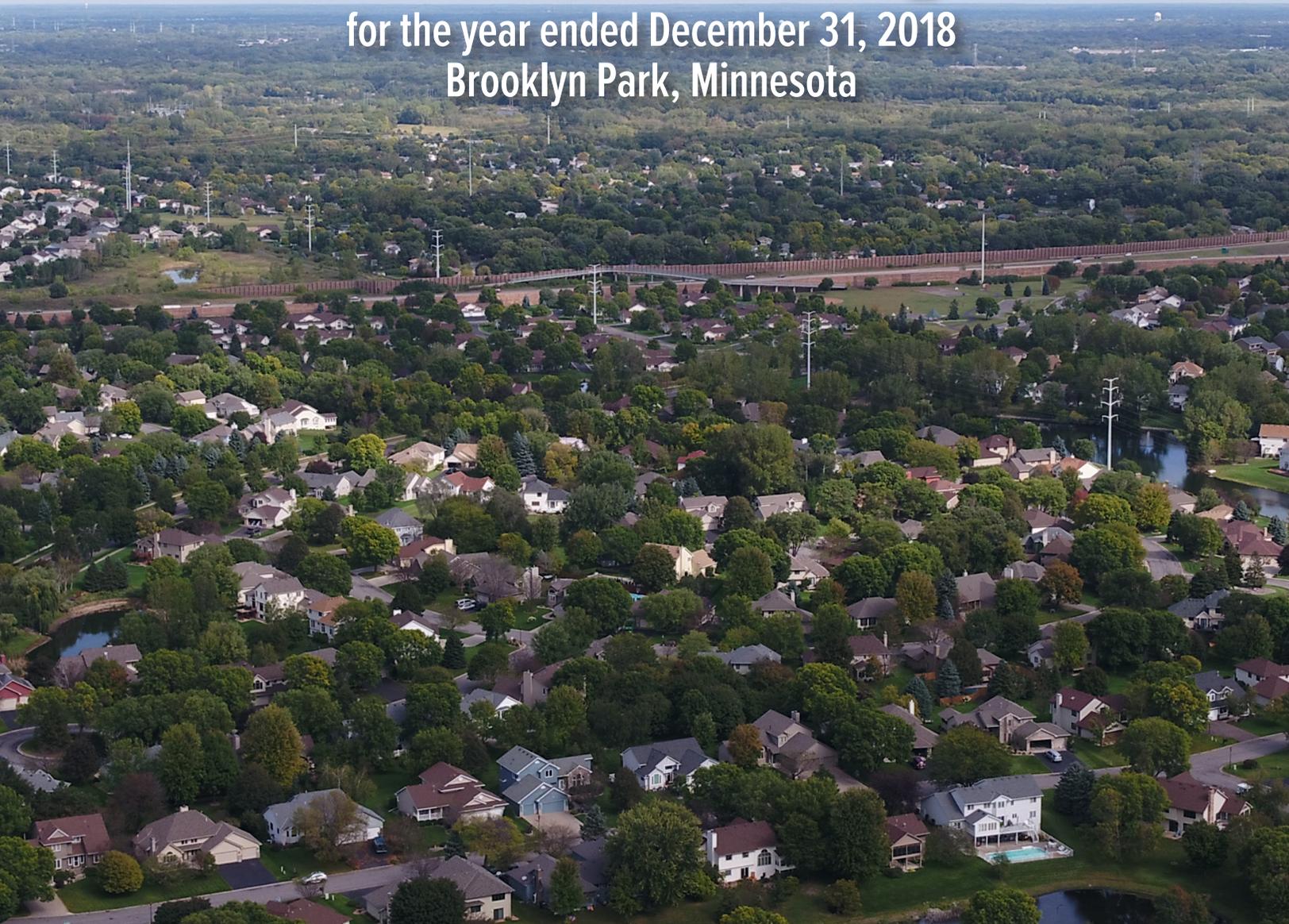


# Popular Annual Financial Report

for the year ended December 31, 2018  
Brooklyn Park, Minnesota



**Brooklyn Park**   
Unique. United. Undiscovered.

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## City manager's office



Jay Stroebel, city manager

### Residents of Brooklyn Park:

We are proud to present the City of Brooklyn Park's financial highlights for the fiscal year ended December 31, 2018.

In the complex world of financial reporting, analyzing financial statements can be

a challenge. This report was designed to address the issue by providing a recap of the city's finances in an easy to read format. The financial data and related information used in this report are simplified and condensed to provide residents information on revenues, expenses, and net position and an overall background on the city operations.

For a more detailed look at the city's financial data, please look at our Comprehensive Annual Financial Report (CAFR) for the fiscal year ending December 31, 2018. It can be found on the City of Brooklyn Park's website.

# Brooklyn Park, a thriving community inspiring pride where opportunities exist for all!

### Energetic and diverse



6th largest city in the state



median age 33

population  
83,066



54%  
are people of color



1/5 of residents  
were born outside the U.S.  
(Africa 9%, Asia 5%, Latin America 4%)



28% speak a language other than  
English at home (Top languages:  
Hmong, Spanish, Vietnamese and  
various African languages)

