

City of Minneapolis



COUNCIL ADOPTED BUDGET 2005



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December 13, 2005

**City of Minneapolis
2005 Council Adopted Budget**

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**City of Minneapolis
FY 2005 Budget**

Elected and Public Officials

Mayor

R.T. Rybak*

City Council

Paul Ostrow, President*	1 st Ward
Robert Lilligren, Vice President	8 th Ward
Paul Zerby	2 nd Ward
Donald Samuels	3 rd Ward
Barbara Johnson*	4 th Ward
Natalie Johnson Lee	5 th Ward
Dean Zimmermann	6 th Ward
Lisa Goodman	7 th Ward
Gary Schiff	9 th Ward
Dan Niziolek	10 th Ward
Scott Benson	11 th Ward
Sandra Colvin Roy	12 th Ward
Barret Lane	13 th Ward

Board of Estimate and Taxation

Wallace K. Swan	President (Elected)
Gordon L. Nelson	Vice President (Elected)

Minneapolis Park and Recreation Board

Jon Olson	President, Commissioner District 2
Rochelle Berry Graves	Commissioner at Large
M. Annie Young	Commissioner at Large
John Erwin	Commissioner at Large
Walt Dziedzic	Commissioner District 1
Marie Hauser	Commissioner District 3
Vivian M. Mason	Commissioner District 4
Carol Kummer	Commissioner District 5
Robert B. Fine*	Commissioner District 6

* Serves on the Board of Estimate and Taxation

Minneapolis Library Board

Gregory Gray	President of the Board
Rod Krueger	Secretary
Anita S. Duckor	Elected at Large
Laura Waterman Wittstock	Appointed by Mayor
Diane Hofstede	Elected at Large
Virginia Holte	Elected at Large
Laurie Savran*	Elected at Large
Kathleen M. Lamb	City Council Appointee

* Serves on the Board of Estimate and Taxation

Charter Department Heads / Assistant City Coordinators

Patrick P. Born	Chief Finance Officer
Karl Kaiser	Chief Information Officer
Valerie Thompson	Interim - City Assessor
Jay Heffern	City Attorney
Merry Keefe	City Clerk
John Moir	City Coordinator
Jayne Baccus Khalifa	Civil Rights Director
Gail Plewacki	Communications Director
Lee Sheehy	Community Planning and Economic Development Director
Bonnie Bleskachek	Fire Chief
Ken Dahl	Interim Health Commissioner
Pamela French	Human Resources Director
Gene Ranieri	Intergovernmental Relations Director
Rocco Forte	Operations / Regulatory Services Director
William McManus	Police Chief
Klara Fabry	Public Works Director/City Engineer

Independent Boards/Agencies

Cora McCorvey	Public Housing Authority Executive Director
Jon Gurban	Minneapolis Park and Recreation Board Superintendent
Katherine G. Hadley	Minneapolis Library Board Director

**City of Minneapolis
FY 2005 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 also be scrutinized for efficiencies like anything else.

4. Provide choices and competition.

- ◆ Departments will provide business plans including 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 individually.

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, the State, independent boards, or other levels of Government, and
- ◆ With non-profits or the private sector.
- ◆ 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 original budget.

Minneapolis City Goals and Expectations

As approved by the City Council and Mayor, January 2003

Build communities where all people feel safe and trust the City's public safety professionals and systems.

Maintain the physical infrastructure to ensure a healthy, vital and safe City

Deliver consistently high quality City services at a good value to our taxpayers

Create an environment that maximizes economic development opportunities within Minneapolis by focusing on the City's physical and human assets.

Foster the development and preservation of a mix of quality housing types that is available, affordable, meets current needs, and promotes future growth.

Preserve and enhance our natural and historic environment and promote a clean, sustainable Minneapolis

Promote public, community and private partnerships to address disparities and to support strong, healthy families and communities.

Strengthen City government management and enhance community engagement

Build communities where all people feel safe and trust the City's public safety professionals and systems.

Expectations:

Prevention and Response:

The City will balance its resources between prevention and response. Working with our partners, we will create awareness and prevention models to minimize safety issues before they arise. We will focus more of our energies on livability issues by exploring creative methods to address livability crimes within our communities. We will employ and encourage environmental design strategies to physically promote public safety.

Relationship with the Community:

The City will provide quality public safety services that are competent, consistent, and fair. We will hold ourselves accountable to these standards. We will strive to ensure the community's trust and confidence in our public safety professionals by strengthening relationships with the community and engaging them as partners in public safety approaches. Particular focus will be given to strengthening our relationship with communities of color and new arrivals. We will balance public expectations with available resources and will communicate our priorities to the community, so that they know what to expect from our public safety services.

Partnerships:

The City will lead our partners to implement strategies to address issues of emergency preparedness, criminal justice reform, and neighborhood livability issues.

Maintain the physical infrastructure to ensure a healthy, vital and safe City

Expectations:

Maintaining the existing infrastructure:

Available resources must first be focused on maintaining and improving the City's existing physical infrastructure rather than building or acquiring new infrastructure. The City will invest in new infrastructure only when those investments are essential for meeting critical City goals and where funding can be identified. Maintenance activities should develop and enhance a multi-modal transportation system where appropriate.

Integration of Infrastructure and Development Planning:

The City will coordinate infrastructure improvements with other development planning and implementation efforts in order to avoid unnecessary costs and disruptions. We will include infrastructure planning at critical points in the development process. The City will partner with other levels of government, including the Park and Library Boards, the University of Minnesota, Hennepin County, Minneapolis Public Schools, neighboring municipalities and the State, as we plan our infrastructure improvements.

Improved Communication between the City and the Community:

Community and individual input will be incorporated more effectively. The City will focus on an effective two-way dialogue and information exchange between the community and the City, so that people have the opportunity to impact a project at the appropriate times in the process.

Infrastructure as part of the urban fabric:

The City will use the opportunities infrastructure provides to maximize the physical characteristics, social activities and cultural resources of a community. As we plan our infrastructure improvements, the City will consider the important role transit and physical and technological infrastructure plays in supporting a strong vital community. We will work with our partners to encourage them to do the same.

Deliver consistently high quality City services at a good value to our taxpayers

Expectations:

Improve Service Delivery:

Minneapolis will develop a culture of customer service within City government. We will make City services more accessible and user-friendly and will make our processes clear and understandable. City government will deliver all services in an effective and cost-efficient manner. We will ensure equitable City service delivery for all communities and will advocate with our partners for community-based service delivery.

Service Delivery Opportunities:

Minneapolis will continue to find ways of improving upon the way we do business. City departments will work together to seek out and address opportunities for improving service delivery. We will engage the community in these efforts where appropriate.

Evaluate Service Delivery:

Minneapolis will explore strategies and technologies that measure service delivery. These tools will be used to determine where resources are most needed and what services the City should deliver.

Create an environment that maximizes economic development opportunities within Minneapolis by focusing on the City's physical and human assets.

Expectations:

Physical Assets:

City government will serve as a community catalyst for business development, job creation and transit access. The City's physical infrastructure will support our economic development policies and facilitate access to jobs and services. Land use policies will promote mixed uses and strategically locate job-intensive industries. The City will strategically target and leverage its economic development resources to maximize economic development opportunities by focusing on specific industry sectors and locations (including commercial corridors and brownfields) where there are opportunities for transit or mixed use.

Human Assets:

The City will focus its human infrastructure investments in preparing our workforce for living wage jobs, specifically targeting hard to employ populations and emerging markets. The City will support a diversity of jobs and access to those jobs for its residents by working with our partners in the private, educational, and non-profit sectors.

Amenities:

Minneapolis is the premier regional center for education, health care, arts, entertainment, and recreational opportunities, and the location of a major research university. The City will encourage the development of these amenities in order to create a strong sense of place and an environment in which businesses want to locate and workers want to live. Working with our partners in the private and non-profit sectors in the development of these amenities will serve as an economic development tool to encourage people to live, work and play in Minneapolis.

Seizing Opportunities:

Minneapolis will be recognized as a good place in which to do business. The City will develop understandable processes for development and will balance promoting development opportunities with minimizing potential negative impacts. In addition, the City will support building capacity within the business community, in order to strengthen the business community's ability to attract new businesses and foster entrepreneurship.

Foster the development and preservation of a mix of quality housing types that is available, affordable, meets current needs, and promotes future growth.

Expectations:

Housing Affordability:

The City will identify gaps in housing affordability and will target our affordable housing efforts to address those gaps. The City will continue to provide leadership, along with our partners, in order to ensure a range of housing affordability levels in all of our communities, particularly in adding affordable housing in non-concentrated areas. The City will focus its investments on projects that ensure long-term affordability, meet specific guidelines for leveraging private funding sources, and optimize the number of units produced.

Housing Quality:

The City will ensure housing quality through planning, zoning and building and housing code compliance. Housing quality is defined as housing that is safe, well constructed, well maintained, and designed to fit the character of the neighborhood in which it is built.

Housing Mix:

The City will promote a range of housing options to fit current needs and to capture future growth opportunities. This range should include a mix of densities, unit sizes, styles, and ownership and rental opportunities. Special focus will be given to addressing housing disparities, integrating housing with other development opportunities, and promoting the City as having a range of housing choices.

Interrelationship among City Goals:

As economic development, transportation and infrastructure policies are developed, special consideration will be given to how they integrate the City's housing objectives.

Preserve and enhance our natural and historic environment and promote a clean, sustainable Minneapolis

Expectations:

Environmental Policy:

The City's environmental policies will be focused on improving air, water and soil quality. The City will partner with county, state, federal and other jurisdictions to meet these objectives and to identify key areas where environmental damage can be mitigated. Key components of this policy will include monitoring, engaging the community, encouraging sustainable development (starting with City projects), environmental justice, conservation, addressing noise issues, and enforcement.

Clean Neighborhoods:

The City will work with residents and businesses to strengthen their role in enhancing the environment in Minneapolis neighborhoods. Special focus will be given to noise issues, litter and graffiti, and the urban forest. In addition to engaging the community, the City will be more aggressive in our enforcement efforts.

Environmentally friendly alternatives

Minneapolis will lead by example and encourage others to explore environmentally friendly and cost effective construction, transportation, energy, and solid waste strategies.

Promote public, community and private partnerships to address disparities and to support strong, healthy families and communities.

Expectations:

Partnerships:

The City will lead and promote public, community and private partnerships to address disparities in health, education and access to employment. We will advocate for change where disparities are identified. The City will identify our partners in building strong, healthy communities. We will work with the community to hold our partners accountable and expect them to hold the City accountable for our role as well.

Community Health:

Many of the services the City provides contribute to the health of our community, including our public safety services, infrastructure, community development efforts, and health advocacy, but our partners more directly impact the social and physical health of our residents through their social and health programs. The City will provide leadership, along with our partners, in maintaining healthy communities throughout the City, and will primarily deliver direct services through the use of community providers.

Strengthening Relationships among Communities:

The increasing diversity of Minneapolis creates both opportunities and challenges for our communities and the City as a whole. The City will support the strengthening of new relationships among our different communities and will lead by example within our own organization.

Strengthen City government management and enhance community engagement

Expectations:

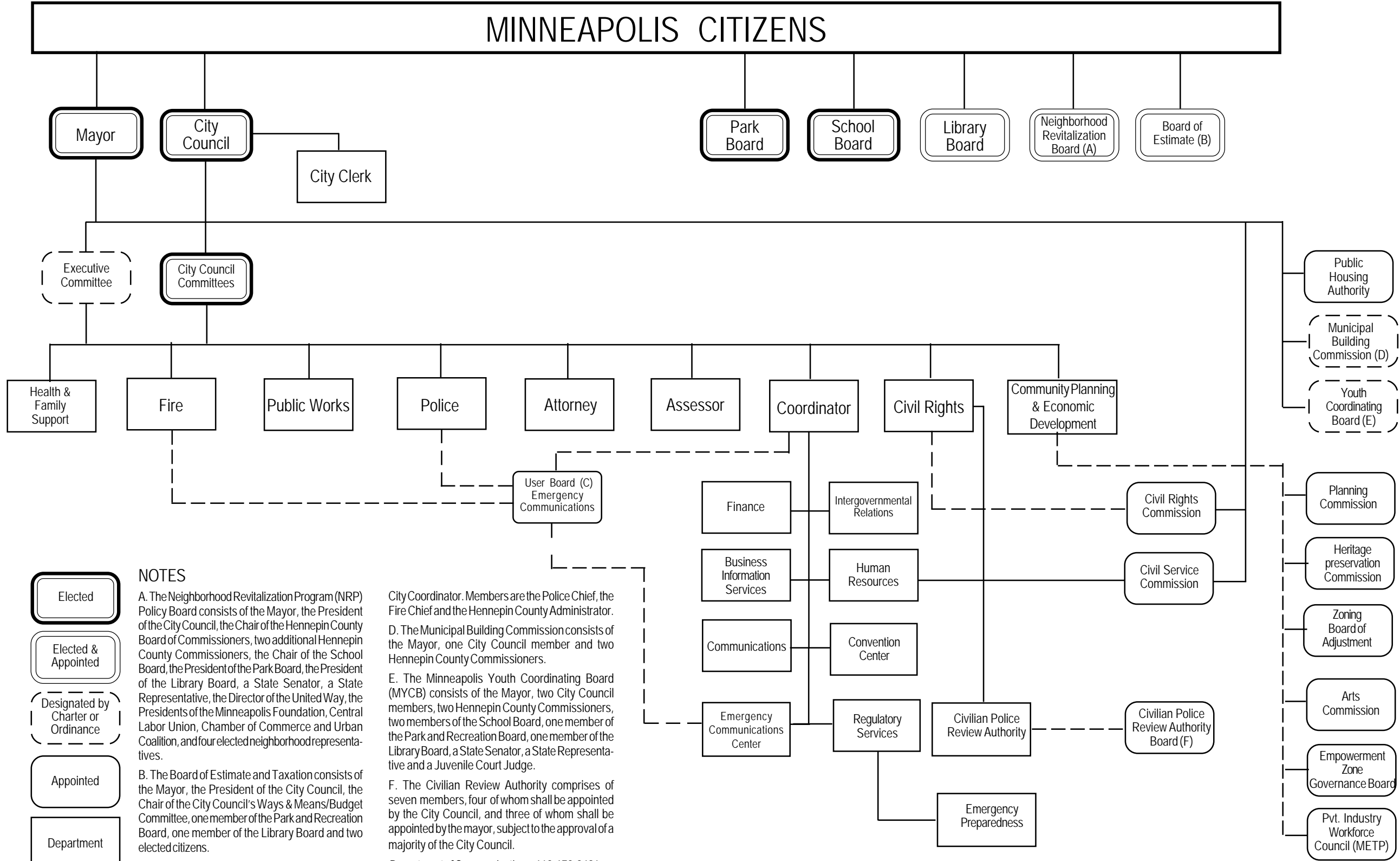
Community Engagement:

The voices of individuals and the community are valued and will be heard and involved at appropriate points in the City's decision-making processes. The City will be more effective and efficient in how we communicate with and engage communities, and will work to include those who are typically under-represented in public dialogue. We will focus our engagement efforts in a manner that supports the long-term strength of a community.

Government Management:

The City will focus on enhancing productivity and creating a customer service-oriented culture. We will create a work environment where employees can excel, by building employee skills and improving employee diversity. Better information and analysis will be used to allow for more informed decision-making at both the elected and staff levels. We will develop and maintain a long-term, sustainable financial plan for the City. Special focus will be given to engaging our employees and the community in how we address and communicate these financial challenges. Elected officials and departments will hold themselves accountable to City goals, policies and plans.

City of Minneapolis



NOTES

A. The 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, the President of the Library Board, a State Senator, a State Representative, the Director of the United Way, the Presidents of the Minneapolis Foundation, Central Labor Union, Chamber of Commerce and Urban Coalition, 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, one member of the Library Board and two elected citizens.

C. The Minneapolis Emergency Communications Center 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 Mayor, one City Council member and two Hennepin County Commissioners.

E. The Minneapolis Youth Coordinating Board (MYCB) consists of the Mayor, two City Council members, two Hennepin County Commissioners, two members of the School Board, one member of the Park and Recreation Board, one member of the Library Board, a State Senator, a State Representative and a Juvenile Court Judge.

F. The Civilian Review Authority comprises of seven members, four of whom shall be appointed by the City Council, and three of whom shall be appointed by the mayor, subject to the approval of a majority of the City Council.

Department of Communications, 612-673-2491
June 2004

RESOLUTION

WHEREAS, the City of Minneapolis (the "City") is facing a significant loss of local government aid from the State of Minnesota, and

WHEREAS, the loss of these general fund revenues will result in forced reductions in community-oriented public safety activities that have played a major role in the safety and revitalization of our neighborhoods, and

WHEREAS, Minnesota Statutes section 469.1831, subdivision 2, requires that the activities of the NRP program must be in part "... preserve and enhance within the neighborhood ... public health and safety ...", and

WHEREAS, 35 neighborhoods of the City included strategies in their approved NRP Neighborhood Action Plans that supported community-oriented public safety activities over and above the usually provided level of services, and

WHEREAS, expenditures are permitted pursuant to Minnesota Statutes section 469.1831 to provide public safety services when they are over and above the level of general City services from funds reserved pursuant to Laws of Minnesota 1990, Chapter 604, article 7, section 29, subdivision 1, as amended by Laws of Minnesota 1991, Chapter 291, article 10, section 20, subdivision 1, and

WHEREAS, neighborhood representatives from throughout the City have emphasized the importance of continuing community-oriented public safety activities in an era of extremely limited resources, and

THEREFORE, BE IT RESOLVED, that the NRP Policy Board dedicate one million dollars to a dedicated fund committed to community oriented public safety activities to be expended by December 31, 2004.

BE IT FURTHER RESOLVED, that the City shall only use these funds to support community oriented public safety initiatives that are over and above the level of general City public safety services that will result after the budget reductions from the reduced level of local government aid occurs, and

BE IT FURTHER RESOLVED, that expenditures from this fund shall be dedicated to community-oriented public safety initiatives, including but not limited to the following: CCP/SAFE staffing levels, bike patrols, foot patrols, and community-based and directed police presence across the City.

BE IT FURTHER RESOLVED, that police administration shall work with the Neighborhood Revitalization Program and the Precinct Advisory Committees in developing a plan for the expenditure of these funds as approved in neighborhood action plans and consistent with statutory requirements.

City of Minneapolis FY 2005 Budget

How to Use This Document

The average budget book weighs four pounds. Printing of the book uses approximately a ream of paper per copy. But the budget book contents include 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 give the reader hints on where to find information in this book.

The different sections of the budget book give different views of the financial information and the policies and processes which lead to that information:

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, Goals and Expectations set by the elected officials during strategic planning, and a City-wide organization chart.

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Minneapolis, Minnesota for the Annual Budget beginning in January 1, 2004. In order to receive this award (which is found in this introductory section) 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. The City believes the current budget continues to conform to program requirements, and will submit the 2005 adopted budget to GFOA to determine its eligibility for another award.

The award for 2004 is the third such honor the City has received in consecutive years. Prior to the 2002 award, the City was last recognized by the GFOA for distinguished budget presentation in 1986. The City has received the GFOA's Certificate of Achievement for Excellence in Financial reporting for the Comprehensive Annual Financial Report (CAFR) for thirty-four years.

Section 1: Table of Contents

The table of contents allows the user of the document to pinpoint the page of a particular department's budget presentation.

Section 2: Background Information

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 is also included in this section. Descriptions of the City's form of government, 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.

Section 3: Financial Overview

The financial overview section summarizes the key decisions and financial issues addressed in this budget. This section includes key charts and graphs which depict the different portions of the City's budget. Key revenue trends are depicted. A chart of the Minneapolis Tax Rates and Levies appears in this section, as well as comparison of the Property Tax Rate and Utility Rate Comparison between 2004 and 2005.

This section also contains a summary of major decisions in the budget. A summary of the demands on the property tax levy and the elected officials' actions to date are included in this section. The Five Year direction and ten year demands on the property tax round out this high-level summary section.

Section 4: Financial Policies

This section presents the major financial policies adopted by the City Council and Mayor. Beginning with the 2005 budget, administrative policies relating to the operating and capital budgets are included in this section. In the past, these policies appeared as recurring footnotes to the budget resolutions.

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.

The section also includes the financial planning and policy resolution regarding the City's independent boards (2002) and the resolution directing City departments to conduct business planning within the City's Five Year Financial Direction (2003).

Section 5: Financial Plans

Financial plans for the City's major funds and business lines are found in this section of the budget book. 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 2005 expenses, revenues, transfers and debt service.

Section 6: Financial Schedules

These schedules summarize transfers, revenues by major category and expenditures by fund and agency, the CDBG program, Community Planning and Economic Development program allocations, and Full Time Employees (FTE's) by department. Summaries of major interfund transactions are also summarized. These schedules are referenced in the appropriation resolutions.

Schedule One (Fund Summary – Changes to Fund Balance) is a high level view of the City's funds, including changes to fund balance.

Schedule Two (Revenues by Fund and Type) summarizes each fund's revenue sources by major categories. A summary of all the City's revenue sources by major categories is included at the end of this schedule.

Schedule Three (Expenditures by Fund and Agency) lists the total agency budget in each fund – this is a quick reference to find the bottom line appropriation in a fund for a department. The final two pages of this schedule include a summary by department in all funds.

Schedule Four outlines the allocations by grant for the Community Development Block Grant, Emergency Shelter Grant, Housing Opportunities for People with Aids, the HOME program, and the American Dream Down payment Initiative (all U.S. Department of Housing and Urban Development grants.) A narrative history of the grant and its obligations are included at the beginning of the schedule. For information on the current consolidated plan for these grants, please see the consolidated plan publication available from the office of Grants and Special Projects.

Schedule Five is a summary of all FTE's by department and agency.

Schedules Six and Seven summarize the Community Planning and Economic Development department's housing and economic development project allocations.

Schedule Eight summarizes the detailed purpose behind interfund transfers in the City's funds.

Schedule Nine summarizes benefits administration fees charged to each department. These charges support the work of the Human Resources department.

Schedule Ten summarizes Business Information Services charges included in each department's budget. These charges are based upon a rate model beginning in 2005.

Schedule Eleven lays out the Equipment charges to each department by the City's Public Works – Equipment Services division.

Schedule Twelve displays the charges to each department by the City's Public Works – Property Services division.

Schedule Thirteen displays a potential allocation of existing revenue to City Hall departments for rent. This is an information only piece.

Schedule Fourteen reviews the General Fund Overhead allocation and its staged implementation over the next several years.

Section 7: Capital Program

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 those who applied for the funds. Information about the City's debt – the legal debt margin, outstanding debt, amortization of the debt, and the bond redemption levy are included in this section. A separate table of contents and glossary are included for this section.

The program is also summarized by Commission, Board or Department which submitted the request. Each major program is also summarized. A five year total of the capital program and the allocation of the program is included. A presentation by amount requested by the department/agency, Capital Long Range Improvement Committee recommendation, the Mayor's recommendation and the adopted budget follows.

Section 8: City Council Operating Departments

This section includes department financial summaries, including expenditures by type (i.e., salaries, benefits, contractual services and operating expense) and fund. The financial summaries also drill down to the division level, where applicable, with summaries by expenditure type. A report that summarizes the department's revenue estimate is also included. The department's positions are summarized.

The departments also prepare narrative summaries for their divisions, including primary businesses, service activities, and performance measures. These summaries are in various stages of development. These summaries include a brief financial overview of the department prepared by Finance staff. Departmental organization charts are included in this section.

This is the largest section of the book because it provides the most detail on a department-by-department basis.

Section 9: Independent Boards and Agencies

This section provides information in a similar format to the City Council Operating Departments for the independent boards and agencies. The amounts included are generally those most recently approved by the board's elected body.

Section 10: Glossary

A glossary is included for key financial and City terms. A more detailed glossary is available in the Red Book, published by the City Clerk's office.

**City of Minneapolis
FY 2005 Budget
Background Information**

Community Profile

Minneapolis combines the Dakota word for water ("minne") with the Greek word for city ("polis"), a fitting name for a 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 sawmill and flourmill 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 annual temperature of 45° F (7° C). During an average winter, the temperatures can reach 20° below zero Fahrenheit (-29° C). 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 382,618 people (2000 Census). Males comprise 50.2% of the population, while females comprise 49.8%. Children and youth aged 19 and younger make up 25.7% of the population. Seniors age 65 and above, are 9.1% of the population. The median age is 31.2 years. African Americans comprise 18% of the population. People of American Indian and Alaska Native descent are 2.2% of the

population. People of Asian ethnicity make up 6.1% of the population. The Hispanic population of Minneapolis is 7.6% of the total population.

Minneapolis is one of the cities in the country with the largest number of households with one individual – 40.3% of the households fit that description.

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, which remain headquartered in the Minneapolis area.

The ten largest employers of full-time workers in Minnesota include the following companies, most with major operations in Minneapolis:

Employer	Approximate Total Number of Employees
State of Minnesota	56,000
United States Government	35,000
Target Corporation	32,000
University of Minnesota	31,000
Mayo Foundation	25,000
Allina Health System	22,000
3M Company	19,000
Fairview Health System	18,000
Northwest Airlines Corporation	18,000
Wells Fargo	15,000

Major industries today include machinery and metal fabricating, plastics, computers and publishing. Minneapolis is also a center for graphic arts, printing, electronics and instruments, as well as a transportation center and distribution point for the Upper Midwest. Education is a powerful player in Minneapolis’ economy, as is banking, insurance and other service industries. With seven hospitals and the University of Minnesota, Minneapolis is a nationally known center for medicine, and the area is home to many high-technology medical product companies.

The City's top ten payers of property taxes in 2004 are as follows:

Taxpayer	Type of Business	Net Tax Capacity <i>(property value times state-defined rate for that class of property)</i> <i>Dollars in millions</i>	Percentage of Total Tax Capacity
1. Northern States Power	Utilities	\$6.04	4.4%
2. Target Corporation	Office Buildings and Retail	\$4.96	3.9%
3. American Express Financial Corporation	Office Buildings	\$4.93	3.8%
4. NWC Limited Partnership	Commercial/Industrial Buildings	\$2.82	2.2%
5. City Center Associates	Office Buildings	\$2.36	1.9%
6. Ryan Companies US, Inc.	Real Estate/Office Buildings	\$2.39	1.9%
7. Eighth Street Tower Corporation	Office Buildings	\$2.23	1.8%
8. Wells Operating Partnership LP	Office Buildings	\$2.23	1.8%
9. First Minneapolis-Hines Co.	Office Buildings	\$2.01	1.6%
10. Federal Reserve Bank of Minneapolis	Banks	\$1.80	1.4%
Total		\$ 31.8	25%

The City's unemployment rate has increased over the past three years:

	2002	2003	2004 (through 3rd Qtr)
Total Labor Force	220,055	220,430	225,238
Employment	209,169	208,376	212,544
Unemployment rate	4.9%	5.5%	5.6%
Unemployment	10,885	12,054	12,694

Minneapolis per capita incomes have increased slightly in the same time frame:

	2002	2003	2004
Total in millions	\$6.6	\$7.3	\$7.5
Per Capita	\$17,092	\$18,873	\$19,399
Per Household	\$42,494	\$44,246	\$45,479

Retail Sales in Minneapolis for the past four years are as follows:

Year	Minneapolis Retail Sales (in billions)
2000	\$6.7
2001	\$6.1
2002	\$6.1
2003	\$5.5

Neighborhoods

Minneapolis has 81 residential neighborhoods offering a broad range of housing to 163,000 households. Minneapolis 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.

Downtown

A downtown housing boom has increased downtown residents to an estimated 28,000, with projection of 30,000 by 2010. In addition to downtown residents, more than 163,000 people work in downtown Minneapolis. 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. It also has Gaviidae Commons, City Center and the Crystal Court.

The Arts

The Twin Cities is second only to New York 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. The City also boasts two world-class art museums, the Minneapolis Institute of Art and Walker Art Center, and is home to the internationally acclaimed Minnesota Orchestra. Neighborhood arts activities—festivals, galleries and events—play a growing role in resident art participation.

Education

Forty-three thousand students are enrolled in Minneapolis primary and secondary schools. Non-public primary and secondary school enrollment is about 7,000. 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 landgrant 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. Total enrollment was 63,769 for 2003 and 65,247 for 2004. Other institutions of higher education in Minneapolis include Minneapolis Community and Technical College, Dunwoody Institute, Minneapolis College of Art and Design, Augsburg College, Metropolitan State University, the University of Saint Thomas and the College of Saint Catherine.

Sports

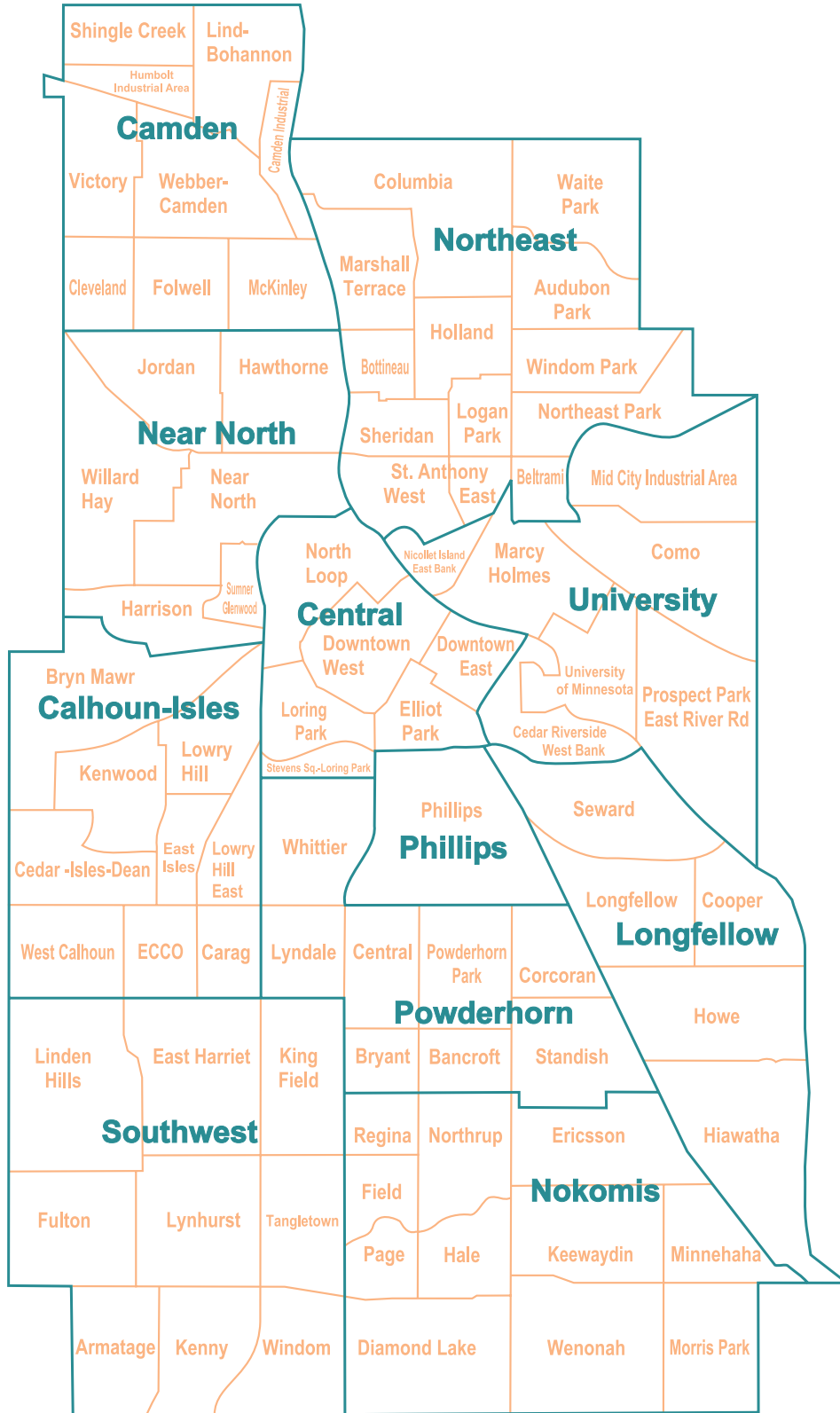
Three major league teams call Minnesota home. At the Hubert H. Humphrey Metrodome, up to 55,000 fans can watch the world-champion Minnesota Twins in action. When the Minnesota Vikings are in town, the Dome can seat 64,000 football enthusiasts. In 1990, the Target Center was constructed downtown for the Minnesota Timberwolves of the National Basketball Association. Minneapolis has the capacity to host large events at the City's Convention Center, which completed a major expansion in early 2002.

Parks

Minneapolis residents not only watch sports, they participate as well. Playing in summer softball leagues, golfing and jogging, biking or rollerblading around the City's lakes are favorite pastimes. Residents enjoy boating, fishing, wind surfing and swimming in the summertime and ice skating, ice fishing, skiing and ice sailing during the winter. 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.

The City of Minneapolis Communications Department contributed significantly to the Community Profile.

MINNEAPOLIS COMMUNITIES AND NEIGHBORHOODS



**City of Minneapolis
FY 2005 Budget
Background Information**

Form of Government

The City is a municipal corporation governed by a Mayor–Council form of government; it was incorporated in 1867, and it adopted a Charter on November 2, 1920. The Mayor and 13 City Council Members from individual wards are elected for terms of four years, without limit on the number of terms which may be served. The Mayor and City Council are jointly responsible for the adoption of an 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 to the City Council for their 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 erected 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 the 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 and Minneapolis Library Board annually select one of its members to serve on the Board of Estimate and Taxation. By action of the City Council, or such other governing board of a department requesting the sale of bonds, the Board of Estimate and Taxation 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 Board of Estimate and Taxation also establishes the maximum property tax levies for most City funds and maintains responsibility for the internal audit function for the City, including boards and commissions that are component units of the City.

Discretely Presented Component Units

The following organizations are legally separate from the City, but they are included in the City's Annual Budget Report and Annual Financial Reports because the primary government is financially accountable and is able to impose its will on the organizations.

- ◆ **Minneapolis Library Board.** The Minneapolis Library Board was established according to Chapter 17 of the City Charter. It is an eight-member board, six of whom are elected for four-year terms by voters of the City. The Mayor and the City Council each appoint one member. The Library Board is responsible for operating and maintaining libraries located throughout the City. The Mayor recommends the tax levies and budget for the Library Board, and the City Council and Mayor approve the allocations of local government aid from the state for Library Board operations. The Board of Estimate and Taxation approves the property tax levy for the Library Board, and the full faith and credit of the City secure debt issued for projects benefiting the Library Board. The City Finance Officer serves as Treasurer of the Library Board.
- ◆ **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.

- ◆ **Metropolitan Sports Facilities Commission.** The Metropolitan Sports Facilities Commission (Commission) is an appointed authority established under 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. Major tenants of the Metrodome Sports Facility are the Minnesota Twins, the Minnesota Vikings and the University of Minnesota Golden Gophers football team.
- ◆ **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; 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. One of these joint ventures is reflected in the Annual Budget Report for the City: Minneapolis Neighborhood Revitalization 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 State of Minnesota laws. 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 Library Board, 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 Library Board, the Park Board, the Mayor and the City Council under authority of State of Minnesota laws. The YCB, which numbers 12 in size, includes the Mayor, two members each from the Hennepin County Board of Commissioners and the Board of Directors of Special School District No. 1, two representatives from the City Council, one member each from the Park Board and Library Board, one member each from the Minneapolis State Legislature House and Senate delegations and a Judge assigned by the Chief Judge of the District Court.

**City of Minneapolis
FY 2005 Budget
Background Information**

Annual Budget Process

The City of Minneapolis annual budget process integrates information from the City's Enterprise Priority-Setting Process, Capital Long-Range Improvement Committee process and departmental performance review processes to establish annual resource allocations.

January–February

Departmental Performance Information

City department heads bring their annual work plan and accomplishments to the Executive Committee, which then refers the work plan to the relevant Policy Committee for review and file.

March

Preliminary Year-End Budget Status Report

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

March–April

Capital Improvement Budget Development

The City has a five-year capital improvement plan. Annually, departments prepare and modify capital improvement proposals. The Finance Department, the City Planning Department and the Capital Long-Range Improvements Committee (CLIC) review capital improvement proposals. CLIC is the citizen advisory committee to the Mayor and City Council on capital programming.

April–June

Operating Budget Development

Departments work in coordination with the Finance Department to prepare department operating budget requests referred to as the "Current Service Level" (CSL). The Current Service Level Budget reflects the current year cost of providing the same level of service as provided in the prior year. In addition to preparing a Current Service Level budget, departments also prepare proposals that describe policy and the organizational changes with financial implications. The Current Service Levels and proposals form the basis for the Mayor's budget meetings with departments in June and July.

June–August

Mayor's Recommended Budget

The Mayor holds departmental budget hearings to review department budget proposals, other additional policy changes, and alternative funding choices. In addition to reviewing operating budgets, the Mayor meets with representatives from CLIC in preparation of finalizing the capital budget recommendation. Following the departmental budget hearings and meetings with CLIC, the Mayor prepares a final budget recommendation with the assistance of the Finance Department. The Mayor prepares and submits a budget to the City Council no later than August 15. The budget includes the Mayor's recommendation on annual property tax levy amounts.

September

Maximum Proposed Property Tax Levy

As required by State law, the maximum proposed property tax levy increase is set by September 15. The Board of Estimate and Taxation sets the maximum property tax levy. The Board of Estimate and Taxation must set a maximum property tax levy for the City, Municipal Building Commission, Public Housing Authority, Library Board and Park Board.

October–November

City Council Budget Review and Development

The City Council holds public hearings on the budget. Departments present their Mayor Recommended Department Budgets to the Ways and Means/Budget Committee with all Council members present. Following departmental budget hearings, the Ways and Means/Budget Committee approves and moves forward a final recommended budget 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" 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 when the Truth in Taxation public hearings will be held, which is in early December as required by State law.

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 requests from City departments for additional funds or positions made throughout the year are brought before the Ways and Means/Budget Committee and City Council for approval as amendments to the original budget resolutions.

The independent boards and commissions adopt their own operating budgets.

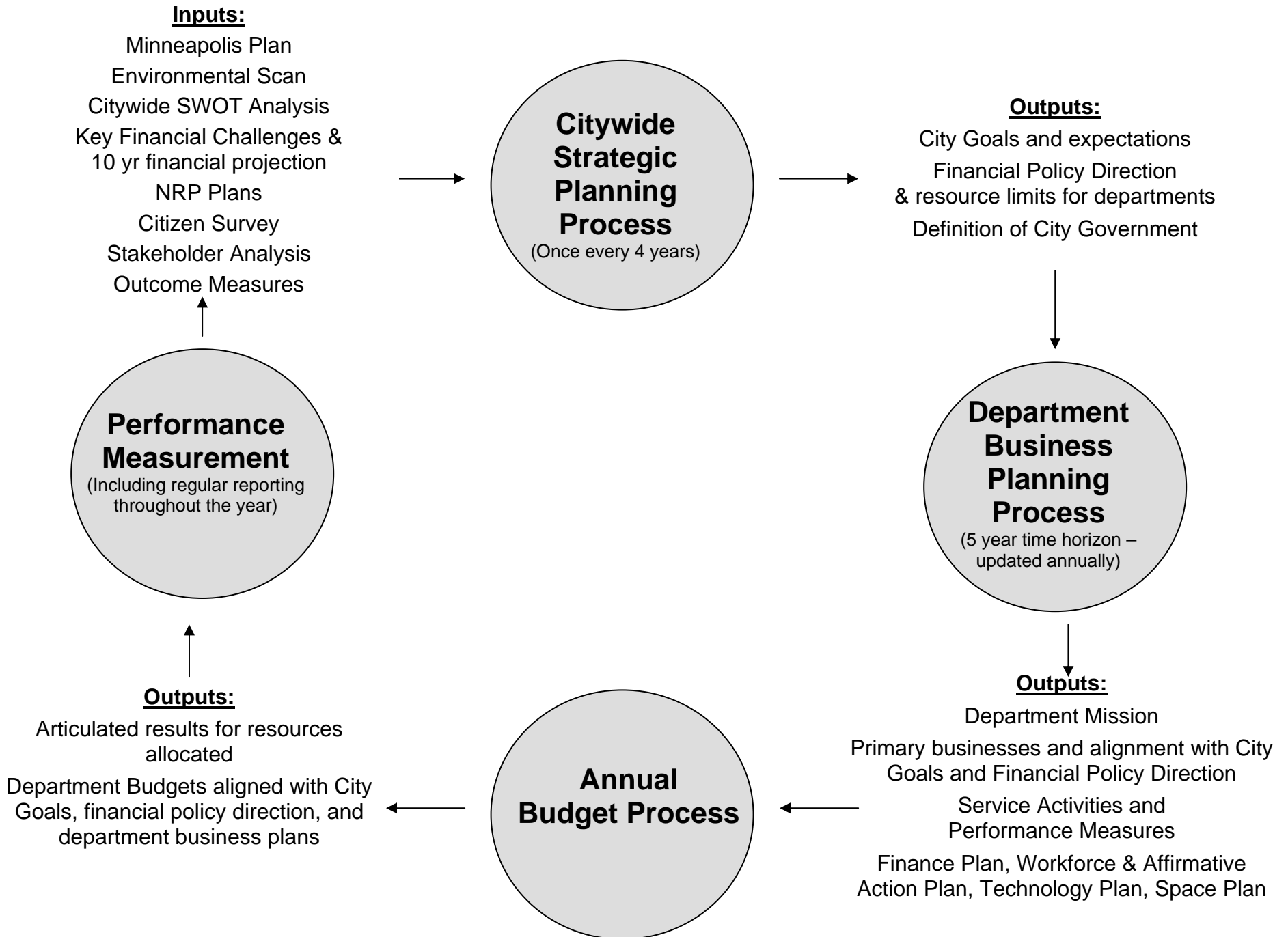
Specific significant dates for 2005 budget adoption are as follows:

- | | |
|-----------------------|---|
| April 29 | State of the City Speech |
| June 28 –
July 27 | Mayor will meet with each city department and the independent boards to review 2005 budget proposals and business plan updates |
| July 28 -
August 6 | Mayor finalizes the 2005 budget recommendation |
| August 12 | Mayor's 2005 Budget Recommendation presented to Council |
| Sept 1 | Board of Estimate public hearing on 2005 maximum property tax levies |
| Sept 8 | Board of Estimate meeting to set the maximum 2005 property tax levies |
| Sept 13 -
Oct 15 | Ways and Means Hearings on the 2005 Budget and Business Plans
(schedule to be determined by City Council) |
| Oct 15 | Special City Council meeting to be called by the Mayor requesting Council action to provide preliminary approval of the 2005 budget, if needed* |
| Dec 6 | Truth in Taxation public hearing |
| Dec 13 | Truth in Taxation continuation hearing (if needed)
2005 official Council budget adoption |

*The Mayor's Budget Recommendation may contain layoffs, which will necessitate implementation of the job bank by November 1, 2004 to avoid even deeper cuts in 2005.

INTEGRATING KEY CITY PROCESSES

City of Minneapolis – Integrating Key City Processes



Council Adopted Budget

**City of Minneapolis
FY 2005 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 measurement.

The diagram on the previous page illustrates the linkages among these key City processes. By fully integrating strategic planning, business planning, budgeting and performance measurement, 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 January 2003, the Mayor and the City Council adopted their City Goals and Expectations for the next four years and a resolution establishing commitment to business planning and 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 strategic planning process, departments have been 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 business plans 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 (5-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; who are its customers; how it will utilize its resources to achieve its goals; and how it will know when it has been successful.

Business Planning is one of the key City processes intended to ensure the alignment of City efforts with its priorities. A well-developed, focused business plan has the potential to assist departments in:

- ❑ Focusing their efforts on core mission and services and alignment with City Goals.
- ❑ Managing their resources.
- ❑ Measuring their results.
- ❑ Improving how departments convey what they do, what they accomplish, and what their business strategies are.

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. As Minneapolis moves toward better integration of its key City processes, the annual budget process should become more straightforward.

As stated above, during the strategic planning process, departments are given the projected level of financial resources to expect over the next several years – they will then be able to develop their business plans in accordance with these projections. Resource allocations will flow from the business plans – departments' annual budgets then will flow from their longer-term financial plans.

Performance Measurement

Performance Measurement is how we know when we have done the right things to achieve our goals and how we know when we have done those things right. A successful performance measurement system can lead to continuous improvement of program performance, improved customer service, strengthened accountability, and empowered employees.

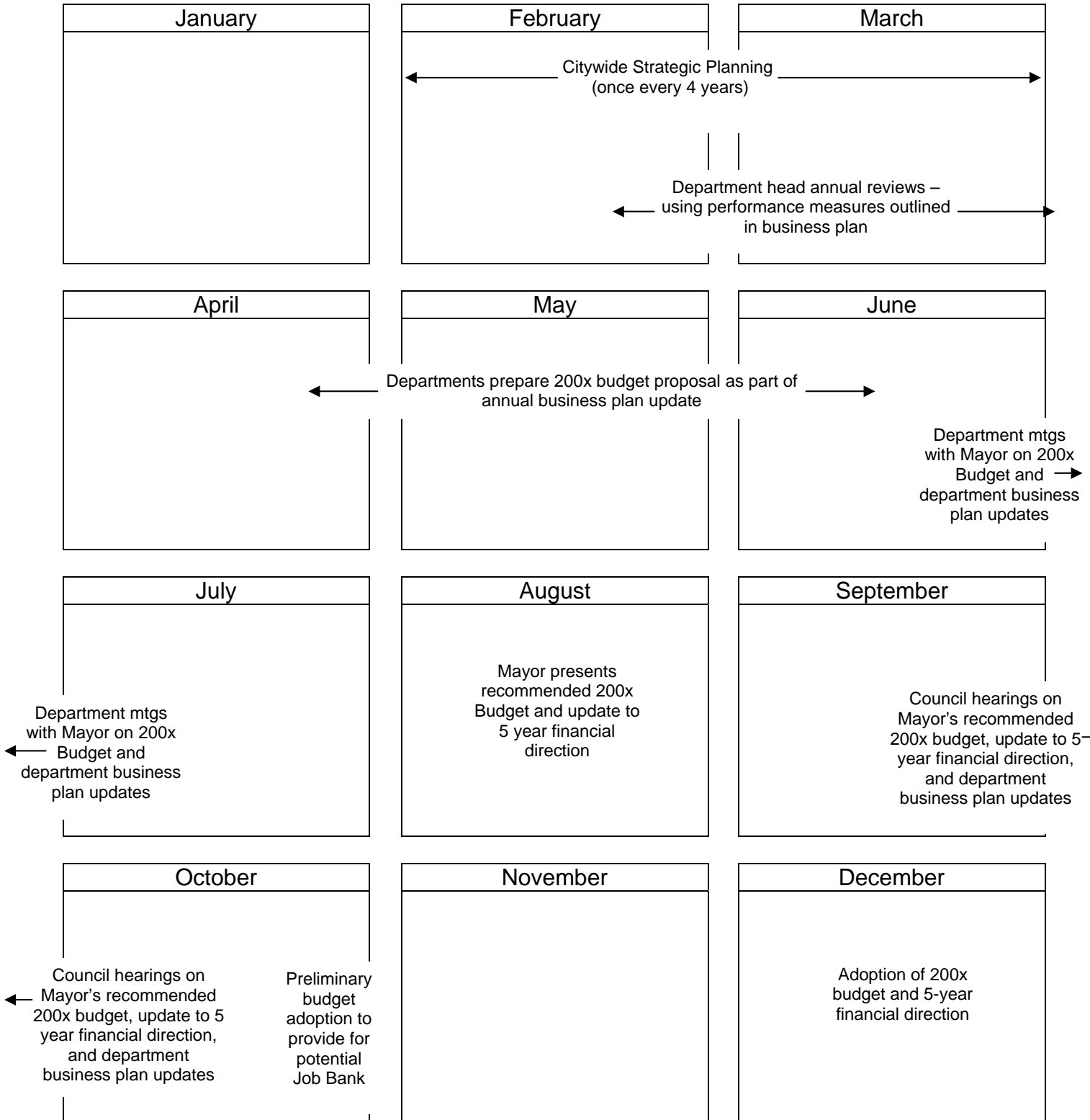
Performance measurement has played a significant role in the development of this 2005 Budget. The format of the department narratives in this budget highlights departments' performance measurement information, including key outcome/quality of life measures. All departments have made concerted efforts to further develop and improve their performance measures as part of this process. As departments update their business plans in future years, they will have the opportunity to strengthen their performance data.

By including performance data in the budget process, the City stands to significantly improve its budget discussions. 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.

Financial/Business Decisions Calendar

The calendar on the following page maps out how these processes are sequenced during the year.

Financial/Business Decisions Calendar





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Minneapolis
Minnesota**

For the Fiscal Year Beginning

January 1, 2004

President

Executive Director

**City of Minneapolis
2005 Adopted Budget**

**Financial Overview
Prepared by the City of Minneapolis Finance Department**

The 2005 Adopted Budget for all City funds represents a 4 percent increase in spending from the 2004 Adopted Budget, from approximately \$1.13 billion to \$1.17 billion.

When including transfer expense between city funds, the total Adopted Budget is \$1.27 billion. This represents an increase of \$29.4 million, or 2.4% percent. Transfers between funds decreased by \$15.6 million due to changes in accounting practices as well as the result of adjustments needed to account for the many organizational changes that have happened in the city.

Major Highlights

The 2005 Adopted Budget builds on many of the significant organizational and financial changes that have occurred in recent years. It is important to be aware of these major changes when making comparisons between budget years.

The major changes include:

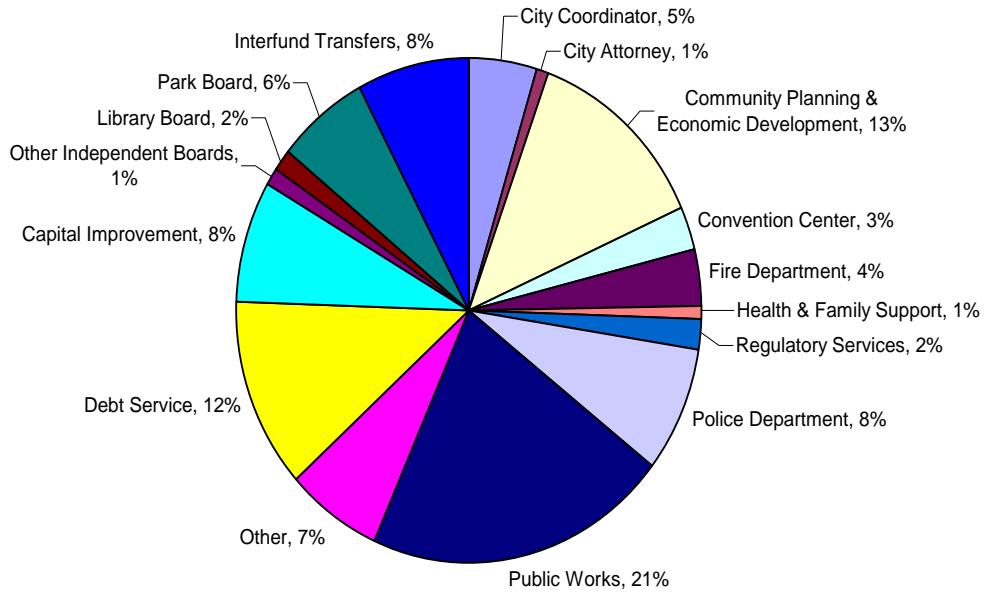
- **The Adopted Budget maintains the financial discipline of the eight percent property tax levy and the two percent limit on wage growth for all unsettled labor contracts.** This sets the parameters for the level of spending for all departments in the five-year financial direction. Ongoing budget pressures make this continued financial discipline critically important.
- **The State of Minnesota cut aid to Minneapolis by \$35 million (on an annual basis) in 2004 and by an additional \$2.2 million in 2005.** Local Government Aid (LGA) from the State will be \$80.3 million in year 2005 as compared to a 2004 budget amount of \$82.5 million and an original 2003 budget amount of \$117.5 million. Reduced service levels as a result of LGA cuts from 2003 and 2004 will remain in effect.
- **The Adopted Budget allocates costs to departments to ensure that they have the needed information for managing resources.** This budget reflects the implementation of the General Fund Overhead Rate model, which charges City departments outside the General Fund for management services they receive from General Fund departments, and the BIS rate model, which allocates the costs for technology, telephone, and data services to departments based on usage. In the future, departments can use this information to make management decisions based on the resources they actually consume. This change affects all City departments, making operating increases appear greater than they actually are.

- **The Adopted Budget recognizes that the City's Parking Business is in a temporary negative financial position as a result of economic conditions.** In order to address this challenge, the adopted budget decisions maintain the integrity of the adopted 2004 workout plan.
- **The Adopted Budget presents a realistic financial picture.** Revenue projections have been brought into line with actual experience, both at the department level, as well as through updating estimates on franchise fee revenue. The City continues to manage significant pension obligations.
- **The Adopted Budget also incorporates planned increases in utility fees in 2005 and future years.** While fees will still increase in order to pay for the cost of major capital investments, the Adopted Budget slows down overall capital spending. The Adopted Budget keeps the total plan for utility rate increases in place, while providing funding for important capital projects. Capital funds are focused in areas that generate operating savings.

City Spending

Below is a summary of the 2005 Adopted Budget by major spending categories, which includes transfers between funds and the independent boards.

**City of Minneapolis
Total City Expense Budget - Use of Funds
2005 Adopted Budget
\$1.27 Billion**



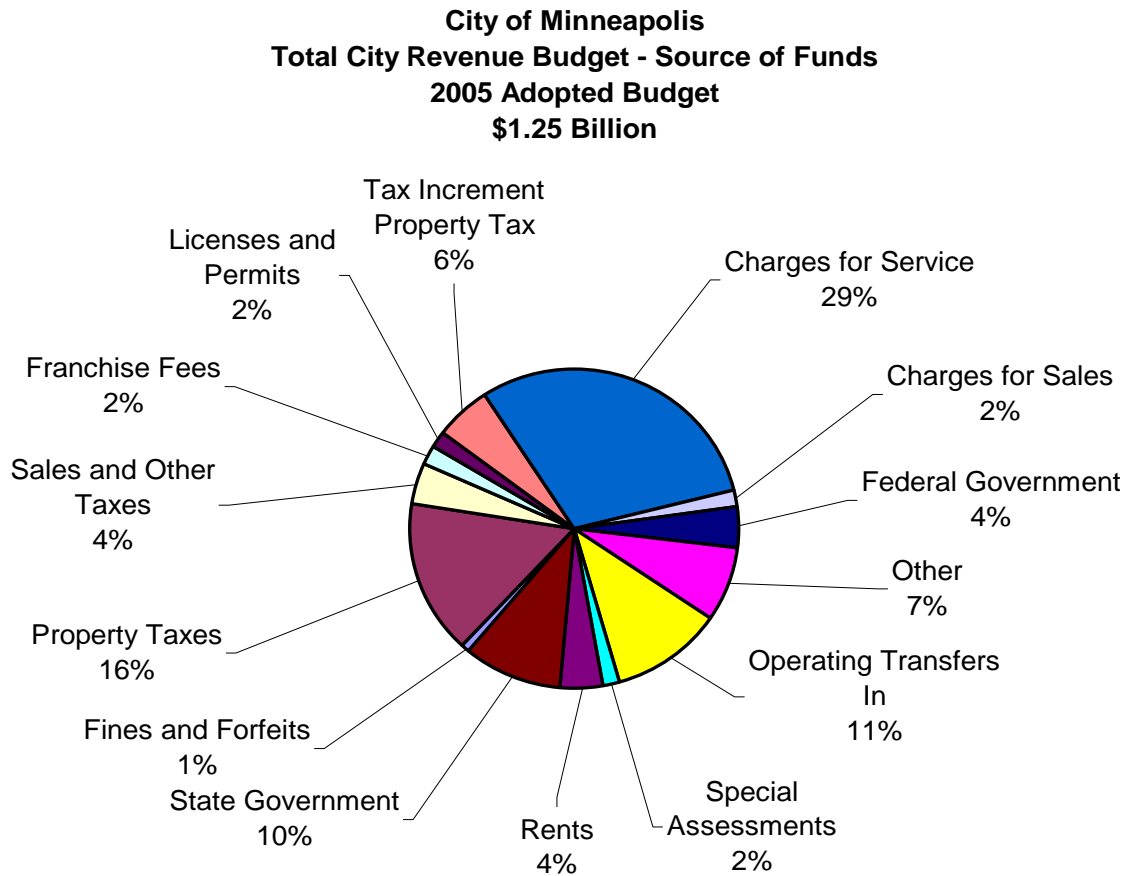
City of Minneapolis Expenditures by Service (in millions of dollars)

	2004 Adopted Budget	2005 Adopted Budget
City Coordinator (excluding Regulatory Services)	\$52.8	\$59.3
City Attorney	\$11.0	\$11.9
Community Planning and Economic Development	\$141.8	\$163.0
Convention Center	\$29.5	\$33.8
Fire Department	\$43.3	\$45.2
Health and Family Support	\$13.3	\$12.9
Regulatory Services	\$22.7	\$24.3
Police	\$99.5	\$102.5
Public Works – Field Services	\$29.1	\$28.8
Public Works – Sewer, Storm Water, Flood Mitigation	\$43.6	\$43.3
Public Works – Solid Waste and Recycling	\$25.6	\$26.5
Public Works – Transportation	\$50.0	\$54.5
Public Works - Water Treatment and Distribution	\$37.6	\$43.3
Public Works - Other (includes Internal Services)	\$58.2	\$70.4
<i>Public Works Subtotal</i>	<i>\$244.4</i>	<i>\$267.0</i>
Other City Services	\$11.7	\$13.6
Other	\$86.6	\$71.2
Debt Service (including Enterprise Funds)	\$142.5	\$155.1
Capital Improvement (including Enterprise Fund capital)	\$116.5	\$99.1
<i>Subtotal</i>	<i>\$1,015.6</i>	<i>\$1,059.0</i>
Independent Boards:		
Library Board	\$18.4	\$19.8
Park Board	\$79.1	\$78.8
Youth Coordinating Board	\$3.6	\$3.8
Other Boards	\$8.7	\$8.9
<i>Subtotal</i>	<i>\$109.8</i>	<i>\$111.4</i>
Total Expenditures (without Transfers)	\$1,125.4	\$1,170.4
Transfers to other funds	\$116.2	\$100.6
Total Expenditures with Transfers	\$1,241.6	\$1,270.9

Note: See “City Council Operating Departments” and “Independent Boards and Agencies” sections in the budget document for further explanation of changes between years.

City Sources of Revenue

Below is a summary of the City's 2005 total revenues by major category.



In 2005, the City of Minneapolis projects \$1.25 billion in revenue from a variety of sources. It is important to note that many of the City's revenues sources are tied revenue, meaning they are required to be spent in defined areas or on specific programs or projects. This limits the City's ability to apply the revenue to other departments or programs. For example, the City cannot use revenue from fees that it charges for services to fund general government services, such as police and fire services. The City charges fees for water, sewer, and garbage pick-up, but the State law requires that these fees be no higher than the cost of providing those services. So the City cannot raise water bills to pay police officers, for example.

Grants and transfers from the Federal Government and other units of government are also usually designated for specific needs and purposes. If the City does not spend such grants for their designated purpose, the City will not receive the grants at all. Some cities increase their revenues through assessments, which are also tied to specific purposes like street maintenance. Bond proceeds must go to purposes for which the debt was incurred. Sales tax revenue is dedicated to the Convention Center by State law. Like many Minnesota cities, Minneapolis pays for other city services (police, fire streets, parks, libraries, etc.) with property taxes and Local Government Aid (LGA).

City of Minneapolis Revenue by Major Category (in millions of dollars)

	2004 Adopted Budget	2005 Adopted Budget
Property Tax ¹	\$181.1	\$196.4
Tax Increment Property Tax	\$71.0	\$68.9
Sales and Other Taxes	\$50.0	\$51.2
State Government	\$125.0	\$119.8
Local Government	\$8.4	\$9.5
Federal Government	\$63.4	\$52.2
Franchise Fees	\$23.5	\$22.1
Charges for Service	\$354.0	\$376.7
Charges for Sales	\$17.5	\$22.5
Licenses and Permits	\$21.5	\$23.5
Fines and Forfeitures	\$10.5	\$9.6
Special Assessments	\$4.8	\$21.3
Interest Income	\$9.7	\$3.3
Rents	\$46.6	\$52.2
Other ²	\$105.6	\$79.6
Subtotal	\$1,092.6	\$1,108.9
Transfers from Other Funds	\$136.6	\$139.9
Total Revenues³	\$1,229.2	\$1,248.8

City Budget by Fund

The City uses different “Funds” to account for the expense and revenue associated with the various services provided. The **General Fund**, which is where most of the property tax supported services are accounted for, represents 23 percent of the 2005 Council Adopted Budget, as compared to 21 percent in 2004.

The **Enterprise Funds** include services that the City provides that operate more like a “business” in that they are expected to generate a profit to cover capital purchases and related debt service requirements. Enterprise services of the City include such services as sanitary sewer services, storm water management, flood mitigation, water treatment and distribution, solid waste and recycling, and municipal parking.

Internal Services Funds are similar to Enterprise Funds in that they are used to account for services that the City provides that operate more like a business, however, Internal Service Funds’ primary customer is other City departments. Internal services include such services as

¹ Property taxes are budgeted at 98 percent of gross levy to reflect anticipated delinquencies.

² Other includes gains, contributions, other miscellaneous revenues, and proceeds from long-term liabilities.

³ Total expenditures exceed total revenue, which represents the annual budgeted change in fund balance. The change in fund balance is mostly due to timing of capital projects and bond issuance.

information technology, equipment rental (i.e. police squad cars and fire equipment), facility fees and self-insurance.

Other Funds includes Special Revenue Funds where that proceeds of specific revenue sources are restricted to expenditures for specific purposes. Services accounted for in the Other Funds include such services and operations as the Minneapolis Convention Center, and other grant funded services.

The **Independent Boards** include Board of Estimate and Taxation, Library, Park, Community Development Agency, Neighborhood Revitalization, Municipal Building Commission, and Youth Coordinating Board.

City of Minneapolis Budget By Fund (in millions of dollars)

	2004 Adopted Budget	2005 Adopted Budget	2005 as % of Total
Expenditures:			
General Fund	\$262.8	\$291.3	22.9%
Enterprise Funds	\$295.4	\$272.6	21.5%
Internal Service Funds	\$149.4	\$167.3	13.2%
Special Revenue Funds	\$202.1	\$171.5	13.5%
Capital Projects Funds	\$141.3	\$132.6	10.4%
Debt Service Funds	\$80.8	\$124.3	9.8%
Independent Board Funds	\$109.8	\$111.4	8.8%
Total Expenditures	\$1,241.6	\$1,270.9	
Revenues:			
General Fund	\$262.8	\$285.8	22.9%
Enterprise Funds	\$290.6	\$270.1	21.6%
Internal Service Funds	\$156.8	\$168.4	13.5%
Special Revenue Funds	\$205.7	\$158.2	12.7%
Capital Projects Funds	\$151.8	\$140.9	11.3%
Debt Service Funds	\$56.8	\$114.9	9.2%
Independent Board Funds	\$104.7	\$110.5	8.8%
Total Revenues	\$1,229.2	\$1,248.8	
Changes in Balances	(\$12.4)	(\$22.1)	

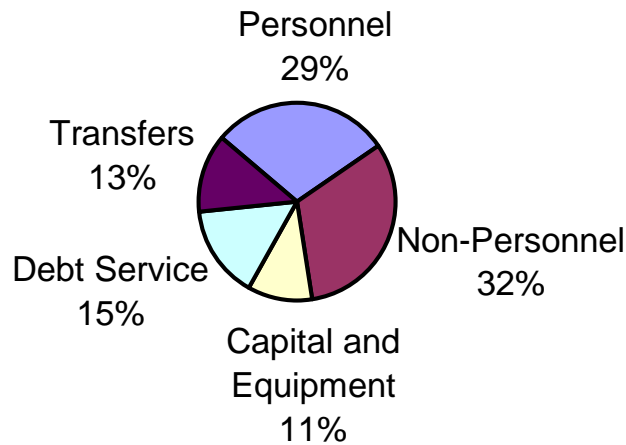
Spending by Major Categories

A significant amount of the City's budget is spent on personnel, \$374 million or nearly 30 percent of the total budget. The 2005 Council Adopted Budget includes a decrease of 69 budgeted full-time equivalent positions; this represents a 1.25 percent reduction. The independent boards are included in these figures.

City of Minneapolis Budget by Major Expense Category (in millions of dollars)

	2004 Adopted Budget	2005 Adopted Budget
Full Time Equivalent Positions	5,569	5,500
Expenditures:		
Personnel	\$362.5	\$373.9
Non-Personnel	\$389.3	\$405.9
Capital and Equipment	\$162.7	\$136.3
Debt Service	\$142.3	\$193.3
Transfers	\$184.8	\$161.6
Total Expenditures	\$1,241.6	\$1,270.9

City of Minneapolis Total City Budget - Expenditures by Category 2005 Adopted Budget \$1.27 Billion



Major Budget Pressures: City Council Funds

➤ Growth in personnel costs

Salary and Wages. The 2005 Adopted Budget includes an increase in total personnel expenditures from \$362.5 million to \$373.9 million; this represents a 3 percent increase from the 2004 Adopted Budget. For City positions, not including the Park and Library Boards, growth in salary and wages are budgeted at 2 percent for bargaining units without settled labor contracts.

Benefits. Health and dental insurance expenditures are budgeted to increase by 12 percent from the 2004 adopted budget, from \$32.3 million to \$36.2 million. This change reflects both changes in premium expense (estimated at 19% for health and 4% for dental) and changes in coverage, for example changes between family and single coverage.

➤ Funding for Internal Services Funds workout plans

The 2005 budget includes an additional \$3.9 million in funding for internal city services: self insurance, equipment services, and information technology services (i.e., workers compensation, general liability, squad cars, fire trucks, and computers).

During the 1990's, due to other external demands, the revenue to support these internal services did not keep pace with the growth in expenditures. Significant negative cash balances resulted because of annual expenses exceeding revenues. At year-end 2003, the City's Internal Services Funds had combined negative net assets of \$34 million, as compared to a negative \$30.2 million in 2002, and a negative retained earnings of \$32.2 million in 2001. While the balance is still negative, the position of the funds is showing marked improvement over the 2000 net asset deficit of \$54 million. The major reason for the decrease in net assets during 2003 was a correction involving the capital assets of one of the six internal service funds. This correction had the impact of decreasing that fund's net assets by approximately \$8 million.

The adopted financial workout plans for the Internal Services Funds will result in positive net assets and cash balances for these funds over the next few years. The 2005 Adopted Budget will meet the financial goals of the three adopted plans.

➤ Parking Fund Financial Plan

The Council Adopted budget reduces the General Fund transfer from the City's Municipal Parking Fund by \$1 million. This decrease is in line with the adopted Parking Fund financial plan, which was developed to address the cash deficits within the fund.

➤ Funding for Physical Infrastructure

Transportation Infrastructure

In January 2003, the Mayor and Council adopted a five-year plan for the property tax supported funds; this plan was updated in March of 2004. One of the many results of this plan is a reduction in the funding available for maintenance and construction of transportation-related physical infrastructure, as managed by the Public Works Department. The City made the decision that forecasted resource levels would not support the previously adopted planned growth in spending, neither capital nor maintenance. This was based on the Mayor and Council's decisions on how the limited growth in resources would be allocated. Police and Fire were the top priorities for funding.

Resources available for infrastructure investment, especially as it relates to transportation were reduced further as a result of recent cuts to state aid. The City is working aggressively to identify alternative revenue strategies, other than the property tax, to fund transportation capital and maintenance needs.

Park Board Infrastructure

The 2005 Council Adopted budget includes \$2.4 million in property tax supported funding for Park Board capital and \$1.0 million earmarked for Parkway Street Lighting Systems improvements. The amounts for Park Board capital improvements include a Park Board capital levy, which has been increasing by \$215,000 each year since 2003. This levy, as adopted, will grow to reach \$1.5 million in 2009.

Utilities (Sewer and Water)

The budget includes funding for additional water- and sewer-related infrastructure expenditures "gap closure" at a slightly lower rate for water and a higher rate for sewer. This investment continues the City's commitment to closing the infrastructure "gap" for water and sewer services. The water and sewer 5-year utility rate schedule reflects this planned investment.

➤ Funding for increasing pension liabilities

Increased costs associated with two of the City's pension funds, Minneapolis Employee's Retirement Fund (MERF) and Minneapolis Police Relief Association (MPRA), continues to have a significant impact on the budget.

Minneapolis Employee's Retirement Fund (MERF): While the City and MERF members have been making the annual amount of contributions mandated by the State, MERF members have been retiring at a faster pace and at higher costs than originally forecasted by MERF actuaries.⁴ The City began issuing general obligation (pension) bonds in December of

⁴ The actuarial assumptions used by MERF are specified by state statute. These actuarial assumptions used have not materialized and as a result have not reflected the actual number and cost of retirements.

2002 to cover the estimated cost of retirements and continued to do so in 2003; additional bonds will have to be issued to cover these costs in 2005 and in the future.

The 2005 budget will include the funds necessary to make the debt service payments associated with these bonds. MERF debt service has been allocated to departments and agencies with employees in the MERF retirement plan.

Minneapolis Police Relief Association: The increase in the City's contribution for the MPRA is directly related to an increase in the Association's unfunded liability. In the past few years, the fund's unfunded liability has more than doubled, due primarily to the negative performance of the equity markets. This has increased the fund's unfunded liability from \$56 million in 2000 to \$165 million in 2003⁵, an increase of \$109 million. The incremental increase in the City's contribution to MPRA is funded through bond proceeds in order to meet the Mayor and City Council's adopted tax policy, as was done with the 2003 and 2004 adopted budgets.

Minneapolis Fire Relief Association: Starting in 2005 the City will again make a contribution to the MFRA. Another of the City's closed pension funds, the MFRA was previously 100 percent funded, which meant that the City did not need to make annual contributions. Poor investment performance reduced the funding level for the MFRA and, as a result, the City will make a contribution of approximately \$5 million to the MFRA in 2005. This contribution will be funded through the issuance of bonds, similar to the MPRA and MERF. The debt service associated with these bonds will be paid through the property tax levy.

➤ **Funding for debt obligations for voter-approved Central Library and community library improvements**

The first of several years of major increases in the property tax levy to fund the new central library and community libraries, as approved by the voters, began in 2003. For 2005, the property tax levy amount will be approximately \$3 million and will increase annually by \$3.0 million for years 2005 through 2007 until the base annual property tax levy for payment on the referendum bonds reaches \$12.5 million.

Major Changes in the 2005 Council Adopted Budget

The Council Adopted Budget recommends the following major changes:

- Reductions in accordance with the five year plan for the following departments: City Attorney (\$290,000), Emergency Communications (\$180,000), Finance (\$320,000), Human Resources (\$102,000), Civil Rights (\$200,000), Community Planning and Economic Development (\$80,000), and Fire (\$251,000).

⁵ The City's municipal contribution is based on the most recent completed actuarial valuation. The City's 2005 contribution is based upon the 2003 actuarial valuation.

- Reduction of \$75,000 to Regulatory Services and increase to the Police Department of \$75,000
- Reduction of \$75,000 to the City Coordinator's department and increase to the Police Department of \$75,000.
- Reductions less than the five year plan for the Police department (\$2.2 million in reductions)
- Transfer of \$5 million for the Year 2004 General Fund reserve for the purpose of paying principal and interest on \$5 million of bonds that funded a portion of the City's 2005 pension obligations. This will reduce current debt service by an annual amount of \$500,000. Increase the Police Department budget by \$500,000 in 2005.
- Reduction of \$125,000 to the Art in Public Places capital project and addition of \$125,000 to the Park Board capital projects (over the five years of the plan).
- Reductions less than the five year plan for the Health and Family Support Department (\$650,000 in reductions)
- Reductions less than the five year plan for the Public Works department as a result of slower growth than anticipated (\$1.2 million in reductions)
- An additional position to the Communications department for Community Engagement (\$65,000)
- Additional \$75,000 to Health and Family Support to fund on a one-time basis the Minnesota Visiting Nurses Association (MVNA) services with daycare providers (reduces the Health and Family Support reduction as shown above.
- Additional resources to intergovernmental relations for enhanced federal and state efforts (\$65,000)
- One-time funding to address the Civilian Review Authority Backlog (\$70,000)
- Shifting the New Arrivals and Native American Advocate from the Department of Health and Family Support to the Civil Rights department. (\$235,000 plus CDBG funding)
- An additional position in Community Planning and Economic Development to support enterprise job creation and career laddering (\$77,000)
- One-time funding for a Police Department Retirement Incentive (\$350,000)--any positions vacated as a result of the incentive will be eliminated
- A reduction in the planned debt service support for pensions as the result of more detailed actuarial analysis (\$1.5 million)

- Reductions in the City Attorney's office related to declines in Local Law Enforcement Block Grant and Hennepin County reimbursement
- Shifting the Real Estate function in Public Works to Community Planning and Economic Development (\$200,000 and a position); shifting the Property Management functions in Community Planning and Economic Development to Public Works Property Services (\$830,000 and seven positions)
- The Council did not accept the Mayor's recommendation regarding reducing the Greater Minneapolis Convention and Visitor's Bureau's allocation by \$100,000. The Council also did not adopt the \$350,000 allocation from within the GMCVA's funding for downtown policing. The adopted budget includes redirecting the \$100,000 previously used for the Minneapolis Unwrapped and Riverfront Marketing programs to a Request for Proposal process from Neighborhood groups for neighborhood tourism related marketing
- One-time funding in the Public Works Solid Waste and Recycling budget for a study of options on the South and Pacific transfer facilities (\$150,000)
- Addition of \$40,000 to the Residential Parking planning fund in the Public Works Operating Budget. This reduces the Parking Fund balance.
- One-time funding in the permanent improvement fund of a study of the Midtown Greenway Street car, including the study of the bridges (\$200,000 funded from property sales by Public Works to date)
- CDGB dollars for problem properties are allocated in the following manner: \$75,000 to the Police Department; \$25,000 and .25 FTE position to Fire; \$50,000 and .5 FTE position to the City Attorney \$50,000 and 1 FTE position to Regulatory Services.
- A project was added to CPED to address the City's commitment to acquire the Lao Lutheran Church within three years, with staff directed to return with potential funding mechanisms.
- Allocation of \$200,000 from within business finance funding for Neighborhood Business Associations, within current CPED funds.
- Application of existing financial policies to the Sewer/Stormwater fund reorganization; existing policies allow for accounting changes to implement the Council's intent, including creation of new fund, agencies and position allocations.
- Addition of \$100,000 in additional workhouse costs, based on 2003 and 2004 year to date expenditures, with a reduction in contingency by a like amount.
- Direction to licensing staff to work with the City Attorney and prepare a recommendation regarding the strategy of charging business licensees the cost of providing added police services to business owners, with a report to Public Safety and Regulatory Services Committee by February 2nd, 2005.

- Implementation of the General Fund Overhead Rate model, which charges City departments outside the General Fund for management services they receive from General Fund departments. The departmental shifts in expenses and revenues are shown in the chart below.

General Fund Overhead Rate Model			
Department	Expense Increase	Revenue Increase	Revenue Decrease
Miscellaneous City-wide Revenue		\$14,151,641	
Finance-Cash Mgmt (Utility Billing)			\$4,488,391
Finance-Controller	\$3,985,607		\$45,000
Finance-Community Planning and Economic Development - Development Finance			\$2,305,807
Transfers from Community Planning and Economic Development			\$871,500
Payments from IBA			\$1,100,000
Human Resources - Enterprise Funds	\$924,645		
Civil Rights - Community Planning and Economic Development Payment			\$245,000
Water Fund Increase	\$601,004		
Total	\$5,511,256	\$14,151,641	\$9,055,698

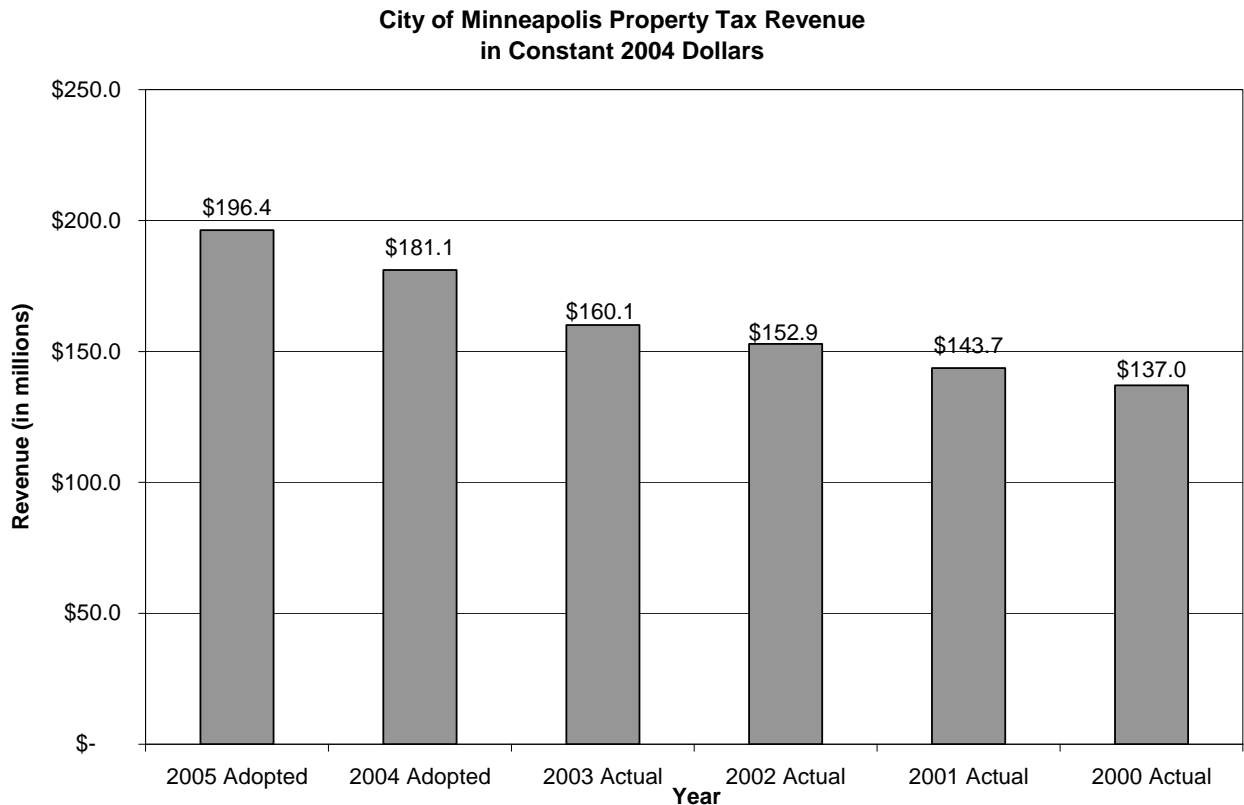
Property Tax and Fee Changes

➤ Property Tax Revenue

The 2005 budget includes a property tax rate estimated at 62.999 percent. This tax rate will provide an additional \$11.4 million in property tax revenue, which is a 6 percent increase over 2004. Total (tax capacity based) property tax revenue will increase from \$176 million to \$187 million. The City's net tax capacity (after reductions for tax increment and fiscal disparities) is projected to increase by 11 percent for taxes payable 2005, from \$268 million to \$296 million.

In addition to the \$11.4 million in property tax revenue increase that is spread over the City's tax capacity, the City will also need to increase property tax revenue by another \$3 million due to the voter approved library referendum bonds that have been issued for a new central library and improvements to the City's community libraries.

In total, property tax revenue for the City and its independent boards will increase by 8 percent from 2004 to 2005 or by \$14.4 million, based on the 2005 budget. This increase is consistent with the City Council's adopted property tax policy.



*The amounts shown in this table represent property tax and fiscal disparities revenue.

➤ **Sewer and Water Utility Fees**

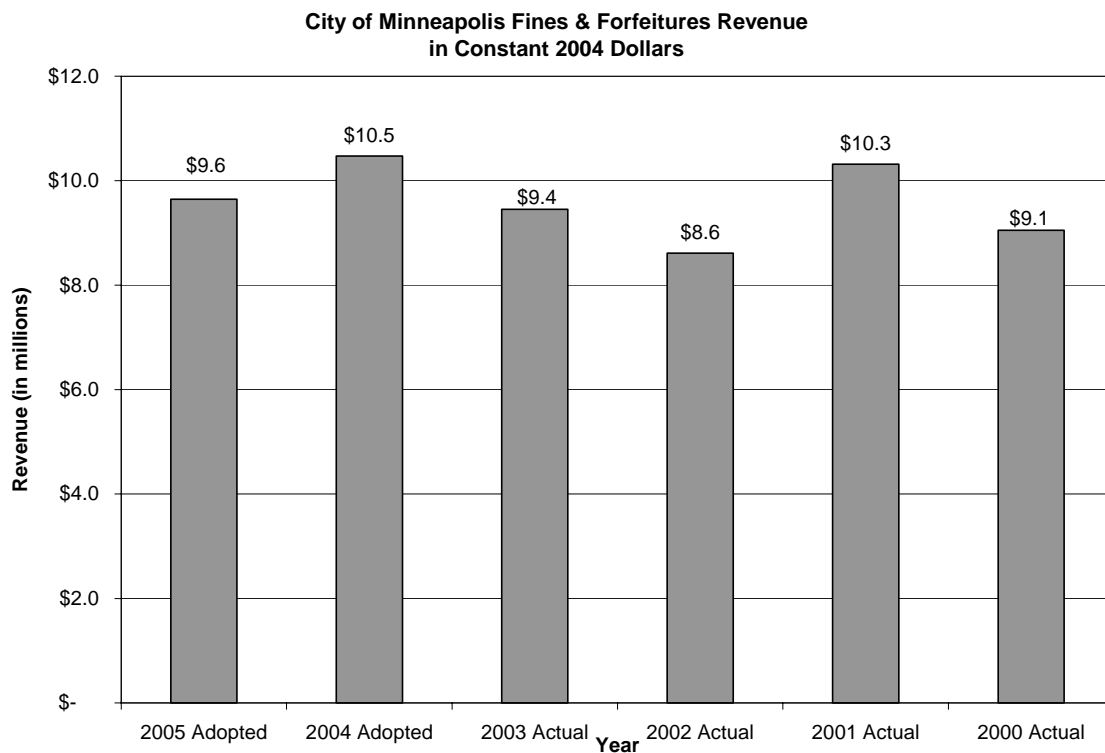
To fund investments for the City’s sewer, flood mitigation, storm water management, and water treatment and distribution systems, the 2005 budget includes an increase in utility rates of \$0.12 for water and \$0.21 for storm water/sewer/flood mitigation (SWSFM). This represents a 5.0 percent increase for water and a 6.1 percent increase for SWSFM.

➤ **Solid Waste and Recycling Fee**

The Council did not increase solid waste and recycling fees for 2005. The five-year rate schedule for solid waste and recycling fees did include a planned 75-cent increase in the per dwelling unit monthly rate, but that increase is not necessary due to stronger than anticipated financial performance of this fund. Strong management control has resulted in several years of positive net income above the planned level.

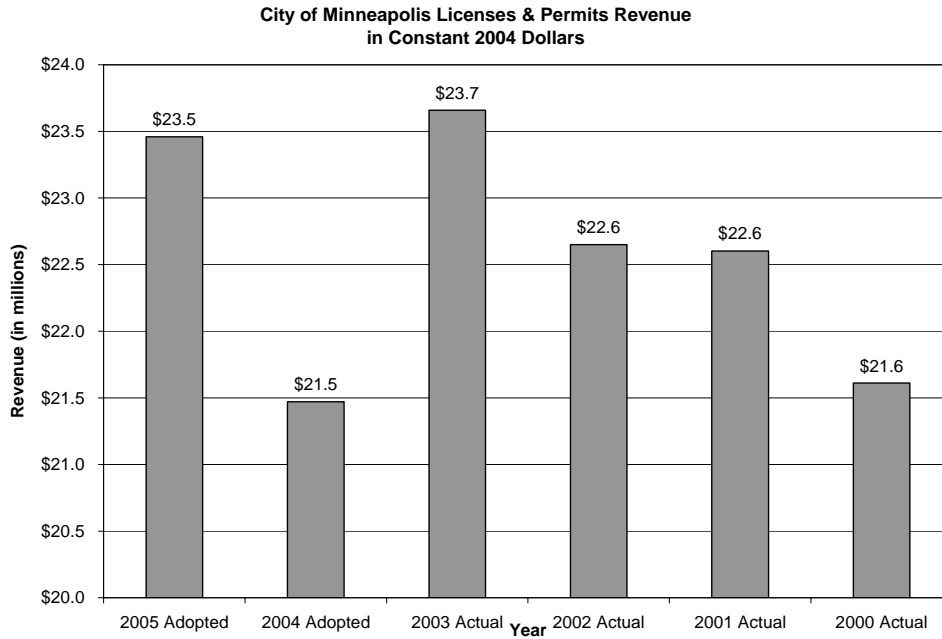
➤ **Franchise Fees**

The 2005 Council Adopted Budget includes a \$1.2 million decrease in franchise fee revenues related to the City’s franchise agreement with Xcel Energy. This decrease was anticipated and relates to the structure of the agreement’s fee schedule.



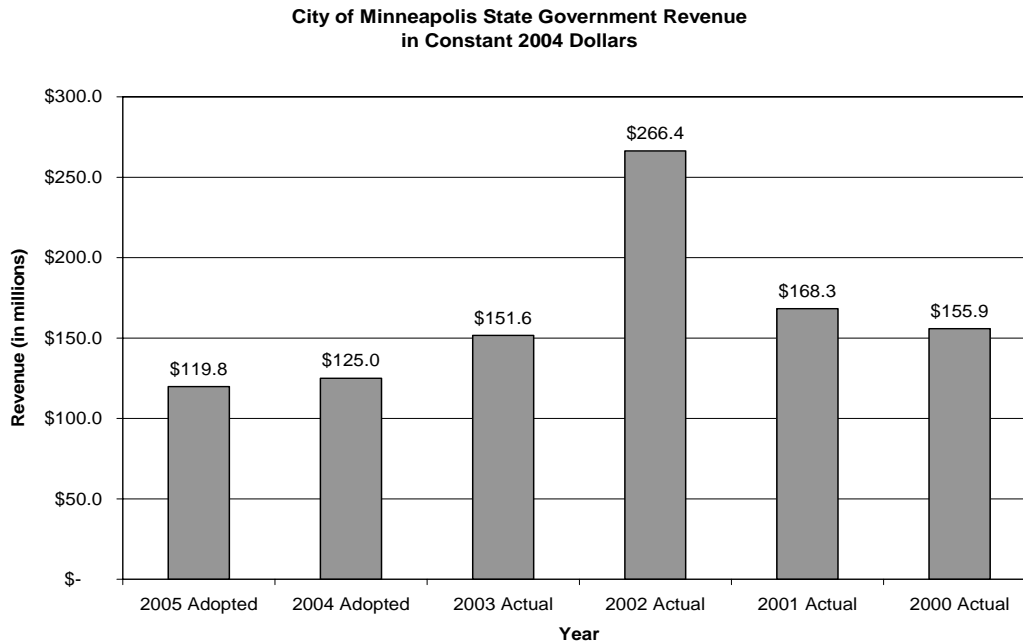
➤ **Other Fee Changes**

The licenses and inspections fees will be adjusted by an inflationary factor, as already approved by the Council in some cases. The 2005 Council Adopted Budget is structured so as to prevent the property taxpayers from having to subsidize fee-based services.



➤ **State Aid**

The State of Minnesota cut aid to Minneapolis by \$37 million (on an annual basis) -- Local Government Aid (LGA) from the State will be \$80.3 million in year 2005 as compared to an original 2003 budget amount of \$117.5 million.



Property Market Values and Tax Base Highlights

Following is a chart from the City Assessor's Office with estimated market values and corresponding tax capacity by group. As the data shows, the City's tax capacity was greatly impacted by the 2001 legislative session and the resulting property tax reform.

For Taxes Collected in 2005 ⁶

Group	2005 Estimated Market Value	% Total	% Change	Tax Capacity	% Total	% Change
Commercial	4,646,614,700	15.1%	-0.5%	90,636,099	27.2%	-0.6%
Industrial	1,347,262,100	4.4%	3.5%	26,201,462	7.9%	3.5%
Residential	21,504,338,600	70.0%	12.2%	175,898,930	52.8%	18.0%
Apartment	3,199,757,300	10.4%	6.5%	39,844,818	12.0%	6.4%
Other	18,532,400	0.1%	3.0%	277,988	0.1%	3.0%
Total	30,716,505,100	100.0%	9.0%	332,859,297	100.0%	9.8%

The market value and tax capacity data on the previous page does not include personal property, which is estimated to be approximately \$373,663,000 (market value) with a tax capacity of \$7,254,000 for 2005. With personal property included, tax capacity is estimated to increase by approximately 10 percent, before deductions for tax increment and fiscal disparities.

The following table of data provides the change in tax increment financing and fiscal disparities contribution and distribution for taxes payable 2005.

For Taxes Payable 2005⁶

Gross Tax Capacity	\$332,859,000
+ Plus Personal Property	\$7,254,000
- Less Tax Increment Financing	(\$47,011,000)
- Less Fiscal Disparities Contribution	(\$34,107,000)
+ Plus Fiscal Disparities Distribution	\$37,894,000
Net Tax Capacity	\$296,889,000

Property Values and Tax Trends

The 2001 tax bill enacted by the state legislature, made comprehensive changes to the property tax laws. Under Minnesota's state property tax system, if the State reduces the level of property tax for one property type through changes in the classification system, the taxes shift to other property types. The same principle applies if market values change for one property type but not another.

⁶ This information was provided by the City of Minneapolis Assessor's Office and was the most current information available at the time this budget document was printed.

⁶ This information was provided by the City of Minneapolis Assessor's Office and was the most current information available at the time this budget document was printed.

Different property uses pay tax at a different rate as a result of the State's property tax classification system. The taxes are a function of the market value taken times the statutory class rate times the tax rate. The 2001 legislature made changes to the property tax classification rates that reduced the rates for commercial/industrial property, apartments and high valued homes.

In 2001, the State Legislature enacted a statewide property tax on commercial, industrial and seasonal-residential recreational properties. The State of Minnesota now receives 26 percent of the property taxes paid on those property types. Until recent property tax reform, property taxes were collected and distributed exclusively at the local level.

Minneapolis has historically had a strong commercial and industrial tax base. For taxes payable in 1996, Minneapolis commercial and industrial property paid 54.7 percent of the total taxes for the city with the central business district alone paying almost 40 percent. After property tax reform, for taxes payable in 2005 this declined to 38.1% of the city total with the central business district paying approximately 28 percent. The commercial/industrial share of the City's taxes is projected to continue to decrease to 34.1 percent in payable 2010. Corresponding percentages for residential property (defined as 1-3 dwelling units) show that this class paid 33.6 percent of the city's taxes in 1996, increasing to 43.7 percent for payable 2005 and projected to be 56.3 percent in payable 2010. This represents almost a complete reversal in the share of the City's tax burden between the two property types.

The changes in distribution of tax base are a function of both market conditions and changing class rates. Residential property has increased in value at a higher rate than other property types in the past several years. The residential tax base grew 16 percent in 2000, 23.4 percent in 2001, 15.2 percent in 2002, 14.2 percent in 2003 and 11.9 percent in 2004. Similar increases in residential taxes have been avoided because of the *limited market value* law. The 2001 legislature phased out limited market value over a six-year period, with the final phase out in payable 2007. Minneapolis had a differential of over \$4 billion between total residential market value and limited market value in 2004. As the limited market value is phased out, even if the real estate market remains flat, this action will cause a significant shift in tax burden to residential property. If the market continues to be stronger for residential than other property types it will continue to further compound the property tax shift.

Commercial real estate values are traditionally cyclical with periods of high vacancy resulting in lower rents and values while periods of low vacancy result in high rents and high values. The Minneapolis central business district is in a period of high vacancy and the market value (and hence the tax) on downtown office buildings has recently declined. This reduction of tax paid by these properties at the city level is compounded by 26 percent of the tax being directed to the State of Minnesota rather than staying at the local level as a result of the 2001 Property Tax Reform. This state tax is used to increase the level of funding that the state provides to local school districts.

The market for Minneapolis commercial properties located in neighborhood commercial nodes or along the city's commercial corridors has been extremely strong over the past several years. However, their increased values cannot offset the enormous impact of a decline in value for over 25 million square feet of office space in the central business district.

**City of Minneapolis
2005 Adopted Budget
Ten Year Projection of Demands on the Property Tax**

Background

The ten year projection was first produced in spring of 2002. The intent was to surface all the demands on the property tax to which the City had committed. This projection led to the work to adopt the 8% maximum property tax policy in summer of 2002. The maximum property tax policy was adopted 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 parameters for departments when building their business plans.

This is the first update to the ten year projection since the Adopted budget in 2003. This projection adds 2011 and 2012.

Assumptions in the Ten Year Projection

These listed assumptions build on the original work from spring 2002. For complete details on the financial challenges which the City faces, please refer to the original narrative on the "Projected Demands on the Property Tax."

General Fund Operations

- 2% Wage Policy is in effect through 2012
- 19% annual increases in health insurance premiums
- No increase in departmental and City-wide revenue (except for regulatory services revenues which are expected to increase by 3%). Please see the discussion in the 2006-2010 five-year financial direction document earlier under this same tab for more information
- Reductions in revenue related to the parking fund financial plan
- Internal Service Funds work out plan increases continue:
 - Self Insurance \$0.5 million in 2006, \$1 million annually in 2007-2012
 - Intergovernmental Service Fund (BIS) \$1.2 million annually in 2006-2008
 - Equipment \$0.7 million in 2006

- The projection includes slight cost of living increases for these operations
- Reductions to general fund operations are needed in each year of the plan

Capital and Debt

- Reductions to both the pay-as-you capital levy and the debt service levies continue in 2006-2009. These reductions were included in the five-year financial direction
- A slight (2%) increase is included for both of these levies for 2010-2012

Independent Boards

- Parameters remain the same for independent board operating levy increases – Park, Library, Municipal Building Commission, Public Housing Authority and the Board of Estimate and Taxation all receive a 4% levy increase to deal with increased costs of providing services
- Increases to support the library referendum levy are included in the projection through 2007
- Pension obligations are funded in each year of the projection. Increases in the property tax levy are currently estimated to cease 2011

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

	Adopted			Future Projected Demands on the Property Tax							
	2002	2003	2004	Adopted 2005	2006	2007	2008	2009	2010	2011	2012
<i>(In millions of dollars)</i>											
City General Fund Operations:											
Net Base Increase (not including Health)	7.5	8.5	2.1	14.3	10.1	10.3	10.5	10.7	10.9	11.2	11.4
Decision Packages - New Programs/Initiatives	2.5		-								
Health Insurance	2.1	2.4	2.2	1.8	3.3	3.9	4.7	5.6	6.6	7.9	9.4
Infrastructure Maintenance Gap Closure Program	0.6	0.4	-	-	-	-	-	-	-	-	-
PERA Employer Contribution (change in formula)	0.4		-								
<i>Internal Service Funds</i>	<i>3.2</i>	<i>3.7</i>	<i>3.7</i>	<i>3.9</i>	<i>2.3</i>	<i>2.4</i>	<i>2.5</i>	<i>1.4</i>	<i>1.0</i>	<i>1.1</i>	<i>1.0</i>
Local Govt Aid/HACA - Chg in Distribution	(8.4)	1.0	-								
Tax Abatement	0.5		-								
General Fund Contingency	0.3	0.3	-	-	-	-	-	-	-	-	-
Targeted Strategies Needed to Balance Budget	(13.9)	(5.9)	-	(7.0)	(4.2)	(7.2)	(5.6)	(2.5)	(3.6)	(0.5)	(0.6)
Subtotal	(5.2)	10.5	8.0	13.0	11.5	9.4	12.1	15.2	15.0	19.6	21.2
City Capital/Debt:											
Infrastructure Capital Gap Closure Program began in 1999	1.0	1.0	-	-	-	-	-	-	-	-	-
Permanent Improvement Fund	(0.0)	0.2	-	(0.2)	(0.5)	(0.7)	(0.5)	(0.5)	0.1	0.1	0.1
Debt structuring changes	0.9		(2.6)	(3.9)	(4.0)	(2.1)	(1.3)	(1.0)	0.4	0.5	0.6
<i>Public Safety Initiative began in 2001</i>	<i>0.5</i>	<i>0.5</i>	-								
Local Govt Aid/HACA - Chg in Distribution	3.4		-								
Subtotal	5.8	1.7	(2.6)	(4.1)	(4.5)	(2.8)	(1.8)	(1.5)	0.5	0.6	0.7
City Total	0.6	12.2	5.4	8.9	7.0	6.6	10.3	13.7	15.4	20.2	21.9
Independent Boards and Special Levies											
Park Board Base Levy	1.9	1.7	1.8	1.6	1.7	1.7	1.8	1.9	1.7	1.8	1.8
Park Board - Local Govt Aid/HACA - Chg in Distribution	1.4	(1.0)	-								
Park Board Operating (Referendum Agreement)	1.2		-								
Park Board Capital (Referendum Agreement)	2.5	(3.0)	-								
Subtotal Park Board	7.0	(2.3)	1.8	1.6	1.7	1.7	1.8	1.9	1.7	1.8	1.8
Library Board Base Levy	2.0	(0.6)	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.7
Library Board - Local Govt Aid/HACA - Chg in Distribution	(0.6)		-								
<i>Library Board - Referendum Levy</i>		<i>0.5</i>	<i>3.0</i>	<i>3.0</i>	<i>1.7</i>	<i>1.9</i>	-	-	-	-	-
Subtotal Library	1.5	(0.2)	3.5	3.5	2.2	2.4	0.5	0.6	0.6	0.6	0.7
Municipal Bldg Commission	0.8	0.2	0.0	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2
Community Development - Chapter 595 Special Levy	4.0	-	(2.0)	(2.0)	-	-	-	-	-	-	-
Minneapolis Public Housing Authority - Special Levy		0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1
<i>Teachers Retirement Assoc. - Special Levy</i>	<i>0.2</i>	<i>0.2</i>	-								
<i>Pension Funds MERF, Police, and Fire (debt service beg in 2003)</i>	<i>3.9</i>	<i>2.0</i>	<i>4.5</i>	<i>2.3</i>	<i>4.5</i>	<i>5.8</i>	<i>5.3</i>	<i>3.2</i>	<i>3.2</i>	-	-
Total Independent Boards and Special Levies	17.2	(0.1)	7.8	5.5	8.6	10.2	7.8	5.9	5.7	2.6	2.8
Total Annual Increase in Property Tax Revenue	17.8	12.1	13.2	14.4	15.6	16.8	18.1	19.5	21.2	22.9	24.7
Total Property Tax Revenue	154.0	166.1	179.3	193.7	209.2	226.0	244.2	263.7	284.9	307.7	332.4
Annual Percent Increase	13%	8%	8%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%

**2005 Adopted Budget
Tax Rates and Levies**

Based on information available as of January 2005

NET TAX CAPACITY BASED (NTC) LEVIES

	2003		2004		2005		
	Tax Rate (%)	Total Tax Levy \$\$	Tax Rate (%)	Total Tax Levy \$\$	Tax Rate (%)	Total Levy \$\$	Tax
City Levies							
General ¹	27.580	\$ 68,658,521	32.489	\$ 86,926,879	34.865	\$ 103,678,649	
Police Personnel Expansion	0.000	0	0.000	0	0.000	0	0
Estimate and Taxation	0.059	145,553	0.057	151,375	0.053	157,430	
Building Commission	1.408	3,502,966	1.327	3,549,377	1.242	3,691,352	
Permanent Improvement	1.100	2,737,240	0.818	2,187,240	0.662	1,967,240	
Bond Redemption	12.851	31,982,883	9.813	26,255,877	7.655	22,764,000	
Firefighter's Relief Association	0.000	0	0.000	0	0.000	0	0
Police Relief Association	1.191	2,962,300	1.108	2,962,300	0.000	0	0
Minneapolis Employees Retirement Fund	1.604	3,990,564	1.492	3,990,564	1.013	3,010,000	
Sub-Total City Levies	45.793	\$ 113,980,027	47.104	\$ 126,023,612	45.490	\$ 135,268,671	
Lake Pollution Control	0.151	\$ 375,725	0.000	0	0.000	0	0
Park and Recreation	11.229	27,945,293	10.819	28,945,342	10.190	30,301,312	
Tree Preservation and Ref.	0.973	2,420,977	2.199	5,882,407	2.058	6,117,347	
Shade Tree Disease Control	0.938	\$ 2,332,764	0.000	0	0.000	0	0
Sub-Total Park Board Levies	13.291	\$ 33,074,759	13.018	\$ 34,827,749	12.248	\$ 36,418,659	
Library Board ²	4.565	\$ 11,360,485	4.416	\$ 11,814,904	4.132	\$ 12,287,500	
Sub-Total City Levies	63.649	\$ 158,415,271	64.538	\$ 172,666,265	61.870	\$ 183,974,830	
City-Related Special Levies							
Chapter 595/HRA Levy	1.608	\$4,000,000	0.000	\$0	0.000	\$0	
Public Housing	0.417	1,040,000	0.403	1,081,600	0.378	1,124,864	
Teachers' Retirement	0.904	2,250,000	0.832	2,250,000	0.751	2,250,000	
Watershed Districts ³	1.236	2,535,422	0.768	2,614,619	1.274	3,788,000	
Sub-Total City-Related Specials Levies	4.165	\$ 9,825,422	2.003	\$ 5,946,219	2.403	\$ 7,162,864	
Other Special Levies							
Hennepin County	45.068	\$113,078,056	41.943	\$113,928,147	39.131	\$116,359,000	
Minneapolis Public Schools	33.437	84,395,623	32.389	86,609,984	26.848	79,834,000	
Other Special Taxing Districts ⁴	5.095	12,012,539	4.889	12,367,817	4.821	14,336,000	
Sub-Total Other Specials Levies	83.600	\$ 209,486,218	79.221	\$ 212,905,948	70.800	\$ 210,529,000	
TOTAL NTC BASED LEVIES	151.414	\$ 377,726,910	145.762	\$ 391,518,432	135.073	\$ 401,666,694	

REFERENDUM MARKET VALUE BASED (RMV) LEVIES

	2003		2004		2005		
	Tax Rate (%)	Total Tax Levy \$\$	Tax Rate (%)	Total Tax Levy \$\$	Tax Rate (%)	Total Levy \$\$	Tax
Minneapolis Public Library Referendum	0.00205	\$ 403,863	0.01420	\$ 3,400,000	0.02391	\$ 6,400,000	
Minneapolis Public Schools Referendum	0.07675	19,647,416	0.09833	27,318,163	0.09444	25,270,000	
Solid Waste Fee ⁵	0.01896	4,176,099	0.01786	4,277,668	0.01594	4,260,000	
	0.09776	\$ 24,227,378	0.13039	\$ 34,995,831	0.13429	\$ 35,930,000	
TOTAL RMV BASED LEVIES	0.09776	\$ 24,227,378	0.13039	\$ 34,995,831	0.13429	\$ 35,930,000	
TOTAL ALL LEVIES		\$ 401,954,289		\$ 426,514,263		\$ 437,596,694	

Notes:

¹ This amount includes the Economic Development/Tax Abatement Levy.

² This does not include the Library Board referendum levy. That amount is listed under "Referendum Market Value Based Levies."

³ The watershed Levy \$\$ are for watersheds 3 & 6 & 7, these watersheds slightly adjust the levy rates for the School & County applicable to these areas also, table shows #3

Water Shed #	# 0	# 3	# 6	# 7
School Rate	26.806	26.848	26.784	26.806
County Rate	39.101	39.131	39.085	39.101
Water Shed rate	0.000	1.274	2.690	0.342
Total NTC Based rate	128.906	135.073	136.379	134.069

⁴ Other special taxing jurisdictions include: Metro Mosquito Control, Metropolitan Council, Metro Transit, Park Museum, & Hennepin County Regional Railroad Authority

⁵ The Solid Waste Fee amounts are the portions associated with Minneapolis only.

⁶ The Tax Levy \$\$ are Certified Levy Amounts.

⁷ The Tax rate applies to 72.9721% of the Commercial property's taxable value and the area wide rate of 129.863 applies to the remaining 27.0279% in addition to the State rate of 52.00%

**Council Adopted 2005 Budget
Property Tax Levy Recommendation**

	2004 Adopted Levies	Based on Adopted Tax Policy			2005 Adopted		
		2005	% Chg from 2004	\$ Chg from 2004	2005 Recommended	% Chg from 2004	\$ Chg from 2004
Total by Major Funds:							
General Levies	146,410,388	161,210,830	10.1%	14,800,442	161,210,830	10.1%	14,800,442
Special Levies	32,987,477	32,538,864	-1.4%	(448,613)	32,538,864	-1.4%	(448,613)
Grand Total	179,397,865	193,749,694	8.0%	14,351,829	193,749,694	8.0%	14,351,829
Total by Entity:							
City*	126,023,612	135,268,671	7.3%	9,245,059	135,268,671	7.3%	9,245,059
Park Board**	34,827,749	36,418,659	4.6%	1,590,910	36,418,659	4.6%	1,590,910
Library Board	11,814,904	12,287,500	4.0%	472,596	12,287,500	4.0%	472,596
<i>Library Board Referendum</i>	3,400,000	6,400,000	88.2%	3,000,000	6,400,000	88.2%	3,000,000
Public Housing Authority	1,081,600	1,124,864	4.0%	43,264	1,124,864	4.0%	43,264
Teachers Retirement	2,250,000	2,250,000	0.0%	0	2,250,000	0.0%	0
Grand Total	179,397,865	193,749,694	8.0%	14,351,829	193,749,694	8.0%	14,351,829

Notes:

* Includes the Municipal Building Commission, Board of Estimate and Taxation and Pension Levies

** Park Board increase from 2004 to 2005 includes the additional capital infrastructure funding as approved in the adopted tax policy, which is why the percent is greater than 4%.

Summary of Residential Property Tax and Utility Fees

Residential Property				
Home with Estimated Market Value \$129,000				
	2004	2005	% change	\$ change
Assessed Market Value	\$ 116,500	\$ 129,000	10.7%	\$ 12,500
Taxable Value	\$ 98,500	\$ 113,200	14.9%	\$ 14,700
City Property Taxes				
Property Tax	\$ 520	\$ 587	12.9%	\$ 67
Referendum Tax	\$ 14	\$ 27	93.5%	\$ 13
<i>Total City Property Taxes</i>	\$ 534	\$ 614	15.0%	\$ 80
Water	\$ 228	\$ 240	5.3%	\$ 12
Sewer	\$ 247	\$ 262	6.1%	\$ 15
Solid Waste/Recycling	\$ 231	\$ 231	0.0%	\$ -
<i>Total Utilities</i>	\$ 706	\$ 733	3.8%	\$ 27
Total Property Taxes and Utilities	\$ 1,240	\$ 1,347	8.6%	\$ 107

Residential Property				
Home with Estimated Market Value \$211,500				
	2004	2005	% change	\$ change
Assessed Market Value	\$ 186,000	\$ 211,500	13.7%	\$ 25,500
Taxable Value	\$ 133,000	\$ 152,900	15.0%	\$ 19,900
City Property Taxes				
Property Tax	\$ 762	\$ 855	12.1%	\$ 92
Referendum Tax	\$ 19	\$ 37	93.5%	\$ 18
<i>Total City Property Taxes</i>	\$ 781	\$ 891	14.1%	\$ 110
Water	\$ 228	\$ 240	5.3%	\$ 12
Sewer	\$ 247	\$ 262	6.1%	\$ 15
Solid Waste/Recycling	\$ 231	\$ 231	0.0%	\$ -
<i>Total Utilities</i>	\$ 706	\$ 733	3.8%	\$ 27
Total Property Taxes and Utilities	\$ 1,487	\$ 1,624	9.2%	\$ 137

Summary of Residential Property Tax and Utility Fees

Residential Property				
Home with Estimated Market Value \$475,000				
	2004	2005	% change	\$ change
Assessed Market Value	\$ 452,500	\$ 475,000	5.0%	\$ 22,500
Taxable Value	\$ 360,400	\$ 414,400	15.0%	\$ 54,000
City Property Taxes				
Property Tax	\$ 2,349	\$ 2,611	11.1%	\$ 262
Referendum Tax	\$ 51	\$ 99	93.6%	\$ 48
<i>Total City Property Taxes</i>	\$ 2,400	\$ 2,710	12.9%	\$ 310
Water	\$ 228	\$ 240	5.3%	\$ 12
Sewer	\$ 247	\$ 262	6.1%	\$ 15
Solid Waste/Recycling	\$ 231	\$ 231	0.0%	\$ -
<i>Total Utilities</i>	\$ 706	\$ 733	3.8%	\$ 27
Total Property Taxes and Utilities	\$ 3,106	\$ 3,443	10.8%	\$ 337

Residential Property				
Home with Estimated Market Value \$992,500				
	2004	2005	% change	\$ change
Assessed Market Value	\$ 863,000	\$ 992,500	15.0%	\$ 129,500
Taxable Value	\$ 745,000	\$ 860,500	15.5%	\$ 115,500
City Property Taxes				
Property Tax	\$ 5,303	\$ 5,989	12.9%	\$ 686
Referendum Tax	\$ 106	\$ 206	94.5%	\$ 100
<i>Total City Property Taxes</i>	\$ 5,409	\$ 6,195	14.5%	\$ 786
Water	\$ 228	\$ 240	5.3%	\$ 12
Sewer	\$ 247	\$ 262	6.1%	\$ 15
Solid Waste/Recycling	\$ 231	\$ 231	0.0%	\$ -
<i>Total Utilities</i>	\$ 706	\$ 733	3.8%	\$ 27
Total Property Taxes and Utilities	\$ 6,115	\$ 6,928	13.3%	\$ 813

Commercial/Industrial Property				
\$348,000 Valued C/I Property	2004	2005	\$ Chg	% Chg
Assessed Market Value	\$316,500	\$348,000	\$ 31,500	10.0%
Taxable Value	\$316,500	\$348,000	\$ 31,500	10.0%
City Property Taxes				
City Property Tax	\$2,656	\$2,855	\$ 199	7.5%
Referendum Tax	\$45	\$83	\$ 38	85.2%
Total City Property Taxes	\$2,701	\$2,938	\$ 237	8.8%

Commercial/Industrial Property				
\$9,500,000 Valued C/I Property	2004	2005	\$ Chg	% Chg
Assessed Market Value	\$9,500,000	\$9,500,000	\$ -	0.0%
Taxable Value	\$9,500,000	\$9,500,000	\$ -	0.0%
City Property Taxes				
City Property Tax	\$90,072	\$87,002	\$ (3,070)	-3.4%
Referendum Tax	\$1,349	\$2,271	\$ 922	68.4%
Total City Property Taxes	\$91,421	\$89,273	\$ (2,147)	-2.3%

Apartment Property				
\$420,000 Valued Apartment Building	2004	2005	\$ Chg	% Chg
Taxable Value	\$ 350,000	\$ 420,000	\$ 70,000	20.0%
City Property Taxes				
City Property Tax	\$ 2,878	\$ 3,307	\$ 430	14.9%
Referendum Tax	\$ 50	\$ 100	\$ 51	102.1%
Total City Property Taxes	\$ 2,927	\$ 3,408	\$ 481	16.4%

Apartment Property				
\$645,000 Valued Apartment Building	2004	2005	\$ Chg	% Chg
Taxable Value	\$645,000	\$645,000	\$ -	0.0%
City Property Taxes				
City Property Tax	\$5,303	\$5,079	\$ (224)	-4.2%
Referendum Tax	\$92	\$154	\$ 63	68.4%
Total City Property Taxes	\$5,395	\$5,234	\$ (161)	-3.0%

**City of Minneapolis
2005 Adopted Budget
Five-year Financial Direction 2006-2010**

Introduction

In keeping with the January 2003 resolution five-year financial direction and commitment to business planning resolution, this document reflects the an update to the five-year financial direction. Annually, the Mayor's Recommended budget will include a proposed direction for Council deliberation with adoption of the five-year financial direction with the adoption of the following year's budget.

The 2005 budget was the first year when the direction has been updated with the Mayor's recommendation. The purpose of adopting a 2006-2010 financial direction is to provide guidance for departments in updating their business plans during 2005.

New Conditions Reflected in the Financial Direction

The financial schedules and summary tables in this document take into account new circumstances that the City faces during the 2006-2010 timeframe:

- ***Direct Departmental and Enterprise-wide General Fund Revenue estimates:*** These estimates reflect a 0% growth rate on both direct revenue to departments in the general fund and City-wide revenues in the general fund. (An example of City-wide revenue in the general fund is franchise fees.)

This is a **change** to the assumption regarding revenue estimates. A minimal growth factor of 1.5% was assumed in the adopted five-year financial direction and the March 2004 update. The City's experience with growth in these types of revenue has not kept pace with these expectations in 2003-2005. The decline in revenue estimates from the originally projected amount is \$3-4 million for the term of the five-year plan.

The exception to this assumption change is license and permit revenues in Regulatory Services, which still include 3% revenue growth.

- ***The 2005 Adopted budget is the basis for future projections:*** In other words, the starting place for the 2006-2010 department budget estimates is what is included in the 2005 Adopted budget.

One-time 2005 supplemental items are removed from department budgets in 2006 and beyond. To the extent that 2005 budget reductions are from one-time sources (like attrition or leaves), the financial direction assumes that new strategies are identified to meet these reductions on an ongoing basis. The department that is most reflective of this circumstance is the Police department, where about \$2 million of the 2005 Adopted budget target cuts are from one-time sources.

In summary, the 2005 budget for revenues and expenditure is the base for the 2006-2010 projections.

- ***No adverse news regarding Local Government Aid is incorporated into the projections.*** The City has seen declines in LGA revenue as a result of changes in the need factors included in the LGA formula. Further, resolution of the State budget deficit may include discussions on the size of the LGA program.
- ***The 2006-10 plan contains no policy changes from the adopted five-year financial direction.*** The fundamental assumptions about service priorities remain.
- ***Property tax estimates are based upon adopted tax policy.*** No changes to the maximum revenue increase of 8% are included.
- ***Departmental Reductions in 2010 are distributed as reductions were distributed in 2009.*** As the time frame for business planning shifts out each year, a year is added to the projection based upon the previous year's assumptions.
- ***The City's pension outlook is no better, no worse than the estimates from earlier in 2004.*** The reduction in pension obligations estimated for the 2005 are included as a change to the base for the projections for 2006-2010. However, no new relief from these obligations are reflected in the five-year direction, nor are any new adverse circumstances.
- ***Change to policy allowing departments to use revenue increases to offset reductions in the five-year direction:*** As reflected in the assumption change outlined at the beginning of this section, department direct revenue estimates have not kept up with the minimal increases reflected in the adopted five-year financial direction. As materials are presented to elected officials, decisions regarding the departments use of revenues to offset their five-year financial direction reductions will be measured against the department's ability to limit expenditure to $\frac{3}{4}$ of the growth anticipated in the plan. This change institutes accountability for the reduced revenue assumptions in the plan.
- ***Wage growth is limited to 2%.*** To the degree that contracts settle at a higher rate in 2006-2010, additional reductions would be needed.
- ***No relief from reductions nor any growth is planned in the Capital or Debt Service Levies for the Capital plan until 2010.*** Pressure on the capital project budgets will continue. Any new projects will need to be offset by reductions in projects in the current plan. A 2% growth factor is included in 2010 in order to begin planning for expanded capital needs.
- ***No good news is anticipated resulting from tax increment decertifications.*** To the extent that more property tax comes back to the City, policy choices will

be needed. Finance is starting a project to estimate the effects of TI decertifications.

Detailed assumptions and schedules are located at the end of this section.

Summary of the Five-Year Direction

The following table reflects the 2005 Adopted Five-Year Financial Direction:

Department	2006-2010 Five Year Financial Direction (same as in the Five-Year Financial Direction)		2005 Budget (dollars in millions)			
	Reductions (dollars in millions)	Positions (assuming \$75,000 per position)	Adopted Budget	Adopted Five-Year Financial Direction	Difference due to 2005 Budget Decisions	Total Difference *
Police	\$10.4	139	\$94.7	\$90.7	\$1.7	\$4.0
Fire	\$2.1	28	\$45.2	\$44.3	\$0.0	\$0.9
Public Works	\$8.5	113	\$36.3	\$36.4	\$0.0	(\$0.1)
Health and Family Support (HFS)	\$3.0	40	\$3.7	\$2.8	\$0.1	\$0.9
Business Information Services (BIS)	\$0.6	8	\$0	\$11.2	\$0.0	(\$11.2)
Regulatory Services	\$0	0	\$20.9	\$20.8	(\$0.1)	\$0.1
All Other Spending	\$5.2	69	\$74.5	\$58	\$0.8	\$16.5
Total	\$29.8	397	\$ 275.3	\$264.2	\$2.5	\$11.1

* The total difference includes:

- Effects of the decisions in 2005,
- BIS rate model (which added payments in each department's budget rather than a centralized fund transfer of \$11.2 million), and
- Other non-policy related accounting changes (general fund rate model implementation and shifting pension expense into the general fund).

Assumptions (Same as past projections– except items in bold)

- Decreased need for property taxes to support library referendum bonds are shifted to pension bonds
- Increased pension costs are offset by general fund reductions
- Health and Family Support's general fund support is eliminated; the laboratory budget (supported by fees) remains.
- The 2% wage cap is maintained over the five-years
- No greater than 19% growth is experienced in health insurance costs
- No additional cuts other than what was included in the five-year plan are included for the permanent improvement levy or for debt service
- Community Development Resources are reduced as planned in the 5-year direction originally. In addition, the direct general fund resources are reduced by the same proportion as the planning department in the five-year plan
- Departments that did not receive a reduction in the adopted plan do not receive one in the updated direction
- When detailed by year, the annual cuts mirror the cuts in the adopted five-year plan.
- Other than the reduction in 2005, no additional reductions in local government aid are assumed, LGA reductions from 2002, 2003, 2004 and 2005 are included in the base
- Revenues in the general fund are **NOT assumed to increase by annually**, except for licenses and permits which are anticipated to increase by 3.0% annually
- No additional revenues are anticipated from public works revenue (assessments, other fees)
- No additional programs or services are added – they would need to be funded by new revenue or through departmental efforts to reduce costs
- Financial relief for pension obligations from legislative or other sources is not anticipated
- Full funding of pension and internal service fund debts are included. Constraints in internal service funds are maintained. No additional pension bad news in planned.
- Reductions as planned to gap funding are reflected for public works, capital and debt service.
- The level of revenue from the parking fund is reduced according to the Council adopted financial work-out plan for that fund.
- Entertainment tax from the Convention Center fund flows at the same rate as in the past (about \$8 million annually)
- No changes to state tax law regarding property taxes (including levy limits, classification rates, phase out of limited market value)
- No new revenue from decertification of tax increment financing districts.

Five Year Summary of Property Tax Supported Budgets

	2005 Expense	5-yr Projected Growth in Spending	5-yr Reduction to Growth in Spending	2010 Expense	Avg Annual % Incr over 5-yr period	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.</i>				2010 Total Revenues		
						2010 Direct Revenue	2010 General City Revenues (Non-Direct)	2010 Local Government Aid	2010 Property Tax Revenue			
Mayor	1,053,899	185,000	-	1,238,899	3.5%	-	306,440	315,307	617,153	1,238,899		
Elections	963,708	162,000	(50,000)	1,075,708	2.3%	84,554	245,208	252,303	493,642	1,075,708		
City Council	3,322,914	584,000	-	3,906,914	3.5%	-	966,563	994,531	1,945,820	3,906,914		
Community Planning and Economic I	3,266,729	543,000	(400,000)	3,409,729	0.9%	567,300	721,787	742,672	1,377,971	3,409,729		
Contingency	2,211,143	1,546,000	(1,500,000)	2,257,143	0.4%	-	632,563	650,867	973,713	2,257,143		
City Coord Admin, Comm, IGR	4,102,523	719,000	-	4,821,523	3.5%	2,316,600	619,782	637,716	1,247,425	4,821,523		
Civil Rights	2,338,040	187,000	(450,000)	2,075,040	-2.2%	-	538,056	553,625	983,359	2,075,040		
Assessor	3,101,062	545,000	-	3,646,062	3.5%	134,000	868,822	893,962	1,749,278	3,646,062		
City Clerk	1,305,447	229,000	-	1,534,447	3.5%	15,000	375,959	386,838	756,650	1,534,447		
Health and Family	3,652,728	233,000	(2,352,212)	1,533,516	-11.6%	609,000	-	-	924,516	1,533,516		
Human Resources	5,526,672	921,000	(600,000)	5,847,672	1.2%	5,000	1,470,227	1,512,768	2,859,676	5,847,672		
Attorney	6,422,482	993,000	(600,000)	6,815,482	1.2%	108,000	1,684,227	1,732,960	3,290,296	6,815,482		
Emergency Communications	6,683,866	1,458,000	(800,000)	7,341,866	2.0%	50,000	-	-	7,291,866	7,341,866		
Internal Service Funds	16,426,110	12,222,000	-	28,648,110	14.9%	-	7,087,642	7,292,724	14,267,743	28,648,110		
Finance	17,746,460	3,040,000	(900,000)	19,886,460	2.4%	47,569	4,945,400	5,088,496	9,804,995	19,886,460		
Regulatory Services	20,892,048	3,666,000	-	24,558,048	3.5%	31,371,824	-	-	(6,813,776)	24,558,048		
Business Information Services*	-	(63,000)	(600,000)	(663,000)	n/a	-	-	-	(663,000)	(663,000)		
Public Works	36,335,689	10,043,000	(8,475,000)	37,903,689	0.9%	11,571,512	6,919,067	7,119,271	12,293,839	37,903,689		
Fire	45,200,377	7,733,000	(2,055,000)	50,878,377	2.5%	2,565,700	12,004,804	12,352,164	23,955,710	50,878,377		
Police	94,749,237	15,710,000	(10,433,980)	100,025,257	1.1%	8,582,277	22,952,525	23,616,659	44,873,796	100,025,257		
Total General Fund	275,301,134	60,656,000	(29,216,192)	306,740,942	2.3%	58,028,336	62,339,074	64,142,861	122,230,671	306,740,942		
Capital - Permanent Improvement	1,927,895	1,900,000	(2,110,000)	1,717,895	-2.2%	-	-	-	1,717,895	1,717,895		
Debt Service	22,764,000	4,400,000	(8,409,379)	18,754,621	-3.5%	-	-	-	18,754,621	18,754,621		
Subtotal	24,691,895	6,300,000	(10,519,379)	20,472,516	-3.4%	-	-	-	20,472,516	20,472,516		
Total City (not incl special levies)	299,993,029	66,956,000	(39,735,571)	327,213,458	1.8%	58,028,336	62,339,074	64,142,861	142,703,187	327,213,458		
Community Development	-	-	-	-	n/a	-	-	-	-	-		
Pensions	18,439,800	17,000,000	-	35,439,800	18.4%	-	-	-	35,439,800	35,439,800		
Total	318,432,829	83,956,000	(39,735,571)	362,653,258	2.8%	58,028,336	62,339,074	64,142,861	178,142,987	362,653,258		
						2005 Adopted		128,791,295				
						2010 Max		202,048,974				
						Difference between maximum and needed amount to balance				(23,905,987)		
						Summary Information						
* Internal Service Funds line includes payments to internal service funds to cover debt payments, both internal and external, as required by the workout plans. Department Budget amounts beginning in 2005 include \$12.1 million in BIS charges previously budgeted centrally in the general fund						Total		%		Avg Annual Chg		
						Growth in Spending to fund Current Service Levels		83,956,000				4.9%
						Offsetting Reduction to Growth in Spending		(39,735,571)				-2.4%
						Offsetting Growth in NonTax Revenue		(510,213)				0.0%
						Offsetting Growth in City's Share of Property Tax		(49,210,216)				9.0%
						Total		(5,500,000)		-106.6%		

2006 Property Tax Supported Budgets									
	Prior Year Total Expense	Projected Growth in Spending	Reduction to Growth in Spending	Current Year Total Expense	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.</i>				Total Revenues
					Direct Revenue	General City Revenues (Non-Direct)	Local Government Aid	Property Tax Revenue	
Mayor	1,053,899	32,000	-	1,085,899	-	305,866	301,188	478,846	1,085,899
Elections	963,708	29,000	-	992,708	84,554	255,878	251,965	400,311	992,708
City Council	3,322,914	102,000	-	3,424,914	-	964,386	949,637	1,510,891	3,424,914
Community Planning and Economic	3,266,729	100,000	(100,000)	3,266,729	567,300	788,317	776,261	1,134,851	3,266,729
Contingency	2,211,143	68,000	(300,000)	1,979,143	-	641,724	631,910	705,509	1,979,143
City Coord Admin, Comm, IGR	4,102,523	125,000	-	4,227,523	2,316,600	538,248	530,016	842,658	4,227,523
Civil Rights	2,338,040	(99,000)	(75,000)	2,164,040	-	630,678	621,032	912,330	2,164,040
Assessor	3,101,062	95,000	-	3,196,062	134,000	862,262	849,075	1,350,724	3,196,062
City Clerk	1,305,447	40,000	-	1,345,447	15,000	374,646	368,917	586,884	1,345,447
Health and Family	3,652,728	(28,000)	(789,255)	2,835,473	609,000	849,173	836,186	541,114	2,835,473
Human Resources	5,526,672	169,000	(200,000)	5,495,672	5,000	1,602,559	1,578,050	2,310,064	5,495,672
Attorney	6,422,482	121,000	(150,000)	6,393,482	108,000	1,812,415	1,784,697	2,688,370	6,393,482
Emergency Communications	6,683,866	504,000	(160,000)	7,027,866	50,000	-	-	6,977,866	7,027,866
Internal Service Funds	16,426,110	2,702,000	-	19,128,110	-	5,386,795	5,304,411	8,436,905	19,128,110
Finance	17,746,460	542,000	(250,000)	18,038,460	47,569	5,137,033	5,058,469	7,795,389	18,038,460
Regulatory Services	20,892,048	638,000	-	21,530,048	27,873,459	-	-	(6,343,411)	21,530,048
Business Information Services*	-	-	-	-	-	-	-	-	-
Public Works	36,335,689	1,910,000	(1,735,000)	36,510,689	11,571,512	7,511,990	7,397,104	10,030,083	36,510,689
Fire	45,200,377	1,381,000	(711,000)	45,870,377	2,565,700	12,395,636	12,206,061	18,702,980	45,870,377
Police	94,749,237	2,895,000	(2,526,527)	95,117,710	8,582,277	25,081,469	24,697,882	36,756,082	95,117,710
Total General Fund	275,301,134	11,326,000	(6,996,782)	279,630,352	54,529,971	65,139,074	64,142,861	95,818,446	279,630,352
Capital - Permanent Improvement	1,927,895	440,000	(490,000)	1,877,895	-	-	-	1,877,895	1,877,895
Debt Service	22,764,000	1,000,000	(3,979,393)	19,784,607	-	-	-	19,784,607	19,784,607
Subtotal	24,691,895	1,440,000	(4,469,393)	21,662,502	-	-	-	21,662,502	21,662,502
Total City (not incl special levies)	299,993,029	12,766,000	(11,466,175)	301,292,854	54,529,971	65,139,074	64,142,861	117,480,948	301,292,854
Community Development	-	-	-	-	-	-	-	-	-
Pensions	18,439,800	(500,000)	-	17,939,800	-	-	-	17,939,800	17,939,800
Total	318,432,829	12,266,000	(11,466,175)	319,232,654	54,529,971	65,139,074	64,142,861	135,420,748	319,232,654
								2005 Adopted	128,791,295
								2006 Max	140,000,315
								Difference between maximum and needed amount to balance	(4,579,567)
Summary Information:									
								Total	% of Total Growth
								Annual Chg	
* Internal Service Funds line includes payments to internal service funds to cover debt payments, both internal and external, as required by the workout plans. Department Budget amounts beginning in 2005 include \$12.1 million in BIS charges previously budgeted centrally in the general fund									
Growth in Spending to fund Current Service Levels								12,266,000	3.8%
Offsetting Reduction to Growth in Spending								(11,466,175)	-3.6%
Offsetting Growth in NonTax Revenue								188,152	1.5%
Offsetting Growth in City's Share of the Property Tax								(6,487,977)	-52.9%
Total								(5,500,000)	-144.8%

2007 Property Tax Supported Budgets									
	Prior Year Total Expense	Projected Growth in Spending	Reduction to Growth in Spending	Current Year Total Expense	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.</i>				Total Revenues
					Direct Revenue	General City Revenues (Non-Direct)	Local Government Aid	Property Tax Revenue	
Mayor	1,085,899	33,000	-	1,118,899	-	304,865	304,883	509,151	1,118,899
Elections	992,708	30,000	(50,000)	972,708	84,554	255,667	255,682	376,804	972,708
City Council	3,424,914	105,000	-	3,529,914	-	961,542	961,598	1,606,774	3,529,914
Community Planning and Economic	3,266,729	100,000	(75,000)	3,291,729	567,300	762,584	762,629	1,199,216	3,291,729
Contingency	1,979,143	360,000	(300,000)	2,039,143	-	637,370	637,408	764,365	2,039,143
City Coord Admin, Comm, IGR	4,227,523	129,000	-	4,356,523	2,316,600	555,772	555,805	928,347	4,356,523
Civil Rights	2,164,040	66,000	(75,000)	2,155,040	-	607,552	607,588	939,899	2,155,040
Assessor	3,196,062	98,000	-	3,294,062	134,000	860,787	860,837	1,438,438	3,294,062
City Clerk	1,345,447	41,000	-	1,386,447	15,000	373,647	373,669	624,132	1,386,447
Health and Family	2,835,473	87,000	(765,143)	2,157,330	609,000	630,149	630,186	287,994	2,157,330
Human Resources	5,495,672	168,000	(100,000)	5,563,672	5,000	1,541,543	1,541,634	2,475,495	5,563,672
Attorney	6,393,482	195,000	(150,000)	6,438,482	108,000	1,765,543	1,765,647	2,799,293	6,438,482
Emergency Communications	7,027,866	215,000	(160,000)	7,082,866	50,000	-	-	7,032,866	7,082,866
Internal Service Funds	19,128,110	2,784,000	-	21,912,110	-	5,969,537	5,969,890	9,972,683	21,912,110
Finance	18,038,460	551,000	(200,000)	18,389,460	47,569	5,051,323	5,051,621	8,238,947	18,389,460
Regulatory Services	21,530,048	658,000	-	22,188,048	28,709,663	-	-	(6,521,615)	22,188,048
Business Information Services*	-	-	(600,000)	(600,000)	-	-	-	(600,000)	(600,000)
Public Works	36,510,689	1,915,000	(1,835,000)	36,590,689	11,571,512	7,315,906	7,316,338	10,386,932	36,590,689
Fire	45,870,377	1,401,000	(711,000)	46,560,377	2,565,700	12,179,106	12,179,825	19,635,747	46,560,377
Police	95,117,710	2,906,000	(3,912,464)	94,111,246	8,582,277	24,366,181	24,367,620	36,795,169	94,111,246
Total General Fund	279,630,352	11,842,000	(8,933,607)	282,538,745	55,366,175	64,139,074	64,142,861	98,890,635	282,538,745
Capital - Permanent Improvement	1,877,895	440,000	(700,000)	1,617,895	-	-	-	1,617,895	1,617,895
Debt Service	19,784,607	1,000,000	(2,107,805)	18,676,802	-	-	-	18,676,802	18,676,802
Subtotal	21,662,502	1,440,000	(2,807,805)	20,294,697	-	-	-	20,294,697	20,294,697
Total City (not incl special levies)	301,292,854	13,282,000	(11,741,412)	302,833,442	55,366,175	64,139,074	64,142,861	119,185,332	302,833,442
Community Development	-	-	-	-	-	-	-	-	-
Pensions	17,939,800	5,800,000	-	23,739,800	-	-	-	23,739,800	23,739,800
Total	319,232,654	19,082,000	(11,741,412)	326,573,242	55,366,175	64,139,074	64,142,861	142,925,132	326,573,242
								2006 Max	140,000,315
								2007 Max	152,135,934
								Difference between maximum and needed amount to balance	(9,210,802)
Summary Information:									
					Total	% of Total Growth	Annual Chg		
Growth in Spending to fund Current Service Levels					19,082,000			5.8%	
Offsetting Reduction to Growth in Spending					(11,741,412)		-61.5%	-3.6%	
Offsetting Growth in NonTax Revenue					163,796		0.9%	-0.1%	
Offsetting Growth in City's Share of the Property Tax					(7,504,384)		-39.3%	10.9%	
Total					-		-100.0%		

2008 Property Tax Supported Budgets									
					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.</i>				
	Prior Year Total Expense	Projected Growth in Spending	Reduction to Growth in Spending	Current Year Total Expense	Direct Revenue	General City Revenues (Non-Direct)	Local Government Aid	Property Tax Revenue	Total Revenues
Mayor	1,118,899	36,000	-	1,154,899	-	307,527	312,416	534,955	1,154,899
Elections	972,708	31,000	-	1,003,708	84,554	244,835	248,727	425,592	1,003,708
City Council	3,529,914	114,000	-	3,643,914	-	970,190	985,614	1,688,109	3,643,914
Community Planning and Economic Dev	3,291,729	106,000	(75,000)	3,322,729	567,300	753,685	765,667	1,236,077	3,322,729
Contingency	2,039,143	366,000	(300,000)	2,105,143	-	640,328	650,508	814,307	2,105,143
City Coord Admin, Comm, IGR	4,356,523	141,000	-	4,497,523	2,316,600	580,600	589,831	1,010,492	4,497,523
Civil Rights	2,155,040	70,000	(100,000)	2,125,040	-	592,309	601,725	931,006	2,125,040
Assessor	3,294,062	106,000	-	3,400,062	134,000	869,690	883,516	1,512,856	3,400,062
City Clerk	1,386,447	45,000	-	1,431,447	15,000	377,069	383,063	656,315	1,431,447
Health and Family	2,157,330	70,000	(784,366)	1,442,964	609,000	-	-	833,964	1,442,964
Human Resources	5,563,672	180,000	(100,000)	5,643,672	5,000	1,527,834	1,552,123	2,558,715	5,643,672
Attorney	6,438,482	208,000	(100,000)	6,546,482	108,000	1,740,850	1,768,526	2,929,105	6,546,482
Emergency Communications	7,082,866	229,000	(160,000)	7,151,866	50,000	-	-	7,101,866	7,151,866
Internal Service Funds	21,912,110	2,908,000	-	24,820,110	-	6,608,240	6,713,298	11,498,572	24,820,110
Finance	18,389,460	594,000	(150,000)	18,833,460	47,569	5,041,644	5,121,796	8,622,452	18,833,460
Regulatory Services	22,188,048	717,000	-	22,905,048	29,570,953	-	-	(6,665,905)	22,905,048
Business Information Services*	(600,000)	(19,000)	-	(619,000)	-	-	-	(619,000)	(619,000)
Public Works	36,590,689	1,982,000	(1,635,000)	36,937,689	11,571,512	7,189,028	7,303,319	10,873,830	36,937,689
Fire	46,560,377	1,505,000	(211,000)	47,854,377	2,565,700	12,113,929	12,306,517	20,868,231	47,854,377
Police	94,111,246	3,041,000	(1,331,663)	95,820,583	8,582,277	23,581,316	23,956,213	39,700,777	95,820,583
Total General Fund	282,538,745	12,430,000	(4,947,029)	290,021,716	56,227,465	63,139,074	64,142,861	106,512,316	290,021,716
Capital - Permanent Improvement	1,617,895	460,000	(460,000)	1,617,895	-	-	-	1,617,895	1,617,895
Debt Service	18,676,802	1,000,000	(1,322,181)	18,354,621	-	-	-	18,354,621	18,354,621
Subtotal	20,294,697	1,460,000	(1,782,181)	19,972,516	-	-	-	19,972,516	19,972,516
Total City (not incl special levies)	302,833,442	13,890,000	(6,729,210)	309,994,232	56,227,465	63,139,074	64,142,861	126,484,832	309,994,232
Community Development	-	-	-	-	-	-	-	-	-
Pensions	23,739,800	5,300,000	-	29,039,800	-	-	-	29,039,800	29,039,800
Total	326,573,242	19,190,000	(6,729,210)	339,034,032	56,227,465	63,139,074	64,142,861	155,524,632	339,034,032
								2007 Max	152,135,934
								2008 Max	167,349,666
								Difference between maximum and needed amount to balance (11,825,034)	
Summary Information:									
* Internal Service Funds/Transfers line includes payments to internal service funds to cover debt payments, both internal and external, as required by the workout plans. Department Budget amounts beginning in 2005 include \$12.1 million in BIS charges previously budgeted centrally in the general fund.						Total	% of Total Growth	Annual Chg	
						Growth in Spending to fund Current Service Levels	19,190,000		5.7%
						Offsetting Reduction to Growth in Spending	(6,729,210)	-35.1%	-2.0%
						Offsetting Growth in NonTax Revenue	138,710	0.7%	-0.2%
						Offsetting Growth in City's Share of the Property Tax	(12,599,500)	-65.7%	14.8%
						Total	0	-100.0%	

2009 Property Tax Supported Budgets												
	Prior Year Total Expense	Projected Growth in Spending	Reduction to Growth in Spending	Current Year Total Expense	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.</i>					Total Revenues		
					Direct Revenue	General City Revenues (Non-Direct)	Local Government Aid	Property Tax Revenue				
Mayor	1,154,899	40,000	-	1,194,899	-	305,018	313,844	576,037		1,194,899		
Elections	1,003,708	34,000	-	1,037,708	84,554	243,497	250,543	459,115		1,037,708		
City Council	3,643,914	125,000	-	3,768,914	-	962,387	990,234	1,816,294		3,768,914		
Community Planning and Economic Development	3,322,729	114,000	(75,000)	3,361,729	567,300	732,703	753,903	1,307,823		3,361,729		
Contingency	2,105,143	372,000	(300,000)	2,177,143	-	632,588	650,892	893,662		2,177,143		
City Coord Admin, Comm, IGR	4,497,523	154,000	-	4,651,523	2,316,600	596,302	613,556	1,125,066		4,651,523		
Civil Rights	2,125,040	73,000	(100,000)	2,098,040	-	561,240	577,480	959,320		2,098,040		
Assessor	3,400,062	117,000	-	3,517,062	134,000	863,767	888,761	1,630,534		3,517,062		
City Clerk	1,431,447	49,000	-	1,480,447	15,000	374,226	385,055	706,166		1,480,447		
Health and Family	1,442,964	50,000	(13,448)	1,479,516	609,000	-	-	870,516		1,479,516		
Human Resources	5,643,672	194,000	(100,000)	5,737,672	5,000	1,489,262	1,532,354	2,711,056		5,737,672		
Attorney	6,546,482	225,000	(100,000)	6,671,482	108,000	1,701,401	1,750,631	3,111,450		6,671,482		
Emergency Communications	7,151,866	245,000	(160,000)	7,236,866	50,000	-	-	7,186,866		7,236,866		
<i>Internal Service Funds</i>	24,820,110	1,852,000	-	26,672,110	-	6,810,533	7,007,597	12,853,980		26,672,110		
Finance	18,833,460	646,000	(150,000)	19,329,460	47,569	4,961,921	5,105,494	9,214,476		19,329,460		
Regulatory Services	22,905,048	786,000	-	23,691,048	30,458,082	-	-	(6,767,034)		23,691,048		
Business Information Services*	(619,000)	(21,000)	-	(640,000)	-	-	-	(640,000)		(640,000)		
Public Works	36,937,689	2,068,000	(1,635,000)	37,370,689	11,571,512	7,005,096	7,207,790	11,586,291		37,370,689		
Fire	47,854,377	1,642,000	(211,000)	49,285,377	2,565,700	11,983,586	12,330,333	22,405,758		49,285,377		
Police	95,820,583	3,289,000	(1,331,663)	97,777,920	8,582,277	23,115,547	23,784,397	42,295,699		97,777,920		
Total General Fund	290,021,716	12,054,000	(4,176,111)	297,899,605	57,114,594	62,339,074	64,142,861	114,303,076		297,899,605		
Capital - Permanent Improvement	1,617,895	460,000	(460,000)	1,617,895				1,617,895		1,617,895		
Debt Service	18,354,621	1,000,000	(1,000,000)	18,354,621				18,354,621		18,354,621		
Subtotal	19,972,516	1,460,000	(1,460,000)	19,972,516				19,972,516		19,972,516		
Total City (not incl special levies)	309,994,232	13,514,000	(5,636,111)	317,872,121	57,114,594	62,339,074	64,142,861	134,275,592		317,872,121		
Community Development	-	-	-	-	-	-	-	-		-		
Pensions	29,039,800	3,200,000		32,239,800				32,239,800		32,239,800		
Total	339,034,032	16,714,000	(5,636,111)	350,111,921	57,114,594	62,339,074	64,142,861	166,515,392		350,111,921		
					2008 Max		167,349,666					
					2009 Max		183,880,650					
					Difference between maximum and needed amount to balance		(17,365,257)					
					Summary Information:							
* Internal Service Funds/Transfers line includes payments to internal service funds to cover debt payments, both internal and external, as required by the workout plans. Department Budget amounts beginning in 2005 include \$12.1 million in BIS charges previously budgeted centrally in the general fund.					Total		% of Total Growth		Annual Chg			
					Growth in Spending to fund Current Service Levels		16,714,000		4.8%			
					Offsetting Reduction to Growth in Spending		(5,636,111)		-33.7%		-1.6%	
					Offsetting Growth in NonTax Revenue		(87,129)		-0.5%		0.0%	
					Offsetting Growth in City's Share of the Property Tax		(10,990,760)		-65.8%		7.1%	
					Total		(0)		-100.0%			

2010 Property Tax Supported Budgets												
	Prior Year Total Expense	Projected Growth in Spending	Reduction to Growth in Spending	Current Year Total Expense	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.</i>							
					Direct Revenue	General City Revenues (Non-Direct)	Local Government Aid	Property Tax Revenue	Total Revenues			
Mayor	1,194,899	44,000	-	1,238,899	-	306,440	315,307	617,153	1,238,899			
Elections	1,037,708	38,000	-	1,075,708	84,554	245,208	252,303	493,642	1,075,708			
City Council	3,768,914	138,000	-	3,906,914	-	966,563	994,531	1,945,820	3,906,914			
Community Planning and Economic	3,361,729	123,000	(75,000)	3,409,729	567,300	721,787	742,672	1,377,971	3,409,729			
Contingency	2,177,143	380,000	(300,000)	2,257,143	-	632,563	650,867	973,713	2,257,143			
City Coord Admin, Comm, IGR	4,651,523	170,000	-	4,821,523	2,316,600	619,782	637,716	1,247,425	4,821,523			
Civil Rights	2,098,040	77,000	(100,000)	2,075,040	-	538,056	553,625	983,359	2,075,040			
Assessor	3,517,062	129,000	-	3,646,062	134,000	868,822	893,962	1,749,278	3,646,062			
City Clerk	1,480,447	54,000	-	1,534,447	15,000	375,959	386,838	756,650	1,534,447			
Health and Family	1,479,516	54,000	-	1,533,516	609,000	-	-	924,516	1,533,516			
Human Resources	5,737,672	210,000	(100,000)	5,847,672	5,000	1,470,227	1,512,768	2,859,676	5,847,672			
Attorney	6,671,482	244,000	(100,000)	6,815,482	108,000	1,684,227	1,732,960	3,290,296	6,815,482			
Emergency Communications	7,236,866	265,000	(160,000)	7,341,866	50,000	-	-	7,291,866	7,341,866			
<i>Internal Service Funds</i>	26,672,110	1,976,000	-	28,648,110	-	7,087,642	7,292,724	14,267,743	28,648,110			
Finance	19,329,460	707,000	(150,000)	19,886,460	47,569	4,945,400	5,088,496	9,804,995	19,886,460			
Regulatory Services	23,691,048	867,000	-	24,558,048	31,371,824	-	-	(6,813,776)	24,558,048			
Business Information Services*	(640,000)	(23,000)	-	(663,000)	-	-	-	(663,000)	(663,000)			
Public Works	37,370,689	2,168,000	(1,635,000)	37,903,689	11,571,512	6,919,067	7,119,271	12,293,839	37,903,689			
Fire	49,285,377	1,804,000	(211,000)	50,878,377	2,565,700	12,004,804	12,352,164	23,955,710	50,878,377			
Police	97,777,920	3,579,000	(1,331,663)	100,025,257	8,582,277	22,952,525	23,616,659	44,873,796	100,025,257			
Total General Fund	297,899,605	13,004,000	(4,162,663)	306,740,942	58,028,336	62,339,074	64,142,861	122,230,671	306,740,942			
Capital - Permanent Improvement	1,617,895	100,000	-	1,717,895	-	-	-	1,717,895	1,717,895			
Debt Service	18,354,621	400,000	-	18,754,621	-	-	-	18,754,621	18,754,621			
Subtotal	19,972,516	500,000	-	20,472,516	-	-	-	20,472,516	20,472,516			
Total City (not incl special levies)	317,872,121	13,504,000	(4,162,663)	327,213,458	58,028,336	62,339,074	64,142,861	142,703,187	327,213,458			
Community Development	-	-	-	-	-	-	-	-	-			
Pensions	32,239,800	3,200,000	-	35,439,800	-	-	-	35,439,800	35,439,800			
Total	350,111,921	16,704,000	(4,162,663)	362,653,258	58,028,336	62,339,074	64,142,861	178,142,987	362,653,258			
					2009 Max		183,880,650					
					2010 Max		202,048,974					
					Difference between maximum and needed amount to balance		(23,905,987)					
					Summary Information:							
Note: Internal Service Funds/Transfers line includes payments to internal service funds to cover debt payments, both internal and external, as required by the workout plans. Department Budget amounts beginning in 2005 include \$12.1 million in BIS charges previously budgeted centrally in the general fund.					Total		% of Total Growth		Annual Chg			
					Growth in Spending to fund Current Service Levels		16,704,000		4.6%			
					Offsetting Reduction to Growth in Spending		(4,162,663)		-24.9%		-1.1%	
					Offsetting Growth in NonTax Revenue		(913,742)		-5.5%		0.5%	
					Offsetting Growth in City's Share of the Property Tax		(11,627,595)		-69.6%		7.0%	
					Total		(0)		-100.0%			

City of Minneapolis
FY 2005 Budget
Financial Management Policies

The City of Minneapolis' Financial Management Policies provide a framework for the fiscal management of the City. These policies cover the following areas:

- ◆ Budgeting Policies
- ◆ Revenue Policies
- ◆ Reserve Policies
- ◆ Debt Policies
- ◆ Capital Budget Policies
- ◆ Accounting Policies
- ◆ Investment Policies
- ◆ Development Finance Policies
- ◆ Public Participation Policies
- ◆ Administrative Policies

BUDGETING POLICIES

The objective of the operating budget policies is to provide adequate levels of 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. All enterprise activities of the City shall be self-supporting to the greatest extent possible, including those activities contained within the Internal Service Funds.

Service Levels. Performance measurement and productivity indicators for services shall be integrated into the annual budgeting process. 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 made outside the annual budget process shall be discouraged. New initiatives should be financed by reallocating existing City resources to the services with the highest priorities.

Personnel Expenses. Additional personnel should be requested only after service needs have been thoroughly documented or after it is substantiated that

the new employees will result in increased revenue or enhanced operating efficiencies.

Grant Funded Programs. Programs financed with grant monies shall be budgeted in special revenue funds, and the service program shall be adjusted to reflect the level of available grant funding. 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.

Basis of Budgeting. Except as noted below, the basis of budgeting and basis of accounting are the same. The budgets of all governmental and agency funds are created using the modified accrual basis. Their revenues are budgeted if they are measurable and available as net current assets. Major revenues that are determined to be susceptible to accrual include 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; interest on special assessments receivable is not accrued or budgeted. Major revenues that are determined not to be susceptible to accrual because they are not available soon enough to pay liabilities of the current period or are not objectively measurable include delinquent property taxes and assessments, licenses, permits, fines and forfeitures. Delinquent property taxes are not budgeted, while the other categories are budgeted.

In the governmental and agency funds, expenditures are generally budgeted when the related fund liability is incurred, except for principal and interest on general long-term debt, which is recognized when due. Compensated absences, which include accumulated unpaid vacation, compensatory time and severance pay, are not payable from expendable available financial resources, except for available resources in the Self-Insurance Internal Service Fund for vested severance pay. Compensated absences are considered expenditures when paid to employees. Salary expenditures are budgeted based on full time equivalents (FTE's), regardless of the type of pay.

Proprietary funds use the accrual basis. 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, without a factor for delinquencies. Compensated absences are considered expenses when they are incurred.

Budgetary Controls. The legal level of budgetary control is at the department level within a fund. The City Coordinator's Office, the Public Works Department and the City Clerk/Elections areas are considered to be legal levels of budgetary control within a fund even though budgetary data is presented at lower levels. Budgetary amendments at the department/fund level must be approved by the City Council. Appropriations lapse at year-end.

Purchase orders, contracts, and other commitments are recorded as encumbrances, which reserve appropriation authority. Encumbrances outstanding at year-end are

reported as reservations of fund balance and do not represent generally accepted accounting principles (GAAP) expenditures.

Five-Year Financial Direction. [Council Resolution adopted in 2003] City departments will prepare business plans with a five-year planning horizon which reflect the allocation of general City revenues and property tax revenue. This financial direction is based upon the City's adopted tax policy, which established an 8-percent maximum annual increase in property tax levy. This direction also reflects the Council-adopted wage policy of a 2-percent annual increase.

REVENUE POLICIES

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

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

Tax Base Capacity. The City will seek to ensure that local general tax resources are not increased faster than the tax base capacity of the community. In July 2002, the Mayor and City Council approved a resolution that set the maximum increase in the total property tax levy collected by the City, including independent boards and special levies, at no more than 8-percent from the previous years' amount from year 2003 forward. This resolution serves as a guideline for preparing tax revenue forecasts.

User Fees. The City shall implement user charges in lieu of general revenue sources for identified services where the costs are related to the level of service.

Cost of Service. The City shall establish user charges and fees at a level that reflects the service costs. Components of the user charges shall 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.

Policy and Market Considerations. The City shall consider policy objectives, market rates and charges levied by other public and private organizations for similar services when City fees and charges are established.

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 shall be set at market levels to minimize the tax burden on City residents.

Enterprise Service Fees. User charges for Enterprise Services, such as water, sewer and solid waste collection, shall be set at rates sufficient to finance all direct and indirect operating, capital, and debt service costs. Overhead expenses and general government services provided to the enterprise activities shall be included as indirect costs. Rates will be set such that these enterprise funds are never in a cash deficit during the year. The City shall maintain a minimum cash balance in its Enterprise Funds equal to approximately three months of operating expense.

Code Enforcement and License Fees. These activities shall be funded through user charges that reflect the cost of the services provided, including direct and indirect expenses, to the extent legally allowable.

Internal Service Fees. When interdepartmental charges are used to finance internal service functions, the charges shall reflect full costs, including all direct and indirect expenses. Beginning in 2005, costs for services provided by BIS will be allocated to departments using BIS services based on a rate model.

Administrative Fees. Administrative fees shall be assessed on all non-General Fund supported capital projects. These fees allocate the proportionate share of general government services to those projects so that the General Fund is not required to subsidize infrastructure or economic development projects.

Parking Fees. Hourly, daily, and monthly contract rates for City-owned parking facilities shall be adjusted at least annually to reflect market prices of privately owned parking facilities. Fee adjustments shall also consider downtown objectives, such as development incentives, space availability, business promotion, traffic control, and mass transit patronage.

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

Convention Center. The Convention Center will develop a profit and loss statement for each event. The Center shall be managed so that operating costs are financed through user charges to the greatest extent possible within the overall mission of the Convention Center.

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

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

RESERVE POLICIES

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

Cash Flow and Contingency. The City shall maintain a minimum unallocated fund balance of 10 percent of the General Fund budget to be used for cash flow purposes, unanticipated expenditures of a non-recurring nature, or to meet unexpected increases in service delivery costs. To the extent that unusual contingencies exist as a result of state or federal aid uncertainties, or other highly variable factors, a balance larger than this minimum amount shall be maintained.

Appropriate operating contingency reserves shall be maintained in enterprise funds to provide for business interruption costs and other unanticipated expenditures of a non-recurring nature. Appropriate capital fund reserves shall also be maintained 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, such as:

Special Assessment Funds. The appropriate balance shall be the amount needed for revolving fund cash flow purposes.

Enterprise Funds. The appropriate balance shall be maintained to ensure adequate maintenance reserves, cash flow balancing requirements and legal restrictions. For most funds, the City will maintain a three-month operating cash balance. 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.

Use of Fund Balances. Available fund balances shall not be used for on-going operating expenditures, unless a determination has been made that available balances are in excess of required guidelines and that 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. Fund Balance is the year's excess or deficit of all revenues and expense. In the case of proprietary funds, this is termed unrestricted net assets. For the purposes of the budget document, revenue and expense activity includes bond proceeds and debt service.

DEBT POLICIES

The objective of the debt management policies is to maintain the City's ability to incur present and future debt at minimal interest rates for infrastructure and economic development, without endangering essential City services. In addition to these general policies, specific guidelines have been adopted by the City Council and Board of Estimate and Taxation to manage Minneapolis debt practices.

General Obligation Bonds, Property Tax Supported. The City utilizes general obligation, property tax supported bonding to finance only those capital improvements and long term assets that have been determined to be essential to the maintenance or development of the City.

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 city-wide property tax revenues and where maximum allowable guarantees are obtained. (The City maintains a Tax Increment Financing (TIF) Policy, separate from these Financial Management Policies.)

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.

Variable Rate Debt. The City may elect to issue bonds as variable rate instruments to provide flexibility and/or attempt to achieve interest savings.

Debt Management. City Financial Management Policies shall be designed to maintain a balanced relationship between debt service requirements and current operating costs, encourage growth of the tax base, actively seek alternative funding sources, minimize interest costs and maximize investment returns. The City limits the issuance of new bonded debt so as to maintain or make improvements in key financial trend lines over time.

Bond Term. The City shall issue bonds with terms no longer than the economic useful life of the project. 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 to the extent possible. The City shall also obtain assurances of project viability and guarantees of completion prior to the issuance of bonds.

CAPITAL BUDGET POLICIES

The objective of the capital budget policies is to ensure maintenance of the Minneapolis public 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 source. An adopted priority system is used to rank and recommend projects.

Operating Budget Impacts. Operating expenditures must include the cost of implementing the CIP and reflect estimates of all personnel expenses and operating costs attributable to the capital outlays. Departments receiving capital funds should account for 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 of the capital plant and equipment from current revenues.

ACCOUNTING POLICIES

The objective of the accounting policies is to ensure that all financial transactions of the City of Minneapolis and its boards, commissions, and agencies conform to the City Charter, Minnesota statutes, grant requirements, and the principles of sound financial management.

Accounting Standards. The City shall establish and maintain accounting systems according to the generally accepted accounting principles (GAAP) of the Government Finance Officers Association (GFOA) and the Governmental Accounting Standards Board (GASB). 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 expenditures and revenues on a four-week period basis, with a thorough analysis and adjustment, if required, at mid-year.

INVESTMENT POLICIES

The objective of the investment policies is to ensure that revenues received by the City of Minneapolis are promptly recorded and deposited in designated depositories. If not immediately required for the payment of obligations, revenues shall be placed in authorized investments. Funds shall be deposited only in the types of investment instruments authorized by the City's Financial Management Policies, Minnesota Statutes chapter 118A, or City Council resolutions. Investments by the City shall conform to the following investment principles:

Safety. Safety of principal is the City's foremost objective. Each investment transaction shall seek to first ensure that capital losses are avoided, whether from securities defaults or from erosion of market value.

Liquidity. The City's investments shall be structured to provide liquidity to meet its obligations in a timely manner without loss of principal.

Yield. The investment portfolio shall be designed to attain a market-average rate of return through budgetary and economic cycles, taking into account the City's investment risk constraints, cash flow characteristics, and safety of principal.

Diversification. The City of Minneapolis shall diversify its investments to minimize the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer or a specific class of securities.

Maintaining the Public Trust. The investment program shall be designed and managed with professionalism worthy of the public trust. The best investment vehicles for the City's objectives shall be sought through competitive processes. Investment officials shall avoid any transaction that might impair public confidence in the City of Minneapolis government.

Prudence. The "prudent person" standard shall be applied in managing the investment portfolio. Investment officers, acting in accordance with fiduciary standards and written procedures, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectations are reported timely and appropriate action is taken to control adverse developments.

Internal Controls and Safekeeping. The City Finance Officer shall establish a written system of internal controls. To protect against potential fraud and embezzlement, assets of the City of Minneapolis shall be secured through third party custody and other safekeeping procedures. Bearer instruments shall be held only through third party institutions. Investment officials shall be bonded.

DEVELOPMENT FINANCE POLICIES

The objective of the development finance policies is to provide 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. Sufficient public and private resources shall be identified 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 financial plan is reasonable, balanced, and the best means by which to achieve City objectives, while adequately protecting City-wide financial interests.

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 provided to citizens

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.

ADMINISTRATIVE FINANCIAL POLICIES

The following policies are ongoing and administrative in nature. In the past, these policies had been included annually as footnotes in the budget resolutions. Beginning in 2005, they are included by reference to this section in the resolutions. There are two sections – one for operating budget administrative policies, and another for capital and debt related administrative policies.

Section One - Operating Budget Policies

Revenue Related

Setting the general fund overhead rate and exemptions The proper City Officials are directed to charge non-tax supported funds under the City Council jurisdiction, including all construction projects under City Council jurisdiction, and those in the Permanent Improvement Fund (4100), an amount equal to 3 1/2% of the expenditures of such funds. This shall exclude:

- Central Library Project,
- Near North Project,
- Forfeitures revenue in Police Special Revenue Fund (2100),
- Engineering Materials and Testing Fund,
- Permanent Improvement Equipment Fund,
- Property Services Fund,
- Public Works Stores Fund,
- Self-Insurance Fund,
- Intergovernmental Services Fund,
- Inter-Fund Transfers of all funds
- Debt service in Enterprise Funds
- Neighborhood Revitalization Fund (Fund CNR)
- 2700 East Lake Fund (Fund CEL)
- Saint Anthony East Village Fund (Fund CEV)
- Pay-as-you-go Tax Increment Revenue Notes
- Tax Increment Financing Districts

The proceeds of such charges will be credited to the General Fund Overhead Revenue Account 3385/01 in the General Fund. Non-exempt expenditures in non-exempt tax increment district funds will be subject to a 3% General Fund overhead charge. The City Center District will be subject to a .6 of 1% charge. Overhead rates will be charged to TIF districts consistent with state law and as approved by the appropriate authorities.

[New for 2005] Upon completion of a City-wide rate model, the amounts described above shall be replaced and the exclusions may be modified. The Finance Department will report to the City Council the impact of this change.

Work for Others and Grant Funding In all cases where tax funds and non-tax supported funds have appropriations which are based on or include work for others or on

income from the Special Independent School District No. 1, or County, State or Federal Governments or any other grants, donations and contracts, expenditures shall be limited to the amounts which can be supported by billings against parties, agencies or funds for which work is to be done, or for which grants or aids are provided and the proper city officials shall treat such billings, actual and prospective, as revenues only to the extent such billings are collectible or such grants and aids are authoritatively assured.

Equipment Division Revenues and Expense The Public Works Equipment Division, cost center 6758, personnel services appropriation, as approved in the 2005 General Appropriation Resolution, shall be limited to only personnel services expenditures. Overall expenses are limited to revenues received.

Pension Related

Authorizing the City Pension employer deductions The proper City Officials are directed to charge all funds under the City Council jurisdiction 13.37% of covered payroll costs to reflect the costs to the Minneapolis Employees Retirement Fund, to charge \$376.29 bi-weekly for each member of the Police Relief Association, and \$385.62 for each member of the Fire Department Relief Association. The pension costs, as determined above for the charge to the General and Permanent Improvement Tax Funds, shall be credited to Pension Expense, organization number 1280. The 2005 estimated credit to Pension Expense (128) is \$1.2 million for the General Fund (0100), and may be revised periodically during the course of the year, as necessary, by the Finance Department, to reflect more current estimates.

MERF unfunded liability amounts are included in the departmental appropriations and will be billed to the affected departments during 2005. Reinsurance amounts will be paid to a self-insurance pool funded through premiums paid by departments and tracked by department.

Department Related

Benefit Charge Authorization The proper City Officials are directed to charge all funds under the City Council jurisdiction for the employer's cost of employee health and welfare benefits.

Overtime Limitation The policy approved by the Mayor and Council that limits all departmental overtime to 5% of personnel budgets is effective for the 2005 budget.

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 is savings in a ward or Mayor's budget, these savings can be reappropriated from one year to the next, but cannot be reappropriated the final year of the term.

Fire Department Staffing Authorization The Fire Chief is authorized the discretion to maintain up to a daily staffing of 109 Fire Fighters, Fire Motor Operators and Fire Captains on fire suppression and emergency medical duty within the overall constraints of the Fire department budget. The Fire Department shall be authorized to exceed its authorized strength for firefighters for training purposes provided that the average strength for the year is at or below the total authorized and the department does not exceed its legal spending authority.

Police Department Staffing Authorization The Police Department shall be authorized to exceed its authorized strength sworn officers in order to achieve a higher strength in the summer months provided that the average monthly strength for the year is at or below the authorized strength and the department does not exceed its legal spending authority.

MECC Staffing Authorization The Minneapolis Emergency Communications Center shall be authorized to exceed its authorized strength in order to achieve a higher strength in the summer months provided that the average monthly strength for the year is at or below the authorized strength and the department does not exceed its legal spending authority.

Inspections Staffing Authorization The Inspections Division of Operations and Regulatory Services shall be authorized to exceed its authorized number of Housing Inspectors to minimize service disruption to residents provided the department does not exceed its legal spending authority.

