

City of Minneapolis
2014 Budget

Table of Contents

Table of Contents

Section A - Introductory Section

Transmittal Letter
Budget In Brief
How to Use This Document
Elected Officials
Department/Agency Heads
Budget Principles
Citywide Organization Chart
Government Finance Officers Association
Distinguished Budget Presentation Award
for 2014

Section B - Background Information

Community Profile B2
Minneapolis Communities and
Neighborhoods Map B7
Form of Government B8
Chronology of Financial Decision Making ... B11
Fund Descriptions..... B13

Section C – Strategic Planning

City Goals and Strategic Directions..... C2
Annual Budget Process..... C4
Integrating Key Processes for Budget..... C8
Results Minneapolis C11
Business Plan Goals Related to City Goals C12

Section D - Financial Policies

Operating Budget D2
Revenue D5
Fund Balance D8
Accounting D10
Investment D10
Development Finance D10
Public Participation D11
Allocation Model D12
Administrative D14
CDBG Reprogramming D16
Capital Budget..... D17
Capital Project Administration D18
Debt D19

Section E - Financial Overview

Financial Overview..... E2
Property Tax Levy E38
Residential Property Taxes and Utility Fees
– Sample Bills E41
Apartment, Commercial/Industrial Property –
Sample Bills..... E43

Section F - Financial Plans

Five-Year Financial Direction F2
Demands on the Property Tax: Ten-Year
Projection F16
Special Revenue Funds
 Convention Center Special Revenue
 Fund..... F20
 Arena Reserve Special Revenue Fund.. F27
 Community Planning and Economic
 Development Fund F30
 Neighborhood & Community Relations .. F33
 Regulatory Services F34
Enterprise Funds
 Municipal Parking Fund F36
 Solid Waste and Recycling Fund F41
 Sanitary Sewer Fund F46
 Stormwater Fund F50
 Water Fund F54
Internal Service Funds
 Public Works Stores Fund F60
 Engineering Materials and Testing Fund F63
 Intergovernmental Services Fund F66
 Fleet Services Fund..... F72
 Property Services Fund F76
 Self-Insurance Fund F80

Section G - Capital Program

Capital Budget Narrative Overview..... G2
Five-Year Capital Investment Allocation G14
Five-Year Capital Funding Summary..... G15
Five-Year PW Capital Summary G16
2014-2018 Capital Resources G17
2014 Bond Redemption Levy..... G17
Net Debt Bond Allocation G18

Capital Budget Summary	G19
Detail for Funded Projects.....	G22
Adopted Utility Rates.....	G30
Capital Program Descriptions.....	G31
Operating Cost Implications.....	G40
Capital Budget Decision Summary... ..	G52

Section H - City Council Operating Departments

Assessor	H2
Attorney	H11
City Clerk/Elections	H20
City Council	H26
City Coordinator Departments.....	H30
Total City Coordinator Summary Page.	H30
City Coordinator - Administration	H38
311.....	H44
911.....	H50
Emergency Management.....	H56
Communications.....	H61
Convention Center	H69
Finance and Property Services	H78
Human Resources	H91
Information Technology	H100
Intergovernmental Relations	H108
Neighborhood and Community Relations... ..	H115
Civil Rights.....	H123
Community Planning and Economic Development	H132
Fire.....	H146
Health	H157
Internal Audit.....	H169
Mayor.....	H174
Police	H179
Public Works.....	H192
Total Public Works Summary Pages ...	H192
Administration	H208
Fleet Services	H212
Solid Waste & Recycling Services	H216
Surface Water & Sanitary Sewer – Sanitary Sewer	H220
Surface Water & Sanitary Sewer – Stormwater	H224
Traffic & Parking Services	H228
Transportation Maintenance & Repair.	H233
Transportation Planning & Eng.....	H238
Water Treatment & Distribution	H243
Regulatory Services	H247

Section I - Independent Boards and Agencies

Board of Estimate and Taxation.....	I2
Municipal Building Commission	I7
Public Housing Authority.....	I13
Park and Recreation Board.....	I17
Youth Coordinating Board.....	I25

Section J - Financial Schedules

Schedule 1 – Fund Summary and Changes to Fund Balance.....	J2
Schedule 2 – Revenues by Fund and Type. .	J4
Schedule 3 – Expenditures by Fund and Department	J11
Schedule 4 – Community Development Block Grant Program.....	J18
Schedule 5 – Staffing Information.....	J23
Schedule 6 – CPED Program Allocations by Fund	J27
Schedule 7 – Capital Asset Request System (CARS) Allocations	J28
Schedule 8 – Interfund Transfers.....	J34
Schedule 9 – Financial Policies Scorecard..	J41

Section K – Glossary

Glossary of Terms.....	K1
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Section L – Resolutions

Resolutions.....	L1
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December 2014

LETTER OF TRANSMITTAL

Dear Residents of the City of Minneapolis:

Transmitted, herewith, please find the Fiscal Year 2014 Budget for the City of Minneapolis for the period beginning January 1, 2014 and ending December 31, 2014. The annual budget is a policy document which sets the financial course for the City of Minneapolis and defines the service priorities provided to the communities. Adopting and monitoring the budget is a key role of the City Council. The budget process affords the City Council the opportunity to balance the needs of the City against available resources. The 2014 Adopted Budget is \$1.238 billion, excluding transfers, and is funded, in part, with a property tax levy that reflects a decrease of 1% in the City's tax levy from 2013.

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 City's Strategic Planning efforts and governing Financial Policies follow in their respective sections. The Financial Overview section of this document provides details on the City's continued fiscal discipline and financial planning efforts. City's future success 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.

Priorities and Issues

The city's departments continue to prioritize their work based upon six major goals as established by the City Council in 2010. These goals are: A Safe Place to Call Home; Jobs and Economic Vitality; Eco-Focused; Livable Communities/Health Lives; Many People-One Minneapolis; and A City that Works. In their requests for continued and additional funding, the departments are required to align each budget allocation request to a specific City goal. The 2014 Adopted Budget continues to build upon these goals by focusing on efforts to provide significant investments in public safety, capital improvements, meeting long-term financial commitments and reducing the City's debt. Notable among these efforts are maintaining staffing levels in the police and fire departments by providing transition-funding for police cadets, Community Service Officers and fire cadets; increased investment in the City's capital infrastructure program; the implementation of a longer-term capital equipment plan to support City services; fully funding internal services; supplementing resources to support the economic growth and construction; and aligning costs with appropriate funding streams.

Although the 2014's adopted budget is structurally balanced, balancing the budget over five years continues to be a challenge with significant financial pressures such as declining support from the federal government, rising service demands and a continued desire for reducing growth in property taxes. This budget reflects a continued willingness to make difficult decisions in both the short and long-term to address the City's financial challenges. Foreseeable attrition/retirement in the police force and the fire fighters is an issue that this budget sufficiently tackles by providing sufficient funding to maintain staffing levels in those departments.

Short Term Financial Challenges

The City's short term financial challenges for 2014 are manageable due the presence of longer-term financial planning. A 5.4% increase in city department's spending can be accommodated by utilizing an increase in Local Government Aid (LGA) from the State of Minnesota of \$12.0 million and utilization of surplus funds in General Fund. Surplus funds are available to provide for property tax relief due to prior year's fiscal restraint and growth in the local economy resulting in increased non-property tax revenues. Furthermore, the 2014 budget, for the first time in five years, does not project growth in the cost of closed pension obligations from the prior year due to the merging of the plans with the State of Minnesota's multi-employer plan.

Long-Term Financial and Results Planning

The City's long-term financial planning policies enable proactive financial management- matching our spending and revenue over the long term and providing stability for Minneapolis residents and businesses. These financial policies, and the strong work on linking resources to results through our Results Minneapolis program, provide much better information upon which to base our decisions. Future opportunities and challenges include the impacts of rebounding property values and continued growth in the cost of providing basic City services due to inflationary pressures and growth in the community.

We are pleased to present the Fiscal Year 2014 Adopted to the residents of the City of Minneapolis at this time.

Sincerely,



RT Rybak
Mayor



Barbara Johnson
Council President



Betsy Hodges
Chair, Ways &
Means/Budget

Dear Minneapolis residents,

Every four years the City engages in strategic planning to determine citywide goals and strategic directions. In April 2010, the mayor and the City Council articulated six citywide goals. These goals guide the elected officials during the budget process as they decide how to allocate the City's resources. While newly elected officials may further refine the City's direction, the 2014 Budget was prepared with the following goals as guidance.

A Safe Place to Call Home

People and businesses thrive in a safe and secure city

Jobs & Economic Vitality

A world-class city and 21st century economic powerhouse

Livable Communities, Healthy Lives

Our built and natural environment adds character to our city, enhances our health and enriches our lives

Many People, One Minneapolis

Inclusiveness is a treasured asset; everyone's potential is tapped

Eco-Focused

Minneapolis is an internationally recognized leader for a healthy environment and sustainable future

A City That Works

Minneapolis is a model of fiscal responsibility, technological innovation and values-based, results-driven municipal government

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

www.minneapolismn.gov/results.

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.

Minneapolis by the numbers

- Population: 392,880
- Residential housing units: 177,309
- Residential neighborhoods: 81
- Homeownership rate: 50.4%
- Per capita personal income : \$30,693
- Median household income : \$47,478
- Accredited colleges and universities: 21
- Unemployment rate: 4.8%
- Median age: 31.4 years
- Land area: 58.4 square miles



2014 City of Minneapolis Budget in Brief

The 2014 Council Adopted Budget:

- Is \$1.238 billion, a 3.5 percent, or \$41.6 million, increase from the 2013 adopted budget of \$1.196 billion.
- Includes a 1 percent decrease in the property tax levy.
- Reflects a 3.5 percent reduction in levy from the existing tax policy (*the 2014 levy was expected to increase by 2.5 percent*).
- Maintains current service levels from 2013, despite inflationary and mandated cost increases of \$9.883 million.
- Provides transition funding for police cadets, community service officers and fire cadets to maintain staffing levels following expected retirements.
- Enhances the STEP-UP and Urban Scholars programs to diversify our work force.
- Identifies current and future equipment needs to support City services.
- Plans for the City's infrastructure needs by shifting base funding from operations to capital as well as increasing maintenance funding.
- Supports economic growth in the city by supplementing resources for planning, building permits and inspections.

Budget Process

June - August - Mayor developed and submitted recommended budget.

- Mayor met with department managers.
- 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 discussed budget.
- City departments and boards presented their budgets to the City Council's Ways & Means/Budget Committee.
- Ways & Means/Budget Committee approved any changes to the mayor's recommended budget.

November - Public hearings held.

- Property tax notices were mailed to property owners, stating the amount of property tax to be paid in the following year.
- Dates for public hearings were given.

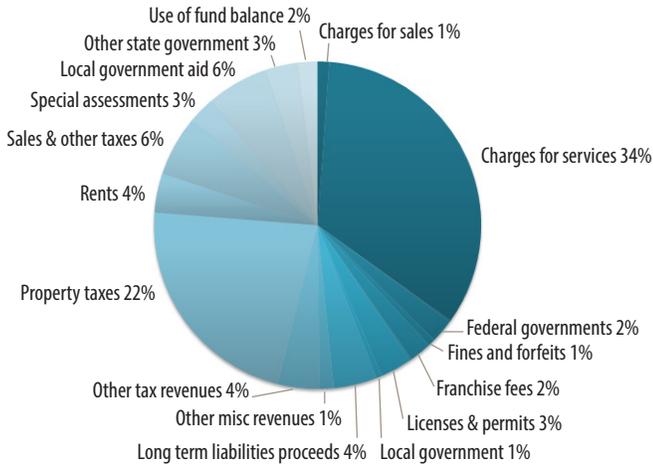
December - Budget adopted.

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



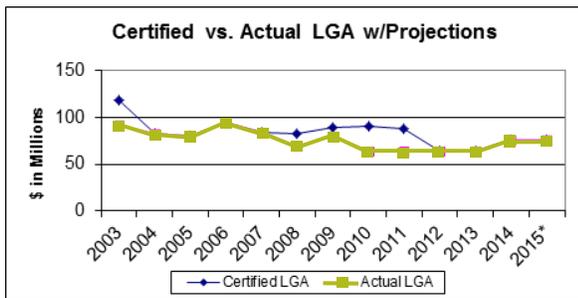
How The City Is Funded

Total Revenue Budget - Sources of Funds
2014 Council Adopted Budget: \$1.238 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. In 2014, Minneapolis was appropriated \$76.1 million, an increase of \$12 million from 2013, reversing a trend of declining allocations. The graph below shows certified and actual levels of LGA funding the City of Minneapolis has been receiving since 2003. The 2015 figure is a projection of anticipated LGA funding.



*2015 is a projected number.

For more information on LGA and the distribution formula, please visit www.house.leg.state.mn.us/hrd/topics.asp?topic=32

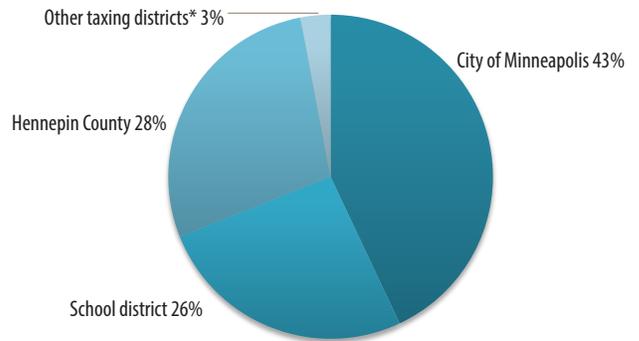
Charges For Services/Sales

Much of the City's funding comes from services residents pay for such as water, sanitary sewers, storm sewers, trash removal and recycling pickups. The revenue obtained from providing these services accounts for about 35 percent of the total revenue for the City's budget.

PROPERTY TAX

Property taxes are a major source of revenue for the City, as well as other governmental units. Your property tax dollars are split among several different organizations. The three organizations that receive the greatest proportion of your property taxes are the City of Minneapolis, Hennepin County, and Special School District No. 1. The City typically receives about 43 percent of the revenue from property tax payments made by city residents. Hennepin County receives about 28 percent, and the School District about 26 percent. The other 3 percent of property tax revenue is split between Metropolitan Mosquito Control, Metropolitan Council, Metro Transit, the Minneapolis Institute of Arts, Hennepin County Regional Railroad Authority and the School Board referendum.

2014 Property Tax Breakdown



*This is split between the Metropolitan Council, Metropolitan Transit, Metropolitan Mosquito Control, and the Hennepin County Regional Railroad Authority.

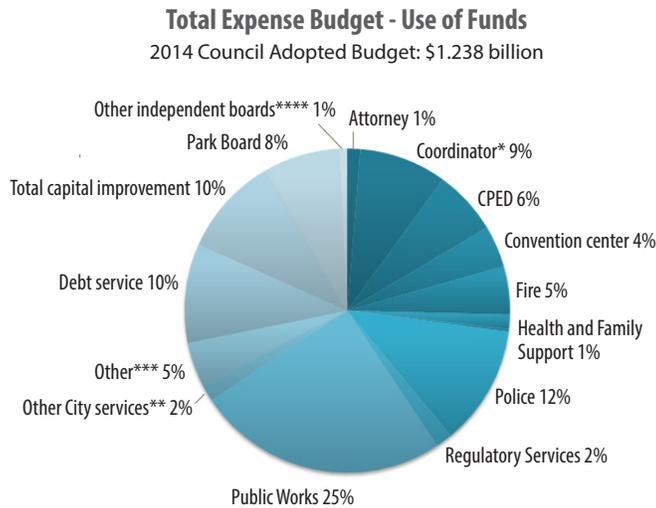
2014 ADOPTED BUDGET PROPERTY TAX BREAKDOWN (City portion only)

The City's 2014 adopted budget includes funding from property taxes of \$276.1 million. Property taxes are used to support many of the City's functions. Under the 2014 adopted budget, a Minneapolis home with an estimated value of \$195,500 will pay about \$3,051 in total property taxes for all jurisdictions as listed above, with approximately \$1,312 going to the City. See where that \$1,312 in City property taxes goes on the following table :

Property Tax Breakdown - 2014 Adopted Budget



Expenditures



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

** Includes Assessor, Internal Audit, City Clerk, City Council, Civil Rights and Mayor

*** Includes non-departmental, health and welfare, worker's compensation, liability, contingency and pensions

**** Includes Neighborhood Revitalization Program, Board of Estimate and Taxation, the City's contribution to Minneapolis Public Housing Authority, and Municipal Building Commission

POLICE AND FIRE

The Police and Fire Departments comprise 17 percent (\$207.2 million) of the City's overall budget. The City's 2014 adopted budget provides funding for 850 sworn police personnel in five different precincts and 406 sworn fire personnel at 19 stations.

COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT

Community Planning and Economic Development (CPED) accounts for about 6 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 25 percent, the Public Works Department comprises the largest portion of the City's budget. The main responsibilities of Public Works include offering safe transportation to 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.

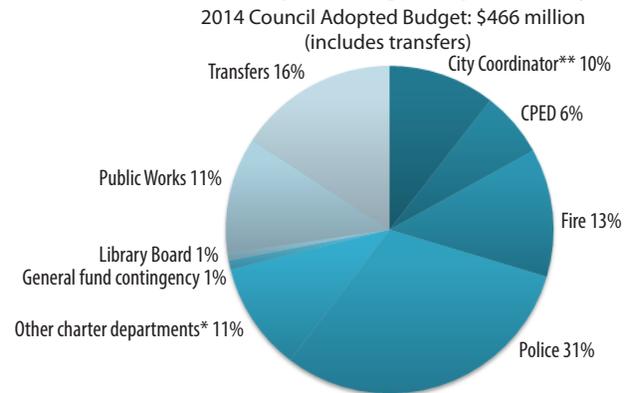
The City's Funds

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 \$890 million, or 72 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 gets 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

Since the revenue in the General Fund is not earmarked for any specific purposes, the City has the most discretion in the use of General Fund dollars. This fund comprises about 32 percent of the citywide budget. Its two major sources of funding are local property taxes and Local Government Aid (LGA) from the State. These two sources reflect about 51 percent of the General Fund budget of \$466 million. The following chart shows a more detailed look at the General Fund:

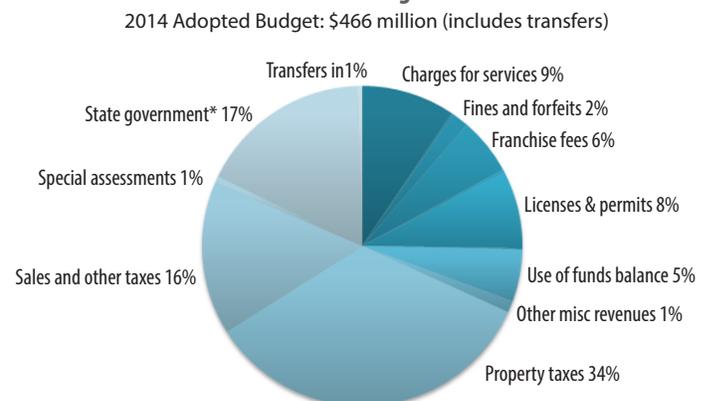
General Fund Expense Budget - Expenditure by Service



*Other Charter Departments: Assessor, Attorney, Council/Clerk Elections, Civil Rights, Internal Audit and Mayor

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

General Fund Revenue Budget - Source of Funds



*State government revenue includes \$76.1 million of LGA

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 or her recommended budget to the City Council, elected officials gather feedback from residents regarding what capital projects the City should undertake. 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 2014 budget includes the five-year (*2014 through 2018*) capital plan. The five-year total for the capital budget is \$592.7 million, with 86.7 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 the cash received from bond sales to pay for capital projects, and repays investors over time at tax-exempt interest rates. 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 Dec. 31, 2013, is \$732 million. General obligation bonds are backed by the full faith and taxing authority of the City. Approximately 15 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, special assessments and other user fees. Each year, the City pays between \$110 million and \$130 million in principal and interest on its general obligation bonds.

The City's bonds receive among the highest possible ratings from all three 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 2014, the council-adopted utility 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 variable rate for sanitary sewers did not increase in 2014. The table below provides a summary of the anticipated change in an average residential customer's utility bill from 2013 to 2014.

	2013	2014 Monthly Average	2014 Annual Average	2014 Monthly \$ Change	2014% Change
Water	\$25.03	\$25.74	\$309	\$0.71	2.8%
Sanitary sewer	\$21.84	\$22.24	\$267	\$0.40	1.8%
Stormwater	\$11.82	\$11.94	\$143	\$0.12	1.0%
Solid waste/recycling**	\$22.00	\$22.60	\$271	\$0.60	2.7%
Total	\$80.69	\$82.52	\$990	\$1.83	2.3%

Combined Utility Bill
Monthly and annual cost
for average customer

The average household rate for water is based on 7 units of consumption at \$3.32 per unit plus a \$2.50 fixed charge. Sanitary rates are based on 6 units of water consumption at \$3.14 per unit plus a fixed charge of \$3.40. Stormwater rates are based on 1 equivalent Stormwater unit of 1,530 square feet on impervious surface. The solid waste rate is based on a \$17.60 monthly charge with a large recycling cart fee of \$5.00. Customers may substitute a small cart with a \$2.00 fee.



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 <http://www.minneapolismn.gov/results/index.htm>

If you need this material in an alternative format please call 612-673-3205.

Deaf and hard-of-hearing people call TTY at 612-673-2157.

Attention- If you have any questions regarding this material please call 311.

Hmong - Ceeb toom. Yog koj xav tau kev pab txhais cov xov no rau koj dawb, hu 612-673 2800.

Spanish - Atención. Si desea recibir asistencia gratuita para traducir esta información, llame 612-673-2700.

Somali - Ogow. Haddii aad dooneyso in lagaa kaalmeeyo tarjamadda macluumaadkani oo lacag la'aan wac 612-673-3500.

City of Minneapolis 2014 Budget

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 2014 budget document.

Introductory Section	This section, found before the first tab, includes lists of the City's elected officials, department and agency heads, the City's budget principles, and a citywide organization chart.
Section A: Table of Contents	The table of contents allows the user to pinpoint the page of a particular part of the City's budget.
Section B: 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. 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>
Section C: Strategic Planning	The strategic planning section lists the set of City goals and strategic directions which were adopted by the Mayor and the City Council in 2010. 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.
Section D: Financial Policies	This section presents the major financial policies adopted by the City Council and Mayor.
Section E: 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>
Section F: 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>

Section G: Financial Schedules	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.
Section H: 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>
Section I: 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>
Section J: Independent Boards and Agencies	This section provides information in a format similar to the City Council operating departments for independent boards and agencies. The amounts included are generally those most recently approved by the board of the organization.
Section K: Glossary	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.
Section L: Resolution	The Council-Adopted Budget Resolution that outlines Council action on the Mayor's Recommended Budget is included for reference.

**City of Minneapolis
2014 Budget**

Elected and Public Officials

Mayor

R.T. Rybak

City Council

Barbara Johnson, President	4th Ward
Robert Lilligren, Vice President	6th Ward
Kevin Reich	1st Ward
Cam Gordon	2nd Ward
Diane Hofstede	3rd Ward
Don Samuels	5th Ward
Lisa Goodman	7th Ward
Elizabeth Glidden	8th Ward
Gary Schiff	9th Ward
Margaret Tuthill	10th Ward
John Quincy	11th Ward
Sandra Colvin Roy	12th Ward
Betsy Hodges	13th Ward

Board of Estimate and Taxation

Board Members

R.T. Rybak	Mayor
Barbara Johnson	President, City Council
Betsy Hodges	Chair, City Council Ways & Means/Budget Committee
David Wheeler	President (Elected)
Carol Becker	Vice President (Elected)
Robert Fine	Park Board Representative

Minneapolis Park and Recreation Board

Board Members

John Erwin	President, Commissioner at Large
Liz Wielinski	Vice President, Commissioner at Large
Bob Fine	Commissioner at Large
Liz Wielinski	Commissioner District 1
Jon Olson	Commissioner District 2
Scott Vreeland	Commissioner District 3
Anita Tabb	Commissioner District 4
Carol Kummer	Commissioner District 5
Brad Bourn	Commissioner District 6

**City of Minneapolis
2014 Budget**

Updated List of Elected and Public Officials (November 5, 2013 Elections)

Mayor

Betsy Hodges

City Council

Barbara Johnson, President	4th Ward
Elizabeth Glidden, Vice President	8th Ward
Kevin Reich	1st Ward
Cam Gordon	2nd Ward
Jacob Frey	3rd Ward
Blong Yang	5th Ward
Abdi Warsame	6th Ward
Lisa Goodman	7th Ward
Alondra Cano	9th Ward
Lisa Bender	10th Ward
John Quincy	11th Ward
Andrew Johnson	12th Ward
Linea Palmisano	13th Ward

Board of Estimate and Taxation

Board Members

Betsy Hodges	Mayor
Barbara Johnson	President, City Council
John Quincy	Chair, City Council Ways & Means/Budget Committee
David Wheeler	President (Elected)
Anita Tabb	Vice President (Elected) and Park Board Representative
Carol Becker	Elected Member

Minneapolis Park and Recreation Board

Board Members

Liz Wielinski	President, Commissioner District 1
Scott Vreeland	Vice President, Commissioner District 3
John Erwin	Commissioner At Large
M. Annie Young	Commissioner At Large
Meg Forney	Commissioner At Large
Jon Olson	Commissioner District 2
Anita Tabb	Commissioner District 4
Steffanie Musich	Commissioner District 5
Brad Bourn	Commissioner District 6

Charter Department Heads / Assistant City Coordinators

Kevin Carpenter	Chief Finance Officer
Otto Doll	Chief Information Officer
Patrick Todd	City Assessor
Susan Segal	City Attorney
Casey Carl	City Clerk
Paul Aasen	City Coordinator
Velma Korbel	Civil Rights Director
Sara Dietrich	Communications Director
	Community Planning and Economic Development Director
Jeremy Hanson-Willis	Convention Center, Director
Jeff Johnson	Fire Chief
John Fruetel	Health Commissioner
Gretchen Musicant	Human Resources Director
Patience Ferguson	Intergovernmental Relations Director
Gene Ranieri	Internal Auditor
Magdy Mossaad	Neighborhood and Community Relations Director
David Rubedor	Director of Regulatory Services
Nuria Rivera-Vandermyde	Police Chief
Janee Harteau	Public Works Director/City Engineer
Steve Kotke	

Independent Boards/Agencies

Cora McCorvey	Public Housing Authority Executive Director
	Minneapolis Park and Recreation Board
Jayne Miller	Superintendent

City of Minneapolis 2014 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.

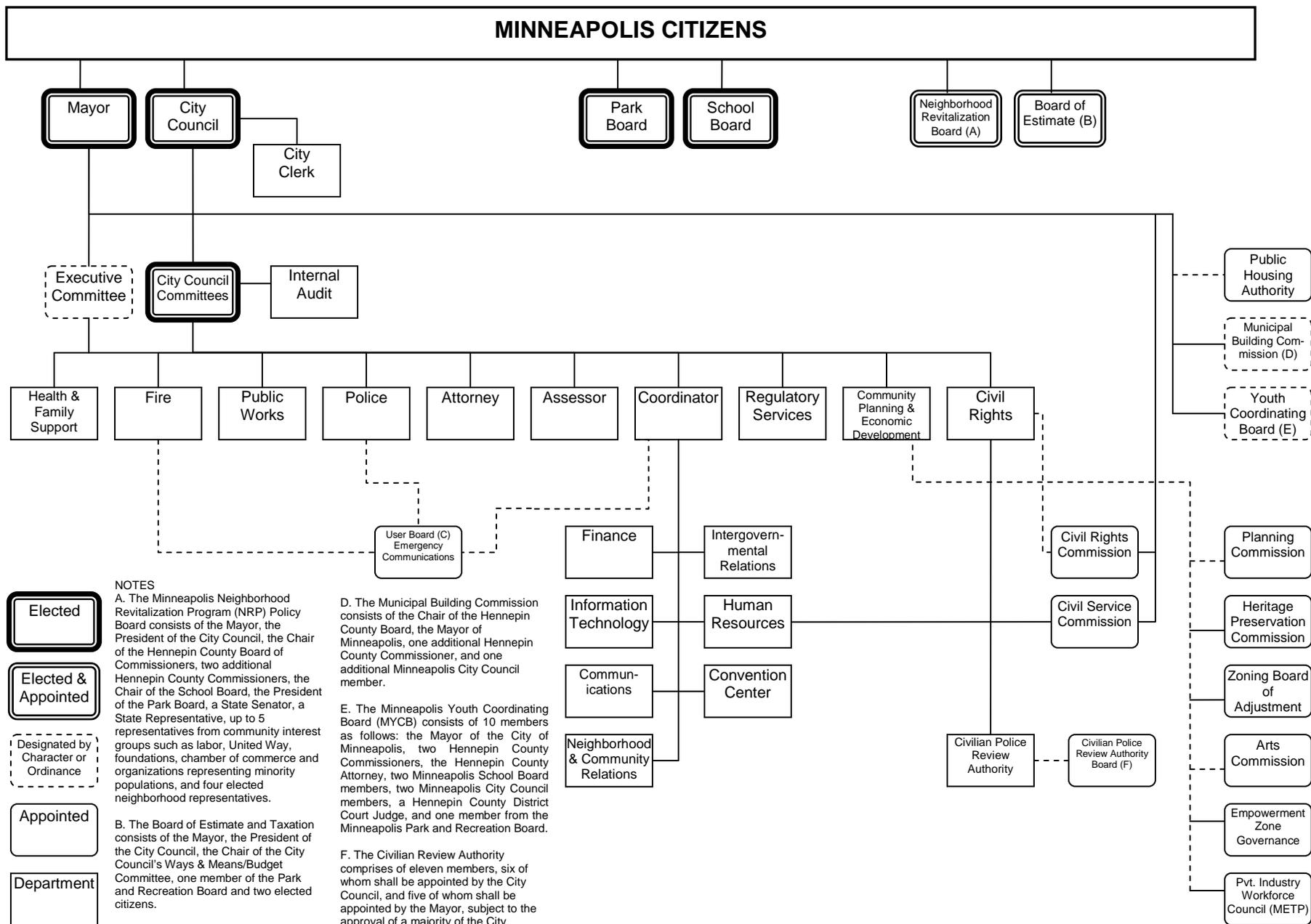
6. Protect core service delivery by avoiding duplication – both internal and external.

- ◆ 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). Failure to produce measurements will not result in escape from budget cuts.
- ◆ Department heads must manage to budget.

City of Minneapolis



NOTES

A. The Minneapolis Neighborhood Revitalization Program (NRP) Policy Board consists of the Mayor, the President of the City Council, the Chair of the Hennepin County Board of Commissioners, two additional Hennepin County Commissioners, the Chair of the School Board, the President of the Park Board, a State Senator, a State Representative, up to 5 representatives from community interest groups such as labor, United Way, foundations, chamber of commerce and organizations representing minority populations, and four elected neighborhood representatives.

B. The Board of Estimate and Taxation consists of the Mayor, the President of the City Council, the Chair of the City Council's Ways & Means/Budget Committee, one member of the Park and Recreation Board and two elected citizens.

C. The Minneapolis Emergency Communications Center (911) is managed by a User Board chaired by the City Coordinator. Members are the Police Chief, the Fire Chief and the Hennepin County Administrator.

D. The Municipal Building Commission consists of the Chair of the Hennepin County Board, the Mayor of Minneapolis, one additional Hennepin County Commissioner, and one additional Minneapolis City Council member.

E. The Minneapolis Youth Coordinating Board (MYCB) 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.

F. The Civilian Review Authority comprises of eleven members, six of whom shall be appointed by the City Council, and five of whom shall be appointed by the Mayor, subject to the approval of a majority of the City Council.

Department of Finance,
August, 2011



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Minneapolis
Minnesota**

For the Fiscal Year Beginning

January 1, 2013

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Minneapolis for its annual budget for the fiscal year beginning January 1, 2013. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to the GFOA again in 2014 to determine eligibility for another award.

**City of Minneapolis
2014 Budget**

Background Information

Community Profile B2
Communities and Neighborhoods Map B7
Form of Government B8
Chronology of Financial Decision Making..... B11
Fund Descriptions B13

City of Minneapolis 2014 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 12,034 lakes. Minneapolis is renowned for combining the best of urban life with the neighborhoods and quality of life found in smaller towns. Residents enjoy exciting cultural and recreational opportunities in beautiful natural surroundings.

History

In the mid-17th Century, French explorers searching for the Northwest Passage were the first Europeans to visit the region. In the 1820s, at the confluence of the Minnesota and Mississippi rivers, soldiers from Fort Snelling constructed a saw-mill and a flour mill at the St. Anthony Falls. By the 1850s, the village of St. Anthony had been established on the east bank of the Mississippi and the village of Minneapolis on the west bank. The two towns were soon linked by a suspension bridge. Minneapolis' first volunteer fire company was organized in 1862, and the community was incorporated as a city in 1867. In 1872, Minneapolis and St. Anthony were united to form one city.



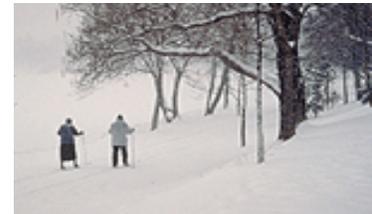
Location



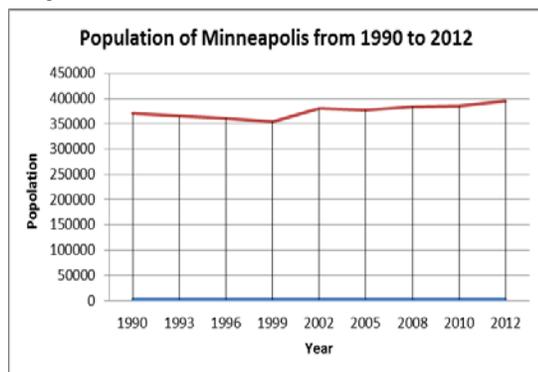
Minneapolis is the largest city in Minnesota and the center of finance, industry, trade and transportation for the Upper Midwest. At 44.58°–north latitude and 93.15°–west longitude, Minneapolis is 59 square miles (153 square kilometers), including 3.6 square miles (9.4 square kilometers) of inland water.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

Climate

Minneapolis has an average summer temperature of 70° F, and an average winter temperature of 16° F.¹ Minneapolis has four distinct seasons, with moderate spring and fall weather. Summer is comfortable because lakes and trees serve as natural air conditioners.



Population



Minneapolis is home to an estimated 393,000 people. Males and females each make up approximately 50% of the population. Children and youth under 18, seniors aged 65 and above, make up 20% and 8% of the population respectively. African Americans comprise 19% of the population, with Hispanics making up 11% of the population. People of American Indian and Alaska Native descent comprise 2% of the population and people of Asian ethnicity make up 6% of the population.

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

People of another race, or those of two or more races, make up 4% of the population.²

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 flourmills along the river evolved into the international corporations of Pillsbury, Washburn Crosby (General Mills) and Cargill. In 2010, the ten largest Fortune 500 Companies headquartered in the metro area were as follows:³

Employer	Revenue \$ Billions
United Health Group	110.6
Target	73.3
Best Buy	45.1
CHS	40.6
Super Valu	36.1
3M	29.9
U.S. Bancorp	22.2
General Mills	16.7
Medtronic	16.5
Land O'Lakes	14.1

As of the third quarter 2012, the City's largest employment sectors were health care and social assistance (17%), professional and technical assistance (10%), educational service (9.6%), and finance and insurance (9.5%), and accommodation and food service (8%). The fastest growing employment sectors from first quarter of 2011 to first quarter of 2012 were real estate and rental and leasing, administrative and waste services, and accommodation and food services.⁴ With twenty-one accredited colleges and universities in the Minneapolis-St. Paul area, and four ABA-accredited law schools, the City's highly educated workforce continues to be a driving force of a strong economy. The University of Minnesota's highly acclaimed medical school, and the City's seven hospitals, has made Minneapolis a leader in the medical field.



Abbott Northwestern Hospital
(Piper Breast Center)

Since 2009, the City's unemployment rate has been falling. Details follow:⁵

	2008	2009	2010	2011	2012	2013
Total Labor Force	215,673	217,941	218,733	214,254	212,979	216,257
Employment	204,704	201,774	204,234	201,281	201,016	205,487
Unemployment	10,969	16,167	14,499	12,973	11,963	10,770
Unemployment rate	4.4%	7.4%	6.6%	6.1%	5.6%	5.0%

² Source: US Census Bureau 2012 estimates, <http://quickfacts.census.gov/qfd/states/27/2743000.html>

³ Source: Official Statement, November 1, 2013, City of Minneapolis for General Obligation Various Purpose Bond Series 2013

⁴ Source: "Minneapolis Trends" available at

<http://www.minneapolismn.gov/www/groups/public/@cped/documents/webcontent/wcms1p-100744.pdf>

⁵ Source: Official Statement, November 1, 2013, City of Minneapolis for General Obligation Various Purpose Bond Series 2013

The City's top ten payers of property taxes in 2010 follow:⁶

Taxpayer	Type of Business	Net Tax Capacity*	% of Total Net Tax Capacity
Northern States Power Co.	Utilities	\$6.4M	1.78%
Target Corporation	Office Buildings and retail	\$4.2M	1.12%
MB Mpls. 8 th Street LLC	Office Buildings	\$3.6M	0.95%
NWC Limited Partnership	Commercial/Industrial Buildings	\$3.3 M	0.88%
Minneapolis 225 Holdings LLC	Office Buildings	\$3.2M	0.87%
SRI Ten Center LLC	Office Buildings and Residential	\$3.0M	0.82%
Wells Operating Partnership LP I	Office Buildings	\$2.8 M	0.73%
First Minneapolis-Hines Co.	Banks	\$2.7M	0.71%
Hilton Hotels Corp.	Hotel/Hospitality	\$2.4M	0.64%
Hines Global Reit 50 So. 6th St LLC	Office Buildings	\$2.2M	0.59%
Total		\$33.9M	9.09%



Neighborhoods

Minneapolis has 81 residential neighborhoods offering 177,309 residential housing units.⁷ The City is well known for its concerned and active citizenry which has 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 and preserve housing stock in the face of foreclosures.

Downtown

According to the City's analysis of the data from the State of Minnesota, approximately 132,000 jobs were located in downtown Minneapolis as of 2010.⁸ Second-story skyways keep downtown busy and thriving even on the coldest days. Nicollet Mall, a 12-block-long shopping area closed to automobile traffic and flanked by some of the nation's finest department stores and specialty stores is the retail heart of Minneapolis, with many stores located in Gaviidae Common, City Center, and the Crystal Court.



The Arts



Minneapolis is second only to New York City in per capita attendance at theater and arts events. Minneapolis has more than 30 theaters. The Guthrie Theater and the Children's Theatre Company are recognized as two of the country's best. In June of 2006, the Guthrie Theater celebrated the opening of its \$125 million theater on the banks of the Mississippi River on the northeastern edge of downtown. The City also boasts two world-class art museums, the Minneapolis Institute of Art and

⁶ Ibid

⁷ Source: Minneapolis Assessor, January 2012

⁸ Source: CPED analysis of DEED data as of 2010

the Walker Art Center, and is home to the internationally acclaimed Minnesota Orchestra. Neighborhood arts activities including festivals, galleries and events play a growing role in resident art participation.

Education



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

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. When the National Football League's Minnesota Vikings are in town, the Metrodome can seat 64,000 football enthusiasts. The new Vikings stadium will have a sitting capacity of 65,000 football 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 the Target Center. Minnesota's National Hockey League team, the Wild, play in St. Paul. Minneapolis has the capacity to host large events at the City's Convention Center.



Minneapolis residents not only watch sports, they participate actively. In 2008, *Men's Fitness* magazine ranked Minneapolis number two on their top ten fittest cities list. Playing in summer softball leagues, golfing, jogging, swimming, playing tennis, biking or rollerblading around and sailing in the City's lakes are favorite pastimes. In 2008, Bicycling Magazine awarded Minneapolis #1 Bike City.

The City's Park and Recreation Board maintain 87 miles of walking and biking paths. The City 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 ready for fun no more than six to eight blocks from every home.

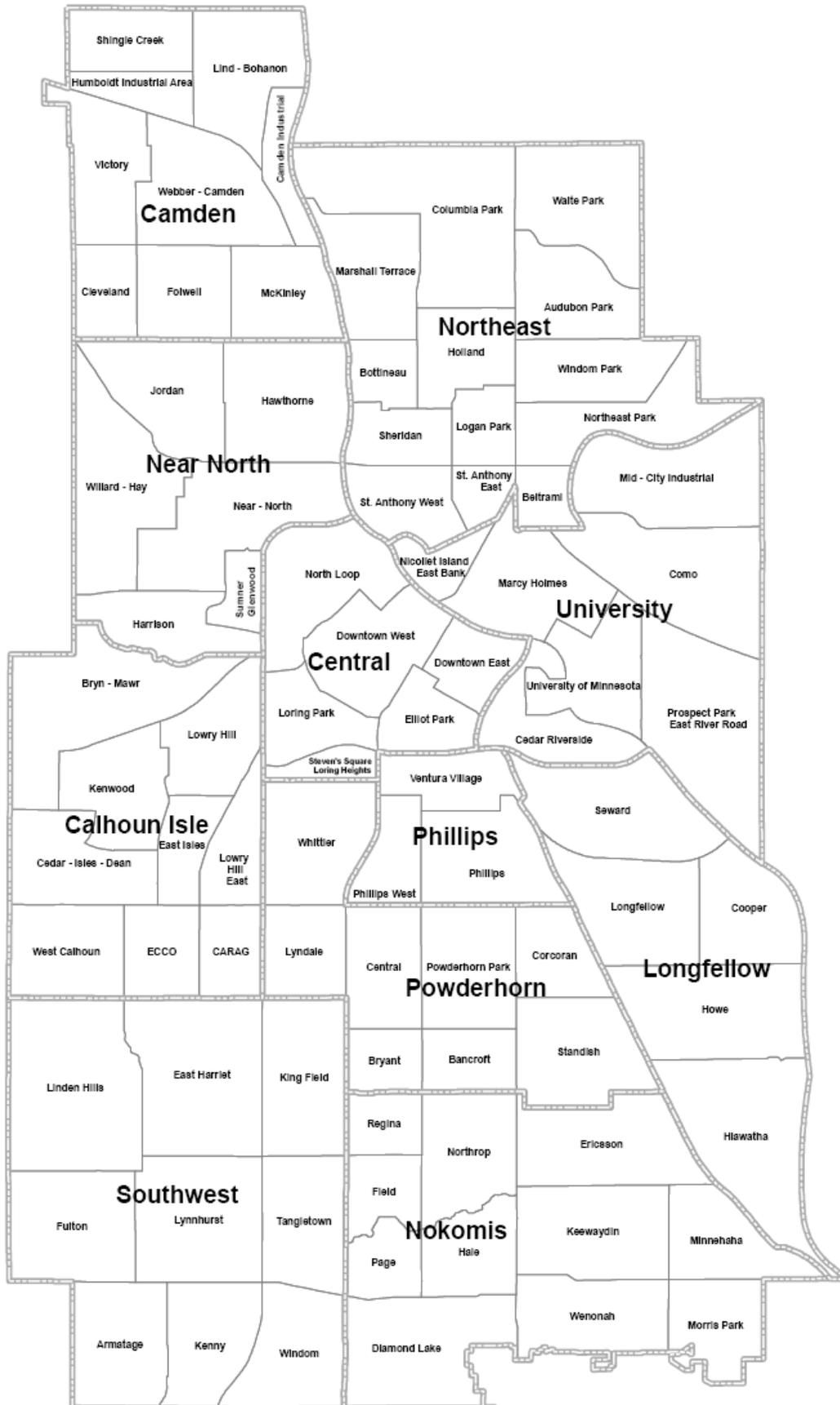
Nationally Recognized

Minneapolis has recently received national recognition as being a great place to visit, to live, run a business, and forge community connections. The following is a sample of some of the City's recent honors:

- ✚ 2013 Healthiest City in US – *Forbes Magazine*
- ✚ 2011 Best city in the country for workers to find employment – *Forbes Magazine*
- ✚ 2011 Best Place to Live in a Big City Designed for Getting Outside – *Men's Journal*
- ✚ Cleanest City in America 2010 – *Travel and Leisure Magazine*
- ✚ Third Best Market for Young Professionals 2010 – *Forbes Magazine*
- ✚ # 8 on America's Best Cities List – *Outside Magazine*
- ✚ Minneapolis one of the "Best Places to Live in 2010" – *Men's Journal*
- ✚ Minneapolis/Saint Paul Named Top Metro Area for Business – *MarketWatch*
- ✚ Minneapolis Best City in the Country to Find Employment - *Forbes*
- ✚ Minneapolis Identified as the "Most Affordable Place to Live Well" – *Forbes*
- ✚ One of 2007's Top Destinations – *Frommer's*
- ✚ One of World's Top Biking Cities – *Travel + Leisure*
- ✚ # 1 Bike City – *Bicycling Magazine*
- ✚ City of Minneapolis Received Gold Award for "Bike Friendly Business" – *League of American Bicyclists*
- ✚ # 4 City for Eating Smart, Being Fit, and Living Well – *Cooking Light*
- ✚ Minneapolis Named the Nation's Second Fittest City – *Men's Fitness*
- ✚ # 3 Best Cities for Singles – *Forbes Magazine*
- ✚ Most Literate City – *Central Connecticut State University*
- ✚ # 4 Smartest City in America – *The Daily Beast*
- ✚ # 2 City to Have a Baby – *Fit Pregnancy*
- ✚ Best Cities for Working Mothers – *Forbes Magazine*
- ✚ Minneapolis/Saint Paul Ranks in Top 10 Areas in the Nation for Energy-Efficient Buildings - *EPA*
- ✚ # 7 Sustainable City – *Sustain Lane*
- ✚ Minneapolis Cleanest City in the Country – *Travel + Leisure*
- ✚ Minneapolis One of the 10 Greenest Cities in the Nation – *Move.com*
- ✚ Minneapolis/Saint Paul Area Ranked Top in the Nation for Volunteering – *National & Community Service*
- ✚ # 1 National Night Out City of 2007 – *National Association of Town Watch*

For links to more information on many of these top rankings, visit www.minneapolismn.gov/visitors/

MINNEAPOLIS COMMUNITIES AND NEIGHBORHOODS



Generated by the City of Minneapolis CPED Department, Planning Division

City of Minneapolis 2012 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.

- ◆ **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.
- 
- ◆ **Board of Estimate and Taxation.** The Board of Estimate and Taxation (BET) is established under Chapter 15 of the City Charter. It is composed of seven 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 Chapter 16 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.



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 does not extend beyond making the appointments. The financial information for these organizations is not included in detail in this report.

- ◆ **Metropolitan Sports Facilities Commission.** The Metropolitan Sports Facilities Commission (Commission) is an appointed authority established in 1977 Minnesota laws. Of the seven members of the Commission, the City of Minneapolis appoints six. The Chair, who must by statute reside outside Minneapolis, is appointed by the Governor. The Commissioners serve four-year terms and removal is for cause only. The primary responsibility of the Commission is to serve as owners, operators, and landlords of the Hubert H. Humphrey Metrodome Sports Facility in Minneapolis. The major tenant of the Metrodome sports facility is the Minnesota Vikings.
- ◆ **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.

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 Neighborhood Revitalization Policy Board.** The Minneapolis Neighborhood Revitalization Policy Board (NRPB) was established in 1990, 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 and the Mayor and City Council under authority of State of Minnesota laws. The NRPB is composed of 20 members and includes public officials as well as representatives of neighborhood and community-interest organizations. The majority of members are persons other than the representatives of the jurisdictions that entered into the Joint Powers Agreement.
- **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.



**City of Minneapolis
2014 Budget
Chronology of Financial Decision Making**

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; 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.
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 Park Board at a level above 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 Reductions City uses 8% tax increase and 2% wage policy to manage employment costs during budget shortfalls
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 MERF pension "liquidity trigger" eliminated by the State Legislature 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 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 cut 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.

**City of Minneapolis
2014 Budget
Background Information**

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 all 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.

Enterprise Funds. The Enterprise 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. The City operates eight enterprise funds, including the Community Planning and Economic Development (CPED) department:

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 will be used to account for the operation, maintenance and construction projects related to the sanitary sewer system.

Stormwater Fund. This fund will be used to account for the operation, maintenance and construction projects related to the stormwater utility system.

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.

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

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

Internal Service Funds. Internal Service Funds are similar to Enterprise Funds in that they are used to account for those City services which are financed and operated in a manner similar to private business enterprises, however, the customer is typically other City departments instead of the public. The City operates six Internal Service Funds:

Engineering Materials and Supplies. This fund is used to account for the operations of the City's asphalt plant and 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 business information services, central mailing and printing services, and the City's telecommunication operations.

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.

Permanent Improvement Equipment. 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, and the purchase of special goods and services.

Self-Insurance. This fund is used to account for administrative costs employee benefit programs. 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. This 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.

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.

Arena Reserve Fund. This fund is a holding fund for various finance plan revenues to be used for future cost 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 sell 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, and the proceeds of the local sales and use tax.

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.

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.

Capital Projects Funds. The Capital Projects Fund is used to account for financial resources and expenditures applied to the construction of capital facilities and major purchased items for governmental fund types.

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.

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.

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.

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

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

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

	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
2014 Budget**

Strategic Planning

City Goals and Strategic Directions C2
Annual Budget Process C4
Integrating Key Processes for Budget..... C8
Results Minneapolis C11
Business Plan Goals Related to City Goals C12

Minneapolis 2020 – A Clear Vision for the Future

Minneapolis is a vibrant and welcoming city that encourages learning and innovation and embraces diversity. A mixture of accessible housing, jobs and educational opportunities creates a livable city and stimulates growth. Neighborhoods give the comfort and safety of home while offering the connectedness of community. Thriving commercial areas are linked by state-of-the-art transit and generous green spaces. Renowned cultural and recreational activities entertain and inspire. Minneapolis is a valued state resource and a city people enjoy visiting and calling home. The City's future is shaped through thoughtful and responsible leadership in partnership with residents and coordinated with a regional vision.

Five-Year Goals (Adopted in 2010 for 2010 to 2014)

A Safe Place to Call Home

People and businesses thrive in a safe and secure city

- Collaborative and caring communities help prevent crime
- Youth...in school, involved, inspired and connected to an adult
- Sustain gains against violent crime
- Healthy homes, welcoming neighborhoods
- Homelessness eliminated
- Burglaries and domestic violence focused on and fought
- Guns, gangs, graffiti gone

Jobs & Economic Vitality

A world-class city and 21st century economic powerhouse

- Businesses — big and small — start here, stay here, thrive here
- Talent magnet connecting people to training and jobs to people
- Strong commercial corridors, thriving business corners
- Planes, trains and streetcars move goods and workers smartly
- Teens prepared with career and life skills
- Epicenter for the new green jobs economy
- Proactive business development in key growth areas
- Arts and artists are economic drivers in and of themselves

Livable Communities, Healthy Lives

Our built and natural environment adds character to our city, enhances our health and enriches our lives

- Equitable, integrated transit system
- Thoughtful neighborhood design with density done right
- Plentiful arts, cultural and recreational opportunities
- High-quality, affordable housing for all ages and stages in every neighborhood
- Active lifestyles: walkable, bikeable, swimmable
- Healthy choices are easy and economical

Many People, One Minneapolis

Inclusiveness is a treasured asset; everyone's potential is tapped

- Family-friendly opportunities and amenities abound
- New arrivals welcomed, diversity embraced
- Race and class gaps closed in employment and housing
- Tots school-ready, teens on course
- Teen pregnancy a thing of the past
- Seniors stay and talents are tapped

Eco-Focused

Minneapolis is an internationally recognized leader for a healthy environment and sustainable future

- Clean, renewable energy sources successfully integrated
- Trees: a solid green investment
- Lakes and streams pristine
- Use less energy, produce less waste
- World class parks fully enjoyed
- Locally grown food available and chosen

A City That Works

Minneapolis is a model of fiscal responsibility, technological innovation and values-based, results-driven municipal government

- Shared democracy empowers residents as valued partners
- 21st century government: collaborative, efficient and reform-minded
- Tax burden managed and sustainable
- Infrastructure — streets, bridges, sidewalks, sewers, bike lanes & paths — well-managed and maintained
- City employees high-performing, engaged and empowered
- Transparency, accountability and fairness are our hallmarks
- Strong partnerships with parks, schools, government, non-profits and private sector
- Optimal use of technology and wireless capacity

These five-year goals and the strategic directions were developed and approved by the Minneapolis City Council in April 2010. It is anticipated that the incoming Council will update these goals and strategic directions as part of the citywide goal update they undertake during the first half of 2014.

**City of Minneapolis
2014 Budget
Strategic Planning
Annual Budget Process**

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

March

Preliminary 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 available in 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 annual basis. Finance, CPED, and the capital long-range improvements committee (CLIC) review capital improvement proposals of the departments. CLIC is the citizen advisory committee to the Mayor and the City Council on capital programming.

Strategic planning

The City engages in citywide strategic planning every four years to develop citywide goals and strategic directions. These citywide goals and strategic directions set guidelines for each department to develop its business plan. Early in 2010, the elected officials and department leadership participated in three sessions which aimed at setting a future direction for the City within the financial parameters anticipated. As a result of the decisions arrived at in these sessions, a new vision, five-year goals, and strategic directions were adopted. This process will be revisited by the City Coordinator's Office in 2014.

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 Asset Request System (CARS) plan and budget development

Departments work in coordination with Finance and Property Services to prepare five-year plans for the replacement of smaller capital assets and operating capital. The plans are based upon the need for replacements and the addition of capital assets for operational effectiveness. Each request requires a justification and estimate of the impact on operating budgets, as well as identifying funding sources.

June–August

Mayor's Recommended Budget

The 2014 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, Council Members, 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.

September

Maximum proposed property tax levy

As a requirement of State law, the maximum proposed property tax levy increase is set by September 15 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 Park Board.

October–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/Budget Committee with all Council members invited to attend. Following departmental budget hearings, the Ways and Means/Budget Committee amends and moves forward final budget recommendations to the City Council. The Committee-recommended budget includes any and all changes that are made 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. These statements also indicate the dates when TNT public hearings will be held. State law was changed in the 2009 Legislative session to eliminate a separate TNT hearing. It was replaced with a requirement to allow public comments at the meeting at which the final budget adoption occurs. The City Council has maintained this 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.

December

City Council budget adoption

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

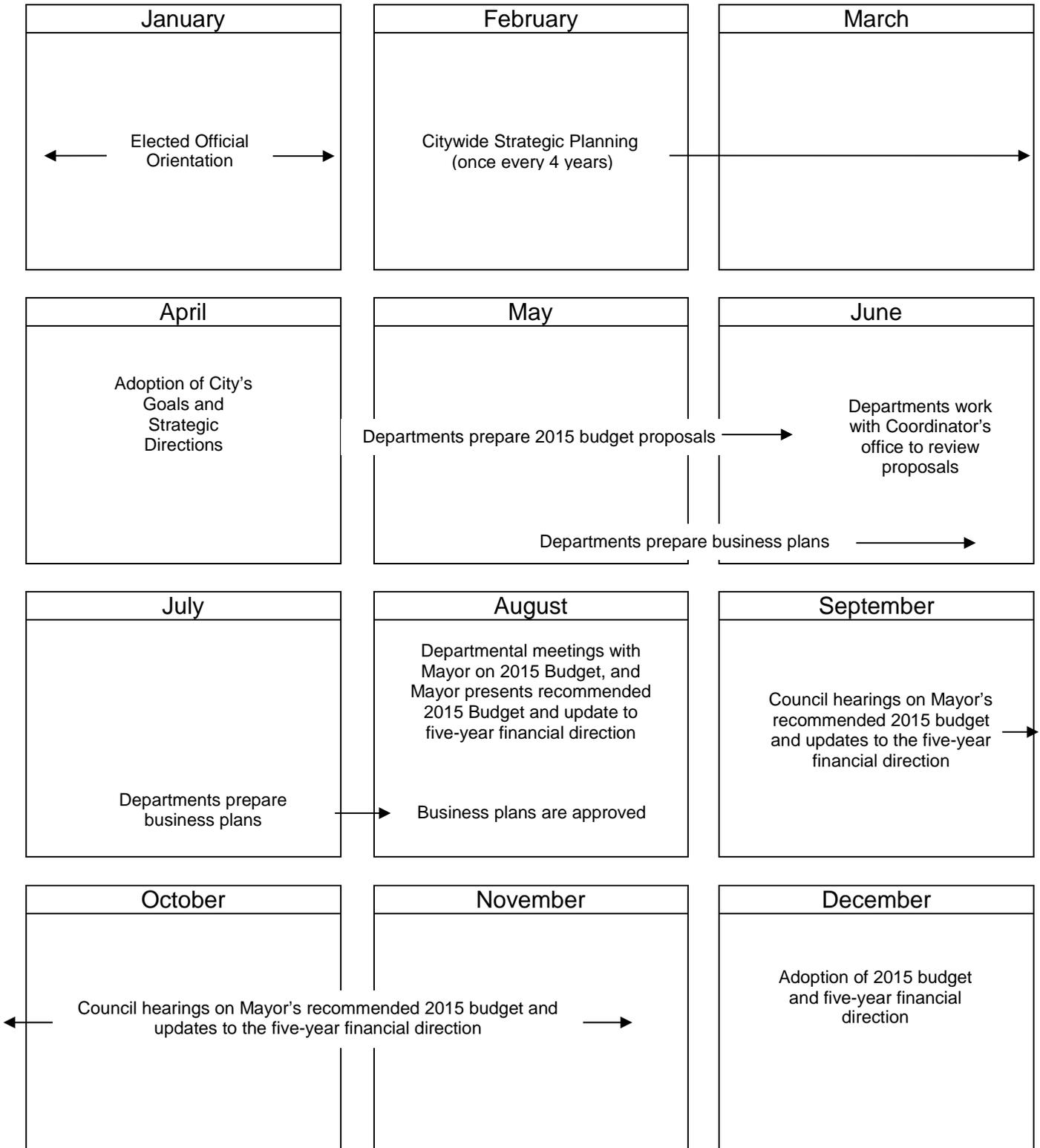
The independent boards and commissions adopt their own operating budgets. State law requires that final budget adoption occur after November 24.

Specific significant dates in 2013 for 2014 budget adoption were as follows:

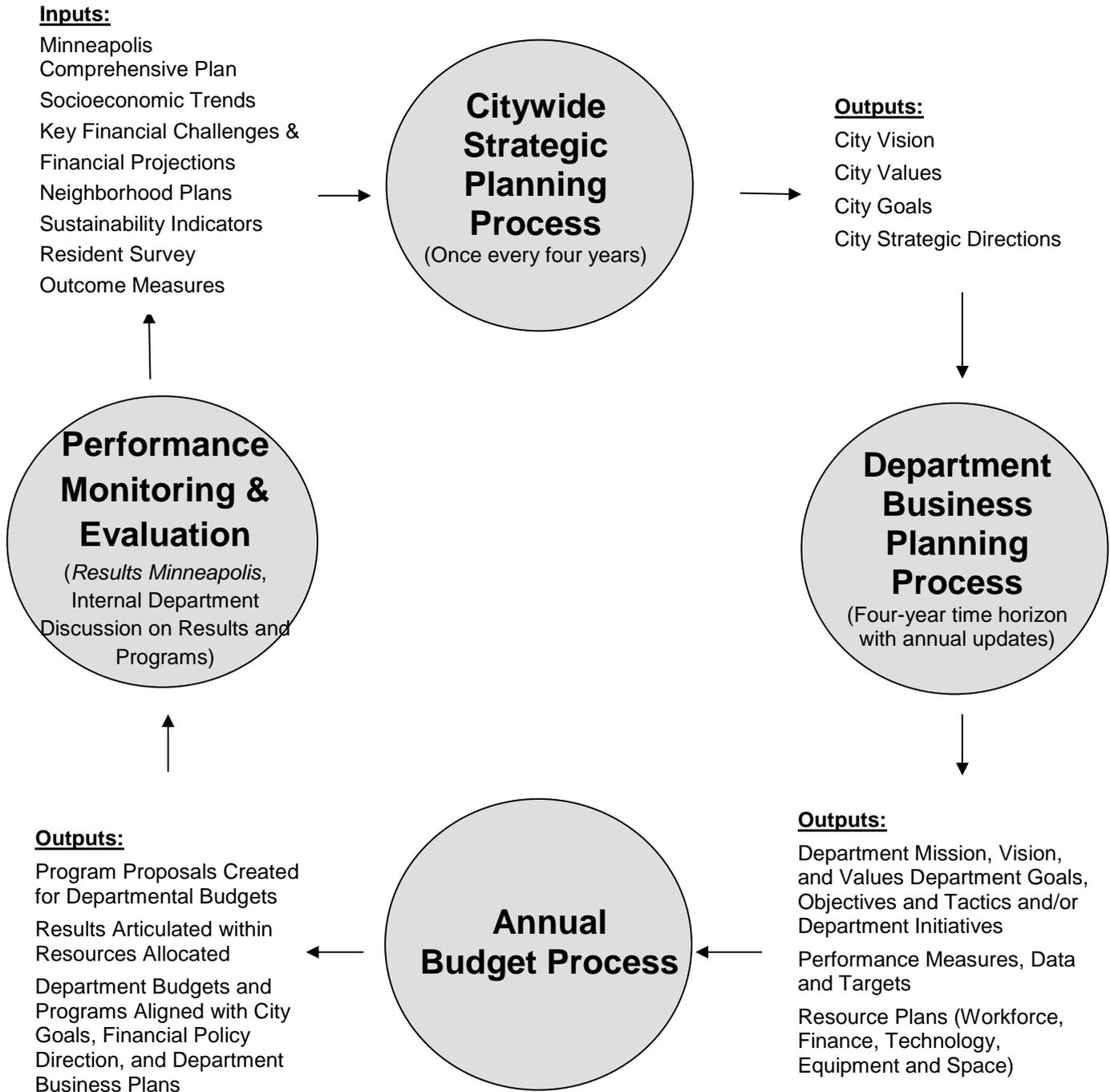
Jan-Feb	Business Plan updates
Apr 1	Capital project requests due for Capital Long Range Improvement Committee (CLIC) consideration
Apr 9 - Apr 25	CLIC review and presentations of capital proposals
April 10	State of the City Speech
May 9	Joint public hearing of CLIC and Planning Commission on 2014-2018 Capital Plan
Apr-June	Preparation of Capital Asset Request System five-year plan
June-July	Mayor' Office reviews budget programs
July-Aug	Mayor finalizes budget recommendation
July 12	CLIC report distributed to Mayor and Council
by August 15	Mayor delivers budget message to City Council as required by the Charter
Aug 29	Board of Estimate public hearing on maximum property tax levies 5:05 p.m.
Sept 11	Board of Estimate meeting to set the maximum property tax levies 4:00
Sept - Oct	Ways and Means Hearings on the Budget (schedule to be determined)
Nov 19	Public Comment on Levy and Budget 6:05 p.m.
Dec 4	Markup by Ways and Means Committee, with all Council Members invited to attend 9:30 a.m. until noon and 1:00 p.m. until 4:30 p.m.
Dec 5	Markup by Ways and Means Committee, with all Council members invited to attend 1:30 p.m. until 4:00 p.m.
Dec 11	Council budget adoption 6:05 p.m.

If layoffs were recommended, the Mayor would have needed to call a special City Council meeting requesting action to provide preliminary approval of the budget.

FINANCIAL/BUSINESS DECISIONS 2014 CALENDAR



INTEGRATING KEY CITY PROCESSES



City of Minneapolis 2014 Budget Integrating Key City Processes

Setting priorities for the City is one of the most important responsibilities Minneapolis' elected officials have. These priorities are articulated and discussed through a number of different means: citywide strategic planning, department business planning, the annual budget process, and performance monitoring.

The diagram on the previous page illustrates the linkages among these key City processes. By fully integrating strategic planning, business planning, budgeting and performance monitoring, Minneapolis has the opportunity to change the way it plans for the future and to ensure its efforts and resources are aligned in the same direction.

Citywide Strategic Planning

Strategic planning is a process in which an organization sets its long-term future direction. It is a tool for assessing its current and future environment and for ensuring the organization's energies are focused toward achieving strategic goals.

In April 2010, the Mayor and City Council adopted a new set of City Goals and Strategic Directions. This work builds on previous City goals and a resolution establishing commitment to business planning and the five-year financial direction. This strategic policy direction serves as a guide by which all other policy decisions should be assessed. As elected officials and departments make decisions throughout the year, they should be asking "does this support the City's strategic plan?"

Department Business Planning

The development of the citywide strategic plan is intended to provide clear direction for departments' business planning efforts. Through the planning and budgeting processes, departments are given direction as to City priorities and their projected level of resources over the next several years, and now have the opportunity to structure their work accordingly. A department's business plan will articulate the alignment of its services with the citywide strategic plan.

Business planning is a process that provides both strategic and tactical direction to City departments. A business plan is a mid-range plan (Minneapolis uses a four-year planning horizon) that aligns department services with City strategic goals. A business plan addresses what the department does, what it is trying to achieve, how to achieve it, what resources to use, and how it will know when it has been successful.

Annual Business Plan Updates and Priority Updates

The City develops a four-year business plan accompanied by annual updates following the adoption of the budget. The next long-term citywide strategic planning process will begin in 2014, with changes to or development of new goals and directions, followed by updates to departmental business plans. The current goals and strategic directions for departments are listed at the end of this section.

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
2014		Strategic Planning	City Goals Adopted	Departments Write 4-Year Business Plans				Council Approval of Business Plans				Budget Adoption
2015	Departmental Business Plan & Priorities Annual Update											Budget Adoption
2016	Departmental Business Plan & Priorities Annual Update											Budget Adoption
2017	Departmental Business Plan & Priorities Annual Update										 Election	Budget Adoption

The Annual Budget Process

Minneapolis’ annual budget process is when the Mayor and City Council articulate their priorities for the upcoming year by allocating City financial resources accordingly. Through the further integration of the City’s planning, budgeting and performance measurement processes, it is expected that the decisions surrounding the budget process will be better informed as these planning efforts come to fruition. The business plans provide greater clarity of the hoped-for future direction of departments, and performance measurement helps assess whether current strategies are yielding those expected results.

As stated above, during the planning and budgeting process, departments are given the projected level of financial resources to expect over the next several years and plans are adjusted accordingly.

Performance Monitoring

Performance monitoring is the means we use to examine our progress toward both our City and department goals. A successful performance monitoring system can lead to continuous improvement of program performance, improved customer service, strengthened accountability and empowered employees.

Performance measures can assist in keeping budget discussions focused on expected outcomes, allowing for greater creativity in how those outcomes are achieved. Finally, performance measures can give both the policy makers and department management the language they need to have a discussion about what resources are needed and why.

In addition to incorporating performance measures into the budget process, the City discusses department measures and community indicators during weekly *Results Minneapolis* progress conferences. *Results Minneapolis* is a performance monitoring effort whereby each City department presents before a panel at least annually to discuss progress on outcomes that it deems most important in its decision-making process.



What is “Results Minneapolis?”

Results Minneapolis is a management tool Minneapolis city leaders use to monitor progress and offer strategic counsel toward achieving the City’s recently adopted four-year goals and 20-year vision. The six city goals are:

A Safe Place to Call Home – People and businesses thrive in a safe and secure city.

Livable Communities, Healthy Lives – Our built and natural environment adds character to our city, enhances our health and enriches our lives.

Eco-Focused – Minneapolis is an internationally recognized leader for a healthy environment and sustainable future.

Jobs & Economic Vitality – A world-class city and 21st century economic powerhouse.

Many People, One Minneapolis – Inclusiveness is a treasured asset; everyone’s potential is tapped.

A City that Works – Minneapolis is a model of fiscal responsibility, technological innovation and values-based, results-driven municipal government.

A review panel of City leaders meets with a different department head each week to track progress and discuss strategies on key performance measures. The discussions are meant to be probing, informative and at all times constructive. By regularly tracking performance data at “progress conferences,” City leaders can identify areas where the City is excelling, as well as opportunities for improvement.

How *Results Minneapolis* is better helping us meet our goals

Results Minneapolis has institutionalized Minneapolis as a results-focused, data-driven and more transparent government. Monitoring performance helps City decision-makers be more effective by providing the information they need to proactively implement management changes for improved results. *Results Minneapolis* ensures that all managers are focused on achieving common outcomes and resources are aligned with the greatest needs of the City.

Public reporting of our measures

While performance data had been publicly available City’s budget document, the City developed a more public-friendly website (www.minneapolismn.gov/results) in 2008 with the help of residents to share the City’s key performance information. This website is the residents’ window for monitoring the City’s progress on the critical areas that residents care about most.

**City of Minneapolis
2014 Budget**

**Department 2010-2014 Business Plan Goals
And Related City Goals**

City Goals Reference Key:

Goal 1 A Safe Place to Call Home



Goal 2 Livable Communities, Healthy Lives



Goal 3 Eco-Focused



Goal 4 Jobs & Economic Vitality



Goal 5 Many People, One Minneapolis



Goal 6 A City that Works



Department	Department Goals	Related City Goal(s)
311	311 prepared to handle any question or service a customer may have	
	Customer facing city services and business processes are continuously improved	
	311 is recognized as the primary portal to City nonemergency information and services	
	311 will be managed toward operational excellence - people, process and technology – to deliver the best customer service	
Assessor's Office	The Assessor's office is transparent in interactions with stakeholders and accountable for assuring all valuations are fair equitable and defensible.	
	Department efforts result in both incremental and breakthrough process improvements	
	Department employees are high-performing engaged and empowered	
	The department's institutional knowledge is maintained through training, mentoring and coaching	
	Technology based business solutions improve our efficiency and effectiveness	
City Attorney's Office	Domestic violence deterred through the "Minneapolis Model"	

	Reduce repeat livability crime to create welcoming neighborhoods and a thriving downtown	
	Violent crimes are aggressively prosecuted	
	Enhance the effectiveness and efficiency of the criminal justice system	
	Provide high quality legal services to better inform client decision making and achieve desired results	
	Minimize civil liability of City	
City Coordinator's Office	All our work supports better results on City goals & directions through smart and creative use of all resources, high-quality measurement data and strong connections to funding priorities	
	Good management tools are tested, available and used for process improvement, innovation and idea generation, and overall organizational development	
	Our partners and the reach of strategic partnerships –internal and external to government – grow exponentially in coming years	
	Sustainable is both our watchword and the way we do everything	
	Departmental or divisional silos disappear and cross-departmental collaboration in solving public problems is the City's cultural norm	
	The City's arts goals are clearly defined and communicated, and central to strengthening our economy through art & artist support and coordination	
Civil Rights	Enforce the Minneapolis Civil Rights Ordinance	
	Enforce the Minneapolis Civilian Police Authority Ordinance	
	Monitor employment/hiring goals for contractors supplying the city with goods, services and construction activities. Monitor small and underutilized business participation on city-assisted contracts Monitor contractor compliance with federal and city wage mandates	

Communications	Deliver open transparent access to City news and information	
	Manage the City's image so that Minneapolis is recognized as safe, green, healthy, vital, diverse and well-managed	
	Partner with City departments and leadership to foster an engaged and informed City workforce	
	City's Communications strategies and tools continuously evolve and improve to match emerging trends and best practices	
CPED	Plan and develop a vibrant, sustainable community	
	Promote Private Sector Growth to build a healthy economy	
	Promote economic self-sufficiency for individuals and families	
	Develop and preserve lifecycle housing throughout the city	
Convention Center	MCC is a safe environment for employees and visitors	
	MCC uses resources efficiently	
	MCC delivers quality products and services	
	MCC has a superior work culture that is employee focused and client-centered	
	MCC is recognized as a hospitality asset for the community and region.	
Finance	Reduce and minimize loss and risk exposure to the City and protect City assets	
	Optimize insurance values	
	Reduce accidents involving City employees, and maintain a safe and productive workforce	

	City decision-makers receive and make decisions based on strategic financial information	
	Departments manage and prioritize resources to provide services to Minneapolis residents and other City departments	
	The City plans for and makes effective use of available financial and personnel resources	
	City staff is able to follow user-friendly processes for development of annual operating and capital budgets	
	City debt is managed actively to take advantage of market conditions	
Fire Department	The department is committed to the mitigation of emergency occurrences and in limiting the negative impact of emergencies when they do occur, by providing education which is culturally sensitive, focused on saving lives, fire prevention and other general safety tips	
	Every dwelling has a smoke detector and CO2 monitor	
	Explore other business models of service delivery to identify innovative opportunities and initiate changes to improve the efficiency and effectiveness of operations	
	Maintain a state of readiness at all times no matter what event or incident triggers a suppression or rescue call	
	Promote employee safety, health and fitness as top priorities	
	Foster lifelong learning to meet the ever evolving changing public needs and expectations	
	Improve dept's capacity to better adapt to economic challenges, changing expectations/ accountabilities and new technology	
	Proactively foster relationships with all City departments	
	Maintain and maximize the use of the state of the art Emergency Operations Training Facility (ETOF)	
	Identify and implement technology based solutions to improve the efficiency and effectiveness of our services and programs	
Health and Family Support	Strong Urban Public Health Infrastructure	
	Healthy weight through active living and healthy eating	
	Healthy sexuality and relationships	
	Thriving and Violence Free Youth	

	A Healthy Start to Life and Learning	
Human Resources	An environment exists where City employees are motivated to contribute to organizational success	
	The City work environment values, respects and embraces diversity and inclusion	
	The City has a comprehensive approach to performance management that effectively aligns the individual contributions of employees to the accomplishment of citywide goals	
	The City is a continuous learning and development organization	
	HR strategy, policies and enterprise systems are progressive and support innovation, continuous improvement and effective utilization of City services & resources	
	Labor strategy supports City goals and collaborative labor management relationships	
Intergovernmental Relations	Resources will be found to fund city priorities	
	Grants Management resource for city departments	
	Achieve federal and state legislative agenda	
	Maintain and strengthen existing partnerships and where appropriate develop new ones	
	Cultivate Met Council relationship	
Neighborhood And Community Relations	Stakeholders are engaged and have the information they need to participate in neighborhood, community and City discourse, processes and opportunities	
	Empowered, inclusive and valued neighborhood organizations	
	City government is understandable, and services and programs are obtainable and equitable for all residents	
	Thriving, safe, sustainable and livable neighborhoods	

Police Department	Citizens have confidence in and trust their police force	
	A department which is a national leader in police innovation.	
	People in our community feel safe	
	A department which is a national leader in reduction of domestic violence	
	A department which is a national leader in addressing gang crime	
Public Works	A work environment that supports, empowers, develops and engages our employees	
	A work environment where continuous improvement is the culture	
	Infrastructure is managed in a sustainable manner, consistent with policy goals established by the council	
	Interaction with Public Works is a courteous, professional and responsive experience	
Regulatory Services	Through emergency preparedness, regulatory enforcement and education, Minneapolis properties (commercial and residential), streets and neighborhoods are safe for residents and visitors	
	Outdoor and indoor spaces are free of health hazards with residents making healthy choices	
	Minneapolis is considered a livable and inviting community to residents and visitors alike.	
	Regulatory Services is continually seeking means to improve our employees and the delivery of services to our customers	

**City of Minneapolis
2014 Budget**

Financial Policies

Section	Page
Operating Budget.....	D2
Revenue.....	D5
Fund Balance.....	D8
Accounting.....	D10
Investment.....	D10
Development Finance	D10
Public Participation.....	D11
Allocation Model.....	D12
Administrative.....	D14
CDBG Reprogramming.....	D16
Capital Budget.....	D17
Capital Project Administration.....	D18
Debt	D19

**City of Minneapolis
2014 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.

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.

Service Levels. Changes in service levels shall be governed by the following:

- **Budget Process.** The annual budget process is intended to weigh all competing requests for City resources within expected fiscal constraints. Requests for new programs should be made as a part of the annual budget process. New initiatives will be financed by reallocating existing City resources to the services with the highest priorities as determined by the City Council.
- **Personnel Expenses.** Departments are to account for the salaries and benefits of permanent employees within their ongoing budget appropriations. 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. The total number of allocated (budgeted) FTEs shall not be increased to account for bell-curve staffing. Rather, the base level of FTEs shall be based upon an average staffing level achieved by hiring to maintain the average.

[New in 2014] In the event that service levels are not able to be maintained with the current complement of budgeted FTEs, departments may seek to expand staffing to meet business needs. 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 when the need for service declines. The business case shall be submitted to the Finance and Property Services Department, Human Resources Department, and the City Coordinator's Office for review and approval. The department shall report quarterly to the Finance and Property Services Department, Human Resources Department, and the City Coordinator's Office the status of meeting targeted service levels to provide continued justification of the need for expanded staffing.

- **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.
- **[New in 2014] 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 CARs process or as part of the department's operating 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 CARs budgets. Subject to review by Finance and Property Services and the internal service fund staff, the additional cost and/or service will be funded through the rate model in the subsequent budget year using the approved allocation methodology.
- **Elected Official Budgets.** A year-end deficit will be allowed for each ward and the Mayor's office budget with the exception of the final year of term (but not for two consecutive years). The deficit will be paid by March 31 or the Council Member or Mayor's office budget for the current year will be reduced at mid-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 reappropriated the final year of the term.
- **Grant Funded Programs.** General governmental programs financed with grant awards shall 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 shall be substituted only after all competing program priorities are considered during the annual budget process. Grant programs that require an on-going 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.

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 that are determined to be susceptible to accrual and budgeted accordingly 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 accrued and budgeted. Interest on special assessments receivable is not accrued or 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 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 levels that are considered to be 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, with the exceptions of approved encumbrances and requests approved during the roll-over/re-appropriation process after year end [See re-appropriation of authority in the Authority of Finance Officer Section].

Purchase orders, contracts, and other commitments are recorded as encumbrances, which 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/re-appropriation processes.

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.

Grant Funding in the Five-Year Financial Direction. All applications for grant funding require Council approval. Any department applying for grant funding should be aware of the effect on their budget of one-time-only funding; additional costs for maintenance, operation, and replacement of equipment and other capital assets purchased with grant funding; as well as grant funding that provides for funding of personnel and requires the maintenance of a minimum staffing level and/or maintenance of effort contribution. The department requesting the approval and acceptance of grant funding shall determine the amount of additional City resources that will be required to fund 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 accepting and entering into the grant agreement. As a condition of accepting the funds, the Council shall identify permanent resources and amend the Five-Year Financial Direction to reflect adequate resources to cover the costs and retain the positions, if appropriate, once the grant funding ends.

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.

[New in 2014] 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.

Revenue Distribution. 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 revenue 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 include closed pension obligations, previously approved internal service fund workout plans, 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 funded to allow for maximum transparency.

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. 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 not 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.

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 level of 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 schedule shall be reviewed with Finance and Property Services and approved by the Council on an annual basis.

Local Sales Taxes. The City shall use the proceeds from local sales taxes dedicated by the State for municipal use as funding permits for the following purposes:

- For the payment of debt service obligations on the City's convention center.
- For operational support of the City's convention center, inclusive of maintenance, service, and marketing agreements.
- For baseline capital projects and maintenance at City facilities as allowed by law, including the City's convention center and Target Center.
- For establishment of reserves in a tax stabilization account to smooth changes in taxes levied.
- For infrastructure needs that promote economic development.
- For economic development-related public safety needs.
- For discretionary capital projects at the City's convention center and Target Center.
- Other needs as determined by the city.

Cost of Service. The City shall establish user charges and fees at a level that reflects 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, administrative costs and revenue potential.

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

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.
- **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.
- **Park Board:** The most common types of assessments are for tree removal, and parkway and sidewalk reconstruction, similar to Public Works Improvements.
- **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).

Method of Payment (Public Works 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. 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 determine the interest rate to be paid annually on all unpaid installments; this rate shall be set annually based upon the financing cost of the improvement. The first installment shall be payable in the year following completion of the project and in the same manner as real estate taxes.

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.

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% of construction project costs. 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.

Proceeds from Sale of Real Property. City Ord. Sec. 14.120 requires proceeds from the sale of City property 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 associated with economic development purposes.

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 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.

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.

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

General Fund Operating Contingency. Separate from the unallocated general fund reserve balance, 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.

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 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 approximately three months of operating expense, or 25% of the annual operating budget. This 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, 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.

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 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 position equal to 15% of the fund's annual operating budget.

Use of Fund Balances. Fund balance is the cumulative 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

All resources for the City of Minneapolis not immediately required for payment of obligations are placed in an investment pool to earn income for the City. The investment pool consists of the combined cash balances of the various funds of the City. The pooled cash is parceled out to investment management firms. Investment pool earnings are allocated monthly to the various funds. All investments must comply with State and Federal law, as well as the City's "Investment Guidelines." The "Investment Guidelines" contain the full investment policies of the City.

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. In addition to the City's Financial Management Policies, detailed guidelines have been adopted by the City to manage specific development resources and programs. To the greatest extent possible, all development activities shall be self-supporting. 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, identifying the purposes and conditions under which TIF will be used and the factors to be considered when evaluating developers' applications for TIF assistance. The policy provides that TIF will only be used when the City has the financial capacity to provide needed public assistance and a developer can clearly demonstrate that the development will be able to meet its financial and public purpose commitments. The City seeks to recapture the public investment to the maximum extent feasible after allowing the developer a reasonable return. Alternatives such as "pay as you go" financing and reimbursing front-end public redevelopment costs with tax increment revenues are preferable to bond financing. The City will only issue general obligation tax increment bonds in rare situations and under certain strict criteria. Only those public improvements and public redevelopment costs directly associated with or needed to service proposed development plans or projects are to be financed through TIF.

The complete current Tax Increment Policy, approved by the City Council is available at: http://www.ci.minneapolis.mn.us/cped/resources/reports/cped_tax_increment_policy

Tax Abatement Policies. The Policy for the Use of Tax Abatement for Historic Properties identifies the circumstances in which the City will consider the use of tax abatement to support the substantial rehabilitation of designated historic preservation properties. Proposed uses of tax abatement must achieve one or more identified objectives, and the expected benefits to the City must at least equal the City's costs. The complete current policy, approved by the City Council is available in its entirety 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 be segregated from all other revenues of the City and maintained in separate funds established for each individual TI district. As a result of this statutory requirement, a separate fund is established at the time a new TI district is approved. Qualifying expenses are charged to these individual district funds as they are incurred. This action could result in negative balances in a fund until TI revenues are generated from the district.

When a district has a negative fund balance, this is considered to be an internal loan by the Office of the State Auditor and the TI Act requires prior, specific action to be taken by the City to authorize these internal, inter-fund loans.

As part of the budget process, and for purposes of covering any temporary negative fund balances, the City authorizes the advance of revenues from other TI special revenue funds in the amount needed to offset any negative fund balances incurred within a TI fund prior to or in excess of the collection of sufficient TI revenue. The interest rate paid on any advance will be equal to the rate of interest those revenues would have earned in their respective fund. The term of any advances shall end upon termination of any TI district that carries the negative fund balance. As TI revenues are available in a TI fund that previously had a negative balance, the advance shall be offset by the amount available in that fund.

Capital advances needed for negative fund balances will not result in the actual movement of revenue between funds, but the positive balance of all the City's TI funds will offset any negative balance in a TI fund.

PUBLIC PARTICIPATION POLICIES

The objective of the 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 Performance Measurement Reports. Information regarding the City budget, financial statements and performance measurement shall be available to residents.

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.

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 funded by the General Fund that are provided to other departments 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.

- 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. 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.

Internal Service Funds (ISF's): All ISF's use cost allocation models to recover costs.

General Fund Allocation Model. The City will recover costs within the General Fund related to services it provides to non-General Fund departments. The following General Fund departments participate in the allocation model:

Finance & Property Services	City Coordinator Administration	Intergovernmental Relations	Community Planning and Economic Development
Civil Rights	Human Resources	Mayor	Communications
City Clerk	Assessor	Internal Audit	

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 allocation model will adhere to the applicable policies set forth for Internal Service Funds.

One-Time Costs Assessed. One-time cost increases may be assessed to the fund 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 will be based upon standard accounting practices for allocating costs. The method and procedure to calculate the prorated costs and collection of the charge will be finalized and communicated to the Independent Boards by December 31 of each year in accordance with the City's revenue policies.

[New in 2014] Fleet Services Division (Equipment Services Fund).

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 the Fleet Services Division ("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, through the CARs process, funding 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 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 CARs program or operating appropriation.
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 if an enterprise fund or internal service fund determines that a 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 system and accounting system. Rate 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. All other charges associated with the unit will be charged to the benefitting department.

ADMINISTRATIVE POLICIES

Year-End Report. The Finance department will report to the Ways and Means/Budget Committee on 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 expenditures in excess of authorized appropriations and/or revenues less than budgeted amounts.

Departments with actual expenses in excess of authorized appropriations and/or revenues less than budgeted amounts will report to the Ways & Means/Budget Committee each month for the year following the year of overspending or under-collection of revenues, beginning with the first committee meeting in April. This report should report 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 present a plan that reduces spending to meet authorized appropriations.

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 should prepare a Receive and File notice for consideration by the respective home committee and the Ways and Means/Budget Committee when the annual operating and maintenance cost of any technology project exceeds \$50,000. This notice should 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/her designee. The Finance and Property Services Department shall submit a quarterly gift report to the City Council's Ways and Means/Budget Committee for approval. 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.

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 to the City Council's Ways & Means/Budget Committee directly.

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.

Central Requisitions and Receiving Policy. The City has developed a Central Requisitions and Receiving process as outlined on the City's Finance & Property Services Department internal website. <http://citytalk/finance/central/index.htm>

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/her designee has the authority to approve the following technical changes:

- To make temporary loans to cover any cash deficits at the end of each fiscal year.
- To adjust appropriations in any fund to facilitate transfers for debt service which may be required, and to make all appropriate transfers and payments.
- To authorize the Deputy Finance Officer and/or Controller to sign real estate and bond documents in the absence of the Finance Officer.
- To amend appropriations related to technical accounting treatment changes.
- To adjust re-appropriations for grant funds within cost centers as appropriate.
- To assign fund balance in accordance with GASB 54 based on analysis provided by the City Controller.
- To allocate the State Insurance Aid payments received from the state for pension costs.
- 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 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 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 appropriate available grant balances.
- 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 reduce any capital appropriation whenever a revenue source is determined to be uncollectible for whatever reason.
- 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 approve the closure of non-bond funded capital projects.
- 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.
 - 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.
 - 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, i.e., status of the fund relative to work out plans and whether the fund's spending in the preceding year had expense in excess of revenue.

CDBG (INCLUDING CPED DEVELOPMENT) 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 and the footnotes 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 would 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 can 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 pre-2010 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.

[Amended for 2014] Capital Allocations and Reappropriation. Beginning in 2014, appropriations for capital projects and program allocations for those projects/programs that have not moved forward toward implementation as indicated by a minimum of 75% of appropriation expended on tangible project activities by the end of four years including the appropriation year are subject to expiration (i.e. unspent 2014 appropriation is subject to expiration in 2018). The expiration of project appropriation will occur unless a request for extension is specifically made to the Ways & Means/Budget Committee and approved by the City Council.

[New in 2014] Annual Capital Project Status Report. The Community Planning and Economic Development Department will report to the City Council's Community Development and Ways & Means/Budget Committees annually on the status of capital projects funded by CDBG as well as other development funds. The annual capital project status report shall contain the following information by project and capital program year:

- 1) A list of open capital projects;
- 2) The current, expended and remaining appropriations;
- 3) An aging report showing the duration of existing and incomplete projects;
- 4) The balance of project shortfalls or funds available for reprogramming; and
- 5) A list of outstanding capital projects with the amount appropriations identified for expiration in the following year, i.e. have met the four year appropriation duration.

CAPITAL BUDGET POLICIES

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

Planning Direction Provided. The adoption of the Five-Year Capital Program 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.

[Amended for 2014] Capital Asset Request System (CARS). In addition to physical assets narrowly defined as infrastructure, the City also 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. Beginning in 2013 for the 2014 budget process, the City has implemented a five-year planning process to identify needs associated with operating capital, including software as well as the aforementioned items. The five year plan shall be updated and maintained on an annual basis to capture changes in equipment and funding needs. 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. Technology-related CARs request shall be submitted cooperatively between the user department and Information Technology to insure that the additional technology is consistent with the City's longer-term technology plan.

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 projects. Appropriations associated with the CARs program 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. 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 increase capacity for future capital programs.

Expiration of Capital Project Funding. For all capital appropriations, the City Council authorizations for bond issuance and project appropriation will expire a maximum of four years after 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/Budget Committee and is approved by the City Council.

Annual Capital Project Status Report. The Finance and Property Services Department will report to the City Council's Ways & Means/Budget Committee annually on the status of capital projects. The annual capital project status report shall contain the following information by project and capital program year:

- 1) A list of open capital projects for which bonds or City funding sources have been authorized;
- 2) The amount of revenue received to date;
- 3) The current, expended and remaining appropriations;
- 4) The balance of project shortfalls or funds available for reprogramming; and
- 5) A list of outstanding capital projects with the amount of bond authorizations and appropriations identified for expiration in the following year.

The Finance and Property Services Department shall also report on capital project appropriations and bond authorizations that may be cancelled and bond proceed reallocations due to projects that have been completed or otherwise concluded, or because the purposes for which money was appropriated or bonds authorized or issued have been cancelled, completed, or otherwise abandoned.

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 periodically at the call of the Director of Capital & Debt Management and includes the following persons:

- Finance Officer
- City Attorney
- Deputy Finance Officer/Director, Budget and Enterprise Financial Management
- Director of Capital & Debt Management
- Executive Secretary, Board of Estimate & Taxation

- Director, Development Finance or designee
- Independent Bond Counsel as needed
- Independent Financial Advisor as needed

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.

Short-term Debt/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 maintains an active program of conduit business financings. Applications for financing and development proposals are reviewed 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 storm water and sanitary sewers, waterworks and parking ramps. Financial feasibility of capital projects is reviewed each year, including a review of the cash basis pro formas 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 where projects can be shown to be self-liquidating from tax increments arising in sufficient amounts, or where secured guarantees are

provided for potential shortfalls, and with appropriate timing to avoid, to the maximum extent possible, the use of citywide property tax revenues and where maximum allowable guarantees are obtained.

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.

Feasibility. The City shall obtain secured guarantees for self-supporting and tax increment supported bonds. The City shall also obtain assurances of project viability and guarantees of completion prior to the issuance of bonds.

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.

Creation of Appropriations. The Finance Officer is authorized to create or adjust certain appropriations subsequent to the sale of bonds, including all appropriate fund transfers and payments necessary to comply with arbitrage rebate and reporting to the federal government as required by law. The Finance Officer is further authorized to adjust debt service budgets resulting from new bond sales and refunding bonds issued during the year.

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 can 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.

Accounting Adjustments. The Finance Officer is authorized to approve adjustments to capital appropriations between different capital departments for the same project within the same fund and revenue sources. Such appropriation adjustments shall not constitute approvals of any policy change.

Adjustments Related to Cost of Bond Issuance and Maintenance Fees. The Finance Officer is authorized to establish or adjust appropriations and fund transfers to pay all costs associated with authorized City bond sales including costs of issuance and annual bond maintenance fees from the Bond Redemption Fund with the expenditures then being allocated to other funds as appropriate.

Funding of Capital Models and Studies. The Finance Officer is authorized to fund from investment earnings, generated from capital project balances, studies related to long-term financial planning models and related debt management activity.

Authorization of Transfers for Bond Proceeds and Investment Income. The Finance Officer is authorized to establish and adjust appropriations to provide for the transfer of funds to include bond proceeds and investment income for capital projects.

Appropriation of Debt Service. Debt service funds shall be appropriated with sufficient funds to pay debt service requirements.

Post Issuance Compliance Policy. The City of Minneapolis adopted a formal Post-Issuance Compliance Policy 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/@clerk/documents/webcontent/wcms1_p-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. 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, as approved by resolution 2008R-133, the City hereby declares its official intent to reimburse itself for expenditures for projects described as bond funded in the annual adopted capital resolution and subsequent related resolutions. The projects are more fully described on Capital Budget Request forms on file in the office of the Director of Capital and Debt Management. 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
Assessment	Special Assessments
Tax Increment	Tax Increment revenues

Reimbursement Intent. The Finance Officer is authorized to make further declarations of official reimbursement intent in connection with the projects described herein pursuant to IRS Treasury Regulations Section 1.150-2 on behalf of the City consistent with budgetary and financial circumstances. Copies of any such further declarations shall be filed with the Ways & Means/Budget Committee and the Board of Estimate and Taxation.

**City of Minneapolis
2014 Budget**

Financial Overview

Financial OverviewE2
Property Tax Levy.....E38
Residential Property Taxes and Utility Fees: Sample BillsE41
Commercial/Industrial and Apartment Property: Sample BillsE43

City of Minneapolis 2014 Budget

Financial Overview

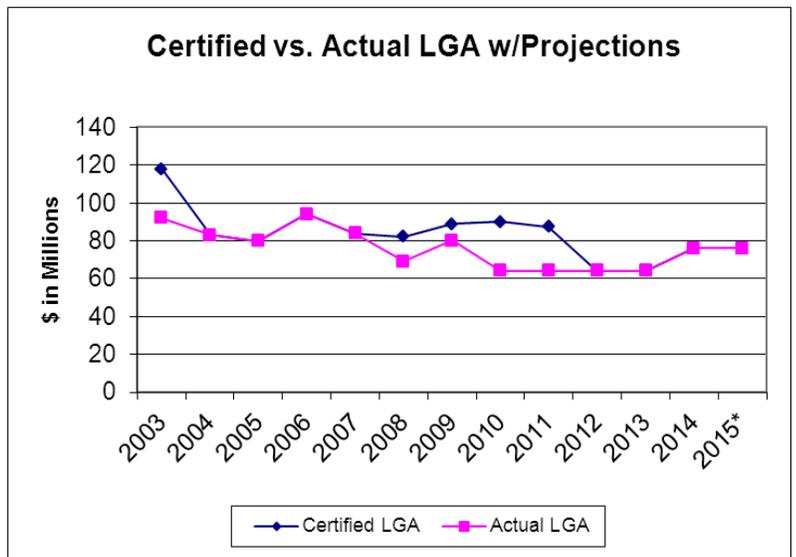
Prepared by the Minneapolis Finance and Property Services Department

The 2014 Council Adopted Budget for all City funds of \$1.238 billion was adopted on December 11, 2013. The 2014 budget represents a \$41.6 million, or 3.5%, increase from the 2013 Council Adopted Budget of \$1.196 billion. At the same time, the Council adopted a 2014 property tax levy of \$281.7 million, which results in a 1% decrease, or \$2.8 million reduction, from the 2013 adopted property tax levy. The 2014 budget utilizes accumulated funds in the General Fund to support a property tax reduction. These funds were generated through policies of fiscal restraint which resulted in under-spending in City departments. The General Fund also benefited from growth in local sales tax and other non-property tax revenues due to an improving economy. These factors, combined with resources previously dedicated to property tax relief and an increased appropriation in Local Government Aid (LGA) from the State of Minnesota, allowed the Council to adopt a levy that is 1% lower than 2013. The overall 2014 budget is funded with the lower levy amount, despite a previously planned increase of 2.5% in prior tax policy and increased cost of maintaining services of approximately 3.5%.

2014 is the third year in which the budget is presented without transfers. Transfers have also been removed from charts and numbers within this document, including totals for comparative prior years, unless otherwise noted.

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 increased the amount of LGA appropriated to the City of Minneapolis from \$64.1 million in 2013 to \$76.1 million for 2014. Of this \$76.1 million, the City will allocate \$66.9 million for its General Fund, \$9.0 million to the Park Board, and the remaining \$0.2 million to the Municipal Building Commission (MBC). The table to the right shows the historical certified and actual LGA amounts including the reductions, as well as projected LGA levels for 2015 based on current law.



* 2015 amount is projected to remain the same as 2014

Major Highlights

The 2014 Council Adopted Budget includes significant proposals to address future financial 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:

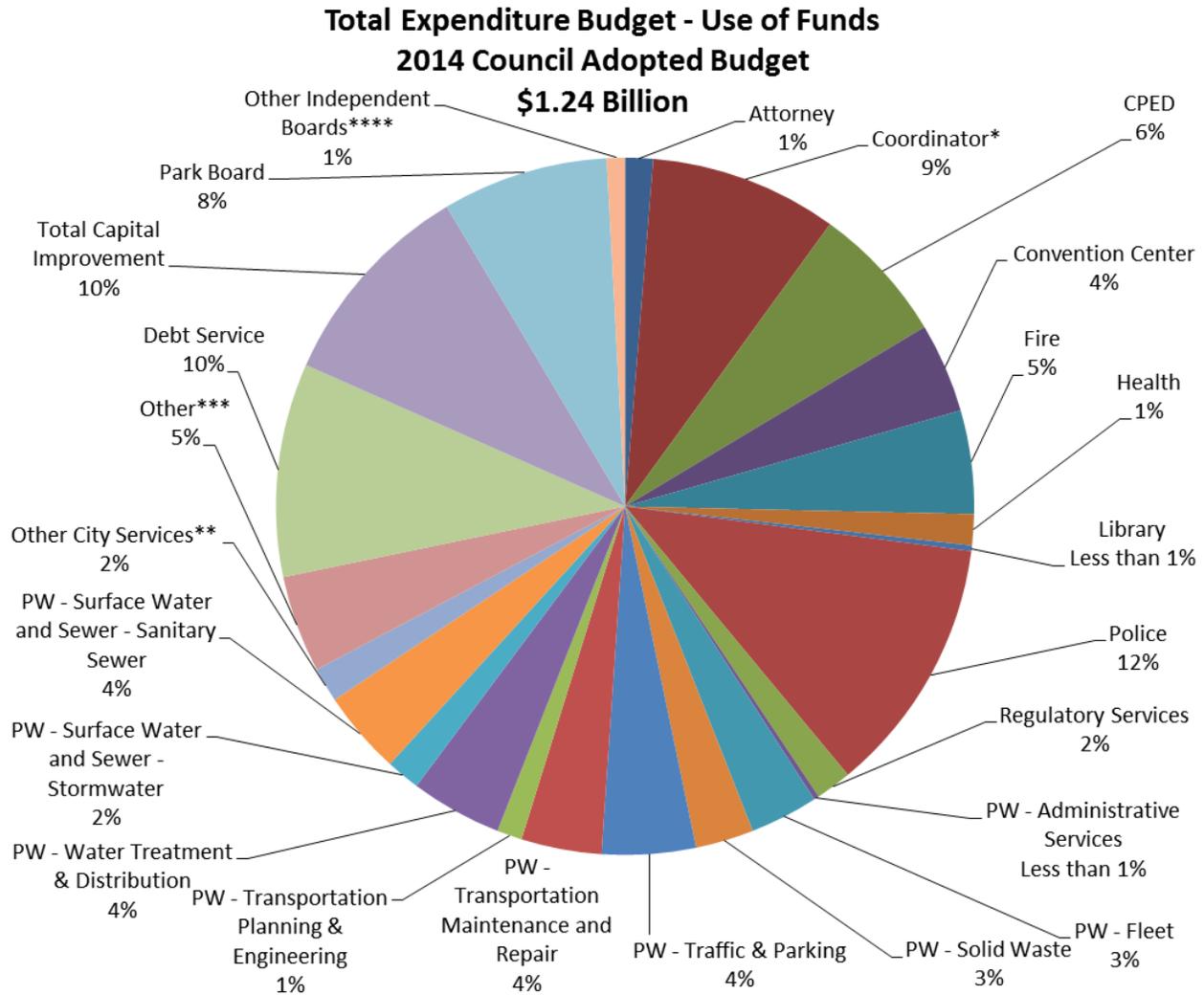
- The budget for City departments increases by 5.4% in 2014, or \$42.3 million. As part of this budget, funds that have accumulated in the General Fund due to a growing economy and fiscal restraint in prior years, coupled with an increase in Local Government Aid allows for a simultaneous decrease in the property tax levy.
- The 2014 budget, for the first time in five years, does not project growth in the cost of closed pension obligations from the prior year. The City will levy the same amount for these obligations as it did in 2013, and costs are projected to remain flat for years to come. If recent advances in financial markets continue, it is possible that these costs may actually decline more quickly than currently projected as full funding for these obligations is reached. The City currently maintains among the highest possible ratings from Fitch Ratings, Standard & Poor's, and Moody's Investors Services with AAA from both Fitch and S&P and Aa1 from Moody's.
- The budget provides for a realignment of City sales and use taxes, as permitted by the legislation that authorized the City's contribution to a new stadium in partnership with the State and the Minnesota Vikings. The local sales and use taxes will now be credited as revenue in the City's General Fund. Funds will then be transferred to the Convention Center and Arena Reserve Funds as necessary to cover certain expenses in those funds. The flexibility gained by eliminating the restrictions on the uses of these funds is a factor in the City's ability to reduce its levy for 2014.
- The 2014 Council Adopted Budget completes the City's aggressive efforts to reduce the City's internal service fund deficits and build reserves by prepaying the remaining obligations. The original plans were adopted between 2000 and 2004 and required the Self-Insurance, Equipment, Property Services and Intergovernmental Services (IT) internal service funds to rely on transfers from the General Fund to eliminate deficits through 2019. However, due to efforts in recent budget cycles and the allocations in this budget, 2014 will be the final year of these transfers. The elimination of this obligation will allow General Fund resources to be redeployed to other purposes in 2015 and beyond and to help mitigate levy increases in the future.
- The 2014 Council Adopted Budget continues to lay the foundation for a wave of development including, but not limited to, projects associated with the new stadium for the Minnesota Vikings and other uses. Construction growth in the City impacts a number of functions in the City including permitting and inspections. This budget includes funding for additional staffing to handle increased workloads and provides funding necessary to build supporting infrastructure. Additionally, revenues associated with this growth is a contributing factor to the City's ability to reduce property taxes for 2014.
- A new system for budgeting small and mid-level capital requests normally funded from departmental operating budgets has also been introduced in this year's budget process.

This system, called the Capital Asset Request System, or “CARS,” will be used on an ongoing basis to better plan for long-range smaller operating capital requests that would normally be recognized in individual departments. The requests include items that are not ongoing in nature such as enterprise software upgrades, vehicle purchases and similarly-valued items. The CARS process provides a rolling five-year perspective of the City’s needs for these assets and is intended to create a longer term funding plan. In the first year of this program, approximately \$9 million has been dedicated to fund items through this process. The majority of items funded reflect deferred maintenance and replacement costs for existing operating capital.

- Future challenges and opportunities that the 2014 budget addresses, through the five-year financial direction, include the impacts of rebounding property values and continued growth in the cost of providing City services due to inflationary pressures.

City Spending

Below is a summary of the 2014 Council Adopted Budget by major spending categories, excluding transfers.



* Includes Human Resources, Finance, 311, Intergovernmental Relations, Communications, Neighborhood and Community Relations, IT, 911 and Emergency Management. Convention Center is broken out for illustrative purposes.

** Includes Assessor, Internal Audit, City Clerk, City Council, Civil Rights and Mayor

*** Includes Non-departmental, Health and Welfare, Worker's Compensation, Liability, Contingency and Pensions

**** Includes Neighborhood Revitalization Program, Board of Estimate and Taxation, the City's Contribution to Minneapolis Public Housing Authority, and Municipal Building Commission

Expenditures by Service

(In Millions of Dollars)

	2013 Budget	2014 Council Adopted	% Change	\$ Change
Attorney	14.7	15.9	8.4%	1.2
Coordinator*	98.4	107.7	9.4%	9.2
CPED	76.5	79.3	3.6%	2.8
Convention Center	48.5	51.5	6.3%	3.0
Fire	54.3	59.3	9.2%	5.0
Health	16.9	17.8	4.9%	0.8
Library	4.1	3.2	-21.1%	(0.9)
Police	136.1	147.7	8.5%	11.6
Regulatory Services	18.1	20.6	13.3%	2.4
Charter Departments Subtotal	467.7	503.0	7.5%	35.3
PW - Administrative Services	2.9	3.0	3.6%	0.1
PW - Fleet	42.9	39.0	-9.0%	(3.9)
PW - Solid Waste	36.8	33.4	-9.4%	(3.5)
PW - Traffic & Parking	53.4	53.7	0.6%	0.3
PW - Transportation Maintenance and Repair	42.3	46.0	8.7%	3.7
PW - Transportation Planning & Engineering	11.3	14.4	27.7%	3.1
PW - Water Treatment & Distribution	50.9	52.4	3.0%	1.5
PW - Surface Water and Sewer - Stormwater	17.3	19.4	12.2%	2.1
PW - Surface Water and Sewer - Sanitary Sewer	46.5	48.0	3.2%	1.5
Public Works Subtotal	304.3	309.3	1.7%	5.1
Other City Services**	18.7	19.8	5.9%	1.1
Other***	50.4	55.7	10.5%	5.3
Debt Service	117.7	122.5	4.1%	4.8
Total Capital Improvement	135.1	121.5	-10.1%	(13.6)
Subtotal	322.0	319.5	-0.7%	(2.4)
Park Board	91.7	95.2	3.8%	3.5
Other Independent Boards****	10.2	10.4	2.2%	0.2
Independent Boards Subtotal	101.9	105.6	3.7%	3.7
Total City Spending	1,195.8	1,237.5	3.5%	41.6

* Includes Human Resources, Finance & Property Services, 311, Intergovernmental Relations, Communications, Neighborhood and Community Relations, IT, 911 and Emergency Management. Convention Center is broken out for illustrative purposes.

** Includes Assessor, Internal Audit, City Clerk, City Council, Civil Rights and Mayor.

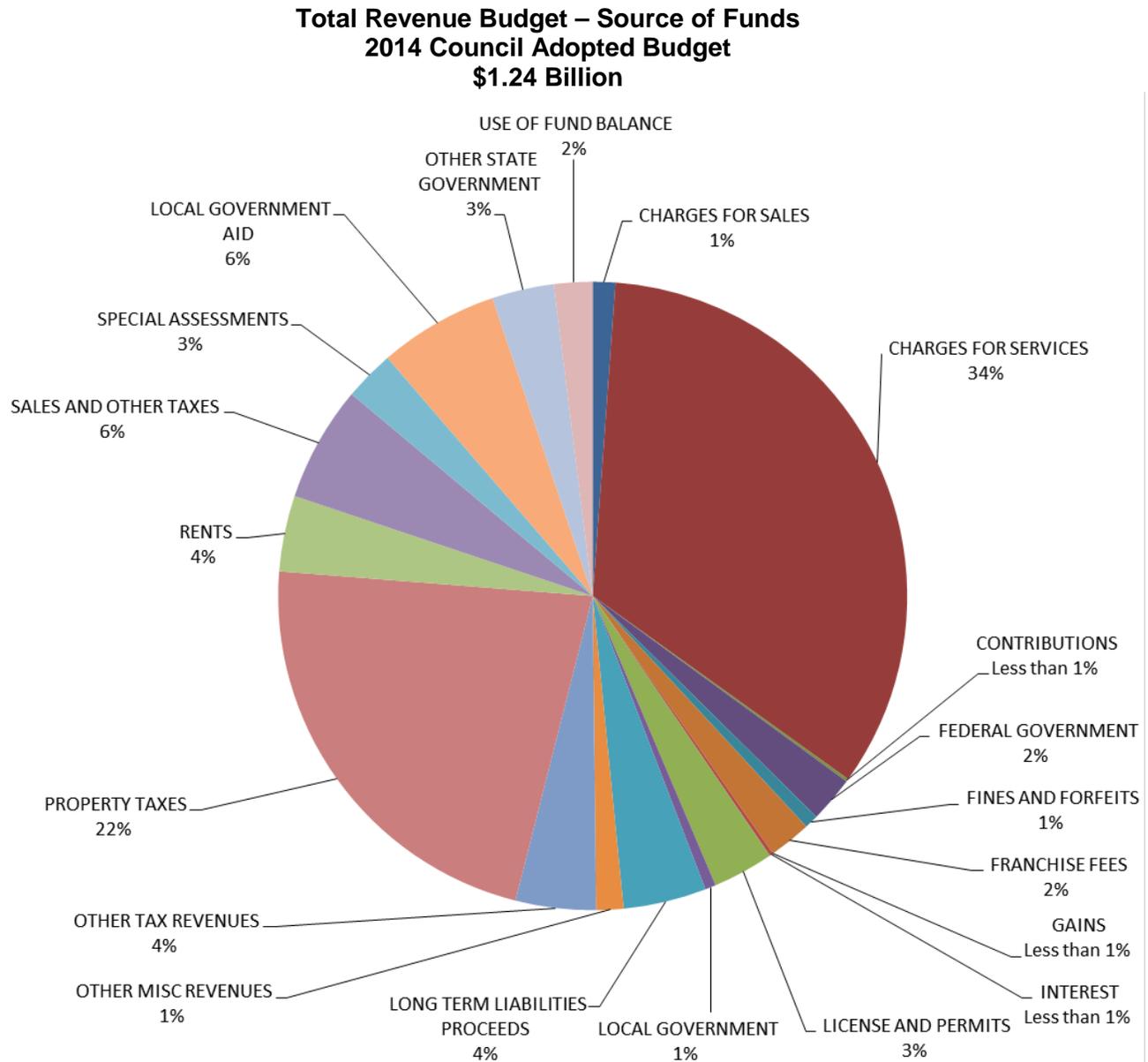
*** Includes Non-departmental, Health and Welfare, Worker's Compensation, Liability, Contingency and Pensions.

**** Includes the Board of Estimate and Taxation, the City's Contribution to Minneapolis Public Housing Authority, and Municipal Building Commission.

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

City Sources of Revenue

Below is a summary of the 2014 Council Adopted Budget revenues by major category.



For 2014, the City forecasts \$1.238 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.

Revenue by Category

Revenue Category	2013 Adopted	2014 Council Adopted	\$ Change	% Change
CHARGES FOR SALES	12.2	14.3	2.1	17.3%
CHARGES FOR SERVICES	404.5	418.0	13.5	3.3%
CONTRIBUTIONS	1.7	1.7	(0.0)	-1.6%
FEDERAL GOVERNMENT	27.2	29.1	2.0	7.2%
FINES AND FORFEITS	9.8	8.8	(1.0)	-10.0%
FRANCHISE FEES	27.4	26.9	(0.5)	-1.8%
GAINS	0.2	0.0	(0.2)	-90.0%
INTEREST	2.2	2.4	0.2	7.3%
LICENSE AND PERMITS	34.5	38.8	4.2	12.2%
LOCAL GOVERNMENT	19.8	6.9	(12.9)	-65.3%
LONG TERM LIABILITIES PROCEEDS	58.9	52.9	(6.0)	-10.3%
OTHER MISC REVENUES	12.4	17.4	5.0	40.6%
OTHER TAX REVENUES	48.6	51.0	2.4	5.0%
PROPERTY TAXES	278.9	276.1	(2.8)	-1.0%
RENTS	52.3	48.4	(3.9)	-7.5%
SALES AND OTHER TAXES	71.2	73.7	2.5	3.5%
SPECIAL ASSESSMENTS	27.3	32.0	4.7	17.4%
LOCAL GOVERNMENT AID	64.1	76.1	12.0	18.7%
OTHER STATE GOVERNMENT	29.1	39.5	10.4	35.6%
USE OF FUND BALANCE	-	24.5	24.5	-
Total Revenue	\$1,182.2	\$1,238.4	\$56.2	4.8%

The table above shows a different dollar amount in property taxes than the dollar amount levied because the City assumes a collection rate of only 98%.

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 32% of the 2014 Council Adopted Budget. This percentage reflects an increase from the 29% in 2013 because local sales tax revenues are now receipted in the General Fund. In prior years, local sales tax revenues were receipted in the Convention Center Special Revenue Fund.

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.

As noted above, the General Fund comprises the largest proportional share of the City’s 2014 budget at 32%. The tables on the following page reflect the distribution of both expenditures and revenues for all fund types.

Expense and Revenue By Fund Type

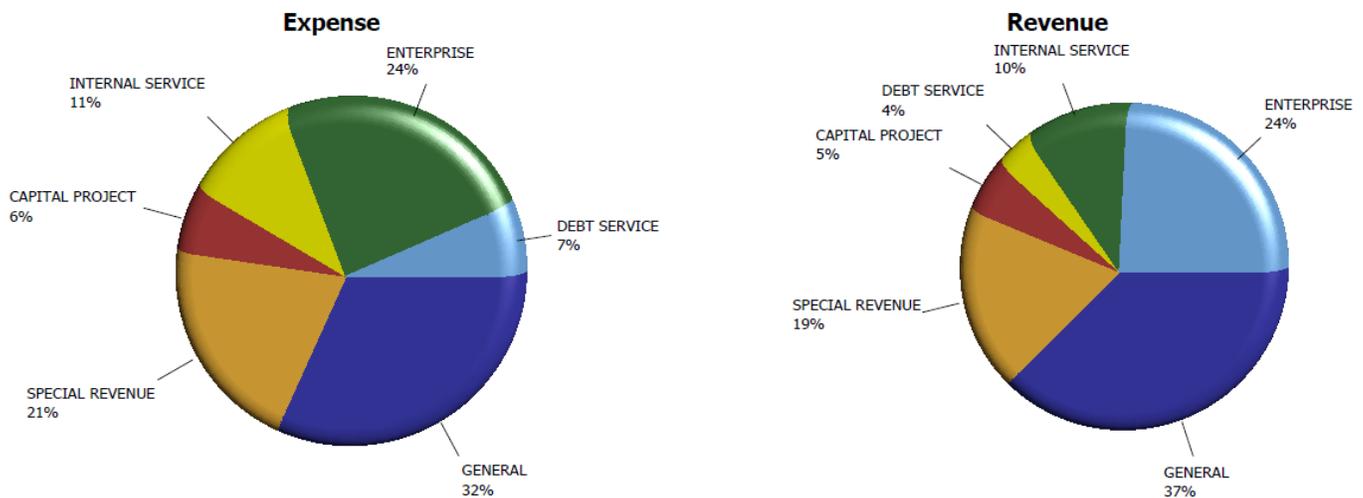
In Millions

	2013 Adopted	2014 Council Adopted	Percent Change	Dollar Change
Expense:				
GENERAL	\$351.7	\$392.6	11.6%	\$40.9
SPECIAL REVENUE	\$245.1	\$255.0	4.1%	\$9.9
CAPITAL PROJECT	\$95.7	\$76.5	-20.0%	(\$19.1)
DEBT SERVICE	\$71.3	\$81.1	13.7%	\$9.8
INTERNAL SERVICE	\$132.4	\$133.3	0.6%	\$0.8
ENTERPRISE	\$299.6	\$298.9	-0.2%	(\$0.6)
Total	\$1,195.8	\$1,237.5	3.5%	\$41.6

	2013 Adopted	2014 Council Adopted	Total(Pct Increase)	Dollar Change
Revenue:				
GENERAL	\$368.6	\$464.0	25.9%	\$95.3
SPECIAL REVENUE	\$279.9	\$233.0	-16.8%	(\$46.9)
CAPITAL PROJECT	\$88.6	\$67.4	-23.9%	(\$21.2)
DEBT SERVICE	\$29.9	\$46.0	53.8%	\$16.1
INTERNAL SERVICE	\$124.3	\$128.1	3.1%	\$3.8
ENTERPRISE	\$291.0	\$300.0	3.1%	\$9.0
Total	\$1,182.2	\$1,238.4	4.8%	\$56.2

Note: The chart above shows different levels of revenue and expense by fund type due to the removal of transfers and use of fund balance.

Expense and Revenue By Fund Type



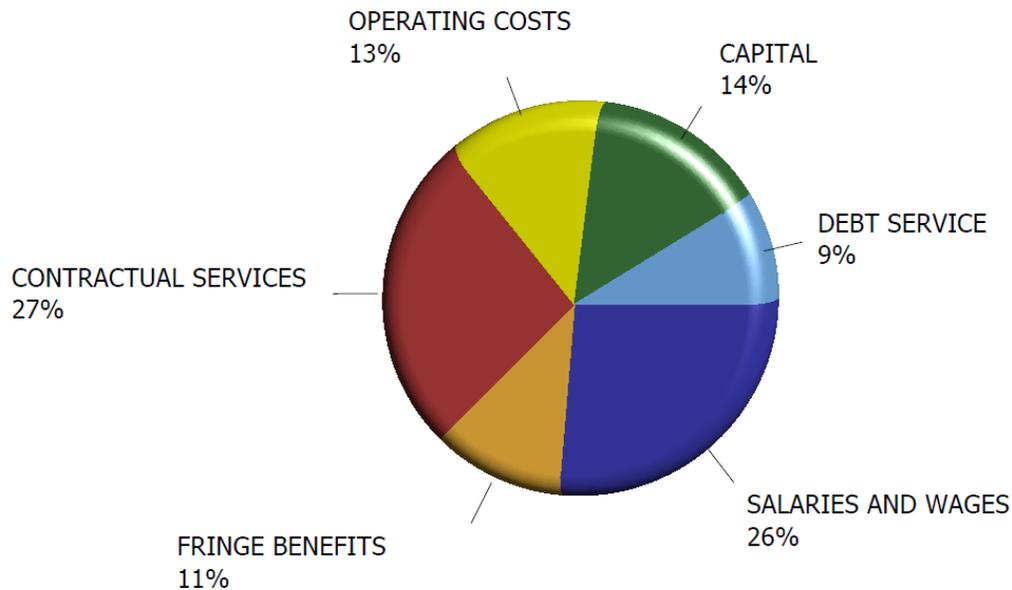
The largest portion of the City's budget is spent on personnel, which comprises \$446.5 million or 36% of the total budget. The 2014 Council Adopted Budget includes an overall increase of 34.5 budgeted full-time equivalent (FTE) positions from the 2013 Council Adopted Budget, an increase of 0.7% to 4,874.8 FTE in total, inclusive of the City's independent boards.

Expense by Category

Expense Category	2013 Adopted	2014 Council Adopted	\$ Change	% Change
CAPITAL	189.4	183.7	(5.7)	-3.0%
CONTRACTUAL SERVICES	302.7	322.1	19.4	6.4%
DEBT SERVICE	120.7	122.7	2.0	1.6%
FRINGE BENEFITS	124.9	133.9	9.0	7.2%
OPERATING COSTS	159.5	162.5	3.0	1.9%
SALARIES AND WAGES	298.6	312.6	14.0	4.7%
Total Expense	1,195.8	1,237.5	41.6	3.5%

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

Total City Budget – Expenditures by Category 2014 Council Adopted Budget \$1.24 Billion



Major Budget Pressures:

➤ Funding for Physical Infrastructure

Five-Year Capital Program Totals: For 2014 – 2018, the five-year capital program for City departments, independent boards and commissions totals \$592.7 million including all funding sources. The 2014 portion of this program is \$120.5 million which funds accelerated improvements to the City's infrastructure by continuing support for the expanded net debt bond program put in place for 2012. For this budget, an additional \$16.4 million was added to the net debt bond program to allow for additional infrastructure investments. Below is a summary of the five-year capital program by major infrastructure category.

Five-Year Capital Investment Allocation Council Adopted Budget								
Submitting Agency	Infrastructure Category	2014	2015	2016	2017	2018	Total	Percent of Total
MUNICIPAL BUILDING COMMISSION		995	670	515	1,135	1,290	4,605	0.78%
PARK BOARD		6,011	5,650	5,650	5,350	4,150	26,811	4.52%
PUBLIC WORKS DEPARTMENT	STREET PAVING	32,225	41,700	28,400	21,110	18,440	141,875	23.94%
	SIDEWALKS	3,365	3,520	3,675	3,830	3,985	18,375	3.10%
	BRIDGES	14,260	10,190	2,825	5,925	9,210	42,410	7.15%
	TRAFFIC CONTROL & STREET LIGHTING	6,658	9,860	9,310	5,545	6,910	38,283	6.46%
	BIKE TRAILS	1,415	0	0	0	0	1,415	0.24%
	SANITARY SEWERS	8,000	8,000	7,250	7,250	7,250	37,750	6.37%
	STORM SEWERS	15,950	26,993	22,730	16,850	16,150	98,673	16.65%
	WATER INFRASTRUCTURE	22,100	23,200	23,800	23,900	33,400	126,400	21.33%
	PARKING RAMPS	1,700	1,700	1,700	1,700	1,700	8,500	1.43%
	Public Works Department Total	<u>105,673</u>	<u>125,163</u>	<u>99,690</u>	<u>86,110</u>	<u>97,045</u>	<u>513,681</u>	<u>86.67%</u>
INFORMATION TECHNOLOGY		2,050	3,150	2,950	1,350	1,150	10,650	1.80%
PUBLIC GROUNDS & FACILITIES		4,065	5,065	5,510	9,425	2,750	26,815	4.52%
MISCELLANEOUS PROJECTS		1,685	3,220	405	425	4,420	10,155	1.71%
	Grand Totals	<u>120,479</u>	<u>142,918</u>	<u>114,720</u>	<u>103,795</u>	<u>110,805</u>	<u>592,717</u>	<u>100.00%</u>

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

➤ Technology Funding

The City has two main financing mechanisms for technology:

Property tax supported debt financing in the City's capital program: Since 2003, the City has programmed about \$1.5 - \$2.0 million annually in property tax supported projects, financed by debt, as prioritized by the IT Department and the department heads. These technology assets are capitalized and the bond payments are structured within the useful life of the asset. For 2014, \$2.1 million in technology projects are funded through property tax supported debt with a five-year plan total of \$10.7 million. Approximately 47% of the total or \$5.0 million of this program is dedicated to replacing the Police Department's primary information system.

Pay-as-you go: On occasion, the City will allocate current-year available funding for a technology project rather than issuing bonds. Regardless of the initial funding source for a capital project, funding the ongoing operating costs for new technology has been a challenge for the City.

➤ **New in 2014 – Capital Asset Request System (CARS):**

Beginning with this budget cycle, the City has implemented the CARS process to allow departments to submit budget requests for the replacement of capital equipment items greater than \$5,000 such as technology systems, vehicles and construction equipment and/or other large dollar items necessary to provide services. The CARS process uses a five-year planning horizon similar to the Five-Year Capital Program (for infrastructure) with the intent of establishing normal replacement cycles for all long-term assets used by City Departments. Replacement cycles had already been established for fleet equipment, but not for other asset categories. For this first five-year cycle, the City received requests from departments totaling \$76.5 million, with fleet equipment representing approximately 60 percent of this total. For 2014, the requests totaled \$22.6 million. This budget approves \$8.9 million of general fund allocations and \$12.0 million of non-general fund allocations.

➤ **Funding for Pension Liabilities**

The City's levies for its former closed pension funds that have been merged into the Minnesota State Public Employees' Retirement Association (PERA) remains level at \$27.3 million in 2014. This information for each levy is detailed for each of the three former pension funds below.

The Minneapolis Employee's Retirement Fund (MERF) Division of PERA:

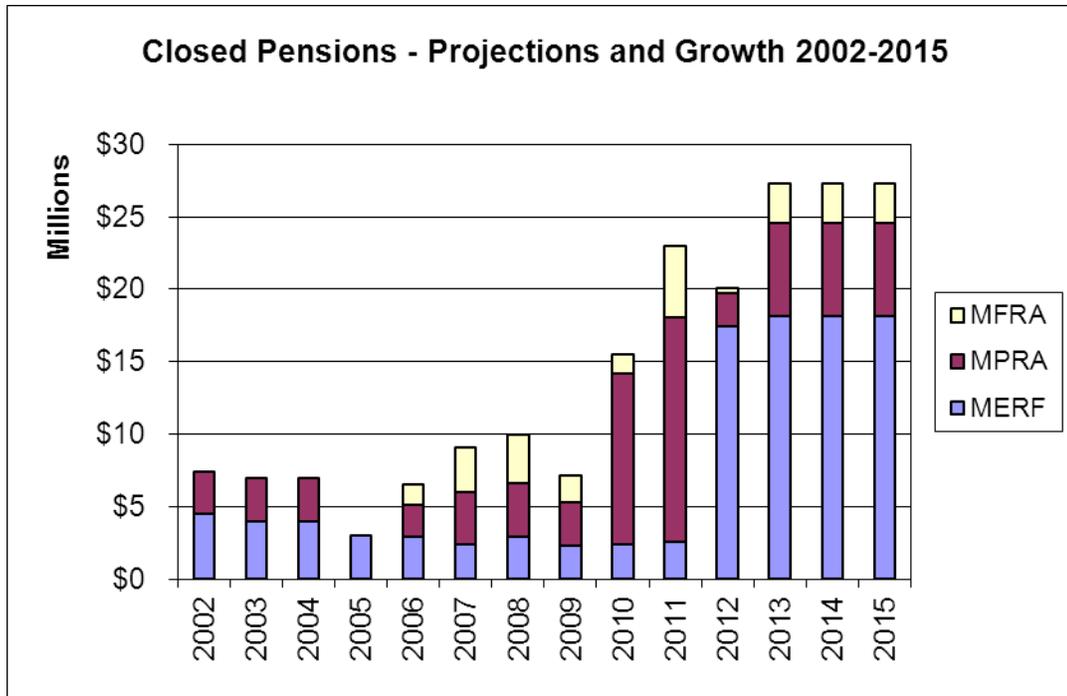
The 2014 levy for MERF-related costs is \$18.2 million, from the same as 2013. The funding is due to legislation passed in 2010 that called for a gradual increase in City funding to cover a share of the cost associated the agreement that merged MERF into PERA. The City's share of MERF expenses is expected to be fairly stable through 2031 unless the MERF Division of PERA does not meet actuarial assumptions for its investment returns or if the actuarial assumptions for PERA are changed by the State.

The Former Minneapolis Police Relief Association (MPRA), a closed fund:

In 2011, legislation was passed by the State that merged the MPRA into PERA P&F on December 31, 2011. The 2014 levy for the former MPRA is \$6.4 million, from the same as 2013. It is anticipated that these costs will remain constant through 2031.

The Former Minneapolis Fire Relief Association (MFRA), a closed fund:

In 2011, legislation was passed by the State that merged the MFRA into PERA P&F on December 31, 2011. The 2014 levy for the former MFRA is \$2.7 million, from the same as 2013. It is anticipated that these costs will remain constant through 2031.



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. In 2014, the City must levy \$2.3 million for TRA to insure that net collections provide the \$2.25 million. The 2014 TRA levy reflects a decrease of \$100,000 from 2013 as the 2013 levy included back taxes for prior years’ short payments.

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

The employers’ contribution level in PERA’s Coordinated Plan is remains at 7.25% for 2014. The Police and Fire Plans’ employer’s contribution was raised from 14.4% in 2013 to 15.3% beginning in 2014. This rate will further increase in 2015 to 16.2%. The estimated total cost of contributions to PERA for the City, inclusive of its independent boards in 2014 is \$30.0 million, which is covered in the budgets of the departments in which the employees work.

	2013	2014	Change
PERA	\$13.4	\$13.7	\$0.3
PERA Police & Fire	\$14.7	\$16.3	\$1.6
Total	\$28.1	\$30.0	\$1.9

➤ **Funding for internal services funds long-term financial plans**

During the 1990s, external demands negatively impacted the ability for revenue to support these 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. However, due to efforts in recent budget cycles and the Mayor's recommendations for this budget, 2014 will be the final year of these transfers. The elimination of this obligation will allow General Fund resources to be redeployed to other purposes in 2015 and beyond.

➤ **Growth in personnel costs**

- **Personnel Changes.** The 2014 Council Adopted Budget increases the FTE count of City positions by 34.5 over the 2013 Council Adopted Budget, inclusive of the City's independent boards, from 4,840.3 to 4,874.8.
- **Salary and wages.** The 2014 Council Adopted Budget includes an increase in personnel expenditures (\$312.6 million in salaries and wages, compared to a 2013 total of \$298.6 million). It also includes \$133.9 million in fringe benefits, compared to \$124.9 million in 2013, inclusive of the City's independent boards.
- **Benefits.** Health and dental insurance expenditures are budgeted to increase from \$61.5 million in 2013 to \$67.6 million in 2014, inclusive of the City's independent boards. This estimate is based on changes and experience related to the current plan design and the competitive procurement processes. The 2014 budget for health and dental insurance costs is based upon an estimate of 10.0% overall cost increases and changes in coverage selections by employees.

➤ **Continuing library obligation to Hennepin County**

Minneapolis libraries merged with the Hennepin County system in 2008. In addition to the \$9.3 million market value referendum supported by Minneapolis taxpayers, the merger finance plan requires Minneapolis to provide an additional declining base contribution for 10 years. In 2014, that contribution is approximately \$3.2 million.

Finance Plan for Hennepin County Library/Minneapolis Library Merger (in thousands):

	Base	Reopen (1)		Reopen	Other City (2)	Total City	Library LGA (3)	Property Tax (4)	One Time (5)	Total
2008	\$7,800	\$45	100%	\$445	\$10,650	\$18,895	\$6,800	\$10,650	\$1,445	\$18,895
2009	\$7,020	\$463	100%	\$463	\$10,650	\$18,133	\$6,800	\$10,650	\$683	\$18,133
2010	\$6,240	\$481	100%	\$481	\$10,650	\$17,371	\$6,721	\$10,650	\$0	\$17,371
2011	\$5,460	\$501	79%	\$393	\$10,750	\$16,603	\$5,853	\$10,750	\$0	\$16,603
2012	\$4,680	\$521	58%	\$302	\$10,750	\$15,732	\$4,982	\$10,750	\$0	\$15,732
2013	\$3,900	\$541	38%	\$206	\$10,750	\$14,856	\$4,106	\$10,750	\$0	\$14,856
2014	\$3,120	\$563	21%	\$118	\$9,300	\$12,538	\$3,238	\$9,300	\$0	\$12,538
2015	\$2,340	\$586	4%	\$23	\$8,600	\$10,963	\$2,363	\$8,600	\$0	\$10,963
2016	\$1,560	\$609	0%	\$0	\$8,600	\$10,160	\$1,560	\$8,600	\$0	\$10,160
2017	\$780	\$633	0%	\$0	\$8,600	\$9,380	\$780	\$8,600	\$5,550	\$14,930

(1) The cost to reopen 3 libraries at 24 (2) and 20 (1) hours per week. Annual costs are inflated 4% per year after 2008.

(2) Other City includes debt service on net debt bonds. Final referendum debt service in 2025.

(3) Library LGA is the amount of LGA allocated to Libraries not exceeding the 2007 level.

(4) Property tax amounts are in City's five-year financial plans.

(5) The City will be responsible for these one-time costs with the exception of 2017, with an amount in the one-time column that is from the State of Minnesota as a contribution to cover 40% of the library debt service as agreed to by the 2013 Legislature. The legislature approved a provision that has the state of Minnesota paying 40% of the remaining annual debt service. The payments begin for debt service due in 2017 and the payments will be made in November of the preceding year.

➤ **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:

Economic Downturn and Reliance on Tenuous Intergovernmental Funding

Financial downturns in the economy, coupled with State budget cuts and reduced funding from the Federal government, led to challenges for the City in the recent past. At a time when demand for services was rising, funding from other governmental agencies was reduced. Reliance on this tenuous funding from State and Federal entities for many important City programs has complicated the management and planning for City programs, and for the outcomes they hope to achieve. Despite the recent improvement throughout the economy, the impact of this growth has not been fully realized by the City yet as government is typically a "lagging" sector, particularly in the recognition of increased property values related economic activity.

Shrinking Workforce and Increased Demands

In response to the economic downturn and increasing hardship on the City's taxpayers, the City made large cuts to its workforce by reducing position counts by over 700 employees across all City departments and independent boards since 2007. This reduction in staffing placed increased pressure on remaining employees as the workloads are increasing as the economy improves. Increasing demands on employees coupled with declining wages (when inflation is taken into account) also create challenges for morale and retaining personnel with a high level of institutional knowledge.

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 recognition and response in the 2014 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, and 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. This budget includes a new effort to plan for these costs with the implementation of the CARS program. The CARS program plans not only for major technological initiatives, but also for aging equipment replacement and facility upgrades. More information on CARS is available throughout this document.

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 cites 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 penalties. The City Clerk notes additional election requirements as a result of the implementation of Instant Runoff Voting (IRV). Furthermore, public safety departments face legislative-directed or nationally developed standards, training, or operating procedures. Departments indicate a need for increased and improved employee training, possibly placing 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, worms, and other system security threats), information backups, and emergency planning consumes resources of nearly every department. From natural disasters such as the tree-toppling thunderstorms of Summer 2013 or the recent North Minneapolis tornado to physical infrastructure disasters like the I-35W bridge collapse, Minneapolis 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.

Stadium/Hospitality Facilities

Construction of the new multi-purpose stadium with the State of Minnesota and the Minnesota Vikings, as well as the Downtown East district and other growth throughout the City, continue to increase the workload required of City staff. Such large development efforts require extensive planning and zoning, appraisals, and permit work due to demolition, new construction and redevelopment associated with the projects. The City must also plan for significant contributions to the maintenance of the Target Center and Convention Center.

Aging Facilities and Other Capital Investments

The City's current budget processes do not provide for a comprehensive planning process for facilities and improvements that do not meet the criteria of either the CLIC or CARS processes. Included in this group of capital facilities are improvements and associated potential debt service to renovate Target Center, the eventual re-opening of Nicollet Avenue at Lake Street, the recently-approved concept plan to add a City park as part of the Downtown East development project, as well as a desire for general improvements in the public realm. None of these activities is currently contemplated in an existing capital plan, nor are they completely recognized in the 2014 budget. The costs associated with these projects must be considered in the context of ongoing operations to insure that resources are available at the right times and are not already committed.

Appropriate Levels of Fund Reserves versus Funding

The 2014 Adopted Budget includes nearly \$20 million in one-time costs that are funded by General Fund fund balance. The City is able to provide these resources due to a combination of several factors. The first factor is recent growth in the City's General Fund fund balance resulting from restrained spending, including hiring and wage freezes. Secondly, the City has historically maintained a conservative approach to budgeting for non-property tax revenues, which has resulted in revenue surpluses over time. The combined impact of these factors provided for an increase in the General Fund fund balance of \$15.6 million between year-end 2011 and year-end 2012. It is anticipated that growth in the fund balance will be mitigated by more closely aligning revenue and expenditure budgets with actual activity levels. In the short term, growth in fund balance may be used for one-time items or those that are short-term in nature. At the end of 2012, \$7.0 million of the growth in the General Fund fund balance was set aside to provide for property tax relief in an effort to maintain limited growth in the annual property tax levy. A portion of this money is used in 2014 with the remaining resources planned for use in 2015 to help smooth increases following the 1% levy reduction in 2014. Of the remaining \$18.5 million recommended to be funded from fund balance in 2014, approximately \$8.9 million is directed toward supplementing capital purchases associated with the CARS program. Another \$2.1 million is used to support activities associated with infrastructure maintenance and growth. Transitional costs associated with employee retirements are funded at \$4.0 million due to maintain staffing levels. In the future, it is anticipated the annual growth in the fund balance will be leveraged as ongoing funding for these one-time and short-term costs, including annual funding of approximately \$5.0 million for the annually approved operating capital identified in the CARS program.

Major Changes in the 2014 Council Adopted Budget

This section of the 2014 Council Adopted Budget describes changes the Mayor and Council made to program submissions from departments. The changes are organized by department and for the programs that were funded in this budget.

➤ Citywide

As a starting point for 2014 budget development, departments were provided a preliminary budget amount and asked to submit, for existing programs, proposals that were funded within the amount for each department. Departments were also asked to submit justification statements and supporting documentation for any program proposals that were submitted above this amount. Changes made to program proposals by the Mayor and Council, along with new initiatives that they chose to fund, are noted below. Programs proposed by departments that were not recommended for funding in the budget are not included.

The 2014 budget includes specific proposals that have citywide implications. These recommendations include an acceleration of the citywide financial “workout” plans that transfer money from the General Fund to internal service funds for the purposes of eliminating debt and bolstering reserves in those funds. It is anticipated that the final year of these transfers will be 2014, which will allow General Fund resources to be redeployed for other purposes in future years.

This budget also utilizes accumulated funds in the General Fund. These funds were generated through policies of fiscal restraint that resulted in under-spending by City departments and through non-tax revenues that exceeded prior budgetary expectations due to a quickly improving economy. These factors, along with resources previously dedicated to property tax relief and an increased LGA appropriation from the State, allowed the City to approve a levy that reflects a 1% reduction from the 2013 levy. The 2014 budget is able to be funded with the 1% reduction in property tax levy despite a previously anticipated need to increase the levy by 2.5%.

A new system for budgeting small and mid-level capital requests that were normally funded from departmental budgets was introduced in this year’s budget process. This system, called the Capital Asset Request System, or “CARS,” will be used on an ongoing basis to better plan for long-range operating capital requests that would normally be recognized in individual departments. The requests include items that are not ongoing in nature and include enterprise software upgrades, vehicle purchases, and similarly-sized items. In the first year of this program, \$8.9 million has been dedicated to fund items through this request process, which is largely used to cover deferred maintenance and replacement costs for existing operating capital. More information regarding CARS is presented in the *Capital Overview* and *Financial Schedules* sections of this document.

The Council further approved the following amendments to the Mayor’s Recommended Budget that affect departments on a citywide basis. These amendments include:

- Amend the Mayor's 2014 recommended budget to allocate \$760,642 in General Fund general revenues (department) for the Internal Service Fund programs to individual departments without a net budget change.
- Amend the Mayor's 2014 Recommended Budget to allocate the recommended use of \$8.9 million in General Fund balance for the City's Capital Asset Request System (CARS) program to individual requesting departments without a net budget change.

- Amend the Mayor's 2014 Recommended Budget for CARS to include \$25,000 for MTN equipment replacement funded by a reduction in other capital requests.
- The Council also directed all City departments to make data available online using open standards and further directed that the Information Technology Director convene a working group to include the City Coordinator and key department staff, with feedback from the Information Technology Executive Group, to develop a policy and implementation schedule for the "Open Data Directive," and report on progress to the Ways & Means/Budget Committee and Information Technology Policy Committee starting in March 2014 and at regular intervals thereafter.

➤ **Departments**

The Mayor recommended, and the Council adopted changes to, departmental program proposals for the 2014 budget. These items, in addition to new initiatives that were chosen for funding by the Mayor and Council, are described below. Program proposals submitted by departments that are not funded in the budget have been excluded from this list.

Assessor

Mayor's Recommended Budget: The Mayor recommended an additional \$100,000 in ongoing funding for this department to hire an additional position dedicated to assessments and appraisals with a focus on commercial properties.

Council Adopted Budget: City Council approved the Mayor's recommendations.

Attorney

Mayor's Recommended Budget: The Mayor recommended one-time funding in the amount of \$120,000 to be used for hiring an additional attorney in the Civil Division with a further recommendation to fund the position through cost allocation charges to other departments on an ongoing basis beginning in 2015. The Mayor also recommended an additional \$75,000 in one-time funding to be used for domestic violence prevention programming along with a direction to the department to seek out grants to find an ongoing funding stream for domestic violence prevention.

Council Adopted Budget: City Council approved the Mayor's recommendations.

City Clerk

Mayor's Recommended Budget: The Mayor recommended \$85,000 in one-time funding to be used for the continuation of office support personnel in this department.

Council Adopted Budget: City Council approved the Mayor's recommendations and added the following staff direction; staff from Finance and Property Service is directed to appropriate (transfer) any remaining year-end funds from the 13 ward offices' 2013 budgets to the City Clerk's Office to be dedicated to the Legislative Information Management System.

City Council

Mayor's Recommended Budget: The Mayor recommended no changes to this department's base program proposal.

Council Adopted Budget: City Council approved the Mayor's recommendations.

City Coordinator Administration

Mayor's Recommended Budget: The Mayor recommended \$80,000 in ongoing funding to support implementation of initiatives related to the City's sustainability goals; \$100,000 in ongoing funding for local and regional lobbying efforts, including Metropolitan Airports Commission, Metropolitan Council, University of Minnesota, Hennepin County and surrounding cities; and \$20,000 in ongoing funding to enhance existing funding for the City's tree canopy. The Mayor also recommended \$90,000 in one-time funding for the department to use to report the City's Creative Vitality Index (CVI) as well as to be used for other arts and culture planning in conjunction with the comprehensive plan update (\$45,000 for each) and \$75,000 in one-time funding to be used for the City's work with the Public Utilities Commission (PUC).

Council Adopted Budget: The Council approved the Mayor's recommendations and amended the budget to reduce the appropriation for the City Coordinator's Administration Department by \$150,000 and offset this reduction with an increase to the Human Resources and Intergovernmental Relations Departments to enhance the City's internship programs and lobbying efforts. The Council further amended the Mayor's Recommended Budget to recognize payment in lieu of taxes (PILOT) payments from the Minneapolis Public Housing Authority (MPHA) and amend the Department's budget to refund these payments. The Council also increased the Department's appropriation by \$30,000 to fund annual membership dues in the St. Anthony Falls Heritage organization, funded by money previously allocated to the Finance and Property Services Department. The Council also directed the Department, in conjunction with Civil Rights, NCR, CPED, FPS and HR to develop measures consistent with the racial equity toolkit guides, and work with all departments to include applicable measures in their Results Minneapolis reports.

311 (a Division of City Coordinator Administration)

Mayor's Recommended Budget: The Mayor recommended an additional \$250,000 in ongoing funding to support expanding 311 operations to include weekend hours and the hiring of three additional staff.

Council Adopted Budget: The Council approved the Mayor's recommendations.

911 (a Division of City Coordinator Administration)

Mayor's Recommended Budget: The Mayor recommended no changes to this department's base program proposal.

Council Adopted Budget: The Council approved the Mayor's recommendations and directed staff to utilize the bell-curve staffing authority outlined in the City's Financial Policies to hire two additional FTE (operators). 911 staff is directed to report upon the effectiveness of this staffing mechanism in meeting service level benchmarks by September 1, 2014.

Emergency Management (a Division of City Coordinator Administration)

Mayor's Recommended Budget: The Mayor recommended no changes to this department's base program proposal.

Council Adopted Budget: The Council approved the Mayor's recommendations.

Civil Rights

Mayor's Recommended Budget: The Mayor recommended an additional \$150,000 in ongoing funding to double the number of participants in the Urban Scholars program as well as an additional \$25,000 in ongoing funding to provide transcription services during hearings.

Council Adopted Budget: City Council approved the Mayor's recommendations and added the following staff direction; the Civil Rights Department, in collaboration with Neighborhood and Community Relations, Community Planning and Economic Development, Finance and Property Services, Human Resources, and the Coordinator's office, is directed to develop measures consistent with the racial equity toolkit guides, and work with all departments to include applicable measures in their regular *Results Minneapolis* reports.

Communications

Mayor's Recommended Budget: The Mayor recommended no changes to this department's base program proposal.

Council Adopted Budget: The Council approved the Mayor's recommendations.

Convention Center

Mayor's Recommended Budget: The Mayor recommended increasing the transfer from the General Fund to the Convention Center Fund by \$400,000 (\$100,000 in ongoing funding, \$300,000 in one-time funding) to use for events and community engagement programming such as the Secret City Festival.

Council Adopted Budget: The Council approved the Mayor's recommendations and amended the budget to increase the Convention Center's appropriation by \$250,000 to be allocated for Meet Minneapolis on a one-time basis. The funding for this appropriation increase is to come from prior years' local tax revenue currently in the Convention Center's fund balance. The Council further directed staff to request a quarterly report from Meet Minneapolis detailing the expenses and resulting benefits associated with the one-time \$250,000 allocation and present this report to the City Coordinator on a quarterly basis, with a further request to present this report to the Ways and Means/Budget Committee on a semiannual basis.

Community Planning and Economic Development (CPED)

Mayor's Recommended Budget: The Mayor recommended additional ongoing funding from the General Fund to support the following efforts: \$185,000 for City support of the Midtown Global Market; \$74,000 to enhance the City's Step-Up program; \$400,000 for enhancing the City's permit and construction inspection capabilities needed due to the recent increases in construction activity; and the realignment the department's administrative services into the General Fund to allow for greater future flexibility in the utilization of development-related funds.

Further, the Mayor recommended an additional one-time General Fund appropriation in the amount of \$300,000 for the Construction Code Services Division to prevent service level reductions.

Council Adopted Budget: The Council approved the Mayor's recommendations and amended the budget to reinstate requested funding for the City's Employment and Training programs in CPED and allocated up to \$2.565 million from the CPED Special Revenue Fund to maintain the following programs at current levels:

- \$1.0 million for Adult Training
- \$0.7 million for Youth Employment
- \$0.690 million for Great Streets
- \$0.146 million for the Peavey Plaza project
- \$0.029 million for Residential and Real Estate Development

The Council further amended the Mayor's recommendations by increasing the appropriation for affordable housing by \$1.5 million to be funded through the use of reserves in the CPED Development Account (CPED Special Revenue Fund). The Council also amended the budget to allocate up to \$2.75 million in proceeds attributed to the sale of the Gaviidae property to Public Works for the purpose of funding a portion of the preliminary engineering and/or project development costs associated with the Nicollet/Central Modern Streetcar Project. In addition, Council decreased the Midtown Global Market allocation by \$50,000 to be reallocated to the Minneapolis Animal Care and Control bully breed temperament program in Regulatory Services and reallocated the remaining \$135,000 of the Midtown Global Market allocation to the Great Streets program.

The Council also provided several directions to CPED staff:

- Staff from Intergovernmental Relations (IGR), CPED and possibly others is directed to evaluate existing and ongoing membership in the St. Anthony Falls Heritage Organization for value received.
- Staff from Civil Rights, NCR, CPED, FPS, HR, and the City Coordinator's office is directed to develop measures consistent with the racial equity toolkit guides, and work with all departments to include applicable measures in their regular Results Minneapolis reports.
- CPED staff is also directed to lead a cross-departmental workgroup to include the Minneapolis Police Department's 3rd Precinct, Regulatory Services, CPED Housing, CPED Economic Development, and other relevant departments, along with the Ventura Village Neighborhood Association and other stakeholders, to build on the focused work in the northwest sector of the Ventura Village Neighborhood. The workgroup will establish a discreet project area, a robust community engagement process, baseline measurement data, and comprehensive investment strategies in housing and jobs. The workgroup will regularly evaluate the progress to determine the effectiveness of the City of Minneapolis efforts in this defined area.

Finance & Property Services

Mayor's Recommended Budget: The Mayor's Recommended Budget includes funding to reinstate 2.5 FTEs in Property Services using one-time funding that will subsequently become part of the internal service charge mechanism. The Mayor also recommended funding an additional FTE to assist in purchasing and payment processes. Additionally, the Mayor recommended a reduction of \$200,000 in funding to this department to reflect prior year actual utilization and to mitigate the impact of the additions.

Council Adopted Budget: The Council approved the Mayor's recommendations and amended the budget to increase the City Coordinator Administration Department's budget appropriation by \$30,000 to be allocated for the annual membership for St. Anthony Falls Heritage Organization to be offset by a reduction in the appropriation for the Finance and Property Services Department.

The Council also provided several directions to staff:

- The Finance and Property Services Department is directed to amend all schedules and language according to amended budgets and to adjust the five-year financial direction according to amended budgets and staff directions.
- The Finance and Property Services and Public Works Departments are directed to request a report on the utilization of the Minneapolis Parks and Recreation Board Tree Levy and City contribution of \$200,000 for 2014 and prepare a recommendation regarding continued funding for the 2015 budget process.
- Staff from Civil Rights, Neighborhood and Community Relations (NCR), CPED, Finance, Human Resources (HR), and the Coordinator's office is directed to develop measures consistent with the racial equity toolkit guides and work with all departments to include applicable measures in their regular Results Minneapolis reports.

Fire

Mayor's Recommended Budget: The Mayor recommended \$1,100,000 in one-time funding for cadet hiring and training and an additional \$250,000 in one-time funding to be used for a pilot program to respond to emergency medical service (EMS) calls with staff and vehicles equipped for that purpose rather than deploying full fire rigs. The Mayor also recommended \$25,000 be added to this department's ongoing General Fund allocation to be used for youth recruitment programming that provide a pipeline for the EMS specialists and eventually firefighters. It is anticipated that these programs will save money in the long run due to associated savings in staff recruitment and vehicle maintenance costs.

Council Adopted Budget: City Council approved the Mayor's recommendations.

Health and Family Support

Mayor's Recommended Budget: The Mayor recommended additional one-time General Fund allocations of \$150,000 for community micro-grants targeted at a support group for parents of adolescent children, \$125,000 to continue the 2007 Minneapolis Air Quality Study, and \$75,000 in funding for programming to prevent high-risk youth from becoming victims of violence.

Council Adopted Budget: City Council approved the Mayor's recommendations and amended the budget to increase general fund revenues by \$139,000 to account for increased inspection

and citation revenue projections and the expense appropriation was increased by \$139,000 for the Health department to provide for a program to assist these businesses in meeting health standards (in cooperation with CPED). Further, Council directed the staff of the Health Department to provide an update of the fees and process study to Regulatory, Energy and Environment committee during the first quarter of 2014.

Human Resources

Mayor's Recommended Budget: The Mayor recommended ongoing General Fund allocations for the following programs: \$126,000 in Halogen license fees; \$100,000 to hire an additional human resource generalist; \$15,000 to support employee access to NiceRide (\$5,000 of which is one-time); and \$100,000 to support employee access to MetroPass (\$25,000 of which is one-time). The Mayor also recommended one-time General Fund allocations of \$80,000 to support benefits staff in implementing the requirements of the Affordable Care Act and \$10,000 to support an employee access to car-sharing.

Council Adopted Budget: The Council approved the Mayor's recommendations and amended the budget to increase the Human Resources Department's appropriation by \$50,000 to enhance the City's internship programs with corresponding appropriation authority removed from the City Coordinator's Administration Department. The Council also directed staff from Civil Rights, NCR, CPED, FPS, HR, and the Coordinator's office to develop measures consistent with the racial equity toolkit guides and work with all departments to include applicable measures in their regular Results Minneapolis reports.

Information Technology

Mayor's Recommended Budget: The Mayor recommended one-time funding in the amount of \$625,000 to be used by the department to cover costs associated with the managed services request for proposal process. The Mayor further recommended \$100,000 in one-time funding to be used for business intelligence support. In subsequent budget years, this will be funded through departmental cost allocations.

Council Adopted Budget: The Council approved the Mayor's recommendations.

Intergovernmental Relations

Mayor's Recommended Budget: The Mayor recommended no changes to this department's base program proposal.

Council Adopted Budget: The Council approved the Mayor's recommendations and amended the budget to increase the department's appropriation by \$100,000, which is offset by a like reduction in appropriation authority for the City Coordinator Administration Department. This funding covers the cost of an FTE in the department dedicated to interregional lobbying and coordination efforts. The Council further directed staff, in conjunction with CPED and other departments, to evaluate the existing and ongoing membership against the value received for the cost of membership in the St. Anthony Falls Heritage Organization and other strategic partnerships.

Internal Audit

Mayor's Recommended Budget: The Mayor recommended an additional ongoing General Fund appropriation in the amount of \$126,000 for this department to hire one additional auditor.

Council Adopted Budget: City Council approved the Mayor's recommendations.

Mayor

Mayor's Recommended Budget: The Mayor recommended an additional \$50,000 in ongoing General Fund resources to consistently and fully fund personnel costs in this department rather than relying on temporary grant funding.

Council Adopted Budget: City Council adopted the Mayor's recommendations.

Neighborhood and Community Relations

Mayor's Recommended Budget: The Mayor recommended an additional \$100,000 in ongoing General Fund resources to deploy in support of the department's access and outreach programming.

Council Adopted Budget: The Council approved the Mayor's recommendations and directed staff from Civil Rights, NCR, CPED, Finance, HR, and the Coordinator's office to develop measures consistent with the racial equity toolkit guides and work with all departments to include applicable measures in their regular Results Minneapolis reports. The Council further directed NCR staff to use up to \$25,000 of its Access and Outreach programming funds for Beyond the Yellow Ribbon outreach activities and authorize NCR to add 0.5 FTE.

Police

Mayor's Recommended Budget: The Mayor recommended one-time funding from the General Fund in the amount of \$3,100,000 for this department with \$2,000,000 of the funding to be used to cover costs associated with hiring and training a new cadet class and \$800,000 in funding to hire twenty community service officers in the first half of the year as part of a long-term staffing plan to address attrition due to anticipated retirements. The Mayor also recommended \$300,000 in funding to be used for cultural and racial awareness training within the department.

Council Adopted Budget: City council approved the Mayor's recommendations and amended the budget to include; (1) \$400,000 for the purchase of body cameras for use by officers to be funded from the Self-Insurance Fund. This budget appropriation is to be offset by a corresponding reduction in General Fund transfer to Self-Insurance Fund, (2) \$150,000 for the purchase of street cameras on Penn Ave N from Lowry to Dowling and Fremont Ave N from Lowry to 44th; and to decrease the General Fund transfer to the Self-Insurance Fund by \$150,000, (3) \$75,000 for the purchase of a street camera to be located in the University District and decrease the General Fund transfer to the Self-Insurance Fund by \$75,000.

In addition to these amendments, City Council added the following staff directions; (1) with 2014 budget savings from attrition and contracts, provide \$510,000 in General Fund to retain six Community Crime Prevention Specialists, (2) in conjunction with the Public Works, Regulatory Services departments, provide services up to an equivalent of \$75,000 to support up to six events associated with the Open Streets program, (3) provide a one-time final allocation from

the existing Minneapolis Police Department budget of \$15,000 to the Midtown Safety Center to provide the City of Minneapolis contribution to the operating expenses, (4) under the leadership of CPED, the Minneapolis Police Department's 3rd Precinct is directed to participate in a cross departmental workgroup including Regulatory Services, CPED Housing, and CPED Economic Development and other relevant departments, along with the Ventura Village Neighborhood and other stakeholders, to build on the focused work in the northwest sector of the Venture Village Neighborhood. The workgroup will establish a discreet project area, a robust community engagement process, baseline measurement data, comprehensive investment strategies in housing and jobs. The workgroup will regularly evaluate the progress to determine the effectiveness of the City of Minneapolis efforts in this defined area.

Public Works

Please see the divisional sections below for the Mayor's recommendations and Council amendments by division.

Administration

Mayor's Recommended Budget: The Mayor recommended no changes to this division's base program proposal.

Council Adopted Budget: The Council approved the Mayor's recommendations and directed Public Works along with Finance and Property Services to request a report on the utilization of the Minneapolis Parks and Recreation Board Tree Levy and City contribution of \$200,000 for 2014 and prepare a recommendation regarding continued funding for the 2015 budget process. The Council also directed Public Works to report to the Transportation and Public Works Committee by January 31, 2014 with proposed specific projects for the 2014 Capital Budget for the Paving Program. The Council further directed Public Works, Regulatory Services and the Police Department to provide services up to an equivalent of \$75,000 to support up to six events associated with the Open Streets program without additional funding required.

Fleet Services

Mayor's Recommended Budget: The Mayor recommended no changes to this division's base program proposal.

Council Adopted Budget: The Council approved the Mayor's recommendations.

Solid Waste and Recycling

Mayor's Recommended Budget: The Mayor recommended realigning the costs associated with graffiti and alley plowing into the General Fund to more clearly reflect the nature of these costs.

Council Adopted Budget: The Council approved the Mayor's recommendations.

Surface Water & Sanitary Sewer – Sanitary Sewer

Mayor's Recommended Budget: The Mayor recommended no changes to this division's base program proposal.

Council Adopted Budget: The Council approved the Mayor's recommendations and amended the budget by reducing the 2014 Sanitary Sewer rate from the recommended amount of \$3.21 down to \$3.14 (the same rate as 2013), subsequently reducing the overall revenue and expenditure appropriation by \$1,021,160, which reflects the reduction in Metropolitan Council Environmental Services fees for 2014.

Surface Water & Sanitary Sewer – Stormwater

Mayor's Recommended Budget: The Mayor recommended no changes to this division's base program proposal.

Council Adopted Budget: The Council approved the Mayor's recommendations.

Traffic & Parking Services

Mayor's Recommended Budget: The Mayor recommended a one-time General Fund appropriation of \$50,000 for street lighting improvements in North Minneapolis. The Mayor further recommended an ongoing General Fund appropriation of \$435,000 for crosswalk and pedestrian safety improvements.

Council Adopted Budget: The Council approved the Mayor's recommendations.

Transportation Maintenance and Repair

Mayor's Recommended Budget: The Mayor recommended a one-time General Fund appropriation of \$200,000 for winter-weather maintenance to pedestrian and bike facilities citywide. The Mayor further recommended an ongoing General Fund appropriation of \$575,000 for sealcoating.

Council Adopted Budget: The Council approved the Mayor's recommendations.

Transportation Planning and Engineering

Mayor's Recommended Budget: The Mayor recommended one-time General Fund appropriations for the following programs: \$140,000 for the Nicollet & Central Avenue Modern Streetcar project environmental impact study; \$500,000 for the West Bank Interconnect Project; \$200,000 to cover one-third of the cost of the Broadway Alternatives Analysis study; \$35,000 for the St. Anthony Business District Traffic Study; and \$1,250,000 for preliminary engineering of the Nicollet & Central Avenue Modern Streetcar project.

Council Adopted Budget: The Council approved the Mayor's recommendations.

Water Treatment and Distribution

Mayor's Recommended Budget: The Mayor recommended no changes to this division's base program proposal.

Council Adopted Budget: The Council approved the Mayor's recommendations.

Regulatory Services

Mayor's Recommended Budget: The Mayor recommended an additional ongoing General Fund appropriation in the amount of \$577,500 to hire 4.5 new positions in support of fire and housing inspections programming. It is anticipated that revenue generated by these positions will be sufficient to cover the costs of this budgetary enhancement. This recommendation is supplemented by \$114,000 in one-time funding for vehicles for these new positions.

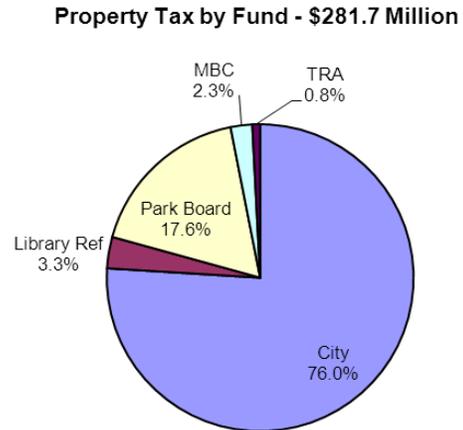
Council Adopted Budget: City Council approved the Mayor's recommendations and amended the budget include an additional \$50,000 for Minneapolis Animal Care and Control bully breed temperament testing program.

The Council also added the following staff directions; (1) In collaboration with Minneapolis Police and Public Works departments, provide services up to an equivalent of \$75,000 to support up to six events associated with the Open Streets program, (2) Under the leadership of Department of Community Planning & Economic Development (CPED) staff, start a cross departmental workgroup to include the Minneapolis Police Department 3rd Precinct, CPED Housing, CPED Economic Development, and other relevant departments, along with the Ventura Village Neighborhood and other stakeholders, to build on the focused work in the northwest sector of the Ventura Village Neighborhood.

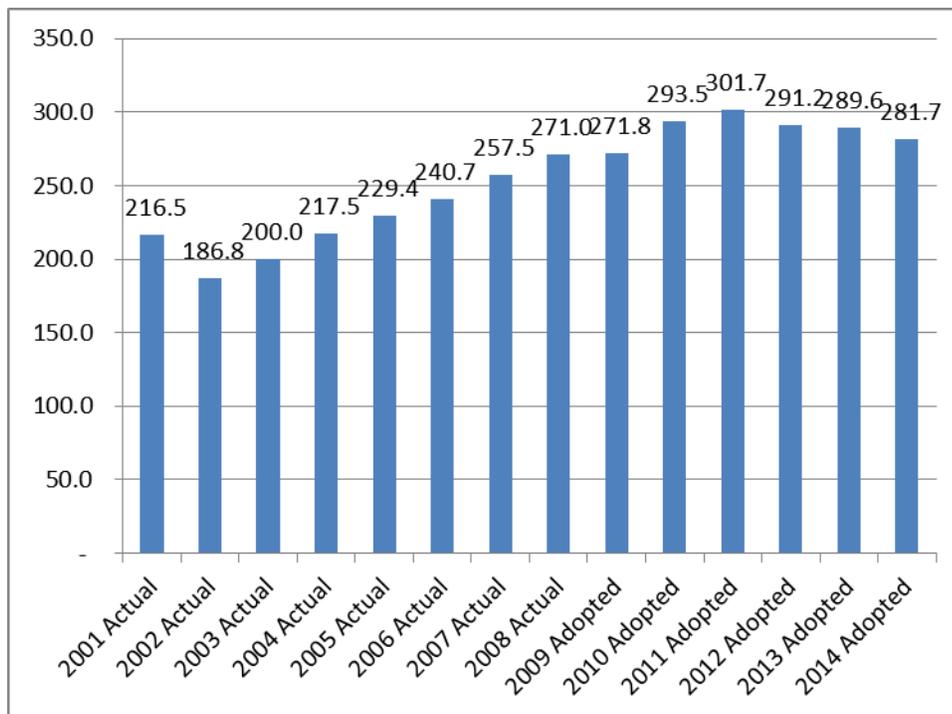
Property Tax and Fee Changes

➤ Property Tax Revenue

The City's 2014 Council Adopted Budget includes an estimated net tax capacity rate of 71.860%. This rate is the combined rate for the City, the Board of Estimate and Taxation, the Minneapolis Park and Recreation Board, and the Municipal Building Commission (MBC). The Library referendum is a \$9.3 million market value based tax with an estimated tax capacity rate of 0.02819% for 2014 and is not included in the City's net tax capacity rate. This estimated net tax capacity rate will levy \$2.855 million less than the 2013 Council Adopted Budget.



Property tax revenue in constant 2013 dollars*



*This revenue chart shows the trend of City revenues adjusted for inflation using the Consumer Price Index (CPI).

➤ **Shared Revenue Approach**

As a part of the 2010 budget process, the Mayor recommended and Council adopted a shared revenue approach that makes costs shared between the City and its independent boards more transparent, as they are noted “above the line” prior to determining the revenue available for general operating expenditures for each entity. These costs include closed pension obligations, previously approved internal service fund workout plans, 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. This policy clearly isolates changes to City policies and the funding of those policy changes. Future increases are aligned with available resources, and the annual percentage change in revenue available for general fund activities of the City’s General Fund, the Park Board and MBC is the guided by the governing boards of each organization after adjusting for the estimated costs. Levy distributions are allocated during the Council and Board Adopted Budget process and changes are made in the resource levels based on policy decisions made during the budget process.

➤ **Market Value Exclusion Program**

When the Market Value Homestead Credit (MVHC) was eliminated by the State during the 2011 Special Session, it was replaced with the Market Value Exclusion Program. This program excludes part of the taxable value of homes from consideration for taxation. Homes with \$76,000 in market value receive the maximum exclusion of \$30,400, with exclusions gradually decreasing until the exclusion is fully phased out at \$413,800. As a result of the exclusions, the City’s overall tax base shrinks which means, all other variables being equal, that the tax rate charged to all properties increases. The City considers this is a transfer of tax burden from the State, which previously paid credits on behalf of the homeowner under the former MVHC, to all properties. The tax burden shifts from the State to the local taxpayers and generally more heavily toward commercial and industrial properties as they are not subject to the valuation exclusion.

Under the former MVHC, the same valued home across the State received the same credit. Under the new exclusion methodology, the effect on same-valued homes will vary greatly in different communities depending on many factors. These factors include the tax base composition within the property classifications, the tax rate of the jurisdiction, and the unique mix of properties in each taxing jurisdiction as all taxing districts are affected. 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. The table on the following page shows the percentage of Minneapolis residential properties grouped according to changes in their estimated City tax impacts payable in 2014.

Estimated percentage tax change of City taxes from payable 2013 to payable 2014 at the with a 1% decrease in the tax levy.

Est. Percentage Tax Change (City portion)	Percentage of parcels in group*
more than - 30 %	0.21%
-20.00% to -30.00%	0.42%
-15.00% to -20.00%	1.28%
-10.00% to -15.00%	4.86%
-7.50% to -10.00%	8.45%
-5.00% to -7.50%	12.06%
-2.50% to -5.00%	6.50%
0.00% to -2.50%	33.40%
2.50% to 0.00%	11.65%
5.00% to 2.50%	11.92%
7.50% to 5.00%	7.18%
10.00% to 7.50%	0.79%
more than + 10 %	1.29%

*This table shows that 67.17% of the City homesteaded properties that have not had improvements between valuation dates will have a decrease in the City portion of their taxes payable in 2014 compared to 2013. An estimated 11.65% will have an increase between 0% to 2.50%. These groups comprise 78.81% of the parcels.

➤ **City Utility Fees:**

For 2014, the Council Adopted utility 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 variable rate for Sanitary Sewer did not increase in 2014. The table below provides a summary of the anticipated change in an average residential customer's utility bill from 2013 to 2014. For detailed information of these changes, please refer to the narratives within the Public Works Department sections of this document.

Combined Utility Bill
Monthly and Annual cost for average customer

	2013	2014 Monthly Average*	2014 Annual Average	2014 monthly dollar change	2014 % change
Water	\$25.03	\$25.74	\$309	\$0.71	2.8%
Sanitary Sewer	\$21.84	\$22.24	\$267	\$0.40	1.8%
Stormwater	\$11.82	\$11.94	\$143	\$0.12	1.0%
Solid Waste/Recycling**	\$22.00	\$22.60	\$271	\$0.60	2.7%
Total	\$80.69	\$82.52	\$990	\$1.83	2.3%

*The average household rate for water is based on 7 units of consumption at \$3.32 per unit plus a \$2.50 fixed charge, in prior years 8 units of water were used in these calculations. Sanitary rates are based on 6 units of water consumption at \$3.14 per unit plus a fixed charge of \$3.40. Stormwater rates are based on 1 equivalent Stormwater unit of 1,530 square feet on impervious surface.

**The solid waste rate is based on a \$17.60 monthly charge with a large recycling cart fee of \$5.00. Customers can substitute a small cart with a \$2.00 fee.

➤ **Franchise Fees**

Utility companies pay the City franchise fees for their use of the public right-of-way. Franchise fees are calculated as a percentage of each company's total utility revenues, so the amounts paid to the City vary. The 2014 Council Adopted Budget anticipates the total franchise fee revenue will decrease by \$0.5 million from the 2013 Council Adopted Budget, from \$27.4 million in 2013 to \$26.9 million in 2014. The decline in revenue is due to eliminating revenue from the bus stop advertising franchise fee.

There are three franchise agreements that provide revenue for the City. The franchise agreement with Xcel Energy for electricity requires the company to pay the City 5% of its gross revenues for Minneapolis residential service customers, 3% of gross revenues for Minneapolis commercial/industrial customers, and 5% of gross revenues for Minneapolis small commercial/industrial customers. The residential rate drops to 4.5% of gross revenues beginning in January 2014. In 2014, the Council Adopted Budget anticipates Xcel will pay the City \$17.0 million from this agreement, the up \$0.8 million from 2013.

The franchise agreement with CenterPoint Energy for natural gas requires the company to pay the City 4.25% of gross revenues for Minneapolis residential buildings with four units or less, 5% for small commercial/industrial/firm or "interruptible" customers (customers who have agreements to allow their service to be interrupted, generally during peak loads), and 3% for large volume interruptible customers. For 2014, the Council Adopted Budget anticipates CenterPoint Energy will pay the City \$6.5 million from this agreement, a decrease of \$1.6 million from 2013.

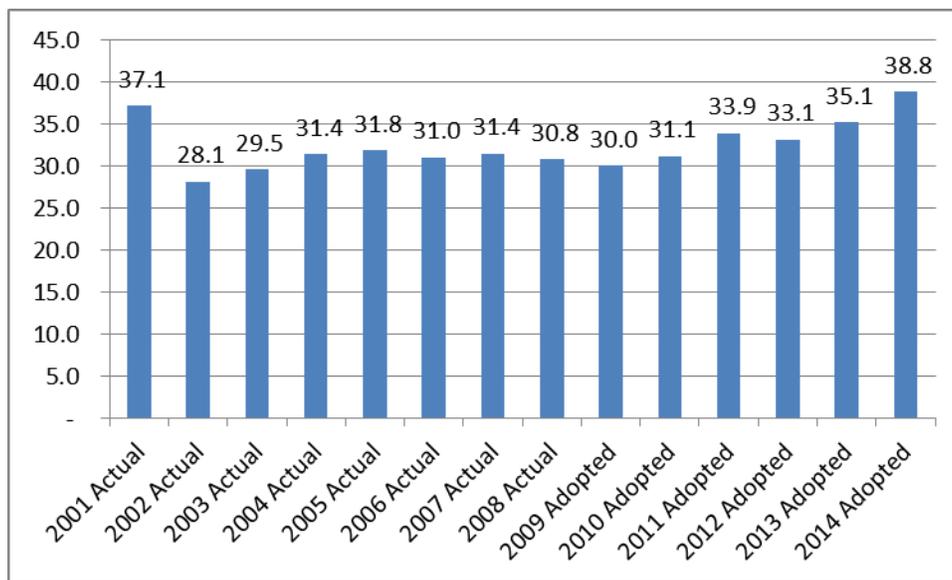
The City also has a cable television franchise with Comcast that is anticipated to generate \$3.4 million for the City in 2014, a \$300,000 increase from 2013. Comcast also collects an “access fee” from subscribers to support public, educational and government (PEG) access programming. The City estimates that it will receive \$840,000 from Comcast for the access fee in 2014, a \$40,000 increase from 2013. There are ten PEG channels in the City of Minneapolis: four public, three educational and three government channels.

➤ **Community Development Block Grant**

The 2014 Council Adopted Budget allocates \$9.1 million in CDBG funding for City programs, down from \$10.7 million in 2013.

➤ **Other fee changes:** The licenses and permit fee revenue is expected to increase from \$34.5 million in 2013 to \$38.8 million in 2014 due to recent and projected activity levels.

License and permit revenue in constant 2013 dollars (\$ in millions)



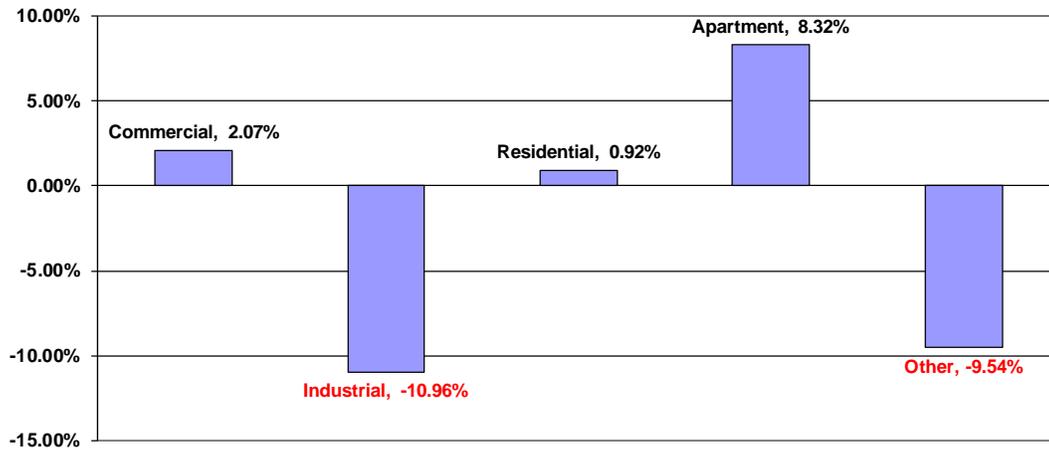
*This revenue chart shows the trend of City revenues adjusted for inflation using the Consumer Price Index (CPI).

Property Market Values and Tax Base Highlights

The following table shows the estimated market values and corresponding tax capacity by property group for the January 2, 2013 assessment utilized for property taxes payable in 2014 based on preliminary numbers

Group	2013 Estimated Market Value	% of Total	% Change	Tax Capacity	% of Total	% Change
Real Estate						
Commercial	\$6,160,330,800	18.6%	2.05%	\$120,791,258	30.0%	2.07%
Industrial	1,148,093,000	3.5%	-10.77%	22,498,936	5.6%	-10.96%
Residential	21,651,726,100	65.5%	0.64%	207,810,585	51.6%	0.92%
Apartment	3,650,569,600	11.0%	8.46%	43,292,334	10.8%	8.32%
Other	18,773,400	0.1%	-9.62%	250,568	0.1%	-9.54%
Sub Total	\$32,629,492,900	98.8%	1.26%	\$394,643,681	98.0%	1.25%
Personal Property						
All	410,530,000	1.2%	1.00%	7,860,000	2.0%	1.19%
Grand Total	\$33,040,022,900	100.0%	1.25%	\$402,503,681	100.0%	1.25%

Estimated Change in Tax Capacity by Property Group



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 2014 based on preliminary numbers:

For Taxes Payable in 2014*	
Real Estate Tax Capacity	\$394,643,681
Personal Property Tax Capacity	\$7,860,000
Gross Tax Capacity	\$402,503,681
- Less Increment Financing	(\$31,194,757)
- Less Fiscal Disparities Contribution	(\$47,101,081)
+ Plus Fiscal Disparities Distribution	\$51,075,667
Adjusted Net Tax Capacity	\$375,283,510

* Property Values Jan 2, 2013

Commercial and Industrial Trends

The City of Minneapolis maintains the highest concentration of commercial office buildings in the State of Minnesota and therefore is the largest contributor of revenue to the state general tax on a per city basis. Minneapolis's 2013 commercial/industrial tax base is estimated at \$7.3 billion dollars, of which \$4.1 billion resides in the Minneapolis Central Business District (CBD). Between January 2012 and January 2013 the Minneapolis CBD experienced a modest 3.6 percent increase in the commercial and industrial tax base. The biggest news in this market sector is the proposed \$975 million stadium development and a \$400 million Ryan development that includes Class "A" commercial, retail and multi-family housing within walking distance to the stadium. A \$1.4 billion dollar redevelopment project in the Downtown East neighborhood could be the catalyst needed to spur other major real estate developments in the area.

Apartments

The 2013 apartment market continues to outperform the other markets in Minneapolis with a 8.5 percent growth in tax base over 2012. Marquette Advisors reports a 1.8 percent vacancy rate for Minneapolis, down from a vacancy rate of 2.1 percent a year earlier. Minneapolis vacancy rate is slightly better than the 2.9 percent rate for the overall larger metropolitan market area.

Apartment vacancy rates in Minneapolis decreased during 2012. Apartment new construction continues to be robust in Uptown, Downtown and the University area. The supply of apartment units is increasing with just under 5,000 units currently under construction. Average monthly rents increased slightly over 2012 moving from \$996 to \$1,017 in 2013. The outlook for apartments in 2014 appears to similar to the 2012 and 2013 trend with no downturn noted in the near future.

Residential

The inventory of foreclosures and short-sales is declining and the negative impact these properties had on the open market transactions is diminishing. The housing market is being perceived as "stable" with the job market other economic sectors improving. The number of homes actively on the market is down 15 percent from the previous year and down 50% since 2008. The lack of housing inventory available for sale has transitioned the real estate market from a "Buyer's Market" to a "Seller's Market" with quick sales and multiple purchase officers on

many of the listings. Prices of single family homes remained relatively flat at \$170,000 entering into 2013. However, recent sales activity indicates the real estate market improving each month throughout 2013.

The table below shows the overall change in the market value by the three main property type classifications for taxes payable from 2000 to 2014:

Payable	Change in Market Value		
	Commercial/Industrial	Residential	Apartment
2000	17.70%	9.50%	13.00%
2001	23.10%	16.00%	18.70%
2002	20.80%	23.40%	27.50%
2003	12.50%	15.40%	16.40%
2004	-5.50%	15.10%	14.10%
2005	3.00%	12.20%	6.50%
2006	11.40%	12.90%	6.80%
2007	11.80%	6.40%	-1.20%
2008	10.41%	2.63%	3.31%
2009	1.30%	-3.12%	1.82%
2010	-0.09%	-3.60%	0.53%
2011	-9.80%	-4.40%	-6.70%
2012	-4.50%	-9.10%	-5.20%
2013	0.46%	-5.37%	2.79%
2014 Est.	-0.20%	0.64%	8.46%

**2014 Council Adopted Budget
Property Tax Levies**

	2013 Adopted	2014 Council Adopted Budget		
		2014 Levies	% Change from 2013	\$ Change from 2013
By Major Funds				
General Levies	\$280,939,000	\$278,404,000	-0.90%	(\$2,535,000)
Special Levies Other*	\$3,621,000	\$3,321,000	-8.29%	(\$300,000)
Grand Totals	\$284,560,000	\$281,725,000	-1.00%	(\$2,835,000)

	2013 Adopted	2014 Council Adopted Budget		
		2014 Levies	% Change from 2013	\$ Change from 2013
By Entity				
City**	\$219,634,000	\$215,904,000	-1.70%	(\$3,730,000)
Municipal Building Commission	\$4,410,000	\$4,594,000	4.17%	\$184,000
Park Board	\$48,616,000	\$49,627,000	2.08%	\$1,011,000
Library Referendum***	\$9,300,000	\$9,300,000	0.00%	\$0
Public Housing Authority	\$200,000	\$0	-100.00%	(\$200,000)
Teachers' Retirement	\$2,400,000	\$2,300,000	-4.17%	(\$100,000)
Grand Totals	\$284,560,000	\$281,725,000	-1.00%	(\$2,835,000)

* Special Levies other Include; Chapter 595 (HRA), Teachers' Retirement

** Includes General Fund, Permanent Improvement, Bond Redemption, Board of Estimate & Taxation, and closed pension funds (MERF,MPRA,MFRA) & HRA Levies

***This remains a City obligation after the Library System consolidation

**2014 Council Adopted Budget
Property Tax Levies**

	2014 Council Adopted Budget			
	2013 Adopted	2014 Levies	% Change from 2013	\$ Change from 2013
Levy Only Entities				
Public Housing Auth	\$200,000	\$0	-100.00%	(\$200,000)
Teachers Retirement	\$2,400,000	\$2,300,000	-4.17%	(\$100,000)
Library Referendum***	\$9,300,000	\$9,300,000	0.00%	\$0
Board Estimate & Taxation	\$175,000	\$170,000	-2.86%	(\$5,000)
Perm. Imp Fund	\$1,000,000	\$1,000,000	0.00%	\$0
Bond Redemption Fund	\$21,200,000	\$29,300,000	38.21%	\$8,100,000
MERF	\$18,150,000	\$18,150,000	0.00%	\$0
MFRA	\$2,745,000	\$2,745,000	0.00%	\$0
MPRA	\$6,415,000	\$6,415,000	0.00%	\$0
Subtotals	\$61,585,000	\$69,380,000	12.66%	\$7,795,000
Levy & LGA Entities				
Municipal Building Commission	\$4,410,000	\$4,594,000	4.17%	\$184,000
Park & Recreation Board	\$48,616,000	\$49,627,000	2.08%	\$1,011,000
General Fund Levy*	\$169,949,000	\$158,124,000	-6.96%	(\$11,825,000)
Subtotals	\$222,975,000	\$212,345,000	-4.77%	(\$10,630,000)
Grand Totals	\$284,560,000	\$281,725,000	-1.00%	(\$2,835,000)

* Includes the Chapter 595 (HRA) Levy

2014 Adopted Budget Activities Approach

	2013	2014	% Change	\$\$ Change
Municipal Building Commission (MBC)*				
Municipal Building Commission Levy	4,410,000	4,594,000	4.172%	184,000
Municipal Building Commission Tax rev	4,321,800	4,502,000	4.170%	180,200
USE of The City's Fund Bal Rev at MBC	227,425	314,048	38.089%	86,623
MBC LGA Rev	193,067	228,959	18.590%	35,892
MBC Tax Rev & LGA	4,742,292	5,045,007	6.383%	302,715
LESS MBC's Trf to City General Fund OH	(52,600)	(155,768)	196.137%	(103,168)
MBC Activities Tax Rev & LGA	4,689,692	4,889,239	4.255%	199,547
MBC \$\$ Change		199,547		
MBC % Change		4.255%		
Estimated MBC Cost Escalator %		4.255%		
MBC % Change After Est. Cost Escalator		0.000%		\$4

	2013	2014	% Change	\$\$ Change
Park Board*				
Park Board Levy	48,616,000	48,616,000	0.000%	0
Park Board Tax rev	47,643,486	47,643,680	0.000%	194
Park Board Tree Preservation Levy	0	1,011,000	0.000%	1,011,000
Park Board Tree Preservation Levy Tax rev	0	990,780	0.000%	990,780
Fees, Fines & Other Revenues	8,917,626	9,100,000	2.045%	182,374
Park Bd LGA Rev	7,570,039	8,977,319	18.590%	1,407,280
Park Board Tax Rev & LGA	64,131,151	66,711,779	4.024%	2,580,628
LESS Park Board's Trf to City General Fund OH	(839,100)	(977,303)	16.470%	(138,203)
LESS Park Board's Trf to City General Admin Fee	(129,000)	(132,422)	2.653%	(3,422)
LESS Park Board's Capital Projects from Levy	(4,629,857)	(4,700,000)	1.515%	(70,143)
Park Board Activities Tax Rev & LGA	58,533,194	60,902,054	4.047%	2,368,860
Park Board Activities \$\$ Change		2,368,860		
Park Board Activities % Change		4.047%		
Estimated Park Bd Cost Escalators Overall % >>		3.995%		
Park Board Activities % Change After Cost Escalator		0.052%		\$30,530

	2013	2014	% Change	\$\$ Change
City General Fund				
City GFd Levy	168,928,000	157,103,000	-7.000%	(11,825,000)
City GFd Tax rev	165,549,440	153,960,940	-7.000%	(11,588,500)
Chapter 595 Levy - Special Levy GFd Dept. \$\$	1,000,580	1,000,580	0.000%	0
PLUS Trf From the Property Tax Stabilization Acct	0	5,000,000	0.000%	5,000,000
General Fund Revenues	159,154,600	215,977,000	35.703%	56,822,400
General Fund Use of Fund Balance	0	18,650,000	0.000%	18,650,000
City LGA Rev	56,378,894	66,859,804	18.590%	10,480,910
City General Fund Revenue	382,083,514	461,448,324	20.772%	79,364,810
Less Payment to the Co for Library System non Tax \$\$	(4,106,000)	(3,238,000)	-21.140%	868,000
LESS MBC's Tax Rev Trf for Rent Non GFd	(748,507)	(740,776)	-1.033%	7,731
Less Gen Fd Revenue Transfer to BIS for Wi-Fi	(491,260)	(505,111)	2.819%	(13,851)
Less Revenue Transfer to Arena Reserve	(89,000)	0	-100.000%	89,000
Less Revenue Transfer to Solid Waste Graffiti	(150,000)	(825,000)	450.000%	(675,000)
LESS City General Fund (Trf to Pen Mgmt. Plan)	(716,000)	(1,500,000)	109.497%	(784,000)
LESS General Fd Transition Cost After Election Mayor & Council	0	(200,000)	0.000%	(200,000)
LESS City GFd trf to Internal Service Funds \$ in Total	(28,731,619)	(16,591,163)	-42.255%	12,140,456
LESS General Fund Trf to Fund 4100	0	(500,000)	0.000%	(500,000)
LESS City GFd OH Not recovered from Park Bd	(442,480)	(264,122)	-40.309%	178,358
LESS City GFd OH Recovered from Park Bd	(839,100)	(977,303)	16.470%	(138,203)
LESS City GFd OH Recovered from MBC	(52,600)	(155,768)	196.137%	(103,168)
LESS City GFd OH Not recovered from MBC	(163,905)	(57,338)	-65.018%	106,567
LESS Other's Trf to City General Fund OH	(19,793,500)	(21,314,189)	7.683%	(1,520,689)
LESS City GFd OH Not recovered from Other's	(276,106)	(24,741)	-91.039%	251,365
LESS General fund one time \$\$	(1,728,000)	(9,265,000)	436.169%	(7,537,000)
LESS General fund one time \$\$ in 2014 Police Cadet Class	0	(1,300,000)	0.000%	(1,300,000)
Less Revenue Transfer to the CONVENTION CENTER	0	(46,593,000)	0.000%	(46,593,000)
Capital Asset Replacement System (CARS)	0	(8,900,000)	0.000%	(8,900,000)
LESS Trf to Park Bd for Trees	0	(200,000)	0.000%	(200,000)
City GFd Activities	323,755,437	348,296,815	7.580%	24,541,378
General Fund Activities \$\$ Change		24,541,378		
General Fund Activities % Change		7.580%		
Estimated GFd Cost Escalator % >>		3.945%		
General Fund Activities % Change After Cost ESC		3.635%		\$11,767,977

* Note: Independent boards set and adopt their own budgets

Residential Property Tax – Sample Bills

Residential Property Levy & Utility Fee Estimated impact

with Estimated Market Value Change of >>

5.0%

0.0%

-5.0%

* Water Rates for 2013 were adj from 8 units to 7 units to match 2014

	2013	2014	% Change	\$ Change	2014	% Change	\$ Change	2014	% Change	\$ Change
Assessed Market Value (MV)	\$133,000	\$139,650	5.0%	\$6,650	\$133,000	0.0%	\$0	\$126,350	-5.0%	(\$6,650)
Market Value Credit Exclusion	(\$25,270)	(\$24,672)	-2.4%	\$599	(\$25,270)	0.0%	\$0	(\$25,869)	2.4%	(\$599)
Taxable Value	\$107,730	\$114,979	6.7%	\$7,249	\$107,730	0.0%	\$0	\$100,482	-6.7%	(\$7,249)
Tax Capacity	\$1,077	\$1,150	6.7%	\$72	\$1,077	0.0%	\$0	\$1,005	-6.7%	(\$72)
City Property Taxes										
Tax Capacity based Taxes	\$783	\$823	5.1%	\$40	\$771	-1.5%	(\$12)	\$719	-8.2%	(\$64)
MV Referendum Tax	\$38	\$39	2.6%	\$1	\$37	-2.7%	(\$1)	\$36	-5.4%	(\$2)
Total City Property Taxes	\$821	\$862	5.0%	\$41	\$808	-1.6%	(\$13)	\$755	-8.1%	(\$66)
Utility Fees										
Water	\$300	\$309	2.8%	\$9	\$309	2.9%	\$9	\$309	2.9%	\$9
Storm	\$142	\$143	1.0%	\$1	\$143	1.0%	\$1	\$143	1.0%	\$1
Sanitary Sewer	\$262	\$267	1.9%	\$5	\$267	1.9%	\$5	\$267	1.9%	\$5
Solid Waste Recycling	\$264	\$271	2.7%	\$7	\$271	2.5%	\$7	\$271	2.5%	\$7
Total Utilities	\$968	\$990	2.3%	\$22	\$990	2.3%	\$22	\$990	2.3%	\$22
Total City Property Taxes & Utility	\$1,789	\$1,852	3.5%	\$63	\$1,798	0.5%	\$9	\$1,745	-2.5%	(\$44)

Residential Property Levy & Utility Fee Estimated impact

with Estimated Market Value Change of >>

5.0%

0.0%

-5.0%

* Water Rates for 2013 were adj from 8 units to 7 units to match 2014

	2013	2014	% Change	\$ Change	2014	% Change	\$ Change	2014	% Change	\$ Change
Assessed Market Value (MV)	\$195,500	\$205,275	5.0%	\$9,775	\$195,500	0.0%	\$0	\$185,725	-5.0%	(\$9,775)
Market Value Credit Exclusion	(\$19,845)	(\$18,765)	-4.5%	\$880	(\$19,845)	0.0%	\$0	(\$20,525)	4.5%	(\$880)
Taxable Value	\$175,855	\$186,510	6.1%	\$10,655	\$175,855	0.0%	\$0	\$165,200	-6.1%	(\$10,655)
Tax Capacity	\$1,759	\$1,865	6.1%	\$107	\$1,759	0.0%	\$0	\$1,652	-6.1%	(\$107)
City Property Taxes										
Tax Capacity based Taxes	\$1,279	\$1,335	4.4%	\$56	\$1,258	-1.6%	(\$21)	\$1,182	-7.6%	(\$97)
MV Referendum Tax	\$56	\$58	3.6%	\$2	\$55	-1.9%	(\$1)	\$52	-7.4%	(\$4)
Total City Property Taxes	\$1,335	\$1,393	4.4%	\$58	\$1,313	-1.7%	(\$22)	\$1,234	-7.6%	(\$101)
Utility Fees										
Water	\$300	\$309	2.8%	\$9	\$309	2.9%	\$9	\$309	2.9%	\$9
Storm	\$142	\$143	1.0%	\$1	\$143	1.0%	\$1	\$143	1.0%	\$1
Sanitary Sewer	\$262	\$267	1.9%	\$5	\$267	1.9%	\$5	\$267	1.9%	\$5
Solid Waste Recycling	\$264	\$271	2.7%	\$7	\$271	2.5%	\$7	\$271	2.5%	\$7
Total Utilities	\$968	\$990	2.3%	\$22	\$990	2.3%	\$22	\$990	2.3%	\$22
Total City Property Taxes & Utility	\$2,303	\$2,383	3.5%	\$80	\$2,303	0.0%	\$0	\$2,224	-3.4%	(\$79)

Residential Property Levy & Utility Fee Estimated Impact

with Estimated Market Value Change of >>

* Water Rates for 2013 were adj from 8 units to 7 units to match 2014

	5.0%				0.0%			-5.0%		
	2013	2014	% Change	\$ Change	2014	% Change	\$ Change	2014	% Change	\$ Change
Assessed Market Value (MV)	\$532,000	\$558,600	5.0%	\$26,600	\$532,000	0.0%	\$0	\$505,400	-5.0%	(\$26,600)
Market Value Credit Exclusion	na	na			na			na		
Taxable Value	\$532,000	\$558,600	5.0%	\$26,600	\$532,000	0.0%	\$0	\$505,400	-5.0%	(\$26,600)
Tax Capacity	\$5,400	\$5,733	6.2%	\$333	\$5,400	0.0%	\$0	\$5,068	-6.2%	(\$333)
City Property Taxes										
Tax Capacity based Taxes	\$3,927	\$4,102	4.5%	\$175	\$3,864	-1.6%	(\$63)	\$3,626	-7.7%	(\$301)
MV Referendum Tax	\$152	\$157	3.3%	\$5	\$150	-1.4%	(\$2)	\$142	-6.8%	(\$10)
Total City Property Taxes	\$4,079	\$4,259	4.4%	\$180	\$4,014	-1.8%	(\$65)	\$3,768	-7.7%	(\$311)
Utility Fees										
Water	\$300	\$309	2.8%	\$9	\$309	2.9%	\$9	\$309	2.9%	\$9
Storm	\$142	\$143	1.0%	\$1	\$143	1.0%	\$1	\$143	1.0%	\$1
Sanitary Sewer	\$262	\$267	1.9%	\$5	\$267	1.9%	\$5	\$267	1.9%	\$5
Solid Waste Recycling	\$264	\$271	2.7%	\$7	\$271	2.5%	\$7	\$271	2.5%	\$7
Total Utilities	\$968	\$990	2.3%	\$22	\$990	2.3%	\$22	\$990	2.3%	\$22
Total City Property Taxes & Utility	\$5,047	\$5,249	4.0%	\$202	\$5,004	-0.8%	(\$43)	\$4,758	-5.7%	(\$289)

Residential Property Levy & Utility Fee Estimated Impact

with Estimated Market Value Change of >>

* Water Rates for 2013 were adj from 8 units to 7 units to match 2014

	5.0%				0.0%			-5.0%		
	2013	2014	% Change	\$ Change	2014	% Change	\$ Change	2014	% Change	\$ Change
Assessed Market Value (MV)	\$1,334,000	\$1,400,700	5.0%	\$66,700	\$1,334,000	0.0%	\$0	\$1,267,300	-5.0%	(\$66,700)
Market Value Credit Exclusion	na	na			na			na		
Taxable Value	\$1,334,000	\$1,400,700	5.0%	\$66,700	\$1,334,000	0.0%	\$0	\$1,267,300	-5.0%	(\$66,700)
Tax Capacity	\$15,425	\$16,259	5.4%	\$834	\$15,425	0.0%	\$0	\$14,591	-5.4%	(\$834)
City Property Taxes										
Tax Capacity based Taxes	\$11,217	\$11,635	3.7%	\$418	\$11,038	-1.6%	(\$179)	\$10,442	-6.9%	(\$775)
MV Referendum Tax	\$382	\$394	3.1%	\$12	\$376	-1.6%	(\$6)	\$357	-6.7%	(\$25)
Total City Property Taxes	\$11,599	\$12,029	3.7%	\$430	\$11,414	-1.6%	(\$185)	\$10,799	-6.9%	(\$800)
Utility Fees										
Water	\$300	\$309	2.8%	\$9	\$309	2.9%	\$9	\$309	2.9%	\$9
Storm	\$142	\$143	1.0%	\$1	\$143	1.0%	\$1	\$143	1.0%	\$1
Sanitary Sewer	\$262	\$267	1.9%	\$5	\$267	1.9%	\$5	\$267	1.9%	\$5
Solid Waste Recycling	\$264	\$271	2.7%	\$7	\$271	2.5%	\$7	\$271	2.5%	\$7
Total Utilities	\$968	\$990	2.3%	\$22	\$990	2.3%	\$22	\$990	2.3%	\$22
Total City Property Taxes & Utility	\$12,567	\$13,019	3.6%	\$452	\$12,404	-1.3%	(\$163)	\$11,789	-6.2%	(\$778)

Commercial/Industrial and Apartment Property Tax – Sample Bills

Commercial/Industrial Property with Estimated Pay 2014 Market Value Change of		5.0%			0.0%			-5.0%		
		2013	2014	% Change	\$ Change	2014	% Change	\$ Change	2014	% Change
Assessed Market Value (MV)	\$275,000	\$288,750	5.0%	\$13,750	\$275,000	0.0%	\$0	\$261,250	-5.0%	(\$13,750)
Tax Capacity	\$4,750	\$5,025	5.8%	\$275	\$4,750	0.0%	\$0	\$4,475	-5.8%	(\$275)
City Property Taxes										
Tax Capacity based Taxes	\$2,369	\$2,467	4.1%	\$97	\$2,332	-1.6%	(\$38)	\$2,197	-7.3%	(\$173)
MV Referendum Tax	\$79	\$81	2.8%	\$2	\$77	-2.1%	(\$2)	\$74	-7.0%	(\$6)
Total City Property Taxes	\$2,448	\$2,548	4.1%	\$100	\$2,409	-1.6%	(\$39)	\$2,270	-7.3%	(\$178)

Commercial/Industrial Property with Estimated Pay 2014 Market Value Change of		5.0%			0.0%			-5.0%		
		2013	2014	% Change	\$ Change	2014	% Change	\$ Change	2014	% Change
Assessed Market Value (MV)	\$10,375,000	\$10,893,750	5.0%	\$518,750	\$10,375,000	0.0%	\$0	\$9,856,250	-5.0%	(\$518,750)
Tax Capacity	\$206,750	\$217,125	5.0%	\$10,375	\$206,750	0.0%	\$0	\$196,375	-5.0%	(\$10,375)
City Property Taxes										
Tax Capacity based Taxes	\$103,133	\$106,586	3.3%	\$3,454	\$101,493	-1.6%	(\$1,640)	\$96,400	-6.5%	(\$6,733)
MV Referendum Tax	\$2,983	\$3,067	2.8%	\$84	\$2,921	-2.1%	(\$62)	\$2,775	-7.0%	(\$208)
Total City Property Taxes	\$106,116	\$109,653	3.3%	\$3,537	\$104,414	-1.6%	(\$1,702)	\$99,175	-6.5%	(\$6,941)

Apartment Property with Estimated Pay 2014 Market Value Change of		5.0%			0.0%			-5.0%		
		2013	2014	% Change	\$ Change	2014	% Change	\$ Change	2014	% Change
Assessed Market Value (MV)	\$404,000	\$424,200	5.0%	\$20,200	\$404,000	0.0%	\$0	\$383,800	-5.0%	(\$20,200)
Tax Capacity	\$5,050	\$5,303	5.0%	\$253	\$5,050	0.0%	\$0	\$4,798	-5.0%	(\$253)
City Property Taxes										
Tax Capacity based Taxes	\$3,672	\$3,795	3.3%	\$122	\$3,614	-1.6%	(\$58)	\$3,433	-6.5%	(\$239)
MV Referendum Tax	\$113	\$119	6.1%	\$7	\$114	1.0%	\$1	\$108	-4.0%	(\$5)
Total City Property Taxes	\$3,785	\$3,914	3.4%	\$129	\$3,728	-1.5%	(\$57)	\$3,541	-6.4%	(\$244)

Apartment Property with Estimated Pay 2014 Market Value Change of		5.0%			0.0%			-5.0%		
		2013	2014	% Change	\$ Change	2014	% Change	\$ Change	2014	% Change
Assessed Market Value (MV)	\$722,000	\$758,100	5.0%	\$36,100	\$722,000	0.0%	\$0	\$685,900	-5.0%	(\$36,100)
Tax Capacity	\$9,025	\$9,476	5.0%	\$451	\$9,025	0.0%	\$0	\$8,574	-5.0%	(\$451)
City Property Taxes										
Tax Capacity based Taxes	\$6,563	\$6,781	3.3%	\$219	\$6,458	-1.6%	(\$104)	\$6,135	-6.5%	(\$427)
MV Referendum Tax	\$201	\$213	6.1%	\$12	\$203	1.0%	\$2	\$193	-4.0%	(\$8)
Total City Property Taxes	\$6,764	\$6,995	3.4%	\$231	\$6,662	-1.5%	(\$102)	\$6,329	-6.4%	(\$435)

**City of Minneapolis
2014 Budget**

Financial Plans

The section that follows contains the Financial Plans for the major funds of the City. Detailed financial plans are included for the following major funds, listed below. For the other funds of the City, financial information (expenditure and revenue) is included in the *Financial Schedules Section* of this report.