### Opportunities and highlights



\$214,800  
median value home



28 Fortune 500 or publicly  
traded companies



1,200 acres  
of undeveloped land



67 parks  
All homes within 1/2 mile  
walking distance to a park

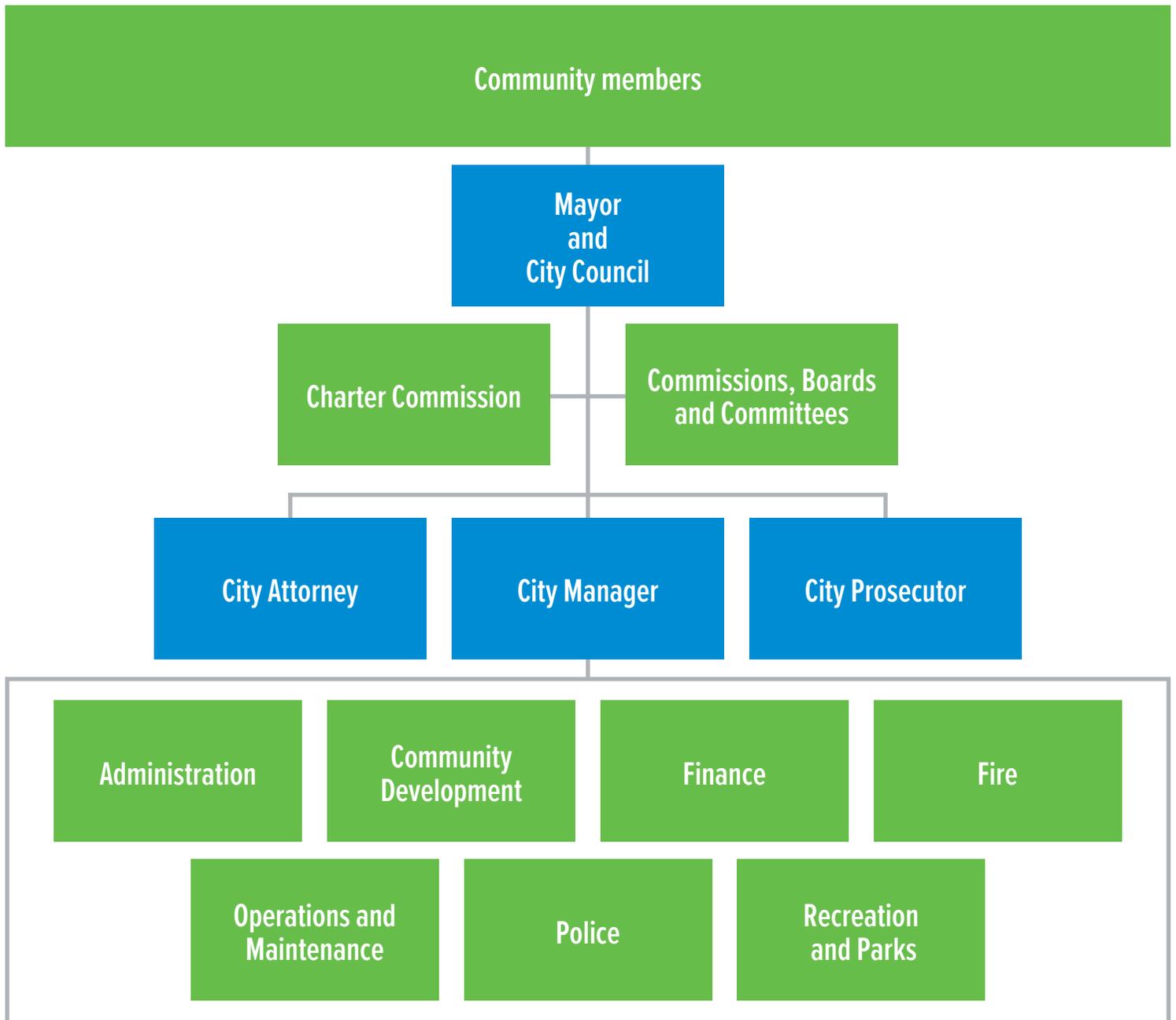


252  
foreclosed homes  
rehabilitated since 2009



+4,000  
jobs since 2009 + 20,00  
more in the next 20 years

## Organizational chart



### **Inclusion**

We value all people and diverse ideas.



### **Partnership**

We build trusting partnerships.



### **Accountability**

We are accountable for our actions and results.



### **Learning**

We learn and improve each day.

**Organizational values for staff and council**

## Brooklyn Park 2025 successes

The city has been focusing on aligning our work and resources with the six Brooklyn Park 2025 (BP2025) goals. These goals were created by over 1,500 residents and community members who shared their vision for the future of Brooklyn Park. They will guide staff and council's work over the next six years and the city has been hard at work aligning to these *BP2025* goals.



Working toward our *BP2025* vision, we made progress on each of the goals.

### Goal 1: A united and welcoming community, strengthened by our diversity.

- Opened catering at the Community Activity Center.
- Tater Daze moved to the Community Activity Center in 2018 and added a wide-range of teen activities.
- We revamped and expended our New Connect volunteer program. Welcoming new residents to the city with a tote bag of city info and coupons...and it now included renters.

### Goal 2: Beautiful spaces and quality infrastructure make Brooklyn Park a unique destination.

- Partnered with D'Amico to provide catering at Edinburgh USA. Renovations of both the restaurant and clubhouse were part of the Economic Development Authority's 1.5 million dollar investment.
- For winter 2018-2019 we rolled out a snow emergency pilot project to enhance safety and help people get around Brooklyn Park during the winter months.
- Engaged more than 1,500 residents to create a plan for the future of our park system, and in November 2018, voters approved a bond to fund these exciting improvements.

### Goal 3: A balanced economic environment that empowers businesses and people to thrive.

- Celebrated business through the Build in Brooklyn Park campaign, and several businesses added jobs.
- Moved and expanded our BrookLynk youth internship program, which connects youth with real paid internships and trains them in job skills.
- Started a resident recycling program for our old clothing and fabrics and installed solar energy systems on the Central Fire station.



**Goal 4: People of all ages have what they need to feel healthy and safe.**

- Police Department’s partnership with the organization The Inner Hero where “barbershop conversations” have sparked dialogue about issues concerning our community.
- Fire Department strategic planning process: engaged community members, the City Council and department staff to look at current service levels to explore options for future Fire Department and emergency service delivered to the community.
- Started research and outreach on becoming a certified Age-Friendly Community where people have what they need to grow older and stay in Brooklyn Park.



**Goal 5: Partnerships that increase racial and economic equity empower residents and neighborhoods to prosper.**

- Increased access to food: Second Harvest Heartland moved their headquarters to Brooklyn Park.
- Brought together multiple departments to collaborate on the city’s Apartment Action Plan that engages tenants and property managers/owners, developing proactive strategies for apartment sustainability.
- Racial equity tool: city staff are beginning to apply a tool to look at how city policies, programs or procedures affect communities of color and low-income populations.



**Goal 6: Effective and engaging government recognized as a leader.**

- Departments continue to work toward the BP2025 goals.
- Trained more than 300 staff, the council members, and several community members in Intercultural Competence so they could better understand differences that make a difference for people and adapt how we serve the community.
- Upgraded technology made several inspection services digital, and added new online services.



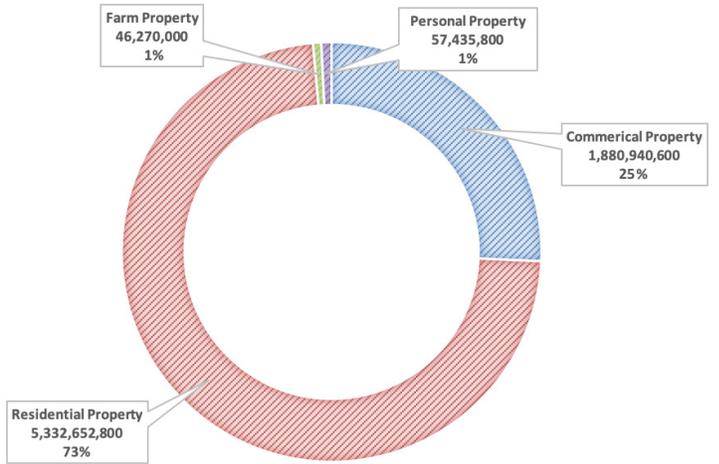
# Effective use of tax dollars

## Measuring performance to ensure long-term sustainability

Did you know your property tax bill is your share of the total cost of the local government?