Authority of the Finance Officer

The Finance Officer or his/her designee has the following authority to approve technical changes:

- To make **temporary loans** to cover any cash deficits as of December 31, 2005.
- 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 amend appropriations related to **technical accounting treatment** changes.
- To adjust **re-appropriations for 2005 for grant funds** within cost centers as appropriate
- To allocate the **State Insurance Aid** payments received from the state for pension costs between the city and the Police and Fire Relief Associations. The City's allocation shall be for cost of Police and Fire PERA and shall be credited to the proper revenue account in the fund incurring the cost with the balance being allocated to the Relief Associations.
- To adjust the appropriations of the special revenue funds for **payments to various pension organizations** as may be required during 2005: Pension Fund (0990).
- 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 national objectives within given programs and within normal **CDBG program** constraints.
- To make any necessary appropriation adjustments to allow departments to receive and spend **NRP funds** consistent with Council-approved NRP Action Plans, Early Access requests, and First Step Plans.
- To appropriate available **grant balances** from the following grants:
 - (i) HUD Rental Rehab grant to Fund FG0
 - (ii) HUD HOME grant funds to Fund FG0
 - (iii) Federal Transit Administration (Trolley) grant funds to either Fund FG0 or City Fund 0300 for use by the Greater GMCVA
 - (iv) Eligible UDAG recapture funds to fund FNA
 - (v) State Economic Recovery Grants to fund FNA
 - (vi) HUD Special Purpose Grant MN47SPG507(TCOIC) funds to the Non-departmental Agency in the Fund (0400-1230)
- To make appropriation adjustments to **correct any errors**, omissions or misstatements to accurately reflect the intent of the City Council in adopting the Operating Budget.
- To adjust the December Local Government Aid (LGA) payments to the Park Board and Library Board if payment is not received from these independent boards for the **management support fees** included in the adopted budget (\$300,000 from the Library Board and \$800,000 from the Park Board).
- To make transfers of appropriation and authorized positions within the approved budgets for departments or agencies. Based on the direction set forth in 2002R-303(l) (the **Focus Minneapolis resolution**), any increases in appropriation or authorized positions for CPED approved under this footnote must include offsetting appropriation and position decreases in the affected departments so that there is no net change in overall citywide appropriation or authorized position totals. The City Coordinator will report back to the Community Development and Ways & Means/Budget Committees as changes occur to the appropriation or position authority levels in the affected departments.
- To transfer appropriations as loaded on the financial system from **one organization to another within the same Agency** and fund and within and between Parking Funds upon request by the department. Such transfers shall not change the fund and Agency level totals as approved by the City Council and Mayor and shall not constitute approval of any policy change.
- To appropriate and transfer revenue within the Tax Increment capital project funds funds consistent with the management of the City's tax increment districts, Common Project, Development Accounts and Preliminary Planning Fund:

CAZ (Common Project Uncertified),
CLC (Local Contribution),
CPP (Preliminary Planning Fund),
CPZ (Common Project Reserve),

CNR (NRP),
SAD (NRP Planning & Implementation),
SDA (Development Account), FNA (Neighborhood Development Account) and
SPH (Community Development Revenue)

- The Finance Officer is authorized to establish or amend appropriations related to technical accounting treatment changes and is authorized 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 projects:

-Federal Courts Project as authorized by Council Resolution 91R-328;

-Target Center Finance Plan as adopted on March 10, 1995 and detailed in resolutions 95R-058, 95R-059, 95R-060 and Council action of August 22, 2003 so as to prevent situations that would require a market disclosure.

- The Finance Officer is authorized to establish or adjust appropriations in Fund STH (Theatres) to the extent permitted by the original bond resolutions, as necessary to facilitate Trustee activity and the required transfers to and from the Theatre Operating Account as described in the "Management Agreement, Orpheum and State and Pantages Theatres."

Appropriation and Reappropriation

Reappropriation in grant funds The balances of 2004 appropriations for the following grant funds are hereby re-appropriated in the year 2005:

0300 Grants - Federal
0400 CDBG/UDAG Fund
0600 Grants – Other
FBG0 CDBG (CPED)
FGO0 HOME (CPED)
FEZ0 Enterprise Zone (CPED)
SMN State Grants (CPED)

The balances of 2004 appropriations for administration in the CDBG/UDAG Grant fund (0400) shall be re-appropriated to the Non-Departmental Agency in 2004, except for the administrative portion of Way to Grow in Health.

NRP carryover authorization With the exception of NRP Administration, the balance of the 2003 appropriations for NRP projects within Fund CNR (NRP) are hereby appropriated for said purposes in 2005. Specific amounts re-appropriated will be determined after the close of the 2004 fiscal year and upon review and approval of the Finance Officer.

Operating Budget Reappropriation [Current policy added to this document]

The Ways and Means committee will receive a list of requests, prepared by the Finance Department, to increase 2005 appropriation for goods and services encumbered in 2004 but not yet paid for that meet the following criteria:

- 1) a valid encumbrance;
- 2) one-time expenditure (not recurring budget item);
- 3) purpose is consistent with the department's business plan;
- 4) 2004 appropriation balance available for the encumbered item; and
- 5) financial position of the fund (status of the fund relative to work out plans; whether the fund's spending in 2004 had expense in excess of revenue).

Local Government Aid

Allocation The 2005 Allocation of Local Government Aid to Minneapolis from the State of Minnesota in the amount of \$80,338,989 is to be distributed to the various City Funds and Boards as indicated below:

General (0100)	\$64,142,861
Municipal Building Commission (1100)	241,214
Library (1800)	6,473,121
Park Board (1500&1700)	9,481,793
Total	\$80,338,989

Library Nicollet Mall Assessment The Local Government Aid funding for the Library Board is reduced by \$46,803 to fund the Board's share of Nicollet Mall Maintenance.

Hilton Fund

Investment Notwithstanding prior direction, the proper City and CPED officials are authorized to take actions necessary to re-invest Fund SPH (Community Development), the balance of the invested proceeds from the sale of the CPED's and City's interests in the Hilton Hotel. The status of the fund, expenditures and balances are to be reported annually as part of the City's budget process.

Use for Pension Obligations The Finance Officer is directed to transfer \$12.5 million (market value) of investments in the Hilton Legacy Fund to an escrow account for the purpose of paying principal and interest on \$12.5 million of bonds that funded a portion of the City's 2004 pension obligations (Pension Bonds). Investments held in the escrow account will not be available for any other purpose. The Finance Officer is authorized to redeem the remaining Pension Bonds when the Finance Officer determines that the interest rate on the Pension Bonds is expected to exceed the rate of return on the escrow investments for the remaining term of the Pension Bonds. Investments in the escrow account will be returned to the Hilton Legacy Fund after the Pension Bonds are fully paid.

Section Two - Capital & Debt Management Resolution Policies

Appropriation and Reappropriation

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. Further, the Finance Officer is authorized and directed to adjust assessment appropriations set forth in this resolution to reflect the actual amount to be assessed. Total amounts assessed will be established by a future Council action approving the assessment public hearing and the amount assessed for the project.

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 required under the Tax Reform Act of 1986.

Reduction of Appropriations if revenues do not materialize The amounts appropriated in the various funds to be financed from various revenue sources are now hereby appropriated contingent only upon the reasonable expectation of the receipt of the required financing. The Finance Officer is authorized and directed to reduce any capital appropriation whenever a revenue source is determined to be not collectible for whatever reason.

Capital Project Closure The Finance Officer is authorized to approve the closure of non-bond funded capital projects and the adjustment of said appropriations as identified and requested by the City Engineer for those projects under Public Works.

Independent Boards: Appropriations and Capital Advances 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 actually 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.

Reappropriation of Capital Projects The Finance Officer is authorized to adjust re-appropriations to capital project funds as appropriate. The balances of prior year appropriations in Capital funds are hereby re-appropriated with the following exceptions:

Fund	Project or Operating Organization
4100 City-Capital Impr Fund	PW Engineering Services (4100-6025)
4100 City-Capital Impr Fund	Sidewalk Inspection (4100-6076)
4100 City-Capital Impr Fund	Finance Department (4100-8230)
4100 City-Capital Impr Fund	Reimbursable Paving (4100-9372)
4100 City-Capital Impr Fund	Reimbursable Transportation (4100-9440)

Balances of capital projects in the following funds 6100, 6200, 6400, 7300, 7400 and 7500 are also hereby re-appropriated with the exception of Reimbursable Sewer Projects (7300 – 9322) and Reimbursable Water Projects (7400-9545).

Expiration of Capital Project funding for certain projects For certain capital projects, the funding is replenished annually due to the source of funding and/or recurring major maintenance nature of the projects. 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 are replenished annually. If bonds are issued for these programs, the appropriations will carry over. The projects are as follows:

SWK01	Defective Hazardous Sidewalks – Assessed portion
SW001	Storm and Sanitary Tunnel & Sewer Rehabilitation
SW002	Miscellaneous Storm Drains
SW004	Implementation of US EPA Storm Water Regulations
SW007	Park Board Capital Storm Drain
WTR12	Water Distribution Improvements
RMP03	Bicycle Parking

Accounting Adjustments The Finance Officer is authorized to approve adjustments to Capital Appropriations between different agency and organization levels within the same fund and revenue source. Such budget transfers 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 to pay all costs associated with authorized City of Minneapolis bond sales including costs of issuance and annual bond maintenance fees from the Bond Redemption Fund (5250) 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.

Correction of Errors The Finance Officer is authorized to make corrections for errors of omission and misstatements in order to accurately reflect the current budget year of the adopted Five Year Capital Program.

Appropriation of Debt Service There is hereby appropriated in the various Debt Service Funds sufficient funds to pay debt service requirements.

CPED capital project carryover authorization The balance of prior year CPED capital appropriations and related city administrative costs (Object 5060), if applicable, and related transfers are hereby appropriated for said purposes. Specific amounts appropriated will be determined after the close of the 2004 fiscal year and upon review and approval of the Finance Officer.

Arbitrage, Internal Revenue Service Regulations and Related Policies

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 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 the design and construction of the projects after approval of the capital budget. The projects are more fully described in the 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, Library Referendum, Public Safety, Equipment	Property taxes and Internal User Fees
Sewer	Sewer Fund revenues, Fund 7300
Water	Water Fund revenues, Fund 7400

Parking
Assessment

Parking Fund revenues, Fund 7500
Special assessments

Reimbursement Intent The Finance Office 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 (W&M) and the Board of Estimate and Taxation.

Direction to Staff Regarding Capital Budget Process

Completion of Major Repair Items in Public Facilities Public Works - Property Services is directed to provide CLIC a one page summary of major repair items completed in the prior year as part of their PSD01 Facilities Repair and Improvements capital program. This document should accompany the annual capital submittal for this program.

Status of Art in Public Places Program Staff responsible for the Art in Public Places capital program are directed to provide CLIC a report on the status of projects currently in the planning phase or under construction as part of their annual capital submittal.

Park Board Request Park Board is requested to provide CLIC a report showing where capital expenditures were incurred by project for the prior year and details of what projects are planned by year and by funding source as part of the Park Board capital submittal.

Planning Direction Provided The adoption of the Five Year Capital Program is to assist in planning and provide direction for City departments including Public Works - Engineering Services, but it does not establish permanent Council commitment to the out-year projects either in scope or timeline of construction.

Library Board Request The Library Board is requested to provide CLIC with an updated progress report and cost estimate of infrastructure needs by facility as part of the Library Board Capital submittal.

**City of Minneapolis
FY 2005 Budget
Financial Policies**

Fund Descriptions

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. 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 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 costs and expenses, including depreciation, are recovered principally through user charges. The City operates eight enterprise funds, including the City's Community Planning and Economic Development department (CPED):

- ***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 Court House 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 employee 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.

➤ **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 eleven Special Revenue Funds:

➤ ***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.
- **Library Operating Fund**
This fund is used to account for the revenue and expenditures related to the cost of operating and maintaining the Minneapolis Public Library 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 Business and Information Services (BIS) projects.
- **Library Permanent Improvement Capital Fund**
This fund is used to account for the capital project activities of the Library Board.
- **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, and the payment of, general long-term debt, principal, interest, and related costs. Included in the Debt Service Funds are:

- ***Community Development Agency Debt Service Fund***
This fund is used to account for the debt service activities of CPED and includes the Arena Acquisition Project (Target Center) Series A and B bonds, Tax Increment Bonds of 1990, debt of the Orpheum Theatre Project, and Tax Increment Revenue Notes.
- ***Development Debt Service Fund***
This fund is used to account for the debt of projects supported by property tax increments, transfers of sales tax revenues from the Convention Center Special Revenue Fund for related debt, and a state grant relating to the completion of the Convention Center.
- ***General Debt Service Fund***
This fund is used to account for General Obligation Bonds supported by a property tax levy, Management Information System debt supported by the City's General Fund, Great River Road Bonds, Edison Hockey, Community Health, Xcel Power- Revenue and Section 108 HUD Revenue Notes.
- ***Special Assessment Debt Service Fund***
This fund is used to account for debt supported by special assessments with the exception of the Park Diseased Tree debt.

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

	Fund Type:		
	General Fund	Enterprise Funds Including: <i>Water Sewer Solid Waste Parking</i>	Internal Service Funds Including: <i>Engineering Materials, Intergovernmental Services, Property Services, Equipment, Stores, Self-insurance</i>
Major 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
Expenditure classifications	Personnel, Operating Costs, Contractual Services, Equipment	Personnel, Operating Costs, Contractual Services, Equipment, Capital Projects and debt service related to these business lines	Personnel, Operating Costs, Contractual Services, Equipment, Capital Projects and debt service related to these business lines, liability and workers compensation claims
Major Departments	Police, Fire, Public Works, among others	Public Works	Public Works, Copy Center, City Attorney – Civil Division, Information Technology Services
	Special Revenue Funds	Capital Projects Funds	Debt Service Funds
Revenue Sources	Grants, Sales Taxes	Property Taxes, Proceeds from Long Term Liabilities, State Aid	Property Taxes, State Aid
Expenditure classifications	Personnel, Operating Costs, Contractual Services, Equipment	Capital project expenditures related to street construction and infrastructure projects	Payments of interest and principal on City's debt
Departments	Convention Center, Health and Family Support, Attorney, Fire, Police, Convention & Visitor's Association, Closed Pension Plans	Public Works	Not Applicable

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

	Fund Type:		
	Park Board Funds <i>The Park Board has enterprise, internal service and special revenue funds. The Park Board's general fund is treated as a special revenue fund.</i>	Library Board Fund <i>The Library has a general fund that is treated as a special revenue fund.</i>	
Revenue Sources	Property Taxes, Local Government Aid, Charges for Sales (golf courses, etc.), Contributions, and Grants	Property Taxes, Local Government Aid, Charges for Services	
Expenditure classifications	Personnel, Operating Costs, Contractual Services, Equipment	Personnel, Operating Costs, Contractual Services, Equipment	

The City has funds set up for other smaller boards:

- **Municipal Building Commission (funded mainly from Property Tax and State Aids)**
- **Board of Estimate and Taxation (funded from Property Tax and State Aids)**
- **Neighborhood Revitalization Program (funded from Property Tax Increment Financing)**
- **Youth Coordinating Board (a joint board funded from the City's general fund and grants)**

More detail on these boards can be found in the Background and Independent Board sections of this book.

**City of Minneapolis
FY 2005 Budget
Financial Policies**

**Proposed City of Minneapolis
Financial Planning and Policy Resolution: Independent Boards**

*Mayor and Council Adopted, July 2002
Board of Estimate and Taxation Adopted, July 2002*

Whereas:

1. At the direction of the Mayor and City Council, the City has prepared a ten-year financial projection of demands on the city property-tax supported funds, a summary of which is attached as Exhibit A and incorporated herein by reference;
2. The projection demonstrates that the known demand on property tax revenues will significantly exceed reasonably foreseeable resources;
3. The Mayor and Council are developing a long-term strategy for managing the financial challenges documented in the ten-year projection and wish to engage the Independent Boards and the Board of Estimate and Taxation as partners in that strategy;
4. Recognizing that all City of Minneapolis taxing jurisdictions draw revenue from the same taxpayers, The Mayor and Council support an enterprise approach to establishing future property tax revenue projections. The Mayor and Council further support setting the maximum annual property tax levy at no more than an 8-percent annual increase for budget years' 2003 through 2010, inclusive of the levy for the Independent Boards, including the voter-approved library referendum;
5. The Mayor and Council desire to work with the Independent Boards and the Board of Estimate and Taxation to set long range financial parameters so that our joint taxpaying customers and our individual City governing boards can all make more informed business decisions about respective annual budgets.
6. The Mayor and Council desire to work with the Independent Boards in a fair and consistent manner.

Therefore Be It Resolved, That the Mayor and Council hereby adopt the following Policy Statements as provided below in Items A through E, with respect to the Independent Boards, to serve as a framework for developing the 2003 budget as well as long-term financial plans for the City and Independent Boards; and

Be It Further Resolved That the Mayor and Council submit to the Board of Estimate and Taxation recommended maximum property tax levies for taxes payable in year 2003, as

shown in Appendix A. The Mayor and Council also request the Board of Estimate and Taxation to consider adopting parallel policy statements to Policy Statements A through E, adopted by the Mayor and Council as part of this resolution.

Policy Statements (A through E):

(A) Local Government Aid (LGA) from the State of Minnesota

The Mayor and Council will remain committed to August 26, 1994, Council action which based the annual enterprise distribution of LGA revenues on a stable percentage in exchange for a cap in individual board property tax levies.¹

The Mayor and Council will allocate LGA consistent with the 1994 agreement provided the independent boards adhere to the tax levy provision outlined in the original agreement, with the one modification. The Mayor and Council hereby propose amending the policy to provide for a maximum 4-percent annual increase in property tax levy versus the 3-percent included in the original 1994 agreement.

Consistent with the 1994 adopted agreement with the Independent Boards, the Council will distribute LGA based upon the following percentage allocation, as outlined below.

	<u>% Distribution of LGA</u>
Library Board	8.05%
Park Board ²	11.79%
Municipal Building Commission	0.30%
Board of Estimate and Taxation	0.10%
City Council	79.76%
Total	100.00%

The Council policy will continue to be that the City and the Independent Boards will share any legislative reductions or increases in LGA, using the same percentages as outlined above.

In the event an Independent Board's property tax levy increase exceeds 4-percent (adjusted for any one-time shifts), the City Council will reduce the LGA payment to the board to offset the additional increase.

¹ LGA is calculated and distributed to the City by the State of Minnesota as provided for in State Statute 477A.

² The allocation of LGA to the Park Board will increase from 10.89% in budget year 2002 to 11.79% in budget year 2003, provided the Park Board reduces their base property tax levy by \$1.0 million, which will be added to the City's General Fund base levy. The allocation of LGA to the General Fund will decrease from 80.66% in budget year 2002 to 79.76% in budget year 2003. This net result will be a \$1.0 million shift in LGA distribution from the General Fund to the Park Board and a \$1.0 shift in property tax levy from the Park Board to the General Fund, from budget year 2002 to 2003.

If state legislation creates new aid programs for general city purposes, the Mayor and Council expresses the intent to negotiate with the Independent Boards an appropriate allocation basis for this revenue.

(B) Management Support Charges

The Independent Boards will be charged for the actual cost of providing management support services to the boards. The basis for allocating costs will be the same as that used for Council departments. Management support services include, but are not limited to, services provided by the following city departments: Information Technology, Finance, and Human Resources.

Management support charges, as included in the Council's adopted 2002 budget, will be capped at \$800,000 for the Park Board and \$300,000 for the Library Board for both the 2002 and 2003 budget.

Beginning with the 2004 budget, 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 pro-rated costs and collection of the charge will be finalized and communicated to the Independent Boards by December 31, 2002.

As provided for in the 2002 budget footnotes, the City Finance Officer has the authority to reduce LGA payments to the Independent Boards if payment of the management support charge is not received prior to the distribution of the December LGA payment.

(C) Adjustments to Prior Year Increases in Property Tax Levies

As stated in Item A, the Mayor and Council remain committed to the 1994 budgetary policy regarding the Independent Boards. The 1994 policy has two parts (1) a stable percent allocation of LGA and (2) a 3-percent cap in annual property tax levy increases for the Independent Boards, which will be amended to a 4-percent cap beginning with the 2003 budget. The Park and Library Boards both had increases in 2002 property tax levies above this threshold. The Mayor and Council consider the portion of property tax levy increase above the policy threshold to be one-time funds for year 2002. The baseline tax levies for both entities should return to a level that corresponds to the 1994 agreement.

(D) Infrastructure Gap Funding

The Mayor and Council will support funding infrastructure "gap" closure for the Independent Boards in a similar manner to that of Public Works.

The City's adopted 2002-2006 Capital Improvement Plan (CIP) provides for closing 27% of Public Works infrastructure "gap", supported by property taxes, by year 2009³. To achieve this goal the property tax levy will need to increase by \$1.0 million annually from 2003 to 2009.

The Mayor and Council support a future funding plan for the Park Board that closes 27% of the previously identified \$5.5 million annual funding gap for park infrastructure by 2009. To achieve this goal \$215,000 of additional property tax levy will be added annually to the Park Board levy, for a total of \$1.5 million in additional annual funding by 2009.

The Mayor and Council support reducing the base property tax revenue for the Park Board by the amounts added in years' 2001 and 2002 for Park Board capital purposes. In years' 2001 and 2002, \$1.5 million was added each year to the Park Board base property tax levy, or \$3.0 million in total over this two-year period of time. The Park Board has received the benefit of the additional \$4.5 million collected in property tax levy over this two-year period of time.

Recommended Park Board Capital Improvement Plan:

<i>(In millions of dollars)</i>	2003	2004	2005	2006	2007	2008	2009
Base Capital Funding ⁴	\$1.9	\$1.9	\$1.9	\$1.9	\$1.9	\$1.9	\$1.9
"Gap" Funding	\$0.2	\$0.4	\$0.6	\$0.9	\$1.1	\$1.3	\$1.5
Total Capital Funding	\$2.1	\$2.3	\$2.5	\$2.8	\$3.0	\$3.2	\$3.4

(E) Alternative Revenue Strategies

The Mayor and Council will work in cooperation with the Park Board and Library Board to develop alternative funding strategies (i.e., land trusts and expanded friends of the parks and library), other than the property tax, for raising additional funds to support program and capital needs.

The Mayor and Council will not support any new referenda for the Independent Boards because of the significant pressure a referendum would create on the already burdened property tax. The Mayor and Council will act to educate taxpayers about the financial burden any new referenda would create for taxpayers.

³ The 1997 State of the Public Works Infrastructure Report identified a \$44 million property tax supported funding gap for improving and maintaining public works infrastructure. The original plan was to fund 50% of this gap over a 10-year period time.

⁴ The 2002-2006 adopted CIP includes \$1,920,000 in net debt bond funding for the Park Board.

Adopted Amendments:

1. Amendment to add an additional Policy Item, Policy Item F

The Mayor and City Council will support annual property tax increases for the Minneapolis Public Housing Authority at the same maximum 4-percent annual increase level as that established (in Policy Statement A) by this resolution for the Park Board, Library Board, Municipal Building Commission, and Board of Estimate and Taxation.

2. Amendment to Policy Item A

Amend Policy Item A to include the following language:

In the event the City Council reduces the LGA payment to an Independent Board (as provided for in this policy statement), the City will appropriate the additional LGA to the City's General Fund and reduce the City's General Fund property tax levy by an offsetting amount. This will be done in order to ensure the maximum property tax levy increase is maintained at 8-percent on a combined basis for the City, including the Independent Boards.

APPENDIX A

Certified Gross Property Tax Levy For City Council, Independent Boards, and Special Levies						
	2001 Adopted Base Levy	2002 Adopted Base Levy	2001 to 2002 % Chg	2003 Proposed Base Levy	2002 to 2003 % Chg	2001 to 2003 % Chg
City Council Funds	63,028,212	53,632,760	-14.9%	61,495,761	14.7%	-2.4%
City Council - Internal Service Funds	4,000,000	7,200,000	80.0%	10,900,000	51.4%	172.5%
Total City Council	67,028,212	60,832,760	-9.2%	72,395,761	19.0%	8.0%
City Council Debt Service ⁵	21,877,000	28,560,040	30.5%	29,060,040	1.8%	32.8%
Park Board	27,809,943	34,796,759	25.1%	32,671,759	-6.1%	17.5%
Library Board	10,374,165	11,852,485	14.3%	11,242,485	-5.1%	8.4%
Library Referendum ⁶				450,000		n/a
Total Library	10,374,165	11,852,485	14.3%	11,692,485	-1.3%	12.7%
Municipal Building Commission ⁷	2,511,026	3,272,966	30.3%	3,502,966	7.0%	39.5%
Board of Estimate and Taxation	114,000	124,000	8.8%	128,960	4.0%	13.1%
City Council Pensions ⁸	3,492,260	7,373,000	111.1%	9,373,000	27.1%	168.4%
City Council Community Development (Special Levy)		4,000,000	n/a	4,160,000	4.0%	n/a
Minneapolis Public Housing Authority (Special Levy)	1,000,000	1,000,000	0.0%	1,040,000	4.0%	4.0%
Teachers Retirement Fund (Special Levy) ⁹	1,950,100	2,100,000	7.7%	2,250,000	7.1%	15.4%
Total	136,156,706	153,912,010	13.0%	166,274,971	8.0%	22.1%

⁵ The Debt Service Levy increased significantly from 2001 to 2002 due to the elimination of HACA.

⁶ This amount has already been set by voter approval.

⁷ The Municipal Building Commission (MBC) property tax levy for year 2002 was adjusted to reflect an error in calculation from the prior year 2001 amount. In 2001, the MBC received cash from a General Fund transfer, which was then correctly replaced with property tax levy in year 2002.

⁸ This amount is set by state law.

⁹ This amount is set by state law.

APPENDIX B

Adopted Certified Property Tax Levies Plus State Aids For City Council, Independent Boards, and Special Levies					
	1994 Adopted	2002 Adopted	2003 Proposed	Cumulative % Change from 1994 to 2002	Cumulative % Change from 1994 to 2003
City Council	105,998,100	150,818,760	165,715,346	42.3%	56.3%
City Council Debt Service	16,000,000	28,560,040	29,060,040	78.5%	81.6%
Park Board	29,354,000	46,950,759	46,465,653	59.9%	58.3%
Library Board ¹⁰	14,491,000	20,833,485	21,111,137	43.8%	45.7%
Municipal Building Commission ¹¹	3,030,000	3,607,966	3,854,241	19.1%	27.2%
Board of Estimate and Taxation	202,000	236,000	245,553	16.8%	21.6%
City Council Pensions ¹²	18,855,000	7,373,000	9,373,000	-60.9%	-50.3%
City Council Community Development (Special Levy)	n/a	4,000,000	4,160,000	n/a	n/a
Minneapolis Public Housing Authority (Special Levy)	937,000	1,000,000	1,040,000	6.7%	11.0%
Teachers Retirement Fund (Special Levy) ¹³	1,250,000	2,100,000	2,250,000	68.0%	80.0%
Total	190,117,100	265,480,010	283,274,971	39.6%	49.0%

¹⁰ This amount includes \$450,000 (year 2003) of levy for payment on bonds set by voter approval.

¹¹ The Municipal Building Commission (MBC) property tax levy for year 2002 was adjusted to reflect an error in calculation from the prior year 2001 amount. In 2001, the MBC received cash from a General Fund transfer, which was then correctly replaced with property tax levy in year 2002.

¹² This amount is set by state law.

¹³ This amount is set by state law.

INTRODUCED BY COUNCIL MEMBERS OSTROW, JOHNSON, AND LANE

**COUNCIL RESOLUTION ESTABLISHING COMMITMENT TO
BUSINESS PLANNING AND FIVE YEAR FINANCIAL DIRECTION**

Whereas:

- The Council adopted and the Mayor approved a long-term (year 2010) property tax policy, which established the maximum annual revenue to be provided for from the property tax.
- The Council and Mayor adopted budget principles, which support long-term financial planning.
- The Council and Mayor want to provide financial resource direction, within the limits of the adopted tax policy, to departments as input into developing long-term (five-year) operating plans for the businesses of the City.
- The Council and Mayor believe that departments will be able to prepare better work force plans, and communicate anticipated service activity levels if they have better information on what to anticipate with respect to future resources.

Now Therefore Be It Resolved as Follows by the City Council:

- The City departments will prepare business plans with a five-year planning horizon. In connection with the 2004 budget, all departments will have a plan completed by year-end 2003. Each of these plans will be presented to the Mayor and Council for review and approval by no later than the end of First Quarter 2004.
- The Mayor, Council President, and Chair of Ways and Means/Budget Committee, and the Ways and Means/Budget Committee will provide specific direction to the departments concerning process, form, and time-line for completion of business plans.
- The City departments' business plans will reflect the allocation of general city revenues and property tax revenue provided for in the financial schedules included as an integral attachment to this resolution.

**COUNCIL RESOLUTION ESTABLISHING COMMITMENT TO
BUSINESS PLANNING AND FIVE YEAR FINANCIAL DIRECTION**

[Please reference the financial direction updated for 2006-2010 in the financial overview section of this book for the most recent estimates]

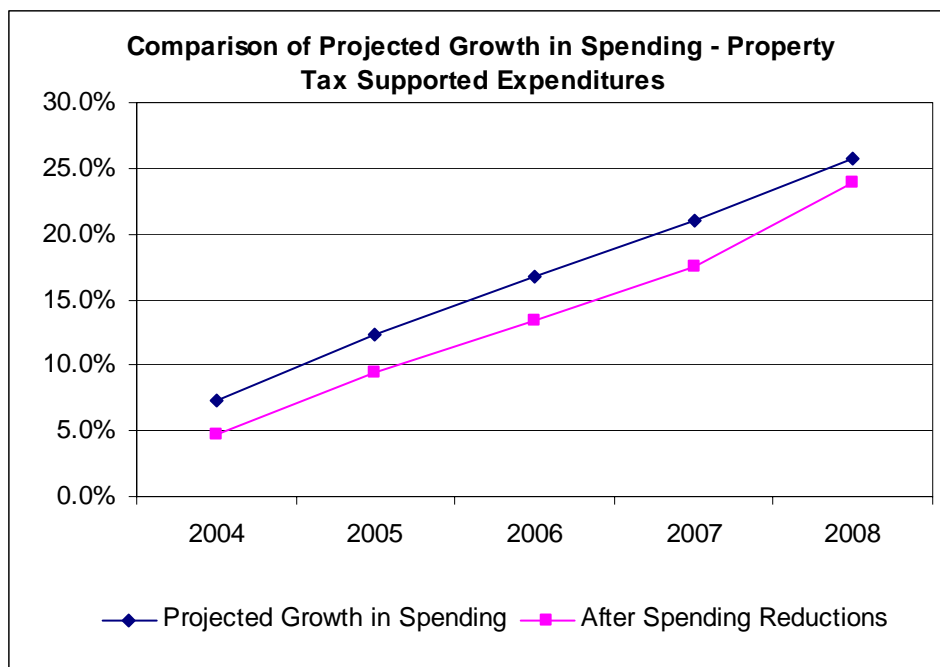
- This resolution and attachments do not include resource direction for all City revenue sources. In addition to using the financial information included in the attachment to this resolution to inform department business planning, departments shall also use other previously and/or separately adopted rate schedules (i.e., utility fees) to plan for future resource levels. Where departments do not have specific Mayor and Council direction on resource levels, the departments shall work with the Finance Department to prepare future revenue estimates.
- The Finance Department, working with city departments, shall determine when additional Mayor and Council direction is needed regarding other revenue sources not covered by this resolution and attachments.
- The Finance Department has authority to amend department specific revenue estimates and corresponding future spending levels (as included in the attachment), after a more thorough and in-depth analysis of revenue estimates is completed. The Finance Department does not have authority to amend the allocation of general city revenues and property tax revenue as established by this resolution.
- The City Council supports the following key policy choices, which are reflected in the financial details included in the attached schedules to this resolution, but because of their significance are called out with specific language below (Please reference the financial direction updated for 2006-2010 in the financial overview section of this book for the most recent estimates):
 - The Council understands all financial plans will be based upon its adopted tax policy, which established an 8-percent maximum annual increase in property tax levy.
 - The Council is committed to not spending the principal from the proceeds received from the sale of the City's interest in the Hilton Hotel, which occurred in 2000, and all financial plans will be based on that assumption.
 - This resolution establishes the pool of resources for community development activities. This resolution does not establish how these resources will be allocated in the future to specific areas such as the Neighborhood Revitalization Program (NRP), including NRP administration, and other citywide community development activities.

**SUMMARY POINTS OF FINANCIAL SCHEDULES
PROJECTIONS FOR YEARS' 2004 TO 2008**

[Please reference the financial direction updated for 2006-2010 in the financial overview section of this book for the most recent estimates]

- **7-percent average annual projected growth in spending**, including wage/salary increases and other contractual obligations (inflationary pressures), projected rising health insurance premiums, internal service fund obligations, and infrastructure "gap" closure plans.

- **3-percent average annual reduction to this growth in spending** will be needed to balance the budget within the adopted tax policy. (The City has averaged 3.0-percent annual reductions to growth in spending over the past seven years.) The adjusted average annual growth to spending will be 4.2-percent, after spending reductions are implemented. This includes funding for debt, both internal and external obligations.



- **1-percent average annual growth in non-property tax revenues**, including direct department revenue, general city revenues (received in the General Fund), and Local Government Aid. Local Government Aid is assumed to remain at a constant (year 2002) level for projections purposes.

- **8-percent average annual growth in property tax revenue** for all City funds, including the independent boards. The average annual growth in property tax revenue for the City's General Fund, Permanent Improvement, Debt Service, Community Development, and Pension Funds is 8.2% over the five-year period. This is slightly greater than the overall growth in property tax revenue, because of the impact of the changes in property tax revenue for the Pension Funds.

ASSUMPTIONS INCLUDED IN FINANCIAL SCHEDULES

[Please reference the financial direction updated for 2006-2010 in the financial overview section of this book for the most recent estimates]

2003 Expense

The 2003 Expense figures are based on the Mayor's Recommended 2003 budget.

Projected Growth in Spending

Projected growth in spending reflects the assumptions that were included in the "Ten-Year Projected Demands on the Property Tax Report", prepared by the Finance Department in 1st Quarter 2002. The assumptions cover years' 2004 to 2008, unless a different time frame is noted below:

- 4% annual growth in base expenditures, not including health insurance
- 20% annual increase in health insurance premiums
- \$800,000 annual increase in Public Works maintenance funding per the adopted infrastructure "gap" closure plan, which is reflected in the Public Works line item on the financial schedule
- \$1,000,000 annual increase in Public Works capital funding per the adopted infrastructure "gap" closure plan, which is reflected in the Debt Service line item on the financial schedule
- \$1,200,000 annual increase for Information Technology workout plan, which is reflected in the Information Technology line item in the financial schedule
- \$500,000 annual increase for Self-Insurance Fund deficit reduction plan, which is reflected in the Other Internal Service Fund line item on the financial schedule
- \$2,000,000 annual increase (in years' 2004 and 2005 only) for Equipment Services workout plan, which is reflected in the Other Internal Service Fund line item in the financial schedule
- \$300,000 annual increase for contingency funding, which is reflected in the Contingency line item in the financial schedule
- \$1,300,000 to \$3,500,000 range of annual increases for Pension levy to meet future debt obligations

Reduction to Growth in Spending

The amount of reduction to growth in spending reflects the Council and Mayor's decision on how the spending reductions are to be allocated across City departments or major spending areas.

Direct Revenue

Direct revenue is revenue that is recorded directly to a department or agency versus at the fund level. This revenue category is adjusted annually by 1.5%, except for Licenses and Inspections direct revenue, which is adjusted by 3.0% annually (an assumed inflationary level).

General City Revenues (Non-Direct)

General City revenue is revenue that is recorded at the fund level in the General Fund versus at a department or agency level. This revenue category is adjusted by 1.5% annually for all revenues included in this category. Local Government Aid is considered general city revenue, but for the purposes of this financial report it has been broken-out separately. General City Revenues have been pro-rated to each department based on the following formula:

*[Department Net Cost] divided by [Total General Fund Net Cost]
[Net cost] was calculated by subtracting direct revenue from recommended expense.*

Local Government Aid

Local Government Aid (LGA) is assumed to remain constant at the 2002 level, or \$89.9 million. LGA was allocated based on the same formula used for allocating general city revenues.

Property Tax Revenue

Total property tax revenue is based upon the Council adopted and Mayor approved tax policy, which provides for a total maximum 8-percent annual increase in property tax levy for the City and Independent Boards. In addition to establishing a maximum percent increase in annual property tax levy, the policy also established how the growth in property tax levy would be allocated between the City and the Independent Boards.

Other items:

Levy Limits

Levy limits may present a future challenge with respect to changes in special property tax levies such as the Community Development Levy, which have historically been exempt from levy limits. When the 2003 State tax bill is acted upon, it will require the City to reevaluate how the property tax levy has been allocated between funds, as well as special levies. The Finance Department and the City Attorney's Office are in the process of evaluating potential options for responding to levy limits.

**City of Minneapolis
FY 2005 Budget**

Financial Plans

The schedules that follow contain 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.

- **General Fund**

- **Special Revenue Funds**
 - Convention Center Special Revenue Fund

- **Enterprise Funds**
 - Municipal Parking Fund
 - Solid Waste and Recycling Fund
 - Storm Water, Sewer, and Flood Mitigation Utility Fund
 - Water Treatment and Distribution Fund

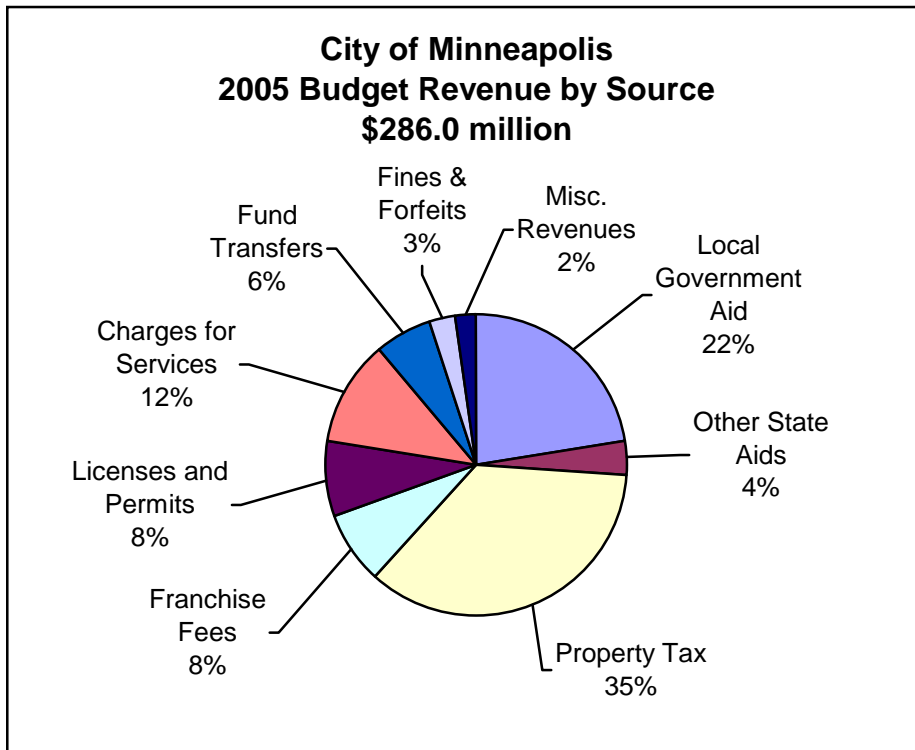
- **Internal Service Funds**
 - Public Works Stores Fund
 - Engineering Materials and Testing
 - Intergovernmental Services Fund
 - Equipment Fund
 - Property Services Fund
 - Self-Insurance Fund

**City of Minneapolis
FY 2005
Financial Plan**

General Fund

Background

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The major sources of revenue include and their relative percentages of total General Fund financial sources are:



Combined, the two largest revenues (State Aids and Property Tax) have historically accounted for approximately 60-65% of total sources of funds for the General Fund. The top four sources of funds account for more than 75% of the General Fund's annual financial inflows.

Historical Financial Performance

The results of the General Fund's annual operations are closed annually into the fund's "fund balance." The General Fund's balance measures the amount of available, spendable resources owned by the fund. The balance provides the City a reserve to

cushion adverse economic shocks and to meet the City's liquidity needs. The City's policy is to maintain a minimum fund balance of 10 percent of the following year's revenue budget amount.

For several years, the City has been able to increase its General Fund balance. At year-end 2003, the General Fund operations resulted in approximately a \$7.5 million increase in fund balance for a total year-end balance of \$53.5 million. This amount met the 10 percent reserve requirement and represents a reserve of 20 percent of modified budgeted revenues for year 2004. The City anticipates that it will again meet its reserve requirement at year-end 2004. As a result, the City Council and Mayor decided to reduce debt issuance for pensions by \$5 million in 2005, which reduces ongoing principal and interest costs by \$500,000 annually. These additional resources were allocated to the Police department.

2005 Adopted Budget

Revenues

The General Fund 2005 budget includes a total of \$286 million of revenues and other sources including \$17 million from transfers from other funds. Budgeted General Fund revenues for 2005 are 9% higher than 2004 budget. The 2005 budgeted revenues represent a 13% increase over 2003 actual revenues.

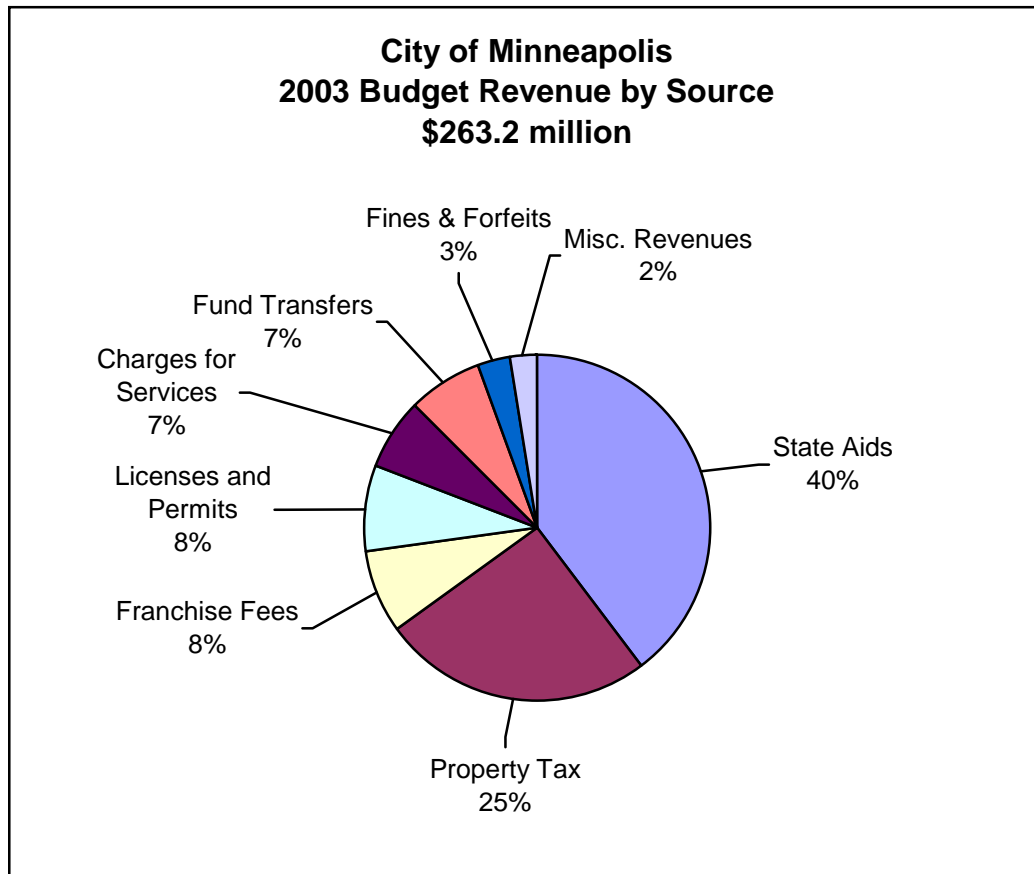
As the chart below shows, the distribution of total revenue among the General Fund's revenue categories has continued to change. The effects of the 2003 and 2004 reductions in Local Government Aid are evident. State Aid (including LGA) went from 40% of the budget in 2003 to 26% in 2005. Property taxes and franchise fees have increased as a percent of the total revenue picture.

Revenue Source	2004 Adopted Budget	2005 Adopted Budget	% Chg from 2004 Adopted	2004 Budget as % of Total	2005 Budget as % of Total
State Aids	76.3	74.6	-2.2%	29.0%	26.1%
Property Tax	85.4	101.9	19.3%	32.5%	35.7%
Franchise Fees	23.5	22.1	-6.0%	8.9%	7.7%
Licenses and Permits	20.7	22.5	8.7%	7.9%	7.9%
Charges for Services	23.0	33.0	43.5%	8.8%	11.5%
Fund Transfers	18.7	17.0	-9.1%	7.1%	5.9%
Fines & Forfeits	9.4	8.5	-9.6%	3.6%	3.0%
Misc. Revenues	5.8	6.2	6.9%	2.2%	2.2%
Total	262.8	285.8	8.8%	100.0%	100.0%

State Aids (including Local Government Aid):

The City faced significant pressure in 2003 and 2004 when the State Legislature reduced the Local Government Aid (LGA) to the City by \$35 million. Of this reduction, \$29.3 million was allocated to the General Fund with the remaining \$5.7 million

allocated to the Park and Library Boards. This reduction represented an 8% decrease to the General Fund's revenue.



Franchise fees are paid by various utility companies for their use of City rights of way. Franchise fees are a percentage of total utility revenues. Therefore, the City's collections vary directly with the paying utility's gross revenues. The 2005 budget includes a \$1.4 million decrease to franchise fees, from \$23.5 million to \$22.1 million based on mid-year 2004 estimates and the electricity franchise agreement. These changes involve a reduction of the rate of the franchise fees charged to small and large volume commercial/industrial consumers. Further, the City's cable franchise fee revenues have declined as a result of a declining number of subscribers to the service.

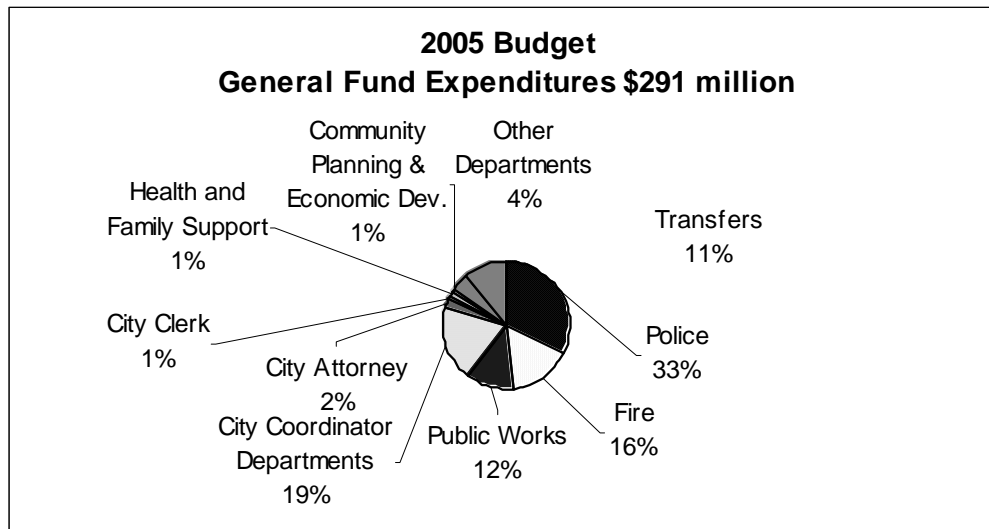
Licenses and Permits create significant revenue for the City's General Fund. The City issues licenses and permits for a wide variety of regulated activities. Building permits are a major component of this revenue category. The 2005 budget anticipates a slight increase in the overall level of activity with some increases in the actual fees paid, for a 9% increase in licenses and permit revenue.

Charges for Services and Sales reflect a 43% increase in revenue as result of an accounting change on General Fund overhead. The City had previously charged a flat 3.5% to funds that were not exempt from this charge. The City has developed a rate model for these general government activities. As a result, both revenue and expense increased in the General Fund, with offsetting decline in direct charges to other funds.

Expenditures

The total 2005 budget for the General Fund is \$291 million, which includes \$32 million in transfers to other funds. After adjusting for transfers, the budget increased from \$232.9 million as adopted in 2004, to \$258.9 million in 2005, an 11% increase. These overall figures reflect the changes related to the general fund overhead allocation and the \$5 million draw down of general fund reserve as described above.

Below is a graph with the 2005 expenditures by department. Public Safety expenditures, Police, Fire, City Attorney, comprise the largest percent of General Fund expenditures.



In 2005, department budgets include allocations for Business Information Services costs and for the benefits administration fee. Previously, these expenses had been budgeted centrally at the fund level. Each department's narrative includes information about their charges for these two items. The schedules for both of these charges detail the charges by fund.

The Adopted budget recommends the following major General Fund changes:

- Reductions in accordance with the five year plan for the following departments: City Attorney (\$290,000), Emergency Communications (\$180,000), Finance (\$320,000), Human Resources (\$102,000), Civil Rights (\$200,000), Community Planning and Economic Development (\$80,000), and Fire (\$251,000).
- Reductions below the five year plan for the Police department, (\$2.2 million in reductions).
- Reductions below the five year plan for the Health and Family Support Department (\$650,000 in reductions).

- Reductions below the five year plan for the Public Works department as a result of slower growth than anticipated (\$1.2 million in reductions).
- An additional position to the Communications department for Community Engagement (\$65,000).
- Additional resources to Intergovernmental Relations for enhanced federal and state efforts (\$65,000).
- One-time funding to address the Civilian Review Authority Backlog (\$70,000).
- Funding an enterprise-wide strategy to address Limited English Proficiency issues in City departments (\$50,000).
- Shifting the New Arrivals and Native American Advocate from the Department of Health and Family Support to the Civil Rights department (\$235,000 plus CDBG funding).
- An additional position in Community Planning and Economic Development to support enterprise job creation and career laddering (\$77,000).
- One-time funding for a Police Department Retirement Incentive (\$350,000). Any positions vacated as a result of the incentive will be eliminated.
- Increased workhouse costs by \$100,000 with a decline in contingency by a like amount.
- Addition of \$75,000 to the City Attorney's Office for one-time alternative violence prevention strategies.
- Reductions in the Coordinator's area (\$75,000) and the Regulatory Services area of the Coordinator's area (\$75,000) – these funds reduced the amounts of the police cuts above.
- A reduction in the planned debt service support for pensions as the result of more detailed actuarial analysis (\$1.5 million) and a \$5 million reduction in debt issued, saving \$500,000 annually. These funds reduced the amount of the police cuts above.

Transfers

The 2005 General Fund budget includes a \$2.9 million increase in transfer expense, from \$29.9 million to \$32.8 million. This decrease is the net result of an increase of \$3.9 million related to the internal service fund work out plans, \$11.8 million increase related to increased pension liability, and a \$10.9 million decrease due to the implementation of the Business Information Systems (BIS) rate model. BIS charges are now included in departments' budgets, rather than being transferred at the fund level. Transfer

revenues include a decline of \$1.0 million from the Parking Fund as a result of the adopted work out plan for that fund and a \$900,000 decline in transfers from CPED funds, as a result of implementation of the General Fund overhead model.

Summary of Transfers to Other Funds

<i>(In millions of dollars)</i>	2004 Adopted Budget	2005 Adopted Budget	Change
Internal Service Funds ¹	\$22.9	\$15.6	(\$ 7.3)
Debt Service Transfers	\$ 4.8	\$17.0	\$12.2
Other transfers	\$ 2.2	\$ 0.2	(\$ 2.0)
Total	\$29.9	\$32.8	\$2.9

Summary of Transfers from Other Funds

<i>(In millions of dollars)</i>	2004 Adopted Budget	2005 Adopted Budget	Change
Enterprise Funds	\$10.5	\$9.5	(\$1.0)
Entertainment Tax	\$ 7.3	\$7.5	\$ 0.2
Other transfers	\$ 0.9	\$0.0	(\$ 0.9)
Total	\$18.7	\$17.0	(\$1.7)

¹ This includes funds that are transferred to the internal service funds to cover the General Fund's share of both operational costs and debt service payments, related to internal service fund activities.

**City of Minneapolis
FY 2005 Budget
Financial Plan (in thousands of dollars)**

General Fund

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Chg from 2004 Adopted Budget	2006 Forecast	2007 Forecast	2008 Forecast
Revenues:								
Property Taxes	54,603	64,613	85,376	101,926	19.4%	101,926	114,702	124,413
Annual Property Tax Increase						12,776	9,711	13,784
<i>Subtotal - Property Taxes</i>	54,603	64,613	85,376	101,926	19.4%	114,702	124,413	138,197
Local Government Aid	88,986	73,447	64,557	64,143	-0.6%	64,143	64,143	64,143
<i>Subtotal</i>	88,986	73,447	64,557	64,143	-0.6%	64,143	64,143	64,143
Other State Aids	16,401	15,371	11,764	10,540	-10.4%	10,540	10,540	10,540
Franchise Fees	21,861	24,083	23,500	22,110	-5.9%	22,110	22,110	22,110
Licenses and Permits	20,733	22,205	20,681	22,532	9.0%	22,532	22,532	22,532
Charges for Services and Sales	17,214	19,980	23,027	32,957	43.1%	32,957	32,957	32,957
Fines and Forfeits	7,127	8,026	9,372	8,512	-9.2%	8,512	8,512	8,512
Special Assessments	2,821	2,723	2,857	2,743	-4.0%	2,743	2,743	2,743
Interest	2,179	1,432	1,301	1,830	40.7%	1,830	1,830	1,830
Other Miscellaneous Revenues	2,042	544	1,613	1,468	-9.0%	1,468	1,468	1,468
Transfers from other funds	19,400	20,713	18,704	17,032	-8.9%	16,032	15,031	14,031
Total Revenues	253,367	253,137	262,752	285,793	8.8%	297,569	306,279	319,063
Expenditures:								
Police	94,817	93,632	89,446	94,749	5.9%	95,118	94,111	95,821
Fire	41,672	39,934	43,316	45,200	4.3%	45,870	46,560	47,854
Public Works	35,180	33,542	36,140	36,336	0.5%	36,510	36,591	36,937
City Coordinator Departments	37,809	28,734	40,139	54,952	36.9%	56,320	56,982	58,414
City Attorney	4,376	4,260	5,013	6,422	28.1%	6,393	6,439	6,547
City Clerk	4,339	1,790	2,076	2,269	9.3%	2,338	2,359	2,435
Health and Family Support	3,799	3,415	3,465	3,653	5.4%	2,835	2,157	1,443
Community Planning & Economic Dev.	1,672	1,885	2,184	3,267	49.6%	3,267	3,292	3,323
Other Departments	2,900	13,498	11,111	12,028	8.3%	11,850	12,136	12,429
Transfers to other funds	20,264	24,989	29,862	32,417	8.6%	37,068	45,652	53,860
Total	246,828	245,679	262,752	291,293	10.9%	297,569	306,279	319,063
Net Change in Balance	6,539	7,458		(5,500)				
Fund Balance/Retained Earnings:								
Beginning Balance	39,114	45,653	53,111	48,458	-8.8%	42,958	42,958	42,958
Ending Balance	45,653	53,111	53,111	42,958	-19.1%	42,958	42,958	42,958
Ten Percent Reserve Requirement (10% of following year's budget)	26,316	26,275	28,579	29,757	30,628	31,906	31,295	33,014

**City of Minneapolis
FY 2005
Financial Plan**

Convention Center Special Revenue Fund

Background

The Convention Center Special Revenue Fund accounts for the maintenance and operation of the City owned Convention Center and the related sales tax activities. The Minneapolis Convention Center was created as an investment to foster and generate economic growth and vitality by providing facilities and services for conventions, trade shows, exhibits, meetings, cultural, religious, and sporting events, all of which benefit and showcase Minneapolis, the metropolitan region, and the State of Minnesota.

Historical Financial Performance

The fiscal year-end 2003 fund balance for the Convention Center Special Revenue Fund was \$24.4 million. Local taxes support the Convention Center with \$48.9 million being collected in 2003, similar to 2002 totals. Approximately \$25.5 million was transferred for debt service obligations or enterprise related debt.

Comparative amounts collected were as follows:

<u>Local Taxes (in millions)</u>	<u>2002</u>	<u>2003</u>
0.5% Citywide Sales tax	\$25.3	\$25.6
3.0% Entertainment Tax	\$7.5	\$7.8
3.0% Downtown Restaurant Tax	\$7.7	\$7.9
3.0% Downtown Liquor Tax	\$2.9	\$3.0
<u>2.0% Lodging Tax*</u>	<u>\$4.2</u>	<u>\$4.6</u>
Total Tax Collection	\$47.6	\$48.9

* Effective April 1, 2002, the Lodging Tax increase to 3%, a 1% increase.

Funds are transferred annually to the Convention Center Reserve Fund for major repair or equipment replacement for the Convention Center facility. Due to the age of the building, it is anticipated that the amount of this transfer will increase in future years as specific needs are identified. In 2003, \$1.1 million was transferred to the Convention Center Reserve Fund.

Operating Revenues are revenues generated directly by the Convention Center. Space rent is the largest source of revenue for the Center. Also included in this line item are equipment rental and 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. Commission sales of food and beverage account for most of

the Other Miscellaneous Operating Revenue line item. In 2005 the Convention Center will be opening a Business Service center and offer wireless and internet services to its customers generating additional revenue in their Charges for Services line item. In 2003 total operating revenue generated by the Center was \$12.2 million, a gain of 9% from 2002.

2004 Financial Projections

The hospitality industry appears to be rebounding from the effects of the national tragedy of September 11, 2001 and the recession. Event operating revenues are projected to exceed 2003 levels by 14% and meet budgetary goals. Tax proceeds are projected to be within budget and 2% above the 2003 actual totals. However due to spending increases, the ending fund balance in the Convention Center Special Revenue Fund is projected to be \$21.5 million a 12% reduction from the prior year.

Operating expenditures for the Center in 2004 are projected to be 3% under budget, though exceeding their 2003 spending by 18%.

2005 Budget

Revenues

Below is a summary of the estimated local tax revenue increases for 2005 over the 2004 actual totals.

- 2.5% increase in sales tax
- 2.5% increase in Restaurant tax
- 2.5% increase in Liquor tax
- 2.5% increase in Lodging tax
- 2.5% increase in Entertainment tax

The Convention Center annual operating revenue budget increased 6% over projected 2004 revenue totals.

Expenditures

In 2005, the Convention Center operating budget, including capital expenditures, will increase 14% over the 2004 current service level. The increase is due to additional capital outlays to replace aging and obsolete parts and systems of the facility. \$2.5 million for 2005 capital replacements will be funded from the Convention Center Reserve Fund. It budget also includes \$1.18 million in General Fund overhead charges.

In 2005, the transfer of revenue to the Greater Minneapolis Convention & Visitors Association (GMCVA) will remain the same as its 2004 level except for variances in lodging tax proceeds. Also in 2004 the City entered into a \$2.5 million loan agreement with the GMCVA for the association's joint venture Internet Destination Sales System (IDSS). The loan is pledged against future City's appropriations to the Association. The GMCVA functions as the primary sales and booking agent of the Convention Center.

Cash Position Changes

In the Convention Center Special Revenue Fund except for loans to other funds, the projected cash balance in 2005 will fluctuate relative to the fund equity. Most operating revenues and expenditure transactions are cash transactions. Attributing to a healthy cash position is the Convention Center policy of requiring cash advances for space rent and services to exhibitors. At the end of 2003, client advances sometimes received years in advance of the event were \$1,729,000 and outstanding client receivables were \$649,000. In 2000, the Convention Center, as part of the Intergovernmental Services Fund (internal service fund) workout plan, advanced \$12,800,000 to the fund as a long-term loan. While this does not impact the fund balance, cash balance is reduced.

Debt Service and Transfers

Debt Service

The recommended 2005 budget includes full funding to meet the annual debt service payments. Outstanding debt for the Convention Center is approximately \$310 million in total. In addition to the to the annual debt service payments for the Convention Center, commencing in 2004 all savings on the variable rate bond interest rates are transferred to the Parking Fund as part of the parking Fund Workout Plan.

Transfers to Other Funds

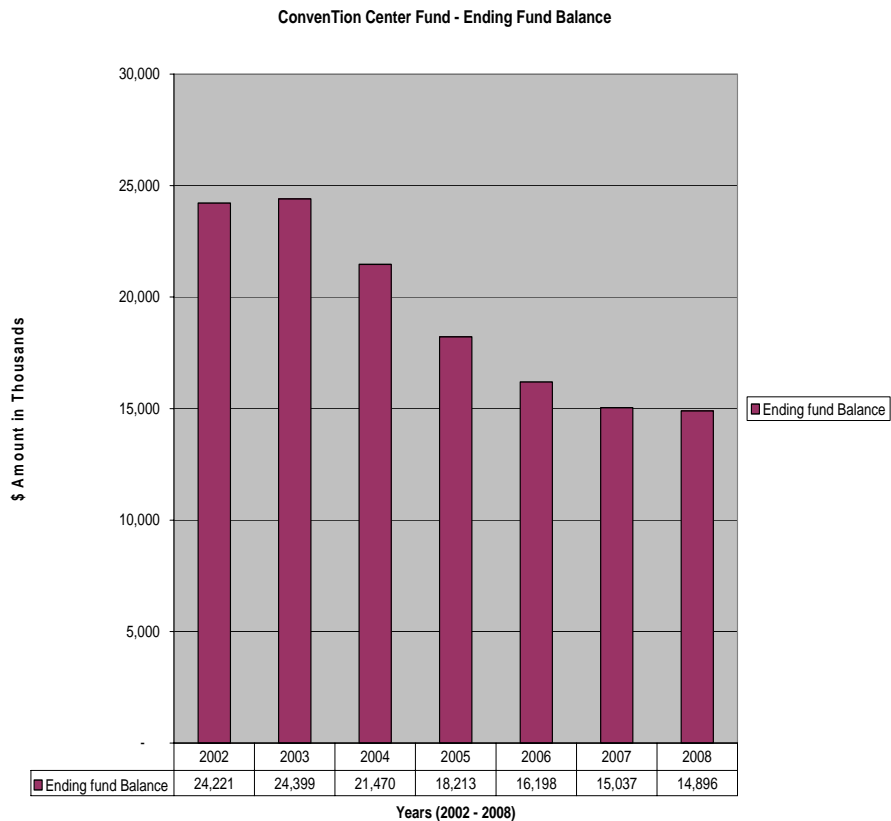
Total transfers to other funds in 2005 are budgeted at \$37.8 million, approximating 2004 levels.

- General Fund - \$7.5 million – funded by entertainment tax proceeds, historically a revenue source to the General Fund since 1969
- Arena Reserve - \$1.2 million – that portion of the entertainment tax estimated to be derived by Target Center activities
- Convention Center Reserve - \$1.2 million for future major Convention Center repairs or replacement
- Convention Center Debt Service - \$19.7 million – current year debt service liability for the Convention Center bond issue

- Parking Fund - \$8.2 million - funding for the current year debt service obligation for the Convention Center related parking ramps and facilities and Parking Fund Workout Plan.
- MERF Pension Fund - \$.02 million - additional funding necessary meet MERF pension plan obligations

The City of Minneapolis deposits all of its local tax proceeds (i.e., sales tax, lodging tax, etc.) in the Convention Center Special Revenue Funds. All the tax proceeds except for the entertainment tax are Convention Center related and are used primarily to fund the debt related to the construction of the Convention Center and other related facilities, as well as to fund operating deficit projected to be \$11.5 million for 2005. Operating revenues are not sufficient to cover operating expense.

The entertainment tax, established in 1969, is a revenue source for the General Fund to offset additional police and fire department costs associated with citywide entertainment activities. A portion of the tax is redirected to the Arena Reserve fund to fully credit the fund for entertainment tax proceeds generated from Target Center activities, as required by the Target Center Arena finance plan. The entertainment tax is not deposited directly in the General Fund because it is pledged revenue on the outstanding Convention Center bonds in the event that other revenue would not be sufficient to meet debt service obligations, which has never happened.



City of Minneapolis
Convention Center Special Revenue Fund 0760
Financial Plan (in thousands of dollars)

	2002	2003	2004		2005	% Chg	2006	2007	2008
	Actual	Actual	Current Budget	2004 Projected	Budget	From Budget	Forecast	Forecast	Forecast
Operating Revenues:									
Charges For Services	3,249	3,720	4,740	4,740	5,230	10.3%	5,500	5,763	6,050
Rents	5,737	6,194	6,765	6,765	7,063	4.4%	7,525	7,902	8,431
Other Miscellaneous Operating	2,208	2,321	2,405	2,405	2,505	4.2%	2,630	2,761	2,899
Total	11,194	12,235	13,910	13,910	14,798	6.4%	15,655	16,426	17,380
Non-Operating Revenues:									
Sales Tax	25,283	25,562	26,047	26,504	26,698	2.5%	27,365	28,050	28,751
Entertainment Tax	7,488	7,779	8,470	8,127	8,682	2.5%	8,899	9,122	9,350
Restaurant Tax	7,754	7,907	7,754	7,661	7,948	2.5%	8,147	8,350	8,559
Liquor Tax	2,871	3,065	2,843	3,294	2,914	2.5%	2,987	3,062	3,138
Lodging Tax	4,166	4,595	4,545	4,500	4,658	2.5%	4,774	4,894	5,016
Contributions	600	367	0	0		0.0%			
Interest	346	265	160	160	215	34.4%	215	215	215
Transfer From Facility Reserve	0	0	0	0	2,531	0.0%	3,599	500	1,000
Total	48,508	49,540	49,819	50,246	53,646	7.7%	55,987	54,192	56,029
Total Revenue	59,702	61,775	63,729	64,156	68,444	7.4%	71,642	70,618	73,409
Expenditures									
Convention Center Operations	16,983	18,542	21,910	21,300	22,908	4.6%	23,824	24,777	25,768
Ongoing Equipment and Improvement	900	703	1,387	1,387	3,667	164.4%	4,810	1,760	2,310
Bad Debt Expense		213	0	0	0		0	0	0
Finance	225	307	302	302	319	5.6%	325	332	339
Convention Related Police Service					100	0.0%			
Human Resources	51	54	59	59	62	5.1%	63	65	66
GMCVA	7,002	7,230	6,655	6,655	6,930	4.1%	7,171	7,314	7,460
Neighborhood Early Learning Centers	0	0	-	-	-	0.0%	-	-	-
Convention Center Completion Project	93	0	-	-	-	0.0%	-	-	-
Transfer To Genl Fund - Entert Tax	5,841	6,480	7,270	6,927	7,482	2.9%	7,699	7,922	8,150
Transfer To Target Ctr Reserve	1,647	1,299	1,200	1,200	1,200	0.0%	1,200	1,200	1,200
Transfer To Conv Center Reserve	1,100	1,150	1,150	1,150	1,150	0.0%	1,150	1,150	1,150
Transfer To Capital Improvements	1,560	60	-	0	-	0.0%	-	-	-
Transfer To Debt Service	16,205	16,876	19,493	17,351	19,725	1.2%	19,142	18,810	18,796
Transfer To Parking Fund	8,235	8,598	8,365	10,646	8,243	-1.5%	8,359	8,539	8,402
Transfer to BIS	71	66	66	66	-	0.0%	0	0	0
Transfer to MERF pension	-		23	23	15	-34.8%	15	15	15
Transfer to Self Insurance	17	19	19	19	-	0.0%	0	0	0
Total Expenditures	59,930	61,597	67,899	67,085	71,801	5.7%	73,759	71,883	73,656
Net Income	(228)	178	(4,170)	(2,929)	(3,357)	-19.5%	(2,117)	(1,265)	(247)
Fund Balance/Retained Earnings:									
Beginning Balance	24,449	24,221	24,399	24,399	21,470	-12.0%	18,113	15,996	14,731
Ending Balance	24,221	24,399	20,229	21,470	18,113	-10.5%	15,996	14,731	14,484

Notes:

As part of the Council approved work-out plan, an advance of \$12.8 million was made to BIS in 2000. While this did not affect the Convention Center total fund balance, this transaction decreased cash and increased due from other funds.

A State grant for \$3.288 million was received in 2001 and \$81 million was received in 2002. These grants will be used to reduce the principal outstanding debt and the amount of transfers to debt service.

Beginning in 2005, the Transfer to BIS is reflected in the Convention Center's Operating Budget based on the BIS Rate Model.

In 2004 the GMCVA entered into a \$2.5 million loan agreement with the City for its joint venture Internet Destination Sales System (IDSS). The loan is to be repaid in full in 2009 at a 5% interest rate. Repayment of the loan is pledged against future City funding considerations of the GMCVA commencing with the 2007 appropriation.

**City of Minneapolis
FY 2005
Financial Plan**

Municipal Parking Fund

This fund accounts for the operation and maintenance of parking ramps, lots, on-street parking, a municipal impound lot, and traffic/parking control. Major parking-related capital construction and development activities also occur in this fund.

Historical Financial Performance

Due to economic conditions and high office vacancy rates, actual revenue performance has been less than the annual forecast. Major street reconstruction and Light Rail Transit construction activities also impacted the performance by restricting access to many of the facilities. Prior to 2001, revenues exceeded projections. This was attributed to a sound economy and weather conducive to greater use of ramps (in cold and snowy weather more people use the ramps).

The Public Works Department has prepared a comprehensive business plan for the Parking Fund, with the assistance of the Finance Department. This plan was released in conjunction with the other Public Works business plans and addresses strategies for managing and responding to a growing municipal parking system.

The financial condition of the Parking Fund has historically been stable, but it is projected to present a future financial challenge for the City if cash outflows continue to exceed the inflows. While the Fund currently generates a positive fund margin, fund-operating income is used not only to provide for the restoration of its productive assets (ramps) but is also committed to substantial debt service. The Parking Fund makes substantial annual contributions to General Fund (\$9.8 million for year 2004) and to Target Center Arena (\$1.6 million for year 2004).

Rather than using equity to fund part of the capital cost of ramps, it has historically been financed 100% by debt. Besides servicing the debt on its own balance sheet, the fund receives transfers from the Convention Center Special Revenue Fund (\$8.4 million in year 2004) to pay its share of debt service on Convention Center related parking facilities. The fund also receives transfers from tax increment and abatement revenue to pay part of major downtown development projects (\$6.8 million in year 2004).

The Finance Department will continue to monitor the financial condition of the fund on a regular basis and inform the Mayor and City Council of any changes in condition. The City Council adopted a workout plan for this fund, which will be discussed later.

Current Year to Date / End of Year Financial Performance

Revenues

The revenues for 2003 were budgeted at \$59.8 million. Actual revenues for the year were \$53.4 million. The variance is partly due to two additional ramps, 11th & Harmon and Vineland Place, which were included in 2003 budget but were only partial contributors to actual revenues since these two ramps went into operations in the third and the fourth quarters of 2003. Revenues from towing and on-street meters were up from 2002 level by \$479,000. Off-street parking, for both City- and State-owned facilities, show a decline of \$994,000.

Operating revenue for 2004 is budgeted at \$57.2 million and projection for the year is \$54.4 million. Revenues for 2nd quarter were at \$28.6 million, almost 50% of the budget. This is an increase of 7% over 2nd quarter of 2003. Revenues from on-street parking and towing are up by 4% and 28% respectively. Increase in towing revenues is the result of an increase in rate charged per vehicle and the increase in number of vehicles towed. Off-street parking has shown an increase of \$803,000 from a year ago. The increases in on-street as well as off-street parking revenues can be attributed, in part, to the Metro Transit bus strike resulting in increased use of the facilities.

Expenditures

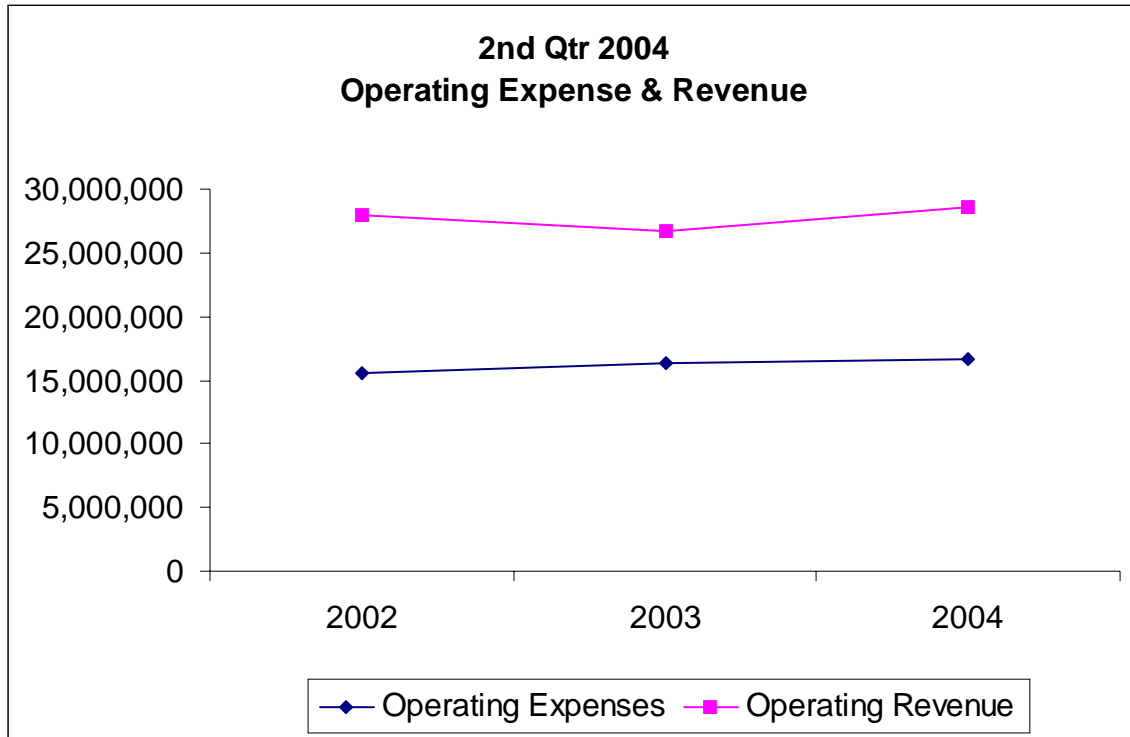
In 2003, operating expenses were budgeted at \$39.4 million and were projected to be \$36.3 million based on 2001 and 2002. Actual expenses for the year, however, were at \$44.5 million due to \$8 million payment to the State for accumulated excess revenues of TAD ramps. New contract with tow companies raised expenses for the impound lot. To meet the increase in expense, impound lot has increased its rates.

Second quarter operating expenditures for 2004 were at \$16.6 million, 39% of the budget which is listed at \$43.1 million. This is an increase of 2.4% over the 2nd quarter expense figures of 2003. New tow contracts related to impound lot and two additional ramps in the parking system, Vineland Place and 11th & Harmon, have contributed to increase in expenditures.

Cash Position

Based on current and proposed budgets, operating cash balances are going to continue to decrease, especially for cash related to the City system. The parking system is creating a positive cash flow from its operations, but with transfers out to other funds, the City-owned facilities have a negative cash flow.

The General Fund and Target Center Arena Fund are non-parking related activities financed by the parking fund. Interest payments toward the debt service along with non-parking related transfers are contributing factors to the negative cash flow. At the end of 2003, City's parking system was in a negative cash position. The cash balance of the City System is projected to decrease from negative \$8.2 million to negative \$18.4 million in 2004. This is primarily due to insufficient increase in operating revenue to cover the ongoing annual transfers to General Fund and payments towards debt services.



2005 Budget

Revenues

The revenues for 2005 in the operating budget are anticipated to decrease by 3.5% from \$57.6 million to \$55.6 million. The actual reduction in the current meter, impound lot, State- and City-owned ramps totals \$2.2 million. Revenues are projected to increase \$675,000 with the addition of Guthrie Ramp and Mill Quarter Ramp. With the inclusion of the new facilities the total net change in revenue is proposed to decrease by \$1.6 million. Parking rate projections are conservative estimates provided by Public Works that have been adjusted based on actual revenues that should reflect market demands. The change in on-street Parking is increase of \$203,000 vs. the \$1.96 million decrease in 2004.

Non-operating revenues consist of interest revenue that is generated by investment earnings that shows up as revenue but transferred to the general fund. Special assessment revenue is received from the county for assessments received on payments made by business' to reimburse part of the capital expenses for the construction of the Lyn-Lake Lots that helped them meet minimum parking requirements.

Expenditures

The 2005 current service level operating expenditure budgets for Public Works Transportation, Human Resources, Finance and Licenses & Consumer Services has increased by 1.8% from \$43.1 to \$44 million. This is due to average personnel increases of around 2% and non-personnel Citywide increases of 1.47% based on an inflationary index. Interest expense is a non-operating expense that is projected to total \$13.1 million for 2005, consisting of both fixed and variable rate bond debts.

The capital budget was decreased from the Mayor's recommended budget by \$712,000 due to the project already appropriated in 2004. The City Council increased the Mayor's recommended budget by \$40,000 for a residential parking program.

Transfers

The transfer to the General Fund is proposed to decrease from \$9.8 to \$8.8 million. Transfers to the Target Center Arena Fund are proposed to increase from \$1.6 million to \$1.8 million based on the revised finance plan approved in 2000. This transfer has been coming out of net assets generated by City parking revenues and not the event revenue generated by the State-owned TAD garages. The garages owned by the State of Minnesota have reached the breakeven point and have positive retained earnings that will be transferred to State on a monthly basis. The ongoing annual operating transfer of \$146,000 to sanitation has been established to fund the bus shelter litter containers.

Transfers from other funds for debt service payments for Convention Center related parking facilities were paid off with a state grant in 2002 and the transfers in from sales tax revenue and out to the long-term debt account group are continuing with a 2005 estimate of \$8.24 million. Based on various construction facility finance plans where tax increment and abatement were a revenue source it is estimated that \$5.89 million will be transferred for debt service from CPED. The following is a breakdown of the \$5.89 million in transfers by facility: \$4,704,858 for LaSalle @ 10th Ramp, \$463,626 for East LRT Ramp, \$650,000 for the Hennepin at 10th Ramp, and \$75,449 for 10th and Washington Ramp.

Debt Service

The debt service payable, including principal and interest, in 2005 is \$26 million. The debt service is related to bonds issued for construction of municipal parking ramps, which will continue to grow as new facilities are added to the system. Debt service for

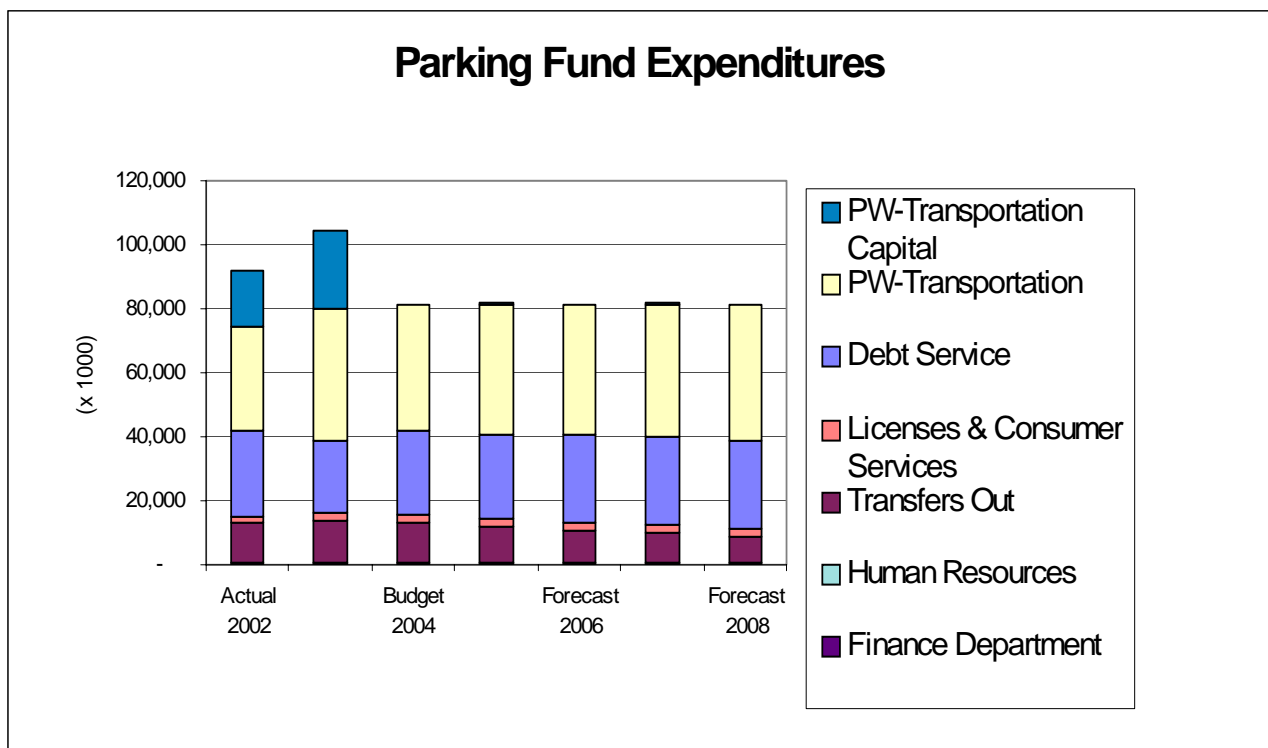
2005 includes bonds issued to cover the cost of condemnation, land and building costs that are reimbursed from tax increment revenue and sales tax proceeds for projects that had these financing sources identified in their original construction finance plans. The estimate for 2005 to be transferred in from the Convention Center Fund is \$8.24 million. The estimated transfer in from tax increment and abatement revenue is \$6.9 million.

Workout Plan Strategy

The Parking Fund’s financial condition, if not addressed, was expected to decline to a cash deficit of \$69.2 million by 2010. In response to this projection, the City adopted a financial and operational workout plan containing the following strategies:

1. Operational strategies designed to cut operating expenses, improve the marketability of the ramps and increase operating revenues;
2. Increasing the amount of variable rate debt within the fund to take advantage of extremely low interest rates;
3. Reduction of the current and future transfers to the General Fund;
4. Transfer excess General Fund reserve to the Parking Fund, when available; and
5. Evaluate the possibility of certain off-street parking ramps; if doing so would improve the financial condition of the fund.

Increase transfers from the Convention Center to the Parking Fund; subject to the financial condition of the Convention Center. The transfers would be used to defray debt service, operating and maintenance costs for Convention Center related parking facilities.



**City of Minneapolis
FY 2005 Budget
Financial Plan (in thousands of dollars)**

Municipal Parking Fund 7500

	2002 Actual	2003 Actual	2004 Budget	2004 Projected	2005 Budget	% Chg from 2004	2006 Forecast	2007 Forecast	2008 Forecast
Source of Funds:									
Licenses and Permits	193	192	155	155	193	24.5%	196	199	202
State Government	-	296	-	-	-		-	-	-
Charges for Service, Sales & Permits (Trans	52,729	51,613	56,456	53,692	54,390	-3.7%	55,206	56,034	56,874
Charges for Sales	1,063	1,185	1,001	1,001	1,001		1,016	1,031	1,047
Special Assessments	159	156	133	133	133	0.4%	99	99	99
Interest	-	1	-	-	1		1	1	1
Gains	-	(1,035)	-	-	-		-	-	-
Rents (Transportation)	131	123	3	3	3		3	3	3
Other Misc Revenues	455	62	1	1	1		1	1	1
Tax Increment Transfers In	5,845	5,342	6,778	6,778	6,915	2.0%	8,242	8,283	7,936
Sales Tax Transfers In	8,235	9,097	8,365	8,365	8,244	-1.4%	8,391	8,594	8,932
Arbitrage Transfers In									
<i>Total Transfers In</i>	<i>14,080</i>	<i>14,440</i>	<i>15,143</i>	<i>15,143</i>	<i>15,159</i>	<i>0.1%</i>	<i>14,383</i>	<i>16,633</i>	<i>16,877</i>
Proceeds of Long Term Liabilities	19,122	23,082	-	-	-		-	-	-
Total	87,932	90,115	72,891	70,128	70,881	-2.8%	73,155	74,245	75,095
Use of Funds:									
Debt Service	26,644	22,747	25,880	25,880	26,241	1.4%	27,288	27,678	27,489
General Fund Transfer Out	10,575	10,890	9,800	9,800	8,800	-10.2%	7,800	6,800	5,800
Target Arena Transfer Out	1,335	1,470	1,620	1,620	1,768	9.1%	1,921	2,079	2,241
Debt Service Transfer Out (Mann Areaways)	158	287	275	275	252	-8.2%	12		
Internal Service Funds Transfers Out	91	76	77	77					
MERF Liability Transfer Out			128	128	94	-27.2%	95	97	99
Sanitation Transfer Out	146	146	146	146	146		146	146	146
Parkboard Transfer Out	-	-	-	-	-		-	-	-
<i>Total Transfers Out</i>	<i>12,305</i>	<i>12,869</i>	<i>12,046</i>	<i>12,046</i>	<i>11,060</i>	<i>-36.5%</i>	<i>9,975</i>	<i>9,122</i>	<i>8,286</i>
PW-Transportation	32,943	41,357	39,424	36,018	40,946	3.9%	41,560	42,184	42,816
Human Resources		225	228	228			234	239	244
Finance Department	532	578	594	594			-	-	-
Licenses & Consumer Services	2,137	2,395	2,833	2,833	2,997	5.8%	2,541	2,592	2,644
PW-Transportation Capital	17,355	24,085	180	180	30	100%	35	40	35
Total	91,916	104,256	81,185	77,779	81,273	0.1%	81,634	81,855	81,515
Fund Margin									
TAD (State Owned) Ramps	2,985	(5,508)	845	2,526	355	-58%	316	276	234
City Ramps and Lots	(6,969)	(8,633)	(9,139)	(10,177)	(10,747)	17.6%	(8,795)	(7,885)	(6,654)
(1) Total	(3,984)	(14,141)	(8,294)	(7,652)	(10,392)	25.3%	(8,478)	(7,609)	(6,420)
Retained Earnings									
TAD (State Owned) Ramps	12,019	6,511	7,356	9,037	9,392	27.7%	9,708	9,984	10,219
City Parking System	16,542	1,591	(2,582)	(3,620)	(8,447)	227.1%	(8,921)	(7,395)	(4,123)
Total	28,561	8,102	4,774	5,416	945	-80.2%	788	2,589	6,096
Cash Balances									
TAD (State Owned) Ramps	12,523	7,015	7,860	9,541	9,896	25.9%	10,212	10,488	10,723
City System Construction Cash (2)	22,799	16,787	-	-	-		-	-	-
City System Op Cash	1,375	(8,233)	(17,372)	(18,411)	(29,158)	67.8%	(37,953)	(45,838)	(52,492)
Total	36,697	15,569	(9,512)	(8,870)	(19,262)	102.5%	(27,740)	(35,350)	(41,769)

**City of Minneapolis
FY 2005
Financial Plan**

Solid Waste and Recycling Fund

Background

This fund accounts for solid waste collection and disposal/recycling activities for the City. The Solid Waste Division of the Public Works Department provides weekly trash and yard-waste pickup, bi-weekly recycling pickup and operates a solid waste transfer station for over 100,000 households.

Funding for solid waste and recycling activities are provided mainly from sanitation fees and partly from sources such as Hennepin County Grants, recyclable sales, and charges for other services. City crews provide approximately one-half of the solid waste collection service and the other half of the service is provided through a contract with a consortium of companies specializing in waste collection.

Historical Financial Performance

The overall financial condition of the Solid Waste Fund is positive as a result of management practices and scheduled annual rate increases for the sanitation fee. The net assets for this fund at the end of year 2003 were \$16.4 million, as compared to \$13.2 million at year-end 2002.

The Solid Waste fund has been partially updating its fleet on a yearly basis. In 2002, two recycling units, one side loader for litter containers, and three sanitation trucks were purchased.

2004 Financial Performance

In 2004 revenues from charges for services are projected to be \$26.8 million or \$700,000 more than the budgeted \$26.1 million.

Expenses for the Public Works cost center are projected to be slightly under the \$25.8 million budget at \$25.7 million.

2005 Budget

Revenues

For 2005, no Solid Waste and Recycling rate increase is recommended. The monthly rate will remain at \$19.25 per month per dwelling unit. For planning purposes an annual rate increase of 3% is assumed for years 2006 through 2008. A 3% increase would

result in a \$19.83 and \$20.42 per month per dwelling unit for years 2006 and 2007, respectively.

The Hennepin County Recycling Grant is estimated to total \$544,000 in 2005, a decrease of \$260,000 from 2004. It is anticipated that the amount will decrease by approximately \$100,000 annually in future years.

Expenditures

Overall operating expenditures are budgeted to increase by .7% from \$27.1 million in 2005 to \$27.3 million in 2005 for the Public Works Solid Waste cost center. Transfers to Internal Service funds have been replaced with a rate model which charges the individual costs centers, rather than being funded by a transfer at the fund level.

Transfers

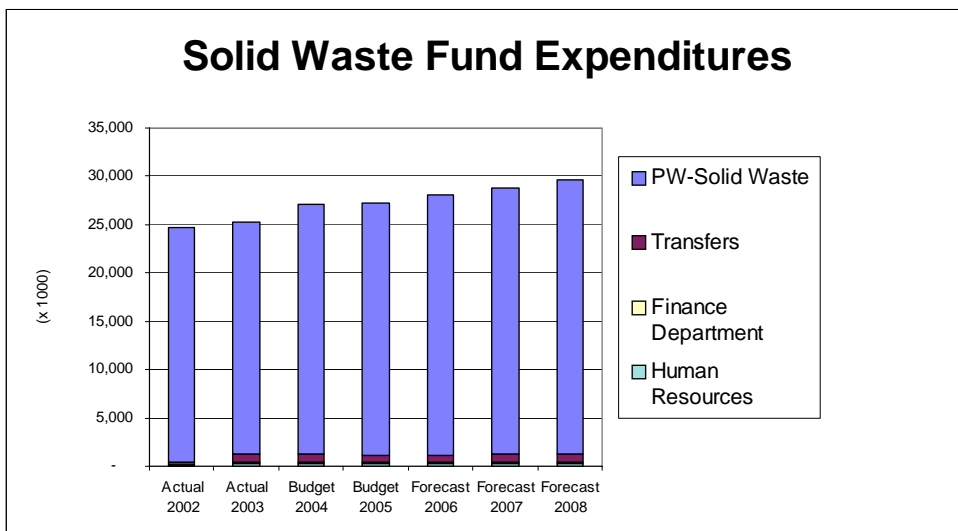
The 2005 budget includes the continuation of a \$700,000 transfer from Solid Waste and Recycling to the General Fund to pay for snow alley plowing to ensure delivery of solid waste and recycling services in the alleys and is projected to remain at \$700,000 thereafter.

A transfer of \$58,000 to the Debt Service fund for pension obligations related to the Minneapolis Employees Retirement Fund (MERF) is also reflected.

The Solid Waste and Recycling Fund receives a transfer of \$146,000 from the Parking Fund to pay for litter container pick-up (downtown). In 2004, a permanent transfer of \$50,000 was established for graffiti removal.

Debt Service

This fund does not have any associated capital debt service payments.



**City of Minneapolis
FY 2005 Budget
Financial Plan (in thousands of dollars)**

Solid Waste Fund 7700

	2002 Actual	2003 Actual	2004 Budget	2004 Projected	2005 Budget	% Chg from 2004	2006 Forecast	2007 Forecast	2008 Forecast
Sources of Funds:									
Local Government	936	844	804	804	544	-32.3%	444	344	244
Charges for Service	24,906	26,241	26,099	26,803	26,099		26,882	27,688	28,519
Charges for Sales	617	943	640	640	900	40.6%	900	900	900
Special Assessments	128	93		54			-	-	-
Operating Transfers In:									
From Parking Fund	146	146	146	146	146		146	146	146
From General Fund			50	50	50		50	50	50
Total	26,733	28,267	27,739	28,497	27,739		28,422	29,128	29,859
Use of Funds:									
PW-Solid Waste	24,271	23,940	25,830	25,658	26,548	2.8%	27,344	28,165	29,010
Transfers									
To General Fund	170	762	700	700	700		700	700	700
To BIS Fund	12	70	70	70	-		-	-	-
To Self Insurance Fund	11	11	11	11	-		-	-	-
To MERF Fund			90	90	58	-35.6%	60	60	60
Finance Department	183	195	196	196	1	-99.5%	1	1	1
Human Resources		225	228	228	-		228	235	242
Total	24,647	25,203	27,125	26,953	27,307	0.7%	28,333	29,161	30,013
Fund Margin	2,086	3,064	614	1,544	432	-29.6%	89	(32)	(154)
Fund Balance	13,212	16,353	16,967	17,897	18,329	8.0%	18,417	18,385	18,232
Cash Balance	8,005	10,675	11,289	12,219	12,651	12.1%	12,739	12,707	12,554

**City of Minneapolis
FY 2005 Fund
Financial Plan**

Stormwater and Sanitary Sewer Fund

Background

This fund accounts for sewer contractual payments to the Metropolitan Council Environmental Services (MCES) for sewage interceptor and treatment services. This fund also accounts for storm water management activities including the Combined Sewer Overflow (CSO) program, which separates the remaining storm sewer lines that are connected to sanitary sewer lines.

During 1998, the City embarked on a \$72 million, nine-year, flood control program (which has been expanded since the original plan was adopted). This program targets specific areas in the City and creates holding ponds and additional storm drains that are designed to mitigate the effects of flash floods, but has been scaled back in the 2005 capital budget.

This fund also accounts for the cost of street sweeping as a related cost activity.

Historical Financial Performance

The Sewer Rental Fund has experienced a positive retained earning for the last several years. This is due to the combination of rate increases being implemented as planned and unanticipated delays in capital project expenditures. Delays in capital project expenditures have also increased total cash balances. For the year ending in 2003, \$6.4 million of the cash balance was related to unspent bond proceeds with an operating cash balance of \$7.8 million. One financial goal for this fund is to have three months worth of operating expenses in a cash reserve from operations.

2004 Financial Performance

The 2004 revenues from charges for services are projected to be less than budgeted. The estimated revenue has been revised from \$69 to \$65 million to project a more realistic revenue amount. Another factor that could impact the 2004 projected revenue is that there could be less revenue generated from reimbursable capital projects, which is budgeted at \$3 million.

Expenses are also projected to be less than budgeted for the sewer design, field services and sewer maintenance cost centers. The field services or street cleaning cost center is projected to be within its \$5.8 million budget at \$5.7 million. Sewer design is projected to be \$3.6 million, which is considerably less than the \$5.5 budgeted due to one-time decision packages that have been removed out of the 2005 base budget for

inflow, utility fee and design manual studies. The sewer maintenance is projected to be under budget by \$3.5 million dollars partially due to under spending contractual services. Again for 2004, it is anticipated that all budgeted capital projected will not be completed.

2005 Budget

Revenues

The Sewer Rental Fund has a projected rate increase of 21-cents (per 100 cubic feet), or 6.1% for 2005. For 2005 this results in an average monthly cost to consumer of \$21.84. The rate increase will be used to pay for ongoing operating expenses as well as debt service related to the CSO and flood mitigation projects. It is anticipated that the current sewer rates will be separated from storm water utility in 2005.

Expenditures

The Sewer Rental Fund has a projected increase in expenses partially due to increased rates by the Metropolitan Council Environmental Services (MCES). For 2005, the capital expenditures budget is decreased to \$9.9 million, \$5.9 million is financed, \$3 million reimbursed from other departments or external private sources and the balance to be paid from cash in the fund balance. The recommended budget also includes continuation of funding to complete the CSO (combined sewer overflow) Separation Evaluation Project.

Stormwater Rate

A stormwater rate model implementation is currently underway and is scheduled to begin in 2005. Two funds will be used to accomplish the separate reporting and tracking of sanitary and stormwater activities. With the implementation of this program the 2005 approved sewer rate will be split into two rates. Sanitary sewer will continue to be billed based on water consumption usage and the stormwater rate will be billed based on the amount of stormwater runoff a property has.

CSO (Combined Sewer Overflow)

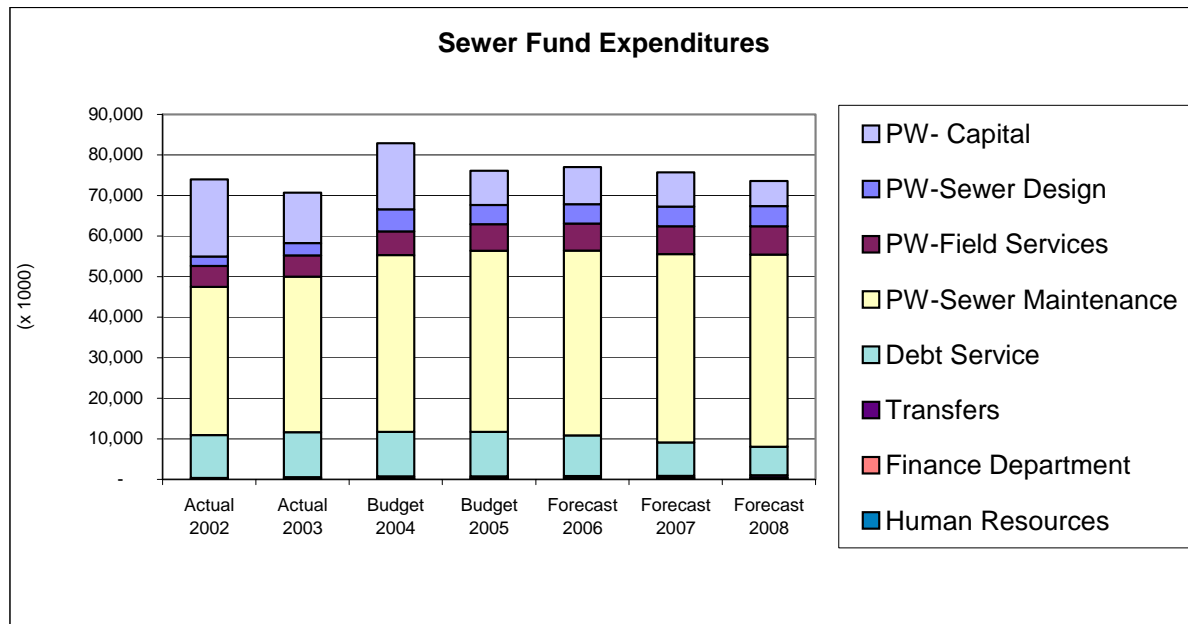
In 2001, a study was done by the City of Minneapolis and Metropolitan Council, which indicated that there maybe as many as 5,000 buildings and properties with rainwater connection to the sanitary system. To resolve this issue, both parties will need to identify these properties and work on an alternative for rainwater connection. Once this task is complete, the department of Public Works will be required to hire additional staff to redesign and reconstruct the storm water drainage system. The project will take 3 to 5 years to complete. The estimated cost for 2005 is approximately \$2 million, which will be funded by bonds.

Transfers

In 2005, payments of \$342,000 were transferred to the bond fund for debt service related to the Minneapolis Employee Retirement Fund (MERF) outstanding liability. Transfers to Internal Service funds have been replaced with a rate model which charges the individual costs centers as an expense rather than a transfer at the fund level. Costs for equipment has increased due to a change from hourly billing to monthly billing. This change is projected to dramatically increase the costs for the street cleaning cost center.

Debt Service

The debt service payments are primarily for bonds previously sold to finance the Combined Sewer Overflow (CSO) and flood mitigation programs. The scheduled principal and interest payments for 2005 will be just over \$11 million.



**City of Minneapolis
FY 2005 Budget
Financial Plan (in thousands of dollars)**

Combined Sanitary Sewer Fund 7100 and Stormwater Fund 7300

	2002 Actual	2003 Actual	2004 Budget	2004 Projected	2005 Budget	% Chg from 2004	2006 Forecast	2007 Forecast	2008 Forecast
Source of Funds:									
Federal Government	980	41	310	310					
State Government	566	556	1,159	2,059	920	-20.6%	920	920	920
Local Government	128	290	290	290	167	-42.4%	167	167	167
Charges for Service	64,122	62,626	68,843	64,738	70,237	2.0%	72,672	75,841	78,876
Charges for Sales	5	6	-	-	1		1	1	1
Special Assessments	275	257	115	115	115		120	124	129
Interest	(3)	-	-	-	-		-	-	-
Other Misc Revenues	(60)	25	52	52	60	15.4%	60	60	60
Proceeds of Long Term Liabilities	7,988	6,875	10,519	10,519	5,870	-44.2%	4,900	4,500	2,500
Total	74,001	70,676	81,288	78,083	77,370	-4.8%	78,840	81,613	82,653
Use of Funds:									
PW-Sewer Design	2,338	3,079	5,463	3,607	4,840	-11.4%	4,937	5,036	5,136
PW-Field Services	5,177	5,258	5,810	5,787	6,556	12.8%	6,687	6,821	6,957
PW-Sewer Maintenance	36,530	38,336	43,597	40,171	43,313	-0.7%	44,179	45,063	45,964
Debt Service	10,612	11,147	11,004	11,512	11,016	0.1%	10,093	8,223	7,075
Transfers									
To General Fund	116	63	-	-					
To Debt Service for MERF Liability			288	288	342	18.8%	400	500	600
To BIS Fund	65	66	66	66			-	-	-
To Self Insurance Fund	10	10	10	10			-	-	-
Finance Department	117	137	129	129	1	-99.2%	1	1	1
Human Resources		225	228	228	-		-	-	-
PW- Capital	19,034	12,436	16,317	15,000	9,865	-39.5%	9,117	8,445	6,170
Total	73,999	70,757	82,912	76,799	75,933	-8.4%	75,414	74,088	71,904
Fund Margin	2	(81)	(1,624)	1,284	1,437	-188.5%	3,426	7,525	10,749
Fund Balance	293,665	294,554	292,930	295,838	297,275	1.5%	300,701	308,226	318,976
Cash Balances									
Operating Cash	9,879	7,835	6,211	9,119	10,556	70.0%	13,982	21,507	32,257
Construction Cash	4,198	6,430							
Total Cash Balance	14,077	14,265	6,211	9,119	10,556	70.0%	13,982	21,507	32,257

**City of Minneapolis
FY 2005 Budget
Financial Plan**

Water Fund

This fund accounts for the operation and maintenance of a water delivery system for the City and several suburban city customers. The City currently sells water to seven cities including Bloomington, Columbia Heights, Hilltop, Golden Valley, New Hope, Crystal and Edina.

Historical Financial Performance

The financial condition of this fund has been stable. Retained earnings have been positive the past several years, due primarily to the timing of scheduled rate increases for major capital improvements.

2005 Budget

Revenues

The projected rate increases for the following years is to pay debt service for the capital expenditures for the Hilltop reservoir and the Ultra-Filtration program, as well as growth in operating expenditures.

Water Utility Recommended Rates

The 2005 budget includes a rate increase for water from \$2.38/unit to \$2.50/unit. The rate increase will provide funding for the Capital Ultrafiltration Program, completion of the SCADA System and for Water Distribution Improvements.

Year	Rate (cost per 100 cubic feet)	Cost Per Month for Average Consumer ¹	% Increase	Total Planned Revenue from Utility Fee
2005	2.50	20.00	5.0%	\$62.1 Million
2006	2.62	20.96	4.8%	\$65.1 Million
2007	2.67	21.36	1.9%	\$66.3 Million
2008	2.75	22.00	3.0%	\$68.3 Million
2009	2.85	22.80	3.6%	\$70.8 Million

¹ Rate is based on cost per 100 cubic feet and assumes 8 units of water is consumed per month.

Note: Total revenue from charges for services in the financial plan exceeds the amount generated by the utility fee because revenue is also deposited in the Water Fund from sources other than utility fees.

Expenditures

The recommended budget provides funding for the capital infrastructure improvement program by decreasing it by 44% from \$37.5 million in 2004 to \$20.9 million in 2004.

The total budget for security in 2005 is \$1.15 million. The Water Fund has 16 (FTE) positions from the Police Department dedicated full time to providing security for Water Works.

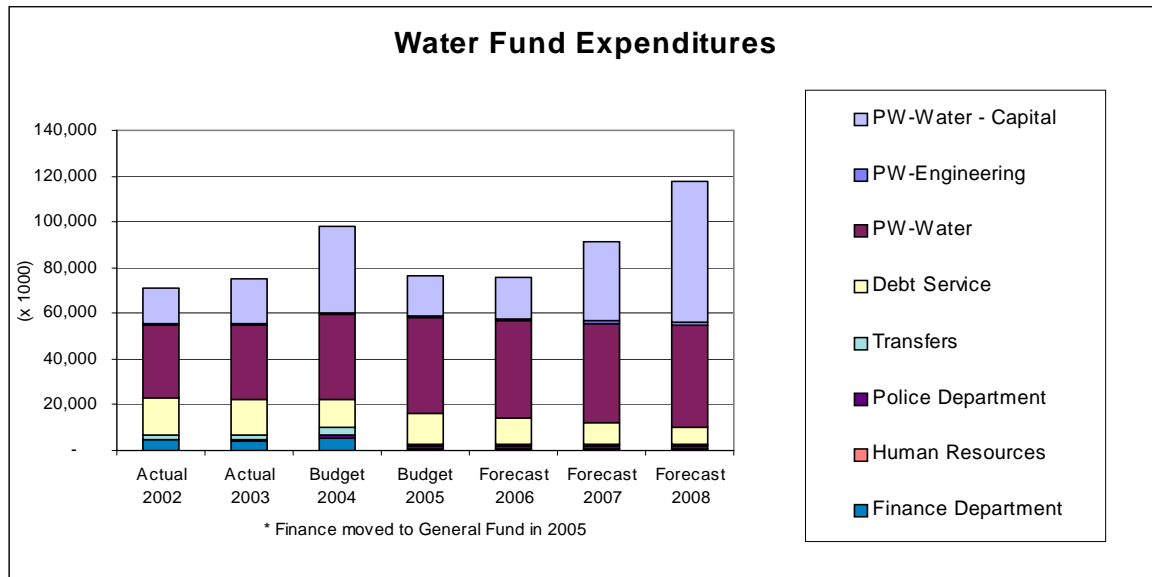
The decrease in the finance cost center is due to the expenses being moved from the water to the general fund. This will also impact the revenue that was received from Sewer and Solid Waste to fund a portion of the program, which has also been redirected to the general fund.

Transfers to Other Funds

The Water Fund will begin incurring a transfer expense related to its share of the Minneapolis Employee Retirement Fund (MERF) pension obligations. The \$0.6 million will be transferred to the bond redemption fund to cover the liability obligations related to Water Fund employees that have retired under the MERF pension plan.

Debt Service

The debt service amounts are primarily for bonds and notes sold to finance the Water-Works Capital Construction program.



**City of Minneapolis
FY 2005 Budget
Financial Plan (in thousands of dollars)**

Water Fund 7400

	2002 Actual	2003 Actual	2004 Budget	2004 Projected	2005 Budget	% Chg from 2004	2006 Forecast	2007 Forecast	2008 Forecast
Source of Funds:									
Property Taxes									
Licenses and Permits	1	1	1	1	1		1	1	1
Federal Government	317	154	-	-	-		-	-	-
Charges for Service	54,733	61,733	66,818	66,818	65,672	-1.7%	66,100	67,334	69,321
Charges for Sales	1,715	679	1,740	1,740	1,780	2.3%	1,816	1,852	1,889
Special Assessments	1,769	1,031	-	-	-		-	-	-
Interest	23	2	-	-	-		-	-	-
Rents	3	-	2	2	1	-50.0%	1	1	1
Other Misc Revenues	2	39	19	19	19		20	20	21
Operating Transfers In	106	615	-	-	-		-	-	-
Proceeds of Long Term Liabilities	8,049	20,923	33,000	33,000	16,000	-51.5%	11,000	28,000	54,400
Total	66,718	85,177	101,580	101,580	83,473	-17.8%	78,937	97,208	125,633
Use of Funds:									
PW-Engineering	662	726	878	878	1,096	24.8%	1,118	1,140	1,163
PW-Water	31,796	32,508	37,586	37,586	43,273	15.1%	44,138	45,021	45,922
Debt Service	15,988	15,186	12,148	12,148	13,611	12.0%	11,287	9,212	7,756
Transfers									
To General Fund	63	63							
To Capital Improvement Fund			80	80					
To Debt Service for MERF Liability	45		483	483	584		602	614	626
To BIS Fund	2,414	2,429	2,526	2,526					
To Self Insurance Fund	27	26	26	26					
Police Department	-	-	1,110	1,110	1,150	3.6%	1,173	1,196	1,220
Human Resources	-	225	228	228	-		-	-	-
Finance Department	4,528	4,332	5,451	5,451	13	-99.8%	13	14	14
PW-Water - Capital	15,726	19,524	37,568	37,568	20,891	-44.4%	17,750	34,650	61,400
Total	71,248	75,019	98,084	98,084	80,618	-17.8%	76,081	91,847	118,101
Water Works Fund Margin	-4,530	10,159	3,496	3,496	2,855	-18.3%	2,856	5,361	7,532
Water Fund Balance	111,612	125,364	128,860	128,860	131,715	2.2%	134,571	139,931	147,464
Cash Balances									
Operating Cash	109	9,502	12,998	12,998	15,853	22.0%	18,709	24,069	31,602
Construction Cash	6,028	4,971							
Total Cash Balance	6,137	14,473	12,998	12,998	15,853	0	18,709	24,069	31,602

**City of Minneapolis
FY 2005
Financial Plan**

Public Works Stores Fund

This fund is used to account for the centralized procurement, receiving, warehousing, and distribution of stocked inventory items, and the purchase of special goods and services through Public Works Central Stores and Traffic Stores operations.

Historical Financial Information

Public Works has operated Central Stores since it was established by the City Council in 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 it was decided that Central Stores would handle all of the City's needs for office supplies and non-specialty items.

A study was completed in June 1998, which included a recommended redesign of the Stores function to include a revamped overhead structure with new directives to utilize the Stores. This has resulted in the fund showing positive net income for years' 2000 through 2003. Projections for 2004 and 2005 also indicate a profit.

2005 Budget

Revenues

Revenues are expected to be sufficient in 2005 to cover expense plus generate a profit. Pricing structure is being looked at in order to lower overhead rates that were needed to create a positive cash flow for a fund that has needed to borrow at year-end. If projections are realized, the fund will not have to borrow cash at year-end beginning in 2005.

Expenditures

Expenditures in the fund are primarily for replenishing the fund's approximate \$3.0 million inventory, which has resulted in the fund continuing to have a negative cash balance. The Public Works and Finance Departments need to review the carrying cost of this inventory level and determine what adjustments may be needed. This may impact future financial plans for this fund. The budget also includes a change in accounting for the General Fund overhead charge that replaces various separate charges for indirect costs that were previously budgeted in separate agencies.

Transfers

There are no transfers

Debt Service

This fund does not have long-term debt.

City of Minneapolis
FY 2005 Budget
Financial Plan (in thousands of dollars)

Public Works Stores Fund 6300

	2002 Actual	2003 Actual	2004 Current Budget	2004 Projected	2005 Budget	% Chg from 2004 Budget	2006 Forecast	2007 Forecast	2008 Forecast
Source of Fund:									
Charges for Services	536	387	475	475	400	-15.8%	416	433	450
Charges for Sales	3,219	4,302	3,145	3,145	3,023	-3.9%	3,143	3,269	3,400
Other Misc Revenues			-		-		-	-	-
Total	3,755	4,689	3,620	3,620	3,423	-5.5%	3,559	3,702	3,850
Use of Funds:									
Personal Services	523	546	576	576	582	1.1%	606	630	655
Contractual Services	25	85	128	128	263	105.3%	273	284	296
Materials and other	3,141	3,980	2,843	2,843	2,492	-12.4%	2,591	2,695	2,803
Rent	61	63	59	59	70	18.9%	73	76	79
Interest			77		-		-	-	-
Transfers	18	14	14	14	-		-	-	-
Total	3,768	4,688	3,697	3,620	3,407	-7.8%	3,543	3,685	3,832
Change in Cash	(13)	1	(77)	-	15	-120.1%	16	17	17
Cash Balance	2	3	(74)	3	18	-125.0%	19	36	53
Fund Margin	288	306	(77)	-	15	-120.1%	16	17	17
Fund Balance	2,201	2,507	2,430	2,507	2,522	3.8%	2,523	2,540	2,557

**City of Minneapolis
Engineering Materials and Testing
Fund 6000**

Background

This fund is used to account for the operation of the City's Asphalt Plant and Engineering Laboratory. The Laboratory provides in-lab and on-site testing and soil boring services to ensure quality control of asphalt, concrete and soils for projects.

Historical Financial Information

Each spring, the asphalt plant establishes product prices for each bituminous mix based on the estimated demand that year and the costs for making that mix. The 2002 actual production was lower than original estimates, which has had a negative impact on the fund balance. In 2003 the decision to delay the closing of the asphalt plant due to a positive outlook on paving projects and the usage of bituminous resulted in operating income for the fund of \$78,000. The decision to close the Plant at the end of 2003 resulted in a \$777,000 loss with the disposal of this asset. Net asset position decreased to \$780,000 in 2003 from \$1,489,000 in 2002. This fund will generate revenue in 2005 from Engineering Services at the lab and processing the purchasing of Concrete and Asphalt from outside vendors. Product types and quantities will be identified for its customer departments.

This fund will lose money in 2005 and thereafter until expenses and the resulting revenues charged to customers reflects the change in business and the necessary costs for operations.

2005 Budget

Revenues

Revenues and expenditures are based on the anticipated projects for the year.

Expenditures

The expenditures are based on Paving Lab personnel and expense to purchase Asphalt and Concrete. The budget also includes a change in accounting for the General Fund overhead charge that replaces various separate charges for indirect costs that were previously budgeted in separate agencies.

Transfers

The 2005 budget includes a transfer out of \$61,000 for debt service related to the MERF unfunded retirement fund.

**City of Minneapolis
FY 2005 Budget
Financial Plan (in thousands of dollars)**

Engineering, Materials, and Testing - 6000

	2002 Actual	2003 Actual	2004 Current Budget	2004 Projected	2005 Budget	% Chg from 2004 Budget	2006 Forecast	2007 Forecast	2008 Forecast
Source of Fund:									
Charges for Sales	2,793	5,368	3,200	3,500	3,600	12.5%	3,650	3,796	3,948
Other Misc Revenues			-		-		-	-	-
Total	2,793	5,368	3,200	3,500	3,600	12.5%	3,650	3,796	3,948
Use of Funds:									
Personal Services	1,056	1,133	1,122	1,130	1,006	-10.3%	1,046	1,088	1,132
Contractual Services	377	602	615	320	565	-8.0%	333	346	360
Materials and other	1,565	3,187	2,713	2,400	2,928	7.9%	2,916	3,033	3,180
Rent	119	137	140	140	40	-71.4%	42	43	45
Interest								-	-
Transfers	14	10	10	10	61	530.7%	10	10	10
Total	3,131	5,069	4,599	4,000	4,600	0.0%	4,346	4,520	4,727
Change in Cash	(338)	299	(1,399)	(500)	(1,000)	-28.5%	(696)	(724)	(779)
Cash Balance	636	935	(464)	435	(565)	21.6%	(261)	(984)	(1,763)
Fund Margin	(292)	(709)	(1,399)	(500)	(1,000)	-28.5%	(696)	(724)	(779)
Fund Balance	1,489	780	(619)	280	(720)	16.2%	(416)	(1,139)	(1,918)

**City of Minneapolis
FY 2005 Budget
Financial Plan**

Intergovernmental Services Fund

This fund is used to account for business information services (information and technology), central mailing and printing services, and telecommunications operations.

The City Council approved a Financial Workout Plan for the Intergovernmental Services Fund in September 2000, to resolve both the annual operating deficit and accumulated cash deficits for this fund. An update to this plan was approved in January 2003. The original plan projected a positive operating margin by year 2003 and positive cash flow to the fund by year 2008 if the following were realized:

1. Refund Existing Outstanding Variable Rate Debt.

During 2000, The City issued \$22.8 million, 12-year, fixed rate bonds. These bonds were used to refund existing 7-year, variable rate bonds.

2. Identify Level of Funding Available for Capital Projects.

The original plan committed to finishing "in flight" capital projects totaling \$12.2 million. During 2002 that number increased by \$2.1 million. The increase was necessary to finish construction of the Engineering 2000 software program. The additional costs were financed on a pay-as-you-go basis by the Public Works department. The 2003 budget provided a base budget of \$1 million for core infrastructure investments.

3. Reduce Information Technology Operating Expenditures.

The original workout plan called for a \$1.5 million reduction in 2002. The savings were realized through a conversion of contractors to city positions and an overall reduction in contractual expenses. Despite these expense reductions, the overall budget for BIS increased by \$3 million because of \$2.3 million in costs related to software licensing, integration of GIS application support and hardware/software maintenance contracts. In addition, an accounting change related to the Program Management Division resulted in an additional \$880,000 in revenue and expense budget. The managed services (outsourcing) contract executed with Unisys in 2003 will require no additional expense for the department. Conversely, it is expected to generate savings by avoiding future capital expenses such as hardware refresh, data center move and disaster recovery.

4. Commit \$1.2 million in Additional Annual General Fund Resources.

Since the original workout plan was adopted in 2000, annual adopted budgets have included the \$1.2 million increase.

5. All City Funds, Except the General Fund, Must Provide Pay-As-You-Go Funding for Business Information Systems (BIS).

Departments have complied with this direction. Examples of this cooperation are, \$1.9 million funding from Public Works for E2K, \$100,000 from Finance for a MUPS upgrade, \$250,000 from Human Resources for an HRIS upgrade.

6. Adjust the Rates Paid by User Departments/Funds on an Annual Basis.

The original and updated workout plan assumes and plans for a 2-3% budgetary increase annually.

7. Eliminate Internal Working Capital Charge.

During 2000, the working capital charge was eliminated for the Intergovernmental Services Fund. This resulted in annual savings of \$160,000.

8. Implement Permanent Inter-Fund Loans.

During 2000, the Convention Center and Convention Facilities Reserve Fund loaned \$12.8 million to the Intergovernmental Services Fund.

9. Develop User Rates for Information Technology Services.

During 2002, the Finance Department developed a rate model for the fund using an accounting industry standard known as Activity-Based Costing. The model allocates costs to customers on a "level of effort" basis. The model will be used to allocate costs to departments for GASB34 compliant financial statements beginning in 2002 and has been incorporated in the 2005 annual City operating budget.

Historical Financial Performance

Net assets were affected by the re-alignment 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 causes fund assets now to have a balance of negative \$40 million at year-end 2002 it better represents the financial condition of the fund and the importance of implementing the strategies to meet the guidelines of the workout plan. This trend will

be reversed under the plan, if the assumptions hold. The operation was projected to lose \$2.9 million in 2001 (as reflected in the workout plan) but only lost \$2.4 million. A loss of \$4.6 million in 2002 leaves the net assets \$2.7 million behind the workout plan after the one-time adjustment is factored in. However cash improved nearly \$1 million from 2001 to 2002. The workout plan had anticipated a negative \$16.4 million year end cash balance and the actual amount was a negative \$15.9 million, or \$0.5 million more positive than what was planned.

2005 Budget

Revenues

The workout plan required an additional \$1.0 million in 2001 and \$1.2 million annually from 2002-2008 of increased revenue from the property tax supported funds (General Fund), to fund the cost of providing information technology services. In 2003, as a result of Local Government Aid cutbacks, the Business Information Services Department (formerly the Information Technology Services Department) was directed to reduce operating costs by \$1.2 million from the original adopted 2003 budget. BIS did reduce expense by this amount and the General Fund is contributing \$1.2 million less in revenue to the Intergovernmental Services Fund as a result of this decision.

GIS operations have been moved from the General Fund to the Intergovernmental Services Fund as part of the 2005 budget. This transfer did not impact net performance (expense and revenue) of either the General Fund or the Intergovernmental Services Fund.

Charges for service were increased to reflect the additional revenue that the project management division in BIS has been generating by providing services and then direct charging city departments for the services they receive above and beyond the normal service level provided. The total amount is approximately \$800,000 in additional revenue, which was added to the project management division appropriation.

Rate Model Implications

BIS is using an Activity-Based Costing "Rate Model" to recover its operating costs for 2005. The rate model and the revenue generated from it changes how revenue is budgeted within the fund and how customer expenses are budgeted within theirs. Formerly, BIS received its revenue through non-operating "Transfers" or subsidies primarily from the General Fund and the Enterprise Funds. With the advent of the Rate Model, revenues in BIS are budgeted as "Charges for Service" vice "Transfers In". Conversely, customer expenses are budgeted as "Contractual Services" vice "Transfers Out". This change will show as increases to department operating budgets.

The rate model has 4 components on the customer expense side: Rate Model, Telephony, Data Connectivity, Special Telephone Charges. Revenues generated through the rate model will recover:

- a) BIS operating costs at a level that conforms to the Council adopted workout plan
- b) Projected operating increases related to the purchase of a new phone system
- c) Debt service resulting from phone system purchase
- d) Lease payments to Motorola for Constituent Relationship Management (CRM) software.

Expenses

BIS has contracted with Unisys as part of its Outsourcing of Technology Operations Plan, which was implemented in 2003. Unisys will own and maintain desktop and server equipment plus the related operating software under this plan. BIS will move away from managing technology and concentrate on providing business analysis and information services.

Expenses in the Intergovernmental Services Fund are comprised of the operating expenses (salaries/benefits, contractual, operating, equipment) of BIS and City Clerk. Capital expenditures for information technology investments were budgeted in the City's Permanent Improvement Fund (4100), but now are budgeted in the BIS fund. This has caused an increase in depreciation expense, which the fund is not collecting when debt service for assets exceeds the life of the asset.

A major cost not reflected in the workout plan for this fund is \$8 million in annual depreciation expenses. This expense will continue to cause losses to the fund that are currently not charged to customers through the rate model. As a result, BIS financial position will continue to decline and system replacement will pose future challenges as supplemental capital appropriations will be needed.

The budget also includes a change in accounting for the General Fund overhead charge that replaces various separate charges for indirect costs that were previously budgeted in separate agencies.

Transfers

The rate model for Business Information Services has been finalized and Internal City customer departments will find a charge to their areas versus a transfer as in previous years. The remaining amount in transfers in (revenue) relates to a transfer from the General Fund to subsidize BIS debt service payments. BIS also has a transfer out (expense) in support of the debt service for the unfunded pension liability.

Debt Service

The remaining variable rate debt of \$16.1 million was retired in 2001 with the \$22.8 million of fixed rate debt that was issued in December of 2000. The final pay-off year was extended from 2005 to 2012 with no principal being paid until 2009. This coupled

with the payoff by 2006 of debt issued prior to December of 2000 reduces debt service needed in 2007 and 2008. The City re-directed \$2.7 million of General Fund resources dedicated to variable rate debt, towards funding the operating costs of BIS. This reduced the annual operating deficit for the fund by \$2.7 million. The financial plan reflects this change through 2006.

**City of Minneapolis
FY 2005 Budget
Financial Plan (in thousands of dollars)**

Intergovernmental Services Fund

	2002 Actual	2003 Actual	2004 Current Budget	2004 Projected	2005 Budget	% Chg from 2004 Budget	2006 Forecast	2007 Forecast	2008 Forecast
Revenue									
Charges For Service	5,498	4,098	5,558	2,711	19,726	254.9%	20,318	20,927	21,555
Charges for Sales	-	-	10	2	10		11	11	12
Interest	-	-	-	-	-		-	-	-
Gains	(1)	-	-	(150)	-		-	-	-
Other Miscellaneous Revenue	2,937	-	40	1	-		-	-	-
Proceeds of Bonds Issued	-	1,000	2,950	2,950	2,000	-32.2%	2,720	3,000	2,950
Operating Transfers In	18,926	17,519	22,265	22,265	7,948	-64.3%	8,291	8,065	8,454
Total	27,360	22,617	30,823	27,779	29,684	-3.7%	31,340	32,004	32,972
Expenses									
Transfers	427	7	7	7	124	1673.6%	135	139	143
Debt Service	4,061	3,965	7,977	6,766	8,266	3.6%	7,738	1,434	1,434
City Clerk	1,254	947	1,090	1,045	1,111	1.9%	1,087	1,119	1,153
Human Resources	170	128	186	85	192	3.0%	197	203	209
Finance Department	168	188	191	191	-		-	-	-
Capital Outlay	6,120	1,000	10,448	2,950	2,000	-80.9%	2,720	3,000	2,950
Information & Tech Services	17,302	18,504	18,255	18,255	20,144	10.3%	18,964	19,533	20,119
Total	29,502	24,739	38,154	29,299	31,837	-16.6%	30,841	25,428	26,008
Intergovernmental Services Fund Margin	(2,142)	(2,122)	(7,331)	(1,520)	(2,153)		499	6,576	6,964
Intergovernmental Services Fund Balance	(32,984)	(39,794)	(47,125)	(34,504)	(36,657)		(36,158)	(29,582)	(22,618)
Intergovernmental Services Cash Balance	(16,728)	(18,850)	(26,181)	(20,370)	(22,523)		(22,024)	(15,448)	(8,484)

**City of Minneapolis
FY 2005
Financial Plan

Equipment Fund**

Background

This fund accounts for the ownership and operation of a fleet of approximately 1,200 vehicles, and other pieces of motorized equipment; as well as 400 vehicle accessories (such as plow blades). The City's fleet of vehicles and equipment is the largest portion of the Fund's assets and has an estimated replacement value of approximately \$75.1 million.

The Equipment Fund rents vehicles and other equipment to other City departments. For example, it provides police vehicles, fire trucks, heavy-construction equipment, snowplows, and other maintenance equipment to City departments. In addition, the Fund provides drivers and operators for equipment as necessary.

Historical Financial Performance

Revenue from Charges for Service

During the 1990's the Equipment fund was not recovering all of its costs. In 2000 the Fund had a deficit cash balance of over \$17.8 million. Early in 2001 the Finance Department and the Public Works Department developed a workout plan for the fund, that has raised the revenues sufficiently to cover the full cost of operations. Because of the workout plan, the Fund has sufficient revenue to match its expenses.

Cash and Net Assets Balances

Under the current workout plan, fleet purchases will be financed with bonds through 2008. This strategy, together with other measures in the workout plan, will cause the cash position in the fund to improve. Upgrading the fleet will reduce the average age of the fleet, thereby reducing maintenance costs. The workout plan will be revised in the next year to update the plan to reflect current circumstances.

2005 Budget

Change in Accounting Practices

Starting in 2005, the equipment services division budget, both expenditures and revenues, will be increased due to intra-fund charges. This is used by organizations within the fund, charging other organizations within the fund for services and sales. Since the expenditures and Revenues match, this will have no effect on how the fund as a whole performs. This change increases the expenses and revenues evenly, and allows the managers to manage segments of this fund more effectively.

Revenue

Starting in 2004, the equipment division has been using an activity-based costing approach to bill the internal customers. This has resulted in setting a rental rate for the fleet that covers the replacement of the vehicles after the useful life; and maintenance, repairs and fuel separately. All of these charges will be billed at a rate that allows the equipment division to match its expenses. Revenue estimates for 2005 are higher than 2004 due to a change in accounting practices related to intra-fund charges. This is not an increase in service level, and does not have a financial impact to the City.

Expenditures

Overall expenditures in 2005 will decrease by \$1 million from the 2004 Budget. This is due to a reduction of \$6 million in Capital purchases due to the delivery of a large amount of fire equipment in 2004 that was ordered in 2003 to update a very old fleet, and also to accommodate a change in vehicles that the Fire Department is using. Operating expenses will increase due to a change in accounting practices related to intra-fund charges. The accounting practices change is not a change to service level, and does not have a financial impact to the City. The budget also includes a change in accounting for the General Fund Overhead charge that replaces various charges for indirect costs that were previously budgeted in separate agencies.

Transfers to Other Funds

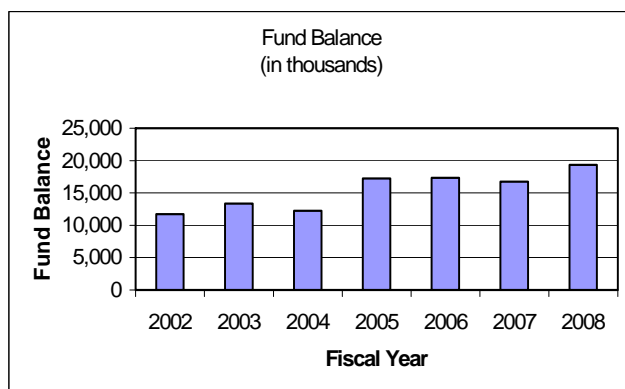
The 2005 budget includes a transfer out of \$262,937 for debt service related to the MERF unfunded retirement fund. The Business Information Services (BIS) and Self-Insurance funds used to receive transfers from the equipment fund, but starting in 2005 the financial plan will show these transfers as expenditures.

Debt Service

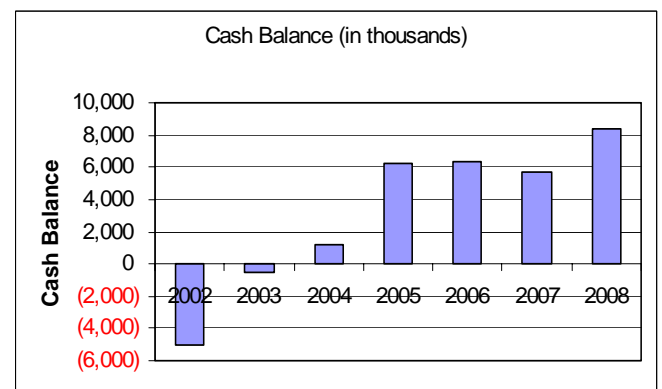
As part of the fleet modernization effort that began in 1997, the City issued bonds to finance fleet upgrades and to build new maintenance facilities. Principal and interest payments totaling \$6.3 million will be due on these bonds in 2005. Consistent with the fund's workout plan, modified for the fire apparatus replacement program, \$5.5 million in bonds will be issued for fleet replacement in 2005.

Fund Balance

Part of the workout plan is to increase the fund balance of Net Assets and cash. The following chart illustrates how the fund is doing:



City of Minneapolis – Equipment Services Financial Plan



Council Adopted Budget

City of Minneapolis
 FY 2005 Budget
 Financial Plan (in thousand of dollars)

Equipment 6100

	2002 Actual	2003 Actual	2004 Current Budget	2004 Projected	2005 Budget	% Change From 2004 Budget	2006 Forecast	2007 Forecast	2008 Forecast
Source of Funds:									
Charges for Service	514	602	4,972	5,600	7,389	49%	8,000	8,100	8,300
Charges for Sales	2,570	2,537	5,145	3,600	6,434	25%	7,000	7,100	7,300
Interest	0	1	1	1	1	0%	1	1	1
Gains	40	12	200	5	200	0%	200	200	200
Rents	27,958	28,772	24,138	24,000	27,267	13%	29,881	30,473	31,820
Other Misc Revenue	460	589	310	250	310	0%	315	315	315
Operating Transfers in	0	1,819	2,180	2,180	4,180	92%	4,000	4,000	4,000
Proceeds from long term liabilities	6,444	5,596	10,363	11,863	5,540	-47%	0	0	0
Total	37,985	39,928	47,309	47,499	51,321	8%	49,397	50,189	51,936
Use of Funds:									
Debt Service	1,381	1,629	1,571	1,571	6,348	304%	7,761	7,435	3,988
Transfers	91	61	62	62	263	324%	270	280	290
PW Equipment	34,683	30,557	34,365	33,323	35,275	3%	36,600	37,340	38,080
Finance	506	482	573	573	0	-100%			
PW Equipment Capital	5,473	5,596	11,863	11,863	5,540	-53%	6,140	6,240	7,200
Total	42,134	38,325	48,434	47,392	47,426	-2%	50,771	51,295	49,558
Fund Margin	(4,149)	1,603	(1,125)	107	3,895		(1,374)	(1,106)	2,378
Fund Balance	11,722	13,325	12,200	13,432	16,095		14,721	13,615	15,993
Cash Balance	(4,995)	(502)	1,224	2,456	6,262		4,888	3,782	6,160

Note:

The 2005 Recommended Budget reflects a change in accounting and budgeting practice for the Equipment Services Fund. As a result, the annual percentage change figures comparing the 2004 budget to the 2005 Mayor's Recommended budget are significantly impacted.

The cash balance listed is operating cash, excluding bond funds available, and capital appropriations.

**City of Minneapolis
FY 2005
Financial Plan**

Property Services Fund

Background

This fund accounts for the physical management and maintenance of fire stations, police precinct buildings, the Public Service Center, parking ramps, and various other office locations. It also accounts for the coordination and management of special projects. Parking ramp maintenance and the radio shop operations were added to this fund in 2002. This aligned operations along the lines of the Public Works reorganization. In 2004 Property Services added two more areas to its list of duties: space and asset management, and security management. Security management is part of the increase in security that has come about since the 9/11 attacks.

Historical Financial Performance

The proposed building rental rates are based on a three-year actual expenditure average. In 1998 and 1999 rates were not increased to fully cover the expenditures in this fund, in order to reduce pressure on customer budgets. This resulted in negative financial performance during this period and a decline in cash balance. Since 1999, rates have been allowed to be increased annually (to other city departments) in order to fully fund the direct and indirect costs in the Property Services Fund. The fund currently has a deficit in cash of \$700,000. In 2004, revenues are expected to equal expenditures.

2005 Budget

Revenues

The increase in revenues from 2004 to 2005 is related to three new ramps that this fund will be maintaining.

Expenditures

The 2005 budget includes maintenance for three additional ramps. This additional expense is recovered through charges to the Transportation fund, which is managing these ramps. The budget also includes a change in accounting for the General Fund overhead charge that replaces various charges for indirect costs that were previously budgeted in separate agencies.

Community Planning and Economic Development (CPED) Merging with the City of Minneapolis

Part of the merger between CPED and the City of Minneapolis starting in 2005 is that the Property Services fund will take over the maintenance of property and buildings that was formerly maintained by CPED. This will result in an increase to Expenses and Revenue of \$830,000.

Transfers to/from Other Funds

The 2005 budget includes \$83,000 of transfers out to other funds to cover the cost of Human Resources and Self Insurance. In addition, the Property Services Fund includes a \$699,163 transfer in from the General Fund to fund a portion of the debt service for 800 MHz radio system. Prior to the changes resulting from the implementation of GASB 34, debt service for 800 MHz radio system was paid from the Bond Redemption Fund versus the Property Services Fund. The Debt Service for 800 MHz radio system is now funded as follows:

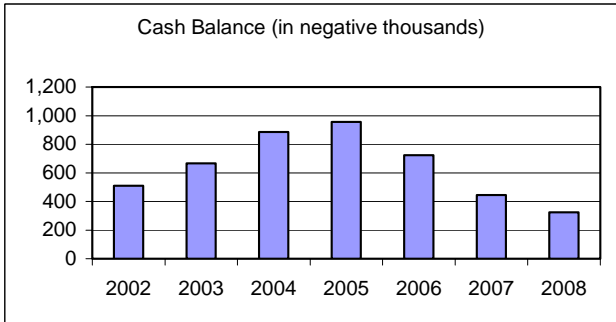
\$699,163	Transfer from the General Fund
\$350,000	Property services rent charges
\$1,049,163	Total Debt Service (year 2005)

Capital Project and Debt Service

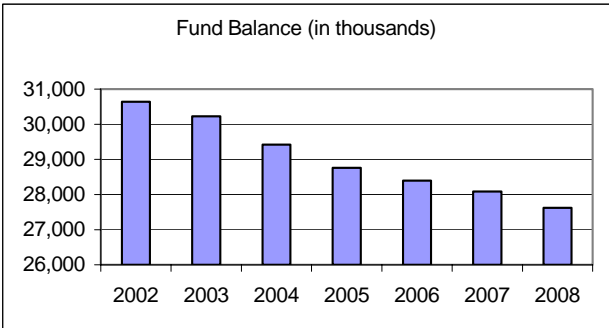
The Radio Shop, a division with the Property Services Fund, has management responsibility for the \$16 million 800 MHz Radio System, which will be fully installed in 2004. As mentioned earlier, the fund recognizes the fixed assets along with the debt related to this project. The Radio Shop is participating in the funding for the Safety Initiative, by contributing \$350,000 a year since 1998.

Fund Balance

The Property Services Fund has a positive net asset balance of \$29 Million in 2004. However, this fund does not recover for the depreciation of the buildings that are assets in the fund. Therefore, the fund balance will continue to fall every year, even though the fund is breaking even in terms of cash, keeping the cash balance at around a deficit of \$700,000.



City of Minneapolis – Property Services Financial Plan



Council Adopted Budget

City of Minneapolis
 FY 2005 Budget
 Financial Plan (in thousand of dollars)

Property Services Fund 6200

	2002 Actual	2003 Actual	2004 Current Budget	2004 Projected	2005 Budget	% Chg From 2004 Budget	2006 Forecast	2007 Forecast	2008 Forecast
Source of Funds:									
Changes for Services	5,118	4,777	4,433	4,890	6,381	44%	6,400	6,450	6,500
Charges for Sales	649	511	880	458	386	-56%	400	410	420
Rents	5,929	6,214	6,339	6,200	6,648	5%	6,700	6,800	6,900
Other Misc Revenues	26	184	441	400	2	-100%	450	460	470
Operating Transfers In	1,665	389	842	842	812	-4%	863	863	863
Proceeds of long term liabilities	6,425	1,166				0%	0	0	0
Total	19,812	13,241	12,935	12,790	14,229	10%	14,813	14,983	15,153
Use of Funds:									
Property Services Administration	180	201	160	180	566	254%	600	600	600
Radio Equipment	1,642	1,661	2,214	1,513	2,283	3%	2,300	2,350	2,400
Municipal Market	15	59	31	27	31	0%	32	33	34
Facilities Management	9,255	9,604	9,596	9,380	11,054	15%	11,100	11,150	11,200
Capital Expenditure	7,109	1,166				0%	0	0	0
Project Management	152	229	382	0		-100%	0	0	0
Debt Service	123	502	1,213	1,213	1,049	-14%	1,213	1,213	1,213
Transfers	286	117	33	33	86	161%	108	110	112
Finance	103	115	117	117		-100%			
Total	18,865	13,654	13,746	12,463	15,069	10%	15,353	15,456	15,559
Property Services Fund Margin	947	(413)	(811)	327	(840)		(540)	(473)	(406)
Property Services Fund Balance	30,641	30,228	29,417	30,555	28,577		28,037	27,564	27,158
Property Services Cash Balance	(510)	(666)	(886)	32	(1,136)		(1,086)	(969)	(785)

**City of Minneapolis
FY 2005
Financial Plan**

Self-Insurance Fund

The Self-Insurance Fund is used to account for employee 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.

Historical Financial Performance

The net assets of the Self-Insurance Fund reflected a negative position \$41.0 million at year-end 2003, improving \$8.0 million the last three years from a low of \$49.0 million in 2000. The majority of this negative balance is due to the required accounting recognition of liability claims that have occurred but are not reported.

In 2000, the negative net asset balance increased by \$17.1 million due to two major factors. The first was an \$8.75 million settlement in which bonds were issued to pay off a legal judgement. The second was a \$7.7 million accounting adjustment to "unpaid claims" liability due to the financial results of a recent actuarial study.

During 2003, the City Council adopted a financial plan for the Self Insurance Fund which will result in the fund reaching a positive cash balance by year 2006, from a low of a negative \$8.2 million at year end 2001.

2005 Budget

Revenues/Expenditures

Medical and Life programs are fully contracted-out so that revenues and expenses should be equal at year-end as premiums are determined by and paid to the contractors. For 2004, the City has contracted with Blue Cross Blue Shield as the health insurance carrier. The City's contract with Blue Cross Blue Shield expires at the end of 2006. For planning purposes, the City has assumed a 20% increase in health insurance premiums for year 2005.

The Dental and Minneflex program premiums are estimated, and actual costs are expensed.

The Unused Sick Leave Program provides a payout of unused sick leave to qualified employees at 50% pay. Payments are funded by 0.7% gross pay contributions from the City, Park Board, and Library Board into a severance pool. The rate for City Police

Officers and Firefighters is 1.1% of gross pay. This program was reviewed for compliance with IRS guidelines and modified for year 2002.

The Alternative Dispute Resolution (ADR) Program was established through funds collected through payroll deductions and direct payment as agreed to in previous labor contracts. Occupational Health actual expenses are billed to departments.

The Workers Compensation payments are estimated at \$8.0 million for 2005. This is a 4% increase over the prior year.

The Liability Program expenditures were significantly higher in 2003 than anticipated due to an \$10.0 million legal settlement. The base budget includes funding for the \$1.1 million (average) in annual debt service that was required to service the debt related to the \$8.75 million settlement in 2000, for which bonds were issued to finance the payout, for the next 10 years.

The budget also includes a change in accounting for the General Fund overhead charge that replaces various separate charges for indirect costs that were previously budgeted in separate agencies.

Debt Service

The 2004 adopted budget includes full funding for debt service payments on \$4.0 million in bonds issued in 1995, \$1.0 million in bonds issued in 1996, and the \$8.8 million previously mentioned. They are variable rate and only the \$8.8 issuance will have an outstanding balance of \$5.9 million at the end 2004 as the others mature.

