



Dear Minneapolis residents,

Every four years the City engages in strategic planning to determine Citywide goals and strategic directions. In April of 2010, the Mayor and the City Council articulated six Citywide goals. These goals guide the elected officials during the budget process as they decide how to commit the City's resources.

A Safe Place to Call Home

People and businesses thrive in a safe and secure city

Jobs & Economic Vitality

A world-class city and 21st century economic powerhouse

Livable Communities, Healthy Lives

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

Many People, One Minneapolis

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

Eco-Focused

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

A City That Works

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

These goals can be found in more detail on the City's Web site at www.ci.minneapolis.mn.us.

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



City of Minneapolis 2011 Budget in Brief

Budget Process

Mayor's Recommended Budget

June through August

The Mayor holds budget hearings to review departmental budget proposals, other policy changes, and alternative funding options. After the initial review, the Mayor recommends a budget to the City Council no later than August 15.

City Council Budget Review and Development

October through November

The City Council discusses the Mayor's recommended budget. Each department presents its budget to the Ways and Means/Budget Committee with all Council members invited to attend. After these hearings, the Ways and Means/Budget Committee forwards a budget to the City Council with any changes made to the Mayor's recommendations.

Truth in Taxation

November

Truth in Taxation or TNT property tax statements are mailed by Hennepin County to property owners indicating the maximum amount of property taxes that the owner will be required to pay. These statements also indicate the dates when truth in taxation public hearings will be held. State law was changed in the 2009 Legislative session to require the hearing after November 24. The hearing may be part of the City's regularly scheduled budget meeting but the meeting must be held after 6:00 p.m.

City Council Budget Adoption

December

The City Council adopts a final budget that reflects any and all changes made to the Mayor's recommended budget. The final budget is referred to as the "Adopted Budget."

THE CITY'S FUNDS

The accounts of the City are organized into funds. A fund is a group of related accounts used to control money that has been earmarked for specific activities or objectives. By keeping revenue in its appropriate funds, the City is able to obey laws that require certain money to be spent on specific uses. About 71 percent of the City's revenue is dedicated for a specific use. That means the City may not raise water bills to pay for police services, for example. Of the City's \$1.36 billion 2011 Adopted Budget, most of the big spending decisions occur within the City's \$392 million General Fund.

REVENUES AND EXPENDITURES - CITYWIDE AND GENERAL FUND

CITYWIDE

Police and Fire

The Police and Fire Departments make up 13.9 percent (\$189 million) of the City's budget. The City's 2011 Adopted Budget funds 862 sworn police in five different precincts and 396 firefighters at 19 stations.

Community Planning and Economic Development

The Community Planning and Economic Development (CPED) Department accounts for about 6.3 percent (\$81.9 million) of the City's budget. CPED's work includes the following goals: promoting a healthy economy by working with private businesses, developing an educated workforce and living-wage jobs, administering programs for housing development and redevelopment, and interpreting and enforcing zoning codes.

Public Works

The Public Works Department makes up the largest part of the City's budget (22.8 percent, \$310.3 million). The main tasks of Public Works include the following: offering safe transportation to residents by maintaining streets, bike paths and sidewalks; offering high-quality drinking water to residents and visitors by managing the sewer and water system, and facilitating the collection and disposal of garbage and recycling.

Property taxes are a major source of revenue for the City. The City receives about 43 percent of your property tax payments. For more information on property taxes, please see the section on the back page titled "Property Tax Dollar Breakdown."

Charges for services include utilities that residents pay for such as water, sewer, stormwater, garbage removal and recycling.

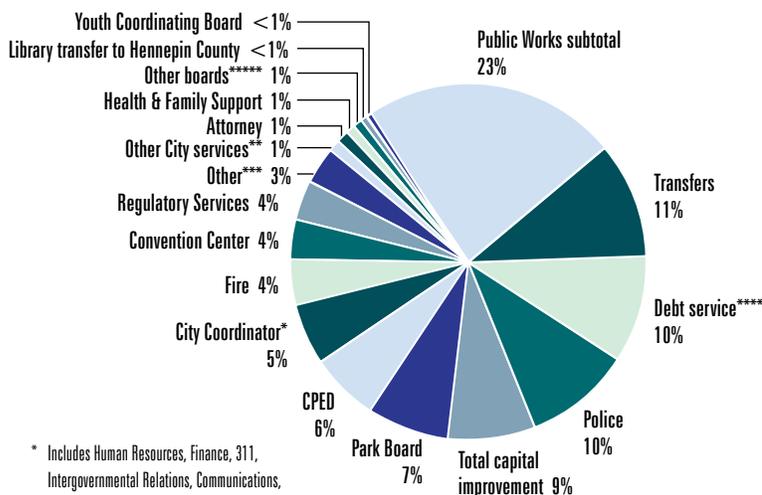
State government revenue is money that comes from the State of Minnesota - the largest source of which is Local Government Aid (LGA). The State of Minnesota uses a formula to distribute LGA funds to cities in the State. In 2011, Minneapolis was appropriated \$87.5 million. In 2010, the City was appropriated \$90 million but received just \$64.1M after unallotment and further legislative adjustments. For more information on LGA and the distribution formula, please visit <http://www.house.leg.state.mn.us/hrd/topics.asp?topic=32>.

Tax increment property tax revenue is money being paid back to the City. Sometimes the City issues bonds to fund development in an economically disadvantaged district of the City. Then when the development begins to pay property taxes, the taxes go to the City to repay the bonds. This year, \$10.6 million of this revenue will go to fund neighborhood programs and Target Center debt service.

Sales and other taxes include some taxes unique to the City. The City of Minneapolis collects a 0.5 percent sales tax that is dedicated to help fund the Convention Center. The City also collects additional taxes on lodging, restaurant, liquor and entertainment sales. 6.875 percent of total sales tax collected in Minneapolis goes to the State of Minnesota.

Total Expense Budget – Use of Funds

2011 Adopted Budget: \$1.36 billion



* Includes Human Resources, Finance, 311, Intergovernmental Relations, Communications, Internal Audit, Neighborhood and Community Relations and BIS

** Includes Assessor, City Clerk/Elections/Council, Civil Rights & Mayor

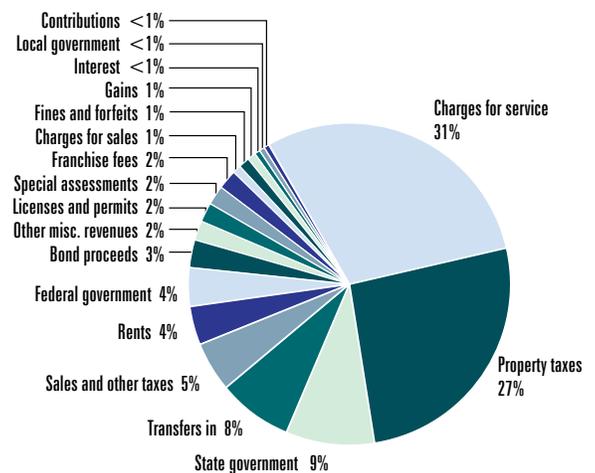
*** Includes Non-departmental, Health and Welfare, Workers' Compensation, Liability, Contingency and Pensions

**** Does not include debt service paid directly from proprietary funds or by independent boards

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

Total Revenue Budget – Source of Funds

2011 Adopted Budget: \$1.37 billion

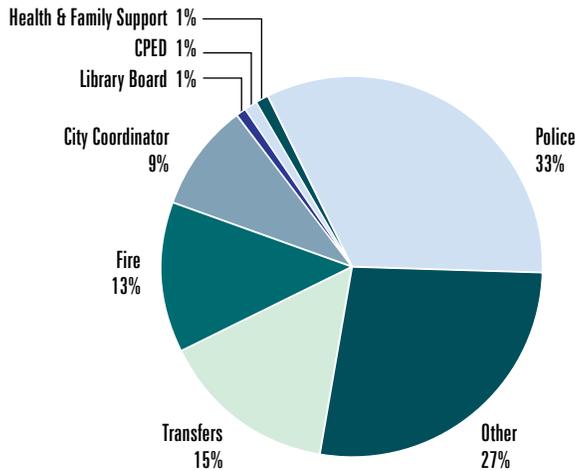


GENERAL FUND

The fund where the City has the most discretion is the General Fund. The two major sources of funding for the General Fund are local property taxes and Local Government Aid from the State. These two sources make up 63% of the General Fund budget of \$392.3 million. The General Fund is about 29 percent of the citywide budget. Here is a more detailed look at the General Fund:

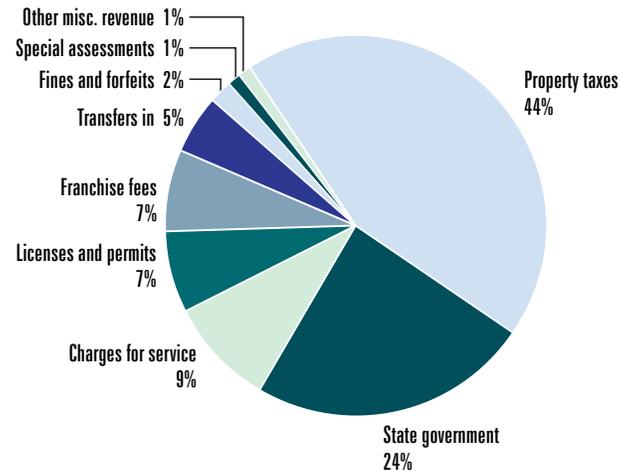
General Fund Expense Budget – Expenditures by Services

2011 Adopted Budget: \$392.3 million



General Fund Revenue Budget – Sources of Funds

2011 Adopted Budget: \$392.3 million



* Other departments: Assessor, Council/Clerk/Elections, Civil Rights, Health and Family Support, Mayor, Regulatory Services, Public Works, CPED, Contingency

CAPITAL PLAN

Every year, the City adopts a plan for capital improvements for the next five years. Capital improvements include projects such as street construction, bridges, public buildings, traffic systems, park improvements, sewers, water infrastructure, etc. Capital projects tend to be costly, so the City issues bonds to help cover the cost. The City uses the cash received from bond sales to pay for capital projects, and repays investors over time at tax exempt interest rates determined by competitive bids received at the time the bonds were issued. This process is similar to a homeowner taking out a home improvement loan to complete a major home repair project.

The 2011 budget includes the 2011-2015 five-year capital plan. The five-year total for the capital budget is \$593.667 million, with 93 percent of it within the Public Works Department. The three biggest capital expense categories include street paving (\$251 million), stormwater sewers (\$107 million) and water infrastructure (\$52 million).

Debt Service and Bonds

Currently, the City's total general obligation debt outstanding is around \$982 million. General obligation bonds are backed by the full faith and taxing authority of the City. Approximately 24 percent of this debt is paid for

with future property tax payments, 31 percent is paid by fees collected for sewer, water and parking services, and the balance is supported by sales taxes, tax increment, special assessments and other user fees. Annually, the City pays between \$125 - \$150 million in principal and interest on bonds.

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

Capital Long-Range Improvement Committee (CLIC)

Elected officials gather feedback from residents regarding what capital projects the City should undertake. The Capital Long-Range Improvement Committee consists of 33 residents (seven appointed by the Mayor and two appointed by each of the 13 Council members to represent their wards). CLIC members rank proposed capital projects and present their recommendations to the Mayor and City Council.

PROPERTY TAX DOLLAR BREAKDOWN

Your property tax dollars are split among several different organizations. The three organizations that receive the greatest proportion of your property taxes are the City of Minneapolis, Hennepin County, and Minneapolis Public Schools. The City typically receives about 43 percent of the revenue from property tax payments. Hennepin County receives about 28 percent, and the School District about 26 percent. The other 3 percent of property tax revenue is split between Metro Mosquito Control, Metropolitan Council, Metro Transit, the Minneapolis Institute of Arts, Hennepin County Regional Railroad Authority and the School Board referendum.

2011 Adopted Budget Property Tax Breakdown

Under the 2011 Adopted Budget, a Minneapolis home with an estimated value of \$196,650 will pay about \$1,309 in property taxes to the City in the year 2011. See where that \$1,309 goes on the adjacent chart and table:

City Property Tax Breakdown for Home Valued at \$196,650

	Tax on typical home
	\$1,309.00
Police	\$276.32
Fire	\$113.92
Public Works	\$68.06
Other City departments	\$145.07
Closed pension funds and pension management plan	\$185.61
Capital and debt service	\$94.80
Miscellaneous (includes contingency)	\$141.74
Library referendum debt service	\$43.22
Park	\$219.56
Independent boards less Park	\$20.70

Property Tax Breakdown
2011 Adopted Budget



UTILITY RATES

The City charges for the following utilities: tap water, managing stormwater, managing sanitary sewers, and garbage/recycling. In the 2011 Adopted Budget, utility rates for a home with the average consumption will increase 2.9 percent from 2010 rates.