In fact, the City Council annually approves a specific tax amount on the entire community that is needed to provide services as a tax levy. This amount is then divided among all the taxpayers in the community based on their property value in proportion to everyone's property values.

Additionally, only 41% of the property tax goes toward Brooklyn Park services. The rest is collected and used by other governmental entities. See below for estimated charges for services and breakdown of your property taxes. Brooklyn Park City Council approved a total levy of \$45.1 million for 2018.



Data from Hennepin County 2018 Assessment Report. Property in the City of Brooklyn Park is reassessed annually. Property is assessed at actual value.



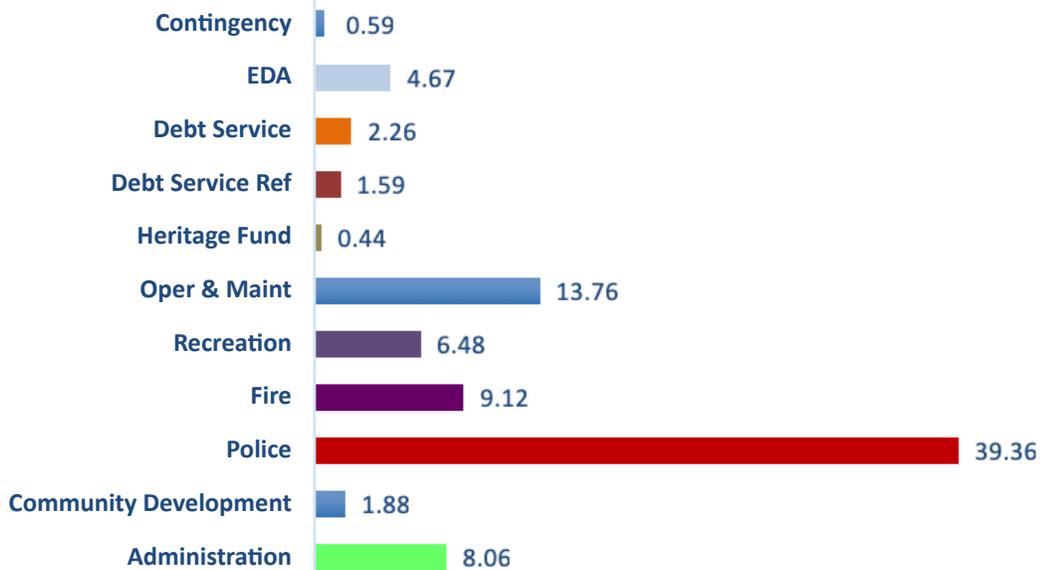
41% City of Brooklyn Park  
 33% Hennepin County  
 19% School District | Other  
 2% Metro Taxing District  
 5%

### Charges for services

Calculation is based on the median home value of \$214,800.



Monthly charge for services  
**\$88.21**



# Capital projects

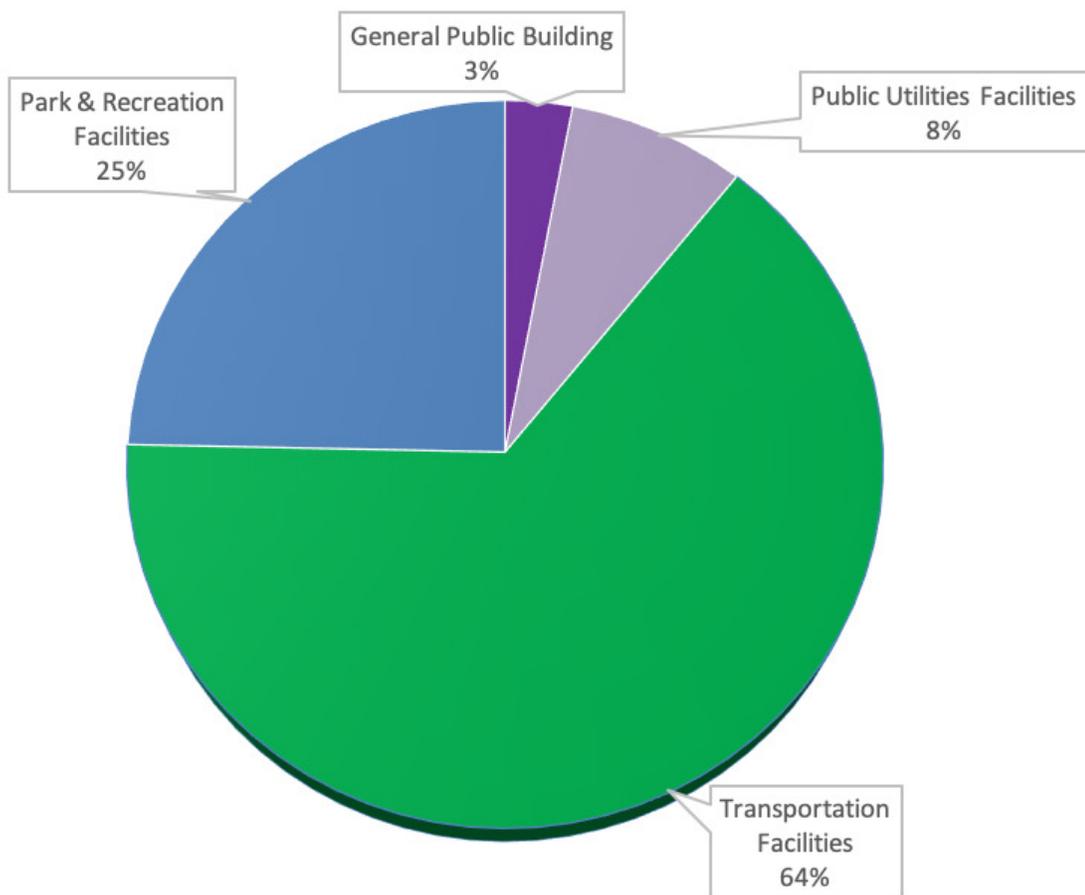
## Progress on major strategic projects

The city of Brooklyn Park is experiencing rapid expansion. New businesses, infrastructure and development occurred simultaneously within the city's boundary in 2018.