Five Year Financial Direction 2015-2019	F2
Demands on the Property Tax: 10 Year Projection	F16
Special Revenue Funds	
Convention Center Special Revenue Fund	F20
Arena Reserve Fund	F27
Community Planning and Economic Development Fund	F30
Neighborhood and Community Relations.....	F33
Regulatory Services.....	F34
Enterprise Funds	
Municipal Parking Fund.....	F36
Solid Waste and Recycling Fund	F41
Sanitary Sewer Fund.....	F46
Stormwater Fund.....	F50
Water Fund	F54
Internal Service Funds	
Public Works Stores Fund.....	F60
Engineering Materials and Testing Fund.....	F63
Intergovernmental Services Fund	F66
Fleet Services Fund	F72
Property Services Fund.....	F76
Self-Insurance Fund.....	F80

City of Minneapolis 2014 Budget

Five-year Financial Direction 2015-2019 (Including detailed information on the City's General Fund)

Introduction

This plan reflects the City's ongoing commitment to long-term financial planning. The purpose of recommending a 2015-2019 financial direction is to provide guidance for departments on available planned resources in the City's General Fund.

The financial direction provides detailed projections for property tax supported services: the City's General Fund, pensions, capital and contributions to the internal service funds, Convention Center and the Park Board. Of the \$522.7 million in the financial direction, \$466.3 million is in the City's General Fund, which is the primary funding source for public safety, street paving, snow plowing and other general government services.

General Fund

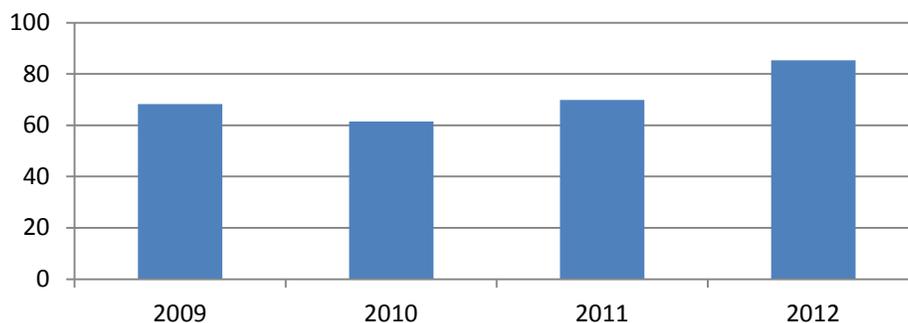
The General Fund is the general operating fund of the City. Combined, the two largest revenues (state aids and property tax) have historically accounted for approximately 60-70% of total financial resources for the General Fund. The top four sources of revenue account for more than 70% of the General Fund's annual financial resources.

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 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.

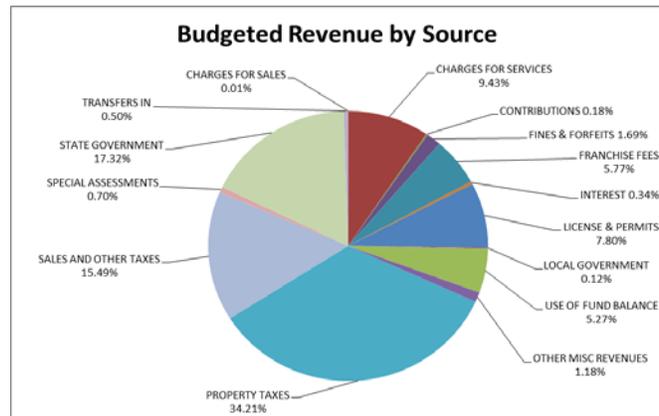
The General Fund began 2013 with a fund balance of \$85.5 million. The 2013 year-end fund balance in the General Fund as of the third quarter is expected to be \$98.4 million, which is above the stated fund balance requirement of 17% of the following year's revenue budget.

Fund Balance
(in millions of dollars)



2014 General Fund Revenue Budget

The 2014 adopted budget includes a total of \$466.3 million of revenues for services incorporated in the financial direction, including \$2.3 million in transfers from other funds and \$24.6 million in fund balance. Budgeted revenues are expected to increase by 22% over than the 2013 budget from a combination of LGA, local sales taxes being recognized in the General Fund previously attributed to the Convention Center Fund, and other revenues associated with economic growth.



Revenue Source	2012 Actual	2013 Adopted	2014 Adopted	% Chg from 2013 Adopted	2013 Adopted % of Total	2014 Adopted % of Total
Property Tax	181.5	170.9	159.5	-6.7%	44.7%	34.2%
Sales Tax	12.9	13.7	72.2	100.0%	3.6%	15.5%
Franchise Fees	26.1	27.4	26.9	-1.8%	7.2%	5.8%
License and Permits	36.1	32.6	36.3	11.6%	8.5%	7.8%
State Government	68.1	69.0	80.8	17.0%	18.0%	17.3%
Charges for Services	44.5	39.7	44.0	10.7%	10.4%	9.4%
Fines and Forfeits	8.2	8.8	7.9	-10.8%	2.3%	1.7%
Fund Transfers	8.8	13.9	2.3	-83.5%	3.6%	0.5%
Uses of Fund Balance			24.6	0.0%	0.0%	5.3%
Misc. Revenues	6.7	6.5	11.8	82.8%	1.7%	2.5%
Total	392.9	382.6	466.3	21.9%	100.0%	100.0%

State Aids (including Local Government Aid):

The City's local government aid (LGA) allocation in 2014 is certified at \$76 million. This is based on legislative actions during the 2013 session and reflects an increase of \$12 million over the 2013 allocation.

Franchise fees are paid by various utility companies for use of City rights-of-way. Franchise fees are a percentage of total utility revenues. The City's collections vary directly with the paying utility's gross revenues. There are three franchise agreements that provide revenue for the City:

- The franchise agreement with Xcel Energy for electricity requires payment of 5% of gross revenues for residential service customers, 3% of gross revenues for commercial and industrial customers, and 5% of gross revenues on small commercial and industrial customers. The residential rate drops to 4.5% of gross revenues beginning in January 2014. This franchise agreement expires on December 31, 2014. For 2014, the City is anticipating \$17 million in revenues from this franchise agreement.
- The franchise agreement with Center Point Energy/Minnegasco requires payment of 4.25% of gross revenues for residential buildings with four units or less, 5% for small commercial/industrial or interruptible customers, and 3% for large-volume interruptible

customers. This franchise agreement expires on December 31, 2015. For 2014, the City is anticipating \$6.5 million in revenues from this franchise agreement.

- The City anticipates \$3.4 million in revenue from the cable franchise in 2014:

The 2014 budget anticipates the total franchise fee revenue to be \$26.9 million.

Licenses and Permits: issued by the City for a wide variety of regulated activities. Building permits and business licenses are a major component of this revenue category. The 2014 budget anticipates an 11.6% increase in licenses and permit revenue.

Fines and Forfeiture: (traffic fines, administrative citations, and forfeitures related to certain state and federal crimes) Citywide collections from are anticipated to decline by 10.8% in 2014, continuing a recent trend.

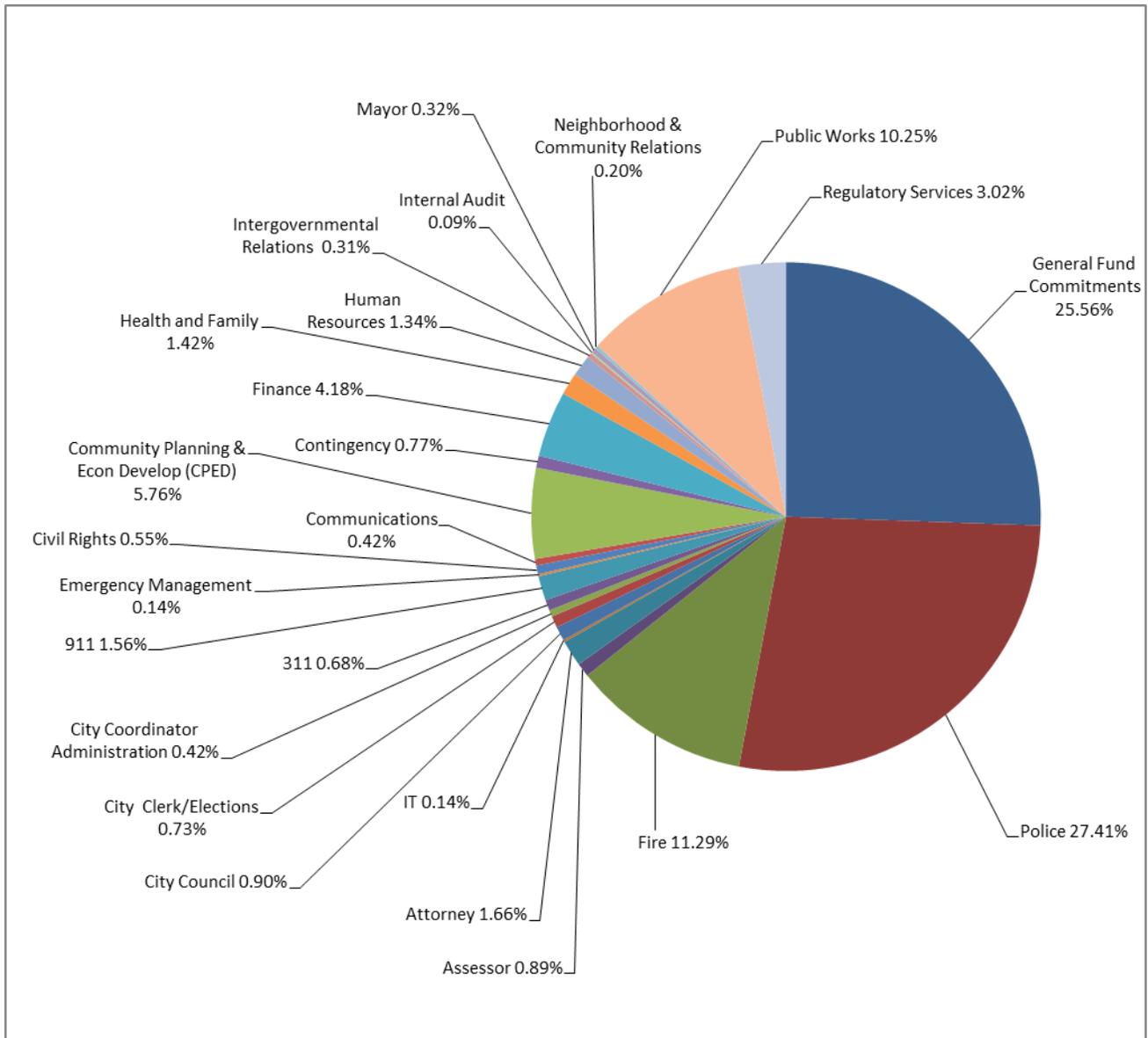
2014 General Fund Expenditure Budget

The 2014 recommended budget for services included in the financial direction is \$522.7 million, which includes \$67.4 million in transfers to other funds.

Approximately 58% of the overall expenditure budget is related to personnel costs.

In the General Fund, salary and wage expenditures increased from \$175.6 million in 2013 to \$191.1 million in 2014. The salary and wages expense category also includes overtime costs, contractually-obligated payments, and one-time funding.

The General Fund provides funding in some shape or form for most City functions. A breakdown of the allocation of the \$522.7 million in the 2014 General Fund budget is reflected in the chart



*General Fund Commitments include: transfers to the internal service funds, pension obligations, payment to Hennepin County related to the library system, Capital Improvement projects, debt service, and other miscellaneous transfers.

Five-Year Financial Direction

There is a tax policy of -1% in 2014, 2% in 2015, 2.5% in 2016, and 3.0% in 2017 through 2018. These percentages reflect statutorily-required costs and provide for a current service level cost escalator for departments.

The 2014 budget is the basis for future projections: In other words, what is included in the 2014 budget is the starting place for the 2015-2019 department budget estimates. One-time 2014 supplemental items are removed from department budgets in 2015 and beyond.

The financial direction from 2015 to 2019 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.

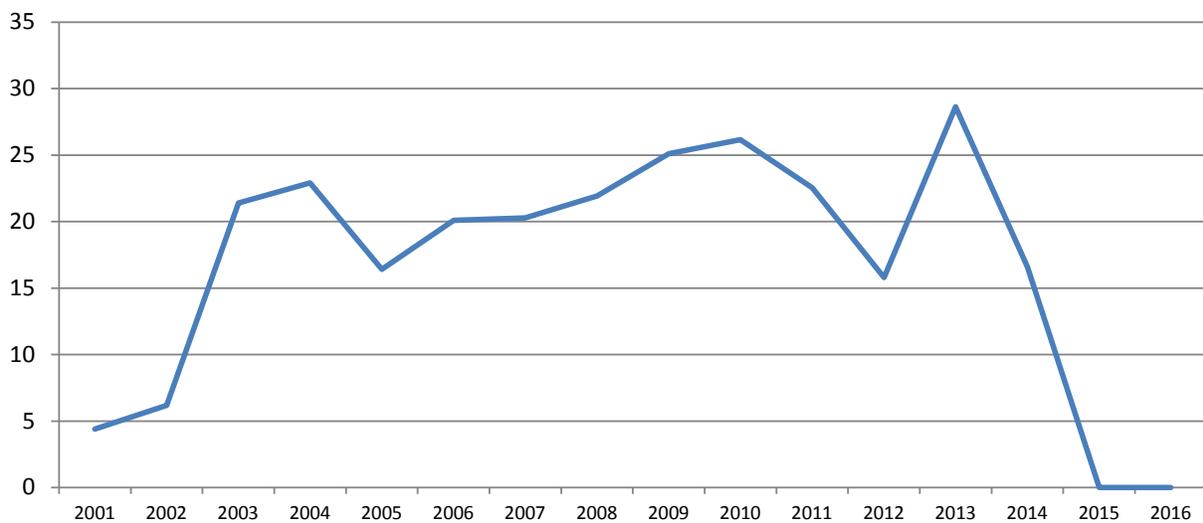
Salary Assumption -- The City adopted a compensation philosophy during 2007. The philosophy does not specify a salary policy. It is anticipated that salary settlements will vary within and between bargaining units. Assumptions are updated annually as contracts are settled.

Capital and Debt Service (including pensions)

As part of last year’s budget and in response to critical infrastructure needs and reduced support from the State of Minnesota, the amount of property tax supported resources for capital improvements was expanded from the previous five-year plan. For 2014 and future years, the intent is to sustain this higher level of property tax supported (net debt bond) funding to continue the increased infrastructure acceleration program. There is a large backlog of infrastructure needs that still must be addressed and the current emphasis for these funds is primarily on improving street paving and water infrastructure.

The Net Debt Bond (NDB) program is paid for with property tax collections. The five-year financial direction for the bond redemption levy includes increases in 2014 and more significant increases in 2015 and beyond for capital improvements. These increases are possible due to improvements in the internal service fund financial plans which reduce the demand for property tax resources as well as growth in non-property tax revenues.

Internal Service Fund obligations. The 2008 adopted long-term financial plans began accelerating the General Fund’s contribution to the adopted workout plans for the internal service funds to create capacity to hold down out-year property tax levy increases. Over the last few years the General Fund has accelerated the workout plan schedule to move forward the full completion date from 2019 to 2014.



In addition, as one-time resources have become available, the elected officials have prioritized the avoidance and pay down of debt. The following table highlights these important decisions:

Funding for pension liabilities. The property tax levy required to support closed pension fund-related obligations is \$27.3 million in 2014 and will remain near that level through 2031. 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). All three funds are administered by PERA. The City has ongoing obligations funded from within departmental budgets to PERA to support current employees' retirement plans.

Change in 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 declining LGA and other factors will require more department reductions.
- *Park Board:* Like other participants in the City's capital funding pool, the Park Board faces significant capital pressures to maintain the facilities it operates.
- *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.
- *Department Increases:* The City will continue to see issues related to the ability to keep up with enterprise demands while subject to increased costs.
- *Aging Facilities and Infrastructure:* The City is responsible for facilities and infrastructure that is 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 2014-2019

- The tax policy for 2014-2019 is as follows: -1% in 2014; 2% in 2015; 2.5% in 2016, 3.0% in 2017, 2018 and 2019. These percentages reflect statutorily-required costs and provide for the following current service level cost escalator for departments.
- Out-year projections will be adjusted over time as new information becomes available.
- Contingency increased to provide cushion for uncertainty related to seasonal and economic conditions.
- Health increases are assumed at 10% in 2014; 12% thereafter.
- Revenues in the General Fund are NOT assumed to increase, except for licenses and permits and local taxes which are anticipated to increase by 3.0% annually, the cost

allocation model for internal City departments, and the government service fee, include cost escalators.

- Full funding of internal service fund debts are included.
- Local tax revenue is no longer treated as a transfer into the General Fund. It is recorded as direct revenue into the General Fund.

2014 Property Tax Supported Budgets

General Fund	2014 Adopted	Direct Revenue (USED BY the department)	Allocated Revenues for Presentation Purposes <i>These revenues are reported at the Fund Level, but have been allocated to departments in this table for presentation purposes ONLY.</i>			Total Revenues
			Other General City Revenues	Local Government Aid	Property Tax Revenue	
General Fund Commitments						
Internal Service Funds Financial Plans	15.966	0.000	0.000	0.000	15.966	15.966
Transfer to the Park Board (Trees)	0.200	0.000	0.000	0.000	0.200	0.200
Capital Asset Replacement System (CARS)	6.884	0.000	6.884	0.000	0.000	6.884
Transfers to IT for WIFI from Gen Fd Depts	0.505	0.000	0.000	0.000	0.505	0.505
Post Election Transition Costs Mayor & Council	0.200	0.000	0.000	0.000	0.200	0.200
Graffiti Removal	0.820	0.000	0.000	0.000	0.820	0.820
Transfer to the Convention Center	46.593	0.000	46.593	0.000	0.000	46.593
Payment to County for Library System	3.238	0.000	0.000	3.238	0.000	3.238
Transfers for City Hall rent (non GFd)	0.731	0.000	0.000	0.000	0.731	0.731
Transfer to Fund 4100 Permanent Improvement	0.500	0.000	0.000	0.000	0.500	0.500
Transfer to Pension Management Plan	1.500	0.000	0.000	0.000	1.500	1.500
Total General Fund Commitments	77.137	0.000	53.477	3.238	20.422	77.137
General Fund Departments						
Police	143.293	10.557	47.500	27.520	57.717	143.293
Fire	59.016	2.131	20.841	11.835	24.209	59.016
Subtotal for Police & Fire	202.309	12.688	68.341	39.354	81.926	202.309
Assessor	4.629	0.063	1.631	0.966	1.968	4.629
Attorney	8.675	0.020	3.005	1.779	3.872	8.675
IT	0.725	0.000	0.259	0.153	0.313	0.725
City Council	4.730	0.105	1.579	0.935	2.111	4.730
City Clerk/Elections	3.812	0.000	1.172	0.694	1.946	3.812
City Coordinator Administration	2.190	0.000	0.941	0.424	0.825	2.190
311	3.540	0.000	1.313	0.733	1.494	3.540
911	8.132	0.000	2.798	1.657	3.676	8.132
Emergency Management	0.717	0.000	0.261	0.150	0.306	0.717
Civil Rights	2.880	0.000	1.008	0.584	1.288	2.880
Communications	2.190	1.955	0.131	0.000	0.104	2.190
Community Planning & Econ Develop (CPED)	30.112	29.046	0.000	0.000	1.066	30.112
Contingency	4.000	0.000	0.000	0.000	4.000	4.000
Finance	21.877	0.000	7.926	4.450	9.501	21.877
Health and Family	7.403	2.481	1.748	1.035	2.139	7.403
Human Resources	6.986	0.000	2.478	1.468	3.040	6.986
Intergovernmental Relations	1.633	0.000	0.528	0.313	0.792	1.633
Internal Audit	0.491	0.000	0.167	0.099	0.226	0.491
Mayor	1.696	0.000	0.559	0.331	0.806	1.696
Neighborhood & Community Relations	1.039	0.000	0.373	0.221	0.446	1.039
Public Works	53.608	16.478	13.396	7.932	15.802	53.608
Regulatory Services	15.784	12.993	1.052	0.556	1.182	15.784
Subtotal for all other departments	186.849	63.141	42.326	24.479	56.902	186.849
Total General Fund Departments	389.158	75.829	110.667	63.834	138.828	389.158
Total General Fund	466.295	75.829	164.144	67.072	159.250	466.295
Other Property Tax-Supported Commitments						
Capital - Permanent Improvement	0.980	0.000	0.000	0.000	0.980	0.980
Debt Service	28.714	0.000	0.000	0.000	28.714	28.714
Pensions - Direct Levies MPRA, MFRA, MERF	26.784	0.000	0.000	0.000	26.784	26.784
Subtotal Other Prop Tax Spt	56.458	0.000	0.000	0.000	56.458	56.458
Total Property Tax Supported Commitments	522.753	75.829	164.144	67.072	215.708	522.753

2015 Property Tax Supported Budgets

General Fund	Recommended Funding	Direct Revenue (USED BY the department)	Allocated Revenues for Presentation Purposes <i>These revenues are receipted at the Fund Level, but have been allocated to departments in this table for presentation purposes ONLY.</i>			Total Revenues
			Other General City Revenues	Local Government Aid	Property Tax Revenue	
General Fund Commitments						
Capital Asset Replacement System (CARS)	5.000	0.000	5.000		0.000	5.000
Transfers to BIS for WIFI from Gen Fd Depts	0.512	0.000			0.512	0.512
Graffiti Removal	0.825	0.000			0.825	0.825
Transfer to Arena Reserve	3.700	0.000	3.700		0.000	3.700
Transfer to the Convention Center	52.180	0.000	52.180		0.000	52.180
Payment to County for Library System	2.363	0.000		2.363	0.000	2.363
Transfers for City Hall rent (non GFd)	0.819	0.000	0.000	0.000	0.819	0.819
Property tax stabilization account	1.471	0.000			1.471	1.471
Transfer to Pension Management Plan	1.500	0.000			1.500	1.500
Total General Fund Commitments	68.370	0.000	60.880	2.363	5.127	68.370
General Fund Departments						
Police	144.014	11.057	42.402	28.026	62.529	144.014
Fire	58.973	2.131	18.273	12.077	28.492	58.973
Subtotal for Police & Fire	202.987	13.188	60.675	40.103	89.021	202.987
Assessor	4.793	0.063	1.523	1.007	2.200	4.793
Attorney	8.788	0.020	2.736	1.808	4.224	8.788
IT	0.000	0.000	0.000	0.000	0.000	0.000
City Council	4.916	0.000	1.509	0.997	2.410	4.916
City Clerk/Elections	3.895	0.105	1.032	0.682	2.076	3.895
City Coordinator Administration	1.986	0.000	0.610	0.403	0.973	1.986
311	3.606	0.000	1.161	0.768	1.677	3.606
911	8.457	0.000	2.617	1.730	4.110	8.457
Emergency Management	0.734	0.000	0.236	0.156	0.341	0.734
Civil Rights	2.963	0.000	0.919	0.607	1.437	2.963
Communications	2.135	2.021	0.000	0.000	0.115	2.135
Community Planning & Econ Develop (CPED)	30.836	29.708	0.000	0.000	1.128	30.836
Contingency	4.000	0.000	0.000	0.000	4.000	4.000
Convention Center	0.000	0.000	0.000	0.000	0.000	0.000
Finance	22.329	0.000	7.027	4.644	10.659	22.329
Health and Family	7.125	2.412	1.518	1.003	2.192	7.125
Human Resources	7.041	0.000	2.268	1.499	3.275	7.041
Intergovernmental Relations	1.583	0.000	0.490	0.324	0.769	1.583
Internal Audit	0.511	0.000	0.156	0.103	0.252	0.511
Mayor	1.764	0.000	0.521	0.345	0.898	1.764
Neighborhood & Community Relations	1.043	0.000	0.336	0.222	0.485	1.043
Public Works	52.860	16.478	11.668	7.712	17.001	52.860
Regulatory Services	16.179	13.383	0.901	0.595	1.301	16.179
Subtotal for all other departments	187.544	64.189	37.228	24.606	61.520	187.544
Total General Fund Departments	390.531	77.377	97.903	64.709	150.542	390.532
Total General Fund	458.901	77.377	158.783	67.072	155.669	458.902
Other Property Tax-Supported Commitments						
Capital - Permanent Improvement	0.980	0.000	0.000	0.000	0.980	0.980
Debt Service	36.064	0.000	0.000	0.000	36.064	36.064
Pensions - Direct Levies MPRA, MFRA, MERF	26.764	0.000	0.000	0.000	26.764	26.764
Subtotal Other Prop Tax Spt	63.808	0.000	0.000	0.000	63.808	63.808
Total Property Tax Supported Commitments	522.709	77.377	158.783	67.072	219.476	522.789

2016 Property Tax Supported Budgets

General Fund	Recommended Funding	Direct Revenue (USED BY the department)	Allocated Revenues for Presentation Purposes <i>These revenues are recaptured at the Fund Level, but have been allocated to departments in this table for presentation purposes ONLY.</i>			Total Revenues
			Other General City Revenues	Local Government Aid	Property Tax Revenue	
General Fund Commitments						
Capital Asset Replacement System (CARS)	5.000	0.000	5.000		0.000	5.000
Transfers to BIS for WIFI from Gen Fd Depts	0.489	0.000			0.489	0.489
Post Election Transition Costs Mayor & Council	0.000	0.000			0.000	0.000
Graffiti Removal	0.825	0.000			0.825	0.825
Transfer to Arena Reserve	3.700	0.000	3.700		0.000	3.700
Transfer to the Convention Center	54.083	0.000	54.083		0.000	54.083
Payment to County for Library System	1.560	0.000		1.560	0.000	1.560
Transfers for City Hall rent (non GFd)	0.847	0.000	0.000	0.000	0.847	0.847
Transfer to Pension Management Plan	1.500	0.000			1.500	1.500
Total General Fund Commitments	68.004	0.000	62.783	1.560	3.661	68.004
General Fund Departments						
Police	148.915	11.057	44.750	28.339	64.770	148.916
Fire	60.971	2.131	19.252	12.192	27.397	60.972
Subtotal for Police & Fire	209.886	13.188	64.002	40.531	92.167	209.888
Assessor	4.967	0.063	1.607	1.018	2.279	4.967
Attorney	9.098	0.020	2.883	1.826	4.368	9.098
IT	0.000	0.000	0.000	0.000	0.000	0.000
City Council	5.096	0.000	1.593	1.009	2.495	5.096
City Clerk/Elections	4.031	0.105	1.089	0.689	2.148	4.031
City Coordinator Administration	2.049	0.000	0.641	0.406	1.003	2.049
311	3.757	0.000	1.231	0.780	1.746	3.757
911	8.783	0.000	2.767	1.752	4.264	8.783
Emergency Management	0.759	0.000	0.249	0.158	0.353	0.759
Civil Rights	3.069	0.000	0.969	0.614	1.486	3.069
Communications	2.209	2.090	0.000	0.000	0.119	2.209
Community Planning & Econ Develop (CPED)	31.862	30.730	0.000	0.000	1.132	31.862
Contingency	4.050	0.000	0.000	0.000	4.050	4.050
Convention Center	0.000	0.000	0.000	0.000	0.000	0.000
Finance	23.182	0.000	7.425	4.702	11.054	23.182
Health and Family	7.380	2.484	1.605	1.016	2.275	7.380
Human Resources	7.278	0.000	2.386	1.511	3.382	7.278
Intergovernmental Relations	1.632	0.000	0.514	0.326	0.792	1.632
Internal Audit	0.530	0.000	0.164	0.104	0.261	0.530
Mayor	1.826	0.000	0.549	0.348	0.928	1.826
Neighborhood & Community Relations	1.078	0.000	0.353	0.224	0.501	1.078
Public Works	54.560	16.478	12.432	7.873	17.778	54.561
Regulatory Services	16.776	13.784	0.981	0.621	1.390	16.776
Subtotal for all other departments	193.971	65.755	39.439	24.976	63.804	193.972
Total General Fund Departments	403.857	78.943	103.441	65.507	155.970	403.861
Total General Fund	471.862	78.943	166.224	67.067	159.631	471.865
Other Property Tax-Supported Commitments						
Capital - Permanent Improvement	0.980	0.000	0.000	0.000	0.980	0.980
Debt Service	37.044	0.000	0.000	0.000	37.044	37.044
Pensions - Direct Levies MPRA, MFRA, MERF	26.764	0.000	0.000	0.000	26.764	26.764
Subtotal Other Prop Tax Spt	64.788	0.000	0.000	0.000	64.788	64.788
Total Property Tax Supported Commitments	536.649	78.943	166.224	67.067	224.419	536.653

2017 Property Tax Supported Budgets

General Fund	Recommended Funding	Direct Revenue (USED BY the department)	Allocated Revenues for Presentation Purposes <i>These revenues are receipted at the Fund Level, but have been allocated to departments in this table for presentation purposes ONLY.</i>			Total Revenues
			Other General City Revenues	Local Government Aid	Property Tax Revenue	
General Fund Commitments						
Capital Asset Replacement System (CARS)	5.000	0.000	5.000		0.000	5.000
Transfers to BIS for WIFI from Gen Fd Depts	0.469	0.000			0.469	0.469
Post Election Transition Costs Mayor & Council	0.221	0.000			0.221	0.221
Graffiti Removal	0.825	0.000			0.825	0.825
Transfer to Arena Reserve	3.700	0.000	3.700		0.000	3.700
Transfer to the Convention Center	53.635	0.000	53.635		0.000	53.635
Payment to County for Library System	0.780	0.000		0.780	0.000	0.780
Transfers for City Hall rent (non GFd)	0.874	0.000	0.000	0.000	0.874	0.874
Transfer to Pension Management Plan	1.500	0.000			1.500	1.500
Total General Fund Commitments	67.004	0.000	62.335	0.780	3.889	67.004
General Fund Departments						
Police	153.756	11.057	46.669	28.656	67.402	153.784
Fire	62.939	2.131	20.045	12.308	28.467	62.951
Subtotal for Police & Fire	216.694500	13.188	66.714	40.964	95.869	216.734
Assessor	5.140	0.063	1.677	1.029	2.372	5.141
Attorney	9.403	0.020	3.003	1.844	4.538	9.405
IT	0.000	0.000	0.000	0.000	0.000	0.000
City Council	5.274	0.000	1.660	1.020	2.595	5.275
City Clerk/Elections	4.166	0.105	1.135	0.697	2.230	4.167
City Coordinator Administration	2.112	0.000	0.665	0.408	1.039	2.113
311	3.907	0.000	1.290	0.792	1.825	3.908
911	9.101	0.000	2.889	1.774	4.440	9.102
Emergency Management	0.784	0.000	0.259	0.159	0.366	0.784
Civil Rights	3.174	0.000	1.010	0.620	1.545	3.175
Communications	2.282	2.160	0.000	0.000	0.123	2.282
Community Planning & Econ Develop (CPED)	32.876	31.740	0.000	0.000	1.136	32.876
Contingency	4.200	0.000	0.000	0.000	4.200	4.200
Convention Center	0.000	0.000	0.000	0.000	0.000	0.000
Finance	24.026	0.000	7.754	4.761	11.515	24.031
Health and Family	7.504	2.559	1.633	1.003	2.310	7.505
Human Resources	7.516	0.000	2.482	1.524	3.511	7.517
Intergovernmental Relations	1.681	0.000	0.534	0.328	0.820	1.682
Internal Audit	0.547	0.000	0.171	0.105	0.271	0.547
Mayor	1.887	0.000	0.572	0.351	0.964	1.887
Neighborhood & Community Relations	1.112	0.000	0.367	0.226	0.520	1.112
Public Works	56.264	16.478	13.086	8.035	18.673	56.272
Regulatory Services	17.364	14.198	1.046	0.642	1.479	17.365
Subtotal for all other departments	200.321	67.323	41.233	25.318	66.472	200.345
Total General Fund Departments	417.015	80.511	107.946	66.282	162.341	417.080
Total General Fund	484.019	80.511	170.281	67.062	166.230	484.084
Other Property Tax-Supported Commitments						
Capital - Permanent Improvement	0.980	0.000	0.000	0.000	0.980	0.980
Debt Service	37.044	0.000	0.000	0.000	37.044	37.044
Pensions - Direct Levies MPRA, MFRA, MERF	26.764	0.000	0.000	0.000	26.764	26.764
Subtotal Other Prop Tax Spt	64.788	0.000	0.000	0.000	64.788	64.788
Total Property Tax Supported Commitments	548.807	80.511	170.281	67.062	231.018	548.872

2018 Property Tax Supported Budgets

General Fund	Recommended Funding	Direct Revenue (USED BY the department)	Allocated Revenues for Presentation Purposes <i>These revenues are recaptured at the Fund Level, but have been allocated to departments in this table for presentation purposes ONLY.</i>			Total Revenues
			Other General City Revenues	Local Government Aid	Property Tax Revenue	
General Fund Commitments						
Capital Asset Replacement System (CARS)	5.000	0.000	5.000		0.000	5.000
Transfers to BIS for WIFI from Gen Fd Depts	0.199	0.000			0.199	0.199
Post Election Transition Costs Mayor & Council	0.400	0.000			0.400	0.400
Graffiti Removal	0.825	0.000			0.825	0.825
Transfer to Arena Reserve	3.700	0.000	3.700		0.000	3.700
Transfer to the Convention Center	55.244	0.000	55.244		0.000	55.244
Payment to County for Library System	0.000	0.000		0.000	0.000	0.000
Transfers for City Hall rent (non GFd)	0.903	0.000	0.000	0.000	0.903	0.903
Transfer to Pension Management Plan	1.500	0.000			1.500	1.500
Total General Fund Commitments	67.771	0.000	63.944	0.000	3.827	67.771
General Fund Departments						
Police	158.858	11.057	48.674	28.961	70.169	158.861
Fire	65.014	2.131	20.873	12.419	29.593	65.015
Subtotal for Police & Fire	223.872	13.188	69.547	41.380	99.762	223.877
Assessor	5.322	0.063	1.749	1.041	2.470	5.322
Attorney	9.726	0.020	3.128	1.861	4.718	9.726
IT	0.000	0.000	0.000	0.000	0.000	0.000
City Council	5.461	0.000	1.732	1.030	2.699	5.461
City Clerk/Elections	4.308	0.105	1.183	0.704	2.316	4.308
City Coordinator Administration	2.178	0.000	0.691	0.411	1.077	2.178
311	4.065	0.000	1.352	0.804	1.909	4.065
911	9.439	0.000	3.017	1.795	4.627	9.439
Emergency Management	0.810	0.000	0.269	0.160	0.380	0.810
Civil Rights	3.285	0.000	1.052	0.626	1.607	3.285
Communications	2.359	2.232	0.000	0.000	0.127	2.359
Community Planning & Econ Develop (CPED)	33.947	32.806	0.000	0.000	1.141	33.947
Contingency	4.400	0.000	0.000	0.000	4.400	4.400
Convention Center	0.000	0.000	0.000	0.000	0.000	0.000
Finance	24.919	0.000	8.099	4.819	12.002	24.919
Health and Family	7.766	2.636	1.706	1.015	2.409	7.766
Human Resources	7.765	0.000	2.582	1.536	3.647	7.765
Intergovernmental Relations	1.733	0.000	0.554	0.330	0.849	1.733
Internal Audit	0.566	0.000	0.178	0.106	0.282	0.566
Mayor	1.952	0.000	0.596	0.355	1.001	1.952
Neighborhood & Community Relations	1.148	0.000	0.382	0.227	0.539	1.148
Public Works	58.046	16.478	13.767	8.192	19.610	58.047
Regulatory Services	17.987	14.624	1.118	0.665	1.579	17.987
Subtotal for all other departments	207.181	68.964	43.155	25.677	69.388	207.184
Total General Fund Departments	431.053	82.152	112.702	67.057	169.149	431.061
Total General Fund	498.824	82.152	176.646	67.057	172.976	498.832
Other Property Tax-Supported Commitments						
Capital - Permanent Improvement	0.980	0.000	0.000	0.000	0.980	0.980
Debt Service	37.044	0.000	0.000	0.000	37.044	37.044
Pensions - Direct Levies MPRA, MFRA, MERF	26.764	0.000	0.000	0.000	26.764	26.764
Subtotal Other Prop Tax Spt	64.788	0.000	0.000	0.000	64.788	64.788
Total Property Tax Supported Commitments	563.612	82.152	176.646	67.057	237.764	563.619

2019 Property Tax Supported Budgets

General Fund	Recommended Funding	Direct Revenue (USED BY the department)	Allocated Revenues for Presentation Purposes <i>These revenues are receipted at the Fund Level, but have been allocated to departments in this table for presentation purposes ONLY.</i>			Total Revenues
			Other General City Revenues	Local Government Aid	Property Tax Revenue	
General Fund Commitments						
Capital Asset Replacement System (CARS)	5.000	0.000	5.000		0.000	5.000
Transfers to BIS for WIFI from Gen Fd Depts	0.000	0.000			0.000	0.000
Post Election Transition Costs Mayor & Council	0.000	0.000			0.000	0.000
Graffiti Removal	0.825	0.000			0.825	0.825
Transfer to Arena Reserve	3.700	0.000	3.700		0.000	3.700
Transfer to the Convention Center	56.901	0.000	56.901		0.000	56.901
Payment to County for Library System	0.000	0.000		0.000	0.000	0.000
Transfers for City Hall rent (non GFd)	0.933	0.000	0.000	0.000	0.933	0.933
Transfer to Pension Management Plan	1.500	0.000			1.500	1.500
Total General Fund Commitments	68.859	0.000	65.601	0.000	3.258	68.859
General Fund Departments						
Police	164.242	11.057	51.424	28.928	72.835	164.244
Fire	67.206	2.131	22.018	12.386	30.672	67.206
Subtotal for Police & Fire	231.448	13.188	73.442	41.313	103.507	231.450
Assessor	5.515	0.063	1.848	1.040	2.564	5.515
Attorney	10.067	0.020	3.300	1.856	4.890	10.067
IT	0.000	0.000	0.000	0.000	0.000	0.000
City Council	5.660	0.000	1.830	1.029	2.801	5.660
City Clerk/Elections	4.457	0.105	1.249	0.703	2.400	4.457
City Coordinator Administration	2.248	0.000	0.726	0.409	1.113	2.248
311	4.234	0.000	1.435	0.807	1.991	4.234
911	9.799	0.000	3.194	1.796	4.809	9.799
Emergency Management	0.837	0.000	0.284	0.160	0.394	0.837
Civil Rights	3.402	0.000	1.111	0.625	1.666	3.402
Communications	2.440	2.309	0.000	0.000	0.131	2.440
Community Planning & Econ Develop (CPED)	35.078	33.932	0.000	0.000	1.145	35.078
Contingency	4.500	0.000	0.000	0.000	4.500	4.500
Convention Center	0.000	0.000	0.000	0.000	0.000	0.000
Finance	25.863	0.000	8.569	4.821	12.474	25.864
Health and Family	8.042	2.715	1.806	1.016	2.506	8.042
Human Resources	8.027	0.000	2.721	1.530	3.775	8.027
Intergovernmental Relations	1.787	0.000	0.582	0.327	0.877	1.787
Internal Audit	0.586	0.000	0.188	0.106	0.292	0.586
Mayor	2.021	0.000	0.629	0.354	1.038	2.021
Neighborhood & Community Relations	1.187	0.000	0.402	0.226	0.558	1.187
Public Works	59.909	16.478	14.663	8.249	20.519	59.909
Regulatory Services	18.645	15.063	1.214	0.683	1.685	18.645
Subtotal for all other departments	214.302	70.685	45.752	25.737	72.130	214.303
Total General Fund Departments	445.749	83.873	119.193	67.050	175.637	445.753
Total General Fund	514.608	83.873	184.794	67.050	178.895	514.612
Other Property Tax-Supported Commitments						
Capital - Permanent Improvement	0.980	0.000	0.000	0.000	0.980	0.980
Debt Service	38.024	0.000	0.000	0.000	38.024	38.024
Pensions - Direct Levies MPRA, MFRA, MERF	26.764	0.000	0.000	0.000	26.764	26.764
Subtotal Other Prop Tax Spt	65.768	0.000	0.000	0.000	65.768	65.768
Total Property Tax Supported Commitments	580.376	83.873	184.794	67.050	244.662	580.380

Five-Year Summary of Property Tax Supported Budgets					
	2014 Expense	5-Year Projected Change in Spending	2019 Expense	% Change over 5-yr period	Avg Annual % Change over 5- yr period
General Fund Commitments					
Internal Service Funds Financial Plans	15.966	(15.966)	0.000	-100.0%	-20.0%
Transfer to the Park Board (Trees)	0.200	(0.200)	0.000	-100.0%	-20.0%
Capital Asset Replacement System (CARS)	6.884	(1.884)	5.000	-27.4%	-5.5%
Transfers to IT for WIFI from Gen Fd Depts	0.505	(0.505)	0.000	-100.0%	-20.0%
Post Election Transition Costs Mayor & Council	0.200	(0.200)	0.000	-100.0%	-20.0%
Graffiti Removal	0.820	0.005	0.825	0.6%	0.1%
Transfer to Arena Reserve	0.000	3.700	3.700	0.0%	0.0%
Transfer to the Convention Center	46.593	10.308	56.901	22.1%	4.4%
Payment to County for Library System	3.238	(3.238)	0.000	-100.0%	-20.0%
Transfers for City Hall rent (non GFd)	0.731	0.202	0.933	27.6%	5.5%
Transfer to Fund 4100 Permanent Improvement	0.500	(0.500)	0.000	-100.0%	-20.0%
Transfer to Pension Management Plan	1.500	0.000	1.500	0.0%	0.0%
Total General Fund Commitments	77.137	(8.278)	68.859	-10.7%	-2.1%
General Fund Departments					
Police	143.293	20.949	164.242	14.6%	2.9%
Fire	59.016	8.190	67.206	13.9%	2.8%
Subtotal for Police & Fire	202.309	29.139	231.448	14.4%	2.9%
Assessor	4.629	0.886	5.515	19.1%	3.8%
Attorney	8.675	1.391	10.067	16.0%	3.2%
IT	0.725	(0.725)	0.000	-100.0%	-20.0%
City Council	4.730	0.931	5.660	19.7%	3.9%
City Clerk/Elections	3.812	0.645	4.457	16.9%	3.4%
City Coordinator Administration	2.190	0.058	2.248	2.6%	0.5%
311	3.540	0.693	4.234	19.6%	3.9%
911	8.132	1.667	9.799	20.5%	4.1%
Emergency Management	0.717	0.119	0.837	16.6%	3.3%
Civil Rights	2.880	0.522	3.402	18.1%	3.6%
Communications	2.190	0.250	2.440	11.4%	2.3%
Community Planning & Econ Develop (CPED)	30.112	4.966	35.078	16.5%	3.3%
Contingency	4.000	0.500	4.500	12.5%	2.5%
Finance	21.877	(21.877)	0.000	0.0%	0.0%
Health and Family	7.403	18.461	25.863	249.4%	49.9%
Human Resources	6.986	1.056	8.042	15.1%	3.0%
Intergovernmental Relations	1.633	6.394	8.027	391.5%	78.3%
Internal Audit	0.491	1.295	1.787	263.5%	52.7%
Mayor	1.696	(1.110)	0.586	-65.4%	-13.1%
Neighborhood & Community Relations	1.039	0.982	2.021	94.5%	18.9%
Public Works	53.608	(52.421)	1.187	-97.8%	-19.6%
Regulatory Services	15.784	44.125	59.909	279.6%	55.9%
Subtotal for all other departments	186.849	8.808	195.657	4.7%	0.9%
Total General Fund Departments	389.158	37.947	427.104	9.8%	2.0%
Total General Fund	466.295	29.668	495.963	6.4%	1.3%
Other Property Tax-Supported Commitments					
Capital - Permanent Improvement	0.980	0.000	0.980	0.0%	0.0%
Debt Service	28.714	9.310	38.024	32.4%	6.5%
Pensions - Direct Levies MPRA, MFRA, MERF	26.764	0.000	26.764	0.0%	0.0%
Subtotal Other Prop Tax Spt	56.458	9.310	65.768	16.5%	3.3%
Total Property Tax Supported Commitments	522.753	38.978	561.731	7.5%	1.5%

City of Minneapolis 2014 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.

- Included in the projections is a property tax stabilization account that will smooth property tax levy increases and decreases to provide a more stable percent change from year to year.

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.
- Annual increases in health insurance premiums of 10.0% in 2014, 12% in 2015-2019.
- Non-personnel increases are assumed to be 3.5% each year.
- No increase in departmental and citywide revenue (except for some regulatory services, CPED and Health revenues which are expected to increase by 3%). Please see the discussion in the 2015-2019 five-year financial direction, earlier under this same tab, for more information by department.
- Commitments for the library are included in the general fund. In 2010 and beyond, the property tax levy for operations are included in the Hennepin County levy.

Capital and Debt Assumptions

- In continuing to respond to critical infrastructure needs, the Mayor recommended and the Council Adopted an expansion of net debt bond resources of \$16.35 million for the 2014 – 2018 capital plan over previously approved levels. This expanded funding restores the five-year allocation from \$137.755 million to \$154.105 million for the five-year capital plan. The intent is to sustain this higher level of property tax supported (net debt bond) funding to continue the infrastructure acceleration program, which otherwise would have concluded in 2013. This ongoing higher capital infusion will improve all classes of City infrastructure with a greater emphasis on paving projects, bridges, pedestrian safety, public safety related projects and economic development projects that enhance the property tax base. The higher level of net debt bond resources will help to maintain current infrastructure systems but will still leave a large backlog of infrastructure needs.

- The Net Debt Bond (NDB) program is funded with property tax collections. The five-year financial direction for the bond redemption levy includes increases in 2014 and more significant increases for 2015 and beyond for capital improvements. These increases are possible due to improvements in the internal service fund financial plans which reduce the demand for property tax resources previously needed to eliminate their deficits. In addition, paying off the remaining pension bonds in 2012 helped to create financial capacity to expand the NDB program and refocus on infrastructure investment.

City of Minneapolis - Details of Annual Demand (Changes) in Property Tax Revenue

	BUDGET YEAR 2014	5 Year Financial Directions Planning Time Line				
		2015	2016	2017	2018	2019
General Fund* Less Pension Mgmt. Plan (* Includes the Chapter 595 (HRA) Levy)	(\$11.59)	(\$4.733)	\$3.795	\$6.431	\$6.568	\$5.735
City Capital/Debt						
Permanent Imp Fund	\$0.00	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Bond Redemption Fund	\$7.94	\$7.350	\$0.980	\$0.000	\$0.000	\$0.980
Subtotal City Capital/Debt	\$7.938	\$7.350	\$0.980	\$0.000	\$0.000	\$0.980
City Totals Less Trf Pension Mgmt. Plan	(\$3.651)	\$2.617	\$4.775	\$6.431	\$6.568	\$6.715
Independent Boards & Closed Pension Funds						
Board of Estimate & Taxation	(\$0.00)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Library Referendum Levy	\$0.00	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Park & Recreation Board	\$0.99	\$2.433	\$2.097	\$2.063	\$2.176	\$2.288
Municipal Bldg. Commission	\$0.18	\$0.472	\$0.169	\$0.166	\$0.175	\$0.183
Mpls Public Housing Authority	(\$0.20)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Teachers Retirement Assoc	(\$0.10)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Subtotal Independent Boards	\$0.872	\$2.906	\$2.266	\$2.229	\$2.351	\$2.472
Pension Mgmt. Plan	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Independent Bds & Closed Pension Funds	\$0.872	\$2.906	\$2.266	\$2.229	\$2.351	\$2.472
Incremental Property Tax Revenue	(\$2.778)	\$5.522	\$7.040	\$8.659	\$8.919	\$9.187
Total Property Tax Revenue	(\$2.78)	\$5.522	\$7.040	\$8.659	\$8.919	\$9.187
% Change Property Tax	-1.00%	2.00%	2.50%	3.00%	3.00%	3.00%

City of Minneapolis - Details of Annual Demand (Changes) in Property Tax Revenue

	2020	2021	2022	2023
General Fund* Less Pension Mgmt. Plan (* Includes the Chapter 595 (HRA) Levy)	\$10.788	\$12.030	\$12.538	\$13.059
City Capital/Debt				
Permanent Imp Fund	\$0.000	\$0.000	\$0.000	\$0.000
Bond Redemption Fund	\$0.000	\$0.000	\$0.000	\$0.000
Subtotal City Capital/Debt	\$0.000	\$0.000	\$0.000	\$0.000
City Totals Less Trf Pension Mgmt. Plan	\$10.788	\$12.030	\$12.538	\$13.059
Independent Boards & Closed Pension Funds				
Board of Estimate & Taxation	\$0.005	\$0.005	\$0.005	\$0.005
Library Referendum Levy	\$0.000	\$0.000	\$0.000	\$0.000
Park & Recreation Board	\$2.421	\$2.558	\$2.705	\$2.867
Municipal Bldg. Commission	\$0.192	\$0.204	\$0.215	\$0.227
Mpls Public Housing Authority	\$0.000	\$0.000	\$0.000	\$0.000
Teachers Retirement Assoc	\$0.000	\$0.000	\$0.000	\$0.000
Subtotal Independent Boards	\$2.618	\$2.767	\$2.925	\$3.099
Pension Mgmt. Plan	\$0.000	\$0.000	\$0.000	\$0.000
Total Independent Bds & Closed Pension Funds	\$2.618	\$2.767	\$2.925	\$3.099
Incremental Property Tax Revenue	\$13.406	\$14.797	\$15.463	\$16.158
Total Property Tax Revenue	\$13.405	\$7.040	\$8.659	\$8.919
% Change Property Tax	4.25%	4.50%	4.50%	4.50%

**City of Minneapolis
FY 2014 Budget
Financial Plan**

Convention Center Special Revenue Fund

Background

The Convention Center Special Revenue Fund and related Facilities Reserve Fund are used to account for the maintenance, operation and marketing of the City-owned Convention Center and related facilities, as well as various local sales tax activities. The Convention Center was created to foster and generate economic growth and vitality by providing facilities and services for conventions, trade shows, exhibits, meetings, and 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.

Historical Financial Performance

The fiscal year-end 2012 fund balance for the Convention Center Special Revenue Fund was \$53.2 million, an increase of \$9.3 million from 2011. The cash balance in the fund grew by approximately \$13.7 million. In addition, the Convention Center Facilities Reserve Fund had a 2012 year-end fund balance of nearly \$5.4 million. The 2012 increase in fund balance can be largely attributed to an increase in operating and local tax revenue, coupled with lower operating expenses.

For 2012, the operating deficit (operating revenue less operating expenses) dropped to \$(8.2) million from \$(9.7) million in 2011.

Details of recent history for the local sales taxes are provided below:

Comparative amounts collected:

<u>Local Sales Taxes (in millions)</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>% chg.</u>
0.5% Citywide Sales tax	\$27.3	\$29.9	\$31.7	6.0%
3.0% Downtown Restaurant Tax	\$10.5	\$11.0	\$11.5	4.5%
3.0% Downtown Liquor Tax	\$4.6	\$4.6	\$5.4	17.4%
<u>2.625% Lodging Tax *</u>	<u>\$5.8</u>	<u>\$6.3</u>	<u>\$6.4</u>	<u>1.6%</u>
Total Tax Collection	\$48.2	\$51.8	\$55.0	6.2%

* Lodging Tax was reduced to 2.625% from 3.0% effective 07/01/2009

Until 2012, the entertainment tax of 3.0% flowed through the Convention Center Fund, though it was ultimately transferred to the Arena Reserve Fund (Target Center) to credit the fund for entertainment tax proceeds generated from Target Center activities and to the General Fund to offset additional public safety costs associated with City-wide entertainment activities. Starting in 2012, the entertainment tax revenue was booked directly in the Target Center Arena Reserve Fund and the General Fund. A recent history of entertainment tax is shown at the top of the next page.

<u>Entertainment Taxes (in millions)</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>% chg.</u>
3.0% Entertainment Tax	\$13.2	\$14.1	\$14.2	1.0%

Operating revenues are generated directly from the Convention Center operating activities. Exhibit space rental is the largest source of revenue for the Convention Center. Also included in operating revenues are 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 the other miscellaneous operating revenue.

In 2012, total operating revenue was \$15.1 million, which was an increase of \$428 thousand from 2011 and nearly \$958 thousand over the 2012 budget.

2013 Projections

Operating revenue is currently projected to come in at approximately \$16.7 million, which would be up significantly from 2012 results. With operating expenses projected to be approximately \$24.3 million, the operating deficit is projected to be \$(7.6) million. The ongoing management of operating expenses includes a variety of cost containment activities:

- Reduction in energy and water consumption
- Identifying and implementing operating efficiencies
- Realignment of the workforce
- Managing overtime

Capital investments for equipment, maintenance and improvements are projected at \$11.1 million which includes a \$2.3 million rollover for obligated, but unspent funds.

City funding of Meet Minneapolis is projected to be approximately \$8.8 million, \$250,000 under budget and approximately \$700,000 above 2012. Meet Minneapolis is projected to finish \$250,000 under budget as a result of receiving \$250,000 of their \$500,000 budgeted incentive. The Convention Center was the recipient of a \$174,357 rebate for an LED lighting installation in Hall A through Xcel Energy.

Local sales taxes are projected to be \$56.4 million in 2013, a 2% increase from 2012 actuals.

2014 Budget

Operating Revenues

The 2014 revenues for the Convention Center have been adjusted to reflect the actual historical receipts and anticipated event activity. Total operating revenue for 2014 is expected to be \$16 million. The Convention Center continues to discount rents to be competitive. Operational changes made in 2012 are showing positive results, particularly in charges for services and equipment while also reducing labor costs. Meet Minneapolis sales and marketing initiatives include a rebranding of the Convention Center and Convention Center website along with continued efforts to bring people downtown with events such as the Secret City Festival and the Minneapolis Interactive Macro-Mood Installation (MIMMI) display on the plaza. Although the economy is rebounding, the convention and meeting industry continues to face challenges in controlling costs as centers discount heavily to remain competitive.

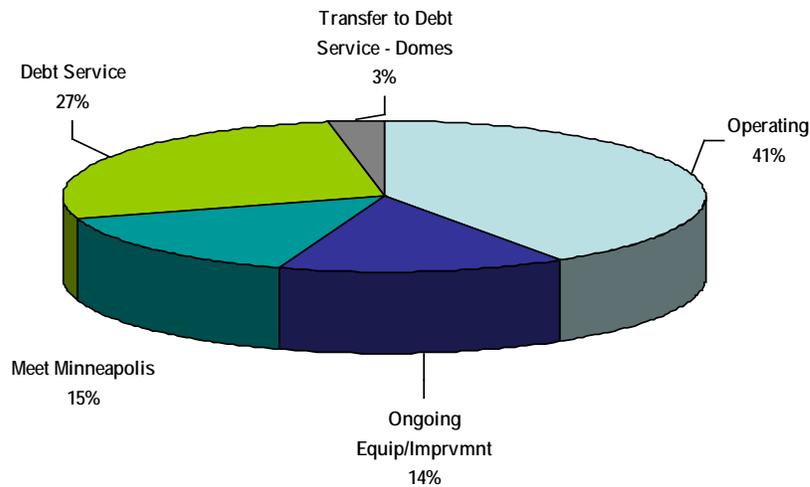
Local Sales Tax Revenue

Beginning in 2014, local tax revenue will be received directly to the General Fund. The General Fund will transfer sufficient funds to the Convention Center for the Convention Center to break even.

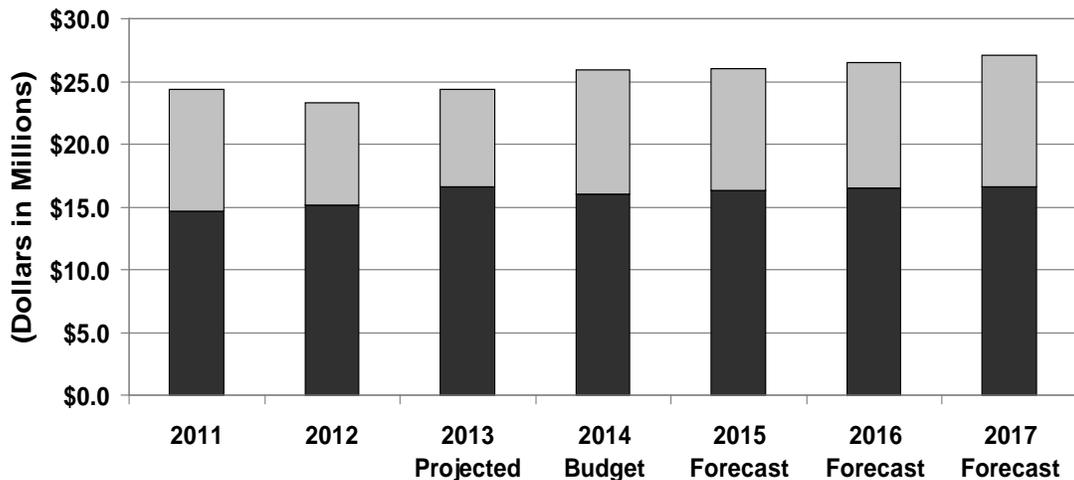
Expenditures

Operating expenses are budgeted at \$25.9 million, up from the projected \$24.3 million in 2013. At this level, the operating deficit is budgeted to be \$(9.9) million. The budget for Meet Minneapolis is \$9.5 million, up \$700,000 from projected 2013. Capital investments for 2014 are budgeted at \$9.1 million, per the long-term capital plan previously adopted by the City Council. The Convention Center Fund will no longer be transferring sales tax to the General Fund. In 2013, the transfer to the General Fund was \$5.3 million.

**Use of Funds
(\$63.4 million)**



Operating Revenue and Expense (Excludes Ongoing Equipment & Improvement)



■ Operating Revenue □ Non-Operating Revenue Needed to Cover Operating Expense

Cash Fund Balance

Between the Convention Center Special Revenue Fund and Facility Reserve Fund, the ending 2014 cash balance is projected at approximately \$40.8 million.

Debt Service

The 2014 budget includes full funding to meet the debt service payments of both \$17.1 million in outstanding building related debt and \$1.8 million in debt for the dome replacement.

Forecast for 2015-2017

Operating revenue is currently forecast to range between \$16.3 million and \$16.6 million based on already booked events and projections for additional bookings. In 2015, the Convention Center expects operating expenses to increase approximately \$500,000 or 2% from 2014, and for planning purposes operating expenses are forecast to increase by 2% annually, though cost containment efforts could lead to lower actual operating costs. The 2015 forecast for Meet Minneapolis is approximately \$500,000 lower than 2014 with the 2014 budget including a one-time increase of \$500,000 for Meeting Professionals of America and another additional one-time \$250,000 increase for Meeting Professionals of America which was added during the City Council Budget Adoption with 2.8% inflators thereafter.

Capital investments are forecasted to be \$9.5 million, \$10.6 million, and \$9.5 million over this period as aligned with the long-range capital plan.

No new debt service is forecast and all existing debt service including the projected debt service from dome replacement is fully funded.

The General Fund will be transferring sufficient funds to fully fund the Convention Center to break even in each of these years.

Convention Center Related Programs

The Convention Center has four programs associated with the Fund:

Minneapolis Convention Center Events Program

Convention Centers exist to provide economic impact to their communities.

The Convention Center Events Program provides sales, event coordination, delivery of audio visual, utility, 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 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 attendees purchase goods and services from the convention center as well as local businesses contributing to a vibrant downtown. Meet Minneapolis also pursues leisure travelers and sponsorship opportunities.

Minneapolis Convention Center Facilities Program

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.

Minneapolis Convention Center Tallmadge Program

The Convention Center Tallmadge Building is currently operated as an office building that is leased to local businesses. Within the next several years, as lease contracts expire, we will implement our long-term competitive strategy to repurpose this building into a visitor center and restaurant to provide amenities and access to cultural and recreational activities to visitors. This will assist in attracting national business and economic impact to our City.

Target Center

The Target Center program provides an operating subsidy and capital funds for this City-owned facility through a contractual agreement with its operator, AEG.

City of Minneapolis
FY 2014 Council Adopted Budget
Financial Plan (in thousands of dollars)

Convention Center Special Revenue Fund

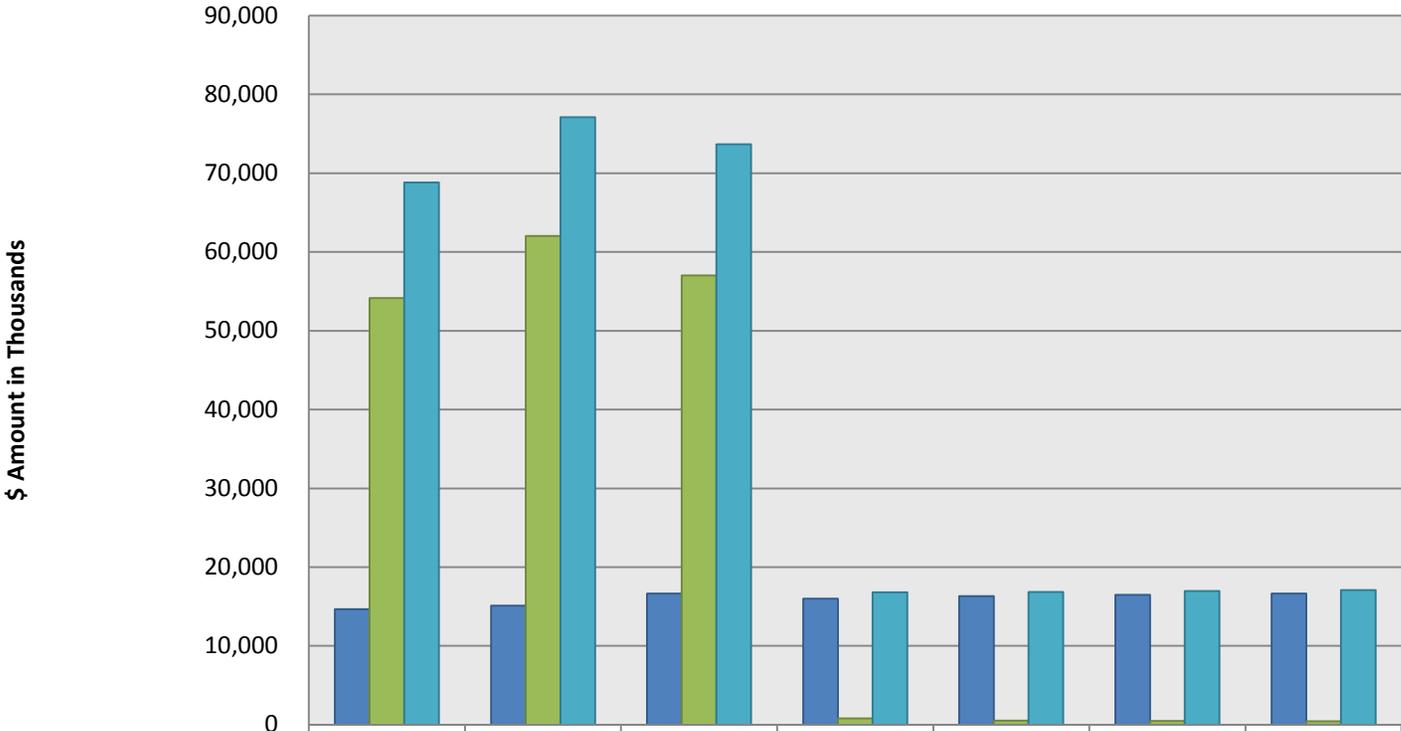
	2011 Actual	2012 Actual	2013 Budget	2013 Projected	2014 Budget	% Chg From 2013 Projected	2015 Forecast	2016 Forecast	2017 Forecast
Source of Funds:									
<i>Operating Revenues:</i>									
Charges for Services	5,347	5,405	5,339	6,000	5,720	-4.7%	5,834	5,892	5,951
Rents and Commissions	6,580	7,005	6,400	7,250	6,980	-3.7%	7,120	7,189	7,261
Other Miscellaneous Operating	2,744	2,689	3,044	3,400	3,300	-2.9%	3,366	3,399	3,433
Sub-Total	14,671	15,099	14,783	16,650	16,000	-3.9%	16,320	16,480	16,645
<i>Non-Operating Revenues:</i>									
Local Taxes	29,922	31,731	31,500	32,670	-	-100.0%	-	-	-
Restaurant Tax	11,032	11,465	12,000	11,830	-	-100.0%	-	-	-
Liquor Tax	4,599	5,427	5,700	5,240	-	-100.0%	-	-	-
Lodging Tax	6,300	6,432	6,800	6,630	-	-100.0%	-	-	-
Interest	162	259	200	200	361	80.5%	368	376	383
Other Misc Non Operating	624	880	265	461	215	-53.4%	164	114	63
Bonds Issued - Domes	-	4,200	-	-	-	0.0%	-	-	-
Premium on Bonds	-	111	-	-	-	0.0%	-	-	-
Transfer from Convention Facilities Reserve	1,500	1,500	-	-	-	0.0%	-	-	-
Use of Fund Balance	-	-	-	-	250	0.0%	-	-	-
Sub-Total	54,139	62,005	56,465	57,031	826	-98.6%	532	490	446
Total	68,810	77,104	71,248	73,681	16,826	-77.2%	16,852	16,970	17,091
Entertainment Tax	14,077	-	-	-	-	-	-	-	-
Use of Funds:									
Convention Center Operations	24,392	23,345	25,092	24,329	25,904	6.5%	26,014	26,524	27,055
Ongoing Equipment/Improvement	1,612	5,099	11,073	11,073	9,115	-17.7%	9,480	10,628	9,453
Meet Minneapolis	7,525	8,138	9,017	8,767	9,539	8.8%	9,036	9,289	9,549
Capital Improvements - Domes	-	3,905	-	-	-	0.0%	-	-	-
Transfer to Gen Fund	250	250	5,250	5,250	-	-100.0%	-	-	-
Transfer to Conv Facilities Reserve	1,150	1,150	-	-	-	0.0%	-	-	-
Transfer to Debt Service	22,214	19,834	16,959	16,947	17,087	0.8%	23,462	24,092	24,159
Transfer to Debt Service - Domes	-	111	586	586	1,774	202.7%	1,040	520	510
Transfer to Other Debt Service Fund	153	400	-	-	-	0.0%	-	-	-
Transfer to Parking Fund for Debt Service	6,589	4,580	3,729	3,729	-	-100.0%	-	-	-
Transfer to Parking Fund - Operating Subsidy	1,000	1,000	1,000	1,000	-	-100.0%	-	-	-
Total	64,885	67,812	72,706	71,681	63,419	-11.5%	69,032	71,053	70,726
Transfer to General Fund - Ent. Tax	13,997	-	-	-	-	-	-	-	-
Transfer to Target Center - Ent. Tax	80	-	-	-	-	-	-	-	-
Transfer from General Fund	-	-	-	-	46,593	0.0%	52,180	54,083	53,635
Net Income	3,925	9,292	(1,458)	2,000	-	-100.0%	-	-	-
Fund Balance/Retained Earnings:									
Beginning Balance	40,009	43,933	53,225	53,225	55,225	3.8%	54,975	54,975	54,975
Ending Balance	43,933	53,225	51,767	55,225	54,975	-0.5%	54,975	54,975	54,975
Ending Cash Balance	25,362	39,021	37,563	41,021	40,771	-0.6%	40,771	40,771	40,771
Convention Center Facility Reserve Fund Balance	5,750	5,400	5,400	5,400	5,400	0.0%	5,400	5,400	5,400

Notes:

In 2004, Meet Minneapolis entered into a \$2.5 million loan agreement with the City for its joint venture Internet Destination Sales System (iDSS). In 2005, Meet Minneapolis requested that the Council advance an additional \$2.5 million for the project. In August 2005, the loans were rolled together and a promissory note was issued for \$5 million. In April of 2006, the City entered into a 3rd loan agreement for \$5 million for additional iDSS start up capital. The three loans were consolidated for a total of \$10 million. The \$10 million consolidated loan will have a 10 year amortization of principle (2008-2017) repaid in full in 2017 at a 5% interest rate. The note repayment for the loan is pledged against assets, future appropriation from the City funding, and profit from the iDSS.

Beginning in 2011, IT will transfer \$1.5 million annually to the MCC with a final payment of \$1.75 million in 2016 to repay their loan from the MCC. The loan is being accounted for on the balance sheet.

Convention Center Fund - Revenue



	2011	2012	2013	2014	2015	2016	2017
Operating Revenue	14,671	15,099	16,650	16,000	16,320	16,480	16,645
Non-Operating Revenue	54,139	62,005	57,031	826	532	490	446
Total Revenue	68,810	77,104	73,681	16,826	16,852	16,970	17,091

**2013-2017 figures are projections*

**City of Minneapolis
2014 Budget
Financial Plan**

Arena Reserve Special Revenue Fund

Background

The Arena Reserve Special Revenue Fund accounts for the maintenance and operation of the City-funded portion of the Target Center. The day to day operations are managed by AEG, one of the leading sports and entertainment presenters in the world. The City provides support for the operation of the Arena and pays AEG a revenue sharing fee, if available, for contracted services for operating and promoting the Target Center.

The entertainment tax directed to the Arena Fund reflects entertainment tax proceeds generated from Target Center activities. Also, the Arena Fund is credited with a transfer from the Parking Fund, per Council action and the long-term Target Center finance plan. This transfer reflects the estimated parking revenue received from events at the Target Center.

The Arena Reserve Fund also receives financing from three Tax Incremental Financing (TIF) sources: The Arena TIF District, the Consolidated TIF District and the Common Project. These revenues are segregated and restricted to specific purposes, including debt service and capital expenses.

2013 Projections

In 2013, the unrestricted Arena revenue, before the balance of the \$2.0 million capital contribution from AEG, is projected to finish at \$4.484 million which is slightly below the \$4.577 million budget. In 2012, the Target Center had a good year with a large increase in Timberwolves event attendance and several large concerts and events. As a result, the entertainment tax was over budget. For 2013, it is projected that entertainment tax collections will be closer to prior years. For the year, total capital investments are projected at \$5.88 million, including the balance of the capital contribution from AEG, as well as \$1.6 million that was carried forward for completion in 2013.

2014 Budget

Revenues

Revenues from the TIF sources are budgeted to be \$6.7 million, a reduction of \$670,000 from 2013 projections. Entertainment tax revenues are budgeted at \$1.275 million, slightly less than 2013 budgeted levels and the parking revenue transfer is budgeted at \$3.1 million. The property taxes paid by the primary tenant of the Arena have not been included and are being replaced by a rent payment from the primary tenant. In addition \$3.7 million in public payments, along with \$3.7 million from private payments will be capitalized from bonds issued to finance the renovation project

The Cumulative TI Balance for 2009 Bonds is to be maintained solely to pay future debt service on the 2009 Bonds. Based on current tax increment projections, when combined with the cumulative balance, sufficient revenue will be available from the tax increment sources to make principal and interest payments on the 2009 Bonds as they are due. Any residual TI Balance available after the 2009 Bonds have been paid in full may be used to finance capital improvements of the Arena.

Expenditures

The only expenditure funded with the TIF revenue in the 2014 budget is \$5.1 million of existing debt service. Budgeted expenditures funded with non-TIF sources include \$5.2 million in capital improvements, \$259,000 in administrative costs and a \$1.44 million operator reimbursement, as well as an anticipated debt service payment of \$7.4 million on new debt to finance the renovation project

Renovation project

The 2014 budget contemplates a significant renovation project for the Arena and the public realm surrounding it. To finance the City's share of the project, it is likely that the City will issue taxable general obligation bonds, with local sales tax revenues being the primary revenue source for debt service on these bonds. Negotiations have commenced with AEG, the Timberwolves/Lynx and LifeTime Fitness to discuss each party's contribution to the overall project. As a result of these negotiations, it is possible that certain of the financial inter-relationships among the parties may change. The current 2014 budget includes a placeholder to reflect the financial impact of the renovation within the Arena Reserve Fund. Beginning in 2015, \$3.7 million in annual local sales tax revenues has been identified to fund an estimated \$7.4 million in new debt service obligations on an annual basis which will be reflected in the budget as an expense. As negotiations progress, and the sizing and timing of any new debt issuance and revised financial ramifications become more certain, the information in the financial schedule for the Arena Reserve Fund will be revised.

Mayor's Recommended Budget

The Mayor recommended no changes to this fund.

Council Adopted Budget

The Council adopted the Mayor's recommendation.

**City of Minneapolis
2014 Budget
Financial Plan (in thousands of dollars)**

Arena Reserve Special Revenue Fund

	2011	2012	2013	2013	2014	% Chg	2015	2016	2017
	Actual	Actual	Budget	Projected	Budget	From 2013 Projected	Forecast	Forecast	Forecast
Source of Tax Increment Funds:									
Common Project TIF Contribution (01CPK)	1,989	2,073	1,438	1,438	1,474	2.5%	1,515	1,556	1,586
Arena Tax Increment (01CPK)	953	930	949	907	-	-100.0%	-	-	-
Consolidated TIF District (01CON)	5,282	5,064	4,955	5,018	5,149	2.6%	5,265	5,396	5,539
Interest Earnings (01CPK & 01CON)	80	51	101	101	134	32.7%	168	200	231
Sub-Total	8,304	8,118	7,443	7,464	6,757	-9.5%	6,948	7,152	7,356
Use of Tax Increment Funds:									
Transfer to Debt Service (01CPK)	1,157	0	-	-	-	-100.0%	-	-	-
Transfer to Debt Service (01CON)	2,529	4,956	5,272	5,272	4,250	-19.4%	4,492	4,740	5,003
Capital Improvements/Admin	1,759	2,038	3,864	3,864	-	-100.0%	-	-	-
Sub-Total	5,445	6,994	9,136	9,136	4,250	-40.4%	4,492	4,740	5,003
Net Available After 2009 Debt	2,859	1,124	(1,693)	(1,672)	2,507		2,456	2,412	2,353
Cumulative TI Balance for 2009 Bonds (see note)	10,950	12,074	10,381	10,402	12,909		15,365	17,777	20,130
Source of Non-Restricted Funds:									
Estimated Local Option Taxes	-	-	-	-	3,700*	0.0%	3,700	3,700	3,700
Estimated Private Debt Payments	-	-	-	-	3,700*	0.0%	3,700	3,700	3,700
Event Parking	2,758	2,941	3,129	3,129	3,323	6.2%	3,523	3,728	3,940
Rent	-	-	-	-	1,350	0.0%	1,377	1,405	1,433
Entertainment Tax (Arena Events Only)	80	1,295	1,300	1,200	1,275	6.3%	1,300	1,339	1,379
Arena Base Tax	89	92	92	92	-	-100.0%	-	-	-
AEI Capital Investment	-	1,681	-	319	-		-	-	-
Interest Earnings (01260)	13	35	56	63	63	0.0%	67	62	66
Sub-Total	2,940	6,044	4,577	4,803	13,411	205.0%	13,667	13,934	14,218
Use of Non-Restricted Funds:									
Estimated New Debt Service	-	-	-	-	7,400	0.0%	7,400	7,400	7,400
Capital Improvements	1,312	3,181	1,791	2,110	5,234	148.1%	2,605	2,220	2,222
Administration	228	23	22	22	259	1077.3%	264	269	275
Operator Reimbursement (see note)	1,563	1,483	1,470	1,470	1,441	-2.0%	1,412	1,384	1,356
Sub-Total	3,103	4,687	3,283	4,055	14,334	253.5%	11,681	11,273	11,253
Net Income for Operations	(163)	1,357	1,294	748	(923)	-223.4%	1,986	2,660	2,965
Cumulative Operations Fund Balance	2,772	2,610	3,904	4,844	2,532		4,518	7,178	10,143
Total Anticipated Capital Expenditures	3,071	5,074	5,557	5,876	5,234		2,605	2,220	2,222

Notes:

- Common Project Tax Increment (01CPK) May only be used for debt service and capital costs
- Arena Tax Increment (01CPK) May only be used for debt service, certain administrative costs, and capital costs
- Consolidated TIF District (01CON) May only be used for debt service
- Cumulative TI Balance for 2009 Bonds, beginning in 2014 this balance is being maintained and reserved to pay debt service on the 2009 Bonds.
- Operator Reimbursement shows maximum amount, except in 2012 which was the actual reimbursement.
- 2012 Maximum Operator Reimbursement was \$1,500,000.
- *Revenue source in 2014 for new debt service is from capitalized bond proceeds

**City of Minneapolis
2014 Budget
Financial Plan
Community and Economic Development Funds**

Background

Community and Economic Development Funds support the City's development efforts and are primarily managed by the Community Planning and Economic Development (CPED) department with the assistance of the Development Finance Division of the Finance Department. The resources used to fund these activities have faced several challenges in past years, including lower than expected tax increment and non-tax increment revenues, reductions in federal grant allocations, and limited flexible resources. The Financial Plan schedule is inclusive of both CPED's operating budget and transfer and debt service payments. Transfer and debt services payments are reflected in separate lines for ease of comparing operational activities from year-to-year.

2014 Budget

Revenues

Overall, operating revenues in CPED are increased by 4.9% for the 2014 adopted budget, an increase of \$3.0 million as compared to the 2013 adopted budget. Within this 4.9% increase, there are a number of re-allocations and re-structuring of funding sources for CPED operating activities. First, General Fund revenue increases by \$9.7 million over the 2013 budget, totaling \$34.5 million for 2014 and reflecting an increase of 39.3%. The large increase in General Fund funding for the 2014 budget reflects two primary factors: a change in accounting practice whereby revenues associated with the issuance of conduit bonds for housing and economic development are now considered General Fund revenues. In prior years, these resources were identified as special revenues and were reflected in those areas as depicted in the chart at the end of this section. The second factor is a projected increase in permit revenues associated with the current boom in new construction, including the Vikings stadium and associated developments. The \$9.7 million increase in General Fund is offset by a decrease in program fees and revenue of \$6.2 million. An additional \$3.5 million in General Fund resources is allocated to CPED to mitigate the impact of a longer-term structural deficit in funding for operational and preliminary planning activities.

Tax increment revenues for 2014 are budgeted at an amount similar to the 2013 adopted budget, or \$30.3 million, which reflects less than a one percent reduction from 2013. Future years' tax increment revenue is projected to decline slightly on an annual basis. The 2014 contemplates utilizing \$2.0 million in TIF for affordable housing, but is anticipated to be reduced in future years as accumulated funds are depleted. Program income varies on an annual basis and is projected to decline at a rate of 5% following a 2.7% reduction from the 2013 adopted budget.

Federal funds are dependent upon the availability of federal grants and allocations. These resources have generally been declining in recent years. Future amounts are based upon current projections.

Revenue from the Consolidated TIF District will be used to pay existing Target Center debt in 2014 and beyond for Target Center debt and neighborhood revitalization activities. The financial plan does not include any assumptions regarding this district, since currently none of the revenues will be directly available for CPED activities.

Expenditures

The 2014 adopted operating budget of \$62.5 million reflects a \$9.3 million, or 17.4% increase compared to the 2013 adopted operating budget. The \$9.3 million increase from the 2013 operating budget includes funding for 5 new FTEs, 4 to expand CPED's regulatory capacity in response to the current building boom and 1 Homelessness Coordinator position that has been transferred from another city department to CPED. Other operating cost adjustments include a \$2.2 million increase associated with allocated costs through the City's internal service charge mechanism, \$2.5 million for indirect costs associated with the transfer and debt service areas and \$0.5 million in supplemental funding for affordable housing. The future expenditure projections contain assumptions that must be revisited annually in the context of revised revenues and department performance measures. The tax increment revenues will continue to be restricted to existing debt and contractual obligations.

Debt

Bonded debt payable from tax increment revenues remains outstanding beyond 2014. It is anticipated that tax increment revenue will be sufficient to pay debt service on these obligations.

CDBG Program Income

Resources have been identified and are being appropriated to repay the balance of the CDBG Letter of Credit relating to Block E, therefore the policy of redirecting 50% of the CDBG Program Income to pay down the letter of credit is no longer needed and 100% of that revenue may be available for reprogramming purposes.

General Fund Resources

Projected general fund revenues and expenditures are consistent with the Five-Year Financial Direction.

**City of Minneapolis
2014 Budget
Financial Plan (in thousands of dollars)**

Projected CPED Revenues & Expenditures

	2012 Adopted	2013 Adopted	2014 Council Adopted	% Chg from 2013	2015 Forecast	2016 Forecast	2017 Forecast
Local Funds							
General Fund Total	3.505	24.780	34.525	39.3%	35.539	36.576	37.643
Capital Bonding (CIP) (Public Arts Proj)	0.346	0.605	0.480	-20.7%	0.545	0.405	0.425
Tax Increment	44.972	30.387	30.257	-0.4%	27.641	25.371	25.080
Affordable Housing TI	2.000	2.000	2.000	0.0%	0.300	0.300	0.300
Interest Earnings all Funds	2.080	1.248	1.225	-1.9%	1.225	1.225	1.225
Housing Program Fees & Revenues*	1.090	1.393	-	-100.0%	-	-	-
Economic Dev Program Fees & Revenues*	4.930	4.777	-	-100.0%	-	-	-
Other Project & Program Income	14.341	15.247	14.838	-2.7%	9.598	9.118	8.662
							-
Federal Funds							
CDBG & NSP**	9.198	8.041	8.924	11.0%	7.056	7.056	7.056
ESG	0.939	0.830	0.773	-6.8%	0.773	0.773	0.773
HOME	2.058	2.153	2.153	0.0%	2.153	2.153	2.153
							-
Other State/Local Grants	4.500	4.500	4.500	0.0%	4.500	4.500	4.500
Adjustment to cover Transfers and Debt Service***	(45.245)	(35.651)	(36.401)	2.1%	(26.259)	(24.102)	(23.826)
Total Projected Operating Revenues	44.713	60.311	63.275	4.9%	63.072	63.375	63.992
Appropriated							
Business Lines:							
Economic Policy & Development	10.544	10.181	11.856	16.5%	12.093	12.335	12.520
Workforce Development	8.874	8.796	8.331	-5.3%	8.497	8.667	8.797
Housing & Policy Development	14.484	14.090	17.535	24.4%	16.152	16.475	16.722
Long Range Planning	1.487	2.160	2.574	19.2%	2.625	2.678	2.718
Development Services	2.401	13.199	12.314	-6.7%	12.254	12.499	12.687
CPED Support:							
Executive & Support Services	5.074	4.784	9.881	106.5%	10.078	10.280	10.434
Total Projected Operating Uses	42.865	53.210	62.489	17.4%	61.699	62.933	63.877
Transfer & Debt Service	49.245	35.651	36.401	2.1%	26.259	24.102	23.826
Difference	1.848	7.101	0.785		1.373	0.441	0.114

* Beginning in 2014, Housing and Economic Development bond fees are being treated as General Fund Direct Revenue

** Includes CDBG Program Income

*** For presentation purpose, Transfer and Debt Service budget has been separated from CPED's operating budget

City of Minneapolis
2014 Budget
 Financial Plan

Neighborhood & Community Relations Special Revenue Fund

Background

The Neighborhood & Community Relations (NCR) Special Revenue Fund 01800 accounts for neighborhood revitalization efforts funded by the revenues of Consolidated Redevelopment Tax Increment Financing District. The district was established pursuant to special legislation adopted in 2008, and must be decertified no later than December 31, 2020. The tax increment revenue generated by the Consolidated TIF District; for neighborhood revitalization purposes; may be spent anywhere within the City of Minneapolis. The Fund is used primarily for community engagement and neighborhood-based initiatives, as well as a portion of NCR administrative costs.

Historical Financial Performance

In 2011, the City established this Fund. The City decided to reduce property tax levies in 2012-2013 by using reprogrammed NRP resources (\$10 million) to fund neighborhood revitalization services for these two years.

2014 Budget

Revenues and Expenditures

The total projected revenue and budgeted expenditures for 2014 is \$5.1 million

Mayor’s Recommended Budget

Note changes if any.

Council Adopted Budget

Note changes if any.

NCR Special Revenue Fund: 01800 (in thousands of dollars)	2011 Actual	2012 Actual	2013 Adopted	2014 Budget	2015 Forecast	2016 Forecast	2017 Forecast
Source of funds (revenue)	5,133	1,539	1,304	5,149	5,265	5,396	5,540
Uses of funds (expenditures)	2,689	3,036	1,304	5,149	5,373	5,211	5,851
Cumulative Total	2,444	947	947	947	839	1,024	713

**City of Minneapolis
2014 Budget
Financial Plan**

Regulatory Services Special Revenue Fund

Background

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 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. In 2013 the Construction Code Services department of Regulatory Services was transferred to Community Planning and Economic Development (CPED). A portion of the activities in the Regulatory Services Special Revenue Fund are now managed by CPED.

Historical Financial Performance

The City established this fund in 2008, and through 2012, it accumulated a fund balance of \$5.2 million. This balance is the result of various initiatives in previous years and the availability of grant funds to pay for certain eligible expenses. Both of these revenue sources are not projected to continue leaving special assessments and direct property owner charges as the only sources of revenue for this fund. These resources will face challenges in 2013 and beyond, including lower than expected assessment collections and reductions in grant allocations.

2014 Budget

Revenues

Revenues for the Regulatory Services Special Revenue Fund have been declining since 2011. The total revenue budgeted for 2014 is \$ 4.2 million; \$3.6 million of this is from special assessments. In 2014 Regulatory Services' share of these revenues is \$3.7 million and CPED's share is \$500,000. Revenue in future years is projected to decline by 6% annually.

Expenditures

Expenditures from the Regulatory Services Special Revenue Fund include services such as demolitions, board-ups, nuisance grass cutting, nuisance tree removals, and nuisance rubbish removal. In order to continue to spend down fund balance, total budgeted expenditures for 2014 are \$5.1million or \$869,000 in excess of revenue. Regulatory Services' appropriation is \$4.6 million, and CPED's appropriation is \$500,000.

Mayor's Recommended Budget

The Mayor recommended no changes to the base operating budget.

Council Adopted Budget

The Council approved the Mayor's recommendations.

Regulatory Services Special Revenue Financial Plan (in thousands of dollars)

Special Revenue Fund	2011 Actual	2012 Actual	2013 Budget	2013 Projected	2014 Budget	% Chg from 2013 Projected	2015 Forecast	2016 Forecast	2017 Forecast
Revenues									
Special Revenue Fund (Revolving) Revenues	5,944	4,574	4,326	4,568	4,235	93%	4,103	3,857	3,625
Expenses									
Special Revenue Fund (Revolving) Expenses	7,241	4,831	4,959	5,212	5,104	98%	4,920	4,625	4,348
Fund Balance at start of year	6,775	5,478	5,221	5,221	4,577		3,708	2,891	2,123
Fund Balance at end of year	5,478	5,221	4,587	4,577	3,708		2,891	2,123	1,400

**City of Minneapolis
2014 Budget
Financial Plan**

Municipal Parking Fund

Background

The Municipal Parking Fund accounts for the operation and maintenance of parking ramps, lots, on-street parking, and a municipal impound lot. Major parking related capital construction and development activities also occur in this fund.

Historical Financial Performance

The financial condition of the Parking Fund has historically been stable, but it continues to experience financial challenges due to remaining debt levels and funding commitments to other City functions. The fund generates positive retained earnings and is capable of satisfying its debt service while restoring its productive assets. The Parking Fund has benefitted from local sales tax revenues and tax increment and abatement revenues in the past to supplement debt service on ramps tied to the Convention Center and other development projects, but these sources will be reduced in the future because the corresponding debts have been paid off. The fund still retains financial commitments to other funds in the form of transfers or dividend payments which may lead to cash balances being lower than financial policy goals.

Nearly all of the capital costs of ramps have been financed by debt. Revenues for the fund are generated from these three lines of activities:

- Off-street parking
- On-street parking
- The impound-lot

The fund received local sales tax transfers of \$7.7 million in 2012 from the Minneapolis Convention Center to pay debt service and operating costs for Convention Center related parking facilities. The fund also received tax increment transfers of \$4.7 million in 2012 to pay part of major development projects in the downtown area. For 2014 and beyond there will be significantly less debt service owed for these functions and therefore only a small amount of tax increment revenue will be received by the Parking Fund. Sales tax revenue will be deposited into the General Fund in 2014 instead of the Convention Center fund. Operations and maintenance costs for the Convention Center ramps will be managed by reducing the transfers from the Parking Fund to the General Fund to offset the loss of revenue transferred from the Convention Center.

For historical trends, the 2011 and 2012 operating revenues and expenses are presented in the 2014 Parking Fund budget chart (see following pages). Increases in revenues and expenses for 2012 can be attributed to newly installed parking meters

The Parking Fund cash balance for year 2012 was \$7.7 million. The parking system creates a positive cash flow from parking operations. Based on current and proposed budgets, the Parking Fund cash balance will remain positive while decreasing slightly from current levels. Commitments for fund transfers out of the Parking Fund may result in a negative cash position in future years.

2014 Budget

Revenues

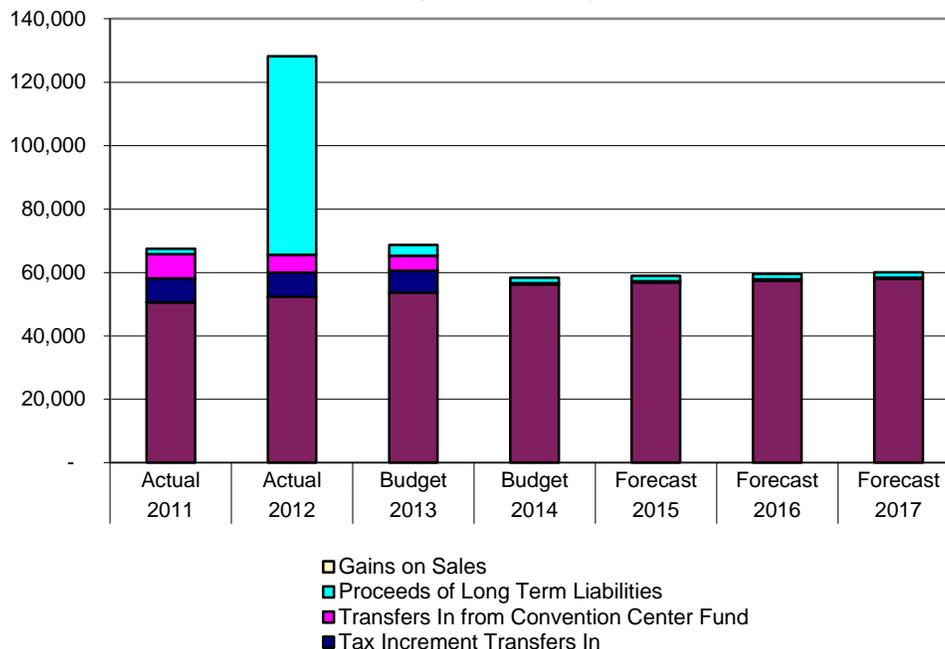
The parking system operating revenue budget for 2014 increased 2.1% to \$58.6 million from \$55.9 million budgeted for 2013. The 2014 revenue budget incorporates an increase in on-street revenues due to implementation of new smart-meters and associated operational changes, a decrease in impounding revenues due to a decline in day-to-day tows, a decrease in auction revenues due to a decline in scrap metal prices, and a slight increase in off-street revenues.

Off-Street System Revenue Assumptions (2014)	
Utilization Percentage in 2012	79%
Number of Parking Stalls in the system	20,238
Forecasted Revenue increase	2013 4.4%
	2014 1.0%
	2015 1.0%
Assumed rate increases (if any)	0.05%
System-wide average event rate	\$ 10.00
System-wide average daily rate	\$ 7.25
System wide average monthly rate	\$ 135.00
Number of new stalls in the system	2013 0
	2014 0
	2015 0

For assumptions regarding sales tax revenue, please see the Convention Center Finance Plan and the Financial Overview Section.

Parking Fund Revenues

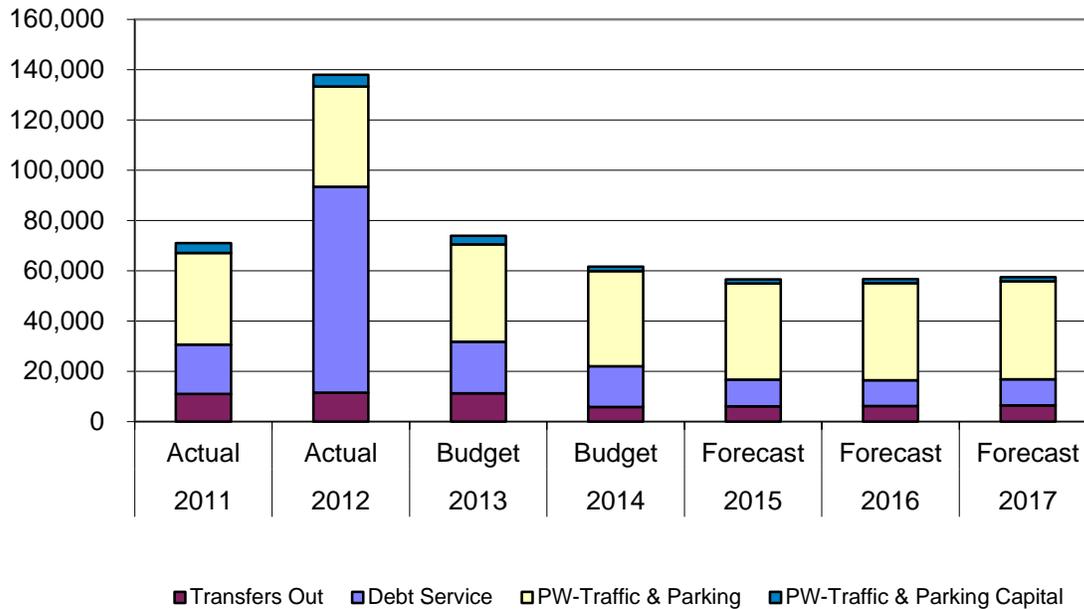
(in thousands of dollars)



Expenditures

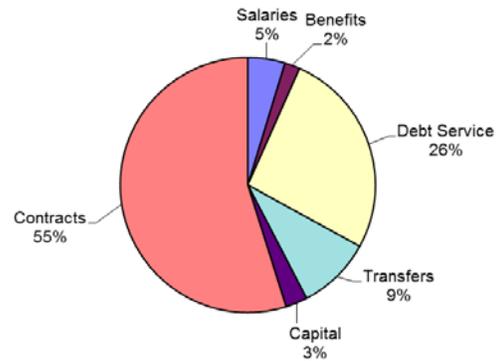
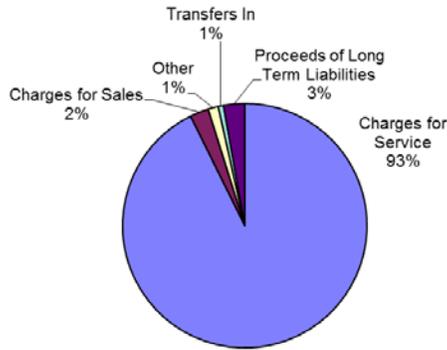
The parking system operating budget for 2014 stands at \$37.9 million which is a decrease of 2.2% from 2013 budgeted expenditures. The decrease for 2014 is due to a combination of operational efficiencies attained through automation and centralization, removal of one time charges associated with automation initiatives, completion of on-street meter implementation and declining costs of towing due to a decrease in day-to-day tows. The capital budget for 2014 is set at \$1.7 million, the same level as 2013, due to on-going repair and improvement work in the City-owned parking facilities.

Parking Fund Expenditures
(in thousands of dollars)



Source of Funds
(\$60.7 million)

Use of Funds
(\$61.6 million)



Debt Service

Total debt service, which includes principal and interest on bonds issued for construction of municipal parking ramps, is \$14.0 million for 2014. A portion (\$5.6 million) of this debt service cost will be funded by a \$0.42 million transfer from tax increment funding and by savings resulting from a reduction in the amount of transfers out to the general fund of \$5.2 million versus 2013. For 2014 and beyond, only tax increment transfers will be received by the Parking Fund. The final Convention Center related parking ramp debt (other than major maintenance repairs) will be retired in 2014.

Transfers

Beginning in 2014, local sales tax revenues are no longer deposited directly to the Convention Center, but rather to the General Fund. Subsequently, the transfer of funds from the Convention Center to the Parking Fund is eliminated, along with a corresponding reduction in the transfer of funds from the Parking Fund to the General Fund. The result is no net impact to the Parking Fund. The transfer to the Target Center Arena Fund increases in 2014 to \$3.3 million compared to at \$3.1 million, and is scheduled to increase in future years. Revenues from State-owned garages continue to be transferred to the State on a daily basis. An annual transfer of \$146,000 to the Solid Waste and Recycling fund supports service for bus shelter litter containers.

City of Minneapolis
2014 Budget
Financial Plan (in thousands of dollars)

Municipal Parking Fund - 7500

	2011 Actual	2012 Actual	2013 Budget	2013 Projected	2014 Budget	% Chg From 2013 Budget	2015 Forecast	2016 Forecast	2017 Forecast
Source of Funds:									
Licenses and Permits	268	317	240	272	275	12.9%	278	281	283
Charges for Service, Sales/Permits	50,572	52,285	53,627	53,719	56,257	4.9%	56,820	57,388	57,962
Charges for Sales	1,779	1,411	1,500	1,500	1,500		1,515	1,530	1,545
Special Assessments	57	57	543	1,875	543		543	543	543
Interest	-	-	-	-	-		-	-	-
Rents (Transportation)	2	2	-	-	-		-	-	-
Other Misc Revenues	9	10	-	-	-		-	-	-
<i>Total Operating Revenue</i>	<i>52,687</i>	<i>54,082</i>	<i>55,910</i>	<i>57,366</i>	<i>58,575</i>	<i>2.1%</i>	<i>59,155</i>	<i>59,741</i>	<i>60,333</i>
Tax Increment Transfers In	7,607	7,703	6,901	6,901	424	-93.9%	423	423	423
Transfers In from Convention Center Fund	7,589	5,580	4,727	4,727	-	-100.0%	-	-	-
Other Transfers In		886		-	-		-	-	-
<i>Total Transfers In</i>	<i>15,196</i>	<i>14,169</i>	<i>11,628</i>	<i>11,628</i>	<i>424</i>	<i>-96.4%</i>	<i>423</i>	<i>423</i>	<i>423</i>
Proceeds of Long Term Liabilities	1,700	62,610	3,400	3,400	1,700	-50.0%	1,700	1,700	1,700
Total	69,583	130,861	70,938	72,394	60,699	-14.1%	61,278	61,864	62,456
Use of Funds:									
Debt Service	19,665	81,977	20,539	20,539	16,214	-21.1%	10,628	10,171	10,335
General Fund Transfer Out	7,818	7,818	7,918	7,918	2,323	-70.7%	2,323	2,323	2,323
Target Arena Transfer Out	2,758	2,941	3,129	3,129	3,323	6.2%	3,523	3,728	3,940
Debt Service Transfer Out	42	47	-	-	-		-	-	-
MERF Liability Transfer Out	198	477	-	-	-		-	-	-
Sanitation Transfer Out	146	146	146	146	146		146	146	146
<i>Total Transfers Out</i>	<i>10,962</i>	<i>11,429</i>	<i>11,193</i>	<i>11,193</i>	<i>5,792</i>	<i>-48.3%</i>	<i>5,992</i>	<i>6,197</i>	<i>6,409</i>
PW-Traffic & Parking	36,450	39,861	38,742	38,195	37,883	-2.2%	38,262	38,644	39,031
PW-Traffic & Parking Capital	3,905	4,737	3,400	3,400	1,700	-50.0%	1,700	1,700	1,700
Total	70,982	138,004	73,874	73,327	61,589	-16.8%	56,582	56,712	57,475
Change in Net Assets	8,891	5,559	4,788	6,791	3,089	-25.0%	3,230	4,216	4,441
Net Assets	157,198	162,757	167,545	163,989	167,078	-0.3%	170,308	174,524	178,965
Modified Change in Net Assets (Net Income Est)									
(-) Depreciation	6,735	6,905	6,905	6,905	6,905		6,905	6,905	6,905
(-) Proceeds of LTD	1,700	62,610	3,400	3,400	1,700	-50.0%	1,700	1,700	1,700
(+) Traffic & Park Capital	3,905	4,737	3,400	3,400	1,700	-50.0%	1,700	1,700	1,700
(+) Principal Paid	14,820	77,480	14,629	14,629	10,884	-25.6%	5,439	5,969	6,364
Total	27,160	151,732	28,334	28,334	21,189	-25.2%	15,744	16,274	16,669
CAFR Cash Balances									
Cash Balances	11,649	7,729	4,793	6,796	5,906	-13.1%	10,602	15,754	20,736

Notes:

Cash Balance does not include depreciation or impact of all arbitrage funds, but does include principal paid on bonds. (Represent more of a sources and uses statement rather than an audited Net Income statement)

Income statement was not available for projections, so the modified fund margin was used to compute retained earning to reflect the adjustment for depreciation expense and principal paid on bonds.

Revenue and expense forecast are based on 1.0% increases respectively

Construction cash not included in current year and projected years

Cash balances above are actual for 2011 and 2012

**City of Minneapolis
2014 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. There are nine programs that are budgeted for 2014 within the Solid Waste fund. The Solid Waste Division provides weekly and bi-weekly services for trash, yard-waste, and recycling materials pickups. It also operates a solid waste transfer station providing service to over 105,000 households. City crews provide approximately one-half of the solid waste collection service in the City with the other half being 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. The Fund also receives grants from Hennepin County. Additional revenue is generated through recyclable sales, miscellaneous services, graffiti, and organic programs.

Historical Financial Performance

The overall financial condition of the Solid Waste and Recycling Fund has remained stable over the years despite a planned decrease in net position for 2013. Total revenues for year 2012 were at \$32.5 million compared to \$33.0 million in 2011, a decrease of \$500,000, or 2%. The increase in revenues of \$400,000 from monthly collection services and micro-grants was off-set by a decrease in revenues of \$900,000 in scrap metal sales, local government grants, miscellaneous services and special assessments. Total expenditures for 2012 were \$33.6 million compared to \$32.1 million for 2011, an increase of \$1.5 million or 5%. Approximately \$1 million of this increase is due to purchases related to the one-sort recycling program. The additional increase of \$500,000 is due to the mattress recycling program, fringe benefits, and the MERF pension plan. The 2012 year-end cash balance for this fund was \$23.9 million compared to \$22.4 million at the end of 2011.

For 2013, year-end revenues from collections are projected to reach \$28.9 million, and the total revenues for the fund are projected to exceed \$31.6 million. Expenses for the Solid Waste and Recycling Fund are projected at \$36.3 million. This projected deficit of \$(4.8) million is mainly due to the planned capital outlay in 2013 for the purchase of carts and containers relating to the one-sort recycling program. With a cash balance in excess of \$23.8 million at the end of 2012, the Solid Waste and Recycling Fund is able to absorb these costs.

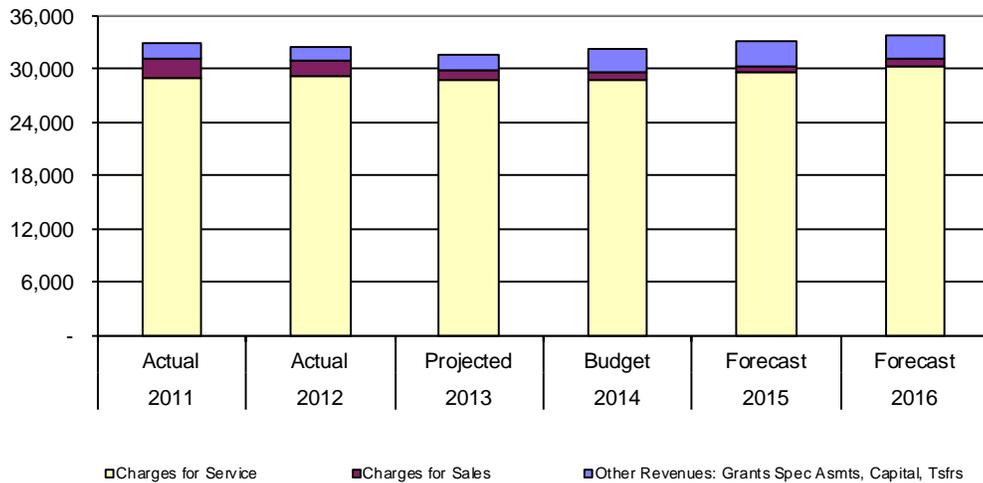
2014 Budget

Revenues

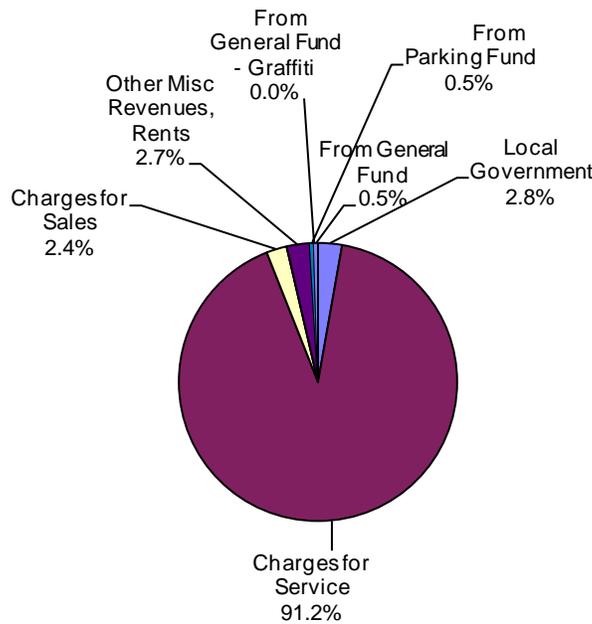
The total revenue budget for the Fund for 2014 amounts to \$32.3 million compared to \$31.6 million projected for 2013. This is an increase of about \$800,000 over the 2013 projection. Service revenue has been estimated at \$28.9 million which is the same as the projection for 2013. For 2014, the collection fee has been proposed at \$17.60 per dwelling unit. Monthly charges for large and small disposal carts are set at \$5 and \$2, respectively. Due to the decreasing market for scrap metals, recyclable sales for 2014 are expected to be \$750,000, which is approximately \$150,000 less than the projected amount of \$892,000 for 2013. Funds

from local governments include a Hennepin County recycling grant of \$880,000. Revenues generated from debris removal, special district maintenance, and various miscellaneous sources are estimated at \$500,000. An additional \$852,000 is expected to be generated from other sources and City departments for graffiti related work done on streets, bridges and other City properties.

Solid Waste Fund Revenues (in thousands of dollars)



Source of Funds (\$31.7 million)

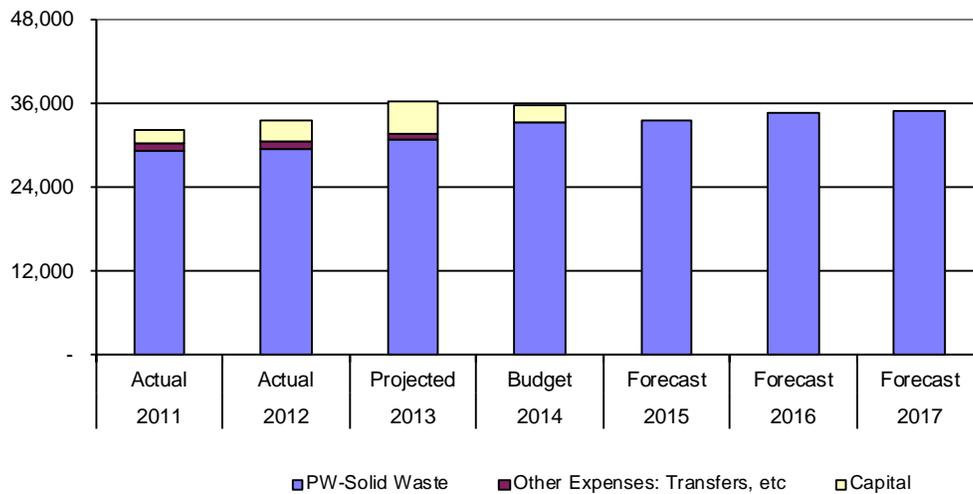


Revenue Assumptions (2014)	
Number of dwelling units	105,529

Expenditures

The total expenditure budget for 2014 amounts to \$33.4 million compared to \$36.3 million projected for 2013, a decrease of \$2.9 million. The operating budget at \$33.4 million accounts for 93% of the total budget. For facility maintenance, \$2.5 million has been proposed under capital improvement works. An increase of \$2.5 million in the operating budget has been off-set by a decrease in the capital budget of \$2.3 million. For 2013, the capital budget included \$4.8 million for the one-sort program. The Department’s 2014 expenditures and changes include: (i) reclassification of the public service worker position and increase in the personnel budget of approximately \$500,000; (ii) an additional increase of \$300,000 in new vendor contracts for collection and yard waste for 2014; (iii) \$600,000 in higher costs for internal transfers required by the 2014 rate model plan; and (iv) facility improvement program replacing the 2013 one-sort recycling program.

Solid Waste Fund Expenditures
(in thousands of dollars)



Transfers

Prior year budgets included a \$700,000 transfer from Solid Waste and Recycling to the General Fund to pay for snow plowing, which enabled delivery of solid waste and recycling services in the alleys. This transfer is discontinued starting 2014. Pension obligations related to the Minneapolis Employees Retirement Fund (MERF) have been eliminated from the Transfers Out category. Starting in 2013, this obligation is included and paid out of the operating budget

The Solid Waste and Recycling Fund will continue to receive \$146,000 from the Parking Fund for litter container pick-ups in the downtown area. Since 2004, the Fund has been receiving an annual transfer from the General Fund for graffiti removal and micro grants. For 2014, this amount is \$125,000. An additional transfer of \$695K for graffiti is scheduled to go into effect for 2014 and similar amounts are anticipated for coming years.

Debt Service

This fund does not have any capital debt service payments.

Cash Balance

The Solid Waste and Recycling Fund is projected to have a \$ \$15.6 million cash balance at the end of 2014.

**2014 Budget
Financial Plan (in thousands of dollars)**

Solid Waste Fund - 7700

	2011 Actual	2012 Actual	2013 Budget	2013 Projected	2014 Budget	% Chg From 2013 Projected	2015 Forecast	2016 Forecast	2017 Forecast
Sources of Funds:									
Local Government	890	864	891	891	880	-1.2%	880	880	880
Charges for Service	28,938	29,251	28,226	28,877	28,890	0.0%	29,604	30,363	31,147
Charges for Sales	2,173	1,611	1,251	892	750	-15.9%	750	750	750
Special Assessments	256	98	-	-	-		-	-	-
Other Misc Revenues, Rents	585	335	945	650	852	31.1%	852	852	852
Operating Transfers In:									
From Parking Fund	146	146	146	146	146		146	146	146
From General Fund - Graffiti					695		661	678	695
From General Fund	50	150	150	150	125	-16.7%	150	150	150
Total	33,038	32,455	31,608	31,606	32,338	2.3%	33,043	33,819	34,620
Use of Funds:									
PW-Solid Waste	29,282	29,440	32,055	30,869	33,378	8.1%	33,556	34,691	34,860
Transfers									
To General Fund	700	700	700	700	-	-100.0%	-	-	-
To MERF Fund	236	571	-	-					
General Services Capital									
Capital	1,908	2,938	4,775	4,775	2,500	-47.6%	-	-	-
Human Resources									
Total	32,126	33,649	37,530	36,344	35,878	-1.3%	33,556	34,691	34,860
Change in Net Position	912	(1,193)	(5,922)	(4,738)	(3,540)		(513)	(872)	(240)
Net Position Balance	30,539	30,319	24,397	25,581	22,041		21,529	20,657	20,417
Cash Balance	22,372	23,856	17,934	19,118	15,578		15,066	14,194	13,954

**City of Minneapolis
2014 Budget
Financial Plan**

Sanitary Sewer Fund

Background

The Sanitary Sewer Fund accounts for the enterprise activity of wastewater collection and treatment. Approximately 81% of the operating expenses in the Sanitary Sewer Fund are comprised of contractual payments made to the Metropolitan Council Environmental Services (MCES) for sewage interceptor and treatment services. In addition to charges to the Sanitary Sewer Fund, the Stormwater Fund also provides payments to MCES. The Sanitary Sewer Fund portion is approximately 95% of the total paid by the City to MCES. The fund also accounts for maintenance and design work, capital programs and long-term debt services associated with the sanitary sewer system.

Historical Financial Performance

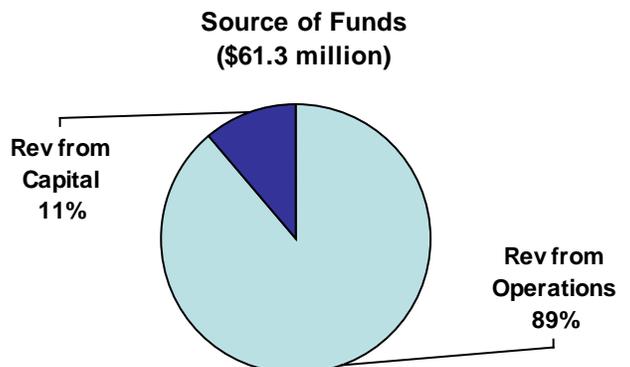
Total 2012 revenues were \$68.6 million compared to \$52.5 million in 2011, reflecting an increase of 16.1 million, or 31%, over 2011. Sewer Access Charges (SAC) revenues account for \$7 million of this increase which is off-set by a corresponding \$7 million increase in SAC expenses as the SAC charges are passed through to property owners and developers as a direct charge. Monthly service revenues and capital programs account for the additional \$9 million increase over 2011. Sanitary service revenue totaled \$50.8 million, compared to the 2011 total of \$44.9 million. This increase of \$5.9 million is due to fixed rate component incorporated in monthly utility billings and, to lesser extent, the increase in usage. Usage charges are based upon the amount of water used by the account holder.

The expenses for 2012 totaled \$64.1 million compared to \$51.1 million over 2011. This is an increase of \$13 million of which \$7 million is SAC related. Maintenance and design expenses increased by \$600,000. An additional \$1.8 million increase in expenses is associated with new (higher) rates from MCES. Other increases include transfers to MERF and the Water department which together account for \$1.5 million. Capital programs and debt services comprise the remaining \$2.1 million increase in 2012 expenses over 2011.

2014 Budget

Revenues

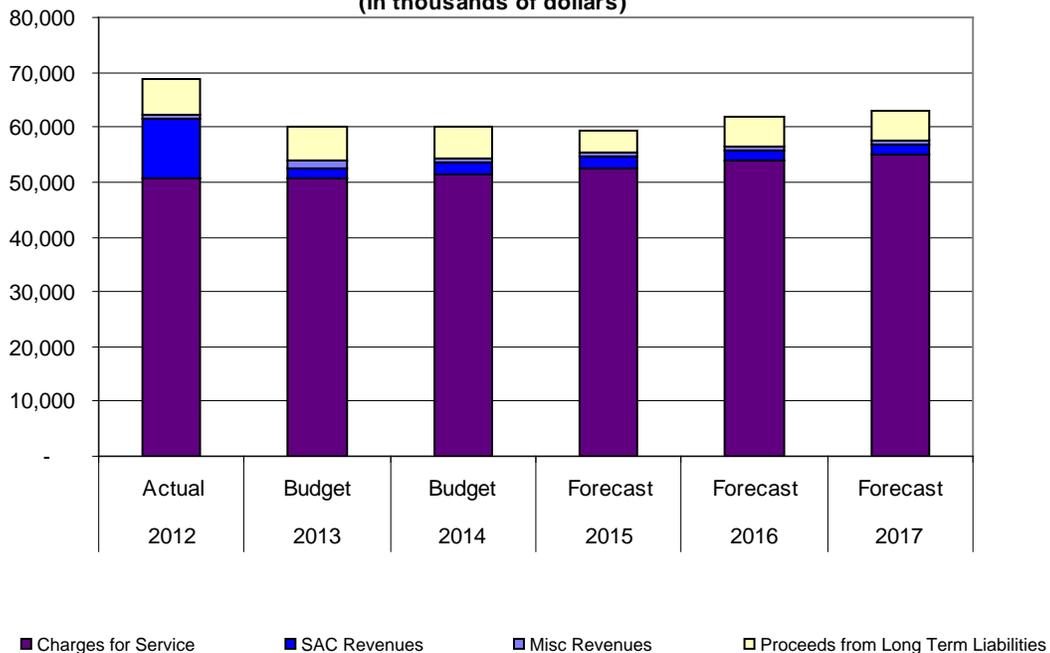
The total revenue budget for the Sanitary Sewer Fund for 2014 amounts to \$61.3 million compared to \$61.0 million compared to the 2013 projected revenues, an increase of \$300,000, or 0.5%. Monthly utility billings, Sewer Access Charge (SAC) permits, design and miscellaneous activities, along with proceeds from capital programs provide the revenue sources for Sanitary Sewer Fund. Revenues from operations account for 89% of the budget with remaining 11% received from bond proceeds and reimbursements from capital



programs. Sanitary sewer rates are comprised of variable and fixed rates. For 2014, the variable sewer rate is proposed at \$3.14 per one hundred cubic feet (one *unit*, or 748 gallons) same as the rate set for 2013, while fixed rates are \$3.40. Revenue estimates were increased to fund sanitary collection and treatment programs, retirements (MERF program), capital programs, debt payments and shared meter costs.

Year	Rate (cost per 100 per cubic feet)	% Increase	Average Monthly Bill	Total Planned Revenue from Utility Fee
2014	\$3.14	0.00%	\$18.84	\$51.4 million
2015	\$3.21	2.20%	\$19.26	\$52.6 million
2016	\$3.28	2.20%	\$19.68	\$53.8 million
2017	\$3.35	2.10%	\$20.10	\$54.9 million
2018	\$3.42	2.10%	\$20.52	\$56.1 million

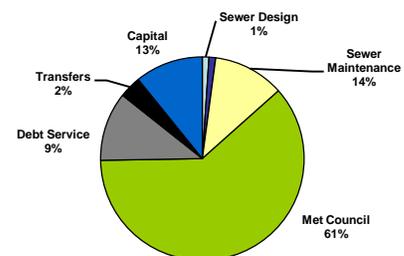
Sanitary Sewer Fund Revenues (in thousands of dollars)



Expenses

The total expense budget for 2014 amounts to \$62.7 million compared to \$59.9 million projected for 2013. This is an increase of \$2.8 million, or 5%, over 2013 projections. Maintenance and design activities, treatment facility charges from MCES, capital programs, and long-term debt are included in these expenses. An increase of only \$65,000 in Met Council department is due to decrease in MCES charges over 2013 by \$400,000. Met

Use of Funds (\$62.8 million)

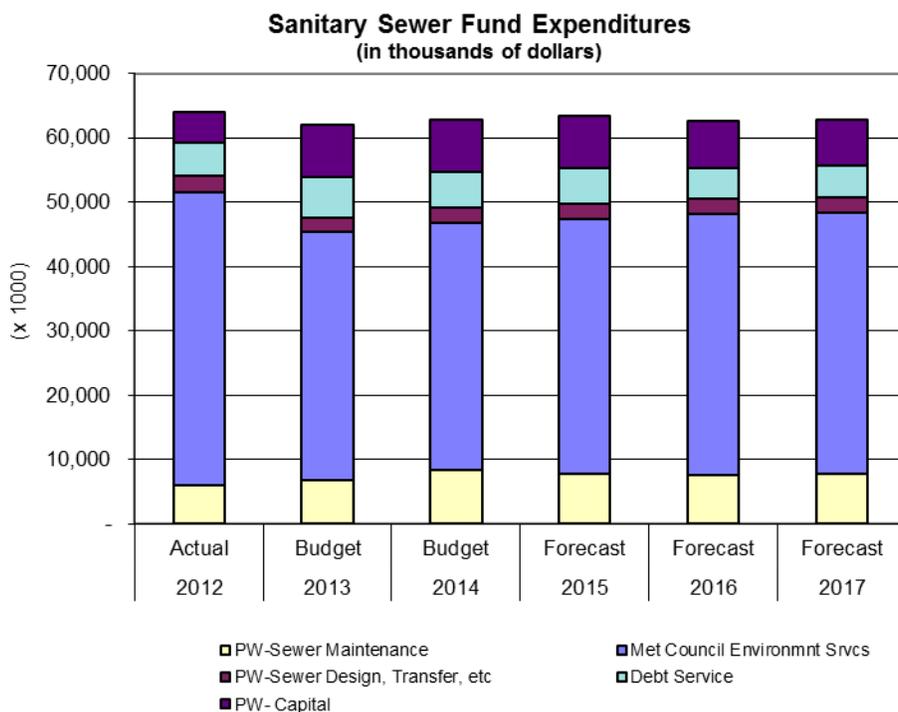


Council sets rate for treatment services, referred to as MCES charges, which is allocated regionally to all users of the system based upon their proportionate use. Design and maintenance budgets increased by \$1.8 million due to the realignment of personnel, planned implementation of televised sanitary system, and maintenance work and modifications relating to equipment gap and combo machines. An increase in debt services account for the remaining \$900,000 increase.

Capital expenses for 2014 total \$8 million, the same as 2013 for the continued sanitary tunnel, sewer rehab, and reimbursable work completed. The largest expense in the Sanitary Sewer Fund is the service charge paid to Met Council Environmental Services (MCES). The estimated payment to MCES for 2014 is \$34.5 million, a decrease of 1.2% over 2013. The Sanitary Sewer Fund bears 95%, or \$32.8 million, of this cost with the remaining \$1.7 million paid from the Storm Water Fund. Minneapolis is the largest customer in MCES system. (Please note, this payment is only a portion of the Met Council Environmental Services line as shown on the plan as the SAC payments are included in the plan total).

Debt Service & Transfers

Capital programs for 2014 include the inflow/infiltration and tunnel sewer rehab programs. An additional component of capital program includes repair work on existing infrastructures. For 2014, \$5.6 million is set aside as debt service payments for bonds sold in current and previous years to fund these projects. A transfer from this fund is made to the Water fund to cover shared meter expenses. For 2014, the transfer is estimated at \$1.2 million.



Mayor’s Recommended Budget

The division increased FTE’s by 5.50 as result of reorganizing employees between sanitary sewer, storm water, and capital departments to reflect actual staffing patterns based on current jobs and responsibilities. The increase is funded with existing resources.

City of Minneapolis
2014 Budget
Financial Plan (in thousands of dollars)

Sanitary Sewer Fund - 07100

	2011 Actual	2012 Actual	2013 Budget	2013 Projected	% Chg		2015 Forecast	2016 Forecast	2017 Forecast
					2014 Budget	2013 Projected			
Source of Funds:									
Charges for Service	44,900	50,779	50,585	50,585	51,384	1.6%	52,578	53,757	54,920
SAC Revenues	3,592	10,813	2,060	2,060	2,060		2,060	2,060	2,060
Other Misc Revenues	990	754	1,319	1,319	820	-37.8%	720	655	655
Charges for Service - Capital	-	-	1,000	1,000	1,000		1,000	1,000	1,000
Proceeds from Long Term Liabilities	3,020	6,252	6,000	6,000	6,000		4,000	5,250	5,250
Total	52,501	68,597	60,964	60,964	61,264	0.5%	60,358	62,722	63,885
Use of Funds:									
PW-Sewer Design	366	453	738	655	860	31.3%	879	899	920
PW-Sewer Maintenance	5,510	6,004	6,830	6,801	8,426	23.9%	7,858	7,645	7,806
MERF Debt Service -New Plan	-	-	292	292	292		292	292	292
Met Council Environment Svcs	36,731	45,463	38,656	38,360	38,425	0.2%	39,473	40,552	40,619
Debt Service	4,618	5,157	6,303	4,594	5,564	21.1%	4,125	2,506	1,549
Future Debt Service							1,579	2,306	3,259
Transfers	-								
To MERF Debt Service	577	1,112	-	-	-		-	-	-
To Water Fund		994	1,149	1,157	1,157	0.0%	1,157	1,157	1,157
PW- Capital	3,309	4,915	8,000	8,000	8,000		8,000	7,250	7,250
Total	51,111	64,098	61,970	59,859	62,724	4.8%	63,363	62,606	62,850
Change in Net Position	1,390	4,499	(1,006)	1,105	(1,460)		(3,005)	115	1,035
Net Position Balance	100,839	107,462	106,456	108,567	107,107		104,101	104,217	105,252
Cash Balances									
Operating Cash	15,430	19,181	18,177	20,286	18,826		15,820	15,936	16,971
Construction Cash	5,338	837							

City of Minneapolis

2014 Budget Financial Plan

Storm Water Fund

Background

The Storm Water Fund is comprised of the Storm Water Collection and Street Cleaning programs. The Fund accounts for street cleaning and the design, construction, and maintenance of the City's storm drain system. A portion of the Storm Water Fund is used for sanitary water interceptor and treatment services, a function carried out by Metropolitan Council Environmental Services (MCES). The Fund also accounts for the Combined Sewer Overflow (CSO) program, which separates storm water from the sanitary sewer lines.

Historical Financial Performance

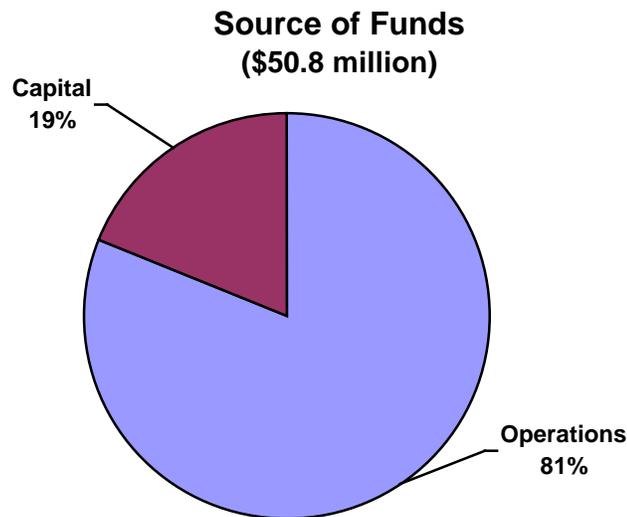
In 2012 total revenues decreased to \$45.9 million compared to \$53.7 million in 2011. This decrease amounts to \$7.8 million, or 15%. Most of this decrease is the result of a reduction in bond revenues from capital programs which decreased by \$7.1 million between 2011 and 2012. Design revenues, along with revenues from maintenance agreements, and capital reimbursements account for an additional \$1.9 million of the decrease. These decreases were off-set by an increase in service revenue of \$1.3 million resulting from a rate increase of \$0.28 per Equivalent Storm water Unit (ESU) in utility billings. The \$37.8 million in expenditures in 2012 represents a decrease of \$12.6 million, or 25%, compared to \$50.4 million in 2011. Of this decrease, \$9.6 million is attributable to Capital programs, \$5.2 million from debt service payments, and \$0.5 million from design activities. These decreases were off-set by increases in maintenance expenditures and MCES processing costs, as well as transfers of \$2.7 million.

2014 Budget

Revenues

The 2014 revenue budget totals \$50.8 million, compared to \$50.9 million projected for 2013, reflecting a decrease of less than 1%. An increase of \$400K in 2014 operating revenues from 2013 is off-set by decreases in revenues of \$500K associated with design works and Capital programs. The Storm water utility rate or the rate per ESU for 2014 is proposed at \$11.94. This rate increase of \$0.12 in storm water billings is estimated to result in service revenue of \$38.3 million, \$0.4 million more than the projected \$37.9 million for 2013. Revenues from County/State maintenance agreements are increased to \$1.6 million, which is \$0.6 million more than the 2013 budgeted amount of \$0.9 million. Design revenues are estimated at \$1.2 million which reflects a decrease of \$0.4 million compared to 2013. A table reflecting planned rate adjustments is shown on the following page.

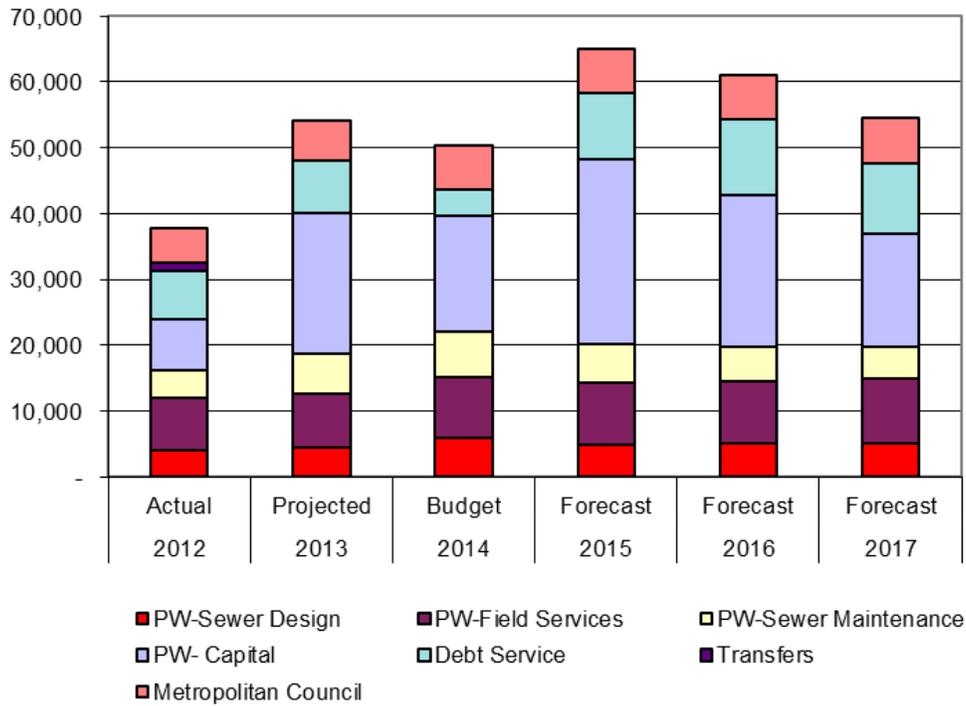
Year	Rate per ESU (Equivalent Storm Water Unit)	% Increase	Total Planned Revenue from Utility Fee
2014	\$11.94	1.0%	\$38.3 million
2015	\$12.06	1.0%	\$38.7 million
2016	\$12.18	1.0%	\$39.1 million
2017	\$12.30	1.0%	\$39.5 million
2018	\$12.52	1.8%	\$40.2 million



Expenditures

The 2014 total expenditure budget for the Storm Water Fund amounts to \$50.3 million compared to \$54.1 million projected for 2013, a decrease of \$3.9 million, or 7.1%. The fund's operating budget is used for design, maintenance, overflow programs, Met Council payments, and street cleaning. The operating budget for 2014 totals \$28.7 million which is \$3.9 million greater than the \$24.8 million projected for 2013. The increase is the result of expenditures related to televised upgrades, relocation to the Hiawatha facility, the Linden Yard clean up, pond dredging activities, and an increase in street sweep contracts. Capital programs are estimated at \$17.5 million compared to \$21.4 million projected for 2013. For 2014, \$7.7 million of capital projects are bond funded, \$7.8 million of capital projects are Storm revenue funded and the remaining \$2.0 million are pay as you go. The 2014 budget contemplates an increase in net position of \$0.5 million as part of the funding plan.

Stormwater Fund Expenditures (in thousands of dollars)



Combined Sewer Overflow (CSO)

The Combined Sewer Overflow project started in 2004. Working with property owners, this project aims to identify and disconnect roof drain overflow from the sanitary system. This is an on-going program. For 2014, \$700,000 has been allotted from the operating budget with additional funding available from the Capital programs.

Debt Service & Transfers

The 2014 budget includes funding for debt service payments that are primarily for bonds that have been previously sold to finance the Combined Sewer Overflow (CSO) and flood mitigation programs. For 2014, debt service payments are estimated at \$4.1 million compared to \$7.9 million projected for 2013.

Mayor's Recommended Budget

The Storm Water Division has proposed a rate of \$11.94 ESU in 2014, an increase of \$0.12 over 2013.

Council Adopted Budget

The Council approved the Mayor's recommendation as submitted.

**City of Minneapolis
2014 Budget
Financial Plan (in thousands of dollars)**

Storm Water Sewer Fund - 7300

	2011 Actual	2012 Actual	2013 Budget	2013 Projecte	2014 Budget	% Chg From 2013 Projected	2015 Forecast	2016 Forecast	2017 Forecast
Source of Funds:									
Federal Government	421	210							
State Government	1,938	1,115	670	1,158	1,158		1,158	1,158	1,158
Local Government	400	400	245	400	400		400	400	400
Charges for Service-Operating	35,621	36,694	37,835	37,931	38,319	1.0%	38,707	39,096	39,484
Design & Misc Revenues	2,580	1,834	1,629	1,426	1,230	-13.8%	2,221	1,505	962
Charges for Sales	-	-	-	-	-		-	-	-
Special Assessments	744	966	60	-	-		-	-	-
Interest	-	-	-	-	-		-	-	-
Charges for Service-Capital	1,581	1,382	2,000	2,000	2,000		2,000	2,000	2,000
Proceeds of Long Term Liabilities	10,415	3,272	8,000	8,000	7,700	-3.8%	17,018	14,480	8,600
Total	53,700	45,873	50,439	50,915	50,807	-0.2%	61,505	58,639	52,604
Use of Funds:									
PW-Sewer Design	4,615	4,076	5,034	4,444	5,859	31.9%	4,875	4,977	5,112
PW-Field Services	7,798	7,994	8,158	8,149	9,264	13.7%	9,440	9,620	9,803
PW-Sewer Maintenance	2,811	4,191	6,081	6,171	7,009	13.6%	5,793	5,175	4,760
Metropolitan Council	4,707	5,329	6,174	6,054	6,536	8.0%	6,692	6,851	7,014
Debt Service	12,443	7,265	7,927	7,888	4,085	-48.2%	3,030	2,600	-
Future Debt Service							6,926	8,881	10,759
Transfers	700	1,245							
PW- Capital	17,363	7,734	17,700	21,413	17,505	-18.3%	28,188	22,980	17,190
Total	50,437	37,834	51,074	54,117	50,259	-7.1%	64,943	61,085	54,638
Change in Net Position	3,264	8,039	(635)	(3,203)	548		(3,440)	(2,446)	(2,034)
Net Position	284,557	299,594	298,959	296,391	296,939		293,500	291,054	289,020
Cash Balances	24,531	33,223	32,588	30,019	29,567		26,129	23,683	21,648
Construction Cash	2,057	4,185							
Total Cash Balance	26,588	37,409	32,588	30,019	29,567		26,129	23,683	21,648

**City of Minneapolis
2014 Budget
Financial Plan**

Water Fund

Background

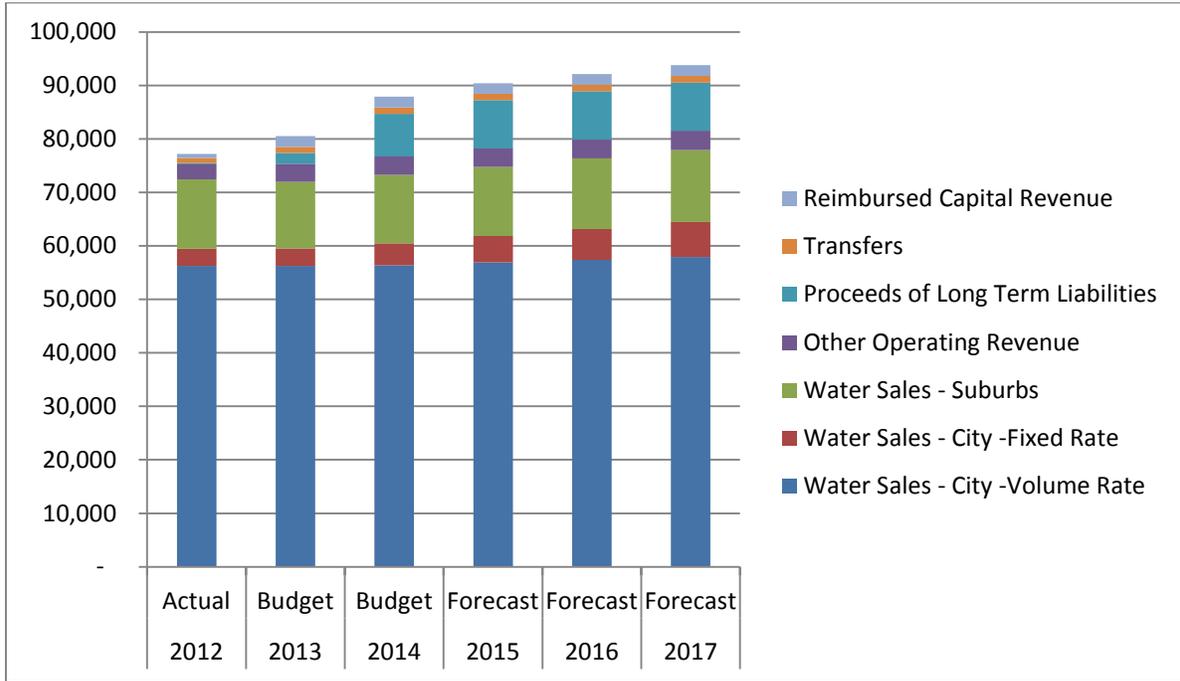
The Water Fund accounts for the operation, maintenance, and capital program of the water treatment and distribution system for the City of Minneapolis and several suburban customers. The City currently sells water to seven suburbs including Bloomington, Columbia Heights, Hilltop, Golden Valley, New Hope, Crystal, Edina, and the Metropolitan Airport Commission.

Historical Financial Performance

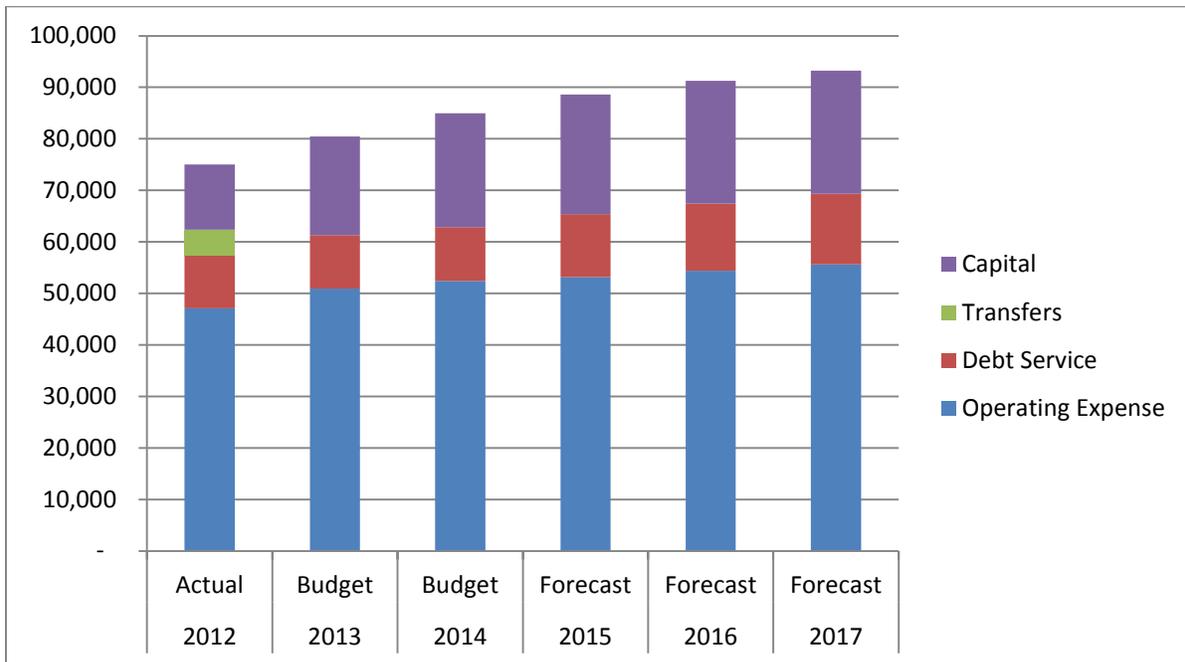
The net position of the Water Fund has increased over the past several years due primarily to scheduled rate increases and major capital improvements. The following table shows the revenue earned from Minneapolis and suburban sales for years 2011 – 2012, the projected 2013 revenue, and the 2014 budgeted revenue:

Source of Revenue	2011	2012	2013 Projected	2014 Budget
Bloomington	\$3,628,081	\$3,649,480	\$3,460,369	\$3,668,680
Columbia Heights	1,266,464	1,273,934	1,207,920	1,262,916
Hilltop	76,363	76,813	72,833	70,963
Joint Water Commission	6,809,363	6,849,525	6,494,593	6,717,857
Edina	245,088	246,533	233,758	233,848
MAC	875,492	880,656	835,022	824,607
Total Suburban	\$12,900,850	\$12,976,941	\$12,304,495	\$12,778,871
Volume Rate	\$53,338,098	\$56,249,333	\$55,833,259	\$56,365,647
Fixed Rate	N/A	3,216,611	3,219,319.00	4,108,365
Total Minneapolis	\$53,338,098	\$59,465,944	\$59,052,578	\$60,474,012
Total Revenue	\$66,238,948	\$72,442,885	\$71,357,073	\$73,252,883

Water Fund Revenues (In thousands of dollars)



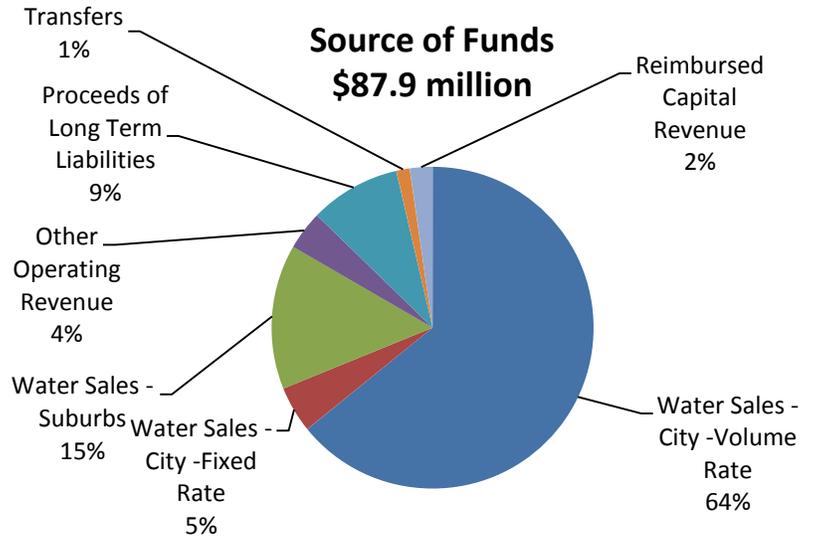
Water Fund Expenses (In thousands of dollars)



2014 Budget

Revenues

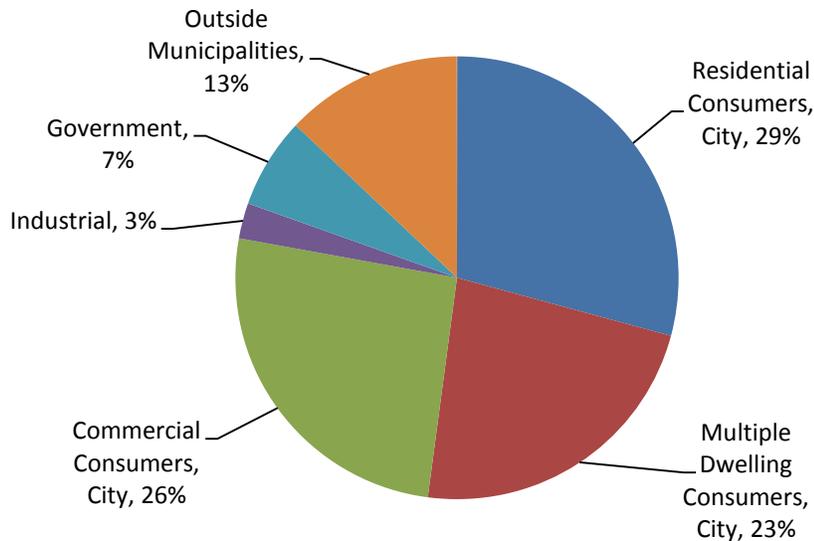
The 2014 revenue budget of \$87.9 million is 9% higher than the 2013 projected revenue of \$80.3 million. The majority of this increase, \$6 million or 7%, is related to bond proceeds that are planned to finance the maintenance facility for the distribution division and for rehabilitation of the Fridley filter plant. Rate increases are projected for years 2014 through 2017 to pay debt service for the capital expenditures, as well as to cover anticipated growth in operating expenses and infrastructure repairs.



Water Utility Rates

The budget reflects revenues that include a fixed rate charge based on meter size as well as a variable rate charge of \$3.32/unit. The fixed rate charge is intended to cover the high 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.

Charges for Services by Customer Consumption (Based on 2012 Consumption)



Projected Revenue Earned from City Water Sales

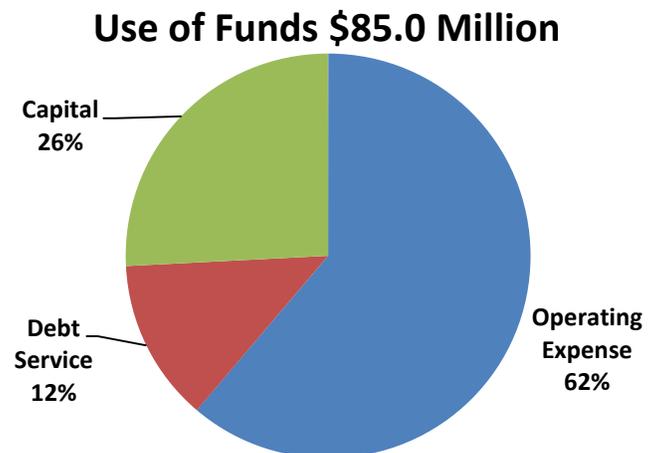
Year	Fixed Rate (5/8" Meter)	Rate (cost per 100 cubic feet)	Total Cost Per Month for Average Consumer ¹	Total % Increase	Total Monthly Cost Increase per Household	Total Planned Revenue from Utility Fee ²
2013	\$2.00	\$3.29	\$25.03	2.58%	\$0.63	\$59.5 Million
2014	\$2.50	\$3.32	\$25.74	2.84%	\$0.71	\$60.5 Million
2015	\$3.00	\$3.37	\$26.59	3.30%	\$0.85	\$61.8 Million
2016	\$3.50	\$3.42	\$27.44	3.20%	\$0.85	\$63.2 Million
2017	\$4.00	\$3.47	\$28.29	3.10%	\$0.85	\$64.5 Million
2018	\$4.50	\$3.52	\$29.14	3.00%	\$0.85	\$65.8 Million

Projected Revenue Earned from Suburban Water Sales

Year	% Increase	Total Revenue Earned from Utility Fee - Suburbs
2013	2.81%	\$12.3 Million
2014	2.84%	\$12.8 Million
2015	3.30%	\$12.9 Million
2016	3.20%	\$13.2 Million
2017	3.10%	\$13.4 Million
2018	3.00%	\$13.7 Million

Expenses

The 2014 expense budget is \$85.0 million, a 5.6% increase over the 2013 projected expense of \$80.5 million. The budget provides funding for water treatment and distribution and the capital improvement program. Current 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 2014 capital budget of \$22.1 million represents a 15.4% increase compared to the 2013 capital budget.



¹ Rate is based on cost per 100 cubic feet and assumes 7 units of water are consumed per month for a 5/8" meter. The fixed rate increases as the meter size increases.

² Increase in total planned revenue is not equal to total % increase due to declining projected volumes.

Debt Service

The debt service total of \$10.5 million is primarily for bonds and notes sold to finance the Water Fund's Capital Construction program.

Mayor's Recommended Budget

The Mayor recommends no changes to the department's base operations.

Council Adopted Budget

The Council adopted the Mayor's recommendation as presented.

City of Minneapolis

2014 Budget

Financial Plan (In thousands of dollars)

Water Fund - 7400

	2011 Actual	2012 Actual	2013 Budget	2013 Projected	2014 Budget	% Chg from 2013 Budget	2015 Forecast	2016 Forecast	2017 Forecast
Source of Funds:									
Water Sales - City									
Volume Rate	53,338	56,249	56,243	55,833	56,366	0.2%	56,893	57,410	57,916
Fixed Rate		3,217	3,258	3,219	4,108	26.1%	4,930	5,752	6,573
Water Sales - Suburbs	12,901	12,977	12,480	12,304	12,779	2.4%	12,902	13,175	13,444
Other Operating Revenue	3,452	2,779	3,358	3,731	3,446	2.6%	3,498	3,550	3,603
Proceeds of Long Term Liabilities	9,732	215	2,000	2,000	8,000	300.0%	9,000	9,000	9,000
Transfers									
From Sewer Fund for Meter Shop		994	1,149	1,149	1,157	0.7%	1,174	1,192	1,210
From General Fund			22	22	27	22.7%	27	27	27
Reimbursed Capital Revenue	247	759	2,000	2,000	2,000		2,000	2,000	2,000
Total	79,670	77,190	80,510	80,258	87,883	9.5%	90,424	92,106	93,773
Use of Funds:									
Operating Expense	45,017	47,085	50,901	50,977	52,424	3.0%	53,177	54,371	55,598
Debt Service	10,038	10,273	10,383	10,383	10,454	0.7%	10,691	10,906	10,928
Future Debt Service							1,532	2,165	2,798
Transfers									
To Debt Service for MERF Liability	2,042	4,992							
Capital	15,546	12,683	19,150	19,150	22,100	15.4%	23,200	23,800	23,900
Total	72,643	75,033	80,434	80,510	84,978	5.6%	88,600	91,242	93,224
Water Works Fund Margin	7,027	2,157	76	-252	2,905		1,824	864	549
Water Net Position	185,959	197,186	197,262	196,934	199,839	1.3%	201,663	202,527	203,076
Cash Balance	15,158	19,067	19,142	18,815	22,047	15.2%	23,201	24,064	24,614

**City of Minneapolis
2014 Budget
Financial Plan**

Public Works Stores Fund

Background

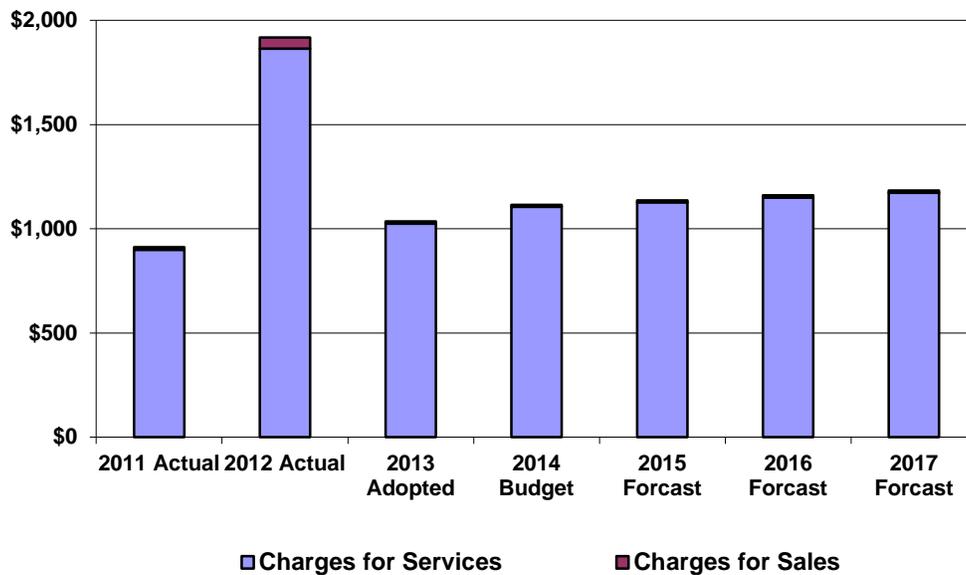
The Public Works Stores Fund accounts for the centralized procurement, receiving, warehousing, and distribution of stocked inventory items and the purchase of special goods and services through Central Stores and Public Works Traffic Stores.

Historical Financial Information

Public Works operated Central Stores beginning January 1965. At that time, the stockrooms of property services, bridge maintenance, paving construction, and sewer construction and maintenance were combined to establish a central stores operation. In 1980, Central Stores began purchasing the City's office supplies and non-specialty items. In April 2011, Central Stores was transitioned from the Public Works department to become a cost center within the department of Finance & Property Services. Central Stores remains an internal service division and transactions are recorded to the Public Works Stores Fund. Public Works Traffic Stores purchases components for traffic signals, controllers, and street lights.

A revised overhead structure was implemented in 1998 which resulted in positive net income for years 2000 through 2007. For year ending 2011, PW Stores recorded a net loss of \$(196,000). The net income for 2012 was \$667,000.

Public Works Stores Revenue
(in thousands of dollars)



2014 Budget

Revenues

Revenues for 2014 are budgeted at \$1.1 million, an increase of 2.3% from the 2013 projected revenue of \$1.09 million. Revenues for 2013 are projected to be higher than budgeted due to an increase in inventory transactions processed by both Central Stores and Traffic Stores. The 2013 revenue budget was calculated using historical levels of inventory sales.

Expense

The 2014 expense budget of \$985,000 is a 6.2% decrease from the 2013 projected expense of \$1.05 million. There are no significant planned changes for expenses.

Transfers

Beginning in 2013, this fund no longer plans for a transfer out for debt service related to the Minneapolis Employees Retirement Fund (MERF) unfunded liability. The City retired the bonds related to this debt service in 2012 resulting in substantial savings to the City and creating a large increase to this debt payment for the proprietary funds. The Public Works Stores Fund used fund balance as the source of funding for this payment.

Debt Service

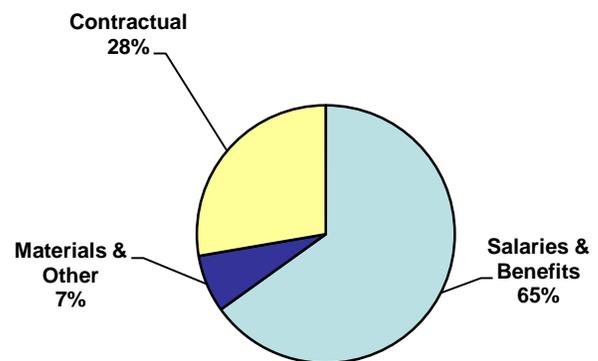
This fund does not have long-term debt.

Net Assets and Cash Balance

The year-end net asset balance for 2012 was \$3.7 million, an increase of \$667,000 from the ending net assets of \$3.0 million in 2011. The financial policy for the net position for this fund determines that the fund should maintain a net position, at a minimum, equal to 15% of the operating budget. For the year ending 2012, the benchmark for net assets is \$0.2 million and the fund exceeded the benchmark by \$3.5 million.

The fund has experienced a negative cash balance since year-end 2006 when the balance was a deficit of \$(900,000). By 2011, the deficit had increased to \$(1,027,000). In 2012 the deficit cash balance decreased to \$(163,000) and is projected to continue to improve and achieve a positive balance in 2016.

**Public Works Stores Funds
Use of Funds
(\$985,000)**



**City of Minneapolis
2014 Budget
Financial Plan (in thousand of dollars)
PW Stores Fund - 06300***

	2011 Actual	2012 Actual	2013 Budget	2013 Projected	2014 Budget	% Chg From 2013 Projected	2015 Forecast	2016 Forecast	2017 Forecast
Source of Funds:									
Charges for Services	899	1,865	1,025	1,075	1,105	2.8%	1,127	1,150	1,173
Charges for Sales	13	54	10	15	10	-33.3%	10	10	11
Total	912	1,920	1,035	1,090	1,115	2.3%	1,137	1,160	1,183
Use of Funds:									
Salaries and Fringes	666	727	662	700	641	-8.4%	654	667	680
Contractual Services	299	310	308	310	273	-11.9%	279	284	290
Materials and Other	92	99	70	40	71	77.0%	72	74	75
Transfers	51	117	-	-	-	0.0%	-	-	-
Total	1,108	1,253	1,040	1,050	985	-6.2%	1,005	1,025	1,045
Change in Net Position	(196)	667	(5)	40	130		133	135	138
Net Position	3,026	3,692	3,687	3,732	3,862		3,995	4,130	4,268
Cash Balance	(1,027)	(163)	(168)	(123)	7		139	274	412
Target Cash Reserve¹	158	159	156	156	148		151	154	157
Variance Cash to Target Reserve	(1,185)	(322)	(325)	(279)	(141)		(12)	121	255

* This fund includes Central Stores (Department of Finance & Property Services) and Public Works Traffic Stores.

¹The target cash reserve is in accordance with the financial reserve policy for internal service funds. The cash reserve the PW Stores Fund should be maintained at a minimum of 15% of the operating budget.

Note: The 2015-2017 forecasts for source and use of funds are calculated using a factor of 2.0% to capture increases in revenues and expense.

**City of Minneapolis
2014 Budget
Financial Plan**

Engineering Materials and Testing Fund

Background

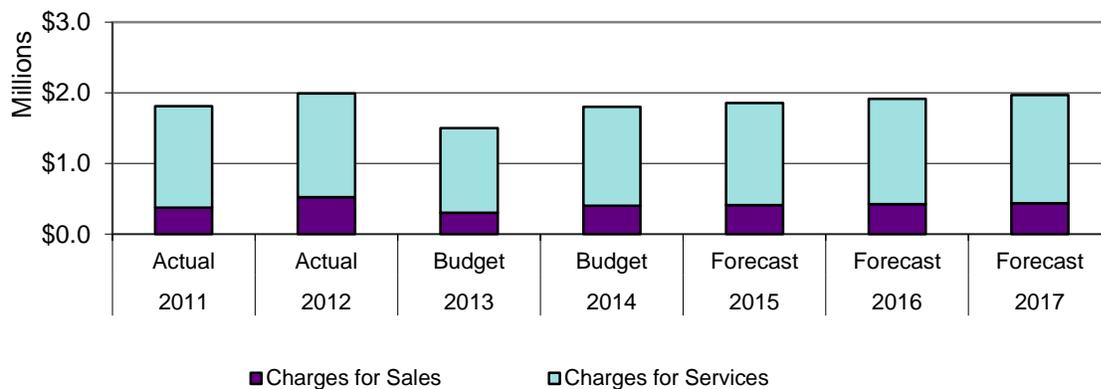
The Engineering Materials and Testing Fund accounts for City purchases of hot-mix asphalt and ready-mix concrete in order to ensure compliance with State and Federal standards and specifications, and to provide quality control of these materials. The Engineering Laboratory is a component of this fund which provides inspection and testing services and maintains a laboratory for testing construction materials, performing geotechnical evaluations, and coordinating related environmental field services.

Historical Financial Performance

The revenue sources for this fund include overhead charged on the procurement of hot-mix asphalt and ready-mix concrete materials along with fees for inspection and testing services by the Engineering Laboratory.

The decision to suspend operations at the asphalt plant at the end of 2003 resulted in a \$777,000 loss on the disposal of this asset and a decrease in net assets of \$709,000. From 2003 through 2008, this fund had a decrease in net assets of \$1.5 million of which \$777,000 is due to the loss on the disposal of the asphalt plant. In 2012, the net assets increased \$455,000 bringing the ending balance from \$1.1 million in 2011 to \$1.6 million in 2012. The cash balance increased from a balance of \$1.1 million in 2011 to a balance of \$1.7 million in 2012.

Engineering Materials and Testing Revenues



2014 Budget

Revenues

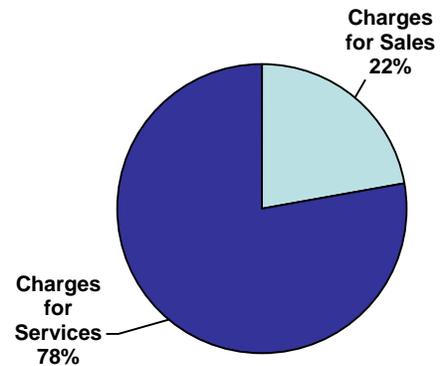
The 2014 revenue budget is \$1.8 million, a 5.1% decrease from the 2013 projected revenue of \$1.9 million. In 2013, it is projected that revenue will increase significantly over the budgeted amount due to a significant yearly increase in City road construction/overlay projects and maintenance activities. There also appears to be an increase in private sector development work

being done this year and this adds to the workload with regards to its impact to the City infrastructure.

This fund generates revenue from testing and inspection services provided by the Engineering Lab and the sale of

concrete and asphalt from outside vendors to other City departments. Product types and quantities are identified for customer departments. A cost allocation model determines product costs to allow the fund to generate revenues that match operating expenditures. The 2014 revenue budget includes \$1.4 million earned from charges for services provided by the Engineering Lab and \$400,000 as mark up on the sale of asphalt and concrete.

**Source of Funds
(\$1.8 million)**



Expense

The 2014 expense budget is \$1.76 million, an increase of 21.3% from the 2013 projected expense of \$1.55 million. The increase is primarily due to plans to hire two additional engineering technicians to work in the lab.

Transfers

There are no transfers scheduled in 2014 for this fund.

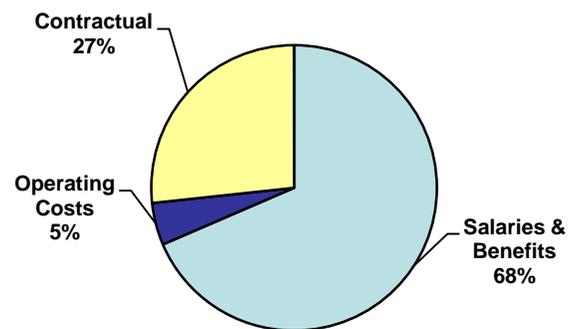
Debt Service

This fund does not have any long-term debt.

Net Assets and Cash Balance

The Engineering, Materials and Testing Fund has a positive net asset balance of \$1.6 million at year-end 2012, an increase of \$455,000 from the 2011 ending balance of \$1.1 million. The net assets are projected to be \$2.03 million at the end of 2013 and to increase slightly to \$2.07 million in 2014. The financial policy for the net assets for this fund determines that the fund should maintain a net asset balance equal to 15% of the operating budget. For the year ending 2012, the benchmark for net assets is \$0.2 million and the fund exceeded the benchmark by \$1.4 million. The net asset balance is projected to exceed the benchmark of \$0.2 million for 2013 and \$0.3 million for 2014 by \$1.8 million each year.

**Use of Funds
(\$1.8 million)**



The 2012 year-end cash balance was \$1.7 million, an increase of \$582,000 from the 2011 year-end balance of \$1.2 million. Financial reserve policies for the internal service funds determine that the cash reserve target for the Engineering, Materials and Testing fund should not be less than 15% of the operating budget, or \$0.2 million for 2012. The fund exceeded the benchmark by \$1.5 million. The cash balance is projected to be \$2.2 million in both 2013 and 2014, exceeding the cash reserve benchmark each year by \$2.0 million.

City of Minneapolis
2014 Budget
Financial Plan (in thousands of dollars)

Engineering, Materials and Testing - 06000

	2011 Actual	2012 Actual	2013 Budget	2013 Projected	2014 Budget	% Chg From 2013 Projected	2015 Forecast	2016 Forecast	2017 Forecast
Source of Funds:									
Charges for Services	1,438	1,468	1,200	1,450	1,403	-3.2%	1,431	1,460	1,489
Charges for Sales	373	521	300	450	400	-11.1%	408	416	424
Total	1,811	1,989	1,500	1,900	1,803	-5.1%	1,839	1,876	1,913
Use of Funds:									
Personnel Services	822	826	917	917	1,209	31.9%	1,233	1,257	1,283
Contractual Services	424	454	458	458	471	2.9%	481	490	500
Materials and other	80	56	180	80	84	5.5%	86	88	90
Transfers Out	88	195	-	-	-	0.0%	-	-	-
Total	1,414	1,530	1,554	1,454	1,764	21.3%	1,797	1,834	1,870
Change in Net Position¹	394	455	(54)	446	39		42	41	43
Net Position	1,129	1,584	1,530	2,030	2,069		2,110	2,152	2,195
Cash Balance	1,164	1,746	1,691	2,191	2,230		2,272	2,313	2,356
Target Cash Reserve²	220	248	233	233	265		270	275	281
Variance Cash to Target Reserve	944	1,498	1,458	1,958	1,965		2,002	2,038	2,075

¹The 2013 budget for materials includes \$100,000 for the purchase of capital equipment. The source of funding for capital equipment will be fund balance and not operations. It is expected that the purchase will be delayed until 2014.

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.

Note: The 2015-2017 forecasts for source and use of funds are calculated using a factor of 2.0% to capture increases in revenues and expense.

**City of Minneapolis
2014 Budget
Financial Plan**

Intergovernmental Services Fund

Background

The Intergovernmental Services Fund accounts for all of the operations of the Information Technology Department (IT) including information and technology functions, the managed services contract with Unisys, the Project Management Office (PMO), and telecommunications operations. Information Technology activities accounts for 94.8% 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 4.2% of operating activities. A portion of the Human Resources budget that is designated for internal training is included in this fund, representing 1.0% of operating activities.

The City Council approved a long-term financial plan for the Intergovernmental Services Fund in September 2000, to resolve both the annual operating deficit and accumulated cash deficits for this fund. Since year-end 2002, the fund has achieved positive increases to the net asset balance bringing the balance from a deficit of (\$40.8) million in 2002 to a positive net asset position of \$27.4 million in 2012. For 2013, the fund is projected to increase net assets by \$14.9 million for an ending balance of \$42.3 million.

The deficit in this fund was partially due to debt issued to finance technology purchases. The long-term financial plan addressed this issue by providing cash transfers to pay off the debt. Debt service payments of \$10.7 million in 2011 and \$9.6 million in 2012 extinguished all debt related to the past deficits. In 2013, an additional \$2.0 million of debt was retired offset by \$965,000 of net debt bonds sold to fund technology projects. The resulting total outstanding debt at year-end is \$2.2 million and will be paid through transfers from the bond redemption fund.

In 2012, IT incurred \$4.7 million of expense for technology projects. The PMO office 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. The charges to City departments are calculated to generate enough revenue to cover the overhead expense of the department. In addition, the City Council appropriated \$1.3 million for technology capital projects in 2012 which are funded by net debt bonds. For 2013 and 2014, the City Council approved \$1.2 million and \$2.1 million, respectively, for technology capital projects. The majority of the funding for technology projects is derived from City departments' operating budgets.

The Information Technology department continues to be active with new initiatives:

- **Citywide:** *Information Operations Platform*, The City is participating in the IBM First-of-a-Kind project to create solutions for cross department coordination leveraging analytics and optimization, business process modeling and asset management technologies. These advanced technology solutions will leverage the citywide wireless network, Strategic Information Center, and camera infrastructure already in place at the City of Minneapolis.
- **Department Specific:** *Enterprise Land Management*, The City will acquire and implement a system that will provide workflow automation and transaction processing for the City's emergency response resource management, regulatory enforcement, inspections,

permitting, development, planning, and constituent self-service and other land management and reporting processes, among many other department-specific projects.

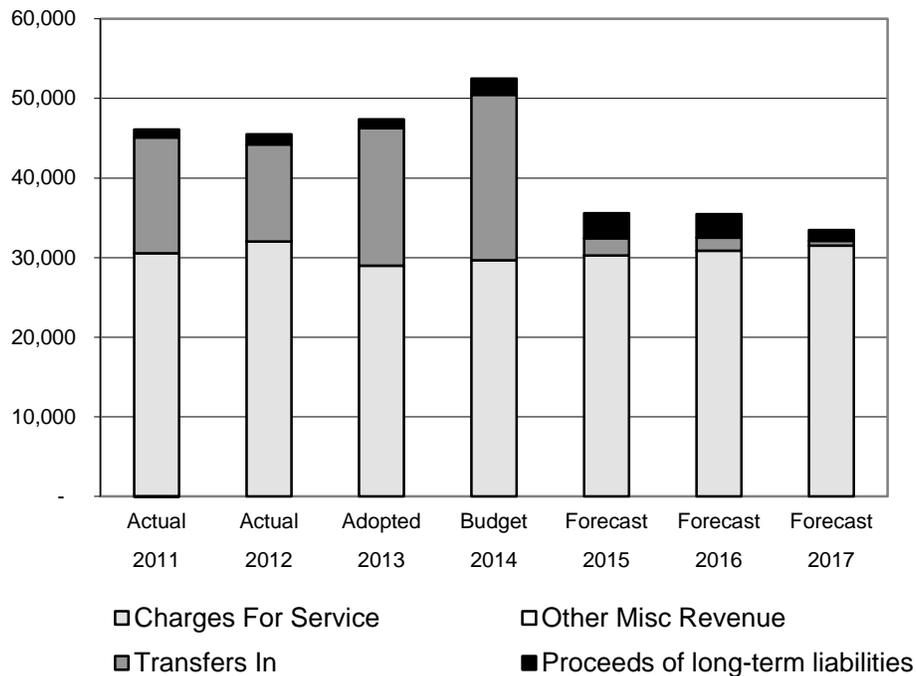
The net asset position in this fund will remain positive as it continues to provide services to City departments with charges determined through its allocation model and collect fees for service with PMO. The allocation model assigns costs to customers on a “level of effort” basis and began charging customer departments the allocated rates in 2005. The net asset position of the fund increases primarily as a result of the capitalization of technology projects.

Historical Financial Performance

Net assets were affected by the realignment of fixed assets and its related debt to the Intergovernmental Services Fund. This change in accounting caused a one-time adjustment to the fund's net assets of a negative \$21.7 million. Although this negative adjustment caused fund net assets to have a balance of negative \$40.8 million at year-end 2002, it better represented the financial condition of the fund and the importance of implementing the strategies to meet the guidelines of the financial plan. This trend has been reversed: at year-end 2012, net assets improved to \$27.4 million.

The updated long-term financial plan projected the net asset balance at year-end 2012 to increase to \$25.1 million. The actual net asset balance at year-end 2012 is \$27.4 million, representing an increase of \$2.9 million from the 2011 ending balance of \$24.5 million. The fund's cash balance has also increased as projected in the long-term financial plan. From 2003 to 2012 the cash balance increased by \$19.0 million from a deficit of \$3.2 million to a positive of \$15.8 million at year-end 2012. It should be noted that the cash balance primarily consists of deferred revenue, or cash received from other City departments as prepayment for future technology projects.

Information Technology Fund Revenues
(in thousands of dollars)



2014 Budget

Revenues

The 2014 revenue budget is \$52.5 million, an increase of 6.3% from the 2013 projected revenue of \$49.4 million. To fund the cost of providing information technology services, the original financial plan required that this fund receive an annual transfer from the general fund. In 2012, the fund received \$10.3 million from the general fund and \$1.1 million from the bond redemption fund. Revenue transfers from the general fund in 2013 and 2014 are \$14.2 million and \$19.0 million respectively. The general fund transfer in 2014 includes \$5.2 million of approved funding through the Capital Asset Request System (CARS) Allocation for the Enterprise Resource Management Upgrade project. In addition, the fund will receive transfers from the bond redemption fund of \$2.0 million in 2013 and \$0.7 million in 2014. Beginning in 2015, the fund will not receive a transfer from the general fund to finance the payment for outstanding net debt bonds. The outstanding debt significantly decreased from 2012 to 2013. For fiscal years 2011 through 2016, the Self Insurance Fund transfers \$1.0 million to the Intergovernmental Services Fund annually.

Charges for service are increased in 2014 as compared to the 2013 original budgeted amount due to additional revenue received from City departments through the cost allocation model and from charges directly to City departments for additional IT services.

Allocation Model Implications

The allocation model has five components on the customer expense side: IT application support; IT operating; telecommunications; data connectivity; and special customer specific services. Revenues generated through the allocation model will recover the following:

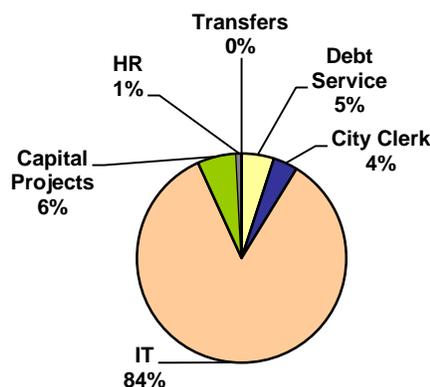
- IT operating costs at a level that conforms to the Council-adopted financial plan.
- Debt service resulting from phone system purchase.
- A small portion for City Clerk data center operations and Human Resources operations.

Revenue Assumptions (2014)	
Number of PC's	2,725
Number of telephones	2,877

Expenses

The 2014 expense budget is \$34.1 million, a decrease of 1.1% from 2013 projected expense budget. The slight decrease in the total expense budget is due to a \$1.0 million decrease in IT operating expense which is offset by a \$0.9 million increase in the capital project budget. Operating expenses in the Intergovernmental Services Fund are comprised of the following: salaries/benefits, contractual, operating, equipment. Of the total operating budget for 2014, the IT expense budget comprises 94.8%. A portion of the operating expenses of the City Clerk's office and Human Resources are included in this fund and comprise 4.3% and 0.9%, respectively, of the total operating budget. Capital expense for information technology investments are budgeted in the Intergovernmental Services Fund. Capitalized assets are reported in this fund as is the depreciation expense. For 2014, the capital budget is \$2.1 million, an increase of 78.3% from the 2013 budget primarily due to an additional \$0.65 million appropriated for the Police Report Management System Upgrade. In 2011, the fund began to pay \$1.5 million annually as loan repayment to the Convention Center, with final payment of \$1.75 million in 2016.

**Intergovernmental Services Fund
Use of Funds by Department
(\$34.1 million)**



Transfers

Transfers into this fund for 2014 include a transfer from the general fund of \$13.1 million in accordance with the long-term financial plan, \$0.2 million to fund City Hall rent, \$0.5 million for the general fund wireless allocation, and \$5.2 million as CARS funding for the Enterprise Resource Planning program. In addition, the fund receives a \$0.7 million transfer from the general debt service fund and a \$1.0 million transfer from the Self Insurance Fund. Beginning 2013, the City proprietary funds will no longer continue to transfer payments to the Pension Debt Service fund related to debt service of Minneapolis Employees Retirement Fund's (MERF) unfunded pension liability. In 2012, bonds related to this debt were retired resulting in substantial savings to the City and creating a large one-time debt payment for the various City funds. The Intergovernmental Services Fund will use fund balance as a revenue source for this payment and recover this cost through the cost allocation model in years 2013 through 2015.

Debt Service

In 2014, the fund will have a beginning bond liability of \$2.2 million. A debt service payment of \$1.7 million in 2014 including \$60,795 of interest will leave an ending balance of bonds payable of \$0.5 million at year end.

Net Assets and Cash Balance

The financial policy related to the net asset balance for the Intergovernmental Services Fund determines that the net asset balance should not fall below two times the fund's annual depreciation. The annual depreciation for 2013 is \$12.0 million and the projected year-end net asset balance is \$42.3 million which brings the fund's projected net asset balance \$18.3 million over the benchmark amount of \$24.0 million. The financial policy for cash balance states that the minimum cash balance should be equal to 15.0% of the fund's total budget. The year-end cash balance for 2012 is \$15.8 million. The fund had a 2012 total budget of \$40.2 million resulting in a benchmark amount of \$6.0 million. At year-end 2012, the fund's cash balance exceeded the benchmark by \$9.8 million.

Mayor's Recommended Budget

The Mayor did not recommend any changes to this fund.

Council Adopted Budget

The Council adopted the Mayor's recommendation as presented.

**City of Minneapolis
2014 Budget
Financial Plan (in thousands of dollars)**

Intergovernmental Services Fund

	2011 Actual	2012 Actual	2013 Budget	2013 Projected	2014 Budget	% Chg From 2013 Projected	2015 Forecast	2016 Forecast	2017 Forecast
Source of Funds:									
Charges For Service	30,565	32,018	28,983	31,000	29,681	-4.3%	30,275	30,880	31,498
Other Miscellaneous Revenue	(6)	13	-	-	-		-	-	-
Operating Transfers In	14,549	12,185	17,255	17,255	20,771	20.4%	2,152	1,625	606
Proceeds of Long term Liabilities	1,000	1,275	1,150	1,150	2,050	78.3%	3,150	2,950	1,350
Total	46,108	45,491	47,388	49,405	52,502	6.3%	35,577	35,455	33,454
Use of Funds:									
Transfers	448	1,103	-	-	-		-	-	-
Debt Service	10,302	9,241	2,057	2,057	1,706	-17.1%	504	-	-
City Clerk	1,237	1,269	1,286	1,160	1,286	10.9%	1,312	1,338	1,365
Human Resources	179	245	268	340	277	-18.5%	283	288	294
Information Technology	25,619	26,401	27,106	29,800	28,811	-3.3%	29,460	30,101	30,766
Capital Projects	(60)	(23)	1,150	1,150	2,050	78.3%	3,150	2,950	1,350
Total	37,725	38,236	31,866	34,507	34,129	-1.1%	34,709	34,678	33,775
Change in Net Position	5,321	2,904	15,522	14,898	18,373		868	778	(321)
Net Position	24,506	27,410	42,932	42,308	60,681		61,549	62,327	62,006
Cash Balance¹	11,860	15,805	29,827	29,203	40,826		40,194	39,222	38,901
Target Cash Reserve	3,800	6,028	4,780	5,176	5,119		5,206	5,202	5,066
Variance Cash to Target Reserve	8,060	9,777	25,047	24,027	35,706		34,988	34,020	33,834

¹ The cash balance for years 2013 through 2016 is reduced by \$1.5 million for repayment of Minneapolis Convention Center loan.
At year end 2012, fund 06400 has a liability balance of \$12.2 million in deferred revenue resulting from prepayments by City departments for future IT projects. These prepayments result in an increase to the cash balance.

**City of Minneapolis
2014 Budget
Financial Plan**

Fleet Services Division Fund

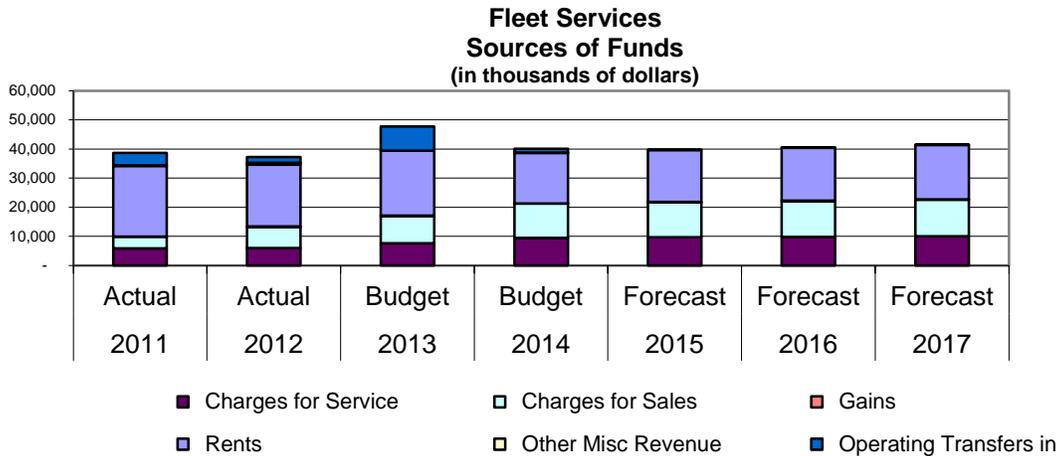
Background

The Fleet Services Division Fund manages the acquisition, maintenance and disposal of approximately 1,300 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, and the fund manages the dispatch of City-owned and contractual equipment. The City's fleet of vehicles and equipment has an acquisition value of \$71.2 million and accounts for 49.0% of the net value of the long-term assets in this fund.

Historical Financial Performance

In 2000, the fund had a deficit cash position of \$17.8 million due to costs of operation exceeding revenues collected from City departments. A long-term financial plan was developed in 2001 to generate sufficient revenue to cover the full cost of operations. The fund maintained a positive cash balance through 2012 with the exception of 2008 when the cash balance was a deficit of \$(49,000) at year end. At the end of 2012, the cash balance was \$10.2 million. The target cash reserve balance for this fund is \$4.1 million.

The original long-term financial plan financed fleet purchases by issuing general obligation bonds. Upgrading the fleet reduced the average age of the fleet, thereby reducing maintenance costs in the fund. Historically, the fund continued to follow the plan to maintain a positive cash balance, increase net assets, and to end its reliance on bonds to fund the fleet purchases. In 2006, the practice of issuing bonds to finance fleet replacement was discontinued.

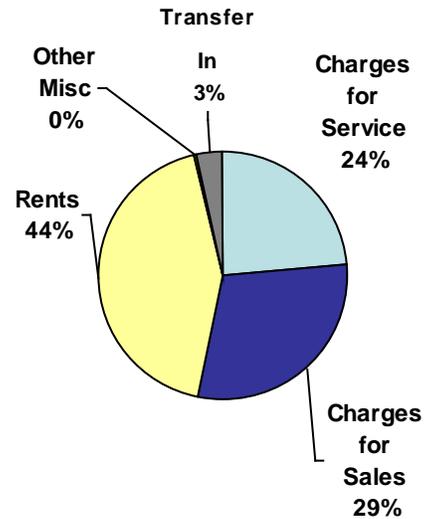


2014 Budget

Revenue

The Fleet Services Division uses activity-based costing to bill internal customers for use of vehicles. This method establishes a fleet rental rate that covers the replacement cost of the vehicles after the useful life. Maintenance, repairs and fuel costs of the fleet are charged separately. These charges are billed at a rate that allows the Fleet Services Division to match revenue to expense. Total revenues for 2014 are budgeted at \$40.1 million, a decrease of \$11.1 million or 21.6 % from the 2013 projected revenue of \$51.2 million. The decrease in revenue is primarily due to two factors. The fund will receive a transfer in for 2014 of \$1.3 million which is a decrease of \$7.0 million from the 2013 transfer in amount. Additionally, Fleet will no longer provide drivers and operators for equipment used by other departments and will not charge customers for them. Instead, the drivers and operators will be directly budgeted in the departments that use them.

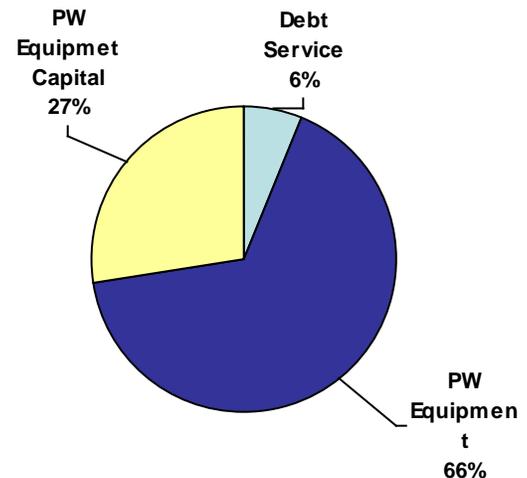
Sources of Revenue (\$40.1 million)



Expense

The 2014 expense budget is \$41.5 million which represents a decrease of \$5.8 million or 12.3% from the 2013 projected expense of \$47.3 million. The decrease in expense is primarily due to the cost of drivers and operators being assigned to the departments outside of Fleet as noted above.

Use of Funds (\$41.5 million)



Transfers

The prior years' transfers out from this fund for debt service related to the Minneapolis Employees Retirement Fund (MERF) unfunded liability which ended with a final payment in 2012. In 2012 the transfer out was \$2.3 million to retire bonds related to this debt service. The Fleet Services Division is using fund balance as a revenue source for this payment and will recover the cost of the payment through the Fleet allocation model in years 2012 through 2014.

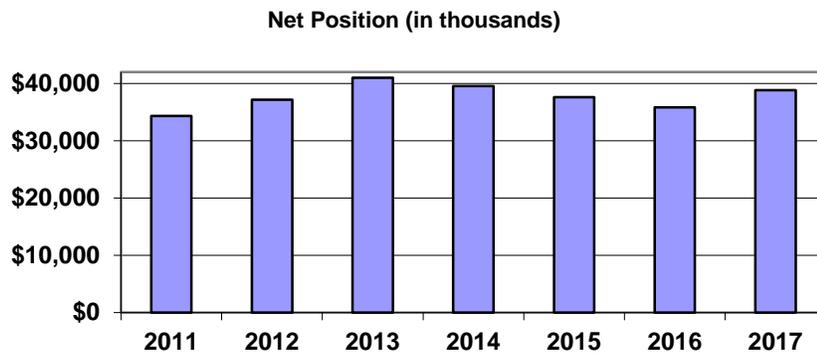
There will be a general fund transfer in of \$1.3 million in 2014 to fund vehicle purchases as part of the CARs budget process.

Debt Service

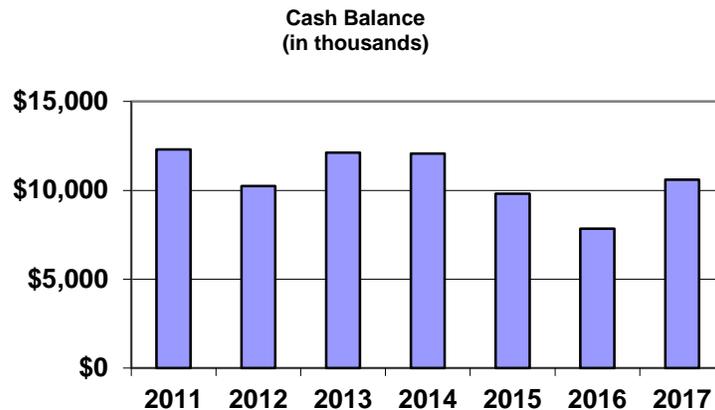
As part of the fleet modernization effort that began in 1997, the City issued bonds to finance fleet upgrades and to build new maintenance facilities. Principal and interest payments totaling \$2.5 million are due in 2014 related to these bonds.

Net Assets

A primary objective of the long-term financial plan is to increase the fund's net position and the cash balance from the deficit balances in 2002. The fund has steadily increased its net assets since 2003 when the financial plan was first implemented. The net assets at year-end 2012 are \$37.2 million, an increase of \$2.8 million from the 2011 ending balance of \$34.4 million. The financial policy related to net assets for the Fleet Services Division states that the net assets should not fall below two times the annual depreciation amount. The annual depreciation for Fleet Services in 2012 was \$6.4 million. The 2012 balance of \$37.2 million is \$30.8 million greater than the benchmark amount. The 2013 projected net asset balance is \$41.0 million.



The 2012 ending cash balance of \$10.2 million was a decrease of \$2.1 million from the 2011 ending balance of \$12.3 million. The target cash balance for 2012 as determined by the cash reserve policy was \$3.6 million. The 2013 projected balance is \$14.0 million. The following chart illustrates the historical and projected cash performance of the fund:



**City of Minneapolis
2014 Budget
Financial Plan (in thousand of dollars)**

Fleet Services Division - 06100

	2011 Actual	2012 Actual	2013 Budget	2013 Projected	2014 Budget	% Chg From 2013 Projected	2015 Forecast	2016 Forecast	2017 Forecast
Source of Funds:									
Charges for Service	5,863	5,981	7,656	8,341	9,482	13.7%	9,671	9,865	10,062
Charges for Sales	4,026	7,170	9,234	9,767	11,768	20.5%	12,004	12,244	12,489
Gains	36	233	200	200	10	-95.0%	200	200	200
Rents	24,250	21,226	22,343	24,499	17,394	-29.0%	17,742	18,097	18,640
Other Misc Revenue	179	680	30	30	149	396.7%	30	30	30
Operating Transfers in	4,299	1,926	8,315	8,315	1,288	-84.5%	-	-	-
Total	38,653	37,215	47,778	51,152	40,091	-21.6%	39,647	40,435	41,420
Use of Funds:									
Debt Service	2,996	2,775	2,916	2,916	2,507	-14.0%	2,560	2,615	2,677
Transfers	923	2,284	-	-	-	0.0%	-	-	-
PW Equipment	25,982	26,832	33,501	34,333	27,577	-19.7%	28,126	28,687	29,258
PW Equipment Capital	4,912	6,381	9,479	10,100	11,457	13.4%	10,900	10,892	6,516
Total	34,813	38,272	45,895	47,349	41,542	-12.3%	41,586	42,193	38,451
Change in Net Assets	4,549	2,844	1,882	3,803	(1,451)		(1,939)	(1,758)	2,970
Net Assets	34,355	37,199	39,082	41,003	39,552		37,614	35,856	38,826
Cash Balance	12,303	10,237	12,119	14,040	12,590		10,651	8,893	11,862
Target Cash Reserve¹	2,838	3,569	4,061	4,061	3,213		3,296	3,381	3,468
Variance Cash to Target Cash Reserve	9,465	6,668	8,058	9,979	9,377		7,355	5,512	8,394

¹ The target cash reserve is in accordance with the financial reserve policy for internal service funds. The cash reserve for the Fleet Services Division should be at a minimum equal to 15% of the operating budget. The target cash for years 2011 and 2012 is a phase-in amount.

Note: The 2015-2017 forecasts for source and use of funds are calculated using a factor of 2.0% to capture increases in revenues and expense.

**City of Minneapolis
2014 Budget
Financial Plan**

Property Services Fund

Background

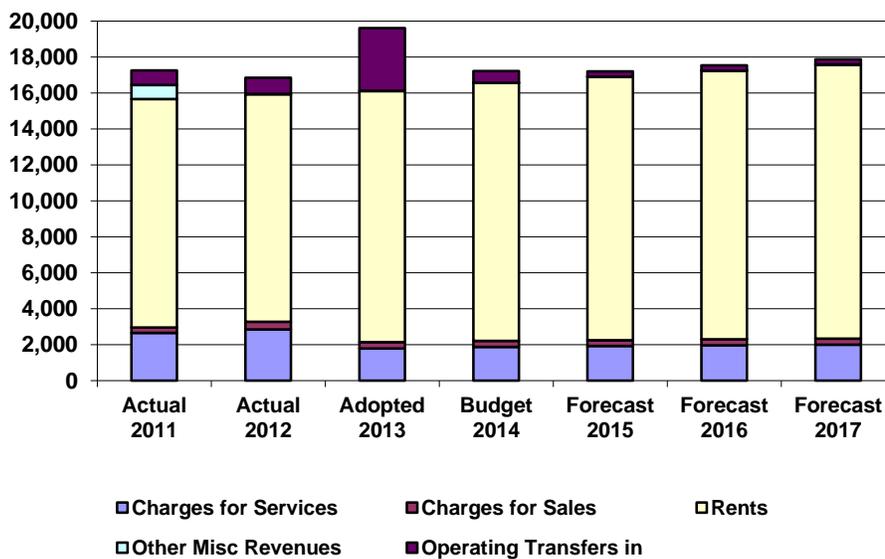
The Property Services Fund is an internal service fund responsible for the operations and maintenance for the majority of the City-owned buildings including police precincts, fire stations, public works buildings, parking structures and specialty facilities. At this time, the fund does not provide any services to the Convention Center, City Hall, or the Minneapolis Park and Recreation Board facilities. The fund is also responsible for the Radio Shop which maintains the City’s emergency communications network and accounts for the coordination and management of special property projects. In 2004, the Property Services division assumed the responsibility for space and asset management and security management. In 2007, the division began providing energy management services for City properties.

In April 2011, the Property Services Fund was transitioned from the Public Works department to the Finance department within the City Coordinator. The activities in this fund remain an internal service fund and report to the Chief Financial Officer.

Historical Financial Performance

This fund collects revenue from the City departments that use its goods and services (building space, operational maintenance, security, space and asset management, energy management, janitorial and radio services). The proposed building and 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.

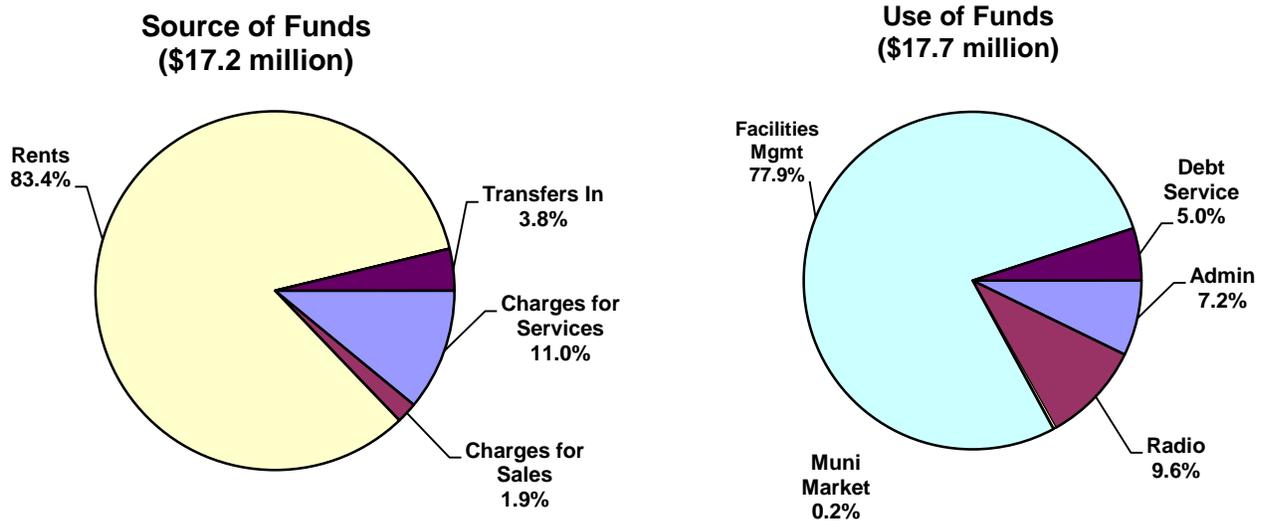
Property Services Revenues
(in thousands of dollars)



2014 Budget

Revenues

The 2014 revenue budget for this fund is \$17.2 million, or a decrease of 13.6% from projected 2013 revenue of \$19.9 million. The decrease in revenue is primarily related to a decrease in non-operating revenue due to a reduction in the transfer from the general fund from \$3.5 million in 2013 to \$0.6 million in 2014.



Expense

The 2014 expense budget is \$17.7 million, an increase of 4.2% from projected 2013 expense of \$17.0 million. The increase in expense is primarily related to expected increases in costs for Facilities Management and planning services. There are additional funds requested for 2.5 additional full-time positions. Also included in this fund's expense budget is \$4.5 million of pass-through cost for services provided by the Municipal Building Commission for maintaining the City's space in City Hall.

Transfers

The 2014 expense budget does not include any transfers to other City funds. The final transfer for debt service related to the Minneapolis Employees Retirement Fund (MERF) unfunded pension liability occurred in 2012 and totaled \$598,000. This payment retired the bonds related to this debt service, resulting in substantial savings to the City. The cash balance in the Property Disposition Fund, which is included in the Property Services Fund, provided payment for this debt. The Property Disposition fund will be reimbursed for this payment through revenue generated by increasing the rents for City buildings as determined by the rent cost allocation model for years 2013 through 2015.