Average Annual Utility Bill Cost

Combined utility bill cost for average Minneapolis consumer

	2010 average	2011 average	Annual % change	Annual \$ change
Sanitary Sewer	\$ 210.96	\$ 220.00	4.3%	\$ 9.04
Storm Water	133.08	137.00	2.9%	3.92
Water	292.80	307.00	4.8%	14.20
Solid/Waste/Recycling	288.00	288.00	0.0%	0.00
Total Utilities	924.84	952.00	2.9%	27.16

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

For online information about Minneapolis program performance and progress, go to <http://www.ci.minneapolis.mn.us/results-oriented-minneapolis/resultsminneapolis.asp>.

If you need this material in an alternative format please call 612-673-2162. Deaf and hard-of-hearing people call at 612-673-3000. TTY users call 612-673-2157 or 612-673-2626.

Attention- If you have any questions regarding this material please call 311. Hmong - Ceeb toom. Yog koj xav tau kev pab txhais cov xov no rau koj dawb, hu 612-673 2800.

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

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

**City of Minneapolis
2011 Budget**

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December 2010

LETTER OF TRANSMITTAL

Dear Residents of the City of Minneapolis:

We are pleased to present the City of Minneapolis' 2011 adopted budget.

The 2011 adopted budget builds on many of the significant organizational and financial changes that have occurred in recent years and continues the City's commitment to long-term financial and business planning. The adopted budget is structurally balanced over the next five years, as indicated five-year financial direction in the financial plan section of this document.

Balancing the budget over five years continues to be challenged by financial pressures service demands and a need for reducing growth in property taxes. This budget reflects a continued willingness to make both short and long-term difficult decisions to address the City's financial challenges.

Short term financial challenges

The City's short term financial challenges for the 2011 budget were considerable. The budget reduces spending for City services by \$21 million at the same time the City's property taxes increased by 4.7% over 2010 levels. Additionally, department budgets were reduced for two years to reflect no increase in salaries. Future challenges anticipated in the 2011 budget include the impacts of the 2009 TIF district decertification on state aids, the Local Government Aid certification, rising pension obligations, and continuing growth in the cost of providing City services.

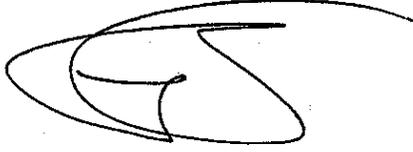
Long-Term Financial and Results Planning

The Financial Overview section of this document provides details on the City's continued fiscal discipline and financial planning efforts. An explanation of how to use this document is in the introduction section. The City's five-year capital program can be found in the "Capital Program" section of the document.

The City's long-term financial planning has taught us the value of matching our spending and revenue over the long term. These financial policies, and the strong work on linking resources to results through *Results Minneapolis*, have given us much better information upon which to base our decisions. Recent economic downturns and State budget cuts have led to unique

challenges at the City. Although we have shared in the solution, we will continue our practice of long-term planning.

Respectfully Submitted,

A stylized, handwritten signature in black ink, consisting of a large, sweeping loop that encloses a smaller, more defined shape.

R.T. Rybak
Mayor

A handwritten signature in black ink, written in a cursive style that is somewhat legible.

Barbara Johnson
Council President

A handwritten signature in black ink, written in a cursive style with a prominent vertical stroke.

Betsy Hodges
Chair, Ways and Means/Budget

City of Minneapolis 2011 Budget

How to Use This Document

The budget book contains some of the best sources of information on governmental activities as well as key financial information for policy makers and managers. The highlights below will guide the reader through the various sections of the 2011 budget document.

Introductory Section	This section, found before the first tab, includes lists of the City's elected officials, department and agency heads, the City's budget principles, and a City-wide organization chart.
Section 1: Table of Contents	The table of contents allows the user of the document to pinpoint the page of a particular part of the City's budget.
Section 2: Background Information	<p>This section contains a community profile of the City of Minneapolis, including an overview of the City's history, economy, population, and attractions. A map of Minneapolis Communities and Neighborhoods and descriptions of the City's form of government are included in this section, as well as a chronology of financial decision making for the City.</p> <p>Descriptions of the major City funds are included in this section, including a bird's eye view of the relationship between fund types, revenue sources, expenditures and departments/boards.</p>
Section 3: Strategic Planning	The strategic planning section lists the set of City goals and strategic directions which were adopted by the Mayor and the City Council in 2010. The Citywide strategic plan provides clear direction for departments' business planning efforts. Annual budget process, dates for this year's budget process, and a description of integration of key processes follow. The City's financial decision calendar displays the annual flow of these processes. Links between the City goals and department five year business plan goals are described in this section.
Section 4: Financial Policies	This section presents the major financial policies adopted by the City Council and Mayor.
Section 5: Financial Overview	<p>This section summarizes the key decisions and financial issues addressed in the budget. It includes key charts and graphs which depict the various portions of the City's budget and key revenue trends. A chart of the Minneapolis property tax levy recommendation appears in this section.</p> <p>This section also contains a summary of major decisions in the budget, and enterprise level challenges.</p>
Section 6: Financial Plans	<p>Financial plans for the City's major funds and business lines are found in this section. The five-year financial direction begins this section. A summary of the demands on the property tax levy is included.</p> <p>For fund level plans, the budget, a three-year forecast and two years of actual expenditures are displayed on the financial page. These plans include narratives which summarize what operations are run in the fund, historical financial performance, and current year expenses, revenues, transfers and debt service.</p>

Section 7: Financial Schedules	<p>These schedules summarize interfund transactions, revenues by major category, expenditures by fund and agency, the community development block grant program, community planning and economic development program allocations, and positions by department, charges for technology, fleet, property services, rent, and general fund overhead costs by department, all referenced in the appropriation resolutions.</p>
Section 8: Capital Program	<p>This section outlines the capital program by funding source and in total. A narrative summarizes the program and presents operating cost impacts as described by applicants for the funds. Information about the City's debt – the legal debt margin, outstanding debt, amortization of the debt, and the bond redemption levy – is included. A separate table of contents and glossary are included for this section.</p> <p>The program is also summarized by the commission, board or department which submitted the request along with each major program. A five-year total of the capital program and its allocations are included. A presentation by amount requested by the department/agency, the capital long range improvement committee recommendation, the Mayor's recommend budget, and the adopted budget follows.</p>
Section 9: Operating Departments	<p>This section, the largest in the budget book, provides the most detail on a department-by-department basis, including departments' financial summaries. These summaries include expenditures by type (<i>i.e.</i> salaries, benefits, contractual services and operating expenses) and fund; the department's revenue estimates; and positions.</p> <p>The departments also prepare narrative summaries for their divisions, including primary businesses, links to City-wide goals, and performance measures. These summaries include a brief financial overview of the department prepared by finance staff. Department organizational charts are included in this section.</p>
Section 10: Independent Boards and Agencies	<p>This section provides information in a format similar to the City Council operating departments for independent boards and agencies. The amounts included are generally those most recently approved by the board of the organization.</p>
Section 11: Glossary	<p>A glossary is included for key financial and City terms. A more detailed glossary is available on the City of Minneapolis website. For more detail please reference the Glossary section of the City Council's Policies and Procedures page.</p>

**City of Minneapolis
2011 Budget**

Elected and Public Officials

Mayor

R.T. Rybak

City Council

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

Board of Estimate and Taxation

Board Members

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

Minneapolis Park and Recreation Board

Board Members

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

Charter Department Heads / Assistant City Coordinators

Patrick P. Born	Chief Finance Officer
Vacant	Chief Information Officer
Patrick Todd	City Assessor
Susan Segal	City Attorney
Casey Carl	City Clerk
Steven Bosacker	City Coordinator
Velma Korbel	Civil Rights Director
Sara Dietrich	Communications Director
	Community Planning and Economic Development Director
Mike Christenson	Convention Center, Director
Jeff Johnson	Fire Chief
Alex Jackson	Health Commissioner
Gretchen Musicant	Human Resources Director
Pamela French	Intergovernmental Relations Director
Gene Ranieri	Internal Auditor
Magdy Mossaad	311 Director
Don Stickney	Neighborhood and Community Relations Director
David Rubedor	Director of Regulatory Services
Rocco Forte	Police Chief
Timothy Dolan	Public Works Director/City Engineer
Steve Kotke	

Independent Boards/Agencies

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

City of Minneapolis 2011 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 that include feasible budget options to policymakers.
- ◆ Elected officials will make strategic resource decisions, not across-the-board cuts.
- ◆ Individual projects in a particular area must not be considered for funding independently of other projects.

5. Build in collaborative and transparent decision-making.

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

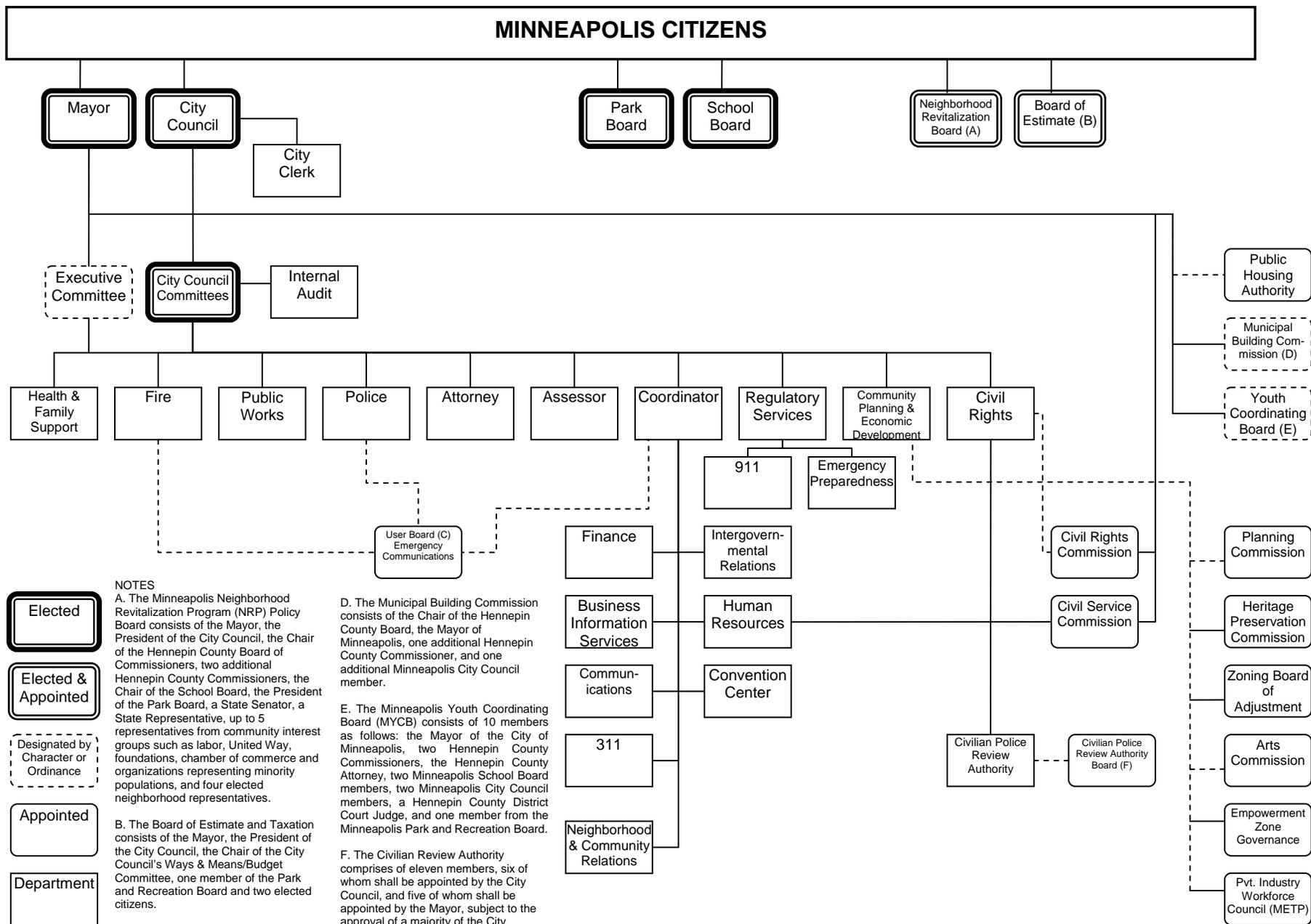
6. Protect core service delivery by avoiding duplication – both internal and external

- ◆ Between different City departments and agencies,
- ◆ With the County, 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.

City of Minneapolis



NOTES

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

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

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

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

E. The Minneapolis Youth Coordinating Board (MYCB) consists of 10 members as follows: the Mayor of the City of Minneapolis, two Hennepin County Commissioners, the Hennepin County Attorney, two Minneapolis School Board members, two Minneapolis City Council members, a Hennepin County District Court Judge, and one member from the Minneapolis Park and Recreation Board.

