



January 2019

LETTER OF TRANSMITTAL

Transmitted, herewith, please find the Fiscal Year 2019 Budget (beginning January 1, 2019 and ending December 31, 2019) for the City of Minneapolis. The annual budget is a policy document which sets the financial course for the City of Minneapolis and defines the service priorities for the community. Adopting and monitoring the budget is a key role of the Mayor and City Council. The budget process affords the Mayor and City Council the opportunity to balance the needs of the City against available resources. The 2019 Adopted Budget is \$1.70 billion, excluding transfers. The budget is structurally balanced and is funded in part with a property tax levy that reflects a total increase of 5.67% in the City's tax levy compared to 2018, increased business license fee revenues, and increased local sales entertainment tax revenues due to continued growth in the City.

The various sections of this budget document provide detailed information about the City and its finances. The Introduction section of the document includes the City's Budget in Brief and an explanation of how to use the remainder of the document. The Financial Overview section of this document provides details on the City's continued fiscal discipline and financial planning efforts. The City's Strategic Planning efforts and governing Financial Policies follow in their respective sections. The City's financial future as depicted by the Five-Year Financial Direction and five-year capital infrastructure and equipment programs can be found in the subsequent Financial Plans and Capital Program sections. The Operating Departments section provides detailed information for each department, including the departments'

- Mission;
- Business lines;
- Revenue and expenses;
- And, Staffing.

Information regarding the City's Independent Boards and Commissions, which adopt their own budgets, is contained in the Independent Boards section. Near the end of the document are Financial Schedules that represent the legally adopted appropriations, revenue estimates, project allocations, fees, and charges.

Priorities and Issues

The 2019 Adopted Budget builds upon the City's goals by focusing on efforts to provide significant investments in equity, public safety, and infrastructure and economic development – all while aligning costs with appropriate funding sources.

This budget begins to tackle the City's affordable housing crisis by investing over \$40 million in strategies to increase affordability. It also invests in public safety by providing permanent funding for programs like the Group Violence Intervention, which shows demonstrated success as an upstream violence prevention activity.

This budget also prioritizes investments in sustainability and the fight against climate change; strengthening equity in City services; and, emphasizes the need to invest in modernizing core IT infrastructure such as our mass appraisal system and our budget platform to ensure transparency and accountability in these fundamental processes.

Future Considerations

The City's financial health is strong – but that is only because of hard work, planning, and diligence. The five-year financial direction adopted in this budget calls for continued annual property tax increases of between 3.93 and 8.23% to continue to provide current service levels which will continue to see inflationary pressures while other non-tax revenues, including state aids, remain relatively flat. Planned increases also fund the cost of the 20 Year Parks and Streets Investment Plan set in ordinance, in addition to an overall increase in public safety funding, support for elections, and neighborhood programs. Over the coming years we will continue to balance rising cost pressures with the need to provide additional services as our population continues to grow. We are confident that in conjunction with City Staff and engaged residents, the proper balance will be met.

Sincerely,



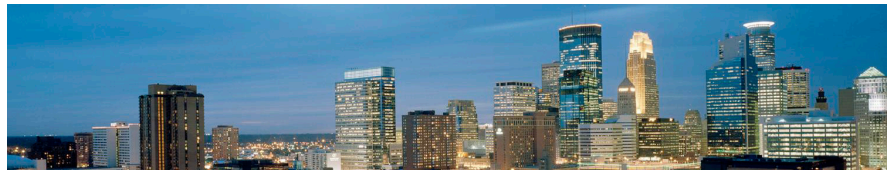
Jacob Frey
Mayor



Lisa Bender
Council President



Linea Palmisano
Chair, Budget



Dear Minneapolis residents,

Every four years the City engages in strategic planning to determine citywide goals and strategic directions. In March 2014, the mayor and the City Council adopted five citywide goals. These goals guide the elected officials during the budget process as they decide how to allocate the City's resources. While elected officials may further refine the City's direction, the 2019 Budget was prepared with the following goals as guidance.

Living Well

Minneapolis is safe and livable and has an active and connected way of life.

One Minneapolis

Disparities are eliminated so all Minneapolis residents can participate and prosper.

A Hub of Economic Activity and Innovation

Businesses – big and small – start, move, stay and grow here.

Great Places

Natural and built spaces work together and our environment is protected.

A City That Works

City government runs well and connects to the community it serves.

These goals can be found in more detail on the City's website at

www.minneapolis.gov/citygoals.

If you have questions about any of the material presented in the Budget in Brief, please call 311 from any landline or cell phone within Minneapolis city limits. For online information about Minneapolis program performance and progress, go to

www.minneapolis.gov/coordinator/strategicplanning/wcmSP-199683

Minneapolis by the numbers

- Population: 422,331*
- Residential housing units: 172,082*
- Residential neighborhoods: 87
- Home ownership rate: 47.3%*
- Per capita personal income: \$35,259*
- Median household income: \$55,720*
- Accredited colleges and universities: 21
- Unemployment rate: 2.5%**
- Foreign born persons: 15.9%*
- Land area: 53.97 square miles*

*Source : U.S. Census Bureau 2019, <http://www.census.gov/quickfacts/table/PST045216/2743000,00>

**Source : Department of Numbers, <http://www.deptofnumbers.com/unemployment/minnesota/minneapolis/>

2019 City of Minneapolis Budget in Brief

The 2019 City Council Adopted Budget:

- Is \$1.7 billion, a 10.3% percent (or \$158.9 million) increase from the 2018 Adopted Budget of \$1.54 billion, including component units and excluding transfers.
- Includes a 5.67 percent increase in the property tax levy.
- Includes \$40 million of investments in affordable housing and homeownership support and development.
- Fully funds the annual commitment for the 3rd year of the 20-year Neighborhood Parks and Streets improvement plan.
- Invests in public safety by creating a new Office of Violence Prevention in the Health Department, funding a Domestic Violence Outreach program in the City Attorney's office, and in the Police department, funding is provided to outfit all sworn officers with body cameras by the end of 2020 and to make the Mental Health Co-Responder program a permanent program.
- Provides funding in the City Coordinator's office for additional staff and programming to support racial equity efforts in City services.
- Adds 5 additional fire personnel in anticipation of the opening of Station 1 downtown and to help staff a mobile healthcare provider program.
- Provides funding in the Civil Rights department for an additional Labor Standards Investigator to help enforce the City's newly enacted Minimum Wage and Sick and Safe Time rules.
- Invests in the promotion of the 2020 Census to ensure that the City receives federal resources to which residents are entitled.

Budget process

June - August - Mayor developed and submitted recommended budget.

- Mayor met with department leadership.
- Mayor reviewed budget proposals, policy changes and funding options.
- Recommended budget submitted to council (*August*).

September - December - Hearings held on mayor's recommended budget.

- City Council received budget and referred to the City Council's Budget Committee.
- City departments and boards presented their budgets to the Budget Committee.
- Budget Committee considered changes to the mayor's recommended budget.

November - Public hearings held.

- Property tax notices mailed to property owners, stating the amount of property tax to be paid in 2019 for all jurisdictions, including the City, and dates for public input.
- First public hearing held.

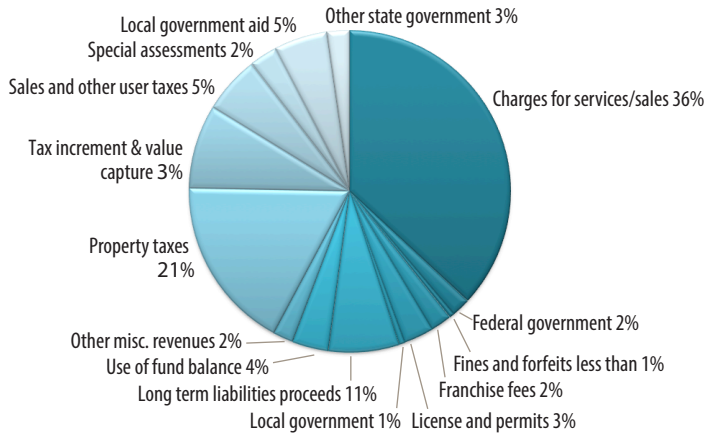
December - Budget adopted.

- Final public meeting held on date of budget adoption.
- Final budget now referred to as the Council Adopted Budget.

How the city is funded

Total revenue budget - sources of funds

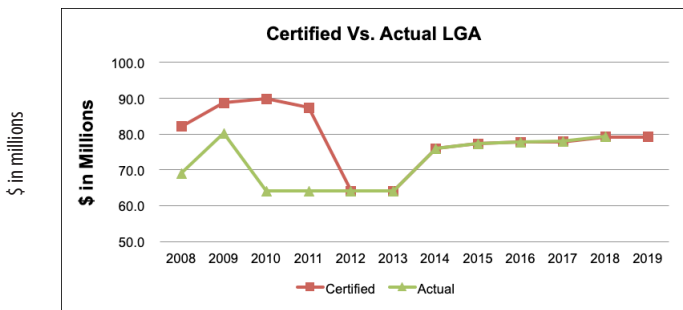
2019 Council Adopted Budget: \$1.7 billion



STATE FUNDING

The City receives funding from the State of Minnesota largely in the form of Local Government Aid, or LGA. The State uses a formula to distribute LGA funds to cities throughout Minnesota. For 2019, Minneapolis (including the Minneapolis Parks) was appropriated \$79.3 million, unchanged from 2018. The graph below shows certified and actual levels of LGA funding the City of Minneapolis has been receiving since 2008, as well as projected levels for 2019 based on current law.

Certified vs. actual LGA



For more information on LGA and the distribution formula, please visit [www.minneapolis.gov](#).

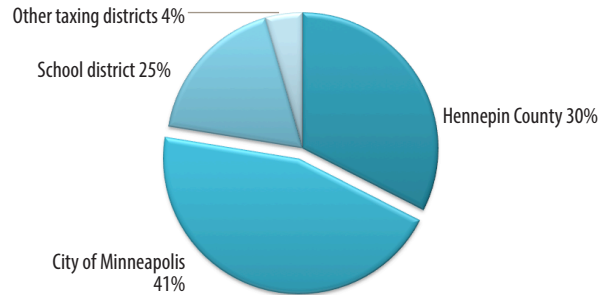
Charges for services and sales revenue

Much of the City's funding comes from services residents and others pay for, such as water, sanitary sewers, storm sewers, trash removal and recycling pickups. The revenue obtained from providing these and other services accounts for about 36 percent of the total revenue for the City's budget.

Property tax

Property tax levies make up approximately 21 percent of overall revenue for the City (including component units). Your total property tax dollars are split among several different governmental jurisdictions. The three local jurisdictions that receive the greatest proportion of your property taxes are the City of Minneapolis, Hennepin County, and Special School District No. 1 (*Minneapolis Public Schools*). The City typically receives about 41 percent of the revenue from the overall total property tax payments made by City residential taxpayers. Hennepin County receives about 30 percent, and the School District about 25 percent. The other 4 percent of property tax revenue is split between Metro Mosquito Control, Metropolitan Council, Metro Transit, Hennepin County Regional Railroad Authority, Regional Sewer System, Regional Parks & Museums, Hennepin County Watershed Management, and Hennepin County Public Housing. The City of Minneapolis is only responsible for the city portion of the taxes paid.

2019 Proposed property tax breakdown



2019 ADOPTED BUDGET PROPERTY TAX BREAKDOWN (City portion only)

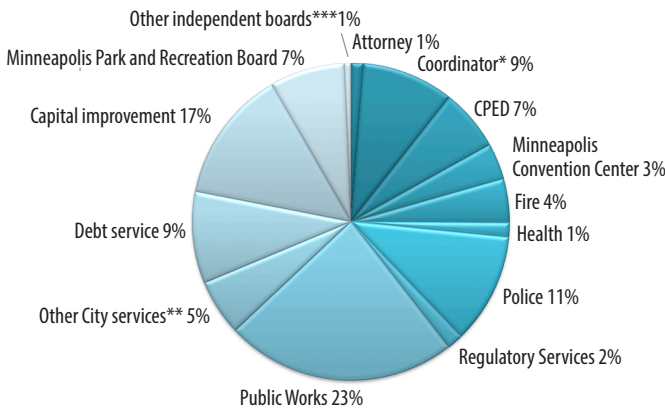
The City's 2019 Adopted Budget includes \$350 million in funding from property taxes, which are used to support many of the City's functions. Under the 2019 Adopted Budget, a Minneapolis home with an estimated value of \$249,000 will pay about \$3,400 in total property taxes for all jurisdictions as listed above with approximately \$1,400 going to the City. See where that \$1,400 in City property taxes goes on the following table:

City property tax breakdown for homestead single family property valued at \$249,000



Expenditures

Total expenditure budget - use of funds
2019 Council Adopted Budget: \$1.7 billion



* Includes 311, 911, Communications, Emergency Preparedness, Finance and Property Services, Human Resources, Intergovernmental Relations, IT, and Neighborhood and Community Relations.

** Includes City Assessor, benefits, City Clerk/Elections/Council, Civil Rights, contingency, Internal Audit, liability, Mayor's Office, pensions, and worker's compensation.

*** Includes Board of Estimate and Taxation, the City's contribution to the Municipal Building Commission and Library Board

The City's departments

POLICE AND FIRE

The Police Department and Fire Department comprise 15 percent (\$254 million) of the City's overall budget. The City's 2019 Adopted Budget provides funding for 888 sworn police personnel in five different precincts and 419 sworn fire personnel at 19 stations as well as resources to maintain these levels during times of high turnover.

COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT

Community Planning and Economic Development (CPED) accounts for about 7 percent of the City's budget. CPED's mission is to make Minneapolis more sustainable by helping businesses grow, developing an educated workforce and living-wage jobs, promoting homeownership, building housing, and interpreting and enforcing zoning, building and licensing codes to ensure the safety, health, and livability of our community.

PUBLIC WORKS

At approximately 23 percent, the Public Works Department comprises the largest portion of the City's budget. The main responsibilities of Public Works include enabling safe transportation for residents by maintaining streets, bike paths and sidewalks; providing safe, high-quality drinking water to residents and visitors; managing the sewer systems and facilitating the collection and disposal of trash and recycling.

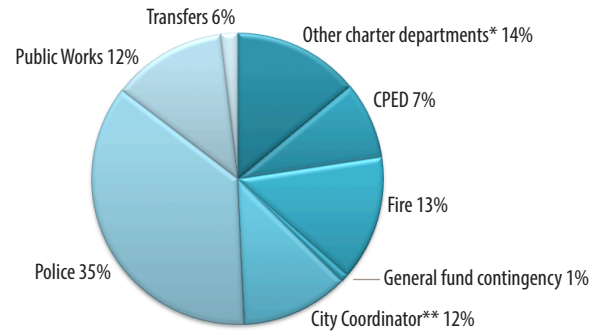
The City's funds

Revenue collected by the City is directed into different funds. These funds help manage City spending by directing the revenue dedicated to specific activities or objectives to a group of related accounts. By maintaining separate funds, the City is able to comply with laws that require certain money to be spent for specific purposes. For example, the City may not raise water bills to pay for police services. About \$1.2 billion or 73 percent of the City's revenue is dedicated for a specific use and is directed to a corresponding fund. Revenue that isn't earmarked for a specific purpose is directed to the General Fund, which pays for the general operations of the City, including police and fire services, street repairs, and regulatory functions.

GENERAL FUND

Because the revenue in the General Fund is not earmarked for any specific use, the City has the most discretion over General Fund dollars. This fund comprises about 28 percent of the citywide budget excluding the transfers. Its two major sources of funding are local property taxes and Local Government Aid (LGA) from the State. These two sources reflect about 54 percent of the General Fund budget of \$512 million. The remainder of the General Fund revenue is from a variety of sources, including sales and other user taxes, charges for services/sales, and licenses and permits. The following charts show a more detailed look at the General Fund:

General fund expense budget - expenditure by service
2019 Council Adopted Budget: \$512 million (includes transfers)

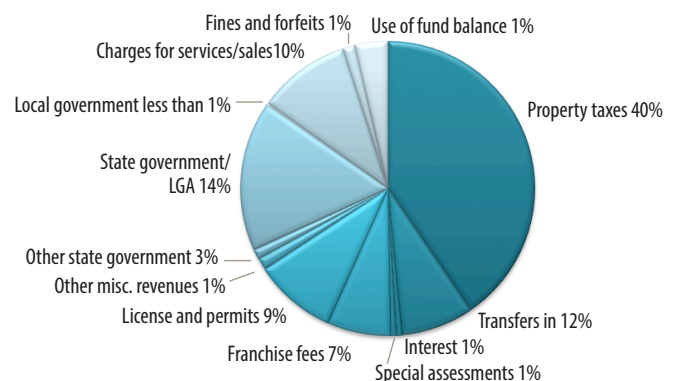


* Other Charter Departments: Assessor, Attorney, Civil Rights, Contingency, Council/Clerk/Elections, Health, Internal Audit, Mayor's Office, and Regulatory Services.

** City Coordinator: 311, 911, Communications, Emergency Management, Finance and Property Services, Intergovernmental Relations, IT, Neighborhood and Community Relations.

*** Library operating expenses.

General fund revenue budget - source of funds
2019 Council Adopted Budget: \$512 million (includes transfers)



Capital plan

Every year, the City adopts a plan for capital improvements for the next five years. Capital improvements include projects such as street construction, bridges, public buildings, traffic systems, park improvements, sewers and water infrastructure.

Prior to the mayor presenting his recommended budget to the City Council, elected officials gather feedback from residents regarding which capital projects the City should undertake through the Capital Long-Range Improvement Committee. The Capital Long-Range Improvement Committee (CLIC) consists of 33 residents (*seven appointed by the mayor and two appointed by each of the 13 council members to represent their wards*). CLIC members rank proposed capital projects based upon a number of criteria and present their recommendations to the Mayor and City Council.

The 2019 budget includes the first year of the 2019 - 2023 five-year capital plan, with funding of \$283.8 million appropriated for the first year. The five-year total for the capital budget is \$1,099.3 million, with 72.1 percent associated with Public Works projects. The three largest capital expenditure categories include: Street Paving, Water Infrastructure, and Storm Sewers. Capital projects tend to be costly; therefore, the City often issues bonds (*or debt*) to finance these projects. The City uses resources received from bond sales to pay for capital projects, and repays investors over time at tax-exempt interest rates using annual revenues as noted below. This process is similar to a homeowner utilizing a home improvement loan to complete a major home repair project.

DEBT SERVICE AND BONDS

The City's total general obligation debt outstanding as of December 31, 2018, is \$680 million. General obligation bonds are backed by the full faith and taxing authority of the City. Approximately 22 percent of this debt is funded with future property tax payments, 34 percent is paid for by fees collected for sewer, water and parking services and the balance is supported by sales taxes, tax increment financing revenues, special assessments and other user fees. Each year, the City pays between \$120 to \$150 million in principal and interest on its general obligation bonds.

The City's bonds receive the highest possible ratings from Standard and Poor's, and the second highest rating from the other two major credit rating agencies. The ratings represent the strength of the City's credit and thus the safety of investing in City bonds. The City's top bond ratings reflect the sound financial management of the City and allow the City to borrow money from investors at low interest rates.

Utility rates

For 2019, the City Council adopted utility rates for water and sanitary sewer fees which include both a variable rate component based on water usage and a fixed rate component based on the size of the water meter servicing the property. Solid waste rates are increasing due primarily to the implementation of organics recycling. The table below provides a summary of the anticipated change in an average residential customer's utility bill from 2018 to 2019.

	2018	2019 monthly average*	2019 annual average	2019 monthly dollar change	2019% change	
Combined utility bill Monthly and annual cost for average customer	Water*	\$29.56	\$30.41	\$ 365	\$0.85	2.9%
	Sanitary sewer	\$28.58	\$31.06	\$ 373	\$2.48	8.7%
	Stormwater	\$12.71	\$13.09	\$ 157	\$0.38	3.0%
	Solid waste/recycling**	\$28.99	\$29.53	\$ 354	\$0.54	1.9%
	Total	\$99.84	\$104.09	\$1,249	\$4.25	4.3%

*The average household rate for water is based on seven units of consumption at \$3.63 per unit plus a \$5.00 fixed charge. Sanitary rates are based on six units of water consumption at \$4.21 per unit plus a fixed charge of \$5.80. Stormwater rates are based on one equivalent stormwater unit of 1,530 square feet on impervious surface.

**The solid waste rate is based on a \$24.53 monthly charge with a large recycling cart fee of \$5. Customers can substitute a small cart with a \$2 fee. The large increase in the monthly charge is due to incorporating organics recycling.



If you have questions about any of the material presented in the Budget in Brief, please call 311 or 612-673-3000.

For online information about Minneapolis program performance and progress, go to www.minneapolismn.gov/results/index.htm

For reasonable accommodations or alternative formats please contact Finance and Property Services at 612-673-3205. People who are deaf or hard of hearing can use a relay service to call 311 at 612-673-3000.

TTY users can call 612-673-2157 or 612-673-2626.

Para asistencia 612-673-2700, Yog xav tau kev pab, hu 612-673-2800, Hadio aad Caawimaad u baahantahay 612-673-3500.

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2019 Budget**

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How to Use This Document

The budget book contains some of the best sources of information on governmental activities as well as key financial information for policy makers and managers. The highlights below will guide the reader through the various sections of the budget document.

Table of Contents	The table of contents allows the user to pinpoint the page of a particular part of the City’s budget.
Introduction and Background Information	<p>This section contains a community profile of the City of Minneapolis, including an overview of the City’s history, economy, population, and attractions. The section also includes lists of the City’s elected officials, department and agency heads, the City’s budget principles, and a citywide organization chart. A map of Minneapolis Communities and Neighborhoods and descriptions of the City’s form of government are included in this section, as well as a chronology of financial decision making for the City.</p> <p>Descriptions of the major City funds are included in this section, including a bird’s – eye view of the relationship between fund types, revenue sources, expenditures and departments/boards.</p>
Financial Overview	<p>This section summarizes the key decisions and financial issues addressed in the budget. It includes key charts and graphs which depict the various portions of the City’s budget and key revenue trends. A chart of the Minneapolis property tax levy recommendation appears in this section.</p> <p>This section also contains a summary of major decisions in the budget, and enterprise level challenges.</p>
Strategic Planning	The strategic planning section lists the set of City goals and strategic directions. The citywide strategic plan provides clear direction for departments’ business planning efforts. Annual budget process, dates for this year’s budget process, and a description of integration of key processes follow. The City’s financial decision calendar displays the annual flow of these processes. Links between the City goals and department five-year business plan goals are described in this section.
Financial Policies	This section presents the major financial policies adopted by the City Council and Mayor.
Financial Plans	<p>Financial plans for the City’s major funds and business lines are found in this section. The five-year financial direction begins this section. A summary of the demands on the property tax levy is included.</p> <p>For fund level plans, the budget, a three-year forecast and two years of actual expenditures are displayed on the financial page. These plans include narratives which summarize what operations are run in the fund, historical financial performance, and current year expenses, revenues, transfers and debt service.</p>

Operating Departments	<p>This section provides the most detail on a department-by-department basis, including departments' financial summaries. These summaries include expenditures by program, type (<i>i.e.</i> salaries, benefits, contractual services and operating expenses) and fund; the department's revenue estimates; and positions.</p> <p>Narrative summaries for each department, including primary businesses and program descriptions are included. A brief financial overview of the department is prepared by finance staff. Department organizational charts are included in this section.</p>
Capital Program	<p>This section outlines the capital program by funding source and in total. A narrative summarizes the program and presents operating cost impacts as described by applicants for the funds. Information about the City's debt – the legal debt margin, outstanding debt, amortization of the debt, and the bond redemption levy – is included. A separate table of contents and glossary are included for this section.</p> <p>The program is also summarized by the commission, board or department which submitted the request along with each major program. A five-year total of the capital program and its allocations are included. A presentation by amount requested by the department/agency, the capital long range improvement committee recommendation, the Mayor's recommend budget, and the adopted budget follows.</p>
Independent Boards	<p>This section provides information in a format similar to the City Council operating departments for independent boards. The amounts included are generally those most recently approved by the board of the organization.</p>
Financial Schedules	<p>These schedules summarize interfund transactions, revenues by major category, expenditures by fund and agency, the community development block grant program, community planning and economic development program allocations, and positions by department, charges for technology, fleet, property services, rent, and general fund overhead costs by department, all referenced in the appropriation resolutions.</p>
Glossary	<p>A glossary is included for key financial and City terms. A more detailed glossary is available on the City of Minneapolis website. For more detail please reference the Glossary section of the City Council's Policies and Procedures page.</p>
Resolution	<p>The Council-Adopted Budget Resolution that outlines Council action on the Mayor's Recommended Budget is included for reference.</p>

**City of Minneapolis
2019 Budget**

Elected and Public Officials

Mayor

Jacob Frey

City Council

Lisa Bender, President	10th Ward
Andrea Jenkins, Vice President	8th Ward
Kevin Reich	1st Ward
Cam Gordon	2nd Ward
Steve Fletcher	3rd Ward
Phillipe Cunningham	4th Ward
Jeremiah Ellison	5th Ward
Abdi Warsame	6th Ward
Lisa Goodman	7th Ward
Alondra Cano	9th Ward
Jeremy Schroeder	11th Ward
Andrew Johnson	12th Ward
Linea Palmisano	13th Ward

Board of Estimate and Taxation

Jacob Frey	Mayor
Lisa Bender	City Council President
Abdi Warsame	Chair, City Council Ways & Means Committee
Carol Becker, President	Elected Member
Brad Bourn	President, Park Board
David Wheeler, Vice President	Elected Member

Minneapolis Park and Recreation Board

Brad Bourn, President	Commissioner District 6
AK Hassan, Vice President	Commissioner District 3
Chris Meyer	Commissioner District 1
Kale Severson	Commissioner District 2
Jono Cowgill	Commissioner District 4
Stephanie Musich	Commissioner District 5
Meg Forney	Commissioner At Large
Londel French	Commissioner At Large
Latrisha Vetaw	Commissioner At Large

Charter Department Heads / Assistant City Coordinators

Mark Ruff	Chief Finance Officer
Beth Cousins	Interim Chief Information Officer
Patrick Todd	City Assessor
Susan Segal	City Attorney
Casey Carl	City Clerk
Nuria Rivera-Vandermyde	City Coordinator
Velma Korbel	Civil Rights Director
Greta Bergstrom	Communications Director
David Frank	Community Planning and Economic Development Director
Jeff Johnson	Convention Center, Director
John Fruetel	Fire Chief
Gretchen Musicant	Health Commissioner
Patience Ferguson	Chief Human Resources Officer
Gene Ranieri	Intergovernmental Relations Director
Ginger Bigbie	Director of Internal Audit
David Rubedor	Neighborhood and Community Relations Director
Kim Keller	Interim Director of Regulatory Services
Medaria Arradondo	Police Chief
Robin Hutcheson	Public Works Director/City Engineer

Independent Boards/Agencies

Gregory Russ	Public Housing Authority Executive Director
Mary Merrill	Minneapolis Park and Recreation Interim Superintendent

**City of Minneapolis
2019 Budget**

Budget Principles

1. Secure the City's long-term financial health.

- ◆ Plan budgets based on ten-year outlook.
- ◆ Balance budgets across all funds.

2. Live within our means.

- ◆ Adopt a revenue and debt policy before making spending decisions.
- ◆ Adopt consistent budget policies across all City government units including independent boards.

3. Challenge assumptions – nothing is off the table.

- ◆ Development agency resources are City resources.
- ◆ Unexpected revenue sources go through the same budget process as other revenue.
- ◆ While some functions may be identified as core services, they will be scrutinized for efficiencies like anything else.

4. Provide choices and competition.

- ◆ Departments will provide business plans that include feasible budget options to policymakers.
- ◆ Elected officials will make strategic resource decisions, not across-the-board cuts.
- ◆ Individual projects in a particular area must not be considered for funding independently of other projects.

5. Build in collaborative and transparent decision-making.

- ◆ Mayor will involve Council Members and independent agencies and boards in the development of the budget. Employee suggestions and the citizen survey will also be used.

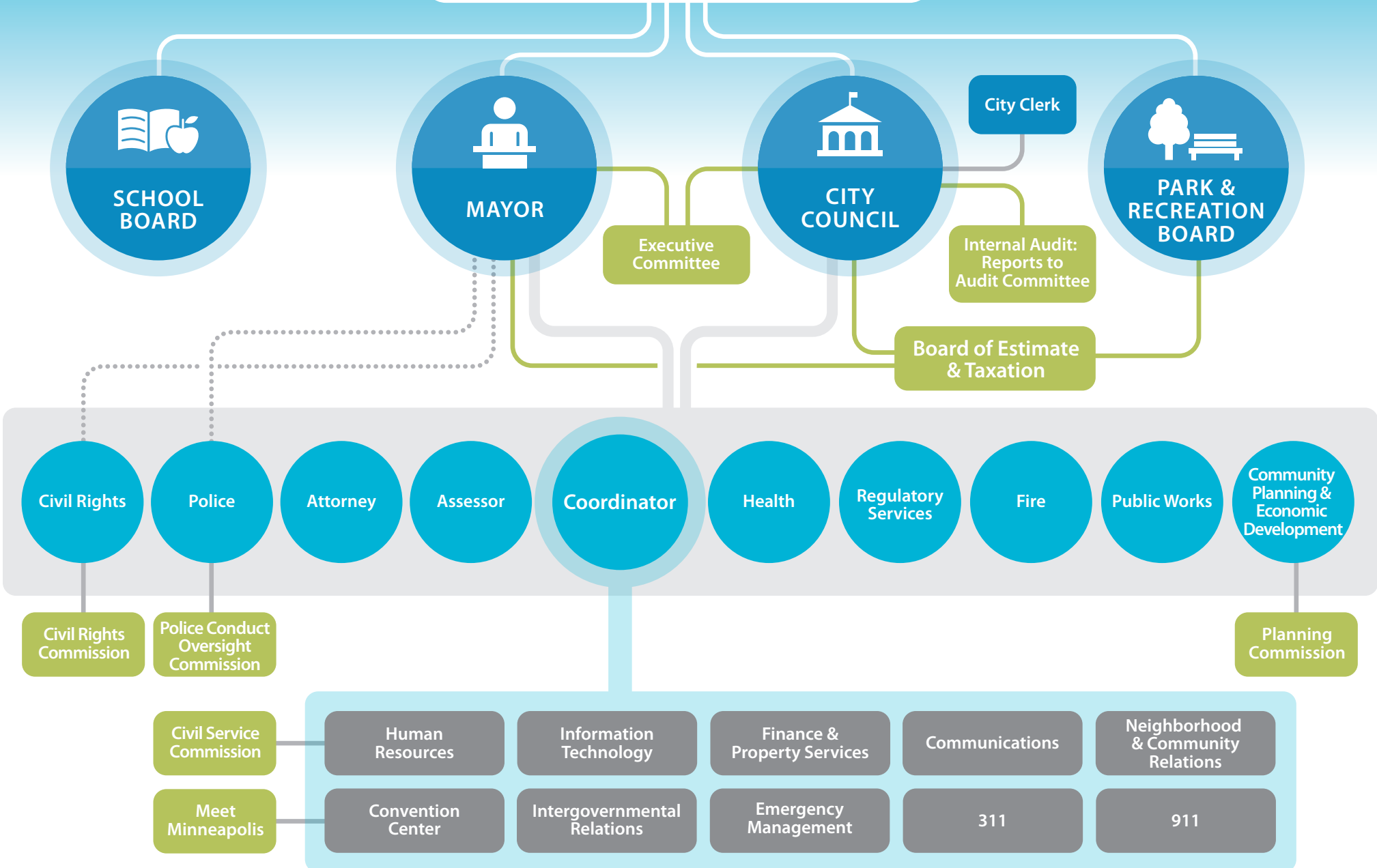
6. Protect core service delivery by avoiding duplication – both internal and external.

- ◆ Between different City departments and agencies,
- ◆ With the county, state, independent boards, or other levels of government,
- ◆ With non-profits or the private sector and
- ◆ Consolidation or realignment of critical functions is an option.

7. Demand accountability.

- ◆ Departments are expected to produce measurable outcomes (x dollars = y level of service).
- ◆ Department heads must manage to budget.

RESIDENTS OF MINNEAPOLIS





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

City of Minneapolis

Minnesota

For the Fiscal Year Beginning

January 1, 2018

Christopher P. Morrill

Executive Director

City of Minneapolis 2019 Budget

Background Information

COMMUNITY PROFILE

Minneapolis combines the Dakota word for water ("minne") with the Greek word for city ("polis"), a fitting name for the City with 22 of Minnesota's 12,000+ lakes. Minneapolis is renowned for being an attractive and livable city combining the best of urban life with a strong sense of neighborhood community. Residents enjoy access to jobs, a variety of housing, quality education, exciting cultural and recreational opportunities in beautiful natural surroundings.



Location

Minneapolis is the largest city in Minnesota and the center of finance, industry, trade and transportation for the Upper Midwest. At 44.58 degrees north latitude and 93.15 degrees west longitude, Minneapolis is 59 square miles (153 square kilometers), including 3.6 square miles (9.4 square kilometers) of inland water. It drapes along the banks of the nation's largest river, the Mississippi.



Climate

Minneapolis has an average summer temperature of 70 degrees F and an average winter temperature of 16 degrees F¹. Minneapolis has four distinct seasons, with moderate spring and fall weather. The abundance of lakes and trees serve as natural air conditioners in the Summer.

SOCIAL

History

Present-day Minneapolis was Dakota homeland until 1805 when new treaties increased the encroachment by Euro-American settlers into the area. By 1851, a treaty opened the west side of the Mississippi River to settlement resulting in a relocation of the Dakota people.

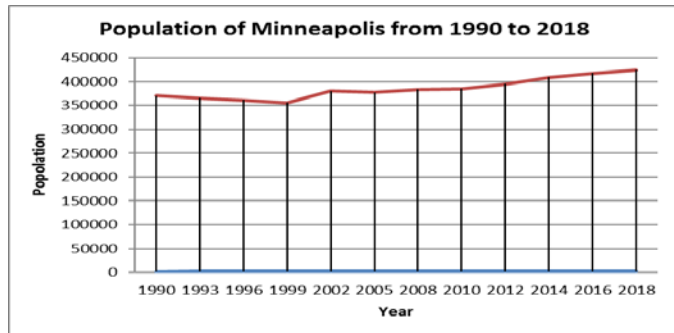
Early settlers, looking to utilize the river for transportation and power, built home and businesses along both sides of the Mississippi near St. Anthony Falls resulting in the development of two separate villages, Minneapolis and St. Anthony. In 1855 a suspension bridge was constructed to physically link the two and in 1872 Minneapolis and St. Anthony were united to form one city by the State Territorial Legislature.

While the riverfront business industries included millwork, paper, wool, and machinery —lumber and flour milling became the primary economic drivers. The flour milling industry particularly contributed to the growth of Minneapolis as a regional center of commerce by attracting new immigrants and residents and by creating an appealing location for other businesses to thrive. Some of Minneapolis' industries can trace their roots to the boom of the lumber and flour industries.

Population

¹ Source: Minnesota DNR, www.dnr.state.mn.us/faq/mnfacts/climate.html

The United States Census Bureau estimated the population of Minneapolis to be 422,331 residents² as of July 1, 2018. This means that the population of Minneapolis grew by about 10% between 2010 and 2016. According to the same bureau³, men and women each make up approximately 50 percent of the population. Children, youth under 18, and seniors aged 65 and above make up 6.7 percent and 19.9 percent, and 9.2 percent of the population respectively. African Americans comprise 18.9 percent of the population, and Hispanic Americans make up 9.8 percent of the population. People of American Indian and Alaska Native descent comprise 1.2 percent of the population, and Asian Americans make up 6.0 percent of the population. People of two or more races make up 4.9 percent of the total population⁴.



ECONOMICS

Economy

In the early years, Minneapolis' economy was based on a booming lumber industry and the processing of Minnesota grain with the tremendous power-generating capabilities of St. Anthony Falls. Large flour mills along the river evolved into the international corporations of Pillsbury, Washburn Crosby (General Mills) and Cargill. In 2018, the ten largest Fortune 500 companies headquartered in the metro area are as follows⁵:

Company Name	Fortune 500 Ranking	Revenues \$ Billions
United Health Group	5	\$201.2
Target	39	\$71.9
Best Buy	72	\$42.2
CHS	96	\$31.9
3M	97	\$31.7
U.S. Bancorp	122	\$24.0
SuperValu	180	\$16.0
General Mills	182	\$15.6
C.H. Robinson Worldwide	193	\$14.9
Ecolab	215	\$13.8



As of 2017, the city's largest employment sectors were health care and social assistance (19 percent), professional and technical assistance (12 percent), educational service (10 percent), finance and insurance (8 percent), and accommodation and food service (8 percent)⁶. Minneapolis-Saint Paul area is the home of numerous accredited colleges and universities offering wide choice of education programs. The city's highly educated workforce continues to be a driving force of a strong economy. Some of the accredited institutions located within the metropolitan area with high student enrollment includes University of Minnesota – Twin Cities, Walden University, Capella University, and University of St. Thomas. The University of Minnesota's highly acclaimed medical school and the City's seven hospitals have made Minneapolis a leader in the medical field.

² Source : U.S. Census Bureau 2018, <https://www.census.gov/quickfacts/minneapoliscityminnesota>

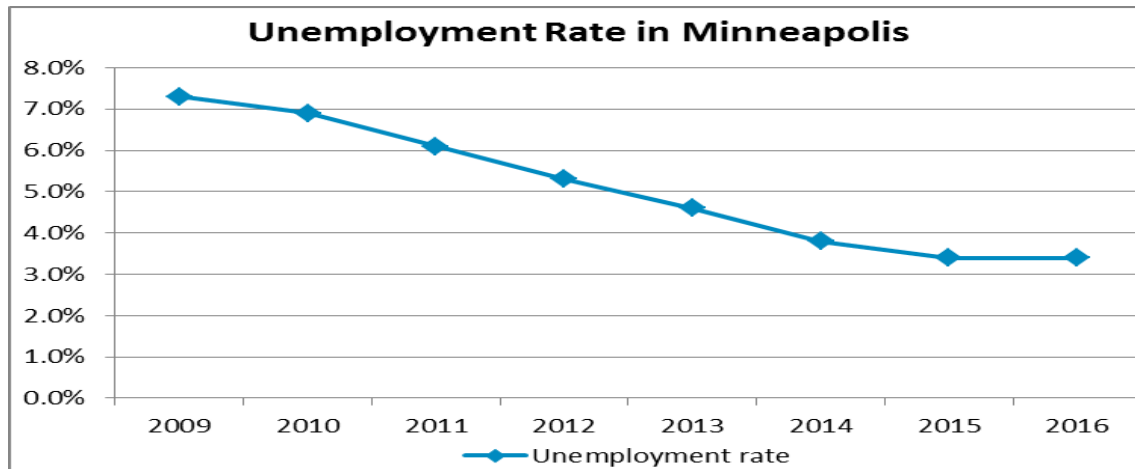
³ Source : U.S. Census Bureau 2018, <https://www.census.gov/quickfacts/fact/table/minneapoliscityminnesota,MN/PST045216>

⁴ Source: U.S. Census Bureau 2018 <https://www.census.gov/quickfacts/minneapoliscityminnesota>

⁵ Source: Fortune 500, <http://fortune.com/fortune500/list/filtered?statername=Minnesota>

⁶ Source: "Minneapolis Trends" available at, <http://www.minneapolismn.gov/www/groups/public/@cped/documents/webcontent/wcmssp-187880.pdf>

Since 2009, the city's unemployment rate has been falling as shown in the graph below⁷:



THRIVING CITY

Neighborhoods

Minneapolis has 87 neighborhoods offering 194,633 residential housing units according to Minneapolis Assessors Office. The city is well known for its socially active residents who have engaged in partnerships with government and business to improve neighborhoods and create economic opportunities. The city shares the nation's current challenge to increase the number of affordable housing units.



Downtown



Minneapolis downtown is home to offices, retail, parks, hotels, housing, hotels, and corporate headquarters. The vibrancy of downtown is spread throughout the city center, Hennepin Avenue hosts a concentration of theaters and entertainment, Nicollet Mall is the recently renovated arterial center of downtown, and along the river parks and history abound. Buildings in downtown Minneapolis are connected by a system of glass-enclosed bridges, the skyways, which help to keep activity moving during the cold Minneapolis winters⁸.

The Arts

Minneapolis is a city infused with creative energy. From internationally recognized arts organizations (such as the Guthrie Theatre, Walker Art Center and the Minneapolis Arts Institute) to community driven cultural groups that transform neighborhoods (such as Juxtaposition Arts and the Native American Community Development Institute), arts and culture are a critical element of what makes Minneapolis vibrant. While cultural offerings improve quality of life, creative enterprises also make important contributions to the city's local economy. Minneapolis is the arts and cultural powerhouse for the State

⁷ Source: MN Department of Employment & Development, <https://apps.deed.state.mn.us/lmi/laus/CurrentStats.aspx>

⁸ Source: <http://www.ci.minneapolis.mn.us/neighborhoods/downtownwest/index.htm>

as measured by the number of creative workers, (21,000 jobs) and other economic outputs. Since 2006, the number of creative jobs in Minneapolis has grown by 10%, a larger increase than overall job growth of 7.2%. In 2014, revenues in the nonprofit and for-profit arts and creative industries were \$285 million and \$4.5 billion respectively establishing Minneapolis as a national leader in economic creative vitality. On the right is an artwork in the recently upgraded Nicollet Mall. Photo by Blessing Hancock



Education



The Washington Avenue Bridge crosses the Mississippi River and connects the University's East Bank and West Bank

The city offers several vocational training and specialty schools. The main campus of the University of Minnesota sits on the banks of the Mississippi just minutes from downtown. It is a major land-grant research institution with a long tradition of community and public service, and it ranks among the top 20 universities in the U.S. It is also one of the largest. In addition to the University of Minnesota, other institutions of higher education include Minneapolis Community and Technical College, Dunwoody Institute, Minneapolis College of Art and Design, Augsburg College, Metropolitan State University, the University of Saint Thomas, St. Mary's University, the College of Saint Catherine and Capella University.

Sports and Outdoor Recreation

Many major league teams call Minnesota home. Fans can watch Major League Baseball's Minnesota Twins in action at Target Field, located in the Warehouse District of downtown Minneapolis. US Bank Stadium, home to the National Football League's Minnesota Vikings, opened in 2016. The state of the art facility holds seating capacity of 65,000 fans (expandable to 73,000). The Minnesota Timberwolves of the National Basketball Association and the national champion Minnesota Lynx of the Women's National Basketball Association play downtown in Target Center. Minnesota's National Hockey League team, the Wild, play in Saint Paul. And, Minneapolis has the capacity to host large events of all kinds at the City's convention center.

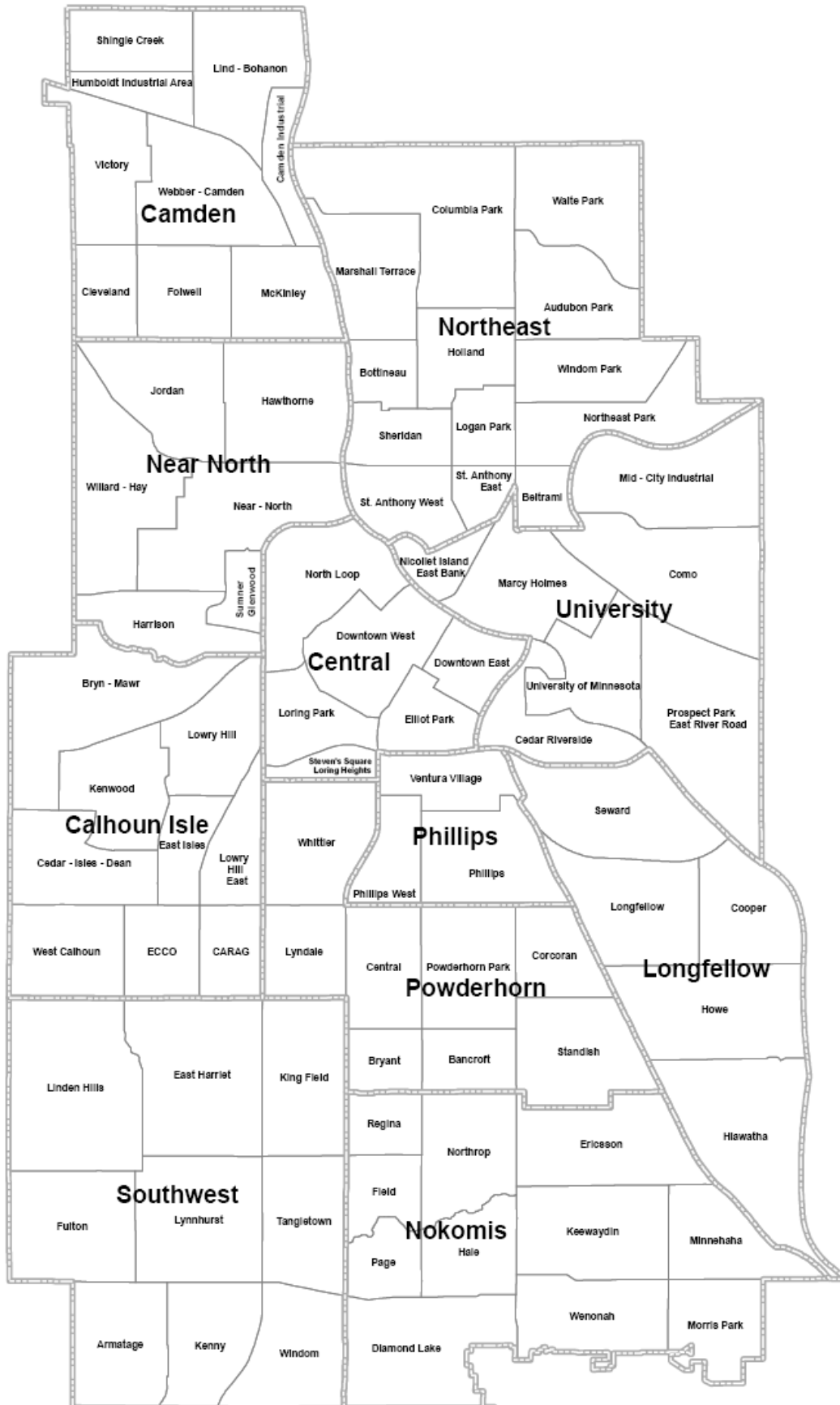


Minneapolis was honored to host Super Bowl LII in February of 2018, and to have been selected as the host of the 2019 NCAA Mens Final Four basketball championship, and other national sporting events over the coming years.

Minneapolis residents not only watch sports, they also participate actively. Playing in summer softball leagues, golfing, jogging, swimming, playing tennis, biking, in-line skating, and sailing in the city's lakes are favorite pastimes.

The City's Park and Recreation Board maintains 87 miles of walking and biking paths. The Park Board also maintains sports fields, outdoor ice rinks, tennis courts, golf courses and supervised beaches. In the winter, residents enjoy ice skating, ice fishing, skiing and ice sailing. Early in Minneapolis' development, the land around five large lakes was dedicated to the public as parkland. With one acre of parkland for every 60 residents, outdoor recreation is an important part of life, and it is estimated that a City park is no more than eight blocks from every home.

MINNEAPOLIS COMMUNITIES AND NEIGHBORHOODS



Generated by the City of Minneapolis CPED Department, Planning Division

City of Minneapolis 2019 Budget

Form of Government

The City is a municipal corporation governed by a Mayor–Council form of government. It was incorporated in 1867 and adopted a Charter on November 2, 1920. Thirteen City Council Members from individual wards and the Mayor are elected for terms of four years. There is no term limit on these positions. The Mayor and City Council are jointly responsible for the adoption of the annual budget and a five-year capital improvement program. As required by Charter, the Mayor is responsible for preparing an annual operating and capital budget recommendation for the City Council’s consideration. The Mayor has veto power, which the Council may override with a vote of nine members.

The City Finance Officer is charged with maintaining and supervising the various accounts and funds of the City as well as several boards and commissions. In addition, the city budget director is charged with assisting the Mayor, City Council and City departments in preparing the City's annual capital and operating budget. The City Finance Officer reports to the City Coordinator, who is appointed by the Mayor and serves as Chief Administrative Officer of the City.

This annual budget report for the City includes organizations for which the primary government is financially accountable and for which the nature and significance of their relationships with the primary government are such that exclusion could cause the City's budget report to be misleading or incomplete. Below is a summary of the organizations reflected in the City's annual budget report, in addition to the primary government.

Blended component units

The following component units have been presented as blended component units because the component unit's governing body is substantially the same as the governing body of the City, or the component unit provides services almost entirely to the primary government.

- ◆ **Board of Estimate and Taxation.** The Board of Estimate and Taxation (BET) is established under Article V of the City Charter. It is composed of six members, two of whom are elected by voters of the City. The Mayor or the Mayor's appointee, the President of the City Council and the Chair of the City Council's Ways and Means/Budget Committee are ex-officio members of the Board. The Minneapolis Park and Recreation Board annually selects one of its members to serve on the BET. By action of the City Council, or such other governing board of a department requesting the sale of bonds, the BET may vote to incur indebtedness and issue and sell bonds and pledge the full faith and credit of the City for payment of principal and interest. The BET also establishes the maximum property tax levies for most City funds.

Discretely presented component units

The following organization is legally separate from the City, but is included in the City's annual budget report and annual financial reports because the primary government is financially accountable.

- ◆ **Minneapolis Park and Recreation Board.** The Minneapolis Park and Recreation Board was established according to Article VI of the City Charter. The nine-member board is elected by the voters of the City and is responsible for developing and maintaining parkland and parkways, as well as planting and maintaining the City's boulevard trees. The Mayor recommends the tax levies and budget for the Park Board, and the City Council and Mayor approve the allocations of local

government aid from the state for Park Board operations. All Park Board actions are submitted to the Mayor, and a mayoral veto may be overridden by a vote of two-thirds of the members of the Park Board. The Board of Estimate and Taxation approves the maximum property tax levy for the Park Board, and the full faith and credit of the City secure debt issued for Park Board projects. The City Finance Officer acts as Treasurer of the Park Board.

- ◆ ***Municipal Building Commission.*** The Municipal Building Commission (MBC) is an organization established January 4, 1904, by the State of Minnesota, to operate and maintain the Minneapolis City Hall/Hennepin County Court House Building, which was built pursuant to Chapter 395 of the Special Laws of 1887. The four commissioners are the Chairman of the Hennepin County Board of Commissioners, the Mayor of the City of Minneapolis, an appointee of the Hennepin County Board and an appointee of the Minneapolis City Council. The Mayor recommends the tax levy and budget for the City's share of the MBC's operations, and the City Council and Mayor approve the allocation of state local governmental aid to the MBC.

Related organizations

The City's officials are also responsible for appointing members of the boards of other organizations, but the City's accountability for these organizations ends at making the appointments. The financial information for these organizations is not included in detail in this report.

- ◆ ***Meet Minneapolis.*** Greater Minneapolis Convention and Visitors Association was incorporated on July 29, 1987. Greater Minneapolis Convention and Visitors Association (d.b.a. Meet Minneapolis) and its subsidiary, Internet Destination Sales System, Inc. (hereinafter collectively the "Association") comprise the reposting entity for Meet Minneapolis. The Association was organized to promote the City of Minneapolis (the City) as a major destination for conventions and visitor travel, and to achieve maximum utilization of the Minneapolis Convention Center. Toward this purpose, the Association receives funding through annual contracts with the City and the state of Minnesota. The Association is a nonprofit corporation under Section 501 (c) (6) of the Internal Revenue Code. Management also has no operational responsibility over Meet Minneapolis. It is this criterion that results in Meet Minneapolis being reported as a discretely presented component unit. Complete financial statements for Meet Minneapolis and Subsidiary can be obtained from Meet Minneapolis at 250 Marquette Avenue South, Suite 1300, Minneapolis, Minnesota 55401.
- ◆ ***Metropolitan Sports Facilities Authority.*** On May 14, 2012 Governor Mark Dayton signed into law a stadium bill which provides for construction and operation of a new National Football League stadium to be located on the Metrodome site. The bill established a new Minnesota Sports Facilities Authority (MSFA) and required that members be appointed within 30 days, the bill also required the Metropolitan Sports Facilities Commission (MSFC) transfer its assets, liabilities, and obligations to the MSFA within 90 days and then abolish the MFSC. The City is obligated to provide funding to build and maintain the new stadium. The MSFA is charged with the design, construction and operation of the new multi-purpose stadium. The MSFA consists of five members. Three authority members, including the chair, are appointed by the governor. Two authority members are appointed by the City of Minneapolis. Complete financial statements for the MFSA can be obtained from the Minnesota Sports Facilities Authority at 900 South Fifth Street, Minneapolis, Minnesota, 55415-1903.
- ◆ ***Minneapolis Public Housing Authority.*** The Minneapolis Public Housing Authority (MPHA) is the public agency responsible for administering public housing and Section 8 rental assistance programs for eligible individuals and families in Minneapolis. A nine-member Board of Commissioners governs

MPHA. The Mayor of Minneapolis appoints the Board Chairperson, and four Commissioners (one of whom must be a public housing family- development resident) are appointed by the City Council. The mission of the MPHA is to provide well-managed, high-quality housing for eligible families and individuals; to increase the supply of affordable rental housing; and to assist public housing residents in realizing goals of economic independence and self-sufficiency.

- ◆ **Minneapolis Telecommunications Network.** The Minneapolis Telecommunications Network (MTN) is a non-profit corporation organized by the City in 1983 under Minnesota Statutes, Chapter 317. Minneapolis Telecommunications Network provides public access media programming to residents of the City as well as providing media production training. Support for MTN comes from Public, Education, and Government (PEG) fees collected as part of agreements between the City and cable service providers. These agreements require cable companies to provide support for public, educational, and government access TV channels. The City Council and Mayor appoint the nine members of the board. There are up to three ex-officio members representing the City of Minneapolis, Comcast Cable, and the Minneapolis Public Schools. Complete financial statements for the MTN can be obtained from the Minneapolis Telecommunications Network at 1620 Central Avenue Suite 175, Minneapolis, Minnesota, 55413-1674.

Joint ventures

The City is a participant in several joint ventures in which it retains an ongoing financial interest or an ongoing financial responsibility. Two of these joint ventures are reflected in the annual budget report for the City: Minneapolis Neighborhood Revitalization Board and Minneapolis Youth Coordinating Board.

- ◆ **Minneapolis/Saint Paul Housing Finance Board.** The Minneapolis/Saint Paul Housing Finance Board was established in the early 1980s, in accordance with a Joint Powers Agreement entered into between the Housing and Redevelopment Authority of the City of Saint Paul and the Community Planning and Economic Development Department, and accepted by the Cities of Minneapolis and Saint Paul under Minnesota law. The Community Planning and Economic Development Department's oversight responsibility of the Board is limited to its governing body's ability to appoint only three of the six members of the Board. The territorial jurisdiction of the Board extends beyond the corporate limits of the City of Minneapolis.
- ◆ **Minneapolis Youth Coordinating Board.** The Minneapolis Youth Coordinating Board (YCB) was established in the mid-1980s, in accordance with a Joint Powers Agreement entered into between the Hennepin County Board of Commissioners, the Board of Directors of Special School District No. 1, the Park Board, the Mayor and the City Council under authority of State of Minnesota laws. The Board consists of 10 members as follows: the Mayor of the City of Minneapolis, two Hennepin County Commissioners, the Hennepin County Attorney, two Minneapolis School Board members, two Minneapolis City Council members, a Hennepin County District Court Judge, and one member from the Minneapolis Park and Recreation Board.
- ◆ **Minneapolis – Duluth / Superior Passenger Rail Alliance.** The Minneapolis - Duluth /Superior Passenger Rail Alliance was established under a joint powers agreement between Anoka County, Hennepin County, Isanti County, Pine County, St. Louis and Lakes Counties Regional Railroad Authority, City of Duluth, City of Minneapolis, and Douglas County (Wisconsin) to explore options for the development of rail transportation between the Twin Cities and Duluth Superior metropolitan areas. The nine member board consists of one elected official selected by each party in the Alliance

as well as a member of the Mille Lacs Band of Ojibwe. Each party also appoints an alternate member. The City of Minneapolis pays an annual membership fee to the Alliance to cover the costs of activities. The percentage share of the City in the Alliance's assets, liabilities, and equity cannot be determined at fiscal year-end. St. Louis and Lake Counties Regional Railroad Authority serves as the fiscal agent.

**City of Minneapolis
2019 Budget**

Chronology of Financial Decision Making and Fiscal Sustainability

1994	Agreement between the independent boards and the City on the division of Local Government Aid.
Mid-late 1990's	Internal Service Funds deficits begin; Federal COPS grant funds police expansion.
1997	First efforts to quantify and fund the Public Works infrastructure gap; attempt to increase pay as you go capital funding and reduce bonding to reduce interest costs.
1998-2000	Positive stock market returns leads to a reduction in the City's levy requirement for police and fire relief.
2000	Library referendum passes; Mayor and Council agree to enhanced capital funding for the Minneapolis Parks and Recreation Board (MPRB) at a level higher than funding for City projects.
2001	City loses AAA rating from Moody's. Reason cited: internal service fund deficits. Stock market falls – convention center and parking fund suffer directly from economic downturn; pension obligations escalate.
2002	Adoption of maximum property tax increase policy; negative outlook from Fitch rating agency.
2003	Adoption of Five-Year Financial Direction and Commitment to Business Planning; 2% Wage Policy; Local Government Aid (LGA) Reductions by the State of Minnesota. City uses 8% tax increase and 2% wage policy to manage employment costs during budget shortfalls and reduce State funding.
2004	Departments bring forward first five-year business plans.
2006	Fitch removes negative outlook; Moody's maintains Aa1 citing pent up internal demands for spending.
2007	Compensation philosophy replaces the 2% wage policy, Minneapolis Employee Retirement Fund (MERF) pension "liquidity trigger" eliminated by the State Legislature, and Sale of six parking ramps
2008	Minneapolis Library System merges with Hennepin County Library System State Legislature imposes Levy Limits on Local Governments for 2009-2011; Governor unallots State aid in December—Minneapolis' cut: \$13.1 million.
2009	Governor unallots State aid—Minneapolis loses \$8.6 million in 2009; \$21.3 million in 2010.
2010	Minneapolis' revised LGA cut is \$25.9 million and Market Value Homestead Credit

(MVHC) is eliminated, costing the City an additional \$6.2 million on top of the LGA cuts. Minneapolis regains AAA rating from Moody's. MERF pension plan consolidated with statewide local government employee pension plan.

- 2011 Minneapolis' LGA is held flat from 2010 in 2011 as a response to the State's structural budget crisis.
- 2012 City implements Priority Budgeting.
- 2013 Moody's Investors Service downgraded Minneapolis Credit Rating to Aa1 due to declining property values, high pension liabilities and dependence on state revenues, despite improved overall financial position.
- 2014 The theme of Minneapolis' bid, "Built for the Bold," emphasized the \$1.0 billion Vikings stadium under construction and the state's friendly ethos, hence bringing the Super Bowl to Minneapolis in 2018.
- 2015 City's closed pension plans meet 80% funding and are fully merged with State plan.
- The City to continue the construction and renewal boom trend by providing \$3.5 million to fully fund the \$50 million redesign of Nicollet Mall, preliminary planning of redevelopment of the Upper Harbor Terminal, purchase of property at Lake Street and Nicollet Avenue as first step to reopen the roadway terminating at that block and substantial completion of the Downtown East mixed use development adjacent to the stadium.
- A total of \$1.4 billion in construction permits were issued for the year; this is the fourth consecutive year that Minneapolis had more than \$1 billion in construction projects approved since 2000.
- 2016 The City has signed a long – term funding plan to equitably address long – standing capital and operating needs for City Streets and Neighborhood Parks. The plan provides for \$33 million in funding each year for up to 20 years, totaling \$800 million over next 20 years, to meet both urgent and ongoing needs.
- The City Council in 2016 has endorsed a site and concept for a new office building and public safety center to complement the historic city hall. The two buildings together are referred to as the "downtown campus". City Council authorized staff to retain consultants and report back with a more defined schedule, building scope, and cost estimate by the end of the 2016 or early 2017. The initial finance plan for downtown campus improvements include cash to help write down the cost of the feasibility analyses in 2017 and the replacement of library G.O. bonds in 2021 with new debt.
- This is the fifth consecutive year that Minneapolis is exceeding \$1 billion in construction permits.

2017

A new Downtown Assets Fund, through which City staff can take a coordinated management and investment approach to four major physical assets located in the downtown area (Convention Center, Target Center, Downtown East Commons, and Peavy Plaza) was created. This approach helps maximize revenues from each venue and serve to ensure a dedicated general fund funding stream coming from the sales taxes these assets help to generate.

The City Council approved design and construction management contracts for the new downtown campus consolidated office building project endorsed in 2016. Current plans call for construction in 2018 and 2019 with a move-in date in early fall, 2020.

This is the sixth consecutive year that Minneapolis surpassed \$1 billion in construction permits issued.

2018

The City sees a million dollar increase to pension costs for sworn personnel in the Fire and Police departments, as the State increased the employer contribution for the Public Employees Retirement Association Police & Fire plans. Another million dollar increase will happen again next year as the State implements the second of two increases.

Positive effects of the move to self-insurance for Medical are felt as the City sees stable utilization within the program and premium increases for 2019 that are well below national averages.

The City increased fees for business licenses, pollution control, rental housing, health licensing, and animal care and control for the first time since 2013. An additional \$3 million in revenues is anticipated, however these activities continue to be largely subsidized by property taxes.

A new IT Governance process aimed at helping to prioritize all departmental technology needs in consideration of each other is implemented, replacing the former Capital Asset Replacement System (CARS) program.

\$50 million of upgrades to the City's century-old water filtration plant are financed through a low-cost loan program from the State of Minnesota's Public Facilities Authority.

The City's commitment to the environment is financially sourced – through increases to franchise fee agreements with private utilities. City Council sets a goal of 100% renewable electricity for enterprise use by 2022, and Citywide by 2030.

City of Minneapolis 2019 Budget

Fund Descriptions

The accounts of the City are organized by fund types. A “fund” is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The operations of each fund are monitored with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equities, revenues and expenditures / expenses. Following is a listing and description of major City funds.

General Fund. The General Fund is the general operating fund of the City. It is used to account for all financial resources except those that are required to be accounted for in another fund.

Special Revenue Funds. Special revenue funds are used to account for the proceeds of revenue sources that are restricted by legal and regulatory provisions to finance specific activities. The City has thirty-four Special Revenue Funds, including community and economic development funds. These funds are used to account for the City’s planning and community development goals, most of which are financed through property tax increment financing. Major special revenue funds are described below:

Arena Reserve Fund. This fund is a holding fund for various finance plan revenues to be used for future costs relating to the acquisition and capital maintenance of the downtown sports, entertainment and health complex.

Board of Estimate and Taxation Fund. This fund is used to account for the operations of the Board of Estimate and Taxation which issues and sells bonds, and establishes the maximum levies for the City, its boards and commissions.

Community Development Block Grant. This fund is used to account for the federal grants received under the Federal Community Development Block Grant provisions.

Convention Center. This fund is used to account for the ownership, maintenance, and operation of the Minneapolis Convention Center.

Convention Facilities Reserve. This fund is a holding fund for parking and sales tax revenues to be used for future capital maintenance needs of the existing Convention Center.

Downtown Assets. This fund is an umbrella fund through which sales taxes are received from the State of Minnesota and distributed to the Convention Center, Target Center, Peavey Plaza, Downtown East Commons, and General Fund.

Employee Retirement. This fund is used to account for the tax levy proceeds and other sources of revenue for the Minneapolis Employee Retirement Fund (MERF), Minneapolis Firefighters’ Relief Association (MFRA), and Minneapolis Police Relief Association (MPRA) retirement programs for some city employees.

Grants – Federal. This fund is used to account for all federal grants, except for the Community Development Block Grant (CDBG), which is accounted for in a separate fund.

Grants – Other. This fund is used to account for grants received from the State of Minnesota, Hennepin County, local government units, and private funds.

Municipal Building Commission. This fund is used to account for the cost of operating and maintaining the City Hall/County Court House building.

Police Special Revenue. This fund is used to account for the revenues and expenditures related to federal and state administrative forfeitures and the revenues and expenditures related to the regulation of lawful gambling in the City.

Park Operating Fund. This fund is used to account for revenue and expenditures related to the cost of operating and maintaining the Minneapolis Parks system.

Internal Service Funds. Internal Service Funds are used to account for those City goods and services which are provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost reimbursement basis. The City operates six Internal Service Funds for its operations; the Park Self-Insurance and Internal Service Funds are reflected in the MPRB budget:

Engineering Materials and Supplies. This fund is used to account for the operations of the City's paving products laboratory. The paving products laboratory provides in-lab and on-site testing and soil boring services to ensure quality control of asphalt and soils for projects.

Intergovernmental Services. This fund is used to account for information technology services, central mailing and printing services, and the City's telecommunication operations. These services are provided to City departments as well as the Park Board, Municipal Building Commission, and Youth Coordinating Board.

Property Services. This fund is used to account for the physical management and maintenance of fire stations, police precinct buildings, the Minneapolis Public Service Center, and various other City office locations, except for the City Hall/County courthouse building, which is accounted for in the Municipal Building Commission Special Revenue Fund.

Equipment Services. This fund is used to account for the ownership and operation of radio communications equipment and a fleet of motorized equipment and vehicles. The fund operates as a rental agent to various departments to support the construction and maintenance of city infrastructure, fire protection services, and police services.

Public Works Stores. This fund is used to account for the centralized procurement, warehousing, and distribution of stocked inventory items, as well as the purchase of special goods and services.

Self-Insurance. This fund is used to account for employee benefit program and administrative costs. The fund also accounts for occupational health services, severance payments to employees who have retired or resigned and who meet minimum eligibility requirements, a tort liability program, and a workers' compensation program.

Park Self-Insurance and Internal Service Funds. The Self-Insurance fund is used to account for park employees' medical, dental, and life insurance benefit programs and the programs' administrative costs. The fund also accounts for occupational health services, severance payments to employees who have retired or resigned and who meet minimum eligibility requirements, a tort liability

program, and a workers' compensation program. The Park Board also has an internal service fund for charges within its programs.

Enterprise Funds. The Enterprise Funds, like the Internal Service Funds, are used to account for those activities of the City which are financed and operated in a manner similar to private business enterprises where expenses, including depreciation, are recovered principally through user charges. However, the customer is typically the general public or other customers external to the City. The City operates seven enterprise funds. The first five funds listed are reflected in the City's Public Works Department, the River Terminal Fund is reflected in the Community Planning and Economic Development (CPED) department and the Parks Operations Fund is incorporated into the Minneapolis Parks and Recreation Board (MPRB) budget:

Water Works Fund. This fund is used to account for the operation, maintenance and construction projects related to the water delivery system. This fund also accounts for the operations related to the billings for water, sewage and solid waste fees.

Sanitary Sewer Fund. This fund is used to account for the operation, maintenance and construction projects related to the sanitary sewer system.

Stormwater Fund. This fund is used to account for the operation, maintenance and construction projects related to the stormwater utility system as well as the City's street cleaning operation.

Solid Waste and Recycling Fund. This fund is used to account for the revenues and expenses for solid waste collection, disposal and recycling activities.

Municipal Parking Fund. This fund is used to account for the operation, maintenance and construction of the City's parking facilities as well as on-street parking and the Municipal Impound Lot.

River Terminal. This fund is used to account for the operations of the public terminal facility located on the Mississippi River.

Park Operations Fund. This fund is used to account for operation, maintenance and construction of projects related to the Park Board, especially golf courses.

Capital Projects Funds. The Capital Projects Funds are used to account for financial resources and expenditures applied to the construction of capital facilities and major purchased items for governmental fund types. Sub-funds may be used to account for specific projects and aggregated for reporting purposes.

Permanent Improvement Capital Fund. This fund is used to account for capital acquisition, construction, and improvement projects including bridge construction, sidewalk construction, street construction, energy conservation projects, infrastructure projects, and many Information Technology (IT) projects.

Community Planning and Economic Development. This fund is used to account for the capital project activities of the department of Community Planning and Economic Development.

Municipal Building Commission (MBC) Capital Fund. This fund is used to account for the capital project activities of the MBC, a component unit of the City of Minneapolis.

Park Board Permanent Improvement Capital Fund. This fund is used to account for the capital project activities of the Park Board.

Debt Service Funds. The Debt Service Funds are used to account for the accumulation of resources for the payment of principal, interest, and related costs on long-term debt obligations. Included in the Debt Service Funds are:

Community Development Agency Fund. This fund is used to account for the debt service activity for the department of Community Planning and Economic Development, including debt service on various non-general obligation tax increment revenue bonds.

Development Debt Service Fund. This fund is used to account for the debt of several projects supported by property tax increments including the Target Center Arena and transfers of sales tax revenues from the Convention Center Special Revenue Fund for related debt.

General Debt Service Fund. This fund is used to account for debt service activity related to General Obligation governmental debt supported by property tax levies or transfers to/from other City funds. Bonds and notes paid within this fund are related to general infrastructure projects, the library referendum and a Section 108 HUD note for the Midtown Exchange.

Special Assessment Debt Service Funds. This series of funds are used to account for debt supported by special assessments.

Bird's Eye View of the Relationship between Fund Types, Revenue Sources, Expenditures and Departments/Boards

	General Fund	Special Revenue Funds	Internal Service Funds	Enterprise Funds
Major Funds Included:		Convention Center, Community Development Block Grants, Community and Economic Development Grants, Other Grants, Arena Reserve	Engineering Materials, Intergovernmental Services, Property Services, Equipment, Stores, Self-Insurance	Water, Stormwater, Sewer, Solid Waste, Parking
Revenue Sources	Local Government Aid, Property Taxes, Franchise Fees, Licenses and Permits	Grants, Property Tax Increment	Charges for Services, Rents, Transfers from other funds	Utility charges, state grants and contributions, rents
Expenditure Classifications	Personnel, Operating Costs, Contractual Services, Equipment	Personnel, Operating Costs, Contractual Services, Equipment	Personnel, Operating Costs, Contractual Services, Equipment, Capital Projects and related debt service, liability and workers compensation	Personnel, Operating Costs, Contractual Services, Equipment, Capital Projects and related debt service
Major Departments	Police, Fire, Public Works, others	Convention Center, Health, Attorney, Fire, Police, Closed Pension Plans	Public Works, Copy Center, City Attorney (Civil Division), IT	Public Works

Bird's Eye View of the Relationship between Fund Types, Revenue Sources, Expenditures and Departments/Boards

	Capital Projects Funds	Debt Service Funds	Park Board Funds
Major Funds Included	Permanent Improvement Funds, Arbitrage Funds	General Debt, Development Debt, Special Assessment Debt, Community Development Agency	The Park Board has enterprise, internal service and special revenue funds. The general fund is treated as a special revenue fund.
Revenue Sources	Property Taxes, Proceeds from Long Term Liabilities, State Aid	Property Taxes, Sales Taxes, Special Assessments, Property Tax Increment	Property Taxes, Local Government Aid, Charges for Sales (golf courses etc.), Contributions, and Grants
Expenditure Classifications	Capital project expenditures related to street construction and infrastructure projects	Payment of principal, interest and fees on City debt	Personnel, Operating Costs, Contractual Services, Equipment
Major Departments	Public Works	Not applicable	

The number of City Funds above includes smaller boards, such as:

- Municipal Building Commission (funded mainly from Property Tax and State Aids)
- Board of Estimate and Taxation (funded from Property Tax and State Aids)
- Youth Coordinating Board (a joint board funded from the City's General Fund and grants)

**City of Minneapolis
2019 Budget**

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City of Minneapolis 2019 Budget

Financial Overview

The 2019 Council Adopted Budget for all City funds is \$1.70 billion as adopted on December 5, 2018. This represents an \$158.9 million, or 10.3 percent increase from the 2018 Council Adopted Budget of \$1.54 billion inclusive of the City's component units. At the same time, the Council adopted an overall increase of 5.67 percent in the property tax levy for the City and its component units (including their respective requests for funding their own budgets), raising the total amount levied by \$18.8 million, from \$331.2 million in 2018 to \$350.0 million in 2019. This budget also utilizes accumulated fund balances to fund budgetary items that are one-time or short-term in nature to mitigate budgetary fluctuations and to avoid volatile property tax levies which place undue burden on property taxpayers. The City's financial position has benefited from growth in local sales and entertainment taxes and other revenues due to the continued growth in the local economy. This growth is offset by static or even declining revenues in other areas. Local Government Aid (LGA) from the State of Minnesota will remain constant with 2018 at \$79.3 million, and fall short of the 2010 certified LGA amount of \$90 million by over \$10 million. The Financial Overview is presented without transfers to avoid double counting of resources. Transfers have also been removed from charts and graphs within this section, including totals for comparative prior years, unless otherwise noted.

Major Highlights

The 2019 Council Adopted Budget includes significant proposals to address future financial and operating challenges. It is important to be aware of these initiatives when making comparisons between budget years, and to understand the context in which these decisions were made.

The highlights include the following:

- The operating budget for City departments, capital and debt increases by 5.6 percent in 2019, or \$59.2 million. As part of this budget, funds that have accumulated in various City funds due to a growing economy and fiscal restraint in prior years allow for utilization of fund balances for departmental activities, as well as providing for operating capital items and other one-time items.
- A primary feature of this budget is an historic investment in Affordable Housing. This budget includes over \$40 million of one-time and ongoing resources to address this critical need:
 - Within Community Planning and Economic Development, the Affordable Housing Trust Fund is funded at over \$20 million in 2019 – more than three times as much as is included in the base budget. Sizeable investments are also made in the preservation of Naturally Occurring Affordable Housing (also known as NOAH); the Minneapolis Homes program which provides affordable financial assistance to create homeownership opportunities; and a new Healthy Homes, Healthy Schools program which aims to provide housing stability for Minneapolis families with students enrolled in Minneapolis public schools. Other affordable housing initiatives funded through CPED include: a tenant stability hotline; expansion of the City's '4d program' launched in early 2018 which provides reduced property tax rates for landlords in exchange for stable rent prices; housing stability programming, support for the affordable

Missing Middle, homeownership rehab support, tenant legal support, homeownership education and counseling, Homeownership Opportunity Minneapolis, and a new pilot Eviction Representation program.

- \$650,000 is allocated across two departments to provide support for those who rent their home in Minneapolis, including support for those residents facing eviction.
 - One-time funding is provided to enhance security services at residences operated by the Minnesota Public Housing Authority.
 - Two additional housing inspectors are provided for in the Regulatory Services department to ensure that housing stock is safe and compliant with city, state, and national housing rules.
 - And, funding is provided through the Neighborhood & Community Relations department for aging support services that allow older Minneapolitans to age in place with dignity and support.
- This budget also makes major investments in Community Police Relations across multiple departments:
 - A new Office of Violence Prevention is being created in the Health Department. The aim of this office is to coordinate violence prevention efforts across the enterprise in order to work ‘upstream’ to stop violent and criminal behavior before it occurs. The Office will manage and make recommendation on allocation of dollars from a Violence Prevention Fund – to be used to support community-based violence prevention strategies.
 - Funding is provided to develop a health and wellness training program within the Police Department. Physically and mentally fit officers are better able to perform their job functions and maintain positive interactions with the Community. Funding is also provided in the Police Department to continue the City’s plan to outfit all sworn officers with body cameras by the end of 2020; integrate body camera data with the 911 computer system; make permanent the Mental Health co-Responder program, and pilot an expansion of the program; and pilot a new program to Fix It, Not Ticket – wherein officers will be equipped with vouchers for residents to fix broken taillights and turn signals rather than issuing multiple citations that can create financial hardships.
 - In the City Attorney’s office, funding is provided to continue a Domestic Violence Outreach program that sends family therapists with MPD officers to follow up on domestic violence calls that don’t result in police reports. The goal of the program is to ensure that families are offered resources necessary to address any outstanding needs. Funding is also provided to continue outreach for victims of human trafficking.
 - Additional staffing and training funding is provided to 911 in order to enhance the department’s quality assurance reviews, and ensure that those who call 911 are receiving excellent service at a time when they need it most.
 - And within the Health Department, continued funding is being provided for the Group Violence Intervention and Next Step programs which are showing extremely positive results in reducing group violence and youth violence within our city.
 - As we continue a near decade-long economic expansion, we know that the effects of the expansion are not being felt equally amongst all communities within our city. This budget invests in continuing to grow our economy through inclusion – rather than accepting disparate outcomes as given.
 - In Finance & Property Services, a half-million dollar investment is being made in the Village Trust Financial Cooperative – which aims to be the City’s only black led credit union. Additionally, this

- budget provides for increased staffing in supplier diversity efforts in the City's procurement office – to ensure that the dollars the City spends are spread to a wide range of vendors.
- In the Civil Rights department, an additional Labor Standards Investigator is provided for – to help enforce the City's newly enacted Minimum Wage and Sick and Safe Time rules. Funds are also provided for a collaborative enforcement pilot so that the employer community and workers' rights advocacy groups can work together to promote and inform their constituencies about these policies – with a goal of fostering voluntary enforcement and compliance.
 - In the Neighborhood & Community Relations department, funds are provided for the promotion of the 2020 Census. In order to ensure that the City receives federal resources to which residents are entitled, we must make sure that every Minneapolitan is counted.
 - In CPED, investments are made in the Cedar Riverside Opportunity Center and 800 West Broadway Workforce Center so that residents can access the training and supports needed to find good paying jobs for themselves and their families. Ongoing support is also provided for MSP TechHire which provides additional training and career development in the tech sector.
 - Finally, the City Coordinator's office includes investments in the City's creative economy through the Arts & Creative Economy Technical Assistance Program (ACE-TAP) and Creative City Challenge, and also includes funding for a Municipal ID program currently being researched by City staff.
- This budget continues to make the necessary and required investments in City parks and streets as outlined in the historic funding agreement forged in 2016 between the Park Board and City Council.
 - Finally, this budget makes sound investments in ensuring those who live, work, and play in Minneapolis can have confidence that the City is being run well.
 - Funding is provided in the City Coordinator's office for additional staff and programming to support racial equity efforts in City services.
 - Five additional fire personnel are added to the Minneapolis Fire Department in anticipation of the opening of Station 1 downtown, and to help staff a mobile healthcare provider program within the department.
 - A final round of project funding, and funding for ongoing maintenance, has been provided for a new Computer Aided Mass Appraisal system in the City Assessor's office. This system will increase transparency and consistency around the property assessment and valuation process. In order to pay for the ongoing costs of this system, almost all departments are seeing an operating budget reduction of between \$1,000 and \$10,000 (reflected in the Major Changes chart below).
 - Investments are being made in a new budget system in the Finance & Property Services department to help policymakers better understand the investments they make.
 - The City Clerk's office receives a new Records Asset Inventory System to be able to better track and access historical and legal documents and produce them for the public as requested.
 - Multiple departments are receiving funding to reduce paper and streamline workflows as the City has an eye towards consolidating departments from multiple locations downtown into a new public service center in 2020.
 - And, ongoing funding is provided to the Office of Emergency Management to support new continuity planning capability so that departments can quickly recover in the event of an emergency.

Enterprise Challenges

In the course of the City's annual business and strategic planning process, City departments review and document the most significant trends and challenges affecting their work. While some of these issues are specific to department business, several enterprise-wide themes emerge. A summary of enterprise challenges follows:

A Quickly Improving Economy and a Construction Boom

In the last several years, the City has experienced booming construction as measured by value of permitted projects. This boom is fueled by new office buildings in and around downtown, multiple high-rise apartment buildings, and the recently completed U.S. Bank Stadium and ancillary development. However, the quickly improving economy and construction boom have also put multiple strains on the City in the areas of permitting, assessing, financial planning, compliance monitoring, and public works expansion. These strains, compounded by a backlog of needed infrastructure improvements accumulated during the economic downturn, challenge current resources and create a need for additional resources.

Workforce Turnover

It is anticipated that the City's workforce will experience high turnover in the coming years due to three factors: a large population of retirement-eligible workers, the above-mentioned shrinking workforce and increased demands, and the rebounding economy allowing for greater workforce mobility. The loss of institutional knowledge and costs of retirement and transition planning has not been fully realized by City departments, despite a continued recognition of and planning for this reality in the 2019 budget.

Increased Demand for Technological Solutions

Departments note the increased technological savvy of customers, and as a result, increased demand of technological approaches to customer service. This translates into additional costs for new equipment and software, and in particular, increased maintenance costs. For example, several enterprise software systems will be upgraded over the next several years, with anticipated costs in the millions of dollars. Other examples include increased computer and internet bandwidth usage, the growth in demand for wireless connectivity, a drive toward enhancing the City's interaction with residents through technological means, as well as the challenge of training employees in the use of these technologies.

Regulatory Complexity/Unfunded Mandates

Departments have noted increased complexity of protocols and regulations at many levels. Civil Rights identified the increased complexity of investigation protocols. Regulatory Services and Community Planning and Economic Development cite State codes, protocols, and building standards that are placing additional strains on the workload of inspectors. Public Works notes increased costs for inflow and infiltration to meet standards required by Metropolitan Council Environmental Services or facing monetary penalties. The City Clerk notes additional election requirements as a result of the implementation of Instant Runoff Voting (IRV), as well as ranked choice voting. Furthermore, public safety departments face legislative-directed or nationally developed standards, training, or operating procedures. Departments', especially following several years of significant cuts to the City's training programs, indicate a need for increased and improved employee training, as well as recruitment, possibly placing additional short-term strain on productivity, to address the growing complexities of their program administration.

Emergency and Security Management Needs

Ensuring adequate physical security, health security, electronic security (prevention of viruses, hacks, fraud, and other system security threats), information backups, and emergency planning consumes resources of nearly every department. City departments continue to build and strengthen relationships with other governmental entities to maximize the effectiveness of security planning and build systems to mitigate and prevent disasters and crises.

City Spending

For 2019, the budget includes expenditure appropriations corresponding to priorities outlined in the Council Adopted Budget as well as ongoing projects and current City-provided services. Details of the individual expenditure appropriations within the departments and other categories identified in the pie chart below are available in the Operating Departments and Capital Programs sections of this document.

Below is a summary of the 2019 Council Adopted Budget by departmental activity, excluding transfers.

Expenditures by Service

(In Millions of Dollars)

	2018 Adopted	2019 Council Adopted	% Change	\$ Change
Attorney	18.4	19.0	3.2%	0.6
Coordinator*	144.1	144.5	0.3%	0.4
CPED	97.1	119.9	23.5%	22.9
Convention Center	53.0	56.1	5.7%	3.0
Fire	66.5	69.3	4.3%	2.8
Health	22.7	24.0	5.9%	1.3
Police	179.4	184.9	3.1%	5.5
Regulatory Services	25.1	27.3	8.7%	2.2
Public Works	370.7	387.4	4.5%	16.7
Other City Services**	83.8	87.6	4.4%	3.7
Debt Service	148.6	159.9	7.6%	11.3
Capital Improvement	204.3	287.0	40.5%	82.7
Park Board	116.3	122.0	5.0%	5.8
Other Independent Boards***	10.0	10.0	-0.5%	0.0
Total City Spending	1,540.2	1,699.1	10.3%	158.9

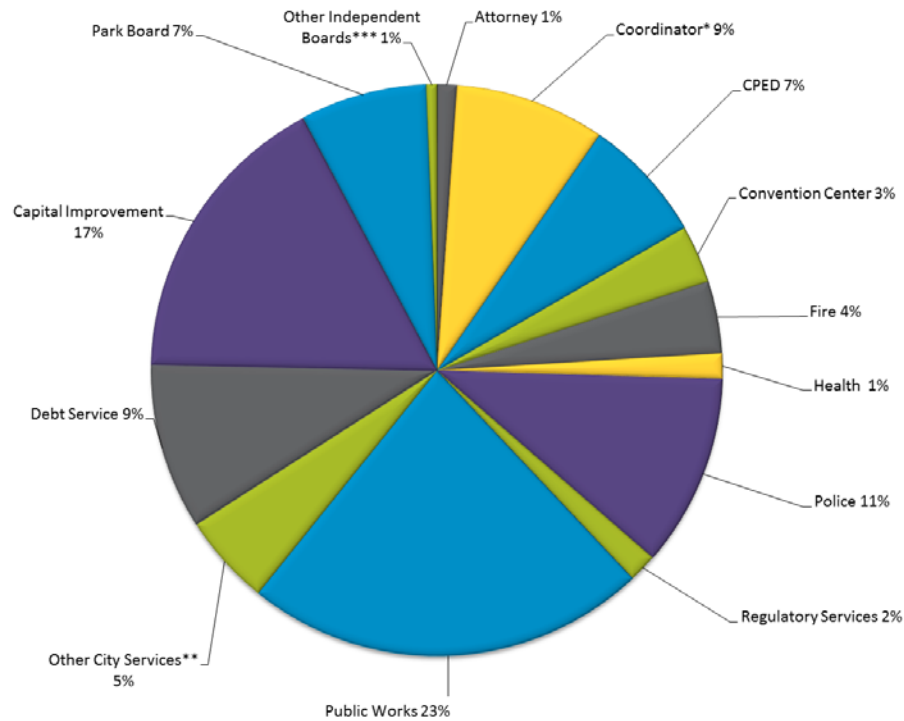
* Includes 311, 911, Communications, Emergency Preparedness, Finance and Property Services, Human Resources, IT, Intergovernmental Relations, and Neighborhood and Community Relations.

** Includes Assessor, Benefits, City Clerk/Elections/Council, Civil Rights, Contingency, Internal Audit, Mayor, Pensions and Workers Compensation.

*** Includes Non-departmental, Health and Welfare, Liability, Contingency and Pensions

Note: See "City Council Operating Departments" and section in the budget document for further explanation of changes between years.

**Total Expenditure Budget - Use of Funds
2019 Council Adopted Budget: \$1.7 Billion**



* Includes 311, 911, Communications, Emergency Preparedness, Finance and Property Services, Human Resources, IT, Intergovernmental Relations, and Neighborhood and Community Relations.

** Includes Assessor, Benefits, City Clerk/Elections/Council, Civil Rights, Contingency, Internal Audit, Mayor, Pensions and Workers Compensation.

*** Includes Non-departmental, Health and Welfare, Liability, Contingency and Pensions

City Sources of Revenue

For 2019, the City forecasts \$1.70 billion in revenue from a variety of sources. Many of the City’s revenue sources are restricted, meaning they are required to be spent in defined areas or on specific programs or projects. These restrictions limit the City’s ability to raise additional funds and to apply the revenue to other departments or programs. For example, the City charges fees for services such as water, sewer and trash pickup, but State law requires that these fees be no higher than the cost of providing the services, including both operating and capital costs. Because these revenues are restricted, the City cannot raise water bills to pay for citywide police services.

Grants and allocations from the Federal Government and other units of government are usually designated for specific needs and purposes. If the City does not spend these resources for their designated purpose, the City will not receive the grants. Bond proceeds must go to purposes for which the debt was incurred. Like many Minnesota cities, Minneapolis pays for core City services (police, fire, streets, parks, etc.) primarily with property taxes and LGA, as well as other general governmental revenues such as licenses and permits as well a fees and interest income.

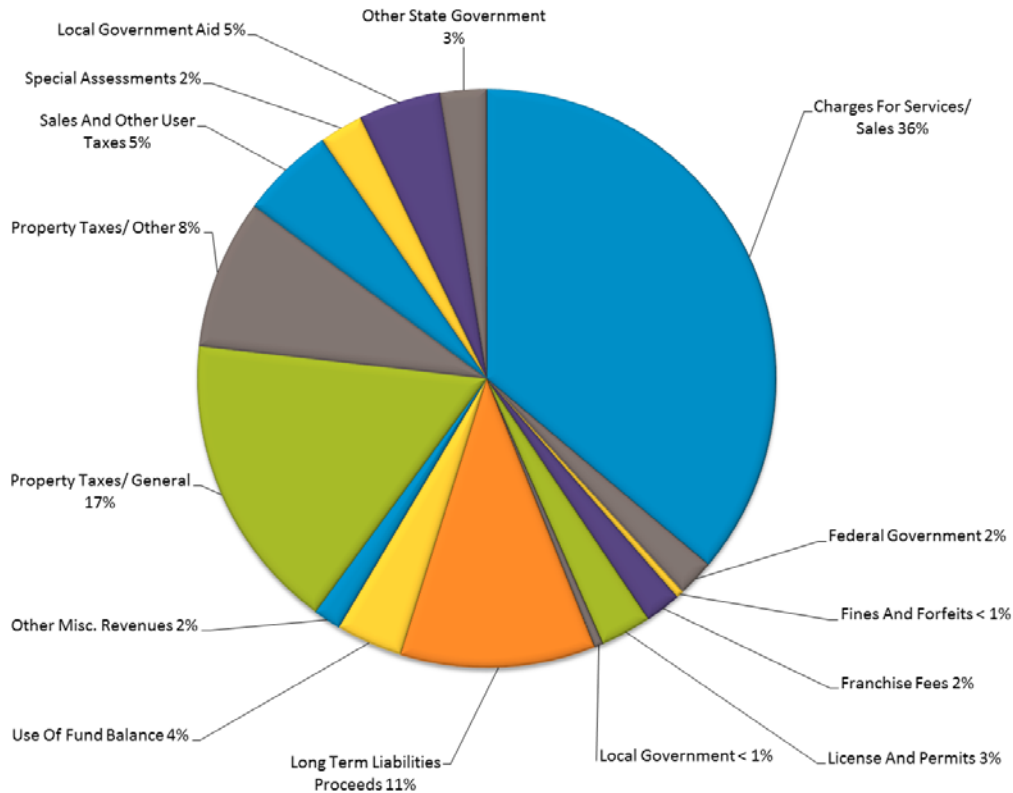
Below is a summary of the 2019 Council Adopted Budget revenues by major category.

Revenue by Category

(In Million of Dollars)

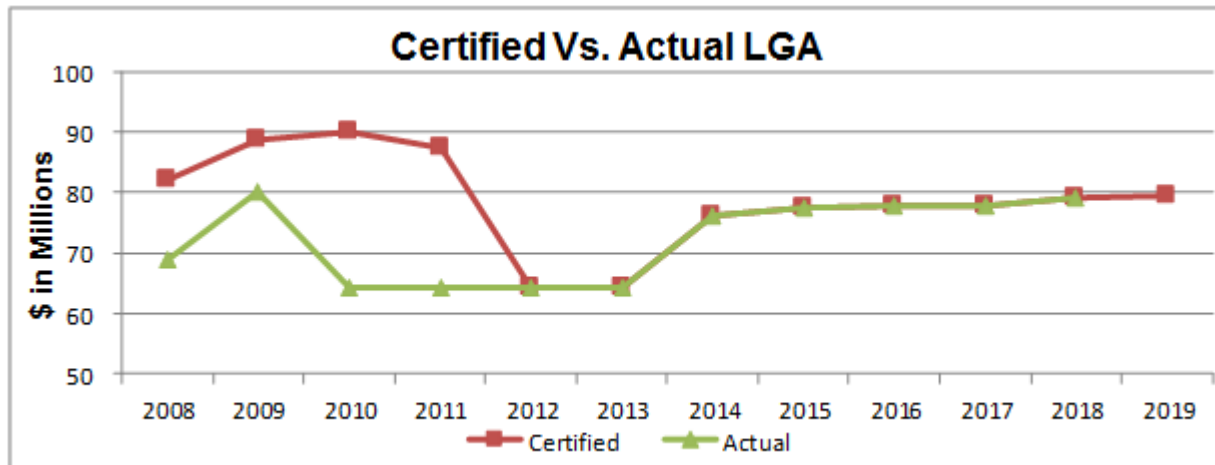
Revenue Category	2018 Adopted	2019 Council Adopted	% Change	\$ Change
Charges For Services/ Sales	583.1	\$613.6	5.2%	30.5
Federal Government	32.3	\$34.6	7.0%	2.3
Fines And Forfeits	7.3	\$7.3	0.6%	0.0
Franchise Fees	33.5	\$34.1	1.8%	0.6
License And Permits	44.8	\$48.8	8.9%	4.0
Local Government	13.6	\$8.0	-40.8%	-5.5
Long Term Liabilities Proceeds	90.0	\$185.0	105.5%	94.9
Use Of Fund Balance	32.7	\$63.0	92.6%	30.3
Other Misc. Revenues	38.3	\$26.4	-31.1%	-11.9
Property Taxes/ General	268.8	\$284.0	5.7%	15.2
Property Taxes/ Other	136.3	\$142.3	4.4%	5.9
Sales And Other User Taxes	87.9	\$88.9	1.2%	1.1
Special Assessments	52.6	\$41.3	-21.5%	-11.3
Local Government Aid	77.8	\$78.0	0.3%	0.2
Other State Government	41.3	\$43.9	6.1%	2.5
Total Revenue	\$1,540.2	\$1,699.1	10.3%	158.9

Total Revenue Budget - Source of Funds
2019 Council Adopted: \$1.7 Billion



Local Government Aid (LGA)

Following several years of uncertainty in funding from the State of Minnesota in the form of LGA, including the loss of over \$70 million from 2008-2011, the State has slightly been increasing the amount of LGA appropriated to the City of Minneapolis from \$76.1 million in 2014 to \$79.3 million in 2019. The certified LGA appropriation for 2019 remains flat \$79.3 million. Of this amount, the City plans to allocate \$69.7 million for its General Fund, \$9.4 million to the Park Board, and the remaining \$0.2 million to the Municipal Building Commission (MBC). The table below shows the historical certified and actual LGA amounts, as well as the certified LGA levels for 2019 based on current law.



Budget by Fund

The City uses different “funds” to account for expense and revenue associated with the various services provided. The **General Fund**, where the City accounts for most property tax supported services, represents 28.4 percent of the 2019 Council Adopted Budget, a decrease from 30.6 percent in the 2018 budget.

Special Revenue Funds are used for personnel costs, operating costs, contractual services and equipment that are funded by specific revenue sources. Special revenue funds support the convention center, health and family support, public safety, Federal, State and local grants and ongoing support of closed pension funds.

Capital Project Funds include permanent improvement and arbitrage funds and are used for the construction of infrastructure projects.

Debt Service Funds are used to pay interest and principal on City debt.

Internal Services Funds are used to account for business-like services that the City provides to other City departments. Internal services include information technology, equipment (e.g. police squad cars, fire equipment, and other rolling stock), property services, tort claims, and workers compensation claims.

Enterprise Funds include services that the City provides that operate like a “business” – similar to internal service funds but with external customers. Charges for services are expected to recover

operating costs, indirect costs, capital investments, and interest expense. Utility rates are set with the intent of funding these costs. Enterprise services of the City include sanitary sewer services, storm water management and flood mitigation, water treatment and distribution, solid waste and recycling, and parking.

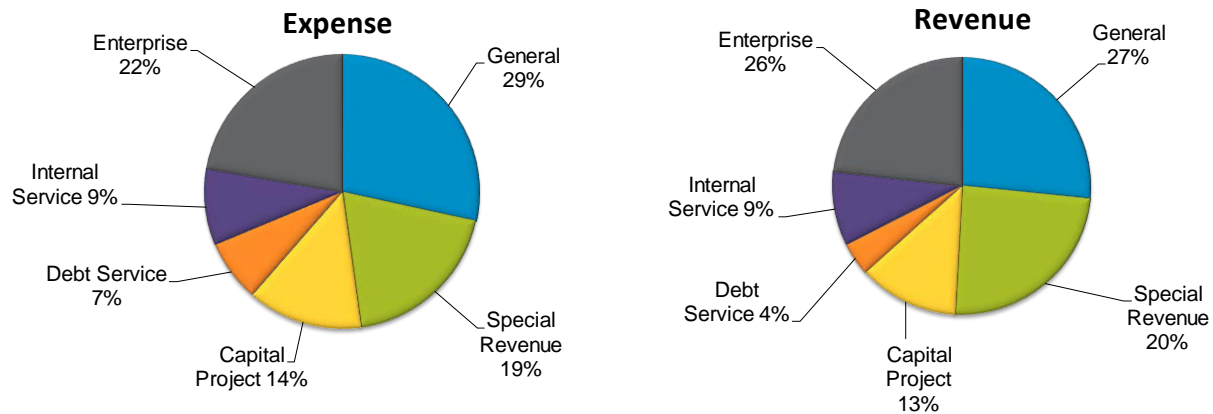
Expense and Revenue By Fund Type

In Millions

	2018 Adopted	2019 Council Adopted	% Change	\$ Change
Expense:				
General	\$471.4	\$482.7	2.4%	\$11.3
Special Revenue	\$294.9	\$329.7	11.8%	\$34.8
Capital Project	\$145.9	\$230.0	57.6%	\$84.1
Debt Service	\$111.4	\$124.4	11.7%	\$13.1
Internal Service	\$156.6	\$154.0	-1.7%	-\$2.6
Enterprise	\$360.0	\$378.2	5.1%	\$18.3
Total	\$1,540.2	\$1,699.1	10.3%	\$158.9

	2018 Adopted	2019 Council Adopted	% Change	\$ Change
Revenue:				
General	\$442.2	\$452.2	2.3%	\$10.0
Special Revenue	\$363.6	\$412.0	13.3%	\$48.4
Capital Project	\$130.5	\$212.8	63.0%	\$82.3
Debt Service	\$70.3	\$70.3	-0.1%	-\$0.1
Internal Service	\$162.3	\$157.9	-2.7%	-\$4.4
Enterprise	\$371.3	\$394.0	6.1%	\$22.7
Total	\$1,540.2	\$1,699.1	10.3%	\$158.9

Expense and Revenue By Fund Type



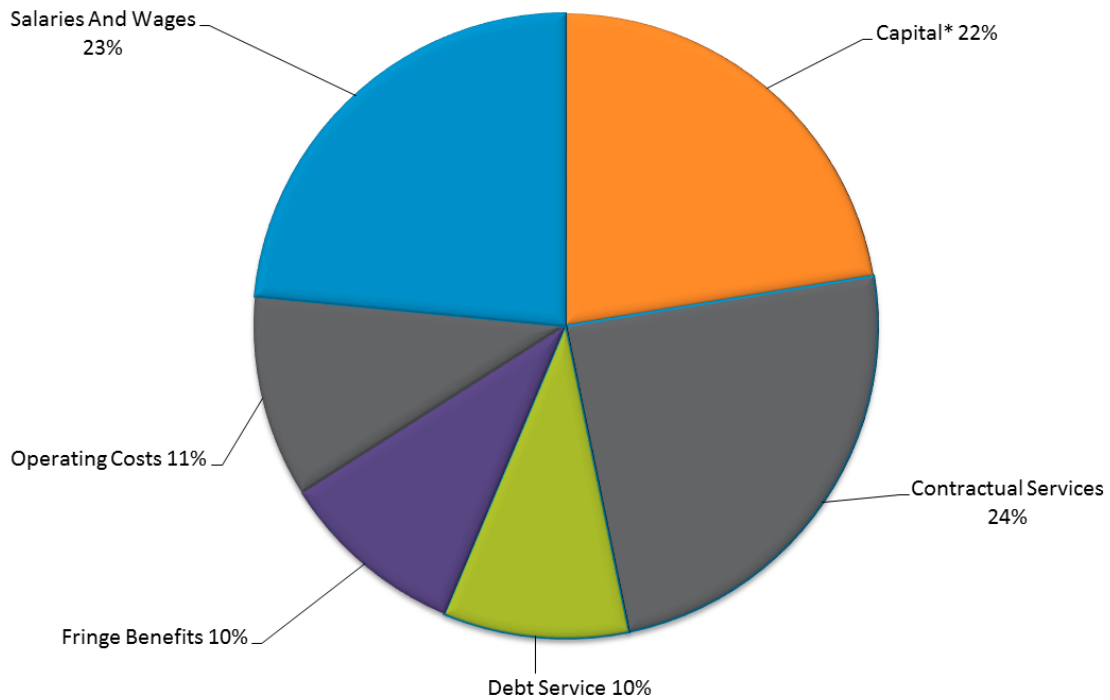
The largest portion of the City's budget is spent on personnel, which comprises \$563.7 million or 33.2% percent of the total budget.

Expense by Category

Expense Category	2018 Adopted	2019 Council Adopted	% Change	\$ Change
Capital*	282.3	381.1	35.0%	98.8
Contractual Services	387.7	413.5	6.7%	25.8
Debt Service	150.8	162.2	7.6%	11.5
Fringe Benefits	159.0	164.7	3.6%	5.7
Operating Costs	175.0	178.6	2.1%	3.6
Salaries And Wages	385.4	399.0	3.5%	13.6
Total Expense	\$1,540.2	\$1,699.1	10.3%	\$158.9

*The Capital category includes capital improvements in the City's Capital Program as well as capital expenditures within operating departments.

Total City Budget - Expenditure by Categories 2019 Council Adopted Budget: \$1.7 Billion



Funding for Physical Infrastructure

Five-Year Capital Program Totals: For 2019 – 2023, the five-year capital program for City departments, independent boards and commissions totals \$1.1 billion including all funding sources. The 2019 portion of this program is \$283.8 million. This budget continues the City’s commitment to accelerate funding and completion of improvements to the City’s infrastructure. Below is a summary of the five-year capital program by major infrastructure category.

Submitting Agency	Infrastructure Category	2019	2020	2021	2022	2023	Total	Percent of Total
Budget in Thousands								
PARK BOARD	NEIGHBORHOOD PARKS	12,343	12,337	12,980	12,980	12,625	63,265	5.76%
PUBLIC WORKS	TRANSPORTATION	88,857	82,965	78,430	108,857	107,170	466,279	42.42%
	UTILITY FEE BASED ENTERPRISES	67,590	78,355	67,965	63,500	49,110	326,520	29.70%
	Public Works Department Totals	156,447	161,320	146,395	172,357	156,280	792,799	72.12%
OTHER AGENCIES	CITY HALL, PUBLIC BLDGS, MISC.	114,996	107,418	14,538	4,119	2,146	243,217	22.13%
COUNCIL ADOPTED FIVE-YEAR CAPITAL PROGRAM		283,786	281,075	173,913	189,456	171,051	1,099,281	100.00%

For more details regarding the Five-Year Capital Improvement Program, please see the Capital Program section of this book.

Funding for Pension Liabilities

The City’s property tax levies for its former closed pension funds that have been merged into the Minnesota State Public Employees’ Retirement Association (PERA) for 2019 total \$23.3 million, an increase of \$1.0 million from 2018, and a decrease of \$4.0 million from the 2016 level of \$27.3 million. Since 2015 the State legislature has reduced PERA’s out year investment assumptions from 8.5% to 7.5% which lowers the assumed out year investment returns, increases the unfunded liability amounts and therefore the annual funding requirement. The three merged funds include:

- The Minneapolis Employee’s Retirement Fund (MERF) Division of PERA – fully merged in 2015.
- The Former Minneapolis Police Relief Association (MPRA), a closed fund.
- The Former Minneapolis Fire Relief Association (MFRA), a closed fund.

The 2016 parks and streets funding ordinance assumed that the levy necessary for support of the pension obligations would decrease by \$5 million from 2016 to 2017. In the subsequent four years, the levy to support pension obligations would then rise back to 2016 levels. The five year financial direction reflects the 2016 ordinance.

Teacher’s Retirement Association (TRA):

The 2006 Legislative session combined the Minneapolis Teachers Retirement Fund Association (MTRA) with the State’s Teachers Retirement Association (TRA). As part of the legislation, the City was required to redirect its annual \$2.25 million MTRA tax levy to TRA through 2037. State law changed the \$2.25 million City levy to a \$2.25 million contribution in 2012. This change increased the total levy for this purpose as the City previously contributed its net TRA levy collection, which was less than \$2.25 million because the City does not collect 100% its levy. For 2019, the City will levy \$2.3 million for TRA to insure that net collections provide the \$2.25 million. For the purpose of long-term planning, it is anticipated that these costs will remain constant and end by 2040.

Public Employees Retirement Association (PERA), the plan for most current City employees:

The employers' contribution level in PERA's Coordinated Plan for 2019 is 7.5 percent, the same as in 2018. The PERA's Police and Fire Plans' employer's contribution increased to 16.95% in 2019, from 16.2 percent in 2018. The estimated total cost of contributions to PERA for the City inclusive of its independent boards for 2019 is \$40.6 million, which is covered in the budgets of the departments in which the employees work.

	2018	2019	Change
	(in millions)		
PERA	\$18.1	\$19.1	\$1.0
PERA Police & Fire	\$19.8	\$21.5	\$1.7
Total	\$37.9	\$40.6	\$2.7

Funding for Internal Services Funds' Long-Term Financial Plans

During the 1990s, external demands negatively impacted the ability for revenue to support the City's internal services to keep pace with the growth in expenditures. Significant negative cash balances resulted because annual expenses exceeded revenues. By the year 2000, the combined net asset deficit in the Self Insurance, Equipment, and Intergovernmental Services Funds was \$61.7 million. To correct these deficits, the City adopted long-term financial plans between 2000 and 2004 that called for the Self-Insurance, Equipment, Intergovernmental Services, as well as the Property Services internal service funds to rely on transfers from the General Fund through 2019 to eliminate deficits. Fortunately, due to efforts in recent budget cycles, 2014 was the final year of these transfers. The elimination of this obligation will allow General Fund resources to be redeployed to other purposes in future years.

Growth in Personnel Costs

Personnel Changes. The 2019 Council Adopted Budget increases the FTE count of City positions by 85.30 over the 2018 Council Adopted Budget, inclusive of the City's independent boards, from 5,183.61 to 5,268.91 FTEs.

Salary and wages. The 2019 Council Adopted Budget includes an increase in personnel expenditures (\$399.0 million in salaries and wages, compared to a 2018 total of \$385.4 million). It also includes \$164.7 million in fringe benefits, compared to \$159.04 million in 2018, inclusive of the City's independent boards.

Benefits. Health and dental insurance expenditures are budgeted to increase from \$75.3 million in 2018 to \$75.9 million in 2019, inclusive of the City's independent boards. This is an increase of \$600,000 or 0.8 percent.

Major Changes in the 2019 Council Adopted Budget

As a starting point for 2019 budget development, departments were provided a preliminary budget amount and asked to submit, for existing programs, proposals that would provide for the continuation of those programs at the same level of service, or the *Current Service Level*. Departments were also asked to submit supporting documentation for any change items to current programs or any new programs. The Council changes to ongoing departmental programs, along with new initiatives recommended for funding or implementation, are noted below. Program proposals not funded in the Council adopted budget are not included.

The 2019 Council Adopted budget includes initiatives that have citywide implications. This budget includes the prudent use of accumulated fund balance from various funds for one-time or time-limited activities. These resources were generated through fiscal restraint that resulted in under-spending in City departments and through revenues that exceeded budgetary expectations due to continued growth in the local economy.

Departmental Changes

The table below outlines additional funding included in this budget beyond the current service level. Detailed descriptions of each change item can be found in the Operating Departments section of this budget book.

Department & Change	General Fund		Other Funds		FTEs
	One-Time	Ongoing	One-Time	Ongoing	
311	\$163,000	\$35,000			
Verint Upgrade	\$163,000	\$40,000			
Operating Budget Adjustment		(\$5,000)			
911	\$15,000	(\$3,000)			
Operating Budget Adjustment		(\$3,000)			
Final Four	\$15,000				
Assessor	\$121,000	\$291,000			
CAMA System	\$121,000	\$294,000			
Operating Budget Adjustment		(\$3,000)			
Auditor	\$40,000				
Funding for IT Audit	\$40,000				
City Attorney	\$25,000	\$91,000	\$72,000		1.00
Domestic Violence Outreach		\$60,000			
Pathways for Gross Misdemeanor Weapons Offenses		\$35,000			
Sex Trafficking Victim Outreach	\$25,000				
Victim Witness Specialist			\$72,000		1.00
Operating Budget Adjustment		(\$4,000)			
City Clerk	\$247,000	\$25,000			
Data Review / Redaction Master Contract	\$15,000				
LIMS Phase 2	\$150,000				
Records Asset Inventory System	\$82,000	\$28,000			
Operating Budget Adjustment		(\$3,000)			
City Council	\$24,000	\$22,000			
Constituent Relationship Management System	\$24,000	\$24,000			
Operating Budget Adjustment		(\$2,000)			

Department & Change	General Fund		Other Funds		FTEs
	One-Time	Ongoing	One-Time	Ongoing	
Civil Rights	\$2,000	\$427,000			2.00
Collaborative Enforcement		\$200,000			
Labor Standards Enforcement Division Investigator	\$2,000	\$100,000			1.00
Urban Scholars		\$30,000			
Operating Budget Adjustment		(\$3,000)			
Office of Police Conduct Review		\$100,000			1.00
Communications	\$82,000	(\$1,000)			
Cultural Radio Programming	\$40,000				
Equip. Maint., Support, Streaming & Music Licensing	\$30,000				
Operating Budget Adjustment		(\$1,000)			
Final Four	\$12,000				
Convention Center			\$1,000,000		
Commons			\$750,000		
Special Events - X Games			\$250,000		
Coordinator	\$2,475,000	\$467,000	\$50,000	\$0	2.00
ACE-TAP	\$50,000				
Creative City Challenge	\$100,000				
Energy & Climate Staff Support & Programming	\$850,000	\$562,000	\$50,000		3.00
Enterprise Engagement Funds	\$80,000				
Municipal ID	\$200,000				
Partnerships	\$675,000				
Race & Equity Support		\$250,000			2.00
Relocate Small Business Team to CPED		(\$343,000)			-3.00
TransEquity Summit	\$15,000				
Operating Budget Adjustment		(\$2,000)			
Renters Support	\$500,000				
Final Four	\$5,000				
Community Planning & Economic Development (CPED)	\$13,065,000	\$1,373,000	\$15,642,000	(\$64,000)	8.00
800 West Broadway Workforce Center	\$75,000				
Affordable Housing Trust Fund			\$13,845,000	\$236,000	2.00
Affordable Missing Middle	\$500,000				
African American Museum & Center for Racial Healing	\$40,000				
Cedar Riverside Opportunity Center	\$100,000				
Construction Code Services Funding Realignment		\$300,000		(\$300,000)	
Eviction Representation Pilot	\$150,000				
Expansion of 4d Program		\$250,000			
Great Streets			\$547,000		
Stable Homes, Stable Schools (year 1 of 3)	\$3,350,000				
Homeownership Education & Counseling	\$50,000				
Homeownership Opportunity Minneapolis (HOM)		\$196,000			
Homeownership Rehab			\$750,000		
Housing Stabilization	\$1,500,000				
Minneapolis Homes	\$3,550,000	\$243,000	\$500,000		2.00
MSP TechHire	\$100,000				
NOAH Preservation	\$3,300,000				
Regulatory Reform		\$101,000			1.00
Relocate Small Business Team from Coordinator		\$343,000			3.00

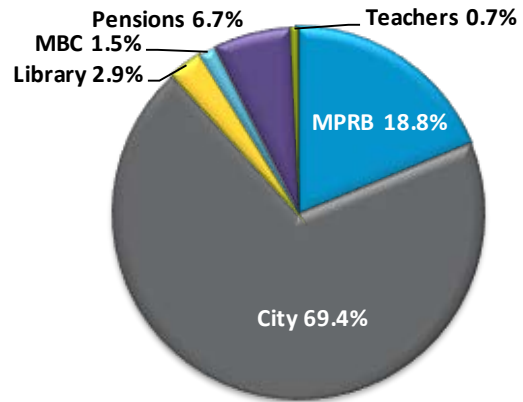
Department & Change	General Fund		Other Funds		FTEs
	One-Time	Ongoing	One-Time	Ongoing	
Tenant Legal Services	\$175,000				
Tenant Stability Hotline	\$125,000				
Trades Pilot Program	\$50,000				
Transportation Planning Transfer		(\$50,000)			
Operating Budget Adjustment		(\$10,000)			
Elections		\$298,000			
New Elections Space		\$300,000			
Operating Budget Adjustment		(\$2,000)			
Fire Department	\$120,000	\$494,000			5.00
Fire Personnel		\$500,000			5.00
Personal Protective Equipment	\$110,000				
Final Four	\$10,000				
Operating Budget Adjustment		(\$6,000)			
Finance & Property Services	\$550,000	\$397,000			3.00
Fee Study	\$50,000				
Finance Fellowship		\$100,000			2.00
New Budget System		\$206,000			
Supplier Diversity		\$101,000			1.00
Village Trust Financial Cooperative	\$500,000				
Operating Budget Adjustment		(\$10,000)			
Health Department	\$690,000	\$951,000			3.50
Asthma Intervention		\$71,000			0.50
Group Violence Intervention	\$170,000	\$300,000			
Next-Step Youth Violence Prevention		\$130,000			
Office of Violence Prevention	\$171,000	\$457,000			1.00
Opioid Prevention & Coordination	\$50,000				
Youth Coordinating Board	\$83,000				
Final Four	\$16,000				
Food, Lodging, and Pools Inspections	\$200,000				2.00
Operating Budget Adjustment		(\$7,000)			
Human Resources	\$75,000	(\$4,000)	\$75,000		
Human Capital Management System Evaluation	\$75,000		\$75,000		
Operating Budget Adjustment		(\$4,000)			
Information Technology	\$150,000	\$0	\$187,000	\$111,000	
Digital City Services Portal				\$111,000	
Paper Reduction			\$187,000		
SIC & EOTF Technology Upgrades	\$150,000				
Mayor's Office		\$199,000			
Director of Strategic Partnerships		\$200,000			
Operating Budget Adjustment		(\$1,000)			
Neighborhood & Community Relations	\$560,000	\$90,000			
ADA Action Plan Implementation	\$130,000	\$15,000			
Aging Support Services	\$80,000				
Census 2020	\$350,000				
Office of Immigrant & Refugee Affairs		\$75,000			
Office of Emergency Management	\$8,000	\$29,000			
Enterprise Continuity Planning Software		\$30,000			

Department & Change	General Fund		Other Funds		FTEs
	One-Time	Ongoing	One-Time	Ongoing	
Final Four	\$8,000				
Operating Budget Adjustment		(\$1,000)			
Police Department	\$1,908,000	\$555,000	\$60,000		
Body Camera Interface to 911 CAD		\$105,000			
Body Worn Cameras		\$177,000	\$60,000		
Co-Responder Program	\$422,000	\$18,000			
Fix It, Not Ticket	\$25,000				
Health & Wellness Training	\$150,000				
Maintain Current Contracts		\$100,000			
Mobile Data Computers		\$100,000			
ShotSpotter Expansion	\$10,000	\$65,000			
Final Four	\$1,301,000				
Operating Budget Adjustment		(\$10,000)			
Public Works	\$325,000	\$140,000			
Gap Funding for Urban Transportation Fellow	\$25,000				
Modernization & Records Digitization	\$100,000				
Small Cell Device Costs		\$150,000			
Winter Maintenance Funding	\$200,000				
Infrastructure Improvement Planning	\$83,000				
Final Four	\$60,000				
Operating Budget Adjustment		(\$10,000)			
Regulatory Services	\$1,010,000	\$391,000			4.00
Increased Housing Inspections		\$254,000			2.00
Part-time Staffing for Traffic Control	\$187,000	\$147,000			2.00
Phased Sunset of Sunset Revolving Fund	\$800,000				
Rental Repair Revolving Fund			\$2,000,000		
Final Four	\$23,000				
Operating Budget Adjustment		(\$10,000)			
All Departments - All Changes	\$21,655,000	\$6,267,000	\$17,086,000	\$47,000	28.50

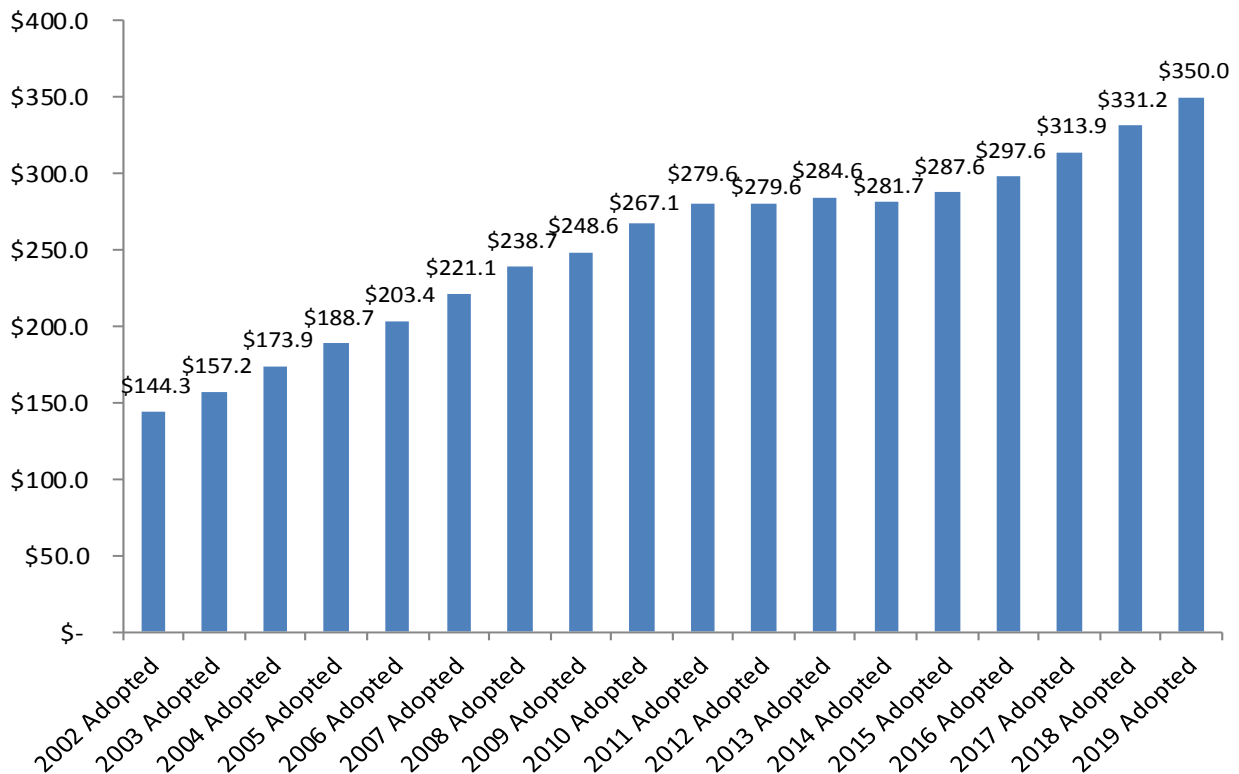
Property Tax Revenue

The City's 2019 Council Adopted Budget includes an overall property tax levy of \$350.0 million. This levy reflects the combined total for the City, the Board of Estimate and Taxation, the Minneapolis Park and Recreation Board, and the Municipal Building Commission (MBC) levies, as well as the Library referendum levy which is a \$10.3 million market value-based tax levy. The 2019 levy is \$18.8 million more than the 2018 Council Adopted levy of \$331.2 million.

Property Tax by Entity - \$349.97 Million



Historical Property Tax Revenue by Year



Property Taxes on Individual Properties

Several factors beyond the change in amount levied affect the annual change in property tax owed on a particular property. These factors include the tax base composition within property classifications, the tax rate of the jurisdiction, growth or decline in the value of other properties within the jurisdiction, properties placed in tax increment financing districts, improvements to a property, as well as other factors. Each of these variables may change on a yearly basis, occasionally resulting in sizeable changes in the amounts of property taxes assessed to any one property.

Estimated Impact of Property Tax Increases

While it is yet too early to know the precise impact of these increases on any individual taxpayer, it is important to consider how the proposed changes outlined above will be felt across the city. Below are sample bills based on a variety of estimated market values.

City Portion of Property Tax Bill with 5.67% Levy Increase

Non-Homestead Residential

<u>Market Value</u>	<u>Tax in 2018</u>	<u>Tax in 2019</u>	<u>Change</u>	<u>% Change</u>
183,500	1,029	1,085	57	5.5%
249,000	1,396	1,472	76	5.5%
346,500	1,918	2,049	131	6.8%

Assumes lower value residential property market value increase by 10.2% and higher value increase by 11.6%

Homestead Residential

<u>Market Value</u>	<u>Tax in 2018</u>	<u>Tax in 2019</u>	<u>Change</u>	<u>% Change</u>
183,500	896	967	71	7.9%
249,000	1,295	1,388	92	7.1%
346,500	1,863	2,014	152	8.1%

Assumes lower value residential property market value increase by 10.2% and higher value increase by 11.6%

Apartment

<u>Market Value</u>	<u>Tax in 2018</u>	<u>Tax in 2019</u>	<u>Change</u>	<u>% Change</u>
667,000	4,447	4,897	450	10.1%
5,000,000	33,339	36,712	3,373	10.1%

Assumes median apartment property market value increase by 15% (not including new construction value)

Commercial

<u>Market Value</u>	<u>Tax in 2018</u>	<u>Tax in 2019</u>	<u>Change</u>	<u>% Change</u>
375,400	2,589	2,701	112	4.3%
5,000,000	38,232	39,565	1,333	3.5%

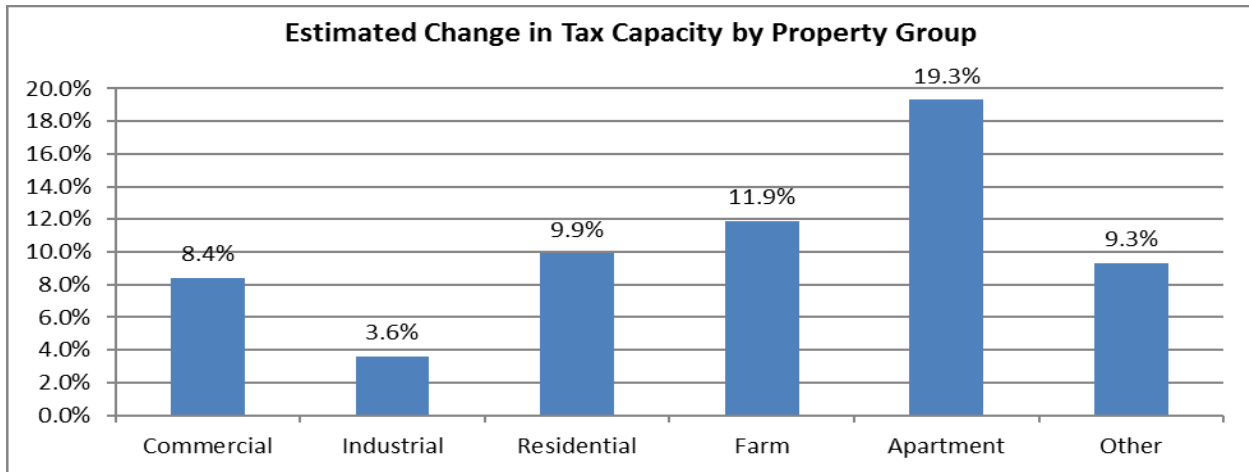
Assumes median commercial property market value increase by 8% (not including new construction value)

Property Market Values and Tax Base Highlights

The following table shows the estimated market values and corresponding tax capacity by property group for the March 2018 assessment utilized for property taxes payable in 2019 based on preliminary numbers.

2018 Assessment For Taxes Collected in 2019

Group	2019 Estimated		Tax Capacity	% Total
	Market Value	% Total		
Residential	\$31,652,887,700	60.5%	\$313,635,845	47.9%
Commercial	9,953,798,300	19.0%	196,585,142	30.0%
Industrial	1,469,855,700	2.8%	29,047,421	4.4%
Apartment	9,182,600,700	17.6%	114,782,509	17.5%
Agriculture	1,730,100	0.0%	17,301	0.0%
Other	24,386,800	0.0%	324,282	0.0%
Total	\$52,285,259,300	100.0%	\$654,392,500	100.0%



Change in Tax Capacity by Group

The following table provides the estimated changes in tax increment financing, fiscal disparities contribution, and fiscal disparities distribution for taxes payable in 2018 based on preliminary numbers from the City and County assessors and the Board of Estimate and Taxation:

For Payable in 2019*	
Real Estate Tax Capacity	520,494,600
Personal Property Tax Capacity	9,980,898
Gross Tax Capacity	664,373,398
- Less Tax Increment	-47,808,000
- Less Fiscal Increment Value Captured	-5,581,000
- Less Fiscal Disparities Contribution	-70,076,963
+ Plus Fiscal Disparities Distribution	-54,851,000
Adjusted Net Tax Capacity	486,056,435

* Property Values March 2018 estimates only at this time.

Change in Market Value for Taxes Payable Year-Over-Year				
Taxes Payable in:	Commercial/Industrial*		Residential	Apartment
2008	10.4%		2.6%	3.3%
2009	1.3%		-3.1%	1.8%
2010	-0.1%		-3.6%	0.5%
2011	-9.8%		-4.4%	-6.7%
2012	-4.5%		-9.1%	-5.2%
2013	0.5%		-5.4%	2.8%
2014	0.6%		0.7%	8.5%
2015	3.3%		8.7%	27.8%
2016	16.4%	-10.5%	6.1%	29.8%
2017	11.5%	6.6%	6.6%	18.2%
2018	10.1%	-6.7%	7.7%	13.9%
2019	8.4%	3.6%	9.9%	19.3%

2019 Council Adopted Property Tax Levies

Fund	2018	2019	% Change From 2018	\$ Change From 2018
General Fund	189,452,884	201,345,000	6.28%	11,892,116
Minneapolis Park Board	62,201,719	65,740,000	5.69%	3,538,281
Bond Redemption	39,350,000	41,510,000	5.49%	2,160,000
Pensions	22,310,000	23,310,000	4.48%	1,000,000
Municipal Building Commission	5,102,929	5,256,000	3.00%	153,071
Board of Estimate and Taxation	190,000	210,000	10.53%	20,000
Teacher's Retirement Association	2,300,000	2,300,000	0.00%	0
Library / Downtown Office Debt Service	10,300,000	10,300,000	0.00%	0
Total	331,207,532	349,971,000	5.67%	18,763,468

**City of Minneapolis
2019 Budget**

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Minneapolis Strategic Policy

Every four years at the start of a newly elected term, the City engages in strategic planning to set the four-year vision and goals for the enterprise. In the last couple of cycles, the City has set five short, but visionary, goals with additional details listed as the City's strategic directions.

Values will undoubtedly continue informing the policies and resource allocations we prioritize – but moving forward, the work of our city will be guided by measurable and tangible goals developed in a way which meaningfully engages community and incorporates and embeds racial equity principles and strategies into goals, operations, programs, services and policies. The city government can be more efficient and more responsive to the needs of all the people who live here. “Have we done what we said we were going to do?” will be at the heart of how we operate in City Hall.

The City is experiencing unique timing alignment with the start of several enterprise-wide plans, including Strategic Planning, Racial Equity Action Planning, the Comprehensive Plan and the budget. The start of the newest elected term represented an opportunity to design a framework for a revised strategic planning process which integrates strategic planning and racial equity action planning into a joint plan, builds on the City's Comprehensive Plan, and informs the annual budget.

The **Comprehensive Plan**, Thrive MSP 2040, sets the direction for the region's growth and development. The Planning Commission and City Council will take action on the plan, and send it to the Metropolitan Council for their review by December 31, 2018. The City of Minneapolis has developed an extensive and community-informed Comprehensive plan which goes beyond fulfilling the basic requirements set forth by the Metropolitan Council. To ensure that the City commits to the vision set forth by the plan and the input provided by community, the City will use the Comprehensive Plan as the foundation for strategic planning. The City will identify which of the priorities to address in the next four years and develop specificity through the strategic planning process about how the City will address those priorities.

In 2017, the City Council passed a Racial Equity Ordinance creating the Racial Equity Division and directed that division to develop a **Racial Equity Action Plan**. According to the Government Alliance on Race and Equity, Racial Equity Action Plans can put a theory of change into action to achieve a collective vision of racial equity. Plans can drive institutional and structural change. It requires local governments' will and expertise to change our policies, the way we do business, our habits, and cultures. Our theory of change requires normalizing conversations about race, making sure we have a shared understanding of commonly held definitions of implicit bias and institutional and structural racism. Operationalizing a vision for racial equity means implementation of new tools for decision-making, measurement, and accountability. We also organize, both inside our institutions and in partnership with others, to effect change together. Organizing involves building staff and organizational capacity through training for new skills and competencies while also building internal infrastructure to advance racial equity.

Preparing leadership support, forming a skilled planning team, designing community engagement structures upfront, and securing resources to support all participants are preparatory steps key to set the process on the right path. Additionally, research should be conducted throughout the process not only to influence the content of the plan but also how it is framed. The methodology should include both

quantitative and qualitative data collected through community engagement. A clear set of findings can provide a solid foundation to inform the plan. Areas to analyze include:

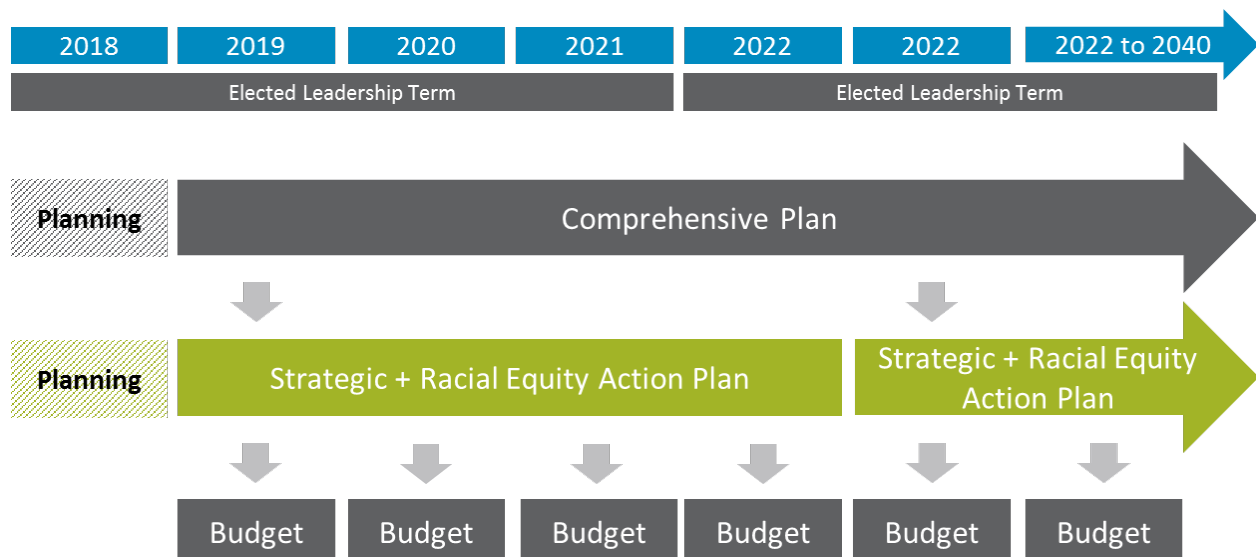
- workforce demographics, hiring, retention, and promotion;
- contracting practices;
- jurisdiction commitment, leadership, and management;
- community access and partnership; and
- data, metrics, and on-going focus on improvement.

The **City’s Budget** provides an annual opportunity to invest in the strategic and core service priorities of the Mayor and City Council. This year is unique in that we have a new Mayor, Council President, Ways & Means Committee Chair, and Budget Committee Chair steering the process. Over the past several years the budget has been used primarily as a tactical tool focused on ensuring existing work receives adequate funding while providing modest additional investments where possible. New leaders are interested in developing a process that digs deep within the existing funding base for departments to understand whether and how to reprioritize work and redeploy existing funds in order to resource today’s priorities.

Through coordination of these plans, the following objectives will be achieved:

- Clearly identify a select set of priorities which the City will address in the next four years.
- Leverage these priorities to drive resource allocation across the City.
- Decide on priorities and how they apply to our work in a way that meaningfully and intentionally incorporates racial equity.
- Incorporate community input by building on engagement that started with the comprehensive planning process and with the City’s Appointed Boards and Commissions.
- Clear alignment of work from the leadership of the organization to departments.
- Measurable goals at all planning levels.
- Durable, quantitative set of metrics by which to measure progress over time.

This significant shift in the way the City approaches setting a vision and goals comes with a lot of work. To ensure that this term’s leaders, and future leaders, have time to set strategic goals in a way which includes community, the planning timeline has shifted out one year. This sets the strategic planning cycle to begin in the second year of the term, and run through the first year of the following term.



**City of Minneapolis
2019 Budget
Strategic Planning
Annual Budget Process**

The City of Minneapolis annual budget process integrates information from the City's strategic and business planning processes, capital long-range improvement committee process and the departmental performance measurement review process (*Results Minneapolis*) to establish annual resource allocations.

January-early April

Department-level assessment of prior year and planning for current year

Analysis of what a department accomplished over the past year leads it to assess its work and make appropriate changes to the plan for the next year. Metrics are reported by budget program area and the reports made public. This analysis and reporting is the Department Results Minneapolis program.

March

Preliminary prior year-end budget status report

Finance presents a year-end budget status report for the previous year to the Ways and Means/Budget Committee. This is a preliminary report because the audited Comprehensive Annual Financial Report (CAFR) is not available until the second quarter of the year.

March–April

Capital improvement budget development

The City has a five-year capital improvement plan. The departments prepare and modify capital improvement proposals on an annual basis. Finance and Property Services, Community Planning and Economic Development (CPED), and the Capital Long-Range Improvements Committee (CLIC) review capital improvement proposals of the departments. CLIC is the resident advisory committee to the Mayor and the City Council on capital programming. Capital improvement proposals are due on or around April 1st each year.

April–June

Operating budget development

Departments work in coordination with Finance and Property Services to prepare operating budgets based on programs. In addition to preparing operating budgets for programs, departments prepare proposals that describe policy and organizational changes with financial implications. The program proposals form the basis for the Mayor's budget meetings with departments held in June and July.

Capital Long-Range Improvement Committee (CLIC) Process

From April through June, the CLIC Committee reviews capital requests, hears presentations from submitting departments and rates the capital requests. They prepare comments about projects and summarize their final recommendations in a report called "The CLIC Report" which is provided to the Mayor and City Council in mid-July as the starting point for their decisions on the Five-Year Capital Plan.

June–August

Mayor's Recommended Budget

The 2018 Mayor's Recommended Budget will be based on program proposals submitted by departments. These program proposals are reviewed and discussed by the submitting department, the Mayor's Office, and staff from the Coordinator's Office and Finance and Property Services for priority-setting. In addition to reviewing operating budgets, the Mayor meets with representatives from CLIC before finalizing the

capital budget recommendation. By City Charter, the Mayor must make recommendations to the City Council on the budget no later than August 15 of each year.

September

Maximum proposed property tax levy

As a requirement of State law, the maximum proposed property tax levy increase is authorized by September 30, by the Board of Estimate and Taxation (BET). The BET sets the maximum levies for the City, the Municipal Building Commission, the Public Housing Authority and Minneapolis Parks and Recreation Board.

September–November

City Council budget review and development

The City Council budget review and development process begins with a series of public hearings on the budget. Departments present their Mayor's Recommended Budget to the Ways and Means and Budget Sub-committee which is comprised of all Councilmembers. Following departmental budget hearings, the Ways and Means and Budget Subcommittee amends and moves forward final budget recommendations to the full City Council. The Committee-recommended budget includes any and all changes that are recommended by the Committee to the Mayor's Recommended Budget.

Truth in Taxation

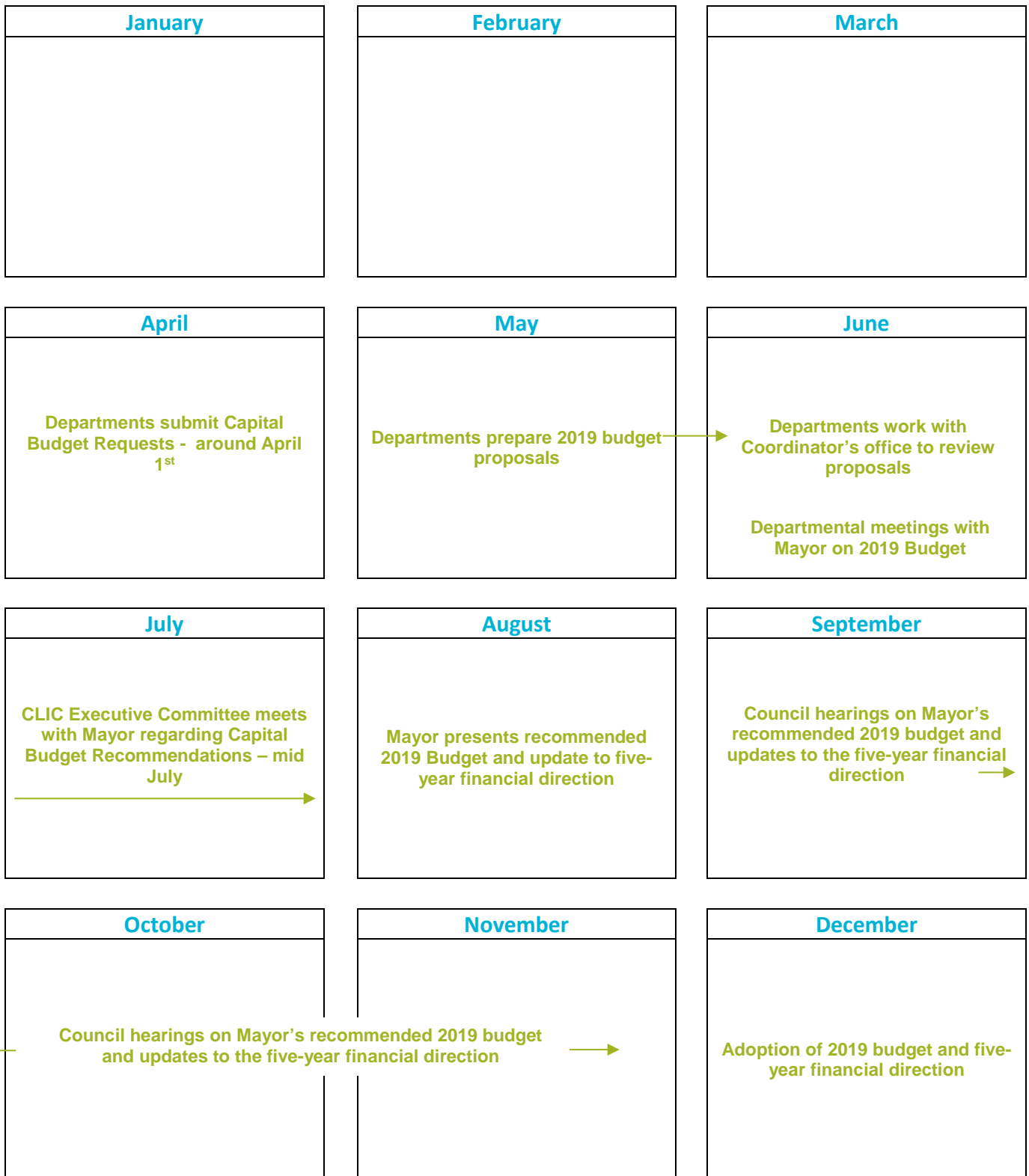
Truth in Taxation (TNT) property tax statements are mailed by Hennepin County to property owners indicating the maximum amount of property taxes that the owner will be required to pay based upon the preliminary levies approved in September. These statements also indicate the dates when public hearings will be held to provide opportunities for public input. State law was changed in the 2009 legislative session to eliminate a separate TNT hearing in lieu of a mandate to allow public comments at the meeting at which the final budget adoption occurs. The City Council has maintained a separate hearing, however, as part of the regularly scheduled budget meetings. According to State law, the meeting at which the budget is adopted must be held after 6:00 p.m., on a date after November 24.

December

City Council budget adoption

The City Council adopts a final budget that reflects any and all changes made by the full Council to the Mayor's Recommended Budget. Once the final budget resolutions are adopted, requests from departments for additional funds or positions made throughout the year are to be brought as amendments to the original budget resolutions before the Ways and Means/Budget Committee and the City Council for approval. The independent boards and commissions adopt their own operating budgets.

Financial/Business Decisions 2018 Budget Calendar



**City of Minneapolis
2019 Budget**

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**City of Minneapolis
2019 Budget**

Financial Management Policies

OPERATING BUDGET POLICIES

The objective of the operating budget policies is to ensure that sufficient information is available to decision makers to provide for adequate levels of funding for essential City services at reasonable costs.

Balanced Budget

The operating budget for the City shall be balanced. For each fund, ongoing costs are not to exceed ongoing revenues plus available fund balances used in accordance with reserve policies.

Basis of Budgeting

The basis of budgeting and accounting are the same, except as noted below. The budgets of all governmental funds are created using the modified accrual basis. Revenues are budgeted if they are measurable and available as net current assets. Major revenues determined to meet these standards for accrual and budgeting include the following: property taxes, special assessments, grants-in-aid, intergovernmental revenues, rentals, franchise fees, and intra-city charges.

Interest on investments, short-term notes, and loans receivable are budgeted, but interest on special assessments receivable is not budgeted. Major revenues that are not accrued because they are not available soon enough to pay liabilities of the current period or are not objectively measurable include the following: delinquent property taxes and assessments, licenses, permits, fines and forfeitures. Delinquent property taxes are not budgeted, while the other categories are budgeted on a cash basis.

In the governmental funds, expenditures are generally budgeted when the related fund liability is incurred. Only the current portion of principal and interest expense on general long-term debt is budgeted. Compensated Absences and Other Post-Employment Benefits (OPEB) are not budgeted and are considered expenditures at the time they are paid. Salary expenditures are budgeted based on full time equivalents (FTEs), regardless of the type of pay.

Proprietary (internal service and enterprise) funds use the accrual basis, and revenues are budgeted as they are anticipated to be earned. Unbilled utility service receivables are recorded at year end. Utility service revenue estimates are based on the number of users and volume of service consumed, without a factor for delinquencies. Long-term liabilities are recorded at full cost, including Compensated Absences and the actuarial accrued liability for Other Post – Employment Benefits.

Budgetary Controls

The legal level of budgetary control is at the department level within a fund. The City Coordinator's Departments, the Public Works Department and the City Council/City Clerk/Elections areas are examples of legal levels of budgetary control within a fund, even though budgetary data may be presented at lower levels within the department. Budget amendments at the department/fund level must be approved by the City Council. Budget amendments below the department/fund level may be approved by the appropriate department director, but are not required.

Generally all appropriations for operating activities lapse at year end. Encumbrances and other requests may be approved during the roll-over process after year end [See re-appropriation authority in the Authority of Finance Officer Section].

Purchase orders, certain contracts, and other commitments are recorded as encumbrances, which may reserve appropriation authority. Encumbrances outstanding at year-end are reported as restrictions of fund balance. The appropriations for these encumbrances do not automatically transfer to the following year, but rather are included as part of the annual roll-over process.

Proprietary Funds vs Discretionary Budget

Proprietary funds include only those internal service and enterprise funds that are considered separate and subject to the intended purposes of those internal services and enterprises. Discretionary budget is the appropriation that is included as part of a department's base budget, but which is not associated with the need to fund the costs of a given position within that department. Whenever discretionary budget is assigned to support a given position on an ongoing basis, it will remain in the base budget but will no longer be considered discretionary.

Service Levels

The City uses a Current Service Level methodology of budgeting, meaning any ongoing service level commitments from a prior year constitute the starting point for the next year's budget. Finance and Property Services, in conjunction with other internal service providing departments, works annually to determine the costs for the continuation of current services into each successive year.

Departments, programs, and activities supported by the General Fund shall receive a target allocation each year to cover assumed expenses for operating costs including: personnel (including salary and fringe), internal services (including IT, Fleet, Rent, etc.), and self-insurance. Departments, programs, and activities supported by non-General Funds shall cover current service level operational expense, including General Fund Overhead expense, with fund revenues.

Changes in service levels shall be governed by the following:

Budget Process

The annual budget process is intended to weigh all competing requests, also known as Change Items, for City resources within expected fiscal constraints. Requests for new programs or activities, or expansion of existing programs or activities, shall be submitted as a part of the annual budget process. These submissions shall conform to a format as prescribed by the Budget Director, and shall – at a minimum – separate operating expenses from programmatic expenses, and articulate what outcomes are expected as a result of the new level of service.

Personnel Expenses

The Budget Office, in conjunction with the Human Resources department, will establish the current service level budget appropriation for each department. Departments are to account for the salaries and benefits of permanent employees within these budget appropriations.

Factors considered in this current service level budget appropriation for personnel include:

- Salaries. Each position, active as of March 1st, will be budgeted at the enterprise-wide average step for its job class, recognizing that some incumbents are paid at a grade higher than the

average and others lower. In addition, all newly created job classes will be budgeted at step 4 of their assigned salary range. Exceptions may be granted on a case by case basis at the discretion of the Budget Director. Departments may request an exception only if they can provide replicable data showing that employees in a particular job class are paid higher on average in their department than the enterprise.

- Overtime. Unless specifically directed by the City Council, overtime costs are not included in salary budgets.
- Premium Pay. Different types of premium pay, such as shift differentials, on call pay, etc., will be included in salary budgets to the extent that it is predictable that such costs will be incurred. The Budget Office will work with Human Resources to identify where and to what extent that predictability exists.
- Health Insurance & HRA/VEBA. The Budget Office will work with HR to determine reasonable assumptions for health insurance & HRA/VEBA expense for each department. As an enterprise roughly 60% of employees elect family coverage and 40% elect single coverage. Exceptions may be granted on a case by case basis at the discretion of the Budget Director. Departments may request an exception only if they can provide replicable data showing that their employees elect coverage at a different rate than the enterprise average.

Departments may use projections of bell-curve staffing to adjust the level of employees throughout the year as long as the department does not exceed its appropriated budget. If the department cannot meet its obligations within its adopted budget, as identified in ongoing cooperation with Finance and Property Services, the department may seek budget amendments through requests to the City Council via the Ways & Means Committee.

In the event that service levels are not able to be maintained with the current complement of budgeted FTEs as monitored and reported through the *Results Minneapolis* process and other mechanisms, departments may seek to temporarily expand staffing beyond the number of approved FTEs to meet business needs if the department has exhausted the potential to reallocate existing, vacant positions. To accomplish this, departments shall prepare a business case showing the targeted service level, the change in ability to meet the service level, reasons for the change in level of service required, the amount of additional staff resources necessary to meet services and a plan for reduction of staffing if or when the need for service declines. Budget impacts shall be monitored in cooperation with Finance and Property Services throughout the year.

Adding FTE Administratively

Departments may increase their approved FTE complement administratively during the year if they have sufficient discretionary ongoing budget to do so. In cases where departments decide to take such action, the full cost of adding the FTE will be reduced from the following year's discretionary base budget amount in order to pay for the increase.

Position Reclassification and Promotions

During the year departments may, in consultation with Human Resources, decide to reclassify positions and/or promote staff between job classifications – so long as funding exists to support any additional expenses incurred as a result of this action. In cases where departments incur additional salary expense associated with reallocation or promotion, the marginal increase will be reduced from the following year's discretionary base budget amount.

Overtime Limitation

The policy approved by the Mayor and Council limits all departmental overtime to 5% of the budgeted amount for the salaries and wages category in the current budget year.

Internal Service Fund Charges

Internal service funds' charges shall be fully allocated to the extent possible using approved allocation methodology. Charges allocated to General Fund departments shall be funded per the approved allocation model. Non-General Fund departments, including special revenue funds and enterprise funds, shall fully fund their allocated costs with fund revenues. Additional costs incurred by departments throughout the year shall be funded by the department with the understanding that the expenditures were either planned through the annual budget-setting process or as part of the department's discretionary budget. Appropriation authority used in one year to enhance internal service fund-related costs will be reviewed on an annual basis for continued appropriation in the subsequent budget year, including both operating and non-CIP capital requests. Subject to review by Finance and Property Services and the internal service fund staff, the additional cost and/or service may be funded through the cost recovery model in the subsequent budget year using the approved allocation methodology.

Elected Official Budgets

A year-end deficit of up to 25% will be allowed for each ward and the Mayor's office budget with the exception of the final year of their term (but not for two consecutive years). The deficit will be offset by a corresponding reduction in the Council Member or Mayor's office budget for the current year. If there are savings in a ward or Mayor's budget, these savings may be re-appropriated from one year to the next year, but cannot be re-appropriated following the final year of the term.

Five-Year Financial Direction

City departments prepare business plans with a rolling five-year planning horizon which reflect the anticipated allocation of general City revenues, including property tax and state aid revenue, as well as special revenues other than grant funds. This financial direction is based upon the City's shared revenue distribution policy which aligns the revenue growth of City departments and independent boards. The financial direction is updated annually with each budget release. City departments update their major financial projections prior to their final submission to the Mayor and Council.

Self-Supporting Enterprises [including Internal Service Funds]

All enterprise activities of the City shall be self-supporting, including those activities contained within the Internal Service Funds. To the extent that an activity is not self-supporting, long-term financial plans shall be created to secure a self-supporting state in the future.

Grant Funded Programs

General governmental programs financed with grant awards may be budgeted in special revenue funds, and the service program shall be adjusted to reflect the level of available grant funding. Grant funding for permanent improvement funds and internal service and enterprise fund activities shall be accounted for in those funds. Individual grant budgets are controlled in the financial system at the cost category level. In the event of reduced grant funding, City funding sources may be substituted only after all competing program priorities are considered during the annual budget process. Grant programs that require an ongoing City funding commitment shall be specified at the time of grant acceptance and may be rejected on the basis that the City is unwilling or unable to provide continued funding.

Grant Funding in the Five-Year Financial Direction

All appropriations of grant funding require Council approval. Any department applying for grant funding should be aware of the effect on its budget.

Budget effects include, but are not limited to, such items as:

- local match requirements;
- additional costs for maintenance, operation, and replacement of equipment and other capital assets purchased with grant funding; or,
- requirements for maintenance of a minimum staffing level and/or maintenance of effort contribution after the grant ends.

The department requesting the approval and acceptance of grant funding shall determine the amount of additional City resources that will be required to fund any local match requirement as well as the ongoing services, maintenance and operation costs, and positions once the grant funding expires. Those estimates shall be reported to the Finance and Property Services Department, as well as included as information when seeking Council approval for the application, acceptance and/or entering into the grant agreement.

As a condition of accepting the funds, the Council shall identify the amount and source of permanent resources – by adding to, or repurposing within, existing budgets – necessary to fulfil any ongoing commitments associated with the acceptance. If necessary, the Council shall amend the Five-Year Financial Direction to reflect any such changes. In the event the Council fails to provide budgetary resource necessary to fulfill ongoing commitments associated with the acceptance of a grant, the receiving department shall be responsible for absorbing the costs of those ongoing commitments into their existing budget.

See below for additional grants management policies in the Administrative Policies section of this document.

ALLOCATION MODEL POLICIES

The City employs cost allocation models for a variety of purposes:

- Recovery of indirect costs for grants, capital projects, internal and external work-for- others.
- Internal Service Funds cost recovery.
- To support activities and services of departments which are funded by the General Fund and provide services to other departments which are supported by other fund types.
- Provide for a mechanism to calculate the total cost of service when determining user fees and charges.

The primary methodology used is Activity-Based-Costing which links the cost of the service provided to the consumption of the service. In addition, cost allocation models should conform to the following principles:

- Cost allocation models should recover indirect labor, depreciation, general and administrative costs, and costs from other allocation models.

- Cost allocation models should abide by grant agreements, contracts and other applicable Federal, State and local guidelines.
- Cost allocation models should be reviewed and updated annually.
- Costs shall be allocated to the fullest extent possible. When feasible, costs deemed non-allocable (for example, un-utilized space in leased facilities) shall be allocated to a non-department specific cost center in the General Fund to maintain the level of funding needed in the Internal Service Fund.

General Fund Allocation Model

The City will recover costs within the General Fund related to services it provides to non-General Fund departments. The allocation of those costs shall be based on a consistent methodology, applied enterprise-wide and developed and administered by the Finance and Property Services Department.

The General Fund overhead allocation model is not self-balancing in nature; costs that should be borne by one department will not be subsidized by another unless it is determined by the Finance and Property Services Department that a phase-in period is necessary.

The General Fund overhead allocation model will adhere to the applicable policies set forth for Internal Service Funds.

Internal Service Funds (ISF's)

All ISF's use cost allocation models to recover costs.

Fleet Services Division (Equipment Services Fund)

The Fleet Services Division (FSD) of the Public Works Department procures, equips, and maintains an enterprise-wide fleet.

Fleet Defined

For the purposes of this document “Fleet Units” or “Units” will be used when referring to the following: City vehicles, on road and off road equipment, mobile equipment, rolling stock, trailers, boats, and associated components/attachments.

Fleet Acquisitions

- 1) All Fleet units shall be purchased through and maintained by FSD. Exceptions may be granted on a case by case basis by the Director of Public Works or the City Coordinator or designee.
- 2) The benefitting department shall request funding through the annual budget process, or provide funding through their discretionary budget, for additional units or the underfunded portions of replacement units.
 - i. The purchase of a Fleet unit may be funded from a number of different sources including but not limited to: accumulation in the Fleet replacement fund, net debt bonds, General Fund appropriation, fund balance in enterprise or internal service funds, State or Federal capital grants.
 - ii. All funds, including State and Federal capital grant money, that are to be used for the purchase of Fleet units will be paid or contributed to the FSD Fund upon initial purchase of the Fleet unit.
 - iii. The funding for the purchase of a replacement unit includes the replacement amount accumulated through the Fleet Services Division rental fee for the specific unit with any

shortfalls funded by the using department through the annual budget process or discretionary budget.

- 3) Unless purchased for specific closed-ended projects, all units are assumed to be replaced at a later date in accordance with the replacement plan established by FSD.
 - i. Exceptions may be granted on a case by case basis by the Director of Public Works or the City Coordinator or designee, if it is determined that an enterprise fund or internal service fund unit will either not be replaced in the future or will be replaced on a pay-as-you-go basis using fund balance. The enterprise or internal service department, in cooperation with the Finance and Property Services Department, must be able to substantiate that funding will be available at the time of replacement. The benefitting department will need to include in its operating budget the ongoing charges for the FSD administrative costs for each item.
 - ii. FSD will establish a monthly replacement/rental fee for the replacement of that unit with a similar unit.
 - iii. The benefitting department must include in its annual budget the total rental fee due to Fleet Services for the units for that budget year.
 - iv. The rental fee will be charged monthly to the department's budget through the City of Minneapolis Fleet Management and accounting system. Cost recovery schedules are available from FSD.
 - v. The rental fee for each unit includes depreciation, an inflationary factor, and administrative charges.
 - vi. The City of Minneapolis is self-insured and any claims or tickets against the City will be charged to the benefitting department.
 - vii. Departments with a history of claims or tickets against the City may be required by the City Coordinator or designee to set and maintain a balance and related discretionary budget in the self-insurance fund to reduce the financial impact of such claims. Any uses of the balance and related discretionary appropriation should be replaced in the following year budget; a decrease in the history of claims or tickets against the City should cause a reduction of the balance and return of the discretionary appropriation to the department.
 - viii. All other charges associated with the unit will be charged to the benefitting department.

Information Technology (Intergovernmental Services Fund)

The Information Technology (IT) department provides enterprise-wide purchasing, strategy, development, and maintenance services for the City's IT infrastructure.

IT Defined

For the purposes of this document, IT is inclusive of hardware – including handheld equipment that requires City-maintained software to function, and software – including software as a service (SAAS) applications. IT does not include salary costs of business-side application managers.

IT Acquisitions

All IT shall be purchased through the IT department. Exceptions may be granted on a case by case basis with the approval of the Chief Information Officer, or the City Coordinator or designee. An IT Governance Committee, composed at minimum of the City Coordinator, Chief Finance Officer, and Chief Information Officer, shall review all proposed IT purchases annually and may recommend a set

of priority IT projects based on current resource constraints and applicable City values, goals, and objectives.

Except for the acquisition of new desktop or laptop computers as part of the City's annual refresh cycle, the IT allocation model shall not collect in advance to cover costs associated with the purchase of new IT.

IT Licenses and Maintenance

The IT allocation will include funding for application licenses and maintenance contracts for all IT systems which have been expressly approved by the City Council – including increases to license or maintenance fees upon contract renewals. The IT allocation will also include recovery of administrative costs and fund an adequate reserve as defined in these policies.

The IT allocation will not include application licenses or maintenance contracts for IT systems developed or procured at department discretion.

Self-Insurance (Excluding Medical and Dental Self-Insurance)

The Risk Management division of the Finance & Property Services department manages the City's self-insurance program.

The Self-Insurance allocation for Worker's Compensation and Tort Liability will recover costs to pay claims and other legal liabilities. Estimates for Worker's Compensation and Tort Liability are developed by an outside actuarial firm and assessed to departments based on historic experience.

Legal Services (Self-Insurance Fund)

The Civil division of the City Attorney's office provides legal services for all City departments.

The Legal Services allocation will recover costs to pay for legal services for city departments and city officials as necessary and prudent. Estimates are based on historic usage of legal services by each department.

Property Services (Property Services Fund)

The Property Services division of the Finance & Property Services department provides leasing, space management, construction management services and security services to all City departments.

The Property Services allocation will recover costs of providing the services listed above. Rent estimates will be based on all known information as of March 1 of the year prior to the year for which costs are being allocated. Any additional rent costs beyond what is included in the allocation are the responsibility of the department incurring the expense.

One-Time Costs Assessed

One-time cost increases may be assessed to internal service funds if the financial condition of the fund meets the City's financial policies.

Management Support Charges to Independent Boards

The management support charges to the Independent Boards are based upon standard practices for allocating costs. The method and procedure to calculate the prorated costs and collection of the charge are finalized and communicated to the Independent Boards by December 31 of each year in accordance with the City's revenue policies.

REVENUE POLICIES

The objective of the revenue policies is to ensure that funding is derived from a fair, equitable, defensible, and adequate resource base, while minimizing tax burdens.

Revenue Structure and Sources

The City shall maintain a stable and diverse revenue system to shelter programs and services from short-term fluctuations in any single revenue source. Services with a citywide benefit shall be financed with revenue sources generated from a broad base, such as property taxes, state aids, and general fees. Services where the customer determines the use shall be financed with a combination of broad-based revenues as well as user fees, charges, and assessments related to the level of service provided.

Revenues Default to General Fund

All non-restricted revenues shall be deposited in the General Fund and appropriated through the annual budget process. Except where required by law, ordinance, generally accepted accounting principles (GAAP), or resolution, no revenues shall be dedicated for specific purposes.

Shared Revenue Distribution

Subject to annual review as part of the budget process, major sources of broad-based revenue, including Local Government Aid (LGA) and property tax revenue, shall be treated in the aggregate, allowing for changes in the level of resources to be consistently aligned among the City and independent boards. Future increases and decreases will be aligned with available resources, and the annual percentage change in revenues covered by this policy available for activities of the City, Park Board and MBC will be similar for each entity.

Costs of shared services among the jurisdictions will be funded prior to determining the amount of resources available for general operating expenditures. These costs may include, but are not limited to, closed pension obligations, the Bond Redemption Fund levy, the Permanent Improvement Fund levy, the Minneapolis Public Housing Authority special levy, the Teacher's Retirement Association special levy, the Library Market Value Referendum levy, the levy for the Board of Estimate and Taxation, and shared administrative costs.

City and independent board priorities that require an increase for one entity above others will be clearly described to allow for maximum transparency and should be considered within the context of the impact on the overall organization and the ability to provide for such adjustments.

The annual adjustment in revenues available to each entity in a given budget year for general activities will be based on the projected percentage increase in costs and availability of revenue. The funding available for the activities will be based on the sum of the LGA, total tax collections, and total General Fund revenues after funding the costs of shared services outlined above. Available funding shall exclude funds transferred to other entities, including the following:

- *For the Park Board*, the funding amount shall exclude the General Fund Overhead transfer to the City, the General Fund Administration Fee transfer to the City, and the costs of Park Board Capital Improvements funded from the Park Board levy.
- *For MBC*, the funding amount shall exclude the General Fund Overhead transfer to the City.

- *For the City's General Fund*, the funding amount shall exclude the General Fund Overhead recovered from the Park Board, MBC, and others.

The tax revenue percentage change for the City, the Park Board, and MBC may vary from year to year based on adjustments to LGA, total General Fund revenues, and adjustments to those items excluded from general activities, as well as adjustments to the projected change in cost of providing services. Such adjustments will be reviewed and made subject to the annual budget process.

Local Sales Taxes

The City receives five different sources of local taxes related to entertainment, food and beverage, general retail, and lodging. These local taxes are collected by the State of Minnesota's Department of Revenue and detailed in the State's Sales Tax Fact Sheet 164M. The use of these local taxes are broadly authorized by state laws and statutes and, more narrowly, by annual budgetary decisions by the Mayor and City Council. The following shall guide the City's use of sales tax resources within the Downtown Assets Fund and the associated transfers to the City's general fund:

- Entertainment taxes as defined in Laws of Minnesota 1969 Chapter 1092 can be used for any purpose and are not pledged to any particular operational or capital use. A portion of the entertainment taxes will be utilized within the Downtown Assets Fund for operating costs of assets that are not the convention center or marketing costs. The remainder will be transferred to the City's general fund.
- Sales taxes related to the downtown food and liquor taxes, as well as the lodging taxes, as described in Laws of Minnesota 2012, Chapter 299, Article 3, Section 3 shall first be utilized for:
 - The payment of debt service obligations on the City's Convention Center.
 - The payment of debt service obligations on the City's basketball arena.
 - The payment of the applicable portion of the State of Minnesota's debt service obligations and annual capital and operating cost contribution for the MSFA and its stadium
- Any remainder of the downtown food and liquor taxes, the lodging taxes, together with the 0.5% general sales may then be used for:
 - Operational support of the City's convention center, inclusive of maintenance, service, and marketing agreements.
 - Reserves necessary for the City's convention center and its basketball arena and financing related to these facilities.
 - Economic development.
 - Capital projects generally and any debt service associated with capital projects.

For purposes of the City's annual general fund budget that is supported by local sales taxes, economic development may include a portion of the operations of the Community Planning and Economic Development department, and a portion of any other general fund supported department that enhances the economic vitality of the City.

For purposes of the budget, capital projects can include any general fund cash or debt service for a capital budget item in the City's capital budget in the current year or any prior year budget, either at the original adoption of the budget or added subsequently through amendments.

License, Permit and User Fees

The City may implement user charges to supplement general revenue sources for identified services where the costs are related to the service. The user charge may not exceed the cost of providing the service, although the City may recoup all associated and indirect costs, subject to limitations imposed by Statute, Charter or Ordinance. The City, at the direction of the City Council, may charge less than the cost of providing the service. Fee schedules shall be reviewed with Finance and Property Services and approved by the Council on an annual basis.

Cost of Service

The City shall establish user charges and fees at levels that reflect the cost of providing the service. Components of the user charges may include operating and capital costs, as well as the direct and indirect costs of providing the service. Full cost charges shall be imposed unless it is determined that policy, legal or market factors require lower fees.

Non-Resident Charges

User fees and other appropriate charges shall be levied for City activities, services or facilities in which non-residents participate, whenever practical. Non-resident fees may be set at different levels than charges to residents to minimize the tax burden on City residents. The user fee may not exceed the cost of providing the service.

Enterprise Service Fees and Rates

User charges for Enterprise Services such as water, sewer, stormwater, and solid waste collection, shall be set at rates sufficient to finance all direct and indirect operating, capital, reserve/working capital, and debt service costs. Overhead expenses and general government services provided to the enterprise activities shall be included as indirect costs. Rates shall be set such that these enterprise funds maintain a positive cash position throughout the year and provide for sufficient reserves as determined by fund policy.

Administrative Fees

The General Fund Overhead Allocation Model shall be used to recover General Fund costs attributed to all non-General Fund activities and to allocate costs to General Fund activities for the purpose of calculating indirect costs.

Fines and Administrative Citations

Levels of fines shall be set according to legal guidelines, deterrent effect, and administrative costs.

Private Revenues

All private money donated and accounted for as public money, contributed or lent to the City shall be subject to grant solicitation and acceptance procedures, deposited in the appropriate City fund, and accounted for as public money through the City's budget process and financial system.

City-Administered Special Assessments

The City Council has the authority to levy special assessments. There are four main areas of assessments:

- *Capital or Infrastructure/Public Works Improvements:* The most common types of assessments are for infrastructure improvements and replacements such as sidewalks, street improvements, water and sewer line repairs (not including delinquent utility bills) and special service districts.
 - *Park Board:* The most common types of assessments are for tree removal, and parkway and sidewalk reconstruction, similar to Public Works Improvements.

- *Inspections and Code Enforcement:* The most common types are for rubbish removal; trees, grass and brush cutting; inspection fees for inoperable vehicles towed from private property; re-inspection fees; administrative citations; vacant building registration fees; and inspections.
 - *Tax-Forfeited Properties:* A portion of nuisance abatement special assessments under State statute may be cancelled for tax-forfeited properties.
- *Unpaid Citations and Invoices:* The most common types are for unpaid administrative citations and utility bills, as well as abatement and service invoices associated with Inspections and Code Enforcement (above).
- *Special Districts.* Assessments may be collected for the purpose of funding special districts to the extent allowed by State statute, City Charter or Ordinance.

Method of Payment (Public Works and Park Board Improvement Assessments)

Owners of benefiting properties shall have the option of paying their assessments all at once or in installments as part of their annual real estate taxes following the process outlined in MN Statutes 429.061 and Chapter 10 of the City Charter. The City Council shall determine the number of equal annual installments, not to exceed twenty, in which assessments may be paid. The City Council shall also determine the interest rate to be paid annually on all unpaid installments upon certification of the assessment based on market interest rates. Interest rates shall be determined annually for the new projects to be assessed based on the Daily Treasury Yield Curve Rates in effect on December 1 of the year prior to the property owner receiving notice of the public hearing of a proposed property assessment. The interest rate will correspond to the anticipated term of the assessment plus 2 percent. An alternate structure for timing interest accrual, shifting all interest to the principal balance, shall also be made available to property owners. The first installment shall be payable in the year following certification of the assessment role to Hennepin County and will be payable in the same manner as real estate taxes. Property owners will receive a bill from the City in November of the year before their first payments are due and can prepay this bill up to December 31st without incurring interest costs

Uniform Assessment Rate

The Uniform Assessment Rate is a standardized rate applied in street construction and street renovation projects. Assessments shall be part of the funding for all street paving construction/reconstruction projects for which the City is to bear any part of the cost, except for freeways. This rate shall be applied to the square footage per parcel in the project area to arrive at an assessment cost for each benefited property. The goal of the rate is to ensure an equitable distribution of costs between projects and to assess approximately 25% – 75% of construction project costs depending upon the nature of the improvement project. The Uniform Assessment shall be calculated annually and submitted to the City Council’s Transportation and Public Works Committee for approval. Separate rates must be established based on the type of project (construction, renovation, or resurfacing), funding category (local or other), and benefited parcel category (non – residential or residential).

Permanent Improvement Fund

The Permanent Improvement Fund is used to account for construction costs on basic governmental infrastructure projects. The fund is used to record both expenditures on projects and revenues received from outside funding sources as well as such internal sources as capital improvement tax levies, special assessments, and proceeds of bonds issued for public infrastructure projects. All project

costs not assessed shall be paid from this fund. If the amount of money raised through special assessments is insufficient to pay the maximum amount specified for the project, the balance shall be paid from the Permanent Improvement Fund and offsetting revenue. City Council approval is required in order for the Permanent Improvement Fund to cover funding deficiencies.

Method of Payment (Inspections, Code Enforcement and Unpaid Citations / Invoice Assessments)

Owners of properties with unpaid citations and invoices shall have the amount of the outstanding balance certified to the County by December 15th of the year prior to collection following the process outlined in MN Statutes 429.101. The assessed amount shall be payable in the year following certification of the assessed amount and in the same manner as real estate taxes.

Proceeds from Sale of Real Property

City Ord. Sec. 14.120 requires proceeds from the sale of City property used for municipal operations to be deposited into a Property Disposition Fund. The proceeds of this fund are to be used for implementing the City's strategic real estate plan as developed and approved by the Facilities, Space, and Asset Management (FSAM) Committee with the exception of enterprise and proprietary funds and those funds and properties associated with development purposes. The City's Property Disposition Policy shall be reviewed and updated on a regular basis.

ADMINISTRATIVE POLICIES

Quarterly and Year-End Reporting

The Finance and Property Services Department will report to the Ways and Means Committee quarterly and at year-end, expenditures and revenues by department and fund compared to authorized allocations for the prior fiscal year. This report will identify departments and funds with projected expenditures in excess of authorized appropriations and/or revenues projected to be less than budgeted amounts.

Departments with unanticipated or projected year-end actual expenses in excess of authorized appropriations and/or revenues less than budgeted amounts will report to the Ways & Means Committee each quarter for the year following the year of overspending or under-collection of revenues, beginning with the first committee meeting in April. This report should include information on actual spending and revenue collection to date for the current year and forecasts for the balance of the year compared to allocations. If forecasted spending exceeds authorized appropriations, the department will work with Finance and Property Services to present a plan that reduces spending to meet authorized appropriations or otherwise addresses the deficit.

Operating Costs for Technology

Departments are directed to clearly identify, within existing resources, the funds that would be used to finance the ongoing costs related to the purchase or development of technology prior to the expenditure of funds for the purchase or development of that technology. The sponsoring department shall prepare a Receive and File notice for consideration by the respective home committee and the Ways and Means Committee when the annual operating and maintenance cost of any technology project exceeds \$50,000. This notice shall be submitted as soon after the sponsoring department has identified the ongoing costs and funding sources. Departments shall work with the Information Technology (IT) Department and Finance and Property Services to ensure those costs are identified and included in the contract for technology services. Departments shall also work with IT to jointly determine the appropriateness of the purpose for the City's technology planning. Operating costs of department-specific technology will be

allocated to that department. Technology for use across the City or in support of citywide operations shall be allocated citywide.

Contract Funding

Prior to committing to conditions requiring a minimum purchase under any contract, the department/departments involved must clearly identify the specific funding sources dedicated for such purchases.

Gift Acceptance

Any gifts with a value of \$15,000 or less can be received by individual City departments with written notice to the Finance Officer or his designee. The Finance and Property Services Department shall submit a quarterly gift report to the City Council's Ways and Means Committee for approval. The quarterly gift report shall contain the following information on each donation:

- 1) Name of recipient department;
- 2) Name of entity making gift;
- 3) Description of gift (including date received and special designations on gift, if any); and
- 4) Funding strings for revenue and expense appropriation increases.

For any gifts with a value exceeding \$15,000, the recipient department shall submit a request for authorization to accept the gift directly to the City Council's Ways & Means Committee. Consistent with Minnesota Statutes, section 465.03, the department may not use the gift until it has been approved by a two-thirds vote of the City Council.

Grants Administration

The following provisions apply to the administrative of grant funds within the City.

Applications for Grants

Grant Applications require prior City Council approval if one of the following applies:

1. More than one Department is applying for the same funds and prioritization is required;
2. Grant request exceeds \$250,000;
3. Grant requires any local cash match;
4. Grant requires new hiring to implement the project;
5. The project, if funded, would require an expectation for the City to continue the funding;
6. The application appears to be inconsistent with the City's Annual Budget;
7. The application appears to be inconsistent with the City's Comprehensive Plan, Consolidated Plan, or other adopted Plans or Policies; or
8. The application includes controversial or unclear elements.

Acceptance of Grants

All grant awards need to be formally accepted by City Council and appropriated to a City grant fund. Final, signed grant agreements should be sent to the Procurement Office to be scanned into the financial software for storage.

Changes to Grants after acceptance

Any department which has received a grant shall notify the Finance and Property Services Department of changes in the grant award or terms of the grant that occur after the grant is initially awarded.

Approval of Payments and Procurements

All payments for or procurement of goods and services from external sources, regardless of dollar amount, must be approved. Additionally, where applicable, the system-generated purchase order number will be communicated to the vendor prior to the order being placed. Purchases under \$100,000, with minor exceptions, shall meet the Target Market Program requirements, which can be found at the below link:

<http://www.ci.minneapolis.mn.us/www/groups/public/@finance/documents/webcontent/wcmsp-188040.pdf>

Additional procurement policies and procedures are available for reference at:

<http://www.ci.minneapolis.mn.us/finance/procurement/WCMS1Q-003577>.

Accounts Receivable Collections Policy

Services provided in advance of payment are recorded as accounts receivable. Invoices must be created and recorded as receivables as soon as possible after a billing cycle ends or service is provided. Collections of receivables are managed according to type and age. Collection methods may include the use of collection agencies, cancellation of service and assessment of unpaid amounts to real estate property taxes. Installment arrangements may be utilized to facilitate collections. Receivables that are in dispute or are determined to be uncollectible will be processed in accordance with Minneapolis City Ordinance 509.920 or the Write-off section under the Accounts Receivable Policy depending on the receivable type. All efforts to collect or resolve an outstanding receivable must be done in accordance with Federal Regulations, State Statute and Minneapolis City Ordinance or Charter. Write-offs for delinquent billings shall be managed using the allowance for doubtful accounts methodology rather than the direct write-off method.

PCI Information Security Policy

This policy has been created to ensure compliance with the Payment Card Industry Data Security Standard ("PCI DSS"). The data that resides at and is transmitted from the City of Minneapolis merchant locations includes cardholder data as defined by the Payment Card Industry Security Standards Council. Due to the value of cardholder data and contractual requirements of processing credit cards, it is a high priority for the City of Minneapolis to protect such data and maintain compliance with the Payment Card Industry Data Security Standard.

Central Requisitions and Receiving Policy

The City has developed a Central Requisitions and Receiving process for the purpose of improving and strengthening practices relating to the procurement of goods and services as outlined on the City's Finance & Property Services Department internal website, accessible only to City staff, at the following link:

<http://citytalk/finance/central/index.htm>

Medical Self-Insurance

The City began implementing medical self-insurance on January 1, 2018. The City's medical self-insurance plan shall maintain adequate reserve balances as outlined in the reserve policies section of this document. Funding of reserves shall be included in the premium rates paid by the City and employees. Medical self-insurance reserves shall be used only for medical self-insurance purposes and not be allocated for any other purpose. No interest earned shall be retained in and accrue to the medical self-insurance reserve.

If premium holidays (forgiveness of premiums for a set period) are granted, both the City and employees will share in the premium savings on a pro rata basis according to the share of premium paid by each.

If the medical self-insurance fund is dissolved for any reason, the reserve shall be transferred to the City's remaining self-insurance reserves in the Self-Insurance Fund.

City Time Reporting

Every employee of City departments must follow the City's Time and Labor guidelines for time reporting and approval of compensation, reporting both working and non-working compensable hours. With the exception of Charter Department Heads, every employee's timesheet must be approved by a supervisor, regardless of FLSA exemption status.

Authority of the Finance Officer

The Finance Officer or his designee has the following authorities:

Related to Loans

- To make temporary loans between funds to cover any cash deficits at the end of each fiscal year.

Related to Capital and Debt

- To create or adjust appropriations in any fund to prepay bonds and facilitate transfers for debt service and to make all appropriate transfers and payments relating to debt service and the administration thereof.
- To call (prepay) bonds in advance of maturity for the following types of bonds: net debt, special assessment, enterprise and tax increment provided sufficient excess cash resources are available.
- To approve the closure of non-bond funded capital projects.
- To authorize the Deputy Finance Officer and/or Controller to sign real estate and bond documents in the absence of the Finance Officer.

Related to Appropriations and Transfers

- To amend appropriations related to technical accounting treatment changes.
- To assign fund balance in accordance with GASB 54 based on analysis provided by the City Controller.
- To adjust the appropriations of the special revenue funds for payments to various pension organizations as may be required.
- To establish or adjust appropriations, transfer balances, or make payments to carry out the intent of any action or resolution Passed and Approved, or any legal agreement Passed, Approved and Executed, with respect to any inter-fund loans, advances, residual equity transfers, or operating transfers, or the repayment thereof.
- To make any necessary appropriation adjustments to allow departments to receive and spend funds consistent with Council-approved actions.
- To review and approve any and all transfers of eligible revenues into and out of the Development Account, based on an eligibility assessment and analysis conducted by Finance & Property Services Department staff.
- To approve any and all transfers of eligible revenues into the Property Disposition Fund based on approval by the Facilities, Space and Asset Management Committee and eligibility assessment conducted by Finance & Property Services Department staff.

- To make appropriation adjustments to correct any errors, omissions or misstatements to accurately reflect the intent of the City Council in adopting the Operating or Capital Budget and/or any subsequent City Council action.
- To administratively increase or decrease capital project appropriations to reflect necessary reductions whenever a revenue source is determined to be uncollectible or to increase appropriations upon receipt of funds and/or a reasonable expectation of receipt of funds based on adopted Council actions.
- To appropriate and transfer revenue within the Tax Increment and other special revenue funds consistent with the management of the City's tax increment districts and development program.
- To establish or amend appropriations related to technical accounting treatment changes and to establish and adjust accounts and appropriations, make payments and transfers, process transactions as necessary for the purpose of cash management of revenues, and facilitate any technical corrections, adjustments and completions authorized for the following project/s:
 - Target Center Finance Plan internal allocation models and the appropriations attached to them.

Related to Grants and CDBG

- To make the necessary project and line item budget adjustments to periodically balance budgets and expenses between objectives within given programs and within normal CDBG program constraints.
- To adjust re-appropriations for grant funds within cost centers as appropriate.
- To appropriate available grant balances.

Related to Claims Administration

- To make the necessary adjustments in Subrogation 3rd party claims, to take the necessary action to increase 3rd party payments and decrease write-offs to the City.
- To provide oversight of related-party or sub-recipient transactions using City or pass-through funds to insure compliance with applicable rules and regulations.

Related to Interest Earnings

- To administratively allocate interest earnings from any City fund as long as such allocations are consistent with State law and federal regulations.

Related to State Aids

- To allocate the State Insurance Aid payments received from the state for pension costs.
- To reduce LGA payments to the Independent Boards if payment of the management support charge, or any other charges required by City Ordinance, are not received prior to the distribution of the December LGA payment. This reduction shall only occur after an affirmative vote of the Council to implement this authority.

Related to Rollover

- To re-appropriate funds and certify that an encumbrance is eligible for re-appropriation at the end of the fiscal year. Additionally, the Finance Officer may reject re-appropriation requests based on the financial health of the fund or extenuating circumstances. To be eligible for re-appropriation, requests must meet all of the following criteria:
 - 1) Be a valid encumbrance;
 - 2) Be a one-time expenditure and not a recurring budget item;

- 3) Have a purpose consistent with the department's business plan and included as part of the department's planned expenditures for the year;
- 4) Have the budget year appropriation balance available for the encumbered item; and
- 5) Have a positive fund financial position

FUND BALANCE POLICIES

The objective of the fund balance policies is to provide adequate working capital for cash flow and contingency purposes, while maintaining reasonable tax rates.

General Fund Cash Flow and Contingency

The City shall maintain a minimum unrestricted fund balance in the General Fund equal to 17% of the following year's General Fund budgeted expenditures, not including transfers out, to be used for cash flow purposes, unanticipated expenditures of a non-recurring nature, to meet unexpected increases in service delivery costs or unexpected revenue shortfalls. These funds are used to avoid cash flow interruptions, generate interest income, and to avoid the need for short-term borrowing.

Adequate operating contingency reserves shall be maintained to provide for business interruption costs and other unanticipated expenditures of a non-recurring nature. Enterprise funds shall also maintain adequate capital fund reserves for emergency improvements relating to new regulations, or emergency needs for capital repair or replacement.

General Fund Operating Contingency

Each year, the City shall budget an operating budget contingency of not less than 1% of all budgeted General Fund expenditures in each of the applicable years planned for in the City's Five-Year Financial Direction.

For all other funds, appropriate balances shall be maintained reflecting the nature of the accounts, including the following:

Non-General Governmental Funds

The appropriate balances shall be the amount needed to maintain positive cash balances throughout the year with exceptions made for those funds associated with economic development purposes, and those under the downtown assets umbrella fund, which may be aggregated by fund type to maintain a positive balance.

Enterprise Funds

The City shall maintain a minimum cash balance in its Enterprise Funds equal to three months of operating expense, or 25% of the funds' annual operating budget. This balance shall be maintained to ensure adequate maintenance reserves, operating cash flow requirements, debt service requirements and legal restrictions. Where cost-effective access to capital markets is available and debt financing is regularly used, replacement balances shall not be maintained in a manner which charges current consumers to pay for future facilities, with exceptions made for those funds associated with economic development purposes. Balances in excess of three months of operating expense may be utilized for capital purchases and replacements in lieu of debt financing if doing so allows for continued maintenance of appropriate balances and funding plans. Alternatively, surplus cash reserves may be used for early debt retirement at the discretion of the Finance Officer. Financing decisions shall consider the impact on user rates.

Internal Service Funds

The following balances shall be maintained to ensure adequate maintenance reserves, cash flow balancing requirements and legal restrictions:

- *Self-Insurance Fund* shall maintain a cash balance equal to the unpaid claim reserves payable amount on its balance sheet, as defined by the independent actuary plus 10% of the annual department operating budgets within the fund. Net position within the fund should not fall below zero.
- *Medical Self-Insurance Plan* shall maintain a minimum cash balance of 25% of total annual claims. Funding of the reserves shall be included in the premium rates paid by city employees.
- *Fleet Services, Intergovernmental Services, and Property Services Funds*: If allocation model charges to customers are sufficient to cover debt service or depreciation expense, then the minimum cash balance should be 15% of the fund's operating budget. If not, the reserve should be 15% of the fund's total budget. Net position shall not fall below two times the fund's annual depreciation amount.
- *Stores and Engineering Materials & Testing Funds* shall maintain cash and net position equal to 15% of the fund's annual operating budget. For the purposes of the cash and net position target, the fund's annual operating budget shall exclude purchases of construction materials for capital projects.

Use of Fund Balances

Fund balance is the accumulation of prior years' excess or deficit of all revenues and expense. In the case of proprietary funds, this is termed unrestricted net position. For the purposes of the budget, revenue and expense activity includes bond proceeds and debt service. Available fund balances shall not be used for ongoing operating expenditures, unless a determination has been made that available balances are in excess of required guidelines and plans have been established to address any future operating budget shortfalls. Emphasis shall be placed on one-time uses that achieve future operating cost reductions and/or service level efficiencies.

Annual Review

An annual review of cash flow requirements and appropriate fund balances shall be undertaken to determine whether modifications are appropriate for the reserve policy.

ACCOUNTING POLICIES

The objective of the accounting policies is to ensure that all financial transactions of the City and its boards, commissions, and agencies conform to federal and state laws and regulations and generally accepted accounting principles (GAAP).

Accounting Standards

The City shall establish and maintain a central accounting system according to GAAP, which are set by the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB). The central system shall be used for financial transactions of all City departments, boards, and independent agencies.

Disclosure and Monitoring

Full disclosure is provided in all financial statements and bond representations. Financial systems are maintained to monitor all financial activity on a daily, monthly, and year-end basis. A Comprehensive

Annual Financial Report (CAFR) is published by the City within six months of the fiscal year-end as required by the Office of the Minnesota State Auditor. The CAFR shall be published on the City's website.

INVESTMENT POLICIES

Investment Policy and Strategy

It is the policy of the City that the administration of its funds and the investment of those funds shall be regarded as its highest public trust. The Investment Policy of the City defines the parameters within which funds are invested. The policy establishes the framework for the City's investment program to ensure effective and judicious investment of the City's funds. The Policy is intended to be broad enough to allow investment officer(s) to function properly within the parameters of responsibility and authority, flexible enough to address changing market conditions, and specific enough to safeguard investment assets. The receipt of a market rate of return is secondary to the requirements for safety and liquidity. The earnings from investments are used in a manner that best serves the interests of the City and its various specialized funds. The complete current Investment Policy and Strategy, approved by the City Council is available at:

http://www.ci.minneapolis.mn.us/www/groups/public/@finance/documents/webcontent/wcms1p_128032.pdf

Depositories

The Finance Officer is authorized to designate current City depositories pursuant to Chapter 118A and the City's investment policy. A list of eligible depositories shall be subject to a Council-approved request for proposals process no less than every five years.

DEVELOPMENT FINANCE POLICIES

The objective of the development finance policies is to provide guidance for public assistance to community development efforts in a manner that balances costs against benefits. City staff shall identify sufficient public and private resources at the time a project is approved to ensure feasible completion and operation of the project. All development financing proposals shall be reviewed to ensure that the proposed finance plan is reasonable, balanced, and the best means by which to achieve City objectives, while adequately protecting citywide financial interests.

Tax Increment Policy

The Tax Increment Policy guides the City's use of the tax increment financing (TIF) tool. It identifies the purposes and conditions under which TIF may be used, and the factors to be considered when evaluating a developer's application for TIF assistance. The policy states that TIF will only be used when the City has the financial capacity to provide the needed public assistance and the developer can clearly demonstrate that the development will be able to meet its financial and public purpose commitments. The City seeks to recapture this public investment to the maximum extent feasible after allowing the developer a reasonable rate of return on their equity. Pay-as-you-go TIF financing is preferable to tax increment bond financing since repayment risk is assumed by the developer instead of the City. The City will only issue general obligation (G.O.) tax increment bonds under certain strict situations that are specified in the policy. Only those public improvements and public redevelopment costs directly associated with a proposed development project can be financed using TIF. The City's current Tax Increment Policy, as approved by the City Council, is available at:

http://www.ci.minneapolis.mn.us/cped/resources/reports/cped_tax_increment_policy

Tax Abatement Policy

The Policy for the Use of Tax Abatement for Historic Properties identifies the circumstances under which the City will consider the use of tax abatement to support the substantial rehabilitation of designated historic preservation properties. Proposed uses of tax abatements must achieve one or more identified objectives, and the expected benefits to the City must at least equal the City's costs. The City's current policy, as approved by the City Council, is available at:

http://www.ci.minneapolis.mn.us/cped/resources/reports/cped_tax_abatement_historic

Tax Increment Special Revenue Funds and Internal Loans

State statute requires that tax increment (TI) revenues must be segregated from all other revenues of the City and maintained in separate TI (special revenue) funds established for each TIF district. A new TI fund is established whenever a new TIF district is approved. Qualifying expenses are charged to these individual TI funds as they are incurred. If expenses are incurred before the TIF district has generated any TI revenue, then the TI fund will experience a negative fund balance

When a TI fund experiences a negative fund balance, this is considered an "interfund loan" by the Office of the State Auditor. State statutes require that specific actions must be taken by the City to authorize these types of loans. As part of the budget process, and for purpose of covering any temporary negative fund balances in TI funds, the City authorizes interfund loans (also referred to as "capital advances") from other TI funds in the amount needed to offset any negative fund balances.

These loans do not result in the actual transfer of revenue between TI funds, but rather the collective positive fund balance of all the City's TI funds offsets any negative fund balances that may exist in a small number of TI funds. As TI revenue is collected and deposited in a TI fund that has a negative balance, the interfund loan for that TI fund is reduced and eventually paid off.

Housing Improvement Area Policy

The City's Housing Improvement Area (HIA) Policy establishes the conditions under which HIAs may be approved by the City Council, and provides a framework within which requests for the establishment of HIAs will be considered. This Policy briefly describes the statutory requirements of HIAs, and includes a list of the City's goals and objectives, guidelines, and minimum criteria associated with the use of this financing tool. The administrative process and procedure for the establishment of HIAs in the City is also available in separate documentation.

Development Program and Project Appropriation Expiration

Any appropriation for a CPED development program or project that hasn't spent at least 75% of this appropriation on tangible project activities within a four-year period (including the appropriation year) may be subject to expiration. This test began with 2014 appropriations, which were subject to expiration at the end of 2017 unless the above test was met.

The mechanism for tracking these appropriations shall be an annual "CPED Development Program and Project Status Report" that is presented to the Economic Development & Regulatory Services Committee and the Ways & Means Committee at the request of the chair of either committee. This report shall contain the following information by individual program or project:

Brief program or project description;
Year of original appropriation;

Total appropriation for the most recently completed fiscal year (including any appropriation amounts rolled-over from prior years);
Annual expenditures for the most recently completed fiscal year;
Total outstanding encumbrances and Council commitments as of the most recently completed fiscal year; and
The unexpended and unobligated appropriation balance;

The 2019 report will contain information for calendar years 2015-2018, and will identify those development programs and projects that have not expended at least 75% of their 2015 appropriation, and the amount of the unspent 2015 appropriation that will expire, subject to review by the City Council.

CDBG REPROGRAMMING POLICIES

There are four sources for reprogramming funds:

- 1) Unspent annual administrative appropriations,
- 2) Unspent and not legally obligated public service funds over two years old,
- 3) Cancelled, ineligible or unspent capital funds over four years old,
- 4) Program income.

Administrative Allocations

The intent of the reprogramming policy is to limit administrative fund expenditures to the amount that was appropriated for that calendar year, regardless of the amount that is available from the grant balances. The limitation applies to the City Department's non-contractual, internal costs. Funds that are allocated to grant recipients for administrative purposes are exempt from this provision (e.g.: Legal Aid, Public Housing Citizen Participation). These projects are legal obligations and do not become part of the administrative reprogramming calculation unless the projects were finalized without fully expending the funds.

Public Service Allocations

The amounts that are awarded from and appropriated for public service activities expire two years from the original award date for that CDBG program year that starts on June 1. The Department may roll over appropriations from the prior year, as needed to carry out these activities. After two years, any unspent amounts and those that are not legally obligated are available for reprogramming and will be referred to the reprogramming process.

Program Income

Program income not obligated by existing contracts is available for reprogramming. Projects with a twelve-month period of inactivity shall be cancelled if the project has been authorized for more than three years.

PUBLIC PARTICIPATION POLICIES

Consistent with adopted City goals and values, the objective of the Department's public participation policies is to enhance the City's ability to meet financial and policy challenges by promoting a well-informed community and by encouraging public input in the decision-making process. Financial and budget reports are available on the City's web site and in the Finance & Property Services Department offices in Room 325M City Hall.

Financial Reports

Information regarding the City budget and, financial statements shall be available to residents in various formats and, upon request; translation assistance is available via the City's Neighborhood and Community Relations Department.

Budget and Service Priorities

Various methods shall be used to ensure public input into the budgeting process, such as informational hearings, surveys, resident-based review committees and community meetings. The Mayor's recommended budget is available on the City's web site for review shortly after its release in mid-August each year. All City Council budget meetings in the fall are public and advertised as part of the normal Council Committee process. City stakeholders are encouraged to communicate any concerns related to the budget to the Mayor's Office, and to their Council Member.

CAPITAL BUDGET POLICIES

The objective of the capital budget policies is to ensure construction and maintenance of capital assets and infrastructure in the most cost-effective manner.

Capital Improvement Program

The City prepares and adopts a five-year Capital Improvement Program (CIP) that details each capital project, the estimated cost and funding sources. An adopted point rating system is used to rank and prioritize recommended projects. The CIP includes City infrastructure, but does not include capital planning for major City facilities, including the Minneapolis Convention Center or Target Center.

Planning Direction Provided

The adoption of the CIP is to assist in planning and provide direction for City departments, but it does not establish permanent Council commitment to the out-year projects, either in scope or timeline of construction.

Operating Budget Impacts

Operating expenditures/savings of each capital request are included in the cost of implementing the CIP and reflect estimates of all personnel expenses and other operating costs attributable to the capital outlays. Departments receiving capital funds must account for the increased operating costs resulting from capital projects.

Repair and Replacement

The City strives to maintain its physical assets at a level that protects the City's capital investments and minimizes future maintenance and replacement costs. Where possible, the capital budget shall provide for the adequate maintenance, repair and replacement from current revenues.

Capital Requests Outside the CIP

In addition to physical assets narrowly defined as infrastructure, the City needs to maintain and replace capital equipment such as fleet and rolling stock, software, personal protective equipment and other depreciable assets that are generally not large enough or of the asset nature to fund through the City's CIP process. These non-CIP assets are addressed via the annual operating budget-setting process, and shall at minimum include consideration of ongoing maintenance costs and future replacements prior to being requested. Fleet replacements shall be included as part of the City's Current Service Level to the extent

that they are included in a fleet replacement plan and the responsible department is charged in advance for planned replacements. IT-related requests shall be submitted in cooperation between the requesting department and the IT Department and will be reviewed by the IT Governance Committee to ensure consistency with the City's longer-term technology plan.

Future cost increases above those costs that are presented in individual budget requests or the Fleet Replacement Plan may be funded by submitting another request during the City's annual budget setting process or by using discretionary budget.

Whenever possible, the City shall utilize external resources, but recognize replacement costs associated with externally funded equipment. External resources received after funding has been appropriated shall replace funding for the department and not expand spending to the extent that the external revenue does not allow supplanting. Funding shortfalls in Internal Service Funds in the first year of the plan may be funded by General Fund fund balance with the expectation that recognized shortfalls in subsequent years will be funded through the approved rate models.

Public Art

During each calendar year, the city shall dedicate a minimum amount of funding, regardless of source, to the commissioning, siting, placement, conservation and maintenance of public art. The minimum amount of funding shall be the equivalent of 1.5 percent of the total amount of net debt bonds authorized by the City Council through the City's annual budget process.

Neighborhood Park and Street Infrastructure Plans

On April 29, 2016, the City Council approved ordinance amendment 2016-031 amending Chapter 16 of the Minneapolis Code of Ordinances by adding Article XIV. Neighborhood Park and Street Infrastructure Plans. The amendment establishes a 20 year funding plan to make significant additional capital improvements to neighborhood parks and street infrastructure utilizing racial and economic equity criteria while also avoiding the uncertainty and inflexibility of various potential ballot measures. The financial plan is fully described in Resolution 2016R-151 also approved on April 29, 2016. Details of the ordinance amendment and funding resolution are available at:

<http://www.minneapolismn.gov/www/groups/public/@council/documents/proceedings/wcmssp-179487.pdf>

CAPITAL PROJECT ADMINISTRATION

Reduction of Appropriations if revenues are not realized

The amounts appropriated for capital projects using various revenue sources are appropriated contingent upon the reasonable expectation of receipt of the identified revenue.

Re-appropriation of Capital Projects

Capital project appropriations automatically roll over from year to year for ongoing or incomplete projects. Appropriations associated with non-CIP capital requests shall only roll-over if meeting the roll-over criteria for operations. The balances of prior year appropriations supporting operating budgets and reimbursable projects in capital project funds, internal service funds and enterprise funds do not roll over from year to year.

Expiration of Revenue-Funded Capital Projects in Enterprise funds

For certain enterprise fund capital projects, annual revenues are designated as the source of funding. These projects are typically for recurring major maintenance projects or ongoing long-term programs. For these projects, the expenditures are to be paid from funds of the appropriation year in which the work occurs. These projects will not have their appropriations carried forward since they receive a new annual appropriation each year based on work needs, existing financial capacity and utility rate considerations. Exceptions for large multi-year standalone enterprise projects will be made on a case by case basis with the approval of the Finance Officer. Bond appropriations authorized for these programs will be carried over upon request.

Reallocation of Bond Resources

Reallocation of excess bond proceeds must follow applicable charter, statutory and IRS regulations and provisions related to the issuance and use of those resources consistent with the City's comprehensive plan. Bonds cannot be reallocated until a project is completed and closed or abandoned. At the time of project closing, any excess bond proceeds will be reallocated according to the following priorities:

- 1) Completed projects with existing deficits;
- 2) Approved capital projects or programs with projected deficits;
- 3) Returned to the debt service fund to pay debt service;
- 4) If bond proceeds are returned to the debt service fund, a corresponding increase in capital allocations will be made in the next capital year.

Expiration of Capital Project Funding

For all capital appropriations, the City Council authorizations for bond issuance and project appropriation will expire after a maximum of four years following original project appropriation.

The expiration of bond authorizations and project appropriations under this policy will automatically take place unless a request for extension is specifically made to the Ways and Means Committee and is approved by the City Council.

DEBT POLICIES

The debt management policies provide a framework for managing the City's debt-funded capital financing and economic development activities in a way that preserves the public trust and balances costs to current and future taxpayers without endangering essential City services.

Authority and Oversight

Management responsibility for the City's debt program is delegated to the Finance Officer. The Debt Management Committee advises on the use of debt financing and debt management activities. The Debt Management Committee meets and includes the following persons:

- Finance Officer
- City Attorney
- Deputy Finance Officer
- Director of Capital & Debt Management
- Executive Secretary, Board of Estimate & Taxation
- Director, Development Finance or designee
- Independent Bond Counsel
- Independent Financial Advisor

Guiding Principles for City of Minneapolis Debt Issuance

Method of Sale

The three primary methods of selling bonds include competitive sale, negotiated sale and private placement. The City uses the competitive sale method for its general obligation bond sales unless factors such as structure, size or market conditions compel the use of a negotiated sale. The City may use the negotiated sale method when the characteristics of the transaction require a more specific marketing plan and/or the issue lacks an investment grade rating due to complex security provisions or other factors.

Selection of Independent Advisors

The City uses competitive processes to select all service providers involved in the bond issuance process. The City shall designate a Municipal Advisor for each bond sale.

Use of Derivatives

Derivative-based financing arrangements shall only be used after careful evaluation by knowledgeable staff regarding the benefits of the instruments as well as all of the associated risks including counterparty credit, market, settlement and operating risk.

Variable Rate Debt

The City uses variable rate debt to provide debt structuring flexibility and potential interest savings to the total debt portfolio. Generally, the City maintains no more than 25% of its total debt obligations in variable rate mode.

Conduit Debt Financings

The City actively participates in conduit business financings. Applications for financing and development proposals are reviewed by City staff to determine if they meet program objectives as determined by City Council financing guidelines and whether the proposal is financially feasible. As part of the application process, City staff will complete a due diligence process and project vetting procedure per established guidelines.

Items reviewed during due diligence reviews may include, but are not limited to, narrative on the company and owners, past three years of financial statements, personal financial statements, tenant and lease data, market feasibility studies, business plans, budget projections, project pro-formas, appraisals, plans and specifications, environmental reviews, insurance covenants, etc. Additionally, the project shall be evaluated for consistency with other City measures related to land use, job creation and compliance with affirmative action, civil rights, job linkage and other equal employment opportunity requirements.

General Obligation Bonds, Property Tax Supported

General obligation, property tax supported bonds finance only those capital improvements and long-term assets that have been determined to be essential to the maintenance or development of the City.

General Obligation Revenue Bonds

The City issues general obligation revenue bonds to finance assets associated with its primary enterprise businesses including stormwater and sanitary sewers, waterworks, solid waste and parking ramps, as well as select other projects, including those financed through the collection of special assessments. Financial feasibility of capital projects is reviewed each year, including a review of the cash basis pro forma for these funds. Five-year business plans detailing projected operating costs and

prior debt obligations are reviewed as well as revenue performance and rate setting analysis to ensure that adequate bond coverage ratios are achieved.

Tax Increment Bonds

The City uses tax increment bonds only when such bonds can be shown to be self-supporting from tax increments, or where secured guarantees are provided for potential shortfalls, in order to avoid the use of citywide property tax revenues.

The City will not issue general obligation tax increment bonds except when all net bond proceeds are used to directly pay public costs or refinance debt that was previously issued to pay for such costs, and the taxable development that will generate the tax increment is either fully constructed or is underway and subject to the terms and conditions of a development agreement with the City. Alternatives, such as “pay as you go” financing and reimbursing front-end public redevelopment costs with tax increment revenues, are available as alternatives to bond financing and are to be considered and used when appropriate.

Special Obligation Revenue Bonds

Special obligation revenue bonds, those bonds for which the City incurs no financial or moral obligation, are issued only if the associated development projects can be shown to be financially feasible and contributing substantially to the welfare and/or economic development of the City and its inhabitants.

Bond Term

The City shall issue bonds with terms no longer than the economic useful life of the asset financed and frequently chooses terms shorter than the economic life to minimize interest expense. For self-supporting bonds, maturities and associated debt service shall not exceed projected revenue streams.

Approvals for Bond Issuance

The amounts appropriated in any City fund to be financed by bond proceeds are contingent upon the necessary approvals for issuance. The Finance Officer is authorized to establish or adjust any bond-financed appropriations when the necessary approvals for issuance of bonds are obtained.

Alternative Financing Arrangements

The Finance Officer is authorized to establish or adjust appropriations, make payments and transfers, and process transactions as necessary for the purpose of providing departments, boards and commissions an internal financing alternative to lease/purchase agreements with external vendors. The Finance Officer may provide capital advances from individual funds to the extent funds are available. The Finance Officer shall establish the term and interest rate applicable to the capital advance. The principal amount of the capital advance may be transferred to the fund of the department, board or commission after the purchase of the asset and execution of an Internal Lease/Purchase Agreement, signed between the department, board or commission and the Finance Officer. Prior to issuing the capital advance, the Finance Officer shall determine that the department, board or commission has made a commitment in their annual budgets to provide the funds necessary to repay the advance, with interest, over the term of the agreement.

Internal Loans for Bond Defeasance

The Finance Officer is authorized to establish internal loans as an alternative to issuing short to medium term (< 10 years) refunding bonds when bonds become callable. The interest rate to be used for the internal loans will be set using the Daily Treasury Yield Curve Rates at inception of the loan using the

term applicable to the weighted average life of the refunding bonds, plus one percent. Internal loans made with tax increment are also subject to interest rate caps set forth in law. To use this approach, the Finance Officer will be required to designate the fund providing the loan proceeds from which the bonds will be paid and will be required to record the loan. The designated loan fund will receive the interest income and the appropriate debt service fund will be used to record the loan principal and interest payments. The loan balance between the designated loan fund and the debt service fund will be adjusted each year based on loan principal paid. Internal loans related to Housing Improvements Areas are not subject to the interest rate restrictions set forth above. A separate resolution will be required to be adopted by the City Council authorizing the loan in lieu of refunding bonds.

Appropriations for Debt Service

Sufficient funds shall be appropriated to pay debt service requirements and the Finance Officer shall be authorized to adjust appropriations to provide for prepayments, loans, transfers and other debt administration costs as necessary.

Post Issuance Compliance Policy

The City of Minneapolis adopted a formal Post-Issuance Compliance Procedure and Policy for Tax Exempt Governmental Bonds on August 3, 2012. This policy establishes the documentation requirements and management actions the City will perform to ensure compliance with the Internal Revenue Code and Treasury Regulations. Compliance with Treasury Regulations is required to maintain the tax-exempt status of the City's bonds. A copy of the full policy is available online here: http://www.minneapolismn.gov/www/groups/public/%40clerk/documents/webcontent/wcms1p_096355.pdf

Use of Investment Earnings

The investment earnings from unspent bond proceeds shall be accounted for in separate arbitrage funds and will be allocated to debt service on net debt bond issues and shall be transferred on the scheduled debt service payment dates. The exception to this is that investment earnings on unspent tax increment bonds are to be used only for tax increment-eligible purposes related to that specific tax increment bond issue.

Tax-Exempt Bonds

The annual capital budget resolution constitutes an official declaration pursuant to IRS Treasury Regulations Section 1.150-2 that the City intends to reimburse expenditures which may be made for those projects designated herein to be funded with bond proceeds by incurring tax-exempt debt of the City in the amount of up to 125% of the project costs noted (taking into account the potential increases in actual project costs that may occur due to the timing lag between the budget preparation and the dates of the actual expenditures for project costs and decreases in other sources of funding). The expenditures to be reimbursed include all preliminary expenses for planning, design, legal, consulting services and staff costs reasonably allocated to the project as well as costs incurred and paid for related to the design and construction of the projects after approval of the capital budget. In addition, the City hereby declares its official intent to reimburse itself for expenditures for projects described as bond funded in the annual adopted capital resolution as amended by subsequent related resolutions. The projects are more fully described on Capital Budget Request forms on file in the office of Finance and Property Services.

Source of Repayment

The reasonably expected source of funds to pay debt service on the tax-exempt bonds to be issued by the City consists of the following according to the designated bond type:

Bond Type	Source
Net Debt	Property Taxes
Equipment, Property Services or Information Technology	Internal User Fees
Sanitary Sewer	Sanitary Sewer Fund revenues
Stormwater Sewer	Stormwater Fund revenues
Water	Water Fund revenues
Parking	Parking Fund revenues
Solid Waste & Recycling Services	Solid Waste revenues
Assessment	Special Assessments
Tax Increment	Tax Increment revenues

Future Declarations of Official Intent to Reimburse

The Finance Officer is authorized to make additional declarations of official reimbursement intent to reimburse expenditures in connection with the projects described herein and other projects for which the City plans to issue tax-exempt bonds to reimburse expenditures pursuant to IRS Treasury Regulations Section 1.150-2. Copies of any such further declarations shall be filed with the Ways & Means Committee and the Board of Estimate and Taxation.

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**City of Minneapolis
2019 Budget**

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City of Minneapolis
2019 Budget
Five-year Financial Direction 2020-2024
(Including information on the City's General Fund)

Introduction

The Five-year Financial Direction reflects the City's ongoing commitment to long-term financial planning. The financial direction provides projections for property tax supported services, including the City's General Fund, pensions, capital and debt. The purpose of recommending a 2020-2024 financial direction is to provide guidance for decision making on available planned resources in the City's General Fund.

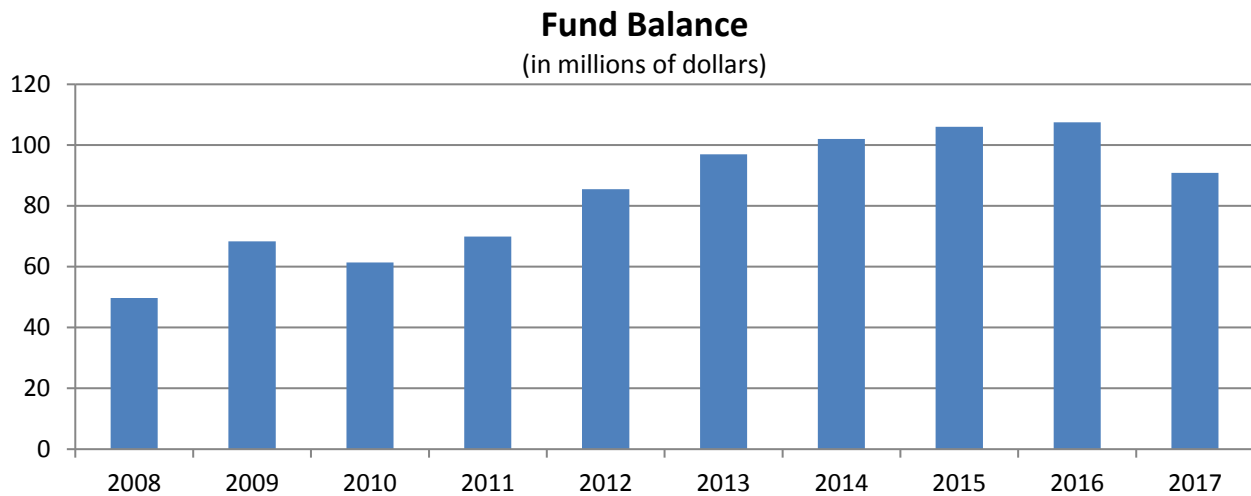
General Fund

The General Fund is the general operating fund of the City and is the primary funding source for public safety, street paving, snow plowing and other general government services. In 2019 the General Fund expense and revenue, including use of fund balance, is \$512.1 million.

Historical Financial Performance

The results of the General Fund's annual operations at the end of the year reflect the fund's "fund balance," or the amount of available, spendable resources contained within the fund. The balance provides the City a reserve to cushion adverse economic shocks and to meet a portion of the City's cash flow needs. The City's policy is to maintain a minimum unrestricted fund balance of 17% of the following year's budgeted expenditures.

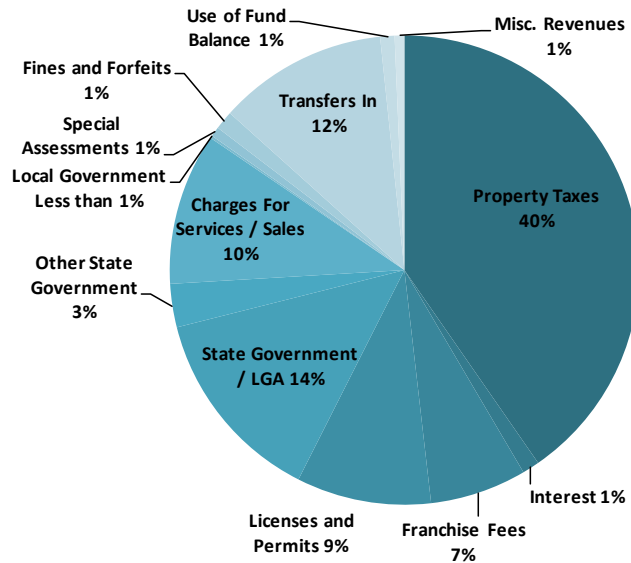
The General Fund began 2018 with a fund balance of \$117.1 million. The 2018 year-end fund balance in the General Fund is expected to be at \$90.9 million, which is greater than the stated fund balance requirement of 17%, or \$87.1 million, of the following year's expenditure budget.



2019 General Fund Revenue Budget

The 2019 Council Adopted budget includes a total of \$512.1 million of revenues for services incorporated in the financial direction, including transfers from other funds and use of fund balance. Budgeted revenues are expected to increase by 6.5% from the 2018 budget, largely because of an increase in interest revenue, transfers in, licenses and permits, and charges for services.

General Fund Revenue Budget - Source of Funds
2019 Council Adopted Budget: \$512.1 million
(includes transfers)



Revenue Source	2017 Actual	2018 Adopted	2019 Council Adopted	% Chg from 2018 Adopted	2018 Adopted % of Total	2019 Adopted % of Total
Property Taxes	180.9	194.6	206.6	6.2%	40.5%	40.3%
Interest	3.3	3.1	6.1	98.4%	0.6%	1.2%
Franchise Fees	32.1	33.5	34.1	1.8%	7.0%	6.6%
Licenses and Permits	45.1	43.6	47.5	9.0%	9.1%	9.3%
Sales and Other Taxes	82.0			0.0%	0.0%	0.0%
State Government / LGA	68.5	69.7	69.7	0.1%	14.5%	13.6%
Other State Government	15.6	14.9	15.3	2.6%	3.1%	3.0%
Charges For Services / Sales	51.0	48.9	53.6	9.5%	10.2%	10.5%
Local Government	1.0	0.9	0.9	2.2%	0.2%	0.2%
Special Assessments	3.2	3.0	3.4	14.6%	0.6%	0.7%
Fines and Forfeits	7.6	6.6	6.6	0.7%	1.4%	1.3%
Transfers In	12.5	38.4	59.9	55.9%	8.0%	11.7%
Use of Fund Balance		17.3	5.0	-70.9%	3.6%	1.0%
Misc. Revenues	3.5	6.3	3.4	-45.7%	1.3%	0.7%
Total	506.3	480.6	512.1	6.5%	100.0%	100.0%

State Aids (including Local Government Aid)

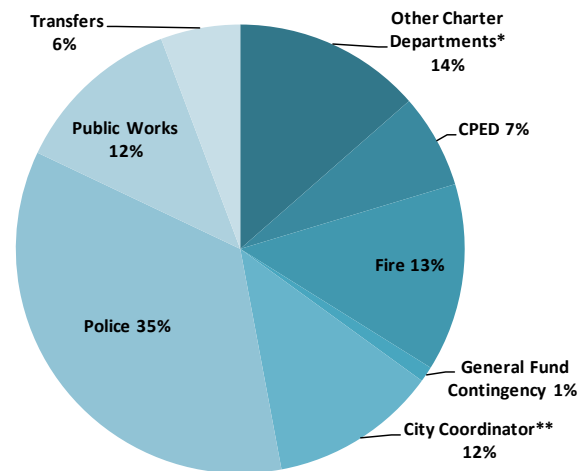
Following several years of uncertainty in funding from the State of Minnesota in the form of Local Government Aid (LGA), including the loss of over \$70 million from 2008-2011, the State has slightly been increasing the amount of LGA appropriated to the City of Minneapolis from \$66.9 million in 2014 to \$69.7 million in 2018. The certified LGA appropriation for 2019 remains almost flat at \$69.7 million; \$70,775 or 0.1% over the 2018 allocation.

2019 General Fund Expenditure Budget

The 2019 Adopted budget for City services included in the financial direction is \$512.1 million, which includes \$29.3 million in transfers to other funds.

Approximately 66.4% of the overall expenditure budget is related to salaries and benefits. In the General Fund, budgeted salary and wage expenditures increased from \$236.2 million in 2018 to \$243.1 million in 2019. The salary and wages expense category also includes overtime costs, contractually-obligated payments, and one-time funding for positions that are not permanent. The General Fund provides funding in some shape or form for most City functions. A breakdown of the allocation of the \$512.1 million in the 2019 General Fund budget is reflected in the chart above.

General Fund Expense Budget - Expenditure by Service
2019 Council Adopted Budget: \$512.1 million
(includes transfers)



* Other Departments: Assessor, Attorney, Civil Rights, Council/Clerk/Elections, Health, Internal Audit, Mayor, and Regulatory Services
 ** City Coordinator: 311, 911, Communications, Emergency Management, Finance and Property Services, Intergovernmental Relations, IT, Neighborhood and Community Relations

Five-Year Financial Direction

The Five-year Financial Direction includes a property tax levy increase of 7.02% in 2020, 8.23% in 2021, 5.47% in 2022, 4.66% in 2023, and 3.93% in 2024. These percentages reflect funding for statutorily-required costs, the 20-year program for additional investments in streets and parks, and a current service level cost escalator for departments and support services. These planned property tax levy increases also provide room for targeted service increases for public safety and elections.

The 2019 budget is the basis for future projections: In other words, services and activities included in the 2018 budget provide the starting point for the 2020-2024 department budget estimates. One-time 2019 supplemental items are removed from department budgets in 2019 and beyond.

The financial direction from 2020 to 2024 contains updates to departmental resources: The financial direction includes the most updated assumptions about contract settlements and other commitments, as well as projected changes in revenue.

Salary Assumption: The City adopted a compensation philosophy in 2007, rather than a specific salary policy. It is anticipated that salary settlements will vary within and between bargaining units. Assumptions are updated annually as contracts are settled.

Capital and Debt Service

As part of the 2019 budget, the amount of property tax supported resources for capital improvements was again increased due to the historic twenty-year Street Infrastructure and Neighborhood Park Funding Plan which was approved in April of 2016. For 2020 and future years, the intent is to provide a higher level of property tax supported (net debt bond) funding along with other resources to improve the overall condition of City streets and neighborhood park infrastructure. Also in 2019, the City Council approved

\$50 million of net debt bond funding for the New Public Service Center project. The additional resources will improve all types of capital infrastructure with a distinct emphasis on improving street paving, protected bikeways and pedestrian improvements, lighting and traffic related safety improvements and major improvements to neighborhood parks. More detail about the total resources dedicated for the Street Infrastructure and Neighborhood Park Funding Plan can be found in the Capital Budget Narrative Overview later in this document. The City's Water infrastructure is also an area of emphasis in this budget.

The Net Debt Bond (NDB) program is paid for with property tax collections. The five-year financial direction for the bond redemption levy will be increasing in 2019 and beyond to support the new street infrastructure and neighborhood parks funding plan. The increases are possible due in part to lower debt levels and the decertification of the consolidated tax increment district in 2020 which will increase the City's tax capacity starting in 2021.

Funding for Pension Liabilities

The five-year financial direction includes obligations for three closed pension funds that have since been merged into the statewide retirement system, the Public Employees Retirement Association (PERA) of Minnesota. The former closed funds that were merged are the Minneapolis Police Relief Association (MPRA), the Minneapolis Firefighters' Relief Association (MFRA), and the Minneapolis Employees Retirement Fund (MERF). The City has ongoing obligations funded from within departmental budgets to PERA to support current and former employees' retirement plans. The 2016 City ordinance passed for the 20-year funding program for streets and parks assumed that the levy supporting pension obligations would decrease by \$5.0 million per year beginning in 2017 and that a portion of these savings on a declining basis would be used through 2021 to fund a portion of the capital program. This plan is on track for 2017 and 2018 but actions at the Minnesota State legislature may impact the City's required pension funding levels beginning in 2019. The five-year financial direction reflects moderate pension levy increases beginning in 2019 to provide for the possibility of higher required pension contributions in the future.

Contingency for Adverse Circumstances

Contingency exists for adverse circumstances. Examples of adverse circumstances the City has encountered include winter seasons with heavy snowfall, reductions in LGA, unemployment costs and increased pension obligations.

What other pressures does the City face in future planning efforts?