The fund received a transfer of \$3.5 million in 2013 from the general fund which included \$3.2 million for the general fund's portion of the debt service related to the 800MHz emergency communications project for years 2013 through 2018. The 2014 transfer of \$301,206 is intended to cover the cost of City Hall rent that Property Services pays for space it occupies in City Hall. An additional transfer of \$345,000 will cover security enhancement projects as part of the CARs budget process.

Debt Service

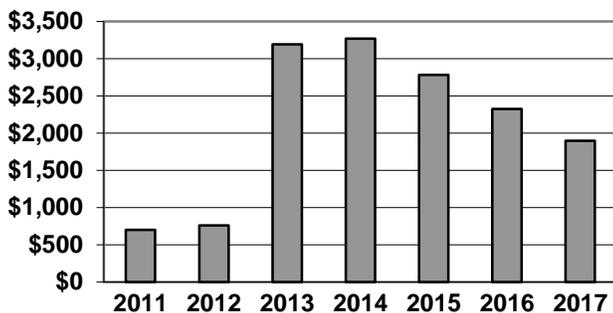
The Radio Shop, a division of Property Services, has management responsibility for the \$14.0 million 800 MHz radio system. The Property Services Fund recognizes the fixed asset, along with the debt related to this project. The Radio Shop is funding a portion of the City's public safety initiative through a contribution of \$350,000 a year. As noted above, the general fund transfer for debt service in 2013 covered the years 2014 through 2018 and there will be no further transfers for debt service. Total debt service for 2014 is \$886,350.

Net Assets and Cash Balance

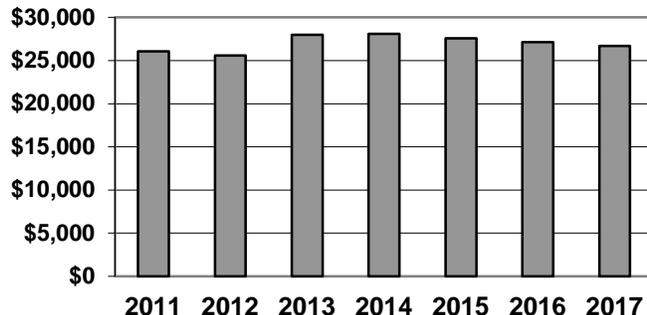
The Property Services Fund has a positive net asset balance of \$25.6 million at year-end 2012, a decrease of \$(491,000) from the 2011 ending balance of \$26.1 million. The fund does not recover the cost of depreciation of the buildings or equipment included as assets of the fund. Because this cost is not recovered, the fund balance will continue to decline even though the fund recovers its operating costs through a rent cost allocation model. The fund is also experiencing a decline in net assets due to the loss of income resulting from vacant space in the downtown campus City buildings. Beginning in 2014, unutilized space will be allocated to the General Fund. The financial policy for the net assets for the Property Services Fund determines that the net assets should not fall below two times the annual depreciation amount. The depreciation for Property Services in 2012 is \$1.1 million. The 2012 net asset balance of \$25.6 million is \$23.4 million greater than the benchmark amount.

The 2012 year-end cash balance was \$762,000, an increase of \$63,000 from the 2011 year-end balance of \$699,000. The Property Services Fund cash balance includes operating cash and the cash balance in the Property Disposition, a fund that receives proceeds from the sale of City property. The cash balance in the Property Disposition Fund at year end 2012 was \$1.4 million, leaving a deficit balance of \$(0.6 million) in operating cash. Financial reserve policies for the internal service funds determine that the cash reserve for the Property Services fund should not be less than 15% of the operating budget, or \$1.9 million for 2012.

Total Cash Balance
(in thousands of dollars)



Net Assets
(in thousands of dollars)



City of Minneapolis
2014 Budget
Financial Plan (in thousand of dollars)
Property Services Fund - 06200

	2011 Actual	2012 Actual	2013 Budget	2013 Projected	2014 Budget	% Chg From 2013 Projected	2015 Forecast	2016 Forecast	2017 Forecast
Source of Funds:									
Charges for Services	2,657	2,857	1,785	2,236	1,889	-15.5%	1,926	1,965	2,004
Charges for Sales	298	427	360	450	324	-28.0%	330	337	344
Rents	12,700	12,637	13,966	13,750	14,351	4.4%	14,638	14,931	15,229
Other Misc Revenues	781	23	3	4	3	-25.0%	3	3	3
Transfers In	821	894	3,493	3,493	646	-81.5%	300	300	300
Total	17,257	16,838	19,607	19,933	17,213	-13.6%	17,198	17,536	17,881
Use of Funds:									
Property Services Administration	1,538	1,286	1,386	1,310	1,276	-2.6%	1,301	1,327	1,353
Radio Equipment	1,459	1,631	1,766	1,730	1,697	-1.9%	1,731	1,766	1,801
Municipal Market	26	33	41	40	41	1.5%	41	42	44
Facilities Management	12,988	12,570	13,109	13,010	13,768	5.8%	14,043	14,324	14,611
Debt Service	880	864	873	873	886	1.5%	918	894	869
Transfers Out	421	598	-	-	-		-	-	-
Total	17,312	16,982	17,175	16,963	17,668	4.2%	18,035	18,353	18,677
Change in Net Position	71	(491)	2,432	2,970	(455)		(837)	(817)	(796)
Net Position	26,062	25,571	28,003	28,541	28,086		27,249	26,432	25,635
Total Cash Balance	699	762	3,194	3,732	3,276		2,440	1,623	826
Operating Cash balance¹	(699)	(618)	1,814	2,351	1,896		1,059	242	(554)
Target Cash Reserve²	1,426	1,920	1,818	1,818	1,904		1,954	2,006	2,059
Variance Operating Cash to Target Cash Reserve	(2,125)	(2,538)	(4)	533	(8)		(895)	(1,764)	(2,613)

¹ Total cash balance is the sum of cash recorded to the Property Disposition fund and to the Property Services fund. Operating cash is the cash balance generated from Property Service fund operations and recorded in the Property Services fund.

² The target cash reserve is in accordance with the financial reserve policy for internal service funds. The cash reserve for the Property Services Fund should be equal to 15% of the operating budget at a minimum. For years 2010 and 2011, the target cash is a phase-in amount.

Note: The 2014-2016 forecasts for source and use of funds are calculated using a factor of 2.0% to capture increases in revenues and expense.

**City of Minneapolis
2014 Budget
Financial Plan**

Self-Insurance Fund

Background

The Self-Insurance Fund records tort liability settlements, workers' compensation claims, severance payments to employees who meet eligibility requirements and the related administrative costs of these and other services. An activity-based cost allocation model assigns charges to City departments to cover these expenses.

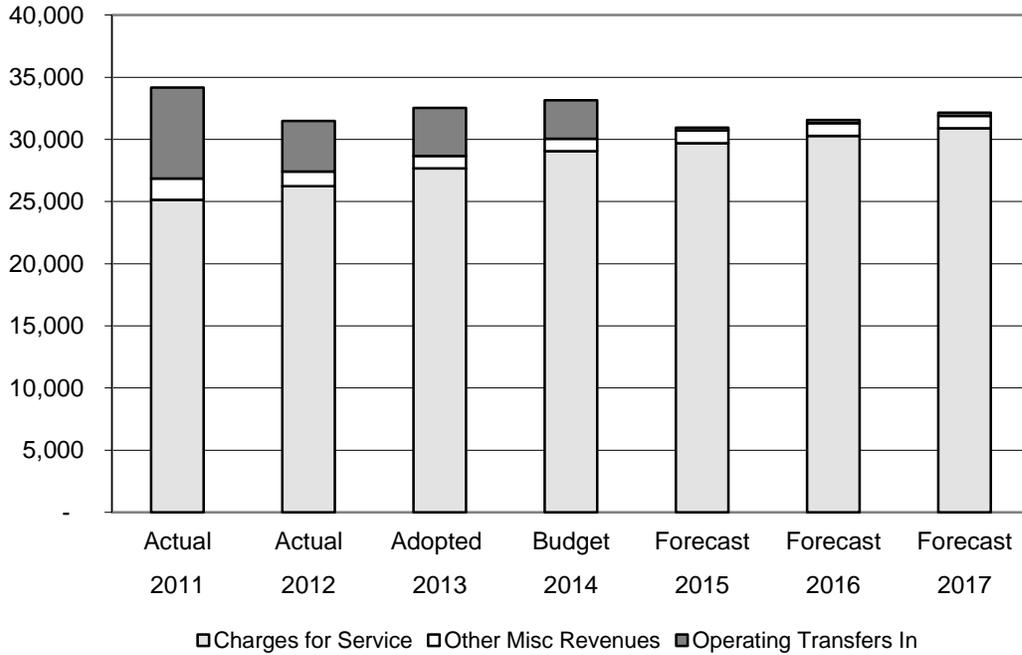
Historical Financial Performance

The net position of the Self-Insurance Fund reached a positive balance of \$1.7 million at year-end 2012, improving \$45.0 million from the 2002 ending balance of a negative \$43.3 million. The fund has historically recorded a negative position primarily because of the required accounting recognition of liability for unpaid claims. The 2012 unpaid claims liability was \$53.0 million representing an increase of \$2.9 million from the 2011 liability of \$50.1 million. An actuarial study completed for year-end 2012 calculated the increase to the unpaid claims liability based on historical paid claims, incurred loss, and estimated reserves for claims unpaid.

In 2003, the City Council adopted a financial plan for the Self-Insurance Fund to increase net position and attain a positive cash balance by year-end 2006. The financial plan was updated in 2008 and adopted by the City Council. The fund continues to perform above the financial plan cash projections and ended 2012 with a cash balance of \$56.6 million, an increase of \$8.0 million from the 2011 ending balance of \$48.6 million. Financial policies related to the internal service funds determine that a reserve cash balance for the Self Insurance Fund should be maintained equal to the unpaid claims liability amount plus 10% of the annual department operating budgets. The target reserve cash balance for 2012 is \$54.0 million which equals the unpaid claims liability at year-end of \$53.0 million plus 10%, or \$1.0 million, of the total 2012 operating department budgets. The ending 2012 cash balance is \$2.5 million greater than the amount determined by the financial policy.

For 2007, a cost allocation model was implemented to recover costs associated with all programs in the fund. The cost allocation model assigns charges to City departments based on a minimum of 5-year claims history for workers compensation and liability. The model was put in place to raise departmental awareness of Self-Insurance costs and increase their ability to control the cost of premiums in the future through loss prevention programs.

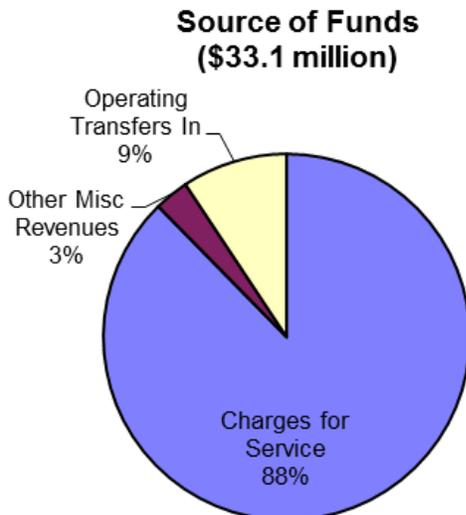
Self-Insurance Revenues (in thousands of dollars)



2014 Budget

Revenues

Revenue recorded in this fund primarily consists of funds received from City departments through a cost allocation model for litigation, risk management, and employee benefit services. In addition, the fund collects revenue to provide for payment of liability settlements and for workers compensation costs.



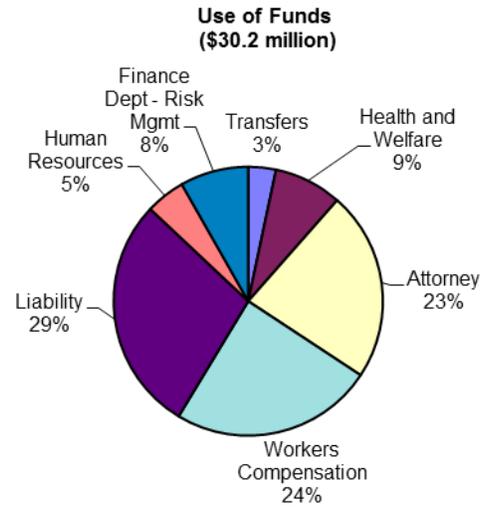
The 2014 budgeted revenue for the Self Insurance Fund is \$33.1 million, an increase of 2.3% from the 2013 projected revenue of \$32.4 million. The transfer in from the general fund is \$3.1 million, a 20.5% decrease from the \$3.9 million transfer in 2013.

Expense

The expense budget for 2014 is \$30.2 million, a decrease of 4.4% from the projected 2013 expenses of \$31.6 million. The 2013 projected expense budget reflects a 10.7% increase over the 2013 adopted budget due to an increase in tort settlement and worker compensation payments paid in 2013.

The Unused Sick Leave program provides a payout of unused sick leave to qualified employees upon separation from the City. Payments are funded by 0.7% gross salary contributions from the City and Park Board into a severance pool. The rate for City police officers and firefighters is 1.1% of gross pay.

The worker's compensation payments are estimated at \$7.4 million for 2014. This is a 25.6% decrease from the 2013 projected amount of \$9.9 million. The 2013 projected payments, based on actual payments processed through June, are significantly greater than the original 2013 actuarial prediction. The actuarial study predicted an increase in liability payments of 5.2% from 2013 to 2014. Actual liability payments for 2013 are projected to be greater than the amount predicted in the 2013 actuarial study resulting in a decrease in the 2014 amount budgeted when compared to the 2013 projection.



Transfers

The 2014 revenue budget includes a \$2.8 million transfer from the general fund per the fund's long-term financial plan and a transfer of \$0.2 million as an appropriation for the cost of City Hall rent. The expense budget includes a \$1.0 million transfer to the Intergovernmental Services Fund to assist with payment of debt service as determined by the long-term financial plan. This transfer will not occur after 2016.

Debt Service

This fund does not have long-term debt.

Net Position

The net position at year end 2012 is \$1.7 million representing an increase of \$6.0 million from the deficit balance of \$4.3 million at year end 2011. The net position has increased from the 2002 deficit of \$43.3 million since the implementation of the long term financial plan. 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 fund experienced an increase in cash of \$8.0 million in 2012, bringing the cash balance to \$56.6 million. The primary reason for the increase in cash balance was a decrease in the amount paid for tort settlements when compared to the cost allocated to departments in the 2012 cost allocation model. The financial reserve policy relating to the internal service funds states that the Self Insurance Fund should maintain a cash balance equal to the unpaid claims liability plus 10% of the annual operating budgets within the fund. For year ending 2012 the reserve cash balance is \$54.0 million.

Mayor's Recommended Budget

The Mayor does not recommend any changes to the 2014 base budget.

Council Adopted Budget

The Council Adopted Budget reflects a reduction in the transfer in from the general fund of \$625,000 to reflect a reallocation of general fund resources to fund body cameras in the Minneapolis Police Department for \$400,000 and the remaining \$225,000 for street cameras.

City of Minneapolis
2014 Budget
Financial Plan (in thousands of dollars)

Self Insurance Fund - 6900

	2011 Actual	2012 Actual	2013 Budget	2013 Projected	2014 Budget	% Chg From 2013 Projected	2015 Forecast	2016 Forecast	2017 Forecast
Source of Funds:									
Charges for Service	25,149	26,229	27,670	27,921	29,045	4.0%	29,695	30,289	30,894
Other Misc Revenues	1,703	1,178	1,010	610	1,010	65.6%	1,010	1,010	1,010
Operating Transfers In	7,330	4,071	3,855	3,855	3,086	-20.0%	250	250	250
Total	34,182	31,478	32,535	32,386	33,141	2.3%	30,955	31,549	32,154
Use of Funds:									
Transfers	1,217	1,485	1,000	1,000	1,000		1,000	1,000	-
Health and Welfare	794	784	2,420	1,300	2,468	89.8%	2,517	2,568	2,619
Attorney	6,580	6,042	6,263	6,200	6,889	11.1%	7,027	7,167	7,311
Workers Compensation Liability	8,489	9,528	6,876	9,900	7,364	-25.6%	7,699	7,853	8,010
	10,770	3,908	8,031	9,000	8,574	-4.7%	8,791	8,967	9,146
Human Resources	1,598	1,421	1,406	1,700	1,435	-15.6%	1,464	1,493	1,523
Finance Dept - Risk Mgmt	2,244	2,328	2,535	2,500	2,485	-0.6%	2,535	2,585	2,637
Total	31,692	25,496	28,532	31,600	30,215	-4.4%	31,033	31,634	31,246
Change in Net Position	2,489	5,982	4,003	786	2,926		(78)	(85)	908
Net Position	(4,281)	1,701	5,704	2,487	5,413		5,335	5,250	6,158
Cash Balance	48,571	56,564	60,567	57,350	60,276		60,198	60,113	61,021
Target Cash Reserve	51,040	54,019	55,688	55,688	57,938		59,665	61,444	63,276
Variance Cash to Target Reserve	(2,469)	2,545	4,879	1,662	2,338		532	(1,331)	(2,255)

The 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% of the annual operating budgets within the fund.

**City of Minneapolis
2014 Council Adopted Budget**

Capital Section Table of Contents

➤ Capital Budget Narrative Overview	G2
➤ Five-Year Capital Investment Allocation	G14
➤ Five-Year Capital Funding Summary	G15
➤ Five-Year Capital Funding Summary (Public Works).....	G16
➤ 2014 - 2018 Council Adopted Capital Resources	G17
➤ 2014 Bond Redemption Levy for Capital Program.....	G17
➤ Net Debt Bond Allocation.....	G18
➤ Capital Budget Summary	G19
➤ Capital Budget Detail for Funded Projects:	
Municipal Building Commission	G22
Park Board.....	G22
Public Works Department	
Street Paving	G22
Sidewalks.....	G25
Bridges	G25
Traffic Control & Street Lighting.....	G26
Bike Trails.....	G27
Sanitary Sewers.....	G27
Storm Sewers	G27
Water Infrastructure	G28
Parking Ramps	G28
Information Technology	G28
Public Grounds & Facilities.....	G28
Miscellaneous Projects	G29
➤ Council Adopted Utility Rates	G30
➤ 2014 – 2018 Capital Program Descriptions	G31
➤ Operating Cost Implications for Approved 2014 Projects.....	G40
➤ Capital Budget Decision Summary	G52

City of Minneapolis
2014 – 2018 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.

For this five-year plan covering years 2014 - 2018, there were 99 CBRs reviewed and rated. The total requested capital budget for the five years was \$611.29 million.

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.

HIGHLIGHTS OF THE 2014-2018 CAPITAL IMPROVEMENT PROGRAM

Five-Year Capital Program Totals: For 2014 – 2018, the five-year capital program for City departments, independent boards and commissions totals \$592.72 million including all funding sources. The 2014 portion of this program is \$120.48 million. This budget continues to fund accelerated improvements to the City’s infrastructure by increasing the net debt bond program by \$16.35 million over the five-year plan from \$137.75 million to \$154.10 million.

The table below provides a high level summary of the recommended five-year capital program including all funding sources:

Submitting Agency Infrastructure Category		2014	2015	2016	2017	2018	Total	Percent of Total
Budget in Thousands								
PARK BOARD	NEIGHBORHOOD PARKS	6,011	5,650	5,650	5,350	4,150	26,811	4.52%
PUBLIC WORKS	TRANSPORTATION INFRASTRUCTURE	57,923	65,270	44,210	36,410	38,545	242,358	40.89%
	UTILITY FEE BASED ENTERPRISES	47,750	59,893	55,480	49,700	58,500	271,323	45.78%
	Public Works Department Totals	105,673	125,163	99,690	86,110	97,045	513,681	86.67%
OTHER AGENCIES	CITY HALL, PUBLIC BLDGS, IT, MISC.	8,795	12,105	9,380	12,335	9,610	52,225	8.81%
COUNCIL ADOPTED FIVE-YEAR CAPITAL PROGRAM		120,479	142,918	114,720	103,795	110,805	592,717	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 by \$16.35 million over the previously adopted plan, the bond redemption levy was increased by \$1.45 million in 2014 and will be increased for 2015 through 2020 to support the additional debt service costs. These increases are possible due to fewer tax resources required for internal service fund subsidies and lower overall debt service due to prepayments of debt, most notably the retirement of all pension bonds in 2012. Decisions and actions taken over the past several years have provided financial capacity to continue the expanded net debt bond program. 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.

Expanded NDB Resources for Capital Improvements: The base NDB funding levels were increased in the 2012 – 2016 capital program by \$56.57 million from \$93.43 million to \$150.00 million. For 2014 – 2018, the NDB program is again increased by \$16.35 million to a new five-year total of \$154.10 million. The intent is to maintain a higher level of NDB funding to continue the Infrastructure Acceleration Program which concluded in 2013. This capital infusion will improve all classes of City infrastructure with a greater emphasis on paving projects, pedestrian and bikeway connections, safety and lighting improvements, traffic safety and signage improvements, a new bridge ramp into downtown off I-94 and economic development projects that enhance the property tax base. 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	2014	2015	2016	2017	2018	TOTAL
NDB funding totals	\$31.72	\$36.57	\$26.90	\$28.10	\$30.81	\$154.10

Public Works – NDB funding: The 2014 capital budget includes \$20.62 million in NDB funding for Public Works projects. The five-year plan includes \$5.2 million for infrastructure related to economic development to enhance the property tax base. These economic development projects will be managed by the Community Planning and Economic Development Department in cooperation with Public Works as part of the Street Paving section of the capital program. Below is a summary of the 2014 - 2018 NDB allocation for Public Works infrastructure programs.

\$ millions	2014	2015	2016	2017	2018	TOTAL
NDB – Public Works	\$20.62	\$21.97	\$15.02	\$13.27	\$19.70	\$90.58

Neighborhood Parks NDB and other funding sources: The 2014 capital budget includes \$5.71 million for Park improvements including \$2.5 million of net debt bonds, and \$3.21 million of Park capital levy. Below is a summary of the total 2014 – 2018 funding for neighborhood parks capital improvements, excluding the Diseased Tree Program.

\$ millions	2014	2015	2016	2017	2018	TOTAL
NDB – Park Board	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 1.50	\$11.50
Park Capital Levy	\$ 3.21	\$ 2.85	\$ 2.85	\$ 2.55	\$ 2.35	\$13.81
Total Neighborhood Parks	\$ 5.71	\$ 5.35	\$ 5.35	\$ 5.05	\$ 3.85	\$25.31

In addition to the neighborhood parks funding mentioned above, the Park Board also allocated additional Park Capital Levy funding for parkway paving and parkway street lighting of \$3.42 million and \$4.86 million, respectively, in this five-year capital plan. These projects will be managed by the Public Works Department and will also utilize additional funding sources including net debt bonds, special assessments and other local government funding.

NDB funding for Municipal Building Commission (MBC), Information Technology, Public Grounds & Facilities, and Miscellaneous Projects: The 2014 capital budget includes \$8.59 million in NDB funding for these categories. Projects include public art, technology related improvements and physical building, office space and security improvements for Police, Fire and other City buildings, including City Hall. These categories comprise 33.8% of the available NDB resources in the five-year plan. Below is a summary of the 2014 - 2018 NDB funding for MBC, Information Technology, Public Grounds & Facilities, and Miscellaneous projects.

\$ millions	2014	2015	2016	2017	2018	TOTAL
NDB - Other	\$ 8.59	\$ 12.11	\$ 9.38	\$ 12.33	\$ 9.61	\$52.02

Utility Fee/Rate Supported Capital: The 2014 - 2018 capital budget includes funding for sanitary and storm sewers, water and parking related infrastructure improvements which are supported by utility rates and parking fees. Long-term financial plans are used to determine utility fees and parking rates required to support operations and infrastructure costs. The table below does not include utility fund contributions of \$5.3 million over the five-year period for utility work performed as part of certain paving projects. Individual project funding details can be found in the “Capital Budget Detail for Funded Projects” report and proposed utility rates can be found in the “Council Adopted Utility Rates” sheet in this Capital Program section. Below is a summary of the capital program amounts for these enterprises:

Submitting Agency Infrastructure Category	2014	2015	2016	2017	2018	Total	Percent of Total
Budget in Thousands							
PUBLIC WORKS Utility Fee/Rate Based Enterprises							
SANITARY SEWERS	8,000	8,000	7,250	7,250	7,250	37,750	13.91%
STORM SEWERS	15,950	26,993	22,730	16,850	16,150	98,673	36.37%
WATER INFRASTRUCTURE	22,100	23,200	23,800	23,900	33,400	126,400	46.59%
PARKING RAMPS	1,700	1,700	1,700	1,700	1,700	8,500	3.13%
Public Works Utility Fee Based Totals	47,750	59,893	55,480	49,700	58,500	271,323	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 decreased from \$768 million at 12/31/2012 to \$732 million at 12/31/2013.

2013 Bond Sales and Refunding Transactions

In 2013, the City of Minneapolis issued bonds & notes totaling \$76.905 million. Of this amount, \$18.430 million was issued to refund existing debt. Below are details of the 2013 debt issuances.

In November 2013, the City issued \$37.68 million of General Obligation Various Purpose Bonds, Series 2013. The bonds were issued to fund a variety of capital infrastructure improvements for the public works department, parks system, municipal building commission and technology department. The bonds were issued in fixed rate mode and had interest rates ranging from .50% to 2.00% and a final maturity date of December 1, 2020.

In November 2013, the City also issued \$17.93 million of General Obligation Library Referendum Refunding Bonds, Series 2013. The City received net proceeds of \$18.583 million including a net premium of \$.653 million. These proceeds were used on December 20, 2013 along with \$2.225 million of funds on hand to redeem \$20.725 million of General Obligation Library Referendum Bonds, Series 2005. The net premium allowed the City to reduce the size of the refunding bond issue by \$.57 million. The refunding bonds were issued in fixed rate mode and had interest rates ranging from 1.00% to 2.00% and a final maturity date of December 1, 2018. This refunding resulted in aggregate debt service savings of \$5.833 million and an economic gain of \$4.837 million or 18.83% net present value savings on the refunded bonds debt service.

In November 2013, the City also issued \$13.035 million of General Obligation Improvement Bonds, Series 2013. These bonds were issued for a variety of special assessment projects related to street reconstruction and resurfacing, street lighting, sanitary sewer and areaway removal projects. The bonds were issued in fixed rate mode and had interest rates ranging from 2.00% to 3.75% and a final maturity date of December 1, 2033. This bond series included \$.50 million of refunding bonds. The refunding bond proceeds were used in conjunction with \$1.50 million of cash on hand to redeem the remaining \$2.00 million of General Obligation Improvement Bonds, Series 2005 on December 20, 2013. This refunding resulted in aggregate debt service savings of \$.510 million and an economic gain of \$.226 million or 10.17% net present value savings on the refunded bonds debt service.

In November 2013, the City also issued \$7.00 million of Taxable General Obligation Various Purpose Park Bonds, Series 2013. The bonds were issued to finance the rehabilitation of the Parade Ice Garden and energy upgrades at various facilities with the Minneapolis Park System. The bonds were issued in fixed rate mode and had interest rates ranging from 2.00% to 3.80% and a final maturity date of December 1, 2026.

In November 2013, the City also issued \$1.26 million of Taxable General Obligation Housing Improvement Area Bonds, Series 2013. The bonds were issued to finance repairs and improvements to housing units in the Calhoun Place Housing Improvement Area. Debt service for the bonds will be paid for by homeowner improvement area fees assessed against the individual units in the condominium complex. The bonds were issued in fixed rate mode and had interest rates ranging from 3.00% to 4.30% and a final maturity date of December 1, 2032.

2013 Notes Issued

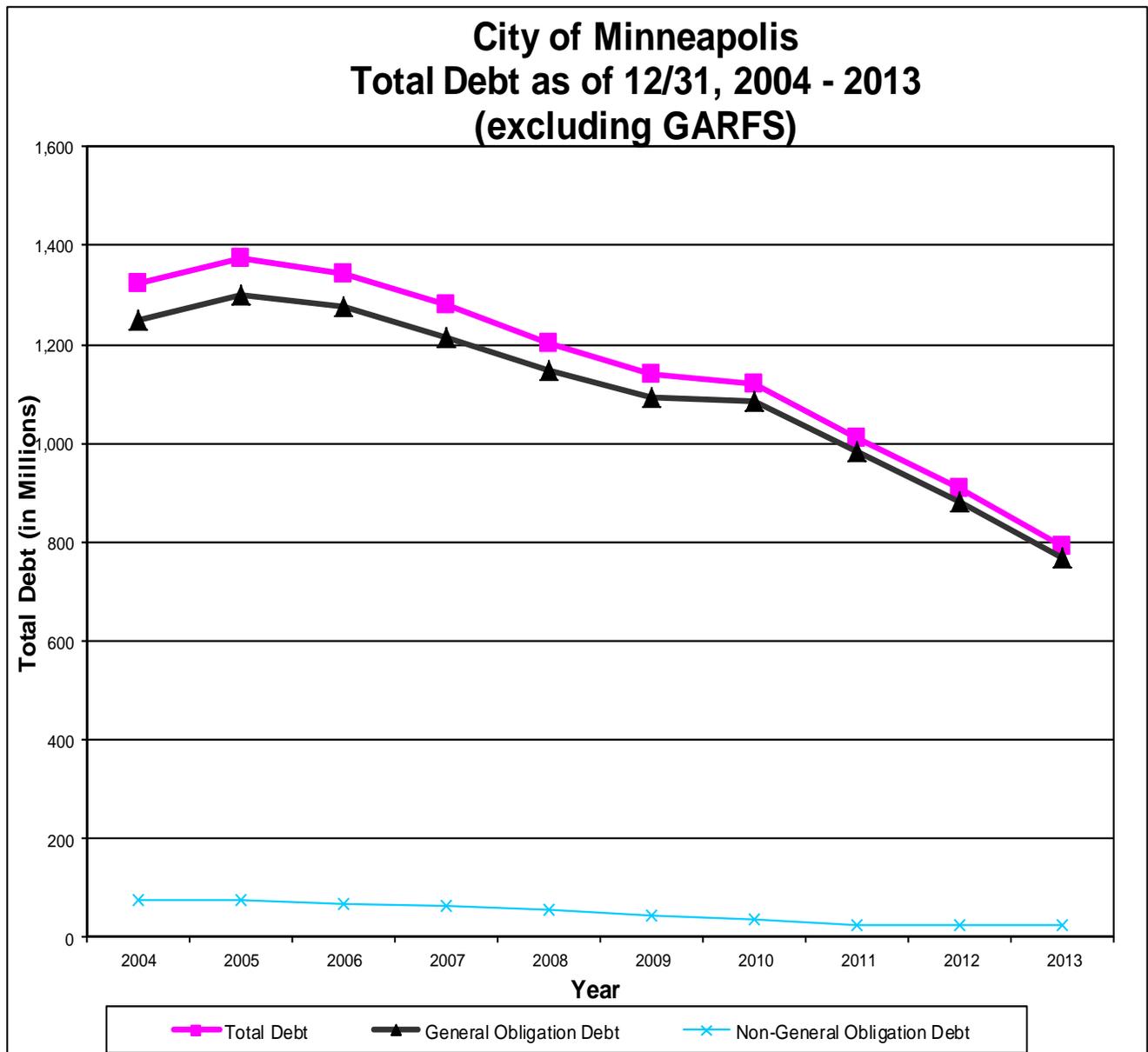
The City entered into six general obligation notes with the Minnesota Public Facilities Authority (PFA) to finance the City's drinking water ultra-filtration projects and new filter presses project. The notes are part of a federally sponsored below market financing program related to the Safe Drinking Water Act and the City saves 1.5% on interest costs by participating in the program. The City received proceeds totaling \$104.19 million over the years and at December 31, 2013, the outstanding debt balance of the six notes in this program is \$84.075 million.

In July 2012, the City entered into a general obligation note with the PFA for \$.59 million to finance a portion of the 37th Ave N Storm Sewer project. This note is part of the Clean Water Revolving Fund and has provisions similar to the Water notes mentioned above. The City received \$.553 million of note proceeds by the end of 2013. The interest rate on this note is at 1.0% with a final maturity date of August 20, 2013. During 2013, the City received additional proceeds of \$.101 million and paid off the balance of .263 million on August 20, 2013.

DEBT TRENDS

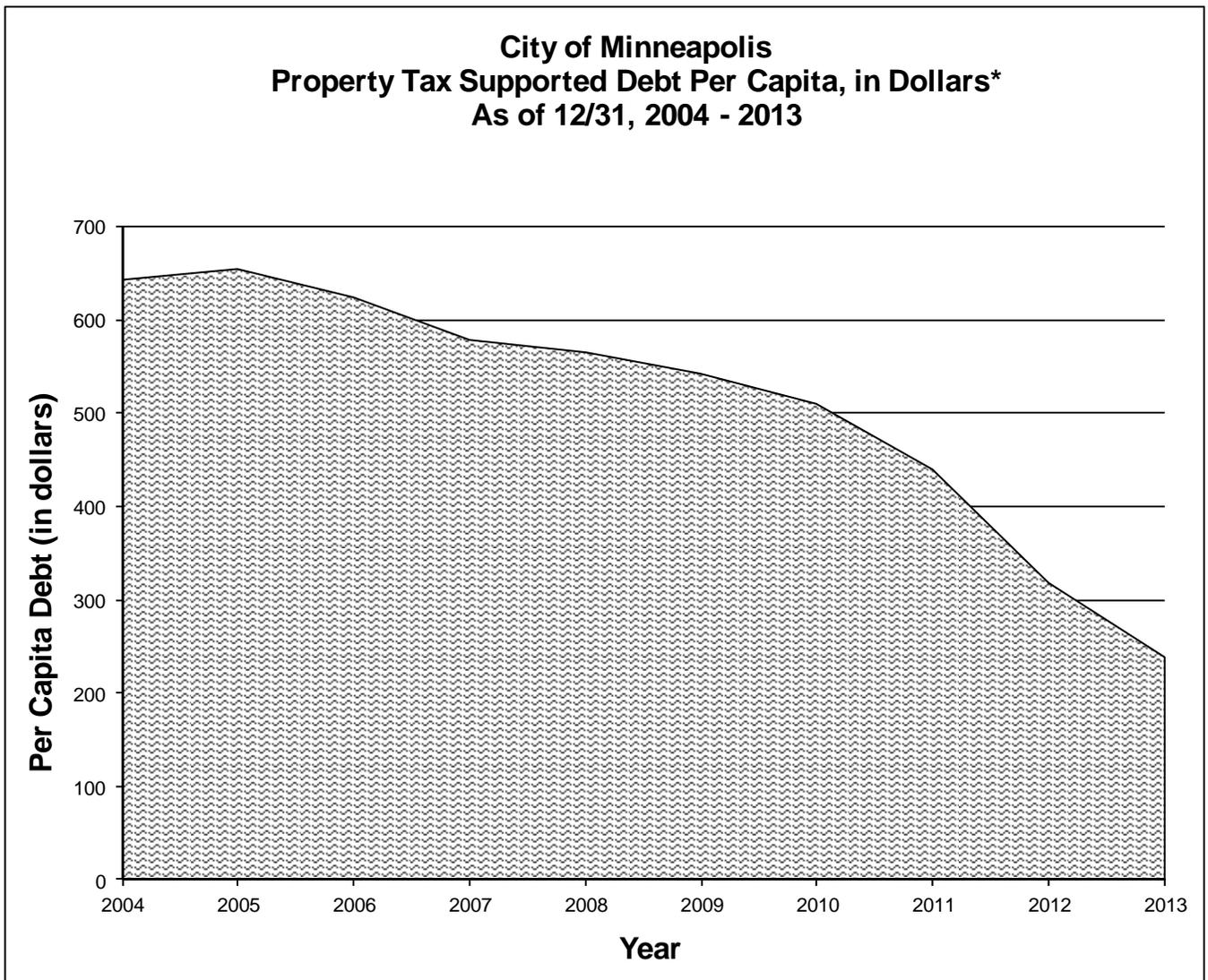
Management of the City's debt involves consideration not only of the absolute amount of debt, but also attention to yearly trends in the relationship of the debt to other financial measures. For purposes of the charts below, \$94.1 million of General Agency Reserve Fund System (GARFS or common bond fund) bonds are not included as City Debt.

The accompanying chart shows a ten-year history of the total City debt level for years 2004 – 2013. 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 2004 - 2005, 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 2006 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.

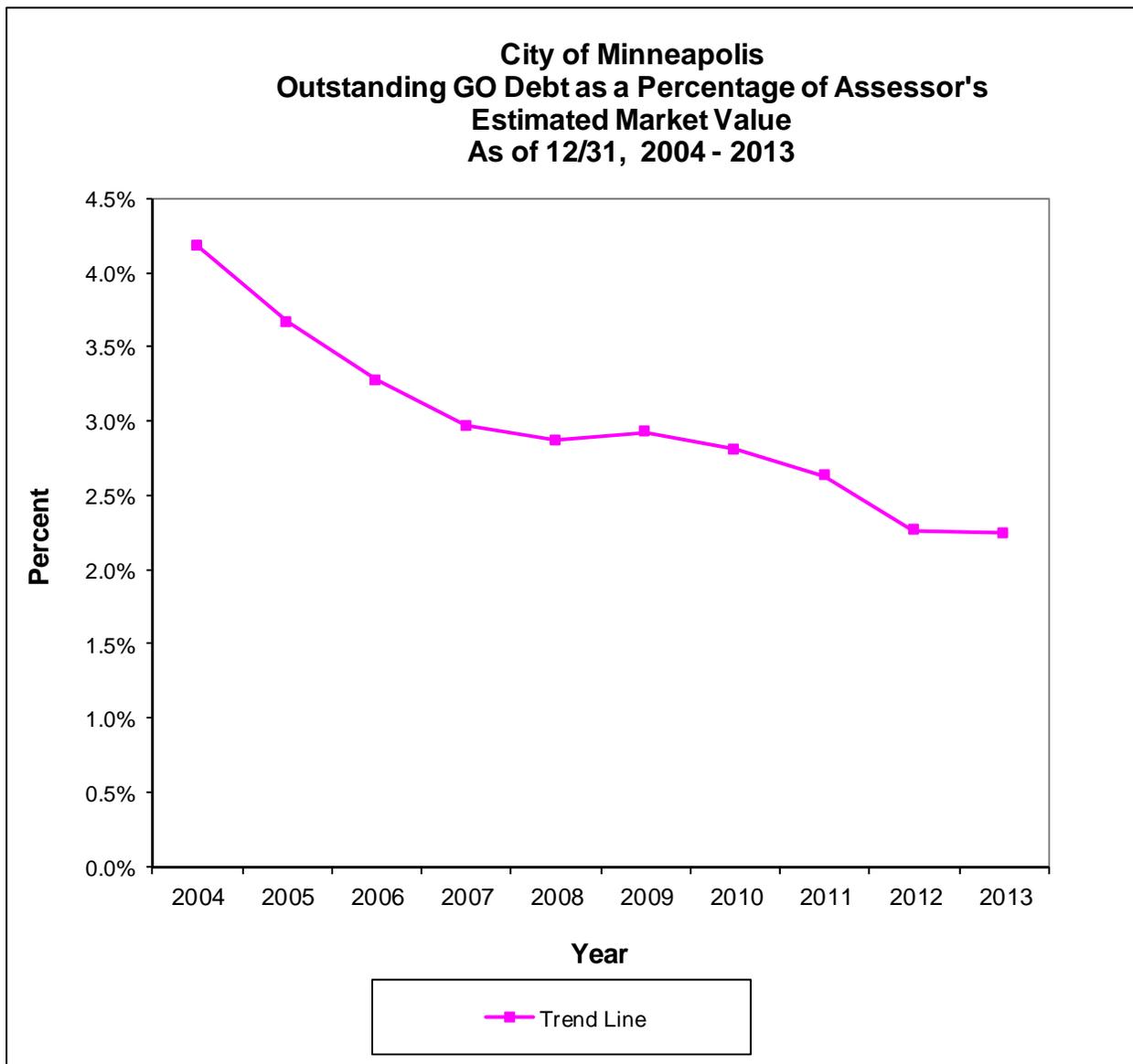


* Figures shown are adjusted indebtedness, which represents the total general obligation indebtedness of the City less that indebtedness supported by revenues other than general property taxes. Funding from self-supporting enterprises of the City offset a portion of the property tax supported pension 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 other 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 the taxable market value equaled less than three percent from 2007 through 2013. While property values experienced a decline of over \$6 billion during this timeframe, the trend line benefitted by a reduction of \$414 million in Total Debt applicable to the calculation.



COMPUTATION OF THE CITY'S LEGAL DEBT MARGIN

The following is the computation of the estimated legal debt margin as of December 31, 2013. This calculation determines the maximum statutory limit of general obligation debt that can be issued by the City and be funded by property taxes.

Real Property (2013 Market Value)	\$	32,161,776
Personal Property (2013 Market Value)		407,338
Adjustment for Exempt Personal Property (1966 Market Value)		298,030
Adjustment for Net Fiscal Disparities (Contribution)/Distribution		202,736
Total Assessed Value		33,069,880
Debt Limit (3-1/3% of Market Value Applicable to Debt Limit)	\$	1,102,329
General Obligation Bonds Subject to Debt Limit:		
Supported by Property Tax Levy		111,878
Supported by Special Assessments:		
Park Diseased Trees		420
Self-Supporting (Supported by Internal User Charges):		
Park Board - Land for athletic fields & energy efficiency		14,120
Public Works Fleet and Equipment		17,635
Property Fund		4,045
Total General Obligation Bonds Subject to Debt Limit		148,098
Less: Estimated Assets in Debt Service Fund at 12/31/13		(19,187)
Total Debt Applicable to Debt Limit		128,911
Legal Margin for New Bonds Subject to Debt Limit	\$	973,418

SUMMARY OF OUTSTANDING CITY DEBT

Long-term liabilities (in thousands) at December 31, 2013 are detailed below.

	Balance 1/1/2013	Additions	Retirements	Balance 12/31/2013	Amounts Due Within One Year
Governmental activities:					
<u>Bonds and Notes</u>					
Property Tax Supported GO Bonds*	\$ 137,475	\$ 42,140	\$ 43,085	\$ 136,530	\$ 37,075
Self-Supporting GO Bonds	167,830	9,800	13,010	164,620	14,755
GO Improvement Bonds	49,140	14,295	9,661	53,774	8,701
Tax Increment GO Bonds	107,100	-	9,555	97,545	5,955
Tax Increment GO Notes	4,820	-	370	4,450	390
Revenue Bonds	25,210	-	825	24,385	885
Revenue Notes	14,695	-	310	14,385	330
Internal Service Fund Related GO Bonds	29,180	965	6,340	23,805	4,400
Total Governmental Bonds and Notes	535,450	67,200	83,156	519,494	72,491
Business-type activities:					
<u>Bonds and Notes</u>					
Stormwater Fund GO Bonds	14,621	-	6,650	7,971	3,235
Stormwater Fund GO Note	162	101	263	0	-
Sanitary Sewer Fund GO Bonds	11,550	7,050	4,150	14,450	5,150
Water Fund GO Bonds	24,271	-	2,201	22,070	2,301
Water Fund GO Note	87,856	-	3,781	84,075	3,845
Municipal Parking Fund GO Bonds	95,680	2,655	14,629	83,706	10,884
Municipal Parking Fund GO Notes	38,650	-	-	38,650	-
CPED Related Non GO Fund					
General Agency Reserve Fund System	85,255	12,595	3,750	94,100	3,805
Revenue Notes	157	-	117	40	40
Total Bonds and Notes	358,202	22,401	35,541	345,062	29,260
Grand Total Bonds & Notes	\$ 893,652	\$ 89,601	\$ 118,697	\$ 864,556	\$ 101,751

* This category includes debt issued for the City's general infrastructure capital program and library referendum improvements. A portion of the library bonds will be paid for with State of Minnesota funds beginning in 2017.

AMORTIZATION OF OUTSTANDING GOVERNMENTAL CITY DEBT

As of December 31, 2013, annual debt service requirements for Governmental activities* (in thousands) to maturity follows:

Governmental Activities				
Year Ending	Bonds		Notes	
	Principal	Interest	Principal	Interest
Dec 31:				
2014	\$ 67,371	\$ 14,712	\$ 720	\$ 483
2015	58,836	13,161	770	444
2016	44,556	11,340	820	407
2017	49,581	10,206	870	365
2018	56,326	8,840	925	321
2019 – 2023	148,595	22,715	4,900	837
2024 – 2028	44,854	5,244	630	24
2029 – 2033	6,735	503	9,200	-
	<u>\$ 476,854</u>	<u>\$ 86,721</u>	<u>\$ 18,835</u>	<u>\$ 2,881</u>

Year Ending	Internal Service Fund Bonds		Total Governmental Activity Bonds & Notes	
	Principal	Interest	Principal	Interest
Dec 31:				
2014	4,400	699	72,491	15,894
2015	3,400	583	63,006	14,188
2016	3,035	474	48,411	12,221
2017	3,160	386	53,611	10,957
2018	9,810	294	67,061	9,455
2019 – 2023	-	-	153,495	23,552
2024 – 2028	-	-	45,484	5,268
2029 – 2033	-	-	15,935	503
	<u>\$ 23,805</u>	<u>\$ 2,436</u>	<u>\$ 519,494</u>	<u>\$92,038</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 general revenues.

AMORTIZATION OF OUTSTANDING BUSINESS TYPE CITY DEBT

As of December 31, 2013, annual debt service requirements for Business-type activities* (in thousands) to maturity follows:

Year Ending	Bonds		Notes		Total		Total					
	Dec 31:	Principal	Interest	Principal	Interest	Principal	Interest					
2014	\$	25,375	\$	12,063	\$	3,885	\$	4,130	\$	29,260	\$	16,193
2015		18,200		10,301		4,465		4,026		22,665		14,327
2016		17,254		7,978		5,725		3,914		22,979		11,892
2017		12,034		7,372		8,005		3,741		20,039		11,113
2018		10,744		6,876		9,550		3,505		20,294		10,381
2019 – 2023		57,445		27,807		43,275		13,304		100,720		41,111
2024 – 2028		43,360		15,815		33,680		7,547		77,040		23,362
2029 – 2033		16,450		9,393		14,180		2,201		30,630		11,594
2034 – 2038		16,240		4,039		-		-		16,240		4,039
2039 – 2040		5,195		371		-		-		5,195		371
Total	\$	222,297	\$	102,015	\$	122,765	\$	42,368	\$	345,062	\$	144,383

* Business-type activities include those City functions that operate similar to a private business such as Water, Stormwater and Sanitary Sewer Services, Solid Waste Collection 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.



Five-Year Capital Investment Allocation Council Adopted Budget

		Budget in Thousands					Total	Percent of Total
		2014	2015	2016	2017	2018		
MUNICIPAL BUILDING COMMISSION		995	670	515	1,135	1,290	4,605	0.78%
PARK BOARD		6,011	5,650	5,650	5,350	4,150	26,811	4.52%
PUBLIC WORKS DEPARTMENT	STREET PAVING	32,225	41,700	28,400	21,110	18,440	141,875	23.94%
	SIDEWALKS	3,365	3,520	3,675	3,830	3,985	18,375	3.10%
	BRIDGES	14,260	10,190	2,825	5,925	9,210	42,410	7.15%
	TRAFFIC CONTROL & STREET LIGHTING	6,658	9,860	9,310	5,545	6,910	38,283	6.46%
	BIKE TRAILS	1,415	0	0	0	0	1,415	0.24%
	SANITARY SEWERS	8,000	8,000	7,250	7,250	7,250	37,750	6.37%
	STORM SEWERS	15,950	26,993	22,730	16,850	16,150	98,673	16.65%
	WATER INFRASTRUCTURE	22,100	23,200	23,800	23,900	33,400	126,400	21.33%
	PARKING RAMPS	1,700	1,700	1,700	1,700	1,700	8,500	1.43%
	Public Works Department Total		105,673	125,163	99,690	86,110	97,045	513,681
INFORMATION TECHNOLOGY		2,050	3,150	2,950	1,350	1,150	10,650	1.80%
PUBLIC GROUNDS & FACILITIES		4,065	5,065	5,510	9,425	2,750	26,815	4.52%
MISCELLANEOUS PROJECTS		1,685	3,220	405	425	4,420	10,155	1.71%
Grand Total		120,479	142,918	114,720	103,795	110,805	592,717	100.00%



Five-Year Capital Funding Summary Council Adopted Budget

General Infrastructure Improvements Funding Summary by Year	2014	2015	2016	2017	2018	Total
Federal Government Grants	5,449	10,065	3,680	0	0	19,194
Hennepin County Grants	463	710	625	225	470	2,493
Municipal State Aid	8,400	8,200	8,100	8,000	3,600	36,300
Net Debt Bonds	31,715	36,575	26,895	28,105	30,815	154,105
Other Local Governments	1,000	0	2,000	2,000	0	5,000
Park Capital Levy	4,531	4,585	4,925	4,625	3,425	22,091
Reimbursements	4,100	4,100	4,100	4,100	4,100	20,500
Special Assessments	10,585	10,805	7,545	6,740	6,895	42,570
State Government Grants	4,431	6,790	1,120	0	1,000	13,341
Transfer from General Fund	500					500
Total General Infrastructure Improvements	71,174	81,830	58,990	53,795	50,305	316,094

Enterprise Fund Capital Funding Summary by Year	2014	2015	2016	2017	2018	Total
Other Local Governments	0	9,518	5,525	0	0	15,043
Parking Revenue	1,700	1,700	1,700	1,700	1,700	8,500
Reimbursements	5,000	5,000	5,000	5,000	5,000	25,000
Sanitary Bonds	6,000	6,000	5,250	5,250	5,250	27,750
Sanitary Revenue	1,000	1,000	1,000	1,000	1,000	5,000
Stormwater Bonds	7,700	7,500	8,955	8,600	7,900	40,655
Stormwater Revenue	7,805	9,170	6,500	6,550	8,250	38,275
Water Bonds	8,000	9,000	9,000	9,000	8,000	43,000
Water Revenue	12,100	12,200	12,800	12,900	23,400	73,400
Total Enterprise Fund Capital	49,305	61,088	55,730	50,000	60,500	276,623

Consolidated City-Wide Capital Funding Summary	2014	2015	2016	2017	2018	Total Budget	Overall Funding Breakdown
Enterprise Bonds	21,700	22,500	23,205	22,850	21,150	111,405	18.80%
Enterprise Revenue	22,605	24,070	22,000	22,150	34,350	125,175	21.12%
Municipal State Aid	8,400	8,200	8,100	8,000	3,600	36,300	6.12%
Net Debt Bonds	31,715	36,575	26,895	28,105	30,815	154,105	26.00%
Other	25,474	40,768	26,975	15,950	13,995	123,162	20.78%
Special Assessments	10,585	10,805	7,545	6,740	6,895	42,570	7.18%
Total City-Wide Capital Program by Year	120,479	142,918	114,720	103,795	110,805	592,717	100.00%



Five-Year Capital Funding Summary (Public Works) Council Adopted Budget

General Infrastructure Improvements Funding Summary by Year	2014	2015	2016	2017	2018	Total
Federal Government Grants	5,449	10,065	3,680	0	0	19,194
Hennepin County Grants	463	710	625	225	470	2,493
Municipal State Aid	8,400	8,200	8,100	8,000	3,600	36,300
Net Debt Bonds	20,620	21,970	15,015	13,270	19,705	90,580
Other Local Governments	1,000	0	2,000	2,000	0	5,000
Park Capital Levy	1,320	1,735	2,075	2,075	1,075	8,280
Reimbursements	4,100	4,100	4,100	4,100	4,100	20,500
Special Assessments	10,285	10,505	7,245	6,440	6,595	41,070
State Government Grants	4,231	6,790	1,120	0	1,000	13,141
Transfer from General Fund	500					500
Total General Infrastructure Improvements	56,368	64,075	43,960	36,110	36,545	237,058

Enterprise Fund Capital Funding Summary by Year	2014	2015	2016	2017	2018	Total
Other Local Governments	0	9,518	5,525	0	0	15,043
Parking Revenue	1,700	1,700	1,700	1,700	1,700	8,500
Reimbursements	5,000	5,000	5,000	5,000	5,000	25,000
Sanitary Bonds	6,000	6,000	5,250	5,250	5,250	27,750
Sanitary Revenue	1,000	1,000	1,000	1,000	1,000	5,000
Stormwater Bonds	7,700	7,500	8,955	8,600	7,900	40,655
Stormwater Revenue	7,805	9,170	6,500	6,550	8,250	38,275
Water Bonds	8,000	9,000	9,000	9,000	8,000	43,000
Water Revenue	12,100	12,200	12,800	12,900	23,400	73,400
Total Enterprise Fund Capital	49,305	61,088	55,730	50,000	60,500	276,623

Consolidated Public Works Capital Funding Summary by Year	2014	2015	2016	2017	2018	Total Budget	Overall Funding Breakdown
Enterprise Bonds	21,700	22,500	23,205	22,850	21,150	111,405	21.68%
Enterprise Revenue	22,605	24,070	22,000	22,150	34,350	125,175	24.37%
Municipal State Aid	8,400	8,200	8,100	8,000	3,600	36,300	7.07%
Net Debt Bonds	20,620	21,970	15,015	13,270	19,705	90,580	17.63%
Other	22,063	37,918	24,125	13,400	11,645	109,151	21.25%
Special Assessments	10,285	10,505	7,245	6,440	6,595	41,070	8.00%
Total Public Works Department	105,673	125,163	99,690	86,110	97,045	513,681	100.00%

Represents the total Five-Year Mayor's Recommended Budget from all City funding sources for projects where the City is the lead agency.

2014 - 2018 Council Adopted Capital Resources For Property Tax Supported (Net Debt) Bond Program

Recommended Resources by Category	2014	2015	2016	2017	2018	Totals
						(000's)
Available Resources:						
Adopted Net Debt Bond (NDB) Authorizations	29,600	29,155	25,000	25,000	0	108,755
City Council Approved Authorization for 2018					29,000	29,000
2014 - 2018 Adopted NDB Resources	29,600	29,155	25,000	25,000	29,000	137,755
Mayor's Expanded NDB Resources for Capital:						
NDB increases by year*	2,115	7,420	1,895	3,105	1,815	16,350
2014 - 2018 Council Adopted NDB Resources	31,715	36,575	26,895	28,105	30,815	154,105

* 2013 was the final year of the planned Infrastructure Acceleration Program since all Legacy Fund contributions were programmed with the 2013 allocation. The acceleration of infrastructure projects will continue with the expanded NDB funding approved in the 2012 budget and the above expanded NDB increases.

This resource summary represents the City's commitment for General Infrastructure assets which includes parks, public buildings, streets, bridges, bike trails, 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.

2014 Bond Redemption Levy for Capital Program

	Amount
	(000's)
Tax Levy Certified for Bond Redemption in 2013	21,200
Bond Redemption Levy Adjustment	6,650 Per Five-Year Financial Direction 2013 - 2017
Bond Redemption Levy Increase for Expanded NDB	1,450 Base Increase to 2014 Plan
Tax Levy Certified for Bond Redemption in 2014	29,300 For supporting Capital Programs



Net Debt Bond Allocation

Council Adopted Budget

Summarized by Major Type of Infrastructure

Description of Category		2014	2015	2016	2017	2018	Total
MUNICIPAL BUILDING COMMISSION		995	670	515	1,135	1,290	4,605
<i>Percentage Allocated to MBC</i>		<i>3.1%</i>	<i>1.8%</i>	<i>1.9%</i>	<i>4.0%</i>	<i>4.2%</i>	3%
Park Board Capital Program*		2,500	2,500	2,500	2,500	1,500	11,500
<i>Percentage allocated to Park Board</i>		<i>7.9%</i>	<i>6.8%</i>	<i>9.3%</i>	<i>8.9%</i>	<i>4.9%</i>	7%
PUBLIC WORKS DEPARTMENT	STREET PAVING	12,745	14,250	9,005	7,415	10,995	54,410
	SIDEWALKS	295	305	315	325	335	1,575
	BRIDGES	2,855	3,400	1,825	2,350	4,240	14,670
	TRAFFIC CONTROL & STREET LIGHTING	4,350	4,015	3,870	3,180	4,135	19,550
	BIKE TRAILS	375					375
Public Works Sub-Total		20,620	21,970	15,015	13,270	19,705	90,580
<i>Percentage allocated to Public Works</i>		<i>65.0%</i>	<i>60.1%</i>	<i>55.8%</i>	<i>47.2%</i>	<i>63.9%</i>	59%
INFORMATION TECHNOLOGY		2,050	3,150	2,950	1,350	1,150	10,650
<i>Percentage allocated to Information Technology</i>		<i>6.5%</i>	<i>8.6%</i>	<i>11.0%</i>	<i>4.8%</i>	<i>3.7%</i>	7%
PUBLIC GROUNDS & FACILITIES		3,865	5,065	5,510	9,425	2,750	26,615
<i>Percentage allocated to Public Grounds & Facilities</i>		<i>12.2%</i>	<i>13.8%</i>	<i>20.5%</i>	<i>33.5%</i>	<i>8.9%</i>	17.27%
MISCELLANEOUS PROJECTS		1,685	3,220	405	425	4,420	10,155
<i>Percentage allocated to Miscellaneous Projects</i>		<i>5.3%</i>	<i>8.8%</i>	<i>1.5%</i>	<i>1.5%</i>	<i>14.3%</i>	7%
<i>Percentage Allocated to City Departments</i>		89.0%	91.3%	88.8%	87.1%	90.9%	90%
Total Net Debt Bond Allocation (in thousands)		31,715	36,575	26,895	28,105	30,815	154,105

* This amount is only the net debt bond portion of Park Board Capital funding. They also dedicate a portion of their tax levy to capital projects.



Minneapolis Capital Budget Summary
City of Lakes Council Adopted Budget

MUNICIPAL BUILDING COMMISSION

	Budget in Thousands					Total
	2014	2015	2016	2017	2018	
MBC01 Life Safety Improvements	215	195	185	65	195	855
MBC02 Mechanical Systems Upgrade	580	475	330	405	430	2,220
MBC04 MBC Elevators	200	0	0	0	0	200
MBC09 Critical Power Capital Project	0	0	0	0	0	0
MBC10 Exterior Improvements	0	0	0	665	665	1,330
CTY01 Restoration of Historic Reception Room	0	0	0	0	0	0
Total	995	670	515	1,135	1,290	4,605

PARK BOARD

PRK01 Recreation Center and Site Improvements Program	0	450	0	0	0	450
PRK02 Playground and Site Improvements Program	750	1,550	300	1,400	1,100	5,100
PRK03 Shelter - Pool - Site Improvements Program	2,000	500	500	1,000	500	4,500
PRK04 Athletic Fields and Site Improvements Program	1,150	250	0	0	0	1,400
PRK30 Service Area Improvement Program	0	0	0	1,000	500	1,500
PRK31 Bossen Park Field Improvements	0	950	2,900	0	0	3,850
PRK33 Bryn Mawr Meadows Field Improvements	0	0	0	0	0	0
PRKCP Neighborhood Parks Capital Infrastructure	1,811	1,650	1,650	1,650	1,750	8,511
PRKDT Diseased Tree Removal	300	300	300	300	300	1,500
Total	6,011	5,650	5,650	5,350	4,150	26,811

PUBLIC WORKS DEPARTMENT

	2014	2015	2016	2017	2018	Total
STREET PAVING						
PV001 Parkway Paving Program	2,510	1,410	2,750	1,750	750	9,170
PV006 Alley Renovation Program	250	250	250	250	250	1,250
PV019 6th Ave N (5th St N to dead end north of Wash Ave N)	0	0	3,790	935	0	4,725
PV027 Hennepin/Lyndale	0	8,535	2,890	0	0	11,425
PV056 Asphalt Pavement Resurfacing Program	2,595	1,500	1,500	1,500	1,500	8,595
PV059 Major Pavement Maintenance Program	250	250	250	250	250	1,250
PV061 High Volume Corridor Reconditioning Program	3,305	3,055	1,500	1,500	1,500	10,860
PV063 Unpaved Alley Construction	200	200	200	200	200	1,000
PV067 Nawadaha Blvd & Minnehaha Ave	2,080	0	0	0	0	2,080
PV068 LaSalle Ave (Grant to 8th)	4,520	0	0	0	0	4,520
PV069 Penn Ave S (50th to Crosstown)	4,230	1,220	0	0	0	5,450
PV070 Riverside Extension - 4th St/15th Ave	1,390	500	0	0	0	1,890
PV072 Pedestrian Improvement Project	0	0	1,820	700	0	2,520
PV073 26th Ave N (W Broadway to Lyndale Ave N)	0	4,525	4,625	0	0	9,150
PV074 CSAH & MnDOT Cooperative Projects	2,515	2,905	2,280	2,850	1,700	12,250
PV075 Development Infrastructure Program	1,400	1,000	960	1,875	0	5,235
PV076 38th St E (Hiawatha to Minnehaha)	0	0	2,085	0	0	2,085
PV080 18th Ave NE (Monroe to Johnson St NE)	0	0	0	5,800	1,475	7,275
PV083 Minnehaha Ave (24th to 26th St E)	0	3,250	0	0	0	3,250
PV084 54th St W (Penn to Lyndale Ave S)	0	7,500	0	0	0	7,500
PV085 Nicollet Mall Planning	500	0	0	0	0	500
PV086 26th Ave N (Wirth Pkwy to Brdwy/Lyndale to River)	2,155	1,550	0	0	0	3,705
PV087 34th Ave S (54th St E to Minnehaha Pkwy)	0	0	0	0	1,945	1,945
PV093 37th Ave NE (St Anth Pkwy to Marshall St NE)	0	0	0	0	0	0
PV094 4th St SE (25th to 29th Ave SE)	0	0	0	0	0	0
PV095 4th St N & S (2nd Ave N to 4th Ave S)	0	0	0	0	2,800	2,800
PV096 42nd Ave N (Xerxes to Lyndale Ave N)	0	0	0	0	1,770	1,770
PV097 18th Ave NE Trail Gap	0	0	0	0	300	300
PV098 Hiawatha Trail Gap (28th to 32nd St E)	0	0	0	0	500	500
PV099 26th & 28th St Buffered Bike Lanes (Hia to 35W)	200	200	0	0	0	400
PV100 Dinkytown Greenway Connection (15th Ave/4th St SE)	275	0	0	0	0	275
PV101 29th St W Pedestrian Connection	350	350	0	0	0	700
PV99R Reimbursable Paving Projects	3,500	3,500	3,500	3,500	3,500	17,500
Total for STREET PAVING	32,225	41,700	28,400	21,110	18,440	141,875
SIDEWALKS						
SWK01 Defective Hazardous Sidewalks	3,365	3,520	3,675	3,830	3,985	18,375
Total for SIDEWALKS	3,365	3,520	3,675	3,830	3,985	18,375



Minneapolis Capital Budget Summary
City of Lakes Council Adopted Budget

PUBLIC WORKS DEPARTMENT

		Budget in Thousands					Total
		2014	2015	2016	2017	2018	
BRIDGES	BR101 Major Bridge Repair and Rehabilitation	400	400	400	400	400	2,000
	BR106 1st Ave S over HCRRA	0	0	0	4,100	0	4,100
	BR111 10th Ave SE Bridge Arch Rehabilitation	11,470	0	0	0	0	11,470
	BR112 Nicollet Ave Reopening	0	0	0	0	0	0
	BR116 Bridge 9 Improvements	2,340	0	0	0	0	2,340
	BR117 1st St N Bridge over Bassett's Creek	0	0	0	0	2,000	2,000
	BR123 28th Ave S over Minnehaha Creek	0	0	0	1,425	1,150	2,575
	BR126 40th St Pedestrian & Bicycle Bridge over 35W	0	0	2,425	0	0	2,425
	BR127 Nicollet Ave over Minnehaha Creek	0	0	0	0	5,660	5,660
	BR130 7th St Ramp Bridge over 35W	0	9,790	0	0	0	9,790
	BR131 North by Northeast Bikeway Bridge Connection	50	0	0	0	0	50
Total for BRIDGES		14,260	10,190	2,825	5,925	9,210	42,410
TRAFFIC CONTROL & STREET LIGHTING	TR008 Parkway Street Light Replacement	910	1,425	1,425	1,425	1,375	6,560
	TR010 Traffic Management Systems	0	3,410	3,210	470	365	7,455
	TR011 City Street Light Renovation	700	350	350	500	700	2,600
	TR021 Traffic Signals	2,035	2,125	2,175	1,750	1,750	9,835
	TR022 Traffic Safety Improvements	1,913	1,150	1,050	300	1,620	6,033
	TR024 Pedestrian Level Lighting Program	500	500	500	500	500	2,500
	TR025 Sign Replacement Program	0	300	0	0	0	300
	TR99R Reimbursable Transportation Projects	600	600	600	600	600	3,000
Total for TRAFFIC CONTROL & STREET LIGHTING		6,658	9,860	9,310	5,545	6,910	38,283
BIKE TRAILS	BIK20 Hiawatha LRT Trail Lighting	1,415	0	0	0	0	1,415
	Total for BIKE TRAILS	1,415	0	0	0	0	1,415
SANITARY SEWERS	SA001 Sanitary Tunnel & Sewer Rehabilitation Program	4,000	4,000	3,750	3,750	3,750	19,250
	SA036 Infiltration & Inflow Removal Program	3,000	3,000	2,500	2,500	2,500	13,500
	SA99R Reimbursable Sanitary Sewer Projects	1,000	1,000	1,000	1,000	1,000	5,000
Total for SANITARY SEWERS		8,000	8,000	7,250	7,250	7,250	37,750
STORM SEWERS	SW004 Implementation of US EPA Storm Water Regulations	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 Rehabilitation Program	10,200	9,100	9,400	10,100	8,400	47,200
	SW018 Flood Area 29 & 30 - Fulton Neighborhood	0	3,288	6,580	0	0	9,868
	SW032 I-35W Storm Tunnel Reconstruction	0	0	0	0	1,000	1,000
	SW033 Flood Area 22 - Sibley Field	0	3,015	0	0	0	3,015
	SW034 Flood Area 21 - Bloomington Pond	0	4,840	0	0	0	4,840
	SW039 Flood Mitigation with Alternative Stormwater Mgmt	2,000	3,000	3,000	3,000	3,000	14,000
	SW99R Reimbursable Sewer & Storm Drain Projects	2,000	2,000	2,000	2,000	2,000	10,000
Total for STORM SEWERS		15,950	26,993	22,730	16,850	16,150	98,673
WATER INFRASTRUCTURE	WTR12 Water Distribution Improvements	6,600	6,700	6,800	6,900	7,000	34,000
	WTR18 Water Distribution Facility	4,000	0	0	0	0	4,000
	WTR23 Treatment Infrastructure Improvements	5,000	3,000	3,000	3,000	4,000	18,000
	WTR24 Fridley Filter Plant Rehabilitation	4,000	8,000	9,000	8,000	8,000	37,000
	WTR25 Ground Water Supply	500	1,000	1,500	2,000	2,000	7,000
	WTR26 Recarbonation System Replacement	0	2,500	1,500	2,000	0	6,000
	WTR27 Meter Replacement Program	0	0	0	0	100	100
	WTR28 Ultrafiltration Module Replacement	0	0	0	0	10,300	10,300
WTR9R Reimbursable Watermain Projects	2,000	2,000	2,000	2,000	2,000	10,000	
Total for WATER INFRASTRUCTURE		22,100	23,200	23,800	23,900	33,400	126,400
PARKING RAMPS	RMP01 Parking Facilities - Repair and Improvements	1,700	1,700	1,700	1,700	1,700	8,500
	Total for PARKING RAMPS	1,700	1,700	1,700	1,700	1,700	8,500
Total Public Works		105,673	125,163	99,690	86,110	97,045	513,681

INFORMATION TECHNOLOGY	IT003 Enterprise Content Management	300	300	300	300	300	1,500
	IT004 Enterprise Infrastructure Modernization	750	850	750	750	850	3,950
	IT031 Geographical Information System (GIS)	0	0	0	0	0	0
	IT033 Police Report Management System Upgrade	1,000	2,000	1,900	100	0	5,000
	IT034 Minneapolis Information Commons	0	0	0	200	0	200
	IT035 Managed Services	0	0	0	0	0	0



Minneapolis **Capital Budget Summary**
City of Lakes **Council Adopted Budget**

		Budget in Thousands					2014	2015	2016	2017	2018	Total
INFORMATION TECHNOLOGY	Total					2,050	3,150	2,950	1,350	1,150	10,650	
PUBLIC GROUNDS & FACILITIES	CTY02 City Property Reforestation	150	150	150	150	0	600					
	CTY05 City Hall Elevator Upgrade	0	0	0	0	0	0				0	
	CTY06 ADA Facility Assessments	100	0	0	0	0	100					
	FIR11 New Fire Station No. 11	0	465	1,910	3,350	0	5,725					
	FIR12 Fire Station No. 1 Renovation & Expansion	0	0	0	3,000	0	3,000					
	MPD03 Hamilton School Acquisition & Facility Improvement	1,000	2,000	1,000	0	0	4,000					
	PSD01 Facilities - Repair and Improvements	1,115	1,200	1,200	1,675	1,500	6,690					
	PSD03 Facilities - Space Improvements	1,000	750	750	750	750	4,000					
	PSD11 Energy Conservation and Emission Reduction	250	500	500	500	500	2,250					
	PSD12 Pioneers & Soldiers Cemetery Fencing - Phase II	450	0	0	0	0	450					
	PSD15 Traffic Maintenance Facility Improvement	0	0	0	0	0	0					
	PSD16 Farmer's Market Improvements	0	0	0	0	0	0					
	PSD17 Solid Waste & Recycling Facility Improvements	0	0	0	0	0	0					
	Total	4,065	5,065	5,510	9,425	2,750	26,815					
MISCELLANEOUS PROJECTS	31101 311 Systems Refresh	230	0	0	0	0	230					
	91101 911 Telephone System Replacement	975	975	0	0	0	1,950					
	ART01 Art in Public Places	480	545	405	425	465	2,320					
	RAD01 Public Safety Radio System Replacement	0	1,700	0	0	3,955	5,655					
	Total	1,685	3,220	405	425	4,420	10,155					
Grand Total		120,479	142,918	114,720	103,795	110,805	592,717					



Capital Budget Detail for Funded Projects
Council Adopted Budget

MUNICIPAL BUILDING COMMISSION

		Budget in Thousands	2014	2015	2016	2017	2018	Total
MBC01 Life Safety Improvements	Net Debt Bonds		215	195	185	65	195	855
	Total		215	195	185	65	195	855
MBC02 Mechanical Systems Upgrade	Net Debt Bonds		580	475	330	405	430	2,220
	Total		580	475	330	405	430	2,220
MBC04 MBC Elevators	Net Debt Bonds		200	0	0	0	0	200
	Total		200	0	0	0	0	200
MBC10 Exterior Improvements	Net Debt Bonds		0	0	0	665	665	1,330
	Total		0	0	0	665	665	1,330
Total for Municipal Building Commission			995	670	515	1,135	1,290	4,605

PARK BOARD

PRK01 Recreation Center and Site Improvements Program	Park Capital Levy		0	450	0	0	0	450
	Total		0	450	0	0	0	450
PRK02 Playground and Site Improvements Program	Net Debt Bonds		0	800	0	500	500	1,800
	Park Capital Levy		750	750	300	900	600	3,300
	Total		750	1,550	300	1,400	1,100	5,100
PRK03 Shelter - Pool - Site Improvements Program	Net Debt Bonds		2,000	500	0	1,000	500	4,000
	Park Capital Levy		0	0	500	0	0	500
	Total		2,000	500	500	1,000	500	4,500
PRK04 Athletic Fields and Site Improvements Program	Net Debt Bonds		500	250	0	0	0	750
	Park Capital Levy		650	0	0	0	0	650
	Total		1,150	250	0	0	0	1,400
PRK30 Service Area Improvement Program	Net Debt Bonds		0	0	0	1,000	500	1,500
	Total		0	0	0	1,000	500	1,500
PRK31 Bossen Park Field Improvements	Net Debt Bonds		0	950	2,500	0	0	3,450
	Park Capital Levy		0	0	400	0	0	400
	Total		0	950	2,900	0	0	3,850
PRKCP Neighborhood Parks Capital Infrastructure	Park Capital Levy		1,811	1,650	1,650	1,650	1,750	8,511
	Total		1,811	1,650	1,650	1,650	1,750	8,511
PRKDT Diseased Tree Removal	Special Assessments		300	300	300	300	300	1,500
	Total		300	300	300	300	300	1,500
Total for Park Board			6,011	5,650	5,650	5,350	4,150	26,811

PUBLIC WORKS DEPARTMENT

STREET PAVING			2014	2015	2016	2017	2018	Total
PV001 Parkway Paving Program	Net Debt Bonds		700	700	700	700	700	3,500
	Special Assessments		50	50	50	50	50	250
	Park Capital Levy		760	660	1,000	1,000	0	3,420
	Other Local Governments		1,000	0	1,000	0	0	2,000
	Total		2,510	1,410	2,750	1,750	750	9,170
PV006 Alley Renovation Program	Net Debt Bonds		200	200	200	200	200	1,000
	Special Assessments		50	50	50	50	50	250
	Total		250	250	250	250	250	1,250
PV019 6th Ave N (5th St N to dead end north of Wash Ave N)	Net Debt Bonds		0	0	260	435	0	695
	Municipal State Aid		0	0	1,920	500	0	2,420
	Special Assessments		0	0	490	0	0	490



Capital Budget Detail for Funded Projects
Council Adopted Budget

PUBLIC WORKS DEPARTMENT

		Budget in Thousands	2014	2015	2016	2017	2018	Total
STREET PAVING	PV019 6th Ave N (5th St N to dead end north of Wash Ave N)	State Government Grants	0	0	1,120	0	0	1,120
		Total	0	0	3,790	935	0	4,725
	PV027 Hennepin/Lyndale	Net Debt Bonds	0	850	2,490	0	0	3,340
		Special Assessments	0	205	210	0	0	415
		Stormwater Revenue	0	185	190	0	0	375
		Federal Government Grants	0	7,295	0	0	0	7,295
		Total	0	8,535	2,890	0	0	11,425
	PV056 Asphalt Pavement Resurfacing Program	Net Debt Bonds	1,305	500	500	500	500	3,305
		Municipal State Aid	500	500	500	500	500	2,500
		Special Assessments	790	500	500	500	500	2,790
		Total	2,595	1,500	1,500	1,500	1,500	8,595
	PV059 Major Pavement Maintenance Program	Net Debt Bonds	250	250	250	250	250	1,250
		Total	250	250	250	250	250	1,250
	PV061 High Volume Corridor Reconditioning Program	Net Debt Bonds	1,520	1,455	500	500	500	4,475
		Municipal State Aid	500	500	500	500	500	2,500
		Special Assessments	1,285	1,100	500	500	500	3,885
		Total	3,305	3,055	1,500	1,500	1,500	10,860
	PV063 Unpaved Alley Construction	Net Debt Bonds	150	150	150	150	150	750
		Special Assessments	50	50	50	50	50	250
		Total	200	200	200	200	200	1,000
	PV067 Nawadaha Blvd & Minnehaha Ave	Net Debt Bonds	975	0	0	0	0	975
		Municipal State Aid	640	0	0	0	0	640
		Special Assessments	345	0	0	0	0	345
		Stormwater Revenue	120	0	0	0	0	120
		Total	2,080	0	0	0	0	2,080
	PV068 LaSalle Ave (Grant to 8th)	Net Debt Bonds	1,515	0	0	0	0	1,515
		Municipal State Aid	1,430	0	0	0	0	1,430
		Special Assessments	1,070	0	0	0	0	1,070
Stormwater Revenue		505	0	0	0	0	505	
Total		4,520	0	0	0	0	4,520	
PV069 Penn Ave S (50th to Crosstown)	Net Debt Bonds	1,515	1,220	0	0	0	2,735	
	Municipal State Aid	1,605	0	0	0	0	1,605	
	Special Assessments	845	0	0	0	0	845	
	Stormwater Revenue	265	0	0	0	0	265	
	Total	4,230	1,220	0	0	0	5,450	
PV070 Riverside Extension - 4th St/15th Ave	Net Debt Bonds	730	500	0	0	0	1,230	
	Special Assessments	450	0	0	0	0	450	
	Total	1,180	500	0	0	0	1,680	



Capital Budget Detail for Funded Projects
Council Adopted Budget

**PUBLIC
WORKS
DEPARTMENT**

		Budget in Thousands	2014	2015	2016	2017	2018	Total
STREET PAVING	PV070 Riverside Extension - 4th St/15th Ave	Stormwater Revenue	210	0	0	0	0	210
		Total	1,390	500	0	0	0	1,890
	PV072 Pedestrian Improvement Project	Net Debt Bonds	0	0	200	200	0	400
		Municipal State Aid	0	0	500	500	0	1,000
		Federal Government Grants	0	0	1,120	0	0	1,120
		Total	0	0	1,820	700	0	2,520
	PV073 26th Ave N (W Broadway to Lyndale Ave N)	Net Debt Bonds	0	1,795	1,015	0	0	2,810
		Municipal State Aid	0	1,720	2,580	0	0	4,300
		Special Assessments	0	950	970	0	0	1,920
		Stormwater Revenue	0	60	60	0	0	120
		Total	0	4,525	4,625	0	0	9,150
	PV074 CSAH & MnDOT Cooperative Projects	Net Debt Bonds	500	850	1,530	2,100	950	5,930
		Special Assessments	1,600	1,650	750	750	750	5,500
		Stormwater Revenue	415	405	0	0	0	820
		Total	2,515	2,905	2,280	2,850	1,700	12,250
	PV075 Development Infrastructure Program	Net Debt Bonds	1,400	1,000	960	1,875	0	5,235
		Total	1,400	1,000	960	1,875	0	5,235
	PV076 38th St E (Hiawatha to Minnehaha)	Net Debt Bonds	0	0	250	0	0	250
		Municipal State Aid	0	0	1,520	0	0	1,520
Special Assessments		0	0	315	0	0	315	
Total		0	0	2,085	0	0	2,085	
PV080 18th Ave NE (Monroe to Johnson St NE)	Net Debt Bonds	0	0	0	505	1,475	1,980	
	Municipal State Aid	0	0	0	1,960	0	1,960	
	Special Assessments	0	0	0	1,035	0	1,035	
	Stormwater Revenue	0	0	0	300	0	300	
	Other Local Governments	0	0	0	2,000	0	2,000	
	Total	0	0	0	5,800	1,475	7,275	
PV083 Minnehaha Ave (24th to 26th St E)	Net Debt Bonds	0	150	0	0	0	150	
	Municipal State Aid	0	1,760	0	0	0	1,760	
	Special Assessments	0	1,235	0	0	0	1,235	
	Stormwater Revenue	0	105	0	0	0	105	
	Total	0	3,250	0	0	0	3,250	
PV084 54th St W (Penn to Lyndale Ave S)	Net Debt Bonds	0	2,670	0	0	0	2,670	
	Municipal State Aid	0	3,020	0	0	0	3,020	
	Special Assessments	0	1,400	0	0	0	1,400	
	Stormwater Revenue	0	410	0	0	0	410	
	Total	0	7,500	0	0	0	7,500	



Minneapolis Capital Budget Detail for Funded Projects
City of Lakes Council Adopted Budget

PUBLIC WORKS DEPARTMENT

			Budget in Thousands					Total
			2014	2015	2016	2017	2018	
STREET PAVING	PV085 Nicollet Mall Planning	Transfer from General Fund	500	0	0	0	0	500
		Total	500	0	0	0	0	500
	PV086 26th Ave N (Wirth Pkwy to Brdwy/Lyndale to River)	Net Debt Bonds	1,160	1,410	0	0	0	2,570
		Municipal State Aid	275	10	0	0	0	285
		Special Assessments	680	100	0	0	0	780
		Stormwater Revenue	40	30	0	0	0	70
		Total	2,155	1,550	0	0	0	3,705
	PV087 34th Ave S (54th St E to Minnehaha Pkwy)	Net Debt Bonds	0	0	0	0	1,600	1,600
		Special Assessments	0	0	0	0	345	345
		Total	0	0	0	0	1,945	1,945
	PV095 4th St N & S (2nd Ave N to 4th Ave S)	Net Debt Bonds	0	0	0	0	2,280	2,280
		Special Assessments	0	0	0	0	520	520
		Total	0	0	0	0	2,800	2,800
	PV096 42nd Ave N (Xerxes to Lyndale Ave N)	Net Debt Bonds	0	0	0	0	1,590	1,590
		Special Assessments	0	0	0	0	180	180
		Total	0	0	0	0	1,770	1,770
	PV097 18th Ave NE Trail Gap	Net Debt Bonds	0	0	0	0	300	300
		Total	0	0	0	0	300	300
	PV098 Hiawatha Trail Gap (28th to 32nd St E)	Net Debt Bonds	0	0	0	0	500	500
		Total	0	0	0	0	500	500
PV099 26th & 28th St Buffered Bike Lanes (Hia to 35W)	Net Debt Bonds	200	200	0	0	0	400	
	Total	200	200	0	0	0	400	
PV100 Dinkytown Greenway Connection (15th Ave/4th St SE)	Net Debt Bonds	275	0	0	0	0	275	
	Total	275	0	0	0	0	275	
PV101 29th St W Pedestrian Connection	Net Debt Bonds	350	350	0	0	0	700	
	Total	350	350	0	0	0	700	
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			32,225	41,700	28,400	21,110	18,440	141,875
SIDEWALKS	SWK01 Defective Hazardous Sidewalks	Net Debt Bonds	295	305	315	325	335	1,575
		Special Assessments	3,070	3,215	3,360	3,505	3,650	16,800
		Total	3,365	3,520	3,675	3,830	3,985	18,375
	Total for SIDEWALKS			3,365	3,520	3,675	3,830	3,985
BRIDGES	BR101 Major Bridge Repair and Rehabilitation	Net Debt Bonds	400	400	400	400	400	2,000
		Total	400	400	400	400	400	2,000
	BR106 1st Ave S over HCRRA	Net Debt Bonds	0	0	0	1,145	0	1,145
		Municipal State Aid	0	0	0	2,955	0	2,955
		Total	0	0	0	4,100	0	4,100
	BR111 10th Ave SE Bridge Arch Rehabilitation	Net Debt Bonds	1,105	0	0	0	0	1,105
		Municipal State Aid	2,765	0	0	0	0	2,765



Capital Budget Detail for Funded Projects
Council Adopted Budget

PUBLIC WORKS DEPARTMENT

			Budget in Thousands					
			2014	2015	2016	2017	2018	Total
BRIDGES	BR111 10th Ave SE Bridge Arch Rehabilitation	Federal Government Grants	3,369	0	0	0	0	3,369
		State Government Grants	4,231	0	0	0	0	4,231
		Total	11,470	0	0	0	0	11,470
	BR116 Bridge 9 Improvements	Net Debt Bonds	1,300	0	0	0	0	1,300
		Federal Government Grants	1,040	0	0	0	0	1,040
		Total	2,340	0	0	0	0	2,340
	BR117 1st St N Bridge over Bassett's Creek	Stormwater Revenue	0	0	0	0	2,000	2,000
		Total	0	0	0	0	2,000	2,000
	BR123 28th Ave S over Minnehaha Creek	Net Debt Bonds	0	0	0	805	1,150	1,955
		Municipal State Aid	0	0	0	620	0	620
		Total	0	0	0	1,425	1,150	2,575
	BR126 40th St Pedestrian & Bicycle Bridge over 35W	Net Debt Bonds	0	0	1,425	0	0	1,425
		Other Local Governments	0	0	1,000	0	0	1,000
		Total	0	0	2,425	0	0	2,425
	BR127 Nicollet Ave over Minnehaha Creek	Net Debt Bonds	0	0	0	0	2,690	2,690
		Municipal State Aid	0	0	0	0	1,970	1,970
		State Government Grants	0	0	0	0	1,000	1,000
		Total	0	0	0	0	5,660	5,660
	BR130 7th St Ramp Bridge over 35W	Net Debt Bonds	0	3,000	0	0	0	3,000
		State Government Grants	0	6,790	0	0	0	6,790
Total		0	9,790	0	0	0	9,790	
BR131 North by Northeast Bikeway Bridge Connection	Net Debt Bonds	50	0	0	0	0	50	
	Total	50	0	0	0	0	50	
Total for BRIDGES			14,260	10,190	2,825	5,925	9,210	42,410
TRAFFIC CONTROL & STREET LIGHTING	TR008 Parkway Street Light Replacement	Net Debt Bonds	350	350	350	350	300	1,700
		Park Capital Levy	560	1,075	1,075	1,075	1,075	4,860
		Total	910	1,425	1,425	1,425	1,375	6,560
	TR010 Traffic Management Systems	Net Debt Bonds	0	400	400	30	35	865
		Municipal State Aid	0	400	400	340	125	1,265
		Federal Government Grants	0	2,110	1,910	0	0	4,020
		Hennepin County Grants	0	500	500	100	205	1,305
		Total	0	3,410	3,210	470	365	7,455
	TR011 City Street Light Renovation	Net Debt Bonds	700	350	350	500	700	2,600
		Total	700	350	350	500	700	2,600
	TR021 Traffic Signals	Net Debt Bonds	1,785	1,825	1,925	1,500	1,500	8,535
		Municipal State Aid	125	175	125	125	125	675
		Hennepin County Grants	125	125	125	125	125	625
Total		2,035	2,125	2,175	1,750	1,750	9,835	



Capital Budget Detail for Funded Projects
Council Adopted Budget

PUBLIC WORKS DEPARTMENT

			Budget in Thousands	2014	2015	2016	2017	2018	Total	
TRAFFIC CONTROL & STREET LIGHTING	TR022 Traffic Safety Improvements	Net Debt Bonds		1,015	290	345	300	1,100	3,050	
		Municipal State Aid		560	115	55	0	380	1,110	
		Federal Government Grants		0	660	650	0	0	1,310	
		Hennepin County Grants		338	85	0	0	140	563	
		Total		1,913	1,150	1,050	300	1,620	6,033	
	TR024 Pedestrian Level Lighting Program	Net Debt Bonds		500	500	500	500	500	2,500	
		Total		500	500	500	500	500	2,500	
	TR025 Sign Replacement Program	Net Debt Bonds		0	300	0	0	0	300	
		Total		0	300	0	0	0	300	
	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				6,658	9,860	9,310	5,545	6,910	38,283
	BIKE TRAILS	BIK20 Hiawatha LRT Trail Lighting	Net Debt Bonds		375	0	0	0	0	375
Federal Government Grants				1,040	0	0	0	0	1,040	
Total				1,415	0	0	0	0	1,415	
Total for BIKE TRAILS				1,415	0	0	0	0	1,415	
SANITARY SEWERS	SA001 Sanitary Tunnel & Sewer Rehabilitation Program	Sanitary Bonds		4,000	4,000	3,750	3,750	3,750	19,250	
		Total		4,000	4,000	3,750	3,750	3,750	19,250	
	SA036 Infiltration & Inflow Removal Program	Sanitary Bonds		2,000	2,000	1,500	1,500	1,500	8,500	
		Sanitary Revenue		1,000	1,000	1,000	1,000	1,000	5,000	
		Total		3,000	3,000	2,500	2,500	2,500	13,500	
	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				8,000	8,000	7,250	7,250	7,250	37,750	
STORM SEWERS	SW004 Implementation of US EPA Storm Water Regulations	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 Rehabilitation Program	Stormwater Bonds		7,700	6,600	7,900	8,600	6,900	37,700	
		Stormwater Revenue		2,500	2,500	1,500	1,500	1,500	9,500	
		Total		10,200	9,100	9,400	10,100	8,400	47,200	
	SW018 Flood Area 29 & 30 - Fulton Neighborhood	Stormwater Bonds		0	900	1,055	0	0	1,955	
		Other Local Governments		0	2,388	5,525	0	0	7,913	
		Total		0	3,288	6,580	0	0	9,868	
	SW032 I-35W Storm Tunnel Reconstruction	Stormwater Bonds		0	0	0	0	1,000	1,000	
		Total		0	0	0	0	1,000	1,000	
	SW033 Flood Area 22 - Sibley Field	Stormwater Revenue		0	280	0	0	0	280	
Other Local Governments			0	2,735	0	0	0	2,735		
Total			0	3,015	0	0	0	3,015		



Capital Budget Detail for Funded Projects
Council Adopted Budget

PUBLIC WORKS DEPARTMENT

			Budget in Thousands		2014	2015	2016	2017	2018	Total
STORM SEWERS	SW034 Flood Area 21 - Bloomington Pond	Stormwater Revenue	0	445	0	0	0	0	0	445
		Other Local Governments	0	4,395	0	0	0	0	0	4,395
		Total	0	4,840	0	0	0	0	0	4,840
	SW039 Flood Mitigation with Alternative Stormwater Mgmt	Stormwater Revenue	2,000	3,000	3,000	3,000	3,000	3,000	3,000	14,000
		Total	2,000	3,000	3,000	3,000	3,000	3,000	3,000	14,000
	SW99R Reimbursable Sewer & Storm Drain Projects	Reimbursements	2,000	2,000	2,000	2,000	2,000	2,000	2,000	10,000
Total		2,000	2,000	2,000	2,000	2,000	2,000	2,000	10,000	
Total for STORM SEWERS			15,950	26,993	22,730	16,850	16,150	16,150	98,673	
WATER INFRASTRUCTURE	WTR27 Meter Replacement Program	Water Revenue	0	0	0	0	0	100	100	
		Total	0	0	0	0	0	100	100	
	WTR28 Ultrafiltration Module Replacement	Water Revenue	0	0	0	0	10,300	10,300		
		Total	0	0	0	0	10,300	10,300		
	WTR9R Reimbursable Watermain 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		
	WTR12 Water Distribution Improvements	Water Revenue	6,600	6,700	6,800	6,900	7,000	34,000		
		Total	6,600	6,700	6,800	6,900	7,000	34,000		
	WTR18 Water Distribution Facility	Water Bonds	4,000	0	0	0	0	4,000		
		Total	4,000	0	0	0	0	4,000		
	WTR23 Treatment Infrastructure Improvements	Water Revenue	5,000	3,000	3,000	3,000	4,000	18,000		
		Total	5,000	3,000	3,000	3,000	4,000	18,000		
	WTR24 Fridley Filter Plant Rehabilitation	Water Bonds	4,000	8,000	9,000	8,000	8,000	37,000		
Total		4,000	8,000	9,000	8,000	8,000	37,000			
WTR25 Ground Water Supply	Water Revenue	500	1,000	1,500	2,000	2,000	7,000			
	Total	500	1,000	1,500	2,000	2,000	7,000			
WTR26 Recarbonation System Replacement	Water Bonds	0	1,000	0	1,000	0	2,000			
	Water Revenue	0	1,500	1,500	1,000	0	4,000			
	Total	0	2,500	1,500	2,000	0	6,000			
Total for WATER INFRASTRUCTURE			22,100	23,200	23,800	23,900	33,400	126,400		
PARKING RAMPS	RMP01 Parking Facilities - Repair and Improvements	Parking Revenue	1,700	1,700	1,700	1,700	1,700	8,500		
		Total	1,700	1,700	1,700	1,700	1,700	8,500		
	Total for PARKING RAMPS			1,700	1,700	1,700	1,700	1,700	8,500	

INFORMATION TECHNOLOGY	IT003 Enterprise Content Management	Net Debt Bonds	300	300	300	300	300	1,500
		Total	300	300	300	300	300	1,500
	IT004 Enterprise Infrastructure Modernization	Net Debt Bonds	750	850	750	750	850	3,950
		Total	750	850	750	750	850	3,950
	IT033 Police Report Management System Upgrade	Net Debt Bonds	1,000	2,000	1,900	100	0	5,000
Total		1,000	2,000	1,900	100	0	5,000	
IT034 Minneapolis Information Commons	Net Debt Bonds	0	0	0	200	0	200	
	Total	0	0	0	200	0	200	
Total for Information Technology			2,050	3,150	2,950	1,350	1,150	10,650

PUBLIC GROUNDS & FACILITIES	CTY02 City Property Reforestation	Net Debt Bonds	150	150	150	150	600
		Total	150	150	150	150	600



Capital Budget Detail for Funded Projects
Council Adopted Budget

		Budget in Thousands	2014	2015	2016	2017	2018	Total	
PUBLIC GROUNDS & FACILITIES	CTY06 ADA Facility Assessments	Net Debt Bonds	100					100	
		Total	100					100	
	FIR11 New Fire Station No. 11	Net Debt Bonds		465	1,910	3,350		5,725	
		Total		465	1,910	3,350		5,725	
	FIR12 Fire Station No. 1 Renovation & Expansion	Net Debt Bonds				3,000		3,000	
		Total				3,000		3,000	
	MPD03 Hamilton School Acquisition & Facility Improvement	Net Debt Bonds	1,000	2,000	1,000			4,000	
		Total	1,000	2,000	1,000			4,000	
	PSD01 Facilities - Repair and Improvements	Net Debt Bonds	1,115	1,200	1,200	1,675	1,500	6,690	
		Total	1,115	1,200	1,200	1,675	1,500	6,690	
	PSD03 Facilities - Space Improvements	Net Debt Bonds	1,000	750	750	750	750	4,000	
		Total	1,000	750	750	750	750	4,000	
	PSD11 Energy Conservation and Emission Reduction	Net Debt Bonds	250	500	500	500	500	2,250	
		Total	250	500	500	500	500	2,250	
	PSD12 Pioneers & Soldiers Cemetery Fencing - Phase II	Net Debt Bonds	250					250	
State Government Grants		200					200		
Total		450					450		
Total for Public Grounds & Facilities			4,065	5,065	5,510	9,425	2,750	26,815	
MISCELLANEOUS PROJECTS	31101 311 Systems Refresh	Net Debt Bonds	230	0	0	0	0	230	
		Total	230	0	0	0	0	230	
	91101 911 Telephone System Replacement	Net Debt Bonds	975	975	0	0	0	1,950	
		Total	975	975	0	0	0	1,950	
	ART01 Art in Public Places	Net Debt Bonds	480	545	405	425	465	2,320	
		Total	480	545	405	425	465	2,320	
	RAD01 Public Safety Radio System Replacement	Net Debt Bonds	0	1,700	0	0	3,955	5,655	
		Total	0	1,700	0	0	3,955	5,655	
	Total for Miscellaneous Projects			1,685	3,220	405	425	4,420	10,155
	Grand Total			120,479	142,918	114,720	103,795	110,805	592,717

Council Adopted Utility Rates

Supporting 2014 - 2018 Enterprise Operations, Capital Programs & Debt Repayment

Stormwater Rates

2013 Council Adopted Stormwater Rates

Effective Date	Increase	Total Rate*	% Change
01/01/13	0.120	11.82	1.0%
01/01/14	0.120	11.94	1.0%
01/01/15	0.120	12.06	1.0%
01/01/16	0.160	12.22	1.3%
01/01/17	0.160	12.38	1.3%

2014 Council Adopted Stormwater Rates

Effective Date	Increase	Total Rate*	% Change
01/01/13		11.82	
01/01/14	0.120	11.94	1.0%
01/01/15	0.120	12.06	1.0%
01/01/16	0.120	12.18	1.0%
01/01/17	0.120	12.30	1.0%
01/01/18	0.220	12.52	1.8%

* Expressed in \$/Equivalent Stormwater Unit (ESU) where 1 ESU = 1,530 square feet of impervious (hard surface) area.

Sanitary Sewer Rates

2013 Council Adopted Sanitary Sewer Rates

Effective Date	Increase	Total Rate**	% Change
01/01/13	0.090	3.14	3.0%
01/01/14	0.100	3.24	3.2%
01/01/15	0.100	3.34	3.1%
01/01/16	0.100	3.44	3.0%
01/01/17	0.000	3.44	0.0%

2014 Council Adopted Sanitary Sewer Rates

Effective Date	Increase	Total Rate**	% Change
01/01/13		3.14	
01/01/14	0.000	3.14	0.0%
01/01/15	0.070	3.21	2.2%
01/01/16	0.070	3.28	2.2%
01/01/17	0.070	3.35	2.1%
01/01/18	0.070	3.42	2.1%

In addition to the above rates which are based on water usage, a fixed charge based on meter size will be charged each billing period. The 2014 monthly fixed charge will increase from \$3.00 to \$3.40 for a 5/8 inch meter and from \$990 to \$1,122 for a 12 inch meter. Similar fixed charge increases are projected for 2015 - 2018 also. Beginning in 2018, the fixed charge will range from \$5.00 for a 5/8 inch meter to \$1,650 per month for a 12 inch meter.

Water Rates

2013 Council Adopted Water Rates

Effective Date	Increase	Total Rate**	% Change
01/01/13	0.090	3.29	2.8%
01/01/14	0.090	3.38	2.7%
01/01/15	0.100	3.48	3.0%
01/01/16	0.100	3.58	2.9%
01/01/17	0.000	3.58	0.0%

2014 Council Adopted Water Rates

Effective Date	Increase	Total Rate**	% Change
01/01/13		3.29	
01/01/14	0.030	3.32	0.9%
01/01/15	0.050	3.37	1.5%
01/01/16	0.050	3.42	1.5%
01/01/17	0.050	3.47	1.5%
01/01/18	0.050	3.52	1.4%

In addition to the above rates which are based on water usage, a fixed charge based on meter size will be charged each billing period. The 2014 monthly fixed charge will increase from \$2.00 to \$2.50 for a 5/8 inch meter and from \$660 to \$825 for a 12 inch meter. Similar fixed charge increases are projected for 2015 - 2018 also. Beginning in 2018, the fixed charge will range from \$4.50 for a 5/8 inch meter to \$1,485 per month for a 12 inch meter.

** Sanitary Sewer and Water Rates are expressed in \$/100 Cubic Feet of Water Consumption

Water and Sanitary Sewer Fun Facts:

Water Conversion Rate for 100 cubic feet = 748 US Gallons or ~ 150 - 5 gallon buckets or 11,968 - 8 ounce glasses.

For 2014, at \$3.32/100 cu ft, an 8 ounce glass of water costs roughly 1/36th of a cent/glass.

For 2014, at a combined \$6.46/100 cu ft for sewer and water fees, it costs about 1.4 cents to flush a 1.6 gallon toilet.



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 includes renovation and upgrade of the heating, ventilating and air conditioning (HVAC) systems in City Hall.

MBC04 MBC Elevators

Upgrade of 5 Elevators in City Hall.

MBC09 Critical Power Capital Project

The project will upgrade emergency power systems in the City Hall.

MBC10 Exterior Improvements

This project will include replacing waterproofing at various locations around the building that has been in place for nearly 40 years, addressing masonry issues at various locations around the exterior perimeter and at the interior court and repairing or replacing exterior windows.

CTY01 Restoration of Historic Reception Room

Historic restoration of a reception hall for public meetings and ceremonies.

PARK BOARD

PRK01 Recreation Center and Site Improvements Program

Improve energy efficiency, accessibility, HVAC and roofing/interior features for Lyndale Farmstead and Painter Parks recreation centers.

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 upgrades at parks throughout the city.

PRK04 Athletic Fields and Site Improvements Program

Improvements include soil amendments, re-grading, re-seeding, irrigation, lighting, drainage, amenities and parking.

PRK30 Service Area Improvement Program

Capital improvements to service areas throughout Minneapolis.

PRK31 Bossen Park Field Improvements

Renovation and possible redesign for ball diamonds and soccer fields at Bossen Park.

PRK33 Bryn Mawr Meadows Field Improvements

Renovation and possible redesign for athletic fields at Bryn Mawr Meadows.

PRKCP Neighborhood Parks Capital Infrastructure

ADA improvements, artificial turf, grant match, sidewalk replacement and Riverfront / Grand Rounds Missing Link development.



PRKDT Diseased Tree Removal

Removing diseased trees from private property.

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.

PV019 6th Ave N (5th St N to dead end north of Wash Ave N)

Reconstruction of a deteriorated roadway in the North Loop Historic District.

PV027 Hennepin/Lyndale

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.

PV059 Major Pavement Maintenance Program

This is one of several projects receiving funding from the Mayor's Infrastructure Acceleration Program which will upgrade pavement conditions and/or extend the life of the roadways in the City.

PV061 High Volume Corridor Reconditioning Program

This program focuses on the reconditioning of the driving surface of the high volume corridors to extend their expected life span by 10 years.

PV063 Unpaved Alley Construction

Place concrete pavement and any necessary storm drain and retaining walls in existing dirt or oiled dirt surfaced alleys.

PV067 Nawadaha Blvd & Minnehaha Ave

Reconstruction of existing roadway.

PV068 LaSalle Ave (Grant to 8th)

Reconstruction of existing roadway.

PV069 Penn Ave S (50th to Crosstown)

Reconstruction of existing street.

PV070 Riverside Extension - 4th St/15th Ave

This project would construct paving improvements to the roads adjacent to the northern end of the Riverside Ave paving project.

PV072 Pedestrian Improvement Project

Addition of pedestrian improvements to 6th, 7th, 8th and 9th Streets.



PV073 26th Ave N (W Broadway to Lyndale Ave N)

This project will reconstruct the existing roadway with the addition of an Off-Street Bike Path. The CTY02 City Property Reforestation funding for 2015 and 2016 is also being recommended to augment the number of trees planted as part of this project due to the tornado that devastated portions of this North Minneapolis community.

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 program is being created to provide funding for infrastructure related to development projects to spur growth of the tax base as opportunities arise.

PV076 38th St E (Hiawatha to Minnehaha)

Reconstruction of existing roadway.

PV080 18th Ave NE (Monroe to Johnson St NE)

Reconstruction of existing roadway with an off street bicycle trail.

PV083 Minnehaha Ave (24th to 26th St E)

Reconstruction of existing street with bike lanes.

PV084 54th St W (Penn to Lyndale Ave S)

Reconstruction of existing concrete pavement with parking and bicycle lanes.

PV085 Nicollet Mall Planning

This project will explore the possibility of reconstructing the Nicollet Mall in downtown Minneapolis.

PV086 26th Ave N (Wirth Pkwy to Brdwy/Lyndale to River)

Renovation of existing roadway to accommodate construction of off street bicycle trail.

PV087 34th Ave S (54th St E to Minnehaha Pkwy)

Rehabilitation or reconstruction of existing roadway.

PV093 37th Ave NE (St Anth Pkwy to Marshall St NE)

Reconstruction of existing failing concrete roadway.

PV094 4th St SE (25th to 29th Ave SE)

Reconstruct existing concrete roadway.

PV095 4th St N & S (2nd Ave N to 4th Ave S)

Reconstruction of existing roadway.

PV096 42nd Ave N (Xerxes to Lyndale Ave N)

Reconstruction of existing roadway.

PV097 18th Ave NE Trail Gap



Complete existing trail from 6th St NE to Washington St NE.

PV098 Hiawatha Trail Gap (28th to 32nd St E)

Extend existing trail to fill gap along LRT/Hiawatha Corridor.

PV099 26th & 28th St Buffered Bike Lanes (Hia to 35W)

Add buffered bike lanes in coordination with mill & overlay project.

PV100 Dinkytown Greenway Connection (15th Ave/4th St SE)

Construct new pedestrian/bicycle access from existing trail to street level at 15th Ave SE/4th St SE.

PV101 29th St W Pedestrian Connection

Construct new pedestrian connection on the N side of 29th St W from Dupont Ave S to Lyndale Ave S.

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.

BR101 Major Bridge Repair and Rehabilitation

Major repair and rehabilitation of existing city bridges to extend the operational life.

BR106 1st Ave S over HCRRA

Reconstruction of the existing bridge over the Midtown Greenway.

BR111 10th Ave SE Bridge Arch Rehabilitation

The project proposes to protect a large city investment by repairing concrete on the spandrel columns, floor beams and arches.

BR112 Nicollet Ave Reopening

This project would recreate the city grid system by making Nicollet Ave a continuous street through the Lake St intersection which would help to foster development along Nicollet Ave.

BR116 Bridge 9 Improvements

This project will rehabilitate a pedestrian and bicycle bridge over the Mississippi River stretching from the east bank to the west bank of the University of Minnesota. This 925 foot bridge is also part of the City's trail system for downtown commuters.

BR117 1st St N Bridge over Bassett's Creek

Reconstruction of a structurally deficient bridge.

BR123 28th Ave S over Minnehaha Creek

Replace existing Bridge over Minnehaha Creek.

BR126 40th St Pedestrian & Bicycle Bridge over 35W

Rehabilitation of the existing pedestrian bridge to accommodate a shared use function for pedestrians and bicycles.



BR127 Nicollet Ave over Minnehaha Creek

Renovation of the existing bridge.

BR130 7th St Ramp Bridge over 35W

Construct new ramp from I-94 to 7th St S into downtown

BR131 North by Northeast Bikeway Bridge Connection

This project will explore the possibility of creating a bike path connection over the Mississippi River connecting North to Northeast Minneapolis.

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 the Traffic Management Center 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. For 2014, the Mayor added \$50,000 to this project for pedestrian safety improvements at the intersection of E 53rd St and Minnehaha Ave.

TR024 Pedestrian Level Lighting Program

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.

BIK20 Hiawatha LRT Trail Lighting

This project will provide lighting along the Hiawatha LRT trail from 11th Ave S to 28th St E.

SA001 Sanitary Tunnel & Sewer Rehabilitation 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 Regulations

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 ROW can be disconnected from the sanitary sewer and reconnected to a storm sewer.

SW011 Storm Drains and Tunnels Rehabilitation Program

The rehab and repair of storm pipes, pump stations and tunnels throughout the City.

SW018 Flood Area 29 & 30 - Fulton Neighborhood

The goal of this project is to protect Fulton neighborhood homes and businesses from flooding by using runoff volume and runoff rate control.

SW032 I-35W Storm Tunnel Reconstruction

Construction of 19 new relief tunnels along the existing St. Mary's Tunnel.

SW033 Flood Area 22 - Sibley Field

Use storm water volume reduction to protect homes near Sibley Pond from flooding as a result of the increased runoff.

SW034 Flood Area 21 - Bloomington Pond

Project will increase runoff by disconnecting combined sewer overflow areas from the sanitary sewer and then use storm water volume reduction to protect homes near Bloomington Pond from flooding as a result of the increased runoff.

SW039 Flood Mitigation with Alternative Stormwater Mgmt

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.

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 across city.

WTR18 Water Distribution Facility

Replace very old Water East Yard with distribution maintenance facilities at a different location.

WTR23 Treatment Infrastructure Improvements

Maintain viability of existing water infrastructure through regular upgrades.

WTR24 Fridley Filter Plant Rehabilitation

Renovate many parts of the Fridley Filtration Plant (1925 vintage) to improve finished water quality and reliability.



WTR25 Ground Water Supply

Construction of alternative water sources using wells.

WTR26 Recarbonation System Replacement

Replace carbon dioxide storage and feed system.

WTR27 Meter Replacement Program

Implementation of Advanced Metering Infrastructure.

WTR28 Ultrafiltration Module Replacement

Replace membrane modules in Ultrafiltration plant.

WTR9R Reimbursable Watermain Projects

This project provides working capital for watermain projects that are reimbursable by other City Departments or private businesses.

RMP01 Parking Facilities - Repair and Improvements

This Project continues a dedicated ongoing capital improvement program for the City's existing Off-Street parking program that consists of 15 City owned and operated parking facilities and 8 surface lots.

INFORMATION TECHNOLOGY

IT003 Enterprise Content Management

This project is a continuation of the commitment to Enterprise Document Management started in 2007.

IT004 Enterprise Infrastructure Modernization

This project will refresh failing and end-of-life technology, while increasing capacity of resource-constrained technology.

IT031 Geographical Information System (GIS)

This project is a continuation of the City's commitment to GIS. The focus is on delivery of applications, data, and integration with City systems.

IT033 Police Report Management System Upgrade

The Minneapolis Police Department uses a custom built police report management system (RMS) called CAPRS (Computer Assisted Police Reporting System).

IT034 Minneapolis Information Commons

Minneapolis Information Commons provides a foundation for collecting, managing and releasing data for internal use and external communication as appropriate.

IT035 Managed Services

Project provides technology services and solutions to all City departments.

PUBLIC GROUNDS & FACILITIES

CTY02 City Property Reforestation

This is an ongoing Capital Program intended for the reforestation of public facility properties, industrial areas, and commercial corridors.

CTY05 City Hall Elevator Upgrade



Modernization of the existing hydraulic elevator located in the Property and Evidence Room of City Hall.

CTY06 ADA Facility Assessments

The project envisions hiring a consultant who specializes in the new 2010 ADA standards to audit for 58 City owned and operated facilities managed by Property Services. The City has not completed a full scale ADA audit since 1995.

FIR11 New 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 & Expansion

The project would plan, design, renovate and expand the current Fire Station #1 at its current location.

MPD03 Hamilton School Acquisition & Facility Improvement

The project is envisioned to acquire and improve Hamilton School, located at 4119 Dupont Avenue North, for the long term needs of the Police Department.

PSD01 Facilities - Repair and Improvements

This is an on-going capital maintenance program intended for repairs and improvements to 58 City owned and operated facilities.

PSD03 Facilities - Space Improvements

Ongoing capital improvement program for the modification of interior spaces adhering to City adopted standards for space and furnishings.

PSD11 Energy Conservation and Emission Reduction

This project is an ongoing capital program that provides funding for investment in energy conservation and emission reduction strategies for the City's municipal operations.

PSD12 Pioneers & Soldiers Cemetery Fencing - Phase II

Complete the remaining scope of work to repair and restore the ornamental fencing and masonry/limestone columns for the historic cemetery.

PSD15 Traffic Maintenance Facility Improvement

The scope of the project is to replace the heating, ventilation, air conditioning (HVAC), ceilings and lighting, electrical distribution, and life-safety systems for the building.

PSD16 Farmer's Market Improvements

This project will provide for the long term capital improvement plan for the Farmer's Market site and facilities. The project will improve flow, function and safety, while expanding stalls for Minneapolis growers and provide for an extended (if not year round) season.

PSD17 Solid Waste & Recycling Facility Improvements

The project will address deferred capital maintenance, code and ADA deficiencies, and functional improvements needed to improve the facility for the foreseeable future.

MISCELLANEOUS PROJECTS

31101 311 Systems Refresh

This project will refresh the Lagan (KANA) Customer Relationship Management (CRM) to current version 8.XX, integrate the 311 telephony platform and CRM system, update the CRM data base and provide for the implementation of the Lagan mixed media module.

91101 911 Telephone System Replacement



This project will replace the legacy E911 telephone system.

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.

RAD01 Public Safety Radio System Replacement

Replace hardware and update infrastructure of the ARMER interoperable radio system.



31101 311 Systems Refresh

Existing or New Infrastructure: Existing

Increase/(Decrease)Amount: 0

Describe Operating Cost Impacts and How Increases Will Be Funded:

Operating Cost Implication: No Change

Year Increase/(Decrease)Takes effect:

91101 911 Telephone System Replacement

Existing or New Infrastructure: Existing

Increase/(Decrease)Amount: 0

Describe Operating Cost Impacts and How Increases Will Be Funded:

Operating Cost Implication: No Change

Year Increase/(Decrease)Takes effect:

ART01 Art in Public Places

Existing or New Infrastructure: New

Increase/(Decrease)Amount: 500

Describe Operating Cost Impacts and How Increases Will Be Funded:

During design development for each public art project, a design assessment is conducted by an art conservator which estimates the annual maintenance costs, as well as the costs of periodic treatments, such as repainting. After this assessment, staff works with the artist to determine 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. Annual maintenance is funded and provided by CPED and other project partners. For example, for the drinking fountain project, the City has recruited private partners, such as the YWCA and private developers, to do the daily maintenance and the annual winterizing of the plumbing.

Operating Cost Implication: Increase

Year Increase/(Decrease)Takes effect: 2014

BIK20 Hiawatha LRT Trail Lighting

Existing or New Infrastructure: New

Increase/(Decrease)Amount: 7,200

Describe Operating Cost Impacts and How Increases Will Be Funded:

\$85 per fixture/ per year in maintenance expenses. Increased costs will need to be absorbed into the existing operating budget.

Operating Cost Implication: Increase

Year Increase/(Decrease)Takes effect: 2014

BR101 Major Bridge Repair and Rehabilitation

Existing or New Infrastructure: Existing

Increase/(Decrease)Amount: -20,000

Describe Operating Cost Impacts and How Increases Will Be Funded:

Cost impacts represent an analysis of "Routine Maintenance" expenses.

Operating Cost Implication: (Decrease)

Year Increase/(Decrease)Takes effect: 2013

BR111 10th Ave SE Bridge Arch Rehabilitation

Existing or New Infrastructure: Existing

Increase/(Decrease)Amount: -65,000

Describe Operating Cost Impacts and How Increases Will Be Funded:

The amount is an average based on actual costs tracked in the finance system for maintenance work on the bridge which were provided by Bridge Maintenance Foreman.

Operating Cost Implication: (Decrease)

Year Increase/(Decrease)Takes effect: 2014



BR116 Bridge 9 Improvements

Existing or New Infrastructure: Existing

Operating Cost Implication: (Decrease)

Increase/(Decrease)Amount: -2,500

Year Increase/(Decrease)Takes effect: 2014

Describe Operating Cost Impacts and How Increases Will Be Funded:

This bridge requires major rehabilitation and it is not economical for city maintenance crews to perform maintenance work. This structures' sub-structure is presently being maintained only as necessary.

BR131 North by Northeast Bikeway Bridge Connection

Existing or New Infrastructure: New

Operating Cost Implication: No Change

Increase/(Decrease)Amount: 0

Year Increase/(Decrease)Takes effect:

Describe Operating Cost Impacts and How Increases Will Be Funded:

CTY02 City Property Reforestation

Existing or New Infrastructure: New

Operating Cost Implication: Increase

Increase/(Decrease)Amount: 20,000

Year Increase/(Decrease)Takes effect: 2014

Describe Operating Cost Impacts and How Increases Will Be Funded:

The Minneapolis Park & Recreation Board has a Forestry Division will be contracted with to provide guidance and consultation for the project and to maintain the trees through for several years until the trees are established and sustainable at a lower level of expertise.

IT003 Enterprise Content Management

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase/(Decrease)Amount: 0

Year Increase/(Decrease)Takes effect:

Describe Operating Cost Impacts and How Increases Will Be Funded:

ECMS hardware and application are being upgraded to support the Universal Records Management implementation, additional tools and functionality as well as the rapid growth of system use by City departments. Existing operational staff will support the URM environment and added functionality.



IT004 Enterprise Infrastructure Modernization

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase/(Decrease)Amount: 0

Year Increase/(Decrease)Takes effect:

Describe Operating Cost Impacts and How Increases Will Be Funded:

Minneapolis IT has indicated no change to operating costs, not because Minneapolis IT expects to see no increase or decrease in operating costs, but because the reporting system requires a dollar amount. There are several new infrastructure subprojects in this funding request, and it is likely that overall operating costs will increase. We have not estimated a dollar amount because we are in the early phases of confirming requirement specifications and deciding on sourcing strategy. We will weigh all factors contributing to total cost of ownership and design solutions that make the most sense, including what portion of that total cost is realized in operating costs. Also note that Minneapolis IT's solution-development methodology requires all solutions to identify operating costs and have an approved plan to cover these costs before they are approved to proceed.

The following are very high-level examples of solution characteristics that drive changes in operating costs. Subprojects that replace existing end-of-life equipment under our Unisys contract do not impact operating costs either way. Subprojects that increase capacity or add new capabilities will generate increased operating costs. Examples include new systems maintenance, monitoring and lifecycle management costs and increased staffing to operate new services once they are in place. Subprojects have the potential to reduce operating costs. Examples include consolidating servers and replacing higher-cost network circuits with lower cost alternatives such as shared government fiber or leveraging internet services.

Minneapolis IT has several ways to pay for additional operating costs that might be generated by a given change. We can absorb such increases into our existing operating budget by reducing costs elsewhere. We can request an increase in the enterprise allocation calculations that determine our annual operating budget to cover new costs. We can ask departments to contribute a specific allocation to cover costs where they are the primary beneficiary of the added capacity or service. All of these are considered when determining the plan to cover increased operating costs that must be included in all of our solution designs and proposals. A solution will not be accepted and approved unless increased costs are articulated in detail and accompanied by the plan to pay for them going forward. Inability to determine a funding plan for operating costs could delay or cancel subprojects described in subsequent sections of this document.

IT033 Police Report Management System Upgrade

Existing or New Infrastructure: Existing

Operating Cost Implication: Increase

Increase/(Decrease)Amount: 300,000

Year Increase/(Decrease)Takes effect:

Describe Operating Cost Impacts and How Increases Will Be Funded:

Because this is an upgrade as opposed to an entirely new project there are current operating costs for comparison and the new hardware expenses will be similar to the current environment. The software expense is based on multiple vendor demonstrations with cost evaluations including licensing expenses and ongoing support based on a known number of users.

The increased annual expense will be covered through staffing reductions in both the IT support area and the intelligence gathering divisions. Under the current environment there is significant staff required to perform data collection and analysis. With this new technology platform, data mining will be greatly improved with a master name and address index built into the system.



MBC01 Life Safety Improvements

Existing or New Infrastructure: New

Operating Cost Implication: No Change

Increase/(Decrease)Amount: 0

Year Increase/(Decrease)Takes effect:

Describe Operating Cost Impacts and How Increases Will Be Funded:

Installation of sprinkler, smoke, and fire alarm systems will reduce insurance premiums for the building and also reduce the risk of property loss and potential lawsuits to the City and County. In 2005, property insurance costs for the building were reduced from \$57,500 to \$51,510. A portion of this savings can be attributed to the Life Safety Project.

No cost savings has been assigned for reduced risk of property loss.

MBC02 Mechanical Systems Upgrade

Existing or New Infrastructure: New

Operating Cost Implication: (Decrease)

Increase/(Decrease)Amount: -160,000

Year Increase/(Decrease)Takes effect:

Describe Operating Cost Impacts and How Increases Will Be Funded:

Installation of four energy wheels have been completed or are in construction for the years 2009 through 2013. The energy wheels will capture energy from exhaust air and utilize that energy to heat, cool, or humidify incoming ventilation air. Originally the outside air intake units were scheduled at the end of the project. They have been rescheduled to capitalize on energy savings and to coordinate construction sequencing issues. It is estimated that each of the four energy wheels will save \$40 thousand dollars per year for a total of \$160 thousand dollars annually after completion of the project.

MBC04 MBC Elevators

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase/(Decrease)Amount: 0

Year Increase/(Decrease)Takes effect:

Describe Operating Cost Impacts and How Increases Will Be Funded:

Operating Costs for the MBC will be slightly reduced upon completion of the project. It is projected that elevator maintenance bids will reduced slightly when this equipment is upgraded. There will be a slight reduction in energy consumption when the inefficient direct current equipment on the freight elevator is replaced. Please also note the discussion in Additional Supplemental Information.

PRK02 Playground and Site Improvements Program

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase/(Decrease)Amount: 0

Year Increase/(Decrease)Takes effect:

Describe Operating Cost Impacts and How Increases Will Be Funded:

Operating costs are generally decreased, as replacement and updating of playgrounds reduce the need for spot repairs and removal of damaged or unsafe equipment.

PRK03 Shelter - Pool - Site Improvements Program

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase/(Decrease)Amount: 0

Year Increase/(Decrease)Takes effect:

Describe Operating Cost Impacts and How Increases Will Be Funded:

The current facilities are very old and use outdated pumps and heaters. New equipment and facilities will use less water and energy. Final figures for cost savings will be determined as part of the design and engineering of the projects.



PRK04 Athletic Fields and Site Improvements Program

Existing or New Infrastructure: Existing

Operating Cost Implication: Increase

Increase/(Decrease)Amount: 5,000

Year Increase/(Decrease)Takes effect:

Describe Operating Cost Impacts and How Increases Will Be Funded:

This is based on costs of maintaining other upgraded neighborhood park fields, such as the newer field at Rev. Dr. Martin Luther King Jr Park. Costs are associated with irrigation, aeration and fertilization of the turf.

PRKCP Neighborhood Parks Capital Infrastructure

Existing or New Infrastructure:

Operating Cost Implication: No Change

Increase/(Decrease)Amount: 0

Year Increase/(Decrease)Takes effect:

Describe Operating Cost Impacts and How Increases Will Be Funded:

The sidewalk/interior path replacement, operational facilities rehabilitation, synthetic turf rehabilitation and neighborhood rehabilitation funds will be a direct replacement and will reduce the need for emergency fixes or patches.

The operating cost impacts of the grant match will depend on the projects that are selected for funding. If the project will result in an increase in operating cost, the grant request will require Park Board approval.

Riverfront master plans and the Grand Rounds Missing Link master plans will require a full analysis of the potential operating cost increases. This work is in progress and will need to be complete prior to finishing master plan updates for both future park areas.

ADA improvements will be applied to existing infrastructure and are not expected to increase operating costs.

PRKDT Diseased Tree Removal

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase/(Decrease)Amount: 0

Year Increase/(Decrease)Takes effect:

Describe Operating Cost Impacts and How Increases Will Be Funded:

N/A

PSD01 Facilities - Repair and Improvements

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase/(Decrease)Amount: 0

Year Increase/(Decrease)Takes effect:

Describe Operating Cost Impacts and How Increases Will Be Funded:

Operating costs will not increase but will remain stable through continued investment in planned capital maintenance investment. However, because of the large number of facilities and the variety in size and scope of the various maintenance projects it is difficult to quantify savings in a meaningful way.

Operational increases are avoided because of annual investment in facilities, which prevent operational costs from significantly increasing in the future. Efficiencies are gained through upgrades to building features and systems such as floorings & finishes, mechanical, electrical, and lighting. Specific examples include: installation of low maintenance floorings, carpet tiles (as opposed to roll carpets), computerized HVAC controls, dual fuel heating and cooling systems, high efficiency boilers and energy efficient hot water heaters, water usage reductions through new generation plumbing fixtures, energy efficient lighting and occupancy sensors. The savings achieved by annual investment in facilities is the key to keeping costs from significantly increasing in the future and continuing to protect and maintain the City's current investment in facilities.



PSD03 Facilities - Space Improvements

Existing or New Infrastructure: Existing

Operating Cost Implication: (Decrease)

Increase/(Decrease)Amount: -180,000

Year Increase/(Decrease)Takes effect: 2015

Describe Operating Cost Impacts and How Increases Will Be Funded:

By standardizing space allocation and functionally improving space, the City has been able to utilize its office space more efficiently, with an approximate 15% gain in square footage overall as spaces are renovated. Also by standardizing, the expenses for moves, reconfiguration and ergonomic adjustment have and will continue to decrease. The City has been able to reduce its annual real estate costs by reducing leased space. Previous investment produced annual savings that include: 1) In 2010, \$1,000,000 in annual lease costs with the relocation of the City Attorney offices into City Hall, 2) in 2012, the Community Services Building was shuttered resulting in an annual cost savings of \$120,000, 3) in January of 2013, an annual reduction of \$58,000 in lease costs has been realized by vacating the Tri-Tech building and moving these offices into City space. Another proven outcome, though not readily quantifiable, is that standard office furnishings that are adjustable will allow for ergonomic provisions in work spaces and workers compensation related expenses associated with repetitive injury will be reduced through the implementation of ergonomic furniture standards.

It is further planned that by the end of 2014, the lease in the Towle Building can be terminated with an additional annual savings of \$180,000.

PSD11 Energy Conservation and Emission Reduction

Existing or New Infrastructure: Existing

Operating Cost Implication: (Decrease)

Increase/(Decrease)Amount: -100,000

Year Increase/(Decrease)Takes effect: 2015

Describe Operating Cost Impacts and How Increases Will Be Funded:

Energy conservation measures directly reduce operating costs. In some cases, upgrades to building systems will reduce maintenance costs for a period of time.

PSD12 Pioneers & Soldiers Cemetery Fencing - Phase II

Existing or New Infrastructure: Existing

Operating Cost Implication: (Decrease)

Increase/(Decrease)Amount: -1,500

Year Increase/(Decrease)Takes effect: 2014

Describe Operating Cost Impacts and How Increases Will Be Funded:

The proposed complete restoration of the fence sections and columns will reduce ongoing maintenance costs (stop gap repairs).

PV001 Parkway Paving Program

Existing or New Infrastructure: Existing

Operating Cost Implication: (Decrease)

Increase/(Decrease)Amount: -15,000

Year Increase/(Decrease)Takes effect: 2014

Describe Operating Cost Impacts and How Increases Will Be Funded:

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 estimate is approximately \$6,000 per mile saved annually.

PV006 Alley Renovation Program

Existing or New Infrastructure: Existing

Operating Cost Implication: (Decrease)

Increase/(Decrease)Amount: -1,380

Year Increase/(Decrease)Takes effect: 2014

Describe Operating Cost Impacts and How Increases Will Be Funded:

The current street maintenance expenditure is estimated at approximately \$1,000 per mile for alleys in the City. This program averages 11 alleys renovated per year with an average length of 660 l.f. or approximately 1.38 miles.



PV056 Asphalt Pavement Resurfacing Program

Existing or New Infrastructure: Existing

Operating Cost Implication: (Decrease)

Increase/(Decrease)Amount: -50,000

Year Increase/(Decrease)Takes effect: 2014

Describe Operating Cost Impacts and How Increases Will Be Funded:

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 estimate is approximately \$2,500 per mile for residential streets. This program attempts to resurface approximately 20 miles per year.

PV059 Major Pavement Maintenance Program

Existing or New Infrastructure: Existing

Operating Cost Implication: (Decrease)

Increase/(Decrease)Amount: -6,000

Year Increase/(Decrease)Takes effect: 2014

Describe Operating Cost Impacts and How Increases Will Be Funded:

Operating cost impacts are based on historical data from the maintenance department for this type of work.

PV061 High Volume Corridor Reconditioning Program

Existing or New Infrastructure: Existing

Operating Cost Implication: (Decrease)

Increase/(Decrease)Amount: -22,000

Year Increase/(Decrease)Takes effect: 2014

Describe Operating Cost Impacts and How Increases Will Be Funded:

This project decreases maintenance expenses by improving the quality of the existing pavement by replacing an aged driving surface with a new one. Maintenance is estimated at \$6000 per mile per year. This program averages 3.7 miles per year.

PV063 Unpaved Alley Construction

Existing or New Infrastructure: New

Operating Cost Implication: (Decrease)

Increase/(Decrease)Amount: -700

Year Increase/(Decrease)Takes effect: 2014

Describe Operating Cost Impacts and How Increases Will Be Funded:

This program will reduce ongoing maintenance needs for unpaved alleys in the Unpaved Alley Construction program. These improvements will release maintenance money for other uses where additional maintenance is needed. The current street maintenance expenditure for a dirt or oiled dirt surfaced alley is estimated at approximately \$700 per alley per year.

Over the five years of this program, it is estimated that 10 alleys at minimum will be improved. Because this program will not begin until 2013, it is unknown exactly how much each alley will cost to be improved. It is expected that after the first years of the program, an accurate cost will be determined for these improvements, and the number of alleys constructed each year may change.

PV067 Nawadaha Blvd & Minnehaha Ave

Existing or New Infrastructure: Existing

Operating Cost Implication: (Decrease)

Increase/(Decrease)Amount: -1,500

Year Increase/(Decrease)Takes effect: 2014

Describe Operating Cost Impacts and How Increases Will Be Funded:

Assumed a \$6,000 per mile savings per year for roads reconstructed as a MSA route.



PV068 LaSalle Ave (Grant to 8th)

Existing or New Infrastructure: Existing

Operating Cost Implication: (Decrease)

Increase/(Decrease)Amount: -3,000

Year Increase/(Decrease)Takes effect: 2014

Describe Operating Cost Impacts and How Increases Will Be Funded:

The annual amount saved is based on \$6,000 per mile which is assumed for a high volume roadway.

PV069 Penn Ave S (50th to Crosstown)

Existing or New Infrastructure: Existing

Operating Cost Implication: (Decrease)

Increase/(Decrease)Amount: -9,000

Year Increase/(Decrease)Takes effect: 2013

Describe Operating Cost Impacts and How Increases Will Be Funded:

The amount saved is based on \$6,000 per mile which is assumed for a high volume roadway.

PV070 Riverside Extension - 4th St/15th Ave

Existing or New Infrastructure: Existing

Operating Cost Implication: (Decrease)

Increase/(Decrease)Amount: -925

Year Increase/(Decrease)Takes effect: 2014

Describe Operating Cost Impacts and How Increases Will Be Funded:

Assumed a \$2,500 per mile savings per year for roads reconstructed in a residential area.

PV074 CSAH & MnDOT Cooperative Projects

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase/(Decrease)Amount: 0

Year Increase/(Decrease)Takes effect:

Describe Operating Cost Impacts and How Increases Will Be Funded:

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: 0

Year Increase/(Decrease)Takes effect:

Describe Operating Cost Impacts and How Increases Will Be Funded:

Guidelines are:

- 60 years for reconstructed roadway
- 10 years for reconditioned or resurfaced roadway
- 75 years for new bridge
- Varies for bridge rehabilitation based on condition and scope of work
- 100 years for new storm, sanitary, water utilities
- 50 years for rehabilitated storm, sanitary, water utilities

Operating costs will be compiled in consultation with the responsible department, in most cases Public Works. It is likely that any proposed new public infrastructure will need to be maintained through the existing operation and maintenance budget.



PV085 Nicollet Mall Planning

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase/(Decrease)Amount: 0

Year Increase/(Decrease)Takes effect:

Describe Operating Cost Impacts and How Increases Will Be Funded:

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 \$6,000 for a commercial/MSA type of roadway.

PV086 26th Ave N (Wirth Pkwy to Brdwy/Lyndale to River)

Existing or New Infrastructure: Existing

Operating Cost Implication: (Decrease)

Increase/(Decrease)Amount: -5,500

Year Increase/(Decrease)Takes effect: 2014

Describe Operating Cost Impacts and How Increases Will Be Funded:

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 \$6,000 for a commercial/MSA type of roadway.

PV100 Dinkytown Greenway Connection (15th Ave/4th St SE)

Existing or New Infrastructure: New

Operating Cost Implication: No Change

Increase/(Decrease)Amount: 0

Year Increase/(Decrease)Takes effect: 2015

Describe Operating Cost Impacts and How Increases Will Be Funded:

PV99R Reimbursable Paving Projects

Existing or New Infrastructure:

Operating Cost Implication: No Change

Increase/(Decrease)Amount: 0

Year Increase/(Decrease)Takes effect:

Describe Operating Cost Impacts and How Increases Will Be Funded:

SA001 Sanitary Tunnel & Sewer Rehabilitation Program

Existing or New Infrastructure: Existing

Operating Cost Implication: (Decrease)

Increase/(Decrease)Amount: -100,000

Year Increase/(Decrease)Takes effect: 2014

Describe Operating Cost Impacts and How Increases Will Be Funded:

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 MCES treatment costs.

SA036 Infiltration & Inflow Removal Program

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase/(Decrease)Amount: 0

Year Increase/(Decrease)Takes effect: 2014

Describe Operating Cost Impacts and How Increases Will Be Funded:

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: 0

Year Increase/(Decrease)Takes effect:

Describe Operating Cost Impacts and How Increases Will Be Funded:

SW004 Implementation of US EPA Storm Water Regulations

Existing or New Infrastructure: New

Operating Cost Implication: No Change

Increase/(Decrease)Amount: 0

Year Increase/(Decrease)Takes effect: 2014

Describe Operating Cost Impacts and How Increases Will Be Funded:

Construction of new stormwater best management practices (BMPs) may require additional maintenance costs which will be paid for from the stormwater utility maintenance funding. Maintenance costs will be highly dependent on the BMP selected for construction. Many of these BMPs do not have enough data to determine annual maintenance costs. The department is working towards tracking and identifying these costs.

SW005 Combined Sewer Overflow Improvements

Existing or New Infrastructure: New

Operating Cost Implication: No Change

Increase/(Decrease)Amount: 0

Year Increase/(Decrease)Takes effect: 2014

Describe Operating Cost Impacts and How Increases Will Be Funded:

Operating Costs were determined with past practices, and this work does not result in increased operating costs.

SW011 Storm Drains and Tunnels Rehabilitation Program

Existing or New Infrastructure: Existing

Operating Cost Implication: (Decrease)

Increase/(Decrease)Amount: -300,000

Year Increase/(Decrease)Takes effect: 2014

Describe Operating Cost Impacts and How Increases Will Be Funded:

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 with Alternative Stormwater Mgmt

Existing or New Infrastructure: New

Operating Cost Implication: No Change

Increase/(Decrease)Amount: 0

Year Increase/(Decrease)Takes effect: 2014

Describe Operating Cost Impacts and How Increases Will Be Funded:

This project may increase annual operating and maintenance costs of the Surface Water & Sewers Division of Public Works for maintenance of the BMPs. However, any increase may be offset by a decrease in annual operating and maintenance costs of the same division for addressing localized flooding issues. Any net increase would be paid from the Stormwater Utility enterprise fund.



SWK01 Defective Hazardous Sidewalks

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase/(Decrease)Amount: 0

Year Increase/(Decrease)Takes effect:

Describe Operating Cost Impacts and How Increases Will Be Funded:

This proposal has no effect on annual operating/maintenance costs. Funds for the operation of the Sidewalk Inspection office are provided by: 1) the 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, and 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 Charter, Chapter 8, Section 12 and 13) to be paid for by the adjacent property owner.

TR008 Parkway Street Light Replacement

Existing or New Infrastructure: Existing

Operating Cost Implication: (Decrease)

Increase/(Decrease)Amount: -6,000

Year Increase/(Decrease)Takes effect: 2014

Describe Operating Cost Impacts and How Increases Will Be Funded:

It is estimated that personnel cost would be reduced by \$4,500 and equipment rental by \$1,500.

TR011 City Street Light Renovation

Existing or New Infrastructure: Existing

Operating Cost Implication: (Decrease)

Increase/(Decrease)Amount: -7,500

Year Increase/(Decrease)Takes effect: 2014

Describe Operating Cost Impacts and How Increases Will Be Funded:

It is estimated that personnel cost would be reduced by \$6,000 and equipment rental by \$1,500. This project will replace existing lights resulting in a decrease in maintenance costs. Wattage will be reduced in some locations also resulting in an electrical savings.

TR021 Traffic Signals

Existing or New Infrastructure: Existing

Operating Cost Implication: (Decrease)

Increase/(Decrease)Amount: -20,000

Year Increase/(Decrease)Takes effect: 2014

Describe Operating Cost Impacts and How Increases Will Be Funded:

Replacement of old and obsolete traffic signal system equipment with capital funding will help reduce the amount of maintenance money that is used towards replacement of failing equipment. It also helps reduce the number of hours personnel spends maintaining the old and obsolete traffic signal system equipment and more hours can be used on work activities that were previously understaffed.

TR022 Traffic Safety Improvements

Existing or New Infrastructure: Existing

Operating Cost Implication: Increase

Increase/(Decrease)Amount: 6,000

Year Increase/(Decrease)Takes effect: 2013

Describe Operating Cost Impacts and How Increases Will Be Funded:

Overhead signal additions would increase operating costs by \$15.00 per unit per year. There are 78 overhead signal structures proposed for construction from 2014 to 2018. The SRTS Program will replace some of the existing infrastructure. However, it's expected that potential increases may be realized with future infrastructure additions. The increased maintenance costs will be paid through the existing maintenance budget.



TR024 Pedestrian Level Lighting Program

Existing or New Infrastructure: New

Increase/(Decrease)Amount: 0

Describe Operating Cost Impacts and How Increases Will Be Funded:

Operating Cost Implication: No Change

Year Increase/(Decrease)Takes effect: 2014

TR99R Reimbursable Transportation Projects

Existing or New Infrastructure:

Increase/(Decrease)Amount: 0

Describe Operating Cost Impacts and How Increases Will Be Funded:

Operating Cost Implication: No Change

Year Increase/(Decrease)Takes effect:

WTR18 Water Distribution Facility

Existing or New Infrastructure: New

Increase/(Decrease)Amount: -50,000

Describe Operating Cost Impacts and How Increases Will Be Funded:

The proposed project will result in decreased operating costs that are directly related to a modern design standards, including being equal to a Silver Rating, based on the criteria of Leadership in Energy and Environmental Design (LEED).

However, due to the pending replacement of the existing facilities, the City has deferred maintenance at the current facility for the past several years. If this Project is not approved, a considerable amount of deferred maintenance work will need to be performed on the existing buildings, thereby increasing the current annual operating costs.

Operating Cost Implication: (Decrease)

Year Increase/(Decrease)Takes effect: 2015

WTR24 Fridley Filter Plant Rehabilitation

Existing or New Infrastructure: Existing

Increase/(Decrease)Amount: 0

Describe Operating Cost Impacts and How Increases Will Be Funded:

Generally plan for neutral change or decrease in operating cost. Attempt to improve efficiency wherever possible.

Operating Cost Implication: No Change

Year Increase/(Decrease)Takes effect:

WTR25 Ground Water Supply

Existing or New Infrastructure: New

Increase/(Decrease)Amount: 0

Describe Operating Cost Impacts and How Increases Will Be Funded:

There will be increased cost to pump from the ground water and through the piping to the treatment compared with pumping from the river. The pumping equipment, as does all equipment, will require some maintenance labor time. Operational plans have not yet been identified, so costs are not estimated.

Operating Cost Implication: No Change

Year Increase/(Decrease)Takes effect:



Project	Submitting Agency	Department Requested	CLIC Recommended	Mayor Recommended	Council Adopted
31101 311 Systems Refresh	Other Departments	230	230	230	230
91101 911 Telephone System Replacement	Other Departments	975	975	975	975
ART01 Art in Public Places	CPED	592	592	480	480
BIK20 Hiawatha LRT Trail Lighting	Public Works	1,415	1,415	1,415	1,415
BR101 Major Bridge Repair and Rehabilitation	Public Works	400	400	400	400
BR111 10th Ave SE Bridge Arch Rehabilitation	Public Works	11,470	11,470	11,470	11,470
BR116 Bridge 9 Improvements	Public Works	2,340	2,340	2,340	2,340
BR131 North by Northeast Bikeway Bridge Connection	Public Works	50	50	50	50
CTY01 Restoration of Historic Reception Room	MBC	462			
CTY02 City Property Reforestation	Other Departments	150	150	150	150
CTY06 ADA Facility Assessments	Other Departments	100	100	100	100
IT003 Enterprise Content Management	IT Department	300	300	300	300
IT004 Enterprise Infrastructure Modernization	IT Department	750	750	750	750
IT031 Geographical Information System (GIS)	IT Department	150			
IT033 Police Report Management System Upgrade	IT Department	1,000	1,000	1,000	1,000
IT034 Minneapolis Information Commons	IT Department	200			
IT035 Managed Services	IT Department	450			
MBC01 Life Safety Improvements	MBC	215	215	215	215
MBC02 Mechanical Systems Upgrade	MBC	580	580	580	580
MBC04 MBC Elevators	MBC	200	200	200	200
MPD03 Hamilton School Acquisition & Facility Improvement	Police Department	1,000	1,000	1,000	1,000
PRK02 Playground and Site Improvements Program	Park Board	750	750	750	750
PRK03 Shelter - Pool - Site Improvements Program	Park Board	2,000	2,000	2,000	2,000
PRK04 Athletic Fields and Site Improvements Program	Park Board	1,150	1,150	1,150	1,150
PRKCP Neighborhood Parks Capital Infrastructure	Park Board	1,811	1,811	1,811	1,811
PRKDT Diseased Tree Removal	Park Board	300	300	300	300
PSD01 Facilities - Repair and Improvements	Other Departments	1,115	1,115	1,115	1,115
PSD03 Facilities - Space Improvements	Other Departments	1,000	1,000	1,000	1,000
PSD11 Energy Conservation and Emission Reduction	Other Departments	250	250	250	250
PSD12 Pioneers & Soldiers Cemetery Fencing - Phase II	Other Departments	450	450	450	450
PSD16 Farmer's Market Improvements	Other Departments	250			
PSD17 Solid Waste & Recycling Facility Improvements	Public Works	500			
PV001 Parkway Paving Program	Public Works	2,510	2,510	2,510	2,510
PV006 Alley Renovation Program	Public Works	250	250	250	250
PV056 Asphalt Pavement Resurfacing Program	Public Works	2,595	2,295	2,595	2,595
PV059 Major Pavement Maintenance Program	Public Works	250	250	250	250
PV061 High Volume Corridor Reconditioning Program	Public Works	3,305	3,305	3,305	3,305
PV063 Unpaved Alley Construction	Public Works	300	300	300	200
PV067 Nawadaha Blvd & Minnehaha Ave	Public Works	2,080	2,080	2,080	2,080
PV068 LaSalle Ave (Grant to 8th)	Public Works	4,520	4,520	4,520	4,520
PV069 Penn Ave S (50th to Crosstown)	Public Works	4,230	4,230	4,230	4,230
PV070 Riverside Extension - 4th St/15th Ave	Public Works	1,390	1,390	1,390	1,390
PV074 CSAH & MnDOT Cooperative Projects	Public Works	2,515	2,515	2,515	2,515
PV075 Development Infrastructure Program	CPED	700	698	1,400	1,400
PV085 Nicollet Mall Planning	Public Works			500	500



Project	Submitting Agency	Department Requested	CLIC Recommended	Mayor Recommended	Council Adopted
PV086 26th Ave N (Wirth Pkwy to Brdwy/Lyndale to River)	Public Works	2,155	2,155	2,155	2,155
PV099 26th & 28th St Buffered Bike Lanes (Hia to 35W)	Public Works	200	200	200	200
PV100 Dinkytown Greenway Connection (15th Ave/4th St SE)	Public Works	275	275	275	275
PV101 29th St W Pedestrian Connection	Public Works	350	350	350	350
PV99R Reimbursable Paving Projects	Public Works	3,500	3,500	3,500	3,500
RMP01 Parking Facilities - Repair and Improvements	Public Works	1,700	1,700	1,700	1,700
SA001 Sanitary Tunnel & Sewer Rehabilitation Program	Public Works	4,000	4,000	4,000	4,000
SA036 Infiltration & Inflow Removal Program	Public Works	3,000	3,000	3,000	3,000
SA99R Reimbursable Sanitary Sewer Projects	Public Works	1,000	1,000	1,000	1,000
SW004 Implementation of US EPA Storm Water Regulations	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 Rehabilitation Program	Public Works	10,200	10,200	10,200	10,200
SW039 Flood Mitigation with Alternative Stormwater Mgmt	Public Works	2,000	2,000	2,000	2,000
SW99R Reimbursable Sewer & Storm Drain Projects	Public Works	2,000	2,000	2,000	2,000
SWK01 Defective Hazardous Sidewalks	Public Works	3,365	3,365	3,365	3,365
TR008 Parkway Street Light Replacement	Public Works	910	910	910	910
TR011 City Street Light Renovation	Public Works	700	700	700	700
TR021 Traffic Signals	Public Works	2,035	2,035	2,035	2,035
TR022 Traffic Safety Improvements	Public Works	1,863	1,863	1,913	1,913
TR024 Pedestrian Level Lighting Program	Public Works	500	500	500	500
TR99R Reimbursable Transportation Projects	Public Works	600	600	600	600
WTR12 Water Distribution Improvements	Public Works	6,600	6,600	6,600	6,600
WTR18 Water Distribution Facility	Public Works	4,000	4,000	4,000	4,000
WTR23 Treatment Infrastructure Improvements	Public Works	5,000	5,000	5,000	5,000
WTR24 Fridley Filter Plant Rehabilitation	Public Works	4,000	4,000	4,000	4,000
WTR25 Ground Water Supply	Public Works	500	500	500	500
WTR9R Reimbursable Watermain Projects	Public Works	2,000	2,000	2,000	2,000
Total		121,453	119,139	120,579	120,479



Project	Submitting Agency	Department Requested	CLIC Recommended	Mayor Recommended	Council Adopted
91101 911 Telephone System Replacement	Other Departments	975	975	975	975
ART01 Art in Public Places	CPED	583	583	545	545
BR101 Major Bridge Repair and Rehabilitation	Public Works	400	400	400	400
BR130 7th St Ramp Bridge over 35W	Public Works	9,790	9,790	9,790	9,790
CTY01 Restoration of Historic Reception Room	MBC	1,038			
CTY02 City Property Reforestation	Other Departments	150	150	150	150
FIR11 New Fire Station No. 11	Fire Department	465	465	465	465
IT003 Enterprise Content Management	IT Department	300	300	300	300
IT004 Enterprise Infrastructure Modernization	IT Department	850	850	850	850
IT031 Geographical Information System (GIS)	IT Department	150			
IT033 Police Report Management System Upgrade	IT Department	2,000	2,000	2,000	2,000
IT034 Minneapolis Information Commons	IT Department	200			
IT035 Managed Services	IT Department	1,200			
MBC01 Life Safety Improvements	MBC	195	195	195	195
MBC02 Mechanical Systems Upgrade	MBC	475	475	475	475
MBC04 MBC Elevators	MBC	290			
MPD03 Hamilton School Acquisition & Facility Improvement	Police Department	2,000	2,000	2,000	2,000
PRK01 Recreation Center and Site Improvements Program	Park Board	450	450	450	450
PRK02 Playground and Site Improvements Program	Park Board	1,550	1,550	1,550	1,550
PRK03 Shelter - Pool - Site Improvements Program	Park Board	500	500	500	500
PRK04 Athletic Fields and Site Improvements Program	Park Board	250	250	250	250
PRK31 Bossen Park Field Improvements	Park Board	950	950	950	950
PRKCP Neighborhood Parks Capital Infrastructure	Park Board	1,650	1,650	1,650	1,650
PRKDT Diseased Tree Removal	Park Board	300	300	300	300
PSD01 Facilities - Repair and Improvements	Other Departments	1,200	1,200	1,200	1,200
PSD03 Facilities - Space Improvements	Other Departments	750	750	750	750
PSD11 Energy Conservation and Emission Reduction	Other Departments	500	500	500	500
PSD16 Farmer's Market Improvements	Other Departments	250			
PSD17 Solid Waste & Recycling Facility Improvements	Public Works	500			
PV001 Parkway Paving Program	Public Works	1,410	1,410	1,410	1,410
PV006 Alley Renovation Program	Public Works	250		250	250
PV027 Hennepin/Lyndale	Public Works	8,535	8,535	8,535	8,535
PV056 Asphalt Pavement Resurfacing Program	Public Works	1,500	1,500	1,500	1,500
PV059 Major Pavement Maintenance Program	Public Works	250	250	250	250
PV061 High Volume Corridor Reconditioning Program	Public Works	3,055	3,055	3,055	3,055
PV063 Unpaved Alley Construction	Public Works	300	300	300	200
PV069 Penn Ave S (50th to Crosstown)	Public Works			1,220	1,220
PV070 Riverside Extension - 4th St/15th Ave	Public Works	500	500	500	500
PV073 26th Ave N (W Broadway to Lyndale Ave N)	Public Works	4,525	4,525	4,525	4,525
PV074 CSAH & MnDOT Cooperative Projects	Public Works	2,905	2,905	2,905	2,905
PV075 Development Infrastructure Program	CPED	1,000		1,000	1,000
PV083 Minnehaha Ave (24th to 26th St E)	Public Works	3,250	3,250	3,250	3,250
PV084 54th St W (Penn to Lyndale Ave S)	Public Works	7,500	7,500	7,500	7,500
PV086 26th Ave N (Wirth Pkwy to Brdwy/Lyndale to River)	Public Works	1,550	1,550	1,550	1,550
PV099 26th & 28th St Buffered Bike Lanes (Hia to 35W)	Public Works	200		200	200



Project	Submitting Agency	Department Requested	CLIC Recommended	Mayor Recommended	Council Adopted
PV101 29th St W Pedestrian Connection	Public Works	350	350	350	350
PV99R Reimbursable Paving Projects	Public Works	3,500	3,500	3,500	3,500
RAD01 Public Safety Radio System Replacement	Other Departments	1,700	1,700	1,700	1,700
RMP01 Parking Facilities - Repair and Improvements	Public Works	1,700	1,700	1,700	1,700
SA001 Sanitary Tunnel & Sewer Rehabilitation Program	Public Works	4,000	4,000	4,000	4,000
SA036 Infiltration & Inflow Removal Program	Public Works	3,000	3,000	3,000	3,000
SA99R Reimbursable Sanitary Sewer Projects	Public Works	1,000	1,000	1,000	1,000
SW004 Implementation of US EPA Storm Water Regulations	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 Rehabilitation Program	Public Works	9,100	9,100	9,100	9,100
SW018 Flood Area 29 & 30 - Fulton Neighborhood	Public Works	3,288	3,288	3,288	3,288
SW033 Flood Area 22 - Sibley Field	Public Works	3,015	3,015	3,015	3,015
SW034 Flood Area 21 - Bloomington Pond	Public Works	4,840	4,840	4,840	4,840
SW039 Flood Mitigation with Alternative Stormwater Mgmt	Public Works	3,000	3,000	3,000	3,000
SW99R Reimbursable Sewer & Storm Drain Projects	Public Works	2,000	2,000	2,000	2,000
SWK01 Defective Hazardous Sidewalks	Public Works	3,520	3,520	3,520	3,520
TR008 Parkway Street Light Replacement	Public Works	1,425	1,425	1,425	1,425
TR010 Traffic Management Systems	Public Works	3,410	3,410	3,410	3,410
TR011 City Street Light Renovation	Public Works	350	350	350	350
TR021 Traffic Signals	Public Works	2,125	1,326	2,125	2,125
TR022 Traffic Safety Improvements	Public Works	1,150	1,150	1,150	1,150
TR024 Pedestrian Level Lighting Program	Public Works	500	500	500	500
TR025 Sign Replacement Program	Public Works	300	300	300	300
TR99R Reimbursable Transportation Projects	Public Works	600	600	600	600
WTR12 Water Distribution Improvements	Public Works	6,700	6,700	6,700	6,700
WTR23 Treatment Infrastructure Improvements	Public Works	3,000	3,000	3,000	3,000
WTR24 Fridley Filter Plant Rehabilitation	Public Works	8,000	8,000	8,000	8,000
WTR25 Ground Water Supply	Public Works	1,000	1,000	1,000	1,000
WTR26 Recarbonation System Replacement	Public Works	2,500	2,500	2,500	2,500
WTR9R Reimbursable Watermain Projects	Public Works	2,000	2,000	2,000	2,000
Total		145,464	139,587	143,018	142,918



Project	Submitting Agency	Department Requested	CLIC Recommended	Mayor Recommended	Council Adopted
ART01 Art in Public Places	CPED	500	500	405	405
BR101 Major Bridge Repair and Rehabilitation	Public Works	400	400	400	400
BR126 40th St Pedestrian & Bicycle Bridge over 35W	Public Works	2,425	2,425	2,425	2,425
CTY01 Restoration of Historic Reception Room	MBC	1,350			
CTY02 City Property Reforestation	Other Departments	150	150	150	150
CTY05 City Hall Elevator Upgrade	MBC	150			
FIR11 New Fire Station No. 11	Fire Department	1,910	1,910	1,910	1,910
IT003 Enterprise Content Management	IT Department	300	300	300	300
IT004 Enterprise Infrastructure Modernization	IT Department	750	750	750	750
IT031 Geographical Information System (GIS)	IT Department	100			
IT033 Police Report Management System Upgrade	IT Department	1,900	1,900	1,900	1,900
IT034 Minneapolis Information Commons	IT Department	200			
MBC01 Life Safety Improvements	MBC	185	185	185	185
MBC02 Mechanical Systems Upgrade	MBC	330	330	330	330
MBC04 MBC Elevators	MBC	500			
MPD03 Hamilton School Acquisition & Facility Improvement	Police Department	1,000	1,000	1,000	1,000
PRK02 Playground and Site Improvements Program	Park Board	300	300	300	300
PRK03 Shelter - Pool - Site Improvements Program	Park Board	500	500	500	500
PRK31 Bossen Park Field Improvements	Park Board	2,900	2,900	2,900	2,900
PRKCP Neighborhood Parks Capital Infrastructure	Park Board	1,650	1,650	1,650	1,650
PRKDT Diseased Tree Removal	Park Board	300	300	300	300
PSD01 Facilities - Repair and Improvements	Other Departments	1,200	1,200	1,200	1,200
PSD03 Facilities - Space Improvements	Other Departments	750	750	750	750
PSD11 Energy Conservation and Emission Reduction	Other Departments	500	500	500	500
PSD16 Farmer's Market Improvements	Other Departments	250			
PSD17 Solid Waste & Recycling Facility Improvements	Public Works	500			
PV001 Parkway Paving Program	Public Works	2,750	2,750	2,750	2,750
PV006 Alley Renovation Program	Public Works	250		250	250
PV019 6th Ave N (5th St N to dead end north of Wash Ave N)	Public Works	3,790	3,790	3,790	3,790
PV027 Hennepin/Lyndale	Public Works	2,890	2,890	2,890	2,890
PV056 Asphalt Pavement Resurfacing Program	Public Works	1,500	1,500	1,500	1,500
PV059 Major Pavement Maintenance Program	Public Works	250	250	250	250
PV061 High Volume Corridor Reconditioning Program	Public Works	1,500	1,500	1,500	1,500
PV063 Unpaved Alley Construction	Public Works	300	300	300	200
PV072 Pedestrian Improvement Project	Public Works	1,820	1,820	1,820	1,820
PV073 26th Ave N (W Broadway to Lyndale Ave N)	Public Works	4,625	4,625	4,625	4,625
PV074 CSAH & MnDOT Cooperative Projects	Public Works	2,280	2,280	2,280	2,280
PV075 Development Infrastructure Program	CPED	960		960	960
PV076 38th St E (Hiawatha to Minnehaha)	Public Works	2,085	2,085	2,085	2,085
PV99R Reimbursable Paving Projects	Public Works	3,500	3,500	3,500	3,500
RMP01 Parking Facilities - Repair and Improvements	Public Works	1,700	1,700	1,700	1,700
SA001 Sanitary Tunnel & Sewer Rehabilitation Program	Public Works	3,750	3,750	3,750	3,750
SA036 Infiltration & Inflow Removal Program	Public Works	2,500	2,500	2,500	2,500
SA99R Reimbursable Sanitary Sewer Projects	Public Works	1,000	1,000	1,000	1,000
SW004 Implementation of US EPA Storm Water Regulations	Public Works	250	250	250	250



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 Rehabilitation Program	Public Works	9,400	9,400	9,400	9,400
SW018 Flood Area 29 & 30 - Fulton Neighborhood	Public Works	6,580	6,580	6,580	6,580
SW039 Flood Mitigation with Alternative Stormwater Mgmt	Public Works	3,000	3,000	3,000	3,000
SW99R Reimbursable Sewer & Storm Drain Projects	Public Works	2,000	2,000	2,000	2,000
SWK01 Defective Hazardous Sidewalks	Public Works	3,675	3,675	3,675	3,675
TR008 Parkway Street Light Replacement	Public Works	1,425	1,425	1,425	1,425
TR010 Traffic Management Systems	Public Works	3,210	3,210	3,210	3,210
TR011 City Street Light Renovation	Public Works	350	350	350	350
TR021 Traffic Signals	Public Works	2,175	1,803	2,175	2,175
TR022 Traffic Safety Improvements	Public Works	1,050	1,050	1,050	1,050
TR024 Pedestrian Level Lighting Program	Public Works	500	500	500	500
TR99R Reimbursable Transportation Projects	Public Works	600	600	600	600
WTR12 Water Distribution Improvements	Public Works	6,800	6,800	6,800	6,800
WTR23 Treatment Infrastructure Improvements	Public Works	3,000	3,000	3,000	3,000
WTR24 Fridley Filter Plant Rehabilitation	Public Works	9,000	9,000	9,000	9,000
WTR25 Ground Water Supply	Public Works	1,500	1,500	1,500	1,500
WTR26 Recarbonation System Replacement	Public Works	1,500	1,500	1,500	1,500
WTR9R Reimbursable Watermain Projects	Public Works	2,000	2,000	2,000	2,000
Total		117,965	113,333	114,820	114,720



Project	Submitting Agency	Department Requested	CLIC Recommended	Mayor Recommended	Council Adopted
ART01 Art in Public Places	CPED	500	500	425	425
BR101 Major Bridge Repair and Rehabilitation	Public Works	400	400	400	400
BR106 1st Ave S over HCRRA	Public Works	4,100	4,100	4,100	4,100
BR123 28th Ave S over Minnehaha Creek	Public Works	1,425	355	1,425	1,425
CTY01 Restoration of Historic Reception Room	MBC	1,350			
CTY02 City Property Reforestation	Other Departments	150	150	150	150
FIR11 New Fire Station No. 11	Fire Department	3,350	3,350	3,350	3,350
FIR12 Fire Station No. 1 Renovation & Expansion	Fire Department		3,000	3,000	3,000
IT003 Enterprise Content Management	IT Department	300	300	300	300
IT004 Enterprise Infrastructure Modernization	IT Department	750	750	750	750
IT031 Geographical Information System (GIS)	IT Department	100			
IT033 Police Report Management System Upgrade	IT Department	100	100	100	100
IT034 Minneapolis Information Commons	IT Department	200	200	200	200
MBC01 Life Safety Improvements	MBC	65	65	65	65
MBC02 Mechanical Systems Upgrade	MBC	405	405	405	405
MBC04 MBC Elevators	MBC	125			
MBC10 Exterior Improvements	MBC	665	665	665	665
PRK02 Playground and Site Improvements Program	Park Board	1,400	1,400	1,400	1,400
PRK03 Shelter - Pool - Site Improvements Program	Park Board	1,000	1,000	1,000	1,000
PRK30 Service Area Improvement Program	Park Board	1,000	1,000	1,000	1,000
PRKCP Neighborhood Parks Capital Infrastructure	Park Board	1,650	1,650	1,650	1,650
PRKDT Diseased Tree Removal	Park Board	300	300	300	300
PSD01 Facilities - Repair and Improvements	Other Departments	1,675	1,675	1,675	1,675
PSD03 Facilities - Space Improvements	Other Departments	750	750	750	750
PSD11 Energy Conservation and Emission Reduction	Other Departments	500	500	500	500
PSD15 Traffic Maintenance Facility Improvement	Public Works	500			
PSD16 Farmer's Market Improvements	Other Departments	250			
PSD17 Solid Waste & Recycling Facility Improvements	Public Works	500			
PV001 Parkway Paving Program	Public Works	1,750	1,750	1,750	1,750
PV006 Alley Renovation Program	Public Works	250		250	250
PV019 6th Ave N (5th St N to dead end north of Wash Ave N)	Public Works	935	935	935	935
PV056 Asphalt Pavement Resurfacing Program	Public Works	1,500	1,500	1,500	1,500
PV059 Major Pavement Maintenance Program	Public Works	250	250	250	250
PV061 High Volume Corridor Reconditioning Program	Public Works	1,500	1,500	1,500	1,500
PV063 Unpaved Alley Construction	Public Works	300	300	300	200
PV072 Pedestrian Improvement Project	Public Works	700	700	700	700
PV074 CSAH & MnDOT Cooperative Projects	Public Works	2,850	2,850	2,850	2,850
PV075 Development Infrastructure Program	CPED	1,875		1,875	1,875
PV080 18th Ave NE (Monroe to Johnson St NE)	Public Works	5,800	5,800	5,800	5,800
PV99R Reimbursable Paving Projects	Public Works	3,500	3,500	3,500	3,500
RMP01 Parking Facilities - Repair and Improvements	Public Works	1,700	1,700	1,700	1,700
SA001 Sanitary Tunnel & Sewer Rehabilitation Program	Public Works	3,750	3,750	3,750	3,750
SA036 Infiltration & Inflow Removal Program	Public Works	2,500	2,500	2,500	2,500
SA99R Reimbursable Sanitary Sewer Projects	Public Works	1,000	1,000	1,000	1,000
SW004 Implementation of US EPA Storm Water Regulations	Public Works	250	250	250	250



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 Rehabilitation Program	Public Works	10,100	10,100	10,100	10,100
SW039 Flood Mitigation with Alternative Stormwater Mgmt	Public Works	3,000	3,000	3,000	3,000
SW99R Reimbursable Sewer & Storm Drain Projects	Public Works	2,000	2,000	2,000	2,000
SWK01 Defective Hazardous Sidewalks	Public Works	3,830	3,830	3,830	3,830
TR008 Parkway Street Light Replacement	Public Works	1,425	1,425	1,425	1,425
TR010 Traffic Management Systems	Public Works	470	470	470	470
TR011 City Street Light Renovation	Public Works	500	500	500	500
TR021 Traffic Signals	Public Works	1,750	1,750	1,750	1,750
TR022 Traffic Safety Improvements	Public Works	300	300	300	300
TR024 Pedestrian Level Lighting Program	Public Works	500	500	500	500
TR99R Reimbursable Transportation Projects	Public Works	600	600	600	600
WTR12 Water Distribution Improvements	Public Works	6,900	6,900	6,900	6,900
WTR23 Treatment Infrastructure Improvements	Public Works	3,000	3,000	3,000	3,000
WTR24 Fridley Filter Plant Rehabilitation	Public Works	8,000	8,000	8,000	8,000
WTR25 Ground Water Supply	Public Works	2,000	2,000	2,000	2,000
WTR26 Recarbonation System Replacement	Public Works	2,000	2,000	2,000	2,000
WTR9R Reimbursable Watermain Projects	Public Works	2,000	2,000	2,000	2,000
Total		103,795	100,775	103,895	103,795



Project	Submitting Agency	Department Requested	CLIC Recommended	Mayor Recommended	Council Adopted
ART01 Art in Public Places	CPED	500	500	465	465
BR101 Major Bridge Repair and Rehabilitation	Public Works	400	400	400	400
BR117 1st St N Bridge over Bassett's Creek	Public Works	2,000	2,000	2,000	2,000
BR123 28th Ave S over Minnehaha Creek	Public Works	1,150		1,150	1,150
BR127 Nicollet Ave over Minnehaha Creek	Public Works	11,320	5,660	5,660	5,660
FIR12 Fire Station No. 1 Renovation & Expansion	Fire Department	3,000			
IT003 Enterprise Content Management	IT Department	300	300	300	300
IT004 Enterprise Infrastructure Modernization	IT Department	850	850	850	850
IT031 Geographical Information System (GIS)	IT Department	200			
IT034 Minneapolis Information Commons	IT Department	200			
MBC01 Life Safety Improvements	MBC	195	195	195	195
MBC02 Mechanical Systems Upgrade	MBC	430	430	430	430
MBC10 Exterior Improvements	MBC	1,862	665	665	665
PRK02 Playground and Site Improvements Program	Park Board	1,100	1,100	1,100	1,100
PRK03 Shelter - Pool - Site Improvements Program	Park Board	500	500	500	500
PRK30 Service Area Improvement Program	Park Board	500	500	500	500
PRK33 Bryn Mawr Meadows Field Improvements	Park Board	2,000			
PRKCP Neighborhood Parks Capital Infrastructure	Park Board	1,750	1,750	1,750	1,750
PRKDT Diseased Tree Removal	Park Board	300	300	300	300
PSD01 Facilities - Repair and Improvements	Other Departments	2,500	1,500	1,500	1,500
PSD03 Facilities - Space Improvements	Other Departments	750	750	750	750
PSD11 Energy Conservation and Emission Reduction	Other Departments	500	500	500	500
PSD15 Traffic Maintenance Facility Improvement	Public Works	1,000			
PSD16 Farmer's Market Improvements	Other Departments	250			
PSD17 Solid Waste & Recycling Facility Improvements	Public Works	500			
PV001 Parkway Paving Program	Public Works	750	750	750	750
PV006 Alley Renovation Program	Public Works	250		250	250
PV056 Asphalt Pavement Resurfacing Program	Public Works	1,500	1,500	1,500	1,500
PV059 Major Pavement Maintenance Program	Public Works	250	250	250	250
PV061 High Volume Corridor Reconditioning Program	Public Works	1,500	1,500	1,500	1,500
PV063 Unpaved Alley Construction	Public Works	300	300	300	200
PV074 CSAH & MnDOT Cooperative Projects	Public Works	1,700	1,700	1,700	1,700
PV080 18th Ave NE (Monroe to Johnson St NE)	Public Works	1,475	1,475	1,475	1,475
PV087 34th Ave S (54th St E to Minnehaha Pkwy)	Public Works	1,945	1,945	1,945	1,945
PV093 37th Ave NE (St Anth Pkwy to Marshall St NE)	Public Works	3,700			
PV094 4th St SE (25th to 29th Ave SE)	Public Works	2,310			
PV095 4th St N & S (2nd Ave N to 4th Ave S)	Public Works	2,800	286	2,800	2,800
PV096 42nd Ave N (Xerxes to Lyndale Ave N)	Public Works	4,000	4,000	1,770	1,770
PV097 18th Ave NE Trail Gap	Public Works	300	300	300	300
PV098 Hiawatha Trail Gap (28th to 32nd St E)	Public Works	500	500	500	500
PV99R Reimbursable Paving Projects	Public Works	3,500	3,500	3,500	3,500
RAD01 Public Safety Radio System Replacement	Other Departments	6,000	3,955	3,955	3,955
RMP01 Parking Facilities - Repair and Improvements	Public Works	1,700	1,700	1,700	1,700
SA001 Sanitary Tunnel & Sewer Rehabilitation Program	Public Works	3,750	3,750	3,750	3,750
SA036 Infiltration & Inflow Removal Program	Public Works	2,500	2,500	2,500	2,500



Project	Submitting Agency	Department Requested	CLIC Recommended	Mayor Recommended	Council Adopted
SA99R Reimbursable Sanitary Sewer Projects	Public Works	1,000	1,000	1,000	1,000
SW004 Implementation of US EPA Storm Water Regulations	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 Rehabilitation Program	Public Works	8,400	8,400	8,400	8,400
SW032 I-35W Storm Tunnel Reconstruction	Public Works	1,000	1,000	1,000	1,000
SW039 Flood Mitigation with Alternative Stormwater Mgmt	Public Works	3,000	3,000	3,000	3,000
SW99R Reimbursable Sewer & Storm Drain Projects	Public Works	2,000	2,000	2,000	2,000
SWK01 Defective Hazardous Sidewalks	Public Works	3,985	3,985	3,985	3,985
TR008 Parkway Street Light Replacement	Public Works	1,375	1,375	1,375	1,375
TR010 Traffic Management Systems	Public Works	365	365	365	365
TR011 City Street Light Renovation	Public Works	700	700	700	700
TR021 Traffic Signals	Public Works	1,750	1,750	1,750	1,750
TR022 Traffic Safety Improvements	Public Works	1,620	1,620	1,620	1,620
TR024 Pedestrian Level Lighting Program	Public Works	500	500	500	500
TR99R Reimbursable Transportation Projects	Public Works	600	600	600	600
WTR12 Water Distribution Improvements	Public Works	7,000	7,000	7,000	7,000
WTR23 Treatment Infrastructure Improvements	Public Works	4,000	4,000	4,000	4,000
WTR24 Fridley Filter Plant Rehabilitation	Public Works	8,000	8,000	8,000	8,000
WTR25 Ground Water Supply	Public Works	2,000	2,000	2,000	2,000
WTR27 Meter Replacement Program	Public Works	100		100	100
WTR28 Ultrafiltration Module Replacement	Public Works	10,300	10,300	10,300	10,300
WTR9R Reimbursable Watermain Projects	Public Works	2,000	2,000	2,000	2,000
Total		136,232	109,156	110,905	110,805

**City of Minneapolis
2014 Budget**

City Council Departments

Each of the following department sections includes these reports: mission, business line descriptions, performance information, an organizational chart, expense information, revenue information, and staffing information.

- Assessor.....H2
- Attorney.....H11
- City Clerk/Elections.....H20
- City Council.....H26
- City Coordinator
 - Total City Coordinator Summary Pages.....H30
 - City Coordinator – Administration.....H38
 - 311.....H44
 - 911.....H50
 - Emergency Management.....H56
 - Communications.....H61
 - Convention Center.....H69
 - Finance and Property Services.....H78
 - Human Resources.....H91
 - Information Technology.....H100
 - Intergovernmental Relations.....H108
 - Neighborhood and Community Relations.....H115
- Civil Rights.....H123
- Community Planning and Economic Development.....H132
- Fire.....H146
- Health and Family Support.....H157
- Internal Audit.....H169
- Mayor.....H174
- Police.....H179
- Public Works
 - Total Public Works Summary Pages.....H192
 - AdministrationH208
 - Fleet ServicesH212
 - Solid Waste and RecyclingH216
 - Surface Water & Sanitary Sewer – Sanitary Sewer.....H220
 - Surface Water & Sanitary Sewer – Stormwater.....H224
 - Traffic and Parking Services.....H228
 - Transportation Maintenance and Repair.....H233
 - Transportation Planning and Engineering.....H238
 - Water Treatment and Distribution.....H243
- Regulatory Services.....H247

ASSESSOR

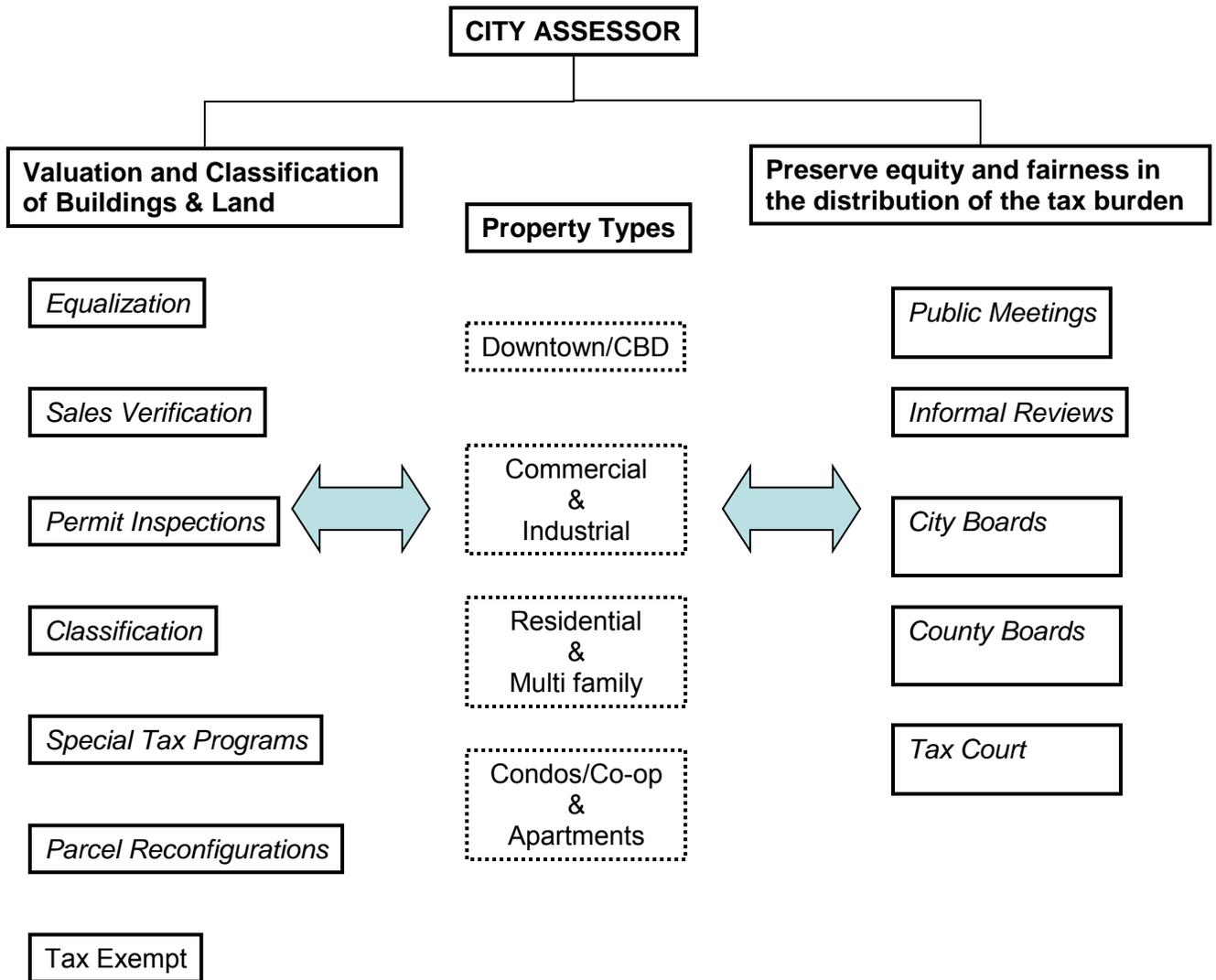
MISSION

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.

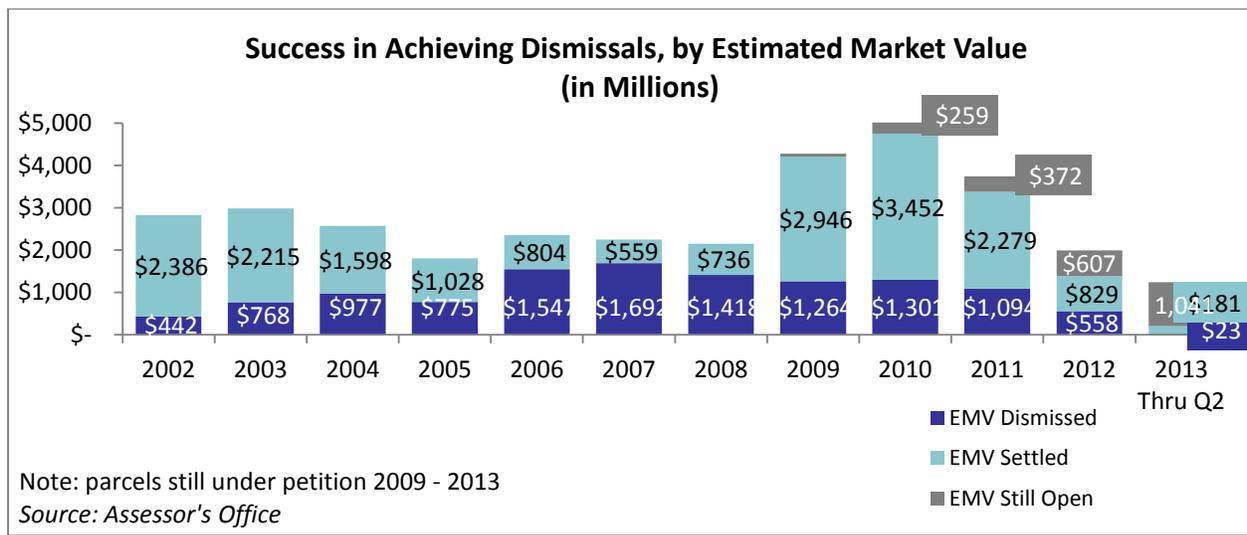
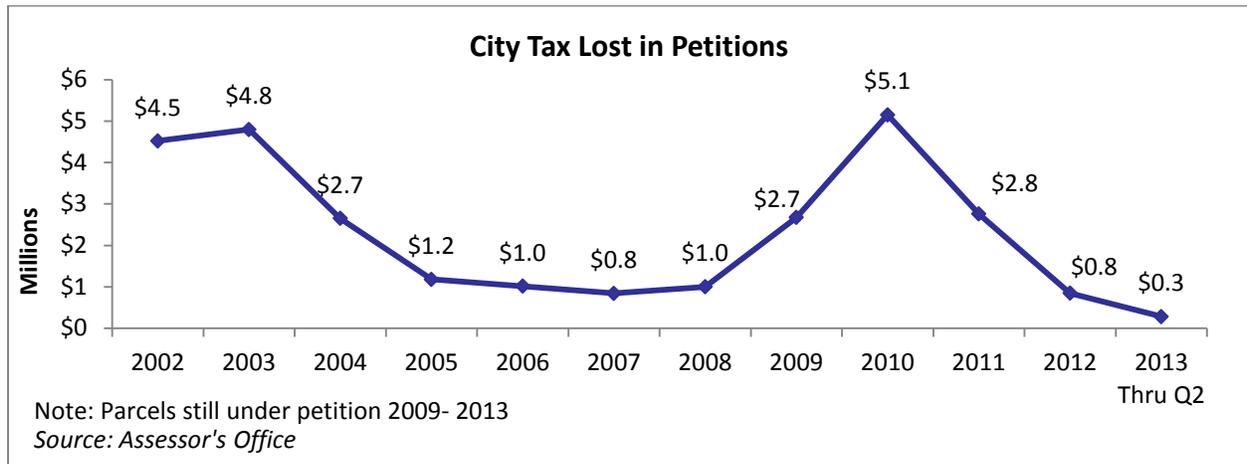
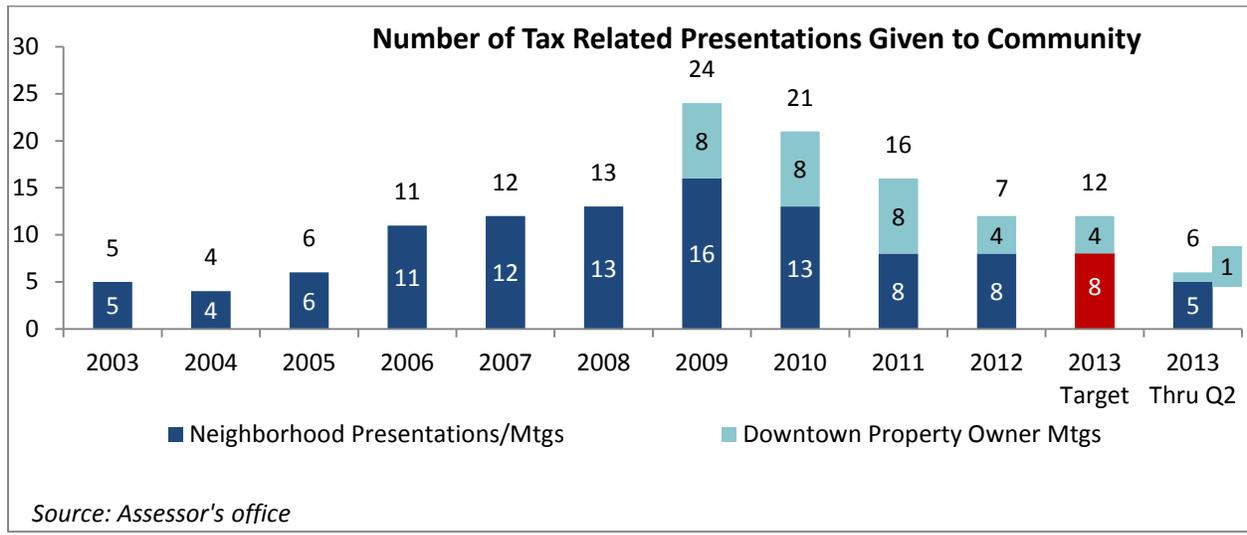
BUSINESS LINES

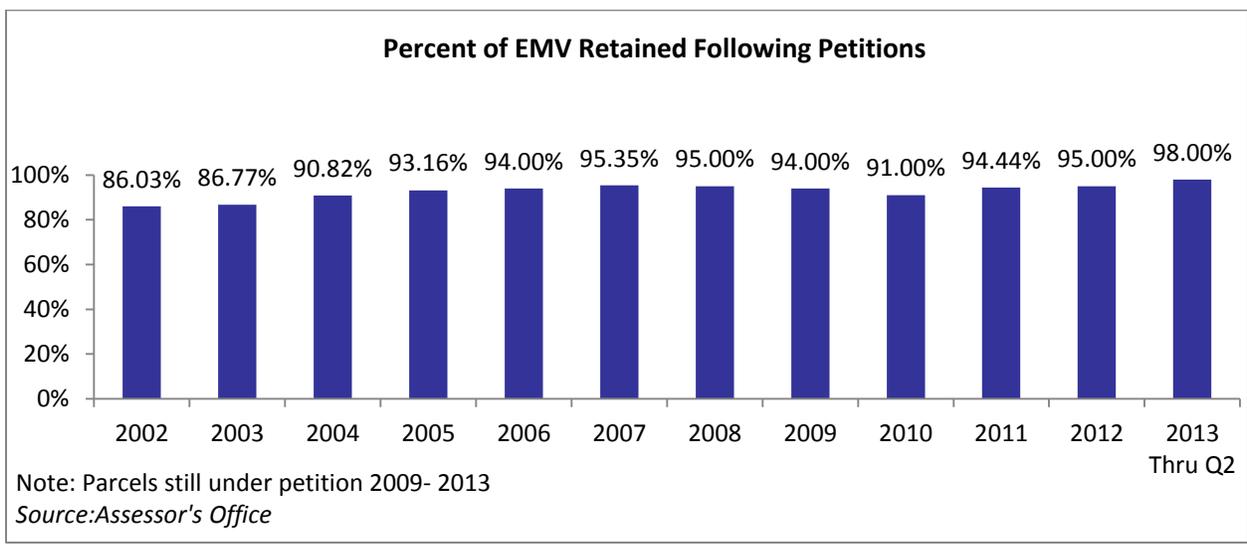
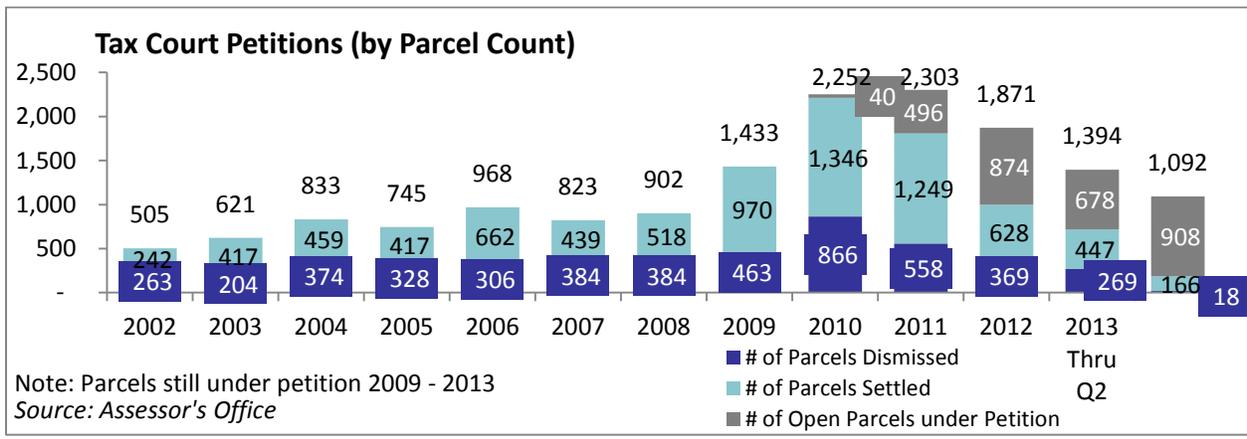
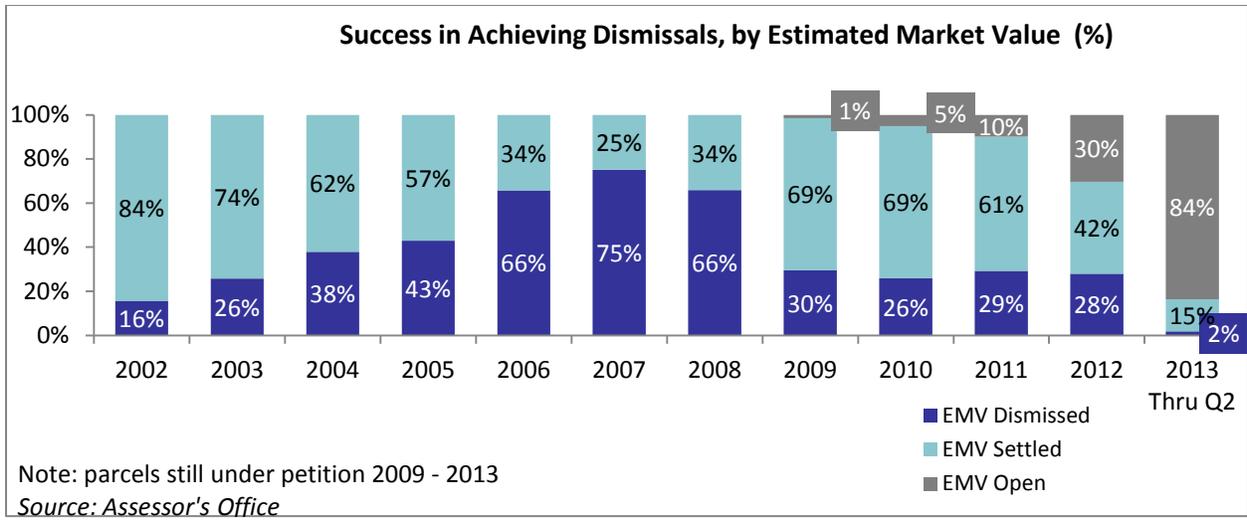
1. **Valuation and Classification of Real Estate Property** – Perform the assessment function for all real estate and appropriate personal property and share this information with Hennepin County
 - a. *Valuation* – The annual estimation of value for all taxable and non-taxable real property per state law.
 - i. Per Minnesota statute, 20% of the taxable properties must be inspected each year
 - ii. Inspect and update property records for all new construction and significant remodeling, modifications or demolition
 - b. *Classification* – The annual classification and recording of parcels by ownership, property use and property type.
 - i. Evaluate new exempt applications and verify existing exempt organizations
 - ii. Administer and enforce all property tax programs and laws
 - iii. Process existing and new property divisions and combinations
2. **Preserve equity and fairness in the distribution of the tax burden**
 - a. *Appeals and Reviews* – Respond to all informal and formal owner/taxpayer appeals and requests for property reviews. Defend values and classifications at the City and County Boards of Appeal and Equalization.
 - b. *Tax Court Petitions* – Defend the department's assessed values and classifications in Minnesota Tax Court.

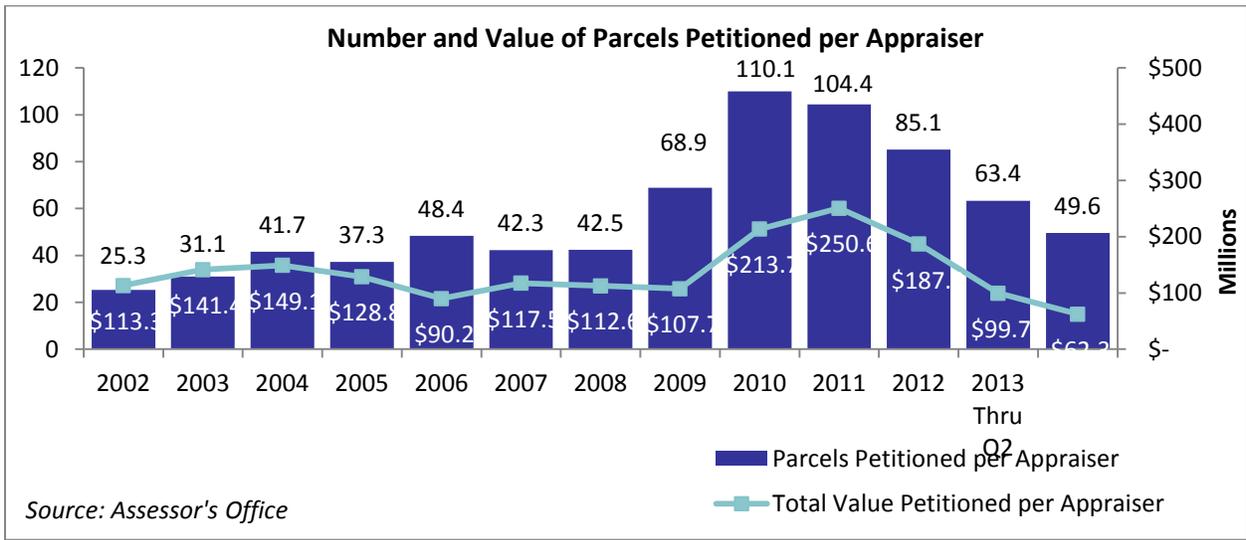
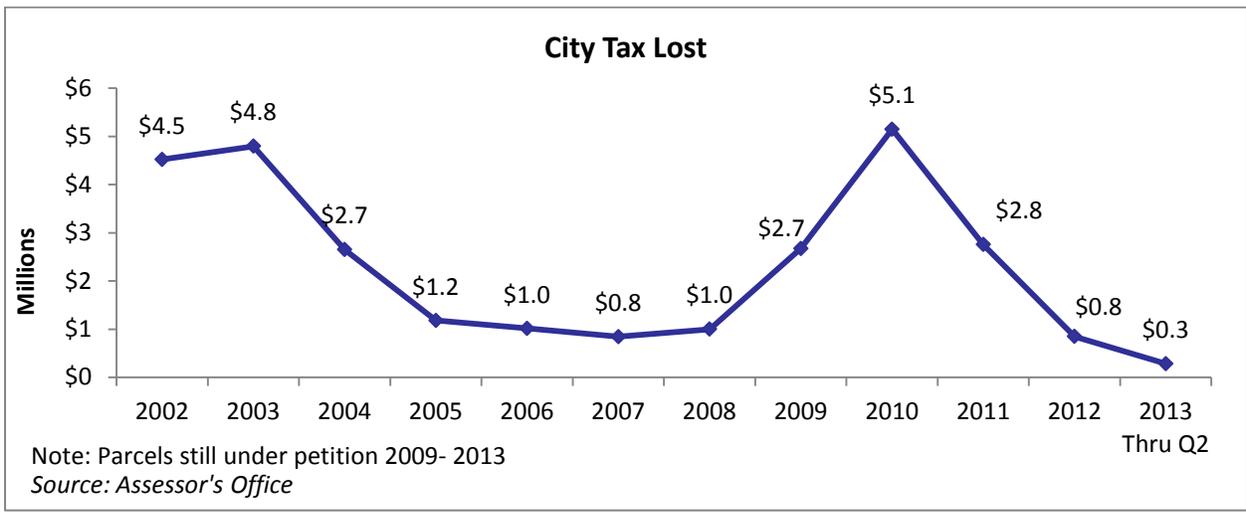
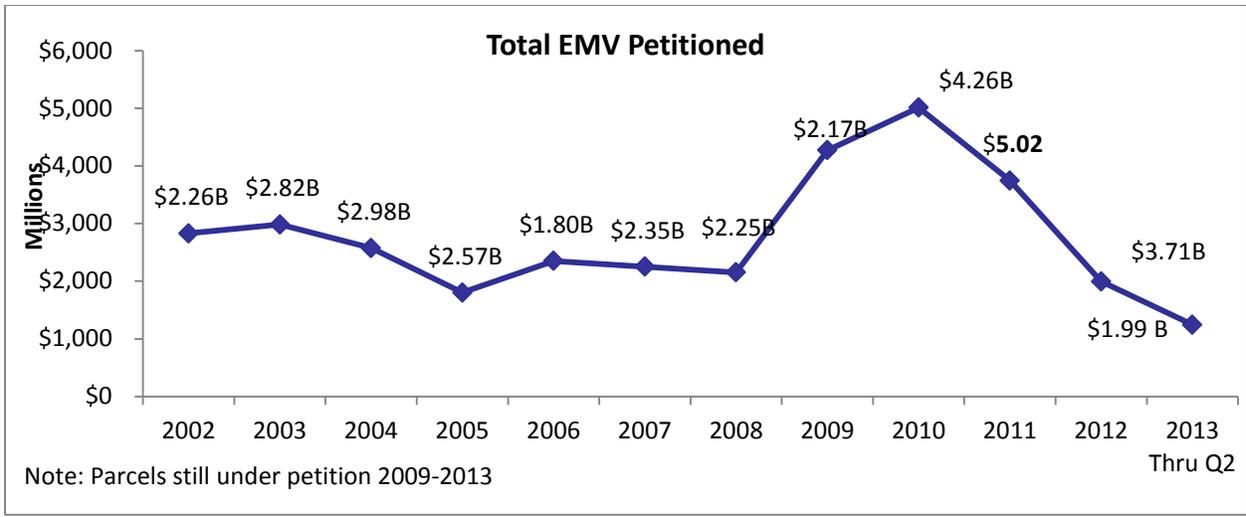
ORGANIZATION CHART



Selected Results Minneapolis Measures







A City that Works

Assessor's Office

General Fund: \$4,528,603

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; Data & Record Management; Taxpayer Notification; Taxpayer Appeals and Reviews; Tax Court Litigation, and Neighborhood Relations

Assessor III, Real Estate Appraiser

General Fund: \$100,000

The Assessor's Office requests a new Assessor III position in the department to manage the increased workload in downtown Minneapolis. As development and redevelopment ramps up and the tax base grows, this new appraiser position will partner with CPED, Regulatory Services, developers and contractors throughout the life of the major projects. Currently, Minneapolis's 2013 commercial/industrial and apartment tax base is \$10.9 billion dollars, of which nearly half or \$5 billion resides in the Minneapolis Central Business District (CBD), the entire downtown district, is being managed by two Assessor III positions. Funding restored to this position will bring back the department to 2000-2001 staffing levels.

FINANCIAL ANALYSIS

Expenditure

The total City Assessor Department's adopted budget of \$4.6 million is a 7.3% increase over 2013. The increase results from an addition of new FTE - Assessor III. There are 36 positions in the department.

Revenue

Projected revenue for the department for the year 2014 is \$62,000.

Fund Allocation

This department is funded completely in the General Fund.

Mayor's Recommended Budget

The Mayor recommended an additional \$100,000 in ongoing funding for this department to hire an additional position dedicated to assessments and appraisals with a focus on commercial properties.

Council Adopted Budget

City Council approved the Mayor's recommendations.