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

Department of Finance, August, 2010

Elected

Elected & Appointed

Designated by Character or Ordinance

Appointed

Department



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Minneapolis
Minnesota**

For the Fiscal Year Beginning

January 1, 2010

President

Executive Director

**City of Minneapolis
2011 Budget**

Background Information

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City of Minneapolis 2011 Budget Background Information

Community Profile

Minneapolis combines the Dakota word for water ("minne") with the Greek word for city ("polis"), a fitting name for the City with 22 of Minnesota's 12,034 lakes. Minneapolis is renowned for combining the best of urban life with the neighborhoods and quality of life found in smaller towns. Residents enjoy exciting cultural and recreational opportunities in beautiful natural surroundings.

History

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



Location

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



Climate

Minneapolis has an average summer temperature of 71° F, and an average winter temperature of 17° F¹. 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 386,691 people (2009 Met Council estimate). Males comprise 50.8% of the population, while percentage of females is 49.2%. Children and youth aged 19 and younger make up 23.8% of the population. Seniors aged 65 and above, are 8.9% of the population. The median age is 34.1 years. African Americans comprise 18.2% of the population. People of American Indian and Alaska Native descent are 2.0% of the population.

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

People of Asian ethnicity make up 4.4% of the population. The percentage of Hispanic population is 9.4% of the City.²

Economy

In the early years, Minneapolis' economy was based on a booming lumber industry and the processing of Minnesota grain with the tremendous power-generating capabilities of St. Anthony Falls. Large flourmills along the river evolved into the international corporations of Pillsbury, Washburn Crosby (General Mills) and Cargill. In 2009, the ten largest Fortune 500 Companies headquartered in the Metro Area were³:

Employer	Revenue in Millions
United Health Group	87,138
Target	65,337
Best Buy	45,015
Super Valu	44,564
CHS	25,730
3M	23,123
U.S. Bancorp	19,490
General Mills	14,691
Medtronic	14,599
Land O'Lakes	10,409

As of third quarter 2009, the City's largest employment sectors were: Health care and social assistance (17%), professional and technical assistance (10%), educational service (10%), and finance and insurance (9%). The fastest growing employment sectors from third quarter 2009 to fourth quarter 2009 were educational services, health care and social assistance and administrative and waste services.⁴ With twenty-one accredited colleges and universities in the Minneapolis-St. Paul area, and four ABA-accredited law schools, the City's highly educated workforce continues to be a driving force of a strong economy. The University of Minnesota's highly acclaimed medical school, and the City's seven hospitals, has made Minneapolis a leader in the medical field.



Abbott Northwestern Hospital
(Piper Breast Center)

The City's unemployment rate rose in 2008. Details follow⁵:

	2005	2006	2007	2008	2009
Total Labor Force	216,990	214,155	196,897	215,673	217,941
Employment	208,167	205,874	188,319	204,704	201,774
Unemployment	8,823	8,281	8,579	10,969	16,167
Unemployment rate	4.1%	3.9%	5.1%	4.4%	7.4%

² American Community Survey, 2008, <http://factfinder.census.gov>

³ Official Statement, November 22, 2010, City of Minneapolis for General Obligation Various Purpose Bond Series 2010

⁴ Source : "Minneapolis Trends" available at http://www.ci.minneapolis.mn.us/cped/docs/2Q_2010_trend_report.pdf

⁵ Source: Official Statement, November 22, 2010

The City's top ten payers of property taxes in 2009 follow⁶:

Taxpayer	Type of Business	Net Tax Capacity [*]	Percentage of Total Net Tax Capacity
Northern States Power Co.	Utilities	\$6.1 million	2.20%
Target Corporation	Office Buildings and retail	\$5.1 million	2.01%
MB Mpls. 8 th Street LLC	Office Buildings	\$4.2 million	1.65%
Minneapolis 225 Holdings LLC	Office Buildings	\$4.2 million	1.64%
NWC Limited Partnership	Commercial/Industrial Buildings	\$3.8 million	1.48%
First Minneapolis-Hines Co.	Banks	\$3.2 million	1.26%
Wells Operating Partnership LP I	Office Buildings	\$3.1 million	1.23%
City Center Associates	Office Buildings	\$2.9 million	1.18%
Fifth Street Owner Corp.	Office Buildings	\$2.8 million	1.10%
American Express Financial Corp.	Investment Advisor	\$2.7 million	1.06%
Total		\$ 38.1 million	14.80%

Property value times state-defined rate for that class of property



Neighborhoods

Minneapolis has 81 residential neighborhoods offering 178,254 residential housing units.⁷ The City is well known for its concerned and active citizenry which has engaged in partnerships with government and business to improve neighborhoods and create economic opportunities. The City shares the nation's current challenge to increase the number of affordable housing units and preserve housing stock in the face of foreclosures.

Downtown

According to the City's analysis of the latest data from DEED, as of 2009, approximately 135,000 jobs are located in the downtown Minneapolis⁸. 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. In June of 2006, the Guthrie Theater celebrated the opening of its \$125 million theater on the banks of the Mississippi River on the northeastern edge of downtown.



The City also boasts two world-class art museums, the Minneapolis Institute of Art and the 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.

⁶ Ibid.

⁷ Source :Community Planning and Economic Development, December 2010.

⁸ Source :CPED analysis of DEED data as of 2009.



Education

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. In addition to the University of Minnesota, other institutions of higher education include: Minneapolis Community and Technical College, Dunwoody Institute, Minneapolis College of Art and Design, Augsburg College, Metropolitan State University, the University of Saint Thomas, and the College of Saint Catherine.

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

Sports and Outdoor Recreation

Many major league teams call Minnesota home. Fans can watch

Major League Baseball's Minnesota Twins in action at a new outdoor stadium, Target Field, located in the Warehouse District of Downtown Minneapolis. When the National Football League's Minnesota Vikings are in town, the Metrodome can seat 64,000 football enthusiasts. The Minnesota Timberwolves of the National Basketball Association, and the Minnesota Lynx of the Women's National Basketball Association play downtown in the Target Center. Minnesota's National Hockey League team, the Wild, play in St. Paul. Minneapolis has the capacity to host large events at the City's Convention Center.



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

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



Nationally Recognized

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

- #4 Smartest City in America – *The Daily Beast*
- #8 on America's Best Cities List – *Outside Magazine*
- One of World's Top Biking Cities – *Travel and Leisure*
- Minneapolis named the nation's second fittest city - *Men's Fitness*
- #1 Bike City – *Bicycling Magazine*
- #2 City to have a baby – *Fit Pregnancy*
- #7 Sustainable City – *Sustain Lane 2008*
- Most literate city – *Central Connecticut State University*
- Minneapolis identified as the "Most Affordable Place to Live Well" - *Forbes*
- #1 National Night Out City of 2007 – *National Association of Town Watch*
- One of America's 50 Greenest Cities – *Popular Science*
- One of 2007's top destinations – *Frommer's*
- #4 city for eating smart, being fit, and living well – *Cooking Light*
- Minneapolis/Saint Paul named top metro area for business – *MarketWatch*
- Best Cities for working mothers - *Forbes Magazine*
- #3 Best Cities for Singles – *Forbes Magazine*

For links to more information on many of these top rankings, visit www.ci.minneapolis.mn.us/visitors/.

City of Minneapolis 2011 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 adopted a Charter on November 2, 1920. Thirteen City Council Members from individual wards and the Mayor are elected for terms of four years. There is no term limit on these positions. The Mayor and City Council are jointly responsible for the adoption of the annual budget and a five-year capital improvement program. As required by Charter, the Mayor is responsible for preparing an annual operating and capital budget recommendation for the City Council's consideration. The Mayor has veto power, which the Council may override with a vote of nine members.

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

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

Blended component units

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

- ◆ ***Municipal Building Commission.*** The Municipal Building Commission (MBC) is an organization established January 4, 1904, by the State of Minnesota, to operate and maintain the Minneapolis City Hall/Hennepin County Court House Building, which was built pursuant to Chapter 395 of the Special Laws of 1887. The four commissioners are the Chairman of the Hennepin County Board of Commissioners, the Mayor of the City of Minneapolis, an appointee of the Hennepin County Board and an appointee of the Minneapolis City Council. The Mayor recommends the tax levy and budget for the City's share of the MBC's operations, and the City Council and Mayor approve the allocation of state local governmental aid to the MBC.
- 
- ◆ ***Board of Estimate and Taxation.*** The Board of Estimate and Taxation (BET) is established under Chapter 15 of the City Charter. It is composed of seven members, two of whom are elected by voters of the City. The Mayor or the Mayor's appointee, the President of the City Council and the Chair of the City Council's Ways and Means/Budget Committee are ex-officio members of the Board. The Minneapolis Park and Recreation Board annually selects one of its members to serve on the BET. By action of the City Council, or such

other governing board of a department requesting the sale of bonds, the BET may vote to incur indebtedness and issue and sell bonds and pledge the full faith and credit of the City for payment of principal and interest. The BET also establishes the maximum property tax levies for most City funds.

Discretely presented component units

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

- ◆ ***Minneapolis Park and Recreation Board.*** The Minneapolis Park and Recreation Board was established according to Chapter 16 of the City Charter. The nine-member board is elected by the voters of the City and is responsible for developing and maintaining parkland and parkways, as well as planting and maintaining the City's boulevard trees. The Mayor recommends the tax levies and budget for the Park Board, and the City Council and Mayor approve the allocations of local government aid from the state for Park Board operations. All Park Board actions are submitted to the Mayor, and a mayoral veto may be overridden by a vote of two-thirds of the members of the Park Board. The Board of Estimate and Taxation approves the maximum property tax levy for the Park Board, and the full faith and credit of the City secure debt issued for Park Board projects. The City Finance Officer acts as Treasurer of the Park Board.



Related organizations

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

- ◆ ***Metropolitan Sports Facilities Commission.*** The Metropolitan Sports Facilities Commission (Commission) is an appointed authority established in 1977 Minnesota laws. Of the seven members of the Commission, the City of Minneapolis appoints six. The Chair, who must by statute reside outside Minneapolis, is appointed by the Governor. The Commissioners serve four-year terms and removal is for cause only. The primary responsibility of the Commission is to serve as owners, operators, and landlords of the Hubert H. Humphrey Metrodome Sports Facility in Minneapolis. The major tenant of the Metrodome sports facility is the Minnesota Vikings.
- ◆ ***Minneapolis Public Housing Authority.*** The Minneapolis Public Housing Authority (MPHA) is the public agency responsible for administering public housing and Section 8 rental assistance programs for eligible individuals and families in Minneapolis. A nine-member Board of Commissioners governs MPHA. The Mayor of Minneapolis appoints the Board Chairperson, and four Commissioners (one of whom must be a public housing family-development resident) are appointed by the City Council. The mission of the MPHA is to provide well-managed, high-quality housing for eligible families and individuals; to increase the supply of affordable rental housing; and to assist public housing residents in realizing goals of economic independence and self-sufficiency.

Joint ventures

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

- ◆ **Minneapolis/Saint Paul Housing Finance Board.** The Minneapolis/Saint Paul Housing Finance Board was established in the early 1980s, in accordance with a Joint Powers Agreement entered into between the Housing and Redevelopment Authority of the City of Saint Paul and the Community Planning and Economic Development Department, and accepted by the Cities of Minneapolis and Saint Paul under Minnesota law. The Community Planning and Economic Development Department's oversight responsibility of the Board is limited to its governing body's ability to appoint only three of the six members of the Board. The territorial jurisdiction of the Board extends beyond the corporate limits of the City of Minneapolis.
- ◆ **Minneapolis Neighborhood Revitalization Policy Board.** The Minneapolis Neighborhood Revitalization Policy Board (NRPB) was established in 1990, in accordance with a Joint Powers Agreement entered into between the Hennepin County Board of Commissioners, the Board of Directors of Special School District No. 1, the Park Board and the Mayor and City Council under authority of State of Minnesota laws. The NRPB is composed of 20 members and includes public officials as well as representatives of neighborhood and community-interest organizations. The majority of members are persons other than the representatives of the jurisdictions that entered into the Joint Powers Agreement.
- **Minneapolis Youth Coordinating Board.** The Minneapolis Youth Coordinating Board (YCB) was established in the mid-1980s, in accordance with a Joint Powers Agreement entered into between the Hennepin County Board of Commissioners, the Board of Directors of Special School District No. 1, the Park Board, the Mayor and the City Council under authority of State of Minnesota laws. The Board consists of 10 members as follows: the Mayor of the City of Minneapolis, two Hennepin County Commissioners, the Hennepin County Attorney, two Minneapolis School Board members, two Minneapolis City Council members, a Hennepin County District Court Judge, and one member from the Minneapolis Park and Recreation Board.



