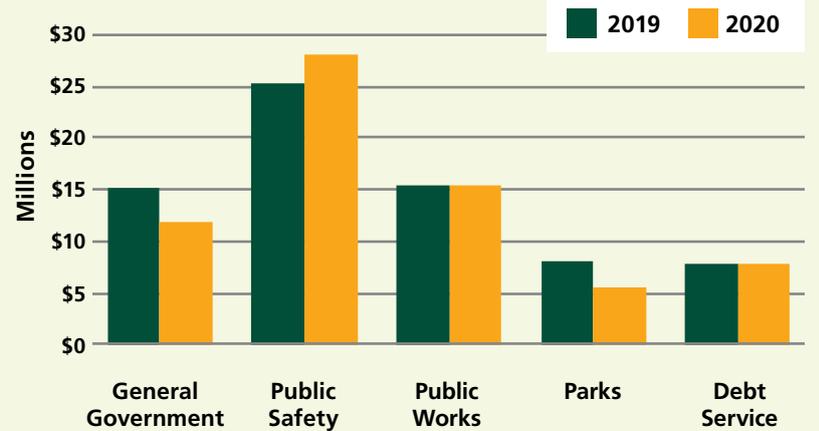
## Governmental Fund Revenues Comparison



## Governmental Fund Expenditures

	2019	2020	Difference
General Government	\$15,171,968	\$11,872,093	▼ \$3,299,875
Public Safety	\$25,163,672	\$28,084,852	▲ \$2,921,180
Public Works	\$15,301,476	\$15,520,402	▲ \$218,926
Parks	\$8,047,901	\$5,490,708	▼ \$2,557,193
Debt Service	\$7,702,002	\$7,872,730	▲ \$170,728
<b>Totals</b>	<b>\$71,387,019</b>	<b>\$68,840,785</b>	<b>▼ 2,546,234</b>

## Governmental Fund Expenditures Comparison



Detailed in the graphs provided are the 2020 and 2019 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 \$82.2 million and \$68.8 million respectively, for an overall increase in fund balance before other financing sources of \$13.4 million. Expenditures came in 4 percent, or \$2.5 million, lower than 2019. The decrease is attributed to decreases in general government (\$3.3 million) and parks (\$2.6 million), offset by an increase in public safety (\$2.9 million). General government is lower because of less spent on capital outlay in 2020. Most notably, the City purchased land at 4100 W. 76th St. (\$2.9 million) in 2019. The parks decrease is a combination of reduced capital spending (\$1.9 million) and operating expenses (\$500,000). The decrease in capital

spending is attributed to less spent (\$1.7 million) on Arden Park improvements in 2020 and the operating expenses decreased as a result of less programming offered due to COVID-19 restrictions. The public safety increase is due to COVID-19 expenses (\$1.5 million) along with the addition of six new Fire Department positions. The COVID-19 expenses were paid for with CARES Act funding and the majority of the expenses related to the new Fire Department positions were funded through a SAFER grant.

Revenues came in 20 percent, or \$13.5 million, higher than 2019. The increase is attributed to increased intergovernmental (\$7.5 million), taxes (\$2.5 million), miscellaneous (\$2.3 million), and licenses and permits (\$1.3 million) revenues. The increase in intergovernmental is primarily due to CARES Act (\$3.9 million) funding and more

municipal state-aid street funding received in 2020, most notably for West 58th Street (\$2.4 million). The increase in taxes is the result of an increased general fund operating levy that provides funding to continue existing service levels. Taxes, which are made up of property, franchise and lodging taxes, remain a heavily relied on revenue source for governmental operations, making up 52 percent of all governmental fund revenues and 62 percent of the General Fund. Miscellaneous revenue increased due to substantial affordable housing fees collected (\$1.9 million) in 2020. Licenses and permits increased due to higher valued projects being completed in 2020; this category is dependent upon the number and valuation of residential/commercial projects. The charges for services, fines and forfeitures revenue categories declined in 2020, primarily due to challenges related to COVID-19.



CITY OF EDINA  
4801 WEST 50TH STREET  
EDINA, MN 55424

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**PAID**  
TWIN CITIES MN  
Permit No. 3932

\*\*\*ECRWSS\*\*\*  
POSTAL PATRON  
CAR-RT-WS

## SUMMER CONCERTS P.O.P. AT 50TH & FRANCE!

Free concerts are on the plaza at 50th & France every Friday through August. The Performances on the Plaza (P.O.P.) concert series was curated by local songwriter Katy Vernon and is sponsored by Nolan Mains, the Edina Arts & Culture Commission and Edina Liquor. Each performance features an intermission played by an Edina High School student. In case of rain, performances will move inside The Lynhall No. 3945.   
(Photo by Kaitlin Gault)



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# CARES Act Funding Supported Community

ANNUAL REPORT

## Grants and Forgivable Loans, Rental Assistance Among Uses of Funds

BY DAN REISIG

Federal funding under the CARES Act provided Edina a financial boost.

The \$3.9 million allocation was used in three main ways: providing relief directly to individuals and businesses hardest hit by the pandemic; purchasing personal protective equipment (PPE) and supplies needed for first responders and those routinely interacting with the public; and outfitting City employees with equipment needed to shift to remote work.

The City funds were used for emergency rental assistance through Volunteers Enlisted to Assist People as well as grants to local businesses. For rental assistance, the City was able to use \$200,000 from the CARES Act to supplement existing funding and provide emergency rental assistance to 312 households in Edina.

“That was money that we wanted to get out as soon as we could into the hands of small businesspeople to keep their businesses afloat or to expand them, and also to people that were at risk of losing their place to live,” said City Manager Scott Neal.

A total of 52 small businesses received grants or forgivable loans from the

City through the CARES Act, averaging \$10,000 each and providing emergency support to help them get through a challenging economic climate.

“Customer expectations changed, the supply chain changed, the ability to even open your doors for business changed, and the ability for you to get an employee to show up for work changed,” said Economic Development Manager Bill Neuendorf. “With this program, we wanted to do what we could to help businesses have some financial certainty in a year of complete uncertainty.”

Neal credits the internal investments for maintaining the City’s high level of service despite an unprecedented pandemic. Items such as webcams and laptop docking stations were not previously required but became necessities for remote operations.

“We also think those investments are going to pay off for us in 2021, because we are going to leave some of the online services in place. We have come to learn that residents appreciate the ability to do some simple government transactions online rather than taking time off work and coming in during business hours.”

The changes and adaptations of the COVID-19 pandemic paid for by the CARES Act will continue to reap benefits.

“We learned how to provide some services better, cheaper, faster than before,” Neal said. “We can aggregate a lot of those kinds of service opportunities and contain the cost of doing the business of city government, passing those savings on to our residents. We think that they will appreciate that in the long run.”

For more information, visit [EdinaMN.gov/Finance](http://EdinaMN.gov/Finance) or call the Finance Department at 952-826-0366. 

### \$3.9 Million in CARES Act Funding