**City of Minneapolis
FY 2005 Budget
Financial Plan (in thousands of dollars)**

Self Insurance Fund

	2002 Actual	2003 Actual	2004 Current Budget	2004 Projected	2005 Budget	% Chg from 2004 Budget	2006 Forecast	2007 Forecast	2008 Forecast
Source of Funds:									
Charges for Service	49,961	54,817	59,771	57,187	56,818	-4.9%	58,523	60,278	62,087
Interest	-	-	-	-	-		-	-	-
Other Misc Revenues	5,508	5,653	2,828	3,731	5,427	91.9%	5,590	5,758	5,930
Operating Transfers In	2,244	10,779	3,779	2,910	3,885	2.8%	4,002	4,122	4,245
Total	57,713	71,249	66,378	63,828	66,130	-0.4%	68,114	70,157	72,262
Use of Funds:									
Debt Service	1,664	94	1,217	1,217	1,204	-1.1%	1,240	1,278	1,316
Transfers	2	5	6	6	125	1990.2%	129	133	137
Health and Welfare	37,774	43,875	44,342	44,414	45,011	1.5%	46,361	47,752	49,185
Attorney	4,265	4,250	4,773	4,237	4,986	4.5%	5,136	5,290	5,448
Workers Compensation	8,104	6,047	7,762	5,974	8,083	4.1%	8,325	8,575	8,833
Liability	2,412	12,538	5,062	5,915	3,289	-35.0%	3,388	3,489	3,594
Human Resources	587	441	615	533	700	13.8%	721	743	765
Finance Dept	1,314	1,725	1,616	1,295	1,551	-4.0%	1,598	1,645	1,695
Total	56,122	68,975	65,393	63,591	64,950	-0.7%	66,898	68,905	70,972
Fund Margin	1,591	2,274	985	237	1,180	19.8%	1,216	1,252	1,290
Fund Balance	(43,255)	(40,983)	(39,998)	(40,746)	(39,566)	-1.1%	(38,350)	(37,098)	(35,808)
Cash Balance	(6,620)	(6,620)	(5,635)	(6,383)	(5,203)	-7.7%	(3,987)	(2,735)	(1,445)

**SCHEDULE ONE
FUND SUMMARY - CHANGES TO FUND BALANCE**

	2005 Estimated Beg. Balance	2005 Projected Revenues	2005 Total Appropriations	Change in Fund Balance	2005 Estimated End Balance
GENERAL FUND	45,581,576	285,793,134	291,293,134	-5,500,000	40,081,576
Total General Fund - City	45,581,576	285,793,134	291,293,134	-5,500,000	40,081,576
ARENA - RESERVE	1,128,362	3,059,500	0	3,059,500	4,187,862
BOARD OF ESTIMATE AND TAXATION	166,293	254,281	266,046	-11,765	154,528
CDBG & UDAG FUNDS	-98	23,228,000	23,611,811	-383,811	-383,909
COMMUNITY DEVELOPMENT	27,426,458	2,010,376	3,391,908	-1,381,532	26,044,926
COMMUNITY DEVELOPMENT INVESTMENT FUND	3,920,806	537,410	1,020,289	-482,879	3,437,927
CONVENTION CENTER OPERATIONS	11,408,252	68,444,475	71,798,599	-3,354,124	8,054,128
CONVENTION FACILITES - RESERVE	5,962,450	1,150,000	2,531,000	-1,381,000	4,581,450
CPED Operating	5,030,471	-105,417	10,769,624	-10,875,041	-5,844,570
DEVELOPMENT ACCOUNT	13,431,097	565,386	1,869,899	-1,304,513	12,126,584
ECONOMIC DEVELOPMENT PROGRAM	799,982	3,082,239	3,232,028	-149,789	650,193
EMPLOYEE RETIREMENT	-203,808	10,139,800	10,139,800	0	-203,808
FEDERAL EMPOWERMENT ZONE	195,000	0	22,319	-22,319	172,681
GRANTS - FEDERAL	-1	17,852,074	17,371,539	480,535	480,534
GRANTS - OTHER	495,372	11,015,484	11,236,820	-221,336	274,036
HOME OWNERSHIP WORKS	-1,474,506	0	0	0	-1,474,506
HOUSING FINANCE	50,443	0	0	0	50,443
HOUSING PROGRAM	4,039,294	1,110,540	1,936,564	-826,024	3,213,270
JOINT BOARD	70,260	0	0	0	70,260
LIBRARY - GENERAL FUND	3,405,318	19,607,850	20,220,237	-612,387	2,792,931
MCDA CDBG	4,051,668	0	0	0	4,051,668
MCDA FEDERAL GRANTS-OTHER	604,960	8,100,000	6,582,700	1,517,300	2,122,260
MCDA LEVERAGE INVESTMENT	72,177	62,020	0	62,020	134,197
MCDA NEIGHBORHOOD DEVEL ACCT	6,830,253	235,000	100,000	135,000	6,965,253
MCDA STATE GRANTS & LOAN	3,666,402	0	0	0	3,666,402
MCDA UDAG LEVERAGE INVESTMENT	999,844	0	0	0	999,844
MEDC	193,256	0	0	0	193,256
MUNICIPAL BUILDING COMMISSION	1,125,552	7,181,281	7,341,644	-160,363	965,189
NEIGHBORHOOD HOUSING	392,310	151,453	234,175	-82,722	309,588
NEIGHBORHOOD REVITAL POLICY	142,791	1,475,912	1,478,212	-2,300	140,491
NRP ADMINISTRATION	1,228,533	836,504	966,525	-130,021	1,098,512
PARK - FORESTRY	3,698	0	0	0	3,698
PARK - GENERAL FUND	6,086,123	49,386,332	49,786,332	-400,000	5,686,123
PARK - GRANT & SPECIAL REVENUE	853,161	943,200	943,200	0	853,161
PARK - MUSEUM (ART INSTITUTE)	0	9,064,332	9,064,332	0	0
PARK-SPEC REV-INTEREST BEARING	8,740	0	0	0	8,740
POLICE DEPT - SPECIAL REVENUE	373,046	2,279,422	2,279,514	-92	372,954
RESIDENTIAL HOUSING	1,276,047	80,092	346,287	-266,195	1,009,852
THEATRES	219,970	4,280,792	1,236,469	3,044,323	3,264,293
UPPER RIVER LAND BANK	15,471	0	148,995	-148,995	-133,524
YOUTH COORDINATING BOARD	454,872	3,561,931	3,846,931	-285,000	169,872
Total Special Revenue Funds	104,450,322	249,590,269	263,773,799	-14,183,530	90,266,792
01 August Assessment Bonds	-18	0	0	0	-18
10TH AND WASHINGTON	129,100	117,642	107,771	9,871	138,971
110 GRANT	-265,764	0	0	0	-265,764
13th and Harmon	-201,676	370,224	0	370,224	168,548
2700 EAST LAKE	5,390	53,089	0	53,089	58,479
2ND ST N HOTEL/APTS TOWNPLACE	166,786	208,212	0	208,212	374,998

**SCHEDULE ONE
FUND SUMMARY - CHANGES TO FUND BALANCE**

	2005 Estimated Beg. Balance	2005 Projected Revenues	2005 Total Appropriations	Change in Fund Balance	2005 Estimated End Balance
36TH AND MARSHALL	55,450	145,572	0	145,572	201,022
50TH & FRANCE	35,922	190,686	0	190,686	226,608
900 6TH AVENUE SOUTH	0	62,851	152,462	-89,611	-89,611
900 NICOLLET TAXABLE	0	0	0	0	0
900 NICOLLET TAX-EXEMPT	0	0	0	0	0
96 CONSTRUCTION BONDS	8,533	0	0	0	8,533
96 IMPROVEMENT BONDS	0	0	0	0	0
96 NON CONSTRUCTION BONDS	0	0	0	0	0
97 CONVENTION CENTER BONDS	0	0	0	0	0
97 FLEET BONDS	0	0	0	0	0
97 IMPROVEMENT BONDS	0	0	0	0	0
97 SERIES B BONDS	74,545	0	0	0	74,545
98 (OCTOBER) BONDS	0	0	0	0	0
98 VAR RATE BONDS	0	0	0	0	0
ARBITRAGE 1990 PARK BONDS	0	0	0	0	0
ARBITRAGE 1990 VARIOUS PURPOSE	0	0	0	0	0
ARBITRAGE 1991 PARK BONDS	0	0	0	0	0
ARBITRAGE 1991 VARIOUS PURPOSE	0	0	0	0	0
ARBITRAGE 1992 PARK BONDS	0	0	0	0	0
ARBITRAGE 1992 VARIOUS PURPOSE	0	0	0	0	0
ARBITRAGE 1993 PARK BONDS	20,348	0	0	0	20,348
ARBITRAGE 1993 VARIOUS PURPOSE	0	0	0	0	0
ARBITRAGE 1994 VARIOUS PURPOSE	0	0	0	0	0
ARBITRAGE 1994 WATER & SEWER	0	0	0	0	0
ARBITRAGE 1995 PARK BONDS	28,935	0	0	0	28,935
ARBITRAGE 1995 VARIOUS PURPOSE	0	0	0	0	0
ARBITRAGE 1995 WATER & SEWER	0	0	0	0	0
ARBITRAGE 1995 WATER METERS	0	0	0	0	0
ARBITRAGE SELF INS/FIN SYS BND	0	0	0	0	0
August 01 Variable Purpose	1,809,870	0	0	0	1,809,870
BLOCK 33	64,090	11,623	0	11,623	75,713
BLOCK E	15,193,270	0	0	0	15,193,270
BOTTINEAU	0	79,587	0	79,587	79,587
BROADWAY 35-W	-5,241,283	1,603,113	1,500,000	103,113	-5,138,170
CAMDEN AREA IMPACT	311,580	50	0	50	311,630
CAMDEN MEDICAL FACILITY	64,580	37,579	0	37,579	102,159
CAPITAL PROJECTS- OTHER	5,619,247	750,000	454,425	295,575	5,914,822
CAPITAL PROJECTS-ARBITRAGE	0	0	0	0	0
CEDAR RIVERSIDE	2,566,597	3,862,140	3,755,000	107,140	2,673,737
CENTRAL & 20TH	195,722	124,876	0	124,876	320,598
CENTRAL AVE MARKET	603	0	0	0	603
CENTRAL CARE NURSING HOME	-700	0	0	0	-700
CHICAGO AND LAKE	406,928	164,200	0	164,200	571,128
CITY CENTER	-163,325	2,475,244	2,375,000	100,244	-63,081
CITY-CAPITAL IMPROVEMENTS FUND	-4,220,934	54,500,909	57,467,685	-2,966,776	-7,187,710
COMMON PROJECT RESERVE	30,359,430	0	0	0	30,359,430
COMMON PROJECT UNCERTIFIED	7,693,385	1,739,000	311,378	1,427,622	9,121,007
CONSERVATORY	3,323,181	3,363,811	4,878,884	-1,515,073	1,808,108
CREAMETTE DISTRICT 84	103,309	0	33,746	-33,746	69,563
DEC02 LIBRARY REF BONDS	229,182	0	0	0	229,182
DEC02 VARIOUS PURPOSE BONDS	10,007,084	0	0	0	10,007,084
DEEP ROCK TAX INCREMENT	206,935	113,402	15,703	97,699	304,634

**SCHEDULE ONE
FUND SUMMARY - CHANGES TO FUND BALANCE**

	2005 Estimated Beg. Balance	2005 Projected Revenues	2005 Total Appropriations	Change in Fund Balance	2005 Estimated End Balance
DOWNTOWN EAST LRT	4,672,995	0	97,522	-97,522	4,575,473
EAST BANK 1335	1,816,990	2,297,857	2,250,000	47,857	1,864,847
EAST HENNEPIN & UNIVERSITY	-83,924	917,367	594,937	322,430	238,506
East Phillips	0	12,870	0	12,870	12,870
East River/Unocal Site	550,432	0	0	0	550,432
EAST VILLAGE	5,141	230,440	0	230,440	235,581
ELLIOT PARK	655,647	19,487	0	19,487	675,134
FEB99 TARGET STORE RAMP BONDS	0	0	0	0	0
FORMER FED RESERVE	134,950	257,445	9,225	248,220	383,170
FRANKLIN AVENUE	233,109	50,395	31,565	18,830	251,939
Franklin Portland	0	0	40,687	-40,687	-40,687
GRACO TI	-702,836	217,103	20,015	197,088	-505,748
GRAIN BELT	-288	127,069	0	127,069	126,781
Grain Belt Housing Dist 132	0	0	82,076	-82,076	-82,076
GRANT	437,434	874,046	800,000	74,046	511,480
HENNEPIN & 7TH ENTERTAINMENT	3,784,294	1,597,667	814,971	782,696	4,566,990
HENNEPIN & LAKE	87,915	10,692	0	10,692	98,607
HENNEPIN ENTERTAINMENT TE BOND	1,953,350	0	981,252	-981,252	972,098
HERITAGE LAND APTS	180,167	470,959	0	470,959	651,126
Heritage Park	0	0	263,927	-263,927	-263,927
HISTORIC DEPOT REUSE DIST 93	821,571	777,076	882,130	-105,054	716,517
HOLMES	3,370,003	2,362,516	2,250,000	112,516	3,482,519
HOUSING FOR CHRONIC ALCOHOLICS	-305,788	42,680	0	42,680	-263,108
Housing Replacement District #4	0	0	5,162	-5,162	-5,162
HSG REPLACE-WATERSHED 0	79,367	372,782	7,295	365,487	444,854
HSG REPLACE-WATERSHED 3	120,370	0	16,822	-16,822	103,548
HUMBOLDT GREENWAY DIST 98	-1,133,434	137,223	284,563	-147,340	-1,280,774
HUMBOLDT GREENWAY TE BONDS	4,728,502	0	0	0	4,728,502
IDS DATA SERVICE CENTER	2,725,203	3,538,357	0	3,538,357	6,263,560
IMPROV BOND ARBITRAGE	171,330	0	0	0	171,330
INDUSTRY SQUARE	1,954,610	2,249,040	2,226,355	22,685	1,977,295
ITS RELATED BONDS	0	0	0	0	0
IVY TOWER	0	144	118,985	-118,841	-118,841
JUNE 02 VARIOUS PURPOSE BONDS	10,570,882	0	0	0	10,570,882
JUNE00 SEWER FIXED RATE BONDS	0	0	0	0	0
JUNE00 UST/SKYWAY TI BONDS	0	0	0	0	0
JUNE00 VARIOUS PURPOSE BONDS	727,494	0	0	0	727,494
JUNE00 WATER FIXED RATE BONDS	0	0	0	0	0
JUNE99 CONVENTION CENTER BONDS	0	0	0	0	0
JUNE99 VARIOUS PURPOSE BONDS	1,634,782	0	0	0	1,634,782
LASALLE PLACE	2,659,173	1,927,592	404,455	1,523,137	4,182,310
LAUREL VILLAGE	1,339,108	2,435,237	2,609,658	-174,421	1,164,687
LIBRARY-CAPITAL IMPROVEMENTS FUND	-73,347	2,685,000	2,685,000	0	-73,347
LOCAL CONTRIBUTION FUND	7,650,680	0	0	0	7,650,680
LORING PARK	1,596,791	5,011,067	4,900,000	111,067	1,707,858
LOWRY RIDGE	15,918	109,841	0	109,841	125,759
MAGNUM LOFTS	7,129	40,457	0	40,457	47,586
Many Rivers	0	24,281	6,625	17,656	17,656
MBC-CAPITAL IMPROVEMENTS FUND	126,161	1,280,000	1,120,000	160,000	286,161
MERF PENSION BONDS	18,096,754	0	0	0	18,096,754
MILES I	151,394	96,864	0	96,864	248,258
NBA ARENA	1,688,243	1,333,044	1,896,884	-563,840	1,124,403

**SCHEDULE ONE
FUND SUMMARY - CHANGES TO FUND BALANCE**

	2005 Estimated Beg. Balance	2005 Projected Revenues	2005 Total Appropriations	Change in Fund Balance	2005 Estimated End Balance
NEIMAN MARCUS	1,745,924	1,213,763	235,000	978,763	2,724,687
NICOLLET & LAKE	303,445	632,040	547,266	84,774	388,219
NICOLLET FRANKLIN	-31,262	84,039	24,213	59,826	28,564
NICOLLET ISLAND EAST BANK	4,477,388	1,652,854	1,550,000	102,854	4,580,242
NINTH & HENNEPIN	332,053	143,891	11,156	132,735	464,788
NOKOMIS HOLMES	278,027	595,235	0	595,235	873,262
NORTH LOOP	2,318,870	8,105,835	7,950,000	155,835	2,474,705
NOV 00 NIC MALL TI	0	0	0	0	0
NRP	63,125,517	0	0	0	63,125,517
NWIP	827,946	2,768,897	2,650,000	118,897	946,843
OCT 01 CONV CTR BONDS	7,546,527	0	0	0	7,546,527
Parcel C Tax Increment District	932,306	72,502	27,126	45,376	977,682
PARK-CAPITAL IMPROVEMENT FUND	2,409,524	4,570,900	4,570,900	0	2,409,524
PARK-CAPITAL IMPROVEMENT-ASSESSED FUND	0	500,000	500,000	0	0
PHILLIPS PARK	8,616	51,219	0	51,219	59,835
POLICE PENSION BONDS	10,550,670	0	0	0	10,550,670
PORTLAND PLACE	172,778	0	241,579	-241,579	-68,801
PRELIMINARY PLANNING	-67,263	2,267,000	2,171,781	95,219	27,956
ROSACKER NURSERY SITE	-405,296	140,401	0	140,401	-264,895
SEMI-PHASE 1	601,628	616,890	6,968	609,922	1,211,550
SEMI-PHASE 2	686,330	296,087	6,968	289,119	975,449
SEMI-PHASE 3	-23,981	113,581	29,291	84,290	60,309
SEMI-PHASE 4	51,407	163,737	9,773	153,964	205,371
SEMI-PHASE 5	-40,043	181,273	4,746	176,527	136,484
SEPT 00 CONV CTR EXPN BONDS	0	0	0	0	0
SEWARD SOUTH	-745,460	1,971,179	0	1,971,179	1,225,719
SHINGLE CREEK CONDOMINIUMS	-6,461	89,863	0	89,863	83,402
SOUTH NICOLLET MALL	2,048,884	9,958,691	11,576,829	-1,618,138	430,746
SPRING & CENTRAL	16,592	12,515	0	12,515	29,107
ST THOMAS	178,290	0	0	0	178,290
STINSON	-77,612	595,514	11,854	583,660	506,048
Stone Arch Apartments	0	21,171	0	21,171	21,171
SYMPHONY PLACE	0	0	0	0	0
TAX INCREMENT ADMINISTRATION	414,533	0	1,302,412	-1,302,412	-887,879
TOWERS AT ELLIOT PARK	3,645,719	52,906	744,340	-691,434	2,954,285
UNITED VAN BUS	207,191	59,337	0	59,337	266,528
URBAN VILLAGE	1,831,710	19,278	95,000	-75,722	1,755,988
Urban Village TE Bonds	2,969,621	0	85,000	-85,000	2,884,621
WEST BROADWAY	543,700	808,959	750,000	58,959	602,659
West River Commons	0	252,345	0	252,345	252,345
WEST SIDE MILLING DISTRICT	3,429,015	1,440,052	932,015	508,037	3,937,052
West Side Milling TE Bonds	1,082,671	0	53,288	-53,288	1,029,383
West Side Milling TE Bonds II	0	0	86,250	-86,250	-86,250
Total Capital Projects	252,374,076	140,932,362	132,625,920	8,306,442	260,680,518
00 IMPROVEMENT BONDS	6,766	0	0	0	6,766
01 IMPROVEMENT BONDS - 10 YR	0	0	0	0	0
01 IMPROVEMENT BONDS - 20 YR	1,190,867	817,053	817,053	0	1,190,867
96 IMPROVEMENT BONDS	145,785	198,460	198,460	0	145,785
97 IMPROVEMENT BONDS	234,155	253,913	253,913	0	234,155
98 IMPROVEMENT BONDS	417,728	180,194	180,194	0	417,728
BOND REDEM 1992 ARBIT PKWY	0	0	0	0	0

**SCHEDULE ONE
FUND SUMMARY - CHANGES TO FUND BALANCE**

	2005 Estimated Beg. Balance	2005 Projected Revenues	2005 Total Appropriations	Change in Fund Balance	2005 Estimated End Balance
BOND REDEM 1995 ARBIT PKWY	0	0	0	0	0
BOND REDEM ARBIT 6/87 IMP BOND	-260,849	0	0	0	-260,849
BOND REDEM ARBIT 6/88 IMP BOND	-150,111	126,305	126,305	0	-150,111
BOND REDEM ARBIT 6/89 IMP BOND	-181,292	126,305	126,305	0	-181,292
BOND REDEM ARBIT 6/90 IMP BOND	-218,368	306,683	306,683	0	-218,368
BOND REDEM ARBIT 6/91 IMP BOND	608,010	237,390	237,390	0	608,010
BOND REDEM ARBIT 6/92 IMP BOND	520,945	201,788	201,788	0	520,945
BOND REDEM ARBIT 6/93 IMP BOND	697,921	210,750	210,750	0	697,921
BOND REDEM ARBIT 6/94 IMP BOND	1,124,423	198,695	198,695	0	1,124,423
BOND REDEM ARBIT 6/95 IMP BOND	865,746	273,467	273,467	0	865,746
BOND REDEM ARBIT 9/87 IMP BOND	-344,502	0	0	0	-344,502
BOND REDEM ARBIT ASSESS PARK	297,777	546,200	546,200	0	297,777
BOND REDEM ARBIT NIC MALL BOND	2,713,396	1,702,403	1,702,403	0	2,713,396
BOND REDEMPTION - ASSESSMENT	4,013,840	94,500	94,500	0	4,013,840
BOND REDEMPTION - DEBT SERVICE	18,300,472	22,810,720	22,385,844	424,876	18,725,348
CONCERT HALL - DEBT SERVICE	694,814	0	0	0	694,814
CONVENTION CENTER-DEBT SERVICE	123,111	19,724,675	19,724,675	0	123,111
FINE ARTS PARKING FACILITY REF	0	0	0	0	0
LIBRARY REF DEBT SERVICE	0	6,272,000	6,244,770	27,230	27,230
MCDA DEBT SERVICE	15,774,031	37,096,480	36,645,000	451,480	16,225,511
NOV03 IMPROV BOND D/S	0	647,153	647,153	0	0
NOV04 IMPROV BOND D/S	0	1,033,950	1,033,950	0	0
OCT 02 IMPROV BOND D/S	216,547	581,900	581,900	0	216,547
OTH SELF SUPPORTING DEBT SERVC	108	2,318,105	3,005,051	-686,946	-686,838
PARK ACQUISITION & IMPROVE-DEBT	0	0	0	0	0
PENSION FUND DEBT SERVICE	0	18,988,607	14,026,107	4,962,500	4,962,500
REVENUE REFUNDING BONDS	0	0	0	0	0
ST ANTHONY DEBT SERVICE	1,483,131	0	200,000	-200,000	1,283,131
TARGET CENTER	1,151,227	0	0	0	1,151,227
TAX INCREMENT - DEBT SERVICE	292,452	0	14,290,640	-14,290,640	-13,998,188
Total Debt Service	49,718,126	114,947,696	124,259,196	-9,311,500	40,406,626
DEFAULTED PROPERTY ADMINISTRATION	3,152,771	8,382,332	331,824	8,050,508	11,203,279
FED HOME LN BANK ECON DEVELOP	2,108,592	6,266	11,000	-4,734	2,103,858
FHLB HOUSING DEVELOPMENT	0	8,063	0	8,063	8,063
GARFS	0	329,779	450,851	-121,072	-121,072
HOME OWNERSHIP & RENOVATION	0	0	350,000	-350,000	-350,000
HOUSING OWNWERSHIP PROGRAM	0	6,023	1,300,000	-1,293,977	-1,293,977
LOAN & GRANT PROGRAMS	0	5,917	0	5,917	5,917
MUNICIPAL PARKING ENTERPRISE FUND	71,631,000	70,879,895	81,273,711	-10,393,816	61,237,184
PARK - OPERATIONS - ENTERPRISE	0	11,910,785	11,495,861	414,924	414,924
RIVER TERMINAL	0	0	3,160,834	-3,160,834	-3,160,834
Sanitary Sewer Fund	0	36,105,500	44,042,013	-7,936,513	-7,936,513
SOLID WASTE - ENTERPRISE	16,353,000	27,738,800	27,305,564	433,236	16,786,236
Stormwater Fund	294,554,000	43,184,034	33,809,841	9,374,193	303,928,193
WATER ENTERPRISE FUND	125,364,000	83,473,053	80,604,828	2,868,225	128,232,225
Total Enterprise Funds	513,163,363	282,030,447	284,136,327	-2,105,880	511,057,483
EQUIPMENT - INTERNAL SERVICE	13,325,000	51,321,771	47,425,262	3,896,509	17,221,509
INFO TECH - INTERNAL SERVICE	-39,794,000	29,684,272	31,837,887	-2,153,615	-41,947,615
MATERIALS & LAB-INTERNAL SVC	780,000	3,600,000	4,599,336	-999,336	-219,336

**SCHEDULE ONE
FUND SUMMARY - CHANGES TO FUND BALANCE**

	2005 Estimated Beg. Balance	2005 Projected Revenues	2005 Total Appropriations	Change in Fund Balance	2005 Estimated End Balance
PARK - INTERNAL SERVICE	0	5,065,323	5,245,535	-180,212	-180,212
PARK-SELF INSURE-INTERNAL SVC	0	2,066,149	2,316,390	-250,241	-250,241
PROPERTY SERVICES INTERNAL SERVICE FUND	30,228,000	14,227,093	15,068,366	-841,273	29,386,727
SELF INSURANCE-INTERNAL SVC	-40,983,000	66,129,786	64,946,062	1,183,724	-39,799,276
STORES - INTERNAL SERVICE	2,481,000	3,422,500	3,405,992	16,508	2,497,508
Total Internal Service Funds	-33,963,000	175,516,894	174,844,830	672,064	-33,290,936
INVESTMENT POOL	0	0	0	0	0
Total Investment Management Funds	0	0	0	0	0
Default	0	0	0	0	0
PUBLIC HOUSING AUTHORITY	-520,645	0	0	0	-520,645
Total Agency - Inactive	-520,645	0	0	0	-520,645
TOTAL ALL FUNDS	930,803,818	1,248,810,802	1,270,933,206	-22,122,404	908,681,414

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
General Fund - City :					
GENERAL FUND(0100)					
Property Taxes	54,602,648	64,613,203	85,376,340	101,926,076	19.4%
Sales and Other Taxes	5,110	5,859	0	0	0.0%
Franchise Fees	21,860,607	24,082,717	23,500,000	22,110,000	-5.9%
Licenses and Permits	20,733,068	22,205,144	20,681,984	22,532,387	8.9%
Federal Government	11,314	0	0	0	0.0%
State Government	105,387,307	88,183,176	76,321,263	74,682,631	-2.1%
Local Government	718,960	634,974	606,592	673,984	11.1%
Charges for Service	17,173,566	19,910,194	22,800,068	32,918,326	44.4%
Charges for Sales	40,432	69,524	227,480	38,800	-82.9%
Fines and Forfeits	7,127,241	8,025,590	9,372,377	8,512,377	-9.2%
Special Assessments	2,820,837	2,723,435	2,857,095	2,743,434	-4.0%
Interest	2,179,463	1,934,133	1,301,000	1,830,000	40.7%
Gains	543,080	-502,202	0	0	0.0%
Rents	23,843	22,442	5,600	18,800	235.7%
Contributions	365,520	750	297,500	297,500	0.0%
Other Misc Revenues	374,273	514,604	701,503	477,069	-32.0%
Operating Transfers In	19,399,932	20,713,340	18,703,500	17,031,750	-8.9%
Total GENERAL FUND	253,367,201	253,136,884	262,752,302	285,793,134	8.8%
Total General Fund - City	253,367,201	253,136,884	262,752,302	285,793,134	8.8%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
<u>Special Revenue Funds:</u>					
<u>GRANTS - FEDERAL(0300)</u>					
Property Taxes	0	0	0	0	0.0%
Federal Government	18,763,782	20,799,605	16,369,911	17,852,074	9.1%
State Government	0	51,575	0	0	0.0%
Charges for Service	160,741	99,817	0	0	0.0%
Fines and Forfeits	40,348	0	0	0	0.0%
Interest	71,544	32,963	0	0	0.0%
Contributions	61,181	0	0	0	0.0%
Other Misc Revenues	569,500	264,201	0	0	0.0%
Total GRANTS - FEDERAL	19,667,096	21,248,161	16,369,911	17,852,074	9.1%
<u>CDBG & UDAG FUNDS(0400)</u>					
Federal Government	20,045,779	18,159,328	21,613,000	21,778,000	0.8%
Charges for Sales	0	0	0	600,000	0.0%
Special Assessments	0	16	0	0	0.0%
Interest	340,649	335,222	0	0	0.0%
Other Misc Revenues	146,831	93,417	600,000	850,000	41.7%
Total CDBG & UDAG FUNDS	20,533,259	18,587,982	22,213,000	23,228,000	4.6%
<u>GRANTS - OTHER(0600)</u>					
Sales and Other Taxes	84,097	64,423	60,000	45,000	-25.0%
Federal Government	86,419	0	0	0	0.0%
State Government	6,621,310	5,941,492	7,879,676	7,193,184	-8.7%
Local Government	779,420	351,822	2,887,600	3,057,600	5.9%
Charges for Service	377,103	427,161	25,000	90,000	260.0%
Charges for Sales	3,209	8,833	0	0	0.0%
Interest	33,568	17,260	0	10,000	0.0%
Contributions	345,224	572,070	364,486	312,476	-14.3%
Other Misc Revenues	-35,436	273,098	265,537	307,224	15.7%
Operating Transfers In	459,755	106,333	0	0	0.0%
Total GRANTS - OTHER	8,754,669	7,762,493	11,482,299	11,015,484	-4.1%
<u>CONVENTION CENTER OPERATIONS(0760)</u>					
Sales and Other Taxes	47,561,747	48,908,092	49,659,000	50,900,475	2.5%
Charges for Service	3,249,272	3,720,144	4,740,000	5,230,000	10.3%
Interest	344,498	361,864	160,000	215,000	34.4%
Gains	2,121	-96,852	0	0	0.0%
Rents	5,737,651	6,193,637	6,765,000	7,063,000	4.4%
Contributions	599,619	367,250	0	0	0.0%
Other Misc Revenues	2,207,830	2,321,293	2,405,000	2,505,000	4.2%
Operating Transfers In	0	0	0	2,531,000	0.0%
Total CONVENTION CENTER OPERATIONS	59,702,739	61,775,427	63,729,000	68,444,475	7.4%
<u>EMPLOYEE RETIREMENT(0990)</u>					
Property Taxes	6,936,710	6,523,552	6,813,807	2,949,800	-56.7%
Sales and Other Taxes	650	594	0	0	0.0%
State Government	7,174,635	7,566,613	5,442,919	7,190,000	32.1%
Fines and Forfeits	164,024	248,693	0	0	0.0%
Operating Transfers In	0	0	12,500,000	0	-100.0%
Total EMPLOYEE RETIREMENT	14,276,019	14,339,452	24,756,726	10,139,800	-59.0%
<u>BOARD OF ESTIMATE AND TAXATION(1000)</u>					

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Special Revenue Funds:					
<u>BOARD OF ESTIMATE AND TAXATION(1000)</u>					
Property Taxes	116,125	136,973	148,348	154,281	4.0%
Sales and Other Taxes	11	12	0	0	0.0%
State Government	118,831	7,836	0	0	0.0%
Other Misc Revenues	30	0	0	0	0.0%
Operating Transfers In	50,000	100,500	0	0	0.0%
Proceeds of Long Term Liabilities	0	0	95,000	100,000	5.3%
Total BOARD OF ESTIMATE AND TAXATION	284,997	245,322	243,348	254,281	4.5%
<u>MUNICIPAL BUILDING COMMISSION(1100)</u>					
Property Taxes	3,057,016	3,282,801	3,478,389	3,617,525	4.0%
Sales and Other Taxes	287	299	0	0	0.0%
State Government	515,383	464,005	253,028	241,214	-4.7%
Charges for Service	3,116,070	3,106,162	3,126,217	3,192,442	2.1%
Charges for Sales	53,720	100,338	87,000	87,000	0.0%
Interest	2	0	0	0	0.0%
Rents	55,687	55,611	54,750	42,500	-22.4%
Other Misc Revenues	7,256	94	200	600	200.0%
Total MUNICIPAL BUILDING COMMISSION	6,805,420	7,009,310	6,999,584	7,181,281	2.6%
<u>PARK - GENERAL FUND(1500)</u>					
Property Taxes	27,744,008	26,553,004	28,366,437	35,690,287	25.8%
Sales and Other Taxes	2,607	2,417	3,120	3,400	9.0%
Licenses and Permits	81,926	95,404	63,000	80,000	27.0%
Federal Government	127,500	60,000	0	0	0.0%
State Government	12,761,531	10,518,764	8,719,724	10,524,505	20.7%
Local Government	33,350	6,707	0	101,290	0.0%
Charges for Service	2,042,451	1,818,910	1,717,508	1,545,050	-10.0%
Charges for Sales	8,277	1,010	27,000	2,000	-92.6%
Fines and Forfeits	470,405	565,529	491,500	526,500	7.1%
Rents	179,411	299,653	195,500	311,600	59.4%
Contributions	50,418	136,648	50,000	50,000	0.0%
Other Misc Revenues	6,366	4,632	7,200	7,200	0.0%
Operating Transfers In	944,927	588,221	501,500	544,500	8.6%
Total PARK - GENERAL FUND	44,453,176	40,650,900	40,142,489	49,386,332	23.0%
<u>PARK - MUSEUM (ART INSTITUTE)(1600)</u>					
Property Taxes	6,384,823	7,068,886	8,117,781	9,064,332	11.7%
Total PARK - MUSEUM (ART INSTITUTE)	6,384,823	7,068,886	8,117,781	9,064,332	11.7%
<u>PARK - FORESTRY(1700)</u>					
Property Taxes	4,712,352	4,446,360	5,764,759	0	-100.0%
Sales and Other Taxes	444	406	623	0	-100.0%
State Government	2,763,437	3,328,744	2,157,220	0	-100.0%
Local Government	0	0	4,000	0	-100.0%
Charges for Service	126,128	125,898	70,000	0	-100.0%
Charges for Sales	4,511	100	2,000	0	-100.0%
Contributions	0	15,520	0	0	0.0%
Other Misc Revenues	11,164	2,088	5,000	0	-100.0%
Total PARK - FORESTRY	7,618,037	7,919,115	8,003,602	0	-100.0%
<u>LIBRARY - GENERAL FUND(1800)</u>					

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
<u>Special Revenue Funds:</u>					
<u>LIBRARY - GENERAL FUND(1800)</u>					
Property Taxes	11,069,019	10,650,271	11,588,106	12,051,250	4.0%
Sales and Other Taxes	1,039	969	0	0	0.0%
Federal Government	61,681	33,030	49,396	65,866	33.3%
State Government	10,190,705	8,474,268	6,937,607	6,767,673	-2.4%
Local Government	25,524	0	0	0	0.0%
Charges for Service	559,700	474,951	536,500	523,300	-2.5%
Charges for Sales	64,247	49,921	1,000	600	-40.0%
Fines and Forfeits	0	0	500	250	-50.0%
Interest	451	0	0	0	0.0%
Rents	35,638	22,583	10,500	30,500	190.5%
Contributions	14,600	107,317	57,500	167,011	190.5%
Other Misc Revenues	3,275	38,801	1,400	1,400	0.0%
Operating Transfers In	323,376	49,485	0	0	0.0%
Total LIBRARY - GENERAL FUND	22,349,255	19,901,595	19,182,509	19,607,850	2.2%
<u>PARK - GRANT & SPECIAL REVENUE(1950)</u>					
Federal Government	17,666	160,000	0	0	0.0%
State Government	71,396	0	12,000	12,000	0.0%
Local Government	1,043,086	1,374,990	100,600	100,600	0.0%
Charges for Service	266,116	400,073	800,000	800,000	0.0%
Charges for Sales	765	261,836	0	0	0.0%
Fines and Forfeits	0	0	6,000	6,000	0.0%
Rents	22,406	24,979	21,600	21,600	0.0%
Contributions	237,707	257,149	0	0	0.0%
Other Misc Revenues	3,063	305	3,000	3,000	0.0%
Operating Transfers In	36,559	110,837	0	0	0.0%
Total PARK - GRANT & SPECIAL REVENUE	1,698,763	2,590,170	943,200	943,200	0.0%
<u>PARK-SPEC REV-INTEREST BEARING(1960)</u>					
Interest	352	247	0	0	0.0%
Gains	76	-98	0	0	0.0%
Total PARK-SPEC REV-INTEREST BEARING	428	149	0	0	0.0%
<u>POLICE DEPT - SPECIAL REVENUE(2100)</u>					
Sales and Other Taxes	281,413	270,329	280,000	280,000	0.0%
Licenses and Permits	282,052	342,766	360,000	403,000	11.9%
Charges for Service	0	68,882	0	996,422	0.0%
Charges for Sales	0	29	0	0	0.0%
Fines and Forfeits	457,607	428,589	600,000	600,000	0.0%
Interest	-2	0	0	0	0.0%
Other Misc Revenues	260,041	32,980	1,633,193	0	-100.0%
Total POLICE DEPT - SPECIAL REVENUE	1,281,111	1,143,575	2,873,193	2,279,422	-20.7%
<u>YOUTH COORDINATING BOARD(2200)</u>					
Federal Government	1,032,189	1,480,153	0	716,376	0.0%
State Government	441,195	105,911	0	0	0.0%
Local Government	5,101,982	3,404,537	0	2,457,610	0.0%
Interest	72,763	41,279	0	0	0.0%
Gains	47,940	-18,459	0	0	0.0%
Rents	88,143	62,246	0	0	0.0%
Contributions	598,067	454,155	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Special Revenue Funds:					
<u>YOUTH COORDINATING BOARD(2200)</u>					
Other Misc Revenues	5,883	2,073	0	387,945	0.0%
Operating Transfers In	0	339,427	0	0	0.0%
Total YOUTH COORDINATING BOARD	7,388,162	5,871,321	0	3,561,931	0.0%
<u>NEIGHBORHOOD REVITAL POLICY(2300)</u>					
State Government	1,750,482	1,636,491	1,743,355	0	-100.0%
Interest	21,236	16,995	0	0	0.0%
Gains	8,314	-7,811	0	0	0.0%
Other Misc Revenues	4,930	52,453	0	1,475,912	0.0%
Total NEIGHBORHOOD REVITAL POLICY	1,784,963	1,698,127	1,743,355	1,475,912	-15.3%
<u>ARENA - RESERVE(2600)</u>					
Interest	6,915	18,010	0	0	0.0%
Gains	-2,683	1,023	0	0	0.0%
Operating Transfers In	3,074,005	2,860,180	2,911,500	3,059,500	5.1%
Total ARENA - RESERVE	3,078,237	2,879,213	2,911,500	3,059,500	5.1%
<u>CONVENTION FACILITES - RESERVE(2790)</u>					
Gains	-33,146	0	0	0	0.0%
Operating Transfers In	1,100,000	1,150,000	1,150,000	1,150,000	0.0%
Total CONVENTION FACILITES - RESERVE	1,066,854	1,150,000	1,150,000	1,150,000	0.0%
<u>MCDA CDBG(FBG0)</u>					
Federal Government	133,091	0	9,171,000	0	-100.0%
Charges for Service	3,824	2,835	0	0	0.0%
Charges for Sales	811,122	1,629,154	1,000,000	0	-100.0%
Interest	40,204	220,386	30,000	0	-100.0%
Other Misc Revenues	804,241	942,426	713,000	0	-100.0%
Operating Transfers In	8,767,903	6,097,105	9,687,000	0	-100.0%
Total MCDA CDBG	10,560,384	8,891,906	20,601,000	0	-100.0%
<u>FEDERAL EMPOWERMENT ZONE(FEZO)</u>					
Charges for Service	0	0	4,522,431	0	-100.0%
Charges for Sales	1	0	0	0	0.0%
Other Misc Revenues	-490	0	0	0	0.0%
Operating Transfers In	661,374	863,291	0	0	0.0%
Total FEDERAL EMPOWERMENT ZONE	660,885	863,291	4,522,431	0	-100.0%
<u>MCDA FEDERAL GRANTS-OTHER(FGO0)</u>					
Federal Government	273,467	400,359	5,587,000	4,189,000	-25.0%
Charges for Service	250	200	0	0	0.0%
Charges for Sales	15,248	115,447	0	0	0.0%
Interest	12,454	12,578	9,000	0	-100.0%
Other Misc Revenues	462	13,078	0	0	0.0%
Operating Transfers In	2,201,014	3,760,371	0	3,911,000	0.0%
Total MCDA FEDERAL GRANTS-OTHER	2,502,895	4,302,032	5,596,000	8,100,000	44.7%
<u>MCDA UDAG LEVERAGE INVESTMENT(FLF0)</u>					
Interest	6,119	10,542	4,000	0	-100.0%
Gains	0	1,730	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
<u>Special Revenue Funds:</u>					
<u>MCDA UDAG LEVERAGE INVESTMENT(FLF0)</u>					
Other Misc Revenues	77,270	146,911	0	0	0.0%
Total MCDA UDAG LEVERAGE INVESTMENT	83,390	159,183	4,000	0	-100.0%
<u>MCDA NEIGHBORHOOD DEVEL ACCT(FNA0)</u>					
Charges for Service	6,000	0	0	0	0.0%
Charges for Sales	0	1	0	125,000	0.0%
Interest	79,576	0	0	0	0.0%
Rents	0	-446	0	0	0.0%
Other Misc Revenues	1,775,089	-165,926	0	110,000	0.0%
Operating Transfers In	451,761	428,639	110,358	0	-100.0%
Total MCDA NEIGHBORHOOD DEVEL ACCT	2,312,425	262,268	110,358	235,000	112.9%
<u>CPED Operating(GEN0)</u>					
Property Taxes	0	0	0	0	0.0%
Sales and Other Taxes	176	235	0	0	0.0%
State Government	1,367	1,367	0	0	0.0%
Charges for Service	4,166,347	3,329,511	0	200,000	0.0%
Charges for Sales	502,987	180,987	0	400,000	0.0%
Interest	556,286	121,167	417,000	-805,417	-293.1%
Gains	0	18,297	0	0	0.0%
Rents	27,331	79,569	110,466	0	-100.0%
Other Misc Revenues	49,495	24,021	0	0	0.0%
Operating Transfers In	145,752	145,828	2,200,000	100,000	-95.5%
Total CPED Operating	5,449,742	3,900,982	2,727,466	-105,417	-103.9%
<u>JOINT BOARD(JTB0)</u>					
Charges for Service	5,000	0	0	0	0.0%
Interest	5,244	1,729	3,000	0	-100.0%
Gains	0	129	0	0	0.0%
Other Misc Revenues	30,000	0	0	0	0.0%
Total JOINT BOARD	40,244	1,858	3,000	0	-100.0%
<u>MEDC(MED0)</u>					
Charges for Service	241,461	359,068	200,000	0	-100.0%
Interest	1,656	392	1,000	0	-100.0%
Total MEDC	243,117	359,459	201,000	0	-100.0%
<u>NRP ADMINISTRATION(SAD0)</u>					
Charges for Service	251,680	0	290,000	831,000	186.6%
Interest	48,325	8,959	36,000	5,504	-84.7%
Gains	0	694	0	0	0.0%
Other Misc Revenues	0	260,798	250,000	0	-100.0%
Operating Transfers In	798,057	0	0	0	0.0%
Total NRP ADMINISTRATION	1,098,062	270,451	576,000	836,504	45.2%
<u>COMMUNITY DEVELOPMENT INVESTMENT FUND(S)</u>					
Property Taxes	3,653,973	3,806,094	0	0	0.0%
State Government	262,769	0	0	0	0.0%
Interest	4,064	111,319	0	187,410	0.0%
Gains	0	16,590	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
<u>Special Revenue Funds:</u>					
<u>COMMUNITY DEVELOPMENT INVESTMENT FUND(S)</u>					
Other Misc Revenues	0	0	0	350,000	0.0%
Operating Transfers In	0	0	3,000,000	0	-100.0%
Total COMMUNITY DEVELOPMENT INVESTMENT	3,920,806	3,934,003	3,000,000	537,410	-82.1%
<u>DEVELOPMENT ACCOUNT(SDA0)</u>					
Charges for Service	155,567	0	0	0	0.0%
Charges for Sales	215,177	164,680	0	0	0.0%
Interest	682,653	177,811	194,041	183,134	-5.6%
Gains	0	25,943	0	0	0.0%
Rents	66,612	52,680	0	0	0.0%
Other Misc Revenues	115,189	3,111	650,000	0	-100.0%
Operating Transfers In	3,381,822	3,059,212	1,007,305	382,252	-62.1%
Total DEVELOPMENT ACCOUNT	4,617,020	3,483,438	1,851,346	565,386	-69.5%
<u>ECONOMIC DEVELOPMENT PROGRAM(SED0)</u>					
State Government	442,683	16,000	15,000	0	-100.0%
Charges for Service	1,078,532	1,320,305	1,637,000	1,239,500	-24.3%
Charges for Sales	0	-745	0	0	0.0%
Interest	74,849	116,739	56,000	87,739	56.7%
Gains	0	8,999	0	0	0.0%
Other Misc Revenues	31,583	1,406,554	1,905,000	1,755,000	-7.9%
Operating Transfers In	0	2,394,800	0	0	0.0%
Proceeds of Long Term Liabilities	3,000	0	0	0	0.0%
Total ECONOMIC DEVELOPMENT PROGRAM	1,630,648	5,262,652	3,613,000	3,082,239	-14.7%
<u>HOUSING FINANCE(SFA0)</u>					
Charges for Service	53,094	9,349	0	0	0.0%
Interest	-307	423	0	0	0.0%
Gains	0	-20	0	0	0.0%
Other Misc Revenues	55,297	11,256	0	0	0.0%
Operating Transfers In	95,000	0	0	0	0.0%
Total HOUSING FINANCE	203,084	21,008	0	0	0.0%
<u>HOUSING PROGRAM(SHP0)</u>					
Charges for Service	847,186	983,936	1,000,000	1,000,000	0.0%
Interest	199,224	72,226	149,000	110,540	-25.8%
Gains	0	11,015	0	0	0.0%
Other Misc Revenues	0	0	50,000	0	-100.0%
Total HOUSING PROGRAM	1,046,409	1,067,177	1,199,000	1,110,540	-7.4%
<u>HOME OWNERSHIP WORKS(SHW0)</u>					
Charges for Sales	646,420	625,100	600,000	0	-100.0%
Interest	-73,741	-24,631	0	0	0.0%
Gains	0	-3,494	0	0	0.0%
Total HOME OWNERSHIP WORKS	572,679	596,975	600,000	0	-100.0%
<u>MCDA LEVERAGE INVESTMENT(SLF0)</u>					
Interest	25,069	22,821	18,000	0	-100.0%
Gains	0	214	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Special Revenue Funds:					
<u>MCDA LEVERAGE INVESTMENT(SLFO)</u>					
Rents	0	0	0	62,020	0.0%
Total MCDA LEVERAGE INVESTMENT	25,069	23,035	18,000	62,020	244.6%
<u>MCDA STATE GRANTS & LOAN(SMNO)</u>					
State Government	6,103,060	5,586,401	6,000,000	0	-100.0%
Local Government	0	1,278,819	500,000	0	-100.0%
Charges for Service	75,556	190,000	0	0	0.0%
Charges for Sales	0	37,884	0	0	0.0%
Interest	-89,789	219	0	0	0.0%
Gains	0	1,283	0	0	0.0%
Other Misc Revenues	150,272	234,959	175,000	0	-100.0%
Total MCDA STATE GRANTS & LOAN	6,239,099	7,329,565	6,675,000	0	-100.0%
<u>NEIGHBORHOOD HOUSING(SNH0)</u>					
Charges for Sales	0	300,000	185,976	0	-100.0%
Interest	0	0	0	1,453	0.0%
Other Misc Revenues	110,012	145,988	74,039	150,000	102.6%
Total NEIGHBORHOOD HOUSING	110,012	445,988	260,015	151,453	-41.8%
<u>COMMUNITY DEVELOPMENT(SPH0)</u>					
Interest	-11,565,204	6,343,113	0	2,376	0.0%
Gains	0	-47	0	0	0.0%
Other Misc Revenues	0	0	75,000	2,008,000	2,577.3%
Operating Transfers In	0	0	3,700,000	0	-100.0%
Total COMMUNITY DEVELOPMENT	-11,565,204	6,343,066	3,775,000	2,010,376	-46.7%
<u>RESIDENTIAL HOUSING(SRF0)</u>					
State Government	147,227	146,267	0	0	0.0%
Charges for Service	544,051	340,173	0	0	0.0%
Interest	92,651	66,000	69,000	80,092	16.1%
Gains	0	5,878	0	0	0.0%
Contributions	50,000	0	0	0	0.0%
Other Misc Revenues	298,298	1,272,179	920,000	0	-100.0%
Total RESIDENTIAL HOUSING	1,132,226	1,830,497	989,000	80,092	-91.9%
<u>THEATRES(STH0)</u>					
Charges for Service	1,285,639	832,581	0	0	0.0%
Charges for Sales	0	0	0	2,800,000	0.0%
Interest	120,972	-14,331	90,000	65,792	-26.9%
Gains	0	376	0	0	0.0%
Rents	0	0	0	90,000	0.0%
Other Misc Revenues	120,035	72,174	1,500,000	1,325,000	-11.7%
Operating Transfers In	100,000	250,000	2,310,000	0	-100.0%
Total THEATRES	1,626,646	1,140,800	3,900,000	4,280,792	9.8%
<u>UPPER RIVER LAND BANK(SUR0)</u>					
Interest	653	287	0	0	0.0%
Gains	0	45	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Special Revenue Funds:					
<u>UPPER RIVER LAND BANK(SUR0)</u>					
Rents	3,849	3,849	0	0	0.0%
Total UPPER RIVER LAND BANK	4,502	4,180	0	0	0.0%
Total Special Revenue Funds	259,642,149	272,335,013	291,083,113	249,590,269	-14.3%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Capital Projects:					
<u>MERF PENSION BONDS(09M0)</u>					
Interest	34,477	432,825	0	0	0.0%
Gains	0	51,388	0	0	0.0%
Proceeds of Long Term Liabilities	24,809,500	36,000,000	0	0	0.0%
Total MERF PENSION BONDS	24,843,977	36,484,213	0	0	0.0%
<u>POLICE PENSION BONDS (09P0)</u>					
Interest	20,100	280,708	0	0	0.0%
Gains	0	43,293	0	0	0.0%
Proceeds of Long Term Liabilities	10,530,570	17,900,000	0	0	0.0%
Total POLICE PENSION BONDS	10,550,670	18,224,001	0	0	0.0%
<u>JUNE00 UST/SKYWAY TI BONDS(0P10)</u>					
Interest	138,378	28,930	0	0	0.0%
Gains	17,219	-40,263	0	0	0.0%
Total JUNE00 UST/SKYWAY TI BONDS	155,597	-11,333	0	0	0.0%
<u>JUNE00 SEWER FIXED RATE BONDS(0S10)</u>					
Interest	25,737	6,948	0	0	0.0%
Gains	-12,556	-7,972	0	0	0.0%
Total JUNE00 SEWER FIXED RATE BONDS	13,181	-1,024	0	0	0.0%
<u>AUGUST 01 SEWER ARBITRAGE(0S20)</u>					
Interest	349,823	112,018	0	0	0.0%
Gains	54,099	-105,547	0	0	0.0%
Total AUGUST 01 SEWER ARBITRAGE	403,922	6,471	0	0	0.0%
<u>June 03 Sewer Arbitrage(0S30)</u>					
Interest	0	74,609	0	0	0.0%
Gains	0	10,031	0	0	0.0%
Total June 03 Sewer Arbitrage	0	84,640	0	0	0.0%
<u>JUNE00 WATER FIXED RATE BONDS(0W10)</u>					
Interest	5,267	0	0	0	0.0%
Gains	-15,178	0	0	0	0.0%
Total JUNE00 WATER FIXED RATE BONDS	-9,911	0	0	0	0.0%
<u>AUG 01 WATER ARBITRAGE(0W20)</u>					
Interest	10,577	0	0	0	0.0%
Gains	-21,151	0	0	0	0.0%
Total AUG 01 WATER ARBITRAGE	-10,573	0	0	0	0.0%
<u>June 02 Water Arbitrage(0W30)</u>					
Interest	31,940	2,914	0	0	0.0%
Gains	11,486	-11,486	0	0	0.0%
Total June 02 Water Arbitrage	43,426	-8,572	0	0	0.0%
<u>June 03 Water Arbitrage(0W40)</u>					
Interest	0	76,686	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Capital Projects:					
<u>June 03 Water Arbitrage(0W40)</u>					
Gains	0	11,857	0	0	0.0%
Total June 03 Water Arbitrage	0	88,543	0	0	0.0%
<u>PARK-CAPITAL IMPROVEMENT-ASSESSED FUND(</u>					
Special Assessments	8,775	6,575	0	500,000	0.0%
Gains	-992	0	0	0	0.0%
Other Misc Revenues	239,901	314,914	0	0	0.0%
Operating Transfers In	500,000	500,000	0	0	0.0%
Proceeds of Long Term Liabilities	0	0	500,000	0	-100.0%
Total PARK-CAPITAL IMPROVEMENT-ASSESSED	747,684	821,490	500,000	500,000	0.0%
<u>CITY-CAPITAL IMPROVEMENTS FUND(4100)</u>					
Property Taxes	2,377,418	2,564,671	2,143,495	1,927,895	-10.1%
Sales and Other Taxes	223	234	0	0	0.0%
Licenses and Permits	429,035	367,333	210,000	250,000	19.0%
Federal Government	28,773	1,139,411	9,286,000	7,068,000	-23.9%
State Government	14,420,127	11,909,156	7,772,000	10,323,920	32.8%
Local Government	351,725	100,000	2,191,000	922,000	-57.9%
Charges for Service	4,270,571	1,931,990	3,160,000	7,009,094	121.8%
Charges for Sales	1,818,547	159,525	0	0	0.0%
Special Assessments	1,915,533	1,358,956	1,680,000	10,094,000	500.8%
Interest	2,684	-3,357	0	0	0.0%
Rents	28,901	29,129	0	0	0.0%
Contributions	132,090	17,969	0	0	0.0%
Other Misc Revenues	488,686	858,151	3,289,000	450,000	-86.3%
Operating Transfers In	49,332,022	34,330,844	0	129,000	0.0%
Proceeds of Long Term Liabilities	0	0	16,840,000	16,327,000	-3.0%
Total CITY-CAPITAL IMPROVEMENTS FUND	75,596,335	54,764,013	46,571,495	54,500,909	17.0%
<u>MBC-CAPITAL IMPROVEMENTS FUND(4200)</u>					
Property Taxes	0	0	0	0	0.0%
Charges for Service	676,593	1,213,149	0	0	0.0%
Other Misc Revenues	0	0	0	0	0.0%
Operating Transfers In	1,337,625	1,148,178	150,000	360,000	140.0%
Proceeds of Long Term Liabilities	0	0	920,000	920,000	0.0%
Total MBC-CAPITAL IMPROVEMENTS FUND	2,014,218	2,361,327	1,070,000	1,280,000	19.6%
<u>PARK-CAPITAL IMPROVEMENT FUND(4300)</u>					
Property Taxes	0	0	430,000	645,000	50.0%
Federal Government	1,206,147	2,641,475	1,000,000	500,000	-50.0%
State Government	773,114	1,382,461	500,000	1,000,000	100.0%
Local Government	2,338,145	1,196,287	1,000,000	500,000	-50.0%
Charges for Service	335,047	180,143	21,400	21,400	0.0%
Charges for Sales	1,675	1,730	500	500	0.0%
Special Assessments	0	0	0	0	0.0%
Interest	737	0	5,000	0	-100.0%
Gains	-5,015	0	0	0	0.0%
Rents	49,543	-16,797	0	0	0.0%
Contributions	1,262,719	407,285	0	0	0.0%
Other Misc Revenues	72,178	39,675	125,000	0	-100.0%
Operating Transfers In	9,437,147	3,924,493	0	75,000	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Capital Projects:					
<u>PARK-CAPITAL IMPROVEMENT FUND(4300)</u>					
Proceeds of Long Term Liabilities	3,100,000	0	2,630,000	1,829,000	-30.5%
Total PARK-CAPITAL IMPROVEMENT FUND	18,571,437	9,756,751	5,711,900	4,570,900	-20.0%
<u>LIBRARY-CAPITAL IMPROVEMENTS FUND(4400)</u>					
Property Taxes	0	0	0	0	0.0%
State Government	1,119,654	152,548	0	0	0.0%
Charges for Service	315	0	0	0	0.0%
Charges for Sales	0	2,495	0	0	0.0%
Other Misc Revenues	0	42,909	0	0	0.0%
Operating Transfers In	10,655,262	23,959,901	0	0	0.0%
Proceeds of Long Term Liabilities	0	0	2,975,000	2,685,000	-9.7%
Total LIBRARY-CAPITAL IMPROVEMENTS FUND	11,775,230	24,157,853	2,975,000	2,685,000	-9.7%
<u>August 01 Variable Purpose(4A10)</u>					
Interest	244,559	49,404	0	0	0.0%
Gains	-47,664	-72,611	0	0	0.0%
Total August 01 Variable Purpose	196,895	-23,207	0	0	0.0%
<u>01 August Assessment Bonds(4A20)</u>					
Interest	15,991	1	0	0	0.0%
Gains	-39,536	0	0	0	0.0%
Total 01 August Assessment Bonds	-23,545	1	0	0	0.0%
<u>JUNE 02 VARIOUS PURPOSE BONDS(4A30)</u>					
Interest	546,914	36,731	0	0	0.0%
Gains	0	7,790	0	0	0.0%
Proceeds of Long Term Liabilities	24,765,802	0	0	0	0.0%
Total JUNE 02 VARIOUS PURPOSE BONDS	25,312,715	44,521	0	0	0.0%
<u>DEC02 VARIOUS PURPOSE BONDS(4A40)</u>					
Interest	19,094	119,228	0	0	0.0%
Gains	0	1,070	0	0	0.0%
Proceeds of Long Term Liabilities	10,100,000	0	0	0	0.0%
Total DEC02 VARIOUS PURPOSE BONDS	10,119,094	120,298	0	0	0.0%
<u>Jun 03 Various Purpose Bonds(4A50)</u>					
Interest	0	358,994	0	0	0.0%
Gains	0	50,011	0	0	0.0%
Operating Transfers In	0	186,000	0	0	0.0%
Proceeds of Long Term Liabilities	0	38,003,641	0	0	0.0%
Total Jun 03 Various Purpose Bonds	0	38,598,646	0	0	0.0%
<u>96 IMPROVEMENT BONDS(4A60)</u>					
Interest	532	0	0	0	0.0%
Gains	-224	0	0	0	0.0%
Total 96 IMPROVEMENT BONDS	308	0	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Capital Projects:					
<u>OCT03 Var Purp Refunding Bonds(4A80)</u>					
Proceeds of Long Term Liabilities	0	15,985,000	0	0	0.0%
Total OCT03 Var Purp Refunding Bonds	0	15,985,000	0	0	0.0%
<u>JUNE99 VARIOUS PURPOSE BONDS(4A90)</u>					
Interest	72,481	46,566	0	0	0.0%
Gains	10,238	-20,473	0	0	0.0%
Total JUNE99 VARIOUS PURPOSE BONDS	82,719	26,093	0	0	0.0%
<u>JUNE99 CONVENTION CENTER BONDS(4B90)</u>					
Gains	-1,829	0	0	0	0.0%
Total JUNE99 CONVENTION CENTER BONDS	-1,829	0	0	0	0.0%
<u>96 CONSTRUCTION BONDS(4C60)</u>					
Interest	1,195	227	0	0	0.0%
Gains	-55	-347	0	0	0.0%
Total 96 CONSTRUCTION BONDS	1,140	-120	0	0	0.0%
<u>97 SERIES B BONDS(4C70)</u>					
Interest	12,681	2,538	0	0	0.0%
Gains	1,789	-3,987	0	0	0.0%
Total 97 SERIES B BONDS	14,470	-1,449	0	0	0.0%
<u>June03 Heritage Park Arbitrage(4H10)</u>					
Interest	0	79,417	0	0	0.0%
Gains	0	16,376	0	0	0.0%
Proceeds of Long Term Liabilities	0	6,900,000	0	0	0.0%
Total June03 Heritage Park Arbitrage	0	6,995,793	0	0	0.0%
<u>IMPROV BOND ARBITRAGE(4I20)</u>					
Interest	1,324	3,704	0	0	0.0%
Gains	0	241	0	0	0.0%
Proceeds of Long Term Liabilities	5,907,670	0	0	0	0.0%
Total IMPROV BOND ARBITRAGE	5,908,994	3,945	0	0	0.0%
<u>NOV03 IMPROV BOND ARBITRAGE(4I30)</u>					
Interest	0	769	0	0	0.0%
Gains	0	10	0	0	0.0%
Proceeds of Long Term Liabilities	0	6,161,529	0	0	0.0%
Total NOV03 IMPROV BOND ARBITRAGE	0	6,162,308	0	0	0.0%
<u>DEC02 LIBRARY REF BONDS(4L10)</u>					
Interest	1,888	3,167	0	0	0.0%
Proceeds of Long Term Liabilities	9,514,040	0	0	0	0.0%
Total DEC02 LIBRARY REF BONDS	9,515,928	3,167	0	0	0.0%
<u>OCT03 LIBRARY REF BONDS(4L20)</u>					
Interest	0	178,742	0	0	0.0%
Gains	0	102,465	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Capital Projects:					
<u>OCT03 LIBRARY REF BONDS(4L20)</u>					
Proceeds of Long Term Liabilities	0	57,000,000	0	0	0.0%
Total OCT03 LIBRARY REF BONDS	0	57,281,207	0	0	0.0%
<u>ARBITRAGE 1990 PARK BONDS(4P00)</u>					
Gains	-0	0	0	0	0.0%
Total ARBITRAGE 1990 PARK BONDS	-0	0	0	0	0.0%
<u>ARBITRAGE 1993 PARK BONDS(4U00)</u>					
Interest	1,042	590	0	0	0.0%
Gains	-6	-300	0	0	0.0%
Total ARBITRAGE 1993 PARK BONDS	1,036	290	0	0	0.0%
<u>ARBITRAGE 1995 PARK BONDS(4Y00)</u>					
Interest	2,341	890	0	0	0.0%
Gains	66	-669	0	0	0.0%
Total ARBITRAGE 1995 PARK BONDS	2,406	221	0	0	0.0%
<u>JUNE00 VARIOUS PURPOSE BONDS(4Z00)</u>					
Interest	71,647	16,577	0	0	0.0%
Gains	-5,772	-21,249	0	0	0.0%
Total JUNE00 VARIOUS PURPOSE BONDS	65,874	-4,672	0	0	0.0%
<u>SEPT 00 CONV CTR EXPN BONDS(4Z10)</u>					
Gains	-159,073	0	0	0	0.0%
Total SEPT 00 CONV CTR EXPN BONDS	-159,073	0	0	0	0.0%
<u>ITS RELATED BONDS(4Z30)</u>					
Interest	-484	0	0	0	0.0%
Gains	-26,164	0	0	0	0.0%
Total ITS RELATED BONDS	-26,648	0	0	0	0.0%
<u>OCT 01 CONV CTR BONDS(4Z40)</u>					
Interest	660,880	112,766	0	0	0.0%
Gains	78,370	-207,736	0	0	0.0%
Total OCT 01 CONV CTR BONDS	739,250	-94,970	0	0	0.0%
<u>AUGUST 01 EQUIPMENT ARBITRAGE(61A0)</u>					
Interest	13,107	0	0	0	0.0%
Total AUGUST 01 EQUIPMENT ARBITRAGE	13,107	0	0	0	0.0%
<u>DEC02 EQUIPMENT ARBITRAGE(61B0)</u>					
Interest	94	256	0	0	0.0%
Gains	1,071	-1,071	0	0	0.0%
Total DEC02 EQUIPMENT ARBITRAGE	1,165	-815	0	0	0.0%
<u>900 NICOLLET TAXABLE(75B0)</u>					
Interest	84,699	62,743	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Capital Projects:					
<u>900 NICOLLET TAXABLE(75B0)</u>					
Gains	-37,329	-23,631	0	0	0.0%
Total 900 NICOLLET TAXABLE	47,370	39,112	0	0	0.0%
<u>AUG 01 LRT EAST RAMP(75C0)</u>					
Interest	109,106	14,107	0	0	0.0%
Gains	-37,909	-30,276	0	0	0.0%
Total AUG 01 LRT EAST RAMP	71,197	-16,169	0	0	0.0%
<u>WALKER RAMP ARBITRAGE(75D0)</u>					
Interest	15,758	199,456	0	0	0.0%
Gains	-1,618	2,133	0	0	0.0%
Total WALKER RAMP ARBITRAGE	14,140	201,589	0	0	0.0%
<u>Dec 03 Guthrie Ramp Arbitrage(75E0)</u>					
Interest	0	27,522	0	0	0.0%
Gains	0	30,210	0	0	0.0%
Total Dec 03 Guthrie Ramp Arbitrage	0	57,732	0	0	0.0%
<u>Village Green Escrow(75V0)</u>					
Interest	0	5,112	0	0	0.0%
Total Village Green Escrow	0	5,112	0	0	0.0%
<u>HENNEPIN ENTERTAINMENT TE BOND(AHE0)</u>					
Interest	83,760	54,766	62,000	0	-100.0%
Gains	0	4,451	0	0	0.0%
Total HENNEPIN ENTERTAINMENT TE BOND	83,760	59,217	62,000	0	-100.0%
<u>HUMBOLDT GREENWAY TE BONDS(AHG0)</u>					
Interest	194,443	135,572	0	0	0.0%
Gains	0	11,629	0	0	0.0%
Total HUMBOLDT GREENWAY TE BONDS	194,443	147,201	0	0	0.0%
<u>Urban Village TE Bonds(AUV0)</u>					
Interest	45,166	21,297	0	0	0.0%
Total Urban Village TE Bonds	45,166	21,297	0	0	0.0%
<u>West Side Milling TE Bonds(AWM0)</u>					
Interest	45,677	30,027	34,000	0	-100.0%
Gains	0	2,433	0	0	0.0%
Total West Side Milling TE Bonds	45,677	32,460	34,000	0	-100.0%
<u>West Side Milling TE Bonds II(BWM0)</u>					
Interest	0	19,536	0	0	0.0%
Gains	0	3,872	0	0	0.0%
Proceeds of Long Term Liabilities	0	1,725,000	0	0	0.0%
Total West Side Milling TE Bonds II	0	1,748,408	0	0	0.0%
<u>BLOCK 33(C330)</u>					

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
<u>Capital Projects:</u>					
<u>BLOCK 33(C330)</u>					
Property Taxes	4,981	6,914	9,543	11,395	19.4%
State Government	1,848	2,331	0	0	0.0%
Interest	2,381	1,839	1,282	228	-82.2%
Gains	0	180	0	0	0.0%
Total BLOCK 33	9,210	11,264	10,825	11,623	7.4%
<u>TAX INCREMENT ADMINISTRATION(CAD0)</u>					
Charges for Service	190,460	0	16,000	0	-100.0%
Charges for Sales	0	0	25,000	0	-100.0%
Interest	1,801	-11,510	0	0	0.0%
Gains	0	3,109	0	0	0.0%
Rents	0	0	25,724	0	-100.0%
Other Misc Revenues	3,811	0	73,865	0	-100.0%
Operating Transfers In	2,008,874	3,010,000	2,200,000	0	-100.0%
Total TAX INCREMENT ADMINISTRATION	2,204,946	3,001,599	2,340,589	0	-100.0%
<u>CAMDEN MEDICAL FACILITY(CAM0)</u>					
Property Taxes	26,155	31,569	32,158	36,079	12.2%
Interest	1,798	1,987	1,292	1,500	16.1%
Gains	0	213	0	0	0.0%
Total CAMDEN MEDICAL FACILITY	27,953	33,769	33,450	37,579	12.3%
<u>COMMON PROJECT UNCERTIFIED(CAZ0)</u>					
State Government	75,549	0	0	0	0.0%
Charges for Service	460,500	404,331	141,000	312,000	121.3%
Charges for Sales	461,114	4,392,131	25,000	785,000	3,040.0%
Interest	-45,703	174,156	0	0	0.0%
Gains	0	2,746	0	0	0.0%
Rents	531,087	472,893	25,724	10,000	-61.1%
Other Misc Revenues	30,840	15,594	159,865	632,000	295.3%
Operating Transfers In	5,460,381	318,943	5,400,000	0	-100.0%
Total COMMON PROJECT UNCERTIFIED	6,973,768	5,780,793	5,751,589	1,739,000	-69.8%
<u>WEST BROADWAY(CBA0)</u>					
Property Taxes	612,308	739,934	798,125	807,459	1.2%
State Government	12,262	12,928	0	0	0.0%
Interest	22,063	10,475	10,665	1,500	-85.9%
Gains	0	1,136	0	0	0.0%
Other Misc Revenues	27,951	27,951	0	0	0.0%
Total WEST BROADWAY	674,584	792,423	808,790	808,959	0.0%
<u>EAST BANK 1335(CBB0)</u>					
Property Taxes	1,734,047	1,982,351	2,148,647	2,288,029	6.5%
State Government	129,213	127,253	0	0	0.0%
Charges for Sales	0	3,768	0	0	0.0%
Interest	93,977	381,617	36,103	9,828	-72.8%
Gains	0	-1,649	0	0	0.0%
Other Misc Revenues	0	705,000	0	0	0.0%
Total EAST BANK 1335	1,957,237	3,198,340	2,184,750	2,297,857	5.2%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Capital Projects:					
<u>GRANT(CBC0)</u>					
Property Taxes	622,887	822,166	805,715	863,499	7.2%
State Government	917	161	0	0	0.0%
Charges for Sales	10,816	0	0	0	0.0%
Interest	5,178	7,162	8,743	10,547	20.6%
Gains	0	1,099	0	0	0.0%
Rents	12	12	0	0	0.0%
Total GRANT	639,810	830,600	814,458	874,046	7.3%
<u>CHICAGO AND LAKE(CBD0)</u>					
Property Taxes	164,839	171,485	174,685	158,880	-9.0%
Interest	16,329	12,612	8,139	5,320	-34.6%
Gains	0	1,206	0	0	0.0%
Total CHICAGO AND LAKE	181,168	185,303	182,824	164,200	-10.2%
<u>NINTH & HENNEPIN(CBE0)</u>					
Property Taxes	61,753	98,653	62,906	68,815	9.4%
Interest	10,490	7,898	5,259	76	-98.6%
Gains	0	747	0	0	0.0%
Rents	71,888	49,620	103,000	75,000	-27.2%
Total NINTH & HENNEPIN	144,130	156,919	171,165	143,891	-15.9%
<u>NORTH LOOP(CBF0)</u>					
Property Taxes	6,728,440	7,449,978	7,831,337	8,031,365	2.6%
State Government	50,601	67,849	0	0	0.0%
Interest	259,626	8,531	45,318	74,470	64.3%
Gains	0	-2,998	0	0	0.0%
Total NORTH LOOP	7,038,666	7,523,359	7,876,655	8,105,835	2.9%
<u>INDUSTRY SQUARE(CBG0)</u>					
Property Taxes	3,769,573	2,368,703	2,473,938	2,225,000	-10.1%
State Government	330	551	0	0	0.0%
Charges for Service	0	0	125,000	0	-100.0%
Interest	78,299	47,211	38,945	24,040	-38.3%
Gains	0	5,069	0	0	0.0%
Rents	10,417	0	0	0	0.0%
Total INDUSTRY SQUARE	3,858,619	2,421,534	2,637,883	2,249,040	-14.7%
<u>SEWARD SOUTH(CBH0)</u>					
Property Taxes	1,426,811	1,911,804	1,901,241	1,950,000	2.6%
State Government	7,356	7,600	0	0	0.0%
Interest	2,715	8,234	3,648	21,179	480.6%
Gains	0	2,357	0	0	0.0%
Rents	7,059	0	0	0	0.0%
Other Misc Revenues	8,166	8,166	0	0	0.0%
Total SEWARD SOUTH	1,452,107	1,938,161	1,904,889	1,971,179	3.5%
<u>CEDAR RIVERSIDE(CBJ0)</u>					
Property Taxes	3,358,193	3,652,096	3,834,373	3,822,810	-0.3%
State Government	90,228	92,923	0	0	0.0%
Charges for Service	16,080	16,080	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Capital Projects:					
<u>CEDAR RIVERSIDE(CBJ0)</u>					
Interest	118,148	65,328	46,437	39,330	-15.3%
Gains	0	4,955	0	0	0.0%
Rents	11,974	11,974	0	0	0.0%
Total CEDAR RIVERSIDE	3,594,623	3,843,356	3,880,810	3,862,140	-0.5%
<u>HOUSING FOR CHRONIC ALCOHOLICS(CBL0)</u>					
Property Taxes	16,800	26,702	27,201	41,036	50.9%
Interest	770	936	642	1,644	156.1%
Gains	0	2	0	0	0.0%
Total HOUSING FOR CHRONIC ALCOHOLICS	17,570	27,641	27,843	42,680	53.3%
<u>HENNEPIN & LAKE(CBM0)</u>					
Property Taxes	814,229	962,294	0	0	0.0%
Interest	39,625	3,310	1,244	10,692	759.5%
Gains	0	500	0	0	0.0%
Total HENNEPIN & LAKE	853,854	966,104	1,244	10,692	759.5%
<u>BROADWAY 35-W(CBN0)</u>					
Property Taxes	1,413,363	1,571,789	1,601,674	1,575,079	-1.7%
Interest	89,023	41,471	16,759	28,034	67.3%
Gains	0	318	0	0	0.0%
Total BROADWAY 35-W	1,502,386	1,613,578	1,618,433	1,603,113	-0.9%
<u>BOTTINEAU(CB00)</u>					
Property Taxes	0	5,109	4,787	79,428	1,559.2%
Interest	0	0	0	159	0.0%
Total BOTTINEAU	0	5,109	4,787	79,587	1,562.6%
<u>FRANKLIN AVENUE(CBP0)</u>					
Property Taxes	6,597	28,854	33,527	38,839	15.8%
State Government	277	317	0	0	0.0%
Charges for Service	0	0	0	10,000	0.0%
Charges for Sales	42,315	0	0	0	0.0%
Interest	9,800	6,738	4,707	1,556	-66.9%
Gains	0	544	0	0	0.0%
Rents	1,810	0	0	0	0.0%
Total FRANKLIN AVENUE	60,798	36,453	38,234	50,395	31.8%
<u>CONSERVATORY(CBQ0)</u>					
Property Taxes	3,810,133	3,609,914	3,677,321	3,285,724	-10.6%
Interest	82,389	87,507	66,464	78,087	17.5%
Gains	0	9,779	0	0	0.0%
Total CONSERVATORY	3,892,522	3,707,200	3,743,785	3,363,811	-10.1%
<u>SYMPHONY PLACE(CBR0)</u>					
Interest	0	0	0	0	0.0%
Total SYMPHONY PLACE	0	0	0	0	0.0%
<u>LORING PARK(CBT0)</u>					

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Capital Projects:					
<u>LORING PARK(CBT0)</u>					
Property Taxes	4,244,310	4,427,699	4,909,171	4,960,898	1.1%
State Government	129,814	125,876	0	0	0.0%
Interest	101,886	-1,086	26,782	50,169	87.3%
Gains	0	-1,561	0	0	0.0%
Total LORING PARK	4,476,010	4,550,928	4,935,953	5,011,067	1.5%
<u>LAUREL VILLAGE(CBU0)</u>					
Property Taxes	1,447,771	1,390,644	1,354,797	1,174,515	-13.3%
Charges for Service	57,336	0	0	0	0.0%
Interest	34,001	29,229	25,000	1,000	-96.0%
Gains	0	3,517	0	0	0.0%
Rents	743,471	901,187	901,186	1,259,722	39.8%
Total LAUREL VILLAGE	2,282,579	2,324,576	2,280,983	2,435,237	6.8%
<u>CITY CENTER(CBX0)</u>					
Property Taxes	3,300,360	2,783,375	2,855,606	2,449,035	-14.2%
Interest	-5,339	-2,287	0	26,209	0.0%
Gains	0	2,477	0	0	0.0%
Rents	83,333	0	0	0	0.0%
Total CITY CENTER	3,378,354	2,783,565	2,855,606	2,475,244	-13.3%
<u>SOUTH NICOLLET MALL(CBY0)</u>					
Property Taxes	7,004,162	9,059,178	9,228,290	8,511,227	-7.8%
Interest	356,026	111,551	307,978	97,294	-68.4%
Gains	0	11,738	0	0	0.0%
Rents	538,785	650,170	650,170	1,350,170	107.7%
Total SOUTH NICOLLET MALL	7,898,973	9,832,637	10,186,438	9,958,691	-2.2%
<u>CENTRAL CARE NURSING HOME(CCC0)</u>					
Interest	-29	-18	0	0	0.0%
Gains	0	-2	0	0	0.0%
Total CENTRAL CARE NURSING HOME	-29	-20	0	0	0.0%
<u>DEEP ROCK TAX INCREMENT(CDR0)</u>					
Property Taxes	104,831	107,098	109,907	109,058	-0.8%
Interest	9,403	4,902	3,580	4,344	21.3%
Gains	0	566	0	0	0.0%
Total DEEP ROCK TAX INCREMENT	114,234	112,566	113,487	113,402	-0.1%
<u>DOWNTOWN EAST LRT(CDT0)</u>					
Property Taxes	338,209	300,690	0	0	0.0%
Charges for Service	0	641,091	0	0	0.0%
Interest	30,886	-4,871	0	0	0.0%
Gains	0	-3,495	0	0	0.0%
Operating Transfers In	579,981	504,639	0	0	0.0%
Total DOWNTOWN EAST LRT	949,076	1,438,054	0	0	0.0%
<u>2700 EAST LAKE(CELO)</u>					
Property Taxes	2,719	39,969	85,837	52,981	-38.3%
Interest	134	191	108	108	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Capital Projects:					
<u>2700 EAST LAKE(CELO)</u>					
Gains	0	20	0	0	0.0%
Total 2700 EAST LAKE	2,853	40,180	85,945	53,089	-38.2%
<u>East Phillips(CEP0)</u>					
Property Taxes	0	4,961	0	12,844	0.0%
State Government	0	215	0	0	0.0%
Interest	0	25	0	26	0.0%
Gains	0	11	0	0	0.0%
Total East Phillips	0	5,212	0	12,870	0.0%
<u>EAST VILLAGE(CEV0)</u>					
Property Taxes	116,374	254,251	258,997	230,334	-11.1%
Interest	1,018	395	106	106	0.0%
Gains	0	74	0	0	0.0%
Total EAST VILLAGE	117,392	254,721	259,103	230,440	-11.1%
<u>50TH & FRANCE(CFF0)</u>					
Property Taxes	157,577	183,943	187,375	190,291	1.6%
Interest	1,042	1,125	720	395	-45.1%
Gains	0	132	0	0	0.0%
Total 50TH & FRANCE	158,619	185,200	188,095	190,686	1.4%
<u>FORMER FED RESERVE(CFR0)</u>					
Property Taxes	89,566	223,024	227,187	256,409	12.9%
Interest	3,353	-173	270	1,036	283.7%
Gains	0	212	0	0	0.0%
Total FORMER FED RESERVE	92,919	223,063	227,457	257,445	13.2%
<u>GRAIN BELT(CGB0)</u>					
Property Taxes	0	124,289	0	126,563	0.0%
Interest	-11	49	0	506	0.0%
Gains	0	23	0	0	0.0%
Total GRAIN BELT	-11	124,361	0	127,069	0.0%
<u>GRACO TI(CGCO)</u>					
Property Taxes	6,557	204,580	208,400	216,238	3.8%
Interest	-960	-629	0	865	0.0%
Gains	0	-35	0	0	0.0%
Total GRACO TI	5,597	203,916	208,400	217,103	4.2%
<u>110 GRANT(CGR0)</u>					
Property Taxes	543,524	413,580	538,658	0	-100.0%
Interest	41,885	305	31,000	0	-100.0%
Gains	0	354	0	0	0.0%
Total 110 GRANT	585,408	414,239	569,658	0	-100.0%
<u>13th and Harmon(CHA0)</u>					
Property Taxes	0	0	0	369,147	0.0%
Charges for Service	0	58,087	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
<u>Capital Projects:</u>					
<u>13th and Harmon(CHA0)</u>					
Interest	-8,328	-5,199	0	1,077	0.0%
Gains	0	-373	0	0	0.0%
Total 13th and Harmon	-8,328	52,514	0	370,224	0.0%
<u>Parcel C Tax Increment District(CHC0)</u>					
Property Taxes	0	0	0	72,357	0.0%
Charges for Service	0	320,000	0	0	0.0%
Charges for Sales	881,699	0	0	0	0.0%
Interest	8,678	22,889	0	145	0.0%
Gains	0	2,780	0	0	0.0%
Total Parcel C Tax Increment District	890,377	345,669	0	72,502	0.0%
<u>HISTORIC DEPOT REUSE DIST 93(CHD0)</u>					
Property Taxes	763,113	763,108	777,356	777,076	-0.0%
Charges for Service	0	11,194	0	0	0.0%
Interest	22,225	16,855	16,000	0	-100.0%
Gains	0	1,780	0	0	0.0%
Total HISTORIC DEPOT REUSE DIST 93	785,339	792,936	793,356	777,076	-2.1%
<u>HENNEPIN & 7TH ENTERTAINMENT(CHE0)</u>					
Property Taxes	55,230	818,588	833,863	989,606	18.7%
Interest	247,998	116,248	185,000	17,061	-90.8%
Gains	0	10,445	0	0	0.0%
Rents	0	0	591,000	591,000	0.0%
Total HENNEPIN & 7TH ENTERTAINMENT	303,228	945,280	1,609,863	1,597,667	-0.8%
<u>HUMBOLDT GREENWAY DIST 98(CHG0)</u>					
Property Taxes	0	0	0	137,223	0.0%
Interest	-148,167	-113,395	0	0	0.0%
Gains	0	-10,120	0	0	0.0%
Total HUMBOLDT GREENWAY DIST 98	-148,167	-123,515	0	137,223	0.0%
<u>HERITAGE LAND APTS(CHL0)</u>					
Property Taxes	681,919	581,725	592,586	469,886	-20.7%
Interest	4,037	5,905	360	1,073	198.1%
Gains	0	671	0	0	0.0%
Other Misc Revenues	86,939	32,192	0	0	0.0%
Total HERITAGE LAND APTS	772,896	620,493	592,946	470,959	-20.6%
<u>900 6TH AVENUE SOUTH(CHO0)</u>					
Property Taxes	0	42,124	400,000	62,851	-84.3%
Total 900 6TH AVENUE SOUTH	0	42,124	400,000	62,851	-84.3%
<u>EAST HENNEPIN & UNIVERSITY(CHU0)</u>					
Property Taxes	22,611	272,188	281,015	915,588	225.8%
State Government	0	2,360	0	0	0.0%
Charges for Service	11,194	-11,194	0	0	0.0%
Interest	-23,845	301	1,476	1,779	20.5%
Gains	0	8	0	0	0.0%
Rents	0	0	901,186	0	-100.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Capital Projects:					
<u>EAST HENNEPIN & UNIVERSITY(CHU0)</u>					
Proceeds of Long Term Liabilities	630,000	0	0	0	0.0%
Total EAST HENNEPIN & UNIVERSITY	639,960	263,663	1,183,677	917,367	-22.5%
<u>CAMDEN AREA IMPACT(CIM0)</u>					
Property Taxes	43,227	0	0	0	0.0%
Charges for Sales	6,772	300	0	0	0.0%
Interest	11,280	8,761	6,232	50	-99.2%
Gains	0	695	0	0	0.0%
Total CAMDEN AREA IMPACT	61,279	9,756	6,232	50	-99.2%
<u>IVY TOWER(CIT0)</u>					
Property Taxes	0	138	141	141	0.0%
State Government	0	0	40,000	0	-100.0%
Interest	0	0	0	3	0.0%
Other Misc Revenues	0	0	10,000	0	-100.0%
Total IVY TOWER	0	138	50,141	144	-99.7%
<u>LOCAL CONTRIBUTION FUND(CLC0)</u>					
Interest	298,739	212,752	224,000	0	-100.0%
Gains	0	6,555	0	0	0.0%
Rents	677,314	498,704	0	0	0.0%
Other Misc Revenues	0	0	2,500,000	0	-100.0%
Total LOCAL CONTRIBUTION FUND	976,053	718,010	2,724,000	0	-100.0%
<u>LOWRY RIDGE(CLR0)</u>					
Property Taxes	58,371	89,861	92,265	107,687	16.7%
State Government	863	745	0	0	0.0%
Interest	462	450	320	2,154	573.1%
Gains	0	2	0	0	0.0%
Total LOWRY RIDGE	59,696	91,058	92,585	109,841	18.6%
<u>MAGNUM LOFTS(CML0)</u>					
Property Taxes	7,125	38,833	39,558	40,290	1.9%
Interest	4	207	143	167	16.8%
Gains	0	27	0	0	0.0%
Total MAGNUM LOFTS	7,129	39,067	39,701	40,457	1.9%
<u>Many Rivers(CMR0)</u>					
Property Taxes	0	166	51,872	24,233	-53.3%
Interest	0	0	0	48	0.0%
Total Many Rivers	0	166	51,872	24,281	-53.2%
<u>NICOLLET FRANKLIN(CNF0)</u>					
Property Taxes	102,459	65,511	66,734	83,704	25.4%
Interest	542	-1,324	0	335	0.0%
Gains	0	-215	0	0	0.0%
Total NICOLLET FRANKLIN	103,001	63,972	66,734	84,039	25.9%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Capital Projects:					
<u>NRP(CNR0)</u>					
Charges for Service	0	27,609	0	0	0.0%
Charges for Sales	105,870	143,624	0	0	0.0%
Interest	2,134,297	1,591,229	1,600,000	0	-100.0%
Gains	0	121,184	0	0	0.0%
Rents	3,936	-328	0	0	0.0%
Other Misc Revenues	1,537,999	1,860,753	0	0	0.0%
Operating Transfers In	8,923,185	0	0	0	0.0%
Total NRP	12,705,286	3,744,071	1,600,000	0	-100.0%
<u>NWIP(CPA0)</u>					
Property Taxes	2,296,869	2,710,530	2,816,921	2,739,567	-2.7%
State Government	483	489	0	0	0.0%
Interest	114,930	37,408	42,085	29,330	-30.3%
Gains	0	3,322	0	0	0.0%
Total NWIP	2,412,281	2,751,750	2,859,006	2,768,897	-3.2%
<u>HOLMES(CPB0)</u>					
Property Taxes	1,891,828	2,119,500	2,290,638	2,337,096	2.0%
State Government	48,952	49,253	0	0	0.0%
Interest	75,232	43,288	66,716	25,420	-61.9%
Gains	0	2,613	0	0	0.0%
Total HOLMES	2,016,012	2,214,654	2,357,354	2,362,516	0.2%
<u>NICOLLET ISLAND EAST BANK(CPC0)</u>					
Property Taxes	1,749,980	1,757,400	1,826,179	1,634,394	-10.5%
State Government	17,242	14,903	0	0	0.0%
Interest	132,758	63,765	89,208	18,460	-79.3%
Gains	0	4,331	0	0	0.0%
Total NICOLLET ISLAND EAST BANK	1,899,980	1,840,399	1,915,387	1,652,854	-13.7%
<u>PORTLAND PLACE(CPD0)</u>					
Property Taxes	49,675	54,573	66,942	0	-100.0%
State Government	8,935	9,169	0	0	0.0%
Interest	7,677	4,403	341	0	-100.0%
Gains	0	422	0	0	0.0%
Total PORTLAND PLACE	66,288	68,567	67,283	0	-100.0%
<u>NOKOMIS HOLMES(CPE0)</u>					
Property Taxes	186,064	207,251	267,414	595,235	122.6%
State Government	53,189	54,418	0	0	0.0%
Interest	16,391	9,711	5,569	0	-100.0%
Gains	0	1,194	0	0	0.0%
Total NOKOMIS HOLMES	255,645	272,574	272,983	595,235	118.0%
<u>ELLIOT PARK(CPF0)</u>					
Property Taxes	434,805	465,794	483,473	0	-100.0%
State Government	5,694	7,483	0	0	0.0%
Interest	95,622	25,861	13,099	19,487	48.8%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Capital Projects:					
<u>ELLIOT PARK(CPF0)</u>					
Gains	0	2,320	0	0	0.0%
Total ELLIOT PARK	536,121	501,458	496,572	19,487	-96.1%
<u>NICOLLET & LAKE(CPG0)</u>					
Property Taxes	421,579	513,975	525,679	623,411	18.6%
State Government	6,398	7,263	0	0	0.0%
Interest	14,457	8,936	5,572	8,629	54.9%
Gains	0	1,096	0	0	0.0%
Total NICOLLET & LAKE	442,435	531,269	531,251	632,040	19.0%
<u>CENTRAL & 20TH(CPH0)</u>					
Property Taxes	135,981	133,940	136,441	121,050	-11.3%
Interest	11,181	6,730	3,914	3,826	-2.2%
Gains	0	804	0	0	0.0%
Total CENTRAL & 20TH	147,162	141,475	140,355	124,876	-11.0%
<u>CENTRAL AVE MARKET(CPI0)</u>					
Interest	73	15	0	0	0.0%
Gains	0	1	0	0	0.0%
Total CENTRAL AVE MARKET	73	16	0	0	0.0%
<u>MILES I(CPJ0)</u>					
Property Taxes	71,453	89,905	90,352	93,626	3.6%
State Government	92	322	0	0	0.0%
Interest	10,540	5,216	3,028	3,238	6.9%
Gains	0	530	0	0	0.0%
Total MILES I	82,085	95,973	93,380	96,864	3.7%
<u>NBA ARENA(CPK0)</u>					
Property Taxes	1,397,869	1,448,455	1,475,496	1,298,044	-12.0%
Charges for Sales	3,162	0	0	0	0.0%
Interest	48,960	50,111	3,032	35,000	1,054.4%
Gains	0	19,090	0	0	0.0%
Other Misc Revenues	749,990	749,990	749,990	0	-100.0%
Operating Transfers In	0	8,597,277	0	0	0.0%
Total NBA ARENA	2,199,982	10,864,923	2,228,518	1,333,044	-40.2%
<u>PHILLIPS PARK(CPL0)</u>					
Property Taxes	34,148	37,576	43,394	50,215	15.7%
State Government	4,055	5,041	0	0	0.0%
Interest	42	251	150	1,004	569.3%
Gains	0	42	0	0	0.0%
Total PHILLIPS PARK	38,245	42,911	43,544	51,219	17.6%
<u>LASALLE PLACE(CPM0)</u>					
Property Taxes	2,291,650	1,236,357	2,091,950	1,908,738	-8.8%
Interest	162,317	81,558	53,183	18,854	-64.5%
Gains	0	8,484	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Capital Projects:					
<u>LASALLE PLACE(CPM0)</u>					
Other Misc Revenues	12,500	0	0	0	0.0%
Total LASALLE PLACE	2,466,467	1,326,399	2,145,133	1,927,592	-10.1%
<u>CAPITAL PROJECTS- OTHER(CPO0)</u>					
Charges for Sales	0	0	270,000	0	-100.0%
Interest	266,877	0	200,000	0	-100.0%
Rents	0	0	50,000	750,000	1,400.0%
Other Misc Revenues	50	0	50,000	0	-100.0%
Operating Transfers In	0	650,170	0	0	0.0%
Proceeds of Long Term Liabilities	1,960,000	0	1,960,000	0	-100.0%
Total CAPITAL PROJECTS- OTHER	2,226,927	650,170	2,530,000	750,000	-70.4%
<u>PRELIMINARY PLANNING(CPP0)</u>					
Charges for Service	87,358	-10,256	75,000	727,000	869.3%
Charges for Sales	0	0	0	1,400,000	0.0%
Rents	1,100	2,922	0	0	0.0%
Other Misc Revenues	0	13,344	96,000	140,000	45.8%
Operating Transfers In	922,475	830,495	500,000	0	-100.0%
Total PRELIMINARY PLANNING	1,010,933	836,505	671,000	2,267,000	237.9%
<u>NEIMAN MARCUS(CPQ0)</u>					
Property Taxes	1,213,983	1,344,002	1,369,101	1,173,093	-14.3%
Interest	146,105	62,888	32,469	40,670	25.3%
Gains	0	5,447	0	0	0.0%
Total NEIMAN MARCUS	1,360,088	1,412,337	1,401,570	1,213,763	-13.4%
<u>IDS DATA SERVICE CENTER(CPR0)</u>					
Property Taxes	2,452,269	4,305,297	4,385,671	3,486,961	-20.5%
Interest	109,375	68,982	54,504	51,396	-5.7%
Gains	0	2,396	0	0	0.0%
Total IDS DATA SERVICE CENTER	2,561,643	4,376,676	4,440,175	3,538,357	-20.3%
<u>ST THOMAS(CPT0)</u>					
Interest	566	0	0	0	0.0%
Total ST THOMAS	566	0	0	0	0.0%
<u>BLOCK E(CPU0)</u>					
Interest	45,545	31,538	34,000	0	-100.0%
Gains	0	2,484	0	0	0.0%
Total BLOCK E	45,545	34,022	34,000	0	-100.0%
<u>36TH AND MARSHALL(CPW0)</u>					
Property Taxes	113,068	142,891	145,560	145,507	-0.0%
Interest	4,186	3,647	1,634	65	-96.0%
Gains	0	483	0	0	0.0%
Total 36TH AND MARSHALL	117,255	147,022	147,194	145,572	-1.1%
<u>COMMON PROJECT RESERVE(CPZ0)</u>					
Interest	1,929,291	-1,628,746	1,446,000	0	-100.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Capital Projects:					
<u>COMMON PROJECT RESERVE(CPZ0)</u>					
Gains	0	44,475	0	0	0.0%
Total COMMON PROJECT RESERVE	1,929,291	-1,584,271	1,446,000	0	-100.0%
<u>CAPITAL PROJECTS-ARBITRAGE(CRB0)</u>					
Interest	-7,472	4,025	0	0	0.0%
Gains	0	10	0	0	0.0%
Total CAPITAL PROJECTS-ARBITRAGE	-7,472	4,035	0	0	0.0%
<u>CREAMETTE DISTRICT 84(CRM0)</u>					
Property Taxes	150,185	146,004	148,729	0	-100.0%
Interest	888	1,356	2,066	0	-100.0%
Gains	0	281	0	0	0.0%
Total CREAMETTE DISTRICT 84	151,073	147,641	150,795	0	-100.0%
<u>ROSACKER NURSERY SITE(CRS0)</u>					
Property Taxes	107,072	117,034	125,668	137,654	9.5%
State Government	5,457	5,080	0	0	0.0%
Interest	6,222	2,672	831	2,747	230.6%
Gains	0	55	0	0	0.0%
Total ROSACKER NURSERY SITE	118,750	124,841	126,499	140,401	11.0%
<u>SEMI-PHASE 1(CS10)</u>					
Property Taxes	485,004	594,558	605,655	608,348	0.4%
Interest	13,842	15,804	12,478	8,542	-31.5%
Gains	0	1,979	0	0	0.0%
Total SEMI-PHASE 1	498,847	612,341	618,133	616,890	-0.2%
<u>SEMI-PHASE 2(CS20)</u>					
Property Taxes	237,248	285,079	290,402	290,297	-0.0%
Interest	25,170	20,174	5,983	5,790	-3.2%
Gains	0	1,965	0	0	0.0%
Total SEMI-PHASE 2	262,419	307,218	296,385	296,087	-0.1%
<u>SEMI-PHASE 3(CS30)</u>					
Property Taxes	149,014	81,893	83,919	111,321	32.7%
Interest	205	-547	1,729	2,260	30.7%
Gains	0	-38	0	0	0.0%
Total SEMI-PHASE 3	149,219	81,308	85,648	113,581	32.6%
<u>SEMI-PHASE 4(CS40)</u>					
Property Taxes	144,718	175,638	178,917	162,937	-8.9%
Interest	1,812	1,464	3,686	800	-78.3%
Gains	0	147	0	0	0.0%
Total SEMI-PHASE 4	146,530	177,249	182,603	163,737	-10.3%
<u>SEMI-PHASE 5(CS50)</u>					
Property Taxes	147,452	177,161	180,468	180,403	-0.0%
Interest	1,984	-579	3,718	870	-76.6%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Capital Projects:					
<u>SEMI-PHASE 5(CS50)</u>					
Gains	0	-62	0	0	0.0%
Total SEMI-PHASE 5	149,436	176,520	184,186	181,273	-1.6%
<u>Stone Arch Apartments(CSA0)</u>					
Property Taxes	0	0	0	21,129	0.0%
Interest	0	0	0	42	0.0%
Total Stone Arch Apartments	0	0	0	21,171	0.0%
<u>SPRING & CENTRAL(CSC0)</u>					
Property Taxes	8,244	10,978	11,182	12,270	9.7%
Interest	412	532	332	245	-26.2%
Gains	0	67	0	0	0.0%
Total SPRING & CENTRAL	8,656	11,576	11,514	12,515	8.7%
<u>SHINGLE CREEK CONDOMINIUMS(CSH0)</u>					
Property Taxes	0	84,932	0	89,684	0.0%
Interest	-27	-189	0	179	0.0%
Gains	0	-6	0	0	0.0%
Total SHINGLE CREEK CONDOMINIUMS	-27	84,737	0	89,863	0.0%
<u>STINSON(CST0)</u>					
Property Taxes	283,961	426,359	448,874	593,142	32.1%
Interest	-3,944	-2,112	0	2,372	0.0%
Gains	0	-89	0	0	0.0%
Other Misc Revenues	106,734	0	0	0	0.0%
Total STINSON	386,751	424,158	448,874	595,514	32.7%
<u>TOWERS AT ELLIOT PARK(CTE0)</u>					
Property Taxes	0	0	0	52,906	0.0%
Interest	49,799	54,813	37,000	0	-100.0%
Gains	0	3,653	0	0	0.0%
Proceeds of Long Term Liabilities	9,825,000	0	0	0	0.0%
Total TOWERS AT ELLIOT PARK	9,874,799	58,466	37,000	52,906	43.0%
<u>2ND ST N HOTEL/APTS TOWNPLACE(CTP0)</u>					
Property Taxes	284,535	217,761	290,933	207,369	-28.7%
Interest	784	1,330	334	843	152.4%
Gains	0	292	0	0	0.0%
Total 2ND ST N HOTEL/APTS TOWNPLACE	285,319	219,383	291,267	208,212	-28.5%
<u>10TH AND WASHINGTON(CTW0)</u>					
Property Taxes	53,186	44,552	45,385	117,163	158.2%
Interest	3,587	3,881	2,582	479	-81.4%
Gains	0	424	0	0	0.0%
Total 10TH AND WASHINGTON	56,773	48,858	47,967	117,642	145.3%
<u>UNITED VAN BUS(CUB0)</u>					
Property Taxes	33,128	50,315	51,254	58,092	13.3%
Charges for Sales	28,665	0	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Capital Projects:					
<u>UNITED VAN BUS(CUB0)</u>					
Interest	7,168	6,135	4,144	1,245	-70.0%
Gains	0	571	0	0	0.0%
Total UNITED VAN BUS	68,961	57,021	55,398	59,337	7.1%
<u>East River/Unocal Site(CUN0)</u>					
Interest	3,107	6,240	2,000	0	-100.0%
Gains	0	504	0	0	0.0%
Proceeds of Long Term Liabilities	1,500,000	0	0	0	0.0%
Total East River/Unocal Site	1,503,107	6,744	2,000	0	-100.0%
<u>URBAN VILLAGE(CUV0)</u>					
Property Taxes	7,753	15,408	17,785	19,278	8.4%
State Government	73	73	0	0	0.0%
Charges for Service	0	185	0	0	0.0%
Interest	12,525	-6,651	0	0	0.0%
Gains	0	-326	0	0	0.0%
Operating Transfers In	200,827	0	0	0	0.0%
Total URBAN VILLAGE	221,178	8,689	17,785	19,278	8.4%
<u>HSG REPLACE-WATERSHED 3(CW30)</u>					
Property Taxes	58,097	0	1,000	0	-100.0%
State Government	6,388	0	0	0	0.0%
Interest	2,662	3,060	-1,000	0	-100.0%
Gains	0	245	0	0	0.0%
Other Misc Revenues	0	0	0	0	0.0%
Total HSG REPLACE-WATERSHED 3	67,147	3,305	0	0	0.0%
<u>Housing Replacement District #4(CW40)</u>					
Other Misc Revenues	0	0	0	0	0.0%
Total Housing Replacement District #4	0	0	0	0	0.0%
<u>WEST SIDE MILLING DISTRICT(CWM0)</u>					
Property Taxes	441,459	678,790	729,621	1,380,207	89.2%
State Government	3,190	2,003	0	0	0.0%
Charges for Service	0	0	0	50,000	0.0%
Charges for Sales	264,039	0	0	0	0.0%
Interest	194,206	92,698	0	9,845	0.0%
Gains	0	7,797	0	0	0.0%
Other Misc Revenues	217,060	0	50,000	0	-100.0%
Total WEST SIDE MILLING DISTRICT	1,119,953	781,288	779,621	1,440,052	84.7%
<u>West River Commons(CWR0)</u>					
Property Taxes	0	0	0	6,267	0.0%
Interest	0	0	0	246,078	0.0%
Total West River Commons	0	0	0	252,345	0.0%
<u>HSG REPLACE-WATERSHED 0(CWS0)</u>					
Property Taxes	48,130	146,650	1,100,000	246,078	-77.6%
State Government	7,699	16,495	0	0	0.0%
Interest	4,173	1,165	5,704	4,704	-17.5%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Capital Projects:					
<u>HSG REPLACE-WATERSHED 0(CWS0)</u>					
Gains	0	269	0	0	0.0%
Other Misc Revenues	0	0	1,450,000	122,000	-91.6%
Total HSG REPLACE-WATERSHED 0	60,002	164,578	2,555,704	372,782	-85.4%
<u>Housing Replacement 2(CWT0)</u>					
Other Misc Revenues	0	0	50,000	0	-100.0%
Total Housing Replacement 2	0	0	50,000	0	-100.0%
Total Capital Projects	306,191,066	370,317,480	151,841,714	140,932,362	-7.2%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
<u>Debt Service:</u>					
<u>BOND REDEMPTION - DEBT SERVICE(5250)</u>					
Property Taxes	26,600,853	27,793,569	25,730,759	22,308,720	-13.3%
Sales and Other Taxes	2,504	2,551	0	0	0.0%
State Government	1,572,951	1,601,253	0	0	0.0%
Special Assessments	377	530	0	0	0.0%
Interest	1,084,090	698,987	0	0	0.0%
Gains	241,762	-327,535	0	0	0.0%
Rents	892,669	0	0	0	0.0%
Other Misc Revenues	122	75,412	0	0	0.0%
Operating Transfers In	4,650,075	4,261,685	0	502,000	0.0%
Proceeds of Long Term Liabilities	0	4,000,000	0	0	0.0%
Total BOND REDEMPTION - DEBT SERVICE	35,045,403	38,106,452	25,730,759	22,810,720	-11.3%
<u>OTH SELF SUPPORTING DEBT SERVC(5260)</u>					
Interest	85	-85	0	0	0.0%
Gains	23	-23	0	0	0.0%
Rents	0	735,924	0	0	0.0%
Other Misc Revenues	48,506	54,912	0	0	0.0%
Operating Transfers In	138,356	1,822,036	1,815,246	2,318,105	27.7%
Proceeds of Long Term Liabilities	3,500,000	0	0	0	0.0%
Total OTH SELF SUPPORTING DEBT SERVC	3,686,970	2,612,764	1,815,246	2,318,105	27.7%
<u>PENSION FUND DEBT SERVICE(5270)</u>					
Property Taxes	0	1,933,185	0	0	0.0%
Sales and Other Taxes	0	178	0	0	0.0%
State Government	0	111,700	0	0	0.0%
Interest	0	1,437	0	0	0.0%
Gains	0	393	0	0	0.0%
Other Misc Revenues	0	0	0	47,138	0.0%
Operating Transfers In	0	0	4,733,758	18,941,469	300.1%
Total PENSION FUND DEBT SERVICE	0	2,046,892	4,733,758	18,988,607	301.1%
<u>LIBRARY REF DEBT SERVICE(5280)</u>					
Property Taxes	0	396,548	3,332,000	6,272,000	88.2%
Interest	0	125	0	0	0.0%
Operating Transfers In	0	53,860	0	0	0.0%
Total LIBRARY REF DEBT SERVICE	0	450,532	3,332,000	6,272,000	88.2%
<u>CONVENTION CENTER-DEBT SERVICE(5300)</u>					
State Government	81,527,000	0	0	0	0.0%
Interest	413,653	10,427	0	0	0.0%
Gains	-4,085	1,284	0	0	0.0%
Rents	150,985	301,970	0	0	0.0%
Other Misc Revenues	24,508	0	0	0	0.0%
Operating Transfers In	16,622,480	17,650,141	19,493,078	19,724,675	1.2%
Proceeds of Long Term Liabilities	162,677,916	0	0	0	0.0%
Total CONVENTION CENTER-DEBT SERVICE	261,412,456	17,963,822	19,493,078	19,724,675	1.2%
<u>TARGET CENTER(5350)</u>					
Interest	14,162	7,534	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
<u>Debt Service:</u>					
<u>TARGET CENTER(5350)</u>					
Operating Transfers In	4,440,281	4,646,596	0	0	0.0%
Total TARGET CENTER	4,454,443	4,654,130	0	0	0.0%
<u>BOND REDEMPTION - ASSESSMENT(5450)</u>					
Special Assessments	388,010	249,189	0	94,500	0.0%
Interest	173,552	115,360	0	0	0.0%
Gains	36,864	-48,726	0	0	0.0%
Other Misc Revenues	0	1,875	0	0	0.0%
Total BOND REDEMPTION - ASSESSMENT	598,426	317,698	0	94,500	0.0%
<u>CONCERT HALL - DEBT SERVICE(5600)</u>					
Interest	27,954	18,101	0	0	0.0%
Gains	5,836	-9,478	0	0	0.0%
Rents	555,000	630,000	0	0	0.0%
Other Misc Revenues	0	-702,302	0	0	0.0%
Total CONCERT HALL - DEBT SERVICE	588,790	-63,679	0	0	0.0%
<u>TAX INCREMENT - DEBT SERVICE(5900)</u>					
Interest	11,871	1,661	0	0	0.0%
Gains	2,590	-3,163	0	0	0.0%
Other Misc Revenues	27,957	0	0	0	0.0%
Operating Transfers In	23,440,451	16,217,484	0	0	0.0%
Proceeds of Long Term Liabilities	0	26,237,370	0	0	0.0%
Total TAX INCREMENT - DEBT SERVICE	23,482,870	42,453,353	0	0	0.0%
<u>00 IMPROVEMENT BONDS(5A00)</u>					
Special Assessments	6,221	1,339	0	0	0.0%
Interest	108	197	0	0	0.0%
Gains	-137	-26	0	0	0.0%
Total 00 IMPROVEMENT BONDS	6,192	1,510	0	0	0.0%
<u>96 IMPROVEMENT BONDS(5A60)</u>					
Special Assessments	156,956	154,017	0	198,460	0.0%
Interest	9,079	4,666	0	0	0.0%
Gains	1,687	-2,817	0	0	0.0%
Total 96 IMPROVEMENT BONDS	167,721	155,866	0	198,460	0.0%
<u>97 IMPROVEMENT BONDS(5A70)</u>					
Special Assessments	282,290	266,683	0	253,913	0.0%
Interest	10,866	7,339	0	0	0.0%
Gains	2,596	-3,160	0	0	0.0%
Total 97 IMPROVEMENT BONDS	295,752	270,862	0	253,913	0.0%
<u>98 IMPROVEMENT BONDS(5A80)</u>					
Special Assessments	200,776	174,693	0	180,194	0.0%
Interest	17,989	12,183	0	0	0.0%
Gains	3,944	-5,188	0	0	0.0%
Total 98 IMPROVEMENT BONDS	222,709	181,687	0	180,194	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
<u>Debt Service:</u>					
<u>01 IMPROVEMENT BONDS - 20 YR(5AB0)</u>					
Special Assessments	1,598,104	1,600,392	0	817,053	0.0%
Interest	35,105	42,866	0	0	0.0%
Gains	11,031	-8,074	0	0	0.0%
Total 01 IMPROVEMENT BONDS - 20 YR	1,644,239	1,635,184	0	817,053	0.0%
<u>BOND REDEM ARBIT 6/90 IMP BOND(5B00)</u>					
Special Assessments	244,192	244,594	0	306,683	0.0%
Interest	-4,123	-5,374	0	0	0.0%
Gains	-1,463	712	0	0	0.0%
Total BOND REDEM ARBIT 6/90 IMP BOND	238,606	239,931	0	306,683	0.0%
<u>BOND REDEM ARBIT 6/91 IMP BOND(5C00)</u>					
Special Assessments	190,556	161,483	0	237,390	0.0%
Interest	28,461	17,744	0	0	0.0%
Gains	5,822	-8,357	0	0	0.0%
Total BOND REDEM ARBIT 6/91 IMP BOND	224,839	170,869	0	237,390	0.0%
<u>BOND REDEM ARBIT 6/92 IMP BOND(5E00)</u>					
Special Assessments	155,311	144,385	0	201,788	0.0%
Interest	25,465	14,942	0	0	0.0%
Gains	4,999	-7,480	0	0	0.0%
Total BOND REDEM ARBIT 6/92 IMP BOND	185,775	151,847	0	201,788	0.0%
<u>BOND REDEM ARBIT 6/93 IMP BOND(5F00)</u>					
Special Assessments	238,808	202,160	0	210,750	0.0%
Interest	32,492	20,725	0	0	0.0%
Gains	6,710	-10,889	0	0	0.0%
Proceeds of Long Term Liabilities	0	1,460,000	0	0	0.0%
Total BOND REDEM ARBIT 6/93 IMP BOND	278,009	1,671,996	0	210,750	0.0%
<u>BOND REDEM ARBIT 6/94 IMP BOND(5G00)</u>					
Special Assessments	152,869	150,637	0	198,695	0.0%
Interest	48,532	32,173	0	0	0.0%
Gains	10,249	-13,839	0	0	0.0%
Total BOND REDEM ARBIT 6/94 IMP BOND	211,650	168,971	0	198,695	0.0%
<u>BOND REDEM ARBIT 6/95 IMP BOND(5H00)</u>					
Special Assessments	297,422	278,650	0	273,467	0.0%
Interest	35,916	25,375	0	0	0.0%
Gains	7,836	-10,158	0	0	0.0%
Total BOND REDEM ARBIT 6/95 IMP BOND	341,174	293,867	0	273,467	0.0%
<u>OCT 02 IMPROV BOND D/S(5I20)</u>					
Special Assessments	215,652	774,639	0	581,900	0.0%
Interest	895	9,913	0	0	0.0%
Gains	0	593	0	0	0.0%
Operating Transfers In	0	21,408	0	0	0.0%
Total OCT 02 IMPROV BOND D/S	216,547	806,553	0	581,900	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
<u>Debt Service:</u>					
<u>NOV03 IMPROV BOND D/S(5130)</u>					
Special Assessments	0	162,363	0	647,153	0.0%
Interest	0	327	0	0	0.0%
Gains	0	359	0	0	0.0%
Operating Transfers In	0	31,741	0	0	0.0%
Total NOV03 IMPROV BOND D/S	0	194,791	0	647,153	0.0%
<u>NOV04 IMPROV BOND D/S(5140)</u>					
Special Assessments	0	0	0	1,033,950	0.0%
Total NOV04 IMPROV BOND D/S	0	0	0	1,033,950	0.0%
<u>BOND REDEM ARBIT ASSESS PARK(5P00)</u>					
Special Assessments	305,044	394,145	0	546,200	0.0%
Interest	10,028	9,856	0	0	0.0%
Gains	2,472	-2,858	0	0	0.0%
Operating Transfers In	126,816	0	0	0	0.0%
Total BOND REDEM ARBIT ASSESS PARK	444,359	401,143	0	546,200	0.0%
<u>BOND REDEM ARBIT 6/87 IMP BOND(5Z10)</u>					
Special Assessments	61,991	47,558	0	0	0.0%
Interest	-7,727	-7,393	0	0	0.0%
Gains	-2,673	1,610	0	0	0.0%
Total BOND REDEM ARBIT 6/87 IMP BOND	51,591	41,775	0	0	0.0%
<u>BOND REDEM ARBIT 9/87 IMP BOND(5Z20)</u>					
Special Assessments	71,901	62,171	0	0	0.0%
Interest	-16,414	-9,707	0	0	0.0%
Gains	-5,482	4,769	0	0	0.0%
Total BOND REDEM ARBIT 9/87 IMP BOND	50,005	57,233	0	0	0.0%
<u>BOND REDEM ARBIT 6/88 IMP BOND(5Z30)</u>					
Special Assessments	65,130	56,909	0	126,305	0.0%
Interest	-2,474	-4,023	0	0	0.0%
Gains	-1,047	338	0	0	0.0%
Total BOND REDEM ARBIT 6/88 IMP BOND	61,609	53,224	0	126,305	0.0%
<u>BOND REDEM ARBIT 6/89 IMP BOND(5Z40)</u>					
Special Assessments	64,651	61,138	0	126,305	0.0%
Interest	-3,670	-4,858	0	0	0.0%
Gains	-1,322	680	0	0	0.0%
Total BOND REDEM ARBIT 6/89 IMP BOND	59,659	56,961	0	126,305	0.0%
<u>BOND REDEM ARBIT NIC MALL BOND(5Z50)</u>					
Special Assessments	1,686,886	1,650,474	0	1,702,403	0.0%
Interest	75,369	53,209	0	0	0.0%
Gains	16,523	-20,372	0	0	0.0%
Operating Transfers In	215,885	218,522	0	0	0.0%
Total BOND REDEM ARBIT NIC MALL BOND	1,994,662	1,901,833	0	1,702,403	0.0%
<u>MCDA DEBT SERVICE(DDS0)</u>					

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Debt Service:					
<u>MCDA DEBT SERVICE(DDS0)</u>					
Interest	-67,187	196,840	0	225,740	0.0%
Gains	0	25,362	0	0	0.0%
Operating Transfers In	32,416,946	35,512,379	1,500,000	36,870,740	2,358.0%
Total MCDA DEBT SERVICE	32,349,759	35,734,580	1,500,000	37,096,480	2,373.1%
<u>ST ANTHONY DEBT SERVICE(DDT0)</u>					
Charges for Service	-350	0	0	0	0.0%
Interest	102,573	6,300	152,000	0	-100.0%
Gains	0	1,545	0	0	0.0%
Operating Transfers In	133,735	0	0	0	0.0%
Total ST ANTHONY DEBT SERVICE	235,958	7,845	152,000	0	-100.0%
Total Debt Service	368,550,173	152,740,493	56,756,841	114,947,696	102.5%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
<u>Enterprise Funds:</u>					
<u>Sanitary Sewer Fund(7100)</u>					
Charges for Service	0	0	0	36,055,500	0.0%
Other Misc Revenues	0	0	0	50,000	0.0%
Total Sanitary Sewer Fund	0	0	0	36,105,500	0.0%
<u>Stormwater Fund(7300)</u>					
Property Taxes	0	0	0	0	0.0%
Federal Government	979,910	41,017	310,000	0	-100.0%
State Government	565,883	556,335	1,158,678	1,839,681	58.8%
Local Government	128,178	290,090	290,089	1,166,985	302.3%
Charges for Service	64,121,468	62,626,362	68,842,625	34,181,368	-50.3%
Charges for Sales	4,470	5,797	500	1,000	100.0%
Special Assessments	274,829	257,471	115,000	115,000	0.0%
Interest	-338	437	0	0	0.0%
Other Misc Revenues	-60,272	24,966	52,000	10,000	-80.8%
Operating Transfers In	7,987,502	6,875,360	0	0	0.0%
Proceeds of Long Term Liabilities	0	0	10,519,000	5,870,000	-44.2%
Total Stormwater Fund	74,001,629	70,677,834	81,287,892	43,184,034	-46.9%
<u>WATER ENTERPRISE FUND(7400)</u>					
Property Taxes	0	0	0	0	0.0%
Licenses and Permits	787	1,069	1,000	1,000	0.0%
Federal Government	316,657	154,011	0	0	0.0%
Charges for Service	54,733,364	61,733,775	66,817,803	65,671,953	-1.7%
Charges for Sales	1,714,787	678,996	1,740,000	1,780,000	2.3%
Special Assessments	1,768,511	1,031,895	0	0	0.0%
Interest	-22,332	1,542	0	0	0.0%
Rents	3,066	0	2,000	1,000	-50.0%
Other Misc Revenues	1,743	39,329	19,100	19,100	0.0%
Operating Transfers In	5,266,037	4,124,518	0	0	0.0%
Proceeds of Long Term Liabilities	3,718,477	0	33,000,000	16,000,000	-51.5%
Total WATER ENTERPRISE FUND	67,501,098	67,765,135	101,579,903	83,473,053	-17.8%
<u>MUNICIPAL PARKING ENTERPRISE FUND(7500)</u>					
Licenses and Permits	193,244	192,354	155,000	193,000	24.5%
State Government	0	295,600	0	0	0.0%
Charges for Service	52,729,011	51,131,179	56,455,882	54,389,616	-3.7%
Charges for Sales	1,063,292	1,185,120	1,001,000	1,001,000	0.0%
Special Assessments	158,534	156,439	132,500	132,500	0.0%
Interest	150	1,492	750	750	0.0%
Rents	130,744	123,137	3,000	3,000	0.0%
Other Misc Revenues	454,697	43,236	11,000	1,000	-90.9%
Operating Transfers In	33,201,924	37,521,338	15,142,777	15,159,029	0.1%
Proceeds of Long Term Liabilities	0	0	0	0	0.0%
Total MUNICIPAL PARKING ENTERPRISE FUND	87,931,595	90,649,896	72,901,909	70,879,895	-2.8%
<u>10TH AND WASHINGTON RAMP ARBIT(7550)</u>					
Interest	-10	0	0	0	0.0%
Gains	-211	0	0	0	0.0%
Total 10TH AND WASHINGTON RAMP ARBIT	-221	0	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Enterprise Funds:					
<u>97 TEMPORARY RAMP REVENUE BOND(7570)</u>					
Interest	1	0	0	0	0.0%
Gains	-0	0	0	0	0.0%
Total 97 TEMPORARY RAMP REVENUE BOND	0	0	0	0	0.0%
<u>GREYHOUND/JEFF PARK FACILITY(7580)</u>					
Interest	-2	0	0	0	0.0%
Gains	-109	0	0	0	0.0%
Total GREYHOUND/JEFF PARK FACILITY	-111	0	0	0	0.0%
<u>ST. THOMAS/GREYHOUND 1999 BOND(7590)</u>					
Interest	-136	0	0	0	0.0%
Gains	-6,127	0	0	0	0.0%
Total ST. THOMAS/GREYHOUND 1999 BOND	-6,262	0	0	0	0.0%
<u>SOLID WASTE - ENTERPRISE(7700)</u>					
Local Government	936,327	844,405	804,000	544,000	-32.3%
Charges for Service	25,174,810	26,240,595	26,098,800	26,098,800	0.0%
Charges for Sales	618,273	940,994	640,200	900,000	40.6%
Special Assessments	128,125	92,960	0	0	0.0%
Interest	14	1	0	0	0.0%
Gains	15,171	0	0	0	0.0%
Rents	280	140	0	0	0.0%
Other Misc Revenues	3,433	1,892	0	0	0.0%
Operating Transfers In	146,000	146,000	196,000	196,000	0.0%
Total SOLID WASTE - ENTERPRISE	27,022,432	28,266,988	27,739,000	27,738,800	-0.0%
<u>PARK - OPERATIONS - ENTERPRISE(7800)</u>					
Federal Government	17,209	0	0	0	0.0%
State Government	28,522	20,487	28,500	0	-100.0%
Charges for Service	9,128,638	9,892,782	11,077,522	10,082,813	-9.0%
Charges for Sales	7,777	2,087	3,000	0	-100.0%
Interest	57	46	0	0	0.0%
Gains	0	0	0	0	0.0%
Rents	1,415,229	1,396,674	1,094,398	1,686,587	54.1%
Contributions	390,520	458,867	53,000	41,385	-21.9%
Other Misc Revenues	12,267	0	0	0	0.0%
Operating Transfers In	215,634	87,839	174,000	100,000	-42.5%
Total PARK - OPERATIONS - ENTERPRISE	11,215,854	11,858,782	12,430,420	11,910,785	-4.2%
<u>98 SEWER FIXED RATE BONDS(8S10)</u>					
Gains	-0	0	0	0	0.0%
Total 98 SEWER FIXED RATE BONDS	-0	0	0	0	0.0%
<u>98 SEWER (OCTOBER) BONDS(8S30)</u>					
Gains	-0	0	0	0	0.0%
Total 98 SEWER (OCTOBER) BONDS	-0	0	0	0	0.0%
<u>99 SEWER FIXED RATE BONDS(9S10)</u>					
Interest	-10	0	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Enterprise Funds:					
<u>99 SEWER FIXED RATE BONDS(9S10)</u>					
Gains	-6,352	0	0	0	0.0%
Total 99 SEWER FIXED RATE BONDS	-6,362	0	0	0	0.0%
<u>DEFAULTED PROPERTY ADMINISTRATION(EDP0)</u>					
Property Taxes	0	0	0	548,365	0.0%
Charges for Service	145,722	54,085	0	0	0.0%
Charges for Sales	116,381	4,978	0	0	0.0%
Interest	-1,522	-4,042	0	10,967	0.0%
Gains	0	-1,110	0	0	0.0%
Rents	37,000	661,184	1,600,000	1,823,000	13.9%
Other Misc Revenues	0	70,896	0	6,000,000	0.0%
Operating Transfers In	0	1,620,279	0	0	0.0%
Total DEFAULTED PROPERTY ADMINISTRATION	297,580	2,406,271	1,600,000	8,382,332	423.9%
<u>FED HOME LN BANK ECON DEVELOP(EED0)</u>					
Interest	82,258	109,040	61,000	6,266	-89.7%
Gains	0	675	0	0	0.0%
Other Misc Revenues	0	0	85,000	0	-100.0%
Total FED HOME LN BANK ECON DEVELOP	82,258	109,715	146,000	6,266	-95.7%
<u>FHLB HOUSING DEVELOPMENT(EHD0)</u>					
Interest	258,843	-3,347	194,000	8,063	-95.8%
Gains	0	307	0	0	0.0%
Total FHLB HOUSING DEVELOPMENT	258,843	-3,040	194,000	8,063	-95.8%
<u>HOUSING OWNERSHIP PROGRAM(EHO0)</u>					
Interest	1,509,378	944,034	1,132,000	6,023	-99.5%
Gains	0	260	0	0	0.0%
Total HOUSING OWNERSHIP PROGRAM	1,509,378	944,294	1,132,000	6,023	-99.5%
<u>HOME OWNERSHIP & RENOVATION(EHR0)</u>					
Interest	611,651	362,080	458,000	0	-100.0%
Gains	0	13	0	0	0.0%
Total HOME OWNERSHIP & RENOVATION	611,651	362,093	458,000	0	-100.0%
<u>LOAN & GRANT PROGRAMS(ELG0)</u>					
Charges for Service	225	1,370	15,000	0	-100.0%
Interest	16,942	13,014	12,000	5,917	-50.7%
Gains	0	504	0	0	0.0%
Total LOAN & GRANT PROGRAMS	17,167	14,888	27,000	5,917	-78.1%
<u>RIVER TERMINAL(ERT0)</u>					
Charges for Service	2,849,213	2,917,570	3,131,800	0	-100.0%
Charges for Sales	8,123	0	0	0	0.0%
Interest	-12,140	-6,983	0	0	0.0%
Gains	0	-734	0	0	0.0%
Total RIVER TERMINAL	2,845,196	2,909,854	3,131,800	0	-100.0%
<u>GARFS(ERZ0)</u>					

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Enterprise Funds:					
<u>GARFS(ERZO)</u>					
Charges for Service	50,000	72,535	0	0	0.0%
Interest	74,269	16,229	55,000	29,779	-45.9%
Gains	0	2,984	0	0	0.0%
Other Misc Revenues	114,424	53,115	300,000	300,000	0.0%
Proceeds of Long Term Liabilities	26,438	0	0	0	0.0%
Total GARFS	265,131	144,863	355,000	329,779	-7.1%
Total Enterprise Funds	273,546,858	276,107,572	302,982,924	282,030,447	-6.9%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
<u>Internal Service Funds:</u>					
<u>MATERIALS & LAB-INTERNAL SVC(6000)</u>					
Charges for Service	712,570	1,003,012	800,000	950,000	18.8%
Charges for Sales	1,972,473	4,348,703	2,400,000	2,650,000	10.4%
Interest	15	20	0	0	0.0%
Other Misc Revenues	10,769	0	0	0	0.0%
Total MATERIALS & LAB-INTERNAL SVC	2,695,827	5,351,734	3,200,000	3,600,000	12.5%
<u>EQUIPMENT - INTERNAL SERVICE(6100)</u>					
Charges for Service	8,676,646	601,846	4,971,962	7,389,661	48.6%
Charges for Sales	2,587,658	2,292,559	5,144,956	6,434,262	25.1%
Interest	-4,328	1,596	500	500	0.0%
Gains	319,590	297,499	200,000	200,000	0.0%
Rents	19,716,789	28,771,508	24,137,500	27,267,348	13.0%
Other Misc Revenues	419,102	584,003	310,000	310,000	0.0%
Operating Transfers In	6,003,216	7,414,522	2,180,000	4,180,000	91.7%
Proceeds of Long Term Liabilities	0	0	5,450,000	5,540,000	1.7%
Total EQUIPMENT - INTERNAL SERVICE	37,718,673	39,963,534	42,394,918	51,321,771	21.1%
<u>PROPERTY SERVICES INTERNAL SERVICE FUND(6200)</u>					
Charges for Service	5,117,768	4,777,037	4,432,500	6,380,500	43.9%
Charges for Sales	648,745	510,842	880,000	385,480	-56.2%
Interest	57	-24	0	0	0.0%
Rents	5,929,459	6,214,108	6,338,500	6,647,500	4.9%
Other Misc Revenues	25,784	18,582	441,063	2,000	-99.5%
Operating Transfers In	1,665,266	4,027,496	841,613	811,613	-3.6%
Proceeds of Long Term Liabilities	6,425,000	0	0	0	0.0%
Total PROPERTY SERVICES INTERNAL SERVICE	19,812,078	15,548,040	12,933,676	14,227,093	10.0%
<u>STORES - INTERNAL SERVICE(6300)</u>					
Charges for Service	535,557	386,845	475,000	400,000	-15.8%
Charges for Sales	3,219,406	4,328,036	3,145,000	3,022,500	-3.9%
Interest	0	163	0	0	0.0%
Total STORES - INTERNAL SERVICE	3,754,963	4,715,044	3,620,000	3,422,500	-5.5%
<u>INFO TECH - INTERNAL SERVICE(6400)</u>					
Property Taxes	0	0	0	0	0.0%
Charges for Service	5,498,331	3,804,169	4,411,465	19,725,822	347.1%
Charges for Sales	0	34,889	10,000	10,000	0.0%
Interest	-114	0	0	0	0.0%
Gains	-555	6,126	0	0	0.0%
Other Misc Revenues	2,937,377	571,460	0	0	0.0%
Operating Transfers In	18,926,346	19,186,475	20,750,335	7,948,450	-61.7%
Proceeds of Long Term Liabilities	0	0	2,950,000	2,000,000	-32.2%
Total INFO TECH - INTERNAL SERVICE	27,361,386	23,603,118	28,121,800	29,684,272	5.6%
<u>PARK - INTERNAL SERVICE(6600)</u>					
Charges for Service	787,773	815,651	1,746,386	1,846,823	5.8%
Charges for Sales	464,786	432,932	110,000	110,000	0.0%
Gains	7,615	6,923	0	0	0.0%
Rents	3,158,223	3,177,708	3,038,780	3,108,500	2.3%
Contributions	38,570	98,873	0	0	0.0%
Other Misc Revenues	6,236	12,031	0	0	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Internal Service Funds:					
<u>PARK - INTERNAL SERVICE(6600)</u>					
Operating Transfers In	124,175	5,245	0	0	0.0%
Total PARK - INTERNAL SERVICE	4,587,377	4,549,363	4,895,166	5,065,323	3.5%
<u>PARK-SELF INSURE-INTERNAL SVC(6700)</u>					
Other Misc Revenues	1,927,611	2,041,631	2,026,853	2,066,149	1.9%
Total PARK-SELF INSURE-INTERNAL SVC	1,927,611	2,041,631	2,026,853	2,066,149	1.9%
<u>SELF INSURANCE-INTERNAL SVC(6900)</u>					
Charges for Service	49,961,039	54,483,747	59,724,000	56,818,135	-4.9%
Other Misc Revenues	5,508,343	5,867,954	3,020,023	5,427,104	79.7%
Operating Transfers In	2,243,748	10,896,271	3,779,313	3,884,547	2.8%
Total SELF INSURANCE-INTERNAL SVC	57,713,131	71,247,972	66,523,336	66,129,786	-0.6%
<u>99EQUIP VARIABLE RATE BONDS(9E10)</u>					
Interest	0	0	0	0	0.0%
Total 99EQUIP VARIABLE RATE BONDS	0	0	0	0	0.0%
Total Internal Service Funds	155,571,047	167,020,436	163,715,749	175,516,894	7.2%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
<u>Investment Management Funds:</u>					
<u>INVESTMENT POOL(Z010)</u>					
Interest	6,502	-4,961	100,000	0	-100.0%
Total INVESTMENT POOL	6,502	-4,961	100,000	0	-100.0%
<u>INVESTMENT POOL(Z990)</u>					
Interest	3,018,247	0	0	0	0.0%
Gains	-3,018,247	0	0	0	0.0%
Total INVESTMENT POOL	0	0	0	0	0.0%
Total Investment Management Funds	6,502	-4,961	100,000	0	-100.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
<u>Agency - Inactive:</u>					
<u>PUBLIC HOUSING AUTHORITY(2900)</u>					
Operating Transfers In	0	0	0	0	0.0%
Total PUBLIC HOUSING AUTHORITY	0	0	0	0	0.0%
<u>LUMBER EXCHANGE SKYWAY(8390)</u>					
Interest	6,174	4,407	0	0	0.0%
Gains	1,358	-1,661	0	0	0.0%
Total LUMBER EXCHANGE SKYWAY	7,533	2,746	0	0	0.0%
Total Agency - Inactive	7,533	2,746	0	0	
TOTAL ALL FUNDS	1,616,882,528	1,491,655,662	1,229,232,643	1,248,810,802	1.6%

SCHEDULE TWO
Revenues by Type

Revenues by Type	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Property Taxes	208,296,479	227,219,514	252,132,017	265,280,632	5.2%
Sales and Other Taxes	47,940,309	49,256,599	50,002,743	51,228,875	2.5%
Franchise Fees	21,860,607	24,082,717	23,500,000	22,110,000	-5.9%
Licenses and Permits	21,720,111	23,204,071	21,470,984	23,459,387	9.3%
Federal Government	43,101,585	45,068,389	63,386,307	52,169,316	-17.7%
State Government	255,427,675	148,671,549	124,980,970	119,774,808	-4.2%
Local Government	11,456,696	9,482,632	8,383,881	9,524,069	13.6%
Charges for Service	322,112,572	322,845,115	354,003,869	376,686,525	6.4%
Charges for Sales	18,416,958	23,013,604	17,525,612	22,533,142	28.6%
Fines and Forfeits	8,259,624	9,268,401	10,470,377	9,645,127	-7.9%
Special Assessments	13,458,288	12,465,894	4,784,595	21,322,043	345.6%
Interest	11,175,436	17,241,021	9,664,104	3,324,188	-65.6%
Gains	-2,015,162	-573,782	200,000	200,000	0.0%
Rents	40,990,643	51,428,641	46,625,584	52,212,847	12.0%
Contributions	4,146,235	2,893,853	822,486	868,372	5.6%
Other Misc Revenues	22,227,175	21,395,200	26,802,831	27,289,841	1.8%
Operating Transfers In	289,313,885	293,319,704	136,637,283	139,910,630	2.4%
Proceeds of Long Term Liabilities	278,993,412	211,372,541	77,839,000	51,271,000	-34.1%
Total Revenues by Type	1,616,882,528	1,491,655,662	1,229,232,643	1,248,810,802	1.6%

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
General Fund - City :					
GENERAL FUND (0100)					
ASSESSOR	2,626,175	2,583,821	2,776,614	3,101,062	11.7%
CORRECTIONS - NON-DEPT	677,264	765,227	700,000	820,000	17.1%
NON-DEPARTMENTAL	996,495	361,152	2,248,135	1,428,143	-36.5%
INTERFUND TRANSFERS	20,264,023	24,988,600	29,862,498	32,791,670	9.8%
UNFUNDED PENSION EXPENSE	0	0	-1,796,128	-1,200,000	-33.2%
ELECTION JUDGES	0	0	0	0	
ATTORNEY	4,375,809	4,259,653	5,012,886	5,602,482	11.8%
CONTINGENCY	462,312	3,651,764	1,587,684	1,983,000	24.9%
CITY COUNCIL	1,070,440	2,787,046	2,872,903	3,322,914	15.7%
CITY CLERK	3,351,591	1,261,816	1,144,810	1,305,447	14.0%
CITY CLERK - ELECTIONS	986,621	527,656	931,170	963,708	3.5%
FIRE DEPARTMENT	41,671,783	39,933,687	43,315,691	45,200,377	4.4%
CIVIL RIGHTS	1,616,030	1,761,145	1,790,877	2,338,040	30.6%
MAYOR	935,810	856,343	939,679	1,053,899	12.2%
POLICE DEPARTMENT	94,817,197	93,631,961	89,445,997	94,749,237	5.9%
CIVILIAN POLICE REVIEW AUTHORITY	177,598	0	0	0	
BOARD OF ESTIMATE & TAXATION	2	0	0	0	
PW - ENGINEERING SERVICES	801,208	888,249	1,116,143	1,191,752	6.8%
PW - FIELD SERVICES	21,924,598	20,957,934	22,787,749	21,612,484	-5.2%
PW - ADMINISTRATIVE SERVICES	1,893,993	1,952,955	1,939,729	2,365,110	21.9%
PW - TRANSPORTATION	10,560,139	9,748,599	10,295,838	10,984,283	6.7%
HUMAN RESOURCES	4,572,190	3,471,613	3,696,543	5,526,672	49.5%
FINANCE DEPARTMENT	5,640,779	4,658,581	7,518,887	17,746,460	136.0%
EMERGENCY COMMUNICATIONS	0	0	6,201,875	6,683,866	7.8%
Regulatory Services	18,117,441	17,385,892	19,295,156	20,892,048	8.3%
CITY COORDINATOR	856,302	387,169	409,105	693,395	69.5%
INTERGOVERNMENTAL RELATIONS	714,944	819,416	901,280	1,041,136	15.5%
COMMUNICATIONS	759,047	2,011,129	2,107,803	2,367,992	12.3%
HEALTH AND FAMILY SUPPORT	3,799,395	3,414,781	3,465,312	3,652,728	5.4%
BUSINESS INFORMATION SERVICES	1,486,559	0	0	0	
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	1,672,375	1,885,326	2,184,066	3,075,229	40.8%
PUBLIC WORKS PAVING CONSTRUCTION	0	0	0	0	
Total GENERAL FUND	246,828,121	244,951,514	262,752,302	291,293,134	10.9%
Total General Fund - City	246,828,121	244,951,514	262,752,302	291,293,134	10.9%

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Special Revenue Funds:					
<u>GRANTS - FEDERAL (0300)</u>					
INTERFUND TRANSFERS	959,577	934,112	62,000	50,000	-19.4%
ATTORNEY	525,641	333,581	496,200	405,523	-18.3%
FIRE DEPARTMENT	1,418,262	446,486	0	0	
CIVIL RIGHTS	0	0	0	0	
POLICE DEPARTMENT	2,388,789	3,364,892	4,931,343	3,500,240	-29.0%
FINANCE DEPARTMENT	122,943	130,249	168,579	34,330	-79.6%
Regulatory Services	1,113,188	1,473,374	90,000	115,483	28.3%
INTERGOVERNMENTAL RELATIONS	573,795	426,125	0	0	
HEALTH AND FAMILY SUPPORT	4,598,985	5,059,362	3,303,822	3,296,348	-0.2%
BUSINESS INFORMATION SERVICES	250,319	99,282	0	0	
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	6,998,023	8,194,728	7,546,347	9,969,615	32.1%
PUBLIC WORKS TRANSPORTATION CAPITAL	717,573	785,970	2,501,535	0	-100.0%
Total GRANTS - FEDERAL	19,667,094	21,248,162	19,099,826	17,371,539	-9.0%
<u>CDBG & UDAG FUNDS (0400)</u>					
ASSESSOR	0	0	0	0	
NON-DEPARTMENTAL	1,247,253	529,122	4,368,000	469,000	-89.3%
INTERFUND TRANSFERS	10,369,268	12,180,340	9,702,000	3,911,000	-59.7%
ATTORNEY	0	0	0	50,000	
FIRE DEPARTMENT	0	0	0	25,000	
CIVIL RIGHTS	242,211	348,917	190,000	445,000	134.2%
POLICE DEPARTMENT	0	0	0	75,000	
PW - FIELD SERVICES	0	5,991	107,000	107,000	0.0%
PW - PROPERTY SERVICES	158,369	124,495	0	0	
FINANCE DEPARTMENT	220,815	253,127	343,000	285,000	-16.9%
Regulatory Services	409,006	212,281	399,000	232,000	-41.9%
INTERGOVERNMENTAL RELATIONS	906,250	1,469,146	1,743,000	1,991,000	14.2%
HEALTH AND FAMILY SUPPORT	3,047,531	2,795,393	2,283,000	2,119,600	-7.2%
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	2,270,234	2,331,398	2,521,000	13,902,211	451.5%
Total CDBG & UDAG FUNDS	18,870,936	20,250,208	21,656,000	23,611,811	9.0%
<u>GRANTS - OTHER (0600)</u>					
ASSESSOR	0	0	0	0	
NON-DEPARTMENTAL	349,101	35,128	2,045,245	2,016,345	-1.4%
INTERFUND TRANSFERS	405,004	115,750	115,750	115,500	-0.2%
ATTORNEY	32,968	0	0	0	
CITY COUNCIL	0	2,305	0	0	
CITY CLERK	3,329	0	0	0	
FIRE DEPARTMENT	32,600	182,557	0	0	
CIVIL RIGHTS	0	7,295	8,106	0	-100.0%
POLICE DEPARTMENT	1,273,618	1,059,054	993,559	627,773	-36.8%
HUMAN RESOURCES	10,000	0	10,132	10,274	1.4%
FINANCE DEPARTMENT	69,774	32,093	43,446	41,336	-4.9%
EMERGENCY COMMUNICATIONS	0	0	251,650	255,173	1.4%
Regulatory Services	70,328	238,498	33,000	33,462	1.4%
CITY COORDINATOR	32,250	0	0	0	
INTERGOVERNMENTAL RELATIONS	4,149	5,749	0	0	
COMMUNICATIONS	0	0	0	15,000	
HEALTH AND FAMILY SUPPORT	2,635,302	2,657,179	4,280,641	3,868,592	-9.6%
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	3,825,510	3,339,715	4,191,705	4,253,365	1.5%
Total GRANTS - OTHER	8,743,932	7,675,324	11,973,234	11,236,820	-6.2%
<u>CONVENTION CENTER OPERATIONS (0760)</u>					

**SCHEDULE THREE
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	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Special Revenue Funds:					
<u>CONVENTION CENTER OPERATIONS (0760)</u>					
INTERFUND TRANSFERS	34,676,165	34,548,061	37,585,971	37,814,943	0.6%
POLICE DEPARTMENT	0	0	0	100,000	
HUMAN RESOURCES	51,173	53,670	59,510	61,867	4.0%
FINANCE DEPARTMENT	225,348	307,476	302,465	0	-100.0%
GMCVA	7,001,918	7,230,498	6,480,000	6,930,000	6.9%
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	0	0	0	
CONVENTION CENTER SITE	93,335	0	0	0	
CONVENTION CENTER	17,882,861	19,244,520	23,031,135	26,891,789	16.8%
Total CONVENTION CENTER OPERATIONS	59,930,799	61,384,225	67,459,081	71,798,599	6.4%
<u>EMPLOYEE RETIREMENT (0990)</u>					
INTERFUND TRANSFERS	3,227,892	1,652,398	0	0	
MPLS EMPLOYEE RETIREMT FD	3,346,334	3,277,308	4,444,929	2,949,800	-33.6%
POLICE RELIEF ASSOCIATION	7,780,495	8,651,476	18,721,217	5,862,000	-68.7%
FIRE DEPT RELIEF ASSOC	229,378	722,589	258,497	1,328,000	413.7%
Total EMPLOYEE RETIREMENT	14,584,099	14,303,771	23,424,643	10,139,800	-56.7%
<u>POLICE DEPT - SPECIAL REVENUE (2100)</u>					
INTERFUND TRANSFERS	480	519	0	0	
POLICE DEPARTMENT	1,071,894	1,393,013	3,007,193	2,279,514	-24.2%
Total POLICE DEPT - SPECIAL REVENUE	1,072,374	1,393,532	3,007,193	2,279,514	-24.2%
<u>ARENA - RESERVE (2600)</u>					
INTERFUND TRANSFERS	2,762,561	2,015,651	0	0	
Total ARENA - RESERVE	2,762,561	2,015,651	0	0	
<u>CONVENTION FACILITES - RESERVE (2790)</u>					
INTERFUND TRANSFERS	0	0	0	2,531,000	
Total CONVENTION FACILITES - RESERVE	0	0	0	2,531,000	
<u>CPED Operating (GEN0)</u>					
INTERFUND TRANSFERS	0	0	7,971,176	6,963,456	-12.6%
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	5,567,438	4,969,158	5,050,098	3,806,168	-24.6%
Total CPED Operating	5,567,438	4,969,158	13,021,274	10,769,624	-17.3%
<u>MCDA CDBG (FBG0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	10,539,821	8,891,907	11,101,347	0	-100.0%
Total MCDA CDBG	10,539,821	8,891,907	11,101,347	0	-100.0%
<u>FEDERAL EMPOWERMENT ZONE (FEZ0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	715,885	808,291	19,465	22,319	14.7%
Total FEDERAL EMPOWERMENT ZONE	715,885	808,291	19,465	22,319	14.7%
<u>MCDA FEDERAL GRANTS-OTHER (FGO0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	2,606,772	4,163,011	5,663,689	6,582,700	16.2%
Total MCDA FEDERAL GRANTS-OTHER	2,606,772	4,163,011	5,663,689	6,582,700	16.2%
<u>MCDA UDAG LEVERAGE INVESTMENT (FLF0)</u>					

**SCHEDULE THREE
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	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Special Revenue Funds:					
<u>MCDA UDAG LEVERAGE INVESTMENT (FLF0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	7,393	0	0	0	
Total MCDA UDAG LEVERAGE INVESTMENT	7,393	0	0	0	
<u>MCDA NEIGHBORHOOD DEVEL ACCT (FNA0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	2,023,339	2,605,182	117,503	100,000	-14.9%
Total MCDA NEIGHBORHOOD DEVEL ACCT	2,023,339	2,605,182	117,503	100,000	-14.9%
<u>JOINT BOARD (JTB0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	17,958	19,344	0	0	
Total JOINT BOARD	17,958	19,344	0	0	
<u>MEDC (MED0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	262,748	131,952	0	0	
Total MEDC	262,748	131,952	0	0	
<u>NRP ADMINISTRATION (SAD0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	977,480	1,035,380	646,026	966,525	49.6%
Total NRP ADMINISTRATION	977,480	1,035,380	646,026	966,525	49.6%
<u>COMMUNITY DEVELOPMENT INVESTMENT FUND (S)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	1,127,242	2,342,750	1,020,289	-56.4%
Total COMMUNITY DEVELOPMENT INVESTMENT FUN	0	1,127,242	2,342,750	1,020,289	-56.4%
<u>DEVELOPMENT ACCOUNT (SDA0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	8,783,709	4,041,604	137,390	1,869,899	1,261.0%
Total DEVELOPMENT ACCOUNT	8,783,709	4,041,604	137,390	1,869,899	1,261.0%
<u>ECONOMIC DEVELOPMENT PROGRAM (SED0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	1,411,691	2,555,084	3,559,399	3,232,028	-9.2%
Total ECONOMIC DEVELOPMENT PROGRAM	1,411,691	2,555,084	3,559,399	3,232,028	-9.2%
<u>HOUSING FINANCE (SFA0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	276,171	79,722	0	0	
Total HOUSING FINANCE	276,171	79,722	0	0	
<u>HOUSING PROGRAM (SHP0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	308,460	532,229	1,384,674	1,936,564	39.9%
Total HOUSING PROGRAM	308,460	532,229	1,384,674	1,936,564	39.9%
<u>HOME OWNERSHIP WORKS (SHW0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	1,061,509	475,262	0	0	
Total HOME OWNERSHIP WORKS	1,061,509	475,262	0	0	
<u>MCDA LEVERAGE INVESTMENT (SLF0)</u>					

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Special Revenue Funds:					
<u>MCDA LEVERAGE INVESTMENT (SLF0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	0	512	0	-100.0%
Total MCDA LEVERAGE INVESTMENT	0	0	512	0	-100.0%
<u>MCDA STATE GRANTS & LOAN (SMN0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	10,144,473	7,251,342	0	0	
Total MCDA STATE GRANTS & LOAN	10,144,473	7,251,342	0	0	
<u>NEIGHBORHOOD HOUSING (SNH0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	148,072	224,036	230,188	234,175	1.7%
Total NEIGHBORHOOD HOUSING	148,072	224,036	230,188	234,175	1.7%
<u>COMMUNITY DEVELOPMENT (SPH0)</u>					
INTERFUND TRANSFERS	0	0	12,500,000	1,700,000	-86.4%
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	0	3,660,354	1,691,908	-53.8%
Total COMMUNITY DEVELOPMENT	0	0	16,160,354	3,391,908	-79.0%
<u>RESIDENTIAL HOUSING (SRF0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	632,828	670,217	244,078	346,287	41.9%
Total RESIDENTIAL HOUSING	632,828	670,217	244,078	346,287	41.9%
<u>THEATRES (STH0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	1,619,741	903,215	925,741	1,236,469	33.6%
Total THEATRES	1,619,741	903,215	925,741	1,236,469	33.6%
<u>UPPER RIVER LAND BANK (SUR0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	0	213,996	148,995	-30.4%
Total UPPER RIVER LAND BANK	0	0	213,996	148,995	-30.4%
<u>PARK - GENERAL FUND (1500)</u>					
INTERFUND TRANSFERS	0	0	152,864	0	-100.0%
UNFUNDED PENSION EXPENSE	-593,007	-524,181	-419,452	0	-100.0%
PARK BOARD	42,960,632	39,952,795	40,577,489	49,786,332	22.7%
Total PARK - GENERAL FUND	42,367,625	39,428,614	40,310,901	49,786,332	23.5%
<u>PARK - MUSEUM (ART INSTITUTE) (1600)</u>					
PARK MUSEUM	6,384,822	7,068,886	8,117,781	9,064,332	11.7%
Total PARK - MUSEUM (ART INSTITUTE)	6,384,822	7,068,886	8,117,781	9,064,332	11.7%
<u>PARK - FORESTRY (1700)</u>					
UNFUNDED PENSION EXPENSE	-108,820	-91,384	-82,515	0	-100.0%
PARK BOARD	7,724,898	8,008,417	8,053,602	0	-100.0%
Total PARK - FORESTRY	7,616,078	7,917,033	7,971,087	0	-100.0%
<u>PARK - GRANT & SPECIAL REVENUE (1950)</u>					
PARK BOARD	264,842	2,343,921	906,200	906,200	0.0%

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Special Revenue Funds:					
<u>PARK - GRANT & SPECIAL REVENUE (1950)</u>					
PARK BOARD CAPITAL IMPROVEMENT	471,406	122,223	37,000	37,000	0.0%
Total PARK - GRANT & SPECIAL REVENUE	736,249	2,466,145	943,200	943,200	0.0%
<u>BOARD OF ESTIMATE AND TAXATION (1000)</u>					
BOARD OF ESTIMATE & TAXATION	227,917	242,191	249,500	266,046	6.6%
Total BOARD OF ESTIMATE AND TAXATION	227,917	242,191	249,500	266,046	6.6%
<u>MUNICIPAL BUILDING COMMISSION (1100)</u>					
INTERFUND TRANSFERS	0	0	158,000	160,000	1.3%
BOARD OF ESTIMATE & TAXATION	0	0	0	0	
MUNICIPAL BUILDING COMMISSION	7,002,876	7,205,838	6,977,002	7,181,644	2.9%
Total MUNICIPAL BUILDING COMMISSION	7,002,876	7,205,838	7,135,002	7,341,644	2.9%
<u>LIBRARY - GENERAL FUND (1800)</u>					
INTERFUND TRANSFERS	0	0	0	457,409	
UNFUNDED PENSION EXPENSE	-209,044	-182,535	-146,082	0	-100.0%
BOARD OF ESTIMATE & TAXATION	0	0	0	0	
LIBRARY BOARD	22,078,310	20,533,427	18,438,095	19,762,828	7.2%
Total LIBRARY - GENERAL FUND	21,869,266	20,350,892	18,292,013	20,220,237	10.5%
<u>NEIGHBORHOOD REVITAL POLICY (2300)</u>					
NRP - ADMINISTRATION	1,750,482	1,683,934	1,455,598	1,478,212	1.6%
Total NEIGHBORHOOD REVITAL POLICY	1,750,482	1,683,934	1,455,598	1,478,212	1.6%
<u>YOUTH COORDINATING BOARD (2200)</u>					
YOUTH COORDINATING BOARD	5,914,840	5,872,898	3,630,032	3,846,931	6.0%
Total YOUTH COORDINATING BOARD	5,914,840	5,872,898	3,630,032	3,846,931	6.0%
Total Special Revenue Funds	266,607,439	260,991,483	290,493,477	263,773,799	-9.2%

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Capital Projects:					
<u>MERF PENSION BONDS (09M0)</u>					
MPLS EMPLOYEE RETIREMT FD	6,747,223	33,035,560	0	0	
Total MERF PENSION BONDS	6,747,223	33,035,560	0	0	
<u>POLICE PENSION BONDS (09P0)</u>					
INTERFUND TRANSFERS	0	23,369	0	0	
POLICE RELIEF ASSOCIATION	0	10,600,000	0	0	
Total POLICE PENSION BONDS	0	10,623,369	0	0	
<u>JUNE00 UST/SKYWAY TI BONDS (0P10)</u>					
INTERFUND TRANSFERS	3,670,101	51,192	0	0	
Total JUNE00 UST/SKYWAY TI BONDS	3,670,101	51,192	0	0	
<u>JUNE00 SEWER FIXED RATE BONDS (0S10)</u>					
INTERFUND TRANSFERS	864,814	301,212	0	0	
Total JUNE00 SEWER FIXED RATE BONDS	864,814	301,212	0	0	
<u>AUGUST 01 SEWER ARBITRAGE (0S20)</u>					
INTERFUND TRANSFERS	7,414,191	1,677,849	0	0	
Total AUGUST 01 SEWER ARBITRAGE	7,414,191	1,677,849	0	0	
<u>June 03 Sewer Arbitrage (0S30)</u>					
INTERFUND TRANSFERS	0	4,844,575	0	0	
Total June 03 Sewer Arbitrage	0	4,844,575	0	0	
<u>JUNE00 WATER FIXED RATE BONDS (0W10)</u>					
INTERFUND TRANSFERS	421,960	0	0	0	
Total JUNE00 WATER FIXED RATE BONDS	421,960	0	0	0	
<u>AUG 01 WATER ARBITRAGE (0W20)</u>					
INTERFUND TRANSFERS	581,728	0	0	0	
Total AUG 01 WATER ARBITRAGE	581,728	0	0	0	
<u>June 02 Water Arbitrage (0W30)</u>					
INTERFUND TRANSFERS	4,264,260	100,593	0	0	
Total June 02 Water Arbitrage	4,264,260	100,593	0	0	
<u>June 03 Water Arbitrage (0W40)</u>					
INTERFUND TRANSFERS	0	3,832,229	0	0	
Total June 03 Water Arbitrage	0	3,832,229	0	0	
<u>CITY-CAPITAL IMPROVEMENTS FUND (4100)</u>					
INTERFUND TRANSFERS	962,039	591,182	535,146	355,096	-33.6%
PW - ENGINEERING SERVICES	4,519,711	4,521,144	5,690,038	6,619,990	16.3%
PW - FIELD SERVICES	385,166	478,607	509,862	565,417	10.9%
FINANCE DEPARTMENT	1,261,775	1,013,629	1,019,744	0	-100.0%
HEALTH AND FAMILY SUPPORT	0	0	0	0	
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	0	114,296	188,176	64.6%

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Capital Projects:					
<u>CITY-CAPITAL IMPROVEMENTS FUND (4100)</u>					
PUBLIC WORKS PROPERTY SERVICES CAPITAL	6,961,142	8,841,464	3,725,000	1,928,000	-48.2%
PUBLIC WORKS SEWER CONSTRUCTION CAPITAL	371,690	218,742	0	0	
PUBLIC WORKS PAVING CONSTRUCTION	18,728,746	27,009,449	22,495,000	33,941,000	50.9%
PUBLIC WORKS TRANSPORTATION CAPITAL	5,611,512	6,408,444	13,262,000	11,444,000	-13.7%
PUBLIC WORKS WATER CAPITAL	817	0	0	0	
CAPITAL IMPROVEMENTS NON-DEPARTMENTAL	10,191,654	13,962,388	2,236,000	2,426,006	8.5%
INFORMATION TECHNOLOGY SYSTEMS CAPITAL	2,306,954	0	0	0	
CONVENTION CENTER SITE	22,002,854	1,646,668	0	0	
Total CITY-CAPITAL IMPROVEMENTS FUND	73,304,059	64,691,717	49,587,086	57,467,685	15.9%
<u>ARBITRAGE 1991 VARIOUS PURPOSE (4A00)</u>					
PW - ENGINEERING SERVICES	0	0	0	0	
Total ARBITRAGE 1991 VARIOUS PURPOSE	0	0	0	0	
<u>August 01 Variable Purpose (4A10)</u>					
INTERFUND TRANSFERS	7,434,341	1,073,031	0	0	
Total August 01 Variable Purpose	7,434,341	1,073,031	0	0	
<u>01 August Assessment Bonds (4A20)</u>					
INTERFUND TRANSFERS	951,814	-17	0	0	
Total 01 August Assessment Bonds	951,814	-17	0	0	
<u>JUNE 02 VARIOUS PURPOSE BONDS (4A30)</u>					
INTERFUND TRANSFERS	14,741,833	7,349,464	0	0	
Total JUNE 02 VARIOUS PURPOSE BONDS	14,741,833	7,349,464	0	0	
<u>DEC02 VARIOUS PURPOSE BONDS (4A40)</u>					
INTERFUND TRANSFERS	112,010	9,678,952	0	0	
Total DEC02 VARIOUS PURPOSE BONDS	112,010	9,678,952	0	0	
<u>Jun 03 Various Purpose Bonds (4A50)</u>					
DEBT SERVICE - NON-DEPT	0	109,820	0	0	
INTERFUND TRANSFERS	0	17,520,864	0	0	
Total Jun 03 Various Purpose Bonds	0	17,630,684	0	0	
<u>96 IMPROVEMENT BONDS (4A60)</u>					
INTERFUND TRANSFERS	40,058	0	0	0	
Total 96 IMPROVEMENT BONDS	40,058	0	0	0	
<u>OCT03 Var Purp Refunding Bonds (4A80)</u>					
INTERFUND TRANSFERS	0	15,985,000	0	0	
Total OCT03 Var Purp Refunding Bonds	0	15,985,000	0	0	
<u>JUNE99 VARIOUS PURPOSE BONDS (4A90)</u>					
INTERFUND TRANSFERS	240,103	40,556	0	0	
Total JUNE99 VARIOUS PURPOSE BONDS	240,103	40,556	0	0	

**SCHEDULE THREE
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	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Capital Projects:					
<u>96 CONSTRUCTION BONDS (4C60)</u>					
INTERFUND TRANSFERS	63,737	8,413	0	0	
Total 96 CONSTRUCTION BONDS	63,737	8,413	0	0	
<u>97 SERIES B BONDS (4C70)</u>					
INTERFUND TRANSFERS	375,599	24,280	0	0	
Total 97 SERIES B BONDS	375,599	24,280	0	0	
<u>June03 Heritage Park Arbitrage (4H10)</u>					
DEBT SERVICE - NON-DEPT	0	69,000	0	0	
INTERFUND TRANSFERS	0	60,869	0	0	
Total June03 Heritage Park Arbitrage	0	129,869	0	0	
<u>IMPROV BOND ARBITRAGE (4I20)</u>					
INTERFUND TRANSFERS	5,737,663	74,105	0	0	
Total IMPROV BOND ARBITRAGE	5,737,663	74,105	0	0	
<u>NOV03 IMPROV BOND ARBITRAGE (4I30)</u>					
INTERFUND TRANSFERS	0	6,158,119	0	0	
Total NOV03 IMPROV BOND ARBITRAGE	0	6,158,119	0	0	
<u>DEC02 LIBRARY REF BONDS (4L10)</u>					
INTERFUND TRANSFERS	9,286,746	232,349	0	0	
Total DEC02 LIBRARY REF BONDS	9,286,746	232,349	0	0	
<u>OCT03 LIBRARY REF BONDS (4L20)</u>					
INTERFUND TRANSFERS	0	14,320,753	0	0	
Total OCT03 LIBRARY REF BONDS	0	14,320,753	0	0	
<u>JUNE00 VARIOUS PURPOSE BONDS (4Z00)</u>					
INTERFUND TRANSFERS	2,422,981	400,456	0	0	
Total JUNE00 VARIOUS PURPOSE BONDS	2,422,981	400,456	0	0	
<u>SEPT 00 CONV CTR EXPN BONDS (4Z10)</u>					
INTERFUND TRANSFERS	42,731	0	0	0	
Total SEPT 00 CONV CTR EXPN BONDS	42,731	0	0	0	
<u>ITS RELATED BONDS (4Z30)</u>					
INTERFUND TRANSFERS	15,526	0	0	0	
Total ITS RELATED BONDS	15,526	0	0	0	
<u>OCT 01 CONV CTR BONDS (4Z40)</u>					
INTERFUND TRANSFERS	22,839,068	7,451,558	0	0	
Total OCT 01 CONV CTR BONDS	22,839,068	7,451,558	0	0	
<u>AUGUST 01 EQUIPMENT ARBITRAGE (61A0)</u>					

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Capital Projects:					
<u>AUGUST 01 EQUIPMENT ARBITRAGE (61A0)</u>					
INTERFUND TRANSFERS	805,235	0	0	0	
Total AUGUST 01 EQUIPMENT ARBITRAGE	805,235	0	0	0	
<u>DEC02 EQUIPMENT ARBITRAGE (61B0)</u>					
INTERFUND TRANSFERS	5,211,182	889,168	0	0	
Total DEC02 EQUIPMENT ARBITRAGE	5,211,182	889,168	0	0	
<u>Jun 03 Equipment Arbitrage (61C0)</u>					
INTERFUND TRANSFERS	0	5,127,554	0	0	
Total Jun 03 Equipment Arbitrage	0	5,127,554	0	0	
<u>JUNE 03 PROP SERV ARBITRAGE (62A0)</u>					
INTERFUND TRANSFERS	0	3,837,812	0	0	
Total JUNE 03 PROP SERV ARBITRAGE	0	3,837,812	0	0	
<u>June 03 BIS Arbitrage (64A0)</u>					
INTERFUND TRANSFERS	0	481,712	0	0	
Total June 03 BIS Arbitrage	0	481,712	0	0	
<u>900 NICOLLET TAXABLE (75B0)</u>					
INTERFUND TRANSFERS	4,003,973	0	0	0	
Total 900 NICOLLET TAXABLE	4,003,973	0	0	0	
<u>AUG 01 LRT EAST RAMP (75C0)</u>					
INTERFUND TRANSFERS	5,986,287	0	0	0	
Total AUG 01 LRT EAST RAMP	5,986,287	0	0	0	
<u>WALKER RAMP ARBITRAGE (75D0)</u>					
INTERFUND TRANSFERS	5,461,245	19,538,755	0	0	
Total WALKER RAMP ARBITRAGE	5,461,245	19,538,755	0	0	
<u>Dec 03 Guthrie Ramp Arbitrage (75E0)</u>					
INTERFUND TRANSFERS	0	3,491,717	0	0	
Total Dec 03 Guthrie Ramp Arbitrage	0	3,491,717	0	0	
<u>Village Green Escrow (75V0)</u>					
INTERFUND TRANSFERS	0	66,469	0	0	
Total Village Green Escrow	0	66,469	0	0	
<u>HENNEPIN ENTERTAINMENT TE BOND (AHE0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	155,605	146,410	265,250	981,252	269.9%
Total HENNEPIN ENTERTAINMENT TE BOND	155,605	146,410	265,250	981,252	269.9%
<u>Urban Village TE Bonds (AUV0)</u>					

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Capital Projects:					
<u>Urban Village TE Bonds (AUV0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	248,408	40,989	90,000	85,000	-5.6%
Total Urban Village TE Bonds	248,408	40,989	90,000	85,000	-5.6%
<u>West Side Milling TE Bonds (AWM0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	37,893	95,128	58,853	53,288	-9.5%
Total West Side Milling TE Bonds	37,893	95,128	58,853	53,288	-9.5%
<u>West Side Milling TE Bonds II (BWM0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	128,215	0	86,250	
Total West Side Milling TE Bonds II	0	128,215	0	86,250	
<u>TAX INCREMENT ADMINISTRATION (CAD0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	3,088,646	2,265,480	2,152,702	1,302,412	-39.5%
Total TAX INCREMENT ADMINISTRATION	3,088,646	2,265,480	2,152,702	1,302,412	-39.5%
<u>CAMDEN MEDICAL FACILITY (CAM0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	9,000	0	0	
Total CAMDEN MEDICAL FACILITY	0	9,000	0	0	
<u>COMMON PROJECT UNCERTIFIED (CAZ0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	7,034,918	2,870,562	761,705	311,378	-59.1%
Total COMMON PROJECT UNCERTIFIED	7,034,918	2,870,562	761,705	311,378	-59.1%
<u>WEST BROADWAY (CBA0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	567,364	851,037	1,700,000	750,000	-55.9%
Total WEST BROADWAY	567,364	851,037	1,700,000	750,000	-55.9%
<u>EAST BANK 1335 (CBB0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	2,035,511	5,674,717	2,701,204	2,250,000	-16.7%
Total EAST BANK 1335	2,035,511	5,674,717	2,701,204	2,250,000	-16.7%
<u>GRANT (CBC0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	827,466	769,494	800,230	800,000	-0.0%
Total GRANT	827,466	769,494	800,230	800,000	-0.0%
<u>CHICAGO AND LAKE (CBD0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	86,495	0	0	
Total CHICAGO AND LAKE	0	86,495	0	0	
<u>NINTH & HENNEPIN (CBE0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	101,851	171,342	172,482	11,156	-93.5%
Total NINTH & HENNEPIN	101,851	171,342	172,482	11,156	-93.5%
<u>NORTH LOOP (CBF0)</u>					

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Capital Projects:					
<u>NORTH LOOP (CBF0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	10,382,638	10,989,205	8,500,000	7,950,000	-6.5%
Total NORTH LOOP	10,382,638	10,989,205	8,500,000	7,950,000	-6.5%
<u>INDUSTRY SQUARE (CBG0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	5,458,656	2,208,442	3,452,568	2,226,355	-35.5%
Total INDUSTRY SQUARE	5,458,656	2,208,442	3,452,568	2,226,355	-35.5%
<u>SEWARD SOUTH (CBH0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	2,972,381	1,125,411	1,900,000	0	-100.0%
Total SEWARD SOUTH	2,972,381	1,125,411	1,900,000	0	-100.0%
<u>CEDAR RIVERSIDE (CBJ0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	4,912,150	4,089,047	5,157,058	3,755,000	-27.2%
Total CEDAR RIVERSIDE	4,912,150	4,089,047	5,157,058	3,755,000	-27.2%
<u>HOUSING FOR CHRONIC ALCOHOLICS (CBL0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	6,000	0	0	
Total HOUSING FOR CHRONIC ALCOHOLICS	0	6,000	0	0	
<u>HENNEPIN & LAKE (CBM0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	1,593,551	832,276	1,500,000	0	-100.0%
Total HENNEPIN & LAKE	1,593,551	832,276	1,500,000	0	-100.0%
<u>BROADWAY 35-W (CBN0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	1,252,148	41,181	0	1,500,000	
Total BROADWAY 35-W	1,252,148	41,181	0	1,500,000	
<u>BOTTINEAU (CBO0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	10,567	6,100	0	-100.0%
Total BOTTINEAU	0	10,567	6,100	0	-100.0%
<u>FRANKLIN AVENUE (CBP0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	61,655	37,221	53,272	31,565	-40.7%
Total FRANKLIN AVENUE	61,655	37,221	53,272	31,565	-40.7%
<u>CONSERVATORY (CBQ0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	2,897,083	2,930,325	1,106,675	4,878,884	340.9%
Total CONSERVATORY	2,897,083	2,930,325	1,106,675	4,878,884	340.9%
<u>LORING PARK (CBT0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	5,647,242	6,832,250	6,858,796	4,900,000	-28.6%
Total LORING PARK	5,647,242	6,832,250	6,858,796	4,900,000	-28.6%
<u>LAUREL VILLAGE (CBU0)</u>					

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Capital Projects:					
<u>LAUREL VILLAGE (CBU0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	2,268,522	1,738,731	1,900,178	2,609,658	37.3%
Total LAUREL VILLAGE	2,268,522	1,738,731	1,900,178	2,609,658	37.3%
<u>CITY CENTER (CBX0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	5,004,942	1,327,361	4,186,483	2,375,000	-43.3%
Total CITY CENTER	5,004,942	1,327,361	4,186,483	2,375,000	-43.3%
<u>SOUTH NICOLLET MALL (CBY0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	14,033,204	6,960,170	5,394,649	11,576,829	114.6%
Total SOUTH NICOLLET MALL	14,033,204	6,960,170	5,394,649	11,576,829	114.6%
<u>DEEP ROCK TAX INCREMENT (CDR0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	198,963	50,641	0	15,703	
Total DEEP ROCK TAX INCREMENT	198,963	50,641	0	15,703	
<u>DOWNTOWN EAST LRT (CDT0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	878,509	3,670,031	198,536	97,522	-50.9%
Total DOWNTOWN EAST LRT	878,509	3,670,031	198,536	97,522	-50.9%
<u>2700 EAST LAKE (CEL0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	282	37,497	81,989	0	-100.0%
Total 2700 EAST LAKE	282	37,497	81,989	0	-100.0%
<u>EAST VILLAGE (CEV0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	115,880	229,408	238,761	0	-100.0%
Total EAST VILLAGE	115,880	229,408	238,761	0	-100.0%
<u>50TH & FRANCE (CFF0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	144,235	166,216	168,688	0	-100.0%
Total 50TH & FRANCE	144,235	166,216	168,688	0	-100.0%
<u>Franklin Portland (CFP0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	0	0	40,687	
Total Franklin Portland	0	0	0	40,687	
<u>FORMER FED RESERVE (CFR0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	8,983	270,008	210,555	9,225	-95.6%
Total FORMER FED RESERVE	8,983	270,008	210,555	9,225	-95.6%
<u>GRAIN BELT (CGB0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	277	114,766	113,847	0	-100.0%
Total GRAIN BELT	277	114,766	113,847	0	-100.0%
<u>GRACO TI (CGC0)</u>					

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Capital Projects:					
<u>GRACO TI (CGC0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	24,265	186,133	218,181	20,015	-90.8%
Total GRACO TI	24,265	186,133	218,181	20,015	-90.8%
<u>Grain Belt Housing Dist 132 (CGH0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	0	0	82,076	
Total Grain Belt Housing Dist 132	0	0	0	82,076	
<u>110 GRANT (CGR0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	308,874	0	0	0	
Total 110 GRANT	308,874	0	0	0	
<u>13th and Harmon (CHA0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	122,536	9,287	1,005	0	-100.0%
Total 13th and Harmon	122,536	9,287	1,005	0	-100.0%
<u>Parcel C Tax Increment District (CHC0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	41,092	30,521	214,434	27,126	-87.3%
Total Parcel C Tax Increment District	41,092	30,521	214,434	27,126	-87.3%
<u>HISTORIC DEPOT REUSE DIST 93 (CHD0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	674,709	869,289	869,522	882,130	1.4%
Total HISTORIC DEPOT REUSE DIST 93	674,709	869,289	869,522	882,130	1.4%
<u>HENNEPIN & 7TH ENTERTAINMENT (CHE0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	6,315,125	353,012	719,550	814,971	13.3%
Total HENNEPIN & 7TH ENTERTAINMENT	6,315,125	353,012	719,550	814,971	13.3%
<u>Portland (CHF0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	0	0	0	
Total Portland	0	0	0	0	
<u>HUMBOLDT GREENWAY DIST 98 (CHG0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	823,964	245,912	265,319	284,563	7.3%
Total HUMBOLDT GREENWAY DIST 98	823,964	245,912	265,319	284,563	7.3%
<u>HERITAGE LAND APTS (CHL0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	614,597	524,669	535,804	0	-100.0%
Total HERITAGE LAND APTS	614,597	524,669	535,804	0	-100.0%
<u>Heritage Park (CHP0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	432	0	263,927	
Total Heritage Park	0	432	0	263,927	
<u>900 6TH AVENUE SOUTH (CHT0)</u>					

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Capital Projects:					
<u>900 6TH AVENUE SOUTH (CHT0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	37,982	363,354	152,462	-58.0%
Total 900 6TH AVENUE SOUTH	0	37,982	363,354	152,462	-58.0%
<u>EAST HENNEPIN & UNIVERSITY (CHU0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	719,385	158,959	268,489	594,937	121.6%
Total EAST HENNEPIN & UNIVERSITY	719,385	158,959	268,489	594,937	121.6%
<u>CAMDEN AREA IMPACT (CIM0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	30,000	0	0	
Total CAMDEN AREA IMPACT	0	30,000	0	0	
<u>IVY TOWER (CIT0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	0	183,661	118,985	-35.2%
Total IVY TOWER	0	0	183,661	118,985	-35.2%
<u>LOCAL CONTRIBUTION FUND (CLC0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	2,379,721	2,500,000	0	-100.0%
Total LOCAL CONTRIBUTION FUND	0	2,379,721	2,500,000	0	-100.0%
<u>LOWRY RIDGE (CLR0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	53,543	102,005	83,039	0	-100.0%
Total LOWRY RIDGE	53,543	102,005	83,039	0	-100.0%
<u>MAGNUM LOFTS (CML0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	35,277	35,602	0	-100.0%
Total MAGNUM LOFTS	0	35,277	35,602	0	-100.0%
<u>Many Rivers (CMR0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	0	62,233	6,625	-89.4%
Total Many Rivers	0	0	62,233	6,625	-89.4%
<u>NICOLLET FRANKLIN (CNF0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	129,211	124,253	121,563	24,213	-80.1%
Total NICOLLET FRANKLIN	129,211	124,253	121,563	24,213	-80.1%
<u>NRP (CNR0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	15,752,806	15,906,218	1,602,809	0	-100.0%
Total NRP	15,752,806	15,906,218	1,602,809	0	-100.0%
<u>NWIP (CPA0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	3,504,074	3,433,332	3,500,000	2,650,000	-24.3%
Total NWIP	3,504,074	3,433,332	3,500,000	2,650,000	-24.3%
<u>HOLMES (CPB0)</u>					

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Capital Projects:					
<u>HOLMES (CPB0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	117,333	4,450,928	2,100,000	2,250,000	7.1%
Total HOLMES	117,333	4,450,928	2,100,000	2,250,000	7.1%
<u>NICOLLET ISLAND EAST BANK (CPC0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	611,658	4,509,819	2,200,000	1,550,000	-29.5%
Total NICOLLET ISLAND EAST BANK	611,658	4,509,819	2,200,000	1,550,000	-29.5%
<u>PORTLAND PLACE (CPD0)</u>					
INTERFUND TRANSFERS	0	0	0	65,790	
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	59,445	64,005	40,862	175,789	330.2%
Total PORTLAND PLACE	59,445	64,005	40,862	241,579	491.2%
<u>NOKOMIS HOLMES (CPE0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	30,008	50,000	0	0	
Total NOKOMIS HOLMES	30,008	50,000	0	0	
<u>ELLIOT PARK (CPF0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	289,121	184,083	0	0	
Total ELLIOT PARK	289,121	184,083	0	0	
<u>NICOLLET & LAKE (CPG0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	430,667	333,204	1,000,000	547,266	-45.3%
Total NICOLLET & LAKE	430,667	333,204	1,000,000	547,266	-45.3%
<u>CENTRAL & 20TH (CPH0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	0	105,000	0	-100.0%
Total CENTRAL & 20TH	0	0	105,000	0	-100.0%
<u>MILES I (CPJ0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	25,000	0	0	
Total MILES I	0	25,000	0	0	
<u>NBA ARENA (CPK0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	3,206,751	3,710,281	1,824,479	1,896,884	4.0%
Total NBA ARENA	3,206,751	3,710,281	1,824,479	1,896,884	4.0%
<u>PHILLIPS PARK (CPL0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	29,712	33,006	39,055	0	-100.0%
Total PHILLIPS PARK	29,712	33,006	39,055	0	-100.0%
<u>LASALLE PLACE (CPM0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	1,473,819	440,005	1,500,000	404,455	-73.0%
Total LASALLE PLACE	1,473,819	440,005	1,500,000	404,455	-73.0%
<u>CAPITAL PROJECTS- OTHER (CPO0)</u>					

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Capital Projects:					
<u>CAPITAL PROJECTS- OTHER (CPQ0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	11,420,531	1,973,412	2,169,020	454,425	-79.0%
Total CAPITAL PROJECTS- OTHER	11,420,531	1,973,412	2,169,020	454,425	-79.0%
<u>PRELIMINARY PLANNING (CPP0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	1,350,693	853,651	1,636,616	2,171,781	32.7%
Total PRELIMINARY PLANNING	1,350,693	853,651	1,636,616	2,171,781	32.7%
<u>NEIMAN MARCUS (CPQ0)</u>					
INTERFUND TRANSFERS	0	0	0	235,000	
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	2,663,658	589,431	342,275	0	-100.0%
Total NEIMAN MARCUS	2,663,658	589,431	342,275	235,000	-31.3%
<u>IDS DATA SERVICE CENTER (CPR0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	6,097,277	2,885,000	0	-100.0%
Total IDS DATA SERVICE CENTER	0	6,097,277	2,885,000	0	-100.0%
<u>BLOCK E (CPU0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	9,050	100,000	0	0	
Total BLOCK E	9,050	100,000	0	0	
<u>36TH AND MARSHALL (CPW0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	466	489	148,739	0	-100.0%
Total 36TH AND MARSHALL	466	489	148,739	0	-100.0%
<u>CAPITAL PROJECTS-ARBITRAGE (CRB0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	634,859	0	0	0	
Total CAPITAL PROJECTS-ARBITRAGE	634,859	0	0	0	
<u>CREAMETTE DISTRICT 84 (CRM0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	110,000	133,285	133,856	33,746	-74.8%
Total CREAMETTE DISTRICT 84	110,000	133,285	133,856	33,746	-74.8%
<u>ROSACKER NURSERY SITE (CRS0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	15,000	0	0	
Total ROSACKER NURSERY SITE	0	15,000	0	0	
<u>SEMI-PHASE 1 (CS10)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	157,133	385,086	425,637	6,968	-98.4%
Total SEMI-PHASE 1	157,133	385,086	425,637	6,968	-98.4%
<u>SEMI-PHASE 2 (CS20)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	155,906	170,427	180,803	6,968	-96.1%
Total SEMI-PHASE 2	155,906	170,427	180,803	6,968	-96.1%
<u>SEMI-PHASE 3 (CS30)</u>					

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Capital Projects:					
<u>SEMI-PHASE 3 (CS30)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	176,548	73,694	90,270	29,291	-67.6%
Total SEMI-PHASE 3	176,548	73,694	90,270	29,291	-67.6%
<u>SEMI-PHASE 4 (CS40)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	134,983	167,947	168,152	9,773	-94.2%
Total SEMI-PHASE 4	134,983	167,947	168,152	9,773	-94.2%
<u>SEMI-PHASE 5 (CS50)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	233,071	163,131	172,539	4,746	-97.2%
Total SEMI-PHASE 5	233,071	163,131	172,539	4,746	-97.2%
<u>Stone Arch Apartments (CSA0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	0	10,219	0	-100.0%
Total Stone Arch Apartments	0	0	10,219	0	-100.0%
<u>SHINGLE CREEK CONDOMINIUMS (CSH0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	6,434	81,230	8,174	0	-100.0%
Total SHINGLE CREEK CONDOMINIUMS	6,434	81,230	8,174	0	-100.0%
<u>STINSON (CST0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	426,491	384,568	433,929	11,854	-97.3%
Total STINSON	426,491	384,568	433,929	11,854	-97.3%
<u>TOWERS AT ELLIOT PARK (CTE0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	6,225,995	2,173,620	763,825	744,340	-2.6%
Total TOWERS AT ELLIOT PARK	6,225,995	2,173,620	763,825	744,340	-2.6%
<u>2ND ST N HOTEL/APTS TOWNPLACE (CTP0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	138,751	264,411	264,332	0	-100.0%
Total 2ND ST N HOTEL/APTS TOWNPLACE	138,751	264,411	264,332	0	-100.0%
<u>10TH AND WASHINGTON (CTW0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	384	750	2,582	107,771	4,073.9%
Total 10TH AND WASHINGTON	384	750	2,582	107,771	4,073.9%
<u>UNITED VAN BUS (CUB0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	25,000	0	0	
Total UNITED VAN BUS	0	25,000	0	0	
<u>East River/Unocal Site (CUN0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	388,231	104,378	19,050	0	-100.0%
Total East River/Unocal Site	388,231	104,378	19,050	0	-100.0%
<u>URBAN VILLAGE (CUV0)</u>					

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Capital Projects:					
<u>URBAN VILLAGE (CUV0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	1,104,436	741,982	116,233	95,000	-18.3%
Total URBAN VILLAGE	1,104,436	741,982	116,233	95,000	-18.3%
<u>HSG REPLACE-WATERSHED 3 (CW30)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	540	21,112	0	16,822	
Total HSG REPLACE-WATERSHED 3	540	21,112	0	16,822	
<u>Housing Replacement District #4 (CW40)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	0	0	0	
Total Housing Replacement District #4	0	0	0	0	
<u>WEST SIDE MILLING DISTRICT (CWM0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	8,395,859	909,571	1,163,557	932,015	-19.9%
Total WEST SIDE MILLING DISTRICT	8,395,859	909,571	1,163,557	932,015	-19.9%
<u>West River Commons (CWR0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	0	29,999	0	-100.0%
Total West River Commons	0	0	29,999	0	-100.0%
<u>HSG REPLACE-WATERSHED 0 (CWS0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	69,382	127,859	186,017	7,295	-96.1%
Total HSG REPLACE-WATERSHED 0	69,382	127,859	186,017	7,295	-96.1%
<u>Housing Replacement 2 (CWT0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	0	16,040	5,162	-67.8%
Total Housing Replacement 2	0	0	16,040	5,162	-67.8%
<u>PARK-CAPITAL IMPROVEMENT FUND (4300)</u>					
PARK BOARD CAPITAL IMPROVEMENT	15,684,168	12,414,858	5,711,900	4,570,900	-20.0%
Total PARK-CAPITAL IMPROVEMENT FUND	15,684,168	12,414,858	5,711,900	4,570,900	-20.0%
<u>PARK-CAPITAL IMPROVEMENT-ASSESSED FUND (3)</u>					
PARK BOARD CAPITAL IMPROVEMENT	706,463	872,843	500,000	500,000	0.0%
Total PARK-CAPITAL IMPROVEMENT-ASSESSED FUND	706,463	872,843	500,000	500,000	0.0%
<u>ARBITRAGE 1993 PARK BONDS (4U00)</u>					
INTERFUND TRANSFERS	6,063	513	0	0	
Total ARBITRAGE 1993 PARK BONDS	6,063	513	0	0	
<u>ARBITRAGE 1995 PARK BONDS (4Y00)</u>					
INTERFUND TRANSFERS	57,411	1,138	0	0	
Total ARBITRAGE 1995 PARK BONDS	57,411	1,138	0	0	
<u>MBC-CAPITAL IMPROVEMENTS FUND (4200)</u>					

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Capital Projects:					
<u>MBC-CAPITAL IMPROVEMENTS FUND (4200)</u>					
BUILDING COMMISSION CAPITAL IMPROVEMENT	1,791,571	2,523,220	1,070,000	1,120,000	4.7%
Total MBC-CAPITAL IMPROVEMENTS FUND	1,791,571	2,523,220	1,070,000	1,120,000	4.7%
<u>LIBRARY-CAPITAL IMPROVEMENTS FUND (4400)</u>					
DEBT SERVICE - NON-DEPT	0	0	0	0	
FINANCE DEPARTMENT	0	0	0	0	
LIBRARY-CAPITAL IMPROVEMENTS FUND	3,151,621	3,863,953	2,975,000	2,685,000	-9.7%
LIBRARY BOARD-CAP REFERENDUM	8,048,084	18,766,164	312	0	-100.0%
Total LIBRARY-CAPITAL IMPROVEMENTS FUND	11,199,706	22,630,117	2,975,312	2,685,000	-9.8%
Total Capital Projects	353,550,912	382,152,010	141,295,704	132,625,920	-6.1%