- Second Harvest Heartland headquarters and operations moved to the City of Brooklyn Park
- Many ground breakings and grand openings happened during 2018, such a Mi Sant Bahn Mi, Taco el Paraiso, and Mill City Credit Union



## 2019-2023 Capital improvement plan by program categories



■ General Public Building ■ Public Utilities Facilities ■ Transportation Facilities ■ Park & Recreation Facilities

## General Fund: effective control and use over resources

### Broadening understanding of primary operating funds

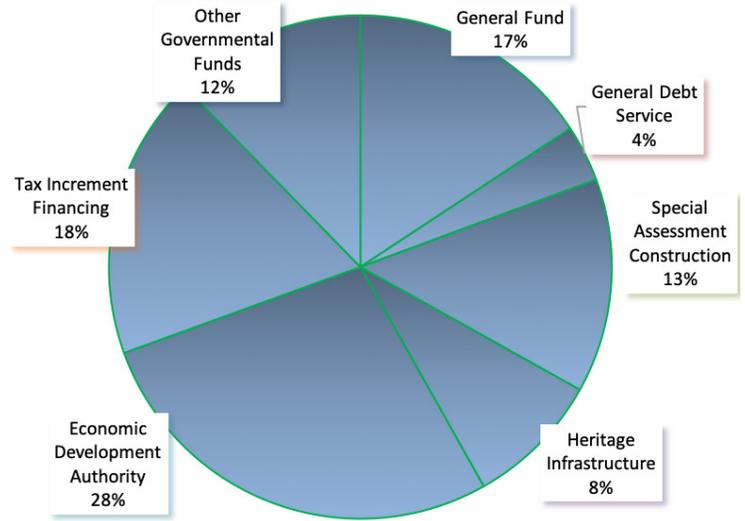
A fund is a grouping of related accounts that are segregated and designated for specific activities or objectives to maintain control over resources. Brooklyn Park funds are divided into three categories namely the Governmental Funds, Proprietary funds, and Fiduciary funds.

Governmental funds are for near term inflows and outflows of spendable resources available at the end of each fiscal year. There are six individual major governmental funds and they consist of the General Fund, General Debt Service, Special Assessment Construction, Heritage Infrastructure, Economic Development Authority, and Tax Increment Finance.

Governmental funds are for near term inflows and outflows of spendable resources available at the end of each fiscal year.

### Revenue highlights for the General Fund

Overall revenue in the General Fund decreased in 2018 by \$604,754 or 1.2% over 2017. The decrease was primarily driven by decreases in license and permits which was inflated in 2017 due to a storm that hit the city. There was also a decrease in charges for services as well as a reduction in conduit fees revenue. The city property taxes increased by \$355,802 or .9% with a decrease in current collections and Fiscal Disparities Tax. The city distribution from the Fiscal Disparities Tax has increased as its tax base has declined.



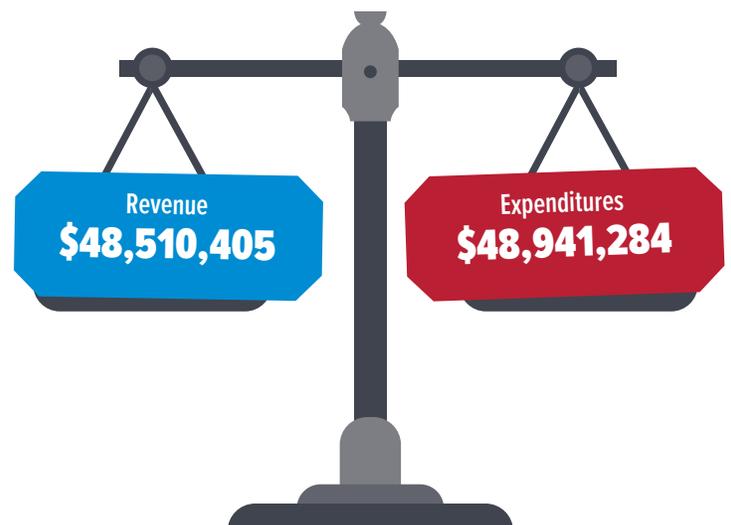
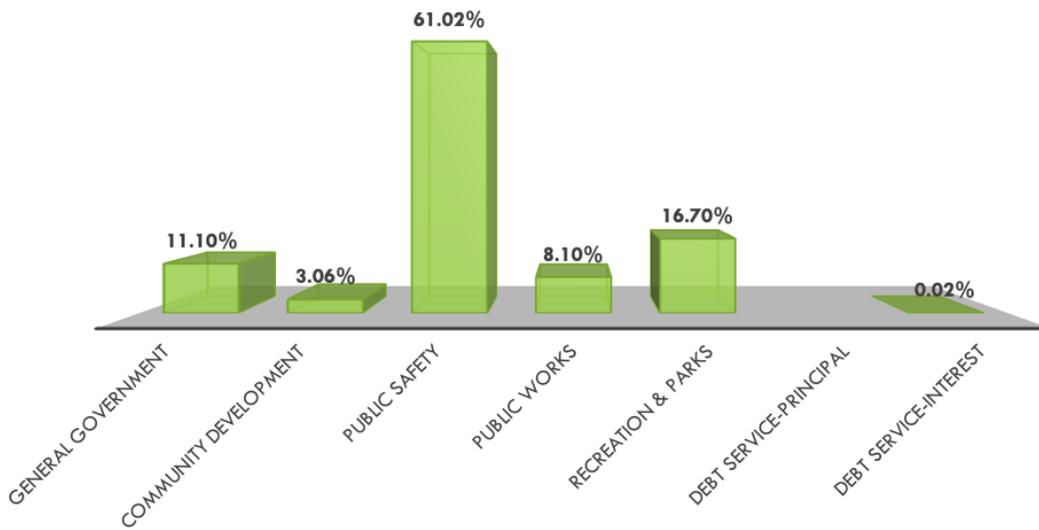
Revenue	2018	2017
General property taxes	\$38,914,719	\$38,578,917
Special assessments	\$96,315	\$74,883
Licenses and permits	\$3,093,117	\$3,778,342
Fines and forfeitures	\$312,944	\$356,322
Intergovernmental revenue	\$1,706,065	\$1,718,425
Donations	\$33,285	\$18,668
Refunds and reimbursements	\$53,591	\$92,749
Charges for services	\$2,897,386	\$3,162,522
Investment income	\$163,254	\$129,863
Lease income	\$142,093	\$101,712
Other revenue	\$1,097,636	\$1,102,756
<b>Total revenue</b>	<b>\$48,510,405</b>	<b>\$49,115,159</b>

### Expenditures highlights for the General Fund

Overall, expenditures within the General Fund increased by \$2.2 million or 4.6% over 2017. This was primarily driven by the Public Safety function due to salary and benefit increases relating to contract settlements. Both Police and Fire saw increases in their building, vehicle, and loss control charges to increased needs related to their operations.