The City faces several pressures for which a policy decision has yet to be reached:

- *Property taxes:* Future projections plan on property tax increases to support future services. Reducing the growth in property taxes in the face of additional budget needs will require the City to continue monitoring other revenue sources and expenditures, as well as looking at creative ways in which to reallocate existing resources.
- *Performance Information:* As the City continues to gain experience with using results information for performance discussions, it will need to undertake benchmark development in using this information for financial decision making.

- *Internal Service Costs:* The City continues to see increasing costs to internal services, particularly in fleet – as vehicle replacement costs are rising; and, in information technology (IT) – as increasing demand for new systems create additional future obligations that must be recognized. The City will need to be mindful of containing these costs while continuing to provide current service levels.
- *Department Increases:* The City will continue to see challenges related to the ability to keep up with increased workloads across the enterprise while mitigating the impact on property tax payers.
- *Aging Facilities:* The City is responsible for facilities, including City Hall, Police Stations, and Fire Stations, that are not contemplated in its existing capital processes. As these facilities need major repairs and maintenance, there will be a need to recognize large out-year commitments to fund these projects.

Assumptions for 2020-2024

- The tax policy is managed in the aggregate, with consideration for allocation by use.
- Out-year projections will be adjusted over time as new information becomes available.
- Contingency is maintained to provide cushion for uncertainty related to seasonal and economic conditions proportional to overall anticipated budget increases.
- State aids and interest earnings are projected to remain constant throughout the five-year period.
- Other Non- Property Tax Revenues in the General Fund are assumed to increase by between 1.0 and 1.5% annually.
- Expenditures for the cost allocation model for internal City departments and the government service fee also include cost escalators.
- Local tax revenue is recorded as direct revenue into the Downtown Assets Fund, and a portion, generated primarily from entertainment taxes, is transferred to the General Fund. Sales tax revenues in the General Fund are used for capital projects, and economic development.

Five Year Financial Direction

Sources	2018	2019	2020	2021	2022	2023	2024
Franchise Fees	33,450,000	34,050,000	34,391,000	34,734,000	35,082,000	35,433,000	35,787,000
Licenses & Permits	43,570,000	47,494,000	47,902,000	47,620,000	47,835,000	48,052,000	48,273,000
Charges for Services	49,959,000	53,567,000	53,005,000	53,535,000	54,071,000	54,612,000	55,158,000
Fines & Forfeits	6,558,000	6,602,000	6,668,000	6,735,000	6,802,000	6,870,000	6,939,000
Special Assessments	3,002,000	3,440,000	3,171,000	3,203,000	3,235,000	3,267,000	3,300,000
State Aids	83,452,000	85,046,000	85,046,000	85,046,000	85,046,000	85,046,000	85,046,000
Interest Earnings	3,050,000	6,050,000	4,050,000	4,050,000	4,050,000	4,050,000	4,050,000
Other Misc. Revenues	7,223,000	4,303,000	4,346,000	4,390,000	4,434,000	4,478,000	4,523,000
Transfers In	38,387,000	59,852,000	38,824,000	39,460,000	40,109,000	40,771,000	41,446,000
Use of Fund Balance	17,346,000	5,047,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Property Taxes (General Fund + MBC)	194,555,813	206,601,000	225,316,000	250,337,000	265,299,000	279,864,000	294,389,000
Total Sources*	480,552,813	512,052,000	510,719,000	537,110,000	553,963,000	570,443,000	586,911,000

Uses	2018	2019	2020	2021	2022	2023	2024
Base Costs	448,368,000	467,134,000	487,584,000	504,025,000	520,059,000	536,610,000	553,696,000
Additional PERA Contributions		905,000	909,000	-	-	-	-
One-Time Change Items & Transfers Out	18,473,000	25,295,000	8,150,000	4,650,000	8,000,000	8,000,000	8,000,000
Stable Homes, Stable Schools			3,350,000	3,350,000	-	-	-
NPP 20 / Parks & Streets Capital	5,909,000	5,526,000	4,952,000	11,287,000	11,690,000	11,701,000	11,711,000
Neighborhood Funding Programs			-	4,000,000	4,000,000	4,000,000	4,000,000
NCR Engagement Services			-	3,000,000	3,090,000	3,183,000	3,278,000
Contingency + Other Ongoing Commitments	7,803,000	6,832,000	4,625,000	5,649,000	6,174,000	6,199,000	6,225,000
Mayor's Ongoing Change Items		6,360,000	-	-	-	-	-
Future Investments / Additions to Base Costs							
Public Safety			750,000	750,000	750,000	750,000	-
Elections Base Increase			200,000	200,000	200,000	-	-
Body Camera Program			200,000	200,000	-	-	-
Total Uses*	480,553,000	512,052,000	510,720,000	537,111,000	553,963,000	570,443,000	586,910,000

*Total Sources and Total Uses may not match due to rounding.

Property Tax	2018	2019	Change	2020	2021	2022	2023	2024
General Fund	189,452,884	201,345,000	6.28%	219,902,000	244,761,000	259,556,000	273,948,000	288,296,000
Minneapolis Park Board	62,201,719	65,740,000	5.69%	68,266,000	70,997,000	73,837,000	76,790,000	79,862,000
Bond Redemption	39,350,000	41,510,000	5.49%	43,830,000	45,880,000	48,250,000	50,650,000	50,650,000
Pensions	22,310,000	23,310,000	4.48%	24,310,000	25,310,000	27,310,000	27,310,000	27,310,000
Municipal Building Commission	5,102,929	5,256,000	3.00%	5,414,000	5,576,000	5,743,000	5,916,000	6,093,000
Board of Estimate and Taxation	190,000	210,000	10.53%	220,000	230,000	240,000	250,000	260,000
Teacher's Retirement Association	2,300,000	2,300,000	0.00%	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000
Library / Downtown Office Debt Service	10,300,000	10,300,000	0.00%	10,300,000	10,300,000	10,300,000	10,300,000	10,300,000
Total Property Taxes	331,207,532	349,971,000	5.67%	374,542,000	405,354,000	427,536,000	447,464,000	465,071,000
				7.02%	8.23%	5.47%	4.66%	3.93%

**City of Minneapolis
2019 Budget**

Ten-Year Projection of Demands on the Property Tax

Background

Longer term financial planning is integral to the City’s budget process. In order to identify and plan for demands on the property tax levy, the City implemented a ten-year property tax projection initiative. The ten-year projection was first produced in the spring of 2002 to surface all the demands on the property tax to which the City had committed. This projection led to the adoption of the 8% maximum property tax policy in the summer of 2002 by both the City Council and the Board of Estimate and Taxation. In January 2003, the City Council and Mayor adopted a five-year financial direction to set resource parameters for department business plans. This policy was subsequently amended in 2010 to fund shared costs and provide consistent levels of operating resources for the City and independent boards. Projections now serve as general guidance for departmental resource planning as the City adopted the Program Budgeting Process.

Assumptions in the Ten-Year Projection

For details on the financial outlook for the City, please refer to the schedule of projected demands on the property tax.

Property Tax Levy Assumptions

- Department expenditure budgets will continue to be refined.
- Known obligations will be recognized and incorporated into the Plan.
- Non-property tax revenue sources will be maximized to the extent possible.
- Out-year projections will be adjusted over time as new information becomes available.
- The overall property tax levy is considered in total as well as by intended use.

General Fund Operations Assumptions

- It is anticipated that salary settlements will vary within and between bargaining units. Assumptions are updated annually as contracts are settled.
- Cost allocation model for internal city departments and government service fee includes cost escalators.
- Revenues are expected to increase by 1.0 to 1.5 percent annually.
- Out-year projections will be adjusted over time as new information becomes available.

Capital and Debt Assumptions

- Starting in 2018, the bond levy began to show increases to correspond with planned increases in net debt bond allocations as part of the 20-year Street Infrastructure and Neighborhood Park Plan. These increases are possible due to reduced pension costs, lower current debt levels and the decertification of the consolidated tax increment district in 2020 which will increase tax capacity in 2021. As a result of this new plan and base increases, property tax supported bond funding in the 2019 – 2023 five-year plan is increasing from \$251.8 million (2018-2022 levels) to \$339.8 million, or by about property tax supported bond funding in the 2018 – 2022 five-year plan is

increasing from \$240.7 million (2017-2021 levels) to \$251.8 million, or by 34.9%. This capital infusion increases all classes of City infrastructure with a greater emphasis on paving projects, pedestrian safety, protected bikeways and lighting improvements, traffic safety and signage improvements, bridge improvements and neighborhood park improvements. These additional resources are supplemented with municipal state aid, special assessments and grant funds to deliver these projects.

- Assumptions for future years are to maintain a robust capital improvement program; and, to be able to retire the bond funded portion of the 20 year Street Infrastructure and Neighborhood Park Plan at its conclusion.

**City of Minneapolis - Details of Annual Demand (changes) in Property Tax Revenue
2019 Budget Recommendation Factors and Out Year Impacts - 5.67% Levy Increase**

Property Tax	Current Budget			2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
	2018	2019	% Chg										
General Fund	189,452,884	201,345,000	6.28%	219,902,000	244,761,000	259,556,000	273,948,000	288,297,000	304,604,000	321,466,000	338,901,000	356,929,000	375,569,000
Minneapolis Park Board	62,201,719	65,740,000	5.69%	68,266,000	70,997,000	73,837,000	76,790,000	79,983,000	83,182,000	86,509,000	89,969,000	93,568,000	97,311,000
Bond Redemption	39,350,000	41,510,000	5.49%	43,830,000	45,880,000	48,250,000	50,650,000	53,030,000	55,390,000	57,720,000	60,000,000	60,860,000	61,580,000
Pensions	22,310,000	23,310,000	4.48%	24,310,000	25,310,000	27,310,000	27,310,000	27,310,000	27,310,000	27,310,000	27,310,000	27,310,000	27,310,000
Municipal Building Commission	5,102,929	5,256,000	3.00%	5,414,000	5,576,000	5,743,000	5,916,000	6,092,000	6,275,000	6,463,000	6,657,000	6,857,000	7,063,000
Board of Estimate and Taxation	190,000	210,000	10.53%	220,000	230,000	240,000	250,000	260,000	268,000	276,000	284,000	293,000	302,000
Teacher's Retirement Association	2,300,000	2,300,000	0.00%	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000
Library / Downtown Office Debt Ser	10,300,000	10,300,000	0.00%	10,300,000	10,300,000	10,300,000	10,300,000	10,300,000	10,300,000	10,300,000	10,300,000	10,300,000	10,300,000
Total Property Tax	331,207,532	349,971,000	5.67%	374,542,000	405,354,000	427,536,000	447,464,000	467,572,000	489,629,000	512,344,000	535,721,000	558,417,000	581,735,000
		% Change Property Tax		7.02%	8.23%	5.47%	4.66%	4.49%	4.72%	4.64%	4.56%	4.24%	4.18%

City of Minneapolis
2019 Budget
Finance Plan

Arena Special Revenue Fund

Introduction

The Arena Special Revenue Fund (also known as the Target Center Operations Fund) accounts for the maintenance and operation of the City-funded portion of the Target Center. Convention Center staff is responsible for managing operations within this fund. The City contracts with AEG, which is one of the leading sports and entertainment presenters in the world to manage the day-to-day operations of the facility. AEG is paid a management fee for its services based on a revenue sharing formula contained in the management agreement between the City and AEG. Additionally, the City reimbursed AEG for certain expenditures and losses that they incurred during the renovation.

Sources of funds include rent that is paid by various users of the facility, transfers from the Municipal Parking Fund, and interest earnings. Entertainment tax generated by the facility has historically been a revenue source for the Arena Special Revenue Fund, but that revenue source ended at the beginning of 2018 with the creation of the Downtown Assets umbrella structure. The transfers from the Municipal Parking Fund are specific pledged amounts that were authorized by the City Council back in 1995 and continue through 2021. After 2021 it is assumed that transfers from the Parking Fund will continue at \$5.0 million per year.

There are currently several outstanding bond issues and loans associated with the Target Center. Debt service payments on this debt is not accounted for in the Arena Special Revenue Fund, but is accounted for in separate debt service funds. The first bond issue is the \$57,480,000 Taxable G.O. Refunding Bonds, Series 2009D, which had an outstanding balance of \$39,965,000 as of December 31, 2017. These bonds refunded older bonds that were issued to acquire the Target Center back in 1995. Starting in 2017, semi-annual debt service on the 2009D bonds are 100% paid with tax increment revenues generated by the City's Consolidated TIF District.

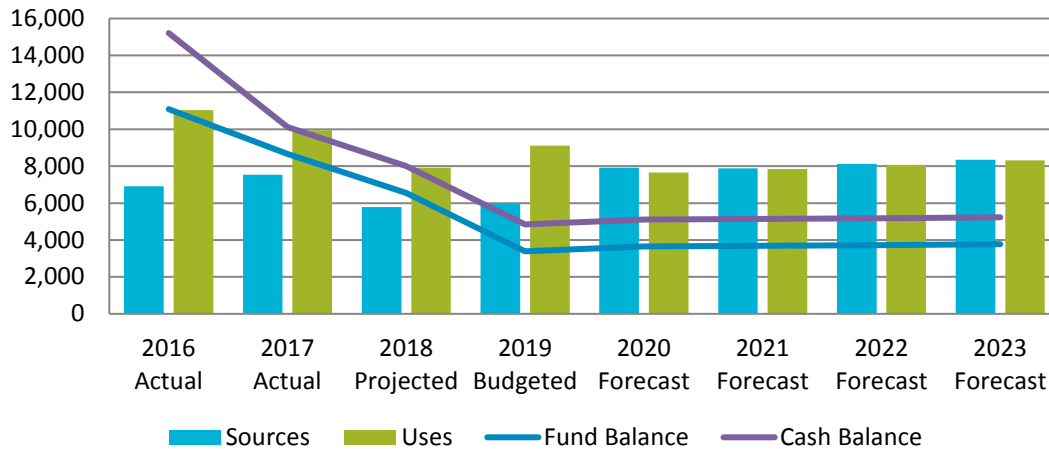
Beginning in 2016 and continuing through 2017, the Target Center underwent major renovation. The City's share of the total cost of this renovation was approximately \$74.0 million. In the first half of 2017 the City issued \$39,915,000 Taxable G.O. Sales Tax Refunding Bonds, Series 2017 to finance a portion of these costs. In May 2018 the City issued \$31,560,000 Taxable G.O Bonds, Series 2018 to finance the remaining portion of the renovation costs that were not paid with other city resources. All of the debt associated with the Target Center renovation will be paid with Minneapolis local sales taxes.

Historical Financial Performance

From 2015 through 2017 the financial performance of this fund has changed significantly in comparison to prior years. This is predominantly due to the renovation of the Target Center, which has resulted in a significant increase in capital improvements, bond financing fees, and operator reimbursement payments which was coupled with a corresponding decrease in fund balance. At the end of 2015, the fund balance

was \$15.2 million. This balance dropped approximately \$4.1 million in 2016, and it dropped another \$2.4 million in 2017. The 2017 year-ending fund balance was \$8.7 million.

Financial Snapshot Arena Special Revenue Fund (in thousands of dollars)



Current Year Projections

Revenue

Based on the most current projections, total uses of funds in 2018 will exceed the 2018 source of funds by \$3.1 million. With the new Downtown Assets structure, the Arena Fund is no longer receiving entertainment tax revenue generated by Target Center events which has been a revenue source in prior years. Based on the most current projections, the 2018 sources of funds are expected to finish close to budget. Sources are projected to fall below uses in 2018 and 2019 and remain relatively flat from 2020 - 2023 in a deliberate strategy to reduce fund and cash balance in this fund while maintaining the fund as part of the larger Downtown Assets umbrella fund.

Expense

It is anticipated that total uses of funds in 2018 will be \$1.0 million less than the current 2018 budgeted amount. This will occur predominantly in the category of capital improvements which did get a rollover of unspent 2017 budget totaling \$2.2 million. A 2018 to 2019 rollover request will be submitted for any unspent capital improvements funds for projects that are underway but not completed at year-end.

Change in Net Position & Fund Balance

The projected 2018 change in net position and corresponding reduction in 2018 fund balance is projected to finish \$1.0 million under budget. Ending fund balance is projected to be \$6.5 million.

2019 Budget

Beginning in 2018, the Arena Special Revenue Fund is managed as part of the Downtown Assets umbrella fund. The Downtown Assets Fund is intended to help the City provide a coordinated management and funding structure for the physical infrastructure assets in Downtown Minneapolis which help generate sales and entertainment taxes that support City spending. For more information on the Downtown Assets Fund, see the corresponding financial plan in this section of the budget book.

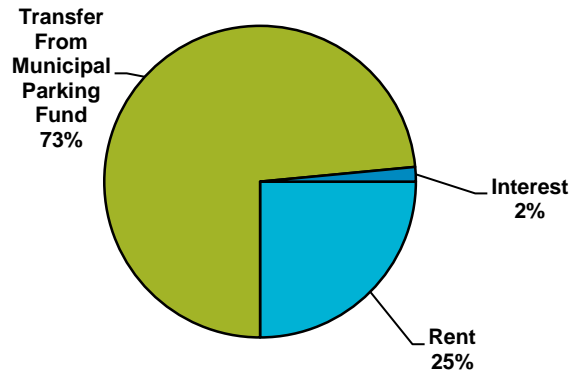
Total sources of funds in 2019 are budgeted at \$6.0 million, and total uses of funds are budgeted at \$9.1 million. With the Downtown Assets structure, a transfer was added to transfer \$2.8 million from the Arena Special Revenue Fund to the Downtown Assets Fund to further reduce cash and fund balances. The 2019 budgeted change in net position is negative \$3.2 million, and budgeted ending fund balance is \$3.4 million.

Revenue

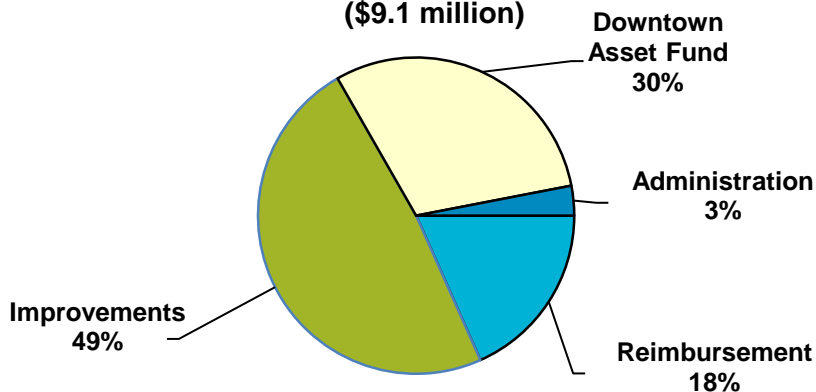
Total sources of funds in 2019 are budgeted at \$6.0 million, which is \$176,000 or 3.0% higher than the total projected sources in 2018 of \$5.8 million. Sources include rent, transfers from the Municipal Parking Fund, and interest earnings. Entertainment tax revenue is no longer being received to this fund. The pie chart shows the percentage that each of these sources represents of the total.

The budgeted amounts for rent and the parking fund transfer show increases when compared to their corresponding projected 2018 figures. This includes \$4.4 million in transfers from the Municipal Parking Fund (an increase of \$225,000 or 5.4%), and \$1.5 million in rent (an increase of \$30,000 or 2.1%). Interest earnings are budgeted at \$90,000 which is a decrease of \$79,000 or 46.7% based on a projected decrease in cash of \$3.2 million from the projected \$8.0 million in 2018.

**Sources of Funds
(\$6.0 million)**



**Uses of Funds
(\$9.1 million)**



Expense

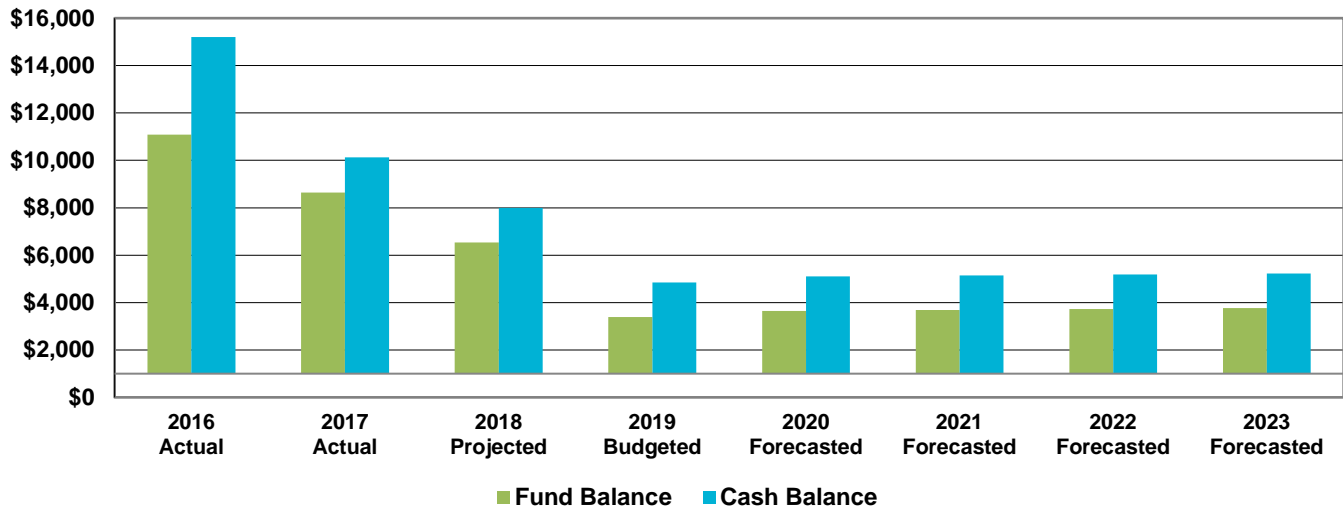
Total uses of funds in 2019 are budgeted at \$9.1 million, which is \$1.2 million or 15.3% higher than the total projected uses in 2018 of \$7.9 million. This is predominantly due to the addition of the new \$2.8 million transfer from the Arena Special Revenue Fund to the Downtown Assets Fund.

The 2019 budgeted amount of \$4.4 million for capital improvements decreases \$1.6 million or 26.5% when compared to the \$6.0 million projected 2018 figure, and the \$278,000 2019 administration budget decreases \$5,000 or 1.8% when compared to the current 2018 projection of \$283,000.

Fund Balance & Cash Balance

The 2019 net change in fund balance is projected to decrease by \$3.2 million which will further draw down fund balance and cash reserves. This comes after negative net changes in 2016, 2017, and projected 2018 which significantly reduced fund balance from \$15.2 million at the end of 2015 to a projected balance of \$6.5 million at the end of 2018. The reduction in fund and cash balances are attributed to increased capital spending along with operator reimbursements and payments (Unamortized Improvements) to reimburse AEG for construction related losses associated with the renovation, in addition to the new transfer of \$2.8 million from the Arena Special Revenue Fund to the Downtown Assets Fund. In 2020 – 2023 a transfer to the Arena Special Revenue Fund from the Downtown Assets Fund was added to maintain relatively flat cash and fund balances.

Arena Fund Cash and Fund Balances
(in thousands of dollars)



There is currently no prescribed minimum fund balance or cash balance for the Arena Special Revenue Fund, however, at the end of 2019 it is anticipated that the fund balance will be \$3.4 million which is 48.2% lower than the 2018 projected fund balance of \$6.5 million.

City of Minneapolis
2019 Council Adopted Budget
Financial Plan (in thousands of dollars)

Arena Special Revenue Fund

	2016 Budget	2016 Actual	2017 Budget	2017 Actual	2018 Budget	2018 Projected	2019 Budget	% Chg From 2018 Projected	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast
Source of Funds:												
Rent	1,350	1,350	1,433	1,433	1,461	1,461	1,491	2.1%	1,520	1,551	1,582	1,613
Transfer from Municipal Parking Fund	3,728	3,728	3,940	3,940	4,158	4,158	4,383	5.4%	4,615	4,853	5,000	5,000
Transfer from Downtown Assets Fund	-	-	-	-	-	-	-	-	1,717	1,415	1,475	1,682
Entertainment Taxes (a)	1,394	1,694	1,270	1,293	-	-	-	-	-	-	-	-
Interest Earnings	34	136	156	123	159	169	90	-46.7%	57	60	61	62
Rental Income Land/Buildings	-	-	-	737	-	-	-	-	-	-	-	-
Total	6,506	6,908	6,799	7,526	5,778	5,788	5,964	3.0%	7,909	7,879	8,118	8,357
Use of Funds:												
Operator Reimbursement	1,541	1,600	2,000	2,000	1,627	1,627	1,672	2.8%	1,718	1,765	1,814	1,864
Capital Improvements	10,553	7,427	7,745	5,324	6,975	6,000	4,412	-26.5%	5,634	5,768	5,941	6,119
Administration	255	280	274	272	283	283	278	-1.8%	299	308	318	328
Transfer to Downtown Assets Fund	-	-	-	-	-	-	2,757	-	-	-	-	-
Unamortized Improvements (b)	3,736	1,557	2,179	2,272	-	-	-	-	-	-	-	-
Financing Fees & Bond Interest	-	178	-	83	-	-	-	-	-	-	-	-
Total	16,085	11,042	12,198	9,951	8,885	7,910	9,119	15.3%	7,651	7,841	8,073	8,311
Net Change in Fund Balance	(9,579)	(4,134)	(5,399)	(2,425)	(3,107)	(2,122)	(3,155)	48.7%	258	38	45	46
Fund Balance	5,642	11,088	5,689	8,664	5,557	6,542	3,387	-48.2%	3,645	3,683	3,728	3,774
Total Cash Balance	6,738	15,210	9,811	10,121	7,014	7,999	4,844	-39.4%	5,102	5,140	5,185	5,231

Notes

(a) Minneapolis entertainment taxes from Target Center events only.

(b) Includes reimbursement to Target Center operator (AEG) for unamortized improvement costs.

Debt service on the 2009 Target Center bonds is paid from Debt Service Fund 05350. Beginning in 2017, semi-annual transfers of tax increment revenues are made from Fund 01CON (Consolidated TIF District) to pay 100% of these expenses.

Debt service on the 2017 and 2018 Target Center bonds are paid from Debt Service Fund 05351. Beginning in 2018, semi-annual transfers of local sales taxes are made from Fund 01700 (Downtown Assets Fund) to pay 100% of these expenses.

**City of Minneapolis
2019 Budget
Financial Plan**

Minneapolis Convention Center Fund

Introduction

The Convention Center Special Revenue Fund is used to account for the maintenance, operation, and marketing of the City-owned Convention Center and related facilities. The Convention Center was created to foster and generate economic growth and vitality by providing facilities and services for conventions, trade shows, exhibits, and meetings, as well as cultural, religious, and sporting events, all of which benefit and showcase the City, the metropolitan region, and the State of Minnesota. The marketing of the Convention Center, as well as the City overall, is supported by providing funding to Meet Minneapolis, an independent, non-profit organization contracted by the City of Minneapolis to market Minneapolis and the Twin Cities as a convention and tourist destination.

Operating revenues are generated directly from Convention Center operating activities. Exhibit space rent is the largest source of revenue for the Convention Center. Also included in operating revenues is space rental of the Tallmadge Building. Charges for services are earned in support of space rent and consist primarily of utility and labor services and ramp parking. Food and beverage commission sales account for privileges. The Convention Center is also supported by local sales & entertainment taxes.

Historical Financial Performance

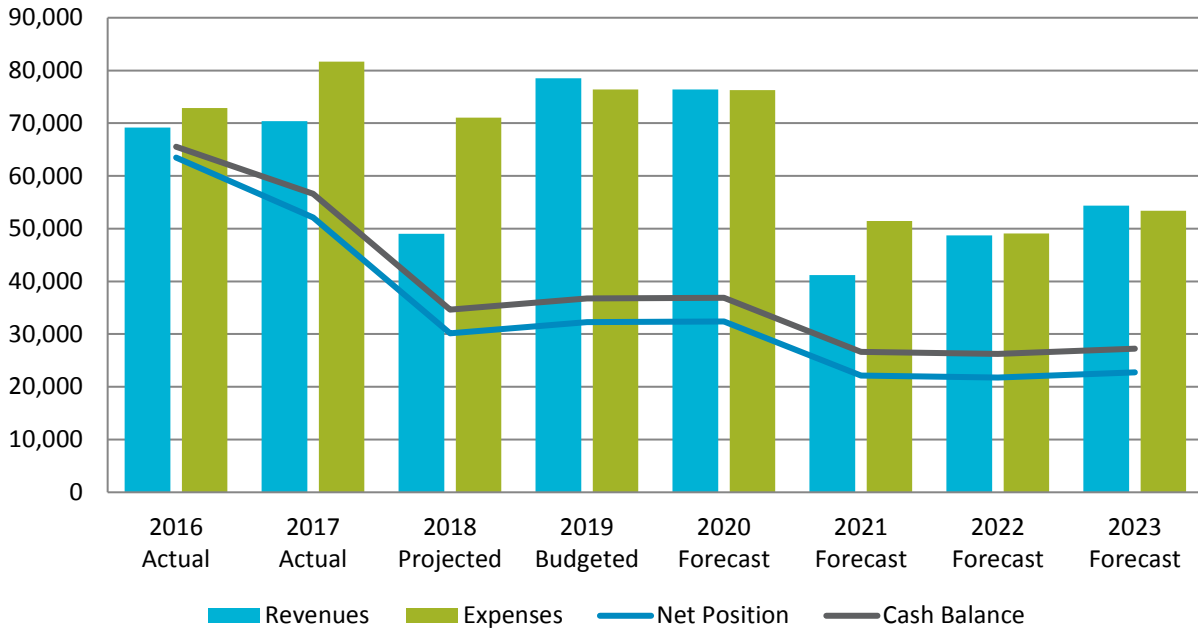
The Convention Center's 2015 operating revenues reached \$18.3 million or 105% of the 17.4 million budget setting a new all-time record surpassing 2014 by \$1.7 million. 2016 operating revenue ended at approximately \$18.3 million which was relatively flat from 2015, but finished at 110% of the \$16.7 million budget. 2017 operating revenue set another record at \$19.8 million and finished \$1.0 million over budget.

The Convention Center's operating expenses were \$24.6 million in 2015, \$25.6 million in 2016, and \$25.7 million in 2017 which were the results of the normal day to day operations of the building. Capital expenses over the same period were \$9.1 million, \$13.0 million, and \$10.9 million, and were budgeted based on building facility needs and the Convention Center's long-term capital plan. Actual year-end capital expenses often finish under budget as the result of projects in process which were incomplete at year-end. The unspent funds are rolled over to the following year to complete the projects. Meet Minneapolis expenses were \$10.0 million in 2015, \$9.9 million in 2016, \$10.5 million in 2017, and were based on annual contractual increases, as well as one-time sales and marketing initiatives. Meet Minneapolis also historically received one-third of the City's lodging tax revenue. Those payments ended in 2015 with their new contract.

Beginning in 2015, the Facility Reserve Fund cash and fund balance of \$5.4 million was combined with the Convention Center Fund to reflect the current reporting in the Comprehensive Annual Financial Report (CAFR).

Current Year Projections

**Financial Snapshot
Convention Center Fund
(in thousands of Dollars)**



Revenues

The 2018 operating revenues are projected to finish approximately at \$21.3 million or \$1.3 million over budget based on the composition of events, including hosting the Super Bowl LII Experience, and a busier than expected event year. Beginning in 2018, the Convention Center Special Revenue Fund is managed as part of the Downtown Assets umbrella fund. The Downtown Assets Fund is intended to help the City provide a coordinated management and funding structure for the physical infrastructure assets in Downtown Minneapolis which help to generate sales, liquor, lodging, restaurant, and entertainment taxes that support City spending. For more information on the Downtown Assets Fund, see the corresponding financial plan in this section of the budget book. In 2018, the Convention Center is no longer receiving a transfer of the local taxes from the General Fund, but is instead receiving a transfer from the Downtown Assets Fund where the local tax revenues are being received. The 2018 transfer from the downtown Assets Fund to the Convention Center is budgeted at \$26.8 million.

Expense

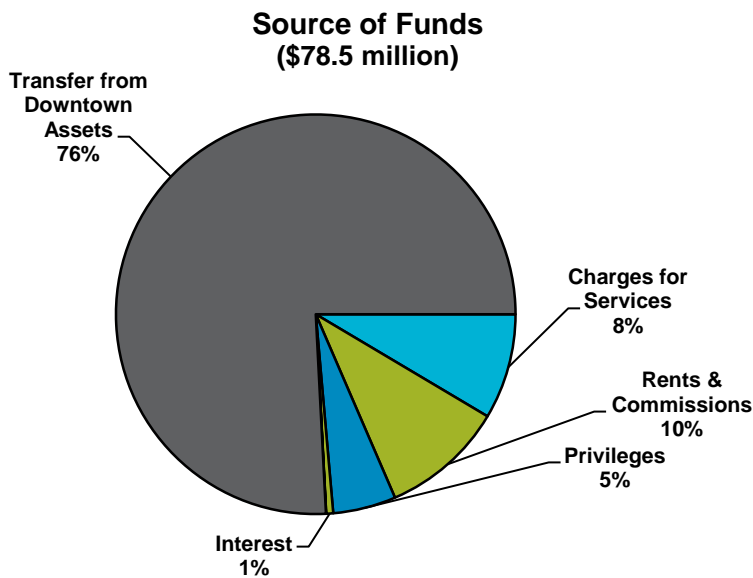
The 2018 operating expenses are projected to finish close to the adopted budget. The 2018 capital expense budget is \$19.4 million, and includes the original budget of \$7.8 million, and a 2017 to 2018 rollover of \$11.5 million for unspent 2017 budgeted improvements. The majority of the \$11.5 million is \$10.5 million for the plaza redesign project. Work is expected to begin in late April/early May 2019, and architects are currently working on the design. The Convention Center will request a rollover of the unspent portion of the 2018 ongoing equipment/improvements budget to complete projects in process

but uncompleted at year end. Debt service is expected to finish under budget after netting out the payment received from Kelber Catering which reduces annual debt service.

Net Income, Cash Balance, Fund Balance

In 2018, the Convention Center has a planned use of fund balance resulting in a projected (\$22.0) million net loss. The primary reason for the net loss is the \$26.8 million 2018 transfer from the Downtown Assets Fund is \$23.0 million less than the 2017 transfer from the General Fund which was \$49.8 million resulting in significantly less 2018 revenue to cover expenses. The 2018 cash and fund balances are expected to have a corresponding decline from \$56.6 million in 2017 to \$34.6 million in 2018, and \$52.1 million in 2017 to \$30.1 million in 2018.

2019 Budget



Revenues

Total operating revenue for 2019 is expected to be approximately \$18.5 million which is a decrease of approximately \$2.8 million under the most recent 2018 projection. This is an expected decrease since the Convention Center had a busy event year in 2018, which included hosting the Super Bowl LII Experience.

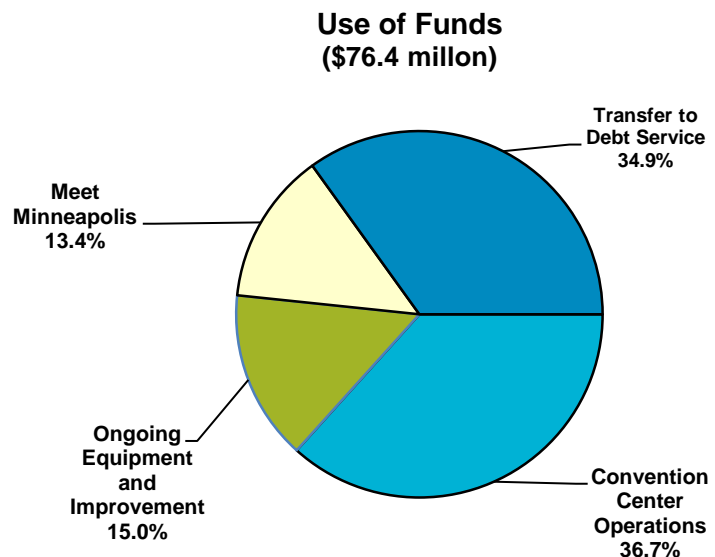
Expenditures

The 2019 operating expenses are expected to be approximately \$28.0 million which is decrease of \$100,000 over the most recent 2018 projection.

Transfers/Debt Service

There is a budgeted transfer of \$26.7 million to debt service for building related debt. Convention Center debt service transfers began in 1993, and transfers are made annually. Debt service is expected to be paid off in 2020.

There are credits in the 2021 and 2022 debt service. Those credits are payments made by Kelber Catering which are deposited in debt service after all outstanding Convention Center

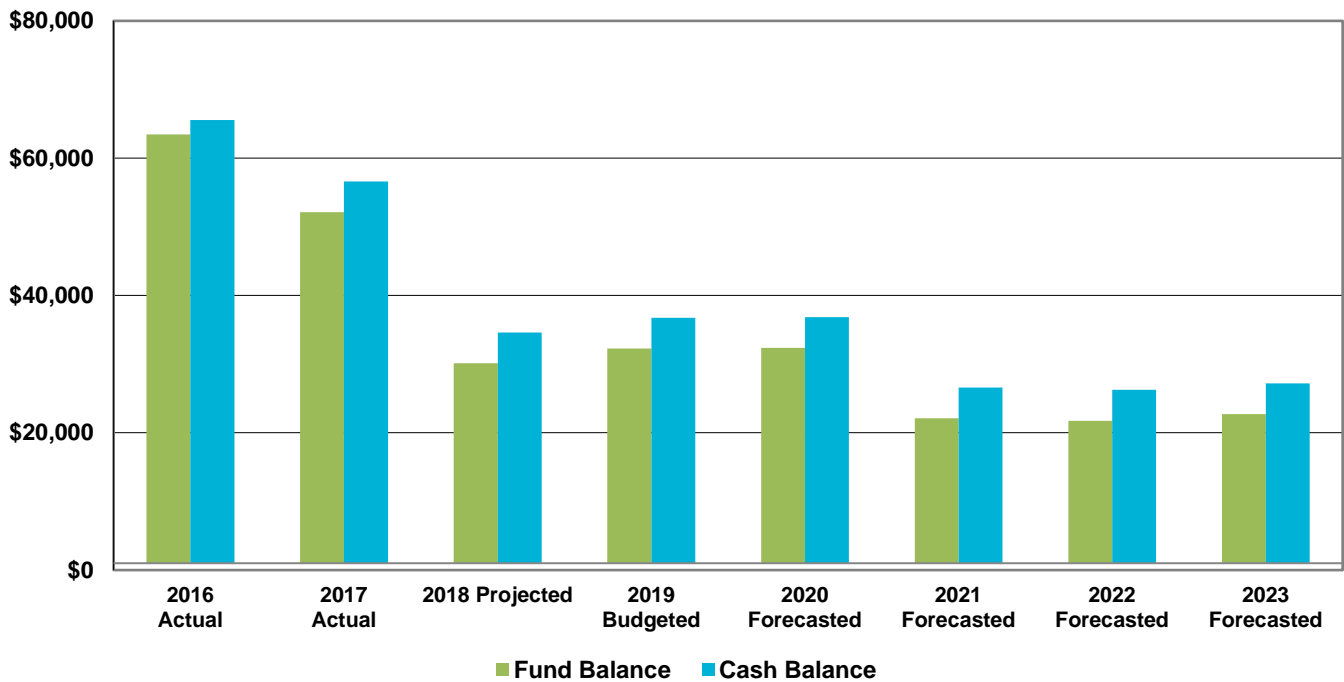


payments have been made. Debt service transfers are made annually, and the outstanding debt in 2019 and 2020 is \$53.5 million.

Net Income, Cash, and Fund Balances

2019 net income is projected to finish at \$2.1 million which is the first year of net income since 2015. Years 2016, 2017, and 2018 are projected to show a net loss. There had been a planned use of fund balance within the Convention Center Fund to reduce fund balance and cash. This intentional draw down of cash reserves will help build a reserve in the Downtown Assets umbrella fund, of which the Convention Center Fund is a part. Holding the Convention Center in the umbrella fund will help provide flexibility in managing all of the City’s major revenue-generating downtown assets. The 2019 net income is primarily the result of a significantly higher 2019 transfer from the Downtown Assets Fund than in 2018. 2019 cash is also projected to increase by the same amount. The 2019 ending cash balance is projected to be \$36.8 million and the ending fund balance is projected to be \$32.3 million.

Convention Center Fund Net Income, Fund, and Cash Balances
(in thousands of dollars)



City of Minneapolis
2019 Council Adopted Budget
Financial Plan (in thousands of dollars)

Minneapolis Convention Center Special Revenue Fund

	2016 Budget	2016 Actual	2017 Budget	2017 Actual	2018 Budget	2018 Projected	2019 Budget	% Chg From 2018 Projected	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast
Source of Funds:												
Charges for Services	6,000	6,907	6,700	6,614	7,300	7,900	6,700	-15.2%	6,500	6,300	6,300	6,426
Rents and Commissions	7,197	7,730	7,836	9,100	8,196	8,625	7,830	-9.2%	8,225	7,750	7,800	7,977
Privileges	3,500	3,704	4,222	4,049	4,514	4,800	4,000	-16.7%	3,800	3,800	3,800	3,876
Interest	184	624	595	667	612	915	442	-51.7%	465	348	226	231
Other Misc Non Operating	114	173	76	142	-	-	15	-	-	-	-	-
Transfer from General Fund	50,050	50,050	49,786	49,786	-	-	-	-	-	-	-	-
Transfer from Downtown Assets	-	-	-	-	26,811	26,811	59,520	122.0%	57,407	22,973	30,605	35,834
Total	67,045	69,188	69,215	70,358	47,433	49,051	78,507	60.1%	76,397	41,171	48,731	54,344
Use of Funds:												
Convention Center Operations	25,924	25,572	26,826	25,696	28,113	28,113	28,018	-0.3%	28,578	29,150	29,733	30,328
Ongoing Equipment/Improvement	15,467	12,988	22,433	10,909	19,356	7,856	11,437	45.6%	10,453	11,808	8,579	11,961
Meet Minneapolis	9,905	9,905	10,613	10,489	10,451	10,451	10,242	-2.0%	10,447	10,656	10,869	11,086
Transfer to DID	-	-	250	250	-	-	-	-	-	-	-	-
Transfer to Debt Service	24,612	24,431	24,669	24,488	24,811	24,630	26,682	8.3%	26,807	(181)	(91)	-
Transfer to General Fund	-	-	3,860	3,860	-	-	-	-	-	-	-	-
Transfer to City Capital	-	-	6,000	6,000	-	-	-	-	-	-	-	-
Total	75,908	72,896	94,651	81,692	82,731	71,050	76,379	7.5%	76,285	51,433	49,090	53,375
Net Income	(8,863)	(3,708)	(25,436)	(11,334)	(35,298)	(21,999)	2,128	-109.7%	112	(10,262)	(359)	969
Beginning Fund Balance	67,186	67,186	63,477	63,477	52,143	52,143	30,144	-42.2%	32,272	32,384	22,122	21,763
Ending Fund Balance	58,323	63,477	38,041	52,143	16,845	30,144	32,272	7.1%	32,384	22,122	21,763	22,732
Ending Cash Balance	57,347	65,535	40,099	56,623	21,325	34,624	36,752	6.1%	36,864	26,602	26,243	27,212

**City of Minneapolis
2019 Budget
Financial Plan**

Downtown Assets Fund

Presented with Downtown East Commons Fund & Peavey Plaza Fund

Introduction

The Downtown Assets Fund is a new special revenue fund created in 2018. The purpose of this fund is threefold:

- To clearly delineate the uses of local sales, liquor, entertainment, and lodging taxes;
- To provide stable, predictable ongoing support from these taxes to the General Fund; and,
- To support the comprehensive management of the City's four primary downtown revenue-generating capital assets.

This umbrella Fund holds the operating and debt service funds which support the Minneapolis Convention Center, the Arena Reserve Fund (Target Center), the Downtown Commons, and Peavey Plaza. Though each of these funds holds a cash balance to its own, all cash balances are available to support any expense within the fund. Receipts to the fund are largely made up of local taxes, but may also include funds from private donations or the State to support capital improvements.

The Convention Center department is responsible for management of operations within the fund.

Current Year Projections

Revenue

Downtown Assets Fund sources of funds are expected to be approximately \$87.9 million in 2018. The overwhelming majority of revenues come from local taxes (including sales, restaurant, entertainment, liquor, and lodging). Minneapolis local taxes are expected to come in close to budget at \$87.3 million which is \$4.0 million over 2017. Included in the \$4.0 million increase, is \$2.4 million that was estimated as brought in by the City hosting Super Bowl LII. There is a \$420,000 one-time budgeted transfer from bond proceeds related to the Commons. The Downtown Assets will also see interest earnings through IMS (Investment Management Services) revenue from cash balances within the fund. 2018 interest earnings are projected to be \$236,000.

Expense

Non-transfer 2018 expenses of \$5.2 million are small in this fund compared to total projected revenues of \$87.9 million. Expenses within the fund include \$4.0 million in one-time capital expense for the renovation of Peavey Plaza, \$400,000 in ongoing operating expense for Peavey Plaza, and a one-time expense of \$750,000 related to a Contract with Green Minneapolis for the maintenance of the Downtown Commons. Also included in 2018 expenses, are special assessments related to the Nicollet renovation of \$64,000 for the East and West Commons, and \$18,000 for Peavey Plaza. Budgeted transfers include \$30.9 million to the General Fund, \$26.8 million to the Convention Center, and \$5.7 million to the Arena Special Revenue Fund for building debt service. The \$5.7 million transfer to Arena Special Revenue Fund debt

service is expected to finish under budget at \$3.9 as more accurate debt service numbers have become available.

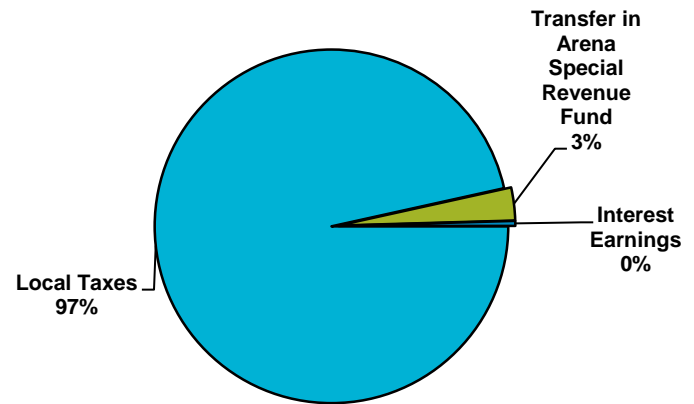
Expenses for the Convention Center and Target Center are discussed separately in the financial plans found in this document.

2019 Budget

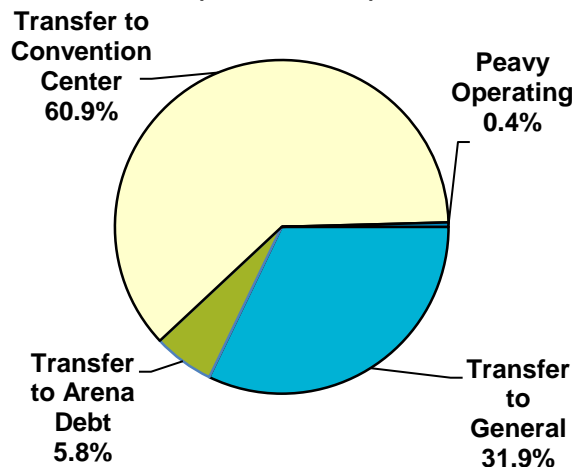
Revenue

Local taxes (including sales, restaurant, entertainment, liquor, and lodging) make up the vast majority of the Downtown Assets Fund revenue. In 2019, local taxes are projected to be \$88.4 million which is an increase of \$1.1 over the latest 2018 projection of \$87.3 million. The 2019 budget also includes IMS (Investment Management Services) revenue which is projected to be \$414,000, and is an increase of \$178,000 over the latest 2018 projection. In 2019, there is a new budgeted transfer of \$2.8 million from the Arena Special Revenue Fund to the Downtown Asset Fund. This is a transfer to reduce Arena Reserve Fund, fund and cash balances as part of the financial management of the Downtown Assets structure.

**Source of Funds
(\$91.6 million)**



**Use of Funds
(\$97.8 million)**



Expense

In 2019, non-transfer expenses are budgeted at \$1.4 million, which includes \$750,000 for a contract with Green Minneapolis for Commons Operations, \$250,000 for Special Events, and \$400,000 for Peavey Plaza Operations. The 2019 budget is significantly lower than 2018 which included \$4.0 for Peavey Plaza capital, \$400,000 for Peavey Plaza operations, and \$750,000 for a contract with Green Minneapolis for Commons Operations.

Expenses for the Convention Center and Target Center are discussed separately in the financial plans found in this document.

Transfers

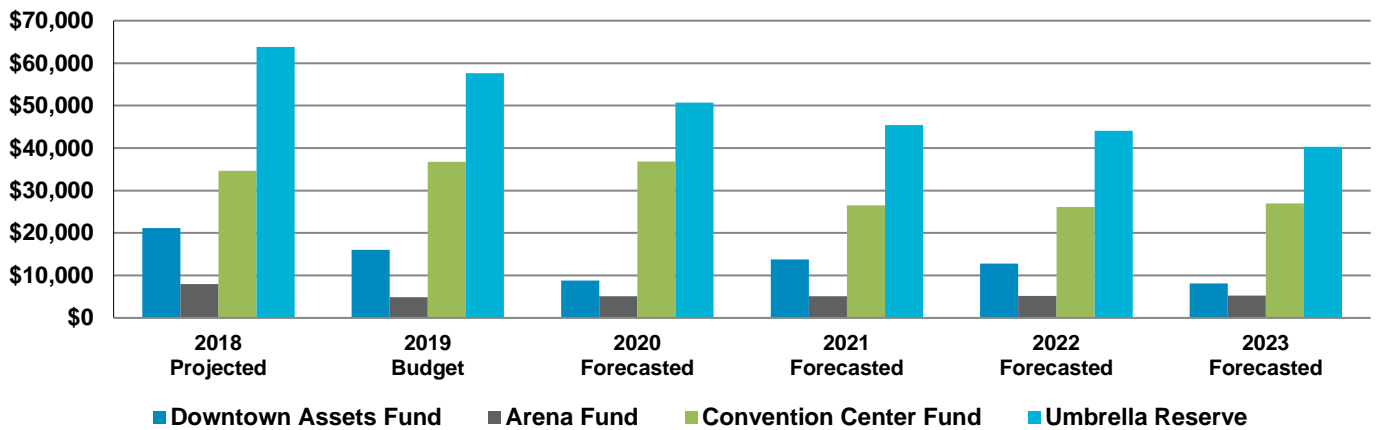
With the exception of the \$1.4 million for Commons Operations Special Events, and Peavey Plaza operations budget, the entire 2019 use of funds category is made up of transfers. Budgeted transfers include \$31.2 million to the General Fund which is planned to occur on an ongoing basis; a transfer of \$5.7

million to Arena Fund debt service to pay debt obligations related to the recent renovation of the Target Center, and \$59.5 million to the Convention Center Fund to support operations and debt service of that facility. The Arena Fund debt service transfer will recur until the debt is paid. Debt payments are currently scheduled through 2035. The transfer to the Convention Center will decrease significantly after the building debt is paid off in 2020.

Cash Balance

The Downtown Assets Fund is designed to provide for a cash reserve which any of the funds can access. The combined reserve, shown as the “umbrella reserve” below is budgeted at \$56.6 million in 2019, and a planned use of that reserve will draw it down to \$38.8 million in 2023. There is no minimum cash reserve policy for this fund, but the reserve is held to provide a cushion against potential unexpected dips in sales tax receipts, or to provide for emergency repairs to the Downtown Assets.

**Downtown Assets Fund Umbrella Cash Reserve
(in thousands of dollars)**



Council Adopted Budget

The Council adopted the Mayor recommended one-time Downtown Asset fund appropriations of \$750,000 for a contract with Green Minneapolis for Commons operations, and \$250,000 for city services for the X-Games.

City of Minneapolis
2019 Council Adopted Budget
Financial Plan (in thousands of dollars)

Downtown Assets Fund (including Downtown Commons Fund & Peavey Plaza Fund)

	2018 Budget	2018 Projected	2019 Budget	% Chg From 2018 Projected	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast
Source of Funds:								
Local Taxes	87,349	87,290	88,400	1.3%	89,476	67,608	69,967	72,394
Transfer from Arena Special Revenue Fund	-	-	2,757	-	-	-	-	-
Transfer in from Commons Bond Proceeds	420	420	-	-100.0%	-	-	-	-
Downtown Assets Fund Interest Earnings	-	236	414	75.4%	276	252	296	233
Total	87,769	87,946	91,571	4.1%	89,752	67,860	70,263	72,627
Use of Funds:								
Transfer out to City General Fund	30,850	30,850	31,200	1.1%	31,824	32,460	33,109	33,771
Transfer out to Arena Fund Debt Service	5,661	3,864	5,697	47.4%	5,698	5,697	5,695	5,696
Transfer out to Convention Center	26,811	26,811	59,520	122.0%	57,407	22,973	30,605	35,834
Transfer out to General Fund	-	-	262	-	-	-	-	-
Transfer out to Arena Special Revenue Fund	-	-	-	-	1,717	1,415	1,475	1,682
Commons Operating	750	814	750	-7.9%	-	-	-	-
Downtown Assets Special Events	-	-	250	0.0%	-	-	-	-
Peavey Plaza - Capital	4,000	4,000	-	-100.0%	-	-	-	-
Peavey Plaza - Operating	400	418	412	-1.4%	424	437	450	464
Total	68,472	66,757	98,091	46.9%	97,070	62,982	71,334	77,447
Change in Cash Position	19,297	21,189	(6,520)	-130.8%	(7,318)	4,878	(1,071)	(4,820)
Downtown Assets Fund Cash Balance	19,297	21,189	14,669	-130.8%	7,351	12,229	11,158	6,339
Arena Special Revenue Fund Cash Balance	7,014	7,999	4,844	-39.4%	5,102	5,140	5,185	5,231
Convention Center Special Revenue Fund Cash Balance	21,325	34,624	36,782	6.2%	36,848	26,540	26,097	26,948
Downtown Assets Umbrella Cash Reserve	47,636	63,812	56,295	-11.8%	49,301	43,909	42,440	38,518

**City of Minneapolis
2019 Budget
Financial Plan**

Neighborhood & Community Relations Special Revenue Fund

Introduction

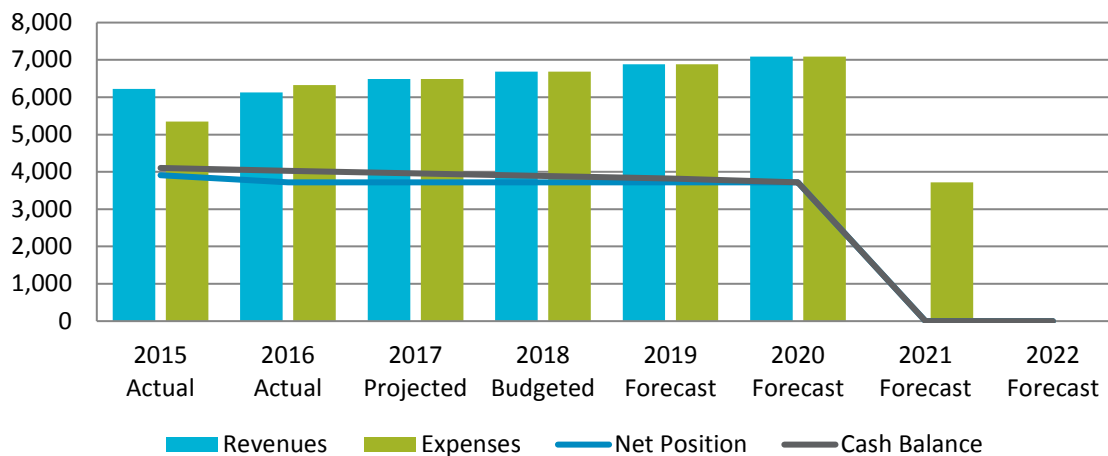
The Neighborhood & Community Relations (NCR) Special Revenue Fund accounts for neighborhood revitalization efforts within the City and is funded by revenues of the Consolidated Redevelopment Tax Increment Financing District. This district was established pursuant to special legislation adopted in 2008, and must be decertified no later than December 31, 2020. This Fund is used for Minneapolis neighborhood-based initiatives and NCR administrative costs.

Historical Financial Performance

This Fund was established in 2011. Growth in the fund was impacted by the two year hiatus on tax increment collection. The City reduced property tax levies in 2012-2013 by using reprogrammed NRP sources to fund neighborhood revitalization services for these two years and reduce the captured value of the Consolidated TIF District. As of 2014, the captured value of the district was restored to the amount provided in the original plan.

Current Year Projections

**Financial Snapshot
NCR Special Revenue Fund
(in thousands of Dollars)**



Revenues

In 2018, \$6.7 million will be transferred to the NCR Special Revenue Fund from the Consolidated Redevelopment Tax Increment Financing District Fund.

Expense

The 2018 expenditures are projected for \$6.7 million, the same as the budget.

Net Position & Cash Balance

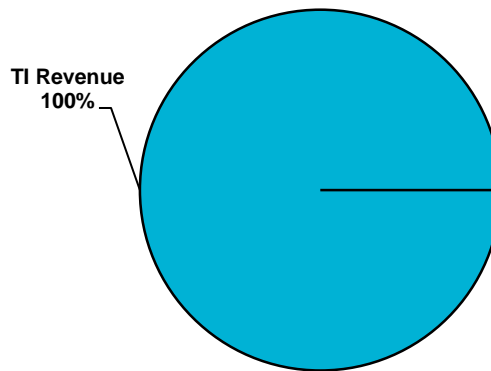
Current year revenue and projected expenditures are for \$6.7 million and no major variances are expected.

2019 Budget

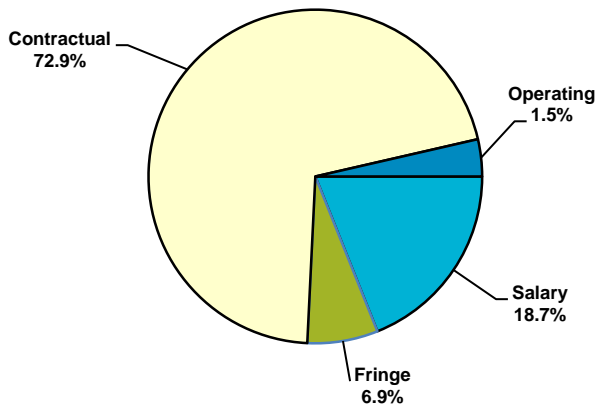
Revenues

In 2019, \$6.9 million will be transferred to the NCR Special Revenue Fund from the Consolidated Redevelopment Tax Increment Financing District Fund. This will reflect a 3% increase from the 2018 revenue amount.

**Source of Funds
(\$6.9 million)**



**Use of Funds
(\$6.9 million)**



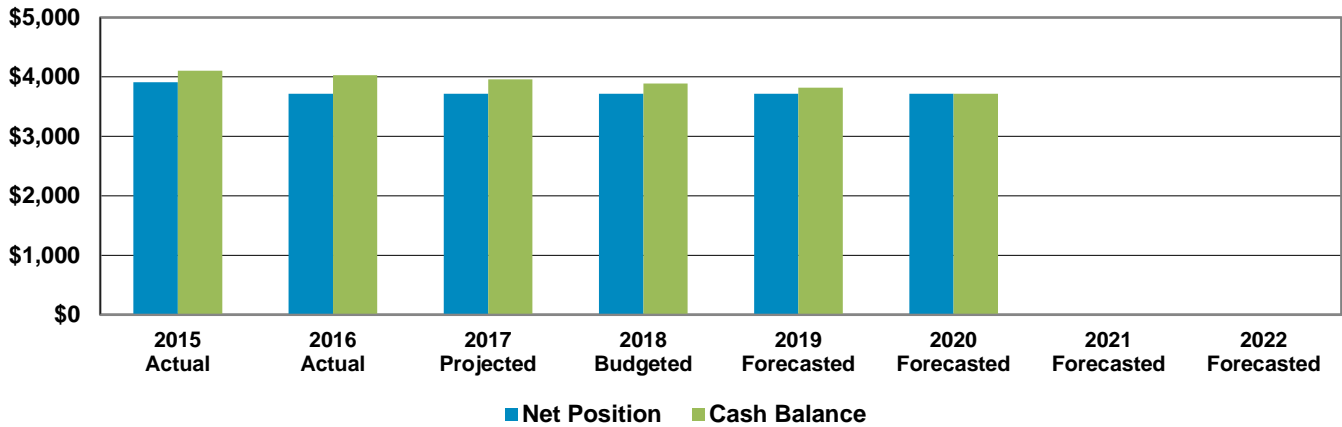
Expense

There are no significant changes to prior years Programs. NCR Special Revenue 01800 fund expenditures are planned for \$6.9 million.

Net Position & Cash Balance

As of December 31, 2017 the fund net position was \$3.3 million and the cash balance was \$3.5 million. At the end of 2018 the projected fund net position is \$3.3 million and the projected cash balance is \$3.5 million. These balances are comparable to the prior year. No significant variance in net position or cash balance is anticipated prior to 2021.

NCR Special Revenue Fund Net Position & Cash Balance
(in thousands of dollars)



City of Minneapolis
2019 Council Adopted Budget
Financial Plan (in thousands of dollars)

NCR Special Revenue Fund

	2016 Budget	2016 Actual	2017 Budget	2017 Actual	2018 Budget	2018 Projected	2019 Budget	% Chg From 2018 Projected	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast
Source of Funds:												
Transfer from TI funds	6,127	6,127	6,488	6,488	6,682	6,682	6,883	3.0%	7,089	-	-	-
Loan recapture	-	6	-	-	-	-	-	0.0%	-	-	-	-
Total	6,127	6,133	6,488	6,488	6,682	6,682	6,883	3.0%	7,089	-	-	-
Use of Funds												
Personal Services	1,118	1,063	1,241	1,156	1,265	1,196	1,285	7.4%	1,324	1,363	-	-
Fringes	432	353	442	406	457	420	478	13.8%	492	507	-	-
Contractual services	4,600	4,706	4,570	5,103	4,714	4,819	5,016	4.1%	5,166	1,442	-	-
Materials/Other	178	205	235	233	240	240	104	-56.7%	107	-	-	-
Total	6,328	6,327	6,488	6,898	6,676	6,676	6,883	3.1%	7,089	3,312	-	-
Change in Fund Balance	(201)	(194)	-	(410)	6	6	-		-	(3,312)	-	-
Fund Balance	3709	3,716	3,716	3,306	3,312	3,312	3,312	0.0%	3,312	-	-	-
Total Cash Balance		4,029		3,507		3,513		3,513	3,312	-	-	-

Notes:

Neighborhood & Community Relations (NCR) Special revenue fund 01800 accounts for neighborhood vitalization efforts funded by the revenues of the Consolidated Redevelopment Tax Increment Financing District. This fund is primarily used for community engagement and neighborhood-based initiatives. Consolidated TIF District will be decertified no later than 12/31/2020 and Fund 01800 will not be having the existing revenue source.

**City of Minneapolis
2019 Budget
Financial Plan**

Police Special Revenue Fund

Introduction

The Police Special Revenue Fund accounts for revenues and expenses related to federal and state administrative forfeitures, lawful gambling, non-emergency service contracts, the Automated Property System, and the Workforce Director scheduling and payroll system. The Automated Property and Workforce Director systems are proprietary software systems that are owned and managed by the City of Minneapolis and recover expenses from user agreements with other governmental and non-governmental entities.

The non-emergency service contracts are typically entered into by the City of Minneapolis Police Department and an external entity, usually located within the City of Minneapolis. The Police provide non-emergency services for sporting events, concerts, or extra presence at designated facilities or geographic areas. In addition, City departments (frequently Public Works) contract with the Police Department to provide additional services at a desired location. The Police Special Revenue Fund is also used to account for revenues and expenses associated with these types of contracts.

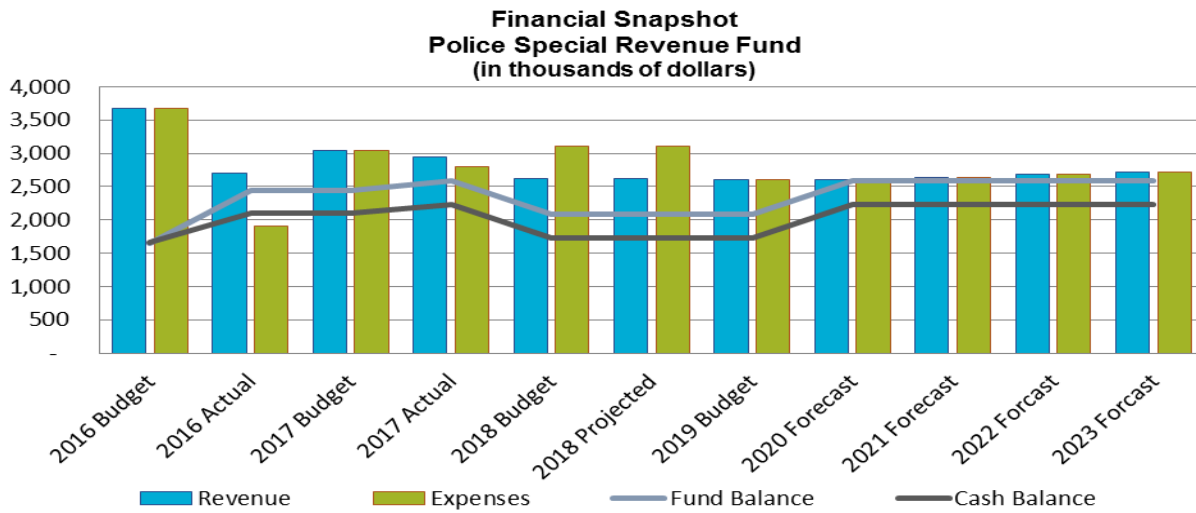
The City of Minneapolis Police Department manages the operation of the fund and use of the funds is generally restricted to public safety.

Historical Financial Performance

The accumulated fund balance for 2017 was \$2.6 million compared to \$2.4 million in 2016. Over the past five years, fund balance has increased from \$840,700 in 2013 to \$2.6 million in 2017. The increase in fund balance over the past five years is primarily due to the following:

- Transfer of Workforce Director expenditures to the general fund of \$250,000 and \$300,000 in 2015 and 2016, respectively.
- Excess revenue associated with US Bank Stadium/SMG overtime reimbursement contract of \$217,000 and 51,000 in 2016 and 2017, respectively.
- Decrease in personnel expenditures in 2015 of approximately \$140,000 due to vacancies.
- Excess lawful gambling and forfeiture revenue of between \$115,000 and \$600,000 from 2013 to 2017.

Current Year Projections



Revenues

Total projected revenue for 2018 is consistent with 2018 budget of \$2.6 million.

Expenditures

Total projected expenditures for 2018 is consistent with the 2018 budgeted expenditures of \$3.1 million.

Net Position & Cash Balance

Projected current year Fund Balance of \$2.1 million and Cash Balance of \$1.7 million is consistent with adopted budget amounts.

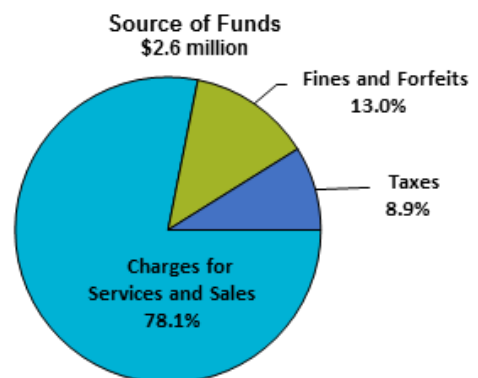
2019 Budget

Starting in 2016, the City entered into a contract to provide non-emergency services for events at US Bank Stadium. The 2018 and 2019 budgets were developed with a better knowledge of the impact of this contract on operations of the Police Special Revenue Fund.

Revenues

As mentioned previously, more accurate historical data was used to budget 2019 revenue, resulting in a decrease of 2% in Charges for services and sales, and a 16% increase in taxes.

Charges for services and sales makes up 78% of anticipated revenue in 2019 compared to 79% in 2018 projected amount. In 2017, charges for services and sales made up 76% of actual revenue compared to 77% in 2016.



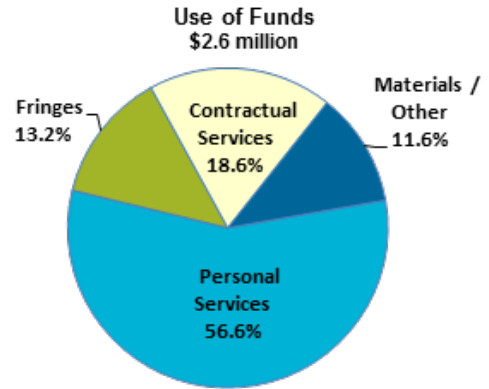
Expenditures

Salaries and Fringe benefits make 70% of anticipated 2019 expenditures compared to 69% in 2018 projected expenditures. In 2017, actual salaries and fringe benefits

made up of 67% of actual expenditures compared to 65% in 2016. The slight increase from 2016 to 2017 was predominately due to overtime costs associated with the security services contract at US Bank stadium.

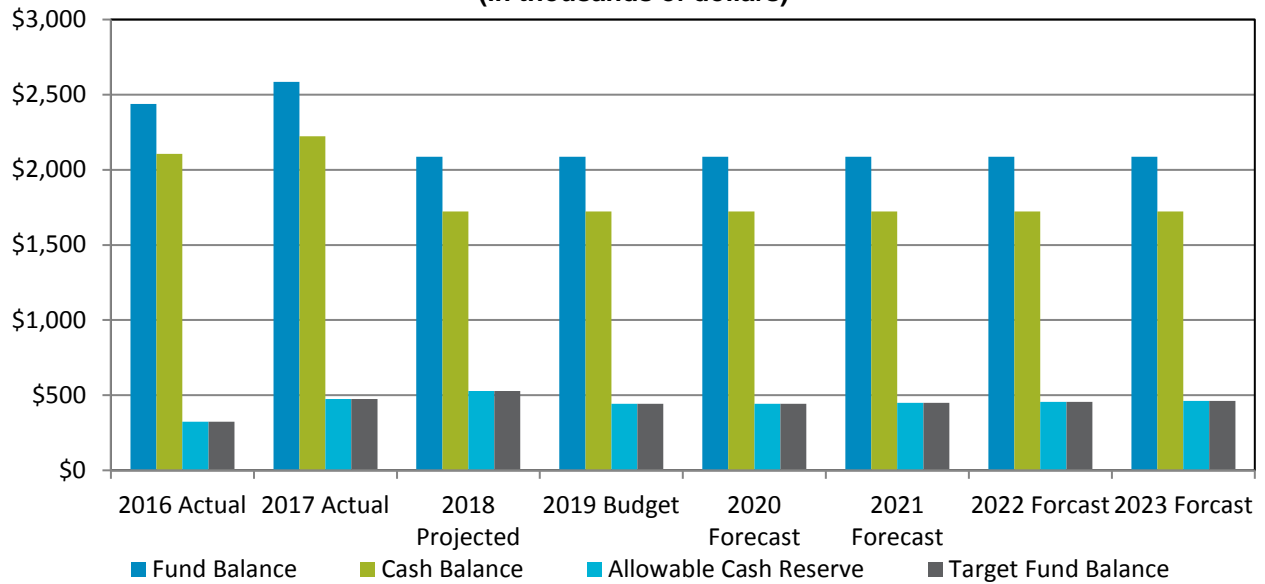
Fund Balance & Cash Balance

Fund balance and cash balance as of December 31, 2017 were \$2.6 million and \$2.2 million respectively. Both the fund balance and cash balance have significantly increased over the past five years. Fund balance increased from \$840,700 in 2013 to \$2.6 million in 2017. Projected fund balance is \$2.1 million in 2018 and decrease from 2017 to 2018 is due to anticipated Super Bowl overtime cost of \$400,000 and equipment cost of \$100,000. No significant change in fund balance is expected in 2019. Cash balance increased from \$1 million in 2013 to \$2.2 million in 2017. Projected cash balance in 2018 and 2019 is \$1.7 million.



In accordance with the financial reserve policy, target cash reserve is 17% of the following year’s budgeted expenditures.

**Police Special Revenue Fund
Fund Balance and Cash Balance
(in thousands of dollars)**



City of Minneapolis
2019 Council Adopted Budget
Financial Plan (in thousands of dollars)

Police Special Revenue Fund

	2016 Budget	2016 Actual	2017 Budget	2017 Actual	2018 Budget	2018 Projected	2019 Budget	% Chg From 2018 Projected	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast
Source of Funds:												
Charges for Services and Sales	3,098	2,074	2,340	2,227	2,074	2,074	2,033	-2.0%	2,067	2,102	2,139	2,176
Fines and Forfeits	400	406	400	493	338	338	338	0.0%	338	338	338	338
Miscellaneous	-	3	-	3	-	-	-		-	-	-	-
Taxes	182	213	184	224	200	200	231	15.5%	200	200	200	200
Total	3,680	2,696	2,924	2,946	2,612	2,612	2,602	13.2%	2,605	2,640	2,677	2,714
Use of Funds:												
Personnel Services - Salaries	2,361	1,003	1,505	1,503	1,800	1,800	1,472	-18.2%	1,516	1,561	1,608	1,657
Fringes	223	237	369	365	357	357	342	-4.2%	380	391	403	415
Contractual Services	716	449	749	676	680	680	499	-26.6%	422	400	379	355
Materials/Other	380	217	401	255	275	275	289	4.9%	289	289	289	289
Total	3,680	1,906	3,024	2,798	3,112	3,112	2,602	-16.4%	2,607	2,642	2,680	2,716
Net Change in Fund Balance¹	-	790	(100)	147	(500)	(500)	-	-100.0%	-	-	-	-
Fund Balance¹	1,649	2,439	2,339	2,586	2,086	2,086	2,086	0.0%	2,086	2,086	2,086	2,086
Cash Balance	1,663	2,106	2,006	2,224	1,724	1,724	1,724	0.0%	1,724	1,724	1,724	1,724
Target Cash Reserve²	626	324	514	476	529	529	442	-16.4%	443	449	456	462
Variance Cash to Target Cash Reserve	1,037	1,782	1,492	1,748	1,195	1,195	1,281	7.3%	1,281	1,275	1,268	1,262

¹ The Net Change in Fund Balance and fund balance for 2016 and 2017 are the amounts recorded in the CAFR.

² In accordance with the financial reserve policy, target cash reserve is 17%.

**City of Minneapolis
2019 Budget
Financial Plan**

Regulatory Services Special Revenue Fund

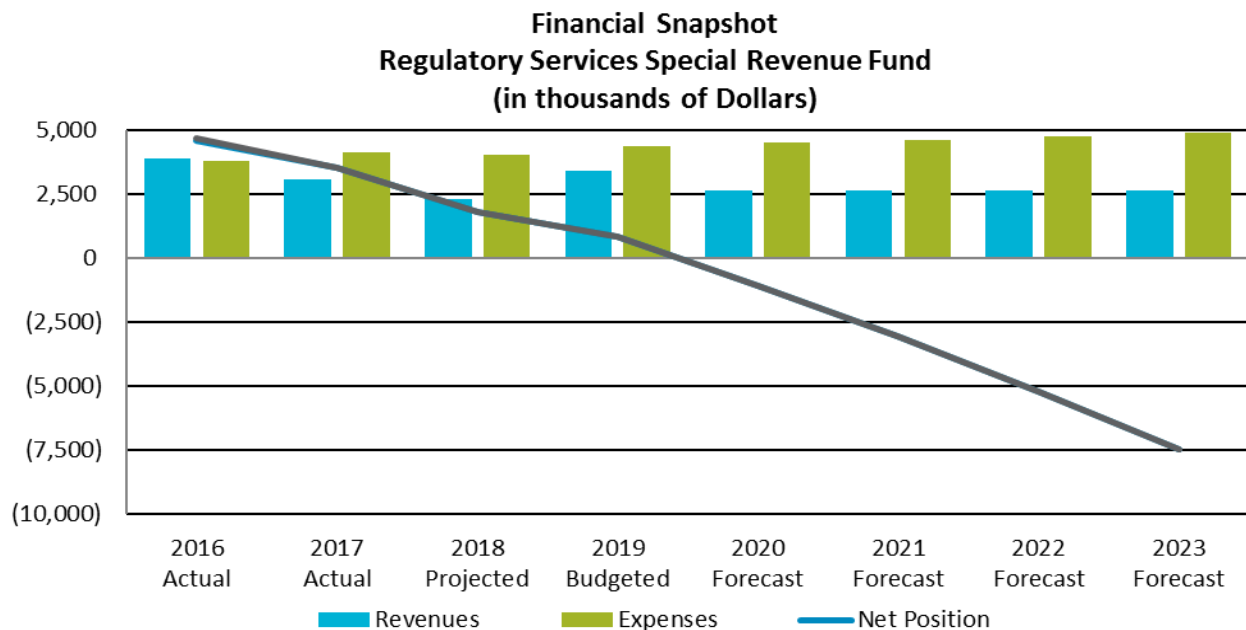
Introduction

The Regulatory Services Special Revenue Fund accounts for the City’s nuisance building abatement efforts and is primarily managed by the Regulatory Services Department with the assistance of the Finance & Property Services Department. The Fund is used not only for the abatement of buildings that have been deemed to be in nuisance condition pursuant to Chapter 249 but also for removal of nuisance conditions. Property owners are charged to recover the costs of these activities and all recovered costs are credited back to this fund. The majority of revenue in the fund is received from Special Assessments paid with property taxes twice annually. In 2013 the Construction Code Services department of Regulatory Services was transferred to Community Planning and Economic Development (CPED).

Historical Financial Performance

The City established this fund in 2008, and through 2013, it accumulated a fund balance of \$5.5 million. This balance was the result of various initiatives in previous years and the availability of grant funds to pay for certain eligible expenses. These two revenue sources did not continue, leaving special assessments and direct property owner charges as the only sources of revenue for this fund. These resources are facing challenges as assessments and property charges are declining primarily due to an improved economy where residents have the resources to proactively make property repairs and improvements. Anticipation going forward is for revenue to continue to contract, thereby reducing fund balance.

Current Year Projections



Revenues

The majority of the revenue in this fund comes from Vacant Building Registrations. Homeowner citations, paid directly or through Special Assessments is another source. Special Assessment revenue is projected to experience a significant decline in 2018 due to a calendaring change in the billing procedure for the Vacant Building Registrations in 2017. Revenue for 2018 is projected to be \$2.3 million.

Expenses

Expenditures for the Regulatory Services Special Revenue Fund include services such as demolitions, board-ups, nuisance grass cutting, nuisance tree removals and nuisance rubbish removal. As fewer citations are written, fewer contractors are required to perform nuisance abatements, thereby reducing expenditures. Additionally, fewer demolitions are being performed and that has reduced Capital Outlay spending from budgeted figures although expenses are projected to be slightly higher than in 2017. Expenditures in this fund are projected to end the year under budget. That is consistent with prior year expenses as a percent of the adopted budget. Based on this information, this fund is projected to finish 2018 under the adopted budget by approximately \$1.0 million or 20%.

Fund Balance & Cash Balance

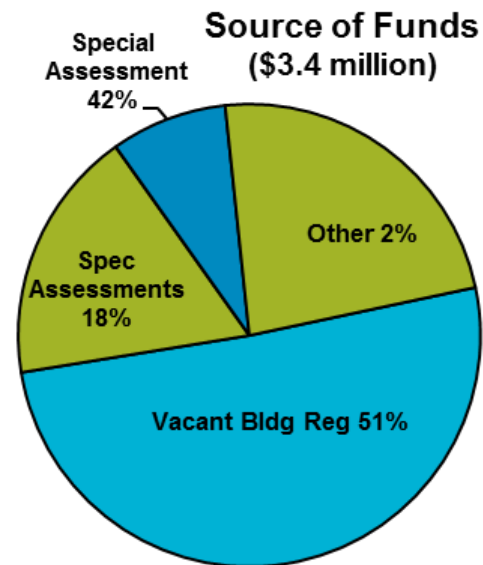
Current year revenue is projected to fall short of the adopted budget, while expenses are projected to be less than budget. The result is that the fund balance is projected to be reduced by \$1.8 million. The cash balance is projected to decline by \$1.7 million.

2019 Budget

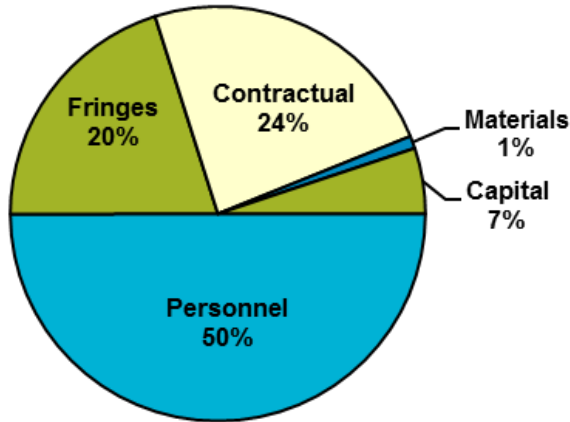
There are no significant planned or anticipated changes from prior years for the fund. That being said, both revenue and expenditures are expected to go down approximately 24.0% excluding the transfer of \$800,000 from the General fund and 5.3% respectively from the 2018 adopted budget. The revenue decrease is from the continued decrease in citations being written, as well as a change in the procedure used to bill Vacant Building Registrations. As fewer citations are written, there is less need for contractors to complete the nuisance abatement repairs.

Revenues

Revenue budgeted for the Regulatory Services Special Revenue Fund for 2019 is slightly higher than the 2018 Adopted Budget by \$63,000, or 2%. This is a result of less revenue anticipated primarily from Special Assessments. As previously discussed, revenue is declining due to fewer citations. Focus has shifted from enforcement (citations) to a proactive engagement strategy to manage problem properties and educate homeowners, which has led to a reduction in code.



**Use of Funds
(\$4.4 million)**



Expenses

No new program changes are anticipated for 2019. Staff will continue to focus on rehabilitation and education rather than strict enforcement. Expenditures are expected to increase, by 9% from the 2018 projection, but are 20% less than the 2018 adopted budget. Expenditures are projected to increase with the cost of living over the next several years.

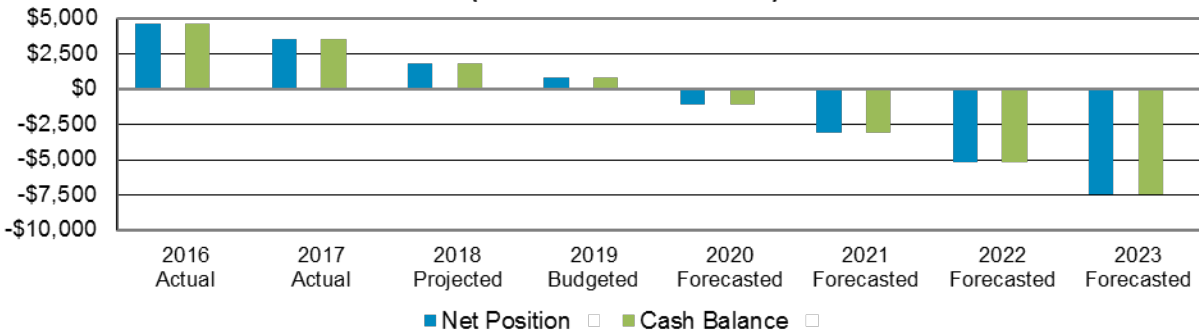
Transfers

There is a budgeted transfer of \$800,000 from General fund to this fund.

Net Position & Cash Balance

The fund balance and cash balance for the Regulatory Services Special Revenue Fund was \$3.5 million as of 12/31/2017. The fund balance and cash balance have been declining for several years and are projected to both be less than \$1.8 million at the end of 2018. These figures are based on a deficiency of revenue over expenditures of \$1.8 million in 2018. The result of these figures is that there are insufficient operating reserves in this fund to carry it past 2019 without a transfer from other funds.

**Regulatory Services Special Revenue Fund Net Position & Cash Balance
(in thousands of dollars)**



City of Minneapolis
2019 Council Adopted Budget
Financial Plan (in thousands of dollars)
Regulatory Services Special Revenue Fund

	2016 Budget	2016 Actual	2017 Budget	2017 Actual	2018 Budget	2018 Projected	2019 Budget	% Chg From 2018 Projected	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast
Source of Funds:												
Special Assessments	2,984	3,603	3,300	2,921	3,116	1,949	2,348	20.5%	2,348	2,348	2,348	2,348
Inspections/Miscellaneous	99	291	125	150	248	341	279	-18.2%	279	279	279	279
Transfer In	-	-	-	-	-	-	800	0.0%	-	-	-	-
Total	3,083	3,894	3,425	3,071	3,364	2,290	3,427	49.7%	2,627	2,627	2,627	2,627
Use of Funds:												
Capital Outlay	425	210	425	177	425	70	225	221.4%	225	225	225	225
Personnel Services	2,394	1,845	2,527	2,152	2,308	2,200	2,195	-0.2%	2,261	2,329	2,399	2,471
Fringes	792	705	1,014	827	962	869	883	1.6%	919	955	994	1,033
Contractual Services	1,463	1,034	1,243	958	1,301	844	1,045	23.8%	1,061	1,079	1,097	1,115
Materials/Other	29	16	45	29	49	52	43	-17.3%	44	45	46	48
Total	5,103	3,810	5,254	4,143	5,045	4,035	4,391	8.8%	4,510	4,633	4,761	4,892
Change in Fund Balance	(2,020)	84	(1,829)	(1,071)	(1,681)	(1,745)	(964)	-44.8%	(1,883)	(2,006)	(2,134)	(2,265)
Fund Balance	2,501	4,606	2,777	3,536	1,855	1,791	827	-53.8%	(1,056)	(3,062)	(5,196)	(7,461)
Total Cash Balance	2,512	4,687	2,858	3,532	1,851	1,787	823	-54.0%	(1,060)	(3,066)	(5,200)	(7,465)

**City of Minneapolis
2019 Budget
Financial Plan**

Municipal Parking Fund

Introduction

The Municipal Parking Fund, managed by the Public Works Department, accounts for the operation and maintenance of the City parking system. In addition, major parking capital construction, repairs and replacement activities occur in this fund.

Parking Fund revenues and expenses are generated daily from these three system programs:

- Off-street parking (ramps and surface lots)
- On-street parking (parking meters and parking zones)
- Impound Lot (tow operations and vehicle auctions)

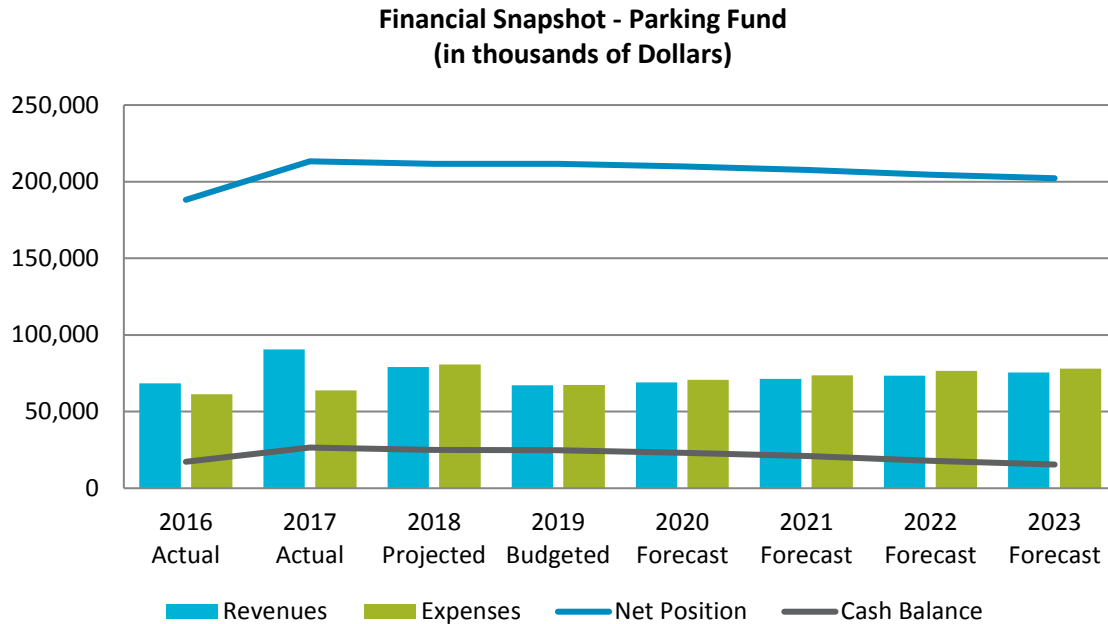
Historical Financial Performance

For the most recent five years (2013 to 2017) the Parking Fund's financial condition has historically been stable and positive. The Fund continues to experience financial challenges due to remaining debt levels and funding needs of other City functions. The Fund has transfers or dividend payments leading to lower Fund net income. The cash balance has fluctuated yearly based on unique one-time expenses, mostly capital and transfers. The Fund Operating Cash Balance remains positive and at 2017 year-end was \$26.5 million.

For the most recent five years (2013 to 2017) the parking system performance has increased cash flow from operations. The parking system is generally reflective of economic and employment conditions. Steady off-street parking use along with the recent economic upturn and employment gains in downtown have resulted in additional off-street parking business. Between 2010 and 2017, parking meter technology with credit card capability, event rates, additional meter coverage, and improved economic conditions have resulted in strong revenue growth. The recent addition of the parking smartphone app has resulted in on-street revenue growth in both 2016 and 2017. Overall in 2017, the parking system revenue increased about 32.4% due mainly to the continued increase in parking meter revenue for the above reasons, the exchange of the Government Center Ramp and higher performing parking facilities around US Bank Stadium.

As of year-end 2017, there was \$87.4 million in parking revenue bond principal outstanding. This debt is scheduled to mature over the next 15 years with payments that are relatively constant but fluctuate slightly over those years. The Fund's parking system generates positive earnings and is capable of satisfying its debt service while maintaining its capital assets.

Current Year Projections



Revenues

The current 2018 revenues are performing well and the Parking Fund budgeted revenues are projected to decrease by about 12.7% from \$90.6 to \$79.1 million due to the transfer of the Government Center Ramp in 2017.

Expenses

The current 2018 expenses are on-track and the projected Parking Fund expenses are increasing 14.7% over the 2018 budgeted amount. The increase in expenses in 2018 is the buy down of bonded debt.

In addition to operating expenses, the 2018 budget includes \$3.7 million for impound lot capital improvements and \$3.5 million in Capital Asset Request System (CARS) for renovation, replacements or major repairs of parking assets.

Net Position & Cash Balance

The Parking Fund net position includes all the assets held by the Fund. The Net Position was \$213 million at year-end 2017.

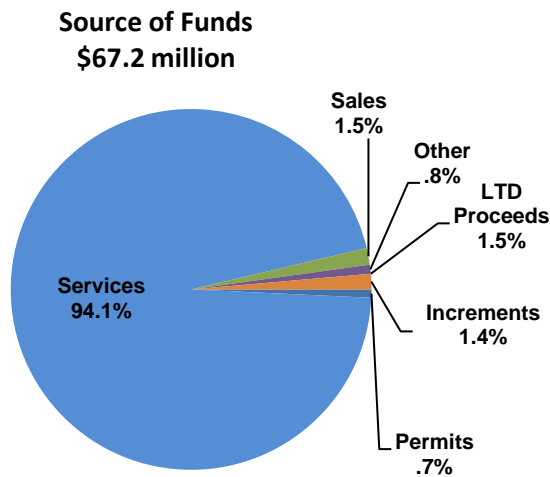
The 2018 Parking Fund expects a decrease in net position, which is primarily due to the capital outlay for impound lot improvements.

The Parking Fund cash balance at year-end 2017 was \$26.5 million. Based on the current and forecasted budgets, the Parking Fund cash balance may be reduced in 2018 for the one-time impound lot capital improvements and buy down of bonded debt.

2019 Budget

In 2018 the Government Center Parking ramp is discontinued as a City asset as part of the property exchange that will enable the construction of a new city office building. Since this ramp will no longer exist as a city asset both the revenue and expenses for 2018 and future years have been removed from the Parking Fund forecasts. Also, a 2017 exchange transaction resulted in an increase of \$6.0 million to net income in 2017.

The Parking Fund budget assumed the new Impound Lot construction would start in 2017 and be completed in 2018. The exact timing of the construction is still underway, but it appears the majority of construction may occur in 2018.



Revenues

The 2019 Parking Fund revenue budget is expected to decrease by 9.3% to \$67.2 million from the \$74.1 million 2018 revenue budget. The 2019 revenue budget incorporates an overall parking system increase that includes continued on-street usage growth of the parking meters with their associated smartphone app, plus one-time ABC ramp revenues to offset expenses noted below and net debt bonds sold for capital projects but is decreased because of lost revenue from the Government Center Ramp.

The Fund also receives special assessments and tax increment revenues. These revenues will increase by approximately \$0.01 million in 2018 to \$0.01 million in 2019, primarily due to a increase in tax increment revenues. These revenues are expected to slightly decrease in 2020 but then increase to \$1.7 million in future years.

Expenses

The 2019 proposed Parking Fund expense budget is \$48.0 million which is a 8.6% increase from 2018 budgeted expenses of \$44.2 million. This 2019 increase is due to alignment with historical actuals, and reflects anticipated increase in funds used to reduce bonds sold.

The 2019 capital budget decreases from \$7.2 to \$1.0 million. Both 2018 and 2019 capital budgets are driven by planned Impound Lot improvements. After these two years, the capital budget returns to about a \$2.5 million per year average for 2020 to 2023.

Transfers

The Fund transfers in and out are reflected in the above revenues and expenses. More specifically, the key transfers out include:

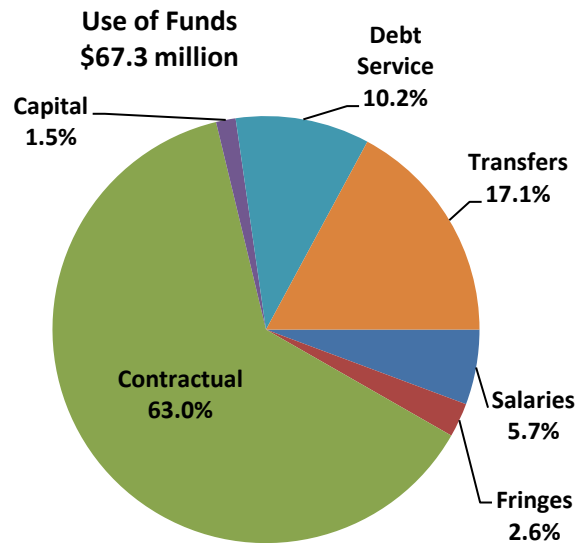
- Target Center Arena Fund transfers are forecasted at 4.0 to 5.0% annual increases. This transfer out increases by \$0.2 million in 2019 to \$4.3 million.
- General Fund transfers are forecasted remain constant. In 2019 this transfer out will remain at a constant level of \$7.0 million.
- Solid Waste and Recycling annual transfer out of \$146,000 remains constant to support service for bus shelter litter containers.

Debt Service

Total debt service, which includes principal and interest on bonds and notes issued for the Parking System is \$6.8 million for 2019. Total debt service payments are forecasted to increase by 27.0% on average in future years beyond 2020. Opportunities to reduce debt continue to be examined. Also, the impound lot improvements are being programmed as new debt with \$5.4 million issued in 2017 and an additional \$3.7 million to be issued in 2018.

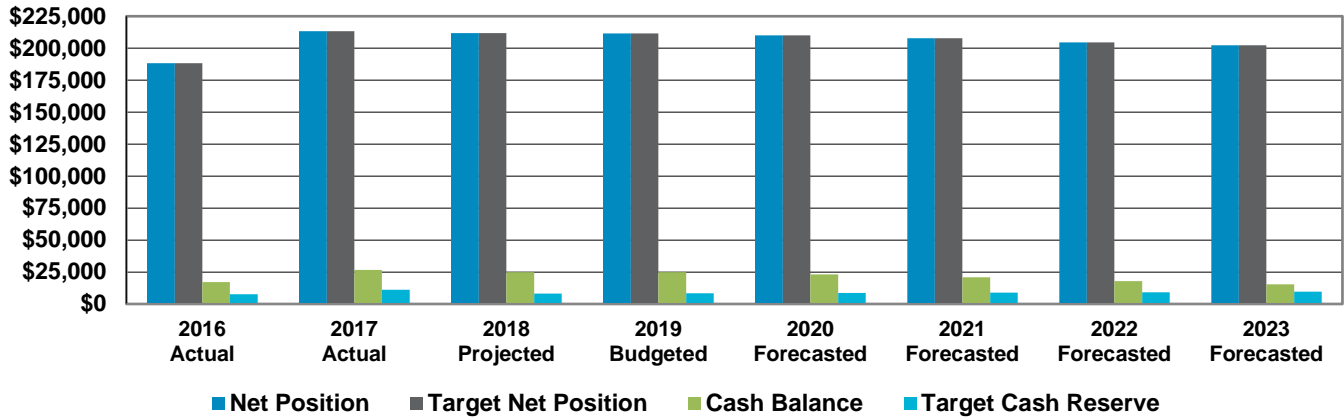
Net Position & Cash Balance

The Parking Fund expects net position to decrease from \$211.7 million to \$211.5 million in 2019, due to large capital project expenditures, and the conversion of the Government Center Ramp, with no bond sale.



The Parking Fund cash balance at year-end 2019 is anticipated to be approximately \$24.8 million, which is a .1% decrease over the projected cash balance for 2018. The city financial policy sets the Target Cash Reserve at 25% of \$21.3 million, which equates to \$8.5 million in 2019.

**Parking Fund
Net Position & Cash Balance
(in thousands of dollars)**



City of Minneapolis
2019 Mayor's Recommended Budget
Financial Plan (in thousands of dollars)

Municipal Parking Fund

	2016 Budget	2016 Actual	2017 Budget	2017 Actual	2018 Budget	2018 Projected	2019 Budget	% Chg From 2018 Projected	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast
Source of Funds:												
License and Permits	316	457	300	487	450	754	495	-34.4%	510	525	541	557
Charges for Service, Sales/Permits	59,250	66,072	60,042	67,950	61,139	74,977	64,192	-14.4%	66,118	68,101	70,144	72,249
Charges for Sales	1,000	1,099	1,100	735	1,100	900	1,000	11.1%	1,030	1,061	1,093	1,126
Special Assessments	543	36	543	-	543	-	543	0.0%	543	543	543	543
Exchange of Gov't Center Ramp	-	-	-	20,557	6,000	-	-	0.0%	-	-	-	-
Other Miscellaneous Revenues	-	36	-	13	-	26	-	0.0%	-	-	-	-
Tax Increment Transfers In	536	690	704	814	1,137	873	929	6.4%	883	1,187	1,156	1,124
Proceeds of Long Term Liabilities	-	-	5,400	-	3,700	1,565	-	0.0%	-	-	-	-
Total	61,645	68,390	68,089	90,556	74,069	79,095	67,159	-15.1%	69,084	71,417	73,477	75,598
Use of Funds:												
Debt Service	10,172	12,714	7,674	4,814	7,674	19,173	6,835	-64.4%	6,505	9,295	8,965	8,968
General Fund Transfer Out	3,919	3,919	7,000	7,000	7,000	8,000	7,000	-12.5%	7,000	7,000	7,000	7,000
Target Arena Transfer Out	3,728	3,728	3,940	3,940	4,158	4,158	4,383	5.4%	4,615	4,853	5,099	5,352
Debt Service Transfer Out	-	-	-	3	-	-	-	0.0%	-	-	-	-
Sanitation Transfer Out	146	146	146	146	146	146	146	0.0%	146	146	146	146
PW-Traffic & Parking	38,888	39,662	40,973	44,777	44,160	46,691	47,963	2.7%	49,402	50,884	52,410	53,983
PW-Traffic & Parking Capital	2,200	1,079	7,600	3,088	7,200	2,500	1,000	-60.0%	3,000	1,500	3,000	2,500
Total	59,053	61,248	67,333	63,768	70,338	80,668	67,327	-16.5%	70,668	73,678	76,620	77,949
Change in Net Position	2,592	7,142	756	26,788	3,731	(1,573)	(168)	-89.3%	(1,584)	(2,261)	(3,144)	(2,350)
Net Position*	183,340	188,173	188,929	213,280	217,011	211,707	211,539	-0.1%	209,955	207,694	204,551	202,200
Total Cash Balance**		17,201		26,540	30,271	24,967	24,799		23,215	20,954	17,811	15,460
Operating Cash balance		17,201		26,540	30,271	24,967	24,799		23,215	20,954	17,811	15,460
Target Cash Reserve		7,711		11,194	7,930	8,122	8,455		8,709	8,970	9,239	9,516
Variance Operating Cash to Target		9,490		15,346	22,341	16,845	16,344		14,506	11,984	8,572	5,944
Cash Reserve												

Notes:

*Change in Net Position does not include any changes in Balance Sheet items

**Cash Balance does not include depreciation.

The Projected 2018 is from the October 2018 Statement of Revenues and Expenses

Revenue and expense forecast are based on anticipated increases.

**City of Minneapolis
2019 Budget
Financial Plan**

Sanitary Sewer Fund

Introduction

The Sanitary Sewer Fund accounts for the activities related to wastewater collection and treatment. Approximately 53.3% of the expense in the Sanitary Sewer Fund's 2019 budget are comprised of contractual payments made to the Metropolitan Council Environmental Services (MCES) for sewage interceptor and treatment related services. The Sanitary Sewer Fund portion is approximately 95.0% of the total paid by the City to MCES with the remaining 5.0% being provided by the Storm Water Fund. The fund also accounts for City services, operations, maintenance, design work, capital programs, transfers, and long-term debt service associated with the sanitary sewer system.

Monthly billing for sewer services is the major source of revenue. Another 12.0 to 18.0% of the funding has been generated through bond sales for capital programs. Miscellaneous activities and SAC fees also provide revenue, but are off-set by expenditures relating to design activities and SAC charges. The Surface Water & Sewer division of the Public Works Department is responsible for the management of operations within this fund.

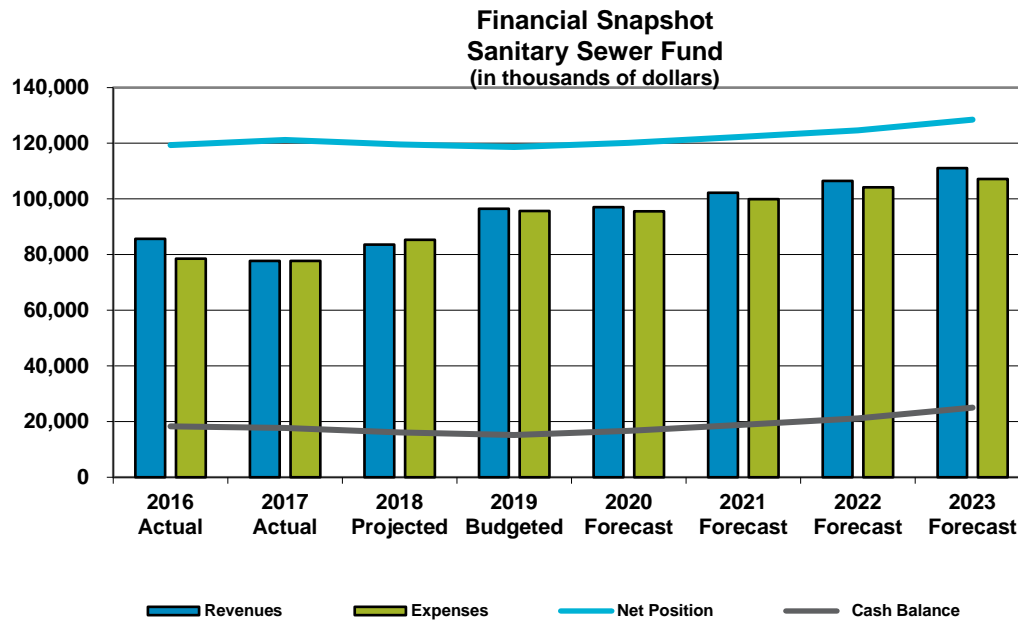
Historical Financial Performance

The fund has performed consistently over the last five years. It has regularly posted cash balances over \$17.0 million in four of the last five years, and has also maintained its cash reserve above the three month operating threshold of \$13.0 million. As a result, the department has been able to use the cash balance to:

- Fund operations and construction.
- Meet obligations for shared costs and services with other City departments.
- Appropriately time the sales of bonds to keep debt financing low.
- Structure and restructure the debt schedule for lower interest and payments.
- Control utility rate increases.

The Sewer division will continue its major repairs, upgrades, rehabilitation and cleaning work paying these out of its operating and capital appropriations.

Current Year Projections



Revenues

The current operating revenue is projected to fall short of the budgeted amount of \$74.8 million by \$2.5 million due to decreased usage in services and reimbursements in design activities. Proceeds from prior years' bond sales were available in the arbitrage fund to cover some infrastructure related costs. This has been projected to \$10.3 million for 2018. Sewer Availability Charges, or SAC, are one-time fees collected from residents or businesses for initial connection to the wastewater system. These fee revenues are collected from property owners and developers and passed on to the Metropolitan Council. Therefore, any increase or decrease in SAC revenues corresponds to similar increase or decrease in SAC expenditures.

Expense

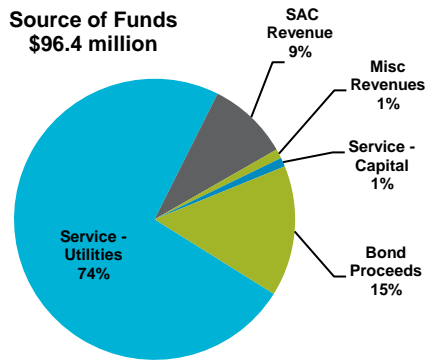
Operating expense for 2018 is projected at \$67.5 million, on level with the adopted budget of \$67.4 million. As activities for major repair, rehab, cleaning, and upgrades picked up during the second half of the year, the projection for the year is over the target by \$100,000. Salaries and fringe at the current rate are projected to fall within the budgeted amount as personnel budgets have been modified to reflect work requirements and needs. Debt service is expected to increase by \$2.2 million due to bond sales in 2017 and capital programs are estimated at \$11.9 million due to prior-year carry overs.

Net Position & Cash Balance

The Sewer fund net position and cash balance are projected to total \$119.5 million and \$16.1 million respectively by the end of 2018. The cash balance is \$3.0 million less than the budgeted amounts due to increase in maintenance work and debt services.

2019 Budget

Revenues from operations account for 84.0% of the budget with the remaining 16.0% coming from capital programs which are consistent with prior years. For 2019, use of funds is estimated to increase by 12.2% over 2018 projections, due to increases in Met Council monthly rates, debt services, and capital programs.

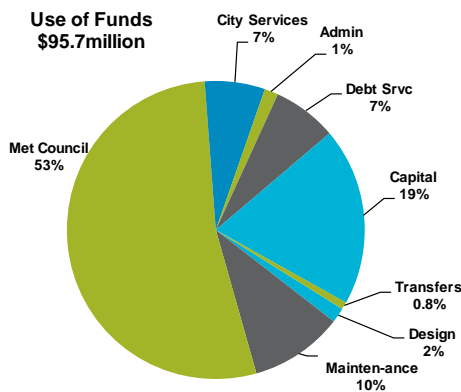


Revenues

The total revenue budget for the Sanitary Sewer Fund for 2019 is \$96.4 million compared to the 2018 projected revenues of \$83.6 million, an increase of \$12.8 million, or 15.3%. This is a result of combined increases in: (i) service revenues of \$6.7 million, due to increases in monthly utility rates; (ii) SAC revenues of \$1.0 million due to increased construction activities; (iii) capital revenues of \$4.2 million due to an increase in planned bond sales to fund capital programs; and (iv) miscellaneous revenue of \$900,000 due to increase in design works.

Sanitary Utility Rates

Sanitary sewer rates are comprised of variable and fixed rates. For 2019, the variable sewer rate is proposed to increase to \$4.21 per one hundred cubic feet (one *unit*, or 748 gallons) compared to \$3.88 for 2018, while the fixed rate is set at \$5.80 compared to \$5.30. Rates were increased to fund sanitary treatment programs, design, maintain, upgrade and rehab sanitary tunnels, and to pay for debt service and shared meter costs.



Expense

The total expense budget for 2019 is \$95.7 million compared to \$85.3 million projected for 2018. This is an increase of \$10.1 million, and reflects the following changes from the 2018 adopted budget: (i) increases in salaries and fringe of \$307,000 due to scheduled step increases and health costs; (ii) increase in professional services, upgrades, rehab, repairs, and maintenance work by \$300,000; (iii) increase in charges for internal City services, of \$600,000; (iv) increase in Met Council charges by \$600,000 due to a rate increase; (v) increase in SAC charges by \$1.0 million; (vi) increase in debt service expenses and

transfers by \$2.8 million; (vii) increase in capital programs by \$4.9 million, and (viii) decrease in fleet and equipment by \$400,000. Capital expenses for 2019 total \$18.5 million, and include a building facility, along with the ongoing inflow/infiltration, sanitary tunnel, and sewer rehab programs.

Met Council sets the rate for treatment services, referred to as Municipal Water Charges (MWC), which are allocated regionally to all users of the system, based upon their proportionate use. The largest expense in the Sanitary Sewer Fund is the service charge paid to Metropolitan Council Environmental Services (MCES) for the treatment of waste water. The estimated payment to MCES for 2019 is \$44.1 million, a 1.5% increase over 2018. The Sanitary Sewer Fund bears \$41.9 million of this cost with the remaining \$2.2 million paid from the Storm Water Fund. Minneapolis is the largest customer in the MCES system. (Please note this payment is only a portion of the Met Council Environmental Services line as shown on the plan; the SAC payments are included in the plan total).

Transfers

A transfer from this fund is made to the Water Fund to cover shared meter expenses. The transfer was initiated in 2012, and will remain a yearly budget item. For 2019, the transfer amount is estimated at \$593,000 with future year amounts jointly decided in cooperation with Water department.

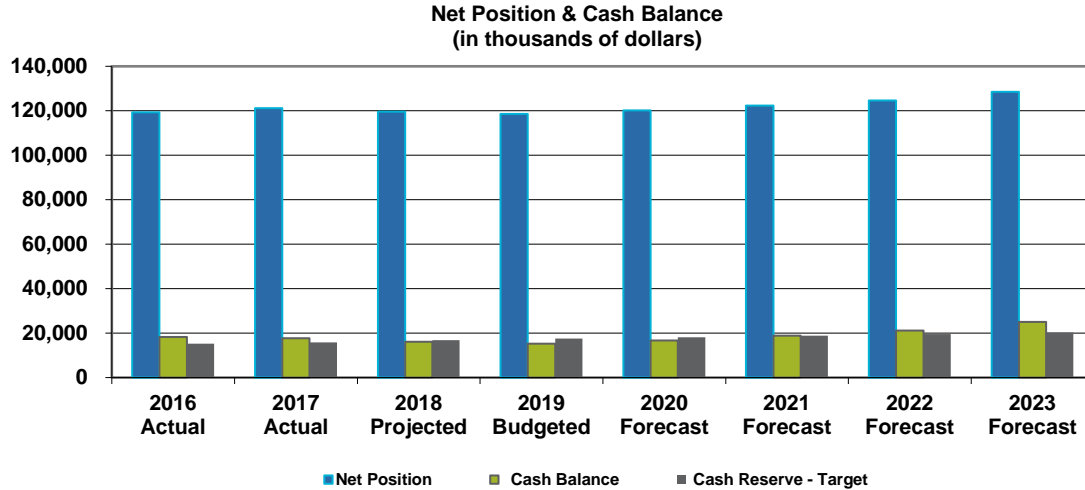
Debt Service

To date, the Fund’s outstanding debt arising from bond financing stands at \$27.8 million, of which \$6.6 million was added in 2017. The bonds were sold to finance capital infiltration and inflow programs and upgrade the City’s sewer system. For 2019, \$6.7 million is set aside for debt service payments. For the next five years, bond proceeds will be the major source of funding for capital programs. Yearly payments for interest and principal will continue at or above the 2018 rate.

Net Position & Cash Balance

At the start of the year 2018, cash balance was \$17.8 million, with the Fund’s net position at \$121.2 million. Based on 2018 projections, the cash balance and net position will decrease to \$16.1 million and \$119.5 million respectively for the start of 2019. However, the five-year plan forecasts a continual increase, due to increases in utility rates and proceeds from long term liabilities.

The City’s policy is to have a cash balance equal to or greater than three months of operating expenses. Therefore, the targeted cash balance for 2019 is \$17.5 million, compared to \$20.2 million in revenue based on budgeted revenues of \$80.9 million, making \$2.7 million available as an unrestricted amount to fund capital programs, transfers, and debt service payments.



**City of Minneapolis
2019 Council Adopted Budget
Financial Plan (in thousands of dollars)**

Sanitary Sewer Fund

	2016 Budget	2016 Actual	2017 Budget	2017 Actual	2018 Budget	2018 Projected	2019 Budget	% Chg 2018 Projected	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast
Source of Funds:												
Charges for Service	56,822	57,791	60,581	58,837	65,738	64,172	70,890	10.5%	76,513	82,136	87,759	92,363
SAC Revenues	8,000	8,720	8,000	9,200	8,000	8,000	9,000	12.5%	9,000	9,000	9,000	9,000
Other Misc Revenues	928	1,376	785	705	1,060	150	1,045	596.7%	993	1,110	1,175	1,175
Charges for Service - Capital	1,000	128	1,000	843	1,000	1,000	1,000		1,000	1,000	1,000	1,000
Proceeds from Long Term Liabilities	8,550	17,706	7,250	8,126	11,100	10,283	14,500	41.0%	9,500	9,000	7,500	7,500
Total	75,300	85,720	77,616	77,710	86,898	83,605	96,435	15.3%	97,006	102,246	106,434	111,038
Use of Funds:												
PW-Sewer Design	791	1,198	1,553	1,068	1,586	1,511	1,538	1.8%	1,578	1,619	1,661	1,703
PW-Sewer Maintenance	7,798	8,263	7,662	8,673	9,647	9,847	9,669	-1.8%	10,002	10,128	10,436	10,505
MERF Debt Service -New Plan	310	310	210	210	210	210	210		210	210	210	210
Met Council Environment Svcs	45,445	46,357	46,796	47,909	49,398	49,398	51,035	3.3%	53,256	55,594	58,056	60,647
Payment for City Services	5,042	4,573	5,052	4,846	5,454	5,454	6,041	10.8%	5,982	6,082	6,184	6,289
PW - Sewer Admin	544	299	599	556	1,154	1,104	1,429	29.4%	1,459	1,492	1,526	1,560
Debt Service	2,136	2,618	3,238	3,027	3,837	5,212	5,193	-0.4%	5,277	5,306	5,329	3,978
Future Debt Service	1,103	-	-	-	-	-	1,494	100.0%	3,603	5,386	7,075	8,494
Transfers												
To Water Fund	1,328	1,101	1,213	1,225	684	684	593	-13.3%	1,077	1,162	1,237	1,270
PW- Capital Programs	10,550	13,867	9,250	10,226	13,600	11,882	18,500	55.7%	13,100	13,000	12,500	12,500
Total	75,047	78,586	75,572	77,740	85,569	85,302	95,703	12.2%	95,544	99,978	104,215	107,157
Deferred Capital Projects-Rev Funded	2,100				-	-	1,611		-	-	-	-
Change in Net Position	(1,846)	7,134	2,044	(30)	1,329	(1,698)	(879)		1,462	2,268	2,220	3,881
Net Position Balance	115,430	119,355	121,399	121,233	122,562	119,535	118,656		120,118	122,386	124,605	128,485
Cash Balances												
Operating Cash	10,575	15,168	20,354	16,165	19,090	16,063	15,183		16,646	18,914	21,134	25,016
Construction Cash		3,142		1,596	-	-	-		-	-	-	-
Total Cash Balance	10,575	18,310	20,354	17,761	19,090	16,063	15,183		16,646	18,914	21,134	25,016
Target Cash Reserve	14,983	15,250	15,468	15,816	16,862	16,881	17,481		18,122	18,781	19,518	20,229
Variance Cash Balance to Target	(4,408)	3,060	4,886	1,946	2,228	(818)	(2,297)		(1,475)	133	1,616	4,788

**City of Minneapolis
2019 Budget
Financial Plan**

Solid Waste and Recycling Fund

Background

The Solid Waste and Recycling Fund provides services related to collection, disposal, and recycling of household waste, yard waste, and problem materials. Graffiti removal and the organics program are additional activities. The Solid Waste Division provides weekly and bi-weekly services for trash, yard-waste, and recycling material pickups. It also operates a solid waste transfer station providing service to over 107,000 households. City crews provide approximately one-half of the solid waste collection service in the City with the other half provided through a contract with a consortium of companies specializing in waste collection.

Funding for Solid Waste and Recycling activities is primarily generated from solid waste collection fees through monthly utility bills. The Fund also receives yearly grants from Hennepin County. Additional revenue is generated through recyclable sales, miscellaneous services, graffiti abatement, and organic programs. The division of Solid Waste & Recycling is responsible for the management of the operations within this fund.

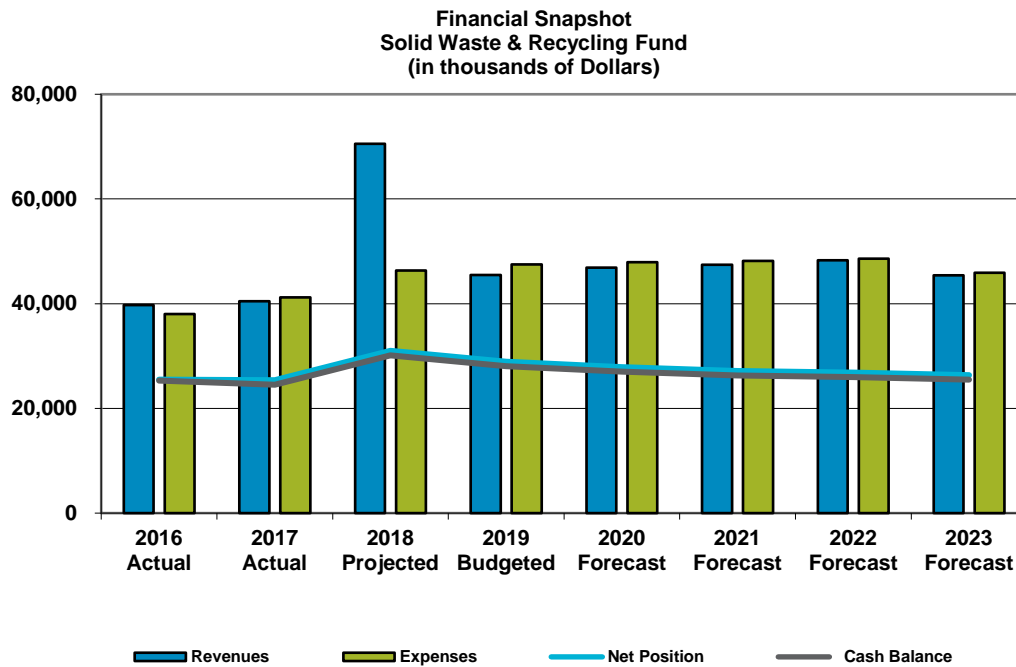
Historical Financial Performance

The overall financial condition of the Solid Waste and Recycling Fund has remained stable over the last five years, despite implementing one-sort and organic programs at an additional cost of \$8.9 million. The Fund has continuously maintained its cash balance above \$25.3 million, keeping the three-month cash reserve of \$9.4 million, and leaving \$15.1 million as unrestricted. Total revenues for 2017 were at \$40.5 million compared to \$41.2 million in expenses. Increase in the year's expenditures was expected due to Capital program which will continue for the next few years. Even with this ongoing facility construction, the fund has been able to:

- Fund new programs and initiatives, such as mattress and electronics hauling and recycling, zero waste studies, litter prevention, step-up interns, and graffiti abatement services.
- Meet its obligations for shared costs and services with other City departments.
- Finance the Solid Waste Information System (SWIS) replacement project, and upgrade its software support system
- Defer debt financing and avoid incurring related interest expenses.
- Control utility rate increases.

The outlook for the Fund for the next five years looks stable. A new \$45.0 million facility construction is in the works which will be paid with bond proceeds.

Current Year Projections



Revenue

For the current year, revenue is projected to reach \$70.5 million compared to \$40.5 million earned in 2017 reflecting an increase of \$30.0 million mainly due to bond sales in 2018. However, this excess revenue will be drawn down over time to finance the construction of the facility. Solid waste utility revenue is projected to increase by \$722,000 compared to 2017 due to increase in rates and dwelling units. County recycling grants and miscellaneous revenues are projected to be realized as budgeted in the current year.

Expenditures

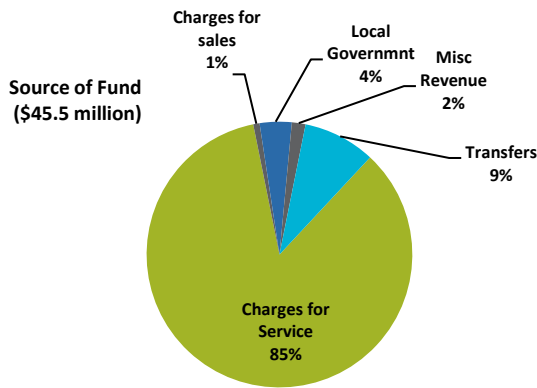
Operating expense for 2018 is projected to equal \$46.3 million compared to \$41.2 million spent in 2017, due to increase in estimates regarding personnel, contractual services, equipment, and SWIS replacement projects. The capital program is projected to incur \$25.5 million in expense compared to \$3.5 million spent, as construction is scheduled to pick up momentum in 2018.

Net Position and Cash Balance

Since both the projected revenues and expense are estimated to surpass actual amounts of 2017, the change in net position and cash balance will be more than anticipated. For the year end, net position and cash balance will total \$30.9 million and \$30.1 million respectively.

2019 Budget

Over the last four years, funds were set aside for facility construction. For this purpose, bonds were sold in late 2018 based on actual work in progress and the completion schedule. As a result, debt services and transfers are included in the budget.



Revenues

The total revenue budget for 2019 stands at \$45.5 million compared to \$70.5 million in revenue projected for 2018. This is a decrease of \$25.1 million, or 35.5% over the 2018 projection and is a result of: (i) decrease in bond proceeds estimated at \$29.3 million related to facility construction; (ii) decrease in sales and miscellaneous revenue by \$218,000; (iii) increase in service revenue, estimated at \$38.6 million, by \$882,000 due to a rate increase; (iv) increase in transfers by \$3.5 million; and (v) increase in recycling grant by \$67,000 based on SCORE projections.

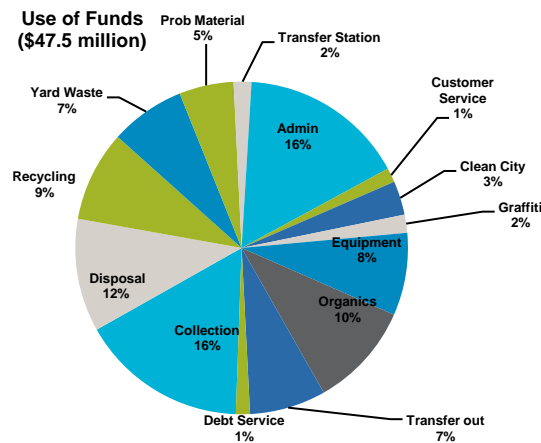
Solid Waste Utility Rates

The Department proposes to increase the base rate for collection and hauling to \$24.53 per dwelling unit, an increase of \$0.54 over the 2018 utility rate, to fund increases in salaries, fringe, contractual services, operating supplies, carts, vehicle replacements, and debt services.

Revenue Assumptions (2019)	
Number of dwelling units	107,118

Expenditures

The total expenditure budget for 2019 amounts to \$47.5 million compared to \$46.3 million projected for 2018, an increase of \$1.2 million, or 2.6%. The operating budget totals \$43.4 million and the remaining \$4.1 million is for construction related transfers and debt services. The 2019 operating budget, compared to 2018, reflects the following changes: (i) an increase in salaries and fringes of \$702,000 as a result of new contracts, job classification, and step increases; (ii) an increase in yard waste, garbage, TV, and mattress collecting, hauling, disposing, and recycling costs of \$842,000 due to new vendor contracts; (iii) an increase in equipment, carts, roof repairs, and operating supplies by \$594,000; (iv) an overall increase of \$376,000 in payment for City services, as set by the 2019 allocation model; (v) an increase in IT project by \$299,000; (vi) increase in debt services by \$4.2 million; (vii) a decrease in general maintenance, abatement, and contractual services by \$341,000; and (viii) a decrease in capital programs by \$3.7 million.



Transfers

The Solid Waste and Recycling Fund will continue to receive a \$146,000 transfer from the Parking Fund for litter container pick-ups in the downtown area. The Fund has also been receiving an annual transfer from the General Fund for graffiti removal since 2014. For 2019, General Fund transfers total \$325,000. These transfers are expected to continue with variations in programs and amounts.

Debt Service

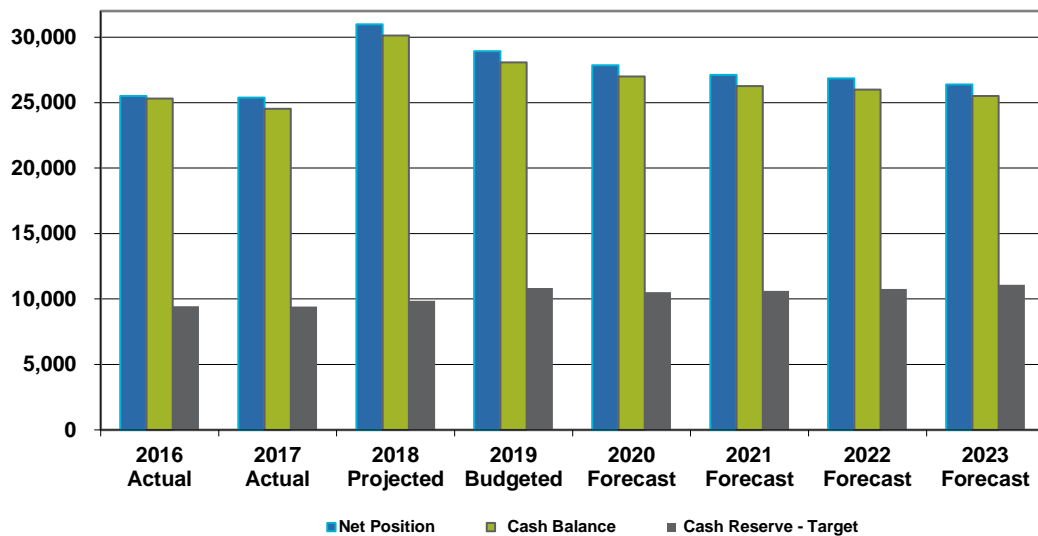
This fund does not currently have any debt service payments. However, with capital program expenditures which is funded by bonds, the Fund anticipates \$4.2 million in debt service payments for principal and interest by 2019. These payments will continue on a yearly basis based on the debt service schedule.

Net Position & Cash Balance

The Solid Waste Fund started the year with a cash balance of \$24.5 million and a net position total of \$25.4 million. Based on the 2018 projection, the cash balance and net position for 2019 will increase to \$28.1 million and \$28.9 million, respectively. The five-year plan forecasts a gradual decline due to debt service payments.

The City’s financial policy requires a fund to maintain a cash balance equal to or greater than three months’ operating expense. Therefore, the target cash balance throughout 2019 is \$10.8 million making \$17.2 million available as an unrestricted amount to fund capital programs and debt services.

Solid Waste Fund Net Position & Cash Balance
(in thousands of dollars)



**City of Minneapolis
2019 Council Adopted Budget
Financial Plan (in thousands of dollars)**

Solid Waste Fund

	2016 Budget	2016 Actual	2017 Budget	2017 Actual	2018 Budget	2018 Projected	2019 Budget	% Chg From 2018 Projected	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast
Sources of Funds:												
Local Government	1,080	1,595	1,080	1,526	1,701	1,701	1,768	3.9%	1,659	1,659	1,659	1,659
Charges for Service	36,452	36,232	37,065	36,993	37,706	37,715	38,597	2.3%	39,308	40,034	41,101	42,194
Charges for Sales	0	383	45	609	350	250	350	40.0%	350	350	350	350
Special Assessments	0	149	-	121	-	-	-	0.0%	-	-	-	-
Other Misc Revenues, Rents	920	738	920	731	758	1,076	758	-29.5%	758	758	758	758
Long Term Proceeds - Capital	7,000	-	15,000	-	3,710	29,322	-	100.0%	-	-	-	-
Capital - Transfer In							3,523	100.0%	4,324	4,136	3,953	-
Operating Transfers In:												
Parking Fund	146	146	146	146	146	146	146	0.0%	146	146	146	146
General Fund - Graffiti	423	423	325	325	325	325	325	0.0%	325	325	325	325
General Fund	50	50	-	-	-	-	-	0.0%	-	-	-	-
Total	46,071	39,716	54,581	40,451	44,696	70,535	45,468	-35.5%	46,870	47,408	48,292	45,432
Use of Funds:												
Collection	7,921	7,238	7,638	7,647	7,709	7,548	7,734	2.5%	7,952	8,002	8,155	8,310
Disposal	4,435	5,266	4,814	4,894	5,346	5,162	5,221	1.1%	5,513	5,517	5,686	5,690
Recycle	3,997	3,451	3,992	3,603	4,064	3,752	4,191	11.7%	4,192	4,258	4,325	4,393
Yard Waste	3,285	2,939	3,320	2,961	3,336	2,937	3,468	18.1%	3,419	3,461	3,505	3,549
Problem Material	1,956	1,950	2,000	2,247	2,343	2,341	2,519	7.6%	2,520	2,617	2,719	2,826
Transfer Stations	451	399	459	436	470	594	820	38.0%	484	491	497	505
Admin	7,441	6,140	7,542	6,708	7,176	7,298	7,668	5.1%	7,173	7,302	7,435	7,569
Customer Service	617	538	649	527	652	518	665	28.4%	676	688	700	713
Clean City	1,208	1,047	1,340	1,089	1,557	1,353	1,567	15.8%	1,585	1,611	1,638	1,666
Graffiti	833	539	862	540	749	675	837	24.0%	675	687	700	712
Equipment	3,790	3,039	3,666	2,930	3,367	3,146	3,814	21.2%	3,726	3,609	3,430	4,055
Organcis	4,167	5,235	4,063	4,099	4,078	4,102	4,851	18.3%	4,201	4,264	4,328	4,393
Capital Program	7,000	232	15,000	3,527	3,710	6,910	-	-100.0%	-	-	-	-
Debt Service - Transfer Out							3,523	100.0%	4,324	4,136	3,953	-
Debt Service	-	-	1,646	-	-	-	649	0.0%	1,500	1,500	1,500	1,528
Total	47,101	38,013	56,991	41,207	44,557	46,336	47,527	2.6%	47,940	48,143	48,571	45,909
Def.Capital Prog. - Exp						18,591						
Change in Net Position	(1,029)	1,703	(2,410)	(756)	139	5,608	(2,059)		(1,070)	(734)	(278)	(477)
Net Position Balance	25,659	25,522	23,112	25,390	25,529	30,998	28,938		27,869	27,135	26,857	26,380
Cash Balance	21,539	25,324	22,915	24,524	24,663	30,132	28,072		27,003	26,269	25,991	25,514
Target Cash Reserve	10,025	9,445	10,086	9,420	10,212	9,857	10,839		10,529	10,627	10,780	11,095
Variance Cash Balance to Target	11,514	15,879	12,829	15,104	14,451	20,275	17,232		16,474	15,641	15,212	14,419

**City of Minneapolis
2019 Budget
Financial Plan**

Storm Water Fund

Background

The storm water collection and street cleaning programs make up the budget for the Storm Water Fund. The Fund accounts for the design, construction, and maintenance of the City's storm drain system and street cleaning activities. A portion of the Storm Water Fund is used for sanitary water interceptor and treatment services, a function carried out through the Metropolitan Council Environmental Services (MCES). Street cleaning is a function of the Transportation Maintenance and Repair division of the Public Works department, with funds provided by Storm Water. The Fund also accounts for the Combined Sewer Overflow (CSO) program, which separates storm water from the sanitary sewer lines.

Fund resources include: monthly utility billing for storm drainage services, quarterly reimbursement for maintenance services provided to the State and County, reimbursement for design work, services provided to other City departments and outside parties; and proceeds from long term liabilities and grants. The Surface Water & Sewer division is responsible for the management of operations within this fund.

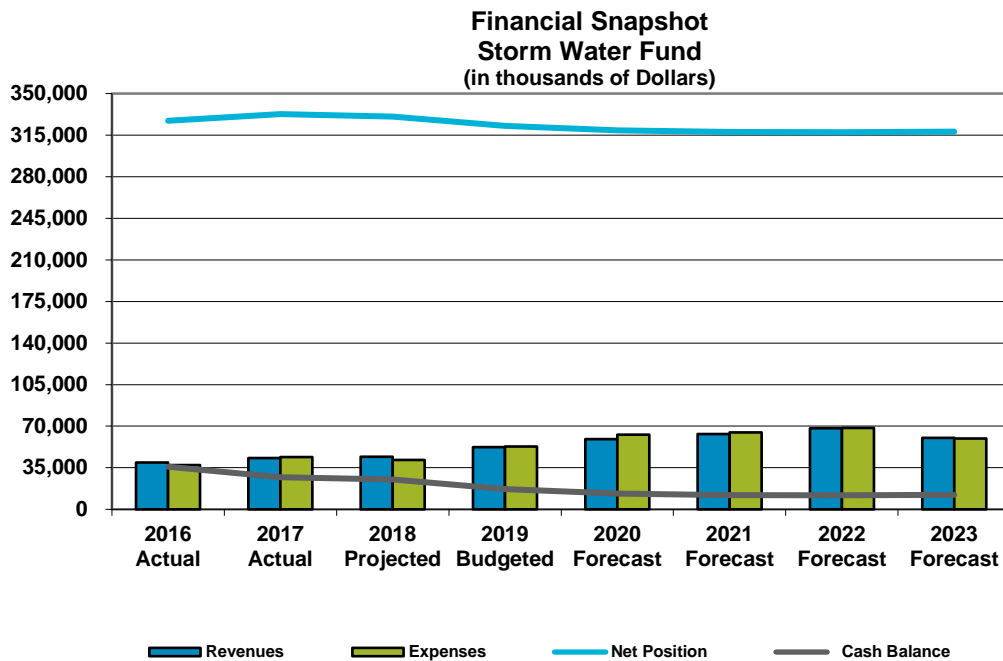
Historical Financial Performance

The Storm Water Fund has performed well in the last five years, maintaining a cash balance above \$27.1 million, and on average, keeping the three-month operating cash reserve to \$7.3 million, restricting an additional \$5.9 million for at-risk-tunnels, and posting an unreserved balance of \$13.9 million. It has consistently almost doubled its operating revenues over operating expenses. As a result, the Fund has been able to:

- Pay off all outstanding debt obligations and increase capacity and flexibility for future debt financings.
- Increase personnel for infrastructure and construction programs.
- Increase capital expenditures for the future years.
- Meet its obligations for shared costs and services with other City departments.
- Control utility rates.

The Fund will continue with design, storm tunnel repair, rehab, televising, cleaning, in addition to flood mitigation and various vegetation maintenance work, using both operating and capital appropriations. The goal has been to maintain, and build upon, unrestricted cash reserves, and continue to use fund balance, and to use debt financing only as needed. With a substantial unrestricted reserve, the fund plans to spend increasingly on capital programs, infrastructure, and major repairs over the next five years.

Current Year Projections



Revenues

For the current year, revenue is projected to total \$44.2 of which is \$41.8 million comes from operations and \$2.4 million from capital programs. Utility rate for the current year is \$12.71 per equivalent storm units (ESU) compared to \$12.36 for 2017. As per a signed agreement, the maintenance revenue from the State and County will be realized in full as budgeted. Design and capital related revenues reflect and are dependent on capital activities; so as capital expenditures increase, bond revenues and reimbursement increase.

Expenses

Operating expense for 2018 is projected at \$31.2 million for the year. In capital programs, \$13.3 million is projected to be spent in the current year: \$8.8 million out of 2018 budget and \$4.5 million coming out of appropriations from prior years. Transfer for shared costs, estimated at \$1.6 million, will be expended as budgeted.

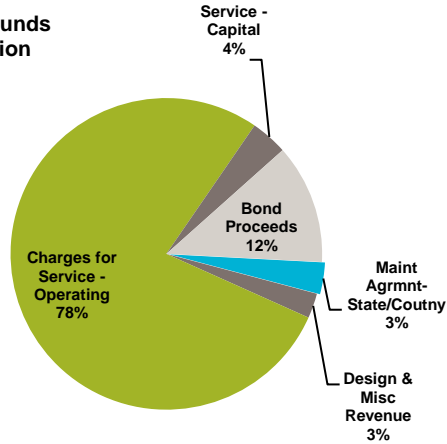
Net Position and Cash Balance

The Storm fund cash balance and net position have continuously grown in the past five years. For the current year, net position and cash balance are projected to total \$330.7 million, and \$25.1 million respectively. These are less than 2017 actual amounts due to increases in operating expenditures.

2019 Budget

Revenues from operations account for 84.0% of the budget with remaining 16.0% coming from the capital program as bond proceeds and service charges. With significant increases in capital expenditures planned for next five years, funds from bond sales are in the plan in order to maintain positive cash balance. Expenses from operations account for 61.0% of the total budget with 35.0% allocated for capital, 3.0% for transfers, and 1.0% for debt services. The combined sewer flow program has been discontinued from the operating budget, but will continue in the capital program.

**Source of Funds
\$52.3 million**



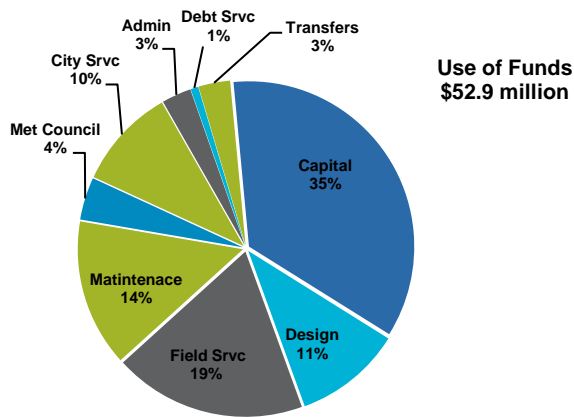
Revenues

The 2019 revenue budget is \$52.3 million, compared to \$44.2 million projected for 2018, reflecting an increase of \$8.2 million, or 18.5%. This is due to combined increases in: (i) service revenues by \$2.1 million, due to increases in monthly utility rates; (ii) maintenance revenues by \$190,000 as per State and County schedule; (iii) capital revenues by \$6.1 million, due to increases in long term financing; and (iv) a decrease in design revenues by \$200,000 due to decrease in capital activities.

Storm Water Utilities Rates

The Department proposed a storm water utility rate of \$13.09 per ESU for 2019, which is an increase of \$0.38 over the 2018 rate. It was increased to fund operations, transfers, debt services, and capital programs.

Year	Rate per Equivalent Storm Water Unit (ESU)	Increase	Total Planned Revenue from Utility Fee
2019	\$13.09	2.9%	\$40.7 million
2020	\$13.59	3.7%	\$42.3 million
2021	\$14.19	4.2%	\$44.2 million
2022	\$14.79	4.0%	\$46.1 million
2023	\$15.54	4.8%	\$48.4 million



Expenditures

The 2019 total expense budget for the Storm Water Fund is \$52.9 million, a decrease of \$17,000 over the 2018 budget with the following changes: (i) increases in salaries and fringe of \$308,000 due to step increase; (ii) increases in City services of \$258,000, as established by the allocation model; (iii) increases in fleet and equipment by \$193,000; (iv) an increase in operations and contractual services by \$108,000; (v) increase in debt services and transfers by \$416,000; (vi) decrease in professional services, storm tunnel cleaning, televising, catch basin repairs, maintenance work

of \$300,000; and (vii) decrease in capital programs by \$1.0 million. Capital expenses for 2019 total \$18.7 million and include a building facility, along with combined sewer overflow, storm tunnel rehab, flood mitigation, and storm-paving programs. These are designated to be funded from cash reserves and bond proceeds.

Transfers

Transfers-out of this fund are for an environmental services program in the General Fund which is fixed at \$110,000. An additional \$1.5 million transfer is the Storm Water Fund’s contribution to the Paving program. These transfers will remain a yearly budget item on an ongoing basis.

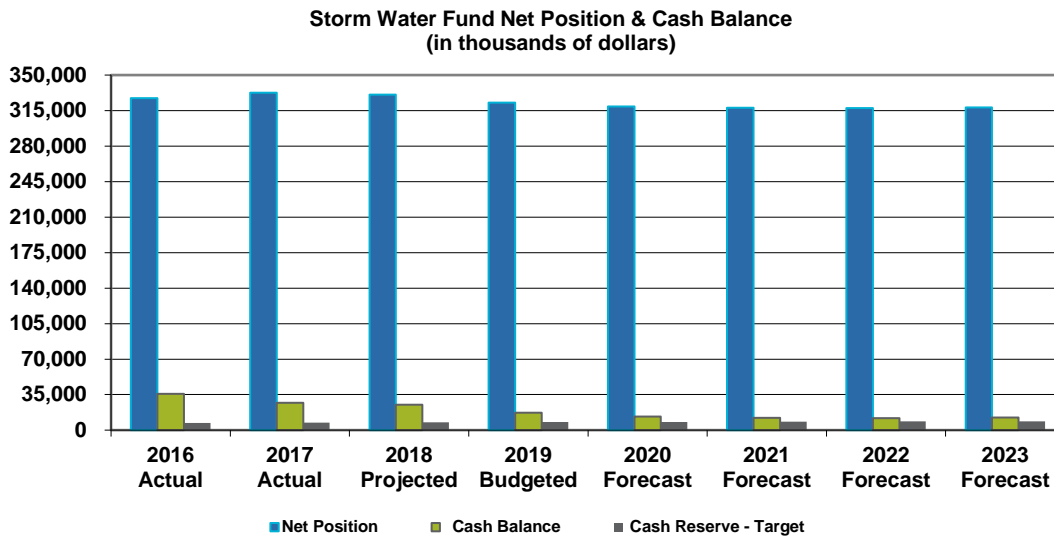
Debt Service

The Fund paid off all of its previous debt service obligations in 2016. Bond funded programs were planned for 2018 and an additional \$6.5 million has been added in 2019. As a result, debt service payments of \$401,000 are estimated for 2019.

Net Position and Cash Balance

The Storm Water Fund started the year with a cash balance at \$27.1 million and a net position total of \$332.7 million. Based on the 2018 projection, the cash balance and net position for 2019 will decrease to \$17.1 million and \$322.7 million respectively. The five-year plan projects a gradual decline in both cash balance and net position as a result of an increase in capital expenditures.

The City’s financial policy requires the fund to carry a cash balance equal to or greater than three month’s operating expense. The target cash balance through 2019 is \$8.0 million making \$9.1 million available as an unrestricted amount to fund capital programs, debt services, and transfers.



City of Minneapolis
2019 Council Adopted Budget
Financial Plan (in thousands of dollars)

Storm Water Fund

	2016 Budget	2016 Actual	2017 Budget	2017 Actual	2018 Budget	2018 Projected	2019 Budget	% Chg From 2017 Projected	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast
Source of Funds:												
Federal Government	-	-	-	-	-	-	-	-	-	-	-	-
State Government	1,505	1,457	1,327	1,249	1,196	1,196	1,346	12.5%	1,346	1,378	1,411	1,412
Local Government	253	341	318	416	335	335	375	11.9%	375	384	394	394
Charges for Service-Operating	37,257	37,027	38,578	39,751	39,679	38,679	40,735	5.3%	42,303	44,184	46,065	48,416
Design & Misc Revenues	2,147	478	1,318	920	2,045	1,566	1,352	-13.7%	2,132	1,984	1,503	1,024
Special Assessments	-	160	-	76	-	-	-	-	-	-	-	-
Grants Proceeds/Others - Capital	-	-	-	-	2,388	377	-	100.0%	-	-	-	-
Charges for Service-Capital	2,000	49	2,000	652	2,000	2,000	2,000	100.0%	2,000	2,000	2,000	2,000
Proceeds of Long Term Liabilities	-	-	-	-	2,500	-	6,500	100.0%	11,000	13,500	17,000	7,000
Total	43,162	39,511	43,541	43,063	50,143	44,153	52,308	18.5%	59,156	63,430	68,373	60,245
Use of Funds:												
PW-Storm Design	5,270	4,926	5,757	5,822	5,038	5,135	5,575	8.6%	5,660	5,748	5,838	5,930
PW-Field Services	8,563	8,587	9,148	9,514	9,866	9,583	9,945	3.8%	10,243	10,551	10,870	11,199
PW-Storm Maintenance	7,229	7,941	6,149	6,784	8,099	8,184	7,621	-6.9%	7,554	7,693	7,835	7,982
Metropolitan Council	1,992	1,960	2,034	2,034	2,171	2,171	2,204	1.5%	2,322	2,445	2,574	2,711
Payment for City Services	5,173	4,805	4,858	4,241	5,081	5,081	5,237	3.1%	5,149	5,230	5,313	5,397
PW-Admin	886	341	893	639	1,254	1,085	1,527	40.7%	1,500	1,532	1,565	1,599
Debt Service	2,600	2,562	-	-	-	-	-	-	-	-	-	-
Future Debt Service	-	-	-	-	-	-	401	100.0%	1,445	2,767	4,390	6,435
Transfers	110	110	1,610	1,610	1,625	1,625	1,640	0.9%	1,655	1,671	1,687	1,702
PW- Capital	14,500	6,062	14,965	13,309	19,768	8,758	18,735	113.9%	27,320	27,185	28,485	16,800
Total	46,323	37,294	45,414	43,953	52,902	41,622	52,885	27.1%	62,848	64,822	68,557	59,755
Def.Capital Proj - Rev Funded	6,518	4,873	14,808	5,433	5,680	4,498	7,435	-	-	-	-	-
Change in Net Position	(9,679)	(2,657)	(16,681)	(6,323)	(8,439)	(1,967)	(8,012)		(3,692)	(1,392)	(184)	491
Net Position	313,779	327,170	310,489	332,711	324,272	330,744	322,732		319,041	317,649	317,465	317,956
Cash Balances	30,266	35,863	19,182	27,087	18,648	25,120	17,107		13,415	12,024	11,839	12,330
Construction Cash	-	-	-	-	-	-	-		-	-	-	-
Total Cash Balance	26,183	35,863	19,182	27,087	18,648	25,120	17,107		13,415	12,024	11,839	12,330
Target Cash Reserve	7,278	7,140	7,210	7,259	7,877	7,810	8,027		8,107	8,300	8,499	8,705
Variance Cash Balance to Target	18,905	28,723	11,972	19,829	10,771	17,310	9,080		5,308	3,724	3,340	3,626

**City of Minneapolis
2019 Budget
Financial Plan**

Water Treatment and Distribution Services Fund

Introduction

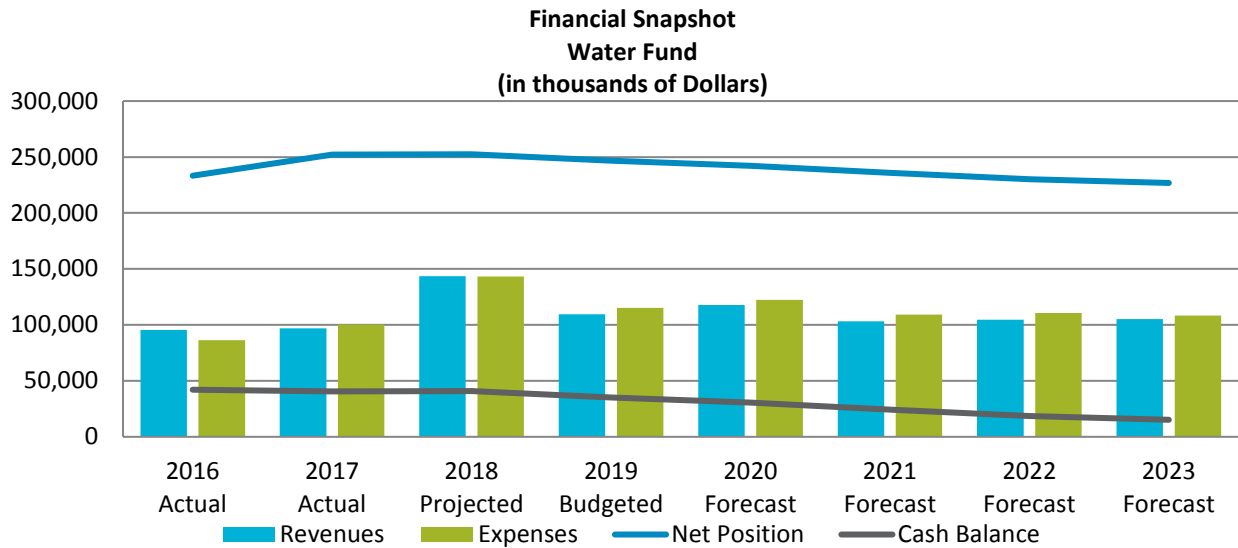
The Public Works Water Treatment and Distribution Services Fund accounts for the administration, operation, maintenance, and capital investments of the water treatment and distribution system of the City of Minneapolis. The Water Treatment and Distribution Services Division sells water to retail customers in the City as well as wholesale customers i.e. the Cities of Bloomington, Columbia Heights, Hilltop, Golden Valley, New Hope, Crystal, and Edina, as well as the Metropolitan Airports Commission. Beginning in 2016, the City of New Brighton also entered into a contract to purchase water wholesale from the City until 2018.

Monthly billing for water sales is the main source of revenue for this fund. The City’s Public Works Water Treatment and Distribution Services Division is responsible for the management of operations within this enterprise fund.

Historical Financial Performance

The net position of the Water Fund has increased over the past several years due primarily to scheduled rate increases and deferrals of some major capital improvements and investments to 2018 and beyond. The fund has performed consistently over the previous five years with its cash balance increasing in three of those years and has continuously maintained its three-month operating cash reserve requirement. The long-term health of the fund is stable with significant capital projects planned over the next three to four years that will be funded with a combination of cash reserves and debt financing. This will be accomplished while keeping the increase to the average monthly residential bill under 3 percent annually.

Current Year Projections



Revenues

The 2018 operating revenues are projected to be 3.8% under the budgeted amount of \$91.1 million due to expected shortfalls in volume water sales. Proceeds from bond sales are another significant revenue source, and will be used to finance current and deferred Capital projects.

Expenditures

The 2018 operating expenses are projected to be 7.6% under the budgeted amount of \$60.4 million due to a combination of savings in personnel costs, materials and utilities. Capital expenses are expected to be higher than originally budgeted for 2018 as a result of deferring projects and their related appropriations to years after 2017.

Net Position & Cash Balance

The Water Fund net position is projected to increase \$0.2 million in 2018 to a total of \$252.5 million. The cash balance is projected to be \$40.9 million at year end which is sufficient to cover the three month operating reserve requirement of \$15.1 million and will be used to partially fund capital projects in the next few years.

2019 Budget

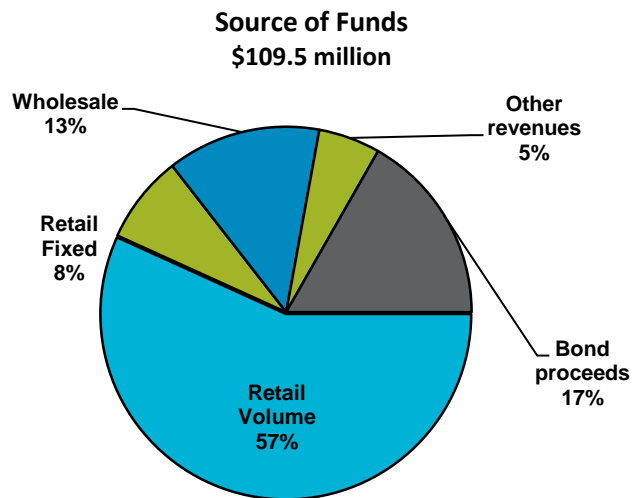
Operating revenues and expenses for the next few years are anticipated to be fairly steady with small percentage increases in both. Because of planned improvements to both water treatment related infrastructure and the distribution system to be made between 2019 and 2020, capital expenses and the related bond sale proceeds are expected to remain higher during that period.

Revenues

The total revenue budget for 2019 is \$109.5 million compared to the 2018 projected revenues of \$143.4 million, a decrease of \$33.9 million, or 23.7%. This is due almost entirely to a \$35.9 million decrease in proceeds from debt as compared to 2018 due to projects that carried over to 2018.

Water Utility Rates

The budget includes a fixed rate charge based on meter size as well as a variable rate charge of \$3.63 per unit. The fixed rate charge helps to cover the fixed costs of operating the utility which increases the utility’s financial stability as it continues to operate in an environment of declining consumption due to conservation efforts.



Projected Revenue from Retail Water Sales

Year	Fixed Rate (5/8" Meter)	Rate (cost per 100 cubic feet)	Total Cost Per Month for Average Consumer	Total % Change	Total Monthly Cost Increase per Household	Total Planned Revenue from Utility Fee
2019	\$5.00	\$3.63	\$30.41	2.9%	\$0.85	\$68.9 Million
2020	\$5.50	\$3.68	\$31.26	2.8%	\$0.85	\$70.5 Million
2021	\$6.00	\$3.73	\$32.11	2.7%	\$0.85	\$72.2 Million
2022	\$6.50	\$3.78	\$32.96	2.7%	\$0.85	\$73.9 Million
2023	\$7.00	\$3.83	\$33.81	2.6%	\$0.85	\$75.5 Million

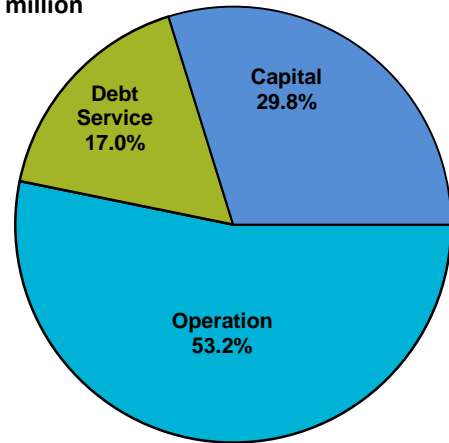
Projected Revenue from Wholesale Water Sales

Year	% Change	Total Revenue Earned from Utility Fee - Wholesale
2019	-10.1%	\$14.3 Million
2020	2.9%	\$14.7 Million
2021	2.5%	\$15.1 Million
2022	2.5%	\$15.5 Million
2023	2.6%	\$15.9 Million

Expenditures

The 2019 expense budget is \$115.2 million, a 19.5% decrease from 2018 projected actual expenses of \$143.2 million. The expense budget includes expenses related to the operating costs of the Division as well as the capital improvement program. Planned capital projects include improvements to the water distribution network, treatment infrastructure improvements, rehabilitation of the Fridley Filter facility and replacement of the Distribution Maintenance Facility. The 2019 capital budget of \$34.4 million represents a 50.8% decrease from the 2018 projected capital expenses due in large part to projects carried over from 2017.

**Use of Funds
\$115.2 million**



Transfers

For 2019, the transfer amount of \$622,310 consists primarily of a \$593,310 operating transfer from the Sanitary Sewer Fund for their share of the cost of the meter shop. This is an ongoing transfer that is adjusted annually based on actual meter shop expenses incurred.

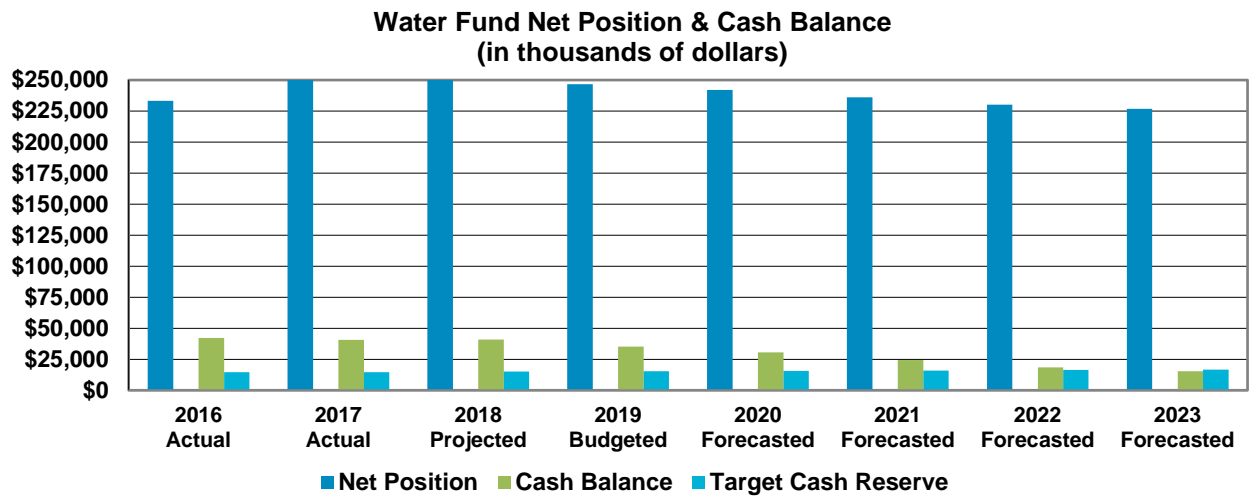
Debt Service

The debt service total of \$19.6 million relates to bonds and notes sold to finance the Water Fund’s capital construction program. As of December 2017, the fund’s total outstanding debt was \$97.8 million with current debt service running through 2027. Future debt issuance will increase the amount owed and lengthen the payoff schedule.

Net Position & Cash Balance

The 2017 cash balance was \$40.7 million and the Water Fund’s net position totaled \$252.3 million. Based on 2018 projections, the cash balance and net position will increase to \$40.9 million and \$252.5 million respectively in 2018.

The City’s policy is to have a cash balance equal to or greater than three months of operating expenses. Therefore, the targeted cash balance in 2019 is \$15.3 million, leaving \$19.8 million available as an unrestricted amount to fund capital programs and debt service payments. The five-year plan shows the projected cash balance dropping slightly each year but continuing to remain above the three month operating reserve requirement until 2023.



**City of Minneapolis
2019 Council Adopted Budget
Financial Plan (in thousands of dollars)**

Water Fund

	2016 Budget	2016 Actual	2017 Budget	2017 Actual	2018 Budget	2018 Projected	2019 Budget	% Chg From 2018 Projected	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast
Source of Funds:												
Water Sales - Retail												
Volume Rate	58,026	55,414	59,262	55,906	60,500	57,207	60,664	6.0%	61,500	62,335	63,171	64,007
Fixed Rate	5,752	5,754	6,573	6,635	7,395	7,504	8,217	9.5%	9,038	9,860	10,682	11,503
Water Sales - Wholesale	12,674	13,049	17,090	15,605	15,915	15,699	14,310	-8.8%	14,722	15,097	15,481	15,891
Other Operating Revenue	4,177	6,924	4,239	4,293	6,542	6,442	5,760	-10.6%	5,846	5,934	6,023	6,113
Proceeds of Long Term Liabilities **	8,200	11,500	58,820	12,320	13,635	53,835	17,890	-66.8%	23,555	6,800	6,000	4,360
Transfers												
From Sewer Fund for Meter Shop	1,328	1,101	1,213	1,213	684	684	593	-13.3%	1,077	1,162	1,237	1,270
From General Fund	24	24	25	25	27	27	29	7.4%	25	25	25	25
Reimbursed Capital Revenue	2,000	1,755	2,000	1,004	2,000	2,000	2,000	0.0%	2,000	2,000	2,000	2,000
Total	92,181	95,521	149,222	97,001	106,698	143,398	109,463	-23.7%	117,763	103,213	104,619	105,169
Use of Funds:												
Operating Expense	57,754	52,139	57,917	50,482	60,406	55,823	61,315	9.8%	62,148	63,660	65,214	66,808
Debt Service	12,041	11,881	15,269	15,269	16,509	17,562	17,045	-2.9%	14,819	14,425	12,948	10,839
Future Debt Service							2,547	100.0%	5,321	7,764	9,140	9,866
Capital**	22,540	22,188	79,100	34,480	29,390	69,811	34,340	-50.8%	40,105	23,450	23,250	20,860
Total	92,335	86,208	152,286	100,231	106,305	143,196	115,247	-19.5%	122,393	109,299	110,552	108,373
Change in Net Position	(154)	9,313	(3,064)	(3,230)	393	202	(5,784)		(4,630)	(6,086)	(5,933)	(3,204)
Net Position	220,201	233,302	230,238	252,260	252,653	252,462	246,678		242,048	235,962	230,029	226,825
Total Cash Balance		42,086		40,663	41,056	40,865	35,081		30,451	24,365	18,432	15,228
Target Cash Reserve		14,439		14,479	15,102	15,102	15,329		15,537	15,915	16,304	16,702
Variance Operating Cash to Target		27,648		26,184	25,955	25,764	19,752		14,914	8,450	2,129	(1,474)

Notes:

** The unused 2017 Budgeted Capital amount will be carried forward to 2018 and beyond.

**City of Minneapolis
2019 Budget
Financial Plan**

Engineering, Materials and Testing Fund

Introduction

The Engineering, Materials and Testing Internal Service Fund accounts for transactions related to City purchases of hot-mix asphalt and ready-mix concrete and the related quality control activities for the placement of these materials to assure compliance with State and Federal standards and specifications. The Engineering Laboratory, a component of this fund, provides these quality control activities. In addition, the Engineering Laboratory is responsible for construction inspection and testing services, maintaining a laboratory for testing construction materials, performing geotechnical evaluations, and coordinating related environmental field services. The Public Works Department is responsible for management of operations within the fund.

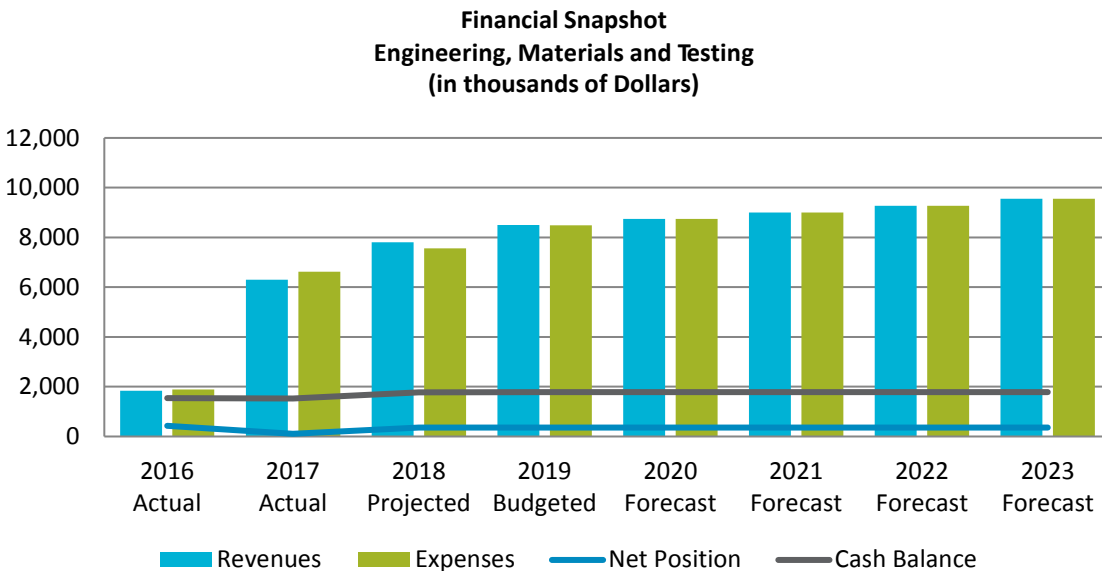
This fund generates revenues from testing and inspection services provided by the Engineering Laboratory and also from the sale of concrete and asphalt from outside vendors to other City departments. A cost allocation model determines product costs to allow the fund to generate revenues that match operating expenses. The Engineering Laboratory continually compares its rates with those of the private sector that provides comparable services. Historically, the Laboratory's hourly rate has been significantly lower than that of the private sector while generating adequate revenue to cover the fund's direct and indirect expenses.

Historical Financial Performance

The rates charged by the fund are reviewed on an annual basis to determine the amount of revenue needed to cover expenses of the fund. In 2013, the overhead rate applied to the procurement and sale of asphalt and concrete was reduced and the fund also reduced the rates charged for inspection services and laboratory testing. The rates were decreased again in 2014 and 2015. In addition to the rates charged, the revenues and expenses fluctuate each year based upon the amount and size of projects.

From year-end 2012 to year-end 2017, the fund's net position has decreased from \$1.1 million to \$108,000. The most significant factor in this decrease is in 2015 the fund implemented GASB No. 68 to record pension liabilities, which reduced the fund's net position significantly. The reduction to net position was offset by operating gains of \$459,000 in 2012 and \$416,000 in 2013. From year-end 2012 to year-end 2017, the cash balance increased from \$1.2 million to \$1.5 million as a result of the operating gains in 2012 and 2013.

Current Year Projections



Revenues

The 2018 revenues are projected to be \$7.8 million, representing an increase of 5.4% from the original revenue budget of \$7.4 million. The projected revenue is more than budget due to an increase of \$431,000, or 24.6%, in charges for services resulting from increased testing revenue due to an increase in construction projects. Prior to 2017, the sale of concrete and asphalt were offset against the expense. Starting in 2017, the purchases and sale of concrete and asphalt were no longer be offset, and the full amount of expense and revenue was reported on the financial statements.

Expenditures

The 2018 expense budget is projected to be \$7.6 million, representing an increase of 2.7% from the original revenue budget of \$7.4 million. The increase is a result of increased professional services expenditures due to an increase in construction projects. As previously noted, starting in 2017 the purchase of concrete and asphalt is reported at cost instead of being offset by sales.

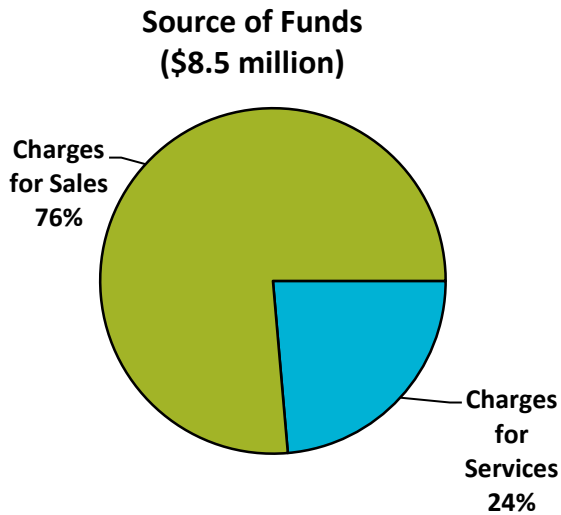
Net Position & Cash Balance

The fund's projected net position at the end of 2018 is \$354,000, representing an increase of \$246,000 from the 2017 ending net position of \$108,000. The fund's projected cash balance at the end of 2018 is \$1.8 million, representing an increase of \$246,000 from the 2017 ending cash balance of \$1.5 million.

2019 Budget

Prior to 2017, the sale of concrete and asphalt was offset against the expense. Starting in 2017, the purchases and sale of concrete and asphalt were no longer be offset and instead the full amount of expense and revenue is reported in the financial statements. The 2019 budget reflects this change in accounting for the sales.

Revenues



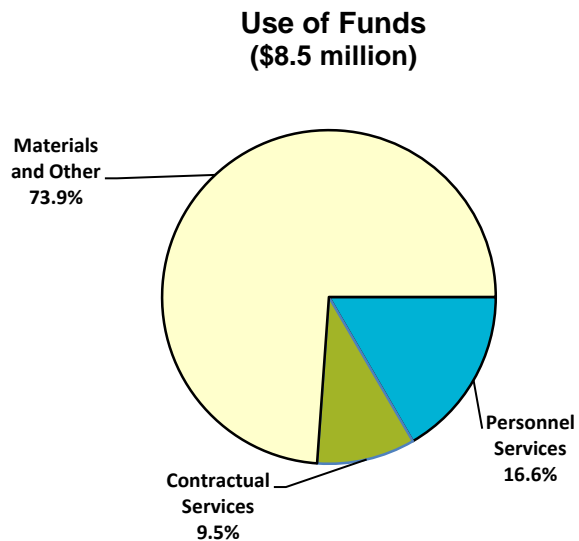
The 2019 revenue budget is \$8.5 million, an increase of 8.9% from the 2018 projected revenue of \$7.8 million. This increase in the 2019 budgeted revenue is due to projected increases in City projects and maintenance activities.

The 2019 revenue budget of \$8.5 million is an increase of \$1.1 million compared to the 2018 revenue budget of \$7.4 million. This increase is due to projected increases in City projects and maintenance activities.

Expenditures

The 2019 expense budget is \$8.5 million, an increase of 12.3% from the 2018 projected expense of \$7.6 million. This increase in the 2019 budgeted expense is due to projected increases in City projects and maintenance activities.

The 2019 expense budget of \$8.5 million is an increase of \$1.1 million compared to the 2018 expense budget of \$7.4 million. This increase is due to projected increases in City projects and maintenance activities.



Transfers

There are no transfers scheduled in 2019 for this fund.

Debt Service

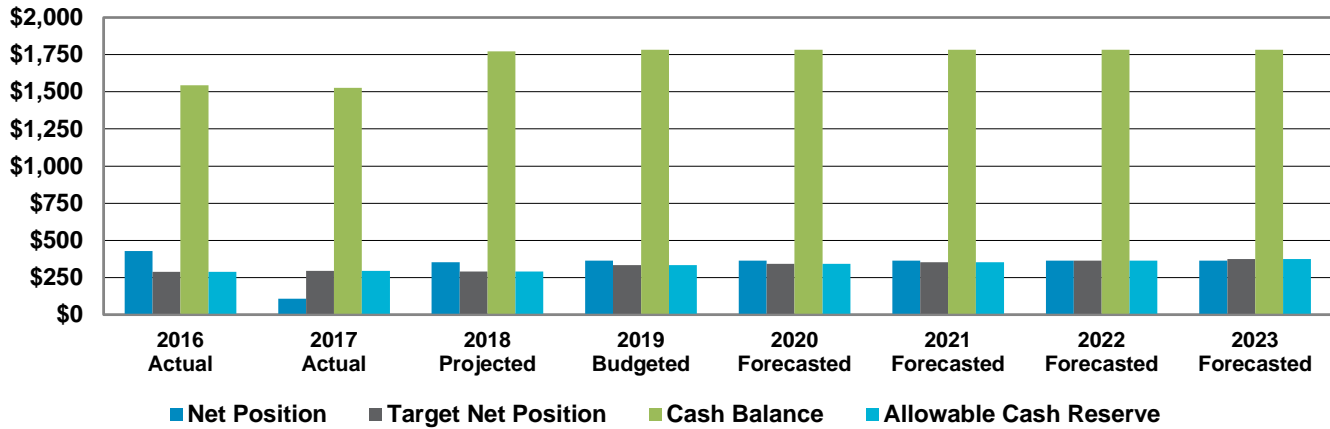
This fund does not have any debt service liabilities.

Net Position & Cash Balance

The net position is projected to be \$354,000 at the end of 2018 and \$364,000 at the end of 2019. The financial policy requires that the fund maintain a net position at least equal to 15.0% of the operating budget, exclusive of materials and related costs. For the year ending 2019, the projected net position is in line with the benchmark of \$0.3 million.

The cash balance is projected to be \$1.8 million at the end of 2018 and 2019. Financial reserve policies for the Engineering, Materials and Testing fund requires that the cash balance should not be less than 15.0% of the operating budget exclusive of materials and related costs, or \$1.3 million for 2019. The fund is expected to exceed the benchmark by \$1.5 million in 2019.

Engineering, Materials and Testing Fund Net Position & Cash Balance (in thousands of dollars)



**City of Minneapolis
2019 Council Adopted Budget
Financial Plan (in thousands of dollars)**

Engineering, Materials and Testing

	2016 Budget	2016 Actual	2017 Budget	2017 Actual	2018 Budget	2018 Projected	2019 Budget	% Chg From 2018 Projected	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast
Source of Funds:												
Charges for Services	1,622	1,572	1,657	1,651	1,755	2,186	2,007	-8.2%	2,058	2,119	2,183	2,248
Charges for Sales	150	264	320	4,647	5,618	5,618	6,489	15.5%	6,684	6,884	7,091	7,303
Total	1,772	1,836	1,977	6,298	7,373	7,804	8,496	8.9%	8,741	9,003	9,274	9,552
Use of Funds:												
Personnel Services	1,273	1,244	1,280	1,308	1,326	1,097	1,410	28.5%	1,452	1,496	1,540	1,587
Contractual Services	572	568	606	773	613	992	808	-18.5%	833	858	883	910
Materials and Other	84	80	80	4,538	5,434	5,469	6,269	14.6%	6,457	6,650	6,850	7,055
Total	1,929	1,891	1,966	6,619	7,373	7,558	8,487	12.3%	8,741	9,003	9,273	9,552
Change in Net Position¹	(157)	(500)	10	(321)	-	246	10	-	-	-	-	-
Net Position¹	645	429	439	108	108	354	364	2.8%	364	364	364	364
Total Cash Balance	1,396	1,545	1,555	1,527	1,527	1,773	1,783		1,783	1,783	1,783	1,783
Operating Cash balance	1,396	1,545	1,555	1,527	1,527	1,773	1,783		1,783	1,783	1,783	1,783
Target Cash Reserve²	289	289	295	295	291	291	333		343	353	364	374
Variance Operating Cash to Target	1,107	1,256	1,261	1,232	1,236	1,482	1,450		1,440	1,430	1,419	1,408

¹Change in net position and net position for 2016 & 2017 are CAFR values.

²The target cash reserve is in accordance with the financial reserve policy for internal service funds. The cash reserve for the Engineering, Materials and Testing Fund should be maintained at a minimum of 15% of the operating budget, excluding materials and related costs.

**City of Minneapolis
2019 Budget
Financial Plan**

Fleet Services Fund

Introduction

The Fleet Services Internal Service Fund manages the acquisition, maintenance and disposal of approximately 1,700 units of equipment, primarily the City's fleet of vehicles, including police cars, fire trucks, snow plows, sedans and pickup trucks along with off-road equipment. This fund provides the services of technicians to maintain the equipment. In addition, the fund manages the field coordination of City-owned and contractual equipment and operators as well as the procurement and sale of fuel for these vehicles. The Public Works Department is responsible for management of the operations within the fund.

The Fleet Services Division assigns nearly all its fleet (as base units) to City departments. The City departments are allocated a rental rate for these units that is calculated through an activity based cost allocation model and designed to capture the replacement cost of the vehicle. The City's fleet of vehicles and equipment has an acquisition value of \$93.5 million and accounts for 57.3% of the net value of the long-term assets in this fund.

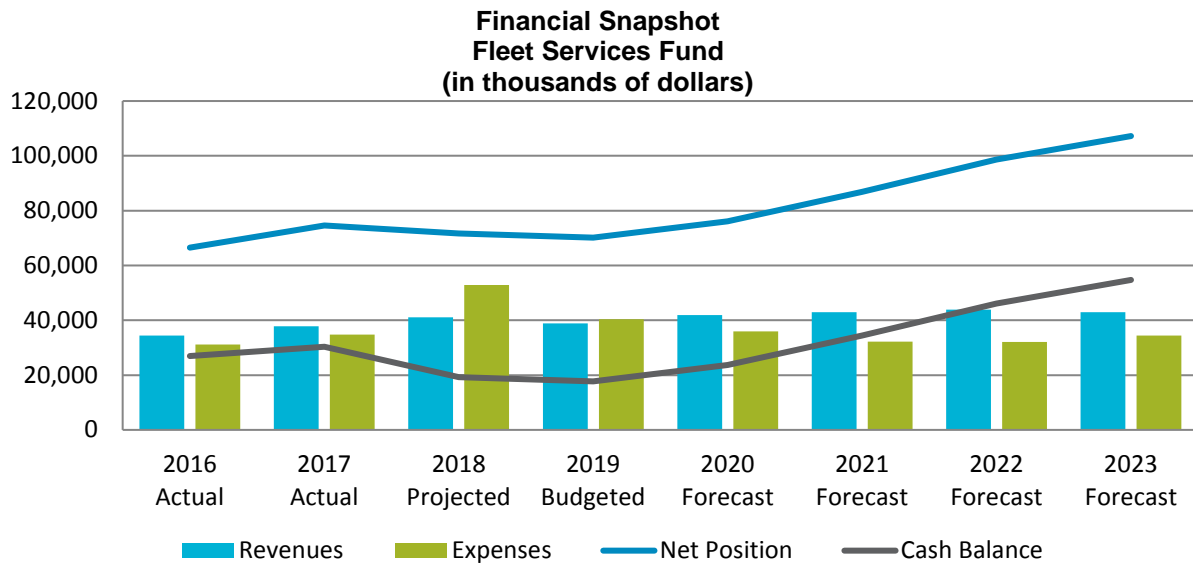
Historical Financial Performance

From year-end 2012 through year-end 2017, the Fleet Services fund had an increase in net position of \$37.4 million. The increase is primarily due to transfers in from the General Fund and the timing differences between the receipt of revenue collected to pay for replacement vehicles and the delivery and subsequent payment for the vehicles.

The 2017 ending cash balance of \$30.4 million was an increase of \$20.1 million from the 2012 ending balance of \$10.2 million. The 2017 target cash reserve was \$3.0 million, a decrease of \$0.5 million from 2012. The fund exceeded the target by \$27.3 million in 2017, an increase of \$20.6 million from 2012 of \$6.7 million.

In 2013, the fund received a transfer from the General Fund of \$8.3 million as determined by the long term financial plan to assist with debt service payments. The fund also received transfers from the General Fund from 2014 to 2017 totaling \$7.2 million as part of the Capital Asset Request System (CARS) program to help supplement the cost of replacing vehicles as identified in the lifecycle replacement schedule for fleet capital assets.

Current Year Projections



Revenues

The 2018 revenue for the Fleet Services fund is projected to be \$41.1 million which is 7.8% more than the budgeted amount of \$38.1 million. The projected revenue is more than budgeted primarily due to an increase of \$1.9 million, or 9.8%, in rent income and an increase of \$1.2 million, or 12.5% in charges for services revenue. The increase in rent income is due to increased use of contractual equipment and the purchase of additional vehicles to the Fleet. The increase in charges for services revenue is the result of higher than budgeted billable hours as significant snow in early 2018 required more maintenance of equipment. Charges for sales revenue is projected to be \$0.2 million under budget due to a decrease in fuel costs which result in lower revenue from the sale of fuel.

Expenditures

The 2018 expenses are projected to be \$52.9 million or 16.6% more than the budgeted amount of \$45.4 million. This is mostly due to Fleet capital purchases, which are projected to be \$6.6 million more than the original adopted 2018 budget. This is due to the purchase of vehicles that were originally budgeted to be replaced in prior years but due to timing will not be purchased until 2018. The City Council approved the rollover of 2017 funds to 2018 for \$5.8 million for these capital purchases.

Net Position & Cash Balance

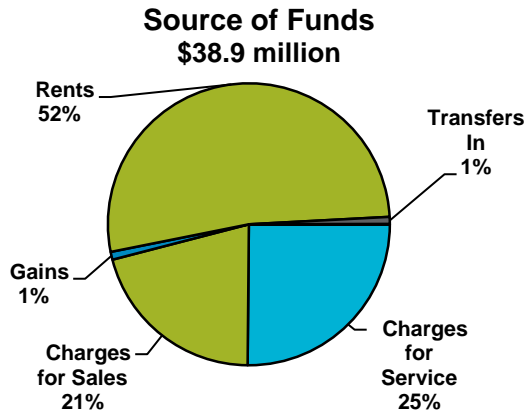
The Fleet Services Division Fund projects net position to be \$71.7 million at the end of 2018, a decrease of 6.0% from the budgeted amount of \$76.2 million. The primary reason for this decrease is the \$5.8 million City Council approved rollover of 2017 funds to 2018 for equipment purchases.

The year-end 2018 cash balance is projected to be \$19.2 million, a decrease of 16.7% from the budgeted amount of \$23.0 million. The 2018 target cash reserve is projected to be \$3.3 million and the fund is projected to exceed the target by \$15.9 million.

2019 Budget

There are no significant planned or anticipated changes from prior years for the Fleet Services Fund.

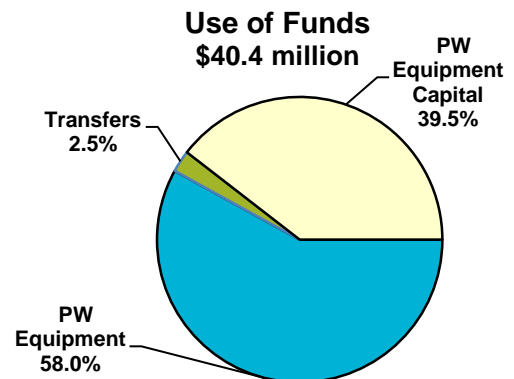
Revenues



Total revenues for 2019 are budgeted at \$38.9 million, a 5.4% decrease from the 2018 projected amount of \$41.1 million and a 2.0% increase from the 2018 budgeted amount of \$38.1 million. The increase in 2019 budgeted revenue over the 2018 budgeted amount is primarily due to an increase in fleet rental rates used to bill internal customers to cover the replacement cost of vehicles. The decrease from the 2018 projected amount is due to rent and charges for services revenues, which are projected to be higher than budgeted in 2018.

Expenditures

The 2019 expense budget is \$40.4 million, a decrease of 23.7% from the 2018 projected expense of \$52.9 million and a 11.1% decrease from the 2018 budgeted amount of \$45.4 million. The decrease in 2019 budgeted expense over the 2018 projected expense is mostly due to a decrease of \$9.3 million in debt service payments that were due in 2018. In addition, the 2019 budget for capital equipment is \$3.6 million, or 18.2%, less than the 2018 projected expense. The decrease in 2019 budgeted expense over the 2018 budgeted amount is also primarily due to the decrease in debt service payments. The decreased debt service payments are offset by an increase of \$3.1 million for capital equipment compared to the original 2018 budget. Fleet equipment capital purchases vary from year to year based on a long-term replacement schedule which requires higher amounts of replacement in some years compared to others. The decrease is also partially offset by a one-time \$1.0 million transfer out to the General Fund.



Transfers

In 2019, the Fleet Services Fund will receive a transfer of \$316,893 from Property Services to pay a portion of the debt expense related to the Currie Maintenance Facility. The fund has received this transfer on an annual basis and expects this transfer to continue through 2022, when the final debt expense has been recovered. The Fleet Services Fund will also make a \$1.0 million transfer to the General Fund in 2019, which is planned to be a one-time transfer.

Debt Service

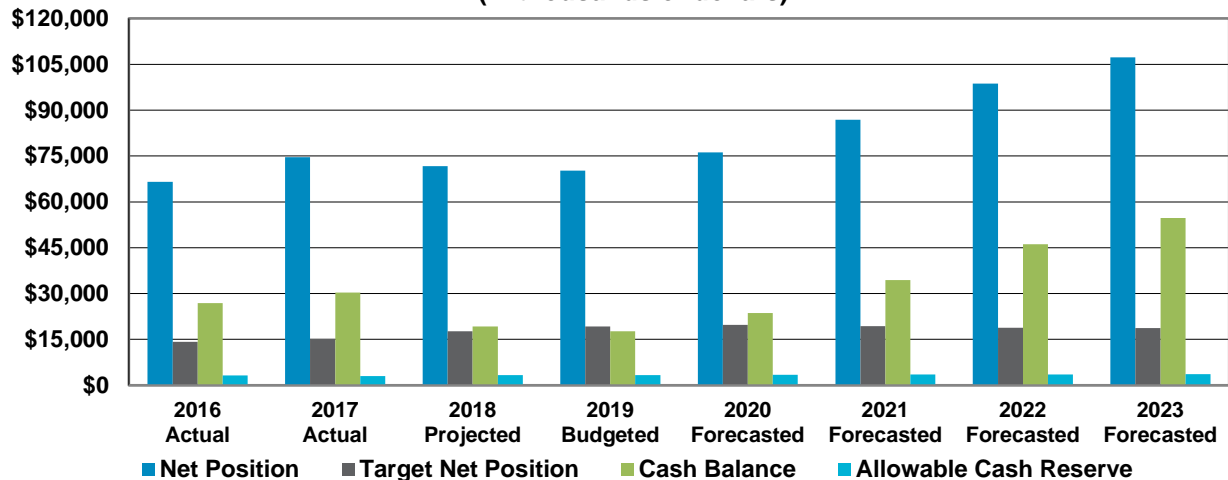
As part of the fleet modernization effort that began in 1997, the City issued bonds to finance fleet upgrades and to build new maintenance facilities. In 2018, the fund will pay off the remaining debt obligation of \$9.3 million.

Net Position & Cash Balance

The net position at year-end 2019 is projected to be \$70.2 million, a decrease of 2.1% from the 2018 projected amount of \$71.7 million. The primary reason for the decrease is the fleet capital purchases vary from year to year based on a long-term replacement schedule. The financial policy related to net position for the Fleet Services Division states that the net position should not fall below two times the annual depreciation amount. The Fleet Services Division Fund is projected to be in compliance with this policy in 2018 and 2019 as the target net position is projected to be \$17.6 million for 2018 and \$19.3 million for 2019.

The financial policy related to cash balance for the Fleet Services Division states that the minimum cash balance should be 15.0% of the operating budget. For the year-ending 2019, the cash balance is projected to be \$17.7 million, a decrease of 7.8% from the 2018 projected ending balance of \$19.2 million. The decrease is due to the timing of capital equipment purchases. The target cash reserve is \$3.3 million for 2018 and \$3.4 million for 2019. The fund is projected to exceed the target by \$15.9 million in 2018 and \$14.3 million in 2019. The cash balance includes amounts collected for future vehicle replacements which are not reflected in the target cash reserve amount.

**Fleet Services Fund Net Position & Cash Balance
(in thousands of dollars)**



**City of Minneapolis
2019 Council Adopted Budget
Financial Plan (in thousands of dollars)**

Fleet Services Fund

	2016 Budget	2016 Actual	2017 Budget	2017 Actual	2018 Budget	2018 Projected	2019 Budget	% Chg From 2018 Projected	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast
Source of Funds:												
Charges for Service	9,589	8,953	9,897	9,703	9,225	10,380	9,773	-5.8%	10,056	10,317	10,586	9,981
Charges for Sales	9,275	5,762	7,564	6,319	8,275	8,112	8,092	-0.2%	8,432	8,536	8,642	8,752
Gains	350	526	350	290	350	350	350	0.0%	350	350	350	350
Rents	14,176	16,446	14,755	19,195	19,639	21,571	20,329	-5.8%	22,726	23,422	23,944	23,887
Other Misc Revenue	10	68	10	3	10	68	10	-85.3%	10	10	10	10
Operating Transfers in	2,712	2,712	2,304	2,304	597	597	317	-46.9%	317	317	317	-
Total	36,112	34,467	34,880	37,814	38,095	41,078	38,871	-5.4%	41,891	42,952	43,849	42,980
Use of Funds:												
Debt Service	2,615	2,499	2,677	2,560	9,260	9,260	-	-100.0%	-	-	-	-
Transfers out	-	-	-	-	-	-	1,000	0.0%	-	-	-	-
PW Equipment	22,595	19,819	21,472	21,321	23,249	24,154	23,418	-3.0%	23,895	24,386	24,892	25,414
PW Equipment Capital	11,391	8,853	10,139	10,840	12,898	19,512	15,952	-18.2%	12,045	7,847	7,173	9,005
Total¹	36,601	31,171	34,288	34,721	45,407	52,926	40,370	-23.7%	35,940	32,233	32,065	34,419
Change in Net Position²	(489)	5,208	592	8,048	(7,311)	(11,848)	(1,499)	-87.3%	5,951	10,719	11,784	8,561
Net Position²	63,645	66,510	70,059	74,558	76,237	71,700	70,201	-2.1%	76,152	86,871	98,655	107,216
Total Cash Balance	23,213	26,913	21,036	30,350	23,039	19,202	17,703	-7.8%	23,654	34,373	46,157	54,718
Target Cash Reserve³	3,218	3,218	3,041	3,041	3,333	3,333	3,358	0.8%	3,430	3,503	3,579	3,657
Variance Operating Cash to Target	19,995	23,695	17,995	27,309	19,706	15,869	14,345	-9.6%	20,224	30,870	42,578	51,061

¹ The 2018 projected expenses do not include any potential rollover requests that maybe spent in 2019.

² Change in net position and net position are CAFR values for 2016 and 2017.

³ The target cash reserve is in accordance with the financial reserve policy for internal service funds. The cash reserve for the Fleet Services Fund at a minimum should be equal to 15% of the operating budget adjusted for intrafund revenue and expense.

**City of Minneapolis
2019 Budget
Financial Plan**

Intergovernmental Services Fund

Introduction

The Intergovernmental Services Internal Service Fund accounts for all the operations of the Information Technology (IT) Department including telecommunications services, network services, application support, internet and intranet services, convenience copier function, broadband wireless, and deployment of software and hardware. Information Technology activities account for 96.2% of the operating activities in the fund. The fund also records transactions for operations within the City Clerk's office related to central mailing and printing services, representing 3.8% of operating activities.

Most of the fund's revenue is determined by an allocation model, which determines how much customer departments will be charged for: IT application support; IT operations; telecommunications; and special customer-specific services. Revenues generated through the allocation model recover the IT Department's operating costs, including the overhead expense of the department, at a level that conforms to the Council-adopted financial plan. The IT Department also earns revenue from its Project Management Office (PMO), which charges City departments for the cost of purchasing or creating technology enhancements and provides quality, low-cost project management for implementing these technology-related projects. For the portion of the fund operations related to the City Clerk's office, revenue is earned through charges for central mailing and printing services.

Historical Financial Performance

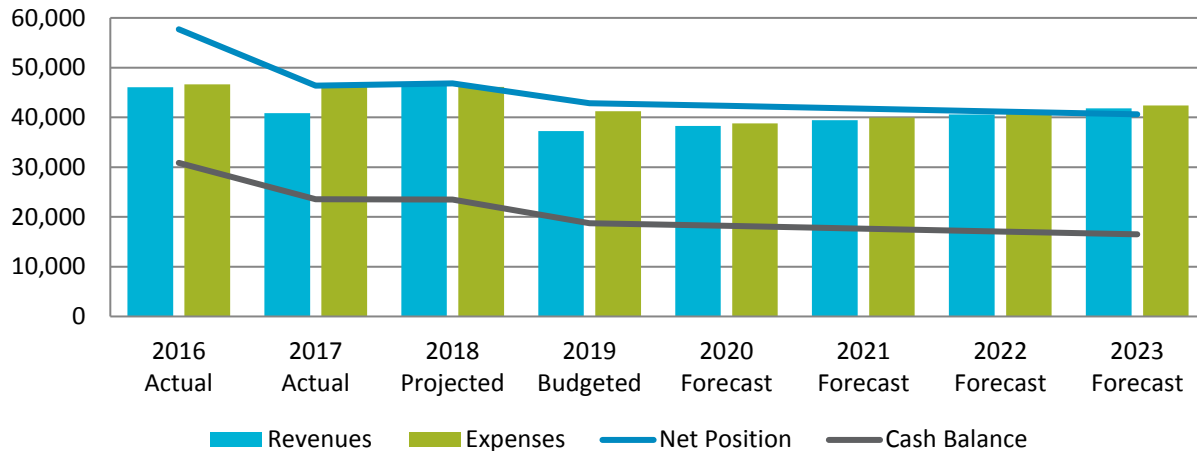
From year-end 2012 to year-end 2016 the fund's net position increased from \$27.4 million to \$59.8 million. The net position decreased to \$46.4 million in 2017. The increase in net position from 2012 to 2016 was primarily due to General Fund transfers of \$26.6 million received from 2013-2014 in accordance with the long-term financial plan for the fund, as approved by the City Council in September 2000 to ensure sufficient net position and cash balances. By the end of 2014, it was determined that the fund had sufficient net position and cash balances. The decrease in net position during 2017 is partly due to a \$3.0 million transfer out to the Capital Improvement Fund, decrease in long term assets of \$3.7 million due to depreciation of capital assets, and recognition of pension expense and liabilities of \$3.7 million.

Over the last five years the fund's revenue has been between \$40.9 million to \$65.0 million. Expenses have been between \$37.9 million and \$56.1 million. The variances in revenues and expenses from year-to-year are generally the result of PMO activity. In 2015, the City completed the Enterprise Resource Planning program to implement upgrades to the PeopleSoft system. In 2016, the City implemented the Enterprise Land Management System. The implementation of such significant systems causes the fund's revenue and expense to fluctuate as work is completed. In addition, in 2015, the Council approved the use of \$10.0 million of net position to cover one-time costs associated with insourcing the IT helpdesk and desk side support functions, and expenses related to contracting with a new provider for managed services. The majority of these expenses, \$6.4 million, occurred in 2015 with the remainder in 2016 and 2017.

Through 2016, the fund also included a portion of the Human Resources budget designated for internal training. In 2016, the Human Resources budgeted expense for the fund was \$308,000. The Human Resources' training expense is now accounted for in the General Fund.

Current Year Projections

**Financial Snapshot
Intergovernmental Services Fund
(in thousands of Dollars)**



Revenues

The 2018 revenues are projected to be \$46.6 million, which is an increase of 25.3% from the 2018 budgeted revenue of \$37.2 million. The 2018 projection includes revenue earned during the current year for PMO projects. The 2018 budget includes a conservative revenue amount for charges for services from PMO projects that is increased as work for others is completed and City departments are billed for the services. Revenues are also more than budgeted due to projected transfers of \$3.7 million from the capital arbitrage fund to reimburse the fund for capital project expenses.

Expenditures

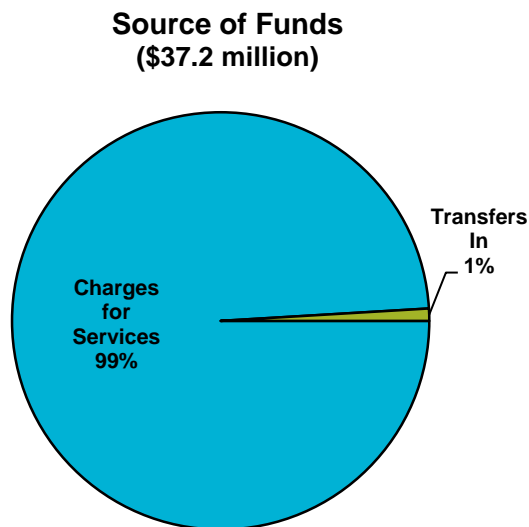
The 2018 expenses are projected to be \$46.1 million, which is an increase of 21.3% from the 2018 budgeted expense amount of \$38.0 million. This is partly due to expenses from customer funded PMO projects not included in the original operating budget but included in the projection as expense is recorded to projects and billed to customers. Also, the City Council approved the rollover of 2017 funds to 2018 for \$9.5 million, including \$1.9 million for the Enterprise Content Management system (ECMS), \$1.7 million for the Management Information Network System (MINS), \$1.2 million for the Police Information Management System (PIMS), and \$1.2 million for implementation of Peoplesoft Modules.

Net Position & Cash Balance

The Intergovernmental Services Fund projects net position to be \$46.9 million at the end of 2018, an increase of \$1.3 million, or 2.8% from the 2018 budgeted ending net position of \$45.6 million. The fund's cash balance is projected to be \$23.5 million at the end of 2018, an increase of \$1.3 million, or 5.8%, from the budgeted ending cash balance of \$22.2 million.

2019 Budget

There are no significant planned or anticipated changes from prior years for the Intergovernmental Services Fund.



Revenues

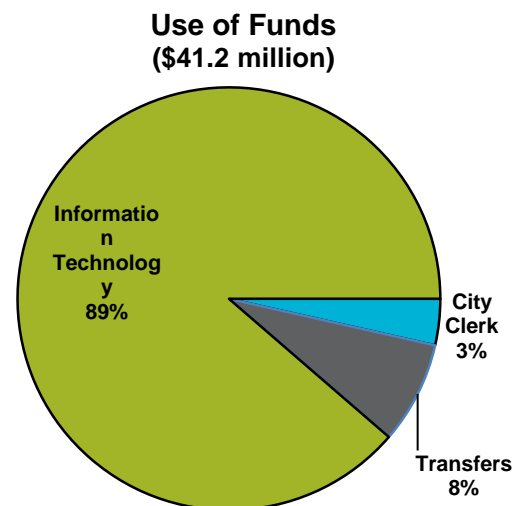
The revenues for 2019 are budgeted at \$37.2 million, an increase of 0.2% from the 2018 budgeted amount. The 2019 budget reflects an increase due to an increase in charges for services revenue of \$1.5 million to align allocation model revenues with the approved expense budget. The increase in charges for services are offset by a decrease in operating transfers in. The 2018 budget included a one-time transfer of \$1.6 million from the General Fund for the ECMS system.

The 2019 revenue budget is a decrease of \$9.3 million, or 20.1%, from the 2018 projected revenue. The 2018 projected revenue includes revenue earned during the year for PMO projects. The budget includes a conservative revenue amount for PMO projects that is increased as work is completed and City departments are billed for the services.

Expenditures

The expenses for 2019 are budgeted at \$41.2 million, an increase of \$3.2 million, or 8.5%, from the 2018 budgeted expense of \$38.0 million. The increase is mostly due to maintenance contracts and license expenses.

The 2019 expense budget is a decrease of \$4.9 million, or 10.5%, from the 2018 projected expense of \$46.1 million. The decrease is partly due to expenses related to customer funded PMO projects. The budget includes a conservative expense amount for PMO projects, which is increased as work is completed and City departments are billed for services. In addition, the 2018 projected expenses include amounts from the City Council approved rollover of 2017 funds to 2018.



Transfers

The 2019 revenue budget includes a \$203,000 transfer from the General Fund for the cost of City Hall rent for the Information Technology and City Clerk departments. The fund has received the rent related transfer on an annual basis and expects this transfer to continue in future years. The 2019 budget also

includes a planned one-time transfer in from the General Fund of \$150,000 to replace and refresh technology at the Strategic Information Center and the Emergency Operations Training Facility.

The 2019 expense budget includes transfers out of \$3.2 million. A transfer of \$3.0 million will be made to the Capital Improvement fund for costs of the new downtown campus, planned on a one-time basis. In addition, there will be a transfer of \$220,000 to the General Fund for costs associated with the development of the Contract Compliance system, planned on a one-time basis.

Debt Service

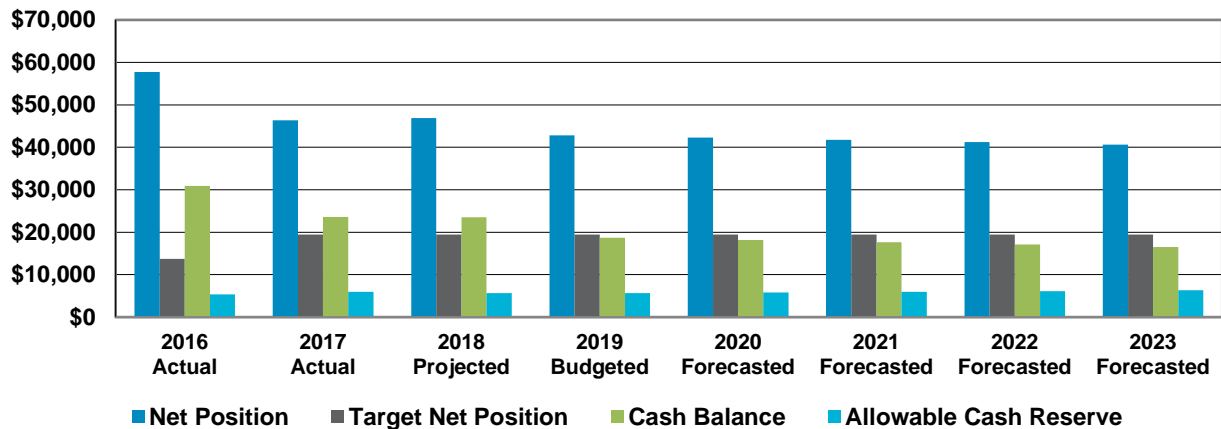
This fund does not have any net debt bonds.

Net Position & Cash Balance

The net position at year-end 2019 is projected to be \$42.8 million, a decrease of \$4.0 million, or 8.6%, from the 2018 ending projected amount of \$46.9 million. The cash balance at year-end 2019 is projected to be \$18.7 million, a decrease of \$4.8 million, or 20.3%, from the 2018 projected ending balance of \$23.5 million. Of these decreases, \$3.0 million is due to a transfer to the Capital Projects fund. Another \$620,000 is due to wireless services which are funded with net position. In addition, the Information Technology Department has change items in the 2019 budget totaling \$298,000, which would also be funded with net position. Cash is expected to further decrease in 2019 by \$750,000 from the planned use of deferred revenue for PMO projects.

The financial policy for the Intergovernmental Services fund states that the minimum cash balance should be equal to 15% of the fund’s total budget. The projected 2019 year-end cash balance of \$18.7 million exceeds the target amount of \$5.7 million by \$13.1 million. The financial policy also states that the net position should not fall below two times the fund’s annual depreciation. The estimated target net position for 2019 is \$19.5 million, and the fund is projected to exceed this target by \$23.3 million.

**Intergovernmental Services Fund Net Position & Cash Balance
(in thousands of dollars)**



City of Minneapolis
2019 Council Adopted Budget
Financial Plan (in thousands of dollars)

Intergovernmental Services Fund

	2016 Budget	2016 Actual	2017 Budget	2017 Actual	2018 Budget	2018 Projected	2019 Budget	% Chg From 2018 Projected	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast
Source of Funds:												
Charges for Service	31,744	32,729	32,675	32,886	35,405	36,170	36,874	1.9%	38,095	39,238	40,415	41,627
Work for Others	-	10,277	-	6,596	-	4,901	-	-100.0%	-	-	-	-
Operating Transfers In	3,665	3,074	192	1,383	1,760	5,494	353	-93.6%	203	203	203	203
Proceeds of Long Term Liabilities	3,300	-	-	-	-	-	-	0.0%	-	-	-	-
Total	38,709	46,080	32,867	40,865	37,165	46,565	37,227	-20.1%	38,298	39,441	40,618	41,830
Use of Funds:												
Transfers	-	-	3,000	3,000	-	-	3,220	0.0%	-	-	-	-
Debt Service	2,000	-	-	-	-	-	-	0.0%	-	-	-	-
City Clerk	1,384	1,785	1,376	1,507	1,403	1,682	1,459	-13.3%	1,503	1,548	1,594	1,642
Human Resources	308	199	-	-	-	-	-	0.0%	-	-	-	-
Information Technology	32,276	34,269	38,558	35,870	36,593	39,718	36,565	-7.9%	37,315	38,434	39,587	40,775
Work for Others	-	10,404	-	6,431	-	4,703	-	0.0%	-	-	-	-
Capital Projects	3,300	-	-	-	-	-	-	0.0%	-	-	-	-
Total	39,268	46,657	42,934	46,808	37,996	46,103	41,244	-10.5%	38,818	39,982	41,181	42,417
Change in Net Position	(559)	(2,809)	(10,067)	(11,324)	(831)	462	(4,017)	-969.5%	(520)	(541)	(563)	(587)
Net Position	62,092	57,712	49,775	46,388	45,557	46,850	42,833	-8.6%	42,313	41,772	41,209	40,622
Total Cash Balance	31,451	30,868	19,801	23,572	22,191	23,484	18,717	-20.3%	18,197	17,656	17,093	16,506
Operating Cash balance	31,451	30,868	19,801	23,572	22,191	23,484	18,717	-20.3%	18,197	17,656	17,093	16,506
Target Cash Reserve	5,318	5,318	5,917	5,917	5,660	5,660	5,665	0.1%	5,784	5,958	6,138	6,324
Variance Operating Cash to Target Cash Reserve	26,133	25,550	13,884	17,655	16,531	17,824	13,052	-26.8%	12,413	11,698	10,955	10,182

¹ Change in net position and net position for 2016 and 2017 are the amounts recorded in the CAFR.

² At year end 2017, fund 06400 has a liability balance of \$2.0 million in unearned revenue resulting from prepayments by City departments for future IT projects. These prepayments result in an increase to the cash balance.

³ The 2018 projected expenses do not include any potential rollover requests that may be spent in 2019.

**City of Minneapolis
2019 Budget
Financial Plan**

Property Services Fund

Introduction

The Property Services Internal Service Fund is responsible for the operations and maintenance of the City-owned buildings including police precinct structures, fire stations, and public works buildings. The Property Services division is responsible for space and asset management, security management, and energy management services for City properties. The fund does not provide services to the Convention Center, Water facilities, or the Minneapolis Park and Recreation Board buildings. The Property Services fund is also responsible for the Radio Shop which maintains the City's emergency communications network. Property Services is part of the Finance and Property Services department within the City Coordinator's department.

The Property Services fund collects revenue from City departments that are either housed in City buildings or use the services provided (building space, operational maintenance, security, space and asset management, energy management, janitorial and radio services). The proposed building and communication equipment charges to City departments are calculated through cost allocation models using historical and anticipated operational costs. The cost recovery structure is configured to enable the fund to charge the amounts required to recover the cost of the goods and services provided to City departments and the cost of the fund's overhead. The Property Services Fund collects revenue for City Hall rent and remits it to the Municipal Building Commission (MBC) to reimburse the MBC for maintenance and property management services.

Included in the Property Services Fund is the Property Disposition Fund. This fund was created in section 14.120 of City Ordinance for the purpose of recording proceeds from the sale of City property. The ordinance did not specify the use of proceeds.

Historical Financial Performance

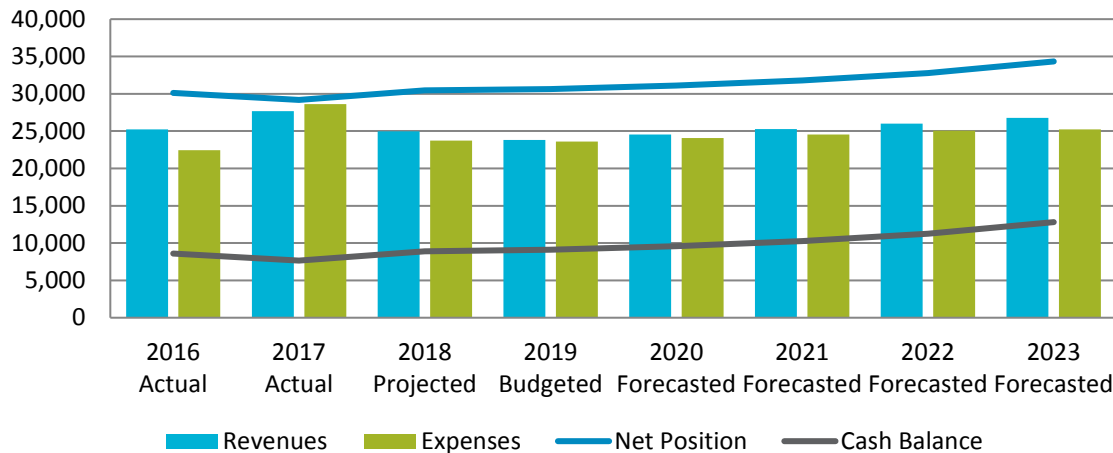
Over the last five years, the Property Services fund revenue has steadily increased from \$19.8 million in 2014 to \$27.7 million in 2017. The most significant reason for this increase was the collection of \$4.0 million annually in asset preservation rental income beginning in 2016 as part of the allocation model to fund facility repairs and improvements to City owned buildings. The Property Services Fund will continue to collect revenues from City departments, who occupy City buildings, to fund improvements for facility repairs and upgrades. This practice replaces funding through net debt bonds.

The Property Services fund increased its net position by \$3.6 million from \$25.6 million at year-end 2012 to \$29.2 million at year-end 2017. The increase is primarily due to capital contributions of \$5.3 million the fund received related to long-term capital assets that were expensed in other funds but capitalized in the Property Services fund. In addition, the increase is partly due to a \$3.2 million transfer from the General Fund in 2013 to assist with debt service payments. Also, as previously noted, starting in 2016 the fund collects \$4.0 million annually in rental income from departments for facility repairs and improvements. Due to the timing of projects, in 2017 only \$200,000 of these funds were spent, resulting

in an increase to net position of \$3.8 million. These projects are expected to be completed in 2018. These increases to net position were offset by the implementation of GASB 68 to record pension liabilities, which reduced the fund’s net position by \$6.1 million.

Current Year Projections

**Financial Snapshot
Property Services Fund
(in thousands of Dollars)**



Revenues

The 2018 revenues are projected to be \$25.0 million, representing an increase of 9.4% from the original revenue budget of \$22.8 million. The increase in 2018 projected revenues is mainly due to revenue earned from work for others. Work for others revenues include discretionary repairs and upgrades which can vary from year to year depending on the available budget of City departments. A base budget is recorded each year and increased as additional projects are completed and billed to other City departments. Rents revenues are projected to be \$19.9 million. Included in rent income is the charge to City departments for use of City owned buildings.

Expenditures

The 2018 expenses are projected to be \$23.7 million, representing a slight decrease from the original budgeted expense of \$23.8 million. Included in the 2018 expense budget is a conservative estimate for costs related to projects completed for other City departments. As the projects are requested and expense is realized, the offsetting revenue is collected through the billing process. The 2018 projected work for others expense reflects this increase in expense related to projects completed for other City departments. This is offset by facilities management expenses that are projected to be \$1.9 million less than budgeted due to capital improvement projects that were originally budgeted in 2018 but due to timing will not be completed until 2019.

The fund has an appropriation of \$5.2 million for pass-through costs for services provided by the Municipal Building Commission for maintaining the City’s space in City Hall.

Net Position & Cash Balance

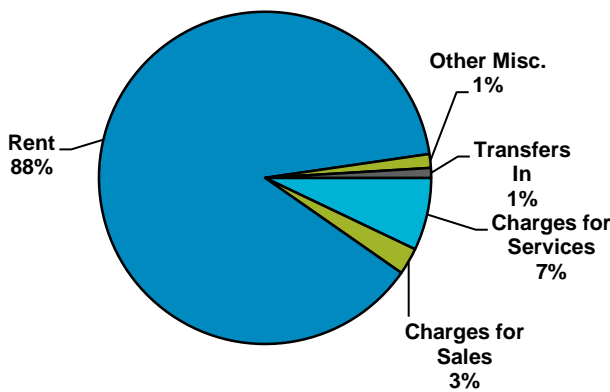
The Property Services Fund’s projected net position at the end of 2018 is \$30.4 million, which is an increase of \$2.2 million, or 7.8%, from the budgeted ending net position of \$28.2 million. The fund’s projected operating cash balance at the end of 2018 is \$7.2 million, which is an increase of \$2.2 million from the budgeted ending cash balance of \$5.0 million. The increase is mainly due capital improvement projects intended to be completed in 2018 but, due to timing, will be completed in 2019.

The Property Services Fund cash balance includes operating cash and the cash balance in the Property Disposition Fund, a fund that receives proceeds from the sale of City property. The cash balance in the Property Disposition Fund at year-end 2017 was \$1.7 million and is projected to remain constant at year-end 2018.

2019 Budget

There are no significant planned or anticipated changes from prior years for the Property Services fund.

Source of Funds (\$23.8 million)



Revenues

The 2019 revenue budget for this fund is \$23.8 million, representing an increase of 4.3% from the original 2018 revenue budget of \$22.8 million. The increase is due to increased rent charged to departments housed in City owned buildings for property maintenance and facility repairs. The 2019 budget is \$1.2 million less than the 2018 projected revenue. As discussed earlier, a base budget is recorded for work for others and adjusted as projects are completed.

Expenditures

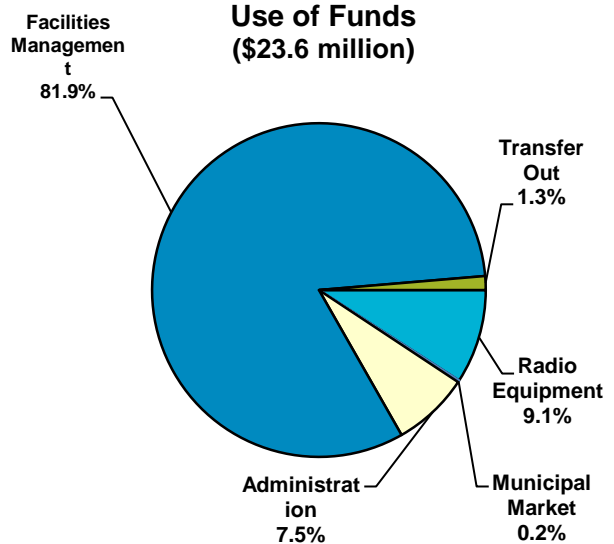
The 2019 Expense Budget is \$23.6 million, representing a \$185,000 decrease from the \$23.8 million budgeted in 2018.

Transfers

The 2019 revenue budget includes a General Fund transfer in of \$228,000, which is to cover the cost of City Hall rent for the space occupied by Property Services. The fund has received these transfers on an annual basis and expects the transfers to continue in future years.

The 2019 expense budget includes a transfer out of \$317,000 for payment to the Fleet Services Division assists with the debt payment

Use of Funds (\$23.6 million)



for the Currie Maintenance Facility and \$500,000 to the Public Services Center debt services fund. Property Services collects the rent payment through the rent allocation model by charging a portion of debt expense to those departments that occupy space in the facility. The fund has made these transfers on an annual basis and expects the transfers to continue through 2022.

Debt Service

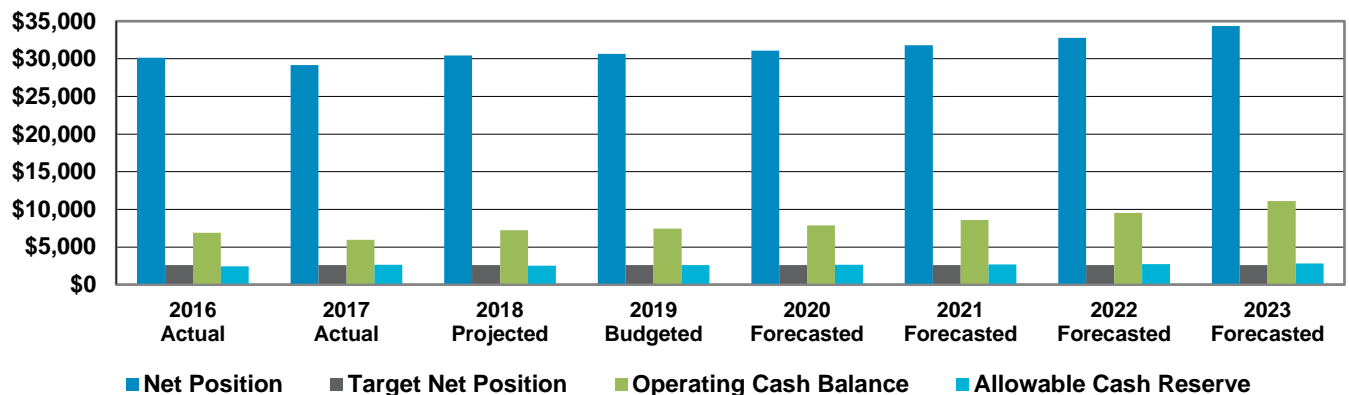
The Radio Shop, a division of Property Services, has management responsibility for the \$14.0 million 800 MHz radio system. The Property Services Fund recognizes the fixed asset, along with the debt related to this project. The Radio Shop funds a portion of the City’s public safety initiative through a contribution of \$350,000 a year. The General Fund completed a transfer for debt service in 2013 of \$3.3 million to cover years 2014 through 2018. The fund does not receive additional transfers for debt service. In 2018 the fund will pay off the remaining debt obligation of \$845,000.