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Debt Service:					
<u>BOND REDEMPTION - DEBT SERVICE (5250)</u>					
DEBT SERVICE - NON-DEPT	36,559,354	35,098,431	25,301,644	22,385,844	-11.5%
INTERFUND TRANSFERS	0	258,009	0	0	
Total BOND REDEMPTION - DEBT SERVICE	36,559,354	35,356,439	25,301,644	22,385,844	-11.5%
<u>OTH SELF SUPPORTING DEBT SERVC (5260)</u>					
DEBT SERVICE - NON-DEPT	3,686,862	1,876,948	3,153,304	3,005,051	-4.7%
Total OTH SELF SUPPORTING DEBT SERVC	3,686,862	1,876,948	3,153,304	3,005,051	-4.7%
<u>PENSION FUND DEBT SERVICE (5270)</u>					
DEBT SERVICE - NON-DEPT	0	1,869,278	6,497,872	14,026,107	115.9%
Total PENSION FUND DEBT SERVICE	0	1,869,278	6,497,872	14,026,107	115.9%
<u>LIBRARY REF DEBT SERVICE (5280)</u>					
DEBT SERVICE - NON-DEPT	0	447,798	4,354,875	6,244,770	43.4%
Total LIBRARY REF DEBT SERVICE	0	447,798	4,354,875	6,244,770	43.4%
<u>BOND REDEM ARBIT ASSESS PARK (5P00)</u>					
DEBT SERVICE - NON-DEPT	323,451	401,960	469,400	546,200	16.4%
Total BOND REDEM ARBIT ASSESS PARK	323,451	401,960	469,400	546,200	16.4%
<u>BOND REDEMPTION - ASSESSMENT (5450)</u>					
DEBT SERVICE - NON-DEPT	611,635	113,810	104,060	94,500	-9.2%
Total BOND REDEMPTION - ASSESSMENT	611,635	113,810	104,060	94,500	-9.2%
<u>96 IMPROVEMENT BONDS (5A60)</u>					
DEBT SERVICE - NON-DEPT	218,350	211,720	205,090	198,460	-3.2%
Total 96 IMPROVEMENT BONDS	218,350	211,720	205,090	198,460	-3.2%
<u>97 IMPROVEMENT BONDS (5A70)</u>					
DEBT SERVICE - NON-DEPT	277,920	269,918	261,915	253,913	-3.1%
Total 97 IMPROVEMENT BONDS	277,920	269,918	261,915	253,913	-3.1%
<u>98 IMPROVEMENT BONDS (5A80)</u>					
DEBT SERVICE - NON-DEPT	197,280	191,730	186,034	180,194	-3.1%
Total 98 IMPROVEMENT BONDS	197,280	191,730	186,034	180,194	-3.1%
<u>01 IMPROVEMENT BONDS - 20 YR (5AB0)</u>					
DEBT SERVICE - NON-DEPT	877,053	857,053	837,053	817,053	-2.4%
Total 01 IMPROVEMENT BONDS - 20 YR	877,053	857,053	837,053	817,053	-2.4%
<u>BOND REDEM ARBIT 6/90 IMP BOND (5B00)</u>					
DEBT SERVICE - NON-DEPT	335,290	329,365	323,203	306,683	-5.1%
Total BOND REDEM ARBIT 6/90 IMP BOND	335,290	329,365	323,203	306,683	-5.1%
<u>BOND REDEM ARBIT 6/91 IMP BOND (5C00)</u>					

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Debt Service:					
<u>BOND REDEM ARBIT 6/91 IMP BOND (5C00)</u>					
DEBT SERVICE - NON-DEPT	262,415	254,103	245,790	237,390	-3.4%
Total BOND REDEM ARBIT 6/91 IMP BOND	262,415	254,103	245,790	237,390	-3.4%
<u>BOND REDEM ARBIT 6/92 IMP BOND (5E00)</u>					
DEBT SERVICE - NON-DEPT	262,763	209,963	213,588	201,788	-5.5%
Total BOND REDEM ARBIT 6/92 IMP BOND	262,763	209,963	213,588	201,788	-5.5%
<u>BOND REDEM ARBIT 6/93 IMP BOND (5F00)</u>					
DEBT SERVICE - NON-DEPT	326,400	2,318,586	218,000	210,750	-3.3%
Total BOND REDEM ARBIT 6/93 IMP BOND	326,400	2,318,586	218,000	210,750	-3.3%
<u>BOND REDEM ARBIT 6/94 IMP BOND (5G00)</u>					
DEBT SERVICE - NON-DEPT	215,747	210,197	204,513	198,695	-2.8%
Total BOND REDEM ARBIT 6/94 IMP BOND	215,747	210,197	204,513	198,695	-2.8%
<u>BOND REDEM ARBIT 6/95 IMP BOND (5H00)</u>					
DEBT SERVICE - NON-DEPT	298,741	290,463	282,097	273,467	-3.1%
Total BOND REDEM ARBIT 6/95 IMP BOND	298,741	290,463	282,097	273,467	-3.1%
<u>OCT 02 IMPROV BOND D/S (5I20)</u>					
DEBT SERVICE - NON-DEPT	0	768,080	596,100	581,900	-2.4%
Total OCT 02 IMPROV BOND D/S	0	768,080	596,100	581,900	-2.4%
<u>NOV03 IMPROV BOND D/S (5I30)</u>					
DEBT SERVICE - NON-DEPT	0	44,195	663,653	647,153	-2.5%
Total NOV03 IMPROV BOND D/S	0	44,195	663,653	647,153	-2.5%
<u>NOV04 IMPROV BOND D/S (5I40)</u>					
DEBT SERVICE - NON-DEPT	0	0	0	1,033,950	
Total NOV04 IMPROV BOND D/S	0	0	0	1,033,950	
<u>BOND REDEM ARBIT 6/87 IMP BOND (5Z10)</u>					
DEBT SERVICE - NON-DEPT	125,438	225,213	0	0	
Total BOND REDEM ARBIT 6/87 IMP BOND	125,438	225,213	0	0	
<u>BOND REDEM ARBIT 6/88 IMP BOND (5Z30)</u>					
DEBT SERVICE - NON-DEPT	147,985	142,285	126,585	126,305	-0.2%
Total BOND REDEM ARBIT 6/88 IMP BOND	147,985	142,285	126,585	126,305	-0.2%
<u>BOND REDEM ARBIT 6/89 IMP BOND (5Z40)</u>					
DEBT SERVICE - NON-DEPT	148,465	142,765	137,065	126,305	-7.9%
Total BOND REDEM ARBIT 6/89 IMP BOND	148,465	142,765	137,065	126,305	-7.9%
<u>BOND REDEM ARBIT NIC MALL BOND (5Z50)</u>					

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Debt Service:					
<u>BOND REDEM ARBIT NIC MALL BOND (5Z50)</u>					
DEBT SERVICE - NON-DEPT	1,975,583	1,993,489	1,709,293	1,702,403	-0.4%
Total BOND REDEM ARBIT NIC MALL BOND	1,975,583	1,993,489	1,709,293	1,702,403	-0.4%
<u>CONVENTION CENTER-DEBT SERVICE (5300)</u>					
DEBT SERVICE - NON-DEPT	261,292,182	18,071,933	19,493,078	19,724,675	1.2%
Total CONVENTION CENTER-DEBT SERVICE	261,292,182	18,071,933	19,493,078	19,724,675	1.2%
<u>TARGET CENTER (5350)</u>					
DEBT SERVICE - NON-DEPT	4,405,653	4,603,105	0	0	
Total TARGET CENTER	4,405,653	4,603,105	0	0	
<u>CONCERT HALL - DEBT SERVICE (5600)</u>					
DEBT SERVICE - NON-DEPT	555,000	630,000	0	0	
Total CONCERT HALL - DEBT SERVICE	555,000	630,000	0	0	
<u>TAX INCREMENT - DEBT SERVICE (5900)</u>					
DEBT SERVICE - NON-DEPT	23,442,416	42,440,724	13,708,944	14,290,640	4.2%
INTERFUND TRANSFERS	0	0	0	0	
Total TAX INCREMENT - DEBT SERVICE	23,442,416	42,440,724	13,708,944	14,290,640	4.2%
<u>MCDA DEBT SERVICE (DDS0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	32,458,353	37,115,636	1,500,000	36,645,000	2,343.0%
Total MCDA DEBT SERVICE	32,458,353	37,115,636	1,500,000	36,645,000	2,343.0%
<u>ST ANTHONY DEBT SERVICE (DDT0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	849,457	843,150	0	200,000	
Total ST ANTHONY DEBT SERVICE	849,457	843,150	0	200,000	
Total Debt Service	369,853,790	152,229,903	80,793,156	124,259,196	53.8%

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Enterprise Funds:					
<u>Sanitary Sewer Fund (7100)</u>					
DEBT SERVICE - NON-DEPT	0	0	0	683,390	
INTERFUND TRANSFERS	0	0	0	203,236	
PW - ENGINEERING SERVICES	0	0	0	393,525	
PW - SEWER MAINTENANCE	0	0	0	35,861,862	
HUMAN RESOURCES	0	0	0	0	
FINANCE DEPARTMENT	0	0	0	0	
PUBLIC WORKS SEWER CONSTRUCTION CAPITAL	0	0	0	6,900,000	
Total Sanitary Sewer Fund	0	0	0	44,042,013	
<u>Stormwater Fund (7300)</u>					
DEBT SERVICE - NON-DEPT	3,007,360	2,120,592	11,004,471	10,332,861	-6.1%
INTERFUND TRANSFERS	191,448	138,389	364,496	138,590	-62.0%
PW - ENGINEERING SERVICES	2,337,695	3,079,500	5,014,004	4,446,136	-11.3%
PW - FIELD SERVICES	5,177,031	5,258,078	5,683,023	6,556,393	15.4%
PW - SEWER MAINTENANCE	36,529,644	38,336,409	43,596,683	7,450,861	-82.9%
PW - ADMINISTRATIVE SERVICES	0	0	0	0	
HUMAN RESOURCES	0	225,000	227,970	0	-100.0%
FINANCE DEPARTMENT	117,190	136,704	128,658	0	-100.0%
PUBLIC WORKS SEWER CONSTRUCTION CAPITAL	18,774,063	12,435,858	15,881,000	4,885,000	-69.2%
CAPITAL IMPROVEMENTS NON-DEPARTMENTAL	260,389	0	0	0	
Total Stormwater Fund	66,394,821	61,730,530	81,900,305	33,809,841	-58.7%
<u>WATER ENTERPRISE FUND (7400)</u>					
DEBT SERVICE - NON-DEPT	2,795,684	2,826,748	12,147,594	13,611,040	12.0%
INTERFUND TRANSFERS	2,548,470	2,517,500	3,034,974	583,603	-80.8%
POLICE DEPARTMENT	0	0	1,109,477	1,149,816	3.6%
PW - ENGINEERING SERVICES	661,898	726,040	877,939	1,096,076	24.8%
PW - ADMINISTRATIVE SERVICES	-39,732	0	0	0	
PW - WATER	31,814,181	32,508,187	37,586,113	43,273,293	15.1%
HUMAN RESOURCES	0	225,000	227,970	0	-100.0%
FINANCE DEPARTMENT	4,528,229	4,332,423	5,026,040	0	-100.0%
PUBLIC WORKS WATER CAPITAL	15,212,955	19,270,863	37,340,000	20,891,000	-44.1%
CAPITAL IMPROVEMENTS NON-DEPARTMENTAL	534,141	252,632	0	0	
Total WATER ENTERPRISE FUND	58,055,825	62,659,392	97,350,107	80,604,828	-17.2%
<u>MUNICIPAL PARKING ENTERPRISE FUND (7500)</u>					
DEBT SERVICE - NON-DEPT	13,204,930	12,618,188	25,880,521	26,240,966	1.4%
INTERFUND TRANSFERS	12,304,738	12,869,368	12,045,968	11,059,500	-8.2%
PW - TRANSPORTATION	32,942,723	41,356,520	39,424,024	40,946,413	3.9%
PW - WATER	0	0	0	0	
HUMAN RESOURCES	0	225,000	227,970	0	-100.0%
FINANCE DEPARTMENT	532,439	577,851	594,349	0	-100.0%
Regulatory Services	2,137,482	2,394,912	2,832,734	2,996,832	5.8%
PUBLIC WORKS TRANSPORTATION CAPITAL	17,354,984	24,084,951	180,000	30,000	-83.3%
Total MUNICIPAL PARKING ENTERPRISE FUND	78,477,296	94,126,789	81,185,566	81,273,711	0.1%
<u>10TH AND WASHINGTON RAMP ARBIT (7550)</u>					
INTERFUND TRANSFERS	90	0	0	0	
Total 10TH AND WASHINGTON RAMP ARBIT	90	0	0	0	

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Enterprise Funds:					
<u>97 TEMPORARY RAMP REVENUE BOND (7570)</u>					
INTERFUND TRANSFERS	2	0	0	0	
Total 97 TEMPORARY RAMP REVENUE BOND	2	0	0	0	
<u>GREYHOUND/JEFF PARK FACILITY (7580)</u>					
INTERFUND TRANSFERS	202	0	0	0	
Total GREYHOUND/JEFF PARK FACILITY	202	0	0	0	
<u>ST. THOMAS/GREYHOUND 1999 BOND (7590)</u>					
INTERFUND TRANSFERS	11,202	0	0	0	
Total ST. THOMAS/GREYHOUND 1999 BOND	11,202	0	0	0	
<u>SOLID WASTE - ENTERPRISE (7700)</u>					
INTERFUND TRANSFERS	193,241	843,261	871,077	757,934	-13.0%
PW - SOLID WASTE	24,271,240	23,939,749	25,600,863	26,547,630	3.7%
HUMAN RESOURCES	0	225,000	227,970	0	-100.0%
FINANCE DEPARTMENT	183,436	194,490	196,101	0	-100.0%
Total SOLID WASTE - ENTERPRISE	24,647,916	25,202,500	26,896,011	27,305,564	1.5%
<u>99 SEWER FIXED RATE BONDS (9S10)</u>					
INTERFUND TRANSFERS	824	0	0	0	
Total 99 SEWER FIXED RATE BONDS	824	0	0	0	
<u>DEFAULTED PROPERTY ADMINISTRATION (EDP0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	488,804	1,160,953	1,943,719	331,824	-82.9%
Total DEFAULTED PROPERTY ADMINISTRATION	488,804	1,160,953	1,943,719	331,824	-82.9%
<u>FED HOME LN BANK ECON DEVELOP (EED0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	125,143	118,227	177,605	11,000	-93.8%
Total FED HOME LN BANK ECON DEVELOP	125,143	118,227	177,605	11,000	-93.8%
<u>FHLB HOUSING DEVELOPMENT (EHD0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	199,069	0	0	0	
Total FHLB HOUSING DEVELOPMENT	199,069	0	0	0	
<u>HOUSING OWNERSHIP PROGRAM (EHO0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	1,471,319	1,371,764	1,000,000	1,300,000	30.0%
Total HOUSING OWNERSHIP PROGRAM	1,471,319	1,371,764	1,000,000	1,300,000	30.0%
<u>HOME OWNERSHIP & RENOVATION (EHR0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	529,346	367,110	600,000	350,000	-41.7%
Total HOME OWNERSHIP & RENOVATION	529,346	367,110	600,000	350,000	-41.7%
<u>LOAN & GRANT PROGRAMS (ELG0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	126,167	17,868	1,200	0	-100.0%
Total LOAN & GRANT PROGRAMS	126,167	17,868	1,200	0	-100.0%

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Enterprise Funds:					
<u>RIVER TERMINAL (ERT0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	2,961,780	3,116,049	2,855,913	3,160,834	10.7%
Total RIVER TERMINAL	2,961,780	3,116,049	2,855,913	3,160,834	10.7%
<u>GARFS (ERZ0)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	383,706	313,334	411,977	450,851	9.4%
Total GARFS	383,706	313,334	411,977	450,851	9.4%
<u>PARK - OPERATIONS - ENTERPRISE (7800)</u>					
INTERFUND TRANSFERS	0	0	1,055,500	0	-100.0%
PARK BOARD	11,946,206	12,796,800	12,422,896	11,495,861	-7.5%
Total PARK - OPERATIONS - ENTERPRISE	11,946,206	12,796,800	13,478,396	11,495,861	-14.7%
Total Enterprise Funds	245,819,719	262,981,316	307,800,799	284,136,327	-7.7%

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Internal Service Funds:					
<u>MATERIALS & LAB-INTERNAL SVC (6000)</u>					
INTERFUND TRANSFERS	14,055	9,876	9,700	61,182	530.7%
PW - ENG MATERIALS & TESTING	2,858,689	5,011,175	4,431,722	4,538,154	2.4%
PW - EQUIPMENT	0	0	0	0	
PW - TRANSPORTATION	0	0	0	0	
FINANCE DEPARTMENT	143,298	161,878	157,862	0	-100.0%
Total MATERIALS & LAB-INTERNAL SVC	3,016,042	5,182,929	4,599,284	4,599,336	0.0%
<u>EQUIPMENT - INTERNAL SERVICE (6100)</u>					
DEBT SERVICE - NON-DEPT	1,380,750	1,643,474	4,917,775	6,347,550	29.1%
INTERFUND TRANSFERS	91,450	61,163	62,000	262,937	324.1%
PW - EQUIPMENT	29,207,536	23,727,280	26,790,996	35,057,852	30.9%
PW - PROPERTY SERVICES	0	0	0	0	
FINANCE DEPARTMENT	506,294	591,011	574,557	0	-100.0%
PW - EQUIPMENT DIV-CAPITAL	0	5,594,122	5,663,928	5,756,923	1.6%
Total EQUIPMENT - INTERNAL SERVICE	31,186,031	31,617,051	38,009,256	47,425,262	24.8%
<u>PROPERTY SERVICES INTERNAL SERVICE FUND (6200)</u>					
DEBT SERVICE - NON-DEPT	100,833	333,009	1,213,286	1,049,163	-13.5%
INTERFUND TRANSFERS	285,658	32,685	33,000	85,976	160.5%
PW - PROPERTY SERVICES	11,078,281	10,912,657	12,001,166	13,933,227	16.1%
FINANCE DEPARTMENT	102,974	115,711	117,256	0	-100.0%
PUBLIC WORKS PROPERTY SERVICES CAPITAL	9,260,062	1,166,219	0	0	
Total PROPERTY SERVICES INTERNAL SERVICE FUN	20,827,808	12,560,280	13,364,708	15,068,366	12.7%
<u>STORES - INTERNAL SERVICE (6300)</u>					
DEBT SERVICE - NON-DEPT	0	0	77,510	0	-100.0%
INTERFUND TRANSFERS	18,435	13,648	14,000	0	-100.0%
PW - ENG MATERIALS & TESTING	439,878	531,311	668,330	802,770	20.1%
PW - TRANSPORTATION	210,158	251,372	274,498	2,603,222	848.4%
FINANCE DEPARTMENT	123,791	125,026	120,791	0	-100.0%
Total STORES - INTERNAL SERVICE	792,262	921,357	1,155,129	3,405,992	194.9%
<u>INFO TECH - INTERNAL SERVICE (6400)</u>					
DEBT SERVICE - NON-DEPT	3,820,160	3,964,546	6,765,950	8,266,450	22.2%
INTERFUND TRANSFERS	427,204	7,123	7,000	124,154	1,673.6%
CITY CLERK	1,254,081	947,037	1,089,524	1,111,319	2.0%
HUMAN RESOURCES	169,836	128,324	186,024	191,605	3.0%
FINANCE DEPARTMENT	168,416	188,389	190,877	0	-100.0%
BUSINESS INFORMATION SERVICES	17,302,203	18,504,158	17,574,408	20,144,359	14.6%
INFORMATION TECHNOLOGY SYSTEMS CAPITAL	0	1,191,123	2,950,000	2,000,000	-32.2%
Total INFO TECH - INTERNAL SERVICE	23,141,900	24,930,701	28,763,783	31,837,887	10.7%
<u>SELF INSURANCE-INTERNAL SVC (6900)</u>					
DEBT SERVICE - NON-DEPT	1,663,660	1,697,419	1,217,250	1,204,250	-1.1%
INTERFUND TRANSFERS	2,019	5,445	6,000	125,412	1,990.2%
HEALTH AND WELFARE	37,774,126	43,897,857	44,342,000	45,010,963	1.5%
ATTORNEY	4,264,869	4,268,826	4,773,411	4,986,364	4.5%
WORKERS COMPENSATION	8,104,124	6,046,646	7,761,562	8,082,973	4.1%
LIABILITY	2,411,736	11,762,578	3,240,000	3,288,880	1.5%
PW - FIELD SERVICES	0	0	0	0	
HUMAN RESOURCES	587,314	445,310	615,041	699,907	13.8%

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Internal Service Funds:					
<u>SELF INSURANCE-INTERNAL SVC (6900)</u>					
FINANCE DEPARTMENT	1,314,433	1,269,592	1,615,682	1,547,313	-4.2%
Total SELF INSURANCE-INTERNAL SVC	56,122,280	69,393,672	63,570,946	64,946,062	2.2%
<u>99EQUIP VARIABLE RATE BONDS (9E10)</u>					
INTERFUND TRANSFERS	18	0	0	0	
Total 99EQUIP VARIABLE RATE BONDS	18	0	0	0	
<u>PARK - INTERNAL SERVICE (6600)</u>					
PARK BOARD	3,568,559	3,903,568	6,946,000	5,245,535	-24.5%
Total PARK - INTERNAL SERVICE	3,568,559	3,903,568	6,946,000	5,245,535	-24.5%
<u>PARK-SELF INSURE-INTERNAL SVC (6700)</u>					
PARK BOARD	1,774,779	1,892,883	2,026,853	2,316,390	14.3%
Total PARK-SELF INSURE-INTERNAL SVC	1,774,779	1,892,883	2,026,853	2,316,390	14.3%
Total Internal Service Funds	140,429,678	150,402,441	158,435,959	174,844,830	10.4%

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Investment Management Funds:					
<u>INVESTMENT POOL (Z010)</u>					
FINANCE DEPARTMENT	205,026	285,745	0	0	
Total INVESTMENT POOL	205,026	285,745	0	0	
<u>INVESTMENT POOL (Z990)</u>					
INVESTMENT MGMT INTERFACE	-102,460	0	0	0	
Total INVESTMENT POOL	-102,460	0	0	0	
Total Investment Management Funds	102,565	285,745	0	0	

**SCHEDULE THREE
EXPENDITURES BY FUND AND AGENCY**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
Agency - Inactive:					
<u>Default (0001)</u>					
COMMUNITY PLANNING AND ECONOMIC DEVELOPM	0	0	0	0	
Total Default	0	0	0	0	
<u>PUBLIC HOUSING AUTHORITY (2900)</u>					
PUBLIC HOUSING	136,320	53,098	0	0	
Total PUBLIC HOUSING AUTHORITY	136,320	53,098	0	0	
Total Agency - Inactive	136,320	53,098	0	0	
Total All Funds	1,623,328,545	1,454,047,510	1,241,571,397	1,270,933,206	2.4%

SCHEDULE THREE
Expenditures by Agency

Agency	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
ASSESSOR	2,626,175	2,583,821	2,776,614	3,101,062	11.7%
ATTORNEY	9,199,287	8,862,060	10,282,497	11,044,369	7.4%
BOARD OF ESTIMATE & TAXATION	227,919	242,191	249,500	266,046	6.6%
BUILDING COMMISSION CAPITAL IMPROVEMENT	1,791,571	2,523,220	1,070,000	1,120,000	4.7%
BUSINESS INFORMATION SERVICES	19,039,081	18,603,441	17,574,408	20,144,359	14.6%
CAPITAL IMPROVEMENTS NON-DEPARTMENTAL	10,986,184	14,215,020	2,236,000	2,426,006	8.5%
CITY CLERK	4,609,001	2,208,853	2,234,334	2,416,766	8.2%
CITY CLERK - ELECTIONS	986,621	527,656	931,170	963,708	3.5%
CITY COORDINATOR	888,552	387,169	409,105	693,395	69.5%
CITY COUNCIL	1,070,440	2,789,351	2,872,903	3,322,914	15.7%
CIVIL RIGHTS	1,858,241	2,117,357	1,988,983	2,783,040	39.9%
CIVILIAN POLICE REVIEW AUTHORITY	177,598	0	0	0	
COMMUNICATIONS	759,047	2,011,129	2,107,803	2,382,992	13.1%
COMMUNITY PLANNING AND ECONOMIC DEVELOP	242,529,836	211,219,703	141,796,444	163,013,976	15.0%
CONTINGENCY	462,312	3,651,764	1,587,684	1,983,000	24.9%
CONVENTION CENTER	17,882,861	19,244,520	23,031,135	26,891,789	16.8%
CONVENTION CENTER SITE	22,096,189	1,646,668	0	0	
CORRECTIONS - NON-DEPT	677,264	765,227	700,000	820,000	17.1%
DEBT SERVICE - NON-DEPT	362,519,358	139,395,904	142,517,513	155,149,866	8.9%
ELECTION JUDGES	0	0	0	0	
EMERGENCY COMMUNICATIONS	0	0	6,453,525	6,939,039	7.5%
FINANCE DEPARTMENT	15,466,959	14,373,974	18,118,294	19,654,439	8.5%
FIRE DEPARTMENT	43,122,645	40,562,730	43,315,691	45,225,377	4.4%
FIRE DEPT RELIEF ASSOC	229,378	722,589	258,497	1,328,000	413.7%
GMCVA	7,001,918	7,230,498	6,480,000	6,930,000	6.9%
HEALTH AND FAMILY SUPPORT	14,081,212	13,926,715	13,332,775	12,937,268	-3.0%
HEALTH AND WELFARE	37,774,126	43,897,857	44,342,000	45,010,963	1.5%
HUMAN RESOURCES	5,390,513	4,998,917	5,479,130	6,490,325	18.5%
INFORMATION TECHNOLOGY SYSTEMS CAPITAL	2,306,954	1,191,123	2,950,000	2,000,000	-32.2%
INTERFUND TRANSFERS	192,768,728	218,427,689	116,149,120	100,553,388	-13.4%
INTERGOVERNMENTAL RELATIONS	2,199,138	2,720,436	2,644,280	3,032,136	14.7%
INVESTMENT MGMT INTERFACE	-102,460	0	0	0	
LIABILITY	2,411,736	11,762,578	3,240,000	3,288,880	1.5%
LIBRARY BOARD	22,078,310	20,533,427	18,438,095	19,762,828	7.2%
LIBRARY BOARD-CAP REFERENDUM	8,048,084	18,766,164	312	0	-100.0%
LIBRARY-CAPITAL IMPROVEMENTS FUND	3,151,621	3,863,953	2,975,000	2,685,000	-9.7%
MAYOR	935,810	856,343	939,679	1,053,899	12.2%
MPLS EMPLOYEE RETIREMT FD	10,093,557	36,312,868	4,444,929	2,949,800	-33.6%
MUNICIPAL BUILDING COMMISSION	7,002,876	7,205,838	6,977,002	7,181,644	2.9%
NON-DEPARTMENTAL	2,592,849	925,402	8,661,380	3,913,488	-54.8%
NRP - ADMINISTRATION	1,750,482	1,683,934	1,455,598	1,478,212	1.6%
PARK BOARD	68,239,916	68,898,385	70,933,040	69,750,318	-1.7%
PARK BOARD CAPITAL IMPROVEMENT	16,862,037	13,409,924	6,248,900	5,107,900	-18.3%
PARK MUSEUM	6,384,822	7,068,886	8,117,781	9,064,332	11.7%
POLICE DEPARTMENT	99,551,497	99,448,921	99,487,569	102,481,580	3.0%
POLICE RELIEF ASSOCIATION	7,780,495	19,251,476	18,721,217	5,862,000	-68.7%
PUBLIC HOUSING	136,320	53,098	0	0	
PUBLIC WORKS PAVING CONSTRUCTION	18,728,746	27,009,449	22,495,000	33,941,000	50.9%
PUBLIC WORKS PROPERTY SERVICES CAPITAL	16,221,204	10,007,682	3,725,000	1,928,000	-48.2%
PUBLIC WORKS SEWER CONSTRUCTION CAPITAL	19,145,753	12,654,600	15,881,000	11,785,000	-25.8%
PUBLIC WORKS TRANSPORTATION CAPITAL	23,684,069	31,279,365	15,943,535	11,474,000	-28.0%
PUBLIC WORKS WATER CAPITAL	15,213,772	19,270,863	37,340,000	20,891,000	-44.1%
PW - ADMINISTRATIVE SERVICES	1,854,261	1,952,955	1,939,729	2,365,110	21.9%
PW - ENG MATERIALS & TESTING	3,298,567	5,542,486	5,100,052	5,340,924	4.7%
PW - ENGINEERING SERVICES	8,320,511	9,214,933	12,698,124	13,747,479	8.3%
PW - EQUIPMENT	29,207,536	23,727,280	26,790,996	35,057,852	30.9%
PW - EQUIPMENT DIV-CAPITAL	0	5,594,122	5,663,928	5,756,923	1.6%
PW - FIELD SERVICES	27,486,795	26,700,611	29,087,634	28,841,294	-0.8%
PW - PROPERTY SERVICES	11,236,650	11,037,151	12,001,166	13,933,227	16.1%
PW - SEWER MAINTENANCE	36,529,644	38,336,409	43,596,683	43,312,723	-0.7%
PW - SOLID WASTE	24,271,240	23,939,749	25,600,863	26,547,630	3.7%
PW - TRANSPORTATION	43,713,020	51,356,491	49,994,360	54,533,918	9.1%

SCHEDULE THREE
Expenditures by Agency

Agency	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	Percent Change
PW - WATER	31,814,181	32,508,187	37,586,113	43,273,293	15.1%
Regulatory Services	21,847,444	21,704,957	22,649,890	24,269,825	7.2%
UNFUNDED PENSION EXPENSE	-910,871	-798,100	-2,444,177	-1,200,000	-50.9%
WORKERS COMPENSATION	8,104,124	6,046,646	7,761,562	8,082,973	4.1%
YOUTH COORDINATING BOARD	5,914,840	5,872,898	3,630,032	3,846,931	6.0%
Total All Expenditures by Agency	1,623,328,545	1,454,047,510	1,241,571,397	1,270,933,206	2.4%

**City of Minneapolis
FY 2005 Budget
Financial Schedules
Community Development Block Grant (CDBG)**

BACKGROUND

This fund is used to account for the Federal grants received under the Community Development Block Grant 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 Shelter Grants Program (ESGP), Housing Opportunities for Persons with AIDS (HOPWA) and American Dream Down Payment Initiative. Based on its U.S. Department of Housing and Urban Development (HUD)-submitted Consolidated Plan, 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. The fund may appear to have a negative fund balance because a draw on federal funds is in process.

HISTORICAL FINANCIAL PERFORMANCE

For finance and budgeting purposes, the City assumes a draw down of these funds in the year they are allocated. The CDBG fund balance amount at any given time is due to the extent of timing differences between entitlement grant revenue receipts and grant expenditure disbursements.

ADOPTED 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 actions, to date, of the U.S. House and Senate. At the time of this publication, the City's total entitlement for 2005 will be approximately .5% less than the previous year based on preliminary information from HUD. The Community Development Block Grant will be \$150,000 less than last year and the HOME and HOPWA awards will be \$28,916 less. Final award numbers from Congress will not be expected before early in 2005. The HUD appropriation formula, which changed in 2002, includes variable factors based on 2000 Census information. The Census information includes population changes among all the cities within the total HUD appropriation.

Expenditures

The City distributes its entitlement funds in the HUD Consolidated Plan - it carries out program activities and awards funds to private and public not-for-profit organizations. No budgeted program increases are expected.

Debt Service

The CDBG entitlement is obligated over and above the current grant budgets by \$7.38 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 previously obligated \$7.38 million. As a result of reprogramming reductions in prior years the over extended amount has been reduced to \$6.54 million.

SCHEDULE FOUR
Year 31 (2005) - Community Development Block Grant

Organization	Project	2004 Consolidated Plan	2005 Council Adopted Budget
<u>Capital /Other---CDBG</u>			
Community Planning and Economic Development	Industry Cluster Program (Living Wage Jobs)	98,818	99,000
Community Planning and Economic Development	Adult Training, Placement and Retention	639,823	641,000
Community Planning and Economic Development	Homeownership Program (GMMHC)	464,146	520,000
Community Planning and Economic Development	VHR Distressed	392,279	-
Community Planning and Economic Development	Multi-Family/Affordable Housing	5,380,106	5,140,000
Community Planning and Economic Development	Non-Profit Multi-Family Affordable Housing Development Assistance		250,000
Community Planning and Economic Development	NEDF/CEDF	149,725	150,000
Community Planning and Economic Development	Residential Loan/Grant	443,185	600,000
Community Planning and Economic Development	Vacant & Boarded Housing	998,164	1,200,000
Community Planning and Economic Development	High density corridor housing	998,164	1,000,000
Greater Minneapolis Day care Association	Childcare Facilities Loan/Grant	322,407	322,000
Minneapolis Public Housing	General Rehabilitation	312,425	312,000
Operations/Regulatory Services	Lead Reduction	179,670	180,000
Operations/Regulatory Services	Boarded Buildings Demolition	201,629	-
Multiple Departments (Fire, Ops/Regs, City Attorney, Police)	New Problem Properties Strategy		202,000
Total Capital/Other (65%)		10,580,541	10,616,000
<u>Public Service---CDBG</u>			
Community Planning and Economic Development	Youth Employment	566,957	568,000
Community Planning and Economic Development	Mortgage Foreclosure Prevention Program	249,541	250,000
Department of Health & Family Support	Way to Grow	310,429	310,000
Department of Health & Family Support	Advocacy (Housing)	109,798	110,000
Public Works	Graffiti Removal on Public Property	106,804	107,000
Minneapolis Urban League	Curfew/Truancy Center	103,809	104,000
Department of Health & Family Support	Child Dental Services	10,980	
Department of Health & Family Support	Block Nurse Program	65,879	
Department of Health & Family Support	Senior Services Initiative	60,888	
Department of Health & Family Support	Domestic Abuse Project	57,894	
Greater Minneapolis Day Care Association	Coordinated Child Development	300,447	
Department of Health & Family Support	Harriet Tubman Women's Shelter	40,925	
Minneapolis Park Board	Teen Teamworks	14,972	
Department of Health & Family Support	Minnesota AIDS Project	22,958	
Neighborhood Health Care Network	Community Health Clinics	260,521	
Parents in Community Action	Head Start	65,879	
Volunteers of America/MAO	Volunteers of America/MAO	79,853	
Operations and Regulatory Services	Ground Works	16,969	
Recommendation of the Public Health Advisory Committee			981,600
Total Public Service (15%)		2,445,503	2,430,600

SCHEDULE FOUR
Year 31 (2005) - Community Development Block Grant

Organization	Project	2004 Consolidated Plan	2005 Council Adopted Budget
<u>Administration---CDBG</u>			
Civil Rights Department	Fair Housing Initiative/Davis Bacon Compliance	189,651	270,000
	Neighborhood Business		
Community Planning and Economic Development	Associations	173,681	-
Community Planning and Economic Development	Citizen Participation	345,365	345,000
Community Planning and Economic Development	Program Admin	74,862	75,000
Community Planning and Economic Development	Planning - Administration	1,210,773	1,230,400
Department of Health & Family Support	Neighborhood Services	161,703	107,000
Department of Health & Family Support	Grant Administration	99,816	100,000
Department of Health & Family Support	Way to Grow Administration	35,934	36,000
Department of Health & Family Support	New Arrivals	119,780	-
Finance Department	Administration	342,370	285,000
Intergovernmental Relations	Grants & Special Projects	229,579	230,000
Legal Aid Society	Legal Aid Society	48,910	49,000
Minneapolis Public Housing	Citizen Participation	97,820	98,000
Youth Coordinating Board	Administration	58,892	59,000
Fair Housing Implementation Council	Metro Fair Housing	17,967	18,000
Legal Aid Society	Housing Discrimination Law Project	79,853	80,000
Civil Rights Department	New Arrivals and Native American Advocate		175,000
Total Administration (20%)		3,286,956	3,157,400
CDBG Total of Requests (100%)		16,313,000	16,204,000
Anticipated CDBG Revenue			16,204,000
<u>Other Consolidated Plan Entitlement Funds</u>			
HOME Investment Partnerships	Community Planning and Economic Development	3,998,000	3,911,000
Emergency Shelter Grants (ESG)	Community Planning and Economic Development	576,000	601,000
Housing Opportunities for Persons with AIDS (HOPWA)	Minnesota Housing Finance Agency	839,000	834,000
American Dream Down Payment Initiative (ADDI)		228,000	228,000
Grand Total Consolidated Plan		21,954,000	21,778,000

SCHEDULE FIVE
FTE Staffing Information

Department/Board	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Assessor	35.50	35.50	34.50	34.50	0.00%	-
Attorney	111.50	110.63	101.13	101.00	-0.13%	(0.13)
Civil Rights	29.00	27.50	24.00	27.00	12.50%	3.00
City Clerk/Elections	75.50	47.50	46.20	26.50	-42.64%	(19.70)
City Council	38.00	38.00	39.00	39.00	0.00%	-
Community Planning & Economic Development	204.38	206.48	144.00	138.00	-4.17%	(6.00)
Fire	482.50	469.50	449.50	444.50	-1.11%	(5.00)
Health & Family Support	69.15	75.40	73.90	69.00	-6.63%	(4.90)
Mayor	12.00	11.00	11.00	11.00	0.00%	-
Police	1,093.00	1,060.50	966.05	942.00	-2.49%	(24.05)
Total	2,150.53	2,082.01	1,889.28	1,832.50	-3.01%	(56.78)
City Coordinator Department						
City Coordinator Administration	5.00	4.00	3.00	3.00	0.00%	-
Office of Cultural Affairs	4.00	-	-	-	-	-
Communications	16.00	15.80	15.80	16.80	6.33%	1.00
Emergency Communications	90.50	90.50	90.50	86.50	-4.42%	(4.00)
Finance	203.00	200.00	205.00	204.00	-0.49%	(1.00)
Human Resources	59.50	57.00	55.00	53.00	-3.64%	(2.00)
Business Information Systems	76.85	100.10	78.10	80.85	3.52%	2.75
Intergovernmental Relations	11.00	10.00	10.00	10.00	0.00%	-
Convention Center	213.60	213.60	212.60	211.18	-0.67%	(1.42)
Operations and Regulatory Services	289.75	278.59	259.75	263.75	1.54%	4.00
Total City Coordinator	969.20	969.59	929.75	929.08	-0.07%	(0.67)
Public Works Department						
Administration	21.00	20.00	18.00	20.00	11.11%	2.00
Engineering Services	105.50	112.50	117.00	122.50	4.70%	5.50
Field Services	203.70	200.90	165.50	154.20	-6.83%	(11.30)
Sewer Maintenance	61.90	63.60	64.10	64.10	0.00%	-
Engineering Materials	26.50	26.50	29.50	20.50	-30.51%	(9.00)
Solid Waste	126.50	124.80	123.00	126.00	2.44%	3.00
Transportation	116.54	115.04	100.34	99.34	-1.00%	(1.00)
Water Treatment/Distribution	241.00	239.75	239.75	239.75	0.00%	-
Equipment	257.60	257.10	257.10	257.10	0.00%	-
Property Services	66.80	96.35	96.90	102.90	6.19%	6.00
Total Public Works	1,227.04	1,256.54	1,211.19	1,206.39	-0.40%	(4.80)
TOTAL CITY	4,346.77	4,308.14	4,030.22	3,967.97	-1.54%	(62.25)
INDEPENDENT BOARDS - Informational Only						
Board of Estimate and Taxation	2.00	2.00	2.00	2.00	0.00%	-
Library Board	368.00	363.40	242.00	246.50	1.86%	4.50
Municipal Building Commission (MBC)	66.50	64.00	62.00	61.00	-1.61%	(1.00)
Neighborhood Revitalization Program (NRP)	13.00	12.00	12.00	11.00	-8.33%	(1.00)
Park Board	946.94	936.27	907.47	902.55	-0.54%	(4.92)
Mpls. Public Housing Authority (MPHA)	330.00	327.00	309.00	304.00	-1.62%	(5.00)
Youth Coordinating Board	39.40	26.50	4.50	4.50	0.00%	-
TOTAL INDEPENDENT BOARDS	1,765.84	1,731.17	1,538.97	1,531.55	-0.48%	(7.42)
TOTAL CITY (including Boards)	6,112.61	6,039.31	5,569.19	5,499.52	-1.25%	(69.67)

SCHEDULE SIX
2005 CPED Economic Development Programs

Strategy/Program	Source	2002 Capital Budget	2003 Capital Budget	2004 Capital Budget	2005 Council Adopted Budget	2005 Outcomes
Provide Sites & Financing for commercial & Industrial development.						
Commercial Corridors	Levy/TIF	\$1,000,000	\$1,000,000	\$0	\$0	Complete 12 economic development projects.
MILES	Levy/TIF/Hilton	\$2,000,000	\$1,000,000	\$0	\$1,000,000	
Project Funding	TIF	Project Driven	Project Driven	Project Driven	Project Driven	
CEDF/NEDF	TIF/CDBG	\$321,000	\$120,000	\$150,000	Project Driven	Increase taxes by \$845,000.
Revenue Bonding	IDBs*	\$40,000,000	\$40,000,000	\$40,000,000	Project Driven	Secure a minimum of \$1.5 million in pollution cleanup grants.
SBA 504 Loans	SBA*	\$7,000,000	\$8,000,000	\$8,000,000	Project Driven	
BDF Loans	Bond Fees	\$50,000	\$75,000	\$75,000	\$75,000	
2% Loans	Bond Fees	\$3,000,000	\$300,000	\$400,000	\$300,000	
CIF Loan	FHLB*	\$600,000	\$600,000	\$600,000	\$600,000	Create a minimum of 197 new jobs.
CAL Loans	CRF*	\$250,000	\$250,000	\$300,000	\$200,000	
Total Sites and Financing		\$54,221,000	\$51,345,000	\$49,525,000	\$2,175,000	
Provide financing and technical assistance						
Project Funding	TIF			Project Driven	Project Driven	
Revenue Bonding	IDBs*	\$275,000,000	\$200,000,000	\$200,000,000	Project Driven	Close 160 business loans.
SBA 504 Loans	SBA*	\$3,000,000	\$4,000,000	\$4,000,000	\$0	Achieve a public/private investment ratio of 1:16.
BDF Loans	Bond Fees	\$50,000	\$100,000	\$100,000	\$75,000	Create a minimum of 250 new jobs.
2% Loans	Bond Fees	\$711,500	\$900,000	\$1,000,000	\$900,000	
Consortium of Community Developers Grants	Bond Fees	\$100,000	\$100,000	\$100,000	\$125,000	
CIF Loan	FHLB*	\$200,000	\$200,000	\$200,000	\$200,000	Retain 1500 existing jobs.
CAL	CRF*	\$763,700	\$700,000	\$800,000	\$600,000	
Business Association Asst.	CDBG/Bond Fees	\$209,000	\$207,000	\$210,000	\$210,000	
Commercial Corridor Small Business Loan Fund	Legacy Fund			\$1,000,000	\$500,000	
Total Financing and Technical Assistance				\$207,410,000	\$2,610,000	
Maintain and Promote a vital downtown & central riverfront.						
Project Funding	TIF			Project Driven	Project Driven	Complete a minimum of 169 downtown/riverfront housing units***
Arena Capital	TIF/Common Project Theater related	\$500,000	\$7,500,000	\$7,500,000	Project Driven	
Theaters	revenue	\$725,000	\$0	\$800,000	Project Driven	
Revenue Bonding	IDBs*	\$50,000,000	\$85,000,000	\$50,000,000	Project Driven	Achieve 2 million patrons of entertainment or sports venues.
SBA 504 Loans	SBA*	\$2,000,000	\$2,000,000	\$2,000,000	Project Driven	
BDF Loans	Bond Fees	\$50,000	\$100,000	\$100,000	\$75,000	
CIF Loan	FHLB*	\$200,000	\$200,000	\$200,000	\$200,000	
CAL	CRF*	\$250,000	\$250,000	\$300,000	\$300,000	
2% Loans	Bond Fees	\$300,000	\$300,000	\$400,000	\$300,000	
Establish Riverfront Development Corp	Legacy Fund				\$100,000	Riverfront Development Corporation established
Total Downtown and Central Riverfront				\$61,300,000	\$975,000	
Job Creation						
"Closing the Gap" employment initiative	Legacy Fund			\$1,000,000	\$200,000	220 entry-level placements
Career Laddering	Leverage Opportunity				\$1,000,000	
Project Liability Funding	Legacy Fund				\$700,000	
Total Job Creation				\$1,000,000	\$1,900,000	

* Capital for IDBs, SBA, FHLB and CRF are all provided by sources outside of CPED.

** Subject to external caps and limitations that are historically not reached.

*** Housing units resulting from Economic Development projects. (Multi-family housing projects not included.)

SCHEDULE SEVEN
2005 CPED Housing Programs

Strategy	Program	2005 Source	2002 Capital Budget*	2003 Capital Budget*	2004 Capital Budget*	2005 Council Adopted Budget	2005 Outcomes
Affordable Rental							
	AHTF	CDBG/Bond Fees	\$2,000,000	\$4,409,000	\$4,565,000	\$4,565,000	AHTF across funding sources: total units approved - 1701
	Non Profit Dev. Assist.	CDBG	\$200,000	\$250,000	\$250,000	\$250,000	
	AHTF	HOME	\$2,000,000	\$3,400,000	\$3,800,000	\$3,550,000	affordable units approved - 1237
	AHTF	EZ	\$0	\$500,000	\$1,000,000	\$0	
	AHTF ESG	ESG	\$700,000	\$574,000	\$550,000	\$550,000	Multi-family rental and ownership
	AHTF - levy	Levy	\$2,000,000	\$2,000,000	\$0	\$0	outcomes:
	AHTF - MPHA Initiative	Legacy Fund	\$0	\$0	\$1,000,000	\$0	new units completed - 1193
	AHTF - bond fees	HRB Issuer fees	\$0	\$0	\$0	\$0	rehab units completed - 560
	Total AHTF****	above	\$6,900,000	\$11,133,000	\$11,165,000	\$8,915,000	affordable units completed - 751 total units closed - 1886
NRP							
	NRP Affordable Hsg Reserve	NRP set aside	\$4,000,000	\$2,361,500	\$3,200,000	\$4,000,000	
	Total NRP		\$4,000,000	\$2,361,500	\$3,200,000	\$4,000,000	
Financing							
	Its All about Kids	Legacy Fund			\$194,000	\$200,000	Units leased and families moved - 30
	TIF	TIF	\$6,094,300	\$0	Project Driven	Project Driven	
	Low-Income Housing Tax Credits	LIHTC Allocation	\$864,984	\$998,977	\$1,035,637		by allocation
	Housing Revenue Bonding	HRB Entitlement	\$33,547,000	\$33,867,000	\$36,410,000		by allocation
	501c3 & refunding bonds	HRB Other	project-driven	project-driven	Project Driven	Project Driven	
	Total Financing		\$40,506,284	\$34,865,977	\$37,639,637	\$200,000	
Affordable Ownership							
	Limited Equity Coops	Levy and bond fees	\$0	\$0	\$1,000,000	\$0	
(<50% MMI)	EZ Homeownership RFP	EZ	\$0	pending	\$1,000,000	\$0	
	" Workforce Housing*	CDBG/Bond Fees	\$0	\$0	\$500,000	\$500,000	Units completed - 30
(<60% MMI)	Workforce Housing*	CDBG/Bond Fees	\$0	\$0	\$500,000	\$500,000	
Financing							
	Tax Increment Financing	TIF	\$8,466,000	\$5,900,000	Project Driven	Project Driven	
Other Ownership							
	GMHC Home Ownership	CDBG			\$465,000	\$520,000	Lots sold - 15
(<80% MMI)	HOW	HOME			\$600,000	\$800,000	Units sold - 15
	Mortgage Foreclosure Prevention.	CDBG			\$250,000	\$250,000	Families served - 900
	CityLiving Home Program	MRB					
	Home Improvement Programs**	CDBG			\$444,000	\$600,000	
	Distressed Properties (VHR)***	CDBG			\$1,200,000	\$1,200,000	Parcels acquired - 60
(>80% MMI)	GMHC Century Homes	SDA rollover****			\$400,000	\$500,000	Lots sold - 20
	Total Affordable/Other Ownership		\$8,466,000	\$5,900,000	\$6,359,000	\$4,870,000	
NRP Housing							
	NRP Housing Activities	NRP Action Plans	TBD	TBD	TBD	TBD	
Mixed Rental/Ownership							
	Higher Density Corridor Initiative	CDBG	\$0	\$0	\$1,000,000	\$1,000,000	Total sites/parcels approved - 3
	LRT TOD	PPF & TBD	\$0	\$0	\$0	\$1,500,000	Total units approved - 150
	Total Mixed Rental/Ownership		\$0	\$0	\$1,000,000	\$2,500,000	
Initiatives							
	Northside Partnership Program	Legacy Fund	\$0	\$0	\$1,000,000	\$0	
	Perpetual Affordability Pilot*	Leverage Opportun	\$0	\$0	\$500,000	\$0	
	Total Initiatives		\$0	\$0	\$1,500,000	\$0	
	Project Liability Funding	Legacy Fund				\$700,000	

* Perpetual Affordability and Workforce Housing combined for '05

** Funded from prior year's rollover

*** Proposes NRP match

****AHTF total for 2005 will include AHTF, EZ, NRP, NPA (budgeted plus program income and rollover - total amount committed by City Council action)

**SCHEDULE EIGHT
INTERFUND TRANSFER EXPENSE**

2005			
Description	Destination Fund	Adopted Budget	Description
General Fund (0100)			
Transfer To Community Planning and Economic Development	GEN0	100,000	Citizen Participation in Non-Targeted Neighborhoods
Sub-Total CPED		100,000	
Transfer to Solid Waste	7700	50,000	Graffiti remediation efforts; added in 2004
Sub-Total Solid Waste		50,000	
Transfer To Special Revenue Funds	2600	91,500	Target Center - Property Tax Funding included in Financial Plan; Increases to \$950,000 in 2013
Sub-Total Special Revenue		91,500	
Transfer To Debt Service	5260	132,060	Nicollet Mall - Public Works Streets Debt Service
		502,000	Property tax supported debt service increased to match Five Year Direction
Sub-Total Debt Service		634,060	
Transfer to Equipment	6100	4,180,000	Equipment Services Fund Workout Plan - \$2 million in added property tax funding in 2005
Sub-Total Equipment		4,180,000	
	6200	811,613	Transfer of property tax levy support from for 800 MHZ from Public Safety Initiative (original source was \$220,000 of property tax levy in the permanent improvement fund and \$591,613 of levy in the debt service fund)
Sub-Total Property Services		811,613	
Transfer to Pension Debt Service	5270	15,490,000	Property tax supported debt service budgeted in the general fund; Council added \$5 million supported by general fund reserves
Sub-Total Pension Debt Service		15,490,000	
Transfer to Intergovernmental Services	6400	7,832,950	Business Information Services Debt - Increased by \$1.3 million to support property tax portion of the BIS work-out plan
Sub-Total Intergovernmental Services		7,832,950	
Transfer to Self Insurance	6900	1,204,251	Liability Debt - American Iron Works Settlement
	6900	1,447,296	Self Insurance Fund Workout Plan Increase (\$500,000 in 2005)
	6900	950,000	Self Insurance Fund Subsidy (established in 2001 to help shore up worker's compensation and liability rates, pending rate model based upon actuarial studies)
Sub-Total Self Insurance		3,601,547	
Total General Fund Transfers Out		32,791,670	

**SCHEDULE EIGHT
INTERFUND TRANSFER EXPENSE**

2005

Description	Destination Fund	Adopted Budget	Description
<u>SPECIAL REVENUE FUNDS:</u>			
<u>Federal Grants Fund (0300)</u>			
Transfer To General Fund	0100	50,000	Equal Employment Opportunity Commission (EEOC) reimbursement revenues generated by the Civil Rights Department and used to support their work in the general fund.
Sub-Total General Fund		50,000	
Total Federal Grants Fund Transfers Out		50,000	
<u>Community Development Block Grant (0400)</u>			
Transfer to CPED	FBG0	3,911,000	CPED consolidated plan grant from the HOME program
Sub-Total CPED		3,911,000	
Total CDBG Fund Transfers Out		3,911,000	
<u>Other Grants (0600)</u>			
Transfer to BIS	6400	115,500	BIS Debt Service supported by federal grants
Sub-Total Intergovernmental Services		115,500	
Total Other Grants Fund Transfers Out		115,500	
<u>Convention Center Related Fund (0760)</u>			
Transfer To General Fund	0100	7,481,750	Entertainment Tax Revenue estimate
Sub-Total General Fund		7,481,750	
Transfer to Arena Reserve	2600	1,200,000	Target Center Facilities
Sub-Total Arena Reserve		1,200,000	
Transfer to Capital Reserve	2790	1,150,000	Convention Center Related Facilities Reserve (in the Finance Plan)
Sub-Total Capital Reserve		1,150,000	
Transfer To Debt Service	5300	19,724,675	Convention Center Related Debt
Sub-Total Debt Service		19,724,675	
Transfer To Enterprise	7500	8,243,573	Convention Center Related Parking Debt
Sub-Total Enterprise		8,243,573	
Transfer to Pension Debt Service	5270	14,945	Minneapolis Employee Retirement Fund debt for Convention Center retirees
Sub-Total Pension Debt		14,945	
Total Convention Center Transfers Out		37,814,943	

**SCHEDULE EIGHT
INTERFUND TRANSFER EXPENSE**

2005

Description	Destination Fund	Adopted Budget	Description
<u>Convention Facilities Reserve (2790)</u>			
Transfer to Convention Related	0760	2,531,000	
Subtotal Convention Related		2,531,000	
Total Convention Facilities Reserve Transfers Out		2,531,000	
<u>CAPITAL PROJECTS FUNDS:</u>			
<u>Permanent Improvement Capital Fund (4100)</u>			
Transfer to Debt Service	5260	355,096	Section 108 Loan - Heritage Park
Sub-Total 9055		355,096	
Total Perm. Improvement Capital Transfers Out		355,096	
<u>INTERNAL SERVICE FUNDS:</u>			
<u>Engineering Materials and Testing Fund (6000)</u>			
Transfer to Pension Debt Service	5270	61,182	MERF debt service related to Engineering Materials and Testing retirees
Sub-Total Pension Debt		61,182	
Total Paving Fund Transfers Out		61,182	
<u>Equipment Fund (6100)</u>			
Transfer to Pension Debt Service	5270		MERF debt service related to Equipment Fund retirees
Sub-Total Pension Debt		262,937	
Total Equipment Fund Transfers Out		262,937	
<u>Property Services (6200)</u>			
Transfer to Pension Debt Service	5270	85,976	MERF debt service related to Property Services retirees
Sub-Total Pension Debt Service		85,976	
Total Property Services Transfers Out		85,976	
<u>Intergovernmental Services Fund (6400)</u>			
Transfer Pension Debt Service	5270	124,154	MERF debt service related to BIS/Clerk retirees
Sub-Total Pension Debt Service		124,154	
Total Intergovernmental Services Transfers Out		124,154	
Transfer to Pension Debt Service	5270	125,412	MERF debt service related to self-insurance fund retirees
Sub-Total Pension Debt Service		125,412	
Total Self-Insurance Transfers Out		125,412	

**SCHEDULE EIGHT
INTERFUND TRANSFER EXPENSE**

2005

Description	Destination Fund	Adopted Budget	Description
<u>ENTERPRISE FUNDS:</u>			
<u>Sewer, Stormwater, Flood Mitigation Fund (7300 and 7100)</u>			
Transfer to Pension Debt Service	5270	341,826	MERF debt service Sewer rate funded retirees
Sub-Total Pension Debt Service		341,826	
Total Sewer Transfers Out		341,826	
<u>Water Fund (7400):</u>			
Transfer to Pension Debt Service	5270	583,603	MERF debt service Water rate funded retirees
Sub-Total Pension Debt Service		583,603	
Total Water Fund Transfers Out		583,603	
<u>Parking Fund (7500):</u>			
Transfer To General Fund	0100	8,800,000	2005 annual contribution from parking fund (reduced by \$1 million per Parking Fund Work-out Plan)
Sub-Total General Fund		8,800,000	
Transfer To Special Revenue	2600	1,768,000	Target Center Finance Plan (updated May 1998)
Sub-Total Special Revenue		1,768,000	
Transfer to Debt Service	5260	252,000	Mann Areaways Debt Service
Sub-Total Debt Service		252,000	
Transfer to Pension Debt Service	5270	93,500	MERF debt service related to Parking rate funded retirees
Sub-Total Pension Debt Service		93,500	
Transfer to Solid Waste & Recyc.	7700	146,000	Litter container collection(added in 2001)
Sub-Total Solid Waste		146,000	
Total Parking Transfers Out		11,059,500	
<u>Solid Waste and Recycling Fund (7700):</u>			
Transfer To General Fund	0100	700,000	Payment for alley snowplowing (began in 2003)
Sub-Total General Fund		700,000	
Transfer to Pension Debt Service	5270	57,934	MERF debt service related to Solid Waste rate funded retirees
Sub-Total Pension Debt Service		57,934	
Total Solid Waste Fund Transfers Out		757,934	

**SCHEDULE EIGHT
INTERFUND TRANSFER EXPENSE**

2005

Description	Destination Fund	Adopted Budget	Description
<u>COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT FUNDS:</u>			
<u>Portland Place Capital Project (CPD0)</u>			
Transfer to Debt Service	5260	65,790	Debt Service - July 2
Sub-Total Debt Service		65,790	
Total Portland Place Transfers Out		65,790	
<u>Neiman Marcus Capital Project (CPQ0)</u>			
Transfer to Debt Service	7500	235,000	Debt Service federal courts
Sub-Total Debt Service		235,000	
Total Neiman Marcus Transfers Out		235,000	
<u>CPED Operating Fund (GEN0)</u>			
Transfer to Self Insurance	6900	283,000	Payment for Management Support Departments - Attorney Civil Division
Sub-Total Self Insurance		283,000	
Transfer to Parking Fund	7500	6,680,456	Transfer from Tax Increment Funds for Parking Ramp Debt
Sub-Total Parking Fund		6,680,456	
Total CPED Operating		6,963,456	
<u>Community Development (SPH0)</u>			
Transfer to Pension Debt Service	5270	1,700,000	Annual Hilton fund transfer for pension debt
		1,700,000	
Total CPED Funds		8,964,246	
TOTAL CITY FUNDS		99,935,979	

**SCHEDULE EIGHT
INTERFUND TRANSFER EXPENSE**

2005

Description	Destination Fund	Adopted Budget	Description
<u>INDEPENDENT BOARDS:</u>			
<u>Municipal Building Commission (1100)</u>			
Transfer to MBC Capital	4200	160,000	Elevator Rehabilitation project added by Council; funded by drawing down MBC operating fund balance
Sub-Total MBC Capital		160,000	
Total Municipal Building Commission		160,000	
<u>Park Board Operating Fund (7800)</u>			
Transfer to Debt Service	5260	1,055,750	Fort Snelling bonds debt service
Sub-Total Debt Service		1,055,750	
Total Park Board Operating		1,055,750	
<u>Library Board (1800):</u>			
Transfer to Debt Service	5260	457,409	Parking Ramp debt service
Sub-Total Debt Service		457,409	
Total Library Board		457,409	
Total Independent Boards		1,673,159	
GRAND TOTAL		101,609,138	

**SCHEDULE NINE
BENEFITS ADMINISTRATION FEE CHARGES**

Note: Prior to 2005, these charges were budgeted centrally at the fund level. Now, they appear in department/agency budgets.

Department	2005 Adopted Budget
<u>GENERAL FUND (0100)</u>	
Assessor	5,900
Attorney	16,800
Civil Rights	4,100
Clerk/Elections	7,800
City Council	6,600
Community Planning and Economic Development	25,100
Fire	75,800
Health and Family Support	12,500
Mayor	1,900
Police	161,400
Coordinator Administration	500
Communications	2,300
Emergency Communications	15,000
Finance	31,200
Human Resources	9,200
Regulatory Services - Inspections	44,100
Intergovernmental Relations	1,700
Public Works Administration	3,100
Public Works Engineering	19,700
Public Works - Field Services	28,100
Public Works - Transportation	16,700
Total General Fund	489,500
<u>SPECIAL REVENUE FUNDS:</u>	
Convention Center - Convention Related Facilities Fund (7600)	36,100
Police - Police Special Revenue Fund (2100)	2,900
Total Special Revenue Funds	39,000
<u>INTERNAL SERVICE FUNDS:</u>	
Business Information Services - Intergovernmental Services Fund (6400)	13,100
Public Works - Engineering Materials	5,000
Public Works - Equipment	43,600
Public Works - Property Services	16,300
Total Internal Service Funds	78,000

**SCHEDULE NINE
BENEFITS ADMINISTRATION FEE CHARGES**

<u>ENTERPRISE FUNDS:</u>	
Public Works - Sewer	10,400
Public Works - Water	40,700
Public Works - Solid Waste	20,900
Total Enterprise Funds	72,000
TOTAL CITY	678,500
<u>INDEPENDENT BOARDS:</u>	
Board of Estimate and Taxation	300
Library Board	49,800
Municipal Building Commission	12,800
Neighborhood Revitalization Program	2,300
Park Board	132,700
Minneapolis Public Housing Authority	63,600
Youth Coordinating Board	900
TOTAL INDEPENDENT BOARDS	262,400
GRAND TOTAL	940,900

SCHEDULE TEN
Business Information Services 2005 Budget Impact

*The BIS Rate Model is being implemented into The City's 2005 Budget.
Below are the charges that replace the transfers of previous years.*

Department	2005 Adopted Budget
<u>General Fund (0100)</u>	
Assessor	279,409
Attorney	337,902
City Council	361,592
City Clerk	119,194
City Clerk Elections	13,219
Fire	809,910
Civil Rights	140,734
Mayor	95,095
Police	3,557,736
Public Works - Engineering Design	49,828
Public Works - Field Services	229,247
Public Works - Administration	260,173
Public Works - Transportation	410,070
Human Resources	885,142
Finance	1,606,340
Emergency Communications	240,014
Operations and Regulatory Services	354,885
City Coordinator	225,618
Intergovernmental Relations	30,889
Communications	178,875
Operations and Regulatory Services - Inspections	557,072
Health & Family Support	565,890
Community Planning and Economic Development	775,506
Transfer for Debt Service	7,454,990
Total General Fund	19,539,329
<u>Grants</u>	
Grants - Federal - Police	12,299
Grants - Federal - Health and Family Support	18,560
CDBG & UDAG - Civil Rights	29,318
CDBG & UDAG - Grants and Special Projects - IGR	7,050
CDBG & UDAG - Health and Family Support	44,428
Grants - Other - Health and Family Support	3,749
Total Grants	115,403

Special Revenue

Convention Center	239,495
Police	19,783
Community Planning and Economic Development	77,716
Total Special Revenue	336,994

Capital Projects Funds

Public Works - Engineering Design	290,979
Public Works - Field Services	30,131
Public Works - Field Services- Paving Construction	50,206
CPED - Near North - Non Departmental	454
Community Planning and Economic Development	45,510
Total Capital Projects Fund	417,280

Internal Service Funds

Public Works - Engineering Materials	19,753
Public Works - Equipment	245,218
Public Works - Property Services	199,040
Public Works	
Engineering Materials	9,886
Transportation	9,358
Business Information Systems	
City Clerk	29,136
Self Insurance	
Attorney	215,257
Human Resources	34,552
Finance - Risk Management	66,919
Total Internal Service Funds	829,119

Enterprise Funds

Public Works - Sewer	194,302
Public Works - Water	1,439,219
Public Works - Transportation - Parking Fund	384,643
Public Works - Solid Waste	342,223
Total Enterprise Funds	2,360,387

Total City	23,598,512
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SCHEDULE ELEVEN
Equipment Services Division Impact to City Departments in 2005

Department	2005 Adopted Budget
<u>General Fund (0100)</u>	
Assessor	16
City Clerk	78
Fire Department	2,740,605
Civil Rights	1,079
Mayor	4,160
Police	4,181,954
Public Works Engineering Design	24,994
Public Works Field Services	7,067,835
Public Works Administration	12,081
Public Works Transportation	533,347
Intergovernmental Relations	109
Human Resources	346
Finance	78
Licenses & Consumer Services	17,369
City Coordinator	16
Communications	999
Inspections	30,545
Health & Family Support	10,130
Community Planning and Economic Development	5,047
Total General Fund	14,630,788

Special Revenue Funds:

Police - Police Special Revenue Fund (2100)	6,487
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Capital Projects Funds:

Public Works - Permanent Improvement Capital Projects Fund (4100)	40,894
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Public Works - Field Serves Sidewalk Inspection (4100)	10,324
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Internal Service Funds:

Public Works - Engineering Materials	112,331
Public Works - Equipment (intra-fund charges)	5,845,164
Public Works - Property Services	329,997
Public Works - Stores	7,835
Business Information Systems	6,110
Self Insurance	203

Enterprise Funds:

Public Works - Sewer	7,965,981
Public Works - Water	2,487,867
Public Works - Parking Fund	114,078
Public Works - Solid Waste	271,249
Total City	31,829,308

Independent Boards:

Library Board	9,565
Municipal Building Commission	4,675
Park Board	410,096
Total Independent Boards	424,336
Grand Total	32,253,644

SCHEDULE TWELVE
Property Services Division Impact to City Departments in 2005

Department	2005 Adopted Budget
<u>General Fund (0100)</u>	
Assessor	140,650
Attorney	8,151
City Council	4,021
City Clerk	5,024
Fire Department	955,214
Civil Rights	1,877
Community Planning and Economic Development	10,780
Mayor	2,030
Planning	2,148
Police	735,200
Public Works Engineering Design	84,803
Public Works Field Services	324,314
Public Works Administration	24,744
Public Works Transportation	107,676
Intergovernmental Relations	764
Human Resources	210,852
Finance	11,429
Licenses & Consumer Services	153,530
City Coordinator	1,301
Communications	2,036
Inspections	385,627
Health & Family Support	251,781
Total General Fund	3,423,950
 <u>Capital Projects Funds:</u>	
Public Works - Engineering Design	102,830
Capital Projects Fund (4100)	

Internal Service Funds:

Public Works - Engineering Materials	56,393
Public Works - Equipment (intra-fund charges)	580,520
Public Works - Property Services	174,262
Public Works - Stores	70,133
Business Information Systems	5,146

Enterprise Funds:

Public Works - Sewer	112,746
Public Works - Water	218,240
Public Works - Parking Fund	89,110
Public Works - Solid Waste	193,547
Total City	5,026,877

**SCHEDULE THIRTEEN
POTENTIAL RENT CHARGES BY CITY HALL DEPARTMENT**

Note: For information only. This Amount is based upon 2004 allocations of Local Government Aid and Property Taxes to the Municipal Building Commission. The amounts have not been allocated in the 2005 budget.

Description	Billable Square Foot	Potential Annual Rental charge
Building Commission	2,849	46,508
Business Information Services	11,004	179,632
City Clerk	16,216	264,713
City Clerk Elections	3,249	53,037
City Coordinator	5,563	90,812
City Council	17,193	280,661
Civil Rights	6,044	98,656
Communications	8,704	142,086
Community Planning and Economic Development	9,185	149,938
Finance	27,913	455,657
Fire	9,400	153,455
Human Resources	1,039	16,956
Intergovernmental Relations	3,265	53,301
Mayor	8,680	141,694
Operations and Regulatory Services	5,972	97,483
Police	81,033	1,322,799
Public Works - Administrative Services	9,748	159,128
Public Works - Property Services	4,977	81,243
Public Works - Transportation	4,370	71,343
Total	236,404	\$ 3,859,102

**SCHEDULE FOURTEEN
GENERAL FUND OVERHEAD CHARGES**

Customer	2005 Adjustments to Charges that will be "Phased In" over 5 years	Proposed GF Overhead Collection Levels in 2005	Forecasted 2006 Charge	Forecasted 2007 Charge	Forecasted 2008 Charge	Forecasted 2009 Charge	Forecasted 2010 Charge
Internal Service Funds							
PW - Eng Mat - Materials and Lab Sub-total (Fund 6000)		\$159,522	\$161,596	\$163,697	\$165,825	\$167,980	\$170,164
PW - Equipment Sub-total (Fund 6100)		\$581,403	\$588,961	\$596,618	\$604,374	\$612,231	\$620,190
PW - Property Sub-total (Fund 6200)		\$232,946	\$235,974	\$239,042	\$242,150	\$245,297	\$248,486
PW - Eng Mat - Stores Sub-total (Fund 6300)		\$176,678	\$178,975	\$181,301	\$183,658	\$186,046	\$188,465
BIS Sub-total (Fund 6400)		\$196,585	\$199,141	\$201,729	\$204,352	\$207,008	\$209,700
Self Insurance Sub-total (Fund 6900)		\$65,681	\$66,535	\$67,400	\$68,276	\$69,164	\$70,063
Sub-total for Internal Service Funds		\$1,412,815	\$1,431,182	\$1,449,787	\$1,468,634	\$1,487,726	\$1,507,067
Enterprise Funds							
PW - Sewer Sub-total (Fund 7300)	(\$326,281)	\$3,772,336	\$3,755,272	\$3,737,127	\$3,717,875	\$3,697,491	\$3,675,949
PW - Water Sub-total (Fund 7400)		\$4,316,419	\$4,372,533	\$4,429,375	\$4,486,957	\$4,545,288	\$4,604,377
PW - Transportation - Parking Sub-total (Fund 7500)	(\$231,258)	\$1,360,537	\$1,331,371	\$1,301,217	\$1,270,054	\$1,237,861	\$1,204,616
PW - Solid Waste (7700)	(\$246,921)	\$2,401,714	\$2,382,910	\$2,363,211	\$2,342,598	\$2,321,049	\$2,298,544
Sub-total for Enterprise Funds		\$11,851,006	\$11,842,086	\$11,830,931	\$11,817,484	\$11,801,689	\$11,783,485
Capital Project Funds							
Capital Project Funds	(\$359,984)	\$2,358,864	\$2,316,596	\$2,272,831	\$2,227,537	\$2,180,680	\$2,132,229
Grant Funds							
Grants Federal Sub-total (Fund 0300)	\$663,614	\$0	\$134,448	\$272,392	\$413,899	\$559,040	\$707,885
Grants CDBG and UDAG Sub-total (Fund 0400)	\$595,206	\$0	\$120,589	\$244,313	\$371,233	\$501,412	\$634,914
Grants Other Sub-total (Fund 0600)	\$688,481	\$0	\$139,486	\$282,599	\$429,409	\$579,989	\$734,411
Sub-total for Grant Funds		\$0	\$394,523	\$799,304	\$1,214,542	\$1,640,442	\$2,077,209
Component Units							
Library	\$289,435	\$330,000	\$392,930	\$457,439	\$523,560	\$591,323	\$660,759
Park	\$894,865	\$828,252	\$1,020,319	\$1,217,240	\$1,419,108	\$1,626,019	\$1,838,070
Board of Estimate and Taxation	\$54,475	\$0	\$11,037	\$22,360	\$33,977	\$45,891	\$58,109
Neighborhood Revitalization Program	\$62,358	\$0	\$12,634	\$25,596	\$38,893	\$52,532	\$66,518
Minneapolis Public Housing Agency	\$41,345	\$35,000	\$43,832	\$52,887	\$62,170	\$71,686	\$81,439
Youth Coordinating Board	\$67,784	\$0	\$13,733	\$27,823	\$42,277	\$57,103	\$72,306
MBC - Capital	\$42,325	\$44,381	\$53,533	\$62,915	\$72,533	\$82,389	\$92,490
MBC - Operating	\$211,841	\$45,000	\$88,504	\$133,131	\$178,904	\$225,845	\$273,975
Sub-total for Component Units and Independent Bds		\$1,282,633	\$1,636,521	\$1,999,393	\$2,371,423	\$2,752,787	\$3,143,667
Convention Center							
Convention Center Sub-total (Fund 0760)		\$1,177,360	\$1,192,666	\$1,208,171	\$1,223,877	\$1,239,787	\$1,255,905
Police Department Special Revenue Fund		\$0	\$0	\$0	\$0	\$0	\$0
CPED	\$911,681	\$3,361,307	\$3,589,711	\$3,823,485	\$4,062,730	\$4,307,550	\$4,558,048
Total		\$ 21,443,986	\$ 22,403,284	\$ 23,383,900	\$ 24,386,227	\$ 25,410,662	\$ 26,457,610
<i>Forecasted charges include two components: 1) An inflationary adjustment of 1.3% per year and 2) 20%/year incremental phase in amount for select funds over a 5 year period based on adjustments made in 2005 Charges compared to Services Provided</i>							

Council Adopted Capital Budget Information

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City of Minneapolis
2005 – 2009 Capital Program
Capital Budget Narrative Overview

Capital Improvement Budget Development

The City has a five-year capital improvement plan (CIP). Annually, City departments & independent boards and commissions prepare and modify capital improvement proposals. The Finance Department, the Planning Division of the Community Planning & Economic Development department (CPED) and the Capital Long-Range Improvement Committee (CLIC) review capital improvement proposals.

The Capital Long-Range Improvement Committee is a citizen advisory committee to the Mayor and City Council. The committee is authorized to have 33 appointed members, composed of two members per Council Ward and seven at-large members appointed by the Mayor. The committee elects a Chair and Vice Chair and breaks itself into two programmatic task forces of approximately the same number of members. Each task force 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 two task forces are currently titled “Transportation and Property Services” and “Government Management, Health and Safety and Human Development”. The task forces receive and review all Capital Budget Requests (CBR’s) for their program areas as submitted by the various City departments, independent boards and commissions.

During two all-day meetings, departments and boards who prepared the CBR’s formally present their needs and offer explanations for their requests. Task force members then rate all proposals using a rating system with several specific criteria and create a numerical ranking for each project. Highest-ranking priorities are then balanced against available resources by year to arrive at a cohesive five-year capital improvements program recommendation to the Mayor and City Council.

For this five-year plan covering years 2005 - 2009, there were 119 CBR’s reviewed and rated. The total requested capital budget for the five years was \$568.7 million.

CLIC’s recommendations serve as the basis 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.

Highlights of the 2005-2009 Capital Improvement Plan

Property Tax Supported – Public Works: The 2005 budget includes \$15.7 million in property tax supported funding for Public Works capital. Below is a summary of the 2005 - 2009 property tax supported funding for the Public Works infrastructure program.

Recommended Property Tax Supported Capital for Public Works (in millions)

	2005	2006	2007	2008	2009
Base Capital Funding	\$15.7	\$16.4	\$12.6	\$11.0	\$11.7

Property Tax Supported - Park Board: The 2005 budget includes \$2.4 million in property tax supported funding for Park Board capital and \$1.0 million for beginning a program to begin improving the Parkway Street Lighting Systems. Below is a summary of the 2005 – 2009 property tax supported funding for Park Board capital. The amounts recommended include a Park Board capital levy, which has been increasing by \$215,000 each year since 2003. This levy has been approved to grow to \$1.5 million and will reach this level in 2009.

Recommended Property Tax Supported Capital for Park Board (in millions)

	2005	2006	2007	2008	2009
Base Capital Funding	\$1.9	\$1.1	\$1.1	\$.6	\$.6
Park Board Capital Levy Funding	\$0.6	\$0.9	\$1.1	\$1.3	\$1.5
Total Capital Funding	\$2.5	\$2.0	\$2.2	\$1.9	\$2.1

Property tax supported funding to support the capital program was reduced by \$17.5 million for years 2006 - 2009 primarily in response to the State Aid reductions. This will result in slowing down the City's ability to close the Public Works and Park Board infrastructure gap.

Utility Fee Supported Capital: The 2005 – 2009 budget includes funding for additional water and sewer related infrastructure expenditures. The rate of capital spending on the Water Ultrafiltration plants and the Southwest Reservoir project as well as the Sewer Flood Mitigation Program has been slowed down to minimize rate impacts for sewer and water fee increases as well as to study alternative methods of managing storm water runoff. This budget continues the City's commitment to closing the infrastructure "gap" for water and sewer services. The water and sewer 5-year utility rate schedule approved as part of this budget reflects this planned investment.

Relationship between the Capital and Operating Budgets: As part of each capital budget request, departments and independent boards are required to identify whether the capital request will result in an increase or decrease in operating costs. As part of the 2005-2009 capital submittals, operating costs were given a high priority by the CLIC ranking process.

City Debt

Minneapolis' total general obligation debt increased from \$1.119 billion at 12/31/2002 to \$1.250 billion at 12/31/2003.

In 2003, the City of Minneapolis issued bonds totaling \$252,705,000. Of this amount, \$42,335,000 was issued to refund existing debt. The following information provides details of Year 2003 Bond Sales:

January

In January, the City issued \$26,350,000 of General Obligation Tax Increment Refunding Bonds, Series 2003 (Laurel Village). These bonds refunded \$26,165,000 of General Obligation Laurel Village Refunding Bonds, Series 1992 dated September 1, 1992 on the optional call date of March 1, 2003. Final maturities of both bond series were March 1, 2016. The refunding resulted in debt service savings of approximately \$3,853,000 on a present value basis.

June

In June, the City issued \$1,725,000 of General Obligation Tax Increment Bonds, Series 2003A (West Side Milling) and \$6,900,000 of General Obligation Tax Increment Bonds, Series 2003B (Heritage Park) to fund two ongoing redevelopment projects. Also issued were \$36,000,000 of Taxable General Obligation Pension Bonds (MERF) to fund pension obligations for the Municipal Employees Retirement Fund and \$68,615,000 of General Obligation Various Purpose Bonds, Series 2003 supporting the five year capital plan.

The various purpose bonds supporting the capital plan were as follows:

500,000	Diseased Tree Removals
8,590,000	Flood Mitigation & Combined Sewer Overflow Projects
8,350,000	Water Works Projects
9,630,000	Fleet Equipment Purchases
14,215,000	Public Safety Capital Initiative Projects
100,000	Library Improvements
661,500	Municipal Building Commission Projects
1,920,000	Park Improvements
24,648,500	Various Public Works Infrastructure Projects

October

In October, the City issued \$6,130,000 of General Obligation Improvement Bonds, Series 2003 for various special assessment projects. Also issued were \$15,985,000 of General Obligation Various Purpose Refunding Bonds, Series 2003 and \$57,000,000 of General Obligation Library Bonds, Series 2003 for construction of Central and Community Library system projects. Finally, \$17,900,000 of Taxable General Obligation Pension Bonds (MPRA), Series 2003 were issued for pension obligations for the Minneapolis Police Relief Association.

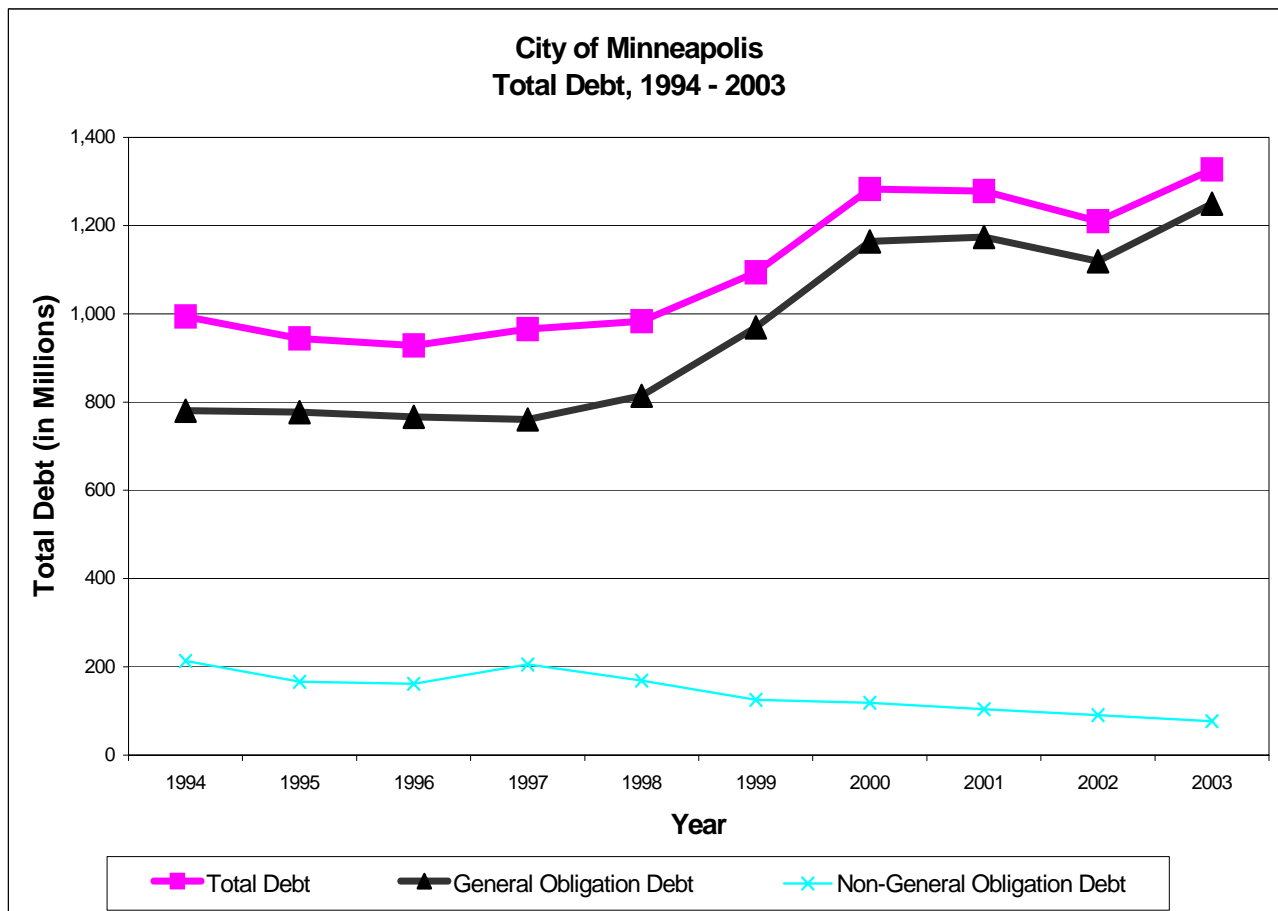
December

In December, the City issued \$16,100,000 of General Obligation Guthrie Parking Ramp Bonds, Series 2003 for design and construction of a new parking ramp to serve the new Guthrie Theater.

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 this presentation, Mortgage Revenue bonds and General Agency Reserve Fund System bonds of the Community Planning & Economic Development department (formerly Minneapolis Community Development Agency) are not included as City Debt.

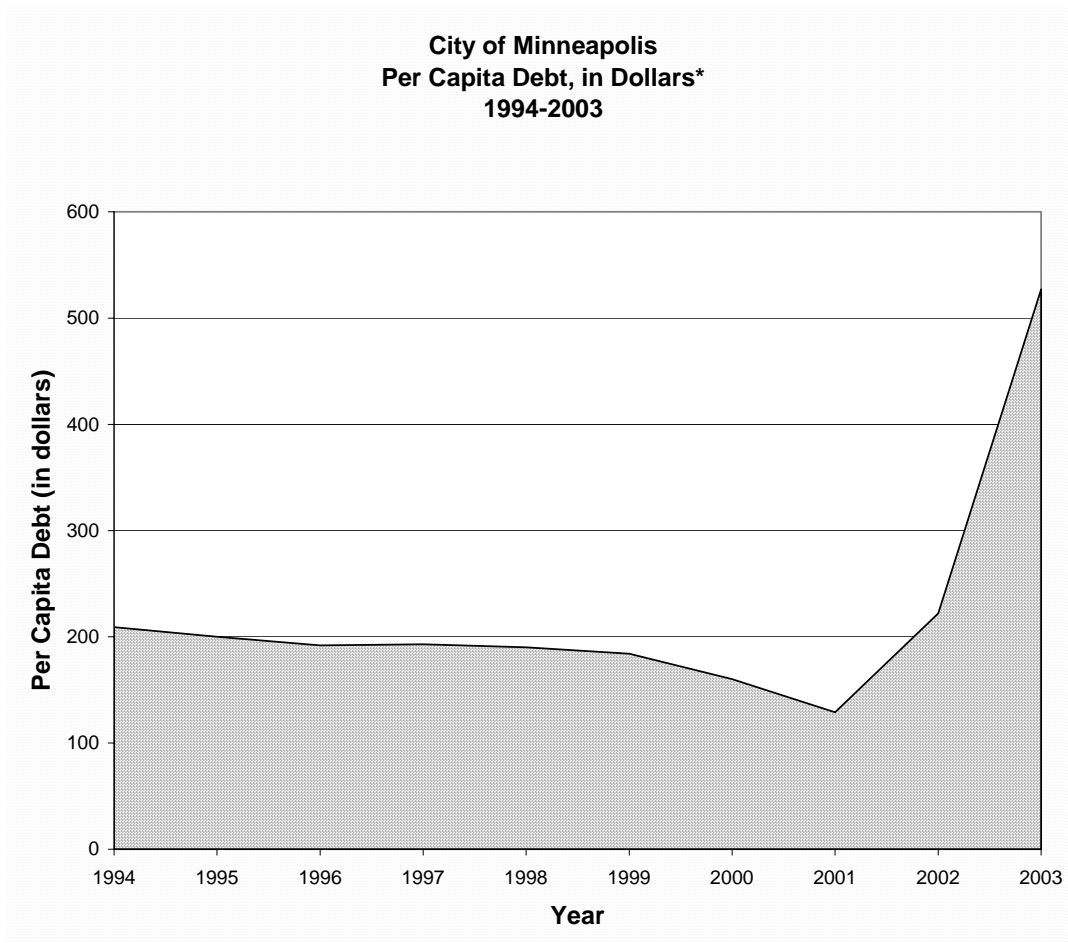
Debt Trends

The accompanying chart shows a ten-year history of the total City debt level for years 1994 - 2003. The total includes general obligation debt, backed by the full faith and credit of the City, and non-general obligation debt, which currently includes only tax increment revenue bonds.



Per Capita Debt

The chart below showing general obligation debt per capita suggests that on a per-person basis, the general obligation debt supported by property taxes peaked in 1994 and decreased until 2001. Part of the reduction in 2000 and 2001 is due to the revision in the reported population from 368,383 to 382,618. In 2002 and 2003, the City incurred tax supported debt to fund Minneapolis Police Relief Association (MPRA) and Minneapolis Employee Retirement Fund (MERF) pension obligations resulting in a spike in the debt per capita. This upward trend will continue to occur for several more years while the unfunded pension liabilities are paid.



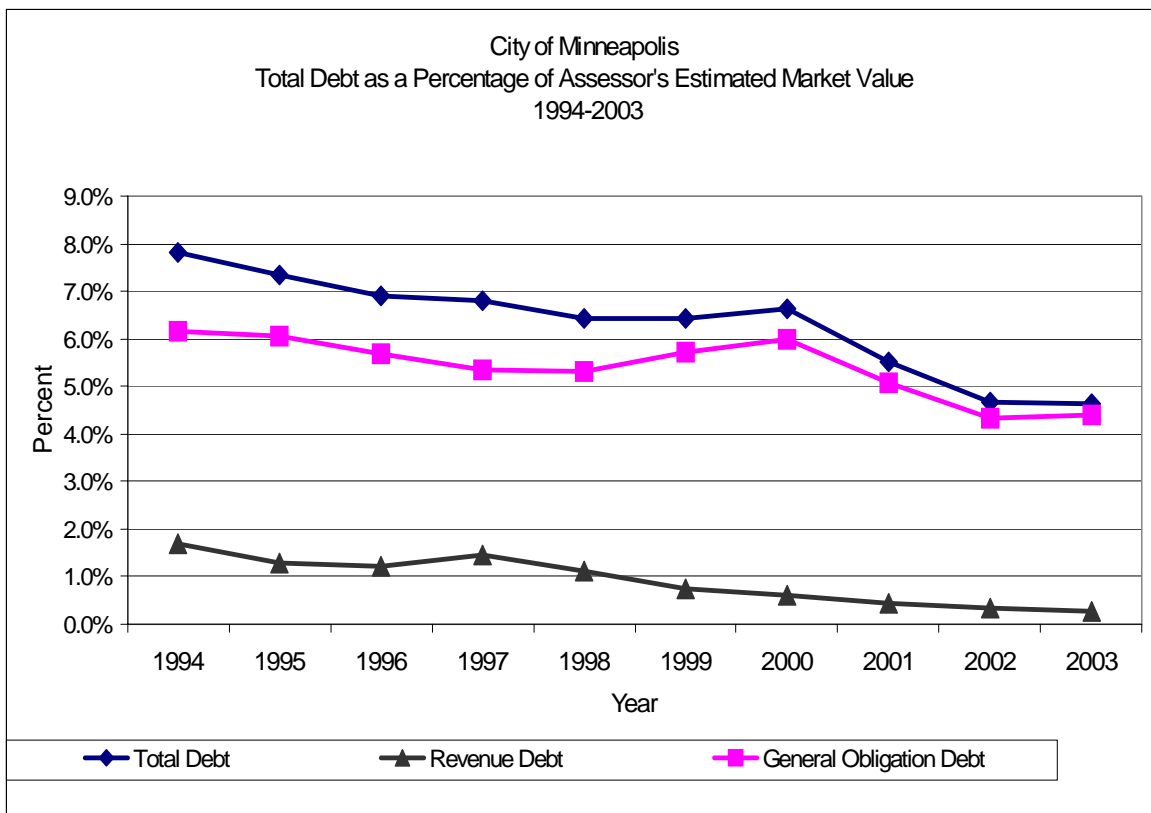
* Figures shown are adjusted indebtedness, which represents the total general obligation indebtedness of the City less that indebtedness supported by revenues other than general property taxes. Funding from self-supporting enterprises of the City will offset some of the increase in 2003 but the extent of this amount was not fully known at the time of this publication.

Debt Capacity – Total Debt

The primary goal of the City's debt management effort is to maintain the ability to incur debt at minimal interest rates without endangering the City's ability to finance essential City services. The policy focuses on a revenue/debt ratio approach and calls for the City to closely monitor the absolute amounts and year-to-year trends of key financial ratios. The policy states that the City should limit the issuance of new bonded debt so as to make improvements in the key financial ratios over time.

The key management ratio used in monitoring total debt is total debt outstanding as a percent of estimated full market value of Minneapolis' taxable property. *The ratio of total outstanding debt to the Minneapolis City Assessor's market value of taxable property remained at an estimated 4.7 percent in 2003, the same as the previous year, even though Total Debt applicable to this calculation rose by over \$117 million during this timeframe.*

The chart below shows 1994 as the highest total debt/market ratio even though total debt was decreasing. This was due to declining market valuations experienced in the early 1990's. From 1994 - 1999, the ratio's favorable downward trend reflects a recovery in property valuations at the same time the total debt level was stable to slightly increasing. Total Debt levels increased in 2000 and 2001, declined in 2002 and rose again in 2003 but the impact of these higher debt levels have been more than offset by a continuing increase in the market value of the City's taxable property.



Computation of the City's Legal Debt Margin

The following is an estimate of the computation of the legal debt margin to be reported in the City's Comprehensive Annual Financial Report for December 31, 2004.

	Dollars in Thousands
Real Property (2004 Market Value)	\$ 26,419,359
Personal Property (2004 Market Value)	377,468
	<hr/> 26,796,827
Adjustment for Exempt Personal Property (1966 Market Value)	298,030
Adjustment for Net Fiscal Disparities (Contribution)/Distribution	254,767
Total Market Value Applicable to Debt Limit	<hr/> <hr/> 27,349,624
Debt Limit (3-1/3% of Market Value Applicable to Debt Limit)	\$ 911,654
General Obligation Bonds Subject to Debt Limit:	
Supported by Property Tax Levy	268,115
Supported by Special Assessments:	
Park Diseased Trees	1,480
Lyn-Lake Municipal/Commercial Parking	1,597
Self-Supporting (Supported by Internal User Charges):	
Management Information Systems	42,400
Park Board - Land acquisitions & athletic field development	12,125
Public Works Fleet and Equipment	42,490
Property Fund	9,980
Self-Insurance Fund	6,285
Total General Obligation Bonds Subject to Debt Limit	<hr/> 384,472
Less: Assets in Debt Service Fund	<hr/> (17,264)
Total Debt Applicable to Debt Limit	<hr/> 367,208
Legal Margin for New Bonds Subject to Debt Limit	\$ 544,446

Summary of Outstanding City Debt

Long-term liabilities at December 31, 2003 (in thousands) are detailed below.

	Balance			Amounts	
	1/1/2003	Additions	Retirements	Balance 12/31/2003	Due Within One Year
Governmental activities:					
<u>Bonds and Notes</u>					
Property Tax Supported GO Bonds	\$ 103,245	\$ 150,699	\$ 31,554	\$ 222,390	\$ 24,585
Self Supporting GO Bonds	283,535	-	9,305	274,230	7,800
Special Assessment GO Bonds	42,319	8,090	6,726	43,683	4,626
Tax Increment GO Bonds	216,625	34,975	37,160	214,440	8,130
Revenue Bonds	90,643	-	13,541	77,102	13,890
Revenue Notes	49,091	-	669	48,422	2,872
Internal Service Fund Related GO Bonds	92,655	15,190	5,230	102,615	9,310
Total Bonds and Notes	878,113	208,954	104,185	982,882	71,213
<u>Other Long-term Liabilities</u>					
Operating Lease Payable	558	11	219	350	247
Capital Lease Payable	8	-	8	-	-
Contracts Payable	249	-	26	223	30
Unamortized Premium (Discount)	7,332	2,236	1,311	8,257	-
Compensated Absences	22,072	14,322	14,382	22,012	11,283
Total Other Long-Term Liabilities	30,219	16,569	15,946	30,842	11,560
Total Long-term Liabilities Governmental	\$ 908,332	\$ 225,523	\$ 120,131	\$1,013,724	\$ 82,773
Business-type activities:					
<u>Bonds and Notes</u>					
Sewer Fund GO Bonds	\$ 43,021	\$ 8,776	\$ 9,026	\$ 42,771	\$ 8,770
Water Fund GO Bonds	48,174	8,350	12,359	44,165	8,305
Water Fund GO Note	3,719	12,573	400	15,892	500
Municipal Parking Fund GO Bonds	279,341	26,625	20,629	285,337	11,434
CPED GO Bonds	6,390	-	4,420	1,970	45
<u>CPED Fund</u>					
General Agency Reserve Fund System Bonds	76,360	3,300	5,905	73,755	3,215
Mortgage Revenue Bonds	15,525	1,857	9,020	8,362	-
Revenue Notes	3,502	-	2,254	1,248	93
Total Bonds and Notes	476,032	61,481	64,013	473,500	32,362
Unamortized Premium (Discount)	(4,912)	791	(495)	(3,626)	-
Compensated Absences	1,914	2,735	2,534	2,115	-
Total Other Long-term Liabilities	(2,998)	3,526	2,039	(1,511)	-
Total Long-term Liabilities Business-type	473,034	65,007	66,052	471,989	32,362
Total Long-term Liabilities	\$1,381,366	\$ 290,530	\$ 186,183	\$1,485,713	\$ 115,135

Amortization of Outstanding Governmental City Debt

As of December 31, 2003, annual debt service requirements for Governmental activities to maturity (in thousands) are as follows:

Year ending Dec 31:	Governmental Activities – Non-Proprietary			
	Bonds		Notes	
	Principal	Interest	Principal	Interest
2004	\$ 59,031	\$ 61,543	\$ 2,872	\$ 2,417
2005	54,498	59,477	837	2,104
2006	44,915	58,086	10,803	1,938
2007	40,866	57,301	12,127	1,236
2008	41,035	56,547	1,362	390
2009 - 2013	174,140	154,719	5,249	1,298
2014 - 2018	164,245	88,618	2,142	608
2019 - 2023	146,595	45,956	1,465	315
2024 - 2028	83,420	16,691	1,360	187
2029 - 2032	23,100	2,435	10,205	42
	<u>\$ 831,845</u>	<u>\$ 601,373</u>	<u>\$ 48,422</u>	<u>\$ 10,535</u>

Year ending Dec 31:	Total Governmental			
	Internal Service Fund Bonds		Activity Bonds & Notes	
	Principal	Interest	Principal	Interest
2004	\$ 9,310	\$ 4,753	\$ 71,213	\$ 68,713
2005	11,280	4,344	66,615	65,925
2006	12,010	3,791	67,728	63,815
2007	5,895	3,254	58,888	61,791
2008	3,015	3,019	45,412	59,956
2009 - 2013	40,520	9,910	219,909	165,927
2014 - 2018	13,200	3,731	179,587	92,957
2019 - 2023	7,385	743	155,445	47,014
2024 - 2028			84,780	16,878
2029 - 2032			33,305	2,477
	<u>\$ 102,615</u>	<u>\$ 33,545</u>	<u>\$ 982,882</u>	<u>\$ 645,453</u>

Amortization of Outstanding Business Type City Debt

As of December 31, 2003, annual debt service requirements for business type activities to maturity (in thousands) are as follows:

Year ending Dec 31:	Business-type Activities					
	Bonds		Notes		Total	Total
	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$ 31,769	\$ 24,246	\$ 593	\$ 545	\$ 32,362	\$ 24,791
2005	29,284	23,151	599	816	29,883	23,967
2006	35,935	22,319	606	796	36,541	23,115
2007	28,302	20,968	613	775	28,915	21,743
2008	26,154	19,694	620	783	26,774	20,477
2009 - 2013	119,960	72,372	5,177	3,348	125,137	75,720
2014 - 2018	76,312	39,717	8,932	2,354	85,244	42,071
2019 - 2023	46,420	20,349			46,420	20,349
2024 - 2028	55,455	7,840			55,455	7,840
2029 - 2032	6,769	764			6,769	764
Total	\$ 456,360	\$ 251,420	\$ 17,140	\$ 9,417	\$ 473,500	\$ 260,837

Glossary of Terms & Abbreviations for the Capital Program

CLIC - Capital Long-Range Improvement Committee – a committee of up to 33 private citizens 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.

REVENUE SOURCE RELATED DESCRIPTIONS:

NDB - Net Debt Bonds – property tax supported bonds issued to finance general infrastructure improvements. Debt service is paid by taxes collected from the annual Bond Redemption Levy. Park Board Capital Levy dollars are also included in this column on the detailed sheets for the Park Board section.

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.

ASSM - Assessments - improvements paid for partially or wholly by property owners.

NRP – Neighborhood Revitalization Program

NON APPROP - Non Appropriated – reflects cost participation from County, State or Federal dollars and usually on these type of projects, the City of Minneapolis is not the lead agency.

Enterprise Bonds/Revenue - bonds related to the 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.

REIMB - refers to Capital work performed by divisions of Public Works for which reimbursements are received from other City departments, outside government agencies or private businesses.

ACRONYMS & ABBREVIATIONS USED IN PROJECT TITLES:

HVAC - Heating, Ventilation and Air Conditioning

CSAH – County State Aid Highway – a County project leveraging a local cost share from Minneapolis

SEMI – Southeast Minneapolis Industrial – refers to a redevelopment area – now referred to as University Research Park

Rehab - Rehabilitation

Glossary of Terms & Abbreviations for the Capital Program

ACRONYMS & ABBREVIATIONS USED IN PROJECT TITLES - continued:

RR Crossing – Railroad Crossing

LRT – Light Rail Transit

LED – Light Emitting Diode (example - pedestrian signal crossing lights)

US EPA – United States Environmental Protection Agency

CSO – Combined Sewer Overflow – separating storm from sanitary sewers

M’haha – Minnehaha Creek

Hiaw – Hiawatha Avenue

SCADA – Supervisory Control and Data Acquisition – water system controls

MWW – Minneapolis Water Works

Wash – Washington Avenue

BIS – Business Information Services – the City’s Technology Department

MPD – Minneapolis Police Department

SUBMITTING AGENCY OR DEPARTMENT ABBREVIATIONS:

MBC – Municipal Building Commission

PW – Public Works

CPED – Community Planning & Economic Development

BIS – Business Information Services

2005 - 2009 Council Adopted Capital Resources For Property Tax Supported Infrastructure Improvements

Recommended Resources by Category	2005	2006	2007	2008	2009	Totals
						(In thousands)
January 1 Capital Plan:						
Net Debt Bond Authorizations	21,600	23,500	23,500	23,500	23,500	115,600
Park Board Capital Infrastructure Levy	645	860	1,075	1,290	1,500	5,370
	<u>22,245</u>	<u>24,360</u>	<u>24,575</u>	<u>24,790</u>	<u>25,000</u>	<u>120,970</u>
Prior Year Adjustments made by Mayor and Council*	-177	0	0	0	0	-177
Original 2005 - 2009 CLIC Resource Assumptions	<u>22,068</u>	<u>24,360</u>	<u>24,575</u>	<u>24,790</u>	<u>25,000</u>	<u>120,793</u>
March 9, 2004 Financial Plan update resulting from 2004 property tax "base" adjustment:						
Reduction required in Net Debt Bond Authorizations			-4,500	-6,000	-6,000	-16,500
Revised Net Debt Bond Authorizations	21,423	23,500	19,000	17,500	17,500	98,923
Park Board Capital Infrastructure Levy	645	860	1,075	1,290	1,500	5,370
Revised 2005 - 2009 CLIC Resource Assumptions	<u>22,068</u>	<u>24,360</u>	<u>20,075</u>	<u>18,790</u>	<u>19,000</u>	<u>104,293</u>
Financial Adjustment for 98% collection rate		-250	-250	-250	-250	-1,000
Final Council Mark-up Adjustments**	-176	-176	64	144	144	0
2005 - 2009 Mayor & Council Capital Resources	<u>21,892</u>	<u>23,934</u>	<u>19,889</u>	<u>18,684</u>	<u>18,894</u>	<u>103,293</u>

Notes:

* - Adjustments represent dollars advanced to or from projects in the Capital programs for prior years.

** - Adjustments reflect shifts and changes in resources allocated to the Art In Public Places program, the Library Capital Program and Park Board. The Art and Library Capital programs were essentially revised back to the same levels as last year and the Park Board received \$125,000 more over the five year plan versus the Mayor's recommendation.

This resource summary represents the City's commitment for General Infrastructure assets. General Infrastructure includes public buildings, roads, bridges, bike trails, street lights, traffic signals, parks & libraries.

2005 Bond Redemption Levy for Capital Program

Amount Notes
(In thousands)

Tax Levy Certified for Bond Redemption in 2004	26,256	For supporting Capital Program only
Bond Redemption Levy Reduction for 2005	-3,492	Per Revised Five Year Financial Direction
Tax Levy Certified for Bond Redemption in 2005	<u><u>22,764</u></u>	For supporting Capital Program only

**CITY OF MINNEAPOLIS
2005 - 2009 COUNCIL ADOPTED CAPITAL BUDGET**

Project ID	Project Title	2005	2006	2007	2008	2009	TOTAL
							(in thousands)
MUNICIPAL BUILDING COMMISSION							
MBC01	Life Safety Improvements	390	350	300	300	300	1,640
MBC02	Mechanical Systems Upgrade	570	570	435	400	400	2,375
MBC04	Tower and Interior Court Elevators	160	0	0	0	95	255
MBC05	Moat/Inner Court Water Proofing	0	342	0	0	0	342
MBC06	Clock Tower Upgrade	0	0	0	0	95	95
Total Municipal Building Commission		1,120	1,262	735	700	890	4,707
LIBRARY BOARD*							
MPL02	Franklin Community Library Remodeling/Historic Preservation	0	0	0	0	0	0
MPL05	East Lake Library Capital Improvements	960	0	0	0	0	960
MPL06	Webber Park Community Library Capital Improvements	0	200	1,500	117	0	1,817
MPL09	Nokomis Library Capital Improvements	0	0	200	2,600	1,600	4,400
MPL10	North Regional Remodeling & Restoration	1,525	1,600	660	0	0	3,785
MPL11	Walker Community Library Parking Deck Replacement	0	0	0	0	0	0
MPL13	Hosmer Library Capital Improvements	200	0	0	0	0	200
Total Library Board (Community Libraries)		2,685	1,800	2,360	2,717	1,600	11,162
* - Includes \$4,562 of Library Referendum Levy and \$6,600 of City property tax funding.							
PARK BOARD							
PRK01	Community & Neighborhood Center Rehabilitation	835	1,034	889	824	725	4,307
PRK02	Site and Totlot Rehabilitation	700	0	165	230	700	1,795
PRK03	Rehabilitation of Shelter Buildings	344	0	250	250	0	844
PRK04	Athletic Field Renovation	475	825	675	145	374	2,494
PRK05	Tier 2 Athletic Fields	0	0	0	0	0	0
PRK06	Service Center Rehabilitation	0	0	0	0	0	0
PRK07	Tennis Court Rehabilitation	0	0	150	0	150	300
PRK09	HVAC Improvements	0	100	125	125	0	350
PRK11	Roof Replacement	0	0	0	100	125	225
PRK12	Community Skate Parks	195	0	0	200	0	395
PRK13	Contingency & Inflation	0	0	0	0	0	0
PRKDT	Diseased Tree Removal	500	500	500	500	500	2,500
Total Park Board		3,049	2,459	2,754	2,374	2,574	13,210

**CITY OF MINNEAPOLIS
2005 - 2009 COUNCIL ADOPTED CAPITAL BUDGET**

Project ID	Project Title	2005	2006	2007	2008	2009	TOTAL
							(in thousands)
PUBLIC WORKS DEPARTMENT							
FACILITY IMPROVEMENTS							
PSD01	Facilities - Repair and Improvements	1,500	1,500	1,000	1,000	1,500	6,500
PSD02	Public Works Facilities Program	0	5,029	3,000	2,000	1,033	11,062
PSD05	Impound Lot Facility Expansion	0	0	0	0	0	0
Total Facility Improvements		1,500	6,529	4,000	3,000	2,533	17,562
STREET PAVING							
PV001	Parkway Paving	795	400	770	550	725	3,240
PV002	Oil/Dirt Street Paving Program	705	0	0	0	0	705
PV003	Street Renovation Program (net of Sewer related portion)	4,148	3,629	3,231	3,069	3,515	17,592
PV004	CSAH Paving Program	1,000	1,000	1,000	1,000	1,000	5,000
PV005	Snelling Ave Extension	0	400	400	0	0	800
PV006	Alley Renovation	250	313	267	267	500	1,597
PV007	University Research Park (formerly SEMI)	4,058	3,021	4,058	0	0	11,137
PV008	I-35W & Lake St Interchange Reconstruction	0	2,100	0	0	0	2,100
PV009	I-35W Crosstown Interchange Reconstruction	0	485	485	485	0	1,455
PV015	27th Avenue South	0	7,014	0	0	0	7,014
PV017	Como Avenue Southeast	4,236	0	0	0	0	4,236
PV019	Sixth Avenue North	0	0	0	0	1,779	1,779
PV020	Loring Greenway	0	0	0	1,500	0	1,500
PV021	33rd Avenue SE and Talmage Avenue	0	0	0	0	3,065	3,065
PV022	Lyndale Ave N (Plymouth - Broadway)	0	2,613	0	0	0	2,613
PV023	28th Ave South	0	0	0	5,480	0	5,480
PV025	Fremont Avenue N	1,025	0	0	0	0	1,025
PV026	Cedar Lake Road	0	0	0	0	0	0
PV027	Hennepin/Lyndale West	0	0	0	0	1,645	1,645
PV028	E. 22nd and Snelling	0	0	0	0	832	832
PV029	Chicago Avenue S (E 14th St to E 28th St)	0	0	0	6,278	0	6,278
PV030	Alley Retaining Wall Renovation Program	0	0	0	0	0	0
PV031	27th Ave NE (RR Crossing)	0	0	175	0	0	175
PV032	LaSalle Ave S	0	0	4,296	0	0	4,296
PV00R	Reimbursable Paving Projects	3,500	3,500	3,500	3,500	3,500	17,500
Total Street Paving Projects		19,717	24,475	18,182	22,129	16,561	101,064

**CITY OF MINNEAPOLIS
2005 - 2009 COUNCIL ADOPTED CAPITAL BUDGET**

Project ID	Project Title	2005	2006	2007	2008	2009	TOTAL
							(in thousands)
STREETSCAPES							
STS01	Lake St Reconstruction & Streetscape (Segment 1)	1,133	0	0	0	0	1,133
STS02	Lake St Reconstruction & Streetscape (Segment 2)	1,515	0	0	0	0	1,515
STS03	Lake St Reconstruction & Streetscape (Segment 3)	2,204	0	0	0	0	2,204
STS04	LRT Station Area Improvements	0	0	0	0	0	0
Total Streetscape Projects		4,852	0	0	0	0	4,852
SIDEWALK PROGRAM							
SWK01	Defective Hazardous Sidewalks and Gaps in the System	1,920	2,015	2,130	2,235	2,345	10,645
HERITAGE PARK INFRASTRUCTURE							
CDA01	Heritage Park Redevelopment Project	1,200	1,000	1,000	0	0	3,200
BRIDGES							
BR101	Major Bridge Repair and Rehabilitation	200	200	200	200	200	1,000
BR102	East River Parkway Bridge	0	1,185	0	0	0	1,185
BR105	Fremont Ave South Bridge	0	0	1,017	0	0	1,017
BR109	Camden Avenue Bridge Rehabilitation	2,496	0	0	0	0	2,496
BR110	St. Anthony Parkway Bridge & California St NE	6,858	0	0	0	0	6,858
BR111	10th Avenue SE Bridge Arch Rehabilitation	0	0	0	0	5,795	5,795
BR112	Nicollet Avenue Bridge from Lake St to 29th St	0	0	0	0	3,540	3,540
BR114	29th St Corridor Bridge Rehab Program	0	0	0	0	500	500
BR115	Broadway/Central Ave Bridge Railing Improvements	390	0	0	0	0	390
Total Bridge Projects		9,944	1,385	1,217	200	10,035	22,781

**CITY OF MINNEAPOLIS
2005 - 2009 COUNCIL ADOPTED CAPITAL BUDGET**

Project ID	Project Title	2005	2006	2007	2008	2009	TOTAL
							(in thousands)
TRAFFIC CONTROL & STREET LIGHTING							
TR001	New Traffic Signals	0	0	0	0	130	130
TR003	LED Replacement Program	500	200	300	0	475	1,475
TR004	Computerized Traffic Signal Control Expansion	0	0	0	0	136	136
TR005	Controller Conversion	400	400	400	400	400	2,000
TR006	Priority Vehicle Control System	425	425	413	425	325	2,013
TR007	Traffic Signal, Signing & Lighting Improvements	376	331	456	581	529	2,273
TR008	Parkway Street Lighting Replacement	1,000	395	175	250	0	1,820
TR010	Adaptive Control Expansion	0	0	0	0	0	0
TR011	City Street Light Renovation	1,000	0	0	0	300	1,300
TR00R	Reimbursable Transportation Projects	600	600	600	600	600	3,000
Total Traffic Control & Street Lighting Projects		4,301	2,351	2,344	2,256	2,895	14,147
BIKE TRAILS							
BIK01	Cedar Lake Trail (Phase 3)	2,160	300	250	0	0	2,710
BIK03	Loring Bikeway Project, Phase I & II	251	0	0	0	0	251
BIK04	18th Avenue NE Bikeway	0	0	50	0	4,000	4,050
BIK06	University of Minnesota Trail (Phase 3)	988	0	0	0	0	988
BIK07	NE Diagonal Trail	2,872	0	0	0	0	2,872
BIK08	Hiawatha Trail Connections	0	0	0	0	0	0
BIK11	Plymouth Ave N Bike Lanes	125	0	0	0	0	125
BIK12	2nd St N Bike Lanes	50	0	0	0	0	50
BIK13	RiverLake Greenway (East of I-35W)	0	0	0	1,000	0	1,000
BIK14	Midtown Greenway Bridge over the Mississippi River	0	0	0	1,950	150	2,100
BIK15	Bikeways Cleanup Project	25	0	0	0	0	25
BIK16	Northside Bikeway Connections	100	0	0	0	0	100
Total Bike Trail Projects		6,571	300	300	2,950	4,150	14,271

**CITY OF MINNEAPOLIS
2005 - 2009 COUNCIL ADOPTED CAPITAL BUDGET**

Project ID	Project Title	2005	2006	2007	2008	2009	TOTAL
							(in thousands)
SEWER							
SW001	Storm & Sanitary Tunnel & Sewer Rehabilitation	2,500	2,500	2,500	2,800	4,000	14,300
SW002	Miscellaneous Storm Drains	220	220	220	220	220	1,100
PV003	Street Renovation Program (Sewer related portion)	125	597	325	0	0	1,047
SW004	Implementation of US EPA Storm Water Regulations	150	150	150	150	150	750
SW005	Combined Sewer Overflow Improvements	2,000	2,000	2,000	0	0	6,000
SW007	Park Board Capital Storm Drain	150	0	0	0	0	150
SW008	City Facilities - CSO Separation	100	400	0	0	0	500
CDA01	Heritage Park Redevelopment Project	250	250	250	0	0	750
SW010	Flood Area 19 - W 44th St from Aldrich Ave S to Lake Harriet	330	0	0	0	0	330
SW015	Flood Area 27 - 38th St E to M'haha Creek, 21 Ave S to Hiaw Ave	540	0	0	0	0	540
SW018	Flood Area 29 & 30 - 51st & Zenith Ave S	0	0	0	0	0	0
SW019	Flood Area 8 - 3rd St N from 22nd Ave N to 25th Ave N	0	0	0	0	0	0
SW020	Flood Area 21 - Hiawatha Golf Course & Bancroft Meadows	0	0	0	0	0	0
SW021	Flood Area 39 - Storm Drain along 36th from 48th to River	0	0	0	0	0	0
SW022	Flood Area 14 - Clinton Ave & E 39th St Storm Drain	0	0	0	0	0	0
SW023	Flood Area 5 - New Storm Drain to Crystal Lake	0	0	0	0	0	0
SW024	Flood Area 22 - Sibley Field	0	0	0	0	0	0
SW025	Flood Area 18 - Garfield Ave, W 47th St, Pleasant Ave	0	0	0	0	0	0
SW027	Flood Mitigation Area 25 - E 45th St - Nicollet Ave S to 1st Ave S	0	0	0	0	0	0
SW028	Diamond Lake 35W/62 Water Quality Improvements	0	0	0	0	0	0
SW029	Diamond Lake 58th St. Outfall	0	0	0	0	0	0
SW030	Alternative Storm Water Management Strategies	500	0	0	0	0	500
SW00R	Reimbursable Sanitary Sewer and Storm Drain Construction	3,000	3,000	3,000	3,000	3,000	15,000
Total Sewer Fund Projects		9,865	9,117	8,445	6,170	7,370	40,967

**CITY OF MINNEAPOLIS
2005 - 2009 COUNCIL ADOPTED CAPITAL BUDGET**

Project ID	Project Title	2005	2006	2007	2008	2009	TOTAL
							(in thousands)
WATER							
WTR02	New 40 Million Gallon Southwest Reservoir/Pump Station	0	0	3,000	11,000	17,000	31,000
WTR08	Complete SCADA System	1,656	0	0	0	0	1,656
WTR09	Ultrafiltration Program	12,500	5,000	20,000	40,000	7,500	85,000
WTR12	Water Distribution Improvements	4,485	4,500	4,400	4,400	4,400	22,185
WTR14	The MWW Facilities Security Improvement	0	0	0	0	0	0
WTR15	Pump Station No. 4 Rehabilitation	0	6,000	5,000	4,000	0	15,000
WTR16	St. Paul/Minneapolis Interconnection	0	0	0	0	0	0
WTR17	Treatment Modifications Based on New Regulations	0	0	0	0	0	0
WTR18	Hennepin Maintenance Facility	0	0	0	0	0	0
CDA01	Heritage Park Redevelopment Project	250	250	250	0	0	750
WTR0R	Reimbursable Watermain Projects	2,000	2,000	2,000	2,000	2,000	10,000
Total Water Fund Projects		20,891	17,750	34,650	61,400	30,900	165,591
PARKING							
RMP02	Residential Parking Program	0	0	0	0	0	0
RMP03	Bicycle Parking	30	35	40	35	40	180
TR002	Construct New 9th Ave S between Wash & 2nd Ave S	0	0	0	0	0	0
Total Parking Fund Projects		30	35	40	35	40	180
Total Public Works Department Projects		80,791	64,957	72,308	100,375	76,829	395,260
MISCELLANEOUS PROJECTS							
ART01	Art in Public Places	195	200	200	200	200	995
BIS01	BIS Capital Program	2,000	2,000	2,000	2,000	2,000	10,000
FIR01	Fire Training Campus - Phase IV	0	100	0	0	0	100
FIR02	Facility Improvements - Fire Station #17	0	0	75	880	0	955
MPD01	MPD Forensic Laboratory	0	0	0	0	0	0
MPD02	MPD Evidence Unit	0	0	0	0	0	0
PSD03	Facilities - Space Improvements	428	440	450	450	450	2,218
PSD04	Facilities - Security Management	0	0	0	0	0	0
Total Miscellaneous Projects		2,623	2,740	2,725	3,530	2,650	14,268
TOTAL COUNCIL ADOPTED CAPITAL BUDGET		90,268	73,218	80,882	109,696	84,543	438,607

Note: The totals above represent City funding and grant sources only. The funding detail pages that follow show leveraging with other units of government as Non Appropriated. The CLIC Report for years 2001 - 2003 included both City sources and other governmental unit sources on this summary report.

CITY OF MINNEAPOLIS

Summary of Operating Cost Implications by Project 2005-2009 Council

ART01 Art in Public Places

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$1,500.00

Explanation of operating costs:

Because the artwork is integrated into infrastructure, the majority of the maintenance for the art will be addressed in the ongoing maintenance budget for the infrastructure. Many artworks incorporate special materials, however, and so some specialized maintenance may need to be coordinated through Art in Public Places. As stated above, the City is addressing the ongoing source of maintenance funding this year during the creation of newly revised public art funding policy.

BIK01 Cedar Lake Trail (Phase 3)

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$11,108.00

Explanation of operating costs:

This project creates new infrastructure and improves existing infrastructure. Although most of the project involves new trail construction, some elements along 4th Avenue North will be improved such as street pavement surface, curb/gutter, bridge deck surfacing, and pavement markings. This project will result in an increase in annual maintenance costs totaling \$11,108 per year. According to the City Council, Mayor, and MPRB approved October 2000 Bikeways Project Final Report, the Minneapolis Park and Recreation Board will be responsible for this cost. The Park Board will need to decide how to manage their operational budget to fund the maintenance of this project. The Minneapolis Bicycle Advisory Committee has discussed ways to generate additional operations and maintenance funding for bikeway projects at length. The Minneapolis BAC has requested that the State Bicycle Advisory Committee examine this issue. The State Bicycle Advisory Committee is currently studying ways to generate funding for bicycle infrastructure maintenance that cities and counties could benefit from. Examples include bicycle registration fees, a state sales tax on all bicycle goods and services, advertising on trails, corporate sponsorships, selling trail naming rights, and trail user fees.

BIK03 Loring Bikeway Project, Phase I & II

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$2,800.00

Explanation of operating costs:

The trail maintenance cost are already a part of Minneapolis Park & Recreation Board long term Maintenance Budget starting in the 2005. The bridge maintenance cost is already a part of Minneapolis Public Works long term Maintenance Budget starting in 2005. The Minneapolis Bicycle Advisory Committee has discussed ways to generate additional operations and maintenance funding for bikeway projects at length. The Minneapolis BAC has requested that the State Bicycle Advisory Committee examine this issue. The State Bicycle Advisory Committee is currently studying ways to generate funding for bicycle infrastructure maintenance that cities and counties could benefit from. Examples include bicycle registration fees, a state sales tax on all bicycle goods and services, advertising on trails, corporate sponsorships, selling trail naming rights, and trail user fees.

CITY OF MINNEAPOLIS

Summary of Operating Cost Implications by Project 2005-2009 Council

BIK04 18th Avenue NE Bikeway

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$22,200.00

Explanation of operating costs:

This project creates new infrastructure. This project will result in an increase in annual maintenance costs totaling \$22,200 per year. According to the City Council, Mayor, and MPRB approved October 2000 Bikeways Project Final Report, the operation and maintenance responsibilities for this facility have yet to be decided. According to that document, no new facility may be constructed unless operation and maintenance responsibilities have been established. A decision about who will operate and maintain this trail must be made before the project is constructed. The Minneapolis Bicycle Advisory Committee has discussed ways to generate additional operations and maintenance funding for bikeway projects at length. The Minneapolis BAC has requested that the State Bicycle Advisory Committee examine this issue. The State Bicycle Advisory Committee is currently studying ways to generate funding for bicycle infrastructure maintenance that cities and counties could benefit from. Examples include bicycle registration fees, a state sales tax on all bicycle goods and services, advertising on trails, corporate sponsorships, selling trail naming rights, and trail user fees.

BIK06 University of Minnesota Trail (Phase 3)

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$7,952.00

Explanation of operating costs:

This project creates new infrastructure. This project will result in an increase in annual maintenance costs totaling \$7,952 per year. According to the City Council, Mayor, and MPRB approved October 2000 Bikeways Project Final Report, Minneapolis Public Works will bear this cost. This funding will come out of the Street Department's operational budget. The Minneapolis Bicycle Advisory Committee has discussed ways to generate additional operations and maintenance funding for bikeway projects at length. The Minneapolis BAC has requested that the State Bicycle Advisory Committee examine this issue. The State Bicycle Advisory Committee is currently studying ways to generate funding for bicycle infrastructure maintenance that cities and counties could benefit from. Examples include bicycle registration fees, a state sales tax on all bicycle goods and services, advertising on trails, corporate sponsorships, selling trail naming rights, and trail user fees.

BIK07 NE Diagonal Trail

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$44,352.00

Explanation of operating costs:

This project creates new infrastructure. This project will result in an increase in annual maintenance costs totaling \$44,352 per year. According to the City Council, Mayor, and MPRB approved October 2000 Bikeways Project Final Report, the Minneapolis Park and Recreation Board will be responsible for the maintenance costs of the project within Minneapolis city limits. Three River's Park District/St. Anthony and the City of Roseville will maintain the trail within their jurisdictions. The Minneapolis Park and Recreation Board is responsible for prioritizing its maintenance expenditures. The Minneapolis Bicycle Advisory Committee has discussed ways to generate additional operations and maintenance funding for bikeway projects at length. The Minneapolis BAC has requested that the State Bicycle Advisory Committee examine this issue. The State Bicycle Advisory Committee is currently studying ways to generate funding for bicycle infrastructure maintenance that cities and counties could benefit from. Examples include bicycle registration fees, a state sales tax on all bicycle goods and services, advertising on trails, corporate sponsorships, selling trail naming rights, and trail user fees.

CITY OF MINNEAPOLIS

Summary of Operating Cost Implications by Project 2005-2009 Council

BIK11 Plymouth Avenue North Bike Lanes

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$22,346.00

Explanation of operating costs:

This project creates new infrastructure. This project will result in an increase in annual maintenance costs totaling \$22,346 per year. Minneapolis Public Works will bear the cost of annual restriping, sweeping, and snow removal. The Minneapolis Bicycle Advisory Committee has discussed ways to generate additional operations and maintenance funding for bikeway projects at length. The Minneapolis BAC has requested that the State Bicycle Advisory Committee examine this issue. The State Bicycle Advisory Committee is currently studying ways to generate funding for bicycle infrastructure maintenance that cities and counties could benefit from. Examples include bicycle registration fees, a state sales tax on all bicycle goods and services, advertising on trails, corporate sponsorships, selling trail naming rights, and trail user fees.

BIK12 2nd Street North Bike Lanes

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$36,960.00

Explanation of operating costs:

This project creates new infrastructure. This project will result in an increase in annual maintenance costs totaling \$36,960 per year. Minneapolis Public Works will bear the cost of annual restriping, sweeping, and snow removal. The Minneapolis Bicycle Advisory Committee has discussed ways to generate additional operations and maintenance funding for bikeway projects at length. The Minneapolis BAC has requested that the State Bicycle Advisory Committee examine this issue. The State Bicycle Advisory Committee is currently studying ways to generate funding for bicycle infrastructure maintenance that cities and counties could benefit from. Examples include bicycle registration fees, a state sales tax on all bicycle goods and services, advertising on trails, corporate sponsorships, selling trail naming rights, and trail user fees.

BIK13 RiverLake Greenway (East of I-35W)

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$26,400.00

Explanation of operating costs:

This project creates new infrastructure. This project will result in an increase in annual maintenance costs totaling \$26,400 per year. Minneapolis Public Works will bear the cost of annual restriping, sweeping, and snow removal. The Minneapolis Bicycle Advisory Committee has discussed ways to generate additional operations and maintenance funding for bikeway projects at length. The Minneapolis BAC has requested that the State Bicycle Advisory Committee examine this issue. The State Bicycle Advisory Committee is currently studying ways to generate funding for bicycle infrastructure maintenance that cities and counties could benefit from. Examples include bicycle registration fees, a state sales tax on all bicycle goods and services, advertising on trails, corporate sponsorships, selling trail naming rights, and trail user fees.

CITY OF MINNEAPOLIS

Summary of Operating Cost Implications by Project 2005-2009 Council

BIK14 Midtown Greenway Bridge over the Mississippi River

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$5,000.00

Explanation of operating costs:

This project creates new infrastructure. This project will result in an increase in annual maintenance costs totaling \$5,000 per year. Hennepin County is a funding partner and will manage the construction. The City of Minneapolis will only be responsible for trail maintenance and not for the maintenance of the bridge structure. The Minneapolis Bicycle Advisory Committee has discussed ways to generate additional operations and maintenance funding for bikeway projects at length. The Minneapolis BAC has requested that the State Bicycle Advisory Committee examine this issue. The State Bicycle Advisory Committee is currently studying ways to generate funding for bicycle infrastructure maintenance that cities and counties could benefit from. Examples include bicycle registration fees, a state sales tax on all bicycle goods and services, advertising on trails, corporate sponsorships, selling trail naming rights, and trail user fees.

BIK15 Bikeways Cleanup Project

Existing or new infrastructure: Existing

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

This project will improve existing infrastructure and will not create a significant amount of new infrastructure. Any new infrastructure costs will be relatively insignificant. Efficiencies created by improving existing infrastructure as part of this project will make up for any new infrastructure created by this project.

BIS01 BIS Capital Program

Existing or new infrastructure: Both

Operating Cost Implication: Increase Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

Additional maintenance is addressed as part of the customers operating budget.

BR101 Major Bridge Repair and Rehabilitation

Existing or new infrastructure: Existing

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

The proposed funding level will now allow us to undertake major repair /rehabilitation work that was beyond the scope of our annual maintenance funding. A system wide bridge deck maintenance program as well as "shot-crete" pier and column program can now be undertaken system wide. The benefits will be realized at a latter date when reductions of "Bridge Sufficiency ratings" are minimized. This will allow for a more positive bridge maintenance effort centered around cleaning rather than the present reactive program which attempts to address system problems.

CITY OF MINNEAPOLIS

Summary of Operating Cost Implications by Project 2005-2009 Council

BR102 East River Parkway Bridge

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$10,000.00)

Explanation of operating costs:

This proposal would decrease the annual bridge maintenance costs by replacing or removing an old structure which requires increasing maintenance money to keep in a serviceable condition.

BR105 Fremont Ave South Bridge

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$2,000.00)

Explanation of operating costs:

Operating/maintenance of new pedestrian bridge will be lower than that for existing older vehicular bridge.

BR109 Camden Avenue Bridge Rehabilitation

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$30,000.00)

Explanation of operating costs:

The rehabilitation of the bridge will significantly reduce the yearly maintenance dollars spent by Bridge Maintenance. Approximately one month of crew time is spent patching and repairing the bridge deck and superstructure each year.

BR110 St. Anthony Parkway Bridge & California St. NE

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

This project will decrease the maintenance cost associated with both California St. NE and the St. Anthony Parkway Bridge. Converting this roadway from an oil/dirt to a paved street will reduce maintenance costs on California St. NE. Replacing the deck and rehabilitating the St. Anthony Parkway Bridge will both expand the life of this crucial bridge and reduce maintenance costs.

BR111 10th Avenue S.E. Bridge Arch Rehabilitation

Existing or new infrastructure: Existing

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

Capitalize investment will protect and preserve this link of the bikeway system. This structure's sub-structure is presently being maintained by reaction mode.

CITY OF MINNEAPOLIS

Summary of Operating Cost Implications by Project 2005-2009 Council

BR112 Nicollet Ave. from Lake St. to 29th

Existing or new infrastructure: Existing

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

Opening Nicollet Ave from 29th to Lake Street would add about 1200' more to our street operations. We will be receiving a portion of State money for Maintenance and Operations.

BR114 29th Street Corridor Bridge Rehab Program

Existing or new infrastructure: Existing

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

The proposed funding level will allow us to undertake major repair and rehabilitation work that is beyond the scope of our annual maintenance funding. N/A

CDA01 Heritage Park Redevelopment Project

Existing or new infrastructure: Existing

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

The requested 2004 Capital Improvement Funds for Heritage Park apply to improving and/or replacing existing infrastructure that is deteriorated or obsolete due to capacity, condition, or realignment. The Heritage Park area infrastructure was fully developed when the public housing existed, but infrastructure upgrades are integral to the new housing redevelopment being built.

FIR01 Fire Training Campus - Phase IV

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$45,000.00

Explanation of operating costs:

This project is designed to maintain and improve existing infrastructure. The existing training facility does not provide for current needs. In addition, the uses of the facility will be expanded to include continuity of government functions that the current facilities cannot provide due to their limitations. This project should not appreciably increase annual operating costs, since there are existing facilities currently being utilized. The current facilities were not designed to be permanent structures and as such require extensive care and maintenance to keep them in operation.

FIR02 Facility Improvements - Fire Station #17

Existing or new infrastructure: Existing

Operating Cost Implication: Increase Increase/(Decrease) amount: \$5,000.00

Explanation of operating costs:

Increase is primarily for increased utility costs due to additional staff (relocated). Increase is not significant and will be partially offset by decreased operating expense at other stations. New energy efficient HVAC and lighting systems will offset the majority of the increase as well.

CITY OF MINNEAPOLIS

Summary of Operating Cost Implications by Project 2005-2009 Council

MBC01 Life Safety Improvements

Existing or new infrastructure: Existing

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

Installation of sprinkler, smoke, and fire alarm systems were previously projected to reduce insurance premiums for the buildings. These installations will also reduce risk of loss and potential law suits to the City and County. These reductions will be slightly offset by increased quarterly testing and maintenance costs for these systems.

MBC02 Mechanical Systems Upgrade

Existing or new infrastructure: Existing

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

Additional air handling units will consume electricity and increase utility costs. Increased quantities of fresh air will need to be heated or cooled during the winter or summer increasing utility costs. The new mechanical system will incorporate numerous energy savings measures that will be utilized to offset these increased utility costs. The new system will incorporate an economizer cycle that will utilize outside air for cooling during the spring and fall. The new control system will permit a night and weekend temperature setback. This will save heating and cooling costs during unoccupied periods. The control system will enable the building to manage peak demand. By reducing peak demand for steam and chilled water during the short period of the year, savings can be realized throughout the year. Electrical lighting systems installed during the renovations will enable lights to be shut off automatically during unoccupied periods. These energy savings will be used to offset the cost of improved ventilation.

MBC04 Tower & Interior Court Elevators

Existing or new infrastructure: Existing

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

Annual lease costs for the office and storage space that could have elevator service interrupted would exceed the project cost in between three and four years.

MBC05 Moat /Inner Court Water Proofing

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$2,000.00)

Explanation of operating costs:

The proposed project will eliminate sheet rock and paint repair that is required after current leaks. This will result in a small savings currently estimated in the \$2,000 per year range. The critical and most costly leaks have recently been repaired as discussed previously. If the project is delayed, the operating costs for leak repair will rise. This rise could be dramatic because the inner court roof is reaching the end of its useful life.

CITY OF MINNEAPOLIS

Summary of Operating Cost Implications by Project 2005-2009 Council

MBC06 Clock Tower Upgrade

Existing or new infrastructure: Existing

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

N/A

MPL05 East Lake Library Capital Improvements

Existing or new infrastructure: Existing

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

Since this project is not about a major expansion, additional facility operating costs are relative to today's maintenance costs. Staff may decide to respond to popular demand by adding computers and public service assistance as an operating budget decision, balancing this need with other system-wide choices---all within a balanced MPL budget.

MPL06 Webber Park Community Library Capital Improvements

Existing or new infrastructure: Existing

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

Since this project does not include a major expansion, additional facility operating costs are relative to today's maintenance costs. Staff may decide to respond to popular demand by adding computers and public service assistance as an operating budget decision, balancing this need with other system-wide choices---all within a balanced MPL budget.

MPL09 Nokomis Library Capital Improvements

Existing or new infrastructure: Existing

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

Since the project is not an expansion, additional facility operating costs are relative to today's maintenance costs. Staff may decide to respond to popular demand by adding computers and public service assistance as an operating budget decision, balancing this need with other system-wide choices - all within a balanced MPL budget.

MPL10 North Regional Capital Improvements

Existing or new infrastructure: Existing

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

Since this project is not an expansion, additional facility operating costs are relative to today's maintenance costs. Staff may decide to respond to popular demand by adding computers and public service assistance as an operation budget decision, balancing this need with other system-wide choices---all within a balanced MPL budget.

CITY OF MINNEAPOLIS

Summary of Operating Cost Implications by Project 2005-2009 Council

PRK01 Community and Neighborhood Center Rehabilitation

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$2,165.00)

Explanation of operating costs:

This will help to decrease operating and maintenance costs by reducing heating and cooling requirements, repairs, and related materials and labor costs.

PRK02 Site and Totlot Rehabilitation

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$16,000.00)

Explanation of operating costs:

Site and totlot rehabilitation will reduce maintenance costs associated with repairing old playground equipment, removing unsafe playground equipment, and mending of cracked sidewalks and court surfaces.

PRK03 Rehab of Shelter Buildings and Wading Pools

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$20,000.00)

Explanation of operating costs:

The annual operating costs decrease with the replacement of the heating plant (energy efficiencies), and new pool mechanical elements (more efficient water treatment, less chemical use). In addition to significant water conservation, the upgraded pool filtration system will save over \$10,000 per year per upgrade.

PRK04 Athletic Field Renovation

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$50,000.00)

Explanation of operating costs:

In upgrading facilities to present day standards and / or installing artificial turf, savings will be realized in areas such as amount of fertilizer used, ease of, or no need for, aeration, and overall maintenance. The continuously available fields would offer more opportunity for fee paying groups to book the fields, potentially enhancing revenues.

PRK07 Tennis Court Rehabilitation

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$1,675.00)

Explanation of operating costs:

New courts require maintenance only intermittently, as opposed to needing yearly repairs. The savings in crack sealing and color coating alone will average approximately \$1,675 per court per year. In many cases, due to decreased demand, we replace 4 courts with 2 courts, further reducing maintenance costs.

CITY OF MINNEAPOLIS

Summary of Operating Cost Implications by Project 2005-2009 Council

PRK09 HVAC

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$1,280.00)

Explanation of operating costs:

New energy efficient heating and ventilating systems will realize a savings in operating costs.

PRK11 Roof Replacement

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$1,000.00)

Explanation of operating costs:

N/A

PRK12 Community Skate Parks

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$4,000.00

Explanation of operating costs:

This proposal would increase annual maintenance costs, but because some of the skate parks will be on the site of a former tennis court, some of the increased operating costs will be offset by lowered tennis court maintenance costs.

PRK13 Contingency and Inflation

Existing or new infrastructure: Existing

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

N/A

PSD01 Facilities - Repair and Improvements

Existing or new infrastructure: Existing

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

The majority of the projects included in the program are of small scale and do not provide significant operational savings. The key operational savings achieved by yearly investment in facilities is to keep operational costs from significantly increasing in the future and not protecting the City's current investment in facilities .

CITY OF MINNEAPOLIS

Summary of Operating Cost Implications by Project 2005-2009 Council

PSD02 Public Works Facilities Program

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$125,000.00)

Explanation of operating costs:

Due to the pending replacement of the existing facilities the City has deferred maintenance 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. The annual maintenance costs therefore would be less on newer facilities.

PSD03 Facilities - Space Improvements

Existing or new infrastructure: Existing

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

N/A

PV001 Parkway Paving

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$44,000.00)

Explanation of operating costs:

Decreases the maintenance expense by improving the quality of the pavement, reducing the need for maintenance funding.

PV002 Oil/Dirt Street Paving Program

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$1,000.00)

Explanation of operating costs:

The action of reconstructing these streets will result in a decrease in maintenance costs, which will allow the responsible agency to move its resources to other areas that are coming into need as they reach the end of their life cycle.

PV003 Street Renovation Program

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

The project will reduce the maintenance resources needed to be expended on these roadways over approximately the next 20 years, freeing up street maintenance funds for other street maintenance needs.

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Summary of Operating Cost Implications by Project 2005-2009 Council

PV004 CSAH Paving Program

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

Reconstruction of roadways at the end of their design life decreases the annual maintenance cost. This is due to the roadway requiring a high level of annual maintenance to maintain a modest, to poor, service level. Reconstruction will drop the annual maintenance cost to a minimum while providing its highest ride quality. Future roadway maintenance expenses can then be programmed to maximize cost/benefit through routine repairs and overlays.

PV006 Alley Renovation

Existing or new infrastructure: Existing

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

Although this work will have minimal effect in maintenance savings initially, the continuation of this program will begin to reduce ongoing maintenance needs with the increase in the number of alleys which are overlaid.

PV007 SEMI (South East Minneapolis Industrial)

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$30,500.00

Explanation of operating costs:

The action of constructing this area will result in an increase in maintenance costs, which will reduce the ability of the responsible agency to meet existing service levels as resources are taken from the other areas to meet this new need. The responsible agency will need to re-allocate existing resources to cover Snow and Ice Control from its existing General Fund appropriation. In addition, the responsible agency will need to ask for an increase in its appropriation for cleaning from the Sewer Fund 7300 for additional sweeping and cleaning. As the new infrastructure ages additional costs will come to the General Fund appropriation on Street Maintenance and Repair for seal coating and pothole repair.

PV008 I-35W & Lake St. Interchange Reconstruction

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

Reconstruction of roadways at the end of their design life decreases the annual maintenance cost. This is due to the roadway requiring a high level of annual maintenance to maintain a modest, to poor, service level. Reconstruction will drop the annual maintenance cost to a minimum while providing its highest ride quality. Future roadway maintenance expenses can then be programmed to maximize cost/benefit through routine repairs and overlays.

CITY OF MINNEAPOLIS

Summary of Operating Cost Implications by Project 2005-2009 Council

PV009 I-35W Crosstown Interchange Reconstruction

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

Reconstruction of roadways at the end of their design life decreases the annual maintenance cost. This is due to the roadway requiring a high level of annual maintenance to maintain a modest, to poor, service level. Reconstruction will drop the annual maintenance cost to a minimum while providing its highest ride quality. Future roadway maintenance expenses can then be programmed to maximize cost/benefit through routine repairs and overlays.

PV015 27th Ave S

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$22,000.00)

Explanation of operating costs:

The action of reconstructing this area will result in a decrease in maintenance costs, which will allow the responsible agency to move its resources to other areas that are coming into need as they reach the end of their life cycle.

PV017 Como Ave SE

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$4,760.00)

Explanation of operating costs:

If this project is not constructed it will increase annual street maintenance operating costs, this segment has deteriorated beyond the point of preservation maintenance. Reconstructing this segment will result in a decrease in maintenance costs, which will allow the responsible agency to move its resources to other areas that are coming into need as they reach the end of their life cycle.

PV019 Sixth Avenue North

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$6,300.00)

Explanation of operating costs:

The action of reconstructing this area will result in a decrease in maintenance costs, which will allow the responsible agency to move its resources to other areas that are coming into need as they reach the end of their life cycle. 6th Ave N is a brick and paver surface that has been cut a number of times since the 1920's when it was built. The method of repair has been asphalt patch to hold the remaining brick in place. By creating a uniform surface treatment this would reduce the need for maintenance and improve ride-ability for the user of the roadway.

PV020 Loring Greenway

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$100,000.00)

Explanation of operating costs:

This project is expected to decrease City annual maintenance costs. The City is exposed to an unknown level of liability due to the accelerating rate of deterioration of the pavement and tile elements.

CITY OF MINNEAPOLIS

Summary of Operating Cost Implications by Project 2005-2009 Council

PV021 33rd Ave SE and Talmage Avenue

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$14,000.00)

Explanation of operating costs:

The action of constructing this area will result in a decrease in maintenance costs, which will allow the responsible agency to move its resources to other areas that are coming into need as they reach the end of their life cycle. This is one of the oil-dirt streets in Minneapolis, which do not have a high quality permanently paved surface, so the department must visit this site multiple times during the year and piece sections of the dirt streets together. This checker board approach does not hold up well to the traffic on this roadway, so an improvement would be seen as a great plus for the adjoining properties, users and the department.

PV022 Lyndale Ave N

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$11,000.00)

Explanation of operating costs:

The action of reconstructing this area will result in a decrease in maintenance costs, which will allow the responsible agency to move its resources to other areas that are coming into need as they reach the end of their life cycle.

PV023 28th Avenue South

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$33,800.00)

Explanation of operating costs:

This project will reduce costs to the extent that yearly maintenance costs will be reduced by the new construction and improve the roadway for traffic.

PV025 Fremont Ave N

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$32,177.00)

Explanation of operating costs:

This proposal calls for a major renovation of the existing roadway, if the project is not done the result would be increased annual street maintenance costs. If the roadway is allowed to continue to deteriorate at the current rate more than a major renovation may be required to correct the deficiencies. By renovating the roadway we will be decreasing maintenance costs thereby allowing those resources to be allocated to other areas that are nearing the end of their life cycles.

PV027 Hennepin/Lyndale West

Existing or new infrastructure: Existing

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

N/A

CITY OF MINNEAPOLIS

Summary of Operating Cost Implications by Project 2005-2009 Council

PV028 E22&Snelling

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

N/A

PV029 Chicago Ave S (E 14th St to E 28th St)

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$6,000.00)

Explanation of operating costs:

The action of reconstructing this area will result in a decrease in maintenance costs, which will allow the responsible agency to move its resources to other areas that are coming into need as they reach the end of their life cycle.

PV031 27th Ave NE (RR Crossing)

Existing or new infrastructure: Existing

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

N/A

PV032 LaSalle Avenue South

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$11,000.00)

Explanation of operating costs:

Maintain and Improve - The action of reconstructing and renovating this area will result in a decrease in maintenance costs, which will allow the responsible agency to move its resources to other areas that are coming into need as they reach the end of their life cycle.

RMP03 Bicycle Parking

Existing or new infrastructure: New

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

This project creates new infrastructure and replaces existing infrastructure. This project will not result in an increase of operational funding. It is up to adjacent properties to maintain the area around bicycle racks. When it comes time to replace a public bicycle rack, capital funds are expended to install a new rack since this is an on-going capital program. When there are no bicycle racks at a destination, bicyclists often park their bike to whatever they can. Bicycles often damage trees, light poles, and street furniture. Bicycles attached to parking meters, utility infrastructure, and street furniture also makes it difficult for city and public utility crews to perform regular maintenance.

CITY OF MINNEAPOLIS

Summary of Operating Cost Implications by Project 2005-2009 Council

STS01 Lake St. Reconstruction & Streetscape (Segment 1)

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$71,300.00)

Explanation of operating costs:

Reconstruction of roadways at the end of their design life decreases the annual maintenance cost. This is due to the roadway requiring a high level of annual maintenance to maintain a modest, to poor, service level. Reconstruction will drop the annual maintenance cost to a minimum while providing its highest ride quality. Future roadway maintenance expenses can then be programmed to maximize cost/benefit through routine repairs and overlays.

STS02 Lake St. Reconstruction & Streetscape (Segment 2)

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$31,280.00)

Explanation of operating costs:

Reconstruction of roadways at the end of their design life decreases the annual maintenance cost. This is due to the roadway requiring a high level of annual maintenance to maintain a modest, to poor, service level. Reconstruction will drop the annual maintenance cost to a minimum while providing its highest ride quality. Future roadway maintenance expenses can then be programmed to maximize cost/benefit through routine repairs and overlays.

STS03 Lake St. Reconstruction & Streetscape (Segment 3)

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$62,100.00)

Explanation of operating costs:

Reconstruction of roadways at the end of their design life decreases the annual maintenance cost. This is due to the roadway requiring a high level of annual maintenance to maintain a modest, to poor, service level.

SW001 Storm and Sanitary Tunnel and Sewer Rehabilitation

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$300,000.00)

Explanation of operating costs:

This project will generally decrease annual operating/maintenance costs by reducing the frequency and magnitude of emergency repairs.

SW002 Miscellaneous Storm Drains

Existing or new infrastructure: Both

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

Replacing or repairing existing structures will decrease operating costs. Constructing new structures will increase operating costs.

CITY OF MINNEAPOLIS

Summary of Operating Cost Implications by Project 2005-2009 Council

SW004 Implementation of US EPA Storm Water Regulations

Existing or new infrastructure: Both

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

Some existing storm drain structures will be repaired, in these cases the maintenance cost will decrease. Some new structures will be built, in these cases the maintenance for the structure will cause cost increase.

SW005 Combined Sewer Overflow Improvements

Existing or new infrastructure: Both

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

Each project funded under this program may have unique associated annual operating & maintenance costs. In general, increases due to additional storm drainage infrastructure may be offset by decreases due to fewer sanitary system overload and storm drain odor problems.

SW007 Park Board Capital Storm Drain

Existing or new infrastructure: Existing

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

Currently there is no maintenance for the Park Board storm drain system. The practice is to fix when broken. The cost of this type of maintenance policy is very high in both construction and social cost. This project will inventory and inspect the system, then repair and reconstruct the degraded structures. A regular maintenance and rehabilitation routine for the system will be established through this project. In the short term, there will be an increase in operating cost, but in the long-term, compare to fix when broken policy, it will save money. The funding source would be the sewer fund.

SW008 Facilities - CSO Separation

Existing or new infrastructure: Existing

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

N/A

SW010 Flood Mitigation Area 19

Existing or new infrastructure: New

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

The New infrastructure will be added to work with the storm drain system that is there. Maintenance costs will increase by \$1000/year and will be paid for from the Sewer Enterprise Fund.

CITY OF MINNEAPOLIS

Summary of Operating Cost Implications by Project 2005-2009 Council

SW015 Flood Mitigation Area # 27

Existing or new infrastructure: Both

Operating Cost Implication: Increase Increase/(Decrease) amount: \$6,500.00

Explanation of operating costs:

Increase maintenance costs based on additional storm drain structures. Storage chambers, grit chambers, and catch basins require regular cleaning and storm drains require occasional cleaning and repairs. Costs will be borne by the Sewer Enterprise Fund.

SWK01 Defective Hazardous Sidewalks

Existing or new infrastructure: Existing

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

No effect, The operational costs necessary to fund the Sidewalk Division are provided for by: 1) the permit fees paid by contractors, 2) the overhead fees paid by property owners, and 3) the overhead fees paid by other City of Minneapolis Departments when the sidewalk portion of their project work is constructed by the City hired sidewalk contractor.

TR001 New Traffic Signals

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$2,100.00

Explanation of operating costs:

Annual operating and maintenance costs are estimated at approximately \$2,100 per each new traffic signal system installed. The City's general fund is the funding source for operation and maintenance of the City's signal and lighting systems, as well as maintaining the signing and roadway marking facilities.

TR002 Construct new 9th Ave S. btwn Wash. & 2nd Ave S.

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$1,500.00

Explanation of operating costs:

The action of constructing this street will result in an increase in maintenance costs, which will reduce the ability of the responsible agency to meet existing service levels as resources are taken from the other areas to meet this new need. The responsible agency will need to re-allocate existing resources to cover Snow and Ice Control from its existing General Fund appropriation. In addition, the responsible agency will need to ask for an increase in its appropriation for Cleaning from the Sewer Fund 7300 for additional sweeping and cleaning. As the new infrastructure ages, additional costs will come to the General Fund appropriation on Street Maintenance for seal coating and pothole repair.

TR003 LED Replacement Program

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$180,000.00)

Explanation of operating costs:

Completion of the Project City wide will reduce traffic signal operating costs by reducing energy consumption by at least \$300,000 annually.

CITY OF MINNEAPOLIS

Summary of Operating Cost Implications by Project 2005-2009 Council

TR004 Computerized Traffic Signal Control Expansion

Existing or new infrastructure: New

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

No projects are planned for 2008.

TR005 Controller Conversion

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$1,000.00)

Explanation of operating costs:

Continued funding of this program has permitted utilization of personnel required to provide regular routine maintenance to be assigned to work activities that were previously understaffed, as the new controller equipment designs are nearly maintenance free.

TR006 Priority Vehicle Control System

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$3,000.00

Explanation of operating costs:

Increased cost of maintenance of equipment estimated at \$300/intersection equipped with emergency vehicle detection equipment. Will require and increase in the maintenance budget, or other efficiency improvements. We anticipate that the funding will allow 10 intersections to be instrumented.

TR007 Traffic Signal, Signing & Lighting Improvements

Existing or new infrastructure: exist impr

Operating Cost Implication: Increase Increase/(Decrease) amount: \$50.00

Explanation of operating costs:

Overhead signal additions would increase operating costs by \$12.50 per unit per year. In 2009 there are 11-overhead signal structures proposed for construction.

TR008 Parkway Street Light Replacement

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$6,000.00)

Explanation of operating costs:

It is estimated that personnel costs would be reduced \$1,500 annually, and that equipment rental would be reduced \$500 annually as a result of the funding provided for this program in 2008 for a savings of \$2,000 annually without consideration given to the energy savings that could be achieved if new fixtures that were installed would be more energy efficient. The energy savings would far exceed the labor and equipment savings identified above.

CITY OF MINNEAPOLIS

Summary of Operating Cost Implications by Project 2005-2009 Council

TR011 City Street Light Renovation

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: (\$75,000.00)

Explanation of operating costs:

Approximately 30 lighting poles are removed each year that are in serious jeopardy of falling over as a result of the corrosion of the metal within the pole. Not all of the poles are replaced under current practices because of insufficient maintenance funds. The replacement cost for a new pole and transformer base and reconstruction of the anchorage is approximately \$5,000 each. It is estimated that this program once completed for the 700 poles most in need of immediate attention would save approximately \$75,000 annually in maintenance costs.

WTR02 New 40 Million Gallon SW Reservoir/Pump Station

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$100,000.00

Explanation of operating costs:

Decrease some of the costs of operating and maintaining the pump station with the use of variable speed Pumps.

WTR08 Complete SCADA System

Existing or new infrastructure: Both

Operating Cost Implication: No Change Increase/(Decrease) amount:

Explanation of operating costs:

Project will reduce operating costs approximately by 10%. Paid for out of Enterprise Bonding.

WTR09 Ultrafiltration Program

Existing or new infrastructure: New

Operating Cost Implication: Increase Increase/(Decrease) amount: \$1,500,000.00

Explanation of operating costs:

It will increase the annual operation/maintenance costs and will be paid by Water Revenue funds.

WTR12 Water Distribution Improvements

Existing or new infrastructure: Existing

Operating Cost Implication: Decrease Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

This project will have a very minor reduction on the Water Works annual operations/maintenance costs since life cycle replacements reduce replacements due to failure. This project will help to maintain the City's current level of service to its water customers.

CITY OF MINNEAPOLIS

Summary of Operating Cost Implications by Project 2005-2009 Council

WTR15 Pump Station No. 4 Rehabilitation

Existing or new infrastructure: Both

Operating Cost Implication: No Change Increase/(Decrease) amount: \$0.00

Explanation of operating costs:

Reduced energy costs.

**MUNICIPAL BUILDING COMMISSION FIVE YEAR CAPITAL PROGRAM
COUNCIL ADOPTED BUDGET**

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2005	MBC01	Life Safety Improvements	350	0	0	40	390	390
2006			350	0	0	0	350	350
2007			300	0	0	0	300	350
2008			300	0	0	0	300	350
2009		Other = Operating Fund Bal	300	0	0	0	300	350
Total			1,600	0	0	40	1,640	1,790
2005	MBC02	Mechanical Systems Upgrade	570	0	0	0	570	570
2006			570	0	0	0	570	570
2007			435	0	0	0	435	570
2008			400	0	0	0	400	600
2009			400	0	0	0	400	600
Total			2,375	0	0	0	2,375	2,910
2005	MBC04	Tower & Interior Court Elevators	0	0	0	160	160	160
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009		Other = Operating Fund Bal	95	0	0	0	95	95
Total			95	0	0	160	255	255
2005	MBC05	Moat/Inner Court Water Proofing	0	0	0	0	0	0
2006			342	0	0	0	342	332
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			342	0	0	0	342	332
2005	MBC06	Clock Tower Upgrade	0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			95	0	0	0	95	95
Total			95	0	0	0	95	95

FUNDING SUMMARY BY YEAR	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2005	920	0	0	200	1,120	1,120
2006	1,262	0	0	0	1,262	1,252
2007	735	0	0	0	735	920
2008	700	0	0	0	700	950
2009	890	0	0	0	890	1,140
Total Municipal Bldg Commission	4,507	0	0	200	4,707	5,382

LIBRARY BOARD FIVE YEAR CAPITAL PROGRAM

COUNCIL ADOPTED BUDGET

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2005	MPL02	Franklin Community Library	0	0	0	0	0	0
2006		Remodeling/Historic Preserv	0	0	0	0	0	0
2007		Note: "Other" funding for all	0	0	0	0	0	0
2008		library projects refers to	0	0	0	0	0	0
2009		Library Referendum dollars	0	0	0	0	0	0
Total			0	0	0	0	0	0
2005	MPL05	East Lake Library Capital	0	0	0	960	960	0
2006		Improvements	0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			0	0	0	960	960	0
2005	MPL06	Webber Park Community	0	0	0	0	0	0
2006		Library Capital Improvements	0	0	0	200	200	0
2007			940	0	0	560	1,500	0
2008			0	0	0	117	117	0
2009			0	0	0	0	0	0
Total			940	0	0	877	1,817	0
2005	MPL09	Nokomis Library Capital	0	0	0	0	0	0
2006		Improvements	0	0	0	0	0	0
2007			0	0	0	200	200	0
2008			1,600	0	0	1,000	2,600	0
2009			1,600	0	0	0	1,600	0
Total			3,200	0	0	1,200	4,400	0
2005	MPL10	North Regional Remodeling	0	0	0	1,525	1,525	0
2006		& Restoration	1,600	0	0	0	1,600	0
2007			660	0	0	0	660	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			2,260	0	0	1,525	3,785	0
2005	MPL11	Walker Community Library	0	0	0	0	0	0
2006		Parking Deck Replacement	0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			0	0	0	0	0	0
2005	MPL13	Hosmer Library Capital	200	0	0	0	200	0
2006		Improvements	0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			200	0	0	0	200	0

**LIBRARY BOARD FIVE YEAR CAPITAL PROGRAM
COUNCIL ADOPTED BUDGET**

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
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FUNDING SUMMARY BY YEAR	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2005	200	0	0	2,485	2,685	0
2006	1,600	0	0	200	1,800	0
2007	1,600	0	0	760	2,360	0
2008	1,600	0	0	1,117	2,717	0
2009	1,600	0	0	0	1,600	0
Total Library Board	6,600	0	0	4,562	11,162	0

**PARK BOARD FIVE YEAR CAPITAL PROGRAM
COUNCIL ADOPTED BUDGET**

YEAR	PROJECT ID	PROJECT TITLE	NDB & Park Levy	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2005	PRK01	Community and Neighborhood Center Rehabilitation	760	0	0	75	835	0
2006			1,034	0	0	0	1,034	0
2007			889	0	0	0	889	0
2008			824	0	0	0	824	0
2009		"Other" = NRP funding	725	0	0	0	725	0
Total			4,232	0	0	75	4,307	0
2005	PRK02	Site & Totlot Rehabilitation	700	0	0	0	700	0
2006			0	0	0	0	0	0
2007			165	0	0	0	165	0
2008			230	0	0	0	230	0
2009			700	0	0	0	700	0
Total			1,795	0	0	0	1,795	0
2005	PRK03	Rehabilitation of Shelter Buildings	344	0	0	0	344	0
2006			0	0	0	0	0	0
2007			250	0	0	0	250	0
2008			250	0	0	0	250	0
2009			0	0	0	0	0	0
Total			844	0	0	0	844	0
2005	PRK04	Athletic Field Renovation	475	0	0	0	475	0
2006			825	0	0	0	825	0
2007			675	0	0	0	675	0
2008			145	0	0	0	145	0
2009			374	0	0	0	374	0
Total			2,494	0	0	0	2,494	0
2005	PRK05	Tier 2 Athletic Fields	0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			0	0	0	0	0	0
2005	PRK06	Service Center Rehabilitation	0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			0	0	0	0	0	0
2005	PRK07	Tennis Court Rehabilitation	0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			150	0	0	0	150	0
2008			0	0	0	0	0	0
2009			150	0	0	0	150	0
Total			300	0	0	0	300	0

**PARK BOARD FIVE YEAR CAPITAL PROGRAM
COUNCIL ADOPTED BUDGET**

YEAR	PROJECT ID	PROJECT TITLE	NDB & Park Levy	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2005	PRK09	HVAC Improvements	0	0	0	0	0	0
2006			100	0	0	0	100	0
2007			125	0	0	0	125	0
2008			125	0	0	0	125	0
2009			0	0	0	0	0	0
Total			350	0	0	0	350	0
2005	PRK11	Roof Replacement	0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			100	0	0	0	100	0
2009			125	0	0	0	125	0
Total			225	0	0	0	225	0
2005	PRK12	Community Skate Parks	195	0	0	0	195	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			200	0	0	0	200	0
2009			0	0	0	0	0	0
Total			395	0	0	0	395	0
2005	PRK13	Contingency & Inflation	0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			0	0	0	0	0	0
2005	PRKDT	Diseased Tree Removal	0	0	500	0	500	0
2006			0	0	500	0	500	0
2007			0	0	500	0	500	0
2008			0	0	500	0	500	0
2009			0	0	500	0	500	0
Total			0	0	2,500	0	2,500	0

FUNDING SUMMARY BY YEAR	NDB & Park Levy	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2005	2,474	0	500	75	3,049	0
2006	1,959	0	500	0	2,459	0
2007	2,254	0	500	0	2,754	0
2008	1,874	0	500	0	2,374	0
2009	2,074	0	500	0	2,574	0
Total Park Board	10,635	0	2,500	75	13,210	0

**FACILITY IMPROVEMENTS
COUNCIL ADOPTED BUDGET**

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2005	PSD01	Facilities - Repair and Improvements	1,500	0	0	0	1,500	0
2006			1,500	0	0	0	1,500	0
2007			1,000	0	0	0	1,000	0
2008			1,000	0	0	0	1,000	0
2009			1,500	0	0	0	1,500	0
Total			6,500	0	0	0	6,500	0
2005	PSD02	Public Works Facilities Program "Other" = Land sale proceeds	0	0	0	0	0	0
2006			5,029	0	0	0	5,029	0
2007			3,000	0	0	0	3,000	0
2008			1,400	0	0	600	2,000	0
2009			1,033	0	0	0	1,033	0
Total			10,462	0	0	600	11,062	0
2005	PSD05	Impound Lot Facility Expansion	0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			0	0	0	0	0	0

FUNDING SUMMARY BY YEAR	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2005	1,500	0	0	0	1,500	0
2006	6,529	0	0	0	6,529	0
2007	4,000	0	0	0	4,000	0
2008	2,400	0	0	600	3,000	0
2009	2,533	0	0	0	2,533	0
Total Facility Improvements	16,962	0	0	600	17,562	0

**STREET PAVING
COUNCIL ADOPTED BUDGET**

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2005	PV001	Parkway Paving	745	0	50	0	795	0
2006			350	0	50	0	400	0
2007			720	0	50	0	770	0
2008			500	0	50	0	550	0
2009			675	0	50	0	725	0
Total			2,990	0	250	0	3,240	0
2005	PV002	Oil/Dirt Street Paving Program	604	0	101	0	705	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			604	0	101	0	705	0
2005	PV003	Street Renovation Program	3,318	0	830	0	4,148	0
2006		Bryn Mawr South proposed in	2,903	0	726	0	3,629	0
2007		2005	2,585	0	646	0	3,231	0
2008		(See Sewer section for related	2,455	0	614	0	3,069	0
2009		sewer funding.)	2,812	0	703	0	3,515	0
Total			14,073	0	3,519	0	17,592	0
2005	PV004	CSAH Paving Program	250	0	750	0	1,000	3,000
2006		(County State Aid Highway)	250	0	750	0	1,000	3,000
2007			250	0	750	0	1,000	3,000
2008			250	0	750	0	1,000	3,000
2009			250	0	750	0	1,000	3,000
Total			1,250	0	3,750	0	5,000	15,000
2005	PV005	Snelling Avenue Extension	0	0	0	0	0	0
2006		Mayor Initiative - Public Works	400	0	0	0	400	0
2007		should submit a capital	400	0	0	0	400	0
2008		proposals for the 2006 -2010	0	0	0	0	0	0
2009		Capital Plan.	0	0	0	0	0	0
Total			800	0	0	0	800	0
2005	PV006	Alley Renovation	187	0	63	0	250	0
2006			234	0	79	0	313	0
2007			200	0	67	0	267	0
2008			200	0	67	0	267	0
2009			374	0	126	0	500	0
Total			1,195	0	402	0	1,597	0
2005	PV007	University Research Park	0	1,856	260	1,942	4,058	0
2006			183	0	56	2,782	3,021	0
2007		Name changed from:	26	2,019	1,541	472	4,058	0
2008		SEMI (Southeast Minneapolis	0	0	0	0	0	0
2009		Industrial)	0	0	0	0	0	0
Total			209	3,875	1,857	5,196	11,137	0

**STREET PAVING
COUNCIL ADOPTED BUDGET**

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2005	PV008	I-35W & Lake St. Interchange Reconstruction	0	0	0	0	0	47,960
2006			0	2,100	0	0	2,100	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			0	2,100	0	0	2,100	47,960
2005	PV009	I-35W Crosstown Interchange Reconstruction	0	0	0	0	0	0
2006			17	468	0	0	485	0
2007			17	468	0	0	485	0
2008			17	468	0	0	485	0
2009			0	0	0	0	0	0
Total			51	1,404	0	0	1,455	0
2005	PV015	27th Avenue South	0	0	0	0	0	0
2006			1,215	4,545	1,254	0	7,014	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			1,215	4,545	1,254	0	7,014	0
2005	PV017	Como Avenue Southeast	115	3,433	688	0	4,236	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			115	3,433	688	0	4,236	0
2005	PV019	Sixth Avenue North	0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			181	1,400	198	0	1,779	0
Total			181	1,400	198	0	1,779	0
2005	PV020	Loring Greenway (Note: Special assessments are to be pursued for part of the funding.)	0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			1,170	0	330	0	1,500	0
2009			0	0	0	0	0	0
Total			1,170	0	330	0	1,500	0
2005	PV021	33rd Avenue Southeast and Talmadge Avenue	0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			627	1,790	648	0	3,065	0
Total			627	1,790	648	0	3,065	0

**STREET PAVING
COUNCIL ADOPTED BUDGET**

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2005	PV022	Lyndale Ave N (Plymouth - Broadway)	0	0	0	0	0	0
2006			715	1,725	173	0	2,613	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			715	1,725	173	0	2,613	0
2005	PV023	28th Avenue South	0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			785	4,025	670	0	5,480	0
2009			0	0	0	0	0	0
Total			785	4,025	670	0	5,480	0
2005	PV025	Fremont Avenue N	20	599	406	0	1,025	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			20	599	406	0	1,025	0
2005	PV026	Cedar Lake Road	0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			0	0	0	0	0	0
2005	PV027	Hennepin/Lyndale West	0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			595	725	325	0	1,645	0
Total			595	725	325	0	1,645	0
2005	PV028	E 22nd St and Snelling	0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	527	305	0	832	0
Total			0	527	305	0	832	0
2005	PV029	Chicago Avenue S (E 14th St to E 28th St)	0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			1,553	4,340	385	0	6,278	0
2009			0	0	0	0	0	0
Total			1,553	4,340	385	0	6,278	0

**STREET PAVING
COUNCIL ADOPTED BUDGET**

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2005	PV030	Alley Retaining Wall Renovation Program	0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			0	0	0	0	0	0
2005	PV031	27th Ave NE (RR Crossing)	0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			18	0	0	157	175	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			18	0	0	157	175	0
2005	PV032	Lasalle Ave S	0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			623	3,300	373	0	4,296	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			623	3,300	373	0	4,296	0
2005	PV00R	Reimbursable Paving Projects	0	0	0	3,500	3,500	0
2006			0	0	0	3,500	3,500	0
2007			0	0	0	3,500	3,500	0
2008			0	0	0	3,500	3,500	0
2009			0	0	0	3,500	3,500	0
Total			0	0	0	17,500	17,500	0

FUNDING SUMMARY BY YEAR	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2005	5,239	5,888	3,148	5,442	19,717	50,960
2006	6,267	8,838	3,088	6,282	24,475	3,000
2007	4,839	5,787	3,427	4,129	18,182	3,000
2008	6,930	8,833	2,866	3,500	22,129	3,000
2009	5,514	4,442	3,105	3,500	16,561	3,000
Total Street Paving	28,789	33,788	15,634	22,853	101,064	62,960

**STREETSCAPES
COUNCIL ADOPTED BUDGET**

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2005	STS01	Lake St. Reconstruction & Streetscape (Segment 1)	0	0	1,133	0	1,133	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			0	0	1,133	0	1,133	0
2005	STS02	Lake St. Reconstruction & Streetscape (Segment 2)	0	0	1,515	0	1,515	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			0	0	1,515	0	1,515	0
2005	STS03	Lake St. Reconstruction & Streetscape (Segment 3)	0	0	2,204	0	2,204	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			0	0	2,204	0	2,204	0
2005	STS04	LRT Station Area Improvements	0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			0	0	0	0	0	0

FUNDING SUMMARY BY YEAR	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2005	0	0	4,852	0	4,852	0
2006	0	0	0	0	0	0
2007	0	0	0	0	0	0
2008	0	0	0	0	0	0
2009	0	0	0	0	0	0
Total Streetscapes	0	0	4,852	0	4,852	0

**SIDEWALK PROGRAM
COUNCIL ADOPTED BUDGET**

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2005	SWK01	Defective Hazardous Sidewalks and Gaps in the System	155	0	1,765	0	1,920	0
2006			160	0	1,855	0	2,015	0
2007			170	0	1,960	0	2,130	0
2008			180	0	2,055	0	2,235	0
2009			185	0	2,160	0	2,345	0
Total			850	0	9,795	0	10,645	0

FUNDING SUMMARY BY YEAR	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2005	155	0	1,765	0	1,920	0
2006	160	0	1,855	0	2,015	0
2007	170	0	1,960	0	2,130	0
2008	180	0	2,055	0	2,235	0
2009	185	0	2,160	0	2,345	0
Total Sidewalk Program	850	0	9,795	0	10,645	0

**HERITAGE PARK INFRASTRUCTURE
COUNCIL ADOPTED BUDGET**

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2005	CDA01	Heritage Park Redevelopment Project (See also Water & Sewer sections for contributions to this project for 2005 - 2007.)	1,200	0	0	0	1,200	8,750
2006			1,000	0	0	0	1,000	24,577
2007			1,000	0	0	0	1,000	1,000
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			3,200	0	0	0	3,200	34,327

FUNDING SUMMARY BY YEAR	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2005	1,200	0	0	0	1,200	8,750
2006	1,000	0	0	0	1,000	24,577
2007	1,000	0	0	0	1,000	1,000
2008	0	0	0	0	0	0
2009	0	0	0	0	0	0
Total Heritage Park Redevelopment	3,200	0	0	0	3,200	34,327

Note: Non Appropriated amounts will be appropriated as other funding agreements are finalized.