Public Works increased by \$363,786 or 10.1% from 2017 due to higher salary and benefit costs for seasonal worker, retirements, and overtime for snow removal, etc. Also, Recreation & Parks increased by \$356,786 or 4.6% due to increases in salaries and benefits costs.

Expenditures	2018	2017
General Government	\$5,431,439	\$5,130,671
Community Development	\$1,499,391	\$1,594,604
Public Safety	\$29,865,322	\$28,557,887
Public Works	\$3,962,651	\$3,598,865
Recreation & Parks	\$8,174,258	\$7,817,570
Debt Service-Interest	\$8,223	\$10,567
<b>Total Expenditures</b>	<b>\$48,941,284</b>	<b>\$46,710,164</b>



## Debt

### General debt service

This debt service fund accounts for the issuance of all debt (mainly bonds) with the exception of tax increment debt and also accounts for the on-going debt service of the issued debt.

### Highlights

The General Debt Service Fund saw a decreased in expenditures in 2018 as compared with 2017 by paying off outstanding debt and refinancing bonds.

### Bonded debt at 12/31/2018

City of Brooklyn Park bonds	2018	2017
General Obligation Bonds	\$20,100,000	\$22,190,000
General Obligation Refunding Bonds	\$4,124,766	\$4,828,996
Gross Revenue Bonds	\$1,185,000	\$1,280,000
Brooklyn Park Economic Development Authority Debt	\$2,330,000	\$3,365,000
Pension/Post-Retirement Debt	\$37,996,052	\$40,272,960
Other		
<b>Total Debt Obligation</b>	<b>\$65,735,818</b>	<b>\$71,936,956</b>



## Statement of Net Position: a useful indicator of finance health

### What is a net position?

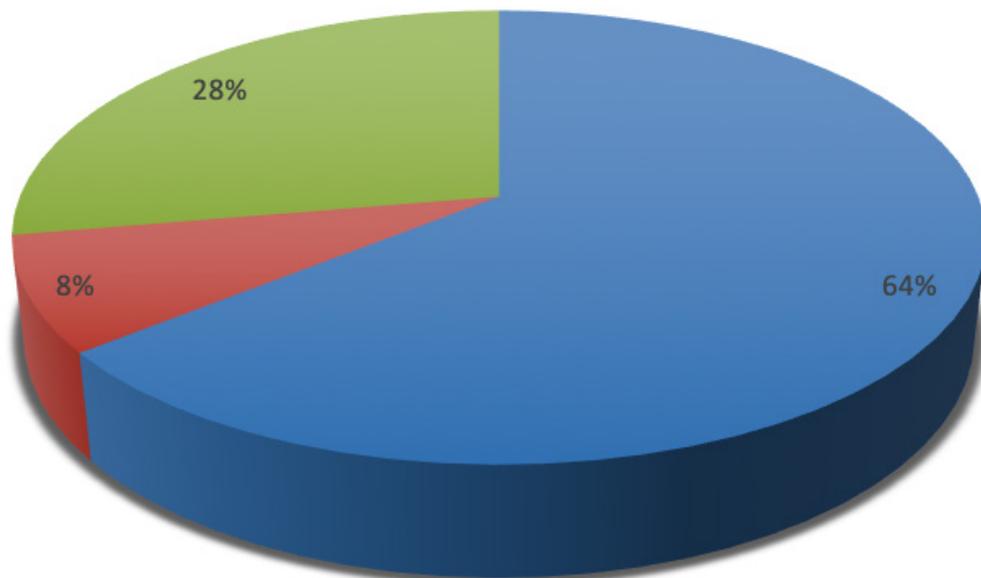
Statement of Net Position captures all the city's assets, deferred outflows, liabilities and deferred inflows, and the difference is reported as a net position. Over time, increase or decrease in the net position serves as a useful indicator of whether the city's financial position is improving or deteriorating.

City of Brooklyn Park Net Position	2018	2017	2016
Total Assets	\$487,615,304	\$488,852,846	\$471,647,230
Total Liabilities	\$85,386,264	\$95,789,991	\$121,208,097
Deferred Inflow/Outflow of Resources	\$7,536,500	\$672,582	(\$34,835,939)
<b>Net Position by Source</b>	<b>\$394,692,540</b>	<b>\$392,390,273</b>	<b>\$385,275,072</b>

Net Position by Source	2018	2017	2016
Net Investment in Capital Assets	\$253,102,967	\$253,044,584	\$258,281,500
Restricted	\$32,238,199	\$30,566,088	\$37,351,263
Unrestricted	\$109,351,374	\$108,779,601	\$89,669,309
<b>Total Net Position</b>	<b>\$394,692,540</b>	<b>\$392,390,273</b>	<b>\$385,302,072</b>

### Brooklyn Park's Net Position is positive and stable

#### 2018 Net Postion by Source



■ Net Investment in Capital Assets

■ Restricted

■ unrestricted

# Statement of Activities: understanding the source of significant changes in performance

## What is a Statement of Activities?

Statement of Activities is the Government-Wide Income Statement which provides a report on the money received and spent by the city during the fiscal year.

## Revenue highlights for Statement of Activities

Overall total revenues decreased from 2017 due to property taxes decreasing by \$ 2.6 million or 5.5% due to deferrals in 2017. Program revenues decreased from 2017 due to reductions in permits and associated revenue issued in 2017 for repairs due to storm damage and the expiration of the grant from the Minnesota Department of Employment and Economic Development (DEED) for the Minnesota Investment Fund program in 2017. Other Revenue decreased by \$3.6 million primarily due to a decrease in funding for special assessment construction projects.