**ASSESSOR
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	2,249,788	2,178,110	2,494,653	2,585,568	3.6%	90,915
FRINGE BENEFITS	744,522	751,313	921,652	1,062,005	15.2%	140,353
CONTRACTUAL SERVICES	861,264	830,765	700,176	779,583	11.3%	79,407
OPERATING COSTS	152,987	159,926	198,445	201,447	1.5%	3,002
TOTAL GENERAL	4,008,562	3,920,114	4,314,926	4,628,603	7.3%	313,677

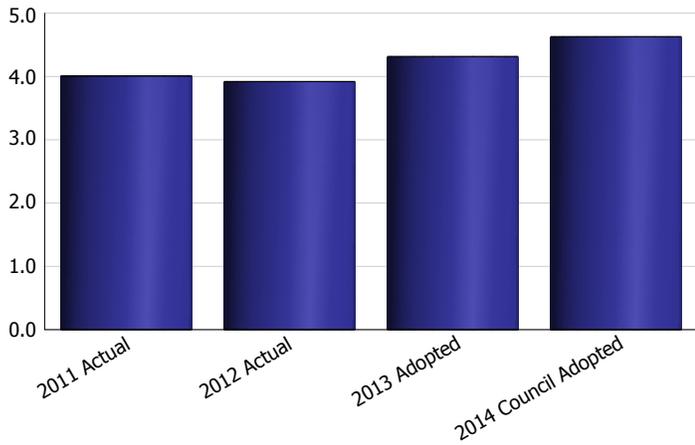
TOTAL EXPENSE	4,008,562	3,920,114	4,314,926	4,628,603	7.3%	313,677
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REVENUE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SALES	1,242	1,900	500	500	0.0%	0
CHARGES FOR SERVICES	0	12,184	0		0.0%	0
PROPERTY TAXES	58,976	56,481	62,000	62,000	0.0%	0
GENERAL	60,218	70,565	62,500	62,500	0	0

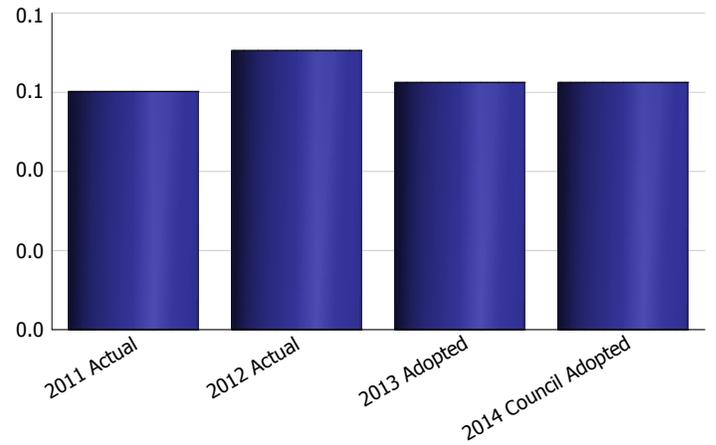
TOTAL REVENUE	60,218	70,565	62,500	62,500	0	
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ASSESSOR EXPENSE AND REVENUE INFORMATION

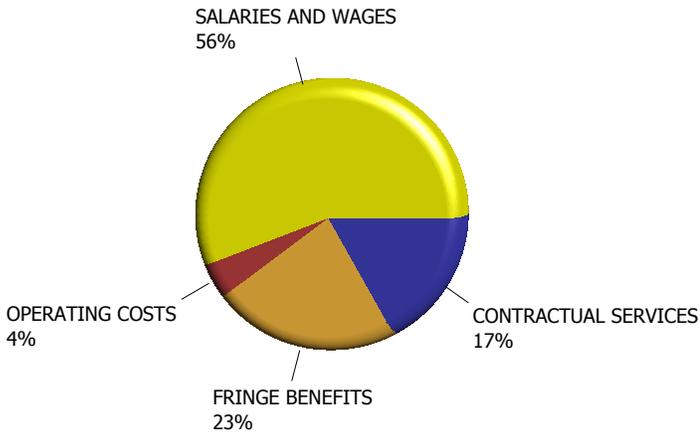
Expense 2011 - 2014
In Millions



Revenue 2011 - 2014
In Millions



Expense by Category

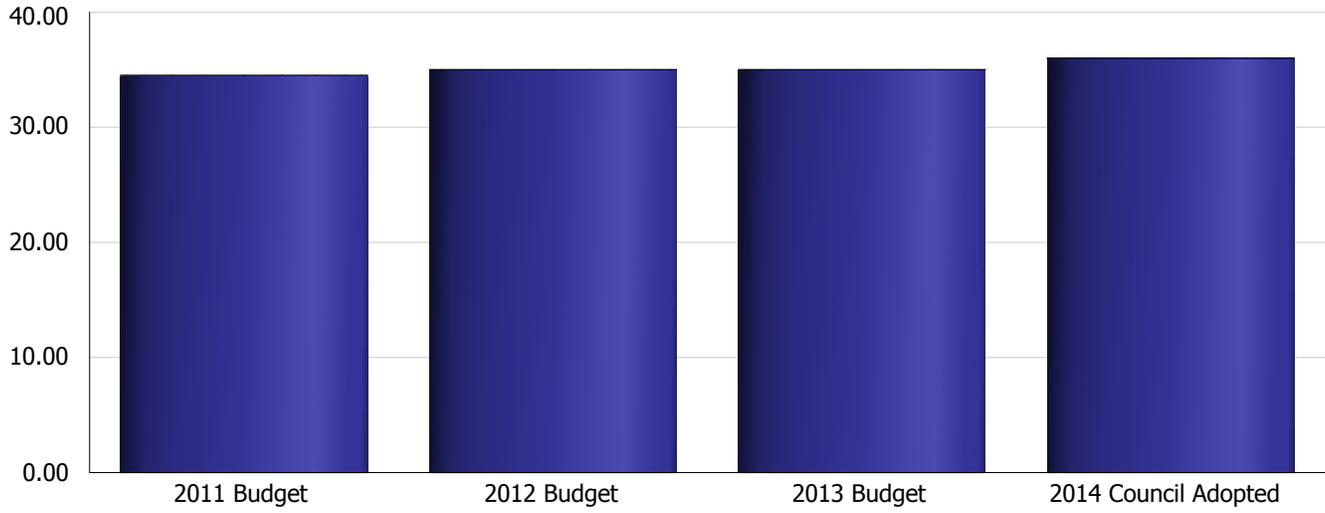


ASSESSOR

Staffing Information

Division	2011 Budget	2012 Budget	2013 Budget	2014 Council Adopted	% Change	Change
ASSESSOR OPERATIONS	34.50	35.00	35.00	36.00	2.9%	1.00
Overall	34.50	35.00	35.00	36.00	2.9%	1.00

Positions 2011-2014



CITY ATTORNEY

MISSION

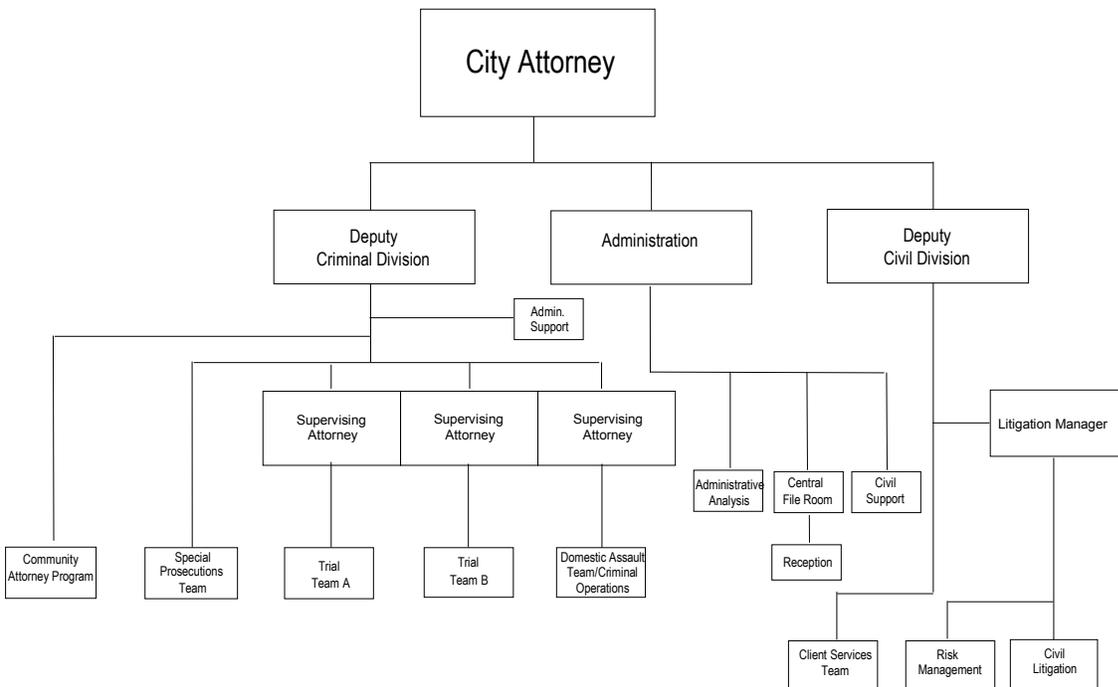
Our mission is to enhance public safety, serve justice and vigorously represent the interests of the City of Minneapolis and its residents by holding criminal offenders accountable and delivering the highest quality, cost effective legal services.

BUSINESS LINES

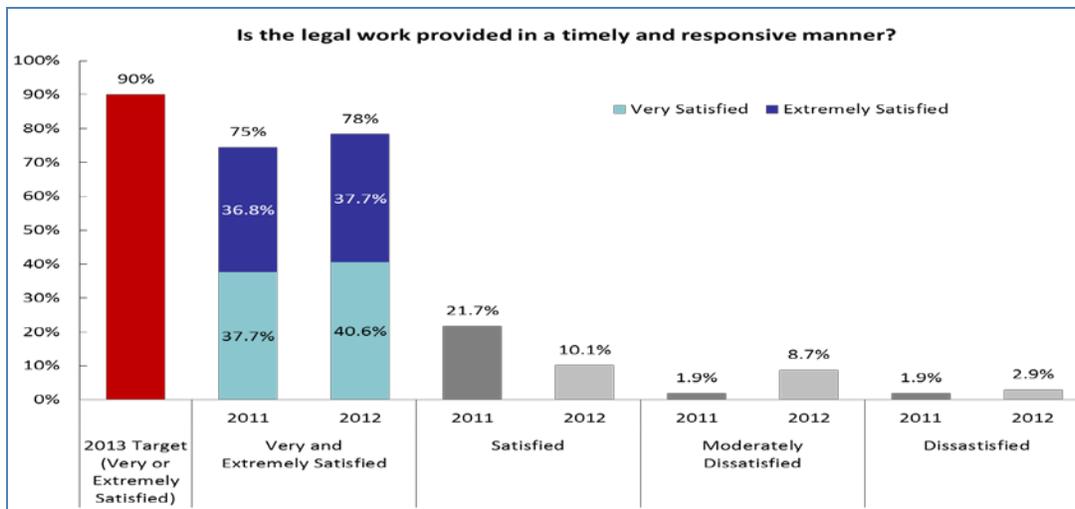
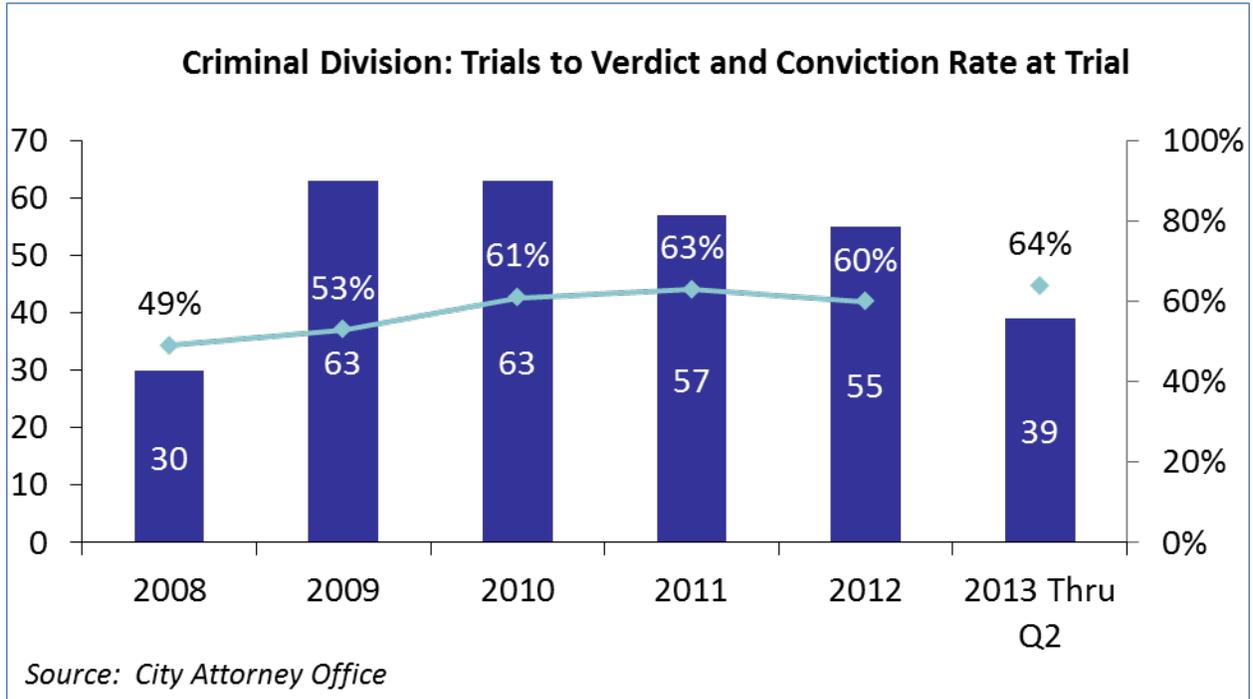
The City Attorney's Office has two business lines. They are:

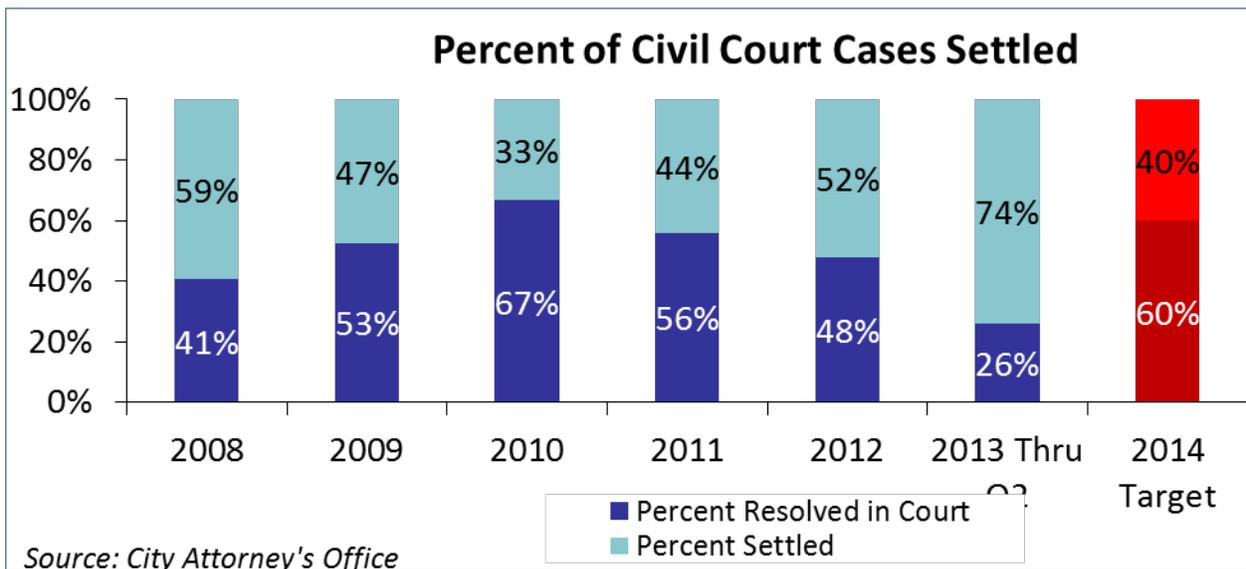
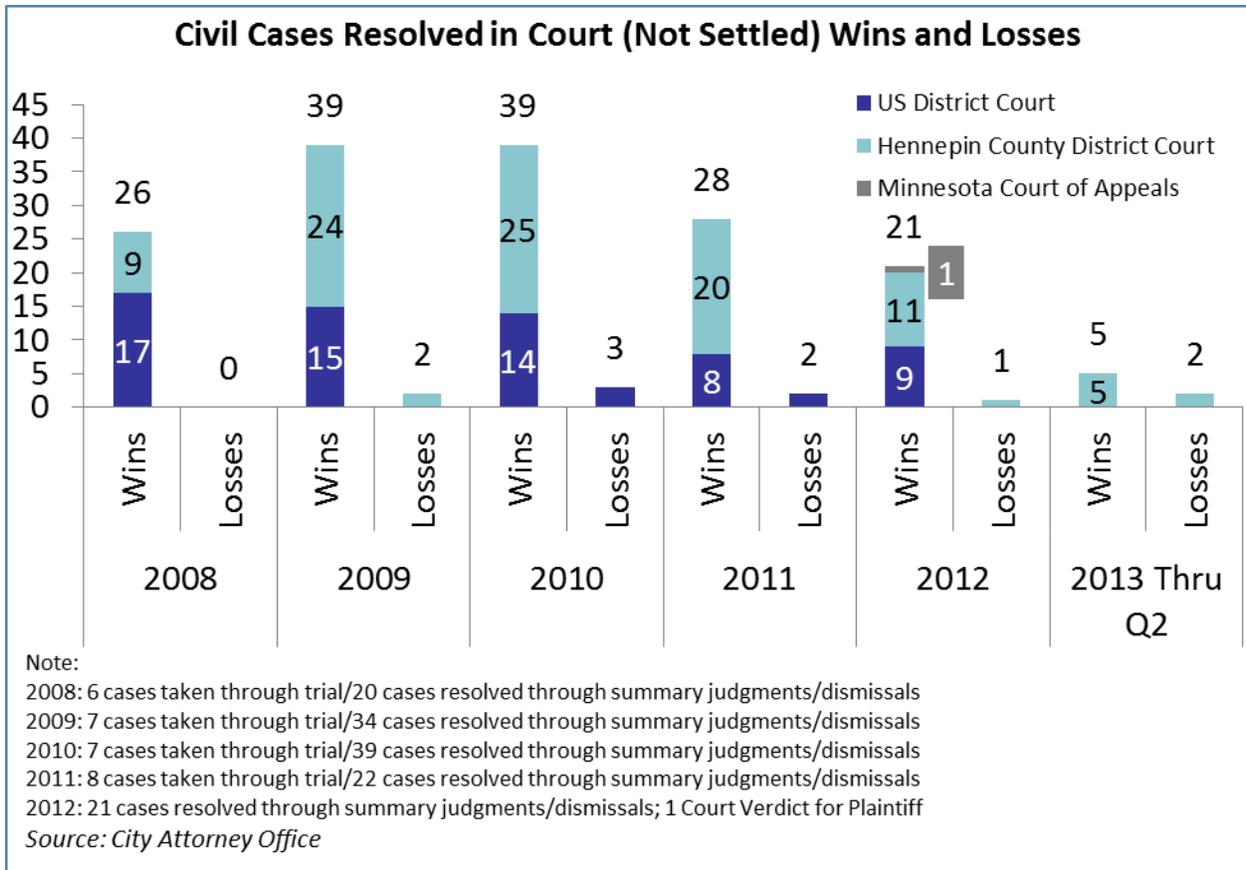
1. Criminal Division: Prosecutes all adult misdemeanor, gross misdemeanor and petty misdemeanor crime in the City of Minneapolis.
2. Civil Division: Delivers legal services for City clients and provides litigation representation.

ORGANIZATION CHART

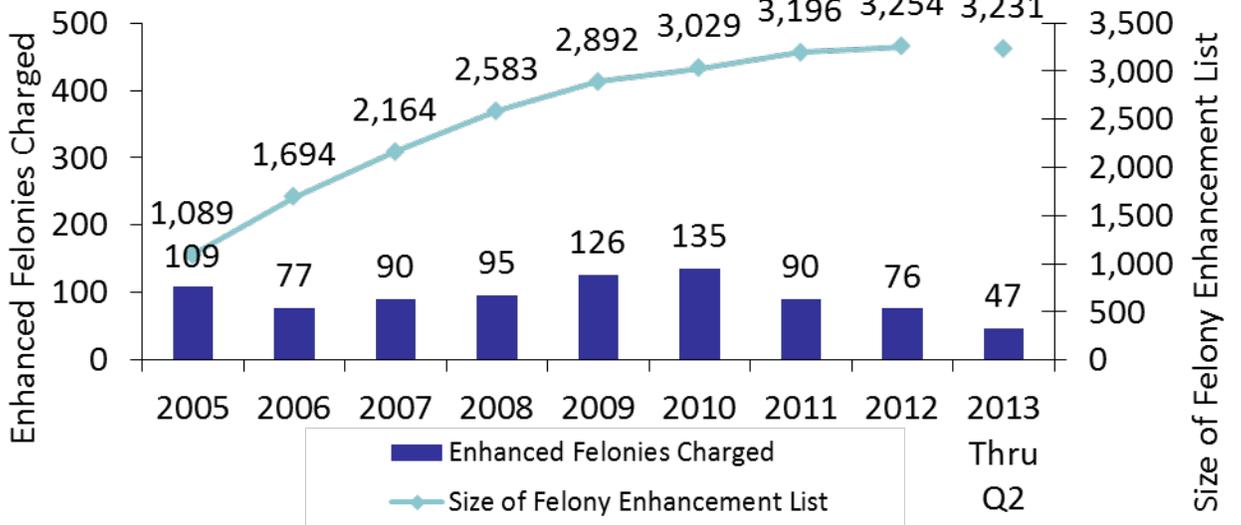


SELECTED RESULTS MINNEAPOLIS MEASURES



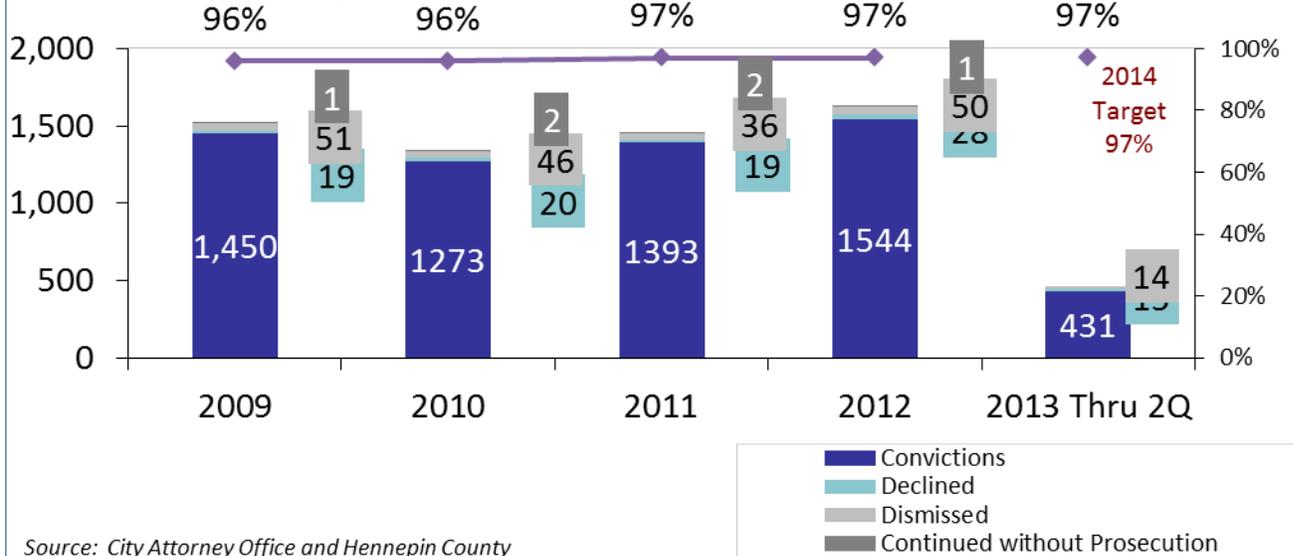


Enhanced Domestic Violence Felonies Charged by Hennepin County after Minneapolis City Attorney's Office Referral and Number of Individuals on Felony Enhancement List (cumulative)



Note: Since 2004, the CAO has had 949 felony level offenses charged by the Hennepin County Attorney's Office following a referral by the CAO for a case which was originally identified by MPD as a misdemeanor level offense.
 Source: City Attorney Office

Driving Under the Influence of Alcohol or Drugs: Final Case Outcomes



Source: City Attorney Office and Hennepin County District Court

A Safe Place to Call Home

Community Attorney

General Fund: \$769,898

Other Funds: \$384,596

This program proposal includes the community attorney component of the criminal division and the Downtown 100 (downtown chronic offenders) initiative. The CAO has assigned criminal attorneys to each of the five MPD precincts, one housed in each precinct. The program also includes three paralegals and the Downtown 100 prosecutor.

Criminal Prosecution

General Fund: \$7,830,358

The Criminal Division of the City Attorney's Office ("CAO") prosecutes all adult gross misdemeanor, misdemeanor, petty misdemeanor and traffic offenses in the City of Minneapolis. Prosecution is a mandated function. The criminal prosecution function is divided into four teams: domestic violence, chronic offender prosecutions and two teams that prosecute all other cases, ranging from DWI, reckless driving (that can include fatalities) to trespass, carrying a weapon without a permit, driving after revocation or suspension of a license and civil forfeiture cases.

The CAO also participates in specialty courts and calendars in Hennepin County District Court, including mental health court, veteran's court, GIFT (Gaining Independence for Females in Transition) review calendar and DWI court. The specialty courts require extra prosecutor time for appearances, staffing meetings and review calendars but provide impressive results in reducing recidivism. Finally, the criminal prosecution program handles appeals of our criminal cases to the Minnesota Court of Appeals and the Minnesota Supreme Court. The office also devotes resources to the prosecution of domestic violence and livability crime chronic offenders

A City that Works

Client Services

Other Funds: \$ 3,545,450

The Client Services group within the Civil Division of the City Attorney's Office performs legal work and provides advice to all City departments, boards, commissions and office holders. The group is called upon to draft development agreements, prepare ordinances and charter amendments, advise the City on the myriad of legal questions facing the City and its operations ranging from governmental authority to election law to compliance with the open meeting law and data practices act.

Civil Litigation

Other Funds: \$ 3,223,667

The Civil Division 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 when claims are made against the City. Litigation group attorneys are assigned to litigate those matters and represent the City in civil matters filed in the state and federal district and appellate courts and before administrative agencies. The group also handles civil rights charges against the City, worker's compensation cases and claims in excess of \$25,000 and claims that involve allegations of police misconduct or where the party is represented by legal counsel.

In addition to providing representation for the City, litigation group attorneys provide direct defense of City officers and employees in cases in which employees are personally named in a lawsuit, as dictated by City policy and State law.

FINANCIAL ANALYSIS

Expenditure

The total City Attorney Department's adopted budget of \$15.9 million is an 8.4% increase over 2013. The department's 2014 expenditure budget reflects the following changes from 2013:

- The number of FTE positions in the General Fund is budgeted to increase by one position;
- The number of FTE positions in the Self Insurance Fund is budgeted to increase by four positions.

There are 107 positions in the department.

Revenue

The department's projected revenue for 2014 is \$0.1M. Special revenue comprises 74% of the revenue, while internal and general revenues account for the remaining 26% of the total projected revenue.

Fund Allocation

The department is funded 54% from the general fund, 43% by internal service and 3% from the special fund.

Mayor's Recommended Budget

The Mayor recommended one-time funding in the amount of \$120,000 to be used for hiring an additional attorney in the Civil Division with a further recommendation to fund the position through cost allocation charges to other departments on an ongoing basis beginning in 2015. The Mayor also recommended an additional \$75,000 in one-time funding to be used for domestic violence prevention programming along with a direction to the department to seek out grants to find an ongoing funding stream for domestic violence prevention.

Council Adopted Budget

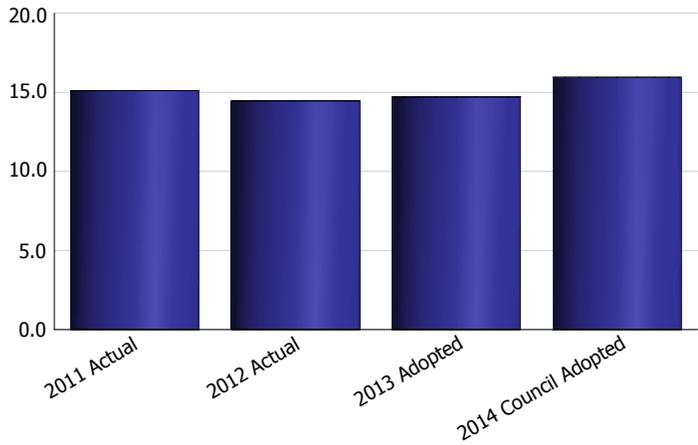
City Council approved the Mayor's recommendations.

**ATTORNEY
EXPENSE AND REVENUE INFORMATION**

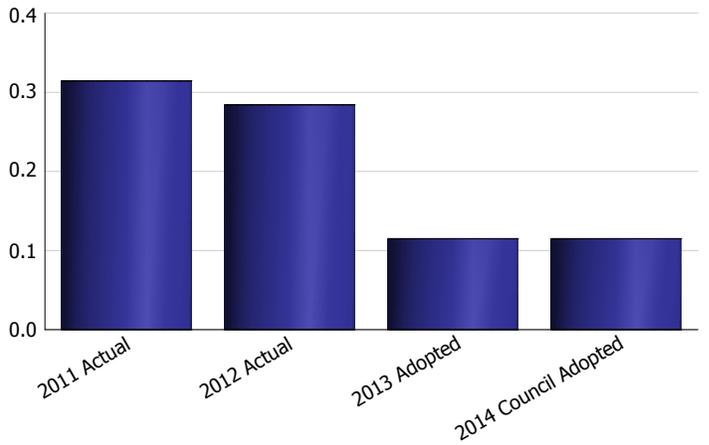
EXPENSE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	4,217,101	4,310,132	4,396,558	4,460,918	1.5%	64,361
FRINGE BENEFITS	1,260,562	1,357,375	1,588,448	1,807,734	13.8%	219,286
CONTRACTUAL SERVICES	2,113,993	2,086,539	1,914,609	2,231,837	16.6%	317,228
OPERATING COSTS	126,949	97,999	174,650	174,767	0.1%	117
TOTAL GENERAL	7,718,605	7,852,044	8,074,265	8,675,256	7.4%	600,992
SPECIAL REVENUE						
SALARIES AND WAGES	532,140	337,024	308,064	315,664	2.5%	7,600
FRINGE BENEFITS	166,754	110,162	65,656	68,932	5.0%	3,276
CONTRACTUAL SERVICES	106,097	120,765				0
OPERATING COSTS	5,760					0
TOTAL SPECIAL REVENUE	810,751	567,951	373,720	384,596	2.9%	10,876
INTERNAL SERVICE						
SALARIES AND WAGES	3,778,534	3,371,028	3,680,998	4,007,800	8.9%	326,803
FRINGE BENEFITS	1,066,039	1,099,094	1,197,984	1,384,374	15.6%	186,390
CONTRACTUAL SERVICES	1,589,424	1,439,408	1,182,627	1,294,924	9.5%	112,297
OPERATING COSTS	146,358	132,461	201,018	202,018	0.5%	1,000
TOTAL INTERNAL SERVICE	6,580,356	6,041,992	6,262,627	6,889,117	10.0%	626,489
TOTAL EXPENSE	15,109,712	14,461,987	14,710,611	15,948,969	8.4%	1,238,357
REVENUE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SALES	7	0	0		0.0%	0
CHARGES FOR SERVICES	17,275	23,702	20,000	20,000	0.0%	0
OTHER MISC REVENUES	10,376	35,938	0		0.0%	0
GENERAL	27,658	59,640	20,000	20,000	0	0
SPECIAL REVENUE						
FEDERAL GOVERNMENT	134,496	53,224	0		0.0%	0
LOCAL GOVERNMENT	149,856	162,000	85,000	85,000	0.0%	0
SPECIAL REVENUE	284,352	215,224	85,000	85,000	0	0
INTERNAL SERVICE						
CHARGES FOR SERVICES	2,429	5,546	0		0.0%	0
OTHER MISC REVENUES	0	3,831	10,000	10,000	0.0%	0
INTERNAL SERVICE	2,429	9,377	10,000	10,000	0	0
TOTAL REVENUE	314,439	284,240	115,000	115,000	0	

ATTORNEY EXPENSE AND REVENUE INFORMATION

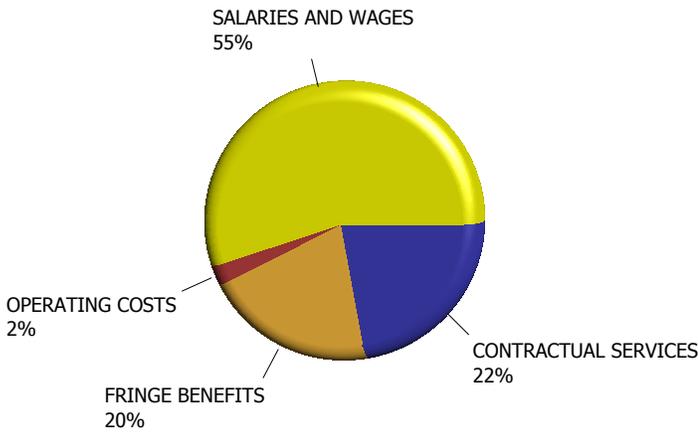
Expense 2011 - 2014
In Millions



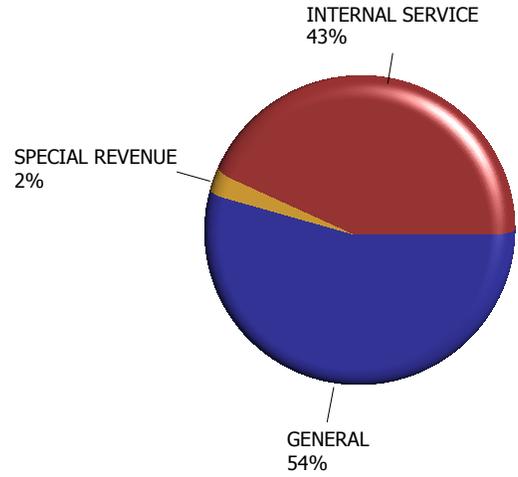
Revenue 2011 - 2014
In Millions



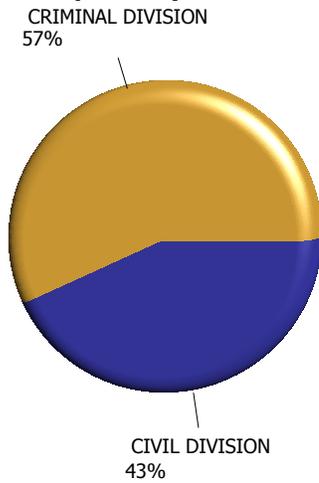
Expense by Category



Expense by Fund



Expense by Division

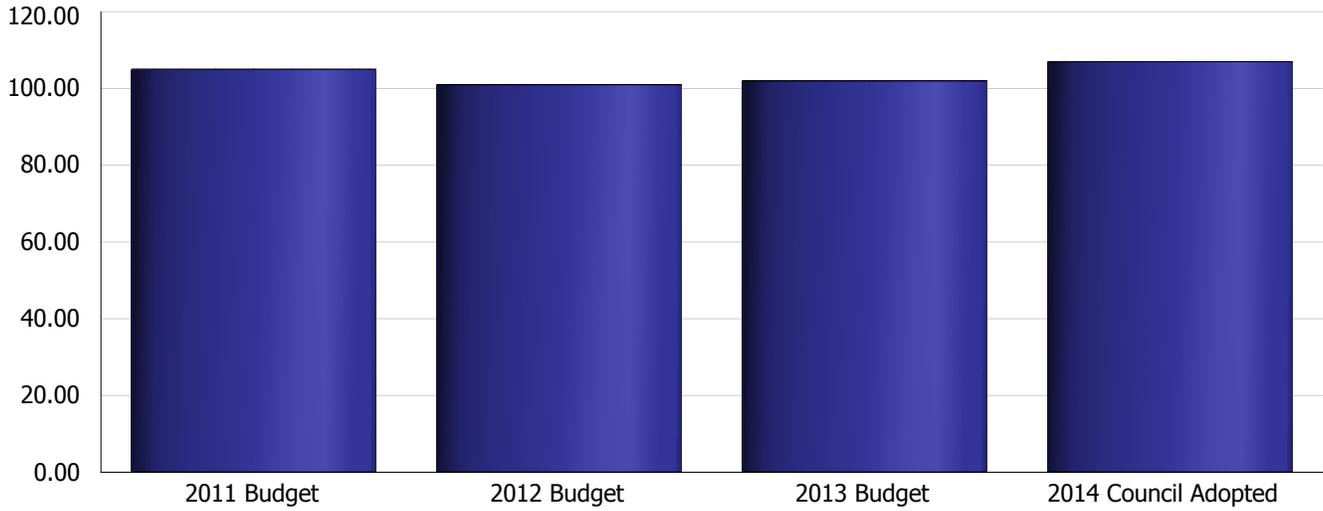


ATTORNEY

Staffing Information

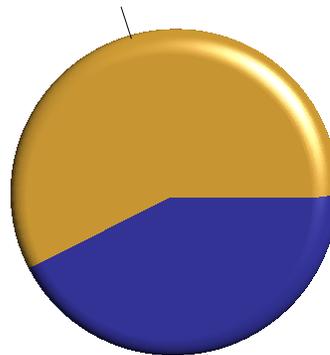
Division	2011 Budget	2012 Budget	2013 Budget	2014 Council Adopted	% Change	Change
CIVIL DIVISION	41.50	41.50	41.50	45.50	9.6%	4.00
CRIMINAL DIVISION	63.50	59.50	60.50	61.50	1.7%	1.00
Overall	105.00	101.00	102.00	107.00	4.9%	5.00

Positions 2011-2014



Positions by Division

CRIMINAL DIVISION
57%



CIVIL DIVISION
43%

CITY CLERK

MISSION

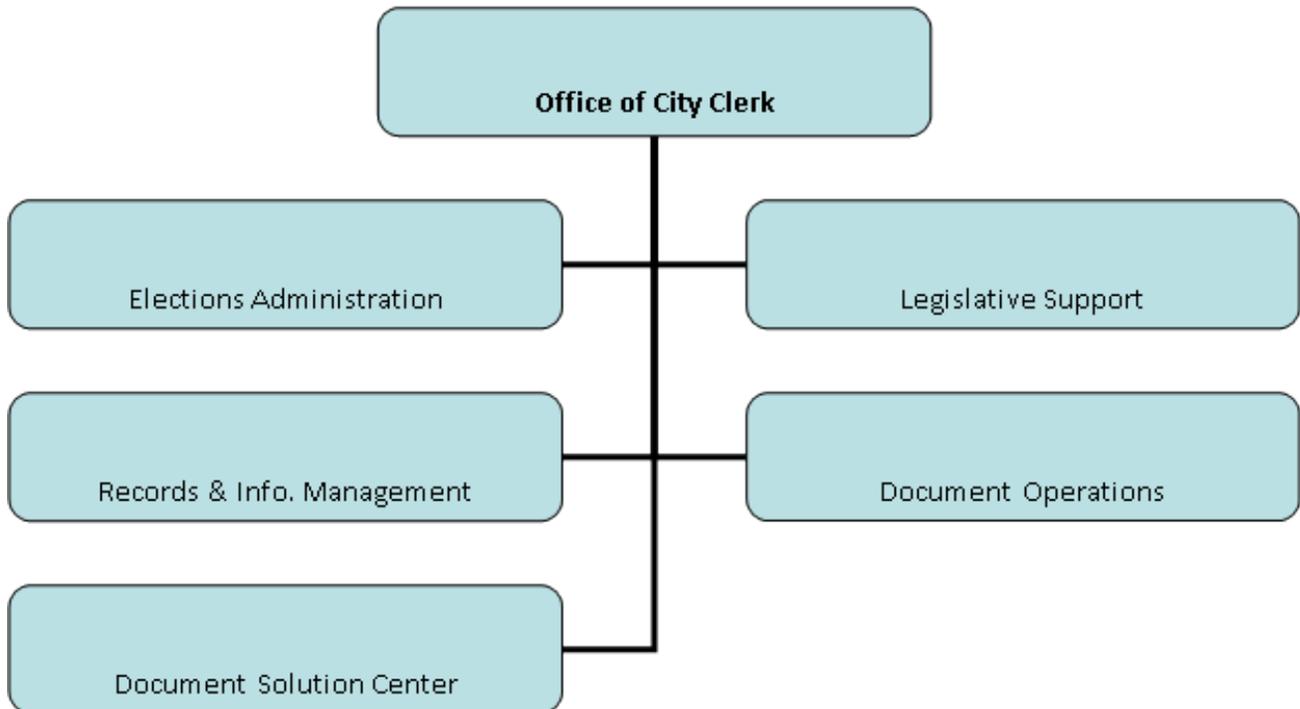
The Office of City Clerk is the secretariat of the City Council and facilitates its legislative processes. In addition, the office serves as the organizational center for three enterprise programs: elections administration; records and information management; and the document solutions center.

BUSINESS LINES

Office of City Clerk: The City Clerk is elected by the City Council and serves as secretary of the municipal corporation.

- Elections & Voter Services
- Legislative Support
- Records & Information Management
- Document Solutions Center (print/reprographics, mail/courier, data operations)
- Department Operations

ORGANIZATION CHART



Many People, One Minneapolis

Elections & Voter Services

General Fund: \$1,265,421

The Elections & Voter Services program serves as the gateway to representative democracy, protecting rights guaranteed by the federal and state constitutions. By conducting free and fair elections, this program fosters public confidence in electoral processes and in elected officials who serve and represent Minneapolis voters at federal, state, and local levels.

A City that Works

Office of City Clerk

General Fund: \$2,426,738

The Office of City Clerk is the secretariat of the City Council and its standing committees and provides leadership and centralized management control of the City's information assets and data in compliance with the requirements of law.

Document Solutions Center

Other Funds: \$876,720

The Document Solutions Center (DSC) provides centralized document production services to all City departments. The Document Solutions Center encompasses four functional areas:

- (1) Print Services
- (2) Reprographic Services and document finishing services (binding, laminating)
- (3) Main Frame Data Print Services, which supports variable data print services for water bills and licensing purposes
- (4) Document Shredding Services

Central Mailing

General Fund: \$34,500

Other Funds: \$409,444

The Central Mail program--a sub-unit in the Document Solutions Center--encompasses four functional areas:

- (1) Internal mail sorting and distribution;
- (2) USPS outgoing mail processing through a contracted presort mail vendor;
- (3) Internal mail distribution to non-campus (City Hall) downtown locations, Public Works locations, and school based clinics; and
- (4) UPS shipping services.

Office Support Specialist II

General Fund: \$85,000

In 2012, staffing changes in City Council offices, made pursuant to a Letter of Agreement between the City and AFSCME necessitated the placement of an additional FTE position and the reassignment of an existing employee from the City Council offices to the Office of City Clerk. This supplemental request enables the department to achieve a budgetary adjustment that will provide continued funding for this position.

FINANCIAL ANALYSIS

Expenditure

The City Clerk's department's adopted budget is \$5.1M, representing an increase of less than one percent over the 2013 budget.

Revenue

The revenue for 2014 is projected to be \$1.2M which is essentially flat as compared to 2013.

Fund Allocation

The department is funded 75% by General Fund and 25% by internal service. Allocation of funding over the previous years has remained the same.

Mayor's Recommended Budget

The Mayor recommended \$85,000 in one-time funding to be used for the continuation of office support personnel in this department.

Council Adopted Budget

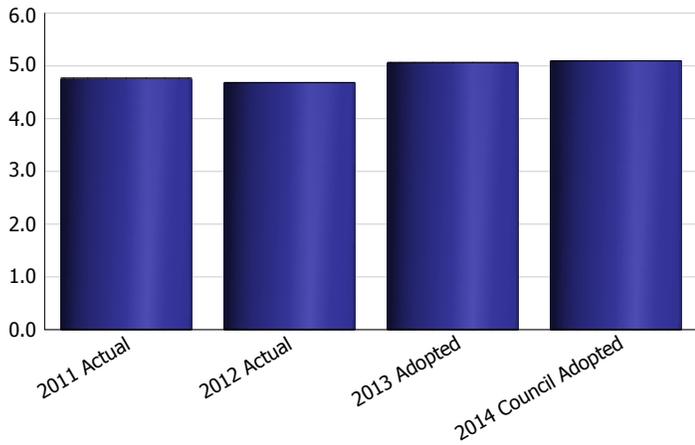
City Council approved the Mayor's recommendations and added the following staff direction; staff from Finance and Property Service is directed to appropriate (transfer) any remaining year-end funds from the 13 ward offices' 2013 budgets to the City Clerk's Office to be dedicated to the Legislative Information Management System.

**CITY CLERK
EXPENSE AND REVENUE INFORMATION**

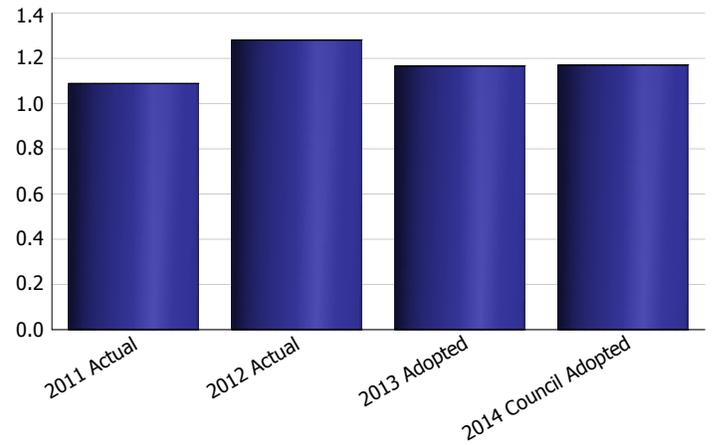
EXPENSE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	1,117,913	1,621,792	1,290,304	1,748,856	35.5%	458,552
FRINGE BENEFITS	351,116	394,219	540,020	567,913	5.2%	27,893
CONTRACTUAL SERVICES	1,601,026	1,142,069	1,710,220	1,210,006	-29.2%	(500,214)
OPERATING COSTS	461,209	235,276	221,167	267,822	21.1%	46,655
CAPITAL	0	22,529	17,062	17,062	0.0%	0
TOTAL GENERAL	3,531,264	3,415,885	3,778,774	3,811,659	0.9%	32,885
INTERNAL SERVICE						
SALARIES AND WAGES	242,240	196,080	277,060	283,577	2.4%	6,517
FRINGE BENEFITS	82,445	74,234	133,760	143,577	7.3%	9,817
CONTRACTUAL SERVICES	663,269	795,114	685,018	674,097	-1.6%	(10,921)
OPERATING COSTS	248,588	203,836	179,621	174,442	-2.9%	(5,179)
CAPITAL	0		10,472	10,472	0.0%	0
TOTAL INTERNAL SERVICE	1,236,541	1,269,265	1,285,931	1,286,165	0.0%	234
TOTAL EXPENSE	4,767,805	4,685,149	5,064,705	5,097,824	0.7%	33,119
REVENUE						
GENERAL						
CHARGES FOR SALES	2,141	339	425		-100.0%	(425)
CHARGES FOR SERVICES	52,635	107,781	105,681	104,481	-1.1%	(1,200)
LICENSE AND PERMITS	12,966	3,564	2,500		-100.0%	(2,500)
OTHER MISC REVENUES	0	424	0		0.0%	0
GENERAL	67,743	112,108	108,606	104,481	-3.8%	(4,125)
INTERNAL SERVICE						
CHARGES FOR SERVICES	1,023,040	1,167,297	1,057,950	1,066,204	0.8%	8,254
GAINS	(2,460)	0	0		0.0%	0
OTHER MISC REVENUES	883	1,733	0		0.0%	0
INTERNAL SERVICE	1,021,463	1,169,030	1,057,950	1,066,204	0.8%	8,254
TOTAL REVENUE	1,089,206	1,281,138	1,166,556	1,170,685	0.4%	4,129

CITY CLERK EXPENSE AND REVENUE INFORMATION

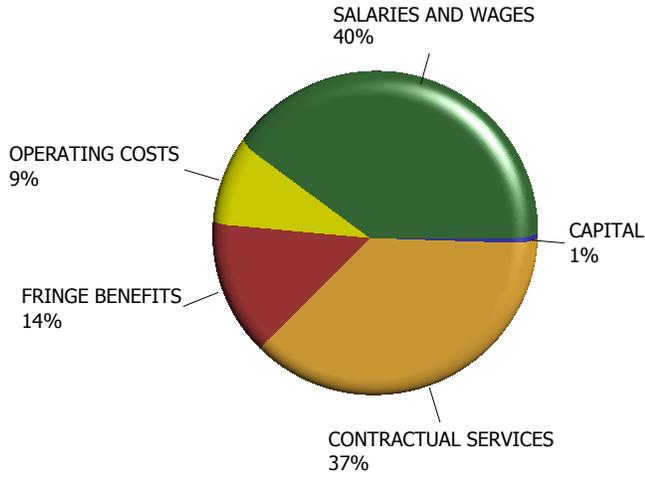
Expense 2011 - 2014
In Millions



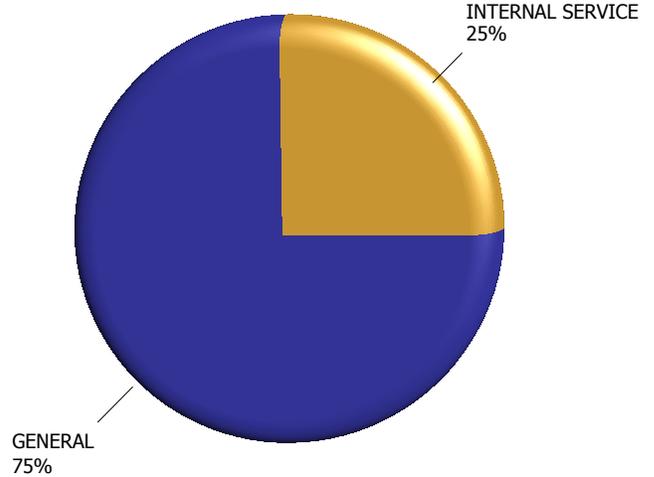
Revenue 2011 - 2014
In Millions



Expense by Category



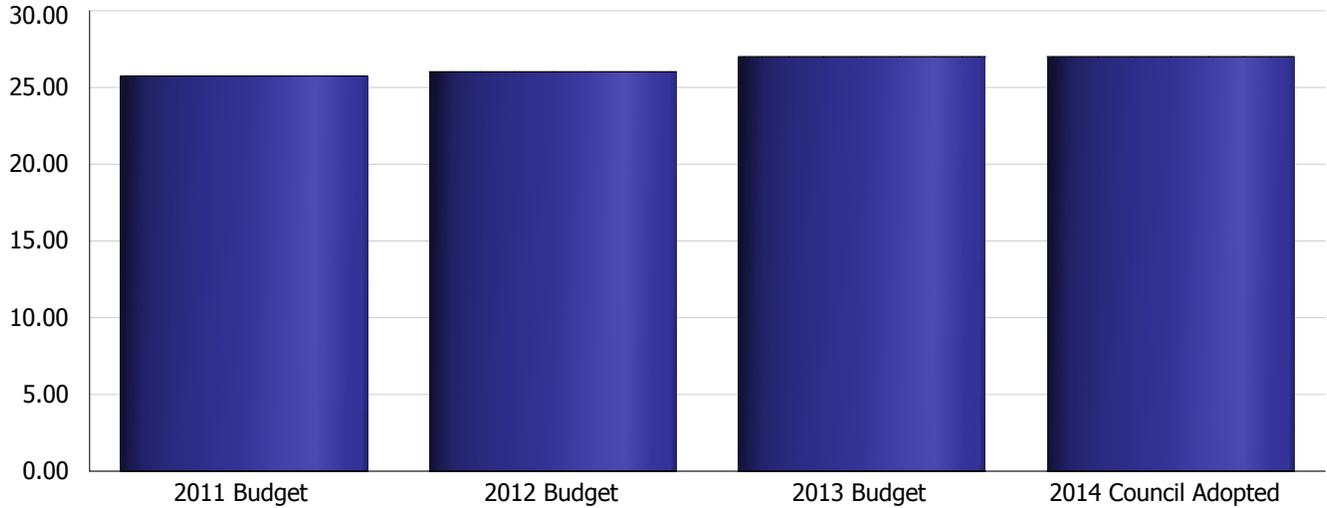
Expense by Fund



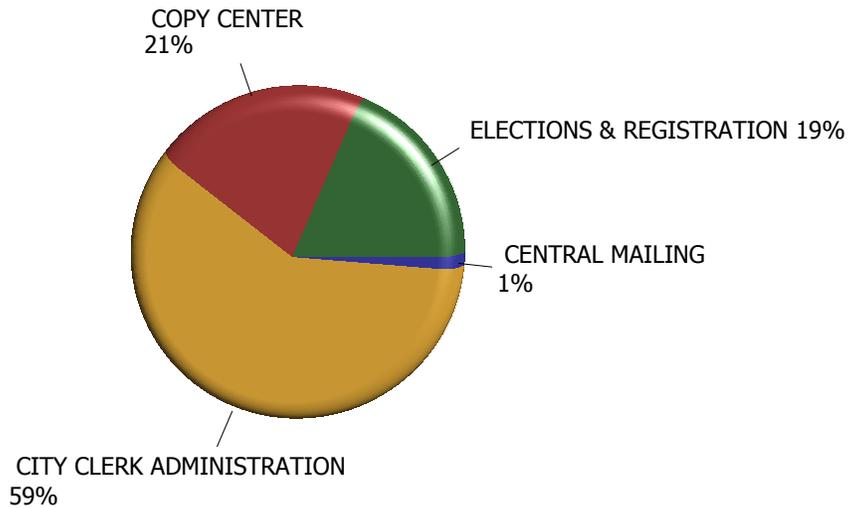
CITY CLERK Staffing Information

Division	2011 Budget	2012 Budget	2013 Budget	2014 Council Adopted	% Change	Change
CENTRAL MAILING	0.35	0.37	0.35	0.35	0.0%	0
CITY CLERK - ADMINISTRATION	15.00	14.60	17.00	16.00	(5.9%)	(1.00)
COPY CENTER	4.65	6.05	5.65	5.65	0.0%	0.00
DATA OPERATIONS CENTER	0.75					0
ELECTIONS & REGISTRATION	5.00	5.00	4.00	5.00	25.0%	1.00
Overall	25.75	26.02	27.00	27.00	0.0%	0.00

Positions 2011-2014



Positions by Division



CITY COUNCIL

MISSION

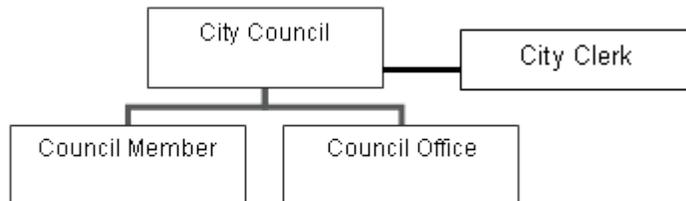
The City Council maximizes access to municipal government, exercises oversight of City departments and service delivery, and enables informed decisions for community governance.

BUSINESS LINES

The elected, representative body of the city government. It formulates public policies, in conjunction with the Mayor, to ensure the general health, safety, and welfare of the community; exercises oversight of the city's departments; and advocates for community needs and priorities at local, state, and national levels.

- Legislative Authority & Policy Enactment
- Executive Oversight & Evaluation
- Community Representation

ORGANIZATION CHART



Many People, One Minneapolis

City Council

General Fund: \$4,729,509

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 30,000 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 total City Council Department's adopted budget of \$4.7 million is a 4.2% increase over 2013. The Department's 2014 expenditure budget reflects the following changes;

- A \$108,892 increase in salaries and fringe benefits over 2013
- The number of FTE positions remained the same compared to 2013

There are 39 positions in the department.

Revenue

This department does not budget for revenue in 2014, which is consistent with prior years.

Fund Allocation

This department is funded entirely from the General Fund.

Mayor's Recommended Budget

The Mayor recommended no changes to this department's base program proposal.

Council Adopted Budget

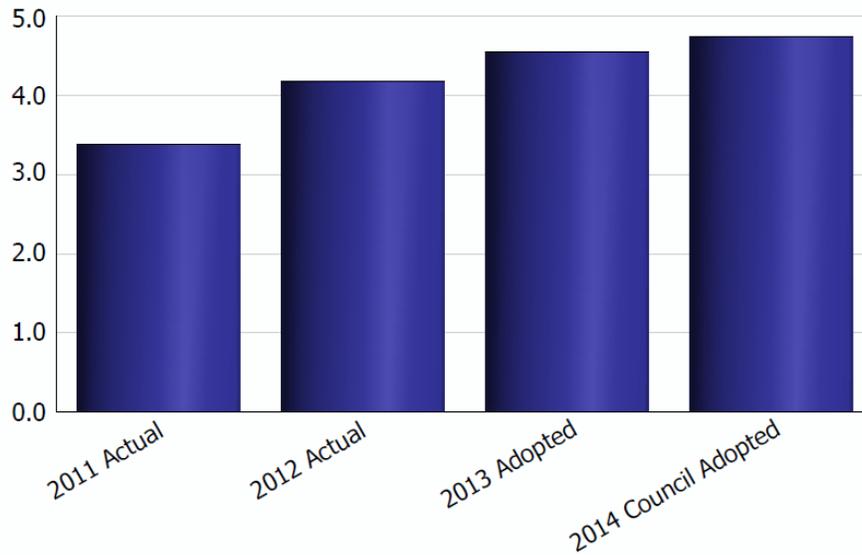
The City Council approved the Mayor's recommendations.

CITY COUNCIL EXPENSE AND REVENUE INFORMATION

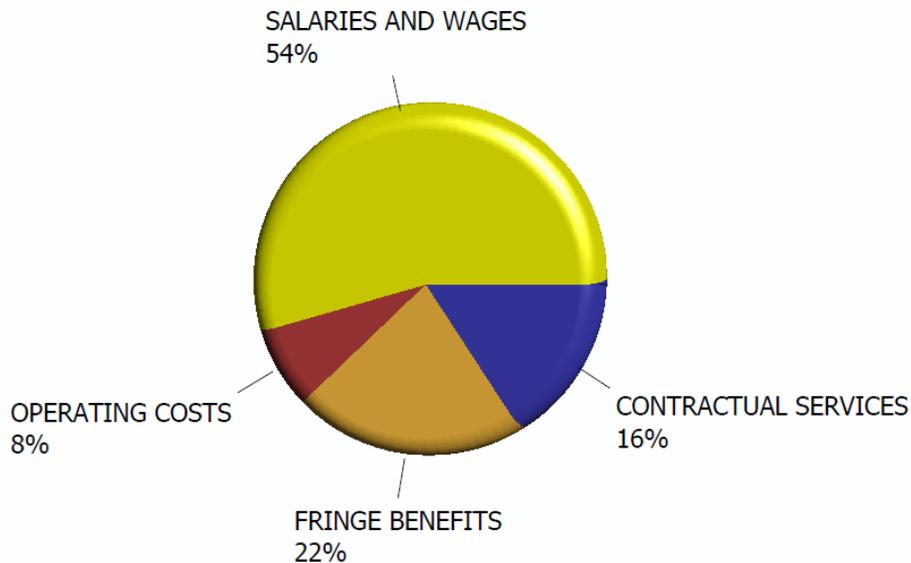
EXPENSE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	2,404,028	2,394,766	2,523,705	2,575,152	2.0%	51,447
FRINGE BENEFITS	759,091	803,275	984,144	1,041,589	5.8%	57,445
CONTRACTUAL SERVICES	147,344	616,576	721,492	748,350	3.7%	26,858
OPERATING COSTS	58,194	362,233	308,500	364,418	18.1%	55,918
TRANSFERS	4,000					0
TOTAL GENERAL	3,372,658	4,176,850	4,537,840	4,729,509	4.2%	191,668
TOTAL EXPENSE	3,372,658	4,176,850	4,537,840	4,729,509	4.2%	191,668

Expense 2011 - 2014

In Millions



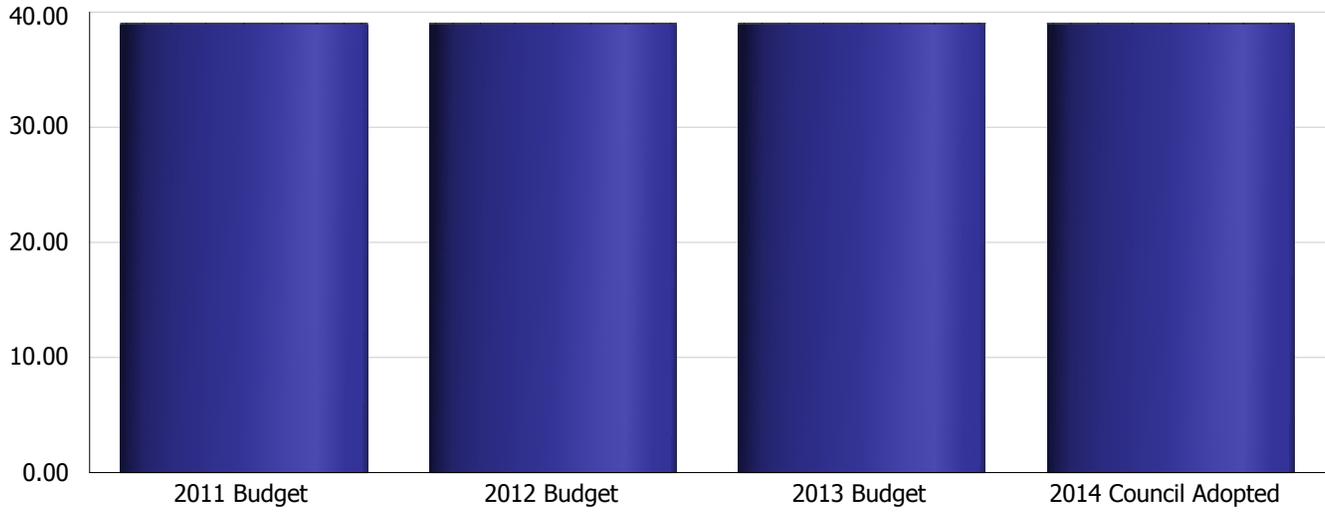
Expense by Category



**CITY COUNCIL
Staffing Information**

Division	2011 Budget	2012 Budget	2013 Budget	2014 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	0.00	0

Positions 2011-2014



CITY COORDINATOR

MISSION

The Office of the City Coordinator provides 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 coordinator shall coordinate City activities as directed by the City Council and shall supervise the Minneapolis Convention Center, convention and tourism, federal programs, and such activities as the City Council may direct.

BUSINESS LINES

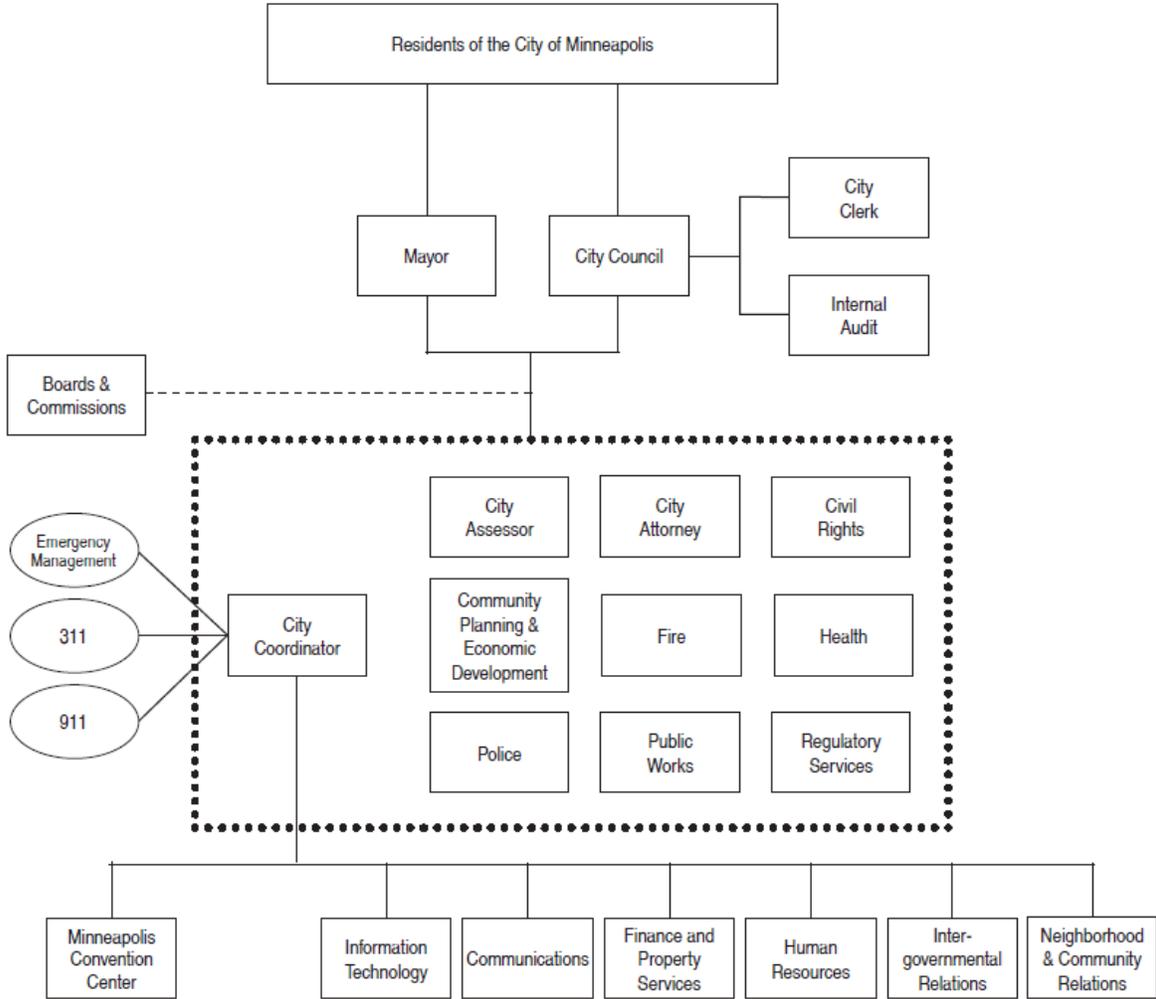
The City Coordinator Department has three primary business lines:

- **Strategic Policy Development and Implementation:** The City Coordinator acts as a strategic policy advisor to the Mayor and City Council and ensures that policy and project implementations are accountable and consistent with Mayor and Council direction.
- **Enterprise Management Services:** The City Coordinator provides strategic direction and oversight to the City's management departments including business information services, communications, finance, human resources, intergovernmental relations, and neighborhood & community relations to ensure that efficient and effective internal services serve all other City departments in successful achievement of their missions.
- **Direct Services:** The City Coordinator has direct management oversight responsibilities to ensure cost-effective, high-quality service and public accountability for line services including emergency preparedness, 911 emergency communications, non-emergency information and services (Minneapolis 311), and the work of the Minneapolis Convention Center.

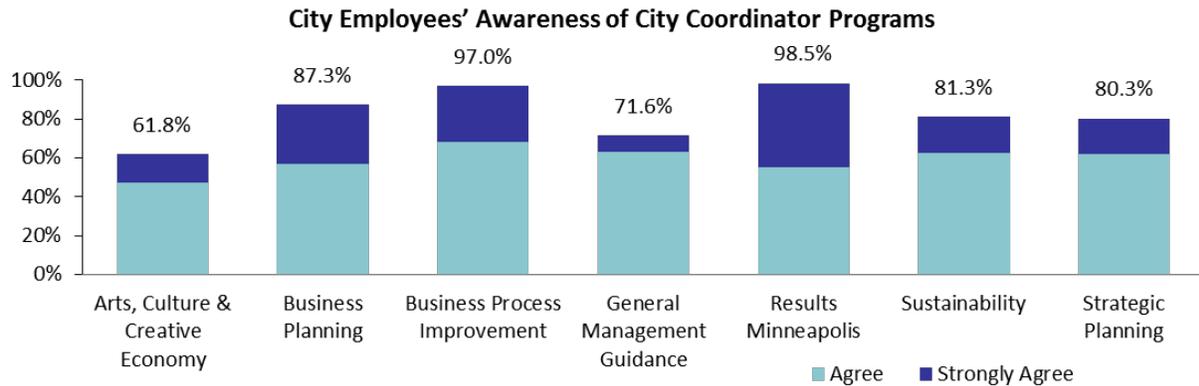
City of Minneapolis

City Coordinator

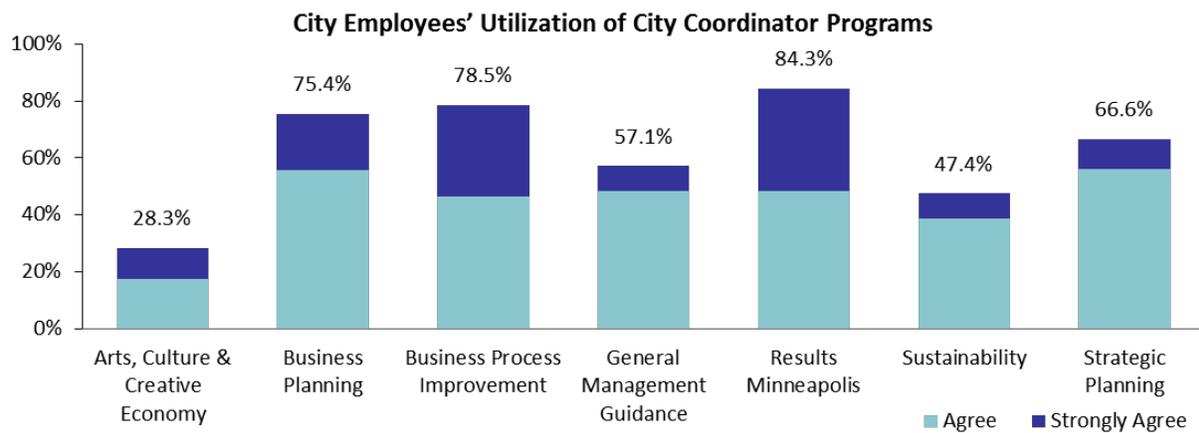
Organizational Chart



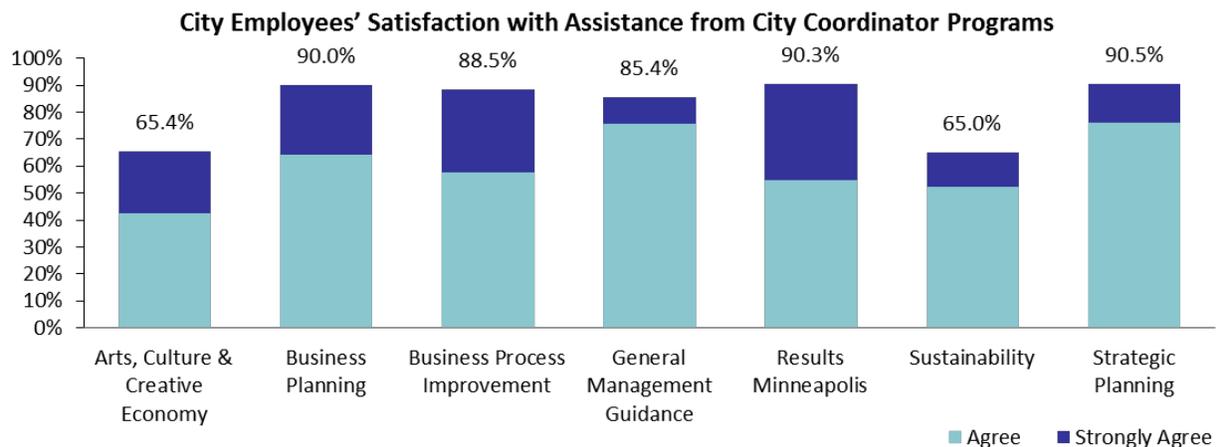
SELECTED RESULTS MINNEAPOLIS MEASURES



Note: Employees were asked the following question: "I am Aware of the Services the Following Programs Provide."
 Source: 2012 Coordinator Management Services Survey



Note: Employees were asked the following question: "I Utilize the Services the Following Programs Provide."
 Source: 2012 Coordinator Management Services Survey



Note: Employees were asked the following question: "Overall, I Receive Quality Assistance When Utilizing the Services Provided by the Following Programs."
 Source: 2012 Coordinator Management Services Survey

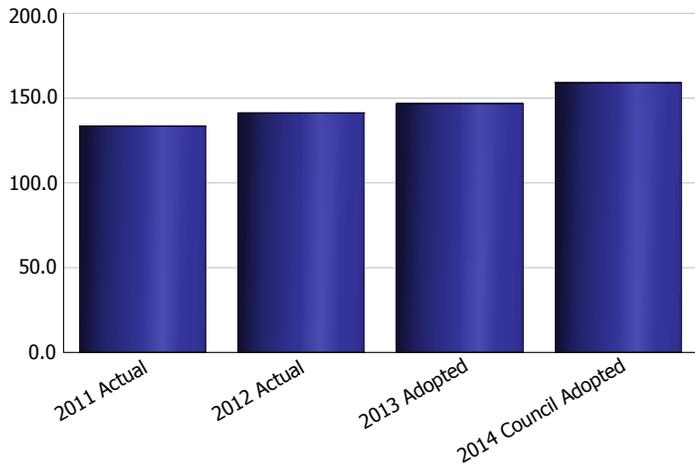
EXPENSE AND REVENUE INFORMATION

EXPENSE		2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	% Change	Change
GENERAL	CAPITAL	23,819	40,162	151,165	662,160	338.0%	510,995
	CONTRACTUAL SERVICES	11,469,361	11,731,464	11,111,505	12,722,890	14.5%	1,611,385
	FRINGE BENEFITS	7,440,704	7,465,493	8,705,320	9,829,021	12.9%	1,123,701
	OPERATING COSTS	2,126,162	1,830,428	3,115,708	2,266,946	-27.2%	(848,762)
	SALARIES AND WAGES	21,214,655	20,449,193	22,315,020	23,550,207	5.5%	1,235,188
GENERAL		42,274,701	41,516,739	45,398,718	49,031,225	8.0%	3,632,506
INTERNAL SERVICE	CAPITAL			150,181	470,181	213.1%	320,000
	CONTRACTUAL SERVICES	30,356,166	31,573,261	30,294,720	31,080,371	2.6%	785,651
	FRINGE BENEFITS	4,007,728	3,728,189	4,187,989	4,501,623	7.5%	313,634
	OPERATING COSTS	2,475,981	3,603,072	2,874,439	2,818,126	-2.0%	(56,313)
	SALARIES AND WAGES	9,403,836	8,981,343	10,774,912	11,541,658	7.1%	766,746
INTERNAL SERVICE		46,243,710	47,885,865	48,282,241	50,411,959	4.4%	2,129,719
SPECIAL REVENUE	CAPITAL	3,121,909	7,892,737	13,295,839	14,748,964	10.9%	1,453,125
	CONTRACTUAL SERVICES	25,486,261	27,254,093	23,255,419	28,612,345	23.0%	5,356,926
	FRINGE BENEFITS	3,823,586	3,678,522	4,663,458	4,516,664	-3.1%	(146,794)
	OPERATING COSTS	1,991,976	2,388,882	1,458,570	1,491,705	2.3%	33,135
	SALARIES AND WAGES	10,586,964	9,933,021	10,503,000	10,331,607	-1.6%	(171,393)
	TRANSFERS		750,000				
SPECIAL REVENUE		45,010,696	51,897,255	53,176,286	59,701,284	12.3%	6,524,998
TOTAL EXPENSE		133,529,107	141,299,859	146,857,245	159,144,468	8.4%	12,287,223
REVENUE		2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	% Change	Change
GENERAL	CHARGES FOR SALES	16,117	2,418	15,000	1,000	-93.3%	(14,000)
	CHARGES FOR SERVICES	6,723	568				
	CONTRIBUTIONS	455,803	805,808	800,000	840,000	5.0%	40,000
	FRANCHISE FEES	3,213,490	3,353,634	3,100,000	3,400,000	9.7%	300,000
	INTEREST	110					
	LICENSE AND PERMITS	55					
	OTHER MISC REVENUES	20,584	904	15,000	1,500	-90.0%	(13,500)
	PROPERTY TAXES	43					
	RENTS	1,459	1,559				
GENERAL		3,714,384	4,164,891	3,930,000	4,242,500	8.0%	312,500
INTERNAL SERVICE	CHARGES FOR SALES	311,982	469,838	370,325	324,293	-12.4%	(46,032)
	CHARGES FOR SERVICES	34,039,388	36,425,149	31,715,043	32,638,388	2.9%	923,345
	FEDERAL GOVERNMENT	29,974	11,631				
	GAINS	(4,124)					
	LOCAL GOVERNMENT	197,363					
	OTHER MISC REVENUES	145,837	77,945	3,000	3,000	0.0%	
	RENTS	12,700,464	13,240,297	13,965,731	14,350,830	2.8%	385,099
	STATE GOVERNMENT	9,991					
	TRANSFERS IN	1,153					
INTERNAL SERVICE		47,432,028	50,224,860	46,054,099	47,316,511	2.7%	1,262,412
SPECIAL	CHARGES FOR SALES	35,731	552,337				

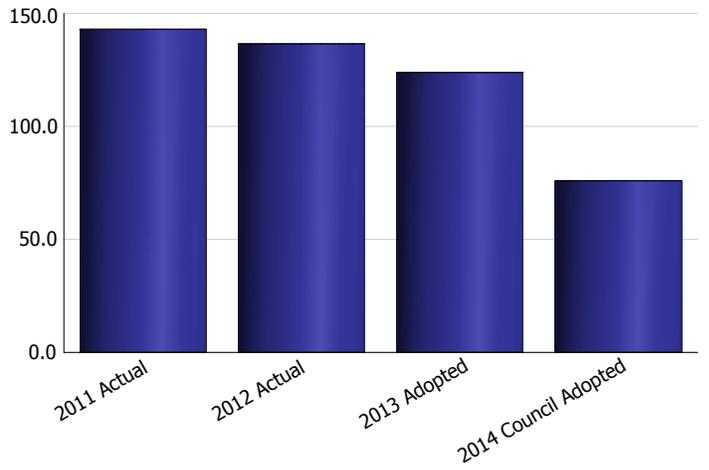
EXPENSE AND REVENUE INFORMATION

REVENUE		2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	% Change	Change
REVENUE	CHARGES FOR SERVICES	5,311,598	5,448,981	5,339,000	5,720,000	7.1%	381,000
	CONTRIBUTIONS	1,018,713	140,908				
	FEDERAL GOVERNMENT	2,212,359	5,279,464	1,000,000	1,000,000	0.0%	
	INTEREST	359,760	314,359	265,132	214,631	-19.0%	(50,501)
	LOCAL GOVERNMENT	(1,250,000)					
	LONG TERM LIABILITIES PROCEEDS				250,000		250,000
	OTHER MISC REVENUES	2,758,318	3,077,787	3,044,000	3,300,000	8.4%	256,000
	RENTS	6,580,122	7,005,147	6,400,000	6,980,000	9.1%	580,000
	SALES AND OTHER TAXES	65,929,924	56,349,332	57,300,000	1,275,000	-97.8%	(56,025,000)
	STATE GOVERNMENT	2,347,908	478,686	515,480	515,480	0.0%	
	TRANSFERS IN	6,522,269	3,487,650		5,149,480		5,149,480
SPECIAL REVENUE		91,826,702	82,134,649	73,863,612	24,404,591	-67.0%	(49,459,021)
TOTAL REVENUE		142,973,114	136,524,400	123,847,711	75,963,602	-38.7%	(47,884,109)

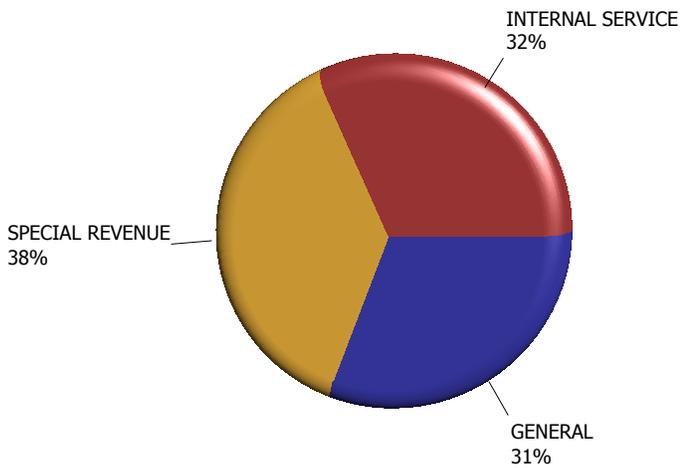
Expense 2011 - 2014



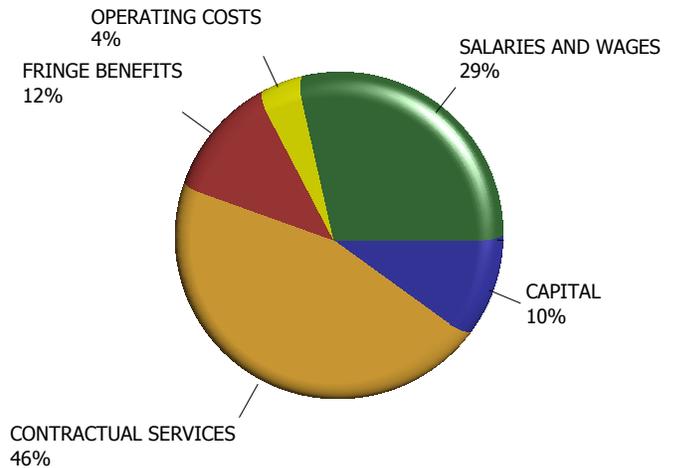
Revenue 2011 - 2014



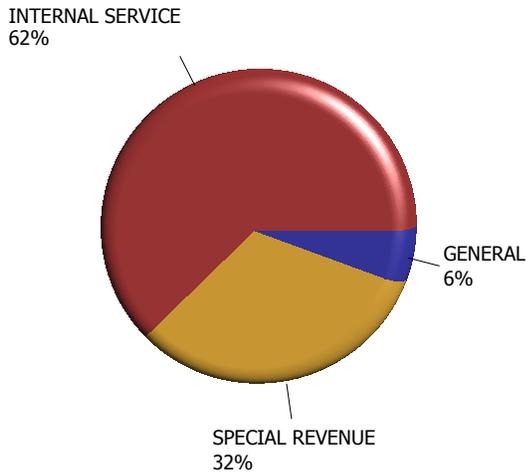
Expense by Fund



Expense by Type



Revenue by Fund



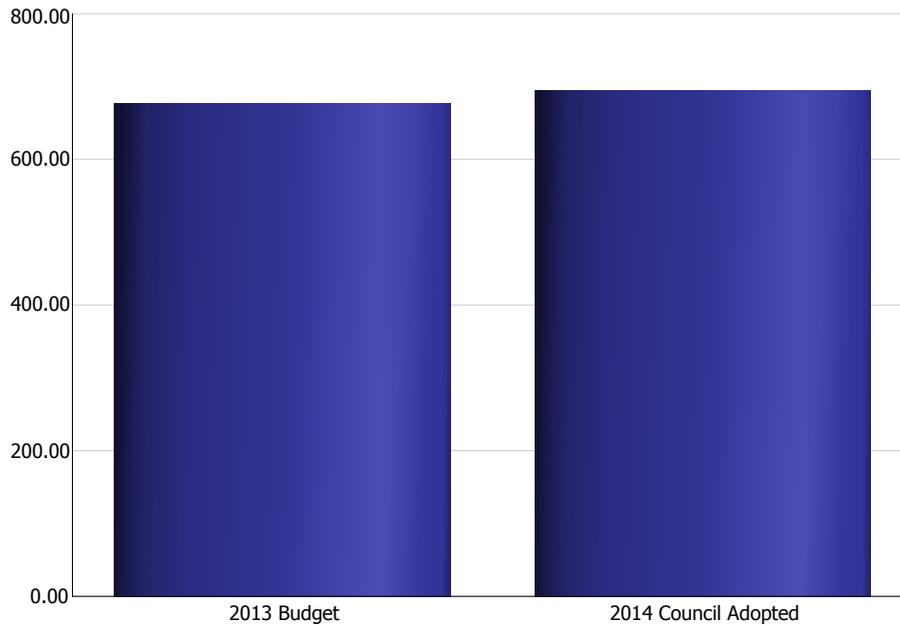
CITY COORDINATOR

Staffing Information

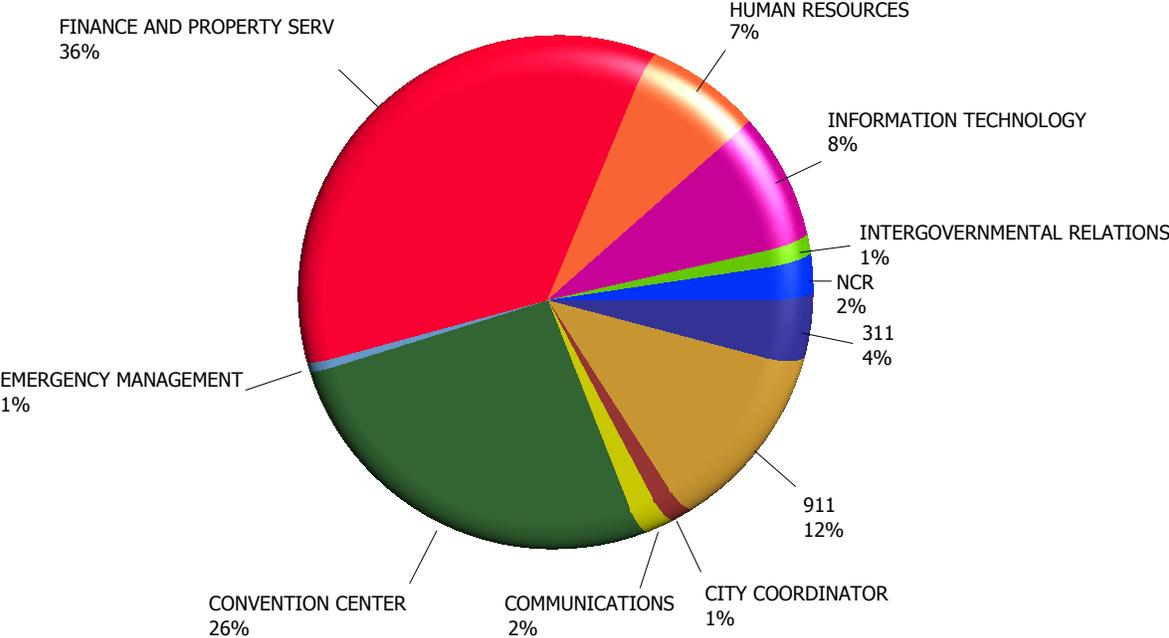
Division	2013 Budget	2014 Council Adopted	% Change	Change
311	28.00	31.00	10.7%	3.00
911	80.00	80.00	0.0%	
CITY COORDINATOR	9.00	10.00	11.1%	1.00
COMMUNICATIONS	12.00	12.00	0.0%	
CONVENTION CENTER	177.10	177.10	0.0%	
EMERGENCY MANAGEMENT	4.00	4.00	0.0%	0.00
FINANCE AND PROPERTY SERV	240.50	246.00	2.3%	5.50
HUMAN RESOURCES	48.80	50.80	4.1%	2.00
INFORMATION TECHNOLOGY	54.00	60.00	11.1%	6.00
INTERGOVERNMENTAL RELATIONS	8.00	9.00	12.5%	1.00
NEIGHBORHOOD & COMMUNITY RELATIONS	16.00	16.50	3.1%	0.50
Total CITY COORDINATOR Depts	677.40	696.40	2.7%	19.00

Total CITY COORDINATOR

Staff Summary 2013-2014



CITY COORDINATOR DEPARTMENTS



CITY COORDINATOR - ADMINISTRATION

Department Programs by Goal Area and Funding:

Eco-Focused

Office of Sustainability

General Fund: \$607,301

The major focus for Office of Sustainability includes the following highlights:

- 1) Residents are connected to and engaged with each other and the City around sustainability issues.
- 2) City leaders - elected and managers are effective champions of sustainable practices/ initiatives.
- 3) Sustainability indicators and data are outcome-based, relevant, focused, and applied effectively in decision-making and investment priorities.
- 4) Sustainability public outreach is exciting, informative and engaging.
- 5) Strong, successful relationships with partners committed to sustainability exist in Minneapolis.
- 6) The business community embraces sustainability as a standard practice.

The above is achieved through our work in the following areas:

- A. Advancing sustainability initiatives by working closely with other departments to advance new and ongoing sustainability initiatives. This may include simple changes to departmental work plans, or work processes, or more major initiatives, or policies.
- B. Conducting public outreach through electronic media, presentations to neighborhood groups and other stakeholders, collaboration with other organizations and other forms of direct contact at sustainability-related events.
- C. Building partnerships and securing funding with local, regional, federal and international partners to collaborate on projects and secure outside funding.
- D. Staffing the Citizens Environmental Advisory Committee, Environmental Coordinating Team, and the Homegrown Minneapolis Food Council.
- E. Coordinating the performance measures and reporting related to the 26 sustainability indicators, and allowing the policymakers and staff to understand the progress and challenges the City is making toward goals established by the City Council.

Public Utilities Commission Engagement

General Fund: \$75,000

The Minnesota Public Utilities Commission regulates electric and natural gas ensuring that utilities provide safe, adequate, reliable service at fair, reasonable rates. It operates in both a quasi-judicial and quasi-legislative capacity; creates rules relating to the conduct of utilities and provides a forum for resolving disputes between the public and utilities. Both Xcel and Centerpoint Energy are required to provide annual reports and also any proposed changes in their services or charges which require dozens of filings annually.

Since 2012, the City has started taking a more active, but a limited role that includes extension of Xcel's Solar Rewards program and addition of a special tariff to reduce the operating cost of solar system at the Convention Center and Royalston Maintenance Facility. The City has also requested more transparency in information about reliability, usage and system performance. Staff resources and expertise is very limited.

Depending on the funding allocated, the program could include staffing, expert testimony, partnerships with other like-minded organizations, and research among other things.

Sustainability Intern

General Fund: \$20,000

The Sustainability Intern program provides an opportunity for undergraduate or graduate students to get on-the-job experience in policy and implementation of an urban sustainability program from a municipal government perspective. This program is also critical to the development of the annual Minneapolis Sustainability Indicators, a nationally-recognized metrics system for measuring our City's performance towards environmental, social, and economic sustainability targets. The intern position assists with research, writing, facilitating outreach and advisory committee meetings, and developing web and other communication materials. The intern position is part-time, and typically lasts for up to one year per person.

Jobs & Economic Vitality

Arts, Culture, Creative Economy

General Fund: \$144,499

Arts, Culture and Creative Economy is an initiative of the City Coordinator's Office developed in August 2011 to leverage the creative sector towards strengthening social and economic growth in the City of Minneapolis. The program promotes and coordinates city resources to develop the arts as an economic generator; stimulates cross-sector collaboration to strengthen the arts economy and achieve broader community goals and provides presence and visibility for the arts, artists and creative industries within the city enterprise.

A City that Works

Results Management

General Fund: \$376,798

The Results Management program for the City of Minneapolis provides enterprise leadership and departmental support on: strategic/business planning, *Results Minneapolis*, and continuous improvement efforts. This program provides support to departments as they work to better align their business planning, performance measurement, continuous improvement, budgeting, and employee performance management efforts. In addition, this program is also responsible for evaluating and elevating City employee knowledge and skills around planning, measurement, and continuous improvement.

City Coordinator's Office Strategic Advising and Administration

General Fund: \$798,079

The core functions of the City Coordinator's Office include the strategic management and policy guidance to all elected and non-elected City leaders as well as the oversight of ten City departments: Human Resources, Information Technology, Finance, Intergovernmental Relations, Neighborhood and Community Relations, Convention Center, Communications, 311, 911 and Emergency Management. Several of these departments collectively comprise the management support functions for the City.

Additionally, it also oversees the City's Sustainability; Results Management and Arts, Culture & Creative Economy programs. These programs provide leadership and coordination around their respective areas for the entire City enterprise.

Homegrown Minneapolis Coordinator

General Fund: \$170,000

Homegrown Minneapolis (HGM) is a citywide initiative to develop recommendations and implement strategies to increase and improve the growing, processing, distribution, consumption and waste recovery of healthy, sustainable, locally grown foods. Launched in December 2009 Homegrown Minneapolis has over 300 stakeholders and was initially guided by the work of an Implementation Task Force composed of community members and City staff from five departments.

FINANCIAL ANALYSIS

Expenditure

The department's budget for 2014 is \$2.2 million. This represents 34.6% increase over the year 2013 primarily attributable to new programming recommended by the Mayor and approved by the Council, outlined below.

Revenue

The City Coordinator's administration unit does not generate revenues.

Fund Allocation

The department is completely funded in the General Fund.

Mayor's Recommended Budget

The Mayor recommended \$80,000 in ongoing funding to support implementation of initiatives related to the City's sustainability goals; \$100,000 in ongoing funding for local and regional lobbying efforts, including Metropolitan Airports Commission, Metropolitan Council, University of Minnesota, Hennepin County and surrounding cities; and \$20,000 in ongoing funding to enhance existing funding for the City's tree canopy. The Mayor also recommended \$90,000 in one-time funding for the department to use to report the City's Creative Vitality Index (CVI) as well as to be used for other arts and culture planning in conjunction with the comprehensive plan update (\$45,000 for each) and \$75,000 in one-time funding to be used for the City's work with the Public Utilities Commission (PUC).

Council Adopted Budget

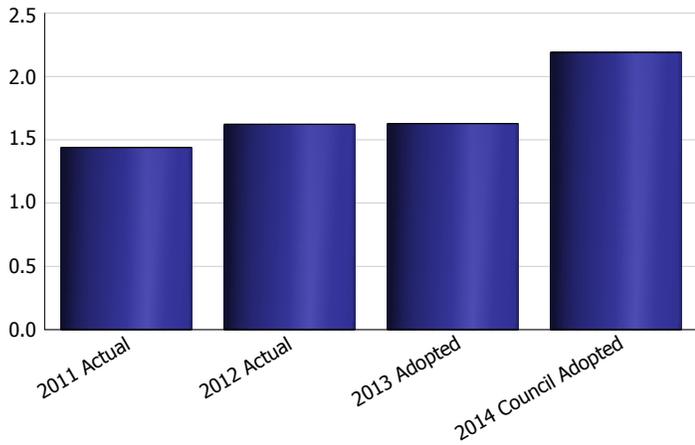
The Council approved the Mayor's recommendations and amended the budget to reduce the appropriation for the City Coordinator's Administration Department by \$150,000 and offset this reduction with an increase to the Human Resources and Intergovernmental Relations Departments to enhance the City's internship programs and lobbying efforts. The Council further amended the Mayor's Recommended Budget to recognize payment in lieu of taxes (PILOT) payments from the Minneapolis Public Housing Authority (MPHA) and amend the Department's budget to refund these payments. The Council also increased the Department's appropriation by \$30,000 to fund annual membership dues in the St. Anthony Falls Heritage organization, funded by money previously allocated to the Finance and Property Services Department. The Council also directed the Department, in conjunction with Civil Rights, NCR, CPED, FPS and HR to develop measures consistent with the racial equity toolkit guides, and work with all departments to include applicable measures in their Results Minneapolis reports.

**CITY COORDINATOR
EXPENSE AND REVENUE INFORMATION**

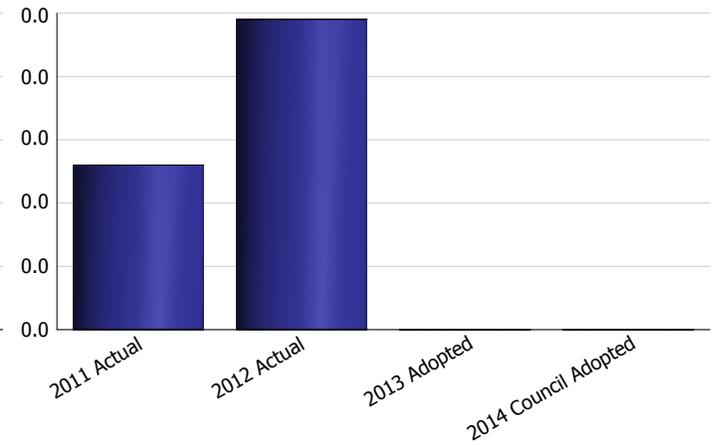
EXPENSE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	703,284	802,369	940,352	898,908	-4.4%	(41,444)
FRINGE BENEFITS	229,140	250,258	281,016	300,392	6.9%	19,376
CONTRACTUAL SERVICES	325,425	361,132	320,674	901,501	181.1%	580,827
OPERATING COSTS	113,961	144,379	86,070	90,876	5.6%	4,806
CAPITAL	111	421				0
TOTAL GENERAL	1,371,920	1,558,558	1,628,112	2,191,677	34.6%	563,565
SPECIAL REVENUE						
SALARIES AND WAGES	5,958	13,528				0
FRINGE BENEFITS	2,349	0				0
CONTRACTUAL SERVICES	59,061	50,356				0
OPERATING COSTS	0	325				0
TOTAL SPECIAL REVENUE	67,368	64,209				0
TOTAL EXPENSE	1,439,289	1,622,768	1,628,112	2,191,677	34.6%	563,565
REVENUE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
SPECIAL REVENUE						
CONTRIBUTIONS	0	11,908	0		0.0%	0
FEDERAL GOVERNMENT	0	15,545	0		0.0%	0
STATE GOVERNMENT	13,000	(2,935)	0		0.0%	0
SPECIAL REVENUE	13,000	24,518				0
TOTAL REVENUE	13,000	24,518				

CITY COORDINATOR EXPENSE AND REVENUE INFORMATION

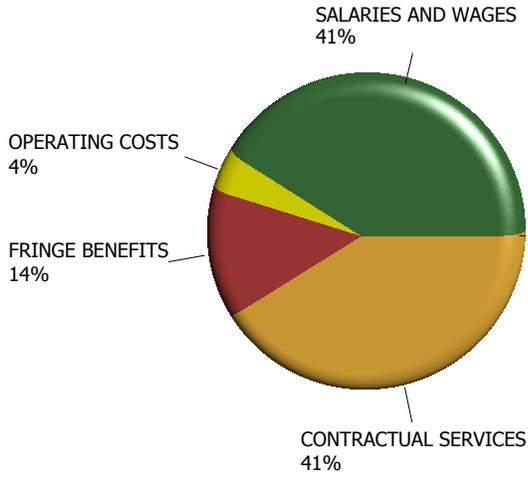
Expense 2011 - 2014
In Millions



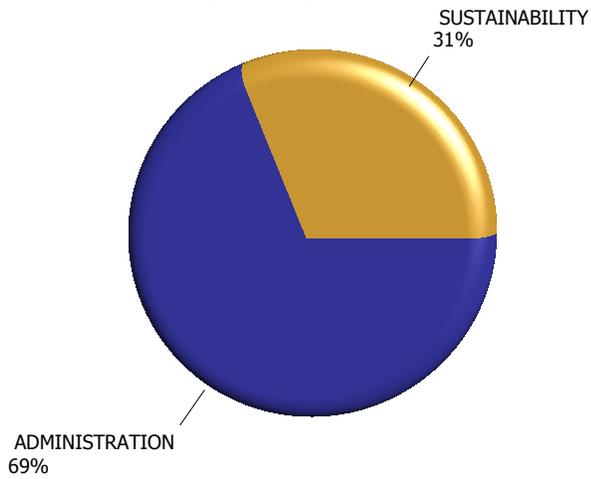
Revenue 2011 - 2014
In Millions



Expense by Category



Expense by Division

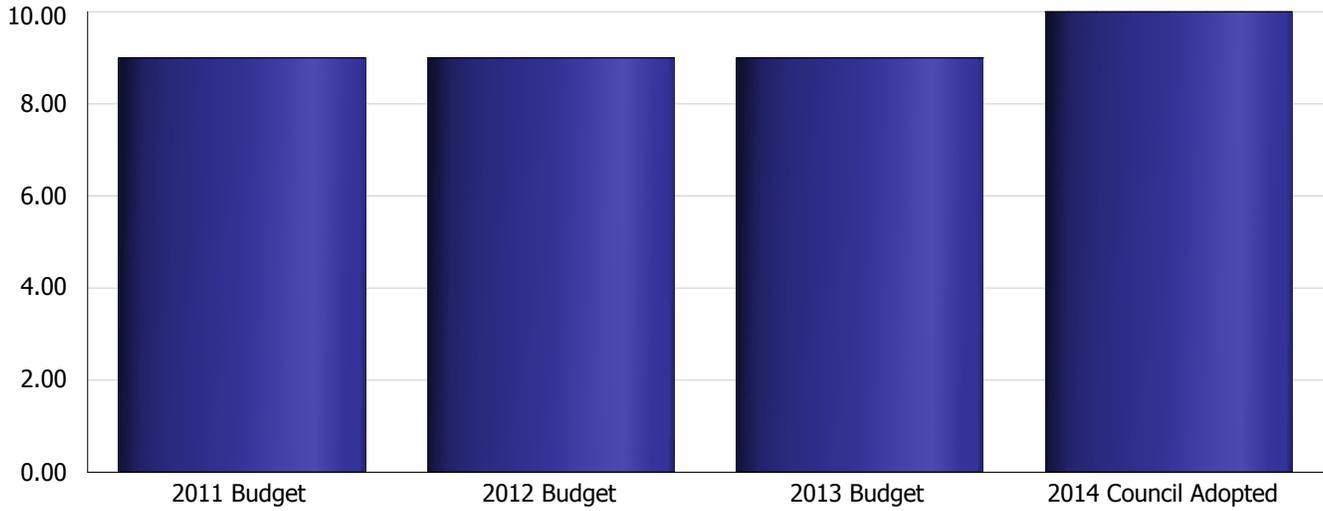


CITY COORDINATOR

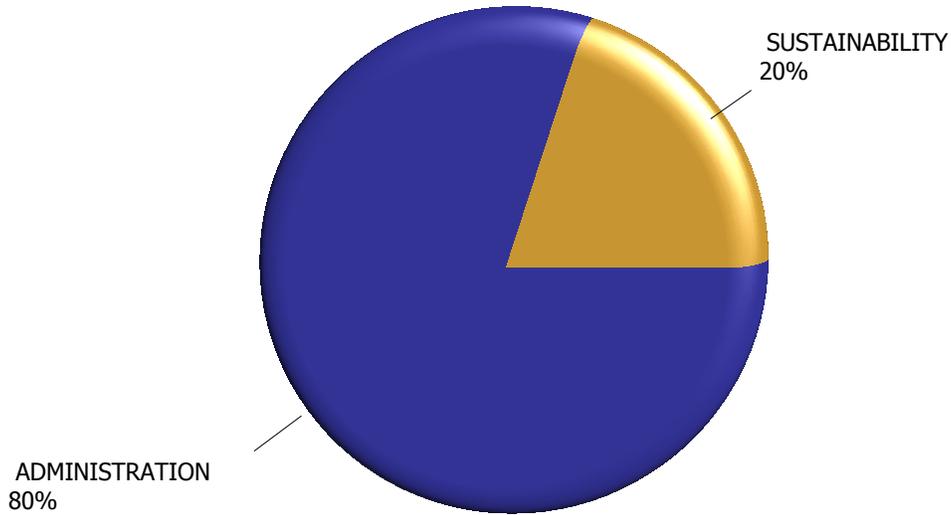
Staffing Information

Division	2011 Budget	2012 Budget	2013 Budget	2014 Council Adopted	% Change	Change
ADMINISTRATION	7.00	7.00	7.00	8.00	14.3%	1.00
SUSTAINABILITY	2.00	2.00	2.00	2.00	0.0%	0
Overall	9.00	9.00	9.00	10.00	11.1%	1.00

Positions 2011-2014



Positions by Division



MINNEAPOLIS 311

MISSION

311 serves as the single point of contact for local government information and services providing accountability and transparency by:

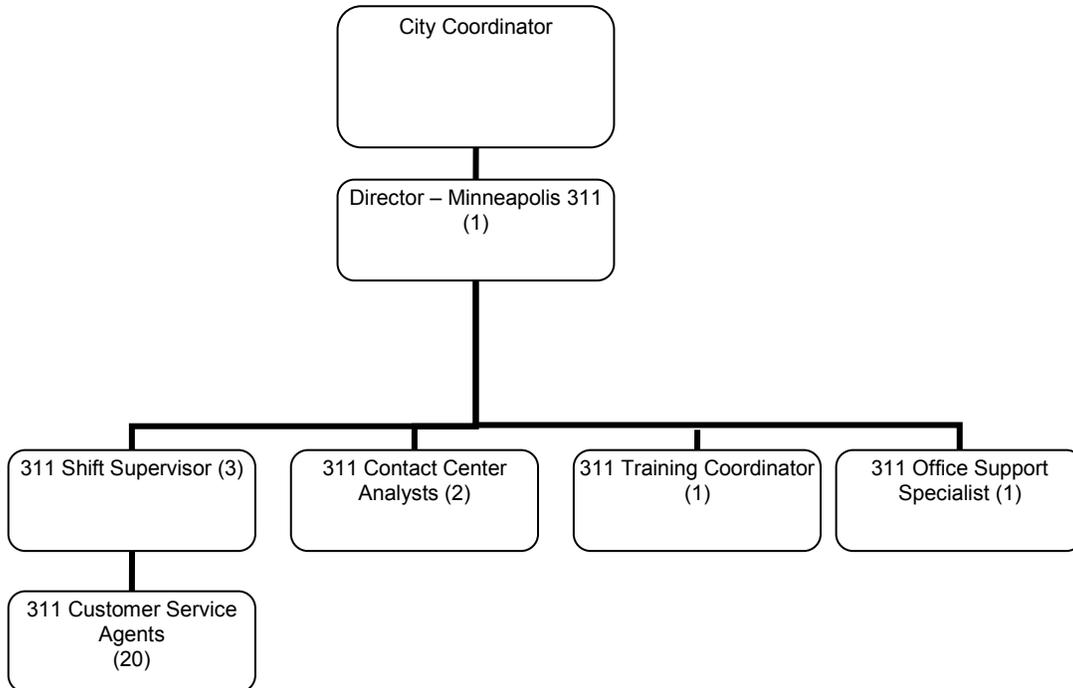
- Simplifying access to information and services
- Enabling organizations to deliver services more effectively
- Tracking requests for service delivery from inception to completion
- Providing process solutions

BUSINESS LINES

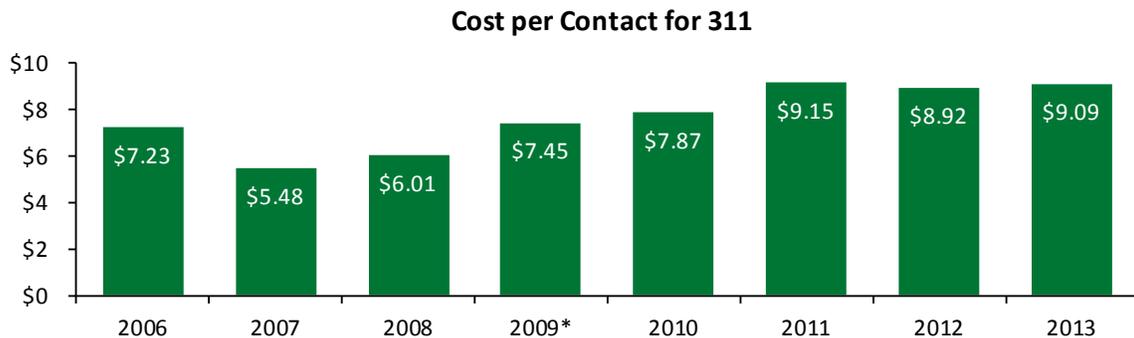
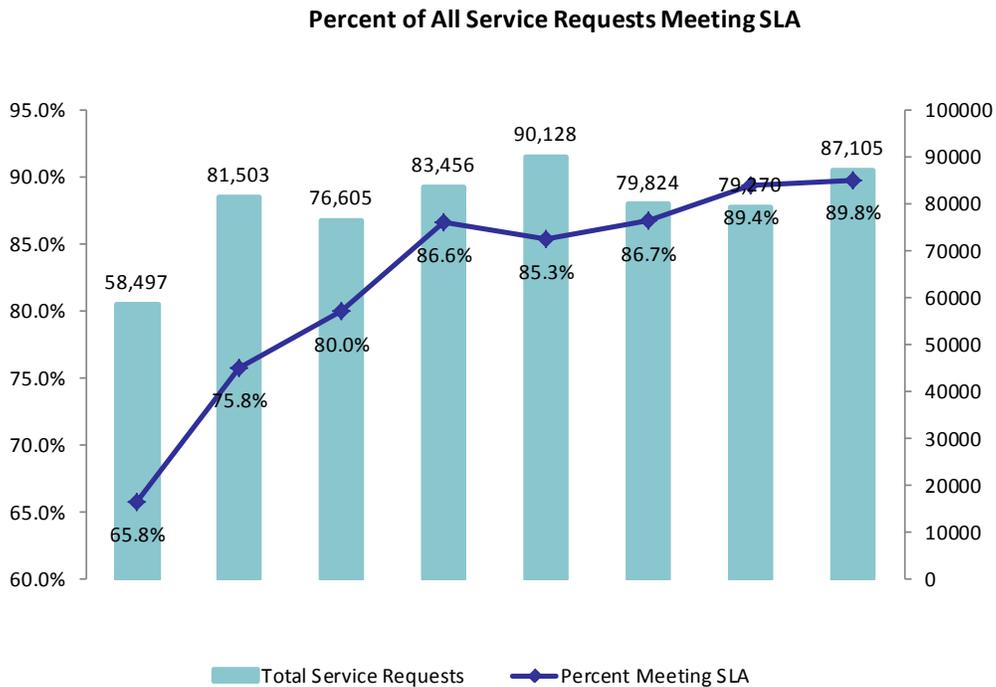
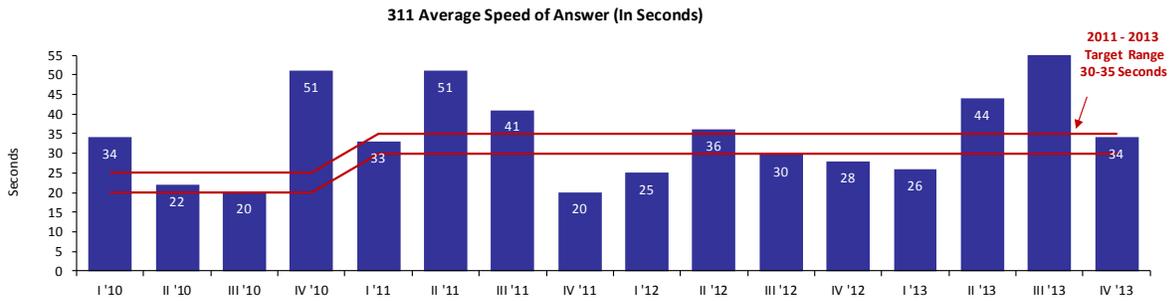
The 311 Department is the primary source of contact for government by providing a single access point for all information and services.

- Answer questions utilizing our knowledge tools
- Initiate a Service Request within the Enterprise Case Management (ECM) system for processing by our resolving departments
- When 311 is not able to resolve a customer request or issue, we connect the customer to an expert within the City who can

ORGANIZATION CHART



SELECTED RESULTS MINNEAPOLIS MEASURES



*Adjusted total with updated data

Note: Starting in 2009, for 311, \$485,000 in BIS rate model costs formerly charged to departments were added to 311's budget which added approximately \$1.13 to the cost per contact.

A City that Works

Minneapolis 311

General Fund: \$3,290,223

311 serves as the single point of contact for local government information and services providing accountability and transparency by simplifying access to information and services, enabling organizations to deliver services more effectively, tracking requests for service delivery from inception to completion and providing process solutions.

Minneapolis 311 - Expanded Hours

General Fund: \$250,000

As per customers' demand, this additional funding will provide additional 311 services during weekend hours.

FINANCIAL ANALYSIS

Expenditure

The department's budget for 2014 is \$3.5 million, a 13.4% increase over 2013 levels. This increase is driven primarily by the addition of weekend call availability. There is also a drop in operating costs from 2013 to 2014 as this department is not budgeting to experience a self-insurance liability premium.

Revenue

This department does not generate revenue.

Fund Allocation

This department is funded 100% within the General Fund.

Mayor's Recommended Budget

The Mayor recommended an additional \$250,000 in ongoing funding to support expanding 311 operations to include weekend hours and the hiring of three additional staff.

Council Adopted Budget

The Council approved the Mayor's recommendations.

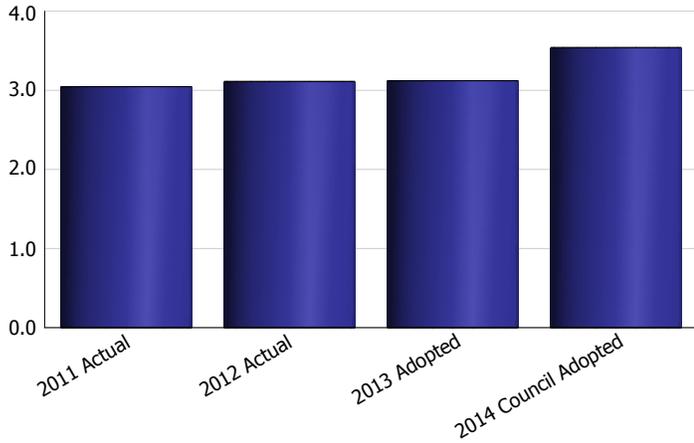
311
EXPENSE AND REVENUE INFORMATION

EXPENSE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	1,418,197	1,401,442	1,503,887	1,676,394	11.5%	172,507
FRINGE BENEFITS	613,257	604,434	674,773	821,305	21.7%	146,532
CONTRACTUAL SERVICES	970,155	1,065,105	895,862	947,405	5.8%	51,543
OPERATING COSTS	40,968	39,693	47,382	20,119	-57.5%	(27,263)
CAPITAL	0			75,000		75,000
TOTAL GENERAL	3,042,577	3,110,674	3,121,904	3,540,223	13.4%	418,319
SPECIAL REVENUE						
SALARIES AND WAGES	4,453					0
CONTRACTUAL SERVICES	0	1,232				0
TOTAL SPECIAL REVENUE	4,453	1,232				0
TOTAL EXPENSE	3,047,029	3,111,906	3,121,904	3,540,223	13.4%	418,319

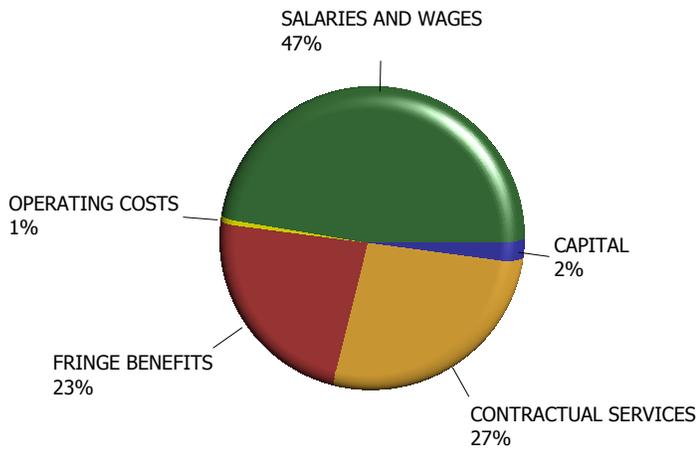
EXPENSE AND REVENUE INFORMATION

Expense 2011 - 2014

In Millions



Expense by Category

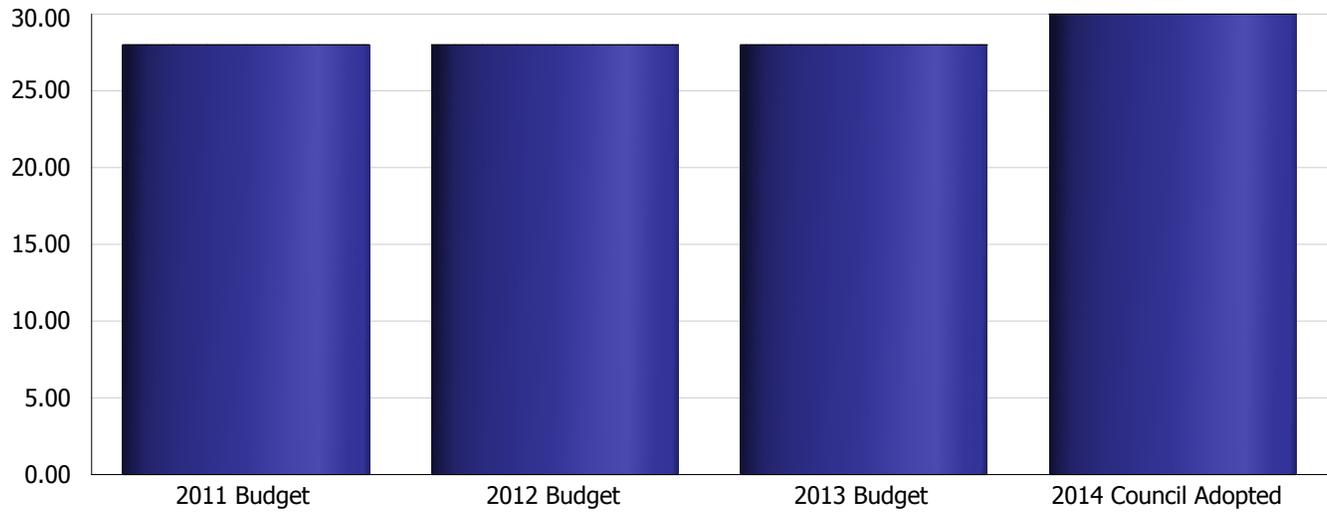


311

Staffing Information

Division	2011 Budget	2012 Budget	2013 Budget	2014 Council Adopted	% Change	Change
311	28.00	28.00	28.00	31.00	10.7%	3.00
Overall	28.00	28.00	28.00	31.00	10.7%	3.00

Positions 2011-2014



911

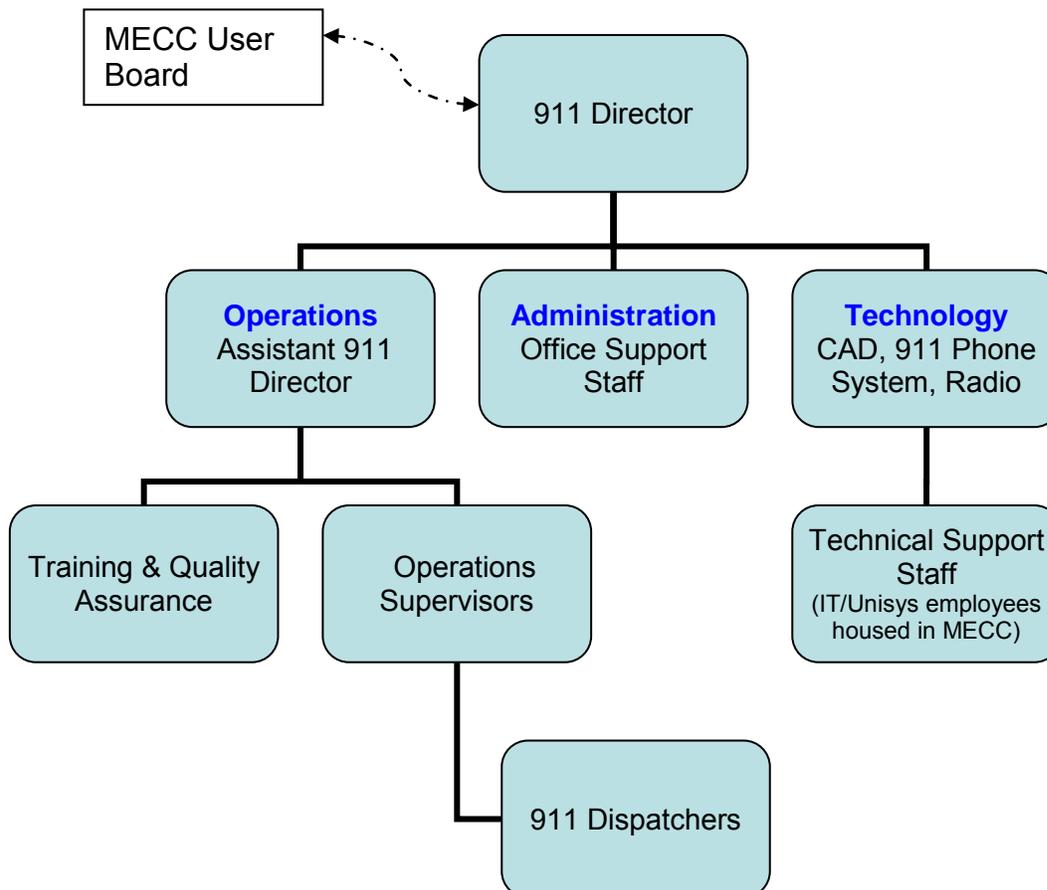
MISSION

Minneapolis 911 forms the vital link between the public and the emergency responders. We strive to collect and disseminate all requests for service in a prompt, courteous, and efficient manner. Through our actions, we help save lives, protect property and assist the public in their time of need.

BUSINESS LINES

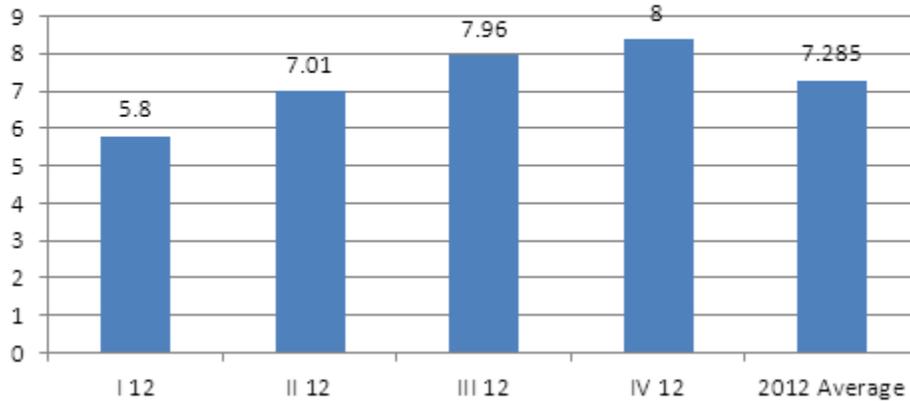
- Emergency and non-emergency public safety call answering and processing
- Public Safety Resource Dispatching
- Disaster/Emergency Warnings and Notifications

ORGANIZATION CHART

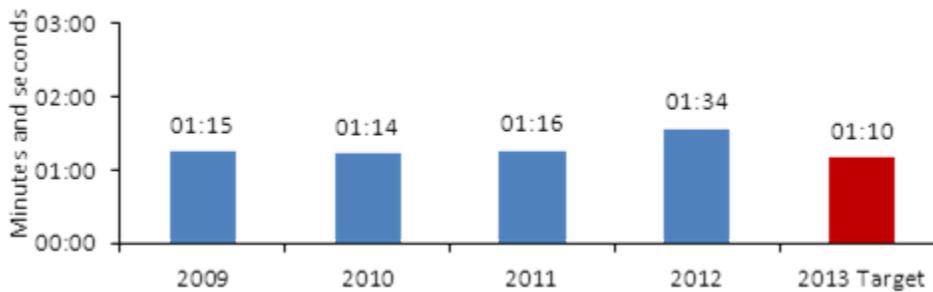


SELECTED RESULTS MINNEAPOLIS MEASURES

**911 Average Answer Time
(Seconds)**

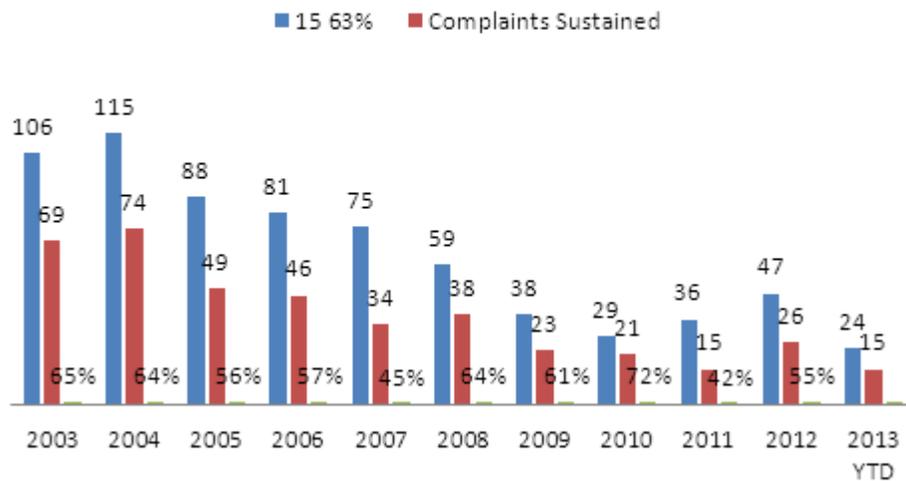


**911 Pending Time*
(High Priority Police Calls Only)**



* Pending time = elapsed time from CAD entry to dispatch

911 Complaints



A Safe Place to Call Home

911

General Fund: \$8,131,838
Other Funds: \$515,480

The 911 dispatch program is the only link between the public and emergency public safety response. No police car, fire truck or ambulance responds to any emergency in Minneapolis unless the call has first been answered and processed by 911. The 911 operators stay on the phone with the caller while dispatchers send help to the scene using radio and computer communications with Police, Fire, Emergency Medical Services or others.

FINANCIAL ANALYSIS

Expenditure

The department's budget for the 2014 is \$8.6 million. This represents a 4.9% increase over the 2013 budget of \$8.2 million and is primarily due to inflationary increases in staff costs and contractual commitments.

Revenue

Level from the 2013 budget, the department is projected to receive of \$0.5 million in 2014 associated with the State of Minnesota's E911 funding allocation.

Fund Allocation

This department is funded primarily in the General Fund (94%) with the remainder coming from special revenue funds.

Mayor's Recommended Budget

The Mayor recommended no changes to this department's base program proposal.

Council Adopted Budget

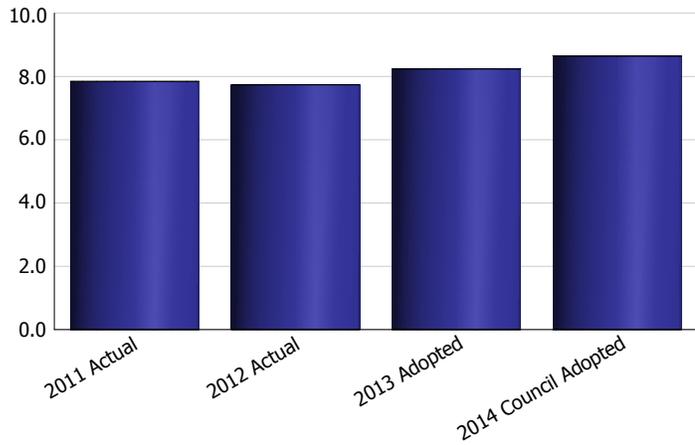
The Council approved the Mayor's recommendations and directed staff to utilize the bell-curve staffing authority outlined in the City's Financial Policies to hire two additional FTE (operators). 911 staff is directed to report upon the effectiveness of this staffing mechanism in meeting service level benchmarks by September 1, 2014.

911
EXPENSE AND REVENUE INFORMATION

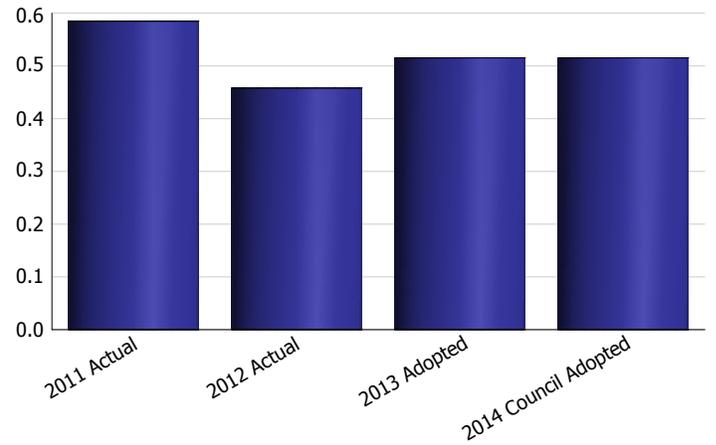
EXPENSE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	4,717,101	4,660,115	4,887,779	5,023,303	2.8%	135,524
FRINGE BENEFITS	1,640,392	1,637,656	2,014,490	2,087,364	3.6%	72,873
CONTRACTUAL SERVICES	791,693	895,059	711,078	879,571	23.7%	168,493
OPERATING COSTS	84,427	89,594	101,651	130,974	28.8%	29,323
CAPITAL	17,786		10,521	10,626	1.0%	105
TOTAL GENERAL	7,251,399	7,282,423	7,725,520	8,131,838	5.3%	406,318
SPECIAL REVENUE						
SALARIES AND WAGES	8,292	31,587				0
CONTRACTUAL SERVICES	568,797	406,764	515,480	515,480	0.0%	0
OPERATING COSTS	15,336	19,404				0
CAPITAL	214					0
TOTAL SPECIAL REVENUE	592,639	457,755	515,480	515,480	0	0
TOTAL EXPENSE	7,844,038	7,740,178	8,241,000	8,647,318	4.9%	406,318
REVENUE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SERVICES	421	464	0		0.0%	0
LICENSE AND PERMITS	55	0	0		0.0%	0
OTHER MISC REVENUES	251	0	0		0.0%	0
PROPERTY TAXES	43	0	0		0.0%	0
GENERAL	771	464				0
SPECIAL REVENUE						
STATE GOVERNMENT	584,166	457,755	515,480	515,480	0.0%	0
SPECIAL REVENUE	584,166	457,755	515,480	515,480	0	0
TOTAL REVENUE	584,936	458,219	515,480	515,480	0	

911 EXPENSE AND REVENUE INFORMATION

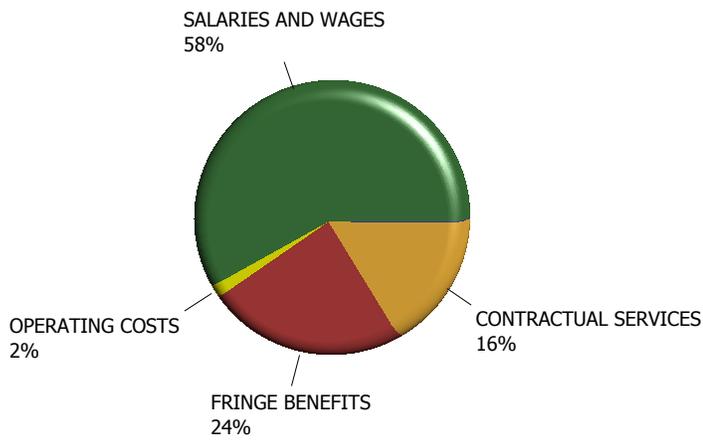
Expense 2011 - 2014
In Millions



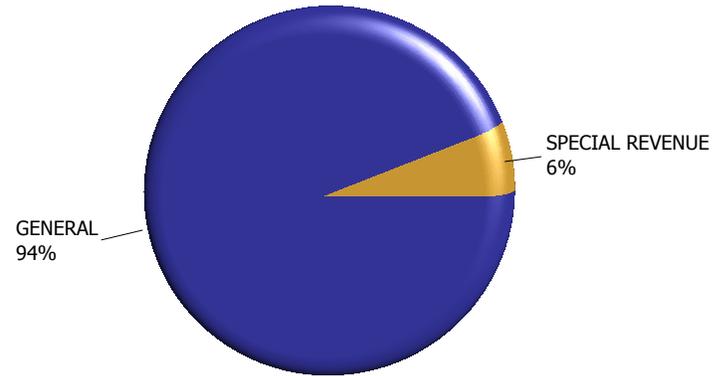
Revenue 2011 - 2014
In Millions



Expense by Category



Expense by Fund

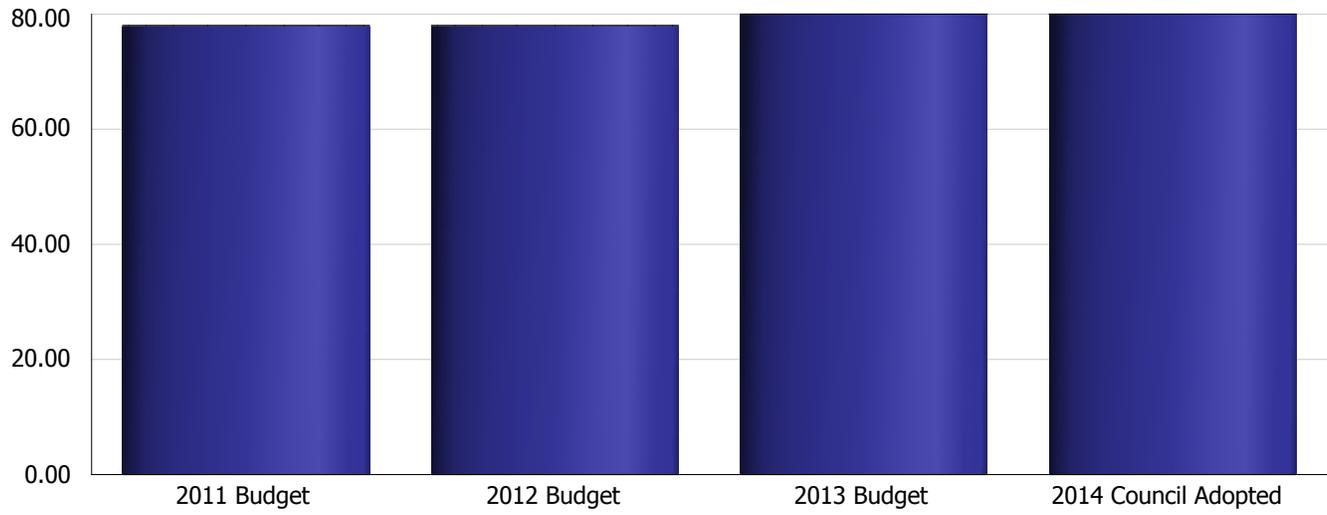


911

Staffing Information

Division	2011 Budget	2012 Budget	2013 Budget	2014 Council Adopted	% Change	Change
911	78.00	78.00	80.00	80.00	0.0%	0
Overall	78.00	78.00	80.00	80.00	0.00	0

Positions 2011-2014



EMERGENCY MANAGEMENT

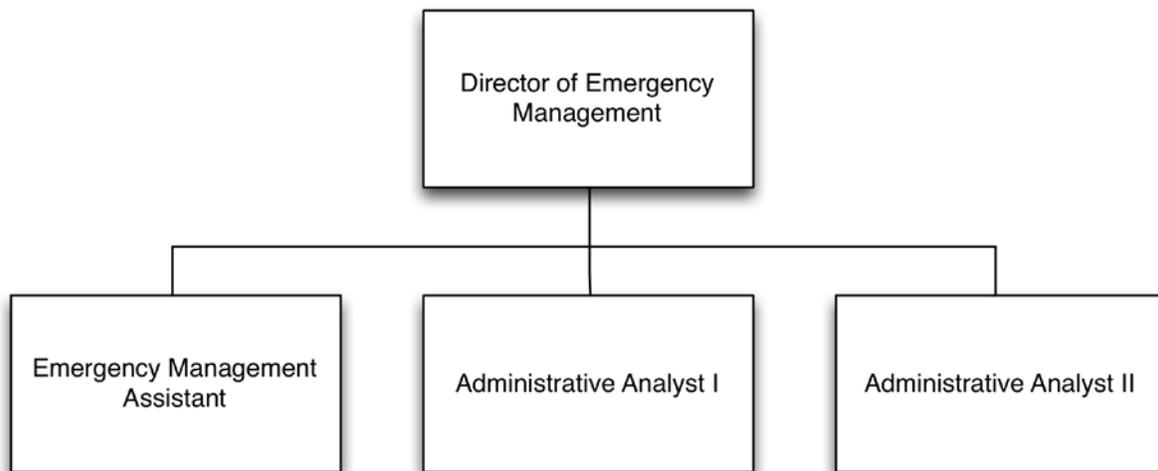
MISSION

The Office of Emergency Management protects the people who live, work and play in the City of Minneapolis, our State, and our Nation by building, sustaining and improving our capability to mitigate against, prepare for, respond to and recover from threatened or actual disasters, whether natural or man-made and acts of terrorism.

BUSINESS LINES

This Office serves to prepare for and mitigate emergency situations and respond to such emergencies.

ORGANIZATION CHART



Minneapolis Office of Emergency Management
Staffed Positions

SELECTED RESULTS MINNEAPOLIS MEASURES

This department does not participate in Results Minneapolis due to the sensitive nature of their work.

A City that Works

Office of Emergency Management

General Fund: \$717,039
Other Funds: \$1,000,000

The Office of Emergency Management protects the people who live, work and play in the City of Minneapolis, our State and our 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 in external emergency management and internal continuity of operations. In order to accomplish its mission, OEM partners with other local, regional, state and federal government 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 department's budget for the year 2014 is \$1.7 million, representing a 1.4% increase over the 2013 budget.

Revenue

The department's projected revenue for 2014 is projected to be level from 2013 at \$1.0 million.

Fund Allocation

In 2014, 42% of this department's resources are budgeted to come from the General Fund. The remainder of this department's budget comes from federal grants and other sources.

Mayor's Recommended Budget

The Mayor recommended no changes to this department's base program proposal.

Council Adopted Budget

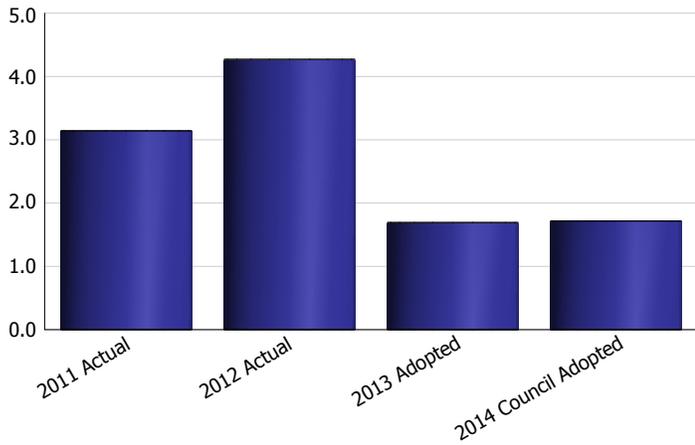
The Council approved the Mayor's recommendations.

**EMERGENCY MANAGEMENT
EXPENSE AND REVENUE INFORMATION**

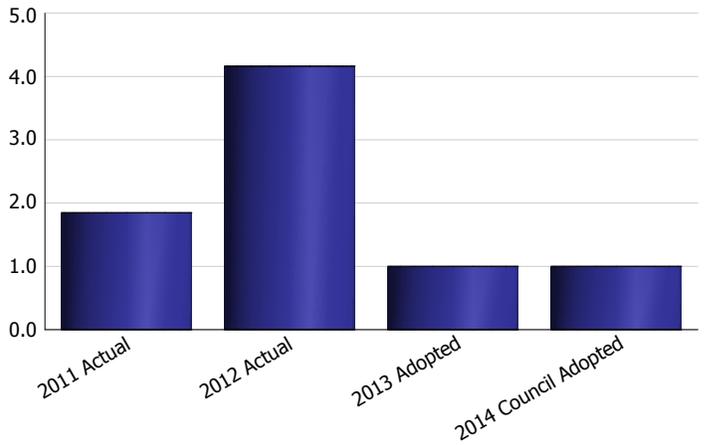
EXPENSE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	422,643	340,523	311,304	338,984	8.9%	27,680
FRINGE BENEFITS	110,380	102,785	104,904	118,854	13.3%	13,950
CONTRACTUAL SERVICES	345,113	139,501	232,985	207,983	-10.7%	(25,002)
OPERATING COSTS	73,497	15,328	43,456	43,218	-0.5%	(238)
CAPITAL	0	12,081		8,000		8,000
TOTAL GENERAL	951,634	610,218	692,649	717,039	3.5%	24,390
SPECIAL REVENUE						
SALARIES AND WAGES	287,816	108,114	22,304		-100.0%	(22,304)
FRINGE BENEFITS	70,046	12,541	7,579		-100.0%	(7,579)
CONTRACTUAL SERVICES	1,252,104	1,408,353	600,118	600,000	0.0%	(118)
OPERATING COSTS	422,405	993,208				0
CAPITAL	157,900	388,491	370,000	400,000	8.1%	30,000
TRANSFERS	0	750,000				0
TOTAL SPECIAL REVENUE	2,190,271	3,660,708	1,000,000	1,000,000	0.0%	0
TOTAL EXPENSE	3,141,905	4,270,926	1,692,649	1,717,039	1.4%	24,390
REVENUE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
SPECIAL REVENUE						
CONTRIBUTIONS	0	99,000	0		0.0%	0
FEDERAL GOVERNMENT	1,848,380	4,063,971	1,000,000	1,000,000	0.0%	0
SPECIAL REVENUE	1,848,380	4,162,971	1,000,000	1,000,000	0	0
TOTAL REVENUE	1,848,380	4,162,971	1,000,000	1,000,000	0	

EMERGENCY MANAGEMENT EXPENSE AND REVENUE INFORMATION

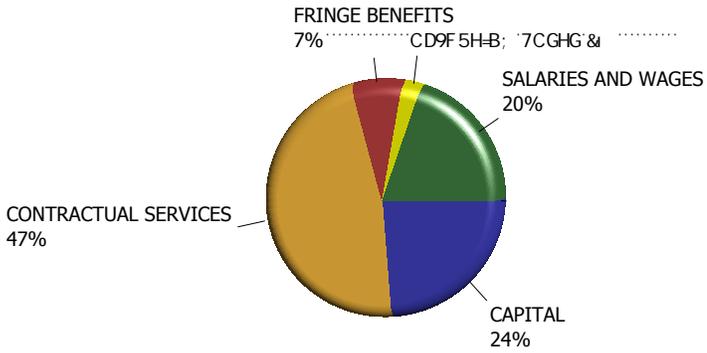
Expense 2011 - 2014
In Millions



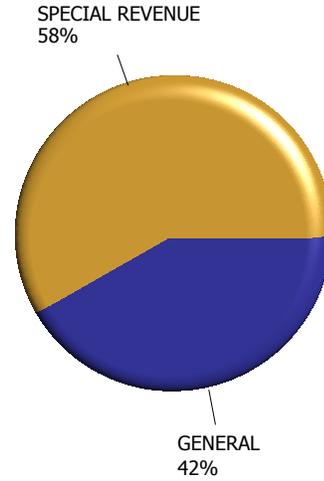
Revenue 2011 - 2014
In Millions



Expense by Category



Expense by Fund

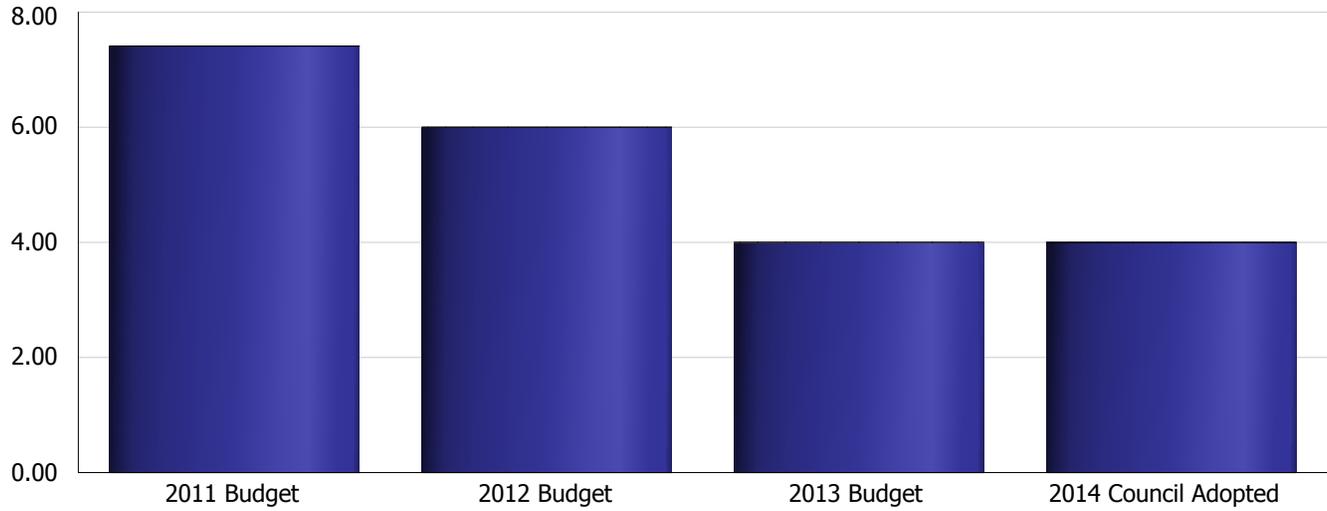


EMERGENCY MANAGEMENT

Staffing Information

Division	2011 Budget	2012 Budget	2013 Budget	2014 Council Adopted	% Change	Change
EMERGENCY MANGEMENT	7.41	6.00	4.00	4.00	0.0%	0.00
Overall	7.41	6.00	4.00	4.00	0.0%	0.00

Positions 2011-2014



COMMUNICATIONS

MISSION

To proactively partner with City departments and policymakers and be a driving force in effectively and accurately communicating information about the City, promoting transparency, and inviting the public to engage in the governing process so people who live, work, and play in Minneapolis better understand, appreciate, and benefit from the work the City does.

BUSINESS LINES

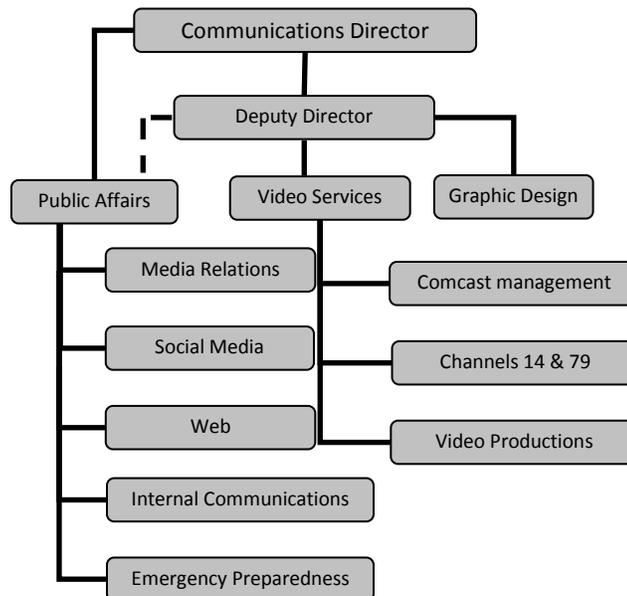
1) Lead Communications planning and execution for the City enterprise (internal and external audiences) and assist elected officials and city departments with their proactive and reactive communications challenges and opportunities.

Communications staff provides strategic communications support and planning to all City departments and elected officials, edits and designs print publications and other communications products, manages and oversees Internet and intranet Web content and government cable access, and oversees employee communications. It does this through direct staff support, establishing protocols and procedures for departments, conducting trainings and department-specific communications planning efforts.

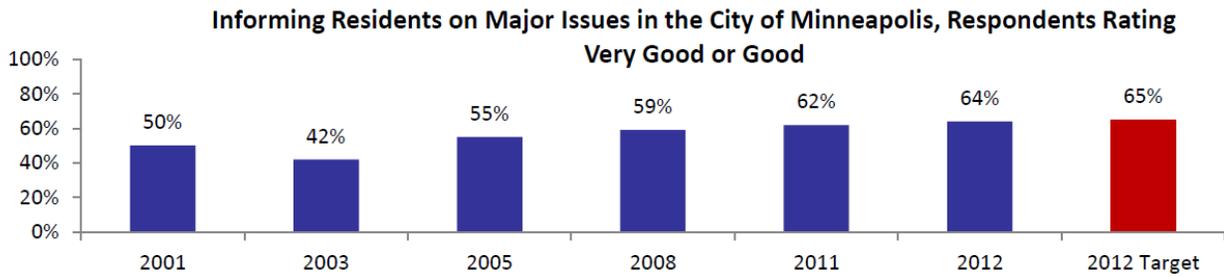
2) Manage the City's cable franchise

Communications manages the City's cable franchise, including overseeing the current franchise agreement, handling consumer complaints, and working with the City Attorney's office and the Finance Officer to negotiate a new franchise agreement.

ORGANIZATION CHART



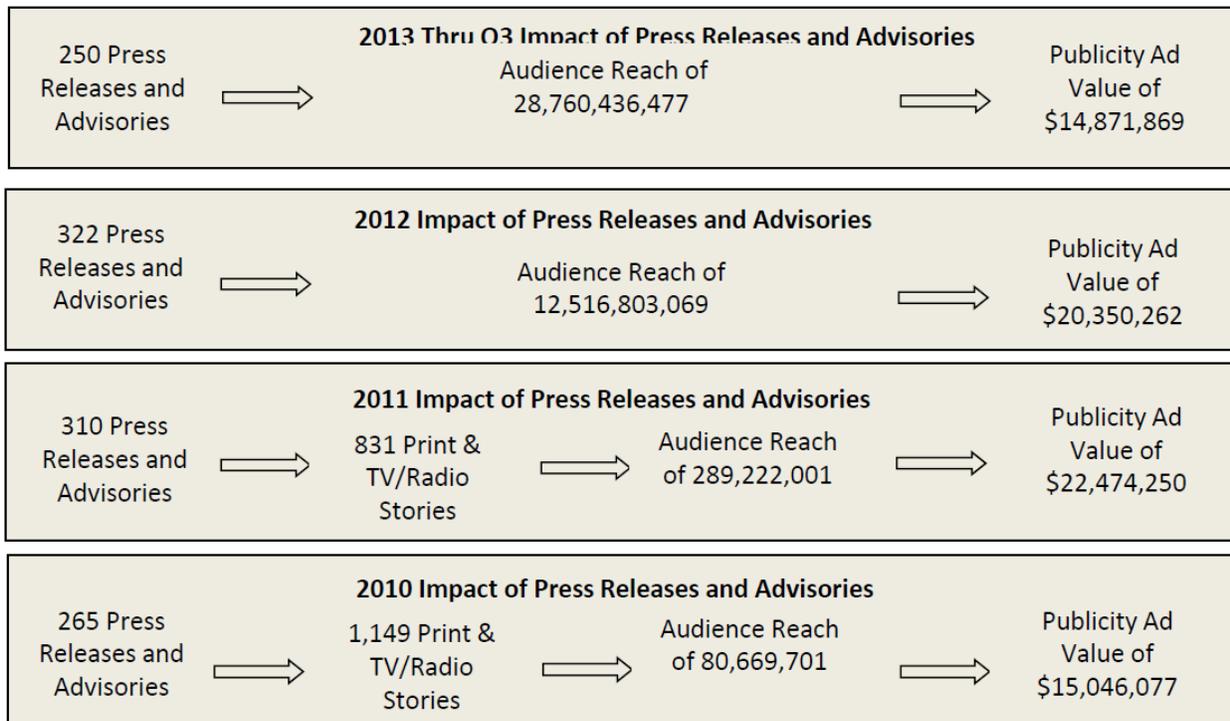
SELECTED RESULTS MINNEAPOLIS MEASURES



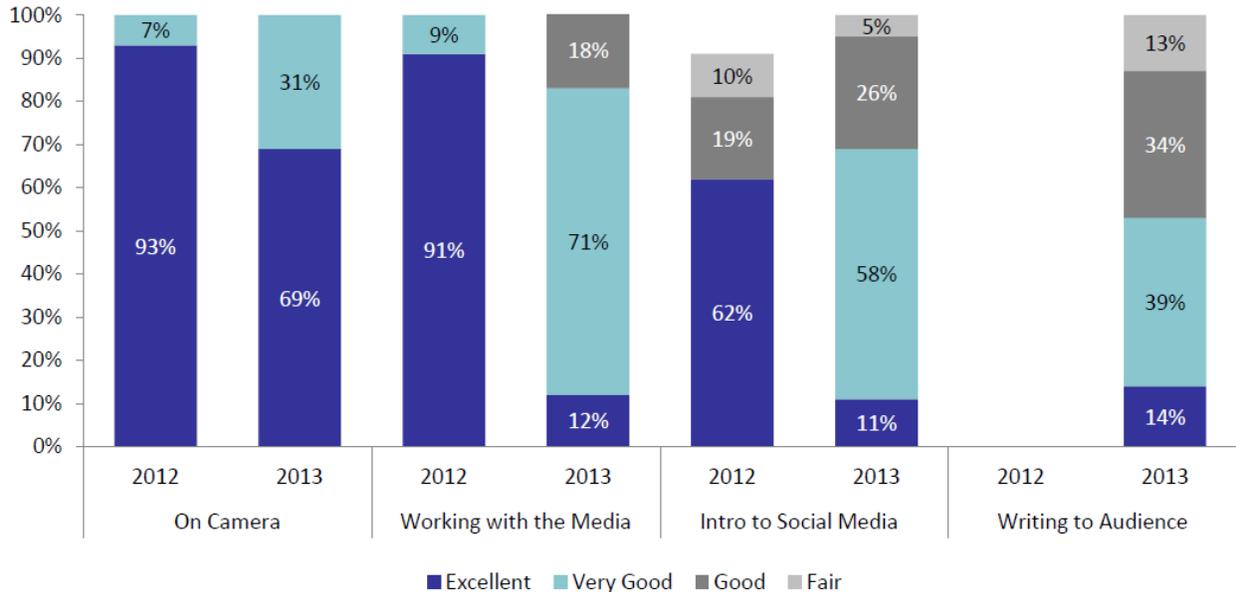
Question: "How would you rate the Minneapolis City Government on informing residents on major issues in the City of Minneapolis?"

Note: For comparisons by survey year, the margin of error is plus or minus four percentage points around any given percentage point and differences from 2011 to 2012 must be five percentage points or higher before they should be considered real changes in population sentiment.

Source: Resident Surveys



Evaluations of Communications Trainings



A City that Works

Internal Communications

General Fund: \$232,664

The goal of our internal communications program is to build and foster an engaged and informed City workforce, who understand their role in achieving the City's goals and are committed to providing quality services for the people of Minneapolis. At its core, this internal communications program includes:

- Strategic counsel to City leadership on internal communications strategies,
- Driving communications for enterprise initiatives,
- Partnering with City departments to assist with their (department-specific) internal communications challenges, and
- Providing news-of-the-day digests to City leadership and departments to help keep folks informed of news and information that may impact their work.

Innovation and Leadership-Tools and Training

General Fund: \$211,266

This program provides professional development and communications training at all levels of the organization so that employees understand their role as ambassadors for City government, how best to represent the organization to a variety of audiences, and are able to utilize our communications tools to effectively inform the public about our work. This also includes professional development/training for Communications staff, as well as partnering with City departments to create training videos that they can use with their own department staff.

Proactive Communication

General Fund: \$651,101

This program intentionally, proactively drives City news and information that promotes the City's goals and strategic initiatives. This proactive communications program includes:

- Driving collaboration with City departments to proactively reach the public on City services or activities that affect them
- Strategic planning and communications management around issues that will impact the community, before those issues arise
- Using both traditional and new technologies and tools to get information to the public, including through the media; the City's website; our social media platforms (Facebook, Twitter, YouTube, FourSquare); and through direct communications when appropriate, including mailings and other printed materials.
- Prioritizing our proactive communications efforts around the City's goals.

Transparency in Government

General Fund: \$548,224

This program provides professional, round-the-clock access to city news and information, the policy-making process and opportunities to get involved in the policy-making process.

The program includes:

- Live broadcasts (and re-airing) of official City government meetings (City Council, committee meetings, budget hearings, Mayor's budget addresses, State of the City, key Board of Estimate and Taxation meetings, Planning Commission)
- 24/7 Web access (and archives) of City government meetings
- Promotion of core information about City services and policies, including video productions in English, Spanish, Somali & Hmong, and ensuring the City's online assets (web, social media, etc) are well-managed and utilized, and provide 24/7 access to City news, information and online service
- Reactive/defensive media relations to provide transparent access to City information and help manage the City's image

Many People, One Minneapolis

Public Access Television: Minneapolis Television Network

General Fund: \$497,496

This program is primarily the direct funding for Minneapolis Television Network, which serves the residents of Minneapolis with tools, programs, and activities to engage and connect diverse residents and institutions through the exchange of ideas, stories, and information. In this way MTN strives to build a vibrant democracy in which all share social, cultural, and economic vitality.

A Safe Place to Call Home

Communications Team: Equipped for an Emergency

General Fund: \$49,136

This program ensures that City Communications staff are properly trained and equipped to manage communications needs during an emergency.

FINANCIAL ANALYSIS

Expenditure

The department's budget for 2014 is \$2.2 million, representing an increase of 2.6% from the prior year's budget.

Revenue

The department's budget reflects projected revenues for 2014 of \$4.2 million, an 8% increase over 2013. This is attributable to increased franchise fees from the City's agreement with Comcast which are considered General Fund resources. The City's agreement with Comcast is anticipated to generate \$3.4 million for the City in 2014, a \$300,000 increase from 2013. Comcast also collects an "access fee" from subscribers to support public, educational and government (PEG) access programming. The City estimates that it will receive \$840,000 from Comcast for the access fee in 2014, a \$40,000 increase from 2013.

Fund Allocation

This department is funded 100% within the General Fund.

Mayor's Recommended Budget

The Mayor recommended no changes to this department's base program proposal.

Council Adopted Budget

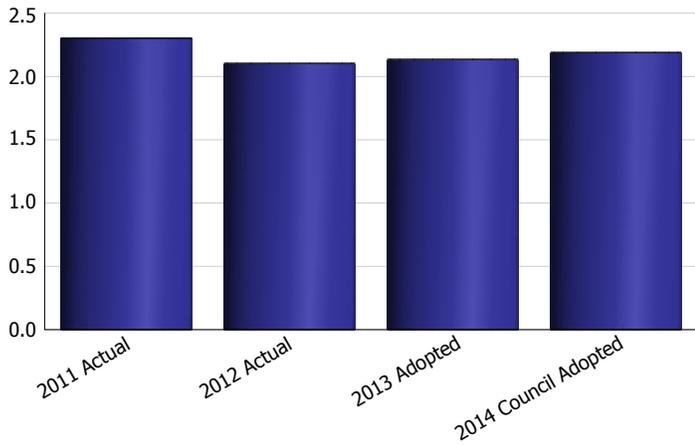
The Council approved the Mayor's recommendations.

**COMMUNICATIONS
EXPENSE AND REVENUE INFORMATION**

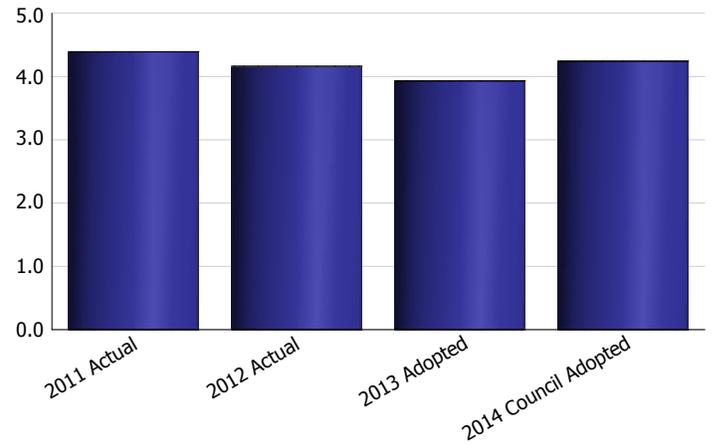
EXPENSE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	860,731	774,861	811,443	805,159	-0.8%	(6,284)
FRINGE BENEFITS	274,962	270,145	308,727	327,435	6.1%	18,709
CONTRACTUAL SERVICES	1,051,864	946,951	799,678	820,908	2.7%	21,230
OPERATING COSTS	107,250	80,910	87,533	87,960	0.5%	427
CAPITAL	4,887	30,970	127,925	148,425	16.0%	20,500
TOTAL GENERAL	2,299,694	2,103,836	2,135,305	2,189,887	2.6%	54,582
SPECIAL REVENUE						
SALARIES AND WAGES	1,934					0
FRINGE BENEFITS	161					0
CONTRACTUAL SERVICES	1,138					0
TOTAL SPECIAL REVENUE	3,233					0
TOTAL EXPENSE	2,302,927	2,103,836	2,135,305	2,189,887	2.6%	54,582
REVENUE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SALES	15,701	545	15,000	1,000	-93.3%	(14,000)
CHARGES FOR SERVICES	4,900	0	0		0.0%	0
CONTRIBUTIONS	455,803	805,808	800,000	840,000	5.0%	40,000
FRANCHISE FEES	3,213,490	3,353,634	3,100,000	3,400,000	9.7%	300,000
OTHER MISC REVENUES	0	0	15,000	1,500	-90.0%	(13,500)
RENTS	1,459	1,559	0		0.0%	0
GENERAL	3,691,353	4,161,546	3,930,000	4,242,500	8.0%	312,500
SPECIAL REVENUE						
CONTRIBUTIONS	700,000	0	0		0.0%	0
SPECIAL REVENUE	700,000					0
TOTAL REVENUE	4,391,353	4,161,546	3,930,000	4,242,500	8.0%	312,500

COMMUNICATIONS EXPENSE AND REVENUE INFORMATION

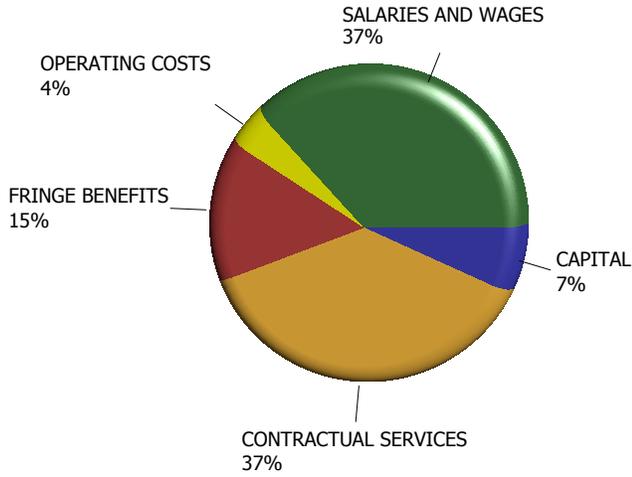
Expense 2011 - 2014
In Millions



Revenue 2011 - 2014
In Millions



Expense by Category

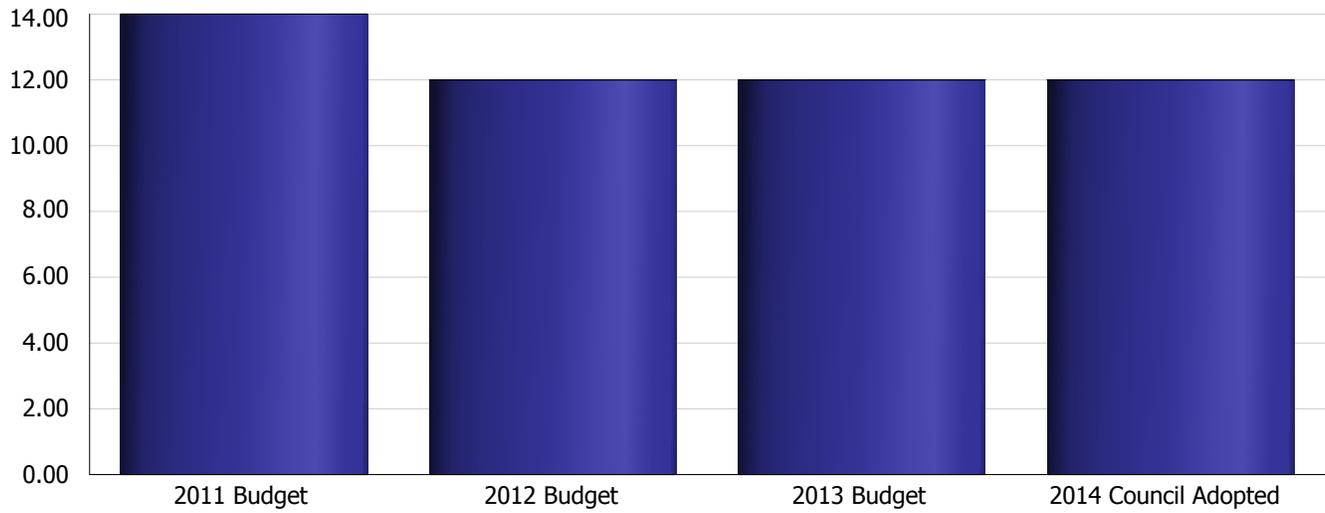


COMMUNICATIONS

Staffing Information

Division	2011 Budget	2012 Budget	2013 Budget	2014 Council Adopted	% Change	Change
COMMUNICATIONS	14.00	12.00	12.00	12.00	0.0%	0
Overall	14.00	12.00	12.00	12.00	0.00	0

Positions 2011-2014



MINNEAPOLIS CONVENTION CENTER

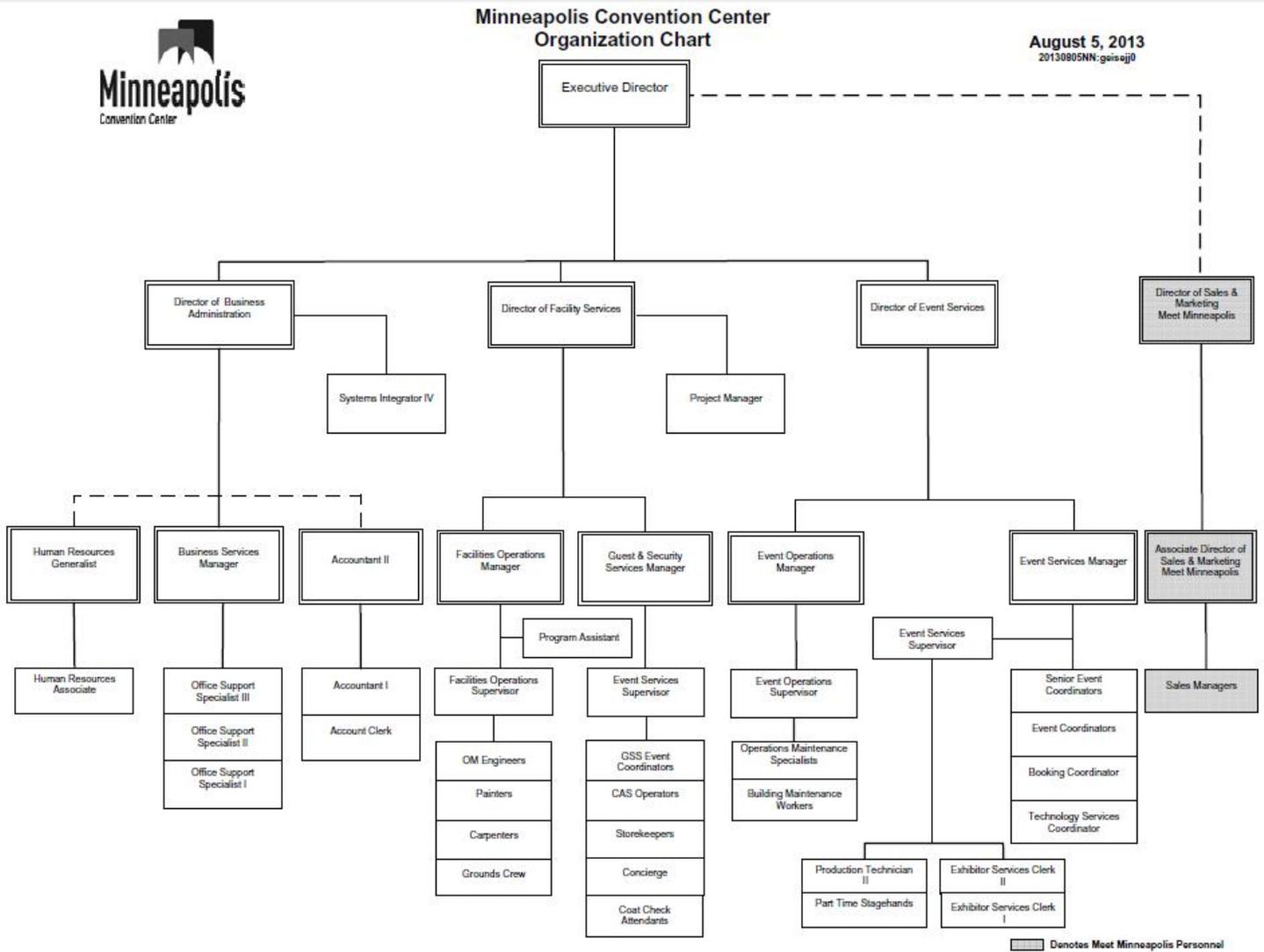
MISSION

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.

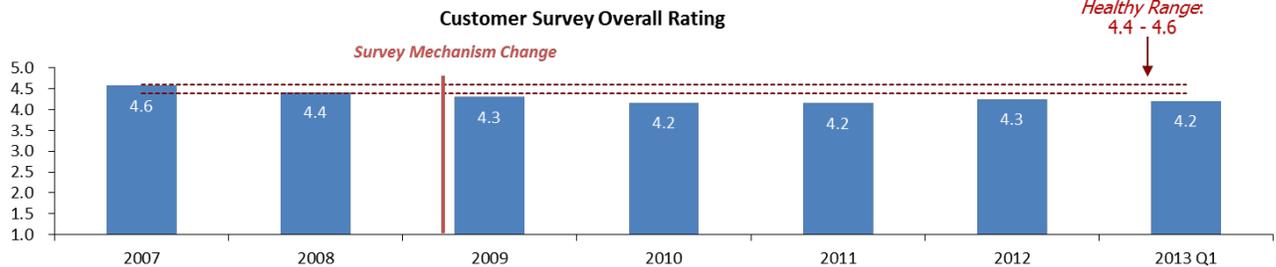
BUSINESS LINES

- ◆ **Event Services** is responsible for providing an exceptional product through the coordination of both in-house departments and contracted services for these major event activities: Event Services, Event Operations, Custodial Operations and Technology Services. These business units work to address the areas of production, set-up, event coordination, and other client needs.
- ◆ **Facility Services** ensures that sufficient building, safety, and capital resources are available to maintain a world-class facility for our customers. Proper maintenance, contract management, and capital planning are keys to maintaining a world-class facility. Facility Services coordinates the areas of safety and security, guest services, parking and marshaling operations, building and grounds maintenance, and capital project planning and management.
- ◆ **Sales and Marketing Services** provides the first point of contact for all business. This group is responsible for providing information about the facility, identifying and attracting events, maintaining relationships, and gathering data on how the MCC serves customers. The majority of these services are provided through our partnership with Meet Minneapolis, in coordination with the Convention Center's Executive Management Team.
- ◆ **Business and Employee Services** addresses the need for depth and sophistication of the business reporting requirements for our Executive Management Team and stakeholders, as well as responds to employee relations and employee development needs. We recognize that the labor force at the Convention Center must be fully developed, fully utilized, and fully recognized in order to move us to the next level of superior customer service.

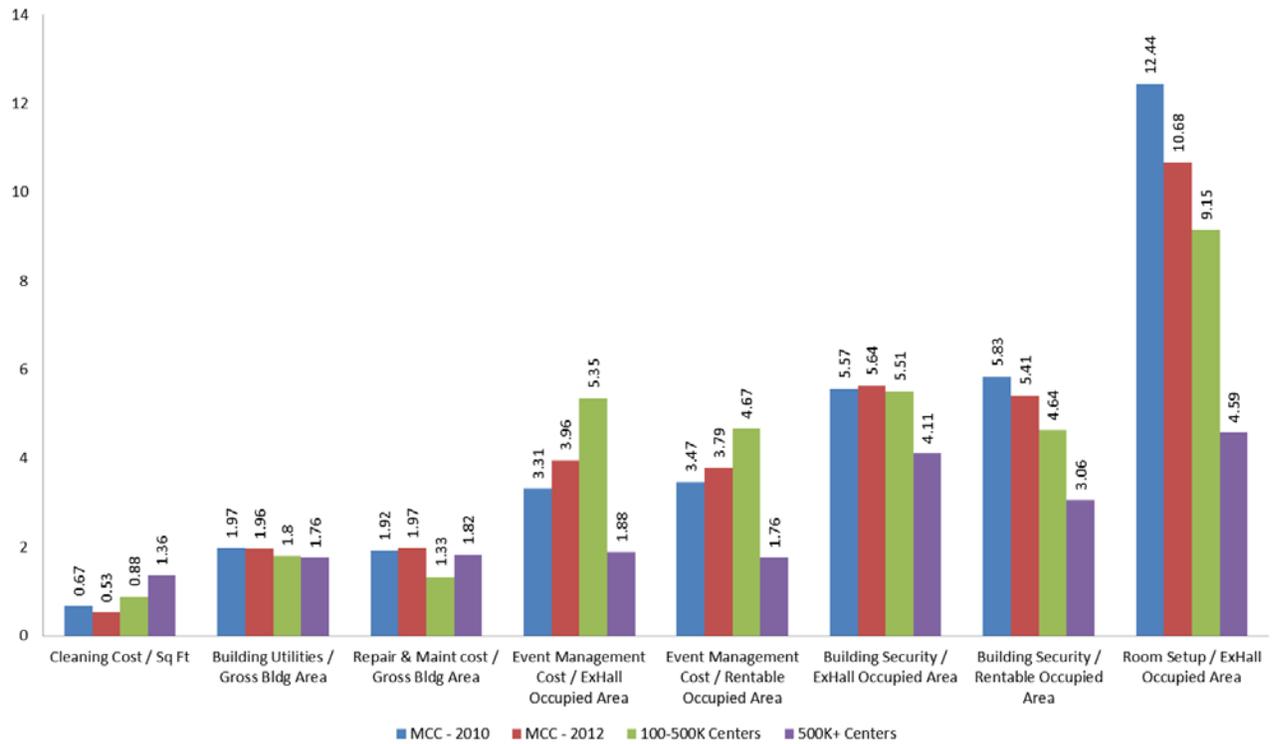
ORGANIZATION CHART



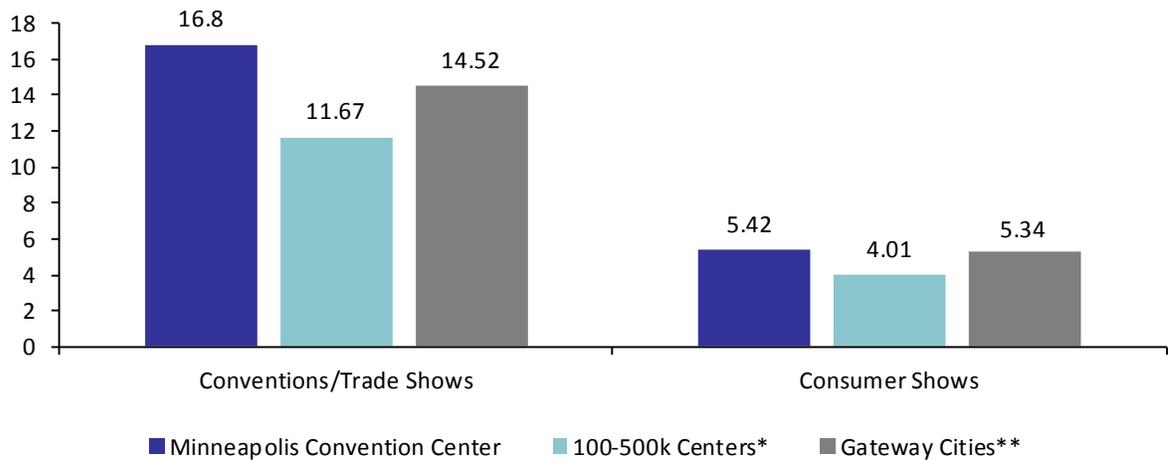
SELECTED RESULTS MINNEAPOLIS MEASURES



Operating Costs



Per Attendee Rental Revenue Comparison (2011)

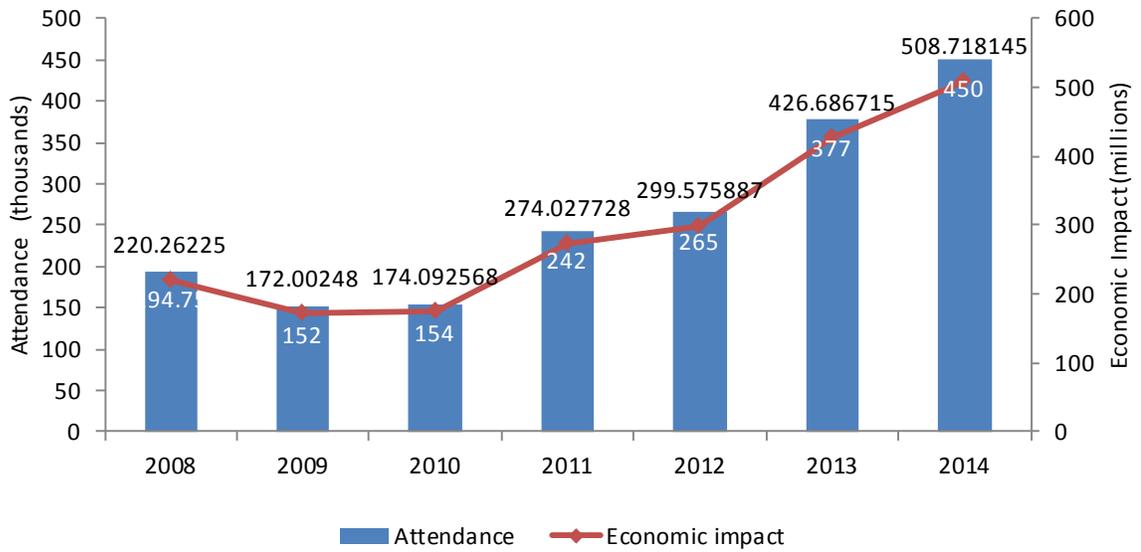


Source: PriceWaterhouseCooper 2012 Convention Center Report

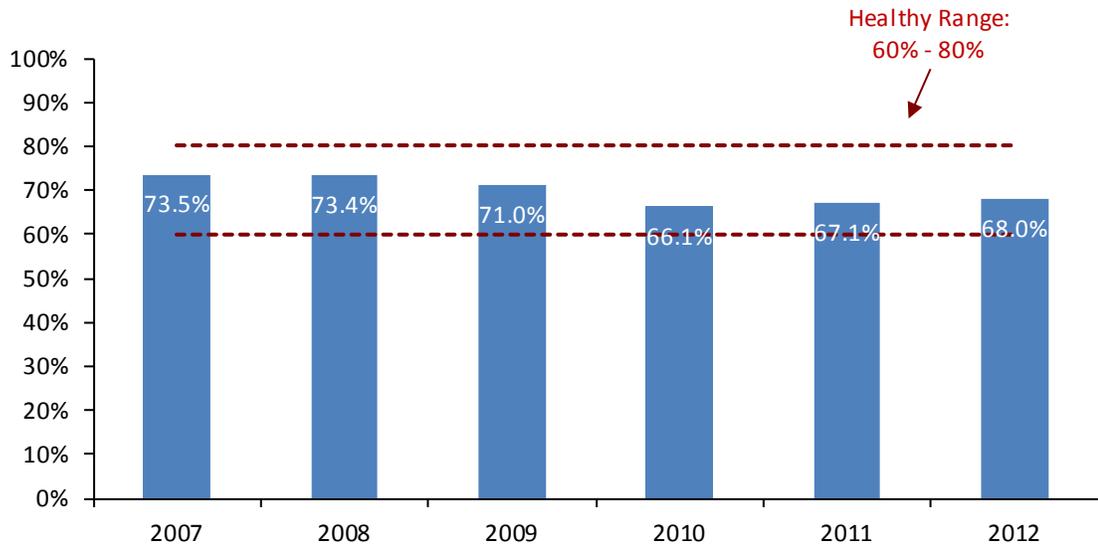
* Centers with 100,000 to 500,000 of sq. ft. of exhibit space

** Metropolitan areas with at least 30,000 hotel rooms

Non-local Attendance and Economic Impact



MCC Repeat Customers



Jobs & Economic Vitality

Minneapolis Convention Center Events Program

Other Fund: \$23,083,157

The Convention Center Events Program provides sales, event coordination, delivery of audio visual, utility, 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 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 attendees purchase goods and services from the convention center as well as local businesses contributing to a vibrant downtown. Meet Minneapolis also pursues leisure travelers and sponsorship opportunities.

Minneapolis Convention Center Facilities

Other Fund: \$20,876,169

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 capital expenditures.

Minneapolis Convention Center Tallmadge Building

Other Fund: \$200,000

The Convention Center Tallmadge Building is currently operated as an office building that is leased to local businesses. Within the next several years, as lease contracts expire, the Convention Center will implement our long-term competitive strategy to repurpose this building into a visitor center and restaurant to provide amenities and access to cultural and recreational activities to visitors. This will assist in attracting national business and economic impact to our City.

Target Center

Other Fund: \$6,931,832

The Target Center program provides an operating subsidy and capital funds for this City-owned facility through a contractual agreement with its operator, AEG

Events and Community Engagement

Other Fund: \$400,000

This program will enhance the City's community engagement by allowing the City to partner with organizations in facilitating events.

FINANCIAL ANALYSIS

Expenditure

The department's budget for 2014 is \$51.5 million, representing a 6.3% increase over the year 2013. This increase is primarily attributable to new funding for capital maintenance requests as well as events and community engagement programming.

Revenue

The revenue recognized in the Convention Center at the organizational level drops significantly from 2013 to 2014 because the local-option sales taxes are no longer recognized as revenue in the Convention Center Fund, but rather in the General Fund. This change was made to comply with State law changes regarding Minneapolis local taxes and City contributions to funding a portion of the Minnesota People's Stadium to be used by the Minnesota Vikings. A portion (\$46.6 million) of the local tax revenue will be transferred from the General Fund to the Convention Center Fund in 2014, which is explained in the Convention Center Fund Financial Plan in the Financial Plans portion of this document. Transfers completed at the fund level are not tied to a specific department in the City's budget, which results in the large drop in revenues shown within this department.

Fund Allocation

This department is completely funded from the Convention Center Special Revenue Fund, though the Convention Center Fund will receive the aforementioned transfer from the General Fund.

Mayor's Recommended Budget

The Mayor recommended increasing the transfer from the General Fund to the Convention Center Fund by \$400,000 (\$100,000 in ongoing funding, \$300,000 in one-time funding) to use for events and community engagement programming such as the Secret City Festival.

Council Adopted Budget

The Council approved the Mayor's recommendations and amended the budget to increase the Convention Center's appropriation by \$250,000 to be allocated for Meet Minneapolis on a one-time basis. The funding for this appropriation increase is to come from prior years' local tax revenue currently in the Convention Center's fund balance. The Council further directed staff to request a quarterly report from Meet Minneapolis detailing the expenses and resulting benefits associated with the one-time \$250,000 allocation and present this report to the City Coordinator on a quarterly basis, with a further request to present this report to the Ways and Means/Budget Committee on a semiannual basis.

**CONVENTION CENTER
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
SPECIAL REVENUE						
SALARIES AND WAGES	9,389,459	8,670,074	9,417,127	9,442,105	0.3%	24,979
FRINGE BENEFITS	3,469,041	3,318,568	4,253,453	4,161,173	-2.2%	(92,280)
CONTRACTUAL SERVICES	19,445,533	19,769,760	20,458,213	22,122,001	8.1%	1,663,788
OPERATING COSTS	1,319,460	1,225,580	1,396,883	1,416,915	1.4%	20,032
CAPITAL	2,923,704	6,991,884	12,925,839	14,348,964	11.0%	1,423,125
TOTAL SPECIAL REVENUE	36,547,198	39,975,866	48,451,514	51,491,158	6.3%	3,039,644

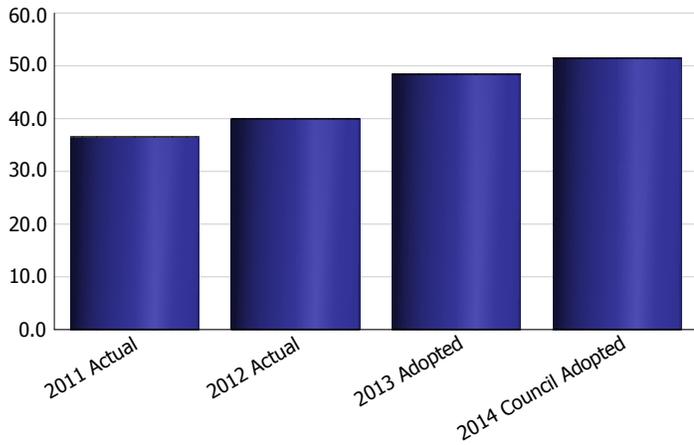
TOTAL EXPENSE	36,547,198	39,975,866	48,451,514	51,491,158	6.3%	3,039,644
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REVENUE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
SPECIAL REVENUE						
CHARGES FOR SALES	35,731	552,337	0		0.0%	0
CHARGES FOR SERVICES	5,311,598	5,405,038	5,339,000	5,720,000	7.1%	381,000
CONTRIBUTIONS	250,000	0	0		0.0%	0
INTEREST	359,760	314,359	265,132	214,631	-19.0%	(50,501)
LONG TERM LIABILITIES PROCEEDS	0	0	0	250,000	0.0%	250,000
OTHER MISC REVENUES	2,758,318	2,702,235	3,044,000	3,300,000	8.4%	256,000
RENTS	6,580,122	7,005,147	6,400,000	6,980,000	9.1%	580,000
SALES AND OTHER TAXES	65,929,924	56,349,332	57,300,000	1,275,000	-97.8%	(56,025,000)
TRANSFERS IN	1,389,759	1,987,650	0		0.0%	0
SPECIAL REVENUE	82,615,212	74,316,097	72,348,132	17,739,631	-75.5%	(54,608,501)

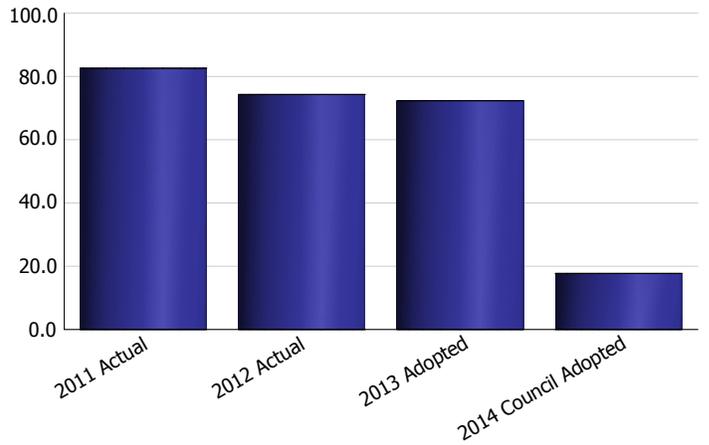
TOTAL REVENUE	82,615,212	74,316,097	72,348,132	17,739,631	-75.5%	(54,608,501)
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CONVENTION CENTER EXPENSE AND REVENUE INFORMATION

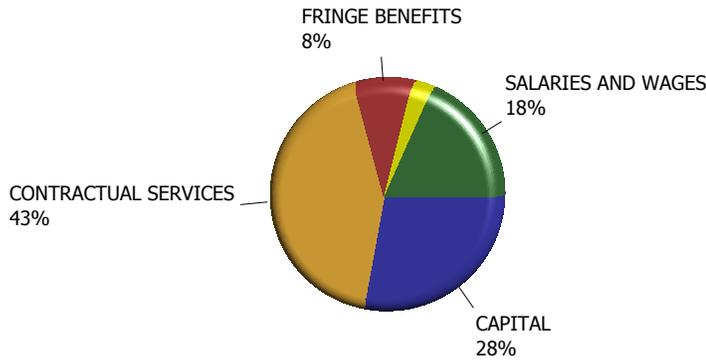
Expense 2011 - 2014
In Millions



Revenue 2011 - 2014
In Millions



Expense by Category

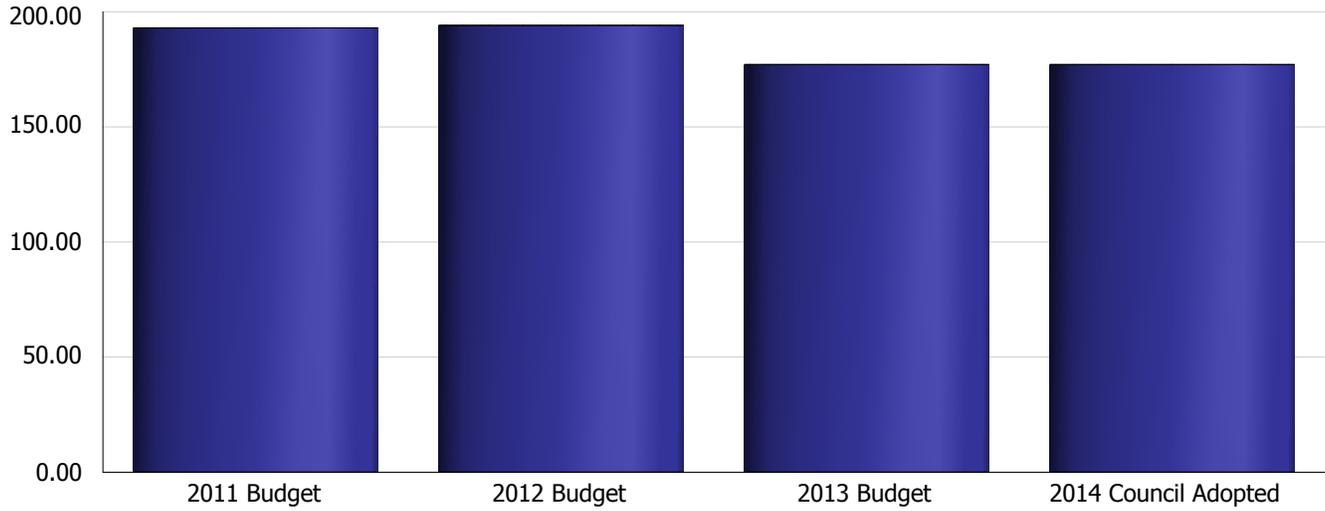


CONVENTION CENTER

Staffing Information

Division	2011 Budget	2012 Budget	2013 Budget	2014 Council Adopted	% Change	Change
CONVENTION CENTER	0.00					0
CONVENTION CENTER OPERATIONS	193.00	194.10	177.10	177.10	0.0%	0
Overall	193.00	194.10	177.10	177.10	0.00	0

Positions 2011-2014



FINANCE AND PROPERTY SERVICES

MISSION

Provide essential financial services, resource and asset management, and guide decisions to ensure the City's lasting vibrancy and financial strength.

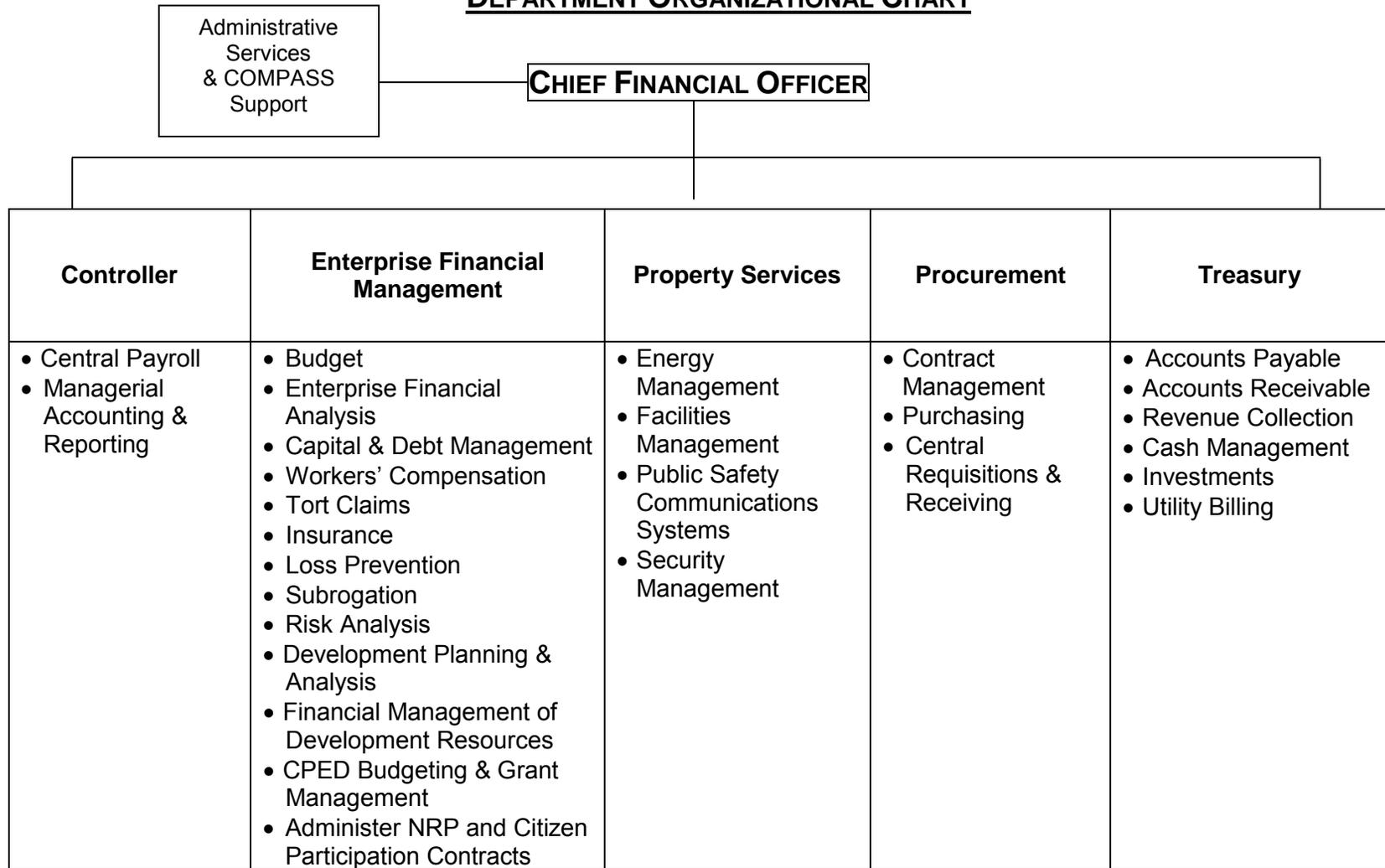
BUSINESS LINES

- **ACCOUNTING, REPORTING AND DEPARTMENT SERVICES** – monitor and report department revenues and expenditures to managers and policy-makers; 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; assist managers during the annual budget process; and provide functional support of COMPASS; provide services to City departments that receive grants by tracking and monitoring grant-related revenues and expenses, and reporting this information to grantors so the City remains in compliance and continues to receive and preserve the authority to expend these funds; and provide financial analyses and pertinent information necessary to support City development decisions and investment intended to stimulate tax base growth, job creation/retention and the production of new housing units.
- **BUY, ORDER AND PAY FOR GOODS AND SERVICES** – facilitate the purchase of goods and services on the most favorable terms according to state law and City policies; assure contracts are consistent with good business practices and City policies; create requisitions for goods and services, issue purchase orders, document receipt of goods and services, and pay vendors.
- **CONCENTRATE CASH AND INVEST RESERVES** – invest City funds, monitor bank accounts and cash balances, and make electronic fund transfers and payments, and do citywide receivable work.
- **ENERGY MANAGEMENT** – provide enterprise-wide services that support energy conservation, renewable energy and alternate fuels, and emissions reduction, for the City's municipal operations and associated operating departments.
- **ENTERPRISE RESOURCE PLANNING SYSTEM** – this information technology system also known as COMPASS is used to provide information on the City's financial resources to include tracking of financial transactions on a daily, monthly and annual basis, maintaining historical records and details on how each employee is paid and where their time should be charged and recording contractual information, approvals for purchases, quantity, type and price of goods and services purchased, the department making the purchase, and the financial coding to which charges should be applied.
- **FACILITIES MANAGEMENT** – provide for the land, facility, and furnishing needs of the City's operating departments to support their ability to provide services to the public in an efficient and effective manner through strategic real estate planning, space and asset management and capital improvements including new facilities, real estate and leasing.

- **PAY EMPLOYEES** – pay employees according to labor agreements, state and federal laws, and City policies.
- **RADIO SHOP** – maintain and provide Public Safety Communications Systems and 800 mhz radio equipment to ensure communications capabilities during emergencies as well as day-to-day City operations.
- **RISK MANAGEMENT AND CLAIMS** – protect City assets, prevent loss of money and injury to City employees, and manage claims for workers' compensation and tort.
- **SECURITY MANAGEMENT** – develop and implement enterprise internal security plans, policies and procedures for municipal buildings, grounds, and other property, conduct security risk and vulnerability assessments, implement capital improvements/modifications to existing facilities and planned requirements for new facilities and provide safe working environments for employees, their clients and visiting members of the public.
- **STRATEGIC FINANCIAL SERVICES** – lead City annual budget and long-term financial planning process, initiate financial analyses on issues impacting the City Enterprise, and provide financial information and advice to policy-makers and City leadership.
- **UTILITY BILLING** – all activities associated with billing, payment collection and processing and call center services for City utilities (sewer, water and waste collection).