BRIDGES
COUNCIL ADOPTED BUDGET

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2005	BR101	Major Bridge Repair and Rehabilitation	200	0	0	0	200	0
2006			200	0	0	0	200	0
2007			200	0	0	0	200	0
2008			200	0	0	0	200	0
2009			200	0	0	0	200	0
Total			1,000	0	0	0	1,000	0
2005	BR102	East River Parkway Bridge "Other" = State Bridge Bonds	0	0	0	0	0	0
2006			600	0	0	585	1,185	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			600	0	0	585	1,185	0
2005	BR105	Fremont Avenue South Bridge	0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			835	0	92	90	1,017	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			835	0	92	90	1,017	0
2005	BR109	Camden Avenue Bridge Rehabilitation	85	1,981	0	430	2,496	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			85	1,981	0	430	2,496	0
2005	BR110	St. Anthony Parkway Bridge & California St NE	2,812	0	329	3,717	6,858	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			2,812	0	329	3,717	6,858	0
2005	BR111	10th Avenue SE Bridge Arch Rehabilitation	0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			239	1,389	0	4,167	5,795	0
Total			239	1,389	0	4,167	5,795	0
2005	BR112	Nicollet Avenue Bridge from Lake St to 29th St	0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			262	952	0	2,326	3,540	0
Total			262	952	0	2,326	3,540	0

BRIDGES
COUNCIL ADOPTED BUDGET

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2005	BR114	29th Street Corridor Bridge Rehab Program	0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			500	0	0	0	500	0
Total			500	0	0	0	500	0
2005	BR115	Broadway/Central Ave Bridge Railing Improvements "Other" = A combination of NRP, Public Art, State Trunk Highway and Hennepin County sources.	0	100	0	290	390	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			0	100	0	290	390	0

FUNDING SUMMARY BY YEAR	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2005	3,097	2,081	329	4,437	9,944	0
2006	800	0	0	585	1,385	0
2007	1,035	0	92	90	1,217	0
2008	200	0	0	0	200	0
2009	1,201	2,341	0	6,493	10,035	0
Total Bridges	6,333	4,422	421	11,605	22,781	0

**TRAFFIC CONTROL & STREET LIGHTING
COUNCIL ADOPTED BUDGET**

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2005	TR001	New Traffic Signals	0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			5	125	0	0	130	0
Total			5	125	0	0	130	0
2005	TR003	LED Replacement Program	500	0	0	0	500	0
2006			200	0	0	0	200	0
2007			300	0	0	0	300	0
2008			0	0	0	0	0	0
2009			475	0	0	0	475	0
Total			1,475	0	0	0	1,475	0
2005	TR004	Computerized Traffic Signal Control Expansion	0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			6	130	0	0	136	0
Total			6	130	0	0	136	0
2005	TR005	Controller Conversion	400	0	0	0	400	0
2006			400	0	0	0	400	0
2007			400	0	0	0	400	0
2008			400	0	0	0	400	0
2009			400	0	0	0	400	0
Total			2,000	0	0	0	2,000	0
2005	TR006	Priority Vehicle Control System	25	400	0	0	425	0
2006			25	400	0	0	425	0
2007			25	388	0	0	413	0
2008			25	400	0	0	425	0
2009			25	300	0	0	325	0
Total			125	1,888	0	0	2,013	0
2005	TR007	Traffic Signal, Signing & Lighting Improvements	190	80	0	106	376	0
2006			297	17	0	17	331	0
2007			331	50	0	75	456	0
2008			445	68	0	68	581	0
2009			386	44	0	99	529	0
Total			1,649	259	0	365	2,273	0
2005	TR008	Parkway Street Lighting Replacement	1,000	0	0	0	1,000	0
2006			395	0	0	0	395	0
2007			175	0	0	0	175	0
2008			250	0	0	0	250	0
2009			0	0	0	0	0	0
Total			1,820	0	0	0	1,820	0

**TRAFFIC CONTROL & STREET LIGHTING
COUNCIL ADOPTED BUDGET**

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2005	TR010	Adaptive Control Expansion	0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			0	0	0	0	0	0
2005	TR011	City Street Light Renovation	1,000	0	0	0	1,000	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			300	0	0	0	300	0
Total			1,300	0	0	0	1,300	0
2005	TR00R	Reimbursable Transportation Projects	0	0	0	600	600	0
2006			0	0	0	600	600	0
2007			0	0	0	600	600	0
2008			0	0	0	600	600	0
2009			0	0	0	600	600	0
Total			0	0	0	3,000	3,000	0

FUNDING SUMMARY BY YEAR	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2005	3,115	480	0	706	4,301	0
2006	1,317	417	0	617	2,351	0
2007	1,231	438	0	675	2,344	0
2008	1,120	468	0	668	2,256	0
2009	1,597	599	0	699	2,895	0
Total Traffic Control & Street Lighting	8,380	2,402	0	3,365	14,147	0

**BIKE TRAILS
COUNCIL ADOPTED BUDGET**

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2005	BIK01	Cedar Lake Trail (Phase 3)	0	0	0	2160	2160	0
2006			300	0	0	0	300	0
2007			250	0	0	0	250	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			550	0	0	2,160	2,710	0
2005	BIK03	Loring Bikeway Project, Phase I & II	251	0	0	0	251	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			251	0	0	0	251	0
2005	BIK04	18th Avenue NE Bikeway	0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			50	0	0	0	50	0
2008			0	0	0	0	0	0
2009			500	0	0	3,500	4,000	0
Total			550	0	0	3,500	4,050	0
2005	BIK06	University of Minnesota Trail (Phase 3)	268	0	0	720	988	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			268	0	0	720	988	0
2005	BIK07	NE Diagonal Trail	550	0	0	2322	2872	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			550	0	0	2,322	2,872	0
2005	BIK08	Hiawatha Trail Connections	0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			0	0	0	0	0	0
2005	BIK11	Plymouth Ave N Bike Lane	125	0	0	0	125	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			125	0	0	0	125	0

**BIKE TRAILS
COUNCIL ADOPTED BUDGET**

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2005	BIK12	2nd Street North Bike Lanes	50	0	0	0	50	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			50	0	0	0	50	0
2005	BIK13	RiverLake Greenway (East of I-35W)	0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			100	0	0	900	1,000	0
2009			0	0	0	0	0	0
Total			100	0	0	900	1,000	0
2005	BIK14	Midtown Greenway Bridge over the Mississippi River	0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			50	0	0	1,900	1,950	0
2009			150	0	0	0	150	0
Total			200	0	0	1,900	2,100	0
2005	BIK15	Bikeways Cleanup Project	25	0	0	0	25	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			25	0	0	0	25	0
2005	BIK16	Northside Bikeway Connections Mayor Initiative	100	0	0	0	100	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			100	0	0	0	100	0

FUNDING SUMMARY BY YEAR	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2005	1,369	0	0	5,202	6,571	0
2006	300	0	0	0	300	0
2007	300	0	0	0	300	0
2008	150	0	0	2,800	2,950	0
2009	650	0	0	3,500	4,150	0
Total Bike Trails	2,769	0	0	11,502	14,271	0

**PUBLIC WORKS DEPARTMENT
GENERAL INFRASTRUCTURE FUNDING SUMMARY
COUNCIL ADOPTED BUDGET**

FUNDING SUMMARY BY YEAR	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2005	15,675	8,449	10,094	15,787	50,005	59,710
2006	16,373	9,255	4,943	7,484	38,055	27,577
2007	12,575	6,225	5,479	4,894	29,173	4,000
2008	10,980	9,301	4,921	7,568	32,770	3,000
2009	11,680	7,382	5,265	14,192	38,519	3,000
Total PW General Infrastructure	67,283	40,612	30,702	49,925	188,522	97,287

**SEWER FUND FIVE YEAR CAPITAL PROGRAM
COUNCIL ADOPTED BUDGET**

YEAR	PROJECT ID	PROJECT TITLE	SEWER BONDS	SEWER REVENUE	REIMB	CITY TOTAL	NON APPROP
2005	SW001	Storm & Sanitary Tunnel and	2,500	0	0	2,500	0
2006		Sewer Rehabilitation	2,500	0	0	2,500	0
2007			2,500	0	0	2,500	0
2008			2,500	300	0	2,800	0
2009			3,500	500	0	4,000	0
Total			13,500	800	0	14,300	0
2005	SW002	Miscellaneous Storm Drains	0	220	0	220	0
2006			0	220	0	220	0
2007			0	220	0	220	0
2008			0	220	0	220	0
2009			0	220	0	220	0
Total			0	1,100	0	1,100	0
2005	PV003	Street Renovation Programs -	0	125	0	125	0
2006		Storm Sewers	0	597	0	597	0
2007		(See 2005 Capital Resolution	0	325	0	325	0
2008		for project allocations.)	0	0	0	0	0
2009			0	0	0	0	0
Total			0	1,047	0	1,047	0
2005	SW004	Implementation of US EPA	0	150	0	150	0
2006		Storm Water Regulations	0	150	0	150	0
2007			0	150	0	150	0
2008			0	150	0	150	0
2009			0	150	0	150	0
Total			0	750	0	750	0
2005	SW005	Combined Sewer Overflow	2,000	0	0	2,000	0
2006		Improvements	2,000	0	0	2,000	0
2007			2,000	0	0	2,000	0
2008			0	0	0	0	0
2009			0	0	0	0	0
Total			6,000	0	0	6,000	0
2005	SW007	Park Board Capital Storm	0	150	0	150	0
2006		Drain	0	0	0	0	0
2007			0	0	0	0	0
2008			0	0	0	0	0
2009			0	0	0	0	0
Total			0	150	0	150	0
2005	SW008	City Facilities - CSO	0	100	0	100	0
2006		Separation	400	0	0	400	0
2007			0	0	0	0	0
2008			0	0	0	0	0
2009			0	0	0	0	0
Total			400	100	0	500	0

SEWER FUND FIVE YEAR CAPITAL PROGRAM COUNCIL ADOPTED BUDGET

YEAR	PROJECT ID	PROJECT TITLE	SEWER BONDS	SEWER REVENUE	REIMB	CITY TOTAL	NON APPROP
2005	CDA01	Heritage Park Redevelopment Project - new infrastructure contribution	0	250	0	250	0
2006			0	250	0	250	0
2007			0	250	0	250	0
2008			0	0	0	0	0
2009			0	0	0	0	0
Total			0	750	0	750	0
2005	SW010	Flood Area 19 - W 44th St from Aldrich Ave S to Lake Harriet	330	0	0	330	0
2006			0	0	0	0	0
2007			0	0	0	0	0
2008			0	0	0	0	0
2009			0	0	0	0	0
Total			330	0	0	330	0
2005	SW015	Flood Area 27 - 38th St E to M'haha Creek, 21st Ave S to Hiawatha Ave	540	0	0	540	0
2006			0	0	0	0	0
2007			0	0	0	0	0
2008			0	0	0	0	0
2009			0	0	0	0	0
Total			540	0	0	540	0
2005	SW018	Flood Area 29 & 30 - 51st & Zenith Ave S	0	0	0	0	0
2006			0	0	0	0	0
2007			0	0	0	0	0
2008			0	0	0	0	0
2009			0	0	0	0	0
Total			0	0	0	0	0
2005	SW019	Flood Area 8 - 3rd St N from 22nd Ave N to 25th Ave N	0	0	0	0	0
2006			0	0	0	0	0
2007			0	0	0	0	0
2008			0	0	0	0	0
2009			0	0	0	0	0
Total			0	0	0	0	0
2005	SW020	Flood Area 21 - Hiawatha Golf Course and Bancroft Meadows	0	0	0	0	0
2006			0	0	0	0	0
2007			0	0	0	0	0
2008			0	0	0	0	0
2009			0	0	0	0	0
Total			0	0	0	0	0
2005	SW021	Flood Area 39 - Storm Drain along 36th from 48th to River	0	0	0	0	0
2006			0	0	0	0	0
2007			0	0	0	0	0
2008			0	0	0	0	0
2009			0	0	0	0	0
Total			0	0	0	0	0

**SEWER FUND FIVE YEAR CAPITAL PROGRAM
COUNCIL ADOPTED BUDGET**

YEAR	PROJECT ID	PROJECT TITLE	SEWER BONDS	SEWER REVENUE	REIMB	CITY TOTAL	NON APPROP
2005	SW022	Flood Area 14 - Clinton Ave & E 39th St Storm Drain	0	0	0	0	0
2006			0	0	0	0	0
2007			0	0	0	0	0
2008			0	0	0	0	0
2009			0	0	0	0	0
Total			0	0	0	0	0
2005	SW023	Flood Area 5 - New Storm Drain to Crystal Lake	0	0	0	0	0
2006		35th Ave N from Vincent Ave N to Crystal Lake	0	0	0	0	0
2007			0	0	0	0	0
2008			0	0	0	0	0
2009			0	0	0	0	0
Total			0	0	0	0	0
2005	SW024	Flood Area 22- Sibley Field	0	0	0	0	0
2006			0	0	0	0	0
2007			0	0	0	0	0
2008			0	0	0	0	0
2009			0	0	0	0	0
Total			0	0	0	0	0
2005	SW025	Flood Area 18- Garfield Ave, W 47th St, Pleasant Ave	0	0	0	0	0
2006			0	0	0	0	0
2007			0	0	0	0	0
2008			0	0	0	0	0
2009			0	0	0	0	0
Total			0	0	0	0	0
2005	SW027	Flood Area 25 - E 45th St - Nicollet Ave S to 1st Ave S	0	0	0	0	0
2006			0	0	0	0	0
2007			0	0	0	0	0
2008			0	0	0	0	0
2009			0	0	0	0	0
Total			0	0	0	0	0
2005	SW028	Diamond Lake 35W/62 Water Quality Improvements	0	0	0	0	0
2006			0	0	0	0	0
2007			0	0	0	0	0
2008			0	0	0	0	0
2009			0	0	0	0	0
Total			0	0	0	0	0
2005	SW029	Diamond Lake 58th St Outfall	0	0	0	0	0
2006			0	0	0	0	0
2007			0	0	0	0	0
2008			0	0	0	0	0
2009			0	0	0	0	0
Total			0	0	0	0	0

**SEWER FUND FIVE YEAR CAPITAL PROGRAM
COUNCIL ADOPTED BUDGET**

YEAR	PROJECT ID	PROJECT TITLE	SEWER BONDS	SEWER REVENUE	REIMB	CITY TOTAL	NON APPROP
2005	SW030	Alternative Storm Water Management Strategies Mayor Initiative	500	0	0	500	0
2006			0	0	0	0	0
2007			0	0	0	0	0
2008			0	0	0	0	0
2009			0	0	0	0	0
Total			500	0	0	500	0
2005	SW00R	Reimbursable Sewer and Storm Drain Projects	0	0	3,000	3,000	0
2006			0	0	3,000	3,000	0
2007			0	0	3,000	3,000	0
2008			0	0	3,000	3,000	0
2009			0	0	3,000	3,000	0
Total			0	0	15,000	15,000	0

FUNDING SUMMARY BY YEAR	SEWER BONDS	SEWER REVENUE	REIMB	TOTAL	NON APPROP
2005	5,870	995	3,000	9,865	0
2006	4,900	1,217	3,000	9,117	0
2007	4,500	945	3,000	8,445	0
2008	2,500	670	3,000	6,170	0
2009	3,500	870	3,000	7,370	0
Total Sewer Fund	21,270	4,697	15,000	40,967	0

**WATER FUND FIVE YEAR CAPITAL PROGRAM
COUNCIL ADOPTED BUDGET**

YEAR	PROJECT ID	PROJECT TITLE	WATER BONDS	WATER REVENUE	REIMB	TOTAL
2005	WTR02	New 40 Million Gallon Southwest Reservoir/Pump Station	0	0	0	0
2006			0	0	0	0
2007			3,000	0	0	3,000
2008			11,000	0	0	11,000
2009			17,000	0	0	17,000
Total			31,000	0	0	31,000
2005	WTR08	Complete SCADA System	1,000	656	0	1,656
2006			0	0	0	0
2007			0	0	0	0
2008			0	0	0	0
2009			0	0	0	0
Total			1,000	656	0	1,656
2005	WTR09	Ultrafiltration Program	12,500	0	0	12,500
2006			5,000	0	0	5,000
2007			20,000	0	0	20,000
2008			40,000	0	0	40,000
2009			7,500	0	0	7,500
Total			85,000	0	0	85,000
2005	WTR12	Water Distribution Improvements	2,500	1,985	0	4,485
2006			0	4,500	0	4,500
2007			0	4,400	0	4,400
2008			0	4,400	0	4,400
2009			0	4,400	0	4,400
Total			2,500	19,685	0	22,185
2005	WTR14	The MWW Facilities Security Improvement	0	0	0	0
2006			0	0	0	0
2007			0	0	0	0
2008			0	0	0	0
2009			0	0	0	0
Total			0	0	0	0
2005	WTR15	Pump Station No. 4 Rehabilitation	0	0	0	0
2006			6,000	0	0	6,000
2007			5,000	0	0	5,000
2008			3,400	600	0	4,000
2009			0	0	0	0
Total			14,400	600	0	15,000
2005	WTR16	St. Paul/Minneapolis Inter-connection	0	0	0	0
2006			0	0	0	0
2007			0	0	0	0
2008			0	0	0	0
2009			0	0	0	0
Total			0	0	0	0

**WATER FUND FIVE YEAR CAPITAL PROGRAM
COUNCIL ADOPTED BUDGET**

YEAR	PROJECT ID	PROJECT TITLE	WATER BONDS	WATER REVENUE	REIMB	TOTAL
2004	WTR17	Treatment Modifications Based on New Regulations (This request did not have a financial commitment as yet.)	0	0	0	0
2005			0	0	0	0
2006			0	0	0	0
2007			0	0	0	0
2008			0	0	0	0
Total			0	0	0	0
2004	CDA01	Heritage Park Redevelopment Project - new infrastructure contribution	0	250	0	250
2005			0	250	0	250
2006			0	250	0	250
2007			0	0	0	0
2008			0	0	0	0
Total			0	750	0	750
2004	WTR0R	Reimbursable Water Projects	0	0	2,000	2,000
2005			0	0	2,000	2,000
2006			0	0	2,000	2,000
2007			0	0	2,000	2,000
2008			0	0	2,000	2,000
Total			0	0	10,000	10,000

FUNDING SUMMARY BY YEAR	WATER BONDS	WATER REVENUE	REIMB	TOTAL
2005	16,000	2,891	2,000	20,891
2006	11,000	4,750	2,000	17,750
2007	28,000	4,650	2,000	34,650
2008	54,400	5,000	2,000	61,400
2009	24,500	4,400	2,000	30,900
Total Water Fund	133,900	21,691	10,000	165,591

**PARKING FUND FIVE YEAR CAPITAL PROGRAM
COUNCIL ADOPTED BUDGET**

YEAR	PROJECT ID	PROJECT TITLE	PARKING BONDS	PARKING REVENUE	CITY TOTAL	NON APPROP
2005	RMP02	Residential Parking Program	0	0	0	0
2006			0	0	0	0
2007			0	0	0	0
2008			0	0	0	0
2009			0	0	0	0
Total			0	0	0	0
2005	RMP03	Bicycle Parking	0	30	30	0
2006			0	35	35	0
2007			0	40	40	0
2008			0	35	35	0
2009			0	40	40	0
Total			0	180	180	0
2005	TR002	Construct New 9th Ave S	0	0	0	0
2006		between Wash & 2nd Ave S	0	0	0	0
2007		(Project was set up in 2004	0	0	0	0
2008		and therefore no additional	0	0	0	0
2009		funds are needed.)	0	0	0	0
Total			0	0	0	0

FUNDING SUMMARY BY YEAR	PARKING BONDS	PARKING REVENUE	CITY TOTAL	NON APPROP
2005	0	30	30	0
2006	0	35	35	0
2007	0	40	40	0
2008	0	35	35	0
2009	0	40	40	0
Total Parking Fund	0	180	180	0

COUNCIL ADOPTED Water and Sewer Utility Rate Structure

Sewer & Water Utility Rates were held to the same combined rate increases adopted in December 2003 for 2005 - 2008. Rates were adjusted between the two utilities to progress toward the goal of three months of Operating cash reserves by 2010.

Rate increases for 2006 - 2009 reflect inflationary increases in Operating costs of approximately 4% per year.

These rates will fund all Council Adopted Water & Sewer Operating Costs and Capital Plans.

These rates reflect current and projected debt service associated with the adopted Capital Plans.

Sewer Rates fund Park Board related storm sewer work performed by the Public Works Department.

Sewer Rates fully fund the Street Sweeping Program.

Water Rates

Effective Date	Increase	Total Rate	% Change
01/01/00	0.12	1.65	7.8%
01/01/01	0.16	1.81	9.7%
01/01/02	0.18	1.99	9.9%
01/01/03	0.22	2.21	11.1%
01/01/04	0.17	2.38	7.7%
01/01/05	0.12	2.50	5.0%
01/01/06	0.12	2.62	4.8%
01/01/07	0.05	2.67	1.9%
01/01/08	0.08	2.75	3.0%
01/01/09	0.10	2.85	3.6%

Sewer Rates

Effective Date	Increase	Total Rate	% Change
01/01/00	0.20	2.87	7.5%
01/01/01	0.17	3.04	5.9%
01/01/02	0.12	3.16	3.9%
01/01/03	0.13	3.29	4.1%
01/01/04	0.14	3.43	4.3%
01/01/05	0.21	3.64	6.1%
01/01/06	0.19	3.83	5.2%
01/01/07	0.17	4.00	4.4%
01/01/08	0.14	4.14	3.5%
01/01/09	0.14	4.28	3.4%

Combined Rate Impact Utility Rates expressed in \$/100 Cubic Feet

Effective Date	Increase	Total Rate	% Change
01/01/00	0.32	4.52	7.6%
01/01/01	0.33	4.85	7.3%
01/01/02	0.30	5.15	6.2%
01/01/03	0.35	5.50	6.8%
01/01/04	0.31	5.81	5.6%
01/01/05	0.33	6.14	5.7%
01/01/06	0.31	6.45	5.0%
01/01/07	0.22	6.67	3.4%
01/01/08	0.22	6.89	3.3%
01/01/09	0.24	7.13	3.5%

**PUBLIC WORKS DEPARTMENT
FIVE YEAR CAPITAL FUNDING SUMMARY
COUNCIL ADOPTED BUDGET**

GENERAL INFRASTRUCTURE IMPROVEMENTS FUNDING SUMMARY BY YEAR				NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2005				15,675	8,449	10,094	15,787	50,005	59,710
2006				16,373	9,255	4,943	7,484	38,055	27,577
2007				12,575	6,225	5,479	4,894	29,173	4,000
2008				10,980	9,301	4,921	7,568	32,770	3,000
2009				11,680	7,382	5,265	14,192	38,519	3,000
Total Public Works General Infrastructure Improvements				67,283	40,612	30,702	49,925	188,522	97,287

ENTERPRISE FUND CAPITAL* FUNDING SUMMARY BY YEAR	ENTERPRISE BONDS	ENTERPRISE REVENUES	NDB	MSA	ASSM	OTHER/ REIMB	CITY TOTAL	NON APPROP
2005	21,870	3,916				5,000	30,786	0
2006	15,900	6,002				5,000	26,902	0
2007	32,500	5,635				5,000	43,135	0
2008	56,900	5,705				5,000	67,605	0
2009	28,000	5,310				5,000	38,310	0
Total Public Works Enterprise Fund Capital	155,170	26,568	0	0	0	25,000	206,738	0

* - Enterprise funds include Sewer, Water and Parking.

CONSOLIDATED PUBLIC WORKS FUNDING SUMMARY BY YEAR	ENTERPRISE BONDS	ENTERPRISE REVENUES	NDB	MSA	ASSM	OTHER/ REIMB	CITY TOTAL	NON APPROP
2005	21,870	3,916	15,675	8,449	10,094	20,787	80,791	59,710
2006	15,900	6,002	16,373	9,255	4,943	12,484	64,957	27,577
2007	32,500	5,635	12,575	6,225	5,479	9,894	72,308	4,000
2008	56,900	5,705	10,980	9,301	4,921	12,568	100,375	3,000
2009	28,000	5,310	11,680	7,382	5,265	19,192	76,829	3,000
Total Public Works Department Projects	155,170	26,568	67,283	40,612	30,702	74,925	395,260	97,287

Funding Breakdown by Major Revenue Sources (City Funded Portion Only)	39.26%	6.72%	17.02%	10.27%	7.77%	18.96%	100.00%
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**MISCELLANEOUS PROJECTS IN THE FIVE YEAR CAPITAL PROGRAM
COUNCIL ADOPTED BUDGET**

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2005	ART01	Art in Public Places	195	0	0	0	195	0
2006			200	0	0	0	200	0
2007			200	0	0	0	200	0
2008			200	0	0	0	200	0
2009			200	0	0	0	200	0
Total			995	0	0	0	995	0
2005	BIS01	BIS Capital Program	2,000	0	0	0	2,000	0
2006			2,000	0	0	0	2,000	0
2007			2,000	0	0	0	2,000	0
2008			2,000	0	0	0	2,000	0
2009			2,000	0	0	0	2,000	0
Total			10,000	0	0	0	10,000	0
2005	FIR01	Fire Training Campus - Phase IV	0	0	0	0	0	0
2006			100	0	0	0	100	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			100	0	0	0	100	0
2005	FIR02	Facility Improvements - Fire Station #17	0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			75	0	0	0	75	0
2008			880	0	0	0	880	0
2009			0	0	0	0	0	0
Total			955	0	0	0	955	0
2005	MPD01	MPD Forensic Laboratory	0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			0	0	0	0	0	0
2005	MPD02	MPD Evidence Unit	0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			0	0	0	0	0	0
2005	PSD03	Facilities-Space Improvements	428	0	0	0	428	0
2006			440	0	0	0	440	0
2007			450	0	0	0	450	0
2008			450	0	0	0	450	0
2009			450	0	0	0	450	0
Total			2,218	0	0	0	2,218	0

**MISCELLANEOUS PROJECTS IN THE FIVE YEAR CAPITAL PROGRAM
COUNCIL ADOPTED BUDGET**

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2005	PSD04	Facilities - Security Management	0	0	0	0	0	0
2006			0	0	0	0	0	0
2007			0	0	0	0	0	0
2008			0	0	0	0	0	0
2009			0	0	0	0	0	0
Total			0	0	0	0	0	0

FUNDING SUMMARY BY YEAR	NDB	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2005	2,623	0	0	0	2,623	0
2006	2,740	0	0	0	2,740	0
2007	2,725	0	0	0	2,725	0
2008	3,530	0	0	0	3,530	0
2009	2,650	0	0	0	2,650	0
Total Miscellaneous Projects	14,268	0	0	0	14,268	0

FIVE YEAR CAPITAL FUNDING SUMMARY COUNCIL ADOPTED BUDGET

GENERAL INFRASTRUCTURE IMPROVEMENTS FUNDING SUMMARY BY YEAR			NDB & Park Levy	MSA	ASSM	OTHER/ TRANSFERS	CITY TOTAL	NON APPROP
2005			21,892	8,449	10,594	18,547	59,482	60,830
2006			23,934	9,255	5,443	7,684	46,316	28,829
2007			19,889	6,225	5,979	5,654	37,747	4,920
2008			18,684	9,301	5,421	8,685	42,091	3,950
2009			18,894	7,382	5,765	14,192	46,233	4,140
Total General Infrastructure Improvements			103,293	40,612	33,202	54,762	231,869	102,669

ENTERPRISE FUND CAPITAL* FUNDING SUMMARY BY YEAR	ENTERPRISE BONDS	ENTERPRISE REVENUES	NDB	MSA	ASSM	OTHER/ REIMB	CITY TOTAL	NON APPROP
2005	21,870	3,916				5,000	30,786	0
2006	15,900	6,002				5,000	26,902	0
2007	32,500	5,635				5,000	43,135	0
2008	56,900	5,705				5,000	67,605	0
2009	28,000	5,310				5,000	38,310	0
Total Enterprise Fund Capital		155,170	26,568	0	0	0	25,000	206,738

* - Enterprise funds include Sewer, Water and Parking.

CONSOLIDATED CITY-WIDE CAPITAL FUNDING SUMMARY BY YEAR	ENTERPRISE BONDS	ENTERPRISE REVENUES	NDB & Park Levy	MSA	ASSM	OTHER/ REIMB	CITY TOTAL	NON APPROP
2005	21,870	3,916	21,892	8,449	10,594	23,547	90,268	60,830
2006	15,900	6,002	23,934	9,255	5,443	12,684	73,218	28,829
2007	32,500	5,635	19,889	6,225	5,979	10,654	80,882	4,920
2008	56,900	5,705	18,684	9,301	5,421	13,685	109,696	3,950
2009	28,000	5,310	18,894	7,382	5,765	19,192	84,543	4,140
Total City-Wide Capital - All Sources		155,170	26,568	103,293	40,612	33,202	79,762	438,607

Funding Breakdown by Major Revenue Sources (City Funded Portion Only)	35.38%	6.06%	23.55%	9.26%	7.57%	18.19%	100.00%
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**CITY OF MINNEAPOLIS
FIVE YEAR CAPITAL INVESTMENT ALLOCATION
COUNCIL ADOPTED BUDGET**

COMMISSION/BOARD/DEPARTMENT	2005-2009 TOTAL *	PERCENT OF TOTAL
	(in thousands)	
MUNICIPAL BUILDING COMMISSION	4,707	1.1%
LIBRARY BOARD	11,162	2.5%
PARK BOARD	13,210	3.0%
PUBLIC WORKS DEPARTMENT		
- FACILITY IMPROVEMENTS	17,562	4.0%
- STREET PAVING	101,064	23.0%
- STREETSAPES	4,852	1.1%
- SIDEWALK PROGRAM	10,645	2.4%
- HERITAGE PARK INFRASTRUCTURE	3,200	0.7%
- BRIDGES	22,781	5.2%
- TRAFFIC CONTROL & STREET LIGHTING	14,147	3.2%
- BIKE TRAILS	14,271	3.3%
- SEWER	40,967	9.3%
- WATER	165,591	37.8%
- PARKING	180	0.0%
PUBLIC WORKS DEPARTMENT TOTAL	395,260	90.1%
MISCELLANEOUS PROJECTS	14,268	3.3%
TOTAL COUNCIL ADOPTED CAPITAL PROGRAM	438,607	100.0%

* - Represents the total Five Year Council Adopted Capital Recommendation from City funding sources only.

2005 Capital Budget Decision Summary

Project ID	Project Title	Submitting Agency	Capital Budget Request	CLIC Recomm.	Mayor Recomm.	Council Adopted
ART01	Art in Public Places	CPED	195	0	400	195
MBC01	Life Safety Improvements	MBC	390	390	390	390
MBC02	Mechanical Systems Upgrade	MBC	570	570	570	570
MBC04	Tower and Interior Court Elevations	MBC	0	0	0	160
MPL02	Franklin Library Remodeling/Historic Preservation	Library Board	1,390	0	0	0
MPL05	East Lake Library Capital Improvements	Library Board	1,000	960	960	960
MPL10	North Regional Remodeling & Restoration	Library Board	1,525	1,525	1,525	1,525
MPL11	Walker Library Parking Deck Replacement	Library Board	800	0	0	0
MPL13	Hosmer Library Capital Improvements	Library Board	200	200	200	200
PRK01	Comm. & Neigh. Center Rehabilitation	Park Board	835	835	835	835
PRK02	Site and Totlot Rehabilitation	Park Board	700	700	700	700
PRK03	Rehabilitation of Shelter Buildings	Park Board	400	315	315	344
PRK04	Athletic Field Renovation	Park Board	650	475	475	475
PRK06	Service Center Rehabilitation	Park Board	175	0	0	0
PRK07	Tennis Court Rehabilitation	Park Board	150	0	0	0
PRK12	Community Skate Parks	Park Board	200	195	195	195
PRK13	Contingency & Inflation	Park Board	40	0	0	0
PRKDT	Diseased Tree Program	Park Board	500	500	500	500
PSD01	Facilities Repair and Improvements	PW - Property Services	1,500	1,500	1,500	1,500
PSD02	Public Works Facilities Program	PW - Property Services	2,150	2,150	0	0
PSD04	Facilities-Security Management	PW - Property Services	500	0	0	0
PSD05	Impound Lot Facility Expansion	PW - Property Services	200	0	0	0
PV001	Parkway Paving	PW - Paving	795	795	795	795
PV002	Miscellaneous Street Segments	PW - Paving	814	705	705	705
PV003	Street Renovation Program	PW - Paving	2,784	2,784	4,273	4,273
PV004	CSAH Paving Program	PW - Paving	1,000	1,000	1,000	1,000
PV006	Alley Renovation	PW - Paving	250	250	250	250
PV007	Southeast Minneapolis Industrial	PW - Paving	4,058	4,058	4,058	4,058
PV00R	Reimbursable Paving Projects	PW - Paving	3,500	3,500	3,500	3,500
PV017	Como Avenue Southeast	PW - Paving	4,236	4,236	4,236	4,236
PV025	Fremont Avenue N	PW - Paving	1,025	1,025	1,025	1,025
STS01	Lake Street Reconstruct/Streetscape (Segment 1)	PW - Paving	1,133	1,133	1,133	1,133
STS02	Lake Street Reconstruct/Streetscape (Segment 2)	PW - Paving	1,515	1,515	1,515	1,515
STS03	Lake St Reconstruct/Streetscape (Segment 3)	PW - Paving	2,204	2,204	2,204	2,204
SWK01	Defective Hazardous Sidewalks/Complete Gaps	PW - Sidewalks	1,920	1,920	1,920	1,920
CDA01	Heritage Park Redevelopment Project	CPED	4,600	2,650	1,700	1,700
BR101	Major Bridge Repair and Rehabilitation	PW - Bridges	200	200	200	200
BR109	Camden Avenue Bridge Rehabilitation	PW - Bridges	2,496	2,496	2,496	2,496
BR110	St Anthony Parkway Bridge & California St NE	PW - Bridges	6,858	6,858	6,858	6,858
BR115	Broadway and Central Ave Bridge Railing	PW - Bridges	0	0	390	390

2005 Capital Budget Decision Summary

Project ID	Project Title	Submitting Agency	Capital Budget Request	CLIC Recomm.	Mayor Recomm.	Council Adopted
TR002	Construct New 9th Ave S btwn Wash and 2nd Ave S	PW - Transportation	712	712	712	0
TR003	LED Replacement Program	PW - Transportation	0	175	500	500
TR005	Controller Convergence	PW - Transportation	400	400	400	400
TR006	Priority Vehicle Control System	PW - Transportation	425	425	425	425
TR007	Traffic Signal, Signing & Lighting Improvements	PW - Transportation	476	476	376	376
TR008	Parkway Street Lighting Replacement	PW - Transportation	200	375	1,000	1,000
TR00R	Reimbursable Transportation Projects	PW - Transportation	600	600	600	600
TR011	City Street Light Renovation	PW - Transportation	150	325	1,000	1,000
BIK01	Cedar Lake Trail (Phase 3)	PW - Transportation	2,160	2,160	2,160	2,160
BIK03	Loring Bikeway Project, Phase I & II	PW - Transportation	251	251	251	251
BIK06	University of Minnesota Trail (Phase 3)	PW - Transportation	988	988	988	988
BIK07	NE Diagonal Trail	PW - Transportation	2,872	2,872	2,872	2,872
BIK08	Hiawatha Trail Connections	PW - Transportation	1,061	0	0	0
BIK11	Plymouth Ave N Bike Lanes	PW - Transportation	0	0	125	125
BIK12	2nd St N Bike Lanes	PW - Transportation	0	0	50	50
BIK15	Bikeways Cleanup Project	PW - Transportation	0	0	25	25
BIK16	Northside Bikeway Connections Mayor Initiative	PW - Transportation	0	0	100	100
SW001	Storm Tunnel, Sanitary Tunnel & Sewer Rehab	PW - Sewer	2,800	2,500	2,500	2,500
SW002	Miscellaneous Storm Drains	PW - Sewer	220	220	220	220
SW004	Implementation of US EPA Storm Water Regulations	PW - Sewer	150	150	150	150
SW005	Combined Sewer Overflow Improvements	PW - Sewer	2,000	2,000	2,000	2,000
SW007	Park Board Capital Storm Drain	PW - Sewer	600	150	150	150
SW008	City Facilities - CSO Separation	PW - Sewer	100	100	100	100
SW00R	Reimbursable Sewer Construction	PW - Sewer	3,000	3,000	3,000	3,000
SW010	Flood Area 19 - W 44th St	PW - Sewer	330	0	330	330
SW015	Flood Area 27 - 38th St E to M'haha Creek	PW - Sewer	540	0	540	540
SW018	Flood Area 29&30-51st St & Zenith Ave S	PW - Sewer	1,480	0	0	0
SW028	Diamond Lake 35W 62 Water Quality Improvements	PW - Sewer	412	0	0	0
SW030	Alternative Stormwater Management Strategies	PW - Sewer	0	0	500	500
WTR02	New 40 Million Gallon Southwest Reservoir	PW - Water	3,000	0	0	0
WTR08	Complete SCADA System	PW - Water	1,656	1,656	1,656	1,656
WTR09	Ultrafiltration Program	PW - Water	27,540	27,540	12,500	12,500
WTR0R	Reimbursable Watermain Projects	PW - Water	2,000	2,000	2,000	2,000
WTR12	Water Distribution Improvements	PW - Water	4,485	4,485	4,485	4,485
WTR14	The MWW Facilities Security Improvement	PW - Water	3,000	0	0	0
WTR16	St. Paul/Minneapolis Interconnection	PW - Water	3,000	2,750	0	0
RMP02	Residential Parking Program	PW - Transportation	150	0	0	0
RMP03	Bicycle Parking	PW - Transportation	30	30	30	30
FIR01	Fire Training Campus	Fire Department	100	100	0	0
ITS01	Information Technology Capital Program	BIS Department	6,596	2,000	2,000	2,000

2005 Capital Budget Decision Summary

Project ID	Project Title	Submitting Agency	Capital Budget Request	CLIC Recomm.	Mayor Recomm.	Council Adopted
PSD03	Space Management-Functional Improvements	PW - Property Services	428	428	428	428
ESD01	Fleet Equipment Purchases	PW- Equipment	5,540	5,540	5,540	5,540
		TOTAL	132,910	112,052	96,536	95,808

2006 Capital Budget Decision Summary

Project ID	Project Title	Submitting Agency	Capital Budget Request	CLIC Recomm.	Mayor Recomm.	Council Adopted
ART01	Art in Public Places	CPED	200	0	400	200
MBC01	Life Safety Improvements	MBC	350	350	350	350
MBC02	Mechanical Systems Upgrade	MBC	570	570	570	570
MBC05	Moat/Inner Court Water Proofing	MBC	342	342	342	342
MPL05	East Lake Library Capital Improvements	Library Board	960	0	0	0
MPL06	Webber Park Library Capital Improvements	Library Board	200	400	200	200
MPL10	North Regional Remodeling & Restoration	Library Board	1,600	1,600	1,600	1,600
PRK01	Comm. & Neigh. Center Rehabilitation	Park Board	1,160	1,010	1,010	1,034
PRK04	Athletic Field Renovation	Park Board	1,050	825	825	825
PRK05	Tier 2 Athletic Fields	Park Board	200	200	0	0
PRK06	Service Center Rehabilitation	Park Board	300	0	0	0
PRK07	Tennis Court Rehabilitation	Park Board	150	0	0	0
PRK09	HVAC Improvements	Park Board	100	100	100	100
PRK11	Roof Replacement	Park Board	100	0	0	0
PRK12	Community Skate Parks	Park Board	200	0	0	0
PRK13	Contingency & Inflation	Park Board	70	0	0	0
PRKDT	Diseased Tree Program	Park Board	500	500	500	500
PSD01	Facilities Repair and Improvements	PW - Property Services	1,500	1,500	1,500	1,500
PSD02	Public Works Facilities Program	PW - Property Services	3,479	3,479	5,029	5,029
PSD04	Facilities-Security Management	PW - Property Services	500	0	0	0
PSD05	Impound Lot Facility Expansion	PW - Property Services	1,294	0	0	0
PV001	Parkway Paving	PW - Paving	738	400	400	400
PV003	Street Renovation Program	PW - Paving	6,463	5,963	4,226	4,226
PV004	CSAH Paving Program	PW - Paving	1,000	1,000	1,000	1,000
PV005	Snelling Avenue Extension	PW - Paving	0	0	400	400
PV006	Alley Renovation	PW - Paving	313	313	313	313
PV007	Southeast Minneapolis Industrial	PW - Paving	3,021	3,021	3,021	3,021
PV008	I-35W & Lake St Interchange Reconstruction	PW - Paving	2,100	2,100	2,100	2,100
PV009	I-35W Crosstown Interchange Reconstruction	PW - Paving	485	485	485	485
PV00R	Reimbursable Paving Projects	PW - Paving	3,500	3,500	3,500	3,500
PV015	27th Avenue South	PW - Paving	7,014	7,014	7,014	7,014
PV022	Lyndale Ave N (Plymouth - Broadway)	PW - Paving	2,613	2,613	2,613	2,613
SWK01	Defective Hazardous Sidewalks/Complete Gaps	PW - Sidewalks	2,015	2,015	2,015	2,015
CDA01	Heritage Park Redevelopment Project	CPED	3,900	2,650	1,500	1,500
BR101	Major Bridge Repair and Rehabilitation	PW - Bridges	200	200	200	200
BR102	East River Parkway Bridge	PW - Bridges	0	0	1,185	1,185
TR003	LED Replacement Program	PW -Transportation	490	490	200	200
TR005	Controller Converison	PW - Transportation	400	400	400	400
TR006	Priority Vehicle Control System	PW - Transportation	425	425	425	425
TR007	Traffic Signal, Signing & Lighting Improvements	PW - Transportation	331	331	331	331

2006 Capital Budget Decision Summary

Project ID	Project Title	Submitting Agency	Capital Budget Request	CLIC Recomm.	Mayor Recomm.	Council Adopted
TR008	Parkway Street Lighting Replacement	PW - Transportation	133	395	395	395
TR00R	Reimbursable Transportation Projects	PW - Transportation	600	600	600	600
BIK01	Cedar Lake Trail (Phase 3)	PW - Transportation	300	300	300	300
SW001	Storm Tunnel, Sanitary Tunnel & Sewer Rehab	PW - Sewer	2,800	2,500	2,500	2,500
SW002	Miscellaneous Storm Drains	PW - Sewer	220	220	220	220
SW004	Implementation of US EPA Storm Water Regulations	PW - Sewer	150	150	150	150
SW005	Combined Sewer Overflow Improvements	PW - Sewer	2,000	2,000	2,000	2,000
SW007	Park Board Capital Storm Drain	PW - Sewer	700	0	0	0
SW008	City Facilities - CSO Separation	PW - Sewer	400	400	400	400
SW00R	Reimbursable Sewer Construction	PW - Sewer	3,000	3,000	3,000	3,000
SW018	Flood Area 29&30-51st St & Zenith Ave S	PW - Sewer	1,525	0	0	0
WTR02	New 40 Million Gallon Southwest Reservoir	PW - Water	11,000	0	0	0
WTR09	Ultrafiltration Program	PW - Water	41,000	41,000	5,000	5,000
WTR0R	Reimbursable Watermain Projects	PW - Water	2,000	2,000	2,000	2,000
WTR12	Water Distribution Improvements	PW - Water	4,500	4,500	4,500	4,500
WTR14	The MWW Facilities Security Improvement	PW - Water	2,000	0	0	0
WTR15	Pump Station No. 4 Rehabilitation	PW - Water	6,000	6,000	6,000	6,000
WTR16	St. Paul/Minneapolis Interconnection	PW - Water	3,000	2,750	0	0
RMP02	Residential Parking Program	PW - Transportation	150	0	0	0
RMP03	Bicycle Parking	PW - Transportation	35	35	35	35
FIR01	Fire Training Campus	Fire Department	2,950	0	100	100
ITS01	Information Technology Capital Program	BIS Department	6,596	2,000	2,000	2,000
MPD01	MPD Forensic Laboratory	Police Department	828	0	0	0
PSD03	Space Management-Functional Improvements	PW - Property Services	440	440	440	440
ESD01	Fleet Equipment Purchases	PW- Equipment	6,140	6,140	6,140	6,140
TOTAL			148,300	118,226	79,534	79,358

2007 Capital Budget Decision Summary

Project ID	Project Title	Submitting Agency	Capital Budget Request	CLIC Recomm.	Mayor Recomm.	Council Adopted
ART01	Art in Public Places	CPED	200	0	400	200
MBC01	Life Safety Improvements	MBC	350	300	300	300
MBC02	Mechanical Systems Upgrade	MBC	570	435	435	435
MPL06	Webber Park Library Capital Improvements	Library Board	1,500	1,260	1,260	1,500
MPL09	Nokomis Library Capital Improvements	Library Board	200	200	200	200
MPL10	North Regional Remodeling & Restoration	Library Board	660	660	660	660
PRK01	Comm. & Neigh. Center Rehabilitation	Park Board	1,550	1,065	865	889
PRK02	Site and Totlot Rehabilitation	Park Board	0	165	165	165
PRK03	Rehabilitation of Shelter Buildings	Park Board	250	250	250	250
PRK04	Athletic Field Renovation	Park Board	1,350	675	675	675
PRK07	Tennis Court Rehabilitation	Park Board	150	150	150	150
PRK09	HVAC Improvements	Park Board	125	125	125	125
PRK11	Roof Replacement	Park Board	100	0	0	0
PRK13	Contingency & Inflation	Park Board	70	0	0	0
PRKDT	Diseased Tree Program	Park Board	500	500	500	500
PSD01	Facilities Repair and Improvements	PW - Property Services	2,000	1,000	1,000	1,000
PSD02	Public Works Facilities Program	PW - Property Services	3,000	3,000	3,000	3,000
PSD04	Facilities-Security Management	PW - Property Services	500	0	0	0
PSD05	Impound Lot Facility Expansion	PW - Property Services	200	0	0	0
PV001	Parkway Paving	PW - Paving	850	770	770	770
PV003	Street Renovation Program	PW - Paving	3,947	3,296	3,556	3,556
PV004	CSAH Paving Program	PW - Paving	1,000	1,000	1,000	1,000
PV005	Snelling Avenue Extension	PW - Paving	0	0	400	400
PV006	Alley Renovation	PW - Paving	313	267	267	267
PV007	Southeast Minneapolis Industrial	PW - Paving	4,058	4,058	4,058	4,058
PV009	I-35W Crosstown Interchange Reconstruction	PW - Paving	485	485	485	485
PV00R	Reimbursable Paving Projects	PW - Paving	3,500	3,500	3,500	3,500
PV031	27th Ave NE RR Crossing	PW - Paving	175	175	175	175
PV032	LaSalle Ave S	PW - Paving	4,296	4,296	4,296	4,296
SWK01	Defective Hazardous Sidewalks/Complete Gaps	PW - Sidewalks	2,130	2,130	2,130	2,130
CDA01	Heritage Park Redevelopment Project	CPED	0	2,650	1,500	1,500
BR101	Major Bridge Repair and Rehabilitation	PW - Bridges	200	200	200	200
BR105	Fremont Ave South Bridge	PW - Bridges	1,017	1,017	1,017	1,017
TR003	LED Replacement Program	PW -Transportation	0	0	300	300
TR005	Controller Conversion	PW - Transportation	500	500	400	400
TR006	Priority Vehicle Control System	PW - Transportation	413	413	413	413
TR007	Traffic Signal, Signing & Lighting Improvements	PW - Transportation	456	456	456	456
TR008	Parkway Street Lighting Replacement	PW - Transportation	0	175	175	175
TR00R	Reimbursable Transportation Projects	PW - Transportation	600	600	600	600
BLK01	Cedar Lake Trail (Phase 3)	PW - Transportation	250	250	250	250

2007 Capital Budget Decision Summary

Project ID	Project Title	Submitting Agency	Capital Budget Request	CLIC Recomm.	Mayor Recomm.	Council Adopted
BIK04	18th Avenue NE Bikeway	PW - Transportation	50	50	50	50
SW001	Storm Tunnel, Sanitary Tunnel & Sewer Rehab	PW - Sewer	2,800	2,500	2,500	2,500
SW002	Miscellaneous Storm Drains	PW - Sewer	220	220	220	220
SW004	Implementation of US EPA Storm Water Regulations	PW - Sewer	150	150	150	150
SW005	Combined Sewer Overflow Improvements	PW - Sewer	2,000	2,000	2,000	2,000
SW007	Park Board Capital Storm Drain	PW - Sewer	800	0	0	0
SW00R	Reimbursable Sewer Construction	PW - Sewer	3,000	3,000	3,000	3,000
SW019	Flood Area 8 - 3rd St N from 22nd Ave N to 25th	PW - Sewer	1,061	0	0	0
SW020	Flood Area 21 - Hiawatha Golf Course Bancroft	PW - Sewer	3,897	0	0	0
SW021	Flood Area 39 - Storm Drain along 36th from 48th	PW - Sewer	1,529	0	0	0
SW022	Flood Area 14 - Clinton Ave & E 38th St Storm Dr	PW - Sewer	1,324	0	0	0
WTR02	New 40 Million Gallon Southwest Reservoir	PW - Water	11,000	0	3,000	3,000
WTR09	Ultrafiltration Program	PW - Water	19,920	19,920	20,000	20,000
WTR0R	Reimbursable Watermain Projects	PW - Water	2,000	2,000	2,000	2,000
WTR12	Water Distribution Improvements	PW - Water	4,400	4,400	4,400	4,400
WTR15	Pump Station No. 4 Rehabilitation	PW - Water	5,000	5,000	5,000	5,000
WTR16	St. Paul/Minneapolis Interconnection	PW - Water	7,000	6,750	0	0
RMP02	Residential Parking Program	PW - Transportation	150	0	0	0
RMP03	Bicycle Parking	PW - Transportation	40	40	40	40
FIR01	Fire Training Campus	Fire Department	1,863	0	0	0
FIR02	New Fire Station 14	Fire Department	75	75	75	75
ITS01	Information Technology Capital Program	BIS Department	6,596	2,000	2,000	2,000
MPD01	MPD Forensic Laboratory	Police Department	6,158	0	0	0
MPD02	MPD Evidence Unit	Police Department	3,088	0	0	0
PSD03	Space Management-Functional Improvements	PW - Property Services	453	450	450	450
ESD01	Fleet Equipment Purchases	PW- Equipment	6,240	6,240	6,240	6,240
TOTAL			128,279	90,818	87,058	87,122

2008 Capital Budget Decision Summary

Project ID	Project Title	Submitting Agency	Capital Budget Request	CLIC Recomm.	Mayor Recomm.	Council Adopted
ART01	Art in Public Places	CPED	200	0	400	200
MBC01	Life Safety Improvements	MBC	350	300	300	300
MBC02	Mechanical Systems Upgrade	MBC	600	400	400	400
MPL06	Webber Park Library Capital Improvements	Library Board	117	117	117	117
MPL09	Nokomis Library Capital Improvements	Library Board	2,600	2,280	2,280	2,600
PRK01	Comm. & Neigh. Center Rehabilitation	Park Board	2,025	1,000	800	824
PRK02	Site and Totlot Rehabilitation	Park Board	230	230	230	230
PRK03	Rehabilitation of Shelter Buildings	Park Board	250	250	250	250
PRK04	Athletic Field Renovation	Park Board	825	145	145	145
PRK07	Tennis Court Rehabilitation	Park Board	150	0	0	0
PRK09	HVAC Improvements	Park Board	150	125	125	125
PRK11	Roof Replacement	Park Board	150	100	100	100
PRK12	Community Skate Parks	Park Board	0	200	200	200
PRK13	Contingency & Inflation	Park Board	75	0	0	0
PRKDT	Diseased Tree Program	Park Board	500	500	500	500
PSD01	Facilities Repair and Improvements	PW - Property Services	2,000	1,000	1,000	1,000
PSD02	Public Works Facilities Program	PW - Property Services	1,400	1,400	2,000	2,000
PSD04	Facilities-Security Management	PW - Property Services	500	0	0	0
PSD05	Impound Lot Facility Expansion	PW - Property Services	200	0	0	0
PV001	Parkway Paving	PW - Paving	750	550	550	550
PV003	Street Renovation Program	PW - Paving	6,038	3,538	3,069	3,069
PV004	CSAH Paving Program	PW - Paving	1,000	1,000	1,000	1,000
PV006	Alley Renovation	PW - Paving	406	267	267	267
PV009	I-35W Crosstown Interchange Reconstruction	PW - Paving	485	485	485	485
PV00R	Reimbursable Paving Projects	PW - Paving	3,500	3,500	3,500	3,500
PV020	Loring Greenway	PW - Paving	1,500	1,500	1,500	1,500
PV023	28th Ave South	PW - Paving	5,480	5,480	5,480	5,480
PV029	Chicago Ave S E 14th St to E 28th St	PW - Paving	6,278	6,278	6,278	6,278
SWK01	Defective Hazardous Sidewalks/Complete Gaps	PW - Sidewalks	2,235	2,235	2,235	2,235
BR101	Major Bridge Repair and Rehabilitation	PW - Bridges	200	200	200	200
TR003	LED Replacement Program	PW -Transportation	140	140	0	0
TR005	Controller Converison	PW - Transportation	500	500	400	400
TR006	Priority Vehicle Control System	PW - Transportation	425	425	425	425
TR007	Traffic Signal, Signing & Lighting Improvements	PW - Transportation	642	641	581	581
TR008	Parkway Street Lighting Replacement	PW - Transportation	250	250	250	250
TR00R	Reimbursable Transportation Projects	PW - Transportation	600	600	600	600
TR010	Adaptive Control Expansion	Public Works	2,100	0	0	0
BIK11	Plymouth Ave N Bike Lanes	PW - Transportation	125	0	0	0
BIK12	2nd St N Bike Lanes	PW - Transportation	50	0	0	0
BIK13	RiverLake Greenway East of I-35W	PW - Transportation	1,000	1,000	1,000	1,000

2008 Capital Budget Decision Summary

Project ID	Project Title	Submitting Agency	Capital Budget Request	CLIC Recomm.	Mayor Recomm.	Council Adopted
BIK14	Midtown Greenway Bridge over Mississippi River	PW - Transportation	2,100	1,950	1,950	1,950
BIK15	Bikeways Cleanup Project	PW - Transportation	25	0	0	0
SW001	Storm Tunnel, Sanitary Tunnel & Sewer Rehab	PW - Sewer	2,800	2,800	2,800	2,800
SW002	Miscellaneous Storm Drains	PW - Sewer	220	220	220	220
SW004	Implementation of US EPA Storm Water Regulations	PW - Sewer	150	150	150	150
SW007	Park Board Capital Storm Drain	PW - Sewer	900	0	0	0
SW00R	Reimbursable Sewer Construction	PW - Sewer	3,000	3,000	3,000	3,000
SW023	Flood Area 5 - New Storm Drain to Crystal Lake	PW - Sewer	5,652	0	0	0
SW024	Flood Area 22 - Sibley Field	PW - Sewer	669	0	0	0
WTR02	New 40 Million Gallon Southwest Reservoir	PW - Water	6,000	0	11,000	11,000
WTR09	Ultrafiltration Program	PW - Water	0	0	40,000	40,000
WTR0R	Reimbursable Watermain Projects	PW - Water	2,000	2,000	2,000	2,000
WTR12	Water Distribution Improvements	PW - Water	4,400	4,400	4,400	4,400
WTR15	Pump Station No. 4 Rehabilitation	PW - Water	4,000	4,000	4,000	4,000
WTR16	St. Paul/Minneapolis Interconnection	PW - Water	6,000	6,000	0	0
RMP02	Residential Parking Program	PW - Transportation	150	0	0	0
RMP03	Bicycle Parking	PW - Transportation	35	35	35	35
FIR02	New Fire Station 14	Fire Department	880	880	880	880
ITS01	Information Technology Capital Program	BIS Department	6,596	2,000	2,000	2,000
MPD01	MPD Forensic Laboratory	Police Department	3,234	0	0	0
MPD02	MPD Evidence Unit	Police Department	492	0	0	0
PSD03	Space Management-Functional Improvements	PW - Property Services	467	450	450	450
TOTAL			95,796	64,521	109,552	109,696

2009 Capital Budget Decision Summary

Project ID	Project Title	Submitting Agency	Capital Budget Request	CLIC Recomm.	Mayor Recomm.	Council Adopted
ART01	Art in Public Places	CPED	200	0	400	200
MBC01	Life Safety Improvements	MBC	350	300	300	300
MBC02	Mechanical Systems Upgrade	MBC	600	400	400	400
MBC04	Tower and Interior Court Elevations	MBC	95	95	95	95
MBC06	Clock Tower Upgrade	MBC	95	95	95	95
MPL09	Nokomis Library Capital Improvements	Library Board	1,600	1,280	1,280	1,600
PRK01	Comm. & Neigh. Center Rehabilitation	Park Board	600	725	725	725
PRK02	Site and Totlot Rehabilitation	Park Board	700	700	700	700
PRK04	Athletic Field Renovation	Park Board	1,450	350	350	374
PRK06	Service Center Rehabilitation	Park Board	500	0	0	0
PRK07	Tennis Court Rehabilitation	Park Board	500	150	150	150
PRK09	HVAC Improvements	Park Board	150	0	0	0
PRK11	Roof Replacement	Park Board	150	125	125	125
PRK13	Contingency & Inflation	Park Board	65	0	0	0
PRKDT	Diseased Tree Program	Park Board	500	500	500	500
PSD01	Facilities Repair and Improvements	PW - Property Services	2,000	1,500	1,500	1,500
PSD02	Public Works Facilities Program	PW - Property Services	1,033	1,033	1,033	1,033
PSD04	Facilities-Security Management	PW - Property Services	500	0	0	0
PV001	Parkway Paving	PW - Paving	850	725	725	725
PV002	Miscellaneous Street Segments	PW - Paving	3,636	0	0	0
PV003	Street Renovation Program	PW - Paving	4,666	3,991	3,515	3,515
PV004	CSAH Paving Program	PW - Paving	1,000	1,000	1,000	1,000
PV006	Alley Renovation	PW - Paving	500	500	500	500
PV00R	Reimbursable Paving Projects	PW - Paving	3,500	3,500	3,500	3,500
PV019	Sixth Avenue North	PW - Paving	1,779	1,779	1,779	1,779
PV021	33rd Avenue SE and Talmage Avenue	PW - Paving	3,065	3,065	3,065	3,065
PV026	Cedar Lake Road	PW - Paving	2,860	0	0	0
PV027	Hennepin Lyndale West	PW - Paving	1,645	1,645	1,645	1,645
PV028	E 22nd St and Snelling	PW - Paving	832	832	832	832
PV030	Alley Retaining Wall Renovation Program	PW - Paving	268	0	0	0
STS04	LRT Station Area Improvements	PW - Paving	200	0	0	0
SWK01	Defective Hazardous Sidewalks/Complete Gaps	PW - Sidewalks	2,345	2,345	2,345	2,345
BR101	Major Bridge Repair and Rehabilitation	PW - Bridges	200	200	200	200
BR102	East River Parkway Bridge	PW - Bridges	1,614	0	0	0
BR111	10th Avenue SE Bridge Arch Rehabilitation	PW - Bridges	5,795	5,795	5,795	5,795
BR112	Nicollet Avenue Bridge from Lake St to 29th St	PW - Bridges	3,540	3,540	3,540	3,540
BR114	29th St Corridor Bridge Rehab Program	PW - Bridges	500	500	500	500
TR001	New Traffic Signals	PW -Transportation	130	130	130	130
TR003	LED Replacement Program	PW -Transportation	500	500	475	475
TR004	Computerized Traffic Signal Control Expansion	PW - Transportation	136	136	136	136

2009 Capital Budget Decision Summary

Project ID	Project Title	Submitting Agency	Capital Budget Request	CLIC Recomm.	Mayor Recomm.	Council Adopted
TR005	Controller Conversions	PW - Transportation	500	500	400	400
TR006	Priority Vehicle Control System	PW - Transportation	325	325	325	325
TR007	Traffic Signal, Signing & Lighting Improvements	PW - Transportation	529	529	529	529
TR008	Parkway Street Lighting Replacement	PW - Transportation	500	0	0	0
TR00R	Reimbursable Transportation Projects	PW - Transportation	600	600	600	600
TR011	City Street Light Renovation	PW - Transportation	300	300	300	300
BIK04	18th Avenue NE Bikeway	PW - Transportation	4,000	4,000	4,000	4,000
BIK11	Plymouth Ave N Bike Lanes	PW - Transportation	0	125	0	0
BIK12	2nd St N Bike Lanes	PW - Transportation	0	50	0	0
BIK14	Midtown Greenway Bridge over Mississippi River	PW - Transportation	0	150	150	150
SW001	Storm Tunnel, Sanitary Tunnel & Sewer Rehab	PW - Sewer	4,000	4,000	4,000	4,000
SW002	Miscellaneous Storm Drains	PW - Sewer	220	220	220	220
SW004	Implementation of US EPA Storm Water Regulations	PW - Sewer	150	150	150	150
SW007	Park Board Capital Storm Drain	PW - Sewer	900	0	0	0
SW00R	Reimbursable Sewer Construction	PW - Sewer	3,000	3,000	3,000	3,000
SW025	Flood Area 18 Garfield Ave W 47 St Pleasant Ave	PW - Sewer	3,720	0	0	0
SW027	Flood Mitigation Area 25 E 45 St Nicollet to 1st	PW - Sewer	1,597	0	0	0
SW029	Diamond Lake 35W 62 Water Quality Improvements	PW - Sewer	589	0	0	0
WTR02	New 40 Million Gallon Southwest Reservoir	PW - Water	0	0	17,000	17,000
WTR09	Ultrafiltration Program	PW - Water	0	0	7,500	7,500
WTR0R	Reimbursable Watermain Projects	PW - Water	2,000	2,000	2,000	2,000
WTR12	Water Distribution Improvements	PW - Water	0	4,400	4,400	4,400
WTR18	Hennepin Maintenance Facility	PW - Water	500	0	0	0
RMP02	Residential Parking Program	PW - Transportation	150	0	0	0
RMP03	Bicycle Parking	PW - Transportation	40	40	40	40
ITS01	Information Technology Capital Program	BIS Department	6,596	2,000	2,000	2,000
PSD03	Space Management-Functional Improvements	PW - Property Services	481	450	450	450
TOTAL			81,346	60,275	84,399	84,543

ASSESSOR

Mission Statement:

The mission of the Minneapolis City Assessor's Office is to serve the taxpayers of the city by valuing and classifying real property in an accurate and equitable manner as prescribed by state law. The office also supports government funding, planning and information needs.

Primary Businesses:

Assessment – Perform the assessment function for all real estate and appropriate personal property.

- Valuation – Estimate the annual value of all taxable property and maintain property descriptions; review and/or defend values as necessary.
- Classification – Classify and process parcels and owners qualifying for homestead status, exempt status or special classifications.
- Internal Support – Support City initiatives, property tax programs, Minneapolis School District, and other City departments.

Key Trends and Challenges Impacting the Department:

The City Assessor's Office has identified the following significant trends and challenges that will impact its Office:

- Continual court cases due to a weak office market and a growing "industry" in the field of property tax appeals; the number of cases for payable 2004 did decline by 10% from payable 2003.
- Future retirement of experienced staff members.
- The phase-out of limited market value and other state law changes, shifting property tax burdens from commercial/industrial property to residential property.

Key Initiatives or Other Models of Providing Service to be implemented in 2005

The City Assessor's Office has identified the following Key Initiatives that will be implemented in 2005:

- Expand use and improve functionality of Computer Assisted Mass Appraisal (CAMA) to include neighborhood commercial and industrial properties.
- Work with other City departments to improve the usefulness and accessibility of property related data to other departments and the public. Attempt to create practices shared across departments such as use codes, etc. Ensure that practices are maintained that preserve data in a current and accurate manner.
- Increase functionality of Assessor's public website.

Primary Business: Assessment of all real estate and appropriate personal property

Description of Primary Business: This business line includes estimating the annual valuation of all taxable property; maintaining property descriptions; classifying and processing parcels and owners qualifying for homestead status, exempt status or special classifications; responding to all formal owner/taxpayer valuation appeals and requests for property reviews; supporting City initiatives, property tax programs, Minneapolis School District, and other City departments; and verifying and maintaining records of property transfers.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Informal and formal appeals as a % of taxable parcels	+/- 1,800 or 1.6%	+/- 1,500 or 1.3%	+/- 2,000 or 1.6%	+/- 1,800 or 1.6%	+/- 2,200 or 2.0%
% of levy collected	98.445%	98.320%	98.571%	98.5%	98.7%
Residential Coefficient of Dispersion	est. 13%	est 12%	est 12%	11.3%	11.5%
Change due to appeals	est. 1.3%	est 1.5%	est. 1.3%	est. 1.3%	est. 1.2%
Dollar change from market forces / new construction	2,210mm/190mm	3,266mm/514mm	2,122mm/537mm	2,309mm/335mm	2424mm/241mm
Average Assmt / Sale Ratio	87.5%	87.6%	89.5%	89.7%	90.0%
Percent of parcels inspected	26.2%	25.7%	25.5%	21%	20%
Number of equalization changes	est. 30,000	est. 29,000	est. 29,000	22,500	22,000
Value change on appeals	est. 2%	est. 2%	est. 2%	2%	2%
Appeals upheld by Boards	est. 80%	est. 80%	est. 80%	86%	85%
Informal appeals resolved	est. 70%	est. 70%	est. 70%	75%	75%
State/County deadlines met	100%	100%	100%	100%	100%
Change orders to County	est. 2.5%	est. 2.5%	est. 2.2%	2.2%	2.0%
Reviews started in 5 days	est. 85%	est. 90%	est. 90%	93%	95%
Significant Exempt Changes	Stable	Stable	Stable	Some reduction	Stable
Transfers entered in 5 days	est. 70%	est. 75%	est. 80%	85%	90%
Number of exempt reviews	est. 100	est. 100	est. 100	1800	100
Accuracy by random sample	n/a	n/a	est. 98%	98%	98%
Enterprise projects	MPRA Board, various comm.	MPRA Board, various comm.	MPRA Board, various comm.	MPRA Board, Dev. Work Flow Comm.	as requested
Number of transfers posted	est. 7500	est. 8000	est. 8000	8000	8000

Explanation of Key Performance Measures: Some of the data presented are estimates. There are statistical measures to test the level of uniformity in the assessment. These measures are reviewed continually. They indicate that residential property is relatively uniformly assessed but neighborhood commercial property needs additional efforts by the office.

Some law changes have eased some of the work load on the office such as the "sun setting" of the This Old House program. This has been offset by the increase in Tax Court appeals from payable 2000 through payable 2003.

Financial Analysis:

EXPENDITURE

The Assessor budget increases from \$2.78 million in 2004 to \$3.1 million in 2005, a \$324,000 or 11.7% increase.

The budget for this department includes \$279,000 in BIS charges calculated on a city-wide rate model and \$5,900 for benefits administration. Both charges were centrally budgeted in the past. Backing out these charges, the 2005 Assessor's budget is \$2.8 million, a 1% increase over the 2004 Adopted budget.

In 2005, the total number of positions is 34.5, the same level as 2004.

REVENUE

Revenue in 2005 is projected to increase slightly from \$131,000 to \$134,000. The bulk of these revenues are from payment in lieu of taxes (PILOT) paid by nonprofit nursing homes through agreements in the Community Planning and Economic Development (CPED) department's work.

FUND ALLOCATION

One hundred percent of the Assessor's budget comes out of the General Fund.

MAYOR'S RECOMMENDED BUDGET

No changes were recommended by the Mayor.

ADOPTED BUDGET

No changes were adopted by the Council.

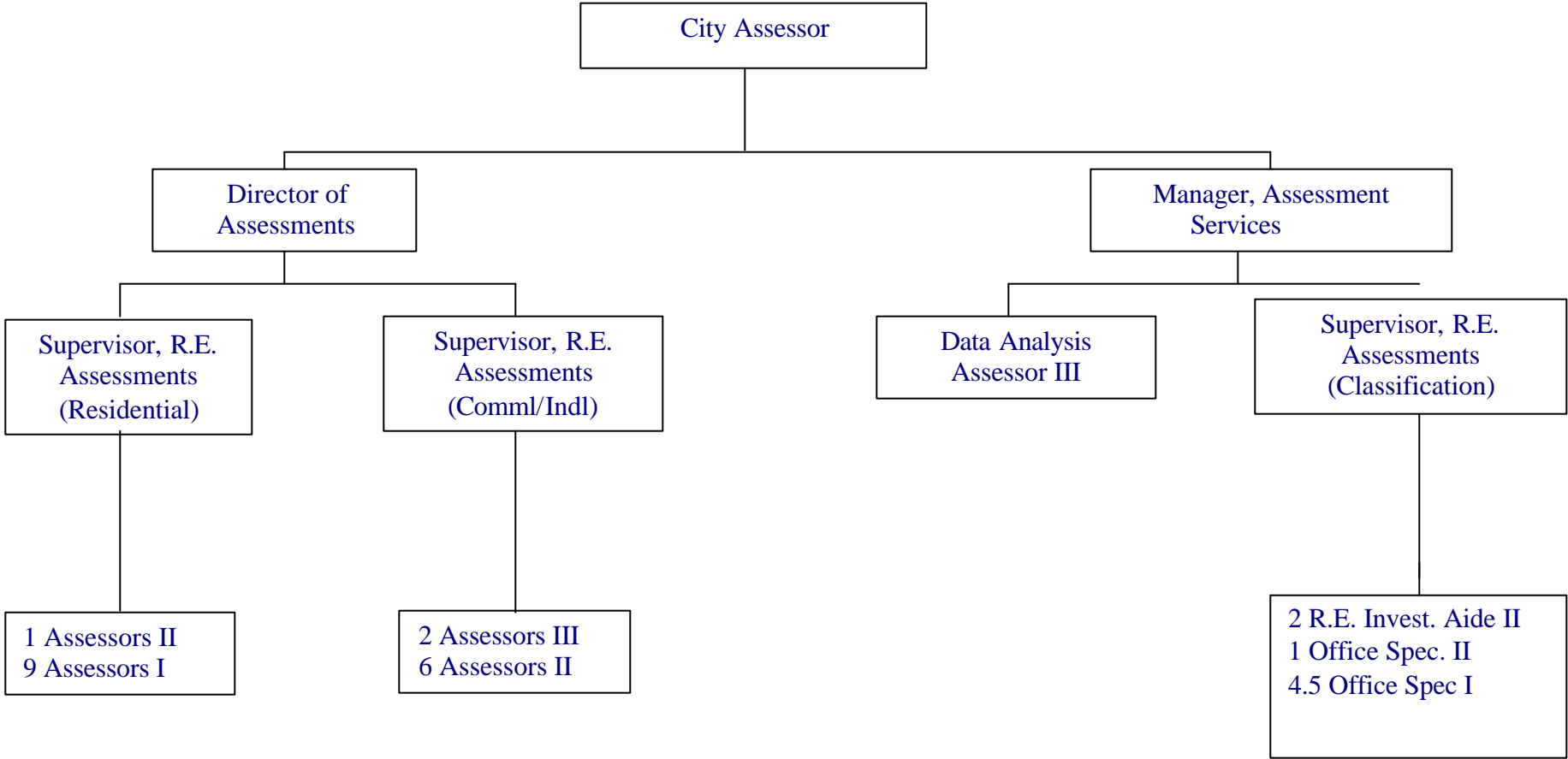
**ASSESSOR
Staffing Information**

	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Total FTE's	35.50	35.50	34.50	34.50	0.00%	-

Target Strategies:

No target strategies were requested for this department.

ORGANIZATIONAL CHART
MINNEAPOLIS DEPARTMENT OF ASSESSOR
As of 6-1-2003



(cb)
(jsrinfo\org chart 1100)

**ASSESSOR
Expense Information**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
General Fund - City						
Capital Outlay	25,455	0	517	524	1.4%	7
Contractual Services	308,712	277,092	211,979	486,921	129.7%	274,942
Equipment	0	0	1,033	1,047	1.4%	14
Fringe Benefits	398,490	423,956	515,544	559,333	8.5%	43,789
Operating Costs	151,671	138,751	152,937	156,712	2.5%	3,775
Salaries and Wages	1,741,847	1,744,022	1,894,604	1,896,525	0.1%	1,921
Total for General Fund - City	2,626,175	2,583,821	2,776,614	3,101,062	11.7%	324,448
Special Revenue Funds						
Contractual Services	0	0	0	0		0
Salaries and Wages	0	0	0	0		0
Total for Special Revenue Funds	0	0	0	0		0
Total for ASSESSOR	2,626,175	2,583,821	2,776,614	3,101,062	11.7%	324,448

ASSESSOR
Revenue Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
General Fund - City						
Charges for Sales	196	118	0	0	0.0%	0
Charges for Service	4,374	1,472	1,000	1,000	0.0%	0
Interest	0	133	0	0	0.0%	0
Other Misc Revenues	395	21	0	0	0.0%	0
Property Taxes	131,722	161,942	130,000	133,000	2.3%	3,000
<i>Total for General Fund - City</i>	136,687	163,686	131,000	134,000	2.3%	3,000
Total for ASSESSOR	136,687	163,686	131,000	134,000	2.3%	3,000

CITY ATTORNEY

Mission Statement:

The mission of the City Attorney's Office (CAO) is to do justice, hold offenders accountable, enhance the public's sense of safety in their communities, and to deliver high quality, cost effective legal services that are responsive to the City's adopted policies, goals, and objectives.

Primary Businesses:

- Do justice, hold offenders accountable, and enhance the public's sense of safety in their communities.
- Deliver high quality, cost effective legal services that are responsive to the City's adopted policies, goals, and objectives.

Key Trends and Challenges Impacting the Department:

TRENDS IN PUBLIC SAFETY

The City Attorney's Office continues to enhance public safety through its three-prong strategy: (1) aggressive prosecution of livability crime; (2) proactive involvement in improving the criminal justice system; and (3) active collaboration with neighborhoods on community justice. The number of criminal cases prosecuted each year is declining. Criminal Division caseload for CY2003 was 35,393. In contrast, the Office handled 43,981 cases in CY2002, 44,970 cases in CY2001; 51,808 cases in CY2000, 55,027 cases in CY1999 and 63,887 cases in CY1998.

TRENDS IN CIVIL LEGAL SERVICES

The Civil Division CY2004 projected caseload is 869, a significant increase from 724 in CY2003 and 683 in CY2002. The increase is cause for concern, especially in light of the City's five-year financial plan. As the City Attorney's Office civil caseload increases, the ability of the Office to deliver timely non-litigation services may be impaired given the resources allocated to the Civil Division in the five-year financial plan.

SIGNIFICANT CHALLENGES

The following highlights the four major challenges facing the City Attorney's Office in 2004-2008:

1. Purchasing and Installing Effective Technological Systems in the Office

The Criminal Division's prosecution case management system is inadequate. Because the Division prosecutes a high volume of cases, the lack of an effective system impairs the Division's ability to effectively manage the caseload and the human resources in the Division. Further, the community expects access to information about active cases. Citizen access to this information is important for individual feelings of safety and for the public to have confidence in its criminal justice system. A fully functioning case management system that produces accessible information should result in our citizens being more willing to report crime, testify as witnesses, and be more active in their neighborhoods. Finally, without an adequate prosecution case management system, the City will not be able to connect to CriMNet, the state-wide integrated criminal justice system that is currently being developed and phased into criminal justice agencies and the Minnesota Court Information System (MNCIS).

2. Dedicating Stable Sources of Funding to Support Adequate Staffing in the Criminal Division

Since 1997, federal Local Law Enforcement Block grants (LLEBG) have been used to fund a number of positions in the Office's Criminal Division so that the Office could aggressively prosecute livability offenses in the City. Although the City has appropriately capitalized on the availability of federal grant

dollars to fund Criminal Division positions, federal block grant dollars are not a reliable long term source of funding and have been declining. The formula for awarding federal LLEBG grant dollars is based on the Part 1 crime rate, which has decreased in recent years. Accordingly, the amount the City receives through the federal grant also has decreased. Historically, there were 6 positions in the Criminal Division funded through federal LLEBG dollars. Effective October 1, 2004, the federal LLEBG allocation was reduced significantly and currently funds only 2 positions.

3. Implementing Cost Effective Ways to Meet our Obligations to Victims of Crime

For many years, the City Attorney's Office has provided crime victim/witness liaison services, including those services required by the Minnesota Victim's Rights Law. In recent years, the City has contracted with the Council on Crime and Justice (CCJ) to provide these services. Before the contract was awarded to the CCJ in 2001, the City Attorney's Office, with the assistance of the Human Resources Department and the Finance Department, conducted an extensive analysis of the alternatives for delivering these services. This analysis concluded that it was less expensive for an outside vendor to deliver the same level of services than if the services were provided by City employees. Accordingly, the City entered into a new contract with CCJ which is in effect from January 1, 2002 through December 31, 2004. The three-year cost to the City under this contract is \$862,604. This represents an increase of \$178,692 - a 26% increase over the earlier three-year contract which had a total cost of \$683,912.

4. Redesigning the Managerial and Supervisory Structure to Address "Span of Control" Problem

Effective organizational management dictates that each manager and supervisor have a reasonable number of direct reports to supervise. This principle is referred to as "span of control". Organizational management experts suggest that the effective "span of control" ranges for direct reports are from 5 to 12. In determining the appropriate number, factors that are considered include whether the work being performed is routine or complex, the qualifications and experience of the staff, and the motivations of the employees. The "span of control" for the support positions in the Office is adequate; the "span of control" for supervision of the Office's attorneys is inadequate. Based on the recommendations of a year-long workforce planning analysis, the Office, the Human Resources Department, and Century College collaborated to develop a "Team Leader Development Program" that will be completed before the end of 2004. The curriculum includes 12 workshops focusing on five goals:

- a. Understanding organizational alignment within the City of Minneapolis;
- b. Acquiring practical tools and techniques to turn potential conflict to positive teamwork;
- c. Knowledge of the nature of the team's work and its capabilities;
- d. Growth of individual's abilities to know, understand and apply standards for work quality;
- e. Team leaders leading team members to work produce work assignments in a timely, efficient and effective manner.

Key Initiatives or Other Models of Providing Service to be implemented in 2005

1. Litigate and contain the City's liability exposure by defending claims and lawsuits that result from the City's risk generating activities.
2. Minimize the City's liability by analyzing the Minneapolis Police Department's (MPD) key liability indicators from previous years, design a training curriculum to address the MPD's response to requests for services, and train identified MPD sworn and civilian personnel at scheduled in-service classes and at precinct roll calls.
3. Provide legal advice on the revision of the City Charter.
4. Support the City's elected officials and departments by providing high quality legal advice.
5. Support the work of the independent boards and commissions by providing high quality, cost effective written advice and legal services.

6. Assist the Ethical Practices Board in developing Board procedures and rules and implementing the City's new ethics ordinance.
7. Prosecute chronic offenders identified by the Minneapolis Police Department (MPD) and the City Attorney's Office by seeking significant jail time or other appropriate sanctions.
8. Enhance the Office's prosecution of perpetrators of domestic violence.
9. Design, acquire, install and implement a new prosecution case management system.
10. Continue nuisance night hearing pilot program for certain livability offenses committed in 1st precinct.
11. Continue collaboration with the Hennepin County District Court to operate a Mental Health Court that includes a strong focus on the impact of mental health issues on livability crime.
12. Continue the Community Attorney assignments in the First, Third and Fourth Police precincts and expand program to the Second and Fifth precincts.
13. Collaborate with the City's neighborhood restorative justice programs to address livability concerns.

OTHER MODELS OF PROVIDING SERVICES

1. Purchase insurance for civil liability matters.
2. Assess actual costs of defending civil litigation against the responsible department, including any judgments, attorney's fees and costs.
3. Charge non-departmental City functions for the actual costs of civil legal services.
4. Provide only victim/witness services required by State law.
5. Perform grant funded activities only to the extent of grant funding.
6. Increase offenses on the "payables list."

Primary Business: Deliver high quality, cost effective legal services that are responsive to the City's adopted policies, goals, and objectives

Description of Primary Business: The City Attorney's Office provides proactive legal advice and training to the Office's primary clients, the Mayor and City Council, to the City departments and independent boards and commissions and their staffs.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Total liability payouts resulting from the City's risk generating activities	\$2,891,079	\$1,977,733	\$10,292,339 (Seigel, et al = \$8,250,752) \$2,041,587	\$3,250,000	\$2,125,000
Number of adverse matters open at year's end	697	683	624	869	912
Number of adverse matters closed during year	390	453	493	666	699
Increase by 5% number of adverse matters closed during year	47%	16%	8%	35%	5%
Develop training plan and curriculum and deliver training to MPD sworn and civilian personnel	3,187	518	835	806	846
Number of new assignments (non-litigation) opened during the year	1,265	945	908	1,171	1,272
Number of assignments (non-litigation) closed during year	1,153	1,153	878	1,120	1,176
Increase by 5% number of new assignments (non-litigation) closed during year	13%	0%	-24%	28%	5%
Percentage of City Council and committee meetings staffed	100%	100%	100%	100%	100%
Number of new assignments opened during the year for City's boards and commissions	117	156	170	108	113
Number of new assignments closed during the year for City's boards and commissions	109	151	157	192	201
Increase by 5% number of new assignments closed during the year for City's boards & commission	17%	39.5%	4%	35%	5%

Explanation of Key Performance Measures: The 5% standards are new performance measures for 2004-2008. They were added during the business planning process. The data for 2001-2003 were derived by applying the new performance measure.

Primary Business: Do justice, hold offenders accountable, and enhance the public's sense of safety in their communities

Description of Primary Business: The City Attorney's Office continues to enhance public safety through three service activity strategies:

- (1) Aggressively prosecute livability crimes that occur in the City of Minneapolis;
- (2) Continue proactive involvement in improving the criminal justice system;
- (3) Actively collaborate with neighborhoods on community justice.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Percentage of chronic offenders identified by the Police Department and the City Attorney's Office that were prosecuted	100%	100%	100%	100%	100%
Percentage of chronic offenders who did not reoffend within 12 months	58%	58%	11%	66%	66%
Percentage of domestic violence cases resulting in a conviction	50%	53%	47.5%	50%	52%
Number of traffic cases sent to court from Violations Bureau	6,362	6,724	8,973	13,196	12,000
Maintain active involvement with the Criminal Justice Coordinating Committee	Attended all CJCC meetings; work related to CriMNet planning	Attended all CJCC meetings; worked on CriMNet implementation	Attended all CJCC meetings; continued work on CriMNet implementation; MNCIS	Attended all CJCC meetings; continued work on CriMNet implementation; MNCIS	Attended all CJCC meetings; continued work on CriMNet implementation; MNCIS
Participate in partnerships to improve the criminal justice system	Continued prescreening of all cases; continued participation in the "Minneapolis Impact Calendar" and Community Court and the Domestic Violence Court	Continued prescreening of all cases; continued participation in the "Minneapolis Impact Calendar" and Community Court, Domestic Violence Court, and the Mental Health Court	Continued prescreening of all cases; continued participation in the "Minneapolis Impact Calendar" and Comm. Court, Domestic Violence Court, Mental Health Court. Worked on a Livability Crimes Court	Continued prescreening of all cases; continued participation in the "Minneapolis Impact Calendar" and Comm. Court, Domestic Violence Court, Mental Health Court. Worked on a Livability Crimes Court	Continued prescreening of all cases; continued participation in the "Minneapolis Impact Calendar" and Comm. Court, Domestic Violence Court, Mental Health Court. Worked on a Livability Crimes Court
Number of cases referred to Central City Neighborhoods Partnership (CCNP) Restorative Justice Program	132	79	176	193	212
Number of cases referred to Midtown Restorative Justice Program	99	122	105	116	127
Increase by 10% expansion of neighborhood cases referred to restorative justice programs	47%	-30%	-13%	10%	10%
Number of community meetings attended by Community Attorneys	-	320	506	590	840
Number of individuals trained by Community Attorneys	-	320	1,126	1,827	2,741
Increase by 10% assistance to community in preparing community impact statements on cases of interest to the community	-	-	-	350	595

Financial Analysis:

EXPENDITURE

The City Attorney 2005 budget is 7% or \$762,000 higher than the 2004 Adopted Budget across all funds. Most of the increase is attributable to personnel costs, mainly healthcare, which was budgeted to increase by 19%.

The budget for this department includes \$553,000 in BIS charges calculated on a city-wide rate model and \$16,800 for benefits administration. These charges have been centrally budgeted in the past. Backing out these charges, the 2005 City Attorney's budget is \$10.5 million, a 1.9% increase over the 2004 Adopted Budget.

REVENUE

The City Attorney's revenue budget reflects an increase in state grant funding. Federal Grant Funding (LLBEG) is expected to decrease in 2005.

FUND ALLOCATION

The main funding sources for the City Attorney's Office are the General Fund (51%) and the Self-Insurance Fund (45%). The remaining 4% of funding is derived from the Federal Grants Fund and Other Grants Fund. The 2005 General Fund budget for the Attorney's office increases by 12% and the Self-Insurance Fund Budget increases by 4.5%.

MAYOR'S RECOMMENDED BUDGET

In the Criminal Division, the Mayor recommended a reduction of 2.13 positions as a result of reduced Local Law Enforcement Block Grant (LLEBG) funds and a 0.5 position reduction for the Hennepin County Attorney's office (Byrne grant). The Mayor recommended the addition of 2 Assistant Attorney positions and 1.5 positions funded through a Community Prosecution Grant. The Mayor reduced the department's budget by \$208,000 to keep it in line with the five-year financial direction. In the Civil Division, a reduction of 1 position is made in the Self-insurance fund. Added to the City Attorney's budget are operating costs of \$12,000 from the General Fund for the Ethical Practices Board. The Mayor also recommended reclassification of 2 Attorney positions to Paralegal positions. Further it was recommended that a temporary attorney position be continued through December 31, 2006 to perform legal duties in place of the attorney assigned to the Central Library.

ADOPTED BUDGET

The Council Adopted the Mayor's Recommendations and a one-time increase in the Attorney's budget by \$75,000 for alternative violence prevention strategies.

ATTORNEY Staffing Information

	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	% Change	% Change
FTE's by Division						
Criminal	63.83	60.96	57.63	58.50	1.51%	0.87
Civil	47.67	49.67	43.50	42.50	0.00%	-
Total FTE's	111.50	110.63	101.13	101.00	-0.13%	(0.13)

City Attorney

**Deputy City Attorney
Civil**

**Manager
Administration**

**Deputy City Attorney
Criminal**

Central Library
Project

Litigation
Team Leader

Client Services
Team Leader

Domestic Assault
Team Leader

Special Prosecutions
Team Leader

Charging/Screening
Team Leader

Trial Team A
Team Leader

Trial Team B
Team Leader

Risk Mgmt.

Public Safety

Regulatory Svcs/
Code Compl. Unit

CPED

Contracts/Opinions

Human
Resources

Environmental/
Transportation

**ATTORNEY
Expense Information**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
General Fund - City						
Contractual Services	771,064	767,736	918,727	1,128,362	22.8%	209,635
Fringe Benefits	591,755	582,745	736,972	854,760	16.0%	117,788
Operating Costs	182,210	182,401	190,115	193,832	2.0%	3,717
Salaries and Wages	2,830,781	2,726,771	3,167,072	3,425,528	8.2%	258,456
Total for General Fund - City	4,375,810	4,259,653	5,012,886	5,602,482	11.8%	589,596
Internal Service Funds						
Contractual Services	599,296	490,493	750,746	731,034	-2.6%	-19,712
Fringe Benefits	626,772	682,236	716,833	856,372	19.5%	139,539
Operating Costs	165,223	158,802	55,208	142,315	157.8%	87,107
Salaries and Wages	2,873,578	2,937,295	3,250,624	3,256,643	0.2%	6,019
Total for Internal Service Funds	4,264,869	4,268,826	4,773,411	4,986,364	4.5%	212,953
Special Revenue Funds						
Contractual Services	29,203	6,000	0	0		0
Fringe Benefits	87,291	61,898	105,719	118,065	11.7%	12,346
Operating Costs	13,495	1,404	0	0		0
Salaries and Wages	428,620	264,279	390,481	337,458	-13.6%	-53,023
Total for Special Revenue Funds	558,609	333,581	496,200	455,523	-8.2%	-40,677
Total for ATTORNEY	9,199,287	8,862,060	10,282,497	11,044,369	7.4%	761,872

ATTORNEY
Revenue Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
General Fund - City						
Charges for Sales	0	0	0	0	0.0%	0
Charges for Service	15,163	20,215	17,000	17,000	0.0%	0
Other Misc Revenues	131	0	91,000	91,000	0.0%	0
Total for General Fund - City	15,293	20,215	108,000	108,000	0.0%	0
Internal Service Funds						
Charges for Service	282,162	285,799	297,278	297,278	0.0%	0
Other Misc Revenues	3,984	12,429	3,000	3,000	0.0%	0
Total for Internal Service Funds	286,146	298,228	300,278	300,278	0.0%	0
Special Revenue Funds						
Federal Government	94,950	-11,091	496,200	436,769	-12.0%	-59,431
Local Government	32,968	0	0	0	0.0%	0
State Government	-34,918	0	0	30,000	0.0%	30,000
Total for Special Revenue Funds	93,000	-11,091	496,200	466,769	-5.9%	-29,431
Total for ATTORNEY	394,439	307,352	904,478	875,047	-3.3%	-29,431

CITY CLERK

Mission Statement:

The City Clerk Department exists to coordinate and maintain high quality, cost-effective information for Council Members, City staff and the public, so that effective and responsible decisions can be made to govern the city. We conduct elections that facilitate the maximum participation of all eligible voters in the City of Minneapolis.

Primary Businesses:

- Information Management
- Council Administration
- Printing and Mailing Services for City Departments
- Elections, Voter Registration and Passports

Key Trends and Challenges Impacting the Department:

1. Enterprise Information Management (EIM): The evolution of new systems to support City business processes has changed the way information is created and managed internally. The City needs to develop and implement policies, procedures and tools to provide the necessary foundation and framework by which electronic systems and records will be created, accessed and managed.
2. Citizen Access to Information and External strategies to increase citizen participation: The City Clerk Department will continue efforts to provide fast, accurate and easily accessible, quality information to the public concerning Council issues and actions. With enterprise enhancements to e-government, the Department will continue to develop additional automated tools to provide cost effective, efficient access to information.
3. New Election Requirements due to the 2002 Federal Help America Vote Act (HAVA): The City Clerk Department Elections Office has been actively involved in interpreting the impact of this new federal law that was passed in response to voting problems during the 2000 presidential elections in many states, but fortunately not Minnesota. The full impact of this federal legislation remains to be seen, however, election officials statewide are working to fully implement this legislation to continue to facilitate this fundamental right.
4. Technology: The Department faces technological challenges with custom database applications used throughout the department and with imaging systems.
5. Resources: The City Clerk Department has seen a significant reduction in staff over the past several years, yet the department has made a strong commitment to support the City Council and citizens, particularly as it relates to access to information. The reduction in resources presents a number of challenges across the City.

Key Initiatives or Other Models of Providing Service to be implemented in 2005

ENTERPRISE INFORMATION MANAGEMENT (EIM) INITIATIVE

City business that was once conducted manually is now being conducted electronically. The information required to support and document City business processes and transactions has changed. Paper-based records systems are now computerized. These systems manage information in more complex and diverse electronic data structures. New and ever increasing regulations and accountability requirements being issued by federal and state government compound the problems

caused by trying to effectively manage the City's electronic business transactions. All of these changes create new complexities in how the City creates and manages its information.

The EIM program is designed to create a standardized governance framework of policies, procedures and application tools for the life cycle management of electronic information resources across the enterprise. This program is jointly shared between the City Clerk Department and Business Information Services (BIS) and governed by a Policy Board that includes the City Coordinator, City Attorney, Chief Information Officer and the City Clerk.

OTHER INITIATIVES

The City Clerk Department has identified the following strategies to respond to challenges and realize opportunities over the next five years:

1. Information Management: Reorganize to support EIM initiative
2. Citizen Access to Information: External strategies to increase citizen participation
3. Document Imaging and Metadata Services: Centralized Imaging Services
4. Council Administration and Support: Coordinate move toward independent ward administration
5. Printing and Mailing Services: Identify other methods of providing service
6. Elections, Voter Registration and Passports: Respond to legislative changes and create efficiencies

Primary Business: Information Management

Description of Primary Business:

1. Coordinate Council committee activities
 - Provide administrative services to City Council standing committees and special committees, Executive committee, Charter Commission, Committee of the Whole and City Council meetings to insure that all proceedings follow legal requirements and are accurately recorded
 - Schedule Council committee meetings
 - Collect information from all city departments for committee action
 - Prepare and distribute paper and electronic agendas and packets
 - Record and transcribe minutes of committee meetings, write referrals and committee reports
 - Review all committee actions to ensure accuracy
 - Petition correspondence for the permanent record
 - Prepare Council actions for publication in Finance and Commerce and on the City Web site
 - Respond to requests for information from city staff and the public
 - Update department procedures relating to Council process
 - Train city staff about council policies and procedures
 - Provide verbatim transcriptions services for administrative law judges
2. Guide the City's management of electronic and paper records
 - Provide uniform and consistent guidance for the management of all City records including existing paper, and electronic records and records created from evolving technologies such as e-mail, Web postings, GIS and electronic commerce
 - Maintain and manage inactive records held in the City Records Center and the collection of historical records held in the City Archives
 - Research and communicate the statutory, legal and regulatory requirements governing electronic record keeping
 - Oversee data practices mandates that govern public access and privacy protection
 - Provide retention guidance to departments in the scheduling of electronic and paper records
 - Manage Enterprise Information Management (EIM) standards and practices for all city departments, consistent with other local, state and national jurisdictions

3. Provide public access to Council information

- Manage the codification process for the Code and Charter
- Maintain City Council Official Proceedings as the permanent record for the City
- Publish Council actions in Finance and Commerce and on the Web, and maintain official publication records
- Provide certified copies of Council actions.
- Provide information on past and current Council actions and Council activities and ordinances
- Proofread all Council actions to ensure accuracy
- Catalog Council proceedings and associated documents; index official proceedings and compile, bind and distribute to departments and libraries
- Provide individual technology support to Clerk and Council staff, including Web services and manage the department's technology systems
- Provide document imaging services

4. Provide public access to information about City services and coordinate citizen participation through City boards and commissions

- Coordinate Domestic Partner registration, Encroachments, Street and Alley Vacations, Board of Equalization and Council Permits
- Administer Oaths of Office and provide Notary services
- Coordinate the Open Appointment process for city boards and commissions

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
% Response to current and historical inquiries fulfilled within statutorily defined timeframes	no data	100%	100%	100%	100%
% Council proceedings proofread, indexed and published to the Web within five working days	100%	100%	100%	100%	100%

Primary Business: Council Administration

Description of Primary Business: Provide administrative support services for the City Clerk and Council Offices including budget and purchasing management, technology support, human resource assistance, and facilities management.

- Manage budgets for the Council and City Clerk Department through preparation and oversight, interdepartmental transfer of funds, expense reimbursement, purchasing, invoice paying, contract management and inventory control
- Coordinate human resources through hiring, orientation, training, performance review, coordinating temporary help and payroll
- Manage facilities for the Council and City Clerk Department
- Serve as a liaison between the Council and BIS to provide technological services to Council Members and staff
- Develop policies and procedures

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
% of workforce: people of color	12%	21.3%	15%	15%	15%
% of workforce: female	73.5%	74.5%	72.5%	72.5%	72.5%

Primary Business: Copy Center and Mail Center

Description of Primary Business: Provide mail service and high quality, low cost copying and duplicating services to all departments located in City Hall and the downtown area.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
% of orders completed within customer time frame meeting quality expectations	98%	98%	98%	98%	

Explanation of Key Performance Measures: Discussions are in progress to possibly turn these functions over to the County in 2005.

Primary Business: Elections, Voter Registration and Passports

Description of Primary Business: Administer election process for up to 250,000 registered voters at 131 voting precincts; Serve as a Passport Acceptance Agency for the federal government.

- Conduct well-organized and accurate elections that facilitate the maximum participation of all Minneapolis residents eligible to vote
- Ensure that all elections are in compliance with Federal, State and City election laws
- Supply voter registration cards and election information to the public
- Coordinate and conduct election activities by preparing equipment, ballots, obtaining and staffing polling places, and organizing support staff and materials
- Administer the absentee voting process
- Administer candidate filing process
- Recruit, test, hire, assign, train, evaluate and pay election judges
- Conduct required testing of ballots and equipment
- Publish required election notices and results
- Provide election results and precinct detail of elections
- Administer the filing requirements of the City's Ethics Ordinance and State Statutes for local government officials
- Process applications for federal passports
- Take passport photos

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Average cost per ballot cast per type of election (combined primary/general)	\$6.08	\$5.27	na	\$6.22	\$5.95
% of precincts reporting results within 30 minutes of polls closing	85%	90%	na	90%	90%
Satisfaction of voting experience - number of sustained complaints of election practices not meeting statutory requirements	not available	not available	na		
Percent of absentee ballot requests processed within 24 hours	100%	100%	na	100%	100%

Explanation of Key Performance Measures: Measuring voter satisfaction is a new performance measure for the Elections Office. A new state statute will allow for a method of tracking complaints based on new Federal requirements for the Help America Vote Act.

Financial Analysis:

EXPENDITURE

Effective beginning in 2005, the Office of the City Clerk and Elections & Registrations budget reflects the Election Judges salaries as a contractual expenditure rather than positions. Only permanent positions will now be accounted for in Elections and Registration; prior position counts were included as election judge positions.

The budget for this department includes \$161,500 in BIS charges calculated on a city-wide rate model and \$7,800 for benefits administration. Both were centrally budgeted in the past. Backing out these charges, the 2005 Office of the City Clerk & Election's budget is \$3.2 million, a 1.4% increase over the 2004 Adopted Budget.

REVENUE

Internal Service Fund revenue in the City's Print Shop and Copy Center operations is equally offset by operations expenses, as planned in the Intergovernmental Services workout plan.

FUND ALLOCATION

The Office of the City Clerk's budget is funded primarily in the General Fund (54%), while Print Shop and Copy Center operations are internal service fund activities (46%). The Elections & Registration's division expense budget of \$964,000 is funded 100% from the General Fund.

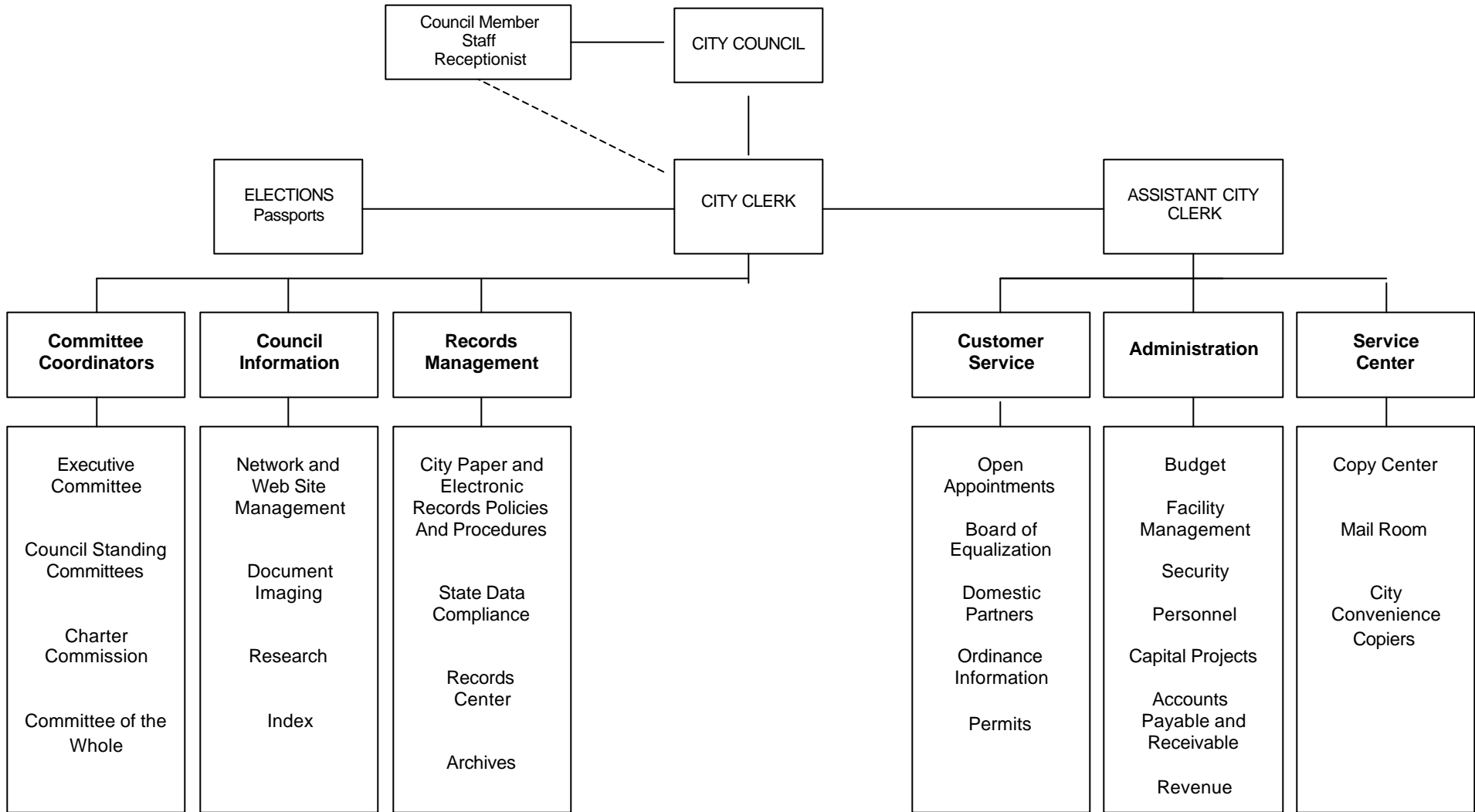
MAYOR'S RECOMMENDED BUDGET & ADOPTED BUDGET

The Office of Elections & Registrations was scheduled for a \$50,000 reduction to growth in spending in their five-year plan. The Mayor recommended and the Council concurred delaying this reduction to 2007, a non-election year. The department was granted an additional position for an Office Support Specialist position without appropriating additional funds; savings through leaves of absence without pay and retirements will cover the cost. Finally, the 2005 Adopted budget allowed for a one-time replacement of a Convenience Copier/Printer but postpones replacement of document imaging equipment.

**CITY CLERK
Staffing Information**

	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
FTE's by Division						
Operations	21.00	18.00	14.00	15.00	7.14%	1.00
Central Mailing	0.80	0.80	0.80	0.80	0.00%	-
Central Copy Center	4.70	4.70	4.70	4.70	0.00%	-
Elections & Registration	27.75	24.00	26.70	6.00	-77.53%	(20.70)
Total FTE's	54.25	47.50	46.20	26.50	-42.64%	(19.70)

Minneapolis City Clerk 2004 Organization Chart



**CITY CLERK
Expense Information**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
General Fund - City						
Contractual Services	493,102	199,724	112,321	283,308	152.2%	170,987
Equipment	9,575	7,676	5,000	10,070	101.4%	5,070
Fringe Benefits	519,339	194,103	260,262	206,230	-20.8%	-54,032
Operating Costs	247,224	34,353	18,891	22,403	18.6%	3,512
Salaries and Wages	2,082,351	825,960	748,336	783,436	4.7%	35,100
Total for General Fund - City	3,351,591	1,261,816	1,144,810	1,305,447	14.0%	160,637
Internal Service Funds						
Contractual Services	672,115	519,945	575,617	552,469	-4.0%	-23,148
Equipment	205,989	81,791	95,000	125,330	31.9%	30,330
Fringe Benefits	36,810	44,793	61,433	66,530	8.3%	5,097
Operating Costs	192,409	146,801	160,617	163,261	1.6%	2,644
Salaries and Wages	146,759	153,708	196,857	203,729	3.5%	6,872
Total for Internal Service Funds	1,254,081	947,037	1,089,524	1,111,319	2.0%	21,795
Special Revenue Funds						
Contractual Services	2,496	0	0	0		0
Fringe Benefits	59	0	0	0		0
Salaries and Wages	774	0	0	0		0
Total for Special Revenue Funds	3,329	0	0	0		0
Total for CITY CLERK	4,609,001	2,208,853	2,234,334	2,416,766	8.2%	182,432

CITY CLERK - ELECTIONS
Expense Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
General Fund - City						
Contractual Services	175,503	115,218	202,639	562,212	177.4%	359,573
Equipment	2,827	4,805	5,167	5,239	1.4%	72
Fringe Benefits	84,705	66,468	77,370	72,210	-6.7%	-5,160
Operating Costs	48,969	29,653	27,009	27,727	2.7%	718
Salaries and Wages	674,616	311,512	618,985	296,320	-52.1%	-322,665
Total for General Fund - City	986,621	527,656	931,170	963,708	3.5%	32,538
Total for CITY CLERK - ELECTION	986,621	527,656	931,170	963,708	3.5%	32,538

**CITY CLERK
Revenue Information**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
General Fund - City						
Charges for Sales	1,893	239	1,000	1,000	0.0%	0
Charges for Service	8,400	3,300	8,000	8,000	0.0%	0
Licenses and Permits	16,865	5,377	5,000	5,000	0.0%	0
Other Misc Revenues	9,132	539	2,000	1,000	-50.0%	-1,000
Total for General Fund - City	36,290	9,455	16,000	15,000	-6.3%	-1,000
Internal Service Funds						
Charges for Service	1,450,811	1,113,831	1,089,524	1,111,319	2.0%	21,795
Gains	-555	-2,514	0	0	0.0%	0
Other Misc Revenues	-58,754	0	0	0	0.0%	0
Total for Internal Service Funds	1,391,502	1,111,317	1,089,524	1,111,319	2.0%	21,795
Special Revenue Funds						
Contributions	2,500	-4	0	0	0.0%	0
Local Government	714	0	0	0	0.0%	0
Total for Special Revenue Funds	3,214	-4	0	0		0
Total for CITY CLERK	1,431,006	1,120,768	1,105,524	1,126,319	1.9%	20,795

CITY CLERK - ELECTIONS
Revenue Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
General Fund - City						
Charges for Sales	345	34	1,000	1,000	0.0%	0
Charges for Service	202,500	67,706	67,500	75,554	11.9%	8,054
Local Government	116,196	0	0	0	0.0%	0
Other Misc Revenues	240	0	0	0	0.0%	0
Rents	100	0	0	8,000	0.0%	8,000
<i>Total for General Fund - City</i>	319,381	67,739	68,500	84,554	23.4%	16,054
Total for CITY CLERK - ELECTIONS	319,381	67,739	68,500	84,554	23.4%	16,054

CITY COORDINATOR

Mission Statement:

The mission of the City Coordinator's Office is to provide leadership, direction and accountability in establishing City policy and priorities and to continually improve the management systems and regulatory services of the City.

Primary Businesses:

- Policy Development and Implementation - The City Coordinator acts as a policy advisor to the Mayor and City Council and ensures that project implementation is accountable and consistent with Mayor and Council direction.
- Management Oversight - The City Coordinator oversees the City's management departments, regulatory services, Minneapolis Convention Center and Emergency Communications Center to ensure cost-effective, high-quality service and public accountability.

Key Trends and Challenges Impacting the Department:

The City Coordinator conducted an environmental scan of the following four activities to determine the trends and challenges that will most significantly impact the department over the next five years:

- 1) A macro review of current demographic and economic trends;
- 2) An internal analysis of the City's budgetary issues;
- 3) A Strength Weaknesses Opportunities and Threats (SWOT) analysis with the Assistant City Coordinators to assess the department's internal strengths and weaknesses; and
- 4) Interviews with key department heads to gauge customers' perceptions about the department.

Key Initiatives or Other Models of Providing Service to be implemented in 2005

Special projects arise annually and are dictated by political and community trends. This makes it difficult to predict and plan for key projects and initiatives. Projects led by the Coordinator in the past have been as varied as the implementation of CPED to the redesign of the Police Civilian Review Authority to development of the Ethics Code to limited English proficiency planning. Over the next year, however, key management initiatives have been identified and include the following:

- Guiding the City through financial planning to manage the pressures on the long-term budget situation (Finance);
- Implementing One-Stop-Shop and its quality control (Regulatory Services);
- Monitoring the Unisys contract and continuous improvement of internal and external technology services (e-government) (BIS);
- Diversifying the workforce to reflect the City's population (Human Resources);
- Implementing the 311/Common Contact Center (BIS and MECC);
- Systematizing the consolidation of the communication functions throughout the organization (Communications).

Based on the results of the SWOT analysis, one key initiative that the Coordinator's Office will lead is the Improvement of Internal Customer Service. Integrating the City's management systems to improve efficiencies in responding to customer needs is a major goal of the business plan. A management committee will be created to regularly review customer complaints, improve data accountability and develop methods for improving the management systems. Staffed by the Finance, Human Resources and BIS departments, this committee will develop regular customer surveys and create a work plan with performance measures for annual review by the City Coordinator.

Primary Business: Policy Development and Implementation

Description of Primary Business: The City Coordinator acts as a policy advisor to the Mayor and City Council and ensures that project implementation is accountable and consistent with Mayor and Council direction.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Adoption of citywide goals and outcomes.	n/a	n/a	Adopted 1/2003	100%	100%
% of departments with a completed business plan, reviewed by City Council.	n/a	n/a	n/a	87%	100%
Key city policies addressed and approved by Council that increase revenue or significantly decrease spending.	n/a	n/a	n/a	5-Year Financial Direction	
Key special projects coordinated by the City Coordinator	n/a	n/a	n/a	Limited English Proficiency Development Review Center 311 - Common Call Center	
% of Department Heads that consider biweekly Department Head meetings useful and productive.	n/a	n/a	n/a	Survey in late 2004	
% of Executive Committee members who deem the Executive Committee useful and productive.	n/a	n/a	n/a	Survey in late 2004	

Explanation of Key Performance Measures: Many of the Coordinator's activities as they relate to policy development are difficult to measure. One of the Coordinator's key tasks is to advise and consult the Mayor and Council on a variety of issues which is difficult to measure quantitatively on an annual basis. Performance measures for this service activity reflect the initiatives led by the Coordinator by simply listing them, which demonstrates the proactive development of key city policies by the Coordinator.

Primary Business: Management Oversight

Description of Primary Business: The City Coordinator oversees the City's management departments, regulatory services, Minneapolis Convention Center and Emergency Communications Center to ensure cost-effective, high-quality in service and public accountability.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
% of City Coordinator departments that stay within approved budget.	n/a	n/a	100%	100%	100%
% of women and people of color in Coordinator departments.	n/a	n/a	Women - 50% People of Color - 27%	Women - 51% People of Color - 26%	

Explanation of Key Performance Measures: The measures of this service activity reflect the Coordinator's role as the manager of these key functions. Ultimately, the Coordinator is accountable for the success/failures of the management departments and these measures highlight the aggregate achievements of all the Assistant City Coordinator departments.

Financial Analysis:

EXPENDITURE

The 2005 budget for the City Coordinator/Administration's department is \$693,000, a 70% increase over the 2004 Adopted Budget. The budget for this department includes \$226,000 in BIS charges calculated on a city-wide rate model and \$500 for benefits administration. Both charges were centrally budgeted in the past. Backing out these charges, the 2005 City Coordinator/Administration's budget is \$467,000, a 14% increase over the 2004 Adopted Budget.

REVENUE

This department does not generate revenue.

FUND ALLOCATION

One hundred percent of the City Coordinator/Administration budget comes from the General Fund.

MAYOR'S RECOMMENDED BUDGET AND ADOPTED BUDGET

The Mayor's Recommended Budget for 2005 supported the City Coordinator/Administration's request of one-time funds of \$150,000 for a One Call/One Stop Coordinator. The Council removed the one-time funds and one position for a One Call/One Stop Coordinator. Funding for a Deputy City Coordinator position was reallocated from the Finance department.

The Council also reduced the department's General Fund allocation by \$75,000 so that the Police Department's General Fund allocation could be increased by \$75,000. The \$75,000 reduction was taken from the City Coordinator's departments and not just City Coordinator Administration; the Administration's portion is \$1,000. The other Coordinator departments affected departments include: Human Resources - \$7,000 reduction, Communications - \$3,000 reduction, Finance - \$27,000 reduction, IGR - \$2,000 reduction, and Regulatory Services - \$35,000 reduction.

**CITY COORDINATOR ADMINISTRATION
Staffing Information**

	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
FTE's by Division						
Administration	5.00	4.00	3.00	3.00	0.00%	-
Office of Cultural Affairs	4.00	-	-	-	-	-
Total FTE's	9.00	4.00	3.00	3.00	0.00%	-

Target Strategies:

No target strategies were requested for this department.

BUSINESS INFORMATION SERVICES

Mission Statement:

Provide effective and reliable information services to support the efficient management of City government, provide easy access to City products and services, and allow for measurement of City business units' performance.

Primary Businesses:

- Business Development Services
- Business Support Services

Key Trends and Challenges Impacting the Department:

Trends

1. Wireless Internet Services

Recent technological advancements are enabling telephone, data and radio communication technologies to merge at a rapid pace. In order to meet the ever-increasing city department needs for state-of-the-art communication technologies, the City must be in a position to keep pace with the demand. WiFi wireless technology is emerging in other municipalities as a viable option to meet the increasing institutional, commercial and residential demand for low cost, broadband internet services. This trend increases the urgency for the City to develop a comprehensive citywide wireless strategy and deploy a wireless infrastructure that integrates the City's institutional needs with commercial and residential services.

2. Minneapolis One Call

Citizen Relationship Management and "311" Common Contact Centers are emerging trends in Municipal Government that hold great promise for improving non-emergency service delivery. Minneapolis One Call is an initiative that will make it easier and quicker to access City services, get information and take care of non-emergency police matters. The mechanics of Minneapolis One Call – often referred to as "311" – are simple: one three-digit phone number to request any non-emergency city service or get any information needed from the City. Minneapolis One Call has four key elements:

- The 311 call center. Available 24x7 to take requests for city services or information.
- Enabling technology. A Customer Service Request (CSR) System provided by Motorola allows 311 operators to record each caller's request and route it to the appropriate city department.
- Streamlined processes. The Customer Service Request System uses a computerized service request intake process to ensure that requests for service or information can be handled quickly and efficiently by the appropriate department.
- Monitoring service delivery. Through Minneapolis One Call, City Departments will receive steady, consistent requests in a format that's detailed and specific. The software system makes it easy to trace service request fulfillment progress, respond to requestor status inquiries and assist departmental service delivery supervisors in satisfying those requests.

3. e-Government

The demand for online interactive service delivery continues to be a dominant trend in state, county and municipal government. Because of limited funding, the City's efforts to move City services to the Internet are fragmented and are at this time mostly project driven. An example is the implementation of e-Permitting as part of the Minneapolis One Stop initiative. The implementation is focused on achieving a quick win and will not be sustainable in the long run. BIS needs to focus on developing an overall architecture and standards for e-Government, which allow for a common touch and feel for any online transactions conducted with the City by our citizens and businesses.

Challenges

1. Funding

The five-year BIS budget directive establishes a minimum level of funding barely sufficient to sustain core infrastructure services (Fixed Cost) and could result in annual reductions in applications support and technology management services (Variable FTE Cost). The effect of the current funding restrictions on the BIS operating budget will be an actual decrease of an average 3.5% per year over the next five years. This reduction would translate into an effective headcount reduction (Layoffs) of 5 positions per year, and precludes any possibility of BIS filling the current 25 open positions required to complete the BIS restructuring plan and decimates our ability to provide minimally acceptable service levels. The 5-year Financial Outlook provides an average 2% wage increase over the 5-year period 2004-2008, but also prescribes a \$600,000 General Fund decrease in 2007. With no additional funding BIS will continue to absorb the annual increases in Fixed Operating Cost through delayed staffing decisions and position reductions. If additional funding sources cannot be identified and secured, BIS will be forced to make core service level adjustments beginning in 2006.

Approximately 60% of the current (2004) BIS operating budget is allocated to fixed operating cost obligations. BIS fixed operating costs that are subject to annual increases are as follows:

- Unisys Managed Services (Outsourcing) Contract (49% of budget) – 2.6% increase per year
- Application Software Licenses & Maintenance Contracts (10% of budget) – 10 to 15% increase per year
- Facility Rent (1% of budget) – 10% increase per year

Approximately 29% of the current (2004) BIS operating budget is allocated to fixed/variable labor* costs. There is a 2% annual wage and salary increase built into the five year plan. *Note: The 2% wage increase policy is subject to union agreement. Increases in Health Care costs are unpredictable as well.

2. Asset Life Cycle Management

Business Application Software has a life cycle not unlike other capital assets, however, until now the BIS budgets did not reflect the life cycle maintenance and replacement costs. Currently, when an application software package requires a major upgrade or total replacement due to obsolescence, capital and operating funds must be urgently appropriated for that purpose. The financial community has debated the issue for decades: Should software investments be capitalized or expensed? While GASB-34 provides a reserve mechanism for capital asset replacement there has been no movement in that direction by Finance with regard to Business Application Software. This presents a major challenge for BIS in that mainstream business application software upgrades and replacement eat into already scarce capital funds which should be earmarked for implementing advancements in Information Technology. We must find new approaches to fund the life cycle cost of existing IT infrastructure and business systems such as Managed Services, Application Service Provider Agreements and Public Private Partnerships.

3. Demand Exceeding Supply - Policy driven directives

The demand for IT investment and support services currently exceeds the supply by an ever increasing margin each year based on the current mandated five year plan. Much of the demand is driven by unfunded or marginally funded mandates such as: Minneapolis One Call, Minneapolis One Stop and the Citywide Wireless Initiative. However, the demand for BIS application support services associated with existing and new business applications is increasing as well. This challenge is made even more difficult due to the positive steps currently being taken to centralize business software management Citywide under BIS and hold departments accountable to demonstrate a greater return on enterprise IT investments within their operations.

4. Pay-As-You-Go Funding

Because of limited capital funding BIS continues to encourage departments to fund urgent IT needs on a pay-as-you-go basis. This approach, however, meets with resistance from departments, who feel that it is BIS's obligation to absorb the cost for their respective IT needs. Some progress has been made in this area and BIS will continue to work with Finance and City departments to identify and secure additional funding sources in order to be in a position to assure continuation of minimally acceptable service levels. BIS planned actions for the identification of potential additional funding sources include:

- Resume the Real Time Strategic Forum (RTSF) planning process to strengthen partnerships with City departments.
- Refine the process for analyzing, defining and prioritizing City department IT needs.
- In partnership with Finance and city departments, analyze the option to include the cost of technology as part of the City's fee structure.
- In partnership with Finance and City departments, complete and implement a rate model, which reflects accurate and fair allocations and charges for BIS services. The rate model is to replace the current practice of fund level transfers to the Internal Service Fund.
- Work and consult with departments to better understand the added value the use of information technology can bring to department business performance.
- Partner with departments to leverage technology into tangible cost savings that could be re-invested into technology growth requirements.

Key Initiatives or Other Models of Providing Service to be implemented in 2005

1. Minneapolis One Stop

Assist with business process re-engineering, technology implementation and e-Government web based services in support of the City's Development Workflow initiative. Specific projects included in this initiative are: Accela-Kiva application upgrade, Development Workflow Roadmap, Remote Inspector, e-Permitting, e-licensing and e-Inspections on-line service delivery.

Funding Status: Funded

Funding Source(s): CLIC/department operating budgets/2003 rollover

2. Minneapolis One Call

Implement a CitiSTAT/311 technology solution that is a comprehensive approach to the management of non-emergency services. This will develop consistency, intra-department coordination and accountability when responding to citizens' requests for services while allowing emergency services to focus attention on true emergencies. This includes utilizing technology to streamline services, improve citizen interaction, and decrease the cost of service delivery. This will be a multi-phased development approach. Work will begin this year through BIS, Public Works and Police Non-emergency efforts that focus on the implementation of a Constituent Relationship Management (CRM) tool to achieve the following results:

- Streamline services & track public demands for service;
- Increase department efficiency & accountability (MINSTAT);
- Improve workload tracking, evaluation and reporting;
- Provide senior management with consistent, complete, and accurate data for planning, decision making and prioritization of City efforts.

Funding Status: Pilot Funded

Funding Source(s): Federal grant/Allocation to department operating budgets

Note: Completion of pilot will result in business case showing ROI and identification of funding required to finish and operate the project.

3. City Attorney Case Management System (CMS)

The City Attorney's Case Management system (CityLaw) has reached end-of-life and the lack of automated document coordination, work flow management, performance measurement and retention of information places the Minneapolis City Attorney's Office at risk, hinders law enforcement, and reduces the effectiveness criminal prosecution for the citizens of Minneapolis.

The new Case Management system will address these issues by:

- Analyzing, designing and implementing business processes that streamline the handling of criminal and civil case loads through the City Attorney's Office.
- Providing workload management and service level performance management tools to improve the efficiency of the MCAO (Minneapolis City Attorney's Office) and its staff.
- Managing the flow of information within MCAO and between the MCAO and other City, County, State, and Federal agencies through integrated criminal justice initiatives such as CrimNet and MNCIS.

Funding Status: Funded

Funding Sources: CLIC/County grant/re-direction of security capital

4. Telephone Replacement

The existing telephone systems have reached end of life and must be replaced. Upgrading the City's telephony systems and infrastructure facilities will address public safety and business continuation concerns. The City is dependent on equipment that has an increasing risk of failure due to age. Should the systems fail, the City would be unable to conduct business and could lose critical telephone services between the public and public safety (police, fire, public works and water) as well as with City Departments.

Funding Status: To Be Determined

Funding Sources: Bonds & Telephony Charge-Back Rate Model

5. Wireless Services - Business Plan

Wireless technology and mobile commerce offer tremendous opportunities to provide the right information at the right time and place at the City, from phones to handheld devices, pagers, and cameras. An example is wireless fidelity (WiFi) implemented in the MPD and MFD mobile command units. The City's wireless initiative must also ensure conformance to industry standards and leverage economies of scale through public/private partnerships to minimize the financial exposure.

- a. Develop a comprehensive citywide wireless strategy and business plan that integrates the City's institutional needs with economical commercial and residential broadband internet services.
- b. Engage the private sector through a competitive procurement process (RFP), which in turn requires funding & resources.
- c. Implement a comprehensive WiFi technology based wireless infrastructure at the lowest possible cost to the City through a private sector partner (ISP) willing to bear the build out cost.

Funding Status: Unfunded

Funding Source: Public/Private partnership

6. 9-1-1 Computer Aided Dispatch (CAD) Replacement

The current CAD system was installed in the early 1990's. It is operating on a 486 platform that has reached obsolescence and must be upgraded to today's technology standards in order to avoid a potentially serious outage of the system due to the scarcity of parts and support. Funding for the replacement of this system, which has been an issue in the past, has now been resolved through the availability of \$4.2 million in Homeland Security related grant funding. BIS and MECC are working to define a plan for the implementation of a 911 CAD replacement, which could include collaboration with either Hennepin County, or the City of Saint Paul.

Funding Status: Funded
Funding Source: Federal grant

7. Skills Realignment

In 2003, BIS has embarked upon a paradigm shift by changing the focus from technology management to becoming a value added information service provider that assists City departments in leveraging technology to improve City business processes. In 2005 the department will continue to assess the skills and career interests of its staff and compare them to those required by the new model. Development plans will be prepared and implemented for the staff to enable them to acquire the new skills needed in BIS.

Other Models

8. ASP Model

BIS will actively pursue using Application Service Providers (ASP) or purchase application management services as an alternative to owning an application and providing all support with internal City resources. An ASP could potentially provide higher levels of service and smooth peaks and valleys related to application support costs. Just as City infrastructure has been outsourced, the City must decide if it is necessary to own an application or if it should acquire the functionality of an application as necessary. BIS has taken a first step in this direction with the acquisition of the Motorola CSR application for the Minneapolis One Call (311) initiative. Motorola owns, maintains, hosts and supports the Minneapolis applications. The management of common applications such as human resources, payroll, and finance are other candidates to be considered for outsourcing. For future solutions, BIS will engage in an analysis to determine if an ASP model or application management services are financially viable for select applications. This analysis should be part of the process for acquiring new applications and performing major upgrades on exiting systems.

9. Public/Private Partnerships Model

Through partnerships with other entities, the City can implement a win/win business model that provides improved services for the City and citizens. BIS has successfully leveraged Public/Private partnerships to deploy with minimal financial exposure to the City. Three examples of these partnerships are:

- i-Site - Emergency Response building information program.
The i-Site program uses GIS technology to give first responders immediate access to detailed and accurate floor plan information for high occupancy buildings. I-site is a public/private partnership between the City, the Building Owners and Managers Association (BOMA) and RSP Architects. This significant health and safety measure was implemented with no investment of City funds as a result of this partnership.
- SafeZone - Public Safety wireless surveillance network
SafeZone is a project that is designed to increase the perceived and actual safety of residents, workers and visitors in downtown Minneapolis. It is a multi-faceted approach to safety that involves dramatically improving communication between private security entities downtown by installing security cameras to prevent and detect crime in the downtown area and implementing other strategies that will enhance safety.
- Minneapolis Wireless Initiative
The City's wireless initiative will ensure conformance to industry standards and leverage economies of scale through public/private partnerships to minimize the financial exposure. BIS

intends to implement a Citywide WiFi technology based wireless infrastructure at the lowest possible cost to the City through a private sector partner (ISP) willing to bear the build out cost.

Primary Business: Business Development Services

Description of Primary Business: Business Development Services is focused on the strategic element of BIS, which includes strategic technology and business planning, defining the architecture, and controlling the environment. Business requirements are identified for new initiatives and solutions are managed and delivered, including business process re-engineering. Leveraging enterprise technology investments is a key focus.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
1. Minneapolis One Stop			Assessment, Planning & BPR	Technology Upgrade Implement	Implement
2. Minneapolis One Call			Assessment, Planning & BPA	Select S/W Pilot Project	Implement
3. City Attorney Case Mgmt System			Assessment, Planning & BPR	Select S/W Implement	Implement
4. 911/CAD Replacement			Assessment & Planning	Select S/W Implement	Implement
5. Business Development Projects			50 Projects	68 Projects	60 Projects

Explanation of Key Performance Measures:

1. *Minneapolis One Stop*
In the City, business processes are becoming increasingly complex and interdependent, regulations are changing to meet current demands for safety, and staff turnover creates noticeable gaps in the institutional knowledge of the organization. These factors especially come into play in handling large commercial and multi-use building projects, which have multiple phases and require significant interdepartmental, agency, and customer interaction. The outcome of Minneapolis One Stop is to control the movement of complex and interrelated information from one processing point to another, activating appropriate actions or triggering additional process control requirements.

2. *Minneapolis One Call*
CRM capability will ultimately be available to the enterprise and provide a centralized citizen information repository giving elected officials, department heads and employees a reliable system to monitor a service request through its lifecycle and across departments. The system will also provide integration with key legacy systems (e.g., GIS, KIVA, FISCOL, HRIS) and allow the City to ‘close the loop’ with citizens through the measurement of customer needs and satisfaction levels. Once citywide adoption is completed, the City will be prepared to launch a 311 system that will focus on providing citizens a single point of contact for all non-emergency services. By participating in a pilot project to implement an enterprise CRM tool, Public Works, the Mayor’s Office and the MECC will work with BIS to develop a repeatable methodology to assess and streamline business processes. Additionally, the pilot will enable the City to develop business implementation, integration and maintenance plans for enterprise rollout. The installation of a citywide CRM tool will support the development of MinStat as well as an operational 3-1-1 system for Public Safety and other non-emergency services. The City is in the process for applying for a federal grant that would extend the pilot to include 9-1-1 non-emergency services. The analysis was completed in February 2004 and led to the issuance of an RFP for the selection of a vendor for the acquisition of a CRM product and its implementation. Motorola was selected. BIS completed contract negotiations and the pilot program is under way and is expected to be completed by first quarter of 2005. The primary objective of the pilot is to produce a business case that includes an ROI based cost analysis of the total program, which is to include the identification of funding sources for both implementation and operating costs.

3. *City Attorney Case Management System*
BIS will assist the City Attorney’s office in analyzing and redesigning business processes to enable workflow and records management automation efforts and replacement of the existing case management system within the MCAO. This includes implementing caseload management and Service Level tracking of MCAO cases and staff assignments. Streamline information sharing within the MCAO and between the MCAO and other City, County, State, and Federal agencies. Coordinate workflow integration of efforts between the MCAO and various City, County, State, and Federal agencies. Incorporate performance measurement and service delivery management into business processes and the new Case Management business application software solution.

4. **911/CAD Replacement**

The current CAD system was installed in the early 1990's. It is operating on a 486 platform that should be upgraded to today's technology standards. The replacement of this system has been delayed several times over the past 2-3 years due to lack of funding. Opportunities to partner with the Minneapolis Police Department, and the Hennepin County Sheriff's Office, have been seriously considered to share these costs among multiple agencies. The implementation of a 911 surcharge and a \$4.2 million Homeland Security grant will ultimately fund the replacement of this critical system.

5. **Business Development Projects**

BIS manages the delivery of multiple projects that meet a wide range of City department IT requirements. The delivery and execution of a project through various phases of the systems development lifecycle is managed through well-structured, industry standard project management methods. Business Development implements business outcome driven IT solutions on-schedule, within budget and exceeding customer expectations. It develops and integrates solutions to meet unique business requirements and improve citizen access to City services, assures that the customer is satisfied with the solution, and includes user training, final acceptance testing, development of user procedures, and documentation.

Primary Business: Business Support Services

Description of Primary Business: Business Support Services primary focus is to "keep the lights burning." This line of business is focused on the support and maintenance of the City's business applications and infrastructure environments. This includes managing the Managed Services program, the support, maintenance and administration of applications, the City's Web environment and telecommunications infrastructure. Service level agreements are developed and managed with City departments and BIS.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Service Desk Call Volume (Avg) ASA (Average Speed of Answer) 1 st Call Resolution	N/A	N/A	N/A	28,202 50 seconds 96.88%	25,000 60 seconds 85%
Desk Side Services Service Calls H/W MTTR (Hardware Mean Time to Repair) S/W MTTR (Software Mean Time to Repair)	N/A	N/A	N/A	1,612 77.2% 86.0%	1,600 90% 90%
Data Center - Network Availability	N/A	N/A	N/A	99.99%	99.99%
IMAC Volume Turnaround Time	N/A	N/A	N/A	90% 800 89.3%	90% 800 90%
Technology Refresh Desktops Servers Laptops Printers	N/A	N/A	N/A		
Customer Satisfaction Survey	N/A	N/A	N/A	4.6	4.0

Explanation of Key Performance Measures:

Service Desk Average Speed to Answer (ASA) in seconds: The Service Level Agreement (SLA) is an average speed to answer calls to the Service Desk within 60 seconds.

Desk Side Services: The SLAs for desk side software, desk side hardware, and IMACs specify the amount of time required to provide service, for example, resolving hardware problems by the next business day. The SLA is to meet these deadlines 90% of the time. IMACs installs, moves, adds and makes changes.

Data Center & Network: Measures availability from 6 a.m. to 6 p.m. Monday through Friday.

Technology Refresh: Target number of units replaced per year.

Customer Survey Results: These results are based on surveys of customer satisfaction using a five point scale.

Financial Analysis:

EXPENDITURE

The 2005 Business Information Services budget is \$20 million, a 15% increase over the 2004 Adopted Budget, excluding the increase in Capital. Most of the increase is attributable to personnel costs. Two Project Manager positions for the Project Management Division were added to the 2005 Current Service Level. There is also a .75 position increase adjustment made due to an error in the 2004 Adopted Budget level last year.

An increase in contractual services of \$400,000 was added as a result of the forthcoming phone system upgrade for the City. These costs are funded within the BIS rate model. There is also an increase of \$377,000 associated with the new Motorola contract and amendments to the Managed Services contract.

The 2005 budget includes \$13,100 for benefits administration which was centrally budgeted in the past. It also includes \$197,000 to phase in General Fund overhead charges. This is a change in accounting that replaces various charges for indirect costs that were previously budgeted in separate agencies. In addition, there's a \$7.5 million allocation from the General Fund for BIS' debt service.

REVENUE

Federal Grant revenue reflects a decrease due to a reduction of One Call/One Stop funds that were provided in 2004. The 457% overall increase in revenue is primarily a result of implementation of the BIS rate model. The rate model created a reclassification of the revenue from *Transfers* (non-operations) to *Charges for Service* (operations).

FUND ALLOCATION

BIS is fully funded through the Intergovernmental Services Internal Service Fund. During 2003, the Geographic Information Services function moved from the General Fund to the Internal Service Fund.

MAYOR'S RECOMMENDED BUDGET

BIS had no additional operating budget requests. The Mayor's Recommended Budget included funding for information technology infrastructure in the BIS capital budget at \$2 million.

ADOPTED BUDGET

The Council adopted the Mayor's capital recommendation and added \$777,000 to the BIS budget in the Intergovernmental Services Fund. The Adopted Budget also included a change in accounting for the General Fund overhead charge that replaces various separate charges for indirect costs that were previously budgeted in separate agencies.

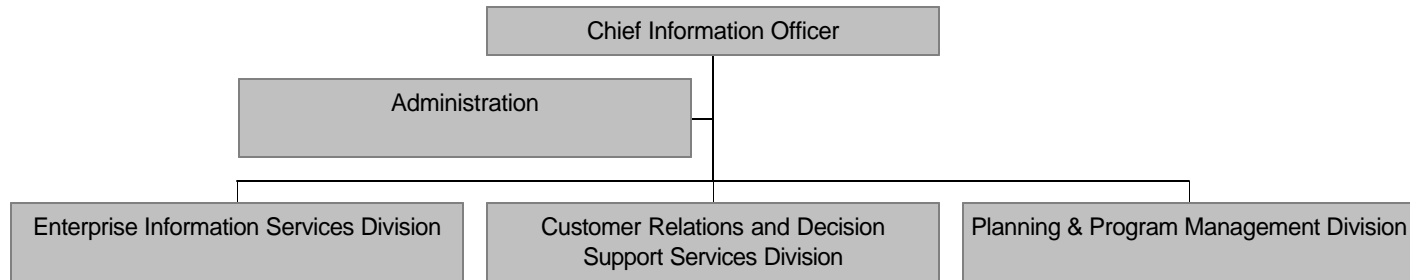
**BUSINESS INFORMATION SERVICES
Staffing Information**

	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Total FTE's	76.85	100.10	78.10	80.85	3.52%	2.75

Target Strategies:

No target strategies were requested for this department.

Business Information Services (BIS) Organizational Chart



- **Web Site Management**
- **Web Application Development**
- **Application Support**

- **Customer Relations**
- **GIS Business Development**
- **GIS Business Services**

- **Architecture**
- **Technology Infrastructure**
- **Program Management**
- **Enterprise Data Management**
- **Managed Services**
 - Data Center & Network Support
 - Desktop & Help Desk Support
 - IMAC Process
 - Facilities & Special Projects
 - Telecom Operations
- **Quality Assurance**
- **Property Application Support**

BUSINESS INFORMATION SERVICES
Expense Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
General Fund - City						
Contractual Services	861,744	0	0	0		0
Equipment	49,288	0	0	0		0
Fringe Benefits	83,762	0	0	0		0
Operating Costs	103,181	0	0	0		0
Salaries and Wages	388,584	0	0	0		0
Total for General Fund - City	1,486,559	0	0	0		0
Internal Service Funds						
Contractual Services	9,700,306	11,544,179	11,132,301	12,465,226	12.0%	1,332,925
Equipment	17,183	506,798	0	0		0
Equipment Labor	108,311	88,339	0	0		0
Fringe Benefits	1,000,977	1,068,199	1,260,774	1,505,809	19.4%	245,035
Operating Costs	1,990,038	890,581	443,035	454,521	2.6%	11,486
Salaries and Wages	4,485,388	4,406,063	4,738,298	5,718,803	20.7%	980,505
Total for Internal Service Funds	17,302,203	18,504,159	17,574,408	20,144,359	14.6%	2,569,951
Special Revenue Funds						
Contractual Services	222,954	99,275	0	0		0
Equipment	0	0	0	0		0
Fringe Benefits	933	8	0	0		0
Operating Costs	21,300	0	0	0		0
Salaries and Wages	5,132	0	0	0		0
Total for Special Revenue Funds	250,319	99,282	0	0		0
Total for BUSINESS INFORMATIO	19,039,081	18,603,441	17,574,408	20,144,359	14.6%	2,569,951

BUSINESS INFORMATION SERVICES
Revenue Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
General Fund - City						
Charges for Sales	10,422	0	10,000	0	-100.0%	-10,000
Charges for Service	92,363	0	0	0	0.0%	0
Contributions	354,370	0	0	0	0.0%	0
Franchise Fees	2,549,515	0	0	0	0.0%	0
Other Misc Revenues	20,850	0	0	0	0.0%	0
Rents	21,343	0	0	0	0.0%	0
Total for General Fund - City	3,048,863	0	10,000	0	-100.0%	-10,000
Internal Service Funds						
Charges for Sales	0	34,889	10,000	10,000	0.0%	0
Charges for Service	4,047,521	2,690,338	3,321,941	18,614,503	460.4%	15,292,562
Gains	0	8,640	0	0	0.0%	0
Interest	-114	0	0	0	0.0%	0
Other Misc Revenues	2,996,132	252,882	0	0	0.0%	0
Total for Internal Service Funds	7,043,538	2,986,749	3,331,941	18,624,503	459.0%	15,292,562
Special Revenue Funds						
Federal Government	250,319	99,282	0	0	0.0%	0
Total for Special Revenue Funds	250,319	99,282	0	0		0
Total for BUSINESS INFORMATION SERVICE	10,342,719	3,086,031	3,341,941	18,624,503	457.3%	15,282,562

CITY COORDINATOR

Mission Statement:

The mission of the City Coordinator's Office is to provide leadership, direction and accountability in establishing City policy and priorities and to continually improve the management systems and regulatory services of the City.

Primary Businesses:

- Policy Development and Implementation - The City Coordinator acts as a policy advisor to the Mayor and City Council and ensures that project implementation is accountable and consistent with Mayor and Council direction.
- Management Oversight - The City Coordinator oversees the City's management departments, regulatory services, Minneapolis Convention Center and Emergency Communications Center to ensure cost-effective, high-quality service and public accountability.

Key Trends and Challenges Impacting the Department:

The City Coordinator conducted an environmental scan of the following four activities to determine the trends and challenges that will most significantly impact the department over the next five years:

- 1) A macro review of current demographic and economic trends;
- 2) An internal analysis of the City's budgetary issues;
- 3) A Strength Weaknesses Opportunities and Threats (SWOT) analysis with the Assistant City Coordinators to assess the department's internal strengths and weaknesses; and
- 4) Interviews with key department heads to gauge customers' perceptions about the department.

Key Initiatives or Other Models of Providing Service to be implemented in 2005

Special projects arise annually and are dictated by political and community trends. This makes it difficult to predict and plan for key projects and initiatives. Projects led by the Coordinator in the past have been as varied as the implementation of CPED to the redesign of the Police Civilian Review Authority to development of the Ethics Code to limited English proficiency planning. Over the next year, however, key management initiatives have been identified and include the following:

- Guiding the City through financial planning to manage the pressures on the long-term budget situation (Finance);
- Implementing One-Stop-Shop and its quality control (Regulatory Services);
- Monitoring the Unisys contract and continuous improvement of internal and external technology services (e-government) (BIS);
- Diversifying the workforce to reflect the City's population (Human Resources);
- Implementing the 311/Common Contact Center (BIS and MECC);
- Systematizing the consolidation of the communication functions throughout the organization (Communications).

Based on the results of the SWOT analysis, one key initiative that the Coordinator's Office will lead is the Improvement of Internal Customer Service. Integrating the City's management systems to improve efficiencies in responding to customer needs is a major goal of the business plan. A management committee will be created to regularly review customer complaints, improve data accountability and develop methods for improving the management systems. Staffed by the Finance, Human Resources and BIS departments, this committee will develop regular customer surveys and create a work plan with performance measures for annual review by the City Coordinator.

Primary Business: Policy Development and Implementation

Description of Primary Business: The City Coordinator acts as a policy advisor to the Mayor and City Council and ensures that project implementation is accountable and consistent with Mayor and Council direction.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Adoption of citywide goals and outcomes.	n/a	n/a	Adopted 1/2003	100%	100%
% of departments with a completed business plan, reviewed by City Council.	n/a	n/a	n/a	87%	100%
Key city policies addressed and approved by Council that increase revenue or significantly decrease spending.	n/a	n/a	n/a	5-Year Financial Direction	
Key special projects coordinated by the City Coordinator	n/a	n/a	n/a	Limited English Proficiency Development Review Center 311 - Common Call Center	
% of Department Heads that consider biweekly Department Head meetings useful and productive.	n/a	n/a	n/a	Survey in late 2004	
% of Executive Committee members who deem the Executive Committee useful and productive.	n/a	n/a	n/a	Survey in late 2004	

Explanation of Key Performance Measures: Many of the Coordinator's activities as they relate to policy development are difficult to measure. One of the Coordinator's key tasks is to advise and consult the Mayor and Council on a variety of issues which is difficult to measure quantitatively on an annual basis. Performance measures for this service activity reflect the initiatives led by the Coordinator by simply listing them, which demonstrates the proactive development of key city policies by the Coordinator.

Primary Business: Management Oversight

Description of Primary Business: The City Coordinator oversees the City's management departments, regulatory services, Minneapolis Convention Center and Emergency Communications Center to ensure cost-effective, high-quality in service and public accountability.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
% of City Coordinator departments that stay within approved budget.	n/a	n/a	100%	100%	100%
% of women and people of color in Coordinator departments.	n/a	n/a	Women - 50% People of Color - 27%	Women - 51% People of Color - 26%	

Explanation of Key Performance Measures: The measures of this service activity reflect the Coordinator's role as the manager of these key functions. Ultimately, the Coordinator is accountable for the success/failures of the management departments and these measures highlight the aggregate achievements of all the Assistant City Coordinator departments.

Financial Analysis:

EXPENDITURE

The 2005 budget for the City Coordinator/Administration's department is \$693,000, a 70% increase over the 2004 Adopted Budget. The budget for this department includes \$226,000 in BIS charges calculated on a city-wide rate model and \$500 for benefits administration. Both charges were centrally budgeted in the past. Backing out these charges, the 2005 City Coordinator/Administration's budget is \$467,000, a 14% increase over the 2004 Adopted Budget.

REVENUE

This department does not generate revenue.

FUND ALLOCATION

One hundred percent of the City Coordinator/Administration budget comes from the General Fund.

MAYOR'S RECOMMENDED BUDGET AND ADOPTED BUDGET

The Mayor's Recommended Budget for 2005 supported the City Coordinator/Administration's request of one-time funds of \$150,000 for a One Call/One Stop Coordinator. The Council removed the one-time funds and one position for a One Call/One Stop Coordinator. Funding for a Deputy City Coordinator position was reallocated from the Finance department.

The Council also reduced the department's General Fund allocation by \$75,000 so that the Police Department's General Fund allocation could be increased by \$75,000. The \$75,000 reduction was taken from the City Coordinator's departments and not just City Coordinator Administration; the Administration's portion is \$1,000. The other Coordinator departments affected departments include: Human Resources - \$7,000 reduction, Communications - \$3,000 reduction, Finance - \$27,000 reduction, IGR - \$2,000 reduction, and Regulatory Services - \$35,000 reduction.

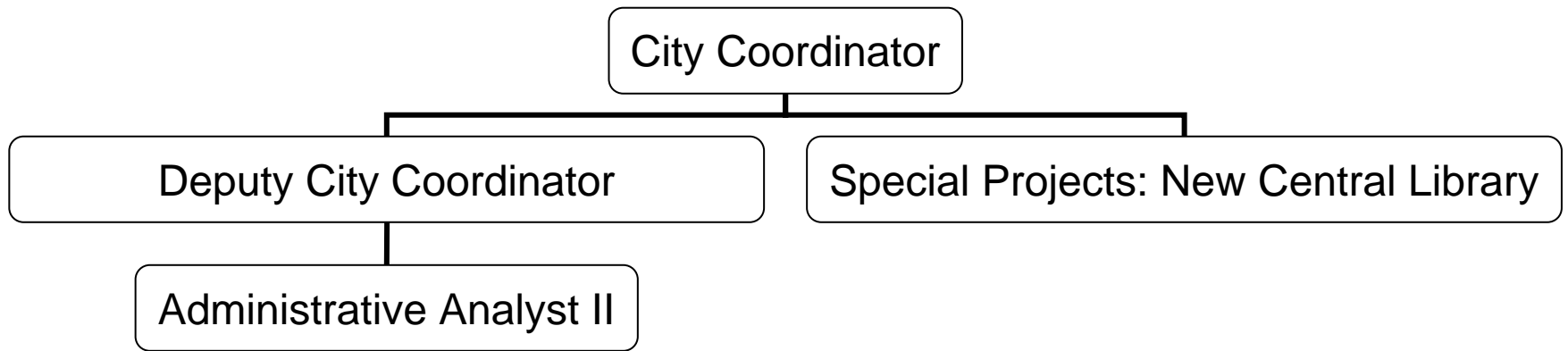
**CITY COORDINATOR ADMINISTRATION
Staffing Information**

	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
FTE's by Division						
Administration	5.00	4.00	3.00	3.00	0.00%	-
Office of Cultural Affairs	4.00	-	-	-	-	-
Total FTE's	9.00	4.00	3.00	3.00	0.00%	-

Target Strategies:

No target strategies were requested for this department.

City Coordinator
Administration
2005 Organizational Chart



**CITY COORDINATOR
Expense Information**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
General Fund - City						
Contractual Services	297,326	33,221	58,122	280,735	383.0%	222,613
Equipment	0	100	1,447	1,467	1.4%	20
Fringe Benefits	80,212	58,390	60,262	68,583	13.8%	8,321
Operating Costs	36,989	31,660	37,107	38,167	2.9%	1,060
Salaries and Wages	441,774	263,798	249,988	304,443	21.8%	54,455
Total for General Fund - City	856,302	387,169	406,926	693,395	70.4%	286,469
Special Revenue Funds						
Contractual Services	30,000	0	0	0		0
Operating Costs	2,250	0	0	0		0
Total for Special Revenue Funds	32,250	0	0	0		0
General Fund - City						
Contractual Services	0	0	2,179	0	-100.0%	-2,179
Total for General Fund - City	0	0	2,179	0	-100.0%	-2,179
Total for CITY COORDINATOR	888,552	387,169	409,105	693,395	69.5%	284,290

COMMUNICATIONS

Mission Statement:

The mission of the Communications Department is to clearly and accurately communicate information about the City of Minneapolis to key audiences. This includes providing information about core services, the government process, ordinances and regulations, and utilizing opportunities to enhance the image of the City.

Primary Businesses:

- Assist elected officials and city departments with all internal and external communications functions.
- Manage the cable franchise.

Key Trends and Challenges Impacting the Department:

Communications has identified the following significant trends and challenges that impact the department now and in the future:

1. As with all city departments, the limitation of City resources is a significant challenge to the Communications Department.
2. As resources shrink, the workload increases due to media and public scrutiny of city services and allocation of tax dollars.
3. In addition, during difficult budget times, effective communication with our employees and other internal audiences is essential.
4. We need to work to overcome the territorial instincts of some departments as we move towards a more coordinated communications model for the City.
5. A second internal challenge is significant disagreement among elected officials regarding expectations of the Communications Department.
6. Technology is advancing rapidly and we need to advance with it. It's essential that we move steadily towards computer-based communications, reaping savings and efficiencies in the process.
7. Competing for limited resources from other levels of government, as well as the private sector, is becoming more challenging for the City of Minneapolis.
8. And finally, communicating with an ever more diverse population requires making special efforts to reach residents who speak English as a second language.

Key Initiatives or Other Models of Providing Service to be implemented in 2005

- Clarify policy regarding expectations from Communications Department.
Objectives:
 - Best practices study (third quarter 2004)
 - Council study session to present recommendations (third quarter 2004) with implementation of any changes to take place in 2005
- Strengthen department role in advancing use of computer/Web-based communications.
Objectives:
 - Clarification of Web content policy and Communications Department role in oversight (third quarter 2004)
 - Training for staff (second quarter 2005)

- Examine benefits of merging government and public access cable facilities.
 - Objectives:
 - Analysis of economic benefits of merger - initial examination suggests efficiencies would save between \$300,000 and \$350,000 annually (third quarter 2004)
 - Analysis of quality of service benefits - merging of resources could offer opportunity for enhancement of both government and public access products (third quarter 2004)
 - Study session to present recommendations (fourth quarter 2004 to first quarter 2005) with policy and budget decisions to take place in second quarter of 2005

- Establish community engagement function in Communications Department.
 - Objectives:
 - Process for designing function and creating job description for position (third quarter 2004)
 - Outline ultimate budget impact, if any (fourth quarter 2004)
 - Define desired outcomes (fourth quarter 2004)
 - Work plan to achieve desired outcomes and performance measures (fourth quarter 2004)
 - Complete analysis of funding programs for neighborhood organizations (second quarter 2005)

- Address audience diversity and language issues.
 - Objectives:
 - Protocol for evaluating appropriate number of languages to accommodate when publishing, posting on the web site or producing video (fourth quarter 2004)
 - Work plan (first quarter 2005)

- Continue to prioritize and capitalize on the consolidation of communications functions.
 - Objectives:
 - Improve citywide consistency in response to media inquiries by handling increasing numbers of media contacts through the Communications Department and by providing media training to staff citywide (ongoing)
 - Audit City Web site pages for level of collaboration with Communications (ongoing)

- Further prioritize and eliminate functions to effectively and efficiently serve our mission.
 - Objectives:
 - Clear criteria for graphic projects and video productions to ensure they are appropriate city business (first quarter 2005)
 - Evaluate and modify video productions/programming to more effectively further department mission (ongoing)
 - Evaluate and modify graphic products to more effectively meet department mission (some graphic materials may be eliminated) (ongoing)
 - Relocate the pay phone oversight function to Regulatory Services or eliminate phones from city right-of-ways (first quarter 2005)

- Strengthen the proactive city image-enhancing function of Communications.
 - Objectives:
 - Fill existing vacancy with candidate possessing appropriate skills (first quarter 2005)
 - Redirect some staff efforts
 - Explore stronger alignment with GMCVA to address marketing/event planning needs of some departments (first quarter 2005)
 - Explore alternative models (outsourcing) for service around event planning, stakeholder communication involved in the development function of the city

Primary Business: Assist elected officials and city departments with all internal and external communications functions

Description of Primary Business:

- 1) Communications planning
- 2) Media/public affairs
- 3) Providing strategic communications guidance
- 4) Oversight of citywide communications materials
- 5) Proactively enhancing the image of Minneapolis

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 estimated	2005 Projected
More effectively communicate about city services with residents not proficient in English - improve on baseline in video/ website/ publications	na	na	na	Created monthly show, "Access Minneapolis" in 3 non-English languages; produced multi-language videos on 9-1-1 and snow emergency	Work w/LEP targets and increase multi-language communications accordingly
Increase in proactive promotion of City accomplishments - Tracking mechanism being designed to quantify positive media exposure	na	na	Effort was begun to take advantage of opportunities to promote and/or enhance city image	This year the department began clipping and tracking media coverage and will tally at year end	Communications anticipates filling vacancy with candidate possessing marketing experience and collaborate with GMVCA
Increase government cable access audience by broadcasting material that is relevant and compelling; focus on information about core services; target non-English speaking viewers - survey for #'s	na	na	na	This is the first full year video services has been part of Communications. Have eliminated about 20% of programming and replaced with core service oriented material	Again, goal is further reduction of less relevant programming and increase in targeted, non-English material
Reduction in the number of publications and improvement in quality of publications - Staff has baseline on number of publications historically produced per department and will track annual reduction;	na	na	Publications policy developed and baseline established	Publications resolution passed and policy put in place	The goal for 2005 is to reduce publications by another 15-20 percent and to promote web publication by departments
Improved Communications staff response rate to writing/editing/ media needs of client departments - Annual survey of internal client satisfaction rates to be conducted; staff assigns deadlines to project	na	na	na	Staff from every function within department - video services, public affairs, publications, graphics - will conduct client satisfaction surveys after every project - goal 85% satisfaction	same with 90% satisfaction rate
Successful production of citywide annual report - Annual report is to be produced by deadline and under or on budget; the report will also be evaluated by focus groups comprised of residents	na	na	na	Completed award-winning report on time and on budget	same as last year

Primary Business: Cable Franchise Management

Description of Primary Business: Oversight of the city's cable franchise which involves the handling of complaints about service and working out solutions with the provider, and negotiating the new franchise agreement.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 estimated	2005 Projected
Successful franchise renewal negotiations	na	na	na	fourth quarter 2004 or first quarter 2005	new franchise agreement in place

Financial Analysis:

EXPENDITURE

The 2005 expense budget for the Communications Department, which includes Public Affairs, Graphics, Video Services and Cable Regulation, is \$2.38 million, a 13.1% increase over the 2004 Adopted Budget.

The budget for this department includes \$179,000 in BIS charges calculated on a city-wide rate model and \$2,300 for benefits administration. Both charges were centrally budgeted in the past. Backing out these charges, the 2005 Communications budget is \$2.2 million, a 4.5% increase over the 2004 Adopted Budget.

REVENUE

The department's revenue budget has decreased by \$256,000 from 2004. The City's Cable Franchise fees declined by \$200,000 because of reduced cable subscriptions. An additional \$85,000 in revenue will not be collected because of a decrease in publication and sponsorship revenues from the Home Tour.

FUND ALLOCATION

The Communications Department is funded predominantly from the General Fund.

MAYOR'S RECOMMENDED BUDGET

The Mayor recommended an additional \$65,000 for a new Community Engagement position.

ADOPTED BUDGET

The Council adopted the Mayor's recommendations. Additionally, the Communication department's portion of the \$75,000 reduction from the City Coordinator's department to the Police department is \$3,000.

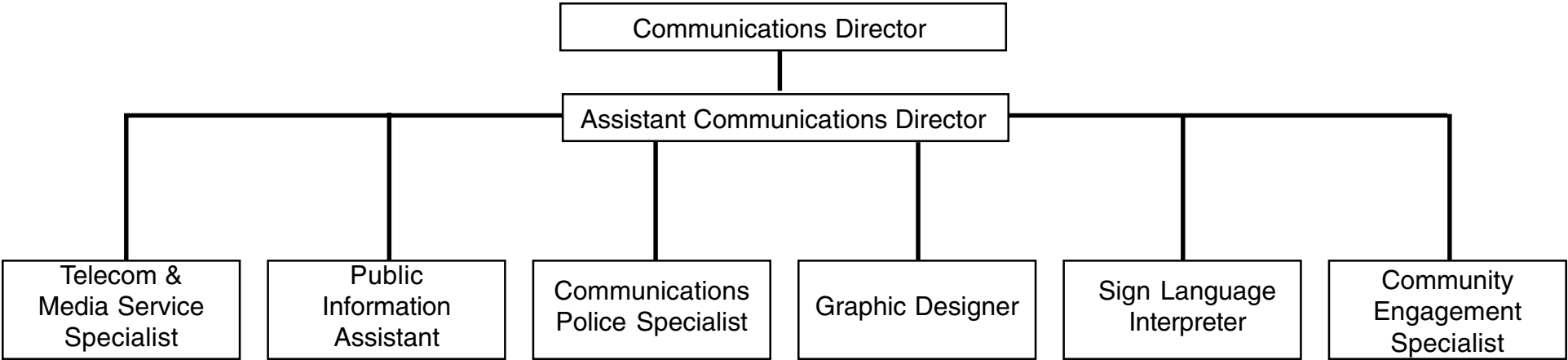
**COMMUNICATIONS
Staffing Information**

	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
FTE's by Division						
Communications	7.00	6.80	8.80	10.80	22.73%	2.00
Graphics	4.00	4.00	2.00	3.00	50.00%	1.00
Video Services	5.00	5.00	5.00	3.00	-40.00%	(2.00)
Total FTE's	16.00	15.80	15.80	16.80	6.33%	1.00

Target Strategies:

No target strategies were requested for this department.

City of Minneapolis Communications Department



COMMUNICATIONS
Expense Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
General Fund - City						
Contractual Services	241,674	534,117	806,833	1,108,293	37.4%	301,460
Equipment	4,675	98,110	44,621	45,246	1.4%	625
Fringe Benefits	83,715	191,562	229,106	256,001	11.7%	26,895
Operating Costs	41,661	360,334	69,683	71,310	2.3%	1,627
Salaries and Wages	387,322	827,006	957,560	887,142	-7.4%	-70,418
Total for General Fund - City	759,047	2,011,129	2,107,803	2,367,992	12.3%	260,189
Special Revenue Funds						
Contractual Services	0	0	0	15,000		15,000
Total for Special Revenue Funds	0	0	0	15,000		15,000
Total for COMMUNICATIONS	759,047	2,011,129	2,107,803	2,382,992	13.1%	275,189

COMMUNICATIONS
Revenue Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
General Fund - City						
Charges for Sales	0	40	4,600	4,600	0.0%	0
Charges for Service	135,088	6,020	85,000	0	-100.0%	-85,000
Contributions	0	0	297,500	297,500	0.0%	0
Franchise Fees	0	2,125,106	2,200,000	2,000,000	-9.1%	-200,000
Other Misc Revenues	0	34,765	900	6,100	577.8%	5,200
Rents	0	20,042	0	8,400	0.0%	8,400
Total for General Fund - City	135,088	2,185,974	2,588,000	2,316,600	-10.5%	-271,400
Special Revenue Funds						
Contributions	0	0	0	15,000	0.0%	15,000
Total for Special Revenue Funds	0	0	0	15,000		15,000
Total for COMMUNICATIONS	135,088	2,185,974	2,588,000	2,331,600	-9.9%	-256,400

CONVENTION CENTER

Mission Statement:

The Minneapolis Convention Center is the national convention and trade show venue of the State of Minnesota. By hosting events and offering a variety of services, the Minneapolis Convention Center showcases and provides economic benefit to Minneapolis and the surrounding region.

We will provide an exceptional product, in a safe environment, while maintaining the integrity and financial health of the facility.

Primary Businesses:

- Event Services
- Facility Services
- Sales and Marketing Services

Key Trends and Challenges Impacting the Department:

The following is a summary of the Trends and Challenges which have changed substantially since the development of the 2003-2008 Convention Center Business Plan. Areas which have not changed dramatically since the development of our 2003-2008 Business Plan have been included but marked as not having changed significantly. All other trends and challenges have been modified over the last year.