Net Position & Cash Balance

The Property Services Fund has a 2019 budgeted net position of \$30.6 million and the 2018 projected amount is \$30.4 million. The financial policy related to net position for the Property Services Fund directs that the net position should not fall below two times the annual depreciation amount. The Property Services Fund is projected to be in compliance with this policy in 2018 and 2019 as the target net position is projected to be \$2.5 million in both 2018 and 2019.

The 2019 budgeted year-end operating cash balance is \$7.4 million, and the 2018 year-end projected balance is \$7.2 million. The Property Services Fund cash balance includes operating cash and the cash balance in the Property Disposition Fund, a fund that receives proceeds from the sale of City property. The cash balance in the Property Disposition Fund at year-end 2019 is projected at \$1.7 million. Financial reserve policies for the internal service funds determine that the cash reserve for the Property Services Fund should not be less than 15.0% of the operating budget, or \$2.5 million for 2019.

**Property Services Fund
Net Position & Cash Balance
(in thousands of dollars)**



City of Minneapolis
2019 Council Adopted Budget
Financial Plan (in thousands of dollars)

Property Services Fund

	2016 Budget	2016 Actual	2017 Budget	2017 Actual	2018 Budget	2018 Projected	2019 Budget	% Chg From 2018 Projected	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast
Source of Funds:												
Charges for Services	1,505	2,290	1,665	1,542	1,684	1,051	1,684	60.2%	1,734	1,786	1,840	1,895
Charges for Sales	324	324	324	647	610	667	625	-6.3%	644	663	683	703
Work For Others	-	2,350	-	4,163	-	2,714	-	-100.0%	-	-	-	-
Rents	19,456	19,118	19,949	19,657	19,910	19,910	20,964	5.3%	21,593	22,240	22,908	23,595
Other Misc. Revenues	329	333	348	359	320	322	320	-0.6%	329	339	350	360
Sale of Land	-	-	-	-	-	-	-	0.0%	-	-	-	-
Transfers In	799	799	1,300	1,300	319	319	228	-28.5%	228	228	228	228
Total	22,414	25,214	23,586	27,667	22,843	24,983	23,820	-4.7%	24,528	25,257	26,008	26,781
Use of Funds:												
Property Services Administration	1,444	1,622	1,558	1,591	1,479	1,479	1,760	19.0%	1,795	1,831	1,868	1,905
Radio Equipment	1,798	2,060	1,830	2,046	2,121	1,921	2,155	12.2%	2,198	2,242	2,287	2,332
Municipal Market	41	59	41	11	41	41	41	0.0%	41	42	43	44
Facilities Management	18,263	15,293	19,760	17,687	18,995	16,999	18,841	10.8%	19,218	19,602	19,994	20,394
Work For Others	-	2,209	-	4,489	-	2,121	-	-100.0%	-	-	-	-
Debt Service	894	894	869	869	845	845	-	-100.0%	-	-	-	-
Transfers Out	326	326	1,846	1,924	317	317	817	157.7%	317	317	317	-
Total	22,765	22,463	25,903	28,618	23,798	23,722	23,613	-0.5%	23,569	24,034	24,508	24,675
Change in Net Position¹	(352)	415	(2,317)	(951)	(955)	1,261	207		959	1,223	1,500	2,106
Net Position¹	29,137	30,130	28,632	29,179	28,224	30,440	30,647		31,606	32,830	34,329	36,436
Total Cash Balance	4,607	8,604	6,287	7,653	6,699	8,914	9,121		10,081	11,304	12,804	14,910
Operating Cash balance	2,919	6,909	4,592	5,959	5,004	7,219	7,427		8,386	9,609	11,109	13,215
Target Cash Reserve	2,411	2,411	2,633	2,633	2,529	2,529	2,530		2,575	2,620	2,666	2,713
Variance Operating Cash to Target	509	4,499	1,959	3,325	2,475	4,690	4,897		5,811	6,989	8,443	10,502
Cash Reserve												

* The Property Services fund includes transactions of the Property Disposition Fund, a fund that receives proceeds from the sale of City property.

¹The change in net position and the net position for 2016 and 2017 are the amounts recorded in the CAFR.

²Total cash balance is the sum of cash recorded in the Property Disposition fund and the Property Services fund. Operating cash is the cash balance generated from Property Service fund operations and recorded in the Property Services fund.

³The target cash reserve is in accordance with the financial reserve policy for internal service funds. The cash reserve for the Property Services Fund should at a minimum be equal to 15.0% of the adjusted operating budget.

**City of Minneapolis
2019 Budget
Financial Plan**

Public Works Stores Fund

Introduction

The Public Works Stores Internal Service Fund accounts for the centralized procurement, receiving, warehousing, and distribution of stocked inventory items and the purchase of special goods and services. The fund’s mission is to provide goods in a cost effective manner to City departments. The fund includes the Traffic Stores department, which is managed by Public Works, and the Central Stores department, which is managed by Finance and Property Services. Traffic Stores purchases components for traffic signals, controllers, and street lights. Central Stores purchases the City’s office supplies and non-specialty items. The fund earns revenue by applying overhead charges to inventory sales and transaction processing.

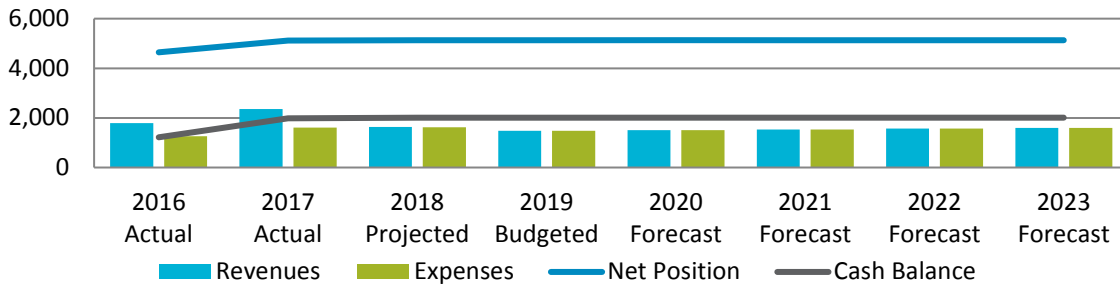
Historical Financial Performance

The fund has steadily increased net position from \$3.7 million at the end of 2012 to \$5.1 million at the end of 2017. The majority of net position is from inventory held by the fund. At the end of 2017, the inventory balance was \$5.0 million. The fund typically had a negative cash balance in the past and by the end of 2017 the fund was able to increase cash balance to \$2.0 million. This is an increase of \$1.0 million from cash balance of negative \$1.0 million at the end of 2011. The primary reason for the increase is due to a reduction in its inventory balance.

Over the last five years, the fund’s revenue has remained between \$1.8 million to \$2.4 million. Expenses have remained between \$1.3 million and \$1.6 million. Revenue fluctuates year-to-year based upon the level of inventory purchases by customer departments and requisition processing transactions related to City projects. In addition, starting in 2018, the Traffic Stores department reduced their overhead rate from 22% to 11%, to be closer to the fund’s break-even point.

Current Year Projections

**Financial Snapshot
Public Works Stores Fund
(in thousands of Dollars)**



Revenues

Revenues for 2018 are projected at \$2.0 million, an increase of 34.8% over the budgeted amount of \$1.5 million. The increase is primary due to an increase in Central Stores operations at Hiawatha location, which is the result of additional overhead charges to inventory sales and processing requisition transactions. The increase is also due to \$52,000 in expected sales to outside customers in the Traffic Stores, which had not previously been budgeted.

Expenditures

Expenses for 2018 are projected at \$1.7 million, an increase of 14.6% over the budgeted amount of \$1.5 million. This increase is mostly due to higher payroll costs as additional staff were used due to increased sales activity. These increased expenses are offset by the additional revenue earned through overhead charges.

Net Position & Cash Balance

The fund’s projected net position at the end of 2018 is \$5.4 million, which is a decrease of 2.9% over the budgeted ending net position of \$5.6 million. This is due to a decrease in the Traffic Stores’ revenues, as a result of reducing the overhead rate from 22% to 11%.

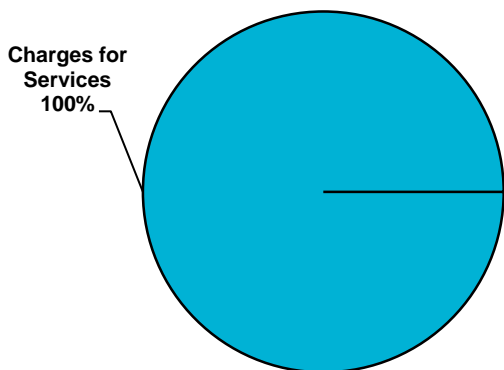
The fund’s projected cash balance at the end of 2018 is \$2.3 million, which is an increase of \$139,000 over the budgeted ending cash balance of \$2.1. This is due to a decrease in the Traffic Stores’ revenues in 2018.

2019 Budget

Starting in 2018, the Traffic Stores department reduced their overhead rate from 22% to 11%. The 2019 budget reflects this change.

Revenues

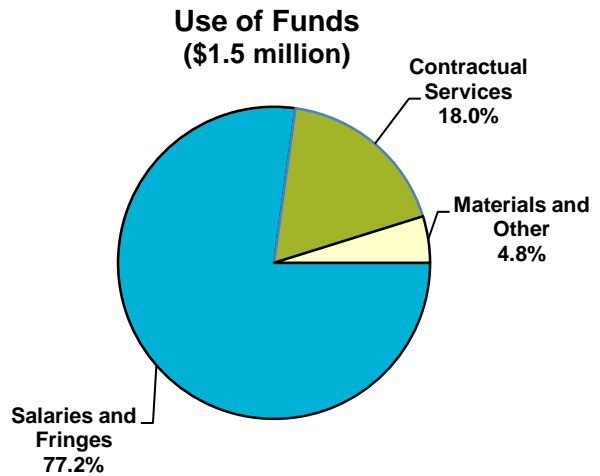
**Source of Funds
(\$1.5 million)**



Revenues for 2019 are budgeted at \$1.5 million, a slight increase of \$21,000 from the 2018 budget amount of \$1.5 million. The increase in the 2019 budget amount is due to overhead earnings by both Central Stores and Traffic Stores. The 2019 revenue budget reflects a decrease of 24.7% from the 2018 projected amount of \$2.0 million. This decrease from the 2018 projected revenue is due to higher than expected sales in overhead earnings in 2018. In addition, a \$52,000 expected sales to outside customer in the Traffic Stores, which had not previously been budgeted.

Expenditures

Expenses for 2019 are budgeted at \$1.5 million, a slight increase of \$23,000 from the 2018 budget amount of \$1.5 million. The increase is due to an increase of 16.3% in contractual services. The 2019 budget reflects a decrease of 11.4% from 2018 projected expenses of \$1.7 million due to a higher expected in personnel costs, contractual services, and materials in 2018.



Transfers

There are no transfers scheduled for this fund in 2019.

Debt Service

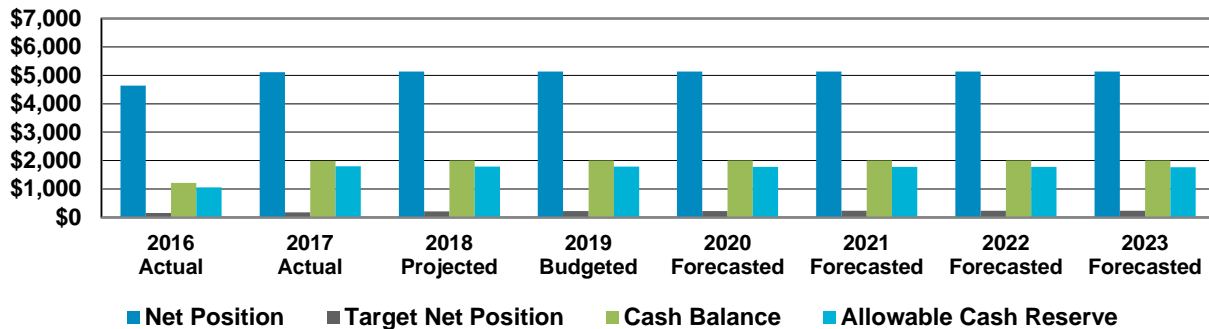
This fund does not have any debt service payments.

Net Position & Cash Balance

The financial policy for this fund states that the fund should maintain a minimum net position equal to 15.0% of the operating budget. The projected year-end net position for both 2018 and 2019 is \$5.4 million. The projected 2018 ending balance exceeds the net position target amount of \$218,000 by \$5.2 million and the projected 2019 ending balance exceeds the net position target amount of \$221,000 by \$5.2 million.

The financial policy for this fund states that the fund should maintain a minimum target cash reserve equal to 15.0% of the operating budget. The projected year-end cash balance for both 2018 and 2019 is \$2.3 million. The projected 2018 ending balance exceeds the cash balance target amount of \$218,000 by \$2.1 million and the projected 2019 ending balance exceeds the cash balance target amount of \$221,000 by \$2.1 million.

Public Works Stores Fund Net Position & Cash Balance
(in thousands of dollars)



**City of Minneapolis
2019 Council Adopted Budget
Financial Plan (in thousands of dollars)**

Public Works Stores Fund

	2016 Budget	2016 Actual	2017 Budget	2017 Actual	2018 Budget	2018 Projected	2019 Budget	% Chg From 2018 Projected	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast
Source of Funds:												
Charges for Services	1,200	1,726	1,225	2,305	1,453	1,905	1,474	-22.6%	1,503	1,534	1,564	1,595
Charges for Sales	10	59	-	58	-	53	-	-100.0%	-	-	-	-
Total	1,210	1,785	1,225	2,363	1,453	1,958	1,474	-24.7%	1,503	1,534	1,564	1,595
Use of Funds:												
Salaries and Fringes	760	885	929	1,159	1,150	1,300	1,138	-12.5%	1,166	1,195	1,225	1,256
Contractual Services	240	302	216	270	228	287	265	-7.5%	266	267	268	268
Materials and Other	71	80	71	174	72	76	71	-6.9%	71	71	71	71
Total	1,071	1,267	1,216	1,603	1,451	1,663	1,474	-11.4%	1,503	1,534	1,564	1,595
Change in Net Position¹	139	257	9	785	2	295	(0)	-100.0%	-	-	-	-
Net Position¹	4,525	4,643	4,978	5,112	5,569	5,407	5,407	0.0%	5,407	5,407	5,407	5,407
Total Cash Balance	(229)	1,218	120	1,988	2,144	2,283	2,283	0.0%	2,283	2,283	2,283	2,283
Operating Cash balance	(229)	1,218	120	1,988	2,144	2,283	2,283	0.0%	2,283	2,283	2,283	2,283
Target Cash Reserve²	161	161	182	182	218	218	221	1.6%	226	230	235	239
Variance Operating Cash to Target Cash Reserve	(390)	1,057	(62)	1,806	1,926	2,066	2,062	14.2%	2,058	2,053	2,049	2,044

* This fund includes Central Stores (Department of Finance & Property Services) and Public Works Traffic Stores

¹ The change in net position and net position for 2016 and 2017 are the amounts recorded in the CAFR.

² The target cash reserve is in accordance with the financial reserve policy for internal service funds. The cash reserve balance for the PW Stores Fund should be maintained at a minimum of 15.0% of the operating budget.

**City of Minneapolis
2019 Budget
Financial Plan**

Self-Insurance Fund

Introduction

The Self-Insurance Internal Service Fund accounts for accrued sick leave benefit, tort liability, workers' compensation, civil attorney and risk management services, and the administrative functions to support these activities. An activity-based cost allocation model determines the charge allocated to City departments to provide for self-insurance related to tort liability and workers' compensation. The annual charges are calculated using data determined by an actuarial study based on each City department's responsibility for liability and worker compensation expense. The cost allocation model also assigns a charge for HR employee benefit administration and attorney and risk management services.

Historical Financial Performance

At year-end 2013, the net position reached a positive balance of \$4.6 million, increasing \$2.9 million from a positive of \$1.7 million in 2012. The fund has continued to increase its net position since then and from 2013 through 2017, this fund had an increase in net position of \$20.4 million. The increase was primarily due to transfers from the general fund to attain a positive net position as determined by the long term financial plan, which ended in 2015. The increase is also the result of a decrease in actual tort settlement payments compared to the predicted payout as determined by the actuarial study. The fund had historically recorded a negative net position primarily because of the required accounting recognition of liability for unpaid claims. The 2017 unpaid claims liability is \$55.1 million representing an increase of \$2.1 million from the 2012 unpaid claims liability of \$53.0 million.

For the year ending 2017 the cash balance was \$90.0 million, an increase of \$33.4 million from the 2012 cash balance of \$56.6 million. The 2017 target cash reserve was \$56.2 million, an increase of \$2.2 million from \$54.0 million in 2012. The fund exceeded the target by \$33.8 million in 2017, an increase of \$31.3 million from a positive of \$2.5 million in 2012.

In 2014, the fund received a final interfund transfer of \$2.8 million from the general fund as determined by the long term financial plan. In 2015, the fund transferred a final payment of \$1.0 million to the Intergovernmental Services Fund to assist with payment of debt service.

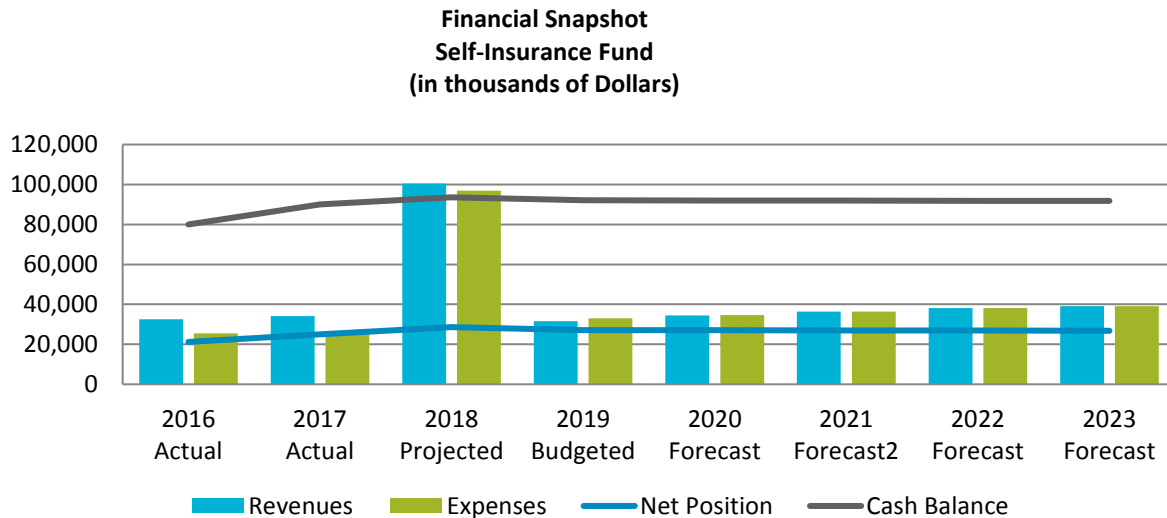
In 2016 the Self-Insurance fund advanced \$995,000 in connection with the refunding of General Obligation Tax Increment Bonds (Midtown Exchange) and \$2.5 million in connection with the refunding of General Obligation Taxable Block E Refunding Bonds.

In 2017 the Self-Insurance fund transferred out \$29,000 to the General Fund for costs related to a review of body-worn cameras

In 2018 the Self- Insurance fund transferred out \$305,000 to the City General fund for body cameras for front line officers and \$8.0 million to the City Capital fund to assist in payment of debt service as determined by the updated 2008 long-term financial plan. In addition, the Self-Insurance fund transferred

out \$1.1 million to the Wellington HIA Fund in April, then received it back in Jun for a short-term Financing agreement with the Wellington Condominium association of Minneapolis.

Current Year Projections



Revenues

The 2018 revenues for the Self-Insurance Fund are projected to be \$100.5 million or \$69.5 million more than the budgeted revenue of \$31.0 million. The primary reason for the increase is due to the Medical Plan is no longer insured by Medica. Effective January 1, 2018 the City is self-insured, which projected to receive \$62.2 million. Also, beginning in 2018, the Dental Insurance is recorded in the Self-insurance fund instead of the Agency fund, which projected to receive \$3.8 million. In addition, the fund received \$1.6 million increase in payments from the WCRA (Workers Compensation Reinsurance) and also the State as refunds from medical and indemnity payments and subrogation claims.

Expenditures

The projected expenses for 2018 are \$96.9 million or \$57.7 million more than the budgeted amount of \$39.2 million. The primary driver being - the budgeted expenses do not include \$59.5 million of Medical insurance and Dental insurance as describe above. The increase is also related to an additional \$1.2 million for Workers' Compensation and a \$1.1 million in transfer out as describe above. These increases will be fully offset by a \$2.3 million projected decrease in the amount paid for tort settlements and a \$1.2 million projected decrease in the City's expense for employee sick leave payout at retirement.

Net Position & Cash Balance

The net position in 2018 is projected to be \$28.6 million, an increase of \$11.9 million from the budgeted amount of \$16.7 million. The increase in net position in 2018 is primarily due to the Medical insurance and Dental insurance as describe above.

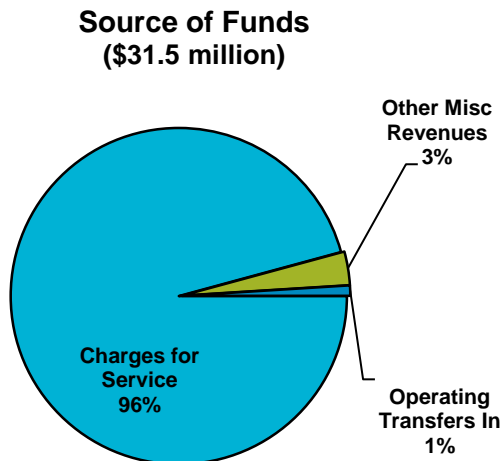
For the year ending 2018, the cash balance is projected to be \$93.6 million, an increase of \$11.9 million from the budgeted amount of \$81.7 million. The 2018 target cash reserve is projected to be \$61.9 million and the fund is projected to exceed this by \$31.7 million.

2019 Budget

The City is self-insured and will use its own fund to pay for employees' medical expenses and contracts with Medica for administrative services. The Dental Insurance is also recorded to the Self-insurance fund instead of the Agency fund. The 2019 budget reflects these increased activities which had not previously been budgeted. The 2019 budget also includes a transfer of \$60,000 to General Fund for Body Cameras.

Revenues

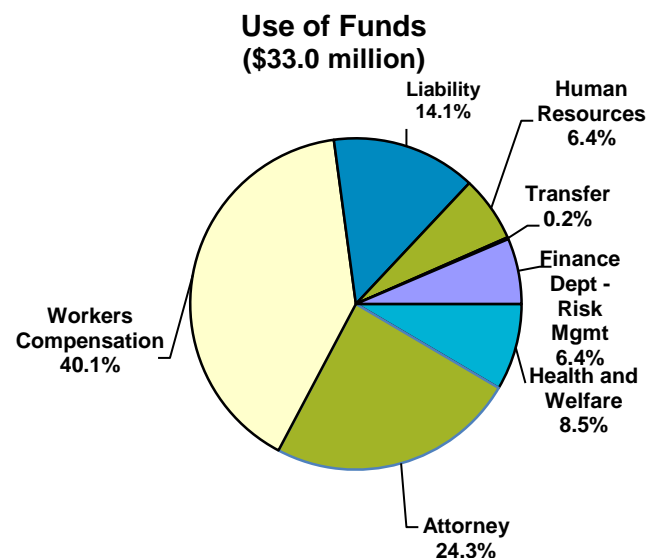
The 2019 budgeted revenue is \$31.5 million, a decrease \$69.0 million from the 2018 projected amount of \$100.5 million. The decrease in the 2019 budget amount is primarily due to the Medical insurance and dental insurance as described above. In addition, the 2019 budgeted revenues do not include \$1.1 million transfer in as describe above and a \$1.6 million increase in 2018 projected payments received from the WCRA (Workers Compensation Reinsurance) and the State as refunds from medical and indemnity payments and subrogation claims. The 2019 revenue budget reflects an increase 1.9% from the 2018 budgeted revenue of \$31.0 million. The primary reason for the increase is a 9.2% increase in Human Resources for the investigations and admin fees and a 4.4% increase in workers' compensation, which partially offset by a 1.6% decrease in liability premium.



The decrease in the 2019 budget amount is primarily due to the Medical insurance and dental insurance as described above. In addition, the 2019 budgeted revenues do not include \$1.1 million transfer in as describe above and a \$1.6 million increase in 2018 projected payments received from the WCRA (Workers Compensation Reinsurance) and the State as refunds from medical and indemnity payments and subrogation claims. The 2019 revenue budget reflects an increase 1.9% from the 2018 budgeted revenue of \$31.0 million. The primary reason for the increase is a 9.2% increase in Human Resources for the investigations and admin fees and a 4.4% increase in workers' compensation, which partially offset by a 1.6% decrease in liability premium.

Expenditures

The expense budget for 2019 is \$33.0 million, a decrease of \$63.9 million from the projected 2018 expenses of \$96.9 million. The primary reason for the decrease from the 2018 projected expense is the 2019 expense budget does not include \$59.5 million for Medical and Dental claims and admin fees. The decrease is also due to \$9.4 million less in transfer out, which will be partially offset by an increase in tort liability claims of \$2.1 million and \$1.3 million increase in the unused sick leave program payouts.



The 2019 expense budget reflects a decrease of 6.2 million from the 2018 budgeted expense of \$39.2 million due to a decrease of \$8.2 million in transfer out, which will be partially offset by an increase in workers' compensation payments of \$1.8 million.

Transfers

The 2019 revenue budget includes a \$312,000 transfer in from the General Fund for the cost of City Hall rent for the City Attorney's Office, and. The fund receives this transfer in on an annual basis and expects

this transfer to continue in future years. The expense budget includes a \$60,000 to General Fund for Body Cameras.

Debt Service

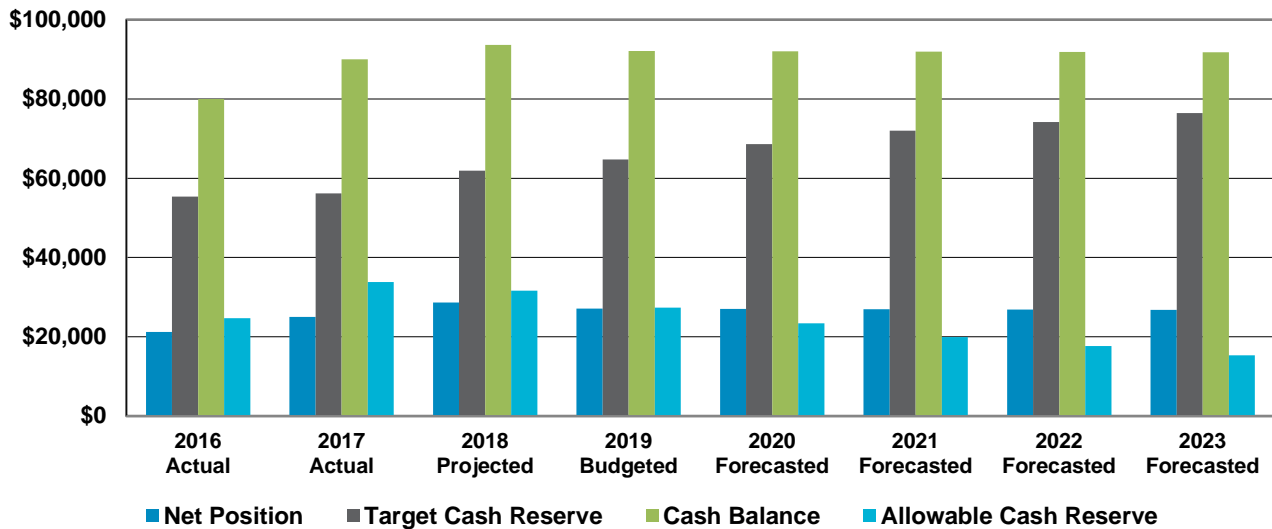
This fund does not have any long-term debt.

Net Position & Cash Balance

The financial reserve policy relating to the internal service funds states that the net position for the Self-Insurance Fund should not fall below zero. The net position at year-end 2019 is projected to be \$27.1 million, representing a decrease of \$1.5 million from the 2018 projected net position of \$28.6 million. The decrease in net position is primarily due to the transfer out of \$9.4 million in 2018 projected amount compared to \$60,000 in 2019 budget.

The financial reserve policy states that the Self-Insurance Fund should maintain a cash balance equal to the unpaid claims liability plus 10.0% of the annual operating budgets within the fund. For year ending 2019, the cash balance is projected to be \$92.1 million, a decrease of \$1.5 million from the 2018 projected amount of \$93.6 million. The 2019 target cash reserve is projected to be \$64.7 million, an increase of \$2.8 million from the 2018 projected amount of \$61.9 million. The fund is projected to exceed the target by \$31.7 million in 2018 and by \$27.4 million in 2019.

Self-Insurance Fund Net Position & Cash Balance
(in thousands of dollars)



City of Minneapolis
2019 Council Adopted Budget
Financial Plan (in thousands of dollars)

Self-Insurance Fund

	2016 Budget	2016 Actual	2017 Budget	2017 Actual	2018 Budget	2018 Projected	2019 Budget	% Chg From 2018 Projected	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast
Source of Funds:												
Charges for Service	30,147	30,425	30,172	32,253	29,654	30,520	30,181	-1.1%	33,168	35,014	36,770	37,745
Other Misc Revenues	1,010	1,918	1,005	1,593	1,021	2,645	1,018	-61.5%	1,015	1,012	1,009	1,006
Medical Ins Premiums					-	62,197	-		-	-	-	-
Dental Premiums					-	3,768	-		-	-	-	-
Operating Transfers In	261	261	297	297	262	1,393	312	-77.6%	321	331	341	351
Total	31,418	32,604	31,473	34,142	30,937	100,524	31,511	-68.7%	34,505	36,356	38,120	39,101
Use of Funds:												
Health and Welfare	2,593	673	2,658	1,175	2,725	1,543	2,793	81.0%	2,863	2,934	3,008	3,083
Attorney	7,341	7,000	7,585	7,019	7,738	7,128	8,011	12.4%	8,251	8,499	8,754	9,017
Workers Compensation	8,607	11,374	8,873	12,276	11,438	12,592	13,242	5.2%	13,901	14,510	15,122	15,432
Liability	7,551	2,480	7,189	2,151	4,913	2,589	4,660	80.0%	5,212	6,007	6,699	6,897
Human Resources	1,641	1,728	1,804	1,679	1,856	1,931	2,118	9.7%	2,181	2,247	2,314	2,384
Finance Dept - Risk Mgmt/Financial Accounting	2,097	2,328	2,150	2,254	2,274	2,194	2,114	-3.6%	2,178	2,243	2,311	2,380
Medical Claims and Admin Fees					-	55,921	-		-	-	-	-
Delta Dental payments					-	3,601	-		-	-	-	-
Transfers	-	-	-	29	8,305	9,436	60	-99.4%	-	-	-	-
Total	29,829	25,582	30,258	26,583	39,248	96,934	32,998	-66.0%	34,585	36,441	38,207	39,192
Change in Net Position¹	1,588	4,413	1,215	3,313	(8,310)	3,590	(1,487)	-141.4%	(81)	(84)	(88)	(90)
Net Position¹	18,393	21,218	22,433	25,030	16,720	28,620	27,133	-5.2%	27,052	26,968	26,880	26,790
Total Cash Balance	77,623	80,013	81,228	90,007	81,697	93,597	92,110	-1.6%	92,029	91,945	91,857	91,767
Operating Cash balance												
Target Cash Reserve²	55,349	55,349	56,198	56,198	61,930	61,930	64,723	4.5%	68,612	72,027	74,187	76,413
Variance Operating Cash to Target	22,274	24,664	25,030	33,810	19,766	31,666	27,386	-13.5%	23,417	19,918	17,670	15,354
Cash Reserve												

¹Change in net position and net position are CAFR values for 2016 and 2017.

²The target cash reserve is in accordance with the financial reserve policy for internal service funds. The cash reserve for the Self-Insurance fund should not be less than the total of the unpaid claims liability balance plus 10.0% of the annual operating budgets within the fund.

**City of Minneapolis
2019 Budget**

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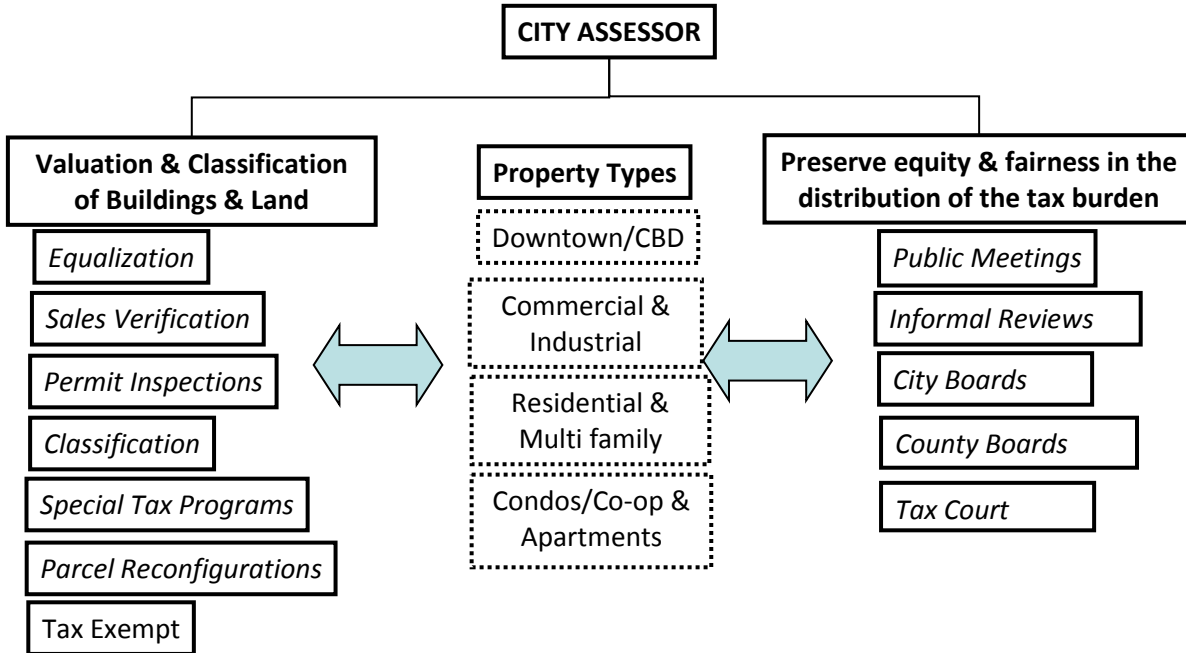
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ASSESSOR

MISSION

The Minneapolis Assessor’s Office serves the taxpayers of the City by valuing and classifying real estate property in an accurate, ethical, equitable and defensible manner as prescribed by state law.

ORGANIZATION CHART



PERFORMANCE MEASURES

All data and analysis generated through the City’s performance measurement process, Results Minneapolis, can be found on the City’s website. Please visit <http://www.minneapolismn.gov/coordinator/strategicplanning/wcmssp-199683> to find detailed information and analysis related to the budget programs listed below.

Appraisals and Assessment Administration

General Fund: \$6,148,000

The Assessor's office is statutorily mandated to determine the market value and classification of all land and improvements annually. An annual assessment includes: Property Inspections; Exemptions and Tax Relief Programs; Data & Record Management; Taxpayer Notification; Taxpayer Appeals and Reviews; Tax Court Litigation, Legislation, Neighborhood and Community Outreach and Business Relations. The office administers property tax programs in an accurate, ethical, equitable and defensible manner as prescribed by state law.

FINANCIAL ANALYSIS

Expenditure

The Assessor Department's budget decreases from \$6.9 million to \$6.1 million in 2018 to 2019. This is a decrease of \$727,000, or 10.6% due to inflationary increases in operating costs, and budgetary change items of \$415,000 in 2019 offset by elimination of one-time budget allocation of \$1.3 million from 2018.

Revenue

This department does not generate revenue.

Fund Allocation

This department is funded completely in the General Fund.

Budget Change Items

Detailed change items are presented on the following pages.

Assessor
Computer Assisted Mass Appraisal (CAMA) System

2019 Change Item

Program: Appraisals and Assessment Administration
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT	\$415	\$294	\$294	\$294	\$294	\$294
Fleet						
Contractual Services						
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$415	\$294	\$294	\$294	\$294	\$294

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$121,000 one-time and \$294,000 ongoing for a new Computer Assisted Mass Appraisal (CAMA) and Property Record system to replace Govern, its current legacy system.

Rationale/Background:

The Assessor’s primary objective is to value and classify 130,000 parcels in Minneapolis each year and it achieves this primary objective by using property data and CAMA analytics. The current CAMA system is at the end of its lifecycle, portions of the software are not supported by the vendor and updates are no longer available.

The Assessor’s legacy CAMA system was developed by Govern in 1999. Govern CAMA was a successful application for many years; however, the system architecture is no longer relevant and fails to meet the needs of the department. Govern was installed in 2000 - 2001 and its technology platform is dangerously outdated, unstable, difficult to maintain and measurably inefficient to use. It’s critical the Assessor modernize its current assessment technology and review business processes to ensure values, classifications and property tax programs are calculated and administered with precision and accuracy and to meet all statutory and Department of Revenue requirements.

Ownership and parcel data is used by Public Works, Regulatory Services, CPED, IT and the city’s website. Fixing application problems is becoming more serious and harder to resolve quickly and cost effectively. The city enterprise will be negatively affected by a disruption in service caused by a failure in the Assessor’s property record system. Application failures lead to a loss of productivity and reduce public confidence in city services.

Description of the Change:

The CAMA system is replacing an 18-year old legacy system that’s at end-of-life. This system provides the framework, data storage and assessment analytics to annually value, classify and manage 130,000 real estate and personal property accounts with a high degree of precision, accuracy and efficiency.

Assessor
Computer Assisted Mass Appraisal (CAMA) System

2019 Change Item

Funding will provide new and improved capabilities and functionality in the CAMA system:

- New CAMA analytical tools that will result in more precise and equitable real estate values citywide;
- Transparency in property value calculations and assessment methodology;
- Data verification, validation and reporting functionality;
- Mobile solution for appraisers in the field;
- Online self-service functionality for owners or taxpayers;
- Seamless integration with city enterprise systems like ELMS, MINS and COMET/COGNOS;
- New GIS mapping, charting and visualization tools;
- Vendor-hosted cloud-based solution

Equity Impact:

A new CAMA system enables the assessing department to mass appraise with greater accuracy and equity ensuring owners and renters in every neighborhood are paying only their fair share of the tax burden. Analytical tools like Sales Ratios, Price Related Bias and Price Related Differential can identify and reduce tax regressivity (taxes as a percent of income that are disproportionately higher on low and middle income households) throughout the city.

Access to knowledge and information is a known racial and ethnic barrier to participation and engagement. The new CAMA system will provide more data, information and reports to the city’s website and social media outlets. This will also improve transparency about the mass appraisal process and build trust, confidence and engagement between city staff and taxpayers.

Results:

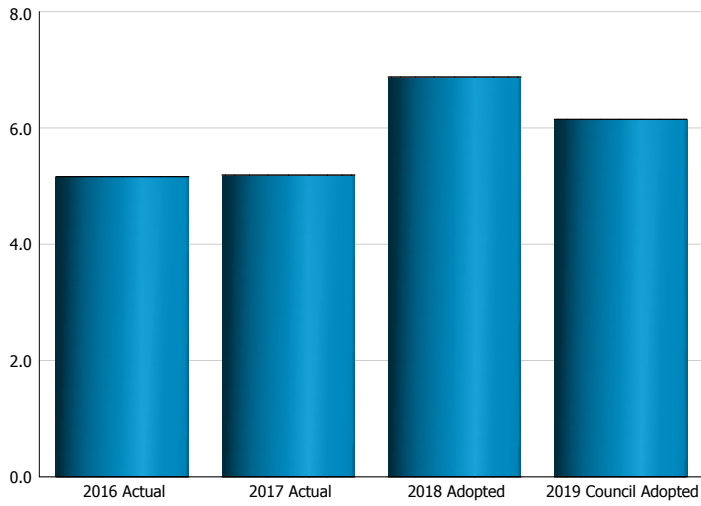
Performance Measures – Statistical, Financial and Community Focused
Improved COD, PRB, PRD and Sales Ratios
Increased quality and quantity of tools, reports and open data available to City staff and taxpayers on the city website
Decreased number of appeals to the local and county boards
Increased efficiency in expediting local and county board appeals and tax court
Improved community engagement with underserved and communities of color
Cost saving and cost sharing with metro counties using the same vendor and CAMA system
Increased employee job satisfaction and employee engagement
Decrease the number of abatements due to clerical and programming error

**ASSESSOR
EXPENSE AND REVENUE INFORMATION**

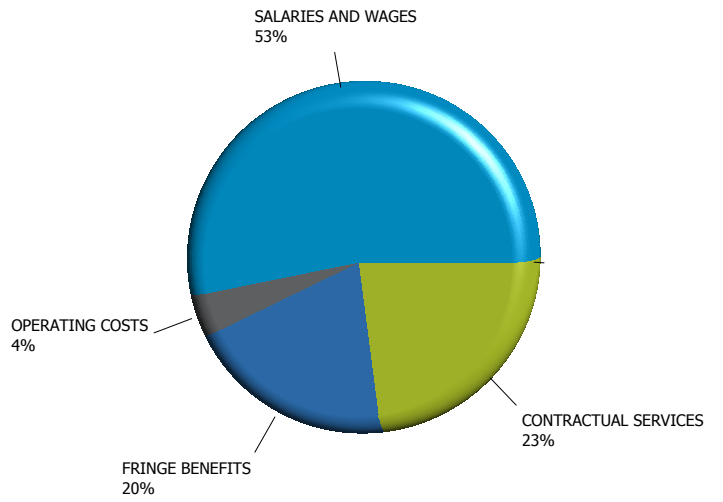
EXPENSE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	2,884,000	2,932,000	3,166,000	3,270,000	3.3%	104,000
FRINGE BENEFITS	1,062,000	1,126,000	1,202,000	1,221,000	1.6%	19,000
CONTRACTUAL SERVICES	973,000	861,000	2,228,000	1,410,000	-36.7%	-818,000
OPERATING COSTS	243,000	271,000	279,000	247,000	-11.5%	-32,000
CAPITAL	1,000			0		
TOTAL GENERAL	5,163,000	5,190,000	6,875,000	6,148,000	-10.6%	-727,000
TOTAL EXPENSE	5,163,000	5,190,000	6,875,000	6,148,000	-10.6%	-727,000
REVENUE						
GENERAL						
CHARGES FOR SERVICES						
PROPERTY TAXES	47,000					
GENERAL	47,000					
TOTAL REVENUE	47,000					

ASSESSOR EXPENSE AND REVENUE INFORMATION

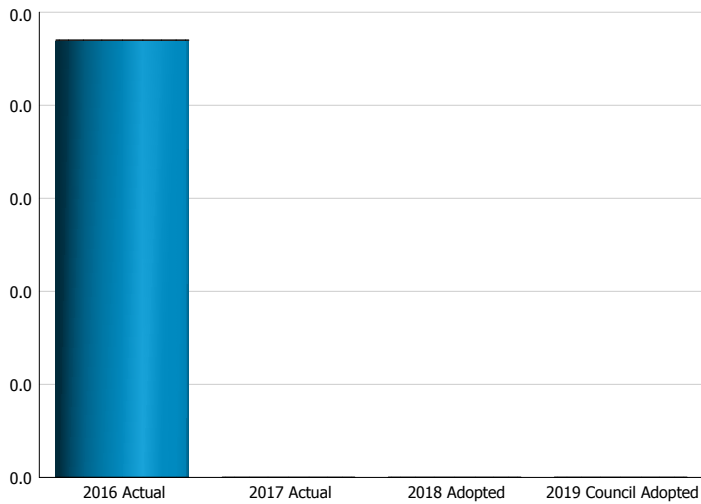
Expense 2016 - 2019
In Millions



Expense by Category



Revenue 2016 - 2019
In Millions

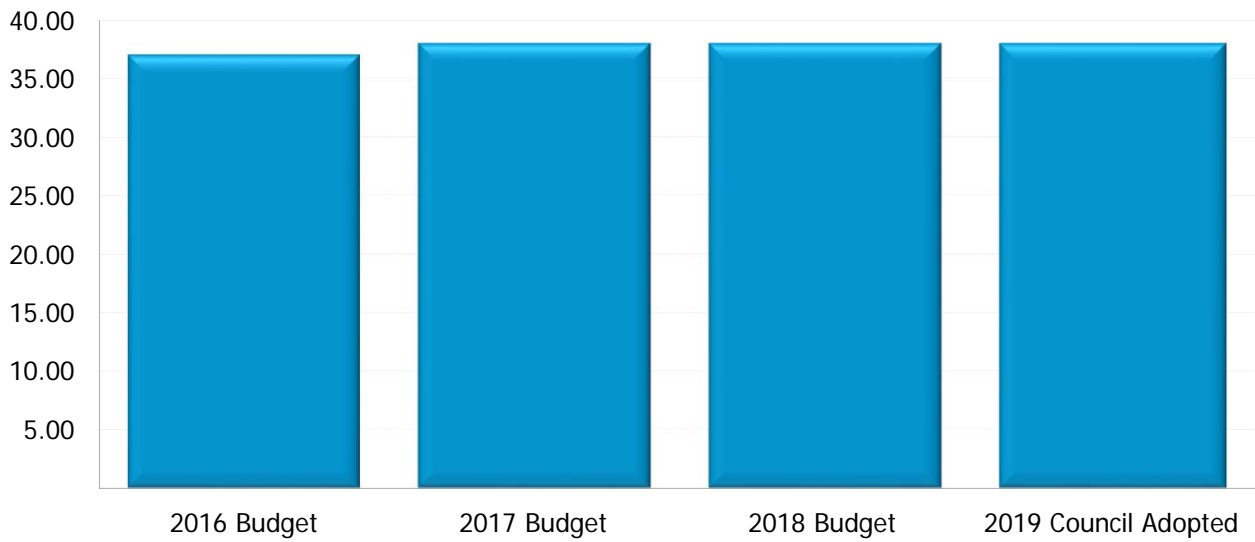


ASSESSOR

Staffing Information

Division	2016 Budget	2017 Budget	2018 Budget	2019 Council Adopted	% Change	Change
ASSESSOR OPERATIONS	37.00	38.00	38.00	38.00	0.0%	0
Overall	37.00	38.00	38.00	38.00	0.0%	0

Positions 2016-2019

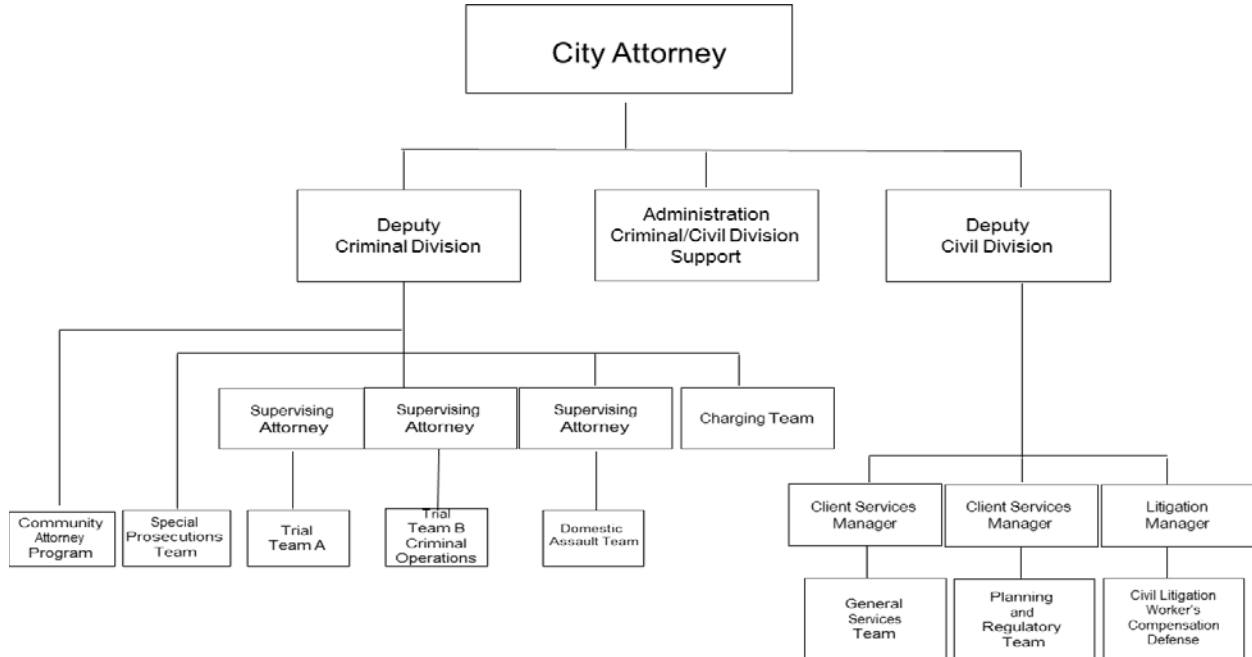


CITY ATTORNEY

MISSION

The City Attorney department’s mission is to enhance public safety, serve justice and vigorously represent the interests of the City of Minneapolis and its residents by holding criminal offenders accountable and delivering the highest quality, cost effective legal services.

ORGANIZATION CHART



PERFORMANCE MEASURES

All data and analysis generated through the City’s performance measurement process, Results Minneapolis, can be found on the City’s website. Please visit <http://www.minneapolismn.gov/coordinator/strategicplanning/wcmsp-199683> to find detailed information and analysis related to the budget programs listed below.

Criminal Justice

General Fund: \$10,691,000
Other Funds: \$335,000

The Criminal Justice Division of the City Attorney’s Office (CAO) prosecutes all adult gross misdemeanor, misdemeanor and petty misdemeanor offenses in the City of Minneapolis. Prosecution is a mandated function. The criminal prosecution function is divided into five teams: domestic violence, special prosecution team and two general trial teams. The office places a special emphasis on domestic violence cases, with a coordinated, collaborative approach ensuring advocacy and services for victims while seeking effective intervention to prevent future violence. The CAO also has an active community attorney program with a prosecutor housed in each of the five police precincts. The program engages residents and neighborhood businesses in responding to the particular needs and public safety concerns of communities across the City.

The CAO has been a leader in criminal justice reform, without compromising public safety. The CAO has developed a number of unique programs that achieve more effective outcomes by addressing underlying needs of offenders, while reducing the collateral consequences of the criminal justice system. The CAO has greatly increased diversion opportunities and offers pre-charge diversion, allowing individuals to avoid a criminal record. We have reduced the number of individuals booked into jail for lower level offenses and bench warrants.

We have a proven track record of innovation, including the Minneapolis Model for domestic violence prosecutions, the Downtown 100 and Interact, a restorative justice model for misdemeanor obstruction of justice charges. One of the more recent new programs is the Pathways program for individuals charged with carrying a weapon without a permit. Instead of incarceration, the program offers a needs assessment and intensive, community-based, trauma-informed programming designed to help these offenders - who are mostly young adult males - to a better future and to avoid future violence. Successful participants avoid a conviction on their record. Prior to this program, those convicted of this offense had a high rate of recidivism and often for violent felonies. The early results from this program are promising. This budget provides ongoing funding for this new program.

Civil Legal Services

Other Funds: \$8,011,000

The Civil Division of the City Attorney's Office provides all legal services and representation to the City, including its elected officials, departments and boards and commissions and is a highly respected public law office. The Civil Division is divided into two teams, Client Services and Litigation. The Client Services team is called upon to draft ordinances, represent the City in complex real estate and development matters, draft and review contracts and advise the City on a myriad of legal questions ranging from governmental authority and constitutional questions to election law and compliance with the open meeting law and data practices act. The Litigation Team handles all litigation, both defending the City and, when appropriate City employees, as well as bringing affirmative litigation on behalf of the City. In addition to litigation, the team represents the City in labor arbitrations, civil service, worker's compensation and veteran's preference proceedings. The team is proactive in working with City officials and department staff to identify issues that raise a potential for litigation and provide advice on preventive measures.

FINANCIAL ANALYSIS

Expenditure

The Attorney Department's budget increases from \$18.4 million to \$19.0 million in 2018 to 2019. This is an increase of \$592,000, or 3.2% due to routine inflationary increases in operating costs and budgetary change items of \$120,000 in 2019.

Revenue

Revenues are projected to remain flat at \$250,000 in 2019.

Fund Allocation

This department is funded primarily by the General Fund at 56.2% with the remainder of the department's funding provided by the Self Insurance Fund at 43.8% and 1.8% funded by the Special Revenue Fund.

Budget Change Items

Detailed change items are presented on the following pages.

City Attorney

2019 Change Item

Pathways: Community-based Programming for Gross Misdemeanor Weapons Offenses

Program: Criminal Prosecution

Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$35	\$35	\$35	\$35	\$35	\$35
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$35	\$35	\$35	\$35	\$35	\$35

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$35,000 ongoing to continue a program launched in 2017 with Urban Ventures as an improved alternative to standard conviction and sentencing for gross misdemeanor weapons charges.

Rationale/Background:

This program offers needs-based, trauma informed programming for these individuals through a community-based provider. Individuals who successfully complete this program avoid a criminal conviction and time in the County workhouse. The individuals charged with this offense tend to be young adults, often of color, with this as their first adult criminal offense. It serves the goals of criminal justice reform while improving public safety and providing a brighter future for these young adults.

The typical sentence obtained previously by the City Attorney’s Office (CAO) in these types of cases involved a conviction and 30 days in the Hennepin County Adult Correctional Facility or electronic home monitoring. While we had a high conviction rate, there was also a high rate of recidivism (70% within a span of ten years or less), including many violent felony-level offenses. The CAO set out to create a more effective alternative that could help prevent future offenses.

Following an RFP, Urban Ventures was selected as the provider. The Urban Ventures program offers a needs assessment and 82 hours of intensive programming over a three-month period, with a year of bi-weekly follow-up. Individuals who successfully complete the program will have the criminal charge dismissed with no conviction on their records.

Description of the Change:

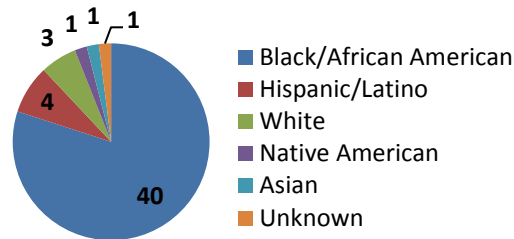
The CAO currently has a three-year agreement with Urban Ventures for this program. The current cost for the program is approximately \$3,000 per month. This change item provides ongoing funding for this program.

Pathways: Community-based Programming for Gross Misdemeanor Weapons Offenses

Equity Impact:

The groups impacted so far by this change item are: 40 Black/African American, 4 Hispanic/Latino, 3 white, 1 Native American, 1 Asian, and 1 unknown.

Number Referred by Race



Results:

The first-year results have shown a high rate of success with virtually all who have accepted the program on path to complete the requirements with very positive reviews of the impact of the program.

While only a year in to the program, our current measures include the number of participants, their phases of completion, race/ethnicity, and reason for termination. We will track recidivism rates as individuals graduate from the program.

City Attorney
Victim Witness Specialist

2019 Change Item

Program: Criminal Prosecution
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
Federal & State Grant Fund	\$72					
General Fund	\$26					
Expenditures						
Personnel	\$98					
IT						
Fleet						
Contractual Services						
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$0	\$0	\$0	\$0	\$0	\$0

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count	1					

Council Adopted Budget:

The City Council approves one-time authorization to hire one FTE in 2019 for a grant-funded Victim/Witness Specialist (VWS) position.

Rationale/Background:

In 2017, the CAO applied for and received a grant jointly from the U.S. Department of Justice, Office of Justice Programs, Office for Victims of Crime and the Minnesota Department of Public Safety, Crime Victim Services. This grant enabled the CAO to improve its crime victim services for non-English speaking crime victims by hiring an additional Victim Witness Specialist who speaks Spanish, increasing the level of service to non-intimate partner domestic victims, assisting more victims with submitting restitution or reparation claims, providing more outreach in the community, and training other allied professionals about the criminal justice system response to crime.

Description of the Change:

Through a grant, the CAO was able to add a position to its Victim/Witness Specialist (VWS) program to provide improved services for crime victims who are non-English speakers.

The following are the added activities that this position makes possible:

- Begin calling victims/witnesses prior to the arraignment on non-intimate partner domestic cases. Currently VWAs only call on intimate partners cases prior to the arraignment to seek input,
- Calls to victims on Level 3 cases. Level 3 cases involve DWI related collisions with unoccupied vehicles, misdemeanor moving violations in which only property damage is alleged, 4th Degree assault on a police officer or assault on a police horse, criminal damage to property, theft related cases in which the loss was not recovered and disorderly conduct cases in which physical contact was alleged,
- Provide more support for victims in submitting restitution or reparations claims. Previously, only letters were sent.
- Provide a VWS staff to be present weekly at MPD’s community based safety centers to meet with victims who need help filling out paperwork or feel more comfortable talking with someone in person, so that the victim

does not have to come downtown and park to speak to someone at our office and to collaborate with MPD, Probation, and advocates from Casa de Esperanza who currently staff the safety centers, in providing outreach to victims and the community,

- Provide regular roll-call trainings for police officers with the MCAO's community attorneys to inform officers about crime victim services and answer questions
- Attend community meetings with the MCAO's community attorneys to provide information about crime victim services and the criminal justice process, and
- Engage in outreach to immigrant communities to educate about crime victim services.

Equity Impact:

This position is specifically focused on immigrant communities. Over half of the crime victims/witnesses we serve are people of color. A significant number of our victims/witnesses are immigrants, refugees, LGBTQ or those with disabilities (cognitive or physical). As previously mentioned, having increased outreach to victims and witnesses of crimes in culturally responsive ways will ensure victims and witnesses will be able to better understand the criminal justice system and be more supported as they go through the process. One of the primary focuses of our outreach is to traditionally underserved and immigrant populations. We work with our existing collaborative partners, and hope to engage more partners through outreach by VWS staff, to educate the community about the criminal justice system in the United States and crime victim rights.

Results:

In the first quarter of 2018, CAO contacted 685 victims/witnesses, up by 16% from 1st quarter of 2017 when 592 victims/witnesses were contacted. The evaluation process for the expanded VWS program will include both qualitative and quantitative data. VWSs currently track and will continue to track;

- Number of victim cases and victims, victims successfully contacted and victims who appear for trial
- Number of victims who they meet with at the community safety centers, other contacts made with criminal justice system partners, and with individuals in the community
- Number of community meetings and trainings provided, and the number of attendees at each event
- Evaluate the effectiveness of trainings by providing a previously developed evaluation form to attendees to complete. This form rates the training, presenters, topics, and includes a spot to make suggestions for future trainings.

City Attorney
Domestic Violence Outreach

2019 Change Item

Program: Criminal Prosecution
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$30	\$30	\$30	\$30	\$30	\$30
Other	\$30	\$30	\$30	\$30	\$30	\$30
Net Budgetary Impact						
Expenditures - Revenues	\$60	\$60	\$60	\$60	\$60	\$60

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$60,000 ongoing to continue the existing Minneapolis Violent Crime Hot Spots – Domestic Violence Outreach program.

Rationale/Background:

The existing Minneapolis Violent Crime Hot Spots - Domestic Violence Outreach pilot was implemented in 2016 in North Minneapolis violent crime hot spots, and was expanded to include hot spots in South Minneapolis in 2017. The project involves pairing a specially trained MPD precinct officer with a family therapist to conduct follow-up visits at homes located in violent crime hot spots where a 911 call coded for domestic violence was made, but resulted in no police report. The goal of this program was to gather information on the reason for the call; offer resources to the family to help address needs; and help improve police-community relations by having the officers interact in a non-enforcement capacity.

With the data gathered, we know that there are missed opportunities to provide early support, particularly community-based supports, instead of a standalone police response in these situations. We would like to continue the pilot and expand upon it in 2019 by contracting with community-based, culturally specific providers to continue to innovate and improve service delivery in these areas of the city where families are so negatively impacted by the presence of higher levels of violent crime. The MPD Precinct Inspectors in North and South Minneapolis would also like to see this program continue and believe it adds a helpful resource to a police-only response.

The original genesis for the pilot project came out of an analysis of 911 calls in identified violent crime hot spots which showed that the number one citizen initiated request for police service (911 calls) were coded as domestic violence calls. Of these calls, only 20-25% resulted in a police report being written and 75-80% of the calls resulted in no police report, with no follow up intervention by the criminal justice system or by community-based domestic violence advocates. Our review of the calls showed that a majority of the 911 calls were for needing assistance in dealing with an immediate need and not necessarily a criminal justice response.

City Attorney
Domestic Violence Outreach

2019 Change Item

With this item, we will continue the follow-up outreach and work to develop a more proactive service delivery model to 911 callers and their families designed to better address the reasons for their 911 calls. This fits in with the department priority of domestic violence prevention and Mayoral priority of improving police community relations. The CAO will continue to devote paralegal and attorney time in supporting the work of this program.

Description of the Change:

This is a continuation of the existing pilot program that has been funded through one-time funding. As part of the current pilot project, we have partnered with the Domestic Abuse Project (DAP) to provide a family therapist to conduct the follow-up home visits. The average annual costs are \$11,500 for DAP therapist home visits and \$30,000 for Police buy-back time. We request that these home visits continue, as our partners indicate that the home visits help the community feel more connected to both police and service providers as the follow-up visits allow the community to see that police are concerned enough to follow up with them after the initial 911 call and offer services and support.

We have and will continue to partner with the City’s Health Department, MPD, County, non-profit and community members to help guide this work. For example, we recently contracted with the Cultural Wellness Center to host community forums to obtain community input into how the criminal justice system is responding to domestic violence. The forums have helped us gain valuable insight from the community about the criminal justice, and child protection response, to domestic violence.

The CAO has a strong commitment to developing new, innovative approaches to addressing domestic violence occurring within the City. This item complements the existing work of the CAO, as well as the work of the Police Department and Health Department, in providing early intervention in families experiencing domestic violence.

Equity Impact:

Domestic violence is a crime that impacts all racial, economic and geographic areas. This initiative, however, is focused on areas of the City with higher numbers of people of color, seeking to provide improved service delivery and response in these areas. One or more of the intended outcomes of this project is to help address needs before the criminal justice and child protection systems are triggered.

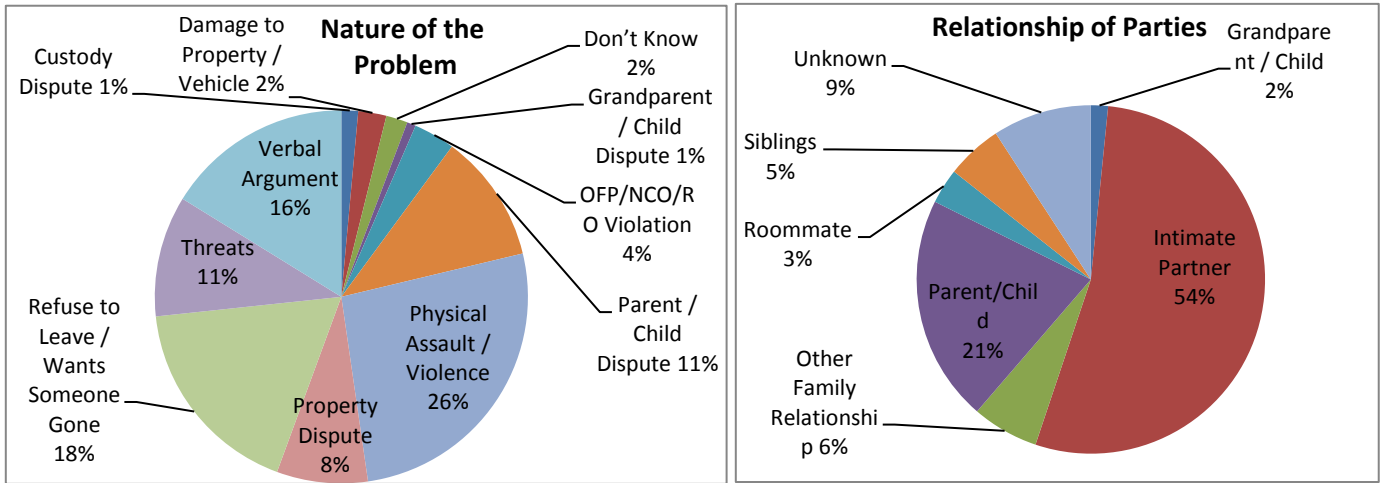
Results:

The charts below illustrate the results from the current project and the data we have collected that supports our funding. Findings from these home visits show that the current criminal justice system based response to domestic violence 911 calls does not adequately address many of the concerns and issues expressed by the 911 callers and their families, and that many times the assistance sought by the 911 caller is not one that can be addressed effectively just by a police response to a 911 call.

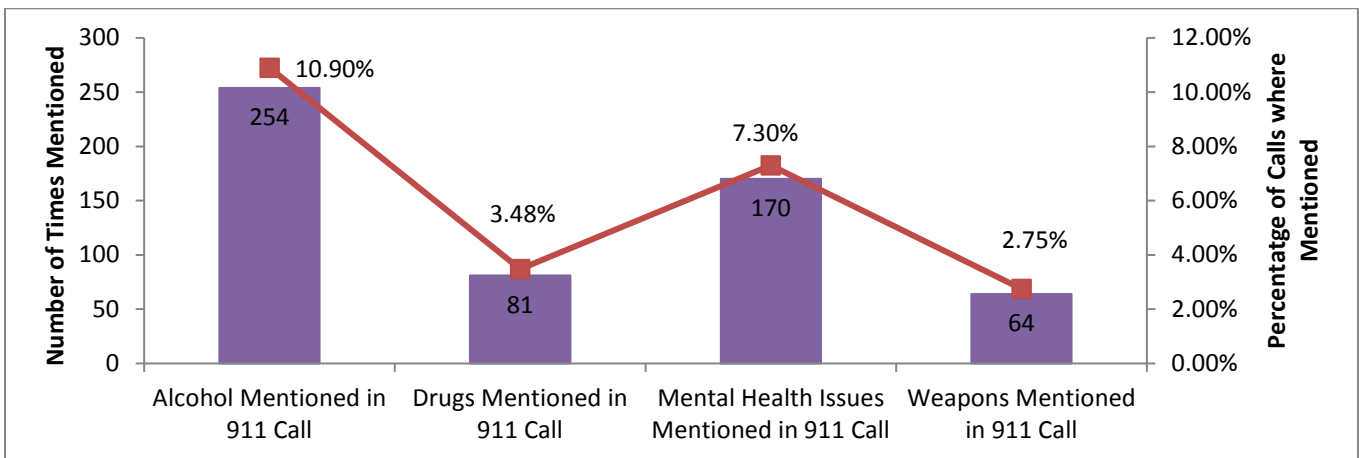
Addresses Visited & Results of Visits

	2015-2018 Through Quarter 1 Data
Home Visits Made:	2330
Separate Addresses Visited:	1624
Persons spoken to during home visits indicated a lack of knowledge as to where to go for help:	172
Prior Police Reports at Address:	85%
Person at Address on Probation:	26%

Domestic Violence 911 Calls in Violent Crime Hot Spots



Other Issues within the Home noted by 911 Caller during Call



City Attorney
Juvenile Sex Trafficking Victim Shelter Services

2019 Change Item

Program: Criminal Prosecution
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$25					
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$25	\$0	\$0	\$0	\$0	\$0

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$25,000 one-time funding for shelter beds for juvenile sex trafficking victims.

Rationale/Background:

As the most populous city in the state, Minneapolis has vulnerable youth who are at high risk for commercial sexual exploitation. Services for youth who have been trafficked are underfunded. This item will continue to help fill the funding gap for shelter beds and services. Funding in this amount was included in both the 2017 and 2018 budgets.

Description of the Change:

This change item will continue funding for shelter services and beds for juvenile victims of sex trafficking.

Equity Impact:

The individuals most at risk of being sex trafficked are from vulnerable groups, such as members of the LGBTQIA community and those from underserved populations. While any child is at risk of being a trafficking victim, there is a disproportionate impact on communities of color, particularly Native American girls and women.

Results:

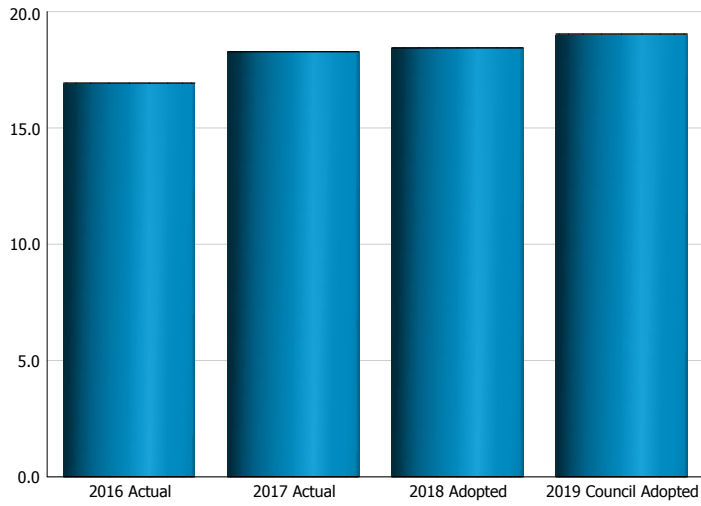
The City Attorney’s Office (CAO) is working with the service provider to deliver data on victims served and outcomes.

**ATTORNEY
EXPENSE AND REVENUE INFORMATION**

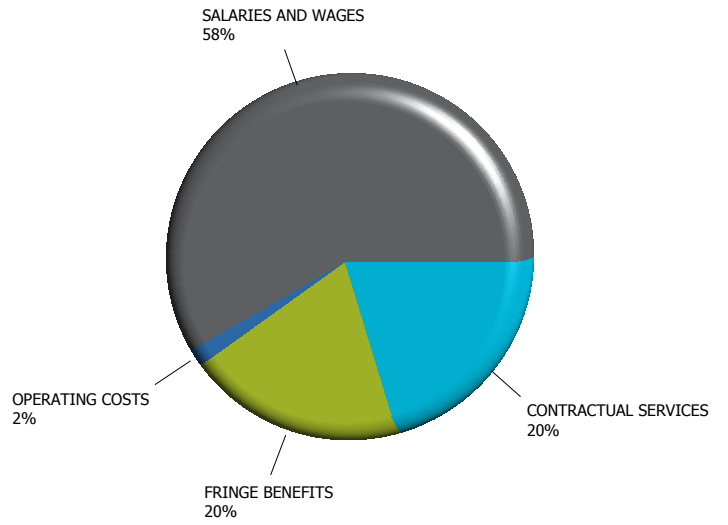
EXPENSE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	5,075,000	5,457,000	5,655,000	5,916,000	4.6%	261,000
FRINGE BENEFITS	1,680,000	1,787,000	2,029,000	2,103,000	3.6%	74,000
CONTRACTUAL SERVICES	2,494,000	2,272,000	2,519,000	2,501,000	-0.7%	-18,000
OPERATING COSTS	147,000	159,000	170,000	170,000		
TOTAL GENERAL	9,396,000	9,675,000	10,373,000	10,690,000	3.1%	317,000
SPECIAL REVENUE						
SALARIES AND WAGES	246,000	148,000	202,000	209,000	3.5%	7,000
FRINGE BENEFITS	84,000	53,000	65,000	90,000	38.5%	25,000
CONTRACTUAL SERVICES	215,000	120,000	66,000	36,000	-45.5%	-30,000
OPERATING COSTS	4,000			0		
TOTAL SPECIAL REVENUE	549,000	321,000	333,000	335,000	0.3%	2,000
INTERNAL SERVICE						
SALARIES AND WAGES	4,123,000	4,202,000	4,715,000	4,972,000	5.5%	257,000
FRINGE BENEFITS	1,273,000	2,520,000	1,538,000	1,577,000	2.5%	39,000
CONTRACTUAL SERVICES	1,437,000	1,430,000	1,348,000	1,325,000	-1.7%	-23,000
OPERATING COSTS	150,000	130,000	137,000	137,000		
TOTAL INTERNAL SERVICE	6,983,000	8,282,000	7,738,000	8,011,000	3.5%	273,000
TOTAL EXPENSE	16,928,000	18,278,000	18,444,000	19,036,000	3.2%	592,000
REVENUE						
REVENUE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SERVICES	8,000	8,000	10,000	10,000		
FINES AND FORFEITS	4,000	2,000	5,000	5,000		
OTHER MISC REVENUES	28,000	30,000	30,000	30,000		
GENERAL	40,000	40,000	45,000	45,000	0	
SPECIAL REVENUE						
CONTRIBUTIONS	1,000			0		
FEDERAL GOVERNMENT	128,000	30,000		0		
LOCAL GOVERNMENT	200,000	200,000	200,000	200,000		
SPECIAL REVENUE	329,000	230,000	200,000	200,000	0	
INTERNAL SERVICE						
OTHER MISC REVENUES			5,000	5,000		
INTERNAL SERVICE			5,000	5,000	0	
TOTAL REVENUE	369,000	270,000	250,000	250,000	0	

ATTORNEY EXPENSE AND REVENUE INFORMATION

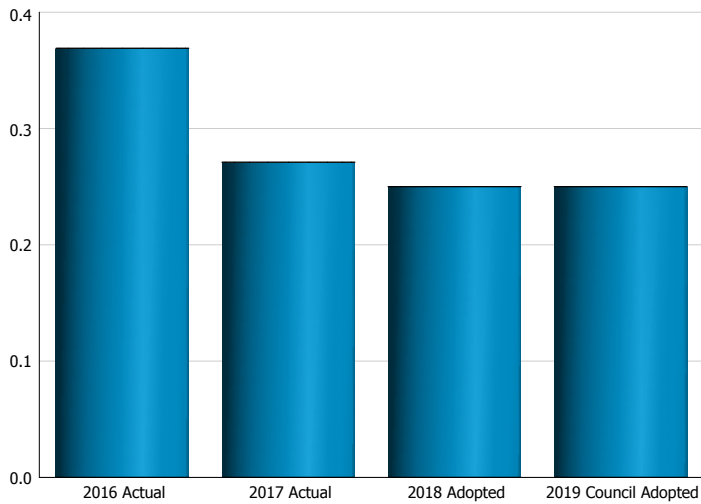
Expense 2016 - 2019
In Millions



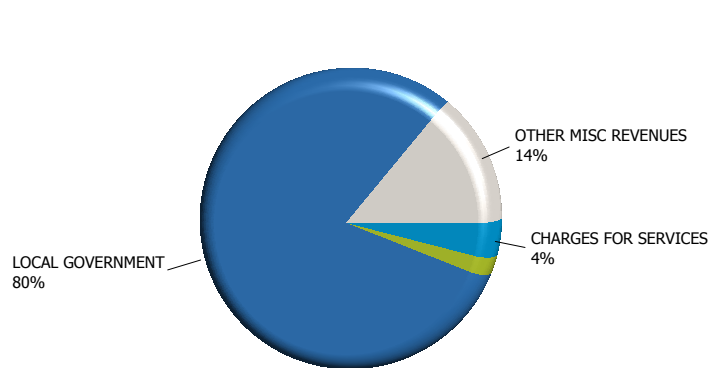
Expense by Category



Revenue 2016 - 2019
In Millions



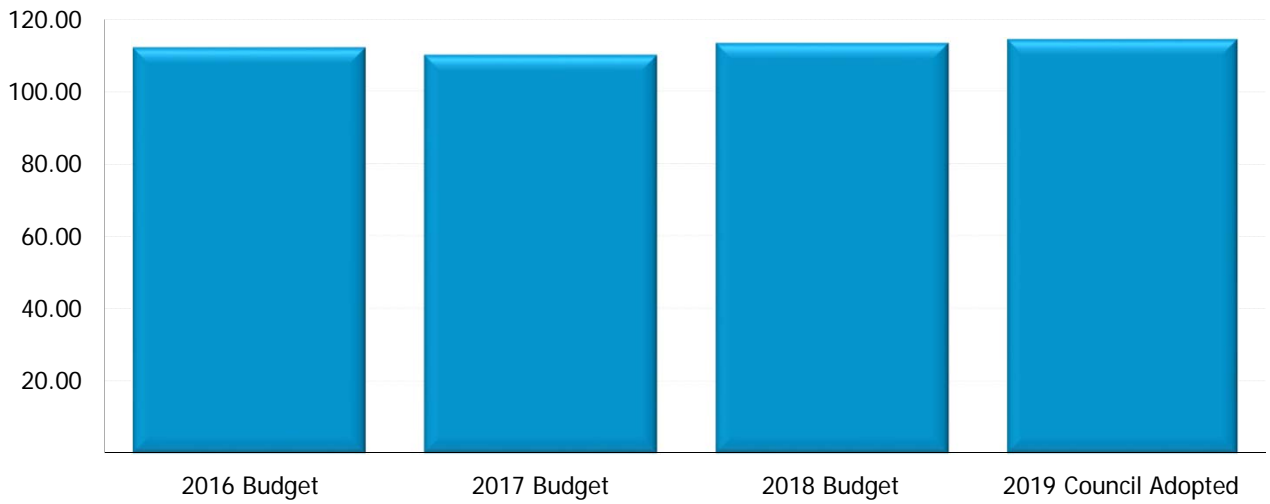
Revenue by Type



CITY ATTORNEY Staffing Information

Division	2016 Budget	2017 Budget	2018 Budget	2019 Council Adopted	% Change	Change
CIVIL DIVISION	47.50	47.50	47.50	47.50	0.0%	0
CRIMINAL DIVISION	64.50	62.50	65.80	66.80	1.5%	1.00
Overall	112.00	110.00	113.30	114.30	0.9%	1.00

Positions 2016-2019

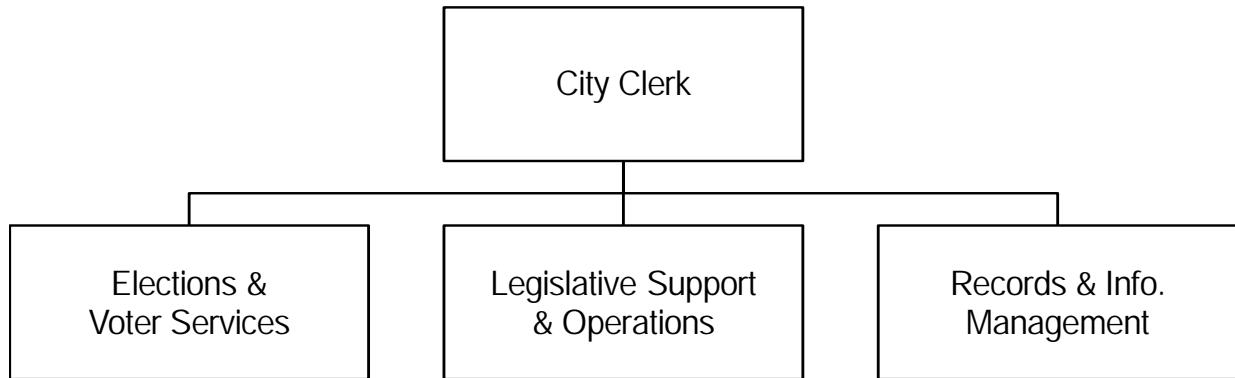


CITY CLERK

MISSION

The Office of City Clerk is the secretariat of the City Council and facilitates legislative processes. In addition, the office serves as the organizational center for two enterprise programs: elections administration and voter services and records and information management.

ORGANIZATION CHART



PERFORMANCE MEASURES

All data and analysis generated through the City's performance measurement process, Results Minneapolis, can be found on the City's website. Please visit <http://www.minneapolismn.gov/coordinator/strategicplanning/wcmssp-199683> to find detailed information and analysis related to the budget programs listed below.

Legislative Support and Operations

General Fund: \$3,172,000

The Legislative Support & Operations Division facilitates legislative and policy-making processes and provides meeting management services for the City Council, its standing policy committees, the independent Audit and Executive committees, as well as other assigned decision-making bodies; publishes and preserves the City Charter and Code of Ordinances; coordinates the appointments process to City boards and commissions; and delivers a myriad of delegated services. Additionally, this division is responsible for administrative operations of the City Council & Clerk Department.

Records and Information Management

General Fund: \$838,000
Other Funds: \$1,460,000

The Records & Information Management Division manages enterprise information assets across identified lifecycles to ensure business continuity, legal and regulatory compliance, probity, economy, and proper disposition; provides leadership and interdepartmental coordination on information governance, policies, and strategies; fulfills statutory duties assigned to the responsible authority and data compliance official; and oversees the City's archival collections. Additionally, this division provides printing and production services, centralized imaging/scanning, mail/courier/delivery services, and destruction/recycling to all departments.

FINANCIAL ANALYSIS – OFFICE OF CITY CLERK

Expenditure

The City Clerk Department's budget increases from \$5.0 million to \$5.5 million in 2018 to 2019. This is an increase of \$488,000, or 9.8% due to the routine inflationary increases in operating costs and the budgetary change items of \$275,000.

Revenue

Revenues are projected to increase by 3.1% in this department due to projected increase in Copy Center Services. The department's total revenues in 2019 are projected to be \$1.3 million.

Fund Allocation

This department is funded primarily by the General Fund at 73.3% with the remainder of the department's funding provided by the Internal Services Fund at 26.7%.

Elections & Voter Services

General Fund: \$2,321,000

The Elections & Voter Services Division serves as the gateway to representative democracy, protecting voting rights guaranteed by both federal and state constitutions. By ensuring readiness and capability to conduct an election whenever required, this division ensures eligible voters have equitable, impartial access to the ballot box and that every ballot is accurately and properly counted.

FINANCIAL ANALYSIS – ELECTIONS AND VOTER SERVICES

Expenditure

The Elections Department's budget decreases from \$2.8 million to \$2.3 million in 2018 to 2019. This is a decrease of \$476,000, or 17.0% due to the routine inflationary increases in operating costs and the budgetary change items of \$300,000 in 2019 offset by elimination of one-time budget allocations of \$1.0 million from 2018 budget

Revenue

Revenues are projected to remain flat at \$94,000 in 2019.

Fund Allocation

This department is funded completely by the General Fund.

Budget Change Items

Detailed change items are presented on the following pages.

Office of City Clerk
Legislative Information Management System – Phase 2

2019 Change Item

Program: Office of City Clerk – Legislative Support & Administration
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT	\$150					
Fleet						
Contractual Services						
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$150	\$0	\$0	\$0	\$0	\$0

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$150,000 one-time to enhance Legislative Information Management System (LIMS) design, implementation, and full deployment through a vendor-hosted solution.

Rationale/Background:

Policymakers, staff, media, and public need access to authoritative City data, particularly data on local laws and public policies. As a web-based, digital repository, the LIMS serves this need by enabling users to query, search, filter, review, and retrieve data. Phase one addressed overall system design and was configured to support the City Council and its standing committees, the Audit and Executive committees, and the Charter Commission. Launched in September 2017, it includes data from the 2014-2017 Council Term through current day. The Clerk’s Office plans to transition existing digital records from 1997 to 2013 into LIMS, securing 20 years of data through the LIMS portal. The second phase will:

- Refine internal workflows based on user experience;
- Improve site navigation and search capacity;
- Support integration with other enterprise systems (e.g., ELMS);
- Provide an Application Program Interface (API) to enable bulk data access, download, and exchange consistent with industry standards for open data;
- Convert archival records and transfer into LIMS to ensure future access for permanent preservation strategies;
- Automate existing open appointments processes; and
- Extend LIMS meeting management functionality and public access to Appointed Boards & Commissions (ABCs) within the enterprise (approx. 50 decision-making bodies).

The Clerk’s Office currently contributes 45% of all content to the City’s website, the vast majority of which is legislative and policy data. The LIMS provides the technical infrastructure to manage this mission-critical data, increases the accessibility of this data for both internal and external users, eliminates the risk of unsupported legacy systems, and provides a digital repository for the City’s official acts—ordinances, resolutions, actions, etc.—which must be permanently preserved under state law.

Office of City Clerk Legislative Information Management System – Phase 2

2019 Change Item

Description of the Change:

LIMS is an existing project first approved by City Council in 2014. Like “Google for Government,” LIMS is a public portal providing 24x7x365 access to the City’s legislative and policy data. This item completes system design, implementation, and full deployment through a vendor-hosted solution. Phase two funding is primarily focused on: (1) converting data from unsupported legacy systems and archival records as part of a permanent preservation plan and (2) extending system functionality to the City’s Appointed Boards & Commissions. The ROI is a web-based, public portal and a digital repository to house the City’s permanent official records.

Despite being an enterprise application used by every department, funding to-date has come from year-end budgetary and vacancy savings from the Office of City Clerk. This item will secure funding to complete the entire scope of services through the existing contract with DataNet Systems Corporation, including an option for a vendor-hosted solution. DataNet is a minority-owned IT-solutions company based in Washington D.C. that primarily works in the government sector.

LIMS replaces existing unsupported legacy systems that present a business risk, including the Enterprise Content Management System (Stellant/Oracle). Equally important, this system captures the institutional knowledge of the existing team of clerks, all of whom are eligible to retire within the next four years. Thus, this project supports succession planning by systematizing the team’s collective knowledge for the continued future benefit of the City enterprise. The Clerk’s Office envisions leveraging LIMS to support all policy-making bodies and advisory boards/commissions. This could include the potential to centralize meeting management functions in the Clerk’s Office. For example, in 2017 the office assumed support for the Ethical Practices Board and anticipates the potential for the Board of Estimate & Taxation pending retirement of its Executive Secretary. This benefits the enterprise by extending the procedural and protocol expertise in the Clerk’s Office to other decision-making bodies. By unifying and consolidating all data—and the underlying staffing for these decision-making bodies—the enterprise achieves productivity gains through the consolidation of resources and standardization of processes and products. For the public, this streamlines access through a single portal and provides uniformity in how policy data is published and presented. The Clerk’s Office has begun marketing LIMS through presentations to neighborhood associations and community stakeholder groups. Initial feedback has been very positive. Some neighborhood associations have requested to have their meeting information included in LIMS, though this is out-of-scope for the current project. Public users appreciate the ease of the system’s design and use and comprehensive access to data. The Clerk’s Office is exploring options to absorb some portion of phase two costs in FY18 using vacancy savings, which could reduce the overall impact of this FY19 cost.

Equity Impact:

During concept planning, key departments provided input on options to address financial and equity impacts of agenda items. This resulted in the creation of a new fiscal impact analysis and review by the Civil Rights Department. These internal reviews support more scrutiny of policy and business proposals and provide policymakers a fuller understanding of the ramifications decisions intended to advance strategic goals tied to community growth, the reduction or elimination of disparity gaps, and similar metrics. Additionally, because those reviews are part of the public data in LIMS it increases public awareness about the context of these decisions and enables the community to hold elected policymakers accountable. Still, these new workflows require further refinement, which will be addressed in phase two.

In support of the City’s Open Data Policy, the Clerk’s Office engaged members of Open Twin Cities and the University of Minnesota’s Center for Urban & Regional Affairs (CURA) in early system development to discuss how LIMS could support bulk data access consistent with industry best practices for open government data. Follow-up discussions have continued with these groups since LIMS launched to solicit additional feedback and support. As part of the planned phase two work, an API interface will be developed to support bulk data access and to generate additional standard and ad hoc reports that can be published through LIMS and the Minneapolis Open Data Portal.

Office of City Clerk

Legislative Information Management System – Phase 2

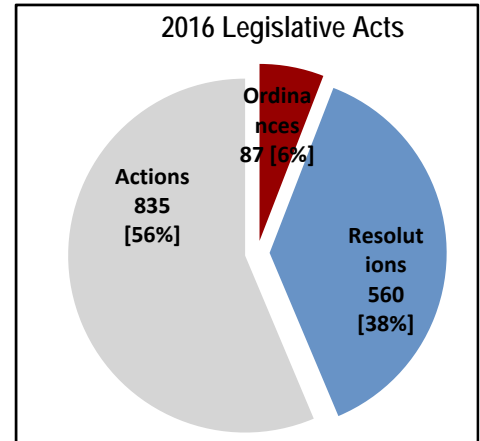
2019 Change Item

Finally, aware of the need to ensure the greatest access possible, the Clerk’s Office required that the overall system design meet Web Content Accessibility Guidelines (WCAG) developed by the World Wide Web Consortium (W3C). The Clerk’s Office is proud to be the first City department to provide a web-based system that fully satisfies WCAG 2.0 Level AA, which addresses the most common barriers for disabled users and aligns with Revised 508 Standards under federal regulations.

Results:

Phase two funding will enable the Clerk’s Office to achieve its multi-year objective of creating a single, web-based portal to access the City’s legislative and policy information on an anytime, anywhere, any device basis. The system features a responsive design that enables it to function on standard computers as well as mobile devices. LIMS is the only City website compliant with WCAG standards, and this will be further improved in phase two by baking-in the technology to automatically convert documents to accessible standards in the future.

Providing a hosted solution reduces the demand on the City’s networks for this significant volume of data which grows daily. Plus, in phase two the Clerk’s Office will be converting existing digital files from 1997-2013 and beginning a secondary project to scan and import archival records as part of a permanent preservation strategy for the City’s official records, consistent with state law. As a result of this work, the LIMS will—ultimately—be the digital repository for all official records (ordinances, resolutions, actions, proceedings) from incorporation in 1855 through present day, and into the future. This eliminates the need for unsupported legacy systems, which presents a savings for the enterprise and a reduction in the risk of losing these critical information assets. The annual cost for a hosted solution is approximately \$24,000. Here are some statistics from the Clerk’s 2016 Annual Report tied to secretariat services to the City Council.



OFFICE OF CITY CLERK – 2016 ANNUAL REPORT	
Number of Decision-Making Bodies Supported	15
Number of Meetings Staffed	237
Number of Agenda Packets Produced in 2016	237
Number of Agenda Items Processed	1,516
Number of Legislative Files Created	1,482
Total Number of Ordinances Enacted in 2016	87
Total Number of Ordinances Codified in 2016	56
Percent of Ordinances Produced without Error	97%
Total Number of Resolutions Adopted in 2016	560
Percent of Resolutions Produced without Error	100%
Total Number of Actions Taken in 2016	835
Total Number of Actions Produced without Error	100%
Total Number of Committee Reports Produced	187
Total Number of Appointments Processed in 2016	123
Percent Notices Published Per Legal Timelines	100%
Total Costs for Legal Notices Published in 2016	\$37,574
Total Pages of Council Proceedings in 2016	1,406
Percent of Council Proceedings Produced without Error	100%
Number of Code Supplements Produced in 2016	2
Number of Certified Copies of Official Acts Produced	63
Number of Inquiries Processed (Research & Reference)	300

Office of City Clerk
Legislative Information Management System – Phase 2

2019 Change Item

The statistics from 2016 (above) are for the City Council and its standing committees only, and only reflect the impact of a single year. Those statistics do not include the work of the approx. 50 ABCs. Over the four-year term of Council, the typical volumes (quantity) can be expected as shown below:

TYPICAL WORKLOAD IMPACT OF A FOUR-YEAR TERM OF CITY COUNCIL	
Number of Meetings	900
Number of Agenda Packets Produced	840
Number of Agenda Items Processed	7,600
Number of Legislative Files Created	6,300
Number of Ordinances Enacted	420
Number of Ordinances Codified	300
Number of Resolutions Adopted	2,200
Number of Actions Taken	3,700
Number of Committee Reports	900
Number of Appointments Processed	800
Pages of Council Proceedings	5,700
Number of Code Supplements Produced	8

**Office of City Clerk
Records (Physical) Asset Inventory System**

2019 Change Item

Program: Office of City Clerk – Records & Information Management
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT	\$110	\$28	\$28	\$28	\$28	\$28
Fleet						
Contractual Services						
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$110	\$28	\$28	\$28	\$28	\$28

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$82,000 one-time and \$28,000 ongoing to purchase a physical records warehouse management system to replace the current system, which has been out of support since 2007.

Rationale/Background:

Currently, the Clerk’s Office manages two central storage locations for inactive records, one in the City Hall clock tower and the other in the Leamington parking ramp. Between both sites, the R&IM Division maintains approximately 18,000 boxes of records. Both warehouses are currently full and new material is accepted only as existing material is destroyed. Apart from these centrally-managed locations, departments also maintain inactive records storage on-site due to a lack of centralized storage space.

Stored records are currently tracked using Stellent Records Management v7.1.3, a system that tracks the receipt, storage, recall, expiration, and destruction of each box of records in the two storage locations. This system reached the end of its useful life and has been unsupported by the vendor since 2007. As a result, the current system (1) is unable to be configured to adapt to changing requirements, (2) lacks modern functionality, and, (3) presents risks to data integrity. The existing software must be run on older workstations as it is not compatible with the City’s current workstations. The information tracked about the records is limited; the software tracks inventory locations and limited information about the type of information stored. Concurrently, departments maintain their own index (most commonly by using spreadsheets) of what information is in each box. As a result, there is a significant variance in the ability to locate and manage information between departments.

The move to the new building is pressuring the City to better manage physical files, regardless of their storage location. The current system is insufficient to meet these needs. To effectively manage paper material, a system will need to be available to departmental users. In preparation of the move, information about existing file rooms is being gathered; however, the current system is unable to leverage this information.

Description of the Change:

The Records and Information Management (R&IM) Division proposed to purchase a modern records warehouse management system to support the efficient data-entry/logging, physical tracking, and reporting of inactive records. This system will integrate with other enterprise systems, thereby enabling better search functionality and limiting redundant data entry. For example, some systems evaluated include integrated search of physical and electronic records via SharePoint. The proposed system supports access and security permissions and provide an auditable tracking history. Importantly, it is configurable and will allow centralized management of additional storage centers, including any additional centralized records warehouse storage, departmental file rooms, or vendor provided warehouse storage. The system will be managed by the Clerk’s Office but will also support management of departmental file rooms.

The solution will be selected via an RFP process. This item is based on an initial exploration of available offerings and assumes leveraging a hosted out-of-the box solution. Configuring the system and migrating existing centralized data is anticipated to take 6-8 months is reflected in the higher first year costs. There may be additional efforts in departmental staff time required to fully leverage the search and management capabilities for those departments that have not maintained a detailed index of stored records. This does not include costs involved in storing or moving physical records—this item is only for management software.

Equity Impact:

This enables departments to more effectively manage information, allowing focus on core business lines.

Results:

The system’s primary ROI is enabling centralized file management in a way that doesn’t currently exist. **If in place today**, it will allow us to estimate departmental storage needs at the new building instead leveraging centrally stored data rather than conducting individual file room assessments to gather the data. **If implemented in 2019**, it will allow us to leverage data gathered in ongoing and planned file inventories in support of the move to the new building.

New capability	Current capability	Expected benefit
Manage space at current records centers, departmental file rooms, and storage vendors.	Manage space at current records centers only.	Enterprise storage needs (for physical records), trends, and opportunities are tracked centrally.
Manage indices for records centers and department record storage.	Limited indices for records centers only.	Physical records are managed using a standard minimum set of data.
Electronic check-outs/returns.	Manual checkout/return.	The location of physical records is tracked and proactively managed.
Electronic process to transfer materials to the records center.	Transfer by paper form.	The transfer process gathers key information about the records.
Electronic process to authorize destruction of eligible materials at all file storage locations.	Manual process to authorize destruction of eligible materials at current records centers only.	Paper records are consistently managed to the retention schedule, regardless of storage location.

Office of City Clerk
Master Data Practices Document Review Contract

2019 Change Item

Program: Office of City Clerk – Records & Information Management
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$15					
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$15	\$0	\$0	\$0	\$0	\$0

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$15,000 one-time to develop a Master Data Practices Document Review contract under which verified document reviewers could be temporarily hired to assist processing data requests during high volume periods. Multiple departments—including Clerk, MPD, City Attorney, and Communications—could leverage qualified reviewers to respond to data practices requests or subpoenas.

Rationale/Background:

The City is obligated to respond to requests for data under the MN Government Data Practices Act in a reasonable time. There have been consistent trends of strong growth in the number of requests received. Data requests are routinely filed by business interests and litigants as well as by the media, academics, and the interested public. The City staffs at a level to handle these routine requests. When request volumes rise due to a contentious or controversial event, such as the Jamar Clark shooting and related protests, they can overwhelm the existing queue. Responding to the spike takes significant effort over a significant period, which may give the appearance that the City is not being transparent. In addition, because the same staff handles all requests, a spike can cause delays that ripple through the routine requests, slowing request production overall.

Once data has been gathered, before it can be released, it must be reviewed to identify and remove information that is protected under the law. This review can be the most time-consuming portion of the process. The review is typically conducted by staff in the Clerk’s Office, MPD, or the Attorney’s Office. Because there are a limited number of review staff (and the staff have multiple duties beyond review) and the volume of requests varies significantly, the review can be a bottleneck in the process. Unless a request involves a very limited amount of data, it typically spends time, in some cases months, in a queue waiting to be reviewed. The city cannot effectively staff appropriately to cover high volume periods—it will require too many additional staff. Unlike similar challenges in Elections or public works, there are not predictable cycles allowing use of seasonal workers.

Description of the Change:

The Clerk’s Office will develop a Master Data Practices Document Review contract under which specialist document reviewers from the legal discovery industry could be temporarily hired to bolster permanent staff to review requested

Office of City Clerk Master Data Practices Document Review Contract

2019 Change Item

data during high volume periods. This additional temporary staff will allow the city to be able to respond to requests in a reasonable time despite spikes in demand. In a year where no spike occurs or spikes requiring less than the allocated funds, the moneys can be returned to the general fund.

The City will contract with a document review staffing agency who will maintain a pool of background -checked reviewers. The Clerk’s office, MPD Records unit, or the Attorney’s office could leverage this contract to temporarily requisition additional reviewers. Unlike traditional staff, contract reviewers could be rapidly added for a short-term basis to cover unexpected spikes in request volume.

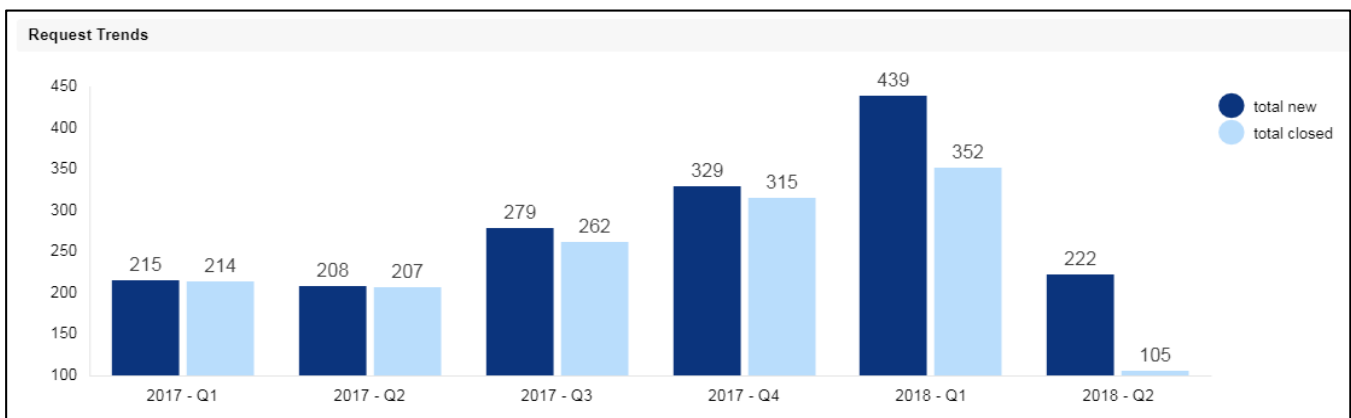
The Clerk’s Office is currently piloting this model by leveraging funds available from a temporary vacancy to procure a reviewer. This has so far been a success. Temporary workers from the legal document review industry are typically familiar with the same processes and software that the city leverages. They do require additional training on the relevant laws and are best leveraged where a known and limited set of decisions are required. The contract reviewer was able to close numerous outstanding requests. This item will cover approximately 450 hours of review (at current industry rates of between \$30-\$40 hour) and could be leveraged by the Clerk’s office, MPD Records unit, the City Attorney’s Office, Communications, or any department facing a need to review data requests. The contract will be managed through the Clerk’s Office as the City’s designated responsible authority.

Equity Impact:

This item will focus review efforts on reviewing data requests that have a significant community impact as well as those that effect police and community relations or serve traditionally disenfranchised groups. In particular, this could allow more rapid closing of police data requests regarding events which generates a spike in requests. Examples in recent years include officer involved shootings, police response to protests, community interest in police budget items (such as the 4th Precinct), and police actions in preparation for and during major events, such as the Super Bowl.

The City’s response to data requests directly affect the trust placed in the city by residents. The Mayor has specifically prioritized fulfilling data practice requests in a timely manner, stating that “[b]eing committed to transparency in city government means promoting transparency with actions, not just public statements of support for the idea of open government. My office will prioritize fulfilling and complying with all requests by press and other individuals for emails and information sent by my staff using city resources.”

Results:



The number of data requests received is rising. The Clerk’s Office has seen steady increases of approximately 1.6 year over year--2017 saw 160% of the number of requests received in 2016 and 2018 is on pace to maintain or exceed that

Office of City Clerk Master Data Practices Document Review Contract

2019 Change Item

growth rate. It will take significant productivity enhancements to handle this increase with existing staff even without experiencing spikes in requests.

While many requests involve a limited amount of data or standard redactions, other requests seek email correspondence, police case files, or other items requiring significant manual review. Requests relating to high profile events tend to involve the material requiring significant review. Average request close times for the Clerk's Office are approximately 30 days overall (large requests can take over a year). We are gathering data to better breakdown rates by type of request.

The Clerk's office has two FTE equivalents processing data requests and reviewing responsive data (there are 4 employees with 50% time dedicated to data practices work). Industry standards review rates average between 50-100 pages per hour and these typically assume reviewers are only classifying documents—our reviewers are required to make spot redactions throughout a document and cite the basis for each redaction. Currently, just in the Clerk's Office we have a queue of more than 60,000 documents containing a total of 785,000 pages for review. (Note this number is an imperfect proxy for the amount of queued work—on one hand it is low as it only includes material that has already been collected and ingested into the review tool but on the other hand it is high as it does count “near duplicates” that cannot be excluded by the system but which can be more rapidly assessed than unrelated documents.)

The success of a Master Data Practices Document Review contract can be evaluated by measuring how these average review rates are affected when a future spike occurs and contractors are onboarded.

Elections & Voter Services Department
Centralized Elections Space

2019 Change Item

Program: Elections & Voter Services
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services						
Other	\$300	\$300	\$300	\$300	\$300	\$300
Net Budgetary Impact						
Expenditures - Revenues	\$300	\$300	\$300	\$300	\$300	\$300

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$300,000 ongoing for a new Elections warehouse, early vote center, and training center.

Rationale/Background:

The City has multiple and varied needs for space related to the administration of elections. Space is needed to store elections equipment – including voting booths, tabulation machines, and ballots. Space is needed to train election judges who administer this foundational process for our democracy. And space is needed for the professional staff who manage and coordinate all aspects of our elections system.

The need for elections space has been a constant discussion for the past several years, particularly with the increased activity around early voting. State law changed in 2014 to allow for No-excuse absentee voting (or early voting). The City put early voting in place immediately with City Hall serving as the early vote center. The early vote center has moved offsite – a block from City hall, and different satellites have been used in the years that followed.

In addition, other changes in state elections law, such as the addition of new “e-pollbooks,” have created additional administrative complexity which require additional staff – who need space to operate – and equipment which needs to be stored. And, there has never been a dedicated training center for election judges – shifting locations creates confusion and administrative complexity that distracts from the core work of election administration.

Finally, as City staff resources move from multiple sites across downtown to a centrally located new public service center and into City Hall, now is the right time to look at where the ‘best’ place is to house the elections staff team.

Description of the Change:

This item provides funding for additional rent necessary to co-locate the City's elections warehouse, elections staff, and elections training center. No lease has been signed for such a centralized location, but staff are currently searching for space to move to in 2019.

Equity Impact:

Communities of color, unmarried women, and youth (18-34) have been historically underrepresented in elections. In funding this change item and strengthening the backbone of the City's elections operation, the City is making an investment in providing a stable and consistent location for residents to come and access the polls – regardless of where they live in the city. Additionally, in making a long-term commitment to funding a single elections location, staff who are currently being distracted by finding space can focus their time on the City's robust Voter Outreach & Education program that aims to reduce disparities in electoral participation.

Results:

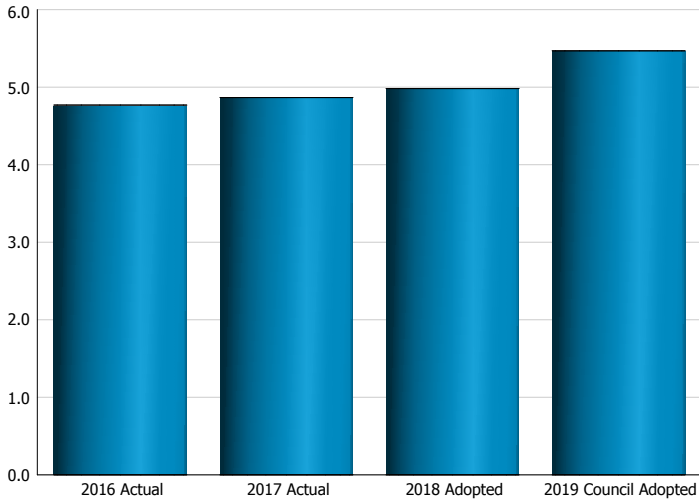
The City of Minneapolis regularly ranks as one of the highest participating jurisdictions in one of the highest participating states in the nation. However, until we are at equal participation across all groups there is always room to improve. We anticipate that this investment in elections administration will help free up other resources focused on increasing turnout and ensuring fair and free elections across our city.

**CITY CLERK
EXPENSE AND REVENUE INFORMATION**

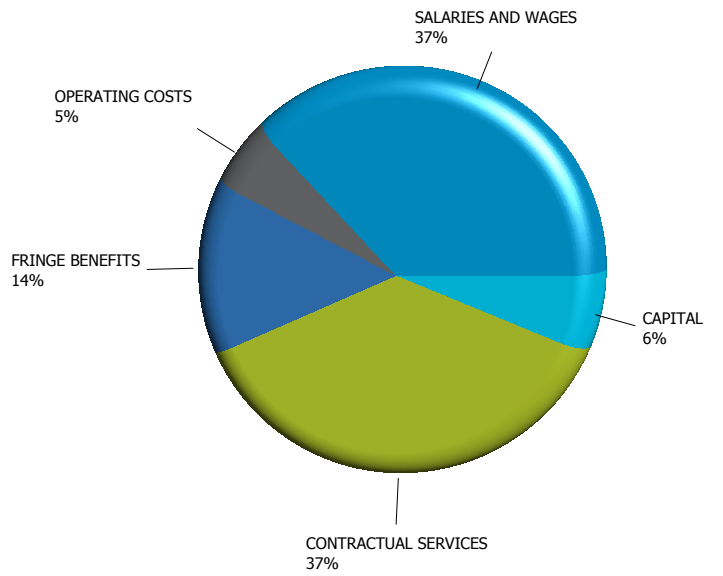
EXPENSE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	1,306,000	1,487,000	1,565,000	1,650,000	5.4%	85,000
FRINGE BENEFITS	432,000	469,000	600,000	630,000	5.0%	30,000
CONTRACTUAL SERVICES	982,000	1,079,000	1,090,000	1,227,000	12.6%	137,000
OPERATING COSTS	263,000	249,000	205,000	174,000	-15.1%	-31,000
CAPITAL			120,000	330,000	175.0%	210,000
TOTAL GENERAL	2,983,000	3,284,000	3,580,000	4,011,000	12.0%	431,000
INTERNAL SERVICE						
SALARIES AND WAGES	225,000	253,000	323,000	370,000	14.6%	47,000
FRINGE BENEFITS	75,000	145,000	152,000	149,000	-2.0%	-3,000
CONTRACTUAL SERVICES	1,288,000	1,048,000	796,000	809,000	1.6%	13,000
OPERATING COSTS	196,000	137,000	121,000	121,000		
CAPITAL			10,000	10,000		
TOTAL INTERNAL SERVICE	1,784,000	1,583,000	1,402,000	1,459,000	4.0%	57,000
TOTAL EXPENSE	4,767,000	4,867,000	4,982,000	5,470,000	9.8%	488,000
REVENUE						
GENERAL						
CHARGES FOR SALES				0		
CHARGES FOR SERVICES	5,000	7,000	5,000	5,000		
LICENSE AND PERMITS	3,000	4,000	3,000	3,000		
GENERAL	8,000	11,000	8,000	8,000	0	
INTERNAL SERVICE						
CHARGES FOR SALES				0		
CHARGES FOR SERVICES	1,642,000	1,355,000	1,326,000	1,366,000	3.1%	41,000
INTERNAL SERVICE	1,642,000	1,355,000	1,326,000	1,366,000	3.1%	40,000
TOTAL REVENUE	1,650,000	1,366,000	1,334,000	1,374,000	3.1%	40,000

CITY CLERK EXPENSE AND REVENUE INFORMATION

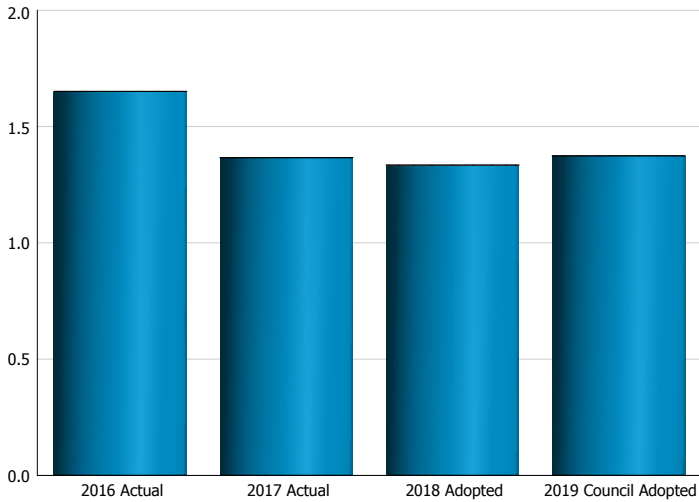
Expense 2016 - 2019
In Millions



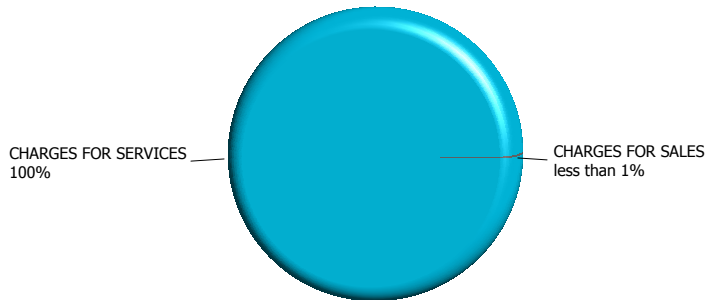
Expense by Category



Revenue 2016 - 2019
In Millions



Revenue by Type



**ELECTIONS & VOTER SERVICES
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	2,702,000	1,240,000	1,906,000	907,000	-52.4%	-999,000
FRINGE BENEFITS	346,000	247,000	182,000	171,000	-6.0%	-11,000
CONTRACTUAL SERVICES	1,135,000	780,000	639,000	818,000	28.0%	179,000
OPERATING COSTS	95,000	65,000	24,000	79,000	229.2%	55,000
CAPITAL		57,000	46,000	346,000	652.2%	300,000
TOTAL GENERAL	4,278,000	2,389,000	2,797,000	2,321,000	-17.0%	-476,000

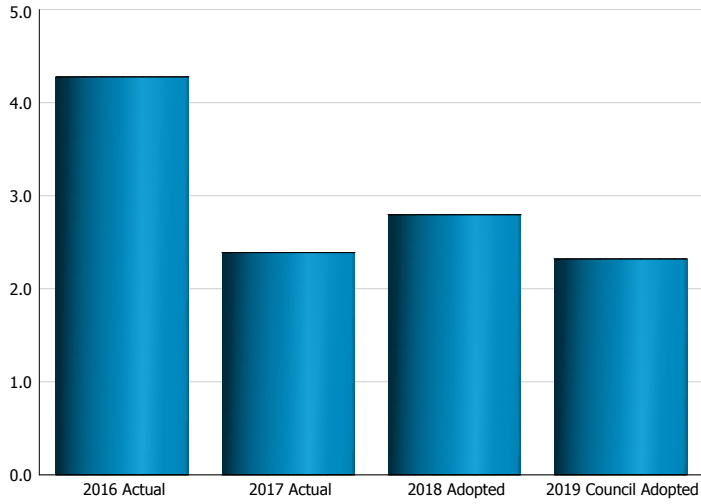
TOTAL EXPENSE	4,278,000	2,389,000	2,797,000	2,321,000	-17.0%	-476,000
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REVENUE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SERVICES	94,000	116,000	94,000	94,000		
CONTRIBUTIONS				0		
GENERAL	94,000	116,000	94,000	94,000	0	

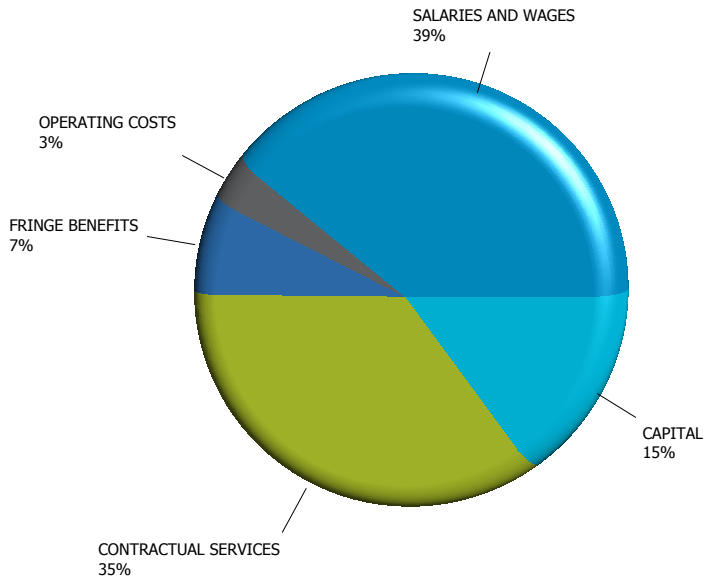
TOTAL REVENUE	94,000	116,000	94,000	94,000	0	
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ELECTIONS & VOTER SERVICES EXPENSE AND REVENUE INFORMATION

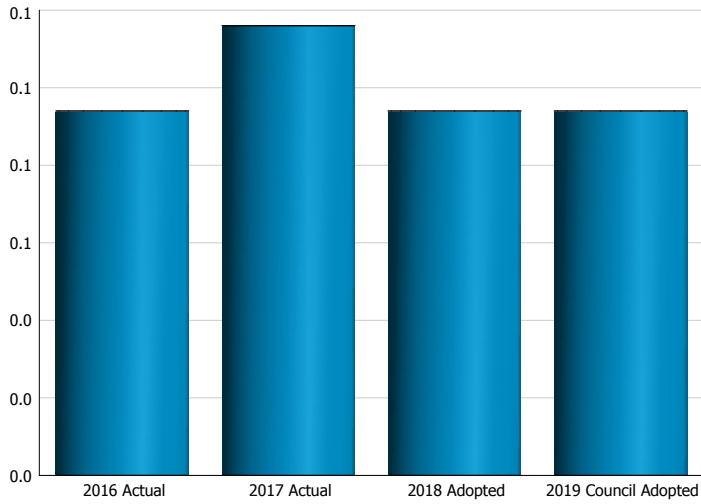
Expense 2016 - 2019
In Millions



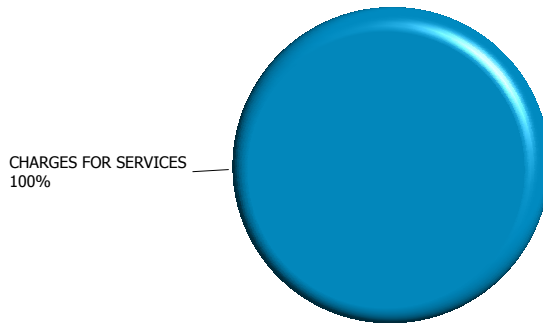
Expense by Category



Revenue 2016 - 2019
In Millions



Revenue by Type

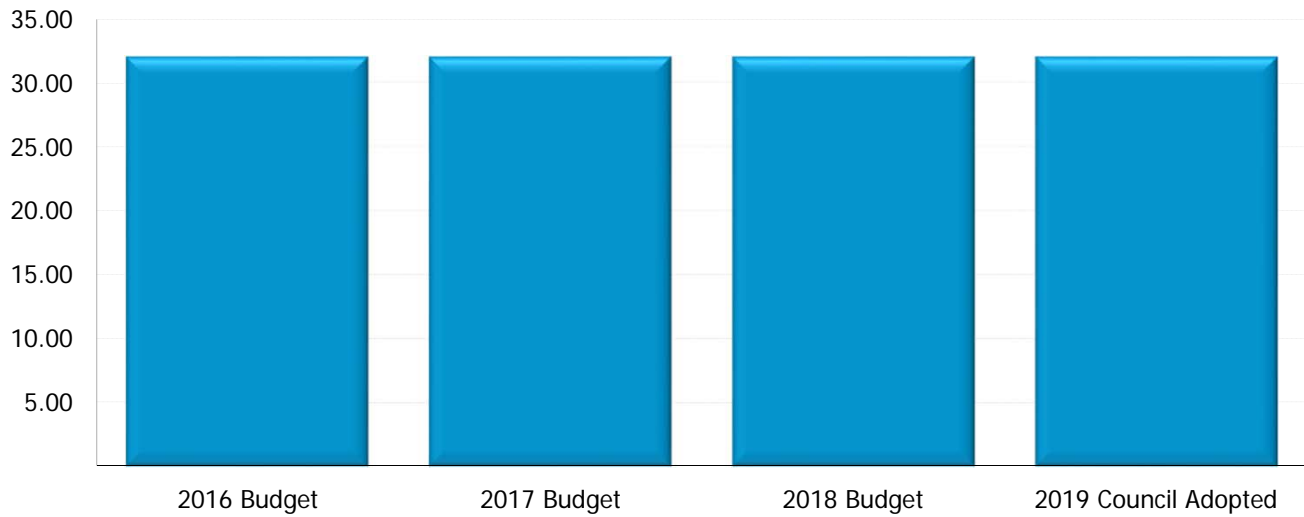


CITY CLERK & ELECTIONS

Staffing Information

Division	2016 Budget	2017 Budget	2018 Budget	2019 Council Adopted	% Change	Change
CENTRAL MAILING	0.05	0.05	0.05		-100.0%	(0.05)
CITY CLERK - ADMINISTRATION	20.00	20.00	20.00	15.00	-25.0%	(5.00)
COPY CENTER	4.95	4.95	5.95	6.00	0.8%	0.05
RECORDS & INFO. MGMT	1.00	1.00		5.00	0.0%	5.00
ELECTIONS & REGISTRATION	6.00	6.00	6.00	6.00	0.0%	0
Overall	32.00	32.00	32.00	32.00	0.0%	0

Positions 2016-2019

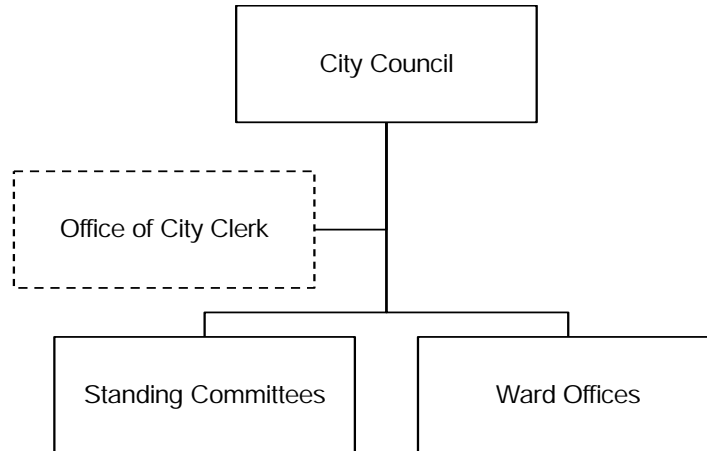


CITY COUNCIL

MISSION

The City Council maximizes access to municipal government, exercises oversight of City departments and service delivery, and enables informed decision-making for community governance.

ORGANIZATION CHART



PERFORMANCE MEASURES

All data and analysis generated through the City's performance measurement process, Results Minneapolis, can be found on the City's website. Please visit <http://www.minneapolismn.gov/coordinator/strategicplanning/wcmssp-199683> to find detailed information and analysis related to the budget programs listed below.

City Council

General Fund: \$5,317,000

The City Council is the legislative body of the City of Minneapolis, providing a direct link between residents and the municipal government. The Council is composed of thirteen Members, each elected from separate wards of approximately 32,000 residents. The Council works in partnership with the Mayor to provide for the general health, safety, and welfare of the community. Without limiting the generality of the foregoing, the City Council has the power to:

1. Adopt, amend, and repeal public policies;
2. Levy and apportion taxes, make appropriations and adopt budgets; and
3. Oversee organizational performance and the delivery of municipal services.

FINANCIAL ANALYSIS

Expenditure

The City Council Department's budget increases from \$5.2 million to \$5.3 million in 2018 to 2019. This is an increase of \$165,000, or 3.2% due to increases in routine inflationary operating costs and budgetary change items of \$48,000.

Revenue

This Department does not produce revenue.

Fund Allocation

This department is funded completely by the General Fund.

Budget Change Items

Detailed change items are presented on the following pages.

City Council Department
Constituent Relationship Management System

2019 Change Item

Program: City Council
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT	\$48	\$24	\$24	\$24	\$24	\$24
Fleet						
Contractual Services						
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$48	\$24	\$24	\$24	\$24	\$24

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$24,000 ongoing and \$24,000 one-time to provide better constituent service, streamline operations, and improve reporting capabilities through a new Constituent Relationship Management (CRM) system.

Rationale/Background:

Currently, the City Council uses Microsoft Dynamics CRM. Dynamics CRM is a complex system designed for large call centers. This tool has been difficult to use and most ward offices have now opted not to use it. Microsoft Dynamics CRM has proven to be difficult to maintain— frequent updates and Outlook compatibility issues require regular IT support. IT agrees that the cost of supporting Dynamics CRM is too high and we should look for an alternative.

Microsoft Dynamics CRM is currently included in the City’s Enterprise Microsoft License Agreement. There are currently about 50 licensed users (Council/Clerk users and IT support) at a cost of \$47,000 annually. However, the City is not getting value for its money with this system, since most council staff are not regularly using the system, and IT is constantly having to address issues with the system.

The Council will be better served by a simpler system designed specifically for constituent services. The goal of a new CRM will be to centralize constituent communications into a single workflow so that requests by phone, email, or social media can be processed efficiently, and once the work is done, elected officials can see the results, trends, and issues.

Description of the Change:

CRM software stores constituent data centrally, allowing staff to manage requests from constituents and report on trends, allowing elected officials to provide better service and get a better sense of their constituent’s concerns. Implementing a new system, in conjunction with the Mayor’s Office, will benefit the City by sharing the cost of staff training and support across offices. It will also provide residents with a consistent interaction with all elected officials. In addition, it will serve as a standard repository for information that is required to be gathered for data practice requests.

We estimate the new CRM will have 50 users—if all Council and Mayor’s Office staff require a license—this number times an estimate of \$80/month will total \$4,000/month (or \$48,000 annually). The annual cost of a new CRM can be offset by discontinuing the Microsoft Dynamics CRM licenses that are included in the Enterprise Microsoft Agreement.

The only cost to this project is in transitioning between systems and training staff. The previous CRM project, which was completed in 2013, cost about \$90,000 to implement. This project included IT project management, CRM consultants (PowerObjects), requirements gathering, data migration, and training. Based on that first effort, the Clerk's Office estimates \$48,000 in project costs for set up and transition to a new externally-hosted system.

Equity Impact:

A well-run constituent relationship management system will provide all residents with access to and accountability from their elected officials. Constituent issues will be tracked consistently with the ability to report on how resident concerns are addressed.

Results:

Each day, ward offices receive dozens of emails, call, texts, and messages through social media. Currently, ward offices struggle with Dynamics CRM or use various other methods (Outlook, Excel, Smartsheet) to track constituent requests. Instead of those requests/contacts being scattered across numerous systems and email accounts, a CRM will provide a single source. Once those requests are centralized, they can be reported on.

It is not possible to determine how many incoming calls and requests are handled by ward offices since they do not manage the data in a similar manner. Even for users of Dynamics CRM, the data is not managed consistently. Cases can be categorized by how they came in to the office—by phone, email, or in-person, but requests are not consistently categorized by subject matter. Ward staff do not consistently resolve cases in Dynamics CRM in a way that makes it easy to track response time. Inconsistent data makes it hard to draw conclusions from the current data captured in CRM.

Measures that will be valuable to elected officials include:

- Number of requests
- Type of requests
- Number of open requests
- Response time to close requests
- Top issues
- Location of requests

The current CRM captures address, ward, and neighborhood but does not integrate mapping functionality which will make it easier to determine where residents are most engaged. CRM systems that we've reviewed generally include mapping functionality. Council Members will also like better methods of gathering input from the public by poll or survey, or through social media, neither of which are available in Dynamics CRM.

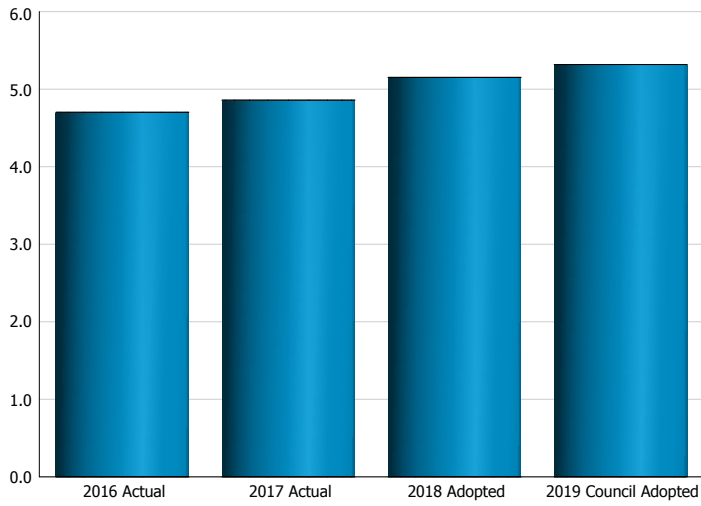
Improving constituent services for elected offices supports the City goal. A new constituent relationship management system will replace a system that isn't working, with one that will greatly benefit the City. The most important thing the City can do to make life easier for its residents is to guarantee them high quality and efficient city services.

**CITY COUNCIL
EXPENSE AND REVENUE INFORMATION**

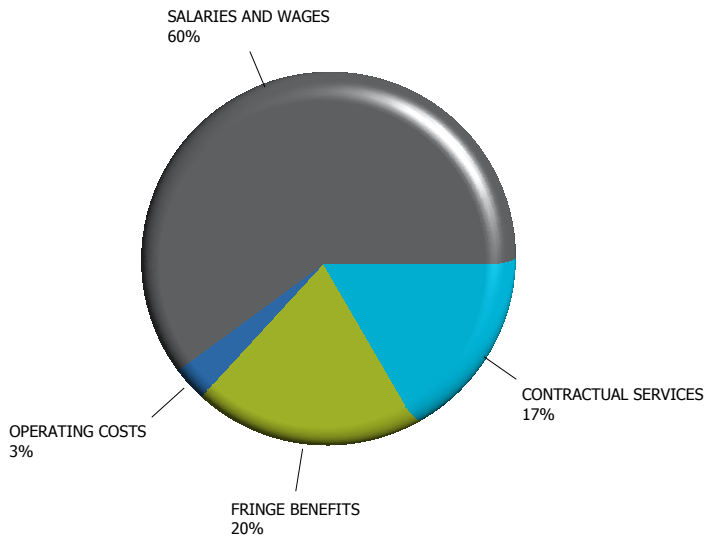
EXPENSE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	2,732,000	2,840,000	2,959,000	3,194,000	7.9%	235,000
FRINGE BENEFITS	953,000	960,000	1,135,000	1,074,000	-5.4%	-61,000
CONTRACTUAL SERVICES	759,000	776,000	866,000	884,000	2.1%	18,000
OPERATING COSTS	259,000	282,000	192,000	165,000	-14.1%	-27,000
TOTAL GENERAL	4,703,000	4,858,000	5,152,000	5,317,000	3.2%	165,000
TOTAL EXPENSE	4,703,000	4,858,000	5,152,000	5,317,000	3.2%	165,000
REVENUE						
GENERAL						
OTHER MISC REVENUES	2,000			0		
GENERAL	2,000					
TOTAL REVENUE	2,000					

CITY COUNCIL EXPENSE AND REVENUE INFORMATION

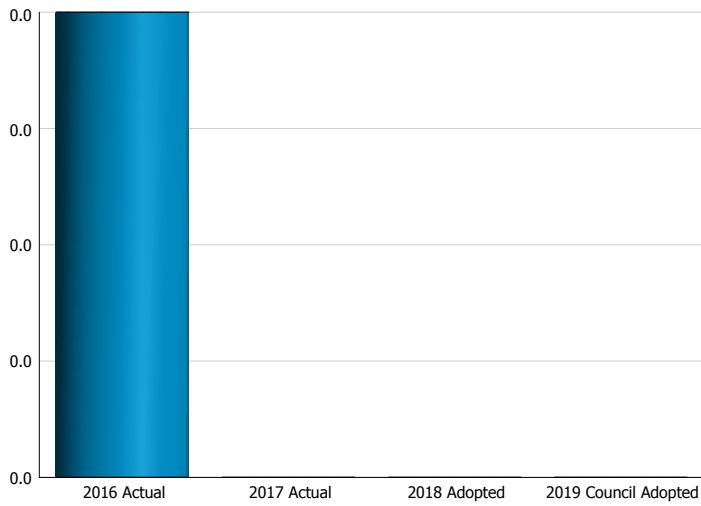
Expense 2016 - 2019
In Millions



Expense by Category



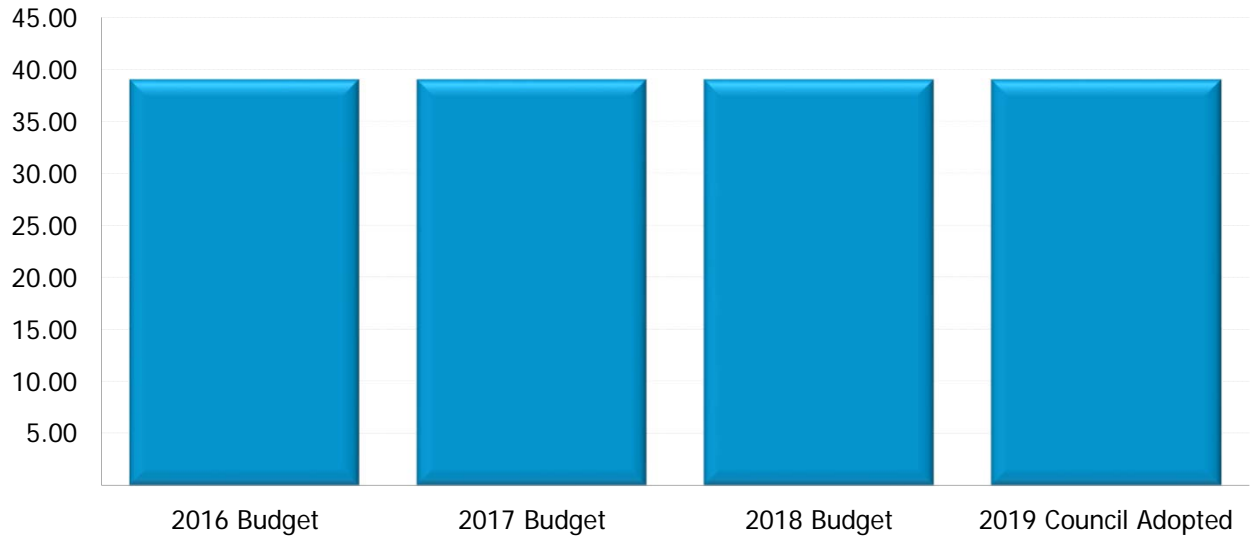
Revenue 2016 - 2019
In Millions



CITY COUNCIL Staffing Information

Division	2016 Budget	2017 Budget	2018 Budget	2019 Council Adopted	% Change	Change
CITY COUNCIL STAFF	39.00	39.00	39.00	39.00	0.0%	0
Overall	39.00	39.00	39.00	39.00	0.0%	0

Positions 2016-2019

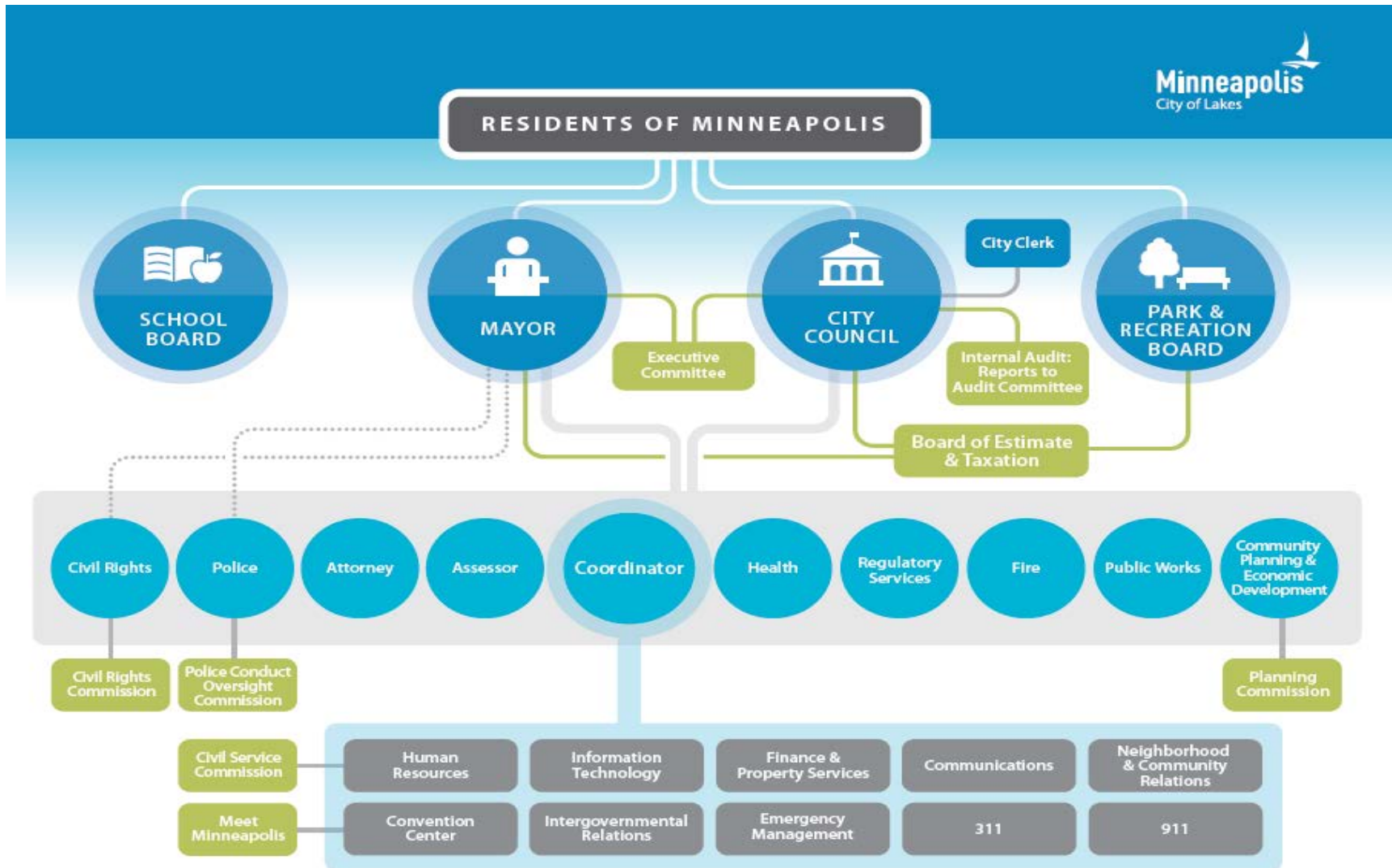


CITY COORDINATOR

MISSION

The City Coordinator Department provides strategic, administrative and management services for the City, including but not limited to planning, budgeting and fiscal management, program monitoring and evaluation, personnel, data processing and purchasing. The City Coordinator is also charged with ensuring alignment and coordination across the enterprise, facilitating strategic and business planning, and supervising the Minneapolis Convention Center, federal programs, large city-wide events, and any other such activities as the City Council may direct.

ORGANIZATION CHART



CITY COORDINATOR
EXPENSE AND REVENUE INFORMATION

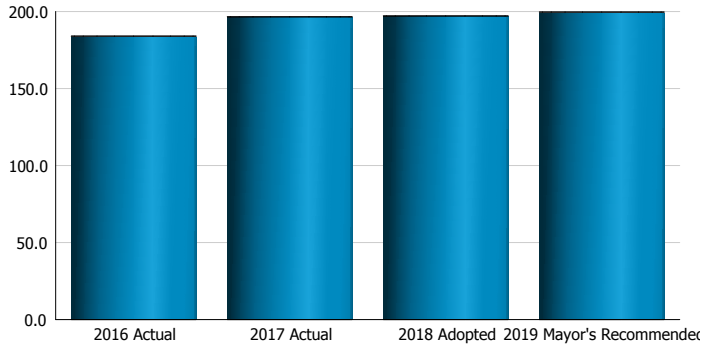
EXPENSE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
DEBT SERVICE						
OPERATING COSTS		100,000		0		
TOTAL DEBT SERVICE		100,000		0		
GENERAL						
TRANSFERS		2,000		0		
SALARIES AND WAGES	25,083,000	26,453,000	28,392,000	30,074,000	5.9%	1,682,000
OPERATING COSTS	2,516,000	2,740,000	2,349,000	2,178,000	-7.3%	-171,000
FRINGE BENEFITS	8,741,000	9,231,000	10,958,000	10,783,000	-1.6%	-175,000
CONTRACTUAL SERVICES	12,931,000	13,976,000	15,224,000	17,726,000	16.4%	2,502,000
CAPITAL	231,000	793,000	376,000	968,000	157.4%	592,000
TOTAL GENERAL	49,502,000	53,195,000	57,299,000	61,729,000	7.7%	4,430,000
INTERNAL SERVICE						
SALARIES AND WAGES	13,878,000	15,406,000	16,284,000	16,933,000	4.0%	649,000
OPERATING COSTS	5,773,000	6,667,000	3,567,000	4,064,000	13.9%	497,000
FRINGE BENEFITS	4,759,000	9,760,000	5,980,000	5,873,000	-1.8%	-107,000
CONTRACTUAL SERVICES	36,451,000	39,778,000	31,917,000	33,174,000	3.9%	1,257,000
CAPITAL	663,000	47,000	6,730,000	5,056,000	-24.9%	-1,674,000
TOTAL INTERNAL SERVICE	61,524,000	71,658,000	64,478,000	65,100,000	1.0%	622,000
SPECIAL REVENUE						
TRANSFERS	2,000			0		
SALARIES AND WAGES	11,944,000	12,737,000	13,302,000	13,593,000	2.2%	291,000
OPERATING COSTS	2,379,000	2,272,000	1,875,000	1,623,000	-13.4%	-252,000
FRINGE BENEFITS	4,118,000	4,422,000	5,780,000	5,686,000	-1.6%	-94,000
CONTRACTUAL SERVICES	32,364,000	33,297,000	37,570,000	36,790,000	-2.1%	-780,000
CAPITAL	22,183,000	18,878,000	16,812,000	16,021,000	-4.7%	-791,000
TOTAL SPECIAL REVENUE	72,990,000	71,606,000	75,339,000	73,713,000	-2.2%	-1,626,000
TOTAL EXPENSE	184,016,000	196,559,000	197,116,000	200,542,000	1.7%	3,426,000
REVENUE						
	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
DEBT SERVICE						
INTEREST		-908,000		0	0.0%	
DEBT SERVICE		-908,000				
GENERAL						
CHARGES FOR SALES	2,000	1,000	2,000	2,000	0.0%	
CHARGES FOR SERVICES	20,000	21,000		0	0.0%	
CONTRIBUTIONS	5,000			0	0.0%	
FRANCHISE FEES	1,247,000		1,250,000	1,250,000	0.0%	

EXPENSE AND REVENUE INFORMATION

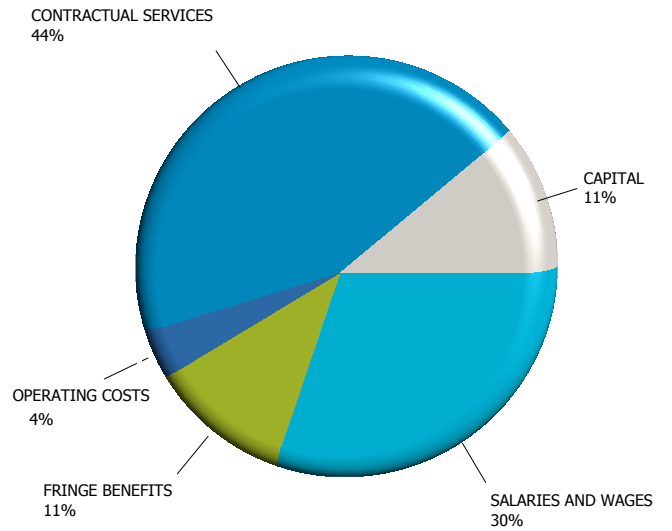
REVENUE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
LOCAL GOVERNMENT		5,000		0	0.0%	
OTHER MISC REVENUES	39,000	37,000		0	0.0%	
RENTS				0	0.0%	
GENERAL	1,313,000	64,000	1,252,000	1,252,000	0.0%	
INTERNAL SERVICE						
CHARGES FOR SALES	611,000	646,000	610,000	625,000	2.5%	15,000
CHARGES FOR SERVICES	47,412,000	47,204,000	38,736,000	40,360,000	4.2%	1,626,000
FINES AND FORFEITS	25,000	10,000		0	0.0%	
GAINS	-116,000			0	0.0%	
OTHER MISC REVENUES	13,000	321,000	3,000	3,000	0.0%	
RENTS	19,944,000	20,284,000	20,227,000	21,281,000	5.2%	1,054,000
STATE GOVERNMENT		8,000		0	0.0%	
USE OF FUND BALANCE			1,784,000	4,168,000	133.7%	2,386,000
INTERNAL SERVICE	67,889,000	68,473,000	61,360,000	66,437,000	8.3%	5,081,000
SPECIAL REVENUE						
CHARGES FOR SALES	13,000			0	0.0%	
CHARGES FOR SERVICES	6,907,000	6,613,000	7,300,000	6,700,000	-8.2%	-600,000
CONTRIBUTIONS	1,012,000	911,000	505,000	375,000	-25.7%	-130,000
FEDERAL GOVERNMENT	1,002,000	1,803,000	980,000	1,880,000	91.8%	900,000
INTEREST	197,000	79,000		15,000	0.0%	15,000
OTHER MISC REVENUES	3,755,000	4,083,000	9,314,000	8,000,000	-14.1%	-1,314,000
RENTS	9,080,000	11,270,000	9,657,000	9,321,000	-3.5%	-336,000
SALES AND OTHER TAXES	1,694,000	1,293,000	87,349,000	88,400,000	1.2%	1,051,000
STATE GOVERNMENT	865,000	438,000	515,000	515,000	0.0%	
TRANSFERS IN	6,127,000	6,489,000	6,682,000	6,883,000	3.0%	201,000
USE OF FUND BALANCE			7,506,000	8,389,000	11.8%	883,000
SPECIAL REVENUE	30,652,000	32,979,000	129,808,000	130,478,000	0.5%	670,000
TOTAL REVENUE	99,854,000	100,608,000	192,420,000	198,167,000	2.9%	5,751,000

EXPENSE AND REVENUE INFORMATION

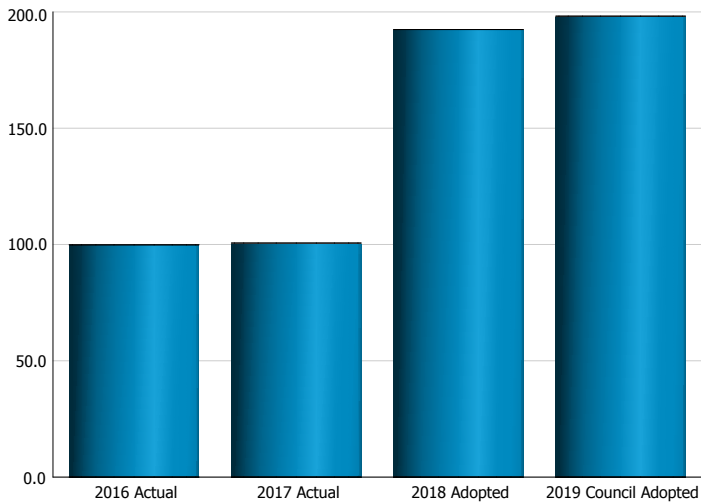
Expense 2016 - 2019
In Millions



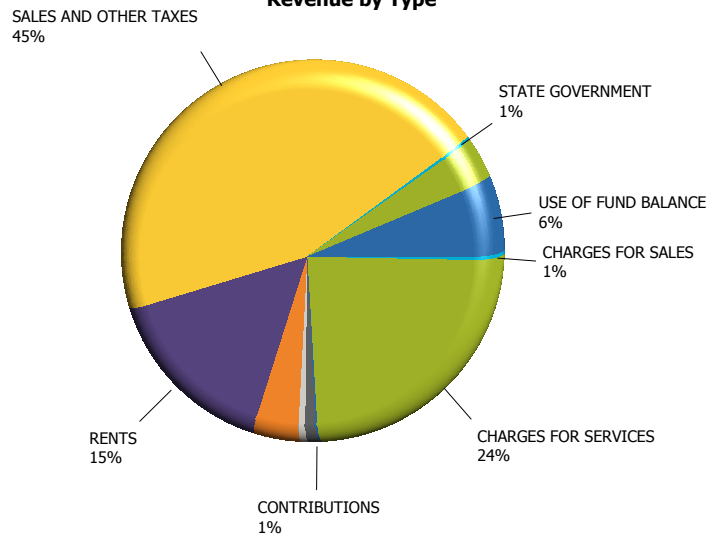
Expense by Category



Revenue 2016 - 2019
In Millions



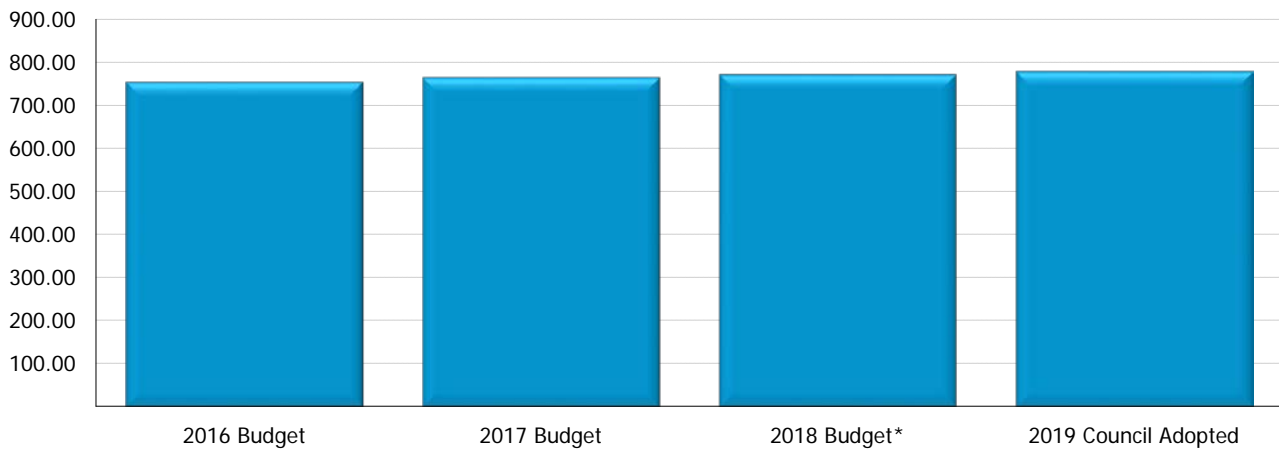
Revenue by Type



CITY COORDINATOR Staffing Information

Division	2016 Budget	2017 Budget	2018 Budget*	2019 Council		
				Adopted	% Change	Change
311	30.00	30.00	30.00	30.00	0.0%	0
911	85.00	85.00	85.00	85.00	0.0%	0
City Coordinator	21.00	26.00	31.00	36.00	16.1%	5.00
Communications	12.00	12.00	12.00	12.00	0.0%	0
Convention Center	173.30	174.30	173.30	173.30	0.0%	0
Emergency Management	8.50	8.50	8.50	8.50	0.0%	0
Finance And Property Services	252.50	253.50	258.50	260.50	0.8%	2.00
Human Resources	52.80	53.80	55.00	55.00	0.0%	0
Information Technology	94.00	96.00	92.00	92.00	0.0%	0
Intergovernmental Relations	8.00	8.00	8.00	8.00	0.0%	0
Neighborhood & Community Relations	17.00	17.00	18.00	18.00	0.0%	0
Total City Coordinator Depts.	754.10	764.10	771.30	778.30	0.9%	7.00

Positions 2016-2019



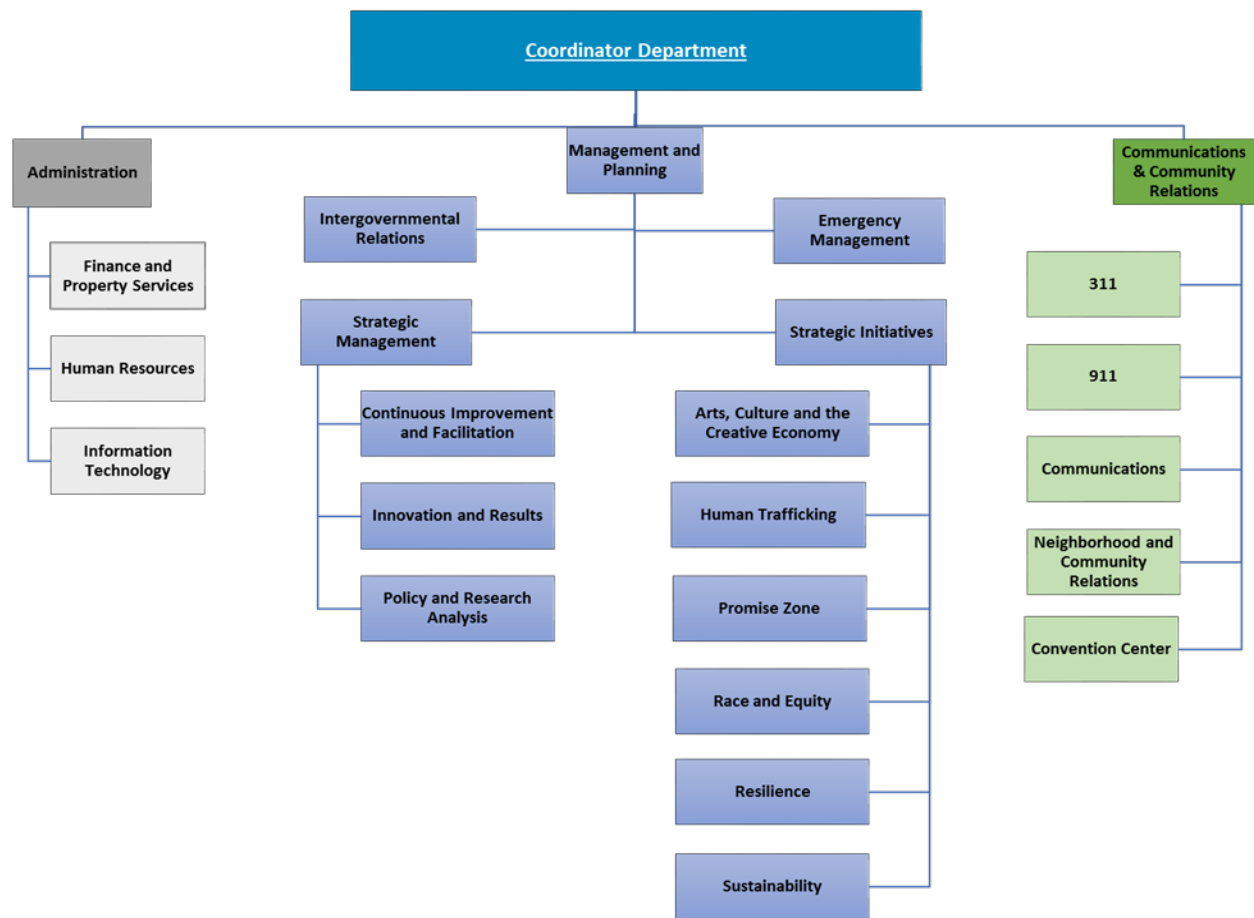
* 2018 FTE counts may differ from 2018 adopted budget due to mid year adjustments, including funding and organizational changes.

CITY COORDINATOR - ADMINISTRATION

MISSION

The City Coordinator Department provides strategic, administrative and management services for the City, including but not limited to planning, budgeting and fiscal management, program monitoring and evaluation, personnel, data processing and purchasing. The City Coordinator is also charged with ensuring alignment and coordination on a wide variety of cross-departmental initiatives across the enterprise, facilitating strategic and business planning, and supervising the Minneapolis Convention Center, federal programs, large city-wide events, and any other such activities as the City Council may direct.

ORGANIZATION CHART



PERFORMANCE MEASURES

All data and analysis generated through the City's performance measurement process, Results Minneapolis, can be found on the City's website. Please visit <http://www.minneapolismn.gov/coordinator/strategicplanning/wcmsp-199683> to find detailed information and analysis related to the budget programs listed below.

Administration and Partnerships

General Fund: \$2,977,000

This program encompasses oversight of the City's Coordinator Departments, management of partnerships duly approved by City Council, and oversight of Coordinator's Office activities, including strategic initiatives and strategic management. It also provides support and coordination of Citywide large events, as well as coordination of large enterprise committees such as the Citywide Labor Management Committee; the Facilities, Space and Asset Management Committee; and, the Permanent Review Committee.

Strategic Initiatives

General Fund: \$5,168,000

Other Funds: \$1,616,000

This program provides strategy building oversight and planning of City-wide initiatives that are deemed critical to the business success of the enterprise and also meet stakeholder needs. It develops processes that ensure appropriate prioritization; implementation; growth; development; and approvals for complex initiatives in the City Coordinator's office. Those initiatives include but are not limited to: Sustainability, Race Equity, and Arts Culture and the Creative Economy, as well as complex cross departmental projects.

Strategic Management

General Fund: \$1,098,000

Other Funds: \$550,000

This program provides the management, administrative and operational direction for the City. It leads planning and implementation of strategic and business specific goals and objectives and manages initiatives that improve the delivery of City services and builds strategic management capacity throughout enterprise. This includes the teams responsible for enterprise and department strategic planning, analysis, reporting, innovation, policy research and analysis, continuous improvement and other City-wide management functions.

Financial Analysis

Expenditure

The total City Coordinator Department's budget increases from \$9.6 million to \$11.4 million from 2018 to 2019. This is an increase of \$1.8 million, or 19.3%. The City Coordinator Department's 2019 expenditure budget reflects the following changes from 2018: \$3.0 million in budgetary change items, \$58,000 reduction in cost allocation charges, \$343,000 transferred to CPED for Small Business Team, and elimination of \$239,000 grant funding and \$855,000 one-time general fund expenditures in 2018 budget.

Revenue

Revenues are projected to decrease by 9.9% due to a decrease in the rollover fund balance for the Bloomberg grant. The department's total revenues in 2019 are projected to be \$2.2 million.

Fund Allocation

This department is funded primarily by the General Fund (81.0%), with the remainder of the department's funding found in the Special Revenue grant funds (19.0%).

Budget Change items

Detailed change items are presented on the following pages.

City Coordinator - Administration

2019 Change Item

Energy & Climate: staff support and programming

Program: Sustainability
Fund: General Fund – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
Grant Funding	\$50					
Expenditures						
Personnel	\$282	\$282	\$282	\$282	\$282	\$282
IT						
Fleet						
Contractual Services	\$280	\$280	\$280	\$280	\$280	\$280
Other	\$900					
Net Budgetary Impact						
Expenditures - Revenues	\$1,412	\$562	\$562	\$562	\$562	\$562

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count	3	3	3	3	3	3

Council Adopted Budget:

The City Council approves \$1,412,000 (\$562,000 ongoing – includes 3.0 FTEs, \$850,000 one-time) General Fund resources to match a \$50,000 one-time grant, and expand the City’s energy and climate operations.

Rationale/Background:

The utility franchise fee increase adopted in December 2017 began collecting increased city revenue in spring 2018. The estimated revenue from this increase is \$2,200,000 for partial-year collection in 2018 and increases to \$2,800,000 beginning in 2019 for full years.

Climate change disproportionately impacts the most vulnerable populations who have the fewest resources to respond to climate disruption. Programs that reduce energy consumption will also reduce greenhouse gas emissions and lessen the potential impacts of climate change.

Expanded staffing and programming will accelerate the City’s ability to meet the City’s adopted climate and energy goals (80% reduction in greenhouse emissions by 2050, 100% renewable electricity by 2030, and ensuring reliable, affordable, local and clean energy citywide by 2040) and will both help residents/businesses reduce their energy costs and increase access to renewable energy.

Description of the Change:

This change item would fund additional staff and programming aimed at delivering the following:

- Commercial Building Benchmarking FTE (\$94,000: One new FTE will fully implement the commercial building energy and water benchmarking ordinance adopted by City Council in 2013, replacing a part-time contracted consultant over the last 5 years. The FTE will provide needed assistance and expertise in energy efficiency, lending resources, grant funding, and utility programs so building owners can act upon reported building data. The Division of Sustainability will provide enhanced outreach, training, reporting, and engagement, partnering with the Health Department for enforcement and submission. This position will

Energy & Climate: staff support and programming

also provide new outreach to small and medium-sized buildings not covered by the ordinance but in need of the same assistance and services.

- **Multifamily Building Benchmarking FTE (\$94,000):** One new FTE will develop and implement a new multifamily building energy and water benchmarking ordinance in 2019 - estimated to impact 300 buildings and 50,000 housing units. This new FTE will operate similarly to the commercial FTE listed above, but in the multifamily sector, and will provide outreach to smaller residential buildings not covered by an ordinance. This FTE complements funding already provided in the 2018 budget to partners in the Health Department for a multifamily benchmarking policy.
- **PUC / State Energy Policy FTE (\$94,000):** One new FTE will engage on state-level energy policy primarily at the Public Utilities Commission (PUC). The city is constrained in meeting City's energy and climate goals by policies and regulations outside the city's authority. The city does not currently possess the staff resources and technical knowledge to strategically and successfully engage on energy regulatory issues in a concerted, long-term manner. This FTE is matched by an awarded grant of \$50,000 from the McKnight Foundation for regulatory intervention by building capacity, representing the city's interests, and coordinating engagement between FPS, the Division of Sustainability, the City Attorney's Office, and IGR.
- **New and Expanded Energy and Programs:** The remaining funding will be spent on new and expanded energy and climate programs. 2018 programs made possible by the already allotted portion of the franchise fee increase are shown in the table in the "Results" section of this request.

Equity Impact:

An American Council for an Energy Efficient Economy study recently found that "the median household energy cost burden in Minneapolis is 2.32% while the median burden on low-income households is 5.11%. The highest energy burden quartile for low income households is 8.2%, nearly four times the median rate. The energy burden for African-American and Latino households is above the median, 4.14% (7.9% highest quartile) and 3.14% (6.1% highest quartile) respectively (ACEEE April 2016)." According to the recent Minnesota Multifamily Rental Characterization Study, renters pay a significant amount for energy and water (see below), indirectly through increased rents or directly through utility bills. This disproportionate impact of energy burden on low-income residents and people of color contributes to the crisis in housing's overall affordability. Programming will incentivize landlords to make energy efficiency a reality in their rental properties, thereby reducing costs for renters. Programming will also help homeowners reduce their own energy bills through energy efficiency projects they can directly implement.

Many small businesses are operated by low- and middle-income owners and people of color. Programming will serve smaller businesses by directing resources to groups that have traditionally had less assistance with lowering their energy costs.

Additional funding for energy and climate programming will also prioritize resources for the North Side and South Side Green Zones, which represent low-income communities, Indigenous communities, and communities of color that experience unequal health, wealth, employment, and education outcomes, and also are overburdened by environmental conditions. The use of franchise fee increase funding in 2018 has followed through with the commitment to target resources at improving health and supporting economic development using environmentally conscious efforts in these communities.

Results:

The CCO anticipates the following results from the addition of each new position:

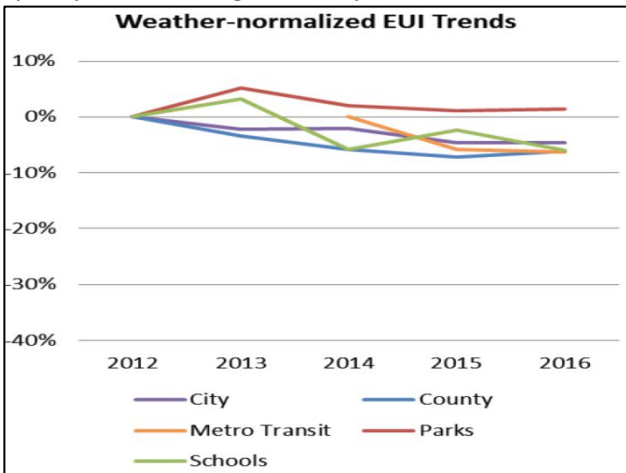
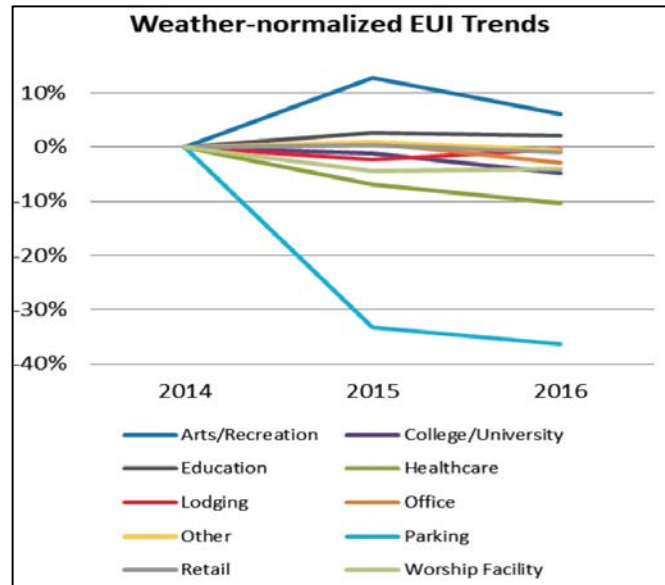
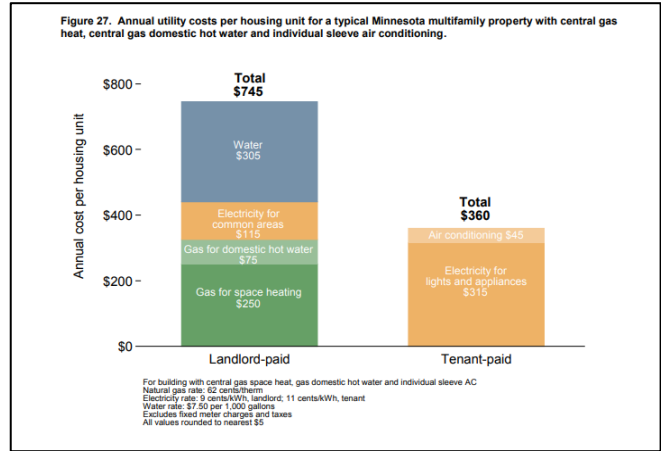
Energy & Climate: staff support and programming

Commercial Building Benchmarking FTE: The current commercial building energy and water benchmarking program covers the 434 largest commercial buildings in Minneapolis, representing 80% of total commercial building square footage, over \$170,000,000 in annual energy costs, and 16% of the entire city’s greenhouse gas emissions (equivalent to 143,000 households). With the assistance of the ordinance and contracted support since 2013, private properties as a whole are using 3.4% less energy in 2016 than in 2014, with the largest savings coming from parking ramps, healthcare, and worship facilities (see below).

Additionally, the program has helped public buildings reduce energy by 3% over 5 years with the greatest decreases from schools, Metro Transit, and county buildings. More details on the success of this policy and related programming can be found in our annual report. By devoting an FTE to this ordinance, we can ensure the long-term stability of this successful program for large commercial buildings and provide similar assistance to smaller businesses and commercial properties that currently have fewer resources.

Multifamily Building Benchmarking FTE: An FTE to support the creation and implementation of a multifamily benchmarking policy will ensure the same level of success as the commercial building program and will provide much needed energy cost burden relief for renters.

An ordinance for multifamily buildings of 50,000 square feet or greater would cover approximately 300 buildings, representing 65% of total rental building areas and nearly 50,000 rental units. A multifamily benchmarking policy that shows the same results as the commercial policy (3.4% savings over 3 years) could result in lower



utility bills of nearly \$38 annually per household in covered buildings. To convey results of the policy, the FTE will provide an annual report of progress, similar to the commercial policy. Additionally, the FTE will support residential energy programs beyond a multifamily ordinance, including the single family housing sector (owner- and renter-occupied) and smaller multifamily buildings.

PUC / State Energy Policy FTE: City staff have been interveners or commenters in previous PUC dockets pertaining to data aggregation standards, energy cost rate cases, and others. Through this limited involvement, it has been challenging to see desired outcomes. With this FTE,

City Coordinator - Administration
Energy & Climate: staff support and programming

2019 Change Item

the department will be able to measure the number of engagements across PUC dockets, and will dedicate particular attention to Xcel Energy’s upcoming Integrated Resource Plan, which sets Xcel’s greenhouse gas emissions for years to come.

Expected outcomes of the programs and the associated programming budgets (shown below for 2018) were [presented](#) to March 26, 2018 PECE Committee meeting. This change item request would further expand these programs and open up opportunities for new initiatives. Below is a current list of 2018 programs and initiatives; with these funds, the City Coordinator’s Office would anticipate expanding on the items on this list and bolstering programs listed below.

Franchise Fee Increase Programming - Final 2018 allocations through the Clean Energy Partnership		
2018 Targets	Category	Program Description
Current Budget		
\$75,000	Single-Family Residential	Community-based organizations contracted in <u>Green Zones</u> for outreach based on community engagement pilot project recommendations
\$150,000		\$0 Home Energy Squad (HES) Enhanced visits to residents in a Green Zone (regardless of income) and/or low-cost/no-cost visits for residents elsewhere in the city who are between 50-100% AMI. Resident signs programmatic data information release to be eligible. Builds on previous City of Mpls pilot. (Target: \$50,000 in 2018, which would fund 500+ audits)
		0% interest loans for insulation & air-sealing through CEE financing. Resident signs programmatic data information release to be eligible. Builds on previous City of Mpls pilot. (Target: \$100,000 in 2018, which would fund ~140 loans)
\$25,000	Single-Family & Multifamily Residential	Contract for a feasibility and market study related to the Pay As You Save® (PAYS®) or similar on bill, inclusive financing program to be implemented in Minneapolis.
\$139,000	Multi-Family Residential	Green Cost Share program (Housing) - target expenditure for incentives added to utility rebates through the Multifamily Building Efficiency (MFBE) program. Includes single-family homes to leverage City's Lead & Healthy Homes work.
Budget for additional resources in 2019		Policy development and outreach via contract(s) in 2018 utilizing Health Dept's \$74k budgeted for development. Add resources in 2019 and beyond to create a FTE in the division of Sustainability to implement policy and expand engagement to low-performing buildings/areas.
\$50,000		Green Cost Share program (Housing) - target expenditure for pilot program w/ CPED to utilize Class 4d (low-income rental housing) designation and insert energy efficiency incentives in upfront financial package. Utilize Multifamily Building Efficiency utility program participation of each building to identify eligible projects.
\$439,000	RESIDENTIAL Total	
\$425,000	Small & Large Commercial	Green Cost Share program (Business): target expenditure for incentives for general businesses, with priority for those participating in Xcel's refrigeration program and/or in a Green Zone
\$100,000		Fund 5 business districts / councils through B-TAP program to participate in the "Minneapolis Small Business Energy Initiative". Priority will be given to Green Zones.
Budget for resources in 2019		Enhanced outreach to benchmarked buildings via a new FTE in the division of Sustainability. Enhanced outreach starting in 2019 includes sector-specific workshops, CEP meetings with individual buildings, working w/ utility account managers to incorporate benchmarking data, and navigation of city program offerings.
\$25,000		Workforce Development Assessment for Renewable Energy and Energy Efficiency Sectors. Support pre-development and scoping of a study.
\$550,000	COMMERCIAL Total	
\$989,000	TOTAL	

City Coordinator - Administration

2019 Change Item

Renters Legal Support

Program: Strategic Initiatives
 Fund: General Fund – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$500					
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$500					

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$500,000 for a renters legal support program.

Rationale/Background:

This funding addresses the Mayoral priority of protecting Minneapolis renters. Approximately 2,700 households in Minneapolis face eviction without an attorney in the courtroom. While some of the households receive limited representation, for many in-court representation is necessary to vindicate their rights. Fewer than 10% of tenants facing eviction have attorneys by their side while their eviction cases are heard in court. More than 50% of landlords have legal representation in court. In addition to extremely low rates of legal representation for tenants facing eviction, 80% are facing eviction for the first time and many have limited English proficiency and lack the ability to explain legal defenses they have. Funds will be used to support current efforts in CPED focused on renters.

Description of the Change:

Studies have shown that renters who pursue enforcement actions through the courts or invest in legal defense to avoid unlawful evictions have much better outcomes than those who are unable to afford such legal protections. These funds will assist low income renters, many of whom are disproportionately renters of color, by contracting with legal service providers for mediation and other legal support services for low income renters facing evictions. These funds shall complement other work across the enterprise that is aimed at similarly supporting low income renters across the City.

Equity Impact:

Legal services will be provided to low income renters who cannot afford traditional legal service and are facing imminent displacement from their housing. Many households facing eviction have a family member with a disability. Nearly 70% are women or female-headed households, and 74% identify themselves as a race or ethnicity other than non-Hispanic white. By preventing homelessness, increasing housing stability, and improving housing quality, this pilot program will reduce housing disparities for persons with a disability, families with children, people of color, and other low-income renters.

Renters Legal Support

Results:

It is estimated that this funding would support legal services for 250-400 low income renter households facing eviction depending on complexity of the cases.

Performance measures:

- Reduction in eviction rates
- Prevention of homelessness among tenants facing eviction (as measured by use or lack of use of emergency shelter and/or rapid rehousing funding)
- Increase in repairs to correct health and safety problems in housing

**City Coordinator – Administration
Partnerships**

2019 Change Item

Program: Administration
Fund: General Fund – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services						
Other	\$675					
Net Budgetary Impact						
Expenditures - Revenues	\$675					
Personnel Impacts						
	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$675,000 in one-time General fund resources Fund for Partnerships funding. These partnerships includes; \$125,000 for Greater MSP, \$100,000 for existing partnerships (Midtown Community Works, Cedar Riverside Opportunity Center, Government Alliance on Race and Equity (GARE), Minnesota Historical Society/St. Anthony Falls Heritage Board, and others), \$80,000 for Kajoog for 4H program in South Minneapolis, \$80,000 for Cedar Riverside Violence prevention Activities, \$100,000 to study ways to maximize investments in the Promise Zone, \$100,000 for North-North East and South Side Green Zones work, \$75,000 for additional security in Minneapolis Public Housing Authority residences; \$10,000 for the Community Peace Garden managed by the Korean Service Center; and, \$25,000 for the Midcontinent Oceanographic Institute. Additionally, \$20,000 has been reallocated on a one-time basis from City Coordinator’s Partnerships program to fund Children’s Saving Account program in Youth Coordinating Board.

Rationale/Background:

The Coordinator’s Office has been responsible for the oversight of various enterprise partnerships and endeavored to ensure that all contracts and agreements comply with appropriate city provisions. Such contracts vary from year to year. Midtown Community Works (through SmithPartners), Cedar Riverside (through SmithPartners), Center for Ethical Leadership – Government Alliance on Race and Equity (GARE), Minnesota Historical Society – St. Anthony Falls Heritage Board, and Everybody In. This change item will provide funding for those Citywide partnership agreements that have been duly authorized and approved by City Council, including funding for the City’s engagement with Greater MSP. One-time funding for this change item will advance the Mayor’s economic inclusion priority.

Description of the Change:

Over the past several years the City Coordinator’s Office has received one-time funding for a wide variety of partnerships. This funding will allow the City Coordinator’s Office to continue contracting with partnership organizations such as Midtown Community Works, Cedar Riverside Opportunity Center, Government Alliance on Race and Equity (GARE), Minnesota Historical Society/St. Anthony Falls Heritage Board, and others.

City Coordinator – Administration
Partnerships

2019 Change Item

The above partnerships support the City in advancing its goals by supporting economic growth; job creation; investing in greenspace and the natural environment; providing a hub for youth and adults to access education and employment opportunities; promoting interpretation and preservation of the historic Minneapolis central riverfront; and more.

Equity Impact:

These partnerships are intended to reflect and work in collaboration with community, and some, like GARE or the Everybody IN partnership, are specifically intended to advance and support the City’s racial equity efforts.

Results:

These contracts help keep the City connected to major community and infrastructure initiatives, ensuring the City’s interests are represented, and that projects are connected to the community that the City serves. This work aligns with both City that Works and Hub of Economic Activity and Innovation goals, as well as City’s values of connectedness, vitality and growth.

<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Contracts executed to date	4	4	2015 2016 2017 2018

City Coordinator - Administration
 Relocate Small Business Support Team to CPED

2019 Change Item

Program: Administration
 Fund: General Fund – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel	-\$298	-\$298	-\$298	-\$298	-\$298	-\$298
IT						
Fleet						
Contractual Services	-\$45	-\$45	-\$45	-\$45	-\$45	-\$45
Other						
Net Budgetary Impact						
Expenditures - Revenues	-\$343	-\$343	-\$343	-\$343	-\$343	-\$343

Personnel Impacts	2019	2020	2021	2022-	2023	2024
Change in FTE Count	-3	-3	-3	-3	-3	-3

Council Adopted Budget:

The City Council approves relocating the \$343,000 in ongoing General Fund dollars for the Small Business Support Team, including 3.0 FTEs, from the City Coordinator’s Office to CPED. An inverse proposal is contained in the CPED budget, making this item a net-neutral cost to the City.

Rationale/Background:

In 2017, the City Council established the Small Business Support Team with 3.0 FTEs in the City Coordinator’s Office to directly help small businesses navigate processes across the Enterprise. This workgroup was directed to review existing efforts, programs, and initiatives focused specifically on the small business community to determine how best to align and/or reorganize small business touch points across the Enterprise. The workgroup is co-chaired by CPED and City Coordinator’s Office in coordination with other City departments.

This workgroup was established to review the programs and business lines within CPED to determine how to best reconfigure workflow along with aligning these efforts with the City’s racial equity goals to accelerate small business. As most of the interactions and transactions with the existing and growing business community are managed by CPED, the relocation of this team to CPED will be better aligned with this team’s mission.

Description of the Change:

Integration of the Small Business Support Team with CPED will help align department’s workflow efforts with City’s racial equity goals to accelerate small business efforts. This team’s efforts on the online portal for business community will be best optimized when the CPED teams working with the business community will use this tool. This support team is also envisioned to assist in finalizing the business guides and supportive checklist for the business that will address gaps in processes and service delivery and provide additional staff training and other strategies aimed at increasing alignment with the small business community. Coordination for the development of a municipal design center, cluster-based small business development, creation of entrepreneurial incubator

Relocate Small Business Office to CPED

spaces, small recognition programs, micro-lending programs and many others will be more effective as this team has a better collaboration opportunity within CPED.

Equity Impact:

This item ties to the City goal of City that Works and aligns Small Business Support team's mission and services to be impactful to the growing and diverse business community. This team was established with a vision to ensure that workflow in the departments aligns with City's racial equity goals to accelerate small business.

Results:

The relocation of the team is expected to build off the continuous improvement work that has already been initiated to streamline and simplify processes for the business community. It will also realign the efforts with City's racial equity goals to accelerate the small business efforts.

City Coordinator - Administration
Race & Equity support

2019 Change Item

Program: Division of Race and Equity
Fund: General Fund – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel	\$200	\$200	\$200	\$200	\$200	\$200
IT						
Fleet						
Contractual Services	\$50	\$50	\$50	\$50	\$50	\$50
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$250	\$250	\$250	\$250	\$250	\$250

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count	2	2	2	2	2	2

Council Adopted Budget:

The City Council approves \$250,000 ongoing for the Division of Race and Equity program to increase the FTE count by 2.0 FTE and also add programming dollars to support the work.

Rationale/Background:

In 2014, in keeping with its longstanding commitment to address discrimination and racial equity, the City Council approved the creation of a staff position in the CCO to focus on the enterprise racial equity and inclusion efforts. As progress has been made since the position was filled in 2015, demand for these services now exceeds the capacity of a singular FTE. The CCO has shifted funding resources in the past to support a temporary, part-time employee to provide additional support, but the adoption of the Division of Race and Equity ordinance further exacerbates this challenge with the introduction of expanded responsibilities and an urgency from internal and external stakeholders to see the ordinance implemented fully. Successful implementation will require a heavier support model for staff, policymakers and City’s external partners participating in the Racial Equity Community Advisory Committee which will not be feasible without increasing the dedicated FTE in this division.

Similarly, there has been no programming included in previous budgets to assist in advancing the City’s equity work across the enterprise, and yet the division has taken a leadership role in providing resources and training to grow staff capacity to advance racial equity. Staff from all City departments have participated in these training efforts, arts-based engagement opportunities, and leveraged the division’s online resource tool inventory. However, recent Council actions have created additional expectations that include embedding racial equity tools within City processes and procedures (including development of the Racial Equity Action Plan), and such efforts merit the need to include programming dollars to fulfill the responsibilities of this division and best position the City to support the Mayor and Council’s racial equity goals.

Description of the Change:

The bulk of funds on this change item will be used to hire 2.0 FTE to coordinate racial equity engagement programming, staff the Racial Equity Steering Committee, the Racial Equity Community Advisory Committee and

Race & Equity support

the Racial Equity Coordinators teams, maintain the Race & Equity website, and the internal SharePoint site. This individual will also support training and team-building for department-level racial equity teams, capacity building across the enterprise, and support reporting and evaluation on the City’s racial equity efforts as led by the Racial Equity Community Advisory Committee, per City Council resolution.

The funds will also allow the City to augment its capacity-building and technical assistance from GARE (Government Alliance on Race and Equity) and from CommonSense Consulting Services through which the 5-part Foundations of Equity series was developed and implemented. The City Coordinator’s Office intends to reintroduce foundational elements of that training and provide new offerings based on needs expressed by staff and policy makers. This will assist staff in developing a robust framework for racial equity for the City, implement a racial equity action plan, integrate racial equity impact analysis tools, build additional capacity throughout the enterprise and assist in progress reporting, grounding staff in key elements of race and equity, Foundations of Equity complements training and other programming efforts in several City departments including Human Resources, NCR, the City Coordinator’s Innovation Team and Arts, Culture and the Creative Economy.

Equity Impact:

The very nature of this work means that all groups will be positively impacted, with a special emphasis on communities of color. Programming dollars will strengthen the foundation of City to think critically about race in decision-making, plan and act accordingly towards more equitable outcomes. As a result, departments will be better able to reduce and eliminate disparities.

Additionally, the labor pool for candidates with the experience to lead this work is highly diverse. Candidates for these positions will likely include individuals who identify with a wide range of racial and ethnic cultures, those from LGBTQIA and other non-conforming groups as well as persons with disabilities and veterans groups.

Results:

The below graph shows current trends for the capacity building staff has been able to achieve thus far:

<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Number of Department Race and Equity Teams	2	4	FY2017
Staff participation in enterprise racial equity engagement events	0	169	FY2017
Department participation in Racial Equity Coordinator program	0	10	FY2017
Staff participation in Foundations of Equity	0	320	FY2017
Staff completing Foundations of Equity series	0	60	FY2017
% of staff regarding Foundations of Equity favorably	0	100%	FY2017

As defined in the Race and Equity Ordinance and corresponding resolutions, the Division will partner with the Racial Equity Community Advisory Committee and Racial Equity Steering Committee to conduct an annual employee survey on racial equity. Thirty-seven measures have been developed to track quantitative and qualitative progress on staff culture and perceptions of racial equity in our workplace and our work, including measures around the use of the racial equity impact assessment, establishment of racial equity plans and goals, and staff assessments of understanding of racial equity and leadership/departments support for racial equity work.

City Coordinator - Administration

2019 Change Item

Municipal ID

Program: Strategic Management and Administration
 Fund: General - 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$200					
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$200					

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$200,000 in one-time general funding to support Municipal ID Card Implementation.

Rationale/Background:

While it has not been determined where the work of the Municipal Identification Cards will live in the City enterprise, the funding for the program has been provided in City Coordinator’s office as a placeholder. The Municipal Identification Cards will advance the city’s goals that Minneapolis is a safe and livable and has an active and connected way of life, that disparities are eliminated so all Minneapolis residents can participate and prosper, and that the City government is run well and connects to the community it serves. It also helps promote the value of One Minneapolis by creating a sense of civic pride and belonging, and connected to the municipal government that serves all its residents.

Description of the Change:

The Municipal Identification Cards is a new initiative of the city and intended to make sure all our residents are able to access a wide array of financial, municipal and cultural amenities across the city. Once it is determined where in the City enterprise the Municipal Identification Card will be housed, a more complete budget will be drafted. Using an estimate of issuing 10,000 identification cards annually, the budget includes the following requests.

Many City residents do not have access to a driver’s license or other proper forms of identification due to their experience with housing instability, gender identity, age, student status or immigration status. Providing a form of identification can assist individuals with opening a bank account, going to a hospital or obtaining prescription drugs, registering children for school, filing a police report, or obtaining an identification with correct gender identity. Partnership agreements with cultural institutions, financial institutions, retail businesses, government institutions, libraries and others will assure that residents have access to critical resources.

Municipal ID**Equity Impact:**

The municipal identification will be available for all Minneapolis residents but will especially be impactful to marginalized populations such as residents that struggle with stable housing, communities of color including our indigenous population, immigrants, youth, and our senior and transgender communities. The impact can include access to bank account, ability to go to a hospital or obtain prescription drugs, registering children for school, or filing a police report. Members from various groups have been consulted through the exploration of this ordinance.

Results:

Municipal ID will offer City of Minneapolis residents accepted identification that demonstrates:

- City Pride
- Multiple “benefits” such as dual use as a library card or discounts with partnering businesses
- Builds a sense of community
- Offers alternative accepted form of identification when needed

City Coordinator - Administration
Creative City Challenge

2019 Change Item Request

Program: Arts, Culture & the Creative Economy
Fund: General Fund - 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$100					
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$100					

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$100,000 one-time General Fund Resources to fund the Creative City Challenge (CCC) temporary public art commission and related Northern Spark opening celebrations in the Commons.

Rationale/Background:

The CCC is a temporary public art competition targeted at Minnesota-resident architects, landscape architects, urban designers, engineers, scientists, artists and individuals of all backgrounds to create and install a temporary, destination artwork. Each year the winning project is opened during Northern Spark and acts as a sociable and participatory platform that provides onsite programming throughout the summer.

This supports the City’s Great Places goals, specifically to support iconic and inviting spaces and creating a sense of place. The program was originally developed in 2012 in collaboration with the Convention Center to serve the center’s need to activate its underutilized plaza area, engage the community and connect it to the surrounding business district through the annual Northern Spark festival. On-going budget to support the program was approved by council in 2013 and went to the Convention Center. In 2017, the Convention Center closed its plaza for renovations and the program moved to the Commons, with administrative responsibility going to Arts, Culture and the Creative Economy (ACCE), however the budget and staffing did not transfer over from the Convention Center.

Description of the Change:

This change item provides one-time funding to continue the existing CCC activity under a contract with ACCE. ACCE manages the contract with Northern Lights.MN to deliver project management and festival programming to the Commons. The current value of the contract is \$150,000 and will end fall 2018. ACCE currently has allocated additional \$50,000 from its operating budget to pay for additional festival costs.

The move from the Convention Center Plaza has received positive community response. Relocation to the Commons has allowed ACCE and the Commons to add Northern Spark as a large-scale event to the city’s existing

agreement with the sports authority, thereby allowing community access to a non-sport, free, annual, public event.

Now is an important time to set the CCC on solid footing. In 2019, the Americans for the Arts convention, the nation's largest annual arts national and international convention for art administrators will open in Minneapolis on the same weekend as, the Northern Spark. This presents the city with a unique opportunity to showcase its creative assets to its national target audience.

Equity Impact:

The CCC is conceived to showcase Minneapolis community identities and to act as a tangible symbol of the complex narratives that make up the City's urban landscapes in the downtown core. The issue of providing welcoming spaces and a sense of belonging for communities of color in downtown spaces has been anecdotally documented by ACCE. This program addresses the need to provide visible, public displays and stories connected with diverse groups in city.

The program has commissioned a diverse group of artists representing a range of age, gender, sexual orientation, race and ethnicity from Native American, Asian American, New Immigrant communities and collaborated with organizations such as Leonardo's Basement, Juxtaposition Arts, NACDI and Pillsbury House United Communities. These artists provide us with annual feedback on their experiences with the program, contribute to program for commissioned artists and sit on selection committees.

Northern Spark works with a community a programming council to ensure that the artists it commissions are from diverse communities; this council also provides feedback on its programs. It also works with community organizations to produce the festival including West Bank Business Assc. Twin Cities LISC and African Economic Development Solutions

Results:

Continued funding of the CCC will help deliver the same results as prior years' events. For example, in 2017 Northern Spark served 50,000 attendees, 53% from Minneapolis, 24% from St. Paul. 33% of its audience were below the age of 32 and 58% were female, with 80% white and 20% from communities of color. The festival in 2017 produced 11 million media impressions and 63 artist projects, 12 projects were presented in the Commons, making it a major programming node. ACCE has worked with Northern Spark to develop quantitative and qualitative performance data indicators and data gathering methods that are subsequently put forth in a data report.

City Coordinator - Administration
Enterprise Engagement

2019 Change Item

Program: Administration
Fund: General Fund – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services						
Other	\$80					
Net Budgetary Impact						
Expenditures - Revenues	\$80					

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$80,000 one-time General Fund resources for Enterprise Engagement Funds to support communications and engagement activities across the City where other resources don't already exist.

Rationale/Background:

The City has deployed an "Enterprise Engagement Fund" since 2017. This centralized resource is available to all departments which access funds via an established competitive process. Projects and ideas are submitted to the engagement design team (comprised of the Communications Director, head of NCR, City Clerk, and others), which provides a host of tools and resources for departments to achieve their intended engagements outcomes. When funds don't exist in a department to achieve those ends, and those initiatives are deemed a priority, the City Coordinator makes decisions about allocating resources from this fund to support department engagement efforts. These funds are used to ensure that residents are engaged on important topics with culturally-appropriate communications mechanisms.

The City frequently needs to engage with community for input on a variety of projects and processes. While the City has many tools across multiple departments to interface with community, departments were frequently left to their own devices to determine the right engagement tools, resources and processes for engagement. Departments also needed to work across multiple internal resources to try to find the right engagement tools. To address this, City leaders with engagement knowledge and expertise were convened to assess department projects and make recommendations about the right engagement tools and tactics needed to reach their intended outcomes. Launched in 2017, the Engagement Design team provides a multi-disciplinary consultative approach that ensures equitable engagement of diverse communities by leveraging the right tools for the job instead of a "one-size fits all" approach.

Additionally, the department is aware that continuous outreach to the community for input from multiple sources can result in community distrust. It is important that the City carefully considers the volume of input we request from residents, how we ask for this input, and the mechanisms by which we report how we have used this input to inform decisions.

Enterprise Engagement

The goal of this process is to create, support, and advance equitable engagement of diverse communities in City services, activities, and programs, by leveraging the right tools for the job.

Description of the Change:

The Enterprise Engagement process and funds represents a different approach to engagement and communication by creating a one-stop multi-disciplinary staff team that provides consultative services to the enterprise. Through this process, a cross-functional team works with departments to create engagement and communication strategies that adapt to their specific needs and desired outcomes rather than a “one-size fits all” approach, and ensures strategies include cultural considerations as well as more creative approaches to maximize engagement. The team consists of 311, NCR, Communications, the City Clerk’s office, Arts and Culture and the Office of Equity and Inclusion - departments that support the City’s engagement and communication resources.

Funding in a third year will ensure enterprise consistency on messaging and engagement with strategies tailored to specific desired outcomes. Internally, departments will have a single place in which to seek advice and guidance on outreach and engagement strategies that are tailored to their specific initiative. Externally, residents and businesses will benefit from communication and outreach strategies that are aimed at maximizing their involvement, awareness and access. All together, we believe this will ultimately help build public trust and provide the City with a robust set of traditional, creative and culturally specific engagement tools that will truly elevate City’s ability to engage with all its communities. This team supports departments with:

- A one-stop multi-disciplinary approach to building and supporting engagement strategies through a consultative approach
- Equitable considerations and impact
- Access to and understanding of a variety of engagement and communication resources
- A coherent, consistent, and coordinated engagement strategy

The engagement design team also assesses projects, makes recommendations and asks departments to fund projects on their own if there is already an existing budget or if the expectation is for the department to fund the project. Funding is provided where there is high need, greatest benefit to residents, and where existing funding isn’t available.

Equity Impact:

The funding will help the City realize its commitment to ensuring City programs, services and information are provided equitably to all residents, businesses and visitors. This enhancement will significantly move the dial on equity, and ensures the City runs more efficiently by leveraging cross-departmental staff and expertise, and better aligning resources with outreach initiatives to ensure broader and more effective communication with City’s diverse residents and businesses. Examples of this work include:

- Leveraging Spanish-language radio to reach out Latino communities
- Engaging in culturally specific dialogue sessions and facilitated dialogues between community members and city staff
- Engaging in cross-industry, cross-cultural listening sessions on important issues like municipal sick leave policy
- Partnering with community organizations to perform targeted outreach to specific cultural communities
- Staff trainings to ensure a consistent, principled enterprise approach to engagement

Enterprise Engagement**Results:**

The projects that are funded through this effort vary greatly in their results metrics (reach, effectiveness etc.). As such, evaluating that projects are funded, the need, and the City's ability to be responsive to events throughout the year are an important way by which to know this funding is appropriately used. Below is a list of how the funds have been used or are slated to be used in 2018:

- Human Rights support for immigrants and refugees to Minneapolis: promote basic human needs of people in poverty
- La Raza radio station: translation services to broadcast public messages in Spanish
- Paid sick leave and minimum wage enforcement outreach: help businesses understand the rules and guidelines after the first year of enforcement
- Facilitation of the opioid taskforce
- We are Minneapolis: Public awareness campaign elevating unique voices in the city reflective of Minneapolis' rich diversity. The campaign reaffirms the City of Minneapolis' commitment to be a welcoming place for all people, regardless of ethnicity, race, national origin, gender identity, religion or birthplace.
- ReCAST
- Target Market Program outreach
- Several Public Works projects
- 311 10th Anniversary plan

City Coordinator - Administration

2019 Change Item

ACE-TAP

Program: Arts, Culture & the Creative Economy
 Fund: General Fund - 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$50					
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$50					

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$50,000 one-time General Fund resources to test and pilot a creative sector business event that includes an opportunity fair for creative entrepreneurs, small businesses and creative nonprofits in collaboration with CPED business development.

Rationale/Background:

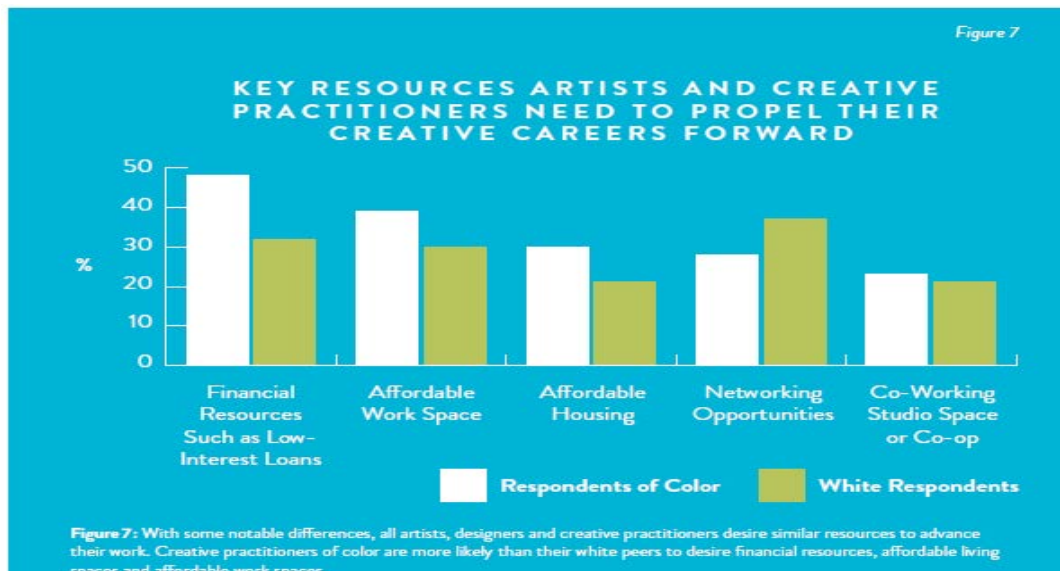
Creative sector job growth outpaces other job growth in Minneapolis by 10.4%. The Minneapolis Creative Index demonstrates the economic value and growth in the creative realm of 40 job types supporting and engaged in 72 industries at \$4.5 billion, 8 times greater than sports. Continued growth in this sector outpaces general advances in the overall service sector. Additionally, the sector is increasingly engaged in planning, community development and pace making in support of expansion in tourism and improved quality of life efforts. Yet creative entrepreneurs, enterprises and small businesses are struggling to start and grow their businesses in a time of shifting investor priorities. To meet investor shifts in the current climate, entrepreneurs must become aware and nimble in their business structures to stay relevant.

Accordingly, the CCO will use this additional funding for a new initiative designed to meet the unmet needs of creative sector entrepreneurs, small businesses, and creative enterprises.

The City runs a popular and successful business technical assistance program (B-TAP) out of Community Planning & Economic Development (CPED) – though that program currently does not provide access to business support services for creative sector entrepreneurs, small businesses, and creative nonprofits. Adding to that, business support services that are tailored to creative sector businesses are fragmented in the Metro Area across several providers and some require membership fees to access their services.

A need for better access to and availability of these services was evidenced through research and engagement during the Creative City Roadmap arts and cultural planning process, with business support service providers and in follow-up focus group conversations. The CCO learned that while many organizations offer technical

assistance, creatives either don't know about these resources or experience barriers to accessing them, especially creatives of color. There is a need for better City-facilitated access to business knowledge and support geared specifically to creative sector entrepreneurs, small businesses, and creative nonprofits. This is especially acute for creatives of color who expressed a greater need to access capital and low interest loans to either start or grow their businesses than their white colleagues.



This change item supports council adopted goals and policies in the Creative City Road Map that identify a need for the City to commit resources to supporting creative entrepreneurs, small businesses and creative nonprofits to grow and thrive.

Description of the Change:

Arts, Culture and the Creative Economy is working with CPED to incorporate creative sector service providers into its existing B-TAP program and this pilot is intended to support that effort. ACCE plans to also work with CPED on the development of a well-defined and directed ecosystem of support providers and services by hosting a creative sector resource fair that will:

- make visible and accessible options for business financing;
- feature opportunities for networking,
- showcase moderated topical panels populated by service provider experts; and,
- offer focused break-out sessions.

The aim of the event will be to facilitate a macro-scale view of the sector introducing fledgling and long-term creatives to the host of strategic planning opportunities available in this dynamic economy.

This event will be designed in consultation with area service providers in order to ensure that it is tailored to the broadest audience and that it also reaches and serves the needs of creatives of color. Currently the department is working with a group of six service providers who between them serve a broad range of business types and target communities. The pilot program will be developed with service provider input who will in turn market the event to their clients. The city will deliver the event on a trial basis, gathering participant responses through a survey tool to gage its success. Once complete, CPED and ACCE will report on results, assess and make recommendations for next steps. Planning will begin winter 2019 with implementation in the spring.

Contracts with service providers: CPED has recently contracted with Springboard for the Arts and Propel, two service providers at \$7,500 each through their current B-TAP program.

ACE-TAP

ACCE currently contracts with a Target Market, economic consulting specialist UrbanDRK at \$90,000 – this contract covers a range of work related to creative sector economic research and policy development, the work with CPED is approximately 10% of UrbanDRK’s time. There are no plans currently for expanding these contracts.

Administrative or programmatic capacity: The ACCE director works with CPED business development to add creative sector specialist knowledge and capacity to their team. Additional administrative capacity for ACCE is provided by UrbanDRK who manages administrative duties related to relationship building, focus group events, programmatic design and consulting. CPED has 1.0 FTE devoted to the B-TAP program. This proposal overlaps with business development B-TAP services and expands its service delivery model.

Equity Impact:

In 2014 ACCE began the Creative City RoadMap (CCRM) cultural planning process with the objective to surface the present creative identity of Minneapolis and surface a future where all Minneapolitans can access and benefit from the creative economy. The planning process was informed by ACCE’s commitment to racial equity and authentic engagement with diverse communities. The community engagement process intentionally included many voices, visions and understandings of the city. The plan’s four vision, goals and objectives are structurally designed to reflect the city’s racial equity definition.

This plan was adopted by the City council in 2016 and is now informing the city’s comprehensive planning process. This budget proposal addresses goal 3 identified through the road map process: “Creative workers have the resources and opportunities they need to thrive; local artists and creative practitioners have access to resources and opportunities.”

Because these goals were established through an extensively inclusive process, this event is intended to specifically address the needs of creative communities of color. In addition to the event itself being targeted at the needs of diverse creatives, the department intends to ensure the event is attended by and content relevant to creative communities of color.

Results:

Target audience: Creative small businesses, entrepreneurs and enterprises, in particular those established by creatives of color. Indicators of success are that city resources are used to:

- 1) increase awareness of technical assistance service providers
- 2) increase access to business technical assistance
- 3) increase networking opportunities

Quantitative and qualitative performance data will be collected through surveys and interviews with event participants. The City Coordinator’s Office will also collect information from participants on demographics, business type and location of their business.

City Coordinator - Administration
TransEquity Summit

2019 Change Item

Program: Administration
 Fund: General Fund – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services						
Other	\$15					
Net Budgetary Impact						
Expenditures - Revenues	\$15					

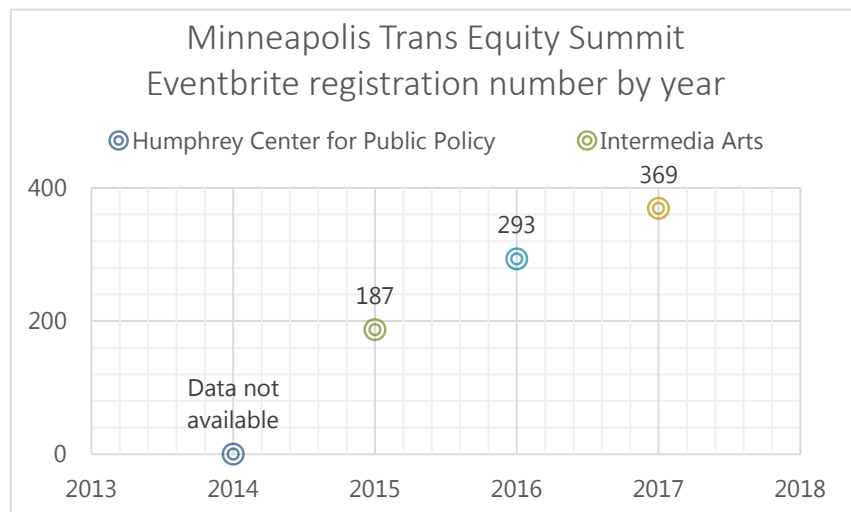
Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$15,000 one-time General Fund resources for the 6th annual Minneapolis Trans Equity Summit in 2019.

Rationale/Background:

Hosting the annual Transgender Equity Summit supports the One Minneapolis goal and strategy that equitable systems and policies lead to a high quality of life for all. Specifically, it supports the broader work of the Transgender Issues Work Group and Transgender Equity Council advisory board. Residents and other community members connect with the City and other government agencies and resources. The event is planned with existing staff capacity and support of the City’s Transgender Issues Work Group.



Description of the Change:

This is an existing activity that has been growing and has broad support from community organizations and potential partners. In each of the past five years, funding has been provided on a one-time basis.

- This change item will buy contracts with service providers which the department anticipates will benefit City’s target Market vendors as well as those in the transgender community. For example, any required

TransEquity Summit

event rentals and catering. The proposal will also buy materials, such as printing of programs that are designed by the City's Communications department.

- This change item complements the work of the Transgender Equity Council advisory board, staffed by the Coordinator's office, and overlaps with the work of the Transgender Issues Works Group, which includes multiple City departments, the Minneapolis Park and Recreation Board, and Minneapolis Public Schools. It also builds off previous council actions establishing the Transgender Equity Council.
- The Summit, typically planned for September or October, helps connect people to each other, the City government, and other resources.

Equity Impact:

This change item directly impacts people who are transgender, gender-nonconforming, or non-binary, and takes into consideration intersectionality. The Summit is an opportunity for people to connect with the City and each other, to network, and share experiences and resources. This is especially critical as the city has recently seen the closing of several trans and queer community spaces. Representatives from the Transgender Equity Council and Transgender Issues Work Group have been consulted and invited to collaborate on the continuation of the annual Minneapolis Trans Equity Summit. Each year Summit participants are also asked to complete an evaluation form. A summary of the information from the completed evaluation forms is reported back to the Transgender Issues Work Group.

Community members who are often marginalized may connect with opportunities to become more engaged with City opportunities and policies. Also, practical resources, such as information about health care and employment opportunities will help lead to a higher quality of life for all. Listed below is some anecdotal data of the positive impacts:

- Power in numbers - good to see a room full of folks like me and/or support me.
- Inclusive community, warm, celebratory, serious, grassroots but institutionally recognized.
- Activism, intersectionality, + what individuals can do to make change.

Results:

Impacts of this change item will be measured in the following ways:

- Increased attendance at the Summit (see chart above for past attendance trends)
 - Attendance and feedback from an evaluation form are currently used as performance measures. For example, 92% of attendees responded that they would recommend the Summit.
 - Critical feedback was also included. For example, The Coordinator's department heard that accessibility could be improved (last year only one ASL interpreter was present and this funding would allow for additional interpreters).
- Based on feedback from prior summit surveys, develop contracting opportunities for transgender and gender nonconforming contractors.

City Coordinator
Final Four Reimbursable Expense

2019 Change Item

Program: Administration
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
Host Committee Agreement	\$5					
Expenditures						
Personnel	\$5					
IT						
Fleet						
Contractual Services						
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$0					
Personnel Impacts						
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$5,000 one-time for reimbursable expenses associated with the 2019 Final Four.

Rationale/Background:

Bringing large scale events, like the Final Four, to Minneapolis gives residents a chance to participate in activities, concerts and events associated with the games. They also help cultivate a sense of community pride with the city welcoming visitors from across the world.

Major events bring major revenues to our city, not just in the form of taxes, but also in helping to support local business specifically in the hospitality industry. We also use these events to showcase our capital investments in US Bank Stadium and Nicollet Mall to the almost 90,000 visitors coming to town.

Description of the Change:

These one-time funds are primarily for staff overtime necessary in order to execute the department’s support of the event. These expenditures are offset by revenues associated with the local host committee agreement with the City.

Equity Impact:

The Final Four is a whole weekend of activities, including the national semi-final and championship games -- but also multiple free and low-cost events for all residents to enjoy.

Results:

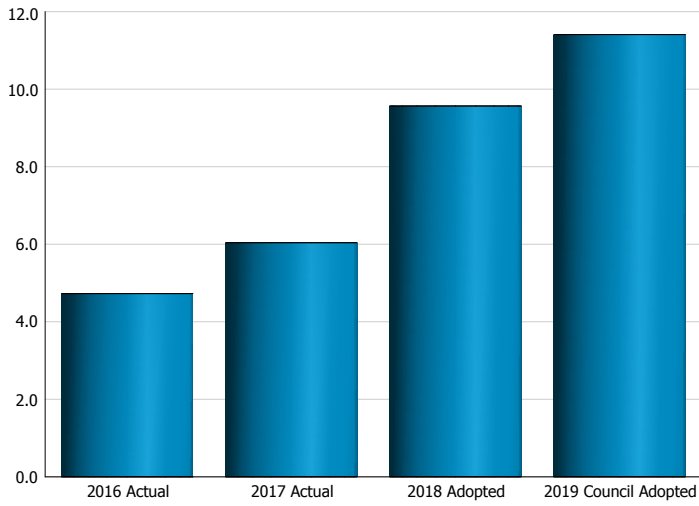
Through the additional effort represented by the expenditure of these funds, and in partnership with the local host committee, the city will be able to effectively ensure the public’s safety and ultimately host a successful event. These outcomes will position the city positively to host future NCAA events, amplifying the positive impacts for Minneapolis mentioned above.

**CITY COORDINATOR
EXPENSE AND REVENUE INFORMATION**

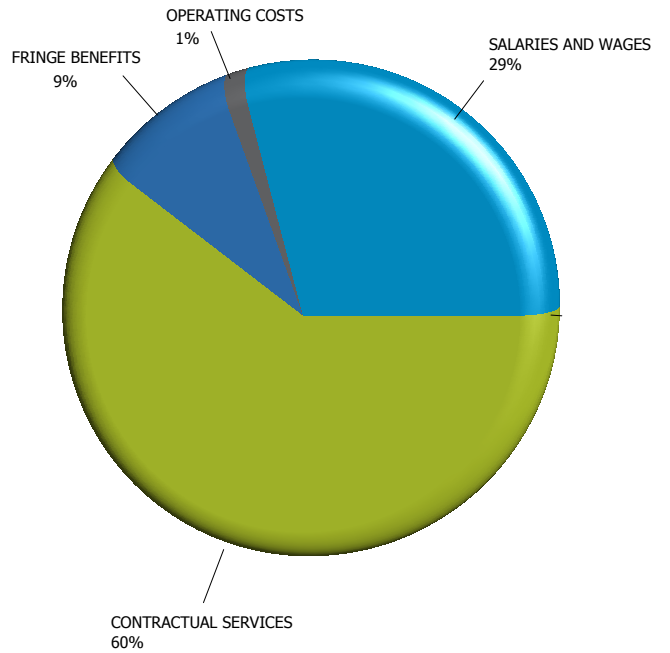
EXPENSE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	1,626,000	1,942,000	2,032,000	2,510,000	23.5%	478,000
FRINGE BENEFITS	472,000	588,000	712,000	776,000	9.0%	64,000
CONTRACTUAL SERVICES	1,603,000	1,943,000	4,292,000	5,794,000	35.0%	1,502,000
OPERATING COSTS	238,000	259,000	125,000	163,000	30.4%	38,000
CAPITAL	32,000	7,000		0		
TOTAL GENERAL	3,971,000	4,739,000	7,161,000	9,243,000	29.1%	2,082,000
SPECIAL REVENUE						
SALARIES AND WAGES	407,000	504,000	773,000	806,000	4.3%	33,000
FRINGE BENEFITS	126,000	160,000	277,000	260,000	-6.1%	-17,000
CONTRACTUAL SERVICES	185,000	575,000	1,327,000	1,100,000	-17.1%	-227,000
OPERATING COSTS	36,000	61,000	28,000	0	-100.0%	-28,000
TOTAL SPECIAL REVENUE	754,000	1,300,000	2,405,000	2,166,000	-9.9%	-239,000
TOTAL EXPENSE	4,725,000	6,039,000	9,566,000	11,409,000	19.3%	1,843,000
REVENUE						
	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
CONTRIBUTIONS	5,000			0		
LOCAL GOVERNMENT		5,000		0		
GENERAL	5,000	5,000				
SPECIAL REVENUE						
CONTRIBUTIONS	1,004,000	1,447,000	505,000	375,000	-25.7%	-130,000
FEDERAL GOVERNMENT	48,000	450,000	950,000	950,000		
STATE GOVERNMENT	26,000	-3,000		0		
USE OF FUND BALANCE			950,000	841,000	-11.5%	-109,000
SPECIAL REVENUE	1,078,000	1,894,000	2,405,000	2,166,000	-9.9%	-239,000
TOTAL REVENUE	1,083,000	1,899,000	2,405,000	2,166,000	-9.9%	-239,000

CITY COORDINATOR EXPENSE AND REVENUE INFORMATION

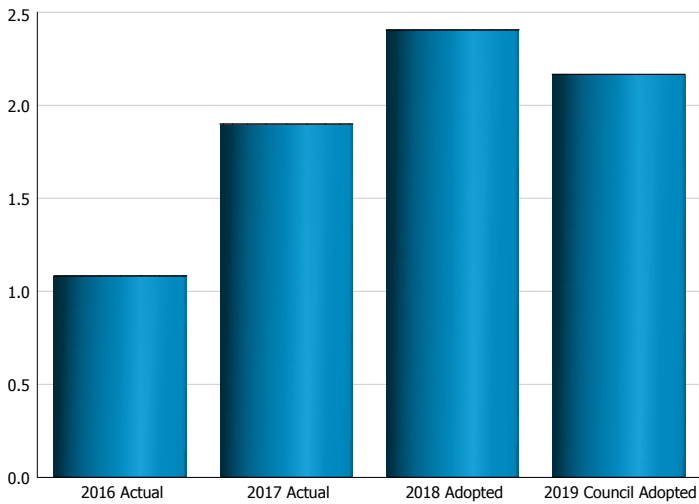
Expense 2016 - 2019
In Millions



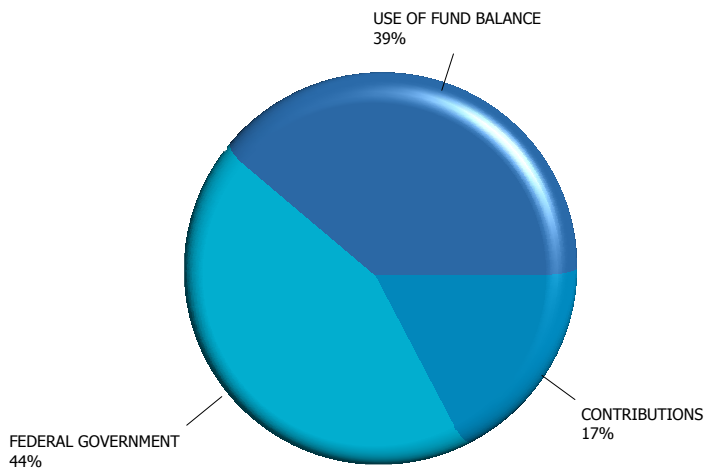
Expense by Category



Revenue 2016 - 2019
In Millions



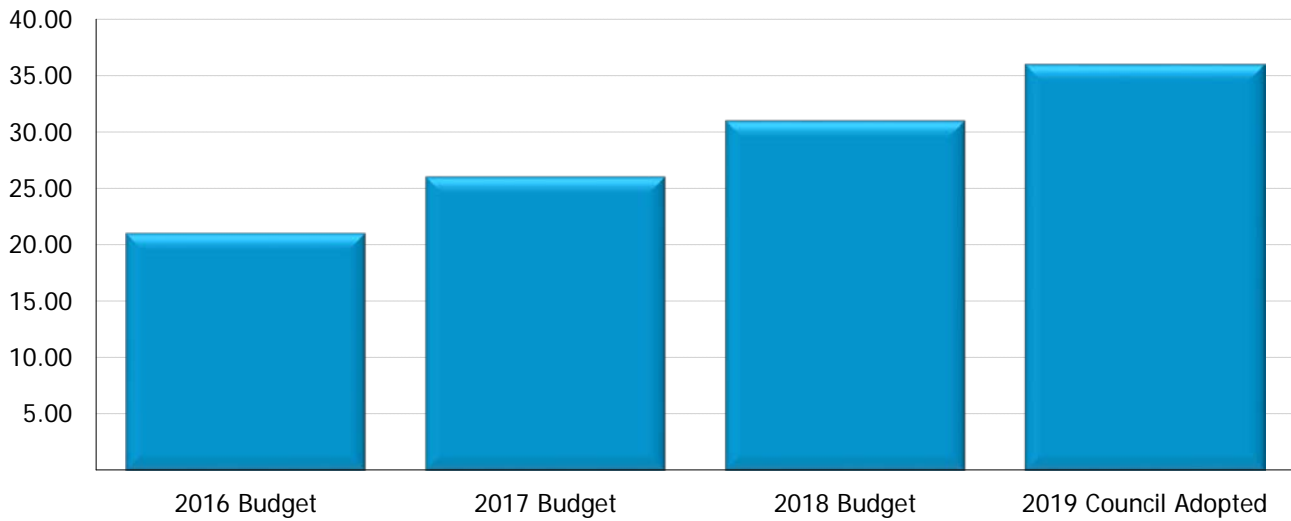
Revenue by Type



CITY COORDINATOR Staffing Information

Division	2016 Budget	2017 Budget	2018 Budget	2019 Council Adopted	% Change	Change
ADMIN & PARTNERSHIPS	18.00	23.00	31.00	6.00	-80.6%	(25.00)
STRATEGIC INITIATIVES				22.00		22.00
STRATEGIC MANAGEMENT				8.00		8.00
SUSTAINABILITY	3.00	3.00				0
Overall	21.00	26.00	31.00	36.00	16.1%	5.00

Positions 2016-2019



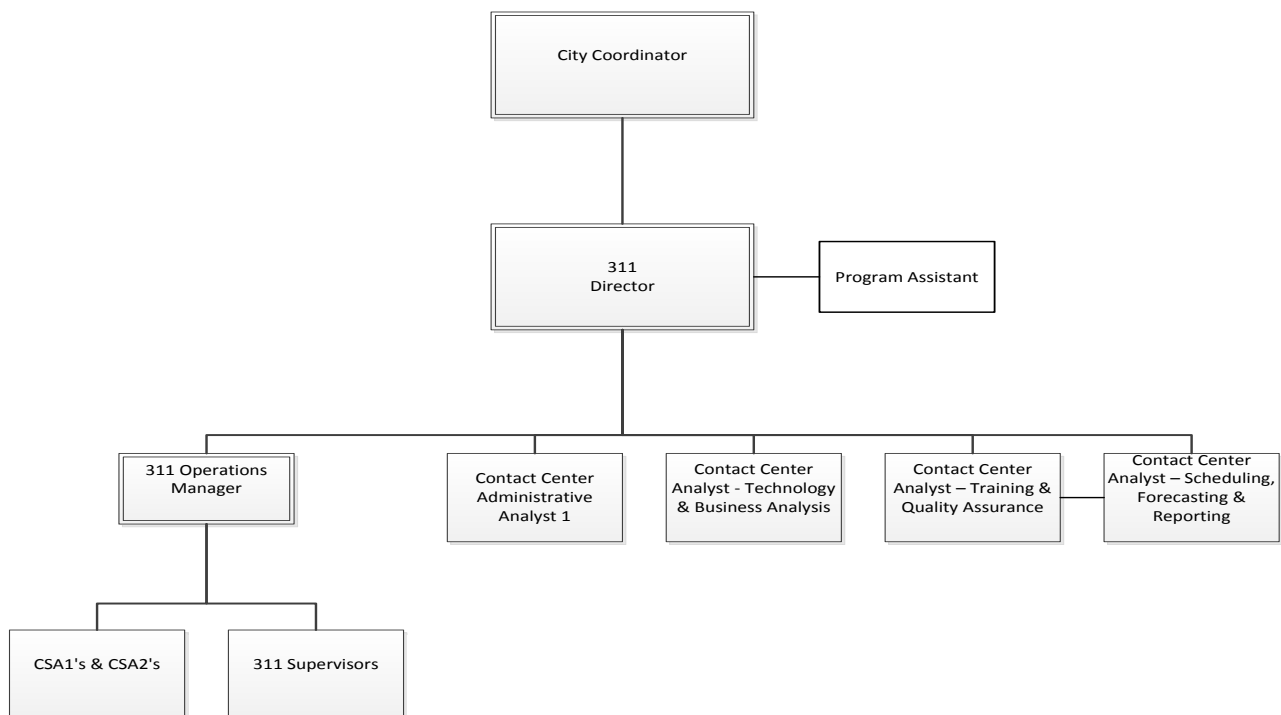
MINNEAPOLIS 311

MISSION

311 serves as the gateway to the City of Minneapolis information and services providing accountability and transparency by:

- Simplifying access to city information and services
- Allowing departments to deliver services more effectively
- Tracking requests for service delivery from inception to completion
- Providing process solutions for citizen access

ORGANIZATION CHART



PERFORMANCE MEASURES

All data and analysis generated through the City's performance measurement process, Results Minneapolis, can be found on the City's website. Please visit <http://www.minneapolismn.gov/coordinator/strategicplanning/wcmsp-199683> to find detailed information and analysis related to the budget programs listed below.