**City of Minneapolis
2011 Budget
Background Information**

Chronology of Financial Decision Making

1994	Agreement between the independent boards and the City on the division of Local Government Aid.
mid-late 1990's	Internal Service Funds deficits begin; COPS grant funds police expansion.
1997	First efforts to quantify and fund the Public Works infrastructure gap; attempt to increase pay as you go capital funding and reduce bonding.
1998-2000	Positive stock market returns leads to a reduction in the City's levy requirement for police and fire relief.
2000	Library referendum passes; Mayor and Council agree to enhanced capital funding for the Park Board at a level above funding for City projects.
2001	City loses AAA rating from Moody's. Reason cited: internal service fund deficits. Stock market falls – convention center and parking fund suffer directly from economic downturn; pension obligations escalate
2002	Adoption of maximum property tax increase policy; negative outlook from Fitch rating agency
2003	Adoption of Five-Year Financial Direction and Commitment to Business Planning; 2% Wage Policy; Local Government aid Reductions City uses 8% tax increase and 2% wage policy to manage employment costs during budget shortfalls
2004	Departments bring forward first five-year business plans
2006	Fitch removes negative outlook; Moody's maintains Aa1 citing pent up internal demands for spending
2007	Compensation philosophy replaces the 2% wage policy MERF pension "liquidity trigger" eliminated by the State Legislature Sale of six parking ramps
2008	Minneapolis Library System merges with Hennepin County Library System State Legislature imposes Levy Limits on Local Governments for 2009-2011; Governor unallots State aid in December—Minneapolis' cut: \$13.2 million
2009	Governor unallots State aid—Minneapolis loses \$8.5 million in 2009; \$21.3 million in 2010
2010	Minneapolis' LGA is cut an additional \$9.6 million Minneapolis regains AAA rating from Moody's MERF pension plan consolidated with statewide local government employee pension plan

**City of Minneapolis
2011 Budget
Background Information**

Fund Descriptions

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

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

Enterprise Funds. The Enterprise Funds are used to account for those activities of the City which are financed and operated in a manner similar to private business enterprises where expenses, including depreciation, are recovered principally through user charges. The City operates eight enterprise funds, including the Community Planning and Economic Development (CPED) department:

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

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

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

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

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

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

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

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

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

Intergovernmental Services. This fund is used to account for business information services, central mailing and printing services, and the City's telecommunication operations.

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

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

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

Self-Insurance. This fund is used to account for 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 thirty-four Special Revenue Funds, including community and economic development funds. These funds are used to account for the City's planning and community development goals, most of which are financed through property tax increment financing.

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

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

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

Convention Center. This fund is used to account for the ownership, maintenance, and operation of the Minneapolis Convention Center, and the proceeds of the local sales and use tax.

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

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

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

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

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

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

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

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

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

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

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

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

Debt Service Funds. The Debt Service Funds are used to account for the accumulation of resources for, 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, 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

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

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

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

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

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

**City of Minneapolis
2011 Budget**

Strategic Planning

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Minneapolis 2020 – A Clear Vision for the Future

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

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

A Safe Place to Call Home

People and businesses thrive in a safe and secure city

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

Jobs & Economic Vitality

A world-class city and 21st century economic powerhouse

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

Livable Communities, Healthy Lives

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

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

Many People, One Minneapolis

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

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

Eco-Focused

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

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

A City That Works

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

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

These five-year goals and the strategic directions were developed and approved by the Minneapolis City Council in April 2010.

**City of Minneapolis
2011 Budget
Strategic Planning
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 the departmental performance review process to establish annual resource allocations.

March

Preliminary year-end budget status report

Finance presents a year-end budget status report for the previous year to the Ways and Means/Budget Committee. This is a preliminary report because the audited comprehensive annual financial report (CAFR) is available in the second quarter of the year.

March–April

Capital improvement budget development

The City has a five-year capital improvement plan. The departments prepare and modify capital improvement proposals on annual basis. Finance, Planning, and the capital long-range improvements committee (CLIC) review capital improvement proposals of the departments. CLIC is the citizen advisory committee to the Mayor and the City Council on capital programming.

Strategic planning

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

April–June

Operating budget development

Departments work in coordination with Finance to prepare operating budgets 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 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 held in June and July.

Business planning

Each department maintains a five-year business plan aligned with the City's goals and strategic directions. As part of the budget process, departments provide status reports on their plan outlining progress made on their department and City goals.

June–August

Mayor's Recommended Budget

Mayor holds departmental budget meetings to review department budget proposals, other additional policy changes, and alternative funding choices. In addition to reviewing operating

budgets, the Mayor meets representatives from CLIC before finalizing the capital budget recommendation. By City Charter, the Mayor must make recommendations to the City Council on the budget no later than August 15.

September

Maximum proposed property tax levy

As a requirement of State law, the maximum proposed property tax levy increase is set by September 15 by the Board of Estimate and Taxation for the City, Municipal Building Commission, Public Housing Authority 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 budgets to the Ways and Means/Budget Committee with all Council members invited to attend. Following departmental budget hearings, the Ways and Means/Budget Committee approves and moves forward 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" or "TNT" property tax statements are mailed by Hennepin County to property owners indicating the maximum amount of property taxes that the owner will be required to pay. These statements also indicate the dates when truth in taxation public hearings will be held. State law was changed in the 2009 Legislative session to eliminate a separate TNT hearing and replace it with a requirement to allow public comments at the meeting at which the final budget adoption occurs. A hearing may be part of the City's regularly scheduled budget meeting but the meeting must be held after 6:00 p.m.

December

City Council budget adoption

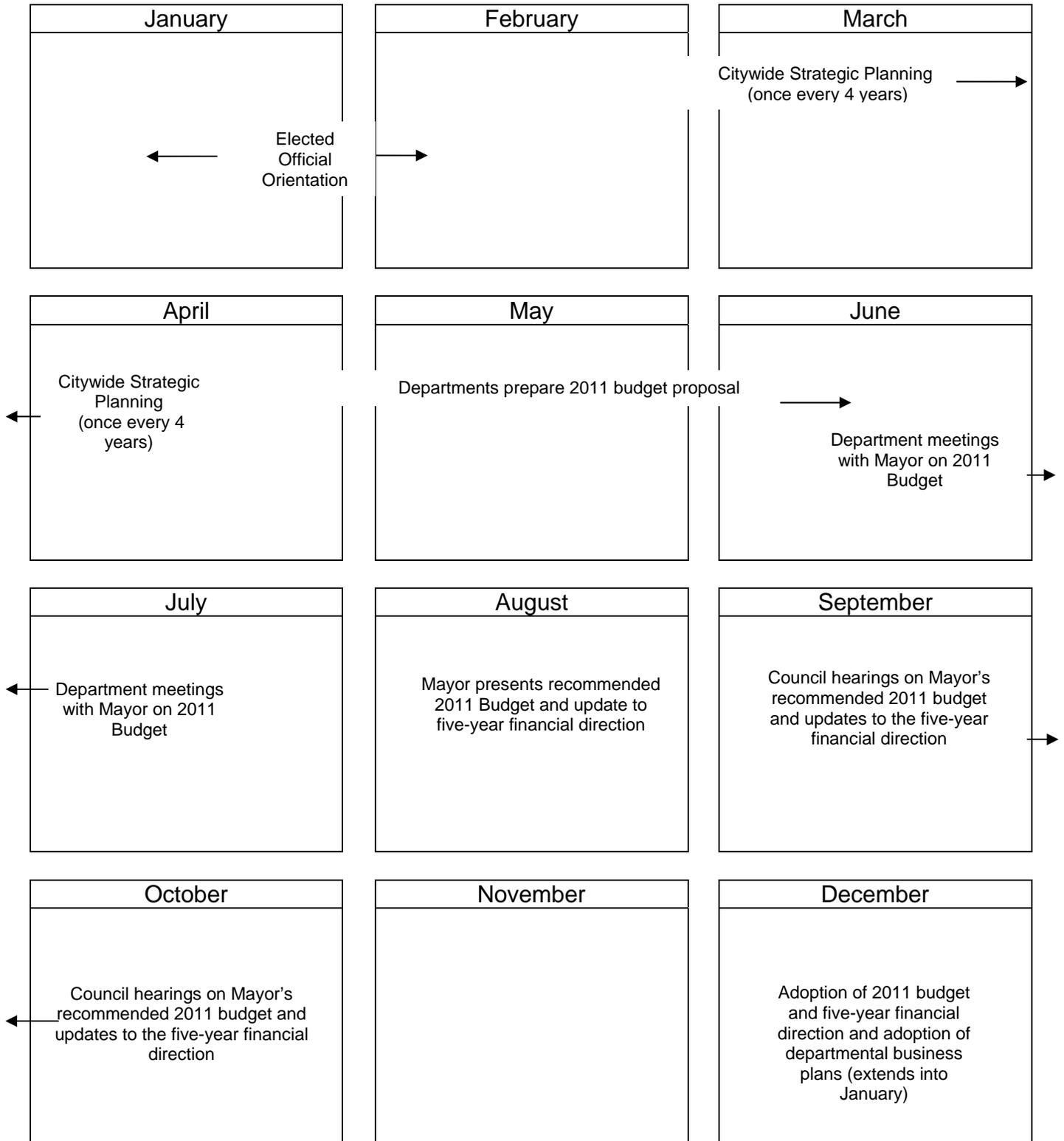
The City Council adopts final budget that reflects any and all changes made to the Mayor's Recommended Budget. Once the final budget resolutions are adopted, all the requests from departments for additional funds or positions made throughout the year are brought as amendments to the original budget resolutions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

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

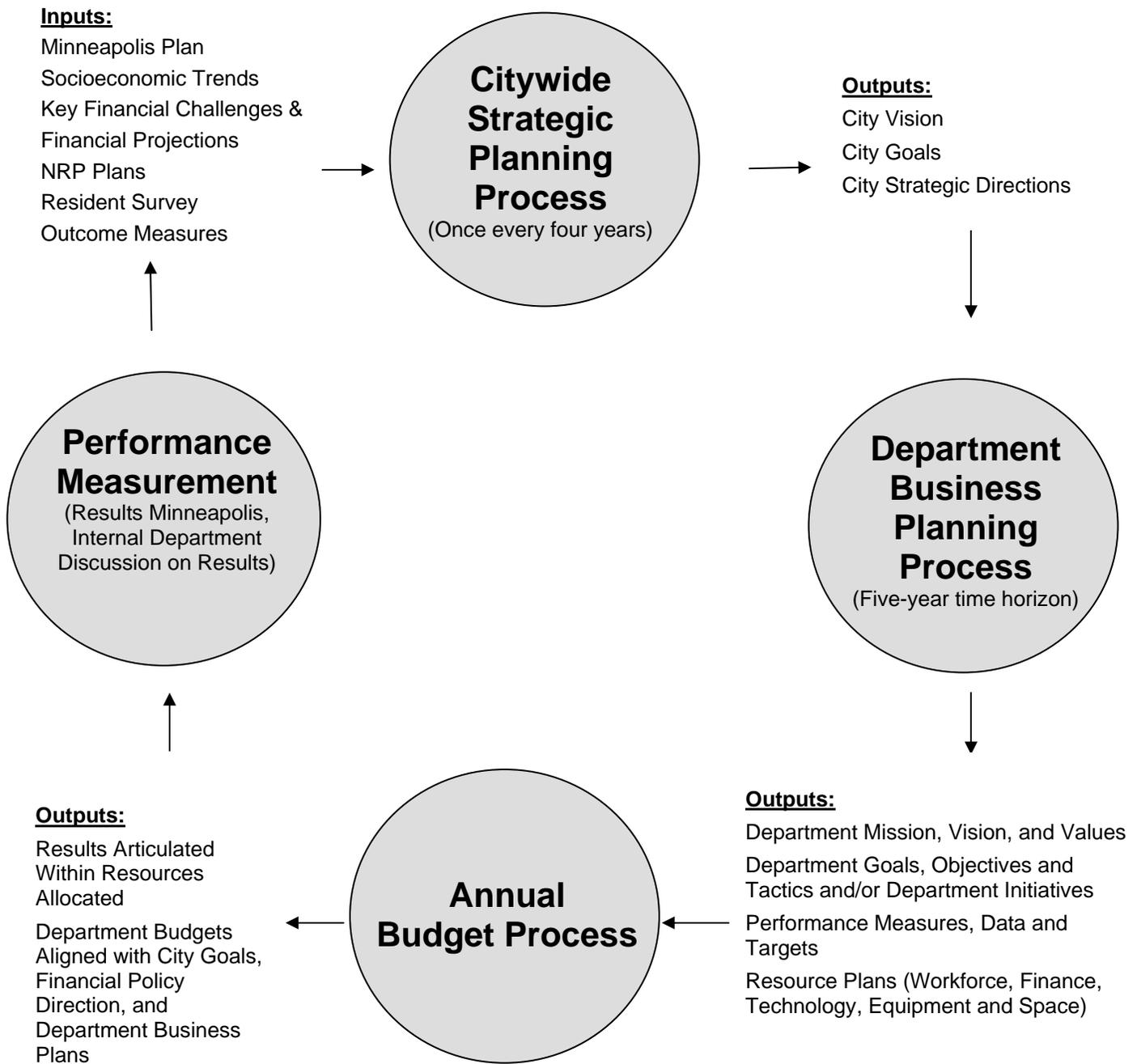
Specific significant dates for 2011 budget adoption are as follows:

Mar 10	State of the City Speech 11:00 am
Apr 2	Capital project requests due for Capital Long Range Improvement Committee (CLIC) consideration. Minneapolis Goals and Strategic Directions were adopted by the Council.
Apr 23 - May 7	CLIC review and presentations of capital proposals
June-July	Mayor will meet with each city department and the independent boards to review budget and business plan proposals
May 27	Joint public hearing of CLIC and Planning Commission on 2011-2015 Capital Plan
July-Aug	Mayor finalizes budget recommendation
July 14	CLIC report distributed to Mayor and Council Members
Aug 16	Mayor's Budget Recommendation presented to Council
Aug 25	Board of Estimate public hearing on maximum property tax levies
Sept 13	Board of Estimate meeting to set the maximum property tax levies
Sept- Oct	Ways and Means Hearings on the Budget and Business Plans (schedule to be determined by City Council)
Nov 18	Public Comment on Levy and Budget 6:05 pm
Dec 7	Mark-up by Ways and Means Committee, with all Council Members invited to attend 9:30 am until 4:30 pm
Dec 8	Mark-up by Ways and Means Committee, with all Council members invited to attend (if needed) 9:30 am until 12:30 pm
Dec 13	Public Comment and Council budget adoption 6:05 pm (Tentative)
Dec- Jan 2011	Council approves departments 2010-2014 business plans

FINANCIAL/BUSINESS DECISIONS CALENDAR



INTEGRATING KEY CITY PROCESSES



City of Minneapolis 2011 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 April 2010, the Mayor and the City Council adopted a new set of City Goals and Strategic Directions. This work builds on previous City goals and a resolution establishing commitment to business planning and the five-year financial direction. This strategic policy direction serves as a guide by which all other policy decisions should be assessed. As elected officials and departments make decisions throughout the year, they should be asking: "Does this support the City's strategic plan?"

Department Business Planning

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

Business planning is a process that provides both strategic and tactical direction to City departments. A business plan is a mid-range plan (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; how to achieve it; what resources to use; and how it will know when it has been successful.

Long-Term Timeline for Business Planning

The City has moved from asking departments to complete annual re-writes of their business plans to the development of one five-year 2010-2014 Business Plan accompanied by annual updates as needed at the end of each year following the adoption of the budget.

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
2010		City Goals & Strategic Directions							Departments write 5-year 2010-2014 Business Plans			
2011	Council Approval of Business Plans											Business Plan Annual Update
2012												Business Plan Annual Update
2013											 Election	Business Plan Annual Update

The Annual Budget Process

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

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

Performance Measurement

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

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

In addition to incorporating performance measures into the budget process, the City discusses measures weekly in *Results Minneapolis*. *Results Minneapolis* is a performance measure accountability effort whereby each City department stands before a peer review panel at least semi-annually to discuss progress on the department's most critical outcome measures.



What is “Results Minneapolis?”

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

- A Safe Place to Call Home** – People and businesses thrive in a safe and secure city.
- Livable Communities, Healthy Lives** – Our built and natural environment adds character to our city, enhances our health and enriches our lives.
- Eco-Focused** – Minneapolis is an internationally recognized leader for a healthy environment and sustainable future.
- Jobs & Economic Vitality** – A world-class city and 21st century economic powerhouse.
- Many People, One Minneapolis** – Inclusiveness is a treasured asset; everyone’s potential is tapped.
- A City that Works** – Minneapolis is a model of fiscal responsibility, technological innovation and values-based, results-driven municipal government.

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

Results Minneapolis is patterned after the Citistat program, a nationally recognized accountability tool pioneered in Baltimore. The method was originally based on ComStat, which was developed by the New York City Police Department and helped reduce crime through accountability sessions.

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

After several years of business planning and performance measurement at the City, *Results Minneapolis* provides the next step in institutionalizing a results-focused, accountable and more transparent government. Monitoring performance helps City decision-makers to be more effective by providing the information they need to proactively implement management changes for improved results. *Results Minneapolis* ensures that all managers are focused on achieving common outcomes and resources are aligned with the greatest needs of the City.

Public reporting of our measures

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

INTRODUCED BY COUNCIL MEMBERS OSTROW, JOHNSON, AND LANE

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

(January 31, 2003)

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 timeline 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.

**City of Minneapolis
2011 Budget**

Financial Policies

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**City of Minneapolis
2011 Budget
Financial Policies**

Financial Management Policies

OPERATING BUDGET POLICIES

The objective of the operating budget policies is to ensure 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 are discouraged. New initiatives will be financed by reallocating existing City resources to the services with the highest priorities.
- **Personnel Expenses.** Additional personnel shall 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. Individual grant budgets are controlled in the financial system at the cost category level. In the event of reduced grant funding, City funding sources shall be substituted only after all competing program priorities are considered during the annual budget process.

Basis of Budgeting. The basis of budgeting and accounting are the same, except as noted below. The budgets of all governmental and agency funds are created using the modified accrual basis. Revenues are budgeted if they are measurable and available as net current assets. Major revenues that are determined to be susceptible to accrual 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 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 (FTEs), 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.

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/City Council areas are considered to be legal levels of budgetary control within a fund even though budgetary data may be presented at lower levels. Budgetary amendments at the department/fund level must be approved by the City Council. Appropriations lapse at year end, with the exceptions of approved encumbrances for projects and Council-approved technology projects.

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.

[New in 2011] Reporting will be done in compliance with GASB 54 regulations regarding general fund balance, categories, and financial report presentation.

Five-Year Financial Direction. City departments will prepare business plans with a five-year planning horizon which reflect the allocation of general City revenues, including property tax and state aid revenue. This financial direction is based upon the City's shared revenue distribution policy which aligns the revenue growth of City departments and independent boards.

Grant Funding in the Five-Year Financial Direction. Any application for grant funding that will provide temporary funding for personnel and requires a minimum staffing level shall require Council approval. The department requesting the fund shall determine the amount of additional City resources that will be required to fund the positions once the grant funding expires and report those estimates to the Finance Department. As a condition of accepting the funds, the Council shall identify permanent resources and amend the Five-Year Financial Direction to reflect adequate resources to retain the positions once the funding ends.

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 citywide 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.

Revenue Distribution. In 2009, beginning with the 2010 budget, the Council adopted a revenue policy that allows for more transparency in comparing the City and independent boards. The policy mitigates the impact of changes to any one revenue source by treating the major sources of revenue, including Local Government Aid (LGA) and property tax revenue, together, allowing for changes to resources to be consistently aligned among the City and independent boards. This policy highlights changes to City policies and the funding of those policy changes. Future increases will be aligned with available resources, and the annual percentage change in revenue available for activities of the City, Park Board and MBC will be the same for each entity and identified as a part of the existing budget process.

As a part of this policy, the costs of shared services among the jurisdictions will be funded prior to determining the revenue available for general operating expenditures. These costs include closed pension obligations, previously approved internal service fund workout plans, the Bond Redemption Fund levy, the Permanent Improvement Fund levy, the Minneapolis Public Housing Authority special levy, the Teacher's Retirement Association special levy, the Library Market Value Referendum levy, the levy for the Board of Estimate and Taxation, and shared administrative costs.

City and independent board priorities that require an increase for one entity above others will be clearly funded to allow for maximum transparency.

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

For the Park Board, it will exclude the General Fund Overhead transfer to the City, the General Fund Administration Fee transfer to the City, and the costs of Park Board Capital Improvements funded from the Park Board levy.

For MBC, it will exclude the General Fund Overhead transfer to the City.

For the City's General Fund, it will exclude the General Fund Overhead not recovered from the Park Board, MBC, and others. It also excludes transfers to other funds including approved internal service fund workout plans, the Target Center Finance Plan, one-time capital project transfers, transfers to and from the pension management plan, and the transfer to Hennepin County per the Library Agreement.

Under this new policy, the tax revenue percentage change for the City, the Park Board, and MBC may vary from year to year based on adjustments to LGA, total General Fund revenues, and adjustments to those items excluded from general activities, as well as adjustments to the projected change in the Current Service Level.

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, stormwater, and solid waste collection, shall be set at rates sufficient to finance all direct and indirect operating, capital, reserve/working capital and debt service costs. Overhead expenses and general government services provided to the enterprise activities shall be included as indirect costs. Rates will be set such that these enterprise funds are never in a cash deficit during the year.

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.

Administrative Fees. The General Fund Overhead Allocation Model will be used to recover General Fund costs attributed to all non-General Fund supported capital 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 through 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 financial system.

Special Assessments. The City Council has the authority to levy special assessments for approximately 65 different types of projects. There are three main areas of assessments:

- *Public Works:* Most common types of assessments are for sidewalks, street improvements, water and sewer line repairs and special service districts. (Assessments for unpaid utilities are handled by the City's Finance Department.)
- *Inspections:* Most common types are for rubbish removal, trees, grass and brush cutting inspection fees for inoperable vehicles towed from private property, re-inspection fees, administrative citations, vacant building registration fee and inspections, and Police boarding.
- *Park Board:* Most common types of assessments are for tree removal and parkway and sidewalk reconstruction.

This policy covers City-administered special assessments only.

Method of Payment (Public Improvement Assessments). Owners of benefiting properties shall have the option of paying their assessment all at once or in installments as part of their annual real estate taxes. The City Council shall determine the number of equal annual installments, not to exceed twenty, in which assessments may be paid. The City Council shall determine the interest rate to be paid annually on all unpaid installments; this rate shall not exceed the maximum rate of interest as provided for in statute (*MN Statutes*, section 429.061, Subd. 2). The first installment shall be payable in the year following completion of the project and in the same manner as real estate taxes.

Capital Improvements Fund. The Capital Improvements Fund is used to account for construction costs on basic governmental infrastructure projects. The fund is used to record both expenditures on projects and revenues received from outside funding sources and internal sources such as capital improvement tax levies, special assessments and proceeds of bonds issued for public infrastructure projects. All project costs not assessed shall be paid from this fund. If the amount of money raised through special assessments is insufficient to pay the maximum amount specified for the project, the balance shall be paid from the Capital Improvements Fund and offsetting revenue. City Council approval is required in order for the Capital Improvements Fund to cover insufficiencies.

Property Disposition Fund. The Property Disposition Fund was created in section 14.120 of City Ordinance, which requires proceeds from the sale of City property to be deposited into a Property Disposition Fund. The proceeds of this fund are to be used for implementing the City's strategic real estate plan, as developed and approved by the Facilities, Space, and Asset Management Committee.

[Revised in 2011] Uniform Assessment Rate. The Uniform Assessment Rate is a standardized rate applied in street construction and street renovation projects. The current policy requires that assessments be part of the funding for all street paving construction/reconstruction projects for which the City is to bear any part of the cost, except for freeways. This rate shall be applied to the square footage per parcel in the project area to arrive at an assessment cost for each benefited property. The goal of the rate is to ensure an equitable distribution of costs between projects and to assess approximately 25% of project costs. The Uniform Assessment shall be calculated annually and submitted to the City Council's Transportation and Public Works Committee for approval. Separate rates must be

established based on the type of project (construction or renovation), funding category (local or other) and benefited parcel category (non-residential or residential).

This rate shall be calculated no later than the end of September in the year preceding the commencement of project construction. Public Works and Finance shall review this rate annually to ensure it accurately reflects project costs. The uniform assessment rate used for public notification shall reflect the year in which the project is constructed. If the public notice has already been given for a project and the project is delayed into the following construction year, the uniform assessment rate in place at the time of public notification will be used and Public Works shall identify any gaps in project funding as a result of using the prior year's rate and identify the source of funding for the possible financial shortfall. If the source of funding for the shortfall exceeds the project contingency, City Council must approve the funding source. If a project delay is in excess of one construction season, a new public notice shall be given and a new public hearing held.

Tax-Forfeited Properties. A portion of nuisance abatement special assessments may be cancelled for tax-forfeited properties.

- *Tax-forfeited properties sold to the general public –*
 - The portion of a property's post-forfeiture special assessments, pending assessments and charges in excess of fair market value shall be cancelled if Hennepin County has not sold the property within 90 days of the property's first offering to the public; and
 - The City will waive its right to assess or reassess pre-forfeiture and post-forfeiture special assessments, pending assessments and charges related to nuisance abatement activities under Chapters 227 and 249, and similar provisions of the Minneapolis Code of Ordinances.

- *Tax-forfeited properties located in targeted neighborhoods and purchased by the City for redevelopment purposes –*
 - The portion of a property's post-forfeiture special assessments, pending assessments and charges in excess of fair market value shall be cancelled; and
 - The City will waive its right to assess or reassess pre-forfeiture and post-forfeiture special assessments, pending assessments and charges related to nuisance abatement activities under Chapters 227 and 249, and similar provisions of the Minneapolis Code of Ordinances.