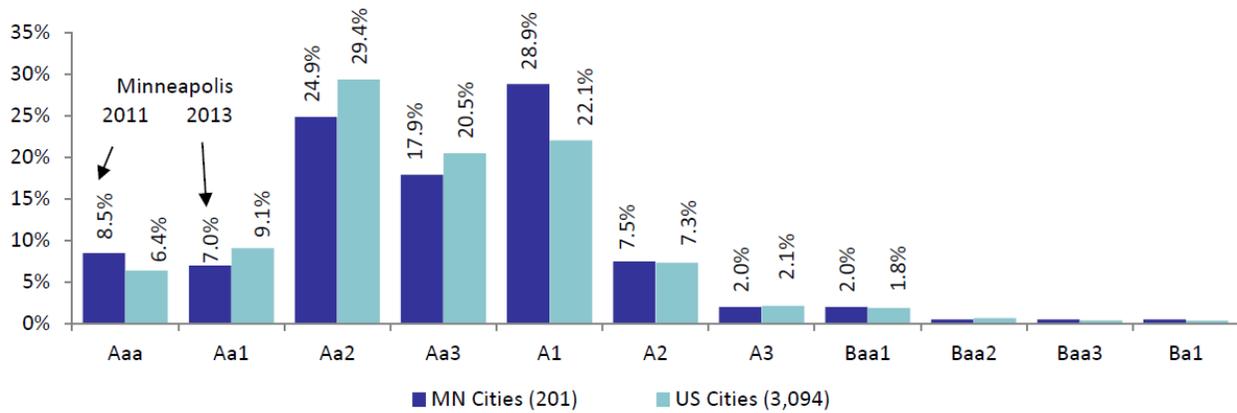
ORGANIZATION CHART

DEPARTMENT ORGANIZATIONAL CHART



SELECTED RESULTS MINNEAPOLIS MEASURES

**Bond Rating Comparison Among MN and US Cities
(Based on Moody's Ratings)**



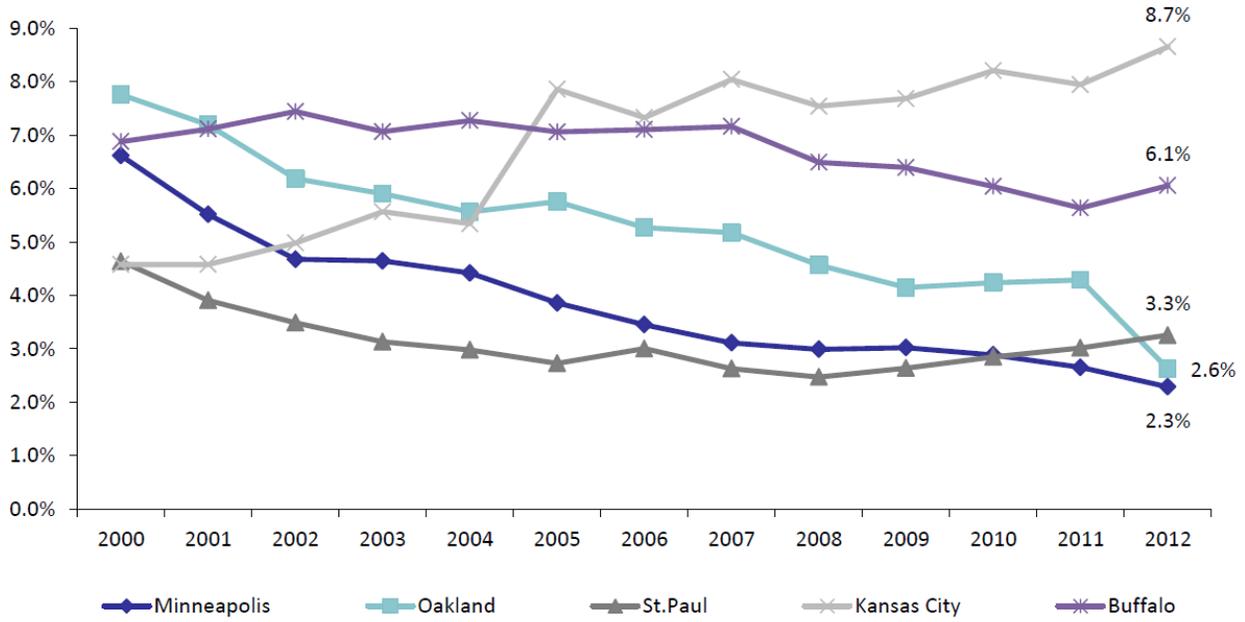
Note: Moody's bond rating comparison data is as of July 2013

Source: Moody's Minnesota Medians-Cities and National Median-Cities as of 7/11/13 as received from analyst.

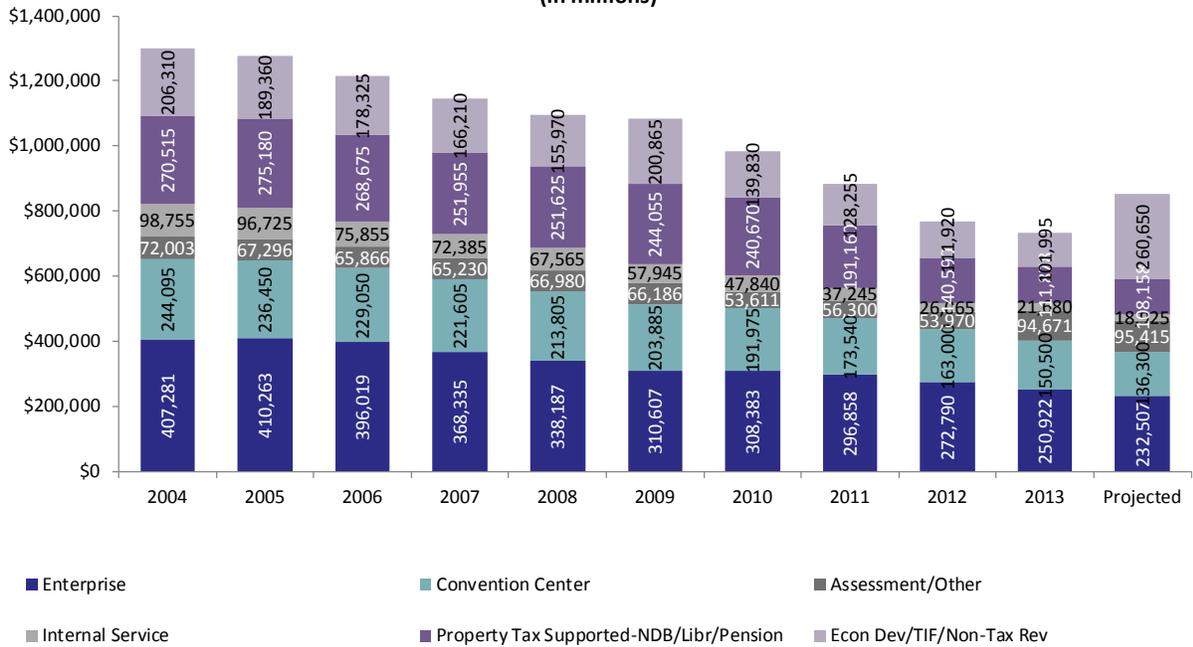
2013 Comparative Bond Rating

Rating Agency	Minneapolis	Oakland	St. Paul	Miami	Kansas City	Sacramento
S & P	AAA	AA-	AAA	BBB	AA	A+
Moody's	Aa1	Aa2	Aa1	A2	Aa2	Aa2
Fitch	AAA	A+	N/A	A-	AA	AA-

City of Minneapolis Total Debt as a Percentage of Assessor's Estimated Market Value, 2000-2012

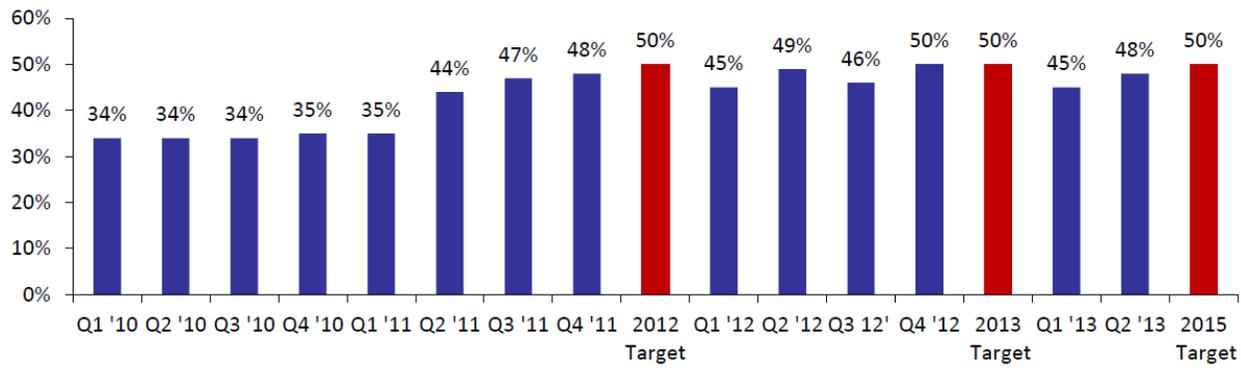


Ending GO Debt Balances (in millions)



Source: Minneapolis Finance Department

**Percent of Payments Meeting Best Practices Payment Terms
(3-way match)**



A City that Works

Accounting, Reporting and Department Services

General Fund: \$7,986,890
Other Funds: \$251,166

Monitor and report department revenues and expenditures to the City Council, Mayor and department managers; 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. A critical function of this program is to provide services to City departments that receive grants by tracking and monitoring grant-related revenues and expenses, and reporting this information to grantors so the City remains in compliance and continues to receive and preserve the authority to expend these funds. Another important function is to provide financial analyses and pertinent information necessary to support City development decisions and investment intended to stimulate tax base growth, job creation/retention and the production of new housing units.

Administer Utility Billing System

General Fund: \$5,427,824

This program is mandated by Minneapolis City Ordinance and is collaboration between the Finance and Public Works Department 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 operations of these departments, so it is imperative that revenues are billed and collected in an efficient manner.

Order, Buy and Pay for Goods and Services

General Fund: \$2,627,325
Other Funds: \$622,547

This program manages, facilitates and oversees the purchase of and payment for all goods and services for all City departments and independent boards. A goal of this program is to facilitate the purchase of goods and services on the most favorable terms according to state law and City policies, and assure contracts are consistent with good business practices and City policies. Additional activities covered under this program include creating requisitions for goods and services, issuing purchase orders, documenting receipt of goods and services, and paying vendors as well as administration of bid and request for proposal processes, price agreements

and contract management. The Central Stores functional formerly housed in Public Works also moved into this program as of January 1, 2012.

Investment, Cash Management, Receivables and Cash Receipting

General Fund: \$1,509,635

Selecting, contracting, and monitoring Investment Managers responsible for investing City funds for all City Departments. In 2012, a monthly average of approximately \$530 million was invested with the goal of securing the best possible return on investment. In 2012, Investment Managers outperformed the industry benchmarks with investment earnings over \$4.5 million net of management fees. Daily monitoring, analysis, and forecasting of cash flow to ensure that the City is able to meet its funding requirements for vendor payments and employee payroll. This includes monitoring the activity of approximately fifteen (15) bank accounts and sub-accounts.

Pay Employees

General Fund: \$1,276,933

Perform payroll functions according to twenty-three different City labor contract agreements and numerous work rules surrounding pay, and federal and state regulations. Proof and audit employee payroll time on a daily, weekly and bi-weekly schedule in order to ensure paychecks are produced for City Council, Mayor, City department and independent board employees on a bi-weekly basis. Manage federal and state tax withholdings and process bi-weekly (payroll) tax deposits.

Risk Management

General Fund: \$29,045
Other Funds: \$2,484,563

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.

Strategic Financial Services

General Fund: \$1,497,106

Perform financial analyses and planning on various issues impacting the City Enterprise (*i.e.*, pension reform, labor forecasting), provide financial information and advice to policy-makers and City leadership, support informed and strategic decision-making, provide debt management, and develop and administer the annual Citywide process for capital and operating budget development.

Radio Shop

General Fund: \$29,045
Other Funds: \$1,916,001

The primary purpose of this program is to maintain and provide Public Safety Communications Systems and 800 mhz radio equipment to ensure communications capabilities during emergencies as well as day-to-day City operations.

Security Management

General Fund: \$29,045
Other Funds: \$593,106

This program is responsible for development and implementation of enterprise internal security plans, policies and procedures for municipal buildings, grounds, and other property. The

program conducts security risk and vulnerability assessments, and audits in response to department security and life safety needs. This includes comprehensive capital improvements/modifications to existing facilities and planned requirements for new facilities. The goals of this program are to provide safe working environments for employees, their clients and visiting members of the public. This is accomplished by employing adequate security measures that provide for the protection of people and property.

Energy Management

General Fund: \$29,045
Other Funds: \$169,003

The goal of this program is to centralize energy management and provide enterprise-wide services that support energy conservation, renewable energy and alternate fuels, and emissions reduction, for the City's municipal operations and associated operating departments.

Facilities Management

General Fund: \$445,629
Other Funds: \$9,307,661

The purpose of this enterprise program is to comprehensively and strategically provide for the land, facility, and furnishing needs of the City's operating departments in order for the services to be provided to the public in an efficient and effective manner. All services are to be provided with the holistic goal of managing the City's facilities in an environmentally responsible manner.

MBC Reimbursement for Cost

Other Funds: \$4,796,130

This program is a mechanism to collect revenue for Operating Departments housed in City Hall to be paid to the Municipal Building Commission (MBC) as a reimbursement for the City's pro-rated portion of the operating costs (the remainder is paid by Hennepin County).

ERP Application (COMPASS)

General Fund: \$989,156

The Enterprise Resource Planning (ERP) system is used by both Finance and Human Resources to provide services to the City Council, Mayor, City department leaders and staff, City businesses and residents, and other external stakeholders. "ERP" refers to the Human Resources Information System (HRIS) and the City's "COMPASS" financial system. Together, these two systems provide information on the City's human and financial resources. For Finance, this includes every financial transaction that takes place on a daily, monthly and annual basis. This program maintains existing technology functional support for the COMPASS system related to Finance staff (3.0 FTEs) and IT costs for technical staff, system maintenance and support.

FINANCIAL ANALYSIS

Expenditure

This department's overall budget for the year 2014 is \$42.0 million, a 4.8% increase over 2013 funding levels. This increase is primarily due to added capital investment and increased benefits costs, as well as the addition of 5.5 FTE.

Revenue

This department is projected to generate \$17.3 million in revenue in 2014, a 3.2% increase over 2013. Revenues that are shown in this department come from the Property Services Fund,

which collects revenue from City departments that use its goods and services (building space, operational maintenance, security, space and asset management, energy management, janitorial and radio services).

Fund Allocation

This department is funded primarily by the General Fund (52%) and the Property Services Internal Service Fund (47%).

Mayor's Recommended Budget

The Mayor's Recommended Budget includes funding to reinstate 2.5 FTEs in Property Services using one-time funding that will subsequently become part of the internal service charge mechanism. The Mayor also recommended funding an additional FTE to assist in purchasing and payment processes. Additionally, the Mayor recommended a reduction of \$200,000 in funding to this department to reflect prior year actual utilization and to mitigate the impact of the additions.

Council Adopted Budget

The Council approved the Mayor's recommendations and amended the budget to increase the City Coordinator Administration Department's budget appropriation by \$30,000 to be allocated for the annual membership for St. Anthony Falls Heritage Organization to be offset by a reduction in the appropriation for the Finance and Property Services Department.

The Council also provided several directions to staff:

- The Finance and Property Services Department is directed to amend all schedules and language according to amended budgets and to adjust the five-year financial direction according to amended budgets and staff directions.
- The Finance and Property Services and Public Works Departments are directed to request a report on the utilization of the Minneapolis Parks and Recreation Board Tree Levy and City contribution of \$200,000 for 2014 and prepare a recommendation regarding continued funding for the 2015 budget process.
- Staff from Civil Rights, Neighborhood and Community Relations (NCR), CPED, Finance, Human Resources (HR), and the Coordinator's office is directed to develop measures consistent with the racial equity toolkit guides and work with all departments to include applicable measures in their regular Results Minneapolis reports.

**FINANCE AND PROPERTY SERV
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	9,487,169	9,233,260	10,020,490	10,459,685	4.4%	439,195
FRINGE BENEFITS	3,446,677	3,498,261	4,004,278	4,485,189	12.0%	480,911
CONTRACTUAL SERVICES	5,485,475	5,889,121	5,548,360	5,769,862	4.0%	221,502
OPERATING COSTS	744,342	622,174	742,045	744,334	0.3%	2,289
CAPITAL	1,035		7,609	417,609	5,388.4%	410,000
TOTAL GENERAL	19,164,698	19,242,817	20,322,781	21,876,679	7.6%	1,553,898
SPECIAL REVENUE						
SALARIES AND WAGES	293,896	282,693	206,934	182,381	-11.9%	(24,554)
FRINGE BENEFITS	102,285	77,542	74,419	68,785	-7.6%	(5,634)
CONTRACTUAL SERVICES	976,374	2,504,549	1,218		-100.0%	(1,218)
OPERATING COSTS	93,685	56,125				0
CAPITAL	40,091	332,711				0
TOTAL SPECIAL REVENUE	1,506,332	3,253,620	282,571	251,166	-11.1%	(31,405)
INTERNAL SERVICE						
SALARIES AND WAGES	4,959,742	4,384,862	5,053,489	5,228,860	3.5%	175,371
FRINGE BENEFITS	2,327,194	2,210,548	2,301,280	2,364,760	2.8%	63,480
CONTRACTUAL SERVICES	10,264,856	11,112,356	10,449,880	10,358,353	-0.9%	(91,527)
OPERATING COSTS	1,296,091	1,521,460	1,667,043	1,585,963	-4.9%	(81,080)
CAPITAL	0		31,076	351,076	1,029.7%	320,000
TOTAL INTERNAL SERVICE	18,847,882	19,229,226	19,502,768	19,889,011	2.0%	386,244
TOTAL EXPENSE	39,518,913	41,725,663	40,108,121	42,016,856	4.8%	1,908,736

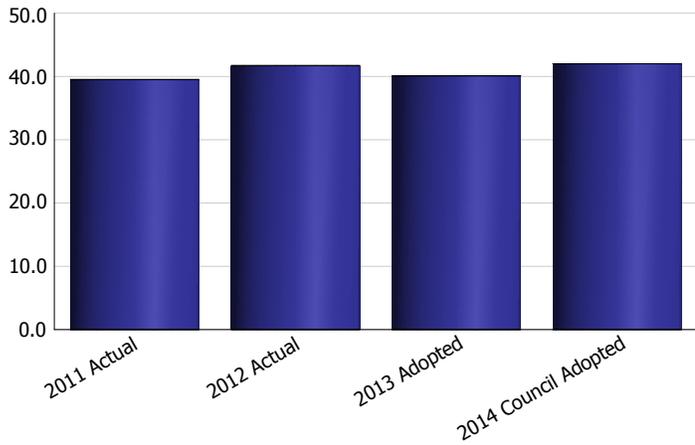
REVENUE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SALES	416	1,872	0		0.0%	0
CHARGES FOR SERVICES	1,402	105	0		0.0%	0
INTEREST	110	0	0		0.0%	0
OTHER MISC REVENUES	19,267	769	0		0.0%	0
GENERAL	21,194	2,747				0
SPECIAL REVENUE						
CHARGES FOR SERVICES	0	4,230	0		0.0%	0
FEDERAL GOVERNMENT	363,899	1,199,948	0		0.0%	0
LOCAL GOVERNMENT	(1,250,000)	0	0		0.0%	0
OTHER MISC REVENUES	0	375,551	0		0.0%	0
STATE GOVERNMENT	1,750,742	23,865	0		0.0%	0
SPECIAL REVENUE	864,641	1,603,595				0

**FINANCE AND PROPERTY SERV
EXPENSE AND REVENUE INFORMATION**

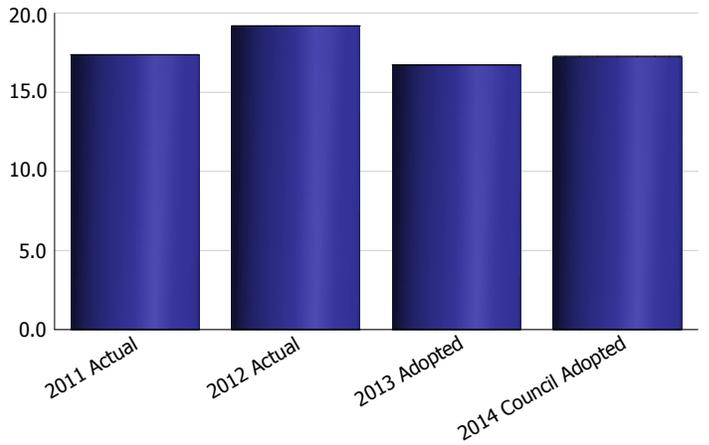
REVENUE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
INTERNAL SERVICE						
CHARGES FOR SALES	301,160	460,815	360,325	324,293	-10.0%	(36,032)
CHARGES FOR SERVICES	3,377,594	3,871,048	2,405,000	2,588,642	7.6%	183,642
FEDERAL GOVERNMENT	26,895	0	0		0.0%	0
OTHER MISC REVENUES	76,727	23,140	3,000	3,000	0.0%	0
RENTS	12,700,464	13,240,297	13,965,731	14,350,830	2.8%	385,099
STATE GOVERNMENT	8,965	0	0		0.0%	0
INTERNAL SERVICE	16,491,803	17,595,299	16,734,056	17,266,765	3.2%	532,709
TOTAL REVENUE	17,377,638	19,201,641	16,734,056	17,266,765	3.2%	532,709

FINANCE AND PROPERTY SERV EXPENSE AND REVENUE INFORMATION

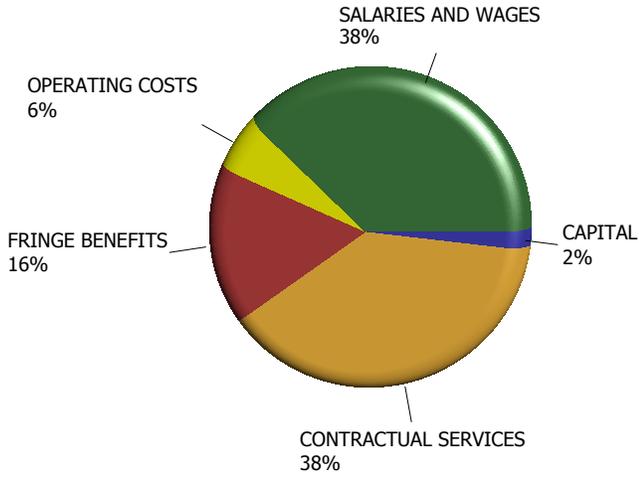
Expense 2011 - 2014
In Millions



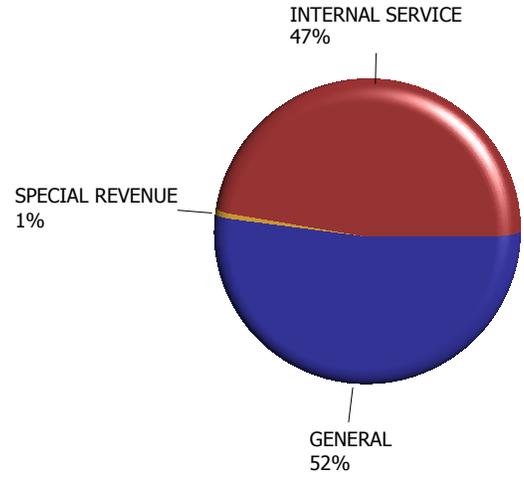
Revenue 2011 - 2014
In Millions



Expense by Category



Expense by Fund

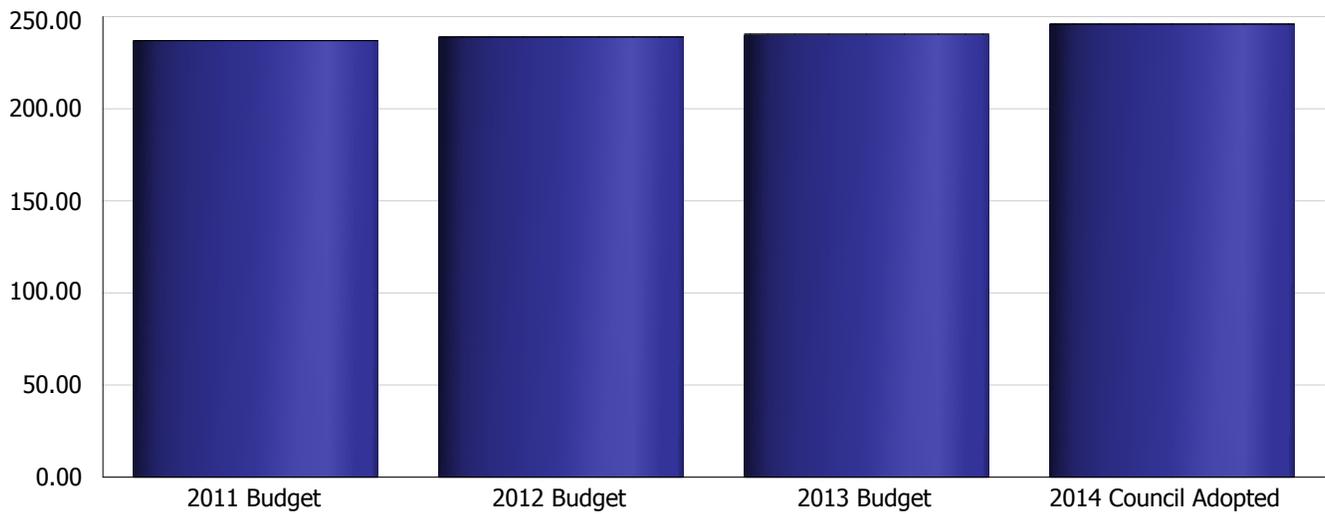


FINANCE AND PROPERTY SERV

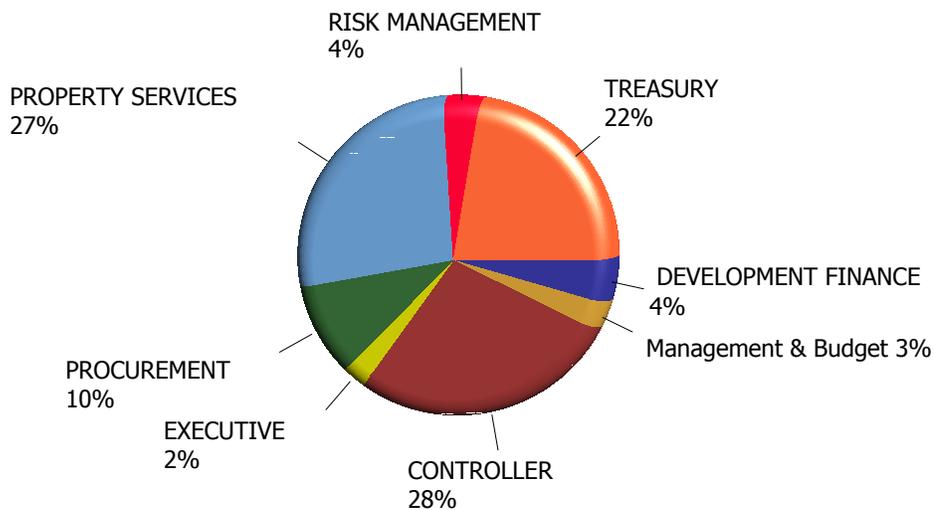
Staffing Information

Division	2011 Budget	2012 Budget	2013 Budget	2014 Council Adopted	% Change	Change
CONTROLLER	90.00	92.00	68.00	68.00	0.0%	0.00
DEVELOPMENT FINANCE	10.00	10.00	10.00	11.00	10.0%	1.00
EXECUTIVE	10.00	10.00	6.00	6.00	0.0%	0.00
Management & Budget			7.00	7.00	0.0%	0
PROCUREMENT	9.00	9.00	23.00	24.00	4.3%	1.00
PROPERTY SERVICES	59.00	62.00	63.50	66.00	3.9%	2.50
RISK MANAGEMENT	9.00	9.00	9.00	9.00	0.0%	0
TREASURY	50.00	47.00	54.00	55.00	1.9%	1.00
Overall	237.00	239.00	240.50	246.00	2.3%	5.50

Positions 2011-2014



Positions by Divison



HUMAN RESOURCES

MISSION

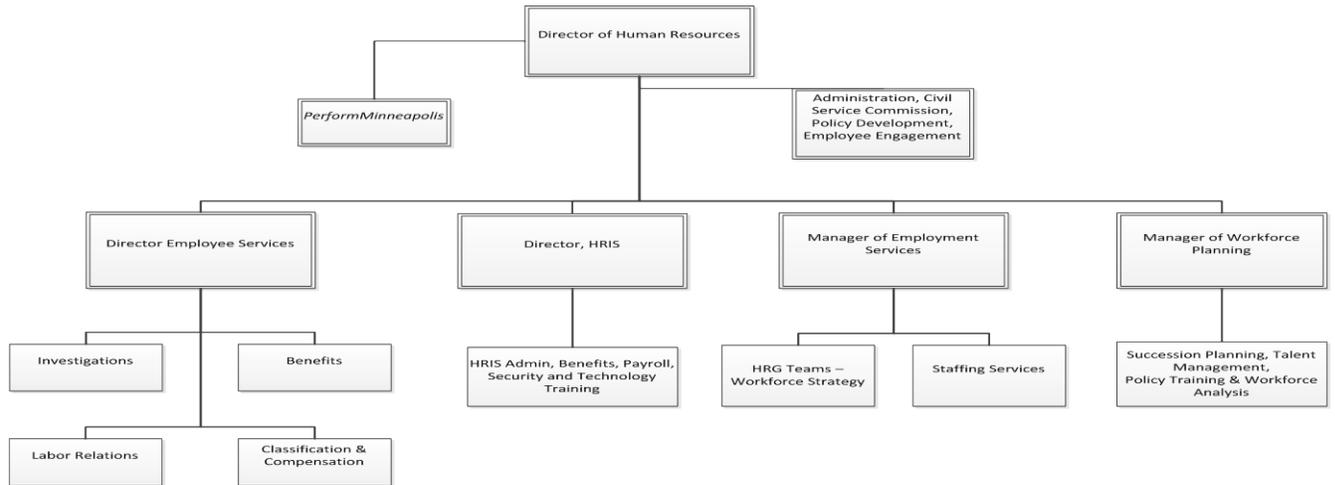
The mission of the Human Resources (HR) Department is to strategically partner with departments to implement a comprehensive, competency-based talent management strategy so that the City of Minneapolis is able to hire, develop and retain an excellent workforce that contributes to the achievement of City Goals through the delivery of high quality, cost-effective services.

BUSINESS LINES

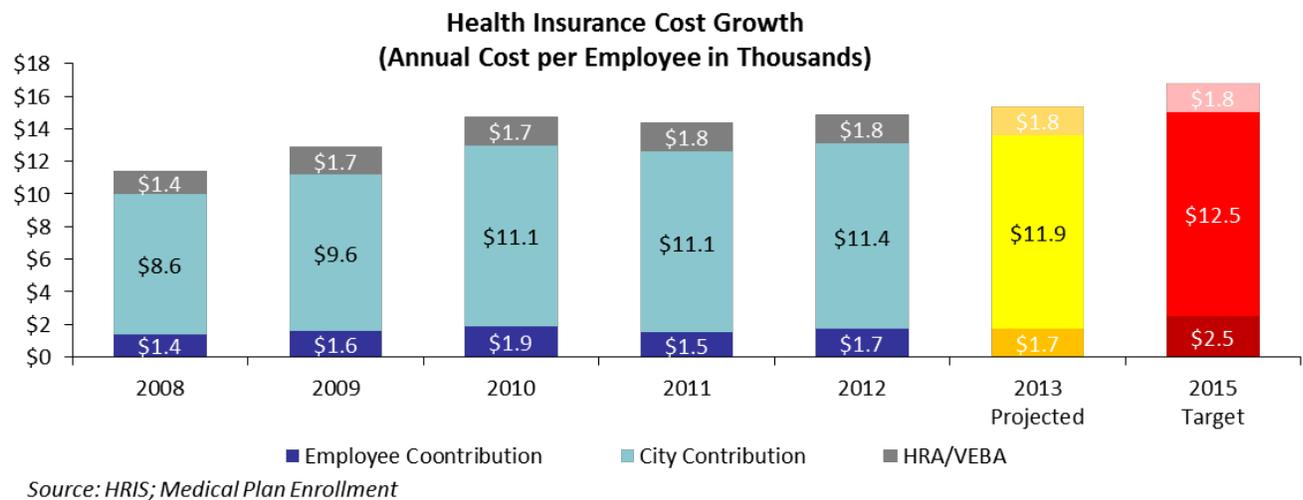
The HR Department has four primary business lines – Administration & HRTS, Employment Services, Employee Services and Workforce Planning Services. Because the work of our department involves more than just one business line within a business line, it is necessary that the employees of each division engage in cross-divisional cooperation so that we can accomplish our goals and eliminate the existence of ‘silo-mentality’ across the department.

1. **Administration and HR Technology Solutions (HRTS):** Key activities include: administration of the department, including policy development and implementation, business planning and strategic direction, and Civil Service Commission oversight. Also important are services provided by the HRTS Team, which include: enterprise employment information management, managing and providing business information to the City, Independent Boards and Agencies for decision making purposes and supporting Enterprise Learning Management (ELM) and Enterprise Resource Planning (ERP) related efforts and initiatives. This activity line also oversees the implementation of “*PerformMinneapolis*,” the City’s performance management system.
2. **Employment Services:** Key services that remain and that are provided by this business line include: direct customer consultation and service delivery of the HR Generalist teams which includes providing customer-focused strategic and operational advice, staffing, and performance management consultation; targeted advertisement, and strategic direction for workforce strategies.
3. **Employee Services:** Provides strategic and operational leadership for all of the City’s collective bargaining. In addition, the key activities essential to this business line are: labor contract administration, compensation administration, classification administration, complaint investigation, and designing benefits administration, including negotiating and implementing employee healthcare and wellness programs.
4. **Workforce Planning Services:** Services include the following inter-dependent functions: recruitment/talent need identification, succession planning (executive development), workforce analysis and affirmative action reporting and support for enterprise training (i.e. new employee orientation, required policy training, etc.).

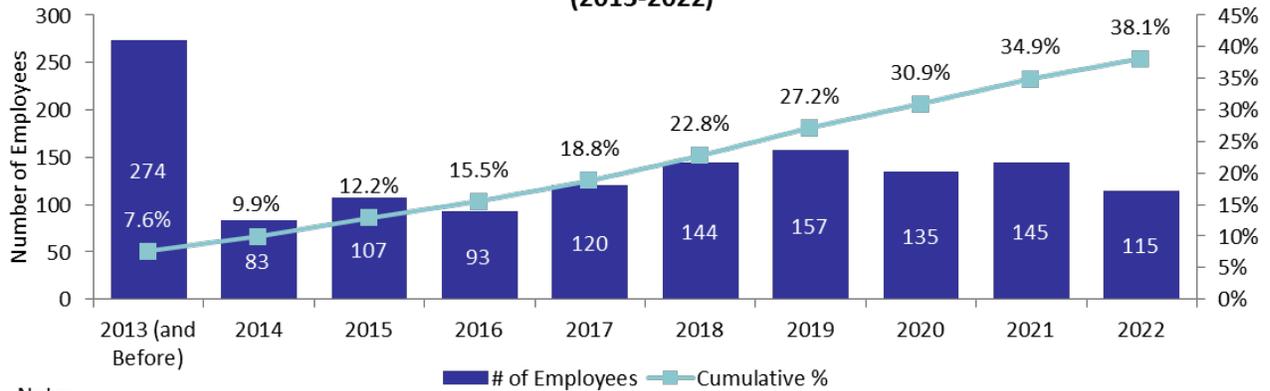
ORGANIZATION CHART



SELECTED RESULTS MINNEAPOLIS MEASURES



Employees Eligible to Retire (2013-2022)

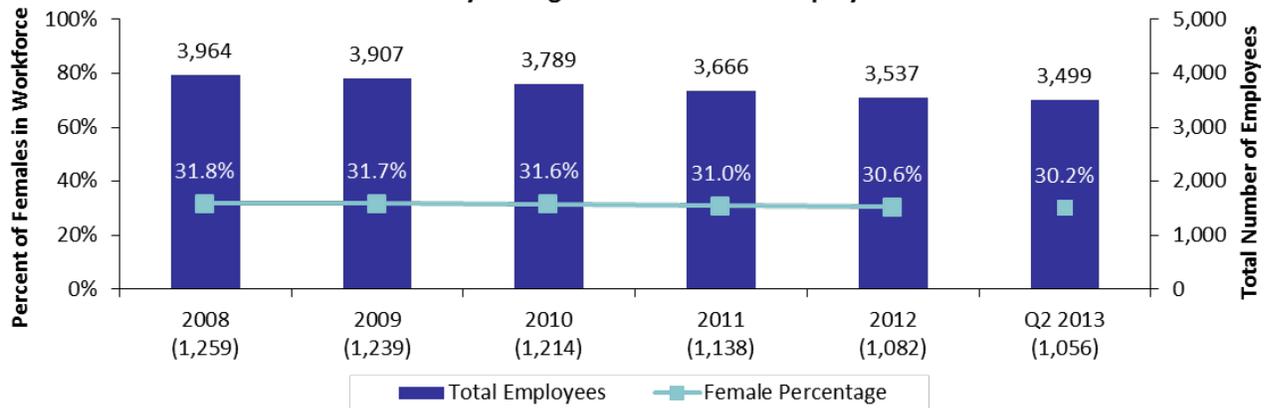


Notes:

1. Includes 205 employees who were eligible to retire before 2013 (1992 to 2012)
2. Eligibility is projected based on information in HRIS. Service Credit gained with other organizations is not included
3. Includes Full-time Regular and Full-Time Seasonal Employees
4. Cumulative % assumes a workforce of 3600 Employees

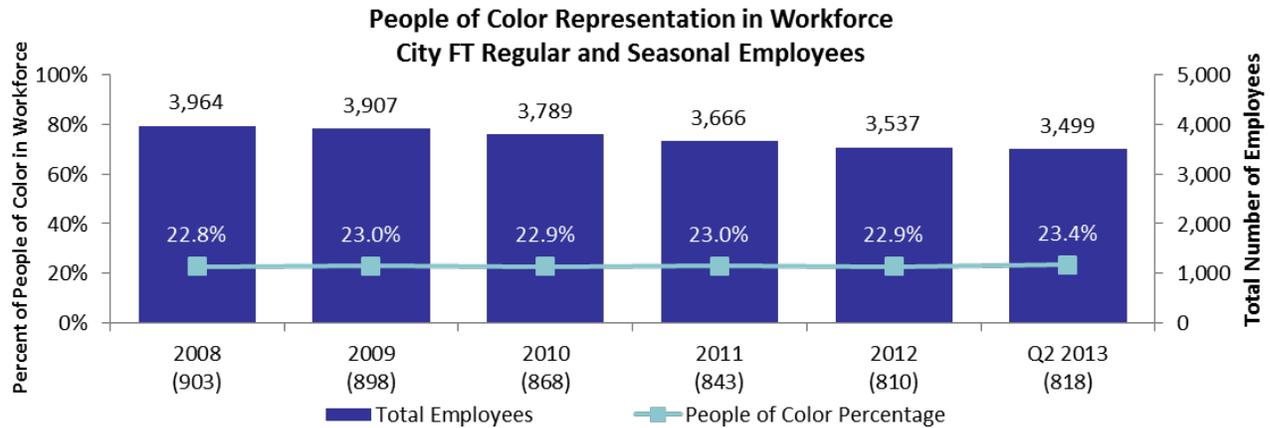
Source: HRIS (9.12.13)

Female Representation in Workforce City FT Regular and Seasonal Employees



Note: As of June 30th, 2013 the number of full-time, seasonal employees stood at 113, all of whom are located in the Public Works Department.

Source: HRIS



Note: As of June 30th, 2013 the number of full-time, seasonal employees stood at 113, all of whom are located in the Public Works Department.

Source: HRIS

A City that Works

HR Administration

General Fund: \$886,423

Under the City Coordinator and the Civil Service Commission, the Director of Human Resources (Administration) directs the HR Department which includes creating strategic direction, policy development, program management, recruitment, testing and selection, job classification, labor relations, employee benefits administration, HRIS, workforce planning, PerformMinneapolis, and compensation administration. HR Administration oversees and manages the programs by allocating resources, planning, organizing, managing and controlling various activities so the HR Department can stay focused on its mission.

Employee Services

General Fund: \$905,700

Other Funds: \$886,666

Employee Services includes Benefits & Wellness, Classification, Compensation, Complaint Investigation and Labor Relations. The key activities essential in this program are: labor contract negotiation and administration, compensation administration, classification administration, complaint investigation, and benefits administration, including negotiating and implementing employee healthcare, life and long-term disability insurance, dental care, all other benefit plans, and wellness programs.

Employment Services

General Fund: \$3,032,970

Employment Services includes HR Generalist Teams, Staffing Services and Testing & Staffing Services. Key services provided by this business line include: direct customer consultation and service delivery of the HR Generalist teams which includes providing customer-focused strategic and operational advice, staffing, performance management consultation, targeted advertisement, and strategic direction for workforce strategies. Employment Services also administers the Job Bank. The Job Bank is mandated under City Ordinance and the majority of the City's collective bargaining agreements.

**HR Technology Solutions (HRTS)
(Includes Technology Training)**

General Fund: \$637,407
Other Funds: \$778,271

HR Technology Solutions (HRTS) is responsible for the HR technology for City, Independent Boards, and Agencies. These technologies provide employees with pay, benefits, and ownership of their data. These technologies allow departments to track and report on key employee information that can support them in meeting their business goals.

PerformMinneapolis

General Fund: \$465,626
Other Funds: \$46,897

PerformMinneapolis (The City's Performance Management System) is a business process that creates the link between business planning and the outcomes or results that each department reports; it helps align individual work contributions with department goals, creating a clearer line of sight to City goals.

Workforce Planning Services

General Fund: \$637,097

Workforce planning is a strategic process focused on the human capital of an organization. It involves the systematic assessment of future human resource needs and the determination of strategies to meet those needs. Workforce planning will increase the probability of having the right people with the requisite competencies in the right positions at the right time. HR will use workforce planning to enhance effectiveness and to assist departments to prepare for the future.

Enterprise Learning & Development (L&D)

General Fund: \$226,000

The primary outcome of the Enterprise Learning and Development (L&D) program will focus on:

1. Enhancing the skills and competencies of employees so they can perform more effectively in their current positions.
2. Preparing individuals for management and leadership roles which become available as the City's baby boomer generation continues to retire.
3. Providing learning and development experiences and opportunities to support City initiatives of which we are currently unaware.

Benefits and Wellness

General Fund: \$80,000

Employees in the Benefits Unit administer benefits for approximately 4,200 active and 1,500 retired employees of the City, the Municipal Building Commission, the Minneapolis Public Housing Authority and the Minneapolis Park and Recreation Board. The Benefit Unit's budget decreased by 18% from 2010 to 2013 (an average annual reduction of \$180,000). This request would add an employee to the current Human Resources Benefits Unit.

Eco-Focused

Metropass Subsidy

General Fund: \$100,000

This program provides a direct monthly subsidy to eligible City employees who elect to purchase the Metropass. The Metropass program allows non-sworn City employees to pay a flat

monthly pre-tax contribution for unlimited access to all regional bus routes and the Hiawatha light-rail line.

Livable Communities, Healthy Lives

Nice Ride Employee Subsidy

General Fund: \$15,000

Nice Ride Minnesota is a bike-sharing system that provides easy-to-ride, three-speed bikes at more than 150 self-service kiosks. This program would subsidize employee annual memberships for the Nice Ride Minnesota bike share program. Employees can increase their physical activity during the day by using the bikes to run errands, ride to meetings, or go for bike rides over the lunch hour.

FINANCIAL ANALYSIS

Expenditure

This department's budget for 2014 is \$8.7 million, a 1.2% reduction from the 2013 budget. This reduction is primarily due to the 2013 budget figures being inflated by one-time funding in the amount of \$850,000 in support of enterprise software upgrades (shown as operating costs in the 2013 expenditure charts) with costs that were not continued for 2014. 2014 contractual services costs rose due to increasing costs of supporting the City's performance measurement software system and to support benefits staff in implementing the requirements of the Affordable Care Act.

Revenue

This department's projected revenue for 2014 is \$1.4 million, representing an increase of 2.8% from 2013. This increase is entirely attributable to increases in charges for services provided through internal service funding.

Fund Allocation

This department is funded primarily through General Fund resources (80%) with the remainder funded through internal service charges.

Mayor's Recommended Budget

The Mayor recommended ongoing General Fund allocations for the following programs: \$126,000 in Halogen license fees; \$100,000 to hire an additional human resource generalist; \$15,000 to support employee access to NiceRide (\$5,000 of which is one-time); and \$100,000 to support employee access to MetroPass (\$25,000 of which is one-time). The Mayor also recommended one-time General Fund allocations of \$80,000 to support benefits staff in implementing the requirements of the Affordable Care Act and \$10,000 to support an employee access to car-sharing.

Council Adopted Budget

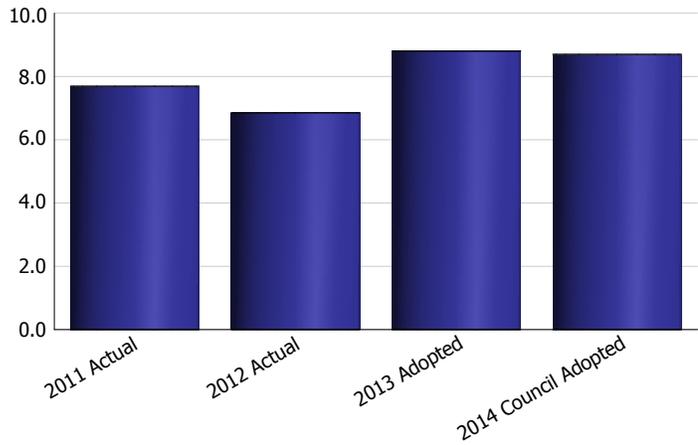
The Council approved the Mayor's recommendations and amended the budget to increase the Human Resources Department's appropriation by \$50,000 to enhance the City's internship programs with corresponding appropriation authority removed from the City Coordinator's Administration Department. The Council also directed staff from Civil Rights, NCR, CPED, FPS, HR, and the Coordinator's office to develop measures consistent with the racial equity toolkit guides and work with all departments to include applicable measures in their regular Results Minneapolis reports.

HUMAN RESOURCES EXPENSE AND REVENUE INFORMATION

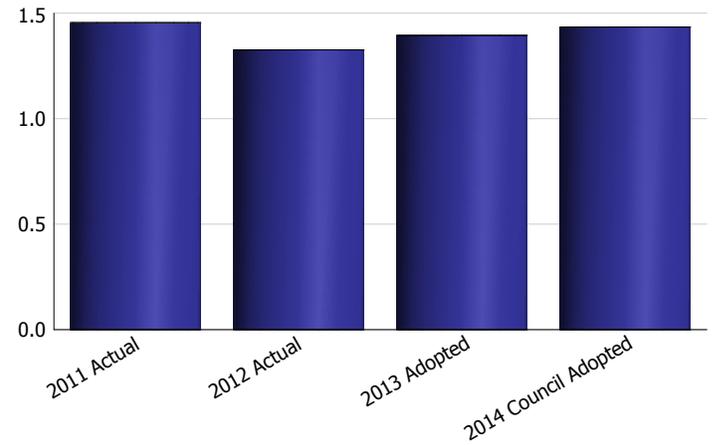
EXPENSE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	2,843,249	2,412,306	2,968,772	3,057,305	3.0%	88,533
FRINGE BENEFITS	854,104	788,173	1,017,356	1,241,324	22.0%	223,968
CONTRACTUAL SERVICES	1,636,271	1,416,343	1,487,083	1,902,856	28.0%	415,773
OPERATING COSTS	579,823	571,139	1,656,066	784,739	-52.6%	(871,327)
TOTAL GENERAL	5,913,448	5,187,960	7,129,277	6,986,224	-2.0%	(143,053)
SPECIAL REVENUE						
CONTRACTUAL SERVICES	118	(580)				0
TOTAL SPECIAL REVENUE	118	(580)				0
INTERNAL SERVICE						
SALARIES AND WAGES	697,348	685,082	715,496	716,927	0.2%	1,432
FRINGE BENEFITS	263,887	250,672	256,986	270,851	5.4%	13,864
CONTRACTUAL SERVICES	783,159	688,977	628,733	651,470	3.6%	22,737
OPERATING COSTS	32,829	41,364	72,586	72,586	0.0%	0
TOTAL INTERNAL SERVICE	1,777,223	1,666,095	1,673,801	1,711,834	2.3%	38,033
TOTAL EXPENSE	7,690,788	6,853,475	8,803,078	8,698,058	-1.2%	(105,020)
REVENUE						
	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
OTHER MISC REVENUES	266	135	0		0.0%	0
GENERAL	266	135				0
INTERNAL SERVICE						
CHARGES FOR SERVICES	1,386,014	1,271,371	1,394,963	1,434,713	2.8%	39,750
OTHER MISC REVENUES	69,111	54,805	0		0.0%	0
INTERNAL SERVICE	1,455,125	1,326,175	1,394,963	1,434,713	2.8%	39,750
TOTAL REVENUE	1,455,390	1,326,310	1,394,963	1,434,713	2.8%	39,750

HUMAN RESOURCES EXPENSE AND REVENUE INFORMATION

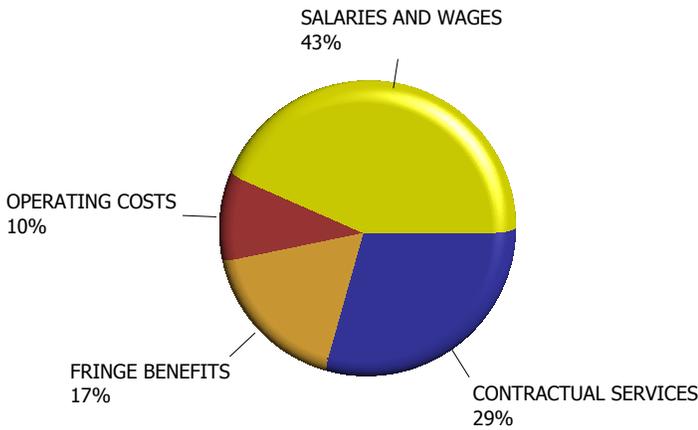
Expense 2011 - 2014
In Millions



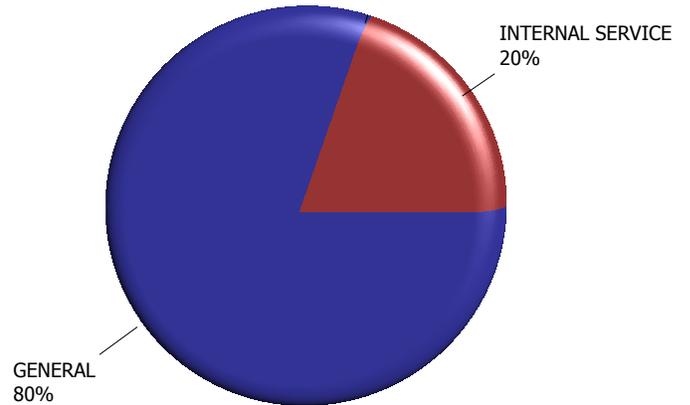
Revenue 2011 - 2014
In Millions



Expense by Category



Expense by Fund

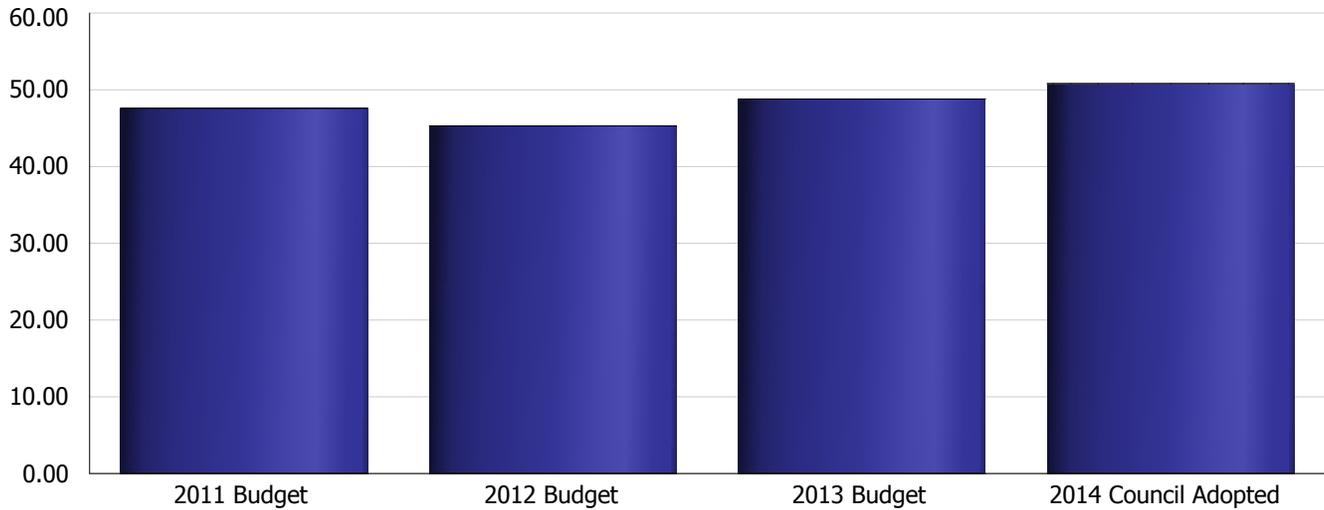


HUMAN RESOURCES

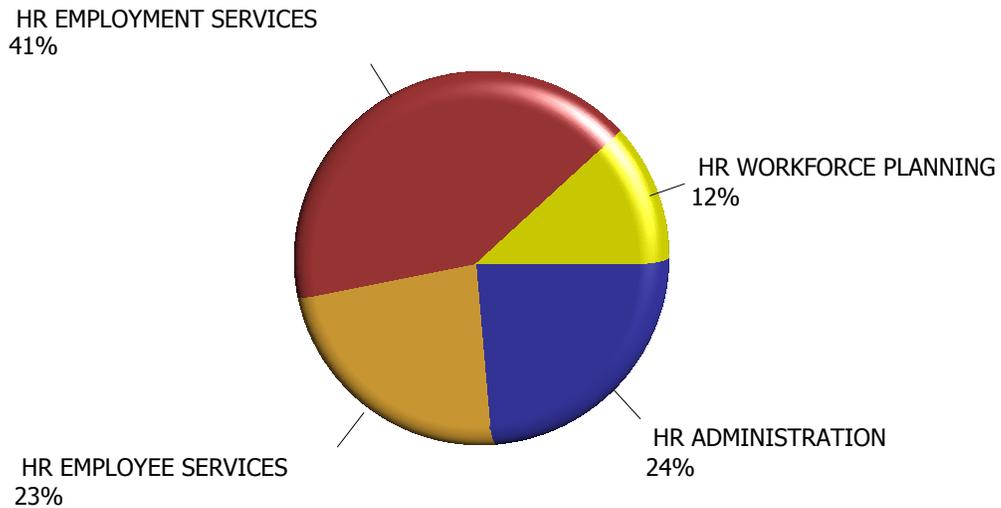
Staffing Information

Division	2011 Budget	2012 Budget	2013 Budget	2014 Council Adopted	% Change	Change
HR ADMINISTRATION	9.00	9.00	10.00	12.00	20.0%	2.00
HR EMPLOYEE SERVICES	10.00	10.30	11.80	11.80	0.0%	0
HR EMPLOYMENT SERVICES	28.60	26.00	22.00	21.00	(4.5%)	(1.00)
HR WORKFORCE PLANNING			5.00	6.00	20.0%	1.00
Overall	47.60	45.30	48.80	50.80	4.1%	2.00

Positions 2011-2014



Positions by Divison



INFORMATION TECHNOLOGY

MISSION

The mission of Information Technology is to deliver innovative, high quality, cost effective computing, networking, information management and business apps management services to City departments in support of their business goals and objectives. Information Technology (IT) strives to be a valued partner in technology by providing innovative solutions to City needs, challenges and opportunities.

BUSINESS LINES

IT delivers service through four business lines:

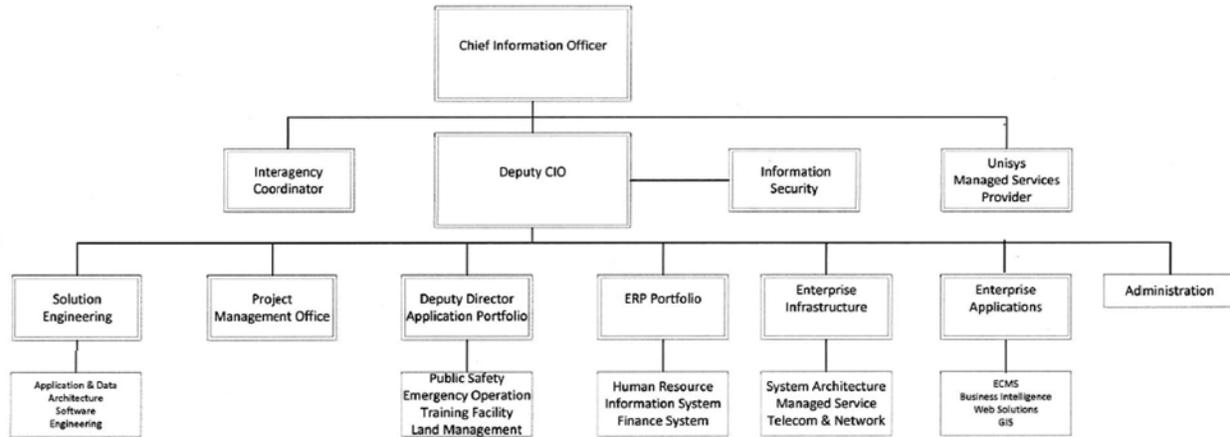
Computing: The City's computing applications run on computers that require architecture, installation, configuration, administration (capacity management, security, performance management, etc.) and maintenance activities. IT accomplishes this through a managed services contract with Unisys.

Information Management: The City's computing applications make use of electronic data that requires databases to be architected, installed, configured, administered (capacity management, security, performance management, etc.) and maintained. IT accomplishes this through managed services contracts and staff.

Networking: The City has deployed both commercial and in-house communications networks throughout the city to connect employees with their computing applications, each other, outside networks and the internet. Data, voice and video are transported through land line and wireless City networks. Devices supported include desk phones, cell phones, smart phones, tablets (such as the iPad), laptops, desktop PCs, etc. Communications networks require network electronics and those user devices to be architected, installed, configured, administered (capacity management, security, performance management, etc.) and maintained. IT accomplishes this through several telecommunications services contracts, managed services contracts and staff.

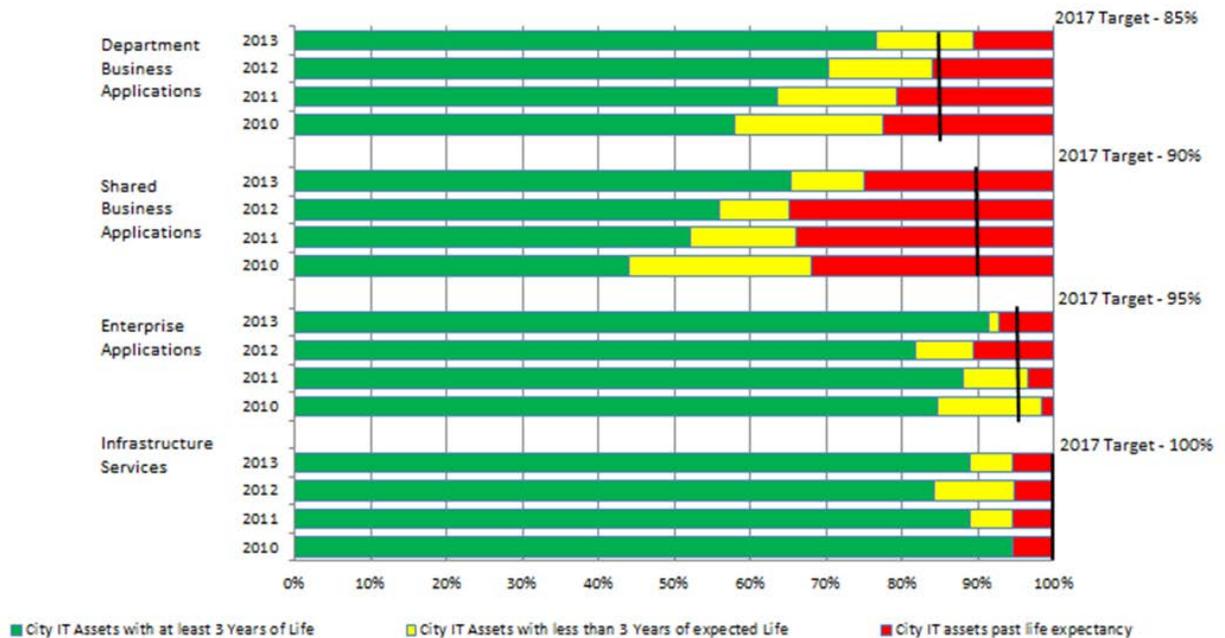
Business Apps Management: Computer software systems and applications require project management, requirements gathering, business and technical architecture, installation, configuration, administration (capacity management, security, performance management, etc.) and maintenance activities. IT accomplishes this through several professional services contracts and staff.

ORGANIZATION CHART



SELECTED RESULTS MINNEAPOLIS MEASURES

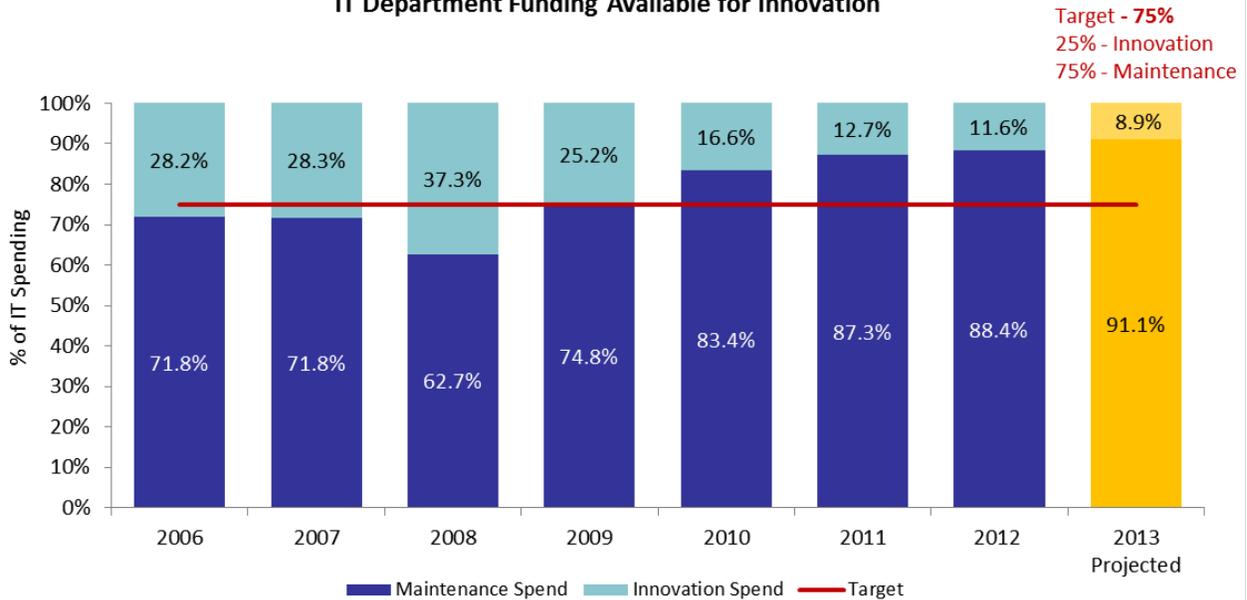
City IT Systems Life Expectancy Percentage of City Systems



Why is this measure important?

The IT field continues to change rapidly with significant advances typically on an 18 month cycle. Hardware, software, data, and information systems must be maintained at industry-specified release levels to ensure compatibility, performance and stability. All IT components require continual upgrading or operational problems will result—potentially blocking departments from taking advantage of newer and/or more effective technologies.

IT Department Funding Available for Innovation



Note: Innovation IT expenditures are IT department dollars spent for the advancement of new initiatives or new technology within the City. Maintenance expenditures are defined as costs to maintain existing technology.

Why is this measure important?

The combination of increased IT Department use while being fiscally challenged has drained the funding that can be applied to new technologies and innovative solutions. Future transformative initiatives will be less often achieved. The City needs to spend more on implementing innovative solutions to its challenges and opportunities and less on maintenance and administration of existing systems. We are targeting a cross-industry and local government average percent funding on innovation.

A City that Works

Computing

Other Funds: \$13,150,423

The city's business applications run on computers that require architecture, installation, configuration, administration (capacity management, security, performance management, etc.) and maintenance activities. IT accomplishes this through a managed services contract with Unisys Corporation. Managed services provided Help Desk, End-user (desktop) Support, Data Center, and Network Management.

Networking

Other Funds: \$4,123,194

The City has deployed both commercial and in-house communications networks connecting employees with their computing applications, each other, outside networks, and the Internet. Devices supported include desk phones, cell phones, smart phones, tablets (such as the iPad), laptops, desktops PC's, etc. Data, voice and video is transported through land line and wireless City networks. Devices supported include desk phones, cell phones, smart phones, tablets

(such as the iPad) laptops, desktops PC's, etc. Communications networks require network electronics and those user devices to be architected, installed, configured, administered (capacity management, security, performance management, etc.) and maintained. The Information Technology Department (IT) accomplishes this through several telecommunications services contracts, managed services contracts and staff.

Information Management

Other Funds: \$2,715,051

The Information Management Program provides enabling technologies to collect, maintain, share, distribute, protect and preserve (or securely dispose of) the City's electronic information. Employees support systems for database and document management, master data management, data standards creation and governance, geographical information systems (GIS) data management, data integration, analytics and reporting, email messaging and collaboration, web publishing, and information security management. Staff also provides expert consulting to help make the best use of these tools, and the City's information assets, to further all City goals efficiently and effectively.

Business Apps Management

Other Funds: \$8,822,446

Computer software systems and applications require project management, requirements gathering, business and technical architecture, installation, configuration, administration (capacity, security, and performance management, etc.) and maintenance activities. IT accomplishes this through several professional services contracts and staff.

Managed IT Services RFP

General Fund: \$625,000

The City of Minneapolis IT department is currently engaged in a managed services outsourcing arrangement with Unisys Corporation for the majority of IT services and functions. The contract terminates at the end of 2015. The City is planning on issuing an RFP for outsourcing services by the end of 2013. 2014 activities relating to the IT Managed Services RFP process include: vendor selection, contract negotiation, and creation of Managed Services Specialist Position

Business Intelligence Support

General Fund: \$100,000

This program will provide staff support to help in the implementation of the Intelligent Operations Platform (IOP) and other business intelligence initiatives.

FINANCIAL ANALYSIS

Expenditure

For 2014, Information Technology's Department budget is \$29.5 million, an 8.2% increase from 2013. The increase results from of the addition of six new staff as well as inclusion of contractually obligated inflationary increases in managed services and other maintenance agreements. The department's General Fund allocation is entirely one-time in nature and amounts to \$725,000.

Revenue

In 2014, the department anticipates \$28.6 million in revenue, a 2.5% increase from 2013. These revenues result from internal services charges to other departments.

Fund Allocation

In 2014, 98% of this department's budget is budgeted in the Intergovernmental Services Internal Service Fund with the remainder in the General Fund due to one-time appropriations.

Mayor's Recommended Budget

The Mayor recommended one-time funding in the amount of \$625,000 to be used by the department to cover costs associated with the managed services request for proposal process. The Mayor further recommended \$100,000 in one-time funding to be used for business intelligence support. In subsequent budget years, this will be funded through departmental cost allocations.

Council Adopted Budget

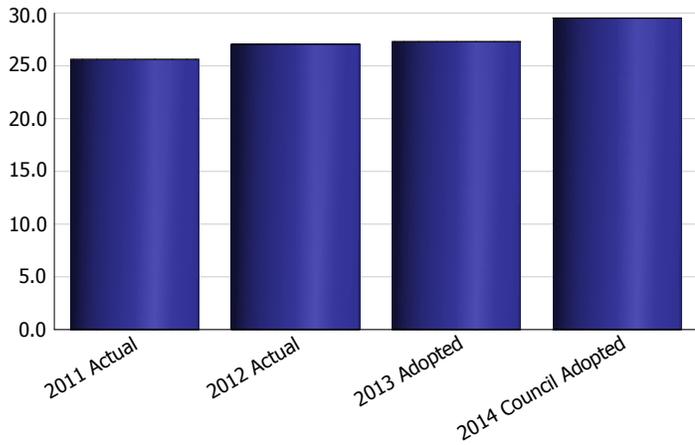
The Council approved the Mayor's recommendations.

**INFORMATION TECHNOLOGY
EXPENSE AND REVENUE INFORMATION**

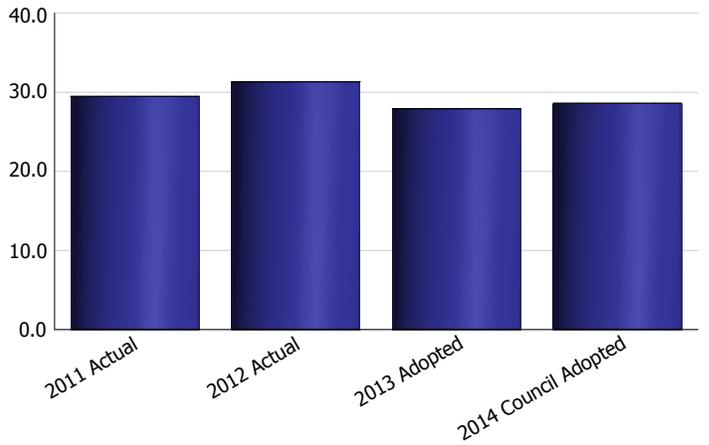
EXPENSE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	0			193,197		193,197
FRINGE BENEFITS	0			31,803		31,803
CONTRACTUAL SERVICES	0	35,111	200,000	500,000	150.0%	300,000
OPERATING COSTS	0	14,889				0
TOTAL GENERAL		50,000	200,000	725,000	262.5%	525,000
SPECIAL REVENUE						
CONTRACTUAL SERVICES	0	25,000				0
TOTAL SPECIAL REVENUE		25,000				0
INTERNAL SERVICE						
SALARIES AND WAGES	3,746,746	3,911,399	5,005,927	5,595,871	11.8%	589,944
FRINGE BENEFITS	1,416,647	1,266,970	1,629,723	1,866,013	14.5%	236,290
CONTRACTUAL SERVICES	19,308,151	19,771,928	19,216,107	20,070,548	4.4%	854,441
OPERATING COSTS	1,147,061	2,040,247	1,134,810	1,159,577	2.2%	24,767
CAPITAL	0		119,105	119,105	0.0%	0
TOTAL INTERNAL SERVICE	25,618,605	26,990,544	27,105,672	28,811,114	6.3%	1,705,442
TOTAL EXPENSE	25,618,605	27,065,544	27,305,672	29,536,114	8.2%	2,230,442
REVENUE						
REVENUE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
SPECIAL REVENUE						
CONTRIBUTIONS	0	25,000	0		0.0%	0
SPECIAL REVENUE		25,000				0
INTERNAL SERVICE						
CHARGES FOR SALES	10,823	9,023	10,000		-100.0%	(10,000)
CHARGES FOR SERVICES	29,275,781	31,282,731	27,915,080	28,615,033	2.5%	699,953
FEDERAL GOVERNMENT	3,080	11,631	0		0.0%	0
GAINS	(4,124)	0	0		0.0%	0
LOCAL GOVERNMENT	197,363	0	0		0.0%	0
STATE GOVERNMENT	1,027	0	0		0.0%	0
TRANSFERS IN	1,153	0	0		0.0%	0
INTERNAL SERVICE	29,485,101	31,303,385	27,925,080	28,615,033	2.5%	689,953
TOTAL REVENUE	29,485,101	31,328,385	27,925,080	28,615,033	2.5%	689,953

INFORMATION TECHNOLOGY EXPENSE AND REVENUE INFORMATION

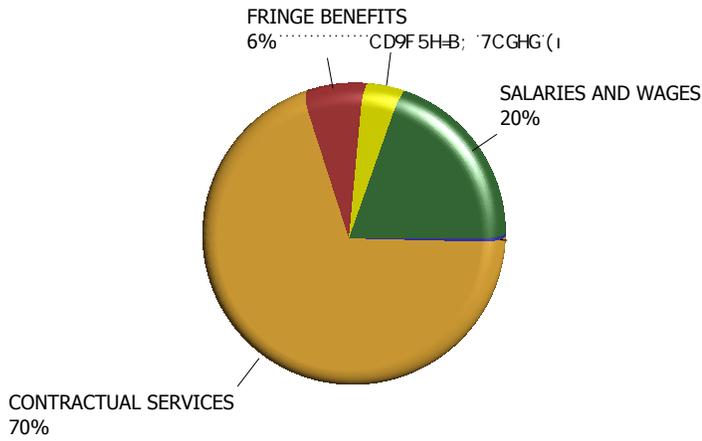
Expense 2011 - 2014
In Millions



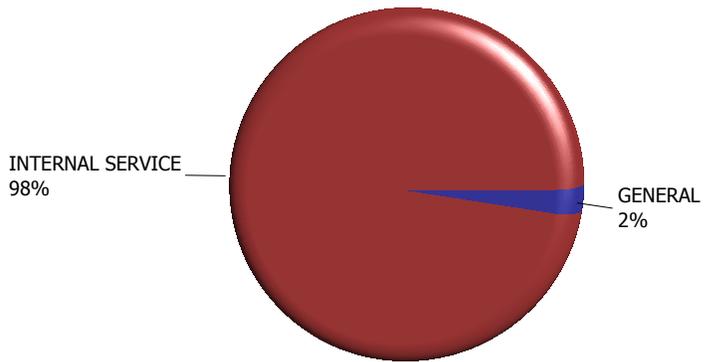
Revenue 2011 - 2014
In Millions



Expense by Category



Expense by Fund

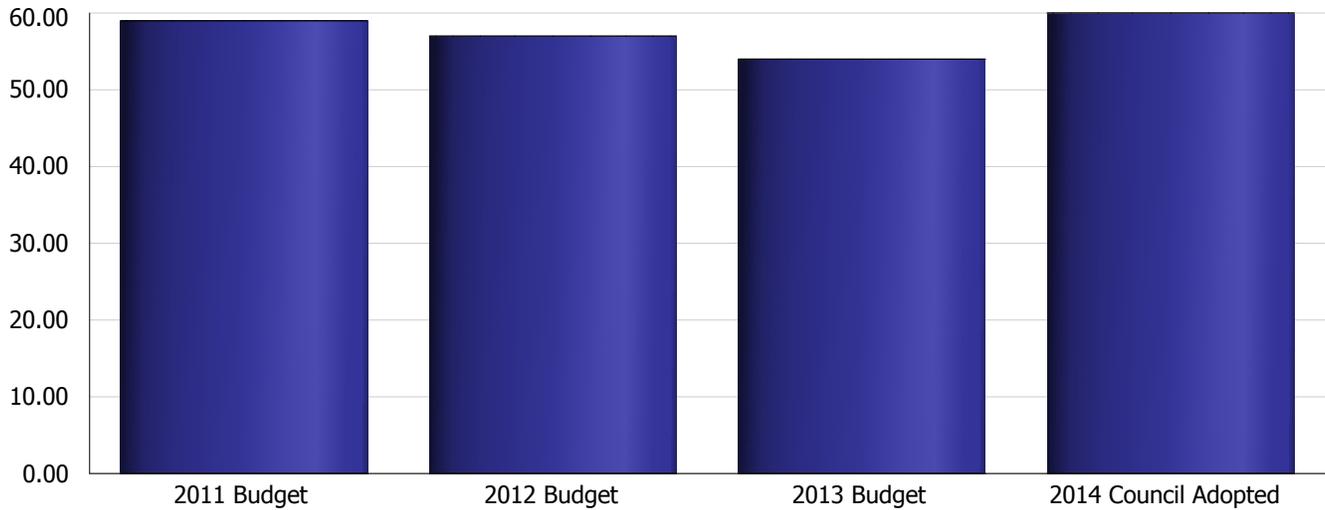


INFORMATION TECHNOLOGY

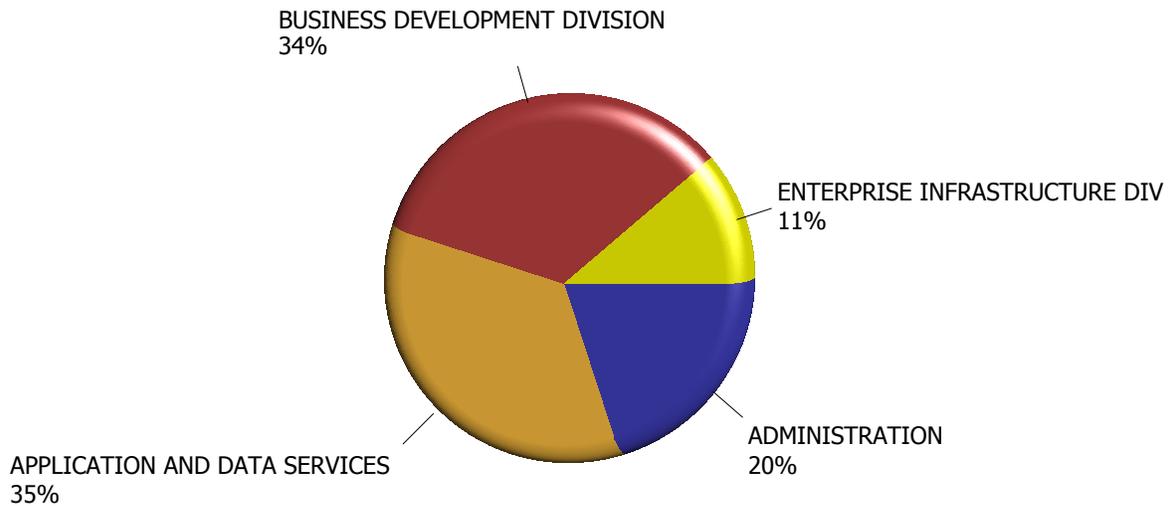
Staffing Information

Division	2011 Budget	2012 Budget	2013 Budget	2014 Council Adopted	% Change	Change
ADMINISTRATION	8.00	7.00	7.00	12.00	71.4%	5.00
APPLICATION AND DATA SERVICES	26.00	25.00	21.00	21.00	0.0%	0
BUSINESS DEVELOPMENT DIVISION	16.00	18.00	19.25	20.25	5.2%	1.00
ENTERPRISE INFRASTRUCTURE DIV	9.00	7.00	6.75	6.75	0.0%	0
Overall	59.00	57.00	54.00	60.00	11.1%	6.00

Positions 2011-2014



Positions by Division



INTERGOVERNMENTAL RELATIONS

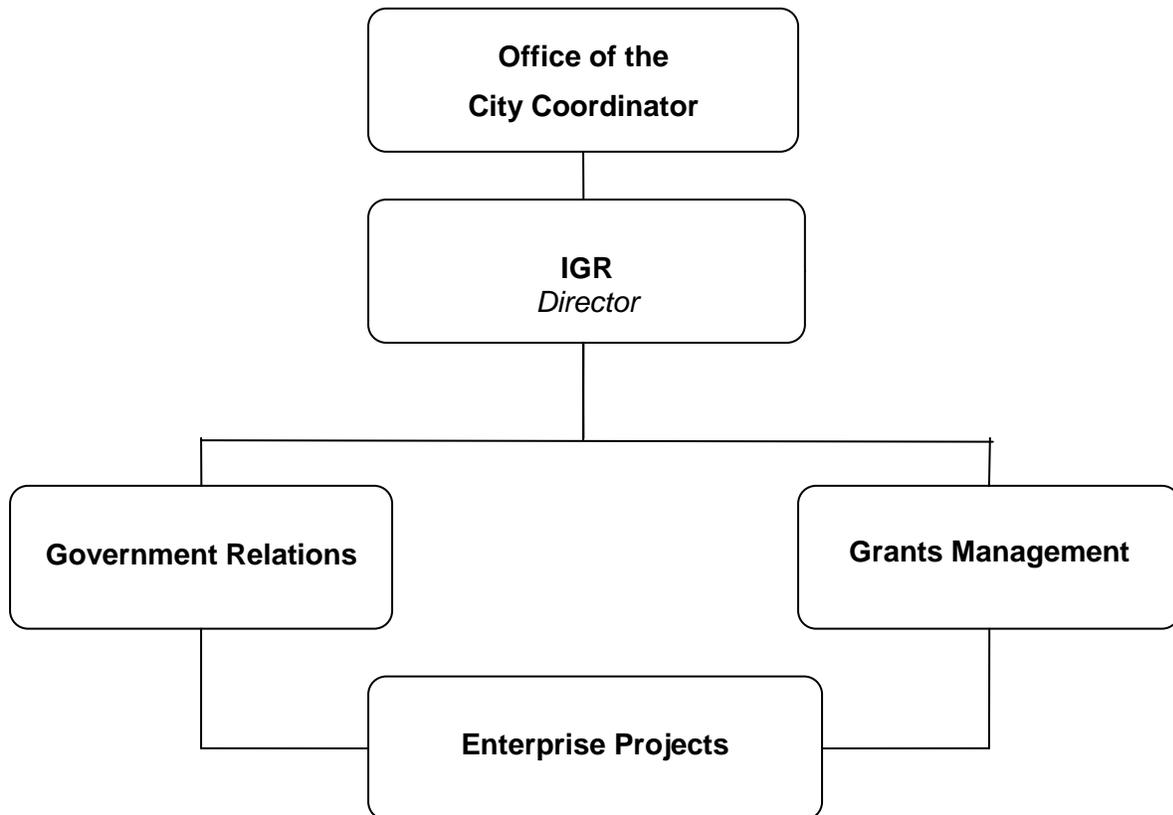
MISSION

Effectively represent the City of Minneapolis with integrity and dedication to its partners at multiple levels of governance: federal, state, regional, and local in order to achieve legislative and program success.

BUSINESS LINES

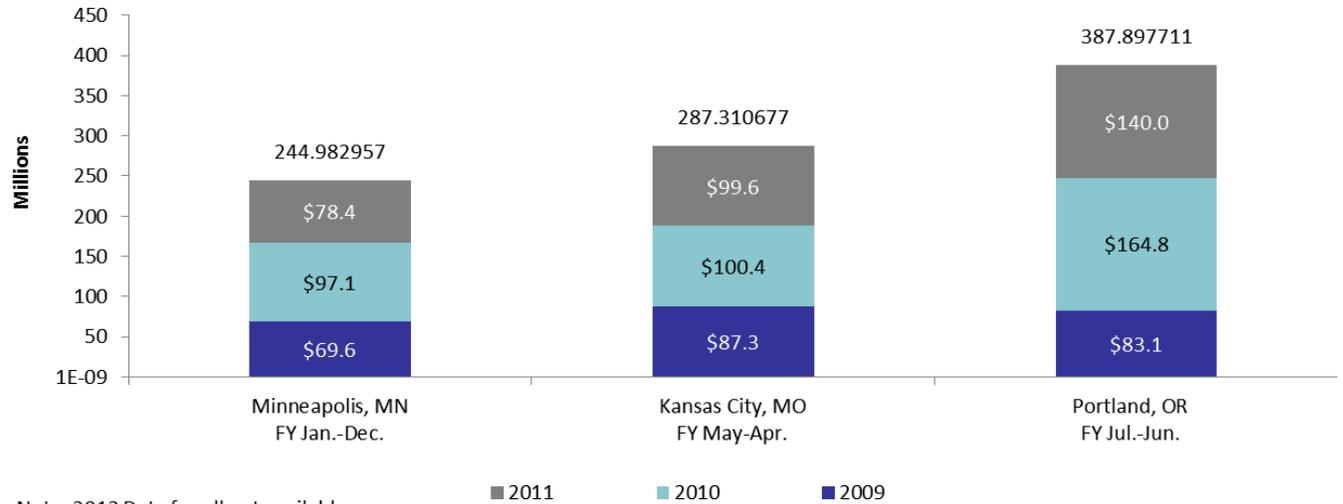
- Advocate policies both legislative and administrative including appropriations on behalf of the city at the regional, state and federal government level.
- Provide guidance and staffing in managing the federal community development grant.
- Staffing and assistance for projects of enterprise importance.

ORGANIZATION CHART

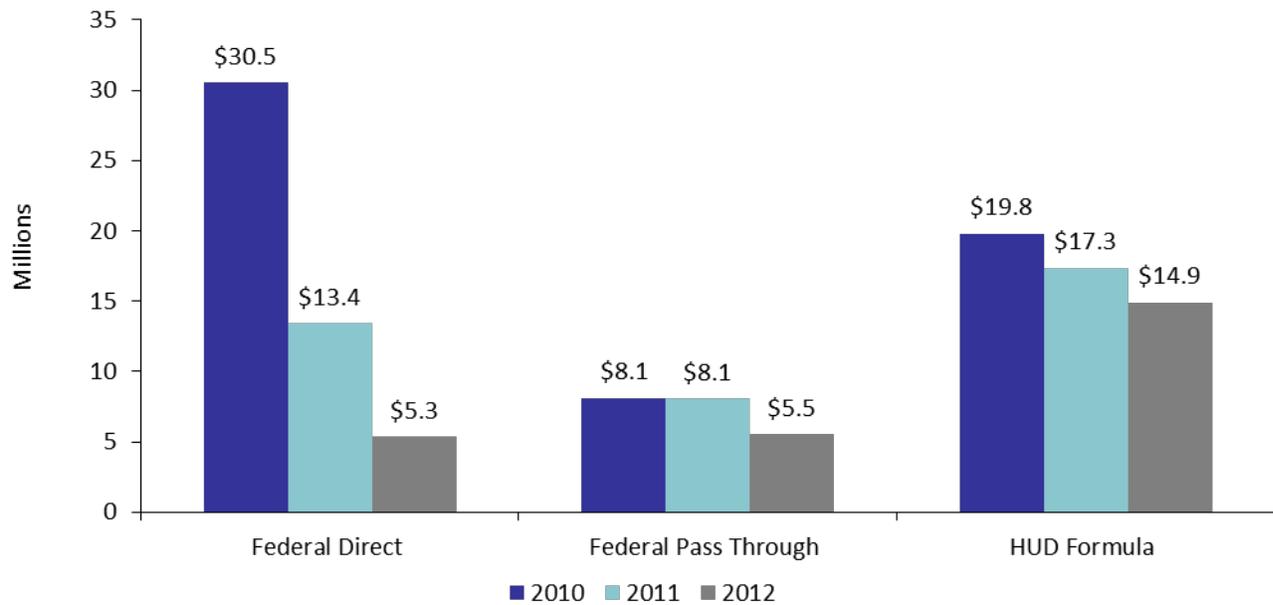


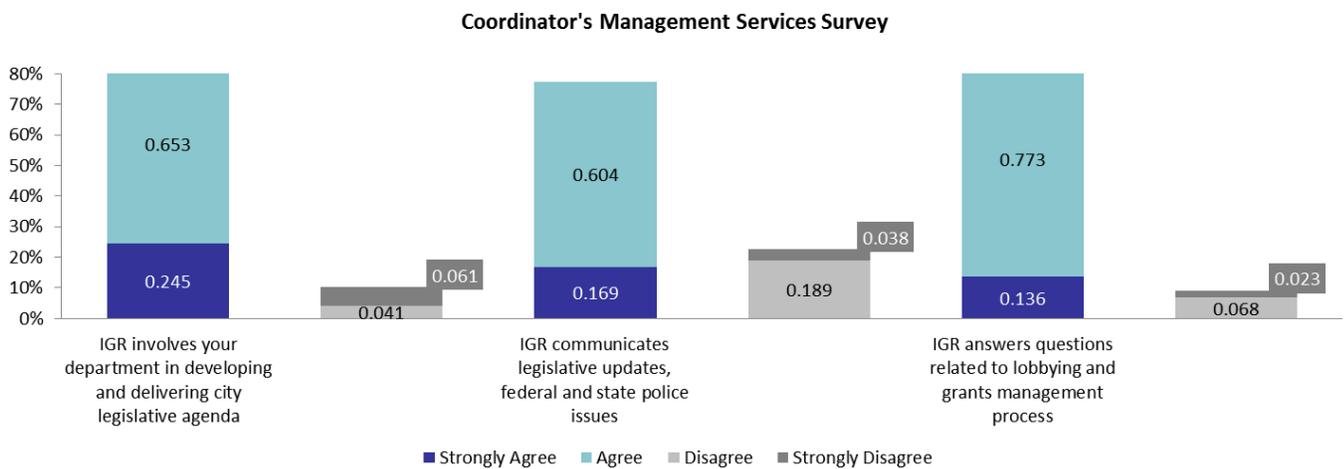
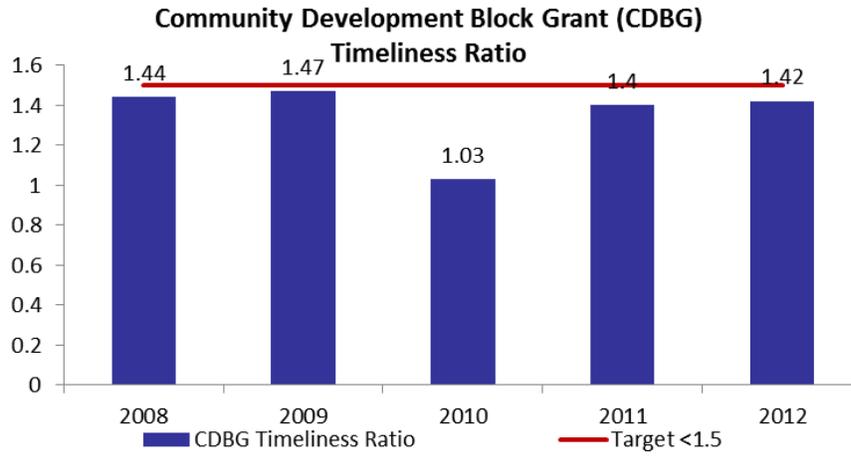
SELECTED RESULTS MINNEAPOLIS MEASURES

Comparative Federal Expenditures by City



Federal Grant Dollars Received by Type





A City that Works

Consolidated Plan/Federal and Grant Management

General Fund: \$279,310
Other Funds: \$1,192,000

The program is responsible for the administration of the community development (CD) programs funded by the US Department of Housing and Urban Development. The program also provides technical assistance on grants. The administration of the community development program includes the annual plan submission to HUD, an annual report, issuing requests for proposals, management of subcontracts, on-site monitoring and payments to vendors and contractors.

Federal Government Relations

General Fund: \$313,661

The 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 that meet City priorities, providing information and working with others to maintain or modify existing programs, developing a City Council approved agenda, and working with non-public governmental organizations and public and private agencies to achieve the agenda.

State Government Relations

General Fund: \$806,643

The program develops and implements the City's state legislative agenda. The program works with all City departments and elected officials to identify key legislative priorities for the City in the upcoming legislative session. Involvement includes but is not limited to proposing and drafting legislation, attending City Council meetings and legislative hearings, testifying at committee meetings, providing information related to legislative proposals and working with executive branch agencies and constitutional officers. The program also involves policy monitoring and development with other units of government such as the Met Council, Hennepin County and other cities.

Enterprise Support-Partnerships

General Fund: \$234,045

The Enterprise Support-Partnerships program supports several city enterprise projects combining the program staff expertise in lobbying, project management and international relations. This program can include working with state, regional and sub-regional organizations in developing governance policies that impact the city. The program will also provide assistance to growing and enhancing the elected and staff leadership relationship with the Metropolitan Council related with the program Federal, State and Private Policy and Grant Initiatives. The program staffs the development, advocacy and implementation of enterprise projects as needed. This program also consists of memberships in affinity groups providing generalized research assistance in support of the government relations program proposals.

FINANCIAL ANALYSIS

Expenditure

The 2014 expenditure budget for this department increases by 1.5%, or \$41,000, over the 2013 budget. This increase results from the addition of one FTE in the department over 2013 staffing levels. While this increase is reflected in the General Fund, the majority of this increase is offset by reductions in federal grants.

Revenue

The department does not generate revenue.

Fund Allocation

This department is funded primarily by the General Fund (58%), with the remainder of the department's funding from federal grants.

Mayor's Recommended Budget

The Mayor recommended no changes to this department's base program proposal.

Council Adopted Budget

The Council approved the Mayor's recommendations and amended the budget to increase the department's appropriation by \$100,000, which is offset by a like reduction in appropriation authority for the City Coordinator Administration Department. This funding covers the cost of an FTE in the department dedicated to interregional lobbying and coordination efforts. The Council further directed staff, in conjunction with CPED and other departments, to evaluate the existing and ongoing membership against the value received for the cost of membership in the St. Anthony Falls Heritage Organization and other strategic partnerships.

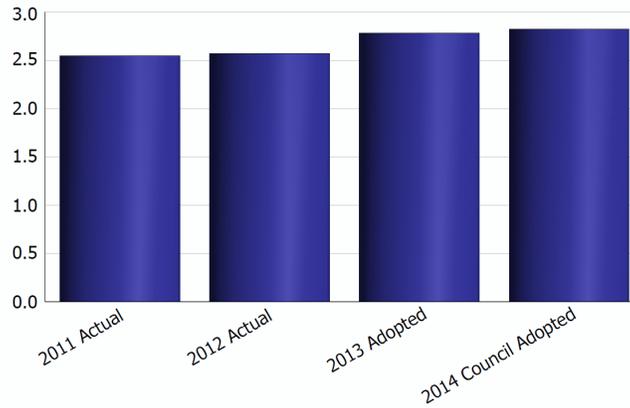
**INTERGOVERNMENTAL RELATIONS
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	458,276	443,473	513,186	601,366	17.2%	88,180
FRINGE BENEFITS	138,549	146,894	162,727	210,029	29.1%	47,302
CONTRACTUAL SERVICES	487,936	530,209	512,855	503,228	-1.9%	(9,627)
OPERATING COSTS	318,579	220,595	315,682	316,536	0.3%	854
CAPITAL	0		5,110	2,500	-51.1%	(2,610)
TOTAL GENERAL	1,403,340	1,341,172	1,509,560	1,633,658	8.2%	124,099
SPECIAL REVENUE						
SALARIES AND WAGES	156,068	175,823	173,910	150,536	-13.4%	(23,374)
FRINGE BENEFITS	46,805	56,391	64,060	53,989	-15.7%	(10,070)
CONTRACTUAL SERVICES	940,792	993,601	1,037,143	987,475	-4.8%	(49,668)
OPERATING COSTS	0	517				0
TOTAL SPECIAL REVENUE	1,143,665	1,226,332	1,275,113	1,192,000	-6.5%	(83,112)
TOTAL EXPENSE	2,547,005	2,567,503	2,784,672	2,825,659	1.5%	40,986
REVENUE						
	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
OTHER MISC REVENUES	800	0	0		0.0%	0
GENERAL	800					0
SPECIAL REVENUE						
FEDERAL GOVERNMENT	80	0	0		0.0%	0
SPECIAL REVENUE	80					0
TOTAL REVENUE	880					

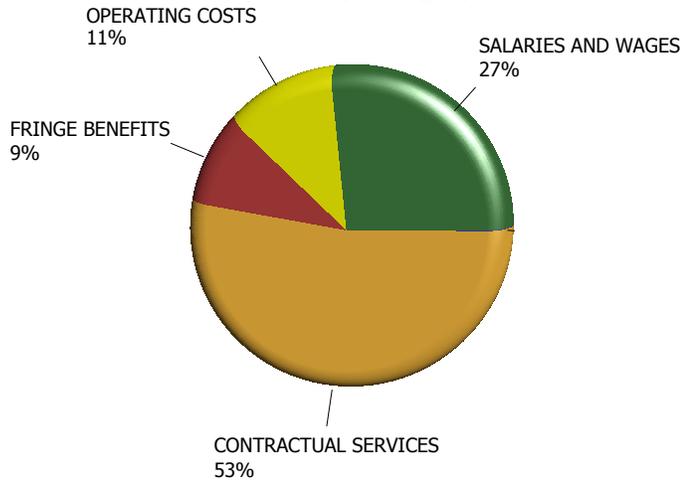
INTERGOVERNMENTAL RELATIONS EXPENSE AND REVENUE INFORMATION

Expense 2011 - 2014

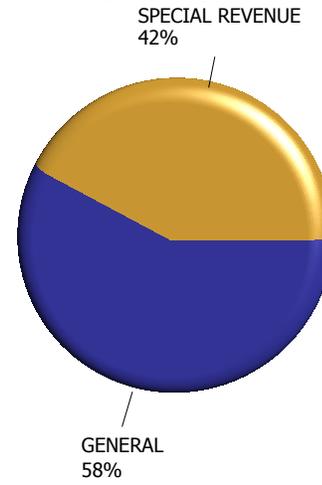
In Millions



Expense by Category



Expense by Fund

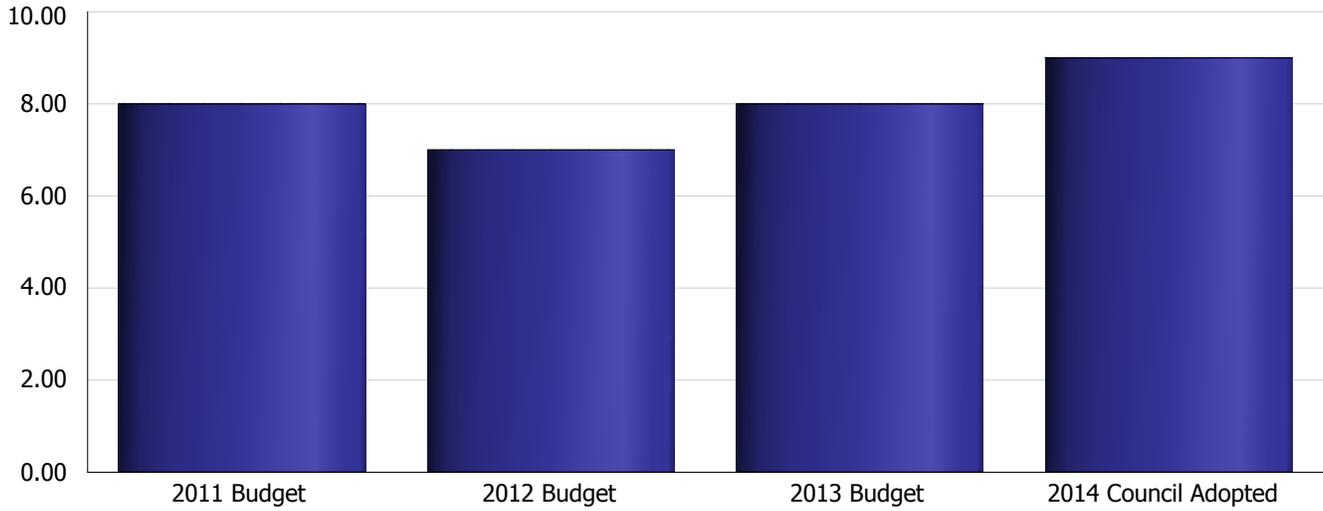


INTERGOVERNMENTAL RELATIONS

Staffing Information

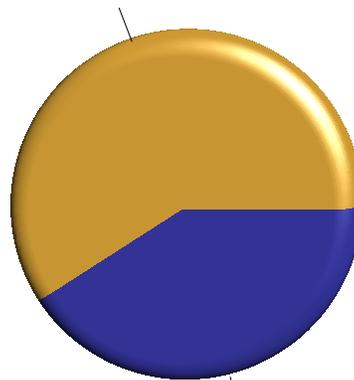
Division	2011 Budget	2012 Budget	2013 Budget	2014 Council Adopted	% Change	Change
G & SP	3.50	2.68	3.68	3.68	0.0%	0
INTERGOVERNMENTAL RELATNS	4.50	4.32	4.32	5.32	23.2%	1.00
Overall	8.00	7.00	8.00	9.00	12.5%	1.00

Positions 2011-2014



Positions by Divison

INTERGOVERNMENTAL RELATIONS
59%



GRANTS & SPECIAL PROJECTS 41%

NEIGHBORHOOD AND COMMUNITY RELATIONS

MISSION

To strengthen our city's quality of life through vigorous community participation, resident involvement in neighborhood and community organizations, and supporting clearly defined links between the City, City services, neighborhood and community organizations.

BUSINESS LINES

1. Coordinated Engagement Services

The department will serve as a resource to all City departments and staff to develop new and dynamic ways to incorporate community participation activities into their work. Through broader and inclusive engagement, City departments will be better informed about meeting community needs. The department will strive to align the priorities of the City, neighborhoods and community organizations.

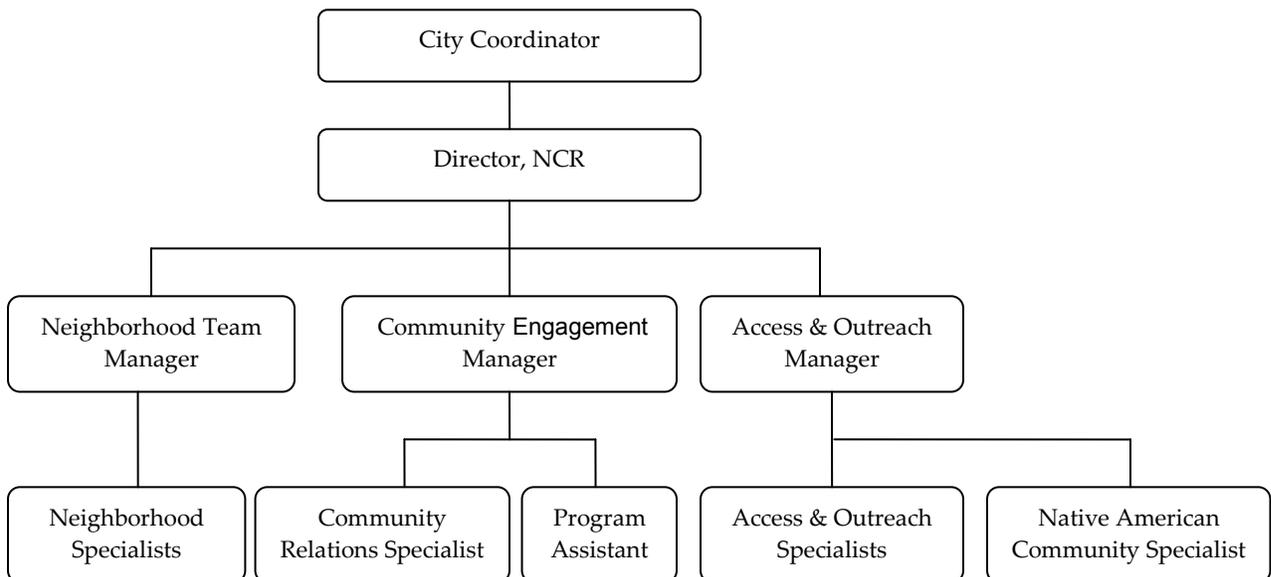
2. Neighborhood Engagement and Support

The department provides logistical and organizational support for neighborhood programs throughout the city.

3. Access and Outreach Support

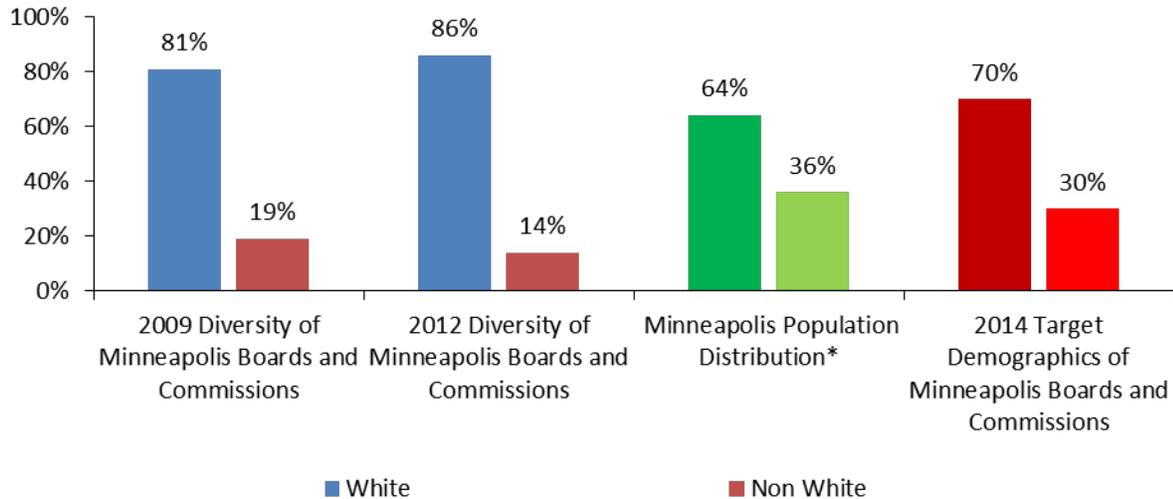
The Access and Outreach Team provides support for a broad range of cultural engagement activities in the City enterprise and also manages various state and federally mandated programs.

ORGANIZATION CHART



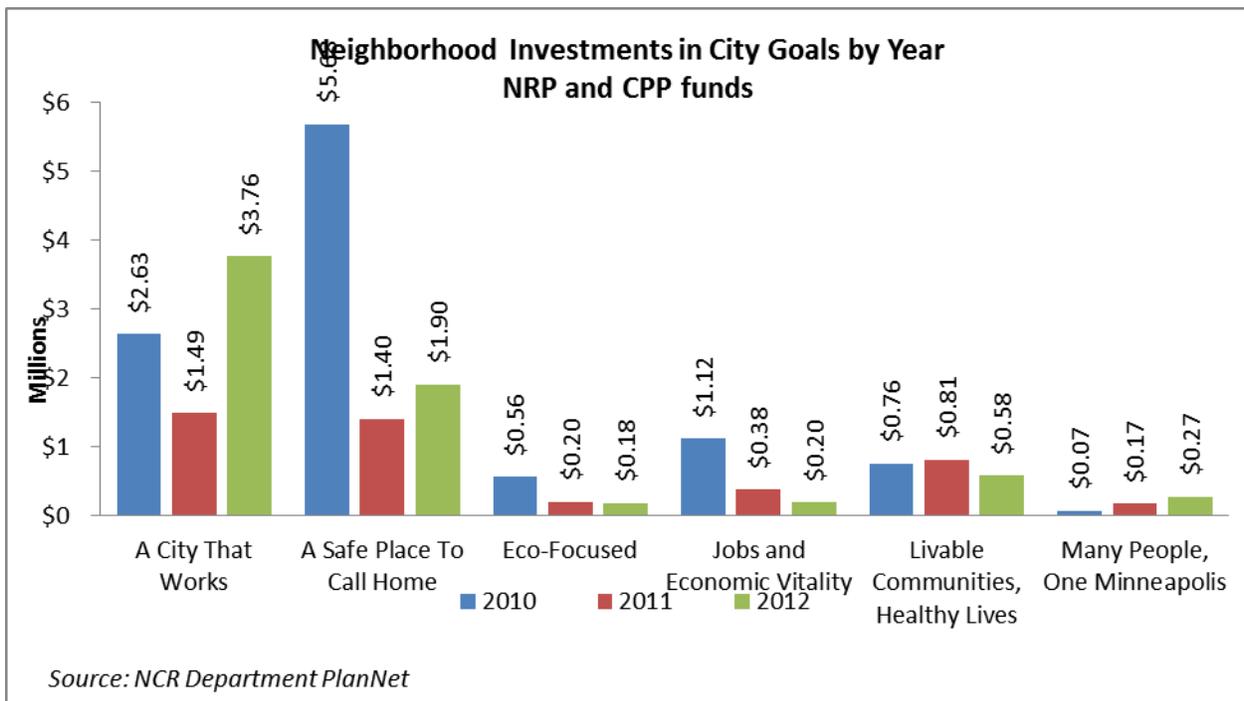
SELECTED RESULTS MINNEAPOLIS MEASURES

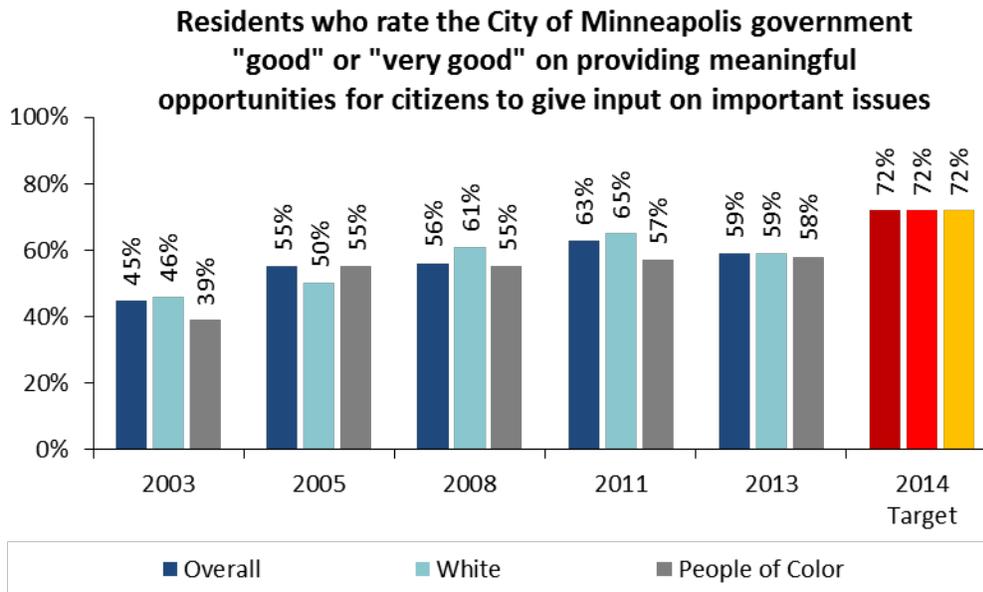
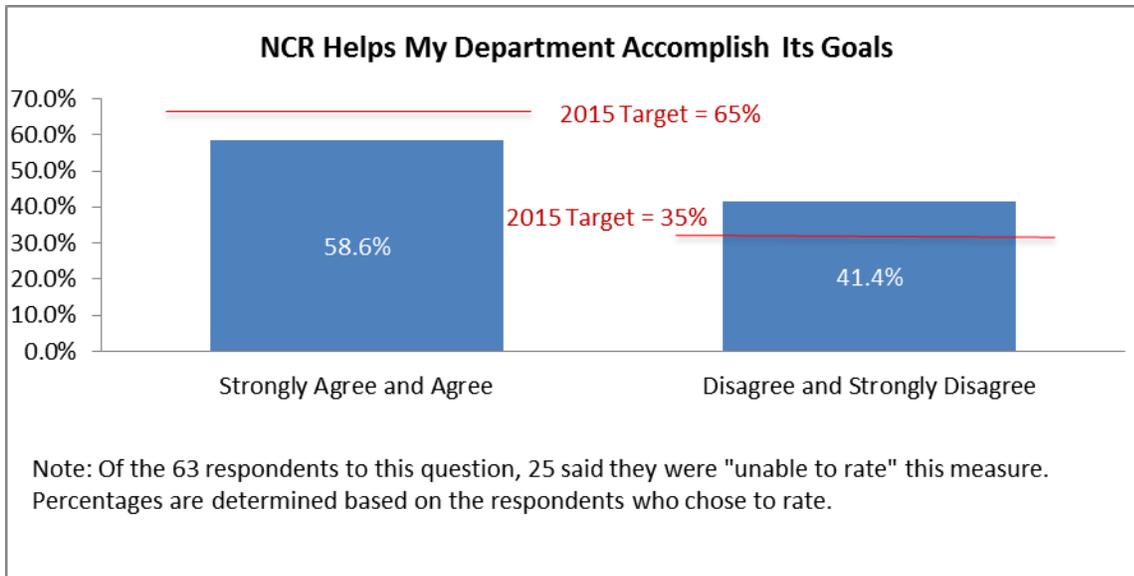
Diversity on Minneapolis Boards and Commissions (White and Non-White)



*Minneapolis Population as of 2010

Source: 2012 Boards and Commissions Survey





Source: Resident Surveys

Many People, One Minneapolis

Access and Outreach

General Fund: \$594,861
Other Funds: \$120,000

Access and outreach provides the logistical and office support for cultural engagement services and federally mandated programming. This includes the following services:

- Americans with Disabilities Act (ADA). This program is the focus for City compliance with

- ADA. This includes education on access issues for residents and City staff and monitoring for compliance with ADA title II.
- Limited English Proficiency Plan. Development and implementation of the plan to meet the needs of residents with limited English skills.
- Interpretation and Translation Services. Provide and facilitate translation services for City departments in various languages including American Sign Language.
- CDBG. Coordinate with other departments the implementation of CDBG activities.
- One Minneapolis Fund. This program provides support to the work on the memorandum of understanding between the American Indian Community and the City. In addition, beginning in 2013, the program also provides grants to organizations serving the city's cultural communities to foster leadership development and engagement activities.
- Hello Neighbor. This program provides a point of contact for newly arriving immigrants and refugees. Beginning in 2011, the program has introduced 1,070 newly arriving households to City programs and services and 3, 431 individuals.
- Website Support. Provides multicultural support to the City's website and other communication vehicles.

A City that Works

Coordinated Engagement Services

General Fund: \$444,139

Other Funds: \$538,450

This program builds a coordinated resident engagement strategy for the city will be connected to and coordinated with other engagement related activities in the city and multijurisdictional partners. Key elements of this program include:

- American Indian Memorandum of Understanding (AI MOU)
- Latino Engagement Task Force
- Neighborhood Engagement
- Senior Initiative
- Cultural Engagement
- One Read
- Boards and Commissions Work
- City Academy
- Commission Staff Support.

Livable Communities, Healthy Lives

Neighborhood Organizations Support and Service

Other Funds: \$4,593,030

The Department is committed to partnering with neighborhood organizations to build and 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. The Department supports neighborhood organizations through funding; support for strong oversight and governance of neighborhood organizations; and developing and improving neighborhood capacity through training and networking opportunities. The major programs administered by this initiative include Community Participation Program (CPP), Minneapolis Neighborhood Revitalization Program (NRP), building Our Communities Fund, and Community Innovation Fund.

FINANCIAL ANALYSIS

Expenditure

The total Neighborhood and Community Relations Department's budget increases from \$2.6 million to \$6.3 million from 2013 to 2014. This is an increase of \$3.7 million, or 143.3%. This increase is the result of shifting the source and disbursement of Community Participation Program funding. In 2011, the City acted to reduce property taxes in 2012 and 2013 by using reprogrammed Neighborhood Revitalization Program resources (\$10 million over two years) to fund neighborhood revitalization services. After two years of using fund balance already dedicated to this purpose, the City is shifting funding of these efforts on an ongoing basis to the department.

Revenue

This department is projected to generate \$5.1 million in revenue in 2014, up from \$0 in 2013. This revenue results from shifting the source and disbursement of Community Participation Program funding, as mentioned above.

Fund Allocation

In 2014, 17% of the department's budget is funded by the General Fund. The remainder of budget is funded from the Neighborhood and Community Services Special Revenue Fund.

Mayor's Recommended Budget

The Mayor recommended an additional \$100,000 in ongoing General Fund resources to deploy in support of the department's access and outreach programming.

Council Adopted Budget

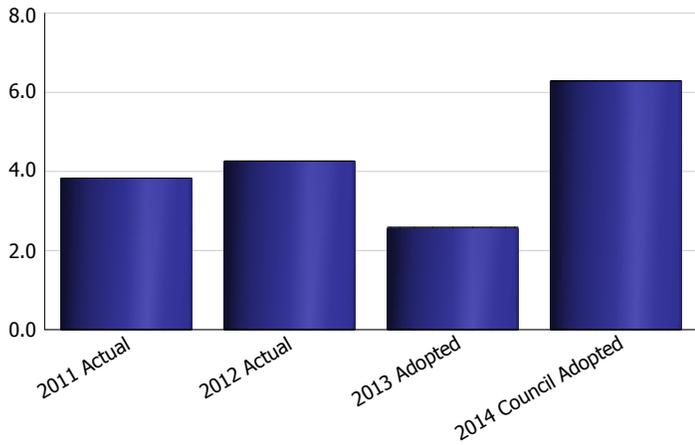
The Council approved the Mayor's recommendations and directed staff from Civil Rights, NCR, CPED, Finance, HR, and the Coordinator's office to develop measures consistent with the racial equity toolkit guides and work with all departments to include applicable measures in their regular Results Minneapolis reports. The Council further directed NCR staff to use up to \$25,000 of its Access and Outreach programming funds for Beyond the Yellow Ribbon outreach activities and authorize NCR to add 0.5 FTE.

**NEIGHBORHOOD & COMMUNITY RELATIONS
EXPENSE AND REVENUE INFORMATION**

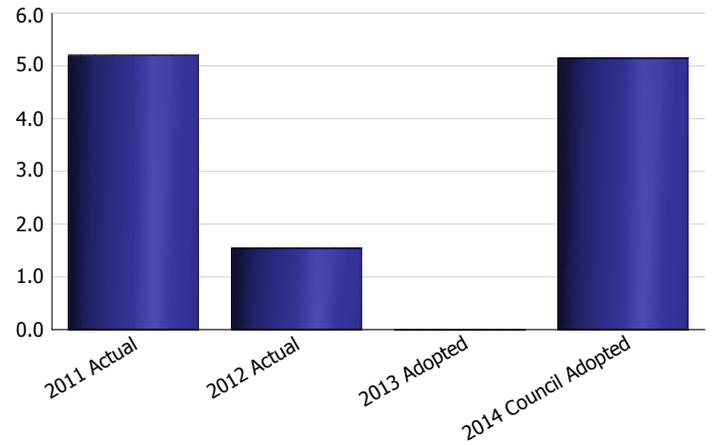
EXPENSE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	304,004	380,844	357,807	495,906	38.6%	138,099
FRINGE BENEFITS	133,242	166,887	137,051	205,328	49.8%	68,277
CONTRACTUAL SERVICES	375,429	452,932	402,930	289,576	-28.1%	(113,354)
OPERATING COSTS	63,315	31,728	35,823	48,190	34.5%	12,367
CAPITAL	0	(3,309)				0
TOTAL GENERAL	875,991	1,029,081	933,611	1,039,000	11.3%	105,389
SPECIAL REVENUE						
SALARIES AND WAGES	439,088	651,201	682,725	556,585	-18.5%	(126,141)
FRINGE BENEFITS	132,898	213,479	263,948	232,716	-11.8%	(31,232)
CONTRACTUAL SERVICES	2,242,345	2,095,057	643,247	4,387,389	582.1%	3,744,142
OPERATING COSTS	141,090	93,724	61,687	74,790	21.2%	13,103
CAPITAL	0	179,651				0
TOTAL SPECIAL REVENUE	2,955,420	3,233,113	1,651,607	5,251,480	218.0%	3,599,873
TOTAL EXPENSE	3,831,411	4,262,194	2,585,218	6,290,480	143.3%	3,705,262
REVENUE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
SPECIAL REVENUE						
CHARGES FOR SERVICES	0	39,713	0		0.0%	0
CONTRIBUTIONS	68,713	5,000	0		0.0%	0
TRANSFERS IN	5,132,510	1,500,000	0	5,149,480	0.0%	5,149,480
SPECIAL REVENUE	5,201,223	1,544,713		5,149,480		5,149,480
TOTAL REVENUE	5,201,223	1,544,713		5,149,480		5,149,480

NEIGHBORHOOD & COMMUNITY RELATIONS EXPENSE AND REVENUE INFORMATION

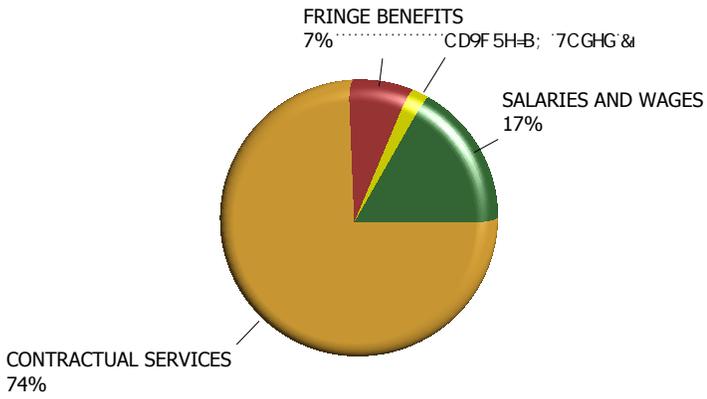
Expense 2011 - 2014
In Millions



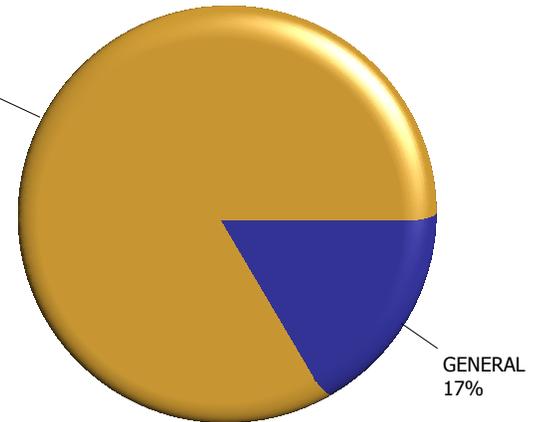
Revenue 2011 - 2014
In Millions



Expense by Category



Expense by Fund

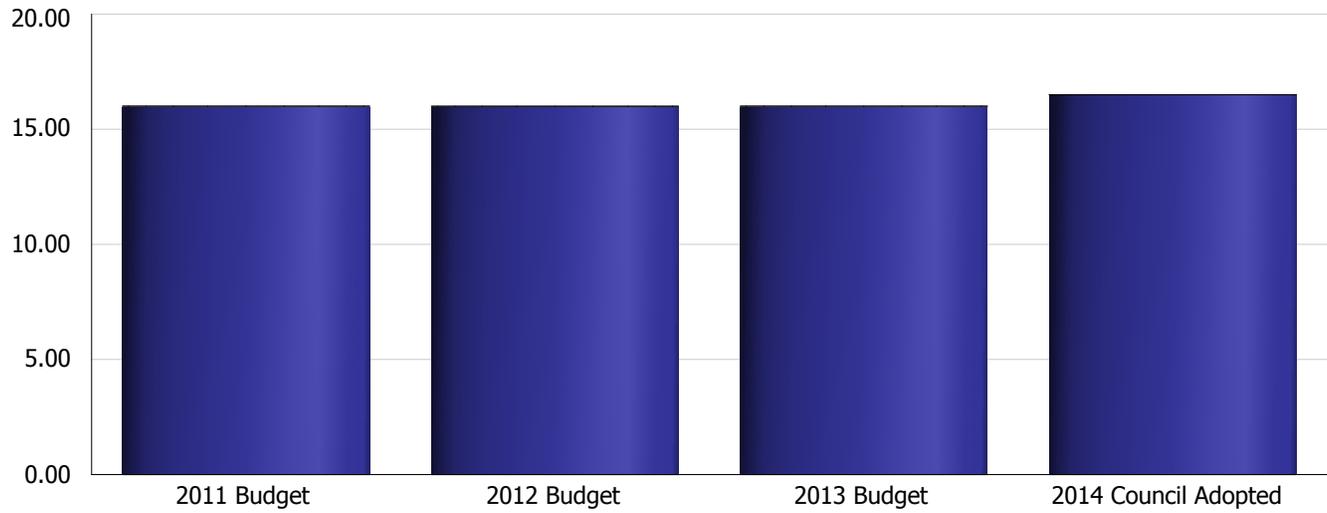


NEIGHBORHOOD & COMMUNITY RELATIONS

Staffing Information

Division	2011 Budget	2012 Budget	2013 Budget	2014 Council Adopted	% Change	Change
Administration	16.00	16.00	16.00	16.50	3.1%	0.50
Overall	16.00	16.00	16.00	16.50	3.1%	0.50

Positions 2011-2014



CIVIL RIGHTS

MISSION

The Minneapolis Department of Civil Rights enforces the Minneapolis Code provisions for non-discrimination, police conduct oversight, small and underutilized business program compliance, and prevailing wage compliance. The Department is organized into four divisions: Complaint Investigations, Contract Compliance, Employment Equity and the Office of Police Conduct Review. Although the skills required and the day-to-day work varies significantly across the divisions, all have a common objective - to ensure that wage earners, job seekers, businesses, residents and visitors are afforded dignity, respect and equitable treatment in their interactions with the City.

BUSINESS LINES

The Civil Rights Department has four business lines: Complaint Investigations, Contract Compliance, Police Conduct Review and Employment Equity.

The Complaint Investigations Division (CID) receives, investigates and resolves complaints that allege illegal discrimination according to the Civil Rights Ordinances. Investigations and outreach work is performed by one division director, three investigator/outreach persons and one administrative support person. The investigators meet a performance standard of 60 cases per year, the administrative staff person performs intake on all of the allegations by individuals seeking to file a complaint with the department and provides administrative support to the work unit and the Minneapolis Civil Rights Commission. The division director provides policy expertise and oversight of the work unit.

The Contract Compliance Division (CCD) monitors construction employment and training goals, prevailing wage payments, and affirmative action plans for City contractors. Additionally, the CCD investigates complaints alleging a violation of the ordinances it oversees. The CCD also aids prime contractors in successfully executing their "good faith" efforts relating to employment goals. Good faith efforts assistance includes: (a) linking prime contractors to labor sources of minority and women; and, (b) supporting the development and growth of minority and women owned businesses so they may participate as sub-contractors. The Small and Underutilized Business Program (SUBP) which focuses on inclusion on large procurements (over \$50,000) and external contracting, and the Supplier Diversity Program which focuses on the city's direct purchasing below \$50,000 are programs within the CCD.

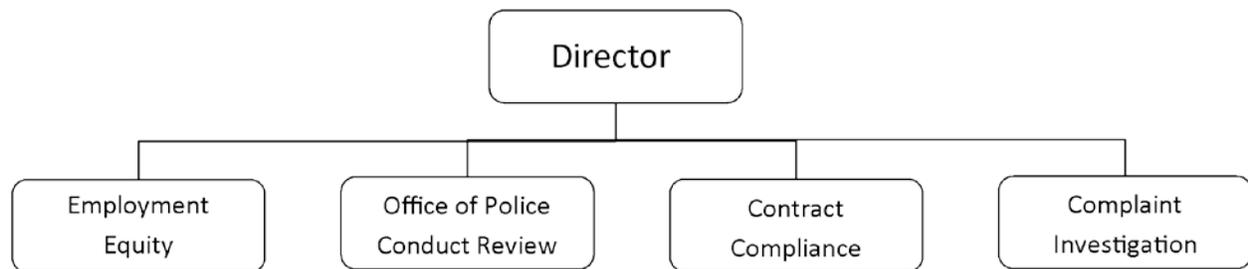
The Office of Police Conduct Review (OPCR) handles claims of police misconduct made to the City of Minneapolis. Civilian and police managers at the office decide what course each case takes. Minor offenses may go straight to the officer's supervisor for action. Cases may also go to mediation, where the complainants and officers meet with mediators to resolve the situations. Allegations of more severe misconduct prompt a full investigation, and the heads of the office decide whether a civilian or a police investigator should handle a particular case. OPCR staff in the Civil Rights Department include a division director, two investigators and two professional support staff.

Completed investigations go to the Police Conduct Review Panel, which is made up of two civilians and two sworn officers. The four members make final recommendations on the merits

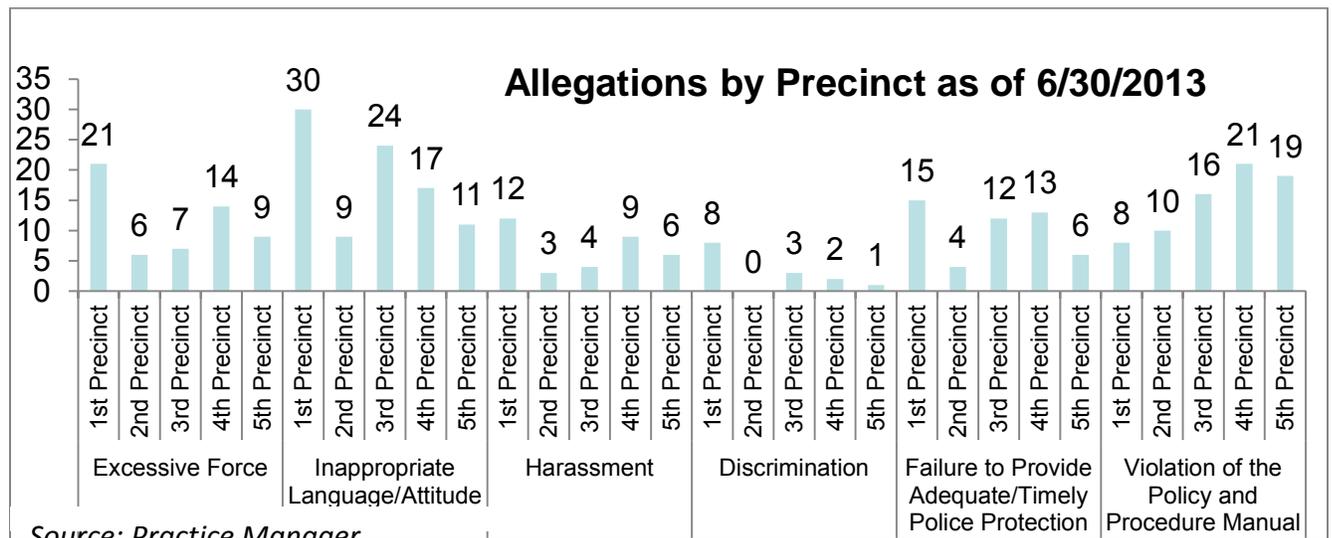
of the allegations to the Minneapolis Police Chief for action. Additional participation in police misconduct investigations outcomes is guaranteed through the Police Conduct Oversight Commission whose members are resident of Minneapolis appointed by the mayor and city council.

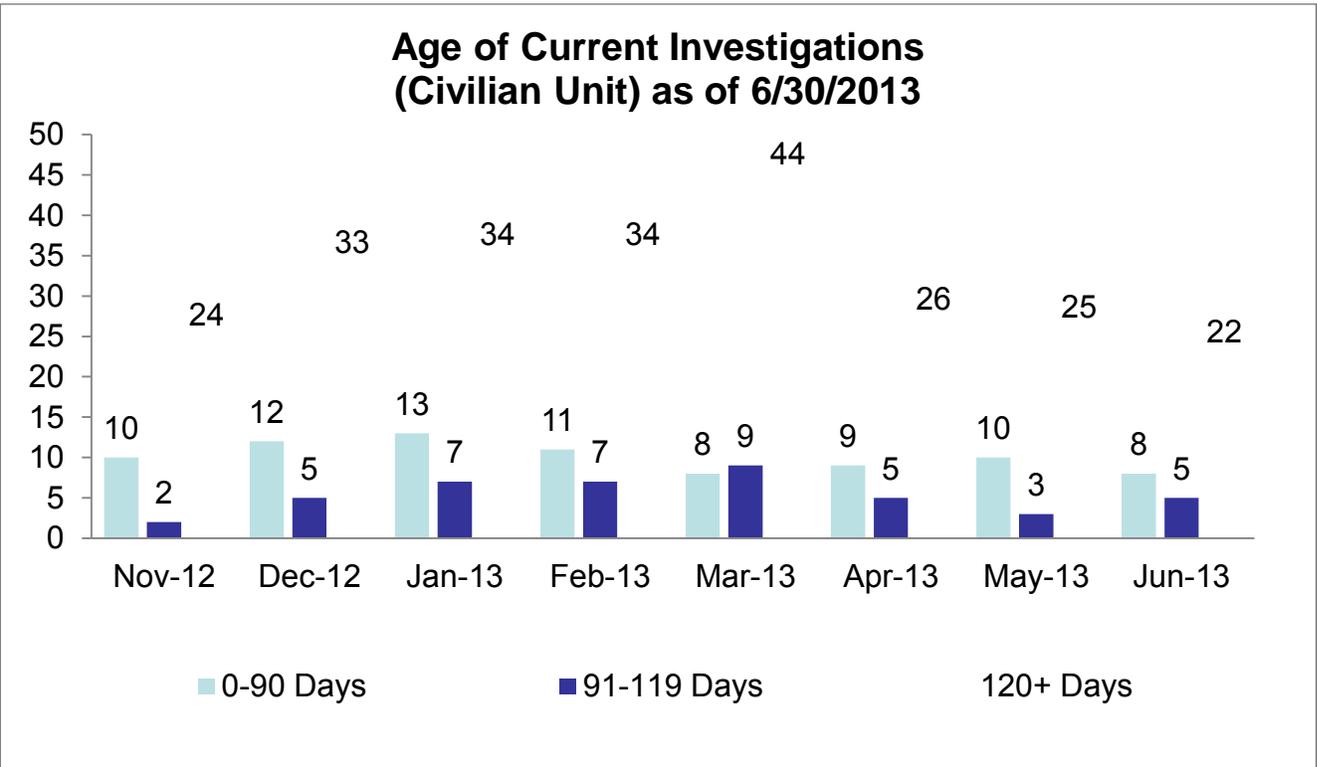
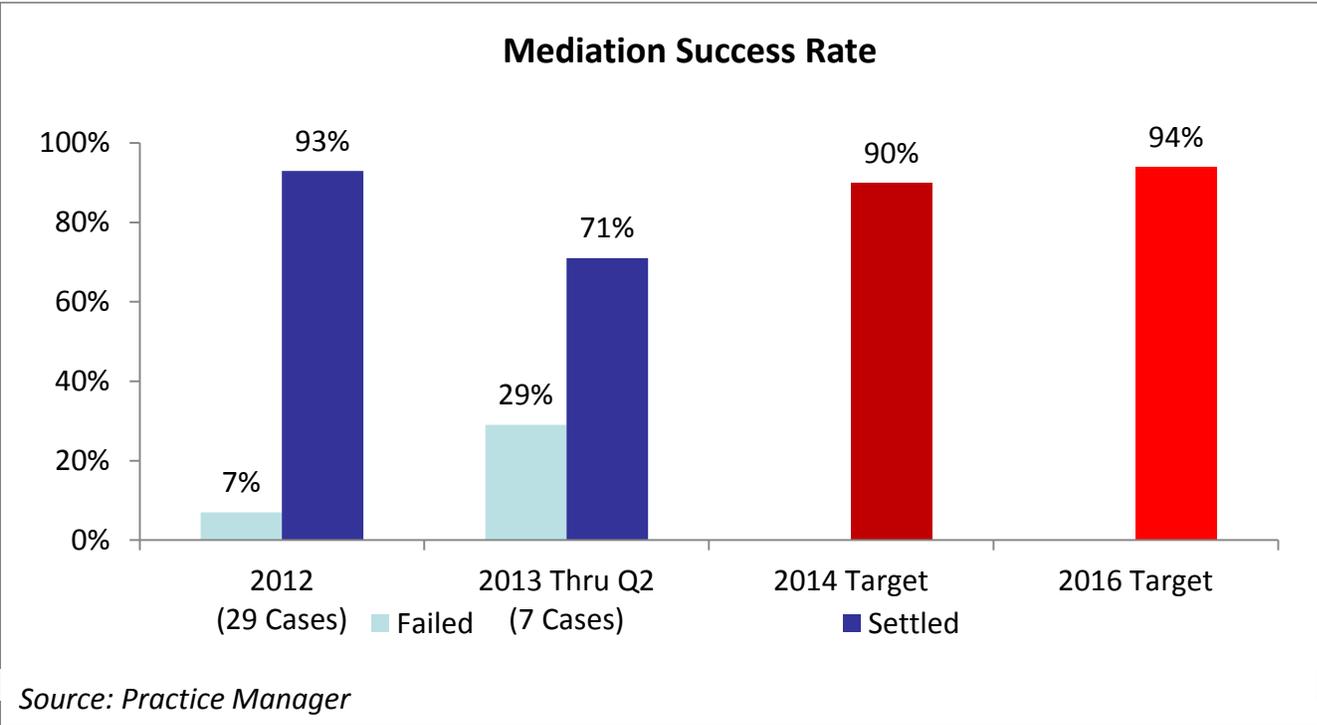
The Employment Equity Division (EED) supports and encourages efforts in the city to hire, retain, and promote people of color, as well as, collaborate more intentionally with private, public, and nonprofit partners to close racial disparities in the metropolitan area. EED works to leverage public and private partnerships and resources towards increasing racial equity. The EED Operates within a regional collaboration called *Everybody In*, which consists of public and private sector members working together to eliminate employment disparities. Additionally, the division provides oversight for a youth internship and leadership development program, called *Urban Scholars* that creates a pipeline of qualified and experienced entry-level employees for the public sector. The divisions is also developing a *Racial Equity Assessment Toolkit* to be used for policy-making decisions that affect the public, for preventing institutional racism and for identifying new options to remedy long-standing inequities. The *Toolkit* will be used to assess the equity impacts in hiring, procurement, and community engagement. The work in the division is performed by a director and one administrative support employee.

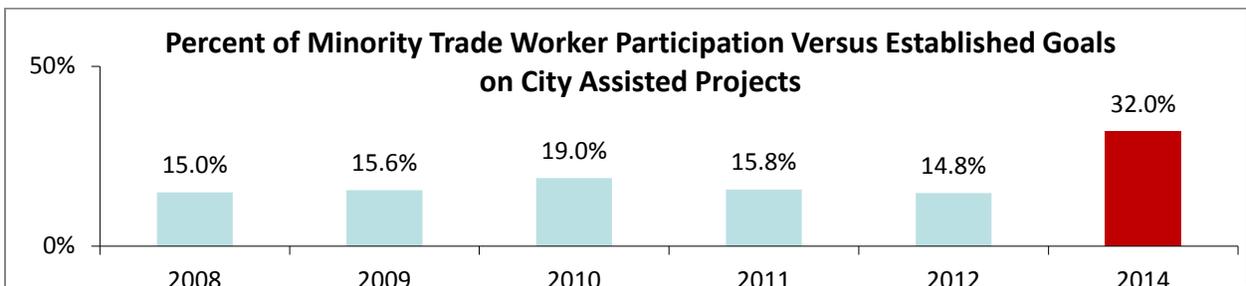
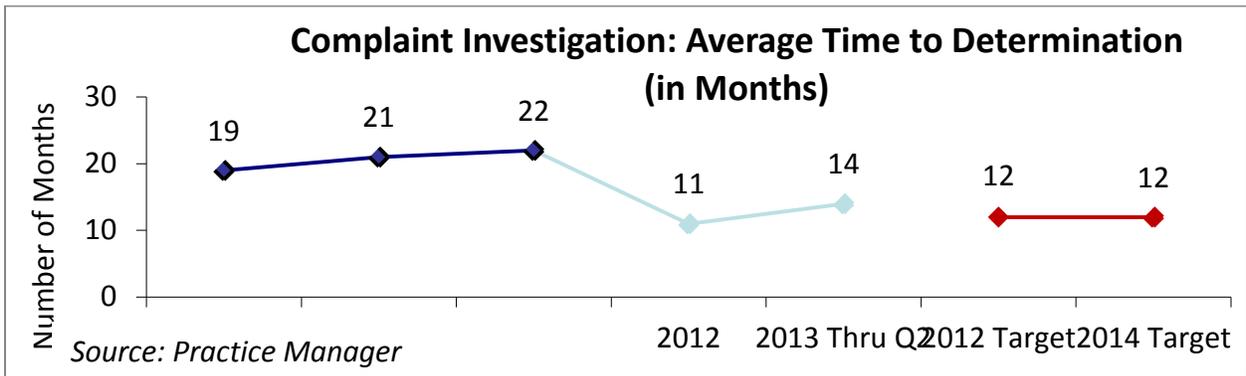
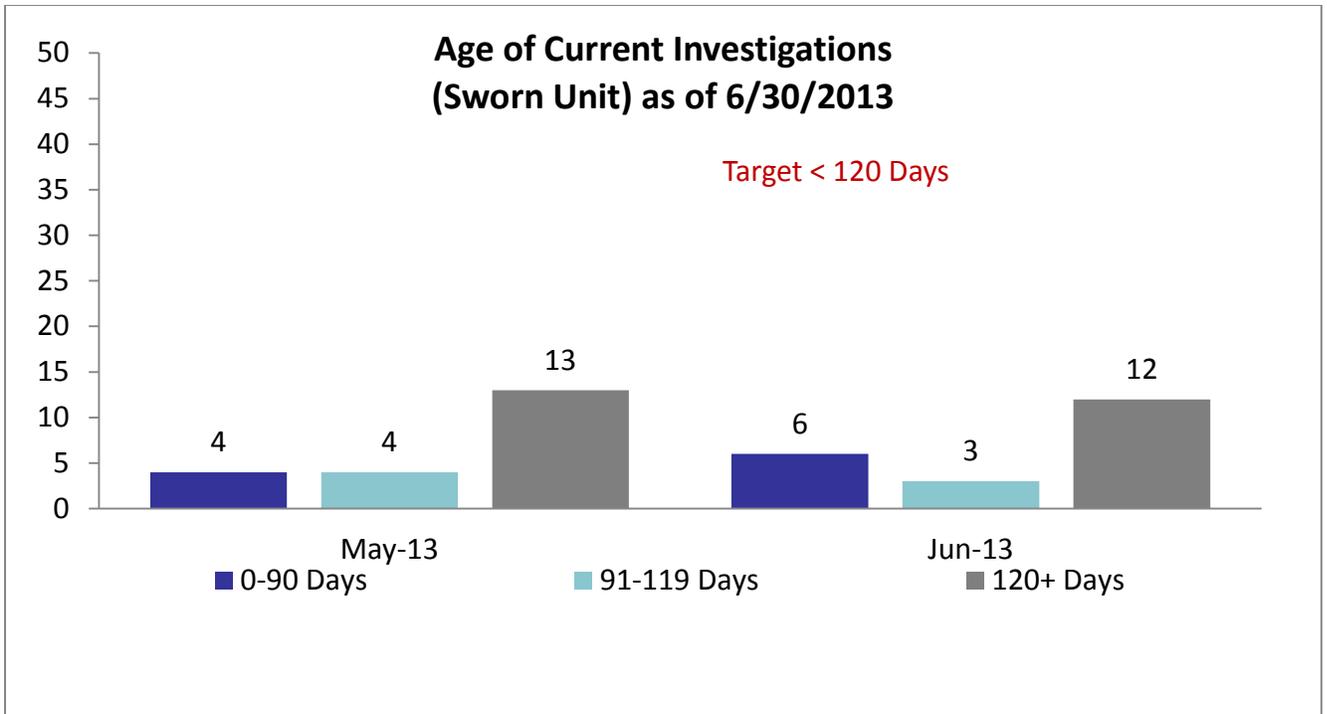
ORGANIZATION CHART

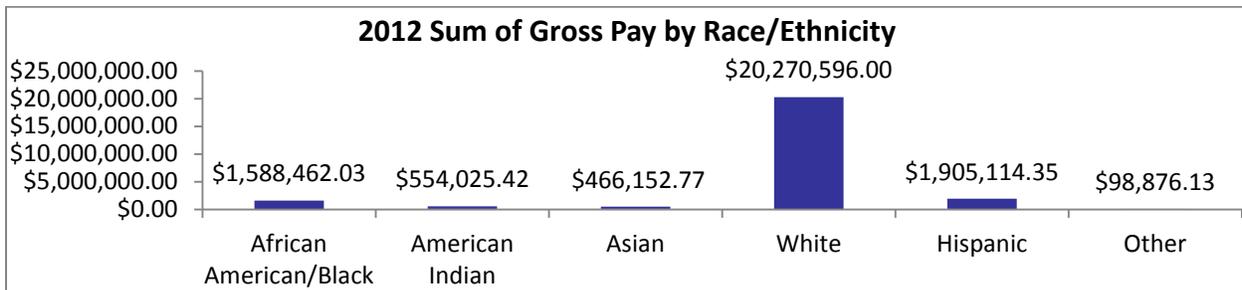
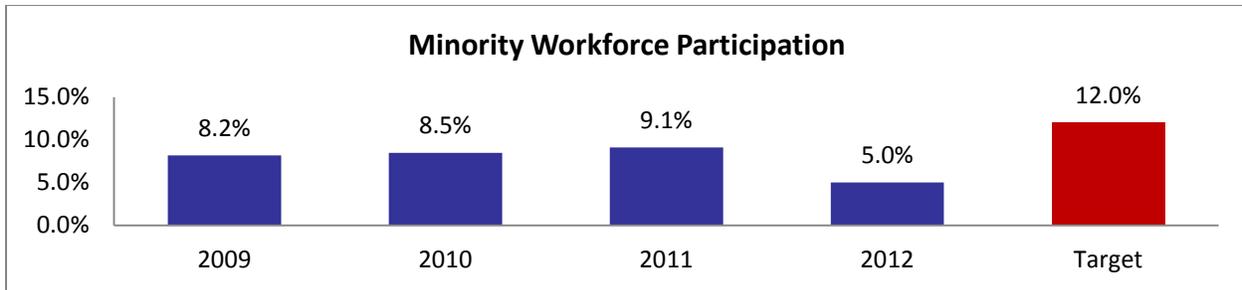


SELECTED RESULTS MINNEAPOLIS MEASURES









Many People, One Minneapolis

Minneapolis Civil Rights Complaint Investigation Division General Fund: \$750,044
 This program neutrally enforces 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.

Department of Civil Rights - Employment Equity Division General Fund: \$514,246
 This program support and encourage efforts by all employers to hire, retain, and promote more people of color and continue to collaborate more intentionally with private, public, and nonprofit partners to close racial disparities in the metropolitan area.

Jobs & Economic Vitality

Department of Civil Rights - Contract Compliance Division General Fund: \$821,456
 Other Funds: \$307,600
 The Contract Compliance Division increases employment and economic vitality by increasing job opportunities for individuals and economic growth for businesses while reducing racial, gender and economic disparities prevalent in employment and construction contracting with the City of Minneapolis. Department is actively engaged in ensuring compliance with affirmative action and prevailing wage requirements as mandated by city ordinance and policy This division monitors and ensures compliance in four primary program areas that affect the general fund: Affirmative Action Plans (AAPs), the Small and Underutilized Business Program (SUBP), minority and female employment participation goals, and prevailing wage monitoring.

A Safe Place to Call Home

Office of Police Conduct Review

General Fund: \$793,760

The Office of Police Conduct Review was created to fairly, objectively, and neutrally consider complaints of police misconduct; to make recommendations based on supportive information to promote the adherence to the highest standard of police conduct; and to foster mutual respect between the Minneapolis Police Department and all populations of the city of Minneapolis. The program provides transparency, citizen engagement, and redress related to complaints against Minneapolis Police Department officers.

FINANCIAL ANALYSIS

Expenditure

The total Civil Rights Department's adopted budget of \$3.2 million is a 12.8% increase over 2013. This increase is attributable to an additional \$150,000 for Urban Scholar's program and one more FTE position in the General Fund. There are 22 positions in the department.

Revenue

Consistent with the previous years, the department's projected revenue for 2014 is \$65,000.

Fund Allocation

A significant majority of the department is funded by the General Fund at 90%. The remaining 10% is funded by special revenues.

Mayor's Recommended Budget

The Mayor recommended an additional \$150,000 in ongoing funding to double the number of participants in the Urban Scholars program as well as an additional \$25,000 in ongoing funding to provide transcription services during hearings.

Council Adopted Budget

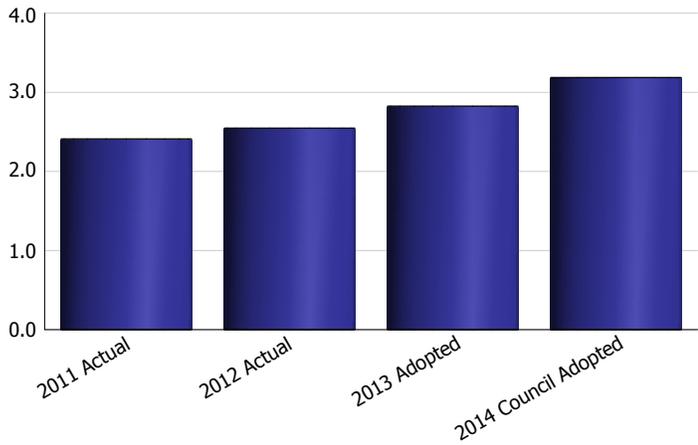
City Council approved the Mayor's recommendations and added the following staff direction; the Civil Rights Department, in collaboration with Neighborhood and Community Relations, Community Planning and Economic Development, Finance and Property Services, Human Resources, and the Coordinator's office, is directed to develop measures consistent with the racial equity toolkit guides, and work with all departments to include applicable measures in their regular *Results Minneapolis* reports.

**CIVIL RIGHTS
EXPENSE AND REVENUE INFORMATION**

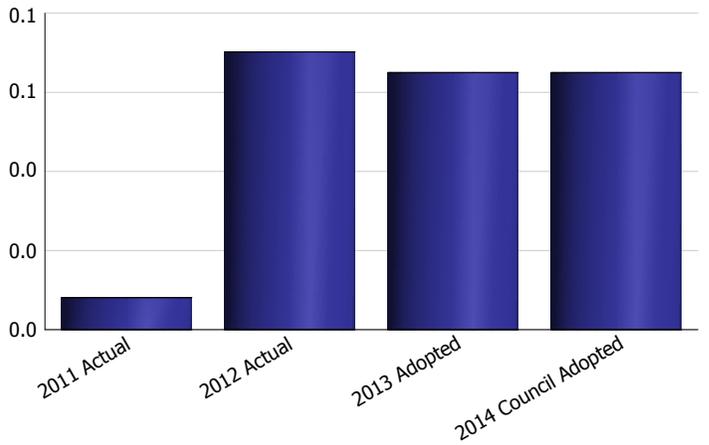
EXPENSE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	906,108	965,572	1,140,461	1,208,547	6.0%	68,086
FRINGE BENEFITS	362,843	327,054	457,165	546,098	19.5%	88,933
CONTRACTUAL SERVICES	466,634	487,755	485,232	685,859	41.3%	200,627
OPERATING COSTS	319,911	371,340	379,647	416,082	9.6%	36,435
CAPITAL	0			22,920		22,920
TOTAL GENERAL	2,055,497	2,151,720	2,462,505	2,879,506	16.9%	417,001
SPECIAL REVENUE						
SALARIES AND WAGES	244,551	268,228	261,533	203,206	-22.3%	(58,327)
FRINGE BENEFITS	103,840	98,693	100,367	104,394	4.0%	4,027
CONTRACTUAL SERVICES	5,556	8,181				0
OPERATING COSTS	364	20,112				0
TOTAL SPECIAL REVENUE	354,312	395,214	361,900	307,600	-15.0%	(54,300)
TOTAL EXPENSE	2,409,809	2,546,934	2,824,405	3,187,106	12.8%	362,702
REVENUE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SALES	85	443	0		0.0%	0
OTHER MISC REVENUES	587	40	0		0.0%	0
GENERAL	672	483				0
SPECIAL REVENUE						
CHARGES FOR SERVICES	5,920	5,015	0		0.0%	0
CONTRIBUTIONS	0	4,496	0		0.0%	0
FEDERAL GOVERNMENT	1,498	60,235	65,000	65,000	0.0%	0
SPECIAL REVENUE	7,418	69,745	65,000	65,000	0	0
TOTAL REVENUE	8,090	70,228	65,000	65,000	0	

CIVIL RIGHTS EXPENSE AND REVENUE INFORMATION

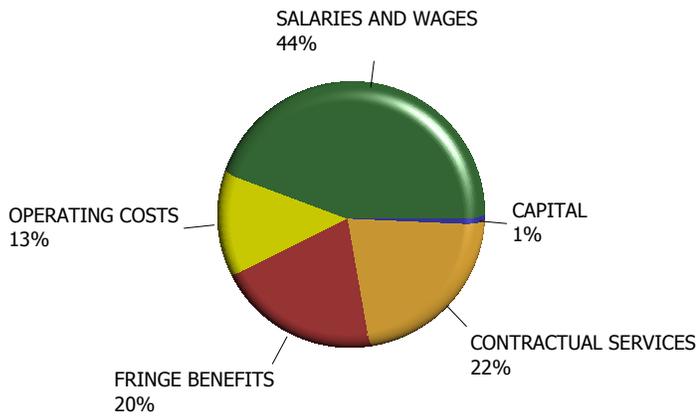
Expense 2011 - 2014
In Millions



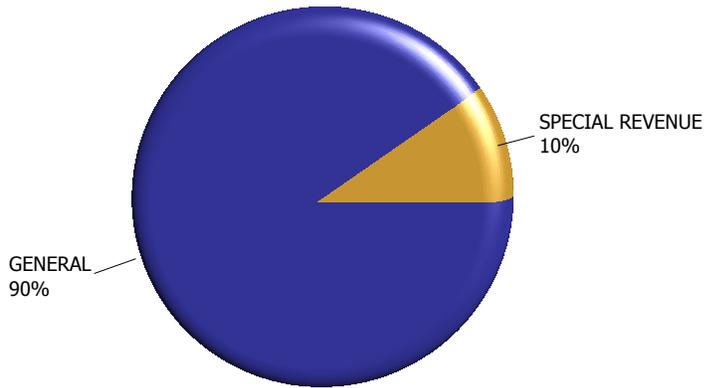
Revenue 2011 - 2014
In Millions



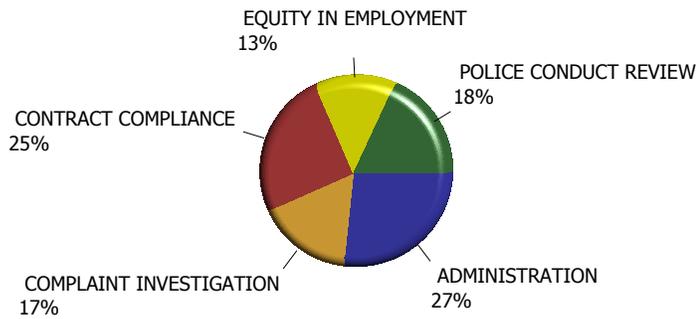
Expense by Category



Expense by Fund



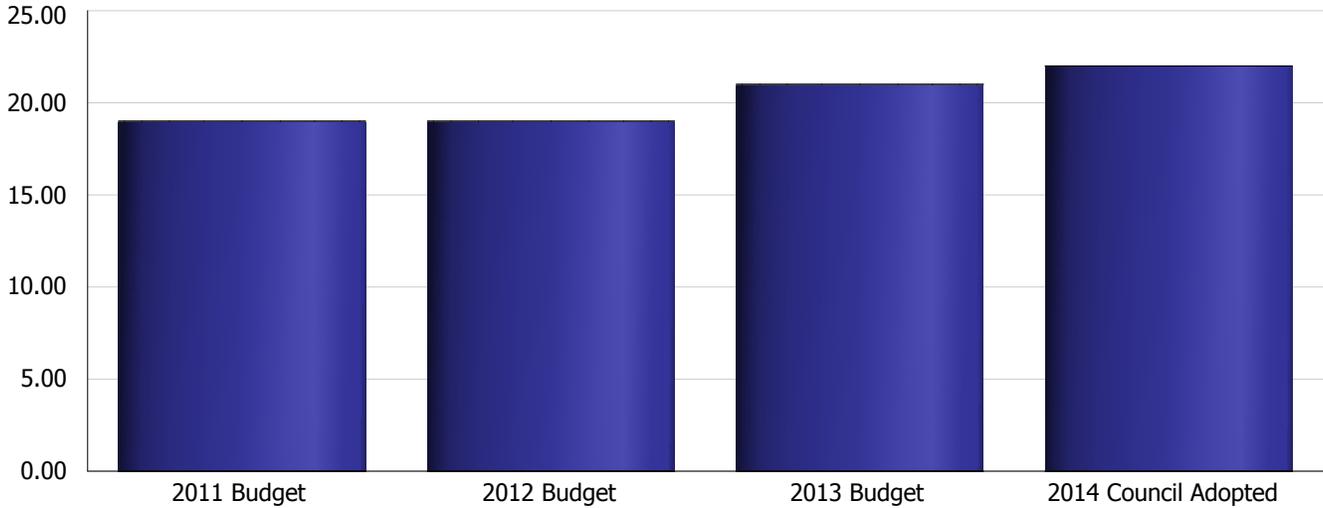
Expense by Division



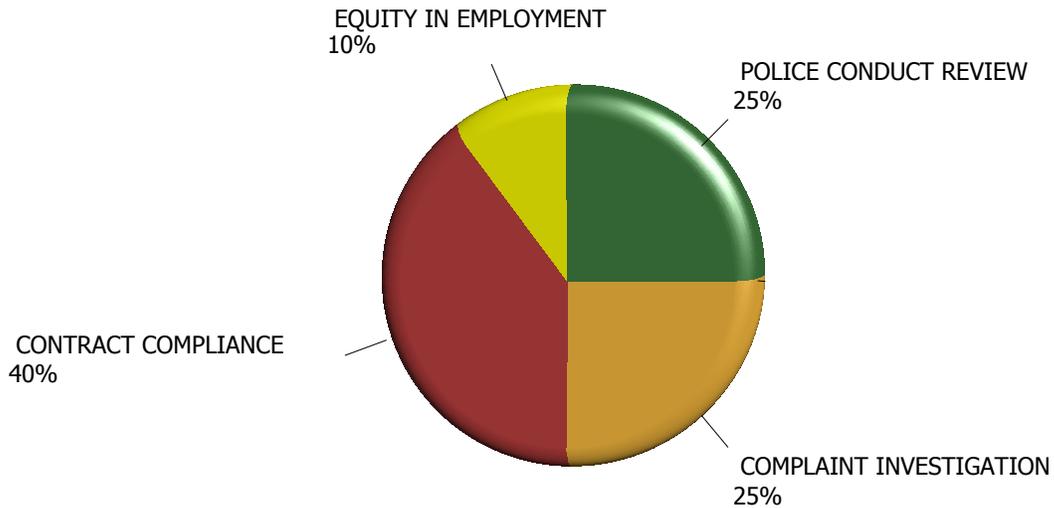
CIVIL RIGHTS Staffing Information

Division	2011 Budget	2012 Budget	2013 Budget	2014 Council Adopted	% Change	Change
ADMINISTRATION	3.00					0
COMPLAINT INVESTIGATION	4.00	5.60	5.60	5.52	(1.4%)	(0.08)
CONTRACT COMPLIANCE	7.00	7.80	7.80	8.74	12.1%	0.94
EQUITY IN EMPLOYMENT			2.00	2.22	11.0%	0.22
POLICE CONDUCT REVIEW	5.00	5.60	5.60	5.52	(1.4%)	(0.08)
Overall	19.00	19.00	21.00	22.00	4.8%	1.00

Positions 2011-2014



Positions by Divison



COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT

MISSION

The Department of Community Planning and Economic Development works to grow a sustainable city with more people and more jobs

As we conduct our work, we strive to be:

- Effective public servants;
- Proactive, creative problem solvers;
- Responsible stewards of public resources;
- Strategic partners with enterprise, public and private entities; and
- Respectful public administrators who are responsive to the diverse cultures and changing needs of our community.

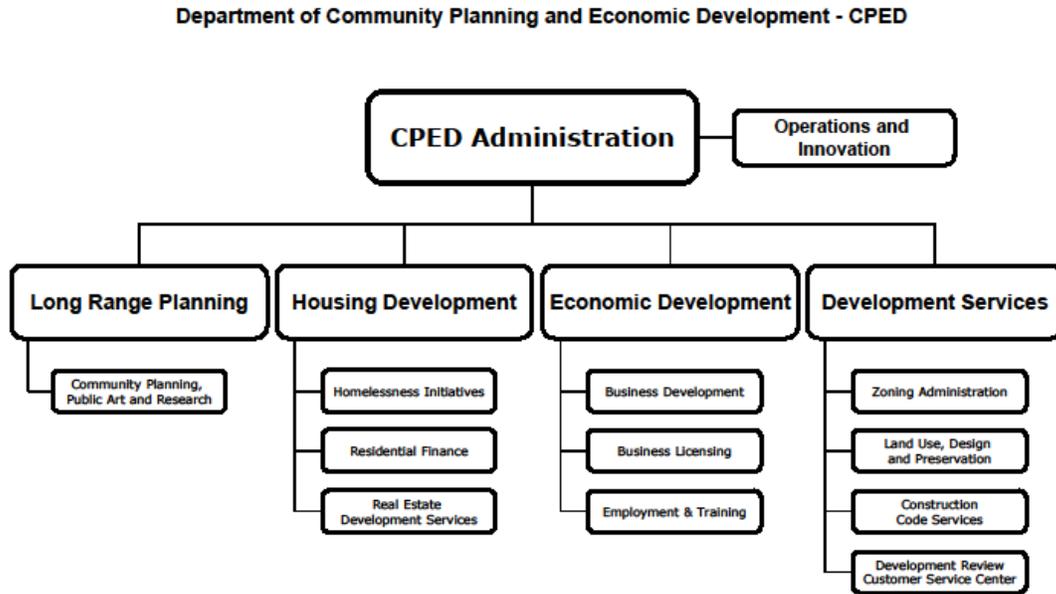
BUSINESS LINES

The Department of Community Planning and Economic Development (CPED) has five business lines:

- CPED and the **Long Range Planning division** author and maintain the City's comprehensive plan, small area plans, and strategic planning initiatives; conducts research; oversees the Public Art Program; guides public realm principles; guides development; and partners in implementation.
- CPED and the **Economic Development & Policy division** support business retention and expansion, creation and attraction in all neighborhoods, including downtown, by providing financing, programmatic and real estate development and expansion tools, and business licensing and compliance guidance.
- CPED and the **Workforce Development division** manage a network that prepares Minneapolis residents, both adult and youth, for living-wage jobs and builds partnerships to improve career opportunities in the city
- CPED and the **Housing Development & Policy division**:
 - Manage real estate investments held for development.
 - Provide due diligence inspections, engineering and closing services for real estate transactions.
 - Finance housing opportunities from single family homes to multifamily rental housing
 - Redevelops outdated, substandard and historic buildings into vibrant community assets.
 - Finance housing for special needs populations including but not limited to the homeless, senior citizens, disabled, and veterans.
 - Attract private, governmental, and non-profit housing investment to the city.
 - Establish housing policy (homeless, senior housing, affordable housing).
 - Intervene with targeted programs in areas of housing market failure in order to restore a healthy housing market, stimulate private investment.
 - Stabilize and increase the tax base and provide employment.

- Manage the city's participation in the Heading Home Hennepin to end homelessness effort.
- CPED and the **Development Services division** manage zoning administration, land use, design and preservation, customer service center for permit issuance, and construction code compliance.

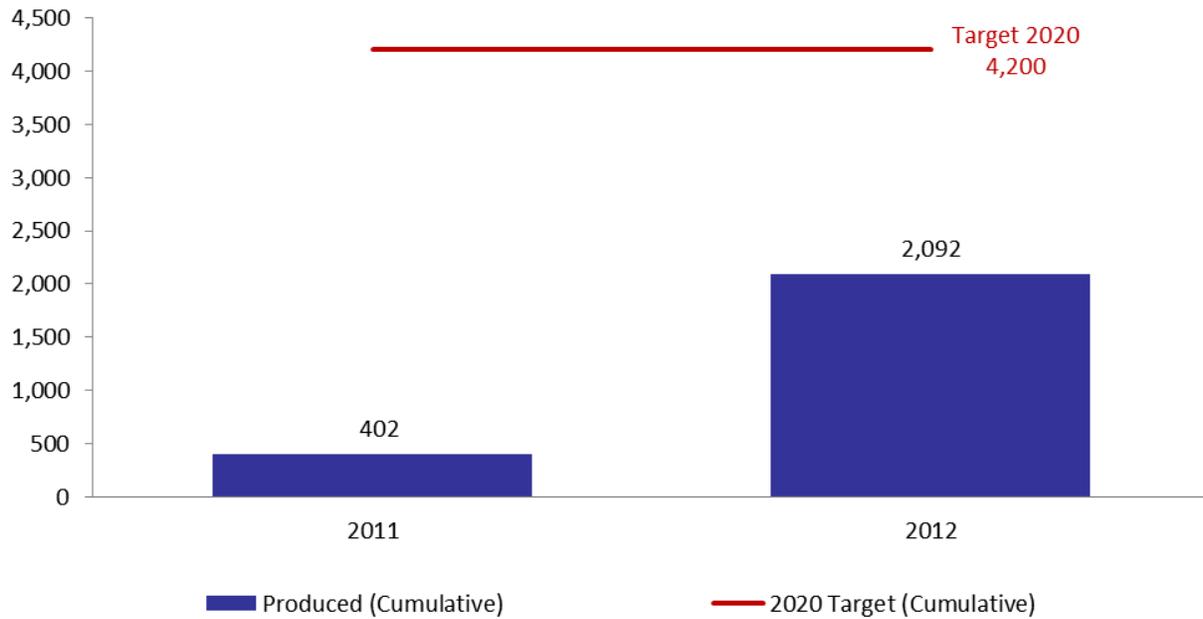
ORGANIZATION CHART



Updated 7/31/13

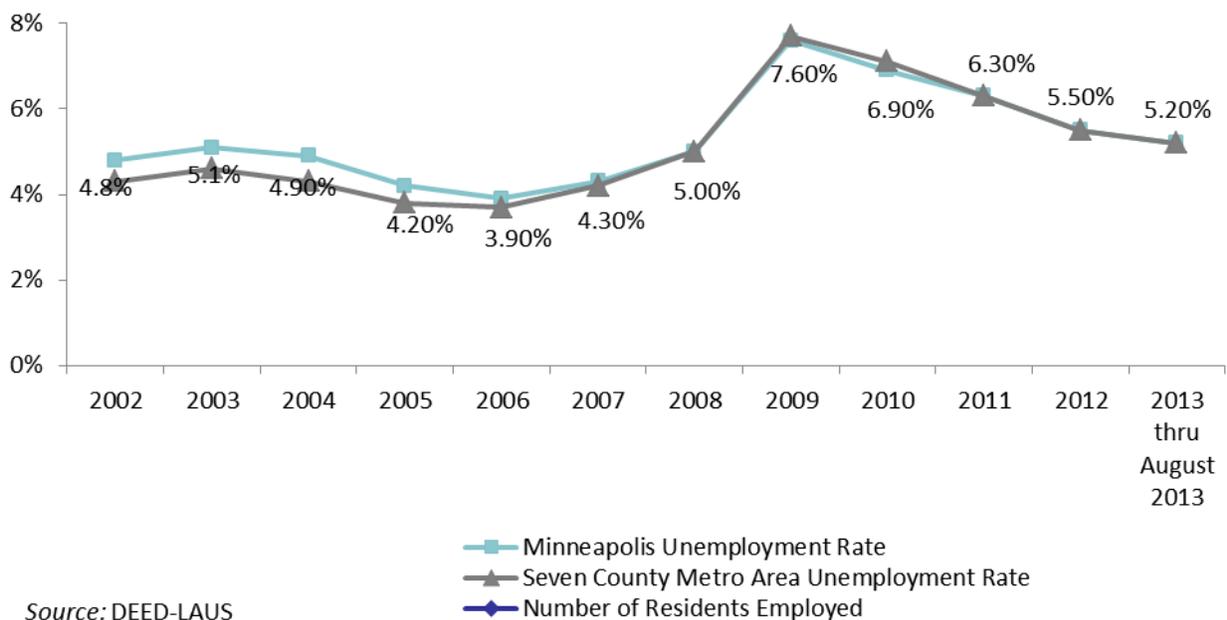
SELECTED RESULTS MINNEAPOLIS MEASURES

Cumulative Affordable Housing Units Produced through City Programs

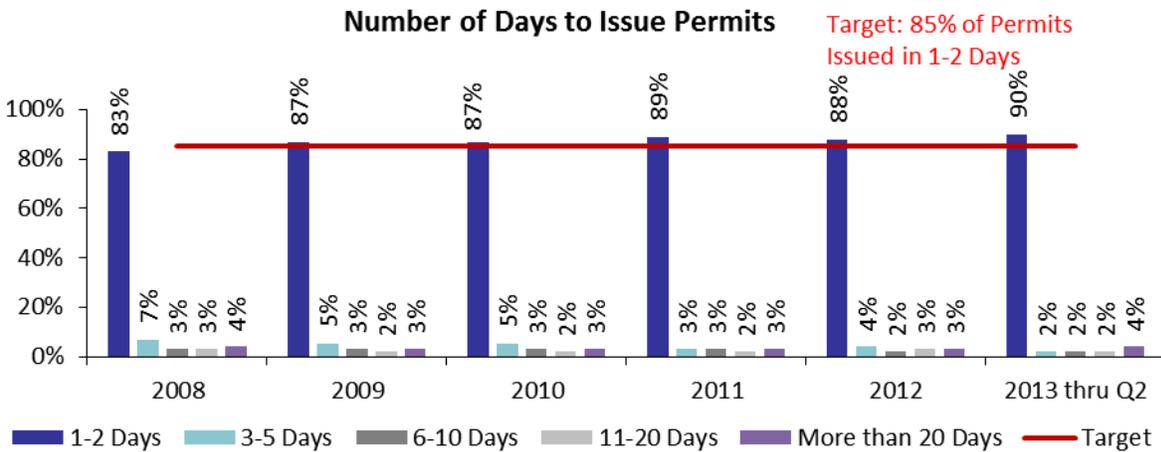


Target: Produce 4,200 units of affordable housing through City programs by 2020 (using 2011 as a baseline).

Minneapolis and Metro Unemployment Rate



Source: DEED-LAUS



Note: This chart includes new building, remodeling, building over the counter, soil erosion, wrecking, plumbing, mechanical, elevator stree use, animal control, encroachment and critical parking.

Source: COGNOS

Jobs & Economic Vitality

CPED Long Range Planning Division

General Funds: \$1,728,189
Other Fund: \$1,421,929

Long Range Planning Division has four key components:

- (1) **Comprehensive Planning:** this program 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:** includes Civic Technology initiative, Creative Financing and Applied Research
- (3) **Art in Public Places:** the six areas of regular work activity include 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
- (4) **Qualitative Urbanism:** this new initiative focuses on creating a separated design review track for CPED owned properties, creating public realm strategic plan and guidelines, establishing consistent graphic standards for Requests for Proposals and Requests for Qualifications and establishing coordinated governmental framework for all public realm improvements.

Adult Workforce Development

General Fund: \$636,581
Other Funds: \$4,586,640

The Adult Program is designed to assist low-income Minneapolis adults find and retain employment. This program consists of two distinct programs; the Adult Program (including RENEW), serving low-income Minneapolis job seekers; and the Dislocated Worker Program, serving recently laid off adults looking to return to the workforce. The services to job seekers are provided by 13 community-based agencies compete for performance-based contracts through a request for proposal process

The Adult Program including RENEW uses a network of community-based non-profits and the State of Minnesota Workforce Centers, City of Minneapolis Employment and Training and helped over 700 low-income residents find employment in 2012. Many of the clients served through the program have multiple barriers to employment, including ex-offender status, lack of consistent work history, unstable housing, low educational attainment, and/or chemical dependency issues. By customizing training for job seekers, RENEW can more easily and successfully matches applicants to employer need.

The Dislocated Worker Program fills an important need for Minnesota jobseekers and aids employers by providing a pool of experienced workers to meet future labor needs. The goal of the program is to help the dislocated worker return to the workforce quickly into a suitable job at comparable wage. This program is funded by both federal Workforce Investment Act (WIA) and Minnesota Workforce Development funds. City of Minneapolis Employment and Training contracts with DEED at the two Minneapolis Workforce Centers, HIRED, RESOURCE, Inc.'s Employment Action Center, and Goodwill/Easter Seals to provide the services.

Youth Training and Job Development

General Fund: \$647,218
Other Funds: \$3,262,352

The Minneapolis Youth Program is comprised of two distinct but well linked programs; the STEP-UP Program and the Year Round WIA Youth Program. Both programs are designed to give Minneapolis youth - specifically those from minority communities, low-income families, and youth with barriers to employment - the tools find their place within the workforce.

STEP-UP, the most recognized Minneapolis youth program, serves close to 2,000 Minneapolis youth per 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. This training provides the necessary skills to succeed on the job and helps position participants for further education and career success.

Supported by federal funds the Year Round WIA Youth Program provides youth with year round employment placement services. This program increases youth's long-term employability by enhancing educational, occupational, and leadership skills. Youth must be economically disadvantaged and have at least one of the following at-risk barriers to be eligible for services: basic skills deficient, school dropout, homeless, runaway or foster child, disabled, pregnant or parenting, offender, and requires additional assistance to complete an educational program or secure and hold employment.

A Safe Place to Call Home

Homeownership Support & Development

General Fund: \$1,265,702
Other Funds: \$4,740,864

This program is designed to assist with the development and support of ownership housing. The portion of the strategy is critical to return the housing market to a more healthy condition. This program will be used to support development through rehabilitation. The main focus of the program is to provide prevention, reinvention, repositioning and property management. The major sub program include Green Homes North, Home Ownership Works, Minneapolis Advantage program, Senior Citizen Housing Initiative, Owner Occupied Rehab, Vacant and Boarded program and property management of vacant and boarded properties,

Development Services - Customer Service Center

General Fund: \$2,481,314
Other Funds: \$379,218

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 & environmental sensitivity. Business Licenses, Pet Licensing and Critical Parking permits may also be obtained at this center.

Livable Communities, Healthy Lives

Affordable Housing Development

General Fund: \$1,556,161
Other Funds: \$10,483,361

This program provides necessary financing for the development or redevelopment of housing that is safe and affordable with projects that are eco-friendly and create significant construction and property management industry jobs.

Business Development

General Fund: \$5,014,678
Other Funds: \$4,716,750

CPED works with businesses to start, stay and grow in Minneapolis with the objectives of job growth, tax base growth and community vitality. This program uses a tool box consisting of:

- business and commercial real estate loans,
- sale of City-owned commercial properties,
- site selection assistance;
- business retention visits encouraging businesses to stay and grow in Minneapolis;
- guidance on navigating City systems - especially procurement opportunities and regulatory requirements;
- alerting businesses to opportunities for contracts and sales;
- business networking opportunities and business-to-business targeted introductions; entrepreneurial business consulting through relationships with;
- facilitating redevelopment grants from other governmental entities, and;
- through our Employment and Training colleagues, providing employee training and recruitment assistance.

Land Use, Design and Preservation

General Fund: \$2,580,100
Other Funds: \$935,969

This program carries out legally-mandated regulations required by the Code of Ordinances, MN statutes (including the 60-day law), and US Federal law. The ongoing work of the program is integrated to ensure that growth and change in Minneapolis (through property development and building construction) is consistent with the City's adopted Comprehensive Plan, adopted policies, and land use and preservation ordinances and laws. The program includes six inter-related bundles of service:

- Staffing Commissions
- Administration and permit review
- Development consultation/Customer service
- Ordinance amendments
- Preservation reviews
- Environmental reviews

A Safe Place to Call Home

Business Licensing

General Fund: \$3,781,436
Other Funds: \$372,733

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, and on-site facility inspections, and the collection of license fees with an annual renewal billing system.

Construction Code Services

General Fund: \$9,596,362
Other Funds: \$1,419,702

Construction Code Services (CCS) is responsible for the administration of the Minnesota State Building Code. The state mandates the administration of the building code by all municipalities in the state under the direction of a certified building official. CCS accomplishes this through its three business lines of construction plan review, construction inspections, and programs. In addition, CCS administers the requirements of Title 5 of the Minneapolis Code or Ordinances (MCO) and various other ordinances that include management of the truth-in-housing program and the code compliance program. The administration of codes and ordinances ensures public safety and health in the built environment.

A City that Works

Pre-Development Activities

General Fund: \$823,700
Other Fund: \$55,441

This program provides funding for activities and expenses related to pre-development. As the city's development department, unpredicted catalytic development opportunities arise throughout the year. This program provides resources to engage and invest in those opportunities so that they may become a reality.

CPED Debt Service & Transfers

Other Funds: \$36,401,013

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

The total CPED's budget increased from \$87.7 million to \$98.9 million from 2013 to 2014. This is an increase of \$11.1 million, or 12.7%. The CPED's 2014 expenditure budget reflects the following changes from 2013:

- \$4.4 million for the CDBG Letter of Credit for Block E, to be paid down over a two-year period
- \$2.6 million for various programs, including Great Streets, Peavey Plaza development, Youth Employment Training, Adult Training and Employment, and residential and real estate development
- \$1.5 million in additional appropriations for affordable housing
- \$200,000 for the Grow North program
- \$135,000 for the Great Streets program
- \$74,000 for the Step-Up program
- 5 new FTEs

Revenue

In 2014, the department anticipates \$93.9 million in revenue, an increase of 6.3% from 2013.

Fund Allocation

In 2014, 30% of the department's budget will be funded from the General Fund, or about \$30.1 million. The remaining budget comes from federal and state grants, tax increment property taxes, transfers, licenses and permits as well as other sources.

Mayor's Recommended Budget

The Mayor recommended additional ongoing funding from the General Fund to support the following efforts: \$185,000 for City support of the Midtown Global Market; \$74,000 to enhance the City's Step-Up program; \$400,000 for enhancing the City's permit and construction inspection capabilities needed due to the recent increases in construction activity; and the realignment the department's administrative services into the General Fund to allow for greater future flexibility in the utilization of development-related funds. Further, the Mayor recommended an additional one-time General Fund appropriation in the amount of \$300,000 for the Construction Code Services Division to prevent service level reductions.

Council Adopted Budget

The Council approved the Mayor's recommendations and amended the budget to reinstate requested funding for the City's Employment and Training programs in CPED and allocated up to \$2.565 million from the CPED Special Revenue Fund to maintain the following programs at current levels:

- \$1.0 million for Adult Training
- \$0.7 million for Youth Employment
- \$0.690 million for Great Streets
- \$0.146 million for the Peavey Plaza project
- \$0.029 million for Residential and Real Estate Development

The Council further amended the Mayor's recommendations by increasing the appropriation for affordable housing by \$1.5 million to be funded through the use of reserves in the CPED Development Account (CPED Special Revenue Fund). The Council also amended the budget to allocate up to \$2.75 million in proceeds attributed to the sale of the Gaviidae property to Public Works for the purpose of funding a portion of the preliminary engineering and/or project development costs associated with the Nicollet/Central Modern Streetcar Project. In addition, Council decreased the Midtown Global Market allocation by \$50,000 to be reallocated to the Minneapolis Animal Care and Control bully breed temperament program in Regulatory Services and reallocated the remaining \$135,000 of the Midtown Global Market allocation to the Great Streets program.

The Council also provided several directions to CPED staff:

- Staff from Intergovernmental Relations (IGR), CPED and possibly others is directed to evaluate existing and ongoing membership in the St. Anthony Falls Heritage Organization for value received.
- Staff from Civil Rights, NCR, CPED, FPS, HR, and the City Coordinator's office is directed to develop measures consistent with the racial equity toolkit guides, and work with all departments to include applicable measures in their regular Results Minneapolis reports.
- CPED staff is also directed to lead a cross-departmental workgroup to include the Minneapolis Police Department's 3rd Precinct, Regulatory Services, CPED Housing, CPED Economic Development, and other relevant departments, along with the Ventura Village Neighborhood Association and other stakeholders, to build on the focused work in the northwest sector of the Ventura Village Neighborhood. The workgroup will establish a discreet project area, a robust community engagement process, baseline measurement data, and comprehensive investment strategies in housing and jobs. The workgroup will regularly evaluate the progress to determine the effectiveness of the City of Minneapolis efforts in this defined area.

**COMMUNITY PLANNING & ECONOMIC DEVELOPMENT
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	1,767,088	1,638,302	9,928,843	12,709,712	28.0%	2,780,869
FRINGE BENEFITS	652,825	622,798	3,753,291	4,863,089	29.6%	1,109,798
CONTRACTUAL SERVICES	555,549	810,066	3,796,137	7,379,489	94.4%	3,583,352
OPERATING COSTS	281,606	475,625	1,168,541	2,686,982	129.9%	1,518,441
CAPITAL	38		1,387,591	2,472,170	78.2%	1,084,579
TRANSFERS	0	10,000				0
TOTAL GENERAL	3,257,106	3,556,791	20,034,403	30,111,442	50.3%	10,077,039
DEBT SERVICE						
DEBT SERVICE	2,526,028	2,493,426	2,861,682		-100.0%	(2,861,682)
TRANSFERS	648,221	675,075				0
TOTAL DEBT SERVICE	3,174,249	3,168,500	2,861,682		-100.0%	(2,861,682)
CAPITAL PROJECT						
SALARIES AND WAGES	37,734	72,359	74,046	74,447	0.5%	401
FRINGE BENEFITS	14,992	29,785	26,508	27,965	5.5%	1,457
CONTRACTUAL SERVICES	225,599	72,511	504,445	377,588	-25.1%	(126,857)
OPERATING COSTS	3,956					0
CAPITAL	700					0
TOTAL CAPITAL PROJECT	282,981	174,656	605,000	480,000	-20.7%	(125,000)
ENTERPRISE						
SALARIES AND WAGES	181,239	193,066	249,614	172,225	-31.0%	(77,389)
FRINGE BENEFITS	54,847	61,150	84,010	59,637	-29.0%	(24,373)
CONTRACTUAL SERVICES	2,378,861	2,152,182	618,783	358,259	-42.1%	(260,524)
OPERATING COSTS	24,256	6,960	18,400	6,000	-67.4%	(12,400)
CAPITAL	1,868	909	130,000		-100.0%	(130,000)
DEBT SERVICE	24,525	15,194				0
TRANSFERS	499,224	1,381,411				0
TOTAL ENTERPRISE	3,164,820	3,810,871	1,100,807	596,120	-45.8%	(504,687)
SPECIAL REVENUE						
SALARIES AND WAGES	8,055,325	7,562,315	6,025,782	3,870,836	-35.8%	(2,154,946)
FRINGE BENEFITS	2,294,348	2,208,992	2,101,802	1,437,158	-31.6%	(664,643)
CONTRACTUAL SERVICES	32,638,565	26,016,601	20,036,860	20,358,344	1.6%	321,483
OPERATING COSTS	3,804,055	3,764,710	2,910,241	1,724,414	-40.7%	(1,185,827)
CAPITAL	41,543,665	52,069,073	20,761,497	20,639,182	-0.6%	(122,316)
DEBT SERVICE	0		108,574	107,311	-1.2%	(1,263)
TRANSFERS	20,814,387	23,566,042	11,194,302	19,562,608	74.8%	8,368,306
TOTAL SPECIAL REVENUE	109,150,344	115,187,733	63,139,058	67,699,852	7.2%	4,560,794

**COMMUNITY PLANNING & ECONOMIC DEVELOPMENT
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
TOTAL EXPENSE	119,029,499	125,898,552	87,740,950	98,887,414	12.7%	11,146,465

REVENUE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SALES	0	0	1,000	37,000	3,600.0%	36,000
CHARGES FOR SERVICES	369,895	558,801	696,000	3,446,000	395.1%	2,750,000
FINES AND FORFEITS	0	0	163,000	127,000	-22.1%	(36,000)
LICENSE AND PERMITS	777,426	1,086,271	23,892,410	27,542,000	15.3%	3,649,590
OTHER MISC REVENUES	1,173	29	21,000	2,250,000	10,614.3%	2,229,000
SPECIAL ASSESSMENTS	17,156	96,197	7,000	7,000	0.0%	0
GENERAL	1,165,650	1,741,298	24,780,410	33,409,000	34.8%	8,628,590

SPECIAL REVENUE						
CHARGES FOR SALES	1,251,103	1,830,120	0		0.0%	0
CHARGES FOR SERVICES	9,545,193	8,752,818	1,518,000		-100.0%	(1,518,000)
CONTRIBUTIONS	21,144	104,562	0		0.0%	0
FEDERAL GOVERNMENT	20,349,814	13,798,261	4,867,961	4,826,773	-0.8%	(41,188)
FINES AND FORFEITS	0	0	37,690	177,000	369.6%	139,310
INTEREST	820,456	672,089	140,292	191,076	36.2%	50,784
LICENSE AND PERMITS	0	0	241,000	241,000	0.0%	0
LOCAL GOVERNMENT	503,741	2,072,174	0		0.0%	0
OTHER MISC REVENUES	6,455,138	11,016,326	3,944,800	4,606,000	16.8%	661,200
PROPERTY TAXES	56,735,079	50,833,890	38,328,897	41,699,902	8.8%	3,371,005
RENTS	4,439,021	4,171,800	3,269,506	2,802,220	-14.3%	(467,286)
SALES AND OTHER TAXES	293	293	0		0.0%	0
SPECIAL ASSESSMENTS	0	0	82,000	82,000	0.0%	0
STATE GOVERNMENT	12,241,527	17,149,107	2,100,000	2,100,000	0.0%	0
TRANSFERS IN	6,528,286	9,942,971	4,891,811	2,885,705	-41.0%	(2,006,106)
SPECIAL REVENUE	118,890,794	120,344,410	59,421,957	59,611,676	0.3%	189,719

CAPITAL PROJECT						
OTHER MISC REVENUES	0	0	0	480,000	0.0%	480,000
TRANSFERS IN	360,000	175,000	605,000		-100.0%	(605,000)
CAPITAL PROJECT	360,000	175,000	605,000	480,000	-20.7%	(125,000)

DEBT SERVICE						
INTEREST	126	129	0		0.0%	0
TRANSFERS IN	3,280,203	3,090,044	2,861,682		-100.0%	(2,861,682)
DEBT SERVICE	3,280,329	3,090,173	2,861,682		-100.0%	(2,861,682)

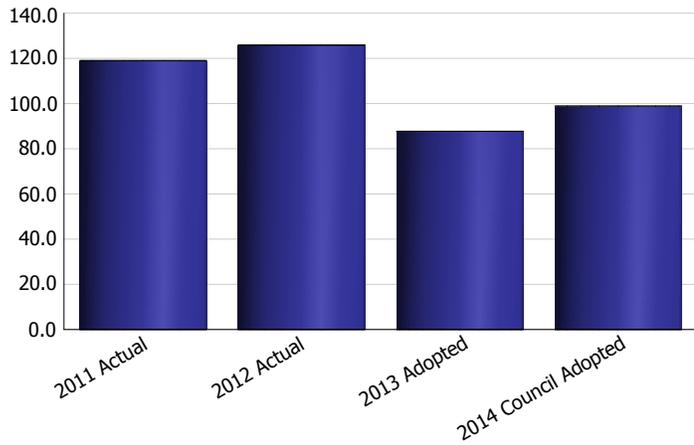
ENTERPRISE

**COMMUNITY PLANNING & ECONOMIC DEVELOPMENT
EXPENSE AND REVENUE INFORMATION**

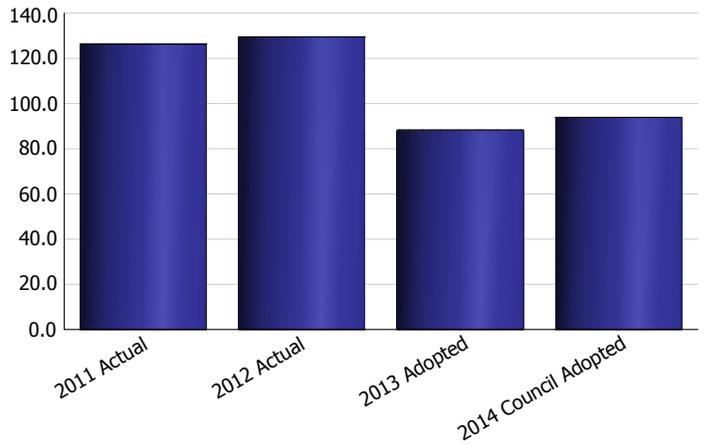
REVENUE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
CHARGES FOR SALES	5,000	0	0		0.0%	0
CHARGES FOR SERVICES	2,199,348	3,458,875	0	400,000	0.0%	400,000
INTEREST	191,718	44,888	0		0.0%	0
OTHER MISC REVENUES	0	0	625,000		-100.0%	(625,000)
RENTS	275,000	275,000	0		0.0%	0
TRANSFERS IN	0	400,000	0		0.0%	0
ENTERPRISE	2,671,066	4,178,763	625,000	400,000	-36.0%	(225,000)
TOTAL REVENUE	126,367,839	129,529,645	88,294,049	93,900,676	6.3%	5,606,627

COMMUNITY PLANNING & ECONOMIC DEVELOPMENT EXPENSE AND REVENUE INFORMATION

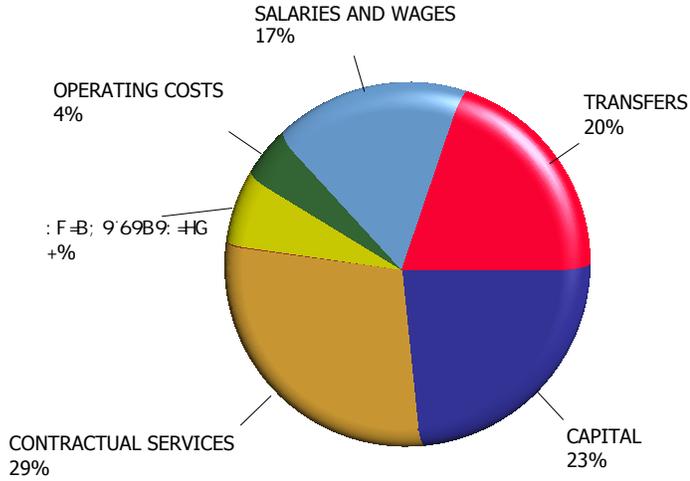
Expense 2011 - 2014
In Millions



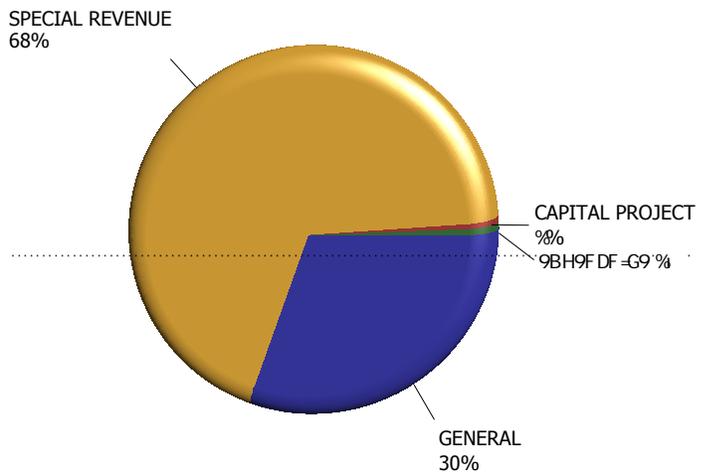
Revenue 2011 - 2014
In Millions



Expense by Category



Expense by Fund

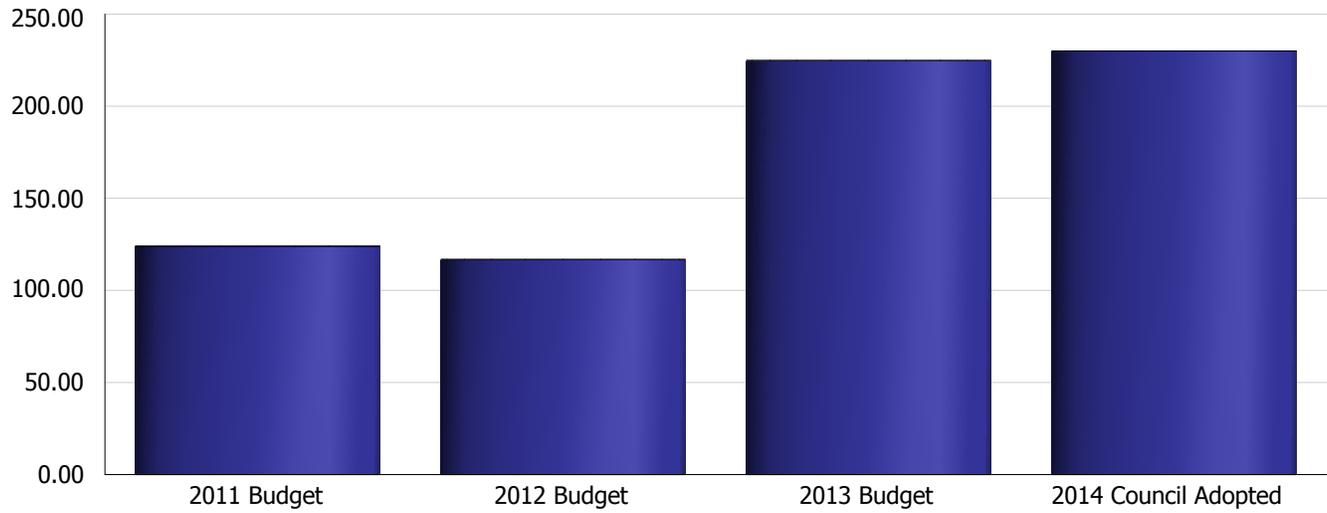


COMMUNITY PLANNING & ECONOMIC DEVELOPMENT

Staffing Information

Division	2011 Budget	2012 Budget	2013 Budget	2014 Council Adopted	% Change	Change
TOTAL CPED	124.00	116.79	224.80	230.00	2.3%	5.20
Overall	124.00	116.79	224.80	230.00	2.3%	5.20

Positions 2011-2014



FIRE

MISSION

Members of the Minneapolis Fire Department are thoroughly trained and ready to protect lives, property and the environment by rapidly responding to emergencies and hazardous situations. We are committed to prevention by proactively working with the community to reduce risk to life, property and the environment.