Minneapolis 311

General Fund: \$4,145,000

311 is the gateway to the City of Minneapolis information and services, ensuring customer service excellence by enabling the City to deliver services more effectively. Minneapolis 311 ensures the City provides accountability and transparency to the public by providing non-emergency assistance, creating

requests for service by connecting the public with a department expert. Services can be accessed via telephone, mobile app, online, text messaging, email and voicemail. Language line translation is available using the language line or by contact 311 directly.

Financial Analysis

Expenditure

The total 311 Department's budget increases from \$4.1 million to \$4.15 million from 2018 to 2019. This is an increase of \$48,000, or 1.2%. The 311 department's 2019 expenditure budget reflects inflationary increases in salaries and wages of \$55,000 wholly offset by reduced fringe benefits of \$69,000 (net reduction of \$14,000), \$203,000 in budgetary change items in 2019, and elimination of \$48,000 one-time budget allocation in 2018 budget.

Revenue

This department does not produce revenue.

Fund Allocation

This department is funded completely in the General Fund.

Budget Change items

Detailed change items are presented on the following pages.

Verint Upgrade 15r4

Program: 311 Operations
 Fund: General Fund - 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT		\$40	\$40	\$40	\$40	\$40
Fleet						
Contractual Services	\$203					
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$203	\$40	\$40	\$40	\$40	\$40

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$40,000 ongoing and \$163,000 one-time General Fund resources to upgrade the current customer relationship management system (CRM).

Rationale/Background:

311’s current CRM (Lagan) does not support Windows 10; therefore, an upgrade is needed from the current version to the latest and most up-to-date version. Lagan allows 311 to produce work orders for resolving departments, as well as giving the department access to live applications like map utilization and the knowledge base, for example. There are 18 resolving departments within the City who also use Lagan to work their service requests in conjunction with 311.

Description of the Change:

This will be an upgrade to the current CRM (Lagan) from version 14r2 to version 15r4. This new initiative will be a web based application and 311 will no longer rely on Java to run the application. Java has been problematic with caching and performance; users no longer will need to install certain versions to their PC’s to make them run. Since the upgrade will be web based, city applications such as EAS, MinneAtlas, and PI will run more efficiently.

The 15r4 upgrade allows the vendor to support Windows 10 and will make it easier to create and manage cases, as well as track agent tool usage. The upgrade will also allow citizens to access and manage their cases, and public knowledge base contents will be made available. 15r4 provides a more powerful tool to manage and configure online forms (eForms), allowing 311 to customize the look and feel of the forms; reducing eForm development time and allowing 311 to produce one form that will serve 311’s regular and self-service forms.

Equity Impact:

Currently, 311 does not have the capability to measure this impact. We do not believe this upgrade will either create or reduce disparities for underrepresented groups in the City.

Verint Upgrade 15r4

Results:

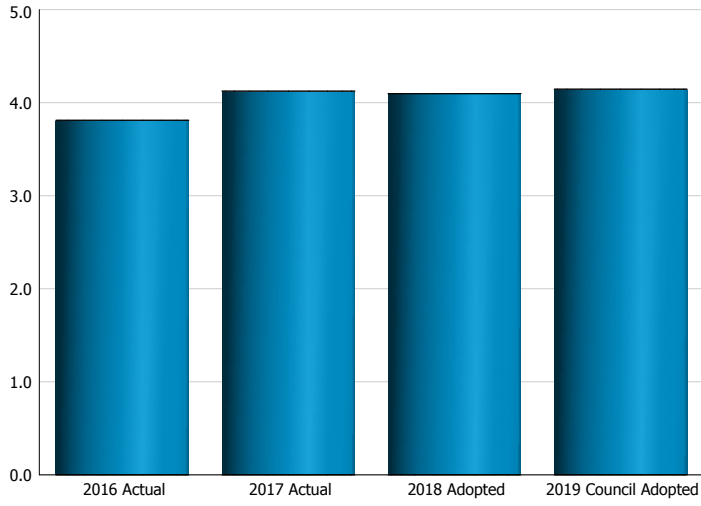
The first and most noticeable result is in helping provide a faster turnaround time for new service requests. 311 will gain new functionality and the ability to create cases at any point without the required order of contact and address. One advantage is the ability to create cases via knowledge base contents. The department will be able to maintain one eForm or Online Form for regular and self-service eForms. There will be less outages resulting in less disruption when users are navigating within the application. Turnaround time for creating new service requests and the ability to use a wide range of coding technologies will help create more robust and advanced service requests, and increase in user efficiency.

311
EXPENSE AND REVENUE INFORMATION

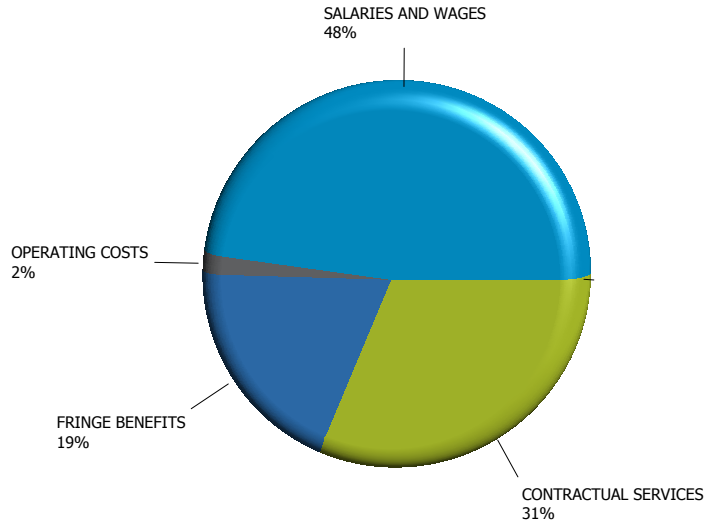
EXPENSE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	1,829,000	1,892,000	1,927,000	1,982,000	2.9%	55,000
FRINGE BENEFITS	769,000	777,000	863,000	794,000	-8.0%	-69,000
CONTRACTUAL SERVICES	1,082,000	1,209,000	1,160,000	1,298,000	11.9%	138,000
OPERATING COSTS	113,000	114,000	99,000	71,000	-28.3%	-28,000
CAPITAL	9,000	122,000	48,000	0	-100.0%	-48,000
TOTAL GENERAL	3,802,000	4,114,000	4,097,000	4,145,000	1.2%	48,000
SPECIAL REVENUE						
OPERATING COSTS	9,000			0		
CAPITAL		11,000		0		
TOTAL SPECIAL REVENUE	9,000	11,000		0		
TOTAL EXPENSE	3,811,000	4,125,000	4,097,000	4,145,000	1.2%	48,000

311
EXPENSE AND REVENUE INFORMATION

Expense 2016 - 2019
In Millions



Expense by Category

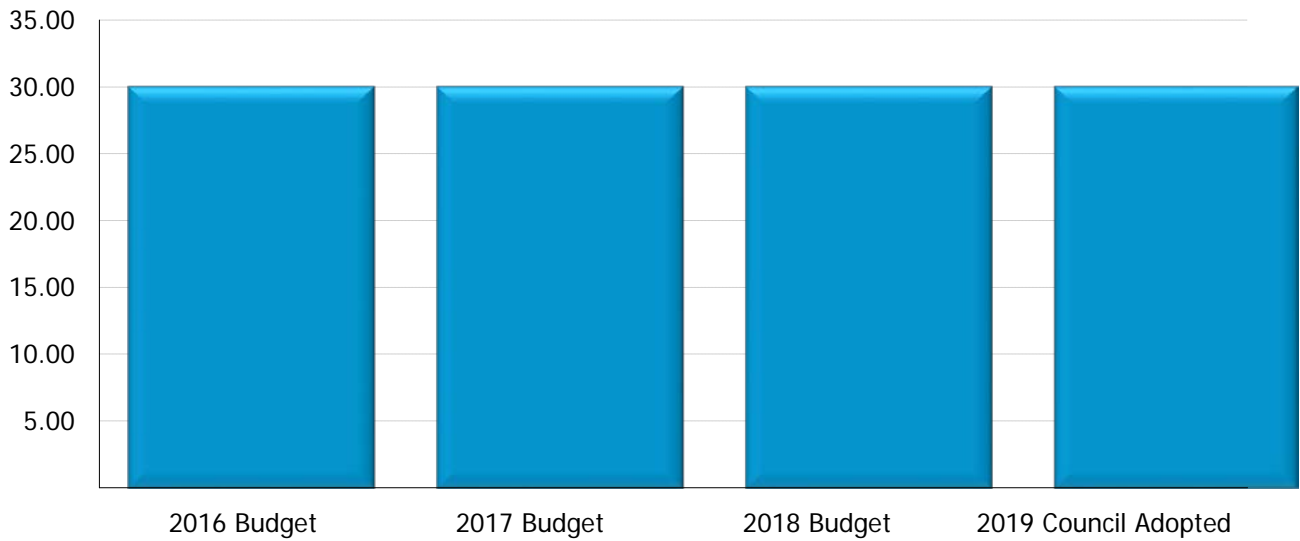


311

Staffing Information

Division	2016 Budget	2017 Budget	2018 Budget	2019 Council Adopted	% Change	Change
311	30.00	30.00	30.00	30.00	0.0%	0
Overall	30.00	30.00	30.00	30.00	0.0%	0

Positions 2016-2019

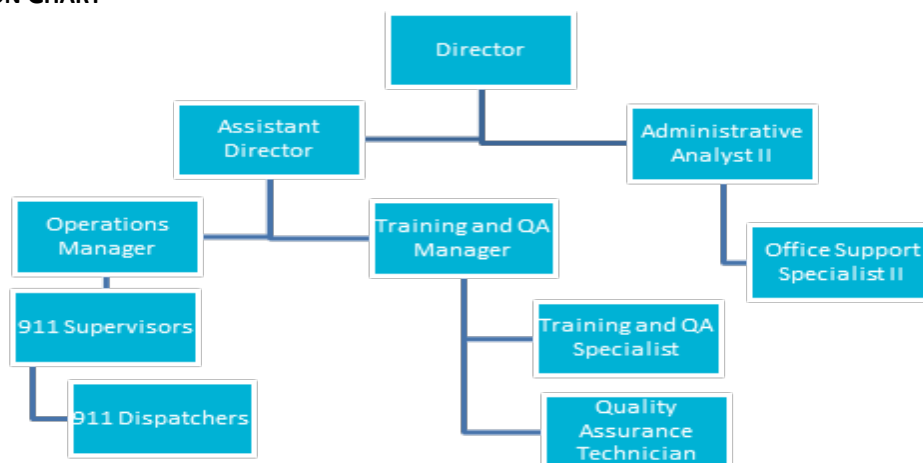


911

MISSION

Minneapolis 9-1-1 forms the vital link between the public and the emergency responders. The department strives to collect and disseminate all requests for service in a prompt, courteous, and efficient manner. The department's actions help save lives, protect property and assist the public in their time of need. The department's motto is "Always here, always ready!"

ORGANIZATION CHART



PERFORMANCE MEASURES

All data and analysis generated through the City's performance measurement process, Results Minneapolis, can be found on the City's website. Please visit <http://www.minneapolismn.gov/coordinator/strategicplanning/wcmsp-199683> to find detailed information and analysis related to the budget programs listed below.

911 Call Handling and Dispatch Operations

General Fund: \$9,813,000
Other Funds: \$515,000

911 is the link between the public and emergency public safety response. Professional, supportive and engaged 911 staff receive, prioritize, dispatch and manage public safety response throughout the city. No police car, fire truck or ambulance responds to an emergency in Minneapolis unless the call has first been answered and processed by the 911 department.

FINANCIAL ANALYSIS

Expenditure

The total 911 Department's budget decreases from \$10.5 million to \$10.3 million in 2018 to 2019. This is a decrease of \$161,000, or 1.5% due to inflationary increases in operating costs offset by elimination of one-time budget allocations of \$311,000 from 2018.

Revenue

Revenues are projected to remain constant at \$515,000 due to no changes in the Enhanced 911 funds from the MN Department of Public Safety.

Fund Allocation

This department is funded primarily in the General Fund, with some of the funding in the Grants fund.

Budget Change items

Detailed change items are presented on the following pages.

Final Four Reimbursable Expense

Program: 911 Call Handling and Dispatch Operation.
 Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
Host Committee Agreement	\$15					
Expenditures						
Personnel	\$15					
IT						
Fleet						
Contractual Services						
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$0	\$0	\$0	\$0	\$0	\$0

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Proposal:

The City Council approves \$15,000 one-time for reimbursable expenses associated with the 2019 Final Four.

Rationale/Background:

Bringing large scale events, like the Final Four, to Minneapolis gives residents a chance to participate in activities, concerts and events associated with the games. They also help cultivate a sense of community pride with the city welcoming visitors from across the world.

Major events bring major revenues to our city, not just in the form of taxes, but also in helping to support local business specifically in the hospitality industry. We also use these events to showcase our capital investments in US Bank Stadium and Nicollet Mall to the almost 90,000 visitors coming to town.

Description of the Change:

These one-time funds are primarily for staff overtime necessary in order to execute the department’s support of the event. These expenditures are offset by revenues associated with the local host committee agreement with the City.

Equity Impact:

The Final Four is a whole weekend of activities, including the national semi-final and championship games -- but also multiple free and low-cost events for all residents to enjoy.

Results:

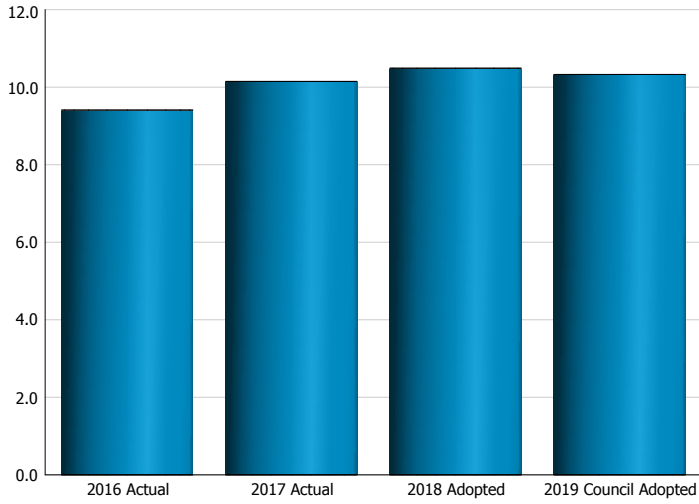
Through the additional effort represented by the expenditure of these funds, and in partnership with the local host committee, the city will be able to effectively ensure the public’s safety and ultimately host a successful event. These outcomes will position the city positively to host future NCAA events, amplifying the positive impacts for Minneapolis mentioned above.

911
EXPENSE AND REVENUE INFORMATION

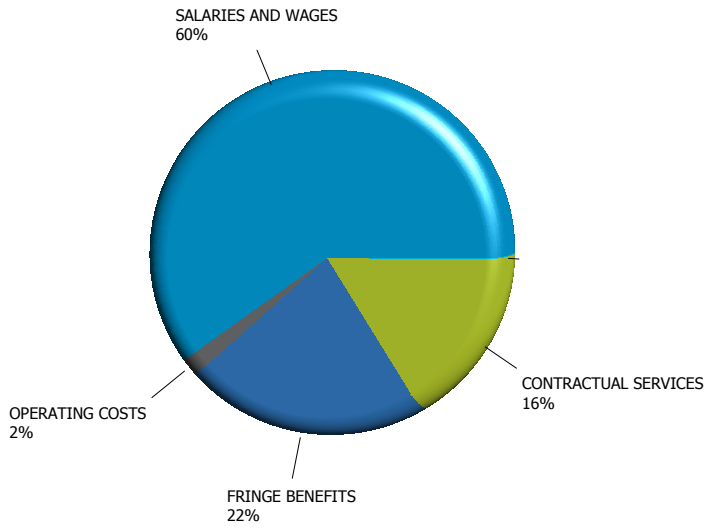
EXPENSE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	5,632,000	5,944,000	5,919,000	6,183,000	4.5%	264,000
FRINGE BENEFITS	1,952,000	2,035,000	2,382,000	2,297,000	-3.6%	-85,000
CONTRACTUAL SERVICES	1,249,000	1,200,000	1,259,000	1,217,000	-3.3%	-42,000
OPERATING COSTS	146,000	157,000	133,000	105,000	-21.1%	-28,000
CAPITAL	89,000	379,000	281,000	11,000	-96.1%	-270,000
TOTAL GENERAL	9,068,000	9,715,000	9,974,000	9,813,000	-1.6%	-161,000
SPECIAL REVENUE						
CONTRACTUAL SERVICES	311,000	399,000	437,000	445,000	1.8%	8,000
OPERATING COSTS	31,000	34,000	78,000	70,000	-10.3%	-8,000
TOTAL SPECIAL REVENUE	342,000	433,000	515,000	515,000		
TOTAL EXPENSE	9,410,000	10,148,000	10,489,000	10,328,000	-1.5%	-161,000
REVENUE						
REVENUE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SERVICES				0		
SPECIAL REVENUE						
INTEREST	84,000	4,000		0		
STATE GOVERNMENT	839,000	441,000	515,000	515,000		
SPECIAL REVENUE	923,000	445,000	515,000	515,000	0	
TOTAL REVENUE	923,000	445,000	515,000	515,000	0	

**911
EXPENSE AND REVENUE INFORMATION**

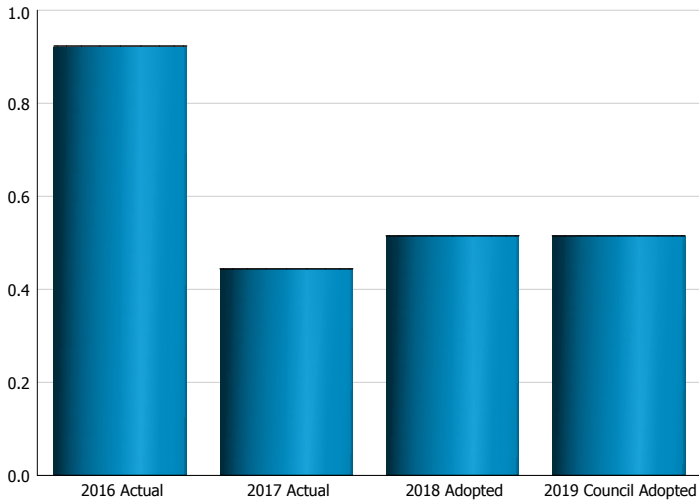
Expense 2016 - 2019
In Millions



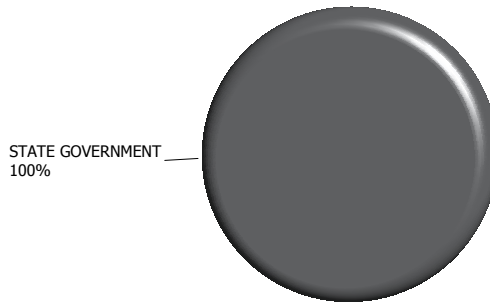
Expense by Category



Revenue 2016 - 2019
In Millions



Revenue by Type

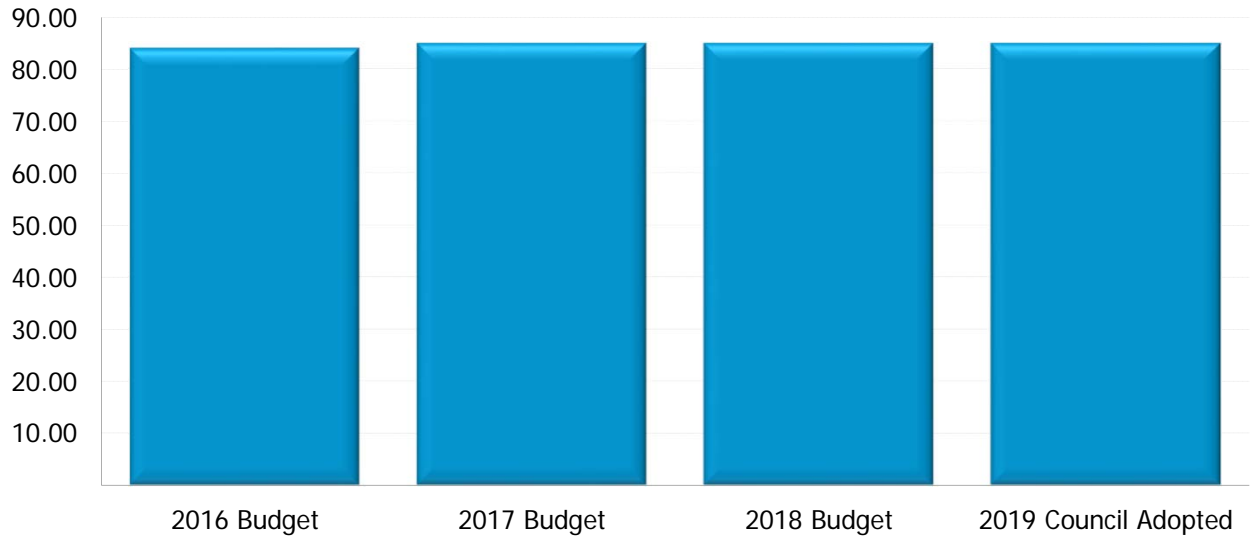


911

Staffing Information

Division	2016 Budget	2017 Budget	2018 Budget	2019 Council Adopted	% Change	Change
911	84.00	85.00	85.00	85.00	0.0%	0
Overall	84.00	85.00	85.00	85.00	0.0%	0

Positions 2016-2019

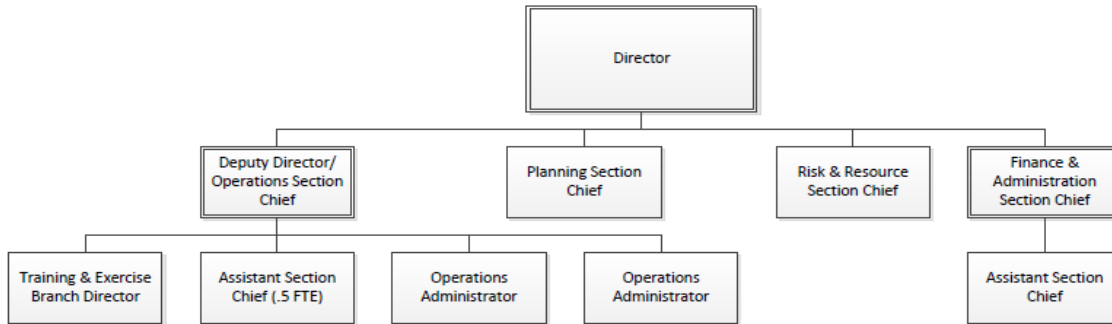


OFFICE OF EMERGENCY MANAGEMENT

MISSION

The Office of Emergency Management (OEM) protects the people who live, work and play in the City, the State and Nation by building, sustaining and improving the department's capability to mitigate against, prepare for, respond to and recover from threatened or actual disasters, whether natural or man-made and acts of terrorism.

ORGANIZATION CHART



PERFORMANCE MEASURES

All data and analysis generated through the City's performance measurement process, Results Minneapolis, can be found on the City's website. Please visit <http://www.minneapolismn.gov/coordinator/strategicplanning/wcmsp-199683> to find detailed information and analysis related to the budget programs listed below.

Office of Emergency Management

General Fund: \$1,124,000

Other Funds: \$930,000

The OEM protects the people who live, work and play in the City, the State and Nation by building, sustaining and improving our capability to mitigate against, prepare for, respond to and recover from threatened or actual disasters, whether natural, man-made or acts of terrorism. As an enterprise office, the OEM serves other City departments through external emergency management coordination and internal continuity of operations planning efforts. In order to accomplish its mission, OEM partners with other local, regional, state and federal government agencies as well as the non-profit and private sectors. OEM functions are mandated by Minnesota statutes as well as Minneapolis ordinances.

FINANCIAL ANALYSIS

Expenditure

The OEM Department's budget slightly decreases from \$2.1 million to \$2.1 million in 2018 to 2019. This is a reduction of \$28,000, or 1.4% due to inflationary increases in operating expenses in 2019 being offset by reduction in UASI grant award of \$100,000.

Revenue

Revenues are projected to decline by \$100,000 or 9.7% due to a reduction in grant funding. The department's total revenues in 2019 are projected to be \$930,000

Fund Allocation

This department is funded primarily in the General Fund at 54.7%, with some in the Grants Fund at 45.3%.

Budget Change Items

Detailed change items are presented on the following pages.

**Office of Emergency Management
Enterprise Continuity Planning**

2019 Change Item

Program: Office of Emergency Management
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$30	\$30	\$30	\$30	\$30	\$30
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$30	\$30	\$30	\$30	\$30	\$30

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$30,000 ongoing to maintain access the BOLD continuity planning software system and training services. This capability will benefit the whole enterprise by supporting the continuity plans that will be developed in 2018.

Rationale/Background:

In 2018, the OEM will be initiating a Continuity of Operations Planning (COOP) program. OEM will work with a contractor called BOLD Planning to coordinate the development of department-specific COOP plans that will be used to identify the mission essential functions each department is responsible for and how they can be quickly restored after a hazard event. Each plan will be created using BOLD’s online planning system. This COOP program will help Minneapolis reach its goal by ensuring all departments know their roles and priorities in maintaining or recovering the critical services our community depends on.

After successful plan creation in 2018, OEM will initiate a comprehensive training, exercise, and revision program for each department’s plan. The access to BOLD’s online planning system this item is asking for is crucial for the organized and efficient updating of department plans and procedures.

Description of the Change:

This item is part of a new program initiative by OEM. By using a contractor to develop and maintain this capability, the City will be better positioned to respond to and recover from a hazard event that disrupts our staff, leadership, facilities, or technology capabilities. BOLD Planning will bring a full-package of subject matter expertise, software tools and proven project management to ensure the development of strong and detailed planning elements. Once the initial plans are created, each department will put their own plan through a cycle of training, testing, exercising and revising to not only maintain staff knowledge of the plans but to fix mistakes that have been discovered and develop stronger COOP procedures. In order to keep the City’s access to BOLD’s online planning software and training services, OEM will have to pay a total of \$30,000 per year. This amount will allow the City to build upon what will be created in the plan development phase in 2018 by being able to organize, review, and update each department’s plan on an annual basis.

Equity Impact:

Due to the internal focus of COOP planning, this item will only impact City departments. It should be noted, however, that the successful implementation of these plans will ensure the quick recovery of the City after a hazard event.

Results:

Through the adoption of this change item, the City of Minneapolis will be able to maintain robust and comprehensive department-specific COOP plans. The below table includes draft performance measures related to continuity planning that OEM will be implementing in 2018. There currently are no performance measurement data for this capability.

Activity 5: Develop, implement and maintain an ongoing process to identify the impacts of potential losses and sustain recovery strategies, recovery plans and continuity of services.	
Performance Measures	Metrics
Time in which a process for attaining operational capability at the Continuity site(s) with minimal disruption to operations of plan activation is in place.	12 hours
Time in which continuity of operations (COOP) plans and continuity of government (COG) plans are successfully implemented.	12 hours
Plans include MOUs that specify notification time for owner/occupant of facility to have it available as a Continuity facility.	Yes or No
Operational procedures are in place to support city departments COOP plans.	Yes or No
Plan is flexible and scalable to respond to all continuity incidents that could disrupt operations with or without warning at all times.	Yes or No
OEM Continuity of Operations plan describes how personnel, equipment, and other resources support sustained response/survivability and recovery for all city departments.	Yes or No
Continuity readiness and preparedness activities and systems to undertake risks and threats are in place.	Yes or No
COOP plans and SOPS address dissemination of accurate, timely, accessible information to public, media, support agencies.	Yes or No
COOP training plan and procedures to identify, organize and train personnel are in place.	Yes or No
Plans include a procedure to identify essential functions including continuity communications' ability to support essential functions.	Yes or No
Review cycle is in place to update, revise and maintain plans, policies, and procedures.	Yes or No
Continuous improvement process via program reviews and corrective action process is in place for the OEM program.	Yes or No
COOP Plan is aligned with POETE elements to support an ongoing city-wide business continuity plan, organization and infrastructure.	Yes or No
COOP Plan defines the mission, goals and objectives.	Yes or No
Frequency with which plans are reviewed and updated are in accordance with Federal, State, and local regulations, ordinances, mandates and policies.	

Office of Emergency Management
Final Four Reimbursable Expense

2019 Change Item

Program: Office of Emergency Management
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
Host Committee Agreement	\$8					
Expenditures						
Personnel	\$8					
IT						
Fleet						
Contractual Services						
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$0	\$0	\$0	\$0	\$0	\$0

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$8,000 one-time for reimbursable expenses associated with the 2019 Final Four.

Rationale/Background:

Bringing large scale events, like the Final Four, to Minneapolis gives residents a chance to participate in the activities, concerts and excitement associated with the games. They also help cultivate a sense of community pride with the city welcoming visitors from around the world.

Major events bring major revenues to our city, not just in the form of taxes, but also in helping to support local businesses, specifically in the hospitality industry. We also use these events to showcase our capital investments in US Bank Stadium and Nicollet Mall to the almost 90,000 visitors coming to town.

Description of the Change:

These one-time funds are primarily for administrative costs necessary in order to execute the department’s support of the event. These expenditures are offset by revenues associated with the local host committee agreement with the City.

Equity Impact:

The Final Four is a whole weekend of activities, including the national semi-final and championship games -- but also multiple free and low-cost events for all residents to enjoy.

Results:

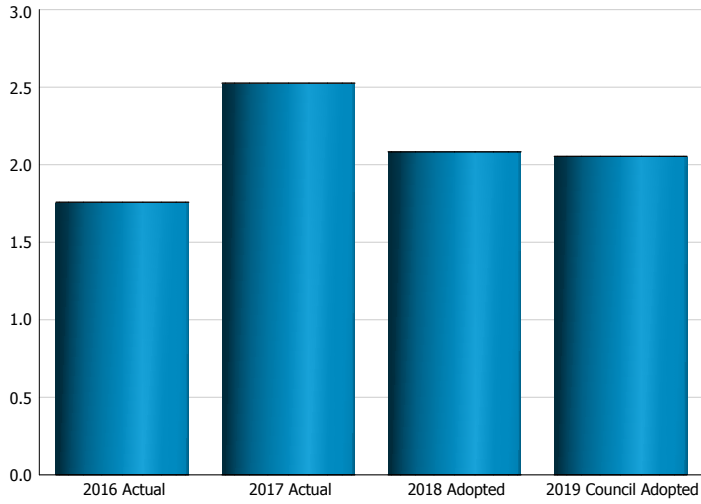
Through the additional effort represented by the expenditure of these funds, and in partnership with the local host committee, the city will be able to effectively ensure the public’s safety and ultimately host a successful event. These outcomes will position the city positively to host future NCAA events, amplifying the positive impacts for Minneapolis mentioned above.

EMERGENCY MANAGEMENT EXPENSE AND REVENUE INFORMATION

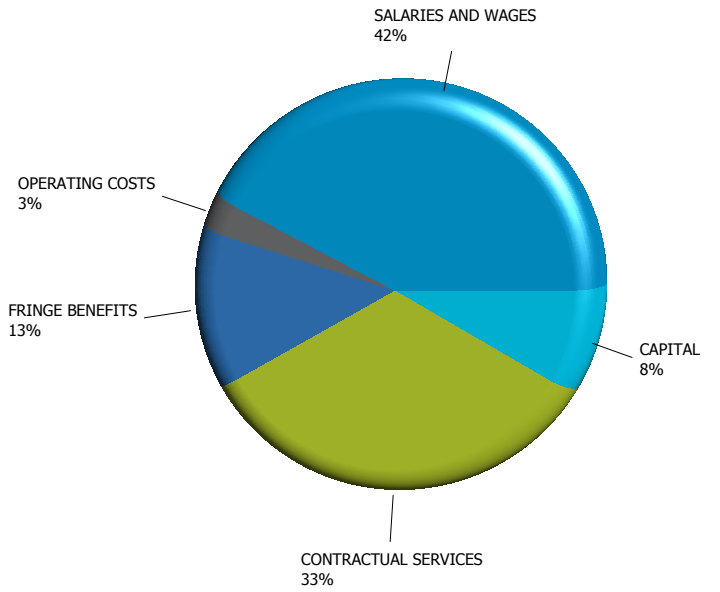
EXPENSE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	371,000	379,000	410,000	420,000	2.4%	10,000
FRINGE BENEFITS	102,000	103,000	134,000	131,000	-2.2%	-3,000
CONTRACTUAL SERVICES	283,000	408,000	457,000	516,000	12.9%	59,000
OPERATING COSTS	48,000	45,000	51,000	57,000	11.8%	6,000
CAPITAL		235,000		0		
TOTAL GENERAL	804,000	1,170,000	1,052,000	1,124,000	6.7%	72,000
SPECIAL REVENUE						
SALARIES AND WAGES	234,000	329,000	418,000	448,000	7.2%	30,000
FRINGE BENEFITS	30,000	82,000	141,000	138,000	-2.1%	-3,000
CONTRACTUAL SERVICES	551,000	226,000	219,000	172,000	-21.5%	-47,000
OPERATING COSTS	138,000	265,000		0		
CAPITAL		453,000	252,000	172,000	-31.7%	-80,000
TOTAL SPECIAL REVENUE	953,000	1,355,000	1,030,000	930,000	-9.7%	-100,000
TOTAL EXPENSE	1,757,000	2,525,000	2,082,000	2,054,000	-1.4%	-28,000
REVENUE						
SPECIAL REVENUE						
CONTRIBUTIONS	1,000	-567,000		0		
FEDERAL GOVERNMENT	954,000	1,353,000	30,000	930,000	3,000.0%	900,000
USE OF FUND BALANCE			1,000,000	0	-100.0%	-1,000,000
SPECIAL REVENUE	955,000	786,000	1,030,000	930,000	-9.7%	-100,000
TOTAL REVENUE	955,000	786,000	1,030,000	930,000	-9.7%	-100,000

EMERGENCY MANAGEMENT EXPENSE AND REVENUE INFORMATION

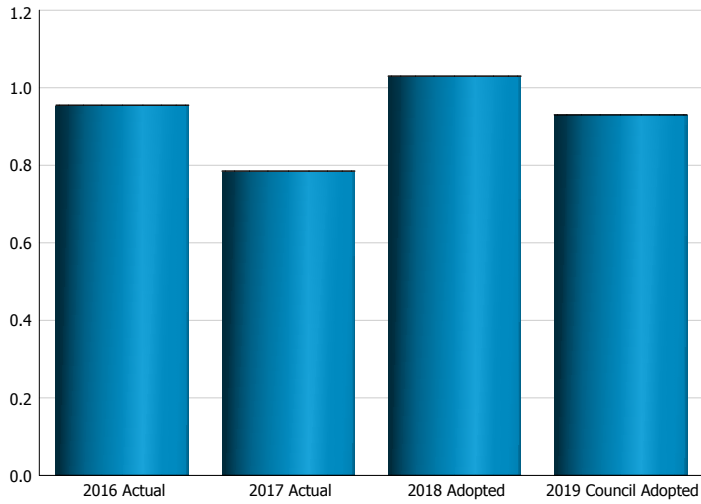
Expense 2016 - 2019
In Millions



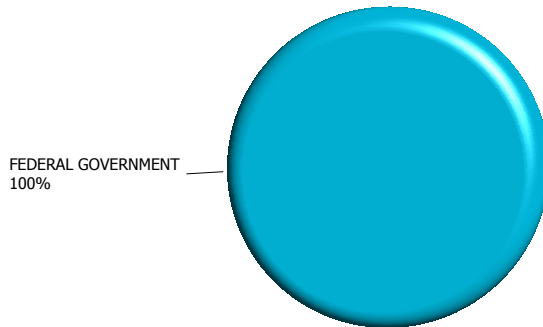
Expense by Category



Revenue 2016 - 2019
In Millions



Revenue by Type

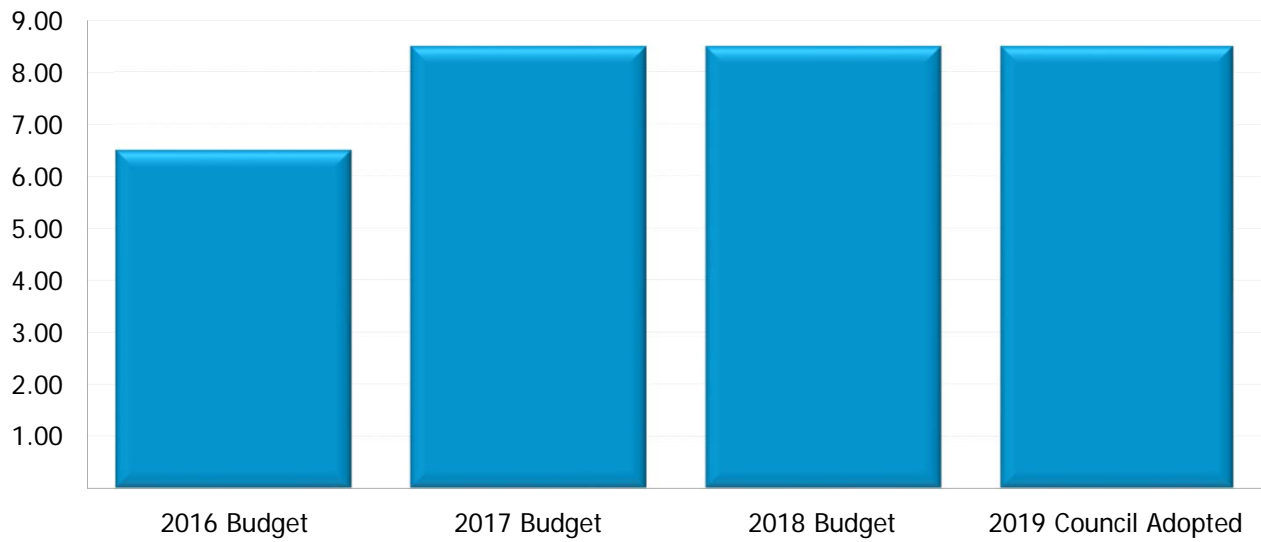


EMERGENCY MANAGEMENT

Staffing Information

Division	2016 Budget	2017 Budget	2018 Budget	2019 Council Adopted	% Change	Change
EMERGENCY MANGEMENT	6.50	8.50	8.50	8.50	0.0%	0
Overall	6.50	8.50	8.50	8.50	0.0%	0

Positions 2016-2019

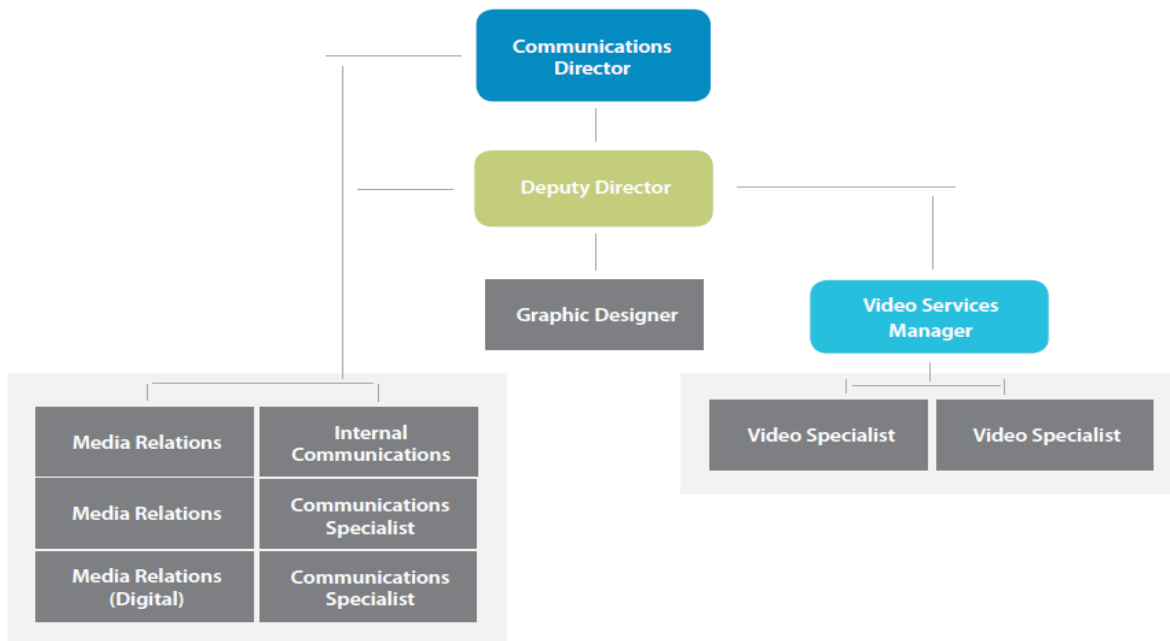


COMMUNICATIONS DEPARTMENT

MISSION

To actively communicate City government news and information to the public, so people who live, work and play in Minneapolis understand and benefit from the work the City does and know how to engage in the governing process.

ORGANIZATION CHART



PERFORMANCE MEASURES

All data and analysis generated through the City’s performance measurement process, Results Minneapolis, can be found on the City’s website. Please visit <http://www.minneapolismn.gov/coordinator/strategicplanning/wcm:sp-199683> to find detailed information and analysis related to the budget programs listed below.

Enterprise Communications

General Fund: \$1,836,000

The Communications Department drives proactive and responsive communications and provides strategic communications support to City departments so the people of Minneapolis have access to City news, information and services. The department’s core work includes: media relations, digital communications, social media, internal employee communications, strategic marketing, video production and graphic design. Communications also produces live and rebroadcast City government meetings and manages the government access TV channels. In addition, Communications oversees the

City's cable TV franchises with Comcast and Century Link, and the contract with the Minneapolis Telecommunications Network (MTN) for public access services.

Public Access TV

General Fund: \$472,000

This is direct funding through a contract with Minneapolis Telecommunications Network (MTN) to operate the City's public access TV channels and provide the public with access to television broadcast equipment, training and airtime. MTN serves diverse populations by providing access to all City residents including those who produce programs in languages other than English.

Financial Analysis

Expenditure

The total Communications Department's budget remains constant at \$2.31 million from 2018 and 2019. The Communications Department's 2019 expenditure budget reflects the following changes from 2018: \$41,000 inflationary increase in personnel costs, \$81,000 in budgetary change items, \$80,000 reduction in cost allocation charges, and elimination of \$40,000 one-time expenditures from the 2018 adopted budget.

Revenue

Revenues are projected to remain constant in this department for the PEG fees from cable subscribers. The department's total revenues in 2019 are projected to be \$1,252,000.

Fund Allocation

This department is funded completely in the General Fund.

Budget Change items

Detailed change items are presented on the following pages.

Communications

2019 Change Item

Cultural radio programming: Spanish, Somali, Hmong

Program: Cultural communications
 Fund: General Fund - 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$40					
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$40					

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$40,000 one-time General Fund resources to allow the department to provide City radio programming in Spanish, Somali and Hmong in 2019, to ensure access to City news and information for our Latino, East African and Hmong residents. The funding request is to cover 2019 annual contracts with 3 media outlets: Somali American Radio (KALY 101.7 FM); La Raza Spanish radio (AM 1400); Hmong radio (WIXK 1590 AM).

Rationale/Background:

The purpose of this change item is to continue City radio programming in Spanish, Somali and Hmong, serving our non-English speaking audiences. The programming began as an opportunity to pilot cultural radio and has seen great success in providing 3 new channels to reach non-English speaking audiences with City news and updates from departments across the enterprise. We would like to maintain these radio programs in 2019 so that departments can get information about services, programs and policies out to communities who do not communicate in English. Additionally, these channels will be critical pipelines of public information for our U.S. Census campaign, to ensure a complete count of all Minneapolis residents.

Description of the Change:

This change item will provide continued access to City news and information in Spanish, Somali and Hmong for non-English speaking residential and business audiences. This funding was not included in the Communications department budget in 2018 (paid for with Coordinator department dollars given pilot status) and it is recommended that these be included in 2019 budget since the Communications department manage and administer this communications program and their related contracts.

Funds acquired will be used to:

- Continue bi-weekly City radio show and public service announcements (PSAs) on La Raza radio (AM 1400).
- Continue monthly Somali radio show and PSAs on KALY (101.7 FM)
- Continue monthly Hmong radio show and PSAs on WIXK (1590 AM)

Cultural radio programming: Spanish, Somali, Hmong**Equity Impact:**

To reach and engage audiences that do not communicate in English, the City has partnered with local community radio serving our Latino, Somali and Hmong residents. Without these formats, the City will have diminished ability to reach large portions of our community, widening information disparities. It is critical that the City have culturally relevant message channels that can connect vital information and news with these audiences. Additionally, many residents that speak Somali or Hmong do not consume written, translated information but communicate orally, making radio a highly efficient delivery vehicle. As the City moves into campaign mode on the U.S. Census, we want to ensure maximum outreach potential to our non-English speaking audiences who have disproportionately fewer connection points to the City in terms of information access.

Results:

As a result of this funding, the City will be able to maintain radio programming and PSAs that reach our residential and business audiences who consume information in Spanish, Somali and Hmong. These conversational formats allow the City to provide culturally relevant information and news that resonates with non-English speaking community members and which provide greater access and transparency to City services, programs and policies that affect their lives.

Communications

2019 Change Item

Equipment maintenance & support, streaming and music licensing

Program: Enterprise Communications
 Fund: General Fund - 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$30					
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$30					

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$30,000 one-time General Fund resources to support audio and video equipment, online streaming, archiving video files online and secure music licenses.

Rationale/Background:

Since 2012, the City has held a support contract (except for 2018). Audio and video equipment needs to be maintained by certified technicians to keep everything running smoothly and supported in case of an emergency. The services performed under these contracts include audio/video equipment maintenance and repair services for portable and integrated systems and equipment, replacement equipment and parts, simple installation services, staff training and consulting, preventative maintenance site visits and reporting services, remote telephone support services, coordinate the use of loaner equipment and standard and emergency assistance maintenance and repair at three locations: the council chamber, non-linear editing systems and channel playback.

Description of the Change:

This change item is for existing service maintenance contracts, streaming services and music production library. This project impacts the entire Enterprise as nearly every department is represented on the City’s government access channels and affects City Council and committee meetings broadcast live to the public. Funds acquired will be used to support:

- Three non-linear editing systems
- All audio/video equipment
- Two editing servers
- Two playback servers
- Council chamber system
- Online archiving, live streaming, LIMS content, chaptering, indexing and support
- Production music library license

Equipment maintenance & support, streaming and music licensing

The City currently contracts with AVI Systems to support the non-linear editing systems, a/v equipment, editing servers, playback servers and council chamber system. The City contracts with Implex.net Inc. for streaming services and DeWolfe Music USA Inc. for all production music.

Equity Impact:

The change item will enable the department to continue to provide access and transparency of City Council and committee meetings, Minneapolis Park & Recreation Board meetings, NCEC meetings, budget meetings, Planning Commission meetings and government productions.

Results:

Equipment will be maintained in working order, supported in emergency situations, accessible production music library and unlimited archiving and streaming of all meetings and video productions. This funding will prevent the City from running into the risk of troubleshooting equipment issues without a certified technician and the immediate availability of a technician during a crisis or lose programming and/or live broadcast access.

Communications

2019 Change Item

Final Four Reimbursable Expense

Program: Enterprise Communications
 Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
Host Committee Agreement	\$12					
Expenditures						
Personnel	\$12					
IT						
Fleet						
Contractual Services						
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$0					
Personnel Impacts						
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$12,000 one-time for reimbursable expenses associated with the 2019 Final Four.

Rationale/Background:

Bringing large scale events, like the Final Four, to Minneapolis gives residents a chance to participate in activities, concerts and events associated with the games. They also help cultivate a sense of community pride with the city welcoming visitors from across the world.

Major events bring major revenues to our city, not just in the form of taxes, but also in helping to support local business specifically in the hospitality industry. We also use these events to showcase our capital investments in US Bank Stadium and Nicollet Mall to the almost 90,000 visitors coming to town.

Description of the Change:

These one-time funds are for operational expenses related to establishing and operating a four day Joint Information Center, for cultural community public safety outreach and communication, as well as for staff overtime necessary to execute the department’s support of the event. These expenditures are offset by revenues associated with the local host committee agreement with the City.

Equity Impact:

The Final Four is a whole weekend of activities, including the national semi-final and championship games -- but also multiple free and low-cost events for all residents to enjoy.

Results:

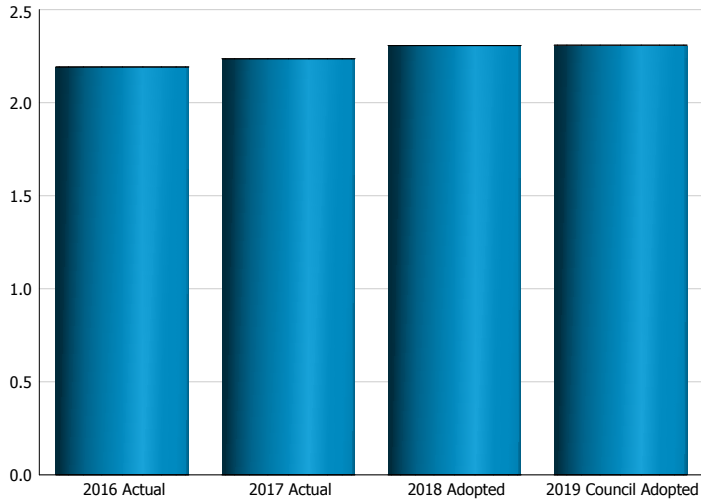
Through the additional effort represented by the expenditure of these funds, and in partnership with the local host committee, the city will be able to effectively ensure the public’s safety and ultimately host a successful event. These outcomes will position the city positively to host future NCAA events, amplifying the positive impacts for Minneapolis mentioned above.

**COMMUNICATIONS
EXPENSE AND REVENUE INFORMATION**

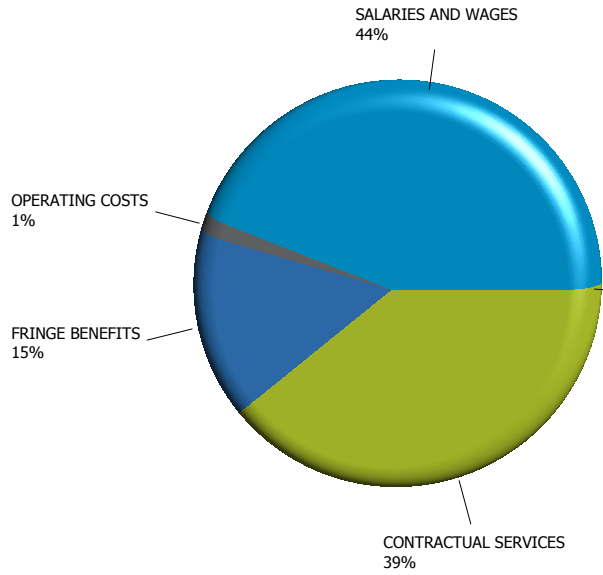
EXPENSE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	827,000	912,000	973,000	1,016,000	4.4%	43,000
FRINGE BENEFITS	275,000	304,000	357,000	355,000	-0.6%	-2,000
CONTRACTUAL SERVICES	881,000	856,000	846,000	904,000	6.9%	58,000
OPERATING COSTS	110,000	114,000	91,000	33,000	-63.7%	-58,000
CAPITAL	99,000	49,000	40,000	0	-100.0%	-40,000
TOTAL GENERAL	2,192,000	2,235,000	2,307,000	2,308,000	0.1%	1,000
TOTAL EXPENSE	2,192,000	2,235,000	2,307,000	2,308,000	0.1%	1,000
REVENUE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SALES	2,000		2,000	2,000		
FRANCHISE FEES	1,247,000		1,250,000	1,250,000		
RENTS				0		
GENERAL	1,249,000		1,252,000	1,252,000	0	
TOTAL REVENUE	1,249,000		1,252,000	1,252,000	0	

COMMUNICATIONS EXPENSE AND REVENUE INFORMATION

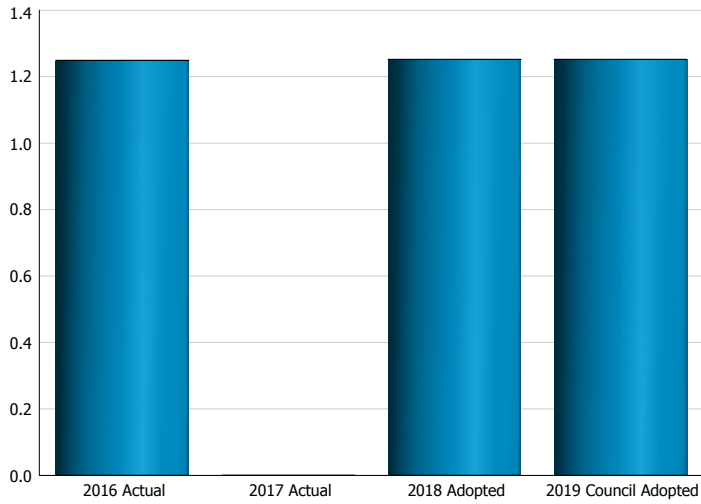
Expense 2016 - 2019
In Millions



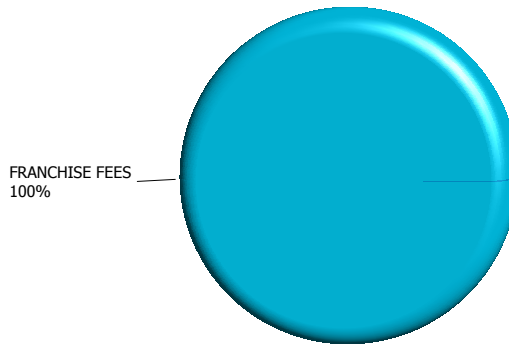
Expense by Category



Revenue 2016 - 2019
In Millions



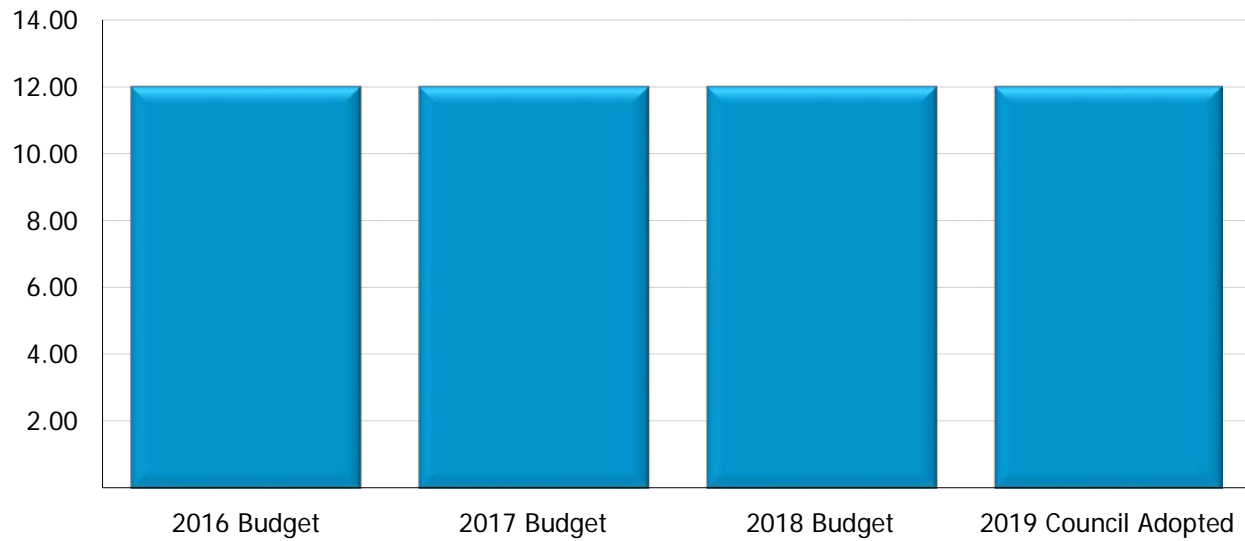
Revenue by Type



COMMUNICATIONS Staffing Information

Division	2016 Budget	2017 Budget	2018 Budget	2019 Council Adopted	% Change	Change
COMMUNICATIONS	12.00	12.00	12.00	12.00	0.0%	0
Overall	12.00	12.00	12.00	12.00	0.0%	0

Positions 2016-2019



MINNEAPOLIS CONVENTION CENTER & DOWNTOWN ASSETS

MISSION

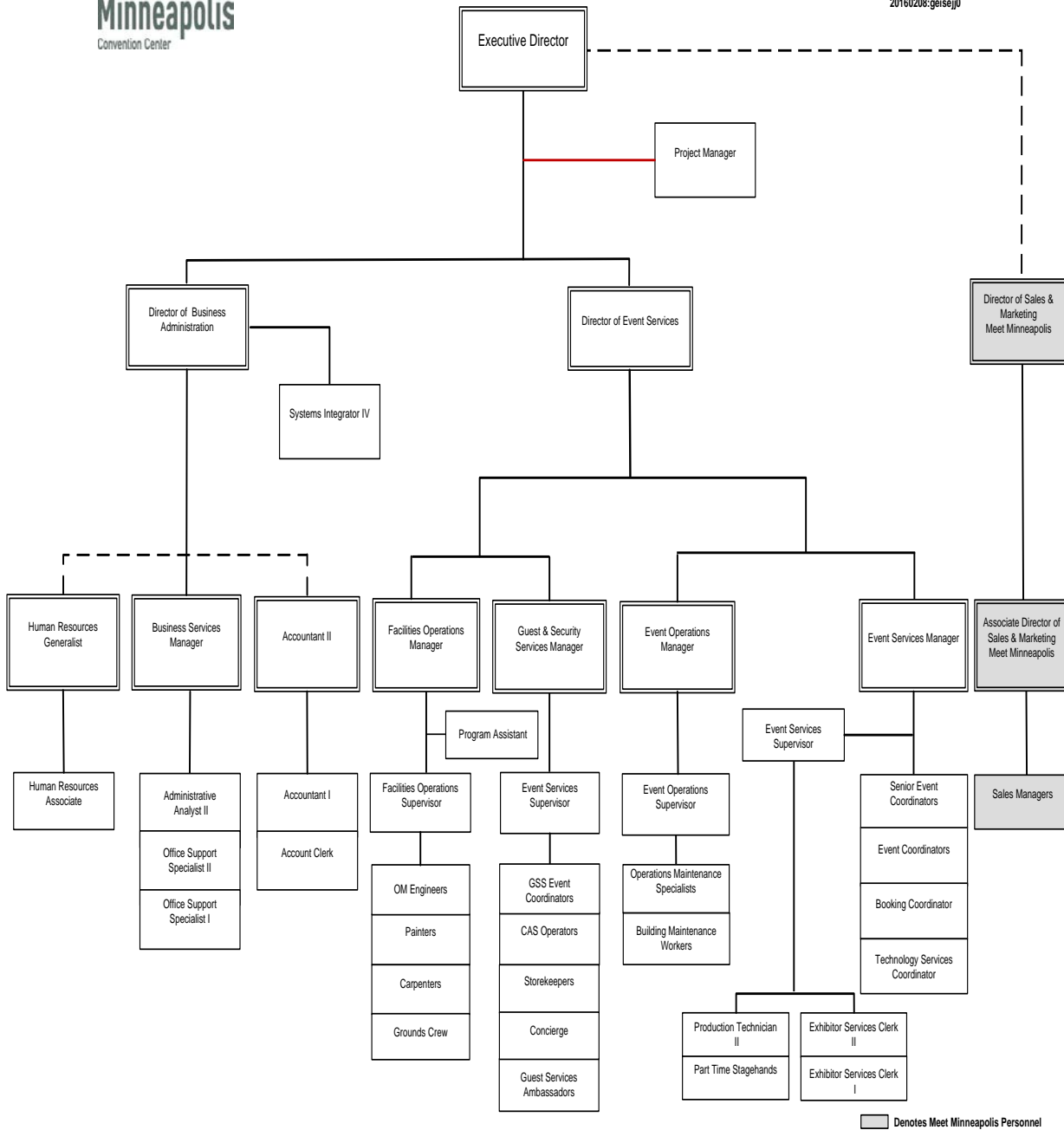
The Minneapolis Convention Center will be the best Convention Center by providing an exceptional facility, outstanding internal and external customer service, and responsible use of our resources.

ORGANIZATION CHART



Minneapolis Convention Center Organization Chart

February 8, 2016
20160208:geisej0



PERFORMANCE MEASURES

All data and analysis generated through the City's performance measurement process, Results Minneapolis, can be found on the City's website. Please visit <http://www.minneapolismn.gov/coordinator/strategicplanning/wcmssp-199683> to find detailed information and analysis related to the budget programs listed below.

Minneapolis Convention Center Events Program

Other Fund: \$25,260,000

The Convention Center Events Program provides sales, event coordination, delivery of audio visual, utilities, security and guest services to international, national, regional, state and local clients and their attendees. This program also includes the City's contract with Meet Minneapolis, which provides sales and marketing services for the convention center as well as destination marketing for the City of Minneapolis.

Convention Center events drive economic impact to the City as these clients and their attendees purchase goods and services from the convention center as well as local businesses (hotels, restaurants, retail, recreational, arts) sustaining an estimated 11,000 hospitality jobs and contributing to a vibrant downtown. Meet Minneapolis also pursues leisure travelers and sponsorship opportunities.

Minneapolis Convention Center Facilities Program

Other Fund: \$24,387,000

The Convention Center Facility Program provides the physical building and grounds of the Convention Center as well as the staff to maintain this City asset. The Events Program utilizes the facility to sell and host events. The Facilities Program includes repair and maintenance expenditures as well as Internal Service charges.

Minneapolis Convention Center Tallmadge Building Program

Other Fund: \$50,000

The Convention Center Tallmadge Building is currently operated as an office building that is leased to local businesses.

Target Center Program

Other Fund: \$6,362,000

The Target Center program provides an operator reimbursement and capital funds for this City-owned facility through a contractual agreement with its operator, AEG.

The Commons Program

Other Fund: \$1,000,000

The Commons Program provides operating funds for maintenance and upkeep of this City-owned asset.

Peavey Plaza Program

Other Fund: \$412,000

The Peavey Plaza Program provides operating and capital funds for this City-owned asset.

FINANCIAL ANALYSIS

Expenditure

For 2019, the Convention Center Department's budget is \$56.1 million, an increase of 5.7% from the 2018 budget of \$53.0 million. The 2019 Downtown Assets budget is \$1.4 million, a decrease of 72.6% from the 2018 budget of \$5.2 million.

Revenue

Revenues are projected to decrease by 53.9% in the Convention Center Department. The department's total revenues in 2019 are projected to be \$21.2 million compared to \$46.1 million in the 2018 budget. The 2019 Downtown Assets revenue budget is \$94.9 million, an increase of 39.5% from the 2018 budget of \$68.1 million.

Fund Allocation

This department is funded primarily in the Convention Center and Arena Funds and from funds transferred from the Downtown Assets Fund.

Budget Change items

Detailed change items are presented on the following pages.

**Minneapolis Convention Center
Commons**

2019 Change Item

Program: Commons
Fund: Downtown Assets – 8750000

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$750					
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$750	-	-	-	-	-

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The Council approves \$750,000 one-time to contract with Green Minneapolis to serve as Operator of the Commons.

Rationale/Background:

The Downtown East Commons is a public green space designed as a place for respite, everyday activities, and events for residents, workers, and visitors. The Downtown East Commons serves as a public amenity for passive recreation, gatherings, organized events and other park and plaza-like purposes, and is considered a public forum for First Amendment purposes.

The Commons fosters inclusion. In 2017, 500,000 patrons utilized the park. There were 68 free public events with 20,000+ attendees. Free events included outdoor orchestra performances, fitness activities (yoga, kickboxing), games (lawn and board games, ping pong), movies, reading events, and food (Tues eve farmers market, monthly happy hours and lunchtime food trucks). Current programming by Green Minneapolis is free and open to the public. This green space provides respite for resident, downtown workers and visitors. Jeff Johnson manages the contract with Green Minneapolis.

Description of the Change:

This is year 2 of the Commons being managed and funded through the Downtown Assets Fund.

We currently contract with Green Minneapolis to serve as the operator of the Commons. Green Minneapolis programs, schedules, manages and maintains the park and conducts continuing fundraising. That contract value is \$750,000 annually. Green Minneapolis operates on a budget of \$1,500,000.

Equity Impact:

Green Minneapolis provides free programming in the Commons space for all Minnesotans. This programming includes arts & culture, games for kids and adults, reading/book carts, music and fitness activities. This green space provides respite for residents, downtown workers and visitors.

Results:

The Commons will continue to be maintained, managed, and programmed. There are currently no performance measures outside of the contractual obligations.

Minneapolis Convention Center
Final Four Reimbursable Expense

2019 Change Item

Program: DTA – Special Events
Fund: Downtown Assets - 875000

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
Host Committee Agreement	\$638					
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$638					
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$0	\$0	\$0	\$0	\$0	\$0

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The Council approves \$638,000 one-time for reimbursable expenses associated with the 2019 Final Four.

Rationale/Background:

Bringing large scale events, like the Final Four, to Minneapolis gives residents a chance to participate in activities, concerts and events associated with the games. They also help cultivate a sense of community pride with the city welcoming visitors from across the world.

Major events bring major revenues to our city, not just in the form of taxes, but also in helping to support local business specifically in the hospitality industry. We also use these events to showcase our capital investments in US Bank Stadium and Nicollet Mall to the almost 90,000 visitors coming to town.

Description of the Change:

These one-time funds are primarily for staff overtime necessary in order to execute the department’s support of the event. These expenditures are offset by revenues associated with the local host committee agreement with the City.

Equity Impact:

The Final Four is a whole weekend of activities, including the national semi-final and championship games -- but also multiple free and low-cost events for all residents to enjoy.

Results:

Through the additional effort represented by the expenditure of these funds, and in partnership with the local host committee, the city will be able to effectively ensure the public’s safety and ultimately host a successful event. These outcomes will position the city positively to host future NCAA events, amplifying the positive impacts for Minneapolis mentioned above.

Minneapolis Convention Center
2019 X-Games

2019 Change Item

Program: DTA – Special Events
 Fund: Downtown Assets – 8750000

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$250					
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$250	-	-	-	-	-

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The Council approves \$250,000 one-time from the Downtown Assets Fund to pay for city services for the X-Games in Summer 2019.

Rationale/Background:

Events bring visitors to the City who stimulate spending in our community, thereby contributing to increased tax collections. This event is considered a ‘mega’ event - significant in size and scope that requires additional resources. These additional resources place a strain on city service budgets particularly those of police, fire, public works, and emergency management. These events foster economic inclusion through opportunities for women and minority-owned businesses to participate in the visitor spending. Due to the magnitude of this event, additional tax collections will cover the reimbursement to City departments as well as any contractual RFP items.

Description of the Change:

Hosting Mega events create opportunities to obtain the goals of the Destination Transformation 2030 Plan through increased awareness, jobs, and economic impact while also creating obligations for the City. The sheer number of people coming to enjoy and experience our City requires a City-wide coordinated effort. These events take staff time and expenditures in traffic control, emergency management services, police, fire, and public works.

An estimated 35,000 will attend with anticipated economic impact of over \$24 million. While the work of the departments is consistent with the work they currently do, the scope of their work will increase in magnitude due to the influx of visitors.

Equity Impact:

The X Games will attract all groups of people. Events are ticketed, but available to all members of the community.

Results:

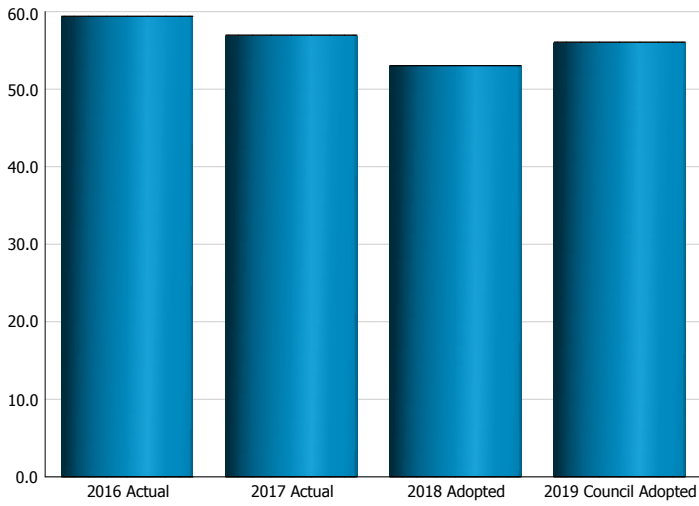
The X-Games provide opportunities to showcase the City of Minneapolis nationally and internationally through media exposure. Visitor spending helps local businesses and generates local taxes. The hospitality industry continues to support over 36,000 jobs, Minneapolis' 4th largest industry.

**CONVENTION CENTER
EXPENSE AND REVENUE INFORMATION**

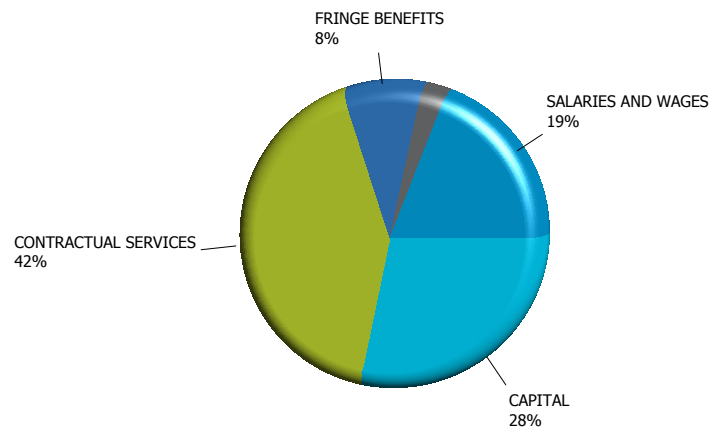
EXPENSE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
SPECIAL REVENUE						
SALARIES AND WAGES	9,864,000	10,426,000	10,491,000	10,690,000	1.9%	199,000
FRINGE BENEFITS	3,492,000	3,677,000	4,775,000	4,681,000	-2.0%	-94,000
CONTRACTUAL SERVICES	22,077,000	22,954,000	23,679,000	23,410,000	-1.1%	-269,000
OPERATING COSTS	1,997,000	1,684,000	1,530,000	1,429,000	-6.6%	-101,000
CAPITAL	21,972,000	18,222,000	12,560,000	15,849,000	26.2%	3,289,000
TOTAL SPECIAL REVENUE	59,402,000	56,963,000	53,035,000	56,059,000	5.7%	3,024,000
TOTAL EXPENSE	59,402,000	56,963,000	53,035,000	56,059,000	5.7%	3,024,000
REVENUE						
REVENUE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
SPECIAL REVENUE						
CHARGES FOR SALES	13,000			0		
CHARGES FOR SERVICES	6,907,000	6,613,000	7,300,000	6,700,000	-8.2%	-600,000
CONTRIBUTIONS		32,000		0		
INTEREST	114,000	76,000		15,000		15,000
OTHER MISC REVENUES	3,749,000	4,083,000	4,514,000	4,000,000	-11.4%	-514,000
RENTS	9,080,000	11,270,000	9,657,000	9,321,000	-3.5%	-336,000
SALES AND OTHER TAXES	1,694,000	1,293,000		0		
USE OF FUND BALANCE			24,633,000	1,209,000	-95.1%	-23,424,000
SPECIAL REVENUE	21,557,000	23,367,000	46,104,000	21,245,000	-53.9%	-25,040,000
TOTAL REVENUE	21,557,000	23,367,000	46,104,000	21,245,000	-53.9%	-24,859,000

CONVENTION CENTER EXPENSE AND REVENUE INFORMATION

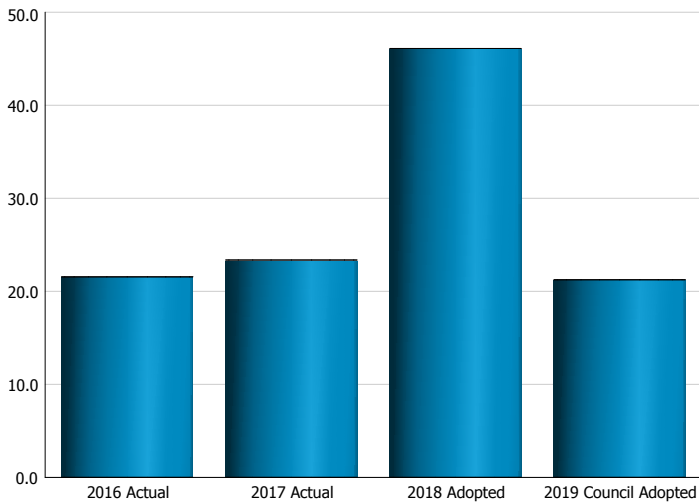
Expense 2016 - 2019
In Millions



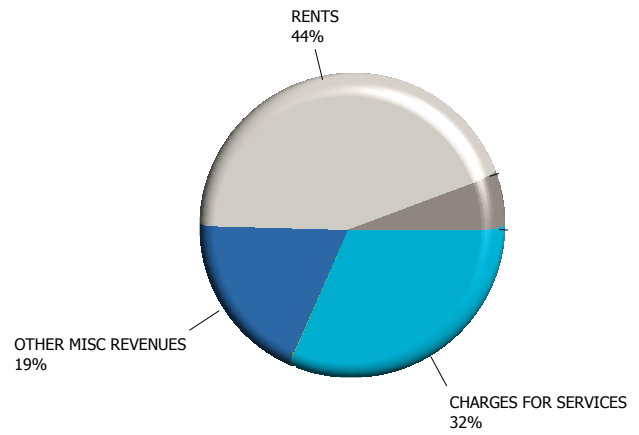
Expense by Category



Revenue 2016 - 2019
In Millions



Revenue by Type

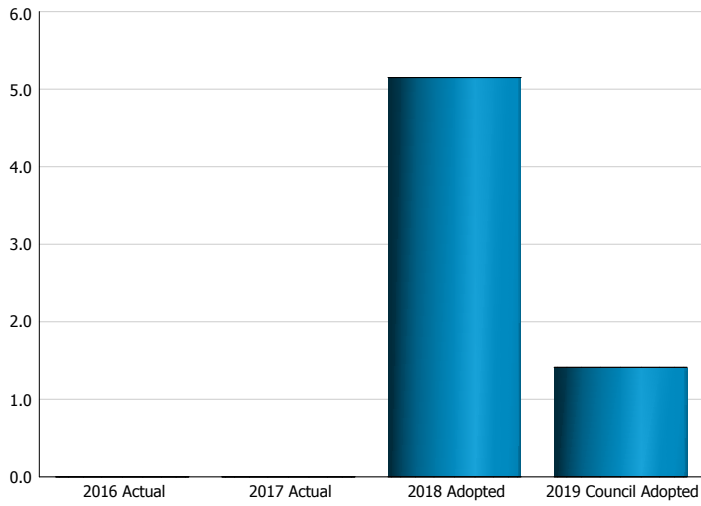


**DOWNTOWN ASSETS
EXPENSE AND REVENUE INFORMATION**

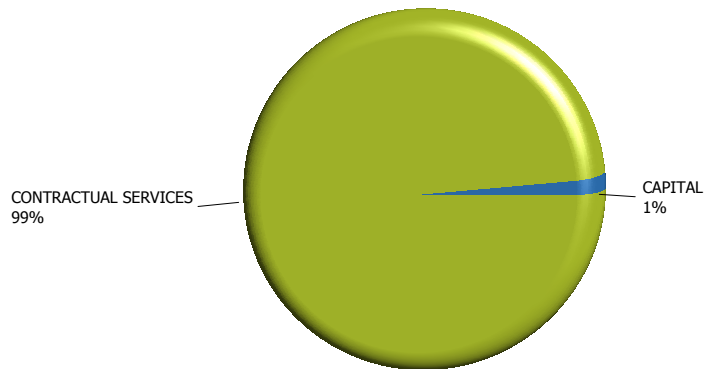
EXPENSE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
SPECIAL REVENUE						
CONTRACTUAL SERVICES			1,150,000	1,392,000	21.0%	242,000
OPERATING COSTS				20,000		20,000
CAPITAL			4,000,000	0	-100.0%	-4,000,000
TOTAL SPECIAL REVENUE			5,150,000	1,412,000	-72.6%	-3,738,000
<hr/>						
TOTAL EXPENSE			5,150,000	1,412,000	-72.6%	-3,738,000
<hr/>						
REVENUE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
SPECIAL REVENUE						
SALES AND OTHER TAXES			87,349,000	88,400,000	1.2%	1,051,000
USE OF FUND BALANCE			-19,297,000	6,520,000	-133.8%	25,817,000
SPECIAL REVENUE			68,052,000	94,920,000	39.5%	26,606,000
<hr/>						
TOTAL REVENUE			68,052,000	94,920,000	39.5%	26,868,000

DOWNTOWN ASSETS EXPENSE AND REVENUE INFORMATION

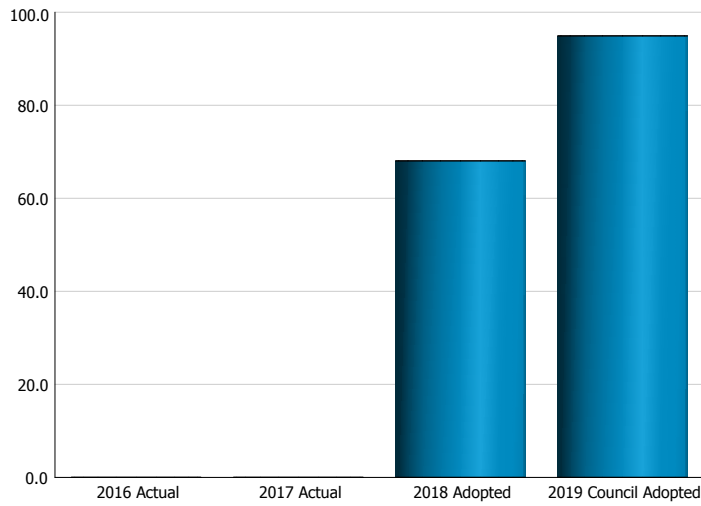
Expense 2016 - 2019
In Millions



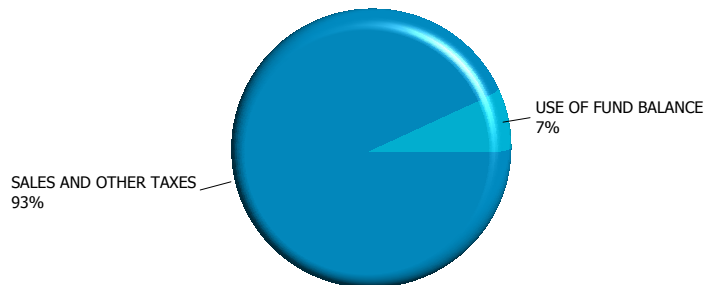
Expense by Category



Revenue 2016 - 2019
In Millions



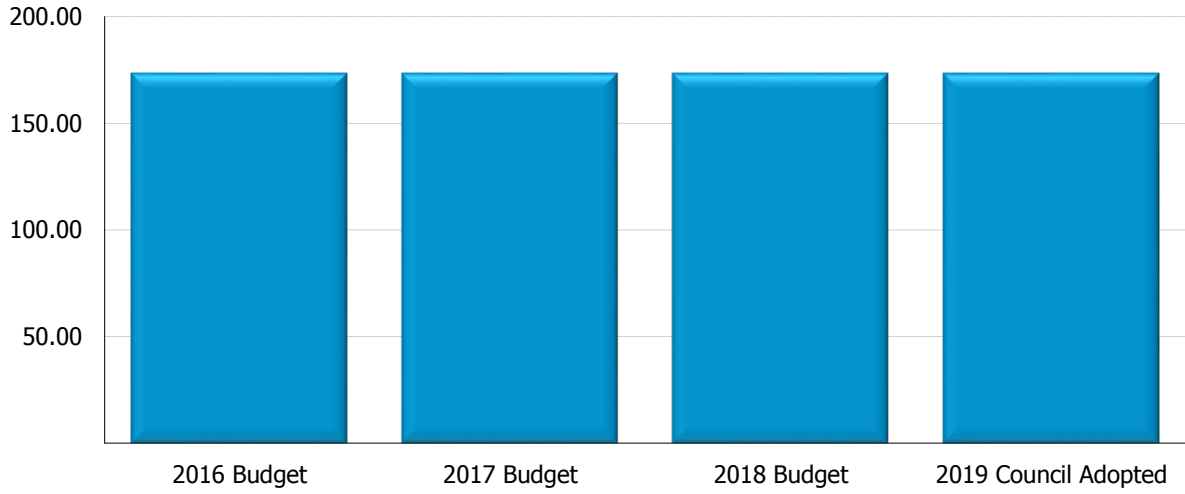
Revenue by Type



CONVENTION CENTER Staffing Information

Division	2016 Budget	2017 Budget	2018 Budget	2019 Council Adopted	% Change	Change
CONVENTION CENTER	172.10	172.10	172.10	172.10	0.0%	0
TARGET CENTER	1.20	1.20	1.20	1.20	0.0%	0
Overall	173.30	173.30	173.30	173.30	0.0%	0

Positions 2016-2019

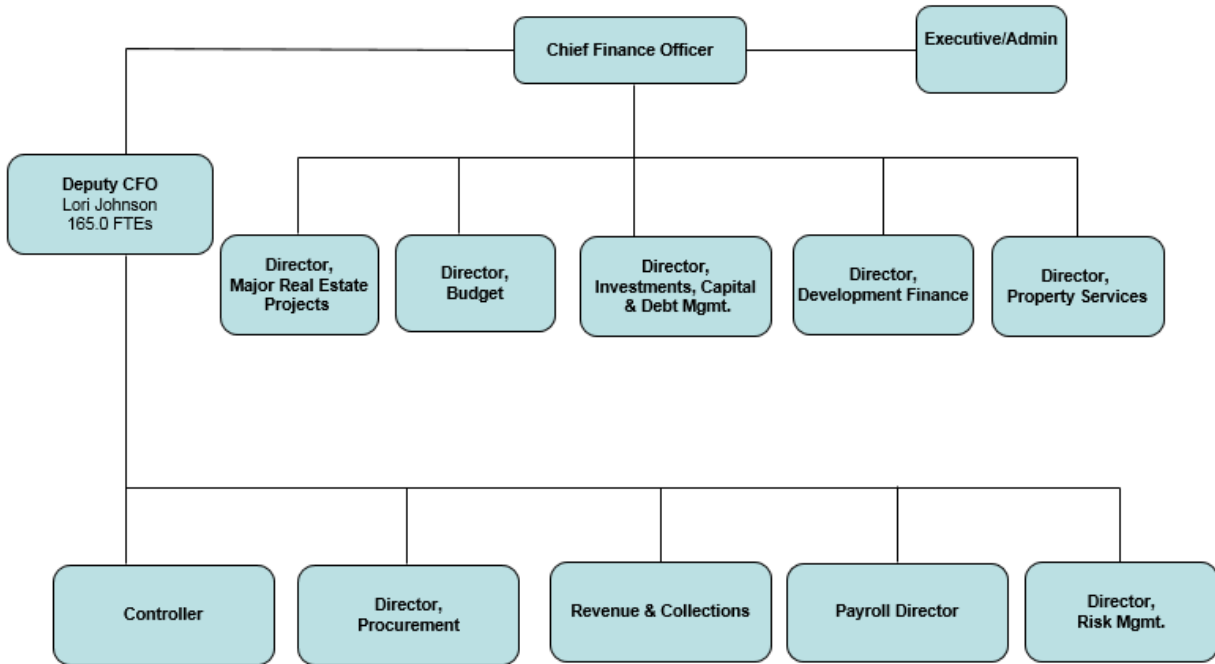


FINANCE & PROPERTY SERVICES DEPARTMENT

MISSION

Provide essential financial, resource and asset management services, and engage Enterprise partners in decision-making to uphold the City’s lasting vibrancy and strength.

Organization Chart



PERFORMANCE MEASURES

All data and analysis generated through the City’s performance measurement process, Results Minneapolis, can be found on the City’s website. Please visit <http://www.minneapolismn.gov/coordinator/strategicplanning/wcm:sp-199683> to find detailed information and analysis related to the budget programs listed below.

Controller

General Fund: \$7,571,000
Other Funds: \$257,000

This program plays a critical role in providing financial information to City policy-makers, City staff and decision-makers enabling them to perform their job more effectively and provide services to City residents. Information also is made accessible for external stakeholders such as the public, City investors, bond rating agencies, the State Auditor and grant agencies. A primary goal of this program is to ensure fiscal responsibility through monitoring and internal controls, and provision of financial information for strategic decision-making among department managers and leadership.

Key services provided by this program include: monitor and report department revenues and expenditures to managers and policy-makers including grant-related revenues and expenses, and report

this information to grantors, provide information on the City's human and financial resources using COMET (City of Minneapolis Enterprise Technology), prepare City's quarterly financial report and Comprehensive Annual Financial Report (CAFR), respond to internal and external audits, design and administer rate models that allocate shared costs for internal services and assist managers during the annual budget process and to provide financial analyses and pertinent information necessary to support City decisions and investment.

Procurement

General Fund: \$3,667,000
Other Funds: \$1,149,000

This program manages, facilitates and oversees bidding and contracting for, purchase of and payment for all goods and services for all City departments and independent boards. City departments and independent boards rely on this program for obtaining goods and services through open, competitive and cost effective processes that reflect City values, safe-guarding against malfeasance and for ensuring that vendors are paid in a prompt manner. Through this program external stakeholders also are invited and encouraged to work with the City and establish procurement relationships. Further, this program supports activities related to green purchases and strives to increase the percentage of green purchases throughout City departments, wherever possible.

Revenue & Collections

General Fund: \$6,967,000

Utility billing, a division within Revenue and Collections, is mandated by Minneapolis City Ordinance, is collaboration between the Finance and Property Services and Public Works Departments to invoice, collect revenue and provide specific utility customer account information related to the delivery of City water, sewer, solid waste and storm water services. The revenues generated sustain the operation of these departments making it imperative that revenues are billed and collected in an efficient and timely manner.

In addition, Accounts Receivable, a division within Revenue and Collections, performs accounts receivable activities for non-utility services provided by other City Departments.

Payroll

General Fund: \$1,839,000

This program effectively administers the provisions of twenty-three City labor agreements and labor-related pay work rules, numerous federal and state laws, and detailed chart of accounts coding used by some City departments to efficiently and accurately pay 5,000 to 7,000 City employees every two weeks (the number of City employees on the payroll fluctuates throughout the year). Through this program, the City also pays various benefit-related payments such as health and dental premiums, deferred compensation and mini-flex accounts as well as other payments such as union dues.

Risk Management & Claims

Other Funds: \$2,019,000

The goals of this program are the preservation of City assets, prevention of the loss of financial resources and injury to City employees, administration and management of workers' compensation claims and tort claims (liability claims under \$25,000), unemployment program administration as well as loss prevention activities, which include safety, OSHA, ergonomic programs and subrogation. This program plays a pivotal role in supporting the City in its ability to provide services to residents, administration of claims, and safety to the work environment, employees, and its citizens.

Executive / Administration

General Fund: \$680,000

The Finance Officer (CFO), a position defined by City Charter, is responsible for maintaining the City's financial health so that it can continue to provide a wide array of services to residents, business and visitors, and maintain public health and safety. In addition, this program provides strategic oversight and coordination of the department; and, human resource and administrative support for the department.

Budget

General Fund: \$1,549,000

This program is responsible for the management, planning, and oversight of the City's financial resources and commitments. In doing so, city departments are challenged to think of innovative and cost effective ways to provide their services and optimize the use of their resources. Policy-makers, City Department staff, residents and businesses rely on this program for information and direction on City finances, budget development and strategic use of resources.

Investments, Capital, and Debt Management

General Fund: \$724,000

This program oversees and manages the City's investment relationships to provide the best return on financial assets, is responsible for leading the capital budget process through CLIC, and for managing the city's debt. This program is also responsible for facilitating City bond issues, making debt service payments, and tracking the use of bond authority.

Development Finance

General Fund: \$1,635,000

This program provides financial management, analysis, planning and administrative services to the Community Planning and Economic Development (CPED) Department, the Neighborhood and Community Relations (NCR) Department, the Chief Financial Officer, and elected officials in support of the City's economic development and housing policies, objectives, programs, and projects.

Property ServicesGeneral Fund: \$264,000
Other Funds: \$23,154,000

The primary purpose of this program is to comprehensively and strategically provide for the land, facility, and furnishing needs of City owned, operated and leased facilities through various activities including preventive maintenance and corrective maintenance, routine cleaning and maintenance, construction, tenant improvements, space and asset management, and security and life safety needs. Also to provide centralized energy management services that support energy conservation, renewable energy and alternative fuels, and emissions reductions. Additionally, to provide centralized internal security management services that reduce risk to the City's Operating Departments. The goals of this program are to provide safe working environments for employees, their clients and visiting members of the public.

Financial Analysis**Expenditure**

The total Finance and Property Services Department's budget increases from \$49.1 million to \$51.5 million from 2018 to 2019. This is an increase of \$2.4 million, or 4.8%. The Finance and Property

Services Department's 2019 expenditure budget reflects the following changes from 2018: \$574,000 inflationary increases in personnel costs, \$1.9 million in budgetary change items, \$248,000 increase in cost allocation charges, elimination of 1.0 FTE from the controller division valued at \$114,000, and elimination of \$225,000 one-time expenditures from the 2018 budget.

Revenue

Revenues are projected to increase by 1.2% in this department due to increased rent charged to departments housed in City owned buildings for property maintenance and facility repairs. The department's total revenues in 2019 are projected to be \$24.9 million.

Fund Allocation

This department is funded primarily by Internal Service Funds (51.3%), with the remainder of the department's funding found in the General Fund (48.4%) and Special Revenue Grant funds (0.3%).

Budget Change items

Detailed change items are presented on the following pages.

Finance & Property Services

2019 Change Item

Finance Fellow

Program: Controller
Fund: General Fund - 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel	\$100	\$100	\$100	\$100	\$100	\$100
IT						
Fleet						
Contractual Services						
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$100	\$100	\$100	\$100	\$100	\$100
Personnel Impacts						
Change in FTE Count	2	2	2	2	2	2

Council Adopted Budget:

The City Council approves \$100,000 to fund 1.0 FTE for the Finance Fellow Program with authority for a second FTE that Finance and Property Services (FPS) will fund from other budgetary line items, both ongoing from General Fund resources.

Rationale/Background:

FPS has found it difficult to attract quality candidates to the City to fill positions with specialized knowledge such as accounting, accounts payable and accounts receivable roles. Often when the City hires people, it is from other governmental entities, which does not increase the overall diversity of people employed in public service. In addition, with limited staffing, FPS is not always able to adequately transition responsibilities and document procedures when long-term employees retire.

Description of the Change:

This is an expansion of a pathways program implemented in 2018 with two FTE’s. The program is modelled after a Ramsey County finance department program that has proven successful in attracting quality candidates to public service. The additional FTE “buys” a long-term and intentional program to inspire more public servants to work in the City. The 2019 change item is to expand the program from the currently budgeted 2.0 FTEs to 4.0 FTEs with new, on-going funding for only one of the FTEs.

The program has partnered with local colleges that have a non-traditional and diverse student body. This program has the benefit of improving communications and relationships between the City and faculty of local colleges. In addition to funding one of the FTEs from existing resources, FPS Leadership will assist in providing career growth opportunities by regular meetings with fellows. Leadership will also offer choices to fellows about what areas they have interest in and matching those interests with FPS opportunities for work. Fellows may work in one or more divisions during their two year term. Because it is a two year program, this second round of funding will enable the department to hire two fellows each year without additional budget requests in the future. These additional positions will help fill the knowledge gap as seasoned staff retires.

Finance Fellow

Equity Impact:

This program will impact women and persons of color who might not normally consider working for the City. By hiring people while they are in school or recently graduated, this program can introduce the City as an employer of choice and enable those participating in the fellowship to get a broad view of City services early in their careers. This program will increase the diversity in the Finance and Property Services department.

Results:

The specific measurement of success for this program is the number of women and people of color who are hired as well as the number of fellows that are hired into long-term positions in the City. For the 2018 fellowship, one candidate was a non-white female and one was a non-white male.

Finance & Property Services
Village Financial Cooperative

2019 Change Item

Program: Budget
 Fund: General Fund – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$500					
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$500					

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$500,000 one-time General Fund resources to continue to support the development and launch of Village Financial Cooperative for the purpose of providing banking services to underserved members of our community under such conditions established by the City.

Rationale/Background:

Minneapolis residents and businesses, much like those across the nation, continue to enjoy the effects of the economic expansion following the Great Recession. However, also like other areas of the nation, not all racial and socioeconomic groups are enjoying those effects equally. Instead, many groups continue to find less access to adequate banking services. These individuals and businesses, the unbanked or underbanked, need banking services, a pathway out of predatory lending cycles, and access to affordable capital. Village Financial Cooperative (Village) will be chartered as a Credit Union that will serve as a leader in closing this gap.

The City contracted with Village in 2018 to develop an implementation plan for a portfolio of depository and loan products to be made available to residents and businesses of the City of Minneapolis. At least one loan product will focus on the needs of small businesses that are financing building improvements and/or major production equipment and meet the requirements of participation loans under the City’s 2% Loan program through the Community Planning & Economic Development department (CPED).

As Village is engaging in this work with the City they are also working with a number of other individuals and organizations to establish space, receive a federal charter, and open their doors to customers in 2019.

Description of the Change:

The \$500,000 provided under this recommendation will be deployed to support the launch of Village and their development and provision of equitable banking services including:

1. Build-out of a cashless financial services facility in North Minneapolis equipped with a state-of-the-art core processor and full-service ATM.
2. All Access Checking and Savings Accounts for unbanked and underbanked Minneapolis residents.
3. Support the City's goal of closing the equity gap through Village's "Approve or a Plan" model under which a member will either be approved for a loan, or if the member is unable to meet the Village standards for creditworthiness, be provided an actionable plan to bring themselves up to being credit worthy. This is a comprehensive partnership pathway program ensuring Village never "deny" an application for a loan.
4. Launch a competitive Business and Personal CDs and Savings account portfolio.

Equity Impact:

An estimated 21% of Black Households are unbanked or underbanked, many depending on extractive and expensive check cashing and payday lending services. Mainstream banks have repeatedly failed the Black community by denying access to business loans and in the foreclosure and other recent banking crisis. In Minnesota communities of color, particularly Black and Latino businesses, continue to face barriers to economic inclusion in accessing capital and through procurement efforts.

According to an American Express Open report, women-owned firms are growing fastest in number and employment. Businesses owned by minority-owned firms outpace non-minority women-owned firms. In Minnesota, Black women entrepreneurs are outpacing all their peers but barriers to financial capital and inclusive financial services stifle the prosperity of the community and the city at large. The Latino community faces similar challenges. Even when they have access to banking through the ability to make deposits, these communities report that they are not able to gain access to loans. A public purpose of the City's assistance to Village is to promote economic development in these communities through access to capital.

Village is an outgrowth of a local organization, the Association for Black Economic Power (ABEP), as an intentional strategy of the Black community in and beyond North Minneapolis. Village will be owned by all its members who represent many ethnicities and racial groups. However, as a Black-led credit union it will be focused specifically on correcting for this systemic racism and building wealth in the Black community. Membership will be open widely to a number of individuals, including anyone who lives, works, or is educated in Hennepin or Ramsey Counties.

Results:

Village has over \$3,000,000 in pledged deposits from the community and the number keeps growing. Village will provide a clear pathway for businesses to access capital, which has been cited as a key barrier to economic inclusion and the growth of our economy. They will work with their members to eliminate debt from payday loans and establish financial health and security for their families. As a community development credit union they will circulate money within the membership, creating wealth and reinvesting in and transforming the community. Village will begin lending, providing CDs, savings accounts, and checking accounts on Juneteenth, 2019.

Finance & Property Services

2019 Change Item

Supplier Diversity Staffing

Program: Procurement
 Fund: General Fund – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel	\$101	\$101	\$101	\$101	\$101	\$101
IT						
Fleet						
Contractual Services						
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$101	\$101	\$101	\$101	\$101	\$101

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count	1	1	1	1	1	1

Council Adopted Budget:

The City Council approves \$101,000 ongoing General Fund resources for 1.0 FTE to facilitate the implementation of three new procurement modules in January 2019.

Rationale/Background:

In late 2016 with the passing of the Target Market Program (TMP) ordinance, the City Council approved the automation of the city procurement process to provide the much-needed infrastructure to support the new initiative around supplier diversity, increase spending transparency, eliminate the current manual processes resulting in long cycle times, frequent reworking of contracts and insufficient overall service to the city. The department is scheduled to implement three new modules; eSupplier, Strategic Sourcing and Supplier Contracts in January of 2019. To sustain the new process, additional FTEs are needed in Procurement. Currently, part of the work (bids) are all done in Procurement, while sourcing for professional services is being done at the departments. The ‘future’ process is providing for consistency where all the sourcing will be done in Procurement.

The new process will be instrumental in helping foster inclusion through economic growth especially that of emerging, small women and minority owned businesses. Through the new system, the department will have the ability to capitalize on strategic sourcing and category management. This will be data driven and will cover such areas as current and target spending goals. Automating the bidding and RFP processes will provide the tools for the city to determine all the businesses in a given category and more easily make solicitations available to relevant suppliers. It will also allow businesses to express interest in city bidding opportunities and submit responses electronically. Additionally, there will be better reporting of metrics related to purchases by City departments.

Finance and Property Services Department is re-defining workloads and re-purposing the current positions to better align with the critical needs of the new process equal to one position.

Supplier Diversity Staffing**Description of the Change:**

This is a new initiative based on a council directive from December 2016. Currently, both the bid and contract management processes are operating on a paper process and are completely manual. Annually, Procurement processes an average of 1,800 bids (both formal and informal) and over 1,500 professional service contracts. In addition, currently, there are over 6,000 active contracts. All these contracts are constantly being amended or being touched in one way or another within the year. The work related to 1,800 bids is mostly centralized at Procurement and there are 3.0 FTE Buyers to handle the work.

The selection and award of the 1,500+ professional service contracts work is currently being done at the department level, (including Park Board and MBC). The contracts are then forwarded to Procurement for final review and execution. There is only one (1) Buyer in Procurement for this work. In the new system, this current process will be changed to better support the departments in the buying process and hence the change item for additional 1.0 FTE.

With the new process aiming at bringing consistency where all the sourcing will be done at Procurement, it will be addressing the current pain points at the City:

- Increase transparency and accountability in sourcing
- Affirm contract compliance requirements under the Small and Underutilized Business Program (SUBP) as well as ensure the businesses have an approved Affirmative Action Plan in place before contract award.
- Administering and supporting supplier diversity goals
- Streamline and increase timely flow of information between collaborators (Departments, City Attorney's Office, Risk Management, Civil Rights and Businesses (vendors), for faster processing
- Contract monitoring
- Track supplier performance and compliance
- Enforce compliance with procurement laws, policies and procedures – of importance is ensuring that departments have secured funds for a purchase before bidding or getting into a contract.

The new process will go live in January 2019, so the additional FTEs will be needed prior to this date for a smooth transition.

Equity Impact:

The new procurement process and the centralization thereof will be a tool to advancing equity and inclusion with the business community leading to economic growth. The modules being implemented provide for ease of registration (self-service) to be notified of bidding opportunities. It will also allow businesses to express interest in City bidding opportunities and submit responses electronically.

It is important to note that the Target Market Program (TMP) MarketPlace will now be housed in one of the modules. Based on the registration requirements and data collected, with a keystroke, Procurement will be able to see and filter business by their group orientation amongst other criteria. For purchases up to \$100,000 that are TMP eligible, the department will be able to directly solicit, with ease, to these groups and others as opposed to them looking for available opportunities with the City. Finance and Property Services department will also be in a position to gauge their participation and response to solicitations (since all responses will be submitted electronically) to identify areas of training and support.

This information will also be a resource for departments to assist them in meeting their supplier diversity goals. In the event that a race and gender specific subset is adopted as per the supplier diversity exploratory work underway, this new centralized process will provide the infrastructure for facilitation and enforcement

Supplier Diversity Staffing**Results:**

- Increase transparency and accountability in sourcing
- Affirm contract compliance requirements under the Small and Underutilized Business Program (SUBP) as well as ensure the businesses have an approved Affirmative Action Plan in place before contract award.
- Administering and supporting supplier diversity goals
- Streamline and increase timely flow of information between collaborators (Departments, City Attorney's Office, Risk Management, Civil Rights and Businesses (vendors), for faster processing
- Robust Contract management
- Track supplier performance and compliance.
- Enforce compliance with procurement laws, policies and procedures – of importance is ensuring that departments have secured funds for a purchase before bidding or getting into a contract.

Performance Measures

- Managing total cost as a measure of effectiveness in terms of outcomes such as best practices in achieving better prices, managing specifications, timely completion of work etc.
- How well the City is engaging, managing and collaborating with suppliers (businesses)
- Better and more accurate reporting of metrics related to purchases by City departments including spend with diverse suppliers.
- Managing internal operations and customer (departments and boards) satisfaction by measuring cycle times, internal procurement function costs and customer satisfaction with the procurement function.
- If not a delivered functionality with the system, the department is customizing the system to facilitate data collection.
- The data will be communicated through various means:
 - The department has ensured the provision of a dash board in the system where at any given time, customer departments will, in real-time, see:
 - their participation in the Target Market Program
 - an analysis of their diverse spend
 - their progress in their goal achievement towards Supplier Diversity
 - Enterprise-wide reports of metrics related to purchases by City departments
 - Presentations and trainings, handouts etc.

Finance & Property Services
New Budget System

2019 Change Item Request

Program: Budget
Fund: General Fund – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
Current Budget System Maintenance Fees	\$60	\$60	\$60	\$60	\$60	\$60
Expenditures						
Personnel						
IT	\$266	\$266	\$266	\$266	\$266	\$266
Fleet						
Contractual Services						
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$206	\$206	\$206	\$206	\$206	\$206

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$206,000 ongoing General Fund resources to buy and deploy a new enterprise budgeting solution.

Rationale/Background:

The current budget system is built in a software environment that will cease to be supported by the vendor in the next three years. As a result, the City needs to buy or build a new software platform to fulfill the Charter requirement to produce an annual budget.

The full cost of this software is approximately \$266,000 per year but some of that expense is offset by dollars currently being spent on maintenance of our current budget system – as a result, the net budgetary impact is reduced to \$206,000.

Description of the Change:

It is imperative that the City act now to replace its aging budget platform. Section 9.3(a)(3) of the City charter lays out the requirements of a budget document which must be produced annually by the Mayor no later than August 15th. Given the size and complexity of the City’s budget, which surpassed \$1.5 Billion in 2018, we simply must have a modern and reliable technology solution to support the budget’s development.

The City has been engaged with a new vendor in the public finance software sector – OpenGov – since 2014 to provide its online Financial Transparency platform. In 2017, OpenGov launched a new budget software product. The Budget Office has been testing that software through the first half of 2018 to determine whether or not it could serve as a viable replacement to our current system and we believe that it could.

The budgeting product is sold as a Software As A Service (SAAS) product, which means we are not responsible for maintaining servers or updating software versions as they become outdated over time. In the alternate, as OpenGov continues to improve the product and roll out new features, these will be incorporated in real time to

the City’s budget tool – ensuring that we’re able to capitalize on the most recent technological advances in budgeting software as they’re available. Over the next 6 months alone OpenGov plans to deploy:

- personnel cost forecasting tools which will help us more accurately plan for one of the largest expenditures in our budget;
- a strategic initiatives module which will allow policymakers to plan for and prioritize spending across departments, but within a particular strategic initiative such as the push for more affordable housing, or the improvement of community-police relations;
- and, additional modules to help allocate central costs across all departments, and to track transfers across funds.

The other primary benefit associated with the OpenGov budgeting tool is its association with another product called Wdesk. Through, Wdesk we will be able to publish the financial information found in our budget book at the push of a button. It currently takes a team of four budget analysts a month to produce the Mayor’s Adopted budget book, and another month to produce the Council Adopted budget book. With the implementation of the Wdesk tool we assume that it will only take a week to produce each document. This will yield a savings of roughly 400 hours, or 0.2 FTE. This capacity will be used within the Budget Office to provide additional financial analysis to help support department heads and policymakers to deploy City resources to the greatest effect for residents and visitors.

Finally, as the City has already engaged with OpenGov to test the budgeting product, implementation will be seamless. The Budget Office anticipates being able to deploy across all departments by the end of January, 2019 in order to begin development of the 2020 budget a few months later.

Equity Impact:

The City’s budget is itself a tool to use in the fight to eliminate disparities across Minneapolis. As we are beginning to refine our processes to ferret out ways that spending on particular initiatives will impact different Racial and Ethnic Groups, Lesbian, Gay, Bisexual, Transgender, Queer, and Gender Non-Conforming groups, it is important too that we improve our technological tools to help us collect and act on this information. The aforementioned strategic initiatives module can be deployed to that end so that policymakers can understand which change items have positive equity impact, and to what extent their proposed investments will help to eliminate disparities.

Results:

In addition to maintaining our ability to meet the City’s legal obligations as outlined in our Charter, the most visible and measurable impact of this change will be a reduction in the time it takes to produce the City’s budget book.

Name of Measure	Current	Projected	Dates
Hours spent preparing the Budget Book	500+	100+	2018, 2019

Finance and Property Services Fee Study

2019 Change Item Request

Program: Budget
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services						
Other	\$50					
Net Budgetary Impact						
Expenditures - Revenues	\$50					

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$50,000 one-time from the General Fund to build on the 2018 fee study, performing a best practices analysis related to certain business licenses (including Food, Lodging, and Pools and other license types).

Rationale/Background:

Until 2012, the City of Minneapolis regularly updated its Business License Fee Schedule on an annual basis – typically by the annual cost of inflation, or around 2%. In 2012 that practice stopped and the Business License Fee Schedule remained constant through 2018, with the exception of pollution control licenses which were adjusted for inflation in 2013, and rental housing licenses which were structurally modified in 2016 to begin to include prices that reflect the level of work required for properties that fall farther out of code compliance.

At the direction of the City Council, and in conjunction with partners in Community Planning and Economic Development (CPED), the Health Department, and Regulatory Services, FPS conducted a comprehensive fee study in 2018. This study focused on evaluating whether and how the prices of each business license raised enough revenues to cover the current level of regulatory activity performed by the City – including all direct and appropriate overhead expenses.

The results of the 2018 study were clear: after holding fee pricing flat over the years, while at the same time in some cases adding staff and increasing regulatory activities, the City now faces a shortfall of license revenues as compared to the cost of regulation and licensure. In total, that gap was projected to be over \$12M for 2017 (the last year for which complete data are currently available).

Business license fees, including those related to Food, Lodging, and Pools, are increasing by an inflationary amount for 2019 – however during the discussion about the revenue shortfall, policymakers raised questions about whether we’re currently engaged in the “right” level of regulatory activity. Just as a shortfall in revenues can be solved by increasing fees, it is also possible to eliminate the gap by reducing regulatory expense.

Description of the Change:

Funds provided under this recommendation will be used to contract with an outside consultant to help the City determine what the appropriate level of regulatory activity is, particularly as it relates to on-site inspections. In performing this analysis, the consultant should consider all legal requirements outlined in state statute, municipal code, and issued by the federal government. The consultant will also review the level of inspection performed by other cities in the metro region and peer cities across the country.

Equity Impact:

Small businesses are seen as a primary economic opportunity for minority- and women-owned businesses across Minneapolis. Regulation of these small businesses is an essential component of safe-guarding their products for Minneapolis residents, but it can also be seen and felt as an impediment to success and viability in the marketplace. In performing a study on the proper level of inspection and regulation, and then following up on and adjusting our regulatory and inspections activity to match the study results, we can be sure that the City is doing what it must to provide consumer protections while also doing what it can to reduce barriers to participation in our economy.

Results:

The direct results of this study will be measured as whether or not it was completed. However, its impact will be felt and can be measured in a number of ways:

- Number of inspections in performed in excess of (or below) best practice
- Level of fee revenues in excess of (or below) regulatory expense
- Level of property tax subsidy of regulatory activity
- Level of property tax subsidy of regulatory activity in excess of (or below) policymaker intent

**FINANCE AND PROPERTY SERV
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	10,871,000	11,270,000	12,536,000	13,137,000	4.8%	601,000
FRINGE BENEFITS	3,861,000	4,044,000	4,889,000	4,794,000	-1.9%	-95,000
CONTRACTUAL SERVICES	5,620,000	5,690,000	4,537,000	5,100,000	12.4%	563,000
OPERATING COSTS	950,000	1,120,000	939,000	908,000	-3.3%	-31,000
CAPITAL	2,000	2,000	8,000	958,000	11,875.0%	950,000
TOTAL GENERAL	21,304,000	22,126,000	22,909,000	24,897,000	8.7%	1,988,000
DEBT SERVICE						
OPERATING COSTS		100,000		0		
TOTAL DEBT SERVICE		100,000		0		
SPECIAL REVENUE						
SALARIES AND WAGES	126,000	105,000	117,000	118,000	0.9%	1,000
FRINGE BENEFITS	32,000	28,000	44,000	43,000	-2.3%	-1,000
TOTAL SPECIAL REVENUE	158,000	133,000	161,000	161,000		
INTERNAL SERVICE						
SALARIES AND WAGES	6,033,000	6,497,000	6,535,000	6,765,000	3.5%	230,000
FRINGE BENEFITS	2,402,000	4,188,000	2,678,000	2,630,000	-1.8%	-48,000
CONTRACTUAL SERVICES	14,248,000	17,719,000	11,537,000	11,752,000	1.9%	215,000
OPERATING COSTS	1,387,000	2,251,000	1,481,000	1,579,000	6.6%	98,000
CAPITAL	151,000	40,000	3,798,000	3,692,000	-2.8%	-106,000
TOTAL INTERNAL SERVICE	24,221,000	30,695,000	26,029,000	26,418,000	1.5%	389,000
TOTAL EXPENSE	45,683,000	53,054,000	49,099,000	51,476,000	4.8%	2,377,000

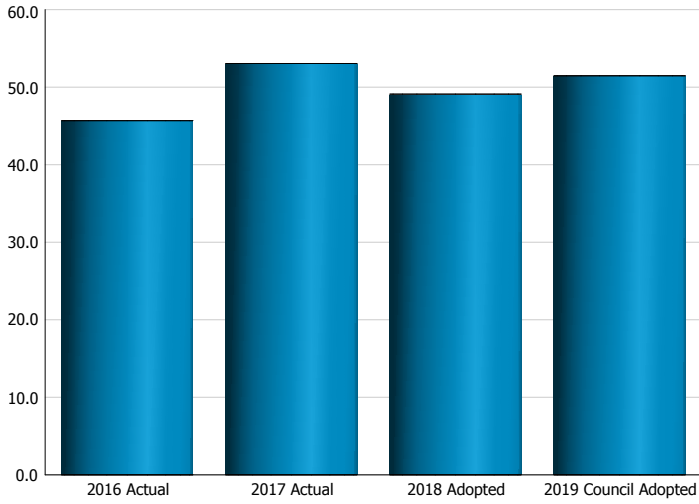
REVENUE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SALES		1,000		0		
CHARGES FOR SERVICES	20,000	21,000		0		
OTHER MISC REVENUES	39,000	37,000		0		
GENERAL	59,000	59,000				
DEBT SERVICE						
INTEREST		-908,000		0		
DEBT SERVICE		-908,000				
INTERNAL SERVICE						
CHARGES FOR SALES	611,000	646,000	610,000	625,000	2.5%	15,000

**FINANCE AND PROPERTY SERV
EXPENSE AND REVENUE INFORMATION**

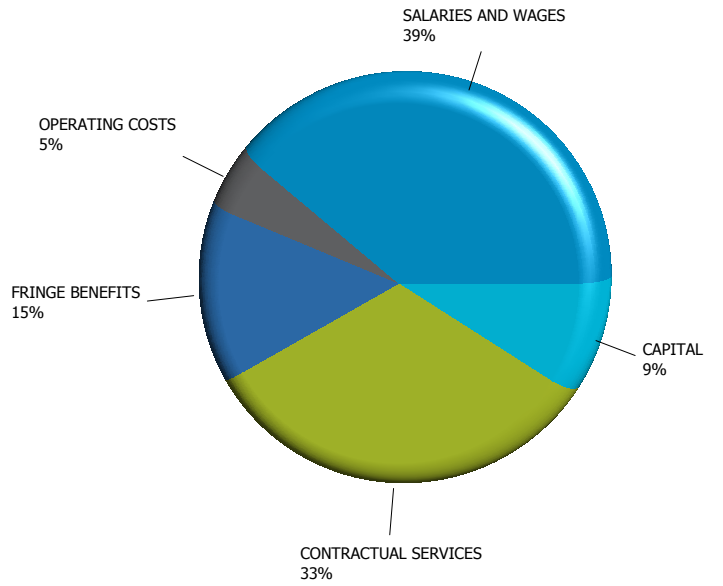
REVENUE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
CHARGES FOR SERVICES	5,273,000	7,306,000	2,806,000	2,833,000	1.0%	27,000
OTHER MISC REVENUES	11,000	251,000	3,000	3,000		
RENTS	19,944,000	20,284,000	20,227,000	21,281,000	5.2%	1,054,000
STATE GOVERNMENT		3,000		0		
USE OF FUND BALANCE			952,000	151,000	-84.1%	-801,000
INTERNAL SERVICE	25,839,000	28,490,000	24,598,000	24,893,000	1.2%	295,000
TOTAL REVENUE	25,898,000	27,641,000	24,598,000	24,893,000	1.2%	295,000

FINANCE AND PROPERTY SERV EXPENSE AND REVENUE INFORMATION

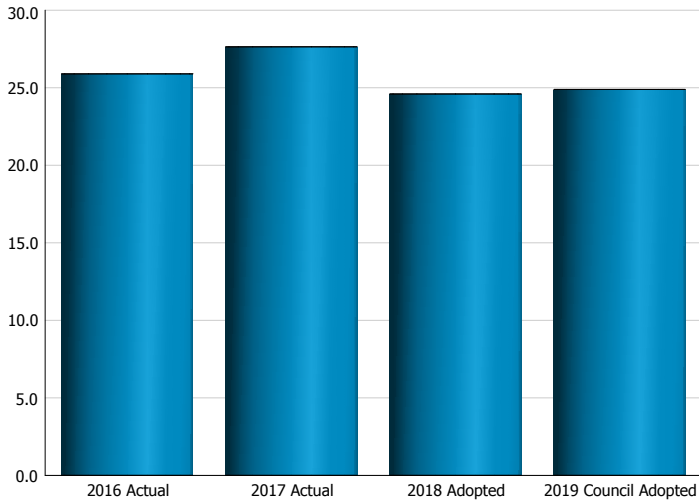
Expense 2016 - 2019
In Millions



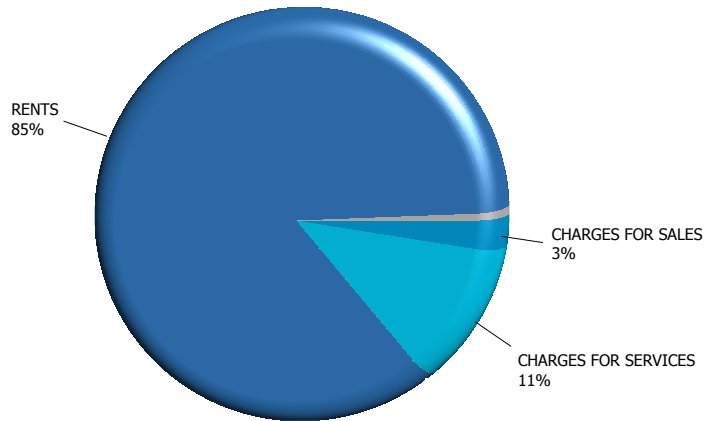
Expense by Category



Revenue 2016 - 2019
In Millions



Revenue by Type

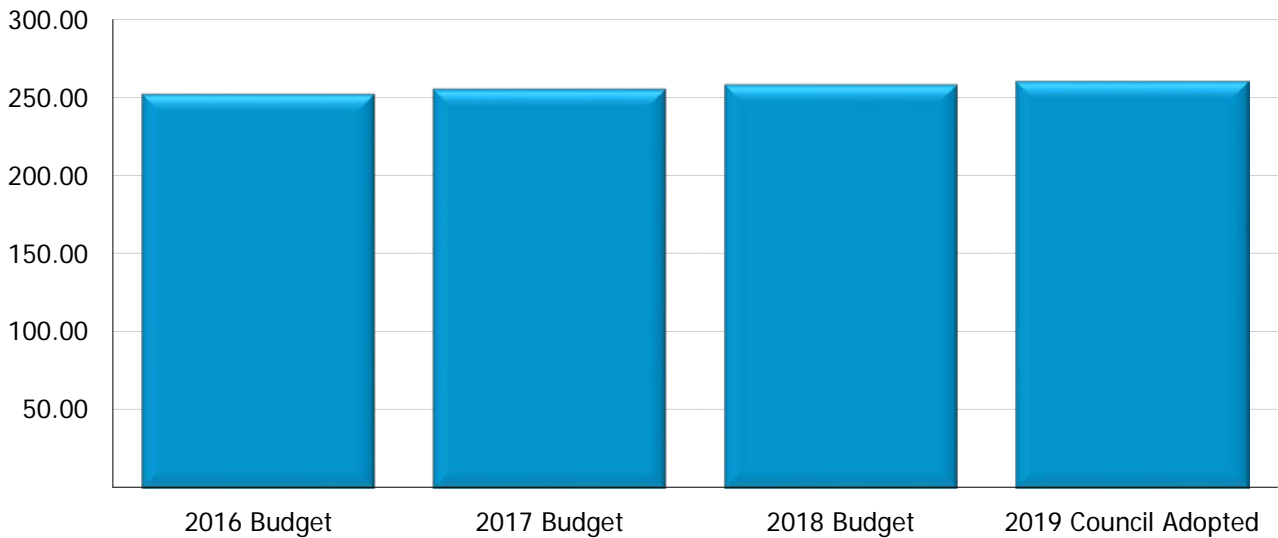


FINANCE & PROPERTY SERVICES DEPARTMENT

Staffing Information

Division	2016 Budget	2017 Budget	2018 Budget	2019 Council Adopted	% Change	Change
CONTROLLER	68.00	68.00	74.00	75.00	1.4%	1.00
DEVELOPMENT FINANCE	11.00	10.00	10.00	10.00	0.0%	0
EXECUTIVE	6.00	6.00	4.00	4.00	0.0%	0
MANAGEMENT & BUDGET	8.00	9.00	5.00	5.00	0.0%	0
INVESTMENT CAPITAL & DEBT			3.00	3.00	0.0%	0
PROCUREMENT	27.00	29.00	39.00	40.00	2.6%	1.00
PROPERTY SERVICES	68.50	68.50	69.50	69.50	0.0%	0
RISK MANAGEMENT	9.00	9.00	9.00	9.00	0.0%	0
TREASURY	55.00	56.00	45.00	45.00	0.0%	0
Overall	252.50	255.50	258.50	260.50	0.8%	2.00

Positions 2016-2019



HUMAN RESOURCES DEPARTMENT (HR)

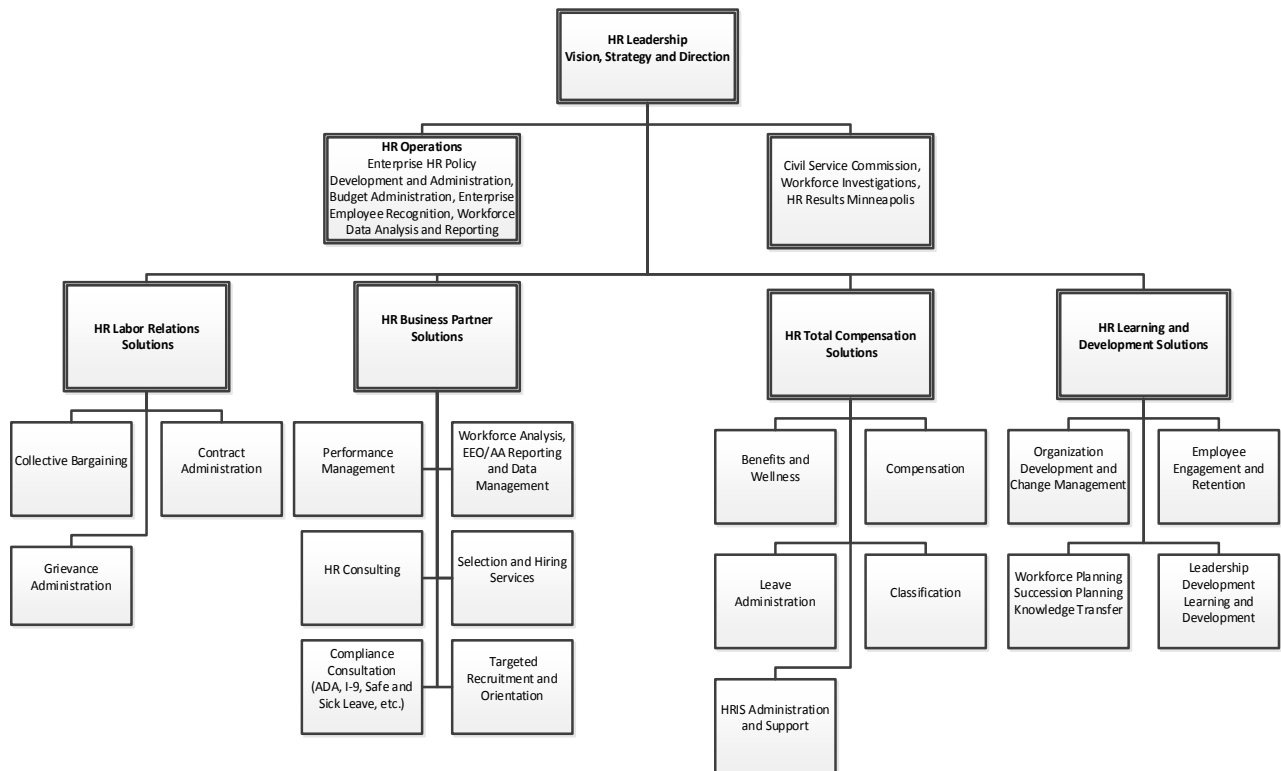
MISSION

To attract and engage the best workforce to serve our community.

Human Resources team members demonstrate the following professional qualities, competencies and behaviors:

- **Strategic.** Provide people strategies in alignment with the City’s vision and goals.
- **Talent-driven.** Recruit and retain great people to the City and help employees do their best work.
- **Partners.** Work hand in hand with leaders by providing innovative, value-added Human Resource solutions.
- **Ethical and Respectful.** Create policies, practices and processes designed to promote equity and fairness in employee decisions.

ORGANIZATION CHART



PERFORMANCE MEASURES

All data and analysis generated through the City's performance measurement process, Results Minneapolis, can be found on the City's website. Please visit <http://www.minneapolismn.gov/coordinator/strategicplanning/wcmsp-199683> to find detailed information and analysis related to the budget programs listed below.

HR Administration

General Fund: \$2,429,000
Other Funds \$627,000

Provides enterprise-wide HR leadership and oversight by ensuring the HR strategic direction aligns with City values and goals, ensures fair HR practices in hiring, selection and promotions, ensures EEO and Affirmative Action goals are developed and integrated into enterprise-wide business plans and ensures the integration of racial equity processes in HR programs, policies and practices. HR Administration also ensures that HR practices align with local, state and federal laws and Civil Service rules.

HR Business Partner Solutions

General Fund: \$2,869,000
Other Funds: \$86,000

Supports the City's goals and values by ensuring effective, value added, human resource services that align and support business objectives through collaboration and strategic partnership with City leaders. Services are focused on attracting, retaining, leading and managing the City's increasingly diverse workforce.

HR Learning & Development Solutions

General Fund: \$1,165,000

Helps City employees develop their knowledge and skill to accomplish the City's key strategic initiatives while growing their careers. We engage and retain our increasingly diverse workforce by offering a variety of programs and services designed to support their development.

HR Labor Relations Solutions

General Fund: \$592,000

Carries out the City's legal obligations under the Minnesota Public Employee Labor Relations Act (PELRA). The division leads and manages all areas of labor relations including the collective bargaining, administration and implementation of 23 collective bargaining agreements. In addition, HR Labor Relations Solutions oversees and implements the City's grievance process. The key activities essential in this program are: negotiate collective bargaining agreements, administer and interpret collective bargaining agreements to insure compliance, provide guidance to City departments on implementation and contract compliance, manage the grievance process, including hearings and addressing third step grievances, oversee contract administration.

HR Total Compensation Solutions

General Fund: \$655,000
Other Funds: \$1,405,000

Provides leadership and management in the areas of compensation, classifications, benefits, wellness and leave administration. The key services provided in this program are: Benefits and Wellness - develop strategy, design, negotiate and implement health and wellness programs and all other benefit programs, including leaves, Classification Administration - Evaluate work in the context of all other work in the City

and maintain the integrity of the classification system. (MN Statutes 471.991-999 and MN Rules Chapter 3920), Compensation Administration - Maintain competitive pay and ensure internal equity based on compensable factors (MN Statutes 471.991-999 and MN Rules Chapter 3920).

Financial Analysis

Expenditure

The total Human Resources Department's budget increases from \$9.4 million to \$9.8 million from 2018 to 2019. This is an increase of \$406,000, or 4.3%. The 2019 expenditure budget reflects \$252,000 inflationary increases in personnel costs and job reclassifications, and \$150,000 in budgetary change items.

Revenue

Revenues are projected to increase by 9.2% in this department due to increased charges for services to align with expenses included in the cost allocation model. The department's total revenues in 2019 are projected to be \$2.0 million.

Fund Allocation

This department is funded primarily by the General Fund at 78.5%, with the remainder of the department's funding found in the Self Insurance fund at 21.5%.

Budget Change items

Detailed change items are presented on the following pages.

Human Resources
Human Capital Management System Evaluation

2019 Change Item

Program: HR Administration
Fund: General Fund - 00100/ Self Insurance Fund - 06900

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$150					
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$150					

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$150,000 one-time resources (\$75,000 from General Fund and \$75,000 from Self Insurance Fund) for evaluating transitioning of HR and payroll from existing Oracle PeopleSoft HRIS to a more flexible and cloud based Human Capital Management System (HCMS).

Rationale/Background:

The existing Oracle PeopleSoft HRIS for HR and Payroll was first implemented over 20 years ago (Went live in September of 1997). The current HRIS is expensive to maintain, support and upgrade. Although the City has kept current with basic system updates we are still not using all existing system functionality many of which are key to future business and workforce related operations. This change item aligns with the existing City Goal of a City that Works: City government runs well and connects to the community it serves and the supporting strategic directions associated with this goal.

In the long-term, many of the existing HR, Finance & Property Services, and IT resources that are used to support and maintain the existing Oracle PeopleSoft HRIS can be eliminated. An estimated annual savings of \$885,000 to \$1.1 million will be realized due to reductions in system maintenance, staffing levels, etc.

Description of the Change:

The change item dollars will allow the City to initiate the necessary efforts to explore moving to new integrated HCMS and Payroll Management System. The following is the breakdown of resources need over time:

- Up to \$4.5 million dollars beginning with an initial investment in 2019 of \$150,000.
- 2019 - Phase I: Retain consultant to document business requirements and assist in preparation of RFP. This phase of the project is critical to ensure business requirements are documented correctly and with appropriate systems and marketplace expertise.
- 2020 - Phase II: Select future vendor and begin implementation of new HCMS.
- 2021 - Phase III: Implementation of new HCMS completed. System goes live.

Human Capital Management System Evaluation

This is an initiative that will lead to the improvement of our HR and Payroll systems. Before releasing an RFP, HR (and Finance & Property Services) plans to retain a consultant in 2019 to begin and complete Phase I of the project. The consultant will assist the City to document business requirements and assist in preparation of the RFP. This phase of the project is critical to ensure business requirements are documented correctly along with having the necessary expertise.

Below are examples of what may be impacted by the implementation of the new system:

- Contracts with service providers: The City of Minneapolis currently has contracts with the following vendors that support existing HCMS and Payroll (Annual Costs):
 - Oracle PeopleSoft HCM (\$385,000)
 - Oracle database for HCM (\$45,000)
 - Data Storage (\$50,000)
 - Halogen (\$155,000)
 - Sogeti for Workforce Director (\$420,000)

In addition to the above, the City recently extended its contract with Government Jobs.com (NeoGov) for five years. NeoGov provides applicant tracking cloud based solution to the City.

- Administrative or programmatic capacity: If the City moves to a cloud based HCMS and Payroll system many of the costs listed above can be reduced or even eliminated. In addition there is the potential that a number of FTEs in various departments could be eliminated that currently support Oracle PeopleSoft. Information technology: Implementation of a new cloud-based system would cost approximately \$4.5 million. However, after implementation, the overall cost of system maintenance, licensing, staffing requirements would result in annual savings to the City between \$885,000 - \$1.1 million. (Source: IT). The City would recoup its initial investment in four to five years. The new cloud based system would have more of the functionality the City needs.

Overall savings could include staff reductions in IT, HR and Finance (Payroll). These employees maintain the current Oracle PeopleSoft system. The City also plans to integrate with ServiceNow – a technology being built out in HR and IT and also used by other departments to increase efficiency and improve customer service. Internal – Finance & Property Services and IT.

Organizations that implement a cloud based HCMS also typically see a 12% reduction in overall overtime costs due to real-time reporting which allows managers and supervisors greater visibility and flexibility in decisions regarding staffing. The City's overtime costs were more than \$15 million in 2017. Even a 5% reduction in overtime would yield over \$750,000 in annual savings. (These numbers were not included in the cost savings calculations.) We are proposing a four (4) year transition and implementation plan beginning in 2019 to move HR and Payroll to a more flexible and cloud based technology system.

Equity Impact:

Eventually all employees will be impacted by a new HCMS albeit through information access, benefits administration, reporting their time or enrolling in learning and development opportunities. Employees have greater expectations regarding technology than ever before. It is our belief that having a more consistent and integrated system will provide a more positive user friendly experience for employees. There will be also more access for field staff due to mobile application features afforded by newer technology.

A new HCMS will have better reporting systems giving City Leaders access to more information/ data about the employees in their department or under their span of control. This information will help leaders have the tools and resources to run their departments more effectively. The system will also allow HR staff to quickly identify

Human Capital Management System Evaluation

trends and/or practices that potential to have a disparate impact on employees (compensation practices, performance review results, etc.)

Results:

Increased efficiency and effectiveness; Because there are so many manual processes involved in the existing system, staff spend quite a bit of time reworking and or redoing their work which often results increased labor costs in the form of overtime. In addition to the increased efficiencies gained, the new HCMS will increase the HR department's ability to be more agile, responsive and flexible resulting in a more positive user experience.

Because the system has greater reporting capabilities, the City will have stronger reports/dashboards which can be communicated and utilized in the following ways by the following:

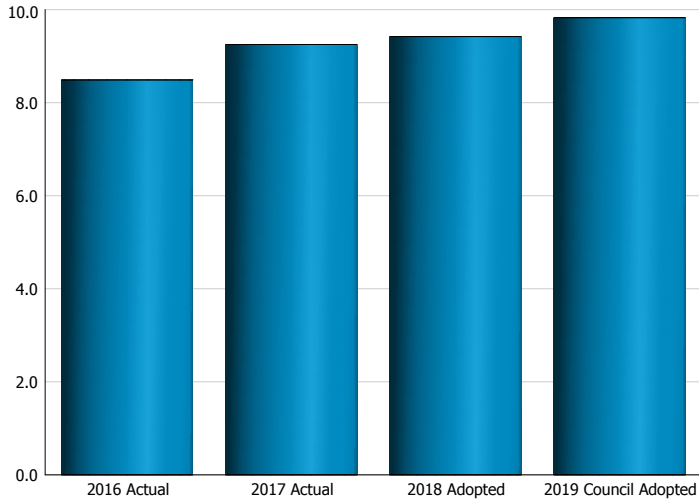
- Enterprise Committee
- Budget planning – (Workforce needs, personnel costs)
- Workforce and Succession planning
- Council Study Sessions
- Internal Audit Committee
- Results Minneapolis dashboards
- Compliance reporting (EEOC, Affirmative Action, Workers Compensation, FMLA, etc.)
- Enterprise Workforce reporting
- Perform Minneapolis
- Training and Development Records (including Ethics and ADHR training)
- Department Head Meetings
- City Website - Dashboards
- Internal and external personnel data requests
- Quarterly HR business meetings with Management teams
- Other key information can also be used to assist in making business and policy decisions

HUMAN RESOURCES EXPENSE AND REVENUE INFORMATION

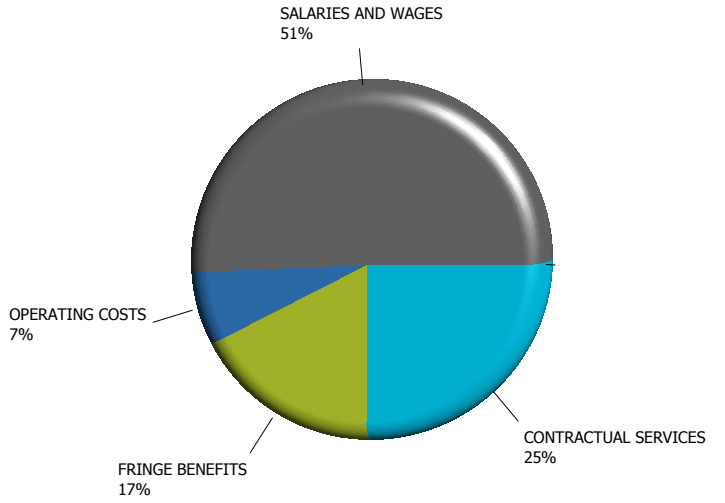
EXPENSE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	3,260,000	3,406,000	3,803,000	3,960,000	4.1%	157,000
FRINGE BENEFITS	1,133,000	1,189,000	1,359,000	1,367,000	0.6%	8,000
CONTRACTUAL SERVICES	1,497,000	2,008,000	1,728,000	1,722,000	-0.3%	-6,000
OPERATING COSTS	676,000	690,000	675,000	661,000	-2.1%	-14,000
TRANSFERS		2,000		0		
TOTAL GENERAL	6,566,000	7,295,000	7,565,000	7,710,000	1.9%	145,000
SPECIAL REVENUE						
CONTRACTUAL SERVICES				0		
OPERATING COSTS		1,000		0		
TOTAL SPECIAL REVENUE		1,000		0		
INTERNAL SERVICE						
SALARIES AND WAGES	886,000	879,000	935,000	1,019,000	9.0%	84,000
FRINGE BENEFITS	312,000	568,000	341,000	349,000	2.3%	8,000
CONTRACTUAL SERVICES	719,000	499,000	567,000	736,000	29.8%	169,000
OPERATING COSTS	6,000	9,000	13,000	13,000		
TOTAL INTERNAL SERVICE	1,923,000	1,955,000	1,856,000	2,117,000	14.1%	261,000
TOTAL EXPENSE	8,489,000	9,251,000	9,421,000	9,827,000	4.3%	406,000
REVENUE						
	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
OTHER MISC REVENUES	1,000			0		
GENERAL	1,000					
SPECIAL REVENUE						
TRANSFERS IN		2,000		0		
SPECIAL REVENUE		2,000				
INTERNAL SERVICE						
CHARGES FOR SERVICES	1,587,000	1,772,000	1,850,000	2,020,000	9.2%	170,000
FINES AND FORFEITS	25,000	10,000		0		
OTHER MISC REVENUES	2,000	70,000		0		
INTERNAL SERVICE	1,614,000	1,852,000	1,850,000	2,020,000	9.2%	170,000
TOTAL REVENUE	1,615,000	1,854,000	1,850,000	2,020,000	9.2%	170,000

HUMAN RESOURCES EXPENSE AND REVENUE INFORMATION

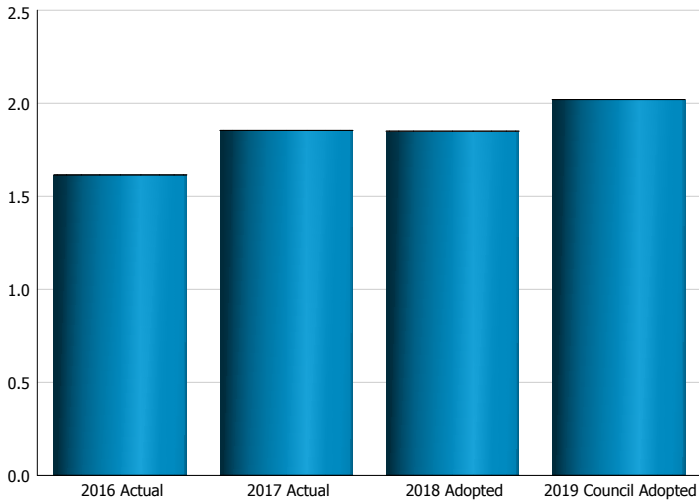
Expense 2016 - 2019
In Millions



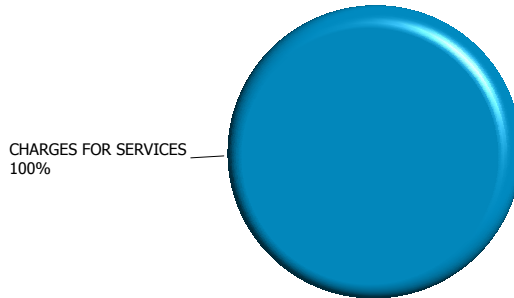
Expense by Category



Revenue 2016 - 2019
In Millions



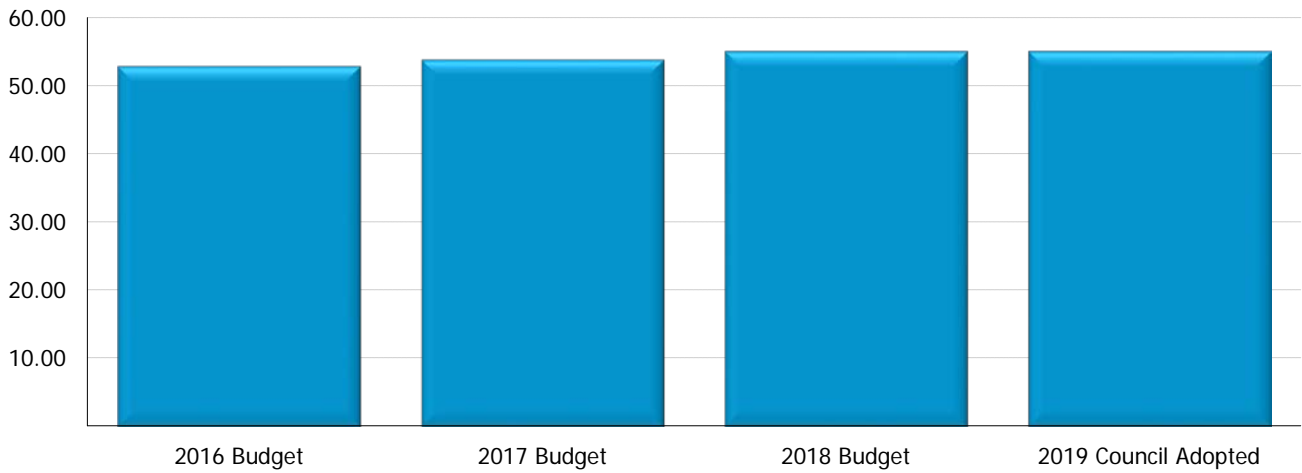
Revenue by Type



HUMAN RESOURCES Staffing Information

Division	2016 Budget	2017 Budget	2018 Budget	2019 Council Adopted	% Change	Change
HR ADMINISTRATION	4.00	4.00	6.00	6.00	0.0%	0
HR EMPLOYEE SERVICES	12.80	13.80				0
HR LABOR RELATIONS SOLUTIONS			4.00	3.95	-1.3%	(0.05)
HR LEARNING & DEVELOPMENT SOLUTIONS	7.00	8.00	8.00	8.00	0.0%	0
HR BUSINESS PARTNER SOLUTIONS	29.00	28.00	28.00	28.00	0.0%	0
HR TOTAL COMPENSATION			9.00	9.05	0.6%	0.05
Overall	52.80	53.80	55.00	55.00	0.0%	0

Positions 2016-2019

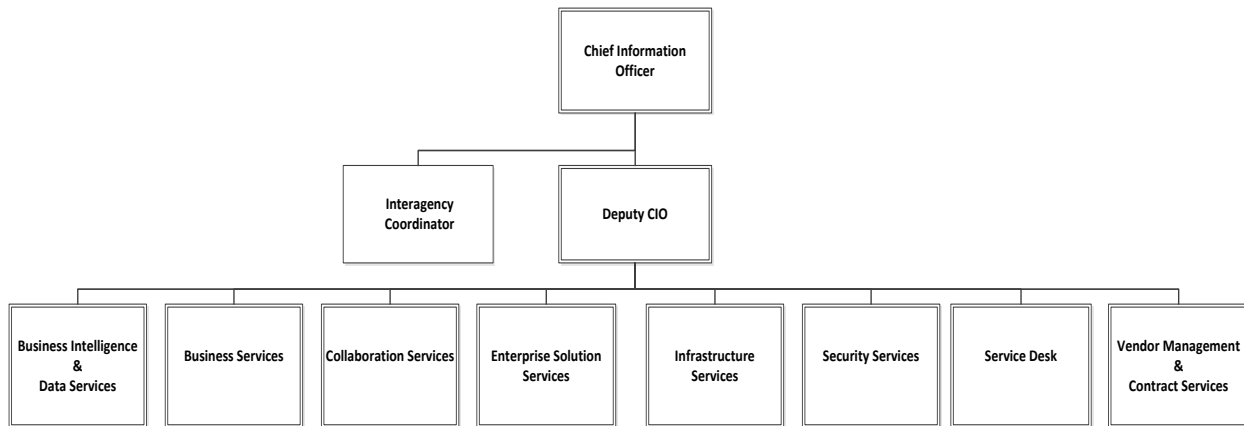


INFORMATION TECHNOLOGY

MISSION

The mission of Information Technology (IT) is to deliver innovative, high quality, cost effective decision support, technology, infrastructure and workforce enablement services to City departments in support of their business goals and objectives. IT strives to be a valued partner to *transform Minneapolis through technology* by providing innovative technology solutions to meet City needs, challenges and opportunities.

ORGANIZATION CHART



PERFORMANCE MEASURES

All data and analysis generated through the City's performance measurement process, Results Minneapolis, can be found on the City's website. Please visit <http://www.minneapolismn.gov/coordinator/strategicplanning/wcmsp-199683> to find detailed information and analysis related to the budget programs listed below.

PROGRAMS

Decision Support Services

Other Funds: \$2,016,000

The Decision Support Services program utilizes technology to turn the city's data into information and knowledge for better decision making. The program supports enterprise applications for document management, business intelligence, advanced analytics, modeling, simulation, and data visualization. It provides work team support through electronic communications.

Infrastructure Services

Other Funds: \$14,688,471

The Infrastructure Services program maintains the City's computers and networks for high availability, reliability and performance. Services include IT architecture, cybersecurity, service desk, deskside support, oversight of managed services and broadband services. Enterprise applications such as email and office applications, telecommunications and network services, and networked copiers are also included in this program.

Workforce Enablement Services

Other Funds: \$19,860,896

Workforce Enablement Services leverages technology to increase worker productivity. Services include the project management office, contract administration, IT solution development and engineering services, and portfolio management for enterprise resource planning, public safety, land management, etc.

FINANCIAL ANALYSIS**Expenditure**

The total Information Technology Department budget remains level at \$36.6 million from 2018 to 2019, with a slight decrease of \$28,000 or 0.1%. This results from a mix of inflationary increases in operating expenditures, budget change items, and the elimination of \$1.9 million in one-time expenditures from the 2018 budget.

Revenue

Revenues are projected to increase by 4.2% in this department as charges for services will increase by \$1.4 million to \$35.5 million in 2019, excluding use of fund balance.

Fund Allocation

This department is funded completely in the Intergovernmental Services Fund.

Budget Change items

Detailed change items are presented on the following pages.

Information Technology
Digital City Services Portal

2019 Change Item

Program: Decision Support Services
Fund: Intergovernmental Services – 06400

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
Rents						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	111	111	111	111	111	111
Other						
Net Budgetary Impact						
Expenditures - Revenues	111	111	111	111	111	111

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Mayor’s Recommended Budget:

The City Council approves \$111,000 in ongoing funding to support a new digital services portal that modernizes the City’s online presence and provides ongoing maintenance funding in subsequent years.

Rationale/Background:

In 2017, more than 4.1 million people visited the City of Minneapolis website. More people interact with the City by using the website annually than will ever visit City Hall or the new office building, and online visitors will only grow. The new digital city service portal should positively reflect the City, represent its values and provide services in a new digital home to accompany the new office building.

This change item request is to support the Digital City Services Portal’s goals to:

- meet the needs of a diverse audience by:
 - Becoming ADA compliant
 - Becoming accessible to people in all disability categories
- make it easy for website visitors to quickly and meaningfully interact with the City and access city services without knowledge of the City’s organizational structure.
- accurately represent the City’s vision, values and diverse community.
- implement a scalable, cost-effective technology solution.
- Change the way the public engages with the City, and support a growing and changing city now and in the future.

The City’s existing website does not reflect the City or its residents. The content is outdated, inconsistent and buried. The user experience is poor. And, the website and the technology/content management system are at the end of life, becoming ever more costly to support, maintain and ensure security. The project also lessens or eliminates the need for expensive workaround solutions, and contract designer/web development costs of external third-party websites, while also reabsorbing many existing sites to further long-term cost savings.

The 2018 budget adopted by the City Council provided for over \$2M to do this work. These funds have been or will be used to:

- Evaluate our current Public Website, and heuristic review
- Interview both internal and external users of the site, including those with disabilities and diverse backgrounds
- Write the request for proposal for the web content management system
- Create five profiles of users and how they will use the site
- Develop a web content strategy
- Create layouts and designs for web pages
- Create wireframes and site map for better information architecture and user experience, focusing on user needs
- Develop a change management strategy and plan
- Develop design concepts
- Create content modeling

A project objective is to “design for the City we aspire to be,” focused on growth and is aligned with the following existing City initiatives:

- Racial Equity: Use data and visualizations to encourage a deep dive into the underlying issues that feed racial inequity such as scarcity of affordable housing and police community relations.
- City Vision and Values: Minneapolis is a growing and vibrant world-class city with a flourishing economy and a pristine environment, where all people are safe, healthy and have equitable opportunities for success and happiness.
- #wearempls: The City of Minneapolis strives to be a welcoming place for all people.
- Minneapolis 2040: Minneapolis is growing, and will continue to grow.
- ADA Action Plan: The City’s existing Website Management System has a slew of limitations which are exacerbated by the demands of emerging assistive technologies and devices.
- Language Access Plan: The plan is a guide to ensure City programs, services and activities are accessible to non-to-limited English speaking residents.
- Open Data Policy: Timely and consistent access to public data is an essential component of an open, transparent, collaborative and effective government.
- Affordable housing and renters’ rights: To provide quick and easy access to information about affordable housing, resources for those seeking assistance and the rights of renters.
- Improving Police/Community Relations: To consolidate websites and provide better and easier access to information, data and dashboards, news and gives the ability for transparency and to better highlight the positive work of the MPD.

The digital city service portal is an interdepartmental effort. The IT and Communications departments are devoting staff resources and time to this effort with 6 core team members; however, this project affects the entire enterprise and every department.

Description of the Change:

This change item provides ongoing funding for maintenance contracts associated with the underlying technologies behind the City’s new digital services portal.

Equity Impact:

Within the goals of the Digital City Services Portal, a commitment is being made to serve the following constituencies in the best ways possible through the new website:

- Cultural communities
- English as a Second Language (ESL)
- LGBTQ communities
- Gender non-conforming communities
- People with Disabilities
- Aging communities
- Youth communities

This will be achieved by prioritizing web accessibility, translating vital content on the new site, and generating photography and content on the site that is reflective of and celebrates our City’s diversity.

An end goal of this project is to ensure that diverse communities feel equally represented and served by the City of Minneapolis and that the website reflects the true diversity of Minneapolis. To date, the following constituencies have been engaged:

- Minneapolis Advisory Committee on People with Disabilities
- Minneapolis Advisory Committee on Aging
- Transgender Equity Council
- Latinx community members
- Somali community members
- Southeast Asian community members
- Native American community members
- And more through the Community Connections Conference

For non-qualitative outcomes, specific guidelines will be met to ensure that the new site is ADA compliant.

Results:

In 2018, the Project team will define a Measurement Plan, which will detail metrics that tie to the project’s objectives. The following results are anticipated to be measured:

<i>Measure</i>	<i>Measurement Type</i>	<i>Tactic</i>
Reduced cost to develop and support external sites outside of the System	Quantitative	<i>Procurement</i>
Increased traffic and engagement on the new site 2017 traffic: 4.1 million visitors	Quantitative	Site analytics
Reduced time for residents to accomplish priority tasks online	Quantitative	Site analytics: visit length
Increased mobile usage of the site 2017 mobile usage: 33.7%	Quantitative	Site analytics: mobile device usage
Reduced time needed for content training	Qualitative	Staff survey
Reduced resources need to maintain the website	Qualitative	Staff survey
Better alignment with 311 on website content	Qualitative	311 survey
Contribute to a unified, consistent brand voice for the City	Qualitative	Public survey

Information Technology

2019 Change Item

Paper Reduction

Program: Decision Support Services
 Fund: Intergovernmental Services (06400)

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
Rents						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	187	-	-	-	-	-
Other						
Net Budgetary Impact						
Expenditures - Revenues	187	0	0	0	0	0

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Mayor’s Recommended Budget:

The City Council approves \$187,000 in one-time funding in 2019 to support an enterprise purchase to move the City towards a “paperless office” strategy which will increase internal efficiency and make it easier for constituents to do business with the City.

Rationale/Background:

The City is currently set to move into a new office building in 2020 with the goal of a “paperless office”. As the City moves to a new public service building, we desire to limit the footprint dedicated to storing paper documents. Offsite storage will increase time to retrieve documents and increase costs to store and transport documents. So, conversion of paper documents to electronic versions is the best option to meet this goal.

In addition to reducing paper files, another key aspect of the “paperless office” strategy is an electronic signature platform. Currently constituents must print and sign paper forms and then mail or fax them to the City. This unnecessary complexity creates delays. Additionally, these documents are then kept in a paper format for records retention purposes, leading to additional paper files stored throughout the City. The electronic signature platform will be used both internally and externally to sign documents and forms. Using its existing budget, IT will fund the purchase of the technology that will allow electronic signature to be used.

Finally, the City is currently in the process of migrating from an outdated Electronic Content Management System, Oracle ECMS, to a newer and more supportable platform, SharePoint Online. Oracle ECMS is expensive to support and maintain, does not provide the functionality desired by City departments, and does not align with the City’s technology roadmap. Completing the migration will reduce costs over the long term, while moving the City to a supported technology. IT will absorb project management costs for this effort out of its existing budget.

Once the new document management and electronic signature platforms are in place the City will require an increase in electronic storage to maintain electronic documents through their retention schedules. Funding in the additional years is anticipated to cover the estimated storage increase for future documents.

Paper Reduction

Description of the Change:

This change is to support costs related to a three-part initiative around a “paperless office”; electronic document management, electronic signatures, and electronic document storage. IT plans to absorb project management costs into its existing budget and staffing complement, and will use existing IT fund balance to purchase electronic signature capability, but additional funds are needed to support electronic document management and storage. Without the funds, the City will need to find alternatives to store a huge number of paper documents.

Electronic Document Management

These funds will be used to digitize, tag, and store numerous large paper document collections that have been identified across City departments, while also providing for ongoing hosting and licensing fees. This strategy will also yield the following operational benefits:

- Provide for the ability to maximize physical space by reducing physical storage space needed for paper documents; and,
- Increase operational efficiency by reducing time to retrieve documents.

Electronic Signatures

This solution will help to simplify the permit and other submission processes for constituents, reduce time to process a submission, and reduce the creation of paper documents in the future. The requested funds will be used to purchase and implement an Enterprise solution for electronic signatures. This will include licenses as well as professional services.

Electronic Storage

To support the “paperless office”, the requested funds will be used to buy additional electronic storage for the electronic document management system, SharePoint Online.

Equity Impact:

The Enterprise electronic signature solution is compliant with the Americans with Disabilities Act (ADA) guidelines as approved by Council in January of 2017 in the ADA Compliance Plan. This means that our constituents with disabilities will also be able to take advantage of electronic signatures.

Storing documents electronically allows greater flexibility for reading documents using adaptive technology.

Results:

At a high level, below are the results that are anticipated and how they will be measured.

<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Number of documents with electronic signatures	0	10,000	Dec 31, 2019
Number of documents with electronic signatures	10,000	30,000	Dec 31, 2020
Reduction in the number of boxes of paper documents	Currently evaluating	Fewer boxes or linear feet	Dec 31, 2019

Information Technology

2019 Change Item

Emergency Operations Training Facility / Strategic Information Center Technology Upgrades

Program: Infrastructure Services
 Fund: Intergovernmental Services - 06400

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$150					
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$150					
Personnel Impacts						
	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Recommendation:

The City Council approves \$150,000 one-time to replace and refresh technology at the Strategic Information Center (SIC) and the city Emergency Operations Training Facility (EOTF).

These funds are not available until the Minneapolis Police Department (MPD), Minneapolis Fire Department (MFD), Office of Emergency Management (OEM), and Information Technology (IT) departments submit an agreed-upon workplan to the City’s budget director.

Rationale/Background:

The SIC opened in 2010 to support MPD patrol and investigation functions as well as the MFD and OEM. The facility and all technology are shared between MPD, MFD, and OEM. This proposal seeks funding in cooperation with funding requests from MFD and OEM.

Conference rooms 121, 123 and 126 at the EOTF all have advanced technology used in training and in the case of an emergency. The Fire Department is responsible for maintaining the technology equipment in these conference rooms, such as projectors. These projectors have a life expectancy of roughly 6-8 years and we are currently on year 8.

The IT systems and resources in the EOTF is in its eighth year of use and is beginning to fail. To increase the reliability of the IT hardware and systems of the facility, certain upgrades and replacements must be made. City IT staff has provided estimated costs to evaluate and upgrade or replace essential technology to ensure continued operations.

**Emergency Operations Training Facility / Strategic
Information Center Technology Upgrades****Description of the Change:**

Working closely with City IT staff as well as partners at the EOTF, Fire and Emergency Management, those technologies will be identified that are past life, near end of life, or are able to be kept in service. This evaluation will cover EOTF digital infrastructure such as the AVI/SPL video management system, the Creston system, projectors, servers, switches, PCs, monitors, and disc burning equipment, and specialized analytical software not normally refreshed in standard IT protocols. Specific costs per room and per department over the three year project life are as follows:

- Communications Room - \$472,000 (Shared) this room is the brains of the audio/visual at the EOTF Specific costs for the Communications room are at the bottom of this form
- Replacement of Audio Visual in Room #121 - \$12,891 (MFD)
- Replacement of Audio Visual in room #123 - \$12,820 (MFD)
- Replacement of Audio Visual for room #126 - \$22,060 (MFD)
- Replacement of Audio Visual for room #127 - \$36,700 (OEM)
- Replacement of Audio Visual for room \$128 - \$24,230 (OEM)
- Replacement of Audio Visual for room \$109 - \$42,100 (OEM)

Items found to be past life will be replaced as soon as is practical through normal city purchasing processes. For items near end of life a plan will be developed to ensure that they do not go down without a replacement being readily available. Software titles and services will be evaluated to ensure they are still able to support SIC / EOTF operations including comparing to other available options. Those found to still be best suited for the SIC will be upgraded to current versions and staff trained on the new version.

Equity Impact:

An updated IT infrastructure would solely benefit the activities and City functions that happen in the EOTF.

Results:

Planning for needed refresh and replacement of needed technologies will ensure that the center is able to perform to expectations always. In addition, the EOTF is used for city and regional training, including the MFD academy, annual EMS refreshers, and most other MFD training. OEM uses the EOTF for regional emergency management training and coordination meetings. In 2018 the five primary meeting / training rooms have been used almost every workday including 24 hour operation for the 10 day SB52 operational period. If the critical technology at the EOTF / SIC fails, it will render the facility largely useless, putting city public safety operations at great risk.

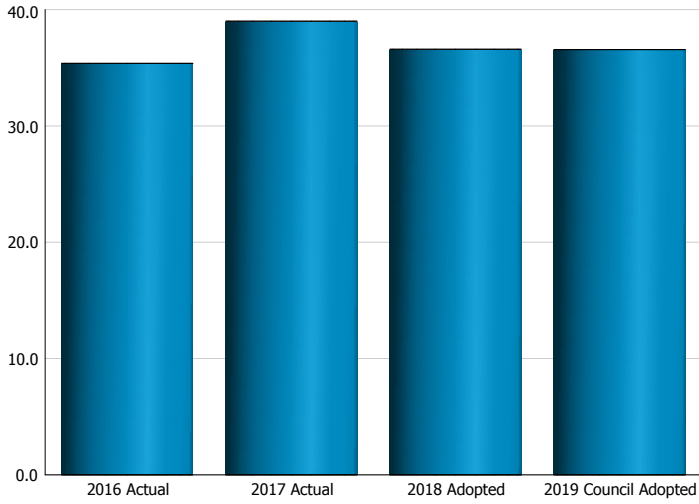
Through the adoption of this change item, the City of Minneapolis will be able to more reliably support the functions and activities that occur at the EOTF under normal operations and during EOC activations.

**INFORMATION TECHNOLOGY
EXPENSE AND REVENUE INFORMATION**

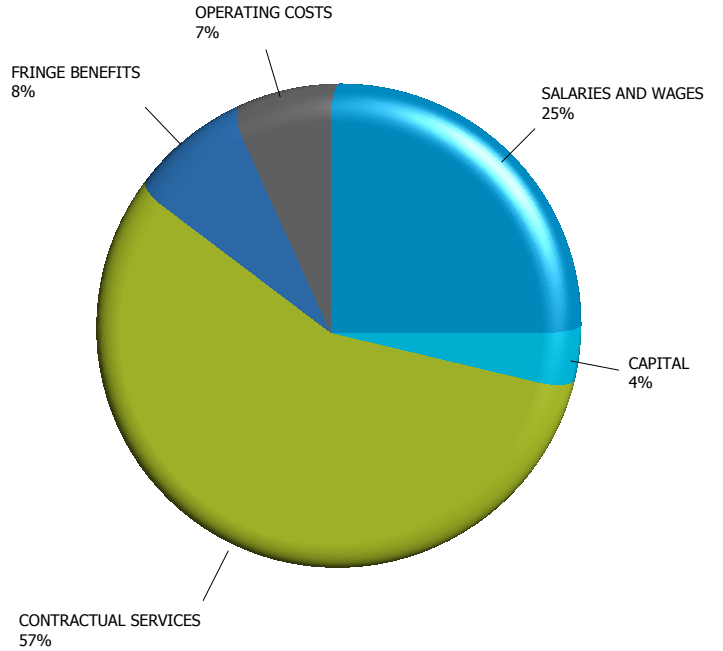
EXPENSE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
INTERNAL SERVICE						
SALARIES AND WAGES	6,959,000	8,030,000	8,814,000	9,149,000	3.8%	335,000
FRINGE BENEFITS	2,045,000	5,003,000	2,961,000	2,894,000	-2.3%	-67,000
CONTRACTUAL SERVICES	21,484,000	21,560,000	19,814,000	20,686,000	4.4%	872,000
OPERATING COSTS	4,380,000	4,406,000	2,072,000	2,471,000	19.3%	399,000
CAPITAL	512,000	6,000	2,932,000	1,365,000	-53.4%	-1,567,000
TOTAL INTERNAL SERVICE	35,380,000	39,005,000	36,593,000	36,565,000	-0.1%	-28,000
TOTAL EXPENSE	35,380,000	39,005,000	36,593,000	36,565,000	-0.1%	-28,000
INTERNAL SERVICE						
CHARGES FOR SERVICES	40,551,000	38,126,000	34,079,000	35,507,000	4.2%	1,429,000
GAINS	-116,000			0		
OTHER MISC REVENUES				0		
STATE GOVERNMENT		6,000		0		
USE OF FUND BALANCE			831,000	4,018,000	383.5%	3,187,000
INTERNAL SERVICE	40,435,000	38,132,000	34,910,000	39,525,000	13.2%	4,395,000
TOTAL REVENUE	40,435,000	38,132,000	34,910,000	39,525,000	13.2%	4,395,000

INFORMATION TECHNOLOGY EXPENSE AND REVENUE INFORMATION

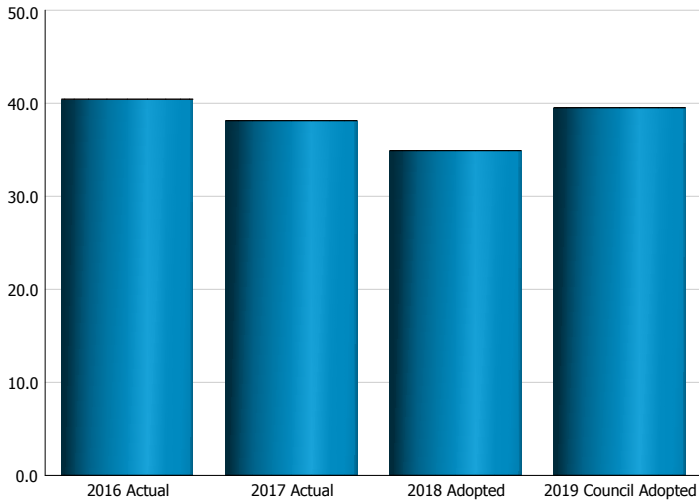
Expense 2016 - 2019
In Millions



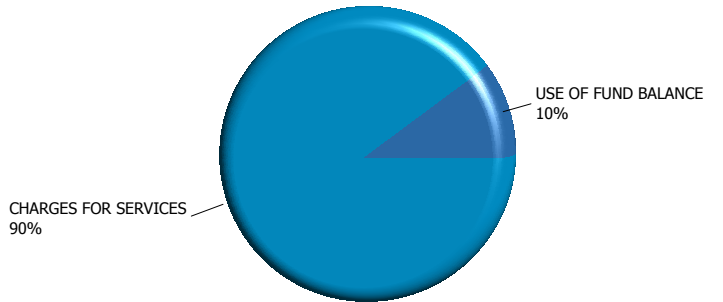
Expense by Category



Revenue 2016 - 2019
In Millions



Revenue by Type

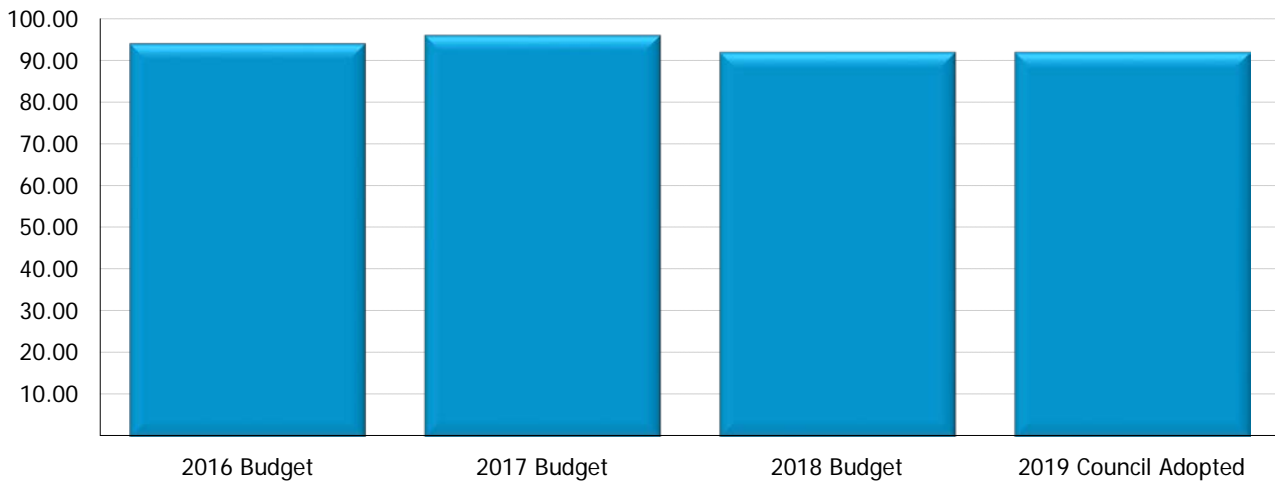


INFORMATION TECHNOLOGY

Staffing Information

Division	2016 Budget	2017 Budget	2018 Budget	2019 Council		
				Adopted	% Change	Change
ADMINISTRATION	8.00	9.00	9.00	9.00	0.0%	0
BUSINESS INTEL. + DATA SERVICES	5.00	6.80	6.80	6.80	0.0%	0
BUSINESS SERVICES	28.25	27.25	27.25	27.25	0.0%	0
ENTERPRISE SOLUTION SERVICES	8.90	7.10	10.10	10.10	0.0%	0
INFRASTRUCTURE SERVICES	18.85	17.85	17.85	17.85	0.0%	0
IT COLLABORATION SERVICES	4.00	5.00	5.00	5.00	0.0%	0
SECURITY SERVICES	3.00	3.00	3.00	3.00	0.0%	0
SERVICE DESK	18.00	20.00	13.00	13.00	0.0%	0
Overall	94.00	96.00	92.00	92.00	0.0%	0

Positions 2016-2019

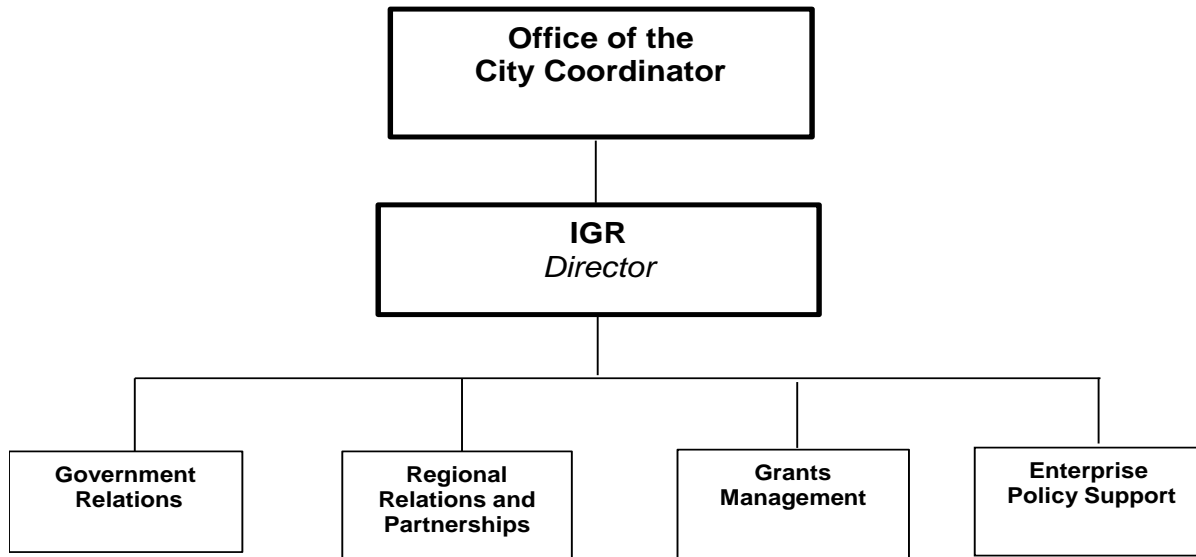


INTERGOVERNMENTAL RELATIONS

MISSION

Effectively represent the City of Minneapolis with integrity and dedication to its partners at multiple levels of governance: federal, state, regional, and local to achieve legislative and program success.

ORGANIZATION CHART



PERFORMANCE MEASURES

All data and analysis generated through the City's performance measurement process, Results Minneapolis, can be found on the City's website. Please visit <http://www.minneapolismn.gov/coordinator/strategicplanning/wcmssp-199683> to find detailed information and analysis related to the budget programs listed below.

Intergovernmental Relations

General Fund: \$1,376,000

This program provides resources for advocacy activities with federal agencies, state branches and regional bodies. Under the leadership of the department's director, the program represents city interests at the federal and state level, and enhances the city's partnership and communications with metropolitan and local units of government, and the Metropolitan Airports Commission. Specifically, the program provides for:

Federal Government Relations

This program advocates for both legislative and administrative policies on behalf of the City to Congress and federal agencies. The work in Washington, D.C. is completed by contracted firms while IGR administers the program locally. Business plan objectives related to this program include identifying federal funding opportunities and support of policy priorities that meet the City's values and goals.

Services provided under this program include (1) assisting in the development of City Council approved federal agenda; (2) providing information to city officials and staff regarding federal issues; (3) arranging for meetings with Washington-based federal elected officials and staff; and (4) consulting on city grant applications for federal assistance and proposed federal regulations.

State Government Relations

The objective of this program is to work with the legislative and executive branches of Minnesota state government to foster the development of the city and the state. A legislative agenda and policies that include city positions on numerous public policy issues is adopted annually by the City Council. Additionally, this program is responsible for liaising with state agencies, other local units of government, partners associations, and outside organizations to further City objectives.

Services provided under this program are: (1) informing city staff on the legislative process and on legislation that could impact their respective areas of work; (2) preparation of the legislative agenda; (3) publication of a legislative newsletter; (4) assisting elected city officials and staff at legislative meetings; (5) drafting legislation and supporting documents; (6) advocating for the City’s position on relevant legislation and providing information to state lawmakers regarding the impact of legislation on the City; and (7) maintaining communication with state agencies.

Regional Relations and Partnerships

The objective of this program is to represent the interests of the City of Minneapolis at the Metropolitan Council and the Metropolitan Airports Commission (MAC). The program works with city officials and staff to develop responses to and recommendations for regional development policies and programs. The program also aids city officials and staff in reviewing Metropolitan Council and MAC policies and plans through monitoring Metropolitan Council and MAC meetings, serving on work groups, and staffing the city’s Airport Working Group. Program staff also serves on policy committees of the Metro Cities organization.

Enterprise Policy Support

This program is the support the Department provides to city enterprise policy initiatives that address City’s federal or state legislative agenda priorities but also work that the Department has been identified as being able to provide policy planning assistance. Current work includes opportunity zones, opioid policy response, and local support of immigration friendly programming initiatives.

Grant Management

General Fund: \$147,000
Other Funds: \$1,488,000

This program provides and administers federal and state resources to support city services and programs including but not limited to community development, housing, economic development, job training, public safety, public health and public infrastructure improvements. The resources obtained are primarily focused on low- and moderate-income households.

Services provided under this program are: (1) administrating the United States Department of Housing and Urban Development’s (HUD) community development programs; (2) providing technical assistance to city departments and the Promise Zone regarding federal and state grants; (3) preparation and submission of the annual community development plan and performance report to HUD; (4) issuance of

requests for proposals and monitoring and managing of recipients of the federal community development program resources.

Financial Analysis

Expenditure

The total Intergovernmental Relations Department's budget increases from \$2.99 million to \$3.01 million from 2018 to 2019. This is an increase of \$24,000, or 0.8% due to inflationary increases in operating costs.

Revenue

This department does not produce revenue.

Fund Allocation

This department's 2019 budget is funded 51.0% by the General Fund and 49.0% from the Special Revenue grant funds.

Budget Change items

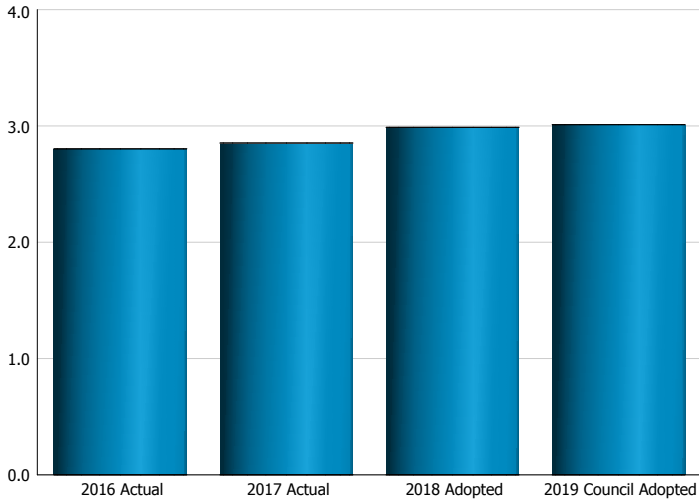
Detailed change items are presented on the following pages.

**INTERGOVERNMENTAL RELATIONS
EXPENSE AND REVENUE INFORMATION**

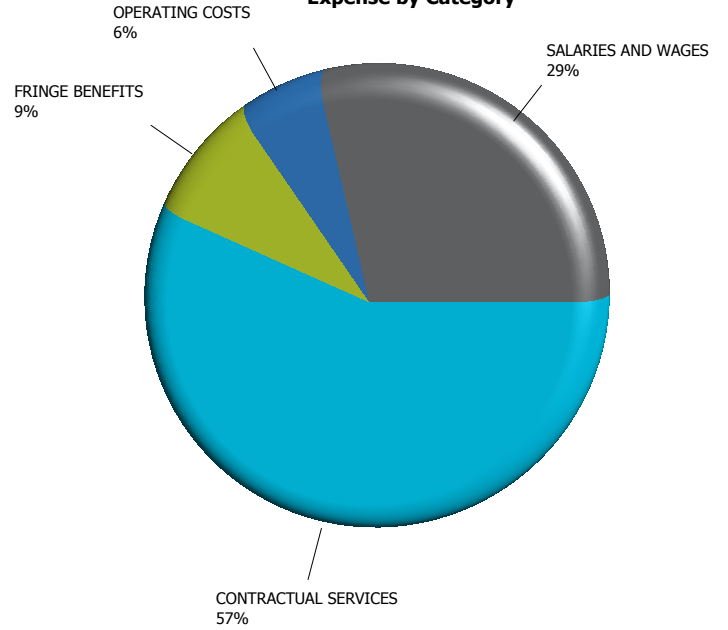
EXPENSE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	594,000	649,000	647,000	685,000	5.9%	38,000
FRINGE BENEFITS	161,000	169,000	205,000	204,000	-0.5%	-1,000
CONTRACTUAL SERVICES	446,000	478,000	430,000	455,000	5.8%	25,000
OPERATING COSTS	235,000	240,000	236,000	180,000	-23.7%	-56,000
TOTAL GENERAL	1,436,000	1,536,000	1,518,000	1,524,000	0.3%	6,000
SPECIAL REVENUE						
SALARIES AND WAGES	137,000	151,000	173,000	177,000	2.3%	4,000
FRINGE BENEFITS	45,000	49,000	60,000	58,000	-3.3%	-2,000
CONTRACTUAL SERVICES	1,184,000	1,114,000	1,237,000	1,253,000	1.3%	16,000
OPERATING COSTS		2,000		0		
TOTAL SPECIAL REVENUE	1,366,000	1,316,000	1,470,000	1,488,000	1.3%	18,000
TOTAL EXPENSE	2,802,000	2,852,000	2,988,000	3,012,000	0.8%	24,000
REVENUE						
	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
SPECIAL REVENUE						
CONTRIBUTIONS	7,000			0		
SPECIAL REVENUE	7,000					
TOTAL REVENUE	7,000					

INTERGOVERNMENTAL RELATIONS EXPENSE AND REVENUE INFORMATION

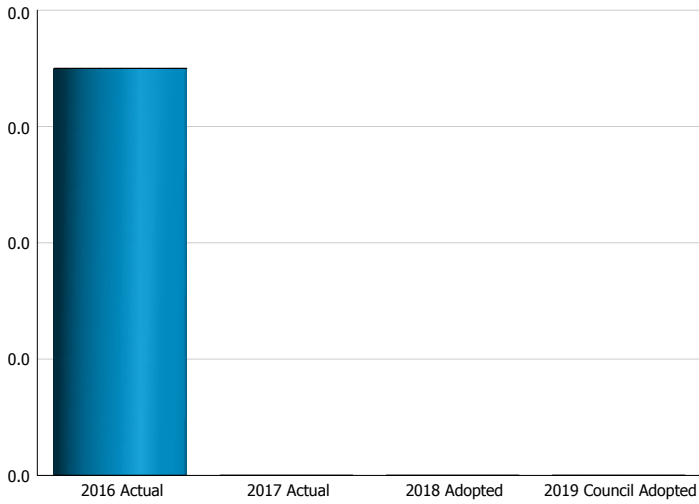
Expense 2016 - 2019
In Millions



Expense by Category



Revenue 2016 - 2019
In Millions

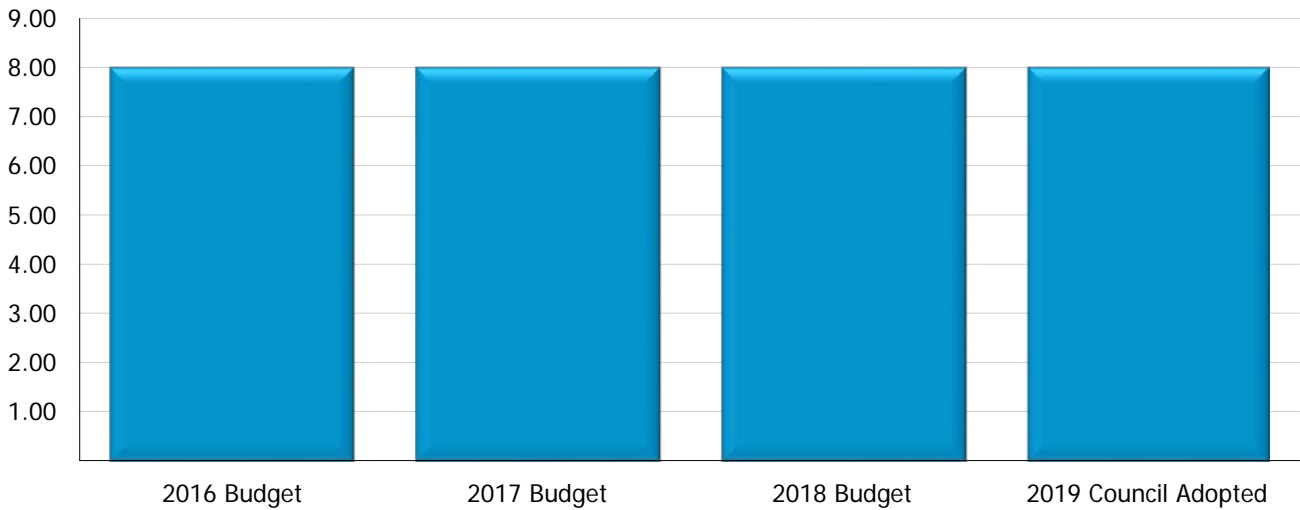


INTERGOVERNMENTAL RELATIONS

Staffing Information

Division	2016 Budget	2017 Budget	2018 Budget	2019 Council Adopted	% Change	Change
GRANTS & SPECIAL PROJECTS	3.25	3.25	3.25	3.25	0.0%	0
INTERGOVERNMENTAL RELATNS	4.75	4.75	4.75	4.75	0.0%	0
Overall	8.00	8.00	8.00	8.00	0.0%	0

Positions 2016-2019

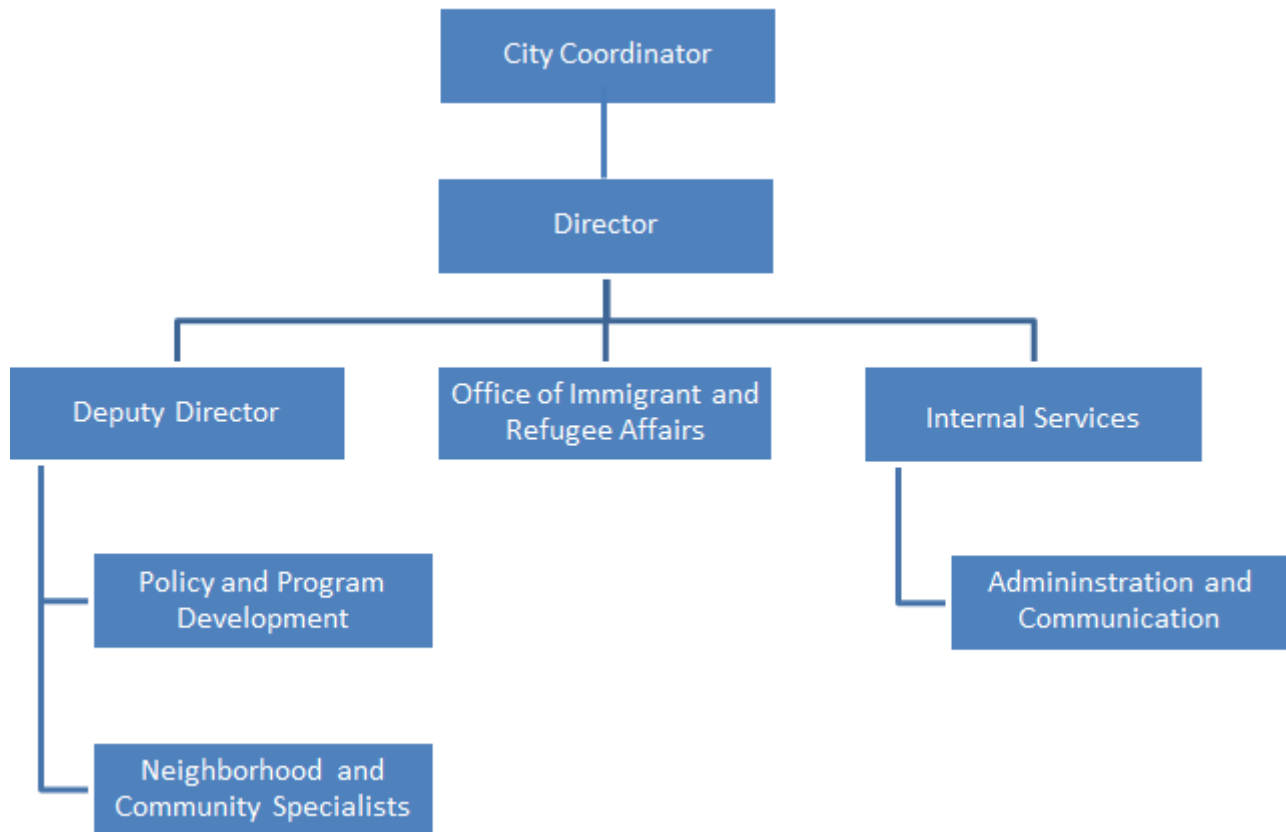


NEIGHBORHOOD AND COMMUNITY RELATIONS

MISSION

The mission of Neighborhood and Community Relations (NCR) department is to connect the community to the City and the City to the community. NCR fosters public participation and meaningful engagement of all residents by removing barriers and creating equitable access to City programs, services and the decision making process.

ORGANIZATION CHART



PERFORMANCE MEASURES

All data and analysis generated through the City's performance measurement process, Results Minneapolis, can be found on the City's website. Please visit <http://www.minneapolismn.gov/coordinator/strategicplanning/wcmsp-199683> to find detailed information and analysis related to the budget programs listed below.

Access and Outreach Support

General Fund: \$615,000

Other Funds: \$79,000

Access and Outreach provides the logistical and office support for cultural engagement services and federally mandated programming. The program is aimed at broadening engagement through enterprise support of federal mandates and the elimination of barriers to participation by underrepresented groups in neighborhood organizations, boards and commissions and City governance. The services provided include ADA compliance, implementation of the City's ADA transition plan, implementation of language access plan, interpretation and translation services, and administration of program funding for the One Minneapolis Fund.

Coordinated Engagement Services

General Fund: \$350,000

Other Funds: \$789,000

This program builds a coordinated resident engagement strategy for the city. Following the City's adopted Core Principles of Engagement, this program provides staff support to the City's engagement systems – neighborhood organizations, boards and commissions and enterprise engagement efforts. The various efforts underway at NCR will be connected to and coordinated with other engagement related activities in the city and with multijurisdictional partners. This program includes a blueprint for equitable engagement, which includes American Indian Memorandum of Understanding, Latino Engagement Task Force, staff support to the city's 70 neighborhood organizations, Minneapolis for a Lifetime, ongoing engagement with cultural communities, diversification of the city's 18 advisory boards and commissions, city Academy, and staff support to four advisory commissions.

Neighborhood Engagement and Support

Other Funds: \$9,625,000

This program supports the department's support services for neighborhood organizations. The program helps sustain a world-class community engagement program through neighborhood-based priority setting, planning and implementation; and the coordination of this work with the work of the City. This program also includes the direct allocations to neighborhood organizations through the three primary funding programs. The services provided include Community Participation Program (CPP) allocation, Neighborhood Revitalization Program (NRP) allocation, Community Innovation Fund (CIF) funding, and other support services such as contract management, directors and officers insurance, auditing, training, legal support and other related activities.

Operations

Other Funds: \$487,000

This program provides department-wide leadership and support for internal City services including budget, business planning, IT, technology services and space. The operations program is also responsible for coordinating department related contracts and invoices, internal and external communications, the department website and committee actions and council process.

Financial Analysis

Expenditure

For 2019, the Neighborhood and Community Relations budget is \$11.9 million, a decrease of 2.8% from the 2018 budget of \$12.3 million.

Revenue

In 2019, the department anticipates \$10.9 million in revenue, a decrease of 7.0% from 2018 revenue of \$11.7 million.

Fund Allocation

This department is funded primarily by the NCR Special Revenue Fund, with remainder of the department's funding in General Fund.

Budget Change items

Detailed change items are presented on the following pages.

Neighborhood and Community Relations
2020 Census Project

2019 Change Item

Program: Coordinated Engagement Support
Fund: General - 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT	\$50					
Fleet						
Contractual Services	\$100					
Other	\$200					
Net Budgetary Impact						
Expenditures - Revenues	\$350	0	0	0	0	0

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count	0	0	0	0	0	0

Council Adopted Budget:

The Council approves \$350,000 one-time general funding for the 2020 Census project.

Rationale/Background:

The 18-month project includes funding to organize and implement community-driven education and engagement efforts to increase the response rate of all Minneapolis residents in the 2020 Census. Efforts will be citywide, and focus on including historically undercounted residents of the city in a meaningful way in the 2020 Census. Once a Complete Count Committee, made up of community partners and leaders, has been appointed by the Mayor and City Council, there may be considerations for additional requests as directed by them.

The 2020 census impacts all of the Mayor’s and City’s goals. The data collected affects our ability to ensure equal representation and equal access to important governmental and private sector resources for all Americans, including across racial and ethnic lines. Census results are used to allocate seats and draw district lines for federal, state, and local representation; to target more than \$800 billion annually in federal assistance to states, localities, and families; and to guide community decision-making affecting schools, housing, health care services, business investment, and much more. That translates to about \$1,532 per person per year. An undercounting of residents in Minneapolis leads to an underinvestment in the city and those individuals. This data is locked in for a decade.

Certain population groups are at a higher risk of not being fully counted in the census. Some of these groups have been historically underrepresented in the census for decades; some may experience new or increased vulnerability due to major changes in methodology, such as relying on the internet as the primary way for households to respond to the 2020 Census; and some may be reluctant to respond due to concerns about data confidentiality. With the addition of a citizenship question and the rhetoric at the national level toward immigrants and refugees, there are increased challenges for our city to get an accurate count of all our residents.

Being hard-to count can lead to unequal political representation and unequal access to vital public and private resources for these groups and their communities. Historically undercounted communities include People of

Neighborhood and Community Relations 2020 Census Project

2019 Change Item

Color, immigrants, Native Americans, renters, low income households, people experiencing homelessness, and children.

The federal investment in outreach and enumeration efforts still remains unclear. Not only is the amount of funding unclear, the timing of the funding decisions has been delayed in comparison to previous years. At the local level, this translates to an uncertainty in when, and if any, resources will be made available.

Description of the Change:

The 2020 Census Project is a new one time initiative that will begin in 2018 with the primary activities and costs beginning in January 2019 through June 2020. In 2018, the Mayor and City Council will establish a Complete Count Committee (CCC) that will be made up of community leaders from the many cultural and affinity groups in the City. The CCC will guide and support outreach and educational activities. The CCC will help guide the City's efforts in identifying meaningful messages and opportunities for engaging residents. These efforts will require financial support in the following ways:

- Information Technology (\$50,000) – With the online platform as the primary tool for completing the Census, the City can engage historically undercounted members of our community using technology in new ways. This may include the need for hot spots or tablets.
- Contractual Services (\$100,000) –
 - The City Clerk and Communications departments will work with contractors to support outreach and education efforts. This may include media ad buys.
- Other (\$200,000) –
 - NCR will work with a contracted project manager who will be dedicated to organizing the city's efforts around getting an accurate count of all residents.
 - The Complete Count Committee will meet starting in 2018 through June 2020. Meetings costs will be covered through this project.
 - Interpretation will be available for CCC meetings and events.
 - Translation services will be available for materials that the US Census Bureau does not provide, but are needed by Minneapolis residents.

The census project will leverage current activities, relationships, and tools. Elected officials will utilize their communication and outreach activities. The City Clerk will use seasonal election workers. Communications will use cultural radio programs, public service announcements, the city website, earned media, social media, digital billboards, and videos. NCR staff will work with neighborhood and cultural and affinity community leaders and organizations.

The project is overseen by a citywide team made up of staff, including representation from the many departments enterprise wide. The team has already been established, with room to grow or change. The city is part of a statewide and regional census mobilization group. The CCC will be established in the mid-2018 and will meet on a regular basis through June 2020.

Equity Impact:

Without adequate resources, the City risks undercounting its actual population, losing political representation, losing funding, as well as hurting relationships with many communities.

Since the first enumeration in 1790, the census data is what is used to determine congressional apportionment. In addition, the census guides the distribution of more than \$8 billion federal dollars to the State of Minnesota each year. Both congressional representation and federal dollars have an impact on all residents.

The census traditionally undercounts People of Color, immigrants, renters, low income households, and children. To assure our city's efforts are meaningful, the CCC will consist of leaders from these communities, as well as

others that may be at risk of being undercounted. The CCC will provide guidance to the City as well as identify outreach and engagement strategies, messages, and potential funding investments.

With an authentic approach toward working in collaboration with community partners, the City can build awareness and confidence about the census efforts. With an increased awareness and confidence in the activity, the City may be able to increase the response rate in the census. The direct impact of this will be a more accurate representation at the federal, state and city level as well as higher levels of financial investments from the federal government to the city and state. The City can strengthen its current relationships with many communities and build new relationships with community partners.

Results:

The US Census Bureau will track the participation rate. In 2010, the city of Minneapolis saw a 78% participation rate, up 5% from the 2000 census. Minneapolis tied 5th for cities over 100,000 overall, and 1st for cities over 300,000. Presentations and updates will be shared all partners, including the Mayor and City Council. In addition, the city's website will include meeting notes, presentations, and updates on response rates.

The City will track the impact of the city effort. Below are some ways that will be tracked in order to measure the impact of this project. Other measures may be added as the Complete Count Committee is established.

- How many Complete Count Committee members participated?
- How many Complete Count Committee meetings were hosted?
- How many events were hosted by the City and partnering organizations?
- How many organizations were engaged during these activities?
- What was the response rate of Minneapolis residents?
- What was the response rate of historically undercounted residents?
- How engaged were complete count committee members?

For more information about undercounted communities, go to: <https://www.censushardtocountmaps2020.us/>

Neighborhood and Community Relations
ADA Action Plan Implementation

2019 Change Item

Program: Access and Outreach Support
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT	\$130					
Fleet						
Contractual Services	\$15	\$15	\$15	\$15	\$15	\$15
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$145	\$15	\$15	\$15	\$15	\$15

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The Council approves \$130,000 in one-time general funding and \$15,000 ongoing to implement the City’s ADA Action Plan.

Rationale/Background:

In 2016, the City Council adopted the Americans with Disabilities (ADA) Action Plan, a comprehensive policy document with strategies to remove physical, communication, and policy barriers. The plan meets ADA Title II legal requirements of identifying deficiencies and solutions for people with disabilities to access and participate in City programs, services and activities. Incorporating captioning services in the City’s operations meets the ADA’s Title II, § 35.160 requirement for ensuring effective communications in addition to the City’s One Minneapolis goals.

During the ADA Action Plan development, the Minneapolis Advisory Committee on People with Disabilities, Commission on Deaf, Deafblind, and Hard-of-Hearing Minnesotans, as well as individual people with disabilities, were engaged to identify deficiencies in core City service areas. The lack of services to caption live City Council meetings was listed as a barrier and conflicted with the Effective Communications guidelines under the ADA.

Staff from NCR will work closely with staff from the Communications Department and the City Clerk’s Office to implement these new enhancements and make sure that community members are aware of and can access them.

Description of the Change:

Captioning Services (\$130,000 one-time; \$10,000 ongoing):

Captioning services is a new initiative. Implementing captioning services for live-broadcasted City Council meetings and informational videos is identified in the ADA Action Plan as a program enhancement. NCR worked with Communications Department and the Clerk’s Office on developing the logistics. Captioning will be accomplished by a vendor contract, similar to how other state and local government agencies caption broadcasted meetings. For example, the State of Minnesota’s Legislature and Hennepin County contract with Paradigm

Reporting and Captioning, a local company. The contract amount is dependent on the frequency of broadcasted meetings. See Captioning Attachment A. In 2017, the City Council had 177 broadcasted meetings. These meetings included standing council committees, full City Council meetings, Committee of the Whole, the Mayor's Budget Address, and Budget Hearings. See Attachment B.

Captioning services is an enhancement and efficiency gain. Currently, the process is City Council meetings are recorded, uploaded to YouTube and auto-captioned after the scheduled meetings. A person with disabilities has little or no opportunities for active participation and has to wait until it's uploaded. On top of increasing access, captioning services provides accuracy. YouTube captioning is not an effective mode of communication under the ADA.

ARIA (\$5,000 ongoing):

The investment in supporting the Aira is a new activity. This is an emerging and innovative technology solution to assist people with low-to-no vision safely travel through physical spaces. The Aira App connects the user to trained human agents who then assists them navigate spaces such as facilities, streets, events, and parks. The City contracts with AIRA and determines the area to be geo-fenced. Potential areas are City Hall, Nicollet Mall, and the Convention Center. Other cities and government agencies are exploring this technology in highly-used public spaces. San Diego did a pilot with public parks and the convention center. The Minneapolis-St. Paul Airport started services at the beginning of the year. See AIRA Attachment A.

Aira will create "geo-fence" of City of Minneapolis' locations and users in these areas can use Aira services free of charge. Geo-fencing works in the same matter of a Wi-Fi hotspot, it's a digital perimeter. Users need to be within the designated proximity to access the complimentary services. Users download the AIRA app on their phone and call an Aira Agent. The agents access the user's smartphone camera/smart-glasses, allowing them to see the environment, and gives audio-descriptions to guide the users.

Equity Impact:

The communities impacted by the captioning enhancement are people with communication disabilities, people that are deaf and/or hard-of-hearing, the aging community, English Language Learners, and the general public. The current process is committee meetings are recorded, uploaded and auto-captioned after the scheduled meetings. Limiting people that deaf and hard-of-hearing to obtain information and participate in council proceedings real-time. Captioning enhances the City's communication and auxiliary modes by eliminating these barriers; therefore, increasing accessibility to vital City information and the ability to participate (live) in the City's legislative process.

Currently, the only way a person that's deaf or hard-of-hearing can participate at City Council meetings is by requesting an ASL interpreter; however, not everyone understands ASL or an interpreter may not be available. Actively captioning broadcasted meetings is a benefit for everyone, people with perfect and impaired hearing.

The AIRA app allows people with low-to-no vision to independently navigate and participate in public spaces, events, and activities. This is a tremendous opportunity to eliminate barriers in order for people with low-to-no vision to be independent and access areas in ways never before possible.

The AIRA app is a navigation tool for people with low-to-no vision to independently traverse public spaces, events, and activities. The City's physical infrastructure is constantly changing. With that change, come new elements and initiatives that may conflict with how a person with low-to-no vision learned to navigate that space. For example, Nicollet Mall's reconstruction installed raised intersections to increase accessibility; however, a person that's blind (w/ a cane or guide dog) learned to stop at intersections due to pedestrian ramps. Flushed intersections may not

ADA Action Plan Implementation

be detected which may potentially lead them into traffic. The AIRA app is an additional assistive tool to help in these situations. The user still relies on their other assistive tools and training with the AIRA app.

Both initiatives are positive impacts, not only for people with disabilities but the general public. Everyone benefits from increased accessibility. For example, installed ramps or sliding doors, were to assist people in wheelchairs or with limited-mobility; although, it further benefits seniors, mothers and carriages, veterans, etc. These initiatives are the same. Created for certain segments of the disability communities, however, is an asset and service for everyone.

Results:

The City has roughly 175+ City Council and committee meetings broadcasted annually via online streaming and public channels. Broadcasted meetings are recorded, catalogued, re-aired and stored online. Measures for captioning will utilize the current process by tracking number of broadcasted meetings (monthly and annually) and duration of meetings.

Aira generates a monthly report that breaks down usage for designated zones. The report has data on minutes used (daily and monthly), costs, usage dates, start and end times, and duration of calls.

Implementing these services accomplishes multiple achievements such as ADA compliance, accessibility best-practices, effective communication for people with disabilities, increasing trust and accountability for communities that's deaf and hard-of-hearing, increasing independence for people with low-to-no vision, assisting the aging community and the general public, and making the City more accessible. Both initiatives are positive impacts, not only for people with disabilities but the general public. Everyone benefits from increased accessibility.

NCR will work closely with partnering departments to ensure effective delivery of services and report on performance data. The Minneapolis Advisory Committee on People with Disabilities, Commission on Deaf, Deafblind, and Hard-of-Hearing Minnesotans, and people with disabilities will continually be engaged and consulted to ensure efficacy of services. NCR will communicate this information during its an annual report-presentation to the City Council. The presentation covers ADA Action Plan implementation and progress, the Language Access Plan implementation and progress, and enterprise-wide accessibility practices and successes.

Neighborhood and Community Relations

2019 Change Item

Aging Support Services

Program: Access and Outreach Support

Fund: General – 0010

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$80					
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$80	-	-	-	-	-

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The Council approves \$80,000 in one-time general funding for senior support services.

Rationale/Background:

In 2010, the census identified a dramatic loss of our older adult populations within the city. The City of Minneapolis and community stakeholders came together to develop the Minneapolis for a Lifetime Action Plan to address the issues that affected our older adults. These goals and action steps were identified through research and extensive community engagement. The primary “domains” identified are:

- City Services are delivered effectively addressing the needs of older adults
- Housing
- Transportation
- Health and Wellness
- The value our older adults bring to our communities

The City of Minneapolis goals the Minneapolis for a Lifetime addresses are: Living Well and One Minneapolis – where all ages can live safely, stay connected, and have access to what they need – when they need it.

Additionally, The City of Minneapolis adopted the Minneapolis for a Lifetime: Age Friendly Action Plan in 2015. The plan’s goal is to support the aging population in Minneapolis with the ability to remain in their community as they age. The plan was developed by a diverse discipline of stakeholders and over 250 community members were engaged in its development. This item will accomplish Priority Areas:

- Housing – #3 provide low intensity in-home supportive assistance to older adults and their caregivers where gaps exist
- Transportation - #2 expand ride sharing options
- Health and Wellness - #1 help older adults maintain and improve their physical fitness
- Health and Wellness - #2 promote health, self-care, and health literacy
- Health and Wellness - #3 prevent decline associated with hospitalization by improving post-discharge follow up

Aging Support Services

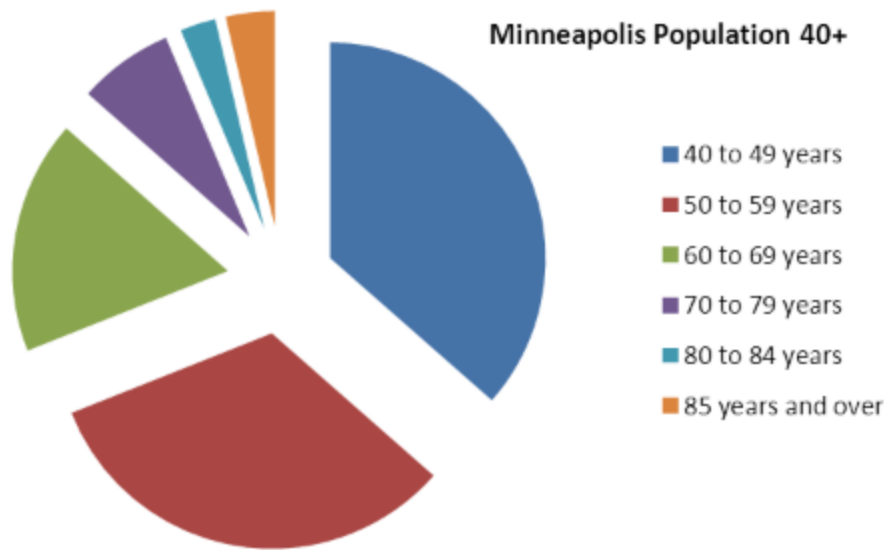


Chart data from 2010 Census.

Description of the Change:

NCR has been funding these services at varying funding levels since 2016 to provide these critical services to Minneapolis’ aging community consistently from year to year. NCR will contract with the following community based service agencies:

- Nokomis Healthy Seniors
- Longfellow/Seward Living Well at Home Nurse Program
- Southeast Seniors Living Well at Home Nurse Program
- Senior Community Services (serves predominately North Minneapolis)

Each contract will be \$20,000. This item estimates to serve 500 seniors and their caregivers across the city bringing the total number of seniors served at a minimum of 1,600 older adults. The seniors who participate in these programs typically receive multiple services ongoing as the senior needs them – daily, weekly, monthly. These services include (but not limited to):

- Chore services such as snow removal, lawn maintenance, home repair
- Health and wellness activities such as blood pressure checks, fitness classes, health education, healthy eating, classes to assist in improving balance
- In home services such as nurse home visits-particularly after release from hospital, home safety assessments
- Caregiver support
- Rides to medical appointments, grocery, other needs

Equity Impact:

Residents of the City of Minneapolis are living longer and healthier lives and as a result the desire for residents to remain in their communities is growing. In 2011, the leading edge of the baby boomers turned 65 years old. Their numbers will continue to increase dramatically over the next 20 years so it is critically important for the city to maintain an aged-balanced population that can withstand the shift in demographics from the aging baby boomers. Surveys show that the vast majority of older adults want to remain in their homes and communities. The Minneapolis for a Lifetime Strategic Plan will aim to put in place the policies and support services that promote independent living, meaningful engagement and provide resources and information to older residents so they can remain part of the fabric of this community.

For over thirty years, non-profit, community-owned Living at Home/Block Nurse/Chore Programs have helped Minnesota's elders stay healthy, safe and independent while living in their own homes – whether homeowner or

Aging Support Services

living in multi-unit communities. In turn, these communities have been made stronger by the continued contributions of their elders. These services are free or low-cost. Women and our non-white elders are disproportionately affected due to the long-standing inequities of employment discrimination and wealth distribution. These agencies specifically do outreach to these communities and work with other partners as a referral resource.

Minneapolis for a Lifetime: Age Friendly Action Plan was developed by a diverse discipline of stakeholders and over 250 community members were engaged (18 listening sessions conducted) in its development. The framework was adopted in 2014 and the action plan was adopted in 2015. The Action Plan is currently the responsibility of the City of Minneapolis Advisory Committee on Aging who monitors progress, recommends evaluation/adjustments based on results, and will continue to develop the plan based on current needs of our aging population.

Results:

Name of Measure	2016	2017	2018	2019
Dollar amount of each contract	\$25,000	\$20,000	\$15,000	\$20,000
How many contracts awarded	3	1	4	4
Total amount dedicated to senior services	\$75,000	\$20,000	\$60,000	\$80,000
How many seniors served with city funds (approx.)	250	55	Estimated 200	Estimated 500

This item estimates to serve **500** seniors and their caregivers across the city bringing the total number of seniors served at a minimum of **1,600** older adults throughout the City of Minneapolis. The seniors who participate in these programs typically receive multiple services ongoing as the senior needs them – daily, weekly, monthly. These services include (but not limited to):

- Chore services such as snow removal, lawn maintenance, home repair
- Health and wellness activities such as blood pressure checks, fitness classes, health education, healthy eating, classes to assist in improving balance
- In home services such as nurse home visits-particularly after release from hospital, home safety assessments
- Caregiver support
- Rides to medical appointments, grocery, other needs

Neighborhood and Community Relations
Legal Services for Immigrant and Refugee Residents

2019 Change Item

Program: Access and Outreach Support
Fund: General - 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$75	\$75	\$75	\$75	\$75	\$75
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$75	\$75	\$75	\$75	\$75	\$75

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count	0	0	0	0	0	0

Council Adopted Budget:

The Council approves \$75,000 in ongoing general funding for partnership agreements providing legal services for immigrant and refugee residents.

Rationale/Background:

One of the roles the Office of Immigrant and Refugee Affairs (OIRA) will play in the City enterprise is to develop and enhance programs and services for immigrant and refugee residents in Minneapolis. This item will allow the OIRA to begin its important work.

Funding for the partnership agreements were previously approved in the 2017 adopted budget as part of the city’s welcoming Cities initiative and designation. The contracts help keep the City connected to major community and infrastructure initiatives, ensuring the City’s interested are represented, and that projects are connected to the community we serve.

The partnership agreements ensure that disparities are eliminated so all Minneapolis residents can participate and prosper, that the city is a hub of economic activity and innovation, and that the City government is run well and connects to the community it serves.

The Director of the Office of Immigrant and Refugee Affairs will be the lead staff in implementing these funds. In addition, NCR will provide additional staff support through the work of Community Specialists and administrative oversight of the contracts.

Description of the Change:

The \$40,000 in funding for partnership agreements will be distributed to three organizations to continue providing the same services. The following organizations are:

- The Immigrant Law Center;
- Volunteer Lawyers Network; and

Neighborhood and Community Relations

Legal Services for Immigrant and Refugee Residents

2019 Change Item

- Advocates for Human Rights

Equity Impact:

The partnership agreements will impact immigrants in Minneapolis. Services available include legal consultation and representation. The positive impacts will include keeping families together, increased economic stability, and reduce the amount of fear and instability residents feel.

Results:

The partnership agreements have been in place since 2017, with the first round of grants completed in June 2018. Currently the contracts request partners to report on the some of the following quantitative measures. These are examples of some that may be included in future agreements.

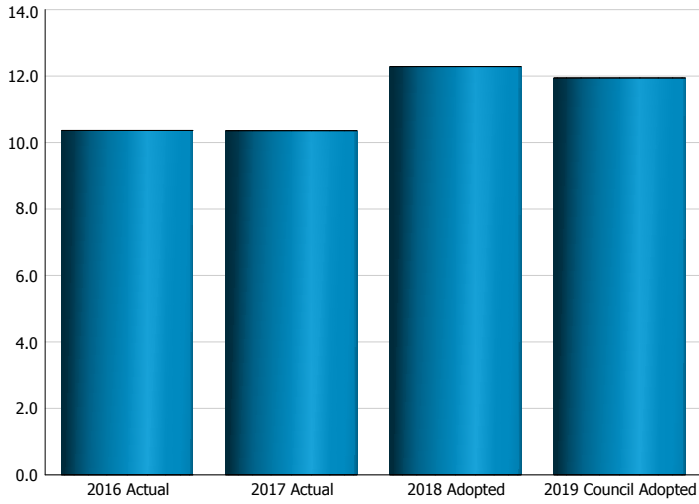
- The number of calls received;
- The number of hours working with clients;
- The number of clients served;
- The number of deportation cases assisted;
- The number of pro-bono hours donated to cases; and
- The number of community education trainings offered.

**NEIGHBORHOOD & COMMUNITY RELATIONS
EXPENSE AND REVENUE INFORMATION**

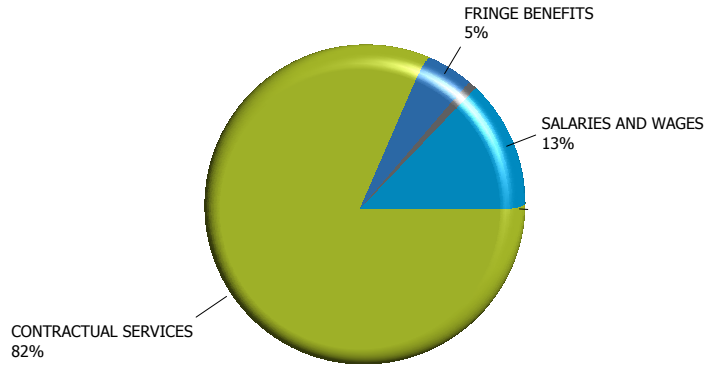
EXPENSE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	73,000	59,000	143,000	182,000	27.3%	39,000
FRINGE BENEFITS	16,000	21,000	56,000	65,000	16.1%	9,000
CONTRACTUAL SERVICES	271,000	184,000	515,000	718,000	39.4%	203,000
TOTAL GENERAL	360,000	264,000	714,000	965,000	35.3%	251,000
SPECIAL REVENUE						
SALARIES AND WAGES	1,175,000	1,221,000	1,331,000	1,353,000	1.7%	22,000
FRINGE BENEFITS	393,000	426,000	483,000	506,000	4.8%	23,000
CONTRACTUAL SERVICES	8,056,000	8,030,000	9,521,000	9,018,000	-5.3%	-503,000
OPERATING COSTS	167,000	225,000	240,000	103,000	-57.1%	-137,000
CAPITAL	211,000	192,000		0		
TRANSFERS	2,000			0		
TOTAL SPECIAL REVENUE	10,004,000	10,094,000	11,575,000	10,980,000	-5.1%	-595,000
TOTAL EXPENSE	10,364,000	10,358,000	12,289,000	11,945,000	-2.8%	-344,000
REVENUE						
	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
SPECIAL REVENUE						
OTHER MISC REVENUES	6,000		4,800,000	4,000,000	-16.7%	-800,000
TRANSFERS IN	6,127,000	6,488,000	6,682,000	6,883,000	3.0%	201,000
USE OF FUND BALANCE			220,000	0	-100.0%	-220,000
SPECIAL REVENUE	6,133,000	6,488,000	11,702,000	10,883,000	-7.0%	-819,000
TOTAL REVENUE	6,133,000	6,488,000	11,702,000	10,883,000	-7.0%	-819,000

NEIGHBORHOOD & COMMUNITY RELATIONS EXPENSE AND REVENUE INFORMATION

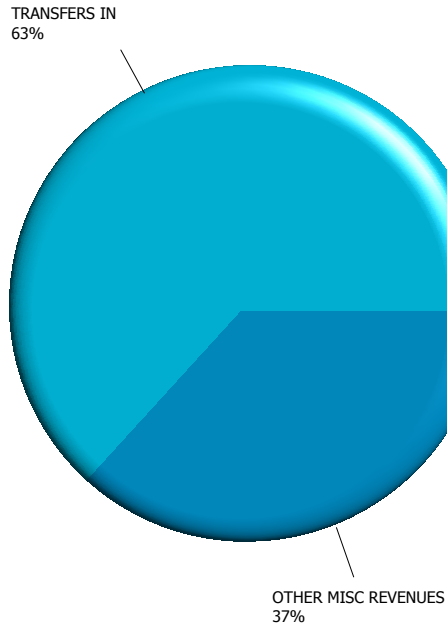
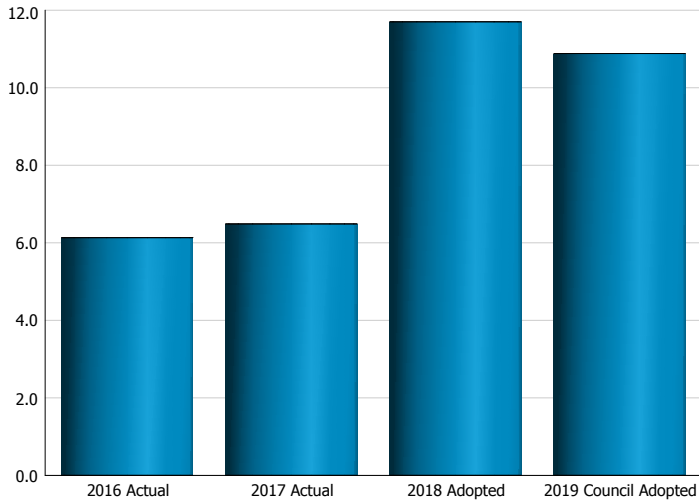
Expense 2016 - 2019
In Millions



Expense by Category



Revenue 2016 - 2019
In Millions

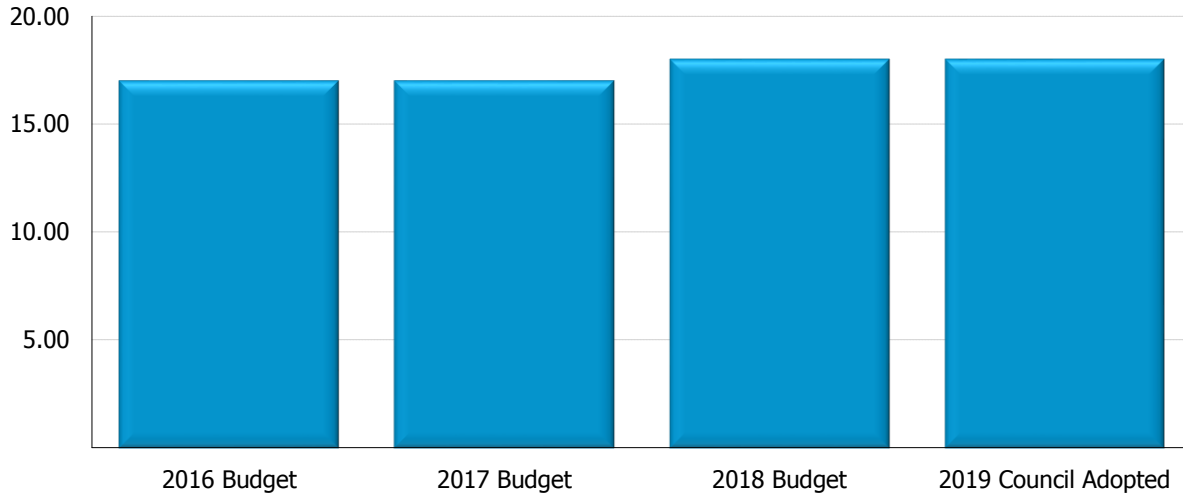


NEIGHBORHOOD & COMMUNITY RELATIONS

Staffing Information

Division	2016 Budget	2017 Budget	2018 Budget	2019 Council Adopted	% Change	Change
ADMINISTRATION	17.00	17.00	18.00	18.00	0.0%	0
Overall	17.00	17.00	18.00	18.00	0.0%	0

Positions 2016-2019

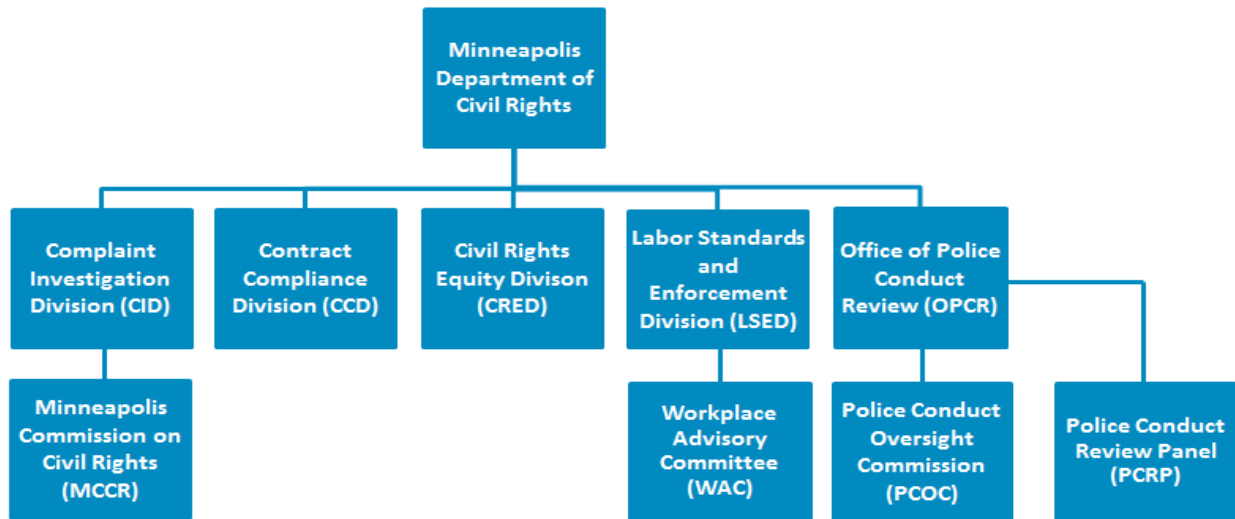


CIVIL RIGHTS

MISSION

The mission of the Department of Civil Rights is to enforce Minneapolis Code of Ordinances Title 7 (non-discrimination); Title 9, Chapter 172 (civilian police review authority); Title 16, Chapter 423 (small and underutilized business programs); Title 23, Chapter 6 (prevailing wage); Title 2, Chapter 40 (workplace regulations); and to promote understanding of civil rights among residents, business and government.