Work for Others and Grant Funding. When tax and non-tax funds have appropriations based on income from Special Independent School District No. 1, government authorities, grants, donations or contracts, expenditures shall be limited to the amounts which can be supported by billings. Billings must be accompanied by an agreement with this granting authority. City officials should treat billings, grants and aids as revenues only to the extent they are collectible, or authoritatively assured.

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 General Fund balance of 15% of the following year’s revenue budget amount to be used for cash flow purposes, unanticipated expenditures of a non-recurring nature, or to meet unexpected increases in service delivery costs.

General Fund*	2008	2009	2010
Fund Balance - Policy	\$56.1	\$55.7	\$59.0
Fund Balance - Actual	\$46.7	\$68.3	\$56.0

* in millions

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 may be maintained. These funds will be used to avoid cash flow interruptions, generate interest income, avoid the needs for short-term borrowing, and assist in maintaining a triple-A bond rating.

In the event a balance larger than the minimum amount exists as a result of state or federal aid, salary settlements, or other unknowns provided for in the budget, the City shall decide whether or not to transfer cash to the Internal Service Funds of the City to help reduce the negative cash balances or increase the net asset balances in these funds. When financial stability is returned to the Internal Service Funds of the City, the City shall reevaluate the Cash Flow and Contingency policy statement. Specifically, future changes shall address the level of balance that may be maintained above the minimum “base.” [Internal Service Fund commitment adopted in December 2000, reaffirmed in 2006.]

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

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

[New in 2011] General Fund Operating Contingency. Separate from the unallocated general fund reserve balance, the City shall budget an operating budget contingency of not less than 1% of all budgeted general fund expenditures in each of the applicable years planned for in the City’s Five-Year Financial Direction.

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. Where cost-effective access to capital markets is available and debt financing is regularly used, replacement balances shall not be maintained so current consumers are not required to pay for future facilities. The City shall maintain a minimum cash balance in its Enterprise Funds equal to approximately three months of operating expense.

Enterprise Fund Cash Requirements*	2008	2009	2010
Sanitary Sewer Fund - Policy	\$9.5	\$9.6	\$10.0
Sanitary Sewer Fund - Actual	\$10.6	\$9.6	\$13.6
Stormwater Fund - Policy	\$4.5	\$4.5	\$4.8
Stormwater Fund - Actual	\$3.9	\$14.4	\$15.3
Solid Waste Fund - Policy	\$6.7	\$7.0	\$7.3
Solid Waste Fund - Actual	\$20.7	\$18.5	\$14.6
Water Fund - Policy	\$13.3	\$11.5	\$16.5
Water Fund - Actual	\$0.5	-\$2.0	\$3.9
Parking Fund - Policy	\$6.4	\$6.5	\$6.5
Parking Fund - Actual	\$24.1	\$13.2	\$18.7

* in millions

Internal Service Funds. The appropriate balance shall be maintained to ensure adequate maintenance reserves, cash flow balancing requirements and legal restrictions.

- *Self-Insurance Fund* shall maintain a cash balance equal to the unpaid claims payable amount on its balance sheet plus 10% of the annual department operating budgets within the fund. Net assets within the fund should not fall below zero.
- *Fleet Services, Business Information Services and Property Services Funds:* If allocation model charges to customers are sufficient to cover debt service or depreciation expense then the minimum cash balance should be 15% of the fund's operating budget. If not, the reserve should be 15% of the fund's total budget. Net assets shall not fall below two times the fund's annual depreciation amount.
- *Stores and Engineering Materials & Testing Fund* shall maintain *cash and net assets* equal to 15% of the fund's annual operating budget.

Internal Service Fund Balance Requirements*	2008	2009	2010
Self Insurance Fund Cash Balance Policy	\$33,732.1	\$44,641.1	\$44,730.0
Self Insurance Fund Cash Balance Actual	\$18,766.9	\$28,995.4	\$35,738.1
Self Insurance Fund Net Asset Policy	\$0.0	\$0.0	\$0.0
Self Insurance Fund Net Asset Actual	-\$15,493.0	-\$15,433.0	-\$5,482.0
Fleet Services Fund Cash Balance Policy	\$4,090.4	\$3,806.7	\$4,272.8
Fleet Services Fund Cash Balance Actual	-\$48.7	\$1,377.3	\$6,735.8
Fleet Services Fund Net Asset Policy	\$12,975.0	\$12,329.0	\$12,738.0
Fleet Services Fund Net Asset Actual	\$23,784.0	\$26,548.0	\$28,237.0
Business Information Services Fund Cash Balance Policy	\$5,390.3	\$5,891.7	\$5,508.0
Business Information Services Fund Cash Balance Actual	\$93.8	-\$914.5	-\$1,563.1
Business Information Services Fund Net Asset Policy	\$12,927.0	\$16,761.0	\$21,432.0
Business Information Services Fund Net Asset Actual	\$4,868.0	\$13,678.0	\$14,895.0

* in thousands

Internal Service Fund Balance Requirements*	2008	2009	2010
Property Services Fund Cash Balance Policy	\$2,632.9	\$2,418.3	\$2,492.2
Property Services Fund Cash Balance Actual	\$592.0	\$353.0	\$749.0
Property Services Fund Net Asset Policy	\$2,442.0	\$2,312.0	\$2,282.0
Property Services Fund Net Asset Actual	\$27,436.0	\$27,210.0	\$26,949.0
Stores Fund Cash Balance Policy	\$187.4	\$200.3	\$172.2
Stores Fund Cash Balance Actual	-\$2,284.1	-\$1,566.1	-\$1,325.3
Stores Fund Net Asset Policy	\$187.4	\$200.3	\$172.2
Stores Fund Net Asset Actual	\$2,885.0	\$3,203.0	\$2,882.0
Engineering Materials & Testing Fund Cash Balance Policy	\$245.2	\$281.4	\$210.1
Engineering Materials & Testing Fund Cash Balance Actual	-\$127.7	\$560.1	\$1,666.3
Engineering Materials & Testing Fund Net Asset Policy	\$245.2	\$281.4	\$210.1
Engineering Materials & Testing Fund Net Asset Actual	\$28.0	\$490.0	\$589.0

* in thousands

Use of Fund Balances. Available fund balances shall not be used for ongoing operating expenditures, unless a determination has been made that available balances are in excess of required guidelines and 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 cumulative years' 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.

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

ACCOUNTING POLICIES

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

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

Disclosure and Monitoring. Full disclosure is provided in all financial statements and bond representations. Financial systems are maintained to monitor expenditures and revenues on a daily, monthly, and year end basis. A Comprehensive Annual Financial Report (CAFR) is published by the City within six months of the following year.

INVESTMENT POLICIES

The investment policies of the City of Minneapolis are fully delineated in the Investment Guidelines Policy 01.P.01 approved by the Minneapolis City Council effective March, 2001. The policies maintain that all funds available for investment shall be invested according to the

standards captured within the adopted policy, which have been simplified and outlined in the following paragraphs below. Relative to all considerations, a depository institution's domicile may be a factor with which investment decisions of the City are made.

The objective of the investment policies is to ensure that revenues received by the City 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, and 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 shall diversify its investments to minimize the risk of loss resulting from over-concentration of assets in a specific maturity, a business sector (excluding U.S. Treasuries), 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 City government.

Use of Derivatives. Derivative securities shall only be used after careful evaluation by knowledgeable staff regarding the benefits of the instruments as well as all of the associated risks including counterparty credit, market, settlement and operating risk. Internal controls shall be established to ensure adequate management for each type of derivative.

Standard of Care. The "prudent person" standard shall be applied in the context of managing the overall 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 in a timely manner 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 shall be secured through third party custody and other safekeeping procedures. The City shall authorize the custodian financial institution to utilize security lending to maximize return on investments. Bearer instruments shall be held only through third party institutions. Investment officials shall be bonded.

Reporting. The City shall prepare a quarterly investment report describing the characteristics of the portfolio, including a summary of recent market conditions, investment performance and

investment strategies. This report will be included with the quarterly financial report that is presented to the City Council and Mayor.

[New in 2011] Restricted Investments. From time to time the City Council may decide to limit or prohibit investments in securities of companies that do business with or engage in economic development in certain regions or entire countries of the world. These restrictions will expire three years from the initiation of the restriction unless it is re-authorized by the City Council. Finance will notify the City Council sixty days prior to the scheduled expiration. The City currently does not invest in the following countries: Northern Ireland, Burma (Myanmar), and Sudan. The prohibition from investing in these three countries shall expire at the end of 2013 unless renewed by subsequent Council action. The policy of divestment from South Africa shall end at the end of 2010.

DEVELOPMENT FINANCE AND TAX INCREMENT POLICIES

The objective of the development finance and tax increment 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 finance plan is reasonable, balanced, and the best means by which to achieve City objectives, while adequately protecting citywide financial interests.

Tax Increment Policy.

Purpose of Policy. This Tax Increment Policy has been approved by City Council for the following purposes:

- To guide staff in forming recommendations regarding the use of tax increment financing and negotiating contract terms with developers.
- To provide a framework within which the City Council and Mayor can evaluate and compare proposed uses of tax increment financing.
- To inform the public of the City's position on the use of tax increment financing and the process through which decisions regarding the use of the tool are made.

This policy supersedes the Tax Increment Policy approved by City Council on March 22, 2002 and revised on January 1, 2004, and earlier versions of said policy. This policy became effective on April 1, 2005.

Development Objectives. The City uses tax increment financing to accomplish these major objectives:

- Expand the Minneapolis economy to create more living-wage jobs, with an emphasis on providing job opportunities for the unemployed and underemployed.

- Attract and expand new and existing services, developments and employers in order to position Minneapolis and the region to compete in the economy of the 21st century.
- Increase the City's property tax base and maintain its diversity. Clean contaminated land to provide sites for uses that achieve City redevelopment objectives.
- Provide an array of housing choices that meet the needs of current residents and attract new residents to the city, with an emphasis on providing affordable housing.
- Eliminate blighting influences throughout the City.
- Support neighborhood retail services, commercial corridors and employment hubs.
- Support redevelopment efforts that enhance and preserve unique urban features and amenities, including downtown, the riverfront and historic structures.

General Guidelines in the Use of Tax Increment Financing.

- The City will comply with all requirements of the Minnesota Tax Increment Financing Act, as amended. The City will undertake a rigorous analysis to ensure that the proposed project satisfies the “but for” test embodied within the Tax Increment Financing Act.
- The City will use tax increment financing only when a clearly identified City development objective is served and only to the degree necessary to accomplish that development objective.
- Tax increment financing will only be used in cases where the City has the financial capacity to provide the needed public assistance, the City Council deems it fiscally prudent to provide such assistance and the developer can clearly demonstrate that the development will be able to meet its financial and public purpose commitments.
- The City will recapture the public subsidy to the maximum extent feasible after allowing the developer a reasonable return.
- Alternatives, such as “pay as you go” financing and reimbursing front-end public redevelopment costs with tax increment revenues, are preferable to bond financing and are to be considered and used when appropriate. The City will not issue general obligation tax increment bonds except when all net bond proceeds are used to directly pay public costs or refinance debt that was previously issued to pay for such costs, and the taxable development that will generate the tax increment used to pay all or a portion of the debt service on the bonds is either fully constructed and assessed by the City Assessor or is underway and subject to the terms and conditions of a development agreement with the City.

- Only those public improvements and public redevelopment costs directly associated with or needed to service the proposed development plan or project should be financed through tax increment.
- The City will analyze each potential new tax increment financing district and recommend whether it should be included in or excluded from the fiscal disparity contribution. The impact of the fiscal disparity election on the City's general tax base will be analyzed using the methodology prescribed by the Minnesota Department of Revenue and will be reported to the City Council in a manner understandable to the general public prior to approval of the proposed use of tax increment financing.
- As part of the annual budget process, the City will identify tax increment revenues deemed to be excess tax increment and will make related recommendations for decertification of parcels or districts and report on the total value of captured tax capacity expressed in both dollars and as a percentage of total tax capacity.

Economic Analysis and Risk Assessment Process.

- Proposed uses of tax increment financing will be subject to rigorous economic analysis and risk assessment. City Finance Department staff will be responsible for overseeing the analysis and assessment process. Consultants will be used to complete needed analysis and assessment as appropriate.
- The analysis and assessment of all proposed uses of tax increment financing will address the following questions as part of the standard format for reports to the City Council:
 - What is the public purpose of the financial assistance to the project?
 - Why is there a financial need for public investment and/or subsidy?
 - What is the total cost of the project?
 - What is the appropriate level of public participation?
 - What are the risks associated with the project?
 - What are the alternative plans for managing the risk?
 - How does the proposed project finance plan compare with previously approved comparable projects?
 - What is the project's impact on other publicly financed projects?
- The results of the economic analysis and risk assessment will be presented to the City Council at the time of the request for approval of the proposed use of tax increment financing. The report will identify any elements of the proposed project that are not in conformance with this Tax Increment Policy.
- Projects with an anticipated term of increment collection greater than 15 years or projects with tax increment principal in excess of \$10 million will be subject to a more extensive analysis, including appropriate market analysis and review by City Finance Department staff.