## Revenue by source

Revenues source	2018	2017
Charges for Service	\$28,431,491	\$28,576,582
Operating Grants and Contributions	\$3,743,752	\$6,311,457
Capital Grants & Contributions	\$3,106,035	\$3,152,634
Property Taxes	\$44,695,064	\$47,313,766
Tax Increments	\$2,086,605	\$1,987,260
Franchise Fees	\$5,879,239	\$5,732,536
Grants and Contributions	\$1,375,913	\$1,213,077
Investment Earnings	\$2,648,280	\$2,083,439
Gain on Disposal of Assets	\$49,426	\$47,553
Other Revenue	\$2,823,428	\$6,724,166
<b>Total Revenue</b>	<b>\$94,839,233</b>	<b>\$103,142,470</b>



**Property Tax**  
**\$2.6M**



**Tax Increments**  
**\$99,345**



**Program Revenue**  
**\$3.9M**



**Investment Earnings**  
**\$564,841**

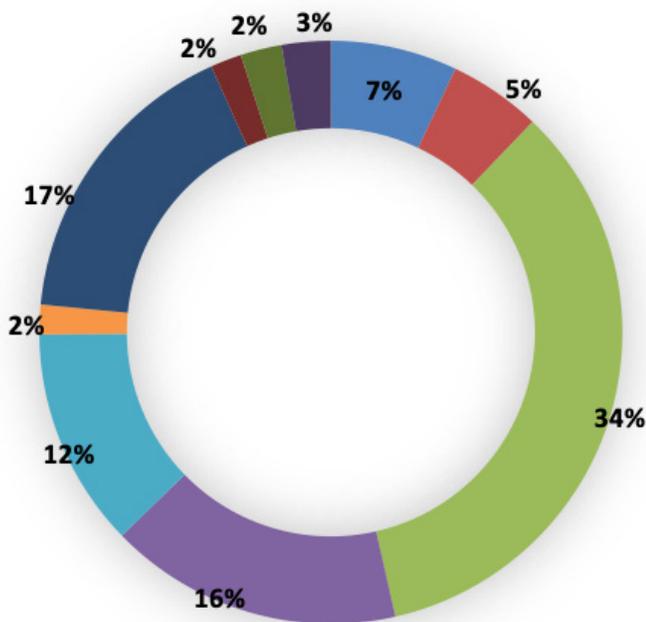
### Expenditure highlight for Statement of Activities

Overall total expenditure decreased 8.2% primarily due to a \$5.2 million decrease in Community Development from a reduction in revolving fund activity and a decrease of \$2.5 million in Public Safety driven by salary & benefit net pension expense liability adjustments. Public works increased due to increases in capital outlay, while public utilities saw a reduction in its capital outlay.

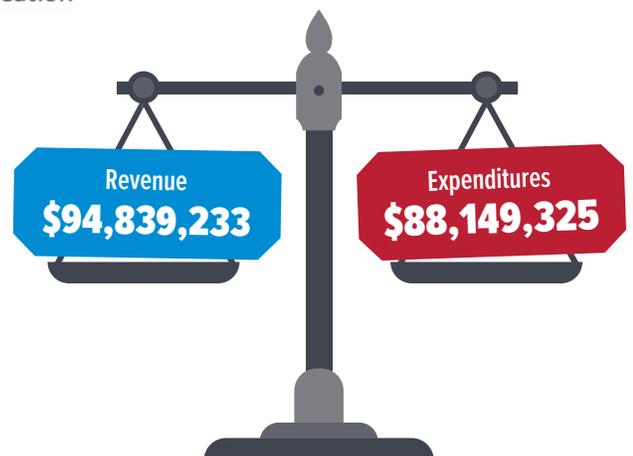
Public safety, public utilities, and public works account for majority of the governmental expenses (63%).

### Expenditures by source

Expenditure source	2018	2017
General Government	\$6,201,773	\$8,658,872
Community Development	\$4,521,550	\$9,746,885
Public Safety	\$30,218,989	\$32,734,865
Public Works	\$14,341,136	\$10,542,667
Recreation and Parks	\$10,729,393	\$10,764,266
Debt Service	\$1,444,969	\$1,178,592
Public Utilities	\$14,762,231	\$16,865,615
Storm Sewer Utility	\$2,393,094	\$2,181,443
Street & Signal Light Utility	\$1,523,603	\$1,261,121
Recreation	\$2,012,587	\$2,119,943
<b>Total Expenses</b>	<b>\$88,149,325</b>	<b>\$96,054,269</b>



- General Government
- Community Development
- Public Safety
- Public Work
- Recreation and Parks
- Debt Service
- Public Utilities
- Storm Sewer Utility
- Street & Signal Light Utility
- Recreation



# Police Department

## Major Public Safety Initiatives

### Mental Health Unit

Development of a Mental Health Unit consisting of a clinician, detective and intern to better assess mental health related calls. We will continue to train officers on identifying the characteristics of mental illness calls, so our police reports will contain valid and accurate information for analysis. The Mental Health Unit will utilize a valid assessment tool that identifies cases for appropriate follow up and connect those in need with resources. The goal is to reduce mental health interaction with law enforcement.

### Diversify the Police Department

Incorporating the lessons learned from the Resilient Communities Project to continue to diversify our sworn staff. We will increase the number of law enforcement related classes taught by Brooklyn Park Police Department staff at local middle & high schools and community colleges to introduce the law enforcement profession to diverse students. The Police Cadet Program is geared towards hiring diverse students early in their law enforcement education, so that we can assist with education costs and provide on-the-job law enforcement training. Our goal is to have a 100% staffed cadet program that is able to be promoted when police officer positions are available. The Department's mentorship program prepares cadets for promotion and will help to retain them once they are officers.

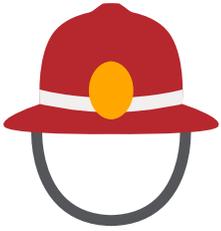
### Cities United Cohort Project

The Police Department has partnered with the Recreation & Parks Department to create broad, citywide work groups that have become the Cities United Cohort Project. The Cohort hopes to reduce violence by improving community, youth, and family outcomes, as part of the Cities United best practices. We will continue to work to develop partnerships with community leaders and organizations and engage at risk African American boys with positive programs and relationships with police. Ideally, we would like to see at least 50% of the cohort participants return to serve and mentor in subsequent cohorts. In 2019, we are working with neighboring communities to develop an approved diversion program.



# Fire Department

The Fire Department is an innovative fire service organization with 25 full-time and 21 paid-on-call firefighters/EMTs. The department operates from four fire stations, three of which are staffed 24 hours a day, 7 days a week. Fire personnel are organized into three battalions of full-time firefighters supplemented by assigned part-time personnel. All firefighters are state certified and registered EMTs. The department responds to more than 9,000 calls for service each year and conducts nearly 3,000 annual commercial inspections. In addition, the department regularly engages with the community through its public education programs. The City has a class 3 insurance rating.