ORGANIZATION CHART



PERFORMANCE MEASURES

All data and analysis generated through the City's performance measurement process, Results Minneapolis, can be found on the City's website. Please visit <http://www.minneapolismn.gov/coordinator/strategicplanning/wcmsp-199683> to find detailed information and analysis related to the budget programs listed below.

Complaint Investigations

General Fund: \$625,000

Other Funds: \$42,000

The Complaint Investigation Division (CID) is required by City Ordinance to neutrally enforce the City's anti-discrimination laws and policies by investigating complaints of discrimination. Also, through a work sharing agreement with the U.S. Equal Employment Opportunity Commission (EEOC), the City serves as a Fair Employment Practice Agency (FEPA), investigating employment discrimination claims dual-filed and/or cases transferred from the EEOC. This program also administers an Alternative Dispute Resolution (ADR) Program to resolve complaints that allege discrimination and provide staff support to the Minneapolis Civil Rights Commission

Equity Division

General Fund: \$607,000

This Civil Rights Equity Division (CRED) program in collaboration with other City departments supports and encourages efforts in the City to develop policies, practices, and strategic investments to reverse racial disparity trends, eliminate institutional racism, and ensure that outcomes and opportunities for all people are no longer predictable by race. In support of the divisions within the Civil Rights Department and in cooperation with its private, public, and nonprofit partners, CRED works to create fair and just opportunities and outcomes for all people. The division also manages Urban Scholars, the City's leadership development internship program for post-secondary students from diverse racial and ethnic backgrounds.

Contract Compliance

General Fund: \$1,640,000

Other Funds: \$322,000

This Contract Compliance Division (CCD) ensures that City procurement of construction and development services, commodities and supplies, and professional and technical services includes women, minorities, and low-income workers and businesses. CCD also ensures that workers on construction and development projects are paid in accordance with prevailing wage laws. This division monitors and ensures compliance in four primary program areas that affect the general fund: Affirmative Action, Minority and Women Business Inclusion, Low Income Residents and Business Inclusion, and Prevailing Wage Compliance.

Office of Police Conduct Review

General Fund: \$993,000

The Office of Police Conduct Review (OPCR) ensures the processing of police conduct complaints in a fair manner with a civilian-sworn leadership model of oversight. OPCR utilizes a hybrid review panel of community members and police officers to issue recommendations. The OPCR provides staff support to the Police Conduct Oversight Commission (Commission), an all civilian commission that recommends policy and training that is positioned to change a culture, build community trust and have a lasting impact on the practice of police oversight. The Commission provides transparency, citizen engagement, and meaningful participation related to police conduct by advising on police policy, auditing OPCR cases, and engaging the community in discussions of police procedure. The ultimate goal is to foster mutual respect between the MPD and all populations of the City.

Labor Standards Enforcement

General Fund: \$678,000

The Labor Standards Enforcement Division (LSED) enforces the City's labor standards, which include the sick and safe time and minimum wage ordinances. The work of the division supports the City's goal with a focus on racial equity and inclusive economic. The program also provides staff support to the Workplace Advisory Committee, an appointed group of 15 community stakeholders that focus on workplace issues and serves as a resource on outreach and implementation. Services provided by the division include culturally specific education and outreach to employees; consulting with and educating of employers about their obligations; complaint investigation; workplace audits; and compliance reporting.

FINANCIAL ANALYSIS**Expenditure**

The Civil Rights Department's budget slightly increases from \$4.9 million to \$4.9 million in 2018 to 2019. This is an increase of \$41,000, or 0.9% due to inflationary increases in operating costs and budgetary

change items of \$432,000 in 2019 offset by elimination of one-time budget allocations of \$465,000 from 2018.

Revenue

Revenues are projected to remain flat at \$42,000 in 2019 in the City's federal grant fund.

Fund Allocation

This department is funded primarily in the General Fund at 92.6%, with the remainder funding in the Grants fund at 7.4%.

Budget Change Items

Detailed change items are presented on the following pages.

Civil Rights
Labor Standards Enforcement Investigator

2019 Change Item

Program: Labor Standards Enforcement
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel	\$100	\$100	\$100	\$100	\$100	\$100
IT	\$2					
Fleet						
Contractual Services						
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$102	\$100	\$100	\$100	\$100	\$100

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count	1	1	1	1	1	1

Council Adopted Budget:

The City Council approves \$100,000 ongoing and \$2,000 one-time for one Labor Standards Enforcement Investigator (1.0 FTE) in the Labor Standards Enforcement Division (LSED).

Rationale/Background:

Beginning in 2018, both the City’s Sick and Safe Time and Municipal Minimum Wage Ordinances authorized investigation and enforcement of suspected violations as well as compensatory resolutions based on the offense. It is imperative that LSED be adequately resourced and equipped to proactively and comprehensively enforce the City’s Minimum Wage and Sick and Safe Ordinances and any additional wage and hour protections the city explores.

LSED is currently allocated one supervisory and one non-supervisory investigator. Outreach and media coverage have helped contribute to a rise in complaints being filed (168 total from July 2017 through April 2018). That already high case-load is set to jump as the city’s minimum wage ordinance begins to affect more employers and employees. On average, LSED investigators spend several months per case from inquiry, intake, investigation, negotiation, and resolution of a meritorious claim. The division is also tasked with communications and outreach to thousands of businesses and tens of thousands of workers. Drafting rules and tools and distributing this information across the city while corresponding directly with well over one thousand employers and employees to resolve their questions or concerns stretches existing staff extremely thin.

As Minneapolis employers and employees become more familiar with the Minimum Wage and Sick and Safe Time Ordinances, LSED is also seeing fewer cases being resolved via technical assistance and outreach. Cases are requiring more resources, time intensive data analysis, and investigative site visits. This change item is intended to fit the tiered and strategic case prioritization of LSED, ensuring cases can be categorized and processed as efficiently as possible using an intake classification and assignment process.

Minneapolis currently lags far behind peers in Seattle, San Francisco, New York, Los Angeles and Washington DC in its ratio of labor standards investigators per capita. For example, in 2017 Seattle’s labor standards investigator

Civil Rights Labor Standards Enforcement Investigator

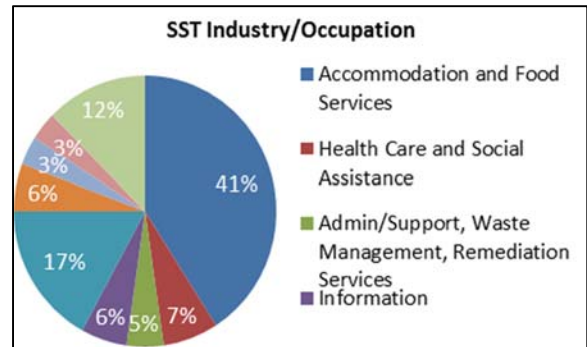
2019 Change Item

ratio is approximately 1 to 60,400 (12 investigators for a population of 724,745 in July 2017). That same calculation for Minneapolis is approximately 1 to 211,200 (2 investigators for a population of 422,331 in July 2017). Effective enforcement requires the resources to regulate high violation industries and employers with enforcement actions alongside community partners. This high impact strategy simply cannot occur without sufficient capacity and appropriate oversight mechanisms.

Description of the Change:

This item will add one (1) FTE to the existing enforcement and investigations work carried out by LSED.

LSED has engaged in – and will continue – on-going collaboration with the Office of Mayor, City Council, City Coordinator’s Office, CPED, Health, 311, NCR, and Communications. These collaborations have been immensely valuable in providing strategic communication, messaging, and public outreach. LSED has also collaborated with CTUL in order to leverage their resources and relationships with communities in Minneapolis. An increase in investigative resources is the main tool to effectively address an increase in enforcement responsibility, increased complaint filing and strategic focus on more proactive, company-wide investigations in partnership with community.



Effective implementation of the FTE will begin immediately in 2019. Since LSED has already created process-flow and investigative method documentation, the new investigator could be trained and utilized immediately. Civil Rights is working on classification on this position and will work with the Mayor and Council on approval once the analysis is completed.

Equity Impact:

The adoption of the Sick and Safe Time and Minimum Wage ordinances were explicit strategies to address economic disparities across the City. Much of the data is readily available and has been reported extensively; 41% of all black workers and 54% of all Latino workers- and their 71,000 families currently earn less than \$15 per hour. Similarly, we know that workers of color, particularly Latino workers, did not previously have access to sick leave like their white counterparts.

However, one area that has not been addressed is the resources required to bring people and business along. While LSED is tasked with enforcement, the division must also take care to build relationships and not punish those businesses that want to be in compliance but are struggling to do so. They must balance two of the City’s goals around an inclusive economy; both protecting the rights of workers, while still supporting an environment where small businesses can thrive. Current investigators are acting as investigators, technical assistant providers, and working to ensure businesses are indeed implementing these changes. This takes substantial time.

Those businesses requiring assistance are disproportionately small women and minority owned business. The 2016 disparity study determined these businesses lack access to many of the same resources enjoyed by their majority owned business counterparts. Many of these changes have created a substantial amount of work. Increasing staffing and establishing divisional oversight will not only increase wages for many of our residents, it will also ensure staff can be responsive to our small business communities in a way that builds relationships, not widens the gap.

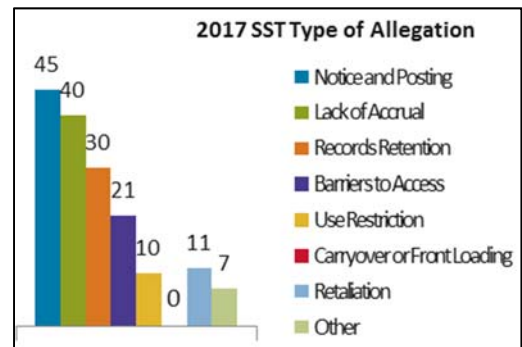
Results:

LSED’s results focus has been similar to other Civil Rights divisions with the goals of Eliminating Discrimination and Meeting Stakeholder Needs. The measurement of LSED’s effectiveness comes from a combination of outreach efforts and enforcement actions taken.

Since both the City’s Sick and Safe Time (SST) Ordinance and Municipal Minimum Wage Act are still relatively new, LSED’s strategy has been focused on outreach and education while also providing the investigative capacity for cases that are filed as more elements become enforceable. By compiling reliable data, trends and issues can be identified and corrective action can be taken to ensure that policies are having their intended impact on affected communities.

Additionally, increasing the number of investigators in LSED will improve the department’s ability to respond to and process alleged violations. To date, only 9 of the 173 complaints received involved allegations of minimum wage violations while the remainder related solely to sick and safe time. Importantly, the nine minimum wage complaints received thus far have taken a vastly disproportionate amount of time and resources to resolve. This is because the majority of minimum wage investigations require site visits to a place of business, evidence gathering, and investigative interviews with employees, many of whom are reticent to testify out of a fear of retaliation from an employer. In general, an effective minimum wage investigation is far more time and labor intensive than a sick and safe time investigation without minimum wage violations, which can often be resolved through email correspondence and negotiations by phone (through technical assistance and verification of records).

The reason we have received so few minimum wage complaints is because the minimum wage ordinance has only been effective since January 1, 2018 and only for large businesses (most of which already paid more than \$10 per hour to employees). The ordinance is not yet effective for small businesses, which represent the vast majority of employers in Minneapolis. In short, both large and small businesses and their employees have yet to feel much, if any, impact from the minimum wage ordinance. That will change on July 1, 2018 when the required minimum wage rises to \$11.25 for large.



Civil Rights
Office of Police Conduct Review Case Investigator

2019 Change Item

Program: Police Conduct Review
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel	\$99	\$100	\$100	\$100	\$100	\$100
IT	\$1					
Fleet						
Contractual Services						
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$100	\$100	\$100	\$100	\$100	\$100

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count	1	1	1	1	1	1

Council Adopted Budget:

The City Council approves \$100,000 ongoing for a Police Conduct Review Case Investigator (1.0 FTE) position in the Office of Police Conduct Review (OPCR).

Rationale/Background:

The OPCR ensures police conduct complaints are processed fairly in order to foster mutual respect between the Minneapolis Police Department (MPD) and all populations of the City of Minneapolis. These efforts are a cornerstone of Mayoral efforts to increase police-community relations and ensure the effective operations of the City’s civilian oversight mechanism.

OPCR’s Case Investigators also aid the creation, protection, and retention of affordable housing in Minneapolis. In 2018, the Police Conduct Oversight Commission (PCOC) released findings from its Housing Study that included issues arising from MPD procedures and practices when responding to incidents at properties deemed affordable housing. The ability of Case Investigators to continue meeting increased demand from rising complaint filings is critical since these investigations can help identify issues and trends impacting residents. The availability of data from investigators was key in supporting the PCOC decision to request the 2018 Housing Study, leading to identification and correction of practices that may have been barriers to residents maintaining a stable housing situation. Due to a recent ordinance change, the OPCR is also able to conduct research and study projects based on trends found in complaints. Case Investigators’ work on cases is very important to being able to identify issues that need to be addressed. Community members filing complaints also frequently request civilian investigators and more civilians are needed to meet this growing need.

The shift to civilian investigations decreases the resources needed to be allocated by MPD to a similar function while also providing increased transparency to members of the public. When coupled with the increase in demand for civilian investigators, this may be a good indication that the current allocation of investigators with MPD may be more useful to all parties if converted to positions within the civilian mechanism for police oversight.

Civil Rights Office of Police Conduct Review Case Investigator

2019 Change Item

Numerous focus groups and listening sessions tell us that people want to feel heard, want to understand the process, and want to understand why decisions are made. These are just three of the things community members say they need when interacting with the City. We also know time becomes the most valuable resource staff has and it gets shifted to administration and actual investigation, leaving complainants feeling discouraged. These feelings are shared within and across communities perpetuating distrust and a reluctance to report incidence of misconduct. With investigators currently undertaking a case load higher than recommended by national best practices, the City runs the risk of further straining community relationships. Therefore, it is of utmost importance our investigators are able to continue to give the best services possible to further the efforts of the City in growing relationships and repair years of distrust in government.

Description of the Change:

This proposed request will allocate an additional 1.0 FTE Case Investigator position as well as the associated funding for the creation and operation of this position. Currently, OPCR operates with two dedicated civilian Case Investigators. Data analysis from Q4 of 2017 and Q1 of 2018 shows a 72% increase in complaints filed compared to the same period of the prior year. If these trends continue, projections indicate approximately 650 complaints filed and 162 new investigations in 2019. Joint supervisors have considered it best practice to maintain an investigator caseload of roughly 10 cases at any given time.

Case Investigators are responsible for the civilian investigation of complaints filed against the MPD. Investigative reports created by this position are the foundation for disciplinary action and are often the key element for the how a case is routed by the joint supervisors (Director of OPCR and the Commander of IA), decisions on merit by the review panel, as well as decisions made by the Chief of Police.

On average, a Case Investigator will spend 135 days on a specific case (when removing cases dismissed at intake that average 34.37 days). The current police oversight environment uses a mixture of civilian and police investigators and the increase in total complaints coupled with the reallocation of Internal Audit Investigators within MPD is shifting the caseload balance further towards OPCR and a comparably smaller civilian investigations division.

The work being performed by OPCR investigators provides direct support to both Internal Affairs and the Minneapolis Police Department. While reducing the need for MPD to allocate resources to this work it also provides increased transparency and accountability which benefits all parties involved. Additionally, the data portal created and operated by OPCR is a direct result of investigations performed by OPCR and ensuring resources to continue meeting demand plays a large roll in producing reliable and detailed breakdowns on cases from year to year. OPCR already has the structure and procedures in place for case investigators and would be ready to train and implement staff as soon as allocations and resource provision is complete.

Equity Impact:

Cases of police misconduct continue to increase with OPCR seeing more cases filed in 2017 than in previous years. Investigators are currently assigned more cases than national best practices recommends. Acts of police misconduct disproportionately impact people of color, people who identify as LGBTQA/ I, and those people with mental health issues or are in a time of crisis.

The City's current processes give a complainant the opportunity to file with Internal Affairs or OPCR, and people are overwhelmingly choosing to file with OPCR. We believe this is due to ongoing tensions and the historical lack of trust between communities of color and institutions like the City and the police department.

Office of Police Conduct Review Case Investigator

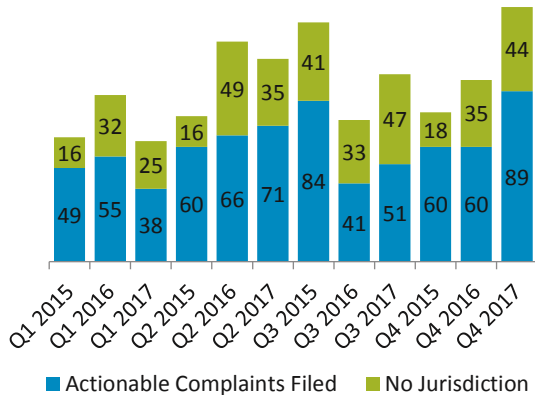
Complaints are predominately filed by people of color and there is also significant under reporting related to police misconduct. According to the 2016 Resident Survey, 50% of residents in Camden and Phillips neighborhoods reported having contact with the police in the last 12 months compared to only 25% of most other communities. Forty-four percent of those who experienced discrimination while receiving City Services reported it was while interacting with police. The rate was almost 10% higher for those living in Near North. So, while cases are up, there is still evidence of under reporting overall.

Results:

The work of OPCR is critical in addressing the Results goals of Eliminating Discriminations and Meeting Stakeholder Needs. OPCR Case Investigators are the individuals responsible for working with complainants and MPD to provide an independent review of information and ensure that parties are held accountable. Meeting Stakeholder Needs is a major portion of the Results goals set by the Department of Civil Rights. In the context of OPCR, stakeholders include residents of Minneapolis, the MPD, and City officials. Case Investigators provide a service to stakeholders in the form of civilian oversight on investigations as well as being the data producing element that contributes to the OPCR data portal which provides transparency in support of open-government.

To accurately measure performance, OPCR relies on the volume of cases filed and an increased focus on the time needed to complete investigations. The joint supervisors have made it a focus to lower the average time an investigation is open and this data is being tracked for comparison to the previous two years. As the volume of cases filed increases, having additional resources to ensure effective turnaround times will be important in achieving the high standards set for this division.

2015 – 2017 Complaints Filed by Quarter



2015 – 2017 Allegations Filed

	2015	2016	2017
Criminal Misconduct	0	2	6
Discrimination	7	20	11
Theft	2	2	0
Harassment	42	7	8
Failure to Provide Protection	51	62	47
Use of Excessive Force	49	66	33
Inappropriate Language/Attitude	85	79	68
Violation of Policy Manual	75	129	172
Total	311	367	345

**Civil Rights
Collaborative Enforcement Program**

2019 Change Item

Program: Labor Standards Enforcement Division (LSED)
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel	\$200	\$200	\$200	\$200	\$200	\$200
IT						
Fleet						
Contractual Services						
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$200	\$200	\$200	\$200	\$200	\$200

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$200,000 ongoing for collaborative enforcement of the City’s Sick and Safe Time and Municipal Minimum Wage Ordinances in the Labor Standards Enforcement Division (LSED).

Rationale/Background:

The LSED is currently responsible for oversight and enforcement of the City’s Sick and Safe Time and Municipal Minimum Wage Ordinances. LSED has utilized Community Based Organizations’ (CBOs) expertise and resources at many points during the implementation of these ordinances to ensure that outreach and education are connecting with the individuals who will be impacted most. CBOs can utilize knowledge and relationships with Minneapolis workers groups which can provide a tremendous benefit to the City as it continues to ensure employers and employees are aware of changes and policies being implemented as part of ordinances.

The role of Labor Standards Enforcement includes outreach and education elements but as ordinances become more established and visible, the need for LSED resources to place more emphasis on the investigations of violations will continue to increase. This results in few resources that LSED is able to deploy to outreach and education efforts, which is an area that CBOs have proven incredibly valuable. By working with CBOs, Minneapolis can use a collaborative effort to reach impacted residents and take full advantage of groups that have made improving the lives of workers in Minneapolis their mission.

Description of the Change:

This item of \$200,000 will pilot a program for a collaborative enforcement contracts with CBOs next year. Funds will be used by CBOs to conduct outreach, engagement, and provide technical assistance to both low wage workers and small businesses. At the end of the pilot, a determination of the impact and effectiveness will be presented as a justification for continuation, modification, or termination of the program. Effectiveness will be measured in how many complaints are brought or identified by CBOs, how many workers receive sick and safe time or wage compensation that will not otherwise have occurred, or numbers of businesses receiving payroll and other types of compliance technical assistance. The number of compliance issues resolved and workers and businesses trained can all be quantified. To date, almost fully half of the meritorious complaints received by the

Civil Rights Collaborative Enforcement Program

2019 Change Item

LSED were brought by our initial partnership with a community based organization called Centro de Trabajadores Unidos en Lucha (CTUL). Even more importantly, every single one of these complaints involved financial harm to Spanish-speaking or African-American low wage workers. Workers received remedies and training in every one of these cases. In comparison, other complaints filed (unaffiliated with a community based organization) have come from predominantly Caucasian complainants, many of whom were union members.

This item ensures that the City is able to leverage partnerships with agencies that serve a similar mission and have detailed knowledge of the landscape impacted by City labor regulations. This partnership will begin immediately (likely in the first quarter of 2019) once the funding is allocated and a contract is finalized.

Equity Impact:

The adoption of the Sick and Safe Time and Minimum Wage ordinances were explicit strategies to address economic disparities across the City. Much of the data is readily available and has been reported extensively; 41% of all black workers and 54% of all Latino workers- and their 71,000 families currently earn less than \$15 per hour. Similarly, we know that workers of color, particularly Latino workers, did not previously have access to sick leave like their white counterparts.

A co-enforcement model of enforcement, in partnership with CBOs, is the single most effective way to ensure that the intended benefits of low wage workers protections are actually realized in traditionally underrepresented communities. Government, by definition, cannot have nearly the same access and trust within traditionally underserved communities, compared to relationships built by CBOs. When executed properly, community members themselves are empowered through the enforcement of their labor standards. A rising minimum wage and enforcement of sick and safe time intends to attack race and income disparities across the city, by empowering lower wage communities and the businesses they patronize. The work, strategic priorities, and investments of LSED through co-enforcement can effect transformational change if fully funded.

Minneapolis Workplace Advisory, a collection of stakeholders in the City, has continued to bring the concerns of the community to the department each month. They highlight the many small businesses working diligently to implementation and adhere to several new workplace regulations. While LSED is tasked with enforcement, the division must also take care to build relationships and not punish those businesses that want to be in compliance but are struggling to do so. They must balance two of the City's goals around an inclusive economy; both protecting the rights of workers, while still supporting an environment where small businesses can thrive. Current investigators are acting as investigators, technical assistant providers, and working to ensure businesses are indeed implementing these changes. This takes substantial time.

Results:

Extensive data will be collected so that the effectiveness and impact can be properly evaluated. Effectiveness will be measured in how many complaints are identified by CBOs, how many workers receive sick and safe time or wage compensation that will not otherwise have occurred, or numbers of businesses receiving payroll and other types of compliance technical assistance from CBOs. The number of compliance issues resolved and workers and businesses trained by CBOs can all be quantified. By collecting data and analyzing trends, the goal is to have a clear picture of the impact a co-enforcement model has on labor standards work in Minneapolis and the merits of continuing this arrangement in the future.

Civil Rights
Urban Scholars Funding

2019 Change Item

Program: Civil Rights Equity Division
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services						
Other	\$30	\$30	\$30	\$30	\$30	\$30
Net Budgetary Impact						
Expenditures - Revenues	\$30	\$30	\$30	\$30	\$30	\$30

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves an increase of \$30,000 in ongoing to right size wages for Urban Scholars program participants and meet the needs of Department requests.

Rationale/Background:

Urban Scholars is the Twin City’s premier leadership and professional development program for students from diverse racial and ethnic backgrounds and is directly connected to the Mayor’s priorities around building an inclusive economy for all. The program includes training and development as well as an internship at one of nine partner organizations, including the City. In 2017, Urban Scholars was comprised of more than 85% students of color.

Urban Scholars was a strategy implemented in response to the 2010 Uneven Pain report from the Economic Policy Institute. The program intentionally address the four main reasons identified for the metro’s employment gap: achievement gap, hiring bias, lack of professional networks for people of color, and the lack of meaningful work experience the workforce of color has. While the program alone will never close the gap, the program reaches further than one job for one student and partners with organizations across the metro to shift organizational culture through training and coaching, addressing hiring bias through the development and use of innovative hiring tools, and equipping college aged students with the skills our largest employers have deemed necessary to their organization.

Description of the Change:

This item is an enhancement to an existing program with approximately \$30,000 to increase wages for existing 23 positions, and increase the number of funded placements to partially meet department’s needs. In order for the City to stay competitive amongst the various internship opportunities across the metro, the Urban Scholars program needs to be prepared to raise wages for participants. The City currently starts their Urban Scholar at \$16.00 an hour, and while the program does provide an increase wage to students who return to the program, current funding levels did not account for over 90% of the Scholars returning. On average the following organizations pay their incoming interns:

Civil Rights

Urban Scholars Funding

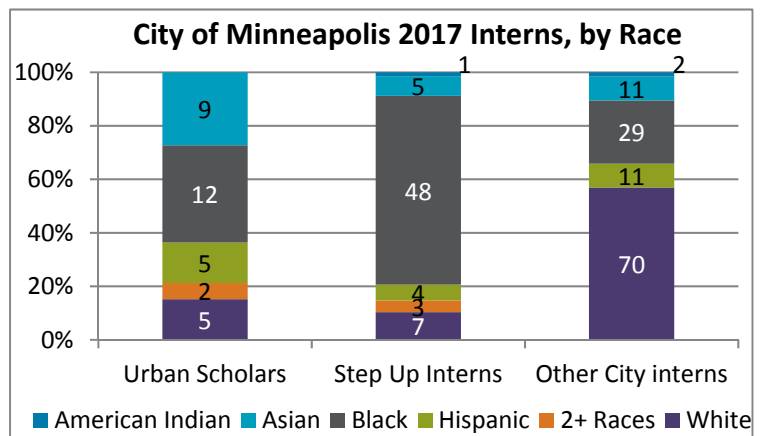
2019 Change Item

- Target: \$19.00
- State of Minnesota: \$18.63
- 3M: \$20.00
- General Mills: \$24.88

In 2018, Urban Scholars received an unprecedented 50 placement requests, including 9 in council offices and two in the mayor’s office. At current wages and training costs, our program is only able to place 23-25 students, depending on level of schooling and if they are new or returning. While the City does not have a centralized internship program, it is clear departments believe they are receiving a quality service with 95% of supervisors saying they will rehire their Scholars.

Equity Impact:

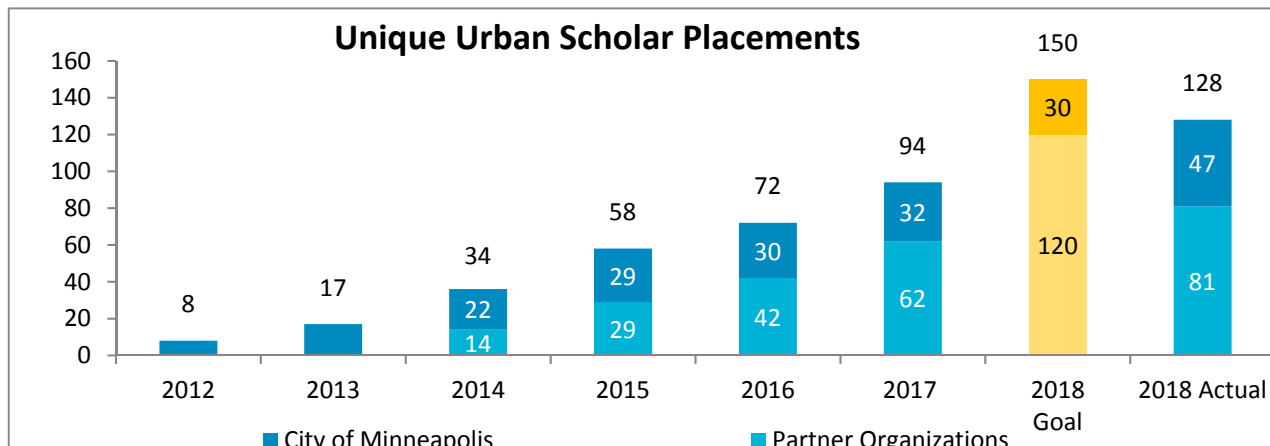
The employment gap in the region persists and it is necessary to be working across sectors and organizations to address this. The gap also continues within our own workforce. In 2017, Urban Scholars was comprised of more than 85% students of color, whereas students of color only made up 40% of other internship placements here at the City. The City continues to look for ways to diversify our own workforce in anticipation of the City’s changing demographics and to have a workforce that is truly reflective of the community it serves.

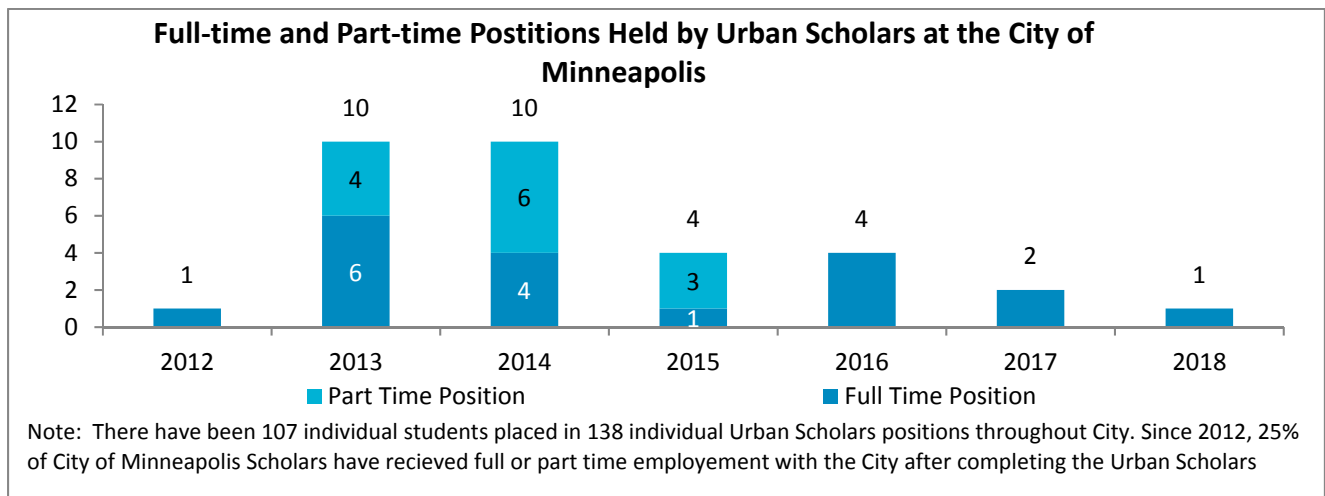
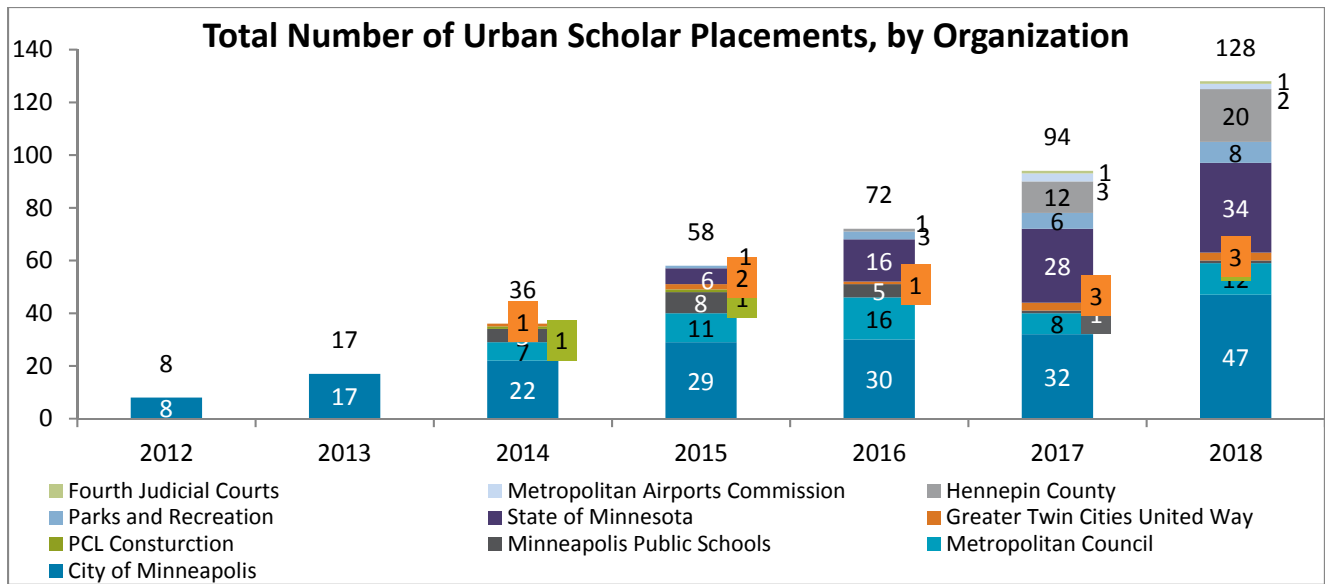


As is clear by the formation of the 29% club and our employee numbers sitting at 25% employees of color for years, it is clear that the work needs to extend beyond traditional methods for addressing these gaps.

Results:

Urban Scholars will continue to attract top talent from around Minnesota, introducing them to opportunities here at the City and equipping them with the skill necessary to succeed here in the Twin Cities. Our staff implements best practices and have expanded our reach by including other agencies. See below for a graphical representation of our results over the last several years.



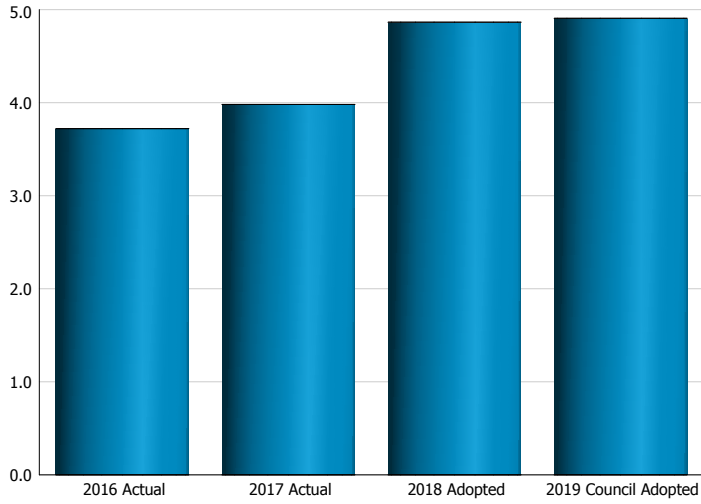


**CIVIL RIGHTS
EXPENSE AND REVENUE INFORMATION**

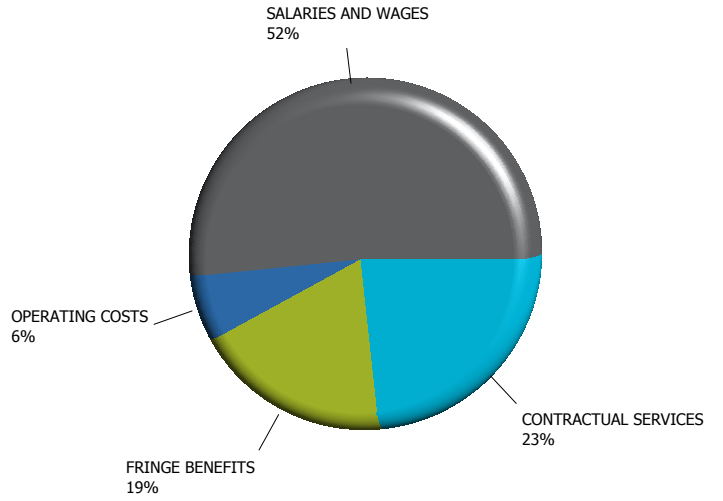
EXPENSE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	1,612,000	1,904,000	2,072,000	2,299,000	11.0%	227,000
FRINGE BENEFITS	522,000	600,000	837,000	833,000	-0.5%	-4,000
CONTRACTUAL SERVICES	841,000	796,000	1,339,000	1,100,000	-17.8%	-239,000
OPERATING COSTS	412,000	428,000	254,000	311,000	22.4%	57,000
TOTAL GENERAL	3,387,000	3,728,000	4,502,000	4,543,000	0.9%	41,000
SPECIAL REVENUE						
SALARIES AND WAGES	246,000	188,000	227,000	234,000	3.1%	7,000
FRINGE BENEFITS	93,000	64,000	95,000	88,000	-7.4%	-7,000
CONTRACTUAL SERVICES	-17,000		42,000	42,000		
OPERATING COSTS	12,000	1,000		0		
TOTAL SPECIAL REVENUE	334,000	253,000	364,000	364,000		
TOTAL EXPENSE	3,721,000	3,981,000	4,866,000	4,907,000	0.9%	41,000
REVENUE						
SPECIAL REVENUE						
CHARGES FOR SERVICES	13,000			0		
CONTRIBUTIONS	73,000			0		
FEDERAL GOVERNMENT	32,000	7,000	42,000	42,000		
OTHER MISC REVENUES	4,000			0		
SPECIAL REVENUE	122,000	7,000	42,000	42,000	0	
TOTAL REVENUE	122,000	7,000	42,000	42,000	0	

CIVIL RIGHTS EXPENSE AND REVENUE INFORMATION

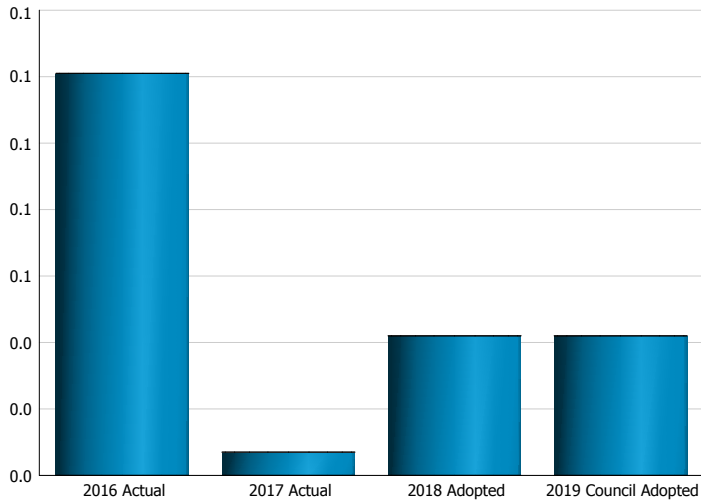
Expense 2016 - 2019
In Millions



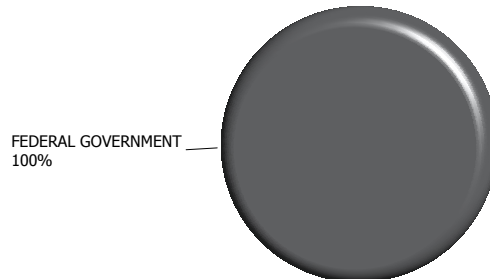
Expense by Category



Revenue 2016 - 2019
In Millions



Revenue by Type

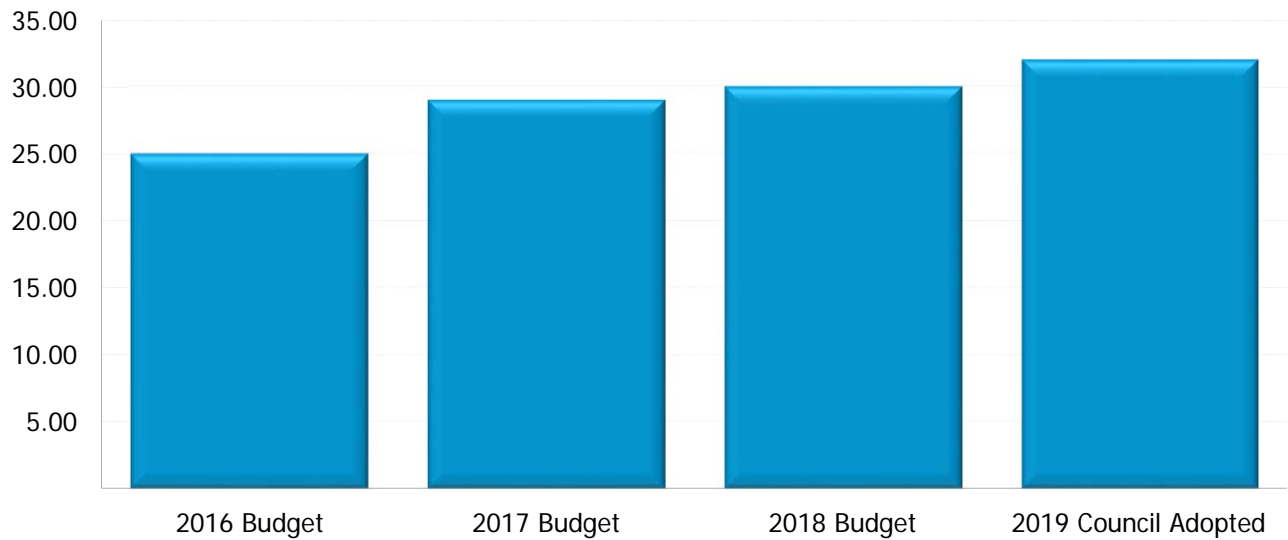


CIVIL RIGHTS

Staffing Information

Division	2016 Budget	2017 Budget	2018 Budget	2019 Council		
				Adopted	% Change	Change
COMPLAINT INVESTIGATION	5.52	6.52	5.69	5.63	-1.1%	(0.06)
CONTRACT COMPLIANCE	9.74	10.74	10.05	9.96	-0.9%	(0.09)
EQUITY IN EMPLOYMENT	2.22	3.22	3.36	3.33	-0.9%	(0.03)
LABOR STANDARDS ENFORCEM	2.00	2.00	3.21	4.33	34.9%	1.12
POLICE CONDUCT REVIEW	5.52	6.52	7.69	8.75	13.8%	1.06
Overall	25.00	29.00	30.00	32.00	6.7%	2.00

Positions 2016-2019

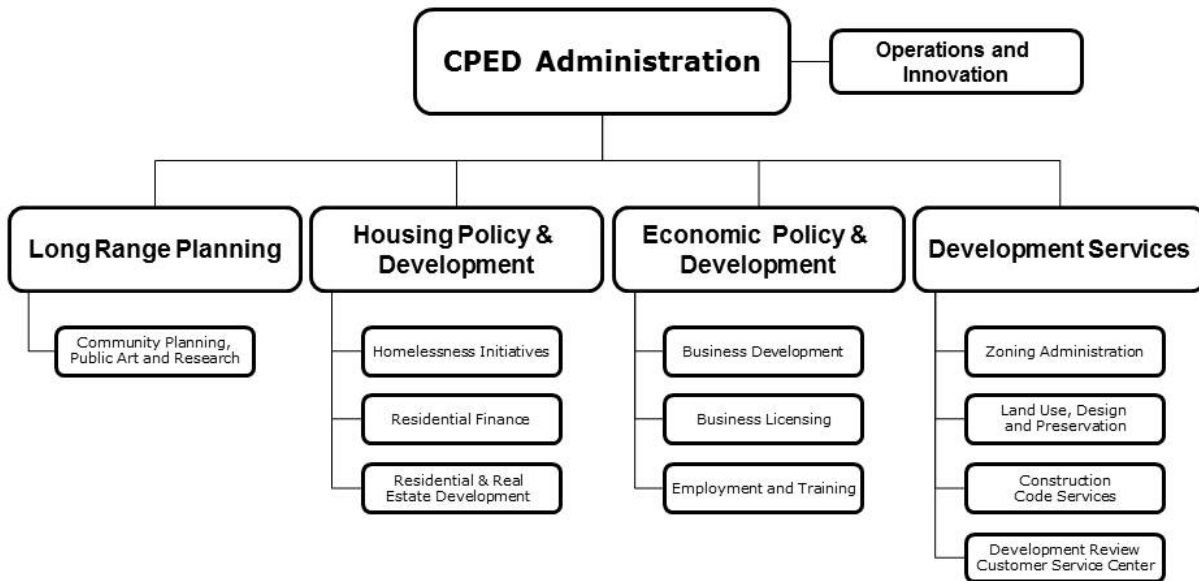


COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT

MISSION

Grow a vibrant, livable, safely built city for everyone.

ORGANIZATION CHART



PERFORMANCE MEASURES

All data and analysis generated through the City's performance measurement process, Results Minneapolis, can be found on the City's website. Please visit <http://www.minneapolismn.gov/coordinator/strategicplanning/wcmsp-199683> to find detailed information and analysis related to the budget programs listed below.

Administration and Support

General Fund: \$8,697,000
Other Funds: \$1,448,000

This division provides department-wide leadership and support for internal City services including budget, technology services, business process improvements, finances, information-technology, communications, fleet management, space management, employee engagement, and workforce planning, and community engagement/outreach. It is also responsible for oversight and management of data analytics and administrative enforcement. The division strives to improve and facilitate accountability and innovation throughout its divisions, providing analysis and long-range thinking that supports responsible decision making. It is also responsible for coordination of projects, public policy process and implementation, committee actions and council process.

Housing Policy and Development

Housing Policy & Development establishes housing policy, finances and redevelops single and multifamily residential real estate to stimulate private investment, increase the tax base and sustain a healthy housing market.

Affordable Housing Development

General Fund: \$1,282,000
Other Funds: \$29,562,000

This program provides necessary financing for the development, redevelopment or preservation of affordable and mixed income rental housing to meet current and future resident needs, stimulate private investment, increase tax base, and sustain a healthy housing market.

Homeownership Support & Development

General Fund: \$1,013,000
Other Funds: \$12,956,000

This program is designed to assist with the development, redevelopment and support of ownership housing of 1-4 units. The work is critical to promote high quality and healthy housing, and promote affordable, sustainable homeownership, with a strong focus on reducing racial disparities in homeownership rates. The major sub programs include Minneapolis Homes: Buy, Build, Rehab, Home Ownership Works, Homeownership Opportunity Minneapolis, Homeownership Counseling and Education, Homeowner Rehab, Vacant and Boarded program and property management of vacant properties.

Economic Policy and Development

Economic Policy & Development supports investment that grows businesses, jobs and the City's tax base, and works to ensure that Minneapolis residents are competitive for those jobs.

Business Development

General Fund: \$2,688,000
Other Funds: \$6,982,000

Business Development helps businesses to start, stay and grow in Minneapolis to expand job growth, business ownership, tax base and commercial vitality particularly for those populations and neighborhoods that have been disenfranchised. To accomplish its work, Business Development has an array of programs and projects including small business loans and facade grants, business technical assistance, site search assistance, and commercial real estate development.

Adult Workforce Development

General Fund: \$1,051,000
Other Funds: \$4,744,000

Through a network of community-based employment service providers, Adult Workforce Development helps Minneapolis residents find and retain jobs or pursue training that will lead to employment. The Minneapolis Works, Career Pathways, and WIOA Adult programs serve low-income Minneapolis job seekers, while the Dislocated Worker Program helps recently laid-off adults return to the workforce. In partnership with community-based agencies, the adult

programs provide career counseling, job readiness training, job search assistance, and job placement. Many of the clients served through the programs have multiple barriers to employment, including ex-offender status, lack of consistent work history, unstable housing, low educational attainment, and/or chemical dependency.

In 2017, through its various programs and strategies, Adult Workforce Development programs assisted over 2,000 Minneapolis residents through employment training, career navigation, and job counseling services; over 1,000 gained employment. The remaining job seekers continue to utilize employment services provided by these programs to secure permanent or temporary employment. Annual reports can be found on the [Minneapolis Employment and Training website](#).

Youth Training and Development

General Fund: \$927,000
Other Funds: \$3,234,000

The City of Minneapolis Youth Programs aim to create a strong future workforce by reducing youth unemployment and racial employment disparities. The STEP-UP Program and the Year Round WIOA Youth Program are distinct but well-linked programs that provide employment for low-income Minneapolis youth, ages 14-21. Both programs are designed to give Minneapolis youth from minority communities and low-income families the tools to find their place with the workforce.

STEP-UP, a nationally recognized youth employment program, serves nearly 2,000 Minneapolis youth every summer, connecting them to real and valuable summer work experiences. STEP-UP interns receive critical work readiness training prior to being placed in a summer job. Through STEP-UP, youth learn good work habits, earn wages, and gain experience while providing valuable services to local businesses. Augmenting the summer job experience is the opportunity to attend camp, participate in workshops, and earn high school credit via classroom training.

The Year Round WIOA Youth Program provides approximately 1,000 youth with year-round stabilization programming, including employment placement services. All youth participants experience barriers to employment, including homelessness, high school dropout, and juvenile criminal records. This program increases youths' long-term employability by enhancing educational, occupational, and leadership skills.

Business Licensing

General Fund: \$3,337,000

This program regulates business licensing for liquor establishments and over 200 other types of businesses and annually licenses 11,000 businesses and individuals. The service includes assisting business owners through various regulatory processes, license application review, background checks, on-site facility inspections, and the collection of license fees with an annual renewal billing system.

CPED Long Range Planning Division

General Fund: \$1,918,000
Other Funds: \$1,206,000

Long Range Planning Division has four key components:

- (1) Comprehensive Planning actively aligns the City’s planning, economic development, housing development, and transportation planning functions into a sustainable, regional framework for managed growth over the next generation.
- (2) Research activities guide and inform our planning work; this includes developing and utilizing applied research derived from quantitative and qualitative methods and data.
- (3) The Art in Public Places program is comprised of six areas of regular work activity which include the commissioning and creation of art in public places, conservation, technical assistance to other agencies, public art policy, proposals for art on city property, proposals for art on private property, and working with cultural communities.
- (4) Creating public realm guidelines and strategies, establishing a coordinated governmental strategy for all public realm improvements.

Development Services

Development Services manages zoning administration, land use, design and preservation review, construction code services and the customer service center that serves as the front door for the City’s consolidated development activities.

Development Services – Customer Service Center

General Fund: \$2,219,000

The Customer Service Center serves as the front door and service center for the City’s consolidated development activities and focuses on consistent, streamlined customer service. It ensures high-quality development while requiring that building construction and rehabilitation projects meet the City’s standards in terms of safety, livability and health and environmental sensitivity. Business licenses, rental licenses and critical parking permits may also be obtained at this center.

Land Use, Design and Preservation

General Fund: \$2,264,000

Other Funds: \$770,000

The Land Use, Design, Preservation and Zoning department guides development as required by law, helping residents and property owners invest in the City in a way that aligns with the City’s comprehensive plan and development regulations. The department is responsible for managing, reviewing, and enforcing land use, zoning, preservation, and environmental review applications. The department staffs and administers public processes, including public meetings of the City Planning Commission, Heritage Preservation Commission and Zoning Board of Adjustment. The department performs administrative reviews and preservation permits at the customer service center, as well as guiding ongoing regulatory reform affecting land use and development.

Construction Codes Services

General Fund: \$9,400,000

Construction Code Services (CCS) ensures the comprehensive application of the Minnesota State Building Code and applicable city ordinances. CCS consists of the three business lines of construction plan review, construction inspections, and programs. Construction plan review accepts all applications for building, elevator, mechanical, and plumbing work that require a plan review and a permit. Plans are reviewed and permits are issued for these projects. Construction inspections performs all required inspections for building, elevator, mechanical, and plumbing work covered by issued permits and respond to complaints regarding construction

projects. Programs include elevator registration and annual inspections, code compliance, truth-in-sale-of-housing, certificate of occupancy, and fire escrow.

CPED Debt Service & Transfers

Other Funds: \$35,167,000

This program relates to the administration and management of certain CPED financial resources, both with external partners and between CPED funds. This program provides for the transfer of revenues necessary to pay annual debt service on bonds and other contractual obligations issued to undertake various CPED activities as well as the internal transfer of eligible revenues to finance CPED development activities.

FINANCIAL ANALYSIS

Expenditure

For 2019, Community Planning and Economic Development’s (CPED) budget is \$130.9 million, an increase of 31.6% or \$34.5 million from the 2018 budget. The increase is attributable to routine inflationary operating increases and the recommended additions.

Revenue

In 2019, the department anticipates \$143.7 million in revenue, an increase of \$23.4 million or 21.5% from 2018. Revenues in the department exceed expenditures due to the lagging nature of review work performed in association with the collection of license and permit fees.

Fund Allocation

In 2019, 40.2% of the department’s budget is funded from general fund resources, or \$51.8 million. The remaining budget is funded from federal and state grants, tax increment property taxes and transfers as well as other resources.

Budget Change items

Detailed change items are presented on the following pages.

**Community Planning & Economic
Development 4d Expansion**

2019 Change Item

Program: Affordable Housing Development
Fund: Community Improvement

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$250	\$250	\$250	\$250	\$250	\$250
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$250	\$250	\$250	\$250	\$250	\$250

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The Council approves \$250,000 in ongoing other funding to support the expansion of the City’s 4d Pilot initiative into a full City program.

Rationale/Background:

Funds will be used to cover City expenses related to payment of document recording fees, Low Income Rental Classification (LIRC) application fees to Minnesota Housing, data analysis on program outcomes and equity impacts, and consultant fees to assist with energy efficiency and healthy homes improvements.

This item addresses the Mayor’s priority of expanding access to affordable housing throughout the City. The City is now a majority renter population. Approximately 50,000 Minneapolis renter households earn less than 60% of the area median income (\$51,400 for a family of four in 2016). The majority of these households (78%) are cost burdened, meaning that they pay more than 30% of their income for housing. Almost half (46%) are paying more than half of their income for housing. Minneapolis renters are facing increasing housing costs with decreasing incomes, and the city has fewer affordable housing units today than it did 15 years ago. The energy cost burden is also disproportionately high for low income renters, and disparities in housing quality have serious health impacts for residents, especially children. The private market is unable to produce or rehabilitate rental housing at an affordable level due to the costs associated with constructing, owning, and operating developments.

The 4d Pilot initiative utilizes the State Low Income Rental Classification tax status to preserve NOAH properties that have at least 20% of the units with rents affordable to households with incomes at or below 60% of the Area Median Income (AMI). Naturally Occurring Affordable Housing, or NOAH, refers to unsubsidized, typically Class C buildings. Minneapolis has approximately 30,000 Class C units in buildings of 4 or more units, and fewer than 15,000 of these units have rents affordable to households with incomes at or below 60% AMI. NOAH properties have become progressively attractive to local and national speculators intent on maximizing cash flow through increasingly higher rents.

4d Expansion**Description of the Change:**

This item is an expansion of the 4d Pilot Initiative. State statute provides for a LIRC tax classification that results in a 40% reduction in property taxes on rent and income restricted units. To qualify for the preferred tax status, the property must be subject to a recorded document due to financial assistance from a unit of federal, state or local government that restricts at least 20% of the units to be affordable to and occupied by households at or below 60% of Area Median Income (AMI). Funds will be used for the City's local government contribution for a full program rollout (beyond Pilot phase) and associated program costs related to data acquisition and analysis on program outcomes and equity impacts. Funds will also support consulting services related to the sustainability elements of the Pilot. Demand for this program exceeded capacity in the Pilot phase. Staff anticipates preserving 1,000-5,000 NOAH units through this program expansion, and aims to enroll participants in every City ward.

This program will complement other work throughout the City enterprise designed to address the need for more affordable housing. It overlaps most directly with other NOAH preservation activities and the energy efficiency and healthy homes work of the City Health Department and Sustainability Office. Staff anticipates this program will include adjustments and learnings from the Pilot phase, including expanding the program to buildings with 4 or more units and evaluating the possibility of offering the program to buildings with 2-3 units.

The City external partners for this program will primarily be smaller scale private rental property owners and Minnesota Housing. Internally, the Health Department and Sustainability team are partners in the 4d program's offerings related to optional energy efficiency and healthy housing improvements.

The implementation date of this program will be January 1, in anticipation of the March 31 application deadline established by Minnesota Housing. Sustainability improvements will follow according to utility company and Health Department schedules.

Equity Impact:

In Minneapolis, the population of color is growing faster than the population as a whole. The facts that racial and ethnic groups are over-represented amongst low income households, and that most people of color are renters means that the negative impacts of the shortage of affordable rental housing are disproportionately experienced by communities of color. Cost burdened households are disproportionately communities of color. For example, 66% of women of color were cost burdened in Minneapolis compared to 37% of white men. Energy cost burden is also disproportionately high for communities of color. Housing stability is a major concern, as evictions disproportionately impact neighborhoods with majority non-white populations. Historic discriminatory housing policies have had a lasting impact on development patterns. Persons with disabilities experience poverty at higher rates than the population, and veterans are overrepresented among the homeless population.

NOAH preservation programs are specifically designed as anti-displacement strategies, which are part of the City's duty to Affirmatively Further Fair Housing, defined as taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. NOAH preservation will help to reduce housing disparities among affected groups by expanding locational choice and access to decent, safe, affordable housing, and was supported by the Housing Preservation roundtable led by the Mayor's Affordable Housing Committee. Anticipated program changes will make the program feasible for very small-scale owners located throughout the entire city.

Results:

4d Expansion

Performance for this program will be measured by the number and location of units preserved through participation in the program. An additional metric will be the number of units/buildings that receive optional energy assessments, the amount and type of energy/healthy housing improvements made, and the anticipated cost savings. Program restricted rent levels can also be compared to average rents in the open market in both sold and unsold properties to measure the relative affordability impact for renters. This information is available through the City’s CoStar market data subscription.

<i>Name of Measure</i>	<i>2018 budget</i>	<i>2019</i>	<i>Notes</i>
# of NOAH units preserved	200 units (pilot)	1,000-5,000 units	Range reflects variability in program demand.
# of properties making energy efficiency/healthy housing improvements	TBD	10-30 properties	Energy efficiency and healthy homes improvements will be encouraged; outcomes dependent on availability of funding for improvements outside of CPED.
# of wards with participating buildings	8 wards	13 wards	Goal is to preserve units throughout the City.

Community Planning & Economic Development
 800 West Broadway (North Workforce Center)

2019 Change Item

Program: Adult Workforce Development
 Fund: General Fund – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$75					
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$75	-	-	-	-	-

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The Council approves \$75,000 in one-time general funding for the 800 West Broadway – North Minneapolis Workforce Center.

Rationale/Background:

This item will support programming at 800 West Broadway - North Minneapolis Workforce Center that aligns to their 2019 goals and priorities. These goals and priorities focus on connecting community residents to work and career opportunities.

The Northside of Minneapolis has unemployment 2x-3x the Minneapolis average, as well as some of the highest poverty rates in the City. 800 West Broadway is an important center for opening opportunities and delivering employment and training programs for residents, both adults and youth.

Description of the Change:

800 West Broadway opened in late 2016, and this change item reflects need in 2019 for program support dollars. At this point the 2019 priorities of the Center are undeveloped, however, 100% of the allocation will support contractual services for programming related to employment and training counseling for occupations in demand. No funding for these activities has existed in past years.

The work of the Center fits within our Place-based strategy approach. This Center alongside the Cedar Riverside Opportunity Center, represent specific place-based approaches that address joblessness through collaboration and partnership.

Beyond Minneapolis staff support at 800 West Broadway, core partners include MN DEED, Veterans Services, Rehab Services, Minneapolis Public Schools Adult Education, North Point Health and Wellness, and many community partners; each partner provides services to residents each day.

Programming within 800 West Broadway is aimed at bringing key employment and training resources to the neighborhood.

The programming will occur throughout 2019, and future years.

Equity Impact:

800 West Broadway is a comprehensive workforce center with core employment and training programs offered each day. These services are provided by both the State of MN staff and community-based non-profit staff. This new resource, leveraged with other partner resources and in-kind investments will produce excellent results. Further, this intentionality of effort, coupled with a strong economy, has seen the unemployment rate drop considerably over the last three years. While this drop points in the right direction, more and ongoing investments are necessary.

Results:

The Center measures a number of inputs and outputs. Please see a snapshot of 800 West Broadway’s reporting matrix below:

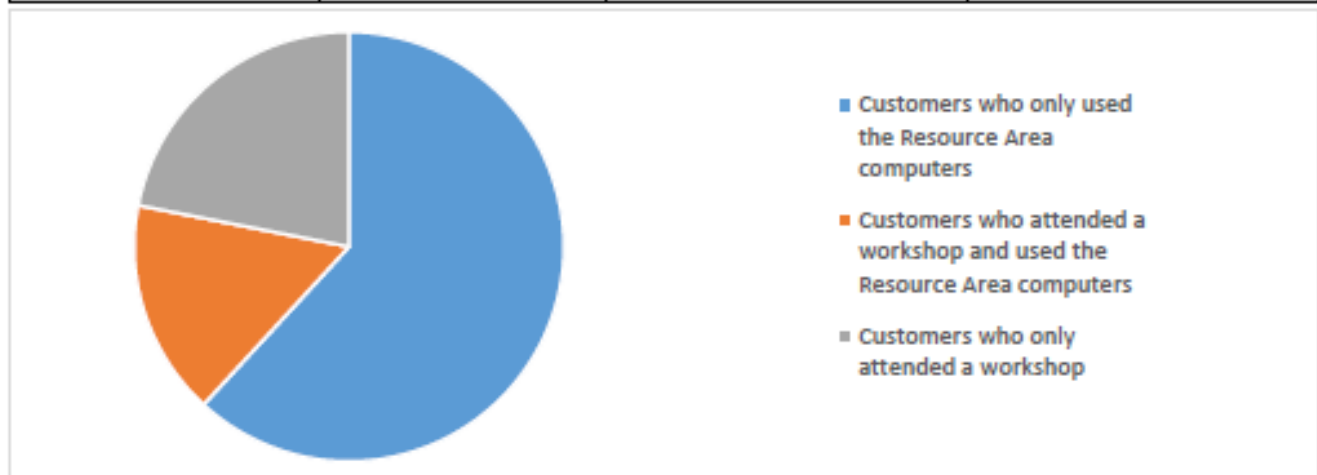
Analysis of Cybrarian Customers - Mpls North WFC

DEED Agency Performance Office
 May 7, 2018

I. Cybrarian Customer Activity

Count of logins into the WorkForce Center's Resource Area computers and attending statewide workshops			
Count of Cybrarian logins (duplicate customer count)	Average logins per customer	Count of workshop attendances (duplicate customer count)	Average attendance of workshops per customer
10,022	4.76	1,932	1.88

Unduplicated customer usage of WorkForce Center's Resource Area computers and/or attending statewide workshops			
Customers using Resource Area computers and/or attending a workshop	Customers who only used the Resource Area computers	Customers who attended a workshop and used the Resource Area computers	Customers who only attended a workshop
2,697	1,668	438	591



Community Planning & Economic Development
Affordable Missing Middle

2019 Change Item

Program: Homeownership Support & Development
 Fund: Community Improvement

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$500					
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$500	-	-	-	-	-

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count	0	0	0	0	0	0

Council Adopted Budget:

The Council approves \$500,000 in one-time other funding for a new pilot initiative to create Affordable Missing Middle housing.

Rationale/Background:

The Missing Middle initiative builds off of historic City investments. From 2008-2014, the City invested \$115 million in foreclosure recovery efforts and disaster relief from the North Minneapolis tornado. A majority of the vacant lots remaining in CPED’s inventory were acquired during the foreclosure recovery era. As a result, properties are concentrated in the geographic areas of North Minneapolis and South Central Minneapolis that are the most vulnerable and most effected by past discriminatory policies. In these geographic areas there are higher rates of buildings with code violations, as well as the highest concentrations of residents in poverty. A more recent trend throughout the City that is also concentrated in North Minneapolis and South Central Minneapolis is a concern about resident displacement—distressed ownership housing is being purchased and converted to rental and rental rates are increasing faster than the incomes of area residents.

Description of the Change:

This item is a new pilot initiative that will facilitate up to three pilot projects that result in an estimated six-12 affordable housing units on City-owned property. It is intended that the pilot initiative will inform a future expansion of the program. Financing the pilot initiative will enable staff to begin the work of program development in partnership with residents, developers, funders, and other City divisions.

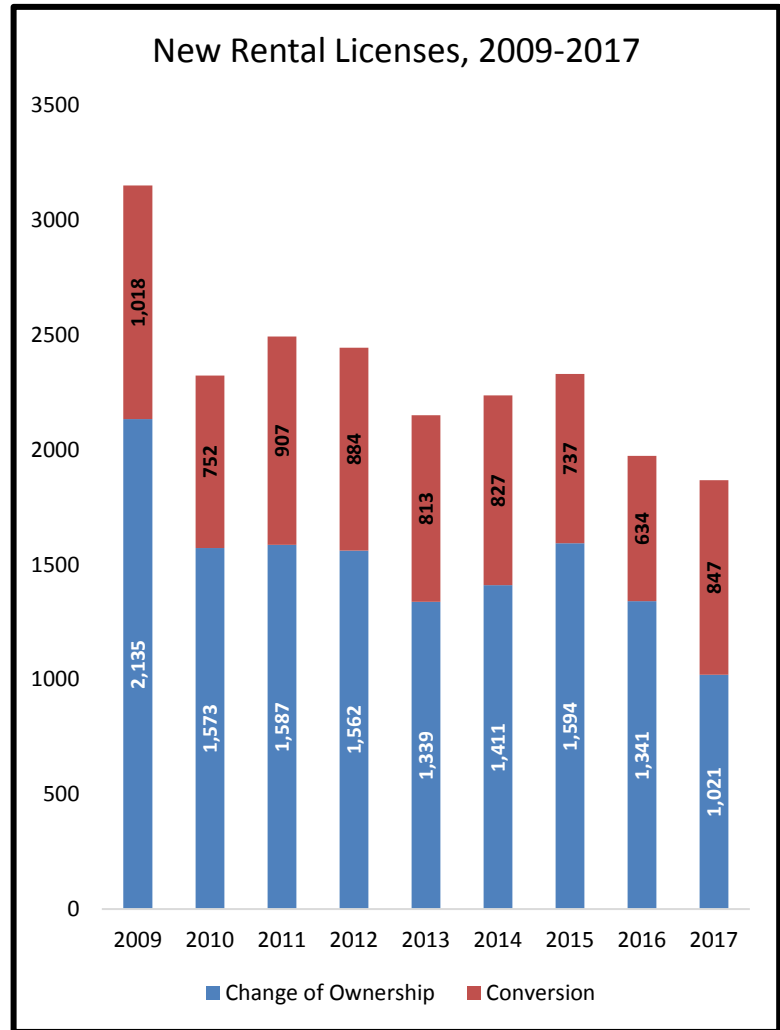
The housing will be on CPED-owned development parcels that are zoned for medium density and located on community and transit corridors by providing financial assistance for two to nine-unit housing development. CPED has identified 81 parcels that are zoned R3 or higher and is additionally conducting analysis of contiguous properties to determine feasible sites for development of Affordable Missing Middle housing. These parcels are suitable sites for development that is denser than single family or duplex ownership housing financed through

Affordable Missing Middle

Minneapolis Homes, but not sufficiently sized for a development financed through the Affordable Housing Trust Fund, which has a 10-unit development minimum.

Affordable Missing is complementary with neighborhood stabilization efforts by CPED that seek to reduce vacancy, support existing businesses or residents, and create new business or housing opportunities. Complementary activities include:

- Minneapolis Homes program that creates new affordable one to two-unit ownership opportunities.
- The Homeownership Opportunity Minneapolis program, that pairs Financial Wellness counseling with down payment assistance to improve access to homeownership opportunities
- Homeowner rehabilitation loans that helps stabilize existing owners in their housing through support for code and health and safety improvements
- The City of Minneapolis Great Streets program that supports key commercial corridors throughout the City
- The Affordable Housing Trust Fund that creates high quality rental units, with a focus along transit corridors and within areas of opportunity
- The initiatives of the North Side Home Fund and Promise Zone, which coordinate investment of resources to maximize impact within North Minneapolis.
- Transit investments in North Minneapolis, including the Bottineau Light Rail Line, Rapid bus lines on Emerson and Fremont, and investments along Penn, Lowry, and Broadway.



The program enhancement described will require partnership and coordination with Hennepin County, as several sites are adjacent to Hennepin County-owned property that could be mutually developed. It will also require the participation of for-profit and non-profit developers for implementation and potential capacity building to facilitate this type of development.

It is anticipated the program will require the following steps during the pilot year—2019:

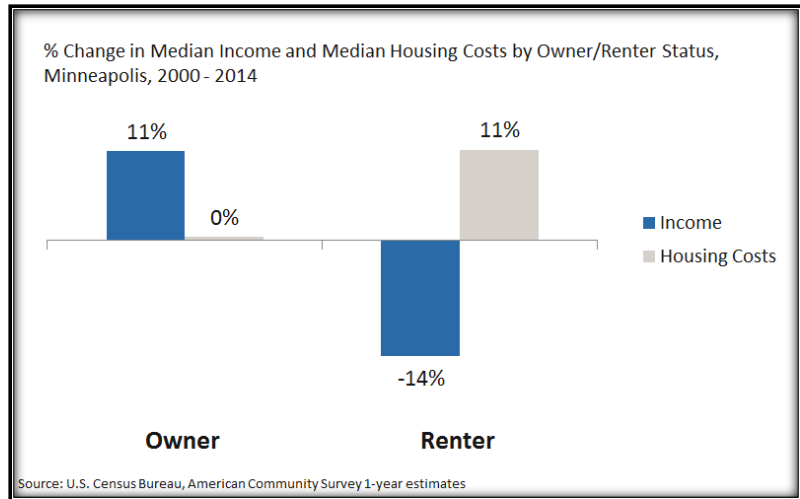
- January – April: Draft program guidelines and facilitate listening sessions for community and stakeholder feedback
- May – July: Finalize program guidelines for approval by Council
- August – October: Request proposals and make funding determinations

Affordable Missing Middle

- November: Finalize staff recommendation for council approval
- December: Encumber funds and finalize contracts

Equity Impact:

Affordable Missing Middle is intended to provide either owner or rental housing of two to nine units on City owned property. This program is consistent with the draft Minneapolis 2040 Comprehensive Plan, which indicates that missing middle housing is the primary type of development that can result in naturally occurring affordable housing (NOAH) and that an increase in this development type is needed to meet population growth goals of the City. Communities of color in the City of Minneapolis are more likely to be renters, cost burdened, pay higher energy costs and face instability due to housing evictions. The program enhancement seeks to increase the number of housing units in the City, reducing pressure on the housing market as population growth continues. The program will create units that are affordable at or below 80% of area median income. Newly constructed homes are inherently more energy efficient than existing homes. Ownership units will stabilize households, and the proposal selection process for landlords will ensure that rental units are responsibly managed.



The Affordable Missing Middle enhancement is consistent with the strategic plan formed by Northside Home Fund and with the draft Minneapolis 2040 Comprehensive plan. The potential properties build off of the target areas established during foreclosure recovery in 2008-2014, which engaged residents, funders, and stakeholders to define the areas of investment based on rates of foreclosure, abandonment, and vacancy occurring in the target areas. A component of this program is to engage with the communities where investments are likely to be most concentrated. CPED will partner with NCR staff to design and implement a community engagement strategy about program guidelines.

Results:

<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
# of new housing units developed	N/A	6-12 units	2018 previous, 2020
# of CPED-owned lots (zoned R3 or higher) returned to the tax rolls	NA	3-6 lots	2018 previous; 2020

New program guidelines will be developed that incorporate culturally comprehensive feedback from area residents. It is anticipated that six to 12 units of affordable housing will be created through the development of one to three project sites. The six to 12 units will serve households at 80% AMI. The results of the pilot will help develop a disposition strategy for the remaining CPED-owned parcels that are zoned for medium density. It is anticipated that as more sustainable affordable housing is developed, this will reduce the demand for rental conversions and will result in better managed units.

Community Planning & Economic Development
African American Museum and Center for Racial Healing

2019 Change Item

Program: Business Development
Fund: General Fund – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$40					
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$40	-	-	-	-	-

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The Council approves \$40,000 in one-time general funding for site investigation and predevelopment work for African American Museum and Center for Racial Healing.

Rationale/Background:

The idea for the African American Museum and Center for Racial Healing comes from the community. Discussed as part of community dialogues (#futureofe38th), the Museum will be located in the historic heart of the African American community in Minneapolis. It could be a home for Mapping Prejudice work, and it will serve both to remind the public of the important role African Americans play in our city and to remind visitors that healing still needs to take place between the City and its African American residents.

Description of the Change:

This funding will be used for site investigation and predevelopment work.

Equity Impact:

The African American Museum and Center for Racial Healing will serve as a point of entry to trauma recovery and mental health services. As is the case for African American museums across the globe, it will serve as a destination and support the economic vitality for the historic corridor. This project will serve more residents and the number of trainings provided to mental health professionals in a cultural affirming environment.

Results:

Help improve relationship with the community especially with African American residents.

Community Planning & Economic Development
Affordable Housing Trust Fund

2019 Change Item

Program: Affordable Housing Development
 Fund: TIF Funds

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel	\$234	\$234	\$234	\$234	\$234	\$234
IT	\$3					
Fleet						
Contractual Services	\$7	\$2	\$2	\$2	\$2	\$2
Other	\$13,837					
Net Budgetary Impact						
Expenditures - Revenues	\$14,081	\$236	\$236	\$236	\$236	\$236

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count	2	2	2	2	2	2

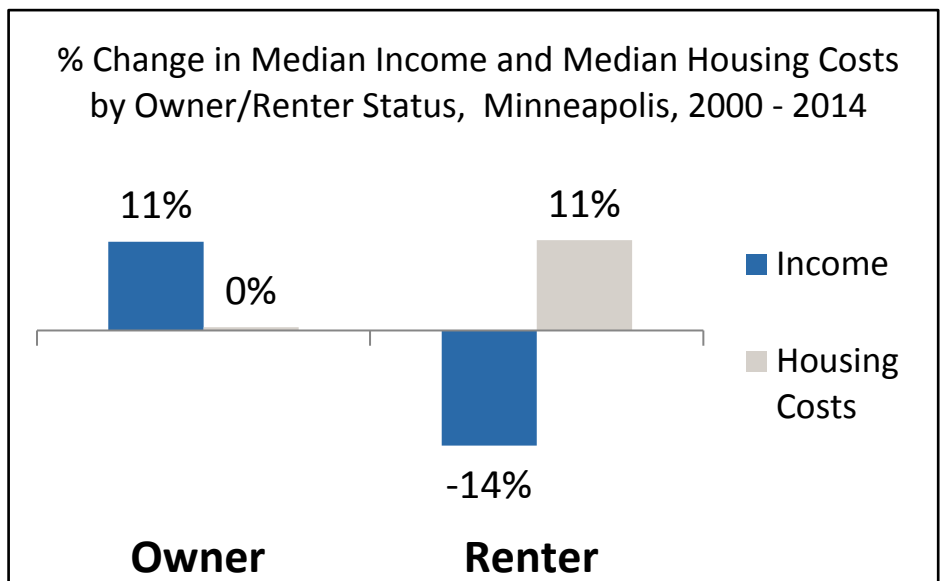
Council Adopted Budget:

The Council approves \$13,845,000 one-time other funding for the Affordable Housing Trust Fund (AHTF) and \$236,000 in ongoing other funding to support 2 new FTEs to expand the capacity of staff to administer and deliver this program.

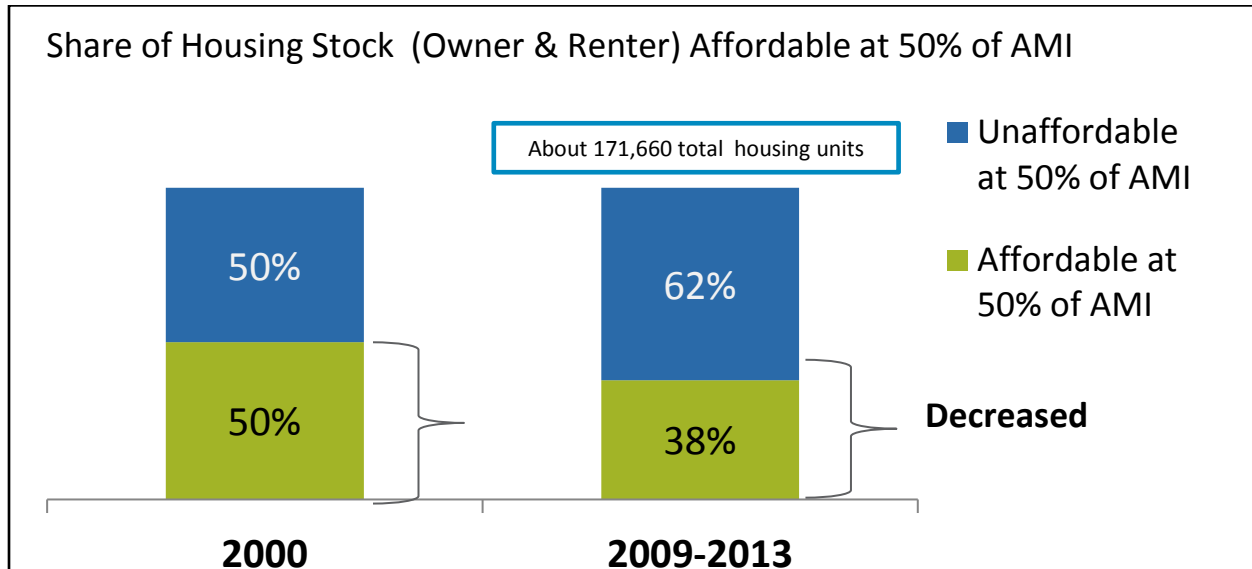
Rationale/Background:

This item assumes existing base budget of \$6,513,000 and rolls a previously separately allocated program amount of \$1,000,000 for the Family Housing Initiative into the AHTF, for a total AHTF amount of \$21,000,000. Funds will be used to provide gap financing for the production and preservation of affordable rental housing.

This item directly addresses the Mayor’s priority of expanding access to affordable housing throughout the City. The City is growing faster than it has since 1950, and is now a majority renter population. Minneapolis renters are facing increasing housing costs with decreasing incomes, and the city has fewer affordable housing units today than it did 15 years ago. Production is not keeping pace with unit loss. Approximately 50,000 Minneapolis renter households earn less than 60% of the area median income (\$51,400 for a family of four in 2016). The



majority of these households (78%) are cost burdened, meaning that they pay more than 30% of their income for housing. Almost half (46%) are paying more than half of their income for housing. The energy cost burden is also disproportionately high for low income renters, and disparities in housing quality have serious health impacts for residents, especially children. The private market is unable to produce or rehabilitate rental housing at an affordable level due to the costs associated with constructing, owning, and operating developments.



The AHTF is one of the City’s primary tools for providing financing to help close the gap between what it costs to provide decent, safe housing and what low-income residents can afford. Through the issuance of AHTF deferred loans, the City assists in financing the new production and preservation/stabilization of affordable and mixed-income rental housing. And, the challenges listed above are addressed through program requirements related to affordability level and term, green and healthy building techniques, locational choice, and others. Significantly increased resources for the AHTF, thereby increasing the number of projects that can be fully funded and constructed on a faster timeline, is perhaps the most direct way the City can expand access to affordable housing.

Description of the Change:

This item is an expansion of a well-established program. The item will double the historical AHTF budget target of \$10,000,000 per year to \$21,000,000 in 2019 (inclusive of the Family Housing Initiative).

- Loan Funds available – \$14,337,000 in loan funds to support the capital costs of affordable housing production and preservation, plus base budget of \$6,513,000, for a total AHTF budget of \$21,000,000. Of this amount, \$1,000,000 will be set aside to support 20 units (\$50,000/unit) of large family housing for families at risk of homelessness (3-bedroom units at 30% AMI). For the remaining \$20,000,000, the City could fund 500-800 units, depending on the maximum AHTF award limit allowed. (The current maximum of \$25,000/unit represents the ability to fund an additional 800 units. If the AHTF award limit was raised to \$40,000/unit, the number of units funded will drop to 500, and will adjust accordingly for amounts in between.)
- Administrative or programmatic capacity – Additional amount for \$236,000 for 2 new FTEs to support program implementation due to increased budget capacity. Specifically, one additional Senior Project Coordinator is needed to underwrite, process, and implement AHTF applications and loans, and one additional Project Coordinator is needed to support due diligence collection and loan closings. Current staff capacity is insufficient to sustain and implement the program in a timely manner.

The AHTF complements other work throughout the City enterprise designed to address the need for more affordable housing. It overlaps most directly with the federal Low-Income Housing Tax Credit program and the Housing Revenue Bond program, and is in some ways constrained by the resources available in those programs. Due to the costs associated with housing development, it is rarely feasible to finance a new project without bonds and/or tax credits in addition to AHTF.

The City relies on multiple partners to execute the AHTF program including private developers (both nonprofit and for profit) and other funding partners (federal, state, regional, and local). The typical affordable housing project requires anywhere between 3-12 or more funding sources.

The AHTF results in directly expanding access to affordable housing by providing capital for the production and preservation of housing units. Trust Funds are awarded on an annual RFP cycle administered by staff that is a year-round process beginning January 1.

Equity Impact:

In Minneapolis, the population of color is growing faster than the population as a whole. The facts that racial and ethnic groups are over-represented amongst low income households, and that most people of color are renters means that the negative impacts of the shortage of affordable rental housing are disproportionately experienced by communities of color. Cost burdened households are disproportionately communities of color. Energy cost burden is also disproportionately high for communities of color. Housing stability is a major concern, as evictions disproportionately impact neighborhoods with majority non-white populations. Historic discriminatory housing policies have had a lasting impact on development patterns. Persons with disabilities experience poverty at higher rates than the population as a whole, and veterans are overrepresented among the homeless population.

The AHTF is one tool the City utilizes to implement its duty to Affirmatively Further Fair Housing, defined as taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. There are many requirements in the AHTF designed to improve disparities in housing need and access, replace segregated living patterns with integrated and balanced living patterns, improve access to opportunity in area of concentrated poverty where a majority of residents are people of color, and foster and maintain compliance with civil rights and fair housing laws. Robust community engagement has been and will continue to be a key component of the City's certifications related to Affirmatively Furthering Fair Housing.

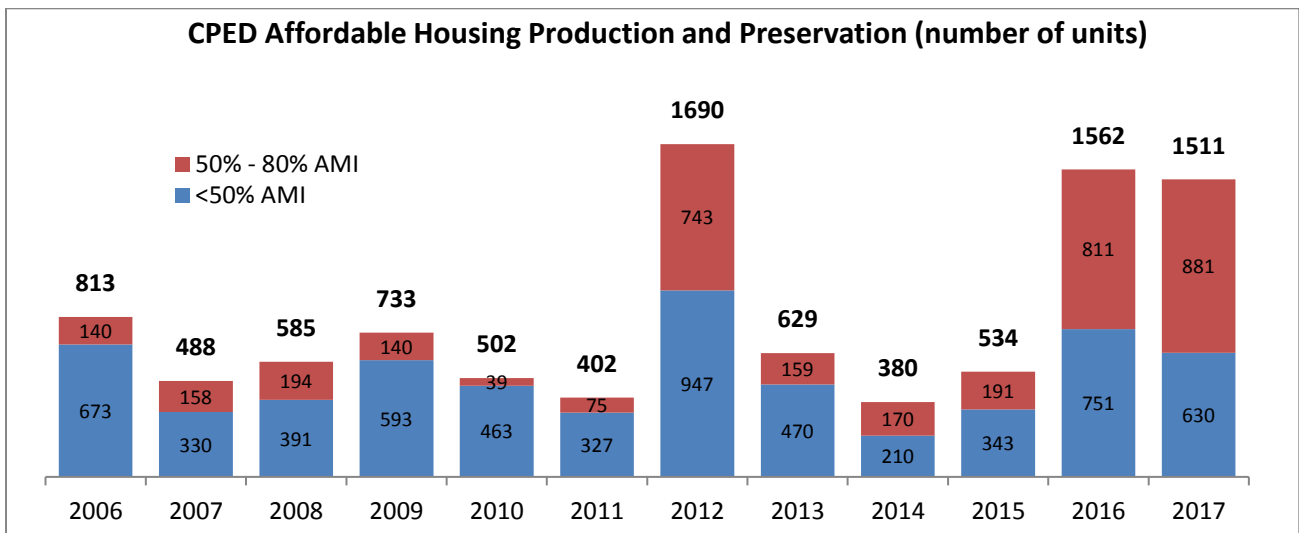
The production and preservation of an increased number of affordable housing units made possible by expanded funding and capacity within the AHTF program, in accordance with our fair housing obligations, will help to reduce disparities among affected groups by expanding locational choice and access to decent, safe, affordable housing, both inherently and as the result of specific program policies and rules designed to achieve that outcome. (i.e. federal program rules, affirmative fair marketing requirements, tenant selection plan requirements, design standards, accessibility requirements, source of income nondiscrimination, relocation protections, etc.)

Results:

AHTF resources will be used to blend with other financial tools (low income housing tax credits, tax exempt bonds, tax increment financing) and to leverage other funding sources (debt, private equity, Minnesota Housing, Hennepin County, Federal Home Loan Bank, private philanthropy, etc.) to increase the number of affordable

housing units produced and preserved. Projects funded through the AHTF are required to remain affordable for a minimum of 30 years. Currently, CPED reports on units produced and preserved below 80% of Area Median Income (AMI) and below 50% of AMI. In 2019, we recommend a shift to begin tracking outcomes consistent with Results Minneapolis reporting changes being coordinated by the City Coordinator’s office. We have data available to report on various other AMI limits (30%, 50%, 60% and 80%).

<i>Name of Measure</i>	<i>2018 budget</i>	<i>2019 Recommendation</i>	<i>Notes</i>
# of new housing units financed	260 units	500-800 units	Units funded will depend on maximum award. This shows range from \$25,000-\$40,000/unit. Units funded in 2019 typically aren’t available for occupancy for 2-3 years.
# of large family units financed	20 units	20 units	No change to funding level recommended for this set-aside



Community Planning & Economic Development
Cedar Riverside Opportunity Center

2019 Change Item

Program: Adult Workforce Development
Fund: General Fund – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$100					
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$100	-	-	-	-	-

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The Council approves \$100,000 in one-time general funding for the Cedar Riverside Opportunity Center (the Center).

Rationale/Background:

This item will support programming at the Center that aligns to the Center’s 2019 community goals. For example, programming in 2018 focused on the following for priorities: Health Care Careers, IT Careers, Youth Entrepreneurship, and outreach to high barrier youth.

The Cedar Riverside neighborhood has unemployment three times the Minneapolis average, as well as some of the highest poverty rates in the City. The Center is a key driver toward economic inclusion of community residents, both adults and youth.

Description of the Change:

In each of the past two budgeting processes, 2017 and 2018, the center has received one-time funding for program. This item reflects continued need in 2019 and beyond for program support dollars. At this point the 2019 priorities of the Center are still in development, however, 100% of the allocation will:

- Promote Youth entrepreneurship (\$40,000)
- Provide for media awareness / outreach to drive center utilization (\$30,000)
- Support center operations (\$30,000)

The work of the Center fits within our place-based strategy approach. This Center, alongside 800 West Broadway (north Workforce Center), represent specific place-based approaches that address joblessness through collaboration and partnership.

Community Planning & Economic Development
Cedar Riverside Opportunity Center

2019 Change Item

Beyond Minneapolis staff support at the Center, Hennepin County Libraries, Minneapolis College, and Emerge Community Development form the core partners that provide services to residents each day.

Programming within the Center is aimed at bringing key employment and training resources to the neighborhood. Example for 2018 was a youth entrepreneurship class the engaged nearly 30 youth in exposure and age-appropriate plan development to start a business.

Equity Impact:

The Center, while serving the entire community, focuses on culturally appropriate services to the East African community, however, Oromo, Ethiopian, African American communities’ members do and are seeking services at the center.

This resource, leveraged with other partner resources and in-kind investments are producing excellent results. Within the first year, over 500 residents connected to work through the centers efforts. Further, this intentionality of effort, coupled with a strong economy, has seen the unemployment rate drop to below 10%. While still nearly 3x the city average, in 2015 when the center was in the development stage the Cedar Riverside unemployment rate was close to 20%.

Results:

The Center measures several inputs and outputs. Please see the Center’s reporting matrix below which highlights just a fraction of the information and data collected. The data below is collected by EMERGE and represents a variety of employment services in the last two quarters as well as cumulative since the center opened in March 2017:

Services Provided									
The number of participants who have received below services									
EMERGE	Quarter 1	Quarter 2	Quarter 3	Quarter 4	TOTAL				CUMMULATIVE TOTAL
Number of participants attended Employer Day Fairs	81	10	0	0	91				283
Number of participants attended Community Events with Em	52	0	0	0	52				257
Number of participants receiving Case Management/Career	251	87	0	0	276				606
Number of participants assisted with job search activities	25	5	0	0	29				70
Number of participants assisted with resume	30	2	0	0	31				84
Number of participants who received Financial Coaching	34	15	0	0	46				82
Specific activities (not otherwise counted above - such as Service Learning, Pathways Prep, FAFSA Assistance)	4	0	0	0	4				8
Number of participants who received Support Service Dollars	158	75	0	0	163				310
Support Services Dollar amount provided to participants	\$27,843.20	\$6,320.00	\$0.00	\$0.00	\$34,163.20				\$105,403.23
TOTAL	311	145	0	0	346			(Includes lines 91-96)	728

Community Planning & Economic Development
 Discontinue CPED Participation in 01900 Fund

2019 Change Item

Program: Construction Code Services
 Fund: General Fund - 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
Fees	\$300	\$300	\$300	\$300	\$300	\$300
Expenditures						
Personnel	\$257	\$257	\$257	\$257	\$257	\$257
IT						
Fleet						
Contractual Services	\$43	\$43	\$43	\$43	\$43	\$43
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$0	\$0	\$0	\$0	\$0	\$0

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count	2	2	2	2	2	2

Program: Construction Code Services
 Fund: Regulatory Services Fund - 01900

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
Fees	(\$300)	(\$300)	(\$300)	(\$300)	(\$300)	(\$300)
Expenditures						
Personnel	(\$257)	(\$257)	(\$257)	(\$257)	(\$257)	(\$257)
IT						
Fleet						
Contractual Services	(\$43)	(\$43)	(\$43)	(\$43)	(\$43)	(\$43)
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$0	\$0	\$0	\$0	\$0	\$0

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count	(2)	(2)	(2)	(2)	(2)	(2)

Council Adopted Budget:

The Council approves an ongoing transfer of \$300,000 and 2 FTE's from the Regulatory Service Special Revenue Fund (01900) to the General Fund.

Rationale/Background:

Three divisions from Regulatory Services (Business Licensing, Minneapolis Development Review, Construction Code Services) were merged into CPED in 2013. Part of that merger included two revenue-supported positions (District Manager, Building Inspector). The revenues generated by these positions, and their associated expenses,

Discontinue participation in 1900 fund

are currently managed within the Regulatory Services Special Revenue Fund. However, as these activities are more closely tied to other work that is currently performed under the general fund, it makes the most sense to reallocate these positions and the associated funding into the General Fund from an administrative standpoint.

Description of the Change:

This item will move the expenditure related to two (2) FTEs, and the revenues generated by the work they perform, from the Regulatory Services Special Revenue Fund – increasing both revenues and expenditures in the General Fund by \$300,000, and decreasing revenues and expenditures in the regulatory services special revenue fund by the same amount.

Equity Impact:

NA

Results:

NA

Community Planning & Economic Development

2019 Change Item

Eviction Representation Pilot

Program: Affordable Housing Development

Fund: Community Improvement

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$150					
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$150	0	0	0	0	0

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The Council approves \$150,000 in one-time other funding for Eviction Representation Pilot.

Rationale/Background:

This proposal addresses the Mayoral priority of protecting Minneapolis renters. Approximately 2,700 households in Minneapolis face eviction without an attorney in the courtroom. While some of the households receive limited representation, for many in-court representation is necessary to vindicate their rights. Fewer than 10% of tenants facing eviction have attorneys by their side while their eviction cases are heard in court. More than 50% of landlords have legal representation in court. In addition to extremely low rates of legal representation for tenants facing eviction, 80% are facing eviction for the first time and many have limited English proficiency and lack the ability to explain legal defenses they have. This pilot will seek to prevent families from becoming homeless. Preventing evictions is a fiscally prudent decision and saves public money. Hennepin County pays \$4,354 to \$5,062 for shelter for an average household experiencing homelessness.

Representation of families facing evictions has the added benefit of connecting families affected by unhealthy or unsafe living conditions with City services and legal interventions. This pilot will meet the City’s goals of preventing displacement and resolving health and safety problems in homes.

Description of the Change:

This new program that will be administered through a contract or contracts with service providers, will complement the housing inspection and rental licensing work of Regulatory Services. Minneapolis is now a majority renter city facing increasing affordable housing challenges, particularly for low income renters, who are disproportionately people of color. This service will help address inequities in rental housing opportunities by helping to stabilize housing for low income renters and improve rental housing quality by preventing landlords from using evictions to avoid making needed repairs to housing.

Eviction Representation Pilot

This program will complement the City's work to prevent homelessness, including Emergency Solutions Grant support of rapid rehousing funding and coordination with Hennepin County and Minneapolis Office to End Homelessness. A request for proposal or qualifications will be issued in early 2019; a request for City Council approval to award a contract or contract will be made in Spring 2019; for implementation of services in mid-2019.

Equity Impact:

Legal services will be provided to low income renters who cannot afford traditional legal service and are facing imminent displacement from their housing. Many households facing eviction have a family member with a disability. Nearly 70% are women or female-headed households, and 74% identify themselves as a race or ethnicity other than non-Hispanic white. By preventing homelessness, increasing housing stability, and improving housing quality, this pilot program will reduce housing disparities for persons with a disability, families with children, people of color, and other low-income renters.

Results:

It is estimated that this funding would support legal services for 100-125 low income renter households facing eviction

Performance measures:

- Reduction in eviction rates
- Prevention of homelessness among tenants facing eviction (as measured by use or lack of use of emergency shelter and/or rapid rehousing funding)
- Increase in repairs to correct health and safety problems in housing

Community Planning & Economic Development

2019 Change Item

Great Streets and B-TAP (Business Technical Assistance Program)

Program: Business Development
Fund: CDBG Program Income – Fund 01400

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
Program Income from CDBG grant	\$547					
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$547					
Other						
Net Budgetary Impact						
Expenditures - Revenues	0	0	0	0	0	0

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count	0	0	0	0	0	0

Council Adopted Budget:

The Council approves \$547,000 in one-time funding of Community Development Block Grant (CDBG) funds for Great Streets and Business Technical Assistance (B-TAP).

Rationale/Background:

Great Streets Real Estate Gap Financing loans provide critical funding to catalytic commercial real estate revitalization projects located in designated Great Street neighborhood commercial districts. The loan is often the last piece of funding needed to allow a project to close and begin construction. The projects involve taking blighted and underutilized commercial properties and improving them into community-benefiting assets. Examples of past projects include Project for Pride in Living’s Franklin Theater, the Eastside Food Co-op, the Five Points building, Chicago Avenue Fire Arts Center, African Development Center’s headquarters, Kindred Kitchen, and the main Seward Coop store. These funds are also available to fund loans under the City’s Grow North program focused on Northside businesses and employers.

Description of the Change:

This funding will allow existing activities to continue. Business Development received a large allocation of CDBG funds several years ago and has been spending it down through Great Streets and B-TAP activities. With less than \$200,000 left and given the projected need in 2019, more CDBG allocation is needed. This allocation will fund 1) a round of annual B-TAP contracts in 2019 (approximately \$300,000) with our nonprofit community development partners such as African Development Center, Metropolitan Consortium of Community Developers, Neighborhood Development Center, etc. and 2) at least two Great Streets Gap loans of up to \$500,000 each. Potential projects in the pipeline that may seek a Great Streets Gap loan include the Baldwin Square project at 42nd and Fremont Ave N, 1001 West Broadway, 1400 Block of West Broadway, the Indigenous People’s Task Force project at 2313 13th Ave S, the Cultural Wellness Center at 3800 3rd Ave S, the Family Partnership project at Bloomington and Lake St. Other eligible projects can arise unexpectedly.

Equity Impact:

As evidenced by past loans in West Broadway, Franklin Avenue, and 38th & Chicago, Great Streets Gap loans address real estate funding needs in economically challenged neighborhood commercial districts with higher proportions of residents of color. The projects often clean up blighted or underutilized properties and provide commercial and/or social services to the community. As part of the development process, neighborhood groups and other community stakeholders provide input on the project. Given the projects in the pipeline located in multiple parts of North Minneapolis and the Phillips-Powderhorn areas, future loans stand to assist projects benefiting people of color and residents in those communities.

The B-TAP program, particularly the activities funded with CDBG dollars, serves a high proportion of low income and minority entrepreneurs. In 2017 for the BTAP program overall, 87% of B-TAP clients had low to extremely-low incomes, 43% were women, and 64% were people of color (29% African Immigrant, 19% Black/African American, 7% Latino/Hispanic, 5% Asian, and 4% American Indian).

Results:

Funding Great Streets Gap loan will allow commercial revitalization projects to occur that would otherwise not. This leads to improved commercial and social services in a community, job opportunities, and an enhanced tax base.

Funding the B-TAP CDBG activities will allow the program to continue to reach high proportions of low-income and minority entrepreneurs, metrics around which are included in CPED's Results reports.

Community Planning & Economic Development

2019 Change Item

Homeowner Rehab Program

Program: Homeownership Support & Development

Fund: 01400 - CDBG Program Income

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
Program Income from CDBG grant	\$750					
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$750					
Other						
Net Budgetary Impact						
Expenditures - Revenues	0	0	0	0	0	0

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count	0	0	0	0	0	0

Counsel Adopted Budget:

The Council approves \$750,000 in one-time funding from Community Development Block Grant (CDBG) fund for the Homeowner Rehab Program.

Rationale/Background:

Since the 1960s, the City of Minneapolis has offered affordable home improvement loan programs to improve the condition of its aging housing stock. The goal has been to preserve property values and assist homeowners in making basic livability improvements and increase living space for growing families. For over a decade, the City of Minneapolis outsourced the lending services associated with the administration of its home improvement programs to Greater Metropolitan Housing Corporation (GMHC). In 2017, GMHC notified the City it was ending its lending activities.

In an effort to make an informed business decision, staff contracted with Ehlers, Inc. to perform an analysis of our programs. It was determined that it was more cost-effective to perform the services in-house as opposed to outsourcing. Based on the findings, CPED commenced the process of creating the infrastructure to support this transition.

To expand the resources available to assist homeowners with the repair and improvement of their property, the City applied for and received an Impact Fund award from Minnesota Housing to support the Rehab Support Program. These funds are used to write down the interest rate on Minnesota Housing’s Fix Up Loan from their current rate of 5.99% down to 2.00%. Since GMHC was already a lender of Minnesota Housing’s programs, they were able to provide the lending services for this program. To allow the Rehab Support Program to continue, CPED applied to Minnesota Housing and was approved to become a lender of their products. As an approved lender, the City will be able to utilize any Minnesota Housing loan product, which allows more resources to be available to Minneapolis homeowners.

Homeowner Rehab Program**Description of the Change:**

The City will no longer outsource this work; instead, it will be administered by CPED staff. The program design does not change. The purpose of this item is for \$750,000 in one-time CDBG program income to support the program.

Equity Impact:

The City of Minneapolis does not have a goal related to rate of service to any one population for the rehab program, as the focus of this program is to assist existing homeowners in need of rehab work to their homes. There is an income cap of 80% AMI. We will continue to work with the Department of Neighborhood and Community Relations to ensure our outreach efforts are diverse and reach all segments of our population.

Results:

The funding of this program has allowed us to secure additional resources from Minnesota Housing. This leverage will more than double the households served through our program in the coming year from 38 households in 2017 to approximately 80 in 2019.

Community Planning & Economic Development

2019 Change Item

Homeownership Counseling and Outreach

Program: Homeownership Support & Development

Fund: Community Improvement

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$50					
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$50	-	-	-	-	-

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The Council approves \$50,000 in one-time other funding to expand the Homeownership Counseling and Outreach program.

Rationale/Background:

The program provides administrative support to the Minnesota Homeownership Center (HOC) and its network of homebuyer educators providing service to Minneapolis homeowners and prospective homebuyers. Funds will be used to increase the capacity of homebuyer education programs in the City of Minneapolis.

The program expansion addresses the Mayoral priority of preserving and expanding access to affordable and sustainable homeownership and reducing racial disparities in homeownership rates. The Homeownership Counseling and Outreach program provides educational resources to current and future Minneapolis residents to facilitate future home purchase. Homebuyer Education through a certified agency is a required step for accessing most down payment assistance resources, including through City of Minneapolis programs. Support for Homeownership Counseling and Outreach furthers City of Minneapolis goals to affirmatively further fair housing in the Twin Cities region.

To increase the opportunity for sustainable homeownership for low- to moderate-income households and communities of color in Minneapolis, the City began to contract with the Minnesota Homeownership Center (HOC) to offer financial wellness services in 2016. HOC has a network of culturally-specific service providers that assist households in becoming mortgage-ready. Depending on the household’s current condition, this process could last up to two years. In 2016, 97 households were counseled and in 2017, the households served quadrupled to 407.

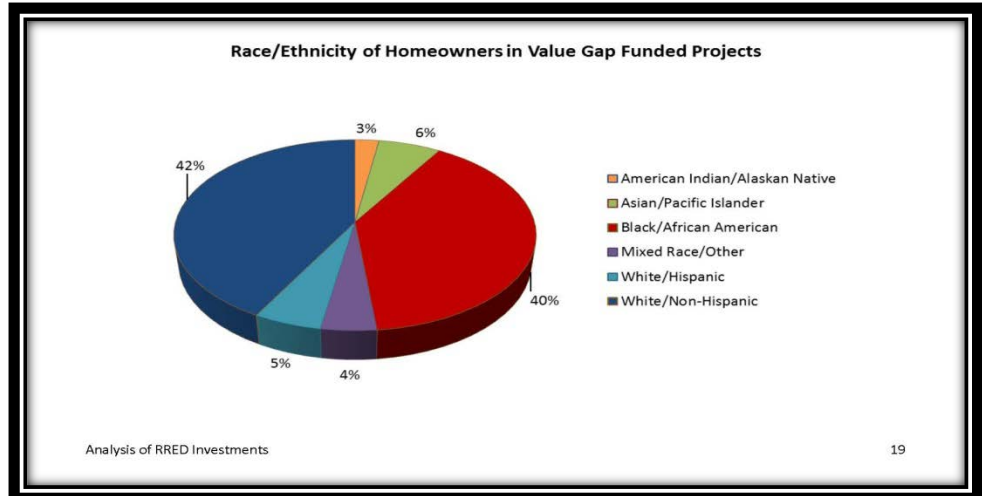
Description of the Change:

The item is a modification to the existing Homeownership Counseling and Outreach program. This \$25,000 increase is intended to expand the delivery system that supports the Minnesota Homeownership Center and its

Homeownership Counseling and Outreach

service providers. We have made significant advances in our outreach efforts to the African-American households, but our results are not favorable in the Asian, Hispanic and American-Indian communities and it is envisioned that this increase in the budget will cater to expanded outreach in these communities.

Homeownership Counseling and Outreach is complementary with neighborhood stabilization efforts by CPED that seek to reduce vacancy, support existing businesses or residents, and create new business or housing opportunities. Complementary activities include:



- Minneapolis Homes program that creates new affordable 1-2 unit ownership opportunities.
- Homeowner rehabilitation loans that help stabilize existing owners in their housing through support for code and health and safety improvements
- The City of Minneapolis Great Streets program that supports key commercial corridors throughout the City
- The Affordable Housing Trust Fund that creates high quality rental units, with a focus along transit corridors and within areas of opportunity
- The initiatives of the North Side Home Fund and Promise Zone, which coordinate investment of resources to maximize impact within North Minneapolis.
- Transit investments in North Minneapolis, including the Bottineau Light Rail Line, Rapid bus lines on Emerson and Fremont, and investments along Penn, Lowry, and Broadway.

The program expansion described will require partnership and coordination with Homeownership Counseling and Outreach agencies and with the Minnesota Homeownership Center. Currently there are 18 Homeownership Counseling and Outreach agencies that serve residents of the City of Minneapolis and represent a diverse cross section of cultural competency, including:

- 1st Home Network
- African Development Center
- African Families Development Network
- Anoka County Community Action
- Bii Gii Wiin
- Community Action Partnership – Hennepin County
- Comunidades Latinas Unidas En Servicio
- Dakota County CDA
- Hmong American Partnership
- Lao Assistance Center of MN
- Lutheran Social Service of Minnesota
- Minneapolis Urban League
- Model Cities
- Neighborhood Development Alliance
- NeighborWorks Home Partners
- PRG, Inc.
- Project for Pride in Living
- Strickland & Associates

This item affirmatively furthers fair housing by providing education and capacity building for homeownership. It is anticipated the program expansion will be implemented beginning January 2019.

Equity Impact:

The City of Minneapolis and Twin Cities Region have the worst racial disparities in homeownership in the nation (Exhibit 1). Communities of color in the City of Minneapolis are more likely to be cost burdened (Exhibit 2), pay higher energy costs and face instability due to housing evictions. The Homeownership Counseling and Outreach program seeks to mitigate these disparities by stabilizing households in homeownership. Homebuyers that participate in the program are better informed homebuyers and therefore better positioned to be successful homeowners.

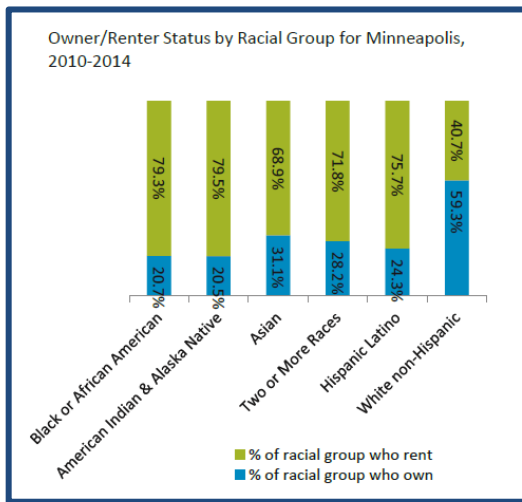


Exhibit 1

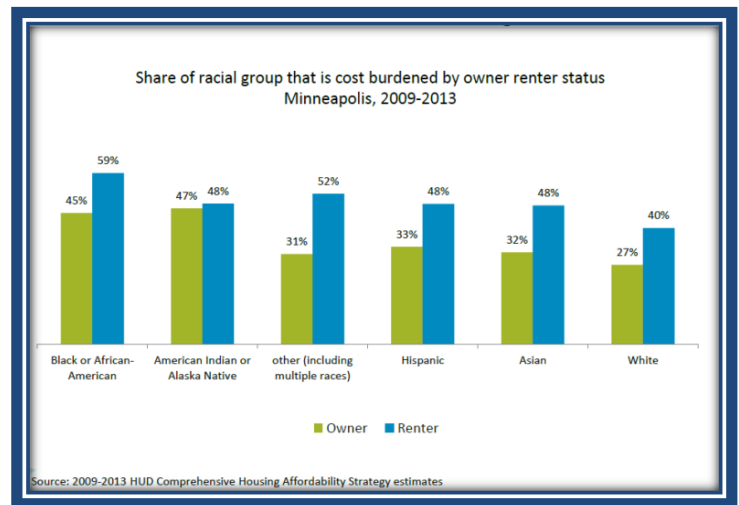


Exhibit 2

The Homeownership Counseling and Outreach program is informed by stakeholder groups including the Northside Home Fund, the Minnesota Homeownership Center, the recent Mayor’s forum on affordable housing, as well as by the Financial Wellness counseling agencies that provide services.

Results:

This expansion seeks to serve additional households in Minneapolis through Homebuyer Education and Counseling.

Name of Measure	Previous	Current	Dates
Number of households served through counseling and education services	1,067	1,250	2017 previous; 2019 current
Rate of service to households of color	68%	70%	2017 previous; 2019 current

Community Planning & Economic Development
Homeownership Opportunity Minneapolis (HOM)

2019 Change Item

Program: Homeownership Support & Development
Fund: Community Improvement

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$96	\$96	\$96	\$96	\$96	\$96
Other	\$100	\$100	\$100	\$100	\$100	\$100
Net Budgetary Impact						
Expenditures - Revenues	\$196	\$196	\$196	\$196	\$196	\$196

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count	0	0	0	0	0	0

Council Adopted Budget:

The Council approves \$196,000 ongoing other funding for expansion of the Homeownership Opportunity Minneapolis (HOM) program.

Rationale/Background:

The HOM program provides down payment assistance to homebuyers with income below 115% of area median income (AMI) that have completed Financial Wellness counseling. The strategy is to increase the maximum per homebuyer subsidy [80% AMI: \$10,000 (previously \$7,500) and 115% AMI: \$5,000 (no change)] to position more households to be able to meet the down payment and closing costs requirements in an increasing housing market. The program is administered by a contracted vendor, BuildWealth MN, selected through a competitive request for proposals process. The cost for the service is \$1,200 per closed loan. With the program changes identified above, we anticipate closing 80 loans.

The HOM program expansion addresses the Mayoral priority of expanding access to affordable and sustainable homeownership and reducing racial disparities in homeownership rates. This was recommended by the Homeownership Round table convened by the Mayor’s Housing Committee. HOM assists eligible homebuyers in overcoming down payment barriers to homeownership by providing up to \$7,500 of down payment assistance. Households of color disproportionately experience both down payment barriers and credit barriers to homeownership. HOM has been modified to require Financial Wellness counseling, which provides intensive assistance with overcoming credit barriers. The modification has resulted in a higher rate of service to households of color. The HOM program is not geographically restricted and has no sales price limits in order to affirmatively further fair housing throughout the City of Minneapolis by reducing barriers to homeownership. HOM funds are often layered with other NON City-funded programs.

Description of the Change:

This item is a modification to the existing HOM program. It is not intended to increase the number of households served, rather further reducing one of the barriers households at this income level face—increase in down payment and closing costs associated with the increases in sales prices over the last 3 years. To ensure that the

Community Planning & Economic Development Homeownership Opportunity Minneapolis (HOM)

2019 Change Item

households are successful, each has to go through a Financial Wellness counseling to be eligible for the down payment assistance for a home purchase.

HOM is complementary with neighborhood stabilization efforts by CPED that seek to reduce vacancy, support existing businesses or residents, and create new business or housing opportunities. Complementary activities include:

- Minneapolis Homes program that creates new affordable 1-2 unit ownership opportunities.
- Homeowner rehabilitation loans that helps stabilize existing owners in their housing through support for code and health and safety improvements
- The City of Minneapolis Great Streets program that supports key commercial corridors throughout the City
- The Affordable Housing Trust Fund that creates high quality rental units, with a focus along transit corridors and within areas of opportunity
- The initiatives of the North Side Home Fund and Promise Zone, which coordinate investment of resources to maximize impact within North Minneapolis.
- Transit investments in North Minneapolis, including the Bottineau Light Rail Line, Rapid bus lines on Emerson and Fremont, and investments along Penn, Lowry, and Broadway.

The program expansion described will require partnership and coordination with Financial Wellness counseling agencies and with selected program administrators of the program. Currently there are eight Financial Wellness counseling agencies that receive support through the City of Minneapolis, representing a diverse cross section of cultural competency and include:

- African Development Center
- Bii Gii Wiin
- Community Action Partnership – Hennepin County
- Comunidades Latinas Unidas En Servicio
- Hmong American Partnership
- Lutheran Social Services
- Minneapolis Urban League
- Neighborhood Development Alliance
- Project for Pride in Living
- PRG, Inc.

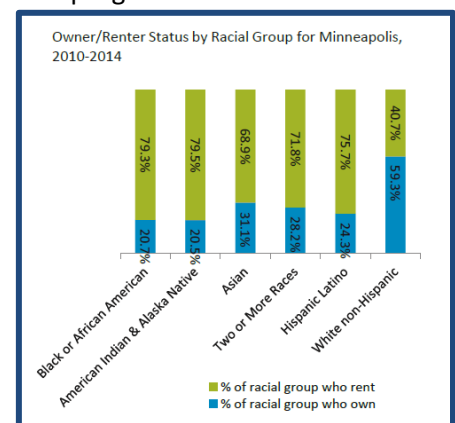
The current administrator for the HOM program is Build Wealth Minnesota, it is anticipated that additional administrators will be added through a request for proposal process underway in 2018. The program assists with reducing racial disparities in homeownership through focused marketing and a program structure that includes both Financial Wellness counseling and down payment assistance. It is anticipated the program expansion will be implemented beginning January 2019.

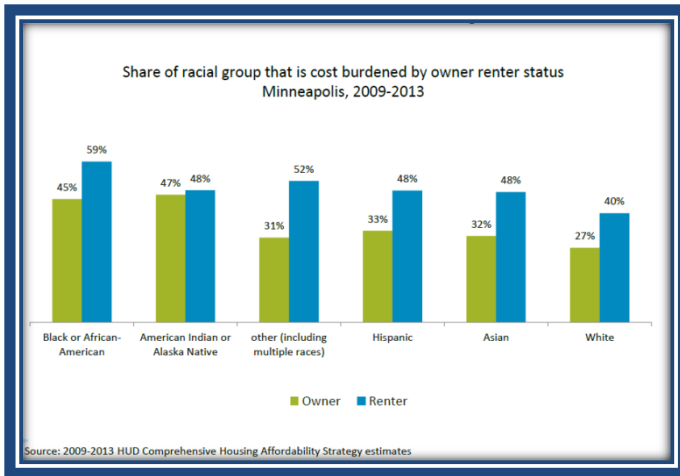
Equity Impact:

The City of Minneapolis and Twin Cities Region have the worst racial disparities in homeownership in the nation.

Exhibit 1

Communities of color in the City of Minneapolis are more likely to be cost burdened, pay higher energy costs and face instability due to housing evictions. Minneapolis Homes seeks to mitigate these disparities by stabilizing households in homeownership. Homebuyers that qualify for the program have the opportunity to





choose their home and location, which promotes goals to affirmatively further fair housing. The HOM program is informed by stakeholder groups including the Northside Home Fund, the Minnesota Homeownership Center, the recent Mayor’s forum on affordable housing, as well as by the Financial Wellness counseling agencies.

Results:

<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Number of households served	69	80	2017 previous; 2019 current
Rate of service to households of color*	62%	70%	2017 previous; 2019 current

*Based on reported data

The change to connect the HOM program to Financial Wellness counseling resulted in a 53% increase in the rate of service to households of color from 2015-2017.

Community Planning & Economic Development
Housing Stabilization Program

2019 Change Item

Program: Homeownership Support & Development
 Fund: Community Improvement

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$1,500					
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$1,500	-	-	-	-	-

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count	0	0	0	0	0	0

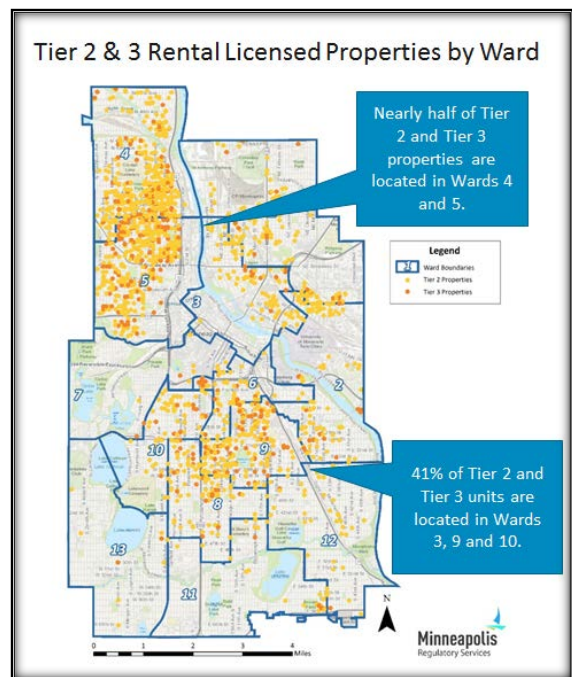
Council Adopted Budget:

The Council approves \$1,500,000 in one-time other funding for a new pilot Housing Stabilization Program.

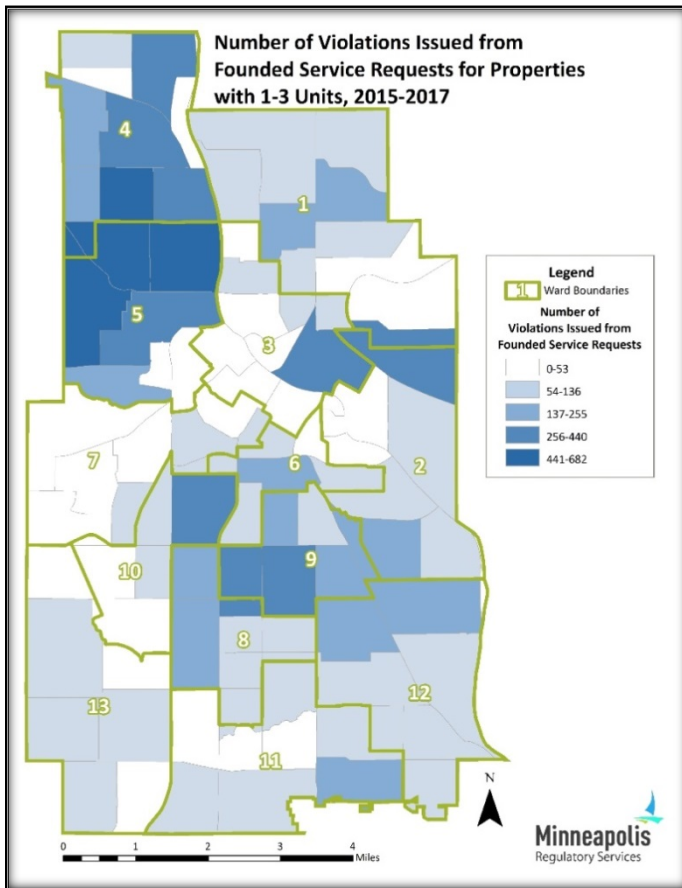
Rationale/Background:

This program will stabilize 1-4 unit rental housing by providing financial assistance for acquisition, rehabilitation, and tenant stabilization. The program’s focus is on community wealth building—supporting local community-based organizations, promoting tenant stability among existing tenants and expanding affordable sustainable homeownership opportunities to community residents.

This program addresses the Mayoral priority of promoting tenant stability, affordable, sustainable homeownership and reduced racial disparities in housing. Every rental dwelling, including single-family rental dwellings and rental units in owner-occupied duplexes, and rooming and shared-bath units (unless they are in a licensed lodging house) must have a rental license. The City of Minneapolis uses a three-tiered rental license billing structure (Tier 1—well maintained and Tier 3—poorly maintained). A property's designation is based on its rental history, focused primarily on the condition and maintenance of the property itself. The tier determines what rental license fee will be imposed and the inspection schedule.



Tier 2 and Tier 3 rental license buildings in Minneapolis are concentrated in the geographic areas of the City that are the most vulnerable. The poor condition of housing stock in these areas subjects residents to worse housing



conditions and management practices. In these same geographic areas there are higher rates of buildings with code violations, as well as the highest concentrations of residents in poverty.

A more recent trend throughout the City that is also concentrated in North Minneapolis and South Central Minneapolis is a concern about resident displacement. During the peak of the foreclosure crisis, investors bought foreclosed and short-sale properties at rock-bottom prices with the intention of flipping them and reselling for a profit once the market picked back up. That strategy was a good move for investors who had the cash, but was bad news for the people who wanted to buy low- and mid-priced homes. This program anticipates being poised to strategically acquire properties where these investors will try to unload now that the market is strong. If these investors start to unload their inventory, the ramification to the tenants could be dire and have a significant impact on these communities.

In 2017-2018 over 60 rental units were subject to revocation, causing displacement of mostly Black/African American households. The households displaced experience barriers to safe and stable housing due to lower incomes, higher eviction rates, and higher rates of housing discrimination. The Housing Stabilization Program seeks to proactively prevent future displacement of tenants in rental units by financing the acquisition, rehabilitation, and stabilization of tenants throughout Minneapolis.

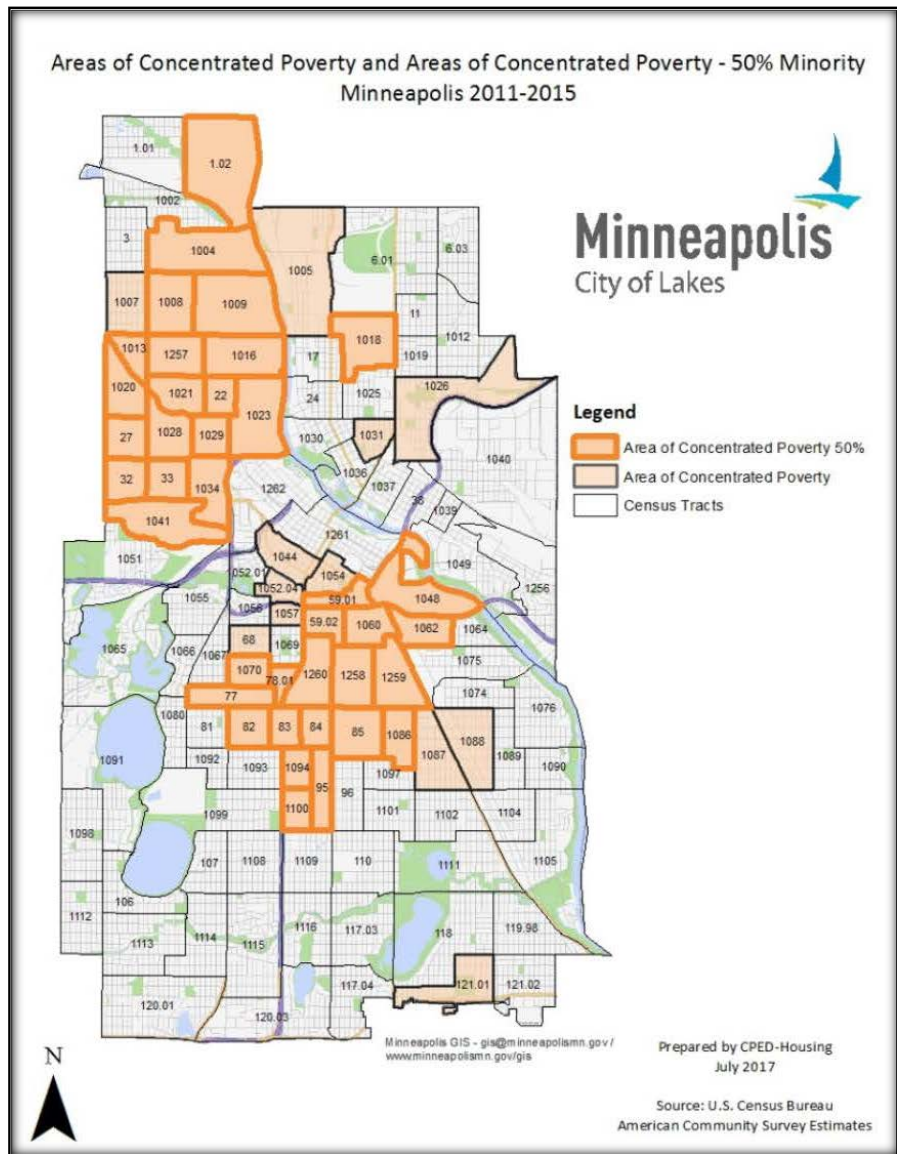
Description of the Change:

This item is a new pilot initiative that will initially impact an estimated 15 units of stabilized rental housing. Any property acquired will be resold and program income generated could be used to support future projects. It is intended that the Housing Stabilization Program pilot initiative will inform a future expansion of the program. Financing the pilot initiative will enable staff to begin the work of program development in partnership with residents, developers, funders, and other City divisions.

The Housing Stabilization Program is complementary with neighborhood stabilization efforts CPED that seek to reduce vacancy, support existing businesses or residents, and create new business or housing opportunities. Complementary activities include:

- Minneapolis Homes program that creates new affordable 1-2 unit ownership opportunities.
- The Homeownership Opportunity Minneapolis program, that pairs Financial Wellness counseling with down payment assistance to improve access to homeownership opportunities

- Homeowner rehabilitation loans that helps stabilize existing owners in their housing through support for code and health and safety improvements
- The City of Minneapolis Great Streets program that supports key commercial corridors throughout the City
- The Affordable Housing Trust Fund that creates high quality rental units, with a focus along transit corridors and within areas of opportunity
- The initiatives of the North Side Home Fund and Promise Zone, which coordinate investment of resources to maximize impact within North Minneapolis.
- Transit investments in North Minneapolis, including the Bottineau Light Rail Line, Rapid bus lines on Emerson and Fremont, and investments along Penn, Lowry, and Broadway.



The program enhancement described will require the participation of developers for implementation and potential capacity building to facilitate this activity. It is anticipated the program will commence in 2019 with the development of the program guidelines and facilitation of listening sessions for community and stakeholder feedback.

Equity Impact:

Communities of color in the City of Minneapolis are more likely to be cost burdened, pay higher energy costs and face instability due to housing evictions. The program is focused on structures less than 10 units that are not currently served by the Naturally Occurring Affordable Housing (NOAH) Preservation Program. The Housing Stabilization Program enhancement seeks to prevent displacement by acquiring and rehabilitating existing 1-4 unit rental buildings that are in substandard condition or where investors are looking to unload their inventory. This program will maintain units that are affordable at or below 80% of area median income.

The Housing Stabilization Program enhancement is consistent with the strategic plan formed by Northside Home Fund, the recent Mayor’s forum on affordable housing, and with the draft Minneapolis 2040 Comprehensive plan.

Community Planning & Economic Development
Housing Stabilization Program

2019 Change Item

Additionally, a component of this program enhancement is directly engaging with the communities where investments are likely to be most concentrated—in North and South Central Minneapolis. CPED will partner with the Neighborhood and Community Relations department to design and implement a community engagement strategy about program guidelines.

Results:

<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Number of households served	N/A	15	2018 previous; 2019 current
Percentage of Households at 80% AMI	N/A	100%	2018 previous; 2019 current

New program guidelines will be developed that incorporate culturally comprehensive feedback from area residents. It is anticipated that 15 affordable housing units will be maintained through the acquisition and rehabilitation process. The units will be affordable at 80% of AMI.

Community Planning & Economic Development
Minneapolis Homes

2019 Change Item

Program: Homeownership Support & Development
 Fund: General Fund - 00100, Community Improvement Fund, TIF Funds

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel	\$233	\$233	\$233	\$233	\$233	\$233
IT	\$3					
Fleet						
Contractual Services	\$7	\$10	\$10	\$10	\$10	\$10
Other	\$4,050					
Net Budgetary Impact						
Expenditures - Revenues	\$4,293	\$243	\$243	\$243	\$243	\$243

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count	2	2	2	2	2	2

Council Adopted Budget:

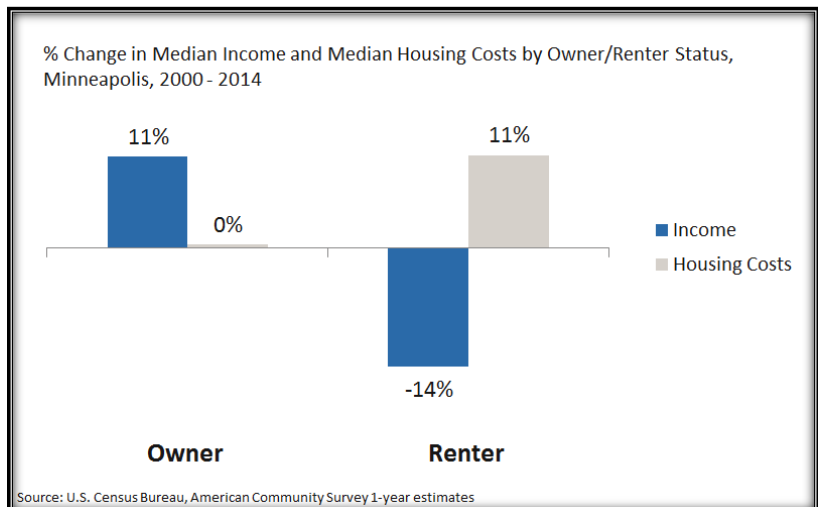
The Council approves \$4,050,000 in one-time other funding to enhance its Minneapolis Homes program, and \$243,000 in ongoing general funding for 2.0 FTE's to support this work.

Rationale/Background:

Minneapolis Homes provides financial assistance to create homeownership housing opportunities, facilitate development of CPED-owned properties, and provide long term affordability of ownership housing. Funds will be used to facilitate development of approximately 80 of the approximately 450 vacant CPED-owned development properties through a request for proposals process. The cost for developing these vacant lots are more than what they will sell for so there is a need to subsidize these units through development gap assistance.

CPED base budget for this activity is \$750,000. The total budget including this expansion is \$5 million.

This program addresses the Mayoral priority of promoting inclusive and equitable development. This was the high priority recommendation of Homeownership Roundtable convened by the Mayor's Housing Committee. It is one component of the overall strategy to improve the housing stock and livability choices for residents. The activity of providing development gap assistance for the purpose of creating new housing opportunities furthers City goals to grow the City's population, reduce racial disparity rates in homeownership, provide equitable access to city programs, and



Minneapolis Homes

provide a diversity of housing stock to meet population needs. This will be accomplished while also restoring these properties as productive tax-producing assets to the City.

Minneapolis Homes builds off of historic City investments. From 2008-2014, the City invested \$115 million in foreclosure recovery efforts and disaster relief from the North Minneapolis tornado. As a result, the CPED-owned properties are concentrated in the geographic areas of North Minneapolis and South-Central Minneapolis that are the most vulnerable and most effected by past discriminatory policies. In these geographic areas there are higher rates of disinvestment and high concentration of residents in poverty. A more recent trend throughout the City that is also concentrated in these areas is a concern about resident displacement—distressed ownership housing is being purchased and converted to rental and rental rates are increasing faster than the incomes of area residents.

Minneapolis Homes includes several components that respond to current market trends and City goals:

- Developing diverse housing options: program guidelines encourage development of large family housing (4+ bedrooms), visitable or ADA accessible design, and construction of owner occupied ADU or duplexes where feasible.
- Creating affordable homeownership opportunity: program guidelines require affordability at 115% of area median income and encourage creation of long term affordable units at 80% of area median income or below.
- Capacity building to improve equitable program access: information sessions, training materials, and outreach are targeted to improving access to programs by minority-owned and women-owned developers and by Minneapolis residents that have the greatest disparity in homeownership rates.

Description of the Change:

The item is an expansion of the existing Minneapolis Homes program. It would result in the following:

- Increased programmatic capacity to develop housing: current capacity of the Minneapolis Homes program is approximately 20-25 units annually. The item estimates production to increase to approximately 80-100 units, helping to address affordable homeownership shortages experienced in Minneapolis. NOTE: This assumes our ability to leverage these dollars at the historic rate of the program. (\$4.0M)
- Increased programmatic capacity to create long term affordable units: Current capacity of Minneapolis Homes program is 10 units annually. This item will increase capacity to 20 units, addressing the need to ensure long term access to affordable housing throughout Minneapolis. (\$1.0M)
- Increased capacity: Hiring two additional FTEs would facilitate management of underwriting projects, capacity building for developers and residents, and construction oversight needed to implement the enhanced program. The additional FTEs will conduct culturally competent training and outreach, with a focus on increasing outreach to both developers and contractors, with emphasis on Minneapolis-based business owners and residents. (\$0.243M)

Minneapolis Homes is complementary with neighborhood stabilization efforts by CPED that seek to reduce vacancy, support existing businesses or residents, and create new business or housing opportunities.

Complementary activities include:

- The Homeownership Opportunity Minneapolis program, that pairs Financial Wellness counseling with down payment assistance to improve access to homeownership opportunities
- Homeowner rehabilitation loans that helps stabilize existing owners in their housing through support for code and health and safety improvements
- The Affordable Housing Trust Fund that creates high quality rental units, with a focus along transit corridors and within areas of opportunity

- Transit investments in North Minneapolis, including the Bottineau Light Rail Line, Rapid bus lines on Emerson and Fremont, and investments along Penn, Lowry, and Broadway.

The program enhancement described will require partnership and coordination with key funders, including Minnesota Housing, Hennepin County, and the Met Council. It will also require the ongoing participation of for-profit and non-profit developers for implementation. Currently land trust is the only active long term affordable housing model. Ongoing capacity building with that organization or to creating additional long term affordable models will be needed to achieve the enhancements described. It is anticipated the program enhancements will be implemented beginning January 2019.

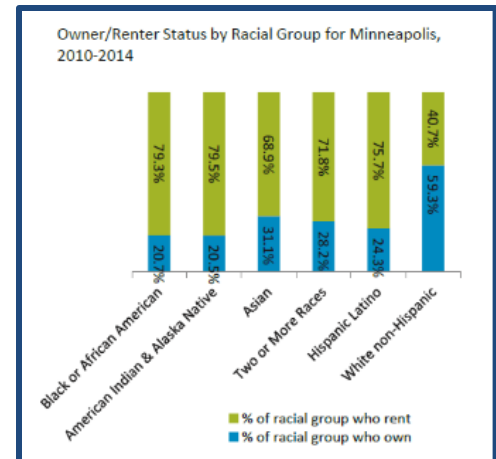


Figure 1

Equity Impact:

The City of Minneapolis and Twin Cities Region have the worst racial disparities in homeownership in the nation (Figure 1). Communities of color in the City of Minneapolis are more likely to be cost burdened (Figure 2), pay higher energy costs and face instability due to housing evictions. Minneapolis Homes seeks to mitigate these disparities by stabilizing households in homeownership.

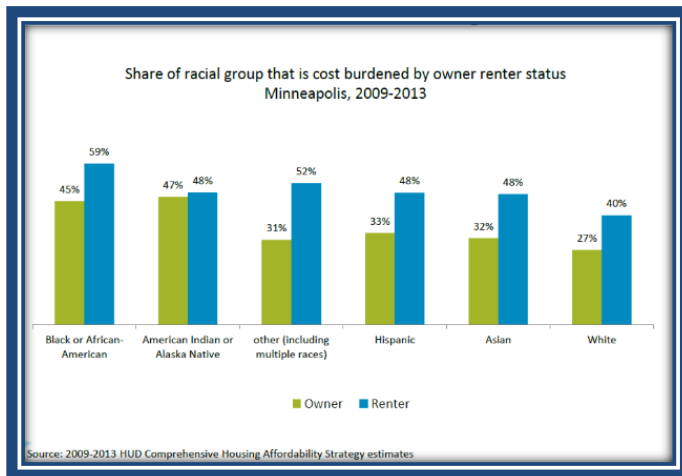


Figure 2

Historically, 70% of homebuyers of Minneapolis Homes housing units have been existing residents of the City of Minneapolis, with average incomes below 60% of area median income (AMI). Given the increasing market concern about displacement of existing residents the continuation and extension of this program to provide affordable homeownership opportunity is needed. All housing created in South and Northeast Minneapolis is required to be affordable to households at 80% AMI for 30 years through the Minneapolis Homes model. Due to the increasing home sale prices and rental prices in these areas, long term affordable units are also encouraged in North Minneapolis. The Minneapolis Homes program has a strong history of a high rate of service to Black/African American and White/Caucasian households that purchase program homes, but has a low rate to all other ethnic groups (Figure 3).

The Minneapolis Homes program was developed as a result of a City Council action that created an Infill Housing Task Force. Through multiple stakeholder meetings, the Task Force engaged over 1,000 residents, funders, neighborhood groups, and representatives of housing providers to develop program guidelines in 2016-2017. Additionally, the properties impacted by Minneapolis Homes build off of the target

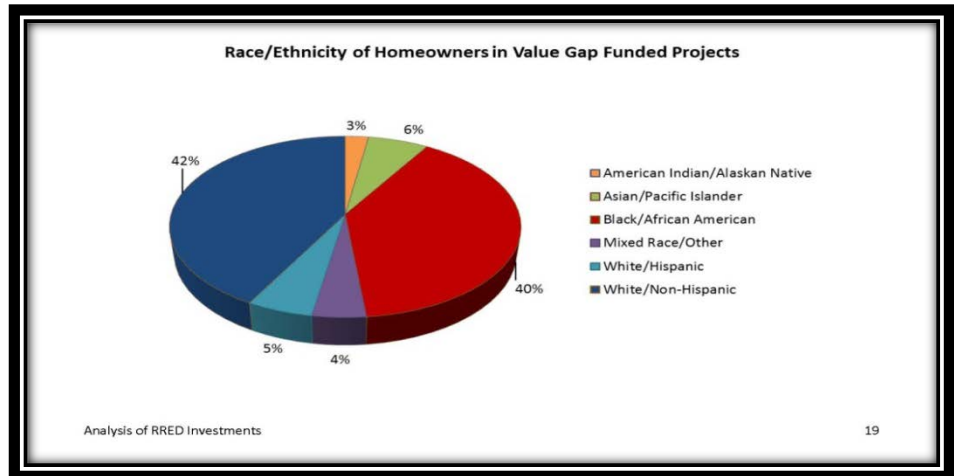


Figure 3

areas established during foreclosure recovery in 2008-2014, which engaged residents, funders, and stakeholders to define the areas of investment based on rates of foreclosure, abandonment, and vacancy occurring in the target areas.

Results:

<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
# of new housing units financed	20-25 units	80-100 units	2017 previous, 2019
Rate of service to households of color	60%	65%	2017 previous; 2019

This item will increase the number of housing units created under the Minneapolis Homes program and increase the rate of service to households of color. It is additionally anticipated that the increase in housing units created through the program will result in more units affordable to households at 80% AMI or below. Both are the primary success measure of the program.

Community Planning & Economic Development

2019 Change Item

MSP TechHire

Program: Adult Workforce Development

Fund: General Fund – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$100					
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$100	-	-	-	-	-

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The Council approves \$100,000 in one-time general funding for MSP TechHire.

Rationale/Background:

MSP TechHire aligns to the goals and priorities of diversifying the tech workforce. These goals and priorities focus on connecting community residents to work and career opportunities through intense and accelerated training in tech skills. MSP TechHire is in its third year of programming and in that time has worked to train and help find employment for hundreds of Minneapolis residents. The program is shown great success in creating 50% wage change for participants from time of enrollment to job placement with the new in-demand skill set gained through the various training opportunities.

Description of the Change:

MSP TechHire is an existing initiative. This item reflects the increased need and demand for more tuition support dollars in 2019. At this point the 2019 priorities of the Center are undeveloped, however, 100% of the allocation will be contractual services for programming.

The work fits squarely into our career pathways models, with intense/accelerated training with business partner input and hiring post training.

Beyond Minneapolis staff support for TechHire, core partners include MN Tech Association, Prime Academy, Software Guild, Creating IT futures foundation, and a number of community partners; each partner provides services to residents each day. A full list of partners can be found at: <http://www.minneapolismn.gov/cped/metp/TechHire>

Equity Impact:

With workforce diversity (people of color and women) in IT jobs well below other economic sectors, TechHire deliberately and intentionally recruits training participants from underserved communities including people of

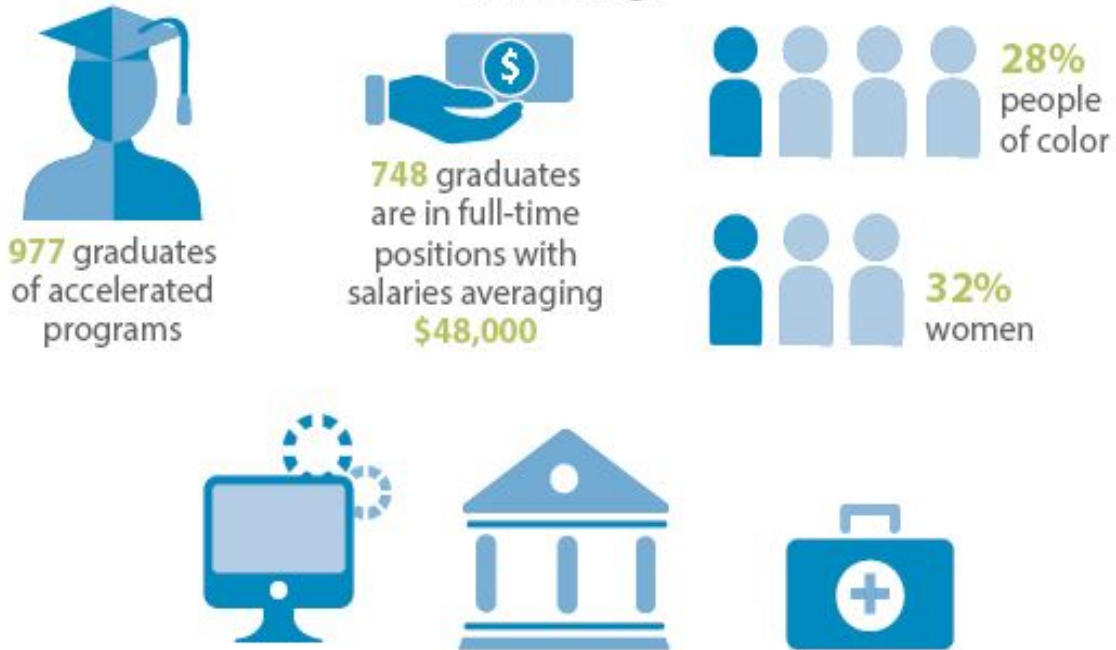
MSP TechHire

color and women. Further, this intentionality of effort, coupled with a strong economy, has resulted in new opportunities in the tech sector to adapt to and adopt new strategies for workforce diversity. TechHire is one of those solutions.

Results:

A snapshot of the results of MSP TechHire can be found below:

Since March 2015, **MSP TechHire** has achieved the following:



Over **369 engaged employers** that range across industry sectors including C.H. Robinson, the City of Minneapolis, Wells Fargo, Target, the Nerdery, G5 Solutions, Allina Health, Ceridian, and Analysts.

Community Planning & Economic Development
 Naturally Occurring Affordable Housing (NOAH) Preservation

2019 Change Item

Program: Affordable Housing Development
 Fund: Community Improvement

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$1,850					
Other	\$1,450					
Net Budgetary Impact						
Expenditures - Revenues	\$3,300	-	-	-	-	-

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The Council approves \$3,300,000 in one-time other funding for Naturally Occurring Affordable Housing (NOAH) properties.

Rationale/Background:

This item directly addresses the Mayor’s priority of expanding access to affordable housing throughout the City. The City is now a majority renter population. Approximately 50,000 Minneapolis renter households earn less than 60% of the area median income (\$51,400 for a family of four in 2016). The majority of these households (78%) are cost burdened, meaning that they pay more than 30% of their income for housing. Almost half (46%) are paying more than half of their income for housing. Minneapolis renters are facing increasing housing costs with decreasing incomes, and the city has fewer affordable housing units today than it did 15 years ago. The energy cost burden is also disproportionately high for low income renters, and disparities in housing quality have serious health impacts for residents, especially children. The private market is unable to produce or rehabilitate rental housing at an affordable level due to the costs associated with constructing, owning, and operating developments.

NOAH properties generally refer to unsubsidized multifamily, Class C rental housing projects that have at least 20% of the units with rents affordable to households with incomes at or below 60% of the Area Median Income (AMI). Minneapolis has approximately 30,000 Class C units in buildings of 4 or more units, and fewer than 15,000 of these units have rents affordable to households with incomes at or below 60% AMI. Preservation of NOAH properties has become a critical issue given the growing overall shortage of affordable housing. With metro area rental vacancy rates at about 2.7%, NOAH properties have become progressively attractive to local and national speculators intent on maximizing cash flow through increasingly higher rents. Once a NOAH property is up-scaled or torn down, it's lost forever. Despite the tens of millions of dollars invested in affordable housing production and preservation in the subsidized market, today, there are about 10,000 fewer rental housing units affordable to households with incomes at or below 50% AMI compared to 2000. This is largely a result of NOAH properties transitioning to higher rent properties.

Description of the Change:

This item is a continuation of one-time budget support of existing programs.

- NOAH Preservation Fund – \$1,500,000 to assist eligible preservation buyers to acquire and preserve NOAH rental property in Minneapolis that is at risk of increased rents in order to protect low-income tenants occupying such housing that are at risk of involuntary displacement. Program guidelines are currently under review in order to make these funds more flexible in their implementation. At \$25,000 - \$50,000/unit, this would represent the ability to support acquisition of an additional 30-60 units.
- Small and Medium Multifamily Land Banking Pilot Program – \$1,900,000 for a new, innovative model to help stabilize buildings with 2 or more units that are occupied by low to moderate income tenants throughout Minneapolis. These properties are susceptible to market pressure resulting in property sales, increased evictions, and rising rents. The goal of the program is to remove these properties from the speculative market and restrict them as affordable for the long-term. Funds will support acquisition or property management costs for 100 units (up to \$15,000/unit acquisition plus property management costs).

These NOAH preservation programs complement other work throughout the City enterprise designed to address the need for more affordable housing.

City partners for the NOAH Preservation Fund include experienced nonprofit housing owner operators, or public agencies, or the Land Bank Twin Cities and potentially local Community Development Financial Institutions. City partners for the SMMF Land Banking Pilot Program include Twin Cities Local Initiative Support Corporation (LISC), the Land Bank Twin Cities, and experienced mission-driven long-term owners.

These programs will result in directly expanding access to affordable housing and stabilizing tenants by providing for the acquisition and ownership of NOAH housing assets by preservation-minded organizations. The NOAH Preservation Fund operates on an open pipeline basis. The SMMF pilot is currently under development. Staff anticipates bringing the program details to City Council for approval in July 2018. 2019 funds would be made available beginning January 1.

Equity Impact:

In Minneapolis, the population of color is growing faster than the population as a whole. The facts that racial and ethnic groups are over-represented amongst low income households, and that most people of color are renters means that the negative impacts of the shortage of affordable rental housing are disproportionately experienced by communities of color. Cost burdened households are disproportionately communities of color. Energy cost burden is also disproportionately high for communities of color. Housing stability is a major concern, as evictions disproportionately impact neighborhoods with majority non-white populations. Historic discriminatory housing policies have had a lasting impact on development patterns. People with a disability experience poverty at higher rates than the population as a whole, and veterans are overrepresented among the homeless population.

NOAH preservation programs are specifically designed as anti-displacement strategies, which are part of the City's duty to Affirmatively Further Fair Housing, defined as taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. NOAH preservation will help to reduce housing disparities among affected groups by expanding locational choice and access to decent, safe, affordable housing, and was supported by the Housing Preservation roundtable led by the Mayor's Affordable Housing Committee. Anticipated program changes will make the program feasible for very small-scale owners located throughout the entire city.

Results:

Performance for these programs will be measured by the number of units acquired and preserved as affordable at or below 60% of AMI on an annual basis. This can be compared to the number of NOAH properties/units sold on an annual basis to measure relative impact. Program restricted rent levels can also be compared to average rents in the open market in both sold and unsold properties to measure relative affordability impact for renters. This information is available through the City’s CoStar market data subscription.

<i>Name of Measure</i>	<i>2018 budget</i>	<i>2019</i>	<i>Notes</i>
# of NOAH units preserved (NOAH Preservation Fund)	30-60 units	30-60 units	No change to funding level
# of NOAH units preserved (SMMF Land Banking Pilot)	100 units	100 units	No change to funding level

Community Planning & Economic Development
Regulatory Reform

2019 Change Item

Program: Land Use, Design and Preservation
Fund: General Fund - 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel	\$91	\$91	\$91	\$91	\$91	\$91
IT	\$2					
Fleet						
Contractual Services	\$8	\$10	\$10	\$10	\$10	\$10
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$101	\$101	\$101	\$101	\$101	\$101

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count	1	1	1	1	1	1

Council Adopted Budget:

The Council approves \$101,000 in ongoing general funding for an additional city planner (1.0 FTE).

Rationale/Background:

The City’s new comprehensive plan, expected to be adopted at the end of 2018, proposes bold land use reforms that will require CPED to focus resources on timely and effective implementation. The comprehensive plan proposes change that could not be accomplished using only the existing zoning districts and standards. The new position, housed in CPED-Development Services, will collaborate with staff in the Long-Range Planning and Zoning sections to reform the zoning code and map to align with policy objectives.

The item envisions ongoing regulatory reform that will extend beyond implementation of the comprehensive plan and could also include evaluation of heritage preservation regulations and guidelines.

Description of the Change:

The position will focus on regulatory reform; implementing the new comprehensive plan and overhauling land use and development regulations and processes. One vacant position within the department will provide a match this position.

This item will allow for the planners to focus on timely implementation of regulatory reform. Zoning code text amendments are currently a function primarily of the Land Use, Design and Preservation section. These positions also review development projects and staff the City Planning Commission and Heritage Preservation Commission. The level of development activity stretches the capacity of this team and complying with state-mandated timelines related to timely approval (or denial) of development projects has to be this team’s top priority. The amount of regulatory reform that will be required to effectively implement the proposed comprehensive plan could not be accommodated by the Land Use, Design and Preservation staff. It’s not anticipated that the new section will rely entirely on newly hired planners. Instead, the section needs the expertise of staff who have been drafting and

implementing regulations—those who are in the best position of evaluating what is working, what is not, and what changes are required in order to achieve the vision outlined by the city’s policies. Some personnel could be shifted to the new FTEs in the Regulatory Improvement section and those positions will be back-filled with new hires.

In addition to collaboration with other CPED staff, this team will work with elected officials, the City Planning Commission, and the City Attorney’s Office to develop approaches to regulatory reform to ensure logical and achievable policy implementation. Because complete overhaul of a major City’s zoning ordinance typically takes years, the team will likely develop a phased approach to implementation to minimize the period of time when the City’s land use regulations are not in alignment with its major land use policies.

As noted above, the section envisions that regulatory improvement will be an ongoing function of CPED rather than establishing a specific implementation date.

Equity Impact:

Equity is a major focus of the City’s comprehensive plan update. In particular, the City aims to establish land use policies and regulations that help to create a wider range of housing options throughout the City.

Results:

Following adoption of the new comprehensive plan, this manager and these staff members will ensure that the City avoids ongoing conflicts between its land use/development policies and the regulations and processes that implement those policies. The team will work with the City Planning Commission and elected officials to outline a likely phasing of implementation to ensure that key policies are implemented in a timely fashion. The team will work on ongoing regulatory improvement, including changes to review processes and communication tools (e.g., online resources and technical bulletins) rather than only being limited to ordinance reform.

Community Planning & Economic Development

2019 Change Item

Relocate Small Business Support Team to CPED

Program: Business Development

Fund: General Fund – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
Transfer Funding from Coordinator	\$343	\$343	\$343	\$343	\$343	\$343
Expenditures						
Personnel	\$305	\$305	\$305	\$305	\$305	\$305
IT						
Fleet						
Contractual Services						
Other	\$38	\$38	\$38	\$38	\$38	\$38
Net Budgetary Impact						
Expenditures - Revenues	\$0	\$0	\$0	\$0	\$0	\$0

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count	3	3	3	3	3	3

Council Adopted Budget:

The Council approves relocating the Small Business Support Team, including 3.0 FTEs, from the City Coordinator’s Office to CPED.

Rationale/Background:

In 2017, the City Council established the Small Business Support Team with 3.0 FTEs in the City Coordinator’s Office to directly help small businesses navigate processes across the Enterprise. This workgroup was directed to review existing efforts, programs, and initiatives focused specifically on the small business community to determine how best to align and/or reorganize small business touch points across the Enterprise. The workgroup is co-chaired by CPED and City Coordinator’s Office in coordination with other City departments.

This workgroup was established to review the programs and business lines within CPED to determine how to best reconfigure workflow along with aligning these efforts with the City’s racial equity goals in order to accelerate small business. As most of the interactions and transactions with the existing and growing business community are managed by CPED, the relocation of this team to CPED will be better aligned with this team’s mission.

Description of the Change:

Integration of the Small Business Support Team with CPED will help align department’s workflow efforts with City’s racial equity goals in order to accelerate small business efforts. This team’s efforts on the online portal for business community will be best optimized when the CPED teams working with the business community will use this tool. This support team is also envisioned to assist in finalizing the business guides and supportive checklist for the business that will address gaps in processes and service delivery and provide additional staff training and other strategies aimed at increasing alignment with the small business community. Coordination for the development of a municipal design center, cluster-based small business development, creation of entrepreneurial

Relocate Small Business Office to CPED

incubator spaces, small recognition programs, micro-lending programs and many others will be more effective as this team has a better collaboration opportunity within CPED.

Equity Impact:

This item ties to the City goal of City that Works and aligns Small Business Support team's mission and services to be impactful to the growing and diverse business community. This team was established with a vision to ensure that workflow in the departments aligns with City's racial equity goals in order to accelerate small business.

Results:

The relocation of the team is expected to build off the continuous improvement work that has already been initiated to streamline and simplify processes for the business community. It will also realign the efforts with City's racial equity goals to accelerate the small business efforts.

Community Planning & Economic Development

2019 Change Item

Stable Homes, Stable Schools

Program: Affordable Housing Development

Fund: Community Improvement

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$3,350	\$3,350	\$3,350			
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$3,350	\$3,350	\$3,350	-	-	-

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The Council Approves \$3.35 million in one-time other funding for three years to support Stable Homes, Stable Schools.

Rationale/Background:

Stable Homes, Stable Schools is an innovative partnership with Minneapolis Public Housing Authority (MPHA), Minneapolis Public Schools, Hennepin County, and rental housing owner-operators to prevent or reduce homelessness for families in Minneapolis Public Pre-K-8th Grade Schools by providing housing subsidies and supports for families that lead to students graduating from high school.

In Minneapolis Public Elementary Schools, 8.2 percent (3,586) of students experience homelessness, and in areas of concentrated poverty, 10 percent or more of the students face homelessness as a daily threat. Increasing rents and record low vacancy rates in Minneapolis create insurmountable barriers for some low-income families to find affordable housing. A significant barrier to student success is long-term stable housing.

To create a thriving community, Minneapolis must address the following barriers to success for children:

- There are 15 schools where more than 10 percent of enrolled students experienced homelessness at some point during the school year (In six schools, 20% or more students are affected). Students who have experienced homelessness are less likely to attend secondary level education programs.
- Students are more successful when families have long-term housing supports and students receive academic supports.

Description of the Change:

The program will provide funding for 21 vouchers to be made available to each of the 15 schools that face the worst problems with homelessness, supporting up to 320 families per year.

Stable Homes, Stable Schools

The total program budget is \$4.7 million per year, or \$14.3 million over 3 years, exclusive of in-kind contributions of supportive services. The City portion of the funding is \$10,000,000 over 3 years. The remaining funds are from Minneapolis Public Housing Authority, foundations, and in-kind services from Hennepin County.

City funding will be used to support housing subsidies, non-housing supports, saving funds match, case management and program management. The program is to be administered by MPHA and will not require any additional City administrative or FTE capacity, equipment, supplies or IT support.

The program complements the City's support for Heading Home Hennepin and the Minneapolis-Hennepin Office to End Homelessness goals of ending and preventing family homelessness. It complements work of City departments of CPED, Regulatory Services, and Health, to promote quality housing, healthy homes and affordable housing for low income families and children.

While public (City, MPHA, Hennepin County) and philanthropy partners will provide necessary funding for the program, the program's success depends on a strong alliance and critical support from the business community to provide rental units and employment opportunities for parents. Broad community support is necessary for all families to thrive. The program will start implementation in January 2019 and will require an agreement between the City, MPHA, Hennepin County and funding approvals from philanthropy.

Equity Impact:

Low-income families with children experiencing homelessness and housing instability in Minneapolis are disproportionately people of color. Homelessness causes trauma in the lives of children and families. Housing instability negatively impacts the health and success of both children and parents, perpetuation income and wealth inequality.

Results:

MPHA will work with third-party researchers or local universities to monitor outcomes and program success. An evaluation will track an array of metrics for students, parents, school success and housing stability. MPHA will issue an RFP and seek funding for the cost of baseline assessment, annual evaluation and three-year report.

**Community Planning & Economic
Development Tenant Hotline**

2019 Change Item

Program: Affordable Housing Development
Fund: Community Improvement

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$125					
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$125	-	-	-	-	-

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The Council approves \$125,000 in one-time other funding to support the Tenant Hotline.

Rationale/Background:

Since 2015, the City has supported this service to provide free legal advice to Minneapolis renters in English, Spanish and Somali via phone, email and distribution of materials. The City currently contracts with HOME Line to operate its Tenant Hotline. HOME Line is staffed by lawyers and law students, who respond to renter inquiries, provide follow up support and assistance with document preparation. The Tenant Hotline focuses its service towards low income renters who cannot afford traditional legal services and are more seriously affected by wrongly withheld security deposits, the prospect of eviction, and serious repair issues.

This service was recommended as a priority in the Housing Stability Roundtable convened by the Mayor’s Housing Committee in early 2018.

Description of the Change:

This service has been supported by the City through a \$100,000 appropriation in the 2015, 2016, 2017 and 2018 budgets. Minneapolis is now a majority renter city facing increasing affordable housing challenges, particularly for low income renters, who are disproportionately people of color. Given the ongoing and increasing importance of renter protections, staff recommends transitioning this budget item from a one-time to an on-going budget item.

This service complements housing inspection and rental licensing work of Regulatory Services. CPED and Regulatory Services jointly recommend funding for this service

Tenant Hotline**Equity Impact:**

Services are primarily used by low income renters who cannot afford traditional legal services and are more seriously affected by wrongly withheld security deposits, the prospect of eviction, and serious repair issues. Low income renter households in need of this service are disproportionately women and people of color. Somali and Spanish speaking tenant advocates work with these immigrant communities in their native languages.

Results:

HOME Line reports the following metrics for services provided in 2017 to Minneapolis renters:

- Recovered and/or saved an estimated \$342,691 which includes damage deposits returned and rent abatements.
- Prevented an estimated 218 evictions.
- Represented 2,956 Minneapolis renter households and 7,390 total renters, who called for legal advice to solve their rental problems.
- Total cost borne by HOME Line to serve Minneapolis in 2017 was \$129,095.
- 85% of HOME Line Minneapolis callers were low income residents who do not qualify for Legal Aid and who need help with rental issues beyond evictions.
- Minneapolis callers comprised of 49% Caucasian, 36% African American, 7% Hispanic, 3% are Asian, and 3% are Native American, and 2% are other.
- Women represented 68% of callers.

Community Planning & Economic Development

2019 Change Item

Tenant Stability: Tenant Legal Services

Program: Affordable Housing Development

Fund: Community Improvement

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$175					
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$175	0	0	0	0	0

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The Council approves \$175,000 in one-time other funding for Tenant Legal Services.

Rationale/Background:

This program supports free legal services for low income Minneapolis renters to protect and enforce their right to live in safe, quality housing that is in compliance with City code. This item addresses the Mayoral priority of protecting Minneapolis renters. This service was recommended as a priority in the Housing Stability Roundtable convened by the Mayor’s Housing Committee in early 2018. \$175,000 is included in CPED’s 2018 budget on a one-time basis for this service.

Minnesota State Law establishes legal processes for tenants to enforce their legal rights to live in safe and healthy housing, including Rent Escrow Actions and Tenant Remedies Actions. Unfortunately, many low-income tenants believe they must live with the poor conditions in their apartments and homes because they are unaware of their rights and how to enforce them, fear retaliation from their landlord or involvement in the legal system, or lack the time and resources to this. For these tenants, having a skilled attorney advise and assist them throughout the process has demonstrated success in improving tenant outcomes in court and improvements in housing conditions..

Description of the Change:

This service will be supported by the City in 2018 for the first time in many years. Minneapolis is now a majority renter city facing increasing affordable housing challenges, particularly for low income renters, who are disproportionately people of color. This service will help address inequities in rental housing opportunities by forcing landlords who maintain substandard housing to remedy defects so that Minneapolis tenants, independent of racial or economic background, can live in acceptable, well-maintained housing.

This service complements housing inspection and rental licensing work of Regulatory Services. CPED and Regulatory Services jointly recommend funding for this service.

Tenant Stability: Tenant Legal Services

Equity Impact:

Legal services will be provided to low income renters who cannot afford traditional legal services and are living in housing in need of repairs to meet City code standards. Low income renter households in need of this service are disproportionately women and people of color.

Results:

This program was funded in the 2018 budget but has not yet been implemented, so performance metrics have not yet been established. This funding will support expanded legal services to represent 225 renter households in Hennepin County District Court.

Community Planning & Economic Development

2019 Change Item

Trades Pilot Program

Program: Adult Workforce Development
 Fund: General Fund – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$50					
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$50	-	-	-	-	-

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count	0	0	0	0	0	0

Council Adopted Budget:

The Council approves \$50,000 in one-time general funding for Trades Pilot Program.

Rationale/Background:

Building on the success of the Trades apprenticeship ready project with the American Indian communities of Northern Minnesota, the Trades Pilot Program model will be adapted to an urban focus and for an East African community. The construction trades apprenticeship readiness model focusing on the Somali/East African community will recruit community members interested in the broad set of skills necessary for the construction trades and through curriculum developed by the Trades, prepare them to be competitive for an apprenticeship in a trade union.

Description of the Change:

An additional \$50,000 to CPED/Employment and Training above the existing requests to council via our budgetary items approved by CPED leadership.

Equity Impact:

This program is expressly equity focused and directly tied to equity impacts. The project is designed to recruit into training those of Somali/East African identity and exit the Trades work readiness project into an apprenticeship program. The aim is two-fold, prepare the next generation of workers in the trades, many of who will be people of color, and to move historically under-represented communities within the trades into apprenticeship programs.

Results:

With a \$50,000 investment from council and an additional \$50,000 from CPED, the projected number of residents served will be between 15-30 depending on the length of training, additional work-readiness training necessary prior to the trades curriculum, and cost of support services per participant. Expected outcome post-training, would be apprenticeship application ready participants who can now compete for open apprenticeships at the various trade unions within the metro area.

**COMMUNITY PLANNING & ECONOMIC DEVELOPMENT
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	14,856,000	14,893,000	15,918,000	17,115,000	7.5%	1,197,000
FRINGE BENEFITS	5,207,000	5,307,000	5,810,000	6,269,000	7.9%	459,000
CONTRACTUAL SERVICES	8,039,000	8,421,000	8,535,000	9,014,000	5.6%	479,000
OPERATING COSTS	2,203,000	2,428,000	2,967,000	2,289,000	-22.9%	-678,000
CAPITAL	2,344,000	2,411,000	7,828,000	109,000	-98.6%	-7,719,000
TOTAL GENERAL	32,649,000	33,460,000	41,058,000	34,796,000	-15.3%	-6,262,000
CAPITAL PROJECT						
CONTRACTUAL SERVICES	480,000	257,000		0		
OPERATING COSTS	1,000	1,000		0		
CAPITAL	3,000		716,000	730,000	2.0%	14,000
TOTAL CAPITAL PROJECT	484,000	258,000	716,000	730,000	2.0%	14,000
DEBT SERVICE						
CONTRACTUAL SERVICES		4,000	1,000	1,000		
CAPITAL	9,000	30,000	63,000	68,000	7.9%	5,000
DEBT SERVICE	2,075,000	2,099,000	2,095,000	2,135,000	1.9%	40,000
TRANSFERS	1,104,000	1,904,000	2,000	4,000	100.0%	2,000
TOTAL DEBT SERVICE	3,188,000	4,037,000	2,161,000	2,208,000	2.1%	47,000
ENTERPRISE						
SALARIES AND WAGES	96,000	85,000	101,000	103,000	2.0%	2,000
FRINGE BENEFITS	35,000	31,000	33,000	34,000	3.0%	1,000
CONTRACTUAL SERVICES	1,145,000	1,313,000	1,238,000	1,238,000		
OPERATING COSTS			1,000	1,000		
CAPITAL	123,000	68,000		0		
TOTAL ENTERPRISE	1,399,000	1,497,000	1,373,000	1,376,000	0.2%	3,000
SPECIAL REVENUE						
SALARIES AND WAGES	4,340,000	4,914,000	4,477,000	4,546,000	1.5%	69,000
FRINGE BENEFITS	1,236,000	1,360,000	1,594,000	1,640,000	2.9%	46,000
CONTRACTUAL SERVICES	11,104,000	7,693,000	24,202,000	31,346,000	29.5%	7,144,000
OPERATING COSTS	4,712,000	4,156,000	1,244,000	1,842,000	48.1%	598,000
CAPITAL	51,439,000	37,276,000	20,242,000	41,442,000	104.7%	21,200,000
DEBT SERVICE			20,000	20,000		
TRANSFERS	17,560,000	16,788,000	13,110,000	10,919,000	-16.7%	-2,191,000
TOTAL SPECIAL REVENUE	90,391,000	72,187,000	64,889,000	91,755,000	41.4%	26,866,000
TOTAL EXPENSE	128,111,000	111,439,000	110,197,000	130,865,000	18.8%	20,668,000

**COMMUNITY PLANNING & ECONOMIC DEVELOPMENT
EXPENSE AND REVENUE INFORMATION**

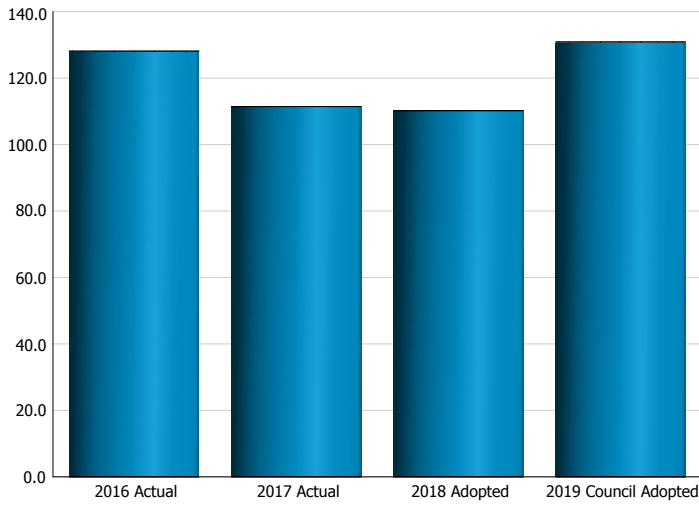
REVENUE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SALES			1,000	1,000		
CHARGES FOR SERVICES	3,238,000	3,313,000	3,240,000	3,240,000		
CONTRIBUTIONS		5,000		0		
FINES AND FORFEITS	138,000	218,000	157,000	157,000		
INTEREST	207,000	153,000		0		
LICENSE AND PERMITS	35,848,000	33,682,000	33,152,000	33,778,000	1.9%	626,000
OTHER MISC REVENUES	2,478,000	2,108,000	2,250,000	2,250,000		
RENTS				0		
SPECIAL ASSESSMENTS			30,000	330,000	1,000.0%	300,000
GENERAL	41,909,000	39,479,000	38,830,000	39,756,000	2.4%	926,000
SPECIAL REVENUE						
CHARGES FOR SALES	1,697,000	2,519,000		0		
CHARGES FOR SERVICES	1,509,000	1,312,000		10,000,000		10,000,000
CONTRIBUTIONS	156,000	20,000		0		
FEDERAL GOVERNMENT	3,829,000	3,378,000	4,631,000	4,931,000	6.5%	300,000
FINES AND FORFEITS	54,000	72,000		0		
INTEREST	1,772,000	232,000	535,000	561,000	5.4%	29,000
LICENSE AND PERMITS	145,000	78,000		0		
LOCAL GOVERNMENT	11,149,000	6,859,000		0		
OTHER MISC REVENUES	7,437,000	3,368,000	2,636,000	1,952,000	-25.9%	-684,000
PROPERTY TAXES	48,172,000	52,908,000	54,903,000	60,718,000	10.6%	5,810,000
RENTS	2,378,000	2,449,000	2,335,000	528,000	-77.4%	-1,807,000
SALES AND OTHER TAXES				0		
SPECIAL ASSESSMENTS	158,000	447,000	300,000	0	-100.0%	-300,000
STATE GOVERNMENT	5,066,000	5,803,000	2,000,000	1,800,000	-10.0%	-200,000
TRANSFERS IN	8,587,000	8,076,000	2,538,000	184,000	-92.8%	-2,355,000
USE OF FUND BALANCE			-3,797,000	18,949,000	-599.2%	22,751,000
SPECIAL REVENUE	92,109,000	87,521,000	66,081,000	99,623,000	50.8%	33,542,000
CAPITAL PROJECT						
LONG TERM LIABILITIES PROCEEDS			716,000	741,000	3.5%	25,000
TRANSFERS IN	492,000	259,000		0		
CAPITAL PROJECT	492,000	259,000	716,000	741,000	3.5%	25,000
DEBT SERVICE						
INTEREST		6,000		0		
PROPERTY TAXES	10,000	67,000	70,000	75,000	7.1%	5,000
TRANSFERS IN	3,682,000	4,128,000	2,095,000	2,135,000	1.9%	40,000
USE OF FUND BALANCE			-4,000	-4,000		
DEBT SERVICE	3,692,000	4,201,000	2,161,000	2,206,000	2.1%	45,000

**COMMUNITY PLANNING & ECONOMIC DEVELOPMENT
EXPENSE AND REVENUE INFORMATION**

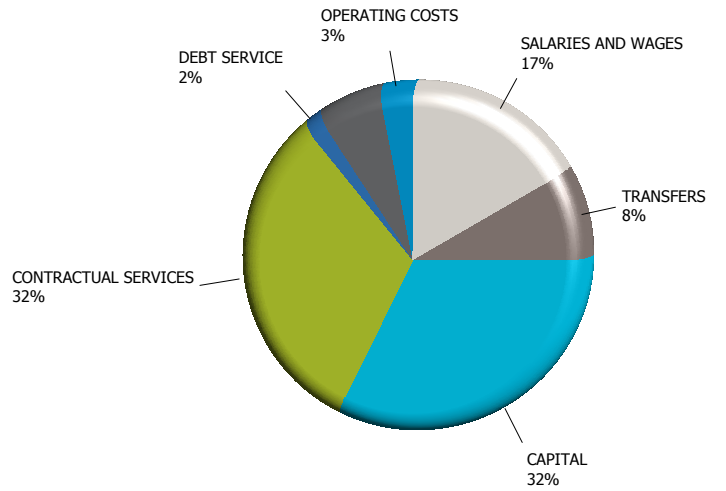
REVENUE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
ENTERPRISE						
CHARGES FOR SALES	2,000			0		
CHARGES FOR SERVICES	1,360,000	969,000	1,280,000	1,280,000		
INTEREST	23,000	92,000		0		
OTHER MISC REVENUES	45,000	102,000		0		
RENTS	214,000	201,000		0		
TRANSFERS IN	268,000			0		
USE OF FUND BALANCE			92,000	95,000	3.3%	3,000
ENTERPRISE	1,912,000	1,364,000	1,372,000	1,375,000	0.2%	3,000
TOTAL REVENUE	140,114,000	132,824,000	109,160,000	143,701,000	31.6%	34,541,000

COMMUNITY PLANNING & ECONOMIC DEVELOPMENT EXPENSE AND REVENUE INFORMATION

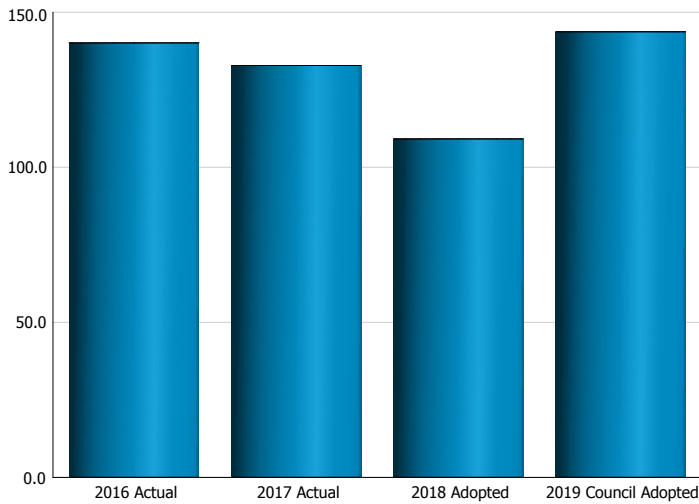
Expense 2016 - 2019
In Millions



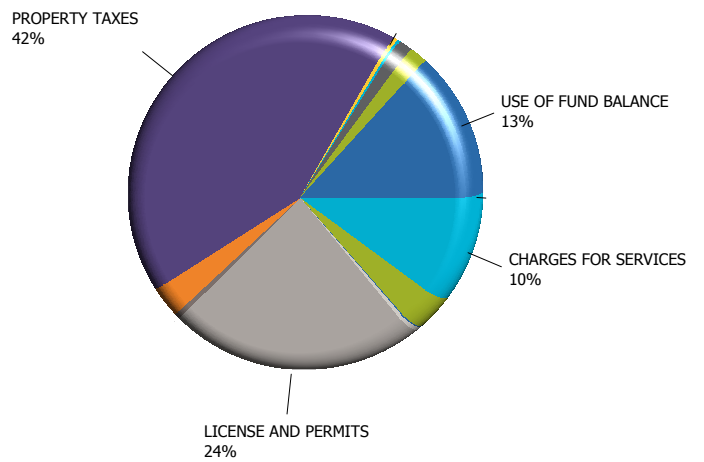
Expense by Category



Revenue 2016 - 2019
In Millions



Revenue by Type

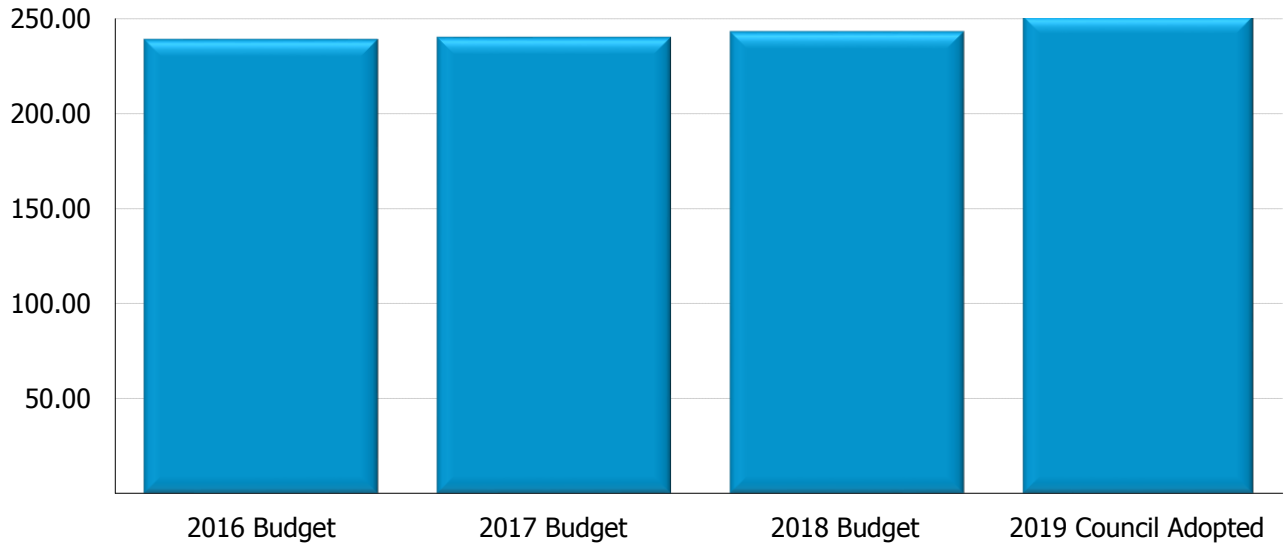


COMMUNITY PLANNING & ECONOMIC DEVELOPMENT

Staffing Information

Division	2016 Budget	2017 Budget	2018 Budget	2019 Council Adopted	% Change	Change
ADMIN AND SUPPORT	11.00	11.00	12.00	12.00	0.0%	-
HOUSING POLICY & DEV	30.00	30.00	33.00	37.00	12.1%	4.00
ECONOMIC POLICY & DEV	67.00	68.00	68.00	71.00	4.4%	3.00
LONG RANGE PLANNING	15.00	15.00	15.00	15.00	0.0%	-
DEVELOPMENT SERVICES	116.00	116.00	115.00	116.00	0.9%	1.00
Overall	239.00	240.00	243.00	251.00	3.3%	8.00

Positions 2016-2019

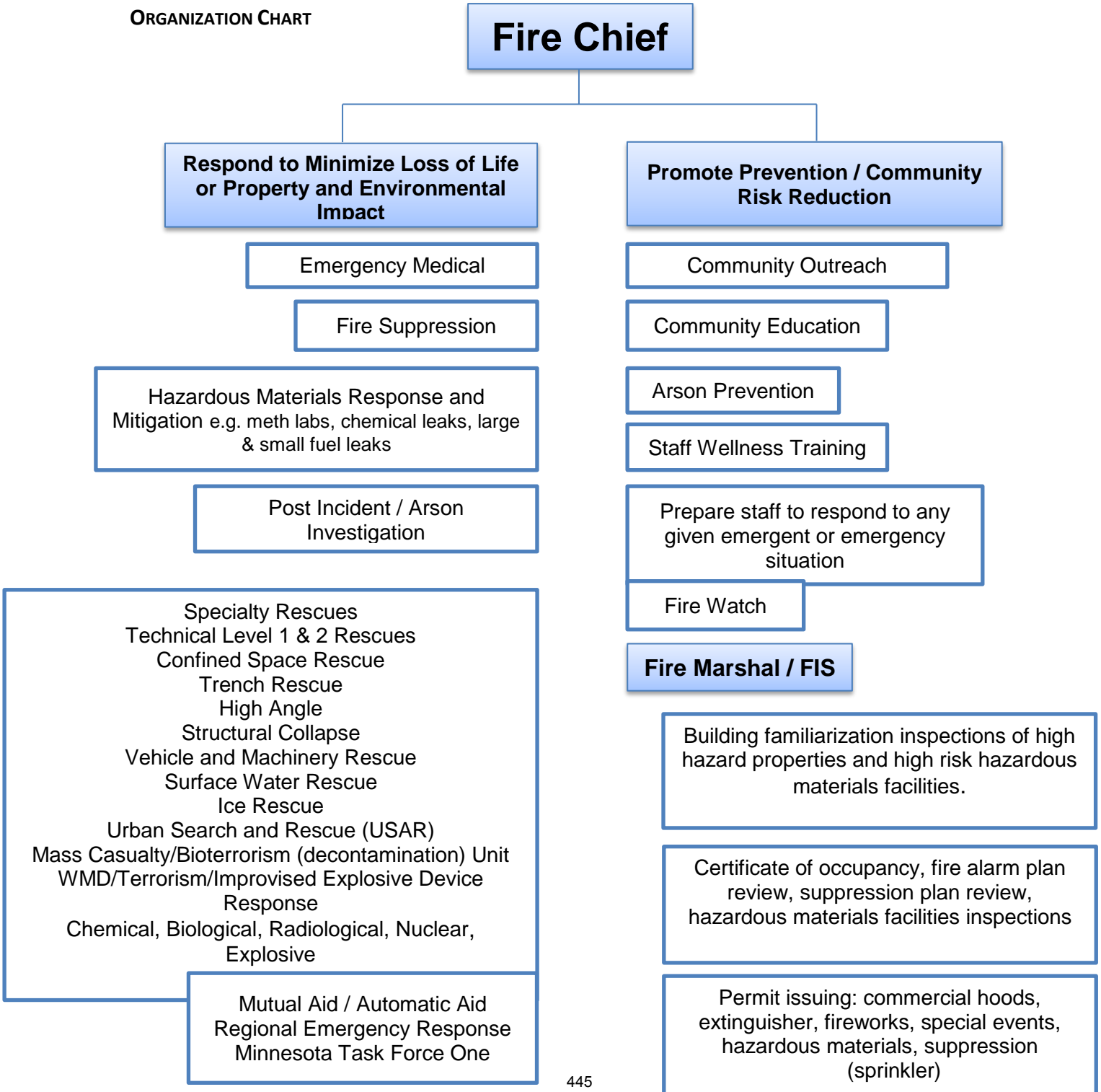


FIRE

MISSION

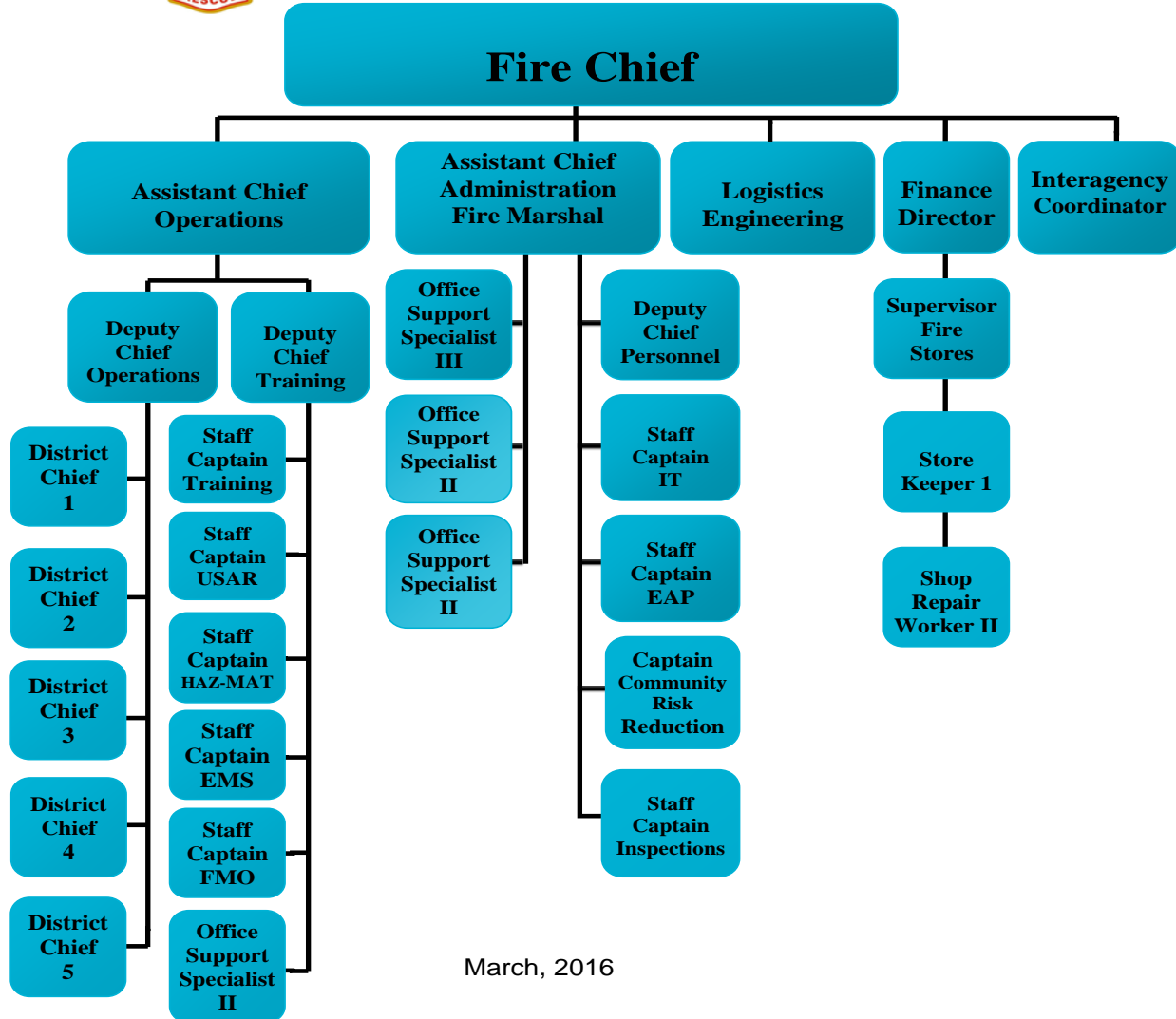
The Minneapolis Fire Department is thoroughly trained and ready to protect lives, property and the environment by rapidly responding to emergencies and hazardous situations. The department is committed to prevention by proactively working with the community to reduce risk to life, property and the environment.

ORGANIZATION CHART





Minneapolis Fire Department
1-400.00 - Organizational Chart



PERFORMANCE MEASURES

All data and analysis generated through the City’s performance measurement process, Results Minneapolis, can be found on the City’s website. Please visit <http://www.minneapolismn.gov/coordinator/strategicplanning/wcmsp-199683> to find detailed information and analysis related to the budget programs listed below.

Fire Suppression, Emergency Medical Service and Technical Rescue

General Fund: \$49,292,000
Other Funds: \$10,000

Fire Suppression, Emergency Medical Service and Technical Rescue describes the increased demand for services by cross-trained personnel who perform multiple functions in a growing range of services, such as Fire Response, Emergency & Medical Services, Hazardous Materials Response (Terrorism/WMD Response), Technical Rescue, Community Outreach and Prevention Education.

Training & Recruitment

General Fund: \$10,238,000

The Training program is fundamental in building and maintaining firefighter's skills. The program aims at and developing a high-performing diverse workforce where personal strengths are recognized and individual differences are respected. The aim is to create potential career opportunities both internal and external, and cross disciplinary.

Community Risk Reduction and Community Outreach

General Fund: \$9,801,000

Prevention is the best form of suppression. The Community Risk Reduction and Community Outreach program promotes prevention/community risk reduction by proactively working with and in the community to support changes that will preserve life, property and the environment. This can be accomplished through community education, coaching organizations, focusing on school age children for early interventions and providing warning equipment to residents. The highest need populations include juveniles, non-English speaking residents, low income and our aging populations.

FINANCIAL ANALYSIS**Expenditure**

The Fire Department's budget increases from \$66.5 million to \$69.3 million in 2018 to 2019. This is an increase of \$2.8 million, or 4.3%. The Fire Department's 2019 expenditure budget reflects the following changes from 2019; routine inflationary increases in personnel costs including \$278,000 in Pension due to change in Pension policy, and the budgetary change items of \$620,000.

Revenue

Revenues are projected to increase by 8.9% in this department due to contracts to provide services to the Whipple Federal Building and the VA Hospital. The department's total revenues in 2019 are projected to be \$2.3 million.

Fund Allocation

This department is funded completely in the General Fund at 100.0%, with the exception of \$10,000 in private donations/ contributions.

Budget Change Items

Detailed change items are presented on the following pages.

Fire
Increase Fire Personnel

2019 Change Item

Program: Fire Suppression, Emergency Medical Service and Technical Rescue
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel	\$500	\$500	\$500	\$500	\$500	\$500
IT						
Fleet						
Contractual Services						
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$500	\$500	\$500	\$500	\$500	\$500

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count	5	5	5	5	5	5

Council Adopted Budget:

The City Council approves \$500,000 ongoing for additional five fire personnel (5.0 FTE) increasing the authorized strength to 419.

Rationale/Background:

Mobile integrated healthcare and community paramedicine (MIH and CP/EMT) - many believe these innovations have the potential to transform EMS from a strictly emergency care service to a value-based mobile healthcare provider that is fully integrated with an array of healthcare and social services partners to improve the health of the community

Though still evolving, MIH and CP/EMT programs operating around the nation are providing a range of patient-centered services, including sending EMTs, paramedics or community EMTs/paramedics into the homes of patients to help with chronic disease management and education, or post-hospital discharge follow-up, to prevent hospital admissions or readmissions, and to improve patients’ experience of care.

This program also navigates patients to destinations such as primary care, urgent care, mental health or substance abuse treatment centers instead of emergency departments to avoid costly, unnecessary hospital visits.

Description of the Change:

The development of the North Loop, Warehouse District and the expanded development of the East side of downtown has created operational challenges for the department responding to the increased demand for service. As a result, the City is looking to open ladder 1 downtown to be located in new Fire Station 1 on the corner of Third Street and Fifth Avenue. The department will use existing apparatus by repositioning apparatus to fill the gap created by opening Ladder 1, however additional personnel is needed to staff this new Station.

In addition, the City is launching a Mobile Integrated Healthcare study in partnership with Hennepin County to provide a variety of healthcare and social services to our city. The funding provided under this change item will position the City to be able to respond to both of these emerging needs.

Fire

Increase Fire Personnel

2019 Change Item

Equity Impact:

Disparities in healthcare access have a significant impact on the Fire Departments emergency medical response in the City of Minneapolis. Underserved and vulnerable populations have increasingly used 911 as a first point of access to the healthcare system. Additionally a growing percentage of our calls for service are for non-emergent issues that do not require rapid response or transport to an emergency room. The MIH and CP/EMT program would allow for the Fire Department to play a role in the prevention side of healthcare. This new response model would allow for the Fire Department to align the right resources with the correct event, improving efficiency and lowering service costs.

Results:

Anticipated results include:

- Reduction in runs involving engines at stations where there is an ambulance.
- Reduction in costs for fuel, parts, labor and service for repairs.
- There should be revenue impacts as well once an agreement is formed on reimbursement for each run or visit.

Fire Department Personal Protective Equipment

2019 Change Item

Program: Fire Suppression, EMS and Technical Rescue
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services						
Other	\$110					
Net Budgetary Impact						
Expenditures - Revenues	\$110	\$0	\$0	\$0	\$0	\$0

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$110,000 one-time to replace personal protective equipment (turnout gear) for firefighters.

Rationale/Background:

Each of the 400+ sworn members of the Fire Department needs 2 sets of turnout gear as part of their standard equipment. Approximately 800 sets are needed to outfit the entire department. Turnout gear has a life of 4-6 years with a mandatory replacement after 10 years. A standard set of turnout gear costs a little under \$2,000.

The Fire Department has received an annual one-time appropriation through the CARS program of \$100,000 to \$200,000 each year since 2014 for this purpose.

Description of the Change:

A \$110,000 one-time investment will purchase roughly 100-120 sets of turnout gear (consisting of helmet, jacket, pants, boots and gloves), allowing the department to turn inventory over every 7 years. This is a critical component of a firefighter’s job safety. Given its heavy use, constant and consistent replacement of old equipment is necessary.

Equity Impact:

NA

Results:

National standards require turnout gear to be in service no longer than 10 years. It is reasonable to assume that newer, more current turnout gear could mean fewer injuries and a reduction in pay for firefighters who are injured on duty. In addition, maintaining a steady stream of funds to allow for continual replacement avoids the possibility of a significant one-time expense in future years.

Fire Department

Final Four Reimbursable Expense

2019 Change Item

Program: Fire Suppression, EMS and Technical Rescue
 Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
Host Committee Agreement	\$10					
Expenditures						
Personnel	\$10					
IT						
Fleet						
Contractual Services						
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$0	\$0	\$0	\$0	\$0	\$0

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$10,000 one-time for reimbursable expenses associated with the 2019 Final Four.

Rationale/Background:

Bringing large scale events, like the Final Four, to Minneapolis gives residents a chance to participate in activities, concerts and events associated with the games. They also help cultivate a sense of community pride with the city welcoming visitors from across the world.

Major events bring major revenues to our city, not just in the form of taxes, but also in helping to support local business specifically in the hospitality industry. We also use these events to showcase our capital investments in US Bank Stadium and Nicollet Mall to the almost 90,000 visitors coming to town.

Description of the Change:

These one-time funds are primarily for staff overtime necessary in order to execute the department’s support of the event. These expenditures are offset by revenues associated with the local host committee agreement with the City.

Equity Impact:

The Final Four is a whole weekend of activities, including the national semi-final and championship games -- but also multiple free and low-cost events for all residents to enjoy.

Results:

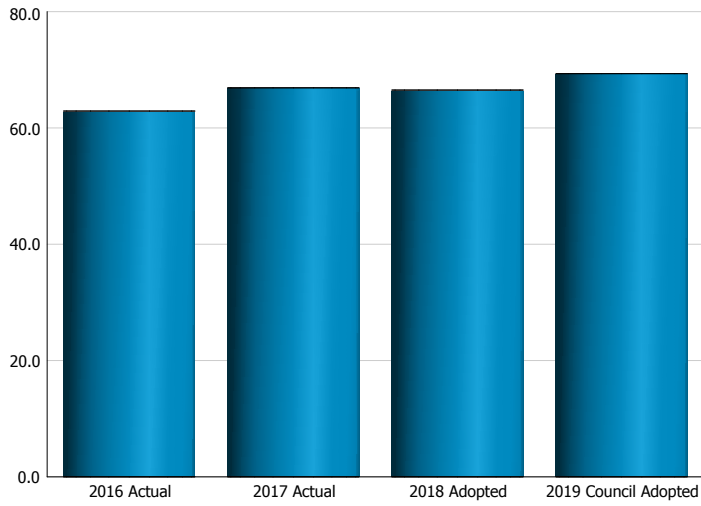
Through the additional effort represented by the expenditure of these funds, and in partnership with the local host committee, the city will be able to effectively ensure the public’s safety and ultimately host a successful event. These outcomes will position the city positively to host future NCAA events, amplifying the positive impacts for Minneapolis mentioned above.

**FIRE
EXPENSE AND REVENUE INFORMATION**

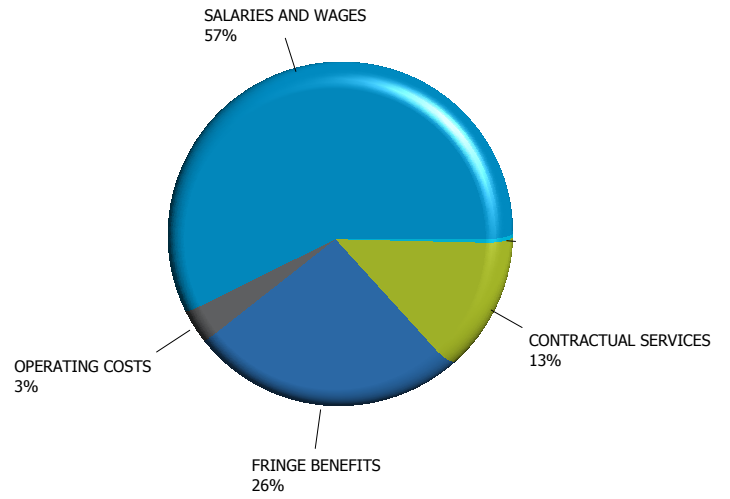
EXPENSE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	36,060,000	38,236,000	38,562,000	39,741,000	3.1%	1,179,000
FRINGE BENEFITS	16,126,000	16,766,000	16,655,000	18,129,000	8.9%	1,474,000
CONTRACTUAL SERVICES	8,051,000	8,332,000	8,843,000	8,929,000	1.0%	86,000
OPERATING COSTS	2,375,000	2,356,000	2,180,000	2,272,000	4.2%	92,000
CAPITAL	36,000	421,000	260,000	260,000		
TOTAL GENERAL	62,648,000	66,111,000	66,500,000	69,331,000	4.3%	2,831,000
SPECIAL REVENUE						
SALARIES AND WAGES	128,000	495,000		0		
FRINGE BENEFITS		156,000		0		
CONTRACTUAL SERVICES	37,000	138,000	10,000	10,000		
OPERATING COSTS	82,000	1,000		0		
CAPITAL	9,000			0		
TOTAL SPECIAL REVENUE	256,000	790,000	10,000	10,000		
TOTAL EXPENSE	62,904,000	66,901,000	66,510,000	69,341,000	4.3%	2,831,000
REVENUE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SALES				0		
CHARGES FOR SERVICES	114,000	114,000	116,000	303,000	161.2%	187,000
OTHER MISC REVENUES	40,000	29,000		0		
SPECIAL ASSESSMENTS	31,000	11,000		0		
STATE GOVERNMENT	1,979,000	2,055,000	1,980,000	1,980,000		
GENERAL	2,164,000	2,209,000	2,096,000	2,283,000	8.9%	187,000
SPECIAL REVENUE						
CONTRIBUTIONS	81,000	20,000	10,000	10,000		
FEDERAL GOVERNMENT	77,000	554,000		0		
STATE GOVERNMENT	143,000	198,000		0		
SPECIAL REVENUE	301,000	772,000	10,000	10,000	0	
TOTAL REVENUE	2,465,000	2,981,000	2,106,000	2,293,000	8.9%	187,000

FIRE EXPENSE AND REVENUE INFORMATION

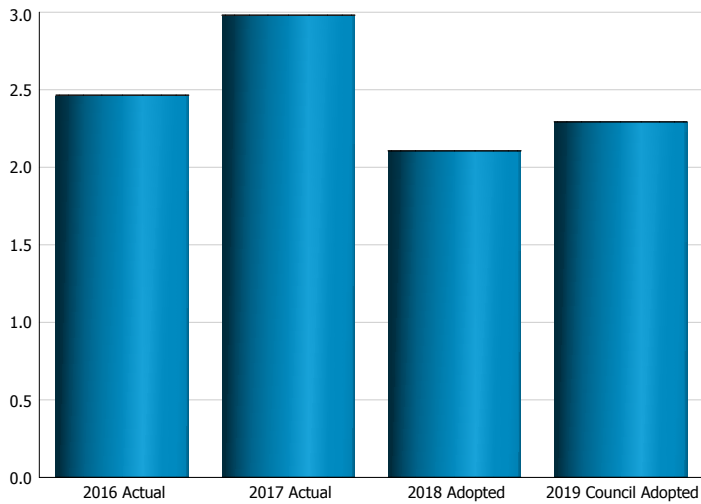
Expense 2016 - 2019
In Millions



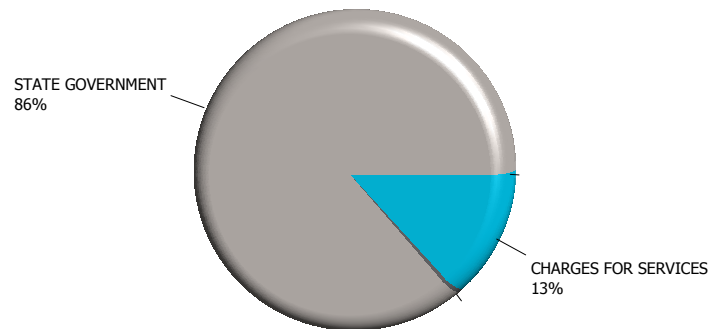
Expense by Category



Revenue 2016 - 2019
In Millions



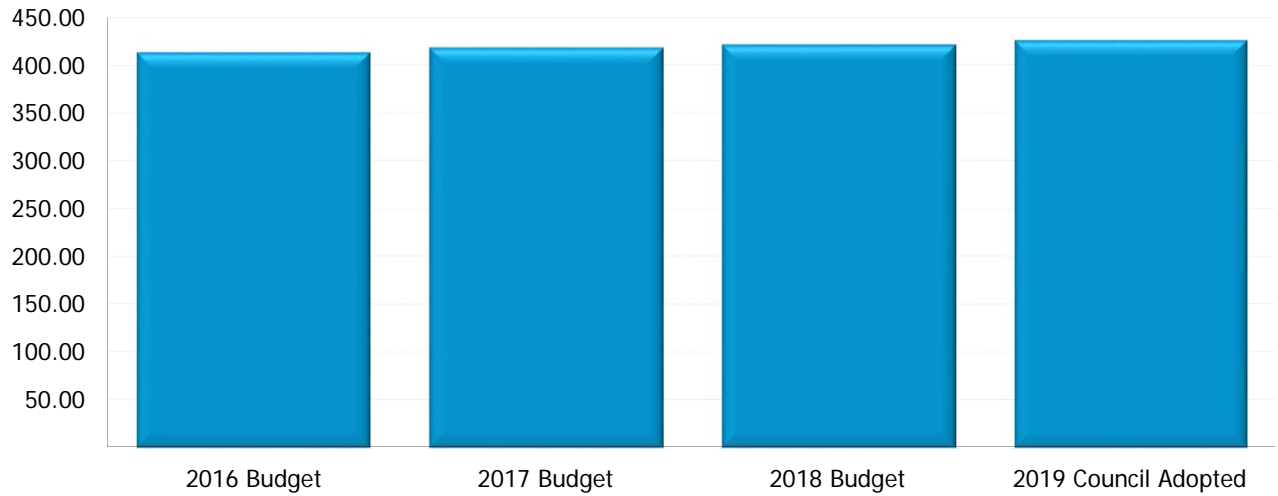
Revenue by Type



FIRE Staffing Information

Division	2016 Budget	2017 Budget	2018 Budget	2019 Council Adopted	% Change	Change
FIRE EMERGENCY RESPONSE	288.83	293.83	296.83	301.83	1.7%	5.00
FIRE EMPLOYEE TRAINING AND DEV	60.68	60.68	60.68	60.68	0.0%	0
FIRE PREVENTION SERVICES	63.48	63.48	63.48	63.48	0.0%	0
Overall	413.00	418.00	421.00	426.00	1.2%	5.00

Positions 2016-2019

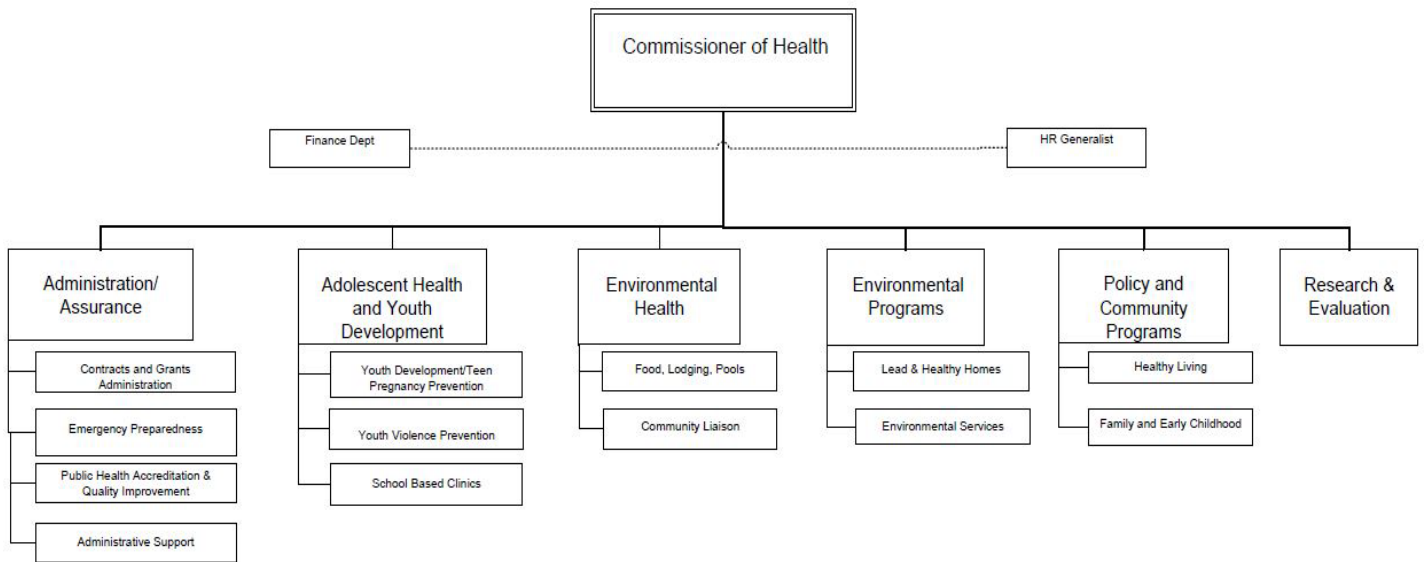


HEALTH DEPARTMENT

MISSION

The Minneapolis Health Department improves the quality of life for all people in the city by protecting the environment, preventing disease and injury, promoting healthy behaviors, and creating a city that is a healthy place to live, work, and play.

ORGANIZATION CHART



PERFORMANCE MEASURES

All data and analysis generated through the City’s performance measurement process, Results Minneapolis, can be found on the City’s website. Please visit <http://www.minneapolismn.gov/coordinator/strategicplanning/wcmsp-199683> to find detailed information and analysis related to the budget programs listed below.

Family and Early Childhood

General Fund: \$511,000
Other Funds: \$3,181,000

Programs and services promote healthy birth outcomes, positive parent-child interaction, child growth and development, family self sufficiency, nutrition education, and family planning and connection to early childhood education. Additional programs promote school ready children.

School Based Clinic Program

General Fund: \$193,000
Other Funds: \$3,123,000

The Department operates School Based Clinics (SBC) in six Minneapolis public high schools and health education and screening services at one alternative school site for pregnant and parenting teens. All clinic

services are provided by medical, behavioral health, and health education professionals. The focus is on adolescent health services including acute illness care, well-teen exams, reproductive care, nutrition education, immunizations, individual and group health education, and mental health screenings, diagnostic assessments and counseling.

Youth Development and Sexual Health

General Fund: \$717,000
Other Funds: \$1,143,000

This program includes policy work and out-of-school time services for low income youth; collaborative partnerships with schools, county and community-based agencies; technical assistance and training to youth workers, teachers and volunteers; comprehensive sexual health education; and coordination of the City's prevention response to the Safe Harbors Act.

Youth Violence Prevention

General Fund: \$1,617,000
Other Funds: \$683,000

The Health Department leads and coordinates citywide efforts around Youth Violence Prevention through policy work, planning, community support, and programming. Activities include service coordination with jurisdictional partners, capacity building with small community-based agencies, and partnerships on community engagement activities. MHD programming includes: Group Violence Intervention, in collaboration with the Minneapolis Police Department; hospital-based violence intervention, in partnership with HCMC and North Memorial; the Juvenile Supervision Center for curfew, truancy, and low-level offenders alongside Hennepin County and Minneapolis Public Schools; individualized case management and mentoring for youth at risk of involvement with violence; street and community outreach and positive youth engagement; and implementation of a teen dating violence curriculum.

Senior Services

General Fund: \$69,000

The Minnesota Visiting Nurse Agency provides home health care/therapeutic services for eligible high-risk and low-income seniors age 60 and older who lack medical reimbursement. Eligible seniors receive skilled nursing and therapy visits and home health aide/ homemaker visits; a significant number require interpreter services.

Lead Poisoning and Healthy Homes

General Fund: \$687,000
Other Funds: \$1,118,000

The Lead Poisoning Prevention and Healthy Homes initiative assures residential homes are safe from lead hazards by conducting inspections for children with diagnosed lead poisoning. The program repairs lead hazards to protect children from exposure to lead which interferes with brain development during a critical stage. Minneapolis currently inspects homes of children with a blood lead level of 5 ug/dl of blood. A Federal grant also supports efforts to address other healthy homes concerns such as radon, asthma triggers, and slip/trip/fall hazards.

Emergency Preparedness and Infectious Disease Prevention

General Fund: \$36,000
Other Funds: \$432,000

The Minneapolis Health Department is required by Minnesota statute and City Charter to assure the health and safety of residents and visitors from infectious disease; to prepare for and respond to

emergencies; and assist the community in recovery. The Department does so through collaboration, contracts, and participation in a community-wide continuum of care. Public health response includes: routine prevention and intervention activities (provided through contract with Hennepin County); response to small events such as measles and food borne illness; planning and preparing to host large events such as the Super Bowl and NCAA Final Four; support for residents affected by natural or other disasters such as the Northside tornado; and, response to large public health emergencies such as a flu epidemic.

Food Lodging and Pools

General Fund: \$3,413,000

The Food Lodging and Pools program ensures commercial and institutional foods are safe and in compliance with state and local health codes by conducting more than 8,000 inspections a year of over 5,000 facilities including restaurants, schools, board and lodging facilities, hotels, pools, tanning and body arts establishments, day care centers, farmers markets, groceries, and food vendors. Health inspectors investigate all food and water borne illness outbreaks that occur in the City. The Health Department has become a national leader in providing outreach, education and business support to all our licensed food businesses with a special focus on providing culturally and linguistically appropriate support to immigrant managers and workers.

Environmental Services

General Fund: \$1,925,000

Other Funds: \$19,000

Environmental Services protects environmental and public health from the adverse effects of pollution through two states delegated well programs, one federally mandated storm water program, nine local environmental permits, and immediate response to spills and citizen concern. The Health Department has become a progressive leader in local environmental work conducting local air quality studies, management of the Midwest's first energy disclosure policy, the strongest renewable energy incentives by any city in the country and nationally recognized partnership programs with local businesses to improve neighborhood environmental quality.

Minneapolis Healthy Living Initiative

Other Funds: \$1,070,000

The Healthy Living Initiative is a collection of 34 projects implemented at 640 sites with community partners to increase opportunities for healthy eating, physical activity and tobacco-free living in public housing, schools, neighborhoods, clinics, food shelves, stores, restaurants, worksites and other settings. The goal of these strategies is to reduce the burden of tobacco- and obesity-related chronic diseases on individuals, communities, employers, and the health care system.

Core Public Health Infrastructure

General Fund: \$3,137,000

Other Funds: \$961,000

As a local public health entity operating under a Community Health Board (City Council), the department is mandated by Minnesota Statutes, chapter 145A, to provide directly or contract for essential public health services for Minneapolis residents. An adequate public health infrastructure includes a governance structure, assessing community health needs, setting health priorities, meeting state reporting requirements, engaging the community, advocating for policy changes, fostering healthy environments, and ensuring that staffing reflects the diversity of the Minneapolis community. In Minneapolis, grant writing to address priority needs is also an essential component of the Public Health Infrastructure.

FINANCIAL ANALYSIS

Expenditure

The Health Department's budget increases from \$22.7 million to \$24.0 million in 2018 to 2019. This is an increase of \$1.3 million, or 5.9% due to inflationary increases in operating costs offset by elimination of one-time budget allocations of \$626,000 from 2018 and budgetary change items of \$1.6 million in 2019.

Revenue

Revenues are projected to increase by \$365,000, or 2.7% in this department due to increase in grant funding. The department's total revenues in 2019 are projected to be \$14.0 million.

Fund Allocation

This department is funded partially by the General Fund (51.2%), with the remaining funding from in State and Other Funds and Federal Funds (48.8%).

Budget Change Items

Detailed change items are presented on the following pages.

Health Department
Next Step

2019 Change Item

Program: Youth Violence Prevention
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$130	\$130	\$130	\$130	\$130	\$130
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$130	\$130	\$130	\$130	\$130	\$130

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$130,000 ongoing to continue contracted hospital based youth violence prevention services.

Rationale/Background:

Violence among youth and young adults directly impacts the health and wellbeing of many Minneapolis residents. Exposure to violence is linked to trauma, chronic disease, mental health conditions, lower quality of life, and increased likelihood of perpetration of violence. Without an intervention, victims of violence are at high risk for subsequent additional violent injury. Research estimates put hospital recidivism for violently injured youth as high as 40%, with a 5-year mortality rate as high as 20%. Additionally, being shot at or witnessing a shooting can double the probability that the victim/witness will themselves perpetrate violence within 2 years.

In 2018, with assistance from the Minneapolis Health Department, HCMC secured increased grant funds from the MN Office of Justice Programs to expand Next Step. Additional funds will fill critical gaps in program coverage at HCMC and allow for expansion to North Memorial, which sees roughly half of the victims of violent trauma from the City.

The increase and \$130,000 in 2018 City General Funds is enough for full-scale implementation in 2018. However, the City’s \$130,000 for 2018 is one-time and HCMC’s grants funds alone are not enough for full implementation moving forward. The absence of City (or other) funds for 2019 will require a reduction to staffing, reducing the overall reach and impact. HCMC’s current staffing for combined services at HCMC and North Memorial is five full-time (1 program manager and 4 case managers) and eight part-time (.2 FTE hospital responders) staff.

HCMC and NMHH bring significant in-kind contributions to the partnership. HCMC agreed to forgo administrative costs through the grant, freeing about \$110,000 per year for program operation. Additionally, both hospitals are providing oversight from non-direct service staff, office space, IT, office supplies, and training. This represents progress toward the Health Department’s vision of progressing from City-led program incubation to eventual hospital ownership of the program.

By interrupting the cycle of community violence, Next Step can reduce the burden of violence on both police and the community, leaving more space for positive and proactive engagement and improved police-community relations. In their role as credible messengers, under certain circumstances Next Step staff can serve as liaisons between police and individuals who may historically have distrust in the system.

By working alongside participants on health, housing, employment, education, and other areas, Next Step is able to address health disparities and other inequities. By reducing community violence, Next Step makes Minneapolis more safe and livable.

Description of the Change:

The recommendation of \$130,000 in ongoing for 2019 will close the gap between the outside funding already secured for the program (a grant held by HCMC for approx. \$495,000/year) and the amount needed for full program implementation at HCMC and North Memorial (approx. \$625,000/year).

Funds will be contracted to HCMC by the Health Department. HCMC is the administrative and programmatic home of Next Step and employs the program staff that serve both HCMC and North Memorial. HCMC's grant funds primarily pay for personnel, technology, and some training costs. The majority of the City's funds will cover participant need costs – items and services participants need to be safe, healthy, and make progress toward their goal plans, including things like clothing, hygiene and personal items, shelter, transportation, etc.

These costs are an integral part of the service model. Intervention during the golden opportunity of the hospital stay is meaningful. However, in many cases, long-term, sustainable change comes through long-term follow-up work. Without tangible financial resources to support and encourage participants' success toward their identified goals, it is very difficult to move toward sustained impact. As a result, the absence of City (or other) funds for 2019 will necessitate a reduction in staffing to fund those essential participant needs.

Next Step is part of the Blueprint for Action, the City's comprehensive public health response to violence. City partners include the Mayor's office, Health, Police, Minneapolis Employment and Training, the Youth Coordinating Board, and the City Coordinator's office. HCMC and NMHH have been and will continue to be community partners for Next Step program. Hospital-based violence intervention programs like Next Step are a powerful way to stop the revolving door of violent injury in our hospitals and our community. Engaging patients in the hospital during their recovery is a golden opportunity to change their lives, helping to reduce re-injury, prevent retaliatory violence, and create a new path for them. Evaluations using randomized controlled trial or retrospective matched cohort have demonstrated the effectiveness of hospital-based intervention programs, showing evidence of increased self-efficacy, decreased physical aggression, higher rates of employment, decreased involvement in the criminal justice system, decreased self-reported injuries, and lower rates of hospital recidivism for participants.