BUSINESS LINES

The Minneapolis Fire Department maintains a state of readiness in order to:

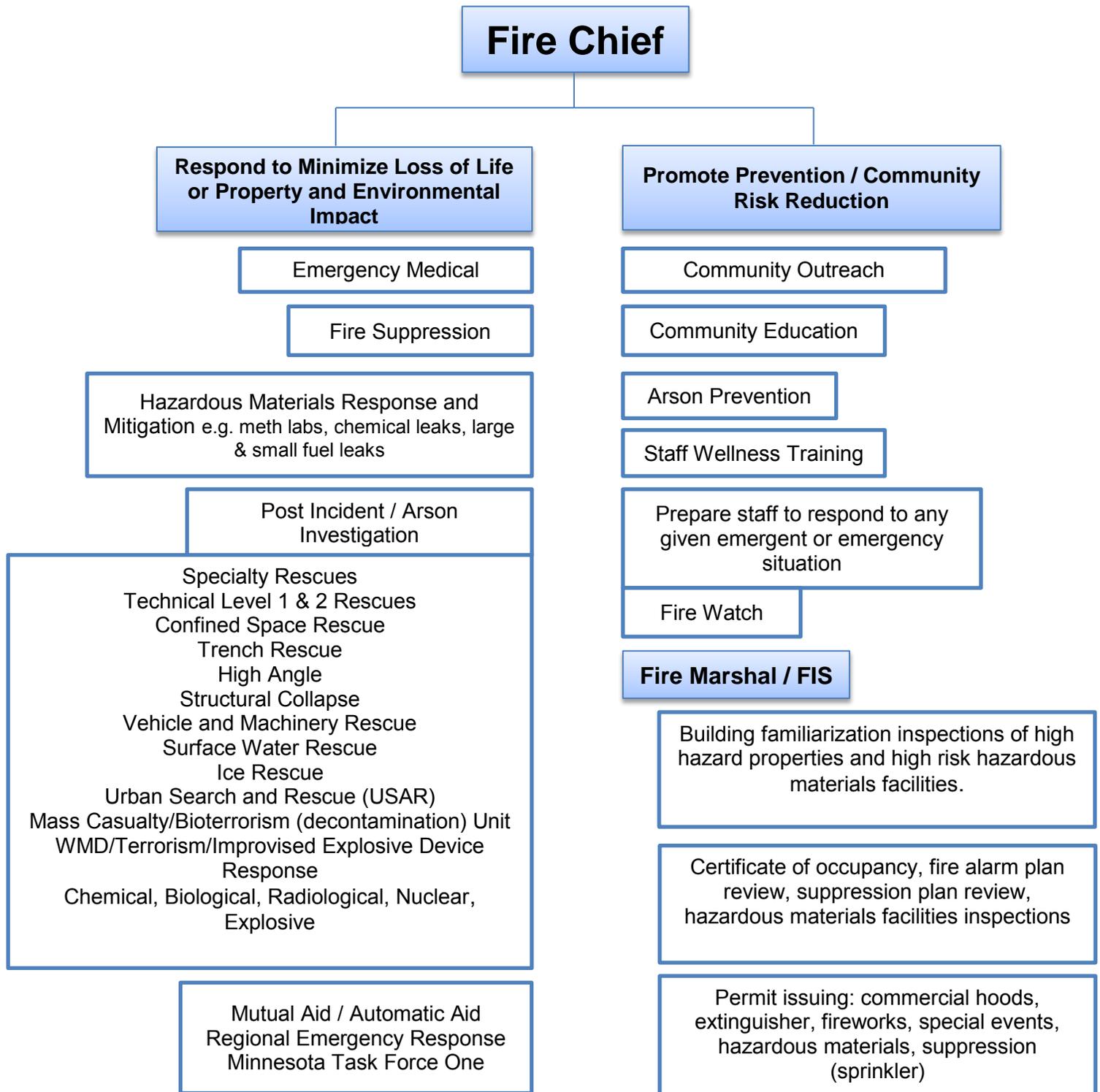
1. Respond to minimize loss of life or property and environmental impact

- Provide Emergency Medical Services (EMS), Fire suppression, Technical Rescue and Hazardous Material mitigation for anyone who lives in, works in or visits our city 24 hours per day, 7 days a week
- Provide Regional Emergency Service reciprocal support to others needing help, including deployment of The All Hazard Incident Management Team (AHIMT) and Minnesota Task Force One (MNTF1—a State asset of specially trained personnel in technical rescue), for natural disasters, homeland security, emergency preparedness, high impact incidents, as well as fulfilling our mutual aid and automatic aid agreements

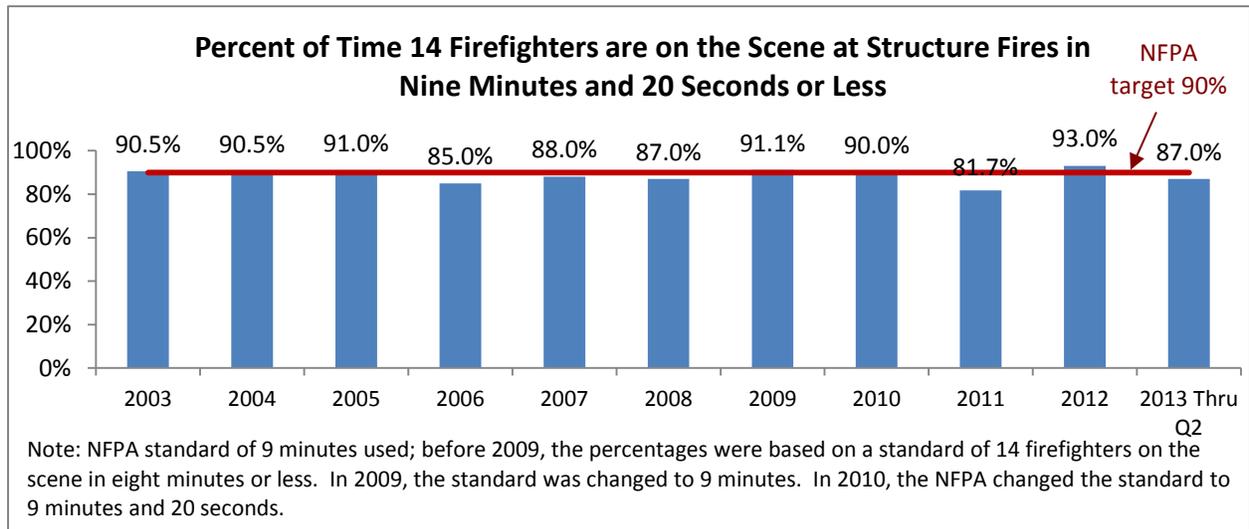
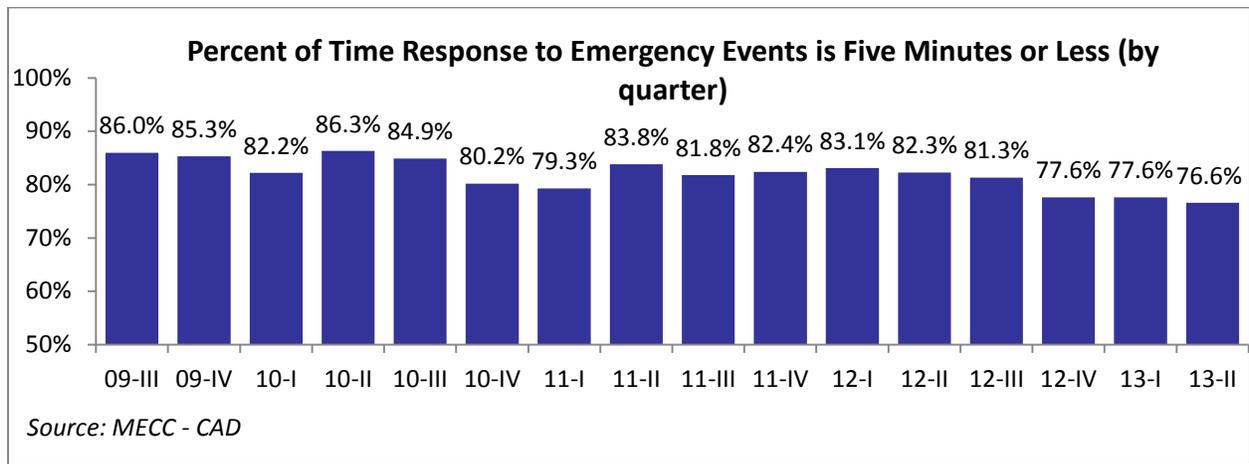
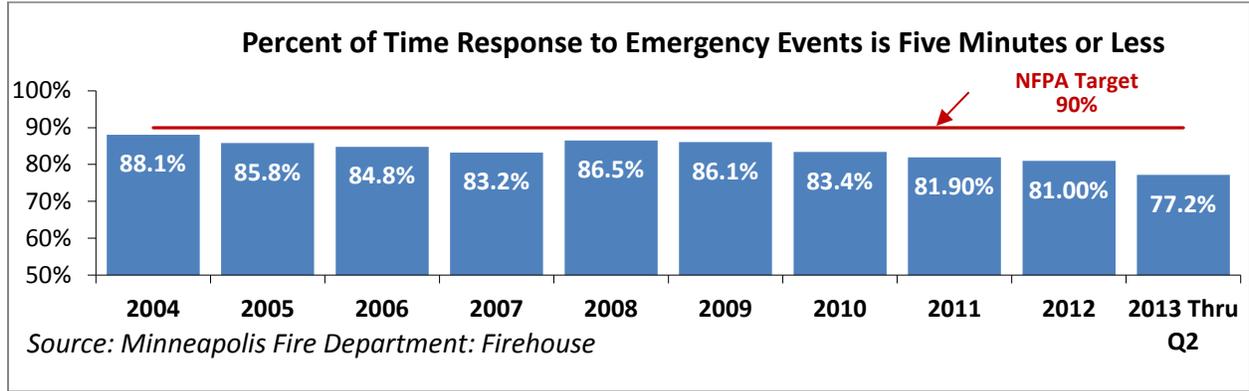
2. Promote prevention/community risk reduction by collaboratively working with and in the community to support changes to help preserve life, property and the environment

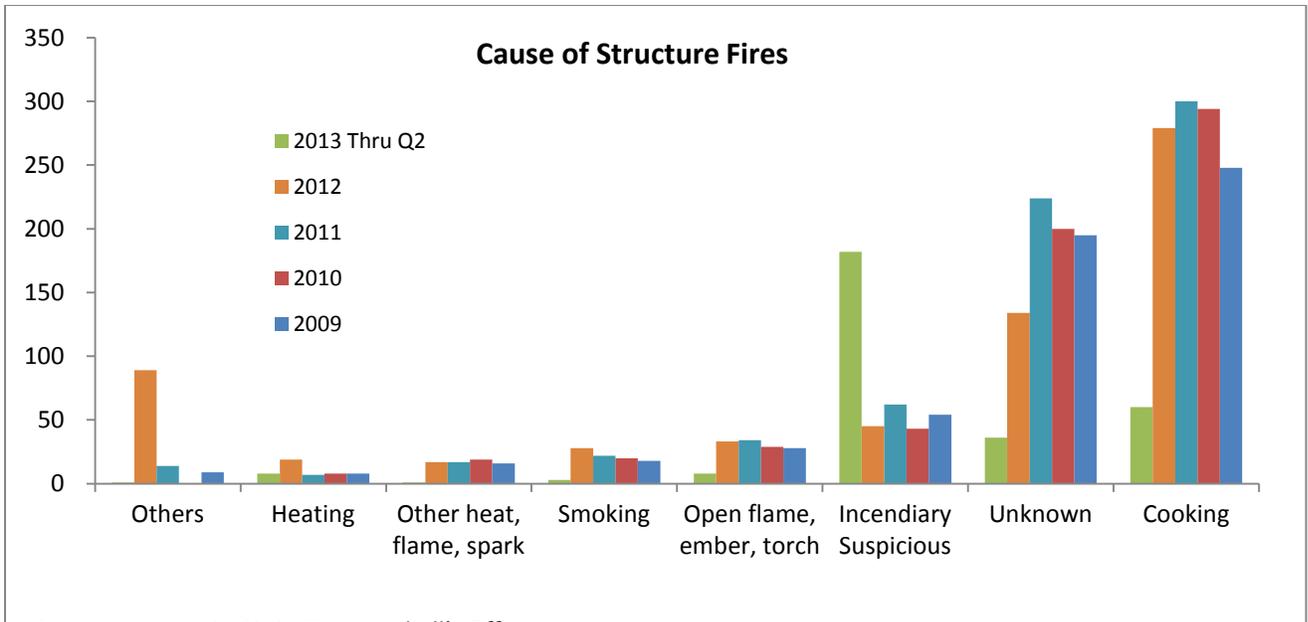
- Utilize our positive professional reputation to build lasting connections with residents and businesses throughout the community to foster safety education such as:
Arson Prevention - Safety Awareness School Programs, - Emergency Evacuation Plans and Drills - Public Service Announcements - Community Outreach Programs (e.g. smoke detector give away, blood pressure screening, etc.)
- Provide Fire Watch for Convention Center, sports facilities and other events as required
- Conduct building familiarization of high hazard properties and high risk hazardous materials facilities.

ORGANIZATION CHART

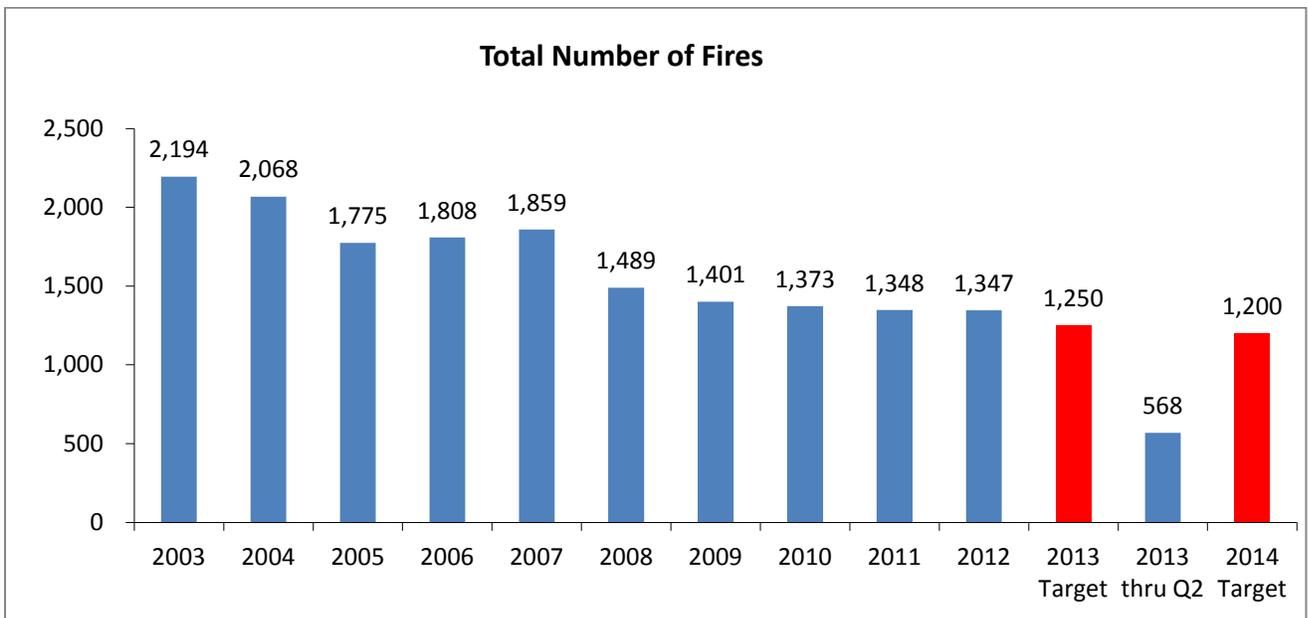


SELECTED RESULTS MINNEAPOLIS MEASURES

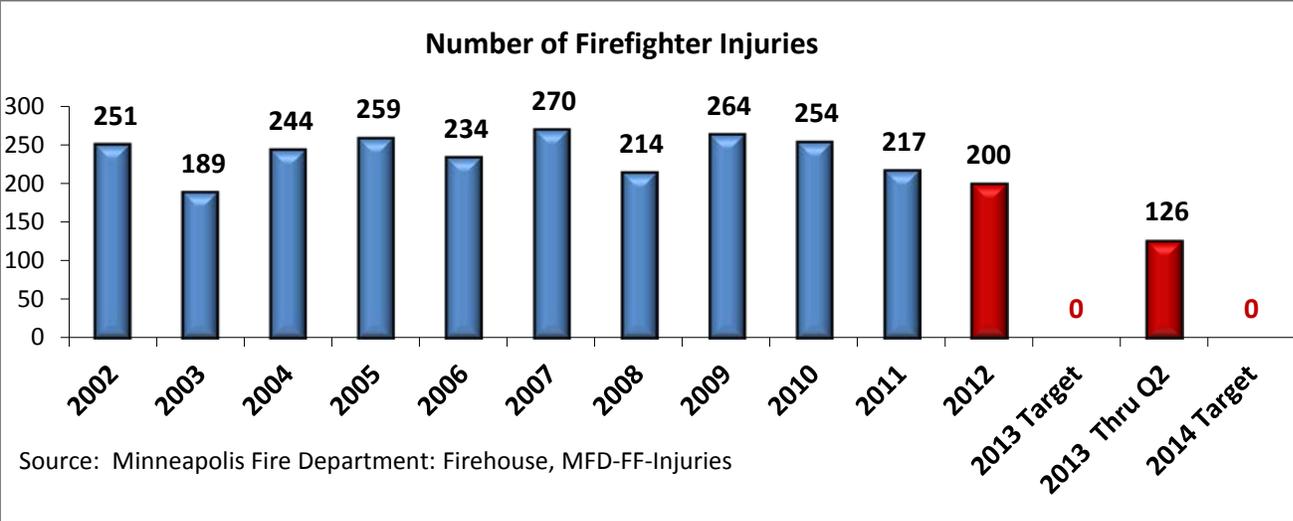
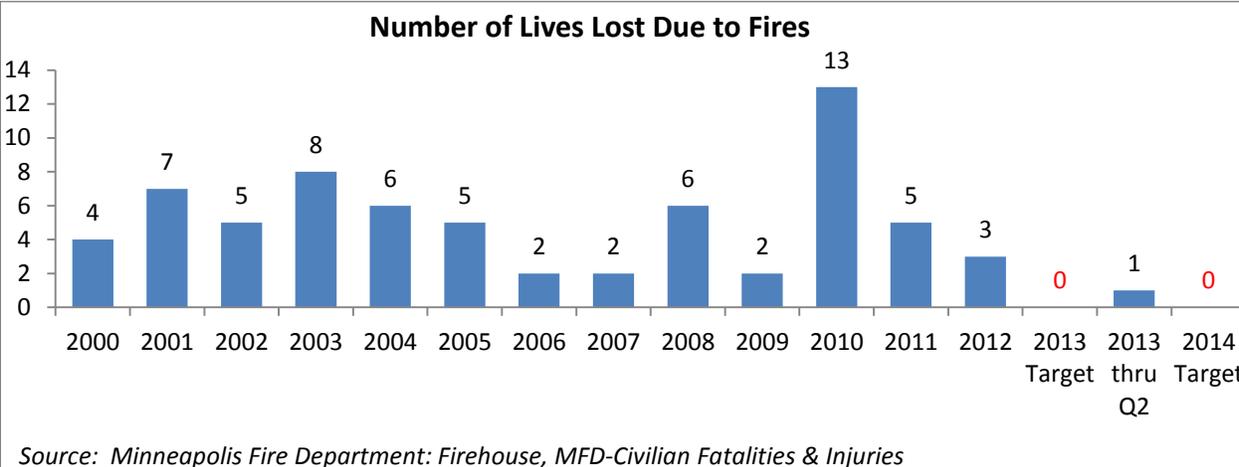
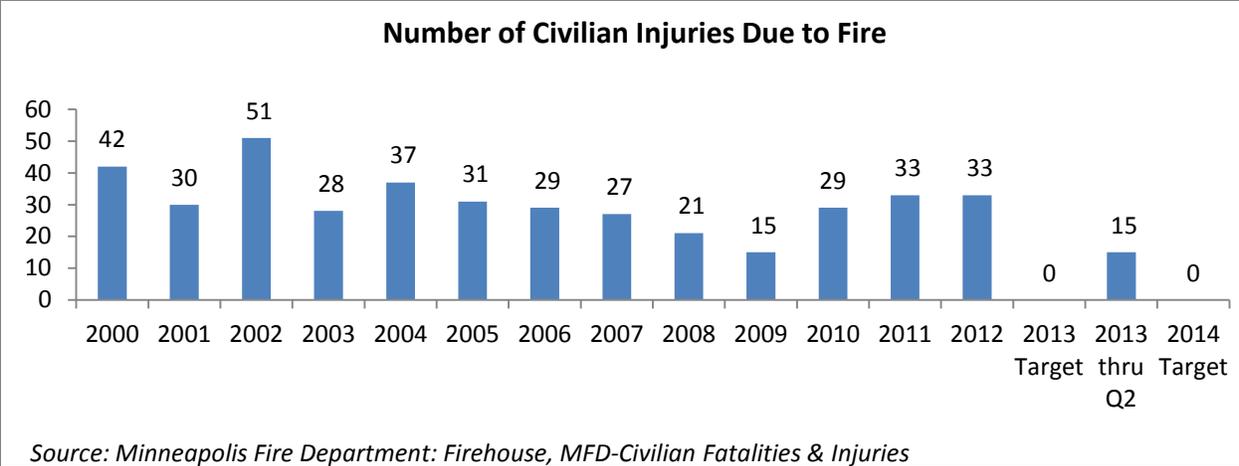


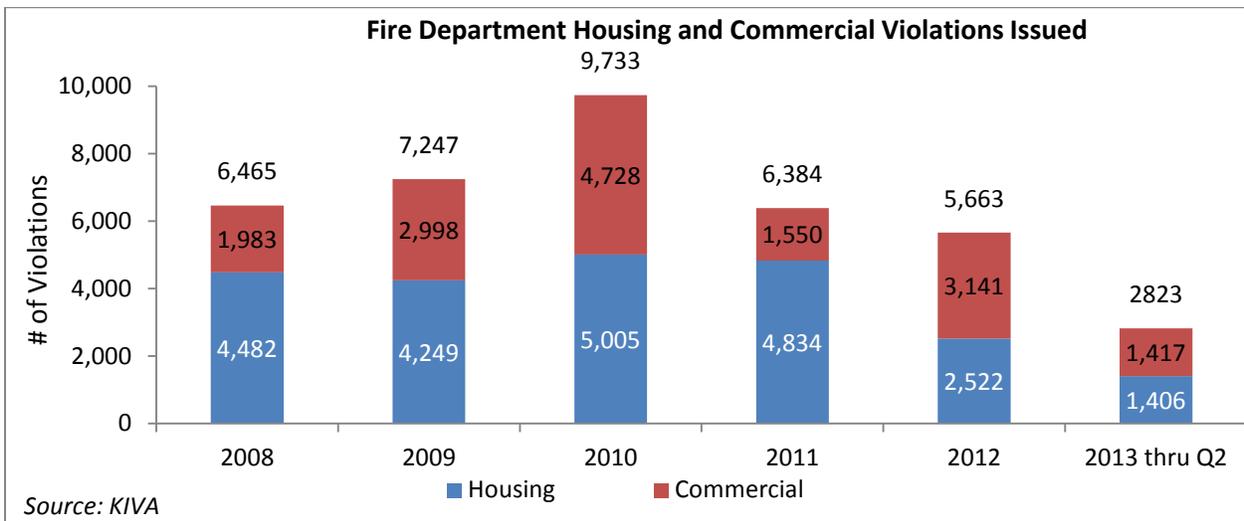
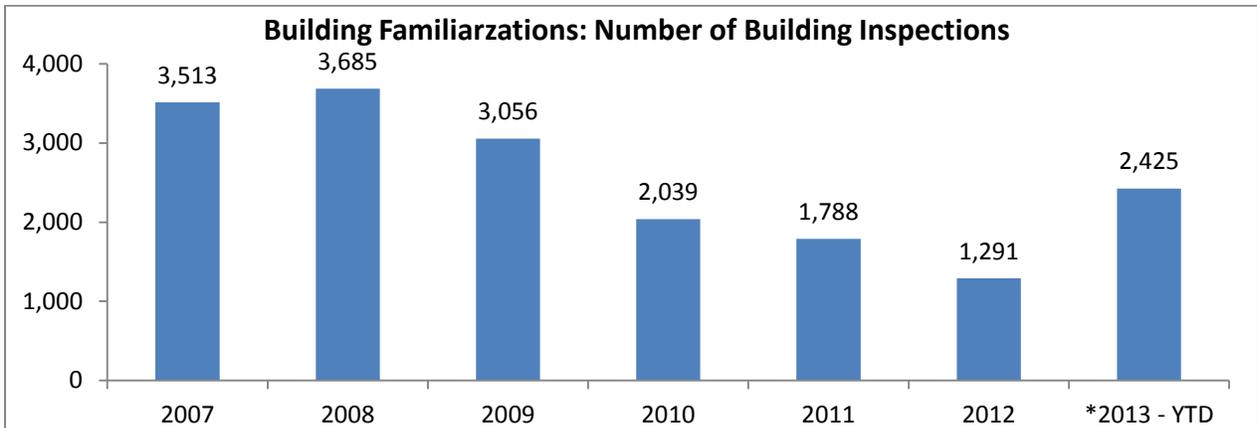
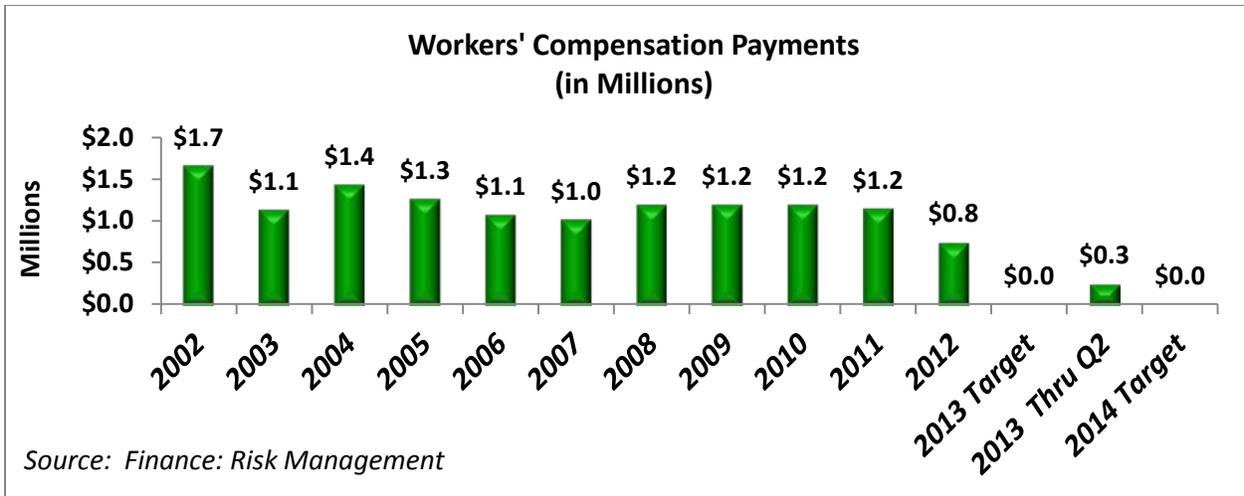


Source: Minnesota State Fire Marshall's Office



Source: Minneapolis Fire Department: Firehouse, MFD-Incident Type





A Safe Place to Call Home

Fire Suppression, Emergency Medical Service and Technical Rescue

General Fund: \$39,519,118
Other Funds: \$299,463

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 emergency medical services, hazardous materials response, technical rescue, prevention education and terrorism/WMD response.

Fire Investigation

General Fund: \$776,171

The Investigation program investigates and tracks the causes and origin of fires in order to focus fire prevention/education efforts and support the prosecution of arson crimes.

Fire Department Training & Recruitment

General Fund: \$6,432,707

The Training program is fundamental in building and maintaining firefighter's skills. The pursuit of excellence and high professional standards is vital to Fire's success. It is achieved through continuous skills training by the development of leadership traits and ensuring a focus on wellness, health and safety of the community.

Community Risk Reduction and Community Outreach

General Fund: \$5,493,719

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.

Code Inspection & Enforcement

General Fund: \$5,419,138

The program includes building familiarization inspections in commercial and residential buildings, Fire Watch at public events and the identification of high risk hazardous facilities and properties.

Cadet Hiring

General Fund: \$1,100,000

Hiring cadet firefighters to provide needed depth in the department to maintain existing staffing levels during a transition period of retirements and attrition. The first class will begin training in November 2013 with the goal for graduating to firefighters by March 2014. The second class would begin training in April 2014 with the goal for graduating to firefighters by August 2014.

EMS Program

General Fund: \$25,000

This program will allow the department to explore the option to provide EMS responses in a different manner with the potential of cost recovery for services provided. Vehicles will be staffed in Minneapolis Fire stations by individuals who are interested in a career in firefighting

and have acquired their EMT certification by attending classes during their senior year of high school.

EMS - Specialist Pilot Program

General Fund: \$250,000

This pilot program will allow the Fire Department to test responding to EMS calls with an emergency-equipped SUV rather than a full fire rig in certain areas of the city on a trial basis.

FINANCIAL ANALYSIS

Expenditure

The total Fire Department's adopted budget of \$59.3 million is a 9.2% increase over 2013. The Department's 2014 expenditure budget reflects the following changes from 2013:

- 2% labor increase per the Local 82 contract,
- Large increases in health insurance, workers comp and PERA,
- 27% increase in Fleet equipment, labor and parts,
- \$1,100,000 for cadet hiring and training and an additional \$250,000 for a pilot program to respond to emergency medical service (EMS).

Revenue

The Fire department's total revenues in 2014 are projected to be \$2.4 million, a 46% decline due to the shift of \$1.8 million in rental license, commercial inspection and board-up revenue to other City departments, plus a reduction of \$245,000 in SAFER funding from the federal government.

Fund Allocation

This department is funded completely in the General Fund, with the exception of the SAFER grant funding of \$289,000 and \$10,000 in private donations/contributions.

Mayor's Recommended Budget

The Mayor recommended \$1,100,000 in one-time funding for cadet hiring and training and an additional \$250,000 in one-time funding to be used for a pilot program to respond to emergency medical service (EMS) calls with staff and vehicles equipped for that purpose rather than deploying full fire rigs. The Mayor also recommended \$25,000 be added to this department's ongoing General Fund allocation to be used for youth recruitment programming that provide a pipeline for the EMS specialists and eventually firefighters. It is anticipated that these programs will save money in the long run due to associated savings in staff recruitment and vehicle maintenance costs.

Council Adopted Budget

City Council approved the Mayor's recommendations.

**FIRE
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	32,005,679	32,024,760	32,411,274	34,309,487	5.9%	1,898,213
FRINGE BENEFITS	12,945,926	12,751,565	13,609,281	14,910,964	9.6%	1,301,683
CONTRACTUAL SERVICES	5,778,055	5,791,607	5,593,293	6,630,212	18.5%	1,036,919
OPERATING COSTS	1,881,141	1,986,898	2,043,653	2,176,789	6.5%	133,136
CAPITAL	6,196	62,572	132,901	988,401	643.7%	855,500
TOTAL GENERAL	52,616,998	52,617,402	53,790,402	59,015,853	9.7%	5,225,451

SPECIAL REVENUE						
SALARIES AND WAGES	14,798	175,025	370,046	204,045	-44.9%	(166,001)
FRINGE BENEFITS	1,826	49,917	164,416	85,418	-48.0%	(78,998)
CONTRACTUAL SERVICES	78,087	81,315	10,000	10,000	0.0%	0
OPERATING COSTS	37,720	91,541				0
CAPITAL	526,500	776,786				0
TOTAL SPECIAL REVENUE	658,930	1,174,584	544,462	299,463	-45.0%	(244,999)

TOTAL EXPENSE	53,275,928	53,791,986	54,334,865	59,315,316	9.2%	4,980,451
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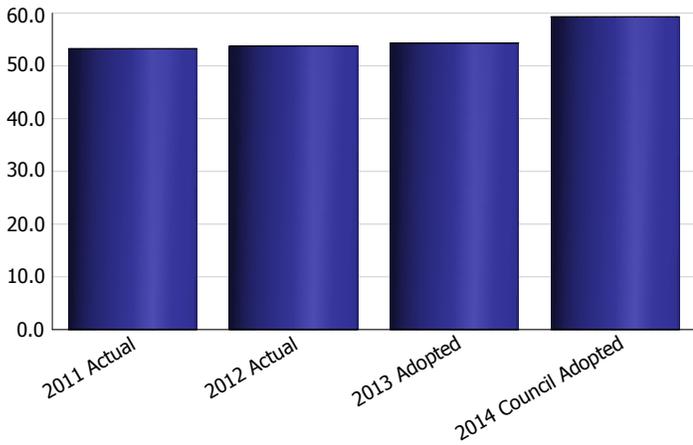
REVENUE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SALES	321	308	250	250	0.0%	0
CHARGES FOR SERVICES	493,805	624,343	646,000	201,000	-68.9%	(445,000)
LICENSE AND PERMITS	1,328,560	1,368,030	1,383,000		-100.0%	(1,383,000)
OTHER MISC REVENUES	130,564	1,644	0		0.0%	0
STATE GOVERNMENT	1,797,484	1,908,004	1,930,000	1,930,000	0.0%	0
GENERAL	3,750,733	3,902,328	3,959,250	2,131,250	-46.2%	(1,828,000)

SPECIAL REVENUE						
CONTRIBUTIONS	10,155	3,342	10,000	10,000	0.0%	0
FEDERAL GOVERNMENT	84,693	538,888	534,462	289,463	-45.8%	(244,999)
STATE GOVERNMENT	0	83,475	0		0.0%	0
SPECIAL REVENUE	94,848	625,705	544,462	299,463	-45.0%	(244,999)

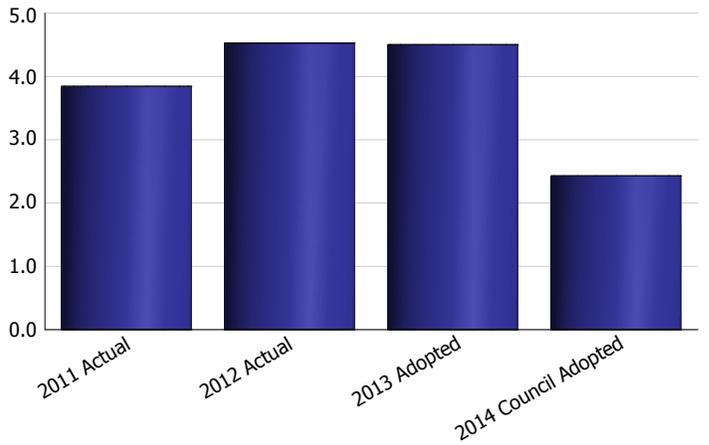
TOTAL REVENUE	3,845,582	4,528,033	4,503,712	2,430,713	-46.0%	(2,072,999)
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FIRE EXPENSE AND REVENUE INFORMATION

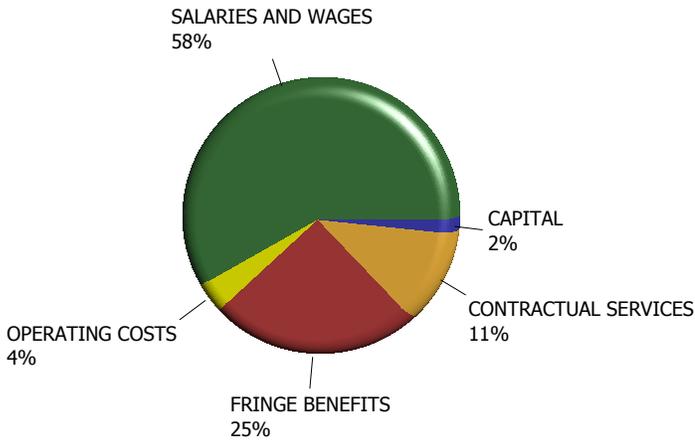
Expense 2011 - 2014
In Millions



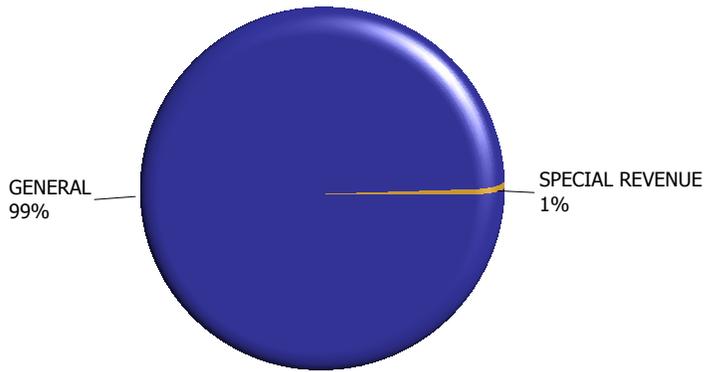
Revenue 2011 - 2014
In Millions



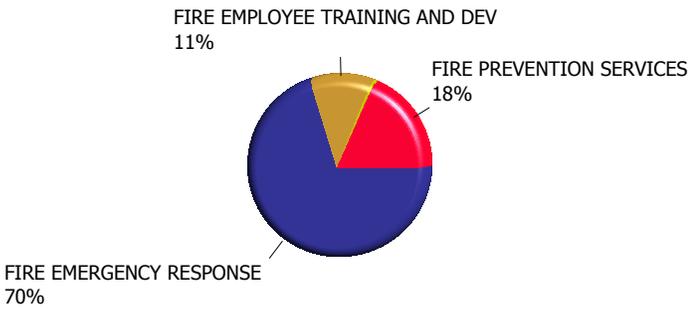
Expense by Category



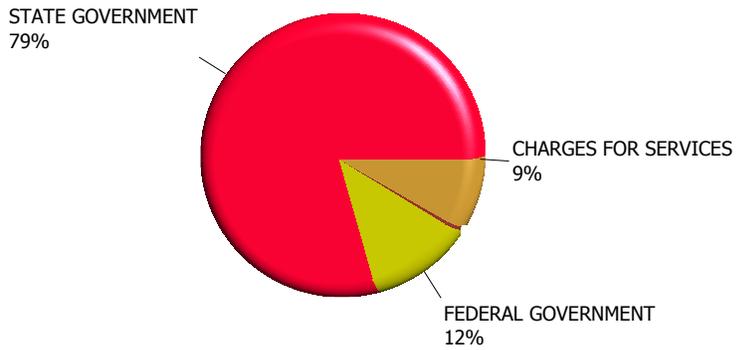
Expense by Fund



Expense by Division



Direct Revenue by Type

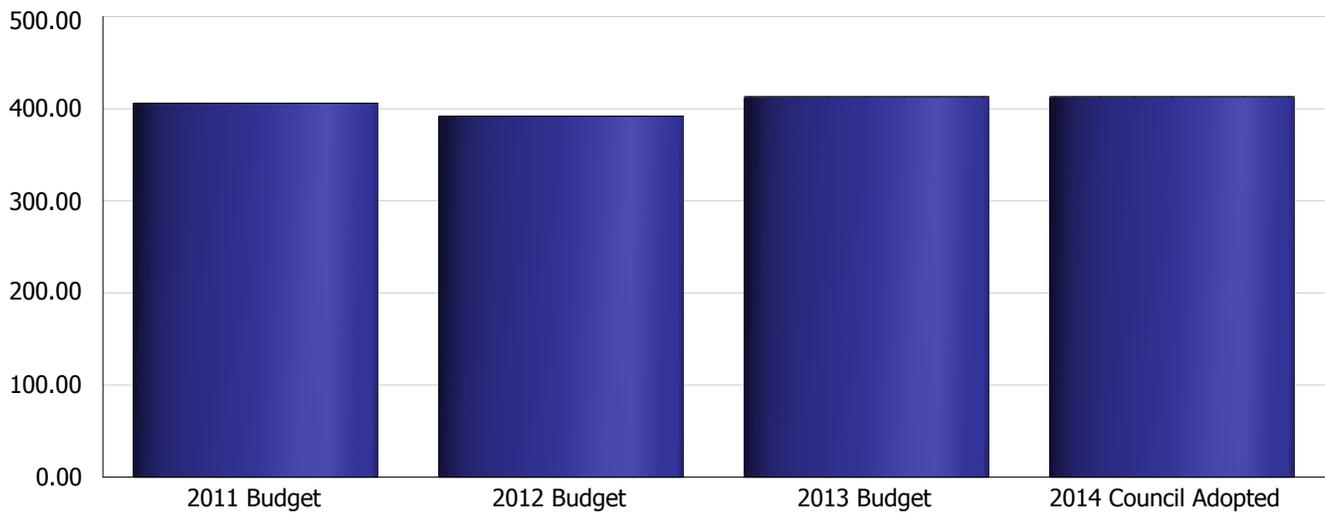


FIRE

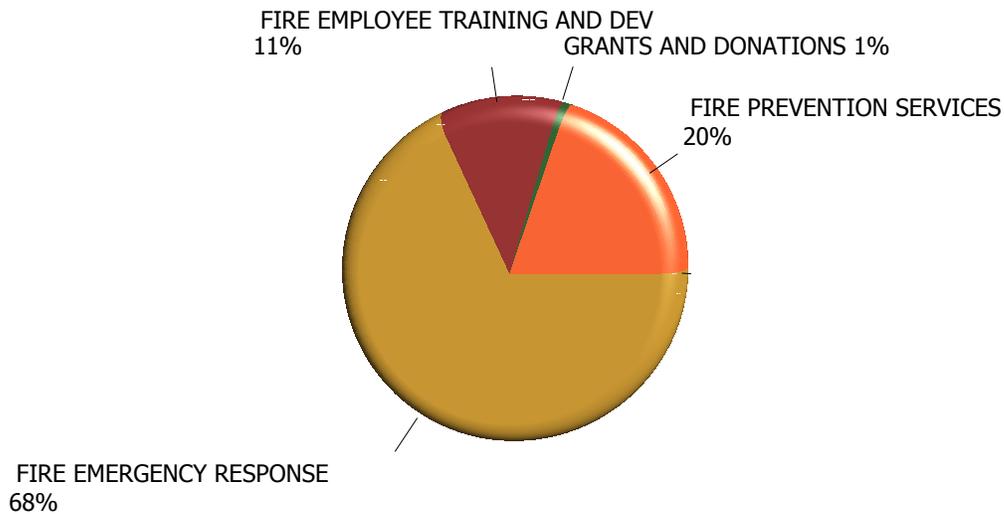
Staffing Information

Division	2011 Budget	2012 Budget	2013 Budget	2014 Council Adopted	% Change	Change
FIRE DEPARTMENT		0.00				0
FIRE EMERGENCY RESPONSE	379.00	268.15	283.15	281.25	(0.7%)	(1.90)
FIRE EMPLOYEE TRAINING AND DEV	8.00	45.30	45.15	47.05	4.2%	1.90
FIRE FINANCE AND LOGISTICS	5.00					0
FIRE GRANTS AND DONATIONS			6.00	3.00	(50.0%)	(3.00)
FIRE HEADQUARTERS	8.00					0
FIRE INFORMATION SERVICES	2.00					0
FIRE PREVENTION SERVICES	4.00	78.55	78.70	81.70	3.8%	3.00
Overall	406.00	392.00	413.00	413.00	0.0%	0.00

Positions 2011-2014



Positions by Division



HEALTH

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.

BUSINESS LINES

A. Promote health: healthy residents, communities, and environments

A major responsibility of a local public health agency is health promotion. In Minneapolis, we believe that community engagement and partnerships are critical to success in this area. We seek out representatives of diverse communities to elicit their unique perspectives and build on their strengths to improve community health. We involve families, youth, and seniors in decisions that affect their well-being. Special projects target key phases across the lifespan. For example: A long-term partnership with area clinics and social service agencies aims to improve the health of babies and mothers by promoting early entry into prenatal care and providing targeted health education and care coordination services up to two years after the baby's birth. Other programs aim to reduce youth violence and promote healthy development and support for out-of-school time activities to youth and assistance to parents of teens. School-based clinics provide nutritional counseling, mental health and reproductive health services to high school students. A senior center reduces social isolation and engages older residents in activities that promote and maintain health.

B. Address factors affecting health: social conditions and physical environment

Individual health is highly dependent on the environments in which individuals live and work, and this is most apparent in urban environments, where population density and mobility are higher and poverty is more concentrated. To promote healthy weight through easier access to physical activity options and more nutritious foods, we work with City departments, schools, child care centers, and worksites to create healthier environments through policy changes. We also support place-based interventions, such as the Allina Backyard Initiative and the Northside Achievement Zone which aim to create broad collaborations to institute change at multiple levels to address a variety of goals simultaneously.

C. Protect the Public's health: disease prevention and control and emergency preparedness

Preventing and controlling infectious diseases is vital to community health. Pandemic influenza is an example of a situation that requires combined expertise in infectious disease control and emergency preparedness. We address our responsibilities through partnerships with Hennepin County, community clinics, and other community agencies. We identify populations at highest risk of specific diseases, such as sexually transmitted infections, and work with knowledgeable community members to develop targeted strategies that meet the unique needs of

specific groups. As an urban public health agency, we focus on populations that require messages and intervention tailored to their particular needs, whether due to language differences, cultural norms, social isolation, or history of traumatic experiences.

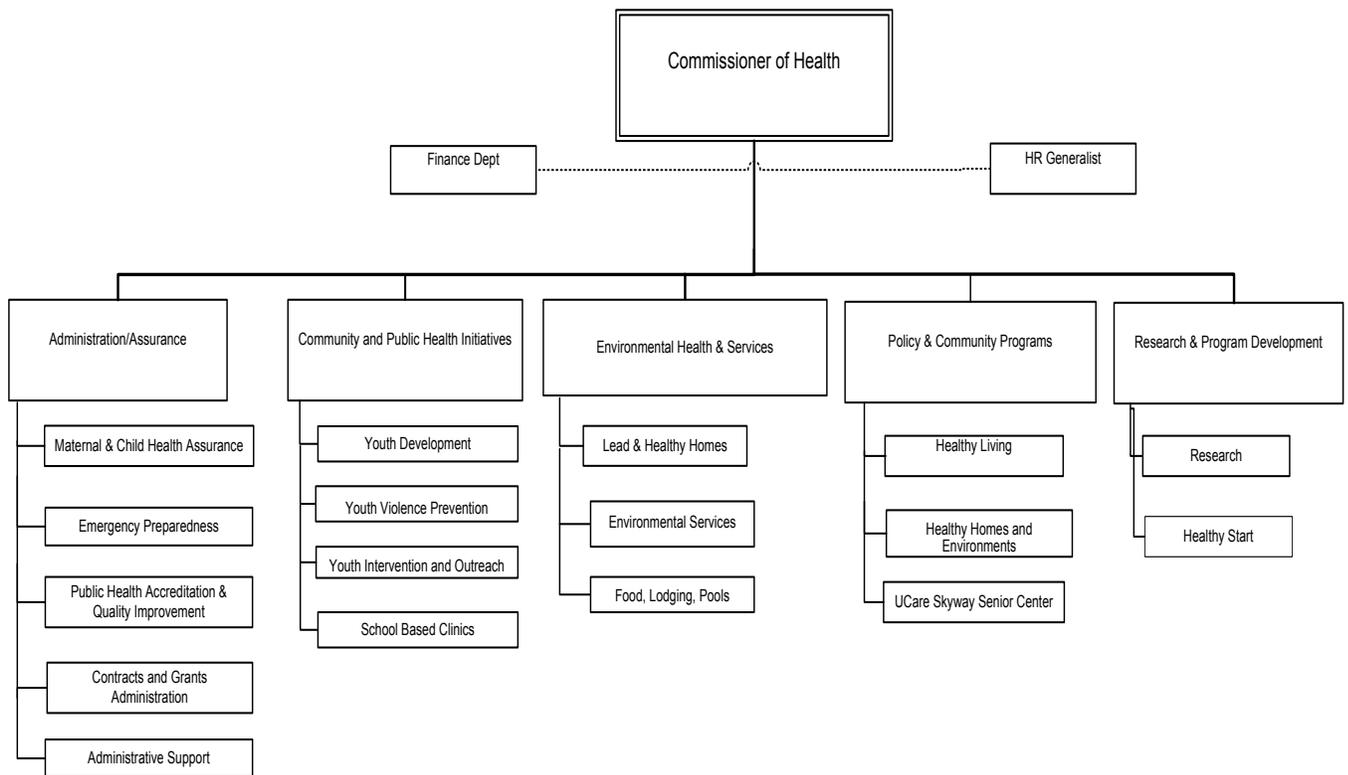
D. Protecting the Environment: food safety, physical environment, healthy homes

Food Lodging and Pools ensures commercial and institutional food offerings are safe and in compliance with state and local health codes by conducting more than 7,000 inspections a year of restaurants, schools, board and lodging facilities, hotels, pools, tanning and body arts establishments, daycares, farmers markets, groceries, and food vendors.

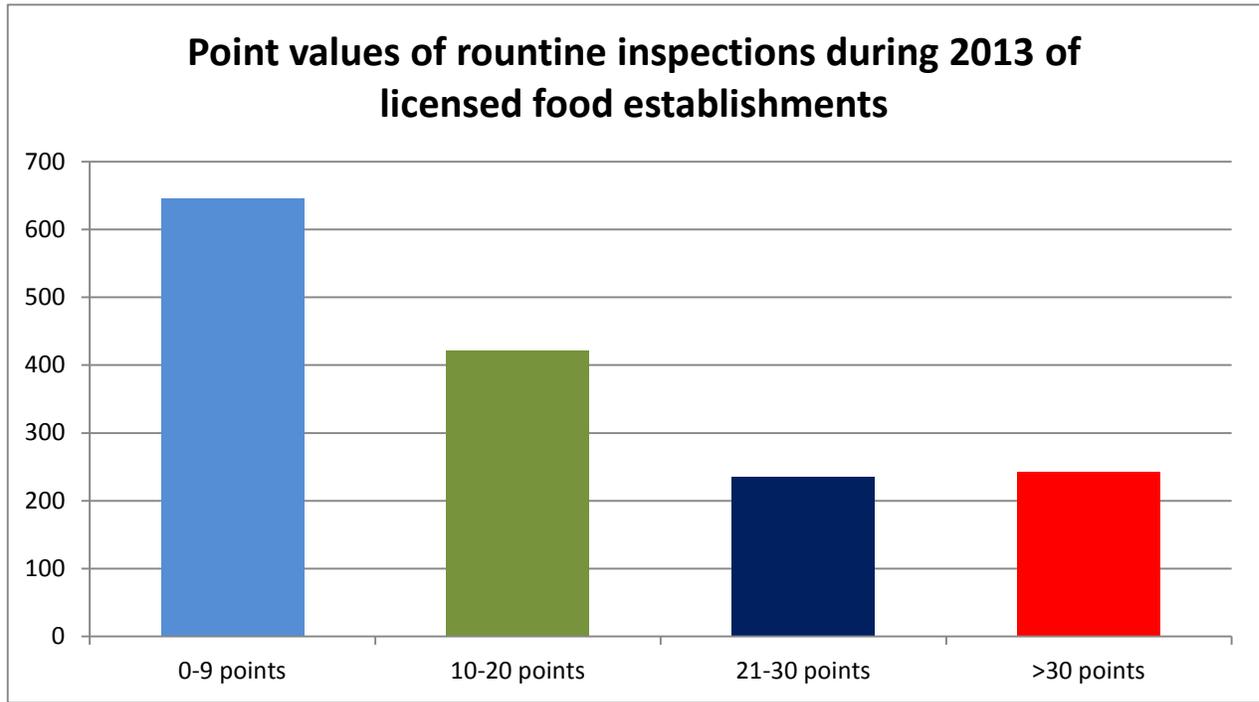
Environmental Services protects our air, water and land from pollutants and toxins by enforcing state and local environmental laws, providing technical assistance and operating the state well monitoring program as delegated by the Minnesota Department of Health.

Lead Hazard Control responds when children are lead poisoned. Response includes testing properties and ordering the removal of lead hazards. Through two separate multimillion dollar federal grants, the program proactively addresses lead and healthy homes issues in additional residential properties. We also work with community agencies to promote lead- and smoke-free homes and ensure physical safety for infants and toddlers in their homes and in child care.

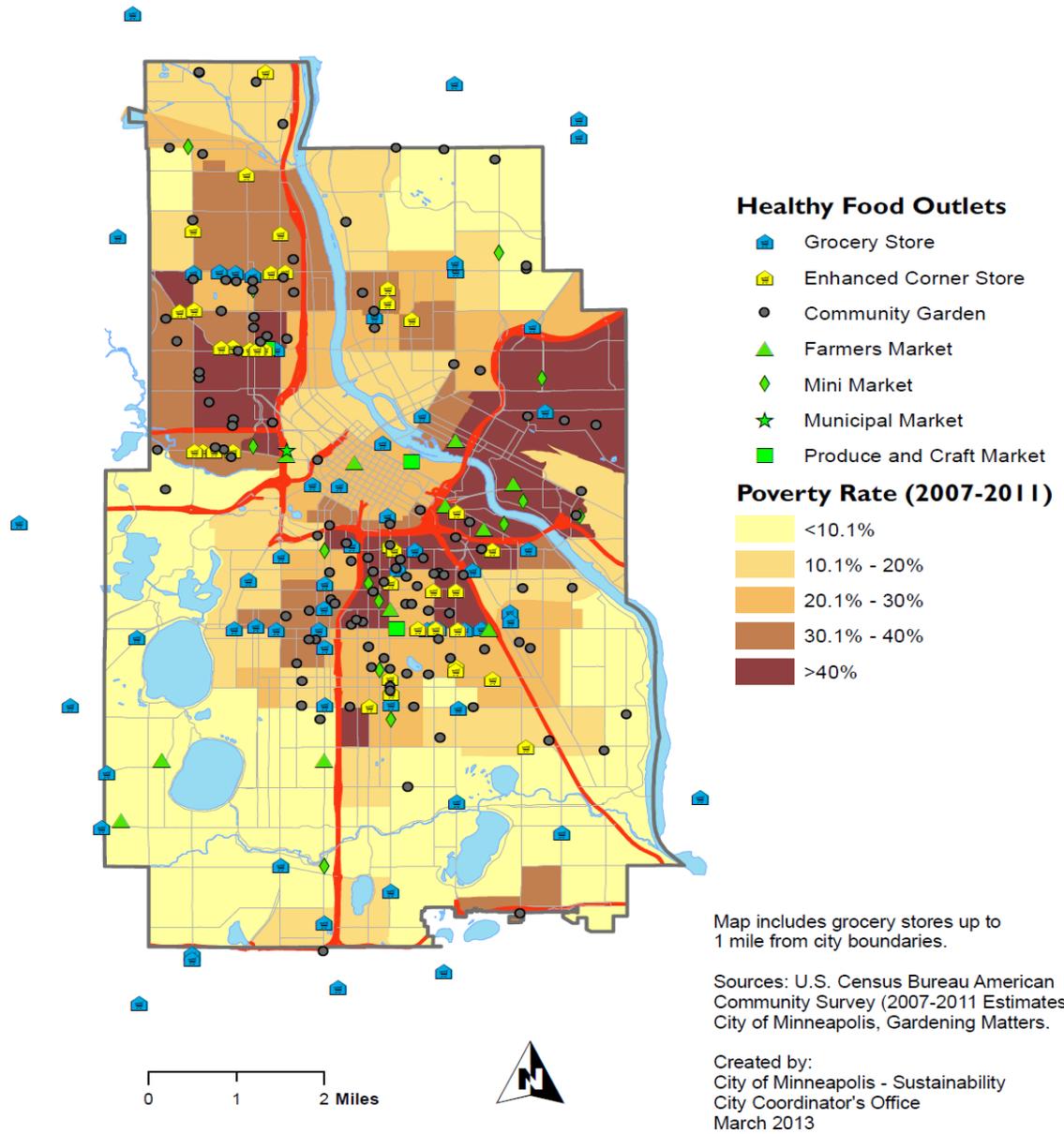
ORGANIZATION CHART

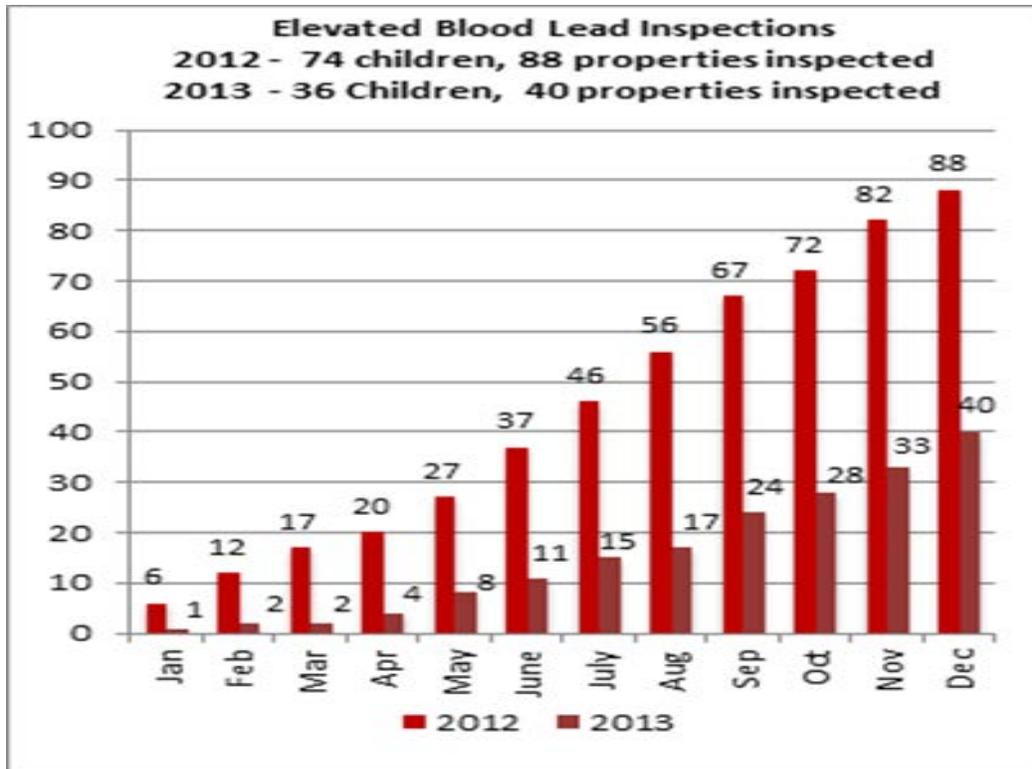


SELECTED RESULTS MINNEAPOLIS MEASURES



Healthy Food Outlets and Poverty in Minneapolis





Many People, One Minneapolis

Youth Development and Teen Pregnancy Prevention

General Fund: \$355,667
 Other Funds: \$1,039,499

The Youth Development and Teen Pregnancy Prevention program has four primary components: ensuring that policy and programs for youth are aligned with positive youth development theory and are evidence-based; creating and maintaining collaborative partnerships; addressing disparities in youth development and teen pregnancy through program development, and managing contracts related to the above.

Senior Services

General Fund: \$70,000
 Other Funds: \$174,800

Department senior services include two areas of activities - the UCare Skyway Senior Center and public health nurse home visits to low income, at-risk, and under/uninsured seniors. Since 2001 the Department has ensured home health services to eligible Minneapolis seniors under contract with the Minnesota Visiting Nurse Agency (MVNA). A total of \$70,000 annually is provided for home health care/therapeutic services for seniors considered high-risk, low income, age 60 and over (not yet eligible for Medicare), and who reside in Minneapolis. These services help maintain these high-risk seniors safely in their own homes.

Perinatal, Early Childhood and Family HealthGeneral Fund: \$481,930
Other Funds: \$2,551,690

This program promotes maternal, paternal, infant and child health through a range of coordinated and complementary services.

School Based Clinic ProgramGeneral Fund: \$226,420
Other Funds: \$2,456,727

The Department operates School Based Clinics (SBC) in six Minneapolis public high schools and the Broadway Teen Parent Program alternative school at Longfellow. All clinic services are provided by medical and behavioral health professionals, focus on adolescent health services including acute illness care, well-teen exams, reproductive care, nutrition education, immunizations, and mental health screenings, diagnostic assessments and therapy.

Youth Violence Prevention - Parents of Adolescent Support Groups

General Fund: \$150,000

To support the citywide effort to prevent youth violence, the Minneapolis Health Department has invested in efforts to provide support, education and skill building opportunities to parents of teens. This initiative will be implemented by community based organizations that have experience working with families and adolescents from diverse racial and ethnic backgrounds. Agencies will be encouraged to use evidence based and or promising practices in parenting that address family values and childrearing using a culturally specific lens. Programs will also address the impact of historical trauma and racism and will provide parents with the tools that they need to help them and their children. The program hopes to fund 3-6 projects ranging from \$40,000 – \$65,000 annual budgets and serving 60-120 families.

Air Quality: A Neighborhood Approach

General Fund: \$125,000

The department is requesting a one-time allocation to support air quality testing in 2014. The *Air Quality in Minneapolis: A Neighborhood Approach* project will expand on the *Minneapolis Air Quality Study* published in 2007, which provided a more extensive look at air quality in Minneapolis. The first half of this study was initiated in 2013. The study requires funding through 2014 to be completed. The project will to utilize a cost effective way to evaluate air quality where people live, work and play. The study is part of a larger focus on air quality that involves the Minnesota Pollution Control Agency, Environmental Initiative, Minnesota Technical Assistance Program, community associations, business associations, and others to focus on area source pollution reduction and improving our local air quality.

A Safe Place to Call Home**Youth Violence Prevention**General Fund: \$121,786
Other Funds: \$478,666

The Department provides city-wide leadership and coordination for implementing the Youth Violence Prevention Blueprint for Action in partnership with other government and community partners. Adopted by the Mayor and City Council in 2008, the Blueprint outlines four major goals: connecting youth to trusted adults; intervening at the first sign of risk; restoring youth that have gone down the wrong path; and unlearning the culture of violence. The Blueprint uses the

public health approach and positive youth development theory as its framework for developing policy and program initiatives.

Lead Poisoning and Healthy Homes

General Fund: \$289,156
Other Funds: \$1,520,763

The Lead Poisoning Prevention and Healthy Homes (LPP&HH) initiative is aimed at eliminating elevated lead levels in Minneapolis for children under six and reducing indoor environmental hazards.

The Department accomplishes its objectives by securing contractual agreements with community agencies that perform outreach services, education, in-home visiting and referrals to remediation services.

Public Health Emergency Preparedness and Infectious Disease Prevention

General Fund: \$19,843
Other Funds: \$600,157

Local public health departments are required by statute (and by charter in Minneapolis) to assure the health and safety of Minneapolis residents and visitors from infectious disease. The Department does so through collaboration, contracts, and participation in a community-wide continuum of care. That continuum includes: day-to-day prevention and intervention activities, responses to small events, and responses to a large public health emergency.

Food Lodging and Pools

General Fund: \$2,034,501

The Food Lodging and Pools program ensures commercial and institutional food offerings are safe and in compliance with state and local health codes by conducting more than 7,000 inspections a year of restaurants, schools, board and lodging facilities, hotels, pools, tanning and body arts establishments, daycares, farmers markets, groceries, and food vendors.

Preventing High-Risk Youth from Becoming Victims of Violence

General Fund: \$75,000

Work began in September 2012 to develop a retrospective study identifying those factors most predictive of youth being injured by violence. Phase I of the project was scheduled to be completed by the end of 2012 with phase 2 of the project being in 2013. While some data analysis has been done with police and school data, the department is still developing the infrastructure for data sharing amongst the various jurisdictions. The City has also received pro bono services from a private firm to assist with data analysis. This proposal supports the following one-time expense to complete work on developing a prospective predictive capability using the list of predictive indicators identified in the study.

Once the data system is developed and populated, programming for the identified youth will be developed. A final critical element will be resource development for programming in 2015. The robust data-driven components of this program should situate it well to compete for public and private grants. Additionally, Minneapolis Public Schools is also expected to develop complementary programs.

Eco-Focused

Environmental Services and Initiatives

General Fund: \$1,198,864

Environmental Services protects our air, water and land from pollutants and toxins by enforcing state and local environmental laws, providing technical assistance and operating the state well monitoring program as delegated by the Minnesota Department of Health. The Environmental Services program manages regulation of erosion control on construction sites, removal of underground storage tanks, sealing of wells, after hours work restrictions for construction, amplified sound permitting, permits to discharge to our storm and sanitary sewers, rock crushing permits, and base information on environmental site reviews. The Environmental Initiatives program is designed to proactively address pollution in a way that is a win-win-win for our area businesses, our residents, and the environment.

Livable Communities, Healthy Lives

Minneapolis Healthy Living Initiative

Other Funds: \$881,199

The 2014 Minneapolis Healthy Living initiative is a collection of projects aimed at decreasing obesity and tobacco use/exposure and the chronic disease they cause (e.g., diabetes, heart disease, asthma). The health department and its partners make long-term, sustainable changes to policies, practices and environments to create healthier environments where opportunities for healthy behaviors are easy. Because rates of obesity, tobacco use and related chronic diseases are associated with poverty, the health department's efforts are concentrated in Minneapolis communities with the highest proportions of people in poverty.

A City that Works

Public Health Core Infrastructure

General Fund: \$2,254,381

Other Funds: \$646,108

The core infrastructure program compiles and interprets health data and engages a broad network of residents and community-based agencies to identify and address health problems and their precursors. The program examines efforts across the country and internationally to identify successful methods for responding to priority health issues. The Department uses assessment data and research to develop and implement community-based policy and program changes.

FINANCIAL ANALYSIS

Expenditure

The total Minneapolis Health Department's adopted budget of \$17.7 million is a 4.9% increase over 2013. This increase results from an additional 1.3 FTE positions over 2013, inflationary increases in labor cost and other contractual obligations. The department has 92.3 positions.

Revenue

The department's total revenues in 2014 are projected to be \$12.3 million. This is a 4.8% increase from 2013, associated mainly with a 5.7% increase in Federal grants.

Fund Allocation

This department is funded primarily by the General Fund with the remainder of the department's funding found in the State & Other funds and Federal Funds.

Mayor's Recommended Budget

The Mayor recommended additional one-time General Fund allocations of \$150,000 for community micro-grants targeted at a support group for parents of adolescent children, \$125,000 to continue the 2007 Minneapolis Air Quality Study, and \$75,000 in funding for programming to prevent high-risk youth from becoming victims of violence.

Council Adopted Budget

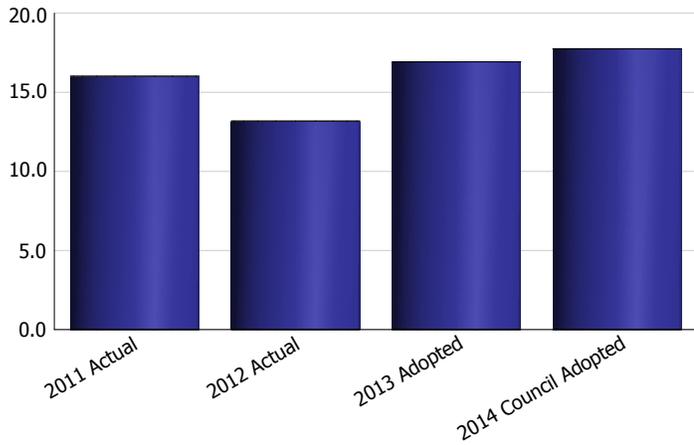
City Council approved the Mayor's recommendations and amended the budget to increase general fund revenues by \$139,000 to account for increased inspection and citation revenue projections and the expense appropriation was increased by \$139,000 for the Health department to provide for a program to assist these businesses in meeting health standards (in cooperation with CPED). Further, Council directed the staff of the Health Department to provide an update of the fees and process study to Regulatory, Energy and Environment committee during the first quarter of 2014.

**MINNEAPOLIS HEALTH DEPARTMENT
EXPENSE AND REVENUE INFORMATION**

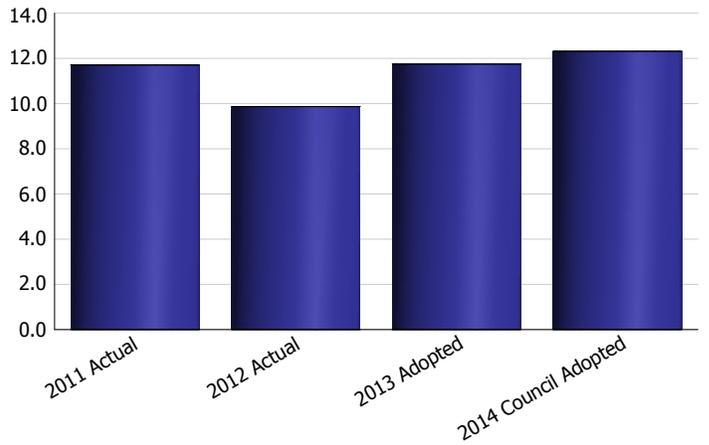
EXPENSE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	728,735	603,577	2,870,353	2,875,564	0.2%	5,210
FRINGE BENEFITS	231,367	208,795	1,112,851	1,217,563	9.4%	104,712
CONTRACTUAL SERVICES	2,017,335	1,420,968	2,642,133	2,838,493	7.4%	196,360
OPERATING COSTS	322,452	198,262	320,492	470,929	46.9%	150,437
TOTAL GENERAL	3,299,890	2,431,602	6,945,829	7,402,549	6.6%	456,719
SPECIAL REVENUE						
SALARIES AND WAGES	3,407,065	3,007,830	3,366,598	3,419,647	1.6%	53,048
FRINGE BENEFITS	1,176,582	1,139,586	1,282,200	1,376,679	7.4%	94,479
CONTRACTUAL SERVICES	7,572,513	6,104,434	5,155,365	5,488,665	6.5%	333,300
OPERATING COSTS	454,632	401,509	180,915	64,618	-64.3%	(116,297)
CAPITAL	102,959	93,595				0
TOTAL SPECIAL REVENUE	12,713,750	10,746,953	9,985,079	10,349,609	3.7%	364,530
TOTAL EXPENSE	16,013,640	13,178,555	16,930,908	17,752,158	4.9%	821,250
REVENUE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
FINES AND FORFEITS	0	0	156,000	80,000	-48.7%	(76,000)
LICENSE AND PERMITS	0	0	2,108,058	2,178,558	3.3%	70,500
OTHER MISC REVENUES	0	0	83,000	222,000	167.5%	139,000
GENERAL			2,347,058	2,480,558	5.7%	133,500
SPECIAL REVENUE						
CHARGES FOR SERVICES	364,051	443,020	280,000	400,000	42.9%	120,000
CONTRIBUTIONS	468,723	299,032	172,300	172,000	-0.2%	(300)
FEDERAL GOVERNMENT	6,222,688	4,659,751	4,835,443	5,109,837	5.7%	274,394
INTEREST	946	687	0		0.0%	0
LOCAL GOVERNMENT	284,898	201,507	206,666	206,666	0.0%	0
OTHER MISC REVENUES	(41,346)	72,067	2,500	2,800	12.0%	300
SALES AND OTHER TAXES	1,254	1,964	7,000	7,000	0.0%	0
STATE GOVERNMENT	4,408,765	4,190,661	3,900,843	3,939,176	1.0%	38,333
SPECIAL REVENUE	11,709,978	9,868,690	9,404,752	9,837,479	4.6%	432,727
TOTAL REVENUE	11,709,978	9,868,690	11,751,810	12,318,037	4.8%	566,227

MINNEAPOLIS HEALTH DEPARTMENT EXPENSE AND REVENUE INFORMATION

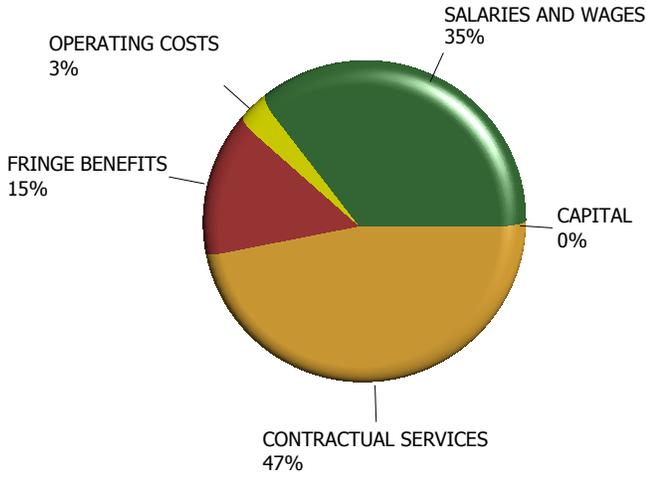
Expense 2011 - 2014
In Millions



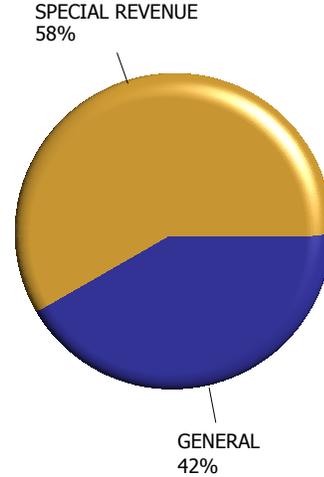
Revenue 2011 - 2014
In Millions



Expense by Category



Expense by Fund

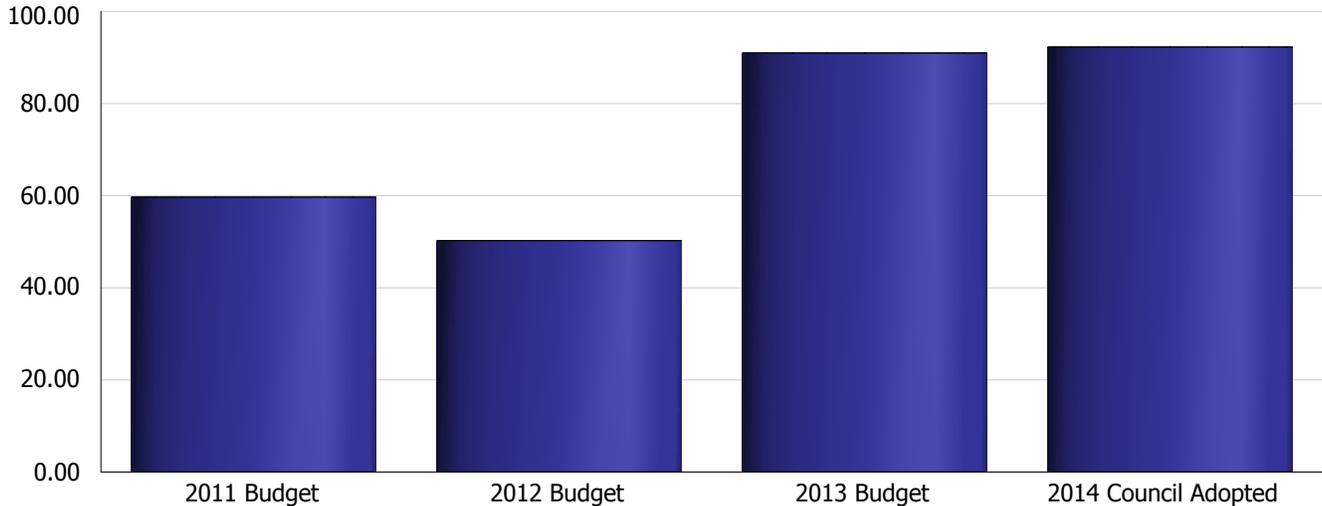


MINNEAPOLIS HEALTH DEPARTMENT

Staffing Information

Division	2011 Budget	2012 Budget	2013 Budget	2014 Council Adopted	% Change	Change
ADMIN/INTERNAL SERVICES CHARGE		4.95	1.00		(100.0%)	(1.00)
Core Infrastructure	12.45	6.30	13.00	13.10	0.8%	0.10
Emergency Prep & Infectious Disease	4.10	3.00	2.85	2.60	(8.8%)	(0.25)
Environmental Services			10.50	10.50	0.0%	0
Food Lodging and Pools			19.00	19.00	0.0%	0
Health Care Safety Net		0.20				0
Healthy Homes and Environment		0.80	1.00		(100.0%)	(1.00)
Healthy Living	2.40	2.50	4.55	6.55	44.0%	2.00
Lead and Healthy Homes	2.50	2.60	9.00	9.30	3.3%	0.30
MINNEAPOLIS HEALTH DEPARTMENT			0.00		(100.0%)	0.00
not being used	6.80	0.30				0
Perinatal Early Childhood/Family	0.50	0.90	2.25	2.35	4.4%	0.10
Perinatal Initiatives	3.50	4.65				0
School Based Clinics	20.00	19.50	22.50	23.30	3.6%	0.80
Senior Services	2.00	1.10	1.00	1.00	0.0%	0
YOUTH DEVEL- TEEN PREG PREV	3.80	0.75	1.35	1.20	(11.1%)	(0.15)
Youth Violence Prevention	1.65	2.70	3.00	3.40	13.3%	0.40
Overall	59.70	50.25	91.00	92.30	1.4%	1.30

Positions 2011-2014



INTERNAL AUDIT

MISSION

Internal Audit serves the City of Minneapolis and the public interest by providing the Mayor, City Council, and other City leaders and management with objective services to help minimize risks, improve internal controls, maximize efficiencies and effectiveness of operations, reduce cost, and strengthen accountability.

BUSINESS LINES

Powers and duties of the Internal Auditor:

a) The internal auditor shall:

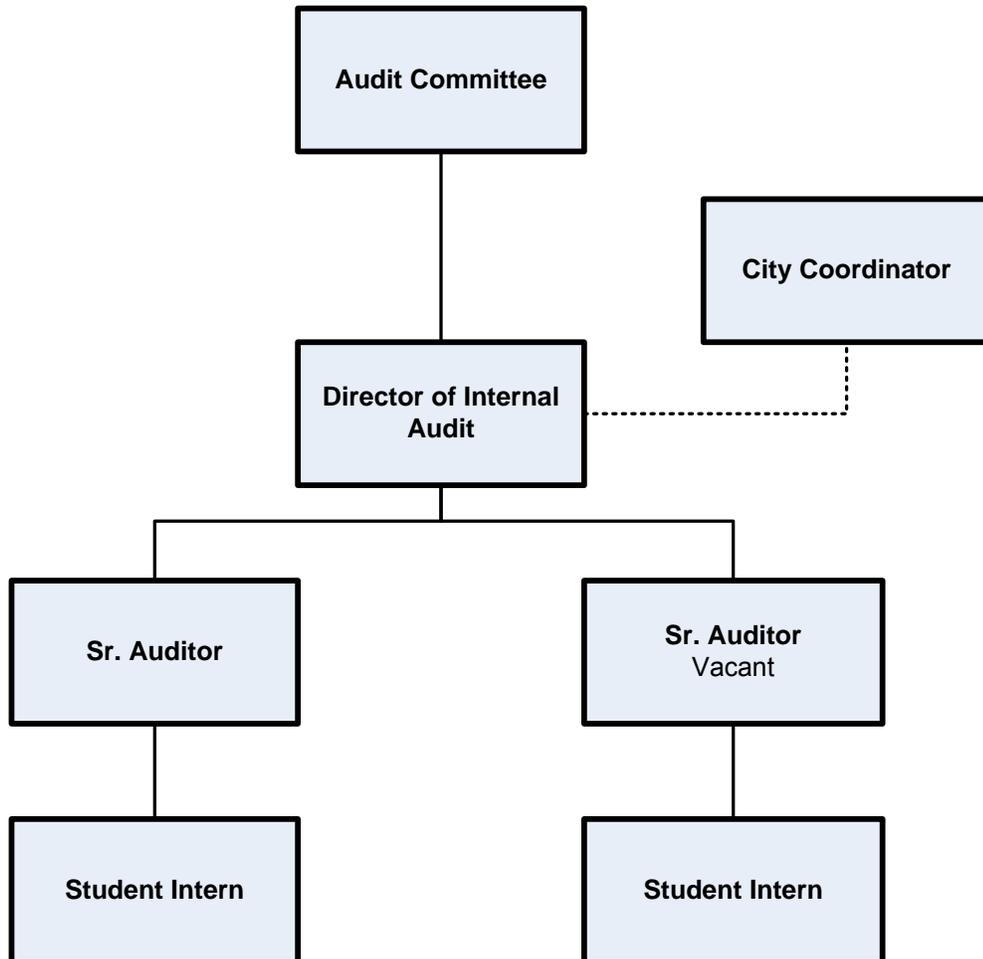
- 1) Establish guidelines, policies, and procedures for the conduct of periodic internal audits.
- 2) Develop an annual audit plan to be submitted to the Audit Committee for approval.
- 3) Conduct investigations of alleged or suspected impropriety, fraud, misappropriation, or other misuse of city funds, shall seek advice from the city attorney as appropriate and report any suspected criminal activity to appropriate law enforcement authorities.
- 4) Appraise the audit committee on the adequacy of action taken by departments to correct report deficiencies.
- 5) Implement a comprehensive audit plan to review and evaluate the adequacy and effectiveness of the city's internal system of financial controls to ensure:
 - a) The reliability and integrity of financial records and reports.
 - b) Compliance with policies, procedures, ordinances, rules and statues related to expenditures and financial controls.
 - c) The assets are safeguarded from loss.
- 6) Coordinate with external auditors and assist in the implementation of corrective actions recommended by external auditors as appropriate.
- 7) Submit an annual report to the mayor and city council indicating audits completed, major findings, corrective actions taken by administrative managers, and significant findings which have not been fully addressed by management.

b) The internal auditor may:

- 1) Subject to the approval of the audit committee, conduct special reviews and programmatic reviews at the request of the mayor, city council, finance officer, city departments, boards and commissions.
- 2) Provide assistance to city departments, boards and commissions for evaluation of financial controls. (2009-Or-190, § 4, 12-18-09)

ORGANIZATION CHART

City of Minneapolis
Department of Internal Audit
Organization Chart



A City that Works

Internal Audit

General Fund: \$491,487

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve City of Minneapolis (the City) operations. We help the City accomplish its goals and objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The department's responsibilities include: 1) financial review, 2) operational reviews (related to department

operations that may have a financial impact), 3) compliance reviews (related to federal, state, and local rules and regulations), 4) information technology (IT) reviews related to system access, general controls, networks, databases and interfaces that may impact the availability, integrity, and completeness of financial data, 5) training services for internal controls enhancements, and 6) fraud investigations.

FINANCIAL ANALYSIS

Expenditure

The total department's budget of \$491,487 is a 28.6% increase over 2013. This increase is due to an addition of one FTE that will allow the department's capacity to increase the number of projects from 6 per year to 12 and increase staffing levels from two to three.

Revenue

This Department does not produce revenue.

Fund Allocation

This department is funded completely in the General Fund.

Mayor's Recommended Budget

The Mayor recommended an additional ongoing General Fund appropriation in the amount of \$126,000 for this department to hire one additional auditor.

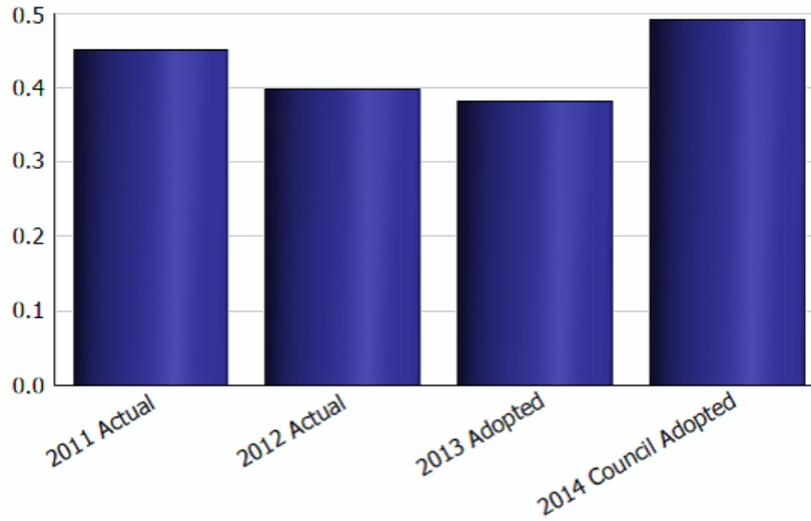
Council Adopted Budget

City Council approved the Mayor's recommendations.

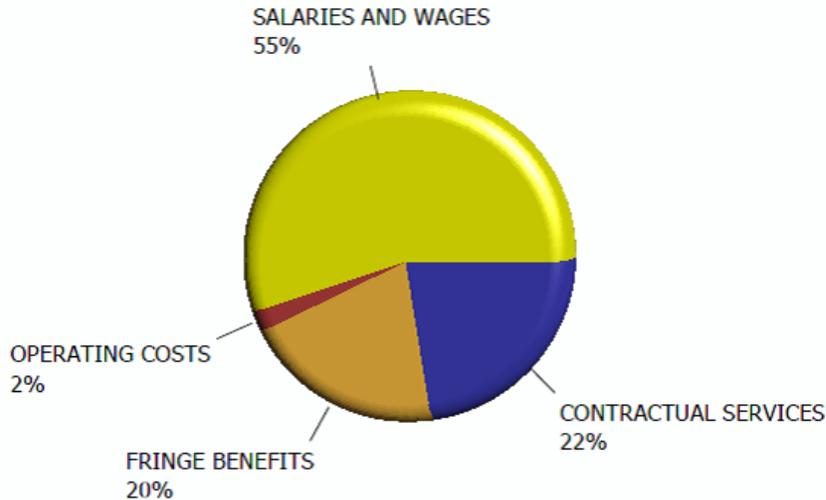
INTERNAL AUDIT EXPENSE AND REVENUE INFORMATION

EXPENSE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	256,360	189,379	193,009	270,752	40.3%	77,743
FRINGE BENEFITS	76,863	66,376	68,707	100,004	45.5%	31,296
CONTRACTUAL SERVICES	103,779	113,084	83,023	110,300	32.9%	27,277
OPERATING COSTS	13,725	29,230	37,397	10,431	-72.1%	(26,966)
TOTAL GENERAL	450,726	398,070	382,136	491,487	28.6%	109,350
TOTAL EXPENSE	450,726	398,070	382,136	491,487	28.6%	109,350

Expense 2011 - 2014
In Millions



Expense by Category

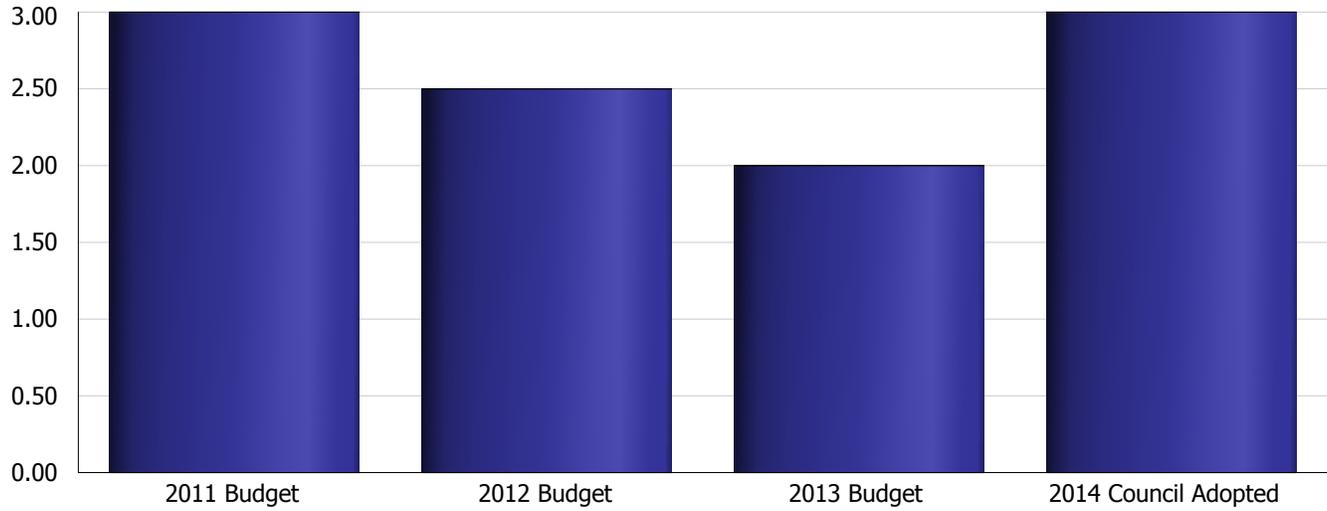


INTERNAL AUDIT

Staffing Information

Division	2011 Budget	2012 Budget	2013 Budget	2014 Council Adopted	% Change	Change
Internal Audit	3.00	2.50	2.00	3.00	50.0%	1.00
Overall	3.00	2.50	2.00	3.00	50.0%	1.00

Positions 2011-2014



MAYOR

MISSION

Dedicated to making Minneapolis a vibrant, safe city that offers opportunity for all.

BUSINESS LINES

• Policy Development

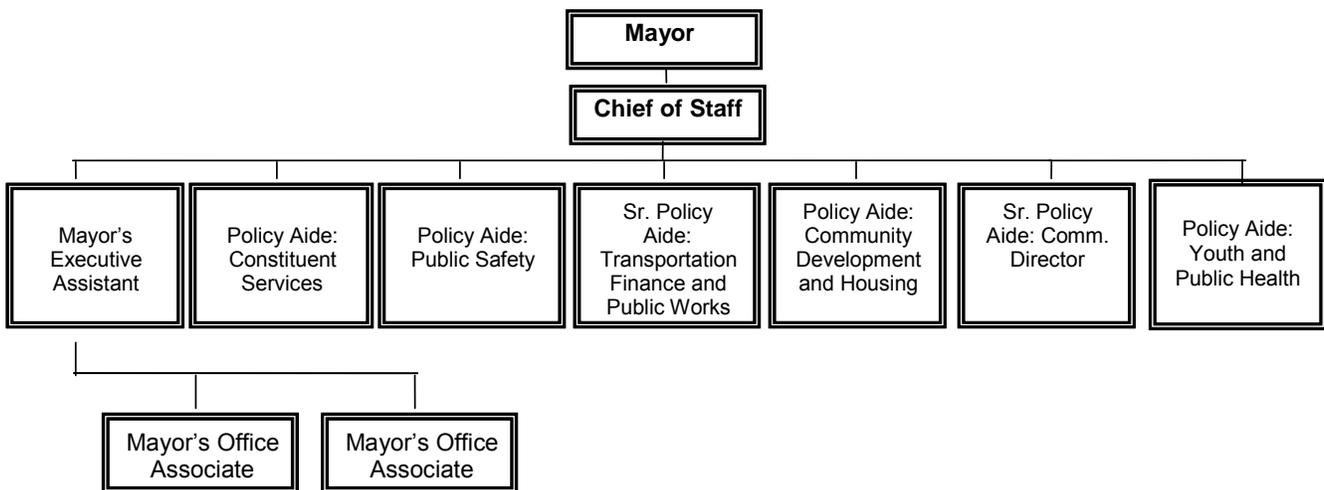
- Lead and support policy development that reflects the City's five-year goals.
- Partner with the City Council to develop and lead the strategic direction for the City.
- Develop responsible fiscal policies and an annual budget that reflects City's goals.
- Support the work of the City to provide better, more coordinated and responsive services.
- Ensure that the community is actively engaged as an active partner in City work.

• Policy & Program Promotion

- Champion the innovations and successes of Minneapolis as a premier destination, a growing economic and cultural leader.
- Promote education excellence as the lynchpin to a successful city.

• Policy & Program Implementation

- Nominate and support strong City department heads.
- Oversee the performance and accountability of the Police and Civil Rights departments.
- Through *Results Minneapolis* as well as department head evaluations, ensure that the City enterprise is accountable for results.



Mayor's Policy & Operations

General Fund: \$1,696,755

This program leads strategic policy development and supports policy implementation based on the five City goals. This program assists in developing and leading the strategic direction for the city and support functions needed to do this. The program is also in charge of nominating and supporting strong department heads, overseeing the performance and accountability of the Police and Civil Rights department, and developing responsible fiscal policies and an annual budget that reflects the City's goals.

FINANCIAL ANALYSIS

Expenditure

The total Mayor's Department's adopted budget of \$1.7 million is a 6.2% increase over 2013 level. Of this increase, 67% of it is attributed to inflationary increases in salaries and fringe benefits while the remaining 37% is from inflationary increases in operating costs. There are 11 positions in the department.

Revenue

The department does not generate revenue.

Fund Allocation

The department is funded 100% in the General Fund.

Mayor's Recommended Budget

The Mayor recommended an additional \$50,000 in ongoing General Fund resources to consistently and fully fund personnel costs in this department rather than relying on temporary grant funding.

Council Adopted Budget

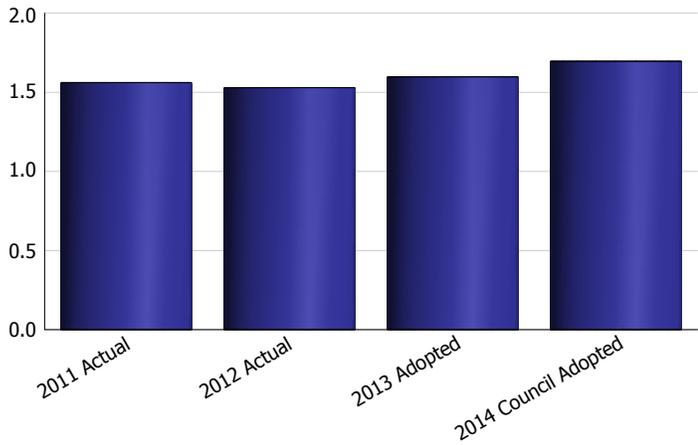
City Council adopted the Mayor's recommendations.

**MAYOR
EXPENSE AND REVENUE INFORMATION**

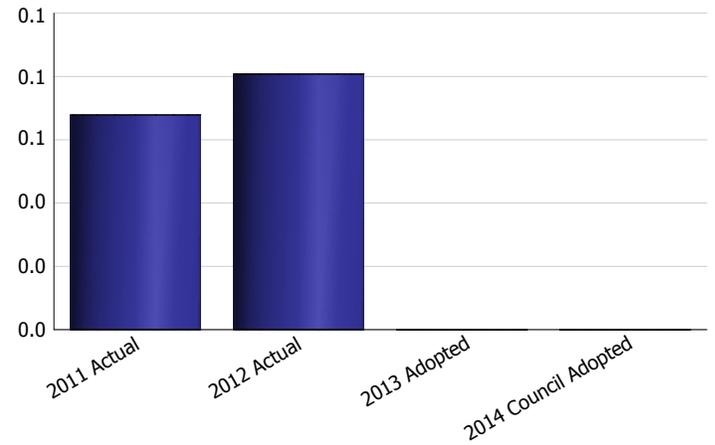
EXPENSE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	668,728	640,647	734,094	784,344	6.8%	50,250
FRINGE BENEFITS	202,886	215,639	281,133	297,322	5.8%	16,189
CONTRACTUAL SERVICES	300,363	225,843	289,541	260,856	-9.9%	(28,685)
OPERATING COSTS	324,277	366,626	293,480	354,233	20.7%	60,753
TOTAL GENERAL	1,496,254	1,448,754	1,598,248	1,696,755	6.2%	98,507
SPECIAL REVENUE						
SALARIES AND WAGES	55,891	66,728				0
FRINGE BENEFITS	9,608	14,075				0
TOTAL SPECIAL REVENUE	65,499	80,803				0
TOTAL EXPENSE	1,561,753	1,529,558	1,598,248	1,696,755	6.2%	98,507
REVENUE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
OTHER MISC REVENUES	20	0	0		0.0%	0
GENERAL	20					0
SPECIAL REVENUE						
CONTRIBUTIONS	67,841	80,786	0		0.0%	0
SPECIAL REVENUE	67,841	80,786				0
TOTAL REVENUE	67,861	80,786				

MAYOR EXPENSE AND REVENUE INFORMATION

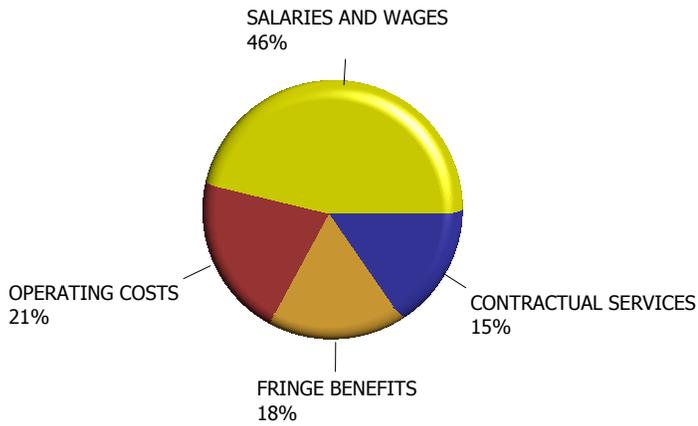
Expense 2011 - 2014
In Millions



Revenue 2011 - 2014
In Millions



Expense by Category

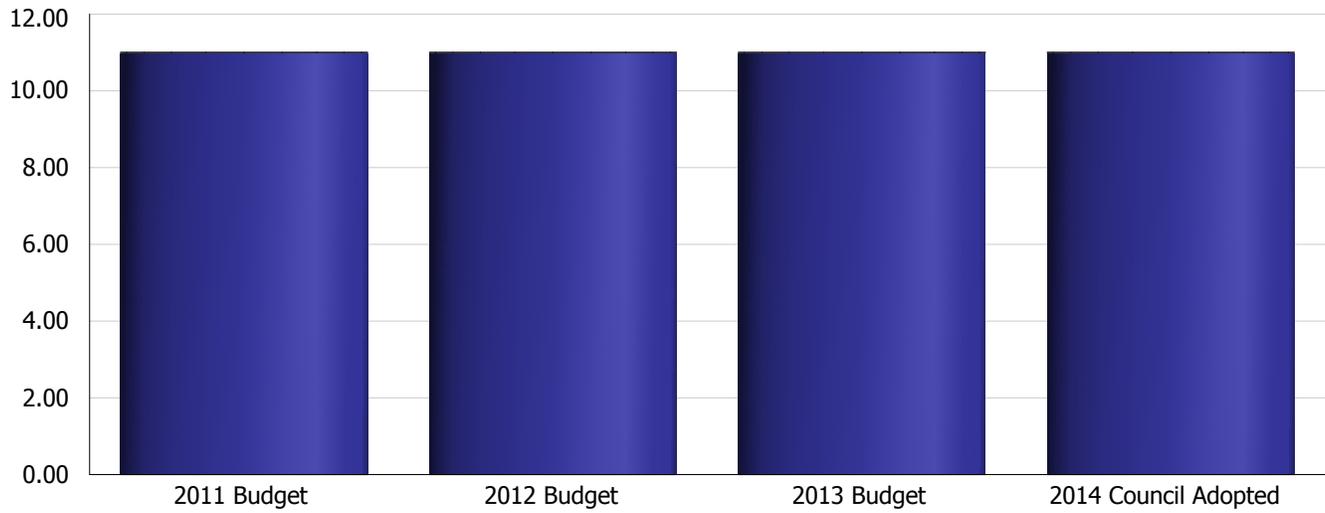


MAYOR

Staffing Information

Division	2011 Budget	2012 Budget	2013 Budget	2014 Council Adopted	% Change	Change
MAYOR - ADMINISTRATION	11.00	11.00	11.00	11.00	0.0%	0
Overall	11.00	11.00	11.00	11.00	0.00	0

Positions 2011-2014



POLICE

MISSION

We, the members of the Minneapolis Police Department, are committed to providing quality and professional service in partnership with all communities to continue to advance our cities safety, growth and viability. We are committed to excellence through the development, accountability and support of our employees to achieve their full potential.

BUSINESS LINES

Patrol Bureau

- Precincts
 - Patrol (911 Response, Directed Patrol), Investigations, Community Response Teams (CRT), Mounted Patrol, and Crime Prevention Specialists.
- Special Operations Division
 - Emergency Preparedness Unit – Canine, Community Engagement Team, Special Events
 - Emergency Services Unit – Bomb/Arson, Crisis Negotiations, Mobile Command, SWAT

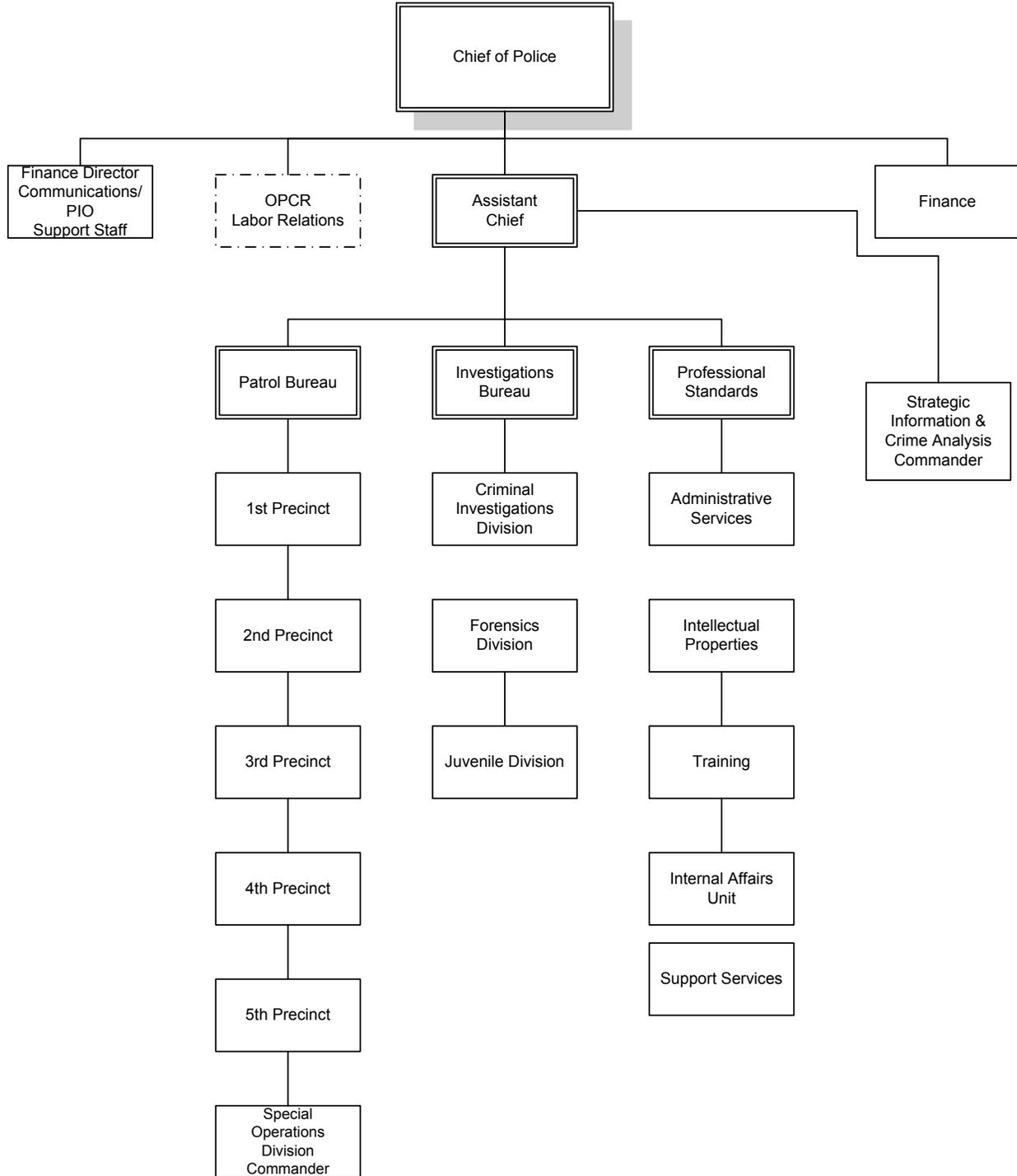
Investigations Bureau

- Violent Crimes
 - Assault, Violent Chronic Offender, Homicide, Violent Criminal Apprehension Team, Joint Terrorism Task Force, Robbery, Safe Streets, Weapons Investigations
- Special Crimes Investigations Division
 - Juvenile Investigations, Crimes Against Children, Juvenile Trafficking, Juvenile Outreach and Diversion, PAL, and School Resource Officer Program, Licensing Investigations, Auto Theft Prevention, Financial Crimes Unit, Sex Crimes, Predatory Registration Section, Traffic Investigations
- Strategic Information and Crime Analysis Division
 - Strategic Information Center, Crime Analysis

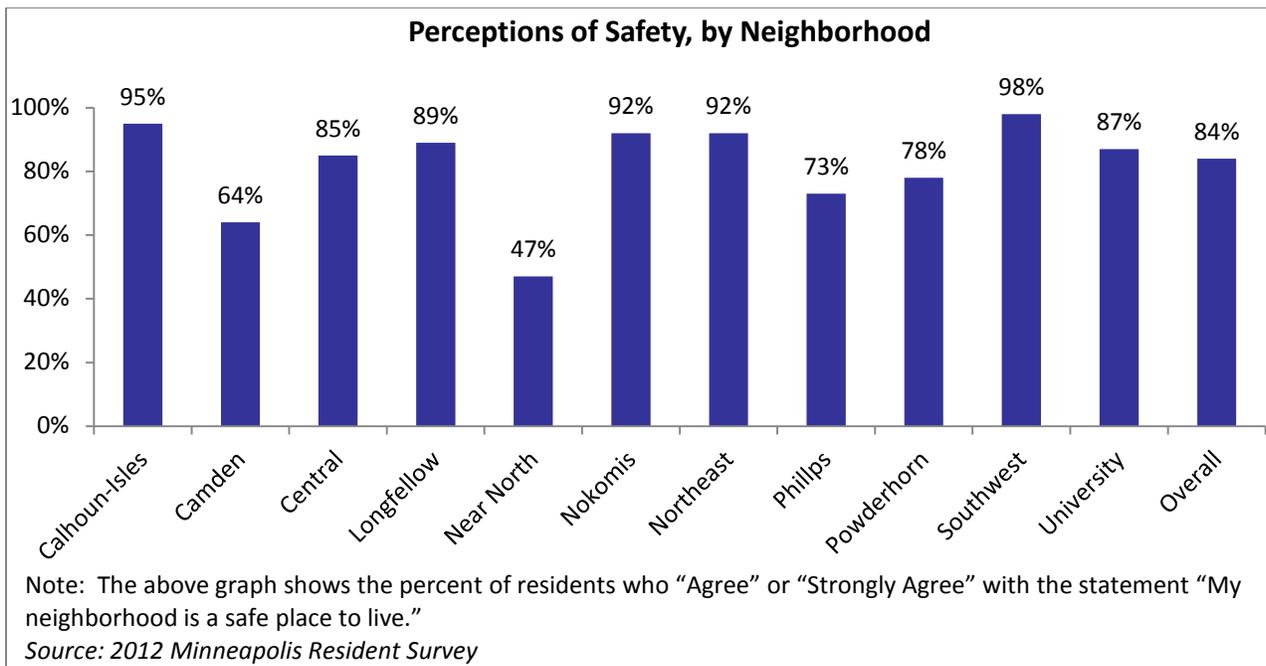
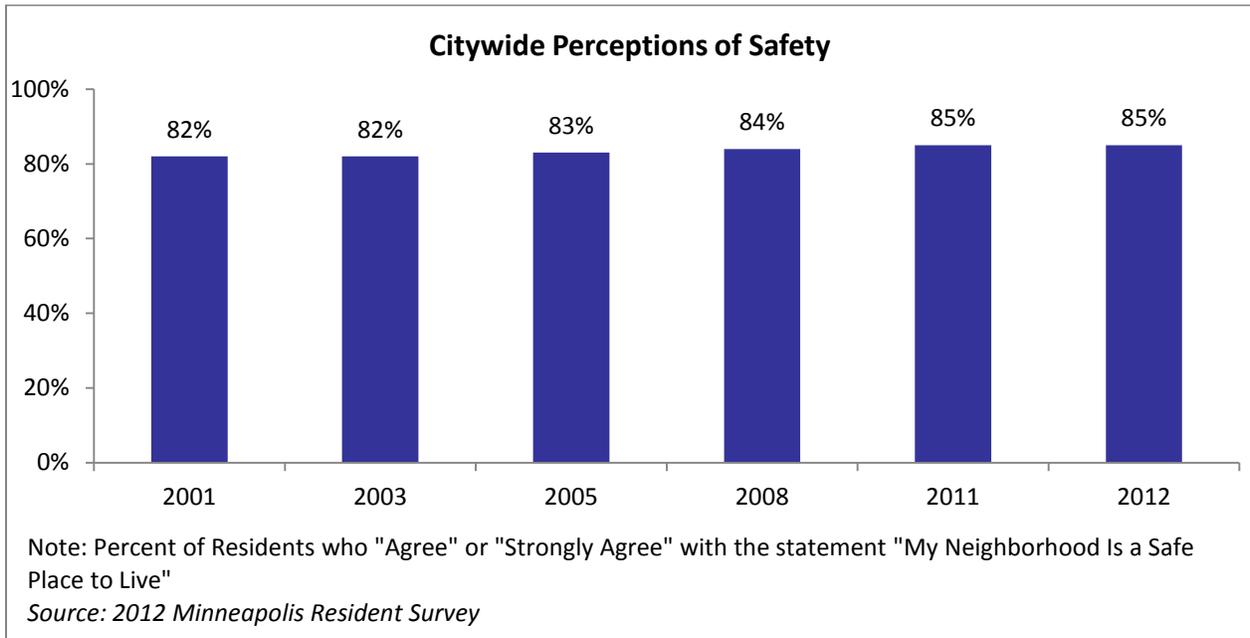
Office of Professional Standards

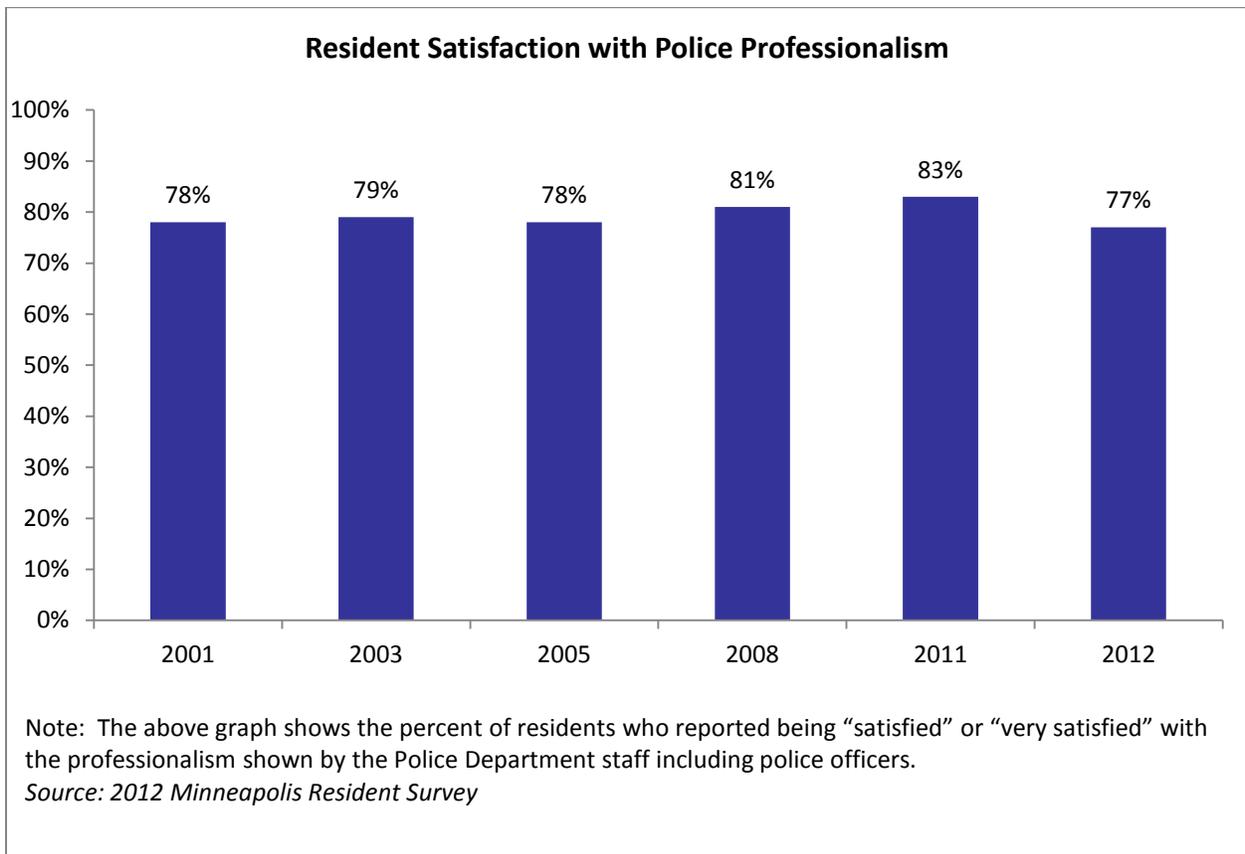
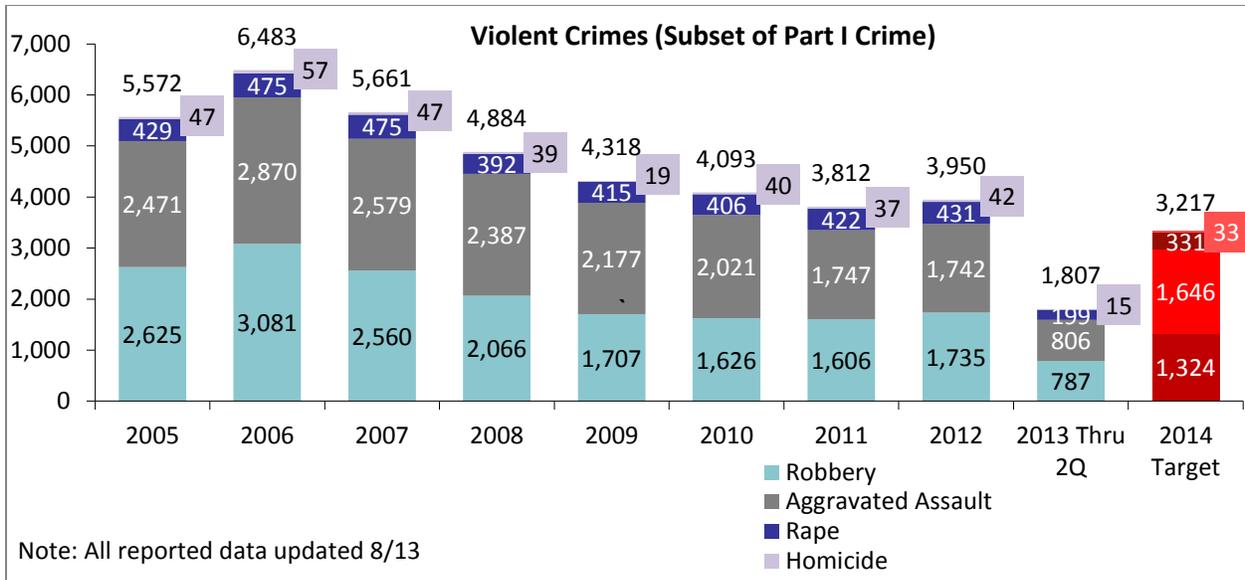
- Administrative Services
 - Fleet, Health & Wellness, Police Stores, Research & Policy Development
- Technology and Support Services
 - Business Technology and Support, Property & Evidence, Records Information, Transcription
- Forensics Division
 - Crime Lab, Field Operations, Firearms/Toolmark, Forensic Garage, Photo Lab, MAFIN
- Internal Affairs Unit
- Leadership and Organizational Development
 - Academy, Backgrounds, Community Service Officer Program, In-Service, Pre-Service, Recruitment

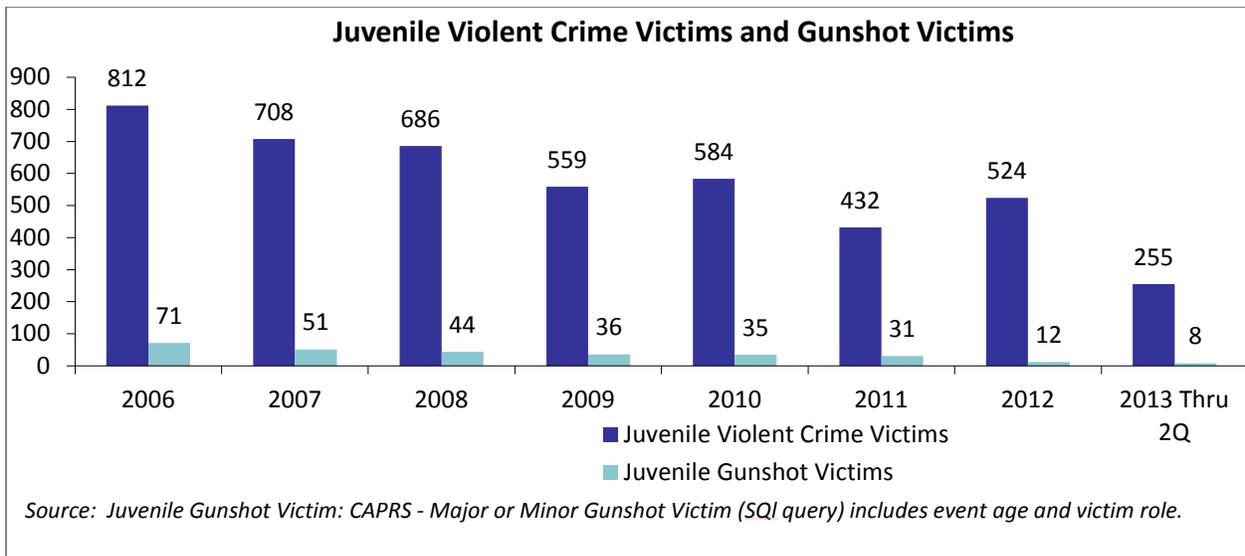
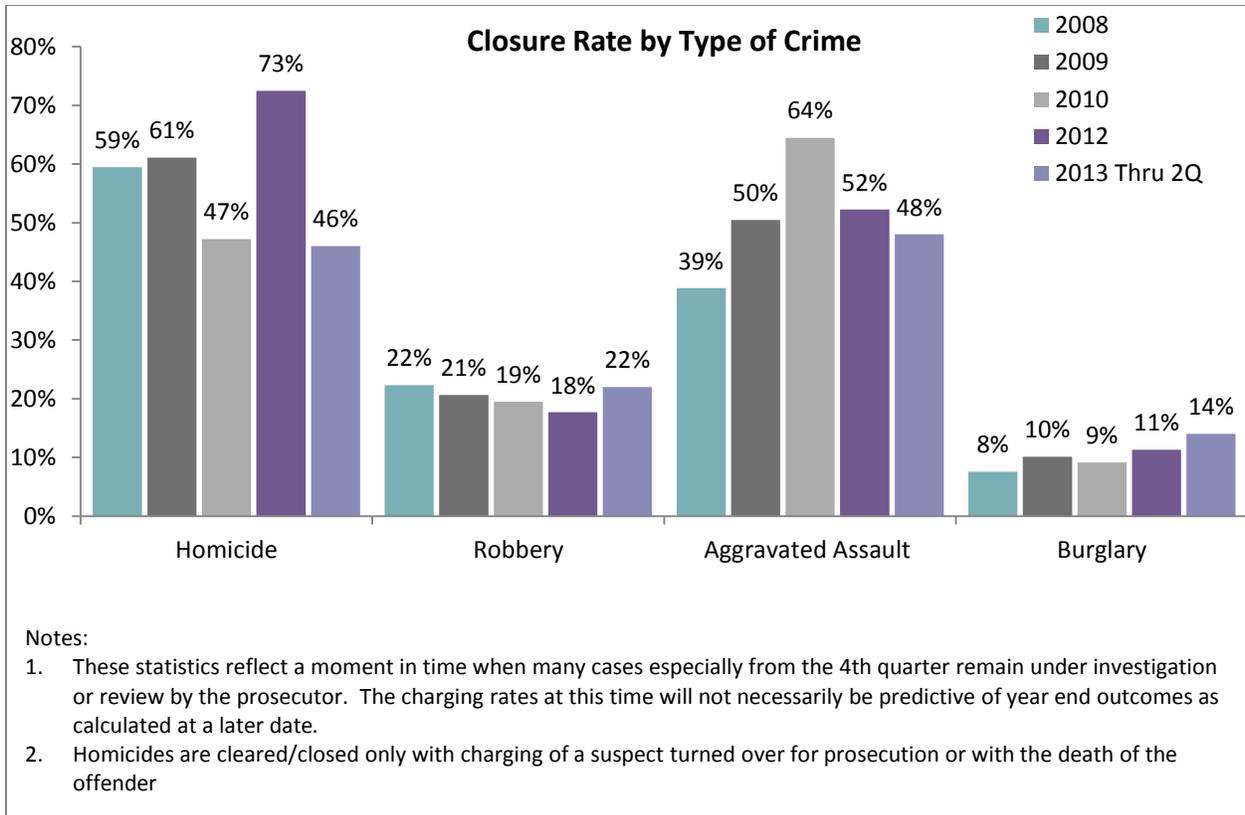
ORGANIZATION CHART

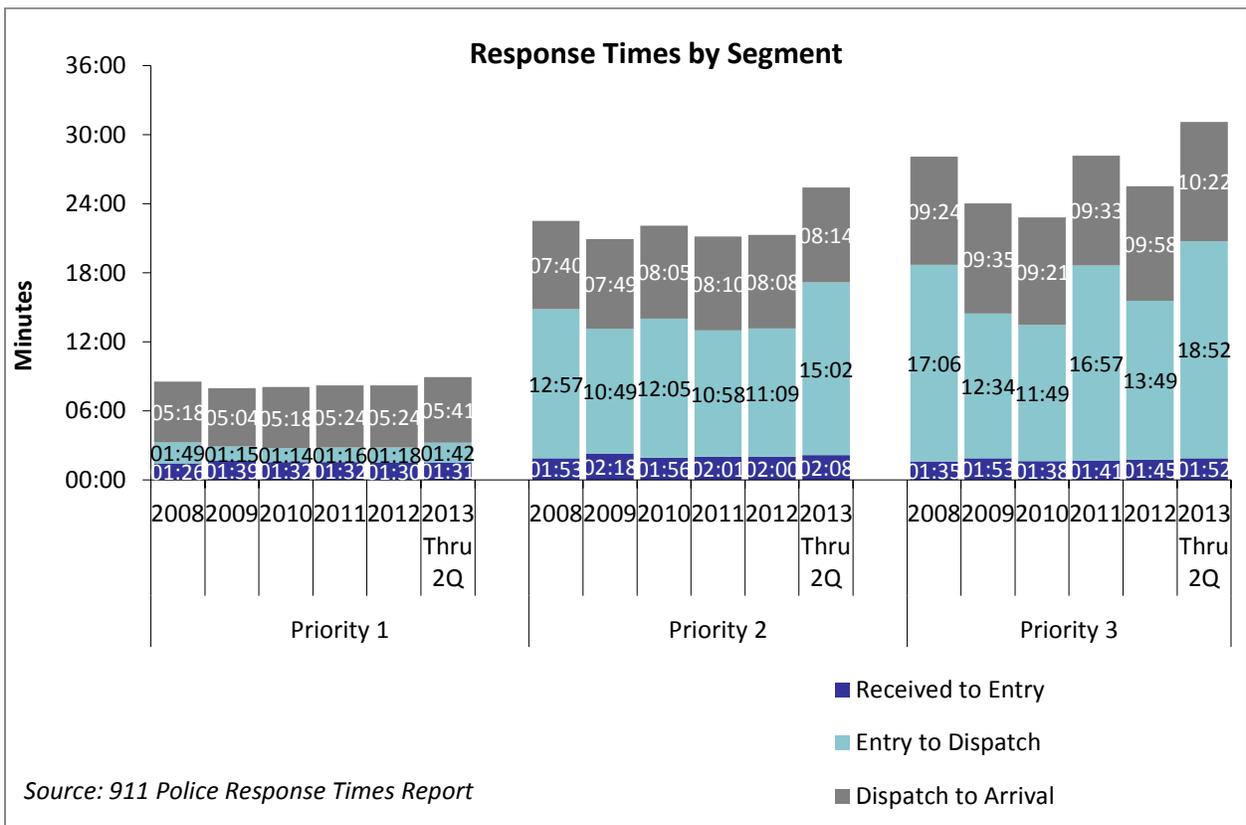
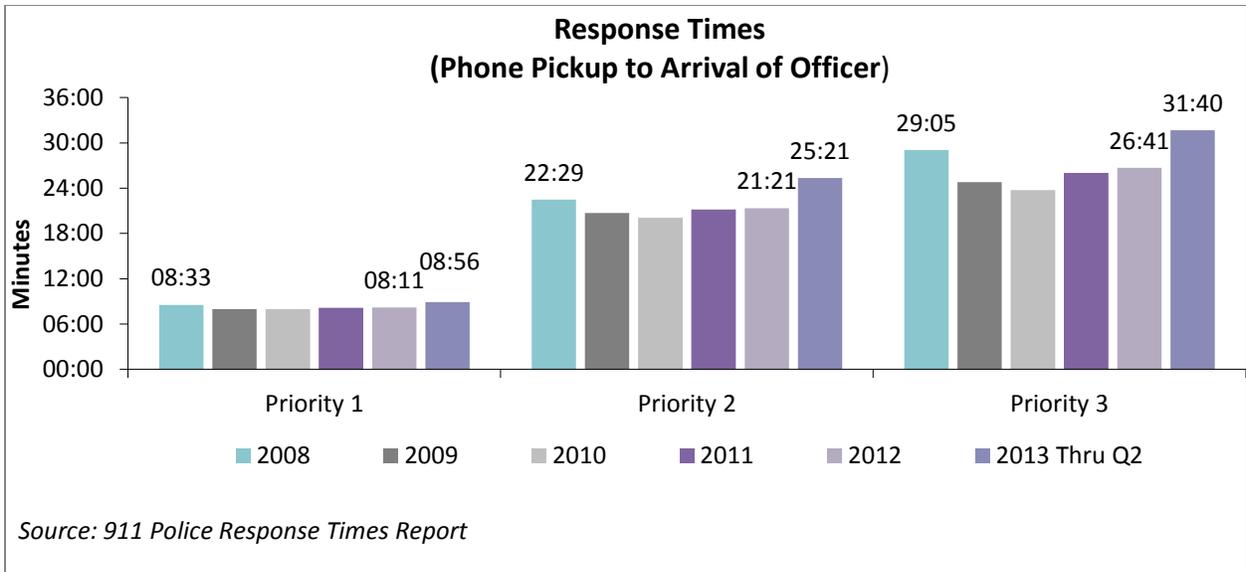


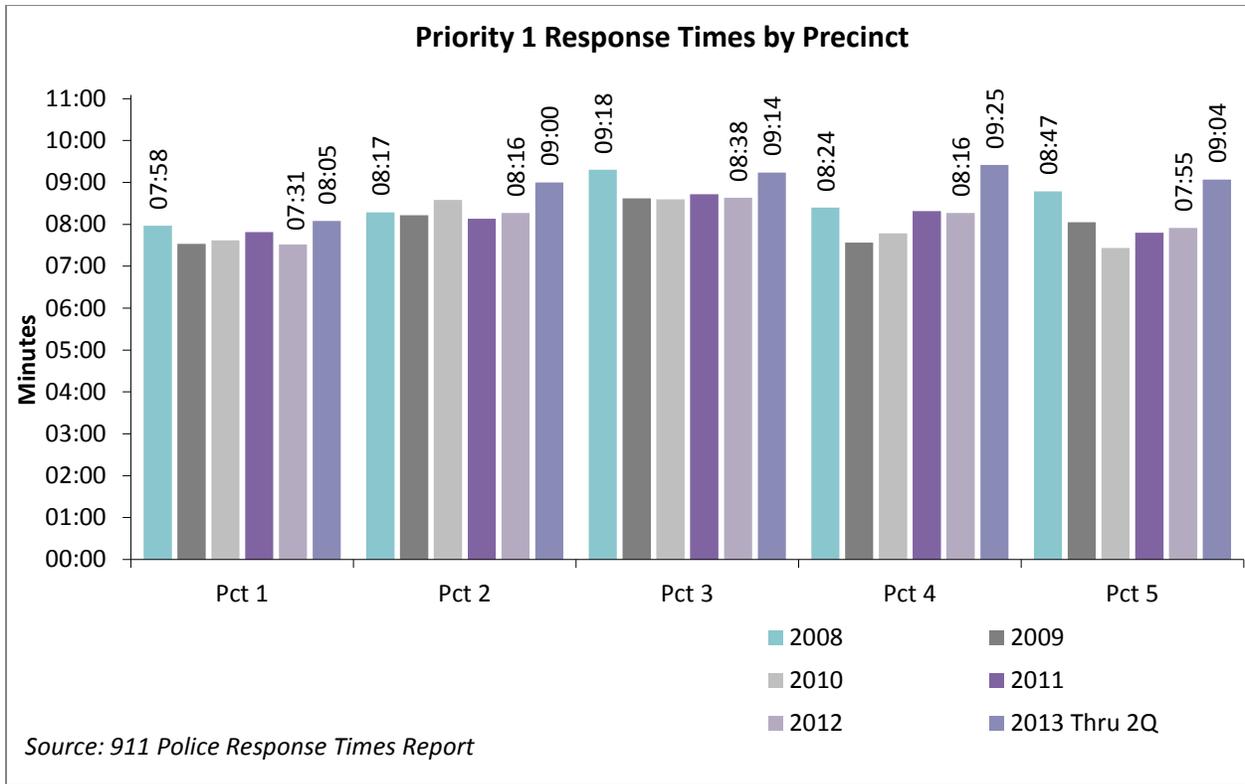
SELECTED RESULTS MINNEAPOLIS MEASURES











A Safe Place to Call Home

MPD Emergency Response Services

General Fund: \$5,452,842
Other Funds: \$78,000

The Emergency Response Services Program is designed to deliver specialized response assets to support the patrol mission. Officers assigned to within this program area have each undergone specialized training and are equipped with state of the art equipment which allows them to effectively respond to rapidly evolving, unexpected police emergencies which might otherwise result in substantial loss of life and/or property damage. Emergency Response Services personnel are the first group to be called in the event of a large-scale disaster or event.

MPD Public Safety Services

General Fund: \$91,670,776
Other Funds: \$1,370,820

The chief responsibility of MPD is maintaining law and order and restoring peace when public safety is threatened. The Public Safety Services program is comprised of several components: 911 Responders from the precincts which include regular Patrol, Directed Patrol, Traffic Enforcement, Mounted Patrol and Canine Unit, and the Investigative Units from the precincts which include Accident Investigations, Property Crimes, Community Response Teams (CRT), Indian Crime Awareness Research & Evaluation, and Licensing. Services provided within this program are truly the "backbone" of the Minneapolis Police Department.

MPD Administration and Training

General Fund: \$13,957,000

Other Funds: \$1,446,223

The Administration and Training program is the managerial hub for the Minneapolis Police Department. This program includes the Office of the Chief of Police, Financial Operations, the Professional Standards Bureau and the Department's Support Services functions.

MPD Criminal Investigations

General Fund: \$19,042,206

Other Funds: \$708,557

The Criminal Investigations program includes two major components – the Criminal Investigations Division and the Forensics Division/Crime Lab. Together, they are responsible for the collection and analysis of evidence, taking statements from victims, suspects and witnesses, preparing cases for prosecution, presenting cases to the Hennepin County Attorney's Office and other prosecutorial agencies for prosecution, and providing testimony in criminal cases. They work collaboratively with community based advocacy organizations, victim's groups such as the Crime Victims Reparations Board, and professionals in related public service agencies such as Child Protection, the Medical Examiner's Office.

MPD Juvenile Investigations and Prevention

General Fund: \$6,235,364

The Juvenile Investigations & Prevention program is made up of three components: the Juvenile Investigations & Juvenile Criminal Apprehension Team (JCAT), the Juvenile School Resource (SRO) Program, and the Police Activities League (PAL). The Juvenile Investigations Unit specializes in the investigation of crimes committed by people identified as possibly being under the age of 18. The Juvenile Criminal Apprehension Team (JCAT) is part of the investigations unit and specializes in tracking trends in juvenile crimes and the juveniles who commit the crimes. The Juvenile Outreach and Diversion Unit is comprised of the Juveniles School Resource Officer (SRO) Program – which includes the School Patrol Program; the Police Activities League (PAL) – which includes the Explorers Program; and the Diversion Program – which works on the City of Minneapolis reports for the National Forum on Youth Violence, Results Minneapolis, and the Blueprint for youth violence.

MPD Criminal Intelligence and Analysis

General Fund: \$3,561,497

The MPD Criminal Intelligence Program is comprised of the Strategic Information and Crime Analysis Division which includes the Crime Analysis Unit and the Strategic Information Center.

MPD Community Engagement

General Fund: \$472,930

Other Funds: \$746,300

The Community Engagement Team works with communities to build positive relationships, offer information, set policing priorities, and assure community efforts are in adherence with applicable laws. The Community Engagement Program is comprised of two components – Community Crime Prevention and a Community Engagement Team. The Crime Prevention Specialists (CPS) develop working relationships with neighborhoods to reduce the fear of crime, improve community and police cooperation and improve the quality of life in Minneapolis by recruiting and training block leaders, teaching crime identification and prevention techniques, presenting safety and educational materials, publishing and distributing crime alerts, promoting National Night Out, resolving complaints about problem properties, and responding to crime trends.

MPD Administration and Training - CSO Class

General Fund: \$800,000

The MPD is requesting two Program Enhancements in order to hire Community Service Officers and Cadets to meet the attrition issues facing the department. Both hiring methods will allow the MPD to recruit persons that can bring a wide level of diversity to the department, as supported by past experience. This diversity is far reaching in terms of ethnicity, race, gender, education, and life experience.

Currently we have 8 Community Service Officers (CSO) who will graduate from the program in 2014. We are requesting additional funding to hire a new class of 20 in January 2014 to assist in maintaining our existing staffing levels.

MPD Administration and Training / Public Safety Services - Cadet Class

General Fund: \$2,000,000

The MPD is requesting two Program Enhancements in order to hire Community Service Officers and Cadets to meet the attrition issues facing the department. Both hiring methods will allow the MPD to recruit persons that can bring a wide level of diversity to the department, as supported by past experience. This diversity is far reaching in terms of ethnicity, race, gender, education, and life experience.

Cultural and Racial Awareness Training

General Fund: \$300,000

This program will support cultural competency, diversity awareness and sensitivity training for the Police Department. This training will better equip officers working in the field to work with the diverse communities they serve, as well as increase unit cohesion and understanding within the department.

FINANCIAL ANALYSIS**Expenditure**

The total Police Department's adopted budget of \$147.9 million is an 8.7% increase over 2013. The Department's 2014 expenditure budget reflects the following changes from 2013:

- Increase of \$11.9 million in General Funds,
- Increase of \$3.1 million due to recruitment, training and personnel costs for 2014 Cadet Class and Community Service Officer Class – this is one time funding,
- The number of FTE positions in the General Fund Increases by five positions in 2014 as compared to 2013.

There are 985.5 positions in the department.

Revenue

The department's total revenues in 2014 are projected to be \$14.5 million, a 1.5% increase over 2013 due to the increases in the levels of various licenses and permit fees and associated activities.

Fund Allocation

This department is funded primarily by the General Fund (97%), with the remainder of the department's funding found in the grant funds and special revenue funds (3%).

Mayor's Recommended Budget

The Mayor recommended one-time funding from the General Fund in the amount of \$3,100,000 for this department with \$2,000,000 of the funding to be used to cover costs associated with hiring and training a new cadet class and \$800,000 in funding to hire twenty community service officers in the first half of the year as part of a long-term staffing plan to address attrition due to anticipated retirements and maintain current staffing levels. The Mayor also recommended \$300,000 in funding to be used for cultural and racial awareness training within the department.

Council Adopted Budget

City council approved the Mayor's recommendations and amended the budget to include; (1) \$400,000 for the purchase of body cameras for use by officers to be funded from the Self-Insurance Fund. This budget appropriation is to be offset by a corresponding reduction in General Fund transfer to Self-Insurance Fund, (2) \$150,000 for the purchase of street cameras on Penn Ave N from Lowry to Dowling and Fremont Ave N from Lowry to 44th; and to decrease the General Fund transfer to the Self-Insurance Fund by \$150,000, (3) \$75,000 for the purchase of a street camera to be located in the University District and decrease the General Fund transfer to the Self-Insurance Fund by \$75,000.

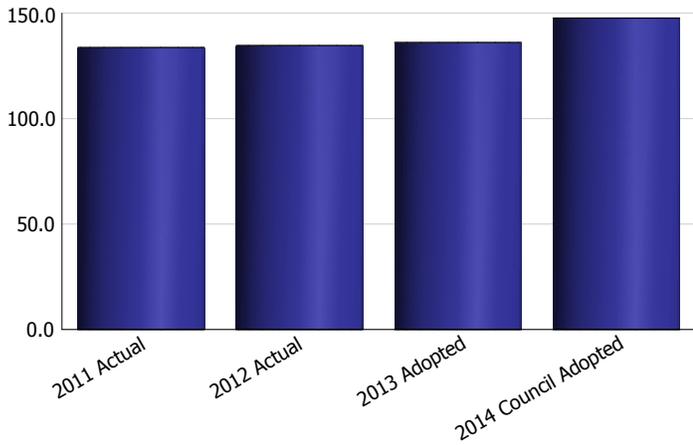
In addition to these amendments, City Council added the following staff directions; (1) with 2014 budget savings from attrition and contracts, provide \$510,000 in General Fund to retain six Community Crime Prevention Specialists, (2) in conjunction with the Public Works, Regulatory Services departments, provide services up to an equivalent of \$75,000 to support up to six events associated with the Open Streets program, (3) provide a one-time final allocation from the existing Minneapolis Police Department budget of \$15,000 to the Midtown Safety Center to provide the City of Minneapolis contribution to the operating expenses, (4) under the leadership of CPED, the Minneapolis Police Department's 3rd Precinct is directed to participate in a cross departmental workgroup including Regulatory Services, CPED Housing, and CPED Economic Development and other relevant departments, along with the Ventura Village Neighborhood and other stakeholders, to build on the focused work in the northwest sector of the Venture Village Neighborhood. The workgroup will establish a discreet project area, a robust community engagement process, baseline measurement data, comprehensive investment strategies in housing and jobs. The workgroup will regularly evaluate the progress to determine the effectiveness of the City of Minneapolis efforts in this defined area.

**POLICE
EXPENSE AND REVENUE INFORMATION**

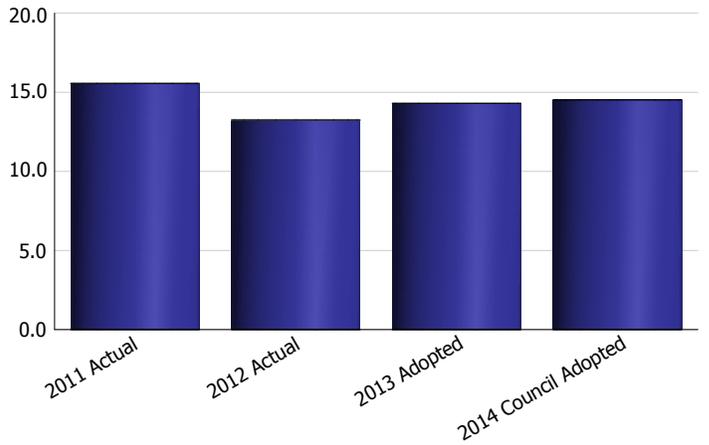
EXPENSE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	73,424,109	74,196,884	75,246,224	80,558,964	7.1%	5,312,740
FRINGE BENEFITS	26,719,259	27,328,428	28,879,116	31,383,046	8.7%	2,503,929
CONTRACTUAL SERVICES	17,155,717	17,322,634	17,359,375	18,923,661	9.0%	1,564,286
OPERATING COSTS	8,833,586	9,569,117	10,051,295	11,373,944	13.2%	1,322,649
CAPITAL	439	67,648	28,093	1,053,000	3,648.2%	1,024,907
TOTAL GENERAL	126,133,109	128,484,712	131,564,104	143,292,615	8.9%	11,728,511
SPECIAL REVENUE						
SALARIES AND WAGES	4,257,963	3,407,619	1,918,439	2,007,780	4.7%	89,341
FRINGE BENEFITS	999,259	898,240	530,668	499,464	-5.9%	(31,204)
CONTRACTUAL SERVICES	1,341,512	1,159,328	1,205,201	1,164,013	-3.4%	(41,188)
OPERATING COSTS	641,082	402,121	880,365	743,643	-15.5%	(136,722)
CAPITAL	348,115	313,075				0
TOTAL SPECIAL REVENUE	7,587,931	6,180,384	4,534,673	4,414,900	-2.6%	(119,773)
TOTAL EXPENSE	133,721,041	134,665,095	136,098,777	147,707,515	8.5%	11,608,738
REVENUE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SALES	9,952	1,626	0		0.0%	0
CHARGES FOR SERVICES	1,228,455	1,131,505	1,098,238	1,098,238	0.0%	0
FINES AND FORFEITS	3,251,659	2,462,469	2,815,000	2,315,000	-17.8%	(500,000)
INTEREST	7	0	0		0.0%	0
LICENSE AND PERMITS	20,316	46,136	0		0.0%	0
OTHER MISC REVENUES	3,780	5,903	3,270	3,270	0.0%	0
STATE GOVERNMENT	4,766,462	4,722,276	6,440,000	7,140,000	10.9%	700,000
GENERAL	9,280,633	8,369,915	10,356,508	10,556,508	1.9%	200,000
SPECIAL REVENUE						
CHARGES FOR SERVICES	584,774	432,924	427,740	451,000	5.4%	23,260
CONTRIBUTIONS	14,770	4,598	0		0.0%	0
FEDERAL GOVERNMENT	3,975,017	2,948,533	1,935,000	1,495,616	-22.7%	(439,384)
FINES AND FORFEITS	357,843	338,219	420,000	400,000	-4.8%	(20,000)
INTEREST	5,196	0	0		0.0%	0
LICENSE AND PERMITS	738,088	832,906	745,000	1,154,223	54.9%	409,223
LOCAL GOVERNMENT	25,104	5,336	0		0.0%	0
OTHER MISC REVENUES	0	6,432	0		0.0%	0
SALES AND OTHER TAXES	136,933	149,274	148,000	176,157	19.0%	28,157
STATE GOVERNMENT	445,785	159,342	271,357	291,200	7.3%	19,843
SPECIAL REVENUE	6,283,509	4,877,565	3,947,097	3,968,196	0.5%	21,099
TOTAL REVENUE	15,564,142	13,247,480	14,303,605	14,524,704	1.5%	221,099

POLICE EXPENSE AND REVENUE INFORMATION

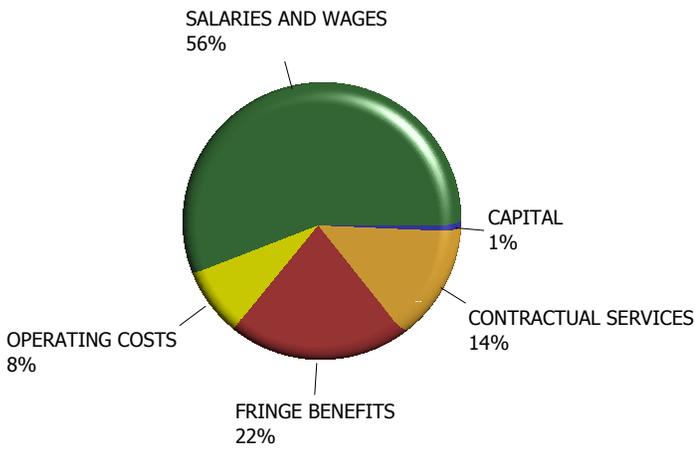
Expense 2011 - 2014
In Millions



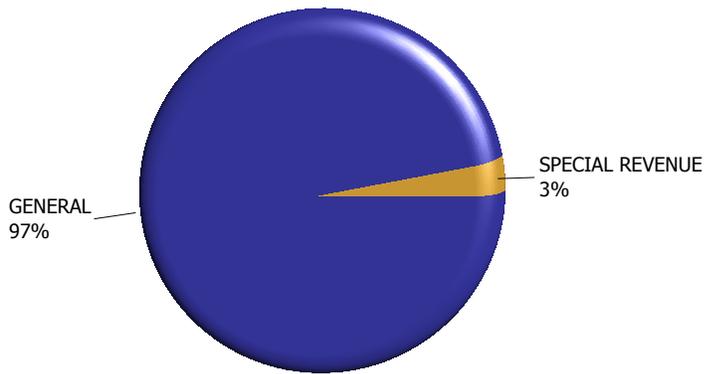
Revenue 2011 - 2014
In Millions



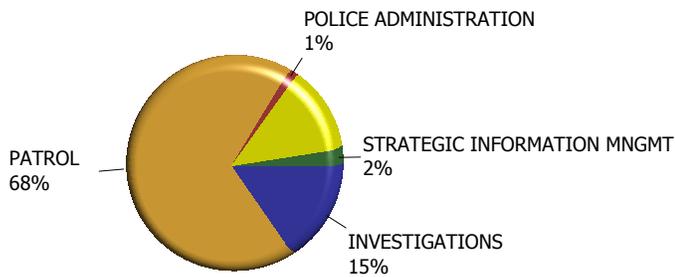
Expense by Category



Expense by Fund



Expense by Division

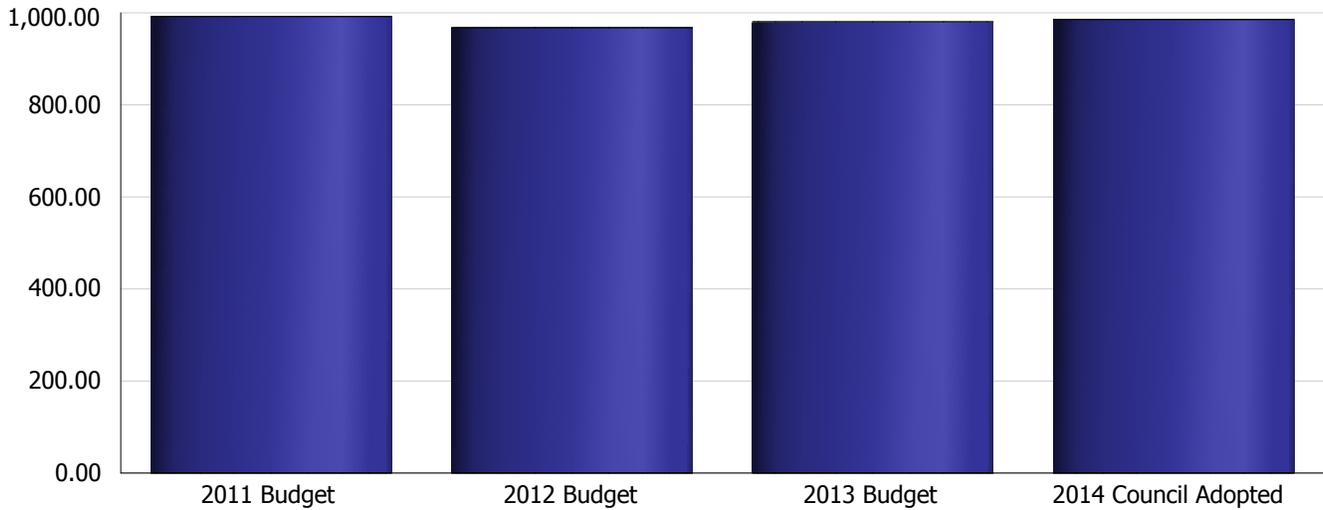


POLICE

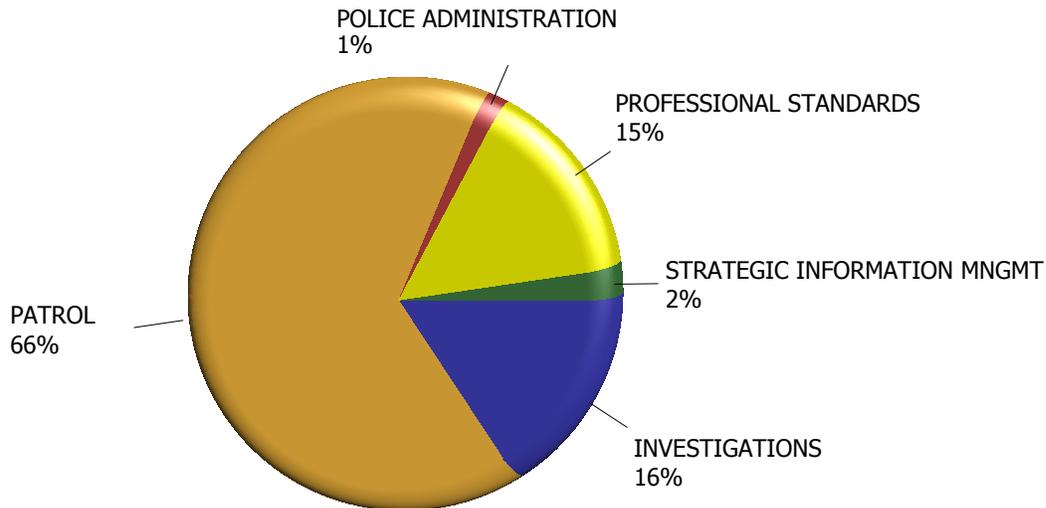
Staffing Information

Division	2011 Budget	2012 Budget	2013 Budget	2014 Council Adopted	% Change	Change
INVESTIGATIONS	251.72	203.00	212.00	155.00	(26.9%)	(57.00)
PATROL	640.78	666.30	667.50	646.00	(3.2%)	(21.50)
POLICE ADMINISTRATION	24.50	9.00	10.00	14.50	45.0%	4.50
PROFESSIONAL STANDARDS	75.00	89.50	91.00	147.00	61.5%	56.00
STRATEGIC INFORMATION MNGMT				23.00		23.00
Overall	992.00	967.80	980.50	985.50	0.5%	5.00

Positions 2011-2014



Positions by Divison



PUBLIC WORKS

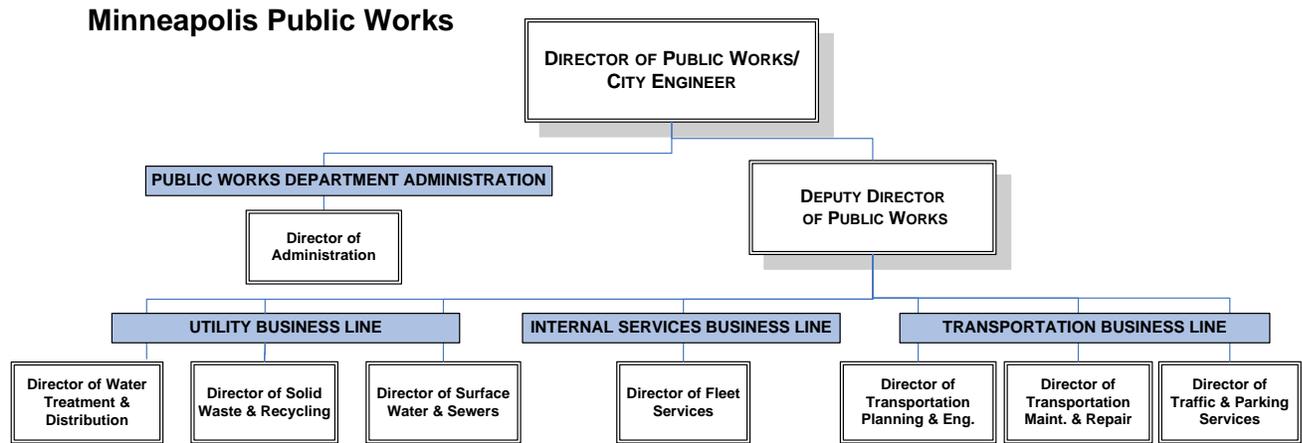
MISSION

To be effective stewards of the public infrastructure, & provide valued city services that contributes to public safety, economic vitality & neighborhood livability in Minneapolis.

BUSINESS LINES

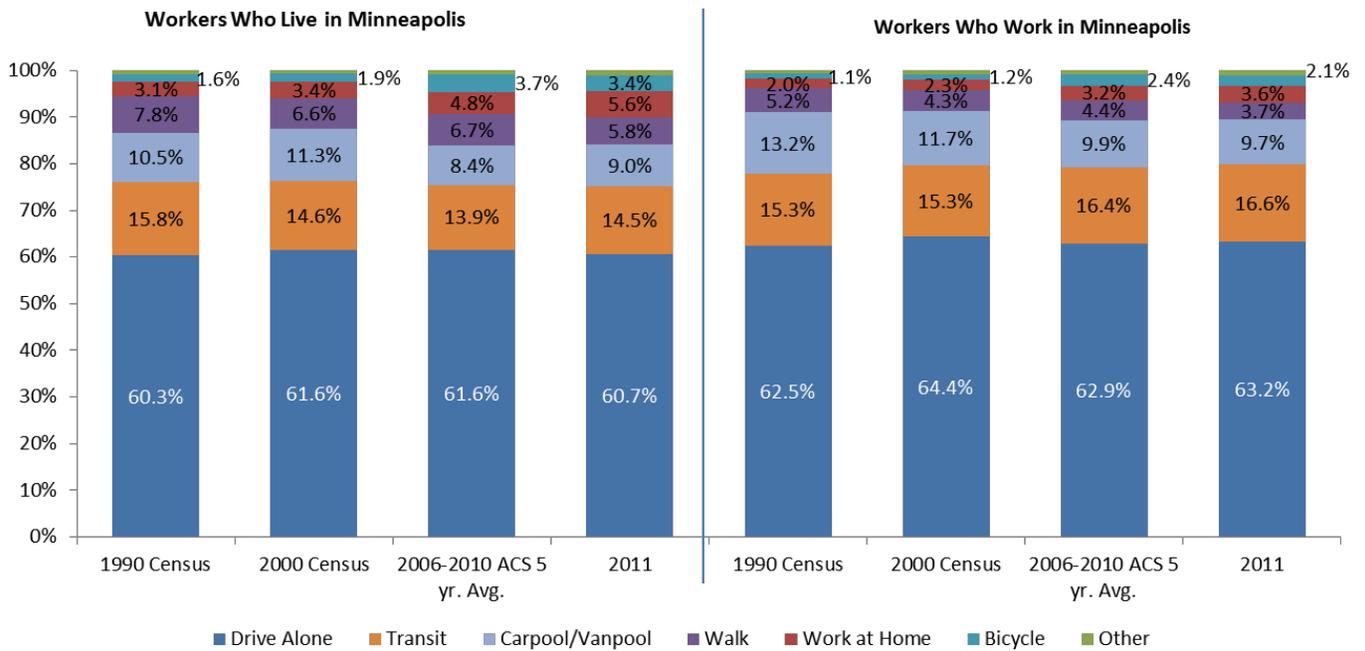
- **Internal Services:** The Internal Services business line is comprised of services that are provided primarily to internal City departments & are funded mostly within formal Internal Service funds. Fees for these services are intended to recover the costs incurred for providing each service. Fleet Services is the only division in the Internal Services business line.
- **Utilities:** This business line provides services that promote the health & safety of people & property by providing potable water, managing non-potable water, & maintaining a clean city through the collection & disposal of solid waste, recyclables, problem materials, yard waste, & coordination of Clean City activities. The three divisions of the Utilities business line are Surface Water & Sewers, Water Treatment & Distribution, & Solid Waste & Recycling Services.
- **Transportation:** The Transportation Business Line within the Department of Public Works exists to offer people a variety of safe, convenient options for moving throughout the City & within the region. Transportation options enhance the aesthetics of the environment, improving livability, while contributing to economic vitality through the safe, efficient movement of people & goods. The three divisions in the Transportation business line are Traffic & Parking Services, Transportation Planning & Engineering, & Transportation Maintenance & Repair.

ORGANIZATION CHART



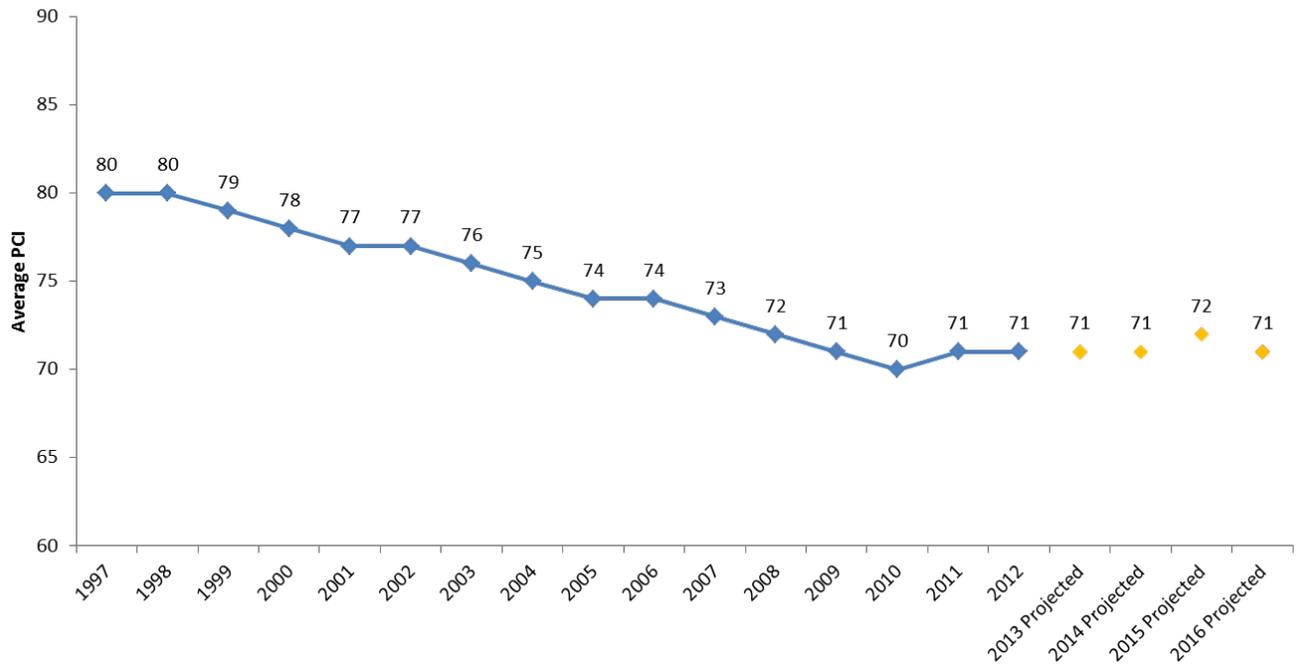
SELECTED RESULTS MINNEAPOLIS MEASURES

Work Trip Mode Share



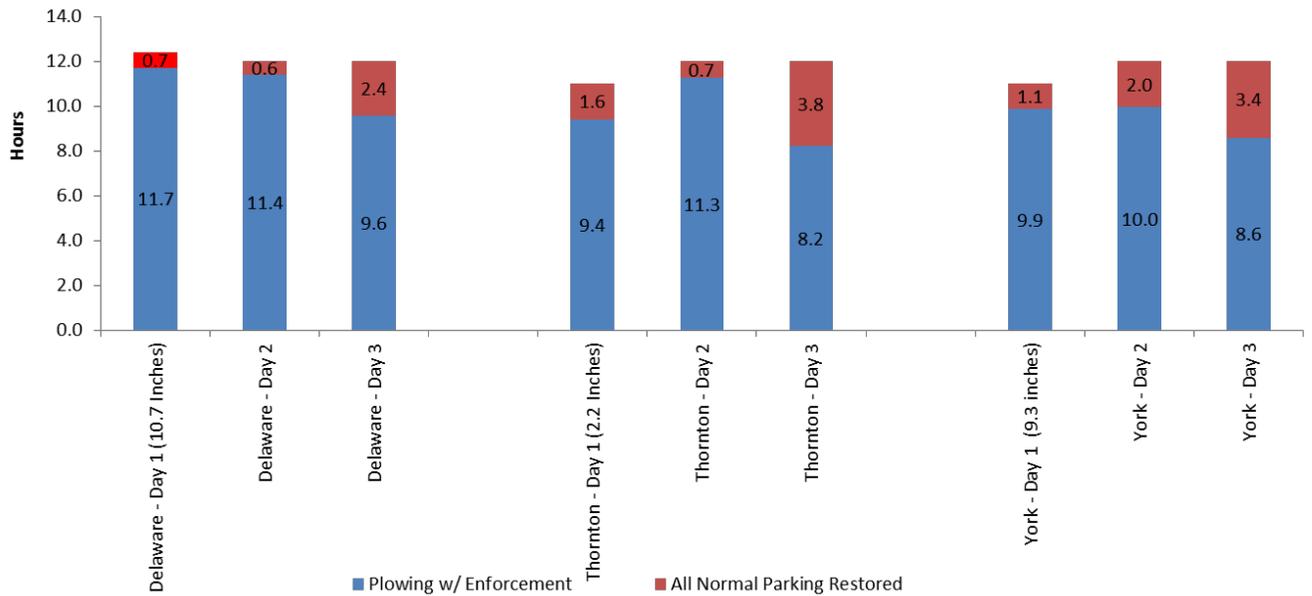
Sources: US Census, Decennial Census for 1990 and 2000 data, American Communities Survey (2005 and later)

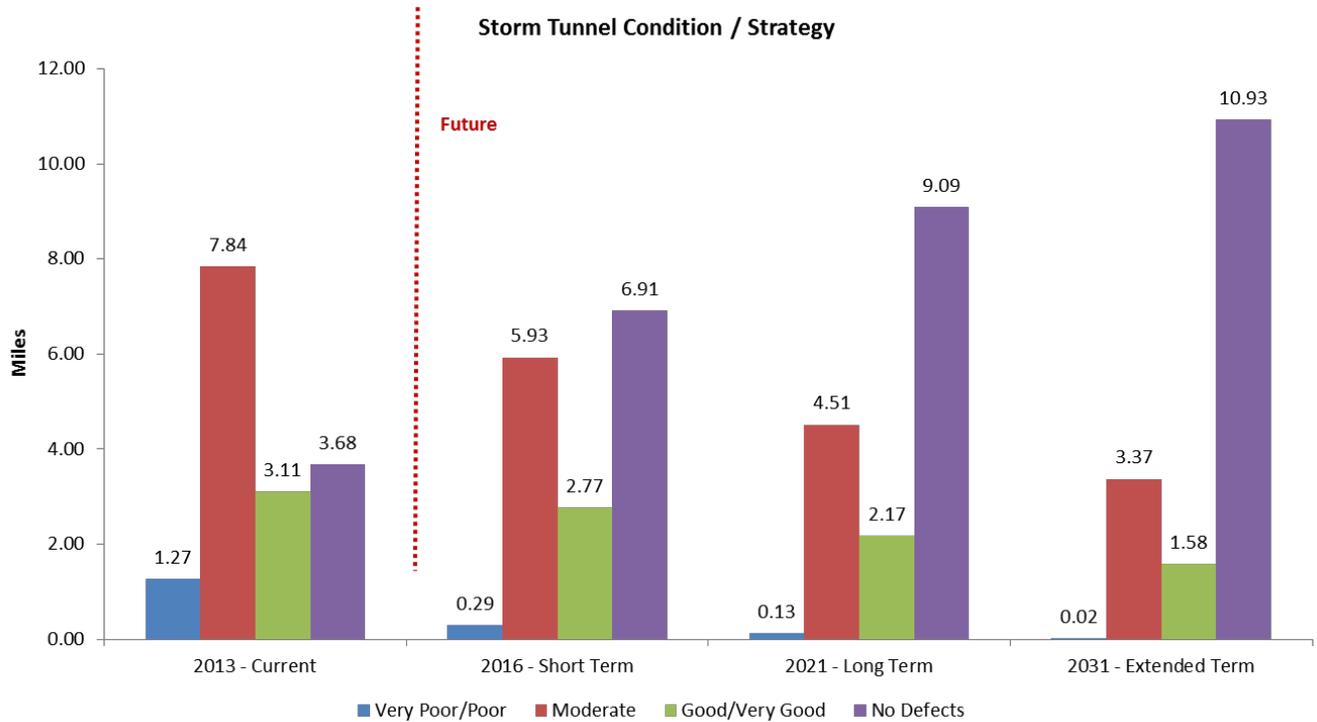
Average Pavement Condition Index for All City Jurisdiction Streets (962 miles)



Average Time To Restore Parking in Each Phase of a Snow Emergency (2012/2013)

Day 1: 9pm – 8am
 Day 2: 8am – 8pm
 Day 3: 8am – 8pm





A City that Works

Fleet Management

Other Funds: \$12,215,646

Fleet Management develops fleet replacement programs of all vehicles and equipment to meet the needs of using departments. Fleet Management also monitors and reports on fleet utilization, registers and licenses all City vehicles, and re-markets units through several outlets to maximize return.

Public Works Administration

General Fund: \$2,975,098

PW 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. PW Administration works to provide a stable and safe work environment that effectively supports its operating divisions and employees. The program strives to improve and facilitate accountability and innovation throughout its divisions, providing analysis and long-range thinking that supports responsible decision making. The program works to enable superior customer service that is responsive and demystifies city processes.

Dispatch Operations

Other Funds: \$8,241,251

Dispatch Operations is responsible for providing task labor and equipment for construction and maintenance work on the City's infrastructure, including street sweeping, repair of streets, sewer, and water systems, snow and ice removal, and paving. Dispatch exchanges information with

Public Works divisions and City of Minneapolis Departments and agencies to support the planning and scheduling of construction and maintenance activities as well as requests to support special events. This information includes: project requirements and requests for services, equipment status, and qualified personnel. This section also coordinates training for field employees (City and Park Board) to meet federal, state, and local law, rules, and policies.

Fleet Service Maintenance Operations

Other Funds: \$18,577,604

Maintenance Operation is responsible for set-up, maintenance, repair, and de-commissioning of all vehicles and equipment in the City's fleet. This operation also manages fueling sites at City owned facilities and environmental compliance with federal, state, and local laws, rules, and policies.

A Safe Place to Call Home

Garbage Collection

Other Funds: \$14,067,891

Perform garbage collection services to all residential properties of 4 or less dwelling units, all townhouse properties as described in Minneapolis Ordinance and all commercial properties requesting this service.

Recyclables Collections

Other Funds: \$4,888,819

Perform recyclables collection services to all residential properties of 4 or less dwelling units, all townhouse properties as described in Minneapolis Ordinance and all commercial properties requesting this service; ensure that all collected recyclables are properly processed and marketed for beneficial use.

Yard Waste Collection

Other Funds: \$3,991,147

Perform yard wastes collection services to all residential properties of 4 or less dwelling units, and all other SW & R customers requesting this service; ensure that yard wastes are properly composted in accordance with Federal, state and county rules, provide limited finished compost to Minneapolis Community Gardens. In 2012 we phased out plastic bags from our yard waste program, in compliance with the State ban on plastic yard wastes bags.

Problem Materials Collection

Other Funds: \$2,323,543

Perform collection, processing, and marketing of recyclable metal items, mattresses, white goods and electronic items from SW & R customers.

Minneapolis Impound Lot

Other Funds: \$5,147,285

The Minneapolis Impound Lot, operated by the Traffic and Parking Services of the Public Works Department, is responsible for towing, storing and processing vehicles removed by law enforcement in accordance to applicable City ordinances and State statutes. It also auctions off unclaimed vehicles through public and dealer auctions, and offers such services to other City departments and divisions whenever needed.

Transfer Stations and Vouchers

Other Funds: \$1,167,893

Operate the City Transfer Stations (North and South) for Customer Voucher programs, emergency waste services, emergency neighborhood waste relief and other permitted functions. Residents can use six clean-up vouchers per year for disposal of excess garbage, appliances, or construction and demolition debris and two tire vouchers per year for tire disposal (eight tires per voucher).

Clean City, non-graffiti activities

Other Funds: \$1,351,312

Perform activities that relate to a Clean City of Minneapolis. These include cleaning Dirty Collection areas, including those that present a danger to public health and safety; maintaining litter containers; conducting, in partnership with Neighborhoods, Clean Sweeps and accelerated cleanup programs in addition to offering opportunities for volunteer participation in the prevention of litter through the Adopt a Litter Container program, prevention of cigarette litter through the Adopt an Ash Receptacle program and overall improvement of neighborhood livability through the Adopt a Street, Adopt a Block and Graffiti Paint over programs

Clean City, Graffiti Removal

Other Funds: \$1,329,358

Document and remove graffiti, or cause graffiti to be removed from all objects and structures in the City; coordinate information with the Minneapolis Police Department, Minneapolis Park Police and the Graffiti Investigator.

Equipment Operations

Other Funds: \$3,827,421

Provide all rolling equipment and various goods and services required to operate the various programs in Solid Waste and Recycling Services

Eco-Focused**Stormwater - Collection and Treatment**

Other Funds: \$19,404,557

The stormwater program meets regulatory requirements while collecting stormwater and treating it prior to entering the lakes, creeks and river 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 to daily cleaning and on going operation of the system to responding to emergency situations that may impact the system.

Stormwater - Street Cleaning

Other Funds: \$9,264,226

The Street Cleaning Program mitigates surface water runoff pollution and addresses general cleanliness of streets and alleys, and neighborhood livability. Street and alley sweeping helps remove pollutants before they enter the City's water bodies helping protect these important natural resources. This program also supports storm response debris removal and cleaning from streets and alleys, parade and other event pre and post cleanup from streets and the public right-of-way, and responding to general trash, debris or other materials that are illegally left or dumped in the public right-of-way.

Source Separated Organics Collections and Composting Other Funds: \$430,662

Collection of source separated organics from designated customers of Solid Waste and Recycling Services. The current program is being done on a pilot basis.
Other Funds: \$430,662

Jobs and Economic Vitality

On-Street Parking Other Funds: \$2,946,676

The On-street Parking program is designed to leverage existing public right-of-ways to provide safe, accessible and affordable short-term parking in a manner that encourages economic growth while protecting the interest of local residents. The program utilizes parking meters and special permits to achieve its goals.

Nicollet and Central Study General Fund: \$140,000

This project encompasses the environmental assessment for planning transportation improvements to the Nicollet and Central corridors.

Broadway Alternative Analysis General Fund: \$200,000

This project will examine the transportation alternatives that could be proposed for the Broadway corridor, covering one-third of the cost to make the City a contributor in these efforts along with other partners.

West Bank Interconnect Project General Fund: \$500,000

This project will examine the transportation alternatives proposed for the West Bank corridor.

St. Anthony Business District Traffic Study General Fund: \$35,000

This project will examine the transportation alternatives proposed for the St. Anthony Business District.

Nicollet/Central Preliminary Engineering General Fund: \$1,250,000

This project encompasses the preliminary engineering phase to transportation improvements slated for the Nicollet and Central corridors.

Off-Street Parking Other Funds: \$29,789,461

The Off-street program is responsible for managing a portfolio of City and State owned and leased parking ramps and parking lots. As an integral part of the City's transportation infrastructure, these parking facilities promote City's multi-modal vision. Designed, in part, on 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 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.

Special Service Districts including DID

General Fund: \$1,174,750
Other Funds: \$5,800,000

To provide service delivery and administrative support for 16 Council adopted Special Service Districts in Minneapolis. This includes the Downtown Improvement District Special Service District that is commonly called the DID.

Livable Communities, Healthy Lives

Potable Water Supply

Other Funds: \$52,424,040

Provide and distribute clean and reliable drinking water to every residential and non-residential customer wanting and needing safe water. Provide water for fire-fighting. Maintain a system to bill and collect for the water used to provide sustainability for the water system.

Sanitary - Collection and Treatment

Other Funds: \$48,002,789

The sanitary program meets regulatory requirements while collecting sanitary flow within the City of Minneapolis to a Metropolitan Council Environmental Service (MCES) Treatment Facility for treatment and then 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 or identifying sources of clear water, daily cleaning and operation of the system, emergency responses and payments to MCES for the treatment of the sanitary discharge.

Sidewalk

Other Funds: \$712,953

This program is to support the City's need to ensure pedestrian passage on the 2,000 miles of sidewalks in the public right-of-way. It is composed of two parts: Sidewalk maintenance and repair during the summer construction season, and enforcement of the City's sidewalk shoveling ordinances in the winter season. The Sidewalk Section also manages the occasional installation of new sidewalk, orders temporary repairs on a complaint basis, and manages the installation of sidewalk intersection pedestrian ramps for compliance with the Americans with Disabilities Act.

Winter Pedestrian and Bike Facility Maintenance

General Fund: \$200,000

This program will allow for winterization and winter maintenance of City pedestrian and bike facilities.

Street Lighting

General Fund: \$6,663,047

Operate and maintain the existing 40,000 street lights that include both city metal pole lights (15,000) and Xcel wood pole lights (25,000). Key activities include electricity, replacing bulbs and ballasts, infrastructure maintenance of fixtures and poles, and responding to crash damages.

Northside Lighting Enhancement

General Fund: \$50,000

The Northside Lighting Enhancement will decrease the replacement cycle for lighting outages in North Minneapolis to increase pedestrian and motorized vehicle safety throughout the area.

Transportation Planning and Management

General Fund: \$2,805,931

Other Funds: \$254,948

Transportation Planning and Management 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 planning, participation in local and regional transportation planning initiatives such as light rail, local bus, streetcar and bus rapid transit corridors 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.

Bridge Maintenance and Repair

General Fund: \$3,025,126

To provide basic maintenance and repair services on over 600 City vehicular, pedestrian and other bridges and to provide support for the Bridge Inspections and construction unit of the Public Works Transportation Planning & Engineering Division of Public Works. Provides access and all lifting and water rescue support for bridge inspections. This group is also plays a key role as a first responder for bridge and storm related emergency response.

Surface Transportation Management

Other Funds: \$7,428,395

This program is responsible for the oversight of all programming and design for Minneapolis roadways, bridges, streetscapes, and bike trails. This oversight is a combination of internal design as well as consultant design work. The Surface Transportation Capital group is responsible for the coordination of work associated with State of Minnesota and Hennepin County projects within Minneapolis such as the 35W expansion and Lake Street Reconstruction. These projects require extensive coordination between agencies across Public Works as well as other City departments.

Traffic

General Fund: \$8,300,137

Other Funds: \$362,541

Operate and maintain the existing traffic control devices (800 signals, 100,000 traffic signs and numerous pavement markings), their related infrastructure components and the necessary traffic management and safety activities. Key activities include infrastructure maintenance of fixtures and poles, response to and repair of crash damages, the central traffic signal computer and its communication system, traffic crash and other data bases, Gopher One-Call locating, traffic safety analyses & studies, monitoring the traffic flow and operations, and the managing traffic related to events. These efforts are accomplished for all modes of travel (ped, bike, transit, rail, truck and autos).

Construction Management

Other Funds: \$1,764,107

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. This oversight includes projects with the State of Minnesota (with and without Federal participation) and Hennepin County This oversight is accomplished utilizing both internal and external resources. These activities and oversight include, but are not limited to, field surveying activities, geotechnical analysis, field inspection, material inspection and research, and overall quality control a significant amount of the actual lab testing being done by the City's in-house facility.

Additionally, Construction Management takes 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 consultant.

Street Maintenance and Repair

General Fund: \$9,186,080

To provide basic maintenance and repair services on over 1,000 miles of City streets and Parkways, 400 miles of alleys. Includes general pothole and other patch and repair, preventative maintenance such as crack sealing and seal coating, utility cut restoration, and other pavement related repairs.

Snow and Ice Control

General Fund: \$12,399,063

To provide snow and ice control, as well as other winter maintenance basic services on City streets, alleys, bridges and public sidewalks.

Malls and Plazas Maintenance

General Fund: \$1,256,751

To provide basic maintenance and repair services on all greenspaces, mini-malls and plazas and bike trails in the public right-of-way throughout the City. Includes both summer mowing and turf care, cleaning and litter/debris collection, landscape maintenance, and any structural, lighting and other maintenance needs as appropriate, as well as winter snow and ice control services. It includes 180 acres of greenspace requiring various levels of service from the high end plazas to boulevards, medians and open areas along streets and highways.

Ramp Maintenance and Repair

General Fund: \$2,436,615

This program is within the general fund but functions like an internal service as it supports the operations of a group of State and City owned parking ramps and lots. Activities performed include minor concrete patching, crack sealing, caulking, concrete surface sealing and other and preventative maintenance; annual cleaning including power washing and full pressure washes and/or flood rinses, surface treatments, painting, minor structural repairs, brick work, parking lot repairs, cleaning, plumbing, electrical, striping, signage and assistance with capital projects. Activities also include providing basic summer maintenance and and winter sidewalk snow and ice control on some City owned properties managed by the Property Services Division.

Traffic - Pedestrian Innovation/Safety/Livability

General Fund: \$435,000

This new proposal, added to the Traffic Program, consists of multiple pedestrian initiatives. These initiatives will coexist in a transportation system to provide a safer and more efficient network that manages all modes of traffic. The Pedestrian Master Plan includes the below goals:

- A Well-Connected Walkway System
 - Accessibility for All Pedestrians
 - Safe Streets and Crossings
 - A Culture of Walking
 - Funding, Tools and Leadership for Implementing Pedestrian Improvements
- The 7 initiatives below are intended to increase walking and enhance safety.

Residential Sealcoating

General Fund: \$575,000

This program will provide for enhanced sealcoating and maintenance of residential streets, boosting preventative maintenance efforts and extending the useful life of streets that receive funding through the program.

FINANCIAL ANALYSIS

Expenditure

The total expenditure budget for all Public Works divisions combined is \$309.3 million for 2014. This is an increase of 1.7% over the 2013 appropriation. The largest appropriation increases are found in the General Fund, with a budgeted increase of 12.8% from 2013. Details of year-over-year changes can be found in the Public Works divisional sections on the following pages of this document.

Revenue

Total revenue for all Public Works divisions combined is projected to be \$329.8 million, a 1.7% increase over the 2013 budget.

Fund Allocation

The department is funded from a variety of sources including enterprise funds (65%), the General Fund (17%), internal service funds (13%), capital project funds (3%) and special revenue funds (2%).

Mayor's Recommended Budget

Please refer to the individual divisional sections for the Mayor's recommendations.

Council Adopted Budget

Please refer to the individual divisional sections for the Council's changes to the Mayor's recommendations.

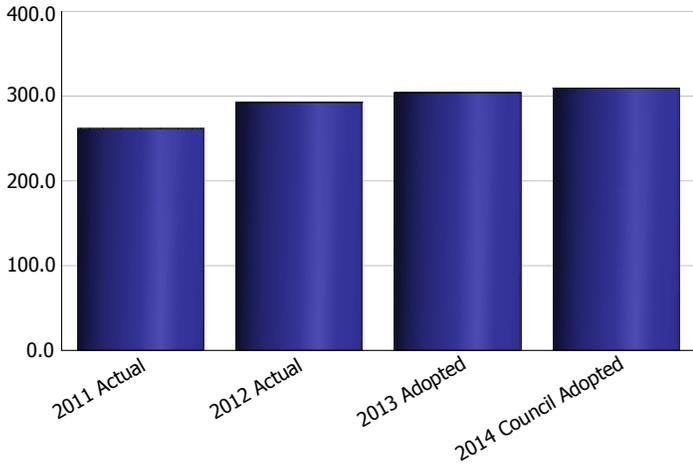
EXPENSE AND REVENUE INFORMATION

EXPENSE		2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	% Change	Change
CAPITAL PROJECT	CAPITAL			57,858	80,000	38.3%	22,142
	CONTRACTUAL SERVICES	2,875,268	3,310,196	3,045,549	3,084,971	1.3%	39,422
	FRINGE BENEFITS	1,135,094	1,125,267	1,228,579	1,345,767	9.5%	117,188
	OPERATING COSTS	126,376	133,270	144,843	164,004	13.2%	19,161
	SALARIES AND WAGES	3,221,283	3,234,067	3,186,550	3,721,554	16.8%	535,004
CAPITAL PROJECT		7,358,021	7,802,800	7,663,379	8,396,296	9.6%	732,917
ENTERPRISE	CAPITAL	79,468	170,519	2,499,434	2,748,042	9.9%	248,608
	CONTRACTUAL SERVICES	83,275,808	95,019,292	91,956,520	95,605,686	4.0%	3,649,166
	FRINGE BENEFITS	13,555,940	14,559,209	14,627,071	16,132,446	10.3%	1,505,376
	OPERATING COSTS	47,310,680	55,313,580	58,914,391	53,939,622	-8.4%	(4,974,769)
	SALARIES AND WAGES	29,480,336	30,620,531	30,438,579	31,931,283	4.9%	1,492,704
ENTERPRISE		173,702,233	195,683,131	198,435,995	200,357,079	1.0%	1,921,084
GENERAL	CAPITAL	85,948	428,183	119,552	162,054	35.6%	42,502
	CONTRACTUAL SERVICES	19,185,337	19,665,391	20,946,510	21,704,852	3.6%	758,342
	FRINGE BENEFITS	5,810,154	6,514,661	6,649,293	8,008,382	20.4%	1,359,088
	OPERATING COSTS	6,811,591	7,764,867	6,649,674	7,738,713	16.4%	1,089,039
	SALARIES AND WAGES	12,311,620	12,947,610	13,164,113	15,993,599	21.5%	2,829,486
GENERAL		44,204,650	47,320,712	47,529,142	53,607,600	12.8%	6,078,457
INTERNAL SERVICE	CAPITAL	(7,171)		7,525,000	11,175,000	48.5%	3,650,000
	CONTRACTUAL SERVICES	6,314,826	10,875,901	11,185,831	9,391,382	-16.0%	(1,794,449)
	FRINGE BENEFITS	5,463,953	5,140,096	4,889,550	3,192,678	-34.7%	(1,696,872)
	OPERATING COSTS	7,251,388	9,800,620	11,188,506	11,562,976	3.3%	374,470
	SALARIES AND WAGES	11,504,816	10,049,884	10,051,516	5,839,112	-41.9%	(4,212,404)
INTERNAL SERVICE		30,527,812	35,866,501	44,840,403	41,161,148	-8.2%	(3,679,255)
SPECIAL REVENUE	CONTRACTUAL SERVICES	5,951,376	6,003,117	5,800,000	5,800,000	0.0%	
	FRINGE BENEFITS	24,042	(128)				
	OPERATING COSTS		(92)				
	SALARIES AND WAGES	43,610	(614)				
SPECIAL REVENUE		6,019,028	6,002,283	5,800,000	5,800,000	0.0%	
TOTAL EXPENSE		261,811,744	292,675,427	304,268,918	309,322,122	1.7%	5,053,204
REVENUE		2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	% Change	Change
CAPITAL PROJECT	CHARGES FOR SERVICES	300,976	5,151,603	4,740,000	4,000,000	-15.6%	(740,000)
	LICENSE AND PERMITS	243,265	283,084	260,000	260,000	0.0%	
	LOCAL GOVERNMENT		360				
	OTHER MISC REVENUES	692	212,057	1,500		-100.0%	(1,500)
	SPECIAL ASSESSMENTS	70,048	58,547	60,000	60,000	0.0%	
	STATE GOVERNMENT	246,116	(236,348)				
CAPITAL PROJECT		861,096	5,469,303	5,061,500	4,320,000	-14.6%	(741,500)
ENTERPRISE	CHARGES FOR SALES	3,964,334	3,129,444	2,750,500	2,266,793	-17.6%	(483,707)
	CHARGES FOR SERVICES	234,322,170	260,642,155	250,940,016	255,950,362	2.0%	5,010,346

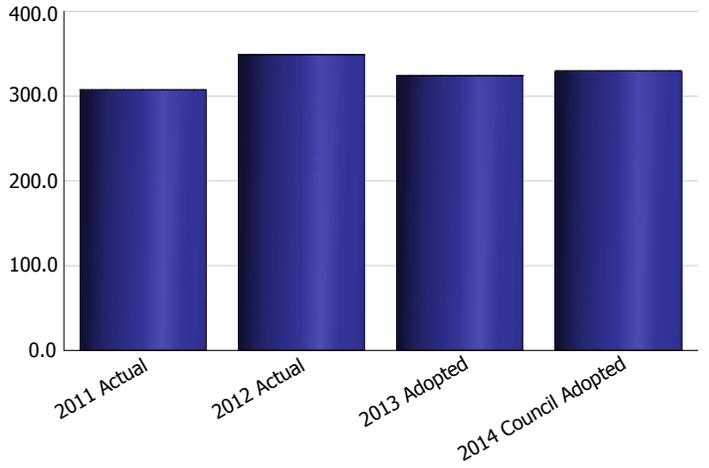
EXPENSE AND REVENUE INFORMATION

REVENUE		2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	% Change	Change
ENTERPRISE	FEDERAL GOVERNMENT	781,090	10,455				
	FINES AND FORFEITS	25,970	39,241	45,000	45,000	0.0%	
	GAINS	19,909	54,355				
	LICENSE AND PERMITS	375,652	549,347	396,500	439,000	10.7%	42,500
	LOCAL GOVERNMENT	1,289,233	1,653,239	1,125,517	1,379,559	22.6%	254,042
	OTHER MISC REVENUES	28,413	24,272	2		-100.0%	(2)
	RENTS	2,408	2,133	1		-100.0%	(1)
	SPECIAL ASSESSMENTS	2,902,810	2,914,606	1,026,357	767,357	-25.2%	(259,000)
	STATE GOVERNMENT	1,418,796	1,128,196	680,114	1,168,654	71.8%	488,540
ENTERPRISE		245,130,785	270,147,442	256,964,007	262,016,725	2.0%	5,052,718
GENERAL	CHARGES FOR SALES	75,610	121,476	25,000	30,000	20.0%	5,000
	CHARGES FOR SERVICES	7,992,247	12,855,103	8,687,455	8,728,273	0.5%	40,818
	CONTRIBUTIONS		90				
	FRANCHISE FEES	131,162	155,748				
	LICENSE AND PERMITS	1,094,130	1,554,629	944,455	1,085,000	14.9%	140,545
	LOCAL GOVERNMENT	592,494	568,813	531,405	538,244	1.3%	6,839
	OTHER MISC REVENUES	192,450	183,180	86,300	86,000	-0.3%	(300)
	SPECIAL ASSESSMENTS	1,269,967	1,368,726	955,080	1,924,750	101.5%	969,670
	STATE GOVERNMENT	4,051,991	4,231,549	3,546,830	4,085,621	15.2%	538,791
	TRANSFERS IN	700,000	700,000				
GENERAL		16,100,052	21,739,316	14,776,525	16,477,888	11.5%	1,701,363
INTERNAL SERVICE	CHARGES FOR SALES	4,567,484	9,350,888	8,964,222	11,605,507	29.5%	2,641,285
	CHARGES FOR SERVICES	10,760,356	10,583,642	9,410,758	11,439,433	21.6%	2,028,675
	FEDERAL GOVERNMENT	10,049					
	GAINS	35,664	232,662	200,000	10,000	-95.0%	(190,000)
	LONG TERM LIABILITIES PROCEEDS	4,315		600,000	300,000	-50.0%	(300,000)
	OTHER MISC REVENUES	301,234	927,404	10,000	421,849	4,118.5%	411,849
	RENTS	24,250,302	24,584,312	22,342,550	17,394,046	-22.1%	(4,948,504)
	STATE GOVERNMENT	3,350					
INTERNAL SERVICE		39,932,754	45,678,908	41,527,530	41,170,835	-0.9%	(356,695)
SPECIAL REVENUE	FEDERAL GOVERNMENT		(122,917)				
	OTHER MISC REVENUES	4,054	2,587				
	SPECIAL ASSESSMENTS	5,426,281	6,013,682	5,800,000	5,800,000	0.0%	
	STATE GOVERNMENT	70	1,188				
SPECIAL REVENUE		5,430,406	5,894,541	5,800,000	5,800,000	0.0%	
TOTAL REVENUE		307,455,093	348,929,510	324,129,562	329,785,448	1.7%	5,655,886

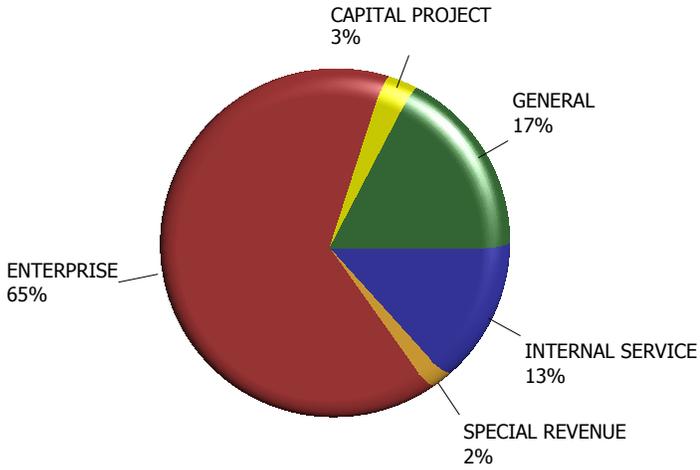
Expense 2011 - 2014



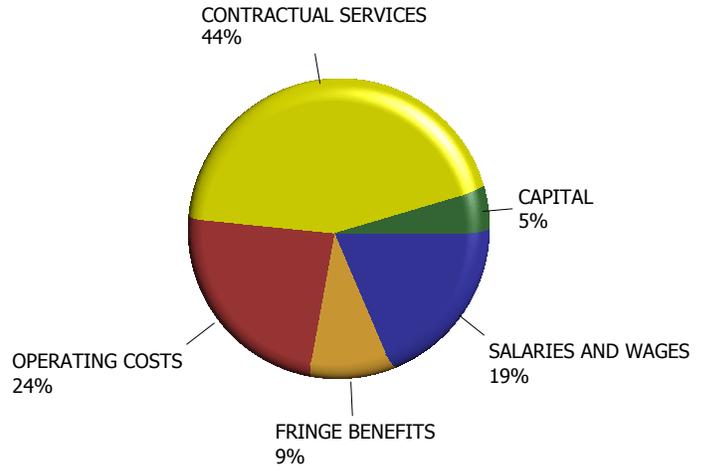
Revenue 2011 - 2014



Expense by Fund



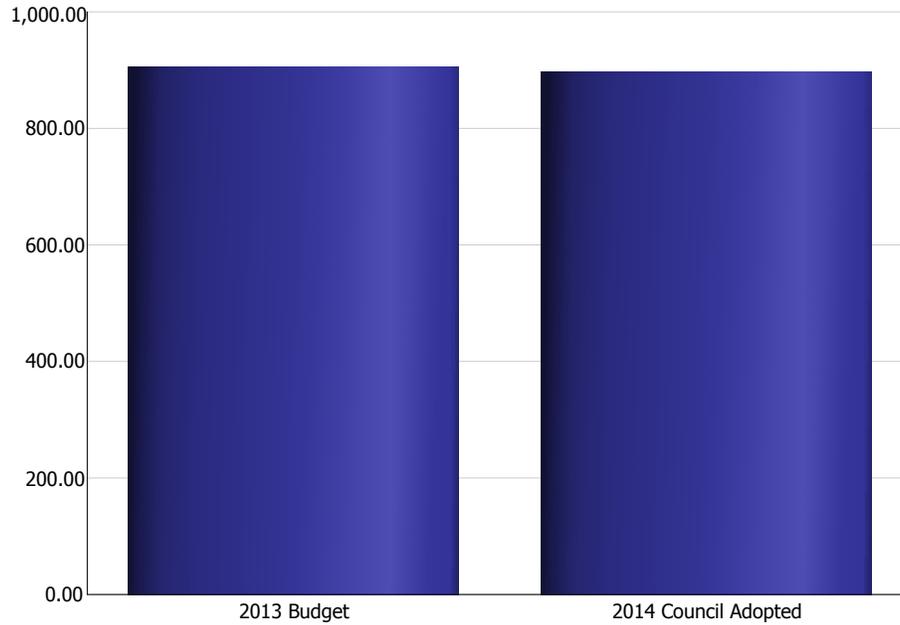
Expense by Type



PUBLIC WORKS
Staffing Information

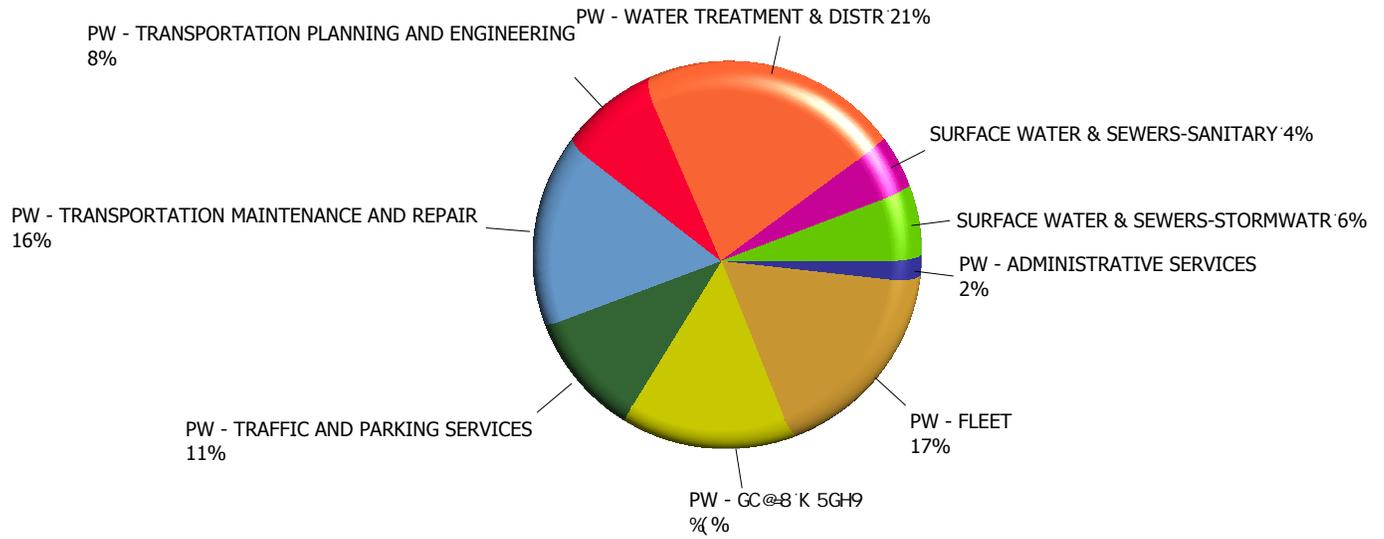
Division	2013 Budget	2014 Council Adopted	% Change	Change
PW - ADMINISTRATIVE SERVICES	16.00	16.00	0.0%	
PW - FLEET	156.00	78.00	-50.0%	(78.00)
PW - PROPERTY SERVICES				
PW - SOLID WASTE	134.33	134.33	0.0%	
PW - TRAFFIC AND PARKING SERVICES	95.40	98.10	2.8%	2.70
PW - TRANSPORTATION MAINTENANCE AND REPAIR	146.95	206.95	40.8%	60.00
PW - TRANSPORTATION PLANNING AND ENGINEERING	73.00	78.50	7.5%	5.50
PW - WATER TREATMENT & DISTR.	193.50	192.50	-0.5%	(1.00)
SURFACE WATER & SEWERS-SANITARY	39.50	45.00	13.9%	5.50
SURFACE WATER & SEWERS-STORMWATR	52.40	48.50	-7.4%	(3.90)
Total PUBLIC WORKS Depts	907.08	897.88	-1.0%	(9.20)

Total PUBLIC WORKS
Staff Summary 201' -201(



PUBLIC WORKS

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Public Works – Administrative Services

Expenditure

The 2014 expenditure budget for this division is \$3.0 million, up 3.6% from 2013, primarily due to increased cost allocation charges.

Revenue

In 2014, the division anticipates \$2.6 million in revenue, level from 2013.

Fund Allocation

This division is funded completely in the General Fund.

Mayor's Recommended Budget

The Mayor recommended no changes to this division's base program proposal.

Council Adopted Budget

The Council approved the Mayor's recommendations and directed Public Works along with Finance and Property Services to request a report on the utilization of the Minneapolis Parks and Recreation Board Tree Levy and City contribution of \$200,000 for 2014 and prepare a recommendation regarding continued funding for the 2015 budget process. The Council also directed Public Works to report to the Transportation and Public Works Committee by January 31, 2014 with proposed specific projects for the 2014 Capital Budget for the Paving Program. The Council further directed Public Works, Regulatory Services and the Police Department to provide services up to an equivalent of \$75,000 to support up to six events associated with the Open Streets program without additional funding required.