1. Supply and Demand/Competitiveness – FY 05 Update

As identified in the 2004 Business Plan, there are still many underlying factors that remain in place since September 11, 2001. Our competitors are now experiencing many of the same negative factors that are facing the Convention Center. We must continue to develop new lines of revenue production and further reduce the facilities reliance on rental income.

New items of concern have developed and the Minneapolis Convention Center (MCC) Management must expand their efforts to address the past and present risks. These new risks include the following: shrinking state and regional shows, fewer attendee's and exhibitors, a decreasing number of shows, last minute planning/uncertainty, improved inspections process, potential loss of a Minneapolis professional sports team, and increased expectations from our clients and guests.

There is a national trend for National Tradeshows to downsize or merge with other associations/shows with similar interests. The MCC must now face losing shows not due to competition, but due to a merge between competing shows. The potential loss is not only in rental revenue, but the City of Minneapolis Hotels will experience lost revenue based on a decreased number of guests to the Minneapolis area. Additionally, companies are spending less money on marketing their products. Tradeshow participation is down and many companies are combining product lines within the display area to lower their overall costs. There is a similar trend in relationship to attendees. Many companies are reducing costs and limiting the number of employees who can attend tradeshows. This further decreases the overall revenue impact to the City of Minneapolis. We need to continue efforts to increase our revenue potential for each show and attendee that visits the City of Minneapolis.

While there is a trend to merge between shows, there are also a large number of industrial shows that have cancelled. This trend is concerning in relationship to revenue development in the Exhibitor Services area. These shows were the primary revenue generator for this department. With the demise of many of these shows, the Exhibitor Services department is generating revenue at levels well below

those prior to the September 11th and the expansion of the MCC. These Industrial shows provide little profit to the MCC, but the overall economic benefit to the City of Minneapolis is extensive. Additionally, there is a greater amount of uncertainty by event planners. Due to cutbacks and last minute registration by exhibitors and members, tradeshow managers must wait until the last minute with planning details. This places greater stress on the staff of the Convention Center and local businesses. Scheduling of employees and the ability to have flexibility in the workforce are essential to remaining competitive. The MCC must always be in a position to obtain labor at any time with little or no notice.

With the increased demand on our clients and exhibitors, it is essential to streamline the Licensing and Inspections processes. There is a need to have a "One Stop Shop" at the Convention Center in relationship to Regulatory Services. Many exhibitors are traveling from areas around the world and to have a lengthy process to obtain a permit and receive an inspection prior to a show is a competitive disadvantage. There is a need to have an on-site inspector to provide oversight in the regulatory process. The ability to provide a complete licensing and inspection process while on-site at the facility could provide a value-added service to our guests.

The loss of one of the City of Minneapolis' professional sports teams could have a dramatic impact on the facility. Not only could there be a loss of tax revenue to the fund, but an overall lack of entertainment for visitors will have a negative impact on the facility and City as a whole. Having a sufficient amount of tax revenues to the fund to maintain the overall health of the facility is critical. The reduction in entertainment related purchases in the City would have a dramatic effect on the facilities long-term health. The MCC and all the local business would be dramatically affected by the loss of the Twins or Vikings.

"Customers Demand More and Expect to Pay Less." This common theme is being seen throughout the entertainment and convention industries. Clients, Guests and Exhibitors are finding unique ways to reduce their costs and rely less on local services to be competitive. The MCC Management must continue efforts to develop new sources of revenue production. While it is important to develop these revenue sources, it is also important for the cost of these services to remain competitive. Prices must be at or below the competitive market levels. MCC Management must strive to obtain pricing from vendors (Service providers) that are competitive and affordable.

2. Funding

In 2003 and early 2004, we continued to see pressure placed on our funding streams. While significant time has passed since the tragedies of 9/11/01 and the impact continues to diminish for our industry, some of the fallout from the economic downturn which followed is still prevalent.

We continue to see Sales Tax returns to the facility fund, which are far below not only expansion projections, but actual figures from the late 1990's. Additionally, we are just beginning to approach first year post-expansion production for space rental and facility revenue. We continue to attempt to offset these shortfalls through the development of revenue streams and cost containment.

The City of Minneapolis continues to shoulder the full cost of operations and current debt service on the Convention Center while the economic impact extends far beyond its boundaries. Most specifically, the state sees six cents of sales tax return for each dollar spent on Convention Center related activities while one-half cent is returned to the Convention Center fund.

Financial data provided on the Convention Center Fund shows diminishing balances over the next four years. Decreased spending by consumers has provided less revenue than originally projected. As a result of the steps taken by the MCC management to contain costs and cut unnecessary spending, and sound financial decisions by the Minneapolis Finance Department, the budgeted operating loss of the

facility has been minimized. Refinancing our debt service and responsible spending resulted in a small surplus in 2003. While this is very positive in the short term, we cannot rely on interest rates to create surpluses in future years. We must continue to increase revenue and/or further cut costs, to prevent the Fund from diminishing to a dangerous level.

While the Convention Center was originally developed under the direction of being a loss leader, the long-term financial health of the City and the Convention Center Fund forces us to look critically at the overall health of the fund. Future Convention Center financial planning must continue to consider the overall, long-term health of the Convention Center Fund versus the short-term limited view of an operating subsidy. The City of Minneapolis is not in a position to provide operating revenue to the facility now, or in the foreseeable future.

3. Security - No significant changes from 2003-2008 Business Plan

As international tensions continue and the potential for terrorism grows the need for security increases particularly in a public assembly facility with national and international exposure. The response to these potential threats continues to impose additional security costs. This will happen at the same time that revenue may dip due to the current economic slump and widespread travel fears.

ID cards/badges are the most basic and necessary security tool in the struggle against terrorism. Properly managed, this one item can greatly reduce the risk of unwanted access to our facility. The strict enforcement of this procedure and the resultant visible increase in security preparedness will help increase the perception that the facility is a 'hard target' and much less accessible to potential terrorists.

In addition to mechanical access control, there is a significant and more important aspect in human intervention. The number of security employees necessary to respond to the increased threats escalates in proportion to reported terrorist activity and credible threats present. Client and guest service is an essential element of our mission and these expectations require officers in very visible locations as deterrents. Additionally, the judgement and intelligent decision processing with human observation is key and cannot be achieved with equipment alone.

The front of the building (glass wall and lobby areas along Grant Street) is particularly vulnerable to threats from ready vehicular access. Client requests for use of the Plaza together with large multi-site events utilizing the plaza and Grant streets for large number of pedestrians to move freely "within their event" presents a concern for public safety. At times, regulating access to Grant Street from 1st Avenue to 12th Street would enhance security and provide a higher level of service to meet our client's needs.

4. Technology

One of the fastest moving and least predictable issues the MCC faces is technology. Fast-paced innovation in both our industry and business in general has resulted in greatly heightened customer awareness of leading edge technologies. The effect on the MCC is two-fold – demand for older technologies decrease while highly demanded newer technologies need careful examination.

This customer awareness of fast paced innovation in communication technologies has greatly increased their expectations. The advances in internet/intranet and global telecommunications have affected the corporate world as much or more than any other segment in society. Our core customers are often leaders in advancing technologies and their increased expectations are changing service demands. These changes may have a negative impact on our existing revenue streams. The MCC must consider implementing newer technologies to capture new revenue streams. Increasing cell phone usage drastically decreases demand for our landline telephone service while opening opportunities to examine offering other, cell-0related, support services. When the Convention Center

was conceived, the Internet was not a business concern. It has now greatly changed the way our customers communicate. With increasing high bandwidth technology, huge quantities of data in all forms including audio and video can be transmitted throughout the world with simply a keystroke. Although these innovations are becoming the customers' expectations, these technologies are advancing so fast that they can often be obsolete before they have returned their capital investment.

The line between corporate presentation and concert production technologies is blurring. Realizing the increasing customer demand for concert level production technologies, the MCC is continuing to incorporate them not only in our new, state-of-the-art auditorium but also throughout the rest of the facility.

In order to offer services that will be utilized and create a satisfactory return on investment, we must continue to carefully examine new technologies in all of these fields, as they become available. There are options as to how we ensure these services are available to our customers – by providing them internally, through partnership with vendors or allowing the use of outside providers. The decision as to the course we take with each technology has to be driven by the balance of potential revenue versus installation, maintenance and personnel training costs while factoring in the overriding concern of providing convenience and service to our customers.

Technology concerns impact our clients not only directly through their expectations of available services, but indirectly through our ability to provide good service of all types. During 2004, we have identified some weaknesses in our technology systems infrastructures that will need to be addressed. These include our internal radio system which has become congested with increased staff and contract vendor personnel. The fiber-optic capabilities of the existing structure need to be upgraded to equal the expansion. This now includes our internal LAN network which will shortly be out-paced by the upgrades to our desktop PC's, switches and hubs over the next 2 years; all of which will operate at higher speeds than the existing internal LAN structure is capable.

5. Customer Service Expectations

The MCC continues to face a major challenge as the increased surplus of rentable space and the increased expectations of clients, demand the MCC to be more responsive to remain competitive in the convention center market. The major question is how can the MCC distinguish itself from the other venues and provide added value to the customer. The continuing glut of Exhibit Space combined with increasing expectations has begun to cause some of our competitors to fall behind and while this remains a threat to our facility, it may also present opportunities.

In 2003 and early 2004 we have seen the development of several new trends. Perhaps the most significant change is the diminishing lead-time for decision-makers at all levels. Shows are booking much closer to the date of their event, and still demanding a high level of service and responsiveness.

We continue to see increased demand to modify Permits for Occupancy as show management companies become more intertwined with associations and we pursue more corporate business. The same factors are also driving higher expectations for service at a lower price. Within our industry, there is a growing feeling that everything is negotiable which has made diversity of services even more important. As we have begun to assume more connection to our customers on ancillary services such as event security, police, A/V, and a variety of labor, we are pushed to continue to distinguish our product from our from that of our customers.

The growth of corporate customers as a market segment will continue to drive greater expectations and demands for responsive service.

Our push towards one-stop shopping has allowed us to meet the needs of many more corporate clients as we continue to see this segment of our business grow. We started this push to consolidate billing and services several years ago, but are now seeing this evolve into an expectation of customers through association educational sessions and communication with fellow facilities. By assuming the responsibility for a wider portion of our customer experience, our team has become more intertwined with our customers which is leading to stronger relationships, but increasing demands on our staff to provide exceptional service and to take responsibility for the overall product.

6. Revenue Development - No significant changes from 2003-2008 Business Plan

As referenced in the Economic Environment Section, beginning with the Terrorist attacks on September 11, 2001, the convention industry has suffered greatly. Additionally, there continues to be an increasing glut of exhibit space available due to the ongoing expansion and construction of competing facilities. As a result we have not seen the increase in events that was expected when planning began for an expanded Convention Center. In order to support the long-term health of the Convention Center fund, our business plan must recognize the need to proactively develop new revenue sources and maximize our use of existing revenue streams in order to capture revenue which is currently going to other vendors or facilities.

The Convention Center has an abundance of capacity in its main commodity: space. In 2002, only 992 days out of 1645 potential use days were utilized in the exhibit halls. As space rental continues to account for approximately 50% of all revenue generated by the facility, we must develop a plan that provides solutions that increase occupancy. We will look to explore ways to attract more local and regional business and place a greater emphasis on short-term bookings (those events booked less than 18 months out.) Some potential areas to increase bookings include, increasing our flexibility in making deals, utilizing space for non-traditional events such as concerts or festivals.

In addition to increasing our bookings, we have the opportunity to increase the amount of revenue derived from each event. The Minneapolis Convention Center has traditionally, limited the number of revenue generating opportunities it actively pursues. Many opportunities could be harnessed as part of this business plan including the development of exclusive and preferred relationships that provide revenue to the facility in return for providing additional services. We have begun to exploit these areas through the development of exclusives for event security and medical services. Other known potential sources include a business center, Internet Services Providers, Ticketing Services, and Audio/Visual Services. As part of our business plan, we should also continue to look for new sources. Technology will play a role in revenue generation as we look at revenue streams such as advertising panels and broadband services. In order to help create additional revenue we must continue to look for creative methods for packaging specific services at competitive prices for specific targeted customers.

A large potential revenue stream is available through the development of partnerships. In 2003, we have seen a significant contribution by a local partner in the funding of the art wall. This major contribution driven by one of our long-term partners, the Greater Minneapolis Convention and Visitors Association saved the facility \$300,000. Other potential partnership opportunities exist in facility naming rights, finishing of two large unfinished event spaces on the mezzanine level, and advertising signage/informational displays.

7. Cost Containment - No significant changes from 2003-2008 Business Plan

With the expansion of the Convention Center bringing our total square footage from 800,000 to 1.5 million (an increase in size of 80%), our maintenance and labor costs to service the facility have increased significantly. Through prudent hiring, restructuring efforts and efficiencies of scale, we have contained the initial increases in expenditures, excluding new services, to 40% for labor and 22% for maintenance and utilities.

Over the next 5 year period, the Convention Center will be impacted by a changing labor market, fluctuations in the economy at the local/state/US & international levels, the geo-political climate with resultant effects on travel, potentially increasing concerns with security of facilities and uncertain futures for energy costs. These factors directly drive expenditures for the Facilities department and influence the ability to generate revenue on the Events side.

Regardless of revenue opportunities, cost containment strategies will be needed to manage the subsidy of the facility and contribute to the health of the Convention Center Fund. We will need to track and analyze the labor market to manage changing employee expectations, recruit and screen for successful candidates, and provide proper training with the goal of improving retention of qualified, trained employees. The single largest limitation to controlling labor costs is our inability to adapt our workforce to changing business cycles of the convention industry. We need to develop a large part-time labor force to accommodate the “feast and famine” nature of the business.

Depending on market conditions and economics, we will need to accommodate either a great many more clients with proper maintenance of a heavily used facility or develop plans to accommodate significantly fewer clients and save wear and tear on sections of the facility that are not needed. Careful analysis will need to be done to determine the feasibility of closing-off sections of the facility during potential major down turns in the business cycle. We also need to manage the increasing need for maintenance and repair of the existing facility (which will age from 13-18 years during this period) along with the appropriate capital planning for the expansion which will age from 1-6 years. The capital cost per square foot for the existing facility has risen from \$.18/sq foot in 1993 to \$.66/sq foot in 2003. Prudent preventive maintenance will be required to contain long-term deferred maintenance costs which can escalate unnecessarily with ‘minimal maintenance’ schemes.

Prudent stewardship of this facility and the Convention Center Fund will drive policy decisions over a wide basis that impact cost containment in many areas other than maintenance of the structure itself. Examples of this include:

- How well we operate and control risks will affect our property insurance rates.
- How well we manage client expectations and utilization of the diverse areas of the facility will affect our energy usage.
- How well we train and develop our workforce will impact the wear and tear and subsequent maintenance costs of our equipment.

8. Economic Environment - No significant changes from 2003-2008 Business Plan

As part of our environmental scan, the Convention Center staff identified the need to look at the effect of the economy on our facility. We currently face many external variables that are impacting our business.

The stagnant economy has impacted the percentage of occupancy for similar facilities since the fourth quarter of 2001. While September 11th pushed the economy strongly downward, many indicators showed that the rate of growth had already begun to shrink during the second and third quarter of the year. The convention and trade show business is directly impacted by the overall confidence that corporations display at any point in time. During periods when confidence is low, we see a decrease in the amount of authorized travel. As corporations have become skittish, we have seen many shows request smaller space. In some cases, we have experienced the cancellation of long-running shows. Overall, the struggling economy has created some facilities to change the competitive landscape by reducing rates or waiving charges for some services.

As unemployment rates have risen, and many companies have tightened their belts, our customers have seen a steady decrease in their disposable income. This tends to directly impact our public

shows and was directly demonstrated in slightly decreasing public show attendance in the first quarter of 2003.

The best way to describe the economy since 2001 is uncertain and nervous. This uncertainty is manifested in the delayed decisions of many show managers. The unabashed optimism that drove the dot.com boom has swung to a lingering uncertainty fueled by the long running war on terrorism and the Iraq Conflict.

The target customers of the Convention Center are deeply affected by local, national, and in some cases, international economic trends. We continue to see their uneasiness manifested in shorter-term decisions, and need for flexibility.

9. Labor Workforce

In 2004, we have continued to see progress in the area of working with our workforce. Over the last several years, significant improvements have been achieved in the area of employee turnover. Through the process of our reorganization from 2000 to 2003, we modified department structures, and shifts. In the process we eliminated a problematic swing shift used by the non-defunct Housekeeping Department. Early in 2004, we reached goal numbers for span of supervision developed in our Workforce planning project at 6.0. These gains are reflected in two major areas, turnover and employee satisfaction. The gap between employee expectations and performance has been cut in half over the last six years as measured by our annual employee survey. In 1997 the gap between expectation and reality for the statement "The MCC is a good place to work" was 0.97. In 2003, the gap for the same statement was 0.40. The facility Turnover Rate in 2000 was 28.3%. In 2003, the number was 15.1%. Perhaps most significantly within our OMS classification, the single largest classification of employees at the Convention Center, we have seen turnover drop from 116.7% in 1999 to 22.8% for 2004. Against this backdrop, we still face determined resistance from a small group of disgruntled employees. We have faced several Affirmative Action and EEOC complaints through 2003 and 2004. As of June 2004, we have eleven open or recently closed non-grievance complaints. Seven of those were by or on behalf of three individuals. Five have recently been returned as unsubstantiated with the rest at various stages of investigation.

Flexibility in the workforce continues to be a challenge as we adapt to changing event cycles and the inevitable ups-and-downs of the event-driven staffing. Continuing to cover all flexible staffing needs with the existing labor model is resulting in excessive overtime. This is difficult for our workforce and expensive. In 2004, we began utilizing more intermittent employees within our custodial operation. Through May 2004 our overtime was down by approximately 291 hours total compared to the same period last year. This figure includes an additional 556 hours in show production overtime which is necessitated by customer demands and equipment specialization and is largely billable at a profit center to the facility.

Employee training and development programs for annual and topic-specific issues are underway. Future training and development programs will need to shift focus to the role of employees within the business plan to help them share in the larger vision for the Convention Center. Employees at the line level interact with and make decisions that directly impact our customers every minute of every day. The many small impacts of those decisions and actions speak volumes to our customers on what the perceived mission of this facility is.

10. Regulatory Environment

We are continuing to work to develop long-term relationships with partner departments in the City to meet the unique business needs of the Convention Center in the areas of Information Services, Police and Fire, Human Resources and Traffic Control. We will continue to work with these areas as well as

Public Works Transportation & Parking Services, Finance and Procurement on future initiatives to enhance our competitive abilities.

In 2003 and early 2004, we have been able to initiate efforts to bring a higher level of service to our clients by developing stronger partnerships with our fellow city departments while simplifying billing processes for those departments. We are continuing to see issues with shaping life safety policies related to the changing nature of our exhibits. We have also experienced several issues in providing banner opportunities to our customers on the face of the facility. We are currently receiving strong cooperation from the agencies responsible for these areas as we work towards solutions which meet the interests of the city and our clients.

11. Branding/Identity/Image - No significant changes from 2003-2008 Business Plan

The brand is a set of facts or beliefs that are perceived in the mind of the targeted customer. The Minneapolis Convention Center needs to develop and establish its brand, communicate who we are and strategically position ourselves competitively in the marketplace. The brand position is a specific description of how the marketer (Minneapolis Convention Center) wants the customer to identify and define the brand -- how the Convention Center would want its customers to feel and think about the Center. Brand awareness establishes a familiarity in the customer's eyes.

- What would be accomplished by a branding study?
- Identifying the leverageable assets
- grasping brand opportunities
- mapping out a competitive landscape
- understanding key target audiences
- preliminary positioning direction

With the recent completion of the MCC's expansion, a concerted effort will take place among the City of Minneapolis, Minneapolis Convention Center Management, and GMCVA to develop a new logo for the Center that will embody the new colors and décor of the Center. The new "look" will be incorporated into all sales and marketing collateral, building correspondence, facility user's guide, etc. Over the course of time, the current logo will be replaced wherever it appears throughout the building. While the new logo is very important, it is essential that this one component of branding be coordinated with the complete branding process that is being conducted by the GMCVA.

12. Event Infrastructure – FY 05 New Environmental Trend

The need for the Convention Center Management and staff to improve the overall infrastructure of the facility in relationship to how we service our clients is becoming increasingly important. The primary concern in this area is the means and methods in which we communicate with our clients, exhibitors and guests. It is increasingly important for us to provide an exceptional product and develop new and improved ways of providing information on the front and back end of events in a timelier manner. We must move from a reactionary position to a position where we anticipate client and customer needs prior to their arrival.

The need for timely and accurate written estimates prior to an event is essential. Due to uncertainty by show managers, they must have accurate information to make informed decisions on what services are financially possible. The present structure of the MCC billing process does not lend itself to timely/accurate estimates. Also, we need to develop a process for identifying costs that are traditionally not considered by our clients until they receive a bill from us. Costs for items such as phones, electricity, seat removal, cleaning costs and other event related expenses need to be clearly identified prior to a client's arrival. Along with estimates, the need for timely final bills is important to our clients. It is very difficult for associations and show managers to evaluate the success of their show until they

receive a final bill from the Convention Center. We need to continue our efforts in improving this timeliness of this process.

Accurate billing is only successful if information entered into the system is accurate. The MCC must develop improved capability to clarify costs once items are identified. Aggressive attempts to obtain accurate event information are needed to provide a clearer level of knowledge for our departments in preparing estimates and final bills. Changes on the show floor can cause additional problems in the billing process. At times, clients are not effectively communicated with in the costs associated with ads on the show floor. MCC staff must also understand that ads on the show floor are only possible when approved by show management. There are large amounts of lost revenue in relationship to show floor ads. Without proper approval, changes on the show floor could cost the MCC significant amounts of revenue.

The need for improved efforts by the Safety department and Guest Service are needed. Efforts must continue by the staff to improve our communications with our clients on the needs for safety programs and the need for Guest Services staff to ensure the safety of the clients, guests and facility. Also, we see a need for clearer communication between the Safety Dept, MFD and the Guest Services department. When there are communication breakdowns between our clients and any one of these service departments, the client suffers. These communication issues cause lost productivity and additional costs for our clients.

Key Initiatives or Other Models of Providing Service to be implemented in 2005

Following is a summary of planned action items for 2005 based upon our Key Initiatives. We are including only those items which will receive significant action in 2005. Further information on future years and completed projects will be available within our updated 2005-09 Business Plan.

Key Initiatives

1. Completing Competitive Upgrades

Description

One of the MCC Management's initiatives is to complete competitive upgrades on an annual basis to remain competitive with the ever-changing convention industry. While we have made significant steps to complete our short-term planned initiatives, our long-term forecast requires greater investment in new programs and technology. We have broken this initiative into the following subgroups to better identify our goals:

Technology and Equipment Upgrades

- Phone System Upgrades – With the development of Hall A, we have determined that a new phone system for Cell Phones is required. Presently, cell phones and radios do not work effectively within this area. RFPs for this initiative have been received. Three proposers are being interviewed with an expected contract and installation of system by January 1, 2005. At the present time, no costs appear to be associated with this initiative. Revenue potential is part of the negotiation process and is still to be determined.
- Category 5 Cable/Fiber in Old Building – The original structure of the MCC is not equipped with category 5 cable or sufficient fiber optic cable runs. Presently, the MCC operational staff has pulled in minimal amounts of fiber optic cable to meet some of the needs of our clients. Additionally, the category 3 cable that is installed does not meet the technical needs of new Internet technology. Major portions of this initiative have been incorporated into improvements in infrastructure upgrades as part of the system installation for the wireless solution. Remaining portions of the infrastructure

will be re-evaluated during 2005 for potential upgrade or replacement as needed in 2006 to meet current technological requirements.

- Digital Wall/Marquee's – The MCC has a limited Marquee display system. The existing marquees are 15 years old and do not represent present technology. With the invention of Digital Technology, one initiative will be to obtain new digital wall panels to provide advertising and marquee space for our clients within the facility. In conjunction with the digital wall, the MCC would install digital marquees on the exterior of the facility to advertise and provide useful information to our clients and guests. The initial phase of project has been completed and monitors replaced with digitally controlled video flat panels in the interior North concourse of the facility. The remainder of the interior monitors is funded in the 2005 capital request with an anticipated completion of 3rd Quarter 2005. Development of plans for exterior marquees and digital advertising walls will be included in development of a naming rights proposal for the Auditorium and associated spaces.
- Theatrical Lighting/Audio Visual Equipment/Ballroom Sound System. With the addition of the Auditorium, the MCC has a new area to generate additional revenue for our bottom line through rental of A/V and Lighting Equipment. Lighting and A/V technology changes yearly and we will need to purchase new products on an annual basis to remain competitive. Additionally, the Ballroom sound system is 15 years old and has started to fail and become unreliable. We have received numerous complaints about the sound quality from the system. We are making attempts to make temporary fixes on the system, but an overhaul will be required in the short-term future. This initiative was addressed with the FY 03 capital and the final FF& E purchases for the building expansion. We are projecting annual Repair and Maintenance (R&M) money to maintain state of the art systems within our operating and capital budgets.

Security Upgrades

- Proximity Card Readers – Since 9/11/01, there has been an increased need for greater security within the MCC. Presently, we have been using staffing to assist us in covering vulnerable areas of the facility. This provides great visibility in public spaces. There is still a critical need to secure back-of-house areas from unwanted access. Card readers are needed on the pantries and elevators that access service areas of the facility. The card reader units have been acquired for these areas and installation is currently in progress, to be completed during 3rd quarter 2004. Following the research for this initiative, it has become apparent that card readers should be utilized in most applications for mechanical rooms, pantries, service corridors and storage areas throughout the facility and not limited to the service elevators. The card reader program has been expanded accordingly and these areas will begin to change out in 2005. Capital funding has been designated.
- Additional Cameras – Operating the expanded facility has shown the need for additional coverage in critical areas. This project is currently funded for fiscal year 2005 with an anticipated completion during 3rd quarter 2005.
- Replace old technology cameras in existing facility - The MCC presently uses outdated equipment in the original portion of the facility. This equipment was not upgraded during the construction of the addition to the facility. Many of these cameras are out of date and provide poor picture quality. Furthermore, the visible mounting hardware and cameras allow the potential to track camera movements. This project is currently funded for fiscal year 2005 with an anticipated completion during 3rd quarter 2005.
- Upgrade Parking control equipment to accommodate public sales – Parking equipment was installed during fiscal year 2003. Public parking has been on sale in our ramp since then. Following a year of public sales, we are expanding the sale to automated attendants to cover off-hours. This equipment will be installed 1st quarter of 2005 and funding has been included as part of 2005 capital requests.

Lobby D Escalator removal

- The lobby space located in Lobby D is limited greatly by the need for escalators. We would like to remove the existing escalators to provide greater lobby space. This will allow our clients to have a large, centrally located, registration lobby. Many of our National Clients are used to this setup in other facilities. We believe this will be one more additional sales item to attract customers to the Minneapolis Convention Center. Initial discussions with building architects have taken place. Further analysis will continue in 2005.

2. Actively Move Towards Stabilizing the Operating Subsidy for the Facility and Ensuring the Long-Term Health of the Convention Center Fund

Description

The debt service associated with the expanded facility combined with uncertain economic times continues to place pressure on the Convention Center Fund. One of the ongoing key initiatives for the Convention Center will be to aggressively look for untapped sources of revenue and unseen potential cost savings. Many items have already been actively pursued in recent years. Exclusive Security and Medical Services, development of a full-service auditorium package, partnership with GMCVA to secure sponsorship for the Art Wall, Equipment Rental Package development, competitive cooperation on contracted hard to attract clients, internalization of Police, and Fire Watch Services are some of the revenue generating approaches, we have initiated in recent years. Looking forward we will continue to look at a variety of options for expanding services, building partnerships, and containing cost based upon our stated initiative of ensuring the long-term health of the Convention Center fund. Some identified areas are within our short-term plans including the development of an exclusive ticketing service, build out of unfinished room L101, naming rights, and partnering with the GMCVA to combine our concierge, restaurant booth, TC Tix, and Welcoming functions into one centrally located permanent Convention Center location. Long-term plans will include thorough ongoing reviews of service and equipment offerings, new-business development and active pursuit of partnerships.

Short-Term Initiatives

- Ticketing – Originally Convention Center Staff anticipated issuing a Request for Proposal for Ticketing Services with planned implementation in early 2005. We experienced unexpected delays in hiring the manager overseeing this area. We anticipate developing a ticketing RFP as a primary responsibility of this individual in FY2004 and early FY2005. The majority of this project will be completed in FY 2005. It is anticipated that ticketing services will begin January 1, 2006. The addition of an exclusive ticketing agency will provide a new revenue stream, while allowing better control of our public shows and concerts and improving audit controls.
- Combining Visitor Services with the GMCVA – While the cash impact of this move will be not be as substantial as some earlier proposals, it will allow some economies of scale and help us provide a more desirable level of service to building patrons. By partnering on these services, we will remove some duplication between our organizations. By locating TC Tix in the Convention Center, we will help the GMCVA provide the service to a large group of potential users. Initial joining of operations has taken place in temporary facilities in the lobby of the Convention Center. We are currently working with the building architect to finalize the Visitor Information Center design. Construction should begin 4th Quarter 2004. This project will be completed in early 2005
- Naming Rights – Due to poor general market conditions over the last few years, we placed naming rights research on low priority. As economic conditions began to improve this year, we feel the time is right to pursue naming rights options. We anticipate these discussions beginning in 2005 and have set aside operating funds to explore this item.

3. Shaping Customer Experience

Description

Paramount to the success of the MCC is for the planner and attendee to have an enjoyable experience at the MCC. The ease of conducting business and ultimately the success of each event is our number one priority. The following activities will be pursued to help improve the ease of conducting business, and shape a positive customer experience.

- **Maximizing Parking at the Plaza Parking Ramp**

For many customers of the MCC, parking or the lack of parking (perceived or otherwise) is the number one issue affecting their ability to host an event. Limited parking immediately adjacent to the MCC is at times quickly filled with MCC customers, but also individuals that work in the downtown Minneapolis corridor. In discussion with customers, we have found that in many instances, exhibitors take a majority of the close parking locations and provide limited turnover during events. There are currently no plans to build significant parking ramps near the MCC. Also, given the location of the MCC, there are very few parcels of land available on which to build.

The Plaza Parking Ramp near the MCC needs to be managed in such a way to make parking available for customers of the MCC. Switching from an event rate to an hourly rate will help ensure a quicker turnover of spots and ultimately increase revenues to the City. Working with show management to develop plans for alternative exhibitor parking could provide greater levels of close parking for customers and deliver additional revenue. Beginning 4th quarter FY03, MCC management met with Public Works Parking staff to explore parking services options to better serve the MCC needs. Initial discussions did not reveal any better solutions. MCC management will implement new hourly rate structures for our parking ramp on 3rd avenue during FY2004 to evaluate alternate rate plans. Data from this research will drive further discussions with Ramp operating personnel during FY2005.

- **Skyways**

One of the most valued assets to the MCC is the Minneapolis skyway system. The MCC is connected to virtually all the downtown hotels, parking ramps, restaurants, nightclubs and shopping areas giving the attendees access to all these areas in the ease of the climate-controlled skyway. However, the skyway system does have its challenges. Skyway hours vary from building to building, signage is inconsistent and is not international and security issues are always of concern.

Maximizing the usability of the skyway system could have a significant financial impact as it may assist in booking additional clients that recognize the value of a climate-controlled skyway system that provides them with access to all downtown amenities.

Developing uniform hours or at the very least, developing a system where extended hours could be implemented when needed, is crucial to the success of a meeting or convention. Also, informative signage will reduce the attendees frustration by providing them an "easy to understand" means to navigate the skyway. During 2005, we will work to gain a more representative voice with the skyway committee.

- **Plaza/Grant Street**

The outdoor plaza in front of the MCC is unique to most Convention Centers. Typically, centers are landlocked with very few open areas. The MCC's plaza is over 70,000 sq. ft. of space that may be utilized for receptions, lunches or dinners and entertainment. The plaza can be a highly valued space when clients are determining locations for special events.

In order to make the plaza a more attractive site, the MCC must add better lighting, have electricity available in more locations, invest in more outdoor equipment, update or replace the landscape area and repair any defects in the sidewalk and other structures. Several improvements are being completed in 2004. Additional improvements have been identified and budgeted for FY05 for completion by 2nd quarter FY05.

- **Labor Flexibility/Structure**

Virtually all events that take place in the MCC depend on the use of labor from nearly every department within the building. However demands for labor vary greatly from group to group and the clients for each event rely on the MCC to provide appropriate labor to meet those variable demands.

Because every event presents variable workloads, it is advantageous to have a more flexible labor model than now exists.

The MCC is studying the concept of utilizing part-time staff in order to meet the peaks and valleys of the labor demand. This system would be based on client driven needs rather than predetermined scheduling.

In 2004, we had begun increasing the usage of intermittent employees in the Facility Services Department with some positive impacts on overtime. The MCC will continue working with the Teamster Local #320 Labor Management Committee during FY 2005 to develop better labor model proposals for partial/part-time staffing.

4. Addressing Infrastructure Shortcomings

Description

The Convention Center's primary product is the facility itself, the space that clients rent. The maintenance to preserve its reliability, appearance and functionality is of primary concern. As such, capital expenses along with repair and maintenance comprise 25% of the Convention Center's operating budget on an annual basis. As the facility ages, some systems will require outright replacement while others will simply continue with routine maintenance, perhaps on an increased basis.

The existing technology infrastructure was designed in 1986 and opened for operation in 1991. With the rapid pace of advances in the data world, this infrastructure is now in need of substantial upgrades to maintain a competitive advantage. Today's technology was designed into the client spaces of the expansion but existing areas of the building require upgrades to provide a seamless facility with uniform customer service.

- **Project Management**

As part of our ongoing business plan, our annual capital expenditures will increase markedly over the next several years. The bidding and project management requirements of this work requires substantial oversight. In 2005, we have budgeted for a new position in the Facility Services Department. The position will be created from funded but unused FTE positions and will be responsible for many of the duties previously assigned to an outside consultant.

- **Study Major Finishes**

Publicly visible major finish elements will need to be addressed over the next five years. In spite of routine maintenance, the terrazzo floor system throughout the building is deteriorating in the convention environment at an unacceptable rate and will require extensive renovation or replacement to avoid an unsightly lobby space. Carpet throughout the facility was replaced in 2000

to match the expansion. This carpet was trouble-prone during installation and appears it will require replacement in 3-5 years. There is the possibility of changing to a new carpet system, which would require aesthetic study. Walls, structural steel elements and ceilings of the 4 upper exhibit halls continue the pink color from the original construction on 1989. A major cleaning and repainting with a potential color change to coordinate with the new colors needs to be examined.

Studies of these systems began in 2003 and have continued during 2004. We expect to see the development of a draft comprehensive plan in 2005 with initial funding requests for 2006 and beyond for detailed work involving outside agencies and architects.

- **Telecomm and Data Infrastructure**

The original low-voltage data and telecommunications cable-plants are obsolete. Updated versions of these elements have been incorporated into the expansion spaces and customer usage demands updates to the existing spaces. Other systems suffer similar fates. Our inside event monitors and radio communication systems are due for an update. Pay phone usage has dwindled markedly; cell phone usage is dramatically increased. There are resultant impacts on our infrastructure, which must be accommodated.

In 2004 we began to address a very visible system with an upgrade to the event monitors in public spaces. This upgrade has been started in 2004. The project will be completed during 2005. Radio communications are vital to convention operations. Additional radio channels and equipment will be added to the existing system to accommodate these needs. Additional radios were purchased in 2004. A larger program of radio equipment replacement will take place in 2005, capital funds have been designated.

- **Sound and Lighting**

Audio recording is being enhanced in 2004 with \$52,000 of additional client equipment and upgrades to some of the existing sections with the least options for customer service at this time. This is a portion of a \$1,000,000 multi-year effort to complete the integration of the sound system following construction. The major portion has been budgeted for and will be completed by 4th quarter 2005.

Additionally, \$300,000 has been allocated to capital funding for FY 2005 to upgrade the lighting systems in the existing facility to match the expansion space. This is a continuation of an ongoing effort to remove discrepancies in our ability to serve our customers in different parts of the facility.

Primary Business: Event Services

Description of Primary Business:

This business line encompasses the majority of the interaction with three distinct customer groups; show management, exhibitors, and guests. Event Services includes our in-house and contracted services in three major activities: Show/Client Services, Guest Services, and Exhibitor Services. This primary business is responsible for providing an exceptional product through the coordinated delivery of services. They work with our clients, guests, and exhibitors to ensure that all facets of each show work to perfection.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Number of Events	547	542	516	520	525
Total Attendance	1,000,500	1,111,513	917,821	1,000,000	1,100,000
Total Equipment, Labor & Utility Revenue	\$2,632,714	\$3,404,634	\$3,786,486	\$4,755,000	\$5,020,000
% of Non-Rental Revenue	51.5%	53.7%	53.5%	55.0%	56.4%

Explanation of Key Performance Measures:

Number of Events and Total Attendance: Events and attendance are demand measures that are not directly controlled by the event services business, but drive the use of labor and equipment and can determine the need for appropriation of additional resources.

Total Equipment, Labor, and Utility Revenue: These revenue streams are directly impacted by the efforts of the event services business function through up-selling, creation of new business lines, rate structures, and the development of package sales. This performance measure shows the overall amount derived from the products of the event services department.

% of Non-Rental Revenue: This percentage measurement demonstrates the ratio of revenue from non-rental sources compared to rental revenue. Historically, rent has composed approximately 50% of Convention Center revenue with fluctuation of a few percentage points. While this measure can and will fluctuate due to rate changes, types of shows and other variables, it can be used to judge the effective marketing of Convention Center's event services product lines. The operating subsidy represents our overall target. A central part of our mission is to work towards minimizing the operational subsidy for the facility.

Primary Business: Facility Services

Description of Primary Business: This business line includes all of the support required to ensure that we have sufficient resources and facilities to properly serve our customers. This department provides key services to all events and is responsible for the long-term health of our facility. This primary business includes all of our Internal City of Minneapolis services, our administrative support, facility safety and security, parking and marshaling operations, and custodial operations. One of the major focuses of this department is the upkeep and preservation of the physical structure and all of our building systems.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Overall Customer Survey Appearance Rating	4.34	4.58	4.45	4.5	4.6
Parking Services Net Profit/(Loss)	-\$201,943	-\$168,290	-\$114,291	-\$55,250	\$22,650
Tallmadge Building Net Profit/(Loss)	\$65,383	\$118,702	\$42,376	\$89,880	\$90,000

Explanation of Key Performance Measures:

Overall Customer Survey Appearance Rating: This rating is gathered directly from Convention Center service surveys. The facility services business function is primarily responsible for all aspects of the appearance of the facility so this value demonstrates the effectiveness of their efforts.

Parking Services Net Profit/(Loss): These performance measures show the overall financial management of the parking facilities during the fiscal year. The net profit/(loss) is also used to determine if employees of the Convention Center will be required to pay for parking during a fiscal year.

Tallmadge Net Profit/(Loss): These performance measures show the overall financial health of the Tallmadge Building during the fiscal year. The Tallmadge property is not a primary focus of the Convention Center management team as it is managed by a private property manager, but effort is put into ensuring an annual profitable return to justify maintaining ownership of the project for potential future Convention Center related use.

Primary Business: Sales and Marketing Services

Description of Primary Business: This is the first point of contact for all business. This primary business is responsible for providing information about the facility, identifying and attracting events, maintaining relationships, and gathering data on how we serve our customers. Through surveys and client interaction, they help shape the overall Minneapolis Convention Center experience. The

majority of these services are provided through the Greater Minneapolis Convention and Visitors Association in coordination with the Convention Center's Executive Management Team.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
National Growth/(Contraction) Rate	na	na	na	na	na
Minneapolis Convention Center Growth/(Contraction) Rate	1.53%	22.85%	2.17%	2.2%	1.8%
Occupancy - Square Footage	73.07%	59.54%	54.80%	56%	57%
Convention Center Delegates	218,100	192,300	190,925	209,400	158,900
IACVB Expenditure per Delegate Factor	\$927	\$962	\$1075	\$1075	\$1075
Delegate Expenditures on Convention Center Events	\$125,545,000	\$184,992,600	\$205,244,375	\$212,630,000	\$168,237,500

Explanation of Key Performance Measures:

National Growth/(Contraction) Rate and Minneapolis Convention Center Growth/(Contraction) Rate

These measures compare the growth or contraction of the volume of Convention Center demand compared to national demand for exhibit space. Please note that we are working with Pricewaterhouse Cooper to gain historical information which we can use to benchmark national growth and contraction. For the time period from 2001 to 2003 our size subset, saw a decrease in occupancy of 10% falling from 61% to 51%.

Occupancy

The occupancy data demonstrates effectiveness in leasing space and the amount of excess inventory available for future years. These measurements are now based on actual use of the space compared to the potential use of the space. Any activity in a space on a given day is considered a single use day. It is assumed that a space is only useable once in a given day. The significant fall off in 2002 relates to the opening of the expansion and is indicative of percentage of space used rather than total space used.

Convention Center Delegates, IACVB Expenditure per Delegate Factor, and Delegate Expenditures on Convention Center Events

These measurements are useful for evaluating the overall economic generation of tradeshow in Minneapolis. Delegates are considered attendees of conferences and trade shows and the figures do not include attendees at corporate, public or ticketed events. The IACVB multiplier is an average cash value spent by each delegate in the market and does not contain any re-circulation multiplier.

Financial Analysis:

EXPENDITURE

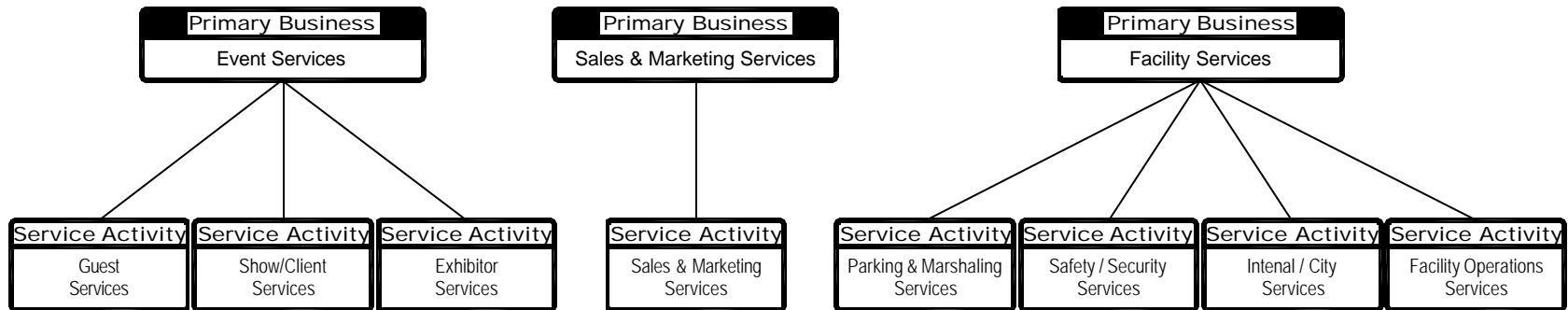
The Convention Center's expense budget will increase by \$1.18 million because of the General Fund overhead rate model developed for 2005. The model replaces various separate charges for indirect costs that were previously budgeted directly in Finance in various funds. It also includes \$239,000 in BIS charges calculated on a city-wide rate model and \$36,100 for benefits administration. Both charges were centrally budgeted in the past. Backing out these charges, the 2005 Convention Center budget is \$26.6 million, a 15.6% increase over the 2004 Adopted Budget.

For further financial analysis, please review the Convention Center financial plan in the Financial Plans section of this book.

**CONVENTION CENTER
Staffing Information**

	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Total FTE's	213.60	213.60	212.60	211.18	-0.67%	(1.42)

Minneapolis Convention Center Primary Businesses, Service Activities, and Functions



Functions

Event Security
 Medical
 Concierge
 Coatcheck
 Fire Marshall
 Police
 Concessions
 Lost and Found
 Business Center - 8/04
 *Ticketing Services

Functions

Event Coordination
 Production
 Audio/Visual
 Room Refreshes
 Catering
 Event Set-up

Functions

Electrical
 Plumbing
 Telecommunications
 Cleaning
 Internet/Wireless - 1/05

Functions

Soliciting Clients
 Site Inspections
 Hospitality Relationships
 Booking
 Contracting
 Advertising
 Sales Collateral
 Website Management
 Client Feedback
 Internal Goods and Services

Functions

Vehicle Staging
 Parking
 Parking Facility Mgmt.
 Parking Sales
 Traffic Control
 * Off-Site Marshaling

Functions

Life-Safety Monitoring
 Surveillance Monitoring
 Facility Security
 Building Access
 Shipping & Receiving
 Equipment Issue

Functions

Business Information Services
 Human Resources
 Personnel Records
 Risk Mgmt. Reporting
 Training Coordination
 Finance & Accounting
 Administrative Support

Functions

Preventative Maintenance
 Repairs
 Capital Improvements
 Project Management
 Building Systems
 Structure
 Custodial Services
 Grounds Upkeep

* Denotes current areas under review as additional or expanded services.

as of 07/14/04

**CONVENTION CENTER
Expense Information**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Special Revenue Funds						
Contractual Services	7,662,096	7,872,905	9,165,696	9,919,974	8.2%	754,278
Equipment	900,009	703,376	1,120,450	3,666,825	227.3%	2,546,375
Equipment Labor	1,355	2,844	0	3,000		3,000
Fringe Benefits	1,762,279	2,165,875	2,760,594	2,968,507	7.5%	207,913
Operating Costs	825,886	865,870	1,075,296	1,171,156	8.9%	95,860
Salaries and Wages	6,731,235	7,633,650	8,909,099	9,162,327	2.8%	253,228
Total for Special Revenue Funds	17,882,860	19,244,520	23,031,135	26,891,789	16.8%	3,860,654
Total for CONVENTION CENTER	17,882,860	19,244,520	23,031,135	26,891,789	16.8%	3,860,654

**CONVENTION CENTER
Revenue Information**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Special Revenue Funds						
Charges for Service	3,249,272	3,720,144	4,740,000	5,230,000	10.3%	490,000
Interest	-592	10	0	0	0.0%	0
Other Misc Revenues	2,207,830	2,321,293	2,405,000	2,505,000	4.2%	100,000
Rents	5,737,651	6,193,637	6,765,000	7,063,000	4.4%	298,000
Sales and Other Taxes	47,561,747	48,908,092	49,659,000	50,900,476	2.5%	1,241,476
<i>Total for Special Revenue Funds</i>	58,755,908	61,143,175	63,569,000	65,698,476	3.3%	2,129,476
Total for CONVENTION CENTER	58,755,908	61,143,175	63,569,000	65,698,476	3.3%	2,129,476

FINANCE DEPARTMENT

Mission Statement:

We provide financial services that assist our customers in making sound and informed decisions and ensure the City's financial integrity.

Primary Businesses:

Financial Operations – Provide accurate, timely financial information

- Revenue and Receivables Management – Collect and receive revenue and manage receivables
- Payment Processing – Pay employees, vendors and other third parties
- Asset Management – Manage and preserve assets

Decision Support – Support informed financial and business-related decisions

- Resource Allocation Support – Support elected officials in making decisions regarding source and allocation of financial resources
- Resource Management Support – Support departments in making decisions regarding management of financial resources

Key Trends and Challenges Impacting the Department:

Finance has conducted an environmental scan (also known as a SWOT analysis, for Strengths, Weaknesses, Opportunities, and Threats) to identify the trends and challenges that would be most likely to impact its business lines over the next five years. This scan brought to light several opportunities and challenges that Finance currently faces or may face in the future, including:

- Heightened demand for analysis and decision support by policy makers and department managers due to significant cuts in state aid, declining community development resources, and the advent of 5-year business planning.

Improved quality and frequency of external and management information due to the implementation of new accounting standards (GASB 34) and improved management processes.

The City of Minneapolis has successfully implemented GASB 34, the wide-ranging reform of accounting standards for state and local governments. The current challenge for the City, and for Finance in particular, is to integrate GASB 34 into the City's financial processes and reporting practices. The City's financial management has become a high priority for the Mayor and City Council. Finance has responded to this priority with a realignment of resources to support the City's elected leadership in financial planning and decision-making.

- Integration of development finance functions into Finance.

The creation of the Community Planning and Economic Development (CPED) department requires Finance to transition employees, create an organization to support CPED's operations and management, and meld financial and related business processes. Although the process of transitioning finance-related CPED employees into Finance has begun, significant work remains in this task and in the larger task of organization and alignment.

- Necessary investments in technology infrastructure, including maintenance and upgrade.

Service delivery and the ability to meet Finance's customer expectations are highly dependent upon software systems, equipment and technology infrastructure. Over time, the technology infrastructure of Finance has increased in complexity due to the rapid pace of technological change, a lack of financial resources, and the incompatibility of differing vendor solutions. In some cases, this increased complexity has required the use of workaround procedures, which can cause inefficiencies. Although these processes, systems, and equipment are adequate for current levels of demand, they will not be sufficient to accommodate anticipated increases in customer demand. The issues and challenges presented by current technology are discussed at length within Finance's Technology Resource Plan.

- Business process improvements (simplification, automation, or elimination) to reduce costs and improve customer service.

Finance continually seeks to improve efficiency in order to reduce costs and improve customer service. In particular, Finance will investigate the means to simplify, automate, or eliminate business processes. Potential initiatives include conducting a UB Utility Billing ACH campaign, developing an online payment system, and increasing parking Electronic-payment.

Each of these is closely associated with the significant ongoing challenges that Finance faces in the areas of Workforce, Communication, Information Technology, and Service Delivery. A discussion of these highly interconnected issues follows.

Workforce

Finance's workforce is our greatest asset. Our employees are experienced and dedicated to the department and to the City. However, this strength has been undermined by ongoing retirements and staffing reductions due to LGA cuts. In particular, our resources for financial analysis to support budgeting, business planning, and routine management decisions were reduced in order to preserve basic financial integrity and controls. These losses have reduced the overall knowledge base within Finance and have resulted in service delivery issues.

The losses associated with these retirements and staffing reductions are exacerbated by a number of factors. First, Finance has failed to adequately manage employee cross-training, knowledge transfer, and succession planning. In addition, Finance has under-utilized technology resources that could offset staffing reductions. Although it is uncertain whether further reductions in staffing will be necessary in the next five years, it is inevitable that Finance will lose additional employees due to retirement. Therefore, it is essential that Finance address these issues.

Independent of the losses incurred due to retirements and staffing reductions, Finance has had difficulty meeting current staffing needs. In particular, it has been difficult to recruit multilingual employees and temporary employees. There has also been a lack of qualified applicants to fill certain positions.

Finance is challenged to rebuild our capacity by simplifying processes and procedures. A Workforce Plan seeks to address these and other workforce issues. The Workforce Plan can be found on page 44 of the Business Plan.

Communication

Intra- and inter-departmental communications issues remain. Poor intra-department communication

results in inconsistent provision of information and application of policies. Inadequate communication with other departments leads to a lack of understanding of business and budget processes, under-utilization of available resources, and confusion regarding when Finance should be involved in business and budget processes. Both types of communications issues challenge department efficiency, productivity and cohesiveness, and compromise overall service delivery.

Finance has recently consolidated its personnel to 10 primary locations. While it is hoped that this will facilitate communications both within the department and with our customers, the lack of physical proximity is an ongoing challenge. The business planning process will seek to identify means by which intra- and inter-department communications can be improved. In particular, Finance will explore the use of existing information technology resources to address this issue.

Information Technology

Although existing information technology resources are considered a departmental strength, these resources are under-utilized by department employees and customers. In general, this under-utilization results from a lack of customer and employee knowledge regarding available technology. In addition, the future implementation of technology such as 3-1-1 common call center will present Finance with opportunities to enhance efficiencies and improve communications.

Existing information technology resources can be used to address many of the service delivery issues described above; including decreased staffing levels and communications issues. Finance will seek to increase the use of these resources by both employees and customers in order to meet customer expectations through process improvements and increased user-friendliness.

Service Delivery

Service delivery issues have been discussed in several of the preceding sections, including Workforce, Communication, and Information Technology. In general, the deficiencies noted above – particularly the staffing losses described under Workforce – have affected the relationship that Finance has with its customers, and reduced customer trust in our ability to provide the quality and quantity of financial services and information that they require.

In addition, service delivery issues have arisen from Finance's provision of non-standardized services for individual customers. In the past, Finance has continually adapted its services in order to meet the needs of each customer. Given our current resource limitations, it is impossible to continue to provide such non-standard services. Therefore, the business planning process will be used to better define the scope and services Finance provides departments.

As with every department, financial resources will continue to influence our ability to deliver services. Finance will use the business planning process to identify ways to increase the efficiency and cost-effectiveness of its services. This is particularly important given the current budget environment, as Finance must continue to provide cost-effective services in order to remain competitive relative to external providers.

These service delivery issues are of utmost concern to Finance. The provision of high quality, cost-effective services is the key challenge that the business planning process will seek to address.

Key Initiatives or Other Models of Providing Service to be implemented in 2005

Enterprise Level

1. Support business plan implementation of City departments
2. Develop strategies to diversify and increase revenues
3. Integrate budget development and business planning
4. Complete CPED – City integration
5. Increase internal audit resources
6. Strengthen accountability for business lines and service activities through performance measurement

Department Level

7. Train personnel (Workforce Plan)
8. Upgrade information systems (Technology Plan)

Business Line Level: Financial Operations

9. Simplify, automate, or eliminate business processes to reduce costs, improve service, and enable more resources to be allocated to the Decision Support business line and manage within financial resources
10. Implement new investment strategies
11. Train department heads regarding financial responsibilities

Business Line Level: Decision Support

12. Update 5-year financial plans to include all projected City financial resources and demands
13. Incorporate rate models into budgeting and financial planning decisions
14. Develop capital project status reports
15. Simplify and improve the frequency of financial reports to the public
16. Simplify financial procedures and publish on CityTalk
17. Benchmarking performance with other comparable cities

Other Models of Providing Service

During business plan implementation, the Finance Department will evaluate other models for providing service. Models included contracting with private or governmental partners, providing self-service capabilities for customers, or offering services to other governments in the following areas:

- Investment management
- Billing and receivables management
- Financial management reporting
- Financial systems
- Payroll
- Procurement
- Administration of insurance, claims, and loss prevention

Included for each alternative model are an assessment of the current model and options and a discussion of the outcome of evaluation of each alternative service model. An evaluation timeframe and responsible parties are also identified.

Primary Business: Financial Operations

Description of Primary Business: Provide accurate, timely financial information. This business line includes collecting and receiving revenue; managing receivables; paying employees, vendors and other third parties; and managing and preserving assets.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Percent of invoices paid within invoice terms					New measure
Ratio of receivables written off to total revenue	24.3%	1.3%	0.6%	10.0%	10.0%
Percent of departments where chart of accounts is consistent with the business plan	n/a	n/a	n/a	n/a	n/a
Investment rate of return over benchmark	-1.49%	.76%	1.62%	.54%	.37%
Dollar value of claims (workers comp and tort paid)	WC - 4,719,523 Tort - 1,419,335 Total - 6,138,585	WC - 8,104,124 Tort - 369,799 Total - 8,473,923	WC - 6,046,645 Tort - 492,051 Total - 6,538,696	WC - 5,833,096 Tort - 633,320 Total - 6,466,416	Total 7,159,678
% payroll cycles completed on time with 100% accuracy	100%	100%	95.5%	100%	100%

Explanation of Key Performance Measures: The primary customers of this business line are City departments and agencies in the provision of service delivery to support their internal operations. This business line provides the administrative support infrastructure and maintains the processes and procedures through which its customers interact. Furthermore, customers defined within this business line are broad base and not confined only to internal operations. Operational areas within this business line also provide services to property owners throughout the City in the form of utility billing, phone and counter service, and work order management. Services to customers within this business line can also include vendors, claimants, other government agencies, and businesses.

Primary Business: Decision Support

Description of Primary Business: Support informed financial and business-related decisions. This business line includes supporting elected officials in decision-making regarding source and allocation of financial resources, and supporting departments in decision-making regarding management of financial resources. Finance department services lead to good financial decision-making on the part of elected officials and departments.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Bond Rating	Aa1/AAA/AAA	Aa1/AAA/AAA	Aa1/AAA/AAA	Aa1/AAA/AAA	Aa1/AA/AAA
Unqualified opinion and number of exceptions noted in management report	Unqualified (7)	Unqualified (7)	Unqualified (7)	Unqualified (5)	Unqualified (5)
Percent of funds where recurring expenses don't exceed recurring revenues	75%	80%	67%	50%	70%
Percent of departments performing with budgeted revenues and expenditures	75%	80%	exp - 96% rev - 54%	exp - 96% rev - n/a	exp - 96% rev - 75%

Explanation of Key Performance Measures: The primary customers of this business line include the Mayor, City Council, City department and agency management, bond rating agencies, Government Finance Officers Association (GFOA), the State Auditor's Office and taxpayers in Minneapolis. Additional customers include vendors and the media.

Customer satisfaction level is generally measured by maintenance of the City's strong credit rating, continued receipt of financial reporting and budgeting awards from the Government Finance Officers Association (GFOA), and a qualified auditor's opinion regarding the City's annual financial statements.

Financial Analysis:

EXPENDITURE

The 2005 General Fund budget for the Finance Department increased by \$10.2 million, a 136% increase over the 2004 Adopted Budget. The Utility Billing division budget of \$4,473,000 was transferred to the General Fund. This division was budgeted in the Enterprise Fund in the past.

The Finance Department's Expense budget will increase by \$4 million because of the General Fund overhead rate model developed for 2005. The model replaces various separate charges for indirect costs that were previously budgeted directly in Finance in various funds. The budget for this department also includes \$1.67 million in BIS charges calculated on a city-wide rate model and \$31,200 for benefits administration. Both charges were centrally budgeted in the past. Backing out these charges, the 2005 Finance department's budget is \$18 million, a 1% decrease from the 2004 Adopted Budget.

Federal and CDBG funds have decreased in 2005 because two finance positions supporting the Minneapolis Employment and Training Programs (METP) are no longer directly funded by grant funds and the METP program has been moved from the Health and Family Support Department to CPED. Also for 2005, an additional \$25,000 was added to Administration for an office Intern.

REVENUE

General Fund revenue decreases by \$2.1 million to \$47,600 for 2005. This revenue was moved to a centrally budgeted agency to eliminate activity in the General Fund. The revenue for Federal and State funds has decreased to match corresponding appropriation reductions in these funds.

The Finance Department's revenue budget also reflects a decrease of \$6.8 million from 2004 due to the General Fund rate model. This decrease is offset by a corresponding increase in centrally budgeted overhead within the General Fund.

MAYOR'S RECOMMENDED BUDGET AND ADOPTED BUDGET

The Mayor's Recommended Budget eliminated one position in the Treasury Division of the Finance Department and reduced non-personnel by \$245,000 for a total savings of \$320,000. The Council concurred with this recommendation. Additionally, funding for a Deputy City Coordinator position was reallocated from the Finance department to the Coordinator's department. The Finance department's portion of the \$75,000 reduction from the City Coordinator's department to the Police department is \$27,000.

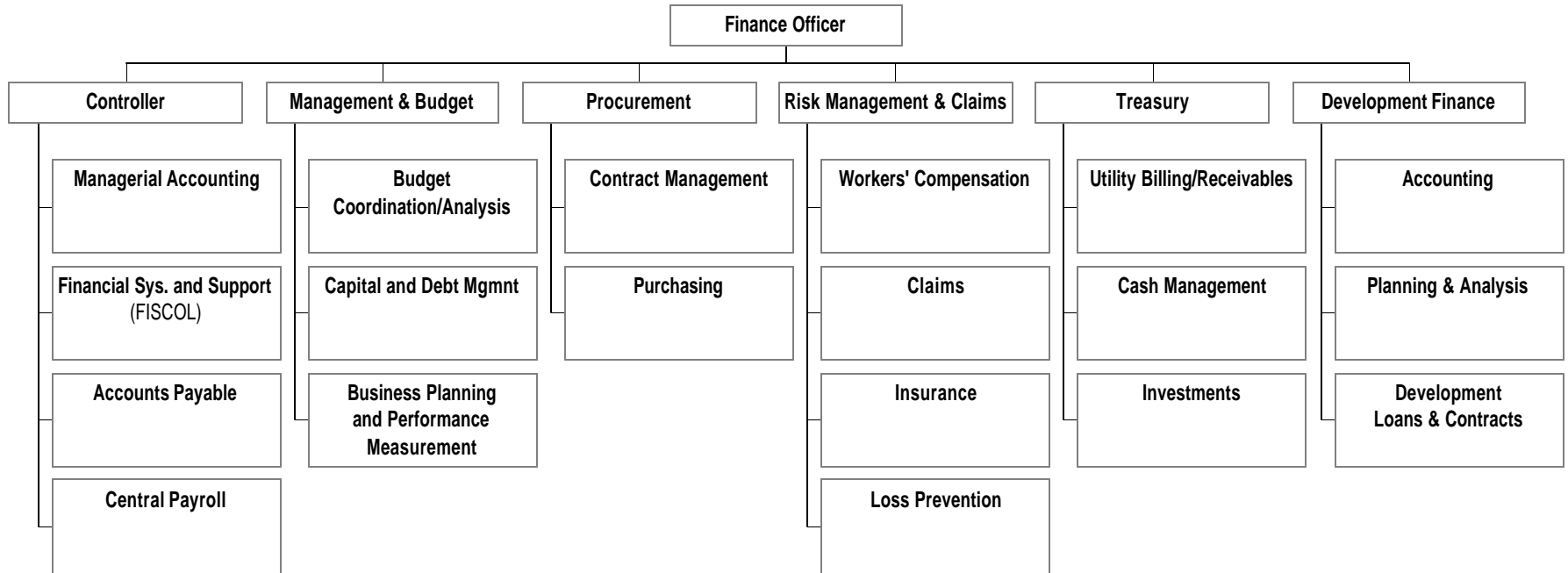
FINANCE
Staffing Information

	2002	2003	2004	2005	%	
	Adopted	Adopted	Adopted	Adopted	Change	Change
	Budget	Budget	Budget	Budget		
FTE's by Division						
Executive	2.00	2.00	10.00	10.00	0.00%	-
Treasury	61.00	61.00	59.00	58.00	-1.69%	(1.00)
Procurement	12.50	10.00	8.50	8.50	0.00%	-
Management Analysis ¹	5.50	-	-	-	0.00%	-
Risk Management	10.00	10.00	9.50	9.50	0.00%	-
Financial Management and Budget ²	112.00	25.00	-	-	-	-
Controller	NA	92.00	97.00	97.00	0.00%	-
Development Finance	-	-	21.00	21.00	0.00%	-
Total FTE's	203.00	200.00	205.00	204.00	-0.49%	(1.00)

¹ Starting with the 2003 budget the FTE's in the Management Analysis Division (MAD) are allocated to the Financial Management and Budget Division.

² In 2002, the Financial Services and Budget Division became two separate Finance Divisions: Financial Management & Budget and Controller. In 2003, the Management and Budget division was eliminated. the remaining employees moved into the Controller division and the Executive division.

City of Minneapolis Finance Department



FINANCE DEPARTMENT
Expense Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Capital Projects						
Fringe Benefits	5,977	7,266	0	0		0
Operating Costs	1,255,798	1,006,363	1,019,744	0	-100.0%	-1,019,744
Salaries and Wages	0	0	0	0		0
Total for Capital Projects	1,261,775	1,013,629	1,019,744	0	-100.0%	-1,019,744
Enterprise Funds						
Capital Outlay	0	0	26,870	0	-100.0%	-26,870
Contractual Services	1,230,001	1,140,390	1,311,704	0	-100.0%	-1,311,704
Equipment	0	0	104,681	0	-100.0%	-104,681
Fringe Benefits	583,809	634,889	688,846	0	-100.0%	-688,846
Operating Costs	1,160,426	1,272,663	1,366,303	0	-100.0%	-1,366,303
Salaries and Wages	2,387,058	2,193,526	2,446,744	0	-100.0%	-2,446,744
Total for Enterprise Funds	5,361,294	5,241,467	5,945,148	0	-100.0%	-5,945,148
General Fund - City						
Capital Outlay	0	0	0	27,246		27,246
Contractual Services	1,519,141	991,331	1,928,471	4,248,777	120.3%	2,320,306
Equipment	17,514	331,723	115,374	217,666	88.7%	102,292
Fringe Benefits	1,409,940	1,308,033	1,769,744	2,954,885	67.0%	1,185,141
Operating Costs	-3,428,519	-3,513,833	-3,461,195	346,282	-110.0%	3,807,477
Salaries and Wages	6,122,703	5,541,327	7,166,493	9,951,604	38.9%	2,785,111
Total for General Fund - City	5,640,779	4,658,581	7,518,887	17,746,460	136.0%	10,227,573
Internal Service Funds						
Contractual Services	617,079	620,826	724,797	803,626	10.9%	78,829
Equipment	0	0	5,167	5,239	1.4%	72
Fringe Benefits	143,686	156,036	260,117	157,922	-39.3%	-102,195
Operating Costs	1,062,761	1,178,816	1,200,711	32,231	-97.3%	-1,168,480
Salaries and Wages	535,681	495,929	586,233	548,295	-6.5%	-37,938
Total for Internal Service Funds	2,359,206	2,451,607	2,777,025	1,547,313	-44.3%	-1,229,712
Investment Management Funds						
Operating Costs	205,026	285,745	0	0		0
Total for Investment Manager	205,026	285,745	0	0		0
Special Revenue Funds						
Capital Outlay	0	0	1,204	0	-100.0%	-1,204
Contractual Services	0	0	94,498	11,191	-88.2%	-83,307
Fringe Benefits	73,811	86,190	61,141	75,009	22.7%	13,868
Operating Costs	223,461	298,468	302,671	0	-100.0%	-302,671

**FINANCE DEPARTMENT
Expense Information**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Special Revenue Funds						
Salaries and Wages	341,607	338,288	397,976	274,466	-31.0%	-123,510
<i>Total for Special Revenue Funds</i>	638,879	722,945	857,490	360,666	-57.9%	-496,824
Total for FINANCE DEPARTMENT	15,466,958	14,373,974	18,118,294	19,654,439	8.5%	1,536,145

FINANCE DEPARTMENT
Revenue Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Capital Projects						
Interest	0	5,112	0	0	0.0%	0
Total for Capital Projects	0	5,112	0	0		0
Enterprise Funds						
Charges for Sales	655	592	0	0	0.0%	0
Charges for Service	3,986,502	3,191,400	4,362,850	0	-100.0%	-4,362,850
Total for Enterprise Funds	3,987,157	3,191,992	4,362,850	0	-100.0%	-4,362,850
General Fund - City						
Charges for Sales	42	243	0	0	0.0%	0
Charges for Service	100,781	66,840	2,167,879	5,500	-99.7%	-2,162,379
Franchise Fees	0	0	0	0	0.0%	0
Interest	41,770	-1,958	0	0	0.0%	0
Local Government	15,000	15,000	15,000	0	-100.0%	-15,000
Other Misc Revenues	1,453	0	0	42,069	0.0%	42,069
Total for General Fund - City	159,046	80,125	2,182,879	47,569	-97.8%	-2,135,310
Internal Service Funds						
Charges for Service	316,773	269,746	342,068	342,068	0.0%	0
Other Misc Revenues	0	191	0	0	0.0%	0
Total for Internal Service Funds	316,773	269,937	342,068	342,068	0.0%	0
Investment Management Funds						
Interest	6,502	-4,961	100,000	0	-100.0%	-100,000
Total for Investment Management Funds	6,502	-4,961	100,000	0	-100.0%	-100,000
Special Revenue Funds						
Contributions	0	0	5,458	41,336	657.3%	35,878
Federal Government	0	0	0	34,330	0.0%	34,330
Total for Special Revenue Funds	0	0	5,458	75,666	1,286.3%	70,208
Total for FINANCE DEPARTMENT	4,469,477	3,542,205	6,993,255	465,303	-93.3%	-6,527,952

HUMAN RESOURCES

Mission Statement:

The mission of the Human Resources Department is to strategically partner with City departments to hire, develop and retain an excellent workforce.

Primary Businesses:

- Provide learning opportunities for managers, supervisors and employees to maximize their development and minimize organizational risk.
- Ensure employees have competitive compensation and positive working conditions while minimizing the City's exposure to liability.
- Manage and provide HR information to City, Independent Boards and Agencies for decision-making purposes.
- Assist departments in designing and developing their organization.
- Provide the City, Park & Library Boards with the timely opportunity to hire diverse, competent employees.

Key Trends and Challenges Impacting the Department:

1. Availability of the Workforce
2. Building/Retaining a Competent Workforce
3. Diversity as a Way of Life
4. Technology (use and future role)
5. Heightened Legal & Regulatory Complexity
6. Fewer Resources, Higher Expectations

Key Initiatives or Other Models of Providing Service to be implemented in 2005

Key Initiative #1: Partner with departments and community members to develop and implement a 5-year Enterprise Diversity Plan so that the workforce represents the community we serve and the City of Minneapolis is recognized locally as an employer that honors and embraces diversity.

Key Initiative #2: During the next five years the HR Department will have created comprehensive, accessible information management systems that will help managers and supervisors efficiently and effectively carry out their HR transactions. Also critical to Key Initiative #1 is having up-to-date, accurate human resources information. This will include having all HR policies and procedures well documented and easily available on the city website in an effort to decrease phone inquiries and regular requests for assistance with procedural transactions.

Key Initiative #3: Increase the capacity of City managers and supervisors so that the City builds and retains a competent workforce. Through this initiative HR provides the tools to help prepare our workforce to take on manager and supervisory roles.

Key Initiative #4: Create a strategic HR function so that our department has the ongoing capacity to provide strategic HR services with limited resources. With this initiative, over the next 5 years we will develop HR professionals who possess competencies in organizational design and development, and change management in order to help the enterprise achieve all City Goals.

Elimination of Services

- HR should no longer be involved in Competency Cards. The department volunteered when Competency Cards were first implemented; however this should not have been a permanent solution. HR recommends moving this task to Regulatory Services or outsourcing this business.
- Providing administrative work for employee membership to the NW Racquet Club.
- Police Department-specific activities would no longer be provided by HR staff, thus reducing the Police HR Generalist Team by one person.

Primary business: Provide learning opportunities for managers, supervisors and employees to maximize their development and minimize organizational risk

Description of Primary Business: This business line is designed to enhance the overall development and effectiveness of the city workforce. Research tells us that employees maintain loyalty to an organization most often because of sound, respectful relationships with direct supervisors and managers, and less often because of wages. This information supports our need to develop and retain highly successful managers and supervisors, a key initiative within HR.

We have noticed an increase in demand for assistance with cross training design and competency/proficiency improvement. While HR doesn't provide department-specific skill building (e.g., legal terminology for legal typists), we do provide assistance with needs assessment, cross-training design, change management, and e-Learning opportunities. The need for these services is heightened due to current financial projections and their effect on our workforce (i.e. layoffs and early retirements).

With the potential for fewer employees, fewer new hires, and a workforce size that is likely to be static for the next three years, these factors call for increased learning opportunities rather than less. This runs counter to the reduction of resources in training budgets, which does not impact individual employees but instead produces the unintended consequence of increasing organizational risk.

Depending on the nature and complexity of services provided, a "fee for service" may be a viable option if the HR Department were to benefit directly. While this is not the system currently in place, the Finance Department is moving in this direction which may provide a means for HR to receive payment for services that require significant resource commitment, such as intensive organizational development and design.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Increase average number of contact hours per FTE 20% from 3.1 to 3.7 hours	4	3	3.1	3.1	3

Explanation of Key Performance Measures: This is a performance measure that should increase, not decrease. Key Initiatives 1 & 2 directly affect this business line. A citywide diversity plan is critical to the organization, particularly for supervisors and managers who must be skilled at managing a diverse workforce. In addition to the Leadership Development Program, HR intends, over the next 5 years to more fully develop enterprise-wide supervisory & managerial training that is directly linked to the selection/promotional process. Fee-for-service models will need to be developed to further both of these initiatives on an enterprise-wide basis. Most other in-person employee development training, previously offered on an enterprise-wide basis, has been eliminated due to resource reductions.

Primary Business: We ensure employees have competitive compensation and positive working conditions while minimizing the city's exposure to liability

Description of Primary Business: This business line provides services to all City Council Departments, divisions, and employees. The business line also provides leadership and services to the independent boards and agencies as they share the City's benefit plans. Though this department is the primary provider of the service and is held accountable for effective implementation, it partners with all departments and unions for effective strategy development and implementation in collective bargaining, contract administration, and benefits.

This business line provides strategic and operational leadership for all of the City's collective bargaining. In addition to the collective bargaining responsibilities, the key service activities essential to this business line are: contract administration, compensation administration, classification administration, benefits administration, complaint investigation, and the administration of the Return-to-Work Program. Human Resources develops and implements this business line through face-to-face interactions with department leadership via our Human Resources Generalist (HRG) structure. We also provide leadership through negotiations and consensus building--usually through labor management committees or informal leadership groups. We provide learning opportunities for supervisors and managers in the area of organizational and behavioral expectations in order to generate standardized approaches to compliance related issues. There is also increased focus on standardizing approaches to critical issues such as compensation, classification, and benefits.

Under this business line, Human Resources is also responsible for implementing workforce reductions in a legal and equitable manner while minimizing the City's exposure to risk. The business line also encompasses the investigation of discrimination and hostile work environment claims, ensuring that all investigations are conducted in a timely and comprehensive manner and that appropriate corrective action is taken.

The most critical City function impacted by this business line is budget planning and development. Future success of this business line will depend on the successful realignment of the Human Resources Department's budget and workforce planning processes with those of the departments we partner with throughout the organization.

There are both internal and external factors that will impact customer demand in this business line over the next five years. Internally, demands for services are expected to increase. With shrinking resources, departments are struggling to retain their managerial authority during the collective bargaining processes and searching for ways to recognize and reward high performance employees while unions seek to reward all employees without regard to performance.

Managers will also seek to obtain more flexibility from their workforce, which will likely result in conflict with unions over work "ownership" and other jurisdictional issues. As our departments struggle to maintain and, in many cases, increase output during times of scarce resources, they are often led to reorganize, giving employees increasingly broad and complex responsibilities. This initially increases the level of confusion and ultimately results in requests for position/classification studies in order to retain compensation integrity. Collective bargaining will become more contentious as these issues are brought into sharper focus.

Continued budget reductions will make it difficult, if not impossible, to effectively meet internal expectations. Currently resources are barely adequate without a significant redesign of the manner in which we deliver services. Our current resources could be more strategically positioned by

effectively utilizing available technology. This will provide an avenue for the dissemination of knowledge; however, converting the knowledge into effective action will still require further development or acquisition of additional employees.

The department also anticipates a significant increase in the level and complexity of both internal and external policies and regulations. Internally and externally, policy development and regulatory impositions will lead to an increased demand for procedural response, investigation demand, and defense.

The local economy will also have an impact on the future success of this business line. Should the economy improve, highly qualified employees will have more alternatives, and compensation and benefits will be a more important factor in employee retention. Should the economy decline, more highly qualified candidates will be available for hire, and departments will seek to eliminate the lower performing employees. These efforts will undoubtedly lead to more grievances and claims of discrimination.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
All collective bargaining agreements are 100% within the guidelines established by the Executive Committee	8	9	8	13	12
Complete reclassification requests in an average of 20 calendar days, reducing the standard by 66% (currently 60 days).	92%	96%	98%	98%	98%
New salary schedules are within 4% of the City's internal pay equity line	100%	100%	98%	98%	98%
All City benefit packages are within 18% health care cost cap	NA	NA	NA	NA	100%
# of sustained complaints regarding compliance with federal and state IRS regulations regarding benefits	0	0	0	0	0
% of City employees express satisfaction with the choice of benefit plans available	93%	85%	NA	70%	65%
% of discrimination & harassment complaints investigated and resolved within 60 days	NA	80%	80%	65%	80%

Explanation of Key Performance Measures: Employee satisfaction with the new benefits plans are expected to be lower than previous years. HR is using our existing resources, before future year cuts, to begin to develop wellness programs to enhance satisfaction. Future cuts will have negative impacts, as these efforts require staff time & resources. HR's ability to meet performance measures for completing investigations within the 60 day timelines is affected by each city departments' willingness to provide continued resources in the form of investigators. Three departments, including one of our largest departments with a high number of complaints, have refused to provide staff investigators, in spite of minimal time commitment.

Primary Business: We manage and provide HR information to City, Independent Boards and Agencies

Description of Primary Business: This business line is designed to deliver HR related information to all managers, supervisors and employees of the City Council Departments and its Independent Boards and Agencies. The data is maintained within the City's HRIS and is provided to HR customers for the purposes of managing the departments' human resource capital and to employees for viewing and updating various personal employment information and benefit profiles.

While a recent survey indicates the level of satisfaction of having access to Human Resource information is at the rate of 75%, the ability to provide consistent information needs to increase to a much higher level.

The demand to deliver HR information to our customers is increasing as witnessed by the increase in employee self-service and leadership requests for data. We utilize system queries, to assist in making more informed decisions. It is anticipated that future demands to deliver e-Performance and e-Learning technology is imminent.

The challenge to continue meeting current service levels and managing and providing information, may be impacted by the current trend of outsourcing the HRIS application technology support.

The HRIS application also relies on additional software applications to gather, receive and/or deliver data, specifically timekeeping and roster systems in the Police, Fire, and Public Works Departments, the Park and Recreation Board, and the City's financial system (FISCOL).

The most critical City functions impacted by this business line are to hire competent employees, maintain employee benefit programs, and pay our workforce. This business line also calculates all labor and employee fringe benefit expenditures and delivers the information to the City's financial system.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Achieve a 5% increase in customers satisfied with data/information provided by human resources to 3.1	NA	NA	2.6	2.7	3.1

Explanation of Key Performance Measures: Key Initiative #2 directly deals with this issue. HR intends to use existing vacancies in Enterprise Services to complete a data map of PeopleSoft over the next 12 months to best use this resource in preparation for further reductions in the following years.

Primary Business: Assist departments in designing and developing their organization

Description of Primary Business: With the implementation of this business line, HR will move away from the control and audit role, and take on a leadership and development role in order to help the organization manage change associated with human resource issues raised by large-scale strategic transformation. This business line is not yet fully developed by HR, but it will be a critical service as we evolve from a transactional department to a strategic leadership service.

Based on professional trends, we expect this demand to increase. Research indicates that organizations want and need more strategic and futuristic focus from HR. With this added focus, HR can add more value to organizations through strategic business partnerships with customers and departments. This new role will emphasize the development of systems and practices to ensure employees have necessary competencies and are motivated to perform at the highest level.

Primary factors that will impact our customers over the next five years will include limited resource availability to develop the organizational development expertise needed to help departments diagnose and strategically redesign their organization. Because of decreasing resources, many departments will need to restructure service delivery, which would likely increase the demand for this service. Labor market trends and the availability of future employees will also require our full participation in order to create an organization that is desirable to prospective employees.

The continued improvement of data-availability should assist us with this demand; however, these improvements also present additional challenges. Given limited human resources, and the capital

required for such improvements and technological advances, we will be challenged in keeping up with technological advances.

Private consultants generally provide organizational development (OD) and design services to city departments. The fees for these services are often quite high. Furthermore, external based consultation supports a silo-based, department-specific approach to organizational change already prevalent within the City. An advantage to having this service provided in-house is to reduce the costs associated with OD efforts, and to have in-house expertise that can view organizational change issues from an enterprise level in order to break down the silos that hinder growth and effective operation of organizations. Both the BIS and Finance departments offer some services to the City of Minneapolis in the areas of process redesign and business planning. In order to maximize the use of City resources, it will be imperative for HR, Finance, and BIS to collectively organize our efforts and partner in our delivery of these services.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
100% of city departments have involved HR in Business Planning Process	77%	94%	100%	65%	50%

Explanation of Key Performance Measures: This is a developmental business line for HR, but an extremely important one for the organization. It is represented as Key Initiative #4 in our business plan, but is supported by all three of the other initiatives. Desired future success indicators include the following items. These will be difficult, if not impossible, with continued reduced resources.

- *HR professionals possess organization development and organizational leadership competencies.*
- *Organizational resources are dedicated to strategic HR work.*
- *HR has a panel of facilitators to help departments with organizational development and change.*
- *HR has an integrated enterprise-wide approach for change management.*
- *HR has an intervention tool for organizational development/change management.*

Primary Business: We provide the City, Park and Library Boards with timely opportunities to hire diverse, competent employees.

Description of Primary Business: The demand for this business line will increase with the City's continued commitment to diversity. Statistics show that Minneapolis is more racially diverse today than at any time in its history and the trend is that this diversity will increase. The City's workforce does not reflect that change. There are many in the labor force that speak little or no English. While many of Minneapolis' minority population graduate and attend schools of higher education, the rate lags far behind their white counterparts. About one-third of Minneapolis' minority population live in poverty and the number of unemployed in the minority community is at least three times that of non-minorities.

There are constraints to accomplishing this business line, however. The lack of diversity in the upper echelons of an organization works against attracting minorities to its ranks at any level as minorities often seek work in organizations that have a diverse workforce. Additionally the last hired, first fired practice as well as rehiring persons from a layoff list before opening positions up to the general public add additional constraints in the City's ability to hire a diverse workforce. Because of these factors, among others, creating diverse candidate pools will increase the demand for HR services.

In general, HR is sole provider of this service in collaboration with the departments; however, at higher levels (department head and some direct reports) consulting firms complete this activity. The real advantages of internal consulting at all levels include in-depth knowledge of the organization.

Based on the work force action plans and its detailed workforce analysis that identify a lack of diversity when it exists, HR interacts with departments by assisting them in writing job announcements, placing recruiting ads, providing opportunity to screen applications, and participating in the initial review process. The nature of the participation of city departments can affect the timeliness of HR service delivery. When consulting firms are engaged, HR provides liaison between the consulting firm and the hiring authority. Additionally, HR provides administrative support and acts as a liaison to any boards or commissions involved in the hiring process.

All City Council departments, the Library and Park Boards are impacted by our ability to timely recruit, advertise and process applications through to the certified list. Delays in our processes or delays in departments' responses in the staffing area could result in loss of the better applicants for the positions. While some delays have been addressed recently by minor changes in the Civil Service Rules, there remain other delays built into the system and collective bargaining agreements that automatically reduce the City's competitiveness.

To remain somewhat competitive, HR has to develop additional strategies to overcome the built in delays, such as our community outreach efforts. If the business line were to be discontinued, staffing would fall on the various departments where little expertise exists to complete the service. This would greatly increase exposure to lawsuits. Ensuring diverse, quality hires is essential to all businesses in the city.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Realize a decrease of 33.77 days (49.1%) in time required to create an eligible list provided "rule of the list" prevails and job bank as well as layoff list eligible positions are excluded	48.5	37	65	70	70
Achieve an average score of 4.57 (5.0 scale) on customer satisfaction surveys for staffing function	4.08	4.5	4.4	4.0	3.5
Percentage of protected class applicants eligible lists	70%	51%	67.9%	68%	65%
Percentage of City workforce that are people of color	18.4%	20%	20%	21%	21%
Percentage of City workforce that are people with disabilities	6.2%	6%	6%	8%	8%
Percentage of City workforce that are women	32.9%	34%	31%	31%	31%

Explanation of Key Performance Measures: Because of reduced resources, we expect a reduction in our key performance measures in this area, particularly as they relate to customer satisfaction. Key initiative #1 supports these workforce measures.

Financial Analysis:

EXPENDITURE

The Human Resources 2005 budget increased 19% over the 2004 Adopted Budget. There is an increase of 11% in the Self Insurance Fund which resulted from moving a position from the General Fund to support the benefit administration functions. This increase will be offset by the revenue from benefit administration fees collected from the beneficiaries.

Human Resources' expenses will increase by \$925,000 because of the General Fund overhead rate model developed for 2005. The model replaces various separate charges for indirect costs that were previously budgeted directly in Human Resources in the Enterprise Funds. The budget for this department also includes \$919,700 in BIS charges calculated on a city-wide rate model and \$9,200 for benefits administration. Both charges were centrally budgeted in the past. Backing these charges out, the 2005 Human Resources budget is \$5.6 million, a 1.5% increase over the 2004 Adopted Budget.

REVENUE

The Department anticipates a slight increase in direct revenue from benefits administration charges.

FUND ALLOCATION

The majority (85%) of the Department's budget originates from the General Fund. The Department also operates the benefits administration function out of the Internal Service Fund (14% of the total). The Department has smaller budgets (1% of the total) in the special revenue funds related to providing services to the Convention Center and to employee recognition activities (funded by proceeds from the "City Store"). The Department allocates a portion of its costs to the enterprise funds (16% of the total), based upon the number of positions employed in those funds city-wide.

MAYOR'S RECOMMENDED BUDGET AND ADOPTED BUDGET

The Mayor's Recommended Budget and Council Adopted Budget included a reduction of 2 Human Resource Associate positions. The Human Resources department's portion of the \$75,000 reduction from the City Coordinator's department to the Police department is \$7,000.

**HUMAN RESOURCES
Staffing Information**

	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
FTE's by Division						
Administration	2.00	2.00	2.00	2.00	0.00%	-
Employment Services	30.00	28.00	29.00	27.00	-6.90%	(2.00)
Enterprise Services	15.50	15.00	17.00	17.00	0.00%	-
Employee Services	12.00	12.00	7.00	7.00	0.00%	-
Total FTE's	59.50	57.00	55.00	53.00	-3.64%	(2.00)

HUMAN RESOURCES Expense Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Enterprise Funds						
Operating Costs	0	900,000	911,880	0	-100.0%	-911,880
Total for Enterprise Funds	0	900,000	911,880	0	-100.0%	-911,880
General Fund - City						
Contractual Services	781,340	736,090	649,453	1,556,712	139.7%	907,259
Equipment	60,941	0	5,684	764	-86.6%	-4,920
Fringe Benefits	624,656	629,956	725,528	780,597	7.6%	55,069
Operating Costs	301,008	-598,719	-653,188	263,658	-140.4%	916,846
Salaries and Wages	2,804,245	2,704,287	2,969,066	2,924,941	-1.5%	-44,125
Total for General Fund - City	4,572,191	3,471,613	3,696,543	5,526,672	49.5%	1,830,129
Internal Service Funds						
Contractual Services	320,783	233,116	349,870	390,096	11.5%	40,226
Equipment	0	0	3,720	3,772	1.4%	52
Fringe Benefits	77,981	78,998	96,175	97,071	0.9%	896
Operating Costs	9,883	6,176	31,990	32,519	1.7%	529
Salaries and Wages	348,504	255,344	319,310	368,054	15.3%	48,744
Total for Internal Service Funds	757,150	573,634	801,065	891,512	11.3%	90,447
Special Revenue Funds						
Fringe Benefits	12,574	13,651	16,290	17,150	5.3%	860
Operating Costs	10,984	1,023	11,196	11,381	1.7%	185
Salaries and Wages	37,615	38,997	42,156	43,610	3.4%	1,454
Total for Special Revenue Funds	61,173	53,670	69,642	72,141	3.6%	2,499
Total for HUMAN RESOURCES	5,390,514	4,998,917	5,479,130	6,490,325	18.5%	1,011,195

HUMAN RESOURCES
Revenue Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
General Fund - City						
Charges for Service	1,717	0	0	0	0.0%	0
Other Misc Revenues	10,788	3,485	7,000	5,000	-28.6%	-2,000
Total for General Fund - City	12,505	3,485	7,000	5,000	-28.6%	-2,000
Internal Service Funds						
Charges for Service	0	0	40,000	1,031,860	2,479.7%	991,860
Other Misc Revenues	41,116	40,427	0	0	0.0%	0
Total for Internal Service Funds	41,116	40,427	40,000	1,031,860	2,479.7%	991,860
Special Revenue Funds						
Other Misc Revenues	4,171	461	10,000	10,000	0.0%	0
Total for Special Revenue Funds	4,171	461	10,000	10,000	0.0%	0
Total for HUMAN RESOURCES	57,792	44,373	57,000	1,046,860	1,736.6%	989,860

INTERGOVERNMENTAL RELATIONS

Mission Statement:

The mission of the Intergovernmental Relations (IGR) department is to serve as a valuable and essential resource for the city in its policy development, priority setting, issue management, grant seeking and government relations initiatives.

Primary Businesses:

- Present a clear message of the policy position and service needs of Minneapolis to the federal, state and regional governments.
- Provide leadership, outreach, strategic planning and direction to City departments and community-based organizations in the areas of grant seeking, writing, and management.

Key Trends and Challenges Impacting the Department:

IGR/GSP has identified significant trends and challenges that will impact the department in the next five years in the areas of succession planning, budget cuts and technology.

Key Initiatives or Other Models of Providing Service to be implemented in 2005

- Intergovernmental Relations (IGR)

After contacting various cities across the country, the IGR office structure varied according to the form of city government. In cities with a strong mayor system, it was found that the IGR function was part of the Mayor's office. In cities with a City Manager system, the function was with the city manager's office. In the city of Phoenix, IGR also designates a full time staff person to grassroots/neighborhood liaison. In many states, the IGR staff actually lives away from their home during session because the Capitol is distantly located.

Consistently our research showed that other cities spend more on federal lobbying than Minneapolis. It is quite common for larger cities to hire several federal firms based on their expertise.

Overall, many cities look to Minneapolis IGR as an example of a well-designed IGR office.

- Grants and Special Projects (GSP)

In the cities contacted, the process of grant application and management is either centralized or decentralized. The functions are housed in a variety of city departments including Finance, Planning or the Mayor's office. Some cities do not have one single contract designee and department heads sign applications and contracts. Several cities provide or hire grant writers for community-based organizations or city departments. Many have "funders' forums" which regularly convene community-based agencies and foundations to talk about collaborative efforts and new programs.

Many cities have staff assigned to research and develop applications for community-based efforts. These efforts are often the result of a community-wide planning process. Usually the city writes the application and manages the money until the completion of the project. Some cities even provide grant-related training to community-based agencies.

Primary Business: Present a clear message of the policy position and service needs of Minneapolis to the federal, state and regional governments. Provide leadership, outreach, strategic planning and direction to City departments and community-based organizations in the areas of grant seeking, writing, and management.

Description of Primary Business: Identify issues and political concerns needing review and decision by the Mayor, Council and Department Heads and offer professional advice on such issues.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Inclusion of Minneapolis Legislative delegation and Congressional representation in accomplishing legislative priorities	Individual and delegation meetings. Several meetings with Congressman Sabo, Senator Dayton and Senator Coleman and their staff.	Individual and delegation meetings. Several meetings with Congressman Sabo, Senator Dayton and Senator Coleman and their staff.	Individual and delegation meetings. Meetings with Congressman Sabo, Senator Dayton, Senator Coleman and their staff.	Individual legislators and delegation meetings. Several meetings with Congressman Sabo, Senator Dayton, Senator Coleman and their staff.	Individual legislators and delegation meetings. Meetings with Congressman Sabo, Senator Dayton, Senator Coleman and their staff.
User feedback	Positive	Positive	Positive		
Special Initiatives	Statewide trips by elected officials throughout MN. IGR chair meetings with delegation and key House and Senate Leaders of MN. Cities convention. Capitol bonding tours.	"Office Hours" Joint Mpls/St. Paul delegation meeting.	"Office Hours" special delegation meetings to go over budget. Increased Delegation participation.	"Open Staff" meetings. Joint Mpls. Delegation meeting.	"Open Staff" meetings. Joint Mpls. Delegation meeting.
Produce a clear, concise legislative package which incorporates team results, reflects City needs and is realistic and attainable.	Limited legislative agenda with very few changes.	Submitted preliminary drafts of agenda to Council Members and Minneapolis Delegation.	Pre-program delegation meeting. Individual Meetings with legislature. Open discussion at IGR. Design Bonding criteria. Issue work teams.	Staff work teams on their area(s) of expertise. Individual meetings with legislature. Bonding package.	Staff work teams on their area(s) of expertise. Individual meetings with legislature.
Success of legislative priorities agenda and completion of comprehensive issue management strategy.	Increase in LGA, LRT	No LGA cut. Success in bonding bill. LRT still on track	Reduced "LGA" cut. LRT funding not form City. CPED Appointed positions.	Maintain LGA. Pass Bond items local bills	Maintain LGA, Pass Bond items if Bonding Bill is considered, local bills
User feedback	Positive	Positive			
Success in retaining and defending local control	Financing LRT, Upper Harbor	Zoning Building Inspectors	MSFC, Zoning, Appointed Positions CPED	Plumbing Inspections local proposals in the legislative package	Special Assessments, Eminent Domain, Crime initiatives
Participation of city elected officials and IGR staff on various boards and commissions to put a face on Minneapolis	AMM, LMC, CJCC, North Metro Mayors, Suburban Mayors, Property Tax Study Group.	Large increase of local participation in all of these organizations.	Elected official participation in LMC/AMM Committee process, USCM committee process, North Metro Mayors, Airport Summit, Chamber of Commerce	Elected official trips to DC in March, NLC in December, LMC in October and June, AMM, LMC Committee participation. North Metro Mayors Assoc.	Elected official trips to DC in March, NLC in December, LMC in October and June, AMM, LMC Committee participation, North Metro Mayors Assoc.

Explanation of Key Performance Measures: The legislative delegation is the primary mover of the City's legislative agenda. In 2005, numerous delegation meetings will be held. The federal lobbyist is in daily communication with the congressional delegation and IGR Staff.

Primary Business: Provide leadership and direction to the City and its departments in areas of grant seeking, writing and management.

Description of Primary Business: Provide leadership and coordination to attract program revenues from external funding sources. Provide administrative management of Consolidated Plan funded projects, Agency 123 funded projects. Locate and distribute information about grant opportunities to city departments and external service providers. Provide assistance to city departments and external providers with the City's approval and contract process. Provide monitoring of some grant-related expenditures.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Percentage of grant-related revenue contributed to City revenue budget.	12.53%	13.00%	14.00%	14.00%	
The amount of money applied for versus the amount of money received.*	More than \$30M received	\$34M applied, \$29M awarded	\$42.5M applied \$49.9M awarded		
Number of participants	15	20	35	40	40
Percent reporting satisfaction with office service	n/a	50	n/a	50	
Grant-related findings and exceptions in government audits	n/a	n/a	0		
Grant User Meetings held	2	6	4	4	

Explanation of Key Performance Measures: Information about grant applications is not routinely sent by all departments to the Office of Grants and Special Projects. It is anticipated that as the awareness of the Integrated Grants Management Process is increased, more departments will inform the office of their applications and their awards.

**Included in the "amount awarded" is the \$12.2M given to the City for Homeland Security Purposes. There was no application process for these funds.*

Financial Analysis:

EXPENDITURE

Intergovernmental Relations includes the budget for the Grants and Special Projects function of the City as well as the Intergovernmental Relations staff. The total operating budget for these two functions is \$3.0 million with \$1 million coming from the General Fund and \$2 million from CDBG.

This department’s budget also includes grants to external organizations that receive funding from the consolidated plan, including the Emergency Shelter Grant (ESG) of \$576,000.

The budget for this department includes \$37,900 in BIS charges calculated on a city-wide rate model and \$1,700 for benefits administration. Both charges were centrally budgeted in the past. Backing out these charges, the 2005 Intergovernmental Relations budget is \$3 million, a 13% increase over the 2004 Adopted Budget.

REVENUE

This department does not generate revenue.

FUND ALLOCATION

The Intergovernmental Relations function is funded entirely from the General Fund, while Grants and Special Projects receives a portion of its funding from Community Development Block Grant funds for efforts supporting the consolidated plan and related grant processes.

MAYOR’S RECOMMENDED BUDGET

The Mayor’s Recommended Budget included an increase in IGR’s budget by 7%. This increase included \$65,000 for contractual services to enhance the City’s intergovernmental relations efforts related to state and federal issues. No additional positions were recommended.

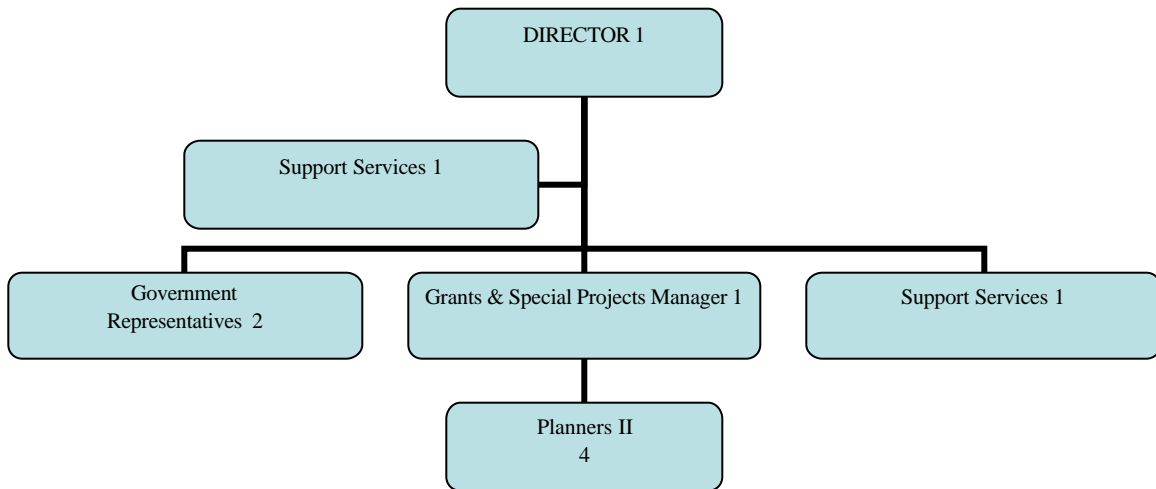
ADOPTED BUDGET

The Council concurred with the Mayor’s recommendation. The IGR department’s portion of the \$75,000 reduction from the City Coordinator’s department to the Police department is \$2,000.

**INTERGOVERNMENTAL RELATIONS
Staffing Information**

	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	% Change	% Change
FTE's by Division						
Intergovernmental Relations	4.00	4.00	4.00	4.00	0.00%	-
Grants and Special Projects	7.00	6.00	6.00	6.00	0.00%	-
Total FTE's	11.00	10.00	10.00	10.00	0.00%	-

INTERGOVERNMENTAL RELATIONS AND GRANTS SPECIAL
PROJECTS
ORGANIZATIONAL CHART



INTERGOVERNMENTAL RELATIONS
Expense Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
General Fund - City						
Contractual Services	111,724	139,045	139,049	236,936	70.4%	97,887
Equipment	1,546	944	12,200	12,371	1.4%	171
Fringe Benefits	88,004	89,010	102,546	127,429	24.3%	24,883
Operating Costs	61,221	132,645	183,309	183,389	0.0%	80
Salaries and Wages	452,450	457,771	464,176	481,011	3.6%	16,835
Total for General Fund - City	714,944	819,416	901,280	1,041,136	15.5%	139,856
Special Revenue Funds						
Capital Outlay	0	0	0	0		0
Contractual Services	1,252,088	1,658,060	1,504,876	1,746,629	16.1%	241,753
Fringe Benefits	37,941	40,859	50,386	48,899	-3.0%	-1,487
Operating Costs	628	745	0	0		0
Salaries and Wages	193,537	201,356	187,738	195,472	4.1%	7,734
Total for Special Revenue Funds	1,484,194	1,901,020	1,743,000	1,991,000	14.2%	248,000
Total for INTERGOVERNMENTAL	2,199,138	2,720,436	2,644,280	3,032,136	14.7%	387,856

EMERGENCY COMMUNICATIONS

Mission Statement:

The Minneapolis Emergency Communications Center's (MECC) mission is to operate, in a professional manner, a complete public safety answering point and dispatching service for police, fire, and emergency medical service to support the needs of residents, visitors, and businesses in the City of Minneapolis.

Primary Business: Emergency Public Safety Communications Services (MECC 9-1-1)

Key Trends and Challenges Impacting the Department:

Strengths

- Entry level training (for 9-1-1 Operators) is excellent
- Largest 9-1-1 Center in the State
- Knowledge level and skills of employees/supervisors/mgrs
- 800 MHz radio system (interoperability, coverage, clarity)
- Physical plant is newly modernized (and has excess capacity)
- Dispatchers remain cross-trained to do Operator duties when needed

Weaknesses

- Computer Aided Dispatch (CAD) system is outdated ('89 for software; mid-90's for hardware)
- Phone records management system (MagIC) is troublesome
- Staff shortages lead to burnout/injuries (Repetitive Stress Injury)

Opportunities

- Partnerships with:
 - Adjacent agencies for technology acquisition (Hennepin County Sherriff's Office or St. Paul)
 - Adjacent agencies for consolidated service providing
 - Adjacent organizations for training opportunities
- Grant funding/Surcharge funding
- 3-1-1 will relieve 9-1-1 demands (one-third of calls are not dispatched)
- 3-1-1 can be 9-1-1 back-up and overflow center
- Excess physical capacity (unused work-stations)
- Mobile Data Computeers (MDC's) will increasingly decrease demand on "channel 7"
- Off-load some channel 7 duties to 3-1-1 and other departments
- Rotation of personnel between 9-1-1 and 3-1-1 Centers is possible, as is a career progression.
- Can utilize the time/resources spent at "Channel 7" more for other things as the PD increases its use of Mobile Data Computers to directly access drivers' license and law enforcement data bases.

Threats

- Funding
 - E.g. Maintenance contracts go up faster than Consumer Price Index (e.g. 10% increase in '05 for phones)
 - New CAD will have recurring costs, including maintenance contract of ~18% of purchase price
- Grants might dry up
- BIS staff/funding pressures may rob 9-1-1 support personnel
- Surcharge could diminish and probably won't increase
- Security (physical and cyber)

- Back-up facility currently a “bare bones” operation
- Co-location of MECC and City Hall is a potential terrorist target
- HCMC dispatch may elect to use HCSO CAD; result would be the need to transfer 70% of the calls that HCMC dispatches (currently they use the MECC CAD); result would be significant time delay.
- Immigrants unwilling or uncomfortable with contacting 9-1-1 and 3-1-1.

Trends/Challenges (For full narrative see 5-Year Plan)

Trend 1: Technological change is accelerating; resident contact and responder/staff dispatch is also increasingly reliant on technology.

- Challenge: Fund the changes through increases in General Fund and Capital Funds. The minimal 9-1-1 Surcharge revenues (\$~250K annually) will probably not be increasing, but in fact, may be decreasing as more and more citizens move to wireless and/or VoIP technology which reduces the number of "phone" surcharge revenue.
- Challenge: Train people to use the changes (generally) that are and will be occurring.
- Challenge: Stay interoperable and/or standard with City and other agency's tools. This issue is most recognized in the CAD and radio environments. The solution for radio is the advent of the regional 800 MHz system. CAD interoperability, however, is in its infancy. To this end, the CAD acquisition partnership with Hennepin County Sheriff's Office and/or the City of St. Paul are aimed at improving interoperability (as well as saving on the total cost of ownership).
- Challenge: Stay with 9-1-1 industry changes and hope/help the industry stay abreast of user methods. This challenge refers to the aforementioned VoIP trend that has started and may take off like a wildfire. Other, unforeseen, trends such as the shift from installed phones to wireless phones that tripped up the industry over the last 10 years will also come along and cause expense and training investments. One such example already on the radar screen is “smart vehicles” or automatic collision notification (A.C.N.).

Trend 2: Funding becoming increasingly tight (see Finance Plan appendix for details) but, as mentioned above, other traditional sources of funding may also be constricted. Federal grants, relatively available in the 1990's and this decade thus far (e.g. the \$4.2M for CAD), could be severely restricted if fiscal restraint is mandated after the November '04 elections. Likewise, the 9-1-1 Surcharge may be restricted, either because fewer subscribers will be assessed the surcharge and/or because the State will need a larger portion than what they keep now to pay their bills.

- Challenge: Fund the technology changes. As detailed above, technology is becoming more ubiquitous, and even though it is becoming less expensive for yesterday's technology, there is enough of tomorrow's technology to add and thus the expenses persist. A larger share of the budget must be earmarked for technology support/maintenance/upgrading than is now happening.
- Challenge: Fund the people (training and entry requirements) that will cope with tech/training
- Challenge: 7 X 24 staffing is expensive, especially due to the fact that MECC has prescribed “minimum staffing” that we strive for at any given time. That means, as alluded to above, that training involving classroom participation must be done at a time when the participant is not doing their regular duty on the floor.
- Challenge: Budget for an expected 3-year lifecycle for desktop hardware and software and 5-years for server hardware.

Trend 3: Consolidation is looming as a likely issue in the 9-1-1 industry, both here in Minnesota and throughout the country. If/when it can be shown that it is less expensive to consolidate geographical

separate 9-1-1 Centers/jurisdictions into joint facilities and still provide good, safe service. Policy makers will find it difficult to not combine. MECC is not seen as an entity that should be consolidated with another, but some in the surrounding areas are. They might be candidates for consolidating among themselves or perhaps consolidating with MECC. A form of consolidation might include joint purchasing or other forms of partnering on technology purchases, training, staffing, etc. The current effort to partner with Hennepin County or St. Paul/Ramsey County, on the CAD acquisition is a form of this consolidation.

- Challenge: Don't get caught behind the 8-ball. Partner with others for better efficiency and interoperability before a mandate occurs that could hinder or under-emphasize the complex nature of a full consolidation. If Minneapolis is to consolidate, it needs to ensure that the planning is full, methodical and not rushed by political and fiscal imperatives.
- Challenge: Use excess capacity (physical plant) to invite other agencies into the Center to fully utilize the 28 workstations that we now have.

Trend 4: Internal Business Process changes are common and seem to be increasing with new management and new technology in our customer departments. The advent of the new regional 800 MHz radio system brought with it a number of FD on-scene and dispatch changes in radio procedures. Similarly, changes in geographic responsibilities in the police department caused changes in the CAD software and the procedures used by Dispatchers. On-scene or changes in the field processes continue to challenge our ability to keep the technology consistent and accurate for those procedures and to keep the personnel trained and competent in those changes.

- Challenge: Training to keep up without breaking the overtime bank.
- Challenge: Keeping personnel motivated and reducing stress in the face of changes that keep seeming to churn on.
- Challenge: Develop a successful working relationship with the PD and FD so that their operational changes are planned in concert with the technological and training changes needed in MECC.

Trend 5: Homeland Security including physical security and backup issues.

- Challenge: Ensure MECC is secure physically and from cyber-attacks. Cyber security is now a distant concern for the CAD, phone and radio systems because they are all "closed" systems that do not connect to the Internet. That will change with the advent of Internet Protocol Telephony or Voice over Internet Protocol (VoIP). The next generation of both CAD and phone systems will use Internet Protocol almost certainly. Additional challenges regarding hacking, viruses and other forms of cyber-attack will heighten.
- Challenge: Ensure back-up procedures and physical plant is ready. Currently, numerous back-up and business continuity measures exist, but more are needed. For now, a physical back-up center is located at the 5th Precinct Headquarters building and has been shown to be effective and utilitarian for short periods of time. The electronics systems, whether in City Hall or at the back-up site are backed up, but not fail-safe to all sorts of physical or cyber attacks (or "mistake" for that matter). Manual and/or portable systems are available for CAD and radio, but the phone system for citizens to call on may be the least able to be backed up with manual or portable systems. The 9-1-1 phone switches, either at MECC or in the Qwest system could go "down" and calls could still get through on the public telephone system through a process of re-routing or "translating". But, if phones are out at the customer end, the only access to the "9-1-1 system" is for individuals to make their needs known with a visit to Police and Fire Stations (a system

that was discussed and adopted for Y2K and subsequent emergency exercises). A back up EOC is not functional and should be considered in conjunction with other capital projects such as the 3-1-1 Center or the Police/Fire Training Center.

Trend 6: Changing demographics are a reality, both for our own staffing in MECC and for the customers we serve. The population is becoming increasingly tilted toward the over-65 population and is also becoming more and more diverse in increasing numbers of non-English speaking citizens. The elderly are sometimes reluctant to call 9-1-1 for medical concerns because they are not sure they have an “emergency”. More and more non-English speaking residents are reluctant to call the “authorities” represented by 9-1-1 or have trouble communicating their concerns to emergency personnel. Internally and further discussed in the workforce-planning appendix in our 2004 business plan, is the issue of retirement age approaching for many of our Operators, Dispatchers, Supervisors, and Managers.

- Challenge: Provide service and general information to non-English speakers via education and real-time services and direct telephone services through continued use of Language Line, Inc. translators.
- Challenge: Aging workforce will increase retirements. The “corporate memory” that exits with them will need to be replaced with continued training and professional development of the newer employees and future trainees.
- Challenge: Aging citizens will increase medical calls and the ability of ambulance services to respond in a timely manner. The importance of medical pre-arrival instructions will continue to grow and thus the reliance on HCMC and North Memorial Medical Center (NMMC) to provide those services will be crucial. First responder services via the Fire Department should be manageable if fire personnel numbers remain at or near their current levels.

Key Initiatives or Other Models of Providing Service to be implemented in 2005

1. Consolidation or partnering probably is not applicable to General Fund, because suburbs may not join MECC and provide revenues. However, it is still possible that MECC and St.Paul/Ramsey may partner on the acquisition of a new CAD system and thus obtain better interoperability and some economies of scale for the purchase price.

2. CAD upgrade/replacement funding for hardware, software, and implementation phase personnel support will be available from Federal grant money in the amount of \$4.2M.

3. Phone upgrade: Add features and functionality such as ACD, VoIP, 3-1-1 overflow. Funding should be completely available from 9-1-1 surcharge funds. No impact on General Fund dollars.

4. Right-size for 3-1-1: Not applicable in '05 unless 3-1-1 is opened early, at which point MECC can down-size 1 Operator FTE position for every 20,000 call decrease in 9-1-1 calls that occurs (FTE position can be transferred to 3-1-1).

5. Right-size for 5-year budget direction. This is the only General Fund impact. An approximate 1.5 FTE decrease per year is needed to meet the 5-year financial direction. This is absorbable with no material negative impact on operations and/or performance measures for the first 2 years.

Other models of providing services in '05: None needed/anticipated, unless 3-1-1 is expedited and/or the 10% decrease scenario is made necessary.

Primary Business: Emergency Public Safety Communications Services (MECC/9-1-1)

Description of Primary Business: The Minneapolis Emergency Communications Center receives all 911 calls made in the City of Minneapolis, including those from homes (landlines) and most wireless phones within the City. By mutual agreement with the Minnesota State Patrol most wireless calls from highways will first route to State Patrol.

Once calls are received in the MECC the 911 operators determine if a Police, Fire or Ambulance response is needed. If so, the operator enters information into a Computer Aided Dispatch (CAD) terminal, which relays the information to dispatchers. Those dispatchers (Fire and Police in Minneapolis, Ambulance at HCMC and North Memorial) determine and assign the appropriate units based on factors such as type of emergency, location and priority. On some medical calls the operator may transfer a caller to HCMC or North Memorial for pre-arrival medical instructions that the caller may use for "first aid" until the paramedics or EMTs arrive.

MECC also receives calls of a non-emergency nature, some of which still require a police response. Other calls include referrals, including requests for police reports that may be made over the phone through the MPD telephone reporting service. Because MECC is open 24 hours a day other administrative tasks are handled here, including the reporting of missing or runaway juveniles and entry (and subsequent cancellation) of that information into (and from) the National Crime Information Center (NCIC) database.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
9-1-1 Call answer time	5.5	5.8	5.8	6.2	6.5
MECC Response time					
Priority 1	N/A	2m17s	2m18s	2m20s	2m25s
Priority 2	N/A	13m46s	14m31s	15m	15m30s
Priority 3	N/A	16m46s	17m6s	17m30s	18m
Citizen Complaints					
Total	104	105	105	105	105
Sustained	67	64	68	68	68

Explanation of Key Performance Measures: The above-listed performance measures are the salient ones; others of interest are included below.

9-1-1 call answer time is measured each week as the average answer time of all three shifts. It should be recognized that the answer time when call volume is high (typically during the "3 to 11" shifts) is slightly slower. Whereas answer time is slightly quicker during the slower times such as the wee hours of the morning.

MECC response time is the time from call entry (by the 9-1-1 Operator into the Computer Aided Dispatch system) to call dispatching (by the Police/Fire Dispatcher).

Citizen complaints are recorded when a citizen, or an officer or firefighter contacts MECC with a concern. Sustained complaints are those that reveal an error was made by the Operator or Dispatcher involved with the call/incident this is determined after a supervisor reviews the audio tape and computer entries made by the employee.

Complaint summary:

*'00; 34 of 89 (38%) complaints sustained;
'01; 67 of 104 (64%) complaints sustained;
'02; 64 of 105 (61%) complaints sustained;
'03; 68 of 105 (65%) complaints sustained.*

Hiring/Promotion/Retention Statistics

Hiring Statistics - Dispatcher

Year	Hired	Retained
1997	1	0
1998	4	1
1999	1	1
2000	4	3
2001	4	2
2002	0	0
2003	0	0
2004	4	2

Hiring Statistics - Operator

Year	Hired	Retained
1997	19	14
1998	9	6
1999	9	7
2000	12	9
2001	4	2
2002	11	9
2003	6	2
2004	3	3

Promotions to Dispatcher

Year	#Promoted	Demoted	Resigned	# Retained
1997	3	2	0	1
1998	6	2	0	4
1999	5	1	0	4
2000	4	1	0	3
2001	5	2	0	3
2002	4	1	0	1
2003	2	1	0	1
2004	1	0	0	1

Cost per transaction (1,050,351 transactions include calls plus cases dispatched): \$7.71/x-action.

Cost per 9-1-1 call: \$19.14/call (based on total annual costs; budget + capital investments amortization + overhead based on Finance Office models); 90-99th percentile according to a State study conducted in '03 and lowest in Hennepin County based on information in a '03/'04 report on 9-1-1 consolidation.

Cost per capita (based on Minneapolis 2000 population): \$19.48/citizen.

Cost per FTE (based on authorized strength of 90.5): \$89,480/year.

Complaint rate, ~66% of complaints are sustained. Stated another way, 1 in 18,000 calls are defective, a success rate of 99.994%.

Number of incidents/Dispatcher

*13,576 (in '02); (actual FTE was 33.13/authorized 40);
12,902 (in '03); (actual FTE was 31.83/authorized 38).*

*Number of phone calls/Operator: 647,084 ('02)/36.63 = 17,665
654,063 ('03)/38.75 = 16,879*

Calls received/dispatches (emergency ratio);

*647,084/411,342 ('02) = 1.57 (or 63.7%)
654,063/395,175 ('03) = 1.66 (or 60.2%)*

Primary Business: 3-1-1 (deferred until '06 budget cycle)

Financial Analysis:

EXPENDITURE

The Minneapolis Emergency Communication Center's budget is \$6.9 million, a 7.5% increase over the 2004 Adopted Budget. Personnel expense makes up 86% of the department's budget. This greatly restricts the Department's ability to manage budget constraints without personnel reductions.

Non-personnel expenses represent approximately 14% of the department's budget, of which 79% is paid to the City's Internal Service funds for BIS charges, phones, self insurance, parking and benefit administration fees. The remainder is for training, equipment, a contract with Qwest for \$80,000 for memberships, and supplies.

The budget for this department includes \$240,000 in BIS charges calculated on a city-wide rate model and \$15,000 for benefits administration. Both charges were centrally budgeted in the past. Backing out these charges, the Emergency Communication Center's budget for 2005 is \$6.7 million, a 3.6% increase over 2004.

REVENUE

Revenue for 2005 is \$305,000, a 1.2% increase over the 2004 budget. The Department has a \$50,000 contract with Hennepin County to provide EMS call dispatch and CAD services. The Department receives \$255,000 in 911-franchise fees from the state. The spending of this revenue has limitations specified by state statute.

FUND ALLOCATION

Approximately 96% of the Emergency Communication Center's budget for 2005 comes out of the General Fund.

MAYOR'S RECOMMENDED BUDGET

The Mayor's Recommended Budget reduced the Emergency Communication Center's employees by 4 positions keeping them within their five-year financial plan. It also recommended the department's target strategy of absorbing budget cuts through reduced staffing of the MECC's Operations floor for two years, saving approximately \$65,000 per position.

ADOPTED BUDGET

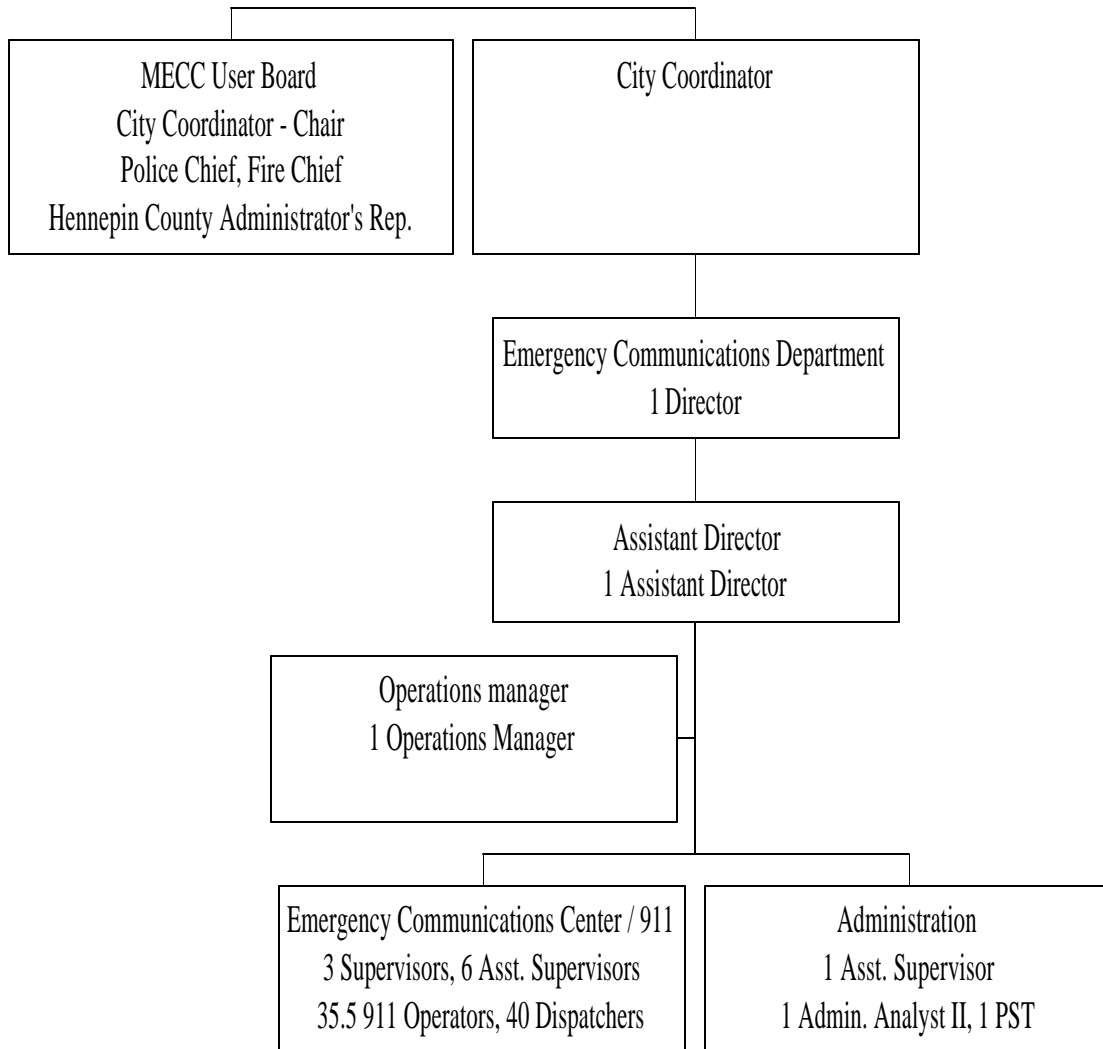
The Council adopted the Mayor's recommendation.

**EMERGENCY COMMUNICATIONS
Staffing Information**

	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Total FTE's	90.50	90.50	90.50	86.50	-4.42%	(4.00)

Emergency Communications Department Organization (Current; 9-1-1 only)

(90.5 FTE)



EMERGENCY COMMUNICATIONS
Expense Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
General Fund - City						
Contractual Services	0	0	146,970	409,452	178.6%	262,482
Equipment	0	0	0	9,126		9,126
Fringe Benefits	0	0	1,286,953	1,318,780	2.5%	31,827
Operating Costs	0	0	294,609	302,410	2.6%	7,801
Salaries and Wages	0	0	4,473,343	4,644,098	3.8%	170,755
Total for General Fund - City	0	0	6,201,875	6,683,866	7.8%	481,991
Special Revenue Funds						
Equipment	0	0	251,650	255,173	1.4%	3,523
Total for Special Revenue Funds	0	0	251,650	255,173	1.4%	3,523
Total for EMERGENCY COMMUNI	0	0	6,453,525	6,939,039	7.5%	485,514

EMERGENCY COMMUNICATIONS
Revenue Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
General Fund - City						
Charges for Service	0	0	50,000	50,000	0.0%	0
<i>Total for General Fund - City</i>	0	0	50,000	50,000	0.0%	0
Special Revenue Funds						
State Government	0	0	251,650	255,173	1.4%	3,523
<i>Total for Special Revenue Funds</i>	0	0	251,650	255,173	1.4%	3,523
Total for EMERGENCY COMMUNICATIONS	0	0	301,650	305,173	1.2%	3,523

REGULATORY SERVICES

Mission Statement:

Work in partnership with customers to ensure the livability and vitality of the City of Minneapolis by protecting the health, safety, and welfare of Minneapolis residents, businesses, and visitors, through education and enforcement of applicable laws and regulations.

Primary Businesses:

- Housing Inspections Services – provides quality education 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.
- Development Review Services – provides quality construction plan review and zoning code enforcement services in a professional, efficient and cost-effective manner while ensuring customer adherence to applicable codes and regulations relating to life safety, health, and livability.
- Construction Inspections Services – provides quality construction inspection services to citizens, businesses, developers, contractors and design professionals to ensure the built environment conforms to applicable codes and regulations relating to safety, health and livability.
- Business Licensing Services – provides enforcement of the City's codes related to business licensing regulation, liquor licensing, taxi regulation, parking enforcement, and traffic control.
- Environmental Services – provides safe food and water, a clean outdoor environment and animal control services.

Key Trends and Challenges Impacting the Department:

1. Local Government Aid
2. Business Cycle, Economic Trends and Market Trends
3. Neighborhood Stability
4. Regulatory Trends
5. Fee Reporting Mandate
6. Technology
7. The advent of State mandated cost recovery in many aspects of local development activity
8. Communicating clear expectations to customers partnering with us to meet development goal and objectives
9. Creating clearly defined roles and relationships within City government and with our customers
10. Providing timely and responsive development services while enabling regulatory solutions that will uphold public health and safety
11. Ensuring accountability and measurable, reliable outcomes

Key Initiatives or Other Models of Providing Service to be implemented in 2005

1. Development Workflow and One Stop Development Review Center
2. Increase Capacity for Housing Inspections
3. Administrative Adjudication
4. Meeting the Construction Inspections Service Gap: Residential Combination Inspector, Remote Inspectors and Risk-Based Inspections
5. Regulatory Reform Initiative with City Attorney's Office
6. Problem Property Abatement
7. Personal Safety/Security

Primary Business: Housing Inspection Services

Description of Primary Business: Housing Inspection Services conducts a high level of structural inspections in an effort to educate and encourage maintenance of the existing built residential owner-occupied and rental properties. Our other primary activity is to ensure premises are inspected for environmental nuisance conditions (i.e. weeds, junk, debris, abandoned vehicles, and hazardous trees) on most lots throughout our City. We do this by responding to customer service requests, routine inspections, and our systematic rental licensing program. We are required to inspect 20% of the rental inventory containing 1-3 units over the next five years. We also manage the annual renewal of rental licenses; encourage involvement of communities through coordinated community engagement programs; administer vacant and boarded building registration; oversee Lead Hazard reduction inspections; and coordinate assessment billing and collection for nuisance conditions, vacant building registration, reinspection fees, administrative adjudication fines, and boarding of buildings that are open to trespass or ordered boarded by the Police Department.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
1. # of Housing Cases Addressed	51,052	55,382	49,604	50,000	51,000
2. Average # of cases per inspector	1,596	1,731	1,907	2,273	2,318
3. % cases brought into voluntary compliance	58%	55%	58%	60%	60%
4. % cases brought into compliance through admin/judicial action	20%	32%	35%	38%	40%
5. # of reinspections conducted on cases	76,995	82,598	66,740	63,350	60,000
6. Number of 1-3 unit rental buildings inspected as part of the 5-year goal	n/a*	n/a*	n/a*	1,800*	2,600
7. % of rental properties inspected annually	45% 7,225 properties	47% 7,353 properties	46% 7,544 properties	46% 7,567 properties	50% 8,250 properties
8. # of violations cited on rental properties	31,636	30,924	31,783	32,000	34,000
9. # of units approved for rental licenses	3,142	4,512	3,563	3,600	5,200
10. # of owner occupied properties with violations	11,596	14,786	12,176	11,000	11,500
11. # of violations on owner occupied properties	24,826	27,336	21,427	18,000	20,000
12. # of requests for service for nuisance activity	32,959	35,962	27,854	23,526	24,000
13. # of proactive nuisance inspections	28,607	31,610	22,911	18,168	18,500
14. # of graffiti cases/paintovers	813 cases	1,431 cases	1,457 cases	1,600 cases 500 paintovers	1,600 cases 1,000 paintovers
15. Neighborhoods in coordinated community engagement projects centered around nuisance abatement	3	3	5	12	15
16. # of vacant and boarded buildings under chapter 249	195	150	119	100	75
17. # of hazardous buildings boarded	115	94	88	85	85
18. # of buildings boarded due to Police board-ups or open to trespass	222 Police 195 open to trespass	411 Police 207 open to trespass	352 Police 166 open to trespass	350 Police 150 open to trespass	350 Police 150 open to trespass
19. Total # and \$ value of special assessments for nuisance abatement, vacant building registration, and boarding of buildings for open to trespass and Police board-ups	5,305 \$931,231	5,157 \$760,800	5,501 \$852,600	5,505 \$854,000	4,065 \$715,250
20 a) Number of Elevated Blood Lead Level cases created, b) Number and of EBL cases closed c) Number and of EBL cases carried over to the next year	n/a ~	n/a ~	a) n/a b) n/a c) 124	a) 40 b) 30 c) 10	a) 36^ b) 27^ c) 9 ^

*Explanation of Key Performance Measures: * Implementation of the five year cycle did not begin until May 2004. Reduction in number of buildings for 2004 only. ~ We incorporated the Healthy Homes and Lead Hazard*

Control unit into our section in February 2004. ^ If current laws regarding Elevated Blood level definitions remain in place, this number will hold true. If the law drops from 20 micrograms per deciliter to 10 micrograms per deciliter, we can expect the number of new cases to rise to approximately 200 for 2005.

Primary Business: Development Review Services/Zoning Enforcement Service Activity

Description of Primary Business: Provides quality construction plan review and zoning code enforcement services in a professional, efficient and cost-effective manner while ensuring customer adherence to applicable codes and regulations relating to life safety, health, and livability.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
1. % of site plans brought into compliance and number of site plans achieving compliance within benchmarked time periods			100% of 2003 site plans due for inspection (130); 23 rollover sites from previous years	126 new sites due for inspection; 74 rollover sites from previous years	
2. Amount of private investment in site plan improvements			\$ 2.158 million	\$2.5 million	
3. Number of zoning complaints investigated and resolved; average time for investigation and abatement; ratio of orders abated within benchmarked time periods to total orders abated.			54 requests; 154 inspected; average response time is 3 weeks	160 requests	
4. % of customers expressing satisfaction with services received				65%	75%

Primary Business: Construction Inspections Services/Development Review Services

Description of Primary Business: Provides quality construction inspection services to citizens, businesses, developers, contractors and design professionals to ensure the built environment conforms to applicable codes and regulations relating to safety, health and livability.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
1. % of construction plan reviews completed and % of project applications that are approved for construction and remodeling within benchmarked time periods.	4,849 plans reviewed	7,246 plans reviewed	7,400 plans reviewed	7,500 plans reviewed; benchmarks established for construction plan review	
2. % of permits and licenses issued within benchmarked time periods				benchmarks to be established	
3. % decrease in customers' time spent in applying for permits and licenses.				e-permit customers reduction in time spent applying for permits: approx. 75%	
4. % customers expressing satisfaction with Minneapolis One Stop services.	75%	75%	pending analysis	pending analysis	
5. # of inspections required for all permits issued versus # of inspections conducted for all permits issued*	105,296 78,286	99,174 73,203	99,908 75,339	98,172 74,052	100,000 83,000
6. 2005 - # of site visits by residential combination inspectors: # of trips saved using residential combination inspectors**	Not Applicable	Not Applicable	Not Applicable	978 \$210,000	1500 \$300,000
7. # Of inspections made on time: # of inspections	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Report to be created in 2005 as part of remote
8. # of certificate of occupancy (CO's) issued ***	322	401	482	700	700
9. 2004 - Unpermitted work: # of sites identified/revenue	Not Applicable	Not Applicable	Not Applicable	978 \$210,000	1500 \$300,000
10. # of TISH (Truth in Sale of Housing) reports without violations: # of TISH reports filed	3,392 7,059	3,342 7,012	3,856 7,786	4,800 9,000	4,240 8,000
11. # of completed reports to number of open reports	6,066 726	5,716 1,139	6,164 1,407	6,300 2,400	6,000 2,000

Explanation of Key Performance Measures:

* "Inspections required" is estimated by using an average of 2 inspections per permit issued. With centralized scheduling implemented with remote inspector, actual inspection requests and inspections conducted will be tracked.

**Combination inspectors will be trained/certified in 2005 and reports will be created to track site visits, inspections and trips saved.

***This number reflects new or newly classified total building structures approved for occupancy. Included are also partial CO's issued for units occupied prior to the total building. An increase is projected in 2004 and 2005 as more partial and total CO's are issued for the numerous residential complexes under construction.

Primary Business: Business Licensing Services

Description of Primary Business: Provides enforcement of the City's codes related to business licensing regulation, liquor licensing, taxi regulation, parking enforcement, and traffic control.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
1. # of business licenses issued			NA		
2a. # of new business licenses issued			N/A		
2b. Revenues in business license fees	4,174,436	4,543,276	4,901,157	5,000,000	5,250,000
3. Develop and implement in conjunction with the City Attorney's Office a new coordinated initiative to deal with problem properties				on going	on going
4. Number of parking citations	224,616	239,790	270,944	270,000	280,000
5. # of hours of traffic control services provided	14,613	14,687	12,723	13,000	13,000
6. Total Coin revenue	4,648,187	5,225,462	5,229,510	5,400,000	5,700,000
7. # of abandoned vehicle complaints			5,415	6,000	6,100
8. # of new liquor licenses issued (economic development indicator)	75	112	134	150	???
9. # of liquor investigations	201	253	300	300	???

Explanation of Key Performance Measures:

1. Business Licensing is up dramatically, especially in alcohol related licenses
2. License fees continue to reflect the upswing in new alcohol licenses.
3. Discussions have begun with City Attorney's Office, but yet in preliminary stages.
4. Parking citations are up about 20,000 due to implementation of the parking management plan, which included limited handicap parking on streets. Is expected to climb further if new hours of enforcement in warehouse district are implemented as proposed.
5. Less traffic control is expected to be needed now that the construction boom is declining, and anticipating that LRT and the resetting of the traffic signals will work as expected.
6. Coin collection from parking meters is anticipated to continue climbing as more spaces at meters are available and factors described in "4" are implemented.
7. Abandoned vehicle complaints continue to rise as more inoperable vehicles are left on the street, and also due to the police precincts referring these complaints to traffic control.
8. Liquor license applications continue to be filed at record levels due to the liberalization of the zoning parking requirements, the redevelopment of older buildings, the desire of all restaurants to be competitive, and the continued growth of the downtown, Warehouse District, Uptown, Lyn Lake, and Lake street in general.
9. Most of the new liquor licenses are new applicants and new locations which require an extensive investigation.

Primary Business: Environmental Services/Animal Care & Control/Environmental Health-Food Safety/Environmental Management

Description of Primary Business: Provide safe food and water, a clean outdoor environment and animal control services.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
1. Number of services responses	17,942	17,952	16,855	17,250	17,250
2. Percentage of complaints investigated within 24 hours	100	100	100	100	100
3. Percentage of all living animals retrieved, adopted or placed	57%	54%	59%	60%	60%
4. Per capita costs of animal control services	3.14	3.32	3.74	3.75	4.0
5. Plans reviewed		160	170	200	
6. Customer complaints		540			
7. Performance Reviews Completed		100%	100%	100%	100%
8. Administrative Hearings			20	25	
9. Town hall meetings conducted with community		3	3	3	3
10. Food safety council meetings		2	3	3	3
11. Food borne illness complaints received and investigated within 24 hours	60	206	175	175	
12. Licensed food facilities	2359	3718	3768	3476	
13. Required reinspections	214	419	175	175	
14. Total food related inspections	3188	3736	3762	3884	
15. Other inspections	1007	697	485	300	
16. Food Manager Certifications	650	841	917	400	
17. Food Handler Courses Offered	35	20	30	16	
18. Food Handlers Trained	450	278	375	100	
19. Food Manager Courses Offered	34	44	48	16	
20. Persons reached during food safety month	0	515	600	600	

Explanation of Key Performance Measures: ANIMAL CARE AND CONTROL: (1) An initial immediate response is provided to virtually all requests for service. Additional responses may follow to ensure successful closure to particular cases. (2) The percentage of living animals includes all such animals, that is, not only animals determined to be adoptable on the basis of their temperament and health but dangerous, aggressive, unsocialized, unstable and feral animals, and wildlife animals impounded for humane or public health reasons. In future years, more refined statistics will be generated so that a better assessment of the placement rate of adoptable animals becomes possible. (3) According to the International City/County Management Association, an effective animal care and control program will cost at least \$4 per person per year; and in some jurisdictions, animal care and control budgets are as high as \$7 per person per year."

ANIMAL CONTROL The training and enforcement system currently in place provides forward momentum to move a food establishment towards compliance. It is our goal to inspect all licensed facilities at a frequency exceeding that which is required by the State delegation agreements. Individual high-risk facilities are inspected more frequently when warranted and follow-up inspections are performed consistently in a timely manner.

Promoting efficiencies is being accomplished through the development of a training manual, internal fact sheets, procedures and forms (i.e., embargo and condemnation forms, guidelines for closure, contingency plans, responding to a fire call, etc.) Staff training, written procedures and guidelines contribute to consistency within and among the program staff.

The division expects more food borne illness complaints due to food code requirements for restaurant operators, and management to report customer complaints to the regulatory authority. The division is seeing more confirmation of food borne illness due to the increased testing abilities of the State Health Lab and announced inspection. The sheer volume of educational resources that are available to the regulated community is highly beneficial. These resources include fact sheets that communicate concepts in a multitude of languages, necessary in a city of such rich diversity. Information is offered in a variety of formats, including one-page documents, CD-ROMs and videos. The Office of Multi-cultural Services offers on-site assistance to inspectors who may have identified communication or cultural issues as barriers to compliance. These activities anticipate and avoid potential causes of conflict and misunderstanding, and promote greater cooperation within the regulated community.

Innovation is showcased by the Announced Inspection program. From a basis of reinforcing Active Managerial Control, the approach benefits both the operator and inspector through an improved working relationship, leads to compliance with the Food Code and results in increased efforts toward food safety. The division received a \$50,000 grant from the National Association of County and City Health Officials (NACCHO) to work in partnership with the University of Minnesota School of Public Health to evaluate the effectiveness of the Announced Inspection program.

Financial Analysis:

EXPENDITURE

For 2005, the Operations and Regulatory Services Budget is \$24 million, a 7.2% increase over the 2004 Adopted Budget.

The budget for Regulatory Services includes \$912,000 in BIS charges calculated on a city-wide rate model and \$44,000 for benefits administration. Both charges were centrally budgeted in the past. Backing out these charges, the 2005 Operations and Regulatory Services Budget is \$23 million, a 2.9% increase over the 2004 Adopted Budget.

The Licenses Lead division moved to the Inspections Housing department (\$80,000) and one position was moved from the Fire Department into Inspections. The other portion of expenditures increase (\$270,000) is attributed to the increase in existing activity supported by a similar increase in revenues over the 5-year plan. This activity increase will be managed without a change in positions.

REVENUE

In 2005, Regulatory Services anticipates \$28 million in revenue, a 7.3% increase over the 2004 Adopted Budget. A new HUD Lead grant was recently awarded to the City. The total grant award is \$3 million to be spread over a 3.5 year period. In 2005, the City will receive \$857,142.

From 2004 to 2005, the Inspections operations anticipate an increase in its revenue of 3%. This slight increase is due to low interest rates and a resulting increase in residential and commercial remodeling and home sales as well. Non-business permit revenue is expected to drop and fees index in other areas expected to increase. In 2005, the anticipated cost of construction will be 5% higher for many permits. The approved 2005 rental license fee increase will bring \$49,000 thousand in additional revenues.

In 2005, the License operations anticipate an increase in its revenue of 1.2% over the five-year plan. This is the net effect of the elimination of several proposals to increase fees. Despite a sluggish economy this slight increase is due to low interest rates and an increase in beer permits.

In 2005, the department receives \$180,000 in funding for the Lead program from Community Development Block Grant (CDBG) funds.

FUND ALLOCATION

The department's budget is primarily derived from the General Fund (86% of the total). \$202,000 of the budget is funded through Community Development Block Grants.

The licensing functions of the City are all budgeted in the General Fund. The traffic control function that comprises 8% of the department's budget is budgeted in the Parking Fund. The department's traffic control operations are funded in the parking fund (\$3.0 million). Revenues from these efforts are received in the General Fund.

MAYOR'S RECOMMENDED BUDGET

During the past three years CDBG funds were not fully utilized due to the reduction in demolition activity and the City's requirement to match with NRP funding. This requirement was waved in 2004. The Mayor's Budget recommended this funding be redirected to a problem properties program, with

\$75,000 going to the Police Department, \$25,000 to the Fire Department and \$50,000 to the City Attorney's Office. The remaining \$52,000 stays in Operations and Regulations.

The Mayor recommended the addition of 3 Administrative positions, funded within current resources. The Mayor also added one position to coordinate enterprise-wide environmental/sustainability planning.

COUNCIL ADOPTED BUDGET

The Council adopted the Mayor's recommendation to add 3 Administrative positions and removed the environmental coordinator funding recommendation under the advice of Regulatory Services that the function could be accommodated without adding an additional position. The City Council also directed that the Police department assist Regulatory Services with board-ups for problem properties and adopted a direction to staff to develop a strategy of charging business licensees the cost of providing added police services to business owners.

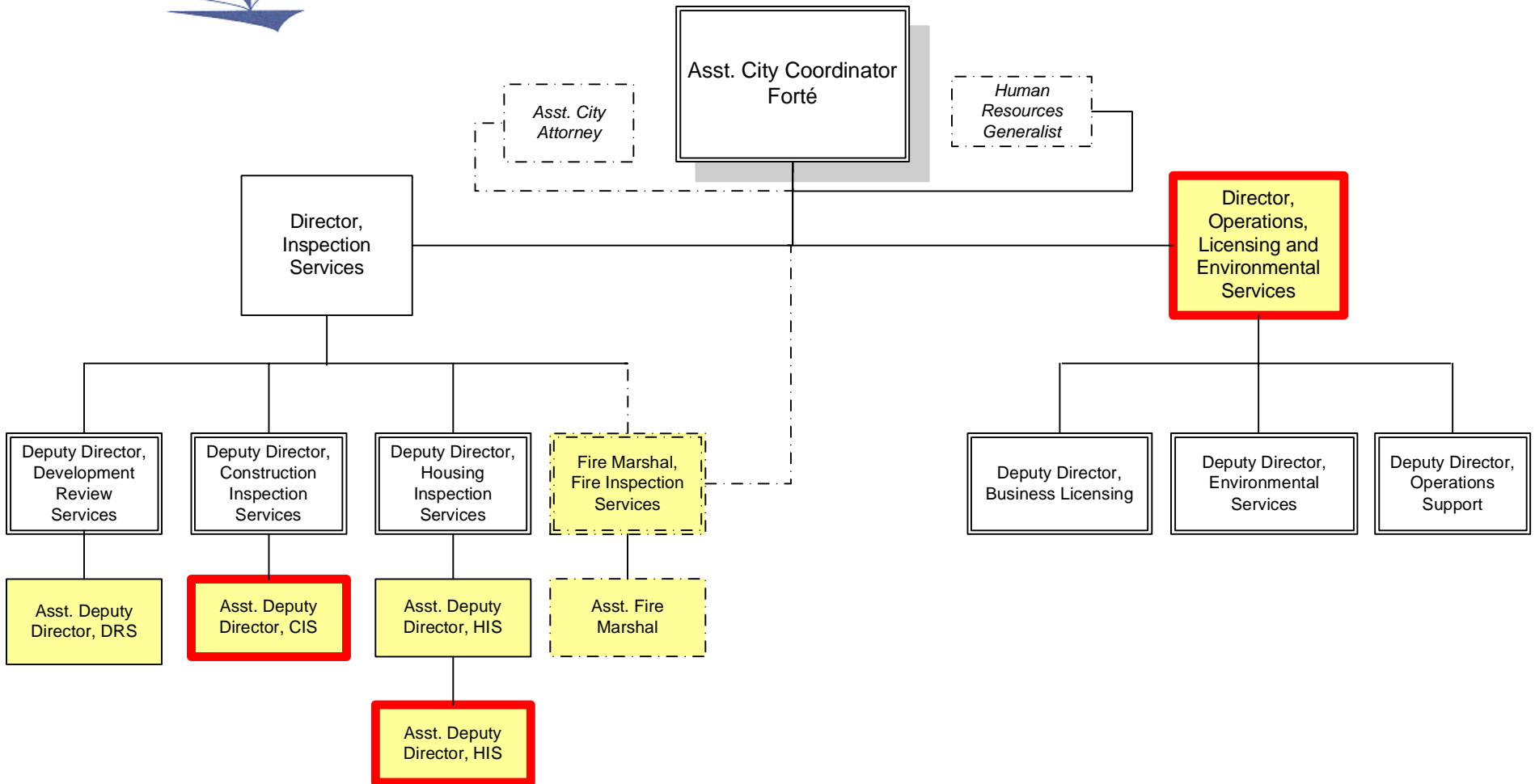
The Council reduced the General Fund allocation to Regulatory Services by \$75,000 and increased the Police department General Fund allocation by the same amount. The Coordinator's Department was asked to reduce their General Fund allocation by \$75,000. Regulatory Services' portion of the \$75,000 is \$35,000.

**OPERATIONS AND REGULATORY SERVICES
Staffing Information**

	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
FTE's by Division						
Administration	24.00	32.00	33.00	38.00	15.15%	5.00
Parking and Traffic Control	42.00	42.00	42.00	42.00	0.00%	-
CNAP - Space Planning	1.00	-	-	-	-	-
Environmental Health	34.25	32.95	26.00	21.60	-16.92%	(4.40)
Animal Control	21.00	20.50	21.00	21.00	0.00%	-
Environmental Services	9.00	8.64	8.25	9.25	12.12%	1.00
Construction Inspections	-	66.00	62.50	63.00	19.20%	0.50
Housing Inspections	-	52.50	41.00	44.90	31.71%	3.90
Development Services	-	24.00	26.00	24.00	-7.69%	(2.00)
Inspections	158.50	-	-	-	-	-
TOTAL FTE's	289.75	278.59	259.75	263.75	1.54%	4.00

Regulatory Services

July 13, 2004



OPERATIONS AND REGULATORY SERVICES
Expense Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Enterprise Funds						
Contractual Services	215,121	246,860	322,528	352,485	9.3%	29,957
Equipment	183,834	0	99,527	100,921	1.4%	1,394
Fringe Benefits	407,791	446,540	512,406	543,009	6.0%	30,603
Operating Costs	75,824	72,847	96,313	124,377	29.1%	28,064
Salaries and Wages	1,254,911	1,628,665	1,801,960	1,876,040	4.1%	74,080
Total for Enterprise Funds	2,137,482	2,394,912	2,832,734	2,996,832	5.8%	164,098
General Fund - City						
Capital Outlay	42,948	26,666	196,358	124,107	-36.8%	-72,251
Contractual Services	2,753,670	2,237,747	2,897,632	3,797,386	31.1%	899,754
Equipment	50,219	46,562	147,394	149,458	1.4%	2,064
Fringe Benefits	2,767,371	2,884,534	3,122,241	3,473,290	11.2%	351,049
Operating Costs	748,672	596,564	604,528	626,780	3.7%	22,252
Salaries and Wages	11,754,562	11,593,820	12,327,003	12,721,027	3.2%	394,024
Total for General Fund - City	18,117,440	17,385,892	19,295,156	20,892,048	8.3%	1,596,892
Special Revenue Funds						
Capital Outlay	199,763	-1,946	204,666	52,330	-74.4%	-152,336
Contractual Services	857,371	1,401,077	145,664	124,722	-14.4%	-20,942
Equipment	11,406	5,536	0	0		0
Fringe Benefits	78,322	91,364	0	69,040		69,040
Operating Costs	45,428	35,933	0	0		0
Salaries and Wages	400,233	392,188	171,670	134,853	-21.4%	-36,817
Total for Special Revenue Funds	1,592,522	1,924,153	522,000	380,945	-27.0%	-141,055
Total for Operations and Regulatory Services	21,847,444	21,704,957	22,649,890	24,269,825	7.2%	1,619,935

OPERATIONS AND REGULATORY SERVICES
Revenue Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Enterprise Funds						
Charges for Service	26,842	20,000	0	0		0
Other Misc Revenues	632	10,775	10,000	0	-100.0%	-10,000
Total for Enterprise Funds	27,474	30,775	10,000	0	-100.0%	-10,000
General Fund - City						
Charges for Sales	1,440	514	2,680	0	-100.0%	-2,680
Charges for Service	874,739	751,027	1,106,274	649,301	-41.3%	-456,973
Contributions	100	600	0	0		0
Fines and Forfeits	4,326,904	4,456,294	4,516,000	4,546,000	0.7%	30,000
Interest	-18	0	0	0		0
Licenses and Permits	20,071,627	20,941,352	19,159,441	20,811,144	8.6%	1,651,703
Local Government	33,949	33,949	33,000	34,500	4.5%	1,500
Operating Transfers In	12,625	0	0	0		0
Other Misc Revenues	77,981	40,505	83,320	0	-100.0%	-83,320
Special Assessments	1,081,309	980,736	1,124,800	1,020,666	-9.3%	-104,134
Total for General Fund - City	26,480,656	27,204,978	26,025,515	27,061,611	4.0%	1,036,096
Special Revenue Funds						
Charges for Service	160,741	105,084	0	0		0
Contributions	54,928	154,434	0	0		0
Federal Government	989,803	1,395,821	90,000	972,626	980.7%	882,626
Local Government	0	0	0	0		0
Other Misc Revenues	0	12,625	0	0		0
State Government	15,400	52,363	33,000	33,462	1.4%	462
Total for Special Revenue Funds	1,220,871	1,720,327	123,000	1,006,088	718.0%	883,088
Total for Operations and Regulatory Services	27,729,001	28,956,080	26,158,515	28,067,699	7.3%	1,909,184

CITY COUNCIL

Mission Statement:

The City Council establishes general policies, subject to the approval of the Mayor, to insure the health, safety, life, property and general, social, and economic welfare of the City's citizens.

Primary Businesses:

- Develop and implement city policies and programs in conjunction with the Mayor.
- Serve as a resource and advocate for constituents.

Key Initiatives or Other Models of Providing Service to be implemented in 2005

- Increase opportunities among citizens for dialogue about their expectations for Minneapolis City government.
- Increase the consistency of elected official's tax related decisions with a comprehensive municipal tax policy.
- Increase percentage of people who live and work in Minneapolis that report satisfaction with City services.

Primary Business: City Policies and Programs

Description of Primary Business: Develop and implement city policies and programs in conjunction with the Mayor.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
% citizens who rate Mpls as a good or very good place to live	86%	n/a	Survey to be conducted in 2004	Survey to be conducted in 2004	
% citizens who rate Mpls govt. as good or very good at communicating with citizens	49%	n/a	n/a	n/a	
% citizens who rate Mpls govt. as good or very good at representing and providing for the needs of all citizens	48%	n/a	n/a	n/a	
% citizens who rate Mpls govt. as good or very good at effectively planning for the future	49%	n/a	n/a	n/a	
% citizens who rate Mpls govt. as good or very good at providing value for their tax dollars	54%	n/a	n/a	n/a	
% citizens who rate Mpls city govt. officials as acting with integrity	n/a	n/a	Potential question for 2004 survey	To Be Determined	

Primary Business: Resource and Advocate

Description of Primary Business: Serve as a resource and advocate for constituents

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Opportunities among citizens for dialogue regarding city govt.	n/a	n/a	n/a	n/a	
Existence of a comprehensive municipal tax policy	n/a	n/a	Consist applications of comprehensive tax policy	Consist applications of comprehensive tax policy	
Initiatives to increase the impact of City goals on determining City services	n/a	Expected dev't of new City Goals for current 4-year term			

Financial Analysis:

EXPENDITURE

The City Council Budget of \$3.3 million is in line with the Council's five-year plan. It includes salaries and benefits for the thirteen elected Council members, assistants and associates. All position totals reflect a correction of an error made to the 2004 position count.

The budget for this department includes \$362,000 in BIS charges calculated on a city-wide rate model and \$6,600 for benefits administration. Both charges were centrally budgeted in the past. Backing out these charges, the 2005 Council budget is \$2.95 million, a 2.9% increase over the 2004 Adopted Budget.

REVENUE

This department has no revenue budget.

FUND ALLOCATION

One hundred percent of the Council's budget comes out of the General Fund.

MAYOR'S RECOMMENDED BUDGET

No changes were recommended by the Mayor.

ADOPTED BUDGET

No changes were adopted by the Council.

**CITY COUNCIL
Staffing Information**

	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Total FTE's	38.00	38.00	39.00	39.00	0.00%	-

Target Strategies:

No target strategies were requested for this department.

**CITY COUNCIL
Expense Information**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
General Fund - City						
Contractual Services	0	108,576	-32,611	424,561	-1,401.9%	457,172
Equipment	0	3,041	0	0		0
Fringe Benefits	187,732	463,963	534,728	538,068	0.6%	3,340
Operating Costs	31,346	105,924	245,104	173,433	-29.2%	-71,671
Salaries and Wages	851,361	2,105,543	2,125,682	2,186,852	2.9%	61,170
Total for General Fund - City	1,070,440	2,787,046	2,872,903	3,322,914	15.7%	450,011
Special Revenue Funds						
Contractual Services	0	1,929	0	0		0
Fringe Benefits	0	27	0	0		0
Salaries and Wages	0	350	0	0		0
Total for Special Revenue Funds	0	2,305	0	0		0
Total for CITY COUNCIL	1,070,440	2,789,351	2,872,903	3,322,914	15.7%	450,011

CIVIL RIGHTS

Mission Statement:

To work in partnership with the Mayor, City Council, all City Departments and other stakeholders to eliminate discriminatory practices that have an adverse impact on the health, welfare, economic well-being, peace and safety of the citizens of Minneapolis

The Department of Civil Rights is the lead city department responsible for enforcement of the Minneapolis Civil Rights Ordinance, The Civilian Review Authority (CRA), Contract Compliance, Davis Bacon/Prevailing Wage and The Small and Under Utilized Business Program.

The Department of Civil Rights carries out these responsibilities by means of public information, education, mediation, conciliation, and enforcement. The department works through its strategic partnerships with key enterprise stakeholders, community residents and organizations, the CRA Board, and Civil Rights Commission to address four key City goals and carry out its mission:

Primary Businesses:

- Regulatory Enforcement
- Community Outreach , Education, Advocacy. Leadership in matters of Social Justice and advocacy for all groups protected under the city ordinance.

Key Trends and Challenges Impacting the Department:

Trends:

The City of Minneapolis' immigrant and minority populations grew faster than any other city in Minnesota in 2004. This increasing diversity along with increasing community expectations creates significant challenges for the department and city as a whole during this time of diminishing resources.

The Department's credibility depends on its ability to respond to the needs and priorities of the citizens in a timely manner. The Department's external customers expect that charges of alleged discrimination and police misconduct will be fully investigated within a reasonable time frame. Substantial existing backlogs, the number of investigative staff and individual performance standards that do not keep pace with the growing caseloads, all contribute to the department's inability to meet customer expectations. This erodes confidence in both the Department and the City to deliver on its commitment to inclusion and fairness. Credibility will best be achieved if the department can deliver its core services, complaint investigation services, conciliation/ case resolutions, information and advocacy in a timely fashion for the Department of Civil Rights, Commission and the Civilian Review Authority (CRA).

Challenges:

1. The largest expense in the department of Civil Right's budget is personnel. The Department's employees have significant seniority/longevity with the City of Minneapolis. The Council's approved growth in spending level for the department of \$2,039,828 falls \$206,706 short of the Finance Department's projected automatic increases in expense. The Department of Civil Rights has little control over these increases. In order to bring the Department budget in alignment with the Council approved service level, the department will be required to cut two (2) positions.

2. The backlog of complaints at the Civilian Review Authority (CRA) was created when complaints of alleged police misconduct continued to be accepted while there was not an administrative infrastructure in place to investigate them. There are backlogs at the complaint investigation and hearing stages of the process, which has had an impact on citizen satisfaction and confidence in the process. The unwillingness of the Police Chief to act on recommended discipline when the complaints are in some cases more than three years old is another by product of the backlog. The 2005 Adopted Budget includes a \$70,000 one-time appropriation to eliminate the CRA backlog of cases. This will enable the Civilian Review Authority to increase mediation efforts and engage third-year law students to assist with the investigation of the cases.

3. Steps taken by the Department and the City over the past two years to develop successful dialogues and gain buy-in from increasingly diverse communities of color will be greatly enhanced by a transfer in 2005 of one Indian advocate position and four Multicultural Services positions from the Health and Family Services Department to the Department of Civil Rights.

These positions will have a specific enterprise-wide responsibility for working with other city departments to fully implement the mandated Limited English Proficiency (LEP) program. This will make the City enterprise more accessible to immigrants who do not speak English as a first language by providing translation services in Spanish, Somali and Hmong. It will also enable the department to better serve those Minneapolis citizens who have historically been challenged in personally accessing City services and resources to address the needs and priorities of their communities.

By receiving resources that have an enterprise-wide community focus, the Department will be better able to continue community engagement and relationship building strategies with key internal and external stakeholders. These positions build on the Department's efforts to increase visibility with protected class groups. They also help bridge of communication gaps, increase accessibility to City services, and provide an early warning vehicle through which Communities of Color can communicate priority issues and concerns. It will also mean that the Department will not be dependent on diverting staff from enforcement responsibilities in order to carry out these important engagement activities which has been the case in prior years.

Key Initiatives or Other Models of Providing Service to be implemented in 2005

An important part of the Department's responsibility is to work in partnership with other city departments to strengthen individual and collective accountability for full and equal access to all services and resources offered by the City of Minneapolis.

Key Initiatives:

- Implement the enterprise-wide Limited English Proficiency Program.
- Transfer of Multicultural Services positions to the Department of Civil Rights.
- Transfer of an Indian Advocate to the Department of Civil Rights.
- Advocate change in state law to exempt the City from housing damages cap.
- Utilize law school interns to assist with backlog elimination.
- Expand use of mediators to increase early resolution of Civilian Review Authority/Department of Civil Rights complaints.

Primary Business: Regulatory Enforcement

Description of Primary Business: Enforcement of the Minneapolis Civil Rights and Civilian Review Authority Ordinances which prohibit discriminatory treatment against member of protected classes,

including Police misconduct. To establish and monitor hiring and participation goals for City-sponsored projects and contracts to ensure that protected classes have equal opportunities to benefit through employment and business activities. Maintain an active, involved Commission on Civil Rights. This is implemented through the following activities:

- Complaint Investigations/Mediation
- Contract Compliance/Davis Bacon/Prevailing Wage
- Small and Underutilized Business Program (SUBP)
- Commission on Civil Rights
- Civilian Review Authority
- Civilian Review Authority Board

Key Performance Measures that are impacted by 2005 resources:

Key Performance Measure	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Number of Intake Inquiries	444	400	425	400	400
Number of Complaints filed with the Department	201	300	200	180	180
Number of cases under Investigation				160	185
Case Closures per year	244	250	165	217	175
Average completion time			226 days	369 days	180 days
Percentage of cases resolved through mediation or conciliation	5%	7%	5%	5%	20%

*Explanation of Key Performance Measures: * 04' Staff reduced by (2) investigators*

Efforts to mediate the resolution of complaints at the beginning of the investigative process will be increased. Mediation has proven to be a viable alternative to a full scale complaint investigation when both parties desire to resolve the issues which gave rise to the complaint. When they are successful, Mediation creates a "Win-Win" situation for all parties.

Investigator productivity in the case investigation area is inconsistent from investigator to investigator. This not only creates morale problems, but also causes delays in completing investigations. The establishment of measurable work performance standards for all department investigators has been instituted and case processing procedures are being modified to decrease the time between the filing of charges of discrimination and completion of investigations.

Once an investigation is completed, the review process is cumbersome and causes a logjam of cases and further delay in the completion of the investigation. This occurs first at the desk of the Investigative Manager. When a determination of probable cause is recommended another log jam of cases occurs at the City Attorney's Office. Work performance standards with strict case tracking for internal case review will eliminate the internal problem and a recommended ordinance change which does not require but makes optional the legal opinion from the office of the City Attorney will expedite the final determination of probable or no probable cause made by the Civil Rights Director.

Department restructuring which places more resources at the direct service or line staff level will allow investigators to have a more manageable caseload and avoid future backlogs.

The use of third (3) year law students to intern in the department to assist with the elimination of the current back log of complaints is also currently being explored.

Key Performance Measure	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Number of Construction and Development Projects	Active – 40 Closed – 73 Pending – 38 Total – 152	Active – 60 Closed – 35 Pending – 65 Total – 170	Active – 54 Closed – 58 Pending – 60 Total – 172	Active – 56 Closed – 70 Pending – 50 Total – 176	Active – 40 Closed – 73 Pending – 38 Total – 152
Total \$ value of all projects	\$1,082,509,361	\$1,174,637,496	\$2,143,047,106	\$1,500,000,000	\$1,500,000,000
Number of Conciliation meetings with contractors not meeting goals	22	24	21	30	30
Number of Affirmative Action plans reviewed and approved partnerships with community organizations	680	750	551	550	550

Davis Bacon and Prevailing Wage.	Total # of Projects – 15 Value of Projects = \$52,048,000 # receiving restitution = 32 \$ Amount of restitution = \$25,128	Total # of Projects – 20 Value of Projects = \$791,346,000 # receiving restitution = 34 \$ Amount of restitution = \$29,522	Total # of Projects – 44 Value of Projects = \$408,022,212 # receiving restitution = 32 \$ Amount of restitution = \$25,128	Total # of Projects – 15 Value of Projects = \$410,000,000 # receiving restitution = 32 \$ Amount of restitution = \$25,128	Total # of Projects – 15 Value of Projects = \$410,000,000 # receiving restitution = 32 \$ Amount of restitution = \$25,128
Number of cases referred to CCR by DCR.	55	33	33	40	43
Number of cases closed by CCR.	51	35	49	30	40
Number of days on docket from referral to closure PC/NPC.	509.2/184.8	389/124	661.2/129.9	1100/100	300/75
Total SUBP firms registered to do business with the City of Minneapolis* ¹	416 total 122 Small 195 Women-owned 99 Minority-owned	429 total 119 Small 176 Woman-owned 134 Minority-owned	530 total 144 Small 239 Woman-owned 147 Minority-owned	650 Projected 618 total Year-to-date 212 Small 240 Woman-owned 166 Minority-owned	650
\$ amount of City construction and development contracts with diversity goals	\$369,385,328	\$251,274,496	*\$602,610,105	\$800,000,000	
\$ amount of City Contracts awarded to Minority and Women Business Enterprises on construction/development projects	\$28,403,571 to MBEs \$33,289,083 to WBEs	\$14,988,082 to MBEs \$16,853,570 to WBEs	\$26,825,921 to MBEs \$18,871,638 to WBEs	\$30,000,000 (MBEs) \$20,000,000 (WBEs)	\$30,000,000 MBEs \$20,000,000 WBEs
Number workshops held, procurement fairs, and pre-bid meetings attended* ²	30	37	38	39	39
Bid analysis completed* ³	na	40	70	100+	110

* 50% of all non Construction project contracts eligible to participate in the SUBP program were not referred to the program for diversity goals in '03

Explanation of Key Performance Measures:

¹The purpose of the Central Certification (CERT) Program is to review and audit applicants in order to ensure that listed firms meet eligibility requirements. Recertification is necessary every two years of business certification. Decrease in number of certified vendors attributed to vendors not going through the recertification process.

²The purpose of the SUBP outreach activities is to provide information and education to the business community in order to heighten awareness of the City of Minneapolis SUBP, procurement opportunities, and to cultivate a cooperative business environment. The activities include educating bidders/proposers and contractors on their responsibility under Chapter 423 aimed at recruiting certified minority and women business enterprises.

³The purpose of the bid analysis is to determine if bidders/proposers are in compliance with performing good faith efforts to utilize women-owned and minority-owned business enterprises. The efforts made by the bidders/proposers help serve as an indicator of the effectiveness of the information SUBP provides relating to outreach requirements. This activity also helps SUBP reach valid recommendations for contract award.

Key Performance Measure	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
CRA STAFF:			4	4	4
Number of intake inquiries	818	586	610	450	450
Number of CRA complaints	114	56	157	130	120
Mediation	8	0	2	10	25
Complaints in investigation		59	163	140	91
Investigations Completed		61	71	112	150
CRA BOARD:					
CRA Board Hearings Scheduled		0	3	88	144
CRA Board Hearings Held		0	3	64	100
Complaints awaiting Hearing		12	65	70	120

Number of Community Summits		2	2	0	4
Community festivals	6	5	7	8	8
Police Community Relations Committee	N/A	6	6	12	12
Education and Information	6	5	7	3	6
Culturally specific advisory/work group meetings	6	5	6	14	16

Primary Business: Community Outreach, Education, Advocacy. Leadership in matters of Social Justice and advocacy for all groups protected under the city ordinance.

Description of Primary Business: Advocate for public policy initiatives and change that facilitates the eradication of barriers to full and equal participation in the quality of life in the City of Minneapolis and that addresses and reflects the needs and priorities of the Cities communities.