Equity Impact:

Individuals of color are disproportionately overrepresented among violent injury victims. The vast majority of Next Step participants have been individuals of color (approximately 65% Black, 9% Hispanic, 7% White, 6% American Indian, and 5% multiple races). By working alongside participants around goals related to health, housing, employment, education, and other areas, Next Step is able to address health disparities and other inequities. The input of participants is incorporated into the shaping of service delivery on an ongoing basis. Next Step staff consistently enhance their knowledge base of community resources based on participant need, and participants attend Next Step staff meetings to share their perspectives and offer insights to program leadership.

Results:

The goals of Next Step are to:

- Reduce the rate of violent re-injury and re-hospitalization for youth and young adults who are victims of violent assault injuries
- Support positive development and holistic healing for victims and families who are affected by violence
- Interrupt the cycle of recurrent violence

Next Step Program Success Through 2017			
	Program participants	% of participants who agreed to post-discharge community-based services	% of those who achieved progress toward co-identified goal plan
2016	68	81% (n=55)	65% (n=36)
2017	67	72% (n=48)	96% (n=46)

Program participants are those who received at minimum a bedside intervention from a Next Step Violence Intervention Specialist. While not all participants have longer-term needs, many do need significant support around safety, basic needs, housing, health, employment, and education. Those participants who agree to post-discharge services co-create goal plans with staff and receive community-based follow-up services that can last up to one year.

Next Step staff have excelled in engaging violent assault victims, illustrating their skill and the value of a “credible messenger” model: through 2017, 76% of participants agreed to community-based services. Staff also excelled in supporting the diverse needs of participants: through 2017, 80% received support toward goals.

During the program’s first year, only 3 of the program’s 98 participants (3%) had returned to HCMC with a new violent injury (per staff check of HCMC records). Research estimates put rates of hospital recidivism for violently injured youth as high as 40%.

Next Step Program Success Projections			
	Program participants	% of participants who agreed to post-discharge community-based services	% of those who achieved progress toward co-identified goal plan
2018	90	70%	70%
2019	130	70%	70%

North Memorial implementation planning is currently underway. Participant projections for 2018 are based on maintaining similar number of HCMC participants from previous years and adding participants served through four months of service at North Memorial.

Participant projections for 2019 are based on full implementation at both hospitals. Projected percentage goals for participants who agree to post-discharge community-based services and those who achieve progress toward co-identified goal plan take into account uncertainty around needs and characteristics of new service population at North Memorial.

Health Department
Group Violence Intervention (GVI) / Project Plan

2019 Change Item

Program: Youth Violence Intervention
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$370	\$300	\$300	\$300	\$300	\$300
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$370	\$300	\$300	\$300	\$300	\$300

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$300,000 ongoing and \$70,000 one-time to support community resources for participants in the Group Violence Intervention (GVI) project.

Rationale/Background:

GVI is a gun violence prevention and intervention model focused on gang involved individuals. It brings the Community, Law Enforcement and Social Services together to address the issue of gang and gun violence. GVI offers real opportunities that support individuals transitioning out of a violent lifestyle (employment, education, mentorship, emergency housing) and simultaneously puts additional law enforcement attention on groups who continue to perpetrate acts of gun violence.

By encouraging and assisting gang involved individuals to stop the violence and become employed these individuals can contribute to society. Additionally, by decreasing their contact with the criminal justice system these individuals require fewer government resources as it relates to jail, prisons, hospital and criminal investigations. GVI is deeply rooted in police legitimacy. Its guiding principles include police transparency and increasing the community’s capacity to participate in its own public safety. By bringing the community and law enforcement together to problem solve community violence as equal partners GVI is a tool that lends itself to improving community and police relations. In the 12 months of program implementation GVI has shown significant reductions of shooting victims in Minneapolis.

Description of the Change:

The Health Department currently receives \$290,000 in general funds and is the current recipient of a \$325,000 Dept. of Justice grant be used Sept. 2016- September 2018. These federal funds will be fully expended during the 2018 budget cycle and will greatly reduce the resources available in 2019 to implement this program in its current configuration which is focused on the African American community primarily on the Northside. This item allows us to maintain our current level of operations as well as begin some expansion of our efforts to other parts of the city impacted by high rates of gang violence.

Health Department Group Violence Intervention (GVI) / Project Plan

2019 Change Item

GVI was designed to service 20 clients total per year in Minneapolis. In year one the program has completed 89 intakes for active clients. GVI is already seeing the limitations the project has by only offering services in North Minneapolis with a focus on the African American Community. Currently gun violence is down in the GVI catchment areas (4th Precinct) however, gun violence is up by 290% in the 3rd Precinct, an area with high rates of gang activity. Request for expansion to other communities have been made by community leaders, city council members and community organizations however, due to fiscal limitations, expanding the program with fidelity and high quality programming has not been an option in 2018.

Crucial to the success of this project is collaboration with the Minneapolis Police department, Mayor's office, City and County Attorney, U.S Attorney, FBI, Judicial courts and probation. Other key partnerships are community residents especially members of our community moral voice committee and community contractors (Change Equal Opportunities, Northpoint). If fully funded January 1, 2019 the Health department will begin conversations with culturally specific social service agencies in South Minneapolis to vet potential partners to help us more effectively serve participants from the American Indian, Latino and Somali communities.

This additional funding will allow us to contract with Northpoint Incorporated as well as establish smaller contracts with other community based agencies to provide outreach, monitoring and follow up services with clients identified through GVI. This is one of two initiatives being implemented by the Health department that are focused on reducing gun related violence.

Equity Impact:

GVI focuses its efforts on communities most impacted by violence. As it relates to racial equity, people/communities of color are disproportionately impacted by violence in comparison to white people/communities in Minneapolis and nationally. Currently 100% of the clients being provided GVI service are people of color. 100% of the staff providing GVI services are people of color and 100% of the Community Moral Voice Advisory (CMVA) group are people of color. GVI's current catchment area is in Minneapolis Police Department 4th Precinct which covers all of North Minneapolis. Currently, most GVI clients, staff and CMVA members represent the African American Community. Additional resources would allow GVI to be more inclusive of other communities of color who are also highly impacted by gun and gang violence. Inquiries for GVI services have been received from the American Indian, Latino and Somali communities however, due to limited capacity adequate services are not currently available in those ethnic or geographic communities. The overall intended goals of the project are a reduction in shootings and an increase in illegal gun recoveries. Positive achievement of these goals will improve the quality of life and resident safety in neighborhoods with populations of color and American Indians.

Results:

In the current catchment area (4th PCT) shooting victimizations are down by nearly 20% over 2017. This suggests that the combination of tailored services through GVI paired with targeted law enforcement focused on gang activity is having a positive impact. In addition, illegal gun recoveries are up city wide by 54%. It is believed that GVI intelligence is assisting in this increase by identifying those who are most likely to have illegal guns in the community. Below please see a grid that highlights the reductions in shootings in the first year of GVI's implementation compared to the year before.

Additionally, GVI currently have 89 individuals who have enrolled in services. Some of those individuals have been stabilized enough to be funneled into more long term programs at North Point or other social service agencies. GVI staffs remain in contact with most of the individuals given the short duration that the program has existed. We are using evidence based models to guide our work and they suggest that gang members are at greatest risk

Health Department
Group Violence Intervention (GVI) / Project Plan

2019 Change Item

for being a victim or a perpetrator of gun violence over a two year window therefore, GVI intends to continue some level of follow up with clients for two years to minimize risk of recidivism.

GVI Results Year One	2016	2017
Group member involved (GMI) Homicides	12	9
Non-GMI Homicides	9	11
GMI non –fatal shootings	93	42
Non-GMI, Non-fatal shootings	29	18
Unknown non-fatal shootings	41	53

Health Department Asthma Intervention

2019 Change Item

Program: Lead & Healthy Homes
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel	\$55	\$55	\$55	\$55	\$55	\$55
IT						
Fleet						
Contractual Services						
Other	\$16	\$16	\$16	\$16	\$16	\$16
Net Budgetary Impact						
Expenditures - Revenues	\$71	\$71	\$71	\$71	\$71	\$71

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count	0.5	0.5	0.5	0.5	0.5	0.5

Council Adopted Budget:

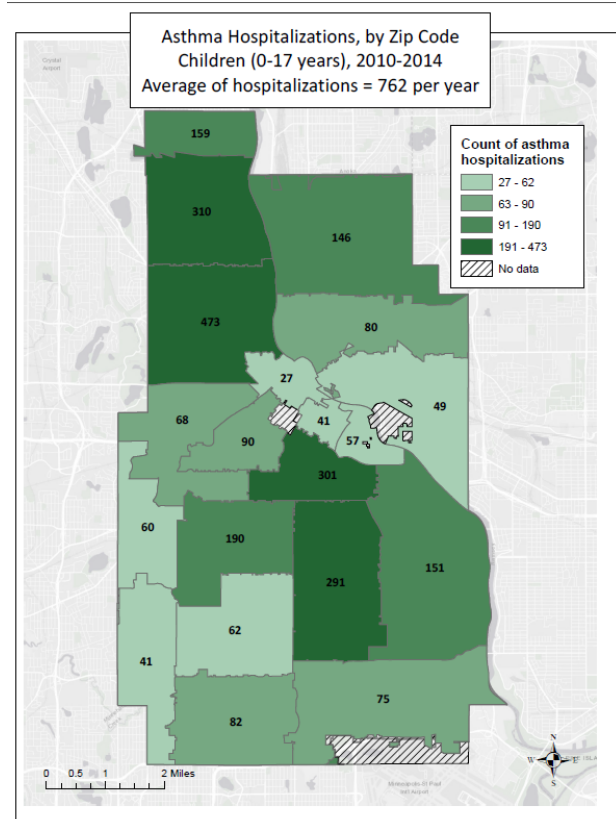
The City Council approves \$71,000 and a 0.5 FTE position ongoing to develop effective intervention programs for children with poorly controlled asthma.

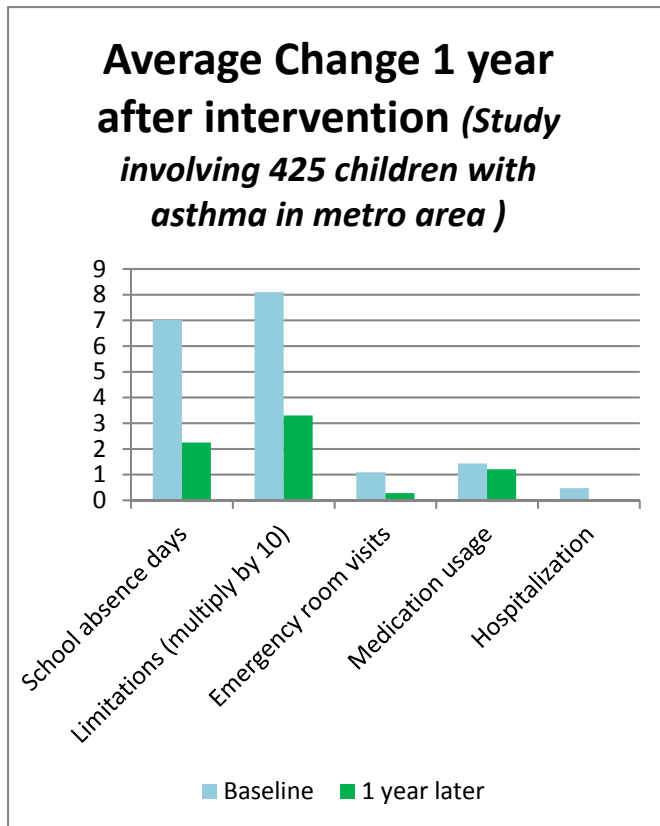
Rationale/Background:

This initiative aligns with the mayoral goal of safe and affordable housing by providing health inspections of housing of children with asthma that are referred as a result of hospitalization, urgent care service, doctor visit or excessive school absence due to asthma. This also connects to the mayoral goal of economic growth as sick children often result in parents missing work.

This model builds on the lessons learned in the four previous pilot projects that the Health Department participated and/or designed that demonstrated a return on investment of \$1.61 - \$14/\$1 invested. The pilots identified that families living in poor quality housing that contained mold or pests need the assistance of city health inspectors to compel landlords to make repairs that violate current codes. These pilots have been tested locally and are implemented nationally.

Currently the city spends less than \$5,000 annually to directly address children’s asthma with effective direct services. In addition to a half time position and intervention products, this item will put in place a 311 referral mechanism for healthcare providers to trigger needed city





services. The department has trained and experienced staff but has lacked the funding to implement this initiative in a way that could significantly reduce the impact of asthma on Minneapolis children. By combining a match of current department program funding with the \$71,000, we can serve 100-200 children with targeted inspection, education relevant to allergen triggers in their specific home, enforcement (rental only) and supplies such as allergen bedding and HEPA air cleaners for the child’s bedroom.

Description of the Change:

This item will fund \$55,000 for a 0.5 FTE position to provide inspections, and \$16,000 for interventions to reduce home asthma triggers. This initiative is a change in scope from an existing activity. We currently are only able to serve around 10 families a year with current resources that come from cost saving in the current budgets. This initiative will not require contracts with a service provider, but it will leverage the current HCMC program (started in 2018) of providing a warm-hand off with a public health nurse before discharge from their emergency room. The inspector will become part of that process by providing parents with a technical

expert to review their home, educate about what is within a parents control vs what will need to be addressed by violation correction orders in rental housing.

This service should be offered to all Minneapolis children when discharged from hospitalization. We anticipate being able to provide services to 100-200 families this first year as part of the time will be devoted to contacting emergency rooms, urgent care and schools to spread awareness of this service availability. The supplies are estimated at \$110 per allergen vacuum, \$100 for a HEPA air cleaner, \$100 to provide allergen covers for beds and mattresses, and integrated pest management for a single family home is around \$250. Average product cost for services is \$350.

This initiative will complement the current healthy homes work being done by Environmental Programs in their grant work when rehabbing homes for lead paint and other safety hazards, as well as with the missions of Maternal and Child Health who contract with Hennepin HealthCare Systems, Inc. for public health nurses, and with Regulatory Services by increasing the number of rental homes that will receive an inspection. The external partners are school nurses, emergency and urgent care providers, and pediatric asthma physicians and parents. This will provide a sustainable funding to replicate the successful outcomes demonstrated in previous pilots (see chart under Rationale).

Contacting partners to start setting up the referral process and a 311 workflow can start immediately upon approval of the budget to be ready to kick off delivery of services starting January 1, 2019. The Department will continue to work with IGR to advocate for state policy change that will provide Medical Assistance reimbursement for these services.

Equity Impact:

Asthma is a housing quality issue linked to poverty (see map in Rational section). Children in low-income households (25%) are more likely than children from non-low-income households (8%) to seek emergency room or urgent care due to asthma. A higher percentage of American Indian (24%) and Black/African/African Am. (24%) youth have asthma than Hispanic/Latino (18%), White (18%) or Asian/Pacific Islander (14%). Members of these racial and ethnic groups were participants in the previous pilot projects and gave their feedback of services and products delivered.

Providing the proposed services and reducing allergens that result from poor housing quality will reduce the burden of disparities the children/families face. As proven by previous pilot projects carried out in Minneapolis, outcomes resulted in 5 fewer days missed from school, 0.5 fewer hospitalizations, 1 less emergency department visits, significant reduction in medication usage and an increased ability to participate in physical activities. When a child’s bedroom has allergen reduction, the child is able to get a good night’s sleep, go to school the next day, and their life functional scores are equivalent to children without asthma and higher than children who were just being treated at the clinic.

Services will be available to homeowners and renters. A homeowner can address structural issues that result in mold growth and pests, but as demonstrated in the pilot program a Health Inspector is often needed to compel a landlord to repair violations that result in the same conditions. When corrective orders are written on rental properties landlords will sometimes retaliate by evicting tenants. In communicating with the landlord staff is careful to convey that the referral for services was made by a medical professional, not the tenant which can reduce retaliation. Working with these landlords to provide access to resources provided by grant programs we currently administer such as the Lead Hazard Control grants from HUD and the Weatherization grants from the franchise fee result in enhancement of rental property for current and future tenants. The education provided by a Health Inspector by walking through the inspection process with an occupant has enabled many parents to correct conditions within their power and to provide them with the knowledge to assist them in selecting housing without asthma triggers in the future.

Results:

This will be a new activity. The following are potential measures for monitoring performance.

<i>Name of Measure</i>	<i>2017</i>	<i>2018</i>	2019
Number of inspections for asthma triggers, vs how many referrals	10 inspections 40 referrals	Est 10	100-200
How many items of concern were identified, how many were addressed?	Not collected		
Ask families if they are better off after services received.	Not asked		

Numbers of inspections and non-violation items (educational interactions and products delivered) can be tracked in the current ECOSpec data base, violations of the rental licensing code can be tracked through ELMS. Families can be provided with a written survey or a phone call to ask if they are better off. This information can be graphed and presented on the unit webpage or in Results Minneapolis.

Health Department
Health Inspectors for a growing economy

2019 Change Item

Program: Food, Lodging and Pools
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel	\$200					
IT						
Fleet						
Contractual Services						
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$200	\$0	\$0	\$0	\$0	\$0

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count	2					

Council Adopted Budget:

The City Council approves \$200,000 one-time to sustain and enhance the thriving and growing food and lodging industry in Minneapolis.

Rationale/Background:

Health inspectors protect public health and serve a thriving hospitality industry by assuring commercial and institutional foods, lodging businesses and pools are safe and in compliance with state and local health codes. These efforts protect the integrity of Minneapolis’ growing hospitality industry which in 2017, provided over 28,000 jobs and over \$27 million in direct sales tax revenue to the City. Unlike the surrounding suburbs where corporate chains make up 80% of the restaurants, approximately 70% of Minneapolis’ restaurants are locally owned. Small business owners do not have the resources of large corporations to train staff and develop systems to meet health codes. Minneapolis’ health inspection program supports local entrepreneurs by providing training, consultation and technical assistance in linguistic and culturally appropriate ways.

Minneapolis’ food scene is full of small business success stories. Appropriate staffing levels allow health inspectors to work with owners and managers as partners in food safety instead of just compliance officers. As evidenced by the 80% reduction in health citation revenue levied against businesses since 2010, health inspectors support and partner with our businesses to foster economic inclusion through economic growth in every corner of Minneapolis.

As Health Inspectors are regularly in over 5,000 licensed businesses they often assist other departments with inspection duties. For example, while conducting health inspections, staff verifies regular hood cleaning on behalf of Fire Inspection Services and compliance with portions of Sick and Safe time for Civil Rights.

License and permitting fees are paid by businesses to cover services provided by the City. As business numbers grow, fee and tax revenue grows, but so does inspector workload. At the request of Council, Finance is leading a City team with the goal of aligning city costs with license fees. The number of required health inspections increased from 2016 to 2017 by almost 1,000 inspections, an increase of 24%. A new Minnesota Food Code will go into effect

in 2019. The current code, adopted in 1996, is significantly out of date. While this new code will provide more flexibility for business, it will place a greater burden on inspectors and management- increasing workload. Significant department resources will go to revising city codes, ELMS and procedures as well as inspector training.

Description of the Change:

This proposal provides \$220,000 to retain two existing Health Inspectors on a temporary basis for one-year. Sustaining and enhancing the thriving and growing food and lodging industry in Minneapolis are critical to the City maintaining its reputation as a premiere destination city. Maintaining adequate leadership and a skilled workforce are essential to protecting public health by ensuring safety standards are met. Council approved one-time funding for additional health inspectors in the adopted 2018 budget but the need remains and continues to grow as local industries thrive. In order to meet current demands and continue to meet state requirements outlined in the City's delegation agreements, we are requesting ongoing funding for the inspectors added in 2018. Because the span of control and workload for the current supervisors is unmanageable, we request an additional supervisor position.

Minneapolis Health Inspector staffing levels are far behind national standards and regional partners. Without continued funding for the inspectors added in 2018, Minneapolis will have one inspector to 638 food inspections; falling well short of FDA's minimal staffing recommendations of one inspector to 320 food inspections. Although overall improvements in food safety fueled by educational and outreach efforts and operational efficiencies allow Minneapolis to operate a lean health inspections unit, ongoing funding for inspectors is required to maintain inspection frequency and keep pace with economic growth. These additional inspectors are especially important in order for the department to be prepared for the NCAA Final Four and other marquee events. Currently two supervisors manage the entire health inspections program and 22 inspectors, creating an unworkable span of control, necessitating an additional Supervisor. Minneapolis' Food, Lodging and Pools program is audited externally by both the Minnesota Department of Health (MDH) and the Minnesota Department of Agriculture (MDA) and audited internally to state standards. A 2010 audit of Minneapolis' program almost resulted in the City losing its ability to conduct its own health inspections. The program is now on solid footing, but additional staff persons are needed to maintain compliance with state standards.

Equity Impact:

Approximately 70% of licensed establishments inspected by Food, Lodging and Pools are locally owned (Advance Practice Center, 2008). Many of these are owned by immigrants and persons of color. Minneapolis' food service industry, with its 28,000+ jobs, is a major employer of persons of color within the city. In fact, the food service industry employs the highest proportion of foreign-born workers of all US industries (Mauer, W. A. et al., 2006). Minneapolis is the region's food destination. Only Minneapolis has the variety offered by the likes of the Bachelor Farmer, Manny's Tortas, Ted Cook's, Quangs and the Holy Land. Maintaining adequate inspector staffing levels provides the capacity for the department to support businesses, not focus solely on regulation. Minneapolis health inspectors take the time needed to explain the health code to our local businesses. Inspectors speak English, Hmong, Spanish, Somali, Lao, Thai, Portuguese and Korean. Additional educational resources, in-house training and community forums are provided in these and other languages to support the needs of our businesses. These include specialized training for Latino –owned and operated restaurants, the only Somali Certified Food Manager program in the country, and free vouchers to on-line courses for workers at Minneapolis licensed food businesses.

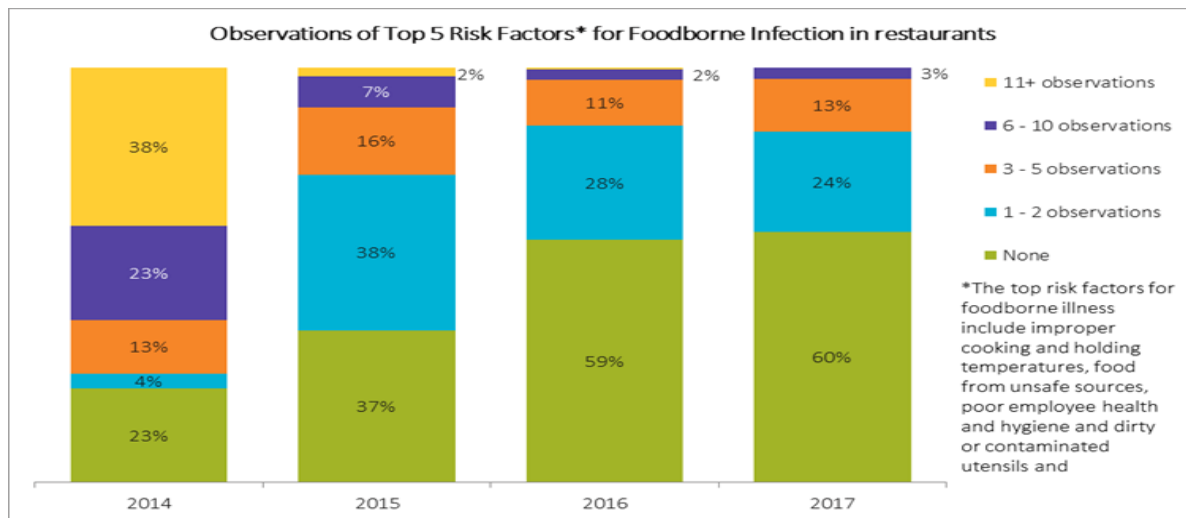
Results:

Environmental Health programs ensure the City's vibrant hospitality industry is safe and in compliance with state and local health codes by conducting more than 7,000 inspections a year of over 5,000 facilities including restaurants, schools, hotels, pools, tattoo parlors, day care centers, farmers markets, groceries, and food vendors.

Over the past four years, health inspectors have partnered with community organizations and the business community to address unacceptably high levels of foodborne illness risk factors in Minneapolis food establishments. The department has increased inspector training, inspection frequency and inspection rigor. This has been combined with Serving Safety, a comprehensive program providing culturally appropriate educational resources, free in-house and online training and community outreach. This collaborative approach to food safety has dramatically improved the safety of restaurants and other food businesses in Minneapolis, as evidenced by the increase in inspections with no critical risk factors observed and the decline in observations of multiple risk factors observed.

Since rebuilding the program after its failed 2010 state audit, the performance of the health inspections program is best measured by the profound reduction in Minneapolis restaurants of these top five food safety risk factors. Restaurants are safer in Minneapolis than four years ago. However, without ongoing additional funding for inspectors and a supervisor: the program will be forced to end its educational and community outreach programs; inspectors will spend less time with business managers and focus solely on code enforcement; and cuts will be made to the number of food trucks and festival vendors inspected each year. This will reverse the gains made in food safety over the past 4 years resulting in increased risk of foodborne illness and death. According to standards set by the FDA for health inspection programs, Minneapolis falls well short of the number of inspectors recommended per required inspections. Due to the high work standards and efficiencies of the department, Minneapolis Health Inspectors can exceed these recommendations, however, not to the excesses outlined below.

FDA recommended staffing ratio	1 inspector to 280-320 inspections
Staffing ratio no additional FTE	1 inspector to 638 inspections
Staffing ratio with our request of 3 FTE	1 inspector to 491 inspections



Health Department
Opioid Prevention and Coordination

2019 Change Item

Program: Youth Development and Sexual Health
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel	\$50					
IT						
Fleet						
Contractual Services						
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$50	\$0	\$0	\$0	\$0	\$0

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$50,000 one-time to provide funding for a multijurisdictional opioid coordinator to serve on opioid related responses including opioid prevention efforts.

Rationale/Background:

Over the past four years, Minneapolis has seen a rapid increase in the number of reported opioid overdoses. While we have been able to equip our firefighters and now police officers with naloxone to ensure our first responders can help save lives, to holistically address the epidemic, we must be proactive in systems coordination. The City is especially concerned with the disproportionate number of American Indian and African American families being impacted by opioid abuse. Although the City allocates limited funding annually to local non-profits to help Indigenous people impacted by this issue, we want to spur a multi-jurisdictional collaboration to bring synergy to the financial resources and focus to the work that the City, County, and State can bring to the table to end the opioid abuse in our most impacted communities.

The Health Commissioner serves on the Mayor’s Opioid task force and will help inform staff work plans. The Opioid Coordinator would work with an existing internal health department opioid prevention workgroup made up of staff representing family and early childhood health, youth development, and youth violence prevention.

Description of the Change:

Although the Mayor has convened an opioid task force, currently there are no staff resources to implement the task force recommendations. A dedicated FTE for two years could expand the city’s role in addressing the opioid issue working closely with community stakeholders and other multijurisdictional partners, and provide time to determine what if any ongoing investments should be provided by the City. The City of Minneapolis is highly motivated to work with existing partners in these communities to formalize and deepen our response to reduce the trauma of opioid use in Minneapolis’ American Indian Community as well as strengthening prevention efforts with African American youth through youth violence prevention efforts. One of the greatest challenges that the City faces, along with the County, the State, and the Federal Government, is gaining the trust of the impacted individuals that the system is here to help them. Historical and generational trauma is heavy in Minneapolis’ most

Health Department
Opioid Prevention and Coordination

2019 Change Item

impacted communities, and it is imperative that we talk about this reality and understand how the work of all levels of government must be in strong coordination to not further harm our communities.

The opioid coordinator would work closely with the police, fire and health department in addition to coordinating policy approaches with IGR. In addition to these city departments, the coordinator will work with members of the Mayor’s task force which includes other jurisdictions such as Hennepin County.

Dedicated city staff is needed to pull together internal city efforts and spur innovative approaches with community and other governmental stakeholders, with an implementation date of April 2019 following the hiring and orientation for the coordinator. A two year implementation period will give us time to assess if sufficient activities have been launched and coordinated, and if they can continue with existing resources, or allow for grant writing time if more resources are needed.

Equity Impact:

The burden of opioid-related deaths is greatest among white, black and American Indian residents. Increases are evident in all three of these subgroups, with white deaths increasing from 10 deaths in 2011 to 32 deaths in 2016; black deaths, 3 to 18; and American Indian deaths (alone or in combination with other races/ethnicities), 3 to 12. Stakeholders from the American Indian and African American communities participate in the Mayor’s task force. A key goal for this staff position is to focus efforts on those most impacted by the opioid crisis. Job responsibilities will include seeking federal, state and other resources to affected communities in addition to helping departments better coordinate their resources and funding.

Results:

The City of Minneapolis is highly motivated to work with existing partners in these communities to formalize and deepen our response to reduce the trauma of opioid use in Minneapolis’ American Indian Community as well as strengthening prevention efforts with African American youth through youth violence prevention efforts. Historical and generational trauma is heavy in Minneapolis’ most impacted communities, and it is imperative that we talk about this reality and understand how the work of all levels of government must be in strong coordination to not further harm our communities.

<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Enterprise coordination of existing opioid related efforts			
Implementation of specific task force recommendations			
Amount of funding obtained by the City to address the opioid issue			

Health Department
Office of Violence Prevention & Violence Prevention Fund

2019 Change Item

Program: Youth Violence Intervention
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel	\$145	\$145	\$145	\$145	\$145	\$145
IT						
Fleet						
Contractual Services	\$483	\$312	\$312	\$312	\$312	\$312
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$628	\$457	\$457	\$457	\$457	\$457

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count	1	1	1	1	1	1

Council Adopted Budget:

The City Council approves \$171,000 one-time and \$457,000 ongoing to design and implement an Office of Violence Prevention and Violence Prevention Fund. This will be done by analyzing the work of other cities with a similar model and approach to violence prevention and develop a plan for implementation in the City of Minneapolis.

Rationale/Background:

Violence represents a major health, criminal justice, human rights, and development challenge. It threatens the lives and physical and mental health of millions of people, overburdens health systems, undermines human capital formation, and slows economic and social development. Violence affects a significant proportion of the population. For people aged 15–44 years, homicide and suicide are among the top five causes of death. The annual toll of 1.6 million violence-related deaths is about half as many as those due to HIV/AIDS, roughly the same as those due to tuberculosis, and more than the annual number of deaths due to malaria or road traffic injuries.

Several initiatives have been created in the city to prevent, intervene, and cope with violence in various forms. We are using a public health based approach to dealing with violence with a focus on prevention. Currently, efforts are scattered in different departments. This item will propose one centralized Office of Violence Prevention that will coordinate all efforts for efficiency as well as information sharing. This will also signal that we are already doing this work, but the need to highlight our successes and continue to build upon them is essential for collaborative and efficient strategies around violence prevention. The Office of Violence Prevention will provide strategic direction and oversight for City efforts to reduce risk of violence through linked strategies in partnership with government, non-profit, neighborhood, and faith organizations

Description of the Change:

Some of the current initiatives for violence prevention include Group Violence Intervention (GVI), Next Step, Youth Violence Prevention (Blueprint), Mental Health Co-Responder Pilot, Domestic Violence Hotspot Pilot, Human trafficking, Sex trafficking, Homeless outreach within MPD, ReCAST, Collaborative Public Safety Strategies, Diversion Efforts, and First-time gun offenders program.

Centralizing these efforts increases city's ability to provide comprehensive services and impacts to individuals, youth, and families. It also improves coordination, elevates Minneapolis profile as major city doing this work, highlights efforts that are tied in with public health, procedural justice, law enforcement and criminal justice, increase capacity to extend current efforts and take on new initiatives, and sets the stage for the creation of a comprehensive plan.

The Violence Prevention fund shall be used to invest in community-led strategies that address violence in the community, domestic violence, community trauma and healing, and childhood trauma and adverse childhood experiences. At least \$150,000 from the Fund shall be designated specifically for community-based downtown safety strategies. The Health Department shall report back to Council on recommended use of monies within the Fund no later than April 30, 2019.

Equity Impact:

While violence affects people everywhere, it takes an inequitable toll on specific neighborhoods and populations including youth, women, and people of color. Multiple forms of oppression contribute to violence, and these must be acknowledged, addressed, and dismantled, including institutional racism. When violence does occur in these communities, people there have limited access to adequate emergency medical services, psychosocial help, and legal assistance.

From a societal perspective, violence prevention initiatives must also address the sociocultural factors that underlie violence prevention. The high sensitivity of violence to macro-level factors such as unemployment, income inequality, rapid social change, and access to education means that any comprehensive violence prevention strategy must include policies directed at these macro-level social factors and harness their potential to reduce the inequities that fuel interpersonal violence.

Results:

The City of Minneapolis, through its Blueprint for Youth Violence Prevention monitors progress toward youth violence prevention and incorporates strategies that are grounded in research and responsive to residents' needs. The Health Department youth violence prevention evaluation efforts involve coordination with various internal and external partners, including the Minnesota Department of Health, Minneapolis Police Department, Minneapolis Public Schools, the Minneapolis Park and Recreation Board, University of Minnesota, Hennepin County, and community-based youth-serving organizations. The city-wide results accountability process (Results Minneapolis) with indicators identified around goals. These goals should be identified through the planning and implementation phases for an Office of Violence Prevention. An example of these goals can be taken from the Blueprint for Youth Violence Prevention and include 1) Connect every youth to a trusted adult, 2) intervene at the first sign of risk, 3) restore youth who are going down the wrong path, and 4) unlearn the culture of violence. Indicators that demonstrate outcomes for these goals include Youth homicide victims, juvenile violent crime, hospitalizations from assault injuries, curfew truancy pickups, perception of safety in school, high school graduation, participation in extracurricular activities, teen pregnancy rates, number of shots fired in Minneapolis neighborhoods, resident's perception of safety and suitability for raising children, employment, recidivism rates during probation or within six months upon completing probation.

Health Department

2019 Change Item

Part-Time Youth Workers in Cedar Riverside & Seward Neighborhood

Program: Core Infrastructure
 Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$40					
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$40	\$0	\$0	\$0	\$0	\$0

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$40,000 one-time to contract with Youth Coordinating Board in support of part time youth workers to work in the Cedar Riverside and Seward Neighborhood.

Rationale/Background:

Community, driven by the West Bank Business Association, forwarded this request in response to increase criminal activity and observable violence in the Cedar Riverside Area. They saw the improvements in downtown Minneapolis due to the presence of the YCB team and asked for funding so that the same intervention could happen on the West Bank.

Description of the Change:

The YCB Youth Street Outreach Team interrupts behavior cycles of youth who are disruptive or disengaged by connecting them to meaningful activities and or resources. This is a new program for Cedar Riverside conducted by an experienced team of youth worker professionals with demonstrated success.

Equity Impact:

The YCB Youth Street Outreach Team model uses the approach that young people are more positively impacted by caring adults who are from their communities and who have a connection to them. The Cedar Riverside team will be made up of caring adult youth work professionals who are relatable to them and who have had similar experiences as the youth they will be serving.

Results:

The First Precinct of Minneapolis reports that juvenile and youth crimes decrease when the YCB Youth Street Outreach is out and working. We anticipate a similar result in the Cedar Riverside area.

Health Department
Children’s Savings Account Program

2019 Change Item

Program: Core Infrastructure
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$43					
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$43	\$0	\$0	\$0	\$0	\$0

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$43,000 one-time to Youth Coordinating Board for the Children’s Savings Account program.

Rationale/Background:

A Children’s Savings Account (CSA) program is a tool for creating the tangible hope families need to build a brighter future for their children, and, in turn, a more equitable future for the City of Minneapolis. The City of Minneapolis has invested \$55,000 since 2016 for this project.

Description of the Change:

Funds for 2018 will be used to build out the infrastructure of Children’s Savings Accounts, for developing additional resources through private philanthropy and other public funding streams, and for designing effective community outreach.

Equity Impact:

People of color, including indigenous peoples and recent immigrants, make up the fastest-growing segment of our population. Yet people of color in Minnesota are more likely to live in poverty, less likely to graduate from high school, less likely to own a home, more likely to be unbanked, and more likely to suffer major health challenges. With growing populations of color, the future economic success of Minneapolis depends on everyone having the opportunity to reach their full potential. As a city we need to begin to look at how we help children, from birth to early adulthood, acquire the skills and gain access to institutions needed to succeed, build wealth and sustain wealth over the course of their lifetime. Children’s Savings Accounts (CSAs) can help us achieve this.

A CSA program creates the infrastructure that the City of Minneapolis and our families can use to build wealth. A seeded savings account is a vehicle for future savings and, when more public and private funds are allocated, larger and more long-term savings.

Children's Savings Account Program**Results:**

Health & Well-Being of Families: Low-moderate income mothers whose children receive a CSA at birth have reduced maternal depression symptoms. In turn, their children score higher on early social-emotional measurements than their peers. CSAs provide tangible hope to both parents and children.

College-Bound Identity: Youth participating in a CSA program are more likely to plan to attend college after high school. Students who expect to attend post-secondary education are more likely to do so when they have dedicated school savings. CSAs put students on the pathway to college.

Early Academic Success: CSAs can have an impact on early academic achievement in grade school, including positively impacting math and reading scores. A CSA turns children's hopes for a college degree into a strategy.

College Enrollment & Completion: Children with a college-saver identity and \$500 or more saved are two times more likely to graduate from post-secondary education than children with a college-bound identity only. For children in low and moderate-income households, this figure is three times more likely. CSAs can be a driving force in closing the opportunity gap.

Health Department
Final Four Reimbursable Expense

2019 Change Item

Program: Environmental Health-Food, Lodging and Pools
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
Host Committee Agreement	\$16					
Expenditures						
Personnel	\$16					
IT						
Fleet						
Contractual Services						
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$0	\$0	\$0	\$0	\$0	\$0

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$16,000 one-time for reimbursable expenses associated with the 2019 Final Four.

Rationale/Background:

Bringing large scale events, like the Final Four, to Minneapolis gives residents a chance to participate in activities, concerts and events associated with the games. They also help cultivate a sense of community pride with the city welcoming visitors from across the world.

Major events bring major revenues to our city, not just in the form of taxes, but also in helping to support local business specifically in the hospitality industry. We also use these events to showcase our capital investments in US Bank Stadium and Nicollet Mall to the almost 90,000 visitors coming to town.

Description of the Change:

These one-time funds are primarily for staff overtime necessary in order to execute the department’s support of the event. These expenditures are offset by revenues associated with the local host committee agreement with the City.

Equity Impact:

The Final Four is a whole weekend of activities, including the national semi-final and championship games -- but also multiple free and low-cost events for all residents to enjoy.

Results:

Through the additional effort represented by the expenditure of these funds, and in partnership with the local host committee, the city will be able to effectively ensure the public’s safety and ultimately host a successful event. These outcomes will position the city positively to host future NCAA events, amplifying the positive impacts for Minneapolis mentioned above.

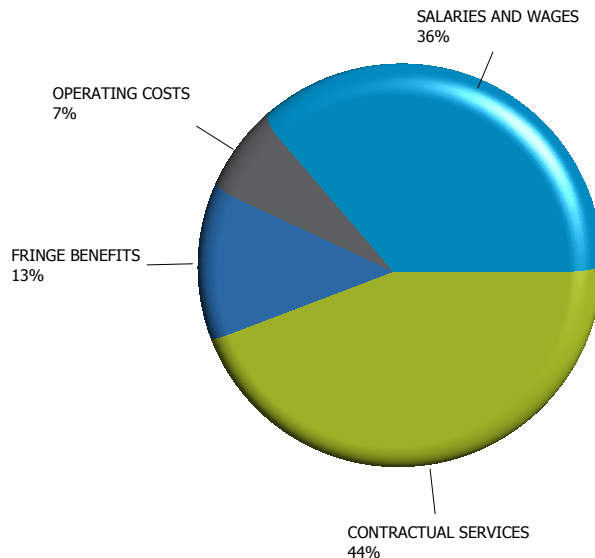
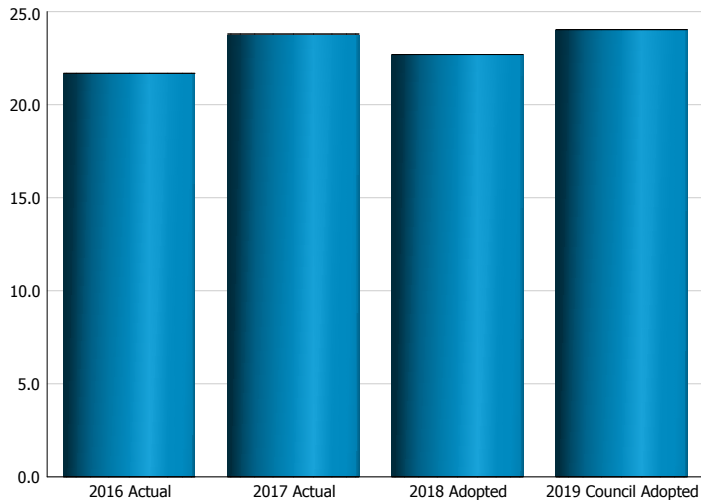
MINNEAPOLIS HEALTH DEPARTMENT EXPENSE AND REVENUE INFORMATION

EXPENSE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	3,835,000	4,004,000	4,344,000	4,788,000	10.2%	444,000
FRINGE BENEFITS	1,476,000	1,531,000	1,721,000	1,697,000	-1.4%	-24,000
CONTRACTUAL SERVICES	3,312,000	4,384,000	4,380,000	5,124,000	17.0%	743,000
OPERATING COSTS	424,000	507,000	597,000	697,000	16.8%	100,000
CAPITAL	15,000		30,000	0	-100.0%	-30,000
TOTAL GENERAL	9,062,000	10,426,000	11,072,000	12,306,000	11.1%	1,233,000
SPECIAL REVENUE						
SALARIES AND WAGES	3,412,000	3,563,000	4,044,000	3,932,000	-2.8%	-112,000
FRINGE BENEFITS	1,160,000	1,226,000	1,536,000	1,368,000	-10.9%	-168,000
CONTRACTUAL SERVICES	7,566,000	8,029,000	4,533,000	5,500,000	21.3%	967,000
OPERATING COSTS	476,000	553,000	1,509,000	929,000	-38.4%	-580,000
CAPITAL	8,000			0		
TOTAL SPECIAL REVENUE	12,622,000	13,371,000	11,622,000	11,729,000	0.9%	107,000
TOTAL EXPENSE	21,684,000	23,797,000	22,694,000	24,035,000	5.9%	1,341,000
REVENUE						
	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SERVICES	7,000			0		
FINES AND FORFEITS	52,000	43,000	65,000	65,000		
LICENSE AND PERMITS	2,335,000	2,665,000	2,498,000	2,748,000	10.0%	250,000
OTHER MISC REVENUES	104,000	122,000	100,000	100,000		
SPECIAL ASSESSMENTS	326,000			0		
GENERAL	2,824,000	2,830,000	2,663,000	2,913,000	9.4%	-111,000
SPECIAL REVENUE						
CHARGES FOR SALES	3,000			0		
CHARGES FOR SERVICES	996,000	1,325,000	1,317,000	1,254,000	-4.8%	-63,000
CONTRIBUTIONS	317,000	170,000	186,000	300,000	61.3%	114,000
FEDERAL GOVERNMENT	6,638,000	7,064,000	4,992,000	4,277,000	-14.3%	-713,000
LOCAL GOVERNMENT	283,000	54,000	19,000	221,000	1,063.2%	202,000
OTHER MISC REVENUES	4,000	9,000	200,000	200,000		
SALES AND OTHER TAXES	59,000	39,000	7,000	7,000		
STATE GOVERNMENT	2,634,000	4,165,000	4,220,000	4,797,000	13.7%	577,000
SPECIAL REVENUE	10,934,000	12,826,000	10,941,000	11,056,000	1.1%	115,000
TOTAL REVENUE	13,758,000	15,656,000	13,604,000	13,969,000	2.7%	365,000

MINNEAPOLIS HEALTH DEPARTMENT EXPENSE AND REVENUE INFORMATION

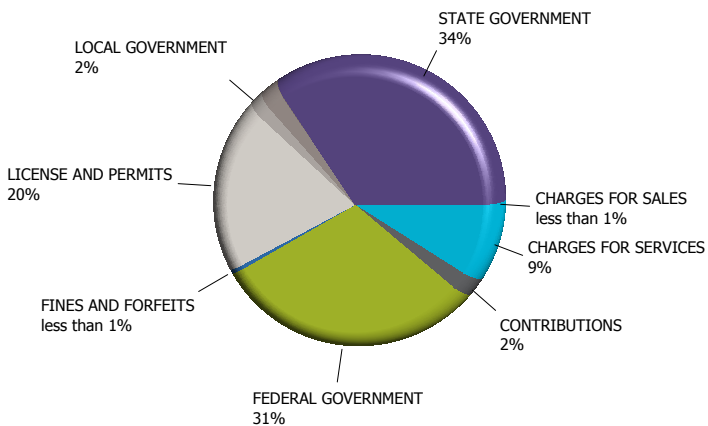
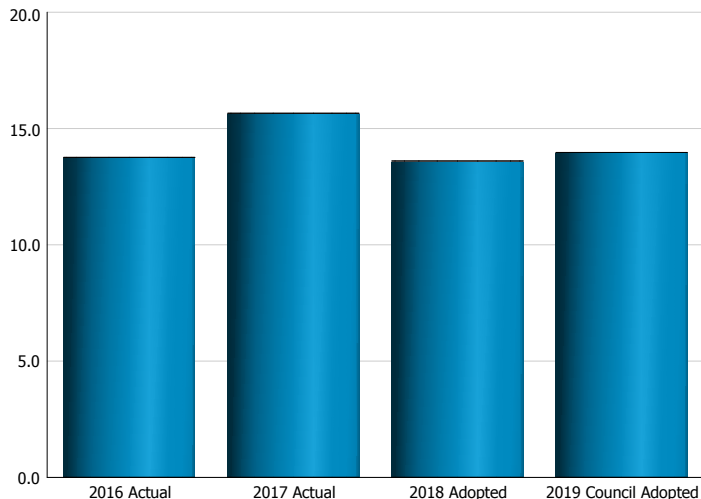
Expense by Category

Expense 2016 - 2019
In Millions



Revenue by Type

Revenue 2016 - 2019
In Millions

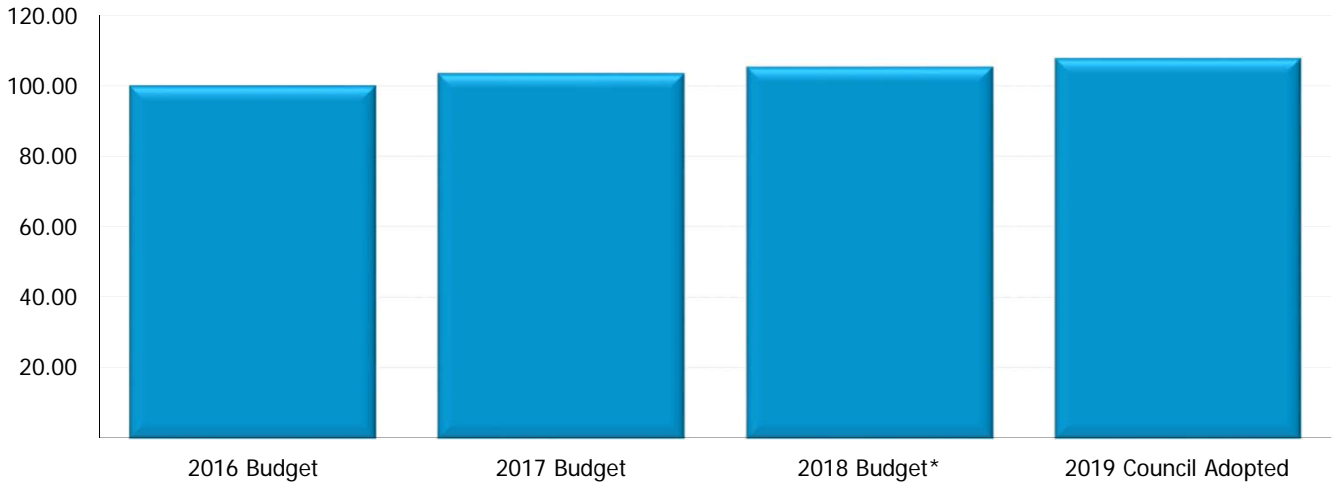


MINNEAPOLIS HEALTH DEPARTMENT

Staffing Information

Division	2016 Budget	2017 Budget	2018 Budget*	2019 Council Adopted	% Change	Change
CORE INFRASTRUCTURE	15.75	14.30	15.82	15.82	0.0%	0
EMERGENCY PREP & INFECTIOUS DISEASE	2.60	2.70	2.30	2.30	0.0%	0
ENVIRONMENTAL SERVICES	11.75	12.75	12.80	12.80	0.0%	0
FOOD LODGING AND POOLS	23.00	25.00	26.00	28.00	7.7%	2.00
HEALTHY HOMES AND ENVIRONMENT						0
HEALTHY LIVING	7.40	6.65	5.85	5.85	0.0%	0
LEAD AND HEALTHY HOMES	9.00	9.00	9.00	9.50	5.6%	0.50
PERINATAL EARLY CHILDHOOD/FAMILY	2.35	2.55	2.25	2.25	0.0%	0
SCHOOL BASED CLINICS	23.30	23.05	24.25	24.25	0.0%	0
SENIOR SERVICES	1.00					0
YOUTH DEVEL- TEEN PREG PREV	1.40	2.25	1.75	1.75	0.0%	0
YOUTH VIOLENCE PREVENTION	2.50	5.25	5.33	5.33	0.0%	0
Overall	100.05	103.50	105.35	107.85	2.4%	2.50

Positions 2016-2019



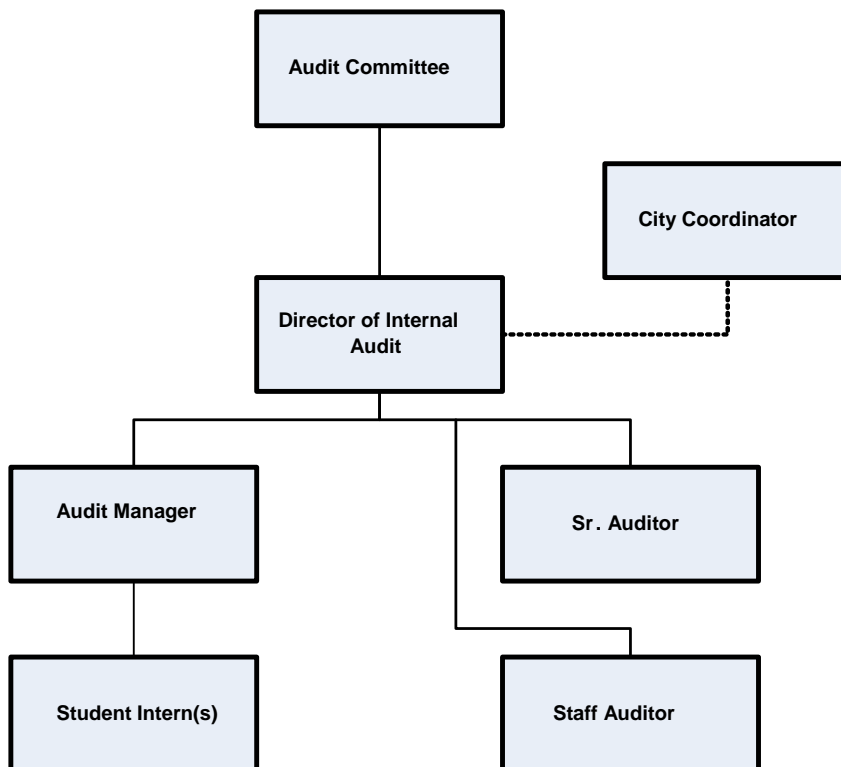
* 2018 FTE counts may differ from 2018 adopted budget due to mid year adjustments, including funding and organizational changes.

INTERNAL AUDIT

MISSION

To serve the City of Minneapolis and the public interest by providing objective services that enhance the City's ability to manage risk, improve internal controls, optimize efficiencies, reduce costs and strengthen accountability.

ORGANIZATION CHART



PERFORMANCE MEASURES

All data and analysis generated through the City's performance measurement process, Results Minneapolis, can be found on the City's website. Please visit <http://www.minneapolismn.gov/coordinator/strategicplanning/wcmsp-199683> to find detailed information and analysis related to the budget programs listed below.

Internal Audit

General Fund: \$858,000

Internal Audit provides objective and independent assessment on the effectiveness and efficiency of City operations and reports results to the Audit Committee at public meetings.

Through an annual risk assessment process, Internal Audit collaborates with management to identify program or department risks and expected controls to manage those risks. Risks may include financial, operational, information technology, reputation, regulatory, third party, and strategic risks. Internal Audit analyzes annual department/program risk assessment results to update the overall audit plan which must be approved by the Audit Committee. During an audit engagement, Internal Audit independently assesses the design and operating effectiveness of controls that mitigate key risks in scope for the audit.

Internal Audit also provides consulting services upon management request but does not participate in management decision-making. Internal Audit conducts investigations when requested through the complaints management process.

Financial Analysis

Expenditure

The total Internal Audit Department's budget increases from \$760,000 to \$858,000 from 2018 to 2019. This is an increase of \$98,000, or 12.7%. The Internal Audit Department's 2019 expenditure budget reflects \$58,000 inflationary increases in operating costs, and \$40,000 in budgetary change items.

Revenue

This department does not produce revenue.

Fund Allocation

This department is funded completely in the General Fund.

Budget Change items

Detailed change items are presented on the following pages.

Internal Audit
Increase funding for IT Auditor

2019 Change Item

Program: Internal Audit
Fund: General Fund – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
<i>Enter Source (Grant, Fee, etc.)</i>						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$40					
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$40					

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$40,000 one-time General Fund resources for professional services to maintain or increase the hours the department contracts for Information Technology Audit Services

Rationale/Background:

Internal Audit provides objective services to increase the City’s ability to manage risk, improve internal controls, find efficiencies and strengthen accountability. Audit projects cover subjects that impede the City in accomplishing its goals, identified as risks internally, by departments, or by City Council. Depending on the scope, projects either target and improve a specific element of a department’s work, or generally aid the City in functioning more effectively to be in a better position to achieve goals.

Internal Audit contracts for IT audit services to an IT audit firm selected through an RFP process in 2014. There are three considerations triggering this change item:

- The contract with current IT audit provider is expiring this year. Internal Audit must issue a new RFP for these services and it is likely due to inflation and market forces that the new best candidate rate will be higher than the rate for the current contract established in 2014.
- The amount of technology used, reliance on technology, and visibility of technology at the City has increased in the last four years and will likely continue to increase.
- Since 2016, Internal Audit has had a budget of \$90,000 in professional services specifically for IT audit services.

Internal Audit considered transitioning to internal staffing to provide IT audit services instead of contracting externally. An initial review suggests that to obtain adequate expertise to cover current IT risks, multiple FTEs with technical skills would need to be added and hired, or one FTE with the ability to occasionally contract needed subject matter experts. While this could eventually be a cost-effective solution, at this time continuing to contract for services provides the broadest coverage.

Internal Audit
Increase funding for IT Auditor

2019 Change Item

Description of the Change:

This change item will increase funds dedicated to providing the City with IT audit services from \$90,000 to \$130,000. At current rates, this equates to an increase from ~1/3 of an FTE to ~1/2 of an FTE. This will provide additional project or review coverage of one additional high-risk IT area and provide more hours spent on annual IT risk assessment and planning.

Because the current provider’s contract is expiring the Internal Audit department does not have a specific service provider for 2019 services. The Internal Audit department anticipates the current provider, Backbone Consultants, will submit a proposal and could be reselected depending on the other responses received. The hourly rates for this service are likely to go up, though this is dependent on the results of the RFP, so some amount of increase is likely needed to maintain current service levels.

IT is a growing part of the City and impacts all City work, thus Internal Audit believes it is reasonable to attempt to increase coverage rather than maintain current levels, especially as IT works to identify and protect critical city systems and increase transparency and access to public data. The funding will impact the expected scope of work stated in the RFP to be issued for IT audit services late this year.

Equity Impact:

The current provider of IT audit services is a Minneapolis based, minority-owned firm that was also the lowest-cost proposal in 2014. While this contract is expiring this year and the Internal Audit department need to issue a new RFP for 2019+ services, the department anticipates the current provider will submit a proposal and could be selected again.

Results:

Internal Audit reports annually the number of audits and consultations planned and completed each year, the number of findings issued, the number of implementation steps to be taken by management, and the number of steps that were completed. Projects are generally broken out into internal projects and IT projects.

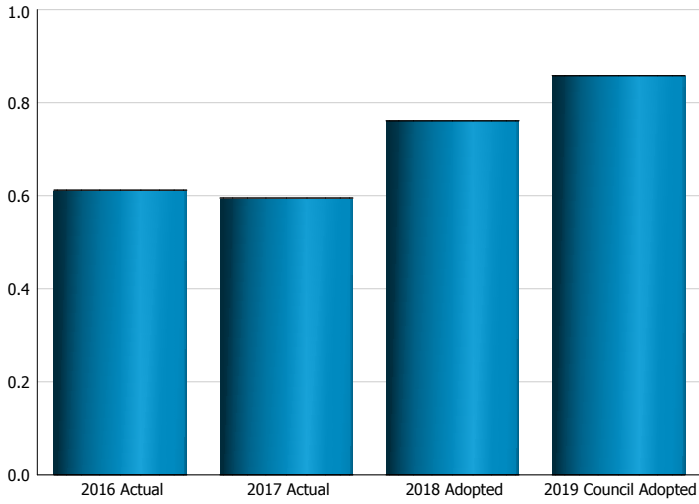
<i>Name of Measure</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018 (plan)</i>
Audits/Consults completed during year (IT)	1	3	2	(5)

**INTERNAL AUDIT
EXPENSE AND REVENUE INFORMATION**

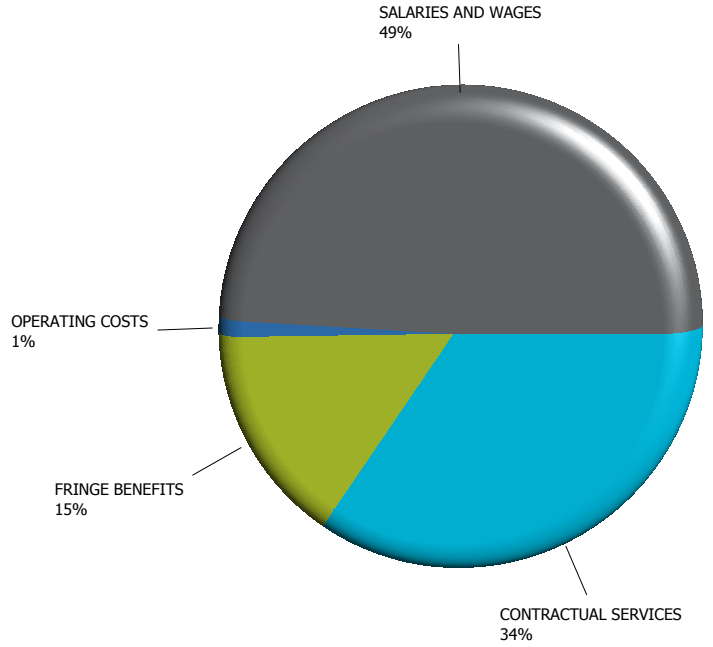
EXPENSE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	295,000	319,000	390,000	421,000	7.9%	31,000
FRINGE BENEFITS	71,000	75,000	133,000	131,000	-1.5%	-2,000
CONTRACTUAL SERVICES	237,000	180,000	227,000	296,000	30.4%	69,000
OPERATING COSTS	9,000	20,000	10,000	10,000		
TOTAL GENERAL	612,000	594,000	760,000	858,000	12.7%	98,000
TOTAL EXPENSE	612,000	594,000	760,000	858,000	12.7%	98,000

INTERNAL AUDIT EXPENSE AND REVENUE INFORMATION

Expense 2016 - 2019 In Millions



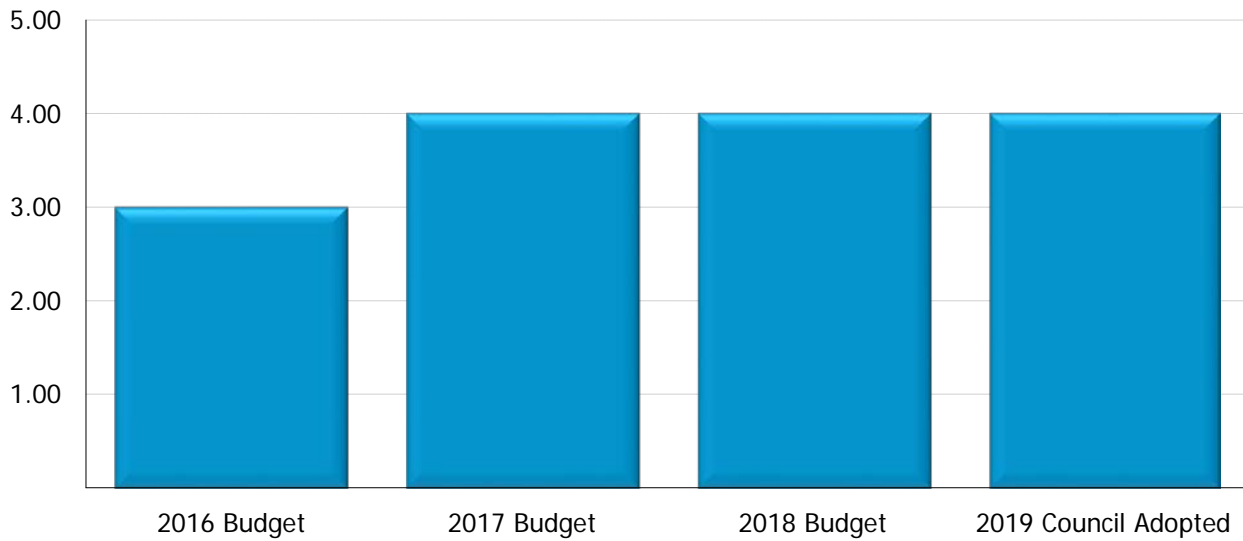
Expense by Category



INTERNAL AUDIT Staffing Information

Division	2016 Budget	2017 Budget	2018 Budget	2019 Council Adopted	% Change	Change
INTERNAL AUDIT	3.00	4.00	4.00	4.00	0.0%	0
Overall	3.00	4.00	4.00	4.00	0.0%	0

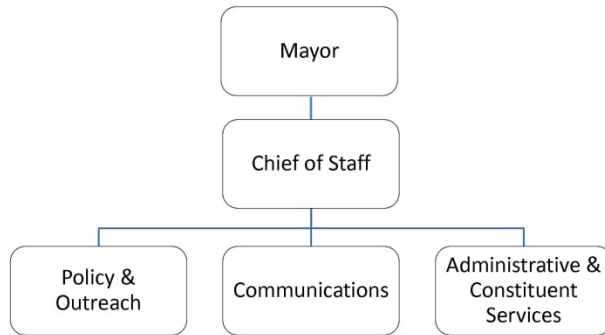
Positions 2016-2019



MAYOR

MISSION

Dedicated to making Minneapolis a vibrant, safe city that offers opportunity for all.



Mayor Policy & Operations

General Fund: \$2,388,000

This program is charged with leading strategic policy development and supports policy implementation to meet the goals of the city. The program is also in charge of nominating and supporting strong department heads, overseeing the performance and accountability of the Police and Civil Rights departments, and developing responsible fiscal policies and an annual budget that reflects the City's goals.

Financial Analysis

Expenditure

The total Mayors' Department's budget increases from \$2.1 million to \$2.4 million from 2018 to 2019. This is an increase of \$256,000 or 12.0%. The Mayors' Department's 2019 expenditure budget reflects \$56,000 inflationary increases in operating costs and \$200,000 in budgetary changing items.

Revenue

This department does not produce revenue.

Fund Allocation

This department is funded completely in the General Fund.

Budget Change items

Detailed change items are presented on the following pages.

Mayor's Office
 Director, Strategic Partnerships

2019 Change Item Request

Program: Mayor Policy and Operations
 Fund: General Fund - 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel	\$200	\$200	\$200	\$200	\$200	\$200
IT						
Fleet						
Contractual Services						
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$200	\$200	\$200	\$200	\$200	\$200

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count	1	1	1	1	1	1

Council Adopted Budget:

The City Council approves \$200,000 ongoing General Fund resources to fund 1.0 FTE to develop and foster partnerships with community, businesses, foundations, and educational institutions working collaboratively to achieve the City's mission and goals of ensuring affordable housing for all residents. This is an appointed position that was transferred to the Mayor's office in May 2018.

Rationale/Background:

The Director of Strategic Partnership position will fill the need for a dedicated, appointed position to advocate for the City's affordable housing goals with external partners. This work will involve developing strong partnerships through engagement with non-profit, business and corporate leaders to address the ongoing housing crisis. Focus areas will include ensuring housing for deeply affordable housing, at or below 30% AMI, and developing a coalition which can drive significant progress and the regional and state level on housing policy and funding.

Description of the Change:

The Director of Strategic Partnerships was transferred to the Mayor's office in May 2018 from the City Coordinator's office. It is a vital component to the successful achievement of the City's affordable housing goals. The position will work directly with regional coalitions to lead on new federal initiatives, as well as key external stakeholders, multiple city departments, the City Coordinator, and City Council.

As this position has not yet been hired for, we do not know the exact level of compensation needed. Accordingly, this recommendation includes funding for the position at the top step of the pay range. If the position is filled anywhere below the top of the range, the Mayor's Office will transfer the difference back to the General Fund.

Equity Impact:

This position, and the work product, will play a direct, focused role in closing the racial disparities in housing.

Results:

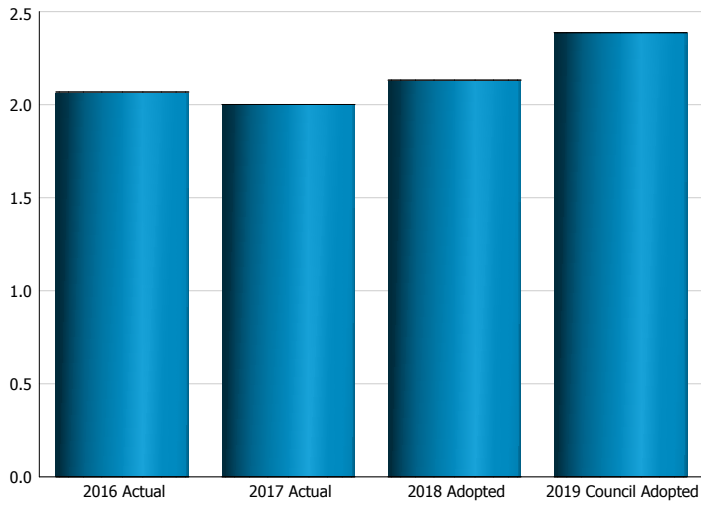
Measurement of success will initially be based on resource alignment and allocation amongst external partners. Ultimately, increased homeownership and rental stock, lower vacancy rates, and access for all residents to housing along an affordability continuum will indicate success.

**MAYOR
EXPENSE AND REVENUE INFORMATION**

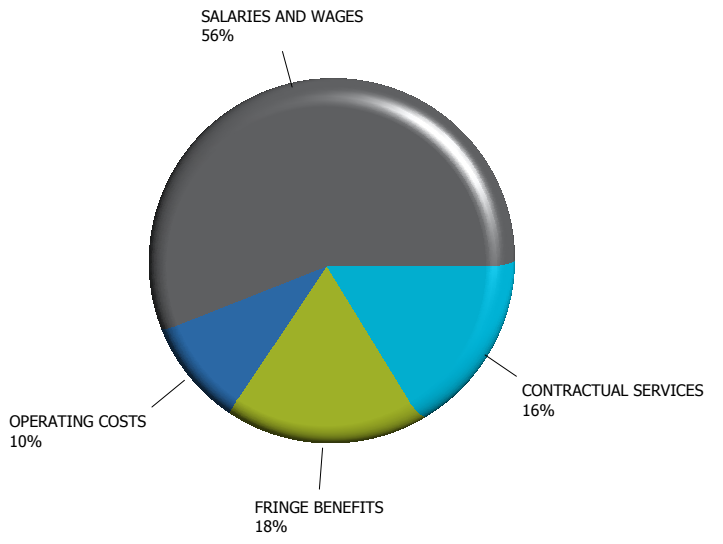
EXPENSE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	1,084,000	1,125,000	1,126,000	1,337,000	18.7%	211,000
FRINGE BENEFITS	326,000	281,000	402,000	433,000	7.7%	31,000
CONTRACTUAL SERVICES	401,000	371,000	377,000	388,000	2.9%	11,000
OPERATING COSTS	248,000	224,000	227,000	230,000	1.3%	3,000
TOTAL GENERAL	2,059,000	2,001,000	2,132,000	2,388,000	12.0%	256,000
SPECIAL REVENUE						
SALARIES AND WAGES	6,000	1,000		0		
FRINGE BENEFITS	2,000			0		
CONTRACTUAL SERVICES				0		
TOTAL SPECIAL REVENUE	8,000	1,000		0		
TOTAL EXPENSE	2,067,000	2,001,000	2,132,000	2,388,000	12.0%	256,000
REVENUE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
SPECIAL REVENUE						
CONTRIBUTIONS	10,000	1,000		0		
SPECIAL REVENUE	10,000	1,000				
TOTAL REVENUE	10,000	1,000				

MAYOR EXPENSE AND REVENUE INFORMATION

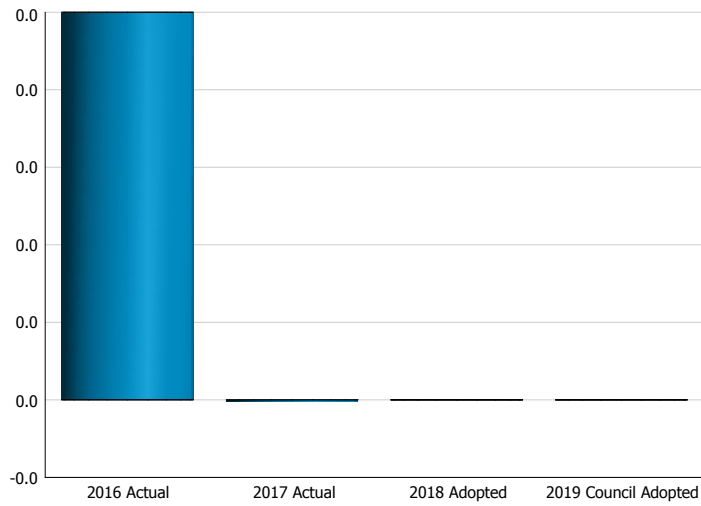
Expense 2016 - 2019
In Millions



Expense by Category



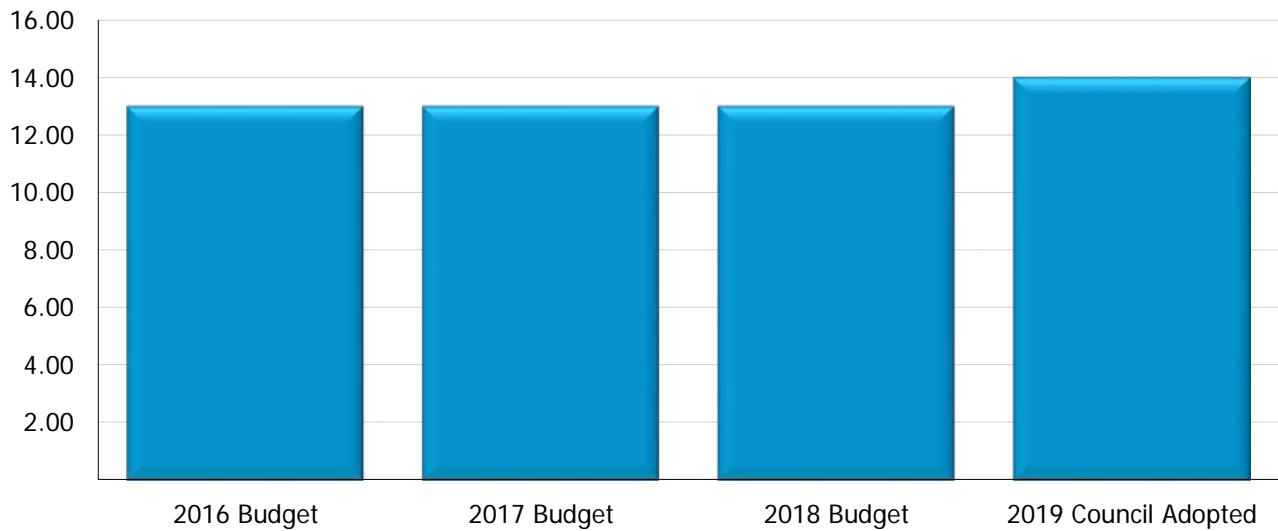
Revenue 2016 - 2019
In Millions



MAYOR Staffing Information

Division	2016 Budget	2017 Budget	2018 Budget	2019 Council Adopted	% Change	Change
MAYOR - ADMINISTRATION	13.00	13.00	13.00	14.00	7.7%	1.00
Overall	13.00	13.00	13.00	14.00	7.7%	1.00

Positions 2016-2019

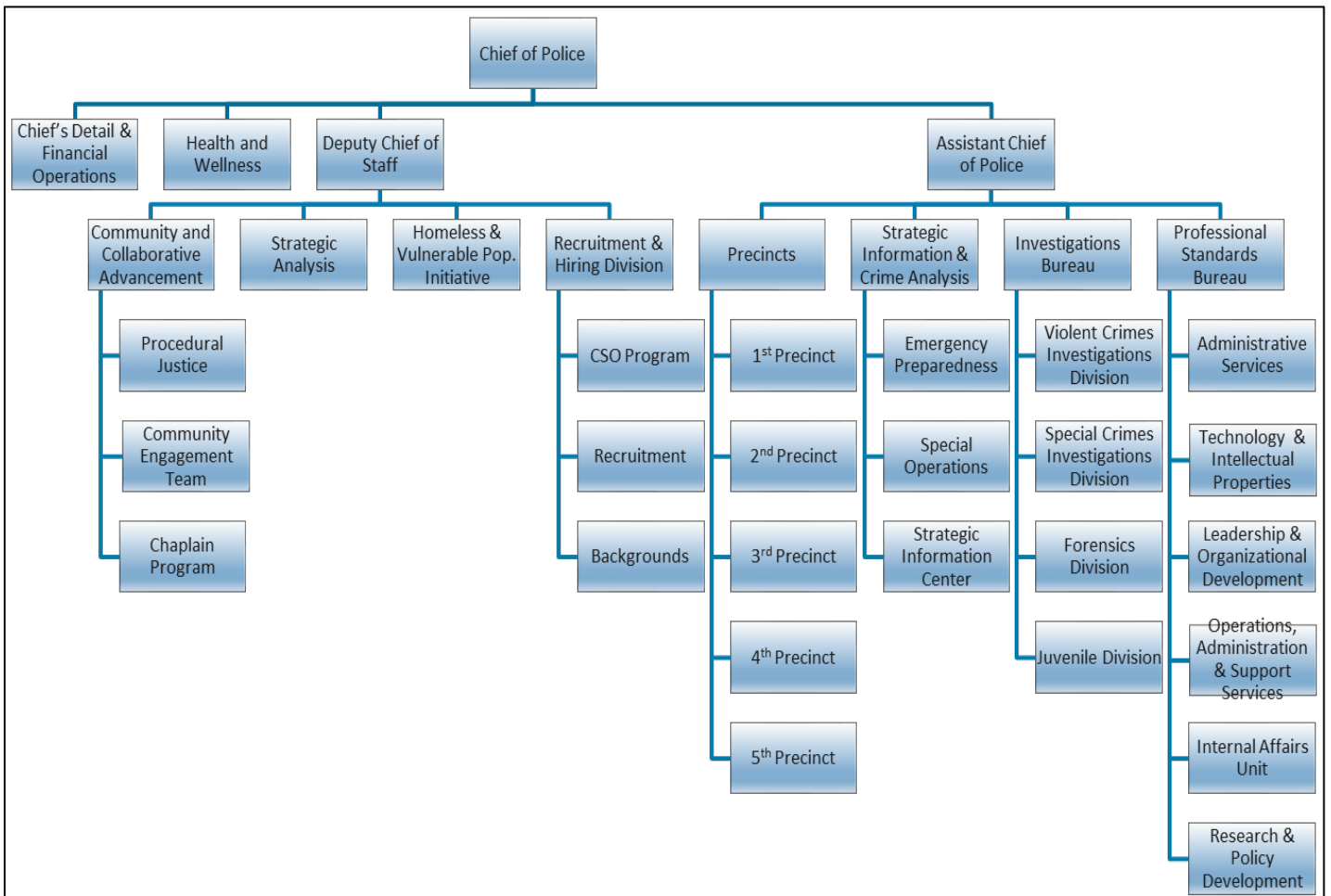


MINNEAPOLIS POLICE DEPARTMENT

MISSION

The Minneapolis Police Department is committed to providing quality and professional service in partnership with all communities to continue to advance the City's safety, growth and viability. The department relies upon trust, accountability and professional services to the citizens of Minneapolis for its effectiveness.

ORGANIZATION CHART



PERFORMANCE MEASURES

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MPD Public Safety Services

General Fund: \$99,734,000

Other Funds: \$1,716,000

The chief responsibility of MPD is maintaining law and order and restoring peace when public safety is threatened. Public Safety Services includes all the work in the city's five police precincts including 9-1-1 response and patrol, Property Crimes investigations, Community Response Teams (CRT), the Bicycle Rapid Response Team (BRRT), and Mounted Patrol specialty units. Services provided within this program are truly the "backbone" of the Minneapolis Police Department.

MPD Investigations and Forensics

General Fund: \$36,805,000

Other Funds: \$1,558,000

Investigations and Forensics provides both initial and follow-up investigations regarding criminal activity in Minneapolis, compiles comprehensive and factual case files to be presented in court, and assists with proactive enforcement to curtail future criminal activity from occurring. The employees who conduct criminal investigations and provide forensics services work ethically and professionally to provide justice for victims and their families. The program includes three units. The Violent Crimes Investigations Division includes both reactive units (Homicide, Assault, Robbery, and Weapons) and proactive units (FBI Safe Streets Task Force, DEA Task Force, ATF Task Force and the Violent Crimes Apprehension Team). Investigators assigned to the Special Crimes Division also work collaboratively with criminal justice partners and community stakeholders to investigate and hold those who commit crimes accountable. Special Crimes Units include: Domestic Assault, Crimes against Children (child abuse and juvenile sex trafficking, absent/missing children), Sex Crimes, Traffic Investigations, and Licensing. The Juvenile Division is also part of the Investigative Bureau. It not only contains investigative resources and personnel dedicated to working cases involving juvenile suspects, it also includes robust outreach efforts like the Police Activities League (PAL), School Resource Officers (SROs) and the Juvenile Outreach and Diversion Unit. Finally, MPD Forensic professionals provide scientifically-based information through the analysis of physical evidence collected at crime scenes, and is responsible for the identification, analysis, and preservation of physical evidence that meet professional standards in order to be admissible in court.

MPD Community and Collaborative Advancement

General Fund: \$10,572,000

Other Funds: \$429,000

The MPD is working diligently to increase community relationships and public safety partnerships, and that mission focuses on building community trust. The Community and Collaborative Advancement Division is dedicated to improving the way police interact with the public, and how the characteristics of those interactions shape crime rates and the public's view of the police. The program's goal is to enable the MPD to respectfully provide effective, unbiased public safety, and enhance community partnerships that encourage collaborative problem solving. The Division is comprised of various components – Community Crime Prevention, a Community Engagement Team, the Procedural Justice Unit, the Strategic Analysis Unit, Recruiting and Hiring, and the Community Service Officer Program.

MPD Special Operations and Intelligence

General Fund: \$9,199,000

Other Funds: \$1,037,000

The Special Operations and Intelligence Division delivers specialized response to support the patrol mission. Officers assigned to this program have undergone specialized training and are equipped with state of the art equipment allowing them to effectively respond to rapidly evolving, unexpected police

emergencies which might otherwise result in substantial loss of life and/or property damage. Special Operations personnel are the first group to be called in the event of a large-scale disaster or event. Services provided under this program include crisis negotiation, mobile command, SWAT response, Canine, and special events/dignitary protection. The program also includes the Strategic Information Center, which combines real-time intelligence, deep data mining, and link analysis to aid in the deployment of department resources and maximize effectiveness. To assist in operations, incidents and arrests are reviewed for criminal patterns, threats, gang involvement, and criminal associations.

MPD Professional Standards, Administration, and Professional Development

General Fund: \$22,885,000

Other Funds: \$1,002,000

The MPD's Administration (Chief, Assistant Chief, Deputy Chiefs and Finance Director) lead the department through the allocation of financial and personnel resources under the umbrella of improving trust, accountability and professional service. The Administration determines how to best leverage the various programs and external resources to address needs and emerging public safety issues. While providing vital public safety services is at the core of the services the Department provides, the Office of Professional Standards ensures integrity, accountability and professional service within the MPD through the Internal Affairs and the Leadership and Organizational Development Divisions (training and the academy). Also included under Administration are Property and Evidence, Business Technology, Fleet and Support Services, and other support services.

FINANCIAL ANALYSIS

Expenditure

The Minneapolis Police Department's budget increases from \$179.4 million to \$184.9 million in 2018 to 2019. This is an increase of \$5.5 million, or 3.1%. The Police Department's 2019 expenditure budget reflects routine inflationary increases in operating costs and the budgetary change items of \$2.5 million.

Revenue

Revenues are projected to decrease by \$278,000 or 1.9% in this department due to reduction in charges for services and Federal grants. The department's total revenues in 2019 are projected to be \$14.7 million.

Fund Allocation

This department is funded primarily in the General Fund at 96.9%, with the remainder of the department's funding found in the Special Revenue, Federal Grant, Other Grant funds and the CDBG fund.

Budget Change Items

Detailed change items are presented on the following pages.

Minneapolis Police Department Maintain Current Level of Service

2019 Change Item

Program: Professional Standards
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$100	\$100	\$100	\$100	\$100	\$100
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$100	\$100	\$100	\$100	\$100	\$100

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$100,000 ongoing to maintain current service levels for Academy training required by the Minnesota law enforcement governing board.

Rationale/Background:

The 2019 Target Budget is broken out below showing type of expenditure. Personnel costs, salary and wages, account for 79.1% of total costs. Most other costs are fixed or mandatory and it can be difficult to maintain service levels with significant program changes or external cost increases. It is important to maintain current service levels and meet Community expectations for new initiatives to maintain public trust and Department accountability.

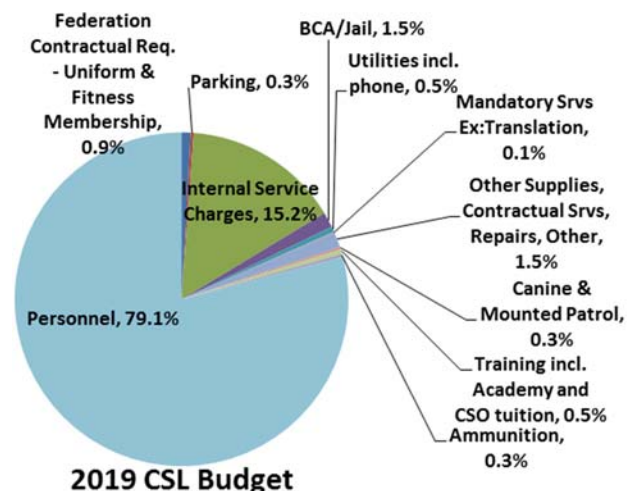
Academy Costs

The Minnesota Board of Peace Officers Training (POST), the governing board for Minnesota law enforcement, has determined that the MPD Cadet Academy program must consolidate training under one responsible entity. The result is that training previously provided in-house will now need to be performed under our current training provider, Hennepin Technical College. The result is that our cost for the Cadet Academy, provided through Hennepin Technical College increased approximately \$100,000 starting in 2018.

The current service level allows the MPD to hire and train 32 cadets annually. Without the additional funding the class will drop to approximately 20 cadets, which, when combined with the MPD annual recruit class, is insufficient in meeting department attrition.

Description of the Changes:

The change item allows the MPD to maintain current service levels for the existing Cadet program. The MPD contracts with Hennepin Technical College for their Cadet Academy, and partially trains a 32 person Cadet class. A decrease



Minneapolis Police Department Maintain Current Level of Service

2019 Change Item

in funding will reduce the class size to 20 Cadets. The additional funding (\$100,000) will increase the current contract to maintain program capacity and maintain the existing timeline for hiring and training. The MPD does not have the resources or the educational requirements to bring the Cadet program in-house.

Equity Impact:

The additional funding will allow the MPD to maintain the service levels provided by the program. The Academy program allows the MPD to hire staff from a broader range of candidates than a typical recruit class.

Results:

This item will allow the MPD to maintain current service levels and provide continuation of the program. The Cadet program allows us to hire a diverse group of employees from various educational backgrounds, not limited to enforcement degrees, which has a positive impact on the department and the Community. It gives the MPD a broader range of eligible candidates that more closely represents the community it serves. Without the additional funding the class will drop to approximately 20 cadets, which, when combined with the MPD annual recruit class, is insufficient in meeting department attrition.

Minneapolis Police Department
Health and Wellness Training

2019 Change Item

Program: Professional Standards, Administration and Professional Development
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$150					
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$150	\$0	\$0	\$0	\$0	\$0

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$150,000 one-time to develop a Health and Wellness program to improve both the physical and mental wellbeing of staff resulting in decreased departmental costs, increased wellness, and improved job performance.

Rationale/Background:

Employee health and wellness is part of an overall departmental cultural change. These efforts, combined with existing Early Intervention efforts, are looking at innovative ways that will enhance the home/work lives of our employees, which will contribute to overall mental and physical health and wellness. Physically fit and mentally healthy individuals are better able to perform their job functions, effectively handle stressful situations, and maintain positive interactions with Community members.

Excellent physical and mental health is a significant component of hiring for new officers yet little emphasis is made to maintain good health during the ensuing years of employment. The decline of mental and physical health among law enforcement has significant consequences; increase of on-duty illness and injury, increased liability and workers’ compensation costs, and loss of respect and trust within the Community. Lack of fitness programs contribute to a decline in physical and mental fitness, both of which are requirements for exemplary performance and accountability to the Community.

Loss of work time due to illness, injuries incurred on duty, workers’ compensation, and overtime incurred to fill in for sick staff is significant:

- In 2017 approximately 67,000 hours were lost due to sick or injured on duty time at a cost in excess of \$2,700,000
- If 30% of the 67,000 hours lost were replaced with staff working overtime, the additional cost will be close to \$1,500,000

Efforts to improve employee health and wellness have monetary rewards, improve employee satisfaction, and result in improved job performance directly benefiting the Community.

Description of the Change:

Health and Wellness training is part of a broader initiative of Wellness and Collective Healing efforts, which began at the end of 2017. The training will be multi-pronged and concentrate primarily in the two areas of physical fitness and mental health. Initial plans for physical fitness include the following:

- Review of physical fitness entrance requirements – in progress
- Base line development for officer fitness needs
- Goal setting, both departmental and individual, for physical fitness with follow up
- Training/Classes for physical health

The steps will involve a combination of in-house training, train the trainer costs, and external service providers. Initial plans for mental health fitness include the following:

- Peer mentoring
- Peer counseling and support in conjunction with EAP services
- Trauma Training
- Stress and relaxation training such as meditation/other

The steps will involve a combination of in-house training and external service providers. There are qualified, trained providers available to teach evidence-based techniques of meditation and other stress reducing techniques. These providers are especially sensitive to working with military/law enforcement personnel.

These steps will overlap with current department efforts with mentoring, counseling and yoga classes.

Equity Impact:

Healthy officers are better able to perform their job duties, effectively handle stressful situations, and better able to maintain positive interactions with their peers and those they encounter in the Community. This will have a positive impact on many groups of people including those most vulnerable in the Community.

Results:

The Health and Wellness program will result in fewer hours lost to sick and injured on duty time especially in our Patrol units, which should result in an overall decrease, over time, in workers' compensation and sick costs (see above costs). The MPD will track reductions of sick time and time not worked due to injuries.

As a new activity, performance will be measured to evaluate the effectiveness of the program. The performance measures will include increased fitness from established baselines, improved ability to reduce stress, measured through survey, and a comparison of work interactions used to measure the value of the program. Program costs will be tracked, which should be less than the financial benefit derived from a reduction in sick time and time lost to injuries.

Physical and mental wellbeing is an important part of job performance in public safety and Community relations.

Minneapolis Police Department
Mobile Data Computers

2019 Change Item

Program: Public Safety Services (Patrol)
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT	\$100	\$100	\$100	\$100	\$100	\$100
Fleet						
Contractual Services						
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$100	\$100	\$100	\$100	\$100	\$100

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$100,000 ongoing to maintain and upgrade, as needed, out of date/end of life Mobile Data Computers (MDC) used in patrol cars.

Rationale/Background:

The MDC is the primary device used for non-voice data transmission between MECC and MPD patrol units responding to 911 calls. The data includes call for service detail information, bulletins including missing persons, wanted subjects, officer safety information, and general notifications. MDCs are also used by officers to check for warrants, driver’s license status, and all other non-voice information. They are an essential tool in a patrol squad.

The current fleet of Data 911 brand MDCs dates to 2010. The machines are at end of life and are unable to adequately operate the software used on them. Breakdowns are frequent and require an inordinate amount of Radio Shop time sending MDCs to the manufacturer for repair and then refitting them into squads. For the last year the radio Shop has averaged almost 45 repairs per month of Data 911 MDCs. Well maintained equipment improves the effectiveness and efficiency of the department. Productivity is significantly reduced when computers are broken or in need of maintenance.

MDC’s have a life expectancy of approximately 7 years. The item is an ongoing funding for a replacement program that will replace a portion of the squad computers yearly on a continuous basis as the current devices reach end of life. Because new hardware is not always interchangeable with old mounts, wiring is necessary when replacing the units making it important for the devices to be on a replacement cycle in the future.

Description of the Change:

Currently about 110 marked squads are operating with the old Data 911 MDCs. In conjunction with the upgrade of the Police Information Management System (PIMS), the MPD has purchased 67 Panasonic Toughbook MDC compatible laptop computers. These are currently being used for PIMS training and will be installed in patrol squads once the PIMS system is live. Installation of these MDCs is expected to tax the capabilities of the Radio Shop for 2018. Toughbooks are more flexible than the three-piece Data 911 computers they are replacing. The

Toughbooks set on a lockable dock but can be easily released and are in laptop format, allowing officers to remove them from squads for community meetings and other public events where access to a computer will be useful.

The item is to purchase additional Toughbook MDCs to fully outfit the fleet of approximately 200 patrol cars with functional computers. On-going funding will the MPD to initiate an on-going maintenance and replacement program on a more systematic basis to ensure operability of the equipment.

Equity Impact:

NA

Results:

The new MDCs are expected to perform more reliably than the old machines they are replacing. They are better able to handle the demands of the modern PIMS software and better able to run multiple programs at once allowing officers to multitask.

The replacement of old MDCs is also expected to significantly reduce the amount of time the Radio Shop spends removing, packaging, shipping, and reinstalling failed devices, as well as keeping more squads on the street rather than frequently being brought to the radio Shop for MDC service.

The current repair rate is about 45 incidents per month, with each requiring a trip to the radio shop by a patrol unit and a car being left at the shop while waiting for a repaired computer to be installed and configured. The new computers, once they are in service throughout the fleet, are expected to need repairing much less often. Difficult to predict but a rate of 10 or fewer repairs per month is likely.

The upgrade and replacement program will result in less downtime for Patrol officers, squads and Radio Shop personnel.

Minneapolis Police Department
Body Camera Interface to 911 CAD

2019 Change Item

Program: Public Safety Services
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT	\$105	\$105	\$105	\$105	\$105	\$105
Fleet						
Contractual Services						
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$105	\$105	\$105	\$105	\$105	\$105

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$105,000 ongoing to expand the current body camera program to include interface capability with the 911 dispatch system.

Rationale/Background:

The MPD currently uses body cameras from Axon and uses, along with MECC, Minneapolis Fire, and Hennepin EMS, the Tri Tech dispatch software. Currently these systems operate independently. Data from the dispatch system including Case Control Number (CCN) is the primary source for linking all data related to any call for service. To best locate video clips related to any call for service, the CCN must be linked to each clip. Manually entering call data to recorded body camera video clips is cumbersome and results in a significant error rate. Once implemented, the interface will automatically apply all relevant dispatch meta-data to each video clip, creating significant efficiencies and eliminating data errors, making it much more effective in locating relevant videos.

Description of the Change:

This item will allow for the build out and maintenance of an automated interface between the City’s 911 dispatch system and body camera systems – increasing accuracy and usefulness of the integrated data, and making work more efficient at the same time. Data entry on the body camera device is cumbersome for several reasons, and the result is a high number of videos labeled incorrectly. Mislabeled video clips require extensive manual searching to locate when needed.

The project will allow Axon to activate an interface between the dispatch system and the body cameras, so that relevant call data, including the CCN, will be automatically ascribed to all video and photos created in relation to any dispatched call. The interface will ensure that all video clips related to any given incident will be quickly available for review, enhancing accountability and promoting the council directive that all police / public contacts be recorded and retrievable to the extent possible. The interface will improve accountability and transparency by making information easier to obtain, and improve the efficiency of the department by reducing both errors and officer time working on an administrative task of entering data manually. It will also increase transparency and accountability due to reduction of errors thereby enhancing Community-Police relations.

Minneapolis Police Department
Body Camera Interface to 911 CAD

2019 Change Item

The interface is a monthly charge per device. The item will cover those cameras primarily used by Patrol.

Equity Impact:

This tool ensures accuracy and completeness of information.

Results:

It is expected that the result of the project will be a significant reduction in mislabeled and unlabeled video clips. Currently staff involved in maintaining the body camera system estimate that about 20% of recorded videos have missing or incorrect labels, which equates to around 200 per day. Mislabeled and unlabeled clips can be located in the body cam storage system, but it is a time consuming manual process that takes investigators away from other duties. The interface will allow quicker access to relevant data. By eliminating data errors and omissions, this interface will increase accountability and aide investigations.

<i>Name of Measure</i>	<i>Current</i>	<i>Future</i>	<i>Dates</i>
% Body Cam videos incorrectly labeled	20%	<3%	2019

Minneapolis Police Department
Body Worn Cameras

2019 Change Item

Program: Special Operations and Intelligence and Investigations & Forensics
Fund: General – 00100 and Self-Insurance – 06900

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
Transfer from Self-Insurance Fund	\$60					
Expenditures						
Personnel						
IT	\$111	\$111	\$111	\$111	\$111	\$111
Fleet						
Contractual Services	\$126	\$66	\$66	\$66	\$66	\$66
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$177	\$177	\$177	\$177	\$177	\$177

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$177,000 ongoing and \$60,000 one-time for year two of three-year plan to equip all sworn staff with body worn cameras. The initial purchase of equipment of \$60,000 will be funded by the City’s self-insurance fund while other costs will be funded by through the General Fund.

Rationale/Background:

Body cameras were originally assigned in 2016 to approximately 600 officers. In efforts to improve police accountability and trust and reduce liability, the Mayor and Council requested that all sworn MPD personnel have and use body worn cameras during interactions with the public. The 2019 item is the second year of a three-year project to fully provide cameras for all sworn MPD personnel.

Currently all sworn officers assigned to patrol have been issued body worn cameras. Approximately 300 sworn personnel primarily assigned to investigations, administration, and special non-patrol functions do not currently have cameras. Though not regular 911 responders, many of these sworn officers often have ancillary duties such as SWAT, bicycle patrol or mounted patrol which cause them to work in uniform and interact with the public. Further, many work off duty jobs in uniform and interact with the public then.

The first 100 of those new cameras are budgeted in 2018. This item will add 100 more in each of the years 2019 and 2020 for a total of 300 new cameras.

Description of the Change:

The MPD has in place an on-going multiyear contract with Axon to provide body worn cameras and associated docks and data storage. The Axon solution also relies on iPhones and associated apps for still photographs. The addition of 100 body worn cameras in each of the years 2019 and 2020 along with additional camera docks, cloud based video storage, phones & service, and associated peripherals, will increase the scope of this contract but will not result in any entirely new initiative.

Minneapolis Police Department Body Worn Cameras

2019 Change Item

Body Cameras – Cost for 100

	Cost	
Phones @\$200 each	\$20,000	one-time
Docks @ \$250 each	\$25,000	one-time
Clips/other	\$15,000	one-time
<i>Subtotal</i>	<i>\$60,000</i>	<i>one-time</i>
IT Costs	\$16,200	ongoing
IT Costs – Axon Storage @ \$79 per month per device	\$94,800	ongoing
Phone Service @\$55 per month per device	\$66,000	ongoing
<i>Subtotal</i>	<i>\$177,000</i>	<i>ongoing</i>
Total	\$237,000	

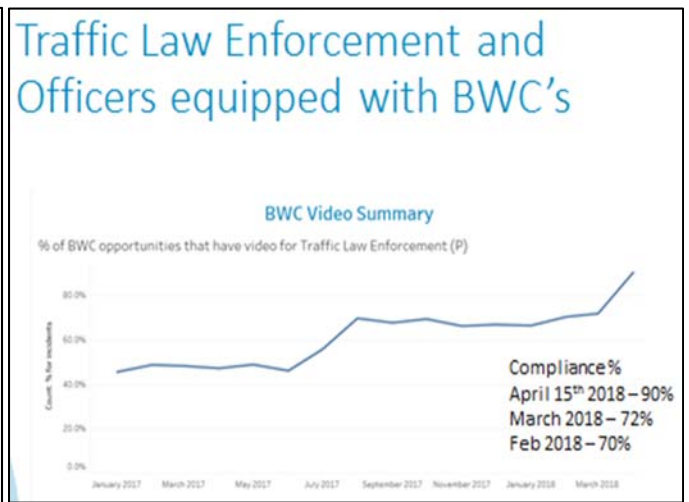
Equity Impact:

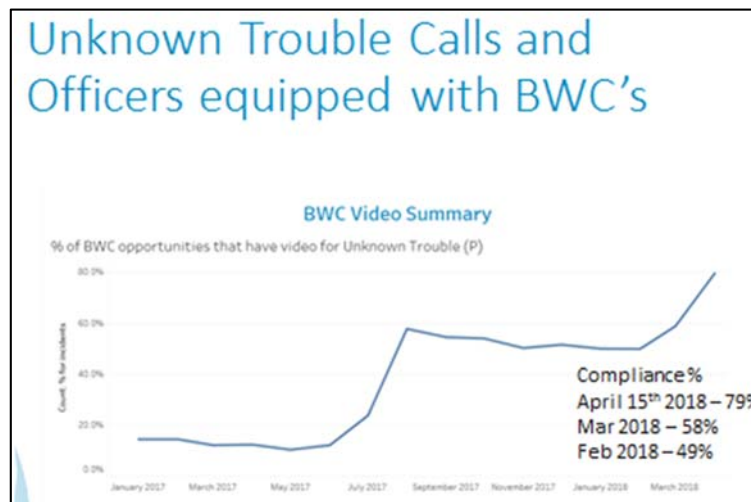
Body worn cameras enhance police accountability and credibility. With persistent accountability and credibility issues regarding traditionally marginalized communities it is expected that an increase in body worn cameras amongst MPD employees will have a positive effect in police interactions.

Results:

By the end of 2020 all sworn MPD personnel will be using body worn cameras, fulfilling the council’s stated desire that this occur. This will result in an increase of police / citizen interactions being recorded and available for review. So far in 2018, with 614 deployed body worn cameras, MPD officers are recording on average 1485 videos each day. Though adding 300 body cameras will increase the number of deployed units by 50%, because many of those yet to receive body worn cameras are not 911 responders and / or do not work in uniform daily, it is expected that there will be an increase in recordings, but not a full 50% increase in recordings.

Importantly, once the new cameras are fully deployed, all interactions between uniformed MPD personnel and the public will be recordable within the limits of policy. Attached is a selection of first quarter 2018 compliance metrics for cameras already deployed, showing a significant increase in compliance with the body worn camera policy.





Minneapolis Police Department Co-Responder Program

2019 Change Item

Program: Public Safety Services (Patrol)
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet	\$90	\$18	\$18	\$18	\$18	\$18
Contractual Services	\$350					
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$440	\$18	\$18	\$18	\$18	\$18

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$18,000 ongoing and \$422,000 one-time to continue the Co-Responder program in the 3rd and 5th Precinct and to expand the program to the remaining 3 Precincts. Funding includes the purchase of 3 unmarked vehicles specifically for the program. Additional ongoing costs of \$6,000 per vehicle will be incurred for fleet costs.

Rationale/Background:

In 2016, the MPD received over 5,484 Emotionally Disturbed Person (EDP) calls. While officers have Crisis Intervention Training, they do not always have adequate time or training to effectively help individuals in crisis, or in-depth knowledge of services available. The purpose of the Minneapolis Police Co-Responder Program is to provide effective and compassionate crisis intervention to individuals with mental illness in the community. The Unit delivers comprehensive services to those with a mental illness as they work alongside Hennepin County mental health professionals who can conduct onsite assessments with greater knowledge of resources available. The goals of the program include:

- Reduce overall EDP-related calls for police service
- Increase time non-co-responder officers can spend on other calls
- Reduce hospitalization and/or arrest of individuals experiencing mental illness
- Reduce injuries to officers, individuals experiencing mental illness and others involved
- Reduce future Use of Force events
- Improve Community outreach, trust and accountability
- Reduce overall costs by providing the correct services to those in need

Continuing and expanding the program will allow the MPD to advance community outreach, assist some of our most vulnerable citizens to receive timely and appropriate help, and reduce overall costs.

Description of the Change:

The MPD provides 2 full-time officers, oversight, vehicle, computers, and space for the program. The officers work full time with 2 mental health professionals as part of a pilot-program. The one-time funding, currently in place,

Minneapolis Police Department Co-Responder Program

2019 Change Item

is used exclusively to contract with Hennepin County for the 2 mental health professionals. This item will increase program capacity by allowing the MPD to permanently continue the program and expand the work to include areas all areas within Minneapolis with 3 additional Hennepin County professional for a one-year pilot program. The MPD will also add 3 existing sworn staff for a total of 5 officers. The funds will be used exclusively to contract with mental health professionals and add 3 unmarked vehicles for transporting EDP clients.

The funding and expansion will increase capacity and allow the MPD to help additional community members in crisis. Some of the follow-up EDP calls are based on data/tips received from patrol officers, Crime Prevention Staff, or the community requesting that the Co-Responder Unit look into a possible EDP to ensure that they are receiving the appropriate mental health resources and services. Additional staff will enable officers and Community members to more easily gain access to specialized staff for quicker response to help those in need.

Equity Impact:

Program expansion could have a positive impact as some of our most vulnerable people may have quicker access to needed support services.

Results:

149 EDP clients were able to remain in their home during the 6-month period. Expansion of the program will enable an estimated 450 EDP clients to remain in their home yearly, a major goal of the program.

In a recent 6-month period, 326 contacts were attempted by the Unit as 911 responses or follow up calls. 277 were adult and 49 were juveniles. Based on current trends, over 950 attempted contacts will be made to help Community members gain quicker access to support services each year.

109 mental health assessments were conducted by the Co-Responder mental health professionals during the 6-month period. Additional staff will allow for the completion of over 300 assessments per year.

96 EDP clients were transported to the hospital for further care. Expansion of the program will result in 288 receiving hospitalized care.

Minneapolis Police Department
Fix It, Not Ticket

2019 Change Item

Program: Public Safety Services (Patrol)
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	\$25					
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$25	\$0	\$0	\$0	\$0	\$0

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$25,000 one-time to support a Fix It, Not Ticket program within the Minneapolis Community.

Rationale/Background:

Functioning car lights are important for public safety, but the financial burden for repairs and tickets can have a spiraling negative impact for people struggling to make ends meet including loss of jobs and vehicle impounds.

MicroGrants, a non-profit organization whose mission is to promote economic self-sufficiency through strategic grants to low income community members, began a Lights On! Program throughout the Twin Cities. The MPD seeks to create and expand a similar program within Minneapolis for 2019.

Description of the Change:

Police officers, stopping cars for broken headlights, tail lights, brake light or turn signal, can offer vouchers for free repairs of broken lights for those who can't afford the repairs. This will enable people to fix broken lights on their cars before multiple tickets create additional financial hardships. The MPD will work with City Procurement in developing an RFP to select an auto repair vendor to provide the repair services.

Equity Impact:

Program expansion could have a positive impact as some of our most vulnerable people may have quicker access to needed repair services to avoid the spiraling economic impact of multiple tickets or vehicle impounds. It will also improve the safety of City streets by enabling drivers to have functioning lights.

Results:

- Improved street safety due to functioning vehicle lights.
- Gives people dependable transportation for employment.
- Helps mitigate hardships of repairs and multiple tickets for those struggling economically.
- Helps build goodwill between police and the Community.

Minneapolis Police Department ShotSpotter Expansion

2019 Change Item

Program: Special Operations and Intelligence
Fund: General - 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT	\$10					
Fleet						
Contractual Services	\$65	\$65	\$65	\$65	\$65	\$65
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$75	\$65	\$65	\$65	\$65	\$65

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$65,000 ongoing and \$10,000 one-time to expand the coverage area, by approximately 1 square mile, of the ShotSpotter gunshot detection system to include areas in Minneapolis that have seen a historically high number of shots fired and shooting reports.

Rationale/Background:

The MPD has used the ShotSpotter gunshot detection system for approximately 10 years. In the coverage areas there has been a significant increase in speed and accuracy of response to shootings and shots fired calls, and a significant increase in the collection of evidence related to shots fired. The current coverage area includes portions of both north and south Minneapolis.

An analysis of violent crime reports since 2015 shows several areas of Minneapolis currently just outside the ShotSpotter coverage area but with a high concentration of shootings and shots fired reports. These areas each have a high enough concentration of shots to warrant consideration for expanded ShotSpotter coverage. See attached map for details.

Description of the Change:

The MPD has a current contract with ShotSpotter for gunshot detection coverage in two large areas of Minneapolis. The current contract would be amended to include any of the identified areas. ShotSpotter service is based on an implementation fee of \$10,000 plus an annual flat fee of \$65,000 per square mile of coverage. The expansion would be based on activity level and done in consultation with council staff from the affected wards.

ShotSpotter personnel would be responsible for determining the best location for additional sensors and reaching agreements with property owners to allow placement of sensors. Sensors are typically placed on the roofs of buildings such as schools, churches, or businesses.

Minneapolis Police Department ShotSpotter Expansion

2019 Change Item

Once the sensors are placed and activated ShotSpotter and MPD personnel work together to test the system before acceptance. This would all take place over just a few months depending on how fast ShotSpotter can reach sensor placement agreements.

Once activated the new coverage areas would alert on the sound of gunfire just like the areas already covered.

Equity Impact:

The areas identified for potential ShotSpotter expansion are plagued by high levels of violent crime specifically shots fired and shootings. These areas are also home to high concentration of historically underserved minority populations.

The impetus for this proposed expansion came from council members responding to requests from constituents requesting better police response to violent crime. ShotSpotter expansion will lead to faster and more accurate response to shots fired and shooting reports and to the collection of more shots related evidence.

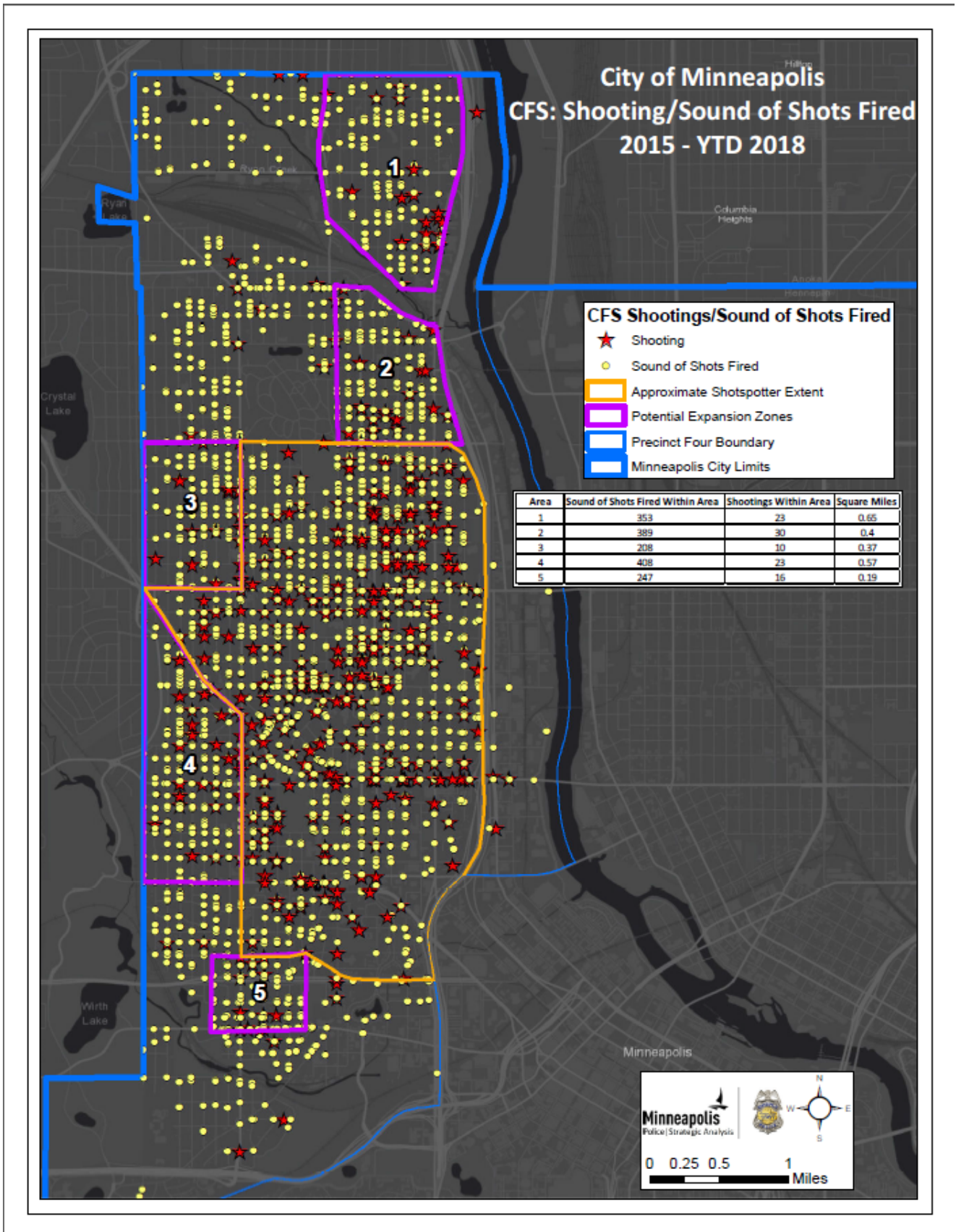
Results:

The expanded ShotSpotter coverage will result in faster and more accurate response to shots fired calls:

- ShotSpotter locates the shots to a very specific location, much more accurately than a typical 911 caller, allowing officers to quickly find the exact location of the shots.
- ShotSpotter generally alerts MECC and officers in less than 30 seconds after a shot is detected, often faster than 911 callers
- Due to the way Shots Fired 911 calls and ShotSpotter activations are recorded in MECC, there is no precise way to compute shots that activate ShotSpotter but do not result in a 911 call, but anecdotally this happens fairly frequently in the ShotSpotter coverage areas.

In the first few years after ShotSpotter was implemented, the MPD more than doubled the number of shots & shooting cases where shell casings were recovered. This is due to the accuracy of ShotSpotter. These shell casings are very important evidence in matching a gun to a crime scene (and therefore the suspect with the gun to a crime). Expanding ShotSpotter will result in the collection of more shell casings in the expanded areas.

<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Discharged Cartridge Casings Recovered	<150	>300	2007 - 2012



Minneapolis Police Department
Final Four Reimbursable Expense

2019 Change Item

Program: Public Safety Services
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
Host Committee Agreement	\$1,301					
Expenditures						
Personnel	\$1,301					
IT						
Fleet						
Contractual Services						
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$0	\$0	\$0	\$0	\$0	\$0

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$1,301,000 one-time for reimbursable expenses associated with the 2019 Final Four.

Rationale/Background:

Bringing large scale events, like the Final Four, to Minneapolis gives residents a chance to participate in activities, concerts and events associated with the games. They also help cultivate a sense of community pride with the city welcoming visitors from across the world.

Major events bring major revenues to our city, not just in the form of taxes, but also in helping to support local business specifically in the hospitality industry. We also use these events to showcase our capital investments in US Bank Stadium and Nicollet Mall to the almost 90,000 visitors coming to town.

Description of the Change:

These one-time funds are for staff overtime necessary in order to execute the department’s support of the event. These expenditures are offset by revenues associated with the local host committee agreement with the City.

Equity Impact:

The Final Four is a whole weekend of activities, including the national semi-final and championship games -- but also multiple free and low-cost events for all residents to enjoy.

Results:

Through the additional effort represented by the expenditure of these funds, and in partnership with the local host committee, the city will be able to effectively ensure the public’s safety and ultimately host a successful event. These outcomes will position the city positively to host future NCAA events, amplifying the positive impacts for Minneapolis mentioned above.

**POLICE
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	87,127,000	92,098,000	99,586,000	100,487,000	0.9%	901,000
FRINGE BENEFITS	32,343,000	33,874,000	37,356,000	39,187,000	4.9%	1,831,000
CONTRACTUAL SERVICES	22,717,000	24,089,000	25,404,000	28,364,000	11.7%	2,960,000
OPERATING COSTS	10,989,000	10,999,000	10,632,000	10,948,000	3.0%	316,000
CAPITAL	1,066,000	1,375,000	690,000	210,000	-69.6%	-480,000
TOTAL GENERAL	154,242,000	162,435,000	173,668,000	179,196,000	3.2%	5,528,000
SPECIAL REVENUE						
SALARIES AND WAGES	2,767,000	3,121,000	3,283,000	3,217,000	-2.0%	-66,000
FRINGE BENEFITS	652,000	752,000	925,000	1,022,000	10.5%	97,000
CONTRACTUAL SERVICES	721,000	867,000	850,000	1,031,000	21.3%	181,000
OPERATING COSTS	866,000	388,000	583,000	415,000	-28.8%	-168,000
CAPITAL	109,000	87,000	130,000	56,000	-56.9%	-74,000
TOTAL SPECIAL REVENUE	5,115,000	5,215,000	5,771,000	5,741,000	-0.5%	-30,000
TOTAL EXPENSE	159,357,000	167,650,000	179,439,000	184,937,000	3.1%	5,498,000

REVENUE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SALES				0		
CHARGES FOR SERVICES	1,377,000	1,386,000	1,450,000	1,450,000		
FEDERAL GOVERNMENT				0		
FINES AND FORFEITS	1,345,000	1,182,000	1,300,000	1,050,000	-19.2%	-250,000
LICENSE AND PERMITS	2,000			0		
OTHER MISC REVENUES	67,000	55,000		0		
SALES AND OTHER TAXES				0		
STATE GOVERNMENT	7,164,000	7,563,000	7,160,000	7,160,000		
TRANSFERS IN				0		
GENERAL	9,955,000	10,186,000	9,910,000	9,660,000	-2.5%	-250,000
SPECIAL REVENUE						
CHARGES FOR SERVICES	1,102,000	1,336,000	2,074,000	2,033,000	-2.0%	-41,000
CONTRIBUTIONS	143,000	39,000	30,000	0	-100.0%	-30,000
FEDERAL GOVERNMENT	2,329,000	1,499,000	1,621,000	1,939,000	19.6%	318,000
FINES AND FORFEITS	406,000	493,000	338,000	338,000		
INTEREST	3,000	3,000		0		
LICENSE AND PERMITS	974,000	892,000		0		
OTHER MISC REVENUES	-1,000	-1,000		0		
SALES AND OTHER TAXES	213,000	224,000	200,000	231,000	15.5%	31,000
STATE GOVERNMENT	263,000	257,000	314,000	508,000	61.8%	194,000
TRANSFERS IN	1,000			0		
USE OF FUND BALANCE			500,000	0	-100.0%	-500,000

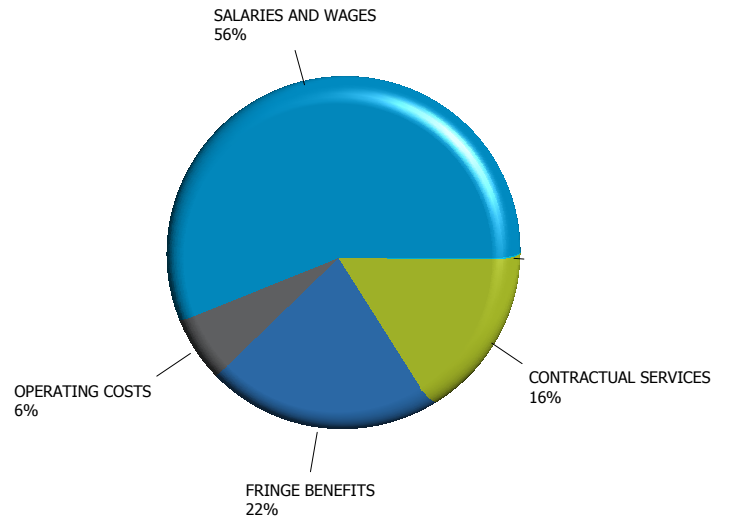
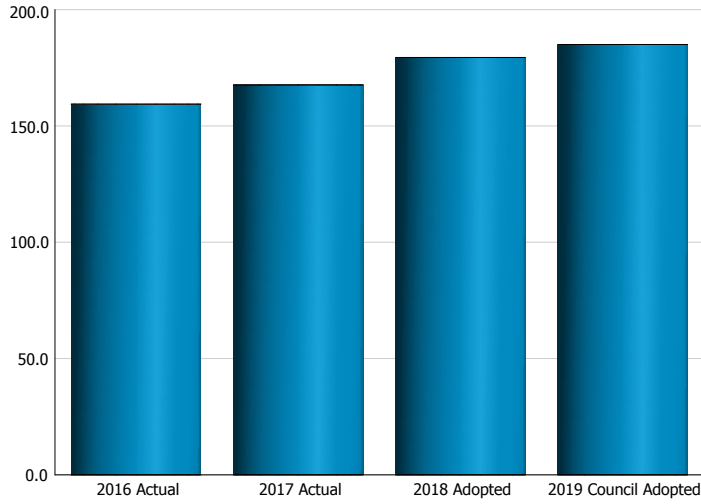
**POLICE
EXPENSE AND REVENUE INFORMATION**

REVENUE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
SPECIAL REVENUE	5,433,000	4,742,000	5,077,000	5,049,000	-0.6%	-28,000
TOTAL REVENUE	15,388,000	14,928,000	14,987,000	14,709,000	-1.9%	-278,000

POLICE EXPENSE AND REVENUE INFORMATION

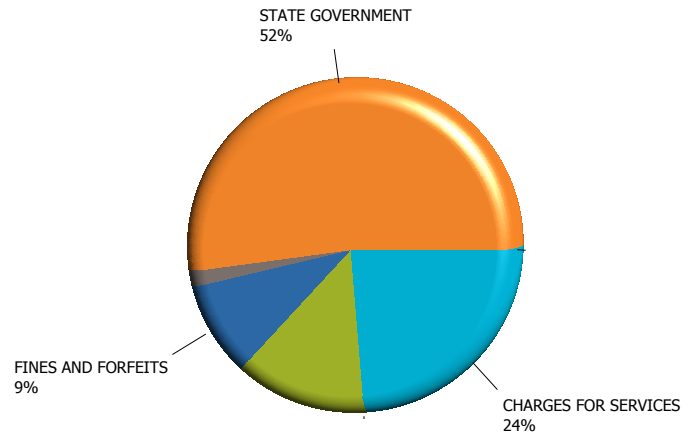
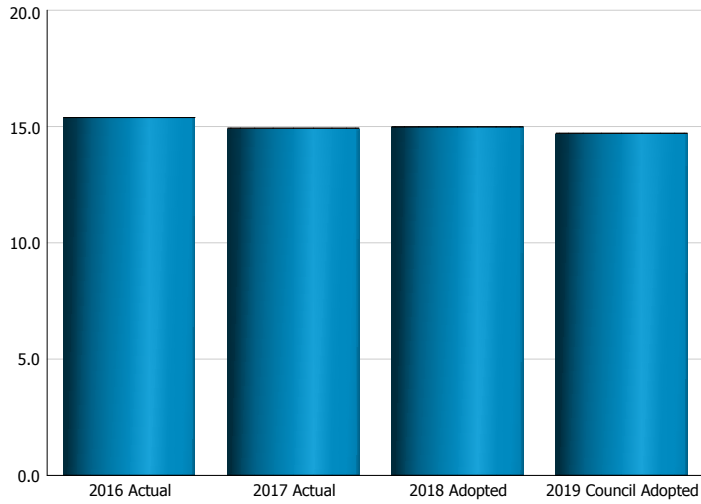
Expense by Category

Expense 2016 - 2019
In Millions



Revenue by Type

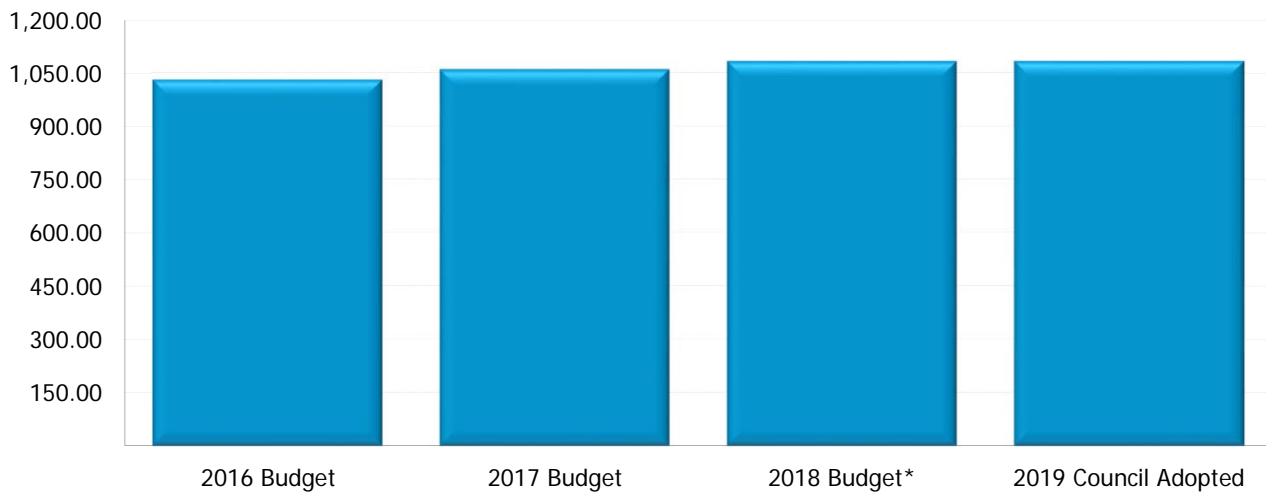
Revenue 2016 - 2019
In Millions



MINNEAPOLIS POLICE DEPARTMENT Staffing Information

Division	2016 Budget	2017 Budget	2018 Budget*	2019 Council Adopted	% Change	Change
INVESTIGATIONS & FORENSICS	206.00	202.50	205.00	218.00	6.3%	13.00
PUBLIC SAFETY SERVICES	615.00	627.00	596.00	605.00	1.5%	9.00
COMMUNITY & COLLABORATIVE ADVNCE	18.50	27.00	48.70	82.20	68.8%	33.50
PROFESSIONAL STNDRDS, DEV, ADMIN	140.00	192.00	192.00	132.50	-31.0%	(59.50)
SPECIAL OPERATIONS & INTELLIGENCE	50.00	46.00	40.00	44.00	10.0%	4.00
Overall	1,029.50	1,058.50	1,081.70	1,081.70	0.0%	0

Positions 2016-2019



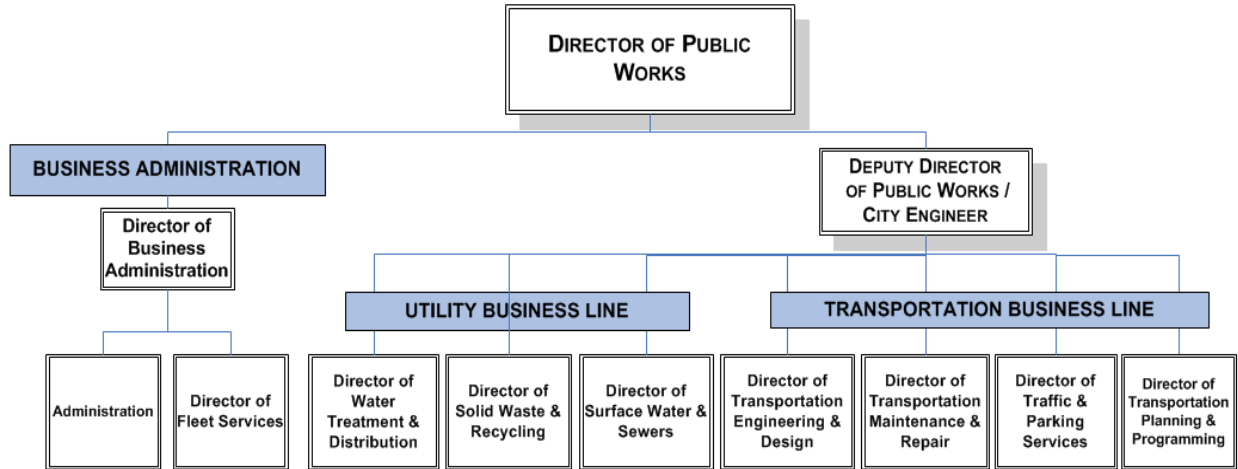
* 2018 FTE counts may differ from 2018 adopted budget due to mid year adjustments, including funding and organizational changes.

PUBLIC WORKS DEPARTMENT

MISSION

To be effective stewards of the public infrastructure, and provide valued city services that contributes to public safety, economic vitality and neighborhood livability in Minneapolis.

ORGANIZATION CHART



PERFORMANCE MEASURES

All data and analysis generated through the City’s performance measurement process, Results Minneapolis, can be found on the City’s website. Please visit <http://www.minneapolismn.gov/coordinator/strategicplanning/wcmSP-199683> to find detailed information and analysis related to the budget programs listed below.

Fleet Operations

Other Funds: \$39,370,00

Fleet operations provides fleet management, service maintenance, and field support. Fleet management includes developing fleet replacement programs for all vehicles and equipment to meet the needs of using departments. Service maintenance includes set-up, maintenance, repair, and decommissioning of all vehicles and equipment as well as managing fueling sites at City-owned facilities and environmental compliance with federal, state, and local laws, rules, and policies. This program also provides support to field operations through staffing and equipment resources, as well as providing services in safety, training, and emergency management.

Potable Water Supply

Other Funds: \$61,315,000

This program provides for the distribution of clean and reliable drinking water to every residential and non-residential City customer. The program also provides water for fire-fighting and maintains a system to bill and collect for the water used to provide sustainability of the water system.

Public Works Administration

General Fund: \$3,934,000

Public Works Administration provides leadership to its divisions and works with City leaders in maintaining and preserving its public infrastructure, delivering related essential services as efficiently as possible with the financial resources provided and ensuring that public safety is not compromised. The program strives to improve and facilitate accountability and innovation throughout its divisions, providing analysis and long-range thinking that supports responsible decisionmaking.

Sanitary - Collection and Treatment

Other Funds: \$69,923,000

The sanitary program meets regulatory requirements while collecting sanitary flow data within the City of Minneapolis for Metropolitan Council Environmental Service (MCES) treatment and discharge to the Mississippi River. Maintaining system flow is critical in minimizing the risk of sanitary backups and combined sewer overflows to the Mississippi River. Activities in this program include the design and analysis of the sanitary system for self-cleaning velocity in pipes and identifying sources of clear water. It also includes daily cleaning and operation of the system as well as emergency responses and payments to MCES for the treatment of the sanitary discharge.

Solid Waste and Recycling

Other Funds: \$43,355,000

The purpose of this program is to manage collection of solid waste, recyclables, white goods, and yard waste for 100,000 residential customers as well as support clean city programs such as graffiti abatement. Services provided by this program include collection and disposal of solid waste, collection of recyclable materials including household organics and household electronics, collection and disposal of large items such as appliances, and collection of yard waste.

Stormwater - Collection and Treatment

Other Funds: \$22,165,000

The stormwater program meets regulatory requirements while collecting stormwater and treating it prior to entering the lakes, creeks and rivers in the City of Minneapolis. Maintaining stormwater in the system is essential to control the flow of stormwater and minimize flooding risks while protecting water quality. Activities range from the design and analysis of the stormwater system including pipes and water quality infrastructure components to implementation and completion of regulatory activities, as well as daily cleaning and ongoing operation of the system.

Transportation Maintenance

General Fund: \$36,014,000

Other Funds: \$18,322,000

The Transportation Maintenance and Repair division provides basic maintenance and repair services on over 600 City vehicular, pedestrian and other bridges, 1,000 miles of City streets and parkways, 400 miles of alleys, and 2,000 miles of sidewalks. Services include pothole patch and repair, crack sealing, sealcoating, utility cut restoration, and other pavement-related repairs, as well as snow and ice control and other winter maintenance services, including enforcing the City's sidewalk shoveling ordinance in the winter season, and acts as a first responder for bridge and storm-related emergency response. In

addition to repair and maintenance on bridges, streets, parkways, alleys, and sidewalks, this program provides year round basic maintenance on all greenspaces, minimalls, plazas, and bike trails in the public right-of-way throughout the City. The Street Cleaning group mitigates surface water runoff pollution and addresses general cleanliness of streets and alleys and overall neighborhood livability by cleaning the streets and alleys, parade and other event cleanup from streets and the public right-of-way, and responds to general trash, debris or other materials that are illegally left or dumped in the public right-of-way. In addition, this program provides for service delivery and administrative support for Special Service Districts in Minneapolis.

Transportation Operations and Mobility

General Fund: \$19,766,000
Other Funds: \$48,287,000

This program includes the Traffic and Parking Services division as well as a portion of the Transportation Engineering, and Design division. This program supports the operations and maintenance of existing traffic control devices (800 signals, 100,000 traffic signs and numerous pavement markings), their related infrastructure for traffic management and safety equipment, and 48,000 streetlights, both city metal pole lights (20,000) and Xcel wood pole lights (28,000). On-Street and Off-Street Parking, which includes a portfolio of City and State-owned and leased parking ramps and parking lots is included in this program. As an integral part of the City's transportation infrastructure, these parking facilities promote the City's multi-modal vision. Designed, in part, on a hub-and-spoke model, the system leverages a network of skyways, bike paths and transit routes to offer a multimodal transportation solution to residents, visitors and commuters while reducing traffic congestion in the downtown core. Additionally, several facilities were built as part of development agreements and continue to play an important role in the area of economic development. In addition, Right of Way management for the city's roads, sidewalks, and alleys from a use and real estate perspective is part of this program, which includes providing encroachment permits, banner permits, Right of Way vacation requests, real estate management, and special assessment support for all Public Works projects and programs. One final part of this program is The Minneapolis Impound Lot, operated by the Public Works Department, and is responsible for towing, storing and processing vehicles removed by law enforcement in accordance to applicable City ordinances and State statutes.

Transportation Planning, Design, and Engineering

General Fund: \$2,851,000
Other Funds: \$22,132,000

The Transportation Planning and Programming division develops and coordinates policies and actions to promote a safe, efficient and integrated multi-modal transportation system, safe and well-maintained public infrastructure, and community connectedness. Transportation planning involves long-range multi-modal transportation planning; coordination and development of the Public Works Capital Improvement Plan; partnerships with other public agencies such as Met Council, Hennepin County, and the State of Minnesota; grant applications for outside funding sources; and community engagement around transportation projects along with representing the City on policy boards and technical and advisory committees. This program also encompasses Minneapolis' advisory efforts and planning analysis related to the Minneapolis-St. Paul International Airport. The Transportation Engineering, and Design division provides oversight of all engineering and design for Minneapolis roadways, bridges, streetscapes, and bike trails as well as manages the coordination of work associated with State of Minnesota and Hennepin County projects within Minneapolis. This program provides varying degrees of

construction management and oversight of construction requirements for all roadways, bridges, streetscapes, and bike paths within the City of Minneapolis. These activities include, but are not limited to, field surveying activities, geotechnical analysis, field inspection, material inspection and research, and overall quality control including a significant amount of the actual lab testing being performed by the City's in-house facility. City staff take the lead on construction-related environmental contamination issues associated with construction projects, including a fully-trained staff to deal with site-specific construction contingency and remedial action plans, as well as managing the necessary contracts and consultants.

FINANCIAL ANALYSIS

Expenditure

The total expenditure budget for all Public Works divisions combined is \$387.4 million for 2019. This is an increase of 4.5% or \$16.7 million over the 2018 budget. The largest appropriation increases are found in the internal services fund, with a budgeted increase of 9.9% from 2018. The 2019 budget includes budgetary change items of \$648,000.

Revenue

Total revenue for all Public Works divisions combined is projected to be \$413.9 million, excluding the use of fund balance. This is an increase of 1.1% or \$4.3 million over the 2018 budget.

Fund Allocation

The department is funded from a variety of sources including Enterprise Funds (77.6%), the General Funds (5.8%), Internal Service Funds (11.5%), Capital Project Funds (3.5%), and Special Revenue Funds (1.7%).

Budget Change items

Detailed change items are presented on the following pages.

Public Works Department
Modernization and Records Digitization

2019 Change Item

Program Administration
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
<i>Enter Source (Grant, Fee, etc.)</i>						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	100					
Other						
Net Budgetary Impact						
Expenditures - Revenues	100	0	0	0	0	0
Personnel Impacts						
	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Mayor’s Recommendation:

The City Council approves \$100,000 in one-time funding for scanning expenses for modernization and records digitization for Transportation Planning and Programming and Transportation Engineering and Design.

Rationale/Background:

Public Works is committed to modernizing departmental operations, moving only what needs to be moved to the new office building, and limiting the amount of paper storage needed in the new building. The near term goal is to better serve the public and reduce the amount of paper moving to the new office building and manage future storage needs.

The department has identified that with current staffing, city services and existing technology (Copy Center, KnowledgeLake, and Sharepoint/ELMS/Projectwise), over 700 boxes of paper records could be converted to a digital format. This format would prepare documents for the public (available via customer portals or on the city’s open data platform), improve business processes, allow automated records management, and reduce storage needs.

This funding leverages existing resources by:

- The more prep done to the records, the lower the scanning costs. Public Works proposes using light duty staff (recovering from a work-related injury) to prepare documents for the scanning process. These staff could also be available for the indexing process.
- The department has discussed this project with the City Clerk’s office and believes the copy center has the ability to scan the documents.
- Conversations with IT and a demonstration of software owned by the city are promising.

Public Works Department
Modernization and Records Digitization

2019 Change Item

Description of the Change:

This is a new effort, but very timely. Given the impending move to the new office building for these groups, 2019 is a critical year to go through a records management project to evaluate how the department can use existing technology to digitize current and future records; and to determine what paper can be destroyed and the best way to manage the records that need to be retained.

Equity Impact:

NA

Results:

A successful modernization and records management program will allow Public Works operations to move to the new office building and make records more accessible to the public and city staff. This should positively impact customer service.

Basement storage in City
of Lakes building.



Public Works Department
Right of Way Inspection

2019 Change Item

Program: Transportation Operations and Mobility
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
Rents	150	150	150	150	150	150
Expenditures						
Personnel	50	50	50	50	50	50
IT						
Fleet						
Contractual Services	100	100	100	100	100	100
Other						
Net Budgetary Impact						
Expenditures - Revenues	0	0	0	0	0	0
Personnel Impacts						
	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Mayor’s Recommended Budget:

The City Council approves \$150,000 in ongoing General Fund appropriation backed by new small cell revenue for the electricity costs and additional inspection effort attributable to small cell devices.

Rationale/Background:

In 2018, wireless technology companies made significant investments in small cell technology in Minneapolis. The hardware associated with these networks has been installed on city infrastructure resulting in ongoing additional electrical costs and staff effort and associated permit revenue.

Description of the Change:

The change will appropriate General Fund revenues attributable to new small cell revenue for the electricity costs attributable to small cell devices and related staff effort.

Equity Impact:

This proposal enables the City to continue to support small cell installations on City infrastructure, which is maintained for the benefit of residents, businesses, and visitors to the City.

Results:

Public Works expects the following outcome as a result of this change item:

Ability to keep pace with the growing demands on Public Works to support small cell installations in the City.

Public Works Department
Gap Funding for UTIF

2019 Change Item

Program: Administration
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
Rents						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	25	0	0	0	0	0
Other						
Net Budgetary Impact						
Expenditures - Revenues	25	0	0	0	0	0

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Mayor’s Recommendation:

The City Council approves \$25,000 of one-time appropriation to complete a funding gap for an Urban Transportation Innovation Fellow from October 2019 until the end of December 2019. Funding is being pursued through the McKnight Foundation for one year of a Transportation Innovation Fellow, which would be funded from October 2018 through October 2019. A two-year fellowship is desired by all parties. Additional resources could be pursued as part of a 2020 budget, however a gap remains within 2019.

Rationale/Background:

As part of Public Works’ participation in the Transportation for America Smart Cities Collaborative, a convening of several cities to advance the work of innovation in transportation, the department identified the need for an augmented approach to readying the City for change. Working with Transportation for America, who is working under a current grant with the McKnight Foundation, the department pursued additional funding to hire an Urban Transportation Innovation Fellow, a model that has been successful in several other cities. The purpose of the fellow is to:

- Promote a better understanding of emerging technologies
- Identify potential threats and opportunities of quickly changing technology
- Incorporate a pro-active strategy into Access Minneapolis to ensure equity and opportunity for all.
- Ability to implement public/private partnership pilot programs that serve goals of Minneapolis
- Work collaboratively with the region, including a mirror fellow in St. Paul

Public Works Department
Gap Funding for UTIF

2019 Change Item

Description of the Change:

The Mayor recommends only the amount of funding to ensure a fellow can work through the end of 2019, and the department will consider additional requests to continue the work as part of a future budget. The table below provides additional detail:

Sources	2018 Costs	2019 Costs
Department Funded	\$30,000	
Budget Request		\$25,000

The difference between 2018 and 2019 costs is related to grant requirements in the first year of the fellowship. Absent the 2019 budget, there will be a funding gap for a portion of 2019. This gap will present difficulties in terms of retaining a fellow for the duration of 2019, which could present challenges if the department wishes to consider an additional funding request for 2020.

Equity Impact:

One of the threats of emerging technology is that not all people will be served equally. Because emerging technologies almost always rely on the interface between phone and transportation service, a targeted strategy is needed to avoid widening the gap that exists today.

Results:

Public Works anticipates the following outcomes:

1. Opportunity to extend the fellowship beyond one year
2. Better understanding of opportunities of challenges
3. Potential for pilot programs working together with the private sector

Public Works Department
Winter Maintenance Funding

2019 Change Item

Program: Administration
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
<i>Enter Source (Grant, Fee, etc.)</i>						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	200					
Other						
Net Budgetary Impact						
Expenditures - Revenues	200					
Personnel Impacts						
Change in FTE Count						

Mayor’s Recommended Budget:

The City Council approves \$200,000 in one-time General Fund appropriation for funding snow and ice control (salt) material.

Rationale/Background:

Public Works budgets snow and ice control operations using a five-year historical trend. Moderate winters over this period allowed the department to manage its 2018 budget target using lower salt cost assumptions (Chart 1). A rugged start to 2018 will cause snow and ice expenditures to be well above recent spending. For 2019, it is necessary to reset the five-year trend by adding resources to the materials (salt) budget to avoid other operational trade-offs.

Description of the Change:

This change would increase the salt budget above 2018 levels. This adjustment will account for increased spending in 2018 due to the severe winter and retain the budgeting approach to snow and ice.

Equity Impact:

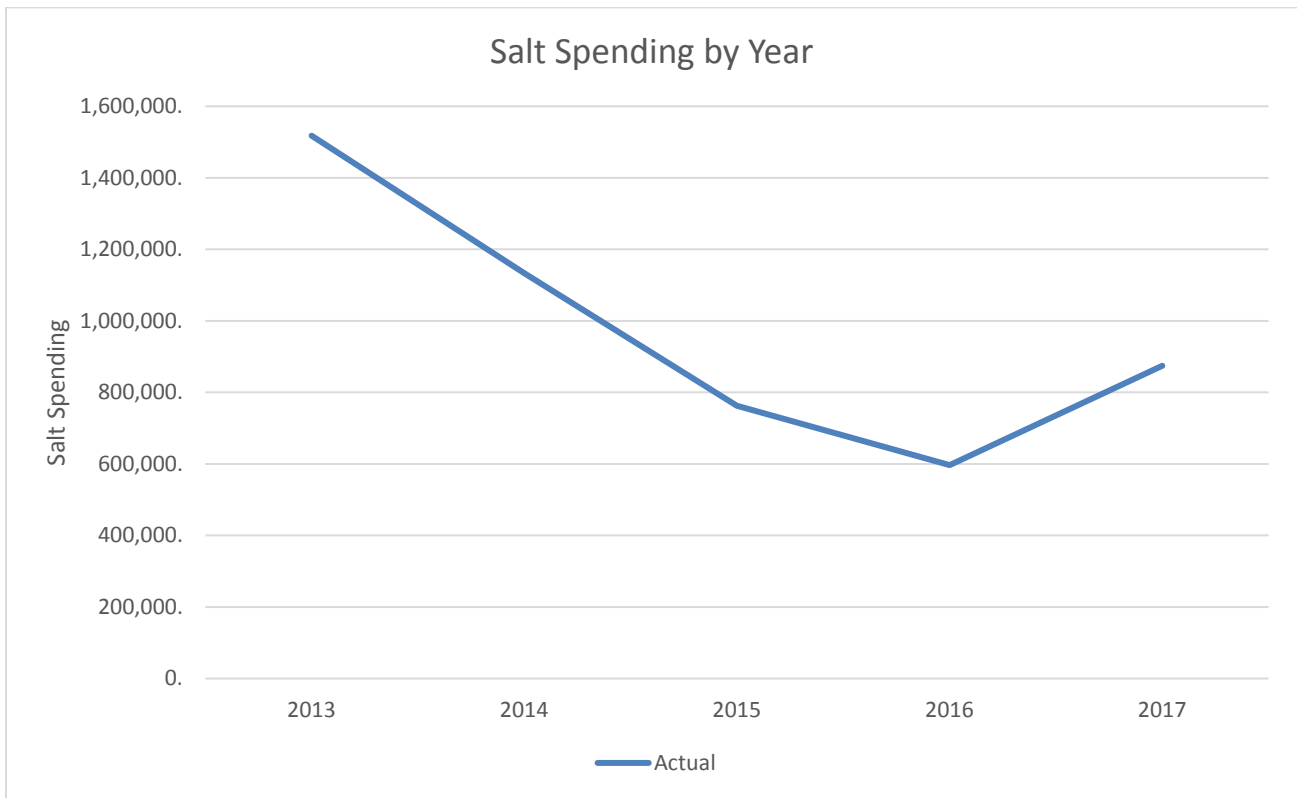
NA

Results:

Public Works anticipates the following outcomes of these investments:

- Stable response to 311 Street Snow and Ice 311 complaints as measured by Service Level Agreement

Chart 1



PW – Traffic & Parking Services
Final Four Reimbursable Expense

2019 Change Item

Program: Transportation Operations & Mobility
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
Host Committee Agreement	60					
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	60					
Other						
Net Budgetary Impact						
Expenditures - Revenues	0	0	0	0	0	0

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Proposal:

The City Council approves \$60,000 one-time for reimbursable expenses and \$60,000 anticipated revenues associated with the 2019 Final Four.

Rationale/Background:

Bringing large scale events, like the Final Four, to Minneapolis gives residents a chance to participate in activities, concerts and events associated with the games. They also help cultivate a sense of community pride with the city welcoming visitors from across the world.

Major events bring major revenues to our city, not just in the form of taxes, but also in helping to support local business specifically in the hospitality industry. We also use these events to showcase our capital investments in US Bank Stadium and Nicollet Mall to the almost 90,000 visitors coming to town.

Description of the Change:

These one-time funds are primarily for staff overtime necessary in order to execute the department’s support of the event. These expenditures are offset by revenues associated with the local host committee agreement with the City.

Equity Impact:

The Final Four is a whole weekend of activities, including the national semi-final and championship games -- but also multiple free and low-cost events for all residents to enjoy.

Results:

Through the additional effort represented by the expenditure of these funds, and in partnership with the local host committee, the city will be able to effectively ensure the public’s safety and ultimately host a successful event. These outcomes will position the city positively to host future NCAA events, amplifying the positive impacts for Minneapolis mentioned above.

Public Works
Infrastructure Improvement Planning

2019 Change Item

Program: Transportation, Planning, Design, and Engineering
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
CPED Base Reduction	50	50	50	50	50	50
Transportation Operations Mobility Base Reduction	30	30	30	30	30	30
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services	113	113	113	113	113	113
Other						
Net Budgetary Impact						
Expenditures - Revenues	33	33	33	33	33	33

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Proposal:

The City Council approves \$113,000 ongoing funding to increase the capacity to proactively plan infrastructure improvements, working in collaboration with CPED, to keep pace with the rapid growth in development. Revenues have been identified in savings in existing ongoing budgeted activities.

Rationale/Background:

Maximizing the benefits of private development requires coordination with public infrastructure. In addition to providing the best possible space for the public, this can also provide benefits to the public, the city, and developers by reducing costs and avoiding future disruptions. This proposal will result in dedicated staff resources for coordinating and collaborating around development and public infrastructure.

Description of the Change:

Maximizing the benefits of private development requires coordination with public infrastructure. This proposal creates a dedicated resource to focus on this work. The person will work within the Public Works Transportation Planning and Programming Division and work in collaboration with Public Works and Community Planning and Economic Development staff within the development review process. This person will be able to support the city’s planning work, such as small area plans and modal plans, as well as adopted policies such as the city’s Complete Streets Policy. Internal partners include Community Planning and Economic Development. External partners include other public agencies such as Hennepin County, the State of Minnesota, Metropolitan Council, etc.

Infrastructure Improvement Planning**Equity Impact:**

This change will help the City pursue equity-related transportation and land use goals, by giving more people better transportation options. Better options will help more people reduce or eliminate their dependence on personal vehicles, enabling them to avoid the significant cost of car ownership and therefore hold on to more disposable income.

Results:

Commute Mode Share – very broadly, high functioning coordination between infrastructure improvements and development will further city progress on transportation and land use goals, making the city more accessible via nonmotorized modes and transit.

PUBLIC WORKS

EXPENSE AND REVENUE INFORMATION

EXPENSE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
CAPITAL PROJECT						
SALARIES AND WAGES	3,350,000	3,634,000	4,525,000	4,700,000	3.9%	175,000
OPERATING COSTS	91,000	73,000	118,000	116,000	-1.7%	-2,000
FRINGE BENEFITS	1,105,000	1,303,000	1,741,000	1,795,000	3.1%	54,000
CONTRACTUAL SERVICES	4,917,000	7,916,000	7,982,000	8,211,000	2.9%	229,000
CAPITAL	37,000	28,000	240,000	80,000	-66.7%	-160,000
TOTAL CAPITAL PROJECT	9,500,000	12,954,000	14,606,000	14,902,000	2.0%	296,000
ENTERPRISE						
SALARIES AND WAGES	33,795,000	35,058,000	38,935,000	40,972,000	5.2%	2,037,000
OPERATING COSTS	61,812,000	61,653,000	63,212,000	64,198,000	1.6%	986,000
FRINGE BENEFITS	15,524,000	21,488,000	19,275,000	19,619,000	1.8%	344,000
CONTRACTUAL SERVICES	107,966,000	110,799,000	120,226,000	124,668,000	3.7%	4,442,000
CAPITAL	406,000	335,000	2,723,000	5,207,000	91.2%	2,484,000
TOTAL ENTERPRISE	219,503,000	229,333,000	244,371,000	254,664,000	4.2%	10,293,000
GENERAL						
SALARIES AND WAGES	18,942,000	19,399,000	20,050,000	21,058,000	5.0%	1,008,000
OPERATING COSTS	8,340,000	9,228,000	9,060,000	8,870,000	-2.1%	-190,000
FRINGE BENEFITS	8,674,000	8,773,000	9,495,000	9,770,000	2.9%	275,000
CONTRACTUAL SERVICES	20,740,000	21,658,000	22,180,000	22,626,000	2.0%	446,000
CAPITAL	214,000	492,000	154,000	241,000	56.5%	87,000
TOTAL GENERAL	56,910,000	59,550,000	60,939,000	62,565,000	2.7%	1,626,000
INTERNAL SERVICE						
SALARIES AND WAGES	5,863,000	5,749,000	6,255,000	6,495,000	3.8%	240,000
OPERATING COSTS	6,010,000	10,708,000	13,377,000	14,333,000	7.1%	956,000
FRINGE BENEFITS	2,962,000	5,078,000	3,156,000	3,062,000	-3.0%	-94,000
CONTRACTUAL SERVICES	7,498,000	8,079,000	8,135,000	9,127,000	12.2%	992,000
CAPITAL	7,889,000	319,000	12,926,000	15,163,000	17.3%	2,237,000
TOTAL INTERNAL SERVICE	30,222,000	29,933,000	43,849,000	48,180,000	9.9%	4,331,000
SPECIAL REVENUE						
SALARIES AND WAGES	12,000	3,000		0		
OPERATING COSTS	4,000			0		
FRINGE BENEFITS	4,000	1,000		0		
CONTRACTUAL SERVICES	6,108,000	6,902,000	6,920,000	7,121,000	2.9%	201,000
TOTAL SPECIAL REVENUE	6,128,000	6,906,000	6,920,000	7,121,000	2.9%	201,000
TOTAL EXPENSE	322,263,000	338,676,000	370,685,000	387,432,000	4.5%	16,747,000

PUBLIC WORKS
EXPENSE AND REVENUE INFORMATION

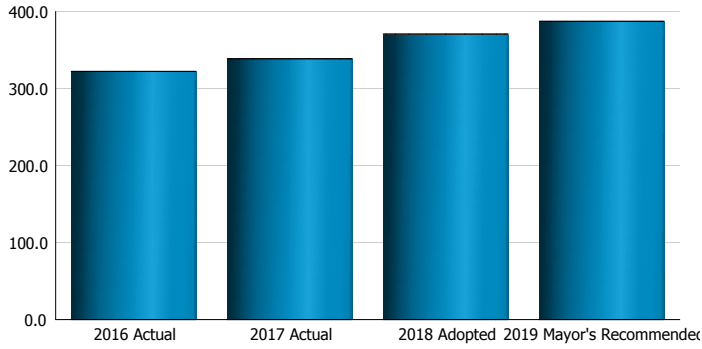
REVENUE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
CAPITAL PROJECT						
CHARGES FOR SERVICES	7,633,000	7,416,000	16,291,000	12,825,000	-21.3%	-3,466,000
FEDERAL GOVERNMENT	89,000			0	0.0%	
LICENSE AND PERMITS	118,000	337,000	310,000	310,000	0.0%	
OTHER MISC REVENUES	1,000	2,000		0	0.0%	
SPECIAL ASSESSMENTS	137,000	60,000	100,000	100,000	0.0%	
TRANSFERS IN		-500,000		0	0.0%	
USE OF FUND BALANCE			-2,094,000	1,666,000	-179.6%	3,760,000
CAPITAL PROJECT	7,978,000	7,315,000	14,607,000	14,901,000	2.0%	294,000
ENTERPRISE						
CHARGES FOR SALES	3,401,000	1,609,000	1,668,000	1,510,000	-9.5%	-158,000
CHARGES FOR SERVICES	285,497,000	291,736,000	304,876,000	313,739,000	2.9%	8,861,000
FINES AND FORFEITS	65,000	66,000	45,000	45,000	0.0%	
GAINS	208,000	24,878,000	6,000,000	0	-100.0%	-6,000,000
INTEREST	3,000			0	0.0%	
LICENSE AND PERMITS	614,000	565,000	590,000	670,000	13.6%	80,000
LOCAL GOVERNMENT	1,935,000	2,244,000	2,035,000	2,143,000	5.3%	107,000
LONG TERM LIABILITIES PROCEEDS				0	0.0%	
OTHER MISC REVENUES	512,000	23,000		0	0.0%	
RENTS	32,000	717,000		49,000	0.0%	49,000
SPECIAL ASSESSMENTS	1,502,000	1,566,000	1,733,000	1,896,000	9.4%	163,000
STATE GOVERNMENT	1,478,000	1,691,000	1,204,000	1,346,000	11.7%	141,000
TRANSFERS IN	1,101,000	1,213,000		0	0.0%	
USE OF FUND BALANCE			-1,414,000	7,857,000	-655.6%	9,270,000
ENTERPRISE	296,348,000	326,308,000	316,737,000	329,255,000	4.0%	12,513,000
GENERAL						
CHARGES FOR SALES	71,000	107,000	60,000	65,000	8.3%	5,000
CHARGES FOR SERVICES	14,115,000	15,849,000	11,961,000	12,474,000	4.3%	513,000
GAINS	2,000			0	0.0%	
LICENSE AND PERMITS	3,138,000	3,358,000	2,360,000	2,965,000	25.6%	605,000
LOCAL GOVERNMENT	1,165,000	1,015,000	861,000	880,000	2.2%	19,000
LONG TERM LIABILITIES PROCEEDS	-2,000			0	0.0%	
OTHER MISC REVENUES	162,000	458,000	215,000	225,000	4.7%	10,000
RENTS	52,000	314,000		400,000	0.0%	400,000
SPECIAL ASSESSMENTS	2,381,000	2,494,000	2,460,000	2,460,000	0.0%	
STATE GOVERNMENT	5,746,000	5,158,000	4,949,000	5,340,000	7.9%	391,000
GENERAL	26,830,000	28,753,000	22,866,000	24,809,000	8.5%	1,943,000
INTERNAL SERVICE						
CHARGES FOR SALES	6,764,000	11,017,000	14,242,000	14,930,000	4.8%	688,000
CHARGES FOR SERVICES	11,364,000	12,386,000	11,311,000	12,106,000	7.0%	796,000

PUBLIC WORKS
EXPENSE AND REVENUE INFORMATION

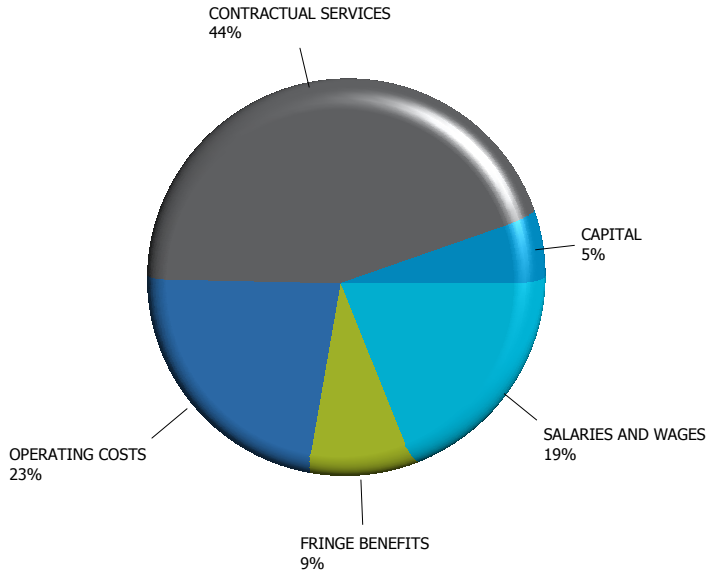
REVENUE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GAINS	424,000	290,000		0	0.0%	
LONG TERM LIABILITIES PROCEEDS	-407,000			0	0.0%	
OTHER MISC REVENUES	74,000	18,000	10,000	10,000	0.0%	
RENTS	16,446,000	19,195,000	19,639,000	20,329,000	3.5%	690,000
STATE GOVERNMENT		4,000		0	0.0%	
USE OF FUND BALANCE			7,311,000	1,489,000	-79.6%	-5,823,000
INTERNAL SERVICE	34,665,000	42,910,000	52,513,000	48,864,000	-6.9%	-3,649,000
SPECIAL REVENUE						
CONTRIBUTIONS		-5,000		0	0.0%	
OTHER MISC REVENUES	19,000	20,000		0	0.0%	
SPECIAL ASSESSMENTS	6,119,000	6,693,000	6,670,000	7,121,000	6.8%	451,000
STATE GOVERNMENT		9,000		0	0.0%	
SPECIAL REVENUE	6,138,000	6,717,000	6,670,000	7,121,000	6.8%	451,000
TOTAL REVENUE	371,959,000	412,003,000	413,393,000	424,950,000	2.8%	11,552,000

**PUBLIC WORKS
EXPENSE AND REVENUE INFORMATION**

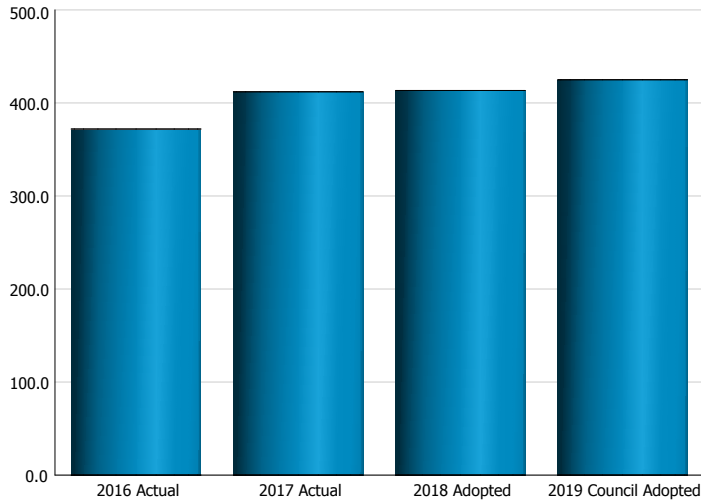
Expense 2016 - 2019
In Millions



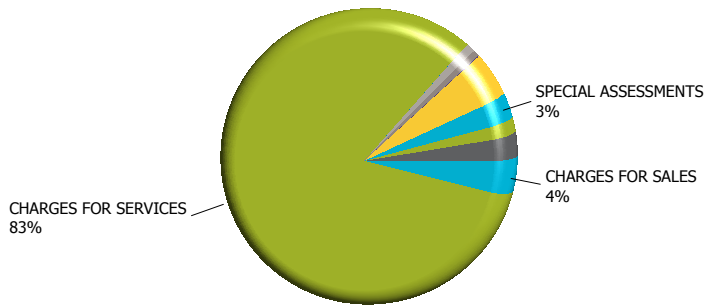
Expense by Category



Revenue 2016 - 2019
In Millions



Revenue by Type

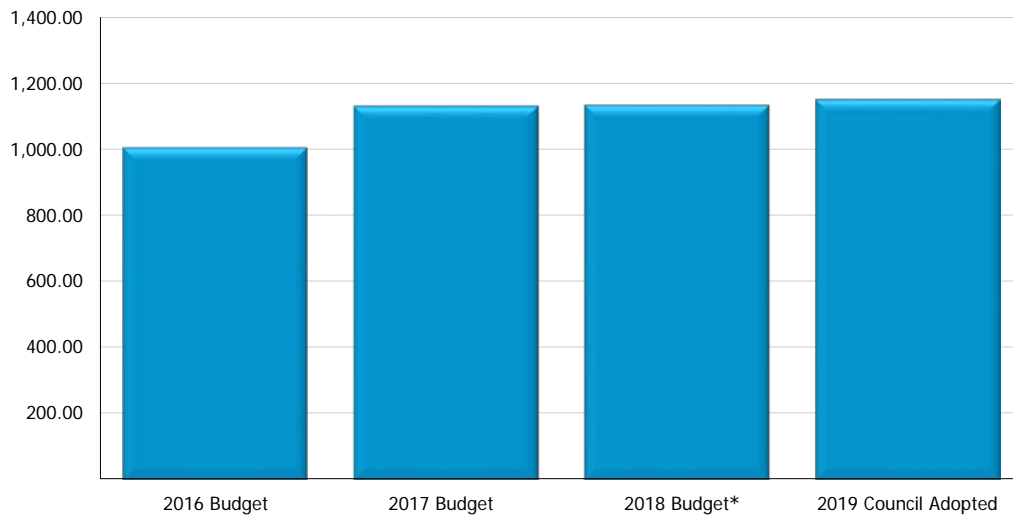


PUBLIC WORKS

Staffing Information

Division	2016 Budget	2017 Budget	2018 Budget*	2019 Council Adopted	% Change	Change
ADMINISTRATIVE SERVICES	16.00	16.00	16.00	16.00	0.0%	0
FLEET	75.00	75.00	75.00	75.00	0.0%	0
SOLID WASTE	151.00	151.00	151.00	151.00	0.0%	0
SURFACE WATER & SEWERS-SANITARY	47.75	59.75	59.75	60.25	0.8%	0.50
SURFACE WATER & SEWERS-STORMWATR	51.00	53.50	54.00	54.50	0.9%	0.50
TRAFFIC AND PARKING SERVICES	103.00	112.40	114.40	114.40	0.0%	0
TRANSPORTATION MAINTENANCE AND REPAIR	216.15	219.95	219.95	219.95	0.0%	0
TRANSPORTATION PLAN/PROGRAMING	17.00	21.00	21.50	22.50	4.7%	1.00
TRANSPORTATION PLANNING AND ENGINEERING	75.00	81.00	81.00	81.50	0.6%	0.50
WATER TREATMENT & DISTR.	193.00	192.00	192.00	195.75	2.0%	3.75
CAPITAL	61.00	150.00	150.00	161.00	7.3%	11.00
Overall	1,005.90	1,131.60	1,134.60	1,151.85	1.5%	17.25

Positions 2016-2019



* 2018 FTE counts may differ from 2018 adopted budget due to mid year adjustments, including funding and organizational changes.

FINANCIAL ANALYSIS - PUBLIC WORKS ADMINISTRATIVE SERVICES

Expenditure

The total budget for Public Works Administrative Services decreases from \$4.0 million to \$3.9 million from 2018 to 2019. This is a decrease of \$56,000, or 1.4%. The 2019 expenditure budget reflects a decrease of \$750,000 in one-time items from 2018 partially offset by general and inflationary expenses and new change items.

Revenue

The total budget for Public Works Administrative Services increases from \$3.3 million to \$3.5 million from 2018 to 2019. This is an increase of \$189,000, or 5.8%. This increase is driven by an increase in charges to other departments.

Fund Allocation

This department is funded completely in the General Fund.

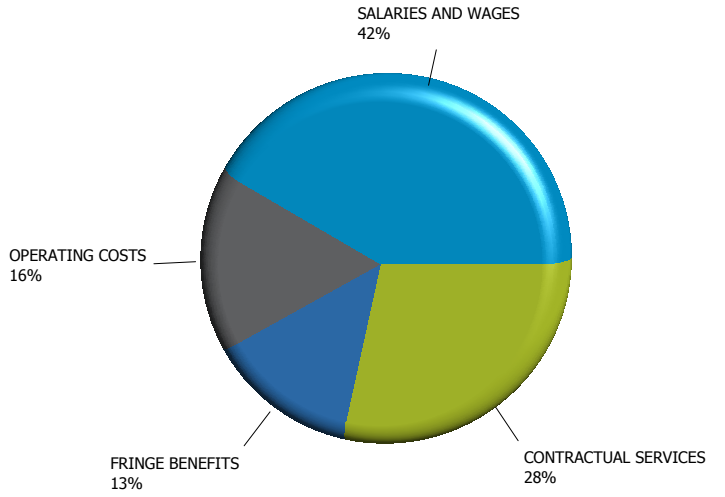
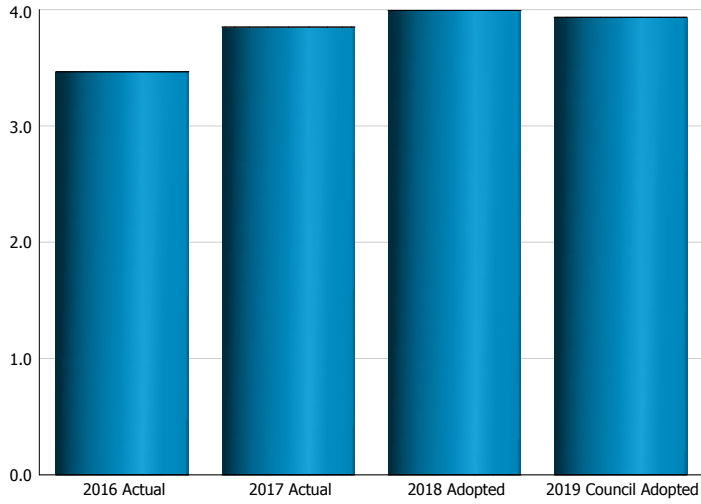
**PW - ADMINISTRATIVE SERVICES
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	1,367,000	1,427,000	1,516,000	1,637,000	8.0%	121,000
FRINGE BENEFITS	417,000	439,000	514,000	531,000	3.3%	17,000
CONTRACTUAL SERVICES	924,000	1,222,000	1,502,000	1,118,000	-25.6%	-384,000
OPERATING COSTS	730,000	753,000	460,000	648,000	40.9%	188,000
CAPITAL	28,000	9,000	1,000	1,000		
TOTAL GENERAL	3,466,000	3,850,000	3,993,000	3,935,000	-1.5%	-58,000
TOTAL EXPENSE	3,466,000	3,850,000	3,993,000	3,935,000	-1.5%	-58,000
REVENUE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SALES		1,000		0		
CHARGES FOR SERVICES	2,358,000	2,941,000	2,665,000	2,854,000	7.1%	189,000
LICENSE AND PERMITS	840,000	729,000	600,000	600,000		
GENERAL	3,198,000	3,671,000	3,265,000	3,454,000	5.8%	189,000
TOTAL REVENUE	3,198,000	3,671,000	3,265,000	3,454,000	5.8%	189,000

**PW - ADMINISTRATIVE SERVICES
EXPENSE AND REVENUE INFORMATION**

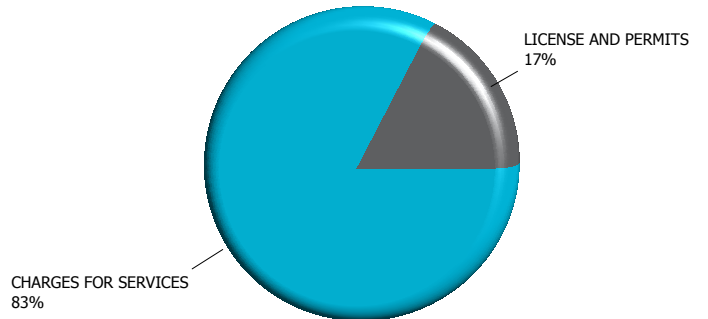
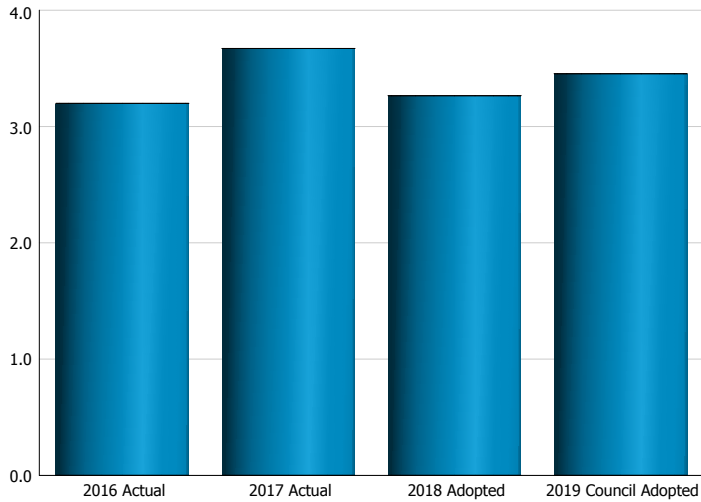
Expense by Category

Expense 2016 - 2019
In Millions



Revenue by Type

Revenue 2016 - 2019
In Millions

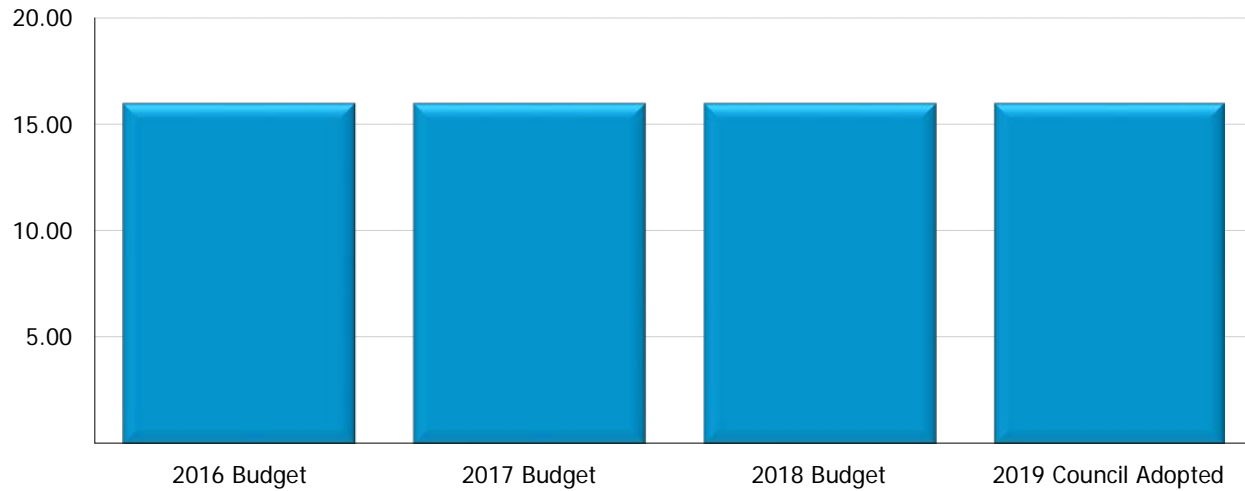


PW - ADMINISTRATIVE SERVICES

Staffing Information

Division	2016 Budget	2017 Budget	2018 Budget	2019 Council Adopted	% Change	Change
MANAGEMENT SERVICES	13.00	13.00	13.00	13.00	0.0%	0
SAFETY/RISK MANAGEMENT	3.00	3.00	3.00	3.00	0.0%	0
Overall	16.00	16.00	16.00	16.00	0.0%	0

Positions 2016-2019



FINANCIAL ANALYSIS - FLEET SERVICES DEPARTMENT

Expenditure

The total Public Works – Fleet Services Department budget increases from \$36.1 million to \$39.4 million from 2018 to 2019. This is an increase of \$3.2 million, or 8.9%. The department's 2019 expenditure budget reflects general and inflationary cost increases, and the planned increase of \$3.1 million in capital purchases based on the vehicle and equipment replacement schedule.

Revenue

Revenues are projected to increase by 2.8% in this department due to an increase in fleet rental rates. The department's total revenues in 2019 are projected to be \$38.6 million, excluding use of fund balance.

Fund Allocation

This department is funded completely in the Fleet Services Division Fund.

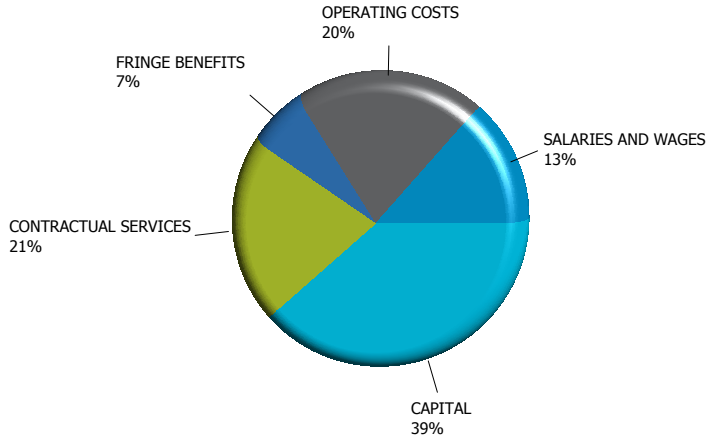
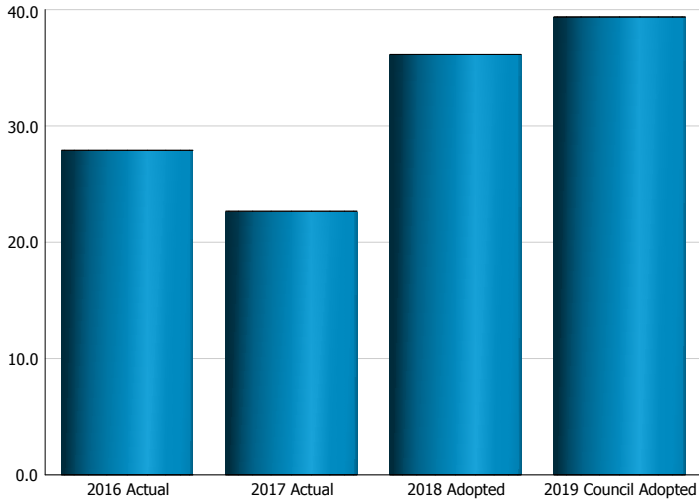
**PW - FLEET
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
INTERNAL SERVICE						
SALARIES AND WAGES	4,734,000	4,690,000	5,122,000	5,306,000	3.6%	184,000
FRINGE BENEFITS	2,570,000	4,383,000	2,693,000	2,576,000	-4.3%	-117,000
CONTRACTUAL SERVICES	6,842,000	7,197,000	7,489,000	8,287,000	10.7%	798,000
OPERATING COSTS	5,869,000	6,077,000	7,916,000	8,038,000	1.5%	122,000
CAPITAL	7,889,000	319,000	12,926,000	15,163,000	17.3%	2,237,000
TOTAL INTERNAL SERVICE	27,904,000	22,666,000	36,146,000	39,370,000	8.9%	3,224,000
TOTAL EXPENSE	27,904,000	22,666,000	36,146,000	39,370,000	8.9%	3,224,000
INTERNAL SERVICE						
CHARGES FOR SALES	6,441,000	6,311,000	8,625,000	8,441,000	-2.1%	-183,000
CHARGES FOR SERVICES	8,953,000	9,703,000	9,225,000	9,773,000	6.0%	549,000
GAINS	424,000	290,000		0		
LONG TERM LIABILITIES PROCEEDS	-407,000			0		
OTHER MISC REVENUES	4,000	17,000	10,000	10,000		
RENTS	16,446,000	19,195,000	19,639,000	20,329,000	3.5%	690,000
STATE GOVERNMENT		3,000		0		
USE OF FUND BALANCE			7,311,000	1,499,000	-79.5%	-5,813,000
INTERNAL SERVICE	31,861,000	35,519,000	44,810,000	40,052,000	-10.6%	-4,758,000
TOTAL REVENUE	31,861,000	35,519,000	44,810,000	40,052,000	-10.6%	-4,758,000

**PW - FLEET
EXPENSE AND REVENUE INFORMATION**

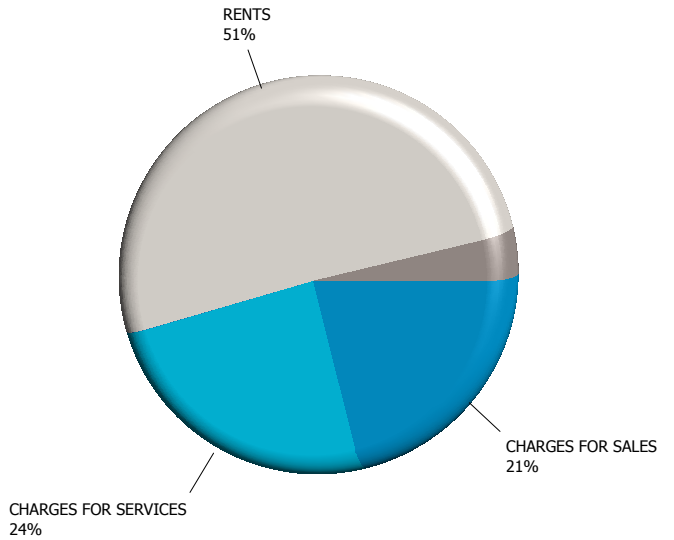
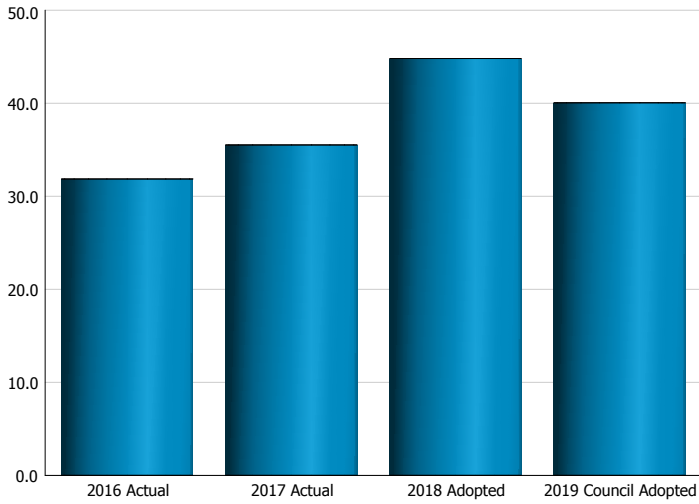
Expense by Category

Expense 2016 - 2019
In Millions



Revenue by Type

Revenue 2016 - 2019
In Millions

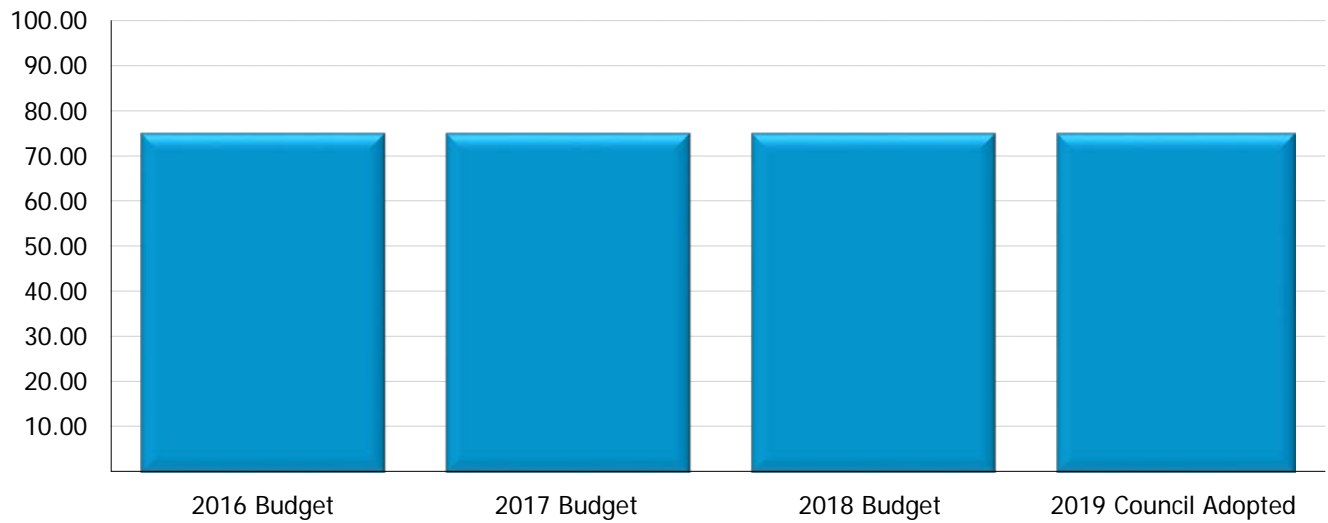


PW - FLEET

Staffing Information

Division	2016 Budget	2017 Budget	2018 Budget	2019 Council Adopted	% Change	Change
FSD Administration	10.00	10.00	10.00	10.00	0.0%	0
FSD Operations	5.00	4.00	5.00	5.00	0.0%	0
MAINTENANCE	60.00	61.00	60.00	60.00	0.0%	0
Overall	75.00	75.00	75.00	75.00	0.0%	0

Positions 2016-2019



FINANCIAL ANALYSIS - SOLID WASTE AND RECYCLING

Expenditure

The total Solid Waste and Recycling Department budget increased from \$40.8 million to \$43.4 million from 2018 to 2019. This is an increase of \$2.5 million, or 6.1%. The department's 2019 expenditure budget reflects the following changes from 2018:

- Increase in personnel cost by \$702,000 as result of new contracts and step increases;
- Increase in yard waste, garbage, TV and mattress collection, hauling, disposing, and recycling costs by \$860,000 due to new vendor contracts;
- Increase in equipment, vehicle, capital repairs, operating supplies, and cart purchases by \$612,000;
- An overall increase of \$376,000 in payment to City services as set by the 2019 allocation rate model;
- Increase in IT project relating to SWIS software by \$299,000; and
- Decrease in general maintenance, abatement, and contractual services by \$341,000.

Revenue

Revenues are projected to increase by 2.4% in this department due to increase in (i) service revenue by \$892,000 due to increase in rates in the monthly utility billing from \$23.99 to \$24.53 per dwelling unit; and (ii) recycling grants by \$67,00 based on SCORE projections. The department's total revenues in 2019 are projected to be \$41.5 million, not including use of fund balance.

Fund Allocation

This department is funded completely in the Solid Waste and Recycling fund.

**PW - SOLID WASTE
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
ENTERPRISE						
SALARIES AND WAGES	7,708,000	8,308,000	9,338,000	9,867,000	5.7%	529,000
FRINGE BENEFITS	4,200,000	4,479,000	5,079,000	5,212,000	2.6%	133,000
CONTRACTUAL SERVICES	21,189,000	21,492,000	23,064,000	24,136,000	4.6%	1,072,000
OPERATING COSTS	2,769,000	2,506,000	1,817,000	2,150,000	18.3%	333,000
CAPITAL			1,549,000	1,990,000	28.5%	441,000
TOTAL ENTERPRISE	35,866,000	36,785,000	40,847,000	43,355,000	6.1%	2,508,000

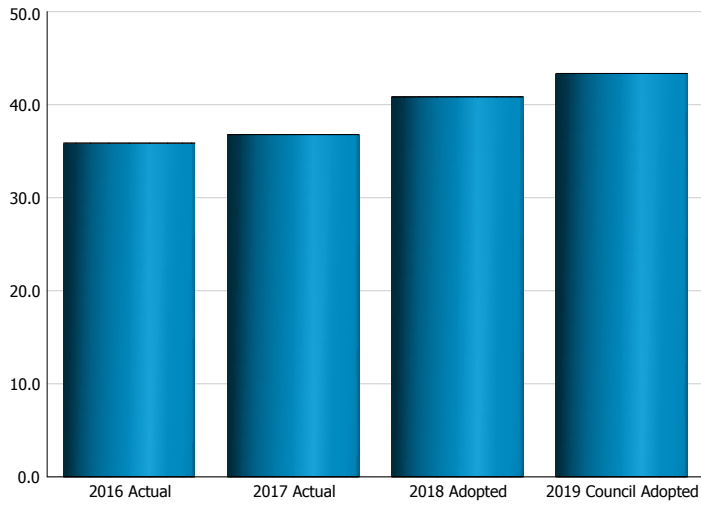
TOTAL EXPENSE	35,866,000	36,785,000	40,847,000	43,355,000	6.1%	2,508,000
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REVENUE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
ENTERPRISE						
CHARGES FOR SALES	407,000	626,000	368,000	350,000	-4.9%	-18,000
CHARGES FOR SERVICES	36,601,000	37,490,000	38,247,000	39,356,000	2.9%	1,109,000
GAINS	207,000	103,000		0		
INTEREST	3,000			0		
LOCAL GOVERNMENT	1,595,000	1,526,000	1,701,000	1,768,000	3.9%	67,000
OTHER MISC REVENUES	38,000	2,000		0		
SPECIAL ASSESSMENTS	227,000	222,000	190,000	0	-100.0%	-190,000
STATE GOVERNMENT	21,000	11,000	8,000	0	-100.0%	-8,000
USE OF FUND BALANCE			-138,000	2,059,000	-1,592.0%	2,197,000
ENTERPRISE	39,099,000	39,980,000	40,376,000	43,533,000	7.8%	4,165,000

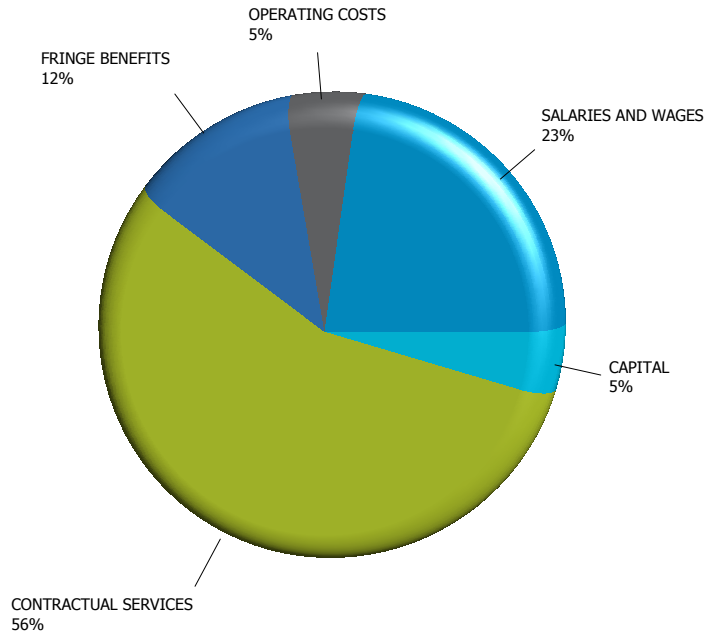
TOTAL REVENUE	39,099,000	39,980,000	40,376,000	43,533,000	7.8%	4,165,000
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**PW - SOLID WASTE
EXPENSE AND REVENUE INFORMATION**

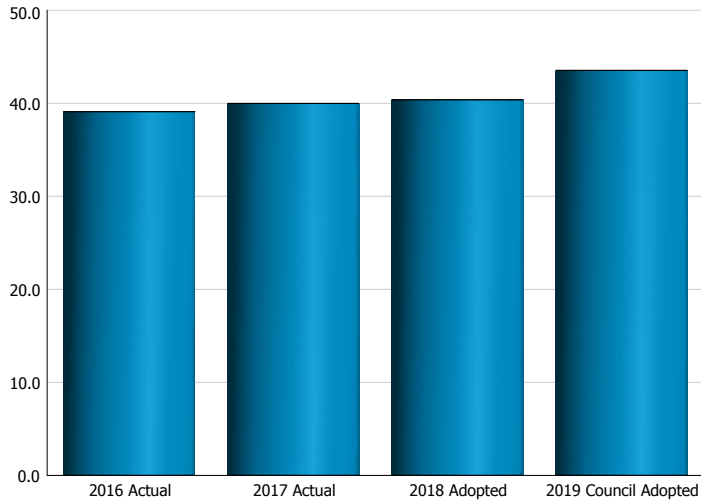
Expense 2016 - 2019
In Millions



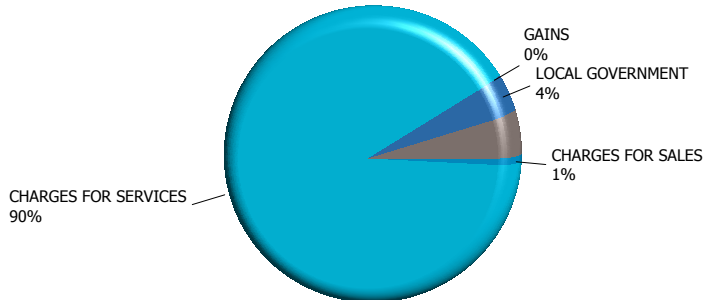
Expense by Category



Revenue 2016 - 2019
In Millions



Revenue by Type

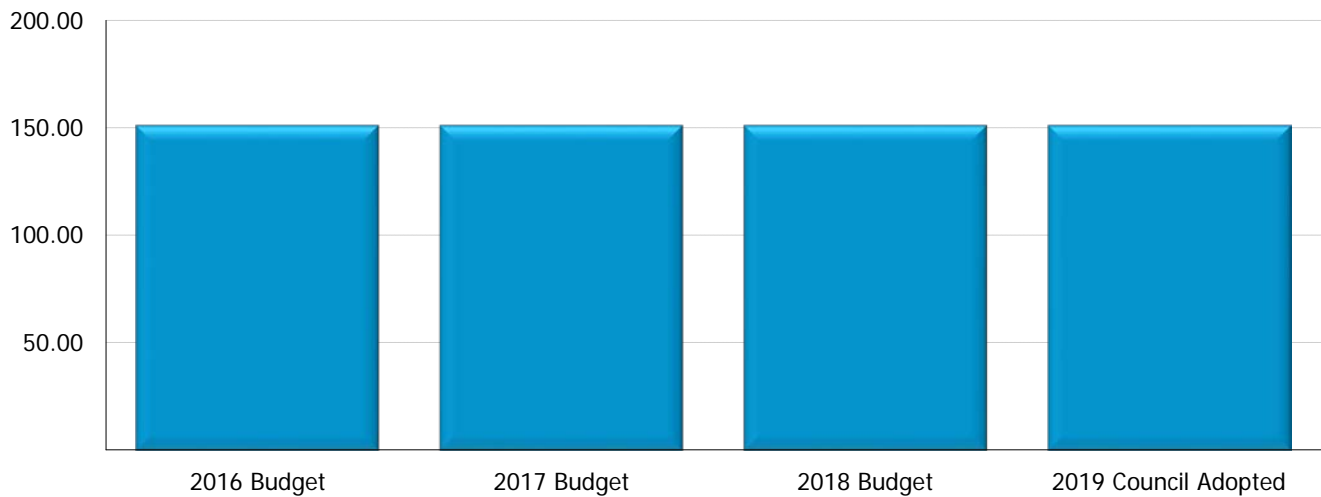


PW - SOLID WASTE

Staffing Information

Division	2016 Budget	2017 Budget	2018 Budget	2019 Council Adopted	% Change	Change
ADMINISTRATION	16.00	16.00	17.00	17.00	0.0%	0
CLEAN CITY	19.00	19.00	19.00	19.00	0.0%	0
COLLECTION	38.00	38.00	38.00	39.00	2.6%	1.00
CUSTOMER SERVICE	8.00	8.00	8.00	8.00	0.0%	0
EQUIPMENT	12.00	12.00	11.00	11.00	0.0%	0
LARGE ITEM/PROBLEM MATERIAL	8.00	8.00	8.00	8.00	0.0%	0
ORGANICS	17.00	17.00	17.00	16.00	-5.9%	(1.00)
RECYCLING	20.00	20.00	20.00	20.00	0.0%	0
TRANSFER STATIONS	1.00	1.00	1.00	1.00	0.0%	0
YARD WASTE PROGRAM	12.00	12.00	12.00	12.00	0.0%	0
Overall	151.00	151.00	151.00	151.00	0.0%	0

Positions 2016-2019



FINANCIAL ANALYSIS - SANITARY SEWER DEPARTMENT

Expenditure

The total Sanitary Sewer Department budget increased from \$67.5 million to \$69.9 million from 2018 to 2019. This is an increase of \$2.5 million, or 3.7%. The department's 2019 expenditure budget reflects the following changes from 2018:

- Estimated rate increase of 1.5% in monthly Met Council fees for waste water discharge totaling \$41.9 million, an increase of \$637,000 over 2018;
- Increase in personnel totaling an increase of \$307,000 in salaries and fringes due to step increase and health cost;
- Increase in payments to City services by \$586,000 as set by the 2019 rate model allocations;
- Increase in contractual services by \$300,000 relating to design, cleaning, rehab, repairs, and maintenance work;
- Increase in SAC charges by \$1.0 million due to increase in construction activities; and
- Decrease in fleet, equipment gap, and equipment by \$363,000.

Revenue

Revenues are projected to increase by 8.2% in this department due to a combined increase in: (i) service revenue by \$5.2 million due to increase in monthly variable and fixed utility rates of \$0.33 and \$0.50 per billing unit; (ii) SAC revenue by \$1.0 million due to increase in construction activities; and (iii) a decrease in miscellaneous revenue by \$15,000 due to decrease in design activities. The department's total revenues in 2019 are projected to be \$80.9 million, not including use of fund balance.

Fund Allocation

This department is funded completely in the Sanitary Sewer Fund.

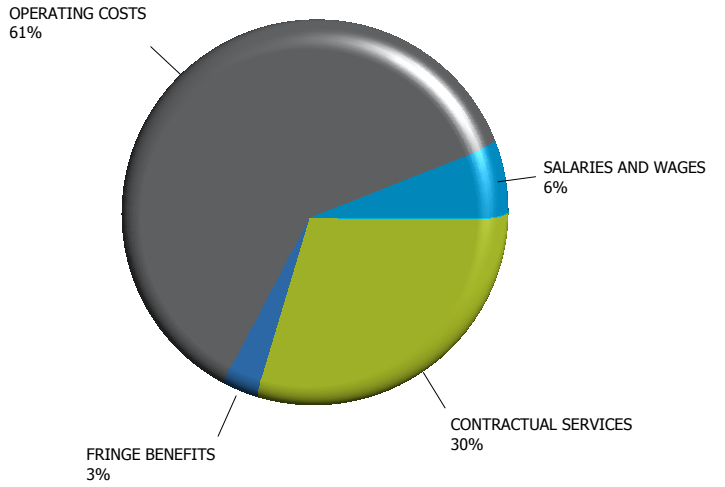
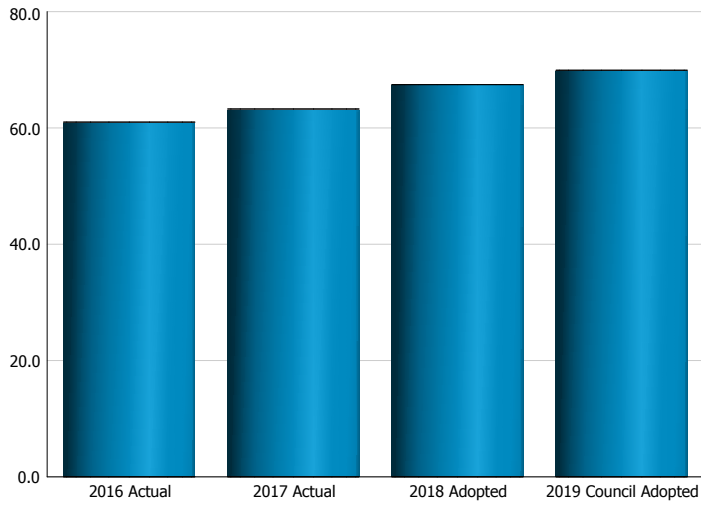
**PW - SURFACE WATER & SEWERS-SANITARY
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
ENTERPRISE						
SALARIES AND WAGES	3,488,000	3,670,000	4,010,000	4,189,000	4.5%	179,000
FRINGE BENEFITS	1,720,000	1,786,000	2,075,000	2,161,000	4.1%	86,000
CONTRACTUAL SERVICES	16,868,000	18,192,000	18,825,000	20,654,000	9.7%	1,829,000
OPERATING COSTS	38,925,000	39,609,000	42,334,000	42,850,000	1.2%	516,000
CAPITAL			206,000	70,000	-66.0%	-136,000
TOTAL ENTERPRISE	61,001,000	63,257,000	67,450,000	69,924,000	3.7%	2,474,000
TOTAL EXPENSE	61,001,000	63,257,000	67,450,000	69,924,000	3.7%	2,474,000
REVENUE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
ENTERPRISE						
CHARGES FOR SALES	9,000	27,000		0		
CHARGES FOR SERVICES	67,649,000	68,304,000	74,748,000	80,835,000	8.1%	6,086,000
LICENSE AND PERMITS	79,000	24,000	50,000	100,000	100.0%	50,000
SPECIAL ASSESSMENTS	103,000	75,000		0		
STATE GOVERNMENT		311,000		0		
USE OF FUND BALANCE			89,000	-732,000	-922.5%	-821,000
ENTERPRISE	67,840,000	68,741,000	74,887,000	80,203,000	7.1%	5,316,000
TOTAL REVENUE	67,840,000	68,741,000	74,887,000	80,203,000	7.1%	5,316,000

**PW - SURFACE WATER & SEWERS-SANITARY
EXPENSE AND REVENUE INFORMATION**

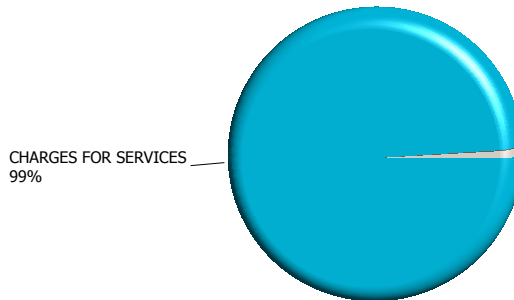
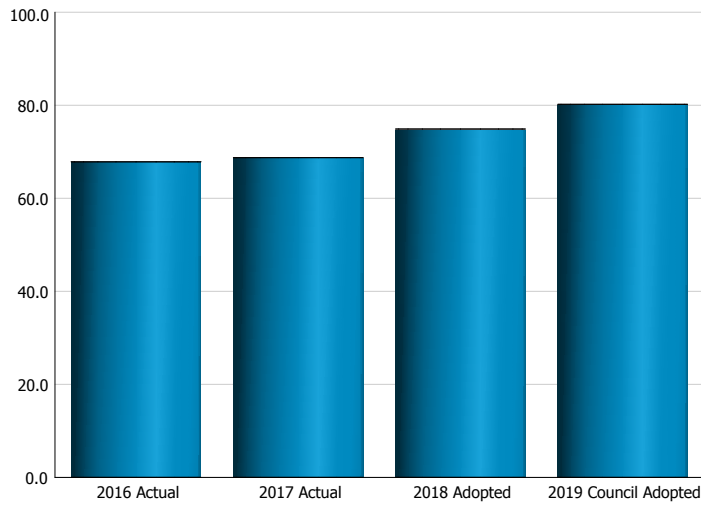
Expense by Category

Expense 2016 - 2019
In Millions



Revenue by Type

Revenue 2016 - 2019
In Millions

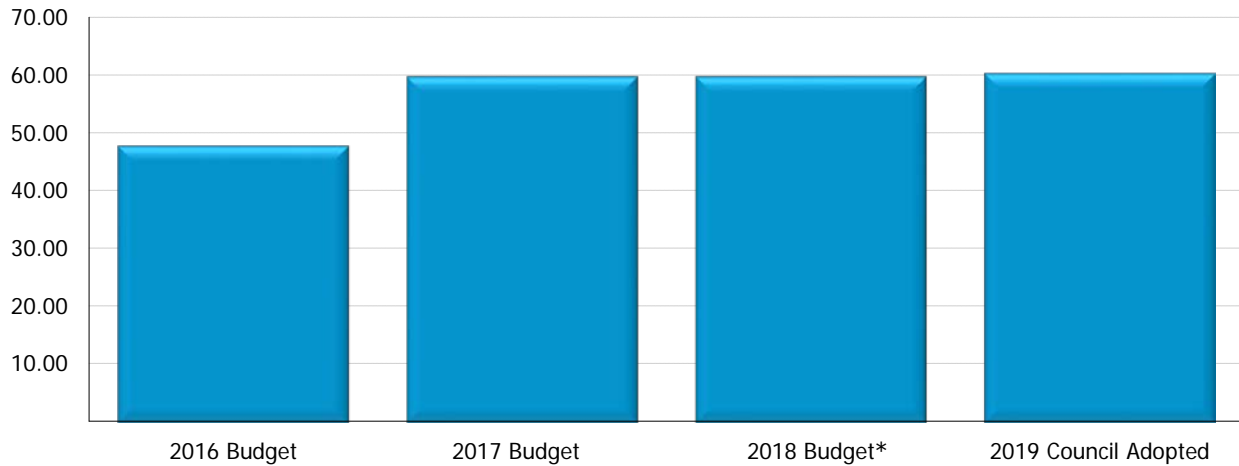


PW - SURFACE WATER & SEWERS-SANITARY

Staffing Information

Division	2016 Budget	2017 Budget	2018 Budget*	2019 Council Adopted	% Change	Change
DESIGN	5.50	5.50	5.50	5.00	-9.1%	(0.50)
SANITARY SEWER	38.75	47.25	47.25	46.25	-2.1%	(1.00)
SEWER ADMINISTRATION	3.50	7.00	7.00	9.00	28.6%	2.00
Overall	47.75	59.75	59.75	60.25	0.8%	0.50

Positions 2016-2019



*2018 FTE counts may differ from 2018 adopted budget due to mid year adjustments, including funding and organizational changes.

FINANCIAL ANALYSIS - STORM WATER DEPARTMENT

Expenditure

The total Storm Water Department budget increased from \$21.6 million to \$22.2 million from 2018 to 2019. This is an increase of \$522,000, or 2.4%. The department's 2019 expenditure budget reflects the following changes from 2018:

- Increase in personnel cost by \$148,000 as result of increase in FTE's by 0.5, new contracts, and step increases;
- Increase in payment for City services by \$195,000 as set by the 2019 allocation rate model;
- Increase in fleet, equipment gap, and equipment by \$279,000;
- Increase in monthly Met Council fees by \$34,000 due to rate increase of 1.5% over 2018; and
- Decrease in professional services, storm tunnel cleaning, televising, upgrades, catch basin repairs, and maintenance work by \$135,000.

Revenue

Revenues are projected to increase by 0.9% in this department due to increase in: (i) service revenue by \$1.1 million due to increase in monthly utility rates from \$12.71 to \$13.09 per ESU; (ii) maintenance revenue by \$28,000 according to the State and County schedule; and decrease in (iii) miscellaneous revenue by \$694,000 due to decrease in design activities. The department's total revenues in 2019 are projected to be \$42.3 million, not including use of fund balance.

Fund Allocation

This department is funded completely in the Storm Water Fund.

**PW - SURFACE WATER & SEWERS-STORMWATR
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
ENTERPRISE						
SALARIES AND WAGES	3,803,000	3,667,000	4,021,000	4,237,000	5.4%	216,000
FRINGE BENEFITS	1,653,000	1,615,000	1,916,000	1,797,000	-6.2%	-119,000
CONTRACTUAL SERVICES	10,588,000	11,018,000	12,180,000	12,407,000	1.9%	227,000
OPERATING COSTS	3,838,000	3,216,000	3,217,000	3,449,000	7.2%	232,000
CAPITAL			309,000	275,000	-11.0%	-34,000
TOTAL ENTERPRISE	19,882,000	19,516,000	21,643,000	22,165,000	2.4%	522,000

TOTAL EXPENSE	19,882,000	19,516,000	21,643,000	22,165,000	2.4%	522,000
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REVENUE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
STATE GOVERNMENT	40,000			0		
GENERAL	40,000					

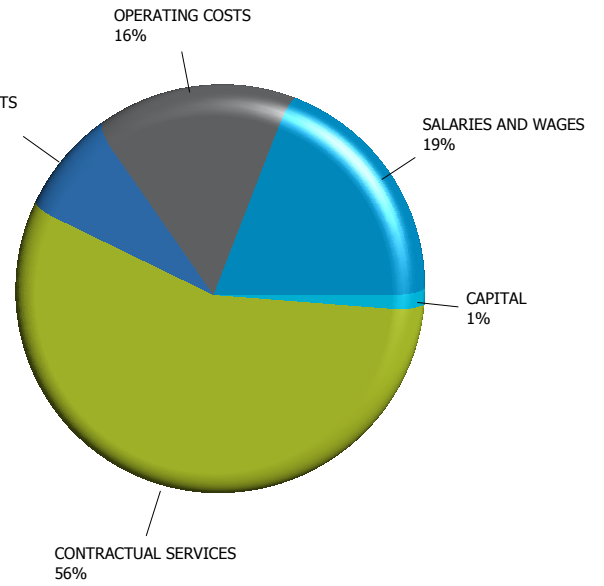
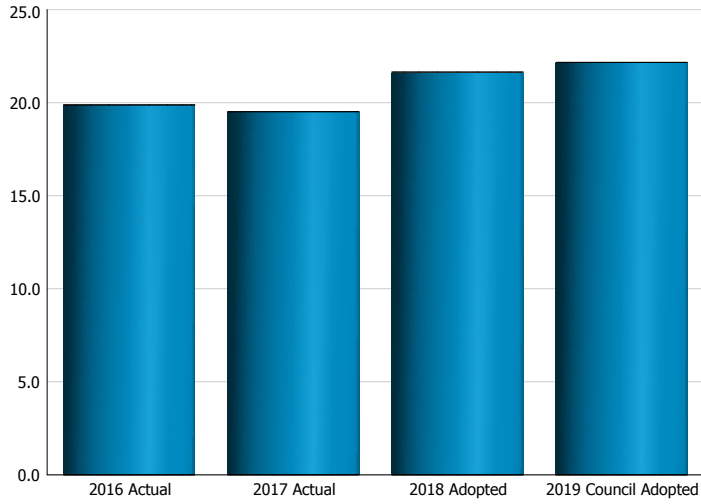
ENTERPRISE						
CHARGES FOR SALES		5,000		0		
CHARGES FOR SERVICES	37,438,000	40,181,000	41,678,000	42,041,000	0.9%	362,000
FINES AND FORFEITS	65,000	66,000	45,000	45,000		
GAINS	1,000			0		
LICENSE AND PERMITS	1,000			0		
LOCAL GOVERNMENT	81,000	434,000	75,000	84,000	12.0%	9,000
LONG TERM LIABILITIES PROCEEDS				0		
OTHER MISC REVENUES		1,000		0		
SPECIAL ASSESSMENTS	160,000	76,000		0		
STATE GOVERNMENT	328,000	254,000	100,000	119,000	19.0%	19,000
USE OF FUND BALANCE			2,759,000	578,000	-79.1%	-2,181,000
ENTERPRISE	38,074,000	41,017,000	44,657,000	42,867,000	-4.0%	-1,790,000

TOTAL REVENUE	38,114,000	41,017,000	44,657,000	42,867,000	-4.0%	-1,790,000
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**PW - SURFACE WATER & SEWERS-STORMWATR
EXPENSE AND REVENUE INFORMATION**

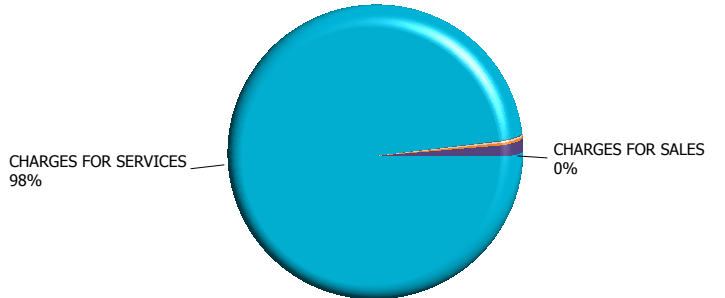
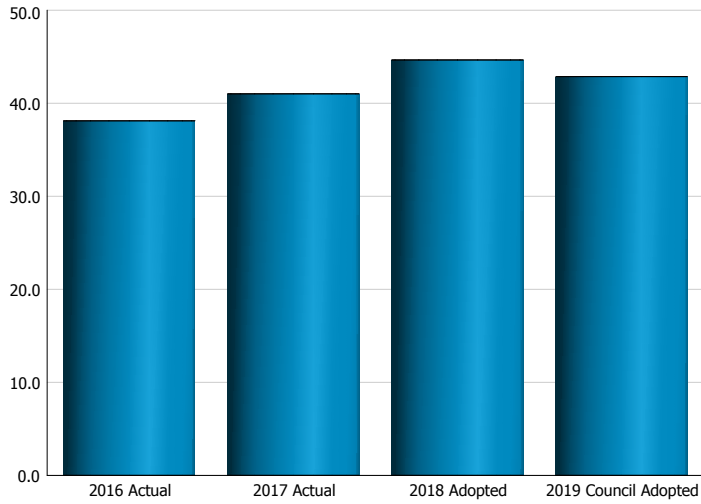
Expense by Category

Expense 2016 - 2019
In Millions



Revenue by Type

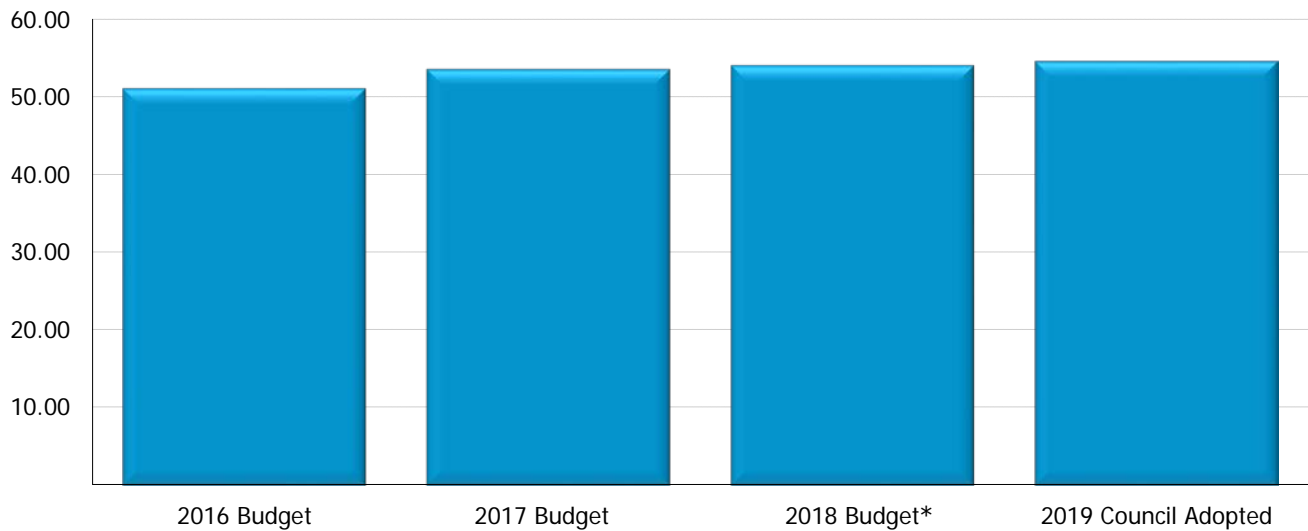
Revenue 2016 - 2019
In Millions



PW - SURFACE WATER & SEWERS-STORMWATER Staffing Information

Division	2016 Budget	2017 Budget	2018 Budget*	2019 Council Adopted	% Change	Change
CSO PHASE II	2.00				0.0%	0
SANITARY STORMWATER DESIGN	22.00	24.00	24.00	24.00	0.0%	0
SEWER MAINTENANCE	22.50	23.00	23.00	21.50	-6.5%	(1.50)
STORMWATER ADMINISTRATION	4.50	6.50	7.00	9.00	28.6%	2.00
Overall	51.00	53.50	54.00	54.50	0.9%	0.50

Positions 2016-2019



* 2018 FTE counts may differ from 2018 adopted budget due to mid year adjustments, including funding and organizational changes.

FINANCIAL ANALYSIS - TRAFFIC & PARKING DEPARTMENT

Expenditure

The total Traffic & Parking Department's budget increases from \$61.7 million to \$65.9 million from 2018 to 2019. This is an increase of \$4.2 million, or 6.9%. The department's 2019 expenditure budget reflects general and inflationary expenses, new expenses under the Comprehensive Safety Program, and budget change items in 2019 including additional expenses related to the Final Four Tournament.

Revenue

Revenues are projected to decrease by 2.1% in this department due to decreased revenue related to the sale of the Government Center Ramp and alignment with historical actuals, primarily in parking utilization, as well as a one-time increase related to the Final Four Tournament. The department's total revenues in 2019 are projected to be \$72.4 million excluding the use of fund balance.

Fund Allocation

This department is funded primarily by the Parking Fund, with the remainder of the department's funding found in the General Fund and Traffic Stores Internal Service Fund.