**PW - ADMINISTRATIVE SERVICES
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	1,234,287	1,168,068	1,321,228	1,305,882	-1.2%	(15,346)
FRINGE BENEFITS	366,060	338,550	448,294	469,113	4.6%	20,819
CONTRACTUAL SERVICES	510,475	528,000	560,948	606,816	8.2%	45,868
OPERATING COSTS	506,527	503,345	538,015	591,235	9.9%	53,220
CAPITAL	938	1,725	2,052	2,052	0.0%	0
TOTAL GENERAL	2,618,287	2,539,688	2,870,538	2,975,098	3.6%	104,560

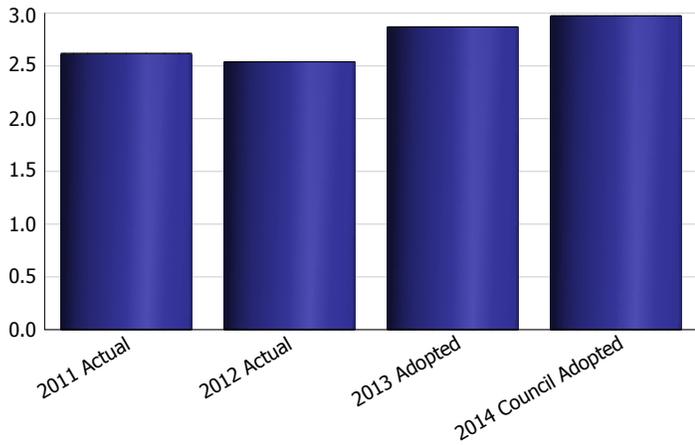
TOTAL EXPENSE	2,618,287	2,539,688	2,870,538	2,975,098	3.6%	104,560
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REVENUE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SERVICES	2,251,753	2,240,029	2,336,181	2,398,658	2.7%	62,477
CONTRIBUTIONS	0	90	0		0.0%	0
LICENSE AND PERMITS	343,154	522,543	309,455	250,000	-19.2%	(59,455)
OTHER MISC REVENUES	3,410	271	0		0.0%	0
GENERAL	2,598,317	2,762,933	2,645,636	2,648,658	0.1%	3,022

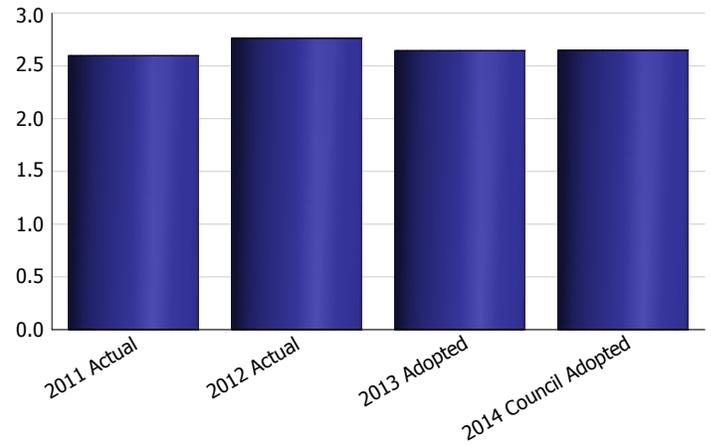
TOTAL REVENUE	2,598,317	2,762,933	2,645,636	2,648,658	0.1%	3,022
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PW - ADMINISTRATIVE SERVICES EXPENSE AND REVENUE INFORMATION

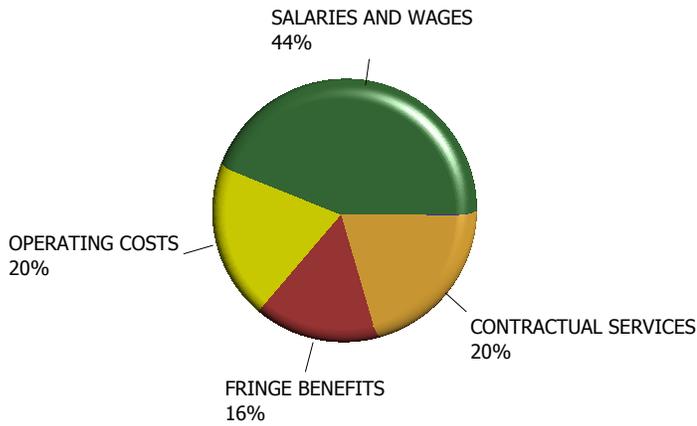
Expense 2011 - 2014
In Millions



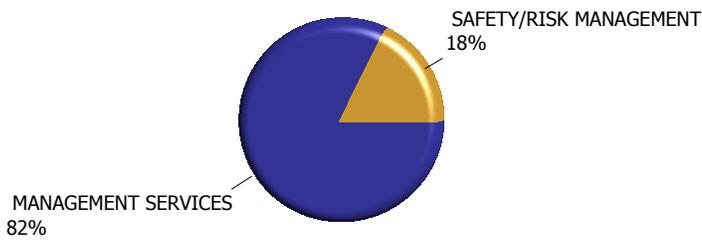
Revenue 2011 - 2014
In Millions



Expense by Category



Expense by Division

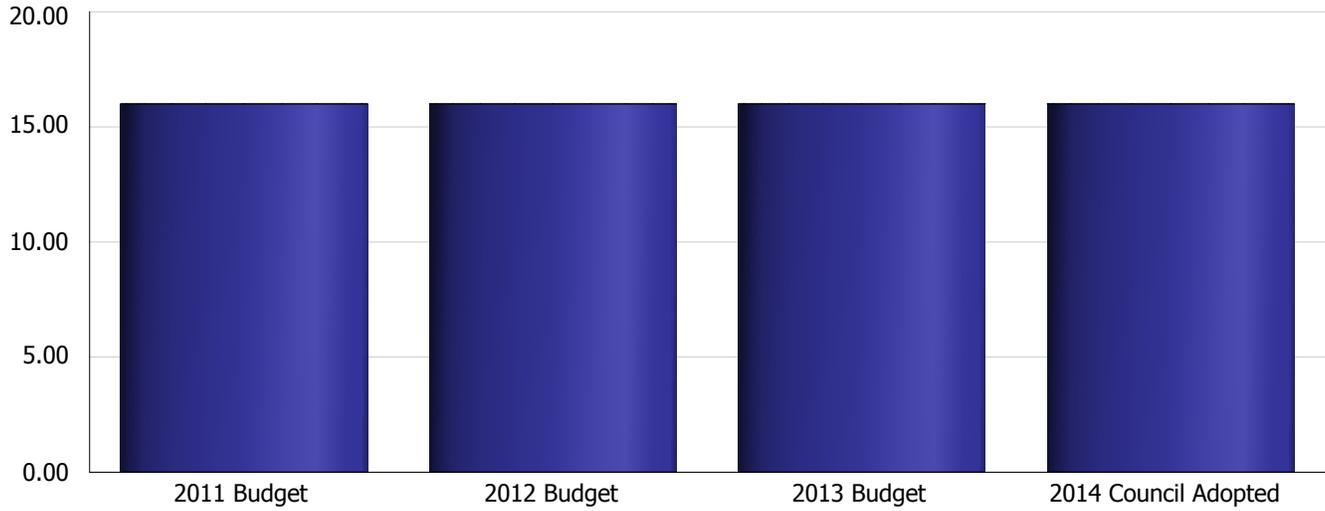


PW - ADMINISTRATIVE SERVICES

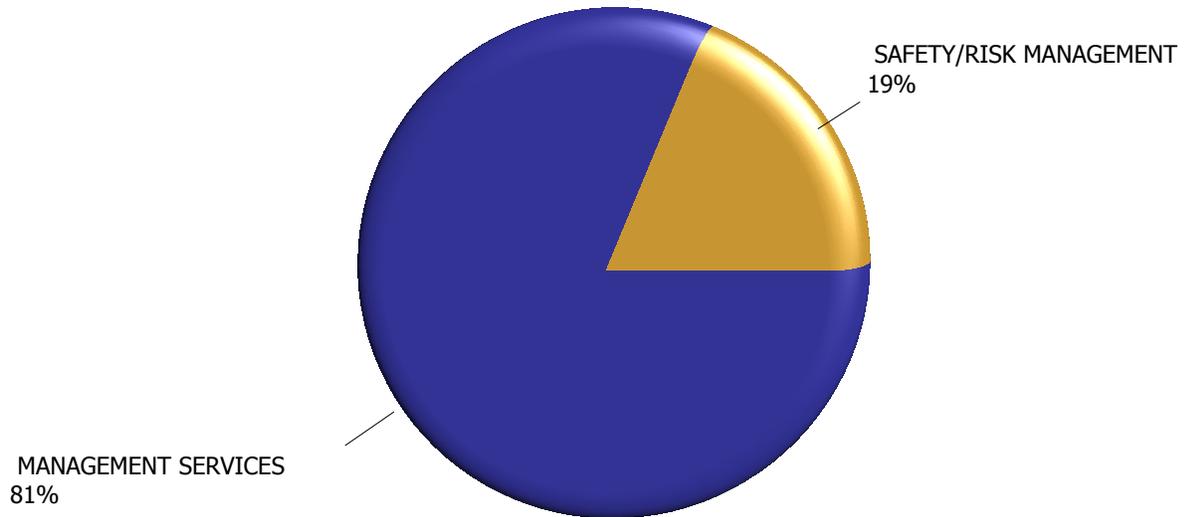
Staffing Information

Division	2011 Budget	2012 Budget	2013 Budget	2014 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	0.00	0

Positions 2011-2014



Positions by Division



Public Works – Fleet

Expenditure

The total Fleet Services Division's budget decreases from \$42.9 million to \$39.0 million from 2013 to 2014. This reflects a decrease of \$3.9 million, or 9.0%. The Fleet Services Division's 2014 expenditure budget reflects the restructuring of Fleet Services' Task Labor activities due to reclassification of Public Works Service Workers I and II, resulting in a decrease of 78 employees.

Revenue

Revenues are projected to decrease by 1.7% in this division due to decreased billings for task labor revenue from assigning employees directly to the divisions that use them. Previously, drivers and operators were dispatched from Fleet Services and divisions were charged for their services based on a calculated rate. The division's total revenues in 2014 are projected to be \$38.8 million.

Fund Allocation

This Division is funded completely in the Fleet Services Fund.

Mayor's Recommended Budget

The Mayor recommended no changes to this division's base program proposal.

Council Adopted Budget

The Council approved the Mayor's recommendations.

**PW - FLEET
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
INTERNAL SERVICE						
SALARIES AND WAGES	9,560,923	9,256,393	9,214,462	4,795,806	-48.0%	(4,418,656)
FRINGE BENEFITS	4,625,377	4,822,601	4,544,075	2,784,298	-38.7%	(1,759,777)
CONTRACTUAL SERVICES	5,045,539	10,321,979	10,646,716	8,827,608	-17.1%	(1,819,108)
OPERATING COSTS	6,757,208	9,728,826	11,081,840	11,451,788	3.3%	369,948
CAPITAL	(7,171)		7,425,000	11,175,000	50.5%	3,750,000
TOTAL INTERNAL SERVICE	25,981,876	34,129,799	42,912,094	39,034,500	-9.0%	(3,877,593)

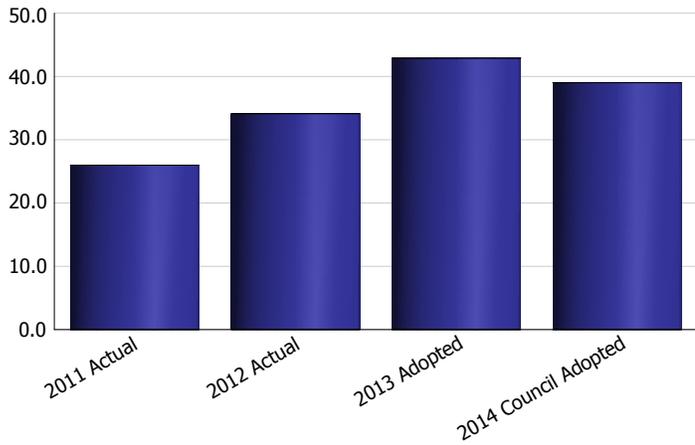
TOTAL EXPENSE	25,981,876	34,129,799	42,912,094	39,034,500	-9.0%	(3,877,593)
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REVENUE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
INTERNAL SERVICE						
CHARGES FOR SALES	4,181,333	8,775,605	8,654,222	11,195,507	29.4%	2,541,285
CHARGES FOR SERVICES	5,567,450	8,066,204	7,655,758	9,481,506	23.8%	1,825,748
FEDERAL GOVERNMENT	10,049	0	0		0.0%	0
GAINS	35,664	232,662	200,000	10,000	-95.0%	(190,000)
LONG TERM LIABILITIES PROCEEDS	4,315	0	600,000	300,000	-50.0%	(300,000)
OTHER MISC REVENUES	301,234	927,404	10,000	421,849	4,118.5%	411,849
RENTS	24,250,302	24,584,396	22,342,550	17,394,046	-22.1%	(4,948,504)
STATE GOVERNMENT	3,350	0	0		0.0%	0
INTERNAL SERVICE	34,353,698	42,586,272	39,462,530	38,802,908	-1.7%	(659,622)

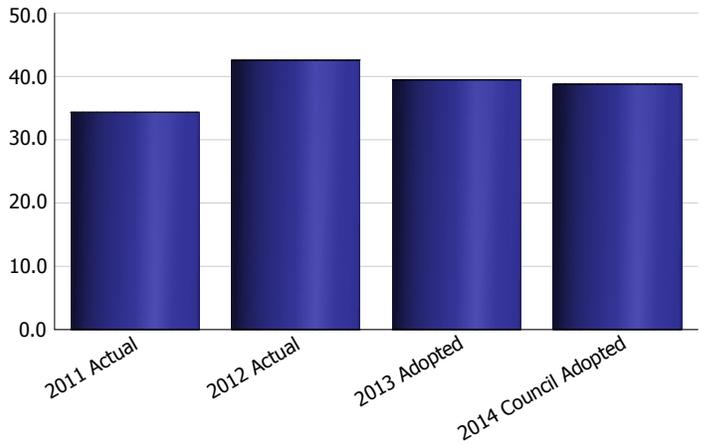
TOTAL REVENUE	34,353,698	42,586,272	39,462,530	38,802,908	-1.7%	(659,622)
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PW - FLEET EXPENSE AND REVENUE INFORMATION

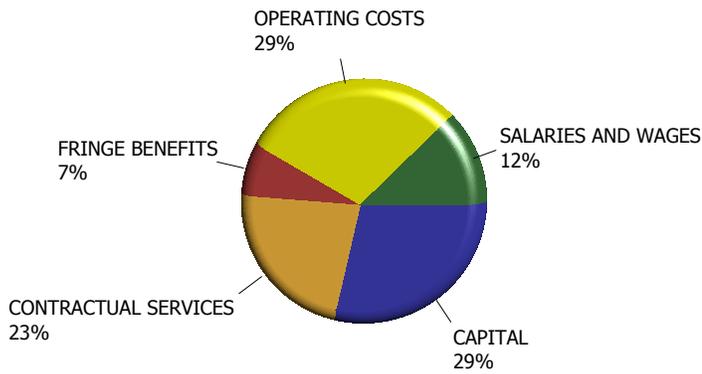
Expense 2011 - 2014
In Millions



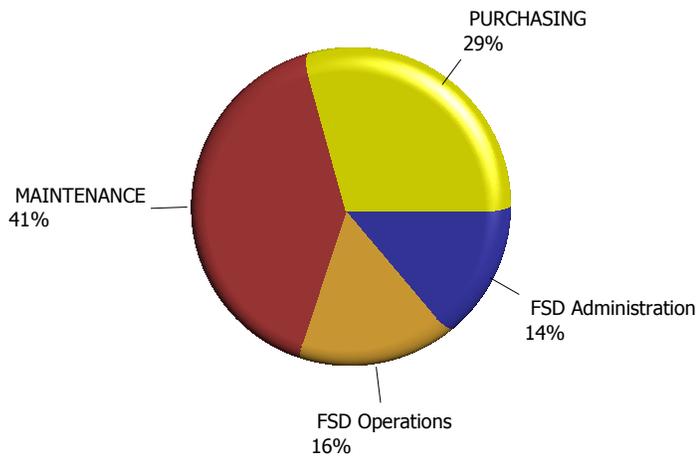
Revenue 2011 - 2014
In Millions



Expense by Category



Expense by Division

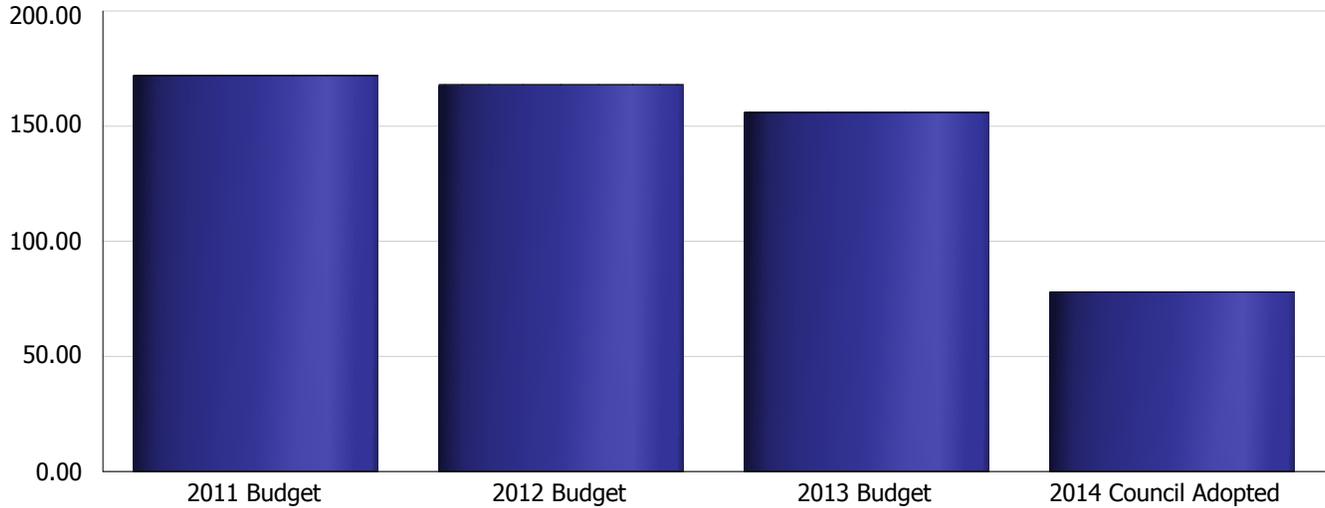


PW - FLEET

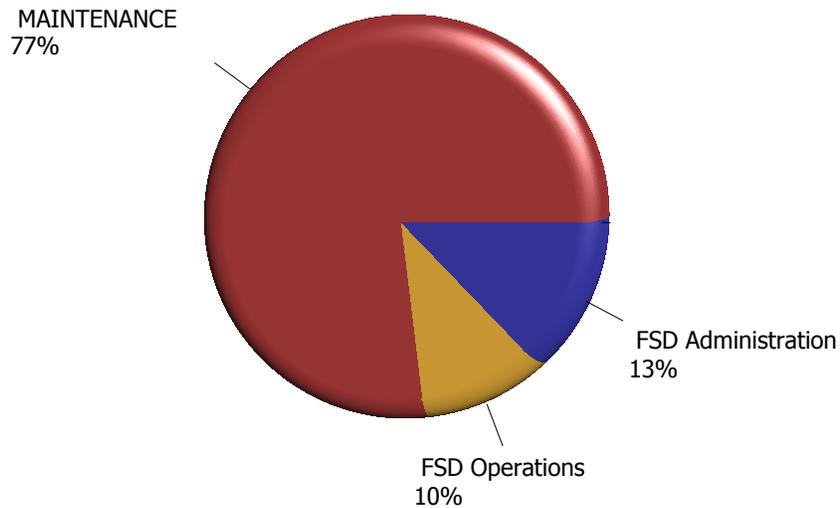
Staffing Information

Division	2011 Budget	2012 Budget	2013 Budget	2014 Council Adopted	% Change	Change
FSD Administration	5.50	6.00	10.00	10.00	0.0%	0
FSD Operations	101.50	97.00	87.00	8.00	(90.8%)	(79.00)
MAINTENANCE	64.00	64.00	59.00	60.00	1.7%	1.00
PURCHASING	1.00	1.00				0
Overall	172.00	168.00	156.00	78.00	(50.0%)	(78.00)

Positions 2011-2014



Positions by Divison



Public Works – Solid Waste and Recycling

Expenditure

The total Solid Waste & Recycling Division's budget decreased from \$36.8 million to \$33.4 million from 2013 to 2014. This is a reduction of \$3.5 million, or 9.4%. The Solid Waste & Recycling Department's 2014 expenditure budget reflects the following changes from 2013:

- The absence of one-time purchases totaling \$4.7 million for the one-sort program accounts for the majority of the net reduction in 2014 budget;
- Reclassifications and increases in salaries and fringes of \$0.4 million for public works service worker positions;
- An estimated increase of over \$0.3 million in contractual services relating to garbage collection and yard waste resulting from new vendor contracts with higher service rates;
- An increase in cost allocation charges of \$0.6 million.

Revenue

Revenues are projected to remain flat at \$31.4 million in this division due to increasing revenue from service charge volume offset by a reduction in the sale of scrap metals and lower anticipated revenues from miscellaneous sources.

Fund Allocation

This department is funded completely in the Solid Waste Fund.

Mayor's Recommended Budget

The Mayor recommended realigning the costs associated with graffiti and alley plowing into the General Fund to more clearly reflect the nature of these costs.

Council Adopted Budget

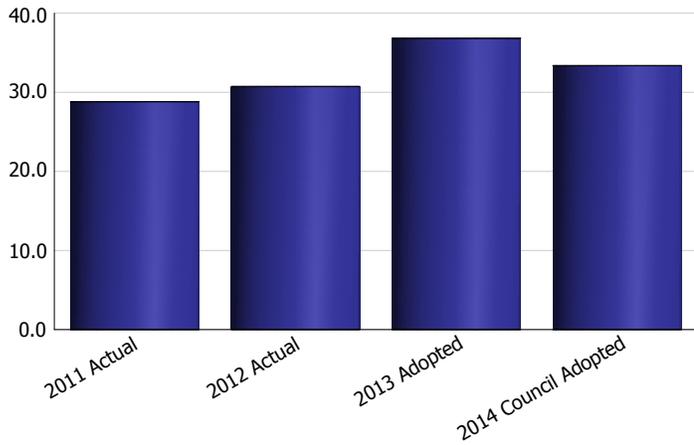
The Council approved the Mayor's recommendations.

**PW - SOLID WASTE
EXPENSE AND REVENUE INFORMATION**

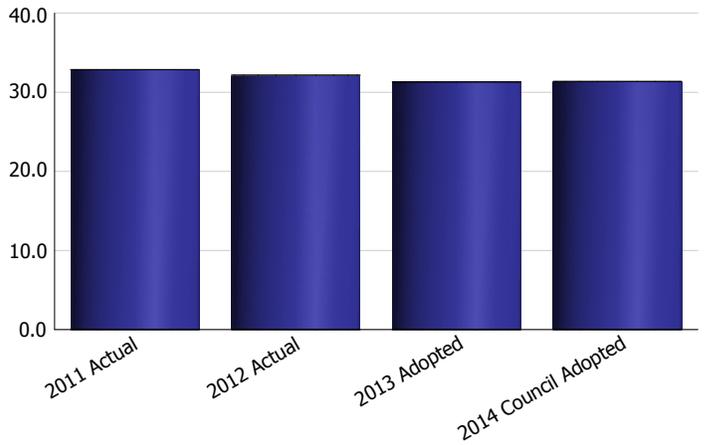
EXPENSE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
ENTERPRISE						
SALARIES AND WAGES	6,612,726	6,506,600	7,165,957	7,455,878	4.0%	289,921
FRINGE BENEFITS	3,361,687	3,588,071	3,935,325	4,286,873	8.9%	351,548
CONTRACTUAL SERVICES	16,879,103	18,958,851	18,189,142	18,715,125	2.9%	525,983
OPERATING COSTS	1,957,293	1,687,478	6,488,771	1,674,779	-74.2%	(4,813,992)
CAPITAL	0		1,050,000	1,245,391	18.6%	195,391
TOTAL ENTERPRISE	28,810,809	30,741,000	36,829,195	33,378,046	-9.4%	(3,451,149)
<hr/>						
TOTAL EXPENSE	28,810,809	30,741,000	36,829,195	33,378,046	-9.4%	(3,451,149)
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REVENUE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
ENTERPRISE						
CHARGES FOR SALES	2,173,123	1,611,178	1,250,500	766,793	-38.7%	(483,707)
CHARGES FOR SERVICES	29,205,652	29,388,429	28,947,436	29,536,258	2.0%	588,822
FEDERAL GOVERNMENT	80,150	0	0		0.0%	0
FINES AND FORFEITS	75	0	0		0.0%	0
GAINS	19,909	19,320	0		0.0%	0
LICENSE AND PERMITS	0	(369)	0		0.0%	0
LOCAL GOVERNMENT	889,675	864,448	880,000	880,000	0.0%	0
OTHER MISC REVENUES	40	381	0		0.0%	0
RENTS	15	15	0		0.0%	0
SPECIAL ASSESSMENTS	463,583	265,560	224,000	179,200	-20.0%	(44,800)
STATE GOVERNMENT	37,086	10,350	10,500	10,500	0.0%	0
ENTERPRISE	32,869,307	32,159,312	31,312,436	31,372,751	0.2%	60,315
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TOTAL REVENUE	32,869,307	32,159,312	31,312,436	31,372,751	0.2%	60,315

PW - SOLID WASTE EXPENSE AND REVENUE INFORMATION

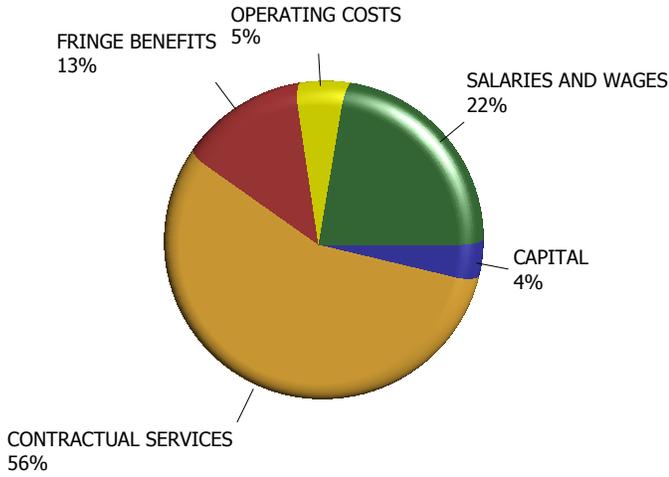
Expense 2011 - 2014
In Millions



Revenue 2011 - 2014
In Millions



Expense by Category

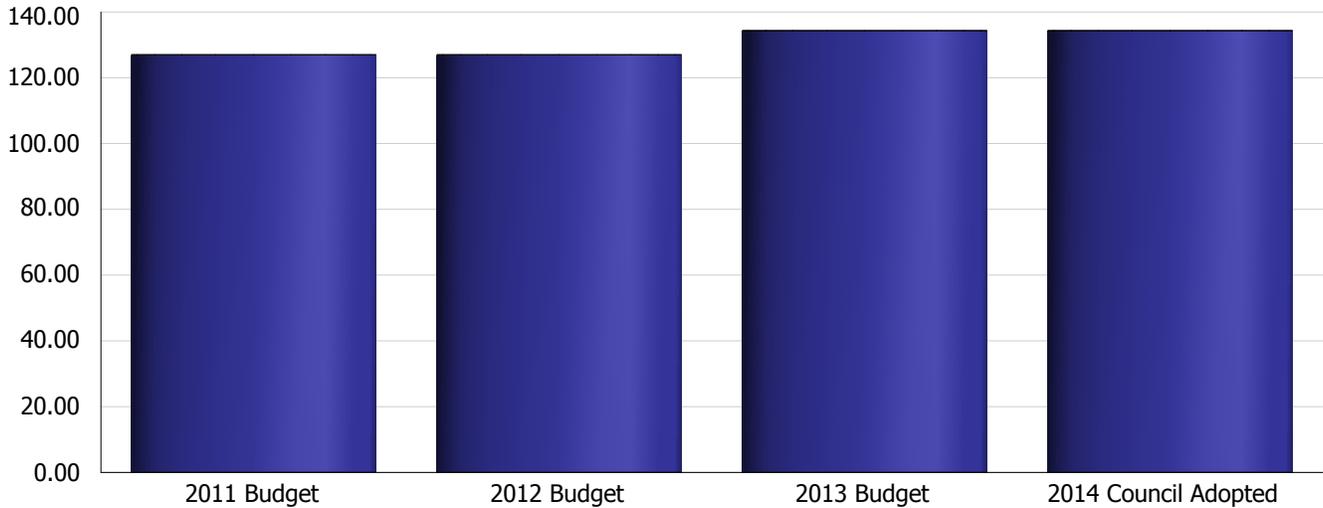


PW - SOLID WASTE

Staffing Information

Division	2011 Budget	2012 Budget	2013 Budget	2014 Council Adopted	% Change	Change
ADMINISTRATION	9.00	9.14	11.33	11.33	0.0%	0
CLEAN CITY	8.00	11.61	21.00	21.00	0.0%	0
COLLECTION	42.00	42.00	38.00	38.00	0.0%	0
CUSTOMER SERVICE	8.00	8.00	8.00	8.00	0.0%	0
EQUIPMENT	10.00	10.00	10.00	10.00	0.0%	0
LARGE ITEM/PROBLEM MATERIAL	12.00	12.00	7.00	7.00	0.0%	0
ORGANICS	2.00	2.00	3.00	3.00	0.0%	0
RECYCLING	16.00	16.00	20.00	20.00	0.0%	0
TRANSFER STATIONS	1.00	1.00	1.00	1.00	0.0%	0
YARD WASTE PROGRAM	19.00	15.25	15.00	15.00	0.0%	0
Overall	127.00	127.00	134.33	134.33	0.00	0

Positions 2011-2014



Public Works – Sanitary Sewer

Expenditure

The total Sanitary Sewer Division's budget increased from \$46.5 million to \$48.0 million from 2013 to 2014. This is an increase of \$1.5 million, or 3.2%. The Sanitary Sewer Division's 2014 expenditure budget reflects the following changes from 2013:

- An increase in employee count of 5.5 FTE as result of reorganizing employees between the sanitary sewer, storm water, and capital divisions;
- Reclassification and adjustment to salaries and fringes of public works service worker positions which resulted in net increase of \$0.1 million;
- Increases in salary and fringes by \$0.5 million, of which \$0.1 million is attributed to health insurance;
- Increases in expenditures of \$0.4 million relating to equipment gap and maintenance work on combo machines;
- Televising sanitary system updates with CCTV costs the division an additional 0.5 million;
- Increases in internal service fund transfers of \$0.4 million resulting from the 2014 cost allocation model charges.

Revenue

Revenues are projected to increase by 0.6% in this division due to an increase in fixed rates from \$3.00 to \$3.40 in the customer's monthly utility billings for household sanitary sewer discharge. The division's total revenues in 2014 are projected to be \$54.3 million.

Fund Allocation

This division is funded completely in the Sanitary Sewer Fund.

Mayor's Recommended Budget

The Mayor recommended no changes to this division's base program proposal.

Council Adopted Budget

The Council approved the Mayor's recommendations and amended the budget by reducing the 2014 Sanitary Sewer rate from the recommended amount of \$3.21 down to \$3.14 (the same rate as 2013), subsequently reducing the overall revenue and expenditure appropriation by \$1,021,160, which reflects the reduction in Metropolitan Council Environmental Services fees for 2014.

**SURFACE WATER & SEWERS-SANITARY
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
ENTERPRISE						
SALARIES AND WAGES	2,336,513	2,563,128	2,314,464	2,670,678	15.4%	356,214
FRINGE BENEFITS	1,048,349	1,186,615	1,119,052	1,400,576	25.2%	281,524
CONTRACTUAL SERVICES	8,261,886	15,821,906	7,803,904	9,374,599	20.1%	1,570,695
OPERATING COSTS	31,000,063	32,347,005	35,024,851	34,496,936	-1.5%	(527,915)
CAPITAL	0		254,114	60,000	-76.4%	(194,114)
TOTAL ENTERPRISE	42,646,811	51,918,654	46,516,385	48,002,789	3.2%	1,486,404

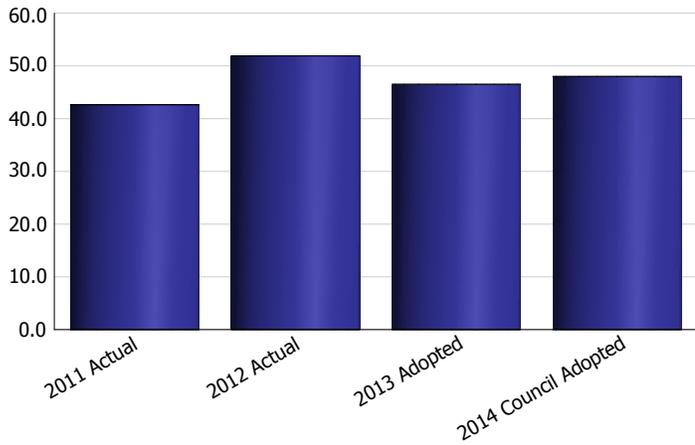
TOTAL EXPENSE	42,646,811	51,918,654	46,516,385	48,002,789	3.2%	1,486,404
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REVENUE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
ENTERPRISE						
CHARGES FOR SERVICES	49,847,411	62,044,751	53,659,421	54,113,522	0.8%	454,101
GAINS	0	18,868	0		0.0%	0
LICENSE AND PERMITS	100,751	187,638	150,000	150,000	0.0%	0
OTHER MISC REVENUES	30	0	0		0.0%	0
SPECIAL ASSESSMENTS	315,134	74,709	154,100		-100.0%	(154,100)
ENTERPRISE	50,263,326	62,325,966	53,963,521	54,263,522	0.6%	300,001

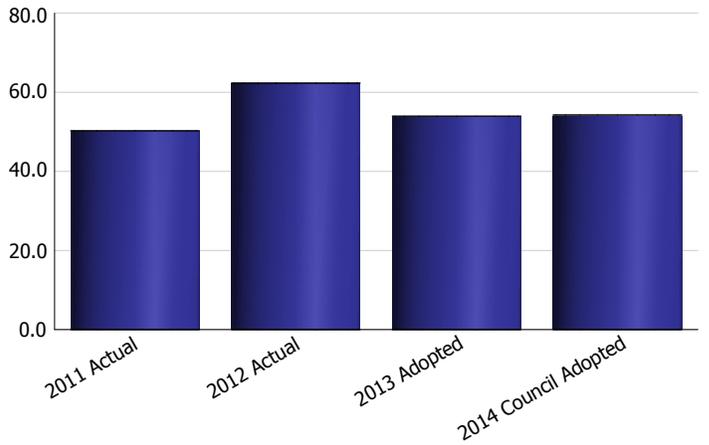
TOTAL REVENUE	50,263,326	62,325,966	53,963,521	54,263,522	0.6%	300,001
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SURFACE WATER & SEWERS-SANITARY EXPENSE AND REVENUE INFORMATION

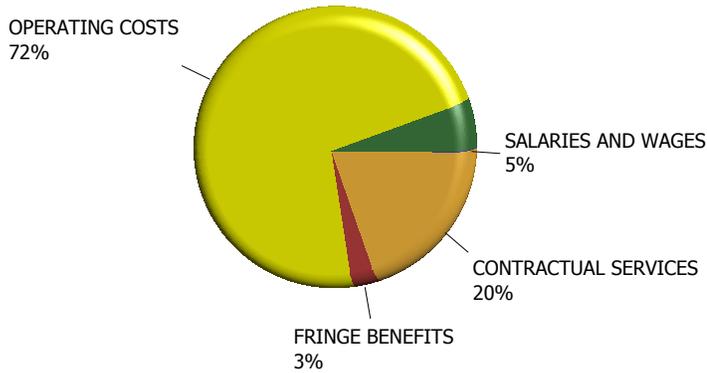
Expense 2011 - 2014
In Millions



Revenue 2011 - 2014
In Millions



Expense by Category

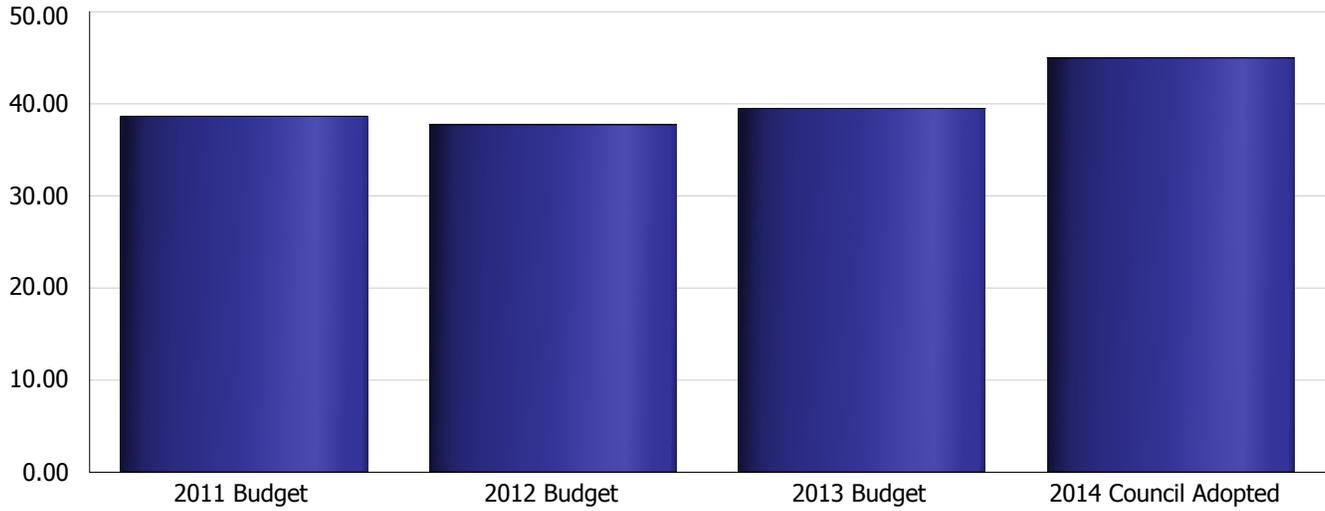


SURFACE WATER & SEWERS-SANITARY

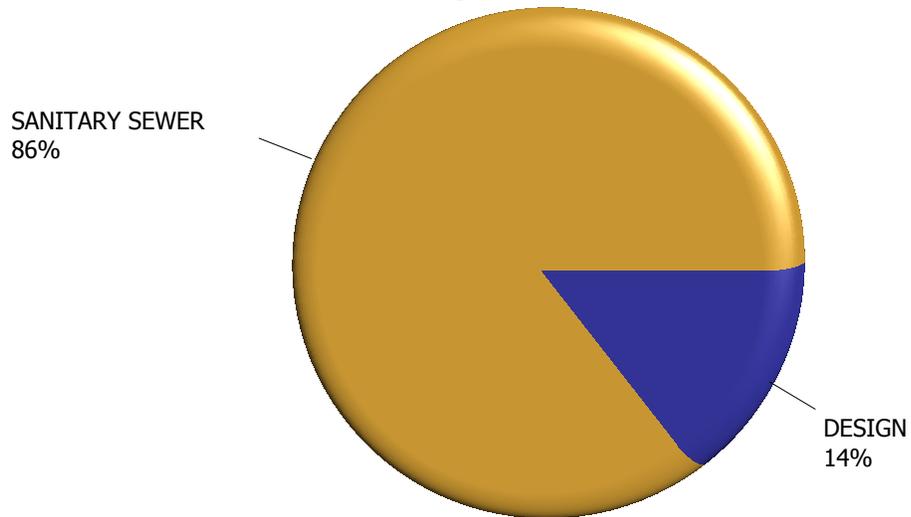
Staffing Information

Division	2011 Budget	2012 Budget	2013 Budget	2014 Council Adopted	% Change	Change
DESIGN	2.50	4.50	5.50	6.50	18.2%	1.00
SANITARY SEWER	36.15	33.25	34.00	38.50	13.2%	4.50
Overall	38.65	37.75	39.50	45.00	13.9%	5.50

Positions 2011-2014



Positions by Division



Public Works – Stormwater

Expenditure

The total Stormwater Division's budget increased from \$17.3 million to \$19.4 million from 2013 to 2014. This is an increase of \$2.1 million, or 12.2%. The Stormwater Division's 2014 expenditure budget reflects the following changes from 2013:

- A decrease of 3.9 FTE as result of reorganizing employees between the Sanitary Sewer, Stormwater and Capital Divisions;
- Reclassifications and adjustments to salaries and fringe benefits for public service worker positions which resulted in a net increase of \$50,000;
- Storm pipe cleaning and pond dredging work with an estimated cost of \$0.6 million is scheduled for 2014;
- A one-time relocation cost of over \$0.6 million to move the Stormwater offices from downtown to the Hiawatha facility;
- An increase in expenditures by \$0.5 million for maintenance work at Linden Yard;
- An increase in cost allocation charges of \$0.5 million.

Revenue

Revenues are projected to increase by 0.5%, in this division due to increase in rate from \$11.82 to \$11.94 in the customer's monthly utility billings for storm drain discharge. However this increase is offset by decrease in design and maintenance revenues by \$0.3 million. The division's total revenues in 2014 are projected to be \$39.8 million.

Fund Allocation

This division is funded completely in the Stormwater Fund.

Mayor's Recommended Budget

The Mayor recommended no changes to this division's base program proposal.

Council Adopted Budget

The Council approved the Mayor's recommendations.

**SURFACE WATER & SEWERS-STORMWATR
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
ENTERPRISE						
SALARIES AND WAGES	2,727,470	2,523,744	3,240,150	3,177,000	-1.9%	(63,150)
FRINGE BENEFITS	1,206,298	1,249,672	1,536,143	1,617,002	5.3%	80,859
CONTRACTUAL SERVICES	5,990,288	7,182,405	9,135,222	11,025,340	20.7%	1,890,118
OPERATING COSTS	2,288,037	2,585,124	3,302,236	2,876,264	-12.9%	(425,972)
CAPITAL	0	0	74,951	708,951	845.9%	634,000
TOTAL ENTERPRISE	12,212,094	13,540,946	17,288,702	19,404,557	12.2%	2,115,855

TOTAL EXPENSE	12,212,094	13,540,946	17,288,702	19,404,557	12.2%	2,115,855
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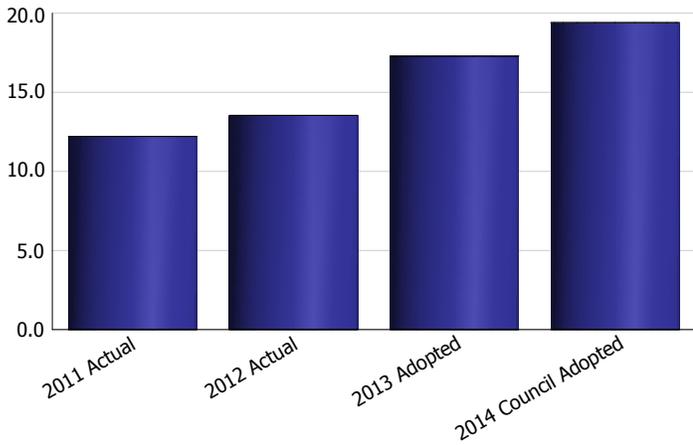
REVENUE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
ENTERPRISE						
CHARGES FOR SALES	0	1,694	0		0.0%	0
CHARGES FOR SERVICES	36,215,347	38,071,952	39,363,999	39,348,911	0.0%	(15,088)
FINES AND FORFEITS	25,895	39,241	45,000	45,000	0.0%	0
GAINS	0	16,168	0		0.0%	0
LOCAL GOVERNMENT	102,783	312,891	99,080	202,784	104.7%	103,704
OTHER MISC REVENUES	4,170	66	0		0.0%	0
SPECIAL ASSESSMENTS	390,926	307,269	45,100	45,000	-0.2%	(100)
STATE GOVERNMENT	146,251	143,357	40,821	147,128	260.4%	106,307
ENTERPRISE	36,885,371	38,892,637	39,594,000	39,788,823	0.5%	194,823

TOTAL REVENUE	36,885,371	38,892,637	39,594,000	39,788,823	0.5%	194,823
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SURFACE WATER & SEWERS-STORMWATR EXPENSE AND REVENUE INFORMATION

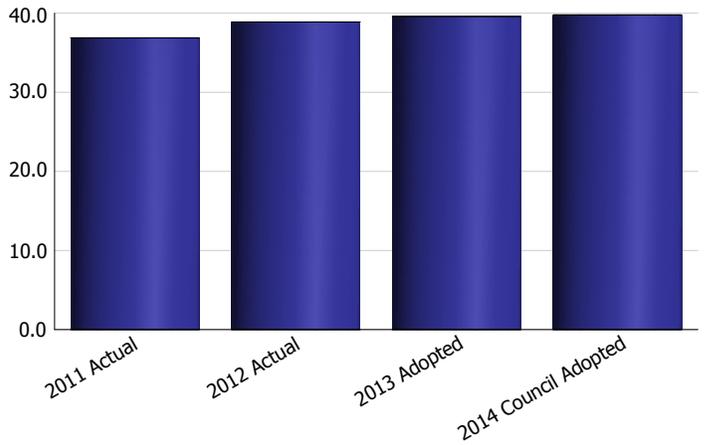
Expense 2011 - 2014

In Millions

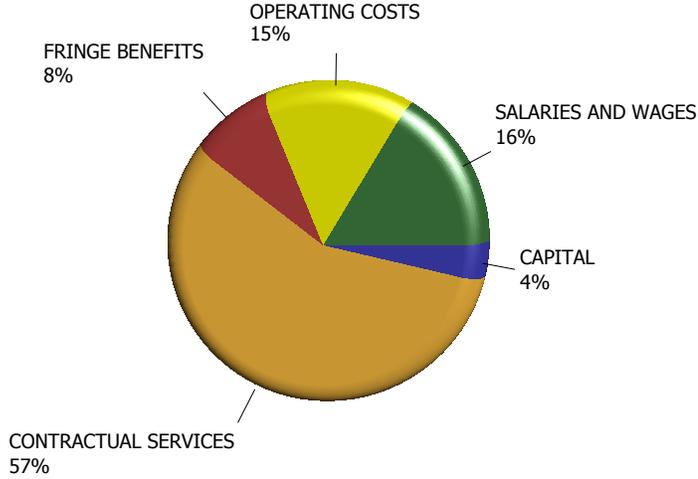


Revenue 2011 - 2014

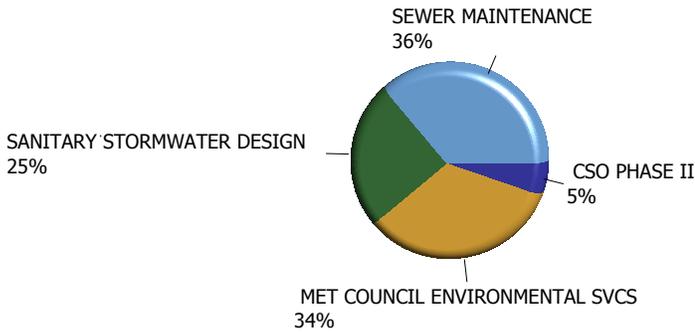
In Millions



Expense by Category



Expense by Division

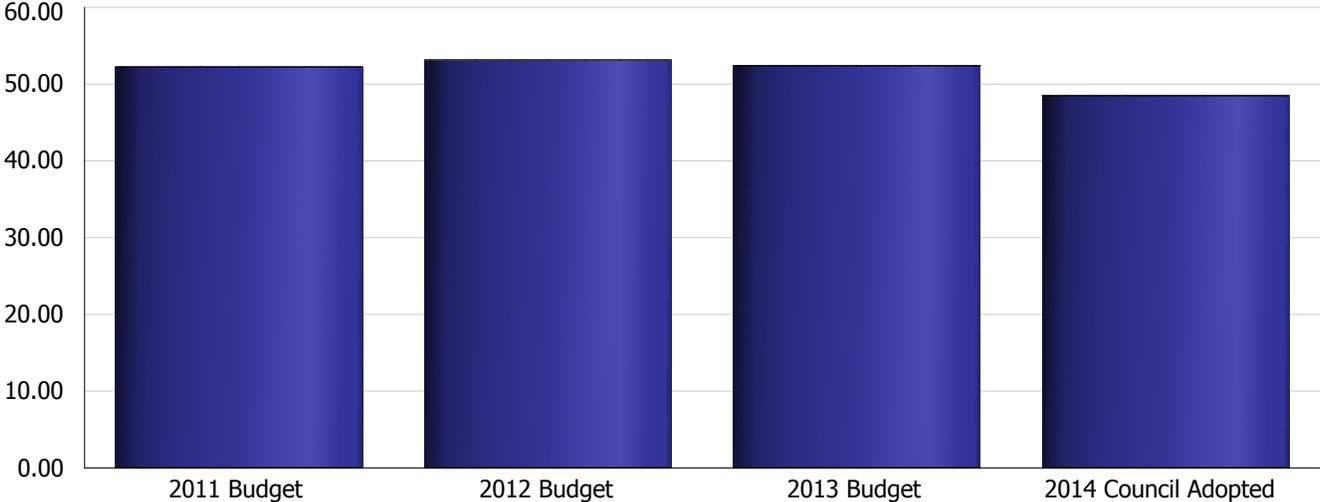


SURFACE WATER & SEWERS-STORMWATR

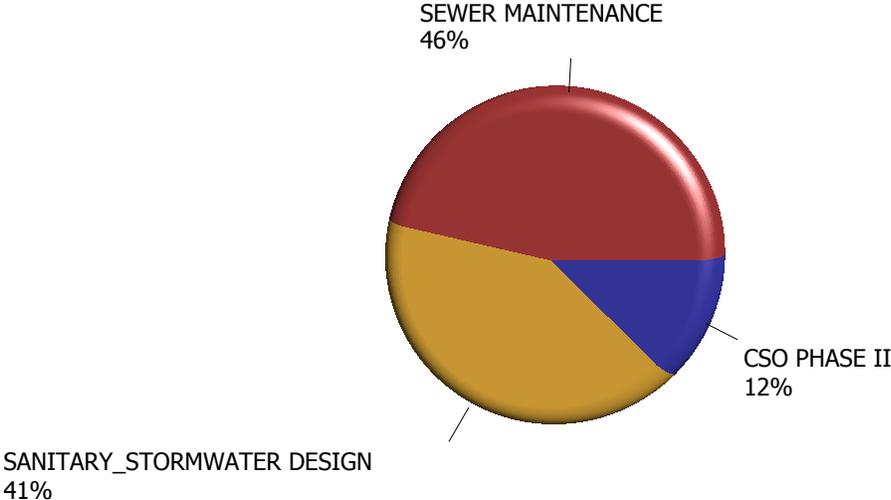
Staffing Information

Division	2011 Budget	2012 Budget	2013 Budget	2014 Council Adopted	% Change	Change
CSO PHASE II	13.00	6.00	6.00	6.00	0.0%	0
SANITARY_STORMWATER DESIGN	20.00	23.50	21.00	20.00	(4.8%)	(1.00)
SEWER MAINTENANCE	19.25	23.65	25.40	22.50	(11.4%)	(2.90)
Overall	52.25	53.15	52.40	48.50	(7.4%)	(3.90)

Positions 2011-2014



Positions by Divison



Public Works – Traffic and Parking

Expenditure

The total Traffic & Parking Division's budget reflects an increase from \$53.4 million to \$53.7 million from 2013 to 2014. This is an increase of \$0.3 million, or 0.6%. The Traffic & Parking Division's 2014 expenditure budget reflects the increased costs associated with street light and signing maintenance.

Revenue

Revenues are projected to increase by 5.5% in this division due to automation of parking equipment. The division's total revenues in 2014 are projected to be \$62.2 million.

Fund Allocation

This division is funded primarily by the Parking Fund (71%), with the remainder of the division's funding found in the General Fund (28%) and Traffic Stores Internal Services Fund (1%).

Mayor's Recommended Budget

The Mayor recommended a one-time General Fund appropriation of \$50,000 for street lighting improvements in North Minneapolis. The Mayor further recommended an ongoing General Fund appropriation of \$435,000 for crosswalk and pedestrian safety improvements.

Council Adopted Budget

The Council approved the Mayor's recommendations.

**PW - TRAFFIC AND PARKING SERVICES
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	2,981,575	2,894,408	3,496,854	3,788,027	8.3%	291,172
FRINGE BENEFITS	1,259,425	1,345,327	1,676,572	1,766,300	5.4%	89,728
CONTRACTUAL SERVICES	6,452,196	6,863,778	7,363,707	7,356,237	-0.1%	(7,470)
OPERATING COSTS	1,608,057	2,205,103	1,697,112	2,537,621	49.5%	840,509
CAPITAL	0	206,875				0
TOTAL GENERAL	12,301,252	13,515,492	14,234,245	15,448,184	8.5%	1,213,939
INTERNAL SERVICE						
SALARIES AND WAGES	177,412	184,902	166,683	167,307	0.4%	624
FRINGE BENEFITS	56,017	104,591	99,258	75,846	-23.6%	(23,412)
CONTRACTUAL SERVICES	71,990	86,610	81,314	92,626	13.9%	11,312
OPERATING COSTS	161,978	16,909	26,762	26,762	0.0%	0
CAPITAL	0					0
TOTAL INTERNAL SERVICE	467,396	393,012	374,017	362,541	-3.1%	(11,477)
ENTERPRISE						
SALARIES AND WAGES	2,985,416	2,837,048	2,852,398	2,913,143	2.1%	60,745
FRINGE BENEFITS	1,263,584	1,048,258	1,144,294	1,207,389	5.5%	63,095
CONTRACTUAL SERVICES	29,914,108	29,634,498	32,571,559	31,098,659	-4.5%	(1,472,900)
OPERATING COSTS	2,170,640	6,307,722	2,164,440	2,664,231	23.1%	499,791
CAPITAL	0	199	9,726		-100.0%	(9,726)
TOTAL ENTERPRISE	36,333,747	39,827,725	38,742,417	37,883,422	-2.2%	(858,995)
TOTAL EXPENSE	49,102,396	53,736,229	53,350,680	53,694,147	0.6%	343,467

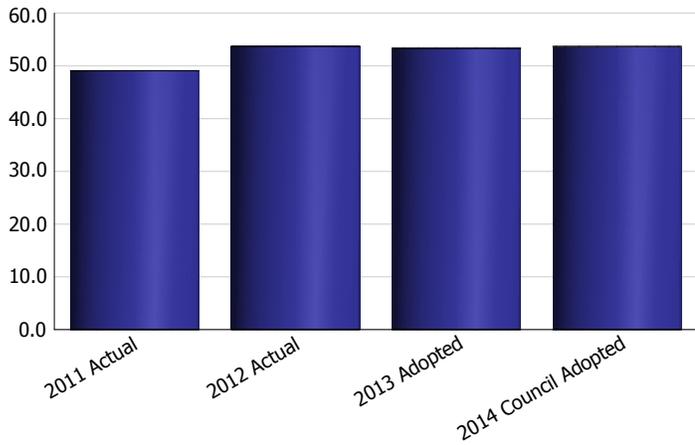
REVENUE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SALES	73,819	111,209	15,000	20,000	33.3%	5,000
CHARGES FOR SERVICES	631,395	962,413	435,000	575,000	32.2%	140,000
FRANCHISE FEES	35,290	0	0		0.0%	0
LICENSE AND PERMITS	732,110	1,017,012	615,000	815,000	32.5%	200,000
LOCAL GOVERNMENT	479,250	455,569	406,230	425,000	4.6%	18,770
OTHER MISC REVENUES	188,988	182,910	85,000	85,000	0.0%	0
SPECIAL ASSESSMENTS	193,628	193,953	150,000	190,000	26.7%	40,000
STATE GOVERNMENT	1,195,460	1,252,633	816,470	990,000	21.3%	173,530
GENERAL	3,529,941	4,175,698	2,522,700	3,100,000	22.9%	577,300
INTERNAL SERVICE						
CHARGES FOR SALES	12,797	54,429	10,000	10,000	0.0%	0
CHARGES FOR SERVICES	470,800	1,049,424	555,000	555,000	0.0%	0

**PW - TRAFFIC AND PARKING SERVICES
EXPENSE AND REVENUE INFORMATION**

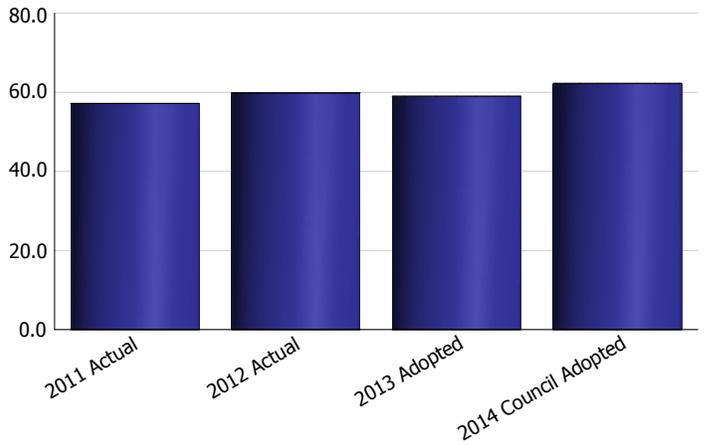
REVENUE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
INTERNAL SERVICE	483,597	1,103,853	565,000	565,000	0	0
ENTERPRISE						
CHARGES FOR SALES	1,778,621	1,411,253	1,500,000	1,500,000	0.0%	0
CHARGES FOR SERVICES	50,571,185	52,280,848	53,627,074	56,256,900	4.9%	2,629,826
LICENSE AND PERMITS	268,536	318,412	240,000	275,000	14.6%	35,000
OTHER MISC REVENUES	9,175	9,664	2		-100.0%	(2)
RENTS	2,393	2,118	1		-100.0%	(1)
SPECIAL ASSESSMENTS	543,481	543,481	543,157	543,157	0.0%	0
ENTERPRISE	53,173,391	54,565,777	55,910,234	58,575,057	4.8%	2,664,823
TOTAL REVENUE	57,186,929	59,845,327	58,997,934	62,240,057	5.5%	3,242,123

PW - TRAFFIC AND PARKING SERVICES EXPENSE AND REVENUE INFORMATION

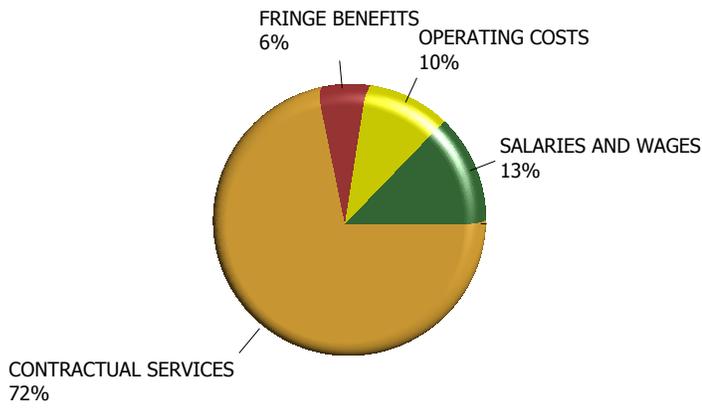
Expense 2011 - 2014
In Millions



Revenue 2011 - 2014
In Millions



Expense by Category

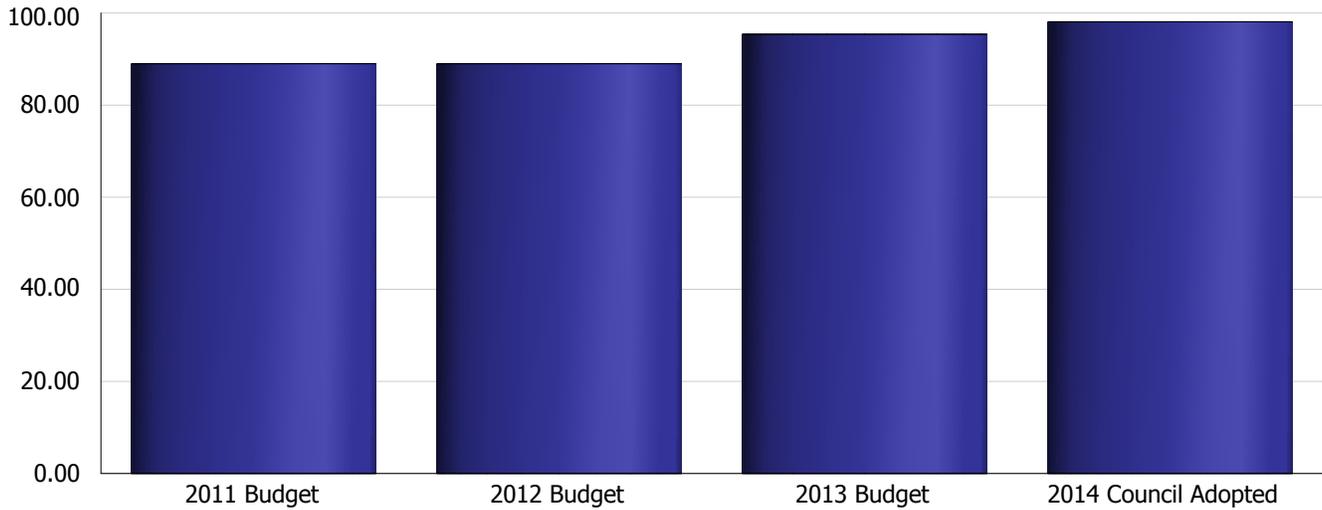


PW - TRAFFIC AND PARKING SERVICES

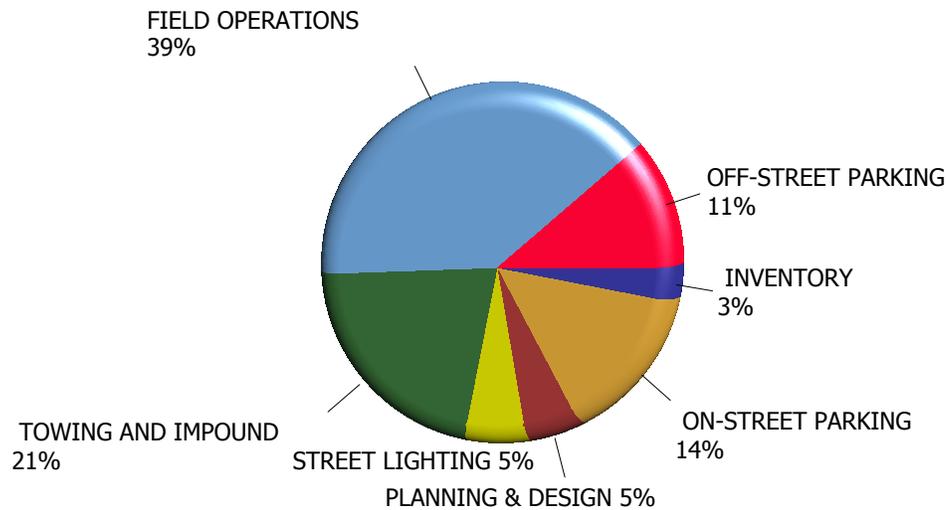
Staffing Information

Division	2011 Budget	2012 Budget	2013 Budget	2014 Council Adopted	% Change	Change
FIELD OPERATIONS	29.80	29.40	35.40	38.50	8.8%	3.10
INVENTORY	3.00	3.00	3.00	3.00	0.0%	0
OFF-STREET PARKING	12.10	11.10	11.10	11.10	0.0%	0
ON-STREET PARKING	12.15	13.95	14.35	13.95	(2.8%)	(0.40)
PLANNING & DESIGN	4.45	4.45	4.45	4.95	11.2%	0.50
STREET LIGHTING	5.65	5.65	5.65	5.65	0.0%	0
TOWING AND IMPOUND	21.85	21.45	21.45	20.95	(2.3%)	(0.50)
Overall	89.00	89.00	95.40	98.10	2.8%	2.70

Positions 2011-2014



Positions by Division



Public Works – Transportation Maintenance and Repair

Expenditure

The total 2014 Transportation Maintenance and Repair Division's budget increases from \$42.3 million to \$46.0 million from 2013 to 2014. This is an increase of \$3.7 million or 8.7%. The Transportation Maintenance and Repair Division's 2014 expenditure budget reflects the following changes from 2013:

- Due to a reclassification of workers, the division added 60 FTE's consisting of drivers and operators resulting in a decrease in contractual service expenditures and an increase in salary and fringe expenditures. Including four new programs, total Transportation Maintenance and Repair FTEs are now 206.95.
- The addition of two new programs including \$575,000 for residential sealcoating and \$200,000 for improved winter bike and pedestrian access.

Revenue

Revenues are projected to increase by 10.1% in this division primarily due to an increase in special revenue assessments for street maintenance and repair, and snow and ice control. The division's total revenue in 2014 is projected to be \$17.6 million.

Fund Allocation

This division is funded primarily by the General Fund (66%), with the remainder of the division's funding found in the Special Revenue Funds (13%), enterprise funds (20%) and capital project funds (1%).

Mayor's Recommended Budget

The Mayor recommended a one-time General Fund appropriation of \$200,000 for winter-weather maintenance to pedestrian and bike facilities citywide. The Mayor further recommended an ongoing General Fund appropriation of \$575,000 for sealcoating.

Council Adopted Budget

The Council approved the Mayor's recommendations.

**PW - TRANSPORTATION MAINTENANCE AND REPAIR
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	6,840,244	7,502,266	6,752,748	9,230,449	36.7%	2,477,701
FRINGE BENEFITS	3,714,848	4,304,256	3,939,167	5,130,922	30.3%	1,191,754
CONTRACTUAL SERVICES	11,983,715	11,830,754	12,597,068	11,219,246	-10.9%	(1,377,822)
OPERATING COSTS	4,640,141	4,969,707	4,285,780	4,521,767	5.5%	235,987
CAPITAL	84,705	219,583	110,000	151,002	37.3%	41,002
TOTAL GENERAL	27,263,654	28,826,567	27,684,763	30,253,386	9.3%	2,568,622
SPECIAL REVENUE						
SALARIES AND WAGES	43,610					0
FRINGE BENEFITS	24,042					0
CONTRACTUAL SERVICES	5,951,306	6,001,187	5,800,000	5,800,000	0.0%	0
OPERATING COSTS	0	0				0
TOTAL SPECIAL REVENUE	6,018,958	6,001,187	5,800,000	5,800,000	0	0
CAPITAL PROJECT						
SALARIES AND WAGES	304,823	288,785	332,724	334,025	0.4%	1,301
FRINGE BENEFITS	104,037	99,481	141,257	149,878	6.1%	8,621
CONTRACTUAL SERVICES	157,703	480,354	212,063	217,627	2.6%	5,564
OPERATING COSTS	6,627	7,263	12,090	11,423	-5.5%	(667)
TOTAL CAPITAL PROJECT	573,190	875,884	698,134	712,953	2.1%	14,819
ENTERPRISE						
SALARIES AND WAGES	1,112,624	1,169,401	1,572,373	2,564,267	63.1%	991,895
FRINGE BENEFITS	509,919	548,077	673,035	1,199,816	78.3%	526,780
CONTRACTUAL SERVICES	5,715,680	5,794,569	5,351,640	4,956,739	-7.4%	(394,901)
OPERATING COSTS	475,645	531,697	561,230	543,404	-3.2%	(17,826)
TOTAL ENTERPRISE	7,813,867	8,043,744	8,158,278	9,264,226	13.6%	1,105,948
TOTAL EXPENSE	41,669,669	43,747,381	42,341,175	46,030,565	8.7%	3,689,389

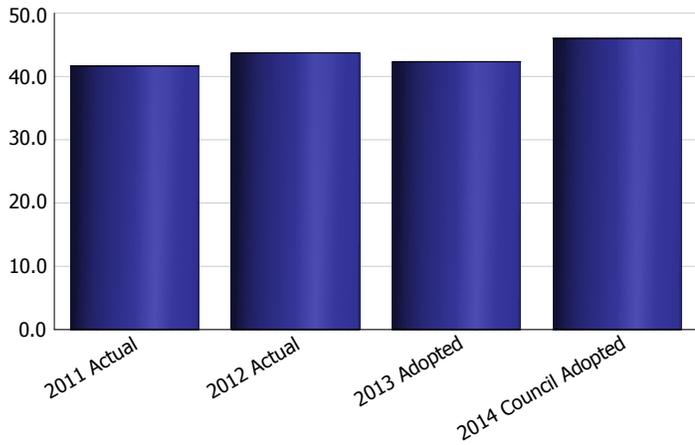
REVENUE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SALES	1,791	10,268	10,000	10,000	0.0%	0
CHARGES FOR SERVICES	4,381,947	9,038,685	5,341,274	5,204,615	-2.6%	(136,659)
FRANCHISE FEES	95,872	155,748	0		0.0%	0
LICENSE AND PERMITS	0	0	0		0.0%	0
LOCAL GOVERNMENT	113,244	113,244	125,175	113,244	-9.5%	(11,931)
OTHER MISC REVENUES	51	0	1,000	1,000	0.0%	0
SPECIAL ASSESSMENTS	1,076,340	1,174,774	805,080	1,734,750	115.5%	929,670
STATE GOVERNMENT	2,856,531	2,978,916	2,730,360	3,095,621	13.4%	365,261

**PW - TRANSPORTATION MAINTENANCE AND REPAIR
EXPENSE AND REVENUE INFORMATION**

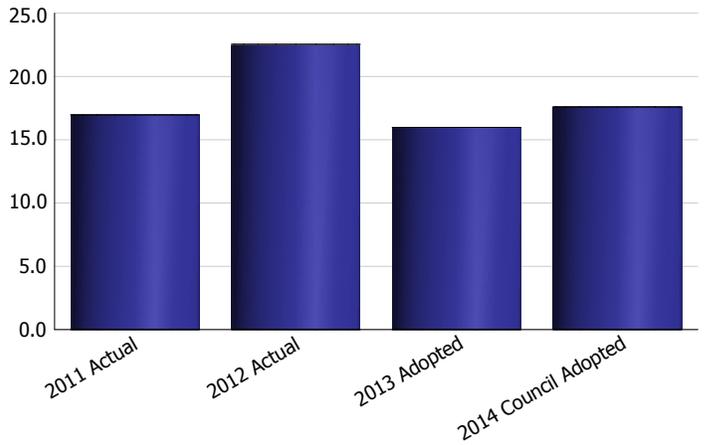
REVENUE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
TRANSFERS IN	700,000	700,000	0		0.0%	0
GENERAL	9,225,776	14,171,635	9,012,889	10,159,230	12.7%	1,146,341
SPECIAL REVENUE						
OTHER MISC REVENUES	4,054	2,587	0		0.0%	0
SPECIAL ASSESSMENTS	5,426,281	6,013,682	5,800,000	5,800,000	0.0%	0
SPECIAL REVENUE	5,430,336	6,016,269	5,800,000	5,800,000	0	0
CAPITAL PROJECT						
LICENSE AND PERMITS	243,265	283,084	260,000	260,000	0.0%	0
OTHER MISC REVENUES	0	212,057	0		0.0%	0
SPECIAL ASSESSMENTS	70,048	58,547	60,000	60,000	0.0%	0
CAPITAL PROJECT	313,312	553,688	320,000	320,000	0	0
ENTERPRISE						
CHARGES FOR SALES	460	0	0		0.0%	0
CHARGES FOR SERVICES	9,881	5,170	10,000	10,000	0.0%	0
FEDERAL GOVERNMENT	420,812	0	0		0.0%	0
LOCAL GOVERNMENT	296,775	296,775	146,437	296,775	102.7%	150,338
SPECIAL ASSESSMENTS	128,691	522,976	60,000		-100.0%	(60,000)
STATE GOVERNMENT	1,142,083	971,352	628,793	1,011,026	60.8%	382,233
ENTERPRISE	1,998,703	1,796,273	845,230	1,317,801	55.9%	472,571
TOTAL REVENUE	16,968,127	22,537,865	15,978,119	17,597,031	10.1%	1,618,912

PW - TRANSPORTATION MAINTENANCE AND REPAIR EXPENSE AND REVENUE INFORMATION

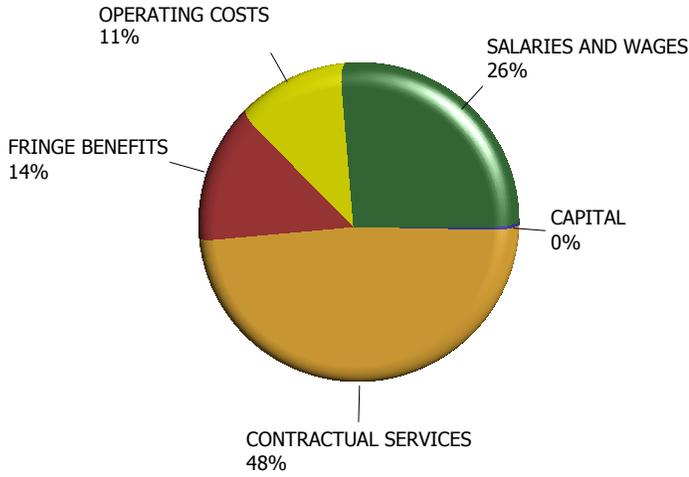
Expense 2011 - 2014
In Millions



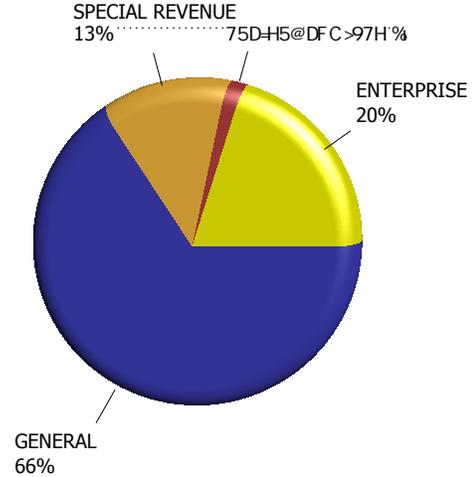
Revenue 2011 - 2014
In Millions



Expense by Category



Expense by Fund

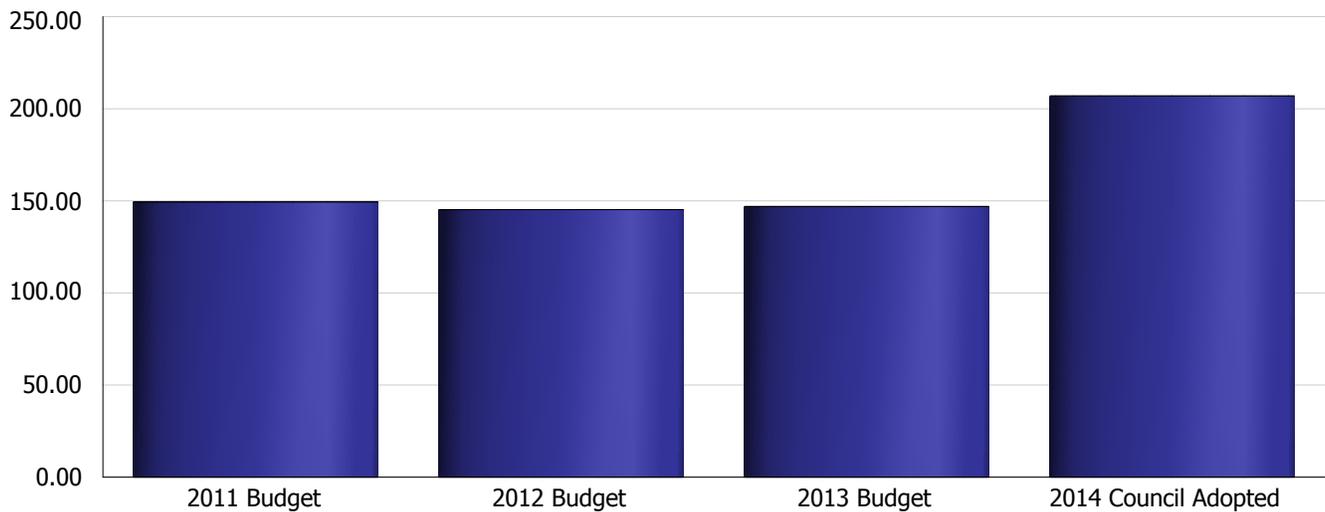


PW - TRANSPORTATION MAINTENANCE AND REPAIR

Staffing Information

Division	2011 Budget	2012 Budget	2013 Budget	2014 Council Adopted	% Change	Change
BRIDGE MAINTENANCE & REPAIR	12.00	12.00	12.00	17.00	41.7%	5.00
MALLS & PLAZAS - MAINTENANCE	10.40	10.40	10.40	10.40	0.0%	0
Ramp Maintenance	19.50	17.00	17.00	17.00	0.0%	0
SIDEWALK INSPECTION	6.00	6.00	6.00	6.00	0.0%	0
SNOW & ICE CONTROL	26.00	26.00	26.00	50.00	92.3%	24.00
STREET ADMINISTRATION	8.50	8.50	8.50	8.50	0.0%	0
STREET CLEANING	28.05	28.05	28.05	46.05	64.2%	18.00
STREET MAINTENANCE & REPAIR	39.00	37.32	39.00	52.00	33.3%	13.00
Overall	149.45	145.27	146.95	206.95	40.8%	60.00

Positions 2011-2014



Public Works – Transportation Planning & Engineering

Expenditure

The total Transportation Planning and Engineering Division's budget increases from \$11.3 million to \$14.4 million from 2013 to 2014. This is an increase of \$3.1 million, or 27.7%. The Transportation Planning and Engineering Division's 2014 expenditure budget reflects the purchase of additional equipment in the engineering lab and the addition of 5.5 FTE as well as funding for additional projects added by the Mayor and Council, summarized below.

Revenue

Revenues are projected to decline by 6.8% in this division due to less expected revenue in the Capital Projects Fund from design-related revenue. The division's total revenues in 2014 are projected to be \$6.4 million.

Fund Allocation

This division is funded primarily by the Capital Projects Fund (53%), with the remainder of the division's funding found in the General Fund (34%) and internal service funds (12%).

Mayor's Recommended Budget

The Mayor recommended one-time General Fund appropriations for the following programs: \$140,000 for the Nicollet & Central Avenue Modern Streetcar project environmental impact study; \$500,000 for the West Bank Interconnect Project; \$200,000 to cover one-third of the cost of the Broadway Alternatives Analysis study; \$35,000 for the St. Anthony Business District Traffic Study; and \$1,250,000 for preliminary engineering of the Nicollet & Central Avenue Modern Streetcar project.

Council Adopted Budget

The Council approved the Mayor's recommendations.

**PW - TRANSPORTATION PLANNING AND ENGINEERING
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	1,255,514	1,382,869	1,593,282	1,669,241	4.8%	75,959
FRINGE BENEFITS	469,821	526,527	585,260	642,047	9.7%	56,787
CONTRACTUAL SERVICES	238,952	442,859	424,787	2,522,553	493.8%	2,097,766
OPERATING COSTS	56,867	86,711	128,767	88,090	-31.6%	(40,677)
CAPITAL	304		7,500	9,000	20.0%	1,500
TOTAL GENERAL	2,021,457	2,438,966	2,739,596	4,930,931	80.0%	2,191,335
CAPITAL PROJECT						
SALARIES AND WAGES	2,916,460	2,945,282	2,853,827	3,387,529	18.7%	533,702
FRINGE BENEFITS	1,031,057	1,025,786	1,087,322	1,195,889	10.0%	108,567
CONTRACTUAL SERVICES	2,717,565	2,829,842	2,833,486	2,867,344	1.2%	33,858
OPERATING COSTS	119,749	126,007	132,753	152,581	14.9%	19,828
CAPITAL	0		57,858	80,000	38.3%	22,142
TOTAL CAPITAL PROJECT	6,784,831	6,926,916	6,965,245	7,683,343	10.3%	718,098
INTERNAL SERVICE						
SALARIES AND WAGES	611,741	611,243	670,370	875,999	30.7%	205,629
FRINGE BENEFITS	210,006	214,011	246,217	332,534	35.1%	86,317
CONTRACTUAL SERVICES	424,050	453,768	457,801	471,148	2.9%	13,347
OPERATING COSTS	80,289	55,504	79,904	84,426	5.7%	4,522
CAPITAL	0		100,000		-100.0%	(100,000)
TOTAL INTERNAL SERVICE	1,326,086	1,334,525	1,554,292	1,764,107	13.5%	209,815
TOTAL EXPENSE	10,132,374	10,700,407	11,259,133	14,378,381	27.7%	3,119,248

REVENUE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SERVICES	727,152	613,976	575,000	550,000	-4.3%	(25,000)
LICENSE AND PERMITS	18,865	15,075	20,000	20,000	0.0%	0
OTHER MISC REVENUES	0	0	300		-100.0%	(300)
GENERAL	746,018	629,051	595,300	570,000	-4.2%	(25,300)
CAPITAL PROJECT						
CHARGES FOR SERVICES	300,976	5,151,603	4,740,000	4,000,000	-15.6%	(740,000)
LOCAL GOVERNMENT	0	360	0		0.0%	0
OTHER MISC REVENUES	692	0	1,500		-100.0%	(1,500)
STATE GOVERNMENT	246,116	(236,348)	0		0.0%	0
CAPITAL PROJECT	547,784	4,915,615	4,741,500	4,000,000	-15.6%	(741,500)

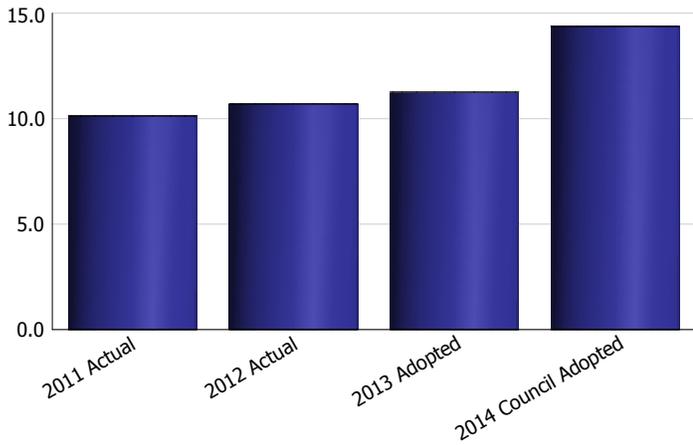
INTERNAL SERVICE

**PW - TRANSPORTATION PLANNING AND ENGINEERING
EXPENSE AND REVENUE INFORMATION**

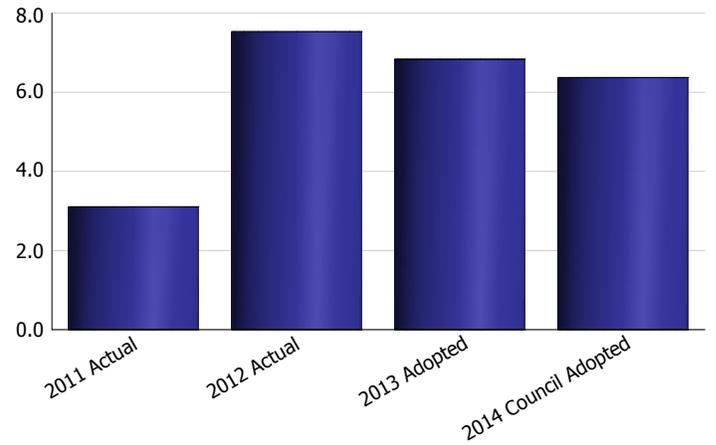
REVENUE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
CHARGES FOR SALES	373,353	520,854	300,000	400,000	33.3%	100,000
CHARGES FOR SERVICES	1,438,398	1,468,013	1,200,000	1,402,927	16.9%	202,927
INTERNAL SERVICE	1,811,751	1,988,867	1,500,000	1,802,927	20.2%	302,927
TOTAL REVENUE	3,105,552	7,533,534	6,836,800	6,372,927	-6.8%	(463,873)

PW - TRANSPORTATION PLANNING AND ENGINEERING EXPENSE AND REVENUE INFORMATION

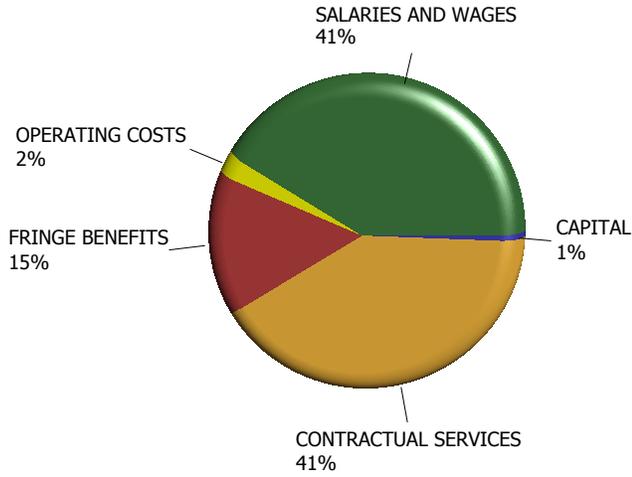
Expense 2011 - 2014
In Millions



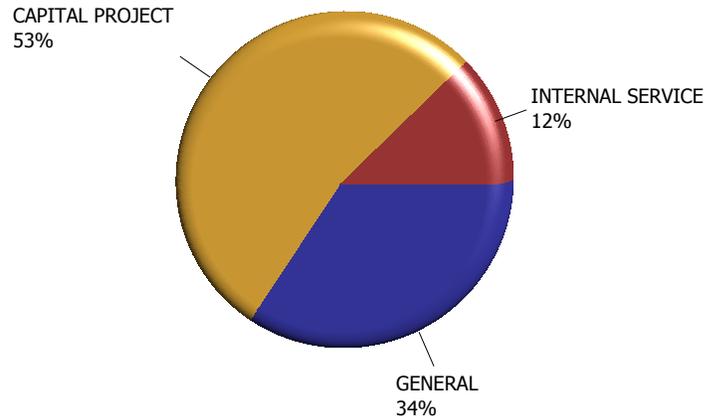
Revenue 2011 - 2014
In Millions



Expense by Category



Expense by Fund

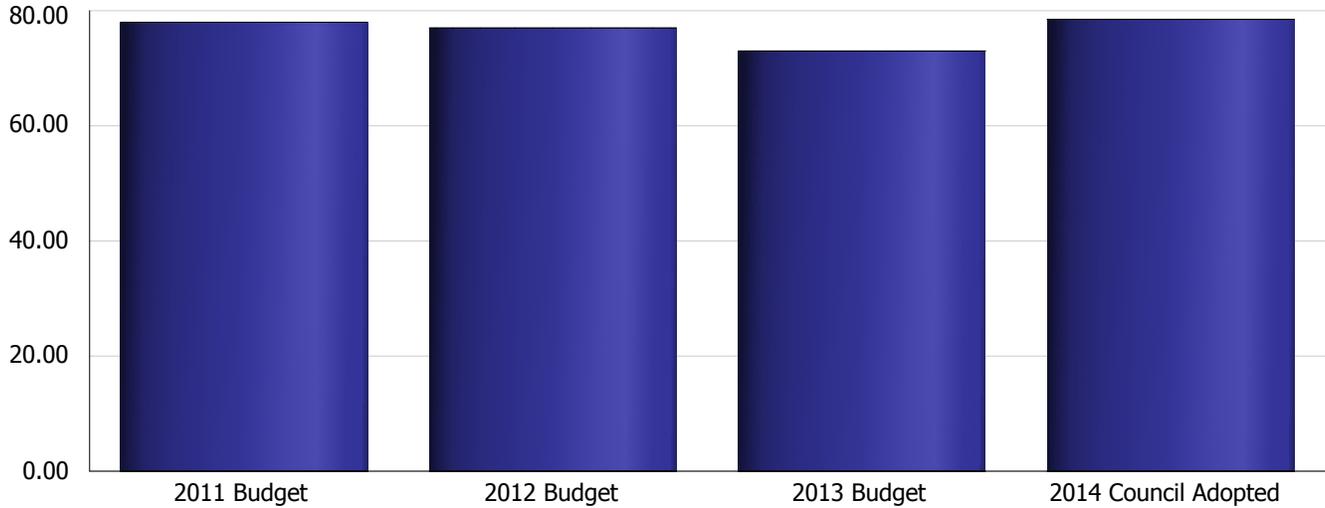


PW - TRANSPORTATION PLANNING AND ENGINEERING

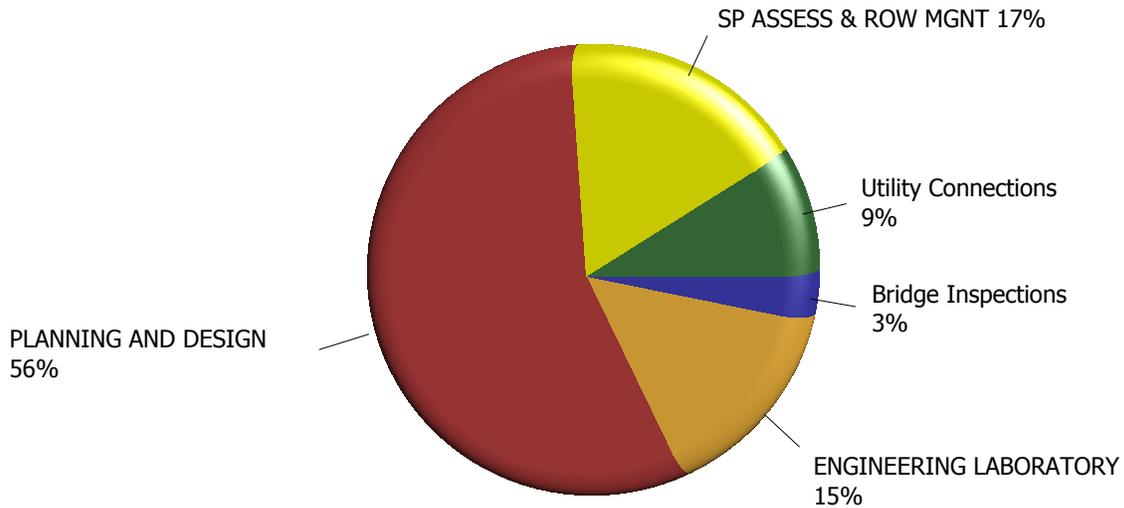
Staffing Information

Division	2011 Budget	2012 Budget	2013 Budget	2014 Council Adopted	% Change	Change
Bridge Inspections	2.00	2.50	2.50	2.50	0.0%	0
ENGINEERING LABORATORY	10.50	10.50	9.50	11.50	21.1%	2.00
PLANNING AND DESIGN	48.00	45.00	42.00	44.00	4.8%	2.00
SP ASSESS & ROW MGNT	10.50	12.00	12.00	13.50	12.5%	1.50
Utility Connections	7.00	7.00	7.00	7.00	0.0%	0
Overall	78.00	77.00	73.00	78.50	7.5%	5.50

Positions 2011-2014



Positions by Division



Public Works – Water

Expenditure

The total Water Division's budget increases from \$50.9 million to \$52.4 million from 2013 to 2014. This is an increase of \$1.5 million, or 3.0%. The Water Division's 2014 expenditure budget reflects the following changes from 2013:

- Increased Fleet Allocation Charges \$0.5 million
- Property Insurance \$0.3 million
- Increased Chemical Costs \$0.4 million
- Increased IT Allocation Charges \$0.1 million
- Sludge Hauling at Columbia Heights \$0.3 million

Revenue

Revenues are projected to increase by 1.8% in this division due to increased rates. The division's total revenues in 2014 are projected to be \$76.7 million, up 1.8% from the \$75.3 million budgeted in 2013.

Fund Allocation

This division is funded completely in the Water Fund

Mayor's Recommended Budget

The Mayor recommended no changes to this division's base program proposal.

Council Adopted Budget

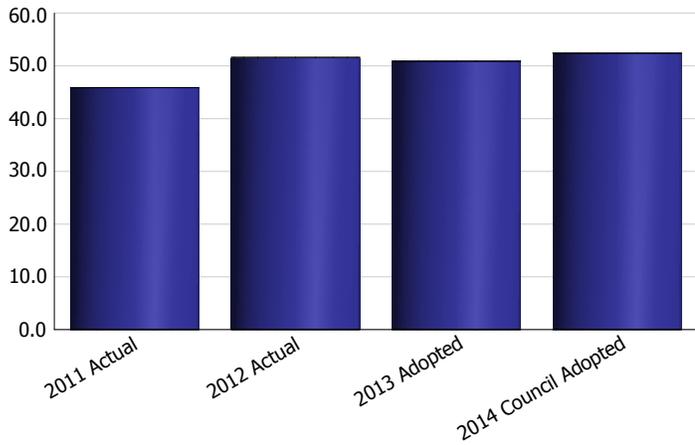
The Council approved the Mayor's recommendations.

**PW - WATER TREATMENT & DISTR.
EXPENSE AND REVENUE INFORMATION**

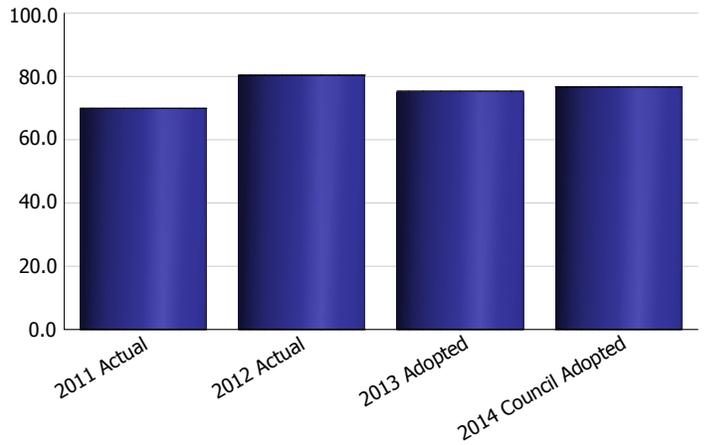
EXPENSE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
SPECIAL REVENUE						
CONTRACTUAL SERVICES	70	1,930				0
TOTAL SPECIAL REVENUE	70	1,930				0
ENTERPRISE						
SALARIES AND WAGES	13,705,587	15,020,610	13,293,237	13,150,316	-1.1%	(142,921)
FRINGE BENEFITS	6,166,103	6,938,515	6,219,222	6,420,791	3.2%	201,570
CONTRACTUAL SERVICES	16,514,743	17,627,062	18,905,053	20,435,224	8.1%	1,530,171
OPERATING COSTS	9,419,003	11,854,554	11,372,863	11,684,008	2.7%	311,145
CAPITAL	79,468	170,320	1,110,643	733,700	-33.9%	(376,943)
TOTAL ENTERPRISE	45,884,905	51,611,062	50,901,018	52,424,040	3.0%	1,523,022
TOTAL EXPENSE	45,884,975	51,612,992	50,901,018	52,424,040	3.0%	1,523,022
REVENUE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
SPECIAL REVENUE						
STATE GOVERNMENT	70	1,930	0		0.0%	0
SPECIAL REVENUE	70	1,930				0
ENTERPRISE						
CHARGES FOR SALES	12,131	105,319	0		0.0%	0
CHARGES FOR SERVICES	68,472,693	78,851,005	75,332,086	76,684,771	1.8%	1,352,685
FEDERAL GOVERNMENT	280,128	10,455	0		0.0%	0
LICENSE AND PERMITS	6,364	43,666	6,500	14,000	115.4%	7,500
LOCAL GOVERNMENT	0	179,125	0		0.0%	0
OTHER MISC REVENUES	14,998	14,162	0		0.0%	0
SPECIAL ASSESSMENTS	1,060,995	1,200,611	0		0.0%	0
STATE GOVERNMENT	93,376	3,136	0		0.0%	0
ENTERPRISE	69,940,686	80,407,477	75,338,586	76,698,771	1.8%	1,360,185
TOTAL REVENUE	69,940,756	80,409,407	75,338,586	76,698,771	1.8%	1,360,185

PW - WATER TREATMENT & DISTR. EXPENSE AND REVENUE INFORMATION

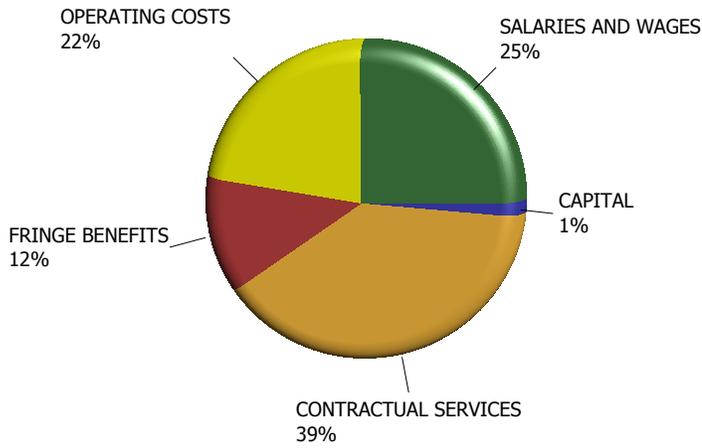
Expense 2011 - 2014
In Millions



Revenue 2011 - 2014
In Millions



Expense by Category

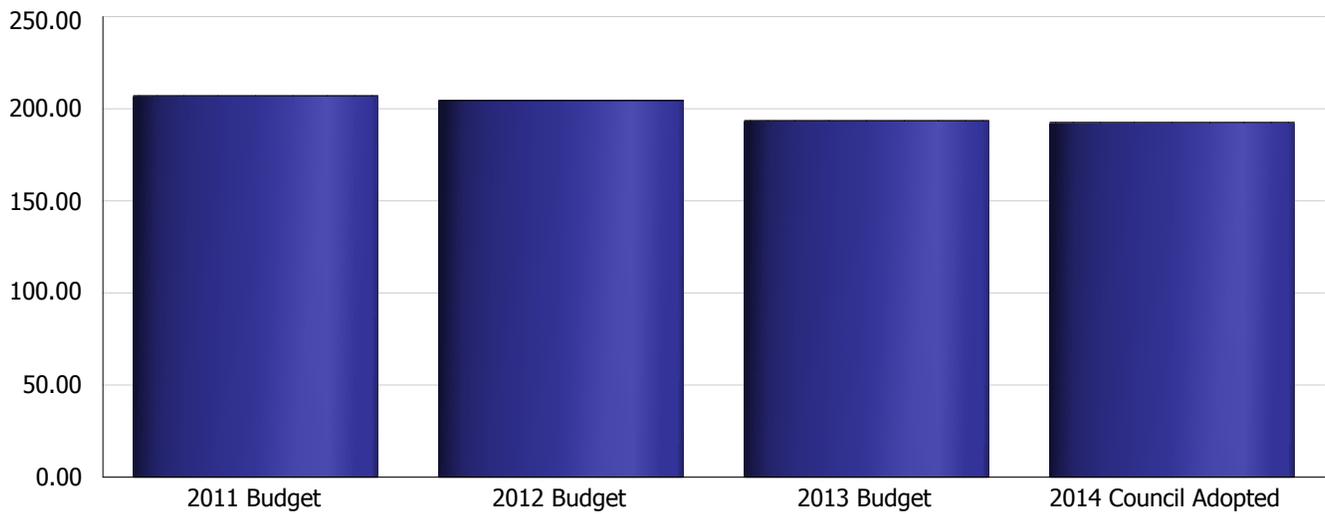


PW - WATER TREATMENT & DISTR.

Staffing Information

Division	2011 Budget	2012 Budget	2013 Budget	2014 Council Adopted	% Change	Change
DISTRIBUTION	68.00	74.00	68.00	67.00	(1.5%)	(1.00)
MAJOR REPAIRS & REPLACEMENT	3.00					0
Meter Shop	22.00	22.00	20.00	20.00	0.0%	0
OPERATIONS - WATER	63.00	60.00	55.00	85.00	54.5%	30.00
Reimbursable Alterations		3.00	3.00	3.00	0.0%	0
TREATMENT MAINTENANCE	30.50	28.50	29.50		(100.0%)	(29.50)
WATER ADMINISTRATION & PERMITS	6.00	2.50	3.50	3.50	0.0%	0
WATER ENGINEERING	14.50	14.50	14.50	14.00	(3.4%)	(0.50)
Overall	207.00	204.50	193.50	192.50	(0.5%)	(1.00)

Positions 2011-2014



REGULATORY SERVICES

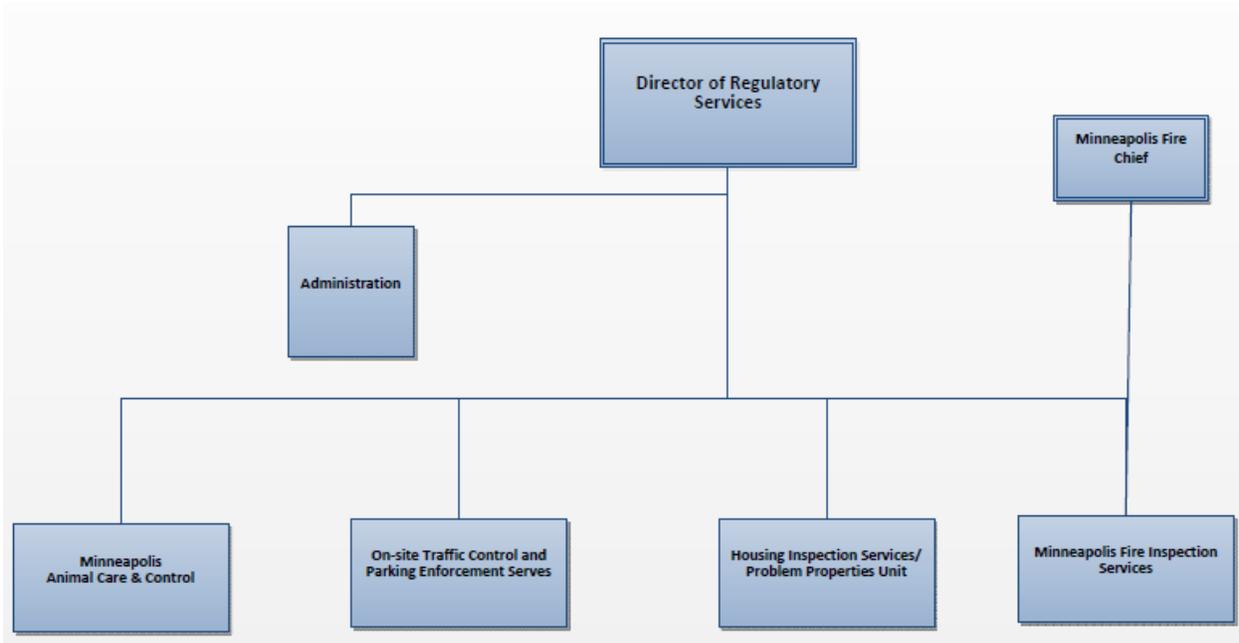
MISSION

Continue to improve Minneapolis by making it a vibrant and safe place to live, work and enjoy.

BUSINESS LINES

- **Administration** – handle the department’s administrative functions, including: financial management, human resources management, customer service coordination, technology management and business planning
- **On-Site Traffic Control & Parking Enforcement Services** — maintain traffic flow management for events, emergencies and other traffic situations and city-wide parking enforcement, promoting safety and access in downtown and commercial corridors as well as removing residential hazards and nuisances.
- **Animal Care and Control** – create safe and healthy communities for people and animals through shelter care and adoption, investigation of dangerous animal and animal cruelty cases, public education, issuance of agricultural permits and pet licenses, and enforcement of statutes and local ordinances
- **Fire Inspections Services** – deliver quality and consistent enforcement of the fire code, conduct fire and life safety inspections and housing inspections of residential buildings with greater than three units, and administers the Commercial Building Registration and Commercial Vacant Building Registration programs.
- **Housing Inspection Services**—provide quality and consistent enforcement of the Minneapolis Housing Maintenance and other applicable codes to maintain, improve, and protect the housing stock and the livability of the city’s housing.
- **Problem Properties Unit** – identify and resolve problem properties, conduct emergency board ups, and manage condemned, boarded, and vacant buildings in a multi-departmental, multi-agency initiative

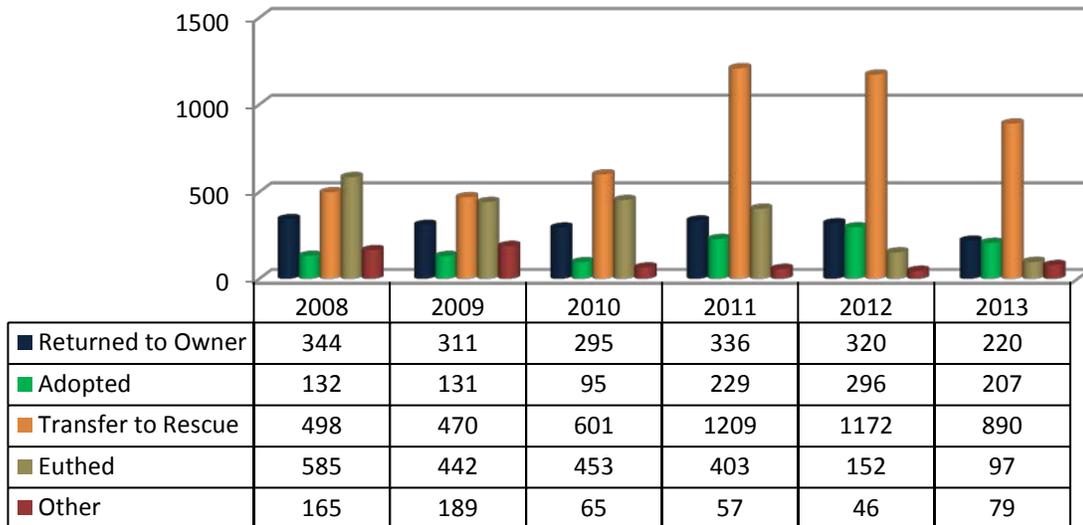
ORGANIZATION CHART



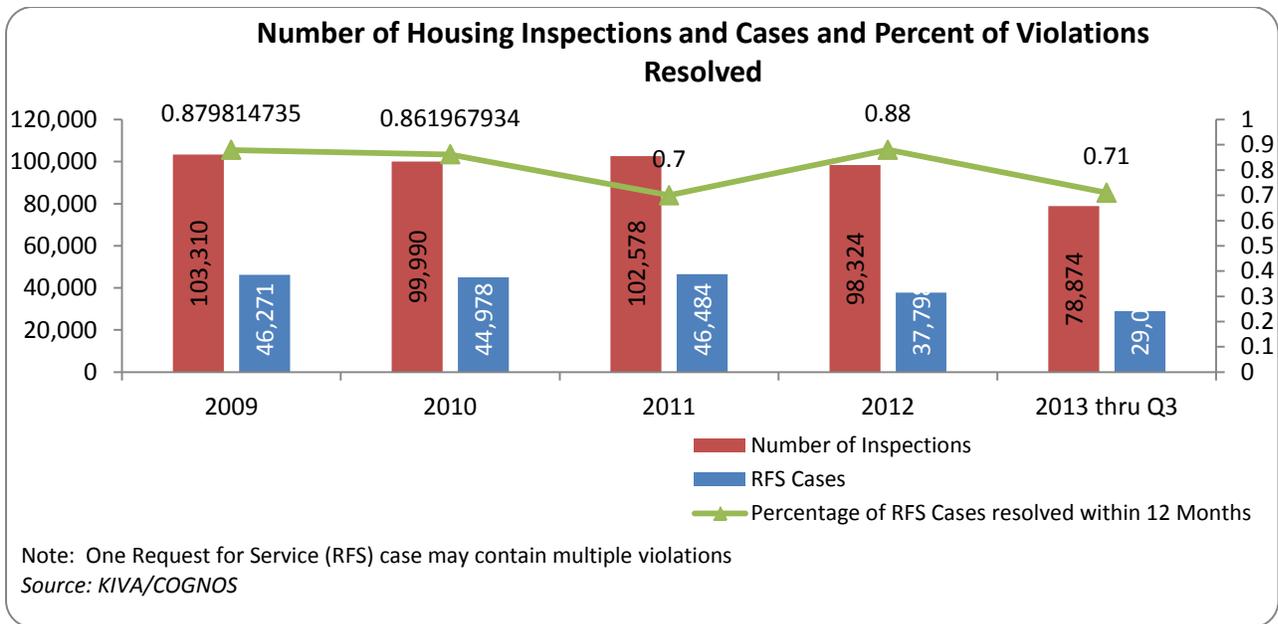
SELECTED RESULTS MINNEAPOLIS MEASURES

Adoptable Shelter Animal Outcomes

Annual Comparison
2013 YTD



Other = Died at the Shelter, Stolen from the Shelter, Went to Foster, Still at the Shelter



A Safe Place to Call Home

Minneapolis Animal Care & Control (MACC)

General Fund: \$2,652,890
Other Funds: \$75,000

Minneapolis Animal Care & Control (MACC) is responsible for responding to, investigating, and handling all animal-related calls and emergencies in the city. In coordination with the MPD, City Attorney’s Office, and non-profits, MACC works to efficiently and effectively address criminal issues involving animals. In this effort, MACC focuses on dangerous animals and animal cruelty (including investigation and prosecution of statute and ordinance offenses as well as prevention efforts). MACC also manages all animals declared dangerous in the city.

Fire Inspection Services (FIS)

General Fund: \$2,000,786

Fire Inspection Services is a Division of Housing Inspection Services. Fire Inspection Services (FIS) is responsible for managing all Fire Suppression/Protection Permits including plan review and site inspections, conducting commercial and residential inspections in partnership with the Minneapolis Fire Department and managing the City’s Hazardous Materials facilities inventory and inspections. The Fire Inspection Services Division also reviews and inspects thousands of fire suppression systems and supports and answers complex fire code questions. Fire Inspection Services inspect high-occupancy residential dwelling units and conducts hundreds of commercial inspections annually. This service was previously provided by the Minneapolis Fire Department

Housing Inspections Services

General Fund: \$5,614,351
Other Funds: \$4,692,419

Housing Inspections provides a range of programs and activities designed to ensure safe and quality properties. 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. The Housing Inspections Division 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, all vacant buildings enforcement, and removing substandard housing through demolition activity as well as creating incentives to rehab vacant properties by using and managing redevelopment thorough restoration agreements. This division conducted approximately 100,000 inspections in 2012.

Traffic Control

General Fund: \$4,938,279

This program provides for on-site traffic control to assist traffic flow at intersections by providing for additional throughput on lights, allow 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. It also coordinates with public works for street cleaning operations and snow emergencies. Traffic control also responds to 311 parking violation and abandoned vehicle service requests both of which are always in the City's Top 10 in terms of volume.

Prog #5 – Additional Public Safety Inspectors for Fire Inspection Services (FIS) and Housing Inspection Services (HIS)

General Fund: \$577,500

Fire Inspections:

This program is related to the coordinated return of the Fire Inspection Services (FIS) from the Fire department to Regulatory Services, along with the additional inspections workload formally being conducted by fire crews. With the shifting of the additional inspections of over 3,000 high occupancy dwellings (HOD) and 5,000 commercial properties, Fire Inspection Services has developed a plan to expand management and administrative skills to achieve consistency in the program and outcomes for the shareholders. This request also includes funding for an additional 1.0 FTE HOD Inspector will help meet the needs to remain on target with the increased workload and the tiered inspection program. The FIS is mandated under Minneapolis Code of Ordinances, Title 9 Chapter 173 & 174 and the Minnesota State Fire Codes.

Housing Inspections:

Regulatory Services is requesting funding for additional 3.5 housing inspectors with \$437,500 new revenue to the Housing Inspection Services program in order to meet inspection goal requirements. This will fund the commercial inspections and high occupancy dwelling unit inspections functions were shifted from Fire to Regulatory Services during the 2013 budget process.

FINANCIAL ANALYSIS

Expenditure

The total Regulatory Services Department's adopted budget of \$20.5M is a 13.3% increase over 2013. The increase results from routine inflationary operating increases and internal service charges, as well as additional 5 FTE positions in the General Fund. Special revenue-funded expenditures remain relatively flat to 2013.

Revenue

General Fund revenues associated with Regulatory Services' activities are budgeted to increase in 2014 by 6.0% the 2013 level. Nearly all of this increase may be attributed to increased activity

levels in housing and licensing-related activities associated with the need for additional housing inspection staff. Beginning in 2013, the majority of the revenues formerly recognized in this department were reallocated as part of a structural reorganization.

Fund Allocation

Regulatory Services' activities are funded with a combination of General Fund and special revenue resources. About one-fourth, or 23% of the expenditures are funded by special revenues, with the remaining 77% funded by the General Fund.

Mayor's Recommended Budget

The Mayor recommended an additional ongoing General Fund appropriation in the amount of \$577,500 to hire 4.5 new positions in support of fire and housing inspections programming. It is anticipated that revenue generated by these positions will be sufficient to cover the costs of this budgetary enhancement. This recommendation is supplemented by \$114,000 in one-time funding for vehicles for these new positions.

Council Adopted Budget

City Council approved the Mayor's recommendations and amended the budget include an additional \$50,000 for Minneapolis Animal Care and Control bully breed temperament testing program.

The Council also added the following staff directions; (1) In collaboration with Minneapolis Police and Public Works departments, provide services up to an equivalent of \$75,000 to support up to six events associated with the Open Streets program, (2) Under the leadership of Department of Community Planning & Economic Development (CPED) staff, start a cross departmental workgroup to include the Minneapolis Police Department 3rd Precinct, CPED Housing, CPED Economic Development, and other relevant departments, along with the Ventura Village Neighborhood and other stakeholders, to build on the focused work in the northwest sector of the Venture Village Neighborhood.

**REGULATORY SERVICES
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	16,189,525	16,161,910	6,893,868	7,483,670	8.6%	589,801
FRINGE BENEFITS	5,713,698	5,774,052	2,931,636	3,516,791	20.0%	585,156
CONTRACTUAL SERVICES	4,093,774	7,269,568	2,383,331	3,152,804	32.3%	769,473
OPERATING COSTS	1,572,109	2,083,949	1,034,938	1,516,540	46.5%	481,602
CAPITAL	38,183	43,551	92,340	114,000	23.5%	21,660
TOTAL GENERAL	27,607,289	31,333,030	13,336,113	15,783,805	18.4%	2,447,692
SPECIAL REVENUE						
SALARIES AND WAGES	2,027,808	2,279,282	2,002,684	1,802,686	-10.0%	(199,999)
FRINGE BENEFITS	744,283	785,346	605,375	521,623	-13.8%	(83,752)
CONTRACTUAL SERVICES	4,939,488	1,618,167	1,499,795	1,498,112	-0.1%	(1,683)
OPERATING COSTS	687,936	282,901	109,065	37,730	-65.4%	(71,335)
CAPITAL	1,590,412	599,638	593,216	907,269	52.9%	314,053
TRANSFERS	0	5,477,991				0
TOTAL SPECIAL REVENUE	9,989,927	11,043,326	4,810,135	4,767,419	-0.9%	(42,715)
TOTAL EXPENSE	37,597,216	42,376,355	18,146,248	20,551,224	13.3%	2,404,977

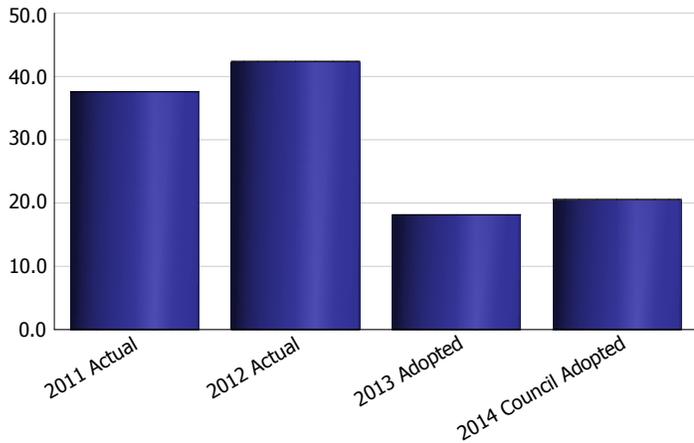
REVENUE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SALES	625	3,692	0		0.0%	0
CHARGES FOR SERVICES	692,019	1,078,132	777,000	620,000	-20.2%	(157,000)
CONTRIBUTIONS	115	823	0		0.0%	0
FINES AND FORFEITS	6,248,025	5,753,804	5,714,000	5,371,000	-6.0%	(343,000)
LICENSE AND PERMITS	27,150,623	32,030,404	4,245,000	5,544,000	30.6%	1,299,000
LOCAL GOVERNMENT	55,065	0	0		0.0%	0
OTHER MISC REVENUES	163,283	264,786	6,000	125,000	1,983.3%	119,000
SALES AND OTHER TAXES	(45)	0	0		0.0%	0
SPECIAL ASSESSMENTS	1,878,521	1,536,117	1,500,000	1,322,500	-11.8%	(177,500)
GENERAL	36,188,231	40,667,758	12,242,000	12,982,500	6.0%	740,500
SPECIAL REVENUE						
CHARGES FOR SERVICES	248,846	126,834	130,000	141,000	8.5%	11,000
CONTRIBUTIONS	(18,776)	31,073	0	40,000	0.0%	40,000
FEDERAL GOVERNMENT	2,084,180	482,682	0		0.0%	0
FINES AND FORFEITS	176,483	46,288	13,852	14,000	1.1%	148
LICENSE AND PERMITS	1,485,758	458,262	0		0.0%	0
OTHER MISC REVENUES	39,552	31,281	0		0.0%	0
SPECIAL ASSESSMENTS	4,265,263	3,992,332	3,928,129	3,615,000	-8.0%	(313,129)
STATE GOVERNMENT	7,765	8,734	0		0.0%	0
TRANSFERS IN	0	5,477,991	0		0.0%	0

**REGULATORY SERVICES
EXPENSE AND REVENUE INFORMATION**

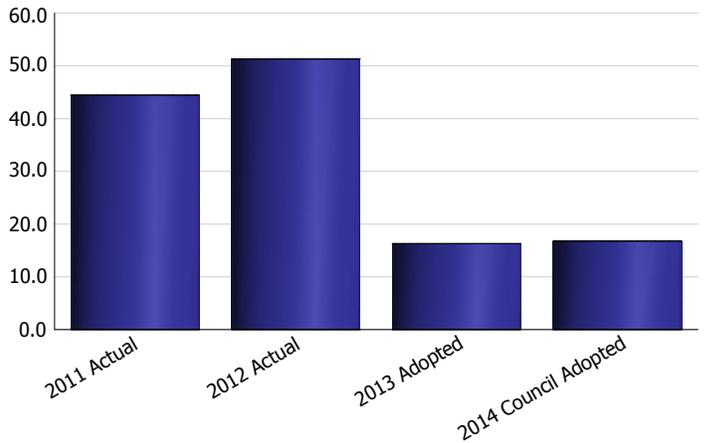
REVENUE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
SPECIAL REVENUE	8,289,071	10,655,478	4,071,981	3,810,000	-6.4%	(261,981)
TOTAL REVENUE	44,477,302	51,323,236	16,313,981	16,792,500	2.9%	478,519

REGULATORY SERVICES EXPENSE AND REVENUE INFORMATION

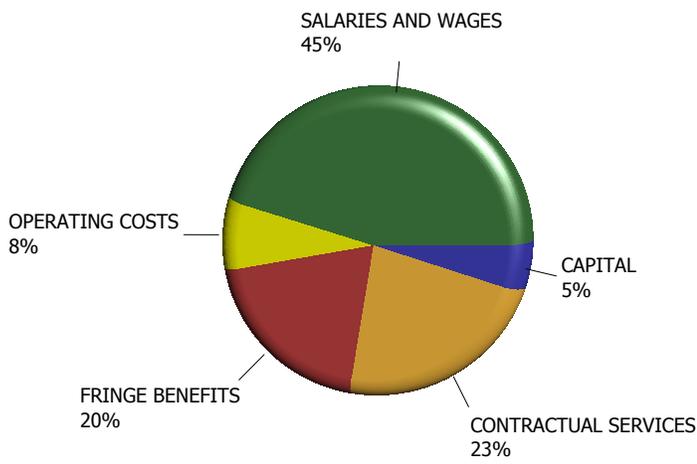
Expense 2011 - 2014
In Millions



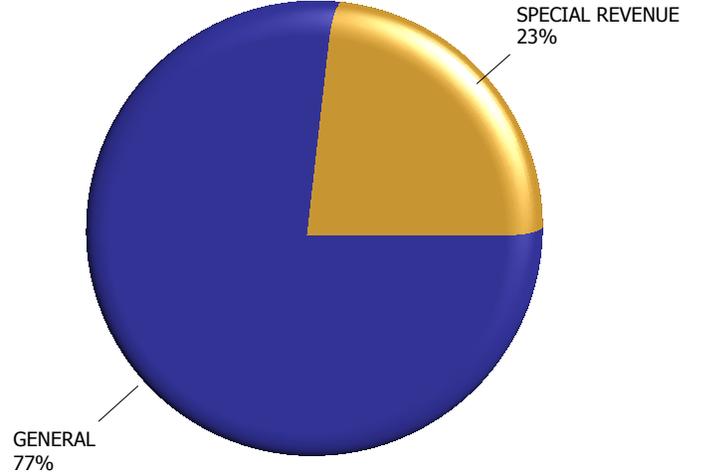
Revenue 2011 - 2014
In Millions



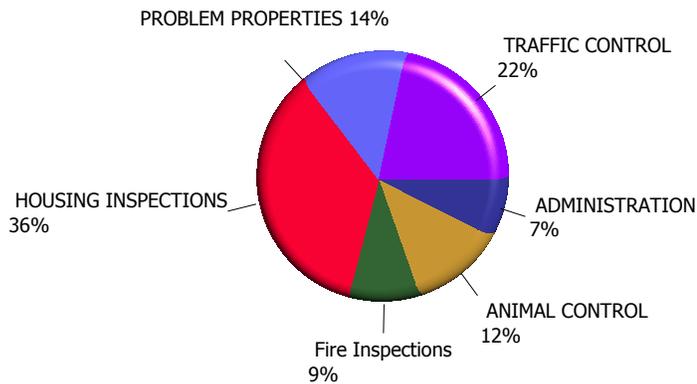
Expense by Category



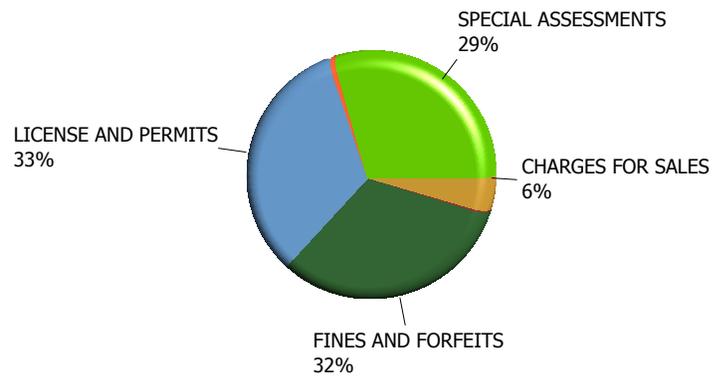
Expense by Fund



Expense by Division



Direct Revenue by Type

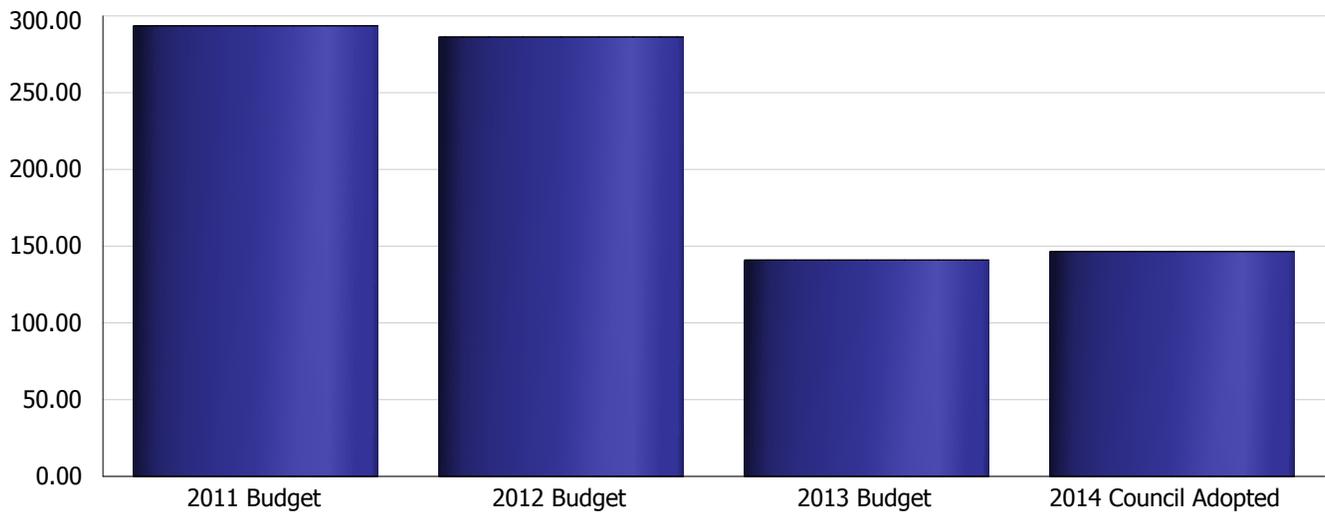


REGULATORY SERVICES

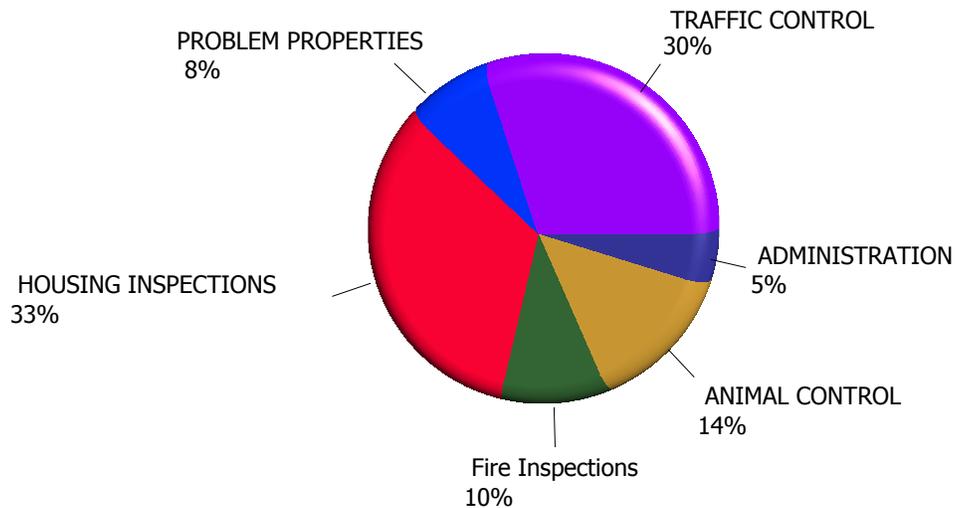
Staffing Information

Division	2011 Budget	2012 Budget	2013 Budget	2014 Council Adopted	% Change	Change
ADMINISTRATION	10.74	15.00	6.00	7.00	16.7%	1.00
ANIMAL CONTROL	19.00	18.00	20.00	20.00	0.0%	0
CONSTRUCTION CODE SERVICES CCS	64.00	64.00				0
ENVIRONMENTAL SERVICES	10.51	7.66				0
Fire Inspections		12.80	13.00	15.00	15.4%	2.00
FOOD	12.00	13.00				0
HOUSING INSPECTIONS	72.50	55.50	58.00	49.00	(15.5%)	(9.00)
LEAD PROGRAM	8.34	6.34				0
LICENSES & CONSUMER SVC	30.00	28.00				0
MINNEAPOLIS DEVELOPMENT REVIEW	23.00	21.00				0
PROBLEM PROPERTIES				11.50		11.50
REGULATORY SERVICES		0.00				0
TRAFFIC CONTROL	43.50	45.00	44.00	44.00	0.0%	0
Overall	293.58	286.30	141.00	146.50	3.9%	5.50

Positions 2011-2014



Positions by Division



**City of Minneapolis
2014 Budget**

Independent Boards and Agencies

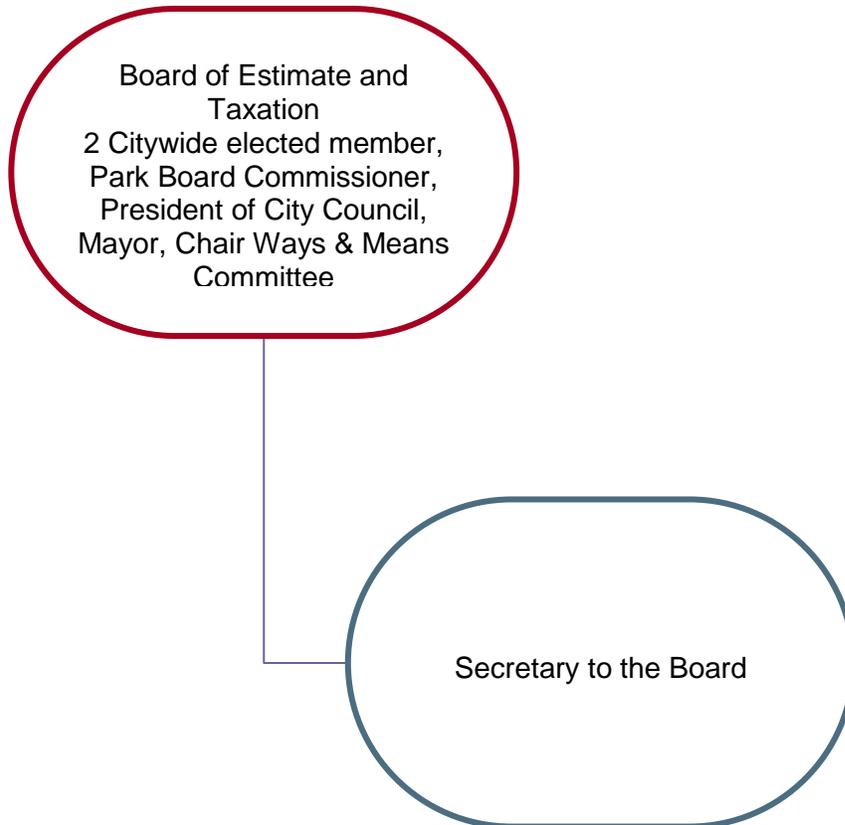
The following board and agency sections include these reports: mission, business line descriptions, performance information, an organizational chart, expense information, revenue information, and staffing information.

- Board of Estimate and Taxation.....I2
- Municipal Building Commission.....I7
- Minneapolis Public Housing Authority.....I13
- Minneapolis Park and Recreation Board.....I17
- Youth Coordinating Board.....I25

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 and City Council 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 levies Mn Stat Chap 357 Sec 4 and Laws of Mn 1996 Chap 438 Art 4 Sec 9. 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 a vote of a minimum of 5 years issues General Obligation Bonds of the City of Minneapolis used to support the Capital 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 the BET may vote 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. The BET establishes the maximum property tax levies for funds of the City under the State’s Truth-in-Taxation requirements and the City Charter.

FINANCIAL ANALYSIS

Expenditure

The 2014 full expense budget for BET is \$179,800, a 1.3% increase from 2013. Personnel related costs make up 86% of the budget, with contractual expenses and operating expense making up the remaining 14%.

Revenue

The revenue budget is \$166,600, a decrease of 2.9% from the 2013 adopted budget. The Board receives all its revenue from property tax.

Mayor's Recommended Budget

The Mayor made no changes to the Board's proposed budget.

Adopted Budget

The Board approved the Mayor's recommendation.

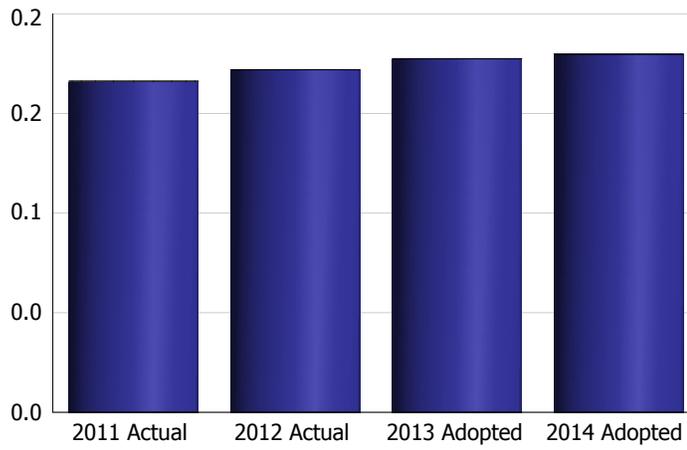
**BOARD OF ESTIMATE & TAXATION
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2011 Actual	2012 Actual	2013 Adopted	2014 Adopted	Percent Change	Change
SPECIAL REVENUE						
SALARIES AND WAGES	124,434	127,837	120,030	123,023	2.5%	2,993
FRINGE BENEFITS	19,203	19,645	31,581	31,851	0.9%	270
CONTRACTUAL SERVICES	15,554	14,326	14,700	21,316	45.0%	6,616
OPERATING COSTS	7,001	10,179	11,189	3,610	-67.7%	(7,579)
TOTAL SPECIAL REVENUE	166,191	171,987	177,500	179,800	1.3%	2,300
TOTAL EXPENSE	166,191	171,987	177,500	179,800	1.3%	2,300

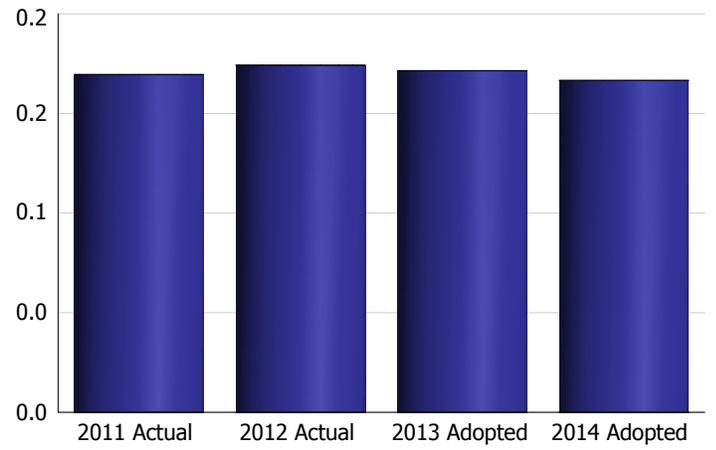
REVENUE	2011 Actual	2012 Actual	2013 Adopted	2014 Adopted	Percent Change	Change
SPECIAL REVENUE						
PROPERTY TAXES	169,210	173,871	171,500	166,600	-2.9%	(4,900)
SALES AND OTHER TAXES	14	22			0.0%	0
STATE GOVERNMENT	322	330			0.0%	0
SPECIAL REVENUE	169,546	174,223	171,500	166,600	-2.9%	(4,900)
TOTAL REVENUE	169,546	174,223	171,500	166,600	-2.9%	(4,900)

BOARD OF ESTIMATE & TAXATION EXPENSE AND REVENUE INFORMATION

Expense 2011 - 2014
In Millions



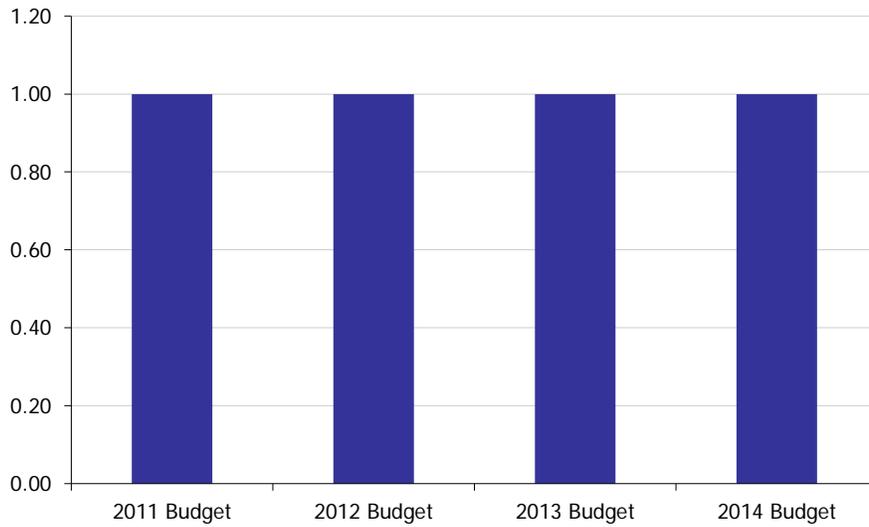
Revenue 2011 - 2014
In Millions



**BOARD OF ESTIMATE & TAXATION
Staffing Information**

Division	2011 Budget	2012 Budget	2013 Budget	2014 Budget	% Change	Change
BOARD STAFF & ADMIN	1.00	1.00	1.00	1.00	0.0%	0.00
INTERNAL AUDIT						0.00
TOTAL	1.00	1.00	1.00	1.00	0.0%	0.00

Positions 2011-2014



MUNICIPAL BUILDING COMMISSION

MISSION

The Municipal Building Commission 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 this 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 and elevators. In addition, the MBC is responsible for providing custodial, utility, 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:

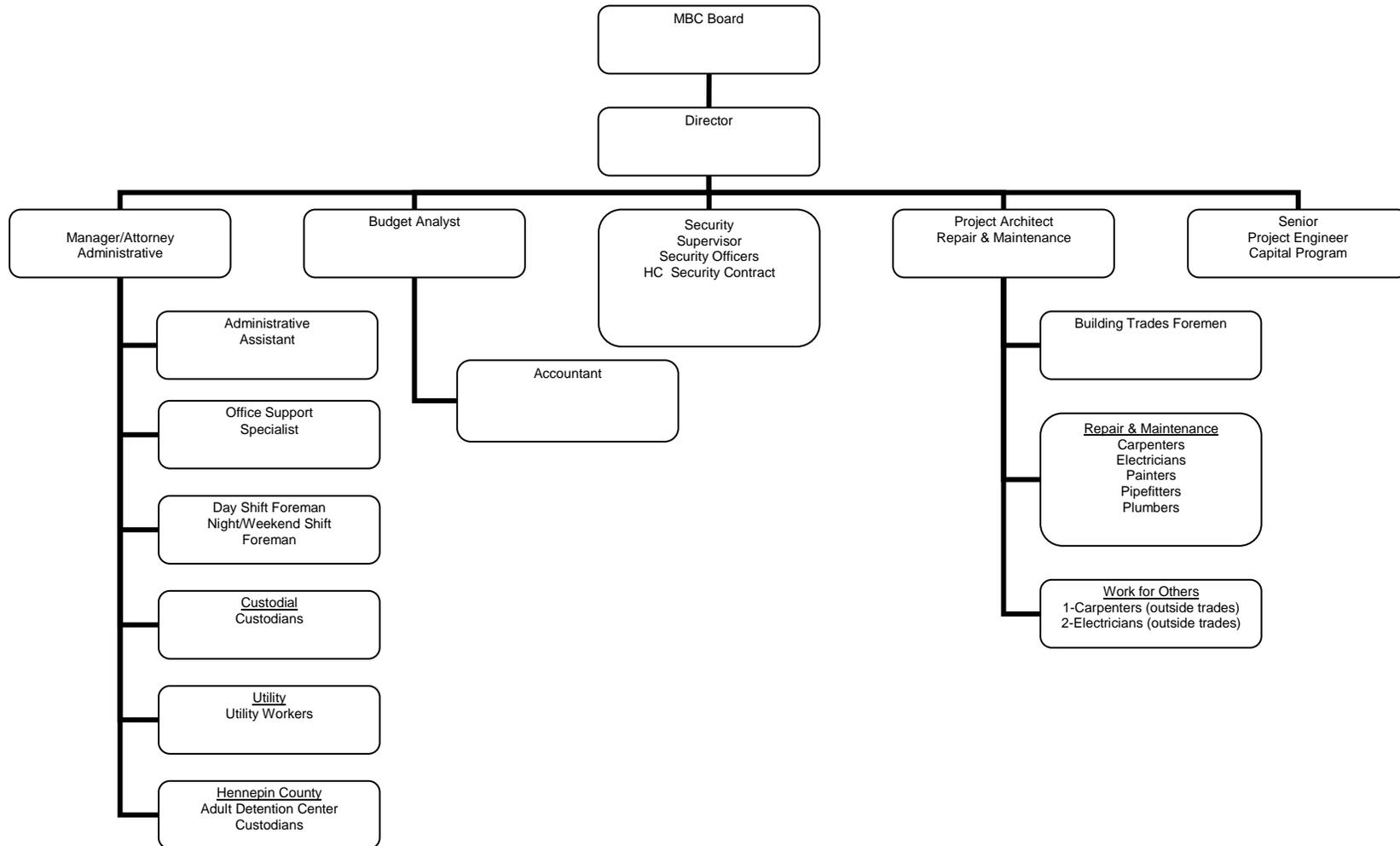
The MBC is responsible for all historic preservation activities in the building. Historic preservation refers to any and all activity both operating and capital in keeping with the agency's mission to provide effective and efficient services to operate, maintain, and preserve the historic landmark City Hall and Courthouse Building and ensure a safe and functional environment for City and County government employees, citizens and elected officials.

Significant Budget Changes

The 2014 budget is 4.8% more than the 2013 budget as the goal was to develop a budget that matched actual expenditures. Labor negotiations were settled that resulted in wage and benefit increases. The MBC continues to use contract services through professional service agreements for current vacant staff such as security services, engineering, and budget staff; however, will be undergoing a strategic staffing plan analysis. Also for 2014, the MBC General Fund Overhead allocation cost increased approximately \$103,000 from the 2013 allocation cost of \$52,650. Another continued change from 2013 is the addition of a supplemental payment to replenish the MERF pension fund. For the 2014 budget, the MERF pension fund charge to the MBC remains at \$325,000. Increases like this are offset largely through the savings realized by lower utility costs resulting from on-going infrastructure improvements.

2014 MBC Organization Chart

55 FTEs



Expense

The full expense budget for MBC is \$8.6 million. The \$325,000 supplemental payment to replenish MERF comes directly out of the operating budget. Personnel make up 58% of the budget, with contractual expenses and operating expense making up the remaining 42%.

Revenue

The revenue budget for MBC is \$8.5 million, approximately 40% funded by Hennepin County and approximately 60% funded by the City of Minneapolis.

Mayor's Recommended Budget

The Mayor recommended that the City's portion of the funding be reduced by \$60,000 and the MBC backfill through the use of MBC fund balance.

Adopted Budget

The Board approved the Mayor's recommendation.

**MUNICIPAL BUILDING COMMISSION
EXPENSE AND REVENUE INFORMATION**

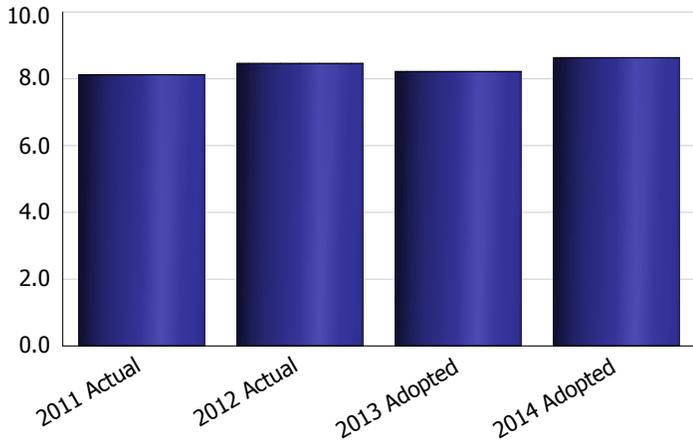
EXPENSE	2011 Actual	2012 Actual	2013 Adopted	2014 Adopted	Percent Change	Change
SPECIAL REVENUE						
SALARIES AND WAGES	2,827,295	2,621,716	3,310,503	3,445,767	4.1%	135,264
FRINGE BENEFITS	1,186,808	1,148,917	1,423,657	1,539,918	8.2%	116,261
CONTRACTUAL SERVICES	3,370,754	3,461,991	2,727,720	2,888,550	5.9%	160,830
OPERATING COSTS	585,023	1,227,114	757,198	759,847	0.3%	2,649
CAPITAL	9,031	0	0			0
TRANSFERS	145,000	0	0			0
TOTAL SPECIAL REVENUE	8,123,912	8,459,739	8,219,078	8,634,082	5.0%	415,004

TOTAL EXPENSE	8,123,912	8,459,739	8,219,078	8,634,082	5.0%	415,004
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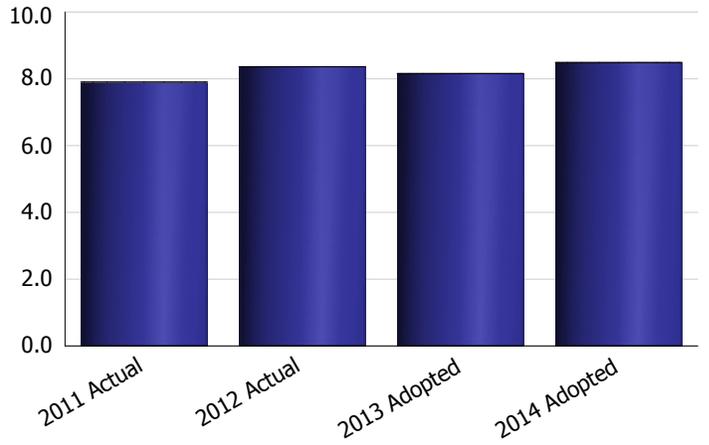
REVENUE	2011 Actual	2012 Actual	2013 Adopted	2014 Adopted	Percent Change	Change
SPECIAL REVENUE						
CHARGES FOR SALES	3,260	2,923	6,000	6,000	0.0%	0
CHARGES FOR SERVICES	7,607,900	8,040,314	8,153,095	8,254,100	1.2%	101,005
LOCAL GOVERNMENT	6,982				0.0%	0
OTHER MISC REVENUES	11,778	36,860			0.0%	0
RENTS	79,016	91,493			0.0%	0
STATE GOVERNMENT	192,755	193,067		228,957	0.0%	228,957
SPECIAL REVENUE	7,901,690	8,364,657	8,159,095	8,489,057	4.0%	329,962
TOTAL REVENUE	7,901,690	8,364,657	8,159,095	8,489,057	4.0%	329,962

MUNICIPAL BUILDING COMMISSION EXPENSE AND REVENUE INFORMATION

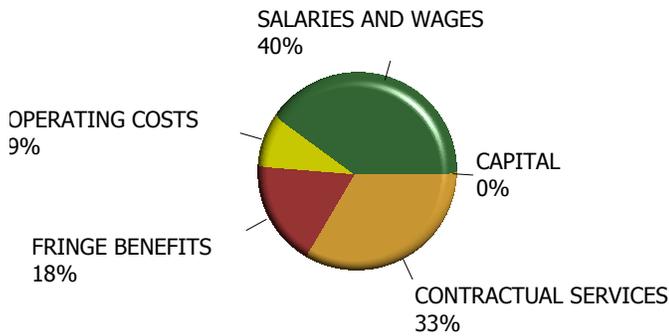
Expense 2011 - 2014
In Millions



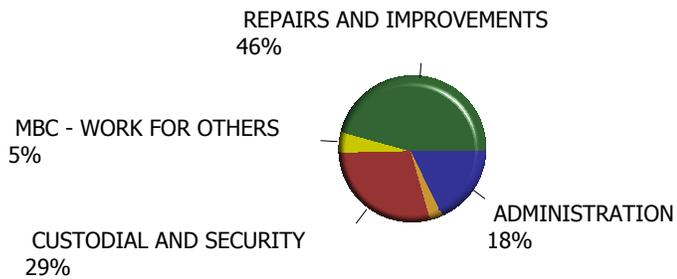
Revenue 2011 - 2014
In Millions



Expense by Category



Expense by Division

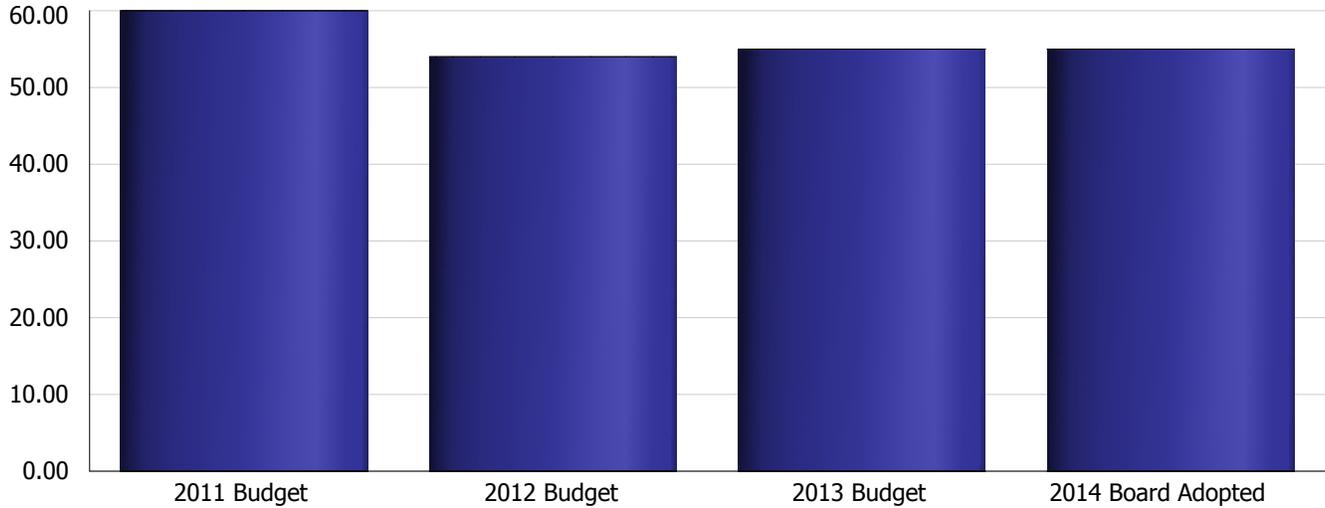


MUNICIPAL BUILDING COMMISSION

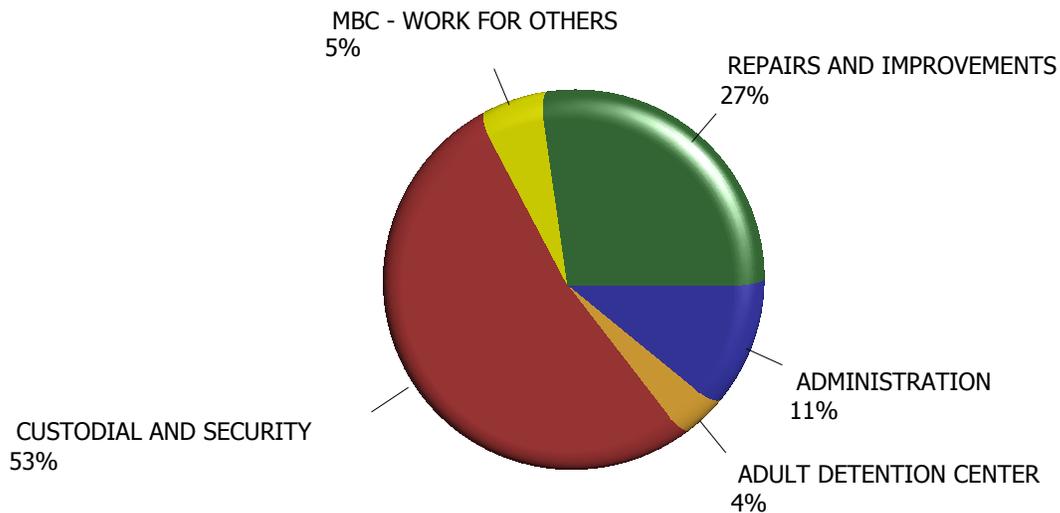
Staffing Information

Division	2011 Budget	2012 Budget	2013 Budget	2014 Board Adopted	% 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	34.00	28.00	29.00	29.00	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	60.00	54.00	55.00	55.00	0.00	0

Positions 2011-2014



Positions by Divison



MINNEAPOLIS PUBLIC HOUSING AUTHORITY

MISSION

To promote and deliver quality, well-managed homes to a diverse low-income population and, with partners, contribute to the well-being of the individuals, families and community we serve.

BUSINESS LINES

Strategic Plan

MPHA recently completed its 5 year Strategic Plan. The Plan identifies 3 strategic focus areas that will become the cornerstone of MPHA's business planning. The focus areas are:

1. Property and capital management to ensure preservation and growth of MPHA's assets
2. Policy and program formulation to continue to provide safe and affordable housing.
3. Partnerships to contribute to the health and well-being of residents and participants and the livability of Minneapolis neighborhoods

The entire Strategic Plan can be found at

<http://www.mphaonline.org/wp-content/uploads/2012/10/MPHA-Strategic-Plan-10-30-2012.pdf>

Low Income Public Housing Overview

Public housing was established by the federal government to provide decent, safe and affordable rental housing for eligible low-income families, the elderly, and persons with disabilities. The U.S. Department of Housing and Urban Development (HUD) provides operating subsidies for the management of housing for low-income residents at rents they can afford. Eligibility for public housing is determined based on the participating family's annual gross income and meeting other federal and local eligibility thresholds. The program is limited to U.S. citizens and specified categories of non-citizens who have eligible immigration status. In addition to federal aid for the operation of public housing, HUD also provides MPHA with capital grant funds for public housing modernization and new public housing unit development.

Low Income Public Housing Performance

High Performer Status. When MPHA first became an independent agency twenty one years ago, it was at risk of being labeled a "troubled" housing authority. It pursued a strategic vision, and with bold and consistent leadership, was able to transform itself. MPHA achieved HUD's highest performance rating, and for over a decade MPHA has maintained that status. Under the Public Housing Assessment System (PHAS), HUD rates public housing authorities across the nation in various performance categories, including the physical condition of property, financial status, and management practices. Through prudent investments and wise operational practices, MPHA has consistently received grades in excess of 90% in all these areas.

Section 8 Housing Choice Voucher Program Overview

The Section 8 Housing Choice Voucher Program (HCV) assists very low-income families, the elderly, and the disabled in finding decent, affordable, safe, and sanitary housing in the private market. Eligible program participants may rent single-family homes, townhouses, duplexes, and apartments where the owner of the selected property and the property itself has been approved for program participation. The family pays the difference between the actual rent charged by the landlord within the limits established by the federal government and the amount subsidized by the program.

Eligibility for participation in the Section 8 HCV Program is based on income, eligible citizenship status, and the ability to pass a criminal history background check. The amount of the subsidy available to the family is based on the family's income level and the household's composition. In general, the family's income may not exceed 50 percent of the median income for the county or metropolitan area in which the family chooses to live. By law, MPHA must provide 75 percent of its vouchers to applicants whose incomes do not exceed 30 percent of the area median income. MPHA has over 670 Project Based Vouchers, 100 Family Unification Program (FUP) vouchers and 205 Veterans Affairs Supportive Housing (VASH) vouchers which allow the agency to partner with service providers and other housing organizations to support individuals and families who need services and housing assistance that may not be available through the traditional Section 8 Housing Choice Voucher program.

In 2012 MPHA, through its Moving To Work authority, began conducting a "Rent Reform Impact Study" for its Section 8 Housing Choice Voucher Program. The initial goal of rent reform was to control costs and eventually achieve savings that would allow MPHA to move families from the waitlist. However, with the advent of sequestration the focus shifted to maintaining assistance for all current families within a severely decreased budget. MPHA will implement its Rent Reform Initiative in 2014.

Capital Improvements Program

MPHA's Facilities and Development Department works closely with the Executive Director to identify, catalog, and prioritize capital needs and develop an action plan that ensures the preservation of MPHA properties. This department also takes the lead in new development initiatives. With its Moving to Work authority, the infusion of American Recovery and Reinvestment Act (ARRA) funds, and its Energy Performance Contract initiative, MPHA has been able to strategically allocate its resources to make substantial improvements in its managed portfolio of capital assets. These improvements position the agency to make significant progress in its capital needs backlog, as well as enhance its ability to address energy conservation needs, thereby reducing MPHA's carbon footprint, while ensuring the long-term preservation of its housing stock.

MPHA entered into a \$33.6 million Energy Performance Contract with Honeywell International, Inc. in 2007 to implement energy conservation measures throughout MPHA's high-rise apartment inventory. The contract, which is primarily financed through a municipal lease from Bank of America, was authorized under a special HUD incentive program that encourages PHAs to borrow private capital to fund energy improvements. The improvements, now completed, include replacing 40-to-50-year-old boilers, installing low flow toilets and shower heads, and replacing existing stoves with energy efficient models. This fully implemented project is now in its "guaranteed savings period", which yields over \$2 million of combined water, gas, and electricity savings annually. These savings provide the financial backing for satisfying the Bank of America loan which paid for the conservation improvements. In 2013, MPHA executed amendments to the Energy Performance Contract with Honeywell International, Inc. to implement \$3.36 million of additional energy conservation measures. The additional energy conservation measures to be installed include exterior LED lighting, variable frequency drives on heating pumps, and the replacement of pneumatic controls with DDC controls. The additional measures are financed by the refinancing of the original Bank of America loan.

Funding Sources and Uses

As in previous years, the MPHA is heavily financed from the federal government. In 2013, federal grants and subsidies made up 77 percent of the MPHA's sources of funds. These funds were provided for general program operation, capital uses for both improvements for existing structures and new public housing development, and Section 8 housing assistance subsidies. The percentage of funding provided from capital grants increased from 13 percent of the sources in

2008 to 21 percent of total sources in 2009 and 2010. In 2011, the percentage of funding provided from capital grants was only 18 percent, and this decreased to only 11 percent in 2012.

The majority of uses were for housing assistance payments (HAP) to Section 8 landlords, which made up 46 percent of uses in 2012 compared to 35 percent in 2011.

2014 Federal Funding Outlook

MPHA is predominantly funded by the federal government through federal grants and subsidies. Although federal appropriations have not been determined for 2014, MPHA anticipates that federal assistance will remain near the same levels received in 2013.

FINANCIAL ANALYSIS

Expenditure & Revenue

The City-sponsored portion of MPHA’s expense and revenue budgets match at \$225,000.

Mayor’s Recommended Budget

The Mayor did not provide a funding recommendation.

Adopted Budget

Each year, MPHA is required to provide a payment in lieu of taxes (PILOT) of 5% of net shelter rent per Minn. Stat. 469.040, Subd. 3. Prior Cooperative Agreements between MPHA and the City incorporated 10% annual payments, which were subsequently reduced to the mandatory 5% reflected in the Statute. MPHA provides payment to Hennepin County which is then distributed to local taxing jurisdictions in the same manner as property taxes. Beginning in 2014, the Council amended the City’s budget to include the refund of the City’s portion of MPHA’s PILOT payment.

Total Budget Request	
Sources	
PILOT Refund ¹	\$225,000
Uses	
Public Housing Costs	\$225,000

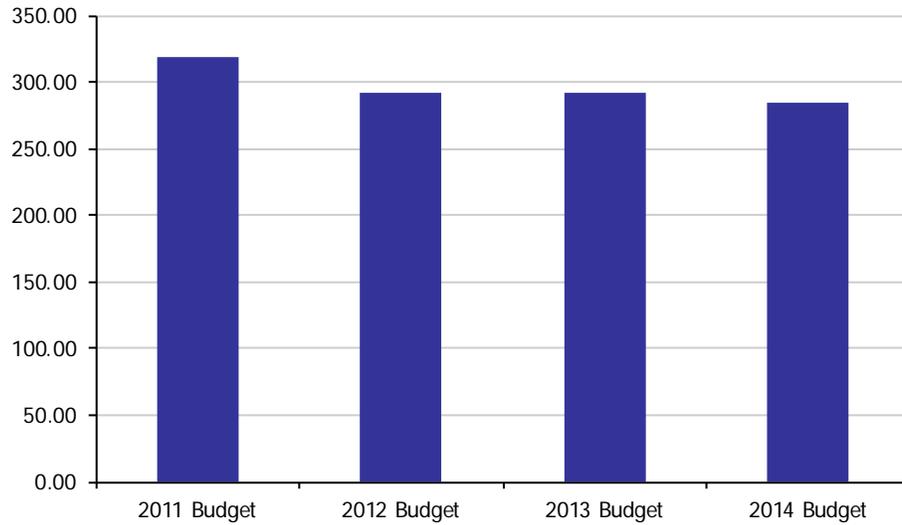
¹MPHA and the City have agreed that MPHA will pay PILOT at the reduced amount of 5% of net shelter rent, and the City will refund the portion of the MPHA payment received by the City. MPHA would use the savings to fund public housing costs.

MPHA

Staffing Information

Division	2011 Budget	2012 Budget	2013 Budget	2014 Budget	% Change	Change
PUBLIC HOUSING	318.00	292.00	292.00	284.00	-2.7%	(8.00)
TOTAL	318.00	292.00	292.00	284.00	-2.7%	(8.00)

Positions 2011-2014



PARK AND RECREATION BOARD

MISSION

The Minneapolis Park and Recreation Board shall permanently preserve, protect, maintain, improve and enhance its natural resources, parkland and recreational opportunities for current and future generations.

The Minneapolis Park and Recreation Board exists to provide places and recreation opportunities for all people to gather, celebrate, contemplate and engage in activities that promote health, well-being, community and the environment.

BUSINESS LINES

- Park Administrative Services
- Asset Management
- Community Outreach
- Environmental Management
- Forestry
- Information Technology Services
- Park Police
- Planning and Project Management
- Recreation

2011-2014 Strategic Direction

In 2010, the Commissioners of the Minneapolis Park and Recreation Board participated in a three month strategic planning process to set the strategic direction for the Minneapolis Park and Recreation Board for the next three years. The Commissioners identified priorities through the completion of surveys, work session discussions and committee study reports. The 2011–2014 Strategic Direction represents Board and Superintendent priorities that are aligned with comprehensive plan goals and objectives. The 2011–2013 Strategic Direction was adopted by the Board on August 18, 2010. The Board adopted the 2014 Budget in December 2013, and to maintain continuity with the current direction extended the 2011-2013 Strategic Direction through 2014.

2014 Budget Frameworks

The 2014 budget frameworks within the 2011-2014 Strategic Direction was adopted by the Board on July 24, 2013. The frameworks combine Board and Superintendent priorities and direction along with comprehensive plan goals and objectives. The 2014 budget frameworks within the 2011-2014 Strategic Direction provided the outline and context for the development of the 2014 Annual Budget. Departmental goals and performance measures that align with the 2014 budget frameworks and 2011-2014 Strategic Direction were developed for the individual departments during the 2014 Budget process.

- I. **Focus resources on a well maintained park system. Address issues of aging infrastructure especially in neighborhood parks. Use Comprehensive plan as guidance for maintenance of natural areas and boulevard trees.**

2014 Budget Frameworks

- a. Continue funding and implementation of the 2012-2018 parkway paving and lighting improvement program in partnership with the City of Minneapolis.

- b. Continue implementation of strategies that focus on sustainable models for maintaining the park system's physical infrastructure, including evaluating, identifying and recommending alternative capital revenue sources such as partnerships, sponsorships and special taxing districts.
- c. Continue completion of system-wide plans or activity plans for each recreation activity group/physical asset group as a strategic basis for capital investments.
- d. Continue completion of park and service area master plans as a strategic basis for capital investments.
- e. Establish sustainable, ongoing approaches to maintaining natural areas.
- f. Establish sustainable, ongoing approaches to maintaining the Urban Forest Canopy and respond to threats to the canopy (i.e. disease, pests, storms, and other natural disasters).

II. Become a national leader in issues of sustainability, including collaborative efforts with the City Council, Mayor, County, local business leaders, and the public, making our city greener, cleaner, and energy efficient.

2014 Budget Frameworks

- a. Implement strategies to operate and maintain the Park system in a more sustainable manner. Strategies should address issues such as improved energy efficiency, energy generation, improving the City's natural habitats, stormwater best practices, hosting green events, implementing operational sustainability initiatives. Incorporate partnerships with other agencies in these efforts.
- b. Implement priority elements of the 2013 urban agriculture activity plan.

III. Focus on our partnerships, especially with the City and the Public schools to focus on the service delivery and responsibilities across jurisdictions to assess what is working and what can be changed or improved in difficult financial times.

2014 Budget Frameworks

- a. Continue to implement changes in fleet management as recommended by the operations review completed in 2012 and 2013.
- b. Improve delivery and coordination of recreation programs and services through clearly defined partnership and shared use agreements, leases, and strategic outreach and engagement initiatives.
- c. Participate actively in the implementation of the Fort Snelling Upper Bluff Joint Powers Agreement with the Minnesota Department of Natural Resources, Hennepin County, National Park Service and Minnesota Historical Society.

IV. Focus on: new strategies of community engagement, including greater transparency and information that is posted online, outreach strategies, and clarity about our processes and procedures. Enhance our communications and relationships with communities, media, agencies, and partners.

2014 Budget Frameworks

- a. Implement communications and marketing strategies for MPRB that provide for improved transparency and information sharing, opportunities for community outreach, and sharing of MPRB processes and procedures.
- b. Implement strategies for addressing the technology infrastructure needs across the Park system; improve and enhance the MPRB's utilization of technology to improve access to information, enhance service delivery and improve operating efficiencies.

V. Focus on a financial plan that increases revenue growth with grants, new program offerings, sponsorships and foundation giving, but also plan for potential budget reductions that are the result of projected state deficits or increased costs.

2014 Budget Frameworks

- a. Implement strategic financial plan that provides for improved operating efficiencies, increased workforce flexibility, exploration of new program opportunities, leveraging volunteers, and expanded revenue growth with nontraditional sources.
- b. Complete and implement a long-range plan to address business operations, program development and delivery service needs for golf operations.
- c. Develop and begin implementation of a strategic plan to improve workplace safety and implement recommendations identified in the Occupational Health and Safety Review.

VI. Assure that basic services and programs remain accessible, community based, and equitable. Reaffirm the importance of outdoor activities for children.

2014 Budget Frameworks

- a. Evaluate recreation programming, facilities and athletic fields through community engagement; assessing needs, interests, access, fee structures and variety.
- b. Identify areas for improved park user safety and develop strategic plan to implement recommendations.

VII. Shape city character through nationally recognized park development and redevelopment strategies.

2014 Budget Frameworks

- a. Establish fundraising effort toward implementation of a phase-one RiverFirst project at the Scherer site.
- b. Utilize development and redevelopment tools that focus on use of cutting edge technologies, energy efficiency models and reducing impact on the environment.
- c. Continue systematic implementation of the Missing Link of the Grand Rounds Master Plan.

- d. Prepare for the Twin City's hosting of the 2017 International Urban Parks Conference.
- e. Implement strategy to capitalize on MPRB #1 ranking amongst United States urban park systems to showcase leadership and best practices.

MINNEAPOLIS PARK AND RECREATION BOARD 2014 ANNUAL BUDGET

More information regarding the Minneapolis Park and Recreation Board 2014 Annual Budget, and the Board's published budget book can be found at www.minneapolisparcs.org.

Expenditure

The Board's 2014 expense budget is \$96.8 million, a 3.7% increase over 2013. 56% of the Board's expenses are for personnel, with the remainder for capital, operating costs, contractual services and transfers.

Revenue

The Board's 2014 revenue budget is \$97.7 million, a 4.3% increase over 2013. 60% of the Board's revenue comes from property taxes, with the remainder coming from service charges, rents, intergovernmental aid and other sources.

Mayor's Recommended Budget

The Mayor recommended a 2.08% increase in the levy for the Board to be dedicated towards tree preservation.

Board Adopted Budget

The Board adopted its budget with the Mayor's recommended levy.

**PARK BOARD
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2011 Actual	2012 Actual	2013 Adopted	2014 Adopted	Percent Change	Change
INTERNAL SERVICE						
SALARIES AND WAGES	1,620,896	1,575,549	1,641,279	1,794,448	9.3%	153,169
FRINGE BENEFITS	2,325,961	2,446,579	2,304,352	2,375,469	3.1%	71,117
CONTRACTUAL SERVICES	421,106	492,510	714,922	809,567	13.2%	94,645
OPERATING COSTS	1,362,092	1,604,697	1,528,374	1,708,619	11.8%	180,245
CAPITAL	1,681,341	811,154	1,265,435	1,290,886	2.0%	25,451
TOTAL INTERNAL SERVICE	7,411,396	6,930,489	7,454,362	7,978,989	7.0%	524,627
ENTERPRISE						
SALARIES AND WAGES	5,135,019	5,554,570	3,199,425	3,367,520	5.3%	168,095
FRINGE BENEFITS	1,601,289	1,575,083	1,278,026	1,296,956	1.5%	18,930
CONTRACTUAL SERVICES	4,298,441	4,141,784	2,920,874	3,321,287	13.7%	400,413
OPERATING COSTS	2,026,814	2,442,563	1,486,032	1,475,635	-0.7%	(10,396)
CAPITAL	149,639	400,749	1,127,000	326,002	-71.1%	(800,998)
DEBT SERVICE	67,799	67,799	34,510	67,799	96.5%	33,289
TRANSFERS	389,500	946,629	200,000	100,000	-50.0%	(100,000)
TOTAL ENTERPRISE	13,668,501	15,129,176	10,245,866	9,955,199	-2.8%	(290,667)
SPECIAL REVENUE						
SALARIES AND WAGES	27,179,305	27,039,898	30,563,503	32,123,914	5.1%	1,560,411
FRINGE BENEFITS	11,592,824	11,102,296	12,261,879	12,914,098	5.3%	652,219
CONTRACTUAL SERVICES	12,620,712	12,362,908	12,931,690	13,861,130	7.2%	929,440
OPERATING COSTS	14,617,014	14,564,314	13,544,067	14,208,412	4.9%	664,345
CAPITAL	279,025	795,825	4,911,794	4,283,839	-12.8%	(627,955)
TRANSFERS	5,167,787	6,326,590	1,430,000	1,430,000	0.0%	0
TOTAL SPECIAL REVENUE	71,456,666	72,191,830	75,642,933	78,821,392	4.2%	3,178,460
TOTAL EXPENSE	92,536,564	94,251,495	93,343,160	96,755,580	3.7%	3,412,420

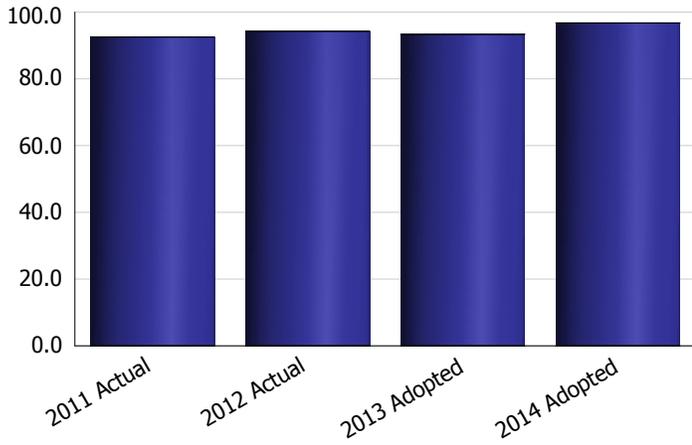
REVENUE	2011 Actual	2012 Actual	2013 Adopted	2014 Adopted	Percent Change	Change
SPECIAL REVENUE						
CHARGES FOR SALES	113,978	95,765	30,000		-100.0%	(30,000)
CHARGES FOR SERVICES	1,153,729	1,369,535	5,128,437	5,813,836	13.4%	685,399
CONTRIBUTIONS	439,741	305,429	216,500	172,709	-20.2%	(43,791)
FEDERAL GOVERNMENT	863,474	87,000			0.0%	0
FINES AND FORFEITS	486,884	328,130	467,000	317,000	-32.1%	(150,000)
GAINS	23,400				0.0%	0
LICENSE AND PERMITS	342,062	250,974	315,000	315,000	0.0%	0
LOCAL GOVERNMENT	2,387,091	1,533,703	1,915,420	2,142,741	11.9%	227,321
OTHER MISC REVENUES	75,204	39,400	28,000	28,000	0.0%	0
PROPERTY TAXES	58,277,092	58,261,528	57,824,667	58,882,322	1.8%	1,057,655
RENTS	680,337	541,667	1,141,600	1,258,696	10.3%	117,096
SALES AND OTHER TAXES	3,931	5,930	3,000	3,000	0.0%	0

**PARK BOARD
EXPENSE AND REVENUE INFORMATION**

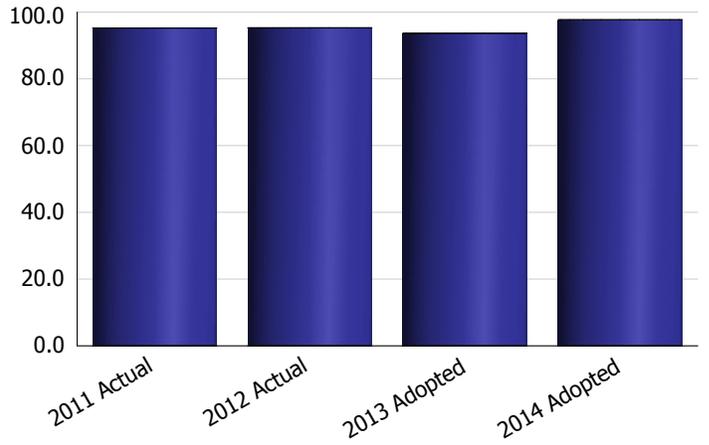
REVENUE	2011 Actual	2012 Actual	2013 Adopted	2014 Adopted	Percent Change	Change
SPECIAL ASSESSMENTS	0	2,100			0.0%	0
STATE GOVERNMENT	8,525,019	8,989,248	8,373,308	9,788,088	16.9%	1,414,780
TRANSFERS IN	323,623	566,384	200,000	100,000	-50.0%	(100,000)
SPECIAL REVENUE	73,695,565	72,376,793	75,642,932	78,821,392	4.2%	3,178,460
INTERNAL SERVICE						
CHARGES FOR SALES	24,186	32,589	33,000	33,000	0.0%	0
CHARGES FOR SERVICES	919,672	1,025,334	1,234,080	1,532,685	24.2%	298,605
GAINS	41,970				0.0%	0
OTHER MISC REVENUES	2,342,451	2,220,726	1,975,221	2,015,656	2.0%	40,435
RENTS	4,257,160	3,925,238	4,104,903	4,444,497	8.3%	339,594
SPECIAL ASSESSMENTS	7,623				0.0%	0
TRANSFERS IN	130,000	130,000			0.0%	0
INTERNAL SERVICE	7,723,061	7,333,887	7,347,204	8,025,838	9.2%	678,634
ENTERPRISE						
CHARGES FOR SALES	186	28			0.0%	0
CHARGES FOR SERVICES	11,110,201	12,021,577	9,529,078	9,677,908	1.6%	148,830
CONTRIBUTIONS	390,179	210,821	25,000	25,000	0.0%	0
FEDERAL GOVERNMENT	129,981	230,893			0.0%	0
FINES AND FORFEITS	0				0.0%	0
FRANCHISE FEES	(51)				0.0%	0
INTEREST	290	447			0.0%	0
LICENSE AND PERMITS	2,900	7,400			0.0%	0
LOCAL GOVERNMENT	28,296	373,971			0.0%	0
LONG TERM LIABILITIES PROCEEDS	1,303	1,245			0.0%	0
OTHER MISC REVENUES	54,641	40,475	16,000	16,000	0.0%	0
RENTS	1,968,295	2,609,180	1,091,931	1,144,931	4.9%	53,000
STATE GOVERNMENT	117,379	83,340			0.0%	0
ENTERPRISE	13,803,601	15,579,378	10,662,009	10,863,839	1.9%	201,830
TOTAL REVENUE	95,222,227	95,290,059	93,652,145	97,711,069	4.3%	4,058,924

PARK BOARD EXPENSE AND REVENUE INFORMATION

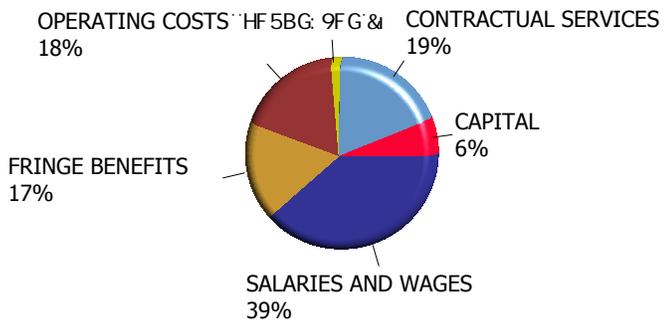
Expense 2011 - 2014
In Millions



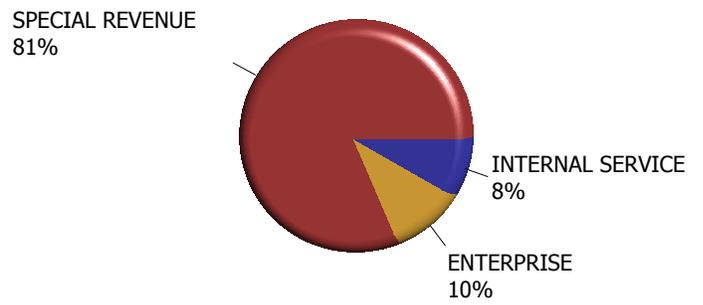
Revenue 2011 - 2014
In Millions



Expense by Category



Expense by Fund

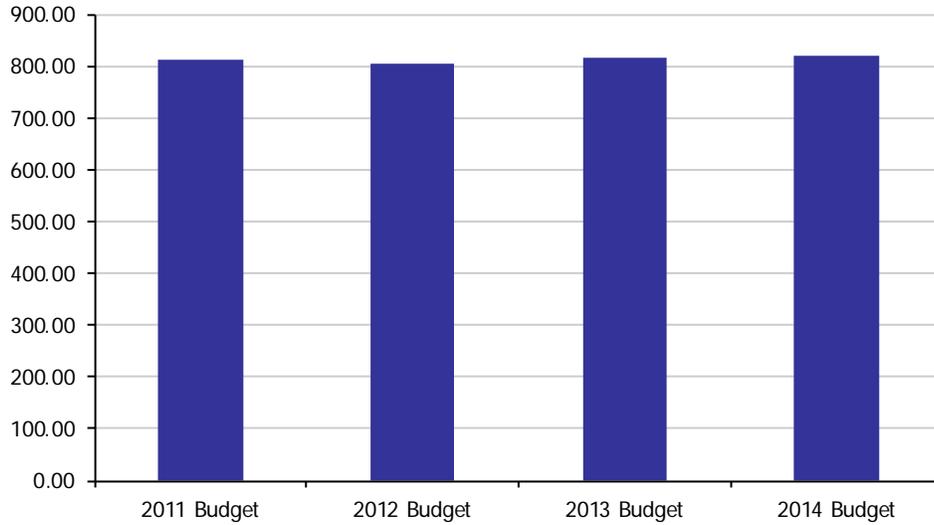


PARK BOARD

Staffing Information

	2011 Budget	2012 Budget	2013 Budget	2014 Budget	% Change	Change
TOTAL	811.18	802.40	814.72	819.24	0.6%	4.52

Positions 2011-2014



YOUTH COORDINATING BOARD

MISSION

Dedicated to promoting the healthy, comprehensive development of Minneapolis children and youth ages 0-20 through collaborative action and policy alignment.

GOALS AND STRATEGIC ACTIVITIES

The YCB has four primary goals for 2014:

1. *All Minneapolis children enter kindergarten ready to be successful in school.*
 - Work to ensure low-income children and families' access to high quality childcare and early learning opportunities.
 - Support a seamless transition from early childhood to kindergarten.
 - Work to ensure all children receive early childhood screening by the age of 3 and that health care support is available in child care centers throughout Minneapolis.
2. *All Minneapolis young people succeed in school and graduate from high school.*
 - Support school and community efforts to eliminate the achievement gap.
 - Support the expansion of comprehensive, bi-cultural social services in schools for families who are English Language Learners.
 - Work to improve the collection of data from student surveys.
 - Support expansion of career and education initiatives such as the Minneapolis Promise.
3. *All Minneapolis young people have access to safe, quality out-of-school opportunities.*
 - Create and maintain an online Out of School Time information resource.
 - Work with youth-serving agencies to create a common framework for quality program assessment.
 - Work to increase public and private funding for Out of School Time activities.
 - Support the goals of the Blueprint for Action: Preventing Youth Violence in Minneapolis.
4. *All Minneapolis children and young people are ready to further their potential through lifelong learning, work experience, and community connections.*
 - Support the Minneapolis Youth Congress with staffing, funding, and training.
 - Support the establishment of an annual convention between young people and community leaders from both the public and private sectors.
 - Work with and encourage our jurisdictional partners to develop and strengthen formal mechanisms for authentic youth engagement in their decision making.
 - Coordinate with youth engagement programs community-wide on policy initiatives, programs, and planning.

YCB also has infrastructure goals related to developing capacity to address policy issues affecting Minneapolis children and youth, educating legislators on related policy matters, and disseminating information on such issues.

FINANCIAL ANALYSIS

Expenditure

The total 2014 budget for Youth Coordinating Board is \$1.6 million, relatively flat to 2013. An increase of 45.5% in personnel costs over 2013 levels due from an additional 3.2 positions are balanced off by a corresponding decrease in contractual services expenditure. In the past, YCB has been granted additional dollars through a joint powers agreement between the City, County, School District and the Park Board.

Revenue

The YCB's 2014 revenue budget is \$1.6 million. In addition to the joint powers agreement, other funding sources for YCB are County and foundation funding.

Mayor's Recommended Budget

The Mayor recommended funding remain the same for the Youth Development program in the City's Health and Family Support department.

Adopted Budget

The Board approved the Mayor's recommendation.

**YOUTH COORDINATING BOARD
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2011 Actual	2012 Actual	2013 Adopted	2014 6cUFX Adopted	Percent Change	Change
SPECIAL REVENUE						
SALARIES AND WAGES	344,685	339,163	522,056	759,451	45.5%	237,395
FRINGE BENEFITS	102,781	119,456				0
CONTRACTUAL SERVICES	685,131	1,118,976	1,035,377	799,973	-22.7%	(235,404)
OPERATING COSTS	46,584	28,112	13,375	14,400	7.7%	1,025
CAPITAL	0	34				0
TOTAL SPECIAL REVENUE	1,179,182	1,605,742	1,570,808	1,573,824	0.2%	3,016

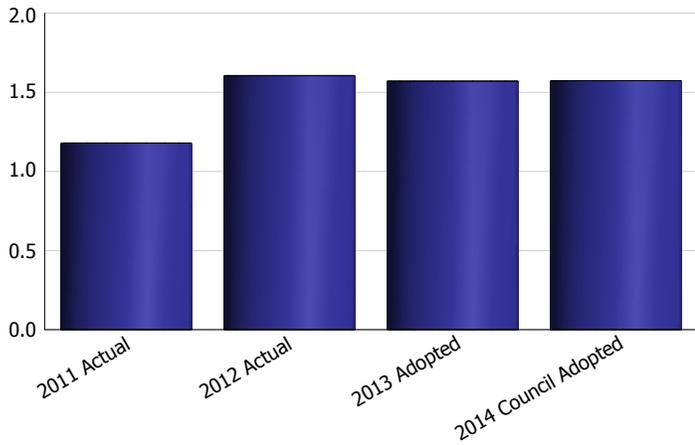
TOTAL EXPENSE	1,179,182	1,605,742	1,570,808	1,573,824	0.2%	3,016
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REVENUE	2011 Actual	2012 Actual	2013 Adopted	2014 6cUFX Adopted	Percent Change	Change
SPECIAL REVENUE						
CONTRIBUTIONS	421,962	461,281	518,000	455,000	-12.2%	(63,000)
FEDERAL GOVERNMENT	64,803	64,803	64,803	64,803	0.0%	0
GAINS	0	0	0	10,000	0.0%	10,000
LOCAL GOVERNMENT	1,165,608	2,528,712	972,521	1,044,021	7.4%	71,500
OTHER MISC REVENUES	61	273	14,000		-100.0%	(14,000)
RENTS	12,000	12,000	0		0.0%	0
SPECIAL REVENUE	1,664,434	3,067,069	1,569,324	1,573,824	0.3%	4,500

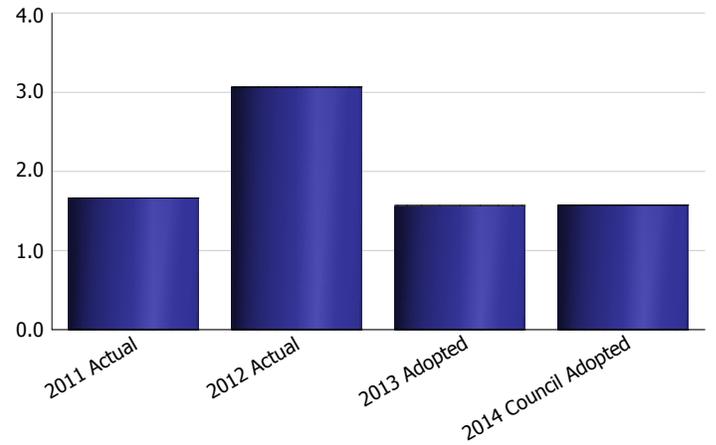
TOTAL REVENUE	1,664,434	3,067,069	1,569,324	1,573,824	0.3%	4,500
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YOUTH COORDINATING BOARD EXPENSE AND REVENUE INFORMATION

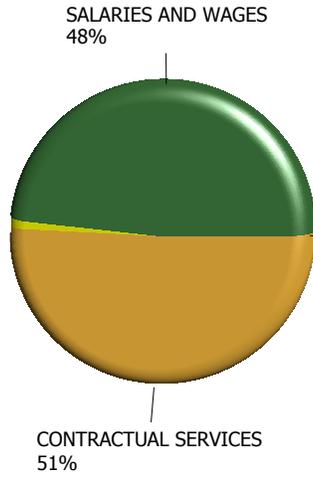
Expense 2011 - 2014
In Millions



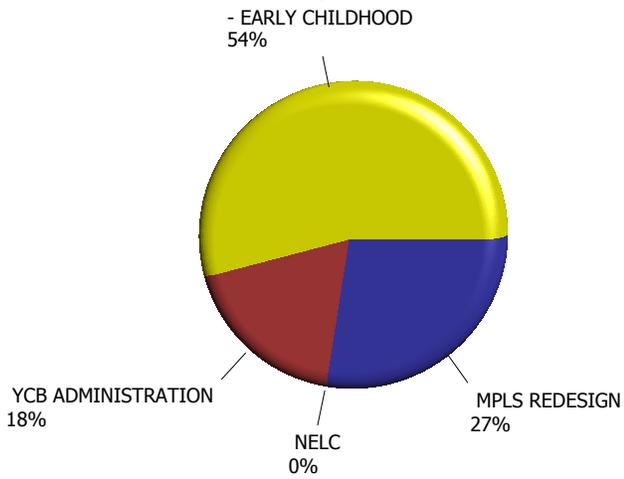
Revenue 2011 - 2014
In Millions



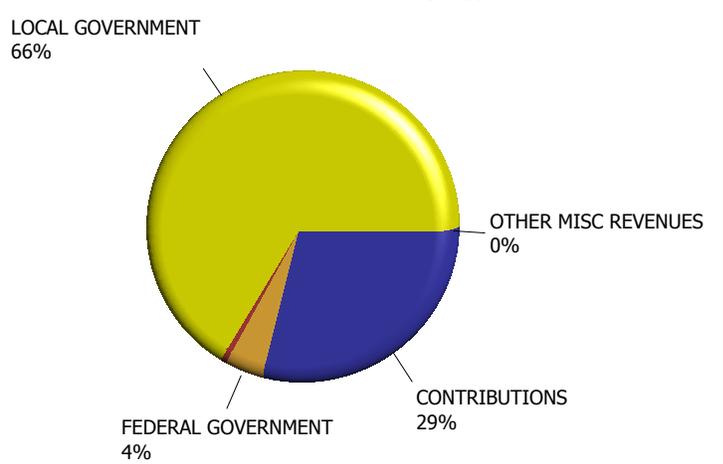
Expense by Category



Expense by Division



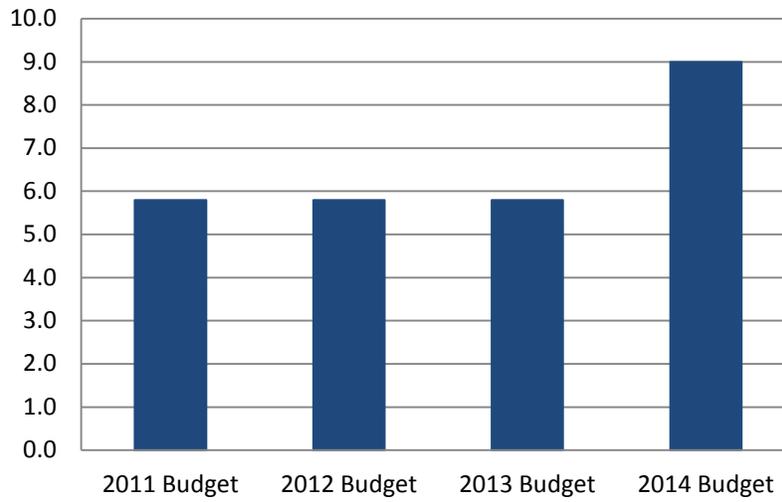
Direct Revenue by Type



YOUTH COORDINATING BOARD

Staffing Information						
Division	2011 Budget	2012 Budget	2013 Budget	2014 Budget	% Change	Change
YOUTH COORDINATING BOARD	1.00	1.00	5.80	9.00	55.2%	3.20
YCB ADMINISTRATION	1.00	1.00			0.0%	
NELC	3.80	3.80			0.0%	
TOTAL	5.80	5.80	5.80	9.00	55.2%	3.20

Positions 2010-2013



**City of Minneapolis
2014 Budget**

Financial Schedules

The schedules that follow represent the legally adopted appropriations, revenue estimates, project allocations, fees, and charges.