- Community Summits
- Culturally specific advisory/work groups
- Community events and educational forums
- Department work shops and training
- Monitoring of the Unity Community and Police Department mediation agreement

Civilian Review Authority	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Community outreach activities/involvement			4	8	8
Education and Information	6	5	7	3	6
Culturally specific advisory/work group meetings	6	5	6	14	16

Financial Analysis:

EXPENDITURE

The Civil Rights department’s budget for 2005 is \$2.8 million.

The budget for this department includes \$170,000 in BIS charges calculated on a city-wide rate model and \$4,100 for benefits administration. Both were centrally budgeted in the past. Backing out these charges, the 2005 Civil Rights department’s budget is \$2.6 million, a 31% increase over the 2004 Adopted Budget.

REVENUE

In 2005, the EEOC (Equal Opportunities Employment Commission) Workshare agreement decreased by 19%. The Civil Rights department also sees a \$245,000 decrease in their revenue budget for 2005 because several service contracts budgeted in their 2004 budget have been absorbed by the General Fund overhead rate model. This decrease is offset by a corresponding increase in centrally budgeted overhead within the General Fund.

FUND ALLOCATION

This department is funded primarily through the General Fund (84%) with the remaining 16% being funded through CDGB.

MAYOR’S RECOMMENDED BUDGET

The Mayor’s Recommended Budget eliminated 2 positions and provided \$70,000 of one-time money to address the Civilian Review Authority backlog. Further, it enhanced the capabilities of the Civil Rights Department by transferring \$235,000 and 4 positions for the New Arrivals Program and 1 position for the Native American Advocate into the department (from the Health and Family Support department). The Mayor also recommended \$50,000 for an enterprise-wide Limited English Proficiency program.

ADOPTED BUDGET

The Council adopted the Mayor’s Recommendations.

**CIVIL RIGHTS
Staffing Information**

	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
FTE's by Division						
Civil Rights Admin	7.00	7.00	7.00	7.00	0.00%	-
Complaint Investigation	8.00	8.00	6.00	6.00	0.00%	-
Civil Rights Contracts	9.00	8.50	7.00	5.00	-28.57%	(2.00)
Civilian Review Authority	5.00	4.00	4.00	4.00	0.00%	-
Outreach	-	-	-	5.00	500%	5.00
Total FTE's	29.00	27.50	24.00	27.00	12.50%	3.00

**CIVIL RIGHTS
Expense Information**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
General Fund - City						
Capital Outlay	9,715	0	3,000	3,042	1.4%	42
Contractual Services	234,348	346,671	305,552	536,468	75.6%	230,916
Equipment	13,367	1,083	3,000	3,042	1.4%	42
Fringe Benefits	237,696	247,066	291,803	310,703	6.5%	18,900
Operating Costs	83,166	45,114	61,523	65,868	7.1%	4,345
Salaries and Wages	1,037,738	1,121,211	1,125,999	1,418,917	26.0%	292,918
Total for General Fund - City	1,616,030	1,761,145	1,790,877	2,338,040	30.6%	547,163
Special Revenue Funds						
Capital Outlay	0	0	1,987	0	-100.0%	-1,987
Contractual Services	21,174	52,691	-130,949	98,521	-175.2%	229,470
Equipment	0	533	4,124	0	-100.0%	-4,124
Fringe Benefits	38,279	52,784	28,710	86,911	202.7%	58,201
Operating Costs	4,685	22,812	15,357	7,950	-48.2%	-7,407
Salaries and Wages	178,073	227,392	278,877	251,618	-9.8%	-27,259
Total for Special Revenue Funds	242,211	356,212	198,106	445,000	124.6%	246,894
Total for CIVIL RIGHTS	1,858,241	2,117,357	1,988,983	2,783,040	39.9%	794,057

**CIVIL RIGHTS
Revenue Information**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
General Fund - City						
Charges for Service	386,522	271,848	258,252	0	-100.0%	-258,252
Other Misc Revenues	907	3,548	0	0	0.0%	0
<i>Total for General Fund - City</i>	387,429	275,396	258,252	0	-100.0%	-258,252
Special Revenue Funds						
Contributions	0	7,295	0	0	0.0%	0
Federal Government	52,500	62,100	62,000	50,000	-19.4%	-12,000
<i>Total for Special Revenue Funds</i>	52,500	69,395	62,000	50,000	-19.4%	-12,000
Total for CIVIL RIGHTS	439,929	344,791	320,252	50,000	-84.4%	-270,252

COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT

Mission Statement:

To promote and advance the City's planning and community development goals through strategic partnerships and responsible management of resources, and to support the public interest through implementation of the City's plans and priorities.

Primary Businesses:

- **Housing Policy & Development:** CPED provides financing and administers programs for housing development, preservation and rehabilitation; provides financing for home improvement and home mortgages through a vendor contract in cooperation with the Development Finance Division of the Finance Department; and encourages and supports private market activity in the production and preservation of housing for all income levels.
- **Economic Policy & Development:** The Economic Policy & Development business line is focused on business retention, expansion, creation, and attraction – both downtown and in the neighborhoods. Through this business line, CPED provides the financing, programmatic and real estate tools used with commercial, mixed-use and industrial development, and expansion. The department offers market advocacy services through this business line.
- **Community Planning:** CPED prepares and coordinates the implementation of the City's comprehensive plan, conducts research and analysis on trends affecting City policy and development, and coordinates City-sponsored arts and cultural activities.
- **Development Services:** CPED administers, interprets, and enforces the zoning code, land subdivision regulations and heritage preservation regulations, and reviews applications for approvals as required by city ordinance and state law.
- **Workforce Development:** CPED manages a system that identifies and prepares Minneapolis residents for living wage job and career opportunities.

Key Trends and Challenges Impacting the Department:

1) Challenge of fully realizing the synergies inherent in the new CPED structure

Although the legal, financial, and initial programmatic steps to create CPED have been accomplished, more work is necessary to fully coordinate and integrate the work of its various components, both internally and with other City departments.

2) NRP alignment with City goals and CPED programs

During the last year, CPED and NRP have worked together to clarify our respective roles and programmatic initiatives. We look forward to working with the NRP on its five year business plan and its Phase II housing programs. We will continue to work towards greater alignment of NRP resources and citywide priorities.

3) Challenge of attuning CPED more closely to the private marketplace

The City and CPED need to be more closely attuned to needs and gaps in the private marketplace on a real time basis in order to assist private growth and development where appropriate (i.e. reducing regulatory friction and transaction costs) and to intervene in the market in a more timely and effective manner when appropriate.

4) City Ownership Housing Strategy

In the ownership housing area, we continue to evaluate and evolve our existing programs and initiate pilot policy initiatives. We are also exploring various policy objectives and outcomes such as need-based eligibility, wealth creation, alignment with NRP and other non-profit investments and delivery systems in order to reduce the cost of administration.

5) Planning's City Enterprise Role

Planning's City Enterprise role will continue to evolve. Its roles in One-Stop Shop, CLIC review, expanded synergy within CPED, coordination with public works planning, participation in redevelopment prioritizing, Small Area planning investment analyses and coordination with NRP are expanding.

CPED tracks market and socioeconomic data and trends to better understand current community needs and more effectively direct the department's limited public resources. Significant trends in the last year include the following:

- A. Number of jobs decreased.
- B. Labor force participation increased.
- C. The population continues to age.
- D. Housing costs rising faster than income.
- E. Downtown office vacancy rates remain higher than historical norms.
- F. Downtown retail vacancy rates increasing.
- G. Commercial and industrial construction up slightly from previous year.

Key Initiatives or Other Models of Providing Service to be implemented in 2005

- Department-wide Initiatives:
 - Closer coordination with Public Works on transportation issues and overall capital improvement planning.
 - Align City and NRP resources around City priorities and seek cooperative implementation strategies.
 - Retirement Incentive Option.
- Housing Policy & Development Key Initiatives:
 - Identify funds to complete the Heritage Park Finance Plan.
 - Implement the Higher Density Corridor Housing Initiative.
 - Implement the Northside Home Fund.
- Economic Policy & Development Key Initiatives
 - Create Riverfront Development Corporation.
 - Develop plan for University Research Park.
- Community Planning Key Initiatives
 - Complete, prepare and assist with several plans, including the the Midtown Greenway Land Use Plan, South Lyndale Small Area Plan, Industrial Land Use Plan, Downtown Rezoning Studies, Shoreham Yards Potential Growth Center Plan, and Central Corridor LRT Planning.
 - Refocus research activities and products to more effectively target current and future market conditions and trends.

- Development Services Key Initiatives
 - Implement One Stop Development Review Center and related Customer Service Improvements.
- Workforce Development Key Initiatives
 - Conclude the "Close the Gap" Campaign by eliminating the gap between City and metro area unemployment rates by the end of 2005.
 - Support creation of public service careers institutes.

Assessment of Other Models of Providing Service

1. Neighborhood Planning Services

Community Planning will develop a list of planning activity options that could be undertaken with the assistance of NRP funds. This will be a list of ways the NRP money could be used for planning activities within the neighborhoods, and how City Planning staff could provide these services at predetermined costs. Along with several other planning assistance tools developed by this division in 2004, the intent is to assist neighborhoods in preparing local plans that are consistent with and in support of the City's comprehensive plan.

2. City Coordination of CLIC Process

To effectively implement plans that have been adopted by the City of Minneapolis, a structure needs to be in place to ensure the timely, orderly, and efficient use of dwindling City resources. The Community Planning Division will work on an initiative for interdepartmental coordination of CLIC proposals prior to submission to the CLIC. By coordinating City efforts through this early process, duplicative actions and expenditures can be reduced over time.

3. Consolidating Property Management in Public Works

CPED is recommending that its property management function be transferred to and merged with the appropriate Public Works division. Although the types of properties managed by both departments are different, we believe the resources, skills, and activities involved are similar and therefore this function belongs in one City department. Unlike Public Works, property management is not a core competency and business of CPED. Although we are proposing this on a "net zero" basis, we believe that combining the functions will result in some efficiencies that are not currently possible with two departments involved.

4. Consolidating real estate transactions and inventory at CPED

As part of a parallel discussion, and also subject to further analysis, CPED is recommending that responsibility for real estate transactions and inventory management - which currently occurs in 2 divisions of Public Works and in the real estate unit of CPED be consolidated within CPED. Given that CPED undertakes a much larger volume of real estate transactions than does Public Works, and given this function is a core competency of CPED, we believe that enterprise responsibility for this function should be vested in one department rather than two. Again we are proposing this on a "net zero" basis, but believe that it is likely that combining the functions will result in some efficiencies that are not currently possible with two departments involved.

Primary Business: Economic Policy and Development

Description of Primary Business: The Economic Policy & Development line of business is focused on business retention, expansion, creation, and attraction—both downtown and in the neighborhoods.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Increase in property taxes due to economic development projects	\$7,029,000	\$1,283,000	\$3,236,529	\$1,108,408	\$845,000
Number of businesses assisted by market advocates/case manager	not available	not available	571	50	50
Number of new jobs projected by assisted projects	1,749	1,441	1,554	585	447
Number of business loans	161	151	170	154	158
Number of downtown/riverfront entertainment, cultural, recreational and educational amenities completed	20	9	5	0	0
Number of downtown/riverfront housing units completed	464	301	605	928	419
Contamination cleanup grants secured	\$6,138,803	\$4,337,485	\$4,697,452	\$1,500,000	\$1,500,000
Number of assets managed	7	7	7	6	5
Change in overall jobs in city	-2,638 (-0.9%)	-11,043 (-3.7%)	-8,033 (-2.7%)	+3,200 (+1.1%)	+5,700 (+2.0%)
Minneapolis employment as % of metro employment	19.2%	18.9%	18.4%	18.4%	18.5%
Value of permits issued for new commercial construction	\$156,768,755	\$127,152,189	\$131,099,763	\$ 120,633,871	\$ 127,280,929
Minneapolis new commercial construction as % of metro construction	7.2%	8.8%	7.7%	7.9%	7.9%
Reduce crime below city average in Empowerment Zone				In progress	Reduce crime by 10% through business crime prevention network and Weed & Seed partnership with Phillips
Northside Partnership: Decline in Part I and II crimes in 4 th Precinct				200	400 adults 100 youths 300 placements in career ladders
Launch or strengthen partnerships around West Broadway, Lake Street, Franklin Avenue and Central Avenue				3 of 4 partnerships created: North side Partnership; Phillips Partnerships (strengthened) ; Faith in the City	Central Avenue
Northside Partnership: # of additional placements beyond existing jobs programs				Crime down 14% through July 1	10% additional decline
Northside Partnership: \$7 million housing rehabilitation fund established				\$41.8 million fund raised	Move 100 families into homeownership
Northside Partnership: Identify and prepare at least 10 opportunities for redevelopment				In progress	Establish 10 new entrepreneurs on W. Broadway
Phillips Partnership: 10% decline in Type I crimes in 55407 zip code beyond city average				Crime down 12% through July 1	10% additional decline
Phillips Partnership: Continued increase in property values beyond city average				On track	Same
Faith in the City: Keep Franklin Avenue Library open				Achieved	
Faith in the City: Increase number of earned income tax credit (EITC) filers in 55404 and 55407 zip codes by 100				87 new EITC filers	174
Mpls Life sciences Consortium; develop medical conferencing facility in Life sciences Corridor				On track	Will open
Mpls Life sciences Consortium; two new research labs				2	2 additional
Mpls Life sciences Consortium; create Life sciences Capital Fund				On track	\$3 million
Identification of joint City-University development activity to occur				M o U signed; quarterly meetings initiated	U Research Park Riverfront Dev Corp

Explanation of Key Performance Measures: Much of the project work within this business line has long lead times, meaning that staff efforts in any given year produce results 1-2 years later. That is, there is not always a direct correlation between resources used and results achieved within the same year.

-"Increase in property taxes due to economic development projects" estimates are very general and do not include all projects.

-"New jobs projected" means a developer's estimate of the number of new jobs resulting from activity financed with CPED assistance. Estimates are not available for all completed projects.

- "Completed" means there has been a final construction disbursement, a Certificate of Completion has been issued, and/or a Certificate of Occupancy has been issued.

- "Number of downtown/riverfront housing units completed" is a subset of totals reported under Housing Policy & Development.

"Assets managed" for 2001 through 2005 includes three downtown theaters, Target Center, the Upper Harbor River Terminal, the Grain Belt complex and the former Sears property. It is anticipated that the former Sears property will be sold in 2004 and the Grain Belt complex will be sold in 2005.

"Change in overall jobs in City" is the year to year change in "total covered employment" from MNDEED.

Primary Business: Housing Policy and Development

Description of Primary Business: CPED provides financing and administers programs for housing development, preservation and rehabilitation; provides financing for home improvement and home mortgages through a vendor contract; and encourages and supports private market activity in the production and preservation of housing for all income levels.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Number of new/conversion multifamily units completed	563	465	1,136	815	1,193
Number of rehabilitated multifamily and single-family units completed	268	522	433	575	560
Number of affordable (<50% MMI) multifamily housing units placed in service (subset of previous two measures)	484	596	594	715	751
Number of multifamily units to result from closed loans and construction starts	1,149	2,143	2,016	1,800	1,886
Number of housing units produced (including those with CPED assistance)	1,120	1,866	1,243	1,400	1,475
Housing growth (units produced minus units demolished)	958	1,715	1,149	1,250	1,325
Minneapolis share of metro region housing production	5.0%	7.3%	5.5%	5.7%	5.9%
Number of single-family units completed	135	123	116	80	80
Number of single-family units rehabilitated	31	10	8	7	13
Number of low/moderate income (<80%) single-family units completed	74	54	62	40	40
Number of home improvement loans	75	131	48	52	45
Number of mortgage loans	119	138	2	150	150
Number of lots sold for single-family development	130	116	116	80	80

Explanation of Key Performance Measures:

-"Conversion" means previously non-residential properties that have been converted to residential use.

-"Multifamily" means all rental projects and ownership projects with more than 10 units.

-"Completed" means there has been a final construction disbursement, a Certificate of Completion has been issued, and/or a Certificate of Occupancy has been issued.

-"Closed" means financial closing and construction start. Generally, closed units are produced with funds from prior years.

"Affordable (<50% MMI)" means units that are affordable to families with incomes at or below 50 percent of the metropolitan median family income.

-The third measure listed above (number of affordable units) is a subset of the first two measures, and includes both new/conversion and rehabilitated units.

-Housing unit numbers do not include shelter beds/units.

-"Single-family" means all ownership projects with 10 or fewer units.

-"Affordable (<80%)" means units that are affordable to families with incomes at or below 80 percent of the metropolitan median family income.

"Number of housing units produced" is based on permits pulled.

Primary Business: Community Planning

Description of Primary Business: CPED engages the community in planning processes and development, conducts research and analysis on trends affecting City policy and development, and refines and implements the City's comprehensive plan.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Number of City plans/policies approved or amended	not available	not available	2	5	6
Percentage of residents involved in planning process who are confident that their input will become part of the City's decision-making process	not available	not available	not available	80%	80%
Number of film permits issued	206	205	212	200	195
Total public arts projects installed or renovated (major conservations)	2	11	3	11	4

Primary Business: Development Services

Description of Primary Business: CPED administers and interprets the zoning code, land subdivision regulations and heritage preservation regulations, and reviews applications for approvals as required by city ordinance and state law.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Number of land use applications reviewed	1,149	1,194	1,083	1,345	1,400
Number of building permits reviewed	5,849	7,905	7,905	7,800	7,900
Number of Heritage Preservation Commission applications reviewed	211	155	341	185	200
Number of zoning code text amendments adopted as a result of policy changes	12	31	6	18	16
Number of clients assisted at service counter (One-Stop Development Review Center)	NA	NA	8,225	8,295	8,400
Proportion of land use applications approved or denied within state-mandated timeframes	99+%	99+%	99+%	99+%	99+%

Primary Business: Workforce Development

Description of Primary Business: CPED manages a system that assists residents in obtaining economic self-sufficiency through employment and training while meeting local employer needs for qualified workers.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Gap in unemployment rate between city and metro region	.7%	.8%	.9%	.6%	.2%
Number of people placed in jobs through workforce development programs	5,758	6,452	5,992	6,084	6,123
Number of agreements (employment partnerships)	NA	NA	NA	2	4
Number of new hires from job linkage agreements (living wage jobs)	1,026	1,214	1,827	1,800	1,783
Number of businesses visited	NA	NA	44	55	68
Number of people served through workforce development programs	16,879	19,722	19,067	19,326	19,561
Unemployment rate for city residents	3.8	4.9	5.5	4.6	4.0

Explanation of Key Performance Measures:

-"Gap in unemployment rate between city and metro region" means the difference between the unemployment rate within the City of Minneapolis and the unemployment rate within the larger metropolitan region.

Financial Analysis:

EXPENDITURE

The Community Planning and Economic Development department reflects the financial and position history of its predecessor organizations: Minneapolis Community Development Agency, Planning, Minneapolis Employment and Training Program, and the Empowerment Zone. The total budget of \$163 million represents a 15% increase over the 2004 Adopted Budget, predominantly from an increased budget for planned debt service and related internal transfers. The total budget minus debt service and transfers shows a 1.7% increase over 2004.

In 2005, the CPED expense budget includes \$3.4 million to phase in General Fund overhead charges. This is a change in accounting that replaces various charges for indirect costs that were previously budgeted in separate agencies. If charges are phased in over 5 years, CPED's General Fund annual overhead charges are estimated to be \$4.6 million. The budget for CPED also includes \$899,000 in BIS charges calculated on a city-wide rate model and \$25,100 for benefits administration. Both charges were centrally budgeted in the past. Backing out these charges, the 2005 CPED budget is \$162 million, a 14% increase over the 2004 Adopted Budget.

REVENUE

The department's revenue reflects the elimination of Chapter 595 levy income as determined by the 5-Year plan, continued decline in property tax increment since the 2001 property tax changes, an estimated reduction in State and Local grants and reduced interest earning on various capital fund balances. The department's budgeted revenue decreases in 2005 by 5.6% from the 2004 Adopted Budget.

MAYOR'S RECOMMENDED BUDGET

The Mayor's Recommended budget included the use of development resources (\$80,000 from the Preliminary Planning Fund) to offset Planning's 5-year planning target of an \$80,000 General Fund reduction. It also recommended three Planning Division Target Strategies: a target reduction strategy (establishing zoning violation fees and transferring the zoning enforcement function and 4 positions from Regulatory Services to CPED, a fee increase strategy (right-of-way vacation application fees rise from \$300 to \$1000), and a reallocation of existing direct fee revenue from Regulatory Services to CPED to reflect the work and costs of projects utilizing CPED resources. An additional position and \$77,000 was also added to CPED's budget to support enterprise job creation and career laddering.

The 2005 recommendation also included Hilton Legacy Fund allocations as follows:

\$100,000	– Riverfront Development Corporation
\$200,000	– Closing the Gap employment initiative
\$200,000	– It's All About Kids
\$300,000	– Planning
\$500,000	– Commercial Corridor Small Business Loan Fund
\$1,000,000	– MILES
\$1,400,000	– Project Liability Funding (Housing & Economic Development)

The Mayor recommended a reduction of 7 positions in Property Management and the addition of 1 position in Real Estate Management and 1 Public Service Coordinator position. The Mayor also recommended allocating funds for an environmental coordinator position in Regulatory Services.

ADOPTED BUDGET

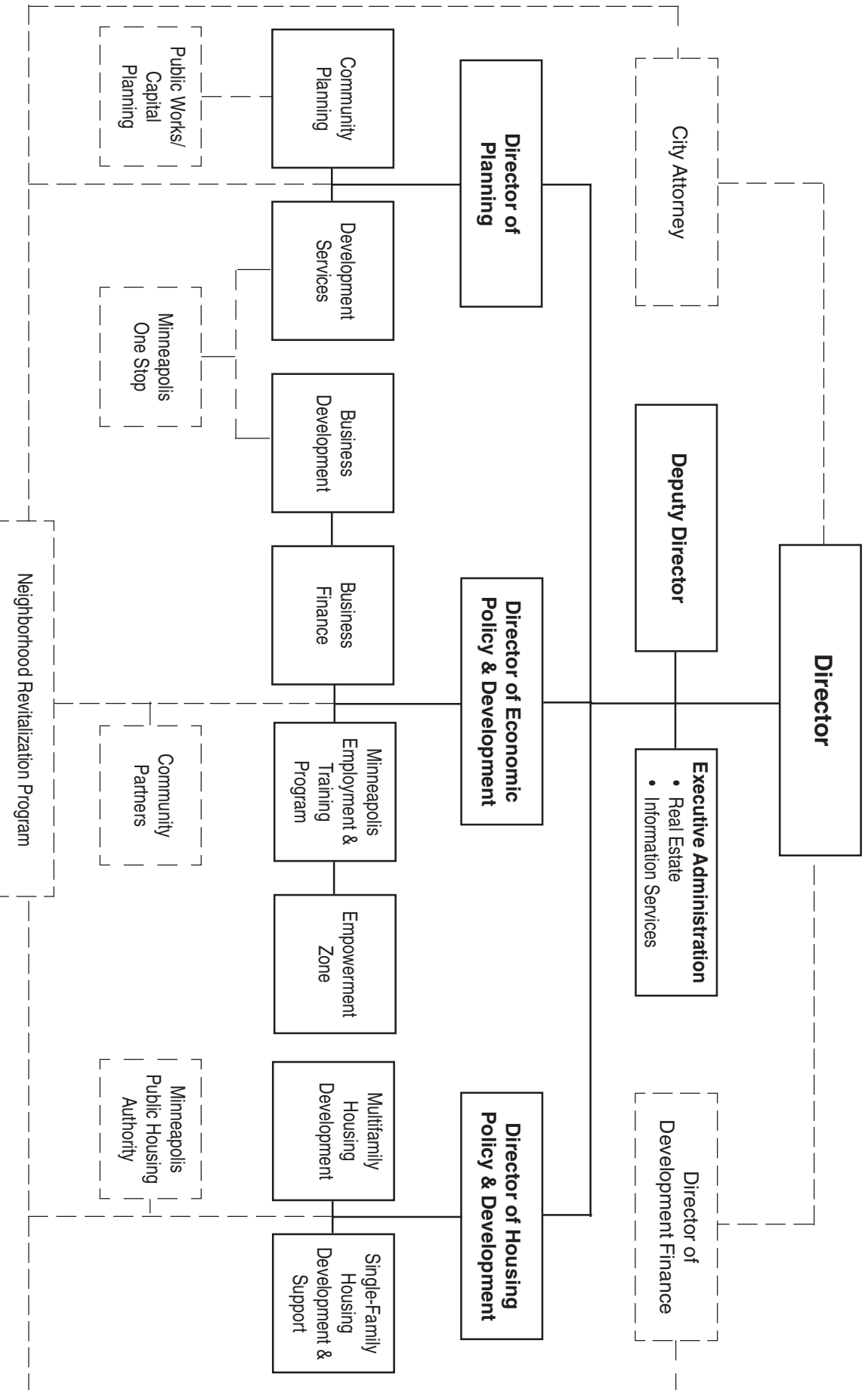
The Council removed the Mayor’s recommendation regarding the environmental coordinator position under the advice of Regulatory Services that the function could be accommodated without the addition of a position. The Council adopted the remaining Mayor’s recommendations. Additionally, a project was added to CPED to address the City’s commitment to acquire the Lao Lutheran Church for a total of \$600,000. CPED staff were directed to return with a recommendation within three years regarding funding sources within the Heritage Park project. The use of \$200,000 of current CPED business finance funding for neighborhood business associations was also approved.

**COMMUNITY PLANNING & ECONOMIC DEVELOPMENT
Staffing Information**

	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
FTE's by Division						
Executive	56.63	58.23	20.0	20.0	0.00%	-
Economic Policy and Development	33.50	32.50	25.0	28.0	12.00%	3.00
Strategic Partnerships	16.25	16.25	24.0	21.0	-12.50%	(3.00)
Housing Policy and Development	63.50	57.50	34.0	29.0	-14.71%	(5.00)
Planning	34.50	42.00	41.0	40.0	-2.44%	(1.00)
Total FTE's	204.38	206.48	144.00	138.00	-4.17%	(6.00)

Community Planning & Economic Development

Organization Chart July 2004



* Dotted lines indicate key on-going relationships with other departments and agencies.

COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT
Expense Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Agency - Inactive						
Capital Outlay	0	0	0	0		0
Contractual Services	0	0	0	0		0
Fringe Benefits	0	0	0	0		0
Operating Costs	0	0	0	0		0
Salaries and Wages	0	0	0	0		0
Total for Agency - Inactive	0	0	0	0		0
Capital Projects						
Capital Outlay	41,268,586	19,277,966	11,762,448	1,418,100	-87.9%	-10,344,348
Contractual Services	10,798,892	9,559,944	2,915,756	2,726,890	-6.5%	-188,866
Debt Service	0	0	0	1,168,837		1,168,837
Equipment	2,041	0	300	300	0.0%	0
Fringe Benefits	461,920	343,990	470,768	443,749	-5.7%	-27,019
Operating Costs	182,848	101,213	146,307	89,056	-39.1%	-57,251
Salaries and Wages	2,344,854	1,729,491	2,125,159	1,542,402	-27.4%	-582,757
Transfers	86,005,918	79,547,663	64,144,964	58,780,387	-8.4%	-5,364,577
Total for Capital Projects	141,065,059	110,560,267	81,565,702	66,169,721	-18.9%	-15,395,981
Debt Service						
Contractual Services	350	700	0	0		0
Debt Service	32,175,959	36,355,722	0	36,845,000		36,845,000
Transfers	1,131,500	1,602,363	1,500,000	0	-100.0%	-1,500,000
Total for Debt Service	33,307,809	37,958,785	1,500,000	36,845,000	2,356.3%	35,345,000
Enterprise Funds						
Capital Outlay	252,132	79,716	132,200	20,000	-84.9%	-112,200
Contractual Services	3,538,483	4,266,792	5,042,842	2,253,851	-55.3%	-2,788,991
Debt Service	2,101,782	1,204,382	155,000	0	-100.0%	-155,000
Fringe Benefits	25,713	43,520	44,912	73,376	63.4%	28,464
Operating Costs	109,167	636,651	1,415,850	3,015,290	113.0%	1,599,440
Salaries and Wages	125,640	188,416	199,610	241,992	21.2%	42,382
Transfers	132,418	45,828	0	0		0
Total for Enterprise Funds	6,285,335	6,465,305	6,990,414	5,604,509	-19.8%	-1,385,905
General Fund - City						
Capital Outlay	0	0	1,032	1,046	1.4%	14
Contractual Services	181,548	212,389	181,296	877,357	383.9%	696,061
Equipment	1,308	18,352	8,849	3,837	-56.6%	-5,012
Fringe Benefits	231,930	258,738	408,978	414,150	1.3%	5,172
Operating Costs	154,778	129,411	151,836	132,518	-12.7%	-19,318

COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT
Expense Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
General Fund - City						
Salaries and Wages	1,102,810	1,266,435	1,432,075	1,646,321	15.0%	214,246
Total for General Fund - City	1,672,375	1,885,326	2,184,066	3,075,229	40.8%	891,163
Special Revenue Funds						
Capital Outlay	30,964,760	20,387,236	18,942,156	20,443,539	7.9%	1,501,383
Contractual Services	15,061,637	16,466,963	19,869,473	22,937,547	15.4%	3,068,074
Debt Service	19,563	-3,667	0	0		0
Equipment	114,135	26,329	144,312	11,724	-91.9%	-132,588
Fringe Benefits	1,651,253	1,834,893	1,577,843	1,578,464	0.0%	621
Operating Costs	2,171,294	1,996,806	1,333,195	1,491,471	11.9%	158,276
Salaries and Wages	8,664,011	8,336,414	6,801,537	4,856,772	-28.6%	-1,944,765
Transfers	1,552,603	5,305,047	887,746	0	-100.0%	-887,746
Total for Special Revenue Funds	60,199,257	54,350,020	49,556,262	51,319,517	3.6%	1,763,255
Total for COMMUNITY PLANNING	242,529,836	211,219,703	141,796,444	163,013,976	15.0%	21,217,532

COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT
Revenue Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Capital Projects						
Charges for Sales	1,804,451	4,539,823	320,000	2,185,000	582.8%	1,865,000
Charges for Service	822,928	1,457,127	357,000	1,099,000	207.8%	742,000
Interest	1,806,958	-1,488,277	4,956,813	1,056,560	-78.7%	-3,900,253
Operating Transfers In	18,095,723	13,911,524	8,100,000	0	-100.0%	-8,100,000
Other Misc Revenues	2,782,041	3,412,989	5,189,720	894,000	-82.8%	-4,295,720
Proceeds of Long Term Liabilities	13,915,000	1,725,000	1,960,000	224,000	-88.6%	-1,736,000
Property Taxes	61,041,534	67,450,397	71,247,694	68,125,101	-4.4%	-3,122,593
Rents	2,682,184	2,587,153	3,247,990	4,035,892	24.3%	787,902
State Government	667,105	613,101	40,000	0	-100.0%	-40,000
Total for Capital Projects	103,617,925	94,208,837	95,419,217	77,619,553	-18.7%	17,799,664
Debt Service						
Charges for Service	-350	0	0	0	0.0%	0
Interest	13,142	1,554	152,000	225,740	48.5%	73,740
Operating Transfers In	32,550,681	35,512,380	1,500,000	36,870,740	2,358.0%	35,370,740
Total for Debt Service	32,563,473	35,513,934	1,652,000	37,096,480	2,145.5%	35,444,480
Enterprise Funds						
Charges for Sales	124,504	4,978	0	0	0.0%	0
Charges for Service	3,045,160	3,045,560	3,146,800	0	-100.0%	-3,146,800
Interest	2,422,579	1,368,918	1,912,000	67,015	-96.5%	-1,844,985
Operating Transfers In	0	1,620,279	0	0	0.0%	0
Other Misc Revenues	114,424	124,011	385,000	6,300,000	1,536.4%	5,915,000
Proceeds of Long Term Liabilities	26,438	0	0	0	0.0%	0
Property Taxes	0	0	0	548,365	0.0%	548,365
Rents	37,000	661,184	1,600,000	1,823,000	13.9%	223,000
Total for Enterprise Funds	5,770,105	6,824,930	7,043,800	8,738,380	24.1%	1,694,580
General Fund - City						
Charges for Sales	2,256	26,240	0	0	0.0%	0
Charges for Service	13,750	318,592	634,118	567,300	-10.5%	-66,818
Federal Government	0	0	0	0	0.0%	0
Other Misc Revenues	13,387	1,548	0	0	0.0%	0
Total for General Fund - City	29,393	346,380	634,118	567,300	-10.5%	-66,818
Special Revenue Funds						
Charges for Sales	2,190,954	3,052,508	1,785,976	3,925,000	119.8%	2,139,024
Charges for Service	9,031,380	7,714,131	7,649,431	3,270,500	-57.2%	-4,378,931
Contributions	81,623	73,916	75,000	50,000	-33.3%	-25,000
Federal Government	7,689,135	9,422,847	22,304,004	13,746,000	-38.4%	-8,558,004
Interest	-10,994,940	6,379,636	1,076,041	-81,377	-107.6%	-1,157,418
Local Government	447,972	1,314,018	1,120,000	750,000	-33.0%	-370,000

COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT
Revenue Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Special Revenue Funds						
Operating Transfers In	16,930,796	17,028,701	10,227,663	382,252	-96.3%	-9,845,411
Other Misc Revenues	4,091,007	4,825,506	6,412,039	6,048,000	-5.7%	-364,039
Proceeds of Long Term Liabilities	3,000	0	0	0	0.0%	0
Property Taxes	3,653,973	3,806,094	0	0	0.0%	0
Rents	97,792	135,651	110,466	152,020	37.6%	41,554
Sales and Other Taxes	176	235	0	0	0.0%	0
State Government	9,547,389	8,391,173	9,269,054	3,352,803	-63.8%	-5,916,251
Total for Special Revenue Funds	42,770,258	62,144,416	60,029,674	31,595,198	-47.4%	28,434,476
Total for COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT	184,751,154	199,038,497	164,778,809	155,616,911	-5.6%	-9,161,898

FIRE DEPARTMENT

Mission Statement:

The mission of the Minneapolis Fire department is to provide quality emergency preparedness, prevention services, emergency medical and fire response that make a positive difference every day.

Primary Businesses:

Response - Safely minimize the loss of life and property due to emergency events.

- Emergency Medical Services (EMS) – providing effective emergency medical services
- Fire Response – providing effective response to fires
- Haz-Mat and Specialized Rescue – providing other emergency response services such as Haz-Mat and specialized rescue services

Prevention– Anticipate, prepare for and prevent future emergency events.

- Emergency Preparedness – preparing the City for major emergency events, including nuclear, biological and chemical weapons of mass destruction
- Fire Inspections and Enforcement – providing fire prevention inspections and enforcing the Fire Code
- Fire Education – providing fire/EMS education programs and safety information to the public

Key Trends and Challenges Impacting the Department:

The MFD has identified the following seven significant trends and challenges that will impact the Department during the next five years:

- Maintaining Our Standard of Coverage – NFPA Standard 1710
- Maintaining the Diversity of the Workforce
- Increasing Demand for EMS and Specialized Emergency Services
- Obtaining and Maintaining Accreditation by the Commission on Fire Accreditation International
- Identifying and Capturing Additional Sources of Revenue to Help Offset Budget Constraints
- Managing the Effects of Rapid Change and Reduced Financial Resources in the Workplace
- Restoring and Maintaining an Effective Labor Management Relationship

Key Initiatives or Other Models of Providing Service to be implemented in 2005

The MFD has identified the following Department-wide Key Initiatives that will be addressed in 2005 and beyond:

1. Identify and employ training opportunities to increase firefighter professionalism and effectiveness.
2. Obtain and maintain accredited agency status by the Commission on Fire Accreditation International.
3. Aggressive pursuits of new grant opportunities from the State and Federal governments, as they become available.
4. Develop partnerships and other initiatives to generate increased revenue to the Fire Department without the need for increased personnel.
5. Improve intradepartmental communication from the field to the administration and from the administration to the field.
6. Continue to focus on Emergency Preparedness - Nuclear, biological, and chemical weapons of mass destruction (NBC/WMD) threats by conducting and participating in disaster drills.
7. Manage the negative effects of rapid change on the workforce.
8. Restore an effective Labor/Management relationship that focuses on solutions to the challenges that the department faces in the future.
9. Update and implement the Fire Department Succession Plan to develop future leaders from within the organization.
10. Explore Automatic Aid relationships with neighboring communities that have full time firefighters working each day. These relationships will be with only those communities that have the resources to respond into the fringe areas of Minneapolis within an acceptable response time.
11. Retain and develop a diverse workforce that mirrors the community we serve.
12. Address cultural and language barriers that prevent customers from effectively interacting with the Fire Department.
13. Upgrade the Computer Aided Dispatch System in order to take advantage of new technology to improve customer service.
14. Expand the Fire Department's involvement in community outreach and public fire and EMS safety education.
15. Promote early public access to defibrillation to reduce the mortality rate of cardiac patients.

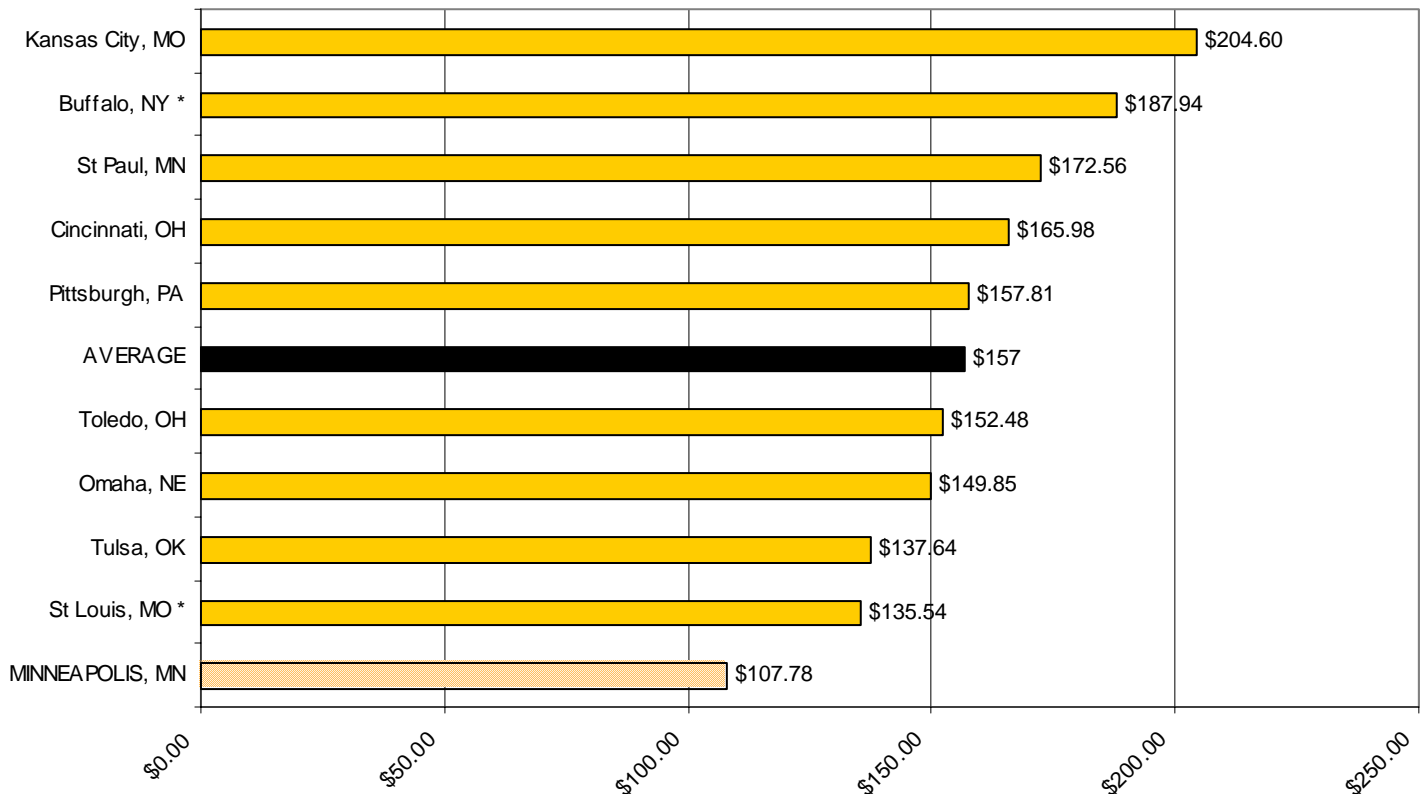
Primary Business: RESPONSE - Safely minimize the loss of life and property due to emergency events

Description of Primary Business: This business line includes providing effective response to fires; providing emergency medical services; and providing other emergency response services such as hazardous materials response (Haz-Mat) and specialized rescue services.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
% of Citizens who are satisfied with the Fire Dept	93%	N/A	90%	90%	90%
% of citizens who report satisfaction with the professionalism of Firefighters (last 3 years)	96%	N/A	95%	95%	95%
% of structure fires held to the room of origin	N/A	85%	86%	85%	85%
\$ value of property lost due to fires	11,722,521	14,093,545	22,335,170	20,000,000	22,000,000
# of lives lost due to fires	7	5	8	8	8
# of times AED applied to a patient	N/A	N/A	131	150	175
% of total workforce that are women and people of color	41.5%	41.4%	42.8%	43%	44%
Remained within budget allocation	Yes	Yes	Yes	Yes	Yes
% of budget spent on overtime	2%	1%	.7%	.7%	.7%
Total number of calls for emergency service	34,802	33,454	33,013	33,000	33,000
Total EMS runs	24,542	21,745	21,879	22,000	23,000
% of time the first company is on-scene in 5 minutes or less on EMS calls	87.3%	88.3%	88.5%	90%	90%
% of time the first company is on-scene in 5 minutes or less on Fire calls	84.4%	93.8%	91.6%	90%	90%

**Fire Department Comparison
Benchmark Cities
2003 Annual Dollar Cost per Citizen**



Primary Business: PREVENTION - Anticipate, prepare for and prevent future emergency events

Description of Primary Business: This business line includes providing fire prevention inspections and enforcement of the Fire Code; providing fire education programs and safety information to the public; and preparing the City for major emergency events, including nuclear, biological, and chemical weapons of mass destruction.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Number of Fires	2856	2238	2194	2200	2200
Successful disaster simulation exercises held	1	3	4	4	4
Grant dollars received for emergency preparedness	43,281	863,500	538,274	5,000,000	5,000,000
% of structure fires where a cause is determined	N/A	90%	91%	90%	90%
% of residences that receive fire prevention literature	48,000	48,000	49,763	50,000	50,000
Community events with a fire department presence	N/A	N/A	127	150	150
% of Hazardous Materials Sites inspected each year	40%	100%	100%	100%	100%
Number of Housing Inspections Conducted	N/A	N/A	200	700	700

Financial Analysis:

EXPENDITURE

The Fire Department's budget of \$45.2 million represents a 4.4% increase over the 2004 Adopted Budget. The department's position count for 2005 is 444.5 positions, taking into account one position that was moved to Operations and Regulatory Services during 2004.

While the Fire Department labor contract is in arbitration, a 2% rate of increase was assumed for this and all other labor contracts not settled. Approximately 82% of the department's budget consists of personnel expenses.

Non-personnel expenses represent approximately 18% of the department's budget, of which, 70% is paid to the City's Internal Service funds for mobile equipment rent, station rent, self insurance and radio communication services. The remaining expenses are for uniforms, equipment, utilities and supplies.

The budget for this department includes \$810,000 in BIS charges calculated on a city-wide rate model and \$76,000 for benefits administration. Both charges were centrally budgeted in the past. Backing out these charges, the 2005 Fire Department budget is \$44.3 million, a 2.4% increase over 2004.

REVENUE

The Department's revenue from Charges for Services increased by \$106,000 to reflect additional revenue received from the Convention Center for EMS coverage. Additionally, \$170,000 was removed from the Charges for Sales, a change in accounting treatment.

The largest revenue source for the Department is state government aid, specifically \$1.2 million that is allocated to the Department's General Fund revenue budget to offset PERA pension costs.

The Fire Department has experienced an increase in federal grants for equipment, training and technology due to homeland security. In 2004, the City received 16 grants, up from 3 grants in 2003. Many of the grants extend into 2005.

FUND ALLOCATION

The Fire Department's budget is funded predominantly from the General Fund.

MAYOR'S RECOMMENDED BUDGET & ADOPTED BUDGET

The Mayor's Recommended and the Council Adopted Budget included the Department's target strategy which reduced their budget by eliminating two Staff Deputy Chief positions, adding an Assistant Chief position, and eliminating 3 firefighter positions. Allocations were also made for additional overtime. A reallocation of General Fund dollars to CDBG dollars occurred to cover a .25 Fire Inspector position for the Problem Properties Initiative.

**FIRE DEPARTMENT
Staffing Information**

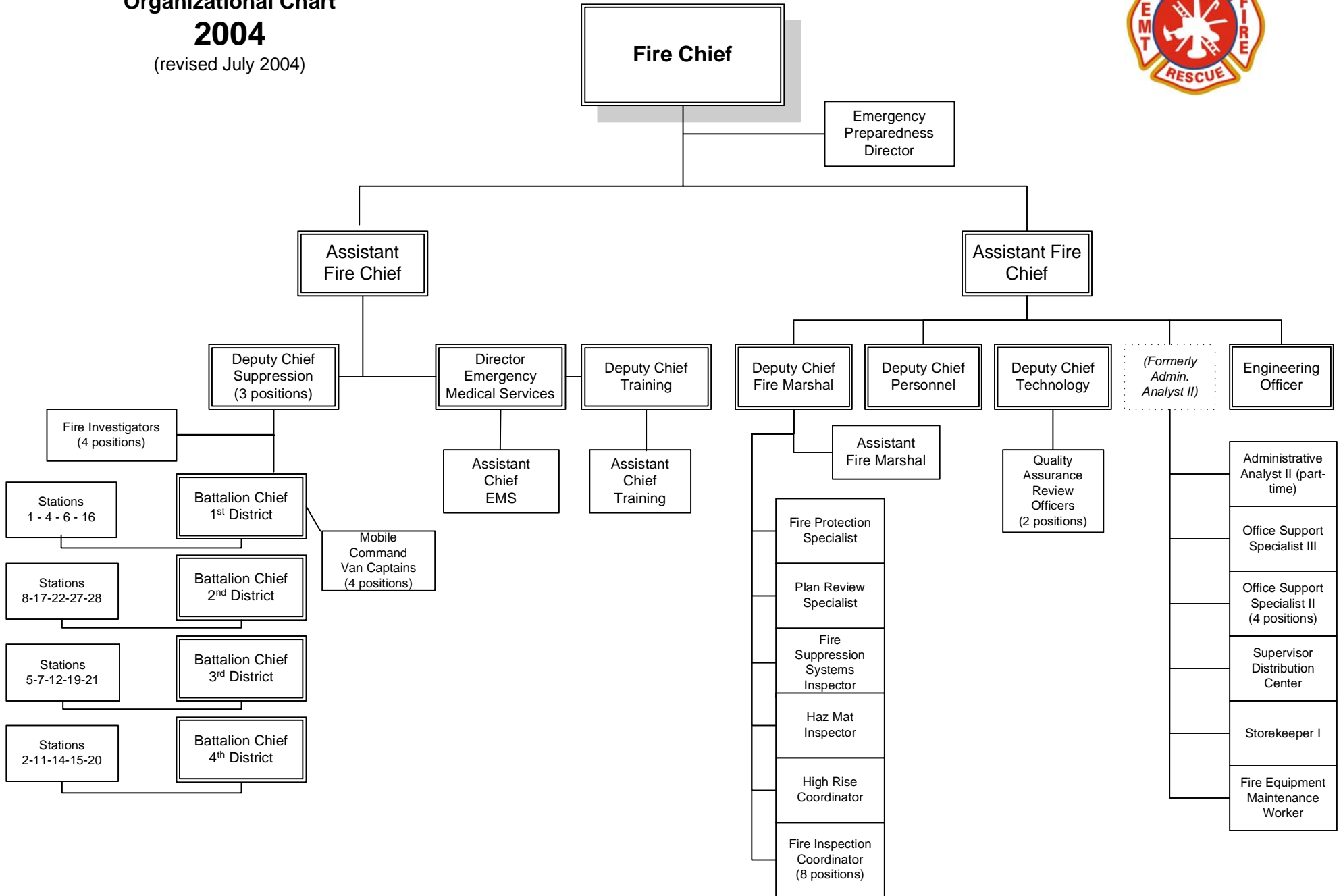
	2004 Adopted Budget	2005 CSL	2005 Mayor Recomm.	2005 Adopted Budget	% Change	Change
FTE's by Division						
Administration	18.50	20.00	19.00	19.00	2.70%	0.50
Fire Suppression & Emergency Services	412.00	406.00	403.00	403.00	-2.18%	(9.00)
Fire Prevention	18.00	22.50	22.50	22.50	25.00%	4.50
Emergency Preparedness	1.00	-	-	-	-100.00%	(1.00)
Total FTE's	449.50	448.50	444.50	444.50	-1.11%	(5.00)

Minneapolis Fire Department

Organizational Chart

2004

(revised July 2004)



**FIRE DEPARTMENT
Expense Information**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
General Fund - City						
Contractual Services	5,102,040	5,212,355	3,902,866	5,282,409	35.3%	1,379,543
Equipment	415,277	127,183	323,713	328,244	1.4%	4,531
Fringe Benefits	7,026,951	7,076,149	8,202,580	8,395,892	2.4%	193,312
Operating Costs	1,662,121	1,635,020	2,392,778	2,438,640	1.9%	45,862
Salaries and Wages	27,465,394	25,882,980	28,493,754	28,755,192	0.9%	261,438
Total for General Fund - City	41,671,783	39,933,687	43,315,691	45,200,377	4.4%	1,884,686
Special Revenue Funds						
Contractual Services	126,973	145,105	0	0		0
Equipment	864,143	198,845	0	0		0
Operating Costs	459,746	107,063	0	0		0
Salaries and Wages	0	178,030	0	25,000		25,000
Total for Special Revenue Funds	1,450,862	629,043	0	25,000		25,000
Total for FIRE DEPARTMENT	43,122,645	40,562,730	43,315,691	45,225,377	4.4%	1,909,686

**FIRE DEPARTMENT
Revenue Information**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
General Fund - City						
Charges for Sales	3,515	8,978	170,200	200	-99.9%	-170,000
Charges for Service	173,865	276,279	175,000	281,000	60.6%	106,000
Licenses and Permits	28,650	122,561	984,000	984,000	0.0%	0
Local Government	0	27,434	0	0	0.0%	0
Other Misc Revenues	87,416	92,313	100,500	100,500	0.0%	0
State Government	1,200,000	1,200,000	1,200,000	1,200,000	0.0%	0
Total for General Fund - City	1,493,445	1,727,565	2,629,700	2,565,700	-2.4%	-64,000
Special Revenue Funds						
Contributions	0	0	0	0	0.0%	0
Federal Government	1,418,262	450,484	0	0	0.0%	0
Operating Transfers In	31,100	4,900	0	0	0.0%	0
State Government	1,500	408,927	0	0	0.0%	0
Total for Special Revenue Funds	1,450,862	864,311	0	0		0
Total for FIRE DEPARTMENT	2,944,307	2,591,877	2,629,700	2,565,700	-2.4%	-64,000

HEALTH DEPARTMENT

Mission Statement:

To improve the physical, mental, and social health of Minneapolis residents through partnerships with residents, schools, community agencies, other units of government, the philanthropic community and the private sector.

Primary Businesses:

- Policy and Advocacy
- Research and Evaluation
- Direct Services
- Community Initiatives
- Supporting the Community Safety Net
- Protecting the Public – Emergency Preparedness

Key Trends and Challenges Impacting the Department:

Public health services are most effective and valuable when they prevent problems and the need for costly interventions later on. For example, vaccinations can prevent a host of debilitating and even fatal diseases. Early child development programs contribute to increased school retention, academic success, and future employment. Programs that reduce births to teenage mothers contribute significantly to reductions in the overall child poverty rate. These efforts also have far-reaching and long-term implications because children of teenage parents face poorer infant health, lower academic achievement, greater risk of social and emotional problems, and a greater probability of becoming teen parents themselves. Home nursing and chore services help seniors to stay in their homes, reducing costs associated with nursing home placements and improving overall quality of life.

The data to support public health investments are persuasive. Research conducted by economists at the Minneapolis Federal Reserve Bank documents that money put toward early childhood programs may be the best form of economic development available. These programs yield a 12 percent annual return, after inflation. Art Rolnick, who specializes in examining public investments, argues investing in human development is economic development, and the earlier the investment, the better the return.

An issue brief released by the U.S. House of Representatives Committee on Ways and Means (April 23, 2004) states that the steep decline in the teen birth rate is a significant factor in reducing child poverty and single-parent families. Nationally, the teen birth rate peaked in 1991 and then declined 30 percent. At the same time, the overall child poverty rate declined by 23 percent. An examination of many contributing factors concluded that more than one-fourth of the reduction in child poverty is attributable to the decline in teen births. A study conducted by the Centers for Disease Control and Prevention has shown that the delayed initiation of sexual intercourse and improved contraceptive practices contributed equally to declines in teen pregnancy. A study that examined an eight-year multi-state panel database found that public health expenditures and public health activities significantly decreased births to teenage mothers. This same study also found the public health expenditures significantly decreased the number of infants whose mothers receive late or no prenatal care.

Other evidence of the cost benefits of investments in public health abounds. The challenge for the Minneapolis Department of Health and Family Support, like other public health agencies, is to garner sufficient resources to ensure that adequate investments are made in human capital while also

attending to immediate and pressing needs such as access to health services and preparing for public health emergencies.

Awareness of the unique public health needs of urban areas is increasing, especially the need to deal simultaneously with a variety of social and environmental determinants of health, such as housing, educational and employment opportunities, childcare, and access to healthful foods and recreational areas. However, resources have diminished in recent years, largely due to federal and state budget cuts which affect funds available locally. Eligibility for the state's public health care programs has been restricted, increasing the number of low-income local residents who lack health insurance. Day care subsidies have been cut severely.

Categorical funding and the time-limited nature of certain grants limit the department's flexibility in resource allocation and ability to plan long-term. For example, federal funds are now available for emergency preparedness planning, but whether a sustainable infrastructure can be maintained indefinitely is an open question. The formula for distribution of the state's public health monies next year is still uncertain and will remain subject to change in the future, as urban, suburban, and rural constituencies contend for a greater share of limited funds. The loss of programs such as the Youth Risk Behavior grants when the state's tobacco endowment was redirected in the last legislative session was another blow to public health efforts. Funding reductions that threaten successful programs and services are likely to stem or even reverse public health successes in Minneapolis, most notably the declines in teen births and infant mortality.

Future gains in local public health are most likely to result from collaborative efforts across the public and private sectors. City departments will need to work together with one another, with other government-level agencies and with community partners to efficiently address housing, health services, and other needs, and to foster environments that promote healthy lifestyles. This type of cross-disciplinary cooperation and community engagement takes a great deal of time and effort. Such endeavors become more difficult when individual departments and staff are struggling to meet day-to-day needs. Successful planning and implementation of changes that will yield long-term results will continue to be one of the key challenges facing the Department of Health and Family Support.

Key Initiatives or Other Models of Providing Service to be implemented in 2005

Insure and Improve Access to Healthcare

- Minneapolis will work with other organizations to advocate for passage of a bill to implement a universal health coverage system for children based on City Council action in 2004.
- The Department will prioritize support for Minneapolis community clinics, school based clinics and public health nursing in funding decisions.
- The Department will continue outreach efforts such as those at the New Families Center that help connect individuals and families with health coverage and health care services.

Rebuild the Public Health Infrastructure

- Implement a training plan for Department staff which ensures that 95% of the staff are trained and 50% have participated in an exercise/drill for roles they would be expected to fill in an emergency.
- Ensure that 95% of the department's management staff are trained in the City, regional, county, and department plans and have had hands on experience through exercises in leadership positions.
- Work closely with Regulatory Services, Communications, and other City department staff to ensure maximum participation in training and public health emergency exercises.

Institutionalize the City's Capacity to Address the Needs of Residents with Limited English Proficiency

- In 2005, Minneapolis Multicultural Services will continue to provide services to city residents including interpretation, translation, advocacy, outreach, and technical assistance to ensure that

- basic customer service is provided to limited English speaking persons (immigrants and refugees).
- Key activities in 2005 include implementation of the federally-required Limited English Proficiency plan at the enterprise-wide and departmental levels, spearheading outreach activities such as La Feria, a family fair for Hispanic families in Minneapolis community organizations and the Hmong New Arrivals working group, and delivering on-site services with Somali community organizations.

Address the Social Determinants of Health

- Initiate at least one effort to incorporate health related measures into an enterprise planning initiative.

Work with Hennepin County to Align Priorities and Investments and Expand Partnerships to Address Urban Health Issues

- Before the end of 2004, staff will report back to the City Council and Hennepin County Board with a document summarizing key roles and responsibilities, making recommendations for an ongoing collaborative mechanism for working with residents, community leaders and the Local Public Health Advisory Committees; and proposing a process for elected officials to approve and oversee an urban health agenda. In 2005, those measures will be enacted as approved by the Mayor/City Council.
- In 2005, the Department's staff, in concert with staff from St. Paul/Ramsey and Hennepin County, will institutionalize a formal and ongoing structure and identify at least four policy initiatives or projects that can be jointly addressed on behalf of urban residents.

Prevent Childhood Lead Poisoning

- Controlling all lead hazards in housing by the year 2010 is the ultimate goal of all lead initiatives.
 1. Outreach and education for at-risk families, landlords and property owners will be provided, including 400 community events, 625 community-based blood lead tests, and 480 in-home visual assessments.
 2. 400 low-income housing units will be enrolled in lead hazard treatment programs.

Reduce Exposure to Second Hand Smoke

- The Department will assist City leaders with implementation of the ordinance to limit workplace tobacco use when approved, and will actively work in concert with Intergovernmental Relations to support the City's legislative agenda items that pertain to tobacco use. If awarded a Steps to a Healthier USA grant in response to a proposal submitted in June 2004, the Department will reinvigorate its Step Out to Smoke campaign and expand it to the South Side.

Primary Business: Policy and Advocacy

Description of Primary Business: Based on needs identified by the community and public health and human services research, the Department advocates for policy change and develops community initiatives that will positively impact families and children. The goal of policy activities is to reduce barriers to health and social services for Minneapolis residents. These efforts advance the City goal of promoting public, community and private partnerships to address disparities and to support strong, healthy families and communities.

The Department works with the City's IGR staff and policy makers to develop and advocate for health and family support-oriented legislative priorities. Key issues include: access to safety-net health care services, protecting access to confidential health care services for adolescents, lead poisoning prevention, and elimination of health disparities. Legislative priorities are developed in coordination with community and advocacy partners such as the Children's Defense Fund, the Local Public Health Association, and other health and human services groups. Examples of policy

initiatives include advocating for a fair distribution of public health subsidy funds so that complex urban health issues can be addressed. In 2003, the Department helped to shape a statewide public health distribution formula that protected core public health services for Minneapolis in the face of significant budget cuts. Other efforts include the protection of the Minor Consent law which enables adolescents to receive critical and confidential chemical health, mental health, and reproductive health services.

Policy staff are also engaged in obtaining external funding for public health programs such as lead prevention outreach, home visiting for undocumented Hispanic teens, and early literacy efforts. The grant writer position, housed in this division, is responsible for identifying grant opportunities that align with the Department priorities as well as forwarding information about grant opportunities to community partners.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Health Care Access Resources to reduce Health Disparities	na	Eliminating Health Disparities Initiative funding remains intact. Safety net programs remain intact.	Slight budget cut to the Eliminating Health Disparities Initiative. Safety net programs cut dramatically. An estimated 4,000 Mnpls residents will lose health care coverage by 2007.	Department is working on developing an urban health policy agenda.	Advocate against State budget cuts to safety net programs. Implement elements of the urban health policy agenda.

Explanation of Key Performance Measures: During the 2004 legislative session, the Department worked to protect the state's Eliminating Health Disparities Initiative and the Minor Consent Law, and to prevent further erosion of safety net programs such as General Assistance Medical Care, Minnesota Care, newborn eligibility for health services and the prevention of child lead poisoning. With continued budget deficit scenarios at the state level, the focus will be on protecting safety net programs and policy approaches that support the health of Minneapolis residents. Another key activity will be to sustain adequate funding for urban health departments as the state formula for Local Public Health funds is revamped. Policy staff will continue to work with other local and state public health departments and community groups to define and make progress on developing an urban health policy agenda.

Primary Business: Research and Evaluation

Description of Primary Business: The Research and Evaluation Division conducts a wide range of surveillance, needs assessment, research, and evaluation activities that address three major objectives: 1) Targeting social and environmental determinants of health; 2) Reducing risk behaviors and, promoting health-enhancing behaviors; 3) Improving access to and quality of health services.

These activities align with the City goals to foster partnerships to reduce health disparities and support healthy communities. Key customers include elected officials, other City Departments, community agencies, and residents.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Epidemiological studies	SHAPE survey development	6,560 adult residents interviewed	SHAPE reports on community-level data	SHAPE reports on special populations & health topics. MN Student Survey conducted in Mpls Public Schools	Additional SHAPE reports and student survey reports.
Project evaluation, special research reports	Reports on health disparities, teen parents	Reports on health disparities, teen parents	Reports on benefits of youth activities, perinatal periods of risk	Youth suicide prevention project evaluation. First annual report on male reproductive health project.	Comprehensive evaluation of Twin Cities Healthy Start birth outcomes. Second annual report on male reproductive health project.

Primary Business: Direct Services

Description of Primary Business: The Department of Health and Family Support operates under the principle that the City should not do what the community can do for itself. While direct service delivery most often falls within the purview of the private sector, including not-for-profit organizations, or Hennepin County Human Services, there are exceptions. These are:

- Instances in which the service builds capacity, supports other City departments, or creates citywide efficiency. Examples of these are the Public Health Laboratory, Minneapolis Multicultural Services, the Senior Ombudsman, and the Housing Advocates.
- Instances where the service fills a unique niche or gap in the community delivery system, and where other resources can be secured. These include the School Based Clinics, New Families Center and the Skyway Senior Center. These represent little or no direct financial investment from the City tax base.

There are times when the service activity meets both these criteria. Examples are the Public Health Laboratory and the Senior Ombudsman’s Office.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Number of lab tests performed	103,300	75,500	89,770	120,000	110,000
Lab revenue generated	\$673,161	\$593,258	\$675,409	\$605,000	\$630,000
Multicultural clients encountered	Work with most City dpts to develop MMS	All City departments	All City departments	All City departments	All City departments
Senior Ombudsman contacts with seniors	na	12,013	12,500	13,500	13,500
Number served in the Senior Tax Program	na	7,453	12,500	10,500	10,500
Annual visits to the Skyway Senior Center	na	13,500	15,061	15,600	15,000
Number of class participants to the Senior Skyway Center	na	4,000	4,730	4,560	4,500
Senior Skyway volunteer hours	na	2,500	2,354	2,294	2,300
School Based Clinic student encounters	10,016	9,131	8,253	8,500	8,500
School Based Clinic revenue generated through billing	\$19,000	\$40,000	\$78,943	\$99,000	\$110,000
New Families Center - number of individual enrolled in public health insurance programs	400 families (881 children)	2,214 individuals	2,878 individuals	4,000 individuals	4,500 individuals
Number of immunizations administer in the New Families Center	2,137	3,414	3,500	3,500	3,500
Number served by Housing Advocates	na	10,139	9,235	9,192	9,500
Housing Advocates - Legal Aid number served	na	495	365	400	420

Explanation of Key Performance Measures: These performance measures are of three primary types: Specific numbers of individuals served (Senior Ombudsman, Housing Advocates, Skyway Senior Center, School Based Clinics, New Family Center and Multicultural Services); Activities that build capacity and serve the enterprise such as the Public Health Laboratory, Minneapolis Multicultural Services, Housing Advocates and the Senior Ombudsman; or have specific revenue targets such as the laboratory.

Primary Business: Community Initiatives

Description of Primary Business: Community initiatives align with the City goals to promote public, community, and private partnerships to address disparities and to support strong, healthy families and communities. These are most often funded by public health formula funds, competitive grants, or Department in-kind support. Formation of these initiatives is guided by data-driven public health priorities; city, department and community readiness; capacity; and opportunity.

Community initiatives include activities in which Department staff engage in work that enhances the community service delivery system and includes the participation of residents, community organizations, other units of government, City departments and the private sector. Every division of the Department participates in these initiatives. Current initiatives include, Improving Birth Outcomes, Improving Adolescent and Young Adult Health, Early Childhood and School Readiness, Health Education and Promotion, Tobacco Reduction Initiatives, Fostering American Indian Community Engagement and Public Health, Reducing Health Disparities in the Community - EDHI Grantees, and Improving Community Safety. Improving Community Safety includes, Lead Poisoning Prevention, Weed and Seed, Minneapolis Curfew Truancy Center, and Family Violence Intervention.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Number of Families enrolled in Healthy Start	270	390	262	262	262
Repeat teen births	182 (23.4% of teen births)	155 (20.6% of teen births)	Further decrease	Further decrease	Further decrease
Births to teens	780 (11.8% of births)	752 (11.3% of births)	Further decrease	Further decrease	Further decrease
Conduct second hand smoke campaign	na	Campaign launched in Near North and Camden in Feb 2002	Campaign continued in Near North and Camden	Applied for STEPS funding to re-implement campaign on the North side, and also bring it to South Mpls.	If STEPS funding received, begin campaigns in North and South Mpls.
Develop health disparities policy agenda	na	na	Worked with grantees to advocate for continued funding	Work with EHD1 grantees, St. Paul Ramsey and Hennepin County Health Departments and the Minnesota Department of Health to shape a joint health disparities policy agenda.	Implement Health Disparities Policy agenda
Minneapolis children and pregnant women tested for lead at community-based settings	na	0	125	385	335
In-home visual lead assessments provided	na	0	18	160	320
Average crime reduction within Weed & Seed zones	-8.9%	-8.51%	-9%	10% decrease proposed, Summer Safety Strategy	-8.5%
Northside Weed & Seed Safe Havens: North Commons & YMCA	na	na	1292	1485	1707
Phillips Weed & Seed Safe Havens: Little Earth, Pillsbury Waite House & Minneapolis American Indian Center	na	na	2115	1904	2094
Curfew Truancy Center Utilization - Curfew	1,376	1,275	964	500	1,000
Curfew Truancy Center Utilization -Truancy	1,612	1,585	762	456	1,286

Explanation of Key Performance Measures: These community agencies are a key part of the delivery system for reducing health disparities and addressing the underlying social determinants of health in Minneapolis. Relationships with these groups need to be established or maintained so that the Department can bring to bear resources to support the efforts of these groups. Many of the competitive grant opportunities are in these areas..

Primary Business: Supporting the Community Safety Net

Description of Primary Business: Excluding the direct services noted earlier, these are contracted-service activities. Funding is a blend of the City General Fund, Community Development Block Grant, State and Federal Public Health Grants, and other grants. Some of these functions were formerly direct services staffed and managed by the City's Health Department. The investments support core areas of the infrastructure in the community delivery system. Services included are: Neighborhood Healthcare Network, Child Care, Home Visiting, Children's Dental Services, Services for Seniors - Chore Services and Block Nursing.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Medical visits to the Neighborhood Healthcare Network	6,332	6,217	6,489	6,390	5,924
Dental visits to the Neighborhood Healthcare Network	834	848	306	400	270
Number of families served by the Greater Minneapolis Day Care Association	124	128	78	75	31
MVNA - PHN home visits	5,049	4,976	3,896	4,500	4,500
MVNA - PHN home visits for seniors	320	429	657	500	500
Child care site training/consultations	465	465	399	306	0
Children's Dental visits	839	834	836	789	783
Residences served by Chore Services	76	300	288	257	102
Senior/Block nursing visits	809	691	581	587	205

Explanation of Key Performance Measures: Areas above with projected lower outcomes for '04 reflect expected reductions in CDBG funds beginning June 1, 2005. The CDBG allocation process is presently under review.

NHCN clinics provide a disproportionate share of services to families at greatest risk of disparities due to poverty. Increased need with diminishing resources for uncompensated care on a federal, state, and local level is significantly taxing the capacity of the clinics to provide services. Further reductions in Minnesota Care, General Assistance Medical Care, and other funding sources, could lead either to clinic closures or to their inability to accept additional uninsured clients.

Day care services have faced large budget cuts from several levels in the past year. Continued support for families in need, is jeopardized. For many low and moderate wage workers this is a particular threat to family economic stability. From the City of Minneapolis, GMDCA presently receives \$311,000 in CDBG (Year 30) funds to subsidize day.

Increasing needs and diminishing resources threaten the capacity of Children's Dental Services and other community dental providers to serve low-income and uninsured children.

Key challenges for all of these projects are to sustain financial support during these challenging times. These are services that are essential to helping seniors live independently, supporting the diversity of populations within neighborhoods, and maintaining the City's housing stock. Both projects presently receive support from the City's CDBG funds.

Primary Business: Protecting the Public - Emergency Preparedness

Description of Primary Business: To meet the City goal of building communities where people feel safe, the Department and partners (City Emergency Management, public safety, and Hennepin County, and metro local public health agencies) are developing all-hazards emergency preparedness plans. The plans includes rapid communications, disease surveillance, implementation of mass dispensing sites, and other response activities as needed, with special attention to vulnerable and multicultural populations.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
100% of the Department staff will be trained for roles they would be expected to fill in a Public Health emergency and will participate in exercises to build their proficiency.		Key administrative staff trained in Incident Command	-98% of Department staff trained in emergency preparedness basics.	Leadership: All department leaders participate in training on plans, including Risk Communication and Incident Command.	-Continue the training plan. -At least one exercise will be conducted with all department staff in conjunction with Hennepin County and other City departments

Explanation of Key Performance Measures: Critical to the planning efforts is the need for public health staff to quickly become trained and credentialed in the field of emergency management so that planning, response and recovery by the Department can best serve the people of Minneapolis in the event of an emergency. A specific area of concern is ensuring preparedness for vulnerable and multicultural populations. These populations represent a growing percentage of the resident base, and their preparedness needs have yet to be addressed in existing emergency plans. Much of the challenge for the Department will be coordinating with state, regional, and county government and community partners to develop an emergency preparedness plan that is comprehensive, efficient, and effective.

A key challenge will be to build a sustainable capacity in emergency preparedness while federal resources are available.

Financial Analysis:

EXPENDITURE

In 2004, the Minneapolis Department of Health and Family Services' total budget was \$13.3 million, including \$1.0 million of Community Development Block Grant grants to non-profits. For 2005, MDHFS' total budget is \$12.9 million, a 3.0% decrease over the 2004 Adopted Budget. Based on the State requirements, the City needs to maintain a minimum of \$2.4 million as local match to qualify for the available Local Public Health grants. There is a shift of \$350,000 for the Youth in Minneapolis After School Program (YMAP) into this department's budget, a change in previous accounting practice.

The budget for this department also includes \$633,000 in BIS charges calculated on a city-wide rate model and \$12,500 for benefits administration. Both charges were centrally budgeted in the past. Backing out these charges, the 2005 MDHFS budget is \$12.3 million, a 7.8% decrease over the 2004 Adopted Budget.

REVENUE

In 2005, Federal grant fund availability is at approximately the same level as in 2004 (\$3.3 million). State grants are projected to decline by 16.2% or \$581,000, with local funds increasing by \$40,000.

FUND ALLOCATION

MDHFS' \$12.9 million budget for the year 2005 is derived from the General Fund (28.2%), CDBG (16.4%), Federal funds (25.5%), and State and other local funds (29.9%).

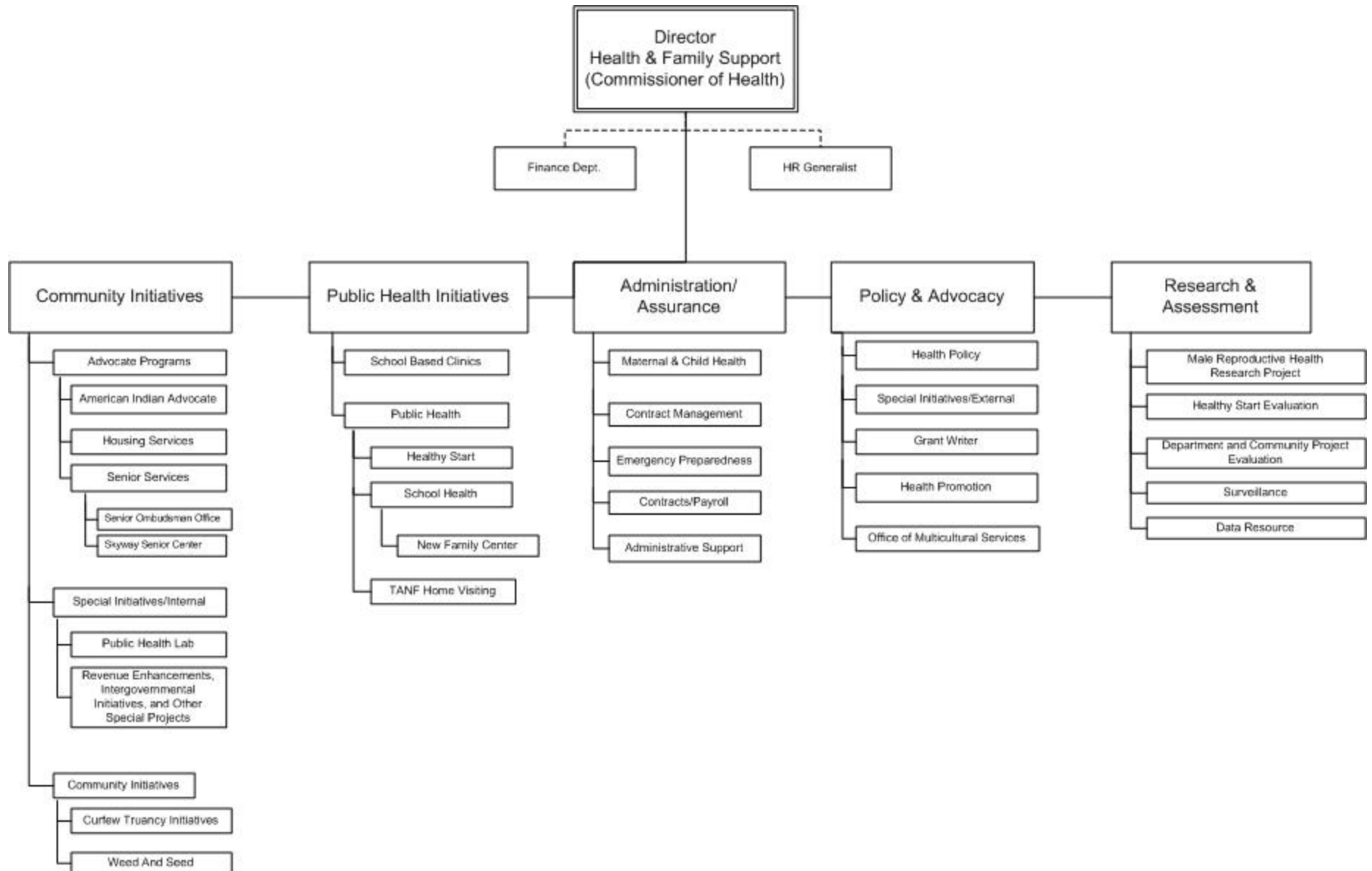
MAYOR'S RECOMMENDED BUDGET & ADOPTED BUDGET

The Mayor's Recommended and Council Adopted Budget for 2005 General Fund budget eliminated \$724,000 out of the General Fund and the following services to the community: Minnesota Visiting Consultation (\$230,000), Clinic Enhancement Services (\$92,000), Health Education/Health Promotion (\$58,000), Youthlink/Project Offstreets (\$25,000), North Point-School Based Clinic (\$25,000), DHFS-School Based Clinic (\$31,500), Domestic Abuse Project (\$28,000), Way to Grow shift to Other Grants (\$96,000), Shift 311 Call Center Costs to Bioterrorism Grant (\$15,000), grant funded director position elimination, School Based Clinics' staff shift to grants (\$50,000), anticipated Way to Grow Base Change (\$60,000), and additional Administrative Strategies (\$13,500).

A 0.5 position and \$37,500 were provided to the department to share a Youth Development Outreach position with the Youth Coordinating Board. One-time funding of \$65,000 was also allocated to mitigate the reduction to the Way to Grow program. The City Council further added one-time funding of \$75,000 to fund the Minnesota Visiting Nurses Association services with daycare providers. Finally, the Mayor recommended and the Council concurred with a transfer of the New Arrivals Program and the Native American Advocate into the Civil Rights Department, which reflects a transfer of 5 positions and \$235,000.

**HEALTH AND FAMILY SUPPORT
Staffing Information**

	2002	2003	2004	2005	%	%
	Adopted	Adopted	Adopted	Adopted	Change	Change
	Budget	Budget	Budget	Budget		
Total FTE's	69.15	75.40	73.90	69.00	-6.63%	(4.90)



**HEALTH AND FAMILY SUPPORT
Expense Information**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Capital Projects						
Contractual Services	0	0	0	0		0
Total for Capital Projects	0	0	0	0		0
General Fund - City						
Capital Outlay	0	0	2,739	2,777	1.4%	38
Contractual Services	2,289,609	2,079,942	2,173,409	2,434,211	12.0%	260,802
Equipment	21,671	2,553	0	0		0
Fringe Benefits	267,960	227,225	261,074	241,830	-7.4%	-19,244
Operating Costs	136,862	184,605	121,324	115,320	-4.9%	-6,004
Salaries and Wages	1,083,294	920,455	906,766	858,590	-5.3%	-48,176
Total for General Fund - City	3,799,395	3,414,780	3,465,312	3,652,728	5.4%	187,416
Special Revenue Funds						
Contractual Services	7,400,340	7,273,739	5,866,024	5,406,172	-7.8%	-459,852
Equipment	-14,222	963	0	0		0
Fringe Benefits	495,325	613,383	824,201	838,011	1.7%	13,810
Operating Costs	155,460	128,573	69,328	41,183	-40.6%	-28,145
Salaries and Wages	2,208,448	2,472,709	3,107,910	2,999,174	-3.5%	-108,736
Transfers	36,466	22,567	0	0		0
Total for Special Revenue Funds	10,281,817	10,511,934	9,867,463	9,284,540	-5.9%	-582,923
Total for HEALTH AND FAMILY SI	14,081,212	13,926,714	13,332,775	12,937,268	-3.0%	-395,507

**HEALTH AND FAMILY SUPPORT
Revenue Information**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
General Fund - City						
Charges for Service	530,967	589,744	600,000	609,000	1.5%	9,000
Other Misc Revenues	-637	0	0	0	0.0%	0
Total for General Fund - City	530,330	589,744	600,000	609,000	1.5%	9,000
Special Revenue Funds						
Charges for Service	59,910	75,720	25,000	90,000	260.0%	65,000
Contributions	126,842	208,445	141,832	145,000	2.2%	3,168
Federal Government	4,696,933	5,368,870	3,303,822	3,301,349	-0.1%	-2,473
Local Government	297,765	309,041	305,000	345,000	13.1%	40,000
Operating Transfers In	0	60,000	0	0	0.0%	0
Other Misc Revenues	11,222	3,631	55,537	100,000	80.1%	44,463
Sales and Other Taxes	84,097	64,423	60,000	45,000	-25.0%	-15,000
State Government	2,032,395	1,991,113	3,589,609	3,008,592	-16.2%	-581,017
Total for Special Revenue Funds	7,309,165	8,081,243	7,480,800	7,034,941	-6.0%	-445,859
Total for HEALTH AND FAMILY SUPPORT	7,839,495	8,670,987	8,080,800	7,643,941	-5.4%	-436,859

MAYOR

Mission Statement:

To provide the Mayor with skillful, informed guidance and support in the development, promotion and implementation of policies and programs that reflect the needs and values of Minneapolis residents, and maintain the highest standards of quality and service.

Primary Businesses:

- Policy & Program Development
- Policy & Program Promotion
- Policy & Program Implementation

Key Trends and Challenges Impacting the Department:

Severe financial constraints continue to present the primary challenges to the city as a whole. While this situation has created the opportunity - indeed the necessity - for creative reforms, it also requires significant attention to managing organizational change. In addition to ongoing implementation of the Focus Minneapolis initiative, the Mayor's office has also been centrally involved in the selection and nomination of new department heads and in the development of dramatically altered business plans and budgets for several departments, including Police, Civil Rights, and Regulatory Services. These major organizational changes will remain a key challenge for the Mayor's office, and for the City enterprise as a whole throughout 2005.

Key Initiatives or Other Models of Providing Service to be implemented in 2005

As in other departments, the budget cuts of 2002 and 2003 reduced the Mayor's administrative support staff to a critical level. Our key initiative in this regard has been to reclassify the three remaining Civil Service positions to better reflect the duties they now share, and to redefine how they support the appointed positions within the Mayor's office. This reclassification also allows us to fill the third of these positions, which has been vacant since 2003, while remaining within the scope of the 5-year plan.

Primary Business: Policy & Program Development

Description of Primary Business:

- Identify and prioritize needs and issues identified by city residents
- Participate in annual business planning and goal setting processes
- Develop fiscal policies and an annual budget that reflect city goals
- Support development of policies and programs that reflect city goals

Primary Business: Policy & Program Promotion

Description of Primary Business:

- Use the "bully pulpit" to promote policies, programs and the city as a whole
- Support proactive internal and external communication strategies
- Assist residents to understand and access city programs and services
- Engage public- and private-sector partners to assist the city

Primary Business: Policy & Program Implementation

Description of Primary Business:

- Nominate and support the appointment of key public officials
- Directly oversee performance of the Police and Civil Rights Departments
- Monitor and support the implementation of city policies and programs
- Participate in individual and departmental performance evaluations

Financial Analysis:

EXPENDITURE

The 2005 budget for the Mayor's Office is consistent with the five-year direction. The Mayor department's budget increased from the 2004 Adopted Budget to the 2005 Mayor's Recommended Budget by 12%. The increase is due to the reclassification of several positions in 2004 to respond to the loss in capacity over the previous two years and the allocation of BIS and benefits administration charges.

The budget for this department includes \$95,000 in BIS charges calculated on a city-wide rate model and \$1,900 for benefits administration. Both charges were centrally budgeted in the past. Backing out these charges, the 2005 Mayor's Office budget is \$957,000, a 1.8% increase over the 2004 Adopted Budget.

REVENUE

The Mayor's Office does not generate revenue.

FUND ALLOCATION

One hundred percent of the Mayor's budget comes out of the General Fund.

MAYOR'S RECOMMENDED BUDGET

No changes were recommended by the Mayor.

ADOPTED BUDGET

No changes were adopted by the Council.

**MAYOR
Staffing Information**

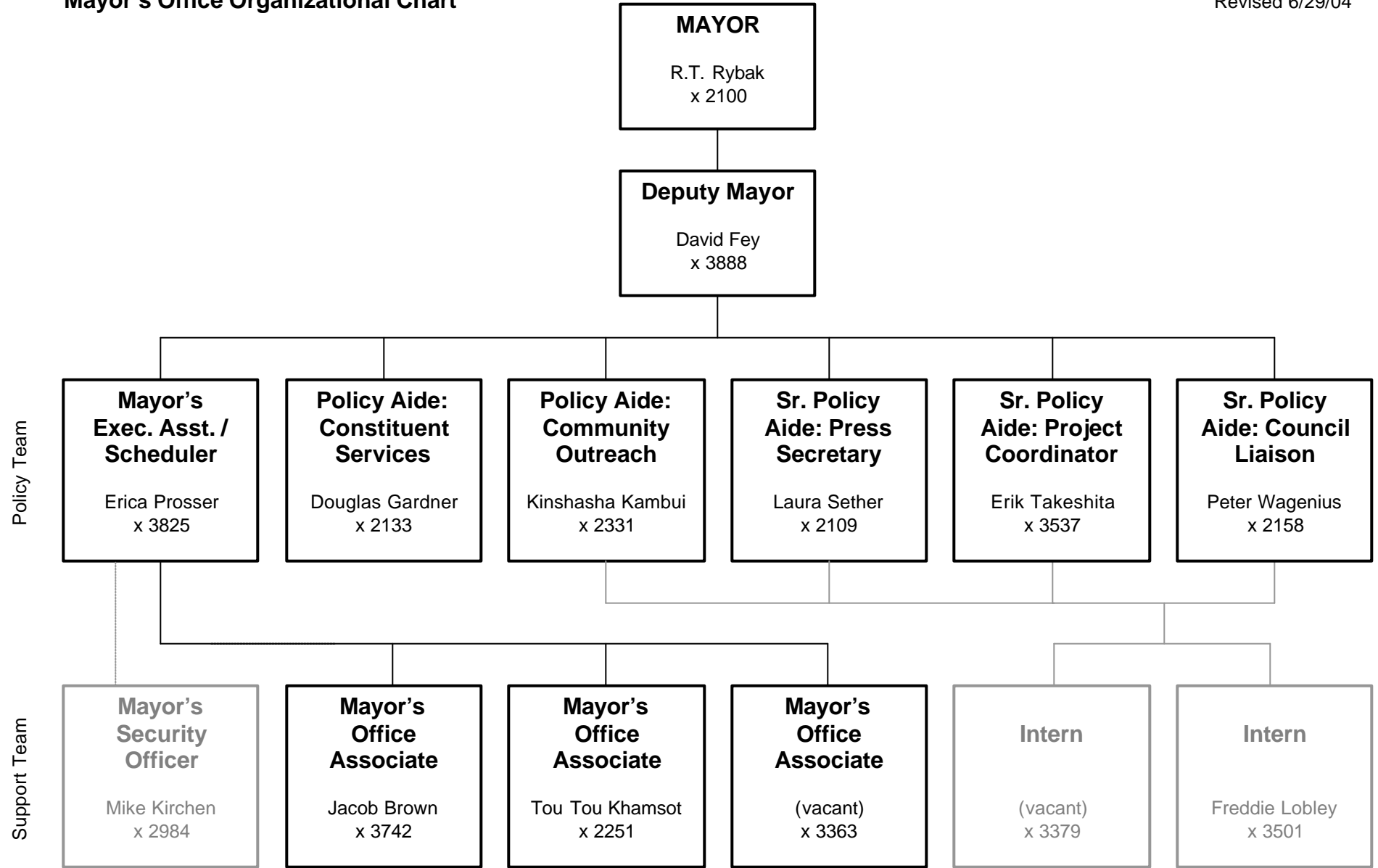
	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Total FTE's	12.00	11.00	11.00	11.00	0.00%	-

Target Strategies:

No target strategies were requested.

Mayor's Office Organizational Chart

Revised 6/29/04



- scheduling assistant
- Mayor's paperwork

- bookkeeping/signings
- supports policy aides

- constituent assistant
- supports policy aides

**MAYOR
Expense Information**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
General Fund - City						
Contractual Services	46,967	48,539	59,428	145,557	144.9%	86,129
Equipment	0	5,999	5,571	5,649	1.4%	78
Fringe Benefits	157,584	138,770	167,026	175,964	5.4%	8,938
Operating Costs	78,778	48,832	59,959	74,095	23.6%	14,136
Salaries and Wages	652,481	614,204	647,695	652,634	0.8%	4,939
Total for General Fund - City	935,810	856,343	939,679	1,053,899	12.2%	114,220
Total for MAYOR	935,810	856,343	939,679	1,053,899	12.2%	114,220

POLICE

Mission Statement:

Implement effective prevention strategies and reduce crime in collaboration with the community and our criminal justice partners.

Primary Businesses:

- **Public Safety Services:** This business line emphasizes that the Minneapolis Police Department's primary duty is the protection of life and property. The MPD provides 911 responses and works with the community to develop and implement crime prevention/reduction strategies. The department investigates crimes against persons and property and prepares cases for prosecution.

This business line includes three primary service activities: 1) Law Enforcement and Emergency Services; 2) Investigating Crimes; 3) Crime Prevention and Reduction.

Outcomes for these business lines include:

- Minneapolis' current crime rate is further reduced or at least maintained.
- People are confident in the public safety services they receive.
- People receive a timely response to their requests for service.
- People feel safe living in, working in, and visiting Minneapolis.
- Victim's sense of safety and justice is renewed.
- Lives are saved.
- The community trusts Minneapolis police officers.
- People feel MPD's response is professional, impartial and caring.
- People's risk for being victims of crime is lowered.
- New opportunities for community involvement are created.
- People look out for one another.

- **Internal Management Services**

The Internal Service business line consists of service activities that are designed to interface within and coordinate the MPD organization. They provide operational direction, information and monitoring points, which support law enforcement, investigations and crime reduction initiatives, and coordinate the mediation agreement. Most importantly, this function also seeks and coordinates outside funding for the MPD. Their revenue made up 10% of the 2004 budget (\$10 million). The business line coordinates with the Finance and Human Resource Departments in maintaining and providing new services to MPD.

This business line includes three service activities: 1) Professional Standards: Workforce Development and Selection; 2) Professional Standards: Internal Affairs/Quality Assurance; and 3) Central Services (administrational functions).

Outcomes for this business line include:

- MPD's workforce reflects the diverse community it serves.
- MPD employees are highly trained, competent professionals with equal opportunity for career growth.

- The MPD is an employer of choice for public safety professionals.
- Our customers are treated professionally and respectfully.
- Employees are properly equipped and supported to do their work.
- The MPD is continually evaluating and improving our services.
- Every employee understands the value of their role in impacting public safety.

Key Trends and Challenges Impacting the Department:

The Minneapolis Police Department's comprehensive strategies developed over the past few years, such as CODEFOR, decentralization of services, community initiatives, institutionalized problem solving and accountability for all ranks, have enabled the department to meet many of the past challenges. The department is now faced with new tests, including diminishing resources, increasing citizen and community demands, and homeland security issues.

The Minneapolis Police Department's first and primary responsibility is responding to calls for service or emergency 911 calls. The department will manage their resources and continue to explore innovative and creative solutions to refine and develop successful new strategies. The following are some of the key trends and challenges facing the department:

Trend: Increasing demands on MPD for emergency calls for services.

Challenge: Maintaining the highest level of response to 911 calls for service.

Challenge: Maintaining a high level of overall police services.

Challenge: Streamlining emergency calls for non-law enforcement or primary police issues (i.e., social services, civil issues, etc.) including other agency after hour calls.

Challenge: Increasing demands for investigative hours based on increasing crime and more sophisticated charging requirements associated with cyber crimes and crime in general.

Challenge: Pursuing effective prosecutions with projected resource reductions in the department and the city and county attorney's offices.

Challenge: Working with other agencies and task forces to tackle larger-scale issues with gangs and narcotics.

Trend: Increasing numbers of non-English population.

Challenge: Meeting mandated communication requirements for non-English speaking customers

Challenge: Connecting with immigrant communities and dialoging about the MPD, laws, customs, and crime prevention.

Trend: Increasing concerns for Emergency Preparedness

Challenge: Assuring that the MPD has the staff and equipment to respond properly to emergency situations.

Challenge: Making sure the MPD is prepared and trained to properly respond to emergency situations.

Challenge: Meeting increasing Emergency Preparedness requests, including additional vigilance during heightened levels of alert.

Challenge: Participating and collaborating with local, state and federal agencies requesting Minneapolis assistance.

Challenge: Addressing the fears of residents regarding local and national alerts.

Challenge: Staffing large planned and unplanned events (including immediate emergency needs - weather and utility emergencies, and events like the Aquatennial, dignitary visits, protests, demonstrations, conventions, sports events, etc.).

Trend: Ongoing legislative mandates, technical developments and enhancements.

Challenge: Addressing legislative demands requiring training, data access and retention, or reporting.

Challenge: Continually trying to increase the creativity and productivity of staff through expensive technology developments while maintaining the need for data integrity and access.

Trend: Emphasis on Community Outreach.

Challenge: Working with representatives of all communities to establish an on-going productive relationship.

Challenge: Gaining the trust of the community. Educating the community to the responsibilities, service levels and limits of law enforcement.

Trend: Monitor current local, state, national, and world crime trends.

Challenge: Continuing crime reduction with fewer resources.

Challenge: Utilizing ever-changing technology resources and skills to analyze and strategize responses to crime.

Challenge: Developing and implementing crime prevention strategies that are reflective of community desires and effective in fighting crime.

Challenge: Aligning resources and prioritize services to meet resident and citizen expectations.

Challenge: Managing resident and citizen expectations.

Internal Management Services Business Line

Trend: Increasing demand for police services.

Challenge: Managing expectations for data access, hiring, and diversity.

Trend: Decreasing resources impact on finances, resources, staffing and services.

Challenge: Restructuring the MPD to maintain levels of service for core functions and meet community expectations for those services.

Challenge: Continue to try and find additional resources, such as grants, for the MPD.

Challenge: Meeting annual and specialized training needs of employees.

Challenge: Meet equipment needs for employees.

Challenge: Maintain some level of diversity recruitment.

Challenge: Improve the level of trust and the internal culture of the organization.

Key Initiatives or Other Models of Providing Service to be implemented in 2005

- Deployment
- Partnerships
- Professionalism
- Workforce
- Revenues

Primary Business: Public Safety Services and Central Services

Description of Primary Business: The Minneapolis Police Department identified two primary business lines in its business plan: 1) The Public Safety Services business line emphasizes the Minneapolis Police Department's primary duty response to calls for service, investigations of

serious or violent crime and crime prevention/reduction; 2)The Internal Management Services business line provides operational direction and support. This function also coordinates the Finance and Human Resources services to the MPD.

2005 Initiatives

I. Deployment:

- Institutionalize community policing. Effort is headed by Deputy Chief (DC) Tim Dolan and can be accomplished within existing budget.
- Expand the role of police officers (generalist approach). Effort is assigned to DC Tim Dolan and will require in-house training and management guidance. May be achieved with the existing budget.
- Expand the CODEFOR management philosophy. Effort is assigned to DC Tim Dolan and has already started. In addition to monitoring crime trends and performance, CODEFOR will be used to promote more accountability in areas such as investigations, overtime, deployment, complaints and other department management concerns. This initiative has no extra budget costs.
- Enhance Public Safety. Initiative is assigned to DC Lubinski and includes the downtown traffic light experiment and extra traffic enforcement. Initiative is largely grant funded.
- Review MPD procedures for special events and special business issues. This initiative is assigned to Inspector Allen and involves trying to reduce the amount of on-duty time dedicated to special events and business issues (downtown). The effort is meant to bring back resources to the primary business lines of the department.

II. Partnerships:

- Expand public/private partnerships and partnerships with other agencies. DC Lubinski is listed as the facilitator for this initiative, but all of the command staff have roles in this activity. It will include working with the U of M on studies and other higher education institutions for recruitment and training partnerships. No costs are identified at this time.

III. Professionalism:

- Promote a public service culture. This initiative is assigned to the chief and administrative staff. Work has begun in creating the Professional Services Division. The division will audit and proactively work on monitoring uses of force and policies. The intent of the effort is to reduce complaints and liability costs and will be accomplished using existing resources.
- Work with the community to implement the Mediation Agreement. Lt. Arradondo is assigned the initiative and it means working with the Police Community Relations Committee, and others, to implement the articles of the Mediation agreement. There are items in the agreement that will require some extra costs - such as more tasers, cell phones (for interpretation and juvenile placement), and training. Many of the costs are being absorbed in existing budgets, but some will require seeking grants or additional funding.
- Enhanced training in focused areas. DC Dolan is staff leader. There are many areas that need enhanced training including use of force, supervision, leadership training and other specialized

functions. The intent, as in the past, is to take full advantage of in-house capabilities and partnerships. However, there are some training needs with costs.

- Partner with Civil Rights to address issues with the Civilian Review Authority. Inspector Don Harris is currently working on this initiative. There is no cost associated with the initiative and possible savings to the City of Minneapolis.

- Use the performance evaluation to address future needs and problems. DC Tim Dolan is assigned this initiative to use the evaluation to better measure the needs of the department. For example, the generalist approach. The concept is what is measured - gets done. There is no extra cost in the initiative.

IV. Workforce:

- Evaluate the MPD's screening process for new employees. DC Lubinski and Inspector Don Harris lead the effort find the most desired candidates for MPD. The initiative requires examining existing tools. No extra costs.

- Define hiring, training and retention needs. Inspector Don Harris, through Professional Standards, will identify what we need to hire, train and retain quality employees. There are additional costs to recruitment, but those should not be great at this time.

- Diversify the workforce. Assigned to Inspector Don Harris. The initiative will require trying to keep alive existing lines through Minneapolis High Schools, through Community Service Officer (CSO) programs, and eventual hiring during budget reductions.

V. Revenues:

- Market MPD technologies. Assigned to DC Tim Dolan. We will be marketing developed software to other agencies. The initiative has already been started.

- Market MPD training to others: DC Dolan - started with Higher Ed institutions.

Financial Analysis:

EXPENDITURE

In 2005, the Police Department's budget increases by 3% from the 2004 Adopted Budget. The department reorganized during 2004 to create an Office of Professional Standards, a Patrol Services Bureau, and an Investigative Bureau. The North Field Services and the South Field Services Bureaus were eliminated. The reorganization increases the current service level by \$250,000. The Department's target strategy will offset this increase. The 13 NRP positions not funded in the General Fund in 2004 are not in the 2005 Mayor's Recommended Budget. The 2005 Council Adopted Budget reflects changes made to positions in 2004, with 2 positions being removed from the Department for MECC, and the reduction of 5 positions because they were no longer funded by grants or contracts.

Non-personnel expenses make up 21.3% of the total budget. Expenses for self-insurance, parking, building rent, fleet rent/repair, phones, and radio communications are paid to the City's internal service funds and equals 75% of the non-personnel expense. The remainder of the expenses covers uniform allowance, translator fees, training, supplies, and jail fees.

The budget for this department includes \$3.6 million in BIS charges calculated on a city-wide rate model and \$164,000 for benefits administration. Both charges were centrally budgeted in the past. Backing these charges out of the totals, the Police Department's budget for 2005 is \$98.7 million, less than a 1% decrease from 2004.

REVENUE

The Police Department's revenue for 2005 is \$15 million. The largest revenue source for the Department is state government aid, specifically \$4.5 million that is allocated to the Department's General Fund revenue budget to offset PERA pension costs. The revenue estimate for fines for 2005 is reduced by \$890,000 to approximately \$4 million, due to over-projection of fine revenue. The 2005 budget reflects the elimination of \$1 million in one-time Neighborhood Revitalization Program (NRP) funds.

Federal Grants - The Police Department has received grants from the Department of Justice. The hiring grants were received between 1990 – 2000. There are no hiring grants budgeted in 2005. The current Department of Justice grants are for equipment, overtime, and technology enhancements. The Timekeeping grant of \$1.8 million will be completed in 2004 and is not included in the 2005 budget. The Police Department has experienced a downward trend in the amounts of these grants.

Police Special Revenue Fund - The Police Special Revenue Fund accounts for forfeitures, gambling tax, the automated pawn system, and reimbursable services such as the Detox van and Public Housing patrol services. The Public Housing contract in 2004 was reduced by 28% from the prior year. The 2005 budget reflects this decrease. Additionally, the 2004 budget anticipated contracts with Hennepin County to fund positions. These contracts never materialized and the positions are not part of the 2005 budget. Consequently, there is a 27% reduction of expenditures and revenue in the Police Special Revenue Fund for 2005.

FUND ALLOCATION

The majority (92%) of the Police Department's budget comes out of the General Fund.

MAYOR'S RECOMMENDED BUDGET

In 2005, reductions of \$2.8 million were recommended in the Police Department in order to balance the budget and prevent the layoffs of 43 personnel. This reduction target is explained by the following:

- The original five-year financial direction made cuts of \$2,619,000 and growth for 2005 was \$333,000 higher than anticipated in the financial direction.
- NRP funding was a one-time source in 2004, removing a total of \$1 million from the Police budget.

The Mayor recommended the following measures in order to achieve this balance:

- Allocated \$100,000 to the Sales tax for convention related pricing;
- Used \$75,000 CDBG dollars for a Problem Properties program;
- Reduced jail fees paid to the County by \$400,000;
- Generated \$890,000 in savings through Retirement Incentives (10 FTE positions are estimated to take advantage of this incentive) and \$875,000 in Budget and Military Leaves;
- Increased the Police Department's base funding by \$1 million; this is possible due to a decline in pension liabilities, which decreased the General Fund gap by \$1.5.
- Reduced Light Duty Assignment by 3 positions for a total savings of \$225,000; and
- Made \$312,000 in non-personnel cuts.

These changes would have resulted in a total reduction of 13 positions to the Police Department to keep the Police budget base for 2006 on track with the five-year plan.

ADOPTED BUDGET

The Council adopted the Mayor's recommendations, with the exception of the following:

- The Police Department budget was increased by \$500,000. The increase is funded by interest savings related to early retirement of \$5 million in pension debt.
- The Police Department budget was increased by \$75,000. The increase is funded by a reduction in the Regulatory Services budget.
- The Police Department budget was increased by \$75,000. The increase is funded by a reduction in the City Coordinator Departments' budget.
- Increased the authorized strength of the Police Department by 9 positions.
- The City Council also directed that the Police Department assist Regulatory Services with board-ups for problem properties and directed Regulatory Services' Licensing staff to work with the Attorney's office to develop a strategy of charging business licensees the cost of providing added police services to business owners.

**POLICE DEPARTMENT
Staffing Information**

	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
FTE's by Division						
Administration	13.00	12.00	14.00	9.00	N/A	N/A
Office of Professional Standards	-	-	-	30.00	N/A	N/A
Patrol Services Bureau	-	-	-	672.00	N/A	N/A
North Field Services Bureau	386.00	423.50	397.00	-	N/A	N/A
South Field Services Bureau	410.00	436.00	375.50	-	N/A	N/A
Investigations Bureau	-	-	-	149.00	N/A	N/A
Central Services Bureau	138.50	130.00	132.05	82.00	N/A	N/A
Internal Services Bureau	140.50	-	-	-	N/A	N/A
Police Licensing & Support Services	5.00	59.00	47.50	-	N/A	N/A
Total FTE's	1,093.00	1,060.50	966.05	942.00	-2.49%	(24.05)

**POLICE DEPARTMENT
Expense Information**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Enterprise Funds						
Fringe Benefits	0	0	218,673	221,106	1.1%	2,433
Salaries and Wages	0	0	890,804	928,710	4.3%	37,906
Total for Enterprise Funds	0	0	1,109,477	1,149,816	3.6%	40,339
General Fund - City						
Contractual Services	10,030,591	10,113,277	8,870,899	12,005,541	35.3%	3,134,642
Equipment	108,736	72,926	190,692	184,236	-3.4%	-6,456
Equipment Labor	8,613	3,922	8,613	0	-100.0%	-8,613
Fringe Benefits	15,137,581	15,397,477	15,243,165	14,902,875	-2.2%	-340,290
Operating Costs	5,840,961	5,832,973	7,847,386	8,026,683	2.3%	179,297
Salaries and Wages	63,690,715	62,211,386	57,285,242	59,629,902	4.1%	2,344,660
Total for General Fund - City	94,817,197	93,631,962	89,445,997	94,749,237	5.9%	5,303,240
Special Revenue Funds						
Contractual Services	1,208,106	1,521,699	2,688,273	747,631	-72.2%	-1,940,642
Equipment	1,766,217	1,944,309	3,032,893	3,383,781	11.6%	350,888
Fringe Benefits	225,269	309,997	453,866	346,931	-23.6%	-106,935
Operating Costs	357,670	356,648	527,898	540,336	2.4%	12,438
Salaries and Wages	1,165,392	1,684,306	2,229,165	1,563,848	-29.8%	-665,317
Transfers	11,647	0	0	0		0
Total for Special Revenue Funds	4,734,300	5,816,959	8,932,095	6,582,527	-26.3%	-2,349,568
Total for POLICE DEPARTMENT	99,551,497	99,448,921	99,487,569	102,481,580	3.0%	2,994,011

POLICE DEPARTMENT
Revenue Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
General Fund - City						
Charges for Sales	-10,278	-33,869	21,500	0	-100.0%	-21,500
Charges for Service	2,508,827	2,806,260	163,300	163,300	0.0%	0
Federal Government	11,314	0	0	0	0.0%	0
Fines and Forfeits	2,800,337	3,416,841	4,856,377	3,966,377	-18.3%	-890,000
Interest	-7,120	16	0	0	0.0%	0
Licenses and Permits	2,262	906	2,300	1,000	-56.5%	-1,300
Operating Transfers In	113,587	48,697	0	0	0.0%	0
Other Misc Revenues	10,003	7,351	1,900	1,600	-15.8%	-300
State Government	4,488,241	4,939,826	4,450,000	4,450,000	0.0%	0
Total for General Fund - City	9,917,172	11,186,027	9,495,377	8,582,277	-9.6%	-913,100
Special Revenue Funds						
Charges for Sales	3,209	8,862	0	0	0.0%	0
Charges for Service	0	68,882	0	996,422	0.0%	996,422
Contributions	97,133	113,014	142,196	61,140	-57.0%	-81,056
Federal Government	2,588,966	3,390,835	4,871,885	3,500,000	-28.2%	-1,371,885
Fines and Forfeits	497,955	428,589	600,000	600,000	0.0%	0
Interest	48,691	21,420	0	0	0.0%	0
Licenses and Permits	282,052	342,766	360,000	403,000	11.9%	43,000
Other Misc Revenues	261,261	45,109	1,733,193	53,479	-96.9%	-1,679,714
Sales and Other Taxes	281,413	270,329	280,000	280,000	0.0%	0
State Government	1,273,336	864,399	751,363	513,154	-31.7%	-238,209
Total for Special Revenue Funds	5,334,016	5,554,204	8,738,637	6,407,195	-26.7%	-2,331,442
Total for POLICE DEPARTMENT	15,251,188	16,740,231	18,234,014	14,989,472	-17.8%	-3,244,542

PUBLIC WORKS

Mission Statement:

To build and maintain the public infrastructure of the City, and to provide basic services and products to support a high quality urban environment and a desirable quality of life for our citizens.

Primary Businesses:

- Public Works Internal Services
- Sewer and Water
- Solid Waste and Recycling
- Transportation

Key Trends and Challenges Impacting the Department:

Among the major challenges facing Public Works, is the limited resources to maintain a strong infrastructure. Efforts to improve efficiencies can be effective, however, sustained investment is needed to maintain the infrastructure over the long term. Secondly, focusing effort on building a strong transportation system that improves mobility, is also a key challenge. Finally, it is fundamental that support functions such as financial planning and analysis, space management, human resources and technology are strong. Strong project management and asset management tools are also necessary for short and long term planning.

Including those above, challenges facing the Department are:

- Lack of information systems to support business management
- Integration of the City-wide systems and services to support Public Works' business needs
- Limited resources
- Investment needed to maintain infrastructure and basic service
- Building a strong transportation system that improves movement throughout the city
- Attracting and retaining qualified diverse employees
- Increasing focus on emergency preparedness and security concerns
- Balancing efficiencies and services – looking for alternative service delivery options or eliminated services
- Ability of workforce to adapt to change
- Operating in a larger bureaucracy that can constrain procurement and management of personnel resources

Key Initiatives or Other Models of Providing Service to be implemented in 2005

As part of the Public Works Business Plan and addendum, these activities will be started in 2004/2005 and proceed as outlined in the addendum.

Department-wide Initiatives:

- Customer Response Improvement
- One Stop Shop / Development Review Center
- Asset Management
- Transportation Revenue
- Organizational Roles and Responsibilities
- Balanced Workforce

Internal Services Business Line:

- Expand partnerships with other government agencies
- Develop new wireless communications system (in partnership with BIS)
- Review and modify Collision Review Board policies and procedures
- Centralize energy management effort

Sewer and Water Business Line:

- Expand the use of the Computerized Maintenance Management System (CMMS)
- Continue work on identifying efficiencies between the water and sewer workforces

Solid Waste and Recycling (SW&R) Business Line:

- Establish a "dumpster" service, compatible with existing City services and the City's Utility Billing System
- Enhance education efforts
- Ensure competitive process for all Solid Waste & Recycling contracts
- Examine possibility of new SW&R facilities

Transportation Business Line:

- Establish a Transportation Planning Function (department wide)
- Improve efficiency and customer service in all parking service activities
- Improve efficiency and customer services in all impound lot activities
- Improve Traffic Signal functions and efficiencies
- Increase Use of Durable Pavement Markings
- Determine the best way to produce and procure Asphalt materials
- Improve Public Outreach for Major Construction Projects

Primary Business: Public Works - Internal Services

Description of Primary Business: The Public Works Internal Services business line is comprised of services that are provided primarily to internal City departments and are funded mostly within formal Internal Service funds. Fees for these services are intended to recover the costs incurred for providing each service.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Shop rate for equipment maintenance	na	na	na	\$78.00	\$78.00
% billable time for mechanics	na	na	na	75%	75%
% of preventive work orders as a proportion of all work orders	na	na	na	41%	43%
% of reactive work orders as a proportion of all work orders	na	na	na	22%	20%
Average cost per square foot of City owned office space	\$10.00	\$10.35	\$10.80	\$11.37	\$11.37
% usage of task equipment	na	na	74%	75%	75%

Explanation of Key Performance Measures:

- *Shop rates are fully burdened and compare favorably to the private sector. The Equipment Division new activity based costing model (started in 2004) requires our mechanics to bill their time to tasks similar to private repair shops. A gross billable rate of 75% is considered high and does not take into account vacations, training or sick days.*
- *A high percentage of preventive maintenance work orders (50% being optimum) is an indicator of the fleet condition.*
- *A lower percentage of reactive work orders is related to planned versus not-planned work. 20% would be considered excellent.*
- *Cost per square foot is based on actual expenses.*
- *Task equipment measure is an indicator of optimum usage of Public Works equipment utilized by various divisions. A higher usage lowers our hourly rate (non-Winter usage only).*

Primary Business: Sewer and Water

Description of Primary Business: The Sewer and Water business line is comprised of services that promote the health and safety of people and property by providing potable water and managing non-potable water.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
The number of sewer back-ups	35	29	24	20	20
The number of sanitary sewer over-flows	10	3	7	2	1
% increase in the number of projects completed with budget	na	na	na	100%	100%
Operations and Maintenance (O&M) cost per mile for sanitary sewer	na	na	na	na	na
Operations and Maintenance cost per mile for storm drain	na	na	na	na	na
Operations and Maintenance cost per mile for water distribution	na	na	nan	na	na
% decrease in number of complaints about drinking water quality	5.7% increase	4.4% increase	6.3% decrease	3.0% decrease	3.0% decrease

Explanation of Key Performance Measures: These measures indicate the effectiveness of infrastructure improvements and rehabilitation programs and effective project management for these improvement programs.

Primary Business: Solid Waste & Recycling

Description of Primary Business: The Solid Waste & Recycling business line is comprised of services that promote the health and safety of people and property by providing municipal solid waste pick-up and disposal along with the pick-up of recyclables, yard waste, large items and construction debris.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Reduce number of garbage missed pick-ups	925	665	536	Projected 500	Goal 450
Reduce number of recycling missed pick-ups	1,059	1,289	1,040	850	600
Reduce number of problem material missed pick-ups	245	257	231	150	100
Reduce number of yard waste missed pick-ups	565	794	459	350	300
Revenues greater than expenses	yes	yes	yes	yes	no

Primary Business: Transportation

Description of Primary Business: The Transportation business line exists to offer people a variety of safe, convenient options for moving throughout the City and within the region. Transportation options enhance the aesthetics of the environment and improve livability while contributing to economic vitality through the safe, efficient movement of people and goods.

The primary sub-businesses within Transportation are:

- Build, manage, operate and maintain safe transportation related assets and infrastructure
- Manage resources
- Enhance customer communication and interaction

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
% decrease in crashes per mile	4.0%	7.8%	5.7%	1.7%	1.5%
% of change in the average PCI (Pavement Condition Index) for all Networks combined.	0% (baseline=78)	-1%	-1%	-1%	-1%
% increase in the number of bridges with sufficiency index greater than 70%	80 %	na	81%	83%	84%
Travel time in priority corridors. (Will commence collecting data as staffing levels are adjusted.)	na	na	na	na	na
Total cost per lane mile to manage, operate, and maintain the transportation related assets and infrastructure. (Will commence collecting data as staffing levels are adjusted.)	na	na	na	na	na
% decrease in number of complaints about transportation services. (Will commence collecting data with the advent of Constituent Relationship Management (CRM)).	na	na	na	na	na
% decrease in time needed to fulfill customer requests. (Will commence collecting data with the advent of CRM.)	na	na	na	na	na
% Variance between forecasted and actual revenue - Lane Use Fees	not applicable	57%	95%	44%	5%
% Variance between forecasted and actual revenue - Parking Revenues	1%	9%	11%	5%	5%
% of projects completed within budget	na	na	78	80	82
Annual energy cost - Lighting	\$3,923,601	\$3,749,740	\$3,829,555	\$3,859,220	\$3,865,000
Annual energy cost - Signals	\$704,283	\$565,045	\$515,614	\$539,652	\$540,000
Average operating cost per Parking stall	\$975	\$1,052	\$1,314	\$1,111	\$1,115
Average operating cost per Parking meter	\$456	\$444	\$528	\$509	\$679
% increase in accuracy of inventory	na	na	na	na	na
% of assets functioning beyond estimated lifespan. (Will commence collecting data with the advent of an Asset Management System.)	na	na	na	na	na
% increase in number of projects that deliver expected benefits. (Will commence collecting data as staffing levels are adjusted.)	na	na	na	na	na
% increase in proactive maintenance dollars as a proportion of all maintenance dollars for transportation related assets.	na	na	0%	11% (due to excess revenue rollover from 2003 to be used for seal coat)	To Be Determined.

Explanation of Key Performance Measures: These are our initial performance measures selected to conform to our outcomes. Additional performance measures will be developed and refined throughout the upcoming year.

Financial Analysis:

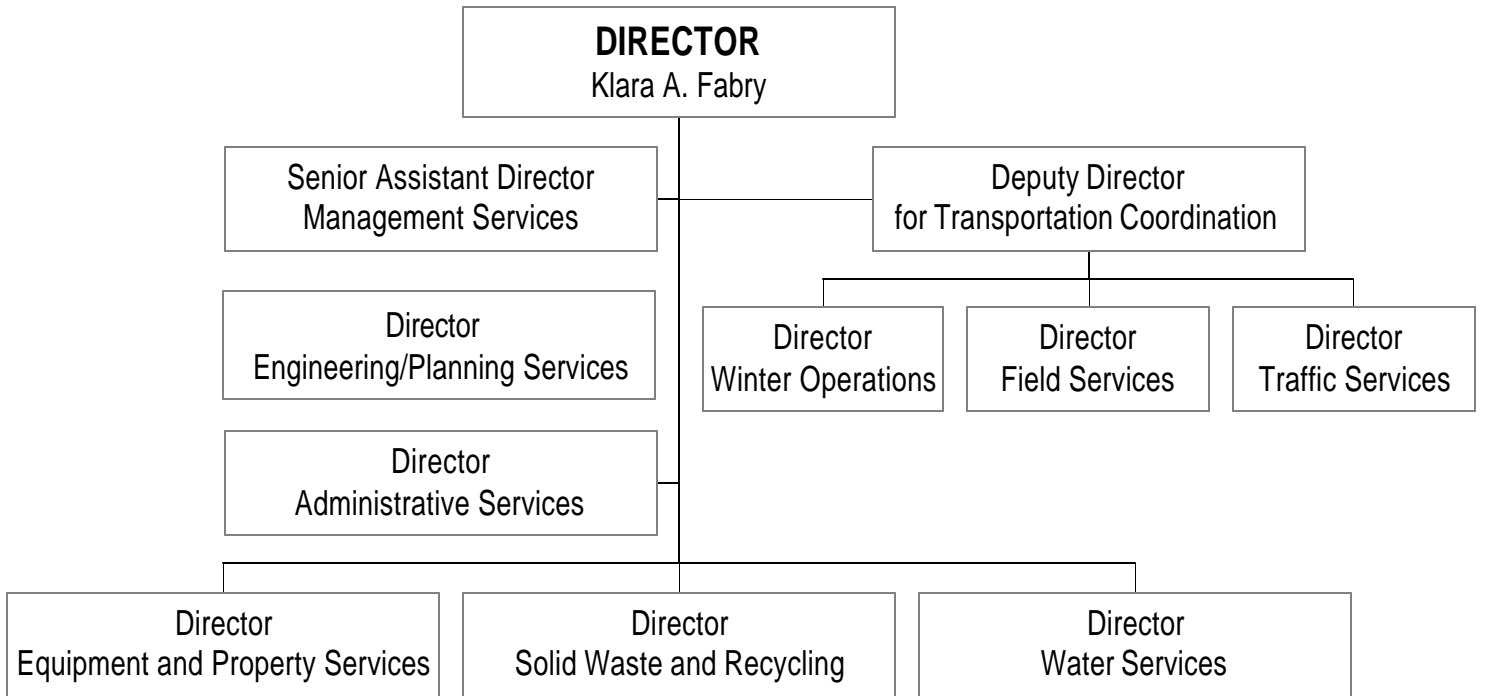
The Public Works Department's 2005 budget is \$267 million, a 9.2% increase over the 2004 Adopted Budget. Public Works is funded by the General Fund, one grant fund, the Permanent Improvement Projects (Capital) Fund, four internal service funds, and four enterprise funds.

The budget for areas of this department includes a total of \$4.2 million in BIS charges calculated on a city-wide rate model and \$204,500 for benefits administration. These charges were centrally budgeted in the past. Backing out these charges, Public Works Department's budget for 2005 is \$263 million, a 7% increase over 2004.

Target reduction strategies in the Public Works General Fund total \$1,254,006 based on the City's 5-Year Finance Plan, taking into account the current service level adjustments that have been applied. This resulted in a reduction of 12.3 positions in 2005 as outlined below. The Mayor Recommended and the Council approved this strategy.

<u>Fund</u>	<u>Cost</u>	<u>Revenues</u>	<u>FTE's</u>	<u>Job Titles/Other related costs</u>
0100/6112	\$175,111		3.00	(Bridge) 2 Eng. Tech II positions & 1 Const. Maint. Laborer position
0100/6160	\$171,733		2.20	(Street Maintenance) 1 Truck Driver position & 1.2 Const. Maint. Laborer positions
0100/6220	\$249,211		1.20	(Snow & Ice Control) 1.2 Const. Maint. Laborer positions - Seasonal
0100/6240	\$456,424		4.90	(Malls & Plazas) 4.8 Const. Maint. Laborer positions & 0.1 Maint. Crew Leader position: Also includes reductions in equipment, equipment repair, parts, and fuel needs.
0100/6851	\$80,000			(Street Lighting) Reduce electricity saved by LED conversion
0100/6874	\$121,527		1.00	(Traffic Operations) 1 Electrician position and associated equipment by movement from operating to capital activities
TOTAL	1,254,006		12.3	

Public Works



Expense Information for Public Works

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Capital Projects						
Capital Outlay	1,313	64	0	0		0
Contractual Services	1,262,713	1,069,299	1,693,086	2,302,503	36.0%	609,417
Equipment	51,582	1,089	80,671	81,800	1.4%	1,129
Fringe Benefits	690,251	728,212	833,341	1,003,914	20.5%	170,573
Operating Costs	142,365	131,576	209,517	249,877	19.3%	40,360
Salaries and Wages	2,756,652	3,069,511	3,383,285	3,547,313	4.8%	164,028
Total for Capital Projects	4,904,877	4,999,752	6,199,900	7,185,407	15.9%	985,507
Enterprise Funds						
Capital Outlay	68,796	0	22,219	6,810	-69.4%	-15,409
Contractual Services	90,981,151	74,362,351	78,207,394	85,163,956	8.9%	6,956,562
Equipment	1,413,268	1,022,321	2,191,788	2,186,981	-0.2%	-4,807
Equipment Labor	100,905	114,069	0	0		0
Fringe Benefits	8,340,987	9,354,638	9,871,099	10,572,637	7.1%	701,538
Operating Costs	7,557,764	34,371,663	39,709,396	39,452,372	-0.6%	-257,024
Salaries and Wages	25,231,806	25,979,440	27,780,753	29,189,433	5.1%	1,408,680
Total for Enterprise Funds	133,694,678	145,204,483	157,782,649	166,572,189	5.6%	8,789,540
General Fund - City						
Capital Outlay	0	0	2,537	2,573	1.4%	36
Contractual Services	14,018,649	13,615,277	16,510,632	16,051,346	-2.8%	-459,286
Equipment	267,022	176,918	311,370	262,267	-15.8%	-49,103
Fringe Benefits	4,092,414	4,056,983	3,926,262	4,127,738	5.1%	201,476
Operating Costs	4,377,284	4,221,464	4,505,040	4,725,355	4.9%	220,315
Salaries and Wages	12,424,570	11,477,097	10,883,618	10,984,350	0.9%	100,732
Total for General Fund - City	35,179,939	33,547,738	36,139,459	36,153,629	0.0%	14,170
Internal Service Funds						
Capital Outlay	119,289	163,532	7,234	7,335	1.4%	101
Contractual Services	9,672,656	9,299,892	8,977,028	15,238,854	69.8%	6,261,826
Equipment	5,526,293	39,613	672,526	681,941	1.4%	9,415
Equipment Labor	4,089	2,508	0	0		0
Fringe Benefits	5,535,023	5,965,544	6,673,044	7,023,858	5.3%	350,814
Operating Costs	6,306,347	7,747,978	8,492,152	12,932,399	52.3%	4,440,247
Salaries and Wages	16,630,846	17,214,728	19,344,728	21,050,838	8.8%	1,706,110
Total for Internal Service Funds	43,794,543	40,433,795	44,166,712	56,935,225	28.9%	12,768,513
Special Revenue Funds						
Contractual Services	158,369	130,485	107,000	107,000	0.0%	0
Total for Special Revenue Funds	158,369	130,485	107,000	107,000	0.0%	0
Total for Public Works	217,732,405	224,316,252	244,395,720	266,953,450	9.2%	22,557,730

ADMINISTRATIVE SERVICES

The 2005 Public Works Administrative Services budget increases are due mainly to the addition of two positions. One position, Management Analyst, was approved in 2004 and is to be funded by PW – Admin overhead charge reimbursements. The other position, Administrative Analyst II, was moved to this Division from Engineering Services. The total position count is 20 positions for 2005.

The budget for areas of this department includes \$260,000 in BIS charges calculated on a city-wide rate model and \$3100 for benefits administration. Both charges were centrally budgeted in the past. Backing out these charges, Administrative Services total budget is \$2.1 million, an 8% increase over 2004.

Revenue in Administrative Services results from overhead charged to other public works functions.

The Mayor recommended allocating \$25,000 to fund an environmental co-coordinator position. The City Council removed this recommendation under the advice of Regulatory Services that the function could be accommodated without the addition of a position.

PUBLIC WORKS ADMINISTRATION Staffing Information

	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
FTE's by Division						
Management Services	14.00	13.00	12.00	14.00	16.67%	2.00
Safety/Risk Management	4.00	4.00	3.00	3.00	0.00%	-
Special Assessments	3.00	3.00	3.00	3.00	0.00%	-
Total FTE's	21.00	20.00	18.00	20.00	11.11%	2.00

**PW - ADMINISTRATIVE SERVICES
Expense Information**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Enterprise Funds						
Contractual Services	0	0	0	0		0
Salaries and Wages	-39,732	0	0	0		0
Total for Enterprise Funds	-39,732	0	0	0		0
General Fund - City						
Contractual Services	211,795	147,881	273,241	498,385	82.4%	225,144
Equipment	14,263	10,512	27,129	16,564	-38.9%	-10,565
Fringe Benefits	328,385	402,266	336,073	382,471	13.8%	46,398
Operating Costs	103,601	111,236	82,590	122,485	48.3%	39,895
Salaries and Wages	1,235,950	1,281,060	1,220,696	1,345,205	10.2%	124,509
Total for General Fund - City	1,893,993	1,952,955	1,939,729	2,365,110	21.9%	425,381
Total for PW - ADMINISTRATIVE \$	1,854,261	1,952,955	1,939,729	2,365,110	21.9%	425,381

PW - ADMINISTRATIVE SERVICES
Revenue Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
General Fund - City						
Charges for Sales	0	23	0	0	0.0%	0
Charges for Service	1,488,414	1,671,250	1,301,000	1,401,000	7.7%	100,000
Interest	-9	0	0	0	0.0%	0
Total for General Fund - City	1,488,405	1,671,273	1,301,000	1,401,000	7.7%	100,000
Total for PW - ADMINISTRATIVE SERVICES	1,488,405	1,671,273	1,301,000	1,401,000	7.7%	100,000

ENGINEERING MATERIALS & TESTING

The Engineering Materials and Testing Division budget of \$5 million is funded by two internal service funds. The Engineering Materials and Testing Fund accounts for approximately 86% of the Division's budget and is used to account for the City's purchase of bituminous mixes and ready-mix concrete for placement by various agencies within the Department of Public Works for their construction and maintenance requirements. Also accounted for within this fund is the Engineering Laboratory, which provides inspection and testing services for these materials along with environmental and soil testing services. The City Council took action in December 2003, to suspend the production of bituminous mixes indefinitely at the City's Asphalt Plant, resulting in a decrease of 9 positions.

The Public Works Stores Fund makes up the remaining 14% of the Division's budget and accounts for the centralized procurement, receiving, warehousing, and distribution of stocked inventory merchandise along with the purchase of special non-inventory materials and services. The Fund has two separate operating units, which are Central Stores serving all Agencies within Public Works, and Traffic Stores primarily serving Agencies within the Transportation Division. Since 1980, the Central Stores has responsibility for providing office supplies and non-specialty items to all City Agencies. Together, Public Works and the Finance Department completed a study in 1998, whereby, the recommended redesign included a revamped overhead structure and directives for utilization of the Stores Fund for non-inventory purchases. As a result, the Fund has reflected a net income for the 2000-2003 fiscal years. The 2004 projections indicate revenues over expenses; however, projected revenues are less than previous years.

The Engineering Materials and Testing division 2005 expense budget includes a \$159,500 charge for Materials and Lab and \$177,000 charge for Stores in General Fund overhead charges. This is a change in accounting that replaces various charges for indirect costs that were previously budgeted directly in management services departments.

The budget of this department also includes \$29,600 in BIS charges calculated on a city-wide rate model and \$5,000 for benefits administration. Both charges were centrally budgeted in the past. Backing out these charges, Engineering Materials and Testing's budget for 2005 is \$5.3 million, a 4% increase from 2004.

PUBLIC WORKS ENGINEERING MATERIAL AND TESTING Staffing Information

	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
FTE's by Division						
Central Stores	7.00	7.00	7.00	7.00	0.00%	-
Asphalt Plant	7.00	7.00	10.50	1.00	-90.48%	(9.50)
Engineering Laboratory	12.50	12.50	12.00	12.50	4.17%	0.50
Total FTE's	26.50	26.50	29.50	20.50	-30.51%	(9.00)

PW - ENG MATERIALS & TESTING
Expense Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Internal Service Funds						
Capital Outlay	119,289	0	0	0		0
Contractual Services	528,228	812,122	671,631	968,525	44.2%	296,894
Equipment	0	39,613	2,067	2,096	1.4%	29
Fringe Benefits	329,913	369,979	398,877	364,344	-8.7%	-34,533
Operating Costs	1,229,777	3,136,151	2,862,436	2,920,564	2.0%	58,128
Salaries and Wages	1,091,359	1,184,621	1,165,041	1,085,395	-6.8%	-79,646
Total for Internal Service Funds	3,298,567	5,542,486	5,100,052	5,340,924	4.7%	240,872
Total for PW - ENG MATERIALS £	3,298,567	5,542,486	5,100,052	5,340,924	4.7%	240,872

PW - ENG MATERIALS & TESTING
Revenue Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Internal Service Funds						
Charges for Sales	3,367,084	6,147,118	3,512,000	3,862,500	10.0%	350,500
Charges for Service	1,136,822	1,330,546	1,200,000	1,300,000	8.3%	100,000
Interest	15	20	0	0	0.0%	0
Other Misc Revenues	10,769	0	0	0	0.0%	0
Total for Internal Service Funds	4,514,691	7,477,684	4,712,000	5,162,500	9.6%	450,500
Total for PW - ENG MATERIALS & TESTING	4,514,691	7,477,684	4,712,000	5,162,500	9.6%	450,500

ENGINEERING SERVICES

The 2005 budget increase over the 2004 Adopted Budget is 8.3% in total. Engineering Services is funded by the Permanent Improvement Projects (Capital) Fund, Sewer Enterprise Fund, General Fund, and Water Enterprise Fund. The increase in salaries/benefits from 2004 is 12%. Personnel costs make up 65% of Engineering Services 2005 budget of \$13.7 million. The transfer of a position to PW-Administration and the addition of two positions in Water Design for the SCADA system are included in the 2005 budget.

The budget for areas of this department includes \$341,000 in BIS charges calculated on a city-wide rate model and \$19,700 for benefits administration. Both charges were centrally budgeted in the past. Backing out these charges, Engineering Services' budget for 2005 is \$13.4 million, a 5% increase over 2004. Revenue in this area results from charges to Capital Projects.

The Mayor's Recommended Budget and the Council Adopted Budget added 2 positions to Engineering Services for the administration of the storm water utility fee to be implemented in 2005 and added \$200,000 in one-time funding in the Permanent Improvement Fund for a study of the Midtown Greenway Street car, including the study of the bridges.

PUBLIC WORKS ENGINEERING SERVICES Staffing Information

	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
FTE's by Division						
Street Design	58.60	58.60	59.60	58.20	-2.35%	(1.40)
Water	11.00	11.00	11.00	13.00	18.18%	2.00
Sewer Design	23.90	20.90	20.90	23.30	11.48%	2.40
Storm Water Management	-	10.00	13.00	16.00	23.08%	3.00
Right of Way Management	12.00	12.00	12.50	12.00	-4.00%	(0.50)
Total FTE's	105.50	112.50	117.00	122.50	4.70%	5.50

PW - ENGINEERING SERVICES
Expense Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Capital Projects						
Capital Outlay	1,313	64	0	0		0
Contractual Services	1,187,931	924,057	1,576,247	2,115,100	34.2%	538,853
Equipment	51,582	1,089	80,671	81,800	1.4%	1,129
Fringe Benefits	632,763	672,875	758,986	930,895	22.6%	171,909
Operating Costs	126,251	114,096	191,181	228,773	19.7%	37,592
Salaries and Wages	2,519,871	2,808,963	3,082,953	3,263,422	5.9%	180,469
Total for Capital Projects	4,519,711	4,521,144	5,690,038	6,619,990	16.3%	929,952
Enterprise Funds						
Capital Outlay	673	0	0	0		0
Contractual Services	929,726	1,097,471	2,421,274	1,865,963	-22.9%	-555,311
Equipment	60,565	20,448	119,153	120,821	1.4%	1,668
Fringe Benefits	383,117	550,327	553,744	819,888	48.1%	266,144
Operating Costs	81,319	96,290	108,778	138,890	27.7%	30,112
Salaries and Wages	1,544,191	2,041,003	2,688,994	2,990,175	11.2%	301,181
Total for Enterprise Funds	2,999,592	3,805,539	5,891,943	5,935,737	0.7%	43,794
General Fund - City						
Capital Outlay	0	0	470	477	1.5%	7
Contractual Services	126,152	127,694	250,056	268,422	7.3%	18,366
Equipment	2,608	0	5,168	5,240	1.4%	72
Fringe Benefits	136,356	157,305	176,726	218,920	23.9%	42,194
Operating Costs	12,164	13,621	19,094	25,900	35.6%	6,806
Salaries and Wages	523,927	589,630	664,629	672,793	1.2%	8,164
Total for General Fund - City	801,208	888,249	1,116,143	1,191,752	6.8%	75,609
Total for PW - ENGINEERING SER	8,320,511	9,214,933	12,698,124	13,747,479	8.3%	1,049,355

PW - ENGINEERING SERVICES
Revenue Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Capital Projects						
Charges for Sales	53,422	3,875	0	0	0.0%	0
Charges for Service	93,165	29,792	2,600,000	2,854,094	9.8%	254,094
Other Misc Revenues	182	5	0	0	0.0%	0
State Government	181,538	498,285	600,000	676,920	12.8%	76,920
Total for Capital Projects	328,306	531,956	3,200,000	3,531,014	10.3%	331,014
Enterprise Funds						
Charges for Service	1,752,895	1,958,250	1,500,000	1,838,668	22.6%	338,668
Interest	0	17	0	0	0.0%	0
Other Misc Revenues	1,369	8	0	0	0.0%	0
State Government	0	0	200,002	151,002	-24.5%	-49,000
Total for Enterprise Funds	1,754,263	1,958,274	1,700,002	1,989,670	17.0%	289,668
General Fund - City						
Charges for Sales	0	3,000	0	0	0.0%	0
Charges for Service	548,469	473,497	575,000	475,000	-17.4%	-100,000
Interest	0	72	0	0	0.0%	0
Licenses and Permits	21,577	15,410	10,000	10,000	0.0%	0
Other Misc Revenues	71	28	0	0	0.0%	0
Total for General Fund - City	570,117	492,007	585,000	485,000	-17.1%	-100,000
Total for PW - ENGINEERING SERVICES	2,652,687	2,982,237	5,485,002	6,005,684	9.5%	520,682

EQUIPMENT SERVICES

This division operates out of the Equipment Internal Service Fund. The department's budget reflects an increase of 31%. This increase is due to a large increase in debt service for the year, in addition to a change in the accounting for intra-fund charges.

The Equipment Services expense budget includes \$581,000 in General Fund overhead charges. This is a change in accounting that replaces various charges for indirect costs that were previously budgeted directly in management services departments.

The budget for this department also includes \$245,000 in BIS charges calculated on a city-wide rate model and \$43,600 for benefits administration. Both charges were centrally budgeted in the past. Backing out these charges, Equipment Services' budget for 2005 is \$34.7 million, a 30% increase over 2004.

PUBLIC WORKS EQUIPMENT SERVICES Staffing Information

	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
FTE's by Division						
Maintenance	75.60	75.10	77.10	80.04	3.81%	2.94
Municipal Garage	12.00	12.00	10.00	-	-100.00%	(10.00)
Operations	170.00	170.00	170.00	177.06	4.15%	7.06
Total FTE's	257.60	257.10	257.10	257.10	0.00%	-

**PW - EQUIPMENT
Expense Information**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Internal Service Funds						
Capital Outlay	0	163,532	0	0		0
Contractual Services	5,439,118	4,729,281	4,836,806	10,106,899	109.0%	5,270,093
Equipment	5,473,360	0	170,522	172,910	1.4%	2,388
Equipment Labor	1,896	0	0	0		0
Fringe Benefits	3,688,689	4,052,529	4,637,224	4,782,912	3.1%	145,688
Operating Costs	3,739,842	3,458,027	3,985,716	6,051,759	51.8%	2,066,043
Salaries and Wages	10,864,632	11,323,911	13,160,728	13,943,372	5.9%	782,644
Total for Internal Service Funds	29,207,537	23,727,280	26,790,996	35,057,852	30.9%	8,266,856
Total for PW - EQUIPMENT	29,207,537	23,727,280	26,790,996	35,057,852	30.9%	8,266,856

PW - EQUIPMENT
Revenue Information

	2002	2003	2004	2005	% Change	Change
	Actual	Actual	Adopted	Adopted		
			Budget	Budget		
Internal Service Funds						
Charges for Sales	2,587,658	2,194,813	5,144,956	6,434,262	25.1%	1,289,306
Charges for Service	8,676,646	601,846	4,971,962	7,389,661	48.6%	2,417,699
Gains	319,590	297,499	200,000	200,000	0.0%	0
Interest	-4,328	1,596	500	500	0.0%	0
Operating Transfers In	0	0	0	0	0.0%	0
Other Misc Revenues	419,102	584,003	310,000	310,000	0.0%	0
Proceeds of Long Term Liabilities	0	0	0	0	0.0%	0
Rents	19,716,789	28,771,508	24,137,500	27,267,348	13.0%	3,129,848
Total for Internal Service Funds	31,715,458	32,451,266	34,764,918	41,601,771	19.7%	6,836,853
Total for PW - EQUIPMENT	31,715,458	32,451,266	34,764,918	41,601,771	19.7%	6,836,853

FIELD SERVICES

The Field Services division reflects an overall 0.8% decrease over the 2004 Adopted Budget. Field Services is funded by the General Fund, CDBG Fund, Permanent Improvement Projects (Capital) Fund, and the Sewer Enterprise Fund. The General Fund Budget (Bridge, Street Repair, Snow & Ice, Malls & Plazas) decreased by 5.2% resulting mainly from a reduction in Equipment charges. The CDBG Fund has been allocating approximately \$107,000 annually for graffiti removal. The Capital Fund (Sidewalk) budget was increased by 5.2% to provide funding to pay general fund overhead. The Sewer Enterprise Fund (Cleaning) increased by 15.4% mainly due to an increase in equipment costs.

The Field Services division outlined target strategies in the General Fund to comply with the five-year financial direction, amounting to \$1.1 million and resulting in a reduction of 11.3 positions in 2005. These reductions included the following: 2 Engineer Tech II positions and 1 Construction Maintenance Laborer position in the Bridge Maintenance Division, 1 Truck Drive position and 1.2 Construction Maintenance Laborer positions in the Street Maintenance Division, 1.2 Construction Maintenance Laborer (Seasonal) positions in the Snow and Ice Division, and 4.8 Construction Maintenance Laborer positions and 0.1 Maintenance Crew Leader position in the Malls and Plazas division. Additionally, savings were derived from reductions in equipment, equipment repair, parts and fuel needs.

The budget for areas of this department includes \$310,000 in BIS charges calculated on a city-wide rate model and \$28,100 for benefits administration. Both charges were centrally budgeted in the past. Backing out these charges, Field Services' budget for 2005 is \$28.5 million, a 2% decrease from 2004.

PUBLIC WORKS FIELD SERVICES Staffing Information

	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
FTE's by Division						
Sidewalk Inspections	5.00	6.00	6.00	6.00	0.00%	-
Bridge Maintenance	21.80	20.80	18.40	15.40	-16.30%	(3.00)
Nicollet Mall	11.80	8.30	6.10	6.10	0.00%	-
Street Maintenance	77.76	77.66	51.90	49.70	-4.24%	(2.20)
Street Administration	10.80	11.80	10.80	10.80	0.00%	-
Street Cleaning	26.34	26.34	26.30	26.30	0.00%	-
Snow & Ice Control	29.20	28.70	28.70	27.50	-4.18%	(1.20)
Malls and Plazas Maintenance	21.00	21.30	17.30	12.40	-28.32%	(4.90)
Total FTE's	203.70	200.90	165.50	154.20	-6.83%	(11.30)

**PW - FIELD SERVICES
Expense Information**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Capital Projects						
Contractual Services	74,782	145,242	116,839	187,403	60.4%	70,564
Fringe Benefits	57,488	55,337	74,355	73,019	-1.8%	-1,336
Operating Costs	16,115	17,481	18,336	21,104	15.1%	2,768
Salaries and Wages	236,781	260,548	300,332	283,891	-5.5%	-16,441
Total for Capital Projects	385,166	478,607	509,862	565,417	10.9%	55,555
Enterprise Funds						
Contractual Services	3,674,915	3,705,734	3,556,998	4,393,435	23.5%	836,437
Fringe Benefits	366,640	409,468	523,527	555,510	6.1%	31,983
Operating Costs	34,821	38,837	251,526	273,784	8.8%	22,258
Salaries and Wages	1,100,656	1,104,040	1,350,972	1,333,664	-1.3%	-17,308
Total for Enterprise Funds	5,177,031	5,258,078	5,683,023	6,556,393	15.4%	873,370
General Fund - City						
Contractual Services	8,310,919	7,864,373	10,024,454	9,079,148	-9.4%	-945,306
Equipment	250,151	166,407	165,701	168,021	1.4%	2,320
Fringe Benefits	2,568,959	2,604,193	2,523,463	2,508,437	-0.6%	-15,026
Operating Costs	3,157,972	2,996,255	3,565,718	3,606,346	1.1%	40,628
Salaries and Wages	7,636,597	7,326,706	6,508,413	6,250,532	-4.0%	-257,881
Total for General Fund - City	21,924,598	20,957,934	22,787,749	21,612,484	-5.2%	-1,175,265
Internal Service Funds						
Fringe Benefits	0	0	0	0		0
Total for Internal Service Funds	0	0	0	0		0
Special Revenue Funds						
Contractual Services	0	5,991	107,000	107,000	0.0%	0
Total for Special Revenue Funds	0	5,991	107,000	107,000	0.0%	0
Total for PW - FIELD SERVICES	27,486,795	26,700,610	29,087,634	28,841,294	-0.8%	-246,340

PW - FIELD SERVICES
Revenue Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Capital Projects						
Charges for Service	77,547	73,739	60,000	55,000	-8.3%	-5,000
Licenses and Permits	429,035	367,333	210,000	250,000	19.0%	40,000
Operating Transfers In	5,133	0	0	0	0.0%	0
Special Assessments	0	4,069	0	0	0.0%	0
Total for Capital Projects	511,715	445,141	270,000	305,000	13.0%	35,000
Enterprise Funds						
Charges for Sales	299	3,224	500	1,000	100.0%	500
Charges for Service	1,235	484	2,000	1,000	-50.0%	-1,000
Local Government	128,178	204,086	204,086	166,985	-18.2%	-37,101
Operating Transfers In	88,520	0	0	0	0.0%	0
Other Misc Revenues	-452	15,053	2,000	10,000	400.0%	8,000
Special Assessments	0	112,330	115,000	115,000	0.0%	0
State Government	565,883	479,008	669,045	651,048	-2.7%	-17,997
Total for Enterprise Funds	783,663	814,185	992,631	945,033	-4.8%	-47,598
General Fund - City						
Charges for Sales	15,323	38,666	4,500	20,000	344.4%	15,500
Charges for Service	2,748,159	4,397,417	2,225,000	2,250,000	1.1%	25,000
Contributions	50	0	0	0	0.0%	0
Interest	5,252	954	0	0	0.0%	0
Local Government	208,213	143,622	143,622	160,914	12.0%	17,292
Operating Transfers In	100,991	30,344	0	0	0.0%	0
Other Misc Revenues	44,074	71,143	49,450	29,800	-39.7%	-19,650
Rents	2,400	2,400	2,200	2,400	9.1%	200
Special Assessments	1,644,575	1,533,108	1,552,295	1,542,768	-0.6%	-9,527
State Government	3,237,212	2,618,245	2,218,495	2,258,793	1.8%	40,298
Total for General Fund - City	8,006,250	8,835,898	6,195,562	6,264,675	1.1%	69,113
Total for PW - FIELD SERVICES	9,301,628	10,095,224	7,458,193	7,514,708	0.8%	56,515

SOLID WASTE & RECYCLING SERVICES

The total 2005 budget is \$26.5 million, which is a 3.7% increase over the 2004 Adopted Budget. The division is budgeted 100% within the Solid Waste Enterprise Fund. The total revenues are expected to be \$27.5 million, with rates remaining at the 2004 level. Please see the Solid Waste Financial Plan in the Finance Plan section of this book for more information.

The 2005 Solid Waste budget includes \$2.4 million in General Fund overhead charges. This is a change in accounting that replaces various charges for indirect costs that were previously budgeted directly in management services departments.

The budget for areas of this department includes \$342,000 in BIS charges calculated on a city-wide rate model and \$20,900 for benefits administration. Backing out these charges, the 2005 budget for Solid Waste and Recycling Services is \$26 million, a 2% increase over 2004.

The Mayor recommended and the Council concurred to add three positions to the 2005 budget within its current funding to better address clean city programs and \$150,000 in funding to study options on the South and Pacific transfer facilities.

PUBLIC WORKS SOLID WASTE AND RECYCLING Staffing Information

	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
FTE's by Division						
Collection	41.00	44.00	39.00	39.00	0.00%	-
Recycling	17.00	14.00	18.00	21.00	16.67%	3.00
Disposal	1.00	1.00	1.00	1.00	0.00%	-
Yard Waste	9.50	9.50	9.00	9.00	0.00%	-
Large Item & Problem Materials	9.00	8.00	8.00	9.00	12.50%	1.00
South Transfer Station	1.00	1.00	1.00	1.00	0.00%	-
Administration	17.50	17.30	16.00	16.00	0.00%	-
Customer Service	9.00	9.00	9.00	9.00	0.00%	-
Clean City	12.50	12.00	12.00	11.00	-8.33%	(1.00)
Equipment	9.00	9.00	10.00	10.00	0.00%	-
Total FTE's	126.50	124.80	123.00	126.00	2.44%	3.00

**PW - SOLID WASTE
Expense Information**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Enterprise Funds						
Capital Outlay	40,999	0	0	0		0
Contractual Services	15,475,192	14,901,581	16,016,298	16,395,310	2.4%	379,012
Equipment	803,031	718,339	1,120,791	1,136,482	1.4%	15,691
Fringe Benefits	2,019,395	2,146,027	2,251,843	2,445,276	8.6%	193,433
Operating Costs	611,253	938,633	748,578	777,081	3.8%	28,503
Salaries and Wages	5,321,369	5,235,170	5,463,353	5,793,481	6.0%	330,128
Total for Enterprise Funds	24,271,239	23,939,749	25,600,863	26,547,630	3.7%	946,767
Total for PW - SOLID WASTE	24,271,239	23,939,749	25,600,863	26,547,630	3.7%	946,767

**PW - SOLID WASTE
Revenue Information**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Enterprise Funds						
Charges for Sales	618,273	940,994	640,200	900,000	40.6%	259,800
Charges for Service	25,174,809	26,240,594	26,098,800	26,098,800	0.0%	0
Gains	15,171	0	0	0	0.0%	0
Interest	14	1	0	0	0.0%	0
Local Government	936,327	844,405	804,000	544,000	-32.3%	-260,000
Other Misc Revenues	3,433	1,892	0	0	0.0%	0
Rents	280	140	0	0	0.0%	0
Special Assessments	34,856	0	0	0	0.0%	0
Total for Enterprise Funds	26,783,162	28,028,027	27,543,000	27,542,800	-0.0%	-200
Total for PW - SOLID WASTE	26,783,162	28,028,027	27,543,000	27,542,800	-0.0%	-200

PROPERTY SERVICES

This division operates out of the Property Services Internal Service Fund. The department's budget reflects a 16.1% increase in expenditures over the 2004 budget. The maintenance of three new ramps in 2005 was added in the Ramp Maintenance division during the Current Service Level.

The 2005 Property Services expense budget includes \$233,000 in General Fund overhead charges. This is a change in accounting that replaces various charges for indirect costs that were previously budgeted directly in management services departments.

The budget for this department also includes \$199,000 in BIS charges calculated on a city-wide rate model and \$16,300 for benefits administration. Both charges were centrally budgeted in the past. Backing out these charges, Property Services' 2005 budget is \$13.7 million, a 14.3% increase over 2005.

The Mayor recommended and the Council concurred to add seven positions to Property Management from CPED, and removed one position from Real Estate Management to CPED.

PUBLIC WORKS PROPERTY SERVICES Staffing Information

	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	%	Change
					Change	
FTE's by Division						
Radio	11.30	11.00	11.00	11.00	0.00%	-
Facilities Management Maintenance	52.50	82.85	82.90	91.90	10.86%	9.00
Special Projects	3.00	2.50	3.00	-	-100.00%	(3.00)
Total FTE's	66.80	96.35	96.90	102.90	6.19%	6.00

**PW - PROPERTY SERVICES
Expense Information**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Internal Service Funds						
Capital Outlay	0	0	7,234	7,335	1.4%	101
Contractual Services	3,650,868	3,682,729	3,415,964	4,035,286	18.1%	619,322
Equipment	52,934	0	483,661	490,432	1.4%	6,771
Equipment Labor	2,194	2,508	0	0		0
Fringe Benefits	1,482,047	1,513,169	1,605,460	1,843,312	14.8%	237,852
Operating Costs	1,309,545	1,105,975	1,572,298	1,640,157	4.3%	67,859
Salaries and Wages	4,580,694	4,608,275	4,916,549	5,916,705	20.3%	1,000,156
Total for Internal Service Funds	11,078,282	10,912,657	12,001,166	13,933,227	16.1%	1,932,061
Special Revenue Funds						
Contractual Services	158,369	124,495	0	0		0
Total for Special Revenue Funds	158,369	124,495	0	0		0
Total for PW - PROPERTY SERVICE	11,236,650	11,037,151	12,001,166	13,933,227	16.1%	1,932,061

PW - PROPERTY SERVICES
Revenue Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Internal Service Funds						
Charges for Sales	648,745	510,842	880,000	385,480	-56.2%	-494,520
Charges for Service	5,116,358	4,777,037	4,432,500	6,380,500	43.9%	1,948,000
Interest	57	-24	0	0	0.0%	0
Other Misc Revenues	25,784	440	2,000	2,000	0.0%	0
Rents	5,929,459	6,214,108	6,338,500	6,647,500	4.9%	309,000
<i>Total for Internal Service Funds</i>	11,720,403	11,502,403	11,653,000	13,415,480	15.1%	1,762,480
Total for PW - PROPERTY SERVICES	11,720,403	11,502,403	11,653,000	13,415,480	15.1%	1,762,480

SEWER MAINTENANCE

The 2005 budget of \$43.3 million for Sewer Maintenance is funded entirely in the Sewer Enterprise Fund. Please see the Stormwater and Sanitary Sewer Fund Financial Plan in the Finance Plan section of this book for more information.

The 2005 Sewer Maintenance expense budget includes \$3.8 million in General Fund overhead charges. This is a change in accounting that replaces various charges for indirect costs that were previously budgeted directly in management services departments.

The budget for this department also includes \$194,000 in BIS charges calculated on a city-wide rate model and \$10,400 for benefits administration. Backing out these charges, Sewer Maintenance's 2005 budget is \$43 million, a 1% decrease from the 2004 Adopted Budget.

PUBLIC WORKS SEWER MAINTENANCE Staffing Information

	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Total FTE's	61.90	63.60	64.10	64.10	0.00%	-

PW - SEWER MAINTENANCE
Expense Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Enterprise Funds						
Capital Outlay	1,393	0	0	0		0
Contractual Services	30,835,322	6,375,523	10,640,737	10,551,769	-0.8%	-88,968
Equipment	135,827	28,674	159,153	161,381	1.4%	2,228
Equipment Labor	1,600	1,530	0	0		0
Fringe Benefits	1,212,133	1,309,983	1,389,773	1,422,172	2.3%	32,399
Operating Costs	1,398,013	27,647,258	28,480,339	28,093,721	-1.4%	-386,618
Salaries and Wages	2,945,355	2,973,443	2,926,682	3,083,680	5.4%	156,998
Total for Enterprise Funds	36,529,644	38,336,410	43,596,684	43,312,723	-0.7%	-283,961
Total for PW - SEWER MAINTENA	36,529,644	38,336,410	43,596,684	43,312,723	-0.7%	-283,961

PW - SEWER MAINTENANCE
Revenue Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Enterprise Funds						
Charges for Service	60,789,367	60,374,304	64,540,624	65,847,200	2.0%	1,306,576
Interest	-338	420	0	0	0.0%	0
Local Government	0	86,003	86,003	0	-100.0%	-86,003
Other Misc Revenues	-61,189	9,906	50,000	50,000	0.0%	0
Special Assessments	55,541	0	0	0	0.0%	0
State Government	0	77,327	117,631	117,631	0.0%	0
Total for Enterprise Funds	60,783,380	60,547,961	64,794,258	66,014,831	1.9%	1,220,573
Total for PW - SEWER MAINTENANCE	60,783,380	60,547,961	64,794,258	66,014,831	1.9%	1,220,573

TRANSPORTATION & PARKING SERVICES

This division is funded by the Municipal Parking Fund (75% of total budget), the General fund (20%), and the Public Works Stores Fund (5%). The 2003 budget cuts recommended eliminating and the shifting to capital of 18 positions. The 2004 decision package included Mayor's recommendation of consolidating parking ramp security system. Consolidation of ramp security systems result in a savings of \$698,000 in the 2005 budget. The 2005 budget of \$54.5 million is an increase of 9% over 2004. The increase is partially due to two additional ramps, Guthrie Ramp and Mill Quarter Ramp, that are scheduled to be completed and operational in 2005. Projected revenue is estimated at \$60.9 million, which is a decrease of \$2.1 million across all funds.

As a target strategy in the General Fund, the Transportation division eliminated 1.0 Electrician position in the Traffic Operations division, reduced contractual services through LED conversions of traffic signals and shifted non-personnel costs to capital activities. These reductions amount to \$201,527 in the General Fund.

The 2005 Transportation and Parking Services budget includes \$1.4 million in General Fund overhead charges. This is a change in accounting that replaces various charges for indirect costs that were previously budgeted directly in management services departments.

The budget for areas of this department includes \$804,000 in BIS charges calculated on a city-wide rate model and \$16,700 for benefits administration. Both charges were centrally budgeted in the past. Backing out these charges, the 2005 budget for Transportation and Parking Services is \$54 million, a 7% increase over 2004.

The Council Adopted Budget added \$40,000 for residential parking planning funding in the Parking Fund, thereby reducing the fund balance.

PUBLIC WORKS TRANSPORTATION Staffing Information

	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
FTE's by Division						
Street Lighting	5.60	6.60	5.10	5.10	0.00%	-
Planning and Design	6.50	6.50	8.50	8.50	0.00%	-
Inventory	2.00	2.00	2.00	2.00	0.00%	-
Field Operations	51.54	48.54	33.84	32.84	-2.96%	(1.00)
On-Street Parking	10.30	12.30	12.65	12.75	0.79%	0.10
Off-Street Parking	18.10	14.10	13.40	13.20	-1.49%	(0.20)
Towing and Impound	22.50	25.00	24.85	24.95	0.40%	0.10
Total FTE's	116.54	115.04	100.34	99.34	-1.00%	(1.00)

**PW - TRANSPORTATION
Expense Information**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Enterprise Funds						
Capital Outlay	1,790	0	15,502	0	-100.0%	-15,502
Contractual Services	28,986,287	37,532,190	34,857,407	36,292,896	4.1%	1,435,489
Equipment	281,140	96,894	603,109	576,062	-4.5%	-27,047
Fringe Benefits	664,380	728,603	805,595	828,737	2.9%	23,142
Operating Costs	496,472	351,799	507,898	512,032	0.8%	4,134
Salaries and Wages	2,512,654	2,647,034	2,634,513	2,736,686	3.9%	102,173
Total for Enterprise Funds	32,942,723	41,356,521	39,424,024	40,946,413	3.9%	1,522,389
General Fund - City						
Capital Outlay	0	0	2,067	2,096	1.4%	29
Contractual Services	5,369,783	5,475,329	5,962,881	6,205,391	4.1%	242,510
Equipment	0	0	113,372	72,442	-36.1%	-40,930
Fringe Benefits	1,058,713	893,218	890,000	1,017,910	14.4%	127,910
Operating Costs	1,103,547	1,100,351	837,638	970,624	15.9%	132,986
Salaries and Wages	3,028,096	2,279,701	2,489,880	2,715,820	9.1%	225,940
Total for General Fund - City	10,560,140	9,748,599	10,295,838	10,984,283	6.7%	688,445
Internal Service Funds						
Contractual Services	54,442	75,761	52,627	128,144	143.5%	75,517
Equipment	0	0	16,276	16,503	1.4%	227
Fringe Benefits	34,374	29,867	31,483	33,290	5.7%	1,807
Operating Costs	27,182	47,824	71,702	2,319,919	3,135.5%	2,248,217
Salaries and Wages	94,160	97,920	102,410	105,366	2.9%	2,956
Total for Internal Service Funds	210,158	251,372	274,498	2,603,222	848.4%	2,328,724
Total for PW - TRANSPORTATION	43,713,020	51,356,492	49,994,360	54,533,918	9.1%	4,539,558

PW - TRANSPORTATION
Revenue Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Enterprise Funds						
Charges for Sales	1,062,638	1,184,528	1,001,000	1,001,000	0.0%	0
Charges for Service	52,702,169	51,111,180	56,455,882	54,389,616	-3.7%	-2,066,266
Interest	150	1,492	750	750	0.0%	0
Licenses and Permits	193,244	192,354	155,000	193,000	24.5%	38,000
Operating Transfers In	0	502,148	0	0	0.0%	0
Other Misc Revenues	856	18,971	1,000	1,000	0.0%	0
Rents	130,744	123,137	3,000	3,000	0.0%	0
State Government	0	295,600	0	0	0.0%	0
Total for Enterprise Funds	54,089,801	53,429,410	57,616,632	55,588,366	-3.5%	-2,028,266
General Fund - City						
Charges for Sales	5,556	10,196	12,000	12,000	0.0%	0
Charges for Service	63,732	156,883	320,000	200,000	-37.5%	-120,000
Franchise Fees	91,014	85,997	100,000	110,000	10.0%	10,000
Interest	-430	3,633	1,000	2,500	150.0%	1,500
Licenses and Permits	597,588	1,093,248	521,243	721,243	38.4%	200,000
Local Government	345,602	414,969	414,970	478,570	15.3%	63,600
Other Misc Revenues	90,963	259,347	200,000	200,000	0.0%	0
Special Assessments	46,166	63,050	60,000	60,000	0.0%	0
State Government	2,234,766	1,369,790	1,583,985	1,636,524	3.3%	52,539
Total for General Fund - City	3,474,956	3,457,113	3,213,198	3,420,837	6.5%	207,639
Internal Service Funds						
Charges for Sales	1,824,794	2,529,621	2,033,000	1,810,000	-11.0%	-223,000
Charges for Service	111,306	59,311	75,000	50,000	-33.3%	-25,000
Interest	0	163	0	0	0.0%	0
Total for Internal Service Funds	1,936,100	2,589,094	2,108,000	1,860,000	-11.8%	-248,000
Total for PW - TRANSPORTATION	59,500,856	59,475,617	62,937,830	60,869,203	-3.3%	-2,068,627

WATER TREATMENT & DISTRIBUTION SERVICES

The 2005 budget increase is \$5.7 million, which represents a 15.1% increase over the prior year. The budget increased from \$37.6 million in 2004 to \$43.3 million in 2005. The 2005 revenue is projected to increase from \$62 million to \$65 million. This increase is mainly due to projected rate increases and a temporary increase in revenue resulting from a provisional agreement with the joint water commission. Please see the Water Financial Plan in the Finance Plan section of this book for more information.

In 2005, the Water Treatment budget includes \$4.3 million to phase in General Fund overhead charges. This is a \$600,000 expense increase over the 2004 budget. The General Fund overhead charges replace various charges for indirect costs that were previously budgeted directly in management services departments. The budget for this department also includes \$1.4 million in BIS charges calculated on a city-wide rate model and \$40,700 for benefits administration. Both charges were centrally budgeted in the past. Backing out these charges, the 2005 budget for Water Treatment and Distribution Services is \$41.8 million, an 11% increase over 2004.

PUBLIC WORKS WATER Staffing Information

	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
FTE's by Division						
Administration	7.00	7.00	7.00	7.00	0.00%	-
Treatment	80.00	79.75	79.75	79.75	0.00%	-
Treatment Maintenance	59.00	59.00	60.00	61.00	1.67%	1.00
Distribution	95.00	94.00	93.00	92.00	-1.08%	(1.00)
Total FTE's	241.00	239.75	239.75	239.75	0.00%	-

**PW - WATER
Expense Information**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Enterprise Funds						
Capital Outlay	23,940	0	6,717	6,810	1.4%	93
Contractual Services	11,079,709	10,749,852	10,714,680	15,664,583	46.2%	4,949,903
Equipment	132,705	157,966	189,582	192,235	1.4%	2,653
Equipment Labor	99,305	112,539	0	0		0
Fringe Benefits	3,695,321	4,210,230	4,346,617	4,501,054	3.6%	154,437
Operating Costs	4,935,886	5,298,847	9,612,278	9,656,864	0.5%	44,586
Salaries and Wages	11,847,314	11,978,752	12,716,239	13,251,747	4.2%	535,508
Total for Enterprise Funds	31,814,181	32,508,187	37,586,113	43,273,293	15.1%	5,687,180
Total for PW - WATER	31,814,181	32,508,187	37,586,113	43,273,293	15.1%	5,687,180

PW - WATER
Revenue Information

	2002	2003	2004	2005	% Change	Change
	Actual	Actual	Adopted	Adopted		
			Budget	Budget		
Enterprise Funds						
Charges for Sales	1,714,787	678,996	1,740,000	1,780,000	2.3%	40,000
Charges for Service	50,170,879	57,163,670	60,254,953	63,221,953	4.9%	2,967,000
Interest	-22,332	1,542	0	0	0.0%	0
Licenses and Permits	787	1,069	1,000	1,000	0.0%	0
Other Misc Revenues	1,743	39,329	19,100	19,100	0.0%	0
Rents	3,066	0	2,000	1,000	-50.0%	-1,000
Special Assessments	0	1,139,718	0	0	0.0%	0
Total for Enterprise Funds	51,868,930	59,024,324	62,017,053	65,023,053	4.8%	3,006,000
Total for PW - WATER	51,868,930	59,024,324	62,017,053	65,023,053	4.8%	3,006,000

BOARD OF ESTIMATE AND TAXATION

Mission Statement:

Provide full administrative services to the Board of Estimate and Taxation (BET) to assist the Board in carrying out its governmental responsibilities under the City Charter, ordinances and state statutes.

Primary Businesses:

- Internal Audit
- Provide policy and strategic guidance to the Board and its customers, prepare the Official Statements and issue bonds as approved by the Board as part of its debt management duties, and set the maximum tax levies for the State's Truth in Taxation requirements and under the City Charter.

Key Trends and Challenges Impacting the Department:

By action of the City Council, or such other governing board of a department requesting the sale of bonds, the board of Estimate and Taxation 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 Board of Estimate and Taxation also established the maximum property tax levies for most City funds and maintains commissions that are component units of the City.

Primary Business: Internal Audit - Review and evaluate accounting, financial and operating policies and programs

Description of Primary Business: Internal Audit prepares an annual audit workplan, conducts reviews for audits listed on the workplan; conducts special reviews or audits as requested and assists external auditors as needed; makes presentations of audit reports for review.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Risk Assessment Matrix					
Interviews/Questionnaires					
Internal Control Points Identified					
Exceptions					
AMC Committee Reviewal					
Assessment of Internal Controls					
Adherence to Policies and Procedures					

Explanation of Key Performance Measures: Based on a risk assessment matrix, various potential audit areas are "scored" and ranked via a matrix. The Matrix is presented to the Audit Management Committee (AMC) and audits are selected for inclusion on the work plan. They are then presented to the Board of Estimate and Taxation (BET) for final approval. The work plan may extend beyond one year.