**PW - TRAFFIC AND PARKING SERVICES
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	4,320,000	4,471,000	4,686,000	4,918,000	5.0%	232,000
FRINGE BENEFITS	1,877,000	1,883,000	1,925,000	2,077,000	7.9%	152,000
CONTRACTUAL SERVICES	7,558,000	7,818,000	7,728,000	8,051,000	4.2%	323,000
OPERATING COSTS	2,841,000	2,892,000	2,840,000	2,578,000	-9.2%	-262,000
CAPITAL	12,000	254,000		0		
TOTAL GENERAL	16,608,000	17,318,000	17,179,000	17,624,000	2.6%	445,000
INTERNAL SERVICE						
SALARIES AND WAGES	198,000	205,000	185,000	183,000	-1.1%	-2,000
FRINGE BENEFITS	74,000	142,000	85,000	84,000	-1.2%	-1,000
CONTRACTUAL SERVICES	88,000	78,000	34,000	32,000	-5.9%	-2,000
OPERATING COSTS	62,000	132,000	27,000	27,000		
TOTAL INTERNAL SERVICE	422,000	557,000	331,000	326,000	-1.5%	-5,000
ENTERPRISE						
SALARIES AND WAGES	3,211,000	3,342,000	3,585,000	3,827,000	6.8%	242,000
FRINGE BENEFITS	1,110,000	2,300,000	1,644,000	1,703,000	3.6%	59,000
CONTRACTUAL SERVICES	34,663,000	35,354,000	35,557,000	36,543,000	2.8%	986,000
OPERATING COSTS	3,063,000	4,469,000	3,234,000	3,749,000	15.9%	515,000
CAPITAL		163,000	140,000	2,140,000	1,428.6%	2,000,000
TOTAL ENTERPRISE	42,047,000	45,628,000	44,160,000	47,962,000	8.6%	3,802,000
TOTAL EXPENSE	59,077,000	63,503,000	61,670,000	65,912,000	6.9%	4,242,000

REVENUE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SALES	66,000	97,000	50,000	55,000	10.0%	5,000
CHARGES FOR SERVICES	1,151,000	1,311,000	1,045,000	645,000	-38.3%	-400,000
GAINS				0		
LICENSE AND PERMITS	2,229,000	2,554,000	1,710,000	2,310,000	35.1%	600,000
LOCAL GOVERNMENT	905,000	822,000	690,000	690,000		
LONG TERM LIABILITIES PROCEEDS				0		
OTHER MISC REVENUES	161,000	441,000	215,000	225,000	4.7%	10,000
RENTS	52,000	314,000		400,000		400,000
SPECIAL ASSESSMENTS	201,000	197,000	200,000	200,000		
STATE GOVERNMENT	1,610,000	1,540,000	1,315,000	1,315,000		
GENERAL	6,375,000	7,276,000	5,225,000	5,840,000	11.8%	315,000
INTERNAL SERVICE						
CHARGES FOR SALES	59,000	58,000		0		
CHARGES FOR SERVICES	839,000	1,033,000	330,000	325,000	-1.5%	-5,000

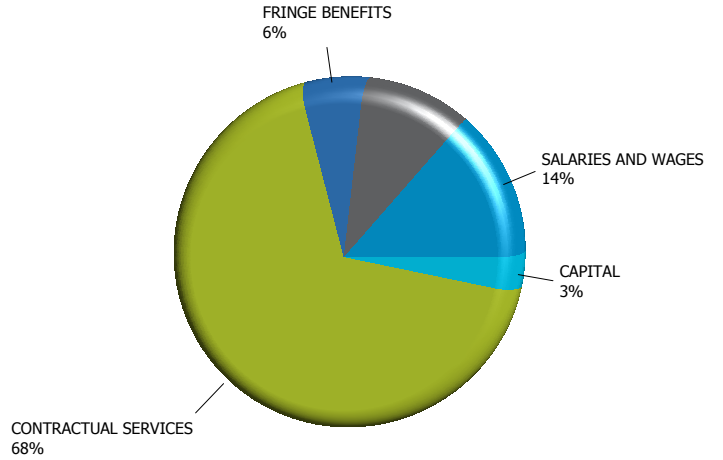
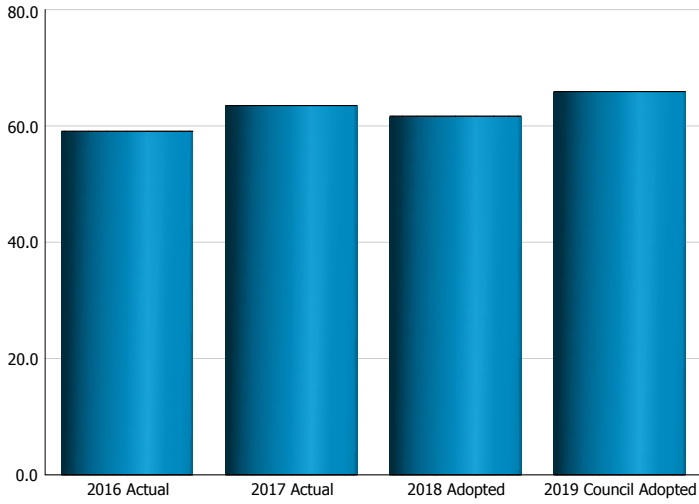
**PW - TRAFFIC AND PARKING SERVICES
EXPENSE AND REVENUE INFORMATION**

REVENUE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
OTHER MISC REVENUES	69,000			0		
INTERNAL SERVICE	967,000	1,091,000	330,000	325,000	-1.5%	-5,000
ENTERPRISE						
CHARGES FOR SALES	1,053,000	785,000	1,100,000	1,000,000	-9.1%	-100,000
CHARGES FOR SERVICES	66,066,000	64,737,000	61,139,000	64,142,000	4.9%	3,003,000
GAINS		24,774,000	6,000,000	0	-100.0%	-6,000,000
LICENSE AND PERMITS	457,000	488,000	450,000	495,000	10.0%	45,000
OTHER MISC REVENUES	11,000	13,000		0		
RENTS	32,000	717,000		49,000		49,000
SPECIAL ASSESSMENTS			543,000	543,000		
USE OF FUND BALANCE			-3,731,000	168,000	-104.5%	3,899,000
ENTERPRISE	67,619,000	91,514,000	65,501,000	66,397,000	1.4%	204,000
TOTAL REVENUE	74,961,000	99,881,000	71,056,000	72,562,000	2.1%	514,000

**PW - TRAFFIC AND PARKING SERVICES
EXPENSE AND REVENUE INFORMATION**

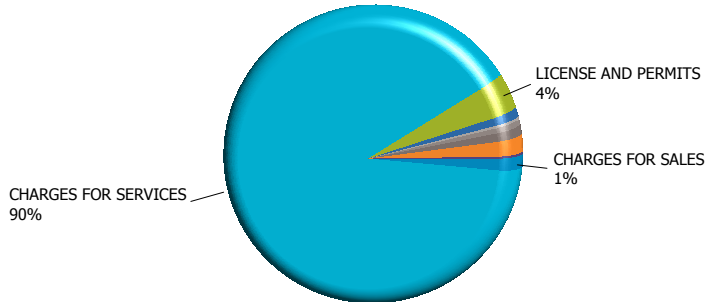
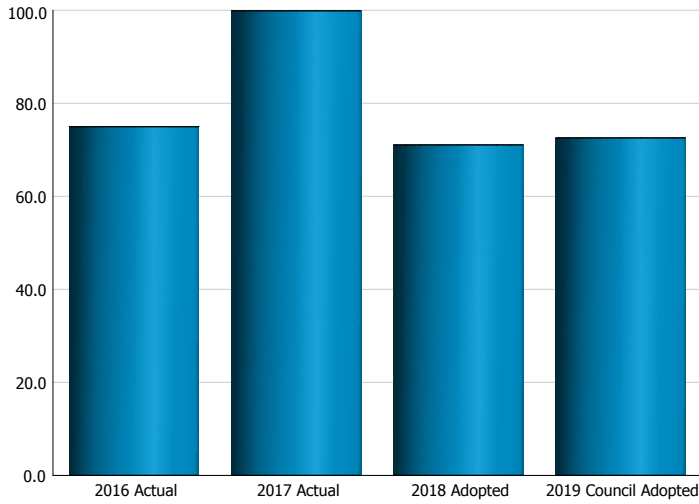
Expense by Category

Expense 2016 - 2019
In Millions



Revenue by Type

Revenue 2016 - 2019
In Millions

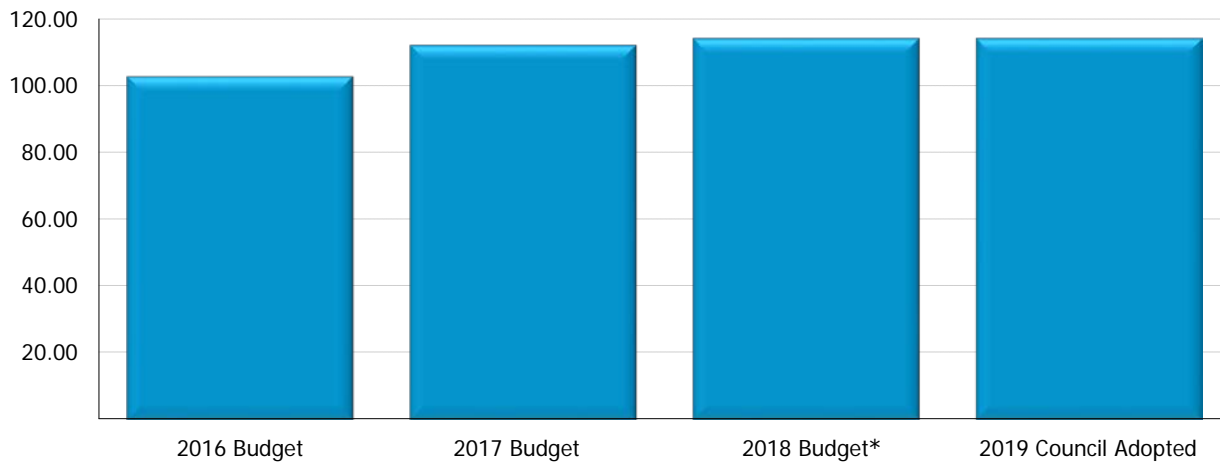


PW - TRAFFIC AND PARKING SERVICES

Staffing Information

Division	2016 Budget	2017 Budget	2018 Budget*	2019 Council Adopted	% Change	Change
FIELD OPERATIONS	39.45	46.30	46.30	44.30	-4.3%	(2.00)
INVENTORY	3.00	3.00	3.00	3.00	0.0%	0
OFF-STREET PARKING	11.50	11.95	11.95	12.95	8.4%	1.00
ON-STREET PARKING	15.05	15.90	17.90	18.90	5.6%	1.00
PLANNING & DESIGN	5.65	6.50	6.50	6.50	0.0%	0
STREET LIGHTING	5.45	5.85	5.85	5.85	0.0%	0
TOWING AND IMPOUND	22.90	22.90	22.90	22.90	0.0%	0
Overall	103.00	112.40	114.40	114.40	0.0%	0

Positions 2016-2019



* 2018 FTE counts may differ from 2018 adopted budget due to mid year adjustments, including funding and organizational changes.

FINANCIAL ANALYSIS - TRANSPORTATION MAINTENANCE & REPAIR

Expenditure

The total Public Works – Transportation Maintenance & Repair budget increases from \$53.1 million to \$54.3 million from 2018 to 2019. This is an increase of \$1.2 million, or 2.3%. The department's expenditure budget reflects general and inflationary cost increases and an increase of \$201,000 to represent the Special Service Districts' budget.

Revenue

The total department budget increases from \$23.0 million to \$23.5 million from 2018 to 2019. This is an increase of \$1,395,000, or 6.3%, excluding use of fund balance. The increase reflects a general increase in revenues from charges for services and the state government, and special assessments, offset by a decrease in revenues for Capital Projects.

Fund Allocation

This department is funded primarily in the General Fund, and receives partial funding from Special Revenue, Capital Projects, and Enterprise Funds.

**PW - TRANSPORTATION MAINTENANCE AND REPAIR
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	11,253,000	11,231,000	11,117,000	11,615,000	4.5%	498,000
FRINGE BENEFITS	5,657,000	5,677,000	6,047,000	6,133,000	1.4%	86,000
CONTRACTUAL SERVICES	11,021,000	11,640,000	12,051,000	12,457,000	3.4%	406,000
OPERATING COSTS	4,705,000	5,518,000	5,680,000	5,570,000	-1.9%	-110,000
CAPITAL	174,000	229,000	151,000	240,000	58.9%	89,000
TOTAL GENERAL	32,810,000	34,295,000	35,046,000	36,015,000	2.8%	969,000
SPECIAL REVENUE						
SALARIES AND WAGES	1,000	3,000		0		
FRINGE BENEFITS	1,000	1,000		0		
CONTRACTUAL SERVICES	6,108,000	6,902,000	6,920,000	7,121,000	2.9%	201,000
OPERATING COSTS	4,000			0		
TOTAL SPECIAL REVENUE	6,114,000	6,906,000	6,920,000	7,121,000	2.9%	201,000
CAPITAL PROJECT						
SALARIES AND WAGES	262,000	317,000	394,000	384,000	-2.5%	-10,000
FRINGE BENEFITS	92,000	124,000	157,000	148,000	-5.7%	-9,000
CONTRACTUAL SERVICES	364,000	608,000	727,000	701,000	-3.6%	-26,000
OPERATING COSTS	14,000	18,000	10,000	22,000	120.0%	12,000
CAPITAL	12,000			0		
TOTAL CAPITAL PROJECT	744,000	1,067,000	1,288,000	1,255,000	-2.5%	-33,000
ENTERPRISE						
SALARIES AND WAGES	2,399,000	2,683,000	2,716,000	2,844,000	4.7%	128,000
FRINGE BENEFITS	1,008,000	1,321,000	1,479,000	1,508,000	2.0%	29,000
CONTRACTUAL SERVICES	4,595,000	4,914,000	4,893,000	4,908,000	0.3%	15,000
OPERATING COSTS	576,000	597,000	778,000	684,000	-12.1%	-94,000
TOTAL ENTERPRISE	8,578,000	9,515,000	9,866,000	9,944,000	0.8%	78,000
TOTAL EXPENSE	48,246,000	51,783,000	53,120,000	54,335,000	2.3%	1,215,000

REVENUE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SALES	4,000	9,000	10,000	10,000		
CHARGES FOR SERVICES	9,777,000	10,188,000	7,601,000	7,975,000	4.9%	374,000
GAINS	1,000			0		
LOCAL GOVERNMENT	260,000	193,000	171,000	190,000	11.1%	19,000
LONG TERM LIABILITIES PROCEEDS	-1,000			0		
OTHER MISC REVENUES		17,000		0		
SPECIAL ASSESSMENTS	2,180,000	2,298,000	2,260,000	2,260,000		
STATE GOVERNMENT	4,095,000	3,618,000	3,634,000	4,025,000	10.8%	391,000

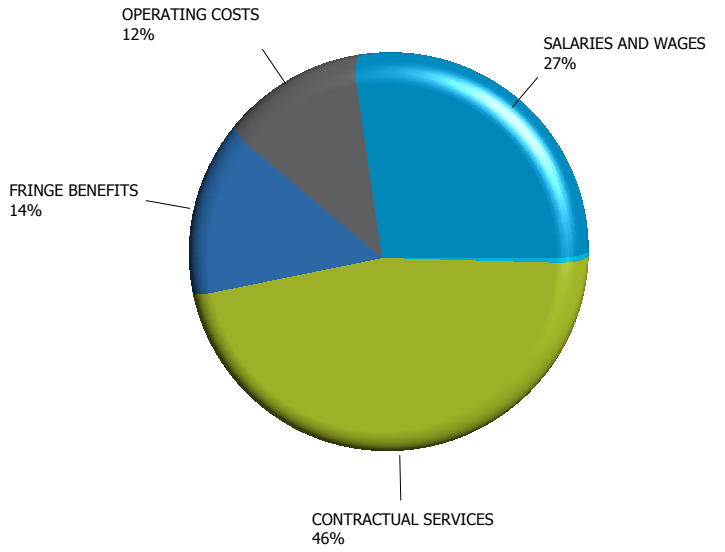
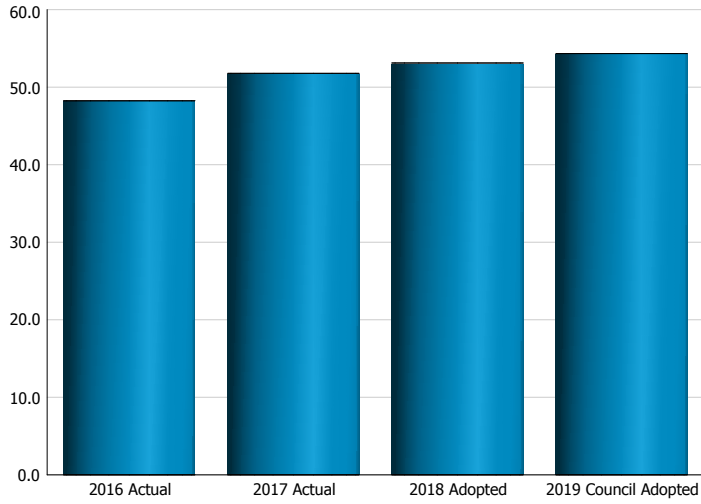
**PW - TRANSPORTATION MAINTENANCE AND REPAIR
EXPENSE AND REVENUE INFORMATION**

REVENUE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL	16,316,000	16,323,000	13,676,000	14,460,000	5.7%	784,000
SPECIAL REVENUE						
CONTRIBUTIONS		-5,000		0		
OTHER MISC REVENUES	19,000	20,000		0		
SPECIAL ASSESSMENTS	6,119,000	6,693,000	6,670,000	7,121,000	6.8%	451,000
STATE GOVERNMENT		9,000		0		
SPECIAL REVENUE	6,138,000	6,717,000	6,670,000	7,121,000	6.8%	451,000
CAPITAL PROJECT						
LICENSE AND PERMITS	118,000	337,000	310,000	310,000		
OTHER MISC REVENUES		2,000		0		
SPECIAL ASSESSMENTS	137,000	60,000	100,000	100,000		
USE OF FUND BALANCE			878,000	846,000	-3.6%	-32,000
CAPITAL PROJECT	255,000	399,000	1,288,000	1,256,000	-2.5%	-32,000
ENTERPRISE						
CHARGES FOR SALES				0		
CHARGES FOR SERVICES	1,000	3,000	1,000	1,000		
LOCAL GOVERNMENT	260,000	284,000	260,000	291,000	11.9%	31,000
STATE GOVERNMENT	1,128,000	1,106,000	1,097,000	1,226,000	11.9%	130,000
ENTERPRISE	1,389,000	1,393,000	1,358,000	1,518,000	11.9%	160,000
TOTAL REVENUE	24,098,000	24,832,000	22,992,000	24,355,000	5.9%	1,363,000

**PW - TRANSPORTATION MAINTENANCE AND REPAIR
EXPENSE AND REVENUE INFORMATION**

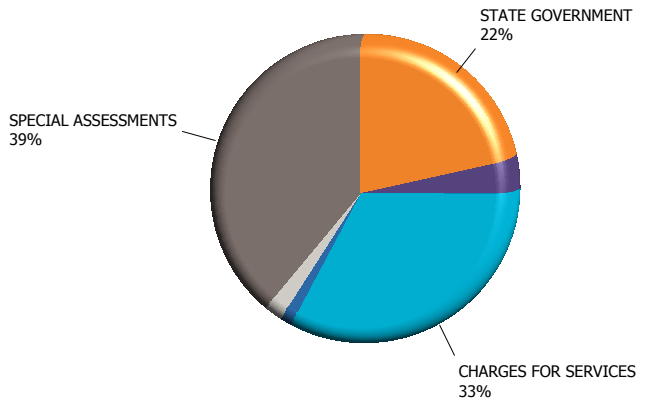
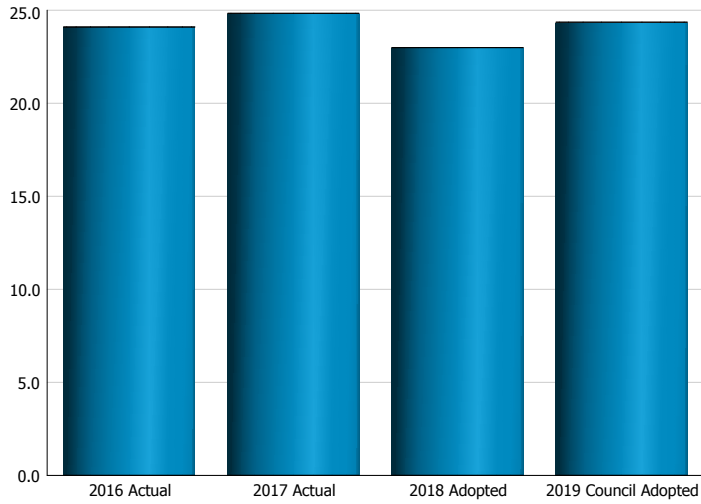
Expense by Category

Expense 2016 - 2019
In Millions



Revenue by Type

Revenue 2016 - 2019
In Millions

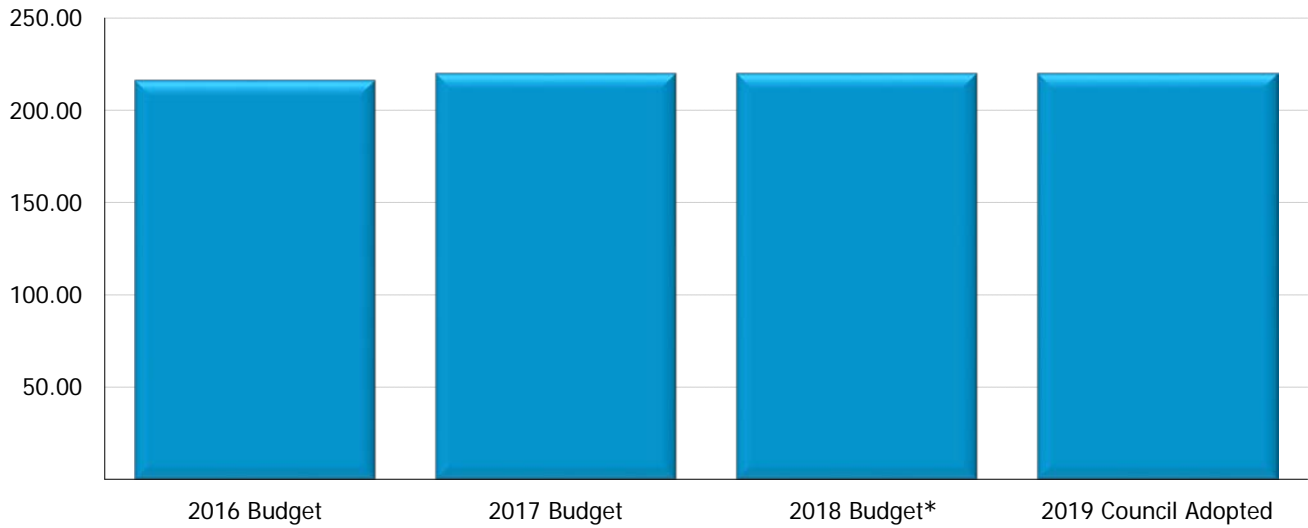


PW - TRANSPORTATION MAINTENANCE AND REPAIR

Staffing Information

Division	2016 Budget	2017 Budget	2018 Budget*	2019 Council Adopted	% Change	Change
BRIDGE MAINTENANCE & REPAIR	17.00	17.00	17.00	17.00	0.0%	0
MALLS & PLAZAS - MAINTENANCE	10.20	14.00	14.00	14.00	0.0%	0
Ramp Maintenance	17.00	17.00	17.00	17.00	0.0%	0
SIDEWALK INSPECTION	6.00	6.00	6.00	5.68	0.0%	0
SNOW & ICE CONTROL	52.40	52.40	52.40	52.40	0.0%	0
STREET ADMINISTRATION	10.50	10.50	10.50	10.82	0.0%	0
STREET CLEANING	46.05	46.05	46.05	46.05	0.0%	0
STREET MAINTENANCE & REPAIR	57.00	57.00	57.00	57.00	0.0%	0
Overall	216.15	219.95	219.95	219.95	0.0%	0

Positions 2016-2019



* 2018 FTE counts may differ from 2018 adopted budget due to mid year adjustments, including funding and organizational changes.

FINANCIAL ANALYSIS - TRANSPORTATION ENGINEERING & DESIGN

Expenditure

The total Transportation Engineering & Design Department budget increases from \$21.9 million to \$23.5 million from 2018 to 2019. This is an increase of \$1.6 million, or 7.2%. The department's 2019 expenditure budget reflects general and inflationary cost increases, and an increase for the purchase and sale of asphalt and concrete.

Revenue

Revenues are projected to increase by 8.1% in this department due to the sale of asphalt/concrete and inspection fees, and the department's total revenues in 2019 are projected to be \$21.6 million, excluding use of fund balance.

Fund Allocation

This department is funded primarily by the Capital Transportation Engineering and Design Fund, with the remainder of the department's funding found in the General funds and Internal Service funds.

**PW - TRANSPORTATION ENGINEERING AND DESIGN
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	1,053,000	1,034,000	1,146,000	1,221,000	6.5%	75,000
FRINGE BENEFITS	420,000	370,000	443,000	466,000	5.2%	23,000
CONTRACTUAL SERVICES	518,000	392,000	391,000	409,000	4.6%	18,000
OPERATING COSTS	33,000	24,000	53,000	47,000	-11.3%	-6,000
TOTAL GENERAL	2,024,000	1,820,000	2,033,000	2,143,000	5.4%	110,000

SPECIAL REVENUE

SALARIES AND WAGES	10,000			0		
FRINGE BENEFITS	4,000			0		
CONTRACTUAL SERVICES				0		
TOTAL SPECIAL REVENUE	14,000			0		

CAPITAL PROJECT

SALARIES AND WAGES	2,971,000	3,154,000	3,887,000	4,058,000	4.4%	171,000
FRINGE BENEFITS	997,000	1,129,000	1,494,000	1,560,000	4.4%	66,000
CONTRACTUAL SERVICES	4,172,000	6,332,000	6,815,000	7,069,000	3.7%	254,000
OPERATING COSTS	77,000	56,000	108,000	93,000	-13.9%	-15,000
CAPITAL	25,000	28,000	240,000	80,000	-66.7%	-160,000
TOTAL CAPITAL PROJECT	8,242,000	10,699,000	12,544,000	12,860,000	2.5%	316,000

INTERNAL SERVICE

SALARIES AND WAGES	930,000	855,000	948,000	1,007,000	6.2%	59,000
FRINGE BENEFITS	318,000	554,000	377,000	403,000	6.9%	26,000
CONTRACTUAL SERVICES	568,000	804,000	613,000	808,000	31.8%	195,000
OPERATING COSTS	80,000	4,498,000	5,434,000	6,269,000	15.4%	835,000
TOTAL INTERNAL SERVICE	1,896,000	6,711,000	7,372,000	8,487,000	15.1%	1,115,000

TOTAL EXPENSE	12,176,000	19,230,000	21,949,000	23,490,000	7.0%	1,541,000
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REVENUE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SERVICES	828,000	1,296,000	650,000	1,000,000	53.8%	350,000
LICENSE AND PERMITS	69,000	74,000	50,000	55,000	10.0%	5,000
OTHER MISC REVENUES				0		
GENERAL	897,000	1,370,000	700,000	1,055,000	50.7%	355,000

CAPITAL PROJECT

CHARGES FOR SERVICES	7,424,000	7,151,000	15,400,000	12,025,000	-21.9%	-3,375,000
FEDERAL GOVERNMENT	89,000			0		
OTHER MISC REVENUES	1,000			0		

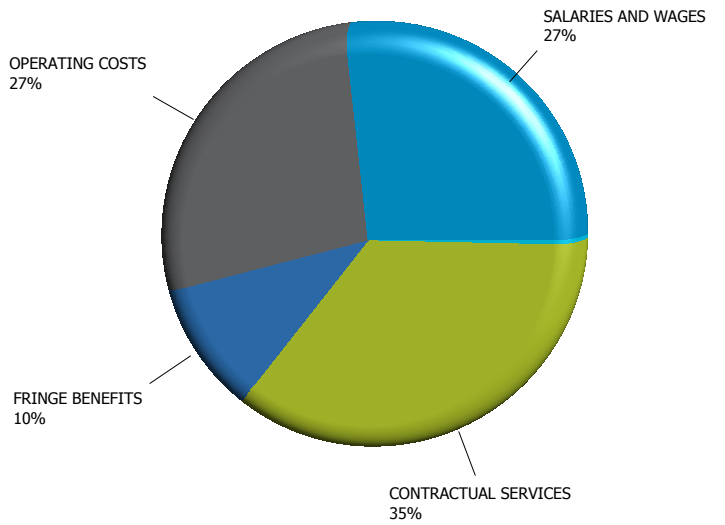
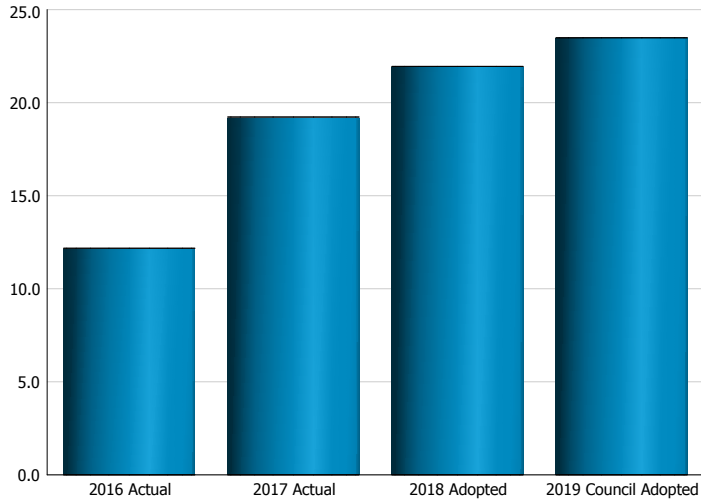
**PW - TRANSPORTATION ENGINEERING AND DESIGN
EXPENSE AND REVENUE INFORMATION**

REVENUE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
TRANSFERS IN		-500,000		0		
USE OF FUND BALANCE			-2,972,000	820,000	-127.6%	3,792,000
CAPITAL PROJECT	7,514,000	6,651,000	12,428,000	12,845,000	3.4%	417,000
INTERNAL SERVICE						
CHARGES FOR SALES	264,000	4,647,000	5,618,000	6,489,000	15.5%	871,000
CHARGES FOR SERVICES	1,572,000	1,650,000	1,755,000	2,007,000	14.4%	252,000
OTHER MISC REVENUES	1,000	1,000		0		
STATE GOVERNMENT		1,000		0		
USE OF FUND BALANCE				-10,000		-10,000
INTERNAL SERVICE	1,837,000	6,299,000	7,373,000	8,486,000	15.1%	1,113,000
TOTAL REVENUE	10,248,000	14,320,000	20,501,000	22,386,000	9.2%	1,885,000

**PW - TRANSPORTATION PLANNING AND ENGINEERING
EXPENSE AND REVENUE INFORMATION**

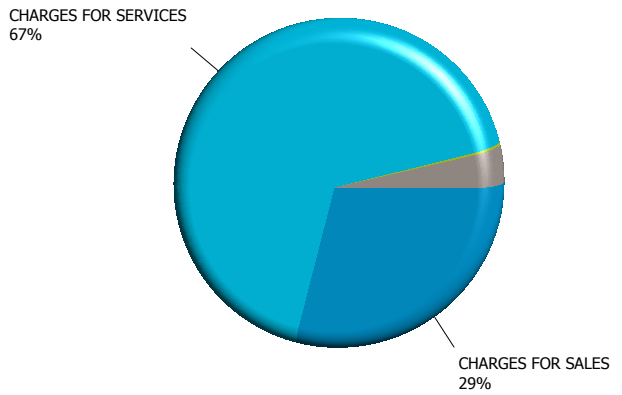
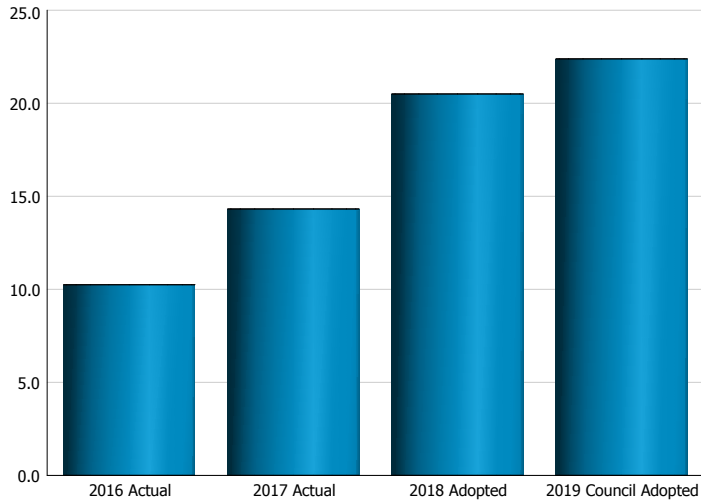
Expense by Category

Expense 2016 - 2019
In Millions



Revenue by Type

Revenue 2016 - 2019
In Millions

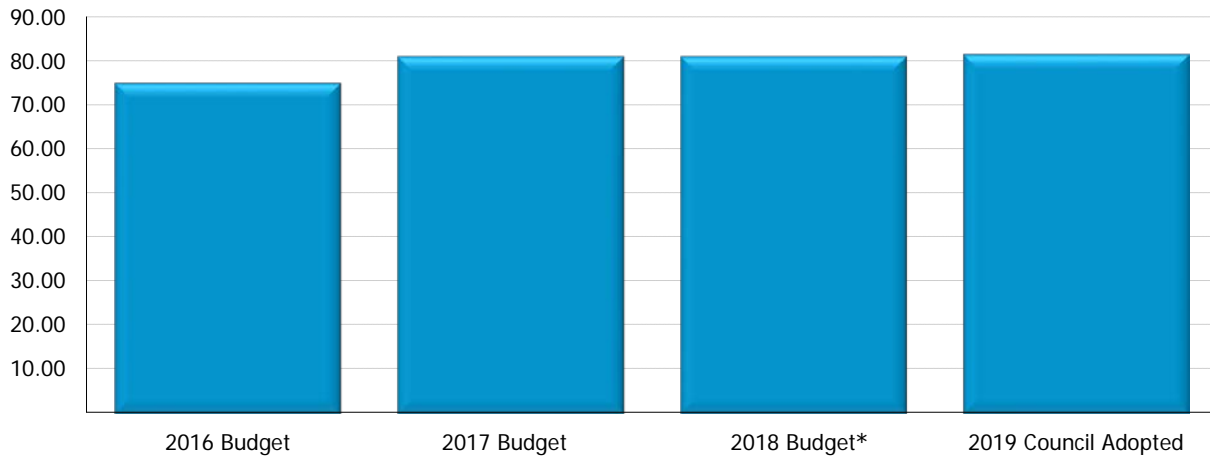


PW - TRANSPORTATION ENGINEERING & DESIGN

Staffing Information

Division	2016 Budget	2017 Budget	2018 Budget*	2019 Council Adopted	% Change	Change
BRIDGE INSPECTIONS	2.50	2.50	2.50	2.50	0.0%	0
ENGINEERING LABORATORY	13.50	13.50	13.50	14.00	3.7%	0.50
PLANNING AND DESIGN	46.00	52.00	52.00	52.00	0.0%	0
SP ASSESS & ROW MGNT	6.00	6.00	6.00	6.00	0.0%	0
UTILITY CONNECTIONS	7.00	7.00	7.00	7.00	0.0%	0
Overall	75.00	81.00	81.00	81.50	0.6%	0.50

Positions 2016-2019



*2018 FTE counts may differ from 2018 adopted budget due to mid year adjustments, including funding and organization changes.

FINANCIAL ANALYSIS - TRANSPORTATION PLANNING & PROGRAMMING

Expenditure

The total Transportation Planning & Programming Department budget stays approximately level at \$3.5 million to \$3.7 million from 2018 to 2019, with an increase of \$172,000, or 5.0%. The Transportation Planning & Programming Department's 2019 expenditure budget reflects an increase of contractual services in the General Fund for specialized services, as well as increases due to new budget change items including new resources related to planning around infrastructure improvements, offset by a decrease of \$250,000 in one-time General Fund appropriations in 2018.

Revenue

Revenues are projected to decline by 10.2% in this department due to the timing of the Capital Project startup. The department's total revenues in 2019 are projected to be \$800,000.

Fund Allocation

This department is funded primarily by the General Fund, with the remainder of the department's funding found in the 04160 Capital Transportation Planning and Engineering funds.

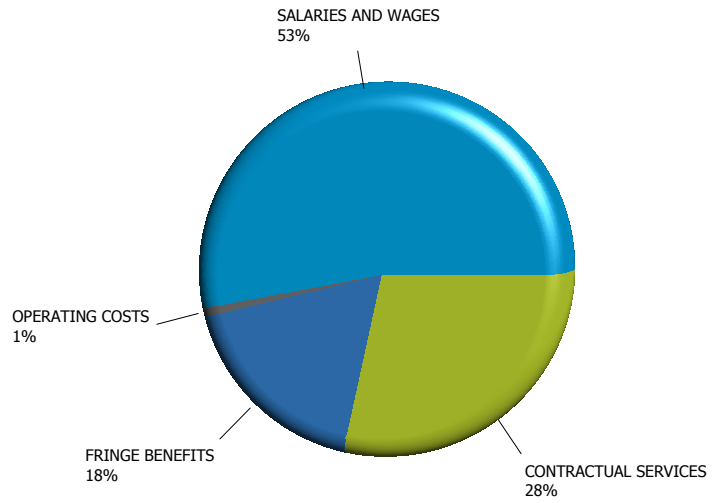
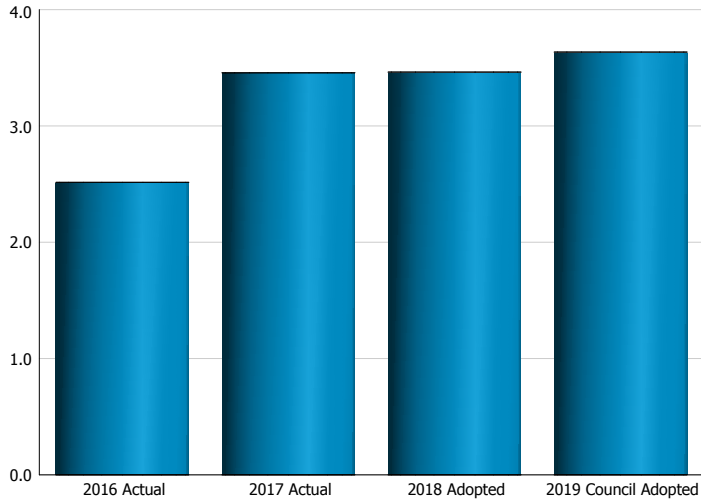
**PW - TRANSPORTATION PLAN/PROGRAMING
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	949,000	1,236,000	1,584,000	1,667,000	5.2%	83,000
FRINGE BENEFITS	303,000	404,000	567,000	563,000	-0.7%	-4,000
CONTRACTUAL SERVICES	719,000	586,000	508,000	592,000	16.5%	84,000
OPERATING COSTS	31,000	41,000	27,000	28,000	3.7%	1,000
CAPITAL			3,000	0	-100.0%	-3,000
TOTAL GENERAL	2,002,000	2,267,000	2,689,000	2,850,000	6.0%	161,000
CAPITAL PROJECT						
SALARIES AND WAGES	116,000	163,000	245,000	258,000	5.3%	13,000
FRINGE BENEFITS	16,000	50,000	89,000	86,000	-3.4%	-3,000
CONTRACTUAL SERVICES	381,000	977,000	440,000	441,000	0.2%	1,000
TOTAL CAPITAL PROJECT	513,000	1,190,000	774,000	785,000	1.3%	11,000
TOTAL EXPENSE	2,515,000	3,457,000	3,463,000	3,635,000	5.0%	172,000
REVENUE						
	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SERVICES		113,000		0		
OTHER MISC REVENUES				0		
GENERAL		113,000				
CAPITAL PROJECT						
CHARGES FOR SERVICES	209,000	265,000	891,000	800,000	-10.2%	-91,000
CAPITAL PROJECT	209,000	265,000	891,000	800,000	-10.2%	-91,000
TOTAL REVENUE	209,000	378,000	891,000	800,000	-10.2%	-91,000

**PW - TRANSPORTATION PLAN/PROGRAMING
EXPENSE AND REVENUE INFORMATION**

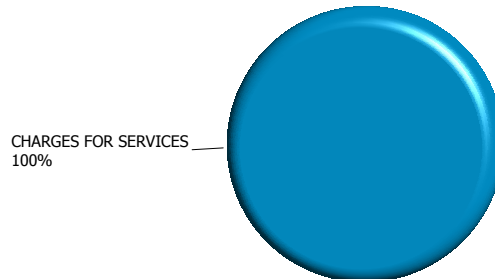
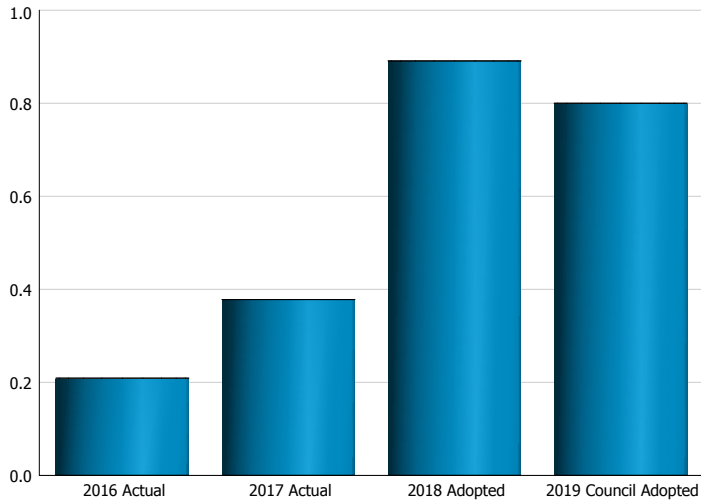
Expense by Category

Expense 2016 - 2019
In Millions



Revenue by Type

Revenue 2016 - 2019
In Millions

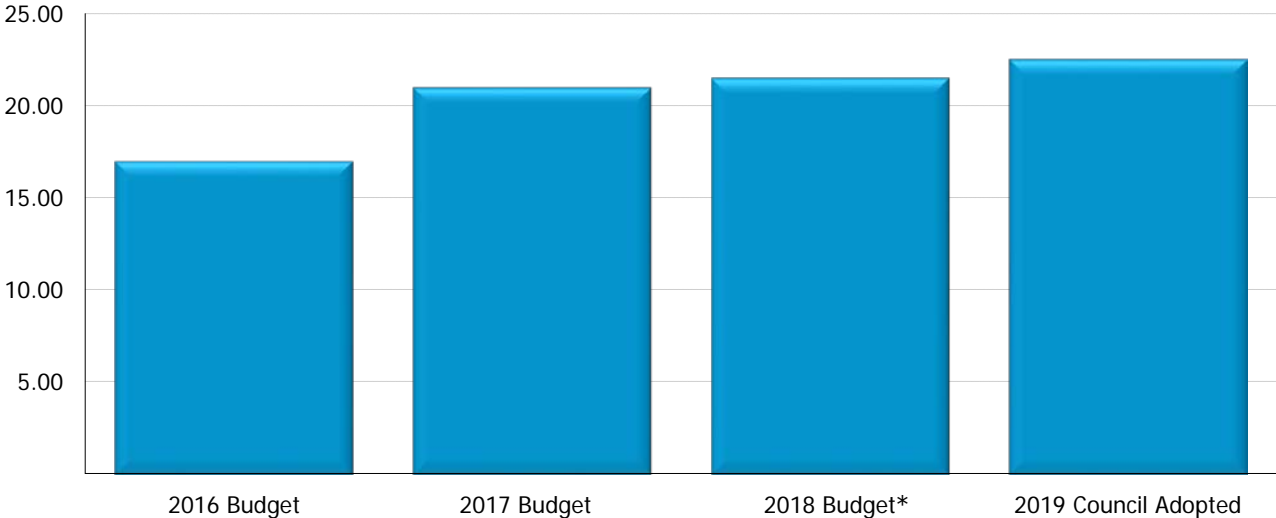


PW - TRANSPORTATION PLAN/PROGRAMMING

Staffing Information

Division	2016 Budget	2017 Budget	2018 Budget*	2019 Council Adopted	% Change	Change
TRANSPORTATION PLAN/PROGRAMING	17.00	21.00	21.50	22.50	4.7%	1.00
Overall	17.00	21.00	21.50	22.50	4.7%	1.00

Positions 2016-2019



* 2018 FTE counts may differ from 2018 adopted budget due to mid year adjustments, including funding and organizational changes.

FINANCIAL ANALYSIS - WATER TREATMENT AND DISTRIBUTION SERVICES

Expenditure

The total Public Works – Water Treatment and Distribution Services Department’s budget increases from \$60.4 million to \$61.3 million from 2018 to 2019. This is an increase of \$.9 million, or 1.5%. The department’s 2019 expenditure budget reflects the following changes from 2018:

- Net increase of 3.75 FTEs.
- Investment in a vacuum truck.
- Reductions in a number of areas to minimize overall increase.

Revenue

Revenues are projected to decrease by 1.6% in this department due mainly to a short-term wholesale contract with the City of New Brighton ending in 2018 that was expected to bring in \$1.7 million in water volume sales in 2018. There was a fixed charge rate increase of 50 cents per month and a water volume charge rate increase of 5 cents per unit. The department’s total revenues in 2019 are projected to be \$89.0 million excluding use of fund balance.

Fund Allocation

This department is funded completely in the Water Treatment and Distribution Services Fund, which is an enterprise activity.

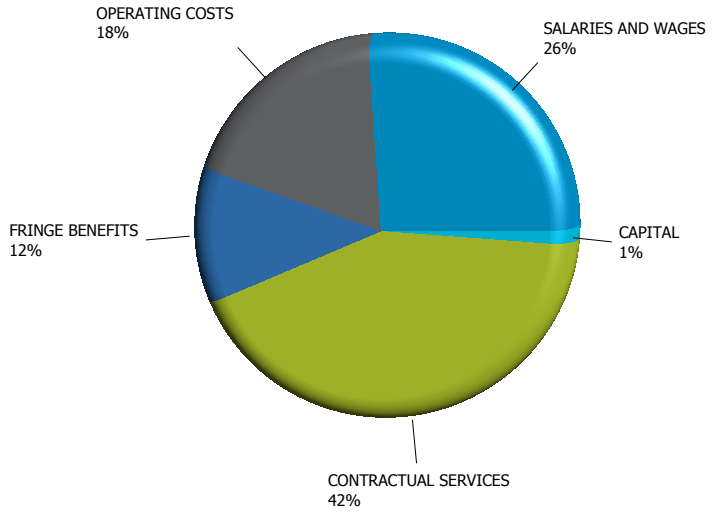
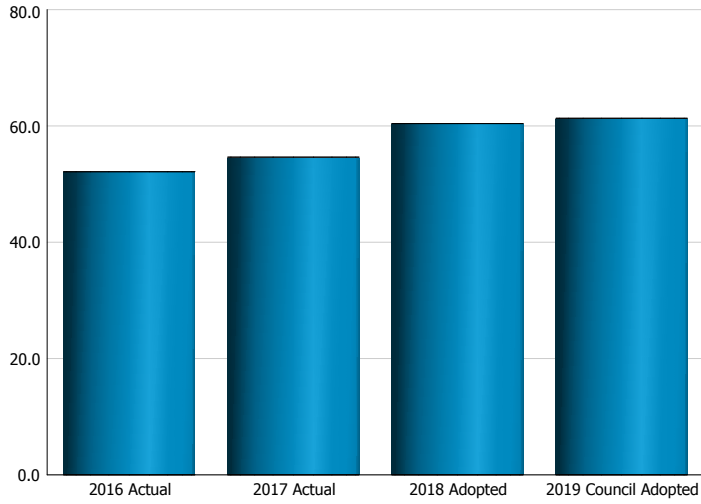
**PW - WATER TREATMENT & DISTR.
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
ENTERPRISE						
SALARIES AND WAGES	13,187,000	13,387,000	15,265,000	16,008,000	4.9%	743,000
FRINGE BENEFITS	5,833,000	9,987,000	7,082,000	7,238,000	2.2%	156,000
CONTRACTUAL SERVICES	20,062,000	19,828,000	25,708,000	26,020,000	1.2%	312,000
OPERATING COSTS	12,641,000	11,255,000	11,832,000	11,316,000	-4.4%	-516,000
CAPITAL	406,000	171,000	519,000	732,000	41.0%	213,000
TOTAL ENTERPRISE	52,129,000	54,628,000	60,406,000	61,314,000	1.5%	908,000
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TOTAL EXPENSE	52,129,000	54,628,000	60,406,000	61,314,000	1.5%	908,000
<hr/>						
REVENUE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
ENTERPRISE						
CHARGES FOR SALES	1,932,000	166,000	200,000	160,000	-20.0%	-40,000
CHARGES FOR SERVICES	77,743,000	81,020,000	89,062,000	87,364,000	-1.9%	-1,699,000
LICENSE AND PERMITS	78,000	54,000	90,000	75,000	-16.7%	-15,000
OTHER MISC REVENUES	463,000	7,000		0		
SPECIAL ASSESSMENTS	1,012,000	1,193,000	1,000,000	1,353,000	35.3%	353,000
STATE GOVERNMENT		9,000		0		
TRANSFERS IN	1,101,000	1,213,000		0		
USE OF FUND BALANCE			-393,000	5,783,000	-1,571.5%	6,176,000
ENTERPRISE	82,329,000	83,662,000	89,959,000	94,735,000	5.3%	4,776,000
<hr/>						
TOTAL REVENUE	82,329,000	83,662,000	89,959,000	94,735,000	5.3%	4,776,000

**PW - WATER TREATMENT & DISTR.
EXPENSE AND REVENUE INFORMATION**

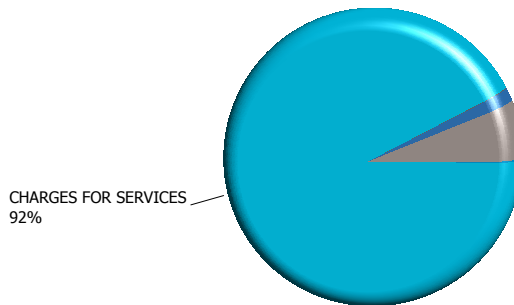
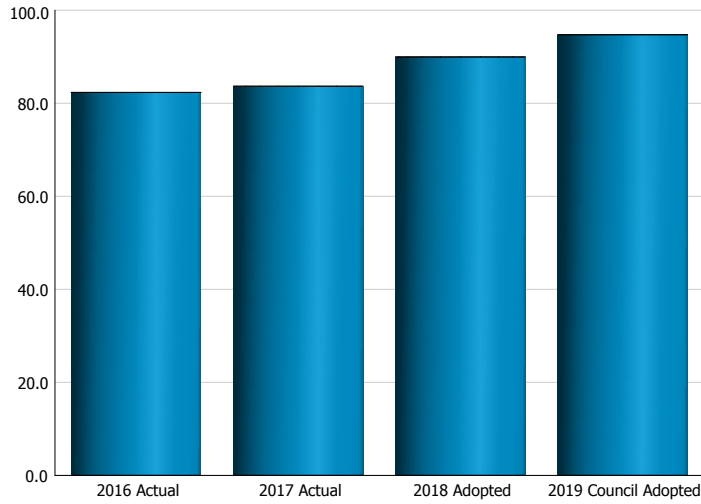
Expense by Category

Expense 2016 - 2019
In Millions



Revenue by Type

Revenue 2016 - 2019
In Millions

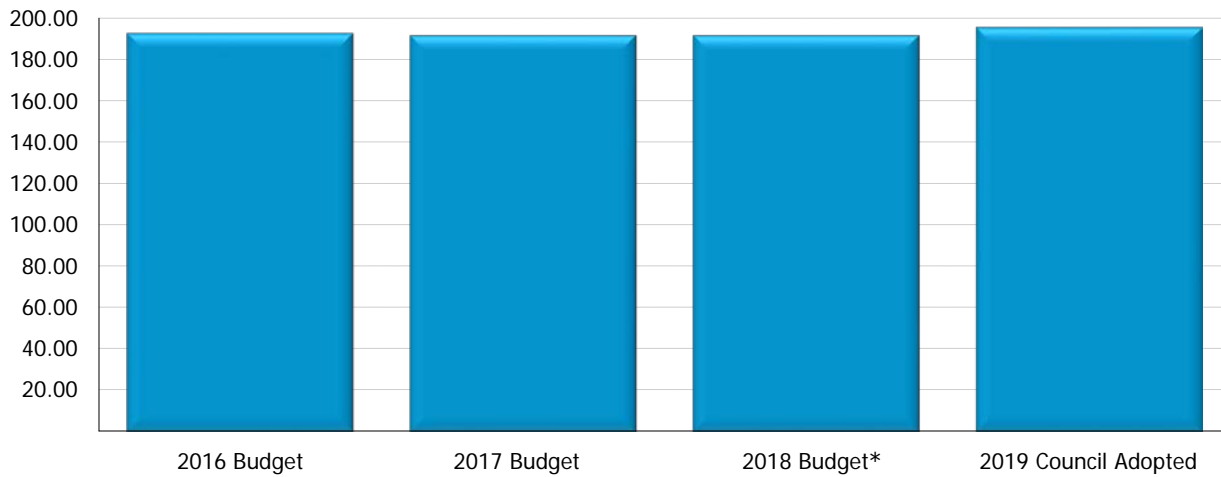


PW - WATER TREATMENT & DISTR.

Staffing Information

Division	2016 Budget	2017 Budget	2018 Budget*	2019 Council Adopted	% Change	Change
DISTRIBUTION	59.50	61.50	56.00	60.00	7.1%	4.00
METER SHOP	20.00	19.00	17.00	17.00	0.0%	0
OPERATIONS - WATER	89.50	88.50	81.00	81.00	0.0%	0
REIMBURSABLE ALTERATIONS	9.00	9.00	24.00	22.00	-8.3%	(2.00)
WATER ADMINISTRATION & PERMITS	6.00	5.00	5.00	5.75	15.0%	0.75
WATER ENGINEERING	9.00	9.00	9.00	10.00	11.1%	1.00
Overall	193.00	192.00	192.00	195.75	2.0%	3.75

Positions 2016-2019



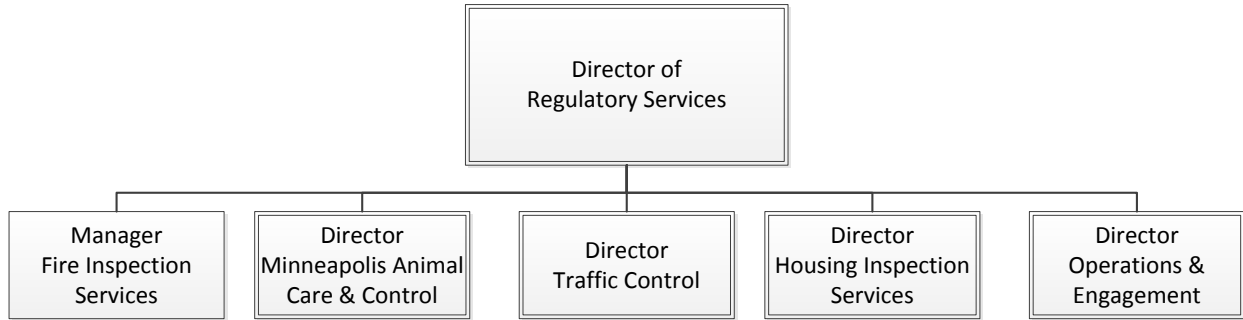
*2018 FTE counts may differ from 2018 adopted budget due to mid year adjustments, including funding and organization changes.

REGULATORY SERVICES

MISSION

The Minneapolis Regulatory Services Department strengthens communities by partnering with residents, neighborhoods and businesses to make the city safer, healthier and more inviting for all.

ORGANIZATION CHART



PERFORMANCE MEASURES

All data and analysis generated through the City's performance measurement process, Results Minneapolis, can be found on the City's website. Please visit <http://www.minneapolismn.gov/coordinator/strategicplanning/wcmssp-199683> to find detailed information and analysis related to the budget programs listed below.

Animal Care & Control (MACC)

General Fund: \$3,354,000

Other Funds: \$75,000

Minneapolis Animal Care & Control has a dual focus on public safety and shelter care that allows for a holistic view of animal welfare. MACC works with MPD, City Attorney, and non-profit partners to address criminal conduct involving animals. MACC promotes sound animal welfare policies such as pet licenses and spay and neuter programs; impounding, kenneling and providing proper veterinary care for injured, stray or surrendered animals; and adopting out pets in search of forever homes. MACC also conducts rabies quarantines for all bites to humans involving animals.

Fire Inspection Services (FIS)

General Fund: \$3,267,000

Fire Inspection Services is responsible for managing all Fire Suppression/Protection Permits including plan review and site inspections, conducting commercial and residential inspections and managing the City's Hazardous Materials facilities inventory and inspections. FIS also reviews and inspects thousands of fire suppression systems and supports and answers complex fire code questions. FIS works with property owners to ensure high-occupancy residential dwelling units are up to code for tenants and conducts hundreds of commercial inspections annually.

Housing Inspections Services (HIS)

General Fund: \$4,345,000

Other Funds: \$5,569,000

HIS provides a range of programs and activities designed to ensure safe and quality properties for property owners and tenants. Mandated activities include enforcement of those portions of the International Property Maintenance Code pertaining to rental licensing, removal of hazardous structures and legal due process requirements for special assessments. HIS is responsible for managing the city's housing stock through enforcement of licensing standards and consistent enforcement of the Housing Maintenance Code. It is also responsible for code enforcement in rental properties of 1-3 units and all vacant residential buildings, removing substandard housing through demolition activity and creating incentives to rehab vacant properties by using and managing redevelopment through restoration agreements.

Code Compliance & Traffic Control (Traffic)

General Fund: \$5,914,000

Traffic Control provides parking enforcement and intersection control to assist traffic flow at intersections by providing for additional throughput on lights, allowing for additional turns and pedestrian movement. This allows for safer, more efficient traffic flow during rush hour, special events, around construction sites and during emergencies and natural disasters. CCTC also coordinates with public works for street cleaning operations and snow emergencies. CCTC also responds to 311-reported parking violation and abandoned vehicle service requests.

Operations & Engagement

General Fund: \$3,895,000

Other Funds: \$1,106,000

This division provides department-wide leadership and support for internal City services including budget, technology services, business planning, process improvement, finances, IT, space, employee engagement, workforce planning, and community engagement/outreach. It is also responsible for oversight and management of data quality, data analytics and administrative enforcement. It oversees the administrative hearing program and is responsible for coordination of projects, public policy process and implementation, committee actions and council process.

FINANCIAL ANALYSIS

Expenditure

The Regulatory Services Department's budget increased from \$25.1 million to \$27.5 million in 2018 to 2019. This is an increase of \$2.4 million, or 9.5% due to inflationary increases in operating costs, and budgetary change items of \$2.6 million in 2019 offset by reduction on grant funds allocation of \$155,000.

Revenue

Revenues are projected to increase by \$4.0 million, or 23.4% in this department due to an increase in rental licensing fees revenues and assessment revenues. The department's total revenues in 2019 are projected to be \$20.9 million.

Fund Allocation

This department is funded primarily by the General Fund at 75.5%, with the remainder of the department's funding found in the special revenue funds.

Budget Change Items

Detailed change items are presented on the following pages.

Regulatory Services Phased Sunset of Revolving Fund

2019 Change Item

Program: Housing Inspection Services/Fire Inspection Services/Operations/Administration & Community Engagement.

Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel						
IT						
Fleet						
Contractual Services						
Other						
Transfer Out	\$800					
Net Budgetary Impact						
Expenditures - Revenues	\$800	\$0	\$0	\$0	\$0	\$0

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$800,000 one-time transfer from the General Fund to the Revolving Fund (Regulatory Services Special Revenue fund) as the City moves toward sunseting the Revolving Fund.

Rationale/Background:

The Revolving Fund was established in 2008 with funds from a City nuisance project account to recoup costs associated with nuisance abatement activities. During the economic downturn, the fund balance grew quickly due to a substantial number of vacant boarded properties. In early 2011, the City Council directed the department to take active steps to decrease the fund balance. During the same period, the department moved multiple divisions to other departments (2013) and began shifting its approach from enforcement to education and compliance to better serve Minneapolis residents and business owners. Additionally, as the economy improved, the number of housing violations and fees recovered from violations have decreased.

In early 2016, the department analyzed overall fund health and created projections of future years' revenues and expenses. This analysis showed that the combined factors of increased spending to reduce fund balance, and reduced revenues from greater compliance have put the Revolving Fund on a path towards deficit and insolvency sometime in 2019 (as noted in the 2018 budget). Based on the projections, in 2016 the department engaged Finance & Property Services and the Mayor's Office and took proactive steps to reduce pressure on the fund.

Regulatory Services has taken the following steps to shore up the fund: moving expenses from this fund to the General Fund in 2016 and 2017, eliminating 4 vacant positions and funding nuisance type activities with General Fund dollars. Through this work, nearly \$1 million of one-time and \$426,000 ongoing savings were realized. The department continues to evaluate spending through a lens of preserving fund balance in the Revolving Fund.

This item directly impacts the issue of quality, affordable housing in the City of Minneapolis. The department's commitment to taking the time to educate customers has resulted in greater compliance but has also reduced

Regulatory Services Sunset Revolving Fund

2019 Change Item

revenue into this fund. This shifting workload, combined with a strong economy and a smaller department workforce are all factors calling into question the long-term sustainability of the fund.

Description of the Change:

Regulatory Services proposes a gradual sunset of the Revolving Fund with a long-term goal of shifting all expenses out of the Revolving Fund and into the General Fund. During 2018, the department will evaluate spending in the fund, propose creative solutions to the growing workload and continue discussions with the Finance department and elected officials about sustainable staffing levels.

The item will further the efforts the Regulatory Services department has made over the past three years to limit spending and allow the department to evaluate the need and sustainability of current work and staffing models.

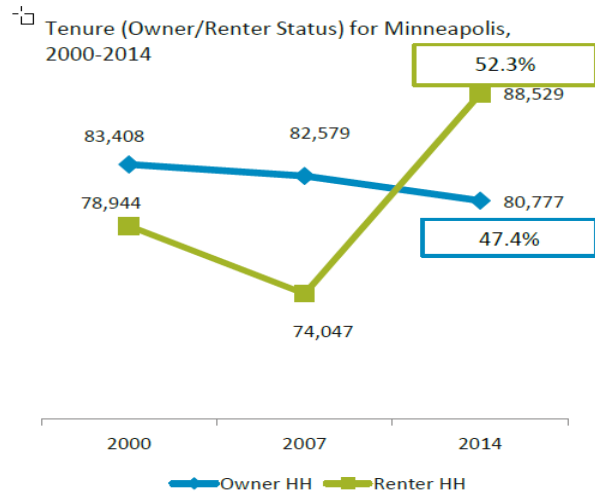
Please note that revenue into the fund has been decreasing due to greater compliance, so the FTE impact is based on projections and the exact need is unclear. In 2018, revenue will be especially low (estimated at \$2.0 million) due to an administrative calendaring change to ensure compliance with ordinance.

Equity Impact:

Staff funded from the Revolving Fund have a direct impact on tenants, now a majority of City residents and predominantly people of color. Regulatory Services will work to maintain tenant access to inspectors, along with engagement and administrative resources to address housing issues and concerns. Current staffing levels allow Regulatory Services to inspect more properties more often, ensuring safe rental housing stock in the City, as well as continuing outreach with tenant advocacy groups, neighborhood associations, property owner groups and other internal and external stakeholders. These efforts provide an increased positive impact to all residents of the City of Minneapolis.

Results:

This funding allows progress to be made toward sunseting the revolving fund while prioritizing performance measures across all divisions.



Owner/Renter Status by Racial Group for Minneapolis, 2010-2014



Regulatory Services Department
Permanent Part-Time Staffing for Traffic Control

2019 Change Item

Program: Code Compliance and Traffic Control
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
Citation Revenue	\$90	\$40	\$40	\$40	\$40	\$40
Expenditures						
Personnel	\$334	\$147	\$147	\$147	\$147	\$147
IT						
Fleet						
Contractual Services						
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$244	\$107	\$107	\$107	\$107	\$107

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count	2	2	2	2	2	2

Council Adopted Budget:

The City Council approves \$147,000 ongoing and \$187,000 one-time to hire part-time positions, equivalent to 2.0 FTE.

Rationale/Background:

In 2017, the Twin Cities experienced a record-setting 33 million visitors. In supporting City initiatives such as Meet Minneapolis and the City’s goal to attract 50 million annual visitors by 2030, traffic management needs will only continue to rise. With the Mayor’s goal of fostering economic growth, the City will need to prepare to serve a larger number of clients while creating better outcomes for the public.

This is not a new trend. In recent years, demands on Traffic Control have increased dramatically. Between 2013 and 2017, Traffic Control-related 311 and 911 cases have increased 92%. In the same period, the number of events requiring traffic management has increased 79% and many days include multiple sporting and community events. Traffic Control works strategically to meet requests for staffing and ensure those travelling near and around these events are safe and not inconvenienced.

Regulatory Services has received one-time funding for part-time positions in the 2016, 2017 and 2018 budgets. These positions provide direct positive impacts on City goals of living well and a hub of economic activity and innovation by ensuring safe travel for residents and visitors to events and through heavily trafficked areas. Additionally, the positions positively impact the Mayor’s priority of economic growth. With construction and road detour/closure season in full swing, these positions ensure traffic flows as smoothly as possible through challenging conditions.

Description of the Change:

This item provides a combination of ongoing and onetime support for Traffic Control services in acknowledgement of the fact that events and construction continue to rise. The number of events in Minneapolis requiring traffic control has risen by 79% since 2013 and Regulatory Services hours directing traffic have increased 54% in the same period. The number of days on which multiple events occur have also increased, which puts considerable pressure

Regulatory Services Department Permanent Part-Time Staffing for Traffic Control

2019 Change Item

on full-time staff. Part-time staffing allows the department to address event needs while retaining Traffic Control Agents on enforcement duty and minimizing overtime. Converting some of the funding of part-time agents from one-time to permanent is a natural continuation of three years of one-time funding for this purpose. The permanent

funding allows us to maintain trained staff and plan each year's transportation in conjunction with Public Works department to provide for the most efficient transportation possible during construction.

In the current environment of requesting one-time funds annually, long term planning is extremely challenging because funding is not assured

until mid-December. The combination of permanent and one-time staffing allows Regulatory Services to work proactively with Public Works on construction projects, street cleaning, construction site traffic issues and snow emergencies, while being responsive to business need. Coordination can be further enhanced with the Police and Fire Departments for emergencies, bar closures, community service parades, conferences and block party street closures, among other activities.

Equity Impact:

Smooth traffic flow and abatement of parking violations gained by this item benefit all residents and visitors to Minneapolis. Traffic management services are visible downtown, but proactive management of neighborhood and other parking issues benefit residents and visitors Citywide.

Traffic Control as a division, and part-time staff especially, are proven, effective career entry points for City employment. Staff in the division is particularly representative of the diversity in Minneapolis and many specialists move from part-time to full-time employment, increasing retention and reducing training time for these positions. Additionally, Traffic Control Agents often move to other positions in the City and Regulatory Services, including MPD, Housing Inspection Services and Animal Care & Control. Given a constant interface of sensitive issues, it is particularly helpful to ensure that the public feels represented by our staff.

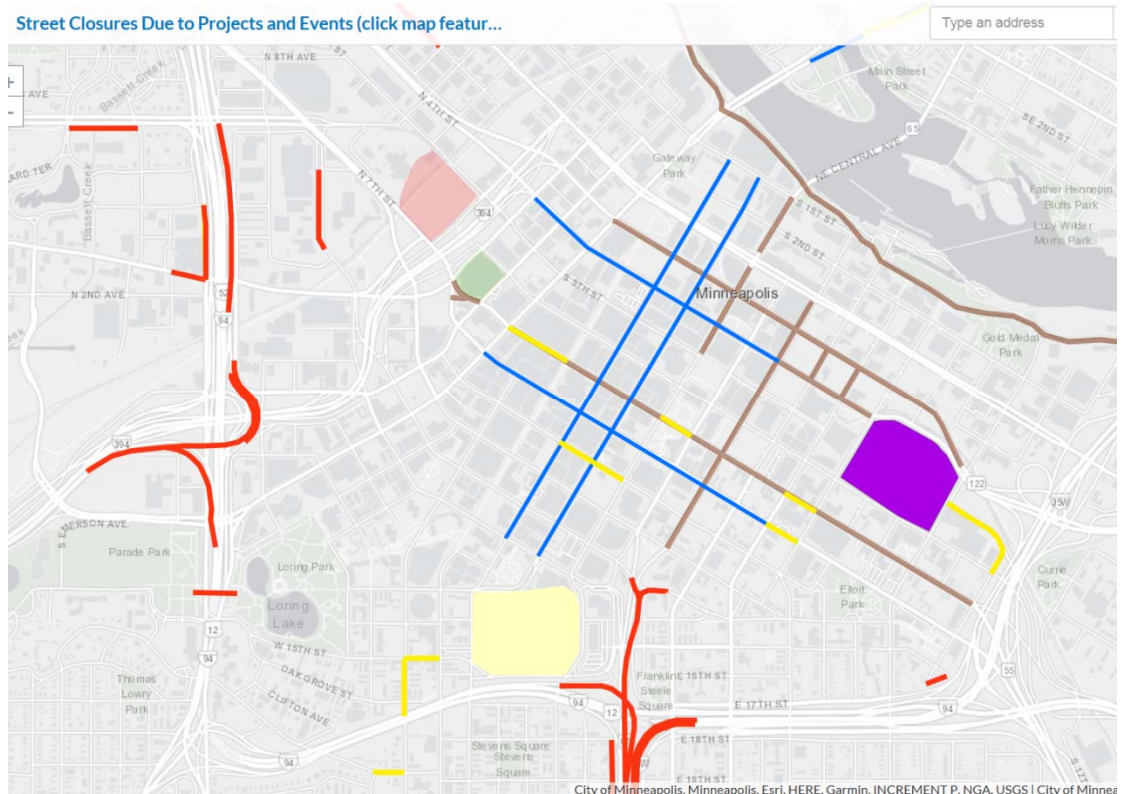


Figure 1. Map of planned downtown work this summer. Many major traffic corridors are affected.

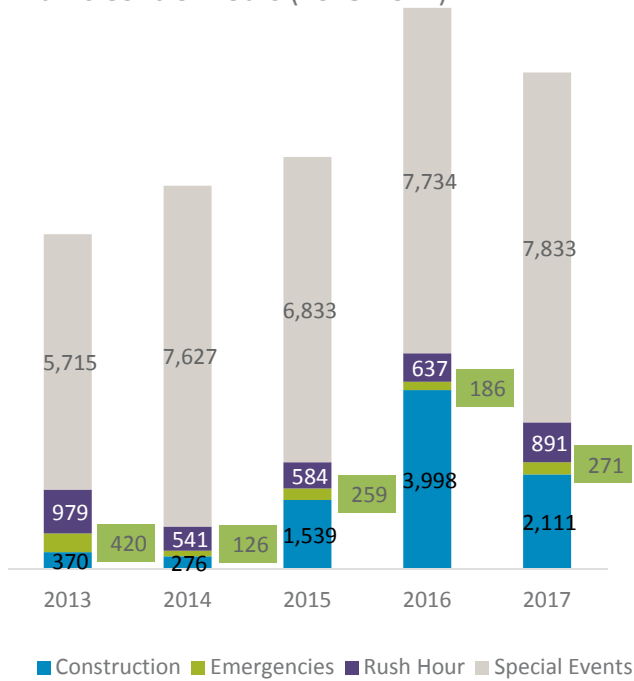
Regulatory Services Department Permanent Part-Time Staffing for Traffic Control

2019 Change Item

Results:

Regulatory Services hours directing traffic have increased 54% since 2013. Part-time staff also allows progress on an increasing complaint workload in areas of noise complaints, dumpster violations and parking violations. Regulatory Services depends on these part-time staff to meet SLAs, handle summer peak issues and address unexpected congestion. Moving a portion of the staffing from one-time to ongoing dollars allows us to be even more effective by allowing early planning with other departments to create a viable staffing plan.

Traffic Control Hours (2013-2017)



Traffic Control 311 and 911 Complaints



Regulatory Services Department

Increased Inspections and Tenant Assistance Capacity

2019 Change Item

Program: Housing Inspection Services/Fire Inspection Services/Operations/Administration and Community Engagement
 Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
None						
Expenditures						
Personnel	\$206	\$206	\$206	\$206	\$206	\$206
IT						
Fleet	\$48	\$12	\$12	\$12	\$12	\$12
Contractual Services						
Other		\$36	\$36	\$36	\$36	\$36
Net Budgetary Impact						
Expenditures - Revenues	\$254	\$254	\$254	\$254	\$254	\$254

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count	2	2	2	2	2	2

Council Adopted Budget:

The City Council approves \$254,000 ongoing for two Housing Inspectors (2.0 FTE) and 2 vehicles.

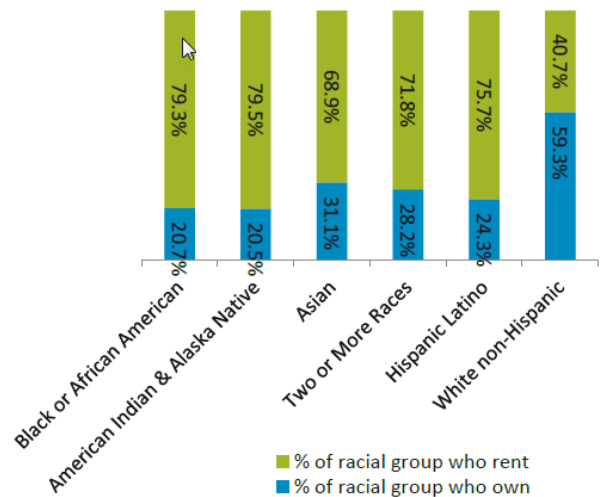
Rationale/Background:

Over the last five years, the City of Minneapolis has added between 2,000 and 2,500 new residential dwelling units per year. In 2017, approximately 1,800 properties changed ownership or converted to rental properties. The City has transitioned from a City with a home ownership majority to a City with a rental majority. This increase in renters, combined with an aging housing stock, has produced an increased demand for inspection services.

The increases in rental and non-rental residential properties, along with the rise in tenant housing, has placed an increased burden on existing resources within Regulatory Services. Additionally, the new Short Term Rental program has associated workload implications. Despite technical advances, the demand for services outpaces the capacity of current staffing.

This item directly aligns with priorities of affordable housing and economic development. Increased staffing will allow Regulatory Services to undertake more inspections in rental properties where tenants are more likely to be low income and people of color. Housing stock will be maintained or improved, allowing for increased property values and a more stable tax base. The quality of basic living conditions will continue to improve and provide a safer and more livable environment for tenants and property owners.

Owner/Renter Status by Racial Group for Minneapolis, 2010-2014



Regulatory Services Department Increased Inspections and Tenant Assistance Capacity

2019 Change Item

This item also addresses many of the City of Minneapolis' historical strategic goals. The positions protect housing stock and assure that residents are living well in safe and healthy neighborhoods. Working directly with our increasing tenant population helps close disparity gaps by providing safe housing and a higher quality of life for all Minneapolis residents. These positions, by working with underrepresented tenants, will help establish transparency and build public trust of City government.

Description of the Change:

These positions are both a new initiative and a change to existing activity. These positions allow Regulatory Services to meet the increased demand for service and mirror the tenant approach our Fire Inspection Services adopted with resources included in the 2018 budget. This demand will be met by providing additional services to underrepresented groups within the tenant population. By focusing on increasing diverse tenant voices and the resulting relationship work that has been developed in the department, we are aiming to ensure high-quality, affordable housing choices exist for all ages, incomes, and circumstances. Expanded funding will allow the department to explore and apply a "people and relational" approach for both tenants and property owners living and working inside a regulatory system.

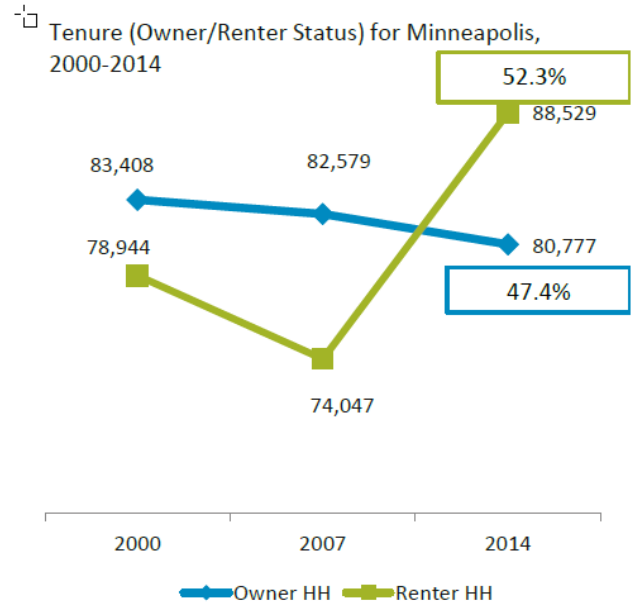
These additional positions increase rental license and complaint inspection capacity and allow for a quicker response time for conversion or change of ownership inspections. For the first time, Housing Inspection Services will have employees dedicated to interactions with tenants experiencing problems with their rental property and landlords. Additionally, Regulatory Services will continue to engage in additional activities associated with tenant rights, legal concerns and resources to address tenant problems.

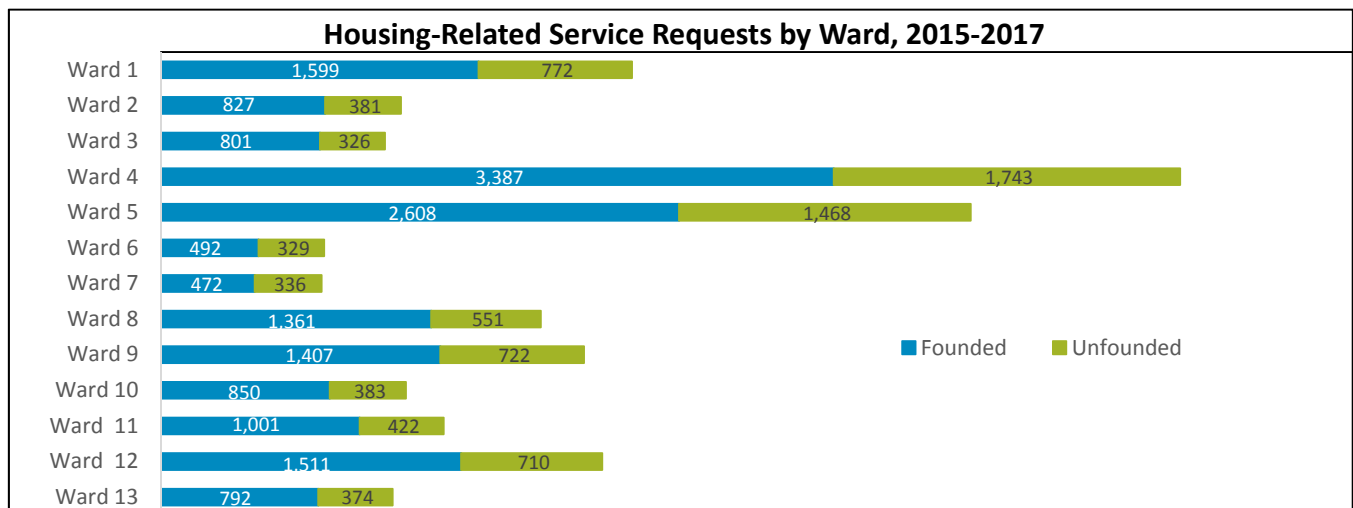
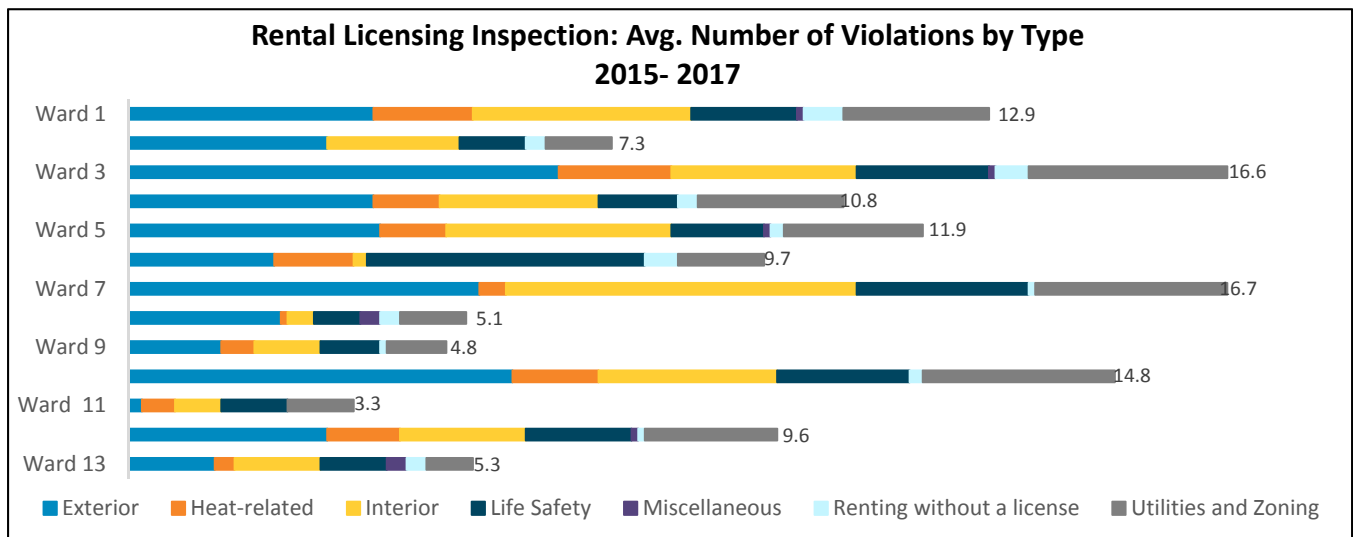
Equity Impact:

Tenants - now a majority of City residents and comprised predominantly of people of color - will have additional resources available to them to address housing issues and concerns. With these positions, Regulatory Services can inspect a greater number of properties on a more frequent basis, ensuring safe rental housing stock in the City. For the first time, tenants will have a dedicated Housing Inspector available to help with complicated tenant advocacy, understanding their legal rights and connecting to essential resources. Regulatory Services will continue to engage in outreach with tenant advocacy groups, neighborhood associations, property owner groups and other internal and external stakeholders. These efforts will provide an increased positive impact to all residents of the City of Minneapolis, especially to underserved populations who are most likely to lack the necessary resources to address tenant issues.

Results:

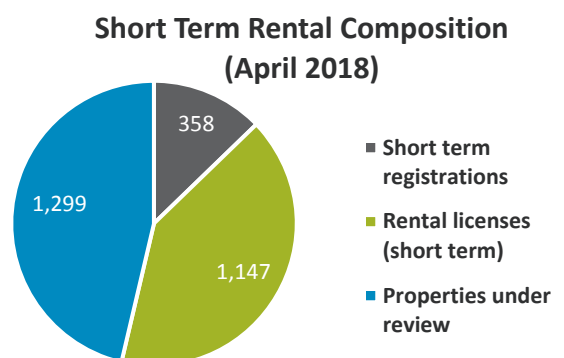
Housing inspections measures include the complaint to violation pipeline and number and distribution of inspections. This data is presented annually in our Results Minneapolis report. Recent analysis shows that nearly 70% of housing complaints received from 311 are founded, which led to the creation of 17,000 cases by inspectors over the past three years. Cases generated from founded service requests are in addition to the annual rental licensing and nuisance inspections undertaken by the housing inspectors.





Tenant advocacy interactions will be measured for the first time. Annual measures could include tenant contacts, tenant advocacy actions, code violations issued and referrals to other agencies.

Employee training on tenant issues will focus on equity issues and have a sizeable impact on equity, with a goal of a City that works for all and a focus on reducing disparate outcomes. With previously allocated dollars, the department has developed and implemented a ‘Hearing Tenant Voices’ program with 35 inspectors, arranged for employees to attend the Forum on Equity and Inclusion and scheduled implicit bias training for all department employees. Growing cultural awareness prepares employees for new and creative approaches to delivering services that minimize the unintended consequences a strictly enforcement and building-based approach can have on renters.



Regulatory Services Department
Rental Repair Revolving Fund

2019 Change Item

Program: Housing Inspection Services (HIS)
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
Special Assessments	\$2,000					
Expenditures						
Personnel	\$2,000					
IT						
Fleet						
Contractual Services						
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$0	\$0	\$0	\$0	\$0	\$0

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$2,000,000 one-time to increase the available use of the City’s rental repair revolving fund.

Rationale/Background:

As a result of an aging housing stock and a growing number of landlords who do not bring their properties into compliance, rental conditions in many buildings do not meet basic code and safety requirements. Often, tenants living in these units are unable to move due to relocation costs and a host of other socioeconomic barriers. Since 2006, the City has maintained a revolving fund to address home improvements, abate nuisance issues and pay court administrator fees for tenants involved in a Tenant Remedy Action (TRA). The process has worked through a court-appointed administrator who hires contractors to do the work and then remits to the City for reimbursement of the repairs (e.g. livability issues, health and safety). In its current form, the ordinance allows the Director of Regulatory Services discretion to approve use of the TRA on a unit by unit basis.

Description of the Change:

Until now, the rental repair revolving fund has been restricted to tenants with a TRA in limited situations where landlords fail to remedy significant code violations in a timely manner. This one-time funding approval will exponentially increase the City’s ability to address code and safety requirements and serve as a key component of the City’s housing initiatives. By developing policies allowing for broader and more frequent uses of the fund, Regulatory Services can bring more housing units into code compliance and improve living situations for an increased number of tenants for years to come. Funds will continue to cover code violations repairs, including contractor and administrator costs as applicable. The self-sustaining fund will continue to collect either through direct payment or assessments, ensuring long-term sustainability.

Equity Impact:

Over the last few years, Minneapolis’ population has changed to a renter majority comprised largely of people of color. As communities of color are also disproportionately cost-burdened, they are far more likely to be negatively impacted by the current shortage of affordable rental housing. Given this reduced housing stability, renters are

Rental Repair Revolving Fund

often afraid to pursue housing repairs with landlords for fear of retribution. This funding, alongside other Enterprise-wide affordable housing initiatives, will tackle substandard housing conditions, providing better living conditions for the City's most vulnerable residents, as well as improving the housing stock for the entire population.

Results:

This fund will ensure more of the city's housing stock meets basic code and safety requirements by bringing more properties into compliance when landlords prove either unable or unwilling to make life and safety repairs. By ensuring a sustainable source of revolving funding, the City can improve living conditions for tenants, particularly for low-income households struggling to find quality affordable housing.

Regulatory Services Department
Final Four Reimbursable Expense

2019 Change Item

Program: Traffic Control and Fire Inspection Services
Fund: General – 00100

Overall Impact (\$000s)	2019	2020	2021	2022	2023	2024
Revenue Sources						
Host Committee Agreement	\$23					
Expenditures						
Personnel	\$23					
IT						
Fleet						
Contractual Services						
Other						
Net Budgetary Impact						
Expenditures - Revenues	\$0	\$0	\$0	\$0	\$0	\$0

Personnel Impacts	2019	2020	2021	2022	2023	2024
Change in FTE Count						

Council Adopted Budget:

The City Council approves \$23,000 one-time for reimbursable expenses associated with the 2019 Final Four.

Rationale/Background:

Bringing large scale events, like the Final Four, to Minneapolis gives residents a chance to participate in activities, concerts and events associated with the games. They also help cultivate a sense of community pride with the city welcoming visitors from across the world.

Major events bring major revenues to our city, not just in the form of taxes, but also in helping to support local business specifically in the hospitality industry. We also use these events to showcase our capital investments in US Bank Stadium and Nicollet Mall to the almost 90,000 visitors coming to town.

Description of the Change:

These one-time funds are primarily for staff overtime necessary in order to execute the department’s support of the event. These expenditures are offset by revenues associated with the local host committee agreement with the City.

Equity Impact:

The Final Four is a whole weekend of activities, including the national semi-final and championship games -- but also multiple free and low-cost events for all residents to enjoy.

Results:

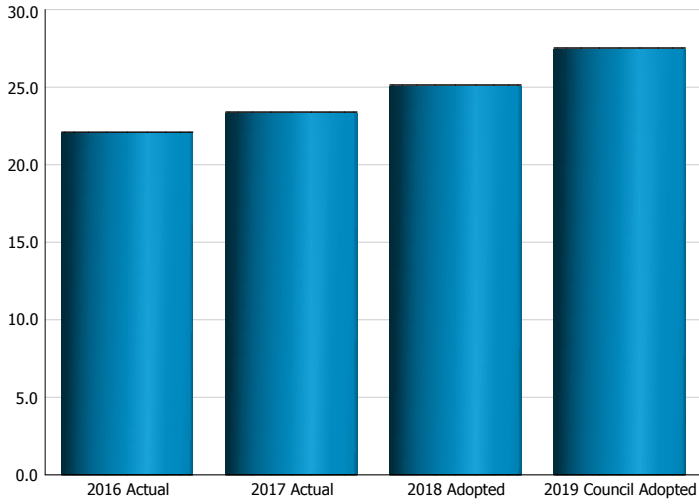
Through the additional effort represented by the expenditure of these funds, and in partnership with the local host committee, the city will be able to effectively ensure the public’s safety and ultimately host a successful event. These outcomes will position the city positively to host future NCAA events, amplifying the positive impacts for Minneapolis mentioned above.

**REGULATORY SERVICES
EXPENSE AND REVENUE INFORMATION**

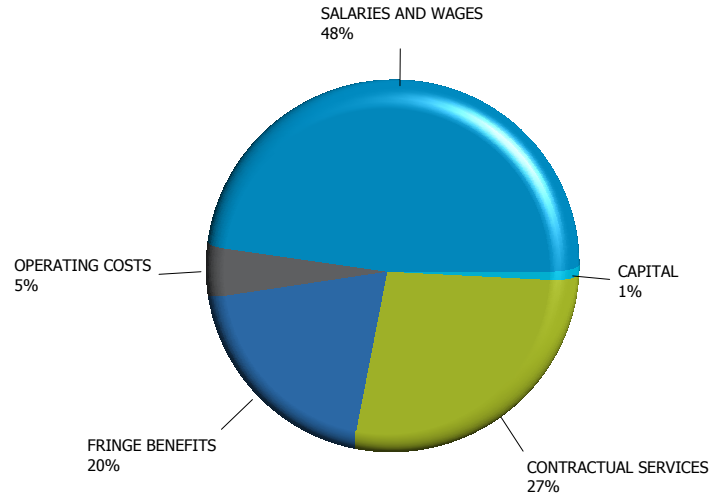
EXPENSE	2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	9,319,000	9,659,000	10,512,000	10,884,000	3.5%	372,000
FRINGE BENEFITS	3,664,000	3,702,000	4,471,000	4,488,000	0.4%	17,000
CONTRACTUAL SERVICES	3,982,000	4,204,000	4,045,000	4,199,000	3.8%	154,000
OPERATING COSTS	1,305,000	1,806,000	1,178,000	1,205,000	2.3%	27,000
CAPITAL	111,000	28,000	30,000	0	-100.0%	-30,000
TOTAL GENERAL	18,381,000	19,399,000	20,236,000	20,776,000	2.7%	540,000
SPECIAL REVENUE						
SALARIES AND WAGES	1,737,000	2,020,000	2,177,000	2,260,000	3.8%	83,000
FRINGE BENEFITS	674,000	796,000	920,000	903,000	-1.8%	-17,000
CONTRACTUAL SERVICES	1,039,000	954,000	1,317,000	3,302,000	150.7%	1,985,000
OPERATING COSTS	69,000	52,000	66,000	60,000	-9.1%	-6,000
CAPITAL	199,000	172,000	425,000	225,000	-47.1%	-200,000
TOTAL SPECIAL REVENUE	3,718,000	3,994,000	4,905,000	6,750,000	37.6%	1,845,000
TOTAL EXPENSE	22,099,000	23,393,000	25,141,000	27,526,000	9.5%	2,385,000
REVENUE						
GENERAL						
CHARGES FOR SALES				0		
CHARGES FOR SERVICES	697,000	720,000	690,000	690,000		
CONTRIBUTIONS				0		
FINES AND FORFEITS	4,750,000	6,067,000	5,031,000	5,325,000	5.8%	294,000
GAINS	3,000			0		
LICENSE AND PERMITS	5,704,000	5,383,000	5,557,000	8,000,000	44.0%	2,443,000
LONG TERM LIABILITIES PROCEEDS	-3,000			0		
OTHER MISC REVENUES	491,000	331,000	310,000	350,000	12.9%	40,000
SPECIAL ASSESSMENTS	711,000	646,000	512,000	650,000	27.0%	138,000
GENERAL	12,353,000	13,147,000	12,100,000	15,015,000	24.1%	2,915,000
SPECIAL REVENUE						
CHARGES FOR SERVICES	57,000	36,000	163,000	128,000	-21.5%	-35,000
CONTRIBUTIONS	112,000	35,000	75,000	75,000		
FINES AND FORFEITS		1,000		0		
LOCAL GOVERNMENT			85,000	0	-100.0%	-85,000
SPECIAL ASSESSMENTS	3,575,000	2,636,000	2,816,000	4,427,000	57.2%	1,611,000
USE OF FUND BALANCE			1,681,000	1,236,000	-26.5%	-445,000
SPECIAL REVENUE	3,744,000	2,708,000	4,820,000	5,866,000	21.7%	1,046,000
TOTAL REVENUE	16,097,000	15,855,000	16,920,000	20,881,000	23.4%	3,961,000

REGULATORY SERVICES EXPENSE AND REVENUE INFORMATION

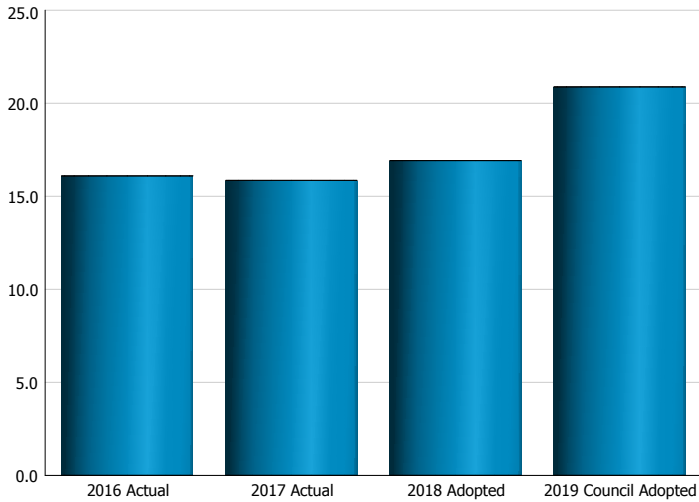
Expense 2016 - 2019
In Millions



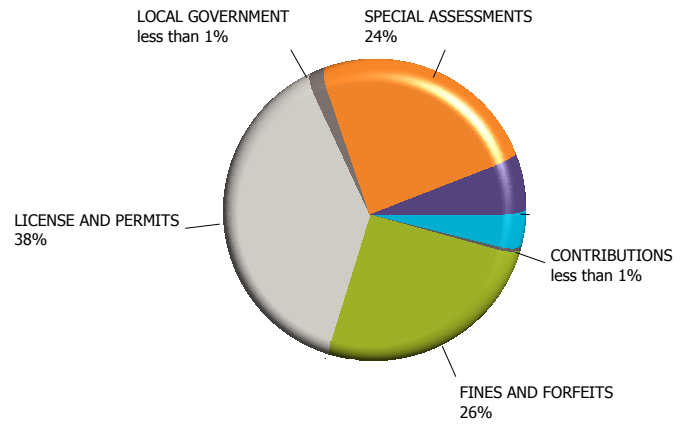
Expense by Category



Revenue 2016 - 2019
In Millions



Revenue by Type

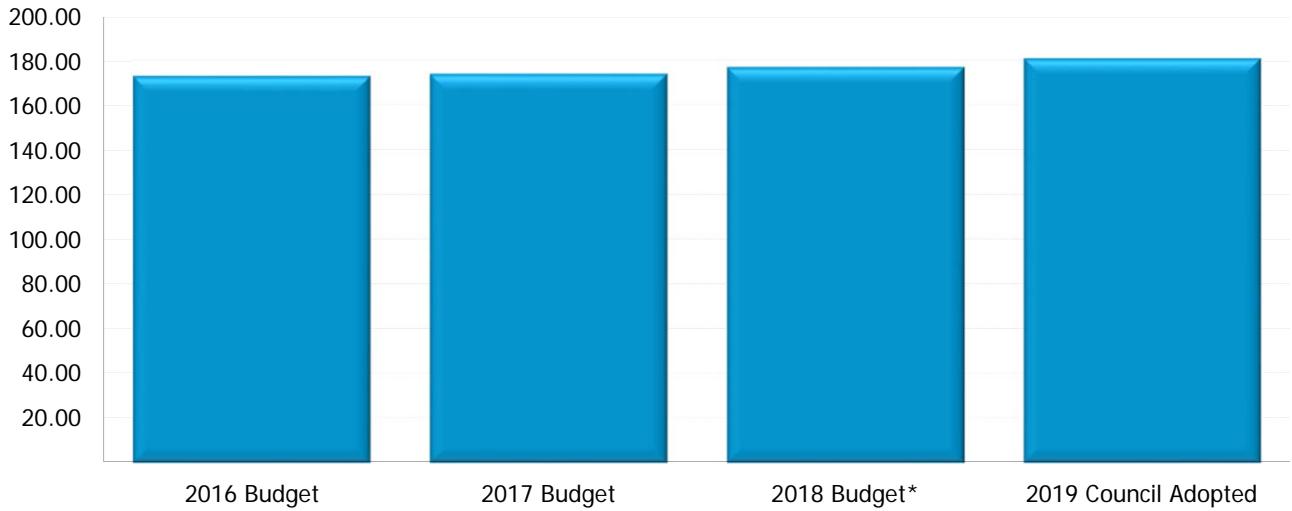


REGULATORY SERVICES

Staffing Information

Division	2016 Budget	2017 Budget	2018 Budget*	2019 Council Adopted	% Change	Change
OPERATIONS & ENGAGEMENT	29.00	26.00	26.00	36.00	38.5%	10.00
ANIMAL CONTROL	23.00	26.00	26.00	26.00	0.0%	0
FIRE INSPECTIONS	22.00	21.00	24.00	23.00	-4.2%	(1.00)
HOUSING INSPECTIONS	45.00	45.00	45.00	40.00	-11.1%	(5.00)
STRATEGIC INSPECTIONS GROUP	10.00	10.00	10.00	8.00	-20.0%	(2.00)
TRAFFIC CONTROL	44.00	46.00	46.00	48.00	4.3%	2.00
Overall	173.00	174.00	177.00	181.00	2.3%	4.00

Positions 2016-2019



* 2018 FTE counts may differ from 2018 adopted budget due to mid year adjustments, including funding and organizational changes.

**City of Minneapolis
2019 Budget**

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City of Minneapolis
2019 – 2023 Capital Program Capital
Budget Narrative Overview

CAPITAL IMPROVEMENT BUDGET DEVELOPMENT

The City adopts a five-year capital improvement program (CIP) that is updated annually. Each year, City departments & independent boards and commissions prepare new and/or modify existing capital budget requests (CBRs). The CBRs are then reviewed by the Capital Long-Range Improvement Committee (CLIC) which is a citizen advisory committee to the Mayor and City Council. The CLIC process is facilitated by Finance & Property Services staff.

CLIC is comprised of 33 appointed members, including two members per Council Ward and seven at-large members appointed by the Mayor. The overall committee elects a Chair and Vice Chair. The committee functions with two programmatic task forces of approximately the same number of members. Each task force, “Transportation” and “Human Development”, elects a Chair and Vice Chair. Collectively, these six elected members form the Executive Committee and represent CLIC in meetings with the Mayor and City Council. The task force members receive and review all CBRs for their program areas as submitted by the various City departments, independent boards and commissions.

During several half-day or full-day meetings, departments and boards formally present their requests and offer explanations. Task force members then rate all proposals using a rating system with specific criteria and create a numerical ranking for each project. Highest-ranking projects are then balanced against proposed available resources by year to arrive at a five-year capital improvement program recommendation to the Mayor and City Council.

CLIC’s recommendations serve as the starting point from which the Mayor and City Council’s decisions are made. The Mayor makes recommendations on the capital budget as well as the operating budget. The Council adopts the five-year capital plan simultaneously with the operating budget, although appropriation is only adopted for the first year.

For this five-year plan covering years 2019 - 2023, there were 101 CBRs reviewed and rated. The total requested capital budget for the five years was \$1,125.09 million.

HIGHLIGHTS OF THE 2019 - 2023 COUNCIL ADOPTED CAPITAL IMPROVEMENT PROGRAM

Five-Year Capital Program Totals: For 2019 – 2023, the five-year capital program for City departments, independent boards and commissions totals \$1,099.28 million including all funding sources. The 2019 portion of this program is \$283.79 million. This budget demonstrates significant commitments to improving the City and Park Board’s infrastructure.

The table below provides a high-level summary of the Council Adopted five-year capital program. Funding for individual projects can be found in the “Capital Budget Detail for Funded Projects” report later in this document.

Submitting Agency Infrastructure Category		2019	2020	2021	2022	2023	Total	Percent of Total
Budget in Thousands								
PARK BOARD	NEIGHBORHOOD PARKS	12,343	12,337	12,980	12,980	12,625	63,265	5.76%
PUBLIC WORKS	TRANSPORTATION	88,857	82,965	78,430	108,857	107,170	466,279	42.42%
	UTILITY FEE BASED ENTERPRISES Public Works Department Totals	67,590	78,355	67,965	63,500	49,110	326,520	29.70%
		156,447	161,320	146,395	172,357	156,280	792,799	72.12%
OTHER AGENCIES	CITY HALL, PUBLIC BLDGS, MISC. COUNCIL	114,996	107,418	14,538	4,119	2,146	243,217	22.13%
ADOPTED FIVE-YEAR CAPITAL PROGRAM		283,786	281,075	173,913	189,456	171,051	1,099,281	100.00%

Property Tax Supported Net Debt Bond Program:

The Net Debt Bond (NDB) program is funded by property tax revenue. As a result of increasing the NDB program for additional infrastructure improvements over the last several years and the 20-year funding plan for streets and parks, the bond redemption levy will be increasing in 2019 and future years to support the additional debt service to be incurred. These increases will be manageable due to the decertification of the consolidated tax increment district in 2020 which will increase the tax capacity in 2021. These property tax supported bonds help to leverage many other funding sources in the five-year plan. Below are highlights of certain NDB totals (in millions) – individual project funding details are presented later in this document.

NDB Resources for Capital Improvements: The base NDB funding levels have been averaging approximately \$162 million for each five-year plan over the last three capital budget cycles. This budget includes a base amount of \$159.63 million in the five-year plan to continue significant improvements to the City’s infrastructure. The table below reflects increases in the Street Infrastructure & Neighborhood Park Plan to be funded with NDB. In addition, the New Public Service Center is included; however, debt service for this project will be provided by a combination of tax levies continued after the City’s library debt obligations are fully paid and from enterprise and fee revenues. The new higher NDB levels will improve all classes of City infrastructure with a greater emphasis on paving projects, pedestrian and bikeway connections, traffic safety, signage and lighting improvements, bridge improvements and significant additional park improvements. These additional resources are combined with municipal state aid, special assessments and grant funds. Total funding for individual projects can be found in the “Capital Budget Detail for Funded Projects” report later in this document.

\$ millions	2019	2020	2021	2022	2023	TOTAL
NDB Base Funding Totals	\$ 33.88	\$ 28.37	\$ 29.49	\$ 31.47	\$ 36.42	\$ 159.63
Streets Infrastructure Incr	\$ 7.50	\$ 9.50	\$ 10.10	\$ 10.14	\$ 9.88	\$ 47.12
Neighborhood Parks Incr	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 40.00
New Public Service Center	\$ 50.00	\$ 43.00	\$ 0	\$ 0	\$ 0	\$ 93.00
Total NDB by year	\$ 99.38	\$ 45.87	\$ 47.59	\$ 49.61	\$ 54.30	\$ 339.75

Street Infrastructure and Neighborhood Park Funding Plan: The new expanded 20-year funding (over base) for streets and neighborhood parks is included in this budget. The total dollar increases for the five-year plan have been broken out into several existing and new paving projects for Street Infrastructure along with additional special assessments and municipal state aid adjustments as determined by the Public Works Department. For the Park Board, funds of \$8 million per year were added to various neighborhood park projects. The total resources added by funding source (excluding special assessments and municipal state aid) are summarized in the table below:

\$ millions	2019	2020	2021	2022	2023	TOTAL
NDB - Parks	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 40.00
NDB - Streets-all lines below	\$ 7.50	\$ 9.50	\$ 10.10	\$ 10.14	\$ 9.88	\$ 47.12
Transfer from Storm Sew Rev	\$ 1.53	\$ 1.54	\$ 1.56	\$ 1.58	\$ 1.59	\$ 7.80
Transfer from Gen Fund	\$ 5.53	\$ 4.95	\$ 11.29	\$ 11.68	\$ 12.41	\$ 45.86
Transfer from Spec Rev Fund	\$ 7.50	\$ 6.50	\$ 0	\$ 0	\$ 0	\$ 14.00
Total funding added by year	\$ 30.06	\$ 30.49	\$ 30.95	\$ 31.40	\$ 31.88	\$ 154.78

Public Works – NDB funding: The 2019 capital budget includes \$19.92 million in base NDB funding for Public Works projects and \$7.50 million in new Street Infrastructure NDB. This budget includes support for the replacement of streetlights with LED illumination to reduce energy consumption. Instead of net debt bonds, this budget includes a debt financing tool called equipment certificates that will use operating budget energy savings rather than property taxes to make the required debt service payments. This will enable the program to proceed as quickly as possible. Below is a summary of the 2019 - 2023 NDB allocation for Public Works infrastructure programs.

\$ millions	2019	2020	2021	2022	2023	TOTAL
NDB – Public Works base	\$ 19.92	\$ 18.07	\$ 20.60	\$ 25.47	\$ 32.45	\$ 116.51
NDB – Street Infrastructure	\$ 7.50	\$ 9.50	\$ 10.10	\$ 10.14	\$ 9.88	\$ 47.12
NDB – Shared Water Facility	\$ 0	\$ 0	\$ 5.27	\$ 0	\$ 0	\$ 5.27
Total Public Works NDB	\$ 27.42	\$ 27.57	\$ 35.97	\$ 35.61	\$ 42.33	\$ 168.90

Neighborhood Parks NDB and Park Capital Levy funding: The 2019 – 2023 capital budget includes \$2.50 million of base NDB and \$8 million of new Neighborhood Parks NDB funding for each year. The 2019 budget includes \$10.50 million of net debt bonds, and \$1.54 million of park capital levy. Below is a summary of the total 2019 – 2023 funding for neighborhood parks capital improvements, excluding the Diseased Tree Removal Program.

\$ millions	2019	2020	2021	2022	2023	TOTAL
NDB – Park Board base	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 12.50
NDB – Neighborhood Parks	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 40.00
Park Capital Levy	\$ 1.54	\$ 1.54	\$ 2.18	\$ 2.18	\$ 1.83	\$ 9.27
Total Neighborhood Parks	\$ 12.04	\$ 12.04	\$ 12.68	\$ 12.68	\$ 12.33	\$ 61.77

The Park Capital Levy is a portion of the Park Board’s total tax levy dedicated to capital improvements at the discretion of the Park Board.

NDB funding for Municipal Building Commission (MBC), Public Grounds & Facilities, and Miscellaneous Projects: The 2019 capital budget includes \$61.46 million in NDB funding for these categories. Projects include building improvements for Police, Fire and other City buildings, including City Hall and the New Public Service Center, public safety radio system replacements and public art. The base cost of the new city office building did not include moving the crime lab. To keep the crime lab running at maximum efficiency, ensure quick response to police department needs including adjacency to investigators, and to retain accreditation, this budget includes \$1.80 million of net debt bonds in 2020 to pay for furniture and equipment associated with the relocation of the crime lab. Below is a summary of the 2019 - 2023 NDB funding for MBC, Public Grounds & Facilities, and Miscellaneous projects, including Public Art at 1.5% of the total NDB in 2019 – 2023, excluding the New Public Service Center which had its own art allocation. These categories comprise 34.8% of the available NDB resources in the five-year plan.

\$ millions	2019	2020	2021	2022	2023	TOTAL
NDB - Other	\$ 61.46	\$ 50.80	\$ 1.12	\$ 3.50	\$ 1.47	\$ 118.35

Utility Fee/Rate Supported Capital: The 2019 - 2023 capital budget includes funding for sanitary and storm sewers and water infrastructure improvements which are supported by utility rates. Long-term financial plans are used to determine utility fees required to support operations and infrastructure costs. The table below does not include utility fund contributions of \$15.26 million over the five-year period for utility work performed as part of certain paving projects, most of which relates to storm sewer contributions on the new street infrastructure program. Utility Fees can be found in the Financial Schedules section of this book. Below is a summary of the Mayor’s recommended capital program for these enterprises:

Submitting Agency	Infrastructure Category	2019	2020	2021	2022	2023	Total	Percent of Total
Budget in Thousands								
PUBLIC WORKS	UTILITY FEE BASED ENTERPRISES							
	SANITARY SEWERS STORM	18,500	12,500	12,500	12,500	12,500	68,500	20.98%
	SEWERS WATER	14,750	25,750	25,750	27,750	15,750	109,750	33.61%
	INFRASTRUCTURE	34,340	40,105	29,715	23,250	20,860	148,270	45.41%
	Public Works Utility Fee Based Totals	67,590	78,355	67,965	63,500	49,110	326,520	100.00%

Relationship between the Capital and Operating Budgets: As part of each capital budget request, submitting agencies identify whether the capital request will result in an increase or decrease in annual operating costs. Departments are instructed to manage operating cost increases or decreases within existing operating budget funding levels.

CITY DEBT

Minneapolis' total general obligation debt increased from \$664 million at 12/31/2017 to \$680 million at 12/31/2018.

In 2018, the City of Minneapolis issued general obligation bonds and notes totaling \$214.36 million. Of this amount, \$47.275 million were issued to refund existing debt and \$167.085 million were issued to finance new capital improvements. Below are details of the 2018 debt issuances.

In March 2016, the City issued a \$74.00 million Taxable General Obligation Sales Tax Note (Target Center Project), Series 2016 to Wells Fargo Bank, National Association to finance the City's share of the reconstruction and upgrade of the Target Center Arena in downtown Minneapolis. Other funding partners included an estimated \$54.90 million from the Minnesota Timberwolves Basketball Limited Partnership and \$5.90 million from AEG Management, the manager of the facility. The note was issued on March 23, 2016 and provided an initial 364 days of drawdown flexibility to reimburse expenses during construction. In December 2016, the City and the bank agreed to extend the mandatory prepayment date of the drawdown facility from March 21, 2017 to March 21, 2018. On May 17, 2017, the City used proceeds of a \$39.915 million issue of Taxable General Obligation Sales Tax Refunding Bonds (Target Center Project), Series 2017 to refund and convert \$40 million of the Taxable General Obligation Sales Tax Note (Target Center Project), Series 2016 to fixed rate bonds. On March 21, 2018, the City and bank agreed to a second extension of the mandatory prepayment date to March 19, 2021. From 2016 - 2018, the City completed annual draws totaling \$27.982 million, \$41.018 million and \$5.0 million respectively. The taxable note was in variable rate mode and accrued interest based on the weekly LIBOR index rate plus a bank spread. On June 1, 2018, the City used funds on hand and a portion of the proceeds from the issuance of the Taxable General Obligation Bonds, Series 2018 to refund the \$34.00 million balance remaining on the taxable note. Details of this 2018 refunding follow.

In May 2018, the City issued \$32.77 million of Taxable General Obligation Bonds, Series 2018 to refund and convert the remaining portion of the Taxable General Obligation Sales Tax Note (Target Center Project), Series 2016 to fixed rate bonds and to provide \$1.21 million of construction reimbursement funds to the Wellington Condominium Housing Improvement Area project. The City received net bond proceeds of \$33.429 million including an original issue premium of \$.925 million offset by a \$.266 million underwriter's discount. On June 1, 2018, the City used \$32.201 million of the net proceeds along with funds on hand to prepay the remaining \$34.00 million balance of the Series 2016 note. The refunding bonds were dated May 31, 2018 and were issued with fixed interest rates ranging from 3.45% to 5.00% and have a final maturity date of December 1, 2030. Aggregate change in debt service and net present value calculations are not able to be calculated since future variable rate information is not available. This refunding was performed to minimize the risk of rising variable rates and to establish a permanent debt structure for the Target Center project. The \$1.228 million balance of the net proceeds were used to pay off a temporary bank construction loan for the Wellington Condominium project and to pay costs of issuing the bonds.

In May 2018, the City issued \$37.825 million of General Obligation Improvement and Various Purpose Bonds, Series 2018. These bonds were issued for a variety of purposes including \$8.97 million for special assessment projects related to street reconstruction and resurfacing and \$31.03 million for a variety of other capital infrastructure improvements. The City received net bond proceeds of \$40.339 million including an original issue premium of \$2.614 million offset by a \$.100 million underwriter's discount. With net premium received, the par amount of bonds required for the purposes described above were reduced to \$8.545 million and \$29.28 million respectively. The balance of the proceeds not required for project expenses were used to pay cost of issuance expenses and for future debt service on the bonds. The bonds were dated May 31, 2018 and were issued with fixed interest rates ranging from 3.00% to 5.00% and a final maturity date of December 1, 2027.

In October 2018, the City issued \$96.22 million of General Obligation Capital Improvement Bonds (Green Bonds), Series 2018 to finance a portion of the City's East Side Storage and Maintenance Facility and the New Public Service Center and associated capitalized interest funds. Both projects are being built to achieve Leadership in Energy and Environmental Design (LEED) Gold Certification for energy efficiency and other sustainable building metrics and represent the first "Green Bonds" issued by the City.

These bonds were issued to provide \$30 million for the East Side facility and \$71.15 million for the New Public Service Center and associated capitalized interest and cost of issuance. The City received net bond proceeds of \$100.87 million including an original issue premium of \$5.025 million offset by a \$.374 million underwriter's discount. With net premium received, the par amount of bonds required were reduced to \$28.005 million and \$68.215 million respectively. The bonds were dated October 31, 2018 and were issued with interest rates ranging from 4.00% to 5.00% and a final maturity date of December 1, 2046.

In October 2018, the City issued \$15.715 million of Library Referendum Refunding Bonds, Series 2018. The City received net bond proceeds of \$16.49 million including an original issue premium of \$.792 million offset by a \$.015 million underwriter's discount. The proceeds were used on December 3, 2018 along with \$5.673 million of cash on hand to redeem the remaining \$22.10 million of General Obligation Library Referendum Refunding Bonds, Series 2011 and to pay cost of issuance expenses. The refunding bonds were issued in fixed rate mode and had interest rates ranging from 5.00% to 5.25% and a final maturity date of December 1, 2020. The refunded bond series from 2011 had a final maturity date of December 1, 2019. As a result of this refunding with a slightly longer maturity structure, the City realized an aggregate debt service savings loss of \$.178 million and an economic loss of \$.124 million or .56% net present value loss on the refunded bonds debt service. This refunding was performed to utilize excess cash resources on hand and to restructure the refunded bonds to align better with future debt service revenues.

Minnesota Public Facilities Authority Notes

The City has entered into eight general obligation notes with the Minnesota Public Facilities Authority (PFA) to finance the City's drinking water ultra-filtration project, new filter presses project and a major rehabilitation of the Fridley water treatment plant. The notes are part of a federally sponsored below market financing program related to the Safe Drinking Water Act and the City saves up to 1.5% on interest costs by participating in the program. The interest rates on the eight notes range from 1.00% - 2.83% and the final maturity dates range from 8/20/19 to 8/20/35.

During 2018, the City entered into two of the eight notes in this program to assist with financing of the improvements to the Fridley water treatment plant. The first note of \$28.90 million was issued on April 11, 2018 at a 1.008% interest rate and has a final maturity date of August 20, 2032. During 2018, the City completed draw requests of \$26.83 million on this note. The second note of \$27.30 million was issued on November 9, 2018 at a 1.47% interest rate and has a final maturity date of August 20, 2035. The second note will provide funding for expenses beginning in 2019. Including 2018, the City has received proceeds totaling \$131.02 million and at December 31, 2018, the outstanding debt balance of the eight general obligation notes in this program is \$83.84 million.

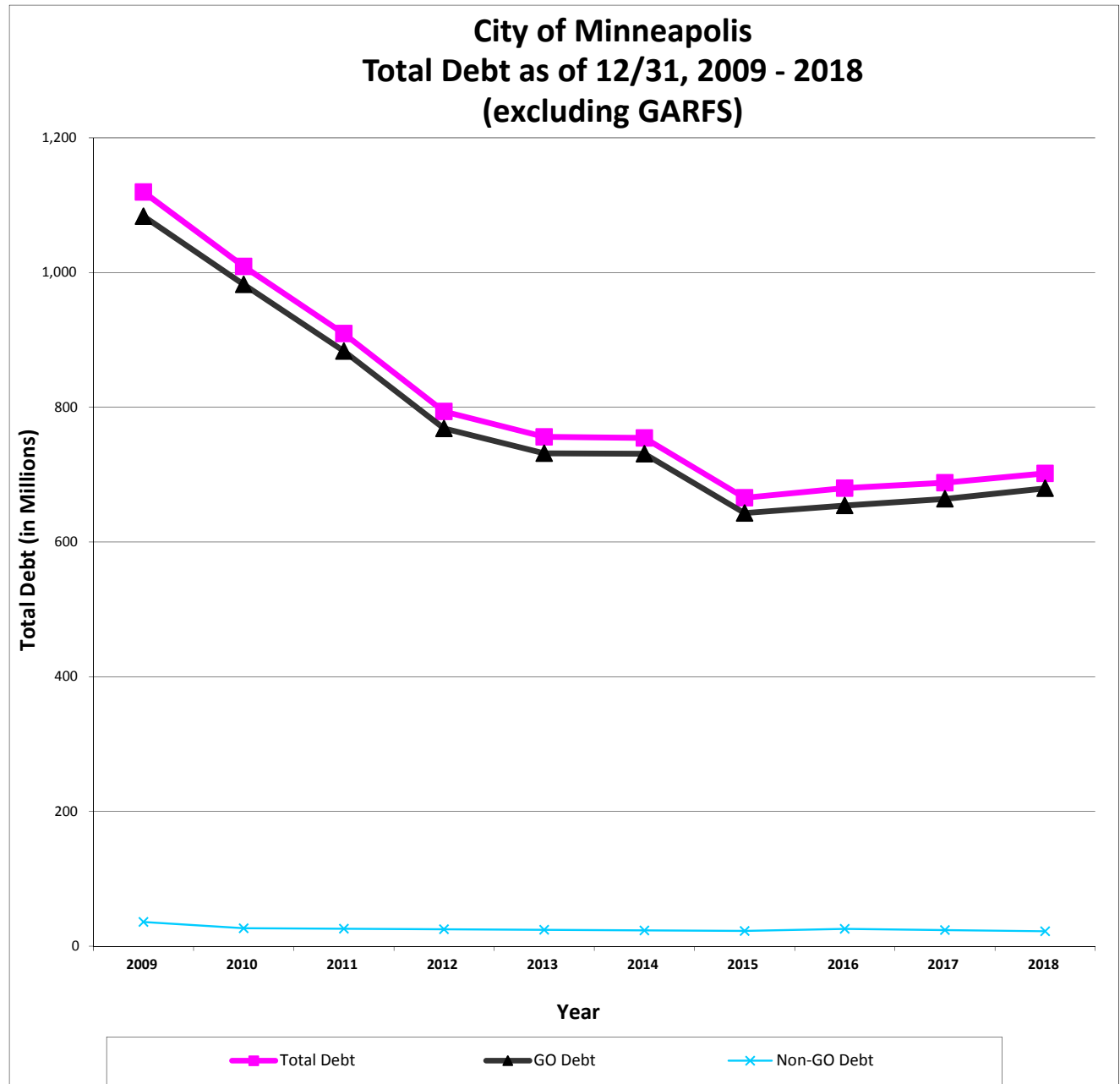
Discrete Component Unit Debt

Due to current debt issuance policies, the City issues debt on behalf of the Minneapolis Park & Recreation Board and the Municipal Building Commission and previously issued debt for the Minneapolis Library Board. The Minneapolis Public Library System was merged into the Hennepin County Library System on January 1, 2008. As of December 31, 2018, \$54.89 million of the outstanding governmental debt is related to activities of these discretely presented component units and is reported within the debt balances of the primary government. Of this balance, \$35.28 million is related to library improvements transferred to the Hennepin County Library System. The capital assets purchased with funds obtained from this debt issuance are held by the respective discrete component units and are reported with their capital assets on the Statement of Net Position, with the exception of the library assets now held by Hennepin County.

DEBT TRENDS

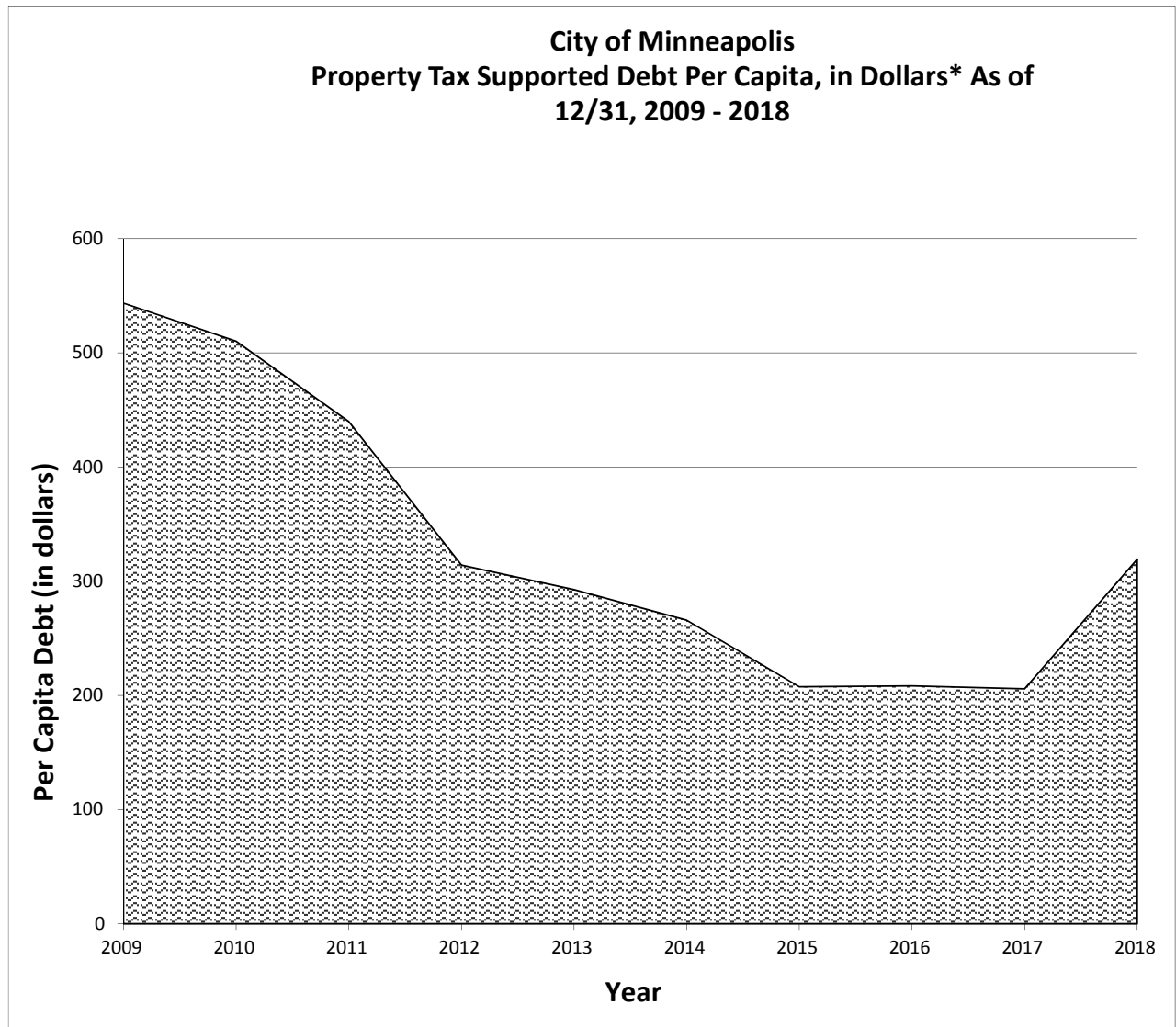
Management of the City's debt involves consideration of not only the absolute amount of debt, but also attention to yearly trends in the relationship of the debt to other financial measures. For purposes of the charts below, \$61.6 million of General Agency Reserve Fund System (GARFS or common bond fund) bonds are not included as City Debt.

The accompanying chart shows a ten-year history of the total City debt level for years 2009 – 2018. The total includes general obligation debt, backed by the full faith and credit of the City, and non-general obligation debt, which includes tax increment backed revenue bonds and notes.



PER CAPITA DEBT

The chart below shows changes in general obligation debt per capita over the past decade for the portion of the City's debt paid for with property taxes. From 2002 to 2006, the City issued significant property tax supported debt to fund the Library Referendum capital program and to pay unfunded pension obligations for the City's three closed pension funds - the Minneapolis Police Relief Association (MPRA), Minneapolis Fire Relief Association (MFRA) and Minneapolis Employee Retirement Fund (MERF) resulting in a spike in the debt per capita. The reductions from 2009 to 2013 are partially due to the City using one-time resources to accelerate the pay down of all categories of property tax supported debt including infrastructure, library referendum and pension bonds. All pension bonds were paid off in 2012. Since 2015, all City closed pension plans have been merged into the State of Minnesota's public pension plans.

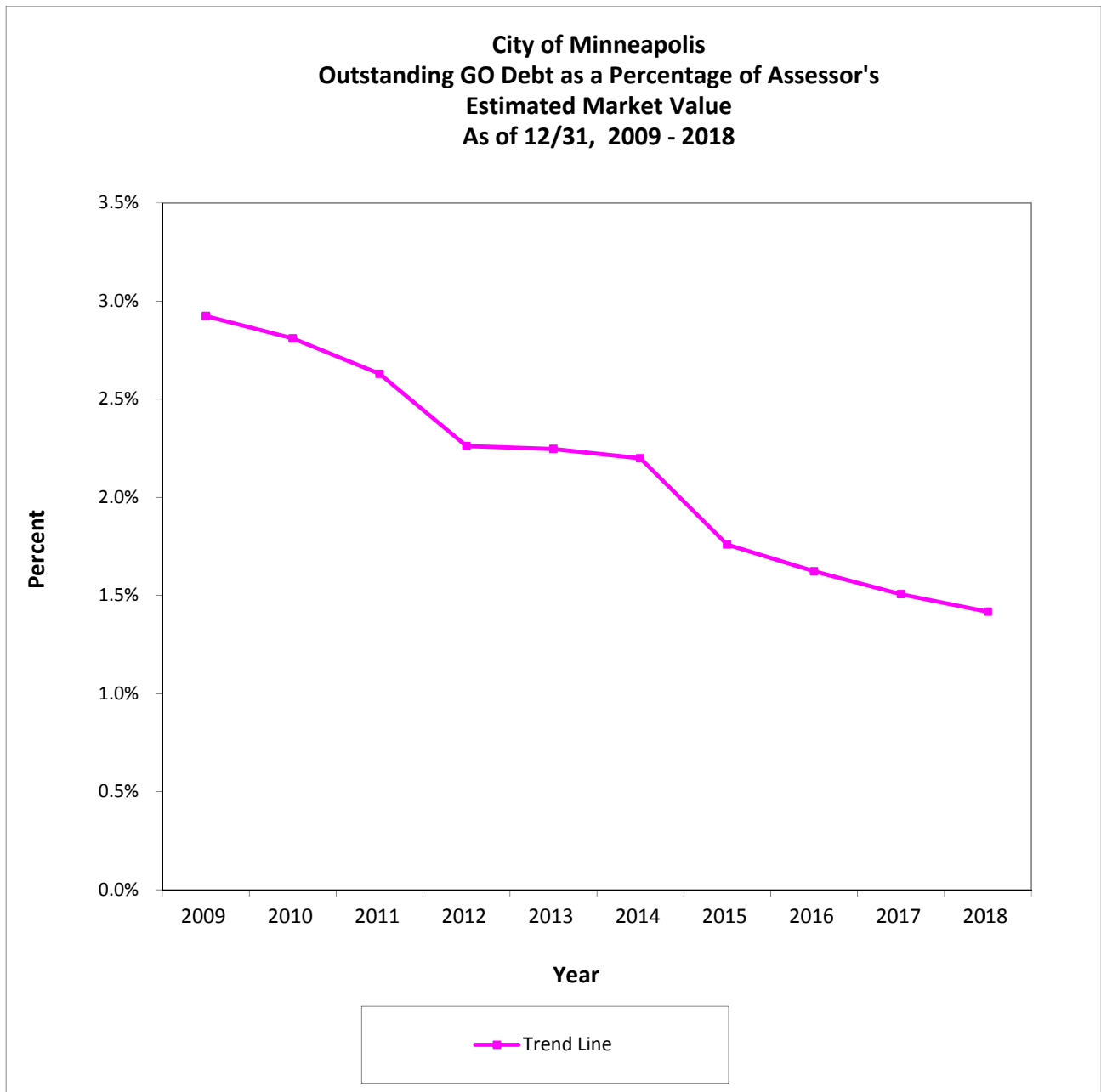


* Figures shown are adjusted indebtedness, which represents the total general obligation indebtedness of the City less that indebtedness supported by revenues other than general property taxes. Funding from self-supporting enterprises of the City offset a portion of the property tax supported pension related debt included above. Population figures used in this graph come from the official census in 2010 or from data provided by the Metropolitan Council for the later years.

DEBT CAPACITY – TOTAL DEBT

A primary goal of the City's debt management effort is to maintain the ability to incur debt at low interest rates without endangering the ability to finance essential City services.

One key management ratio used in monitoring the City's debt is total general obligation (GO) debt outstanding as a percent of estimated market value of Minneapolis' taxable property. The ratio of outstanding GO debt to estimated market value has remained below three percent since 2007 even though property values declined over \$6 billion from 2008 to 2013. During this difficult period, the trend line benefitted from a reduction of \$414 million in GO debt applicable to the calculation. Property values have recovered from the recession and recent new development has created significant additional market value which is contributing to the large improvement in the ratio from 2014 to 2018.



COMPUTATION OF THE CITY'S LEGAL DEBT MARGIN

The following is the computation of the estimated legal debt margin as of December 31, 2018. This calculation determines the maximum statutory limit of general obligation debt that can be issued by the City and be funded by property taxes.

		Dollars in Thousands
Real Property (2018 Assessed Market Value)	\$	47,427,078
Personal Property (2018 Assessed Market Value) Adjustment for		520,855
Exempt Personal Property (1966 Market Value) Adjustment for Net		298,030
Fiscal Disparities (Contribution)/Distribution		(191,651)
Total Assessed Market Value (as adjusted)		48,054,312
Debt Limit (3-1/3% of Market Value Applicable to Debt Limit)	\$	1,601,810
General Obligation Bonds Subject to Debt Limit:		
Supported by Property Tax Levy		152,090
Supported by Special Assessments:		
Park Diseased Trees		860
Self-Supporting (Supported by Internal User Charges):		
Park Board - Land for athletic fields & energy efficiency		10,350
Public Works Fleet and Equipment		-
Property Services Fund		-
Total General Obligation Bonds Subject to Debt Limit Less:		163,300
Estimated Assets in Debt Service Fund at 12/31/18		(19,993)
Total Debt Applicable to Debt Limit		143,307
Legal Margin for New Bonds Subject to Debt Limit	\$	1,458,503

SUMMARY OF OUTSTANDING CITY DEBT

Long-term liabilities (in thousands) at December 31, 2018 are detailed below.

	Balance 1/1/2018	Additions	Retirements	Balance 12/31/2018	Amounts Due Within One Year
Governmental Activities:					
<u>Bonds and Notes</u>					
Property Tax Supported GO Bonds*	\$ 110,920	\$ 112,910	\$ 71,740	\$ 152,090	\$ 37,735
Self Supporting GO Bonds	186,180	31,560	24,975	192,765	29,450
Self Supporting GO Notes	29,000	5,000	34,000	-	-
GO Improvement Bonds	49,685	10,055	11,500	48,240	6,730
GO Improvement Notes	4,800	-	1,600	3,200	750
Tax Increment GO Bonds	57,765	-	5,385	52,380	5,865
Tax Increment GO Notes	2,750	-	2,750	-	-
Revenue Bonds	20,305	-	1,365	18,940	1,420
Revenue Notes	3,705	-	435	3,270	465
Internal Service Fund Related GO Bonds	9,810	-	9,810	-	-
Total Bonds and Notes	<u>474,920</u>	<u>159,525</u>	<u>163,560</u>	<u>470,885</u>	<u>82,415</u>
Business-type activities:					
<u>Bonds and Notes</u>					
Sanitary Sewer Fund GO Bonds	27,810	-	4,480	23,330	4,580
Water Fund GO Bonds	32,775	-	6,815	25,960	6,685
Water Fund GO Notes	64,990	26,830	7,975	83,845	8,325
Municipal Parking Fund GO Bonds	45,440	-	3,240	42,200	4,820
Municipal Parking Fund GO Notes	41,995	-	14,400	27,595	195
Solid Waste Fund GO Bonds	-	28,005	-	28,005	2,760
CPED Related Non GO Fund	-	-	-	-	-
General Agency Reserve Fund System Bonds	64,300	-	2,735	61,565	2,730
Total Bonds and Notes	<u>277,310</u>	<u>54,835</u>	<u>39,645</u>	<u>292,500</u>	<u>30,095</u>
Grand Total Bonds and Notes	<u>\$ 752,230</u>	<u>\$ 214,360</u>	<u>\$ 203,205</u>	<u>\$ 763,385</u>	<u>\$ 112,510</u>

* This category includes debt issued for the City's general infrastructure capital program, the library referendum and the New Public Service Center.

AMORTIZATION OF OUTSTANDING GOVERNMENTAL CITY DEBT

As of December 31, 2018, annual debt service requirements for Governmental activities* (in thousands) to maturity follows:

Year Ending	Governmental Activities – Non-Proprietary				Total Governmental	
	Bonds		Notes		Activities Bonds & Notes	
Dec 31:	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 81,200	\$ 18,528	\$ 1,215	\$ 210	\$ 82,415	\$ 18,738
2020	66,915	14,888	495	172	67,410	15,060
2021	22,335	12,211	2,975	154	25,310	12,365
2022	22,320	11,359	560	62	22,880	11,421
2023	24,670	11,547	595	43	25,265	11,590
2024 - 2028	100,820	39,075	630	22	101,450	39,097
2029 - 2033	55,135	24,657	-	-	55,135	24,657
2034 - 2038	35,020	15,908	-	-	35,020	15,908
2039 - 2043	38,495	8,374	-	-	38,495	8,374
2044 - 2045	17,505	1,128	-	-	17,505	1,128
	<u>\$ 464,415</u>	<u>\$ 157,675</u>	<u>\$ 6,470</u>	<u>\$ 663</u>	<u>\$ 470,885</u>	<u>\$ 158,338</u>

* Governmental activities include the basic infrastructure assets required to provide services to the residents such as parks, libraries, streets, roads, bridges, traffic signals, street lighting, police and fire stations, public buildings, technology platforms, fleet equipment, etc. Governmental activities are supported by property taxes, other governmental aids and other general revenues.

AMORTIZATION OF OUTSTANDING BUSINESS TYPE CITY DEBT

As of December 31, 2018, annual debt service requirements for Business-type activities* (in thousands) to maturity follows:

Year Ending	Business-type Activities				Total Business	
	Bonds		Notes		Activities Bonds & Notes	
Dec 31:	Principal	Interest	Principal	Interest	Principal	Interest
2019	21,575	7,356	8,520	2,624	\$ 30,095	\$ 9,980
2020	19,925	6,485	9,865	2,424	29,790	8,909
2021	19,825	5,796	10,385	2,190	30,210	7,986
2022	21,905	5,114	9,165	1,948	31,070	7,062
2023	15,555	4,381	9,240	1,731	24,795	6,112
2024 - 2028	34,230	16,935	42,930	5,622	77,160	22,557
2029 - 2033	21,885	10,973	21,335	1,486	43,220	12,459
2034 - 2038	20,450	4,624	-	-	20,450	4,624
2039 - 2040	5,710	421	-	-	5,710	421
	<u>\$ 181,060</u>	<u>\$ 62,085</u>	<u>\$ 111,440</u>	<u>\$ 18,025</u>	<u>\$ 292,500</u>	<u>\$ 80,110</u>

* Business-type activities include those City functions that operate like a private business such as Water, Stormwater and Sanitary Sewer Services, Solid Waste and Recycling and Parking Ramps. Business-type activities are supported by user fees charged for services provided. Business activities also include some economic development activities that help spur private development, the debt of which is paid for by the private businesses benefited.

Submitting Agency	Budget in Thousands					Total	% of Total
	2019	2020	2021	2022	2023		
MUNICIPAL BUILDING COMMISSION	4,466	1,240	834	1,242	1,344	9,126	0.83%
PARK BOARD	12,343	12,337	12,980	12,980	12,625	63,265	5.76%
PUBLIC WORKS DEPARTMENT	156,447	161,320	146,395	172,357	156,280	792,799	72.12%
PUBLIC GROUNDS & FACILITIES	109,800	105,500	13,000	2,144		230,444	20.96%
MISCELLANEOUS PROJECTS	730	678	704	733	802	3,647	0.33%
Total	283,786	281,075	173,913	189,456	171,051	1,099,281	100.00%

Public Works Department Breakdown

Infrastructure Category	Budget in Thousands					Total	% of Total
	2019	2020	2021	2022	2023		
STREET PAVING	72,287	56,850	59,105	65,382	87,770	341,394	31.06%
SIDEWALKS	4,400	4,610	4,820	5,030	5,240	24,100	2.19%
BRIDGES	2,680	9,040	2,310	26,395	1,715	42,140	3.83%
TRAFFIC CONTROL & STREET LIGHTING	7,350	7,400	9,095	9,445	10,445	43,735	3.98%
BIKE - PED PROJECTS	2,140	5,065	3,100	2,605	2,000	14,910	1.36%
SANITARY SEWERS	18,500	12,500	12,500	12,500	12,500	68,500	6.23%
STORM SEWERS	14,750	25,750	25,750	27,750	15,750	109,750	9.98%
WATER INFRASTRUCTURE	34,340	40,105	29,715	23,250	20,860	148,270	13.49%
Total	156,447	161,320	146,395	172,357	156,280	792,799	72.12%

Five-Year Capital Funding Summary

Council Adopted Budget

General Infrastructure Funding Summary	Budget in Thousands					Total
	2019	2020	2021	2022	2023	
Capital Project Fund Balance	0	0	0	0	0	0
CIP Bonds	45,000	50,000	13,000	0	0	108,000
Federal Grants	9,050	8,000	1,350	0	7,000	25,400
Hennepin County Grants	3,233	2,670	817	1,621	1,672	10,013
Municipal State Aid	12,750	11,500	12,105	11,705	9,450	57,510
Net Debt Bonds	99,379	88,870	47,588	49,609	54,306	339,752
Other Debt Financing	1,000	1,000	1,000	1,500	1,500	6,000
Other Local Govts	0	0	0	0	8,620	8,620
Park Capital Levy	1,543	1,537	2,180	2,180	1,825	9,265
Private Contributions	0	0	0	0	0	0
Reimbursements	4,100	4,100	4,100	4,100	4,100	20,500
Sidewalk Assessments	3,905	4,105	4,305	4,505	4,705	21,525
Special Assessments Bonds	11,395	9,770	10,985	14,725	13,715	60,590
State Grants	0	0	0	22,050	0	22,050
Transfer from General Fund	10,826	10,953	11,287	11,689	12,405	57,160
Transfer from Special Revenue Funds	7,500	6,500	0	0	0	14,000
Transfer from Stormwater Fund	1,530	1,545	1,561	1,577	1,593	7,806
Total General Infrastructure Funding	211,211	200,550	110,278	125,261	120,891	768,191

Enterprise Fund Capital Funding Summary	Budget in Thousands					Total
	2019	2020	2021	2022	2023	
Parking Bonds	0	0	0	0	0	0
Parking Revenue	1,000	0	0	0	0	1,000
Reimbursements	5,000	5,000	5,000	5,000	5,000	25,000
Sanitary Bonds	14,500	13,500	13,000	11,500	11,500	64,000
Sanitary Revenue	3,000	2,600	3,000	4,000	5,000	17,600
Stormwater Bonds	6,500	7,000	9,500	13,000	3,000	39,000
Stormwater Revenue	10,235	14,320	11,685	9,445	6,800	52,485
Water Bonds	17,890	23,555	6,800	6,000	4,360	58,605
Water Revenue	14,450	14,550	14,650	15,250	14,500	73,400
Total Enterprise Fund Capital Funding	72,575	80,525	63,635	64,195	50,160	331,090

City-Wide Capital Funding Summary	Budget in Thousands					Total	Breakdown
	2019	2020	2021	2022	2023		
Enterprise Bonds	38,890	44,055	29,300	30,500	18,860	161,605	14.70%
Enterprise Revenue	27,685	31,470	29,335	28,695	26,300	143,485	13.05%
Municipal State Aid	12,750	11,500	12,105	11,705	9,450	57,510	5.23%
Net Debt Bonds	99,379	88,870	47,588	49,609	54,306	339,752	30.91%
Other	93,687	95,410	44,600	54,222	48,420	336,339	30.60%
Special Assessments	11,395	9,770	10,985	14,725	13,715	60,590	5.51%
Total City-Wide Capital Program Funding	283,786	281,075	173,913	189,456	171,051	1,099,281	100.00%

Five-Year Capital Funding Summary (Public Works)

Council Adopted Budget

General Infrastructure Funding Summary	Budget in Thousands					Total
	2019	2020	2021	2022	2023	
Federal Grants	9,050	8,000	1,350	0	7,000	25,400
Hennepin County Grants	1,000	2,050	400	1,000	1,000	5,450
Municipal State Aid	12,750	11,500	12,105	11,705	9,450	57,510
Net Debt Bonds	27,416	27,572	35,967	35,611	42,332	168,898
Other Debt Financing	1,000	1,000	1,000	1,500	1,500	6,000
Other Local Govts	0	0	0	0	8,620	8,620
Reimbursements	4,100	4,100	4,100	4,100	4,100	20,500
Sidewalk Assessments	3,905	4,105	4,305	4,505	4,705	21,525
Special Assessments Bonds	11,095	9,470	10,685	14,425	13,415	59,090
State Grants	0	0	0	22,050	0	22,050
Transfer from General Fund	5,526	4,953	11,287	11,689	12,405	45,860
Transfer from Special Revenue Funds	7,500	6,500	0	0	0	14,000
Transfer from Stormwater Fund	1,530	1,545	1,561	1,577	1,593	7,806
Total General Infrastructure Funding	84,872	80,795	82,760	108,162	106,120	462,709

Enterprise Fund Capital Funding Summary	Budget in Thousands					Total
	2019	2020	2021	2022	2023	
Reimbursements	5,000	5,000	5,000	5,000	5,000	25,000
Sanitary Bonds	14,500	13,500	13,000	11,500	11,500	64,000
Sanitary Revenue	3,000	2,600	3,000	4,000	5,000	17,600
Stormwater Bonds	6,500	7,000	9,500	13,000	3,000	39,000
Stormwater Revenue	10,235	14,320	11,685	9,445	6,800	52,485
Water Bonds	17,890	23,555	6,800	6,000	4,360	58,605
Water Revenue	14,450	14,550	14,650	15,250	14,500	73,400
Total Enterprise Fund Capital Funding	71,575	80,525	63,635	64,195	50,160	330,090

City-Wide Capital Funding Summary	Budget in Thousands					Total	Breakdown
	2019	2020	2021	2022	2023		
Enterprise Bonds	38,890	44,055	29,300	30,500	18,860	161,605	20.38%
Enterprise Revenue	27,685	31,470	29,335	28,695	26,300	143,485	18.10%
Municipal State Aid	12,750	11,500	12,105	11,705	9,450	57,510	7.25%
Net Debt Bonds	27,416	27,572	35,967	35,611	42,332	168,898	21.30%
Other	38,611	37,253	29,003	51,421	45,923	202,211	25.51%
Special Assessments	11,095	9,470	10,685	14,425	13,415	59,090	7.45%
Total Public Works Capital Program Funding	156,447	161,320	146,395	172,357	156,280	792,799	100.00%

2019 - 2023 Council Adopted Capital Resources For Property Tax Supported (Net Debt) Bond Program

Recommended Resources by Category	2019	2020	2021	2022	2023	Totals (000's)
Available Resources:						
2019 - 2023 Base NDB Program	33,900	30,100	26,800	32,800	36,000	159,600
Council Adjustments to Base NDB Program	-21	-1,730	2,688	-1,331	426	32
Council Adopted Base NDB Program*	33,879	28,370	29,488	31,469	36,426	159,632

* Base funding includes an average of \$13.135 M per year for Streets and \$2.5 M per year for Parks based on 2016 funding levels before the Streets & Parks Infrastructure Ordinance was approved on April 29, 2016.

Expanded Street Infrastructure and Neighborhood Park Funding Plan (NDB portion only):

Street Infrastructure NDB Increase**	7,500	9,500	10,100	10,140	9,880	47,120
Neighborhood Parks NDB Increase	8,000	8,000	8,000	8,000	8,000	40,000
Total NDB increases for Streets and Neighborhood Parks	15,500	17,500	18,100	18,140	17,880	87,120

Total NDB for Infrastructure Improvements	49,379	45,870	47,588	49,609	54,306	246,752
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**The Street Infrastructure portion of the 20 year plan includes additional cash transfers from the general fund, the self-insurance fund, special revenue funds, stormwater fund, municipal state aid and special assessments not shown above.

City Hall & New Public Service Center NDB	50,000	43,000	0	0	0	93,000
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This debt (not previously approved as part of the CIP Plan) was listed as Other Debt Financing in the Mayor's Budget.

Grand Total Council Adopted NDB Program	99,379	88,870	47,588	49,609	54,306	339,752
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This resource summary represents the City's commitment for General Infrastructure assets which includes parks, public buildings, streets, bridges, bike & pedestrian improvements, traffic signals and any other capital assets used for providing basic city services. These resources also leverage significant additional funding from special assessments, municipal state aid, other government grants, etc.

2019 Bond Redemption Levy for Capital Program

	Amount (000's)
Tax Levy Certified for Bond Redemption in 2018	39,350
Bond Redemption Levy Base Adjustment	500 Per Five-Year Financial Direction 2019 - 2023
Streets & Parks Funding Increase	1,660 Per Streets & Parks Ordinance Funding Plan
Tax Levy Certified for Bond Redemption in 2019	41,510 For supporting ongoing Capital Programs



Net Debt Bond Allocation

Council Adopted Budget

Summarized by Major Type of Infrastructure

Budget in Thousands

Description of Major Category	2019	2020	2021	2022	2023	Total	% Total
MUNICIPAL BUILDING COMMISSION	2,033	620	417	621	672	4,363	1.3%
PARK BOARD	10,500	10,500	10,500	10,500	10,500	52,500	15.5%
PUBLIC WORKS DEPARTMENT	27,416	27,572	35,967	35,611	42,332	168,898	49.7%
PUBLIC GROUNDS & FACILITIES	58,700	49,500	0	2,144		110,344	32.5%
MISCELLANEOUS PROJECTS	730	678	704	733	802	3,647	1.1%
Total Net Debt Bond Allocation	99,379	88,870	47,588	49,609	54,306	339,752	100%

Budget in Thousands

Major Category	Type of Infrastructure	2019	2020	2021	2022	2023	Total
MUNICIPAL BUILDING COMMISSION		2,033	620	417	621	672	4,363
		2.0%	0.7%	0.9%	1.3%	1.2%	1.3%
PARK BOARD		10,500	10,500	10,500	10,500	10,500	52,500
		10.6%	11.8%	22.1%	21.2%	19.3%	15.5%
PUBLIC WORKS DEPARTMENT	STREET PAVING	17,351	11,927	19,342	21,791	30,737	101,148
		17.5%	13.4%	40.6%	43.9%	56.6%	29.8%
	SIDEWALKS	495	505	515	525	535	2,575
		0.5%	0.6%	1.1%	1.1%	1.0%	0.8%
	BRIDGES	2,680	6,325	2,000	4,345	1,715	17,065
		2.7%	7.1%	4.2%	8.8%	3.2%	5.0%
	TRAFFIC CONTROL & STREET LIGHTING	4,750	4,950	5,745	6,345	7,345	29,135
		4.8%	5.6%	12.1%	12.8%	13.5%	8.6%
	BIKE - PED PROJECTS	2,140	3,865	3,100	2,605	2,000	13,710
		2.2%	4.3%	6.5%	5.3%	3.7%	4.0%
WATER INFRASTRUCTURE	0	0	5,265	0	0	5,265	
	0.0%	0.0%	11.1%	0.0%	0.0%	1.5%	
PUBLIC GROUNDS & FACILITIES		58,700	49,500	0	2,144	0	110,344
		59.1%	55.7%	0.0%	4.3%	0.0%	32.5%
MISCELLANEOUS PROJECTS		730	678	704	733	802	3,647
		0.7%	0.8%	1.5%	1.5%	1.5%	1.1%
Total Net Debt Bond Allocation		99,379	88,870	47,588	49,609	54,306	339,752



Capital Budget Summary

Council Adopted Budget

Budget in Thousands

		2019	2020	2021	2022	2023	Total	
MUNICIPAL BUILDING COMMISSION	MBC01 Life Safety Improvements	0	240	184	206	148	778	
	MBC02 Mechanical Systems Upgrade	0	0	650	1,036	1,196	2,882	
	MBC10 Exterior Improvements	0	0	0	0	0	0	
	MBC11 Elevator Upgrades and Modernization	2,400	0	0	0	0	2,400	
	MBC12 Safety Improvements - Non-Stagework Areas	2,066	1,000	0	0	0	3,066	
Total for MUNICIPAL BUILDING COMMISSION		4,466	1,240	834	1,242	1,344	9,126	
PARK BOARD	PRK02 Playground and Site Improvements Program	2,160	2,046	839	1,041	1,065	7,151	
	PRK03 Shelter - Pool - Site Improvements Program	0	0	804	0	0	804	
	PRK04 Athletic Fields -Site Improvements Program	255	0	236	0	0	491	
	PRK33 Bryn Mawr Meadows Field Improvements	0	0	3,080	365	0	3,445	
	PRK34 Currie Park Implementation	2,212	0	0	0	0	2,212	
	PRK35 Keewaydin Park Implementation	541	627	0	0	0	1,168	
	PRK36 North Commons Park Implementation	368	1,000	800	0	0	2,168	
	PRK37 Powderhorn Park Implementation	0	0	285	815	0	1,100	
	PRK38 Sibley Field Park Implementation	518	503	0	0	0	1,021	
	PRK39 Whittier Park Implementation	45	1,062	0	0	0	1,107	
	PRKCP Neighborhood Parks Capital Infrastructure	1,894	2,604	2,246	6,589	7,400	20,733	
	PRKDT Diseased Tree Removal	300	300	300	300	300	1,500	
PRKRP Neighborhood Parks Rehabilitation Program	4,050	4,195	4,390	3,870	3,860	20,365		
Total for PARK BOARD		12,343	12,337	12,980	12,980	12,625	63,265	
PUBLIC WORKS DEPARTMENT	STREET PAVING	PV001 Parkway Paving Program	750	750	750	750	750	3,750
		PV006 Alley Renovation Program	250	250	250	250	250	1,250
		PV054 8th St S (Hennepin Ave to Chicago Ave)	17,145	0	0	0	0	17,145
		PV056 Asphalt Pavement Resurfacing Program	7,015	7,015	7,015	7,015	7,015	35,075
		PV059 Major Pavement Maintenance Program	250	250	250	250	250	1,250
		PV063 Unpaved Alley Construction	200	200	200	200	200	1,000
		PV074 CSAH & MnDOT Cooperative Projects	4,420	2,800	700	3,800	5,455	17,175
		PV075 Development Infrastructure Program	500	500	500	500	500	2,500
		PV092 Technology Dr (37th Ave NE to Marshall S NE)	0	0	0	0	0	0
		PV095 4th St N & S (2nd Ave N to 4th Ave S)	11,985	2,525	0	0	0	14,510
		PV104 ADA Ramp Replacement Program	500	500	500	500	500	2,500
		PV108 Concrete Streets Rehabilitation Program	4,325	4,750	5,185	5,130	5,350	24,740
		PV113 29th St W Phase 2	0	0	2,170	0	0	2,170
		PV114 U of M Protected Bikeways	1,985	0	0	0	0	1,985
		PV116 North Loop Pedestrian Improvements	3,820	0	0	0	0	3,820
		PV118 Hennepin Ave (Wash Ave N to 12th St S)	0	22,200	910	0	0	23,110
		PV122 Dowling Ave (I-94 to 1st St N)	0	0	0	3,565	0	3,565
PV123 Logan Park Industrial	0	0	0	6,755	0	6,755		
PV125 33rd & 35th St E (M'haha & Dight Ave to Tracks)	2,865	0	0	0	0	2,865		
PV126 Bryant Ave S (50th St W to Lake St W)	0	0	0	1,400	17,355	18,755		



Capital Budget Summary

Council Adopted Budget

Budget in Thousands

		2019	2020	2021	2022	2023	Total	
PUBLIC WORKS DEPARTMENT	STREET PAVING	PV127 37th Ave NE (Central Ave NE to Stinson Blvd)	0	0	0	0	10,475	10,475
		PV131 Res Neighborhood Reconst Projects	2,205	5,695	4,360	6,000	5,000	23,260
		PV135 North Loop Paving	9,475	0	0	0	0	9,475
		PV137 29th Ave NE (Central to Stinson)	0	0	6,063	2,627	0	8,690
		PV138 26th St E (Minnehaha Ave to 29th Ave S)	0	0	0	4,550	0	4,550
		PV139 18th Ave NE (Johnson St NE to Stinson Blvd NE)	1,097	3,908	0	0	0	5,005
		PV140 13th Ave NE (Sibley St NE to Monroe St NE)	0	0	0	7,740	0	7,740
		PV141 Grand Ave S (Lake St W to 48th St W)	0	712	14,353	0	0	15,065
		PV142 Downtown East Paving	0	0	3,175	0	0	3,175
		PV143 North Industrial	0	0	0	5,670	0	5,670
		PV146 9th St SE (6th Ave SE to 9th Ave SE)	0	0	0	2,220	0	2,220
		PV147 Girard Ave S (Lake St to Lagoon Ave)	0	1,295	0	0	0	1,295
		PV150 1st Ave N (10th St N to Wash Ave)	0	0	0	0	12,425	12,425
		PV152 Plymouth Ave (Washburn Ave N to Penn Ave N)	0	0	4,625	835	0	5,460
		PV154 Franklin Ave W (Henn Ave S to Lyndale Ave S)	0	0	0	2,125	0	2,125
		PV156 Johnson St NE (18th Ave NE to Lowry Ave NE)	0	0	4,599	0	0	4,599
		PV158 Hennepin Ave (Lake St W to Douglas Ave)	0	0	0	0	18,745	18,745
	PV99R Reimbursable Paving Projects	3,500	3,500	3,500	3,500	3,500	17,500	
	Total for STREET PAVING		72,287	56,850	59,105	65,382	87,770	341,394
	SIDEWALKS	SWK01 Defective Hazardous Sidewalks	4,250	4,460	4,670	4,880	5,090	23,350
		SWK02 Sidewalk Gaps	150	150	150	150	150	750
	Total for SIDEWALKS		4,400	4,610	4,820	5,030	5,240	24,100
	BRIDGES	BR101 Major Bridge Repair and Rehabilitation	600	400	400	400	400	2,200
		BR106 1st Ave S over HCRRA	0	4,790	0	0	0	4,790
		BR117 1st St N Bridge over Bassetts Creek	0	1,380	0	0	0	1,380
		BR127 Nicollet Ave over Minnehaha Creek	0	0	0	24,050	0	24,050
		BR133 Cedar Lake Road Bridges over Bassett Cr & RR	0	0	1,125	0	0	1,125
		BR134 Bridge 9 Program	2,080	2,470	785	1,945	1,315	8,595
	Total for BRIDGES		2,680	9,040	2,310	26,395	1,715	42,140
TRAFFIC CONTROL & STREET LIGHTING	TR008 Parkway Street Light Replacement	350	350	350	350	350	1,750	
	TR010 Traffic Management Systems	1,055	875	1,150	1,250	1,850	6,180	
	TR011 City Street Light Renovation	1,000	1,000	1,000	1,500	1,500	6,000	
	TR021 Traffic Signals	1,950	1,800	2,000	2,500	2,500	10,750	
	TR022 Traffic Safety Improvements	1,000	1,380	2,600	1,750	1,750	8,480	
	TR024 Pedestrian Street Lighting Corridors	500	500	500	600	1,000	3,100	
	TR025 Sign Replacement Program	895	895	895	895	895	4,475	
	TR99R Reimbursable Transportation Projects	600	600	600	600	600	3,000	
Total for TRAFFIC CONTROL & STREET LIGHTING		7,350	7,400	9,095	9,445	10,445	43,735	
BIKE - PED PROJECTS	BIK28 Protected Bikeways Program	1,140	1,940	1,000	1,000	1,000	6,080	
	BP001 Safe Routes to School Program	400	400	400	400	400	2,000	



Capital Budget Summary

Council Adopted Budget

Budget in Thousands

			2019	2020	2021	2022	2023	Total	
PUBLIC WORKS DEPARTMENT	BIKE - PED PROJECTS	BP003 Midtown Greenway Trail Mill & Overlay	0	0	1,100	0	0	1,100	
		BP004 Pedestrian Safety Program	600	600	600	600	600	3,000	
		BP005 Queen Ave N Bike Boulevard	0	2,125	0	0	0	2,125	
		BP006 18th Ave NE Trail Gap (Marshall to California)	0	0	0	605	0	605	
	Total for BIKE - PED PROJECTS			2,140	5,065	3,100	2,605	2,000	14,910
	SANITARY SEWERS	SA001 Sanitary Tunnel & Sewer Rehab Program	14,000	8,000	8,000	8,000	8,000	46,000	
		SA036 Infiltration & Inflow Removal Program	3,500	3,500	3,500	3,500	3,500	17,500	
		SA99R Reimbursable Sanitary Sewer Projects	1,000	1,000	1,000	1,000	1,000	5,000	
	Total for SANITARY SEWERS			18,500	12,500	12,500	12,500	12,500	68,500
	STORM SEWERS	SW004 Implementation of US EPA Storm Water Regs	250	250	250	250	250	1,250	
		SW005 Combined Sewer Overflow Improvements	1,500	1,500	1,500	1,500	1,500	7,500	
		SW011 Storm Drains and Tunnels Rehab Program	6,000	6,000	6,000	6,000	6,000	30,000	
		SW032 I-35W Storm Tunnel	0	0	0	0	1,000	1,000	
		SW039 Flood Mitigation - Stormwater Alternatives	5,000	5,000	5,000	5,000	5,000	25,000	
		SW040 Central City Parallel Storm Tunnel	0	11,000	11,000	13,000	0	35,000	
		SW99R Reimbursable Sewer & Storm Drain Projects	2,000	2,000	2,000	2,000	2,000	10,000	
	Total for STORM SEWERS			14,750	25,750	25,750	27,750	15,750	109,750
	WATER INFRASTRUCTURE	WTR12 Water Distribution Improvements	9,450	9,550	9,650	9,750	9,000	47,400	
		WTR18 Water Distribution Facility	0	15,285	6,265	0	0	21,550	
		WTR23 Treatment Infrastructure Improvements	5,000	5,000	5,000	5,500	5,500	26,000	
		WTR27 Advanced Metering Infrastructure	4,690	1,770	0	0	0	6,460	
		WTR28 Ultrafiltration Module Replacement	750	750	0	0	0	1,500	
		WTR29 Columbia Heights Campus Upgrades	450	3,750	4,800	4,000	1,360	14,360	
WTR30 10th Ave Bridge Water Main		10,000	0	0	0	0	10,000		
WTR31 Electrical Service Rehabilitation		2,000	2,000	2,000	2,000	3,000	11,000		
WTR9R Reimbursable Water Main Projects		2,000	2,000	2,000	2,000	2,000	10,000		
Total for WATER INFRASTRUCTURE			34,340	40,105	29,715	23,250	20,860	148,270	
Total for PUBLIC WORKS DEPARTMENT			156,447	161,320	146,395	172,357	156,280	792,799	
PUBLIC GROUNDS & FACILITIES	FIR11 Fire Station No. 11	0	0	0	2,144	0	2,144		
	FIR12 Fire Station No. 1 Renovation and Expansion	5,000	2,000	0	0	0	7,000		
	FIR13 Fire Station No. 4 Apparatus Bay Addition	1,000	0	0	0	0	1,000		
	PSD15 Traffic Maintenance Facility Improvement	0	0	0	0	0	0		
	PSD16 Farmers Market Improvements	0	0	0	0	0	0		
	PSD18 Regulatory Services Facility	0	0	0	0	0	0		
	PSD19 Impound Lot Facility	1,000	0	0	0	0	1,000		
	PSD20 City Hall & New Public Service Center	100,100	100,800	13,000	0	0	213,900		
	RAD01 Public Safety Radio System Replacement	2,700	2,700	0	0	0	5,400		
Total for PUBLIC GROUNDS & FACILITIES			109,800	105,500	13,000	2,144	0	230,444	
MISCELLANEOUS PROJECTS	ART01 Art in Public Places	730	678	704	733	802	3,647		



Capital Budget Summary

Council Adopted Budget

Budget in Thousands

	2019	2020	2021	2022	2023	Total
Total for MISCELLANEOUS PROJECTS	730	678	704	733	802	3,647
Grand Totals	283,786	281,075	173,913	189,456	171,051	1,099,281

Capital Budget Detail for Funded Projects

Council Adopted Budget

Budget in Thousands

2019 2020 2021 2022 2023 Total

		2019	2020	2021	2022	2023	Total	
MUNICIPAL BUILDING COMMISSION	MBC01 Life Safety Improvements	Hennepin County Grants	0	120	92	103	74	389
		Net Debt Bonds	0	120	92	103	74	389
	Total		0	240	184	206	148	778
	MBC02 Mechanical Systems Upgrade	Hennepin County Grants	0	0	325	518	598	1,441
		Net Debt Bonds	0	0	325	518	598	1,441
	Total		0	0	650	1,036	1,196	2,882
	MBC11 Elevator Upgrades and Modernization	Hennepin County Grants	1,200	0	0	0	0	1,200
		Net Debt Bonds	1,000	0	0	0	0	1,000
		Transfer from General Fund	200	0	0	0	0	200
	Total		2,400	0	0	0	0	2,400
	MBC12 Safety Improvements - Non-Stagework Areas	Hennepin County Grants	1,033	500	0	0	0	1,533
		Net Debt Bonds	1,033	500	0	0	0	1,533
	Total		2,066	1,000	0	0	0	3,066
	Total for MUNICIPAL BUILDING COMMISSION		4,466	1,240	834	1,242	1,344	9,126

PARK BOARD	PRK02 Playground and Site Improvements Program	Net Debt Bonds	1,461	1,604	816	365	0	4,246
		Park Capital Levy	699	442	23	676	1,065	2,905
	Total		2,160	2,046	839	1,041	1,065	7,151
	PRK03 Shelter - Pool - Site Improvements Program	Net Debt Bonds	0	0	804	0	0	804
		Total		0	0	804	0	0
	PRK04 Athletic Fields -Site Improvements Program	Net Debt Bonds	6	0	0	0	0	6
		Park Capital Levy	249	0	236	0	0	485
	Total		255	0	236	0	0	491
	PRK33 Bryn Mawr Meadows Field Improvements	Net Debt Bonds	0	0	2,303	89	0	2,392
		Park Capital Levy	0	0	777	276	0	1,053
	Total		0	0	3,080	365	0	3,445
	PRK34 Currie Park Implementation	Net Debt Bonds	2,212	0	0	0	0	2,212
		Total		2,212	0	0	0	0
	PRK35 Keewaydin Park Implementation	Net Debt Bonds	541	627	0	0	0	1,168
		Total		541	627	0	0	0

Capital Budget Detail for Funded Projects

Council Adopted Budget

				Budget in Thousands					
				2019	2020	2021	2022	2023	Total
PARK BOARD		PRK36 North Commons Park Implementation	Net Debt Bonds	368	1,000	800	0	0	2,168
		Total		368	1,000	800	0	0	2,168
		PRK37 Powderhorn Park Implementation	Net Debt Bonds	0	0	285	815	0	1,100
		Total		0	0	285	815	0	1,100
		PRK38 Sibley Field Park Implementation	Net Debt Bonds	518	503	0	0	0	1,021
		Total		518	503	0	0	0	1,021
		PRK39 Whittier Park Implementation	Net Debt Bonds	0	462	0	0	0	462
			Park Capital Levy	45	600	0	0	0	645
		Total		45	1,062	0	0	0	1,107
		PRKCP Neighborhood Parks Capital Infrastructure	Net Debt Bonds	1,694	2,604	1,792	6,131	7,400	19,621
			Park Capital Levy	200	0	454	458	0	1,112
		Total		1,894	2,604	2,246	6,589	7,400	20,733
		PRKDT Diseased Tree Removal	Special Assessments Bonds	300	300	300	300	300	1,500
		Total		300	300	300	300	300	1,500
		PRKRP Neighborhood Parks Rehabilitation Program	Net Debt Bonds	3,700	3,700	3,700	3,100	3,100	17,300
Park Capital Levy	350		495	690	770	760	3,065		
Total		4,050	4,195	4,390	3,870	3,860	20,365		
Total for PARK BOARD				12,343	12,337	12,980	12,980	12,625	63,265
PUBLIC WORKS DEPARTMENT	STREET PAVING	PV001 Parkway Paving Program	Net Debt Bonds	700	700	700	700	700	3,500
			Special Assessments Bonds	50	50	50	50	50	250
		Total		750	750	750	750	750	3,750
		PV006 Alley Renovation Program	Net Debt Bonds	200	200	200	200	200	1,000
			Special Assessments Bonds	50	50	50	50	50	250
		Total		250	250	250	250	250	1,250

Capital Budget Detail for Funded Projects

Council Adopted Budget

				Budget in Thousands						
				2019	2020	2021	2022	2023	Total	
PUBLIC WORKS DEPARTMENT	STREET PAVING	PV054 8th St S (Hennepin Ave to Chicago Ave)	Federal Grants	6,960	0	0	0	0	6,960	
			Municipal State Aid	7,675	0	0	0	0	7,675	
			Net Debt Bonds	975	0	0	0	0	975	
			Special Assessments Bonds	1,475	0	0	0	0	1,475	
			Stormwater Revenue	60	0	0	0	0	60	
		Total			17,145	0	0	0	0	17,145
		PV056 Asphalt Pavement Resurfacing Program		Net Debt Bonds	2,100	2,100	2,100	2,100	2,100	10,500
				Special Assessments Bonds	4,915	4,915	4,915	4,915	4,915	24,575
		Total			7,015	7,015	7,015	7,015	7,015	35,075
		PV059 Major Pavement Maintenance Program		Net Debt Bonds	250	250	250	250	250	1,250
		Total			250	250	250	250	250	1,250
		PV063 Unpaved Alley Construction		Net Debt Bonds	150	150	150	150	150	750
				Special Assessments Bonds	50	50	50	50	50	250
		Total			200	200	200	200	200	1,000
		PV074 CSAH & MnDOT Cooperative Projects		Net Debt Bonds	575	1,630	700	3,700	4,705	11,310
				Sanitary Revenue	0	600	0	0	0	600
				Special Assessments Bonds	345	570	0	100	750	1,765
				Stormwater Bonds	3,500	0	0	0	0	3,500
		Total			4,420	2,800	700	3,800	5,455	17,175
		PV075 Development Infrastructure Program		Net Debt Bonds	500	500	500	500	500	2,500
Total			500	500	500	500	500	2,500		

Capital Budget Detail for Funded Projects

Council Adopted Budget

				Budget in Thousands						
				2019	2020	2021	2022	2023	Total	
PUBLIC WORKS DEPARTMENT	STREET PAVING	PV095 4th St N & S (2nd Ave N to 4th Ave S)	Municipal State Aid	2,358	2,525	0	0	0	4,883	
			Net Debt Bonds	186	0	0	0	0	186	
			Special Assessments Bonds	805	0	0	0	0	805	
			Stormwater Revenue	290	0	0	0	0	290	
			Transfer from General Fund	5,526	0	0	0	0	5,526	
			Transfer from Special Revenue Funds	2,055	0	0	0	0	2,055	
			Transfer from Stormwater Fund	765	0	0	0	0	765	
		Total			11,985	2,525	0	0	0	14,510
		PV104 ADA Ramp Replacement Program		Net Debt Bonds	500	500	500	500	500	2,500
		Total			500	500	500	500	500	2,500
		PV108 Concrete Streets Rehabilitation Program		Net Debt Bonds	3,825	4,250	4,685	4,630	4,850	22,240
				Special Assessments Bonds	500	500	500	500	500	2,500
		Total			4,325	4,750	5,185	5,130	5,350	24,740
		PV113 29th St W Phase 2		Special Assessments Bonds	0	0	70	0	0	70
				Stormwater Revenue	0	0	55	0	0	55
				Transfer from General Fund	0	0	2,045	0	0	2,045
		Total			0	0	2,170	0	0	2,170
		PV114 U of M Protected Bikeways		Federal Grants	1,030	0	0	0	0	1,030
				Net Debt Bonds	955	0	0	0	0	955
		Total			1,985	0	0	0	0	1,985
		PV116 North Loop Pedestrian Improvements		Federal Grants	1,060	0	0	0	0	1,060
Net Debt Bonds	2,760			0	0	0	0	2,760		
Total			3,820	0	0	0	0	3,820		

Capital Budget Detail for Funded Projects

Council Adopted Budget

				Budget in Thousands						
				2019	2020	2021	2022	2023	Total	
PUBLIC WORKS DEPARTMENT	STREET PAVING	PV118 Hennepin Ave (Wash Ave N to 12th St S)	Federal Grants	0	7,000	0	0	0	7,000	
			Municipal State Aid	0	7,573	910	0	0	8,483	
			Net Debt Bonds	0	33	0	0	0	33	
			Special Assessments Bonds	0	1,195	0	0	0	1,195	
			Stormwater Revenue	0	150	0	0	0	150	
			Transfer from General Fund	0	95	0	0	0	95	
			Transfer from Special Revenue Funds	0	5,379	0	0	0	5,379	
			Transfer from Stormwater Fund	0	775	0	0	0	775	
		Total	0	22,200	910	0	0	23,110		
				PV122 Dowling Ave (I-94 to 1st St N)	Special Assessments Bonds	0	0	0	175	0
			Stormwater Revenue		0	0	0	225	0	225
			Transfer from General Fund		0	0	0	3,165	0	3,165
			Total	0	0	0	3,565	0	3,565	
			PV123 Logan Park Industrial	Net Debt Bonds	0	0	0	4,150	0	4,150
				Special Assessments Bonds	0	0	0	2,500	0	2,500
				Stormwater Revenue	0	0	0	105	0	105
			Total	0	0	0	6,755	0	6,755	
			PV125 33rd & 35th St E (M'haha & Dight Ave to Tracks)	Municipal State Aid	1,900	0	0	0	0	1,900
				Net Debt Bonds	400	0	0	0	0	400
				Special Assessments Bonds	540	0	0	0	0	540
				Stormwater Revenue	25	0	0	0	0	25
			Total	2,865	0	0	0	0	2,865	

Capital Budget Detail for Funded Projects

Council Adopted Budget

				Budget in Thousands					
				2019	2020	2021	2022	2023	Total
PUBLIC WORKS DEPARTMENT	STREET PAVING	PV126 Bryant Ave S (50th St W to Lake St W)	Municipal State Aid	0	0	0	1,400	4,918	6,318
			Net Debt Bonds	0	0	0	0	4,242	4,242
			Special Assessments Bonds	0	0	0	0	2,130	2,130
			Stormwater Revenue	0	0	0	0	365	365
			Transfer from General Fund	0	0	0	0	5,107	5,107
			Transfer from Stormwater Fund	0	0	0	0	593	593
		Total	0	0	0	1,400	17,355	18,755	
		PV127 37th Ave NE (Central Ave NE to Stinson Blvd)	Net Debt Bonds	0	0	0	0	390	390
			Other Local Govts	0	0	0	0	8,620	8,620
			Special Assessments Bonds	0	0	0	0	1,230	1,230
	Stormwater Revenue		0	0	0	0	235	235	
	Total	0	0	0	0	10,475	10,475		
	PV131 Res Neighborhood Reconst Projects	Net Debt Bonds	1,490	1,614	3,580	4,615	4,220	15,519	
		Special Assessments Bonds	715	1,030	780	780	780	4,085	
		Transfer from General Fund	0	1,506	0	605	0	2,111	
		Transfer from Special Revenue Funds	0	775	0	0	0	775	
		Transfer from Stormwater Fund	0	770	0	0	0	770	
		Total	2,205	5,695	4,360	6,000	5,000	23,260	
	PV135 North Loop Paving	Net Debt Bonds	1,505	0	0	0	0	1,505	
		Special Assessments Bonds	1,650	0	0	0	0	1,650	
		Stormwater Revenue	110	0	0	0	0	110	
		Transfer from Special Revenue Funds	5,445	0	0	0	0	5,445	
		Transfer from Stormwater Fund	765	0	0	0	0	765	
Total		9,475	0	0	0	0	9,475		

Capital Budget Detail for Funded Projects

Council Adopted Budget

Budget in Thousands

				2019	2020	2021	2022	2023	Total
PUBLIC WORKS DEPARTMENT	STREET PAVING	PV137 29th Ave NE (Central to Stinson)	Municipal State Aid	0	0	1,077	2,627	0	3,704
			Net Debt Bonds	0	0	24	0	0	24
			Special Assessments Bonds	0	0	805	0	0	805
			Stormwater Revenue	0	0	115	0	0	115
			Transfer from General Fund	0	0	3,542	0	0	3,542
			Transfer from Stormwater Fund	0	0	500	0	0	500
		Total	0	0	6,063	2,627	0	8,690	
	PV138 26th St E (Minnehaha Ave to 29th Ave S)	Municipal State Aid	0	0	0	2,788	0	2,788	
		Special Assessments Bonds	0	0	0	1,145	0	1,145	
		Stormwater Revenue	0	0	0	40	0	40	
		Transfer from Stormwater Fund	0	0	0	577	0	577	
	Total	0	0	0	4,550	0	4,550		
	PV139 18th Ave NE (Johnson St NE to Stinson Blvd NE)	Municipal State Aid	817	992	0	0	0	1,809	
		Net Debt Bonds	280	0	0	0	0	280	
		Special Assessments Bonds	0	1,045	0	0	0	1,045	
		Stormwater Revenue	0	40	0	0	0	40	
		Transfer from General Fund	0	1,831	0	0	0	1,831	
	Total	1,097	3,908	0	0	0	5,005		
	PV140 13th Ave NE (Sibley St NE to Monroe St NE)	Municipal State Aid	0	0	0	2,280	0	2,280	
		Special Assessments Bonds	0	0	0	1,585	0	1,585	
		Stormwater Revenue	0	0	0	165	0	165	
		Transfer from General Fund	0	0	0	3,210	0	3,210	
		Transfer from Stormwater Fund	0	0	0	500	0	500	
	Total	0	0	0	7,740	0	7,740		

Capital Budget Detail for Funded Projects

Council Adopted Budget

				Budget in Thousands							
				2019	2020	2021	2022	2023	Total		
PUBLIC WORKS DEPARTMENT	STREET PAVING	PV141 Grand Ave S (Lake St W to 48th St W)	Municipal State Aid	0	75	7,653	0	0	7,728		
			Net Debt Bonds	0	0	1,984	0	0	1,984		
			Special Assessments Bonds	0	0	1,980	0	0	1,980		
			Stormwater Revenue	0	0	490	0	0	490		
			Transfer from General Fund	0	291	1,685	0	0	1,976		
			Transfer from Special Revenue Funds	0	346	0	0	0	346		
			Transfer from Stormwater Fund	0	0	561	0	0	561		
		Total			0	712	14,353	0	0	15,065	
				PV142 Downtown East Paving	Municipal State Aid	0	0	2,155	0	0	2,155
					Special Assessments Bonds	0	0	595	0	0	595
					Stormwater Revenue	0	0	55	0	0	55
					Transfer from General Fund	0	0	370	0	0	370
		Total			0	0	3,175	0	0	3,175	
				PV143 North Industrial	Net Debt Bonds	0	0	0	218	0	218
					Special Assessments Bonds	0	0	0	1,495	0	1,495
					Stormwater Revenue	0	0	0	30	0	30
					Transfer from General Fund	0	0	0	3,427	0	3,427
					Transfer from Stormwater Fund	0	0	0	500	0	500
		Total			0	0	0	5,670	0	5,670	
				PV146 9th St SE (6th Ave SE to 9th Ave SE)	Special Assessments Bonds	0	0	0	970	0	970
					Stormwater Revenue	0	0	0	60	0	60
					Transfer from General Fund	0	0	0	1,190	0	1,190
		Total			0	0	0	2,220	0	2,220	
				PV147 Girard Ave S (Lake St to Lagoon Ave)	Special Assessments Bonds	0	65	0	0	0	65
					Transfer from General Fund	0	1,230	0	0	0	1,230
		Total			0	1,295	0	0	0	1,295	

Capital Budget Detail for Funded Projects

Council Adopted Budget

				Budget in Thousands					
				2019	2020	2021	2022	2023	Total
PUBLIC WORKS DEPARTMENT	STREET PAVING	PV150 1st Ave N (10th St N to Wash Ave)	Municipal State Aid	0	0	0	0	3,063	3,063
			Net Debt Bonds	0	0	0	0	4,787	4,787
			Special Assessments Bonds	0	0	0	0	1,180	1,180
			Stormwater Revenue	0	0	0	0	290	290
			Transfer from General Fund	0	0	0	0	2,605	2,605
			Transfer from Stormwater Fund	0	0	0	0	500	500
		Total	0	0	0	0	12,425	12,425	
		PV152 Plymouth Ave (Washburn Ave N to Penn Ave N)	Municipal State Aid	0	0	0	835	0	835
			Special Assessments Bonds	0	0	360	0	0	360
			Stormwater Revenue	0	0	120	0	0	120
			Transfer from General Fund	0	0	3,645	0	0	3,645
			Transfer from Stormwater Fund	0	0	500	0	0	500
	Total	0	0	4,625	835	0	5,460		
	PV154 Franklin Ave W (Henn Ave S to Lyndale Ave S)	Municipal State Aid	0	0	0	1,775	0	1,775	
		Net Debt Bonds	0	0	0	78	0	78	
		Special Assessments Bonds	0	0	0	110	0	110	
		Stormwater Revenue	0	0	0	70	0	70	
		Transfer from General Fund	0	0	0	92	0	92	
	Total	0	0	0	2,125	0	2,125		
	PV156 Johnson St NE (18th Ave NE to Lowry Ave NE)	Net Debt Bonds	0	0	3,969	0	0	3,969	
		Special Assessments Bonds	0	0	530	0	0	530	
		Stormwater Revenue	0	0	100	0	0	100	
	Total	0	0	4,599	0	0	4,599		

Capital Budget Detail for Funded Projects

Council Adopted Budget

				Budget in Thousands						
				2019	2020	2021	2022	2023	Total	
PUBLIC WORKS DEPARTMENT	STREET PAVING	PV158 Hennepin Ave (Lake St W to Douglas Ave)	Federal Grants	0	0	0	0	7,000	7,000	
			Municipal State Aid	0	0	0	0	1,469	1,469	
			Net Debt Bonds	0	0	0	0	3,143	3,143	
			Special Assessments Bonds	0	0	0	0	1,780	1,780	
			Stormwater Revenue	0	0	0	0	160	160	
			Transfer from General Fund	0	0	0	0	4,693	4,693	
			Transfer from Stormwater Fund	0	0	0	0	500	500	
		Total	0	0	0	0	18,745	18,745		
		PV99R Reimbursable Paving Projects	Reimbursements	3,500	3,500	3,500	3,500	3,500	17,500	
	Total	3,500	3,500	3,500	3,500	3,500	17,500			
	Total for STREET PAVING				72,287	56,850	59,105	65,382	87,770	341,394
	SIDEWALKS	SWK01 Defective Hazardous Sidewalks	Net Debt Bonds	345	355	365	375	385	1,825	
			Sidewalk Assessments	3,905	4,105	4,305	4,505	4,705	21,525	
			Total	4,250	4,460	4,670	4,880	5,090	23,350	
		SWK02 Sidewalk Gaps	Net Debt Bonds	150	150	150	150	150	750	
		Total	150	150	150	150	150	750		
	Total for SIDEWALKS				4,400	4,610	4,820	5,030	5,240	24,100
	BRIDGES	BR101 Major Bridge Repair and Rehabilitation	Net Debt Bonds	600	400	400	400	400	2,200	
			Total	600	400	400	400	400	2,200	
		BR106 1st Ave S over HCRRA	Hennepin County Grants	0	1,000	0	0	0	1,000	
			Municipal State Aid	0	335	0	0	0	335	
			Net Debt Bonds	0	3,455	0	0	0	3,455	
		Total	0	4,790	0	0	0	4,790		
BR117 1st St N Bridge over Bassetts Creek		Stormwater Revenue	0	1,380	0	0	0	1,380		
Total		0	1,380	0	0	0	1,380			
BR127 Nicollet Ave over Minnehaha Creek		Net Debt Bonds	0	0	0	2,000	0	2,000		
		State Grants	0	0	0	22,050	0	22,050		
Total		0	0	0	24,050	0	24,050			
BR133 Cedar Lake Road Bridges over Bassett Cr & RR	Municipal State Aid	0	0	310	0	0	310			
	Net Debt Bonds	0	0	815	0	0	815			
Total	0	0	1,125	0	0	1,125				

Capital Budget Detail for Funded Projects

Council Adopted Budget

				Budget in Thousands					
				2019	2020	2021	2022	2023	Total
PUBLIC WORKS DEPARTMENT	BRIDGES	BR134 Bridge 9 Program	Net Debt Bonds	2,080	2,470	785	1,945	1,315	8,595
		Total		2,080	2,470	785	1,945	1,315	8,595
	Total for BRIDGES			2,680	9,040	2,310	26,395	1,715	42,140
	TRAFFIC CONTROL & STREET LIGHTING	TR008 Parkway Street Light Replacement	Net Debt Bonds	350	350	350	350	350	1,750
			Total		350	350	350	350	350
		TR010 Traffic Management Systems	Hennepin County Grants	375	225	275	250	250	1,375
			Net Debt Bonds	680	650	875	1,000	1,600	4,805
		Total		1,055	875	1,150	1,250	1,850	6,180
		TR011 City Street Light Renovation	Other Debt Financing	1,000	1,000	1,000	1,500	1,500	6,000
			Total		1,000	1,000	1,000	1,500	1,500
		TR021 Traffic Signals	Hennepin County Grants	125	125	125	250	250	875
			Net Debt Bonds	1,825	1,675	1,875	2,250	2,250	9,875
		Total		1,950	1,800	2,000	2,500	2,500	10,750
		TR022 Traffic Safety Improvements	Federal Grants	0	0	1,350	0	0	1,350
			Hennepin County Grants	500	500	0	500	500	2,000
			Net Debt Bonds	500	880	1,250	1,250	1,250	5,130
		Total		1,000	1,380	2,600	1,750	1,750	8,480
	TR024 Pedestrian Street Lighting Corridors	Net Debt Bonds	500	500	500	600	1,000	3,100	
		Total		500	500	500	600	1,000	3,100
	TR025 Sign Replacement Program	Net Debt Bonds	895	895	895	895	895	4,475	
Total		895	895	895	895	895	4,475		
TR99R Reimbursable Transportation Projects	Reimbursements	600	600	600	600	600	3,000		
	Total		600	600	600	600	600	3,000	
Total for TRAFFIC CONTROL & STREET LIGHTING			7,350	7,400	9,095	9,445	10,445	43,735	
BIKE - PED PROJECTS	BIK28 Protected Bikeways Program	Net Debt Bonds	1,140	1,940	1,000	1,000	1,000	6,080	
		Total		1,140	1,940	1,000	1,000	1,000	6,080
	BP001 Safe Routes to School Program	Net Debt Bonds	400	400	400	400	400	2,000	
Total		400	400	400	400	400	2,000		

Capital Budget Detail for Funded Projects

Council Adopted Budget

				Budget in Thousands						
				2019	2020	2021	2022	2023	Total	
PUBLIC WORKS DEPARTMENT	BIKE - PED PROJECTS	BP003 Midtown Greenway Trail Mill & Overlay	Net Debt Bonds	0	0	1,100	0	0	1,100	
		Total		0	0	1,100	0	0	1,100	
		BP004 Pedestrian Safety Program	Net Debt Bonds	600	600	600	600	600	3,000	
		Total		600	600	600	600	600	3,000	
		BP005 Queen Ave N Bike Boulevard	Federal Grants	0	1,000	0	0	0	1,000	
			Hennepin County Grants	0	200	0	0	0	200	
			Net Debt Bonds	0	925	0	0	0	925	
		Total		0	2,125	0	0	0	2,125	
	BP006 18th Ave NE Trail Gap (Marshall to California)	Net Debt Bonds	0	0	0	605	0	605		
	Total		0	0	0	605	0	605		
	Total for BIKE - PED PROJECTS				2,140	5,065	3,100	2,605	2,000	14,910
	SANITARY SEWERS	SA001 Sanitary Tunnel & Sewer Rehab Program	Sanitary Bonds	12,000	7,000	6,000	5,000	5,000	35,000	
			Sanitary Revenue	2,000	1,000	2,000	3,000	3,000	11,000	
		Total		14,000	8,000	8,000	8,000	8,000	46,000	
		SA036 Infiltration & Inflow Removal Program	Sanitary Bonds	2,500	2,500	2,500	2,500	2,500	12,500	
			Sanitary Revenue	1,000	1,000	1,000	1,000	1,000	5,000	
		Total		3,500	3,500	3,500	3,500	3,500	17,500	
		SA99R Reimbursable Sanitary Sewer Projects	Reimbursements	1,000	1,000	1,000	1,000	1,000	5,000	
	Total		1,000	1,000	1,000	1,000	1,000	5,000		
	Total for SANITARY SEWERS				18,500	12,500	12,500	12,500	12,500	68,500
	STORM SEWERS	SW004 Implementation of US EPA Storm Water Regs	Stormwater Revenue	250	250	250	250	250	1,250	
Total			250	250	250	250	250	1,250		
SW005 Combined Sewer Overflow Improvements		Stormwater Revenue	1,500	1,500	1,500	1,500	1,500	7,500		
		Total		1,500	1,500	1,500	1,500	1,500	7,500	
SW011 Storm Drains and Tunnels Rehab Program		Stormwater Bonds	3,000	4,000	5,000	5,000	3,000	20,000		
		Stormwater Revenue	3,000	2,000	1,000	1,000	3,000	10,000		
Total		6,000	6,000	6,000	6,000	6,000	30,000			
SW032 I-35W Storm Tunnel		Sanitary Revenue	0	0	0	0	1,000	1,000		
Total		0	0	0	0	1,000	1,000			

Capital Budget Detail for Funded Projects

Council Adopted Budget

				Budget in Thousands						
				2019	2020	2021	2022	2023	Total	
PUBLIC WORKS DEPARTMENT	STORM SEWERS	SW039 Flood Mitigation - Stormwater Alternatives	Sanitary Bonds	0	4,000	4,000	4,000	4,000	16,000	
			Stormwater Revenue	5,000	1,000	1,000	1,000	1,000	9,000	
		Total			5,000	5,000	5,000	5,000	5,000	25,000
		SW040 Central City Parallel Storm Tunnel	Stormwater Bonds	0	3,000	4,000	8,000	0	15,000	
			Stormwater Revenue	0	8,000	7,000	5,000	0	20,000	
		Total			0	11,000	11,000	13,000	0	35,000
		SW99R Reimbursable Sewer & Storm Drain Projects	Reimbursements	2,000	2,000	2,000	2,000	2,000	10,000	
	Total			2,000	2,000	2,000	2,000	2,000	10,000	
	Total for STORM SEWERS				14,750	25,750	25,750	27,750	15,750	109,750
	WATER INFRASTRUCTURE	WTR12 Water Distribution Improvements	Water Revenue	9,450	9,550	9,650	9,750	9,000	47,400	
			Total	9,450	9,550	9,650	9,750	9,000	47,400	
		WTR18 Water Distribution Facility	Net Debt Bonds	0	0	5,265	0	0	5,265	
			Sanitary Bonds	0	0	500	0	0	500	
			Stormwater Bonds	0	0	500	0	0	500	
			Water Bonds	0	15,285	0	0	0	15,285	
Total			0	15,285	6,265	0	0	21,550		
WTR23 Treatment Infrastructure Improvements		Water Revenue	5,000	5,000	5,000	5,500	5,500	26,000		
		Total	5,000	5,000	5,000	5,500	5,500	26,000		
WTR27 Advanced Metering Infrastructure		Water Bonds	4,690	1,770	0	0	0	6,460		
		Total	4,690	1,770	0	0	0	6,460		
WTR28 Ultrafiltration Module Replacement		Water Bonds	750	750	0	0	0	1,500		
		Total	750	750	0	0	0	1,500		
WTR29 Columbia Heights Campus Upgrades		Water Bonds	450	3,750	4,800	4,000	1,360	14,360		
	Total	450	3,750	4,800	4,000	1,360	14,360			
WTR30 10th Ave Bridge Water Main	Water Bonds	10,000	0	0	0	0	10,000			
	Total	10,000	0	0	0	0	10,000			
WTR31 Electrical Service Rehabilitation	Water Bonds	2,000	2,000	2,000	2,000	3,000	11,000			
	Total	2,000	2,000	2,000	2,000	3,000	11,000			

Capital Budget Detail for Funded Projects

Council Adopted Budget

				Budget in Thousands					
				2019	2020	2021	2022	2023	Total
PUBLIC WORKS DEPARTMENT	WATER INFRASTRUCTURE	WTR9R Reimbursable Water Main Projects	Reimbursements	2,000	2,000	2,000	2,000	2,000	10,000
		Total		2,000	2,000	2,000	2,000	2,000	10,000
	Total for WATER INFRASTRUCTURE			34,340	40,105	29,715	23,250	20,860	148,270
Total for PUBLIC WORKS DEPARTMENT				156,447	161,320	146,395	172,357	156,280	792,799
PUBLIC GROUNDS & FACILITIES		FIR11 Fire Station No. 11	Net Debt Bonds	0	0	0	2,144	0	2,144
		Total		0	0	0	2,144	0	2,144
		FIR12 Fire Station No. 1 Renovation and Expansion	Net Debt Bonds	5,000	2,000	0	0	0	7,000
		Total		5,000	2,000	0	0	0	7,000
		FIR13 Fire Station No. 4 Apparatus Bay Addition	Net Debt Bonds	1,000	0	0	0	0	1,000
		Total		1,000	0	0	0	0	1,000
		PSD19 Impound Lot Facility	Parking Revenue	1,000	0	0	0	0	1,000
		Total		1,000	0	0	0	0	1,000
		PSD20 City Hall & New Public Service Center	CIP Bonds	45,000	50,000	13,000	0	0	108,000
			Net Debt Bonds	50,000	44,800	0	0	0	94,800
			Transfer from General Fund	5,100	6,000	0	0	0	11,100
	Total		100,100	100,800	13,000	0	0	213,900	
	RAD01 Public Safety Radio System Replacement	Net Debt Bonds	2,700	2,700	0	0	0	5,400	
	Total		2,700	2,700	0	0	0	5,400	
Total for PUBLIC GROUNDS & FACILITIES				109,800	105,500	13,000	2,144		230,444
MISCELLANEOUS PROJECTS		ART01 Art in Public Places	Net Debt Bonds	730	678	704	733	802	3,647
		Total		730	678	704	733	802	3,647
Total for MISCELLANEOUS PROJECTS				730	678	704	733	802	3,647
Grand Totals				283,786	281,075	173,913	189,456	171,051	1,099,281

MUNICIPAL BUILDING COMMISSION

MBC01 Life Safety Improvements

The MBC life safety program includes installation of building sprinkler, fire alarm, smoke detection, and public address systems.

MBC02 Mechanical Systems Upgrade

The MBC mechanical systems upgrade program includes renovation and upgrade of the heating, ventilating and air conditioning (HVAC) systems in City Hall.

MBC10 Exterior Improvements

This project addresses building envelope issues including waterproofing, exterior windows and doors, and masonry.

MBC11 Elevator Upgrades and Modernization

This project will upgrade and modernize six (6) of the fifteen (15) existing elevators at the City Hall / Courthouse.

MBC12 Safety Improvements - Non-Stagework Areas

Provide for safety and security infrastructure improvements in non-stagework areas.

PARK BOARD

PRK02 Playground and Site Improvements Program

This project will reconfigure and replace worn out play equipment and additional amenities where budget allows.

PRK03 Shelter - Pool - Site Improvements Program

Wading pool upgrade at Fuller Park, including accessibility improvements.

PRK04 Athletic Fields -Site Improvements Program

Improvements include soil amendments, re-grading, re-seeding, irrigation, lighting, drainage, amenities and parking.

PRK33 Bryn Mawr Meadows Field Improvements

Renovation and possible redesign for athletic fields at Bryn Mawr Meadows.

PRK34 Currie Park Implementation

Implement various recreation improvements at Currie Park, as called for in the South Service Area Master Plan.

PRK35 Keewaydin Park Implementation

Implement various recreational improvements, as called for in the South Service Area Master Plan.

PRK36 North Commons Park Implementation

Implementation of various recreational improvements, based on results of the in-progress North Service Area Master Plan.

PRK37 Powderhorn Park Implementation

Implementation of various recreational improvements, as called for in the South Service Area Master Plan.

PRK38 Sibley Field Park Implementation

Implementation of various recreational improvements, as called for in the South Service Area Master Plan.

PRK39 Whittier Park Implementation

Implementation of various recreational improvements, as called for in the in-progress Southwest Service Area Master Plan.

PRKCP Neighborhood Parks Capital Infrastructure

This project reflects the additional resources for neighborhood parks approved by ordinance as part of the 20 year "Neighborhood Park and Street Infrastructure Plans" on April 29, 2016. Parks included here have allocations of \$1,060,000 or less.

PRKDT Diseased Tree Removal

Removing diseased trees from private property.

PRKRP Neighborhood Parks Rehabilitation Program

Rehabilitation of existing park facilities, as authorized under the "Neighborhood Park and Street Infrastructure Plans" in 10 distinct categories.

PUBLIC WORKS DEPARTMENT

PV001 Parkway Paving Program

The objective is to re-evaluate the pavement condition and annual maintenance expenditures of all parkway paving areas that were constructed with a bituminous surface 30 years ago. The program will renovate rather than totally reconstruct the roadways.

PV006 Alley Renovation Program

Repair and overlay existing alleys and repair or replace retaining walls that are currently in poor condition.

PV054 8th St S (Hennepin Ave to Chicago Ave)

Reconstruction of existing roadway.

PV056 Asphalt Pavement Resurfacing Program

The objective of this program is to resurface approximately 15 to 20 miles of streets each year to extend their useful life. Resurfacing will help to slow the deterioration of the city's aging street network and delay the cost of reconstructing the roadway by at least 10 years. Until specific paving projects are defined, this project will also reflect the additional resources for street infrastructure approved by ordinance as part of the 20 year "Neighborhood Park and Street Infrastructure Plans" on April 29, 2016.

PV059 Major Pavement Maintenance Program

This project will upgrade pavement conditions and/or extend the life of the roadways in the City.

PV063 Unpaved Alley Construction

Place concrete pavement and any necessary storm drain and retaining walls in existing dirt or oiled dirt surfaced alleys.

PV074 CSAH & MnDOT Cooperative Projects

Project funding to be used for City's share of cooperative paving/bridge projects with Hennepin County and MnDOT.

PV075 Development Infrastructure Program

This project would provide funding for various City wide development projects.

PV092 Technology Dr (37th Ave NE to Marshall S NE)

Reconstruction of existing roadway.

PV095 4th St N & S (2nd Ave N to 4th Ave S)

Reconstruction of existing roadway.

PV104 ADA Ramp Replacement Program

Replace pedestrian ramps to meet new standards set by the Americans with Disabilities Act.

PV108 Concrete Streets Rehabilitation Program

This program would repair and rehabilitate various existing concrete streets in the City.

PV113 29th St W Phase 2

Reconstruction of existing roadway to be replaced with woonerf concept.

PV114 U of M Protected Bikeways

Construction of protected bike lanes on several streets in the vicinity of the University of Minnesota.

PV116 North Loop Pedestrian Improvements

Implementation of bump outs, enhanced pedestrian crossings and signal modifications.

PV118 Hennepin Ave (Wash Ave N to 12th St S)

Reconstruction of existing roadway with pedestrian and bicycle amenities.

PV122 Dowling Ave (I-94 to 1st St N)

Reconstruct existing street to new connection at 1st St N.

PV123 Logan Park Industrial

Reconstruction of oil dirt and paver streets.

PV125 33rd & 35th St E (M'haha & Dight Ave to Tracks)

Repair existing railroad crossing and street.

PV126 Bryant Ave S (50th St W to Lake St W)

Reconstruction of existing street/bike boulevard.

PV127 37th Ave NE (Central Ave NE to Stinson Blvd)

Reconstruction of existing concrete roadway, narrowing traffic area and adding an off-street trail in cooperation with Columbia Heights.

PV131 Res Neighborhood Reconst Projects

The project includes reconstruction of segments of residential streets within a residential paving area that warrant repairs beyond those provided in the residential resurfacing program. This includes new sidewalks with ADA pedestrian ramps, roadway pavement, curb and gutter, and utility improvements. The project is also expected to include new signage and new pavement markings, where necessary.

PV135 North Loop Paving

The project includes reconstruction of 5th Ave N (north of 5th St N to Washington Ave), 7th Ave N (4th St N to Washington Ave), and 3rd St N (5th Ave N to 10th Ave N). The project will include new sidewalks with ADA pedestrian ramps, roadway pavement, curb and gutter, and utility improvements. The project is also expected to include new signage and pavement markings.

PV137 29th Ave NE (Central to Stinson)

The project will include new sidewalks with ADA pedestrian ramps, on-street bike lanes, roadway pavement, curb and gutter, and utility improvements. The project is also expected to include signal improvements, new signage, and new pavement markings.

PV138 26th St E (Minnehaha Ave to 29th Ave S)

Reconstruction of existing roadway.

PV139 18th Ave NE (Johnson St NE to Stinson Blvd NE)

The project will include new sidewalks with ADA pedestrian ramps, improving the existing trail facility, roadway pavement, curb and gutter, and utility improvements. The project is also expected to include signal improvements, new signage, and new pavement markings.

PV140 13th Ave NE (Sibley St NE to Monroe St NE)

Reconstruction of Existing roadway, sidewalks, bike lanes, with curb and gutter.

PV141 Grand Ave S (Lake St W to 48th St W)

The project includes new sidewalks with ADA pedestrian ramps, roadway pavement, curb and gutter, and utility improvements. The project is also expected to include signal improvements, new signage, and pavement markings.

PV142 Downtown East Paving

Reconstruction of several streets in the area near the US Bank Stadium.

PV143 North Industrial

The project includes reconstruction of segments of local streets within the industrial areas between I-94, 23rd Ave N, 34th Ave N, and the Mississippi River. This project will include new sidewalks with ADA pedestrian ramps, roadway pavement, curb and gutter, and utility improvements. The project is also expected to include new signage and new pavement markings, where necessary.

PV146 9th St SE (6th Ave SE to 9th Ave SE)

Reconstruction of existing roadway.

PV147 Girard Ave S (Lake St to Lagoon Ave)

Reconstruction of existing roadway.

PV150 1st Ave N (10th St N to Wash Ave)

Reconstruction of existing roadway.

PV152 Plymouth Ave (Washburn Ave N to Penn Ave N)

Reconstruction of existing roadway.

PV154 Franklin Ave W (Henn Ave S to Lyndale Ave S)

Reconstruction of existing roadway.

PV156 Johnson St NE (18th Ave NE to Lowry Ave NE)

Reconstruction of existing roadway, sidewalk, signals, street lighting, curb and gutter.

PV158 Hennepin Ave (Lake St W to Douglas Ave)

Reconstruction of existing roadway, sidewalks, signals, street lighting, etc.

PV99R Reimbursable Paving Projects

Work to be done for others with 100% recovery from requesting agency.

SWK01 Defective Hazardous Sidewalks

To provide a hazard free pedestrian passage over approximately 2,000 miles of public sidewalk by inspecting and replacing defective public sidewalks and adding ADA compliant curb ramps where needed.

SWK02 Sidewalk Gaps

Construction of sidewalks where gaps in the sidewalk system exist.

BR101 Major Bridge Repair and Rehabilitation

Major repair and rehabilitation of existing city bridges to extend the operational life.

BR106 1st Ave S over HCRRRA

Reconstruction of the existing bridge over the Midtown Greenway.

BR117 1st St N Bridge over Bassetts Creek

Reconstruction of a structurally deficient bridge.

BR127 Nicollet Ave over Minnehaha Creek

Bridge Rehabilitation.

BR133 Cedar Lake Road Bridges over Bassett Cr & RR

Reconstruct existing bridges over Bassett Creek and Burlington Northern Santa Fe railroad.

BR134 Bridge 9 Program

Ongoing safety projects to maintain the bike/ped bridge crossing the Mississippi River.

TR008 Parkway Street Light Replacement

This project consists of replacement of deteriorated services, poles, fixtures and electrical wiring associated with the lighting systems in place along the parkways throughout the City.

TR010 Traffic Management Systems

This project consists of updating and retiming all the traffic signal systems within the City.

TR011 City Street Light Renovation

This project consists of renovating the City's existing decorative street lighting facilities.

TR021 Traffic Signals

This project consists of replacing old and outdated traffic signal equipment.

TR022 Traffic Safety Improvements

This project consists of seven traffic related improvements: 1) Overhead Signal Additions, 2) Operational and Safety Improvements, 3) Signal and Delineation, 4) Mastarm Mounted Street Name Signing, 5) Street & Bridge Navigation Lighting, 6) Pedestrian Safety, and 7) Railroad Crossing Safety.

TR024 Pedestrian Street Lighting Corridors

Construct pedestrian level lighting on various pedestrian corridors throughout the City.

TR025 Sign Replacement Program

Replace deficient signs with new signs that meet current reflectivity standards.

TR99R Reimbursable Transportation Projects

Work for others funding to be reimbursed by department, business or individuals requesting the work.

BIK28 Protected Bikeways Program

This program will create a network of bikeways which provide bicyclists with a physical means of protection from motor vehicles on roadways as recommended in the Bicycle Master Plan.

BP001 Safe Routes to School Program

This program will make safety improvements to roadways and intersections to encourage bicycling and walking to and from Minneapolis Schools.

BP003 Midtown Greenway Trail Mill & Overlay

Phase I renovation of the Midtown Greenway.

BP004 Pedestrian Safety Program

Street improvements to create safer pedestrian/bicycle crossings at intersections.

BP005 Queen Ave N Bike Boulevard

Creation of a bicycle boulevard on Queen Ave N.

BP006 18th Ave NE Trail Gap (Marshall to California)

The project will add an off street trail connecting the East River Trail to the 18th Ave NE Trail.

SA001 Sanitary Tunnel & Sewer Rehab Program

This program will rehabilitate and repair sanitary sewer pipes, lift stations & tunnels.

SA036 Infiltration & Inflow Removal Program

The focus of this program is to remove inflow and infiltration of water from the sanitary sewer system and redirect this clear water to the storm sewer system and/or other best management practices.

SA99R Reimbursable Sanitary Sewer Projects

Work to be done for others with 100% recovery from requesting agency.

SW004 Implementation of US EPA Storm Water Regs

This project provides solutions for stormwater pollution mitigation measures.

SW005 Combined Sewer Overflow Improvements

Construction of stormwater systems so that catch basins and drains in public right of way can be disconnected from the sanitary sewer and reconnected to a storm sewer.

SW011 Storm Drains and Tunnels Rehab Program

The rehab and repair of storm pipes, pump stations and tunnels throughout the City.

SW032 I-35W Storm Tunnel

Construction of a parallel storm tunnel or expansion of the existing tunnel.

SW039 Flood Mitigation - Stormwater Alternatives

The purpose of this program is to address localized flooding and drainage problems City-wide. Where practical, environmentally friendly "green infrastructure" stormwater practices such as rain gardens, bioswales, constructed wetlands, pervious pavements and hard surface reduction will be utilized.

SW040 Central City Parallel Storm Tunnel

Construction of a new parallel tunnel in the Central City storm tunnel system.

SW99R Reimbursable Sewer & Storm Drain Projects

Work to be done for others with 100% recovery from requesting agency.

WTR12 Water Distribution Improvements

Maintain and sustain existing water distribution system infrastructure citywide.

WTR18 Water Distribution Facility

Site acquisition, planning, design, and construction of a new water distribution maintenance facility.

WTR23 Treatment Infrastructure Improvements

Maintain viability of existing water infrastructure through regular upgrades.

WTR27 Advanced Metering Infrastructure

Implementation of advanced metering infrastructure.

WTR28 Ultrafiltration Module Replacement

Replace membrane modules in the Columbia Heights ultrafiltration plant.

WTR29 Columbia Heights Campus Upgrades

Improve or replace century-old structures on Columbia Heights campus.

WTR30 10th Ave Bridge Water Main

Replace the 54" diameter water transmission main on the 10th Avenue Bridge.

WTR31 Electrical Service Rehabilitation

Rehabilitation of the electrical equipment at the Fridley Campus.

WTR9R Reimbursable Water Main Projects

This project provides working capital for watermain projects reimbursable by other City Departments or private businesses.

PUBLIC GROUNDS & FACILITIES

FIR11 Fire Station No. 11

Planning, design, and construction of a new Fire Station #11 at an existing City-owned site.

FIR12 Fire Station No. 1 Renovation and Expansion

The project would plan, design, renovate and expand the current Fire Station #1 at its current location.

FIR13 Fire Station No. 4 Apparatus Bay Addition

This project will build an apparatus bay addition at Fire Station No. 4.

PSD15 Traffic Maintenance Facility Improvement

The scope of the project is to complete the final phase of the renovation and modernization of the Traffic Maintenance Facility.

PSD16 Farmers Market Improvements

This project will provide for the long term capital improvement plan for the Farmer's Market site and facilities.

PSD18 Regulatory Services Facility

To acquire an adequate site and to design and construct a new facility to meet the program needs of Housing and Fire Inspections.

PSD19 Impound Lot Facility

This project will provide for needed site improvements (drainage, lighting, security, landscape screening), and for the comprehensive renovation and expansion, or replacement, of the Impound service building at or near its current location.

PSD20 City Hall & New Public Service Center

This project will consist of renovations to the City's space in the historic City Hall at 350 South 5th St and construction of a new office building/public service center located adjacent to City Hall at 501 4th Ave S.

RAD01 Public Safety Radio System Replacement

Replace hardware and update infrastructure of the ARMER interoperable radio system.

MISCELLANEOUS PROJECTS

ART01 Art in Public Places

This ongoing program incorporates public art into the City's capital program as stand alone artworks or as integrated into public infrastructure.

MBC11 Elevator Upgrades and Modernization

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect: 2019

Project Description:

This project will upgrade and modernize six (6) of the fifteen (15) existing elevators at the City Hall / Courthouse.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

There will be some electrical cost savings relative to traditional elevators for all upcoming elevator projects because they will utilize regenerative drive technology, which results in 20-40% energy savings relative to traditional elevators. We do not meter electrical consumption at each elevator and so the existing consumption and cost is not known.

MBC12 Safety Improvements - Non-Stagework Areas

Existing or New Infrastructure: Existing **Operating Cost Implication:** Increase

Increase / (Decrease) Amount: 5,000 **Year Increase / (Decrease) takes effect:** 2019

Project Description:

Provide for safety and security infrastructure improvements in non-stagework areas.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

There will be some additional operating costs for testing and inspections of the fire sprinkler and fire alarm items. We anticipate additional costs of \$5,000 / year. This is equal to the cost of testing one fourth of the building per year.

PRK02 Playground and Site Improvements Program

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect: 2020

Project Description:

This project will reconfigure and replace worn out play equipment and additional amenities where budget allows.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

Operating costs are generally decreased, as replacement and updating of playgrounds at the end of the expected lifespan reduces the need for emergency repairs and removal of damaged or unsafe equipment from public use. However, direct operating cost savings are unlikely to be realized as there are many playgrounds in the system and operational savings will be shifted to other aging playgrounds.

Operating Cost Implications for Approved 2019 Projects

PRK04 Athletic Fields -Site Improvements Program

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect: 2021

Project Description:

Improvements include soil amendments, re-grading, re-seeding, irrigation, lighting, drainage, amenities and parking.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

N/A

PRK34 Currie Park Implementation

Existing or New Infrastructure: New

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect: 2021

Project Description:

Implement various recreation improvements at Currie Park, as called for in the South Service Area Master Plan.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

Increases in operating costs are possible depending on which amenities are implemented. Replacement and upgrades of existing facilities may have minimal operating cost increases, while larger elements like a new restroom building or sports dome will have significant increases. The South Service Area Master Plan included calculations on likely operations increases for each element included in the master plan. Once project scoping is complete, MPRB staff will consider likely cost increases and incorporate them into existing operations budgets or will address increases through MPRB's annual budgeting process.

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:

MPRB will pay for cost changes through its annual general fund budgeting process for departmental allocations.

Operating Cost Implications for Approved 2019 Projects

PRK35 Keewaydin Park Implementation

Existing or New Infrastructure: New

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect: 2021

Project Description:

Implement various recreational improvements, as called for in the South Service Area Master Plan.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

Increases in operating costs are possible depending on which amenities are implemented. Replacement and upgrades of existing facilities may have minimal operating cost increases, while larger elements like a new restroom building or sports dome will have significant increases. The South Service Area Master Plan included calculations on likely operations increases for each element included in the master plan. Once project scoping is complete, MPRB staff will consider likely cost increases and incorporate them into existing operations budgets or will address increases through MPRB's annual budgeting process.

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:

MPRB will pay for cost changes through its annual general fund budgeting process for departmental allocations.

PRK36 North Commons Park Implementation

Existing or New Infrastructure: New

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect: 2022

Project Description:

Implementation of various recreational improvements, based on results of the in-progress North Service Area Master Plan.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

Increases in operating costs are possible depending on which amenities are implemented. Replacement and upgrades of existing facilities may have minimal operating cost increases, while larger elements like a new restroom building or sports dome will have significant increases. The North Service Area Master Plan will include calculations on likely operations increases for each element included in the master plan. Once project scoping is complete, MPRB staff will consider likely cost increases and incorporate them into existing operations budgets or will address increases through MPRB's annual budgeting process.

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:

MPRB will pay for cost changes through its annual general fund budgeting process for departmental allocations.

PRK38 Sibley Field Park Implementation

Existing or New Infrastructure: New

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect: 2021

Project Description:

Implementation of various recreational improvements, as called for in the South Service Area Master Plan.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

Increases in operating costs are possible depending on which amenities are implemented. Replacement and upgrades of existing facilities may have minimal operating cost increases, while larger elements like a new restroom building or sports dome will have significant increases. The South Service Area Master Plan included calculations on likely operations increases for each element included in the master plan. Once project scoping is complete, MPRB staff will consider likely cost increases and incorporate them into existing operations budgets or will address increases through MPRB's annual budgeting process.

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:

MPRB will pay for cost changes through its annual general fund budgeting process for departmental allocations.

PRK39 Whittier Park Implementation

Existing or New Infrastructure: New

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect: 2021

Project Description:

Implementation of various recreational improvements, as called for in the in-progress Southwest Service Area Master Plan.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

Increases in operating costs are possible depending on which amenities are implemented. Replacement and upgrades of existing facilities may have minimal operating cost increases, while larger elements like a new restroom building or sports dome will have significant increases. The Southwest Service Area Master Plan will include calculations on likely operations increases for each element included in the master plan. Once project scoping is complete, MPRB staff will consider likely cost increases and incorporate them into existing operations budgets or will address increases through MPRB's annual budgeting process.

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:

MPRB will pay for cost changes through its annual general fund budgeting process for departmental allocations.

Operating Cost Implications for Approved 2019 Projects

PRKCP Neighborhood Parks Capital Infrastructure

Existing or New Infrastructure: New

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect: 2019

Project Description:

This project reflects the additional resources for neighborhood parks approved by ordinance as part of the 20 year "Neighborhood Park and Street Infrastructure Plans" on April 29, 2016. Parks included here have allocations of \$1,060,000 or less.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

In those areas where service area master plans have been completed (South and Downtown), comprehensive analysis of maintenance impacts were calculated. This calculation was based on real-world assessments of costs to maintain existing facilities drawn from MPRB's system as well as national models. Each master planned park includes a maintenance cost change estimate at full build out. For instance: conversion of a wading pool to splash pad will result in a \$20,000 annual maintenance cost increase--the result of a \$15,000 annual credit for removing the wading pool and a \$35,000 add for the splash pad. Playground, conversely, will see no maintenance increase nor decrease, because though newer equipment is easier to maintain, those maintenance allocations must be shifted elsewhere in the system to cover other aging infrastructure.

An overall maintenance change number has not been provided for PRKCP, however, because the details of many projects are unknown. In some cases, parks may see increased maintenance costs while at others there may be decreases (for instance, at parks that will have fewer diamonds and larger multi-use field areas). Though a comprehensive maintenance cost accounting has not been provided to CLIC under this project, MPRB operations and planning staff are working together to ensure proper maintenance allocations when individual improvements are implemented, using the service area master plans as a guide.

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:

In cases where new infrastructure will be implemented, MPRB will pay for cost changes through its annual general fund budgeting process for departmental allocations.

PRKDT Diseased Tree Removal

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect: 2019

Project Description:

Removing diseased trees from private property.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

N/A

PRKRP Neighborhood Parks Rehabilitation Program

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect: 2019

Project Description:

Rehabilitation of existing park facilities, as authorized under the "Neighborhood Park and Street Infrastructure Plans"

in 10 distinct categories.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

N/A

PV001 Parkway Paving Program

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect: 2019

Project Description:

The objective is to re-evaluate the pavement condition and annual maintenance expenditures of all parkway paving areas that were constructed with a bituminous surface 30 years ago. The program will renovate rather than totally reconstruct the roadways.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

There is no net change in the annual operating budget; Public Works will reallocate those dollars to aging infrastructure elsewhere in the system.

In general, the cost to maintain a parkway is estimated at \$7,000 per mile per year for this type of roadway. It is estimated that approximately 3 miles of parkway will be resurfaced, resulting in a net decrease of \$21,000.

PV006 Alley Renovation Program

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect:

Project Description:

Repair and overlay existing alleys and repair or replace retaining walls that are currently in poor condition.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

There is no net change in the annual operating budget, Public Works will reallocate those dollars to aging infrastructure elsewhere in the system.

The current street maintenance expenditure for alleys in “poor” or “very poor” condition is estimated at approximately \$500 per alley per year. Over the five years of this program, about 50 alleys will be improved. Approximately 10 alleys per year will be resurfaced, having an estimated annual cost to maintain these alleys of about \$5,000 per year.

Operating Cost Implications for Approved 2019 Projects

PV054 8th St S (Hennepin Ave to Chicago Ave)

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:** 2019

Project Description:

Reconstruction of existing roadway.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

This project decreases maintenance expenses by improving the quality of the existing pavement by replacing an aged driving surface with a new one. The current street maintenance expenditure is estimated at approximately \$10,000 for a commercial/MSA type of roadway.

PV056 Asphalt Pavement Resurfacing Program

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:**

Project Description:

The objective of this program is to resurface approximately 15 to 20 miles of streets each year to extend their useful life. Resurfacing will help to slow the deterioration of the city's aging street network and delay the cost of reconstructing the roadway by at least 10 years. Until specific paving projects are defined, this project will also reflect the additional resources for street infrastructure approved by ordinance as part of the 20 year "Neighborhood Park and Street Infrastructure Plans" on April 29, 2016.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

There is no net change in the annual operating budget as Public Works will reallocate the dollars to aging infrastructure elsewhere in the system. In general, the cost to maintain a street in fair to poor condition is estimated at \$2,500 per mile per year. The current estimate is that approximately 30 miles of streets per year can be resurfaced with this program, and the estimated annual cost to maintain these 30 miles of streets is \$75,000.

PV059 Major Pavement Maintenance Program

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:**

Project Description:

This project will upgrade pavement conditions and/or extend the life of the roadways in the City.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

Not Applicable

Operating Cost Implications for Approved 2019 Projects

PV063 Unpaved Alley Construction

Existing or New Infrastructure: New

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect:

Project Description:

Place concrete pavement and any necessary storm drain and retaining walls in existing dirt or oiled dirt surfaced alleys.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

There is no net change in the annual operating budget as Public Works will reallocate the dollars to aging infrastructure elsewhere in the system. In general, the cost to maintain an alley in poor condition is estimated at \$2,000 per mile per year. The estimate is that this program will complete the construction of one to two alleys per year with an average length of 357' per alley, or 0.10 miles of alleys, and the estimated annual cost to maintain these 0.1 miles of alley is \$200.

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:

Not Applicable

PV074 CSAH & MnDOT Cooperative Projects

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect:

Project Description:

Project funding to be used for City's share of cooperative paving/bridge projects with Hennepin County and MnDOT.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

There will be no relative increase or decrease. Hennepin County provides Minneapolis funds to complete maintenance on their roads. Rebuilding a road releases maintenance money to other county roadways where additional maintenance is needed.

PV075 Development Infrastructure Program

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect:

Project Description:

This project would provide funding for various City wide development projects.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

There is no net change in the annual operating budget; Public Works will reallocate those dollars to aging infrastructure elsewhere in the system.

In general, the cost to maintain a street/alley in poor condition is estimated at \$10,000 per mile per year for a commercial/MSA type of roadway.

Operating Cost Implications for Approved 2019 Projects

PV095 4th St N & S (2nd Ave N to 4th Ave S)

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:** 2019

Project Description:

Reconstruction of existing roadway.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

There is no net change in the annual operating budget; Public Works will reallocate those dollars to aging infrastructure elsewhere in the system. In general, the cost to maintain a street/alley in poor condition is estimated at \$10,000 per mile per year for a commercial/MSA type of street. Given the length of this project at 0.45 miles, the estimated annual cost to maintain this roadway is \$4,500.

PV104 ADA Ramp Replacement Program

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:**

Project Description:

Replace pedestrian ramps to meet new standards set by the Americans with Disabilities Act.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

No increase in annual operating costs.

PV108 Concrete Streets Rehabilitation Program

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:** 2018

Project Description:

This program would repair and rehabilitate various existing concrete streets in the City.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

There is no net change in the annual operating budget; Public Works will reallocate those dollars to aging infrastructure elsewhere in the system. In general, the cost to maintain a street/alley in poor condition is estimated at \$10,000 per mile per year for a commercial/MSA type of street.

PV114 U of M Protected Bikeways

Existing or New Infrastructure: New

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect: 2019

Project Description:

Construction of protected bike lanes on several streets in the vicinity of the University of Minnesota.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

Operating costs are \$59,000 per year per mile (\$141,600 per year for this project) based on the actual costs of a pilot project. The \$59,000 per year per mile cost includes winter maintenance, signage, striping, sweeping, and bollard replacement. This amount will need to be funded as part of the Street Department budget.