Evaluation Criteria. The following items will be taken into consideration in the evaluation of any development proposal requesting tax increment assistance.

- **Need For Public Assistance.** In all cases, it is required that the need for public assistance be demonstrated and documented by the developer to the satisfaction of the City Finance Department. All such documentation, including development budgets, cash flow projections, market studies and other financial and market information, must be submitted by the developer along with an application for public financial assistance. If the request is based on financial gap considerations, the developer will demonstrate the profitability and feasibility of the project (*i.e.* gross profit, cash flow before taxes, cash-on-cash return, internal rate of return (IRR), etc.), both with and without public assistance.
- **Amount of Public Assistance versus Private Investment.** All development proposals should seek to maximize the amount of private investment per dollar of public assistance. Public assistance as a percentage of total development costs will be determined for each project (or discrete portion of a project receiving a subsidy) and compared to other development projects or subprojects of similar scope and magnitude whenever possible.
- **Term of Public Assistance.** The term of the public assistance shall be kept to a minimum. The proposed term of any public assistance shall be fully documented and explained to the City Council.
- **Development Benefits and Costs.** The direct and indirect benefits of the development proposal shall be determined and quantified to the degree possible. Benefits shall include, but are not limited to, employment benefits (number of jobs retained or created, percentage of jobs held by City residents, wage and salary information, etc.), tax base benefits (estimated market value of new development, new property taxes generated, etc.), housing benefits (number of new rental or ownership units, number of affordable units, etc.), and other benefits relating to transportation, parking, blight remediation, environmental cleanup and historic preservation.

Costs of the development proposal to the City shall also be identified to the degree possible. Such costs shall include, but are not limited to, additional required infrastructure, required local contributions by the City, and the impact on the City's general fund of the fiscal disparity contribution election if tax increment financing is used. The timeframe used for these cost estimates must equal the timeframe of the project finance plan and separately identify any projected recapture of public subsidy.

- **Recapture of Public Subsidy.** It is the City's goal to recapture all, or a portion, of the public subsidy provided to the extent practical. Methods of recapture shall include, but are not limited to, long-term ground leases, subordinated loans, sale and/or refinancing provisions, and equity participation.

Tax Increment Special Revenue Funds and Internal Loans. State statute requires that tax increment (TI) revenues be segregated from all other revenues of the City and maintained in separate funds established for each individual TI district. As a result of this statutory requirement, a separate fund is established at the time a new TI district is approved. Qualifying

expenses are charged to these individual district funds as they are incurred. This action could result in negative balances in a fund until TI revenues are generated from the district.

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

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

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

Development Account

Purpose. Revenues generated from CPED development and redevelopment activities which are otherwise not restricted under law, program guidelines or existing interdepartmental agreements are deposited into the Development Account to provide a source of discretionary funds to support any policy, goal, purpose, project or program which may, by law, be undertaken by CPED. Development Account expenditures are subject to appropriation by the City Council.

Hilton Fund

Investment. The status of the fund, expenditures and balances are to be reported annually as part of the City's budget process.

Use for Discretionary Development. The Council had authorized CPED to borrow from the Hilton fund through 2009. The loan was repaid from funds received through repayment of the Brookfield Loan.

Use for the Infrastructure Acceleration Program. Capital commitments were made with money from the Hilton Fund in 2008 for the 2009-2013 Infrastructure Acceleration Program as appropriated in the annual budget process.

PUBLIC PARTICIPATION POLICIES

The objective of the public participation policies is to enhance the City's ability to meet financial and policy challenges by promoting a well-informed community and by encouraging public input in the decision-making process.

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

Budget and Service Priorities. Various methods shall be used to ensure public input into the budgeting process, such as informational hearings, surveys, resident-based review committees and community meetings.

[New in 2011] ALLOCATION MODEL POLICIES

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

- Recovery of indirect costs for grants, capital projects, internal & external work-for-others.
- Internal Service Funds.
- Management Services provided by the General Fund to other fund types.

The primary methodology used is Activity-Based-Costing which links the cost of the service provided to the consumption of the service.

Recovery of indirect costs for grants, capital projects & internal & external work-for-others

- Cost allocation models should recover indirect labor, depreciation, general and administrative costs, and costs from other allocation models.
- Cost allocation models should abide by grant agreements, contracts and other applicable Federal, State and local guidelines.
- Cost allocation models should be reviewed and updated annually.

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

- **Property Services Fund** includes:
 1. Rent for building occupants which combines historical expenses, indirect costs and inflationary increases to develop a square foot driver which it uses to allocate costs.
 2. Work-for-others is an on-demand construction and maintenance service that combines time and materials charges along with an indirect cost rate.
- **Business Information Services** allocates its costs to customers based on drivers such as PC and phone count, time & materials and indirect costs for on-demand projects and actual cost for department-specific software applications.
- **Fleet Services** assigns costs for equipment using several methods:
 1. Monthly rental rate combining historical cost, replacement cost and indirect cost.
 2. Hourly and spot rental rates for irregular usage using the above cost pools.
 3. Time and materials, and indirect costs for maintenance and repair.
- **Self Insurance Fund** assigns costs for:
 1. Benefits administration using FTE count as the driver.
 2. Attorney costs using litigation history, departmental assignment and a base premium as its cost driver.
 3. Risk Management uses historical workers compensation and tort claims as its primary drivers for assigning costs.
- **Central Stores & Engineering Materials & Testing** are much smaller funds that use indirect cost rates applied to over-the-counter sales along with time & materials charges.

All of the ISF's should adhere to the following policies:

1. Service providing departments will seek the advice and comment about the cost and pricing of internally provided services from consuming departments at least annually.

Reasonable notice of changes in pricing terms will be provided to consuming departments.

2. The cost of internal services will be shared by consuming departments on the basis of expected (budgeted) or actual use. Double billing, value pricing, or opportunity pricing may not be used.
3. ISF's are responsible for developing a plan for funding capital improvements. If the plan includes increasing allocation model charges, the enterprise department should initiate service discussions with the departments receiving the service.
4. Cost allocation models should be developed in a manner that allows customers to actively manage this cost; wherever possible, fixed and variable costs should be identifiable.
5. ISF's should strike a balance between an allocation model that achieves business objectives and the cost of administering the model.
6. ISF's will establish ongoing communication with customer departments in order to articulate costs of service and effectively manage them. The provider of the service and the consumer of the service each have a duty to continually redesign business processes that minimize costs to achieve an agreed-upon level of service.
7. Changes made to department current service levels that affect specific allocation models will be reflected in the annual budget process. ISF's may not charge new fees or add costs to rate models to recover funds lost to budget cuts without notice to the Mayor and City Council and the consent of consuming departments.
8. ISF allocation models are self-balancing in nature; therefore, all of their operating costs must be recovered within the allocation model. Rates should be designed to achieve appropriate fund and cash balances.

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

Finance	Coordinator Admin	Human Resources	Mayor
Civil Rights	IGR	CPED	Communications
City Clerk	311	Assessor	Internal Audit

The allocation of those costs will be based on a fair and consistent methodology, applied enterprise-wide and developed and administered by the Finance Department.

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

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

One-Time Costs Assessed. One-time cost increases may be assessed to the fund if the financial condition of the fund meets the City's financial policies.

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

PENSION POLICIES

Authorizing the City Pension Employer Deductions. The proper City Officials are directed to charge all funds under the City Council jurisdiction a percentage of covered payroll to reflect the costs to the Minneapolis Employees Retirement Fund (MERF), and to charge the appropriate bi-weekly amounts, as provided for in state law, for each member of the Minneapolis Police Relief Association (MPRA) and Minneapolis Fire Relief Association (MFRA).

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

[New in 2011] Pension Payment Adjustments. The Finance Director is authorized in December of each year, after review of the actual revenues received by the MPRA and MFRA in comparison to the budgeted revenues, if there is a shortfall to transfer funds from the "Pension Management Plan" to meet the "City's minimum obligation" to the funds.

DEPARTMENTAL POLICIES

Approval of Payments and Procurements. All payments to or procurement of goods and services from external sources, regardless of dollar amount must be approved in advance within the City's financial system. Additionally, where applicable, the system-generated purchase order number will be communicated to the vendor prior to the order being placed.

Overtime Limitation. The policy approved by the Mayor and Council limits all departmental overtime to 5% of personnel budgets.

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 a minimum daily staffing consistent with the Council-Adopted Standard of Coverage not to exceed the optimal level of staffing as defined in the Standard, consisting of Firefighters, 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 is 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.

Regulatory Services Staffing Authorization. The 911 Division of Regulatory Services is 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.

The Inspections Division of Regulatory Services is 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 at the end of each fiscal year.
- To adjust appropriations in any fund to facilitate transfers for debt service which may be required, and to make all appropriate transfers and payments.
- To authorize the Director of Management and Budget and/or Controller to sign real estate and bond documents in the absence of the Finance Officer.
- To amend appropriations related to technical accounting treatment changes.
- To adjust re-appropriations for grant funds within cost centers as appropriate.
- To 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: Pension Fund (01990).
- To establish or adjust appropriations, transfer balances, or make payments to carry out the intent of any action or resolution Passed and Approved, or any legal agreement Passed, Approved and Executed, with respect to any inter-fund loans, advances, residual equity transfers, or operating transfers, or the repayment thereof.
- To make the necessary project and line item budget adjustments to periodically balance budgets and expenses between objectives within given programs and within normal CDBG program constraints.
- To make any necessary appropriation adjustments to allow departments to receive and spend NRP funds consistent with Council-approved NRP Action Plans, Early Access requests, and First Step Plans.
- To approve any and all transfers of eligible revenues into the Development Account (based on an eligibility assessment and analysis conducted by Finance Department staff).
- To approve any and all transfers of eligible revenues into the Property Disposition Fund (based on approval by the Facilities, Space and Asset Management Committee and eligibility assessment conducted by Finance Department staff).
- To appropriate available grant balances from the following grants:
 - (i) HUD Rental Rehab grant to Fund 01310
 - (ii) HUD HOME grant funds to Fund 01310 and 1500
 - (iii) Federal Transit Administration (Trolley) grant funds to either Fund 01310 or City Fund 01300 for use by the GMCVA/Meet Minneapolis
 - (iv) Eligible UDAG recapture funds to fund 01FNA
 - (v) State Economic Recovery Grants to fund 01SMN
 - (vi) HUD Special Purpose Grant MN47SPG507(TCOIC) funds to the Non-departmental Agency in the Fund (01400-1230000)
- 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 transfer appropriations between the parking fund and other funds upon request by the Public Works 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 and other special revenue funds consistent with the management of the City's tax increment districts, Common Project, Development Accounts and Preliminary Planning Fund: 01CLC (Local Contribution), 01CNR (NRP), 01SAD (NRP Planning & Implementation), and 01SPH (Community Development Revenue).
- To establish or amend appropriations related to technical accounting treatment changes and to establish and adjust accounts and appropriations, make payments and transfers, process transactions as necessary for the purpose of cash management of revenues and facilitate any technical corrections, adjustments and completions authorized for the following project/s:
 - Target Center Finance Plan as planned for adoption with the 2011 City budget and detailed in the Financial Plans section of this book.
 - To make adjustments to internal allocation models (General Fund Overhead, Internal Service Funds, etc...) and the appropriations attached to them for purposes of making technical corrections.
 - To reduce LGA payments to the Independent Boards if payment of the management support charge, or any other charges required by City Ordinance, are not received prior to the distribution of the December LGA payment. This reduction shall only occur after an affirmative vote of the Council to implement this authority.
 - To re-appropriate funds and certify that an encumbrance is eligible for re-appropriation at the end of the fiscal year. Additionally, the Finance Officer may reject re-appropriation requests based on the financial health of the fund or extenuating circumstances. This does not impact the requirement for a formal Request for Proposal for contracts over \$50,000. To be eligible for re-appropriation, requests must meet the following criteria:
 - 1) a valid encumbrance;
 - 2) a one-time expenditure (not recurring budget item);
 - 3) a purpose consistent with the department's business plan;
 - 4) the budget year appropriation balance available for the encumbered item; and
 - 5) the financial position of the fund (status of the fund relative to work out plans; whether the fund's spending in the preceding year had expense in excess of revenue).