Via interviews, questionnaires, and/or flowcharting of the functional processes ensure they are working as intended. Exceptions, which may mean breakdowns in controls, are followed up on. Recommendations for corrective action are made for exceptions noted and discussed with respective audit entity management.

Special reviews and audits are usually conducted in much the same manner as those reviews in the work plan, however the time allowed for each review is agreed upon on a case by case basis between Internal Audit and the Audit Management Committee. Findings and subsequent recommendations may be made to respective management based on the outcome of the review.

After each audit a written draft report is prepared and shared with the Audit Management Committee as well as a representative from the selected audit area. It remains in draft form until all parties have read it, are given a chance to ask questions and fully understand it. Auditees are given a chance to respond in writing to any or all recommendations mentioned in the report. Their written response is concluded in the final report.

Primary Business: Board of Estimate and Taxation - Provide policy and strategic guidance to the Board and its customers. To prepare the Official Statements and issue bonds as approved by the Board

Description of Primary Business: Provide financial analysis, administration and policy support to the Board and its customers. Work with the City to coordinate and administer pre- and post-bond sale activities.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Customer satisfaction					
BET member's satisfaction					
Percentage of timely and successful closings of bond offerings. Goal is 100%					

Explanation of Key Performance Measures: These measures are also apparent and performance stated at the Bond Sales or Truth in Taxation Hearings.

Financial Analysis:

EXPENDITURE

In 2005, the Board of Estimate and Taxation budget is \$266,000, a 7% increase in expenditures. There is no change in the number of positions.

The budget for this department includes \$300 for benefits administration which was centrally budgeted in the past. For 2005, the BET has no General Fund overhead charge. If charges are phased in over 5 years, the BET's General Fund annual overhead charges are estimated to be \$58,000.

REVENUE

In 2005, the Board will receive \$100,000 from bond proceeds and \$154,000 from property taxes. The latter lies within the 4% property tax revenue limit for independent boards. The Board of Estimate and Taxation stopped receiving Local Government Aid (LGA) as of 2003.

MAYOR'S RECOMMENDED BUDGET

No changes were recommended by the Mayor.

ADOPTED BUDGET

No changes were adopted by the Council.

**BOARD OF ESTIMATE AND TAXATION
Staffing Information**

	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Total FTE's	2.00	2.00	2.00	2.00	0.00%	-

BOARD OF ESTIMATE & TAXATION
Expense Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
General Fund - City						
Contractual Services	2	0	0	0		0
Total for General Fund - City	2	0	0	0		0
Special Revenue Funds						
Contractual Services	4,690	7,059	5,500	12,468	126.7%	6,968
Fringe Benefits	33,485	35,326	47,005	48,788	3.8%	1,783
Operating Costs	11,222	14,603	14,973	15,680	4.7%	707
Salaries and Wages	178,520	185,030	182,022	189,110	3.9%	7,088
Transfers	0	173	0	0		0
Total for Special Revenue Funds	227,917	242,191	249,500	266,046	6.6%	16,546
Total for BOARD OF ESTIMATE &	227,919	242,191	249,500	266,046	6.6%	16,546

BOARD OF ESTIMATE & TAXATION
Revenue Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Special Revenue Funds						
Operating Transfers In	50,000	0	0	0	0.0%	0
Other Misc Revenues	30	0	0	0	0.0%	0
Proceeds of Long Term Liabilities	0	0	95,000	100,000	5.3%	5,000
Property Taxes	116,125	136,973	148,348	154,281	4.0%	5,933
Sales and Other Taxes	11	12	0	0	0.0%	0
State Government	118,831	7,836	0	0	0.0%	0
Total for Special Revenue Funds	284,997	144,822	243,348	254,281	4.5%	10,933
Total for BOARD OF ESTIMATE & TAXATION	284,997	144,822	243,348	254,281	4.5%	10,933

LIBRARY BOARD

Mission Statement:

We link people in the city and beyond with the transforming power of knowledge.

Primary Businesses:

In January 2004, the Library Board adopted new mission and vision statements, a statement on how we achieve our mission and vision, and four key results. The four key results are as follows:

1. Responsive public library service of the highest quality
2. Centers of community and neighborhood vitality
3. Improved literacy among all patrons
4. Sound stewardship of resources

Key Trends and Challenges Impacting the Department: .

Sustained/increased demand for library services in a time of declining resources. Unlike the school system, for example, which faces declining enrollment, the Library has seen increased usage in recent years. Even after the reduction in hours in January 2004, the percentage decline in some indicators has been less than the percentage reduction in hours, in other words, business per hour open has increased. The dramatic cut in Local Government Aids requires the Library, along with City departments and the Parks, to change its expectations for future revenue and reexamine how to deliver services in this new environment.

Growth in non-English speaking households. The significant number of households who do not speak English at home presents a challenge to the Library to increase the availability of world language material, the outreach activity of our multilingual outreach staff, and our English language learning activity.

Growth in electronic access to information. The explosion of information available via the Internet is transforming the library business. Most patrons who use the Minneapolis Public Library each day do not walk in the front door of a library but rather come in through the website. Patrons' expectations of how they want to receive information are changing and they are interested in having material available in multiple formats. Subscriptions to electronic material raise issues about the Library's – and patrons' - access to archive material. Given that the ability to navigate information is arguably the key ability of a skilled workforce, the poor state of information literacy among most adults and teens (e.g. most adults believe that anything they read on the Internet is true) is a challenge for the community as a whole.

Illiteracy. Illiteracy in the broadest sense is a challenge for the Library. This includes early literacy and poor school readiness, elementary and secondary student achievement, proficiency in reading, speaking and understanding English, and information literacy.

Key Initiatives or Other Models of Providing Service to be implemented in 2005

Attached is the Library's strategic plan. Designed to achieve the four key results discussed above, it identifies 20 objectives, the measure for each objective, and the lead strategy. Staff is in the process of identifying target measures for each objective. Initiatives of note in 2005 are as follows:

- Increase early literacy instruction for parents and caregivers and, in partnership with the Minneapolis Public Schools and the association of school media specialist, develop basic instruction in information literacy for teens.
- Continue to implement express checkout and self pick-up of holds to free staff to focus on other patron services.
- Building on the 2004 start of 24/7 chat reference service offered in partnership with the Hennepin County Public Library, increase electronic services, including on-line learning and on-line customer services such as paying fines and applying for a library card.
- Increase technology instruction and staff support available at libraries.

Primary Business: Responsive public library service of the highest quality

Description of Primary Business: *The Library Board provides access direct and staff-mediated access to print and electronic information resources to the public.*

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Circulation	2,848,860	2,998,380	2,750,820	2,476,000	2,600,000
Reference Service	2,176,991	1,918,539	1,216,547	1,000,000	1,200,000
The LIST: Public Page Views		73,034	131,648	157,977	189,573
Unique Daily Website Visitors		392,077	565,295	678,354	814,025
Click through to Databases		123,202	139,377	167,252	200,703
Electronic Database Searches		184,948	341,836	410,203	492,243
INFORM Service Requests	1385	2517	4646	8164	8980

Explanation of Key Performance Measures: The above key performance measures demonstrate the usage of the library's materials for home use (circulation) and use in the Library. The Reference and Directional service figures provide an indicator of staff assistance both in-person and by telephone. Remote electronic access, available 24 hours a day, 7 days a week, is an important measure of the availability of the library's resources during open and closed hours.

Primary Business: Centers of community and neighborhood vitality

Description of Primary Business: *The individual libraries operated by the Library Board are important anchors in neighborhoods and strengthen the vitality of the City.*

Key Performance Measures that are impacted by 2005 resources:

The most important measure of whether libraries are vital centers in communities and neighborhoods is library usage during open hours. The Library is also working hard to find ways to increase library hours.

Specific indicators are as follows:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Visitor Count	774,922	898,131	696,204	560,000	600,000
In-Library Use of Materials	2,256,837	1,784,191	1,402,712	900,000	1,000,000
Library Program Attendance	66,417	60,189	62,556	33,000	50,000
Meeting Room Use/Attend.	42,327	40,264	25,216	20,000	25,000

Explanation of Key Performance Measures: The library plays a vital role in the community through providing meeting space and library programs to reach all segments of the community. Meeting rooms are used by book clubs, neighborhood organizations and other individuals and groups. The Library offers programs targeted to children, teens and various ethnic groups.

Primary Business: Improved literacy among all patrons.

Description of Primary Business: *The Library Board seeks to improve literacy among all patrons in four areas, early literacy, K-12 student achievement, English language learning, and information literacy.*

The strategy for improving literacy among all patrons is, in partnership with others, to strengthen programs and activities in areas of early literacy, K-12 student achievement, English language learning, and information literacy. The Library will develop evaluation mechanisms for each program or initiative to evaluate improvements in literacy. Other indicators are as follows:

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
Franklin Learning Center Students	448	424	375	400	425
Homework Helper	9,599	10,696	10,054	10,000	12,000
Library Links!	26,249	12,883	15,169	12,000	14,000
Summer Reading Program attendance	12,368	16,486	11,108	12,000	13,000

Explanation of Key Performance Measures: The Franklin Learning Center is a literacy program of the Library. Other services include the Homework Helper (tutoring students), Library Links! Outreach program to immigrants, and the Summer Reading Program to encourage youth to read. Each of these programs, separately or together, contributes to improved literacy of users and residents of all ages.

Primary Business: Sound stewardship of resources

Description of Primary Business: *The Library Board is responsible for the sound stewardship of resources, including public and private funds, buildings, books and material, and technology.*

The most important measures of the Library's sound stewardship of resources are as follows: the percentage increase in revenue growth; the percent of total revenue that comes from sources other than LGA and property taxes; the extent to which we meet our asset management goals; and the extent to which our capital projects are on-time and within budget, and meet our service goals. Additional specific measures follow:

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected
% increase in Revenue	1.37%	10.96%	(11.01%)	(2.49%)	1.27%
% of Revenue, not LGA or Property Tax	8.59%	11.03%	10%	6.56%	6.21%
INFORM Revenues	\$104,319	\$102,112	\$125,360	\$125,000	\$190,000

Explanation of Key Performance Measures: The above key performance measures demonstrate the usage of the library's materials for home use (circulation) and use in the Library.

Financial Analysis:

EXPENDITURE

In 2005, the Minneapolis Public Library Board's total expenditures increase by 7% to \$20 million and 4.5 positions are added for a total position count of 246.50. Since the Library went through a major reorganization, some of the FTE's shifted between the divisions.

The budget for this independent board includes \$49,800 for benefits administration which was centrally budgeted in the past. The Library Board's budget also includes \$300,000 to begin phasing in General Fund overhead charges, previously known as City Management Services Fees. An additional \$30,000 in the City's General Fund expenditures is covered through the Library Board's capital funds.

REVENUE

The Library Board's budget in 2005 shows a revenue increase of 2.2% due to several factors. Consistent with the City's tax policy, Property Taxes revenue is \$12 million, a \$463,000 increase from the previous year. Funding from the Federal Government is \$66,000, a 33% increase over 2004. There is also an increase in Contributions and Rents. State Government funding, however, decreases by 2.4% to \$6.8 million due to a reduction in the amount of LGA the city will receive in 2005.

MAYOR'S RECOMMENDED BUDGET

No changes were recommended by the Mayor.

ADOPTED BUDGET

No changes were adopted by the Council. If General Fund overhead charges are phased in over a five year period, the Library's annual General Fund overhead charges are estimated to be \$660,800.

**LIBRARY BOARD
Staffing Information**

	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
FTE's by Division						
Administration/Operations	23.50	23.50	17.00	26.50	55.88%	9.50
Central Library-Patron Services	116.70	116.20	67.10	45.70	-31.89%	(21.40)
Community Libraries-Patron Services	113.20	108.40	78.20	71.70	-8.31%	(6.50)
Collections/Technical Services	62.10	62.80	39.20	75.80	93.37%	36.60
Building Maintenance	49.50	49.50	37.50	19.00	-49.33%	(18.50)
Special Services	3.00	3.00	3.00	-	-100.00%	(3.00)
Partnerships and Development	-	-	-	7.80	-	7.80
Total FTE's	368.00	363.40	242.00	246.50	1.86%	4.50

Minneapolis Public Library Strategic Plan – 2004 to 2006

Perspective	Objective	Measure	Strategy
Patrons and Stakeholders	Enhance library services, collection and activities to align with patron needs	Percentage of library services, collections and activities that are aligned with patron needs as identified in patron/stakeholder survey	Patron, stakeholder input informs annual work planning for collections, services, activities
	Enhance public support	Increased numbers of people supporting MPL through contributions, volunteering, advocacy, and supporting MPL in decision making	Work with the Friends to increase contributions, volunteers and participation with advocacy committee initiatives. Develop a communications plan to increase public coverage of MPL activities.
	Increase access & community usage of libraries	Usage data shows increase	Increase in hours open and use of libraries during open hours
	Enhance programs and services to promote patron literacy	Evaluation mechanisms show improved literacy	In partnership with others, strengthen programs and activities in areas of early literacy, K-12 student achievement, English language learning, and information literacy
	Assure a welcoming & safe environment	Percent of patrons, stakeholders, employees who report MPL provides a welcoming and safe environment	Improve the extent to which patrons experience a pleasant, safe, and secure environment through supporting staff to welcome all patrons and handle challenging situations.
	Assure patron/stakeholder satisfaction	Percent of patrons/stakeholders who report being satisfied to very satisfied with MPL services	Deliver library services, collections, and activities that are aligned with patron needs.
Financial	Develop management information & reporting tools	Management information tools are established and in place for regular reviews on key indicators; the information is used to make decisions.	Divisions identify, create, and report key management indicators
	Enhance revenue	Percentage increase in revenue growth and percentage of total revenue from sources other than property taxes and LGA is increased	Work with city and others to increase LGA funding from the state; seek increased grant and entrepreneurial revenue, and private and corporate contributions
	Align financial resources with strategic objectives	Percentage of budget that reflects year over year alignment with strategic objectives	Budget setting process based on implementing key results and strategic objectives

Minneapolis Public Library Strategic Plan – 2004 to 2006

Perspective	Objective	Measure	Strategy
	Ensure sound resource management to protect assets	Percentage of asset management goals that are established and met	Each manager develops and implements management plan, including key measures
Internal Processes	Develop patron/stakeholder input processes	Annual plan for patron and stakeholder input is developed and implemented.	Develop and execute annual patron/stakeholder input processes on needs and satisfaction as part of the budget setting process and the development of the Library's strategic plan.
	Assure easy and intuitive access for patrons (remote, in-person)	Percentage of patron access points that are adapted to assure easy and intuitive access as reported by patrons	Based on patron survey results on ease of use and access, each division identifies priority areas for review and modification.
	Define the Library's comprehensive service delivery model	<i>Measures to be determined</i>	All operational decisions are evaluated considering the long-term needs.
	Successfully implement community & Central library capital projects	Percentage of projects on time and within budget and meet our service facility goals	Develop and implement plans and schedules for successful completion of capital projects
	Strengthen & streamline internal processes and systems	Number of high impact, critical internal systems that are strengthened or streamlined to have improved outcomes and add value Service level is maintained or increased with level staffing; in the event of expanded staffing, service level is significantly increased	Divisions identify and undertake review of key processes and systems in order to improve efficiency, effectiveness
Learning and Growth	Develop workforce plan	Workforce plan is established and implemented	Create a comprehensive workforce plan.
	Assure staff skills are aligned with critical outcomes on strategic plan	Number of managers that successfully implement annual development plan	Annual development plan, including funding, developed to implement strategic plan
	Assure accountability at all levels	# of Managers that successfully implement performance communication system	Improve performance communication system, including better identification of expectations and more frequent communication throughout the year

**Minneapolis Public Library
Strategic Plan – 2004 to 2006**

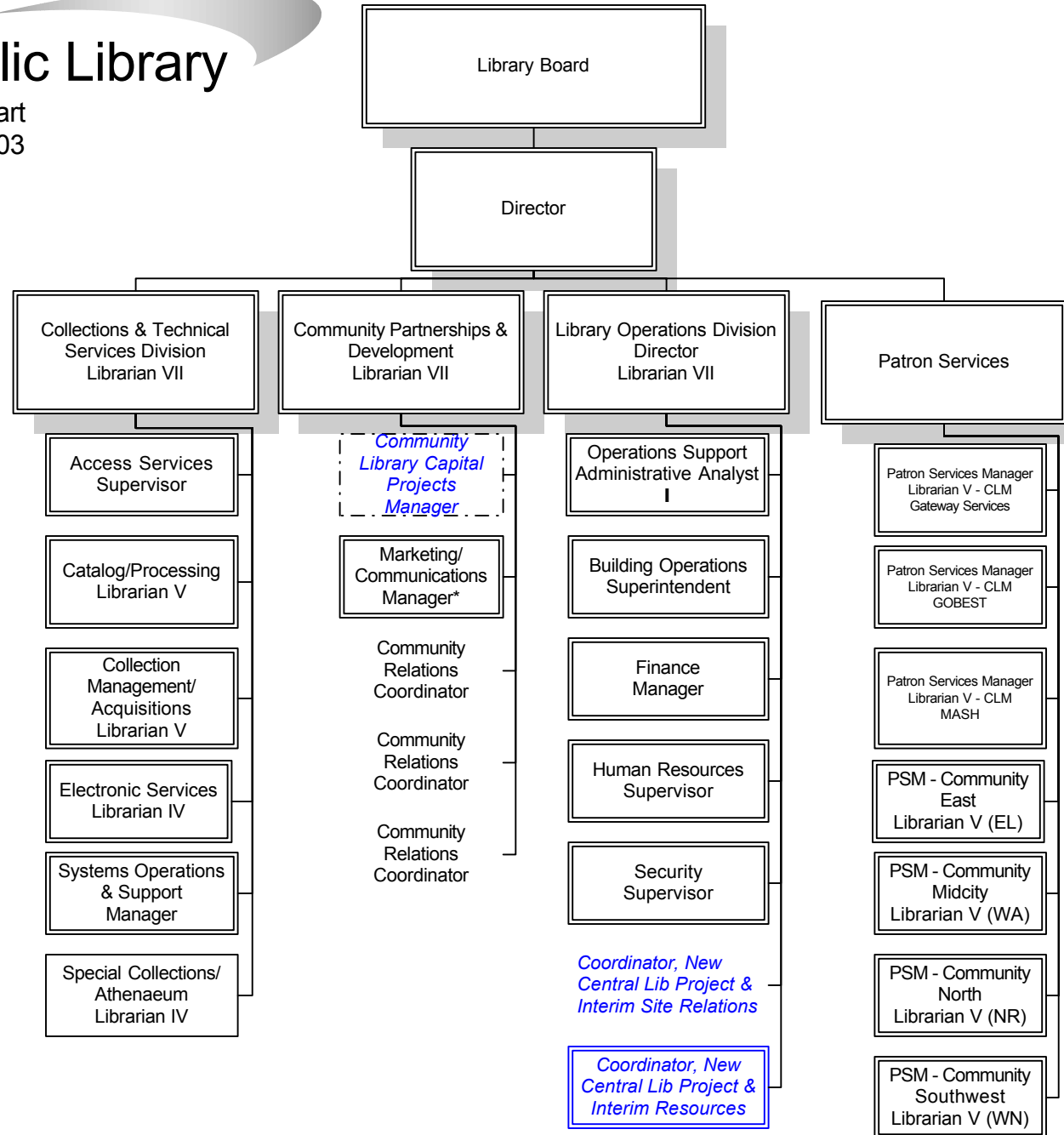
Perspective	Objective	Measure	Strategy
	Assure employees are valued and are engaged in problem-solving	Percentage of employees report feeling satisfied or very satisfied with the level of engagement and respect	Managers actively promote a culture of respect and dignity and include staff as appropriate in identifying and solving key problems as measured by an annual employee survey
	Develop a culture focused on the patron	Progress made towards integrating a patron focus in the Library culture.	Implement MPL strategic objectives

Minneapolis Public Library
Preliminary 3-year Forecast
Operating Fund 1800
As of June 10, 2004

Description	2004	2004	2005	Revised	2006	Revised	2007	Revised	Projected Percentage
	Original	Revised Budget	Estimate	2005 Estimate	Estimate	2006 Estimate	Estimate	2007 Estimate	
	(12/15/03)	(5/07/04)							
Balance, January 1	\$330,513	\$2,896,363	\$1,269,927	\$1,269,927	\$1,027,042	\$1,270,691	\$299,178	\$877,782	
Revenue:									
Property Taxes	\$11,588,106	\$11,588,106	\$12,051,630	\$12,051,630	\$12,533,695	\$12,533,695	\$13,035,043	\$13,035,043	4%
Federal Grants	49,396	77,769	12,000	65,866	12,000	65,866	12,000	65,866	
State Grants	55,000	84,601	38,234	38,234	55,000	55,000	55,000	55,000	
Local Grants	0	7,446	0	0	20,000	20,000	20,000	20,000	
LGA	6,648,389	6,648,389	6,648,389	6,483,389	6,648,389	6,483,389	6,648,389	6,483,389	0%
MELSA	234,218	234,218	246,050	246,050	237,555	237,555	175,247	175,247	
Fund Transfers (MERF)	195,000	180,000	155,000	155,000	130,000	130,000	105,000	105,000	
INFORM	105,000	125,000	190,000	190,000	190,000	190,000	190,000	190,000	
Fines and Forfeits	380,000	285,000	285,000	285,000	290,700	290,700	296,514	296,514	2%
Library Parking Ramp (net)	0	0	0	0	124,017	124,017	196,257	196,257	
Friends of MPL	57,500	219,566	84,511	167,011	67,500	150,000	67,500	150,000	
Miscellaneous Revenue	64,900	66,050	71,050	81,050	72,471	82,671	73,920	84,324	2%
Total Revenue	\$19,377,509	\$19,516,145	\$19,781,864	\$19,763,230	\$20,381,327	\$20,362,893	\$20,874,870	\$20,856,640	
Expenditures:									
Salaries and Wages	\$10,015,547	\$10,634,232	\$11,049,198	\$11,063,827	\$11,205,182	\$11,285,104	\$11,429,286	\$11,510,806	2%
Fringe Benefits	966,067	1,219,750	916,913	916,913	935,251	935,251	953,956	953,956	2%
Health Care	1,040,083	1,097,000	1,305,430	1,305,430	1,553,462	1,553,462	1,848,620	1,848,620	19%
Pension (MERF/PERA)	687,999	672,999	663,775	663,775	652,051	652,051	640,092	640,092	
Total Personnel Costs	\$12,709,696	\$13,623,981	\$13,935,316	\$13,949,945	\$14,345,946	\$14,425,868	\$14,871,954	\$14,953,474	
Contractual Services	\$558,920	\$751,295	\$578,025	\$535,524	\$578,025	\$535,524	\$578,025	\$535,524	0%
Utilities	524,198	544,298	620,093	620,093	644,897	644,897	670,693	670,693	4%
Other Operating Costs	950,075	969,833	971,119	957,919	971,119	957,919	971,119	957,919	0%
Interim Location Operating Costs	659,320	720,000	774,370	774,370	205,208	205,208	0	0	
Capital Outlay -									
Building Improvements	273,000	264,200	273,000	200,000	273,000	100,000	273,000	100,000	0%
Furniture/Equipment	18,410	49,505	18,410	18,000	18,410	18,000	18,410	18,000	0%
Computer Equipment/Software	231,367	334,313	240,835	240,835	240,835	240,835	240,835	240,835	0%
Capital Equipment Reserve	239,300	669,830	323,100	323,100	323,100	323,100	0	0	
Books and Materials	1,800,000	1,831,014	1,800,000	1,600,000	1,837,800	1,633,600	1,876,394	1,667,906	2.1%
Planetarium Design	0	900,000	0	0	0	0	0	0	
City Service Charges/Nicollet Ma	390,948	390,948	390,948	390,948	390,948	390,948	390,948	390,948	
Total OTPS	\$5,645,538	\$7,425,236	\$5,989,900	\$5,660,789	\$5,483,342	\$5,050,031	\$5,019,423	\$4,581,824	
Incr for New Central Library	0	0	0	52,199	1,176,389	1,176,389	1,211,681	1,211,681	3%
Total Operating Costs	\$18,355,234	\$21,049,217	\$19,925,216	\$19,662,933	\$21,005,677	\$20,652,288	\$21,103,057	\$20,746,978	
Library Bd Trustee Expenditures	\$82,861	\$93,364	\$99,533	\$99,533	\$103,514	\$103,514	\$107,655	\$107,655	4%
Total Expenditures	\$18,438,095	\$21,142,581	\$20,024,749	\$19,762,466	\$21,109,191	\$20,755,802	\$21,210,712	\$20,854,633	
Balance, December 31	\$1,269,927	\$1,269,927	\$1,027,042	\$1,270,691	299,178	877,782	(36,664)	\$879,789	
Individual Year Gap (Rev to Exp)	\$939,414	(\$1,626,436)	(\$242,885)	\$764	(727,864)	(392,909)	(335,842)	\$2,007	

Minneapolis Public Library

Organization Chart
November 3, 2003



Referendum Funded positions in italic

Managers

**LIBRARY BOARD
Expense Information**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Special Revenue Funds						
Capital Outlay	45,814	29,779	319,803	246,803	-22.8%	-73,000
Contractual Services	1,998,938	2,007,527	2,086,583	2,397,093	14.9%	310,510
Equipment	2,819,988	2,260,656	2,290,427	2,176,785	-5.0%	-113,642
Fringe Benefits	2,922,151	3,079,177	2,723,046	2,931,687	7.7%	208,641
Operating Costs	795,351	557,095	950,575	956,619	0.6%	6,044
Salaries and Wages	13,496,068	12,599,194	10,067,661	11,053,841	9.8%	986,180
Total for Special Revenue Funds	22,078,310	20,533,427	18,438,095	19,762,828	7.2%	1,324,733
Total for LIBRARY BOARD	22,078,310	20,533,427	18,438,095	19,762,828	7.2%	1,324,733

LIBRARY BOARD
Revenue Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Special Revenue Funds						
Charges for Sales	64,247	49,921	1,000	600	-40.0%	-400
Charges for Service	559,700	474,951	536,500	523,300	-2.5%	-13,200
Contributions	14,600	107,317	57,500	167,011	190.5%	109,511
Federal Government	61,681	33,030	49,396	65,866	33.3%	16,470
Fines and Forfeits	0	0	500	250	-50.0%	-250
Interest	451	0	0	0	0.0%	0
Local Government	25,524	0	0	0	0.0%	0
Operating Transfers In	323,376	49,485	0	0	0.0%	0
Other Misc Revenues	3,275	38,801	1,400	1,400	0.0%	0
Property Taxes	11,069,019	10,650,271	11,588,106	12,051,250	4.0%	463,144
Rents	35,638	22,583	10,500	30,500	190.5%	20,000
Sales and Other Taxes	1,039	969	0	0	0.0%	0
State Government	10,190,705	8,474,268	6,937,607	6,767,673	-2.4%	-169,934
Total for Special Revenue Funds	22,349,255	19,901,596	19,182,509	19,607,850	2.2%	425,341
Total for LIBRARY BOARD	22,349,255	19,901,596	19,182,509	19,607,850	2.2%	425,341

MUNICIPAL BUILDING COMMISSION

Mission Statement:

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.

Primary Businesses:

- Care of the Minneapolis City Hall and Hennepin County Courthouse Building

This business line is responsible for operating, maintaining and preserving the building through custodial, utility, repair and maintenance, preventive maintenance activities, and capital improvements.

- Control of the Minneapolis City Hall and Hennepin County Courthouse Building

This business line 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, security, communications, human resources, labor relations, contract services, information technology, finance, accounting, payroll, and operating and capital budgeting activities.

Key Trends and Challenges Impacting the Department:

1) Mechanical and Life Safety Systems Upgrade Project

The mechanical portion of the Mechanical and Life Safety Systems (MLSS) upgrade capital project involves renovation of heating, ventilating and air conditioning systems in the City Hall and Courthouse building. Life safety improvements include installation of sprinklers, fire alarms, smoke detection and public address systems; updating building exits and stairs; and installing fireproofing, smoke barriers and purge systems. In 2001, the MBC initiated the 23-stage, multi-year MLSS project. The implementation method protracted construction over a 12-year period to match funding ability of the City of Minneapolis. The goal is to replace tattered and failing systems before they collapse, and implement life safety components in 40 percent of the building where none currently exist. There is significant potential for total failure of systems that are two decades beyond their expected life cycle as well as potential safety risks for building tenants and visitors. Even with adherence to the current 12-year project schedule, the MBC may need to vacate portions of the building because of system failures.

MLSS project work requires gutting of spaces for implementation of mechanical and life safety systems, which presents a prime opportunity for removing asbestos and completing much needed routine repair and maintenance. Repair and maintenance work includes replacing inefficient electrical wiring and lighting; integrating light panels to increase energy efficiency; separating wiring for lights from outlets; installing new electrical systems on separate circuits to reduce the potential for circuit overload; coordinating the installation of code compliant telephone and computer wiring; removing radiators to reduce the use of steam; and installing new ceiling grids and tiles, carpeting, and paint. This work is being supported through the MBC operating budget at a cost of approximately \$475,000 annually. A majority of annual routine and preventative maintenance work is being focused in MLSS project areas instead of other areas in the building. Further budget reductions threaten the MBC's ability to sustain and continue MLSS project work.

Aside from the MLSS project, several other important projects are competing for capital funding including tower elevator and clock tower elevator upgrades, tower clock improvements, and building waterproofing. Because of limited resources, however, all of the capital funding the MBC receives is being funneled into the MLSS project for the next decade. The inability to complete capital projects such as those mentioned as well as unplanned events that arise could pose issues in the areas of safety and building functionality.

2) Escalating salary and fringe costs, and lack of non-personnel appropriation increases

Salary and fringe costs continue to increase each year. Cost of living increases for AFSCME union employees increased by more than 3 percent in 2001 and 2002 while building trade union employees experienced annual increases each year from 2001 to 2003 ranging from 4 to 6 percent, and between 2 to 4 percent in 2004. Healthcare costs also have grown by about 15 to 20 percent each year in 2002, 2003, 2004 and 2005. Increases in salary and fringe are being absorbed in conjunction with budget reductions making it difficult for the MBC to maintain current staffing levels.

Tenant and building needs are not diminishing, leaving the need for personnel even greater. Work order totals for the agency in 2003 equaled 4,606 (this figure does not account for capital projects, work for others projects, all preventive maintenance or routine custodial work performed in the building on a daily basis). The agency's current staffing compliment is not able to keep pace with building project work, preventive maintenance activities, and unplanned systems and equipment failures. Reductions in personnel will translate into reduced services for building tenants and overall diminished care of the building.

For several budget years, non-personnel appropriations -- utilities, paper and cleaning supplies, parts and supplies for building equipment and systems, tools, education and tuition reimbursement -- also have remained flat or have been reduced. The true cost of non-personnel items, however, has continued to go up with inflation leaving the MBC with less buying power. Lack of appropriation increases in non-personnel coupled with rising personnel costs have left the MBC with shrinking resources. Inability to purchase needed supplies and equipment for project work, and routine corrective and preventative maintenance jeopardizes the continued vitality of the historic landmark City Hall and Courthouse building. Furthermore, lack of funds for staff development and education deprives the agency of the efficiencies and enhancements that come from well-educated employees, and lowers the agency's ability to compete in the job market.

3) Maintaining and enhancing building security

MBC staff worked with City and County staff to develop a proposal for implementing and improving building security systems, and contracting for uniformed personnel trained in the area of security measures and first responding. To ensure the safety of tenants, visitors and property, continuation of the agency's security program is imperative. The building is in need of additional closed circuit television monitoring cameras and expansion of the access control system. Furthermore, it is crucial for the MBC to have the resources to detect what is happening in the building through either human or electronic means, and maintain skilled staff for assessing threat levels, and responding to medical emergencies and critical situations. The MBC did not increase line item costs for contracted Hennepin County security in the 2004 and 2005 budgets even though these costs are projected to increase. Lack of non-personnel increases in addition to continued budget reductions might require the MBC to pare down or eliminate the building security program. Lack of security equipment and uniformed presence in the building will make the MBC an easier target for possible terrorist activities, and result in lower levels of safety for tenants and visitors.

4) Agency communication

As part of the MBC's business plan development process, staff administered several surveys including an employee survey. MBC staff was asked to voluntarily complete the survey and was informed that their responses would be kept anonymous. The survey asked questions related to staff opinions on agency strengths and weaknesses, impressions on training classes and safety procedures, agency communication, and other miscellaneous suggestions or concerns. Overall results of the survey were very positive. Staff did, however, identify an area needing improvement: management-employee communication. Sixty-two percent of staff responding to the survey did not feel that the MBC kept employees well informed on employee-related matters. In addition, staff highlighted management-employee relations as an agency weakness. MBC management strives to provide two-way communication with agency employees. Managers employ an open door policy, all staff meetings are held on an annual basis, and staff is engaged in project planning and execution. Further strategies will be explored for improving and enhancing agency communication.

5) Workforce diversity

The MBC recognizes the importance of developing and maintaining a diverse work staff to parallel the diverse communities, in which we work and live. In the custodial and security division of the agency, MBC staff has made an attempt to diversify the staff by hiring people of color and female candidates. Agency hires over the past 2 years have resulted in diversifying the workforce with people of color and one woman. The number one overall obstacle to diversifying the workforce is the lack of open positions to be filled. In addition, an observed obstacle to hiring women is that many entry level positions require night, over-night and weekend shifts, which can be difficult to integrate into an employee's family structure. The ability to effectively communicate using the English language has been an obstacle in hiring and maintaining a diverse workforce as well. The MBC works with outside agencies to translate employment information and provide bilingual training for employees who do not speak English as their first language; however, a minimal basic amount of English is required in order to start in the job.

In the building trades division of the agency, open positions are hired through the respective labor unions. Candidates are trained in their labor unions apprentice programs, which range from 5 to 7 year programs. Applicants must apply to participate in the labor union's apprentice program. Although, the MBC hires from the labor unions' apprentice programs, the MBC does not have input on the diversity of employees who are selected to participate in the labor union apprentice programs. People of color and women participating in apprentice programs are desirable employees and may have the unique ability to select an employer.

Public agencies like the MBC are not always capable of meeting salaries and benefits offered by private organizations that may be in the position to offer incentives such as financial bonuses, expedited timelines or parking reimbursements. Regardless of the challenges involved, the MBC has a history of and will continue to work to maintain a diverse workforce.

6) Revenue opportunities

To help mitigate the impacts of future budget reductions and lessen dependence on property tax revenues for supporting agency activities, MBC staff is in the process of exploring new sources of revenue. Potential new revenue streams include grant awards, implementation of a coffee shop, renting out spaces in the building such as the Rotunda, City Council Chambers and District Courtrooms for special events, expanded vending, and sale of City Hall and Courthouse memorabilia.

Key Initiatives or Other Models of Providing Service to be implemented in 2005

The Municipal Building Commission has identified the following key initiatives. The initiatives identify a mix of activities that will be accomplished within the next five years as well as on-going activities that

are expected to carry on beyond 2009. Information is presented on initiatives that are department-wide and those that are specific to agency business lines. A more detailed explanation of each initiative follows the summary list below.

Department-wide Key Initiatives

- Revenue Generation Options and Grant Opportunities
- Information Systems and Web Site
- Energy Conservation

Business Line Key Initiatives

Care Business Line

- Mechanical and Life Safety Systems (MLSS) Upgrade Project
- Asbestos Abatement
- Routine Repair and Maintenance throughout Department Spaces
- Preventive Maintenance Program and Equipment Replacement
- Building Recycling Program

Control Business Line

Security Initiative

- AutoCAD Drawing Updates
- Multi-lingual Signage Project

Department-wide Key Initiatives

Revenue Generation Options and Grant Opportunities

While resources to government entities are decreasing, costs for personnel, benefits, utilities, supplies and materials to do business continue to grow. As the cost of doing business goes up and the level of service expectation remains the same or greater, government organizations are faced with tough choices. The challenges of managing and maintaining an historic facility also put added strain on resources for the Municipal Building Commission due to often incomplete information for completing projects and the inventive methods that must be employed for getting work done.

Shrinking resources have impacted the MBC in the form of budget reductions over the last several budget cycles. To help mitigate impacts of these reductions and identify non-property tax revenue resources, MBC staff has identified several potential external revenue sources as outlined below:

- **Coffee Shop:** Results of a Request for Proposal process indicated that there was not significant interest within the café/deli business sector to implement such facilities at the City Hall and Courthouse building. The MBC further explored the possibility of implementing a smaller scale operation to provide coffee and limited food service in the building. Interest in this type of venture has been very positive. MBC staff is currently reviewing qualifications of several local vendors and will be making a recommendation to the MBC mid-Summer 2005. Build-out for the coffee shop operation will occur in conjunction with Mechanical and Life Safety Systems Upgrade activities and is expected to be complete by second quarter of 2005. Revenue from the coffee shop will be funneled into the MBC Historic Preservation Fund.
- **Rental Space:** Key locations in the City Hall and Courthouse such as the Rotunda, City Council Chambers and Hennepin County District Conference and Courtrooms will be made available for special events, weddings and meetings. Patrons will use internal catering facilities, event set-up

and equipment. A Request for Proposal for the catering operation was sent out in January 2004. A review committee selected Lancer Catering to provide catering services in the building. It is expected that the space rental and catering operation will be implemented by March 2005. Revenues from this initiative will be put into the MBC Historic Preservation Fund.

- Vending Sales: A Request for Proposal process received interest from one vendor to provide vending services in the City Hall and Courthouse building -- Minnesota State Services for the Blind (MSSB). The MBC has signed a contract with MSSB to provide vending services in the building through 200X. Vending machines will be accessible 24-hours-per-day and 7-days-per-week, and will offer a variety of gourmet coffees, sodas, water, juice, milk, snacks, salads, yogurt, fruits, pastries, sandwiches, and candy. Revenues received from vending sales will be channeled into the MBC Historic Preservation Fund.
- Market Building Memorabilia: Postcards, Municipal Monument books, hats, sweatshirts, mugs and other items would be made available for sale on-line through the agency's Web site. MBC staff is in the process of further exploring the cost effectiveness from these sales and the steps necessary for implementing such an endeavor.
- Grant Funding: MBC staff has researched several potential grant opportunities. Staff is in the process of determining appropriate projects to submit according to grant funding guidelines. It is likely that the MBC will submit a proposal for grant funding in 2005. MBC staff also will work to develop a closer relationship with the City of Minneapolis, Grants and Special Projects office as well as other City and County departments who receive grant funding to identify grant opportunities, and provide technical assistance.

The MBC Historic Preservation Fund will support the following activities: any and all activities 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 Minneapolis City Hall and Hennepin County Courthouse building, and ensure a safe and functional environment for City and County government employees, citizens and elected officials. All funds will be accounted for in a Special Revenue Fund according to City of Minneapolis accounting practices; any unspent funds remaining at the end of the calendar year will go into an MBC fund balance and will be carried over into the next calendar year. Furthermore, all projects utilizing MBC Historic Preservation Funds will be brought before the MBC Board for approval.

Information Systems and Web Site

The MBC has implemented and continues to develop and enhance several automated systems including: Aperture, Energy Management System and MicroMain. In addition, the MBC currently maintains Intranet and Internet Web sites for policy-makers, City and County employees, and members of the public to access information about the MBC and City Hall and Courthouse Building. Brief summary descriptions of these systems follow:

- Aperture: A computer aided facilities management (CAFM) software program. Aperture is used by the MBC for providing readily accessible, up-to-date and accurate information on space utilization within the Minneapolis City Hall and Hennepin Courthouse building. Aperture is a powerful software tool for storing, displaying and analyzing complex facility information. Visual functions depict layers of drawings for entire floors or can be used to zoom into specific department areas, office groups or even individual offices. Users also can select from a number of reports showing data such as department location in the building or usable space by floor and agency. Availability of this data makes it possible for the MBC to expedite design services and renovations, determine building usage, quickly relay information and make informed management decisions.

- Energy Management System: MBC staff is in the process of planning for and implementing an energy management system. This system will automate electrical and heating, ventilation and air conditioning systems. Energy consumption will be tracked and readily accessible. In addition, staff will have greater control over management and operation of these systems via computerized means. The MBC Energy Management System will help support more efficient use of energy throughout the building.
- MicroMain: An automated maintenance software package used for facilities management. MicroMain is a customizable software package that is tailored to meet the needs and business operations of the MBC. The program issues, assigns and tracks work orders for routine, corrective and preventive work activities by location and type of equipment. Use of this software allows the agency to compile summary information on work volume and gauge outcomes such as the length of time to complete work requests as well as the labor time involved in completing various types of work. MicroMain fosters enhanced planning and evaluation of resource allocation.
- Web Sites – Intranet & Internet: The agency has developed and implemented a Web site for internal use by MBC employees, and City and County tenants as well as a public site located at <http://iwww1/mbc> and <http://www.municipalbuildingcommission.org>, respectively. Both sites provide information on the Municipal Building Commission Board, a wealth of historical information and photos about the building, project updates and important notices. The internal site accessible by tenants and employees provides links for requesting agency services on-line and to the tenant handbook, which outlines emergency procedures and building policies. Both Web sites are important tools that allow 24-hour, instantaneous access to information about the MBC and the City Hall and Courthouse building. It is likely that the Web site will be used to market and sell agency memorabilia.

Energy Conservation - Electrical Consumption

Over the past five years, electrical consumption in the City Hall and Courthouse has been reduced approximately 25 percent. The building used 758,443 kilowatt-hours-per-month in September 1998 as compared to 555,599 kilowatt-hours-per-month in September 2003. Chart 1 below shows these reductions.

In September 2001, the building experienced significant reductions shortly after the opening of the Hennepin County Public Safety Facility (PSF). When the nine-month period after the opening of the PSF is ignored, linear regression analysis indicates that electrical consumption and demand was falling both before and after this period. In fact, electrical consumption fell even faster after May 2002 than before September 2001. It should be noted that three large air-handling units were installed between September 1998 and September 2003. These new units consume additional electricity but provide increased quantities of fresh air in previously poorly ventilated areas. Despite the additional electrical consumption from these large fans, overall electrical consumption has continued to fall.

The electrical savings in the City Hall and Courthouse are due to a number of factors. Many improvements occurred as part of the MLSS upgrade project. They include:

- installation of energy efficient lighting
- installation of variable frequency drives that allow motors to run at reduced rates
- installation of lighting controls incorporating night lighting shut-off
- energy management system upgrades incorporating night HVAC shut-off
- installation of energy efficient motors

Many of these upgrades resulted in revenues to the City and County for energy efficiency rebates from Xcel energy. MBC staff will continue to introduce energy efficient components, systems and equipment throughout the building, and utilize rebate programs, where applicable.

Energy Conservation - Chilled Water and Steam Consumption

Analysis of steam and chilled water consumption in the City Hall and Courthouse over the past six years indicates cooling water consumption appears to be decreasing (improving) slightly and steam consumption appears to be increasing slightly. Variations in outside temperature over this period may make the observed changes insignificant. Based on this information the MBC is achieving its goal of maintaining existing levels of energy consumption while expanding and upgrading HVAC systems throughout the building.

Annual cooling water consumption was analyzed from 1997 through 2002. Results of the analysis show that cooling water consumption is not increasing. Review of cooling degree-day trends indicates that summers have been getting slightly warmer over the past six years. Since summers got slightly warmer and the cooling water consumption remained stable, cooling water efficiency improved.

Annual steam consumption also was analyzed from 1997 through 2002. Results of the analysis show that steam consumption increased slightly over this period. Examination of heating degree-day trends show that heating demand has remained stable. On this basis, steam consumption has increased. Graphical analysis of the steam consumption trends indicates an increase of approximately 1,000 mlbs. over the six year period. This equates to less than one-half percent, per year, which may be less than the error accuracy of the analysis techniques.

During the six-year period, numerous large air-handling units have been installed in the City Hall and Courthouse. These units are utilized to provide increased quantities of ventilation air. In addition, literally hundreds of variable air volume heating coils have been installed to provide area heating in remodeled areas throughout the building. Perimeter radiation heating units and specialty computer room cooling units also have been installed in the building.

In summary, the MBC appears to be meeting its goal of improving heating, ventilating and air conditioning systems within the City Hall and Courthouse without significantly increasing energy consumption. Over the past four years, a significant quantity of new air handling capacity, heating and cooling coils and perimeter radiation has been installed. Over this same period, the variation in the consumption of steam and cooling water in the building has been insignificant after accounting for changes in outside temperature as discussed previously.

Several methods have been utilized to improve temperature control within the building without significantly increasing steam and cooling water consumption. They include the following:

- replacement of inefficient obsolete equipment
- use of economizer cycle (outside air for natural cooling during the Spring and Fall seasons)
- upgrade of the building's energy management system
- reduced energy consumption during unoccupied hours

The MBC will continue to monitor and track chilled water and steam consumption, and strive to maintain and incorporate energy efficient systems and practices.

Care Business Line Key Initiatives

Mechanical and Life Safety Systems (MLSS) Upgrade Project, Asbestos Abatement and Routine Repair and Maintenance throughout Department Spaces

Based upon key reports and information received from several experts, the MBC initiated the 23-stage Mechanical and Life Safety Systems (MLSS) upgrade capital project in 2001. Results of reports indicated that the City Hall and Courthouse was in dire need of upgrading the building mechanical system installed in an uncoordinated, piecemeal fashion between 30 and 60 years ago, and incorporating life safety components in approximately 60 percent of the building where none exists. The mechanical portion of the MLSS project involves renovation of heating, ventilating and air conditioning systems. The design includes four packaged air-handling units on every other floor of the building. These units will be supplied with chilled and hot water from risers located in the four corner shafts. The design also includes new distribution ductwork with variable air volume boxes; electronic controls; converting existing air handling units to use 100 percent outdoor air; hot water finned tube radiation in rooms with exterior walls; and creation of three main exhaust systems (smoke, toilet and general). Life safety improvements include installation of sprinklers, fire alarms, smoke detection and public address systems; updating building exits and stairs and installing fireproofing smoke barriers and purge systems.

Planning by MBC, the City of Minneapolis and Hennepin County resulted in the implementation of a combined life safety, mechanical upgrade, asbestos abatement and routine suite improvement program. The implementation method protracted construction over a 12-year period to match funding ability of the City of Minneapolis. Key outcomes of the project are to replace tattered and failing systems before they collapse, and implement life safety components for improving building occupant safety. There is significant potential for total failure of systems that are decades beyond their expected life cycle as well as potential safety risks for building tenants and visitors. Even with adherence to the current 12-year project schedule, the MBC may need to vacate portions of the building because of system failures.

MLSS project work requires gutting of spaces for implementation of mechanical and life safety systems, which presents a prime opportunity for removing asbestos and completing much needed routine repair and maintenance. Repair and maintenance work in project spaces includes replacing inefficient electrical wiring and lighting; integrating light panels to increase energy efficiency; separating wiring for lights from outlets; installing new electrical systems on separate circuits to reduce the potential for circuit overload; coordinating the installation of code compliant telephone and computer wiring; removing radiators to reduce the use of steam; and installing new ceiling grids and tiles, carpeting, and paint.

Four stages of the MLSS project have been completed to date involving City-occupied space in the building. As both the City and County maintain equal ownership in the agency, capital project funding is supported 50-50 by these two entities. Capital funding requests are submitted annually to the City Capital and Long-range Improvement Committee and the County Capital Budgeting Task Force, and are approved in five-year cycles. The MBC anticipates seeking capital funding for the MLSS project through 2013. To stretch capital project dollars, project work also is being supported through the MBC operating budget at a cost of approximately \$475,000 annually for completing routine repair and maintenance work in department spaces.

City and County goals impacted through MLSS project activities include enhancing tenant and public safety, providing quality services at a good value to tax payers, preserving the historic City Hall and Courthouse, promoting a sustainable City and County, and supporting key City and County functions performed by departments located in the building.

Preventive Maintenance Program and Equipment Replacement

Standard practice in any facility management organization includes development and implementation of a preventive maintenance program. Preventive maintenance should be completed on all building systems and equipment to extend useful life and reduce overall operating costs. Regular maintenance also can detect potential failures and repairs, and allow for planned replacement. Other activities included under the preventive maintenance category are such tasks as regular window cleaning, carpet cleaning, floor waxing, painting and re-lamping; these activities also extend the life of building infrastructure and allow for inspection to determine future replacement needs.

Without preventive maintenance, systems and equipment can break down causing significant impacts to building tenants and visitors -- considerable cost can be incurred, productivity can be reduced and access to needed services can be hampered. Identifying system and equipment needs through preventive maintenance leads to proactive planning for replacement, and the ability to determine costs up-front and set aside necessary resources. Inconvenience and consequences to tenants and visitors should be seamless under a planned replacement scenario. Furthermore, corrective maintenance calls should be reduced as the direct result of a vigorous preventive maintenance program.

The MBC conducts preventive maintenance activities on a regular basis for all building systems, equipment and infrastructure. Staff is working on developing an automated program utilizing MicroMain for streamlining scheduling of this work and ensuring that it is completed according to recommended manufacturer standards. Budget reductions have impacted the agency preventive maintenance program. The agency is unable to support an adequate level of human resources for completing project work, responding to unplanned, higher priority, corrective maintenance issues and continuing to complete preventive maintenance at the same time -- resources are directed towards the areas of greatest need. The consequence has been that less time is dedicated to preventive maintenance except for the most critical building components.

In addition, completion of consistent and regular preventive maintenance has not always occurred in the building's history. Lack of regular maintenance and replacement has caused additional wear and tear on systems, equipment and other building infrastructure such as carpet, tiled floors and painted walls: a large proportion of building infrastructure is being utilized beyond its expected life cycle. To determine the state of building systems, equipment and infrastructure, and begin planning for updates to old, out-dated and failing components, the agency is working on implementing an equipment replacement program.

City and County goals supported by MBC preventive maintenance and equipment replacement activities include enhancing tenant and public safety, providing quality services at a good value to tax payers, preserving the historic City Hall and Courthouse, promoting a sustainable City and County, and supporting key City and County functions performed by departments located in the building.

Continued budget reductions will significantly impact the livelihood of the agency preventive maintenance and equipment replacement programs. The programs are barely sustained under the current level of funding. Loss of these important programs will compromise overall care and maintenance of the City Hall and Courthouse building, and jeopardize a key linkage to the City's and County's past.

Building Recycling Program

In March 2003, the Hennepin County Department of Environmental Services implemented a revised recycling program for County buildings. The program, "Take a Second Look," has the potential to increase recycling revenue, decrease waste stream costs and improve the environment.

MBC staff reviewed the recycling model developed by Hennepin County. Many of the practices outlined in the County program would benefit the City Hall and Courthouse building. Staff developed a similar program plan for the building and presented it to the MBC Board in December 2003. The program approved by the Board in December was implemented early in 2004. The program includes:

- A tenant kick off and training component to inform tenants about the new collection process for white paper mixed paper, cans, glass, plastic bottles and newspaper mix.
- Approximately 2,000 new desk-side recycling containers for white and mixed paper were distributed to employees located in the building.
- 600 existing stackable intermediate recycling containers were newly labeled.
- 200 additional stackable intermediate recycling containers were located throughout the building in conference rooms and additional office locations.
- The MBC is transporting metal cans, glass and plastic bottles to the Hennepin County Recycling Center and Transfer Station located in Brooklyn Park.
- MBC staff plans to evaluate increases in revenue, decreases in waste cost and report the results to the MBC Board on an annual basis.

Control Business Line Key Initiatives

Security Initiative

Recent events have heightened interest in and the need for building security. Several high profile City and County departments are located in the building including the Mayor's Office, City Council, Minneapolis Emergency Communications Center (911-call center), City Coordinator, City Clerk and Hennepin County Arbitration and Conciliation Court. MBC staff worked with City and County staff to develop a proposal for implementing and improving out-of-date building security systems, and contracting for uniformed personnel trained in the areas of security measures and first responding.

Security staff contracted through Hennepin County has been patrolling the City Hall and Courthouse building since April 2003. These staff provide access control and protection of property, patrol the building during business hours, and act as first responders in medical emergencies and duress situations. The MBC also will recruit and train in-house staff to perform security duties in 2004. MBC internal security staff will protect the building and tenants on a 24-hour, 7-day-per-week basis and will staff the Security Desk located in the Rotunda of the building. Plans also are moving forward to install additional closed circuit television monitoring cameras and connect these cameras to the Hennepin County Security Operations Center (SOC) located in the Government Center. County security staff will monitor these cameras on a 24-hour basis. Final connection to the SOC should be made in 2004 when construction of this new center is complete. Staffing costs are on going and currently supported through 2004 via the MBC annual operating budget. Capital funding has been provided by the City and County for the limited activities identified above.

MBC security activities aid in meeting important City and County goals such as enhancing tenant and public safety, ensuring access to necessary government information and services, preserving the historic City Hall and Courthouse, promoting a sustainable City and County, and supporting key City and County functions performed by departments located in the building.

Agency budget reductions threaten continued support of building security initiatives. Further funding cuts may require the MBC to pare down or eliminate the security program compromising the safety of policy-makers, tenants and visitors in the building. It is crucial for the MBC to maintain skilled security staff for assessing threat levels and responding to medical emergencies and critical situations. Lack of

security equipment and uniformed presence in the building will make the MBC an easier target for possible terrorist and other acts of foul play.

AutoCAD Drawing Updates

Architectural drawings are key to the efficient and effective functioning of any building. Drawings show information on architectural elements such as internal and external walls, stairwells, elevator shafts, doors and windows as well as infrastructure and systems such as electrical, voice and data wiring, sprinkler systems, plumbing fixtures and air handling units. Building plans are used in all aspects of facility management and provide valuable information for maintaining systems and equipment, and completing construction work. Furthermore, plans show the existence and locations of items hidden in ceilings, walls or floors that cannot readily be seen without extra effort or, in some cases, excavation.

AutoCAD -- a computer aided drafting software -- is the most common method used for storing building drawings. Plans are created and stored electronically making access and updates to drawings easier. Widespread practice of building managers is to maintain master drawings representing information for all aspects of the facility. Building plans are used on a regular basis. Outdated and missing information can result in erroneous decisions, cause mistakes, increase costs and decrease productivity. Maintaining up-to-date and accurate drawings is imperative for basing important decisions and facilitating project work.

The City Hall and Courthouse building has undergone decades of project work and changes to building architecture and systems, which have not been closely tracked or well documented. The MBC literally has hundreds of electronic and hard copy drawings related to the building, and continues to compile new information as MLSS and other project work is completed. Furthermore, efforts are being made to document information on many building components that are not represented on any plans. As a result, agency master drawings are incomplete. Lack of complete information makes it difficult to obtain accurate building information and takes up considerable amounts of staff time compiling and/or verifying needed information.

Using AutoCAD, the MBC plans to streamline building information onto single electronic drawings for each floor. Plans will be updated per project work that has occurred in the building and formatted according to the agency AutoCAD Protocol document completed in June 2002. In addition, missing information will be added.

As with other initiatives already identified, budget cuts compromise the ability of the MBC to follow through and complete the work of updating building AutoCAD drawings. Updates have primarily been completed through the work of in-house staff, as time permits. As a result, only a minimal percentage of the project has been accomplished. Completion of this work is imperative for enhancing and facilitating MBC activities in the City Hall and Courthouse building.

Updating building AutoCAD drawings relates to several City and County goals: enhancing tenant and public safety, providing quality services at a good value to tax payers, preserving the historic City Hall and Courthouse, promoting a sustainable City and County, and supporting key City and County functions performed by departments located in the building.

Multi-lingual Signage Project

The local community is becoming more diverse. As a result, large numbers of Hennepin County and Minneapolis residents speak a language other than English. The MBC is currently working with the City of Minneapolis, Multi-cultural Services Department and an outside vendor to improve access to government services in the City Hall and Courthouse building for limited English proficient residents.

Work is moving forward on installing multi-lingual signage throughout the building showing a floor plan, room numbers and department names in up to ten languages including Somali and Spanish. Other MBC activities in this area include improving staff access to and procedures related to providing interpreter services for people who do not speak English.

Other Models of Providing Service

MBC staff evaluated other models for providing services to maintain the City Hall and Courthouse building, and meet the needs of building tenants and visitors. Outsourcing for services -- building maintenance, custodial and security activities -- is a key trend in many public and private-sector facility management organizations.

The Municipal Building Commission currently uses a combination of in-house staffing and outsourcing to minimize costs in the area of building maintenance. By comparing bid alternates and quotes with estimated in-house labor costs the MBC retains the flexibility to implement the most practical method of completing tasks. Both methods (outsourcing and utilizing in-house staff) have proven to be cost effective depending upon the situation.

There are advantages and disadvantages to outsourcing. In some situations, outsourcing is financially cost effective and offers a good value. In other situations, in-house staff can complete projects faster and cheaper. In-house staff possess institutional knowledge -- particularly intimate knowledge of building systems and architecture -- that plays an integral role in completing project work in an historic, 100-year-old building such as the City Hall and Courthouse. Furthermore, MBC staff show loyalty to the agency and take pride in their work, which impacts the ultimate outcome of caring for and maintaining the building. Staff turnover at the MBC has remained quite low. Lower levels of staff turnover saves money by reducing administrative activities involved in promoting, recruiting and hiring for positions as well as costs associated with training and lower productivity from new employees while they become familiar with their new position.

Other issues with outsourcing include loss of control over employee screening and hiring, and the ability to ensure that trustworthy and honest employees are providing services such as security, entering sensitive areas of the building, and working on key systems and equipment. Tenants appreciate familiar faces and have higher comfort levels with employees they know. Use of non-Union labor also can raise concerns from organized labor groups. Flexibility and quick response to tenant and visitor needs can be compromised with use of contract staff as well.

The MBC plans to continue working on capturing the advantages offered by both outsourcing and use of in-house staff on a case by case basis keeping in mind the best interests of the City Hall and Courthouse building, tenants and visitors to the building, and the public.

Primary Business: CARE

Description of Primary Business: This business line is responsible for operating, maintaining and preserving the building through custodial, utility, repair and maintenance, preventive maintenance activities, and capital improvements.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected

Explanation of Key Performance Measures: The MBC participated in the City of Minneapolis business planning process. The MBC Board ratified the MBC 2004-2008 Business Plan in February 2004. MBC staff also had the opportunity to present key business plan information to the Hennepin County Board and Minneapolis City Council. The agency business plan was well received by both groups. In the 2004-2008 Business Planning process, MBC performance measures were reviewed. Several new performance measures were developed and

several existing performance measures were revised. Due to these changes, the MBC does not have relevant past data to report for these measures. In addition, until data has been collected and analyzed for 2004, it is difficult to provide estimate figures for these newly implemented performance measures. Complete data will be provided during the 2005 budget development cycle.

Primary Business: CONTROL

This business line 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, security, communications, human resources, labor relations, contract services, information technology, finance, accounting, payroll, and operating and capital budgeting activities.

Key Performance Measures that are impacted by 2005 resources:

	2001 Actual	2002 Actual	2003 Actual	2004 Estimated	2005 Projected

Explanation of Key Performance Measures: The MBC participated in the City of Minneapolis business planning process. The MBC Board ratified the MBC 2004-2008 Business Plan in February 2004. MBC staff also had the opportunity to present key business plan information to the Hennepin County Board and Minneapolis City Council. The agency business plan was well received by both groups. In the 2004-2008 Business Planning process, MBC performance measures were reviewed. Several new performance measures were developed and several existing performance measures were revised. Due to these changes, the MBC does not have relevant past data to report for these measures. In addition, until data has been collected and analyzed for 2004, it is difficult to provide estimate figures for these newly implemented performance measures. Complete data will be provided during the 2005 budget development cycle.

Financial Analysis:

EXPENDITURE

The Municipal Building Commission's expenditures increase by 2.9% in 2005 to \$7.18 million. The largest increase appears in Fringe Benefits. The number of positions decreases by one for a total of 61 positions.

The budget for MBC includes \$12,800 for benefits administration which was centrally budgeted in the past. It also includes \$45,000 to phase in General Fund overhead charges. If charges are phased in over 5 years, MBC's General Fund annual overhead charges are estimated to be \$274,000.

REVENUE

The Commission has a 1.9% overall increase in revenues in 2005. It receives \$3.6 million from Property Taxes revenue, a \$94,000 or 2.7% increase from 2004. Charges for Service brings in an additional \$66,000, a 2.1% increase. There is also a decrease of \$12,000 in Rents and an \$11,000 or 4.7% decrease in State Government revenues.

MAYOR'S RECOMMENDED BUDGET

No changes were recommended by the Mayor.

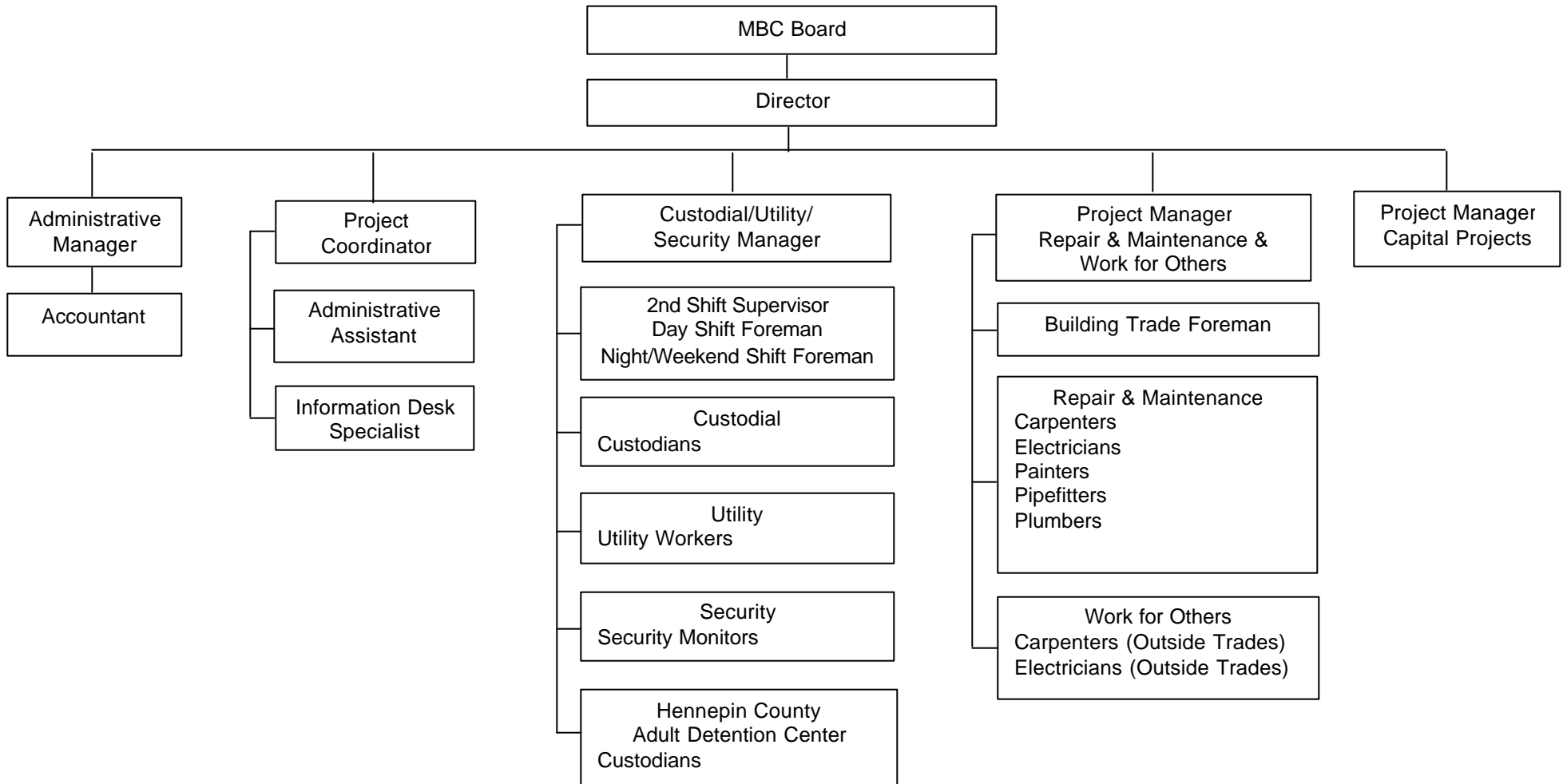
ADOPTED BUDGET

No changes were adopted by the Council.

**MUNICIPAL BUILDING COMMISSION
Staffing Information**

	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	% Change	% Change
FTE's by Division						
Administration	5.50	5.50	5.50	6.00	9.09%	0.50
Custodial and Security	38.00	35.50	35.50	34.00	-4.23%	(1.50)
Repairs and Improvements	18.00	18.00	17.00	17.00	0.00%	-
Adult Detention Center	2.00	2.00	1.00	1.00	0.00%	-
Works for Others	3.00	3.00	3.00	3.00	0.00%	-
Total FTE's	66.50	64.00	62.00	61.00	-1.61%	(1.00)

Municipal Building Commission Organizational Chart



MUNICIPAL BUILDING COMMISSION
Expense Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Special Revenue Funds						
Contractual Services	2,587,749	2,675,270	2,298,628	2,380,925	3.6%	82,297
Equipment	460	0	6,000	6,000	0.0%	0
Fringe Benefits	837,219	899,130	1,027,749	1,148,205	11.7%	120,456
Operating Costs	653,864	649,229	570,858	566,902	-0.7%	-3,956
Salaries and Wages	2,752,584	2,818,210	3,073,767	3,079,612	0.2%	5,845
Transfers	171,000	164,000	0	0		0
Total for Special Revenue Funds	7,002,876	7,205,838	6,977,002	7,181,644	2.9%	204,642
Total for MUNICIPAL BUILDING C	7,002,876	7,205,838	6,977,002	7,181,644	2.9%	204,642

MUNICIPAL BUILDING COMMISSION
Revenue Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Special Revenue Funds						
Charges for Sales	53,720	100,338	87,000	87,000	0.0%	0
Charges for Service	3,116,069	3,106,162	3,126,217	3,192,442	2.1%	66,225
Interest	2	0	0	0	0.0%	0
Other Misc Revenues	7,256	94	200	600	200.0%	400
Property Taxes	3,057,016	3,282,801	3,523,871	3,617,525	2.7%	93,654
Rents	55,687	55,611	54,750	42,500	-22.4%	-12,250
Sales and Other Taxes	287	299	0	0	0.0%	0
State Government	515,383	464,005	253,028	241,214	-4.7%	-11,814
Total for Special Revenue Funds	6,805,420	7,009,310	7,045,066	7,181,281	1.9%	136,215
Total for MUNICIPAL BUILDING COMMISSION	6,805,420	7,009,310	7,045,066	7,181,281	1.9%	136,215

MINNEAPOLIS PARK BOARD

Mission Statement:

Coordinate and direct activities that provide well-balanced recreational opportunities for Minneapolis as well as supportive financial, personnel and public information services for all divisions of the park system and its facilities.

Primary Businesses:

- Park Administration
- Planning
- After School Program
- Environmental
- Equipment Supply
- Forestry
- Information Technology Services
- Park Maintenance
- Parkway Maintenance
- Park Police
- Recreation Division
- Park Rehabilitation
- Special Services
- Teen Teamworks

Key Trends and Challenges Impacting the Department:

The 2005 budget was developed within the following guidelines:

- 4% Property Tax increase (City Financial Policy)
- 2% increase in total compensation (City Financial Policy)
- 19% increase in health insurance costs (City budget direction)
- 11.79% Local Government Aid (City Financial Policy)
- \$215,000 Increase in pay as you go capital funding (City Financial Policy)
- \$800,000 City management fee

Key Initiatives or Other Models of Providing Service to be implemented in 2005

We will not be continuing with the "cookie cutter" approach to delivering services that worked well in the 50's, 60's and 70's. The district structure will provide for more relevant service decisions where needed at the neighborhood and community level. Demographics demand and needs will drive service delivery, not consistent programs across the park system. Service districts will include a district manager, police, planning, recreation and maintenance functions. District staff will be housed in an existing facility in each district. The master planning process will occur after the districts have been implemented and will focus on meeting service needs at the district level. Our approach to services will be quality not quantity.

Primary Business: City – Board Initiatives:

- **Wirth Winter Recreation - master plan completed in 2003 outlines a \$4 million dollar investment needed to complete the facility.**
- **Tree Planting**
- **Dutch Elm Impacts**
- **Downtown Forestry Special Assessment District**
- **Minneapolis Park Foundation**
- **Lake Harriet Live**
- **Parkway Lighting**
- **Water Quality Initiatives**
- **Skate Park Development**

Financial Analysis:

The 2005 budget for the Park Board is \$69.75 million, including all sources of revenue, less than a 1.7% decrease over 2004. There is a decrease of 4.92 positions from 2004.

The 2005 Park Board budget includes \$132,700 in charges for benefits administration which were centrally budgeted in the past. It also includes \$828,000 to begin phasing in General Fund overhead charges. If charges are phased in over 5 years, the Park Board's General Fund annual overhead charges are estimated to be \$1.8 million.

MAYOR'S RECOMMENDED BUDGET

No changes were recommended by the Mayor.

ADOPTED BUDGET

No changes were adopted by the Council.

**PARK AND RECREATION BOARD
Staffing Information**

	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
FTE's by Division						
Administration	39.60	35.70	31.45	34.45	9.54%	3.00
Environmental Operations	17.38	17.38	17.18	17.90	4.19%	0.72
Park Maintenance	233.80	233.02	214.49	211.32	-1.48%	(3.17)
Police	55.00	53.00	59.69	59.69	0.00%	-
Planning	18.00	16.00	15.00	14.00	-6.67%	(1.00)
Forestry	97.06	96.06	95.06	95.06	0.00%	-
Special Services	124.02	124.02	125.18	125.18	0.00%	-
Information Technology System	7.00	7.00	7.00	8.00	14.29%	1.00
Equipment	15.45	15.41	15.41	16.41	6.49%	1.00
Citywide Recreation	313.63	312.68	301.01	294.29	-2.23%	(6.72)
Teen Teamworks	25.75	25.75	25.75	25.75	0.00%	-
Self-Insurance Revolving	0.25	0.25	0.25	0.50	100.00%	0.25
Total FTE's	946.94	936.27	907.47	902.55	-0.54%	(4.92)
Full-Time/Part-Time						
Full-Time FTE's	616.63	600.85	568.88	568.23	-0.11%	(0.65)
Part-Time FTE's	330.31	335.42	338.59	334.32	-1.26%	(4.27)
Total FTE's	946.94	936.27	907.47	902.55	-0.54%	(4.92)

**PARK BOARD
Expense Information**

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Enterprise Funds						
Capital Outlay	168,941	872,974	1,327,500	600,000	-54.8%	-727,500
Contractual Services	2,664,660	2,546,597	2,262,900	2,194,678	-3.0%	-68,222
Equipment	145,313	138,166	1,436	1,832	27.6%	396
Equipment Labor	0	0	0	0		0
Fringe Benefits	1,031,987	1,165,830	1,063,959	1,127,226	5.9%	63,267
Operating Costs	1,810,440	1,975,053	1,769,035	1,726,968	-2.4%	-42,067
Salaries and Wages	4,618,030	4,701,447	4,547,566	4,394,657	-3.4%	-152,909
Transfers	1,506,836	1,396,731	1,450,500	1,450,500	0.0%	0
Total for Enterprise Funds	11,946,206	12,796,800	12,422,896	11,495,861	-7.5%	-927,035
Internal Service Funds						
Capital Outlay	13,084	0	25,000	25,000	0.0%	0
Contractual Services	402,295	406,719	499,678	503,345	0.7%	3,667
Equipment	858,272	1,010,004	1,799,394	1,226,506	-31.8%	-572,888
Fringe Benefits	1,694,148	1,822,563	1,935,578	2,021,453	4.4%	85,875
Operating Costs	976,935	1,063,968	2,725,980	2,295,881	-15.8%	-430,099
Salaries and Wages	1,398,603	1,413,221	1,987,223	1,489,740	-25.0%	-497,483
Transfers	0	79,976	0	0		0
Total for Internal Service Funds	5,343,338	5,796,452	8,972,853	7,561,925	-15.7%	-1,410,928
Special Revenue Funds						
Capital Outlay	0	113,251	0	0		0
Contractual Services	10,304,086	10,010,789	9,887,496	9,825,240	-0.6%	-62,256
Debt Service	0	243,394	0	128,896		128,896
Equipment	193,222	146,221	273,759	296,788	8.4%	23,029
Equipment Labor	806	2,287	9,619	9,955	3.5%	336
Fringe Benefits	7,404,331	7,855,630	8,401,757	9,205,810	9.6%	804,053
Operating Costs	2,274,539	2,346,928	2,377,560	2,480,332	4.3%	102,772
Salaries and Wages	27,463,324	27,280,527	28,007,600	27,941,211	-0.2%	-66,389
Transfers	3,310,065	2,306,107	579,500	804,300	38.8%	224,800
Total for Special Revenue Funds	50,950,372	50,305,134	49,537,291	50,692,532	2.3%	1,155,241
Total for PARK BOARD	68,239,916	68,898,385	70,933,040	69,750,318	-1.7%	-1,182,722

PARK BOARD
Revenue Information

	2002 Actual	2003 Actual	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Enterprise Funds						
Charges for Sales	7,777	2,087	3,000	0	-100.0%	-3,000
Charges for Service	9,128,638	9,892,782	11,077,522	10,082,813	-9.0%	-994,709
Contributions	390,520	458,867	53,000	41,385	-21.9%	-11,615
Federal Government	17,209	0	0	0	0.0%	0
Gains	0	0	0	0	0.0%	0
Interest	57	46	0	0	0.0%	0
Operating Transfers In	215,634	87,839	174,000	100,000	-42.5%	-74,000
Other Misc Revenues	12,267	0	0	0	0.0%	0
Rents	1,415,229	1,396,674	1,094,398	1,686,587	54.1%	592,189
State Government	28,522	20,487	28,500	0	-100.0%	-28,500
Total for Enterprise Funds	11,215,854	11,858,783	12,430,420	11,910,785	-4.2%	-519,635
Internal Service Funds						
Charges for Sales	464,786	432,932	110,000	110,000	0.0%	0
Charges for Service	787,773	815,651	1,746,386	1,846,823	5.8%	100,437
Contributions	38,570	98,873	0	0	0.0%	0
Gains	7,615	6,923	0	0	0.0%	0
Operating Transfers In	124,175	5,245	0	0	0.0%	0
Other Misc Revenues	1,933,847	2,053,662	2,026,853	2,066,149	1.9%	39,296
Rents	3,158,223	3,177,708	3,038,780	3,108,500	2.3%	69,720
Total for Internal Service Funds	6,514,988	6,590,993	6,922,019	7,131,472	3.0%	209,453
Special Revenue Funds						
Charges for Sales	13,553	1,109	29,000	2,000	-93.1%	-27,000
Charges for Service	2,192,743	2,344,880	2,587,508	2,345,050	-9.4%	-242,458
Contributions	134,070	383,075	50,000	50,000	0.0%	0
Federal Government	127,500	60,000	0	0	0.0%	0
Fines and Forfeits	470,405	565,529	497,500	532,500	7.0%	35,000
Licenses and Permits	81,926	95,404	63,000	80,000	27.0%	17,000
Local Government	1,070,275	1,361,884	79,600	176,890	122.2%	97,290
Operating Transfers In	949,927	697,699	486,500	544,500	11.9%	58,000
Other Misc Revenues	20,593	7,025	15,200	10,200	-32.9%	-5,000
Property Taxes	32,456,360	30,999,365	34,131,195	35,690,286	4.6%	1,559,091
Rents	201,816	324,632	217,100	333,200	53.5%	116,100
Sales and Other Taxes	3,051	2,823	3,743	3,400	-9.2%	-343
State Government	15,524,969	13,847,508	10,876,944	10,524,505	-3.2%	-352,439
Total for Special Revenue Funds	53,247,188	50,690,934	49,037,290	50,292,531	2.6%	1,255,241
Total for PARK BOARD	70,978,030	69,140,710	68,389,729	69,334,788	1.4%	945,059

GREATER MINNEAPOLIS CONVENTION AND VISITORS ASSOCIATION

Mission Statement:

The mission of the Greater Minneapolis Convention & Visitors Association (GMCVA) is to sell, market and internationally promote Minneapolis as a premier, year-round destination for convention, trade show, corporate meeting and leisure travel. We are committed to service excellence for all of our clients. We do this for the economic benefit and vitality of the members, businesses and communities we serve.

Financial Analysis:

REVENUES	2002 ADOPTED BUDGET	2002 ACTUAL	2003 ADOPTED BUDGET	2003 ACTUAL	2004 ADOPTED BUDGET	2005 BUDGET	2004-05 VARIANCE
City Funding							
Base Funding	4,910,000	4,910,000	4,910,000	4,910,000	4,910,000	4,910,000	0
1% Dedicated Lodging Tax	870,000	870,299	1,350,000	1,350,000	1,350,000	1,800,000	450,000
MCC Salary Transfer	122,300	122,000	120,000	120,000	120,000	120,000	0
Minneapolis Unwrapped	25,000	25,000	50,000	50,000	50,000	50,000	0
Neighborhood Mktg (Riverfront)	50,000	50,000	50,000	50,000	50,000	50,000	0
MCC Grand Opening	425,000	425,000	0	0	0	0	0
Subtotal City Revenue	\$6,402,300	\$6,402,299	\$6,480,000	\$6,480,000	\$6,480,000	\$6,930,000	\$450,000
Annual 2 nd Qtr Adjustment for Actual 1% Lodging Tax Receipts	0	0	0	383,248	*174,789	0	(174,789)
Mayor's 2005 Recommended Base Reduction	0	0	0	0	0	(100,000)	(100,000)
Mayor's 2005 Recommended Community Policing Contribution	0	0	0	0	0	(350,000)	(350,000)
City Council Budget Changes	0	0	0	0	0	100,000	100,000
City Council Budget Changes	0	0	0	0	0	350,000	350,000
Total City Revenue	\$6,402,300	\$6,402,299	\$6,480,000	\$6,863,248	\$6,654,789	\$6,930,000	\$275,211
GMCVA Nonprofit – Mpls Convention Fund (Org 8642) Donations Pass-Through	0	599,619	0	367,250	0	0	0
Total City Appropriation	\$6,402,300	\$7,001,918	\$6,480,000	\$7,230,498	\$6,654,789	\$6,930,000	\$275,211
Total Non-City Revenue	\$1,745,050	\$2,805,001	\$2,202,000	\$2,123,413	\$1,992,375	\$2,076,580	\$84,205
Total GMCVA Operational Revenue	\$8,147,350	\$9,806,919	\$8,682,000	\$9,353,911	\$8,647,164	\$9,006,580	\$359,416

NOTE: There is a \$2.5 million loan pledged to the City. Repayment begins in 2007 with pay off in December 2009.

*This reflects the actual 2004 adjustment.

- **1% Dedicated Lodging Tax Projection** – Effective April 1, 2002, the Minneapolis Lodging Tax increased from 2% to 3%. Proceeds from this 1% increase are transferred to GMCVA each year. 2003 was the first full year of receipts from the increase of 2% to 3%.

- **Annual Second Quarter Adjustment for Actual 1% Lodging Tax Receipts** - The 1% tax proceeds are adjusted annually in the second quarter after the calendar year close to reconcile variances in projections. A positive variance would be paid to GMCVA; a negative variance would be deducted from the GMCVA contract. For example, in the second quarter of 2004, GMCVA received a \$174,789 payment to reconcile the difference between the 2003 projected revenue and the actual receipts received.
- **Current 1% Lodging Tax Receipts** - For 2004, current receipts for the 3% Lodging Tax from January-October total \$3,943,752. The GMCVA receives 1/3 of this amount or \$1,314,584. It is anticipated receipts will meet the anticipated budget of \$1.35 million by the end of the year.
- **MCC Salary Transfer** – This is an annual \$120,000 salary transfer from the MCC Sales Department to the GMCVA as a result of a merger.
- **Minneapolis Unwrapped** – Minneapolis Unwrapped is a \$50,000 marketing project promoting downtown shopping through a website and holiday advertising. This project was transferred to the GMCVA from the former MCDA in 2002.
- **Neighborhood Marketing (Riverfront)** – This is a \$50,000 marketing project that coordinates promotional efforts of the neighborhoods around the Riverfront. This project was transferred to the GMCVA from the former MCDA in 2002.
- **MCC Grand Opening** – This was \$425,000 in one time funding from the city dedicated to the inauguration of the Convention Center addition in 2002.
- **GMCVA Non-profit Donations Pass-Through** – The GMCVA operates a non-profit 501c3 called the Minneapolis Convention Fund for receiving private contributions for City events. This non-profit allows contributors to legally qualify for a tax deduction. The non-profit initiates the donations. Receipts collected are transferred to City funds and paid back out to the GMCVA which is required to use the money for a dedicated purpose. Council action is required each year in accordance with tax law, first to accept the donations and second to appropriate money to pay the funds back to the GMCVA.
- **Non-City Revenue** – This item includes revenue from in-kind contributions, memberships, advertising, registration booths, commissions, the Information Center, Trolley, and Programs & Miscellaneous.

EXPENSES	2002 ADOPTED BUDGET	2002 ACTUAL*	2003 ADOPTED BUDGET	2003 ACTUAL*	2004 ADOPTED BUDGET	2005 ADOPTED BUDGET	2004-05 VARIANCE
CONVENTION SALES	1,443,500	2,069,539	1,671,150	2,078,910	1,542,500	2,013,825	471,325
MCC SALES	449,000	451,853	382,000	440,975	531,000	578,000	47,000
MARKETING	2,203,131	2,674,692	2,008,000	2,423,117	1,972,500	2,126,800	154,300
TOURISM	623,629	744,217	642,400	737,017	635,375	737,000	101,625
SERVICES	711,070	853,895	702,300	873,866	547,000	894,000	347,000
ORGANIZATIONAL GENERAL	1,263,400	0	1,295,000	0	1,167,655	1,135,055	(32,600)
VISITOR INFO CENTER	237,700	528,054	247,500	238,237	351,692	277,500	(74,192)
PUBLICATIONS/ ADVERTISING	206,000	245,235	213,750	241,733	208,000	224,000	16,000

MEMBERSHIPS	251,520	263,323	285,300	301,063	275,100	278,200	3,100
ADMINISTRATION	800,500	1,290,390	921,000	1,097,406	890,000	742,200	(147,800)
MSM	207,900	218,078	313,600	205,909	299,000	0	(299,000)
ASAE 2004	0	0	0	0	810,000	0	(810,000)
TOTAL EXPENSES	\$8,397,350	\$9,339,276	\$8,682,000	\$8,638,233	\$9,229,822	\$9,006,580	\$(223,242)

*Actual numbers obtained from GMCVA's audited financial statements.

- **MSM** – Meeting Service Minnesota was a project started in 2002 that was absorbed by the Services Department in 2004. It was intended to assist groups in meeting planning.
- **ASAE Convention** – The American Society of Association Executives Convention was held at the Minneapolis Convention Center in 2004.

GMCVA RESERVE FUND					
	2001	2002	2003	Estimate 2004	Estimate 2005
Reserve Transfers	0	(21,677)	377,116	(850,000)	0
GMCVA End of Year Reserve Fund Balance	*\$765,054	*\$743,377	*\$1,120,493	\$270,493	\$270,493

* Actual numbers obtained from GMCVA audited financial statements.

MAYOR'S RECOMMENDED BUDGET & ADOPTED BUDGET

The Mayor recommended a \$100,000 reduction in the GMCVA's contract and requested that the GMCVA pay \$350,000 in downtown police costs. The Council restored the \$100,000 to the contract and did not adopt the proposal that GMCVA pay \$350,000 for downtown police costs. In addition, the Mayor recommended that \$100,000 previously used for Minneapolis Unwrapped and Riverfront Neighborhood Marketing programs be redirected to a Request for Proposal process for Neighborhood groups for neighborhood tourism-related marketing. The Council concurred with this recommendation.

MINNEAPOLIS PUBLIC HOUSING AUTHORITY

Mission Statement:

The mission of the Minneapolis Public Housing Authority (MPHA) is to promote and deliver quality, well-managed homes to a diverse low-income population, and as a valued partner, contribute to the well-being of the individuals, families and community we serve.

Financial Analysis:

City Funding	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget
Tax Levy	\$1,000,000	\$1,040,000	\$1,081,600	\$1,124,864
CDBG Rehab	\$313,000	\$313,000	\$313,000	\$313,000
CDBG Citizen Participation	\$98,000	\$98,000	\$98,000	\$98,000
PILOT	\$192,388	\$260,220	\$337,860	\$308,000

Sources & Uses	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget
Sources:				
Tax Levy	\$970,000	\$1,008,800	\$1,049,152	\$1,091,000
CDBG Rehab	\$313,000	\$313,000	\$313,000	\$313,000
CDBG Citizen Participation	\$98,000	\$98,000	\$98,000	\$98,000
PILOT	\$192,388	\$260,220	\$337,860	\$308,000
Uses:				
Security Services	\$1,475,388	\$1,582,020	\$1,700,012	\$1,712,000
Citizen Participation	\$98,000	\$98,000	\$98,000	\$98,000

- **Tax Levy** – MPHA is classified as an independent board. It receives a 4% increase as a result of city tax policy set by the Board of Estimate and Taxation. The Approved Tax Levy reflects a 98% collection rate as presented in City Budget Requests.
- **CDBG** – Distribution of federal CDBG dollars is determined during the budget process by the City Council and Mayor. Citizen Participation funds are CDBG administrative grant dollars. Rehab capital is from CDBG capital grant dollars. Funding provided for CDBG Rehab will enable MPHA to reallocate a like amount of federal funding for high-rise building security purposes. This presentation illustrates the ultimate intended purpose of these funds.
- **PILOT** – According to State Statute, MPHA is exempt from real and personal property taxes, but through the Cooperation Agreement with the City, MPHA is required to make payment in lieu of taxes. The City has agreed to reduce MPHA's PILOT by 50% since the inception of the High-rise Security Program. MPHA uses the savings to help fund Security Services. The City's total revenue has been reduced since the Cooperation Agreement. It is not separately budgeted as a cost to the City.
- **CITY SERVICES** - MPHA operates on a pay-as-you-go basis for City services utilized. The 2005 budget included \$63,600 for benefits administration which was centrally budgeted in the

past. It also included \$35,000 to begin phasing in General Fund overhead charges. If charges are phased in over 5 years, MPHA's General Fund annual overhead charges are estimated to be \$81,000.

**MINNEAPOLIS PUBLIC HOUSING AUTHORITY
Staffing Information**

	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
Total FTE's	330.00	327.00	309.00	304.00	-1.62%	(5.00)

NEIGHBORHOOD REVITALIZATION PROGRAM

Mission Statement:

The mission of the Minneapolis Neighborhood Revitalization Program (NRP) is to preserve and enhance the private and public infrastructure, public health and safety, economic vitality, sense of community and social environment within the neighborhoods of the City of Minneapolis. Its goal is to improve the quality of life and livability in the City of Minneapolis by revitalizing its neighborhoods and making them better places to live, work, learn and play.

Primary Businesses:

- Assist neighborhoods with the development of Neighborhood Action Plans.
- Review, modify and approve Neighborhood Action Plans prepared by neighborhoods.
- Coordinate governmental and private efforts in the development and implementation of Neighborhood Action Plans.
- Include resident directed decision making and resident based planning in all aspects of NRP.
- Monitor and evaluate implementation of Neighborhood Action Plan strategies.

Key Trends and Challenges Impacting NRP:

Trends:

Neighborhoods in the city have improved greatly since NRP was initiated in 1990. The investment of NRP resources during the first ten years helped reverse years of neglect and decline in neighborhoods and provided resources that were used to leverage investments by other public and private sources. In Elliot Park alone, the neighborhood's investment of \$ 4.4 million from NRP leveraged over \$ 151 million in other public and private investment in that neighborhood. As improvement has occurred, however, the perceptions of need and the urgency attached to continuing this investment program have changed.

State tax law changes adopted in 2001 and a more negative public attitude toward government have greatly reduced the revenues available to NRP for Phase II. Government in general has had to cope with having fewer resources to provide the same or greater levels of service that meet the continually changing needs of residents, businesses and neighborhoods. As the city's housing stock and infrastructure ages, continuing reinvestment is needed to make the neighborhoods and the city attractive to current and potential residents.

The population of the city has grown less than 4% over the past 20 years but the composition of that population has changed significantly. The senior population in the city declined by almost 30% between 1990 and 2000 and the population under 5 years of age declined by 7%. The growth in population that occurred between 1990 and 2000 was in the 5-24 and 45-64 age brackets. These demographic changes, and the growth in the minority and new American populations, affect the investment needs in neighborhoods.

In Phase I a major effort was made to organize every neighborhood to facilitate development of their Neighborhood Action Plans. The reduced resources of NRP in Phase II and the limited

private support for the operating needs of neighborhood organizations will threaten the continued existence of this infrastructure.

Challenges:

Challenge 1 - Creating renewed interest and commitment.

Phase II was initially planned to begin in 2001. With the changes adopted by the legislature in 2001 the program had to place implementation of Phase II on hold. Residents and neighborhoods that had expected to move into Phase II as they completed their Phase I plans were forced to wait and uncertainty about resource availability led to questions about city commitment, the value of resident based planning and the interest in citizen engagement. As the time required to answer the questions about future revenues grew longer, residents turned to other areas of interest, neighborhoods lost volunteers, projects were placed on hold and questions were raised about whether there would even be a Phase II. Adoption of the revised Chapter 419 of the Minneapolis City Ordinances in August 2003 and the March 2004 calculation of the Common Project revenue stream removed some of this uncertainty. Residents and neighborhoods now need to be encouraged to recommit to their neighborhood and the city based on this commitment to NRP.

Challenge 2 - Fewer resources.

The funding available for Phase II has changed dramatically. In June 2000, as NRP was about to begin its second decade, it was projected, based on the legislation establishing NRP, the city ordinance implementing the program and the revenues anticipated from the tax increment districts in the Common Project, that approximately \$180 million would be available for Phase II. With the legislative changes enacted in 2001 and the negotiations on the Brookfield loans, the revenues available from the Common Project dropped to less than \$ 85 million. With the need to focus most of these revenues on meeting the legislated housing investment goal of the program, neighborhood opportunities for meeting resident needs have been greatly reduced. Obtaining resident participation and maintaining organizational commitments will be more difficult and the opportunity to leverage NRP resources will be adversely affected.

Challenge 3 - Working with government.

In Phase I, NRP resources often encouraged jurisdiction and department participation with neighborhoods. Government interest in neighborhood priorities was often driven by the funds neighborhoods had available to support neighborhood improvement projects. NRP funds bought residents and neighborhoods a place at the table. With the reduced revenues available and the need to invest heavily in housing, neighborhood ability to leverage government support for meeting their priorities may decline.

Challenge 4 - Determining NRP's future.

NRP's revenue stream officially ends in 2009. After that date, there is no commitment to any future investment in neighborhood improvement. A deliberate discussion needs to occur about the impact this will have on neighborhoods. If there is no impact, no action is needed and the program should expend its available resources according to approved Neighborhood Action Plans and be terminated. If there is support for continuation, the form and structure of that continuation needs to be decided before 2009.

Financial Analysis:

EXPENDITURE

The Neighborhood Revitalization Program's 2005 budget of \$1.5 million reflects a 6% increase in expenditures from the 2004 Adopted Budget. The Professional Services accounts for 33% of the budget and NRP's staffing level is reduced to 11 total positions.

The NRP budget includes \$2,300 in charges for benefits administration which were centrally budgeted in the past. The NRP has no General Fund overhead charge in 2005. If charges are phased in over five years, the NRP's General Fund annual overhead charges are estimated to be \$66,500.

REVENUE

NRP revenue for 2005 is \$1.5 million or a 15% decrease in revenues for 2005.

MAYOR'S RECOMMENDED BUDGET

No changes were recommended by the Mayor.

ADOPTED BUDGET

No changes were adopted by the Council.

**NEIGHBORHOOD REVITALIZATION PROGRAM - ADMINISTRATION
Staffing Information**

	2002	2003	2004	2005	%	
	Adopted	Adopted	Adopted	Adopted	Change	Change
	Budget	Budget	Budget	Budget		
Total FTE's	13.00	12.00	12.00	11.00	-8.33%	(1.00)

YOUTH COORDINATING BOARD

Mission:

The Minneapolis Youth Coordinating Board is an intergovernmental organization dedicated to promoting the healthy, comprehensive development of Minneapolis children and youth ages 0-20 through collaborative action and policy alignment.

Financial Analysis:

REVENUES	2002	2003	2004	2005	2004-2005
	ACTUAL	ACTUAL	ADOPTED BUDGET	ADOPTED BUDGET	VARIANCE
Federal Funds	991,246	1,534,515	403,162	667,376	264,214
State Funds	441,146	105,911	0	0	0
County Funds	2,462,426	2,296,442	2,084,039	2,037,250	(46,789)
City Funds	807,667	515,718	399,000	399,000	0
Other Local Gov't Funds	702,536	532,897	65,360	65,360	0
Interest Revenue	120,703	22,820	50,000	23,000	(27,000)
Rental Revenue	91,483	62,246	0	0	0
Private Sources	353,019	473,699	131,317	305,000	173,683
Other Miscellaneous Revenues	5,770	2,073	25,000	102,500	77,500
Transfer Within Special Revenue Funds	0	0	0	33,650	33,650
Total Revenue	5,975,996	5,546,321	3,157,878	3,633,136	475,258

EXPENSES	2002	2003	2004	2005	2004-2005
	ACTUAL	ACTUAL	ADOPTED BUDGET	ADOPTED BUDGET	VARIANCE
Personnel Services	1,640,848	1,133,994	413,250	315,000	(98,250)
Contractual Services	3,801,240	4,005,714	2,646,617	3,147,776	501,159
Advertising/Publication	22,589	13,493	5,000	26,000	21,000
Equipment	12,405	12,331	0	0	0
Office Supplies and Reproduction	38,771	48,863	6,500	12,000	5,500
Postage and Delivery Charges	11,937	12,748	5,500	11,700	6,200
Staff Development and Travel	96,503	16,803	10,500	12,630	2,130
Rent, Maintenance, Utilities, and Insurance	161,685	222,952	16,000	24,000	8,000
Other Services and Charges	86,361	58,351	54,511	37,880	(16,631)
Intrafund Transfer	0	0	0	46,150	46,150
Total Expenditures	5,872,339	5,525,249	3,157,878	3,633,136	475,258

- **City Funds** – The Youth in Minneapolis After School Program (YMAP) receives \$350,000 in City funds. The City also pays \$49,000 every year for the Joint Powers agreement that forms the Youth Coordinating Board.

- The 2005 expense budget for YCB includes \$900 for benefits administration. The YCB has no General Fund overhead charge in 2005. If charges are phased in over 5 years, YCB's General Fund annual overhead charges are estimated to be \$72,000.
- The Council moved a 0.5 position from YCB to Health and Family Support for youth development.

**YOUTH COORDINATING BOARD
Staffing Information**

	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	2005 Adopted Budget	% Change	Change
FTE's by Division						
Administration	7.00	7.00	4.50	4.50	0.00%	-
Youth Initiatives	7.20	1.00	-	-	-	-
Way to Grow	6.00	3.50	-	-	-	-
Minneapolis Redesign	7.70	4.00	-	-	-	-
Father Project	9.00	8.50	-	-	-	-
Special Grants	2.50	2.50	-	-	-	-
Total FTE's	39.40	26.50	4.50	4.50	0.00%	-

City of Minneapolis
FY 2005 Budget

Glossary of Terms
Or a helping of "Alphabet Soup"

ABA – American Bar Association.

AC – Animal Control.

Accrual Basis of Accounting – Recognizes transactions when they occur regardless of the related cash flows. Recognizes revenues in the accounting period in which they are earned and measurable.

ACH – Automated Clearing House.

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.

AED – Automatic External Defibrillators.

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.

ALJ – Administrative Law Judge.

AMC – Audit Management Committee.

AMM – Association of Metropolitan Municipalities.

AMR – Automated Meter Reading.

AMS LG FS – American Management Systems Local Government Financial System. The City's financial system, also known as FISCOL.

APO – Administrative Penalty Orders.

APS – Automated Pawn System, the Police Department's information System for regulating pawn and second hand dealers.

ASA – Average Speed of Answer; the average number of seconds it takes to answer BIS' service desk calls.

ASAE – American Society of Association Executives.

ASCLID – American Society of Crime Laboratory Directors.

ASSM – Assessments – improvements paid for partially or wholly by property owners.

ASP – Application Service Provider.

AutoCAD – Auto Computer-Aided Drafting.

A/V Services – Audio/Visual Services.

BA – Benefits Administration.

BCA – Bureau of Criminal Apprehension.

BLS – Basic Life Support.

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, one member of the Library 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.

BIIS – Building Inspections Information System, of the department of Regulatory Services.

BIRE – Remodeling type of building permit.

BLOA – Budgetary Leave of Absences. A term used to describe a type of unpaid leave.

Block E – a redevelopment area in downtown.

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.

Bonds – General Obligation Bonds (GO Bonds): A bond secured by the “full faith and credit” of the issuing government and backed by taxing power.

BOTC – Building Over the Counter. A type of building permit that is issued at the Inspection's permit counter.

Budget Committee – See Ways & Means/Budget Committee.

CAD – Computer Aided Dispatch.

CADD – Computer Aided Design & Drafting, a component of the Public Works design software.

CAFM – Computer Aided Facilities Management.

CAFR – Comprehensive Annual Financial Report.

CAMA - Computer Assisted Mass Appraisal.

CAO – City Attorney's Office.

CAP – Coordinated Action Program.

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.

CAPRS – Computer Assisted Police Reporting System.

CBA – Collective Bargaining Agreement.

CBD – Central Business District.

CBTF – County Budget Task Force. Hennepin County's Capital Budget Process (similar in nature to CLIC).

Consolidated Dispatch Center – Consolidated Dispatch Center.

CCC – Consolidated Contact/Call Center.

CCJ – Council on Crime and Justice.

CCNP – Central City Neighborhoods Partnership, a community non-profit.

CCP/SAFE – Community Crime Prevention/Safety for Everyone, program of the Police Department.

CCTV – Closed Circuit Television.

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, 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.

CEH – Children's Environmental Health.

CFP – Capital Fund Program, a program funded by HUD.

CHAMP – Child Health Assessment and Monitoring Project, of the department of Health and Family Support.

CHB - Community Health Boards.

CHS – Community Health Services.

CIO – Chief Information Officer.

CIS – Constriction Inspections Services. A section of the Inspections Division within Regulatory Services.

CITISTAT – City's effort to centralize citizen contact, improve responsiveness and measure performance.

CJCC – Criminal Justice Coordinating Committee.

Claims – Requests for reimbursement for damages resulting from fault or liability of the City.

CLASS – Center for Learning Academic and Survival Skills, the academic enrichment program for the METP Summer Youth Employment and Training Program.

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.

CLIC – Capital Long-Range Improvement Committee - a committee of 33 private citizens 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.

CLUES – Chicanos Latinos Unidos en Servicio.

CMC – Comprehensive Managed Care.

CMS – Case Management System (City Attorney's Office).

CMMS – Computer Maintenance Management System.

CNAP – Community Neighborhood Action Plan.

CO – Certificate of Occupancy.

COA – Certificate of Approval.

CODEFOR – Computer Optimized Deployment – Focus On Results. It is a strategy to reduce crime involving every unit of the Minneapolis Police Department, including patrol, investigations, administration, special units, and support services.

COLA – Cost of Living Adjustment.

Common Contact Centers – City's effort to centralize citizen contact, improve responsiveness and measure performance.

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 sometimes earmarked for 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.

COPS More – Community-Oriented Policing Services (COPS) grant from the U.S. Department of Justice.

Cost Center/Level 2 – The lowest level of organizational unit for purposes of budget presentation. Cost Centers are usually provided where organizational units below the department level are needed for a clear breakdown of budget information. Cost Centers are also referred to as Level 2 in some documents. This is the organizational level of Cost Centers in FISCOL.

CPED – Community Planning and Economic Development Department. CPED is directed to oversee and coordinate all City planning and development activity, including the transition from the current organizational structure to a new organizational structure as outlined in the adopted Focus Minneapolis Resolution.

CPC – City Planning Commission.

CPI – Consumer Price Index.

CPTED – Crime Prevention Through Environmental Design.

CRA – Civilian Review Authority.

CriMNet – A state of Minnesota effort to develop an architecture for criminal and juvenile justice information.

CRM – Constituent Relationship Management.

CRM System – Current Relationship Management.

CRT – Community Response Team of the Police department.

CSA – County-State Aid, received by the City for work done on County roads.

CSAH – County State Aid Highways.

CSL – Current Service Level, the initial estimate the current budget year's costs of providing the same level of service as provided in the prior year.

CSO – Combined Sewer Overflow, which separates the remaining storm sewer lines that are connected to sanitary sewer lines.

CSO – Community Service Officer.

CSR – Customer Service Request System, an element of the Minneapolis One Call System.

CTT – Communities Targeting Tobacco.

CUE – Committee on the Urban Environment, staffed by the Planning department.

CY – Calendar Year.

DAP – Domestic Abuse Project, a community non-profit.

DARE – Drug Abuse Resistance Project.

DAT – 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.

Decision Packages – A document, which seeks approval from the Mayor and City Council, requesting a change in a Department's operations. The changes requested in Decision Packages are usually a result of a directive or an attempt to improve service levels and/or service delivery. Typically these changes involve an increase or reallocation of Department expenditures and occasionally offsetting revenue if recommended by the Department.

DHFS – Department of Health and Family Support.

DNR – Department of Natural Resources, a state government agency.

DRS – Department of Regulatory Services, a City department in the City Coordinator's group.

DT – Downtown.

DTED – Department of Trade and Economic Development, state government agency.

DWI – Driving While Intoxicated.

E2K – Engineering 2000, a public works information technology system.

EAP – Employee Assistance Program.

EBL – Elevated Blood Level (term used to describe lead levels in children).

EC – Event Coordinator, at the Convention Center.

EEOC – Equal Employment Opportunities Commission, of the federal government.

EHDI – Eliminating Health Disparities Initiatives.

EITC – Earned Income Tax Credit.

EIM – Enterprise Information Management.

EMC – a company which provides data storage to the Information Technology Services Department.

EMIS – Equipment Management Information System.

EMS – Emergency Medical Services.

EMT – Emergency Medical Technician, employed in the Fire Department.

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.

EOC – Emergency Operations Center.

EPA – Environmental Protection Agency, a federal government agency.

ERU – Emergency Response Unit, in Police.

ESD – Equipment Services Division of Public Works.

ESG – Emergency Shelter Grant, funded by the U.S. Department of Housing and Urban Development.

ESL – English as a Second Language.

ESRI – a company which provides geographic information system technology to the City.

Expenditure – Funds paid, or designated to be paid, for an asset or goods and services.

EZ – Empowerment Zone, a federal designation which the City received from the U.S. Department of Housing and Urban Development in 1999.

FCC – Federal Communications Commission.

FD – Fire Department.

FEMA – Federal Emergency Management Administration.

FERC – Federal Energy Regulatory Commission.

FF&E – Furniture, Fixtures and Equipment.

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.

FISCOL – Acronym for Financial Information System City of Lakes, the automated finance system used to prepare most of the financial information in this document. This system is used for all accounting transactions within the City.

FBI – Federal Bureau of Investigation.

FBI – Food borne illness.

FMC – Food manager certification.

FRC – Family Resource Centers.

FSAM – Facilities Space Asset Management. This committee includes the City Coordinator (Co-chair), City Engineer (Co-chair), Director of Budget and Financial Planning Facility Manager/Staff, Space and Asset Manager/Staff.

FSB – Financial Services and Budget Division of the Finance department.

FTC – Full Time Consultant.

FTE (Full Time Equivalent) – A unit of measurement to account for the number of positions authorized to departments. One FTE is equivalent to one employee working 2088 hours in 2001.

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 – The year's excess or deficit of all revenues and expense. In the case of proprietary funds, this is termed unrestricted net assets. For the purposes of the budget document, revenue and expense activity includes bond proceeds and debt service.

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.

FY – Fiscal Year.

GAAP – Generally Accepted Accounting Principles.

GASB – Governmental Accounting Standards Board.

GED – General Educational Development.

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.

GFOA – Government Finance Officers Association, the professional association of Finance professionals in the public sector.

GIS – Geographic Information Systems, a division of Regulatory Services created in 2002.

GLBT – Gay Lesbian Bisexual Transgender.

GMCVA – Greater Minneapolis Convention and Visitor's Association.

GMDCA – Greater Minneapolis Day Care Association, a community non-profit.

GMHC – Greater Minneapolis Housing Corporation

GMMHC – Greater Minneapolis Metropolitan Housing Corporation.

Gopher State One Call – A collaboration which allows property owners to call for mapping of utility lines.

Govern – Assessor's information technology equipment.

Governmental Funds – used to account for functions of the City that are principally supported by taxes and intergovernmental revenues.

GRO – Glendale Residents Organization.

GSP – Grants and Special Projects.

HACA – The Homestead and Agricultural Credit Aid is a form of state aid to local governments to compensate for tax revenue that is lost because of lower tax rates for homesteaded residential property (versus non-homesteaded). This category of aid was eliminated during the 2001 legislative session.

HAP – Health Assessment and Promotion.

HAVA – Help America Vote Act.

Haz-Mat – Hazardous Materials.

HC – Hennepin County, the county where the City of Minneapolis is located.

HCAO – Hennepin County Attorney's Office.

HCMC – Hennepin County Medical Center.

HCRRRA – Hennepin County Regional Railroad Authority.

HCSO – Hennepin County Sheriff's Office.

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.

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.

HOW – Home Ownership Works, a program of the MCDA.

HR – Human Resources.

HRA – Housing Redevelopment Authority.

HRG – Human Resources Generalist.

HRIS – Human Resources Information System.

HSCO – Hennepin County Sheriff's Office.

HUD – U.S. Department of Housing and Development, a federal government agency.

HVAC – Heating, Ventilation and Air Conditioning.

H/W MTTR – Hardware Mean Time to Repair; related to BIS' desk side services.

IACP – International Association of Chiefs of Police.

IACVB – International Association of Convention and Visitors Bureaus.

ICMA – International City/County Managers Association.

IGR – Intergovernmental Relations.

IMAC - The Moves, Adds & Changes (MAC) process is now the 'Install, Moves, Adds, & Changes (**IMAC**) process. The name change is due to the addition of the install service, as well as a procurement process. Computer equipment and software can be requested, moved or installed, using the IMAC form and submitted to the Service Desk. All IMAC requests will be processed through the Service Desk within one business day.

IMMULINK – Immunization Registry, a program with Hennepin County.

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.

INFORM – A research service provided by the Minneapolis Library.

IRS – Internal Revenue Service.

Internal Service 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.

ISAB – Integrated Systems Advisory Board.

IS Architecture – Information Systems Architecture.

ISP – Internet Service Provider.

IT or ITS – former Information Technology Services.

IWR – Utility Billing's Interactive Web Response application.

JNET – the adult criminal justice system integrated data system.

JP – Joint Powers.

KIVA – the vendor that provides the City's Building Inspections Information System (BIIS).

LAN – Local Area Network.

LCMR – Legislative Commission on Minnesota Resources.

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 Emitting Diode (found in pedestrian signal cross lights for example).

LEP – Limited English Proficiency.

LGA – Local Government Aid.

LIF – Leveraged Investment Fund.

LISC - Local Initiatives Support Corporation.

LLEBG – Local Law Enforcement Block Grant.

LMC – League of Minnesota Cities.

LRT – Light Rail Transit, to run from the Airport to Downtown Minneapolis.

MAC – Metropolitan Airports Commission, the independent body which runs the regions airports.

MagIC – Emergency Communication Center’s records management system.

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.

MAXIMO – Building Maintenance information System of the Municipal Building Commission.

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.

MBE’s – Minority Business Enterprises

MCAO – Minneapolis City Attorney’s Office.

MCC – Minneapolis Convention Center.

MCCR – Minneapolis Commission on Civil Rights.

MCDA – former Minneapolis Community Development Association.

MCES – Metropolitan Council Environmental Services, provider of sewage interceptor and treatment services for the City.

MCH – Maternal Child Health.

MCV – Mobile Command Van at the Fire Department.

MDCR – Minneapolis Department of Civil Rights.

MDC – Police Department’s Mobile Data Computers.

MDES – Minnesota Department of Economic Security, state agency.

MDHFS – Minneapolis Department of Health and Family Support.

MECC – Minneapolis Emergency Communications.

MERF – Minneapolis Employee Retirement Fund, a closed retirement plan for general City employees.

METP – Minneapolis Employment and Training Program.

Metropolitan Council – Regional government of the 7 county metro area.

MFD – Minneapolis Fire Department.
City of Minneapolis – Glossary of Terms

MFIP – Minnesota Family Investment Program, the State’s successor to the Aid for Families with Dependent Children (MFIP).

MFRA – Minneapolis Firefighter’s Relief Association, a closed retirement plan for firefighters.

MHFA – Minnesota Housing Finance Agency, state government agency.

MHRC – Minneapolis Highrise Representative Council, City’s largest public housing resident organization that represents all residents in MPHA’s 40 highrise apartment buildings located throughout the city of Minneapolis.

MIL – Municipal Information Library.

MILES – Minneapolis Industrial Land and Employment Strategy.

MBE – Minority-owned business enterprises.

MDA – Minnesota Department of Agriculture.

MHz – Megahertz Radio System.

MINSTAT – City’s effort to centralize citizen contact, improve responsiveness and measure performance.

MJNO – Multiple Jurisdiction Network Organization, a statewide collaboration of police agencies.

MLK – Martin Luther King Jr.

MLSS – Mechanical Life and Safety Systems.

MMI – Metropolitan Median Income.

MMRS – Metropolitan Medical Response System.

MMS – Minneapolis Multicultural Services.

MNCIS – Minnesota Court Information System.

MNDEED – Minnesota Department of Employment and Economic Development.

MNDNR – Minnesota Department of Natural Resources.

MNDOT – Minnesota Department of Transportation, state government agency.

MNHEALS – Minnesota HEALS (Hope, Education, and Law and Safety),
A program of comprehensive gun violence reduction strategies.

MOAPPP – Minnesota Organization on Adolescent Pregnancy Prevention & Parenting.

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.

MoU – Memorandum of Understanding.

MPAAT – Minnesota Partnership for Action Against Tobacco.

MPCA – Minnesota Pollution Control Agency.

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.

MPI – Minnesota Parking Incorporated, contract operator of the City’s municipal ramps.

MPL – Minneapolis Public Library.

MPRA – Minneapolis Police Relief Association, a closed retirement plan for police officers.

MPRB – Minneapolis Park and Recreation Board, a directly elected body.

MPS – Minneapolis Public Schools.

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.

MSM – Meeting Service Minnesota. GMCVA project that started in 2002 and was absorbed by the Services Department in 2004. It was intended to assist groups in meeting planning.

MSSB – Minnesota State Services for the Blind.

MSFC – Metropolitan Sports Facility Commission.

MUID – Metropolitan Urban Indian Directors.

MUPS – Municipal Utility and Package System.

MVNA – Minneapolis Visiting Nurse's Association, a community non-profit.

MWW – Minneapolis Water Works.

NACCHO – National Association of City and County Health Officials.

NAMC – National Association of Minority Contractors.

NCIC – National Crime Information Center.

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.

NELC's – Neighborhood Early Learning Centers.

New Arrivals – City of Minneapolis efforts to assist emerging immigration population.

Net Tax Levy – This is the total tax levy less HACA (but including fiscal disparities). The net tax levy is now the certified tax levy as required by a change in state law.

NFIRS – National Fire Information Standards.

NFPA – National Fire Protection Association, accreditation organization for Fire Departments.

NHCN – Neighborhood Health Care Network, a community health provider.

NIP – Neighborhood Initiatives Program of the MCDA.

NLC – National League of Cities.

NMMC – North Memorial Medical Center

NNO – National Night Out.

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.

NPDES – National Pollutant Discharge Elimination System.

NRP – Neighborhood Revitalization Program, established in 1990, a joint powers agreement of the City to undertake neighborhood programs.

NSP – Northern State Power Company, now Xcel energy.

OCA – Office of Cultural Affairs of the City Coordinator's department.

OD – Organizational Development.

OIC – Opportunities Industrialization Centers.

OJT – On the Job Training.

O&M – Operations and Maintenance.

OMS – Operations and Maintenance Specialist.

One Stop One Call – City's effort to centralize citizen contact, improve responsiveness and measure performance.

Operating Budget – Financial plan that allow City departments to maintain adequate service levels at reasonable costs by following sound financial management practices. Each City department or division 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 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, Library fund, and the Park Tax funds.

O & M - Operations and Maintenance.

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.

OTP – Overtime Pay.

PAL – Police Activity League.

PAVER – Pavement Management System software application that computes the Pavement Condition Index (PCI) of roads and parking lots.

PC/NPC – Probable cause/ no probable cause.

PCA – Pollution Control Agency, a state government agency.

PCAB – Pollution Control Annual Billing.

PCI – Pavement Condition Index, used to rate the condition of pavement.

PD – Police Department.

PEIRS – Public Employee Information Retrieval System (the payroll system for Public Works Dept. and the Park Board).

PERA – Public Employees Retirement Association, state-wide pension plan, to which a majority of the City's employees belong.

PERF – Police Executive Research Forum.

PH – Public Health.

PHDEP – Public Housing Drug Elimination Program, a federal government grant for security funding.

PHN – Public Health Nurse.

PI – Permanent Improvement.

PICA – Parents in Community Action.

PILOT – Payment in Lieu of Taxes.

PM – Performance Management.

PMD – Program Management Division of ITS.

PP – Problem Properties.

PPF – Preliminary Planning Fund of the MCDA.

PSF – Hennepin County Public Safety Facility.

PS&RS – Public Safety and Regulatory Services, standing committee of the City Council.

PSC – Public Service Center, one of the main buildings in the City's downtown campus.

PW – Public Works Department.

R&M – Repair and Maintenance.

RECAP – Repeat Address Call Policing, part of Central Services Bureau of the Police Department.

REIMB – refers to Capital work performed by divisions of Public Works for which reimbursements are received from other City departments, outside government agencies or private businesses.

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.

RFS – Request for Service, a violation related module of the Kiva application used by inspectors in Regulatory Services.

ROI – Return on Investment.

ROP – Repeat Offender Program.

ROW – Right of Way.

RPO – Rental Property Owners.

RPZ – Reduced Pressure Zone, from the State Plumbing Code.

RSI – Repetitive Stress Injury.

RTSF – Real Time Strategic Forum, a means used to rank strategic information systems improvements.

RTW – Return to Work.

SAC – Sewer Access Credits, issued by the Metropolitan Council.

SBA – Small Business Association, of the Federal Government.

SBC – School Based Clinics.

SCADA – Supervisor 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.

SCORE – Select Committee on Recycling & Environment.

SDP – Service Delivery Plan.

SEMI – Southeast Minneapolis Industrial area – refers to a development area now referred to as University Research Park.

SFD – single family dwelling.

SHAPE - Survey of the Health of Adults, the Population, and the Environment, of the department of Health and Family Support.

SISP – Strategic Information Systems Plan.

SLA – Service Level Agreements.

SMG – System Manager’s Groups of the Metropolitan Radio Board.

SOC – State of the City, report published by the Planning Department.

SOC – Hennepin County Security Operations Center.

Special Revenue Funds – used to account for the proceed of specific revenue sources that are restricted by legal and regulatory provisions to finance specific activities.

SRP – Summer Reading Program. A program offered by the Minneapolis Library.

SSC – Skyway Senior Center.

STD – Sexually Transmitted Disease.

STEPS – The City receives STEPS funding through the Department of Health and Human Services. STEPS is short for “Steps to a Healthier U.S.” and its goal is to address and target populations in the City that have the greatest need or are most vulnerable to diabetes, obesity, and asthma. Community and school-based interventions will focus on healthy lifestyle choices, including physical activity, healthy nutrition, and tobacco use reduction.

STI – Sexually Transmitted Infection.

STOP – Chronic Offenders Team in the City Attorney’s Office.

STS – Sentence to Serve.

SUBP – Small and Underutilized Business Program of the Civil Rights Department.

SW MTTR - Software Mean Time to Repair; related to BIS’ desk side services.

SW&R – Solid Waste and Recycling.

SWMBE – Small, women-owned, and minority-owned business enterprises.

SWOT Analysis – Strengths, Weaknesses, Opportunities and Threats Analysis.

SWSFM – Storm Water/Sewer/Flood Mitigation program, the City’s capital effort to limit residential flooding.

T&PW – Transportation and Public Works, a standing committee of the City Council. Also know by TAPS.

TAC – Technical Advisory Committee.

TAD – Third Avenue Distributor Ramps, built along the downtown core’s border; owned by the State of Minnesota’s Department of Transportation.

TANF – Temporary Aid for Needy Families, federal government grant.

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. (This replaced assessment ratios.)

Tax Increment (TI) – Tax increment of real property within a municipality whose assessed valuation for tax purposes is frozen when the tax increment district is certified. The proceeds from the tax increment bond sale are used to develop this distressed or under-utilized property. Taxes collected from the frozen assessed valuation continue to be distributed to the various taxing districts. As development caused the valuation of the property to rise, the difference or increment between the frozen valuation levels and increased value after development provides the needed payment to pay off the bonds. Tax Increment Finance Bonds (TIF): 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.

TC Tix - A program that manages and operates a ticket outlet providing the GMCVA a revenue source. It provides members and the community an opportunity to experience cultural events while promoting member businesses.

TIF – Tax Increment Financing.

TBD – To be determined.

TELESERVE – is a system for reporting non-emergency crimes that occurred within the city limits of Minneapolis.

TISH – Truth in the Sale of Housing, in Inspections division of Regulatory Services.

TMP – The Minneapolis Plan, the City's comprehensive plan.

TOC – Technical Operating Committee of the Metropolitan Radio Board.

Total Expenses – The total costs of a cost center or department including debt service and capital improvements.

TPA – Third Party Administration.

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.

UDAG – Urban Development Action Grant, of the U.S. Department of Housing and Urban Development.

UCR – Uniform Crime Rate.

Unisys – Unisys Corporation – The City of Minneapolis has a strategic partnership with Unisys to manage and support 2700 personal computers and more than 100 servers over a seven year contract.

USCM – U.S. Conference of Mayors.

U.S. EPA – United States Environmental Protection Agency.

USPS – United States Postal Service.

VEU – Vehicle Equivalent Units.

VoIP – Voice Over Internet Protocol.

VPN – Virtual Private Network.

Ways & Means/Budget Committee – City Council Sub-Committee made up of six City Council Members, which is 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 of Minneapolis – Glossary of Terms

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).

WBE – Women-owned business enterprises.

WC – Worker Compensation.

WiFi – Wireless fidelity.

WTG – Way to Grow.

YCB – Youth Coordinating Board, a joint power agreement of the City.

YMAP – Youth in Minneapolis After School Program (Park Board).

YTD – Year to date.

Z&P – Zoning and Planning, City Council Sub Committee.

MINNEAPOLIS CITY COUNCIL OFFICIAL PROCEEDINGS

ADJOURNED SESSION OF THE REGULAR MEETING OF DECEMBER 10, 2004 HELD DECEMBER 13, 2004

(Published Saturday, December 18, 2004, in *Finance and Commerce*)

Council Chamber
350 South 5th Street
Minneapolis, Minnesota
December 13, 2004 - 5:05 p.m.

The Council met pursuant to adjournment.
Council President Ostrow in the Chair.

Present - Council Members Johnson, Colvin Roy, Zimmermann, Schiff, Zerby, Lilligren, Johnson Lee, Niziolek, Benson, Goodman, Lane, Samuels, President Ostrow.

PETITIONS AND COMMUNICATIONS

WAYS AND MEANS/BUDGET (See Rep):

FINANCE DEPARTMENT (270079)

2005 Budget: Budget Mark-up materials, 2005 Budget Book, and comments submitted on the 2005 budget.

The following reports were signed by Mayor Rybak on December 15, 2004, unless noted otherwise. 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 2004 property tax levies, payable in 2005, for various funds of the City of Minneapolis for which the City Council levies taxes.

Adopted 12/13/04.

Absent - Zimmermann, Samuels.

Resolution 2004R-577 approving the 2004 property tax levies, payable in 2005, for various funds of the City of Minneapolis for which the City Council levies taxes, was passed 12/13/04 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 2004R-577

By Johnson

Approving the 2004 property tax levies, payable in 2005, 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 2004 for taxes payable in 2005 for the following funds:

FUND	CERTIFIED LEVY AMOUNT	TAX CAPACITY RATES ¹
General Fund	\$103,678,649	34.865
Municipal Building Commission	\$3,691,352	1.242
Permanent Improvement	\$1,967,240	0.662
Bond Redemption	\$22,764,000	7.655
Firefighters Relief Association (MFRA)	\$0	0.000
Police Relief Association (MPRA)	\$0	0.000
Minneapolis Employees Retirement (MERF)	\$3,010,000	1.013
Total	\$135,111,241	45.437

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 \$295,715,510 and a spread levy tax capacity value of \$257,210,904, and are advisory in nature only. The dollar amount shown in the levy 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 \$6,400,000 be assessed against and levied based on market value upon the real and personal property in the City of Minneapolis in 2004 for taxes payable in 2005 for debt service associated with the voter approved Library Referendum Bond authorization of \$140,000,000.

Adopted 12/13/04.

Absent - Zimmermann, Samuels.

W&M/Budget - Your Committee recommends passage of the accompanying Resolution fixing the maximum amounts to be expended by the various departments for 2005 (2005 General Appropriation Resolution), from the various funds under the jurisdiction of the City Council for which the City Council levies taxes, based on the recommendations submitted by the Mayor (Petn No 270079).

Johnson moved to amend the resolution by adding the following footnote:

"s) Police Resources through draw down of general fund reserve: 1) Direct the Finance Officer to transfer \$5 million from the Year End 2004 general fund reserve for the purpose of paying principal and interest on \$5 million of bonds that funded a portion of the City's 2005 pension obligations (Pension Bonds); 2) Increase the budget for the police department by \$500,000 in 2005; 3) Increase the transfer to pension debt service funds from the general fund by \$5 million. The intent of the transfer is to reduce the current debt service by an annual amount of \$500,000; 4) Direct the Finance Officer to return to the Ways and Means Committee with options to manage this obligation should the year end 2004 general fund reserve prove insufficient to maintain a 15% reserve level as recommended by the Finance Officer and pay for the \$5 million in additional costs outlined. This report will come forward with the 2004 Year-End Status report. The constraints on the general fund reserve as a result of these actions will limit the

reappropriations from 2004 to 2005. Should funds be available for reappropriation, public safety requests will be the first priority." Seconded.

Adopted. Yeas, 11; Nays, 1 as follows:

Yeas - Johnson, Colvin Roy, Schiff, Zerby, Lilligren, Johnson Lee, Niziolek, Benson, Goodman, Samuels, Ostrow.

Nays - Lane.

Absent - Zimmermann.

Johnson moved to amend the resolution, as amended, by adding the following footnote:

"t) Move 0.5 FTE of a position from the Youth Coordinating Board (YCB) to the Health and Family Support Department (HFS) for the purpose of youth development; funding for the position will be jointly shared by YCB and HFS." Seconded.

Adopted upon a voice vote.

Johnson moved to amend the resolution, as amended, by adding the following footnote:

"u) Add \$75,000 to the Health and Family Support Department in the General Fund to fund on a one-time basis Minnesota Visiting Nurses Association (MVNA) services with daycare providers." Seconded.

Zerby moved to amend Johnson's motion so as to provide \$100,000 to the MVNA. Seconded.

Lost. Yeas, 6; Nays, 6 as follows:

Yeas - Johnson, Colvin Roy, Schiff, Zerby, Lilligren, Samuels.

Nays - Johnson Lee, Niziolek, Benson, Goodman, Lane, Ostrow.

Absent - Zimmermann.

Johnson's motion was adopted upon a voice vote.

Johnson moved to amend the resolution, as amended, by adding the following footnote:

"v) Add \$75,000 to the City Attorney's Office budget for one-time alternative violence prevention strategies as directed by the City Council." Seconded.

Adopted upon a voice vote.

Johnson moved to amend the resolution, as amended, by adding the following footnote:

"w) Reduce the General Fund allocation for the Regulatory Services Department by \$75,000 and increase the Police Department's General Fund allocation by \$75,000." Seconded.

Adopted upon a voice vote.

Johnson moved to amend the resolution, as amended, by adding the following footnote:

"x) Add Residential Parking Planning Funding in the amount of \$40,000 to the Public Works Operating Budget in the Parking Fund, reducing the fund balance in this fund." Seconded.

Adopted. Yeas, 9; Nays, 4 as follows:

Yeas - Johnson, Zimmermann, Schiff, Zerby, Lilligren, Johnson Lee, Niziolek, Goodman, Samuels.

Nays - Colvin Roy, Benson, Lane, Ostrow.

Johnson moved to amend the resolution, as amended, by adding the following footnote:

"y) Reduce the General Fund allocation for the City Coordinator's Department by \$75,000 and increase the Police Department General Fund allocation by \$75,000." Seconded.

Adopted upon a voice vote.

Johnson moved to amend the resolution, as amended, by adding the following footnote:

"z) Licensing staff is directed to work with the City Attorney and prepare a recommendation regarding the strategy of charging business licensees the cost of providing added police services to business owners and report to the Public Safety & Regulatory Services Committee by February 2, 2005." Seconded.

Adopted. Yeas, 8; Nays, 5 as follows:

Yeas - Johnson, Colvin Roy, Zimmermann, Schiff, Zerby, Lilligren, Johnson Lee, Niziolek.

Nays - Benson, Goodman, Lane, Samuels, Ostrow.

Johnson moved to amend the resolution, as amended, by adding the following footnote:

"aa) After review of the 2004 Neighborhood Revitalization Program (NRP) policing plan, the Minneapolis Police Department will develop and communicate with neighborhoods a plan to allow neighborhoods to purchase additional police staffing with NRP funds. The purchase plan will be on a multi-year basis and the cost of additional policing will be at regular police costs rather than the time-and-a-half costs of the current buy-back program." Seconded.

Benson moved to amend Johnson's motion by deleting the language "and communicate" and insert in lieu thereof the language "program options". Seconded.

Adopted upon a voice vote.

Benson moved to amend Johnson's motion, as amended, by adding the following paragraph: "NRP Phase I or Phase II funds may be used." Seconded.

Adopted upon a voice vote.

Johnson's motion, as amended, was adopted by unanimous consent.

The report, as amended, was adopted 12/13/04.

Yeas, 12; Nays, 1 as follows:

Yeas - Johnson, Colvin Roy, Zimmermann, Schiff, Zerby, Lilligren, Johnson Lee, Benson, Goodman, Lane, Samuels, Ostrow.

Nays - Niziolek.

Resolution 2004R-578, fixing the maximum amounts to be expended by the various departments for 2005, from the various funds under the jurisdiction of the City Council for which the City Council levies taxes, was passed 12/13/04 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 2004R-578

By Johnson

Fixing the maximum amounts to be expended by the various departments for 2005 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 Program Allocations), 5, 6, 7, 8, 9, 10, 11, 12, and 14 as published in the final 2005 Budget Book.

REVENUE ESTIMATES:

2005 revenue estimates as shown in the final column of Schedule Two are adopted as the "Approved Revenue Estimates".

Any changes to these revenue estimates that are not technical in nature will be made by Council action at the quarterly reviews in 2005.

CDBG Allocations set forth are based on current estimates of the City's Fiscal Year 2005 Consolidated Plan grant amount. If this grant amount is different and results in a substantial change in the proposed use of funds, there will be another public hearing prior to the April 2005 grant submission.

2005 Operating Budget

Resolution Footnotes:

a) Administrative Financial Policies, as included in the Financial Policies Section of the 2005 Adopted Budget book, are hereby adopted as part of the 2005 budget. Prior to 2005, these items had appeared as footnotes (a) to (aa) of the operating budget resolution.

b) Be it Further Resolved that this resolution may be cited as the "General Appropriation Resolution of 2005."

Additions/Changes to Financial Policies (as needed)

None

Changes to the Recommended Budget

c) Add a project to address the City's commitment within three years to acquire the Lao Lutheran Church for a total of \$600,000 with funding from tax increment financing (\$300,000), and Single Family Housing Contribution (proceeds from land sales - \$100,000).

d) [Technical Amendment] Apply existing administrative financial policies to Sewer/Stormwater fund reorganization; existing policies allow for accounting changes to implement the Council's intent, including creation of a new fund, agencies and position allocations.

e) [Technical Amendment] Remove environmental coordinator position from Regulatory Services; restore amounts to Regulatory Services, Community Planning and Economic Development and Public Works that were used to fund the position.

f) [Technical Amendment] Refine estimates for Real Estate Management swap of functions - reduce positions moved from 2 to 1; reduce appropriation shifted from \$200,000 to \$135,000. Restore reductions in appropriations in both Community Planning and Economic Development and public works to allow for contractual relationship.

g) [Technical Amendment] General Fund Overhead - changes to reflect rate model

Fund	Agency	Department	Expense Increase	Revenue Increase	Revenue Decrease
0100	126	Miscellaneous City-wide Revenue		14,151,641	
0100	820	Finance-Cash Mgmt (Utility Billing)			4,488,391
0100	820	Finance-Controller	3,985,607		45,000
0100	820	Finance-Community Planning and Economic Development			2,305,807
0100	127	Transfers from Community Planning and Economic Development			871,500
0100	123	Payments from IBA			1,100,000
0100	815	Human Resources – Enterprise Funds	924,645		
0100	815	Civil Rights- Community Planning and Economic			
0100	300	Development Payment			245,000
0100	300	Water Fund Increase for			
7400	690	General Fund Overhead	601,004		

h) [Technical Amendment] Add \$100,000 in additional workhouse costs, based on 2003 and 2004 year to date expenditures. Reduce contingency by \$100,000.

i) [Technical Amendment] Restore two positions to the Attorney's office pending non-personnel related strategies. This amendment would maintain the reduction as recommended in the Mayor's recommended budget to reduce the Attorney's office by \$200,000 in keeping with the Five-Year financial direction. The ability to hire two Criminal Division staff would be restored.

j) Restore \$100,000 of appropriation to the Greater Minneapolis Convention Visitors Association line in the Convention Center fund.

k) Allocate \$200,000 of business finance funding for neighborhood business associations, within current Community Planning and Economic Development funds.

l) [Technical Amendment] Add \$777,000 to the BIS budget in the intergovernmental services fund.

m) Delete one-time funds of \$150,000 in Coordinator administration and one position.

n) Approval of the Mayor's Fiscal Year 2005 CDBG Recommendations, as amended by Ways and Means, and concurring with the allocations of Home Investment Partnerships Program (HOME), Emergency Shelter Grants (ESG), and Housing Opportunities for People with Aids (HOPWA).

Directions to Staff

o) Direct community development staff to return to Community Development and Ways and Means with a recommendation regarding funding sources within the Heritage Park project.

p) That proper City officers be authorized to execute or amend contracts to carry out the intent of CDBG program allocations.

q) That the proper City officers be authorized to develop the Fiscal Year 2005 Consolidated plan, including any amendments made in the Ways & Means/Budget Committee approved CDBG schedule.

r) 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 2005 Consolidated Plan funding.

s) Police Resources through draw down of general fund reserve: 1) Direct the Finance Officer to transfer \$5 million from the Year End 2004 general fund reserve for the purpose of paying principal and interest on \$5 million of bonds that funded a portion of the City's 2005 pension obligations (Pension Bonds); 2) Increase the budget for the police department by \$500,000 in 2005; 3) Increase the transfer to pension debt service funds from the general fund by \$5 million. The intent of the transfer is to reduce the current debt service by an annual amount of \$500,000; 4) Direct the Finance Officer to return to the Ways and Means Committee with options to manage this obligation should the year end 2004 general fund reserve prove insufficient to maintain a 15% reserve level as recommended by the Finance Officer and pay for the \$5 million in additional costs outlined. This report will come forward with the 2004 Year-End Status report. The constraints on the general fund reserve as a result of these actions will limit the reappropriations from 2004 to 2005. Should funds be available for reappropriation, public safety requests will be the first priority.

t) Move 0.5 FTE of a position from the Youth Coordinating Board (YCB) to the Health and Family Support Department (HFS) for the purpose of youth development; funding for the position will be jointly shared by YCB and HFS.

u) Add \$75,000 to the Health and Family Support Department in the General Fund to fund on a one-time basis Minnesota Visiting Nurses Association (MVNA) services with daycare providers.

v) Add \$75,000 to the City Attorney's Office budget for one-time alternative violence prevention strategies as directed by the City Council.

w) Reduce the General Fund allocation for the Regulatory Services Department by \$75,000 and increase the Police Department's General Fund allocation by \$75,000.

x) Add Residential Parking Planning Funding in the amount of \$40,000 to the Public Works Operating Budget in the Parking Fund, reducing the fund balance in this fund.

y) Reduce the General Fund allocation for the City Coordinator's Department by \$75,000 and increase the Police Department General Fund allocation by \$75,000.

z) Licensing staff is directed to work with the City Attorney and prepare a recommendation regarding the strategy of charging business licensees the cost of providing added police services to business owners and report to the Public Safety & Regulatory Services Committee by February 2, 2005.

aa) After review of the 2004 Neighborhood Revitalization Program (NRP) policing plan, the Minneapolis Police Department will develop program options with neighborhoods a plan to allow neighborhoods to purchase additional police staffing with NRP funds. The purchase plan will be on a multi-year basis and the cost of additional policing will be at regular police costs rather than the time-and-a-half costs of the current buy-back program. NRP Phase I or Phase II funds may be used.

Adopted 12/13/04. Yeas, 12; Nays, 1 as follows:

Yeas - Johnson, Colvin Roy, Zimmermann, Schiff, Zerby, Lilligren, Johnson Lee, Benson, Goodman, Lane, Samuels, Ostrow.

Nays - Niziolek.

W&M/Budget - Your Committee, having under consideration the State, Orpheum and Pantages Theatres, now recommends approval of the 2004 revised annual budget and the 2005 projected annual budget for the State, Orpheum and Pantages Theatres Operating Account, as set forth in Petn No 270079.

Adopted 12/13/04.

W&M/Budget - Your Committee recommends passage of the accompanying resolution approving the property tax levy for the 2004 taxes, payable in 2005, for the Minneapolis Public Housing Authority, for which the City Council levies taxes.

Adopted 12/13/04.

Resolution 2004R-579, approving the property tax levy for the 2004 taxes, payable in 2005, for the Minneapolis Public Housing Authority, was passed 12/13/04 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 2004R-579

By Johnson

Approving the property tax levy for the 2004 taxes, payable in 2005, for the Minneapolis Public Housing Authority (MPHA) for which the City Council levies taxes.

Resolved by the City Council of Minneapolis:

That the Minneapolis Public Housing Authority (MPHA) is hereby authorized to levy a 2004 property tax, payable in 2005, not to exceed \$1,124,864.

FUND	CERTIFIED LEVY AMOUNT	TAX CAPACITY RATES¹
Public Housing Authority	\$1,124,864	0.378

¹ Tax capacity rates are estimated based on a net tax capacity value of \$295,715,512 and a spread levy tax capacity value of \$257,210,904.
Adopted 12/13/04.

W&M/Budget - Your Committee recommends passage of the accompanying Resolution adopting the 2005-2009 Five Year Capital Program, as shown in the "Capital Section" of the adopted 2005 Budget Book (Petn No 270079), fixing the maximum amounts of capital funds to be expended by the various funds under the jurisdiction of the City Council.

Johnson moved to amend the resolution by reducing the Art in Public Places capital project by \$125,000 and add \$125,000 to the Park Board capital projects, over the five years of the plan, as follows:

- Reduce the Art in Public Places Project by \$29,000 in 2005, \$24,000 in 2006-2009;
- Increase the Park Board Rehabilitation of Shelter Buildings Project by \$29,000 in 2005, the Community and Neighborhood Center Rehabilitation Project by \$24,000 in 2006-2008, and the Athletic Field Restoration Project by \$24,000 in 2009. Seconded.

Adopted. Yeas, 10; Nays, 3 as follows:

Yeas - Johnson, Colvin Roy, Zimmermann, Zerby, Lilligren, Johnson Lee, Goodman, Lane, Samuels, Ostrow.

Nays - Schiff, Niziolek, Benson.

The report, as amended, was adopted 12/13/04.

Resolution 2004R-580, adopting the 2005-2009 Five Year Capital Program, was passed 12/13/04 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 2004R-580

By Johnson

Adopting the 2005 - 2009 Five Year Capital Program and fixing the maximum amounts for 2005 to be expended by the various funds under the jurisdiction of the City Council.

Resolved by the City Council of the City of Minneapolis:

DECEMBER 13, 2004

That the Five Year Capital Program for 2005 - 2009 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 2005:

Fund	Agency	Org	Project	Amounts (in thousands)	RevenueSource Description
4200	MBC - CAPITAL IMPROVEMENTS FUND				
	901		MUNICIPAL BUILDING COMMISSION CAPITAL IMPROVEMENT		
		9013	MBC CITY/COUNTY CAPITAL IMPROVEMENTS		
			MBC01 Life Safety Improvements	350	Net Debt Bonds
			MBC01 Life Safety Improvements	40	MBC Ops Fund Balance
			MBC02 Mechanical Systems Upgrade	570	Net Debt Bonds
			MBC04 Tower & Interior Court Elevators	160	MBC Ops Fund Balance
			4200-901-9013 Subtotal	1,120	
			4200-901 Subtotal	1,120	
			TOTAL FOR FUND 4200	1,120	
4400	LIBRARY - CAPITAL IMPROVEMENTS FUND				
	907		LIBRARY BOARD CAPITAL IMPROVEMENT		
		9072	LIBRARY CAPITAL IMPROVEMENT		
			MPL05 East Lake Library Capital Improvements	960	Libr Referendum bonds
			MPL10 North Regional Remodeling & Restoration	1,525	Libr Referendum Bonds
			MPL13 Hosmer Library Capital Improvements	200	Net Debt Bonds
			4400-907-9072 Subtotal	2,685	
			4400-907 Subtotal	2,685	
			TOTAL FOR FUND 4400	2,685	
3700	PARK - CAPITAL IMPROVEMENTS - ASSESSED FUND				
	910		PARK BOARD CAPITAL IMPROVEMENT		
		9140	FORESTRY & TREE DISEASE CONTROL		
			PRKDT Diseased Tree Removal	500	Assessment Bonds
			3700-910-9140 Subtotal	500	
			3700-910 Subtotal	500	
			TOTAL FOR FUND 3700	500	
4300	PARK - CAPITAL IMPROVEMENTS FUND				
	910		PARK BOARD CAPITAL IMPROVEMENT		
		9136	PARK - CAPITAL IMPROVEMENT		
			PRK01 Community & Neighborhood Center Rehabilitation	740	Net Debt Bonds
			PRK01 Community & Neighborhood Center Rehabilitation	20	Park Board Tax Levy
			PRK01 Community & Neighborhood Center Rehabilitation	75	NRP Funds

	PRK02 Site and Tot Lot Rehabilitation	550	Net Debt Bonds
	PRK02 Site and Tot Lot Rehabilitation	150	Park Board Tax Levy
	PRK03 Rehabilitation of Shelter Buildings	344	Net Debt Bonds
	PRK04 Athletic Field Renovation	475	Park Board Tax Levy
	PRK12 Community Skate Parks	195	Net Debt Bonds
	4300-910-9136 Subtotal	2,549	
	4300-910 Subtotal	2,549	
	TOTAL FOR FUND 4300	2,549	
4100	CITY-CAPITAL IMPROVEMENTS FUND		
890	COMMUNITY PLANNING & ECONOMIC DEVELOPMENT		
8962	COMMUNITY PLANNING		
	ART01 Art in Public Places (ART05)	195	Net Debt Bonds
	4100-890-8962 Subtotal	195	
	4100-890 Subtotal	195	
923	PUBLIC WORKS PROPERTY SERVICES CAPITAL		
9242	PROPERTY SERVICES CAPITAL		
	PSD01 Facilities Repair and Improvements (PS501)	1,500	Net Debt Bonds
	PSD03 Space Management-Functional Improvements (PS503)	428	Net Debt Bonds
	4100-923-9242 Subtotal	1,928	
	4100-923 Subtotal	1,928	
937	PUBLIC WORKS PAVING CONSTRUCTION		
9372	PAVING CONSTRUCTION		
	PV001 2005 Parkway Paving (PV501)	745	Net Debt Bonds
	PV001 2005 Parkway Paving (PV501)	50	Assessment Bonds
	PV002 Oil/Dirt Street Paving Program (PV502)	604	Net Debt Bonds
	PV002 Oil/Dirt Street Paving Program (PV502)	101	Assessment Bonds
	PV003 Bryn Mawr South Renovation (PV503)	3,284	Net Debt Bonds
	PV003 Bryn Mawr South Renovation (PV503)	830	Assessment Bonds
	PV004 2005 CSAH Paving Program (PV504)	250	Net Debt Bonds
	PV004 2005 CSAH Paving Program (PV504)	750	Assessment Bonds
	PV006 2005 Alley Renovation (PV506)	187	Net Debt Bonds

DECEMBER 13, 2004

PV006	2005 Alley Renovation (PV506)	63	Assessment Bonds
PV007	University Research Park (formerly SEMI)	1,003	Municipal State Aid
PV007	University Research Park (formerly SEMI)	260	Assessment Bonds
PV007	University Research Park (formerly SEMI)	696	State of Minnesota
PV017	Como Avenue Southeast	30	Net Debt Bonds
PV017	Como Avenue Southeast	3,236	Municipal State Aid
PV017	Como Avenue Southeast	688	Assessment Bonds
PV025	Fremont Avenue N	18	Net Debt Bonds
PV025	Fremont Avenue N	524	Municipal State Aid
PV025	Fremont Avenue N	406	Assessment Bonds
PV00R	Reimbursable Paving Projects (PV50R)	3,500	Reimburse- ments
STS01	Lake Street Reconstruct/Streetscape (Segment 1)	1,133	Assessment Bonds
STS01	Lake Street Reconstruct/Streetscape (Segment 2)	1,515	Assessment Bonds
STS03	Lake Street Reconstruct/Streetscape (Segment 3)	2,204	Assessment Bonds
	4100-937-9372 Subtotal	22,077	

9386 BRIDGE CONSTRUCTION

BR101	Major Bridge Repair and Rehabilitation (BR501)	200	Net Debt Bonds
BR109	Camden Avenue Bridge Rehabilitation	85	Net Debt Bonds
BR109	Camden Avenue Bridge Rehabilitation	1,981	Municipal State Aid
BR109	Camden Avenue Bridge Rehabilitation	430	State of Minnesota
BR110	St. Anthony Parkway Bridge	2,812	Net Debt Bonds
BR110	St. Anthony Parkway Bridge	329	Assessment Bonds

BR110	St. Anthony Parkway Bridge	2,582	Federal Government
BR110	St. Anthony Parkway Bridge	646	State of Minnesota
BR110	St. Anthony Parkway Bridge	450	BNSF Railroad
BR110	St. Anthony Parkway Bridge	20	Sewer Revenue
BR110	St. Anthony Parkway Bridge	19	Water Revenue
BR115	Broadway/Central Ave Bridge Railing Improvements	100	Municipal State Aid
BR115	Broadway/Central Ave Bridge Railing Improvements	40	Public Art funding
BR115	Broadway/Central Ave Bridge Railing Improvements	100	State of Minnesota
BR115	Broadway/Central Ave Bridge Railing Improvements	100	Hennepin County
BR115	Broadway/Central Ave Bridge Railing Improvements	50	NRP Funds
	4100-937-9386 Subtotal	9,944	
9390	SIDEWALK REPLACEMENT		
SWK01	2005 Sidewalk Repair Program (SWK05)	155	Net Debt Bonds
SWK01	2005 Sidewalk Repair Program (SWK05)	1,765	Assessments
	4100-937-9390 Subtotal	1,920	
	4100-937 Subtotal	33,941	
943	PUBLIC WORKS TRANSPORTATION CAPITAL		
9432	STREET LIGHTING CAPITAL		
PV007	University Research Park (formerly SEMI)	173	Municipal State Aid
PV007	University Research Park (formerly SEMI)	6	State of Minnesota
PV017	Como Avenue Southeast	78	Net Debt Bonds
PV025	Fremont Avenue N	1	Net Debt Bonds
PV025	Fremont Avenue N	34	Municipal State Aid
TR008	Parkway Street Lighting Replacement (TR508)	1,000	Net Debt Bonds
TR011	City Street Light Renovation (TR511)	1,000	Net Debt Bonds
	4100-943-9432 Subtotal	2,292	

9440	FIELD OPERATIONS CAPITAL		
PV003	Bryn Mawr South Renovation (PV503)	34	Net Debt Bonds
PV017	Como Avenue Southeast	7	Net Debt Bonds
PV017	Como Avenue Southeast	197	Municipal State Aids
PV025	Fremont Avenue N	1	Net Debt Bonds
PV025	Fremont Avenue N	41	Municipal State Aid
TR003	LED Replacement Program (TR503)	500	Net Debt Bonds
TR005	Controller Conversion (TR505)	400	Net Debt Bonds
TR006	Priority Vehicle Control System (TR506)	25	Net Debt Bonds
TR006	Priority Vehicle Control System (TR506)	400	Municipal State Aid
TR007	Traffic Signal, Signing & Ltg Improvements (TR507)	190	Net Debt Bonds
TR007	Traffic Signal, Signing & Ltg Improvements (TR507)	80	Municipal State Aid
TR007	Traffic Signal, Signing & Ltg Improvements (TR507)	106	Hennepin County
TR00R	Reimbursable Transportation Projects (TR50R)	600	Reimburse- ments
	4100-943-9440 Subtotal	2,581	

9470	COMMUTER BIKE ROUTE SYSTEM IMPROVEMENTS		
BIK01	Cedar Lake Trail (Phase 3)	2,160	Federal Government
BIK03	Loring Bikeway Project, Phase I & II	251	Net Debt Bonds
BIK06	University of Minnesota Trail (Phase 3)	268	Net Debt Bonds
BIK06	University of Minnesota Trail (Phase 3)	640	Federal Government
BIK06	University of Minnesota Trail (Phase 3)	80	Univ of Minnesota
BIK07	NE Diagonal Trail	550	Net Debt Bonds
BIK07	NE Diagonal Trail	1,686	Federal Government
BIK07	NE Diagonal Trail	636	Roseville/Three Rivers
BIK11	Plymouth Ave N Bike Lane	125	Net Debt Bonds

	BIK12	2nd Street North Bike Lanes	50	Net Debt Bonds
	BIK15	Bikeways Cleanup Project	25	Net Debt Bonds
	BIK16	Northside Bikeway Connections	100	Net Debt Bonds
		4100-943-9470 Subtotal	6,571	
		4100-943 Subtotal	11,444	
970	CAPITAL IMPROVEMENTS NON-DEPARTMENTAL			
	9719	NEAR NORTH IMPLEMENTATION		
	CDA01	Heritage Park Redevelopment Project	1,200	Net Debt Bonds
		Note: There are many revenue sources applicable to this project. Staff will request approval to accept agreements and appropriate funding sources on a case by case basis.		
		4100-970-9719 Subtotal	1,200	
		4100-970 Subtotal	1,200	
		TOTAL FOR FUND 4100	48,737	
6100	EQUIPMENT SERVICES INTERNAL SERVICE FUND			
	927	PUBLIC WORKS EQUIPMENT SERVICES		
	9275	EQUIPMENT PURCHASES		
	FLEET	Fleet Equipment Purchases	5,540	Equipment Bonds
		6100-927-9275 Subtotal	5,540	
		6100-927 Subtotal	5,540	
		TOTAL FOR FUND 6100	5,540	
6400	INFORMATION TECHNOLOGY INTERNAL SERVICE FUND			
	972	INFORMATION TECHNOLOGY SYSTEMS CAPITAL		
	9725	TECHNOLOGY INFRASTRUCTURE		
	BIS01	BIS Capital Program (BIS05)	2,000	Net Debt Bonds
		6400-972-9725 Subtotal	2,000	
		6400-972 Subtotal	2,000	
		TOTAL FOR FUND 6400	2,000	
7300	SEWER ENTERPRISE FUND			
	932	PUBLIC WORKS SEWER CONSTRUCTION		
	9322	SEWER CONSTRUCTION		
	CDA01	Heritage Park Redevelopment Project	250	Sewer Revenue
	PV003	Bryn Mawr South Renovation (PV503)	125	Sewer Revenue
	PV007	University Research Park (formerly SEMI)	680	Municipal State Aid
	PV007	University Research Park (formerly SEMI)	240	State of Minnesota
	PV007	University Research Park (formerly SEMI)	1,000	Middle Miss WMO

DECEMBER 13, 2004

SW001 Storm & Sanitary Sewer Rehabilitation (SW501)	2,500	Sewer Bonds
SW002 Miscellaneous Storm Drains (SW502)	220	Sewer Revenue
SW004 Implement Storm Water Regulations (SW504)	150	Sewer Revenue
SW005 Combined Sewer Overflow Improvements (SW505)	2,000	Sewer Bonds
SW007 Park Board Capital Storm Drain (SW507)	150	Sewer Revenue
SW008 City Facilities - CSO Separation	100	Sewer Revenue
SW010 Flood Area 19 - W 44th St - Aldrich Ave S/Lk Harriet	330	Sewer Bonds
SW015 Flood Area 27- 38th St E to M'haha Creek, 21st Ave S to Hiawatha Ave	540	Sewer Bonds
SW030 Alternative Storm Water Mgmt Strategies	500	Sewer Bonds
SW00R Reimbursable Sewer Projects (SW50R)	3,000	Reimbursements
7300-932-9322 Subtotal	11,785	
7300-932 Subtotal	11,785	
TOTAL FOR FUND 7300	11,785	

7400 WATER ENTERPRISE FUND

950 PUBLIC WORKS WATER CAPITAL

9515 WATER TREATMENT CAPITAL

WTR08 Complete SCADA System	1,000	Water Bonds
WTR08 Complete SCADA System	656	Water Revenue
WTR09 Ultrafiltration Program	12,500	Water Bonds
7400-950-9515 Subtotal	14,156	

9535 WATER DISTRIBUTION CAPITAL

CDA01 Heritage Park Redevelopment Project	250	Water Revenue
WTR12 2005 Water Distribution Improvements (WT512)	2,500	Water Bonds
WTR12 2005 Water Distribution Improvements (WT512)	1,985	Water Revenue
7400-950-9535 Subtotal	4,735	

9545 WATER REIMBURSABLE CAPITAL

WTR0R Reimbursable Water Projects (WT50R)	2,000	Reimbursements
7400-950-9545 Subtotal	2,000	
7400-950 Subtotal	20,891	
TOTAL FOR FUND 7400	20,891	

7500	MUNICIPAL PARKING ENTERPRISE FUND			
	943	PUBLIC WORKS TRANSPORTATION CAPITAL		
		9464	OFF-STREET PARKING	
			RMP03 2005 Bicycle Parking (RMP05)	30
				Parking Revenue
			7500-943-9464 Subtotal	30
			7500-943 Subtotal	30
			TOTAL FOR FUND 7500	30
			GRAND TOTALS FOR	
			ALL FUNDS	95,808

Adopted 12/13/04.

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 2005 Capital Appropriation Resolution.

Johnson moved to amend the resolution requesting the Board of Estimate and Taxation to issue and sell City of Minneapolis bonds in the amount of \$21,247,000 to reflect the reduction of the Art in Public Places Capital Project by \$125,000 and addition of \$125,000 to the Park Board Capital Projects budget (over the five years of the plan). Seconded.

Adopted. Yeas, 10; Nays, 3 as follows:

Yeas - Johnson, Colvin Roy, Zimmermann, Zerby, Lilligren, Johnson Lee, Goodman, Lane, Samuels, Ostrow.

Nays - Schiff, Niziolek, Benson.

The report, as amended, was adopted 12/13/04.

Resolutions 2004R-581 through 2004R-587, 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 2005 Capital Appropriation Resolution, were passed 12/13/04 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 2004R-581
By Johnson

Requesting that the Board of Estimate and Taxation incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$500,000 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 \$500,000, 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 12/13/04.

The following is the complete text of the unpublished summarized resolution.

RESOLUTION 2004R-582

By Johnson

Requesting that the Board of Estimate and Taxation incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$8,329,000 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 \$8,329,000, 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 sanitary sewers, 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.

BR110	St. Anthony Parkway Bridge	329,000
PV001	2005 Parkway Paving (PV501)	50,000
PV002	Oil/Dirt Street Paving Program (PV502)	101,000
PV003	Bryn Mawr South Renovation (PV503)	830,000
PV004	2005 CSAH Paving Program (PV504)	750,000
PV006	2005 Alley Renovation (PV506)	63,000
PV007	University Research Park (formerly SEMI)	260,000
PV017	Como Avenue Southeast	688,000
PV025	Fremont Avenue N	406,000
STS01	Lake Street Reconstruct/Streetscape (Segment 1)	1,133,000
STS01	Lake Street Reconstruct/Streetscape (Segment 2)	1,515,000
STS03	Lake Street Reconstruct/Streetscape (Segment 3)	2,204,000
Total		8,329,000

Adopted 12/13/04.

The following is the complete text of the unpublished summarized resolution.

RESOLUTION 2004R-583

By Johnson

Requesting that the Board of Estimate and Taxation incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$21,247,000 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 \$21,247,000, the proceeds of which are to be used as follows:

Municipal Building Commission, in the amount of \$920,000

MBC01	Life Safety Improvements	350,000
MBC02	Mechanical Systems Upgrade	570,000

Park & Recreation Board, in the amount of \$1,829,000

PRK01	Community & Neighborhood Center Rehabilitation	740,000
PRK02	Site and Tot Lot Rehabilitation	550,000
PRK03	Rehabilitation of Shelter Buildings	344,000
PRK12	Community Skate Parks	195,000

City Council, in the amount of \$18,498,000

ART01	Art in Public Places (ART05)	195,000
BIK03	Loring Bikeway Project, Phase I & II	251,000
BIK06	University of Minnesota Trail (Phase 3)	268,000
BIK07	NE Diagonal Trail	550,000
BIK11	Plymouth Ave N Bike Lane	125,000
BIK12	2nd Street North Bike Lanes	50,000
BIK15	Bikeways Cleanup Project	25,000
BIK16	Northside Bikeway Connections	100,000
BIS01	BIS Capital Program (BIS05)	2,000,000
BR101	Major Bridge Repair and Rehabilitation (BR501)	200,000
BR109	Camden Avenue Bridge Rehabilitation	85,000
BR110	St. Anthony Parkway Bridge	2,812,000
CDA01	Heritage Park Redevelopment Project	1,200,000
MPL13	Hosmer Library Capital Improvements	200,000
PSD01	Facilities Repair and Improvements (PS501)	1,500,000
PSD03	Space Mgmt-Functional Improvements (PS503)	428,000
PV001	2005 Parkway Paving (PV501)	745,000
PV002	Oil/Dirt Street Paving Program (PV502)	604,000
PV003	Bryn Mawr South Renovation (PV503)	3,318,000
PV004	2005 CSAH Paving Program (PV504)	250,000
PV006	2005 Alley Renovation (PV506)	187,000
PV017	Como Avenue Southeast	115,000
PV025	Fremont Avenue N	20,000
SWK01	2005 Sidewalk Repair Program (SWK05)	155,000
TR003	LED Replacement Program (TR503)	500,000
TR005	Controller Conversion (TR505)	400,000
TR006	Priority Vehicle Control System (TR506)	25,000
TR007	Traffic Signal, Signing & Ltg Improv (TR507)	190,000
TR008	Parkway Street Lighting Replacement (TR508)	1,000,000
TR011	City Street Light Renovation (TR511)	1,000,000
	Total	\$21,247,000

Adopted 12/13/04.

The following is the complete text of the unpublished summarized resolution.

**RESOLUTION 2004R-584
By Johnson**

Requesting that the Board of Estimate and Taxation incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$5,870,000 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 \$5,870,000, the proceeds of which are to be used for flood mitigation, sewer, and storm drain/tunnel projects, as follows:

SW001	Storm & Sanitary Sewer Rehabilitation (SW501)	2,500,000
SW005	Combined Sewer Overflow Improvements (SW505)	2,000,000
SW010	Flood Area 19 – W 44th St - Aldrich Ave S/Lk Harriet	330,000
SW015	Flood Area 27- 38 th St E to M'haha Creek, 21st Ave S	540,000
SW030	Alternative Storm Water Mgmt Strategies	500,000
Total		\$5,870,000

Adopted 12/13/04.

The following is the complete text of the unpublished summarized resolution.

RESOLUTION 2004R-585
By Johnson

Requesting that the Board of Estimate and Taxation incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$16,000,000 for certain purposes other than the purchase of public utilities.

Resolved by The City Council of The City of Minneapolis:

That the Board of Estimate and Taxation be requested to incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$16,000,000, the proceeds of which are to be used for Water Works related projects, as follows:

WTR08	Complete SCADA System	1,000,000
WTR09	Ultra filtration Program *	12,500,000
WTR12	2005 Water Distribution Improvements (WT512)	2,500,000
Total		\$16,000,000

* - It is anticipated that the Ultrafiltration Program will be financed by issuing a General Obligation Note to the Minnesota Public Facilities Authority as part of their Drinking Water Revolving Loan program.

Adopted 12/13/04.

The following is the complete text of the unpublished summarized resolution.

RESOLUTION 2004R-586
By Johnson

Requesting that the Board of Estimate and Taxation incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$5,540,000 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 \$5,540,000, the proceeds of which are to be used for fleet equipment purchases.

Adopted 12/13/04.

The following is the complete text of the unpublished summarized resolution.

RESOLUTION 2004R-587

By Johnson

Requesting that the Board of Estimate and Taxation incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$2,485,000 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 Library Referendum bonds in the amount of \$2,485,000, the proceeds of which are to be used for capital improvements to community libraries and debt service to be paid by the Library Referendum passed in November of 2000, as follows:

MPL05	East Lake Library Capital Improvements	960,000
MPL10	North Regional Remodeling & Restoration	1,525,000
Total		\$2,485,000

Adopted 12/13/04.

W&M/Budget - Your Committee recommends passage of the accompanying Resolution designating the utility rates for water, sewer, solid waste and recycling services, effective on and after January 1, 2005.

Adopted 12/13/04.

Resolution 2004R-588, designating the utility rates for water, sewer, solid waste and recycling services, effective on and after January 1, 2005, was passed 12/13/04 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 2004R-588

By Johnson

Designating the utility rates for water, sewer, solid waste, and recycling service effective with water meters read on and after January 1, 2005.

Resolved by The City Council of The City of Minneapolis:

Effective with utility billings for water meters read from and after January 1, 2005, the meter rates for water are hereby fixed and shall be collected as follows:

(a) Charges commence when the street valve is turned on for water service.

(b) Two dollars and fifty cents (\$2.50) per one hundred (100) cubic feet for customers not otherwise mentioned, within the limits of the City of Minneapolis.

(c) Two dollars and fifty cents (\$2.50) per one hundred (100) cubic feet to the United States Government within the city limits, and outside of or adjacent to the city limits, such rates and upon such terms as may be agreed upon by the city and the United States Government.

(d) Two dollars and fifty cents (\$2.50) per one hundred (100) cubic feet to the University of Minnesota, the United States Veterans' Hospital, the metropolitan airports commission for service to Minneapolis-St. Paul International Airport, and all city-owned property.

(e) Two dollars and fifty-nine cents (\$2.59) per one hundred (100) cubic feet to municipalities and villages outside the corporate limits of the city where service to such municipalities or villages is given through a master meter.

(f) Two dollars and sixty-five cents (\$2.65) 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.

(g) Rates for municipalities, municipal corporations and villages, which are established by contract, shall continue on the existing contract basis.

(h) Under the above rates no meter shall pay a less sum per billing period or fraction thereof for the use of water than the following:

Net Minimum Meter Size	Net Minimum Monthly Bill	Quarterly Bill
5/8-inch	\$ 2.00	\$ 6.00
3/4-inch	2.40	7.20
1-inch	4.80	14.40
1 1/2-inch	8.85	26.55
2-inch	14.00	42.00
3-inch	27.00	81.00
4-inch	50.00	150.00
6-inch	95.00	285.00
8-inch	135.00	405.00
10-inch	191.00	573.00
12-inch	231.00	693.00

(i) The minimum bill for an owner occupied residential development serviced by a combined fire/general service line shall be a multiple of the number of units served, times the minimum charge for a three-fourth (3/4) inch meter.

(j) 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:

2 inch pipe connection . . .	\$ 30.00
3 inch pipe connection . . .	36.00
4 inch pipe connection . . .	48.00
6 inch pipe connection . . .	72.00
8 inch pipe connection . . .	120.00
10 inch pipe connection . . .	180.00
12 inch pipe connection . . .	300.00

When the seal of any of the valves connecting with such fire protection pipes shall be broken, it shall be forthwith resealed by the superintendent of the waterworks. All connections for fire systems must have a post indicator valve installed at the curb if ordered by the superintendent of the waterworks.

The sewer rental rates shall be applied to utility billings for water meters read from and after January 1, 2005. The sewer rental 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 sewer rental rate applicable inside the City of Minneapolis is three dollars and sixty-four cents (\$3.64) per one hundred (100) cubic feet. The minimum sewer rental rate shall be two dollars (\$2.00) per month.

(b) The sewer rental rate applicable outside the City of Minneapolis for all sewage flow generated is three dollars and sixty-four cents (\$3.64) per one hundred (100) cubic feet. The minimum sewer rental rate shall be six dollars (\$ 6.00) per month. Sewer rental only service shall be thirteen dollars (\$13.00) per month.

(c) The sewer rental 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.

(d) The sewer rental 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.

Solid waste and recycling variable rate charges associated with water meter read dates from and after January 1, 2005, the charges shall be as follows:

(a) The base unit charge shall be twenty-two dollars and twenty-five cents (\$22.25) per dwelling unit per month.

(b) The recycling reduction shall be seven dollars (\$7.00) per dwelling unit per month for the units whose occupants qualify as participating in the city's recycling program.

(c) The cart disposal charge shall be two dollars (\$2.00) per month for each small cart.

(d) The cart disposal charge shall be four dollars (\$4.00) per month for each large cart assigned to a dwelling unit.

Adopted 12/13/04.

By unanimous consent, the meeting was adjourned.

Steven J. Ristuben,
Assistant City Clerk.

Unofficial Posting: 12/17/2004
Official Posting: 12/17/2004