**Firefighters/EMS**  
25 full-time  
21 paid-on-call  
3 support staff



**3**  
stations staffed 24/7

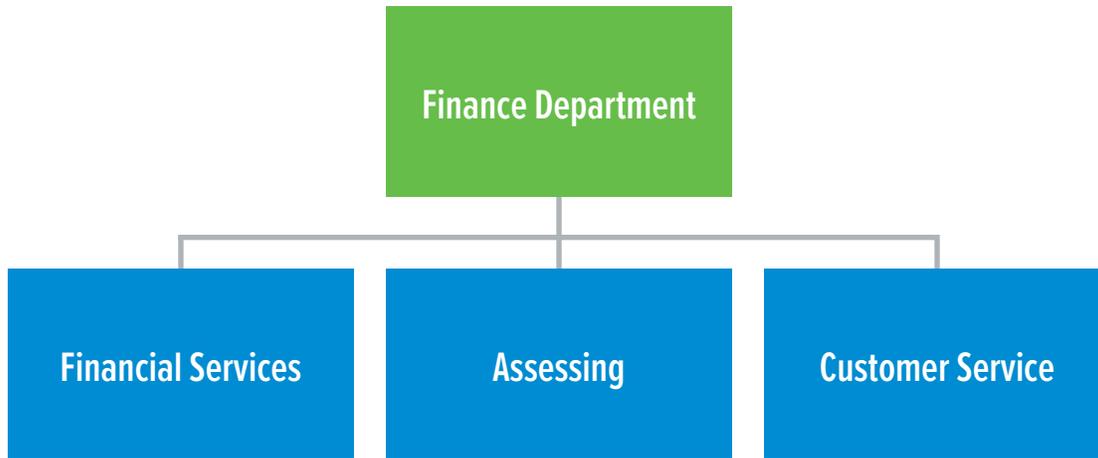


**9,000+**  
calls per year



**800**  
commercial inspections  
per year





## Finance Department

The finance department is committed to providing quality support to the other departments of the city and excellent customer service to the residents and various customer groups.

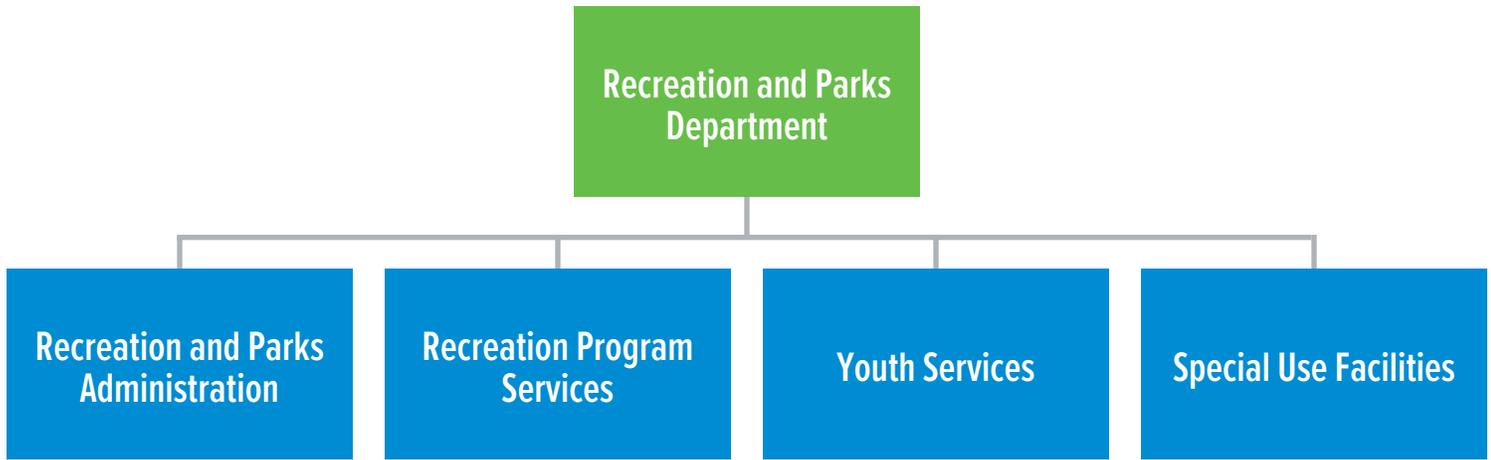
### 2018 achievements

- Successful launch of new Driver License system FASTDS
- Increased Dealer work with local large volume dealers
- Rewrite of Utility Billing Certification Notices
- Launched current account balance availability online through APEX to Utility Billing customer
- Completed hard copy and online version of Popular Annual Financial Report
- Bond refinancing- savings for the city

### Goals/major initiatives

- Implement use of Laserfiche for DMV and Utility Billing areas
- Continue to improve Utility Billing e-service and bill delivery
- PCI training with IT for all employees and advanced users
- Report analysis and budget projections for departments





## Recreation and Parks Department

Brooklyn Park has a well-established parks and trails system comprised of 53 miles of trails, 60 parks with more than 2,000 acres of land containing more than 400 amenities including park shelters, playgrounds, athletic fields and environmental areas.

### Special use facilities

- Brookland Golf Park
- Edinburgh USA Golf Course
- Community Activity Center

### Park and recreation amenities

- Dog parks
- Soccer, cricket, and ball fields
- Community gardens
- Neighborhood and community parks
- Ice arenas
- Skate park
- Picnic pavilions
- Trails
- Zanewood Recreation Center
- Basketball, tennis, and pickleball courts