- Schedule 1 Fund Summary and Changes to Fund Balance.....J2
- Schedule 2 Revenues by Fund and Type.....J4
- Schedule 3 Expenditures by Fund and Department.....J11
- Schedule 4 Community Development Block Grant Program.....J18
- Schedule 5 Summary of Positions by Department and AgencyJ23
(including footnotes)
- Schedule 6 CPED Program Allocations by Fund.....J27
- Schedule 7 Capital Asset Request System (CARS) Allocations.....J28
- Schedule 8 Interfund Transfers.....J34
- Schedule 9 Financial Policies Scorecard.....J41

SCHEDULE ONE
FUND SUMMARY - CHANGES TO FUND BALANCE

		<u>Total Revenue</u>	<u>Total Expense</u>	<u>Change in Fund Balance</u>
GENERAL	GENERAL FUND	441,727,281	466,294,802	(24,567,521)
	GENERAL FUND - FUND BALANCES USES	24,567,521		
TOTAL GENERAL		466,294,802	466,294,802	(24,567,521)
SPECIAL REVENUE	ECONOMIC DEVELOPMENT	50,066,903	67,070,889	(17,003,986)
	BOARD OF ESTIMATE AND TAXATION	170,600	179,800	(9,200)
	Downtown Improvement District	5,800,000	5,800,000	0
	POLICE DEPT - SPECIAL REVENUE	2,181,380	2,181,380	0
	ARENA - RESERVE	4,598,006	6,931,832	(2,333,826)
	GRANTS - FEDERAL	10,618,728	10,553,724	65,004
	CDBG & UDAG FUNDS	12,950,022	12,950,022	(0)
	HOME	2,167,961	2,167,961	(0)
	GRANTS - OTHER	7,804,322	7,804,322	(0)
	CONVENTION CENTER OPERATIONS	63,418,302	63,420,451	(2,149)
	NCR - SPECIAL REVENUE	5,149,480	5,149,480	(0)
	Regulatory Services Special Revenue Fund	4,235,000	5,104,319	(869,319)
	EMPLOYEE RETIREMENT	34,517,800	33,017,800	1,500,000
	PARK	78,821,392	78,821,392	(0)
	MUNICIPAL BUILDING COMMISSION	8,489,057	8,634,082	(145,025)
	YOUTH COORDINATING BOARD	1,573,824	1,573,824	0
TOTAL SPECIAL REVENUE		292,562,777	311,361,280	(18,798,503)
CAPITAL PROJECT	CAPITAL IMPROVEMENTS	65,403,000	69,514,296	(4,111,296)
	PARK - CAPITAL IMPROVEMENTS	3,125,000	6,011,000	(2,886,000)
	MBC - CAPITAL IMPROVEMENTS	995,000	995,000	0
TOTAL CAPITAL PROJECT		69,523,000	76,520,296	(6,997,296)
DEBT SERVICE	IMPROVEMENT BONDS	7,886,148	9,932,920	(2,046,772)
	NOV 13 HOUSING IMP BONDS		92,912	(92,912)
	Diseased Tree Assessment D/S	256,400	256,400	0
	BOND REDEMPTION - DEBT SERVICE	28,714,000	31,495,183	(2,781,183)
	OTH SELF SUPPORTING DEBT SERVC		971,079	(971,079)
	MIDTOWN EXCH 108 LOAN ACCOUNT	590,228	590,228	0
	Library Ref Debt Service	9,114,000	9,097,627	16,373
	CONVENTION CENTER-DEBT SERVICE	18,861,125	18,861,125	0
	TARGET CENTER	4,250,333	4,250,333	0
	TAX INCREMENT - DEBT SERVICE	9,788,388	6,290,080	3,498,308
TOTAL DEBT SERVICE		79,460,622	81,837,887	97,109
INTERNAL SERVICE	MATERIALS & LAB-INTERNAL SVC	1,802,927	1,764,107	38,820
	EQUIPMENT - INTERNAL SERVICE	40,091,488	41,541,550	(1,450,062)
	Property Services	17,212,971	17,668,251	(455,280)
	STORES - INTERNAL SERVICE	1,115,000	985,088	129,912
	INFO TECH - INTERNAL SERVICE	52,501,891	34,130,195	18,371,696
	SELF INSURANCE-INTERNAL SVC	33,140,949	30,215,465	2,925,484
	PARK - INTERNAL SERVICE	6,010,182	5,963,333	46,849
	PARK-SELF INSURE-INTERNAL SVC	2,015,656	2,015,656	0
TOTAL INTERNAL SERVICE		153,891,064	134,283,644	19,607,420

ENTERPRISE	DEFAULTED PROPERTY ADMIN		4,799	(4,799)
	RIVER TERMINAL		320,968	(320,968)
	GARFS	400,000	270,353	129,647
	SURFACE WATER & SEWER-SANITARY	61,263,522	62,723,041	(1,459,519)
	SURFACE WATER & SEWER-STORMWATER	50,806,624	50,258,830	547,794
	WATER - ENTERPRISE	87,882,452	84,977,618	2,904,834
	MUNICIPAL PARKING-ENTERPRISE	58,998,640	61,590,015	(2,591,375)
	SOLID WASTE - ENTERPRISE	32,338,751	35,878,046	(3,539,295)
	PARK - OPERATIONS - ENTERPRISE	10,863,839	9,955,199	908,640
TOTAL ENTERPRISE		302,553,828	305,978,868	(3,425,040)
TOTAL ALL FUNDS		1,364,286,093	1,376,276,778	(36,558,206)

SCHEDULE TWO
REVENUES BY FUND AND TYPE
(excludes transfers)

	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	% Change
<u>GENERAL</u>					
<u>GENERAL FUND</u>					
PROPERTY TAXES	170,560,293	181,476,358	170,933,820	159,526,000	-6.7%
SALES AND OTHER TAXES	14,717	12,927,957	13,700,000	72,212,000	427.1%
FRANCHISE FEES	29,128,371	26,119,558	27,400,000	26,900,000	-1.8%
LICENSE AND PERMITS	30,384,076	36,089,034	32,575,423	36,349,558	11.6%
STATE GOVERNMENT	67,784,615	68,129,037	69,008,791	80,760,425	17.0%
LOCAL GOVERNMENT	647,559	568,813	531,405	538,244	1.3%
CHARGES FOR SERVICES	37,841,455	44,480,925	39,715,374	43,974,084	10.7%
CHARGES FOR SALES	106,101	132,202	42,175	68,750	63.0%
FINES AND FORFEITS	9,499,798	8,242,551	8,848,000	7,893,000	-10.8%
SPECIAL ASSESSMENTS	3,165,645	3,009,242	2,462,080	3,254,250	32.2%
INTEREST	1,968,459	1,649,258	1,600,000	1,600,000	0.0%
RENTS	1,459	1,559			
CONTRIBUTIONS	556,918	806,721	800,000	840,000	5.0%
OTHER MISC REVENUES	842,517	518,340	1,014,570	5,487,770	440.9%
USE OF FUND BALANCE				24,567,521	
Total GENERAL FUND	352,501,982	384,151,555	368,631,638	463,971,602	25.9%
TOTAL GENERAL	352,501,982	384,151,555	368,631,638	463,971,602	25.9%
<u>SPECIAL REVENUE</u>					
<u>ECONOMIC DEVELOPMENT</u>					
PROPERTY TAXES	56,735,079	50,833,890	38,328,897	41,699,902	8.8%
SALES AND OTHER TAXES	293	293			
FRANCHISE FEES					
LICENSE AND PERMITS					
STATE GOVERNMENT	327,183	18,269			
LOCAL GOVERNMENT		45,167			
CHARGES FOR SERVICES	9,530,168	8,844,048	1,518,000		-100.0%
CHARGES FOR SALES	869,969	555,489			
FINES AND FORFEITS					
SPECIAL ASSESSMENTS					
INTEREST	1,760,290	1,550,987	140,292	191,076	36.2%
RENTS	4,427,435	4,166,337	3,269,506	2,802,220	-14.3%
CONTRIBUTIONS					
OTHER MISC REVENUES	5,259,397	9,519,829	2,444,800	2,488,000	1.8%
Total ECONOMIC DEVELOPMENT	78,909,814	75,534,309	45,701,495	47,181,198	3.2%
<u>BOARD OF ESTIMATE AND TAXATION</u>					
PROPERTY TAXES	169,210	173,783	171,500	166,600	-2.9%
SALES AND OTHER TAXES	14	22			
STATE GOVERNMENT	322	418			
Total BOARD OF ESTIMATE AND TAXATION	169,546	174,223	171,500	166,600	-2.9%
<u>Downtown Improvement District</u>					
SPECIAL ASSESSMENTS	5,426,281	6,013,682	5,800,000	5,800,000	0.0%
INTEREST	(16,202)	(4,199)			
OTHER MISC REVENUES	4,054	2,587			
Total Downtown Improvement District	5,414,134	6,012,070	5,800,000	5,800,000	0.0%
<u>POLICE DEPT - SPECIAL REVENUE</u>					
SALES AND OTHER TAXES	136,933	149,274	148,000	176,157	19.0%
LICENSE AND PERMITS	738,088	832,906	745,000	1,154,223	54.9%
CHARGES FOR SERVICES	584,774	432,924	427,740	451,000	5.4%
FINES AND FORFEITS	357,843	338,219	420,000	400,000	-4.8%
OTHER MISC REVENUES		6,432			
Total POLICE DEPT - SPECIAL REVENUE	1,817,638	1,759,756	1,740,740	2,181,380	25.3%
<u>ARENA - RESERVE</u>					
SALES AND OTHER TAXES		1,295,296	1,300,000	1,275,000	-1.9%
INTEREST	11,480	35,054			
Total ARENA - RESERVE	11,480	1,330,350	1,300,000	1,275,000	-1.9%
<u>GRANTS - FEDERAL</u>					
FEDERAL GOVERNMENT	35,826,909	32,285,101	11,069,905	10,618,728	-4.1%
STATE GOVERNMENT	268,604	(15,940)			

CHARGES FOR SALES	(265,209)	259,703			
INTEREST	479				
OTHER MISC REVENUES	191,910	1,203,825			
Total GRANTS - FEDERAL	36,022,693	33,732,688	11,069,905	10,618,728	-4.1%
<u>CDBG & UDAG FUNDS</u>					
FEDERAL GOVERNMENT	15,822,364	18,899,212	12,749,456	10,832,022	-15.0%
CHARGES FOR SERVICES	4,925	175			
CHARGES FOR SALES	716,335	95,468			
SPECIAL ASSESSMENTS	187,810	49,972	107,000		-100.0%
INTEREST	109,728	39,711			
RENTS	11,586	5,463			
OTHER MISC REVENUES	459,290	364,840	1,500,000	2,118,000	41.2%
Total CDBG & UDAG FUNDS	17,312,038	19,454,839	14,356,456	12,950,022	-9.8%
<u>HOME</u>					
FEDERAL GOVERNMENT	3,724,676	3,973,421	2,167,961	2,167,961	0.0%
CHARGES FOR SALES	(69,992)	919,461			
INTEREST	57,121	13,757			
OTHER MISC REVENUES		152,722			
Total HOME	3,711,805	5,059,361	2,167,961	2,167,961	0.0%
<u>GRANTS - OTHER</u>					
SALES AND OTHER TAXES	1,254	1,964	7,000	7,000	0.0%
LICENSE AND PERMITS	1,485,758				
STATE GOVERNMENT	18,915,630	22,076,700	6,787,680	6,845,856	0.9%
LOCAL GOVERNMENT	(286,402)	2,398,851	291,666	291,666	0.0%
CHARGES FOR SERVICES	628,917	452,534	280,000	435,000	55.4%
FINES AND FORFEITS	176,483				
SPECIAL ASSESSMENTS	4,077,453				
INTEREST	4,854	41			
CONTRIBUTIONS	1,332,569	668,797	182,300	222,000	21.8%
OTHER MISC REVENUES	542,748	254,220	2,500	2,800	12.0%
Total GRANTS - OTHER	26,879,265	25,853,107	7,551,146	7,804,322	3.4%
<u>CONVENTION CENTER OPERATIONS</u>					
SALES AND OTHER TAXES	65,929,924	55,054,036	56,000,000		-100.0%
CHARGES FOR SERVICES	5,311,598	5,405,038	5,339,000	5,720,000	7.1%
CHARGES FOR SALES	35,731	552,337			
INTEREST	521,283	574,295	465,132	575,302	23.7%
RENTS	6,580,122	7,005,147	6,400,000	6,980,000	9.1%
CONTRIBUTIONS	250,000				
OTHER MISC REVENUES	2,758,318	2,702,235	3,044,000	3,300,000	8.4%
LONG TERM LIABILITIES PROCEEDS		4,311,067		250,000	
Total CONVENTION CENTER OPERATIONS	81,386,977	75,604,155	71,248,132	16,825,302	-76.4%
<u>NCR - SPECIAL REVENUE</u>					
CHARGES FOR SERVICES		39,713			
Total NCR - SPECIAL REVENUE		39,713			
<u>MERF PENSION BONDS</u>					
INTEREST	94,807	118,391			
Total MERF PENSION BONDS	94,807	118,391			
<u>POLICE PENSION BONDS</u>					
INTEREST	0				
Total POLICE PENSION BONDS	0				
<u>Regulatory Services Special Revenue Fund</u>					
LICENSE AND PERMITS		458,262	241,000	241,000	0.0%
CHARGES FOR SERVICES		126,834	130,000	106,000	-18.5%
FINES AND FORFEITS		46,288	51,542	191,000	270.6%
SPECIAL ASSESSMENTS		3,942,360	3,903,129	3,697,000	-5.3%
INTEREST		(13,210)			
OTHER MISC REVENUES		(210)			
Total Regulatory Services Special Revenue Fund		4,560,325	4,325,671	4,235,000	-2.1%
<u>EMPLOYEE RETIREMENT</u>					
PROPERTY TAXES	22,648,561	19,997,005	29,115,800	29,017,800	-0.3%
SALES AND OTHER TAXES	1,914	2,520			
STATE GOVERNMENT	4,027,877	5,698,295		4,000,000	
FINES AND FORFEITS	586,170	(0)			
OTHER MISC REVENUES	748,300	3,846,854			
Total EMPLOYEE RETIREMENT	28,012,822	29,544,674	29,115,800	33,017,800	13.4%
<u>PARK - GENERAL FUND</u>					
PROPERTY TAXES	46,642,550	47,090,260	47,643,486	47,643,486	0.0%
SALES AND OTHER TAXES	3,931	5,930	3,000	3,000	0.0%

LICENSE AND PERMITS	342,062	250,974	315,000	315,000	0.0%
FEDERAL GOVERNMENT	863,474	55,000			
STATE GOVERNMENT	8,486,646	8,993,074	8,373,308	9,788,088	16.9%
LOCAL GOVERNMENT	1,087,710	205,554	615,420	642,741	4.4%
CHARGES FOR SERVICES	1,136,789	1,318,059	5,128,437	5,813,836	13.4%
CHARGES FOR SALES	113,935	95,685	30,000		-100.0%
FINES AND FORFEITS	483,535	321,106	461,000	311,000	-32.5%
SPECIAL ASSESSMENTS		2,100			
GAINS	23,400				
RENTS	551,155	404,243	1,120,000	1,237,096	10.5%
CONTRIBUTIONS	343,641	158,668	216,500	172,709	-20.2%
OTHER MISC REVENUES	53,231	27,753	25,000	25,000	0.0%
Total PARK - GENERAL FUND	60,132,059	58,928,407	63,931,151	65,951,956	3.2%
<u>PARK - MUSEUM (ART INSTITUTE)</u>					
PROPERTY TAXES	11,634,542	11,146,521	10,181,181	10,248,056	0.7%
STATE GOVERNMENT		(2,003)			
RENTS		5,806			
Total PARK - MUSEUM (ART INSTITUTE)	11,634,542	11,150,324	10,181,181	10,248,056	0.7%
<u>PARK - GRANT & SPECIAL REVENUE</u>					
FEDERAL GOVERNMENT		32,000			
STATE GOVERNMENT	38,373	22,923			
LOCAL GOVERNMENT	1,299,381	1,328,149	1,300,000	1,300,000	0.0%
CHARGES FOR SERVICES	16,940	51,476			
CHARGES FOR SALES	43	80			
FINES AND FORFEITS	3,349	7,024	6,000	6,000	0.0%
RENTS	129,182	131,618	21,600	21,600	0.0%
CONTRIBUTIONS	96,101	146,961			
OTHER MISC REVENUES	40,543	32,816	3,000	3,000	0.0%
Total PARK - GRANT & SPECIAL REVENUE	1,623,912	1,753,048	1,330,600	1,330,600	0.0%
<u>PARK-SPEC REV-INTEREST BEARING</u>					
PROPERTY TAXES				990,780	
LOCAL GOVERNMENT				200,000	
CHARGES FOR SALES	19,653				
INTEREST	(3,996)	177			
CONTRIBUTIONS	5,000				
Total PARK-SPEC REV-INTEREST BEARING	20,658	177		1,190,780	
<u>LIBRARY - GENERAL FUND</u>					
PROPERTY TAXES	(239)				
Total LIBRARY - GENERAL FUND	(239)				
<u>HISTORIC PRESERVATION FUND</u>					
CHARGES FOR SERVICES	600				
RENTS	76,680	88,932			
OTHER MISC REVENUES	180	430			
Total HISTORIC PRESERVATION FUND	77,460	89,362			
<u>MUNICIPAL BUILDING COMMISSION</u>					
STATE GOVERNMENT	192,755	193,067		228,957	
LOCAL GOVERNMENT	6,982				
CHARGES FOR SERVICES	7,607,300	8,040,314	8,153,095	8,254,100	1.2%
CHARGES FOR SALES	3,260	2,923	6,000	6,000	0.0%
RENTS	2,336	2,561			
OTHER MISC REVENUES	11,598	36,430			
Total MUNICIPAL BUILDING COMMISSION	7,824,230	8,275,295	8,159,095	8,489,057	4.0%
<u>JOINT BOARD</u>					
CHARGES FOR SERVICES	10,050	2,500			
INTEREST	514	373			
Total JOINT BOARD	10,564	2,873			
<u>YOUTH COORDINATING BOARD</u>					
FEDERAL GOVERNMENT	64,803	64,803	64,803	64,803	0.0%
LOCAL GOVERNMENT	1,165,608	2,528,712	972,521	1,044,021	7.4%
INTEREST	14,032	9,813			
GAINS				10,000	
RENTS	12,000	12,000			
CONTRIBUTIONS	421,962	461,281	518,000	455,000	-12.2%
OTHER MISC REVENUES	61	273	14,000		-100.0%
Total YOUTH COORDINATING BOARD	1,678,465	3,076,882	1,569,324	1,573,824	0.3%
<u>NEIGHBORHOOD REVITAL POLICY</u>					
STATE GOVERNMENT	1,162,421				
INTEREST	631	1,622			

OTHER MISC REVENUES	45,362	11,612			
Total NEIGHBORHOOD REVITAL POLICY	1,208,414	13,234			
<u>PUBLIC HOUSING AUTHORITY</u>					
PROPERTY TAXES			196,000		-100.0%
Total PUBLIC HOUSING AUTHORITY			196,000		-100.0%
TOTAL SPECIAL REVENUE	363,953,083	362,067,560	279,916,157	233,007,586	-16.8%

CAPITAL PROJECT

VARIOUS PURPOSE BONDS

INTEREST	56,542	100,792			
LONG TERM LIABILITIES PROCEEDS	12,180,912				
Total VARIOUS PURPOSE BONDS	12,237,454	100,792			

IMPROV BOND ARBITRAGE

INTEREST	2,058	(957)			
LONG TERM LIABILITIES PROCEEDS	8,741,601				
Total IMPROV BOND ARBITRAGE	8,743,659	(957)			

May 08 Library Ref Bonds

INTEREST	(843)				
Total May 08 Library Ref Bonds	(843)				

CAPITAL IMPROVEMENTS

PROPERTY TAXES	1,877,964	1,006,591	980,000		-100.0%
SALES AND OTHER TAXES	158	126			
LICENSE AND PERMITS	243,305	283,084	260,000	260,000	0.0%
FEDERAL GOVERNMENT	8,368,929	10,918,754	1,120,000	5,449,000	386.5%
STATE GOVERNMENT	10,545,440	15,138,783	8,373,000	12,811,000	53.0%
LOCAL GOVERNMENT	2,080,589	6,549,552	14,566,000	1,463,000	-90.0%
CHARGES FOR SERVICES	3,488,558	12,608,394	8,840,000	8,100,000	-8.4%
CHARGES FOR SALES	106,616	172,462			
SPECIAL ASSESSMENTS	1,325,562	1,382,722	13,665,000	10,345,000	-24.3%
CONTRIBUTIONS		20,000			
OTHER MISC REVENUES	689,322	1,251,877	663,500	480,000	-27.7%
LONG TERM LIABILITIES PROCEEDS			32,586,000	24,690,000	-24.2%
Total CAPITAL IMPROVEMENTS	28,726,444	49,332,344	81,053,500	63,598,000	-21.5%

PARK - CAPITAL IMPROVEMENTS

FEDERAL GOVERNMENT	294,478	561,690			
STATE GOVERNMENT	10,273,827	6,670,495			
LOCAL GOVERNMENT	1,916,372	1,031,865	375,000		-100.0%
CHARGES FOR SERVICES	178,347				
CONTRIBUTIONS	41,704	60,979			
OTHER MISC REVENUES	488,495	468,225			
LONG TERM LIABILITIES PROCEEDS			5,000,000	2,500,000	-50.0%
Total PARK - CAPITAL IMPROVEMENTS	13,193,222	8,793,253	5,375,000	2,500,000	-53.5%

PARK-CAPITAL IMPROVE-ASSESSED

SPECIAL ASSESSMENTS			300,000		-100.0%
OTHER MISC REVENUES	70,317	106,750			
LONG TERM LIABILITIES PROCEEDS				300,000	
Total PARK-CAPITAL IMPROVE-ASSESSED	70,317	106,750	300,000	300,000	0.0%

MBC - CAPITAL IMPROVEMENTS

CHARGES FOR SERVICES	1,053,305	1,113,152			
LONG TERM LIABILITIES PROCEEDS			1,854,000	995,000	-46.3%
Total MBC - CAPITAL IMPROVEMENTS	1,053,305	1,113,152	1,854,000	995,000	-46.3%
TOTAL CAPITAL PROJECT	64,023,558	59,445,334	88,582,500	67,393,000	-23.9%

DEBT SERVICE

ECONOMIC DEVELOPMENT

SPECIAL ASSESSMENTS	3,650				
INTEREST	31,496	19,084			
LONG TERM LIABILITIES PROCEEDS		8,207,528			
Total ECONOMIC DEVELOPMENT	35,146	8,226,612			

IMPROV BOND D/S

SPECIAL ASSESSMENTS	6,956,099	8,123,603		7,886,148	
INTEREST	5,648	23,063			
LONG TERM LIABILITIES PROCEEDS		4,751,237			
Total IMPROV BOND D/S	6,961,747	12,897,903		7,886,148	

BOND REDEM ARBIT IMP BOND

SPECIAL ASSESSMENTS	426,572	421,418			
INTEREST	4,943	615			
Total BOND REDEM ARBIT IMP BOND	431,515	422,033			

Diseased Tree Assessment D/S

SPECIAL ASSESSMENTS	511,886	434,274		256,400	
INTEREST	16,441	14,709			
Total Diseased Tree Assessment D/S	528,326	448,983		256,400	

BOND REDEMPTION - DEBT SERVICE

PROPERTY TAXES	17,749,894	18,797,175	20,776,000	28,714,000	38.2%
SALES AND OTHER TAXES	1,563	2,355			
STATE GOVERNMENT	27,481	30,896			
SPECIAL ASSESSMENTS	704	401			
INTEREST	99,070	128,270			
OTHER MISC REVENUES		33,500			
Total BOND REDEMPTION - DEBT SERVICE	17,878,712	18,992,596	20,776,000	28,714,000	38.2%

OTH SELF SUPPORTING DEBT SERVC

INTEREST	1,807	(390)			
RENTS	58,173	307,175			
OTHER MISC REVENUES	662,525	663,250			
Total OTH SELF SUPPORTING DEBT SERVC	722,504	970,035			

PENSION FUND DEBT SERVICE

PROPERTY TAXES		1,141			
INTEREST	209,109	228,145			
OTHER MISC REVENUES	187,200	480,000			
Total PENSION FUND DEBT SERVICE	396,309	709,286			

Library Ref Debt Service

PROPERTY TAXES	9,168,057	9,239,773	9,114,000	9,114,000	0.0%
INTEREST	29,646	55,457			
LONG TERM LIABILITIES PROCEEDS	42,646,753	29,414,801			
Total Library Ref Debt Service	51,844,456	38,710,031	9,114,000	9,114,000	0.0%

CONVENTION CENTER-DEBT SERVICE

INTEREST	33,097	280			
RENTS	301,970	241,677			
LONG TERM LIABILITIES PROCEEDS	147,063,973				
Total CONVENTION CENTER-DEBT SERVICE	147,399,040	241,957			

TARGET CENTER

INTEREST	246	(224)			
Total TARGET CENTER	246	(224)			

BOND REDEMPTION - ASSESSMENT

SPECIAL ASSESSMENTS	561,066	456,805			
INTEREST	32,140	31,328			
Total BOND REDEMPTION - ASSESSMENT	593,206	488,133			

TOTAL DEBT SERVICE	226,791,209	82,107,345	29,890,000	45,970,548	53.8%
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INTERNAL SERVICE**MATERIALS & LAB-INTERNAL SVC**

CHARGES FOR SERVICES	1,438,398	1,468,013	1,200,000	1,402,927	16.9%
CHARGES FOR SALES	373,353	520,854	300,000	400,000	33.3%
Total MATERIALS & LAB-INTERNAL SVC	1,811,751	1,988,867	1,500,000	1,802,927	20.2%

EQUIPMENT - INTERNAL SERVICE

FEDERAL GOVERNMENT	10,049				
STATE GOVERNMENT	3,350				
CHARGES FOR SERVICES	5,567,450	8,066,204	7,655,758	9,481,506	23.8%
CHARGES FOR SALES	4,181,333	8,775,605	8,654,222	11,195,507	29.4%
GAINS	35,664	232,662	200,000	10,000	-95.0%
RENTS	24,250,302	24,584,396	22,342,550	17,394,046	-22.1%
OTHER MISC REVENUES	301,234	927,404	10,000	421,849	4118.5%
LONG TERM LIABILITIES PROCEEDS	4,315		600,000	300,000	-50.0%
Total EQUIPMENT - INTERNAL SERVICE	34,353,698	42,586,272	39,462,530	38,802,908	-1.7%

Property Services

FEDERAL GOVERNMENT	26,895				
STATE GOVERNMENT	8,965				
CHARGES FOR SERVICES	6,085,346	2,874,161	1,785,000	1,888,642	5.8%
CHARGES FOR SALES	301,160	460,815	360,325	324,293	-10.0%
RENTS	12,700,464	13,240,213	13,965,731	14,350,830	2.8%

OTHER MISC REVENUES	76,727	23,140	3,000	3,000	0.0%
Total Property Services	19,199,555	16,598,329	16,114,056	16,566,765	2.8%
Property Disposition Fund					
GAINS	665,313				
Total Property Disposition Fund	665,313				
STORES - INTERNAL SERVICE					
CHARGES FOR SERVICES	898,798	1,875,260	1,025,000	1,105,000	7.8%
CHARGES FOR SALES	12,797	54,429	10,000	10,000	0.0%
Total STORES - INTERNAL SERVICE	911,595	1,929,689	1,035,000	1,115,000	7.7%
INFO TECH - INTERNAL SERVICE					
FEDERAL GOVERNMENT	3,080	11,631			
STATE GOVERNMENT	1,027				
LOCAL GOVERNMENT	197,363				
CHARGES FOR SERVICES	30,352,260	32,597,755	28,973,030	29,681,237	2.4%
CHARGES FOR SALES	10,823	9,023	10,000		-100.0%
GAINS	(6,584)				
OTHER MISC REVENUES	883	1,733			
LONG TERM LIABILITIES PROCEEDS			1,150,000	2,050,000	78.3%
Total INFO TECH - INTERNAL SERVICE	30,558,850	32,620,142	30,133,030	31,731,237	5.3%
SELF INSURANCE-INTERNAL SVC					
CHARGES FOR SERVICES	25,149,011	26,229,317	27,670,448	29,045,449	5.0%
INTEREST	1,974				
OTHER MISC REVENUES	1,700,900	1,177,679	1,010,000	1,010,000	0.0%
Total SELF INSURANCE-INTERNAL SVC	26,851,885	27,406,996	28,680,448	30,055,449	4.8%
PARK - INTERNAL SERVICE					
CHARGES FOR SERVICES	919,672	1,025,334	1,234,080	1,532,685	24.2%
CHARGES FOR SALES	24,186	32,589	33,000	33,000	0.0%
SPECIAL ASSESSMENTS	7,623				
GAINS	41,970				
RENTS	4,257,160	3,925,238	4,104,903	4,444,497	8.3%
OTHER MISC REVENUES	29,042	13,915			
Total PARK - INTERNAL SERVICE	5,279,653	4,997,076	5,371,983	6,010,182	11.9%
PARK-SELF INSURE-INTERNAL SVC					
OTHER MISC REVENUES	2,313,409	2,206,811	1,975,221	2,015,656	2.0%
Total PARK-SELF INSURE-INTERNAL SVC	2,313,409	2,206,811	1,975,221	2,015,656	2.0%
TOTAL INTERNAL SERVICE	121,945,708	130,334,182	124,272,268	128,100,124	3.1%

ENTERPRISE

ECONOMIC DEVELOPMENT

CHARGES FOR SERVICES	3,199,348	3,458,875		400,000	
CHARGES FOR SALES	5,000				
INTEREST	186,217	48,035			
RENTS	275,000	275,000			
OTHER MISC REVENUES			625,000		-100.0%
Total ECONOMIC DEVELOPMENT	3,665,565	3,781,910	625,000	400,000	-36.0%

SURFACE WATER & SEWER-SANITARY

LICENSE AND PERMITS	100,751	187,638	150,000	150,000	0.0%
CHARGES FOR SERVICES	49,044,693	62,044,970	54,659,421	55,113,522	0.8%
SPECIAL ASSESSMENTS	350,084	94,626	154,100		-100.0%
GAINS		18,868			
OTHER MISC REVENUES	30				
LONG TERM LIABILITIES PROCEEDS			6,000,000	6,000,000	0.0%
Total SURFACE WATER & SEWER-SANITARY	49,495,559	62,346,101	60,963,521	61,263,522	0.5%

SURFACE WATER & SEWER-STORMWATER

FEDERAL GOVERNMENT	420,812				
STATE GOVERNMENT	1,938,423	1,716,909	669,614	1,158,154	73.0%
LOCAL GOVERNMENT	399,558	609,666	245,517	499,559	103.5%
CHARGES FOR SERVICES	38,170,596	38,471,436	41,373,999	41,358,911	0.0%
CHARGES FOR SALES	460	1,881			
FINES AND FORFEITS	25,895	39,241	45,000	45,000	0.0%
SPECIAL ASSESSMENTS	809,403	965,585	105,100	45,000	-57.2%
GAINS		16,168			
OTHER MISC REVENUES	4,170	66			
LONG TERM LIABILITIES PROCEEDS			8,000,000	7,700,000	-3.8%
Total SURFACE WATER & SEWER-STORMWATER	41,769,317	41,820,952	50,439,230	50,806,624	0.7%

WATER - ENTERPRISE

LICENSE AND PERMITS	6,364	43,666	6,500	14,000	115.4%
FEDERAL GOVERNMENT	280,128	10,455			
STATE GOVERNMENT	93,376	3,136			
LOCAL GOVERNMENT		428,349			
CHARGES FOR SERVICES	68,469,693	78,851,005	77,332,086	78,684,771	1.7%
CHARGES FOR SALES	12,131	105,319			
SPECIAL ASSESSMENTS	1,057,759	1,204,006			
OTHER MISC REVENUES	14,998	46,749			
LONG TERM LIABILITIES PROCEEDS			2,000,000	8,000,000	300.0%
Total WATER - ENTERPRISE	69,934,449	80,692,684	79,338,586	86,698,771	9.3%
<u>MUNICIPAL PARKING-ENTERPRISE</u>					
LICENSE AND PERMITS	268,536	317,212	240,000	275,000	14.6%
CHARGES FOR SERVICES	50,571,185	52,284,518	53,627,074	56,256,900	4.9%
CHARGES FOR SALES	1,778,621	1,411,253	1,500,000	1,500,000	0.0%
SPECIAL ASSESSMENTS	57,420	57,405	543,157	543,157	0.0%
RENTS	2,393	2,118	1		-100.0%
OTHER MISC REVENUES	9,175	9,664	2		-100.0%
LONG TERM LIABILITIES PROCEEDS			1,700,000		-100.0%
Total MUNICIPAL PARKING-ENTERPRISE	52,687,331	54,082,171	57,610,234	58,575,057	1.7%
<u>SOLID WASTE - ENTERPRISE</u>					
LICENSE AND PERMITS		(369)			
FEDERAL GOVERNMENT	80,150				
STATE GOVERNMENT	37,086	10,350	10,500	10,500	0.0%
LOCAL GOVERNMENT	889,675	864,448	880,000	880,000	0.0%
CHARGES FOR SERVICES	29,205,652	29,390,060	28,947,436	29,536,258	2.0%
CHARGES FOR SALES	2,173,123	1,611,178	1,250,500	766,793	-38.7%
FINES AND FORFEITS	75				
SPECIAL ASSESSMENTS	475,432	265,560	224,000	179,200	-20.0%
GAINS	19,909	19,320			
RENTS	15	15			
OTHER MISC REVENUES	40	381			
Total SOLID WASTE - ENTERPRISE	32,881,156	32,160,943	31,312,436	31,372,751	0.2%
<u>PARK - OPERATIONS - ENTERPRISE</u>					
FRANCHISE FEES	(51)				
LICENSE AND PERMITS	2,900	7,400			
FEDERAL GOVERNMENT	129,981	230,893			
STATE GOVERNMENT	117,379	83,340			
LOCAL GOVERNMENT	28,296	373,971			
CHARGES FOR SERVICES	11,110,201	12,021,577	9,529,078	9,677,908	1.6%
CHARGES FOR SALES	186	28			
INTEREST	290	447			
RENTS	1,968,295	2,609,180	1,091,931	1,144,931	4.9%
CONTRIBUTIONS	390,179	210,821	25,000	25,000	0.0%
OTHER MISC REVENUES	54,641	40,475	16,000	16,000	0.0%
LONG TERM LIABILITIES PROCEEDS	1,303	1,245			
Total PARK - OPERATIONS - ENTERPRISE	13,803,601	15,579,378	10,662,009	10,863,839	1.9%
<u>LIBRARY PKG ENTERPRISE FUND</u>					
INTEREST	389	335			
Total LIBRARY PKG ENTERPRISE FUND	389	335			
TOTAL ENTERPRISE	263,237,366	290,464,474	290,951,016	299,980,564	3.1%
<u>TOTAL ALL FUNDS</u>					
TOTAL ALL FUNDS	1,392,452,906	1,308,570,451	1,182,243,579	1,238,423,424	4.8%

SCHEDULE THREE
EXPENSES BY FUND AND DEPARTMENT
(excludes transfers)

	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	% change
<u>GENERAL</u>					
<u>GENERAL FUND</u>					
ASSESSOR	4,008,562	3,920,114	4,314,926	4,628,603	7.3%
ATTORNEY	7,718,605	7,852,044	8,074,265	8,675,256	7.4%
CITY CLERK	3,531,264	3,415,885	3,778,774	3,811,659	0.9%
CITY COUNCIL	3,368,658	4,176,850	4,537,840	4,729,509	4.2%
FIRE	52,616,998	52,617,402	53,790,402	59,015,853	9.7%
CIVIL RIGHTS	2,055,497	2,151,720	2,462,505	2,879,506	16.9%
MAYOR	1,496,254	1,448,755	1,598,248	1,696,755	6.2%
POLICE	126,133,109	128,484,712	131,564,104	143,292,615	8.9%
REGULATORY SERVICES	27,607,289	31,333,030	13,336,113	15,783,805	18.4%
INTERNAL AUDIT	450,726	398,070	382,136	491,487	28.6%
MINNEAPOLIS HEALTH DEPARTMENT	3,299,890	2,431,602	6,945,829	7,402,549	6.6%
PW - TRANSPORTATION PLANNING AND ENGINEERING	2,021,457	2,438,966	2,739,596	4,930,931	80.0%
PW - TRANSPORTATION MAINTENANCE AND REPAIR	27,263,654	28,826,567	27,684,763	30,253,386	9.3%
PW - ADMINISTRATIVE SERVICES	2,618,287	2,539,688	2,870,538	2,975,098	3.6%
PW - TRAFFIC AND PARKING SERVICES	12,301,252	13,515,492	14,234,245	15,448,184	8.5%
HUMAN RESOURCES	5,913,448	5,187,960	7,129,277	6,986,224	-2.0%
FINANCE AND PROPERTY SERV	19,164,698	19,242,817	20,322,781	21,876,679	7.6%
911	7,251,399	7,282,423	7,725,520	8,131,838	5.3%
311	3,042,577	3,110,674	3,121,904	3,540,223	13.4%
CITY COORDINATOR	1,371,920	1,558,558	1,628,112	2,191,677	34.6%
INTERGOVERNMENTAL RELATIONS	1,403,340	1,341,172	1,509,560	1,633,658	8.2%
COMMUNICATIONS	2,299,694	2,103,836	2,135,305	2,189,887	2.6%
EMERGENCY MANAGEMENT	951,634	610,218	692,649	717,039	3.5%
NEIGHBORHOOD & COMMUNITY RELATIONS	875,991	1,029,081	933,611	1,039,000	11.3%
INFORMATION TECHNOLOGY		50,000	200,000	725,000	262.5%
GENERAL REVENUES				200,000	
GENERAL FUND CONTINGENCY	373,591	11,324	3,883,246	4,000,000	3.0%
LIBRARY BOARD			4,106,000	3,238,000	-21.1%
COMMUNITY PLANNING & ECONOMIC DEVELOPMENT	3,257,106	3,546,791	20,034,403	30,111,442	50.3%
Total GENERAL FUND	322,396,900	330,625,749	351,736,652	392,595,862	11.6%
TOTAL GENERAL	322,396,900	330,625,749	351,736,652	392,595,862	11.6%
<u>SPECIAL REVENUE</u>					
<u>ECONOMIC DEVELOPMENT</u>					
COMMUNITY PLANNING & ECONOMIC DEVELOPMENT	44,749,755	37,026,559	34,260,991	31,025,749	
Total ECONOMIC DEVELOPMENT	44,749,755	37,026,559	34,260,991	31,025,749	
<u>BOARD OF ESTIMATE AND TAXATION</u>					
BOARD OF ESTIMATE & TAXATION	166,191	171,987	177,500	179,800	1.3%
Total BOARD OF ESTIMATE AND TAXATION	166,191	171,987	177,500	179,800	1.3%
<u>Downtown Improvement District</u>					
PW - TRANSPORTATION MAINTENANCE AND REPAIR	5,949,122	6,001,187	5,800,000	5,800,000	0.0%
Total Downtown Improvement District	5,949,122	6,001,187	5,800,000	5,800,000	0.0%
<u>POLICE DEPT - SPECIAL REVENUE</u>					
POLICE	2,275,388	2,185,859	1,740,437	2,181,380	25.3%
Total POLICE DEPT - SPECIAL REVENUE	2,275,388	2,185,859	1,740,437	2,181,380	25.3%
<u>ARENA - RESERVE</u>					
CONVENTION CENTER	3,018,017	3,393,241	5,707,000	6,931,832	21.5%
Total ARENA - RESERVE	3,018,017	3,393,241	5,707,000	6,931,832	21.5%

GRANTS - FEDERAL					
ATTORNEY	609,132	375,916	288,720	299,596	3.8%
FIRE	107,680	540,957	534,462	289,463	-45.8%
CIVIL RIGHTS	4,110	73,901			
POLICE	3,916,197	2,633,136	1,646,280	1,196,020	-27.4%
REGULATORY SERVICES	2,067,308	503,649			
MINNEAPOLIS HEALTH DEPARTMENT	6,212,762	4,834,788	4,781,646	5,054,475	5.7%
PW - TRANSPORTATION MAINTENANCE AND REPAIR	69,837				
PW - PROPERTY SERVICES		(92)			
FINANCE AND PROPERTY SERV	776,266	2,732,497	53,797	55,359	2.9%
911	3,756				
311	4,453				
CITY COORDINATOR	54,368	52,302			
INTERGOVERNMENTAL RELATIONS	5,840	10,185			
COMMUNICATIONS	3,233				
EMERGENCY MANAGEMENT	2,190,271	2,860,708	1,000,000	1,000,000	0.0%
CAPITAL IMPROVEMENTS	4,531,697	2,432,803			
COMMUNITY PLANNING & ECONOMIC DEVELOPMENT	15,086,433	15,476,961	2,700,000	2,658,812	-1.5%
Total GRANTS - FEDERAL	35,643,343	32,527,710	11,004,905	10,553,724	-4.1%
CDBG & UDAG FUNDS					
ATTORNEY	54,929	29,437			
FIRE	541,095	546,810			
CIVIL RIGHTS	344,281	311,798	361,900	307,600	-15.0%
POLICE	908,801	1,040,442	876,600	746,300	-14.9%
REGULATORY SERVICES	740,952	193,607	210,700	88,100	-58.2%
MINNEAPOLIS HEALTH DEPARTMENT	1,165,977	838,134	668,500	598,000	-10.5%
PW - TRANSPORTATION MAINTENANCE AND REPAIR		(0)			
FINANCE AND PROPERTY SERV	197,309	196,000	194,400	165,300	-15.0%
INTERGOVERNMENTAL RELATIONS	1,130,684	1,195,261	1,260,113	1,177,000	-6.6%
NEIGHBORHOOD & COMMUNITY RELATIONS	198,000	191,736	347,867	102,000	-70.7%
NON DEPARTMENTAL	221,286	98,257	65,400	66,000	0.9%
COMMUNITY PLANNING & ECONOMIC DEVELOPMENT	11,808,721	14,813,360	10,370,978	9,699,722	-6.5%
Total CDBG & UDAG FUNDS	17,312,036	19,454,841	14,356,457	12,950,022	-9.8%
HOME					
INTERGOVERNMENTAL RELATIONS	7,140	20,885	15,000	15,000	0.0%
COMMUNITY PLANNING & ECONOMIC DEVELOPMENT	3,704,665	5,038,475	2,152,961	2,152,961	0.0%
Total HOME	3,711,805	5,059,361	2,167,961	2,167,961	0.0%
GRANTS - OTHER					
ATTORNEY	146,690	162,598	85,000	85,000	0.0%
FIRE	10,155	86,817	10,000	10,000	0.0%
CIVIL RIGHTS	5,920	9,515			
MAYOR	65,499	80,803			
POLICE	487,546	320,947	271,357	291,201	7.3%
REGULATORY SERVICES	7,181,667	37,143		75,000	
MINNEAPOLIS HEALTH DEPARTMENT	5,335,011	5,074,031	4,534,932	4,697,134	3.6%
PW - PROPERTY SERVICES		(742)			
PW - WATER TREATMENT & DISTR.	70	1,930			
HUMAN RESOURCES	118	(580)			
FINANCE AND PROPERTY SERV	532,758	325,123	34,375	30,507	-11.3%
911	588,883	457,755	515,480	515,480	0.0%
311		1,232			
CITY COORDINATOR	13,000	11,908			
EMERGENCY MANAGEMENT		50,000			
NEIGHBORHOOD & COMMUNITY RELATIONS	68,580	5,000			
INFORMATION TECHNOLOGY		25,000			
CAPITAL IMPROVEMENTS		3,000			
COMMUNITY PLANNING & ECONOMIC DEVELOPMENT	12,986,384	19,266,336	2,100,000	2,100,000	0.0%
Total GRANTS - OTHER	27,422,281	25,917,817	7,551,144	7,804,322	3.4%

CONVENTION CENTER OPERATIONS					
CONVENTION CENTER	33,529,180	36,582,625	42,744,514	44,559,326	4.2%
CAPITAL IMPROVEMENTS		3,905,033			
DEBT SERVICE		7,392			
Total CONVENTION CENTER OPERATIONS	33,529,180	40,495,050	42,744,514	44,559,326	4.2%
<u>NCR - SPECIAL REVENUE</u>					
NEIGHBORHOOD & COMMUNITY RELATIONS	2,688,839	3,036,377	1,303,741	5,149,480	295.0%
Total NCR - SPECIAL REVENUE	2,688,839	3,036,377	1,303,741	5,149,480	295.0%
<u>Regulatory Services Special Revenue Fund</u>					
REGULATORY SERVICES		4,830,937	4,599,435	4,604,319	0.1%
COMMUNITY PLANNING & ECONOMIC DEVELOPMENT			359,826	500,000	39.0%
Total Regulatory Services Special Revenue Fund		4,830,937	4,959,261	5,104,319	2.9%
<u>EMPLOYEE RETIREMENT</u>					
MPLS EMPLOYEE RETIREMENT FD	27,554,278	28,589,279	29,115,800	33,017,800	13.4%
Total EMPLOYEE RETIREMENT	27,554,278	28,589,279	29,115,800	33,017,800	13.4%
<u>PARK - GENERAL FUND</u>					
PARK BOARD	54,634,071	54,465,261	64,001,151	65,921,956	3.0%
Total PARK - GENERAL FUND	54,634,071	54,465,261	64,001,151	65,921,956	3.0%
<u>PARK - MUSEUM (ART INSTITUTE)</u>					
PARK BOARD	11,634,542	11,150,324	10,181,181	10,248,056	0.7%
Total PARK - MUSEUM (ART INSTITUTE)	11,634,542	11,150,324	10,181,181	10,248,056	0.7%
<u>PARK - GRANT & SPECIAL REVENUE</u>					
PARK BD - CAP IMPROV	115,571	196,199			
PARK BOARD	20,266	249,656	30,600	30,600	0.0%
Total PARK - GRANT & SPECIAL REVENUE	135,837	445,855	30,600	30,600	0.0%
<u>PARK-SPEC REV-INTEREST BEARING</u>					
PARK BD - CAP IMPROV		2,407			
PARK BOARD				1,190,780	
Total PARK-SPEC REV-INTEREST BEARING		2,407		1,190,780	
<u>LIBRARY - CAPITAL IMPROVEMENTS</u>					
CAPITAL IMPROVEMENTS	1,040,000				
Total LIBRARY - CAPITAL IMPROVEMENTS	1,040,000				
<u>HISTORIC PRESERVATION FUND</u>					
MUNICIPAL BUILDING COMMISSION	132,386	12,630			
Total HISTORIC PRESERVATION FUND	132,386	12,630			
<u>MUNICIPAL BUILDING COMMISSION</u>					
MUNICIPAL BUILDING COMMISSION	7,846,526	8,447,109	8,219,078	8,634,082	5.0%
Total MUNICIPAL BUILDING COMMISSION	7,846,526	8,447,109	8,219,078	8,634,082	5.0%
<u>JOINT BOARD</u>					
NON-CPED	43,724	9,995			
Total JOINT BOARD	43,724	9,995			
<u>YOUTH COORDINATING BOARD</u>					
YOUTH COORDINATING BOARD	1,179,182	1,605,742	1,570,808	1,573,824	0.2%
Total YOUTH COORDINATING BOARD	1,179,182	1,605,742	1,570,808	1,573,824	0.2%
<u>NEIGHBORHOOD REVITAL POLICY</u>					
NEIGH REVITALIZATN POL BD	1,266,066	646,261			
Total NEIGHBORHOOD REVITAL POLICY	1,266,066	646,261			
<u>PUBLIC HOUSING AUTHORITY</u>					
MPHA	(697,625)	115,026	196,000		-100.0%
Total PUBLIC HOUSING AUTHORITY	(697,625)	115,026	196,000		-100.0%
TOTAL SPECIAL REVENUE	281,234,944	285,590,814	245,088,530	255,025,015	4.1%
<u>CAPITAL PROJECT</u>					
<u>VARIOUS PURPOSE BONDS</u>					
DEBT SERVICE	48,272				
Total MAY 11 VARIOUS PURPOSE BONDS	48,272				
<u>CAPITAL IMPROVEMENTS</u>					
PW - TRANSPORTATION PLANNING AND ENGINEERING	6,784,831	6,926,916	6,965,245	7,683,343	10.3%
PW - TRANSPORTATION MAINTENANCE AND REPAIR	573,190	875,884	698,134	712,953	2.1%
CAPITAL IMPROVEMENTS	36,944,006	72,297,236	77,747,000	60,638,000	-22.0%
COMMUNITY PLANNING & ECONOMIC DEVELOPMENT	282,981	174,656	605,000	480,000	-20.7%
Total CAPITAL IMPROVEMENTS	44,585,007	80,274,692	86,015,378	69,514,296	-19.2%

<u>PARK - CAPITAL IMPROVEMENTS</u>					
PARK BD - CAP IMPROV	15,651,780	14,869,543	7,500,000	5,711,000	-23.9%
Total PARK - CAPITAL IMPROVEMENTS	15,651,780	14,869,543	7,500,000	5,711,000	-23.9%
<u>PARK-CAPITAL IMPROVE-ASSESSED</u>					
PARK BD - CAP IMPROV	283,656	233,292	300,000	300,000	0.0%
Total PARK-CAPITAL IMPROVE-ASSESSED	283,656	233,292	300,000	300,000	0.0%
<u>MBC - CAPITAL IMPROVEMENTS</u>					
CAPITAL IMPROVEMENTS	1,812,862	2,107,726	1,854,000	995,000	-46.3%
Total MBC - CAPITAL IMPROVEMENTS	1,812,862	2,107,726	1,854,000	995,000	-46.3%
TOTAL CAPITAL PROJECT	62,381,577	97,485,252	95,669,378	76,520,296	-20.0%
<u>DEBT SERVICE</u>					
<u>IMPROVEMENT BONDS</u>					
DEBT SERVICE	6,925,112	12,967,685	8,825,528	10,025,832	13.6%
Total IMPROVEMENT BONDS	6,925,112	12,967,685	8,825,528	10,025,832	13.6%
<u>ECONOMIC DEVELOPMENT</u>					
COMMUNITY PLANNING & ECONOMIC DEVELOPMENT	16,122,177	27,375,135	12,573,769	6,880,308	-45.3%
Total ECONOMIC DEVELOPMENT	16,122,177	27,375,135	12,573,769	6,880,308	-45.3%
<u>BOND REDEM ARBIT 6/93 IMP BOND</u>					
DEBT SERVICE	148,294	300,153			
Total BOND REDEM ARBIT 6/93 IMP BOND	148,294	300,153			
<u>Diseased Tree Assessment D/S</u>					
DEBT SERVICE	377,167	490,200	370,800	256,400	-30.9%
Total Diseased Tree Assessment D/S	377,167	490,200	370,800	256,400	-30.9%
<u>BOND REDEMPTION - DEBT SERVICE</u>					
DEBT SERVICE	18,596,591	12,842,971	17,174,078	30,759,183	79.1%
Total BOND REDEMPTION - DEBT SERVICE	18,596,591	12,842,971	17,174,078	30,759,183	79.1%
<u>OTH SELF SUPPORTING DEBT SERVC</u>					
DEBT SERVICE	720,698	970,425	662,900	971,079	46.5%
Total OTH SELF SUPPORTING DEBT SERVC	720,698	970,425	662,900	971,079	46.5%
<u>PENSION FUND DEBT SERVICE</u>					
DEBT SERVICE	41,813,013	53,216,413			
Total PENSION FUND DEBT SERVICE	41,813,013	53,216,413			
<u>Library Ref Debt Service</u>					
DEBT SERVICE	51,691,383	38,537,706	8,897,473	9,097,627	2.2%
Total Library Ref Debt Service	51,691,383	38,537,706	8,897,473	9,097,627	2.2%
<u>CONVENTION CENTER-DEBT SERVICE</u>					
DEBT SERVICE	169,675,936	20,075,475	17,532,928	18,861,125	7.6%
Total CONVENTION CENTER-DEBT SERVICE	169,675,936	20,075,475	17,532,928	18,861,125	7.6%
<u>TARGET CENTER</u>					
DEBT SERVICE	3,636,904	5,005,951	5,272,286	4,250,333	-19.4%
Total TARGET CENTER	3,636,904	5,005,951	5,272,286	4,250,333	-19.4%
<u>BOND REDEMPTION - ASSESSMENT</u>					
DEBT SERVICE	35,302	42,580			
Total BOND REDEMPTION - ASSESSMENT	35,302	42,580			
TOTAL DEBT SERVICE	309,742,577	171,824,695	71,309,762	81,101,887	13.7%
<u>INTERNAL SERVICE</u>					
<u>MATERIALS & LAB-INTERNAL SVC</u>					
PW - TRANSPORTATION PLANNING AND ENGINEERING	1,326,086	1,334,525	1,554,292	1,764,107	13.5%
Total MATERIALS & LAB-INTERNAL SVC	1,326,086	1,334,525	1,554,292	1,764,107	13.5%
<u>EQUIPMENT - INTERNAL SERVICE</u>					
PW - FLEET	25,981,876	34,129,799	42,912,094	39,034,500	-9.0%
DEBT SERVICE	723,865	522,632	2,915,575	2,507,050	-14.0%
Total EQUIPMENT - INTERNAL SERVICE	26,705,741	34,652,431	45,827,669	41,541,550	-9.4%
<u>Property Services</u>					
PW - PROPERTY SERVICES	2,752,454	(3,606)			
FINANCE AND PROPERTY SERV	16,012,273	16,160,588	16,301,499	16,781,901	2.9%
DEBT SERVICE	151,500	130,637	873,250	886,350	1.5%
Total Property Services	18,916,227	16,287,619	17,174,749	17,668,251	2.9%

Property Disposition Fund					
CAPITAL IMPROVEMENTS	145,008	17,296			
Total Property Disposition Fund	145,008	17,296			
STORES - INTERNAL SERVICE					
PW - ENG. MATERIALS & TESTING		12,771			
PW - TRAFFIC AND PARKING SERVICES	467,396	393,012	374,017	362,541	-3.1%
FINANCE AND PROPERTY SERV	591,254	740,297	666,157	622,547	-6.5%
Total STORES - INTERNAL SERVICE	1,058,651	1,146,080	1,040,174	985,088	-5.3%
INFO TECH - INTERNAL SERVICE					
CITY CLERK	1,236,541	1,269,265	1,285,931	1,286,165	0.0%
HUMAN RESOURCES	178,979	244,733	267,857	277,121	3.5%
INFORMATION TECHNOLOGY	25,618,605	26,990,544	27,105,672	28,811,114	6.3%
CAPITAL IMPROVEMENTS	(59,829)	(23,190)	1,150,000	2,050,000	78.3%
DEBT SERVICE	276,662	26,027	2,056,848	1,705,795	-17.1%
Total INFO TECH - INTERNAL SERVICE	27,250,958	28,507,378	31,866,308	34,130,195	7.1%
SELF INSURANCE-INTERNAL SVC					
ATTORNEY	6,580,356	6,041,992	6,262,627	6,889,117	10.0%
HUMAN RESOURCES	1,598,244	1,421,362	1,405,944	1,434,713	2.0%
FINANCE AND PROPERTY SERV	2,244,355	2,328,341	2,535,112	2,484,563	-2.0%
HEALTH AND WELFARE	794,353	784,178	2,420,000	2,468,400	2.0%
WORKERS COMPENSATION	8,488,702	9,528,316	6,876,465	7,364,487	7.1%
LIABILITY	10,769,914	3,907,739	8,031,025	8,574,185	6.8%
Total SELF INSURANCE-INTERNAL SVC	30,475,924	24,011,928	27,531,173	29,215,465	6.1%
PARK - INTERNAL SERVICE					
PARK BOARD	5,439,321	4,730,700	5,479,141	5,963,333	8.8%
Total PARK - INTERNAL SERVICE	5,439,321	4,730,700	5,479,141	5,963,333	8.8%
PARK-SELF INSURE-INTERNAL SVC					
PARK BOARD	1,972,075	2,199,789	1,975,221	2,015,656	2.0%
Total PARK-SELF INSURE-INTERNAL SVC	1,972,075	2,199,789	1,975,221	2,015,656	2.0%
TOTAL INTERNAL SERVICE	113,289,990	112,887,745	132,448,726	133,283,644	0.6%
ENTERPRISE					
ECONOMIC DEVELOPMENT					
COMMUNITY PLANNING & ECONOMIC DEVELOPMENT	2,665,596	2,429,460	11,008,074	596,120	-94.6%
Total ECONOMIC DEVELOPMENT	2,665,596	2,429,460	11,008,074	596,120	-94.6%
SURFACE WATER & SEWER-SANITARY					
SURFACE WATER & SEWERS-STORMWATR		687			
SURFACE WATER & SEWERS-SANITARY	42,646,811	51,918,985	46,516,385	48,002,789	3.2%
CAPITAL IMPROVEMENTS	(39,892)	48	8,000,000	8,000,000	0.0%
DEBT SERVICE	517,701	295,488	4,593,868	5,563,571	21.1%
Total SURFACE WATER & SEWER-SANITARY	43,124,620	52,215,207	59,110,253	61,566,360	4.2%
SURFACE WATER & SEWER-STORMWATER					
PW - TRANSPORTATION MAINTENANCE AND REPAIR	7,813,867	8,043,744	8,158,278	9,264,226	13.6%
SURFACE WATER & SEWERS-STORMWATR	12,212,094	13,540,259	17,288,702	19,404,557	12.2%
SURFACE WATER & SEWERS-SANITARY		(331)			
CAPITAL IMPROVEMENTS	(123,817)	999	17,700,000	17,505,000	-1.1%
DEBT SERVICE	670,128	333,962	7,926,693	4,085,047	-48.5%
Total SURFACE WATER & SEWER-STORMWATER	20,572,271	21,918,633	51,073,673	50,258,830	-1.6%
WATER - ENTERPRISE					
PW - WATER TREATMENT & DISTR.	45,884,905	51,611,062	50,901,018	52,424,040	3.0%
CAPITAL IMPROVEMENTS	11,320	831	19,150,000	22,100,000	15.4%
DEBT SERVICE	3,569,353	3,303,893	10,383,376	10,453,578	0.7%
Total WATER - ENTERPRISE	49,465,577	54,915,786	80,434,394	84,977,618	5.6%
MUNICIPAL PARKING-ENTERPRISE					
PW - TRAFFIC AND PARKING SERVICES	36,333,747	39,827,725	38,742,417	37,883,422	-2.2%
CAPITAL IMPROVEMENTS		29,662	1,700,000	1,700,000	0.0%
DEBT SERVICE	4,962,448	4,500,929	20,538,797	16,214,387	-21.1%
Total MUNICIPAL PARKING-ENTERPRISE	41,296,196	44,358,316	60,981,214	55,797,809	-8.5%
SOLID WASTE - ENTERPRISE					
PW - SOLID WASTE	28,810,809	30,741,000	36,829,195	33,378,046	-9.4%
CAPITAL IMPROVEMENTS	(4,838)			2,500,000	

Total SOLID WASTE - ENTERPRISE	28,805,971	30,741,000	36,829,195	35,878,046	-2.6%
<u>PARK - OPERATIONS - ENTERPRISE</u>					
PARK BOARD	13,279,001	14,182,547	10,045,866	9,855,199	-1.9%
Total PARK - OPERATIONS - ENTERPRISE	13,279,001	14,182,547	10,045,866	9,855,199	-1.9%
TOTAL ENTERPRISE	199,209,232	220,760,950	299,575,401	298,929,981	-0.2%
TOTAL ALL FUNDS	1,288,255,219	1,219,175,205	1,195,828,450	1,237,456,686	3.5%

SCHEDULE THREE
EXPENSES BY DEPARTMENT
(excludes transfers)

	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	% change
ASSESSOR	4,008,562	3,920,114	4,314,926	4,628,603	7.3%
ATTORNEY	15,109,712	14,461,987	14,710,611	15,948,969	8.4%
CITY CLERK	4,767,805	4,685,149	5,064,705	5,097,824	0.7%
CITY COUNCIL	3,368,658	4,176,850	4,537,840	4,729,509	4.2%
FIRE	53,275,928	53,791,986	54,334,865	59,315,316	9.2%
CIVIL RIGHTS	2,409,809	2,546,934	2,824,405	3,187,106	12.8%
NON-CPED	43,724	9,995			
MAYOR	1,561,753	1,529,558	1,598,248	1,696,755	6.2%
POLICE	133,721,041	134,665,095	136,098,777	147,707,515	8.5%
REGULATORY SERVICES	37,597,216	36,898,365	18,146,248	20,551,224	13.3%
INTERNAL AUDIT	450,726	398,070	382,136	491,487	28.6%
MINNEAPOLIS HEALTH DEPARTMENT	16,013,640	13,178,555	16,930,908	17,752,158	4.9%
PW - TRANSPORTATION PLANNING AND ENGINEERING	10,132,374	10,700,407	11,259,133	14,378,381	27.7%
PW - TRANSPORTATION MAINTENANCE AND REPAIR	41,669,669	43,747,381	42,341,175	46,030,565	8.7%
SURFACE WATER & SEWERS-STORMWATR	12,212,094	13,540,946	17,288,702	19,404,557	12.2%
SURFACE WATER & SEWERS-SANITARY	42,646,811	51,918,654	46,516,385	48,002,789	3.2%
PW - ENG. MATERIALS & TESTING		12,771			
PW - ADMINISTRATIVE SERVICES	2,618,287	2,539,688	2,870,538	2,975,098	3.6%
PW - SOLID WASTE	28,810,809	30,741,000	36,829,195	33,378,046	-9.4%
PW - FLEET	25,981,876	34,129,799	42,912,094	39,034,500	-9.0%
PW - PROPERTY SERVICES	2,752,454	(4,440)			
PW - TRAFFIC AND PARKING SERVICES	49,102,396	53,736,229	53,350,680	53,694,147	0.6%
PW - WATER TREATMENT & DISTR.	45,884,975	51,612,992	50,901,018	52,424,040	3.0%
HUMAN RESOURCES	7,690,788	6,853,475	8,803,078	8,698,058	-1.2%
FINANCE AND PROPERTY SERV	39,518,913	41,725,663	40,108,121	42,016,856	4.8%
911	7,844,038	7,740,178	8,241,000	8,647,318	4.9%
311	3,047,029	3,111,906	3,121,904	3,540,223	13.4%
CITY COORDINATOR	1,439,289	1,622,768	1,628,112	2,191,677	34.6%
INTERGOVERNMENTAL RELATIONS	2,547,005	2,567,503	2,784,672	2,825,659	1.5%
COMMUNICATIONS	2,302,927	2,103,836	2,135,305	2,189,887	2.6%
EMERGENCY MANAGEMENT	3,141,905	3,520,926	1,692,649	1,717,039	1.4%
NEIGHBORHOOD & COMMUNITY RELATIONS	3,831,411	4,262,194	2,585,218	6,290,480	143.3%
CONVENTION CENTER	36,547,198	39,975,866	48,451,514	51,491,158	6.3%
INFORMATION TECHNOLOGY	25,618,605	27,065,544	27,305,672	29,536,114	8.2%
NON DEPARTMENTAL	221,286	98,257	65,400	66,000	0.9%
GENERAL REVENUES				200,000	
HEALTH AND WELFARE	794,353	784,178	2,420,000	2,468,400	2.0%
WORKERS COMPENSATION	8,488,702	9,528,316	6,876,465	7,364,487	7.1%
LIABILITY	10,769,914	3,907,739	8,031,025	8,574,185	6.8%
GENERAL FUND CONTINGENCY	373,591	11,324	3,883,246	4,000,000	3.0%
MPLS EMPLOYEE RETIREMT FD	27,554,278	28,589,279	29,115,800	33,017,800	13.4%
LIBRARY BOARD			4,106,000	3,238,000	-21.1%
CAPITAL IMPROVEMENTS	44,256,516	80,771,443	127,301,000	115,488,000	-9.3%
PARK BD - CAP IMPROV	16,051,007	15,301,441	7,800,000	6,011,000	-22.9%
COMMUNITY PLANNING & ECONOMIC DEVELOPMENT	97,067,668	100,266,025	76,546,648	79,324,806	3.6%
DEBT SERVICE	318,136,478	178,452,228	117,736,487	122,517,665	4.1%
PARK BOARD	86,979,277	86,978,276	91,713,160	95,225,580	3.8%
YOUTH COORDINATING BOARD	1,179,182	1,605,742	1,570,808	1,573,824	0.2%
MPHA	(697,625)	115,026	196,000		-100.0%
BOARD OF ESTIMATE & TAXATION	166,191	171,987	177,500	179,800	1.3%
MUNICIPAL BUILDING COMMISSION	7,978,912	8,459,739	8,219,078	8,634,082	5.0%
NEIGH REVITALIZATN POL BD	1,266,066	646,261			
TOTAL EXPENSES BY DEPARTMENT, ALL FUNDS	1,288,255,219	1,219,175,205	1,195,828,450	1,237,456,686	3.5%

**City of Minneapolis
2014 Budget
Community Development Block Grant (CDBG)**

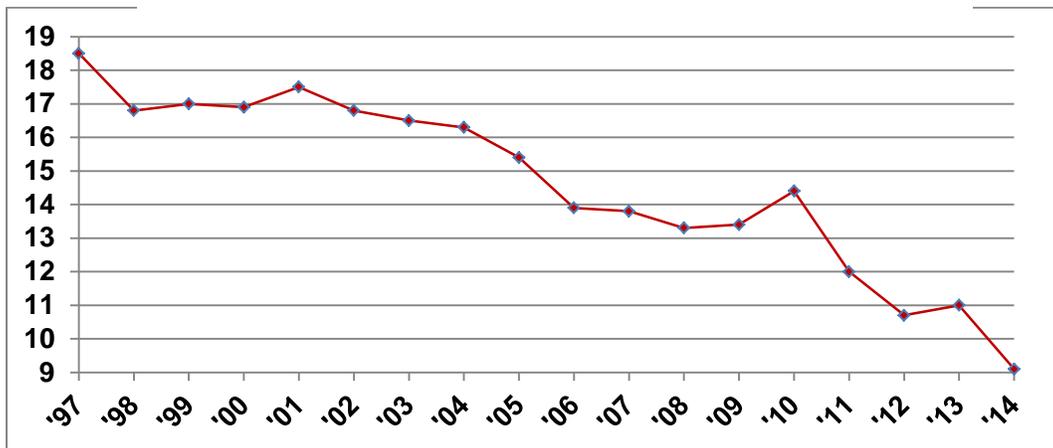
Background

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 17 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. In 2012, the City anticipated the funding to remain level with the 2011 actual funding of \$12 million however the actual 2012 allocation received was approximately \$10.7 million reflecting a 10% reduction. City anticipated the 2013 allocation to remain around \$10.7 million, however the actual award amount was \$11 million. For 2014, the City is anticipating a 15% reduction from the original 2012 budgeted amount reducing the CDBG revenue to \$9.1 million.

CDBG Entitlement 1997 – 2014



2014 Budget

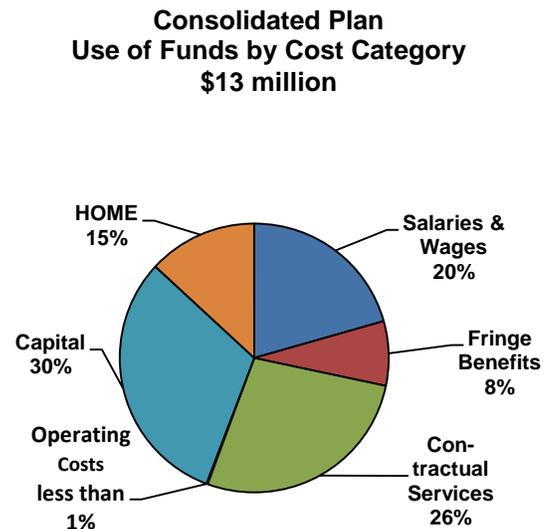
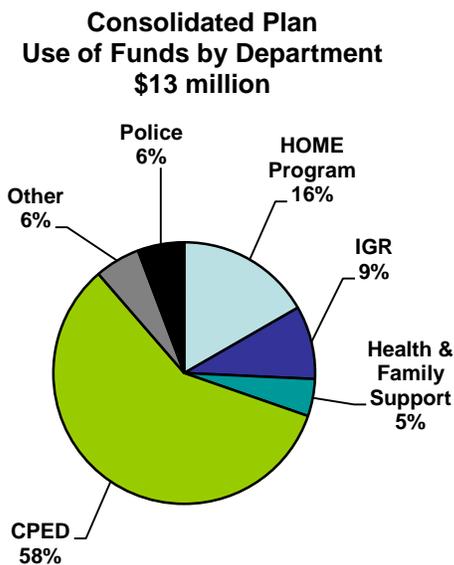
Revenues

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 HOME program is expected to be close to the 2012 funding amount. The ESG and HOPWA awards are anticipated to remain unchanged from the 2013 levels. Final award numbers from Congress should be available in early 2014. 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

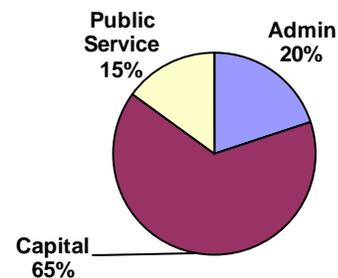
The City distributes its entitlement funds received through the HUD Consolidated Plan to various departments to carry out program activities, and awards funds to private and public not-for-profit organizations. The graphs below reflect the distribution of the budgeted Consolidated Plan by department and by cost category.



CDBG Allocations

The graph to the right shows the distribution of the CDBG allocation in 2014. The public service and administration categories have a 15% and a 20% cap, respectively. In 2014 the funds were nearly allocated to the maximum for both of these categories.

**Use CDBG
of Funds
\$9.1 million**



Debt Service

The CDBG entitlement is obligated over and above the current grant budgets by \$4.2 million. This amount reflects what the City borrowed against its entitlement to fund the Block E economic development project. As program revenues exceed the budget expenditures, these funds will be incrementally applied to the over-obligation (which was originally \$7.4 million).

Council Adopted Budget

The Mayor recommended and the Council approved the estimated funding level for 2014 be a 15% reduction from the 2013 Council Adopted CDBG Budget. Other entitlement funding for the HOPWA and ESG programs remain at the actual HUD Consolidated Plan amount for 2013. The HOME program was budgeted at the actual 2012 Consolidated Plan funding level. Departments were also asked to plan for twenty-five percent options in the event that the actual HUD award is substantially reduced.

SCHEDULE FOUR
Year 40 (2014) - Community Development Block Grant

Organization	Project	2012 Consolidated Plan	2013 Consolidated Plan	2014 Council Adopted
Capital /Other---CDBG				
Community Planning & Economic Development	Adult Training, Placement and Retention	\$ 1,467,600	\$ 1,705,498	\$ 1,247,500
	High Density Corridor Initiative	578,769	578,769	492,000
	Multi-Family/Affordable Housing	2,966,776	2,966,776	2,467,000
	NEDF/CEDF (Great Streets)	40,700	10,726	123,100
	Commercial Property Investment	137,800	-	
	Vacant and Boarded Building Program	1,585,656	1,753,430	1,433,400
Subtotal CPED capital		6,777,301	7,015,199	5,763,000
Fire Department	Fire Protection Equipment	-	-	
Health Department	Lead Reduction	61,500	61,500	52,300
Regulatory Services	New Problem Properties Strategy	103,700	103,700	88,100
Total Capital/Other (65%)		6,942,501	7,180,399	5,903,400
Public Service---CDBG				
Community Planning & Economic Development	Youth Employment	250,900	253,000	209,000
Neighborhood & Community Relations	Access & Outreach (Multicultural Affairs)	120,000	120,000	102,000
Police Department	Community Crime Prevention Specialists	876,600	897,015	746,300
Health Department	Way to Grow	192,600	212,000	155,000
	Juvenile Supervision Center (Curfew Truancy Program)	100,000	100,000	100,000
	Domestic Abuse Project	59,500	75,000	50,000
Total Public Service (15%)		1,599,600	1,657,015	1,362,300
Public Service - 15% Cap		1,600,118	1,657,015	1,362,300

**SCHEDULE FOUR
Year 40 (2014) - Community Development Block Grant**

Organization	Project	2012 Consolidated Plan	2013 Consolidated Plan	2014 Council Adopted
<u>Administration---CDBG</u>				
Civil Rights Department	Fair Housing Initiative/Davis Bacon Compliance/Monitoring	361,900	365,000	307,600
Community Planning & Economic Development	Planning - Administration	984,060	1,037,353	836,500
Health Department	Mid-Minnesota Legal Aid	29,060	34,000	24,700
	Grant Administration	67,400	67,400	57,000
	Neighborhood Services	71,400	71,400	-
	Way to Grow Administration	15,900	17,500	14,000
	Youth Violence Prevention	100,200	110,700	145,000
Finance Department	Program Administration	194,400	196,000	165,300
Intergovernmental Relations	Grants & Special Projects	188,400	190,000	160,100
	Mid-Minnesota Legal Aid	47,229	54,000	40,100
Youth Coordinating Board	Administration	65,400	66,000	66,000
Total Administration (20%)		2,125,349	2,209,353	1,816,300
Administration 20% cap		2,133,490	2,209,353	1,816,400
CDBG Total of Requests (100%)		10,667,450	11,046,767	9,082,000
CDBG Revenue		10,667,450	11,046,767	9,082,000
<u>Other Consolidated Plan Entitlement Funds</u>				
HOME Investment Partnerships				
Community Planning & Economic Development	Affordable Housing Trust Fund (AHTF)	1,560,932	1,613,480	1,560,932
	Home Ownership Works (HOW)	390,233	402,916	390,233
	CPED Administration	201,796	209,044	201,796
Intergovernmental Relations	Grants & Special Projects Administration	15,000	15,000	15,000
Emergency Solutions Grant (ESG)				
Community Planning & Economic Development	Emergency Solutions Grant Programs	964,655	623,222	623,222
	Street Outreach			150,000
Neighborhood & Community Relations	Street Outreach		150,000	
Intergovernmental Relations	Grants & Special Projects Administration	78,215	5,000	5,000
Housing Opportunities for Persons with AIDS (HOPWA)				
	Third Party Contractors/Subrecipients/Subgrantees	1,019,484	971,800	971,800
Grand Total Consolidated Plan		\$ 14,897,765	\$ 15,037,229	\$ 12,999,983

**SCHEDULE FIVE
STAFFING INFORMATION**

	2011 Budget	2012 Budget	2013 Budget	2014 Council Adopted	Change	% Change
CITY COORDINATOR						
311	28.00	28.00	28.00	31.00	3.00	10.7%
911	78.00	78.00	80.00	80.00		
CITY COORDINATOR	9.00	9.00	9.00	10.00	1.00	11.1%
COMMUNICATIONS	14.00	12.00	12.00	12.00		
CONVENTION CENTER	193.00	194.10	177.10	177.10		
EMERGENCY MANAGEMENT	7.41	6.00	4.00	4.00	0.00	0.0%
FINANCE AND PROPERTY SERV	240.00	239.00	240.50	246.00	5.50	2.3%
HUMAN RESOURCES	47.60	45.30	48.80	50.80	2.00	4.1%
INFORMATION TECHNOLOGY	59.00	57.00	54.00	60.00	6.00	11.1%
INTERGOVERNMENTAL RELATIONS	8.00	7.00	8.00	9.00	1.00	12.5%
NEIGHBORHOOD & COMM RELATIONS	16.00	16.00	16.00	16.50	0.50	3.1%
CITY COORDINATOR	700.01	691.40	677.40	696.40	19.00	2.8%
COMMUNITY PLANNING & ECONOMIC DEVELOPMENT						
CPED	128.00	116.79	224.80	230.00	5.20	2.3%
CPED	128.00	116.79	224.80	230.00	5.20	2.3%
OTHER CHARTER DEPARTMENTS						
ASSESSOR	34.50	35.00	35.00	36.00	1.00	2.9%
ATTORNEY	105.00	101.00	102.00	107.00	5.00	4.9%
CITY CLERK	25.75	26.02	27.00	27.00		
CITY COUNCIL	39.00	39.00	39.00	39.00		
CIVIL RIGHTS	19.00	19.00	21.00	22.00	1.00	4.8%
FIRE	406.00	392.00	413.00	413.00		
INTERNAL AUDIT	3.00	2.50	2.00	3.00	1.00	50.0%
MAYOR	11.00	11.00	11.00	11.00		
MINNEAPOLIS HEALTH DEPARTMENT	61.70	50.25	91.00	92.30	1.30	1.4%
POLICE	992.00	967.80	980.50	985.50	5.00	0.5%
REGULATORY SERVICES	293.59	286.30	141.00	146.50	5.50	3.9%
OTHER CHARTER DEPARTMENTS	1,990.54	1,929.87	1,862.50	1,882.30	19.80	1.1%
PUBLIC WORKS						
PW - ADMINISTRATIVE SERVICES	16.00	16.00	16.00	16.00		
PW - FLEET	172.00	168.00	156.00	78.00	(78.00)	-50.0%
PW - PROPERTY SERVICES	6.00					
PW - SOLID WASTE	127.00	127.00	134.33	134.33		
PW - TRAFFIC AND PARKING SERVICES	89.00	89.00	95.40	98.10	2.70	2.8%
PW - TRANSPORTATION MAINT & RPR	149.45	145.27	146.95	206.95	60.00	40.8%
PW - TRANSPORTATION PLNG AND ENG	78.00	77.00	73.00	78.50	5.50	7.5%
PW - WATER TREATMENT & DISTR.	207.00	204.50	193.50	192.50	(1.00)	-0.5%
SURFACE WATER & SEWERS-SANITARY	38.65	37.75	39.50	45.00	5.50	13.9%
SURFACE WATER & SEWERS-STRMWTR	52.25	53.15	52.40	48.50	(3.90)	-7.4%
PUBLIC WORKS	935.35	917.67	907.08	897.88	(9.20)	-1.0%
City	3,753.90	3,655.73	3,671.79	3,706.58	34.79	0.9%

INDEPENDENT BOARDS

PARK BOARD	811.18	802.40	814.72	819.24	4.52	0.6%
YOUTH COORDINATING BOARD	5.80	5.80	5.80	9.00	3.20	55.2%
MPHA	318.00	292.00	292.00	284.00	(8.00)	-2.7%
BOARD OF ESTIMATE & TAXATION	1.00	1.00	1.00	1.00		
MUNICIPAL BUILDING COMMISSION	60.00	54.00	55.00	55.00		
INDEPENDENT BOARDS	1,195.98	1,155.20	1,168.52	1,168.24	(0.28)	0.0%
TOTAL CITY	4,949.88	4,810.93	4,840.31	4,874.82	34.51	0.7%

SCHEDULE FIVE 2014 FOOTNOTES

Note: *The 2013 budgeted numbers reflected the 2013 Council Adopted Budget and do not include any changes that have occurred administratively during the fiscal year 2013.*

Assessor: The 2014 budget includes an additional position dedicated to assessments and appraisals focusing on commercial properties, particularly in the Downtown area.

Attorney: 2014 budget includes funding for the hiring of an additional attorney in the Civil Division. The department increased other staffing levels administratively during 2013, including the addition of two intern positions and two Assistant City Attorneys.

City Council: The department's staffing levels remain unchanged from 2013.

City Clerk: The department's staffing levels remain unchanged from 2013.

City Coordinator Administration: The 2014 budget includes an additional employee to administer the Homegrown Minneapolis program.

911: The department's staffing levels remain unchanged from 2013. The department was directed to utilize bell-curve staffing to mitigate the impact of staff turnover.

311: The department's 2014 budget includes funding to expand 311 operations to include weekend hours and the hiring of three additional staff.

Emergency Management: The department's staffing levels remain unchanged from 2013.

Civil Rights: The department's staffing levels increase one FTE from 2013.

Communications: The department's staffing levels remain unchanged from 2013.

Community Planning and Economic Development: The department added one FTE through a Council action that shifted this position from the Coordinator's Office to CPED in Affordable Housing Development. The 2014 budget also includes the addition of one FTE in Business Licensing, one FTE in Land Use, Preservation and Design, and two additional FTE in Construction Code Services.

Convention Center: The department's staffing levels remain unchanged from 2013.

Finance and Property Services: The department's budget includes funding to reinstate 2.5 FTEs in Property Services and hire an additional staff position to assist in purchasing and payment processes. The department also administratively added a new FTE in Treasury and reinstated an additional FTE in Development Finance during 2013.

Fire: The department's staffing levels remain level from 2013. The total FTE count for this department does not reflect cadet hiring as they are not considered in the FTE count until they become full-time staff.

Health: The department's staffing levels increase by 1.3 FTE to supplement health inspections performance.

Human Resources: The department's budget includes funding for an additional employee to assist with benefits administration during the implementation of the Affordable Care Act and one additional Human Resources Generalist.

Information Technology: This department's 2014 budget includes 6 additional FTEs to support the managed services RFP and implementation process as well as for business intelligence applications support.

Intergovernmental Relations: The department's budget includes funding for one additional FTE to work on interregional relationship and lobbying efforts.

Internal Audit: The 2014 budget includes funding for one additional auditor.

Mayor: The department's staffing levels remain unchanged from 2013.

Neighborhood and Community Relations: The 2014 budget for this department includes funding 0.5 additional FTE to support access and outreach efforts.

Police: The department's staffing levels were decreased administratively by 1 FTE during 2013, though the 2014 budget funds an additional 6 Community Crime Prevention Specialists. This equates to a total FTE increase of 5. The total FTE count for this department is not reflective of cadet and CSO hiring until they become full-time staff.

Public Works Administration: The division's staffing levels remain unchanged from 2013.

Public Works Fleet Services: The Fleet Services Division's 2014 expenditure budget reflects the restructuring of Fleet Services' Task Labor activities due to reclassification of Public Works Service Workers I and II, resulting in a decrease of 78 employees, which are allocated to other divisions.

Public Works Surface Water and Sewers-Sanitary: The division's increase in employee count of 5.5 FTE results from a reorganization of employees between the sanitary sewer, storm water, and capital divisions, as well as Fleet Services.

Public Works Surface Water and Sewers-Stormwater: The division's decrease in employee count of 3.9 FTE results from a reorganizing of employees between the sanitary sewer, storm water, and capital divisions, as well as Fleet Services.

Public Works Solid Waste and Recycling: The department's staffing levels remain unchanged from 2013.

Public Works Traffic and Parking Services: The department's staffing levels were decreased administratively by 2.7 FTE during 2013.

Public Works Transportation Maintenance and Repair: Due to a reclassification of workers and reorganization of Fleet Services, the division added 60 FTE's consisting of drivers and operators resulting in a decrease in contractual service expenditures and an increase in salary and fringe expenditures. Including four new programs, total Transportation Maintenance and Repair FTE's are now 206.95.

Public Works Transportation Planning and Engineering: The Transportation Planning and Engineering Division's 2014 expenditure budget reflects the purchase of additional equipment in the engineering lab and to add 5.5 FTE related to this function.

Public Works Water: The division's staffing levels were administratively reduced by one FTE during 2013.

Regulatory Services: The 2014 budget includes funding to hire 4.5 new positions in support of fire and housing inspections programming, as well as the addition of one FTE added administratively in 2013.

2014 CPED Program Allocations by Funds

Program/Category	2012 Adopted (as per HUD Consolid. Plan)	2013 Adopted Budget	2014 Council Adopted									
			2014 Adopted Budget	General Fund (00100)	CDBG (1400)	CDBG (1400) Prog Income	HOME (1500)	Development Funds (Multiple)	GARFS (07ERZ)	Residential Finance (01SRF)	TIF for Affordable Housing (Various)	
Business Development **												
Business Retention, Expansion & Attraction	2,135,210	1,338,220										
Business Licensing***		2,997,132										
Grow North			200,000						200,000			
Total Staff and Operation Cost	2,135,210	4,335,352	200,000	0	0	0	0	0	200,000	0	0	0
Commercial Development												
Great Streets	889,510	399,826	948,100	135,000	123,100				690,000			
Commercial Property Management	172,800		311,000						311,000			
Greater MSP	150,000	125,000	125,000	125,000								
Peavey Plaza / Orchestra Hall			146,000						146,000			
Hollywood Theater			307,000						307,000			
Cedar Riverside Parking Lots			38,700						38,700			
Total Commercial Development	1,212,310	524,826	1,875,800	260,000	123,100	0	0	0	1,492,700	0	0	0
Business Assistance												
2% Loans	1,075,000	321,800										
Alternative Loans	287,404	234,520										
BDF Loans	150,584	162,750										
Business Association Assistance	135,696	0										
Real Estate Acquisition Loan Program	0	263,930										
Commercial Corridor 2% Loan Program	1,169,000	176,800										
Credit Building Loans	22,792	18,710										
Small Business Partnerships	208,960	153,730	132,300	132,300								
Homegrown Business Dev Center	205,348	92,830										
Commercial Energy Efficiency Loans	136,196	248,370										
Common Bond Fund Program**	350,000	501,400	255,800						255,800			
Technical Assistance Program		177,000	250,000	250,000								
Small Business Revolving Loan Program - NEW****			2,492,794	2,492,794								
Total Business Assistance	3,740,980	2,351,840	3,130,894	2,875,094	0	0	0	0	255,800	0	0	0
Workforce Development												
Adult Programs	2,257,600	2,517,600	2,247,500		1,247,500				1,000,000			
Youth Programs	1,010,900	1,071,600	1,283,000	374,000	209,000				700,000			
Racial Disparities in Employment (RENEW)	210,000	300,000	300,000	300,000								
Total Workforce Development	3,478,500	3,889,200	3,830,500	674,000	1,456,500	0	0	0	1,700,000	0	0	0
Affordable Rental / Homelessness												
Affordable Housing Trust Fund	6,698,088	7,082,145	7,689,369		2,467,000		1,722,369		1,500,000			2,000,000
AHTF - Emergency Solutions Grants	964,655	829,655	773,222		773,222							
Total Affordable Rental / Homelessness	7,662,743	7,911,800	8,462,591	0	3,240,222	0	1,722,369	0	1,500,000	0	0	2,000,000
Home Ownership / Affordable / Foreclosure												
Green Homes North (3 Point Housing Strategy)		607,378	603,000	603,000								
Affordable Ownership Combined Program	80,668											
Home Ownership Works	418,415	430,592	430,592				430,592					
Mortgage Foreclosure Prevention Program		360,000	250,000								250,000	
Senior Citizen Housing Initiative			810,000				810,000					
Owner Occupied Rehab			305,000				305,000					
Vacant and Boarded Program	2,674,688	3,253,430	1,433,400		1,433,400							
Vacant and Boarded Property Management			856,000				856,000					
Total Affordable Rental / Homelessness	3,173,771	4,651,400	4,687,992	603,000	1,433,400	1,971,000	430,592	0	0	250,000	0	0
Development Services***												
Development Review Customer Service Center		2,796,722										
Construction Code Services		7,682,548	300,000	300,000								
Total Construction and Development Services	0	10,479,270	300,000	300,000	0	0	0	0	0	0	0	0
Miscellaneous												
High Density Corridor Initiative	578,769	578,769	492,000		492,000							
Planning Matching Grants	75,000											
Long Range Planning			426,000						426,000			
Economic Development Programs		596,410	398,100	398,100								
Housing Programs		1,244,050	901,000	872,000					29,000			
Total Miscellaneous	653,769	2,419,229	2,217,100	1,270,100	492,000	0	0	0	455,000	0	0	0
GRAND TOTALS	22,057,283	36,562,916	24,704,877	5,982,194	6,745,222	1,971,000	2,152,961	5,347,700	255,800	250,000	2,000,000	0

* Amounts shown above do not include the related operating costs.

** Not included in 2012 Totals as it was previously an Operating budget item

*** New functions acquired as part of Regulatory Services transition

**** Includes funding for Alternative Loans, BDF, Real Estate Acquisition Loan, Credit Building and Homegrown Bus Dev Center programs

SCHEDULE 7
City of Minneapolis
Capital Asset Request System (CARS)

Department	Fund	Capital Asset Request	Add/ Repl	Life	On-going Costs	Five Year Plan												ADOPTED 2014 Other & Existing Funding			
						TOTAL APPROPRIATION REQUESTED						NET NEW FUNDING REQUESTED						General Fund	Total Approved		
						2014	2015	2016	2017	2018	Total	2014	2015	2016	2017	2018	Total				
311 Department	00100	Xaware replacement integration tool implementation	Repl	15	-	0	250,000					250,000	-	250,000	-	-	-	250,000			
311 Department	00100	Customer Satisfaction Software	Add	6	3,000	0	55,000					55,000	-	55,000	-	-	-	55,000			
311 Department	00100	Interactive Voice Response (IVR) Auto attended capability	Add	8	2,500	0	45,000					45,000	-	45,000	-	-	-	45,000			
311 Department	00100	Texting 311 software system	Add	6	3,000	35,000						35,000	35,000	-	-	-	-	35,000	35,000	-	35,000
311 Department	00100	Remote Agent Refresh	Repl	4	-	40,000						40,000	40,000	-	-	-	-	40,000	40,000	-	40,000
311 Department	00100	Aspect Empower Agent Scheduling Software	Add	6	2,500	45,000						45,000	45,000	-	-	-	-	45,000		-	0
Total 311					11,000	120,000	350,000	-	-	-	470,000	120,000	350,000	-	-	-	470,000	75,000	-	75,000	
Assessor Dept.	00100	Mobile Wi-Fi tablet & workspace computer hardware	Repl	5	3,500	0	135,000					135,000	-	135,000	-	-	-	135,000		-	0
Assessor Dept.	00100	Cell Phone Program	Add	3	12,000	12,000	12,000	12,000	12,000	12,000	60,000	12,000	12,000	12,000	12,000	12,000	12,000	60,000	-	-	-
Assessor Dept.	00100	City wide property photo initiative	Repl	8	-				150,000	150,000	300,000	-	-	-	150,000	150,000	300,000		-	-	0
Total Assessor						12,000	147,000	12,000	162,000	162,000	495,000	12,000	147,000	12,000	162,000	162,000	495,000	0	0	0	
City Attorney	00100	Xaware Migration Replacement with .Net	Repl	15	-	150,000	25,000					175,000	-	-	-	-	-		-	150,000	150,000
City Attorney	00100	Practice Manager Next Generation - case management software	Repl	15	-	150,000	500,000	200,000				850,000	-	-	-	-	-		-	150,000	150,000
City Attorney	00100	Winscribe Digital Dictation Software System	Repl	10	-			20,000		15,000	35,000	-	-	20,000	-	15,000	35,000		-	-	0
City Attorney	00100	Implementation of Integration Solutions in Practice Manager	Add	15	-	100,000	200,000	100,000			400,000	-	200,000	100,000	-	-	400,000		100,000	100,000	100,000
Total City Attorney						400,000	725,000	320,000	0	15,000	1,460,000	0	200,000	120,000	0	15,000	435,000	0	400,000	400,000	
Civil Rights	00100	Encrypted Portal of Review Panelist	Add	8	3,000	50,000	50,000				100,000	50,000	50,000	-	-	-	100,000		-	-	0
Civil Rights	00100	Winscribe Dictation System 3.7 to 4.1	Repl	4	-			15,000	6,000		21,000	-	-	15,000	6,000	-	21,000		-	-	0
Civil Rights	00100	Martin Luther King Conference Room Technology	Add	7	5,000	60,000					60,000	60,000	-	-	-	-	60,000		-	-	0
Civil Rights	00100	iApplicants for Urban Scholars	Add	5	2,200	15,000					15,000	15,000	-	-	-	-	15,000		-	-	0
Civil Rights	00100	Televised Meetings	Add	7	1,000	30,000					30,000	30,000	-	-	-	-	30,000		-	-	0
Civil Rights	00100	UpNet Technologies	Repl	20	15,000	22,920	50,640	50,640	50,640	50,640	225,480	22,920	50,640	50,640	50,640	50,640	225,480	22,920	-	-	22,920
Total Civil Rights					26,200	177,920	100,640	65,640	56,640	50,640	451,480	177,920	100,640	65,640	56,640	50,640	451,480	22,920	0	22,920	
Communications	00100	New Server for MTN-Markup Item	Repl	5	-	25,000					50,000	25,000	-	-	-	-	50,000	25,000	-	-	25,000
Communications	00100	Avid Computer Editing Hardware & Software	Repl	5	-	50,000					50,000	50,000	-	-	-	-	50,000	50,000	-	-	50,000
Communications	00100	Council Chambers Audio and Cabling Systems	Repl	10-12	-	51,000					51,000	51,000	-	-	-	-	51,000	51,000	-	-	51,000
Communications	00100	Seven Microphones	Repl	5-8	-	5,000					5,000	5,000	-	-	-	-	5,000	5,000	-	-	5,000
Communications	00100	5 Replacement Cameras for Studio and Field	Repl	10-15	-	43,000					43,000	-	43,000	-	-	-	43,000	-	-	-	0
Communications	00100	Production Switcher in Broadcast Studio	Repl	10	-			35,000			35,000	-	-	35,000	-	-	35,000	-	-	-	0
Communications	00100	Desk designed for Editing Equipment	Add	10	-			5,000			5,000	-	-	5,000	-	-	5,000	-	-	-	0
Communications	00100	Council Chambers wall mounted TV, Live Logo Computer	Repl	5	-			7,000			7,000	-	-	7,000	-	-	7,000	-	-	-	0
Communications	00100	Light Kit	Repl	10-15	-			3,000			3,000	-	-	3,000	-	-	3,000	-	-	-	0
Total Communications					0	131,000	43,000	50,000	0	0	249,000	131,000	43,000	50,000	0	0	249,000	131,000	0	131,000	

SCHEDULE 7
City of Minneapolis
Capital Asset Request System (CARS)

Department	Fund	Capital Asset Request	Add/ Repl	Life	On-going Costs	Five Year Plan											ADOPTED 2014 Other & Existing Funding				
						TOTAL APPROPRIATION REQUESTED						NET NEW FUNDING REQUESTED						General Fund	Total Approved		
						2014	2015	2016	2017	2018	Total	2014	2015	2016	2017	2018	Total				
CPED	00100	TISH - Construction Code Services	Add	10	-		100,000					100,000	-	100,000	-	-	-	100,000		-	0
CPED	00100	Qmatic - Development Review	Repl	10	-		50,000					50,000	-	50,000	-	-	-	50,000		-	0
CPED	00100	Cry Wolf - Business Licensing	Repl	10	-		50,000					50,000	-	50,000	-	-	-	50,000		-	0
CPED	00100	Customer Relationship Management (CRM) System	Repl	10	-				50,000			50,000	-	-	50,000	-	-	50,000		-	0
CPED	00100	Crown Roller Mill Office desks & other related office furnishings replacement	Repl	20	-	120,000	120,000	120,000	120,000	120,000	600,000	120,000	120,000	120,000	120,000	120,000	600,000		-	0	
CPED	00100	Ideation & Citizen Participation Software	Add	5	-	56,000	6,000	6,000	6,000	6,000	80,000	56,000	6,000	6,000	6,000	6,000	80,000		-	0	
CPED	06100	Vehicles	Repl	8	-	0	29,404	23,456	406,597	24,629	484,086	-	8,998	3,877	45,951	2,421	61,247		-	0	
CPED	06400	Enterprise Land Management System (ELMS)	Repl	15	-	3,200,000	950,000				4,150,000	-	-	-	-	-	-		-	3,200,000	3,200,000
CPED	06400	MINS	Repl	??	-			500,000			500,000	-	-	-	-	-	-		-	-	0
Total Community Planning and Economic Development						0	3,376,000	1,305,404	699,456	532,597	150,629	6,064,086	176,000	334,998	179,877	171,951	128,421	991,247	0	3,200,000	3,200,000
Emergency Man	06100	Vehicles	Repl	8	-				64,633		64,633	-	-	-	6,446	-	6,446		-	-	0
Office of Emerge	01300	EOTF Software, Hardware System - Room 127	Repl	7	-	4,000	8,000	4,000	18,000	1,000	35,000	4,000	-	-	-	-	-		4,000	-	4,000
Office of Emerge	01300	EOTF Software, Hardware System - Room 128	Repl	7	-	4,000	8,000	4,000	28,000	1,000	45,000	4,000	-	-	-	-	-		4,000	-	4,000
Total Emergency Mgmt						0	8,000	16,000	8,000	110,633	2,000	144,633	8,000	0	0	6,446	0	6,446	8,000	0	8,000
Finance & Propet	06100	Vehicles	Repl	8-10	-	380,750	27,096			32,272	440,118	129,090	2,648	-	-	3,111	134,849		-	251,660	251,660
Finance & Propet	00100	Upgrade Cognos BI and Enterprise Planning from version 10.2 to 11	Repl	2	-	10,000		10,000		10,000	30,000	10,000	-	10,000	-	10,000	30,000		10,000	-	10,000
Finance & Propet	00100	Budget Reporting System to replace/enhance Cognos EP to TM1	Repl	10	-	520,000					520,000	520,000	-	-	-	-	520,000		400,000	-	400,000
Finance & Propet	06900	Conversion of claim files archival system to Stellent electronic format	Add	???	-	40,000					40,000	-	-	-	-	-	-		-	40,000	40,000
Finance & Propet	06200	Security Camera Surveillance System	Repl	8	-	96,000	96,000	96,000	96,000	96,000	480,000	96,000	-	-	-	-	-		96,000	-	96,000
Finance & Propet	06200	Security Camera Surveillance System	Add	8	-	150,500	150,500	144,000	144,000		589,000	150,500	-	-	-	-	-		150,500	-	150,500
Finance & Propet	06200	City Facilities Access Control	Repl	15	-	15,000	15,000	15,000			45,000	15,000	-	-	-	-	-		15,000	-	15,000
Finance & Propet	06200	City Facilities Access Control	Add	15	-	83,500	83,500				167,000	83,500	-	-	-	-	-		83,500	-	83,500
Total Finance and Property Services						0	1,295,750	372,096	265,000	240,000	138,272	2,311,118	1,004,090	2,648	10,000	0	13,111	684,849	755,000	291,660	1,046,660

SCHEDULE 7
City of Minneapolis
Capital Asset Request System (CARS)

Department	Fund	Capital Asset Request	Add/ Repl	Life	On-going Costs	Five Year Plan																ADOPTED 2014 Other & Existing Funding		
						TOTAL APPROPRIATION REQUESTED						NET NEW FUNDING REQUESTED						General Fund	Total Approved					
						2014	2015	2016	2017	2018	Total	2014	2015	2016	2017	2018	Total							
Fire	00100	Self Contained Breathing Apparatus	Repl	15	-	500,000	250,000	250,000	250,000	250,000	1,500,000	500,000	250,000	250,000	250,000	250,000	1,500,000	500,000	-	500,000				
Fire	00100	Personal Protective Equipment	Repl	5-10	-	144,000	144,000	144,000	144,000	144,000	720,000	144,000	144,000	144,000	144,000	144,000	720,000	144,000	-	144,000				
Fire	00100	Fire Hose	Repl	10-20	-	21,000	21,000	21,000	21,000	21,000	105,000	21,000	21,000	21,000	21,000	21,000	105,000	21,000	-	21,000				
Fire	00100	Mattresses and furniture for all of the fire stations	Repl	10	-	75,000	26,250	26,250	26,250	26,250	180,000	75,000	26,250	26,250	26,250	26,250	180,000	75,000	-	75,000				
Fire	00100	Thermal Imagers	Repl	3-7	-	30,000	30,000	30,000	30,000	30,000	150,000	30,000	30,000	30,000	30,000	30,000	150,000	30,000	-	30,000				
Fire	00100	Chainsaws-(16 units @ \$5,000/unit)	Repl	5-7	-	10,000	10,000	10,000	10,000	10,000	50,000	10,000	10,000	10,000	10,000	10,000	50,000	10,000	-	10,000				
Fire	00100	Jaws of Life-(10 units@\$35,000/unit)	Repl	10	-				35,000	35,000	70,000	-	-	-	35,000	35,000	70,000		-	0				
Fire	00100	Gas detection monitors	Repl	5-7	-	15,000	15,000	15,000	15,000	15,000	75,000	15,000	15,000	15,000	15,000	15,000	75,000	15,000	-	15,000				
Fire	00100	Hazardous materials ID&First Defender	Repl	5	-		40,000				40,000	-	40,000	-	-	-	40,000		-	0				
Fire	00100	Mustang suits	Repl	5	-	8,000	8,000	8,000	8,000	8,000	40,000	8,000	8,000	8,000	8,000	8,000	40,000	8,000	-	8,000				
Fire	00100	Fire share of technology at Strategic Information Center	Repl	5-7	-	16,500	36,500	17,000	93,000	5,000	168,000	16,500	36,500	17,000	93,000	5,000	168,000	16,500	-	16,500				
Fire	00100	Rugged Windows 8 tablet	Repl	3-5	-	36,000	36,000	36,000	36,000	36,000	180,000	36,000	36,000	36,000	36,000	36,000	180,000	36,000	-	36,000				
Fire	00100	Firehouse Record Management Software System	Repl	10	-		15,000		15,000		30,000	-	15,000	-	15,000	-	30,000		-	0				
Fire	00100	Automated External Defibrillators, Case, Battery, Adult and Pediatric Pads, Data Card	Repl	5-10	-		162,500				162,500	-	162,500	-	-	-	162,500		-	0				
Fire	06100	Vehicles	Repl	4-15	-	2,101,000	1,050,599	1,649,762	886,879	220,446	5,908,686	751,232	154,569	261,893	48,053	26,933	1,242,680	700,000	1,349,768	2,049,768				
Total Fire					0	2,956,500	1,844,849	2,207,012	1,570,129	800,696	9,379,186	1,606,732	948,819	819,143	731,303	607,183	4,713,180	1,555,500	1,349,768	2,905,268				
Health	06100	Vehicles	Repl	8	-				26,721		26,721	-	-	-	4,094	-	4,094		-	0				
Total Health						0	0	0	26,721	0	26,721	0	0	0	4,094	0	4,094	0	-	0				
ERP	00100	Upgrade current ERP BI reporting to meet BI needs of HR and Finance	Repl	5	350,000	2,750,000	300,000	300,000	300,000	300,000	3,950,000	2,750,000	300,000	300,000	300,000	300,000	3,950,000	2,750,000	-	2,750,000				
ERP	00100	Upgrade Compass Peoplesoft System to Oracle 9.2	Repl	5	-	2,500,000					2,500,000	2,500,000	-	-	-	-	2,500,000	2,500,000	-	2,500,000				
Total Enterprise Resource Planning					350,000	5,250,000	300,000	300,000	300,000	300,000	6,450,000	5,250,000	300,000	300,000	300,000	300,000	6,450,000	5,250,000	0	5,250,000				
Information Tech	06400	Password Management Tool	Add	5	-	5,000					5,000	-	-	-	-	-	-	-	5,000	5,000				
Information Tech	06400	PeopleSoft Program Management and Resource Management modules-used for Program/Project management	Add	5	-	0	500,000				500,000	-	-	-	-	-	-	-	-	0				
Information Tech	06400	Secure File Transfer Software - to transfer files with ext parties over web	Add	3-5	10,000	25,000	25,000	30,000	35,000	40,000	155,000	-	-	-	-	-	-	-	25,000	25,000				
Information Tech	06400	Web-based Security Awareness Training subscription	Repl	3-5	20,000	7,500	7,500	7,500	7,500	7,500	37,500	-	-	-	-	-	-	-	7,500	7,500				
Information Tech	06400	Tech Tool Refresh: Visual Studio,Team Foundation,Embarcadero,Telerik	Add	5	-	10,000	10,000	10,000	10,000	10,000	50,000	-	-	-	-	-	-	-	10,000	10,000				
Information Tech	06400	CLIC Request for Enterprise Content Management - \$300k/yr is funded!	Repl		-							-	-	-	-	-	-	-	-	0				
Information Tech	06100	Vehicles	Repl	8	-					52,428	52,428	-	-	-	-	6,360	6,360	-	-	0				
Total Information Technology					30,000	47,500	542,500	47,500	52,500	109,928	799,928	0	0	0	0	6,360	6,360	0	47,500	47,500				

SCHEDULE 7
City of Minneapolis
Capital Asset Request System (CARS)

Department	Fund	Capital Asset Request	Add/ Repl	Life	On-going Costs	Five Year Plan																ADOPTED 2014 Other & Existing Funding		
						TOTAL APPROPRIATION REQUESTED						NET NEW FUNDING REQUESTED						General Fund	Total Approved					
						2014	2015	2016	2017	2018	Total	2014	2015	2016	2017	2018	Total							
MBC	06100	Vehicles	Repl	8	-				18,310		18,310	-	-	-	2,103	-	2,103		-	0				
Total MBC					-	-	-	-	18,310	-	18,310	-	-	-	2,103	-	2,103	-	-	-				
MECC 911	00100	VisiCAD - MECC 911 Computer Aided Dispatch System	Repl	15	-				125,000		125,000	-	-	-	125,000	-	125,000		-	0				
MECC 911	00100	Call Processing Protocols Software	Add	7	80,000	0	450,000				450,000	-	450,000	-	-	-	450,000		-	0				
MECC 911	00100	Logging Recorder System for Next Generation 911	Repl	10	65,000		400,000				400,000	-	-	-	-	-	-		-	0				
MECC 911	00100	Video Information System	Repl	8	-		75,000		25,000		100,000	-	75,000	-	25,000	-	100,000		-	0				
MECC 911	01300	Firstwatch Situational Awareness and Performance	Add	10	13,000		150,000				150,000	-	-	-	-	-	-		-	0				
Total 911					158,000	0	1,075,000	0	150,000	0	1,225,000	0	525,000	0	150,000	0	675,000	0	-	0				
MPD	00100	Taser X2 conducted energy device	Repl	7	-	124,800	124,800	59,800	59,800	59,800	429,000	124,800	124,800	59,800	59,800	59,800	329,000	124,800	-	124,800				
MPD	00100	Chairs	Repl	6	-	40,000	40,000	40,000	40,000	40,000	200,000	40,000	40,000	40,000	40,000	40,000	200,000		-	-				
MPD	00100	Shredder	Repl	6	2,500	0					0	-	-	-	-	-	-		-	0				
MPD	00100	Inventory Management System	Add	10	5,000	30,000					30,000	30,000	-	-	-	-	30,000		-	0				
MPD	00100	Rifles	Repl	10	-	25,000	25,000	25,000	25,000	25,000	125,000	25,000	25,000	25,000	25,000	25,000	125,000	25,000	-	25,000				
MPD	00100	MPD share of technology at Strategic Information Center	Repl	varies	-	15,500	23,000	197,000	137,750	164,250	537,500	15,500	23,000	197,000	137,750	164,250	537,500	15,500	-	15,500				
MPD	00100	MPD Portable Cameras/Trailers Repair Parts	Repl	8	-	10,500	5,000	14,000	7,600	0	37,100	10,500	5,000	14,000	7,600	-	37,100	10,500	-	10,500				
MPD	00100	Milestone Public Safety Fixed Location Camera Systems	Repl	10	-	150,000	225,000	225,000	225,000	225,000	1,050,000	150,000	225,000	225,000	225,000	225,000	1,050,000	150,000	-	150,000				
MPD	00100	Handguns and Equipment assigned to individual officers	Add	30	-	100,000	100,000	100,000	100,000	50,000	450,000	100,000	100,000	100,000	100,000	50,000	450,000		-	0				
MPD	00100	Temporary horse stalls at the canine facility	Add	8	-	0		80,000			80,000	-	-	80,000	-	-	80,000		-	0				
MPD BTU	00100	Advance Public Safety Citation Writer (APS)	Repl	4	65,000	55,000					55,000	55,000	-	-	-	-	55,000	-	-	-				
MPD BTU	00100	In Squad Video	Repl	6	14,000			75,000	300,000		375,000	-	-	75,000	300,000	-	375,000		-	0				
MPD BTU	00100	Licence Plate Recognition System	Repl	6	-		15,000	30,000			45,000	-	15,000	30,000	-	-	45,000		-	0				
MPD BTU	00100	Laboratory Info Mgmt System LIMS)	Repl	3	-			30,000	35,000		65,000	-	-	30,000	35,000	-	65,000		-	0				
MPD BTU	00100	Windscribe Digital Dictation System	Repl	4	2,600			30,000	85,000		115,000	-	-	30,000	85,000	-	115,000		-	0				
MPD BTU	00100	NetMotion Software Package (VPN)	Repl	3	40,000			30,000			30,000	-	-	30,000	-	-	30,000		-	0				
MPD BTU	00100	Criminal Justice Info System - Compliance	Repl	3				35,000	25,000		60,000	-	-	35,000	25,000	-	60,000		-	0				
MPD BTU	00100	Mobile Data Computers	Repl	8	60,000			200,000	800,000	400,000	1,400,000	-	-	200,000	800,000	400,000	1,400,000		-	0				
MPD BTU	00100	Digital Cameras	Repl	8	1,000	48,000					48,000	48,000	-	-	-	-	48,000	48,000	-	48,000				

SCHEDULE 7
City of Minneapolis
Capital Asset Request System (CARS)

Department	Fund	Capital Asset Request	Add/ Repl	Life	On-going Costs	Five Year Plan													ADOPTED 2014 Other & Existing Funding		
						TOTAL APPROPRIATION REQUESTED						NET NEW FUNDING REQUESTED						General Fund	Total Approved		
						2014	2015	2016	2017	2018	Total	2014	2015	2016	2017	2018	Total				
MPD Crime Lab	00100	SATA Internal computer hard drives	Add	5	-	6,208	6,208	6,208	6,208	6,208	31,040	6,208	6,208	6,208	6,208	6,208	31,040		-	0	
MPD Crime Lab	00100	Leica FS M. Manually-controlled Forensic Comparison Microscope	Repl	20	-		70,000				70,000	-	70,000	-	-	-	70,000		-	0	
MPD Crime Lab	00100	Forensic Processing Computer System	Repl	3	-	6,000	6,000	6,000	6,000	6,000	30,000	6,000	6,000	6,000	6,000	6,000	30,000	6,000	-	6,000	
MPD Crime Lab	00100	High End Video Processing Computer System	Repl	3	-			12,500			12,500	-	-	12,500	-	-	12,500		-	0	
MPD Crime Lab	00100	ASCLD/LAB Assessment/Accreditation Fees	NA	5	-	20,200	7,775	7,775	7,775	7,775	51,300	20,200	7,775	7,775	7,775	7,775	51,300	20,200	-	20,200	
MPD Crime Lab	00100	Noritsu QSS-3801HD hi-resolution silver hanlide photo system	Repl	10	-					76,600	76,600	-	-	-	-	76,600	76,600		-	0	
MPD Crime Lab	00100	Coherent Tracer Laser 8W 532 nm	Repl	12	-	50,000					50,000	50,000	-	-	-	-	50,000		-	-	
MPD Crime Lab	00100	6 Nikon D5200 Digital Cameras, Lenses, Flashes	Repl	5	-		10,556				10,556	-	10,556	-	-	-	10,556		-	0	
MPD Crime Lab	00100	Avid Video Processing system	Repl	5	-			15,695			15,695	-	-	15,695	-	-	15,695		-	0	
Minneapolis Police Department non-vehicles						190,100	681,208	658,339	1,218,978	1,860,133	1,060,633	5,479,291	681,208	658,339	1,218,978	1,860,133	1,060,633	5,379,291	400,000	0	400,000
Police	06100	Vehicles	Repl	4-12	-	1,955,000	3,927,540	4,088,993	1,384,517	1,715,743	13,071,793	284,176	832,112	818,437	202,263	367,834	2,504,822	273,148	1,670,824	1,943,972	
Minneapolis Police Department vehicles						-	1,955,000	3,927,540	4,088,993	1,384,517	1,715,743	13,071,793	284,176	832,112	818,437	202,263	367,834	2,504,822	273,148	1,670,824	1,943,972
Park Board	06100	Vehicles	Repl	8	-	45,000					45,000	2,489	-	-	-	-	2,489		42,511	42,511	
Total Park Board						-	45,000	-	-	-	-	45,000	2,489	-	-	-	-	2,489	-	42,511	42,511
Public Works-FSI	06100	Vehicles	Repl	10-15	-	1,960,000	2,009,258	814,452	1,063,719	3,000,592	8,848,021	111,970	1,001,265	193,894	109,633	337,839	1,754,601	111,970	1,848,030	1,960,000	
Public Works-FSI	06100	Vehicles	Repl	8-15	-	22,500	150,681	208,890		86,731	468,802	505	20,463	65,507	-	13,800	100,275	505	21,995	22,500	
Public Works-Sar	06100	Vehicles	Repl	20	-					67,798	67,798	-	-	-	-	13,109	13,109		-	0	
Public Works-Sev	07300	Vehicles	Add	?	-	190,000					190,000	-	-	-	-	-	-	-	190,000	190,000	
Public Works-Sur	06100	Vehicles	Repl	4-15	-	288,000	1,186,307	54,728	125,356	221,604	1,875,995	-	-	-	-	-	-	-	288,000	288,000	
Public Works-Tra	06100	Vehicles	Repl	6-15	-	232,918	711,190	715,805	408,530	646,210	2,714,653	(1,514)	147,554	113,056	29,982	63,369	352,447	-	234,432	234,432	
Public Works-Tra	06100	Vehicles	Repl	4-15	-	1,023,244	2,214,125	2,669,779	1,268,714	873,267	8,049,129	202,957	146,721	252,181	192,986	79,692	874,537	202,957	820,287	1,023,244	
Public Works-Wa	06100	Vehicles	Repl	5-15	-	1,112,154	507,227	485,902	339,514	50,057	2,494,854	-	-	-	-	1	1	-	1,112,154	1,112,154	
Total Public Works non-Vehicles						4,828,816	6,778,788	4,949,556	3,205,833	4,946,259	24,709,252	313,918	1,316,003	624,638	332,601	507,810	3,094,970	315,432	4,514,898	4,830,330	
Public Works-Wa	07400	5 Servers for SCADA	Repl	5	-	30,000					30,000	-	-	-	-	-	-	-	30,000	30,000	
Public Works-Wa	07400	New Server for Columbia Heights Historian	Repl	5	-	12,000					12,000	-	-	-	-	-	-	-	12,000	12,000	
Public Works-Wa	07400	Laboratory/Water Information Management Sys.	Add	10	-	81,000					81,000	-	-	-	-	-	-	-	81,000	81,000	
Public Works-Wa	07400	Firewall, DMZ for sharing SCADA data to City Aps	Add	5	-	20,000					20,000	-	-	-	-	-	-	-	20,000	20,000	
Public Works-Wa	07400	vmWare Virtualization software for Water Servers	Add	5	-	79,000					79,000	-	-	-	-	-	-	-	79,000	79,000	
Public Works-Wa	07400	Upgraded Document Management solution	Repl	5	-	50,000					50,000	-	-	-	-	-	-	-	50,000	50,000	
Public Works-Wa	07400	Wide-deck, zero-degree turn mower Toro Grounds	Repl	10	-	65,000					65,000	-	-	-	-	-	-	-	65,000	65,000	
Public Works-Wa	07400	Gas Chromatograph Mass Spectrometer-purge/trp	Repl	20	-	100,000					100,000	-	-	-	-	-	-	-	100,000	100,000	
Public Works-Wa	07400	Strongarm manipulators to handle membrane	Add	20	-		60,000				60,000	-	-	-	-	-	-	-	-	0	
Public Works-Wa	07400	3 Axis CNC Knee Mill 53X12 Table	Repl	40	-	46,000					46,000	-	-	-	-	-	-	-	46,000	46,000	
PW - Fleet Servic	06100	Migrate M5 from Oracle to SQL 2008	Repl	7	-		65,000				65,000	-	-	-	-	-	-	-	-	0	
PW - Transportat	04100	Reconfigure 3rd Floor of City of Lakes Bldg for Engineering Division	Add	15	-	500,000					500,000	500,000	-	-	-	-	-	-	-	-	
PW Transp Maint	00100	PW Dispatch Process	Add	5-10	-	75,000					75,000	75,000	-	-	-	-	-	-	-	0	
PW Transp Maint	00100	Activity Based Costing Initiative	Add	5-10	-		75,000				75,000	-	75,000	-	-	-	-	-	-	0	
PW Transp Maint	00100	Field Activity Tracking & Perf Rptng	Add	5-10	-		200,000				200,000	-	200,000	-	-	-	-	-	-	0	
Total Public Works Vehicles						1,058,000	400,000	0	0	0	1,458,000	575,000	275,000	0	0	0	350,000	0	483,000	483,000	

SCHEDULE 7
City of Minneapolis
Capital Asset Request System (CARS)

Department	Fund	Capital Asset Request	Add/ Repl	Life	On-going Costs	Five Year Plan												ADOPTED 2014 Other & Existing Funding		
						TOTAL APPROPRIATION REQUESTED						NET NEW FUNDING REQUESTED						General Fund	Total Approved	
						2014	2015	2016	2017	2018	Total	2014	2015	2016	2017	2018	Total			
Regulatory Services	00100	Vehicles	Add	8	-	114,000					114,000	114,000	-	-	-	-	114,000	114,000	-	114,000
Total Reg Services Vehicles for New Staff						114,000	0	0	0	0	114,000	114,000	0	0	0	0	114,000	114,000	0	114,000
Reg Services	06100	Vehicles	Repl	4-10	-	22,500	299,061	179,816	522,286	295,378	1,319,041	(486)	113,594	26,157	122,124	43,475	304,864		22,986	22,986
Total Regulatory Services - Vehicles						22,500	299,061	179,816	522,286	295,378	1,319,041	-486	113,594	26,157	122,124	43,475	304,864	0	22,986	22,986
Regulatory Services	00100	Traffic Control mobile software and hardware system	Repl	5	-			250,000		25,000	275,000	-	-	250,000	-	25,000	275,000		-	0
Regulatory Services	00100	8 Tablets/printers/wireless access for Fire Inspection Services	Add	5	6,500		20,000				20,000	-	20,000	-	-	-	20,000		-	0
Regulatory Services	00100	Licence Plate Recognition system - hardware & software	Repl	6	-			125,000			125,000	-	-	125,000	(125,000)	-	-		-	0
Regulatory Services	01300	Licence Plate Recognition system - hardware & software	Repl	6	-			125,000			125,000	-	-	-	-	-	-		-	0
Regulatory Services	00100	Computerize Mpls Animal Care and Control - hardware & software	Add	10	20,380	60,000					60,000	60,000	-	-	-	-	60,000		-	0
Regulatory Services	00100	Paperless 311 for Traffic Control Agents	Add	10	-	40,000					40,000	40,000	-	-	-	-	40,000		-	0
Total Regulatory Services - non-vehicles						100,000	0	0	0	0	100,000	100,000	0	0	0	0	100,000	0	0	0
GRAND Total						22,579,194	18,895,217	14,661,951	10,192,299	9,759,678	76,113,339	10,556,047	6,157,153	4,432,370	4,039,158	3,274,967	27,631,695	8,900,000	12,023,147	20,923,147

**SCHEDULE 8
Interfund Transfer Expense**

	2011 Actual	12 Actual	2013 Budget	2014 Council Adopted	Description (2014 transfers)
00100 - GENERAL FUND					
TRANSFER TO OTHER SPEC REV FDS	6,628,000	96,000	809,000	4,000	Transfer related to Centralized Leases Action (\$4,000 to Board of Estimate and Taxation)
TRANSFER TO CONV CTR 01760				46,593,000	Local Taxes collected in the General Fund (\$46,193,000), transfer related to Events and Adventures Program (\$400,000)
TRANSFER TO EMPLOYEE RETIREMENT 01990				1,500,000	Pension Management Plan
TRANSFER TO CAPITAL 04100				500,000	Nicollet Mall Planning
TRANSFER TO OTHER DEBT SVC FDS	10,424,792	24,440,220			Property tax supported debt service budgeted in the general fund for pensions
TRANSFER TO EQUIPMENT 06100	4,299,000	1,926,000	8,315,000		Equipment services fund workout plan (\$8,315,000)
TRANSFER TO EQUIPMENT 06100				1,288,580	CARS supplements for vehicles.
TRANSFER TO PROP SVCS 06200	821,100	894,000	3,493,834	301,206	Transfer related to Centralized Leases Action
TRANSFER TO PROP SVCS 06200				345,000	CARS Supplement for Security
TRANSFER TO BUS INFO SVCS 06400	11,072,015	10,070,444	14,182,652	13,784,654	Intergovernmental Services Fund workout plan (\$13,127,163). Also includes transfers related to Centralized Leases Action (\$152,380). Includes transfer from General Fund for General Fund departments' share of the wireless commitment (\$505,111).
TRANSFER TO BUS INFO SVCS 06400				5,250,000	CARS supplement for ERP projects
TRANSFER TO CITY SELF INS 06900	7,330,000	4,071,500	3,955,500	3,085,500	Self-insurance fund workout plan (\$2,839,000), transfer related to Centralized Leases Action (\$246,500)
TRANSFER TO WATER 07400			22,000	27,000	Centralized Leases Action
TRNSFR TO TRAFFIC & PARKING 07500					Centralized Leases Action
TRNSFR TO SOLID WASTE 07700	50,000	150,000	150,000	820,000	Graffiti remediation efforts (\$695,000), also Solid Waste Microgrants (\$125,000)
TRNSFR TO FORESTRY & TREE DIS CONTL 14370				200,000	Park Board trees
00100 - GENERAL FUND	40,624,907	41,648,164	30,927,986	73,698,940	
01000 - BOARD OF ESTIMATE AND TAXATION					
TRANSFER TO CITY GEN 00100					
01000 - BOARD OF ESTIMATE AND TAXATION					
01279 - CONVENTION FACILITIES - RESERVE					
TRANSFER TO CONV CTR 0760	1,500,000	1,500,000			Funding convention center facility improvements
01279 - CONVENTION FACILITIES - RESERVE	1,500,000	1,500,000			
01300 - GRANTS - FEDERAL					
TRANSFER TO CITY GENERAL 0100	1,498		65,000		
TRNSFR TO SANITARY SEWER 07100	181,368				
TRNSFR TO STORM SEWER 07300	196,483	150,550			
01300 - GRANTS - FEDERAL	379,349	150,550	65,000		
01600 - GRANTS - OTHER					
TRANSFER TO CITY GENERAL 0100	700,000				Transfer of cable franchise settlement, \$700,000 through 2011
01600 - GRANTS - OTHER	700,000				

**SCHEDULE 8
Interfund Transfer Expense**

	2011 Actual	12 Actual	2013 Budget	2014 Council Adopted	Description (2014 transfers)
01760 - CONVENTION CENTER OPERATIONS					
TRANSFER TO CITY GENERAL 0100	14,246,979	250,000	5,250,000		Sales tax transfer to General Fund.
TRANSFER TO OTHER SPEC REV FDS	1,230,000	1,150,000			Convention Center related facilities reserve in financial plan.
TRNSFR TO GEN DEBT SVC 05250		103,675			
TRNSFR TO CNV CTR DBT SVC 5300	22,214,235	19,833,806	17,545,125	18,861,125	Convention center related debt
TRANSFER TO OTHER DEBT SVC FDS	153,000	400,000			Minneapolis Employee Retirement Fund debt for convention center retirees
TRANSFER TO PARKING 7500	7,589,231	5,580,100	4,729,200		Convention center related parking debt and operating costs
01760 - CONVENTION CENTER OPERATIONS	45,433,445	27,317,581	27,524,325	18,861,125	
01990 - EMPLOYEE RETIREMENT					
TRANSFER TO CITY GENERAL 0100					
01990 - EMPLOYEE RETIREMENT					
019MO - MERF PENSION BONDS					
TRANSFER TO SPECIAL REVENUE	1,706,282	762,000			
TRANSFER TO OTHER DEBT SVC FDS		5,851,467			
019MO - MERF PENSION BONDS	1,706,282	6,613,467			
01AHG - HUMBOLDT GREENWAY TE BONDS					
TRNSFR TO TAX INC DBT SVC05900					
01AHG - HUMBOLDT GREENWAY TE BONDS					
01BWM - WEST SIDE MILLING TE BONDS II					
TRNSFR TO TAX INC DBT SVC05900					
01BWM - WEST SIDE MILLING TE BONDS II					
01CBA - WEST BROADWAY					
TRNSFR TO TAX INC DBT SVC 5900	65,000	110,365			TIF debt service reimbursement
01CBA - WEST BROADWAY	65,000	110,365			
01CBB - EAST BANK 1335					
TRNSFR TO TAX INC DBT SVC 5900	110,000	146,270			TIF debt service reimbursement
01CBB - EAST BANK 1335	110,000	146,270			
01CBC - GRANT					
TRNSFR TO TAX INC DBT SVC 5900	40,000	2,112			TIF debt service reimbursement
01CBC - GRANT	40,000	2,112			
01CBF - NORTH LOOP					
TRNSFR TO TAX INC DBT SVC 5900	1,120,000	129,315			TIF debt service reimbursement
01CBF - NORTH LOOP	1,120,000	129,315			
01CBG - INDUSTRY SQUARE					
TRNSFR TO TAX INC DBT SVC 5900	150,000				TIF debt service reimbursement
01CBG - INDUSTRY SQUARE	150,000				
01CBH - SEWARD SOUTH					
TRNSFR TO TAX INC DBT SVC 5900	845,000	150,725			TIF debt service reimbursement
01CBH - SEWARD SOUTH	845,000	150,725			
01CBJ - CEDAR RIVERSIDE					
TRNSFR TO TAX INC DBT SVC 5900	1,270,000	182,903			TIF debt service reimbursement
01CBJ - CEDAR RIVERSIDE	1,270,000	182,903			
01CBM - HENNEPIN & LAKE					
TRNSFR TO TAX INC DBT SVC 5900	405,000	281,306			TIF debt service reimbursement
01CBM - HENNEPIN & LAKE	405,000	281,306			

**SCHEDULE 8
Interfund Transfer Expense**

	2011 Actual	12 Actual	2013 Budget	2014 Council Adopted	Description (2014 transfers)
01CBN - BROADWAY 35-W					
TRNSFR TO TAX INC DBT SVC 5900	644,875	103,193			TIF debt service reimbursement
01CBN - BROADWAY 35-W	644,875	103,193			
01CBQ - CONSERVATORY					
TRNSFR TO TAX INC DBT SVC 5900					
TRANSFER TO PARKING 7500	1,824,793	1,488,531	6,477,954		TIF Debt Service Reimbursement to Parking Fund
01CBQ - CONSERVATORY	1,824,793	1,488,531	6,477,954		
01CBT - LORING PARK					
TRNSFR TO TAX INC DBT SVC 5900	10,000	13,105			TIF debt service reimbursement
01CBT - LORING PARK	10,000	13,105			
01CBU - LAUREL VILLAGE					
TRNSFR TO TAX INC DBT SVC 5900	1,696,285	1,943,285	2,058,935	2,264,110	TIF debt service reimbursement
01CBU - LAUREL VILLAGE	1,696,285	1,943,285	2,058,935	2,264,110	
01CBX - CITY CENTER					
TRANSFER TO OTHER DEBT SVC FDS					
TRNSFR TO TAX INC DBT SVC 5900					TIF debt service reimbursement
TRANSFER TO PARKING 7500	4,681,531	1,215,397			
01CBX - CITY CENTER	4,681,531	1,215,397			
01CBY - SOUTH NICOLLET MALL					
TRNSFR TO TAX INC DBT SVC 5900					
TRANSFER TO PARKING 7500		5,150,228			TIF Debt Service Reimbursement to Parking Fund
01CBY - SOUTH NICOLLET MALL		5,150,228			
01CHD - HISTORIC DEPOT REUSE DIST 93					
TRNSFR TO TAX INC DBT SVC 5900	335,712	342,013	348,113	353,750	TIF debt service reimbursement
01CHD - HISTORIC DEPOT REUSE DIST 93	335,712	342,013	348,113	353,750	
01CHE - HENNEPIN & 7TH ENTERTAINMENT					
TRNSFR TO TAX INC DBT SVC 5900	1,550,459	2,193,654	1,618,556	1,671,507	TIF debt service reimbursement
01CHE - HENNEPIN & 7TH ENTERTAINMENT	1,550,459	2,193,654	1,618,556	1,671,507	
01CHG - HUMBOLDT GREENWAY DIST 98					
TRNSFR TO TAX INC DBT SVC 5900	251,275	209,275	207,675	205,875	TIF debt service reimbursement
01CHG - HUMBOLDT GREENWAY DIST 98	251,275	209,275	207,675	205,875	
01CHP - HERITAGE PARK					
TRNSFR TO TAX INC DBT SVC 5900	502,851	509,826	288,485	242,763	TIF debt service reimbursement
01CHP - HERITAGE PARK	502,851	509,826	288,485	242,763	
01CIT - IVY TOWER					
TRNSFR TO TAX INC DBT SVC 5900			379,263	382,663	TIF debt service reimbursement
01CIT - IVY TOWER			379,263	382,663	
01CLS - LAKE STREET CENTER					
TRANSFER TO OTHER DEBT SVC FDS	300,874	329,395			
TRNSFR TO TAX INC DBT SVC 5900	183,132	180,732	183,233	590,228	TIF debt service reimbursement
01CLS - LAKE STREET CENTER	484,006	510,127	183,233	590,228	
01CON - Consolidated TIF District					
TRANSFER TO OTHER DEBT SVC FDS		3,832,194		185,533	TIF debt service reimbursement
TRNSFR TO TAX INC DBT SVC05900	1,157,194	1,123,757	5,272,286	4,250,333	Target Center Debt Service
01CON - Consolidated TIF District	1,157,194	4,955,951	5,272,286	4,435,866	
01CPA - NWIP					
TRNSFR TO TAX INC DBT SVC 5900	1,360,000	125,591			TIF debt service reimbursement
01CPA - NWIP	1,360,000	125,591			
01CPB - HOLMES					
TRNSFR TO TAX INC DBT SVC 5900		1,325,999			TIF debt service reimbursement
01CPB - HOLMES		1,325,999			
01CPC - NICOLLET ISLAND EAST BANK					
TRNSFR TO TAX INC DBT SVC 5900		1,211,806			TIF debt service reimbursement
01CPC - NICOLLET ISLAND EAST BANK		1,211,806			
01CPD - PORTLAND PLACE					
TRANSFER TO OTHER DEBT SVC FDS					

SCHEDULE 8
Interfund Transfer Expense

	2011 Actual	12 Actual	2013 Budget	2014 Council Adopted	Description (2014 transfers)
01CPD - PORTLAND PLACE					
01CPG - NICOLLET & LAKE					
TRANSFR TO TAX INC DBT SVC 5900		329,996			TIF debt service reimbursement
01CPG - NICOLLET & LAKE		329,996			
01CPK - NBA ARENA					
TRANSFER TO OTHER DEBT SVC FDS	2,529,132	50,000			
TRANSFER TO TAX INC DEBT SVS 05900	(50,130)				
01CPK - NBA ARENA	2,479,002	50,000			
01CPM - LASALLE PLACE					
TRANSFR TO TAX INC DBT SVC 5900					
TRANSFER TO PARKING 7500		953,602			TIF Debt Service Reimbursement to Parking Fund
01CPM - LASALLE PLACE		953,602			
01CPQ - NEIMAN MARCUS					
TRANSFER TO OTHER DEBT SVC FDS					
TRANSFR TO TAX INC DBT SVC 5900			2,000,000	2,000,000	TIF Debt Service Reimbursement
01CPQ - NEIMAN MARCUS			2,000,000	2,000,000	
01CPR - IDS DATA SERVICE CENTER					
TRANSFR TO TAX INC DBT SVC 5900					
TRANSFER TO PARKING 7500	650,000	650,000	1,121,125	1,121,125	TIF transfer to Parking Fund
01CPR - IDS DATA SERVICE CENTER	650,000	650,000	1,121,125	1,121,125	
01CTW - 10TH AND WASHINGTON					
TRANSFER TO PARKING 7500	450,770	414,306	422,593	423,583	TIF Debt Service Reimbursement to Parking Fund
01CTW - 10TH AND WASHINGTON	450,770	414,306	422,593	423,583	
01CWM - WEST SIDE MILLING DISTRICT					
TRANSFR TO TAX INC DBT SVC 5900	2,740,688	2,007,613	1,468,816	1,361,062	TIF debt service reimbursement
01CWM - WEST SIDE MILLING DISTRICT	2,740,688	2,007,613	1,468,816	1,361,062	
01SNR -					
TRANSFR TO SPEC REV FUND			1,303,741		TIF debt service reimbursement (\$1.2 million, \$103,741 for Rebuilding our Community)
01CWM - WEST SIDE MILLING DISTRICT			1,303,741		
01SPH - COMMUNITY DEVELOPMENT					
TRANSFER TO CITY CAPITAL 4100			1,305,000	1,305,000	Expanded Capital from Hilton Trust Funds
TRANSFER TO CITY GENERAL 0100					Expanded Capital from Hilton Trust Funds
TRANSFER TO PARK CAPITAL 14300			125,000	125,000	Expanded Capital from Hilton Trust Funds
01SPH - COMMUNITY DEVELOPMENT			1,430,000	1,430,000	

SCHEDULE 8
Interfund Transfer Expense

	2011 Actual	12 Actual	2013 Budget	2014 Council Adopted	Description (2014 transfers)
04A60 - JUNE 04 VARIOUS PURPOSE BONDS					
TRANSFER TO CITY CAPITAL 04100					
TRNSFR TO GEN DEBT SVC 05250					
04A60 - JUNE 04 VARIOUS PURPOSE BONDS					
04A70 - JUNE 05 VARIOUS PURPOSE BONDS					
TRANSFER TO CITY CAPITAL 04100					
	319,014	237,738			
TRNSFR TO GEN DEBT SVC 05250					
	1,660				
04A70 - JUNE 05 VARIOUS PURPOSE BONDS					
	320,674	237,738			
04B10 - OCT05 VAR PURP REFUNDING BONDS					
TRNSFR TO GEN DEBT SVC 05250					
04B10 - OCT05 VAR PURP REFUNDING BONDS					
04B20 - JUNE 06 VARIOUS PURPOSE BONDS					
TRANSFER TO CITY CAPITAL 04100					
	10,189	221,695			
TRANSFER TO MBC CAPITAL 34200					
TRNSFR TO GEN DEBT SVC 05250					
	1,424				
04B20 - JUNE 06 VARIOUS PURPOSE BONDS					
	11,613	221,695			
04B30 - JUNE 07 VARIOUS PURPOSE BONDS					
TRANSFER TO CITY CAPITAL 04100					
	184,730	526,806			
TRANSFER TO MBC CAPITAL 34200					
TRANSFER TO PARK CAPITAL 14300					
TRNSFR TO GEN DEBT SVC 05250					
	17,091				
04B30 - JUNE 07 VARIOUS PURPOSE BONDS					
	201,821	526,806			
04B40 - MAY 08 VARIOUS PURPOSE BONDS					
TRANSFER TO CITY CAPITAL 04100					
	773,325	24,000			
TRANSFER TO MBC CAPITAL 34200					
TRANSFER TO PARK CAPITAL 14300					
TRNSFR TO GEN DEBT SVC 05250					
	6,827				
04B40 - MAY 08 VARIOUS PURPOSE BONDS					
	780,152	24,000			
04B50 - May 09 Various Purpose Bonds					
TRANSFER TO OTHER SPEC REV FDS					
TRANSFER TO CITY CAPITAL 04100					
	3,303,935	871,610			
TRANSFER TO MBC CAPITAL 34200					
TRANSFER TO PARK CAPITAL 14300					
TRNSFR TO GEN DEBT SVC 05250					
	35,038				
04B50 - May 09 Various Purpose Bonds					
	3,338,973	871,610			
04B60 - JUNE 10 VARIOUS PURPOSE BONDS					
TRANSFER TO OTHER SPEC REV FDS					
TRANSFER TO CITY CAPITAL 04100					
	1,505,071	1,858,415			
TRANSFER TO MBC CAPITAL 34200					
	292,447	36,629			
TRANSFER TO PARK CAPITAL 14300					
	373,746	267,977			
TRNSFR TO GEN DEBT SVC 05250					
	8,625				
TRANSFER TO STROM SEWER 07300					
	98,868				
04B60 - JUNE 10 VARIOUS PURPOSE BONDS					
	2,278,757	2,163,021			
04F11 - MAY 11 VARIOUS PURPOSE BONDS					
TRANSFER TO CITY CAPITAL 04100					
	4,364,120	4,139,431			
TRANSFER TO MBC CAPITAL 34200					
	322,110	567,890			
TRANSFER TO PARK CAPITAL 14300					
	278,278				
TRANSFER TO LIBRARY CAP 24400					
	1,040,000				
TRNSFR TO GEN DEBT SVC 05250					
	399,854				
04F11 - MAY 11 VARIOUS PURPOSE BONDS					
	6,126,084	4,985,599			
04F12 - OCT12 IMPROV BOND ARBITRAGE					
TRANSFER TO CITY CAPITAL 04100					
		9,320,482			
TRANSFER TO MBC CAPITAL 34200					
		388,218			
TRNSFR TO GEN DEBT SVC 05250					
		418,123			
04F12 - OCT12 IMPROV BOND ARBITRAGE					
		10,126,823			
04I10 - NOV10 IMPROV BOND ARBITRAGE					
TRANSFER TO CITY CAPITAL 04100					
	42,966				
TRANSFER TO OTHER DEBT SVC FDS					
	100,363				
04I10 - NOV10 IMPROV BOND ARBITRAGE					
	143,329				
04I11 - NOV11 IMPROV BOND AEBITRAGE VARIOUS PURPOSE BONDS					
TRANSFER TO CITY CAPITAL 04100					
	8,393,488	101,308			
TRANSFER TO CNV CTR DBT SVC					
	11,202				
TRNSFR TO GEN DEBT SVC 05250					
		1,739			

**SCHEDULE 8
Interfund Transfer Expense**

	2011 Actual	12 Actual	2013 Budget	2014 Council Adopted	Description (2014 transfers)
TRNSFR TO OTHER DEBT SVC FDS	3,181	192,679			
04F11 - MAY 11 VARIOUS PURPOSE BONDS	8,407,871	295,726			
04112 - NOV12 IMPROV BOND ARBITRAGE					
TRANSFER TO CITY CAPITAL 04100		5,530,400			
TRANSFER TO GEN DEBT SVC 05250		2,447			
04112 - NOV12 IMPROV BOND ARBITRAGE		5,532,847			
04160 - NOV06 IMPROV BOND ARBITRAGE					
TRANSFER TO CITY CAPITAL 04100					
TRANSFER TO OTHER DEBT SVC FDS					
04160 - NOV06 IMPROV BOND ARBITRAGE					
04190 - NOV09 IMPROV BOND ARBITRAGE					
TRANSFER TO CITY CAPITAL 04100					
TRANSFER TO OTHER DEBT SVC FDS					
04190 - NOV09 IMPROV BOND ARBITRAGE					
04L60 - May 08 Library Ref Bonds					
TRANSFER TO OTHER DEBT SVC FDS					
04L60 - May 08 Library Ref Bonds					
05250 - BOND REDEMPTION - DEBT SERVICE					
TRANSFER TO BUS INFO SVCS 6400	2,477,278	1,115,000	2,072,750	736,000	IT new capital
05250 - BOND REDEMPTION - DEBT SERVICE	2,477,278	1,115,000	2,072,750	736,000	
05280 - LIBRARY REF DEBT SERVICE					
TRANSFER TO CNV CTR DBT SVC	55,646	44,500			
05450 - BOND REDEMPTION - ASSESSMENT	55,646	44,500			
05450 - BOND REDEMPTION - ASSESSMENT					
TRANSFER TO OTHER DEBT SVC FDS					
05450 - BOND REDEMPTION - ASSESSMENT					
05600 - CONCERT HALL - DEBT SERVICE					
TRNSFR TO GEN DEBT SVC 05250					
TRANSFER TO OTHER DEBT SVC FDS		4			
05600 - CONCERT HALL - DEBT SERVICE		4			
05900 - TAX INCREMENT - DEBT SERVICE					
TRNSFR TO GEN DEBT SVC 05250		5,000			
05900 - TAX INCREMENT - DEBT SERVICE		5,000			
05Z10 - BOND REDEM ARBIT 6/87 IMP BOND					
TRANSFER TO OTHER DEBT SVC FDS					
05Z10 - BOND REDEM ARBIT 6/87 IMP BOND					
05Z20 - BOND REDEM ARBIT 9/87 IMP BOND					
TRANSFER TO OTHER DEBT SVC FDS					
05Z20 - BOND REDEM ARBIT 9/87 IMP BOND					
05Z30 - BOND REDEM ARBIT 6/88 IMP BOND					
TRANSFER TO OTHER DEBT SVC FDS					
05Z30 - BOND REDEM ARBIT 6/88 IMP BOND					
06000 - MATERIALS & LAB-INTERNAL SVC					
TRANSFER TO OTHER DEBT SVC FDS	88,000	195,000			MERF debt service related to engineering materials and testing retirees
06000 - MATERIALS & LAB-INTERNAL SVC	88,000	195,000			
06100 - EQUIPMENT - INTERNAL SERVICE					
TRANSFER TO GEN DEBT SVC 05250		61,728			
TRANSFER TO OTHER DEBT SVC FDS	923,000	2,222,000			MERF debt service related equipment fund retirees
06100 - EQUIPMENT - INTERNAL SERVICE	923,000	2,283,728			
06200 - PROPERTY - INTERNAL SERVICE					
TRANSFER OUT	1,070,350				
TRANSFER TO CITY CAPITAL 04100					
TRANSFER TO OTHER DEBT SVC FDS	228,000	598,000			MERF debt service related to property services retirees
06200 - PROPERTY - INTERNAL SERVICE	1,298,350	598,000			
06210 - PROPERTY DISPOSITION FUND					

**SCHEDULE 8
Interfund Transfer Expense**

	2011 Actual	12 Actual	2013 Budget	2014 Council Adopted	Description (2014 transfers)
TRANSFER TO CITY CAPITAL 04100	192,882				
06300 - STORES - INTERNAL SERVICE	192,882				
06300 - STORES - INTERNAL SERVICE					
TRANSFER TO OTHER DEBT SVC FDS	51,000	117,000			MERF debt service related to stores retirees
06300 - STORES - INTERNAL SERVICE	51,000	117,000			
06400 - INFO TECH - INTERNAL SERVICE					
TRANSFER TO CONV CTR 01760					
TRNSFR TO GEN DEBT SVC 5250	24,707	31,473			
TRANSFER TO OTHER DEBT SVC FDS	423,000	1,072,000			MERF debt service related to BIS/clerk retirees
06400 - INFO TECH - INTERNAL SERVICE	447,707	1,103,473			
06900 - SELF INSURANCE-INTERNAL SVC					
TRANSFER TO BUS INFO SVC 06400	1,000,000	1,000,000	1,000,000	1,000,000	To assist in payment of debt service as determined by the updated 2008 long-term financial plan
TRANSFER TO OTHER DEBT SVC FDS	217,000	485,000			MERF debt service related to self insurance fund retirees
06900 - SELF INSURANCE-INTERNAL SVC	1,217,000	1,485,000	1,000,000	1,000,000	
07100 - SANITARY SEWER FUND					
TRANSFER TO CITY CAPITAL 04100					
TRNSFR TO GEN DEBT SVC 5250	98,827	43,198			
TRANSFER TO WATER 07400			1,149,339	1,156,681	To fund Sanitary Sewer's obligation to support the Meter Shop operations
TRANSFER TO OTHER DEBT SVC FDS	478,000	1,112,000			MERF debt service sewer rate funded retirees
07100 - SANITARY SEWER FUND	576,827	1,155,198	1,149,339	1,156,681	
07300 - STORMWATER FUND					
TRANSFER TO CITY CAPITAL 04100					
TRNSFR TO GEN DEBT SVC 5250	222,064	133,296			
TRANSFER TO OTHER DEBT SVC FDS	478,000	1,112,000			MERF debt service sewer rate funded retirees
07300 - STORMWATER FUND	700,064	1,245,296			
07400 - WATER - ENTERPRISE					
TRNSFR TO GEN DEBT SVC 5250					
TRANSFER TO OTHER DEBT SVC FDS	2,042,000	4,992,000			MERF debt service water rate funded retirees
07400 - WATER - ENTERPRISE	2,042,000	4,992,000			
07500 - MUNICIPAL PARKING-ENTERPRISE					
TRANSFER TO CITY GENERAL 0100	7,818,000	7,818,000	7,918,000	2,323,200	Annual contribution from parking fund per the parking fund workout plan
TRANSFER TO OTHER SPEC REV FDS	2,758,000	2,940,905	3,129,132	3,323,006	Target center finance plan
TRNSFR TO GEN DEBT SVC 5250	42,001	46,901			
TRANSFER TO OTHER DEBT SVC FDS	198,000	477,000			MERF debt service related to parking rate funded retirees
TRNSFR TO SOLID WASTE 7700	146,000	146,000	146,000	146,000	Litter container collection (added in 2001)
07500 - MUNICIPAL PARKING-ENTERPRISE	10,962,001	11,428,806	11,193,132	5,792,206	
07700 - SOLID WASTE - ENTERPRISE					
TRANSFER TO CITY GENERAL 0100	700,000	700,000	700,000		Payment for snowplowing (began in 2003)
TRANSFER TO OTHER DEBT SVC FDS	236,000	571,000			MERF debt service related to solid waste rate funded retirees
07700 - SOLID WASTE - ENTERPRISE	936,000	1,271,000	700,000		
07S30 - JUNE 03 SEWER ARBITRAGE					
15P00 - BOND REDEM ARBIT ASSESS PARK					
TRANSFER TO OTHER DEBT SVC FDS	9,495				
15P00 - BOND REDEM ARBIT ASSESS PARK	9,495				
31100 - MUNICIPAL BUILDING COMMISSION					
TRANSFER TO OTHER DEBT SVC FDS					Minneapolis Employee Retirement Fund debt for MBC retirees
31100 - MUNICIPAL BUILDING COMMISSION					
Summary	158,754,952	155,961,122	99,213,307	117,727,484	

Schedule 9 - General Fund - Fund Balance Policy

Cash Flow and Contingency. The City shall maintain a minimum unallocated General Fund balance of 15% of the following year's revenue budget amount to be used for cash flow purposes, unanticipated expenditures of a non-recurring nature, or to meet unexpected increases in service delivery costs.

General Fund*	2011	2012	2013
Fund Balance - Policy	\$56.9	\$55.3	\$67.7
Fund Balance - Actual	\$69.9	\$75.2	\$98.4

* in millions; 2013 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*	2011	2012	2013
Sanitary Sewer Fund - Policy	\$10.4	\$11.1	\$13.1
Sanitary Sewer Fund - Actual	\$20.8	\$20.0	\$20.3
Stormwater Fund - Policy	\$5.1	\$5.8	\$5.8
Stormwater Fund - Actual	\$26.6	\$37.4	\$30.0
Solid Waste Fund - Policy	\$7.5	\$8.1	\$9.3
Solid Waste Fund - Actual	\$22.4	\$23.9	\$19.1
Water Fund - Policy	\$12.6	\$15.3	\$12.7
Water Fund - Actual	\$15.1	\$19.0	\$18.8
Parking Fund - Policy	\$10.7	\$8.5	\$7.5
Parking Fund - Actual	\$11.7	\$7.7	\$6.8

* in millions; 2013 amounts represent estimated year-end balances.

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.

o 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.

o 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.

o 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*	2011	2012	2013
Self Insurance Fund Cash Balance Policy	\$51.0	\$54.0	\$55.7
Self Insurance Fund Cash Balance Actual	\$48.6	\$56.6	\$57.4
Self Insurance Fund Net Position Policy	0.0	0.0	\$0.0
Self Insurance Fund Net Position Actual	-\$4.3	\$1.7	\$2.5
Fleet Services Fund Cash Balance Policy	\$2.8	\$3.6	\$4.1
Fleet Services Fund Cash Balance Actual	\$12.3	\$10.2	\$14.0
Fleet Services Fund Net Position Policy	\$12.6	\$13.0	\$13.0
Fleet Services Fund Net Position Actual	\$34.3	\$37.2	\$41.0
Intergovernmental Services Fund Cash Balance Policy	\$3.8	\$6.0	\$5.2
Intergovernmental Services Fund Cash Balance Actual	\$11.9	\$15.8	\$29.2
Intergovernmental Services Fund Net Position Policy	\$21.7	\$24.0	\$24.0
Intergovernmental Services Fund Net Position Actual	\$24.5	\$27.4	\$42.3
Property Services Fund Cash Balance Policy	\$2.4	\$1.9	\$1.8
Property Services Fund Cash Balance Actual	\$0.7	\$0.8	\$3.7
Property Services Fund Net Position Policy	\$2.3	\$2.3	\$2.2
Property Services Fund Net Position Actual	\$26.1	\$25.6	\$28.5
Stores Fund Cash Balance Policy	\$0.2	\$0.2	\$0.2
Stores Fund Cash Balance Actual	-\$1.0	-\$0.2	-\$0.1
Stores Fund Net Position Policy	\$0.2	\$0.2	\$0.2
Stores Fund Net Position Actual	\$3.0	\$3.7	\$3.7
Engineering Materials & Testing Fund Cash Balance Policy	\$0.2	\$0.2	\$0.2
Engineering Materials & Testing Fund Cash Balance Actual	\$1.2	\$1.7	\$2.2
Engineering Materials & Testing Fund Net Position Policy	\$0.2	\$0.2	\$0.2
Engineering Materials & Testing Fund Net Position Actual	\$1.1	\$1.6	\$2.0

* in millions; 2013 amounts represent estimated year-end balances.

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	2011	2012	2013
Total General Obligation Debt	5.2%	5.7%	5.9%
Parking Fund Debt	26.5%	29.2%	31.6%

Policy: No more than 25%; 2013 amounts represent estimated year-end balances.

City of Minneapolis 2014 Budget

Glossary of Terms

AC – Animal Control.

Access and Outreach Division – division of Neighborhood & Community Relations department that facilitates access for deaf/hard of hearing communities.

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.

ADC – Adult Detention Center, a Hennepin County facility in the City Hall/Courthouse.

ADR – Alternative Dispute Resolution program.

AFSCME – Association of Federal, State, County and Municipal Employees, bargaining unit.

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.

Basis of Budgeting – Method used to determine when revenues and expenditures are recognized for budgetary purposes.

BCA – Bureau of Criminal Apprehension.

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.

BIS – Business Information Services is directed to support Business Development, E-Government & Enterprise Information, Business Application and Technology Infrastructure Services (formerly ITS).

BLOA – Budgetary Leave of Absences. A term used to describe a type of unpaid leave.

Board of Adjustment – To hear and decide appeals from decisions made by the Zoning Administrator under the Zoning Code; to hear and act upon applications for variances from the terms of the Zoning Code; to hear and recommend on all matters referred to it by the Zoning Code. The Zoning Code calls for a board of nine members appointed by the City Council. Members must be Minneapolis residents. Members serve a three-year

term. Applications are sought from persons, and nominations solicited from organizations broadly representative of community interests.

BOMA – Building Owners and Managers Association, a private association.

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.

Budget Committee – See Ways & Means/Budget Committee.

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.

CAPR – Consolidated Annual Performance Report

CARS - Capital Asset Request System –process to allow departments to submit budget requests for the replacement of capital equipment items greater than \$5,000 such as technology systems, vehicles and construction equipment and/or other large dollar items necessary to provide services.

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 proper 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.

CBD – Central Business District.

CCP/SAFE – Community Crime Prevention/Safety for Everyone, program of the Police Department.

CCU – Contract Compliance Unit

CD – Community Development, also a standing committee of the City Council.

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.

CDC’s – Community Development Corporations.

CIO – Chief Information Officer.

CCS – Construction Code Services, a division of Regulatory Services.

CIU – Complaint Investigations Unit

Claims – Requests for reimbursement for damages resulting from fault or liability of the City.

Class A – Newer buildings in the Central Business District in first class condition, design and décor. Large and/or tall in size with mostly multiple skyway (enclosed pedestrian bridge) linkage.

Class B – Seasoned buildings in good condition in the Central Business District and generally over ten years old. Mid-rise in size and may include skyway (enclosed pedestrian bridge) linkage.

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.

COMPASS – The City's implementation of Oracle's PeopleSoft Financial Systems Enterprise Resource Planning, which replaced FISCOL.

Community Innovation Fund – Provides grants to officially designated neighborhood organizations to seek out innovative and locally-relevant approaches to City-identified goals or problems.

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.

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.

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.

DAP – Domestic Abuse Project, a community non-profit.

DARE – Drug Abuse Resistance Education.

DAPT – Domestic Abuse Prosecution Team, in the City Attorney's office.

DC – Deputy Chief.

DEA – Drug Enforcement Administration.

Debt Service – Money that is required in order to make payments on the principal and interest of outstanding bonds.

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.

Direct Expense – Expense that is specifically associated with a service, program, or department and, thus, is clearly identifiable to a particular function.

DNR – Department of Natural Resources, a state government agency.

DEED – Department of Employment and Economic Development, state government agency.

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.

EEOC – Equal Employment Opportunities Commission, of the federal government.

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.)

EMS – Emergency Medical Services.

EMT – Emergency Medical Technician, employed in the Fire Department.

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.

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.

Expenditure – Funds paid, or designated to be paid, for an asset or goods and services.

FEMA – Federal Emergency Management Agency.

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 (also referred to as “shared revenues”).

FSAM – Facilities Space & Asset Management. This committee includes the City Coordinator (Co-chair), City Engineer (Co-chair), two department heads, Director of Management and Budget, Facility Manager/Staff, 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.

GIS – Geographical Information Systems, a division of Business Information Services.

GMCVA – Greater Minneapolis Convention and Visitor's Association, now called Meet Minneapolis.

GMMHC – Greater Minneapolis Metropolitan Housing Corporation.

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.

HC – Hennepin County, the county where the City of Minneapolis is located.

HCRRA – Hennepin County Regional Railroad Authority.

HIS – Housing Inspection Services.

HPC – Heritage Preservation Commission.

HOLLMAN DECREE – The Hollman Consent Decree is a 1995 lawsuit settlement (to which the City, MCDA, & MPHA were parties) designed to provide public housing in a full range of metropolitan communities, beyond the core city, in order to improve housing choice for public housing residents. Heritage Park was the resulting development.

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 Redevelopment Authority.

HRG – Human Resources Generalist.

HRIS – Human Resources Information System.

HUD – U.S. Department of Housing and Development, a federal government agency.

ICMA – International City/County Managers Association.

IDIS – Integrated Disbursement and Information Systems

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.

IRS – Internal Revenue Service.

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.

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.

IS Architecture – Information Systems Architecture.

IWR – Utility Billing's Interactive Web Response application.

JP – Joint Powers.

LAN – Local Area Network.

LCPR – Legislative Commission on Pensions and Retirement, a committee of the Minnesota Legislature.

LCTS – Long-term Collaborative Time Study, a funding program through the State and Hennepin County for the department of Health and Family Support.

LED Light - Light Emitting Diode (found in pedestrian signal cross lights for example).

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.

MAC – Metropolitan Airports Commission, the independent body which runs the regions' airports.

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.

MDCR – Minneapolis Department of Civil Rights.

MDHFS – Minneapolis Department of Health and Family Support.

Meet Minneapolis – 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.

Metropolitan Council – Regional government of the 7 county metro area.

MFD – Minneapolis Fire Department.

MFR – Minneapolis Firefighter's Relief Association, a retirement plan for firefighters that is closed to new members.

MHFA – Minnesota Housing Finance Agency, state government agency.

MLSS – Mechanical Life and Safety Systems.

MMRS – Metropolitan Medical Response System.

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.

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.

MUPS – Municipal Utility and Package System.

MVNA – Minneapolis Visiting Nurse's Association, a community non-profit.

NAMC – National Association of Minority Contractors.

NCIC – National Crime Information Center.

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.

NIP – Neighborhood Initiatives Program of CPED.

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.

NRP – Neighborhood Revitalization Program, established in 1990, a joint powers agreement of the City to undertake neighborhood programs.

NSP Fund – Neighborhood Stabilization Program Fund

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.

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.

OSA – Office of the State Auditor.

OSHA – Occupational Safety and Health Administration, of the federal government.

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 obligation bonds may be used, for example 1) to reduce or eliminate the employer's net pension obligation, 2) to pay the employer's annual required contribution for the year, or 3) to reduce or eliminate the plan's unfunded actuarial accrued liability.

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.

Priority Budgeting - Allows the City to direct resources towards programs, helps to articulate why a program exists and is transparent.

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.

PS&RS – Public Safety and Regulatory Services, standing committee of the City Council.

PW – Public Works Department.

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.

ROP— Repeat Offender Program.

RTW— Return to Work.

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.

SBA— Small Business Administration, of the Federal Government.

SBC— School Based Clinics.

SCADA— Supervisory Control and Data Acquisition, a program to automate the water control system from one point so that all gates, pumps, monitors and controls will be in one controlled area.

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 an 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.

SCORE— Select Committee On Recycling & Environment.

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.

SUBP— Small and Underutilized Business Program of the Civil Rights Department.

SW&R— Solid Waste and Recycling.

T&PW— Transportation and Public Works, a standing committee of the City Council.

Target Strategies— Changes that will produce a reduction in operating expenditures.

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 of 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 Regulatory Services.

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.

TRA – Tenant Remedies Act.

Truth In Taxation (TNT) Law – In 1988, the Minnesota Legislature passed a law designed to make local governments more accountable for property tax increases. The law requires that local governments inform taxpayers of proposed tax levy amounts and adopt budgets at public hearings.

UB – Utility billing.

Unallotment – Executive branch power to reduce spending to avoid a deficit without legislative action.

Unisys – Unisys Corporation – The City of Minneapolis has a contract with Unisys to manage and support 2700 personal computers and more than 100 servers.

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) and that, upon each adjustment until the final maturity of the instrument of the period remaining until the principal amount can be recovered through demand, can reasonably be expected to have a fair value that will be unaffected by interest rate changes.

VPN – Virtual Private Network.

Ways & Means/Budget Committee – City Council Subcommittee made up of six City Council Members, which provides Council oversight on issues such as: acceptance of bids, appropriation of funds, approval of increases/decreases/transfers of funds, assignment of wages and salaries, budgetary items (including approval of the City's annual budget), the certification to Hennepin County of taxes to be levied for bonds sold, civil rights issues, execution of contracts, issuance of bonds, Minneapolis Employment and Training Program agreements, and the operating, structure and organization of departments (during the budget process).

WC – Worker Compensation.

WiFi – Wireless fidelity.

YCB – Youth Coordinating Board, a joint power agreement of the City.

YTD – Year to date.

Z&P – Zoning and Planning, City Council Subcommittee

**OFFICIAL PROCEEDINGS
MINNEAPOLIS CITY COUNCIL**

**ADJOURNED SESSION OF THE
REGULAR MEETING OF
DECEMBER 6, 2013 HELD
DECEMBER 11, 2013**

(Published December 21, 2013, in *Finance and Commerce*)

Council Chamber
Room 317 City Hall
350 South 5th Street
Minneapolis, Minnesota
December 11, 2013 – 6:05 p.m.

The Council met pursuant to adjournment.

President Johnson in the Chair.

Present - Council Members Schiff, Lilligren, Colvin Roy, Tuthill, Quincy, Glidden, Goodman, Hodges, Samuels, Gordon, Reich, Hofstede, President Johnson.

Lilligren moved adoption of the agenda. Seconded.
Adopted upon a voice vote.

Lilligren moved to suspend Council Rule VIII (2) (D) to allow members of the public to address the City Council. Seconded.
Adopted upon a voice vote.

Council President Johnson welcomed Mayor R.T. Rybak, Council Member-elect Lisa Bender, Ward 10, and elected officials representing the Park & Recreation Board and the Board of Estimate & Taxation.

A public hearing was held to receive comments on the proposed 2014 budget and tax levy. A complete copy of the speakers list is available for public inspection, as set forth in Petn No 276924 on file in the Office of the City Clerk.

At 6:28 p.m., Lilligren moved to recess the meeting to allow the Board of Estimate & Taxation to meet. Seconded.
Adopted upon a voice vote.

President Johnson reconvened the meeting at 6:51 p.m.

PETITIONS AND COMMUNICATIONS

WAYS AND MEANS BUDGET (See Rep):

FINANCE DEPARTMENT (276922)
2014 Budget: Mayor's recommended budget.
FINANCE DEPARTMENT, ET AL. (276923)
2014 Budget: Budget hearing presentations.

FILED (See Rep):

CITY COUNCIL (276924)
2014 Budget and Tax Levy: Major highlights of the Mayor's recommended 2014 budget and speakers list.

The following reports were signed Mayor Rybak on December 13, 2013. Minnesota Statutes, Section 331A.01, Subd 10, allows for summary publication of ordinances and resolutions in the official newspaper of the city.

REPORTS OF STANDING COMMITTEES

The WAYS & MEANS/BUDGET Committee submitted the following reports:

W&M/Budget - Your Committee recommends passage of the accompanying Resolution approving the 2013 property tax levies, payable in 2014, for various funds of the City of Minneapolis for which the City Council levies taxes.

Adopted.

Resolution 2013R-571, approving the 2013 property tax levies, payable in 2014, for various funds of the City of Minneapolis for which the City Council levies taxes, was adopted by the City Council. A complete copy of this resolution is available for public inspection in the office of the City Clerk.

The following is the complete text of the unpublished summarized resolution.

RESOLUTION 2013R-571

By Hodges

Approving the 2013 property tax levies, payable in 2014, 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 2013 for taxes payable in 2014 for the following funds:

FUND	CERTIFIED LEVY AMOUNT	ESTIMATED TAX CAPACITY RATES
General Fund	\$157,103,000	41.950
Municipal Building Commission	\$4,594,000	1.227
Permanent Improvement	\$1,000,000	0.268
Bond Redemption	\$29,300,000	7.824
Firefighters Relief Association (MFRA)	\$2,745,000	0.733
Police Relief Association (MPRA)	\$6,415,000	1.713
Minneapolis Employees Retirement (MERF)	\$18,150,000	4.847
Total	\$219,307,000	58.562

Be It Further Resolved that the difference between the amounts herein levied by 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. 1) The tax capacity rates shown for each of the above funds are derived by applying the amount of the levy to an estimated tax capacity value of \$405,516,357 and a spread levy tax capacity value of \$325,238,178, and are advisory in nature only. 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 \$9,300,000 be **assessed against and levied based on market value** upon the real and personal property in the City of Minneapolis in 2013 for taxes payable in 2014 for debt service associated with the voter approved Library Referendum Bond authorization of \$140,000,000 (the estimated rate is 0.02819%).

Be It Further Resolved that a Special Tax Levy (Chapter 595) of \$1,021,000 with an estimated Tax Capacity Rate of 0.267 be assessed against and levied based on taxable value upon the real and personal property in the City of Minneapolis in 2013 for taxes payable in 2014 **for a Special Levy under Chapter 595** to be initially deposited in the General Fund of the City upon receipt from the County and to be used only for expenditures consistent with Chapter 595.

Be It Further Resolved that the Certified Local Government Aid (LGA) Amount estimated at \$76,066,082 shall be initially distributed as follows:

Municipal Building Commission	\$228,959
Minneapolis Park & Recreation Board	\$8,977,319
<u>General Fund</u>	<u>\$66,859,804</u>
TOTAL	\$76,066,082

Any adjustments from this amount will be allocated in accordance to the principle of maintaining the proportional relationships in funding available for activities as set forth in the City's adopted financial policies.

Adopted.

W&M/Budget - Your Committee, having under consideration the Mayor's 2014 Recommended Budget, now recommends passage of the accompanying Resolution fixing the maximum amounts to be expended by the various departments for 2014 (2014 General Appropriation Resolution), from the various funds under the jurisdiction of the City Council for which the City Council levies taxes and fees, based on the recommendations submitted by the Mayor (Petn No 276922).

Lilligren moved that the 2014 General Appropriation Resolution be amended by adding the following:

“Direct a one-time final allocation from the existing Minneapolis Police Department budget of \$15,000 to the Midtown Safety Center to provide the City of Minneapolis contribution to the operating expenses.” Seconded.

Adopted upon a voice vote.

Lilligren moved that the 2014 General Appropriation Resolution be amended by adding the following:

“Direct the Department of Community Planning & Economic Development (CPED) staff to lead a cross departmental workgroup to include the Minneapolis Police Department 3rd Precinct, Regulatory Services, CPED Housing, CPED Economic Development, and other relevant departments, along with the Ventura Village Neighborhood and other stakeholders, to build on the focused work in the northwest sector of the Venture Village Neighborhood. The workgroup will establish a discreet project area, a robust community engagement process, baseline measurement data, comprehensive investment strategies in housing and jobs. The workgroup will regularly evaluate the progress to determine the effectiveness of the City of Minneapolis efforts in this defined area.” Seconded.

Adopted upon a voice vote.

Gordon moved that the 2014 General Appropriation Resolution be amended by adding the following:

“Decrease the Park Board allocated City Fees by \$71,358 (General Fund overhead fee \$69,102 and benefit administration fee \$2,256) by decreasing the revenues associated with the fees by \$71,358.” Seconded.

Lost upon a voice vote.

Lilligren assumed the Chair.

Johnson moved that the 2014 General Appropriation Resolution be amended by adding the following:

“Direct staff from Finance and Property Service to appropriate (transfer) any remaining year-end funds from the 13 ward offices’ budgets to the City Clerk’s Office to be dedicated to the Legislative Information Management System (Fund 00100 Department 2600115 Account 513000).” Seconded.

Adopted upon a voice vote.

Johnson moved that the 2014 General Appropriation Resolution be amended by adding the following:

“Increase the Minneapolis Police Department’s appropriation by \$150,000 for the purchase of street cameras on Penn Ave N from Lowry to Dowling and Fremont Ave N from Lowry to 44th; and to decrease the General Fund transfer to the Self-Insurance fund by \$150,000.” Seconded.

Adopted upon a voice vote.

Johnson moved that the 2014 General Appropriation Resolution be amended by adding the following:

“Increase the Minneapolis Convention Center’s appropriation by \$250,000 to be allocated for Meet Minneapolis on a one-time basis. The funding for this appropriation increase is to come from prior year’s local tax revenue currently in the Convention Center’s fund balance.

Direct the Minneapolis Convention Center staff to request a quarterly report from Meet Minneapolis detailing the expenses and resulting benefits associated with the one-time \$250,000 allocation.

Direct the Minneapolis Convention Center staff to present the report received from Meet Minneapolis detailing the expenses and resulting benefits associated with the one-time \$250,000 allocation to the City Coordinator on a quarterly basis and present this report to the Ways & Means/Budget Committee semi-annually.” Seconded.

Adopted upon a voice vote.

Johnson resumed the Chair.

Hofstede moved that the 2014 General Appropriation Resolution be amended by adding the following:

“Increase the Minneapolis Police Department’s appropriation by \$75,000 for the purchase of a street camera to be located in the University District at a location to be determined cooperatively by the MPD and the University of Minnesota. Decrease the General Fund transfer to the Self-Insurance fund by \$75,000.” Seconded.

Adopted. Yeas, 9; Nays, 4 as follows:

Yeas – Lilligren, Colvin Roy, Tuthill, Quincy, Samuels, Gordon, Reich, Hofstede, Johnson.

Nays – Schiff, Glidden, Goodman, Hodges.

The report, with amended Resolution, was adopted.

Resolution 2013R-572, fixing the maximum amounts to be expended by the various departments for 2014 from the various funds under the jurisdiction of the City Council for which the City Council levies taxes and fees, was adopted by the City Council. A complete copy of this resolution is available for public inspection in the office of the City Clerk.

The following is the complete text of the unpublished summarized resolution.

RESOLUTION 2013R-572
By Hodges

Fixing the maximum amounts to be expended by the various departments for 2014 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 specifically named funds the maximum appropriation amounts as outlined in Financial Schedules 1, 2, 3, 4 (Community Development Block Grant (“CDBG”) Program Allocations), 6 and 7 as published in the final 2014 Adopted Budget Book.

That the proper City officers be authorized to execute and/or carry out the intent of the 2014 Consolidated Plan program allocations (CDBG, HOME, ESG and HOPWA entitlement grants), as amended, including the 2014 Adopted Budget Schedule 4 CDBG Program, and Schedules 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 2014 Consolidated Plan funding.

**2014 Operating Budget
Resolution Footnotes:**

a) Financial management Policies, as included in the Financial Policies Section of the 2014 Adopted Budget book, are hereby adopted as part of the 2014 budget.

b) Be it Further Resolved that this resolution may be cited as the "General Appropriation Resolution of 2014."

Changes to the Recommended Budget

c) Amend the Mayor's 2014 recommended budget as follows: reinstate requested funding for the City's Employment and Training programs in CPED by allocating up to \$2,565,000 from the CPED's Special Revenue Fund for: \$1.0 million for Adult Training, \$0.7 million for Youth Employment, \$0.690 million for Great Streets, \$0.146 million for the Peavey Plaza project and \$0.029 million for Residential and Real Estate Development.

d) Amend the Mayor's 2014 recommended budget as follows: increase general fund revenues to account for increased inspection and citation revenue projections (\$139,000). Increase appropriation for the Health department to provide for a program to assist these businesses in meeting health standards (in cooperation with CPED) (\$139,000).

e) Amend the Mayor's 2014 recommended budget as follows: increase appropriation for Affordable Housing by \$1.5 million to be funded by use of reserves in the CPED special revenue fund (CPED Development Account).

f) Amend the Mayor's 2014 recommended budget appropriation for the Minneapolis Police department (MPD) by \$400,000 for the purchase of body cameras for use by officers to be funded from the self-insurance fund. MPD budget appropriation to increase by \$400,000 offset by reduction in General Fund transfer to self-insurance fund.

g) Amend the Mayor's 2014 recommended budget to allocation up to \$2.75 million in proceeds attributed to the sale of the Gaviidae property for the purpose of funding a portion of the preliminary engineering and/or project development associated with the Nicollet/Central Modern Streetcar project and increase the appropriation for the project budget.

h) Amend the Mayor's 2014 recommended general fund revenue budget to recognize payment in lieu of taxes (PILOT) payment from Minneapolis Public Housing Authority (MPHA) and increase appropriation in City Coordinator's department budget in like amount to refund PILOT payment (\$225,000).

i) Amend the Mayor's 2014 recommended budget for the Capital Asset Request System (CARS) to include \$25,000 for MTN equipment replacement by reduction in other capital.

j) Amend the Mayor's 2014 recommended budget to allocate recommended use of \$8.9 million in General Fund balance for the City's Capital Asset Request System (CARS) program to individual requesting departments – no net budget change.

k) Amend the Mayor's 2014 recommended budget as follows: increase Regulatory Services' appropriation by \$50,000 for Minneapolis Animal Care and Control bully breed temperament testing program. Decrease Community Planning and Economic Development appropriation by \$50,000 from the Midtown Global Market program.

l) Amend the Mayor's 2014 recommended budget as follows: increase the City Coordinator's appropriation by \$30,000 to be allocated for the annual membership for St. Anthony Falls Heritage organization. Decrease Finance and Property Service's appropriation by \$30,000. Further, Intergovernmental Relations, Community Planning and Economic Development and others to evaluate existing ongoing memberships and costs of memberships for value received, to help with future decision making.

m) Amend the Mayor's 2014 recommended budget as follows: increase the Minneapolis Convention Center's appropriation by \$250,000 to be allocated for Meet Minneapolis on a one-time basis. The funding for this appropriation increase is to come from prior year's local tax revenue currently in the Convention Center's fund balance.

n) Amend the Mayor's 2014 recommended budget as follows: increase the Minneapolis Police Department's appropriation by \$150,000 for the purchase of street cameras on Penn Ave N from Lowry to Dowling and Fremont Ave N from Lowry to 44th; and to decrease the General Fund transfer to the Self-Insurance fund by \$150,000.

o) Amend the Mayor's 2014 recommended budget as follows: increase the Minneapolis Police Department's appropriation by \$75,000 for the purchase of a street camera to be located in the University District at a location to be determined cooperatively by the MPD and the University of Minnesota. Decrease the General Fund transfer to the Self-Insurance fund by \$75,000.

Directions to Staff

p) Direct the Finance and Property Services department to amend all schedules and language according to amended budgets.

q) Direct the Finance and Property Services department to update the five-year financial direction budgets and staff directions.

r) Direct the Public Works department to report to the Transportation and Public Works committee by January 31, 2014 with proposed specific projects for the 2014 Capital Budget for the Paving Program.

s) Direct the Public Works, Regulatory Services and Minneapolis Police departments to provide services up to an equivalent of \$75,000 to support up to six events associated with the Open Streets program. No additional funding is requested.

t) Direct Finance and Property Services and Public Works departments to request a report on the utilization of Minneapolis Parks and Recreation Board Tree Levy and City contribution of \$200,000 for 2014 and prepare a recommendation regarding continued funding for the 2015 budget process.

u) Direct the Minneapolis Police department to fund with 2014 budget savings from attrition and contracts to provide \$510,000 in General Fund (00100) to retain six Community Crime Prevention Specialists.

v) Direct the 911 department to utilize the bell-curve staffing authority outlined in the City's Financial Policies to hire two additional FTE Operators. Further, the 911 department is directed to report upon the effectiveness of this staffing mechanism in meeting service level benchmarks by September 1, 2014.

w) Direct all City departments to make data available online using open standards; further direct that the Information Technology Director convene a working group to include the City Coordinator and key department staff, with feedback from the Information Technology Executive Group, to develop a policy and implementation schedule for the "Open Data Directive," and report on progress to the Ways & Means Committee and Information Technology Policy committee starting in March 2014 and at regular intervals thereafter.

x) Direct staff from Civil Rights, Neighborhood and Community Relations, Community Planning and Economic Development, Finance and Property Services, Human Resources, and the Coordinator's office to develop measures consistent with the racial equity toolkit guides, and work with all departments to include applicable measures in their regular *Results Minneapolis* reports.

y) Direct staff from the Health department to provide an update of the fees and process study to Regulatory, Energy and Environment committee during the first quarter of 2014.

z) Direct Community Planning and Economic Development department to allocate \$135,000 from the Midtown Global Market program to the Great Streets Program.

aa) Direct Neighborhood and Community Relations department to use up to \$25,000 of 2014 appropriation from the Access and Outreach programming funds to be allocated to Beyond the Yellow Ribbon outreach activities and authorize Neighborhood and Community Relations to add .5 FTE.

bb) Direct staff from Finance and Property Service to appropriate (transfer) any remaining year-end funds from the 13 ward offices' budgets to the City Clerk's Office to be dedicated to the Legislative Information Management System (Fund 00100 Department 2600115 Account 513000).

cc) Direct a one-time final allocation from the existing Minneapolis Police Department budget of \$15,000 to the Midtown Safety Center to provide the City of Minneapolis contribution to the operating expenses.

dd) Direct the Department of Community Planning & Economic Development (CPED) staff to lead a cross departmental workgroup to include the Minneapolis Police Department 3rd Precinct, Regulatory Services, CPED Housing, CPED Economic Development, and other relevant departments, along with the Ventura Village Neighborhood and other stakeholders, to build on the focused work in the northwest sector of the Venture Village Neighborhood. The workgroup will establish a discreet project area, a robust community engagement process, baseline measurement data, comprehensive investment strategies in housing and jobs. The workgroup will regularly evaluate the progress to determine the effectiveness of the City of Minneapolis efforts in this defined area.

ee) Direct the Minneapolis Convention Center staff to request a quarterly report from Meet Minneapolis detailing the expenses and resulting benefits associated with the one-time \$250,000 allocation.

ff) Direct the Minneapolis Convention Center staff to present the report received from Meet Minneapolis detailing the expenses and resulting benefits associated with the one-time \$250,000 allocation to the City Coordinator on a quarterly basis and present this report to the Ways & Means/Budget Committee semi-annually.

Technical Changes

gg) Amend the Mayor's recommended 2014 Sanitary Sewer Rate by reducing the rate from the recommended amount of \$3.21 down to \$3.14 (same as 2013 rate) and reduce the overall revenue and expenditure appropriation by \$1,021,160 to reflect the reduction in MCES fees for 2014.

hh) Amend the Mayor's 2014 recommended capital budget to adjust (\$100,000 reduction) for changes in funding availability due to the change in assessment methodology for alleys. Additional net debt bond capacity will be needed to maintain funding for remaining program that otherwise would be available.

ii) Amend the Mayor's 2014 recommended budget to increase Human Resources' appropriation by \$50,000 (Internship program enhancement) and Intergovernmental Relations' appropriation by \$100,000 (Lobbying). Amend the Mayor's 2014 recommended budget to decrease City Coordinator's appropriation by \$150,000.

jj) Amend the Mayor's 2014 recommended budget to allocate \$760,642 in General Fund general revenues department for the Internal Service Fund programs to individual departments – no net budget change.

Adopted.

W&M/Budget - Your Committee recommends passage of the accompanying resolution adopting the 2014-2018 Five Year Capital Program, as shown in the "Capital Section" of the adopted 2014 Budget Book (Petn No 276922), fixing the maximum amounts of capital funds to be expended by the various funds under the jurisdiction of the City Council.

Adopted.

Resolution 2013R-573, adopting the 2014-2018 Five Year Capital Program, was adopted by the City Council. A complete copy of this resolution is available for public inspection in the office of the City Clerk.

The following is the complete text of the unpublished summarized resolution.

RESOLUTION 2013R-573

By Hodges

Adopting the 2014 - 2018 Five Year Capital Program and fixing the maximum amounts for 2014 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 2014 - 2018 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 2014:

Fund	Department Project	Amounts (in thousands)	Revenue Source Description
34200 MBC - CAPITAL IMPROVEMENTS			
9010901 MBC CAPITAL			
	MBC01 Life Safety Improvements	215	Net Debt Bonds
	MBC02 Mechanical Systems Upgrade	580	Net Debt Bonds
	MBC04 MBC Elevators	200	Net Debt Bonds
	TOTAL FOR FUND 34200 - 9010901	995	
14370 PARK - CAPITAL IMPROVEMENTS ASSESSED			
9103000 FORESTRY & TREE DISEASE CONTROL			
	PRKDT Diseased Tree Removal	300	Assessment Bonds
	TOTAL FOR FUND 14370 - 9103000	300	
14300 PARK - CAPITAL IMPROVEMENTS			
9101000 PARKS CAPITAL IMPROVEMENT			
	PRK02 Playground and Site Improvements Program	750	Park Capital Levy
	PRK03 Shelter – Pool – Site Improvements Program	2,000	Net Debt Bonds
	PRK04 Athletic Fields and Site Improvements Program	500	Net Debt Bonds
	PRK04 Athletic Fields and Site Improvements Program	650	Park Capital Levy
	PRKCP Neighborhood Parks Capital Infrastructure	1,811	Park Capital Levy
	TOTAL FOR FUND 14300 - 9101000	5,711	
04100 CITY - CAPITAL IMPROVEMENTS			
PUBLIC WORKS CAPITAL IMPROVEMENTS			
9010937 STREET PAVING CAPITAL			
	PV001 Parkway Paving Program (PV1401)	700	Net Debt Bonds
	PV001 Parkway Paving Program (PV1401)	50	Assessment Bonds
	PV001 Parkway Paving Program (PV1401)	760	Park Capital Levy
	PV001 Parkway Paving Program (PV1401)	1,000	Other Local Govt
	PV006 Alley Renovation Program (PV1406)	200	Net Debt Bonds
	PV006 Alley Renovation Program (PV1406)	50	Assessment Bonds
	PV056 Asphalt Pavement Resurfacing Program (PV1456)	1,305	Net Debt Bonds
	PV056 Asphalt Pavement Resurfacing Program (PV1456)	790	Assessment Bonds
	PV056 Asphalt Pavement Resurfacing Program (PV1456)	500	Municipal State Aid
	PV059 Major Pavement Maintenance Program (PV1459)	250	Net Debt Bonds
	PV061 High Volume Corridor Reconditioning Program (PV1461)	1,520	Net Debt Bonds
	PV061 High Volume Corridor Reconditioning Program (PV1461)	500	Municipal State Aid
	PV061 High Volume Corridor Reconditioning Program (PV1461)	1,285	Assessment Bonds
	PV063 Unpaved Alley Construction (PV1463)	150	Net Debt Bonds
	PV063 Unpaved Alley Construction (PV1463) See footnote b)	50	Assessment Bonds
	PV067 Nawadaha Blvd & Minnehaha Ave	975	Net Debt Bonds
	PV067 Nawadaha Blvd & Minnehaha Ave	640	Municipal State Aid
	PV067 Nawadaha Blvd & Minnehaha Ave	345	Assessment Bonds
	PV068 LaSalle Ave (Grant to 8th)	1,515	Net Debt Bonds
	PV068 LaSalle Ave (Grant to 8th)	1,430	Municipal State Aid
	PV068 LaSalle Ave (Grant to 8th)	1,070	Assessment Bonds
	PV069 Penn Ave S (50th to Crosstown)	1,515	Net Debt Bonds
	PV069 Penn Ave S (50th to Crosstown)	1,605	Municipal State Aid
	PV069 Penn Ave S (50th to Crosstown)	845	Assessment Bonds
	PV070 Riverside Extension – 4th St/15th Ave	730	Net Debt Bonds
	PV070 Riverside Extension – 4th St/15th Ave	450	Assessment Bonds
	PV074 CSAH & MnDOT Cooperative Projects (PV1474)	500	Net Debt Bonds

PV074	CSAH & MnDOT Cooperative Projects (PV1474)	1,600	Assessment Bonds
PV075	Development Infrastructure Program (PV1475)	1,400	Net Debt Bonds
PV085	Nicollet Mall Planning	500	General Fund
PV086	26th Ave N (Wirth Pkwy to Brdwy/Lyndale to River)	1,160	Net Debt Bonds
PV086	26th Ave N (Wirth Pkwy to Brdwy/Lyndale to River)	275	Municipal State Aid
PV086	26th Ave N (Wirth Pkwy to Brdwy/Lyndale to River)	680	Assessment Bonds
PV099	26th & 28th St Buffered Bike Lanes (Hiawatha to 35W)	200	Net Debt Bonds
PV100	Dinkytown Greenway Connection (15th Ave/4th St SE)	275	Net Debt Bonds
PV101	29th St W Pedestrian Connection	350	Net Debt Bonds
PV99R	Reimbursable Paving Projects (PV14R)	3,500	Reimbursements
	04100-9010937 Street Paving Subtotal See footnote a)	30,670	
9010938 BRIDGE CAPITAL			
BR101	Major Bridge Repair and Rehabilitation (BR1401)	400	Net Debt Bonds
BR111	10th Ave SE Bridge Arch Rehabilitation	1,105	Net Debt Bonds
BR111	10th Ave SE Bridge Arch Rehabilitation	2,765	Municipal State Aid
BR111	10th Ave SE Bridge Arch Rehabilitation	3,369	Federal Grant
BR111	10th Ave SE Bridge Arch Rehabilitation	4,231	State Grant
BR116	Bridge 9 Improvements	1,300	Net Debt Bonds
BR116	Bridge 9 Improvements	1,040	Federal Grant
BR131	North by Northeast Bikeway Bridge Connection	50	Net Debt Bonds
	04100-9010938 Bridge Subtotal	14,260	
9010939 SIDEWALK CAPITAL			
SWK01	Defective Hazardous Sidewalks (SWK14)	295	Net Debt Bonds
SWK01	Defective Hazardous Sidewalks (SWK14)	3,070	Assessments
	04100-9010939 Sidewalk Subtotal	3,365	
9010943 TRAFFIC CAPITAL			
BIK20	Hiawatha LRT Trail Lighting	375	Net Debt Bonds
BIK20	Hiawatha LRT Trail Lighting	1,040	Federal Grant
TR008	Parkway Street Light Replacement (TR1408)	350	Net Debt Bonds
TR008	Parkway Street Light Replacement (TR1408)	560	Park Capital Levy
TR011	City Street Light Renovation (TR1411)	700	Net Debt Bonds
TR021	Traffic Signals (TR1421)	1,785	Net Debt Bonds
TR021	Traffic Signals (TR1421)	125	Municipal State Aid
TR021	Traffic Signals (TR1421)	125	Hennepin County
TR022	Traffic Safety Improvements (TR1422)	1,015	Net Debt Bonds
TR022	Traffic Safety Improvements (TR1422)	560	Municipal State Aid
TR022	Traffic Safety Improvements (TR1422)	338	Hennepin County
TR024	Pedestrian Level Lighting Program (TR1424)	500	Net Debt Bonds
TR99R	Reimbursable Transportation Projects (TR14R)	600	Reimbursements
	04100-9010943 Traffic Subtotal	8,073	
04100 - PUBLIC WORKS CAPITAL IMPROVEMENTS Subtotal		56,368	
8900420 COMMUNITY PLANNING & ECONOMIC DEVELOPMENT (CPED)			
ART01	Art in Public Places (ART14)	480	Net Debt Bonds
	04100-8900420 CPED Subtotal	480	
9010923 PROPERTY SERVICES CAPITAL (Public Grounds & Facilities)			
CTY02	City Property Reforestation (CTY1402)	150	Net Debt Bonds
CTY06	ADA Facility Assessments	100	Net Debt Bonds
MPD03	Hamilton School Acquisition & Facility Improvement	1,000	Net Debt Bonds
PSD01	Facilities – Repair and Improvements (PS1401)	1,115	Net Debt Bonds
PSD03	Facilities – Space Improvements (PS1403)	1,000	Net Debt Bonds
PSD11	Energy Conservation and Emission Reduction (PS14E11)	250	Net Debt Bonds
PSD12	Pioneers & Soldiers Cemetery Fencing – Phase II	250	Net Debt Bonds
PSD12	Pioneers & Soldiers Cemetery Fencing – Phase II	200	State of Minnesota
	04100-9010923 Property Services Subtotal	4,065	

9010970 NON-DEPARTMENTAL CAPITAL		
31101	311 Systems Refresh	230 Net Debt Bonds
91101	911 Telephone System Replacement	975 Net Debt Bonds
	04100-9010970 Non-Departmental Capital Subtotal	1,205
TOTAL FOR FUND 04100 CITY - CAPITAL IMPROVEMENTS		62,118
06400 INFORMATION TECHNOLOGY INTERNAL SERVICE FUND		
9010972 IT CAPITAL		
IT003	Enterprise Content Management (IT1403)	300 Net Debt Bonds
IT004	Enterprise Infrastructure Modernization (IT1404)	750 Net Debt Bonds
IT033	Police Report Management System Upgrade	1,000 Net Debt Bonds
	TOTAL FOR FUND 06400 - 9010972	2,050
07100 SANITARY SEWER ENTERPRISE FUND		
9010932 SANITARY/STORM CAPITAL		
SA001	Sanitary Tunnel and Sewer Rehabilitation Program (SA1401)	4,000 Sanitary Sewer Bonds
SA036	Infiltration & Inflow Removal Program (SA1436)	2,000 Sanitary Sewer Bonds
SA036	Infiltration & Inflow Removal Program (SA1436)	1,000 Sanitary Revenue
SA99R	Reimbursable Sanitary Sewer Projects (SA14R)	1,000 Reimbursements
	TOTAL FOR FUND 07100 - 9010932	8,000
07300 STORMWATER ENTERPRISE FUND		
9010932 SANITARY/STORM CAPITAL		
SW004	Implementation of US EPA Storm Water Regulations (SW1404)	250 Stormwater Revenue
SW005	Combined Sewer Overflow Improvements (SW1405)	1,500 Stormwater Revenue
SW011	Storm Drains & Tunnels Rehab Program (SW1411)	7,700 Stormwater Bonds
SW011	Storm Drains & Tunnels Rehab Program (SW1411)	2,500 Stormwater Revenue
SW039	Flood Mitigation with Alternative Stormwater Mgmt (SW1439)	2,000 Stormwater Revenue
SW99R	Reimbursable Sewer & Storm Drain Projects (SW14R)	2,000 Reimbursements
PV067	Nawadaha Blvd & Minnehaha Ave	120 Stormwater Revenue
PV068	LaSalle Ave (Grant to 8th)	505 Stormwater Revenue
PV069	Penn Ave S (50th to Crosstown)	265 Stormwater Revenue
PV070	Riverside Extension – 4th St/15th Ave	210 Stormwater Revenue
PV074	CSAH & MnDot Cooperative Projects	415 Stormwater Revenue
PV086	26th Ave N (Wirth Pkwy to Brdway/Lyndale to River)	40 Stormwater Revenue
	TOTAL FOR FUND 07300 - 9010932	17,505
07400 WATER ENTERPRISE FUND		
9010950 WATER CAPITAL		
WTR12	Water Distribution Improvements (WTR1412)	6,600 Water Revenue
WTR18	Water Distribution Facility	4,000 Water Bonds
WTR23	Treatment Infrastructure Improvements (WTR1423)	5,000 Water Revenue
WTR24	Fridley Filter Plant Rehabilitation	4,000 Water Bonds
WTR25	Ground Water Supply	500 Water Revenue
WTR9R	Reimbursable Watermain Projects (WTR14R)	2,000 Reimbursements
	TOTAL FOR FUND 07400 - 9010950	22,100
07500 MUNICIPAL PARKING ENTERPRISE FUND		
9010946 PARKING RAMP CAPITAL		
RMP01	Parking Facilities - Repair and Improvements (RP1401)	1,700 Parking Revenue
	TOTAL FOR FUND 07500 - 9010946	1,700
GRAND TOTAL FOR ALL FUNDS		120,479

Be It Further Resolved that the following 2014 Capital Budget footnotes are hereby incorporated into the 2014 Capital Resolution:

a) Staff Direction: Direct the Public Works department to report to the Transportation and Public Works committee by January 31, 2014 with proposed specific projects for the 2014 Capital Budget for the Paving Program.

b) Amend the Mayor's 2014 recommended capital budget to adjust (\$100,000 reduction) for changes in funding availability due to the change in assessment methodology for alleys. Additional net debt bond capacity will be needed to maintain funding for remaining program that otherwise would be available.

Adopted.

W&M/Budget - Your Committee recommends passage of the accompanying resolutions requesting the Board of Estimate and Taxation to incur indebtedness and issue and sell City of Minneapolis bonds for various amounts, as reflected in the 2014 Capital Appropriation Resolution.

Adopted.

Resolutions 2013R-574 through 2013R-577, requesting the Board of Estimate and Taxation to incur indebtedness and issue and sell City of Minneapolis bonds for various amounts, as reflected in the 2014 Capital Appropriation Resolution, were adopted by the City Council. A complete copy of each resolution is available for public inspection in the office of the City Clerk.

The following is the complete text of the unpublished summarized resolution.

RESOLUTION 2013R-574
By Hodges

Requesting that the Board of Estimate and Taxation 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 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 diseased tree removal program. Assessments shall be collected in 5 successive equal annual installments payable in the same manner as real estate taxes.

Adopted.

RESOLUTION 2013R-575
By Hodges

Requesting that the Board of Estimate and Taxation incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$7,615,000 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 incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$7,615,000, 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 (PV1401)	50,000
PV006	Street Renovation Program (PV1406)	50,000
PV056	Asphalt Pavement Resurfacing Program (PV1456)	790,000
PV061	High Volume Corridor Reconditioning Program (PV1461)	1,285,000
PV063	Unpaved Alley Construction (PV1463)	50,000
PV067	Nawadaha Blvd & Minnehaha Ave	345,000
PV068	LaSalle Ave (Grant to 8th)	1,070,000
PV069	Penn Ave S (50th to Crosstown)	845,000
PV070	Riverside Extension – 4th St/15th Ave	450,000
PV074	CSAH & MnDOT Cooperative Projects (PV1474)	2,000,000
PV086	26th Ave N (Wirth Pkwy to Brdwy/Lyndale to River)	680,000
	Total	\$7,615,000

Adopted.

RESOLUTION 2013R-576
By Hodges

Requesting that the Board of Estimate and Taxation incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$31,715,000 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 incur indebtedness and issue and sell City of Minneapolis bonds, in the amount of \$31,715,000, the proceeds of which are to be used as follows:

Municipal Building Commission, in the amount of \$995,000

MBC01	Life Safety Improvements	215,000
MBC02	Mechanical Systems Upgrade	580,000
MBC04	MBC Elevators	200,000

Park & Recreation Board, in the amount of \$2,500,000

PRK03	Shelter – Pool – Site Improvements Program	2,000,000
PRK04	Athletic Fields and Site Improvements Program	500,000

City Council, in the amount of \$28,220,000

PV001	Parkway Paving Program (PV1401)	700,000
PV006	Alley Renovation Program (PV1406)	200,000
PV056	Asphalt Pavement Resurfacing Program (PV1456)	1,305,000
PV059	Major Pavement Maintenance Program (PV1459)	250,000
PV061	High Volume Corridor Reconditioning Program (PV1461)	1,520,000

PV063	Unpaved Alley Construction (PV1463)	150,000
PV067	Nawadaha Blvd & Minnehaha Ave	975,000
PV068	LaSalle Ave (Grant to 8th)	1,515,000
PV069	Penn Ave S (50th to Crosstown)	1,515,000
PV070	Riverside Extension – 4th St/15th Ave	730,000
PV074	CSAH & MnDOT Cooperative Projects (PV1474)	500,000
PV075	Development Infrastructure Program (PV1475)	1,400,000
PV086	26th Ave N (Wirth Pkwy to Brdwy/Lyndale to River)	1,160,000
PV099	26th & 28th St Buffered Bike Lanes (Hiawatha to 35W)	200,000
PV100	Dinkytown Greenway Connection (15th Ave/4th St SE)	275,000
PV101	29th St W Pedestrian Connection	350,000
BR101	Major Bridge Repair and Rehabilitation (BR1401)	400,000
BR111	10th Ave SE Bridge Arch Rehabilitation	1,105,000
BR116	Bridge 9 Improvements	1,300,000
BR131	North by Northeast Bikeway Bridge Connection	50,000
SWK01	Defective Hazardous Sidewalks (SWK14)	295,000
BIK20	Hiawatha Trail Lighting	375,000
TR008	Parkway Street Light Replacement (TR1408)	350,000
TR011	City Street Light Renovation (TR1411)	700,000
TR021	Traffic Signals (TR1421)	1,785,000
TR022	Traffic Safety Improvements (TR1422)	1,015,000
TR024	Pedestrian Level Lighting Program (1424)	500,000
ART01	Art in Public Places (ART14)	480,000
CTY02	City Property Reforestation (CTY1402)	150,000
CTY06	ADA Facility Assessments	100,000
MPD03	Hamilton School Acquisition & Facility Improvement	1,000,000
PSD01	Facilities – Repair & Improvements (PS1401)	1,115,000
PSD03	Facilities – Space Improvements (PS1403)	1,000,000
PSD11	Energy Conservation and Emission Reduction (PS14E11)	250,000
PSD12	Pioneers & Soldiers Cemetery Fencing – Phase II	250,000
31101	311 Systems Refresh	230,000
91101	911 Telephone System Replacement	975,000
IT003	Enterprise Content Management (IT1403)	300,000
IT004	Enterprise Infrastructure Modernization (IT1404)	750,000
IT033	Police Report Management System Upgrade	1,000,000

Grand Total \$31,715,000
Adopted.

**RESOLUTION 2013R-577
By Hodges**

Requesting that the Board of Estimate and Taxation incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$21,700,000 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 incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$21,700,000, the proceeds of which are to

be used for sanitary and storm sewer projects, water projects and parking facility projects as follows:

Sanitary Sewer Projects – Fund 07100:

SA001	Sanitary Tunnel and Sewer Rehab Program (SA1401)	4,000,000
SA036	Infiltration & Inflow Removal Program (SA1436)	2,000,000

Storm Sewer Projects – Fund 07300:

SW011	Storm Drains & Tunnels Rehab Program (SW1411)	7,700,000
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Water Projects – Fund 07400:

WTR18	Water Distribution Facility	4,000,000
WTR24	Fridley Filter Plant Rehabilitation	4,000,000

Adopted.

W&M/Budget – Your Committee recommends passage of the accompanying Resolution designating the utility rates for water, sewer, stormwater, solid waste, and recycling service effective with water meters read on and after January 1, 2014.

Adopted.

Resolution 2013R-578, designating the utility rates for water, sewer, stormwater, solid waste, and recycling service effective with water meters read on and after January 1, 2014, was adopted by the City Council. A complete copy of this resolution is available for public inspection in the office of the City Clerk.

The following is the complete text of the unpublished summarized resolutions.

RESOLUTION 2013R-578
By Hodges

Designating the utility rates for water, sewer, stormwater, solid waste, and recycling service effective with water meters read on and after January 1, 2014.

Resolved by The City Council of The City of Minneapolis:

Effective with utility billings for water meters read from and after January 1, 2014, 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.

(a) **Three dollars and thirty-two cents (\$3.32)** per one hundred (100) cubic feet for customers not otherwise mentioned.

(b) **Three dollars and forty-seven cents (\$3.47)** 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.

(c) Rates for municipalities, municipal corporations and villages, which are established by contract, shall continue on the existing contract basis.

(d) 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	<u>\$ 2.50</u>
3/4-inch	<u>3.75</u>
1-inch	<u>6.25</u>
1 1/2-inch	<u>12.50</u>
2-inch	<u>20.00</u>
3-inch	<u>40.00</u>
4-inch	<u>62.50</u>
6-inch	<u>125.00</u>
8-inch	<u>200.00</u>
10-inch	<u>287.50</u>
12-inch	<u>825.00</u>

(e) 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. In addition to the fixed charge, a fire line rate shall be assessed according to the size of the large side register at the annual rates established in provision (f) of this section.

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.

(f) 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 forthwith resealed by a Public Works - Water Division representative. All connections for fire systems must have a post indicator valve installed at the curb if ordered by the superintendent of the waterworks. (Code 1960, As Amend., § 606.030; Ord. of 12-28-73, § 1)

(g) Rates for other services and materials provided shall be fixed as follows:

	Activity	Fee Amount
1a	Damaged, Lost, or New Meters	
	5/8"	\$65
	3/4"	\$85
	1"	\$130
	1 1/2"	\$310
	2"	\$395
	3"	\$2,191
	4"	\$2,990
	6"	\$4,010
1b	Damaged or Lost Meter Reading Equipment	
	ERT	\$125
	Encoder	\$65
2	Remove or Install a Meter, Drain a Meter	
	Smaller than 1 inch	\$50
	1-2 inches	\$90
	3 inch or greater	\$135
3a	Meter Tampering Penalty/Administration Fee/Violation Fee	\$200
4	Meter Testing	
	Smaller than 1 inch	\$70
	1-2 inch	\$100
	3 inch or greater	\$135
5	Water Turn-On or Shut-Off	
	Base Charge	\$45
	Winter Fee - Nov.15-Apr. 15	\$25
	Delinquency Water On/Off Admin Fee	\$6
	Shut off Valve Flush Fee	\$20
6	Meter Reading, Missed Appointments, Posting	\$20
7	Tap Cutoff/Extension Permit	\$10
8	Garden Hydrant Permit Fee (Prepayment of \$100 required for water usage on properties over 5,000 Sq. Ft. and will be metered and billed at regular city rates after 24 units of water used)	\$100
9	Hydrant Permit Fee for Demolition Contractors (requires a \$1200 deposit for equipment)	\$50
	Water usage per week	\$50

10	Hydrant Construction Permit Fee (requires a \$1200-\$2500 deposit depending on size of RPZ) Includes equipment installation charge Water usage charged at regular in city rate	\$250
11	Hydrant Special Event Permit Fee - Includes equipment installation charge Sanitization of hydrant for potable water Base water usage charges (non-potable) - \$100 + \$10/day for potable water	\$250 \$360 \$100
12	Penalty for Violation of Water Emergency Declaration	\$25
13a	Valve Tampering Penalty	\$200
13b	Fee to Re-Seal the Tampered Valve	\$20
14a	2014 Large Tapping Fee* Tap Size	
	6x4"	\$1,949
	6x6"	\$2,198
	8x4"	\$2,096
	8x6"	\$2,166
	8x8"	\$2,903
	10x4"	\$2,388
	10x6"	\$2,404
	10x8"	\$2,657
	12x4"	\$2,113
	12x6"	\$2,263
	12x8"	\$3,076
	12x12"	\$5,149
	16x4"	\$2,717
	16x6"	\$2,437
	16x8"	\$3,793
	16x12"	\$5,040
	24x4"	\$2,392
	24x6"	\$2,975
	24x8"	\$4,049
	24x12"	\$5,763
	30x4"	\$3,480
	30x6"	\$3,686
	30x8"	\$5,144

	30x12"	\$8,531
	36x4"	\$3,741
	36x6"	\$3,854
	36x8"	\$4,876
	36x12"	\$7,910
14b	2014 Small Tap Fee*	
	Tap Size	\$188
	3/4x3/4"	\$198
	1x1"	\$213
	1x1¼"	
14c	2014 Tap Discontinuation Fee*	
	Tap Size	
	6x2"	\$1,774
	6x3"	\$1,774
	6x4"	\$2,068
	6x6"	\$2,068
	8x2"	\$1,807
	8x3"	\$1,807
	8x4"	\$1,807
	8x6"	\$2,274
	8x8"	\$2,274
	10x2"	\$1,874
	10x3"	\$1,874
	10x4"	\$1,874
	10x6"	\$2,960
	10x8"	\$2,960
	10x10"	\$2,960
	12x2"	\$1,939
	12x3"	\$1,939
	12x4"	\$1,939
	12x6"	\$1,939
	12x8"	\$3,027
	12x12"	\$3,027
	16x2"	\$2,467
	16x3"	\$2,467
	16x4"	\$2,467
	16x6"	\$2,467
	16x8"	\$2,467
	16x12"	\$4,163
	24x2"	\$2,874

	24x3"	\$2,874
	24x4"	\$2,874
	24x6"	\$2,874
	24x8"	\$2,874
	24x12"	\$2,874
14d	Mechanical Plug Pricing*	
	4" Plug	\$1,774
	6" Plug	\$1,786
	8" Plug	\$1,827
	12" Plug	\$1,874
	*Where standard methods are not feasible due to site specific circumstances, fee will be based on the City's estimate for tapping a water main. Includes installation not excavation.	
14e	Water Main Shut Down for Contractor	\$646
15	Coupling Pricing for Meters - Charged at inventory cost	

The sanitary sewer rates and stormwater service rate shall be applied to utility billings for water meters read from and after January 1, 2014.

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:

(a) The sanitary sewer rate applicable inside the City of Minneapolis is **three dollars and fourteen cents (\$3.14)** per one hundred (100) cubic feet.

(b) 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	<u>\$ 3.40</u>
3/4-inch	<u>5.10</u>
1-inch	<u>8.50</u>
1 1/2-inch	<u>17.00</u>
2-inch	<u>27.20</u>
3-inch	<u>54.40</u>
4-inch	<u>85.00</u>
6-inch	<u>170.00</u>
8-inch	<u>272.00</u>
10-inch	<u>391.00</u>
12-inch	<u>1,122.00</u>

(c) The sanitary sewer rate applicable outside the City of Minneapolis for all sewage flow generated is **three dollars and fourteen cents (\$3.14)** 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).

(d) Sanitary sewer only service outside the City of Minneapolis shall be twenty dollars (\$20.00) per month.

(e) 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.

(f) 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:

(a) The Equivalent Stormwater Unit (ESU) rate is **eleven dollars and ninety-four cents (\$11.94)**. The ESU measurement is 1,530 square feet of impervious area.

(b) The stormwater rate imposed on Single-Family Residential Developed Properties shall be categorized into three 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 **fourteen dollars and ninety-three cents (\$14.93)**.

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 **eleven dollars and ninety-four cents (\$11.94)**.

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 **eight dollars and ninety-six cents (\$8.96)**.

(c) Stormwater charges for all other properties will be based on the following calculation:

$$\begin{aligned} & (\text{Gross Lot Size in sq.ft.} \times \text{Runoff Coefficient}) \div 1,530 \text{ sq. ft.} = \# \text{ of ESU} \\ & \# \text{ of ESU} \times \mathbf{\$ 11.94} = \text{Monthly Fee} \end{aligned}$$

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 variable rate charges associated with water meter read dates from and after **January 1, 2014**, the charges shall be as follows:

(a) The base unit charge shall be **seventeen dollars and sixty cents (\$17.60)** per dwelling unit per month.

(b) The cart disposal charge shall be two dollars (\$2.00) per month for each small cart.

(c) The cart disposal charge shall be five dollars (\$5.00) per month for each large cart assigned to a dwelling unit.

Adopted.

Lilligren moved to adjourn. Seconded.
Adopted upon a voice vote.

Casey Joe Carl,
City Clerk

Official Posting: 12/20/2013