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:

Additional operating dollars will need to be appropriated for this project.

PV116 North Loop Pedestrian Improvements

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect: 2019

Project Description:

Implementation of bump outs, enhanced pedestrian crossings and signal modifications.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

Not Applicable

PV125 33rd & 35th St E (M'haha & Dight Ave to Tracks)

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect: 2019

Project Description:

Repair existing railroad crossing and street.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

While this project creates no net change in the annual operating budget it does allow Public Works to spend maintenance funds more effectively. Maintaining a deteriorated street is more costly than maintaining a street in good condition; therefore reconstructing this street segment allows Public Works to reallocate maintenance funds to aging infrastructure elsewhere in the system. The cost to maintain a street in poor condition is estimated at \$10,000 per mile per year for a commercial/MSA type of street. Given the length of this project at .2 miles, the estimated annual cost to maintain this roadway is \$2,000

PV131 Res Neighborhood Reconst Projects

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect: 2019

Project Description:

The project includes reconstruction of segments of residential streets within a residential paving area that warrant repairs beyond those provided in the residential resurfacing program. This includes new sidewalks with ADA pedestrian ramps, roadway pavement, curb and gutter, and utility improvements. The project is also expected to include new signage and new pavement markings, where necessary.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

There is no net change in the annual operating budget; Public Works will reallocate those dollars to aging infrastructure elsewhere in the system. In general, the cost to maintain a street in poor condition is estimated at \$5,000 per mile per year. The current estimate is that approximately 3 miles of streets per year can be reconstructed with this program, and the estimated annual cost to maintain these 3 miles of streets is \$15,000.

PV135 North Loop Paving

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect: 2019

Project Description:

The project includes reconstruction of 5th Ave N (north of 5th St N to Washington Ave), 7th Ave N (4th St N to Washington Ave), and 3rd St N (5th Ave N to 10th Ave N). The project will include new sidewalks with ADA pedestrian ramps, roadway pavement, curb and gutter, and utility improvements. The project is also expected to include new signage and pavement markings.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

While this project creates no net change in the annual operating budget it does allow Public Works to spend maintenance funds more effectively. Maintaining a deteriorated street is more costly than maintaining a street in good condition; therefore reconstructing this street segment allows Public Works to reallocate maintenance funds to aging infrastructure elsewhere in the system. The cost to maintain a street in poor condition is estimated at \$10,000 per mile per year for a commercial/MSA type of street. Given the length of this project at 0.98 miles, the estimated annual cost to maintain this roadway is \$9,800.

PV139 18th Ave NE (Johnson St NE to Stinson Blvd NE)

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect: 2020

Project Description:

The project will include new sidewalks with ADA pedestrian ramps, improving the existing trail facility, roadway pavement, curb and gutter, and utility improvements. The project is also expected to include signal improvements, new signage, and new pavement markings.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

Operating Cost Implications for Approved 2019 Projects

There is no net change in the annual operating budget; Public Works will reallocate those dollars to aging infrastructure elsewhere in the system. In general, the cost to maintain a street/alley in poor condition is estimated at \$10,000 per mile per year for a commercial/MSA type of street. Given the length of this project at 0.5 miles, the estimated annual cost to maintain this roadway is \$5,000.

PV99R Reimbursable Paving Projects

Existing or New Infrastructure: New **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:**

Project Description:

Work to be done for others with 100% recovery from requesting agency.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

This work is for various small projects for outside agencies and sometimes for other divisions of public works and the operating cost impacts cannot really be determined. The Street Maintenance Department would cover any routine costs that would result from the improvements made by this program.

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:

SWK01 Defective Hazardous Sidewalks

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect: 2019

Project Description:

To provide a hazard free pedestrian passage over approximately 2,000 miles of public sidewalk by inspecting and replacing defective public sidewalks and adding ADA compliant curb ramps where needed.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

Not Applicable

SWK02 Sidewalk Gaps

Existing or New Infrastructure: New **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:**

Project Description:

Construction of sidewalks where gaps in the sidewalk system exist.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

The proposal has no effect on annual operating/maintenance costs.

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:

New sidewalks will be inspected for repair or replacement by the Sidewalk Inspection office in accordance with normal City practices. Funds for the operation of the Sidewalk Inspection office are provided by:

1. Sidewalk Construction Permit fees paid by contractors
2. Administrative fees paid by property owners when they are notified by the Sidewalk Inspections office and are required by ordinance to repair public sidewalk defects, or, when they request to use the City hired sidewalk contractor to make needed repairs to defective public sidewalk
3. Administrative fees paid by other City of Minneapolis departments when the sidewalk portion of their project work is constructed by the City hired sidewalk contractor.

The cost of maintenance of the public sidewalks is required by ordinance (City of Minneapolis Code of Ordinance 427.90) to be paid for by the adjacent property owner.

BR101 Major Bridge Repair and Rehabilitation

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:** 2019

Project Description:

Major repair and rehabilitation of existing city bridges to extend the operational life.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

There is no net change in the annual operating budget, Public Works will reallocate those dollars to aging infrastructure elsewhere in the system.

Cost impacts represent an analysis of "Routine Bridge Maintenance" expenses.

BR134 Bridge 9 Program

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:**

Project Description:

Ongoing safety projects to maintain the bike/ped bridge crossing the Mississippi River.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

This project requires major rehabilitation and it is not economical for City maintenance crews to perform rehabilitation

work.

TR008 Parkway Street Light Replacement

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect: 2019

Project Description:

This project consists of replacement of deteriorated services, poles, fixtures and electrical wiring associated with the lighting systems in place along the parkways throughout the City.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

It's estimated that personnel cost would be reduced by \$4,500 and equipment rental by \$1,500. As LED lights are installed savings of \$100 in maintenance and \$25 in electricity per fixture can be anticipated. At 40 poles and fixtures replaced per year the annual energy and maintenance savings cost are \$5,000.

TR010 Traffic Management Systems

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect: 2018

Project Description:

This project consists of updating and retiming all the traffic signal systems within the City.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

The new communication links require about the same operating and maintenance costs as the existing network.

TR011 City Street Light Renovation

Existing or New Infrastructure: Existing **Operating Cost Implication:** Decrease

Increase / (Decrease) Amount: (60,000) **Year Increase / (Decrease) takes effect:** 2019

Project Description:

This project consists of renovating the City's existing decorative street lighting facilities.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

Approximately 100 LED fixtures can be converted per year in the 2018 budget. These should save approximately \$50 per year energy savings and \$50 per year in amortized maintenance savings for a total of \$100 per fixture or \$10,000 per year. Pole painting about 150 poles per year should add 10 years of life per pole at \$30 per year amortized replacement cost for a total of \$45,000. Pole replacements should save \$5000 per year in emergency overtime costs. Total savings of \$60,000 per year.

TR021 Traffic Signals

Existing or New Infrastructure: Existing **Operating Cost Implication:** Decrease

Increase / (Decrease) Amount: (20,000) **Year Increase / (Decrease) takes effect:** 2019

Project Description:

This project consists of replacing old and outdated traffic signal equipment.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

In general, the cost to maintain the signal system will be reduced by \$20,000 per year. The replacement of aging and obsolete traffic signal system equipment will reduce the amount of money spent on maintenance for the replacement of failing equipment, while also reducing personnel time spent maintaining the aging and obsolete traffic signal system equipment. This would free up more time that can be used on previously understaffed work activities.

TR022 Traffic Safety Improvements

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect:

Project Description:

This project consists of seven traffic related improvements: 1) Overhead Signal Additions, 2) Operational and Safety Improvements, 3) Signal and Delineation, 4) Mastarm Mounted Street Name Signing, 5) Street & Bridge Navigation Lighting, 6) Pedestrian Safety, and 7) Railroad Crossing Safety.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

Not Applicable

TR024 Pedestrian Street Lighting Corridors

Existing or New Infrastructure: New **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:**

Project Description:

Construct pedestrian level lighting on various pedestrian corridors throughout the City.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

Ongoing costs include electricity, pole knockdowns, and bulb replacements. New poles will utilize LED technology, which are highly efficient both in terms of electrical usage and ongoing maintenance. Public Works will adjust operating expense requests as the number of street light poles increases, but expects future operational savings in the existing street lighting system as existing fixtures are converted to LED. Some marginal energy savings from replacing pre-existing wood pole lighting, but added LED poles should offset that savings

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:

Not Applicable

TR025 Sign Replacement Program

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:**

Project Description:

Replace deficient signs with new signs that meet current reflectivity standards.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

This program will only replace existing signs. There will be no change in annual operating cost.

TR99R Reimbursable Transportation Projects

Existing or New Infrastructure: New **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:**

Project Description:

Work for others funding to be reimbursed by department, business or individuals requesting the work.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

This work is for various small projects for outside agencies and sometimes for other divisions of public works and the operating cost impacts cannot really be determined. The Traffic Control Maintenance Department would cover any routine costs that would result from the improvements made by this program.

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:

BIK28 Protected Bikeways Program

Existing or New Infrastructure: New

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect:

Project Description:

This program will create a network of bikeways which provide bicyclists with a physical means of protection from motor vehicles on roadways as recommended in the Bicycle Master Plan.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

Public Works is still assessing the costs of maintenance for protected bikeways. A winter walking and biking study is currently underway. Public Works is having ongoing discussions regarding the appropriate level of maintenance for protected bikeways, particularly for winter operations including plowing.

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:

Maintenance costs for protected bikeways will vary depending on the type of facility installed. Public Works has calculated estimates for annual maintenance of protected bikeways, although it is based on a very small sample of locations. As more protected bikeway projects are implemented Public Works will better understand maintenance costs and expects to build efficiencies into its operations.

BP001 Safe Routes to School Program

Existing or New Infrastructure: New

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect: 2018

Project Description:

This program will make safety improvements to roadways and intersections to encourage bicycling and walking to and from Minneapolis Schools.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

A typical project within this program would add an additional \$1000 in annual operating costs. This includes some additional winter maintenance costs, sign and pavement marking replacement, and pedestrian signal repair. Additional winter maintenance costs were estimated for typical treatments within the program such as pedestrian medians, traffic circles, and curb extensions. An additional allowance was given for signage, striping and pedestrian signal maintenance based on the typical frequency of these items.

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:

The existing maintenance budget will be used to maintain this new infrastructure.

BP004 Pedestrian Safety Program

Existing or New Infrastructure: New **Operating Cost Implication:** Increase

Increase / (Decrease) Amount: 1,000 **Year Increase / (Decrease) takes effect:** 2019

Project Description:

Street improvements to create safer pedestrian/bicycle crossings at intersections.

Describe how operating cost increases or decreases were determined and include details such as personnel

costs, materials, contracts, energy savings, etc:

Additional winter maintenance costs were estimated for typical treatments within the program such as pedestrian medians and curb extensions. An additional allowance was given for signage, striping and pedestrian signal maintenance based on the typical frequency of these items.

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:

The existing maintenance budget will be used to maintain this new infrastructure.

SA001 Sanitary Tunnel & Sewer Rehab Program

Existing or New Infrastructure: Existing **Operating Cost Implication:** Decrease

Increase / (Decrease) Amount: (100,000) **Year Increase / (Decrease) takes effect:** 2019

Project Description:

This program will rehabilitate and repair sanitary sewer pipes, lift stations & tunnels.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

The decreased amount of operating costs represents savings in labor, equipment and material expenses associated with the ongoing maintenance and small repair of the areas in most need of rehabilitation within the sanitary sewer system. Clear water can also be removed with these projects, potentially reducing the MCES treatment costs.

SA036 Infiltration & Inflow Removal Program

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:** 2019

Project Description:

The focus of this program is to remove inflow and infiltration of water from the sanitary sewer system and redirect this clear water to the storm sewer system and/or other best management practices.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

Operating Costs were determined with past practices, and this work does not result in a change in operating costs.

SA99R Reimbursable Sanitary Sewer Projects

Existing or New Infrastructure: Operating Cost Implication: No Change

Increase / (Decrease) Amount: Year Increase / (Decrease) takes effect:

Project Description:

Work to be done for others with 100% recovery from requesting agency.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

This work is for various small projects for outside agencies and sometimes for other divisions of public works and the operating cost impacts cannot really be determined. The Sanitary Sewer Maintenance Department would cover any routine costs that would result from the improvements made by this program.

SW004 Implementation of US EPA Storm Water Regs

Existing or New Infrastructure: New Operating Cost Implication: No Change

Increase / (Decrease) Amount: Year Increase / (Decrease) takes effect:

Project Description:

This project provides solutions for stormwater pollution mitigation measures.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

Construction of new stormwater BMPs may require additional maintenance costs, which will be paid for through the stormwater utility maintenance funding, depending on the Best Management Practice (BMP) constructed. Maintenance costs will be highly dependent on the BMP selected. Many of these BMPs do not have enough data to determine annual maintenance costs and the department is working towards tracking and identifying these costs.

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:

Not Applicable

SW005 Combined Sewer Overflow Improvements

Existing or New Infrastructure: New Operating Cost Implication: No Change

Increase / (Decrease) Amount: Year Increase / (Decrease) takes effect: 2018

Project Description:

Construction of stormwater systems so that catch basins and drains in public right of way can be disconnected from the sanitary sewer and reconnected to a storm sewer.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

Operating Costs were determined with past practices, and this work does not result in increased operating costs.

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:

Not Applicable

Operating Cost Implications for Approved 2019 Projects

SW011 Storm Drains and Tunnels Rehab Program

Existing or New Infrastructure: Existing **Operating Cost Implication:** Decrease

Increase / (Decrease) Amount: (300,000) **Year Increase / (Decrease) takes effect:** 2019

Project Description:

The rehab and repair of storm pipes, pump stations and tunnels throughout the City.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

The decreased amount of operating costs represents savings in labor, equipment and material expenses associated with the ongoing maintenance and small repair of the areas in most need of rehabilitation within the storm drain tunnel system.

SW039 Flood Mitigation - Stormwater Alternatives

Existing or New Infrastructure: New **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:** 2019

Project Description:

The purpose of this program is to address localized flooding and drainage problems City-wide. Where practical, environmentally friendly "green infrastructure" stormwater practices such as rain gardens, bioswales, constructed wetlands, pervious pavements and hard surface reduction will be utilized.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

This project may increase annual operating and maintenance costs of the Surface Water & Sewers Division of Public Works for maintenance of the BMPs. However, this project may decrease annual operating and maintenance costs of the same division for addressing localized flooding issues. Any increase would be paid from the Stormwater Utility enterprise fund.

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:

Not Applicable

SW99R Reimbursable Sewer & Storm Drain Projects

Existing or New Infrastructure: New **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:**

Project Description:

Work to be done for others with 100% recovery from requesting agency.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

This work is for various small projects for outside agencies and sometimes for other divisions of public works and the operating cost impacts cannot really be determined. The Storm Sewer Maintenance Department would cover any routine costs that would result from the improvements made by this program.

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:

WTR12 Water Distribution Improvements

Existing or New Infrastructure: Existing **Operating Cost Implication:** Decrease

Increase / (Decrease) Amount: (10,000) **Year Increase / (Decrease) takes effect:** 2019

Project Description:

Maintain and sustain existing water distribution system infrastructure citywide.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

- Reduced maintenance needed for replaced fire hydrants.
- A significant portion of the allocation for WTR12 is used for water main cleaning and lining or structural lining, which consists of scraping the inside of cast iron water mains to remove built up mineral deposits and installing a smooth liner. The improved flow characteristics (reduced frictional loss) of the lined water main will incrementally reduce pumping costs in maintaining water system pressures.
- Water meters under-report when they are past their service life and the internal components are worn. This means that the customer is not paying for all of the water used. Water meter replacement does not necessarily achieve cost savings but does assist in cost recovery.

WTR23 Treatment Infrastructure Improvements

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:**

Project Description:

Maintain viability of existing water infrastructure through regular upgrades.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

Planning for neutral change or decrease in operating cost. Attempts to improve efficiency are pursued wherever possible.

WTR27 Advanced Metering Infrastructure

Existing or New Infrastructure: New **Operating Cost Implication:** Decrease

Increase / (Decrease) Amount: (100,000) **Year Increase / (Decrease) takes effect:** 2023

Project Description:

Implementation of advanced metering infrastructure.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

At present time, most of the remote meter readings for billing are collected by a receiver in a van that drives every street in the City once a month. The new automated meter reading systems use a fixed network with receivers that serve a several block range that convey the signal to the City's billing system. This would eliminate the need for the equipped van and the employee to drive it. However, some of these savings will be offset by costs associated with maintaining the AMI software and related infrastructure.

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:

Annual operating costs are expected to decline for this project.

WTR28 Ultrafiltration Module Replacement

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:**

Project Description:

Replace membrane modules in the Columbia Heights ultrafiltration plant.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

The project will decrease operating costs, but it is difficult to predict the amount. As ultrafiltration modules near the end of their life, the repair frequency increases, causing the need for increased labor costs. Replacing the modules in a timely manner will reduce the cost of repair labor.

WTR29 Columbia Heights Campus Upgrades

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:**

Project Description:

Improve or replace century-old structures on Columbia Heights campus.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

Planning for neutral change or decrease in operating cost.

WTR30 10th Ave Bridge Water Main

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:**

Project Description:

Replace the 54" diameter water transmission main on the 10th Avenue Bridge.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

No change expected.

WTR31 Electrical Service Rehabilitation

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:**

Project Description:

Rehabilitation of the electrical equipment at the Fridley Campus.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

Planning for neutral change or decrease in operating cost. Upgrading the equipment will allow smarter controls to reduce peak usage on high power equipment while maintaining the level of service to customers.

WTR9R Reimbursable Water Main Projects

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount: **Year Increase / (Decrease) takes effect:**

Project Description:

This project provides working capital for watermain projects reimbursable by other City Departments or private businesses.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

This work is for various projects for outside agencies, other utilities, and sometimes for other divisions of public works. Operating cost impacts cannot really be determined but since the work is primarily a one-for-one re-location of existing water main or distribution system components, the operating costs would not change. The Water Distribution operating budget would cover any routine costs that would result from the improvements made by this program. Generally plan for neutral change or decrease in operating cost. Attempt to improve efficiency wherever possible.

FIR12 Fire Station No. 1 Renovation and Expansion

Existing or New Infrastructure: Existing **Operating Cost Implication:** Increase

Increase / (Decrease) Amount: 60,000 **Year Increase / (Decrease) takes effect:** 2019

Project Description:

The project would plan, design, renovate and expand the current Fire Station #1 at its current location.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

It is anticipated that the additional square footage would cost \$6.00 per square foot to maintain and provide utilities for. Without a completed design it is anticipated that the new addition will be 10,000 square feet, therefore an additional \$60,000 of expense is anticipated for the future.

FIR13 Fire Station No. 4 Apparatus Bay Addition

Existing or New Infrastructure: New **Operating Cost Implication:** Increase

Increase / (Decrease) Amount: 2,500 **Year Increase / (Decrease) takes effect:** 2020

Project Description:

This project will build an apparatus bay addition at Fire Station No. 4.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

Additional operating costs will be minimal.

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:

Any additional costs can be absorbed without additional funding.

PSD19 Impound Lot Facility

Existing or New Infrastructure: New

Operating Cost Implication: Increase

Increase / (Decrease) Amount: 10,000

Year Increase / (Decrease) takes effect: 2019

Project Description:

This project will provide for needed site improvements (drainage, lighting, security, landscape screening), and for the comprehensive renovation and expansion, or replacement, of the Impound service building at or near its current location.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

New buildings have more complex mechanical, electrical, and life-safety systems than those that were original to the building. The advantage is that the systems provide for a healthier and safer environment for the City staff. Although the systems are more energy efficient (approximately 30%) the savings are offset by bringing more fresh air, exhausting harmful pollutants, and controlling temperature and humidity with more precision. Similarly, having the maintenance savings (fewer break-down repairs) of having new systems is offset by having more systems to maintain. The larger savings is the cost avoidance of complete system failure that would require relocation of staff until the problem is resolved. The end result is there will not be significant operational cost savings with the energy systems.

The existing building will be replaced with a new building of increased size, therefore there will be a small increase in operating costs estimated to be \$10,000 per year.

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:

Any increased costs can be absorbed within the current operating budget.

Operating Cost Implications for Approved 2019 Projects

PSD20 City Hall & New Public Service Center

Existing or New Infrastructure: New

Operating Cost Implication: No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect: 2021

Project Description:

This project will consist of renovations to the City's space in the historic City Hall at 350 South 5th St and construction of a new office building/public service center located adjacent to City Hall at 501 4th Ave S.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:

RAD01 Public Safety Radio System Replacement

Existing or New Infrastructure: Existing **Operating Cost Implication:** No Change

Increase / (Decrease) Amount:

Year Increase / (Decrease) takes effect: 2020

Project Description:

Replace hardware and update infrastructure of the ARMER interoperable radio system.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

NA No Change

ART01 Art in Public Places

Existing or New Infrastructure: New

Operating Cost Implication: Increase

Increase / (Decrease) Amount: 3,500

Year Increase / (Decrease) takes effect: 2022

Project Description:

This ongoing program incorporates public art into the City's capital program as stand alone artworks or as integrated into public infrastructure.

Describe how operating cost increases or decreases were determined and include details such as personnel costs, materials, contracts, energy savings, etc:

During design development for each public art project, a design assessment is conducted by an art conservator with input from the people who maintain the project site. This assessment outlines the annual maintenance needs and costs, as well as the costs of periodic treatments, such as repainting. After this assessment, staff works with the artist to identify design changes which could decrease maintenance costs and make the artwork more durable. This process has resulted in a 67% decrease in maintenance costs since 2003. The above figure is based on the average annual cost of maintaining an artwork.

If new infrastructure, discuss how the department/agency will pay for the increased annual operating costs:

Basic annual maintenance, such as cleaning and debris removal is provided by project partners and property owners. More complex annual maintenance procedures, such as graffiti removal and new coatings are funded annually through CPED's general fund. The 2018 maintenance budget for public art is \$75,000.



2019 Capital Budget Decision Summary

Project	Submitting Agency	Department Requested	CLIC Recommended	Mayor Recommended	Council Adopted
MBC10 Exterior Improvements	MBC	5,626	0	0	0
MBC11 Elevator Upgrades and Modernization	MBC	4,992	0	2,000	2,400
MBC12 Safety Improvements - Non-Stagework Areas	MBC	3,208	2,066	2,066	2,066
PRK02 Playground and Site Improvements Program	Park Board	2,160	2,160	2,160	2,160
PRK04 Athletic Fields -Site Improvements Program	Park Board	255	255	255	255
PRK34 Currie Park Implementation	Park Board	2,212	2,212	2,212	2,212
PRK35 Keewaydin Park Implementation	Park Board	541	541	541	541
PRK36 North Commons Park Implementation	Park Board	368	368	368	368
PRK38 Sibley Field Park Implementation	Park Board	518	518	518	518
PRK39 Whittier Park Implementation	Park Board	45	45	45	45
PRKCP Neighborhood Parks Capital Infrastructure	Park Board	1,894	1,894	1,894	1,894
PRKDT Diseased Tree Removal	Park Board	300	300	300	300
PRKRP Neighborhood Parks Rehabilitation Program	Park Board	4,050	4,050	4,050	4,050
PV001 Parkway Paving Program	Public Works	750	1,285	750	750
PV006 Alley Renovation Program	Public Works	250	250	250	250
PV054 8th St S (Hennepin Ave to Chicago Ave)	Public Works	17,145	17,145	17,145	17,145
PV056 Asphalt Pavement Resurfacing Program	Public Works	7,015	7,015	7,015	7,015
PV059 Major Pavement Maintenance Program	Public Works	250	250	250	250
PV063 Unpaved Alley Construction	Public Works	200	200	200	200
PV074 CSAH & MnDOT Cooperative Projects	Public Works	5,420	5,420	4,420	4,420
PV075 Development Infrastructure Program	CPED	500	0	500	500
PV095 4th St N & S (2nd Ave N to 4th Ave S)	Public Works	11,985	11,985	11,985	11,985
PV104 ADA Ramp Replacement Program	Public Works	500	500	500	500
PV108 Concrete Streets Rehabilitation Program	Public Works	4,325	4,325	4,325	4,325
PV114 U of M Protected Bikeways	Public Works	1,985	1,985	1,985	1,985
PV116 North Loop Pedestrian Improvements	Public Works	3,820	3,820	3,820	3,820
PV125 33rd & 35th St E (M'haha & Dight Ave to Tracks)	Public Works	2,865	2,865	2,865	2,865
PV131 Res Neighborhood Reconst Projects	Public Works	2,205	2,205	2,205	2,205
PV135 North Loop Paving	Public Works	9,475	9,475	9,475	9,475
PV139 18th Ave NE (Johnson St NE to Stinson Blvd NE)	Public Works	1,097	1,097	1,097	1,097
PV99R Reimbursable Paving Projects	Public Works	3,500	3,500	3,500	3,500
SWK01 Defective Hazardous Sidewalks	Public Works	4,250	4,250	4,250	4,250
SWK02 Sidewalk Gaps	Public Works	150	150	150	150
BR101 Major Bridge Repair and Rehabilitation	Public Works	600	600	600	600
BR134 Bridge 9 Program	Public Works	2,080	2,080	2,080	2,080
TR008 Parkway Street Light Replacement	Public Works	350	350	350	350
TR010 Traffic Management Systems	Public Works	1,055	1,055	1,055	1,055
TR011 City Street Light Renovation	Public Works	1,000	1,000	1,000	1,000

2019 Capital Budget Decision Summary

Project	Submitting Agency	Department Requested	CLIC Recommended	Mayor Recommended	Council Adopted
TR021 Traffic Signals	Public Works	1,950	1,950	1,950	1,950
TR022 Traffic Safety Improvements	Public Works	1,000	1,000	1,000	1,000
TR024 Pedestrian Street Lighting Corridors	Public Works	500	500	500	500
TR025 Sign Replacement Program	Public Works	895	895	895	895
TR99R Reimbursable Transportation Projects	Public Works	600	600	600	600
BIK28 Protected Bikeways Program	Public Works	1,140	1,140	1,140	1,140
BP001 Safe Routes to School Program	Public Works	400	400	400	400
BP004 Pedestrian Safety Program	Public Works	600	600	600	600
SA001 Sanitary Tunnel & Sewer Rehab Program	Public Works	14,000	14,000	14,000	14,000
SA036 Infiltration & Inflow Removal Program	Public Works	3,500	3,500	3,500	3,500
SA99R Reimbursable Sanitary Sewer Projects	Public Works	1,000	1,000	1,000	1,000
SW004 Implementation of US EPA Storm Water Regs	Public Works	250	250	250	250
SW005 Combined Sewer Overflow Improvements	Public Works	1,500	1,500	1,500	1,500
SW011 Storm Drains and Tunnels Rehab Program	Public Works	6,000	6,000	6,000	6,000
SW039 Flood Mitigation - Stormwater Alternatives	Public Works	5,000	5,000	5,000	5,000
SW99R Reimbursable Sewer & Storm Drain Projects	Public Works	2,000	2,000	2,000	2,000
WTR12 Water Distribution Improvements	Public Works	9,450	9,450	9,450	9,450
WTR23 Treatment Infrastructure Improvements	Public Works	5,000	5,000	5,000	5,000
WTR27 Advanced Metering Infrastructure	Public Works	4,690	4,690	4,690	4,690
WTR28 Ultrafiltration Module Replacement	Public Works	750	750	750	750
WTR29 Columbia Heights Campus Upgrades	Public Works	450	450	450	450
WTR30 10th Ave Bridge Water Main	Public Works	10,000	10,000	10,000	10,000
WTR31 Electrical Service Rehabilitation	Public Works	2,000	2,000	2,000	2,000
WTR9R Reimbursable Water Main Projects	Public Works	2,000	2,000	2,000	2,000
FIR12 Fire Station No. 1 Renovation and Expansion	Fire Department	5,000	5,000	5,000	5,000
FIR13 Fire Station No. 4 Apparatus Bay Addition	Fire Department	1,000	1,000	1,000	1,000
PSD19 Impound Lot Facility	Public Works	1,000	1,000	1,000	1,000
PSD20 City Hall & New Public Service Center	Other Departments	104,000	104,000	100,100	100,100
RAD01 Public Safety Radio System Replacement	Other Departments	2,700	2,700	2,700	2,700
ART01 Art in Public Places	CPED	741	745	730	730
Total		298,058	286,336	283,386	283,786

2020 Capital Budget Decision Summary

Project	Submitting Agency	Department Requested	CLIC Recommended	Mayor Recommended	Council Adopted
MBC01 Life Safety Improvements	MBC	240	240	240	240
MBC12 Safety Improvements - Non-Stagework Areas	MBC	4,267	1,000	1,000	1,000
PRK02 Playground and Site Improvements Program	Park Board	2,046	2,046	2,046	2,046
PRK35 Keewaydin Park Implementation	Park Board	626	626	627	627
PRK36 North Commons Park Implementation	Park Board	1,000	1,000	1,000	1,000
PRK38 Sibley Field Park Implementation	Park Board	503	503	503	503
PRK39 Whittier Park Implementation	Park Board	1,062	1,062	1,062	1,062
PRKCP Neighborhood Parks Capital Infrastructure	Park Board	2,604	2,604	2,604	2,604
PRKDT Diseased Tree Removal	Park Board	300	300	300	300
PRKRP Neighborhood Parks Rehabilitation Program	Park Board	4,195	4,195	4,195	4,195
PV001 Parkway Paving Program	Public Works	750	1,285	750	750
PV006 Alley Renovation Program	Public Works	250	250	250	250
PV056 Asphalt Pavement Resurfacing Program	Public Works	7,015	7,015	7,015	7,015
PV059 Major Pavement Maintenance Program	Public Works	250	250	250	250
PV063 Unpaved Alley Construction	Public Works	200	200	200	200
PV074 CSAH & MnDOT Cooperative Projects	Public Works	2,800	2,800	2,800	2,800
PV075 Development Infrastructure Program	CPED	500	0	500	500
PV095 4th St N & S (2nd Ave N to 4th Ave S)	Public Works	2,525	2,525	2,525	2,525
PV104 ADA Ramp Replacement Program	Public Works	500	500	500	500
PV108 Concrete Streets Rehabilitation Program	Public Works	4,750	4,750	4,750	4,750
PV118 Hennepin Ave (Wash Ave N to 12th St S)	Public Works	22,200	22,200	22,200	22,200
PV131 Res Neighborhood Reconst Projects	Public Works	4,195	7,195	5,695	5,695
PV139 18th Ave NE (Johnson St NE to Stinson Blvd NE)	Public Works	3,908	3,908	3,908	3,908
PV141 Grand Ave S (Lake St W to 48th St W)	Public Works	712	712	712	712
PV147 Girard Ave S (Lake St to Lagoon Ave)	Public Works	1,295	1,295	1,295	1,295
PV99R Reimbursable Paving Projects	Public Works	3,500	3,500	3,500	3,500
SWK01 Defective Hazardous Sidewalks	Public Works	4,460	4,460	4,460	4,460
SWK02 Sidewalk Gaps	Public Works	150	150	150	150
BR101 Major Bridge Repair and Rehabilitation	Public Works	400	400	400	400
BR106 1st Ave S over HCRRRA	Public Works	4,790	4,790	4,790	4,790
BR117 1st St N Bridge over Bassetts Creek	Public Works	1,380	1,380	1,380	1,380
BR134 Bridge 9 Program	Public Works	2,470	2,470	2,470	2,470
TR008 Parkway Street Light Replacement	Public Works	350	350	350	350
TR010 Traffic Management Systems	Public Works	875	875	875	875
TR011 City Street Light Renovation	Public Works	1,000	1,000	1,000	1,000
TR021 Traffic Signals	Public Works	1,800	1,800	1,800	1,800
TR022 Traffic Safety Improvements	Public Works	1,380	1,380	1,380	1,380
TR024 Pedestrian Street Lighting Corridors	Public Works	500	500	500	500
TR025 Sign Replacement Program	Public Works	895	895	895	895



2020 Capital Budget Decision Summary

Project	Submitting Agency	Department Requested	CLIC Recommended	Mayor Recommended	Council Adopted
TR99R Reimbursable Transportation Projects	Public Works	600	600	600	600
BIK28 Protected Bikeways Program	Public Works	1,940	1,940	1,940	1,940
BP001 Safe Routes to School Program	Public Works	400	400	400	400
BP004 Pedestrian Safety Program	Public Works	600	600	600	600
BP005 Queen Ave N Bike Boulevard	Public Works	2,125	2,125	2,125	2,125
SA001 Sanitary Tunnel & Sewer Rehab Program	Public Works	8,000	8,000	8,000	8,000
SA036 Infiltration & Inflow Removal Program	Public Works	3,500	3,500	3,500	3,500
SA99R Reimbursable Sanitary Sewer Projects	Public Works	1,000	1,000	1,000	1,000
SW004 Implementation of US EPA Storm Water Regs	Public Works	250	250	250	250
SW005 Combined Sewer Overflow Improvements	Public Works	1,500	1,500	1,500	1,500
SW011 Storm Drains and Tunnels Rehab Program	Public Works	6,000	6,000	6,000	6,000
SW039 Flood Mitigation - Stormwater Alternatives	Public Works	5,000	5,000	5,000	5,000
SW040 Central City Parallel Storm Tunnel	Public Works	11,000	11,000	11,000	11,000
SW99R Reimbursable Sewer & Storm Drain Projects	Public Works	2,000	2,000	2,000	2,000
WTR12 Water Distribution Improvements	Public Works	9,550	9,550	9,550	9,550
WTR18 Water Distribution Facility	Public Works	15,285	15,285	15,285	15,285
WTR23 Treatment Infrastructure Improvements	Public Works	5,000	5,000	5,000	5,000
WTR27 Advanced Metering Infrastructure	Public Works	1,770	1,770	1,770	1,770
WTR28 Ultrafiltration Module Replacement	Public Works	750	750	750	750
WTR29 Columbia Heights Campus Upgrades	Public Works	3,750	3,750	3,750	3,750
WTR31 Electrical Service Rehabilitation	Public Works	2,000	2,000	2,000	2,000
WTR9R Reimbursable Water Main Projects	Public Works	2,000	2,000	2,000	2,000
FIR12 Fire Station No. 1 Renovation and Expansion	Fire Department	2,000	2,000	2,000	2,000
PSD15 Traffic Maintenance Facility Improvement	Public Works	200	0	0	0
PSD16 Farmers Market Improvements	Other Departments	1,000	0	0	0
PSD18 Regulatory Services Facility	Other Departments	1,000	0	0	0
PSD20 City Hall & New Public Service Center	Other Departments	93,000	93,000	100,800	100,800
RAD01 Public Safety Radio System Replacement	Other Departments	2,700	2,700	2,700	2,700
ART01 Art in Public Places	CPED	714	688	678	678
Total		277,278	274,819	281,075	281,075

2021 Capital Budget Decision Summary

Project	Submitting Agency	Department Requested	CLIC Recommended	Mayor Recommended	Council Adopted
MBC01 Life Safety Improvements	MBC	184	184	184	184
MBC02 Mechanical Systems Upgrade	MBC	649	650	650	650
PRK02 Playground and Site Improvements Program	Park Board	840	839	839	839
PRK03 Shelter - Pool - Site Improvements Program	Park Board	804	804	804	804
PRK04 Athletic Fields -Site Improvements Program	Park Board	236	236	236	236
PRK33 Bryn Mawr Meadows Field Improvements	Park Board	3,080	3,080	3,080	3,080
PRK36 North Commons Park Implementation	Park Board	800	800	800	800
PRK37 Powderhorn Park Implementation	Park Board	285	285	285	285
PRKCP Neighborhood Parks Capital Infrastructure	Park Board	2,246	2,246	2,246	2,246
PRKDT Diseased Tree Removal	Park Board	300	300	300	300
PRKRP Neighborhood Parks Rehabilitation Program	Park Board	4,390	4,390	4,390	4,390
PV001 Parkway Paving Program	Public Works	750	1,285	750	750
PV006 Alley Renovation Program	Public Works	250	250	250	250
PV056 Asphalt Pavement Resurfacing Program	Public Works	7,015	7,015	7,015	7,015
PV059 Major Pavement Maintenance Program	Public Works	250	250	250	250
PV063 Unpaved Alley Construction	Public Works	200	200	200	200
PV074 CSAH & MnDOT Cooperative Projects	Public Works	700	700	700	700
PV075 Development Infrastructure Program	CPED	500	0	500	500
PV104 ADA Ramp Replacement Program	Public Works	500	500	500	500
PV108 Concrete Streets Rehabilitation Program	Public Works	5,185	4,080	5,185	5,185
PV113 29th St W Phase 2	Public Works	2,170	2,170	2,170	2,170
PV118 Hennepin Ave (Wash Ave N to 12th St S)	Public Works	910	910	910	910
PV131 Res Neighborhood Reconst Projects	Public Works	5,860	2,860	4,360	4,360
PV137 29th Ave NE (Central to Stinson)	Public Works	6,063	6,063	6,063	6,063
PV141 Grand Ave S (Lake St W to 48th St W)	Public Works	14,353	14,353	14,353	14,353
PV142 Downtown East Paving	Public Works	3,175	3,175	3,175	3,175
PV152 Plymouth Ave (Washburn Ave N to Penn Ave N)	Public Works	4,625	4,625	4,625	4,625
PV156 Johnson St NE (18th Ave NE to Lowry Ave NE)	Public Works	4,599	4,599	4,599	4,599
PV99R Reimbursable Paving Projects	Public Works	3,500	3,500	3,500	3,500
SWK01 Defective Hazardous Sidewalks	Public Works	4,670	4,670	4,670	4,670
SWK02 Sidewalk Gaps	Public Works	150	150	150	150
BR101 Major Bridge Repair and Rehabilitation	Public Works	400	400	400	400
BR133 Cedar Lake Road Bridges over Bassett Cr & RR	Public Works	1,125	1,125	1,125	1,125
BR134 Bridge 9 Program	Public Works	785	785	785	785
TR008 Parkway Street Light Replacement	Public Works	350	350	350	350
TR010 Traffic Management Systems	Public Works	1,150	1,150	1,150	1,150
TR011 City Street Light Renovation	Public Works	1,000	1,000	1,000	1,000
TR021 Traffic Signals	Public Works	2,000	2,000	2,000	2,000
TR022 Traffic Safety Improvements	Public Works	2,600	2,600	2,600	2,600
TR024 Pedestrian Street Lighting Corridors	Public Works	500	500	500	500

2021 Capital Budget Decision Summary

Project	Submitting Agency	Department Requested	CLIC Recommended	Mayor Recommended	Council Adopted
TR025 Sign Replacement Program	Public Works	895	895	895	895
TR99R Reimbursable Transportation Projects	Public Works	600	600	600	600
BIK28 Protected Bikeways Program	Public Works	1,000	1,000	1,000	1,000
BP001 Safe Routes to School Program	Public Works	400	400	400	400
BP003 Midtown Greenway Trail Mill & Overlay	Public Works	1,100	1,100	1,100	1,100
BP004 Pedestrian Safety Program	Public Works	600	600	600	600
SA001 Sanitary Tunnel & Sewer Rehab Program	Public Works	8,000	8,000	8,000	8,000
SA036 Infiltration & Inflow Removal Program	Public Works	3,500	3,500	3,500	3,500
SA99R Reimbursable Sanitary Sewer Projects	Public Works	1,000	1,000	1,000	1,000
SW004 Implementation of US EPA Storm Water Regs	Public Works	250	250	250	250
SW005 Combined Sewer Overflow Improvements	Public Works	1,500	1,500	1,500	1,500
SW011 Storm Drains and Tunnels Rehab Program	Public Works	6,000	6,000	6,000	6,000
SW039 Flood Mitigation - Stormwater Alternatives	Public Works	5,000	5,000	5,000	5,000
SW040 Central City Parallel Storm Tunnel	Public Works	11,000	11,000	11,000	11,000
SW99R Reimbursable Sewer & Storm Drain Projects	Public Works	2,000	2,000	2,000	2,000
WTR12 Water Distribution Improvements	Public Works	9,650	9,650	9,650	9,650
WTR18 Water Distribution Facility	Public Works	6,265	6,265	6,265	6,265
WTR23 Treatment Infrastructure Improvements	Public Works	5,000	5,000	5,000	5,000
WTR29 Columbia Heights Campus Upgrades	Public Works	4,800	4,800	4,800	4,800
WTR31 Electrical Service Rehabilitation	Public Works	2,000	2,000	2,000	2,000
WTR9R Reimbursable Water Main Projects	Public Works	2,000	2,000	2,000	2,000
PSD15 Traffic Maintenance Facility Improvement	Public Works	2,000	0	0	0
PSD16 Farmers Market Improvements	Other Departments	2,000	0	0	0
PSD18 Regulatory Services Facility	Other Departments	3,750	0	0	0
PSD20 City Hall & New Public Service Center	Other Departments	13,000	13,000	13,000	13,000
ART01 Art in Public Places	CPED	674	681	704	704
Total		183,132	171,320	173,913	173,913



2022 Capital Budget Decision Summary

Project	Submitting Agency	Department Requested	CLIC Recommended	Mayor Recommended	Council Adopted
MBC01 Life Safety Improvements	MBC	207	206	206	206
MBC02 Mechanical Systems Upgrade	MBC	1,036	1,036	1,036	1,036
PRK02 Playground and Site Improvements Program	Park Board	1,041	1,041	1,041	1,041
PRK33 Bryn Mawr Meadows Field Improvements	Park Board	365	365	365	365
PRK37 Powderhorn Park Implementation	Park Board	815	815	815	815
PRKCP Neighborhood Parks Capital Infrastructure	Park Board	6,589	6,589	6,589	6,589
PRKDT Diseased Tree Removal	Park Board	300	300	300	300
PRKRP Neighborhood Parks Rehabilitation Program	Park Board	3,870	3,870	3,870	3,870
PV001 Parkway Paving Program	Public Works	750	1,285	750	750
PV006 Alley Renovation Program	Public Works	250	250	250	250
PV056 Asphalt Pavement Resurfacing Program	Public Works	7,015	7,015	7,015	7,015
PV059 Major Pavement Maintenance Program	Public Works	250	250	250	250
PV063 Unpaved Alley Construction	Public Works	200	200	200	200
PV074 CSAH & MnDOT Cooperative Projects	Public Works	3,800	3,800	3,800	3,800
PV075 Development Infrastructure Program	CPED	500	0	500	500
PV092 Technology Dr (37th Ave NE to Marshall S NE)	Public Works	1,065	0	0	0
PV104 ADA Ramp Replacement Program	Public Works	500	500	500	500
PV108 Concrete Streets Rehabilitation Program	Public Works	5,130	5,130	5,130	5,130
PV122 Dowling Ave (I-94 to 1st St N)	Public Works	3,565	3,565	3,565	3,565
PV123 Logan Park Industrial	Public Works	6,755	6,755	6,755	6,755
PV126 Bryant Ave S (50th St W to Lake St W)	Public Works	1,400	1,400	1,400	1,400
PV131 Res Neighborhood Reconst Projects	Public Works	6,000	6,000	6,000	6,000
PV137 29th Ave NE (Central to Stinson)	Public Works	2,627	2,627	2,627	2,627
PV138 26th St E (Minnehaha Ave to 29th Ave S)	Public Works	4,550	4,550	4,550	4,550
PV140 13th Ave NE (Sibley St NE to Monroe St NE)	Public Works	7,740	7,740	7,740	7,740
PV143 North Industrial	Public Works	5,670	5,670	5,670	5,670
PV146 9th St SE (6th Ave SE to 9th Ave SE)	Public Works	2,220	2,220	2,220	2,220
PV152 Plymouth Ave (Washburn Ave N to Penn Ave N)	Public Works	835	835	835	835
PV154 Franklin Ave W (Henn Ave S to Lyndale Ave S)	Public Works	2,125	2,125	2,125	2,125
PV99R Reimbursable Paving Projects	Public Works	3,500	3,500	3,500	3,500
SWK01 Defective Hazardous Sidewalks	Public Works	4,880	4,880	4,880	4,880
SWK02 Sidewalk Gaps	Public Works	150	150	150	150
BR101 Major Bridge Repair and Rehabilitation	Public Works	400	400	400	400
BR127 Nicollet Ave over Minnehaha Creek	Public Works	24,050	24,050	24,050	24,050
BR134 Bridge 9 Program	Public Works	1,945	1,945	1,945	1,945
TR008 Parkway Street Light Replacement	Public Works	350	350	350	350
TR010 Traffic Management Systems	Public Works	1,250	1,250	1,250	1,250
TR011 City Street Light Renovation	Public Works	1,500	1,500	1,500	1,500
TR021 Traffic Signals	Public Works	2,500	2,500	2,500	2,500
TR022 Traffic Safety Improvements	Public Works	1,750	1,750	1,750	1,750



2022 Capital Budget Decision Summary

Project	Submitting Agency	Department Requested	CLIC Recommended	Mayor Recommended	Council Adopted
TR024 Pedestrian Street Lighting Corridors	Public Works	600	600	600	600
TR025 Sign Replacement Program	Public Works	895	895	895	895
TR99R Reimbursable Transportation Projects	Public Works	600	600	600	600
BIK28 Protected Bikeways Program	Public Works	1,000	1,000	1,000	1,000
BP001 Safe Routes to School Program	Public Works	400	400	400	400
BP004 Pedestrian Safety Program	Public Works	600	600	600	600
BP006 18th Ave NE Trail Gap (Marshall to California)	Public Works	605	605	605	605
SA001 Sanitary Tunnel & Sewer Rehab Program	Public Works	8,000	8,000	8,000	8,000
SA036 Infiltration & Inflow Removal Program	Public Works	3,500	3,500	3,500	3,500
SA99R Reimbursable Sanitary Sewer Projects	Public Works	1,000	1,000	1,000	1,000
SW004 Implementation of US EPA Storm Water Regs	Public Works	250	250	250	250
SW005 Combined Sewer Overflow Improvements	Public Works	1,500	1,500	1,500	1,500
SW011 Storm Drains and Tunnels Rehab Program	Public Works	6,000	6,000	6,000	6,000
SW039 Flood Mitigation - Stormwater Alternatives	Public Works	5,000	5,000	5,000	5,000
SW040 Central City Parallel Storm Tunnel	Public Works	13,000	13,000	13,000	13,000
SW99R Reimbursable Sewer & Storm Drain Projects	Public Works	2,000	2,000	2,000	2,000
WTR12 Water Distribution Improvements	Public Works	9,750	9,750	9,750	9,750
WTR23 Treatment Infrastructure Improvements	Public Works	5,500	5,500	5,500	5,500
WTR29 Columbia Heights Campus Upgrades	Public Works	4,000	4,000	4,000	4,000
WTR31 Electrical Service Rehabilitation	Public Works	2,000	2,000	2,000	2,000
WTR9R Reimbursable Water Main Projects	Public Works	2,000	2,000	2,000	2,000
FIR11 Fire Station No. 11	Fire Department	2,144	2,144	2,144	2,144
PSD15 Traffic Maintenance Facility Improvement	Public Works	2,000	0	0	0
PSD16 Farmers Market Improvements	Other Departments	2,000	0	0	0
ART01 Art in Public Places	CPED	766	756	733	733
Total		194,555	189,514	189,456	189,456

2023 Capital Budget Decision Summary

Project	Submitting Agency	Department Requested	CLIC Recommended	Mayor Recommended	Council Adopted
MBC01 Life Safety Improvements	MBC	148	148	148	148
MBC02 Mechanical Systems Upgrade	MBC	1,196	1,196	1,196	1,196
PRK02 Playground and Site Improvements Program	Park Board	1,065	1,065	1,065	1,065
PRKCP Neighborhood Parks Capital Infrastructure	Park Board	7,400	7,400	7,400	7,400
PRKDT Diseased Tree Removal	Park Board	300	300	300	300
PRKRP Neighborhood Parks Rehabilitation Program	Park Board	3,860	3,860	3,860	3,860
PV001 Parkway Paving Program	Public Works	750	1,285	750	750
PV006 Alley Renovation Program	Public Works	250	250	250	250
PV056 Asphalt Pavement Resurfacing Program	Public Works	7,015	7,015	7,015	7,015
PV059 Major Pavement Maintenance Program	Public Works	250	250	250	250
PV063 Unpaved Alley Construction	Public Works	200	200	200	200
PV074 CSAH & MnDOT Cooperative Projects	Public Works	5,455	5,455	5,455	5,455
PV075 Development Infrastructure Program	CPED	500	0	500	500
PV104 ADA Ramp Replacement Program	Public Works	500	500	500	500
PV108 Concrete Streets Rehabilitation Program	Public Works	5,350	5,350	5,350	5,350
PV126 Bryant Ave S (50th St W to Lake St W)	Public Works	17,355	17,355	17,355	17,355
PV127 37th Ave NE (Central Ave NE to Stinson Blvd)	Public Works	10,475	10,475	10,475	10,475
PV131 Res Neighborhood Reconst Projects	Public Works	6,000	5,000	5,000	5,000
PV150 1st Ave N (10th St N to Wash Ave)	Public Works	12,425	10,514	12,425	12,425
PV158 Hennepin Ave (Lake St W to Douglas Ave)	Public Works	18,745	18,745	18,745	18,745
PV99R Reimbursable Paving Projects	Public Works	3,500	3,500	3,500	3,500
SWK01 Defective Hazardous Sidewalks	Public Works	5,090	5,090	5,090	5,090
SWK02 Sidewalk Gaps	Public Works	150	150	150	150
BR101 Major Bridge Repair and Rehabilitation	Public Works	400	400	400	400
BR134 Bridge 9 Program	Public Works	1,315	1,315	1,315	1,315
TR008 Parkway Street Light Replacement	Public Works	350	350	350	350
TR010 Traffic Management Systems	Public Works	1,850	1,850	1,850	1,850
TR011 City Street Light Renovation	Public Works	1,500	1,500	1,500	1,500
TR021 Traffic Signals	Public Works	2,500	2,500	2,500	2,500
TR022 Traffic Safety Improvements	Public Works	1,750	1,750	1,750	1,750
TR024 Pedestrian Street Lighting Corridors	Public Works	1,000	1,000	1,000	1,000
TR025 Sign Replacement Program	Public Works	895	895	895	895
TR99R Reimbursable Transportation Projects	Public Works	600	600	600	600
BIK28 Protected Bikeways Program	Public Works	1,000	1,000	1,000	1,000
BP001 Safe Routes to School Program	Public Works	400	400	400	400
BP004 Pedestrian Safety Program	Public Works	600	600	600	600
SA001 Sanitary Tunnel & Sewer Rehab Program	Public Works	8,000	8,000	8,000	8,000
SA036 Infiltration & Inflow Removal Program	Public Works	3,500	3,500	3,500	3,500
SA99R Reimbursable Sanitary Sewer Projects	Public Works	1,000	1,000	1,000	1,000
SW004 Implementation of US EPA Storm Water Regs	Public Works	250	250	250	250

2023 Capital Budget Decision Summary

Project	Submitting Agency	Department Requested	CLIC Recommended	Mayor Recommended	Council Adopted
SW005 Combined Sewer Overflow Improvements	Public Works	1,500	1,500	1,500	1,500
SW011 Storm Drains and Tunnels Rehab Program	Public Works	6,000	6,000	6,000	6,000
SW032 I-35W Storm Tunnel	Public Works	1,000	1,000	1,000	1,000
SW039 Flood Mitigation - Stormwater Alternatives	Public Works	5,000	5,000	5,000	5,000
SW99R Reimbursable Sewer & Storm Drain Projects	Public Works	2,000	2,000	2,000	2,000
WTR12 Water Distribution Improvements	Public Works	9,000	9,000	9,000	9,000
WTR23 Treatment Infrastructure Improvements	Public Works	5,500	5,500	5,500	5,500
WTR29 Columbia Heights Campus Upgrades	Public Works	1,360	1,360	1,360	1,360
WTR31 Electrical Service Rehabilitation	Public Works	3,000	3,000	3,000	3,000
WTR9R Reimbursable Water Main Projects	Public Works	2,000	2,000	2,000	2,000
ART01 Art in Public Places	CPED	813	810	802	802
Total		172,062	169,183	171,051	171,051

**City of Minneapolis
2019 Budget**

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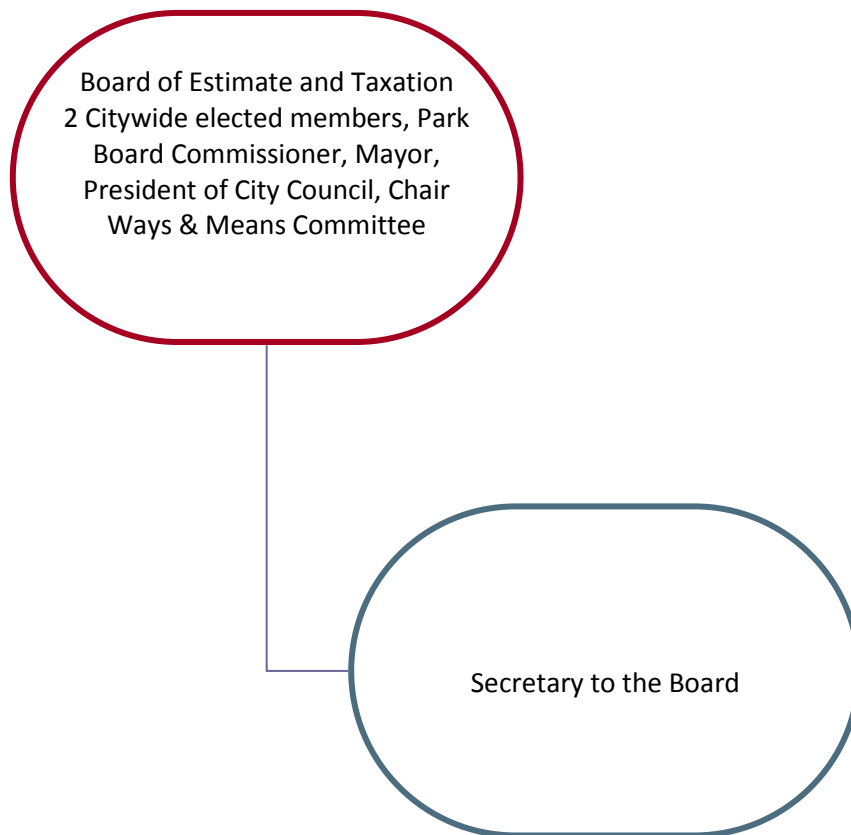
Board of Estimate and Taxation

Mission

The mission of the Board of Estimate & Taxation (“BET”) is to obtain citizen input relating to setting the maximum tax levies of the City for compliance with the City Charter and The Truth In Taxation State Statute. The Board, after receiving recommendations from the [Mayor](#), [City Council](#), Minneapolis Park Board, and the Public, sets the maximum tax levies by individual levy for the following: General Fund, Permanent Improvement Fund, Bond Redemption Fund, Minneapolis Fire Relief Association, Minneapolis Police Relief Association, Minneapolis Employees Retirement Fund, Minneapolis Public Housing Authority, Economic Development Chapter 595 levy, Teacher’s Retirement Association levy, Municipal Building Commission, Board of Estimate & Taxation, Lake Pollution Control, Tree Preservation & Reforestation, Shade Tree Diseased Control, Park Rehabilitation & Parkway Maintenance, Park and Recreation. The Board, on an affirmative vote of at least 4 members, authorizes the City to issue General Obligation Bonds of the City of Minneapolis which are used to support the City’s Capital Infrastructure Program - the exception is for Tax Increment Bonds which are issued by the City Council.

Upon request by the City Council and the Park and Recreation Board, BET may vote to authorize the City to incur indebtedness by issuing and selling bonds, and by doing so, pledges full faith and credit of the City for payment of principal and interest. BET establishes the maximum property tax levies for funds of the City under the State’s Truth-in-Taxation requirements and the City Charter.

ORGANIZATION CHART



Financial Analysis

Expenditure

The 2019 expense budget for BET is \$0.3 million, a 27.7% increase from 2018. The increase is due to additional personnel costs attributed to successional planning of the planned retirement BET's sole FTE.

Revenue

The revenue budget is \$0.3 million, an increase of 27.8% from the 2018 adopted budget. The Board receives all of its revenue from property tax. Additional revenues are to cover the personnel costs described above.

Mayor's Recommended Budget

The mayor made no changes to the Board's proposed budget.

Adopted Budget

The Board approved the Mayor's recommendation.

**BOARD OF ESTIMATE & TAXATION
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2016 Actual	2017 Actual	2018 Adopted	2019 Adopted	Percent Change	Change
SPECIAL REVENUE						
SALARIES AND WAGES	158,000	161,000	154,000	206,000	33.8%	52,000
FRINGE BENEFITS	23,000	24,000	37,000	48,000	29.7%	11,000
CONTRACTUAL SERVICES	17,000	18,000	18,000	17,000	-5.6%	-1,000
OPERATING COSTS	9,000	8,000	11,000	10,000	-9.1%	-1,000
TOTAL SPECIAL REVENUE	207,000	211,000	220,000	281,000	27.7%	61,000

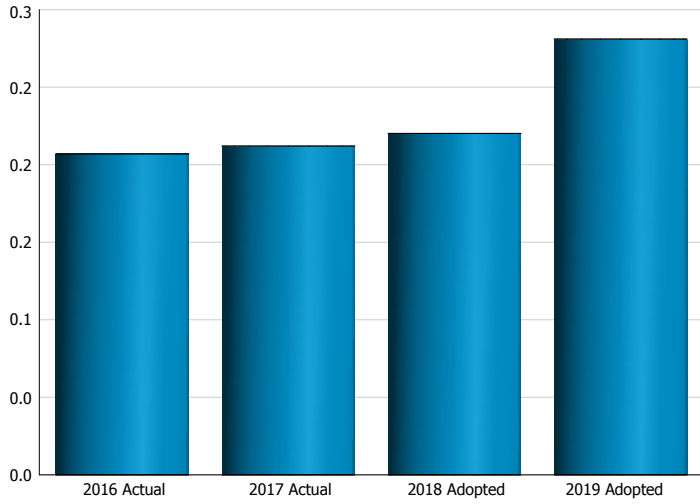
TOTAL EXPENSE	207,000	211,000	220,000	281,000	27.7%	61,000
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REVENUE	2016 Actual	2017 Actual	2018 Adopted	2019 Adopted	Percent Change	Change
SPECIAL REVENUE						
PROPERTY TAXES	170,000	177,000	190,000	210,000	10.5%	20,000
SALES AND OTHER TAXES	0	0	0	0	0.0%	0
STATE GOVERNMENT	0	0	0	0	0.0%	0
USE OF FUND BALANCE	0	0	26,000	66,000	153.8%	40,000
SPECIAL REVENUE	170,000	177,000	216,000	276,000	27.8%	60,000

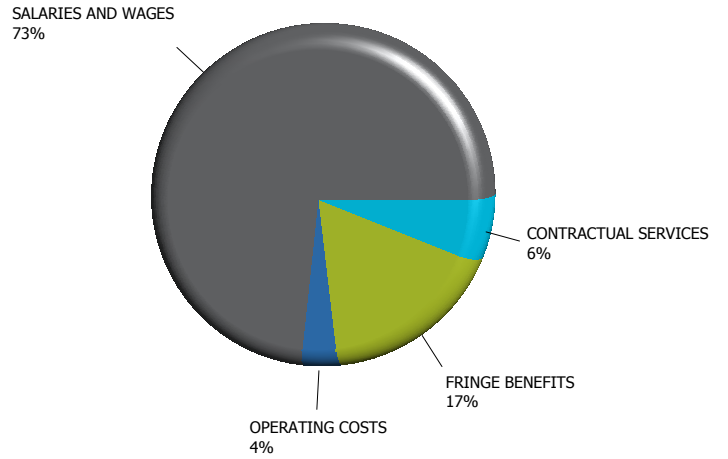
TOTAL REVENUE	170,000	177,000	216,000	276,000	27.8%	60,000
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BOARD OF ESTIMATE & TAXATION EXPENSE AND REVENUE INFORMATION

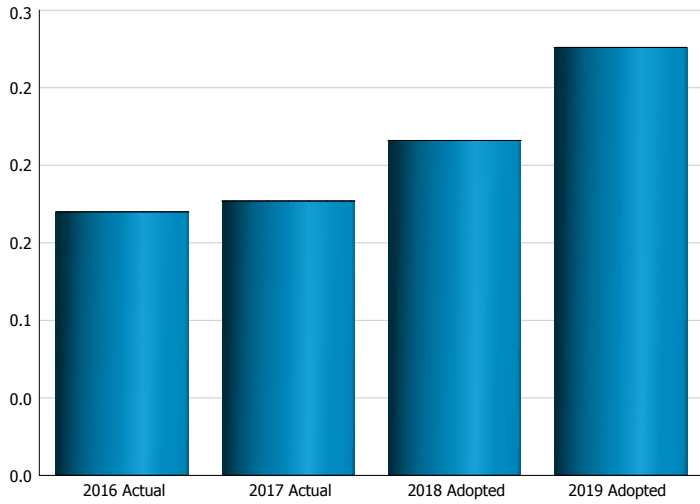
Expense 2016 - 2019
In Millions



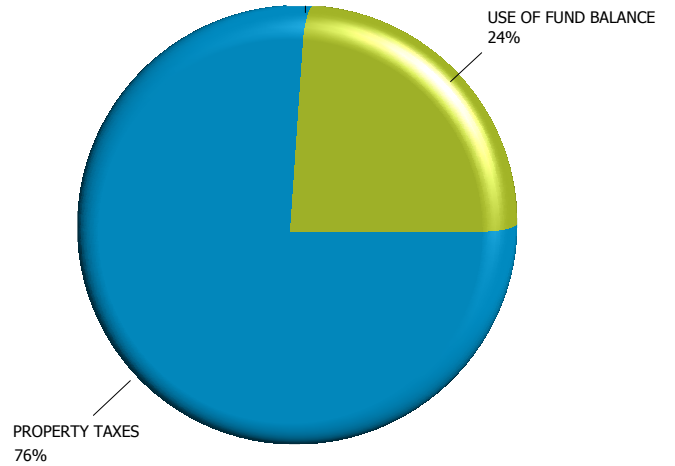
Expense by Category



Revenue 2016 - 2019
In Millions



Revenue by Type

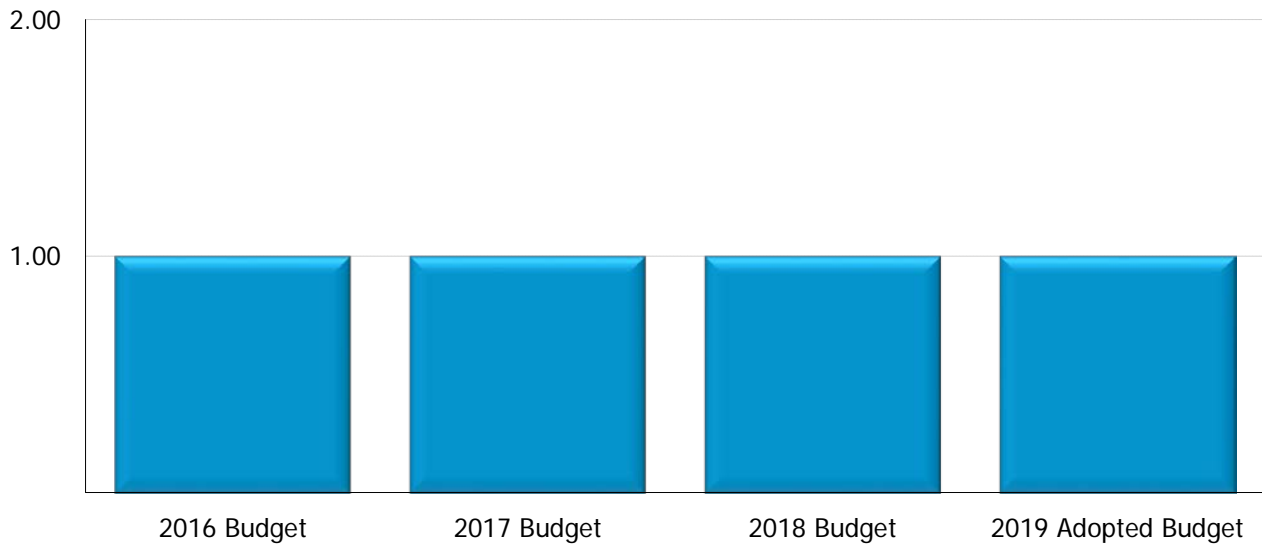


BOARD OF ESTIMATE AND TAXATION

Staffing Information

Division	2016 Budget	2017 Budget	2018 Budget	2019 Adopted Budget	% Change	Change
BOARD STAFF & ADMIN	1.00	1.00	1.00	1.00	0.0%	0
Overall	1.00	1.00	1.00	1.00	0.0%	0

Positions 2016-2019



MUNICIPAL BUILDING COMMISSION

MISSION

The Municipal Building Commission (MBC) was created by State statute in 1904 and given exclusive care and control of the Minneapolis City Hall and Hennepin County Courthouse building to provide effective and efficient services to operate, maintain, and preserve the historic landmark building and ensure a safe and functional environment for City and County government employees, citizens, and elected officials.

BUSINESS LINES

Care for Minneapolis City Hall and Hennepin County Courthouse Building:

The MBC is responsible for maintaining the building operating systems including mechanical, electrical, fire/life/safety, and elevators. In addition, the MBC is responsible for providing custodial, utility, security, repair, and maintenance services.

Control of Minneapolis City Hall and Hennepin County Courthouse Building:

The MBC is responsible for administrative functions including serving as staff to the MBC Board, implementing Board directives, space assignment and coordinating City and County tenant needs as well as planning, emergency preparedness, communications, human resources, labor relations, contract services, information technology, finance, accounting, payroll, and operating and capital budgeting activities.

Historic Preservation of the Minneapolis City Hall and Hennepin County Courthouse Building:

The MBC is responsible for all historic preservation activities in the building. Historic preservation refers to any and all activity, both operating and capital, in keeping with the agency's mission to provide effective and efficient services to operate, maintain, and preserve the historic landmark City Hall and Courthouse Building and ensure a safe and functional environment for City and County government employees, citizens and elected officials. The MBC recently celebrated the completion of the historic Clock Restoration Project and completion of repairs to the Bells Support system. The City Hall/Courthouse Catering and Events program helps facilitate historic preservation activities in the building by providing financial support of the Historic Preservation Fund.

Financial Arrangements and City Funding Relationships

Funding Sources

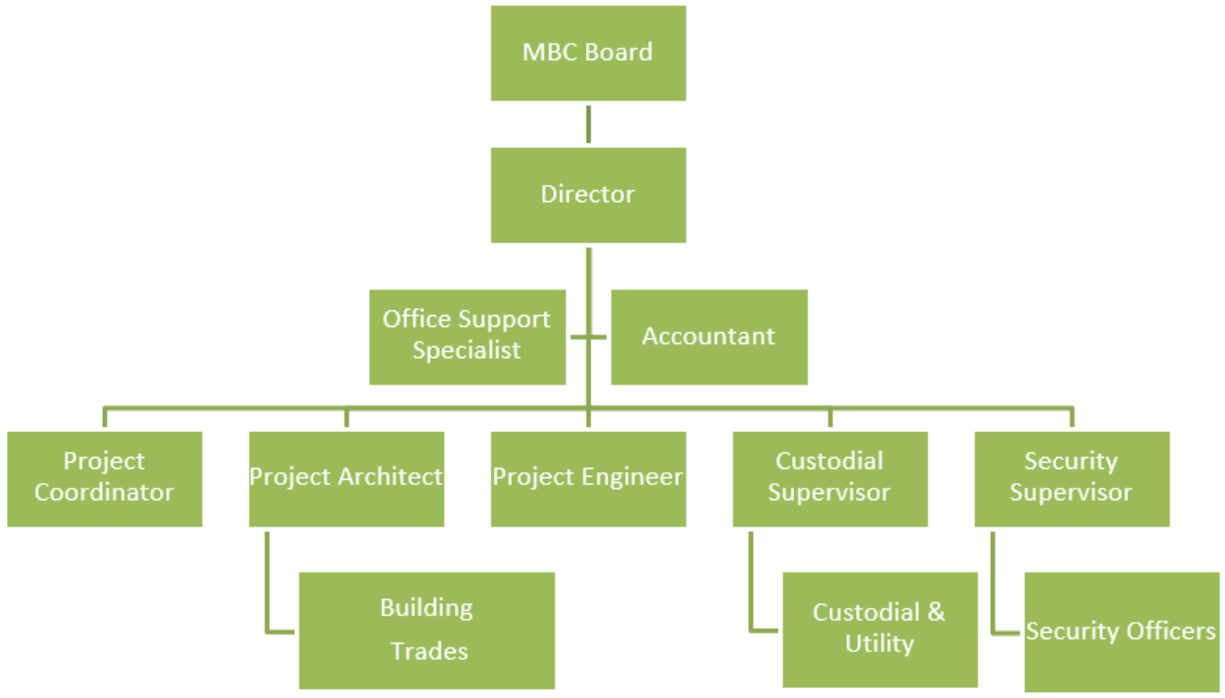
The revenue budget for MBC in 2018 was \$9.8 million, approximately 40% funded by Hennepin County and approximately 60% funded by City property tax levy and state Local Government Aid (LGA).

2019 City Funding

The MBC, consisting of an appointed Board of Commissioners made up of two County and two City elected officials, sets its own budget in conformance with County and City guidelines and levy targets. By State Statute, the Mayor serves as the Vice President of the MBC Board and the second City member is an appointee of the Minneapolis City Council. The MBC has historically been the recipient of about 0.3% of the City of Minneapolis's LGA funding from the State of Minnesota, which can fluctuate year to year depending on the total LGA allocation to the City under State law. While the MBC budget is set

independently of the City, the City has, at times, directly funded joint ventures in collaboration with the MBC and dedicated specific allocations to functions carried out by the MBC.

ORGANIZATION CHART



Financial Analysis

Expense

Municipal Building Commission’s 2019 budget of \$9.7 million is a 1.1% decrease over the 2018 budget of \$9.8 million. Personnel costs, and other operating expenses represent 61% and 39% of the expenditure budget, respectively.

Revenue

The revenue budget for MBC is \$9.7 million, a 1.1% decrease from 2018. The board will receive nearly all of its revenues from charges for services.

Adopted Budget

The 2019 budget includes a transfer of \$200,000 from City’s General Fund resources to MBC Capital for repair of City Hall elevators.

**MUNICIPAL BUILDING COMMISSION
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2016 Actual	2017 Actual	2018 Adopted	2019 Adopted	Percent Change	Change
SPECIAL REVENUE						
SALARIES AND WAGES	2,515,000	2,740,000	3,795,000	3,895,000	2.6%	100,000
FRINGE BENEFITS	1,047,000	1,107,000	1,545,000	1,988,000	28.7%	443,000
CONTRACTUAL SERVICES	3,297,000	3,964,000	3,873,000	3,139,000	-19.0%	-734,000
OPERATING COSTS	791,000	979,000	588,000	670,000	13.9%	82,000
CAPITAL	5,000	0	26,000	26,000	0.0%	0
TRANSFERS	125,000	225,000	0	0		0
TOTAL SPECIAL REVENUE	7,780,000	9,015,000	9,827,000	9,718,000	-1.1%	-109,000

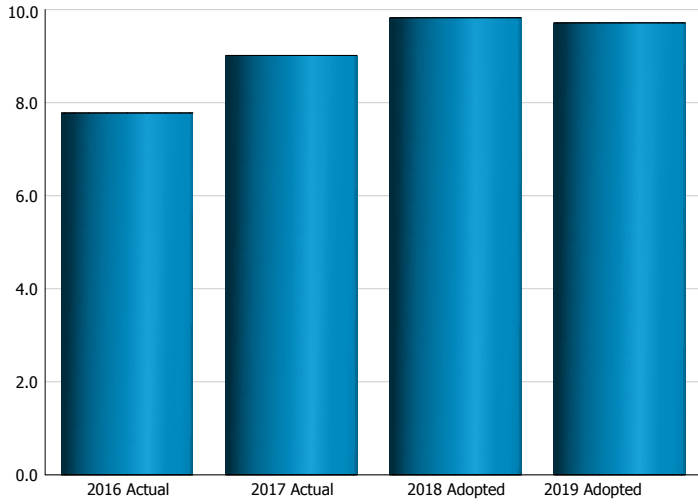
TOTAL EXPENSE	7,780,000	9,015,000	9,827,000	9,718,000	-1.1%	-109,000
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REVENUE	2016 Actual	2017 Actual	2018 Adopted	2019 Adopted	Percent Change	Change
SPECIAL REVENUE						
CHARGES FOR SALES	0	3,000	0	0	0.0%	0
CHARGES FOR SERVICES	7,971,000	8,609,000	9,588,000	9,479,000	-1.2%	-111,000
CONTRIBUTIONS	0	0	0	0	0.0%	0
FEDERAL GOVERNMENT	0	80,000	0	0	0.0%	0
OTHER MISC REVENUES	4,000	0	0	0	0.0%	0
RENTS	77,000	73,000	0	0	0.0%	0
STATE GOVERNMENT	234,000	235,000	239,000	239,000	0.0%	0
SPECIAL REVENUE	8,286,000	9,000,000	9,827,000	9,718,000	-1.1%	-111,000

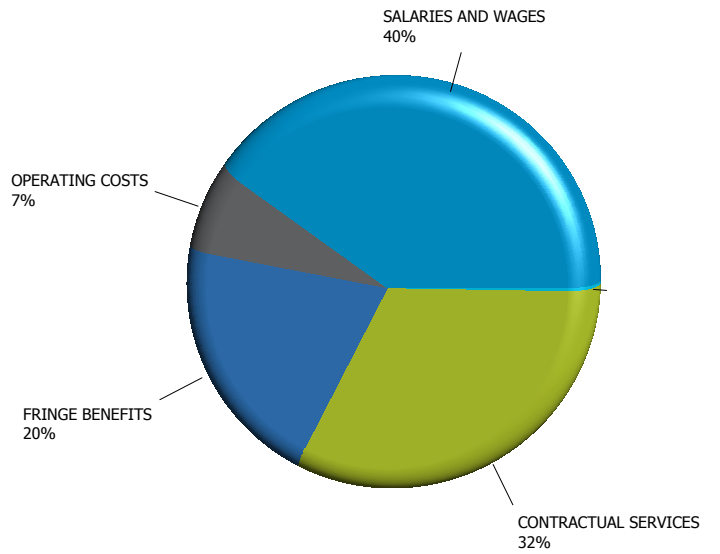
TOTAL REVENUE	8,286,000	9,000,000	9,827,000	9,718,000	-1.1%	-111,000
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MUNICIPAL BUILDING COMMISSION EXPENSE AND REVENUE INFORMATION

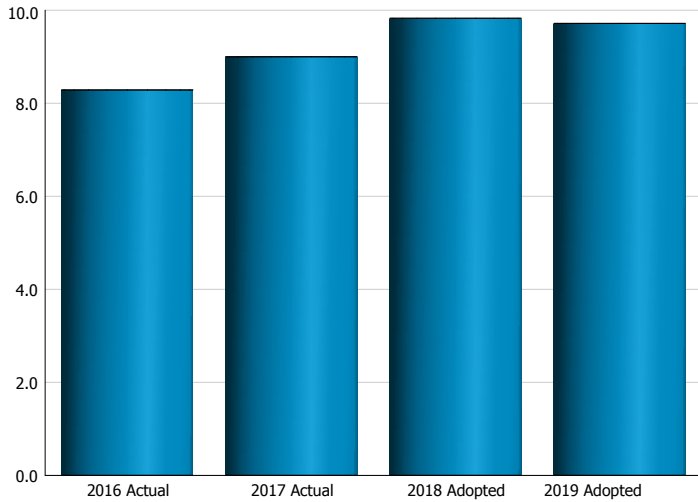
Expense 2016 - 2019
In Millions



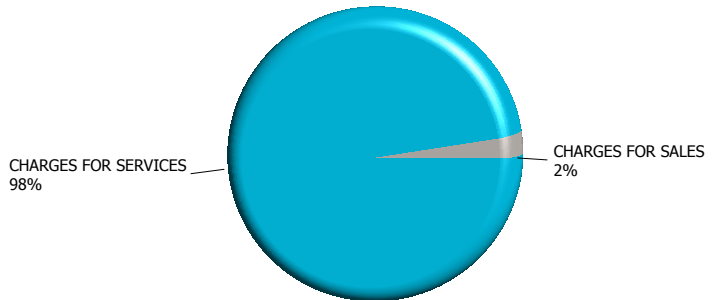
Expense by Category



Revenue 2016 - 2019
In Millions



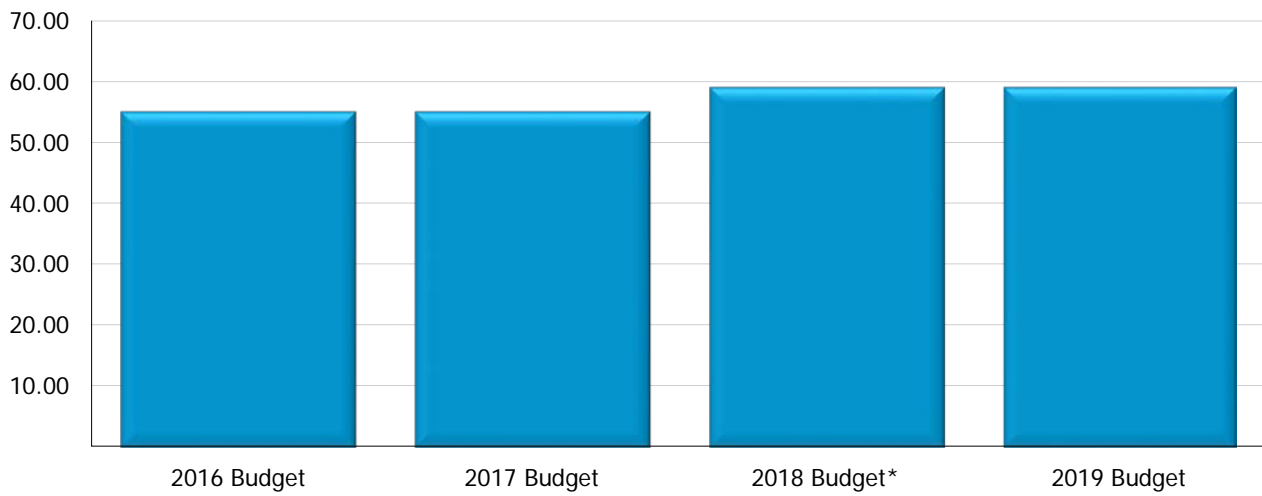
Revenue by Type



MUNICIPAL BUILDING COMMISSION Staffing Information

Division	2016 Budget	2017 Budget	2018 Budget*	2019 Budget	% Change	Change
ADMINISTRATION	6.00	6.00	6.00	6.00	0.0%	0
ADULT DETENTION CENTER	2.00	2.00	2.00	2.00	0.0%	0
CUSTODIAL AND SECURITY	29.00	29.00	33.00	33.00	0.0%	0
MBC - WORK FOR OTHERS	3.00	3.00	3.00	3.00	0.0%	0
REPAIRS AND IMPROVEMENTS	15.00	15.00	15.00	15.00	0.0%	0
Overall	55.00	55.00	59.00	59.00	0.0%	0

Positions 2016-2019



* 2018 FTE counts may differ from 2018 adopted budget due to mid year adjustments, including funding and organizational changes.

MINNEAPOLIS PARK AND RECREATION BOARD (MPRB)

MISSION

The Minneapolis Park and Recreation Board shall permanently preserve, protect, maintain, improve and enhance the City's natural resources, parkland and recreational opportunities for current and future generations.

The MPRB is an independently elected, semi-autonomous body responsible for governing, maintaining and developing the Minneapolis park system. The 6,809-acre system consists of local and regional parks, recreation centers, playgrounds, golf courses, gardens, biking and walking paths, nature sanctuaries, lakes and a 55-mile Grand Rounds National Scenic Byway. The Park System annually serves approximately 23 million visitors. The nine-member Board of Commissioners is responsible for providing policy direction, and setting the budget and levies for the organization.

BUSINESS LINES

- Care & Maintenance of the Park System
- Recreation Facility Operations and Programming
- Planning for Development & Redevelopment of the Park System
- Park Safety & Security
- Executive Management
- Administrative Support Services
- Park System Communications & Marketing
- Enterprise Operations
- Acquisition, Construction and Improvement of the Park System

Financial Arrangements and City Funding Relationships

2019 City Funding

The MPRB, consisting of an independently elected Board of Commissioners sets its own budget and levy independently of the City, subject to the maximum levies certified by the Board of Estimate and Taxation. The MPRB has historically been the recipient of about 11.8% of the City of Minneapolis's LGA funding from the State of Minnesota, which can fluctuate year to year depending on the total LGA allocation to the City under State law. While the MPRB budget is set independently of the City, the City has, at times, directly funded joint ventures in collaboration with the MPRB and dedicated specific allocations to functions carried out by the MPRB. In 2016, the Mayor, City Council, the Park Board reached an agreement to fund the infrastructure and operations of our neighborhood parks and streets for the next 20 years, transparently and equitably.

More information regarding the Minneapolis Park and Recreation Board (MPRB) 2019 Annual Budget, and the Board's published budget book can be found at www.minneapolisparcs.org.

Financial Analysis

Expense

The Board's 2019 expense budget is \$123.6 million, a 4.9% increase over 2018. Special Revenue funded activities accounts for most of this increase (\$4.4 million) with the remainder found in enterprise and internal service charges.

Revenue

The Board's 2019 revenue budget is \$123.6 million, a 4.9% increase over 2018. Special revenues increase by \$4.4 million and account for approximately 82% of the MPRB revenues with internal service and enterprise fees accounting for 8% and 10% respectively

Board Adopted Budget

Included in the 2019 Board adopted budget is a levy increase for the MPRB that is \$1,050,000 beyond the \$2.5M increase previously planned for in the City's five-year financial direction. Of the \$1,050,000, the intention is to use to use \$800,000 to maintain current service levels, and \$250,000 for the full-service community park/school campus program.

**PARK BOARD
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2016 Actual	2017 Actual	2018 Adopted	2019 Adopted	Percent Change	Change
CAPITAL PROJECT						
SALARIES AND WAGES		145,000				
FRINGE BENEFITS		48,000				
CONTRACTUAL SERVICES		303,000				
OPERATING COSTS		358,000				
CAPITAL		437,000				
TOTAL CAPITAL PROJECT		1,291,000				
INTERNAL SERVICE						
SALARIES AND WAGES	1,675,000	1,953,000	2,151,000	2,265,000	5.3%	114,000
FRINGE BENEFITS	2,622,000	2,713,000	2,711,000	2,756,000	1.7%	45,000
CONTRACTUAL SERVICES	856,000	2,262,000	968,000	990,000	2.3%	22,000
OPERATING COSTS	1,222,000	1,385,000	1,465,000	1,649,000	12.6%	184,000
CAPITAL	1,139,000	1,584,000	2,647,000	2,891,000	9.2%	244,000
TOTAL INTERNAL SERVICE	7,514,000	9,897,000	9,942,000	10,551,000	6.1%	609,000
ENTERPRISE						
SALARIES AND WAGES	3,587,000	3,334,000	3,656,000	4,111,000	12.4%	455,000
FRINGE BENEFITS	1,311,000	1,214,000	1,231,000	1,412,000	14.7%	181,000
CONTRACTUAL SERVICES	3,621,000	3,881,000	3,510,000	3,517,000	0.2%	7,000
OPERATING COSTS	1,317,000	1,285,000	1,577,000	1,541,000	-2.3%	-36,000
CAPITAL	255,000	1,632,000	1,236,000	1,356,000	9.7%	120,000
TRANSFERS	165,000	365,000	25,000		-100.0%	-25,000
TOTAL ENTERPRISE	10,256,000	11,711,000	11,235,000	11,937,000	6.2%	702,000
SPECIAL REVENUE						
SALARIES AND WAGES	34,602,000	38,419,000	40,366,000	42,608,000	5.6%	2,242,000
FRINGE BENEFITS	13,376,000	14,335,000	16,114,000	16,693,000	3.6%	579,000
CONTRACTUAL SERVICES	17,047,000	18,366,000	17,054,000	17,657,000	3.5%	603,000
OPERATING COSTS	16,256,000	17,907,000	17,975,000	19,115,000	6.3%	1,140,000
CAPITAL	923,000	1,198,000	3,611,000	3,350,000	-7.2%	-261,000
DEBT SERVICE				137,000		137,000
TRANSFERS	4,822,000	3,841,000	1,527,000	1,527,000	0.0%	
TOTAL SPECIAL REVENUE	87,026,000	94,066,000	96,647,000	101,087,000	4.6%	4,440,000
TOTAL EXPENSE	104,796,000	116,965,000	117,824,000	123,575,000	4.9%	5,751,000

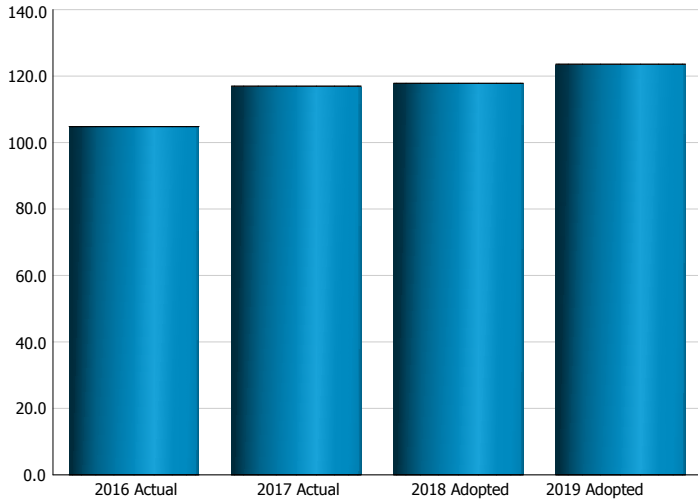
REVENUE	2016 Actual	2017 Actual	2018 Adopted	2019 Adopted	Percent Change	Change
SPECIAL REVENUE						
CHARGES FOR SALES	15,000	35,000		5,000	0.0%	5,000
CHARGES FOR SERVICES	12,244,000	6,444,000	8,591,000	8,663,000	0.8%	67,000
CONTRIBUTIONS	234,000	289,000	136,000	122,000	-10.3 %	-14,000
FEDERAL GOVERNMENT	258,000	46,000				
FINES AND FORFEITS	303,000	270,000	352,000	352,000		
INTEREST						

**PARK BOARD
EXPENSE AND REVENUE INFORMATION**

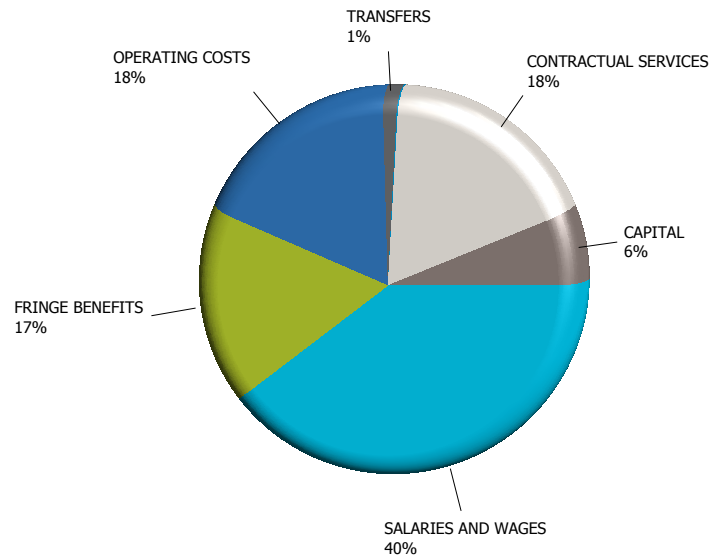
REVENUE	2016 Actual	2017 Actual	2018 Adopted	2019 Adopted	Percent Change	Change
LICENSE AND PERMITS	183,000	192,000	294,000	294,000		
LOCAL GOVERNMENT	2,984,000	2,886,000	1,366,000	1,366,000		
OTHER MISC REVENUES	129,000	4,238,000	16,000	16,000		
PROPERTY TAXES	65,846,000	71,464,000	74,358,000	78,748,000	5.9%	4,391,000
RENTS	1,377,000	1,776,000	1,077,000	1,103,000	2.8%	30,000
SALES AND OTHER TAXES	-5,000	3,000	300,000	300,000		
SPECIAL ASSESSMENTS	-1,000					
STATE GOVERNMENT	10,087,000	9,400,000	10,088,000	10,098,000	0.1%	9,000
TRANSFERS IN	26,000	25,000	25,000		-100.0%	-25,000
USE OF FUND BALANCE			43,000	20,000	-53.5%	-23,000
SPECIAL REVENUE	93,680,000	97,068,000	96,646,000	101,087,000	4.6%	4,440,000
CAPITAL PROJECT						
TRANSFERS IN		1,204,000				
CAPITAL PROJECT		1,204,000				
INTERNAL SERVICE						
CHARGES FOR SALES	124,000	86,000	33,000	33,000		
CHARGES FOR SERVICES	1,718,000	1,790,000	2,013,000	2,289,000	13.8%	277,000
OTHER MISC REVENUES	2,446,000	2,410,000	2,176,000	2,173,000	-0.1%	-3,000
RENTS	4,996,000	5,661,000	5,594,000	5,763,000	3.0%	170,000
TRANSFERS IN	270,000	270,000			0.0%	
USE OF FUND BALANCE			125,000	293,000	134.4%	168,000
INTERNAL SERVICE	9,554,000	10,217,000	9,941,000	10,551,000	6.2%	612,000
ENTERPRISE						
CHARGES FOR SALES						
CHARGES FOR SERVICES	8,186,000	7,982,000	9,770,000	10,378,000	6.2%	607,000
CONTRIBUTIONS	2,000					
FEDERAL GOVERNMENT		567,000				
LICENSE AND PERMITS	13,000	16,000				
LONG TERM LIABILITIES PROCEEDS		1,000				
OTHER MISC REVENUES	16,000	16,000	16,000	16,000		
RENTS	2,455,000	2,378,000	2,211,000	2,226,000	0.7%	15,000
TRANSFERS IN	42,000					
USE OF FUND BALANCE			-761,000	-682,000	-10.4%	79,000
ENTERPRISE	10,714,000	10,960,000	11,236,000	11,938,000	6.2%	701,000
TOTAL REVENUE	113,948,000	119,449,000	117,823,000	123,576,000	4.9%	5,753,000

PARK BOARD EXPENSE AND REVENUE INFORMATION

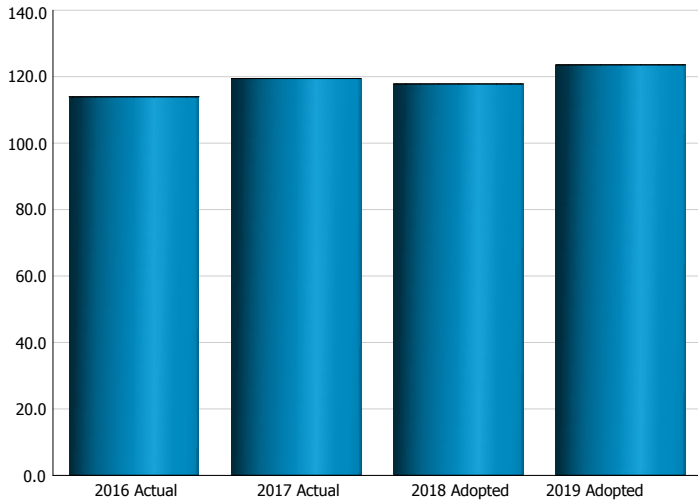
Expense 2016 - 2019
In Millions



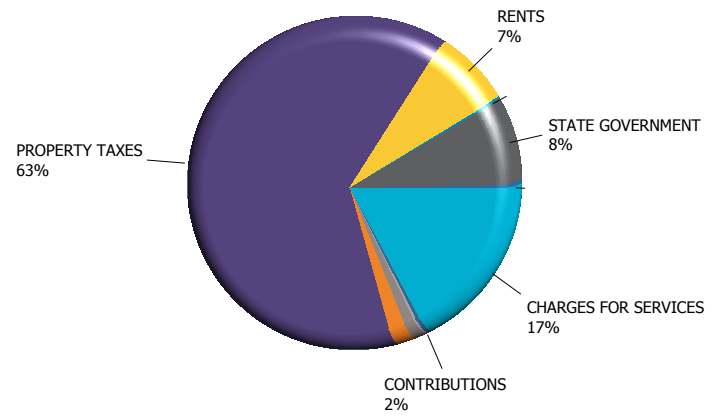
Expense by Category



Revenue 2016 - 2019
In Millions



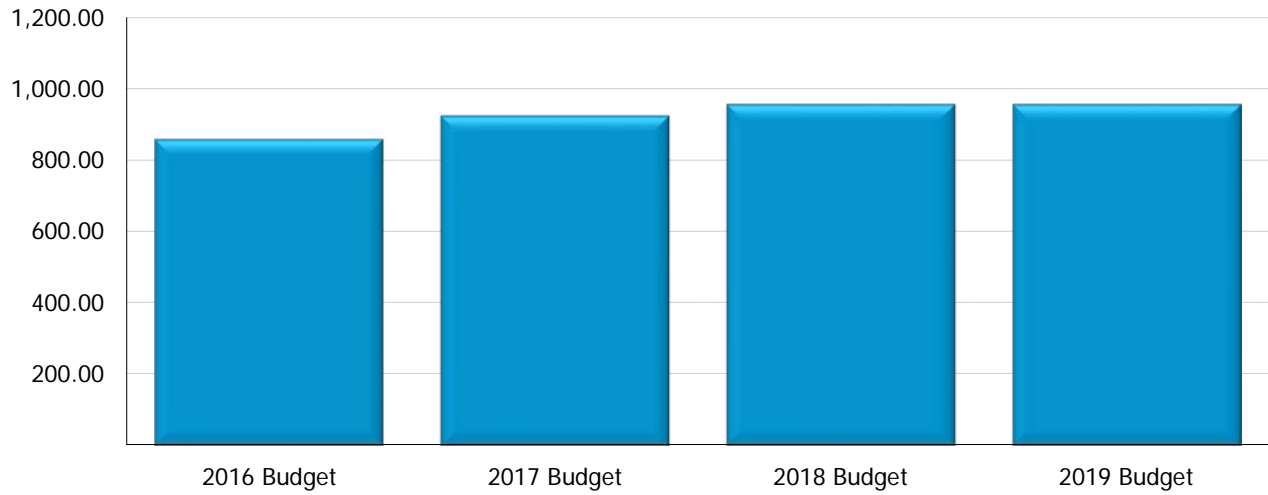
Revenue by Type



PARK BOARD Staffing Information

Division	2016 Budget	2017 Budget	2018 Budget	2019 Budget	% Change	Change
Park Board	859.26	924.36	956.91	956.91	0.0%	0
Overall	859.26	924.36	956.91	956.91	0.0%	0

Positions 2016-2019



**City of Minneapolis
2019 Budget**

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**SCHEDULE ONE
FUND SUMMARY - CHANGES TO FUND BALANCE**

		Total Revenue	Total Expense	Change in Fund Balance
GENERAL	GENERAL FUND	507,005,000	512,052,000	(5,047,000)
	GENERAL FUND - FUND BALANCE USES	5,047,000	0	5,047,000
TOTAL GENERAL & USE OF FUND BALANCE		512,052,000	512,052,000	0
SPECIAL	TAX INCREMENT ADMINISTRATION	10,000	10,000	0
REVENUE	ECONOMIC DEVELOPMENT	111,600,000	111,600,000	0
	DOWNTOWN ASSETS	96,929,000	96,929,000	0
	PEAVEY PLAZA	412,000	412,000	0
	COMMONS	750,000	750,000	0
	DOWNTOWN IMPROVEMENT DISTRICT	7,121,000	7,121,000	0
	POLICE DEPT - SPECIAL REVENUE	2,602,000	2,602,000	0
	ARENA - RESERVE	9,119,000	9,119,000	0
	GRANTS - FEDERAL	11,038,000	11,038,000	0
	CDBG & UDAG FUNDS	14,185,000	14,185,000	0
	HOME	2,031,000	2,031,000	0
	GRANTS - OTHER	13,105,000	13,105,000	0
	CONVENTION CENTER OPERATIONS	76,379,000	76,379,000	0
	NCR - SPECIAL REVENUE	6,883,000	6,883,000	0
	REGULATORY SRVS SPECIAL REVENUE	4,391,000	4,391,000	0
	EMPLOYEE RETIREMENT	38,644,000	38,644,000	0
	BOARD OF ESTIMATE AND TAXATION	281,000	281,000	0
	PARK BOARD	101,087,000	101,087,000	0
	MUNICIPAL BUILDING COMMISSION	9,717,000	9,717,000	0
TOTAL SPECIAL REVENUE		506,282,000	506,282,000	0
CAPITAL	CAPITAL IMPROVEMENTS	100,824,000	100,824,000	0
PROJECT	CAPITAL TP & E	13,645,000	13,645,000	0
	CAPITAL SIDEWALK INSPECTIONS	1,256,000	1,256,000	0
	PROPERTY SERVICES CAPITAL	100,100,000	100,100,000	0
	PARK - CAPITAL IMPROVEMENTS	12,043,000	12,043,000	0
	PARK-CAPITAL IMPROVE-ASSESSED	300,000	300,000	0
	MBC - CAPITAL IMPROVEMENTS	4,466,000	4,466,000	0
TOTAL CAPITAL PROJECT		232,634,000	232,634,000	0
DEBT	DC GROUP	72,000	72,000	0
SERVICE	IMPROVEMENT BONDS	8,829,000	8,829,000	0
	STREET CAR VALUE CAPTURE FUND	2,000,000	2,000,000	0
	Diseased Tree Assessment D/S	273,000	273,000	0
	BOND REDEMPTION - DEBT SERVICE	45,033,000	45,033,000	0
	OTH SELF SUPPORTING DEBT SERVC	1,154,000	1,154,000	0
	MIDTOWN EXCH 108 LOAN ACCOUNT	579,000	579,000	0
	CPED DEBT SERVICE	2,135,000	2,135,000	0
	DOWNTOWN EAST	3,230,000	3,230,000	0
	PENSION FUND DEBT SERVICE	3,086,000	3,086,000	0
	LIBRARY REF DEBT SERVICE	10,137,000	10,137,000	0
	CONVENTION CENTER-DEBT SERVICE	26,863,000	26,863,000	0
	TARGET CENTER	18,343,000	18,343,000	0
	TARGET CTR SALES TAX DS	5,697,000	5,697,000	0
	TAX INCREMENT - DEBT SERVICE	2,543,000	2,543,000	0
TOTAL DEBT SERVICE		129,973,000	129,973,000	0
INTERNAL	MATERIALS & LAB-INTERNAL SVC	8,487,000	8,487,000	0
SERVICE	EQUIPMENT - INTERNAL SERVICE	24,418,000	24,418,000	0
	EQUIPMENT ACQUISITION FUND	15,951,000	15,951,000	0
	PROPERTY SERVICES	23,971,000	23,971,000	0
	STORES - INTERNAL SERVICE	1,474,000	1,474,000	0
	INFO TECH - INTERNAL SERVICE	41,244,000	41,244,000	0
	SELF INSURANCE-INTERNAL SVC	32,998,000	32,998,000	0
	PARK - INTERNAL SERVICE	8,378,000	8,378,000	0
	PARK-SELF INSURE-INTERNAL SVC	2,173,000	2,173,000	0
TOTAL INTERNAL SERVICE		159,094,000	159,094,000	0
ENTERPRISE	RIVER TERMINAL	1,193,000	1,193,000	0
	GARFS	7,682,000	7,682,000	0
	SURFACE WATER & SEWER-SANITARY	95,703,000	95,703,000	0
	SURFACE WATER & SEWER-STORMWATER	52,885,000	52,885,000	0
	WATER - ENTERPRISE	115,247,000	115,247,000	0
	MUNICIPAL PARKING-ENTERPRISE	67,327,000	67,327,000	0
	SOLID WASTE - ENTERPRISE	47,527,000	47,527,000	0
	PARK - OPERATIONS - ENTERPRISE	11,937,000	11,937,000	0
TOTAL ENTERPRISE		399,501,000	399,501,000	0
TOTAL ALL FUNDS		1,939,537,000	1,939,537,000	0

SCHEDULE TWO
REVENUE BY FUND AND TYPE
(excludes transfers)

		2016 Actual	2017 Actual	2018 Adopted	2019 Council Adopted	% Change
GENERAL	CHARGES FOR SALES	73,268	148,515	63,000	68,000	7.9%
	CHARGES FOR SERVICES	48,739,688	50,857,773	48,878,000	53,567,000	9.6%
	CONTRIBUTIONS	5,000	5,234	-	-	0.0%
	FINES AND FORFEITS	6,313,110	7,556,399	6,558,000	6,602,000	0.7%
	FRANCHISE FEES	29,515,533	32,143,175	33,450,000	34,050,000	1.8%
	GAINS	4,743	-	-	-	0.0%
	INTEREST	3,460,196	3,311,232	3,050,000	6,050,000	98.4%
	LICENSE AND PERMITS	47,030,334	45,090,847	43,570,000	47,494,000	9.0%
	LOCAL GOVERNMENT	1,165,334	1,019,880	861,000	880,000	2.2%
	LONG TERM LIABILITIES PROCEEDS	(4,743)	-	-	-	0.0%
	OTHER MISC REVENUES	3,428,581	3,172,553	6,299,000	2,955,000	-53.1%
	PROPERTY TAXES	166,250,008	180,882,775	194,556,000	206,601,000	6.2%
	RENTS	52,201	314,002	-	400,000	0.0%
	SALES AND OTHER TAXES	79,142,658	81,977,678	-	-	0.0%
	SPECIAL ASSESSMENTS	3,449,773	3,151,941	3,002,000	3,440,000	14.6%
	STATE GOVERNMENT	84,046,281	84,110,670	84,584,000	85,046,000	0.5%
	USE OF FUND BALANCE	-	-	17,322,000	5,047,000	-70.9%
	TOTAL GENERAL FUND	472,671,965	493,742,676	442,193,000	452,200,000	2.3%
SPECIAL REVENUE	CHARGES FOR SALES	1,713,095	2,519,150	-	5,000	0.0%
	CHARGES FOR SERVICES	10,583,903	10,622,878	29,033,000	38,407,000	32.3%
	CONTRIBUTIONS	2,565,430	1,189,069	941,000	882,000	-6.3%
	FEDERAL GOVERNMENT	33,066,050	28,391,422	24,698,000	25,502,000	3.3%
	FINES AND FORFEITS	460,061	565,258	690,000	690,000	0.0%
	INTEREST	4,188,627	2,742,957	1,306,000	1,522,000	16.6%
	LICENSE AND PERMITS	1,118,512	969,474	294,000	294,000	0.0%
	LOCAL GOVERNMENT	11,632,843	7,112,766	1,671,000	1,788,000	7.0%
	OTHER MISC REVENUES	16,003,926	10,797,347	15,420,000	13,422,000	-13.0%
	PROPERTY TAXES	77,862,791	77,368,362	154,061,000	165,286,000	7.3%
	RENTS	11,457,591	13,718,923	13,070,000	10,951,000	-16.2%
	SALES AND OTHER TAXES	1,963,239	1,556,102	87,856,000	88,938,000	1.2%
	SPECIAL ASSESSMENTS	9,851,646	9,776,413	9,786,000	11,469,000	17.2%
	STATE GOVERNMENT	13,717,103	15,643,670	22,156,000	22,737,000	2.6%
USE OF FUND BALANCE	-	-	2,634,000	30,139,000	1044.1%	
	TOTAL SPECIAL REVENUE	196,184,816	182,973,791	363,616,000	412,032,000	13.3%
CAPITAL PROJECT	CHARGES FOR SALES	486,284	683,671	-	-	0.0%
	CHARGES FOR SERVICES	17,467,048	16,377,503	20,391,000	16,925,000	-17.0%
	CONTRIBUTIONS	51,344	1,205,310	-	-	0.0%
	FEDERAL GOVERNMENT	16,549,832	11,619,528	7,595,000	9,050,000	19.2%
	INTEREST	8,863	(150,628)	-	-	0.0%
	LICENSE AND PERMITS	117,660	341,152	310,000	310,000	0.0%
	LOCAL GOVERNMENT	4,046,746	6,147,341	6,625,000	3,233,000	-51.2%
	LONG TERM LIABILITIES PROCEEDS	31,481,984	117,268,188	58,795,000	149,315,000	154.0%
	OTHER MISC REVENUES	21,439,049	40,166,680	2,066,000	1,543,000	-25.3%
	PROPERTY TAXES	1,002,939	498,518	-	-	0.0%
	RENTS	49,075	-	-	-	0.0%
	SALES AND OTHER TAXES	(87)	12	-	-	0.0%
	SPECIAL ASSESSMENTS	4,669,447	2,437,862	25,615,000	15,400,000	-39.9%
	STATE GOVERNMENT	20,846,699	32,296,404	11,200,000	12,750,000	13.8%
	USE OF FUND BALANCE	-	-	(2,094,000)	4,252,000	-303.0%
	TOTAL CAPITAL PROJECT	118,216,883	228,891,541	130,503,000	212,778,000	63.0%
DEBT SERVICE	CONTRIBUTIONS	2,000,000	2,750,000	-	3,230,000	0.0%
	INTEREST	465,802	13,093	-	9,000	18234.7%
	LONG TERM LIABILITIES PROCEEDS	62,920,086	60,875,183	-	-	0.0%
	OTHER MISC REVENUES	1,149,888	2,181,893	5,306,000	5,274,000	-0.6%
	PROPERTY TAXES	52,335,289	53,661,102	56,520,000	54,402,000	-3.7%
	RENTS	181,384	181,384	-	181,000	0.0%
	SALES AND OTHER TAXES	(3,310)	930	-	-	0.0%
	SPECIAL ASSESSMENTS	10,663,177	14,164,413	12,467,000	9,102,000	-27.0%
	STATE GOVERNMENT	3,775,579	54,324	-	-	0.0%
	USE OF FUND BALANCE	-	-	(3,955,000)	(1,939,000)	-51.0%
	TOTAL DEBT SERVICE	133,487,894	133,882,323	70,338,000	70,259,000	-0.1%

**SCHEDULE TWO
REVENUE BY FUND AND TYPE**
(excludes transfers)

		2019 Council				
		2016 Actual	2017 Actual	2018 Adopted	Adopted	% Change
INTERNAL SERVICE	CHARGES FOR SALES	7,510,094	11,862,246	14,885,000	15,588,000	4.7%
	CHARGES FOR SERVICES	90,356,461	91,985,099	81,188,000	84,281,000	3.8%
	FINES AND FORFEITS	24,642	10,423	-	-	0.0%
	GAINS	426,579	290,285	-	-	0.0%
	INTEREST	-	31,455	16,000	13,000	(0)
	LONG TERM LIABILITIES PROCEEDS	(658,488)	-	-	-	0.0%
	OTHER MISC REVENUES	5,784,923	4,943,172	3,194,000	3,191,000	(0)
	RENTS	41,384,994	45,140,310	45,460,000	47,373,000	4.2%
	STATE GOVERNMENT	-	12,226	-	-	0.0%
	USE OF FUND BALANCE	-	-	17,530,000	7,438,000	-57.6%
TOTAL INTERNAL SERVICE		144,829,205	154,275,216	162,273,000	157,884,000	-2.7%
ENTERPRISE	CHARGES FOR SALES	3,405,400	1,610,702	1,668,000	1,510,000	-9.5%
	CHARGES FOR SERVICES	296,927,280	301,847,272	320,926,000	330,396,000	3.0%
	CONTRIBUTIONS	1,860	-	-	-	0.0%
	FEDERAL GOVERNMENT	46,697	567,122	-	-	0.0%
	FINES AND FORFEITS	64,967	66,303	45,000	45,000	0.0%
	GAINS	207,891	24,877,722	6,000,000	-	-100.0%
	INTEREST	35,698	103,852	-	-	0.0%
	LICENSE AND PERMITS	627,316	582,006	590,000	670,000	13.6%
	LOCAL GOVERNMENT	1,935,131	3,739,113	4,423,000	2,143,000	-51.6%
	LONG TERM LIABILITIES PROCEEDS	364	964	34,545,000	38,890,000	12.6%
	OTHER MISC REVENUES	573,770	140,411	16,000	16,000	0.0%
	RENTS	2,700,636	3,295,274	2,211,000	2,275,000	2.9%
	SPECIAL ASSESSMENTS	1,629,566	1,578,439	1,733,000	1,896,000	9.4%
	STATE GOVERNMENT	1,477,613	1,690,604	1,204,000	1,346,000	11.7%
USE OF FUND BALANCE	-	-	(2,083,000)	14,771,000	-809.2%	
TOTAL ENTERPRISE		309,634,188	340,099,782	371,278,000	393,958,000	6.1%
TOTAL ALL FUNDS		1,375,024,950	1,533,865,329	1,540,201,000	1,699,111,000	10.3%

* Detailed schedule by specific fund and specific department will be available upon request.

** For 2019 Budget, transfers in the amount of \$227,980,000 are detailed in Schedule 7.

**SCHEDULE THREE
EXPENSES BY FUND AND DEPARTMENT**
(excludes transfers)

					2019 Council	
		2016 Actual	2017 Actual	2018 Adopted	Adopted	% Change
GENERAL	311	3,802,063	4,113,129	4,097,000	4,145,000	1.2%
	911	9,066,878	9,714,416	9,974,000	9,813,000	-1.6%
	ASSESSOR	5,162,275	5,189,041	6,875,000	6,148,000	-10.6%
	ATTORNEY	9,395,492	9,675,770	10,373,000	10,691,000	3.1%
	CITY CLERK	2,983,919	3,284,005	3,579,000	4,010,000	12.0%
	CITY COORDINATOR	3,972,180	4,739,974	7,162,000	9,243,000	29.1%
	CITY COUNCIL	4,702,306	4,857,544	5,152,000	5,318,000	3.2%
	CIVIL RIGHTS	3,387,328	3,728,355	4,501,000	4,543,000	0.9%
	COMMUNICATIONS	2,191,627	2,235,576	2,307,000	2,309,000	0.1%
	COMMUNITY PLANNING & ECONOMIC DEVELOPMENT	32,648,176	33,460,311	41,059,000	34,797,000	-15.3%
	ELECTIONS & VOTER SERVICES	4,278,276	2,389,364	2,796,000	2,321,000	-17.0%
	EMERGENCY MANAGEMENT	803,826	1,170,264	1,053,000	1,124,000	6.8%
	FINANCE AND PROPERTY SERV	21,303,324	22,125,701	22,908,000	24,896,000	8.7%
	FIRE	62,648,282	66,110,532	66,500,000	69,331,000	4.3%
	GENERAL FUND CONTINGENCY	1,500,000	-	4,500,000	4,700,000	4.4%
	GENERAL REVENUES	-	780,000	-	1,030,000	0.0%
	HUMAN RESOURCES	6,566,200	7,293,288	7,566,000	7,711,000	1.9%
	INTERGOVERNMENTAL RELATIONS	1,436,702	1,536,770	1,519,000	1,523,000	0.3%
	INTERNAL AUDIT	612,253	594,514	761,000	858,000	12.7%
	LIBRARY BOARD	1,560,000	-	-	-	0.0%
	MAYOR	2,059,105	2,001,246	2,132,000	2,387,000	12.0%
	MINNEAPOLIS HEALTH DEPARTMENT	9,061,430	10,425,848	11,072,000	12,306,000	11.1%
	NEIGHBORHOOD & COMMUNITY RELATIONS	359,990	264,209	713,000	965,000	35.2%
	POLICE	154,243,580	162,435,753	173,668,000	179,195,000	3.2%
	PW - ADMINISTRATIVE SERVICES	3,465,824	3,850,016	3,993,000	3,934,000	-1.5%
	PW - TRAFFIC AND PARKING SERVICES	16,609,612	17,318,058	17,179,000	17,624,000	2.6%
	PW - TRANSPORTATION PLANNING AND ENGINEERING	2,023,712	1,819,860	2,032,000	2,142,000	5.4%
	PW - TRANSPORTATION MAINTENANCE AND REPAIR	32,810,220	34,295,211	35,046,000	36,014,000	2.8%
	PW - TRANSPORTATION PLAN/PROGRAMING	2,001,641	2,266,508	2,689,000	2,851,000	6.0%
	REGULATORY SERVICES	18,380,557	19,398,893	20,236,000	20,776,000	2.7%
	TOTAL GENERAL FUND	419,036,779	437,074,156	471,442,000	482,705,000	2.4%
SPECIAL REVENUE	311	9,327	11,233	-	-	0.0%
	911	341,814	433,219	515,000	515,000	0.0%
	ATTORNEY	548,052	320,756	334,000	335,000	0.3%
	BOARD OF ESTIMATE & TAXATION	206,717	211,837	220,000	281,000	27.6%
	CAPITAL IMPROVEMENTS	39,392	230,302	-	-	0.0%
	CITY COORDINATOR	754,627	1,300,323	2,405,000	2,166,000	-9.9%
	CIVIL RIGHTS	333,889	252,954	364,000	364,000	0.0%
	COMMUNITY PLANNING & ECONOMIC DEVELOPMENT	72,830,544	55,398,818	51,778,000	80,835,000	56.1%
	CONVENTION CENTER	59,401,436	56,961,999	53,034,000	56,059,000	5.7%
	DEBT SERVICE	105,785	82,600	-	-	0.0%
	DOWNTOWN ASSETS	-	-	5,150,000	1,412,000	-72.6%
	EMERGENCY MANAGEMENT	953,841	1,355,260	1,030,000	930,000	-9.7%
	FINANCE AND PROPERTY SERV	157,570	133,104	161,000	161,000	0.0%
	FIRE	256,182	790,481	10,000	10,000	0.0%
	HUMAN RESOURCES	-	674	-	-	0.0%
	INTERGOVERNMENTAL RELATIONS	1,365,973	1,316,571	1,469,000	1,488,000	1.3%
	MAYOR	8,509	(525)	-	-	0.0%
	MINNEAPOLIS HEALTH DEPARTMENT	12,623,206	13,370,431	11,623,000	11,729,000	0.9%
	MPLS EMPLOYEE RETIREMT FD	36,957,730	30,163,029	32,644,000	33,644,000	3.1%
	MUNICIPAL BUILDING COMMISSION	7,655,475	8,789,815	9,827,000	9,717,000	-1.1%
	NEIGHBORHOOD & COMMUNITY RELATIONS	10,001,551	10,093,944	11,574,000	10,981,000	-5.1%
	NON DEPARTMENTAL	64,803	64,803	65,000	75,000	15.0%
	NON-CPED	1,392	932	-	-	0.0%
	PARK BD - CAP IMPROV	218,712	472,975	-	-	0.0%
	PARK BOARD	82,203,958	90,225,318	95,120,000	99,560,000	4.7%
	POLICE	5,114,941	5,214,864	5,771,000	5,742,000	-0.5%
	PW - TRANSPORTATION PLANNING AND ENGINEERING	13,985	(81)	-	-	0.0%
	PW - TRANSPORTATION MAINTENANCE AND REPAIR	6,113,677	6,906,767	6,920,000	7,121,000	2.9%
	REGULATORY SERVICES	3,717,220	3,993,722	4,904,000	6,551,000	33.6%
	TOTAL SPECIAL REVENUE	302,000,308	288,096,125	294,918,000	329,676,000	11.8%

**SCHEDULE THREE
EXPENSES BY FUND AND DEPARTMENT**
(excludes transfers)

					2019 Council	
		2016 Actual	2017 Actual	2018 Adopted	Adopted	% Change
INTERNAL SERVICE	ATTORNEY	6,983,931	8,281,887	7,738,000	8,011,000	3.5%
	CAPITAL IMPROVEMENTS	(123,688)	(38,198)	-	-	0.0%
	CITY CLERK	1,784,891	1,582,197	1,403,000	1,459,000	4.0%
	DEBT SERVICE	319,461	231,099	10,104,000	-	0.0%
	FINANCE AND PROPERTY SERV	24,219,807	30,695,913	26,030,000	26,417,000	1.5%
	HEALTH AND WELFARE	672,764	1,174,953	2,725,000	2,793,000	2.5%
	HUMAN RESOURCES	1,924,108	1,955,554	1,856,000	2,118,000	14.1%
	INFORMATION TECHNOLOGY	35,380,501	39,005,753	36,593,000	36,565,000	-0.1%
	LIABILITY	-	5,105,772	4,913,000	4,660,000	-5.1%
	PARK BOARD	7,513,232	9,895,611	9,941,000	10,551,000	6.1%
	PW - FLEET	27,903,763	22,666,145	36,147,000	39,370,000	8.9%
	PW - PROPERTY SERVICES	(150)	-	-	-	0.0%
	PW - TRAFFIC AND PARKING SERVICES	422,221	557,085	330,000	325,000	-1.6%
	PW - TRANSPORTATION PLANNING AND ENGINEERING	1,895,765	6,710,404	7,373,000	8,487,000	15.1%
	WORKERS COMPENSATION	15,236,336	12,276,107	11,438,000	13,242,000	15.8%
	TOTAL INTERNAL SERVICE	124,132,940	140,100,281	156,591,000	153,998,000	-1.7%
CAPITAL PROJECT/ GOVERNMENTAL FUNDS	CAPITAL IMPROVEMENTS	146,245,568	189,780,299	118,269,000	202,074,000	70.9%
	COMMUNITY PLANNING & ECONOMIC DEVELOPMENT	484,665	258,139	716,000	730,000	2.0%
	DEBT SERVICE	-	97,875	-	-	0.0%
	PW - TRANSPORTATION PLANNING AND ENGINEERING	8,242,667	10,697,568	12,545,000	12,861,000	2.5%
	PW - TRANSPORTATION MAINTENANCE AND REPAIR	743,915	1,066,506	1,288,000	1,256,000	-2.4%
	PW - TRANSPORTATION PLAN/PROGRAMING	513,069	1,190,315	774,000	784,000	1.4%
	TOTAL CAPITAL PROJECT	178,950,179	234,939,818	145,927,000	230,048,000	57.6%
DEBT SERVICE	CAPITAL IMPROVEMENTS	6,323,703	8,552,108	-	-	0.0%
	COMMUNITY PLANNING & ECONOMIC DEVELOPMENT	2,083,541	2,133,509	2,159,000	2,203,000	2.1%
	DEBT SERVICE	100,157,625	167,716,888	109,208,000	122,244,000	11.9%
	FINANCE AND PROPERTY SERV	-	99,543	-	-	0.0%
	TOTAL DEBT SERVICE	108,564,870	178,502,049	111,367,000	124,447,000	11.7%
ENTERPRISE	CAPITAL IMPROVEMENTS	48,041,498	(1,492)	73,668,000	72,575,000	-1.5%
	COMMUNITY PLANNING & ECONOMIC DEVELOPMENT	1,398,294	1,497,556	1,372,000	1,375,000	0.2%
	DEBT SERVICE	3,218,194	3,370,380	29,336,000	37,687,000	28.5%
	PARK BOARD	10,093,036	11,345,259	11,211,000	11,937,000	6.5%
	PW - SOLID WASTE	35,866,090	36,785,768	40,847,000	43,355,000	6.1%
	PW - SURFACE WATER & SEWERS-SANITARY	61,000,212	63,257,135	67,450,000	69,923,000	3.7%
	PW - SURFACE WATER & SEWERS-STORMWATR	19,881,381	19,516,805	21,643,000	22,165,000	2.4%
	PW - TRAFFIC AND PARKING SERVICES	42,047,664	45,628,442	44,160,000	47,962,000	8.6%
	PW - TRANSPORTATION MAINTENANCE AND REPAIR	8,578,740	9,514,911	9,866,000	9,945,000	0.8%
	PW - WATER TREATMENT & DISTR.	52,129,225	54,629,086	60,406,000	61,315,000	1.5%
	TOTAL ENETRPRISE	282,254,334	245,543,849	359,959,000	378,239,000	5.1%
TOTAL FUNDS		1,414,939,409	1,524,256,278	1,540,204,000	1,699,113,000	10.3%

* Detailed schedule by specific fund and specific department will be available upon request.

** For 2019 Budget, transfers in the amount of \$227,980,000 are detailed in Schedule 7.

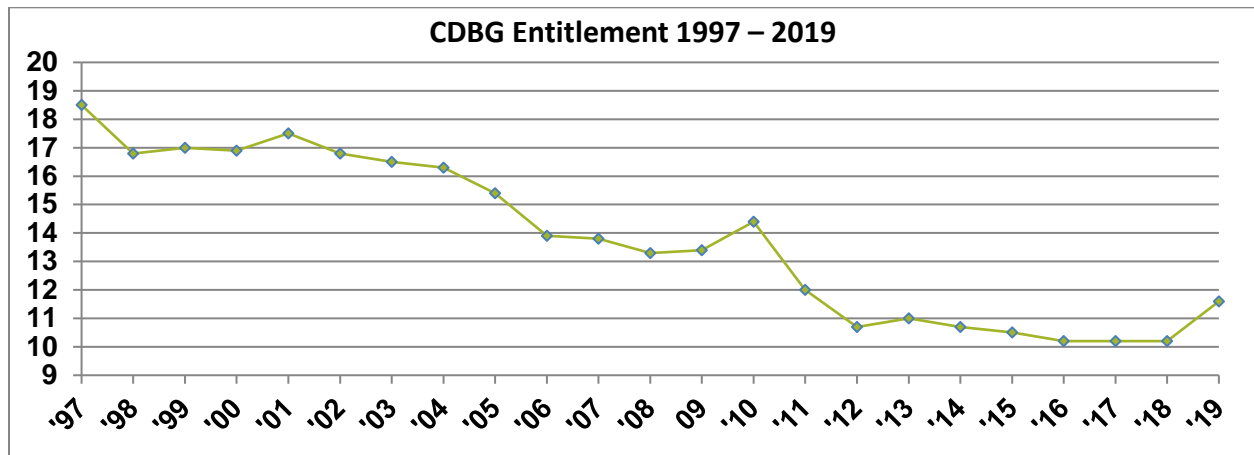
**City of Minneapolis
2019 Budget
Community Development Block Grant (CDBG)**

Background

This fund is used to account for the Federal grants received under the Community Development Block Grant (CDBG) provision authorized by Title I of the Housing and Community Development Act of 1974. Included in this entitlement are the CDBG, HOME Investment Partnerships Program (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA). Based on the City's Consolidated Plan submitted to the U.S. Department of Housing and Urban Development (HUD), annual direct grants can be used by the City of Minneapolis to revitalize neighborhoods, expand affordable housing and economic opportunities, and/or improve community facilities and services, principally to benefit low-and moderate-income persons.

Historical Financial Performance

The Consolidated Plan funds are budgeted to coincide with the City's annual calendar year budgeting process, although the funds are not available until June 1 of each year. The programs are managed on a cost reimbursement basis and therefore the CDBG fund balance amount at any given time is the result of timing differences between entitlement grant revenue receipts and grant expenditure disbursements. The graph below reflects the trend in CDBG funding for the past 23 years. After several years of declining funding levels, 2009 and 2010 were the first years the actual funding had exceeded the anticipated funding by approximately 2%. Those two years were followed by more than a 16% reduction in 2011 with the actual HUD award of approximately \$12 million. From 2012 through 2017, the funding level has remained around \$10 million. In 2018, the allocation increased to \$11.6 million. For 2019, the City is anticipating the funding to be similar to the 2017 funding of \$10.2 million.



2019 Budget

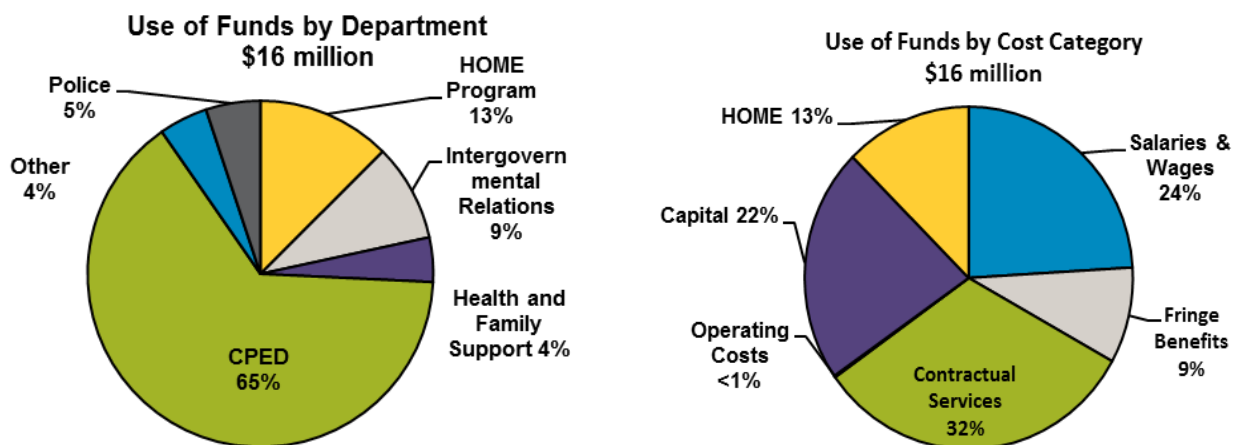
Revenues

The entitlement funds drawn from HUD are budgeted based on the past relationship between national appropriations and local entitlement amounts. Amounts are based on the most recent actions of Congress.

The other HUD Consolidated Plan programs, ESG and HOPWA are also projected to remain similar to the amounts allocated for the 2018 while HOME funding level is projected to have about a 3% decline. Final award numbers from Congress should be available in early 2019. The HUD appropriation formula, which changed in 2002, includes variable factors based on 2010 American Community Survey (ACS) and the 2010 Census information. The Census information includes population changes among all the cities within the total HUD appropriation.

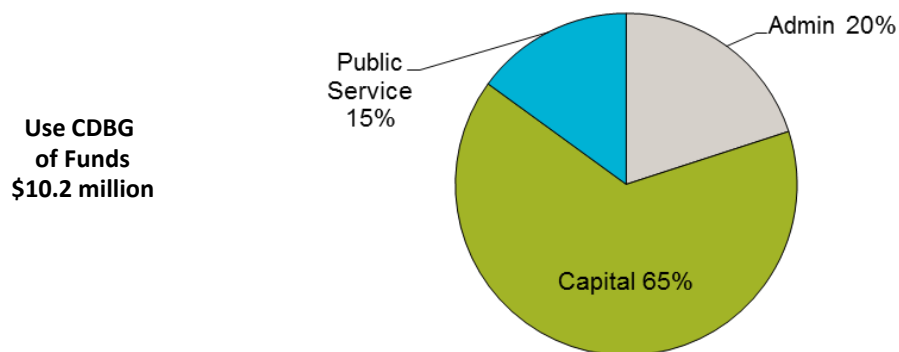
Expenditures

The City distributes its entitlement funds received through the HUD Consolidated Plan to various departments to carry out program activities, and awards funds to private and public not-for-profit organizations. In addition to entitlement funds, the expenditures include the reprogramming of program income generated in the prior year. The graphs below reflect the distribution of the budgeted Consolidated Plan and program income by department and by cost category.



CDBG Allocations

The graph below shows the distribution of the CDBG allocation for 2019. The public service and administration categories have a 15% and a 20% cap, respectively. The calculation for the caps is based on the expenditures during the grant program year from June 1 to May 31.



Debt Service

The CDBG entitlement is obligated over and above the current grant budgets by \$4 million. This amount reflects what the City borrowed against its entitlement to fund the Block E economic development project. The original over-obligation was \$7.4 million. Since 2001 unspent CDBG funds and a percentage of program income has been applied to reduce the over obligation.

During the 2014 budget process, eligible tax increment revenues were identified to pay down this remaining deficit in 2015 and future years. In 2017 and 2018 a total of \$750,000 has been transferred to reduce the deficit from \$4 million to \$3.2 million.

Mayor's Recommended Budget

The Mayor recommended the estimated funding level for 2019 to remain consistent with the 2017 actual allocations taking into consideration spending caps in the public service and administration categories. The actual HUD allocations for 2018 were 9% higher than the 2018 Council adopted budget.

Council Adopted Budget

The Council approved the Mayor's recommendations.

SCHEDULE FOUR
Year 45 (2019) - COMMUNITY DEVELOPMENT BLOCK GRANT

Organization	Project	2017 Consolidated Plan	2018 Consolidated Plan	2019 Council Adopted
Capital /Other---CDBG				
Community Planning & Economic Development	Adult Training, Placement and Retention	1,228,610	1,342,900	1,229,000
	High Density Corridor Initiative	462,730	462,730	463,000
	Multi-Family/Affordable Housing	3,202,122	3,542,414	3,202,000
	NEDF/CEDF (Great Streets)	84,167	87,726	88,000
	Home Ownership Support & Development	182,803	207,974	183,000
	Vacant and Boarded Building Program	1,440,353	1,574,300	1,440,000
	Subtotal CPED capital	6,600,785	7,218,044	6,605,000
Health Department	Lead Reduction	57,260	62,600	57,000
	Total Capital/Other (65%)	6,658,045	7,280,644	6,662,000
Public Service---CDBG				
Community Planning & Economic Development	Youth Employment	233,941	255,160	234,000
	Build Leaders	100,000	100,000	100,000
Police Department	Community Crime Prevention Specialists	826,864	901,870	827,000
Health Department	Way to Grow	206,466	255,190	207,000
	Juvenile Supervision Center (Curfew Truancy Program)	100,000	100,000	100,000
	Domestic Abuse Project	69,200	75,430	69,000
	Total Public Service (15%)	1,536,471	1,687,650	1,537,000
	Public Service - 15% Cap	1,536,472	1,674,999	1,537,350
Administration---CDBG				
Civil Rights Department	Fair Housing Initiative/Davis Bacon Compliance/Monitoring	321,347	350,590	322,000
Community Planning & Economic Development	Planning - Administration	863,232	941,790	864,000
Health Department	Mid-Minnesota Legal Aid	23,650	25,780	24,000
	Grant Administration	59,520	64,880	60,000
	Way to Grow Administration	14,388	15,680	5,000
	Youth Violence Prevention	151,756	165,410	152,000
Finance Department	Program Administration	161,181	175,690	161,000
Intergovernmental Relations	Grants & Special Projects	167,818	182,920	168,000
	Mid-Minnesota Legal Aid	38,432	41,890	38,000
Youth Coordinating Board	Administration	64,803	64,803	74,000
Neighborhood & Community Relations	Access & Outreach (Multicultural Affairs)	97,951	106,770	98,000
Regulatory Services	New Problem Properties Strategy	84,550	92,160	84,000
	Total Administration (20%)	2,048,628	2,228,363	2,050,000
	Administration 20% cap	2,048,629	2,233,331	2,049,800
CDBG Total of Requests (100%)		10,243,144	11,196,657	10,249,000
CDBG Revenue		10,243,144	11,166,657	10,249,000
Other Consolidated Plan Entitlement Funds				
HOME Investment Partnerships				
Community Planning & Economic Development	Affordable Housing Trust Fund (AHTF)	1,216,292	1,669,800	1,195,000
	Home Ownership Works (HOW)	643,754	899,123	633,000
	CPED Administration	191,671	270,435	188,000
Intergovernmental Relations	Grants & Special Projects Administration	15,000	15,000	15,000
Emergency Solutions Grant (ESG)				
Community Planning & Economic Development	Emergency Solutions Grant Programs	703,458	702,955	701,000
	Street Outreach	150,000	150,000	150,000
	CPED Administration	64,199	64,158	66,000
	Homelessness Management Information System (HMIS)			
Intergovernmental Relations	Support			19,000
	Grants & Special Projects Administration	5,000	5,000	5,000
Housing Opportunities for Persons with AIDS (HOPWA)				
Intergovernmental Relations	Third Party Contractors/Subrecipients/Subgrantees	1,166,181	1,321,029	1,206,000
	Grants & Special Projects Administration	36,067	40,856	37,000
Grand Total Consolidated Plan		14,434,766	16,305,013	14,464,000

*This schedule represents the distribution of entitlement funds only excluding any program income.

**SCHEDULE FIVE
SUMMARY OF POSITIONS BY DEPARTMENT**

	2016 Budget	2017 Budget	2018 Budget*	2019 Council Adopted	Change	% change
CITY COORDINATOR						
311	30.00	30.00	30.00	30.00	-	0.0%
911	85.00	85.00	85.00	85.00	-	0.0%
CITY COORDINATOR	21.00	26.00	31.00	36.00	5.00	16.1%
COMMUNICATIONS	12.00	12.00	12.00	12.00	-	0.0%
CONVENTION CENTER	173.30	174.30	173.30	173.30	-	0.0%
EMERGENCY MANAGEMENT	8.50	8.50	8.50	8.50	-	0.0%
FINANCE AND PROPERTY SERV	252.50	253.50	258.50	260.50	2.00	0.8%
HUMAN RESOURCES	52.80	53.80	55.00	55.00	-	0.0%
INFORMATION TECHNOLOGY	94.00	96.00	92.00	92.00	-	0.0%
INTERGOVERNMENTAL RELATIONS	8.00	8.00	8.00	8.00	-	0.0%
NEIGHBORHOOD & COMMUNITY RELATIONS	17.00	17.00	18.00	18.00	-	0.0%
CITY COORDINATOR	754.10	764.10	771.30	778.30	7.00	0.9%
COMMUNITY PLANNING & ECONOMIC DEVELOPMENT						
COMMUNITY PLANNING & ECONOMIC DEVELOPMENT	239.00	240.00	243.00	251.00	8.00	3.3%
COMMUNITY PLANNING & ECONOMIC DEVELOPMENT	239.00	240.00	243.00	251.00	8.00	3.3%
OTHER CHARTER DEPARTMENTS						
ASSESSOR	37.00	38.00	38.00	38.00	-	0.0%
ATTORNEY	112.00	112.00	113.30	114.30	1.00	0.9%
CITY CLERK	32.00	32.00	26.00	26.00	-	0.0%
ELECTIONS & VOTER SERVICES	6.00	6.00	6.00	6.00	-	0.0%
CITY COUNCIL	39.00	39.00	39.00	39.00	-	0.0%
CIVIL RIGHTS	25.00	29.00	30.00	32.00	2.00	6.7%
FIRE	413.00	418.00	421.00	426.00	5.00	1.2%
INTERNAL AUDIT	3.00	4.00	4.00	4.00	-	0.0%
MAYOR	13.00	13.00	13.00	14.00	1.00	7.7%
MINNEAPOLIS HEALTH DEPARTMENT	100.05	103.05	105.35	108.85	3.50	3.3%
POLICE	1,029.50	1,060.50	1,081.70	1,081.70	-	0.0%
REGULATORY SERVICES	173.00	177.00	177.00	181.00	4.00	2.3%
OTHER CHARTER DEPARTMENTS	1,982.55	2,031.55	2,054.35	2,070.85	16.50	0.8%
PUBLIC WORKS						
PW - ADMINISTRATIVE SERVICES	16.00	16.00	16.00	16.00	-	0.0%
PW - FLEET SERVICES	75.00	75.00	75.00	75.00	-	0.0%
PW - SOLID WASTE & RECYCLING	151.00	151.00	151.00	151.00	-	0.0%
PW - TRAFFIC AND PARKING SERVICES	103.00	105.00	114.40	114.40	-	0.0%
PW - TRANSPORTATION MAINTENANCE AND REPAIR	216.15	216.15	219.95	219.95	-	0.0%
PW - TRANSPORTATION PLANNING AND ENGINEERING	75.00	75.00	81.00	81.50	0.50	0.6%
PW - WATER TREATMENT & DISTRIBUTION	193.00	193.00	192.00	195.75	3.75	2.0%
PW - SURFACE WATER & SEWERS-SANITARY	47.75	48.25	59.75	60.25	0.50	0.8%
PW - SURFACE WATER & SEWERS-STORMWATER	51.00	51.50	54.00	54.50	0.50	0.9%
PW - TRANSPORTATION PLANNING & PROGRAMING	17.00	17.00	21.50	22.50	1.00	4.7%
PW - CAPITAL	61.00	150.00	150.00	161.00	11.00	7.3%
PUBLIC WORKS	1,005.90	1,097.90	1,134.60	1,151.85	17.25	1.5%
TOTAL CITY	3,981.55	4,133.55	4,203.25	4,252.00	48.75	1.2%
INDEPENDENT BOARDS						
MINNEAPOLIS PARK & RECREATION BOARD	859.26	924.36	956.91	956.91	-	0.0%
BOARD OF ESTIMATE & TAXATION	1.00	1.00	1.00	1.00	-	0.0%
MUNICIPAL BUILDING COMMISSION	55.00	55.00	59.00	59.00	-	0.0%
INDEPENDENT BOARDS	915.26	980.36	980.36	1,016.91	36.55	3.7%
TOTAL CITY INCLUDING INDEPENDENT BOARDS	4,896.81	5,113.91	5,183.61	5,268.91	85.30	1.6%

* 2018 FTE counts may differ from 2018 adopted budget due to mid year adjustments, including funding and organizational change

SCHEDULE SIX

2019 CPED PROGRAM ALLOCATION BY FUNDING SOURCE

	2017	2018	2019	Sources							Restricted Dev Funds & TIF Funds	Other Funds	
				Adopted Budget	Adopted Budget	Adopted Budget	General Fund	1400 CDBG & ESG Prog Income	01500 (HOME)	State and Federal Grants			Develop Funds
ADMINISTRATION AND SUPPORT	8,868,000	10,687,000	10,145,000	8,697,000	0	-	-	-	-	-	-	-	1,448,000
LONG RANGE PLANNING	2,940,000	3,052,000	3,124,000	1,918,000	476,000	-	-	-	-	-	-	-	730,000
ADMINISTRATION AND OPERATIONS	2,217,000	2,166,000	2,324,000	1,848,000	476,000	-	-	-	-	-	-	-	-
ART IN PUBLIC PLACES	723,000	786,000	800,000	70,000	-	-	-	-	-	-	-	-	730,000
MAPPING PREJUDICE	-	100,000	-	-	-	-	-	-	-	-	-	-	-
AFFORDABLE HOUSING	13,716,000	14,328,000	30,844,000	1,282,000	4,582,000	1,310,000	-	-	16,081,000	-	-	239,000	-
ADMINISTRATION AND OPERATIONS	1,705,000	1,767,000	1,521,000	1,282,000	-	-	-	-	-	-	-	239,000	-
AFFORDABLE HSG TRUST FUND	8,113,000	6,512,000	20,593,000	-	3,202,000	1,310,000	-	-	16,081,000	-	-	-	-
AFFORDABLE HOUSING PROGRAMS (Multi-Family)	1,000,000	1,000,000	-	-	-	-	-	-	-	-	-	-	-
NOAH - Naturally Occurring Affordable Housing	1,500,000	3,650,000	3,300,000	-	-	-	-	-	-	-	-	-	3,300,000
EMERGENCY SOLUTIONS GRANT PROG	936,000	936,000	917,000	-	917,000	-	-	-	-	-	-	-	-
HIGH DENSITY CORRIDOR HOUSING	462,000	463,000	463,000	-	463,000	-	-	-	-	-	-	-	-
STABLE HOMES, STABLE SCHOOLS	-	-	3,350,000	-	-	-	-	-	-	-	-	-	3,350,000
TENANT HOTLINE	-	-	125,000	-	-	-	-	-	-	-	-	-	125,000
TENANT LEGAL SERVICES	-	-	175,000	-	-	-	-	-	-	-	-	-	175,000
4D PROGRAM	-	-	250,000	-	-	-	-	-	-	-	-	-	250,000
EVICITION REPRESENTATION PROGRAM	-	-	150,000	-	-	-	-	-	-	-	-	-	150,000
HOMEOWNERSHIP SUPPORT & DEV	6,106,000	8,499,000	13,969,000	1,013,000	2,447,000	706,000	-	982,000	500,000	-	-	1,750,000	6,571,000
ADMINISTRATION AND OPERATIONS	253,000	278,000	658,000	501,000	-	-	-	157,000	-	-	-	-	-
MINNEAPOLIS HOMES (FORMER GREEN HOMES NORTH & INFILL)	867,000	1,616,000	5,163,000	363,000	-	-	-	250,000	500,000	-	-	-	4,050,000
VACANT & BOARDED HOUSING PROG	1,488,000	1,440,000	1,440,000	-	1,440,000	-	-	-	-	-	-	-	-
HOM (Homeownership Opportunity in Minneapolis)	500,000	524,000	721,000	-	-	-	-	525,000	-	-	-	-	196,000
HOMEOWNERSHIP COUNSELING AND OUTREACH	188,000	175,000	225,000	-	-	-	-	-	-	-	-	-	225,000
HOW - HOME OWNERSHIP WORKS	1,206,000	1,206,000	1,206,000	-	-	706,000	-	-	-	-	-	500,000	-
HOMEOWNERSHIP CAPACITY	100,000	100,000	100,000	-	-	-	-	-	-	-	-	-	100,000
HOMEOWNER REHABILITATION PROGRAMS	1,050,000	1,998,000	1,057,000	-	1,007,000	-	-	50,000	-	-	-	-	-
HOUSING REPLACEMENT WATERSHED	273,000	1,016,000	1,017,000	-	-	-	-	-	-	-	-	1,017,000	-
HOUSING AND ECONOMIC DEVELOPMENT PROGRAMS	181,000	146,000	149,000	149,000	-	-	-	-	-	-	-	-	-
COMMON PROJECTS UNCERTIFIED	-	-	233,000	-	-	-	-	-	-	-	-	233,000	-
AFFORDABLE MISSING MIDDLE	-	-	500,000	-	-	-	-	-	-	-	-	-	500,000
HOUSING STABILIZATION	-	-	1,500,000	-	-	-	-	-	-	-	-	-	1,500,000
BUSINESS DEVELOPMENT	9,245,000	9,041,000	9,670,000	2,688,000	634,000	-	-	2,162,000	-	183,000	1,453,000	2,550,000	-
ADMINISTRATION AND OPERATIONS	2,539,000	2,711,000	2,737,000	2,200,000	-	-	-	537,000	-	-	-	-	-
SMALL BUSINESS REVOLVING LOAN PROG	2,200,000	2,200,000	2,200,000	-	-	-	-	-	-	-	-	-	2,200,000
GREATER MSP	10,000	-	-	-	-	-	-	-	-	-	-	-	-
SMALL BUSINESS PARTNERSHIP	215,000	105,000	105,000	105,000	-	-	-	-	-	-	-	-	-
OPPORTUNITY HUB - CEDAR RIVERSIDE	193,000	-	-	-	-	-	-	-	-	-	-	-	-
GREAT STREETS PROGRAM	938,000	938,000	1,484,000	-	634,000	-	-	850,000	-	-	-	-	-
BUSINESS TECHNICAL ASSISTANCE PROG	350,000	350,000	350,000	-	-	-	-	-	-	-	-	-	350,000
ENERGY EFFICIENCY REVOLVING LOAN PROG	200,000	-	-	-	-	-	-	-	-	-	-	-	-
CO-OP TECHNICAL ASSISTANCE PROG	-	50,000	-	-	-	-	-	-	-	-	-	-	-
CAPITAL ACQUISITION REVOLVING FUND	500,000	500,000	500,000	-	-	-	-	500,000	-	-	-	-	-
COMMERCIAL PROPERTY MANAGEMENT	120,000	120,000	120,000	-	-	-	-	120,000	-	-	-	-	-
COMMON PROJECTS UNCERTIFIED	434,000	391,000	185,000	-	-	-	-	-	-	-	-	185,000	-
RIVER TERMINAL	1,371,000	1,372,000	1,348,000	-	-	-	-	155,000	-	-	-	1,193,000	-
GARFS	175,000	179,000	183,000	-	-	-	-	-	-	183,000	-	-	-
COMMERCIAL LAND TRUST ASSESSMENT	-	50,000	-	-	-	-	-	-	-	-	-	-	-
LAKE STREET AND NICOLLET	-	75,000	75,000	-	-	-	-	-	-	-	-	75,000	-
SMALL BUSINESS DEVELOPMENT TEAM	-	0	343,000	343,000	-	-	-	-	-	-	-	-	-
AFRICAN AMERICAN MUSEUM	-	0	40,000	40,000	-	-	-	-	-	-	-	-	-
Prog #5 - BUSINESS LICENSING	3,082,000	3,197,000	3,337,000	3,337,000	-	-	-	-	-	-	-	-	-
Prog #6 - ADULT WORKFORCE DEVELOPMENT	5,390,000	6,050,000	5,796,000	1,051,000	1,229,000	-	2,520,000	996,000	-	-	-	-	-
Prog #7 - YOUTH TRAINING AND DEVELOPMENT	4,410,000	4,564,000	4,160,000	927,000	334,000	-	2,180,000	719,000	-	-	-	-	-
Prog #8 - LAND USE, DESIGN & PRESERVATION	2,766,000	2,857,000	3,034,000	2,264,000	770,000	-	-	-	-	-	-	-	-
Prog #9 - DEVELOPMENT SERVICES - CSC	2,119,000	2,123,000	2,219,000	2,219,000	-	-	-	-	-	-	-	-	-
Prog #10 - CONSTRUCTION CODE SERVICES	8,427,000	9,148,000	9,400,000	9,400,000	-	-	-	-	-	-	-	-	-
Prog #11 - TRANSFER AND DEBT SERVICES	35,505,000	36,651,000	35,167,000	-	-	-	-	-	-	-	-	35,167,000	-
TOTAL	102,574,000	110,197,000	130,865,000	34,796,000	10,472,000	2,016,000	4,700,000	4,859,000	16,581,000	183,000	38,609,000	11,299,000	-

**SCHEDULE SEVEN
INTERFUND TRANSFER EXPENSE**

	2016 Actual	2017 Actual	2018 Budget	2019 Council Adopted	Description (2018 & 2019 Transfers Only)
TRANSFER TO OTHER SPEC REV FDS 01000	4,000	4,317	4,000	5,000	Transfer related to Centralized Leases Action
TRANSFER TO OTHER SPEC REV FDS 01100	-	-	250,000	-	Downtown Community Based Policing Strategies
TRANSFER TO CONV CTR 01760	50,050,000	49,786,220	-	-	
TRANSFER TO REGULATORY SERVICES 0190	-	-	-	800,000	Regulatory Services Special Revenue Fund
TRANSFER TO TAX INCREMENT FUNDS	-	-	-	16,471,000	For LT CPED Projection Special Fund
TRANSFER TO MBC CAPITAL 34200	-	-	-	200,000	MBC Elevators
TRANSFER TO CAPITAL 04100	-	5,500,000	5,909,000	8,526,000	Street Infrastructure & Neighborhood Park Funding Plan, and Downtown Campus transfer via 06400.
	500,000	-	-	-	
TRANSFER TO PROPERTY SRV CAPITAL 0418	-	-	-	5,100,000	City Hall and New Public Service Center
TRANSFER TO EQUIPMENT 06100	2,385,750	1,958,030	280,000	-	Transfer related CARS
TRANSFER TO PROP SVCS 06200	279,322	300,260	219,071	228,000	Transfer related to Centralized Leases Action
	-	1,000,000	-	-	
	520,000	-	100,000	-	Transfer related CARS
TRANSFER TO INFO TECH 06400	185,139	191,708	192,784	203,000	Includes transfers related to Centralized Leases Action
	1,430,000	-	1,567,000	-	Transfer related CARS
	50,000	-	-	-	
	-	-	-	150,000	Technology Improvements in the Strategic Information Center
TRANSFER TO CITY SELF INS 06900	261,000	296,657	262,000	312,000	Transfer related to Centralized Leases Action
TRANSFER TO WATER 07400	24,000	24,511	27,000	29,000	Centralized Leases Action
TRNSFR TO SOLID WASTE 07700	423,000	325,000	325,000	325,000	Graffiti remediation efforts
	50,000	-	-	-	
00100 - GENERAL FUND	56,162,211	59,386,703	9,135,855	32,349,000	
01591 - ARENA					
TRANSFER TO DOWNTOWN ASSETS	-	-	-	2,757,000	Excess cash balance in Arena Spec. Rev. Fund
01591 - ARENA	-	-	-	2,757,000	
01700 - DOWNTOWN ASSETS					
TRANSFER TO CITY GENERAL 00100	-	-	21,000,000	31,200,000	Local Taxes supporting the General Fund
TRANSFER TO CITY GENERAL 00100	-	-	9,850,000	-	Local Taxes supporting the General Fund
TRANSFER TO CITY GENERAL 00100	-	-	-	262,000	To cover expenses incurred by other General Fund departments
TRANSFER TO CONV CTR 01760	-	-	26,811,000	26,682,000	Convention Center Operating and Capital
TRANSFER TO CONV CTR 01760	-	-	-	32,838,000	Convention Center Operating and Capital
TRANSFER TO OTHER DEBT SERVICE FUNDS	-	-	5,661,000	5,697,000	Sales Tax Supported Arena Debt Service
TRANSFER TO PEAVY PLAZA 01710	-	-	4,400,000	-	Peavy Capital & Operating
TRANSFER TO COMMONS 01720	-	-	750,000	-	Commons Operating
01700 - DOWNTOWN ASSETS	-	-	68,472,000	96,679,000	
01760 - CONVENTION CENTER OPERATIONS					
TRANSFER TO CITY GENERAL 00100	-	3,859,657	-	-	Transfer related to CARS & one-times
TRANSFER TO SPECIAL REVENUE 01100	-	250,000	-	-	Community Based Policing Strategies
TRANSFER TO CITY CAPITAL 04100	-	6,000,000	-	-	Street Infrastructure and Neighborhood Park Funding Plan
TRNSFR TO CNV CTR DBT SVC 05300	24,430,742	24,487,743	24,811,125	26,682,000	Convention Center related debt
01760 - CONVENTION CENTER OPERATIONS	24,430,742	34,597,400	24,811,125	26,682,000	
019FO - FIRE PENSION BONDS					
TRANSFER TO CITY GENERAL 00100	-	-	-	2,500,000	Ongoing General Fund Operating Needs
019FO - FIRE PENSION BONDS	-	-	-	2,500,000	
019PO - POLICE PENSION BONDS					
TRANSFER TO CITY GENERAL 00100	-	-	-	2,500,000	Ongoing General Fund Operating Needs
019PO - POLICE PENSION BONDS	-	-	-	2,500,000	
VARIOUS - TIF FUNDS					
TRANSFER TO CITY GENERAL 00100	-	-	122,000	-	Interest Earnings fo General Fund
TRNSFR TO TAX INC DBT SVC 05900	9,019,061	5,625,076	3,077,313	3,773,000	TIF debt service reimbursement
TRNSFR TO PARKING 07500	690,460	814,000	1,136,668	929,000	TIF debt service reimbursement
TRANSFER TO OTHER DEBT SVC FDS	5,158,610	5,468,180	5,805,803	18,343,000	TIF debt service reimbursement
VARIOUS - TIF FUNDS	14,868,131	11,907,256	10,141,784	23,045,000	
VARIOUS PURPOSE BOND FUNDS					
TRANSFER TO CITY CAPITAL 04100	26,908,247	50,249,119	-	-	
TRANSFER TO MBC CAPITAL 34200	615,846	967,975	-	-	
TRANSFER TO PARK CAPITAL 14300	5,983,859	10,471,955	-	-	
TRNSFR TO GEN DEBT SVC 05250	811,950	396,678	-	-	
TRNSFR TO OTHER DEBT SVC FDS	1,333,141	200,064	-	-	
TRNSFR TO INFO TECH 06400	1,409,045	1,191,482	-	-	
VARIOUS PURPOSE BOND FUNDS	37,062,088	63,477,273	-	-	
01SDA - DEVELOPMENT ACCOUNT					
TRANSFER TO DOWNTOWN ASSETS	-	-	-	10,000,000	Nicollet Hotel Block Sale
01SDA - DEVELOPMENT ACCOUNT	-	-	-	10,000,000	
IMPROVEMENT BOND ARBITRAGE					
TRANSFER TO DOWNTOWN ASSETS 017100	-	-	420,000	-	Commons Operating
TRANSFER TO CITY CAPITAL 04100	-	-	-	-	
TRANSFER TO CAPITAL ARBITRAGE	-	-	-	-	
TRNSFR TO OTHER DEBT SVC FDS	-	85,013	-	-	
TRNSFR TO GEN DEBT SVC 05250	-	-	-	-	
TRNSFR TO SANITARY SEW 07100	-	-	-	-	
TRNSFR TO WATER 07400	-	-	-	-	
IMPROVEMENT BOND ARBITRAGE	-	85,013	420,000	-	

**SCHEDULE SEVEN
INTERFUND TRANSFER EXPENSE**

	2016 Actual	2017 Actual	2018 Budget	2019 Council Adopted	Description (2018 & 2019 Transfers Only)
041SC - STREET CAR VALUE CAPTURE FUND					
TRNSFR TO GEN FUND 00100	-	-	-	2,000,000	Ongoing General Fund Operating Needs
041SC - STREET CAR VALUE CAPTURE FUND	-	-	-	2,000,000	
04G01 - BOND REDEMPTION - DEBT SERVICE					
TRNSFR TO SOLID WASTE FUND 07700	-	-	-	2,586,000	Capitalized Interest - 2018 GO Capital Improvement Bond Debt Service
04G01 - BOND REDEMPTION - DEBT SERVICE	-	-	-	2,586,000	
05250 - BOND REDEMPTION - DEBT SERVICE					
TRANSFER TO SOLID WASTE FUND 07700	-	-	-	3,523,000	Net Debt Portion of 2018 East Side Storage Facility Bond Debt Service
05250 - BOND REDEMPTION - DEBT SERVICE	-	-	-	3,523,000	
05270 - PENSION FUND - DEBT SERVICE					
TRNSFR TO GEN FUND 00100	1,413	-	-	-	
05270 - PENSION FUND - DEBT SERVICE	1,413	-	-	-	
05351 - TARGET CTR SALES TAX DS					
TRNSFR TO GEN DEBT SVC 05250	-	70,000	-	-	Transfer May, 2017 Cost Of Issuance Expenses
05351 - TARGET CTR SALES TAX DS	-	70,000	-	-	
06100 - EQUIPMENT - INTERNAL SERVICE					
TRANSFER TO CITY GENERAL 00100	-	-	-	1,000,000	Ongoing General Funded operating needs
06200 - PROPERTY - INTERNAL SERVICE	-	-	-	1,000,000	
06200 - PROPERTY - INTERNAL SERVICE					
TRANSFER TO OTHER DEBT SERVICE FUNDS	-	-	-	500,000	City Hall and New Public Service Center Debt Service
TRANSFER TO CITY GENERAL 00100	-	1,500,000	-	-	Transfer related to CARS
TRANSFER TO EQUIPMENT 06100	326,161	345,663	316,893	317,000	Property Services debt paid by Fleet
06200 - PROPERTY - INTERNAL SERVICE	326,161	1,845,663	316,893	817,000	
06210 - PROPERTY DISP - INTERNAL SERVICE					
TRANSFER TO CITY CAPITAL 04100	-	78,523	-	-	Transfer remaining balance to CCPSD011301 PS Project
06210 - PROPERTY DISP - INTERNAL SERVICE	-	78,523	-	-	
06400 - INFO TECH - INTERNAL SERVICE					
TRANSFER TO CITY GENERAL 00100	-	-	-	220,000	Food, Lodging and Pools Inspections
TRANSFER TO CITY GENERAL 00100	-	3,000,000	-	3,000,000	Costs of the New Downtown Campus
TRANSFER TO OTHER SPEC REV FDS	-	13,933	-	-	
06400 - INFO TECH - INTERNAL SERVICE	-	3,013,933	-	3,220,000	
06900 - SELF INSURANCE-INTERNAL SVC					
TRANSFER TO CITY GENERAL 00100	-	29,120	305,000	60,000	Body Cameras for Front Line Officers
TRANSFER TO CITY CAPITAL 04100	-	-	8,000,000	-	Street Infrastructure and Neighborhood Park Funding Plan
06900 - SELF INSURANCE-INTERNAL SVC	-	29,120	8,305,000	60,000	
07100 - SANITARY SEWER FUND					
TRNSFR TO GEN DEBT SVC 05250	492,878	11,975	-	-	Bond Sale Premium to cover Cost Of Issuance
TRANSFER TO WATER 07400	1,101,466	1,212,666	684,147	593,000	To cover meter shop expenses
07100 - SANITARY SEWER FUND	1,594,344	1,224,641	684,147	593,000	
07300 - STORMWATER FUND					
TRANSFER TO CITY GENERAL 00100	110,000	110,000	110,000	110,000	Funds 2 Environmental Services FTEs
TRANSFER TO CITY CAPITAL 04100	-	1,500,000	1,515,000	1,530,000	Street Infrastructure & Neighborhood Funding Plan
07300 - STORMWATER FUND	110,000	1,610,000	1,625,000	1,640,000	
07400 - WATER - ENTERPRISE					
TRNSFR TO GEN DEBT SVC 05250	273,161	18,210	-	-	
07400 - WATER - ENTERPRISE	273,161	18,210	-	-	
07500 - MUNICIPAL PARKING-ENTERPRISE					
TRANSFER TO CITY GENERAL 00100	3,919,000	7,000,000	7,000,000	7,000,000	Inclues, annual contribution from parking fund per the parking fund workout plan
TRNSFR TO GEN DEBT SVC 05250	-	3,657	-	-	Bond Sale Premium to cover Cost Of Issuance
TRANSFER TO OTHER SPEC REV FDS	3,728,377	3,940,228	4,158,435	4,383,000	Target center finance plan
TRNSFR TO SOLID WASTE 07700	146,000	146,000	146,000	146,000	Litter container collection (added in 2001)
07500 - MUNICIPAL PARKING-ENTERPRISE	7,793,377	11,089,885	11,304,435	11,529,000	
07ERZ - GARFS					
TRNSFR TO CITY CAPITAL 04100	-	-	-	7,500,000	Street Infrastructure & Neighborhood Funding Plan
07ERZ - GARFS	-	-	-	7,500,000	
SUMMARY	142,295,467	188,433,620	135,216,239	230,980,000	

**SCHEDULE EIGHT
UTILITY FEES SCHEDULE**

The Council adopted the **Mayor’s Recommended 2019 Utility Fees**. The rates for Water and Sanitary Sewer fees include both a variable rate component based on water usage and a fixed rate component based on the size of the water meter servicing the property. The Stormwater Sewer fees are based on the size of the property and an accepted stormwater runoff coefficient, and the Solid Waste and Recycling fees are presented as a base fee plus a large/small cart component. Factors affecting the utility rates are discussed in the Financial Plans for the respective enterprise funds. The table below provides a summary of the anticipated change in an average residential customer’s combined utility bill from **2018 to 2019**.

Monthly and Annual Cost for Average Customer

	2018	2019 Monthly Average*	2019 Annual Average	2019 Monthly Change	2019 % Change
Water	\$29.56	\$30.41	\$365	\$0.85	2.9%
Sanitary Sewer	\$28.58	\$31.06	\$373	\$2.48	8.7%
Stormwater	\$12.71	\$13.09	\$157	\$0.38	3.0%
Solid Waste/ Recycling**	\$28.99	\$29.53	\$354	\$0.54	1.9%
Total	\$99.84	\$104.09	\$1,249	\$4.25	4.3%

*The average household rate for water is based on 7 units of consumption at \$3.63 per unit plus a \$5.00 fixed charge. Sanitary rates are based on 6 units of water consumption at \$4.21 per unit plus a fixed charge of \$5.80. Stormwater rates are based on 1 equivalent Stormwater unit of 1,530 square feet on impervious surface at \$13.09 per unit.

**The solid waste rate is based on a \$24.53 monthly charge with a large recycling cart fee of \$5.00. Customers can substitute a small cart with a \$2.00 fee.

Over the five-year period from **2019 to 2023**, the average residential customer’s combined utility bill is anticipated to change as shown in the table below.

Monthly Cost for Average Customer – 2019-2023

	2018	2019	2020	2021	2022	2023
Water	\$29.56	\$30.41	\$31.26	\$32.11	\$32.96	\$33.81
Sanitary Sewer	\$28.58	\$31.06	\$33.54	\$36.02	\$38.50	\$40.56
Stormwater	\$12.71	\$13.09	\$13.59	\$14.19	\$14.79	\$15.54
Solid Waste/Recycling	\$28.99	\$29.53	\$30.08	\$30.65	\$31.29	\$31.95
Total	\$99.84	\$104.09	\$108.47	\$112.97	\$117.54	\$121.86
Percent change	-	4.3%	4.2%	4.1%	4.0%	3.7%
\$ change	-	\$4.25	\$4.38	\$4.50	\$4.57	\$4.32

Anticipated annual revenues from utility billing rates are presented below.

Annual Utility Billing Revenues – 2019-2023
(in thousands)

	2018	2019	2020	2021	2022	2023
Water	\$ 67,895	\$ 68,881	\$ 70,538	\$ 72,195	\$ 73,853	\$ 75,510
Sanitary Sewer	65,738	70,890	76,513	82,136	87,759	92,363
Stormwater	39,679	40,735	42,303	44,184	46,065	48,416
Solid Waste/Recycling	37,116	38,007	38,718	39,444	40,269	41,114
Total	\$ 210,428	\$ 218,513	\$ 228,072	\$ 237,959	\$ 247,946	\$ 257,403
Percent change		3.8%	4.4%	4.3%	4.2%	3.8%
\$ change		\$ 8,085	\$ 9,559	\$ 9,887	\$ 9,987	\$ 9,457

Water

The following rates are effective with utility billings for water meters read from and after **January 1, 2019**. Charges commence when the street valve is turned on for water service. The meter rates for water are hereby fixed and shall be collected as follows:

Customer	Rate
Customers not otherwise mentioned	\$3.63 / 100 cubic feet
Municipalities, Municipal Corporations, Villages & customers outside the corporate limits of the city	\$3.78 / 100 cubic feet
Contractual Customers*	\$* / 100 cubic feet

*Rates for municipalities, municipal corporations and villages, which are established by contract, shall continue on the existing contract basis

In addition to the above rates a fixed charge based on meter size will be billed each billing period or fraction thereof as follows:

Meter Size (Inches)	Fixed Charge
5/8	\$ 5.00
3/4	7.50
1	12.50
1 1/2	25.00
2	40.00
3	80.00
4	125.00
6	250.00
8	400.00
10	575.00
12	1,650.00

Sanitary Sewer

The sanitary sewer rates shall be applied to utility billings for water meters read from and after **January 1, 2019**.

Service	Rate
Sanitary Sewer (Inside City of Minneapolis)	\$4.21 / 100 cubic feet
Sanitary Sewer (Outside City of Minneapolis)*	\$4.21 / 100 cubic feet*
Sanitary Sewer only (Outside the City of Minneapolis)	\$31.06 / Month

*When the City of Minneapolis also provides water. In addition, the fixed charge sanitary sewer rate shall be based on meter size as show below

In addition, a fixed charge based on water meter size will be billed each billing period or fraction thereof as follows:

Meter Size (Inches)	Fixed Charge
5/8	\$ 5.80
3/4	8.70
1	14.50
1 1/2	29.00
2	46.40
3	92.80
4	145.00
6	290.00
8	464.00
10	667.00
12	1,914.00

Stormwater

The stormwater rate, subject to the provisions in Chapter 510, of the Minneapolis Code of Ordinances, is imposed on each and every Single-Family Residential Developed Property, Other Residential Developed Property, Non-Residential Developed Property, and Vacant Property, other than Exempt Property, and the owner and non-owner users, and is hereby set from and after **January 1, 2019** as follows:

Single Family Residential Developed Property	Stormwater Rate
High (>1578 sq. ft.) *ESU=1.25	\$ 16.36
Medium (≥1485 & ≤1578 sq. ft.) *ESU=1.00	13.09
Low (<1485 sq. ft.) *ESU=0.75	9.82

*The Equivalent Stormwater Unit (ESU) rate is **\$13.09**. The ESU measurement is 1,530 square feet of impervious area.

Stormwater charges for **all other properties** will be based on the following calculation:

$$\text{Monthly Fee} = (\text{Gross Lot Size in sq. ft.} \times \text{Runoff Coefficient}) \div 1,530 \text{ sq. ft.} = \# \text{ of ESU}$$

$$\# \text{ of ESU} \times \$ 13.09$$

The runoff coefficient assumed for each land use category is shown below.

Land Use	Coefficient	Land Use (cont'd)	Coefficient
Bar-Rest.-Entertainment	.75	Multi-Family Apartment	.75
Car Sales Lot	.95	Multi-Family Residential	.40
Cemetery w/Monuments	.20	Office	.91
Central Business District	1.00	Parks & Playgrounds	.20
Common Area	.20	Public Accommodations	.91
Garage or Misc. Res	.55	Retail	.91
Group Residence	.75	Single Family Attached	.75
Ind. Warehouse- Factory	.90	Single Family Detached	ESU
Industrial Railway	.85	Sport or Rec. Facility	.60

Institution-Sch.- Church	.90	Utility	.90
Misc. Commercial	.90	Vacant Land Use	.20
Mixed Comm. -Res -Apt	.75	Vehicle Related Use	.90

Solid Waste and Recycling

Solid waste and recycling variable rate charges associated with water meter read dates from and after **January 1, 2019** are set as follows:

Type of Charge	Monthly Rate per Dwelling Unit
Base Charge	\$ 24.53
Small Cart Disposal	2.00
Large Cart Disposal	5.00

SCHEDULE NINE

Schedule 9 - General Fund - Fund Balance Policy

Cash Flow and Contingency. The City shall maintain a minimum unrestricted General Fund balance of 17% of the following year's General Fund budgeted expenditures amount to be used for cash flow purposes, unanticipated expenditures of a non-recurring nature, and to meet unexpected increases in service delivery costs or unexpected revenue shortfalls. These funds are used to avoid cash flow interruptions, generate interest income, and to avoid the need for short-term borrowing.

General Fund*	2016	2017	2018
Fund Balance - Policy	\$84.6	\$80.1	\$87.1
Fund Balance - Actual	\$107.5	\$117.1	\$92.2

* in millions; 2018 amounts represent estimated year-end balances.

Schedule 9 - Enterprise Fund Cash Balance Policy

Enterprise Funds. The appropriate balance shall be maintained to ensure adequate maintenance reserves, cash flow balancing requirements and legal restrictions. Where cost-effective access to capital markets is available and debt financing is regularly used, replacement balances shall not be maintained so current consumers are not required to pay for future facilities. The City shall maintain a minimum cash balance in its Enterprise Funds equal to approximately three months of operating expense.

Enterprise Fund Cash Requirements*	2016	2017	2018
Sanitary Sewer Fund - Policy	\$15.3	\$15.8	\$16.9
Sanitary Sewer Fund - Actual	\$18.3	\$17.8	<i>\$16.1</i>
Stormwater Fund - Policy	\$7.1	\$7.3	\$7.8
Stormwater Fund - Actual	\$35.9	\$27.1	\$25.1
Solid Waste Fund - Policy	\$9.4	\$9.4	\$9.9
Solid Waste Fund - Actual	\$25.3	\$24.5	\$30.1
Water Fund - Policy	\$14.4	\$7.3	\$7.8
Water Fund - Actual	\$42.1	\$27.1	\$25.1
Parking Fund - Policy	\$8.0	\$11.2	\$8.1
Parking Fund - Actual	\$14.0	\$26.5	\$25.0

* in millions; 2018 amounts represent estimated year-end balances.

Funds that are not meeting the Fund Policy are *highlighted and italicized*

SCHEDULE NINE

Schedule 9 - Internal Service Fund Balance Policy

Internal Service Funds: The appropriate balance shall be maintained to ensure adequate maintenance reserves, cash flow balancing requirements and legal restrictions.

- Self-Insurance Fund shall maintain a cash balance equal to the unpaid claims payable amount on its balance sheet plus 10% of the annual department operating budgets within the fund. Net Position within the fund should not fall below zero.

- Fleet Services, Intergovernmental Services and Property Services Funds: If allocation model charges to customers are sufficient to cover debt service or depreciation expense, then the minimum cash balance should be 15% of the fund's operating budget. If not, the reserve should be 15% of the fund's total budget. Net Position shall not fall below two times the fund's annual depreciation amount.

- Stores and Engineering Materials & Testing Funds shall maintain cash and net Positions equal to 15% of the fund's annual operating budget.

Internal Service Fund Balance Requirements*	2016	2017	2018
Self Insurance Fund Cash Balance Policy	\$55.3	\$56.2	\$61.9
Self Insurance Fund Cash Balance Actual	\$80.0	\$90.0	\$93.6
Self Insurance Fund Net Position Policy	\$0.0	\$0.0	\$0.0
Self Insurance Fund Net Position Actual	\$21.2	\$25.0	\$28.6
Fleet Services Fund Cash Balance Policy	\$3.2	\$3.0	\$3.3
Fleet Services Fund Cash Balance Actual	\$26.9	\$30.4	\$19.2
Fleet Services Fund Net Position Policy	\$14.2	\$15.1	\$17.6
Fleet Services Fund Net Position Actual	\$66.5	\$74.6	\$71.7
Intergovernmental Services Fund Cash Balance Policy	\$5.3	\$5.9	\$5.7
Intergovernmental Services Fund Cash Balance Actual	\$30.9	\$23.6	\$23.5
Intergovernmental Services Fund Net Position Policy	\$13.7	\$19.5	\$19.5
Intergovernmental Services Fund Net Position Actual	\$57.7	\$46.4	\$46.9
Property Services Fund Cash Balance Policy	\$2.4	\$2.9	\$2.5
Property Services Fund Cash Balance Actual	\$8.1	\$8.2	\$7.2
Property Services Fund Net Position Policy	\$2.7	\$2.6	\$2.5
Property Services Fund Net Position Actual	\$32.7	\$30.3	\$30.4
Stores Fund Cash Balance Policy	\$0.2	\$0.2	\$0.2
Stores Fund Cash Balance Actual	\$1.2	\$2.0	\$2.3
Stores Fund Net Position Policy	\$0.2	\$0.2	\$0.2
Stores Fund Net Position Actual	\$4.6	\$5.1	\$5.1
Engineering Materials & Testing Fund Cash Balance Policy	\$0.3	\$0.3	\$0.3
Engineering Materials & Testing Fund Cash Balance Actual	\$1.4	\$1.5	\$1.8
Engineering Materials & Testing Fund Net Position Policy	\$0.3	\$0.3	\$0.3
Engineering Materials & Testing Fund Net Position Actual	\$0.6	<i>\$0.1</i>	\$0.4

* in millions; 2018 amounts represent estimated year-end balances.

Funds that are not meeting the Fund Policy are *highlighted and italicized*

SCHEDULE NINE

Schedule 9 - Variable Rate Debt Policy

Variable Rate Debt. The City uses variable rate debt to provide debt structuring flexibility and potential interest savings to the total debt portfolio. Generally, the City maintains no more than 25% of its total debt obligations in variable rate mode. It also strives for no more than 25% of the debt in variable rate mode within the major business functions that issue debt such as the Stormwater, Sanitary Sewer, Water and Parking funds or the Convention Center.

Variable Rate Debt by Fund	2016	2017	2018
Total General Obligation Debt	12.4%	11.8%	4.5%
Property Tax Supported Debt	0.6%	0.0%	0.0%
Special Assessment Debt	19.5%	8.8%	6.2%
Tax Increment Debt	4.9%	4.5%	0.0%
Parking Fund Debt	<i>45.4%</i>	<i>48.0%</i>	<i>39.5%</i>

*Policy: No more than 25%; 2018 amounts represent year-end balances.
Rates that are not meeting the Rate Policy are **highlighted and italicized***

City of Minneapolis 2019 Budget

Glossary of Terms

AC – Animal Control.

Accrual Basis of Accounting – Recognizes transactions when they occur regardless of the related cash flows. Recognizes revenues in the accounting period in which they are earned and measurable.

ACH – Automated Clearing House.

Actuarial Accrued Liability – Term used in connection with defined benefit pension and other post-employment benefit plans to describe that portion of the present value of benefits promised to employees that will not be provided through future normal cost.

Actuarial Assumptions – Term used in connection with defined benefit pension and other post-employment benefit plans to describe assumptions that an actuary must make as to the occurrence of future events affecting benefit costs (e.g., mortality).

Actuarial Value of Assets – Term used in connection with defined benefit pension and other post-employment benefit plans. The value assigned to plan assets for actuarial purposes. Because this value often represents an average over time, and because the valuation date may be different from the reporting date, the actuarial value of assets may differ from the amount reported in the financial statements as of the end of the fiscal period.

Advance Refunding – Transaction in which new debt is issued to refinance existing debt (old debt), but the proceeds must be placed in escrow pending call date or maturity (i.e., refunding in advance of redemption).

ACN – Automatic Collision Notification.

ADA – Americans with Disabilities Act.

ADR – Alternative Dispute Resolution program.

Agency - This is the term for the highest organizational level, in most cases a city department or independent board.

Agency Funds – Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments, and/or other funds.

AHTF – Affordable Housing Trust Fund.

Appropriation – Spending authority created by City Council resolutions that are signed into law with related revenue estimates, which includes all revenues, transfers, allocations, and other legally authorized budget changes. Appropriations expire at the end of the year unless action is taken by the Council (or delegated to the City Finance Officer) to reappropriate unspent balances.

Arbitrage – In government finance, the reinvestment of the proceeds of tax-exempt securities in materially higher yielding taxable securities.

Assessed Valuation – Valuation set upon real estate or other property by a government as a basis for levying taxes.

ASSM – Assessments – improvements paid for partially or wholly by property owners.

ASP – Application Service Provider.

Balanced Budget – Refers to a budget in which revenues are equal to expenditures.

Basis of Budgeting – Method used to determine when revenues and expenditures are recognized for budgetary purposes.

BET – Board of Estimate and Taxation, consisting of the Mayor, the President of the City Council, the Chair of the City Council's Ways and Means/Budget Committee, one member of the Park and Recreation Board, and two elected citizens.

BLOA – Budgetary Leave of Absences. A term used to describe a type of unpaid leave.

Bond Anticipation Note – Short term, interest-bearing note issued by a government in anticipation of bond proceeds to be received at a later date. The note is retired from proceeds of the bonds to which it is related.

Bonds – General Obligation Bonds (GO Bonds): A bond secured by the “full faith and credit” of the issuing government and backed by taxing power.

Business-type Activities – One of two classes of activities reported in the government-wide financial statements. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. These activities are usually reported in enterprise funds.

CAD – Computer Aided Dispatch.

CAFR – Comprehensive Annual Financial Report.

CAMA - Computer Assisted Mass Appraisal.

CAO – City Attorney’s Office.

Capital Assets – Land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

Capital Improvement Plan (CIP) – A five-year plan for proposed capital improvements. The first year of the CIP is formally adopted as the Capital Budget.

Capital Program – see Capital Improvement Plan (CIP).

Capital Projects Funds – Used to account for financial resources and expenditures applied to the construction of capital facilities and major purchased items for governmental fund types.

Cash – In the context of cash flows reporting, not only currency on hand, but also demand deposits with banks or other financial institutions. Cash also includes deposits in other kinds of accounts or cash management pools that have the general characteristics of demand deposit accounts in that the governmental enterprise may deposit additional cash at any time and also effectively may withdraw cash at any time without prior notice or penalty.

Cash Basis of Accounting – Basis of accounting that recognizes transactions or events when related cash amounts are received or disbursed.

CBA – Collective Bargaining Agreement.

CBR – Capital Budget Request.

CCS – Construction Code Services, a division / program within Community Planning and Economic Development department.

CCU/D – Contract Compliance Unit/Division.

CDBG – Community Development Block Grant. Grants provided to the City, based on its submitted consolidated plan. They are annual direct grants that can be used to revitalize neighborhoods, expand affordable housing and economic opportunities, and/or improve community facilities and services, principally to benefit low- and moderate-income persons.

CID – Complaint Investigations Division

CIP – Capital Improvement Program

Claims – Requests for reimbursement for damages resulting from fault or liability of the City.

Classification Rate – The percentage set by State statute that is applied to the market value of each property to arrive at the tax capacity.

CLIC – Capital Long-Range Improvement Committee - a committee of 33 private residents appointed by the 13 Council members (2 per ward) and Mayor (7). The committee reviews Capital proposals and recommends priorities for capital spending within specified resource parameters.

CMS – Case Management System (City Attorney’s Office).

COLA – Cost of Living Adjustment.

COMET – City of Minneapolis Enterprise Technology – an upgraded City software system for human resources, financials, and business information reporting and analysis.

Component Unit – Legally separate organization for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

Conduit Debt – Certain limited-obligation revenue bonds, certificates of participation, or similar debt instruments issued by a state or local governmental entity for the express purpose of providing capital financing for a specific third party that is not a part of the issuer’s financial reporting entity. Although conduit debt obligations bear the name of the governmental issuer, the issuer has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf they are issued.

Contingency – Budget for undesignated expenditures. These expenditures cannot be placed in departmental budgets, primarily due to uncertainty about the level or timing of expenditures when the budget is adopted. These funds are earmarked for emergency or unanticipated expenses, special projects or shortfalls in revenue. The release of these funds is governed by the City Council.

Contractual Services – The summary expense category, which displays expenses such as contracts for service, quasi-contractual arrangement such as utilities, or services billed by another unit of government.

CPED – Community Planning and Economic Development Department. CPED is directed to oversee and coordinate all City planning and development activity.

CPC – City Planning Commission.

CPI – Consumer Price Index.

CPP – Community Participation Program.

CRA – Civilian Review Authority.

CSA – County-State Aid, received by the City for work done on County roads.

CSAH – County State Aid Highways.

CRM – Customer Relationship Management.

CRT – Community Response Team.

CSO – Combined Sewer Overflow, which separates the remaining storm sewer lines that are connected to sanitary sewer lines. (Public Works).

CSO – Community Service Officer. (Police Department)

CY - Calendar Year or Current Year.

DAPT – Domestic Abuse Prosecution Team, in the City Attorney’s office.

Debt Service – Amount of resources required for payment of principal and interest on outstanding bonds and notes.

Debt Service Funds – Used to account for the accumulation of resources for, and the payment of, general long-term debt, principal, interest and related costs.

Defined Benefit Pension Plan – Pension plan having terms that specify the amount of pension benefits to be provided at a future date or after a certain period of time; the amount specified usually is a function of one or more factors such as age, years of service and compensation.

Depreciation – reduction in the value of an asset with the passage of time, due in particular to wear and tear.

Direct Expense – Expense that is specifically associated with a service, program, or department and, thus, is clearly identifiable to a particular function.

Duration – In the context of investment disclosure, a measure of a debt investment’s exposure to fair value changes arising from changing interest rates based upon the present value of cash flows, weighted for those cash flows as a percentage of the investment’s full price.

EAP – Employee Assistance Program.

ECM – Enterprise Case Management.

EIM - Enterprise Information Management.

EMIS – Equipment Management Information System.

Employer Contributions – Term used in the context of pension and other post-employment benefits to describe contributions actually made by the employer in relation to the annual required contribution (ARC) of the employer. (Only amounts paid to trustees and outside parties qualify.)

EOTF – Emergency Operations Training Facility.

Encumbrances – Commitments related to unperformed (executable) contracts for goods or services. For financial reporting purposes, encumbrance accounting is restricted to governmental funds.

Enterprise Bonds/Revenue – Bonds related to Sewer, Water and Parking enterprises of the City. Debt Service is paid for by user fees charged for these enterprise services. Enterprise revenues are “Pay as you go” sources anticipated to be available in the enterprise funds.

Enterprise Funds – Used to account for those activities of the City which are financed and operated in a manner similar to private business enterprises where costs and expenses, including depreciation, are recovered principally through user charges. Examples include the Water and Sewer Funds.

enQuesta – an application database to provide operational and management reports for Utility Billing.

Equivalent Stormwater Unit (ESU) – The stormwater utility fee is based on impervious area and is charged on a per unit basis. Each ESU (Equivalent Stormwater Unit) is 1,530 square feet of impervious area on a property.

ESG – Emergency Solutions Grant

Expenditure – Funds paid, or designated to be paid, for an asset or goods and services.

Fiduciary Funds – Funds used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support the government’s own programs. The fiduciary fund category includes pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

Final Amended Budget – Original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes applicable to the fiscal year, whenever signed into law or otherwise legally authorized. Also referred to as current budget or amended budget.

Fiscal Disparities – Fiscal disparities is a law by which commercial-industrial tax base growth is shared annually among metropolitan taxing jurisdictions according to a statutory formula.

Formula Grants – Government-mandated or voluntary non-exchange transactions involving the provision of resources based upon established criteria (e.g., number of full-time equivalent students) other than the incurrence of qualifying expenditures.

FSAM – Facilities Space & Asset Management. This committee consists of the City Coordinator (Co-chair), City Engineer (Co-chair), and two department heads. Staff in attendance includes the Director of Management and Budget, Facility Manager/Staff, and Space and Asset Manager/Staff.

FTE (Full Time Equivalent) – A unit of measurement to account for the number of positions authorized to departments.

Fund – A major accounting vehicle used by the city to account for revenues, expenditures, assets, and liabilities of major sectors of city activities as established by legal requirements.

Fund Balance – Difference between assets and liabilities reported in a governmental fund.

Fund Classifications – One of the three categories (governmental, proprietary, and fiduciary) used to classify fund types.

Fund Financial Statements – Basic financial statements presented on the basis of funds, in contrast to government-wide financial statements.

Fund Summary – A budgetary document that summarizes on an annual basis the activities of a city fund. It compares revenues with expenditures on an annual basis. This budget fund summary may not be the same as the audited financial statement since the fund summary includes only resources which are available to pay expenses of the fund (*i.e.*, excludes inventory and depreciation) during the current year.

Fund Type – One of eleven classifications into which all individual funds can be categorized. Governmental fund types include the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds. Proprietary fund types include enterprise funds and internal service funds. Fiduciary fund types include pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

Funded Ratio – In the context of defined benefit pension and other post-employment benefit plans, the actuarial value of assets expressed as a percentage of the actuarial accrued liability.

FY – Fiscal Year.

GAAP – Generally Accepted Accounting Principles.

GASB – Governmental Accounting Standards Board.

General Fund – The general operating fund of the City. It is used to account for all financial resources except those that are required to be accounted for in another fund.

General Obligation Debt – General obligation debt reduced by the amount of any accumulated resources restricted to repaying the principal of such debt.

GFOA – Government Finance Officers Association, the professional association of finance professionals in the public sector.

Governmental Activities – Activities generally financed through taxes, intergovernmental revenues, and other non-exchange revenues. These activities are usually reported in governmental funds and internal service funds.

Governmental Entity – For accounting and financial reporting purposes, an entity subject to the hierarchy of GAAP applicable to state and local governmental unity.

Governmental Funds – Used to account for functions of the City principally supported by taxes and intergovernmental revenues.

Government-wide Financial Statements – Financial statements that incorporate all of a government's governmental and business-type activities, as well as its non-fiduciary component units. There are two basic government-wide financial statements: the statement of net assets and the statement of activities.

HPC – Heritage Preservation Commission.

HOME – Home Investment Partnerships Program, a U.S. Department of Housing and Urban Development grant program.

HOPWA – Housing Opportunities for People With Aids, a U.S. Department of Housing and Urban Development grant program.

HRA – Housing and Redevelopment Authority.

HRIS – Human Resources Information System.

IDSS – Internet Destination Sales System, a venture of Meet Minneapolis.

IGR – Intergovernmental Relations.

Improvement – Addition made to, or change made in, a capital asset, other than maintenance, to prolong its life or to increase its efficiency or capacity. The cost of the addition or change normally is added to the book value of the asset.

Indirect Expenses – Expenses that cannot be specifically associated with a given service, program or department and thus, cannot be clearly associated with a particular functional category.

Industrial Revenue Bond – Bond proceeds are used to finance the purchase or construction of facilities or equipment to be leased to a private corporation. The bonds are backed by the revenue generated by the lease payment and ultimately by the credit of the corporation.

Infrastructure – Long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges,

tunnels, drainage systems, water and sewer systems, dams, and lighting systems.

IT – Information Technology – Directed to deliver innovative high quality, cost effective civic enablement, decision support, infrastructure and workforce empowerment services to City departments and residents. Predecessors were BIS (Business Information Services) and Technology Infrastructure Services.

Interfund Activity – Activity between funds of the primary government, included blended component units. Interfund activities are divided into two broad categories: reciprocal and nonreciprocal.

Interfund Loans – Amounts provided between funds and blended component units of the primary government with a requirement for repayment.

Interfund Transfers – Flows of assets (such as cash or goods) between funds and blended component units of the primary government without equivalent flows of assets in return and without a requirement for repayment.

ISF – Internal Service Funds – Funds used to account for those City services which are financed and operated in a manner similar to private business enterprises and the customer is other City departments instead of the public.

IWR – Utility Billing’s Interactive Web Response application.

JP – Joint Powers.

Legal Debt Margin – Excess of the amount of debt legally authorized over the amount of debt outstanding.

Legal Level of Budgetary Control – Level at which a government’s management may not reallocate resources without special approval from the legislative body.

LGA – Local Government Aid.

LMC – League of Minnesota Cities.

LMV - Limited Market Value. A limitation on the amount that a property’s market value may grow from one year to the next for purposes of property taxation. It was enacted to help mitigate rising property taxes resulting from rapidly inflating property values. The program was eliminated in 2010.

Major Fund – Governmental fund or enterprise fund reported as a separate column in the basic fund financial statements and subject to a separate opinion in the independent auditor’s report. The general fund is always a major fund. Otherwise, major funds are funds whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds for the same item. Any other governmental

or enterprise fund may be reported as a major fund if the government’s officials believe that the fund is particularly important to financial statement users.

Market Value – The estimated amount as determined by the City Assessor that a willing seller and a willing buyer would agree upon for a piece of property.

Mayor’s Recommendation – The recommended annual budget by the Mayor as required by the City Charter.

MBC – Municipal Building Commission, a component unit of the City which operates the City Hall/Courthouse Building.

MCC – Minneapolis Convention Center.

MCCR – Minneapolis Commission on Civil Rights.

MHD – Minneapolis Health Department.

Meet Minneapolis (MM) – The City’s official Convention and Visitor’s Association.

MERF – Minneapolis Employee Retirement Fund, a closed retirement plan for general City employees that merged with the statewide plan.

METP – Minneapolis Employment and Training Program.

MFD – Minneapolis Fire Department.

MFRA – Minneapolis Firefighter’s Relief Association, a retirement plan for firefighters that is closed to new members.

Minneapolis 311 – Serves as the single point of contact to the City for all non-emergency requests for information and services, which simplifies citizen access to city services and information; enables city employees to deliver services more effectively; tracks requests for service delivery from inception to completion; and provides access to city services by voice, e-mail and the web.

Modified Accrual Accounting – Recognizes expenses in the accounting period in which they are incurred and measurable. Recognizes revenues in the accounting period in which they are measurable and available.

MPD – Minneapolis Police Department.

MPHA – Minneapolis Public Housing Authority, the public agency responsible for administering public housing and Section 8 rental assistance programs for eligible individuals and families in Minneapolis.

MPRA – Minneapolis Police Relief Association, a retirement plan for police officers that is closed to new members.

MPRB – Minneapolis Park and Recreation Board, a directly elected body that is responsible for the City’s park and recreation programs and assets.

MRI – Municipal Refuse Incorporated, provider of solid waste disposal in parts of Minneapolis.

MSA – Municipal State Aid – refers to gas tax dollars distributed to local governments for use on State designated Municipal State Aid streets - usually major thoroughfares.

MTRA – MN Teachers Retirement Fund Association.

MVHC – Market Value Homestead Credit.

MVNA – Minneapolis Visiting Nurse’s Association, a community non-profit.

NCEC – Neighborhood and Community Engagement Commission.

NCR – Neighborhood and Community Relations.

NDB – Net Debt Bonds – property tax supported bonds issued to finance general infrastructure improvements. Debt service is paid by taxes collected for the annual Bond Redemption Levy.

Net Tax Levy – This is the total tax levy (including fiscal disparities). The net tax levy is now the certified tax levy as required by a change in state law.

NFPA – National Fire Protection Association, accreditation organization for Fire Departments.

NLC – National League of Cities.

NON APPROP – Non Appropriated – reflects cost participation from County, State or Federal dollars and usually on these types of projects, the City of Minneapolis is not the lead agency.

Normal Cost – In the context of defined benefit pension and other post-employment benefit plans, that portion of the actuarial present value of plan benefits and expenses which is allocated to a valuation year by the actuarial cost method.

OJP – Office of Justice Programs.

Operating Activities – Term used in connection with cash flows reporting. Operating activities generally results from providing services and producing and delivering goods, and include all transactions and other events that are not defined as capital and related financing, non-capital financing, or investing activities.

Operating Budget – Financial plan that allows City departments to maintain adequate service levels at reasonable costs by following sound financial management practices. Each City department prepares its own budget for review by the Mayor to assist the Mayor in preparing a budget recommendation for the

City Council. A department’s Operating Budget authorizes designated spending, revenue, and personnel levels.

Operating Revenues and Expenses – Cost of goods sold and services provided to customers and the revenue thus generated.

Operating Tax Funds – Those funds at least partially financed by property taxes, which support the normal functions of city government. They include the General fund, Board of Estimate and Taxation fund, Municipal Building Commission fund, and the Park Tax funds.

OPCR – Office of Police Conduct Review.

Original Budget – First complete appropriated budget. The original budget may be adjusted by reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes before the beginning of the fiscal year. The original budget should also include actual appropriation amounts automatically carried over from prior years by law. For example, a legal provision may require the automatic rolling forward of appropriations to cover prior-year encumbrances.

Original/Current Appropriation – The amount of money allocated by the respective governing body for the budgeted year. The original appropriation is the amount approved at the time the budget was initially adopted. The current appropriation is the original budget as amended to reflect any approved changes.

Other Post-Employment Benefits (OPEB) – Post-employment benefits other than pension benefits. Other post-employment benefits (OPEB) include post-employment healthcare benefits, regardless of the type of plan that provides them, and all post-employment benefits provided separately from a pension plan, excluding benefits defined as termination offers and benefits.

Outcome Measures – In the context of service efforts and accomplishments reporting, indicators that measure accomplishments or results that occur (at least partially) because of services provided. Results also include measures of public perceptions of outcomes.

Own-source Revenues – Revenues that are generated by a government itself (e.g., tax revenues; water and sewer charges; investment income) rather than provided from some outside source (e.g., intergovernmental aid and shared revenues).

Pass-through Grants – Grants and other financial assistance received by a governmental entity to transfer to, or spend on behalf of, a secondary recipient.

PAVER – Pavement Management System software application that computes the Pavement Condition Index (PCI) of roads and parking lots.

Payment In Lieu of Taxes (PILOT) – Payment that a property owner not subject to taxation makes to a government to compensate it for services that the property owner receives that normally are financed through property taxes.

PCI – Pavement Condition Index, used to rate the condition of pavement.

Pension Benefits – Retirement income and all other benefits (e.g. disability benefits, death benefits, life insurance) except healthcare benefits that are provided through a defined benefit pension plan to plan members and beneficiaries after termination of employment or after retirement. Post-employment healthcare benefits are considered other post-employment benefits, regardless of how they are provided.

Pension Cost – Accrual measure of the periodic cost of an employer's participation in a defined benefit pension plan.

Pension Obligation Bonds – Bonds issued by employers to finance one or more elements of their pension obligation to employees.

Pension Plan – Arrangement for the provision of pension benefits in which all assets accumulated for the payment of benefits may legally be used to pay benefits (including refunds of member contributions) to any of the plan members or beneficiaries, as defined by the terms of the plan.

PERA – Public Employees Retirement Association, state-wide pension plan, to which a majority of the City's employees belong.

Post-employment – Period following termination of employment, including the time between termination and retirement.

Post-employment Healthcare Benefits – Medical, dental, vision and other health-related benefits provided to terminated employees, retired employees, dependents, and beneficiaries.

PI – Permanent Improvement.

PM – Performance Management.

Primary Government – Term used in connection with defining the financial reporting entity. A state government or general purpose local government. Also, a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. The primary government is the focus of the financial reporting entity.

Program Revenue - Revenues that derive directly from the program itself or from parties outside the reporting government's taxpayers or citizenry,, as a whole they reduce the net cost of the function to be financed from the government's general revenues.

Proprietary Funds – Funds that focus on the determination of operating income, changes in net assets or cost recovery, financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

PW – Public Works.

RCV – Ranked-choice voting.

Reappropriation – Inclusion of a balance from the prior year's budget as part of the budget of the subsequent fiscal year. Reappropriation is common for encumbrances outstanding at the end of a fiscal year that a government intends to honor in the subsequent fiscal year.

Refunding – Issuance of new debt whose proceeds are used to repay previously issued debt. The proceeds may be used immediately for this purpose (a current refunding), or they may be placed with an escrow agent and invested until they are used to pay principal and interest on the old debt at a future time (an advance refunding).

REIMB – Capital work performed by divisions of Public Works for which reimbursements are received from other City departments, outside government agencies or private businesses.

Results Minneapolis – A management tool the City uses to systematically track performance toward achieving the city's five-year goals and 2020 vision.

Revenue – Funds received from various sources used to finance City expenditures.

RFP – Request for Proposal, the process by which the City receives service descriptions and estimates of costs from potential providers of a service.

SAFER - Staffing for Adequate Fire and Emergency Response. A federal grant program aiming to help fire departments increase the number of frontline firefighters. SAFER is part of the Assistance to Firefighters Grants and is under the purview of the Office of Grants and Training of the Department of Homeland Security.

SBC – School Based Clinics.

SCADA – Supervisory Control and Data Acquisition: a control systems program that provides monitoring, control, historical logging, and reporting data for industrial systems - for water treatment and water pumping systems.

Schedule of Employer Contributions – In the context of defined benefit pension plans and other post-employment benefit plans, trend data on employers' annual required contribution to a plan of actual contributions.

Schedule of Funding Progress – In the context of defined benefit pension plans and other post-employment benefit

plans, trend data on the relationship between the actuarial value of plan assets and the related actuarial accrued liability.

SDP – Service Delivery Plan.

Special Assessment – Compulsory levy made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

Special Revenue Funds – Used to account for the proceeds of specific revenue sources that are restricted by legal and regulatory provisions to finance specific activities.

Sponsor – In the context of pension and other post-employment benefits, the entity that established the plan.

SW&R – Solid Waste and Recycling.

Tax Capacity – That amount of estimated market value subject to taxes after the total estimated value is multiplied by a "tax classification rate".

Tax Capacity Rate – After calculating the dollars to be levied, each taxing jurisdiction uses the total tax capacity to calculate their "tax capacity rate". This rate is essentially the percentage of tax capacity to be paid in taxes.

Tax Classification Rate – The percentage set by state statute that is applied to the market value of each property classification to arrive at tax capacity (replaced assessment ratios).

Tax Increment (TI) – Tax increment of real property within a municipality whose assessed valuation for tax purposes is frozen when the tax increment district is certified. The proceeds from the tax increment bond sale are used to develop this distressed or under-utilized property. Taxes collected from the frozen assessed valuation continue to be distributed to the various taxing districts. As development caused the valuation of the property to rise, the difference or increment between the frozen valuation levels and increased value after development provides the needed payment to pay off the bonds.

Tax Increment Finance Bonds – Bonds sold to investors to raise capital for development activities. Interest paid to bond purchasers is usually exempt from state and federal taxation, although TIF bonds can also be sold to investors with no interest exemption from state and federal taxes.

Tax-Increment Financing (TIF) – Financing secured by the anticipated incremental increase in tax revenue, resulting from the redevelopment of an area.

TISH – Truth in the Sale of Housing, a business function of Construction Code Services division of CPED.

TNT – Truth in Taxation Statement mailed to property owners each November, with approximate City taxes to be paid in following year.

Total Expenses – The total costs of a cost center or department including debt service and capital improvements.

Transfer – Movement of funds from one City Fund to another.

TRA – Teachers Retirement Association

UB – Utility billing.

Unallotment – Executive branch power to reduce spending to avoid a deficit without legislative action.

Undesignated Unreserved Fund Balance – Available expendable financial resources in a governmental fund that are not the object of tentative management plans (*i.e.*, designations).

Unfunded Actuarial Accrued Liability – Excess of the actuarial accrued liability over the actuarial value of assets. This value may be negative, in which case it may be expressed as a negative unfunded actuarial accrued liability, the excess of the actuarial value of assets over the actuarial accrued liability, or the funding excess.

Unrealized Gains and Losses – Difference between the carrying value of an asset and its fair value prior to sale.

Variable-rate Investment – In the context of investment disclosure, and investment with terms that provide for the adjustment of its interest rate on set dates (such as the last day of a month or calendar quarter).

VCAT – Violent Criminal Apprehension Team.

VPN – Virtual Private Network.

WC – Worker Compensation.

YCB – Youth Coordinating Board, a joint power agreement of the City.

YTD – Year to date.

RESOLUTION

By Palmisano

Approving the 2018 property tax levies, payable in 2019, for the various funds of the City of Minneapolis for which the City Council levies taxes.

Resolved by The City Council of The City of Minneapolis:

That the following taxes and tax levies are hereby assessed against and levied based on taxable value upon the real and personal property in the City of Minneapolis in 2018 for taxes payable in 2019 for the following funds:

FUND	CERTIFIED LEVY AMOUNT
General Fund	\$201,345,000
Municipal Building Commission	\$5,256,000
Bond Redemption	\$41,510,000
Firefighters Relief Association (MFRA)	\$2,200,000
Police Relief Association (MPRA)	\$8,500,000
Minneapolis Employees Retirement (MERF)	\$12,610,000
Total	\$271,421,000

Be It Further Resolved that the difference between the amounts herein levied for the Bond Redemption Fund and the aggregate of levies previously certified to the Hennepin County Auditor are made up by cash from prior years' balances. The dollar amount shown in the levy is hereby certified and such amounts to be determined by the County Auditor are to be due to the City under the "Fiscal Disparities" law.

Be It Further Resolved that a tax levy of \$10,300,000 be assessed against and levied based on market value upon the real and personal property in the City of Minneapolis in 2018 for taxes payable in 2019 for debt service associated with the voter approved Library Referendum Bond authorization of 2000 for \$140,000,000.

Be It Further Resolved that the Certified Local Government Aid (LGA) Amount estimated at \$79,349,086 shall be initially distributed as follows:

Municipal Building Commission	\$238,841
Minneapolis Park & Recreation Board	\$9,364,779
General Fund	\$69,745,466
Total	\$79,349,086

RESOLUTION

By Palmisano

Fixing the maximum amounts to be expended by the various departments for 2019 from the various funds under the jurisdiction of the City Council for which the City Council levies taxes and fees.

Resolved by The City Council of The City of Minneapolis:

That there be appropriated out of the monies in the City Treasury and revenues of the City applicable to named fund types the maximum appropriation amounts as outline din Financial Schedules 1, 2, 3, 4 (Community Development Block Grant ("CDBG") Program Allocations, 6 and 7 as published in the final 2019 Adopted Budget Book.

That the proper City officers be authorized to execute and/or carry out the intent of the 2019 Consolidated Plan program allocations (CDBG, HOME, ESG and HOPWA entitlement grants), as amended, including the 2019 Adopted Budget Schedule 4 CDBG Program and Schedule 6 CPED Program Allocations by fund.

That the proper City officers be authorized to enter into any necessary grant agreements with the Department of Housing and Urban Development to receive Fiscal Year 2019 Consolidated Plan funding.

RESOLUTION

By Palmisano

Adopting the 2019 - 2023 Five-Year Capital Program and fixing the maximum amounts for 2019 to be expended by the various funds under the jurisdiction of the City Council.

Resolved by The City Council of The City of Minneapolis:

That the Five-Year Capital Program for 2019 - 2023 is hereby adopted and that there be appropriated out of the monies of the City Treasury and revenues of the City applicable to specifically named funds and revenue sources, the following maximum appropriation amounts for 2019 as detailed in the Capital Section of the 2019 Adopted Budget:

Fund Department	Amount (thousands \$)
34200 9010901 MBC CAPITAL IMPROVEMENTS	4,066
14300 9101000 PARK CAPITAL IMPROVEMENTS	12,043
14370 9103000 PARK CAPITAL IMPROVEMENTS – ASSESSED	300
04100 9010937 PUBLIC WORKS STREET PAVING CAPITAL IMPROVEMENTS	68,302
04100 9010937 PUBLIC WORKS BIKE-PED CAPITAL IMPROVEMENTS	2,140
04100 9010938 PUBLIC WORKS BRIDGE CAPITAL IMPROVEMENTS	2,680
04100 9010939 PUBLIC WORKS SIDEWALK CAPITAL IMPROVEMENTS	4,400
04100 9010943 PUBLIC WORKS TRAFFIC CAPITAL IMPROVEMENTS	7,350
TOTAL PUBLIC WORKS FUND 04100 CAPITAL IMPROVEMENTS	84,872
04100 9010923 PROPERTY SERVICES CAPITAL IMPROVEMENTS	8,700
04100 8900420 COMMUNITY PLANNING	730
<i>TOTAL CITY FUND 04100 CAPITAL IMPROVEMENTS</i>	94,302
04180 9010923 PROPERTY SERVICES CAPITAL IMPROVEMENTS	100,100
07100 9010932 SANITARY SEWER ENTERPRISE FUND CAPITAL	18,500
07300 9010932 STORM SEWER ENTERPRISE FUND CAPITAL	18,735
07400 9010950 WATER SEWER ENTERPRISE FUND CAPITAL	34,340
07500 9010946 PARKING RAMP CAPITAL	1,000
<i>GRAND TOTAL ALL FUNDS</i>	<i>283,386</i>

RESOLUTION

By Palmisano

Requesting that the Board of Estimate and Taxation authorize the City to incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$11,095,000 for certain purposes other than the purchase of public utilities.

Resolved by The City Council of The City of Minneapolis:

That the Board of Estimate and Taxation be requested to authorize the City to incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$11,095,000, the proceeds of which are to be used for the purpose of paying the portion of the cost of making and constructing certain local improvements to be assessed against benefited properties as estimated by the City Council and the Park Board, including assessable portions of the costs relating to paving, mill and overlays, alley resurfacing, retaining walls, streetscapes, landscaping, curb and gutter, street lighting, traffic management plans, ornamental lighting and bike lane development, of which assessments shall be collected in successive equal annual installments, payable in the same manner as real estate taxes, with the number of installments determined by the type of improvement and current City Council policy.

PV001	Parkway Paving Program (PV1901)	\$50,000
PV006	Alley Renovation Program (PV1906)	50,000
PV054	8th St S (Hennepin Ave to Chicago Ave)	1,475,000
PV056	Asphalt Pavement Resurfacing Program (PV1956)	4,915,000
PV063	Unpaved Alley Construction (PV1963)	50,000
PV074	CSAH & MnDOT Cooperative Project (PV1974)	345,000
PV095	4th St N & S (2nd Ave N to 4th Ave S)	805,000
PV108	Concrete Streets Rehabilitation Program (PV19108)	500,000
PV125	33rd & 35th St E (M'haha & Dight Ave to Tracks)	540,000
PV131	Residential Neighborhood Reconstruction Projects	715,000
PV135	North Loop Paving	1,650,000

RESOLUTION

By Palmisano

Requesting that the Board of Estimate and Taxation authorize the City to incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$300,000 for certain purposes other than the purchase of public utilities.

Resolved by The City Council of The City of Minneapolis:

That the Board of Estimate and Taxation be requested to authorize the City to incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$300,000, the proceeds of which are to be used for the PRKDT Diseased Tree Removal program. Assessments shall be collected in five successive equal annual installments, payable in the same manner as real estate taxes.

RESOLUTION

By Palmisano

Requesting that the Board of Estimate and Taxation authorize the City to incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$99,379,000 for certain purposes other than the purchase of public utilities.

Resolved by The City Council of The City of Minneapolis:

That the Board of Estimate and Taxation be requested to authorize the City to incur indebtedness and issue and sell City of Minneapolis bonds, in the amount of \$99,379,000, the proceeds of which are to be used as follows:

Municipal Building Commission, in the amount of \$2,033,000

MBC11 Elevator Upgrades and Modernization	1,000,000
MBC12 Safety Improvements – Non-Stagework Areas	1,033,000

Park & Recreation Board, in the amount of \$10,500,000

PRK02 Playground and Site Improvements Program	1,461,000
PRK04 Athletic Fields – Site Improvements Program	6,000
PRK34 Currie Park implementation	2,212,000
PRK35 Keewaydin Park Implementation	541,000
PRK36 North Commons Park Implementation	368,000
PRK38 Sibley Field Park Implementation	518,000
PRKCP Neighborhood Parks Capital Infrastructure	1,694,000
PRKRP Neighborhood Parks Rehabilitation Program	3,700,000

City Council, in the amount of \$86,846,000

PV001 Parkway Paving Program (PV1901)	700,000
PV006 Alley Renovation Program (PV1906)	200,000
PV054 8th St S (Hennepin Ave to Chicago Ave)	975,000
PV056 Asphalt Pavement Resurfacing Program (PV1956)	2,100,000
PV059 Major Pavement Maintenance Program (PV1959)	250,000
PV063 Unpaved Alley Construction (PV1963)	150,000
PV074 CSAH & MnDOT Cooperative Projects (PV1974)	575,000
PV075 Development Infrastructure Program	500,000
PV095 4th St N & S (2nd Ave N to 4th Ave S)	186,000
PV104 ADA Ramp Replacement Program (PV19104)	500,000
PV108 Concrete Streets Rehabilitation Program (PV19108)	3,825,000
PV114 U of M Protected Bikeways	955,000
PV116 North Loop Pedestrian Improvements	2,760,000
PV125 33rd & 35th St E (Minnehaha & Dight Ave to Tracks)	400,000
PV131 Residential Neighborhood Reconstruction Projects	1,490,000
PV135 North Loop Paving	1,505,000
PV139 18th Ave NE (Johnson St Ne to Stinson Blvd NE)	280,000
SWK01 Defective Hazardous Sidewalks (SWK1901)	345,000

SWK02 Sidewalk Gaps (SWK1902)	150,000
BR101 Major Bridge Repair and Rehabilitation (BR19101)	600,000
BR134 Bridge 9 Program	2,080,000
TR008 Parkway Street Light Replacement (TR1908)	350,000
TR010 Traffic Management Systems (TR1910)	680,000
TR021 Traffic Signals (TR1921)	1,825,000
TR022 Traffic Safety Improvements (TR1922)	500,000
TR024 Pedestrian Street Lighting Corridors (TR1924)	500,000
TR025 Sign Replacement Program (TR1925)	895,000
BIK28 Protected Bikeways Program (BIK1928)	1,140,000
BP001 Safe Routes to School Program (BP1901)	400,000
BP004 Pedestrian Safety Program (BP1904)	600,000
FIR12 Fire Station No. 1 Renovation & Expansion	5,000,000
FIR13 Fire Station No. 4 Apparatus Bay Addition	1,000,000
PSD20 City Hall & New Public Service Center	50,000,000
RAD01 Public Safety Radio System Replacement	2,700,000
ART01 Art in Public Places (ART2019)	730,000

RESOLUTION

By Palmisano

Requesting that the Board of Estimate and Taxation authorize the City to incur indebtedness and issue and sell City of Minneapolis equipment certificates in the amount of \$1,000,000 for certain purposes other than the purchase of public utilities.

Resolved by The City Council of The City of Minneapolis:

That the Board of Estimate and Taxation be requested to authorize the City to incur indebtedness and issue and sell City of Minneapolis equipment certificates in the amount of \$1,000,000, the proceeds of which are to be used for the City Street Light Renovation program. Energy savings will be used as the source of repayment for the equipment certificates in equal annual installments not to exceed 10 years.

RESOLUTION

By Palmisano

Requesting that the Board of Estimate and Taxation authorize the City to incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$35,390,000 for certain purposes other than the purchase of public utilities.

Resolved by The City Council of The City of Minneapolis:

That the Board of Estimate and Taxation be requested to authorize the City to incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$38,890,000, the proceeds of which are to be used for sanitary sewer, water and solid waste projects as follows:

Sanitary Sewer Projects – Fund 07100 - \$14,500,000:

SA001 Sanitary Tunnel & Sewer Rehab Program (SA1901)	\$12,000,000
SA036 Infiltration & Inflow Removal Program (SA1936)	2,500,000

Stormwater Projects – Fund 07300 - \$6,500,000

SW011 Storm Drains and Tunnels Rehab Program(SW1911)	3,000,000
PV074 CSAH & MnDOT Cooperative Projects (PV1974)	3,500,000

Water Projects – Fund 07400 - \$17,890,000

WTR27 Advanced Metering Infrastructure	4,690,000
WTR28 Ultrafiltration Module Replacement	750,000
WTR29 Columbia Heights Campus Upgrades	450,000
WTR30 10th Avenue Bridge Water Main	10,000,000
WTR31 Electrical Service Rehabilitation	2,000,000

RESOLUTION

By Palmisano

Designating the utility rates for water, sewer, stormwater, solid waste, and recycling service effective with water meters read on and after January 1, 2019.

Resolved by The City Council of The City of Minneapolis:

Water Rate

Effective with utility billings for water meters read from and after January 1, 2019, the meter rates for water are hereby fixed and shall be collected as follows:

Charges commence when the street valve is turned on for water service.

1. Three dollars and sixty-three cents (\$3.63) per one hundred (100) cubic feet for customers not otherwise mentioned.
2. Three dollars and seventy-eight cents (\$3.78) per one hundred (100) cubic feet to municipalities, municipal corporations, villages and customers outside the corporate limits of the city where service is furnished through individual customer meters.
3. Rates for municipalities, municipal corporations and villages, which are established by contract, shall continue on the existing contract basis.
4. In addition to the above rates a fixed charge based on meter size will be billed each billing period or fraction thereof as follows:

<u>Meter Size</u>	<u>Fixed Charge</u>
5/8-inch	\$ 5.00
3/4-inch	7.50
1-inch	12.50
1 1/2-inch	25.00
2-inch	40.00
3-inch	80.00
4-inch	125.00
6-inch	250.00
8-inch	400.00
10-inch	575.00
12-inch	1,650.00

5. The fixed charge for a property serviced by a combined fire/general service line shall be based on the small side register of the combined meter, provided the volume of water used on the large side register does not exceed 45,000 gallons per year. The volume of water used on the large side register in the previous year will be used to establish the fixed rate in the current year.

The fixed charge for a property serviced by a combined fire/general service line shall be based on the large side register of the combined meter, when volume of water used on the large side register exceeds 45,000 gallons per year. The volume of water used on the large side register in the previous year will be used to establish the fixed rate in the current year.

The fixed charge for a combined fire/general service line shall remain in place for the entire year.

6. All fire standpipes, supply pipes and automatic sprinkler pipes with detector meters, direct meters or non-metered, shall be assessed according to size of connection at the following rates each per annum for the service and inspection of the fire protection pipes and meters installed, as follows:

1½ inch pipe connection	\$ 30.00
2 inch pipe connection	\$ 30.00
3 inch pipe connection	\$ 40.00
4 inch pipe connection	\$ 60.00
6 inch pipe connection	\$120.00
8 inch pipe connection	\$190.00
10 inch pipe connection	\$275.00
12 inch pipe connection	\$790.00

When the seal of any of the valves connecting with such fire protection pipes shall be broken, it shall be resealed by authority of the director of the Minneapolis Water Treatment and Distribution Services Division. All connections for fire systems must have a post indicator valve installed at the curb if ordered by the director of the Minneapolis Water Treatment and Distribution Services Division. (98-Or-135, § 4, 11-13-98; 2012-Or-076, § 75, 11-16-12)

The sanitary sewer rates and stormwater service rate shall be applied to utility billings for water meters read from and after January 1, 2019.

Sanitary Sewer Rate

The sanitary sewer rates to be charged properties within and outside the City of Minneapolis that are served directly by the City of Minneapolis sewer system and that are all served either directly or indirectly by the sewage disposal system constructed, maintained and operated by the Metropolitan Council Environmental Services under and pursuant to Minnesota Statutes Sections 473.517, 473.519 and 473.521, Sub. 2, are hereby set as follows:

1. The sanitary sewer rate applicable inside the City of Minneapolis is four dollars and twenty-one cents (\$4.21) per one hundred (100) cubic feet.

- In addition, a fixed charge based on water meter size will be billed each billing period or fraction thereof as follows:

<u>Meter Size</u>	<u>Fixed Charge</u>
5/8-inch	\$ 5.80
3/4-inch	8.70
1-inch	14.50
1 1/2-inch	29.00
2-inch	46.40
3-inch	92.80
4-inch	145.00
6-inch	290.00
8-inch	464.00
10-inch	667.00
12-inch	1,914.00

- The sanitary sewer rate applicable outside the City of Minneapolis for all sewage flow generated is four dollars and twenty-one cents (\$4.21) per one hundred (100) cubic feet when the City of Minneapolis also provides water. In addition, the fixed charge sanitary sewer rate shall be based on meter size per section (b).
- Sanitary sewer only service outside the City of Minneapolis shall be thirty-one dollars and six cents (\$31.06) per month.
- The sanitary sewer charge for residential property not exceeding three (3) residential units shall be based on the volume of water used during the winter season which is defined as a four (4) month period between November 1 and March 31.
- The sanitary sewer charge for residential property exceeding three (3) residential units and all other commercial and industrial property shall be based on measured sewage volume or the total water volume used during the billing period as is appropriate.

Stormwater Rate

The stormwater rate, subject to the provisions in Chapter 510, of the Minneapolis Code of Ordinances, is imposed on each and every Single-Family Residential Developed Property, Other Residential Developed Property, Non-Residential Developed Property, and Vacant Property, other than Exempt Property, and the owner and non-owner users, and is hereby set as follows:

- The Equivalent Stormwater Unit (ESU) rate is thirteen dollars and nine cents (\$13.09). The ESU measurement is 1,530 square feet of impervious area.
- The stormwater rate imposed on Single-Family Residential Developed Properties shall be categorized into three (3) tiers based on the estimated amount of impervious area as follows:

High – Single-Family Residential Developed Property – greater than one thousand five hundred and seventy-eight (1,578) square feet of estimated impervious area. The ESU shall be 1.25 and the stormwater rate set at sixteen dollars and thirty-six cents (\$16.36).

Medium – Single-Family Residential Developed Property – equal to or greater than one thousand four hundred and eighty-five (1,485) square feet and less than or equal to one thousand five hundred and seventy-eight (1,578) square feet of estimated impervious area. The ESU shall be 1.00 and the stormwater rate set at thirteen dollars and nine cents (\$13.09).

Low – Single-Family Residential Developed Property – less than one thousand four hundred and eighty-five (1,485) square feet of estimated impervious area. The ESU shall be .75 and the stormwater rate set at nine dollars and eighty-two cents (\$9.82).

3. Stormwater charges for all other properties will be based on the following calculation:

$$\frac{(\text{Gross Lot Size in sq.ft.} \times \text{Runoff Coefficient})}{1,530 \text{ sq. ft.}} = \# \text{ of ESU}$$

$$\# \text{ of ESU} \times \$ 13.09 = \text{Monthly Fee}$$

The runoff coefficient assumed for each land use category is shown below.

<u>Land Use</u>	<u>Coefficient Applied</u>
Bar-Rest.-Entertainment	.75
Car Sales Lot	.95
Cemetery w/Monuments	.20
Central Business District	1.00
Common Area	.20
Garage or Misc. Res.	.55
Group Residence	.75
Ind. Warehouse-Factory	.90
Industrial railway	.85
Institution-Sch.-Church	.90
Misc. Commercial	.90
Mixed Comm.-Res-Apt	.75
Multi-Family Apartment	.75
Multi-Family Residential	.40
Office	.91
Parks & Playgrounds	.20
Public Accommodations	.91
Retail	.91
Single Family Attached	.75
Single Family Detached	ESU
Sport or Rec. Facility	.60
Utility	.90
Vacant Land Use	.20
Vehicle Related Use	.90

Solid Waste and Recycling Rate

Solid waste and recycling variable rate charges associated with water meter read dates from and after January 1, 2019, the charges shall be as follows:

1. The base unit charge shall be twenty-four dollars and fifty-three cents (\$24.53) per dwelling unit per month.

2. The cart disposal charge shall be two dollars (\$2.00) per month for each small cart.
3. The cart disposal charge shall be five dollars (\$5.00) per month for each large cart assigned to a dwelling unit.