Ice Arena Special Revenue Fund



Brookland Golf Park Special Revenue Fund

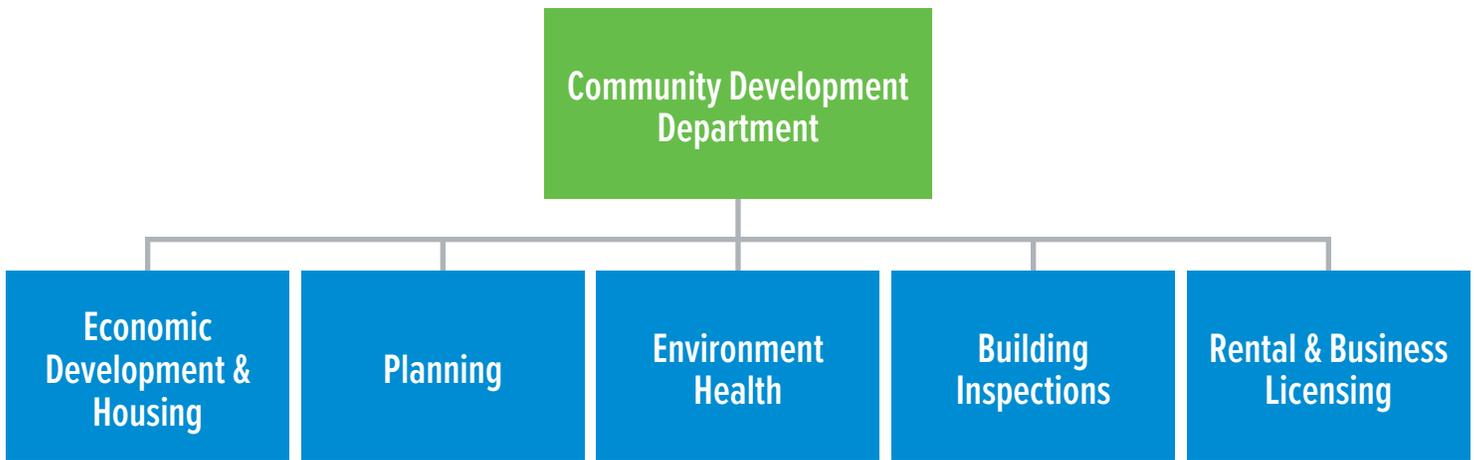


Edinburgh USA Golf Course Enterprise Fund

### Department highlights

- Expanded the Rec on the Go! program to improve access of recreation and literacy programs for young people within the apartments and neighborhoods throughout the city
- Expanded youth intervention services and youth outreach, in partnership with the Police Department and YMCA
- Reallocated resources to enhance internal marketing and promotion efforts to increase program participation and revenue generation
- Increased program services for our aging community
- Evaluated programs for quality and relevance
- Increased inclusion services to ensure programs and services are welcoming and accessible for all
- Implemented new Cities United cohort intervention programs in partnership with the Police Department





## Community Development Department

### Economic Development & Housing Division

Helps expand the tax base, increase employment, and enhance the quality of life by stimulating investment in Brooklyn Park in four primary areas:

- New development that requires assistance
- Expansion of existing commercial industrial business
- Redevelopment of underperforming or blighted areas
- Neighborhood and housing preservation
- Support services for businesses, residents and workers
- Workforce development

### Planning

Reviews, processes, and coordinates new development applications. Works with land owners and developers to bring new development to the city. Provides staff support to the planning commission and coordinates long range planning processes for the city.

### Environment Health

Responds to neighborhood complaints that range from minor nuisances to major health and safety hazards. Conducts routine and complaint inspections in licensed facilities.

### Building Inspections

Reviews construction documents, issues building permits and conducts inspections on residential and commercial project within the city.

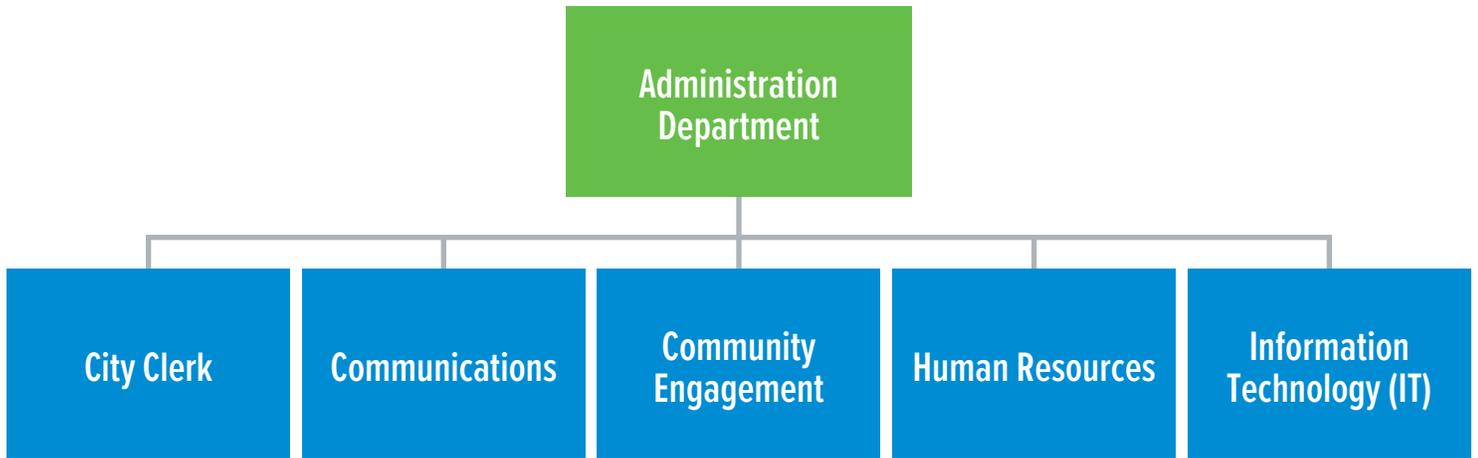
### Rental & Business Licensing

Provides property maintenance inspections for rental housing and licenses a variety of businesses, including liquor, tobacco and food establishments.

### Major initiatives

- Expand services to support businesses and develop the local workforce, including running BrookLynk.
- Support desired new development using Tax Increment Financing and other tools if needed.
- Prepare for the extension of the Blue Line Light Rail Transit (LRT) line, which will bring five stations to Brooklyn Park along with other planned roadway improvements.
- Improve the use of technology, including making more services available on-line





## Administration Department

The Administration Department is made up of five divisions: communications, community engagement, city clerk, human resources and IT. The human resources and IT divisions are primarily internal services that focus on recruitment and staffing, leadership development, payroll, and employee engagement, as well as cyber security, data connections, technology solutions, and visual representation of data. Communications, community engagement and city clerk are internal and external in scope. In communications, they put out strategic messages to promote the city and all its initiatives. In community engagement, they create more equitable outcomes by building community capacity and working with departments to engage community members in decisions that affect them, and in the city clerk’s office, they run elections, support the city manager and council, and make sure the city abides by all applicable laws and regulations.

- Growing and responsive social media presence and influence (city and police followers on Facebook, Instagram and Twitter: 13,000)
- Geographic Information Systems (GIS) used more to “tell the story”
- Reduction of paper records by utilizing Laserfiche in accordance with the state records retention schedule
- Employees supported in their work with needed technology and a supportive work environment

### Department highlights

- Renewed interest and investment in strategies to improve workplace culture following an Employee Engagement Survey Recommended over 100 changes to state records retention, which were all approved.
- Development of a robust performance management system to prepare, engage and recognize employee contributions
- Created and implemented community engagement plans for major department and citywide projects and initiatives
- Created a Code of Conduct for Brooklyn Park Boards, Commissions, and Committees
- Increased education of early voting opportunities
- Design and production of over 500 promotional print materials (flyers, ads, brochures, etc.) and more than 50 videos.



## Notes

## Notes

**For questions please contact us**

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763-424-8000 | [www.brooklynpark.org/contact](http://www.brooklynpark.org/contact)  
Monday–Friday 8 a.m.–5 p.m.



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