APPROPRIATION AND REAPPROPRIATION POLICIES

Reappropriation in Grant Funds. The balances of 2010 appropriations for the following grant funds are hereby re-appropriated in the year 2011:

01300 Grants - Federal
 01400 CDBG/UDAG Fund
 01600 Grants – Other
 01410 CDBG (CPED)
 01310 and 1500 HOME (CPED)

01320 Enterprise Zone (CPED)
01SMN State Grants (CPED)

The balances of 2010 appropriations for administration in the CDBG/UDAG Grant fund (01400) shall be re-appropriated to the Non-Departmental Agency in 2011, except for the administrative portion of Way to Grow in Health.

NRP Carryover Authorization. With the exception of NRP Administration, the balance of the 2010 appropriations for NRP projects within Fund 01CNR (NRP) are hereby appropriated for said purposes in 2011. Specific amounts re-appropriated will be determined after the close of the 2010 fiscal year and upon review and approval of the Finance Officer.

CDBG REPROGRAMMING POLICY

The City's current over-obligation of CDBG funds stands at \$4.81 million. The City manages its over-obligation through its new annual allocations. The first priority for reprogramming eligible available balances is to reduce the deficit in the City's letter of credit with the Federal government. There are four sources for reprogramming funds:

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

Administrative Allocations. The intent of the reprogramming policy and the footnotes is to limit administrative fund expenditures to the amount that was appropriated for that calendar year, regardless of the amount that is available from the grant balances. The limitation applies to the City Department's non-contractual, internal costs.

Funds that are allocated to grant recipients for administrative purposes are exempt from this provision (e.g.: Legal Aid, Public Housing Citizen Participation). These projects are legal obligations and would not become part of the administrative reprogramming calculation unless the projects were finalized without fully expending the funds.

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

Capital Allocations. Beginning with the Year 32 (2006) approved Consolidated Plan, authorization for capital project allocations expired for those projects that have not moved forward toward implementation as enumerated by meaningful financial obligation activity indicated by a minimum of 75% of appropriation expended on tangible project activities by the end of 2009 for appropriations authorized in 2006.

Program Income. Fifty percent of program income not obligated by pre-2009 contracts is applied to reducing the deficit in the City's letter of credit with the Federal Government. The balance is available for reprogramming.

Projects with a twelve-month period of inactivity shall be cancelled if the project has been authorized for more than three years.

ADMINISTRATIVE POLICIES

Year-End Report. Not later than January 31st of each year the Finance department will report to the Ways and Means/Budget Committee on preliminary year-end expenditures and revenues by departments compared to authorized allocations for the prior fiscal year. This report will identify departments with expenditures in excess of authorized appropriations and/or revenues less than budgeted amounts.

Departments with actual expenses in excess of authorized appropriations and/or revenues less than budgeted amounts will report to the Ways & Means/Budget Committee each month for the year following the year of overspending or under-collection of revenues, beginning with the first committee meeting in February. This report should report actual spending and revenue collection to date for the current year and forecasts for the balance of the year compared to allocations. If forecasted spending exceeds authorized appropriations the department will present a plan that reduces spending to authorized appropriations.

Operating Costs for Technology. Departments are directed to clearly identify within existing resources the funds that would be used to finance the ongoing costs related to the purchase or development of technology prior to the expenditure of funds for the purchase or development of that technology. The sponsoring department should prepare a Receive and File notice for consideration by the respective home committee and the Ways and Means/Budget Committee when the annual operating and maintenance cost of any technology project exceeds \$50,000. This notice should be submitted as soon after the sponsoring department has identified the ongoing costs and funding sources. BIS and Finance should work with departments to ensure those costs are identified and included in the contract for technology services.

Fund Balances for Technology Projects. When the overall fund balance at year-end meets the level in the adopted financial policies, General Fund revenues over the budgeted amount for the year that can be attributed to a department's activities and which exceed direct expenses, up to \$1 million per year, would be reallocated to a dedicated account to fund Council-approved multi-departmental technology projects led by the revenue generating department.

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

Gift Acceptance. Any gifts with a value of \$15,000 or less can be received by individual City departments with written notice to the Finance Officer or his/her designee. The Finance Department shall submit a quarterly gift report to the City Council's Ways and Means/Budget Committee for approval. Consistent with Minnesota Statutes, section 465.03, the department may not use the gift until it has been approved by a two-thirds vote of the City Council.

The quarterly gift report shall contain the following information on each donation:

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

For any gifts with a value exceeding \$15,000, the recipient department shall submit a request for authorization to accept the gift to the City Council's Ways & Means/Budget Committee directly.

CAPITAL BUDGET POLICIES

The objective of the capital budget policies is to ensure maintenance of 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 sources. An adopted point rating system is used to rank and prioritize recommended projects.

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

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

DEBT MANAGEMENT POLICIES

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

Authority and Oversight. Management responsibility for the City's debt program is delegated to the Chief Financial Officer. The Debt Management Committee advises the CFO on the use of debt financing and debt management activities. The Debt Management Committee meets periodically at the call of the CFO and includes the following persons:

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

Guiding Principles for City of Minneapolis Debt Issuance

Method of Sale. The three primary methods of selling bonds include competitive sale, negotiated sale and private placement. The City uses the competitive sale method for its general obligation bond sales unless factors such as structure, size or market conditions compel the use of a negotiated sale. The City may use the negotiated sale method on economic development related projects when the characteristics of the transaction require a more specific

marketing plan and/or the issue lacks an investment grade rating due to complex security provisions or other factors.

Selection of Independent Advisors. The City uses competitive processes to select all service providers involved in the bond issuance process.

- **Short-term Debt/Use of Derivatives.** The City limits issuance of short-term debt for cash flow purposes, generally using cash reserves and investment practices to ensure adequate liquidity exists to pay for expenditures during the year. Derivative-based financing arrangements shall only be used after careful evaluation by knowledgeable staff regarding the benefits of the instruments as well as all of the associated risks including counterparty credit, market, settlement and operating risk.
- **Variable Rate Debt.** The City uses variable rate debt to provide debt structuring flexibility and potential interest savings to the total debt portfolio. Generally, the City maintains no more than 25% of its total debt obligations in variable rate mode. It also manages no more than 25% of the debt in variable rate mode within the major business functions that issue debt such as the Stormwater, Sanitary Sewer, Water and Parking funds or the Convention Center.

Variable Rate Debt by Fund	2008	2009	2010
Total General Obligation Debt	18.2%	14.1%	15.2%
Stormwater Fund Debt	20.8%	0.0%	0.0%
Sanitary Sewer Fund Debt	5.2%	0.0%	0.0%
Water Fund Debt	0.0%	0.0%	0.0%
Parking Fund Debt	26.0%	22.6%	24.1%
Convention Center Fund Debt	36.0%	27.4%	28.9%

Policy: No more than 25%

- **Conduit Debt Financings.** The City has an active program of conduit business financings. Development proposals are reviewed to determine if they meet program objectives as determined by City Council financing guidelines and whether the proposal is financially feasible. Items reviewed during due diligence reviews include narrative on the company and owners, past three years of financial statements, personal financial statements, tenant and lease data, market feasibility studies, business plans, project pro formas, appraisals, plans and specifications, environmental reviews, insurance covenants, etc. Additionally, the project will be evaluated for consistency with other City measures related to land use, job creation and compliance with affirmative action, civil rights, job linkage and other equal employment opportunity requirements.

Bond Specifics.

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

General Obligation Revenue Bonds. The City issues general obligation revenue bonds to finance assets associated with its primary enterprise businesses including storm water and sanitary sewers, waterworks and parking ramps. Financial feasibility of capital projects is

reviewed each year, including a review of the cash basis pro formas for these funds. Five-year business plans detailing projected operating costs and prior debt obligations are reviewed as well as revenue performance and rate setting analysis to ensure that adequate bond coverage ratios are achieved.

Tax Increment Bonds. The City uses tax increment bonds only where projects can be shown to be self-liquidating from tax increments arising in sufficient amounts, or where secured guarantees are provided for potential shortfalls, and with appropriate timing to avoid, to the maximum extent possible, the use of citywide property tax revenues and where maximum allowable guarantees are obtained.

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

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

Bond Term. The City shall issue bonds with terms no longer than the economic useful life of the 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 & DEBT ADMINISTRATION 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 and revisions to debt service budgets resulting from bond sales during the year.

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:

<u>Fund</u>	<u>Project or Operating Organization</u>
City-Capital Impr Fund	PW Engineering Services
City-Capital Impr Fund	Sidewalk Inspection
City-Capital Impr Fund	Reimbursable Paving
City-Capital Impr Fund	Reimbursable Transportation

Balances of capital projects in the equipment internal service fund, property internal service fund, information technology internal service fund, stormwater fund, water enterprise fund and municipal parking enterprise fund are also hereby re-appropriated with the exception of Reimbursable Sewer Projects and Reimbursable Water Projects.

Reallocation of Capital Resources. The Finance Office should work with departments to ensure the timely closeout of capital projects. Generally, projects should be closed within four years of original bond issuance. Bonds should not be reallocated until a project is completed or canceled. At the time of project closing, any excess funds should be reallocated according to the following priorities:

1. completed projects with existing deficits;
2. approved capital programs with projected deficits; and
3. returned to the debt service fund to allow for increased capacity in future capital programs.

Reallocation of bond resources must follow applicable charter and statutory provisions related to the issuance of those resources and consistency with the City's comprehensive plan. New capital projects may be funded through the increased capacity achieved through priority #3 with full Council approval.

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. Bond appropriations authorized for these programs will carry over.

The projects follow:

PV99R	Reimbursable Paving Projects
TR99R	Reimbursable Transportation Projects
SWK01	Defective Hazardous Sidewalks – Assessed portion
SA001	Sanitary Tunnel & Sewer Rehabilitation Program
SW004	Implementation of US EPA Storm Water Regulations
SW011	Storm Drains and Tunnels Rehabilitation Program
SW030	Alternative Stormwater Management Strategies
SW99R	Reimbursable Sewer & Storm Drain Projects
WTR12	Water Distribution Improvements
WTR9R	Reimbursable Watermain Projects
RMP01	Parking Facilities – Repair and Improvements

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 and fund transfers to pay all costs associated with authorized City bond sales including costs of issuance and annual bond maintenance fees from the Bond Redemption Fund with the expenditures then being allocated to other funds as appropriate.

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

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

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.

ARBITRAGE AND INTERNAL SERVICE REGULATIONS

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
Sanitary Sewer	Sanitary Sewer revenues
Stormwater Sewer	Stormwater Fund revenues
Water	Water Fund revenues
Parking	Parking Fund revenues
Assessment	Special Assessments
Tax Increment	Tax Increment revenues

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

STAFF DIRECTIONS REGARDING THE 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 must 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 needs 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.

CAPITAL PROJECTS STATUS REPORT AND BOND AUTHORIZATION

Annual Capital Projects Status Report. Once a year, no later than April 30th, the Finance Department will report to the City Council's Ways & Means/Budget Committee on the status of capital projects. This annual capital projects status report shall contain the following information by project and capital program year:

- 1) A list of all capital projects for which bonds or City funding sources have been authorized but have not been closed;
- 2) The amount of revenue received to date;
- 3) The current, expended and remaining appropriations;
- 4) The balance of project shortfalls or funds available for reprogramming; and
- 5) A list of outstanding capital projects with the amount of bond authorization and appropriation that will be considered for expiration in the following year.

The Finance Department shall also report on fund appropriations for capital projects, bond authorizations and proceeds balances that may be cancelled because projects have been completed or otherwise concluded, or because the purposes for which the money was appropriated or bonds were authorized or issued have been cancelled, completed, or otherwise concluded.

Expiration of capital project funding. Beginning with the 2006 City Council approved Capital Improvement Plan and for all such Plans authorized thereafter, the City Council authorization for bonds and appropriation for those capital projects will expire for those projects that have not moved forward toward implementation as enumerated by meaningful financial obligation activity indicated by a minimum of 75% of appropriation expended on tangible project activities by the end of the third year following authorizations.

The expiration of appropriations under this policy will take place unless a request for an extension is specifically made and reauthorized by the City Council. Projects funded with bond proceeds that expire under this section shall require City Council reauthorization. Projects with a twelve-month period of inactivity shall also be cancelled if the project has been authorized for more than three years.

TRANSFER POLICIES

The objective of the transfer policies is to ensure the transfer of money between funds is done in a fiscally sound manner.

Municipal Parking Fund to General Fund. The municipal parking fund is a City enterprise fund 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.

Transfer Criteria. Transfers into and out of the City's Municipal Parking Fund should meet the following criteria:

1. Be consistent with state laws, City ordinances and the City Council approved finance plans and financial policies;
2. Maintain and support favorable financial results among all affected funds;
3. Be sustainable to allow long-term financial planning.

Finance and Public Works will recommend to the Mayor and City Council the amount of the transfer based on an analysis of the financial history of the fund; this recommendation will be part of the annual presentation of the Five-Year Financial Direction.

**City of Minneapolis
2011 Budget**

Financial Overview

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City of Minneapolis 2011 Budget

Financial Overview Prepared by the Minneapolis Finance Department

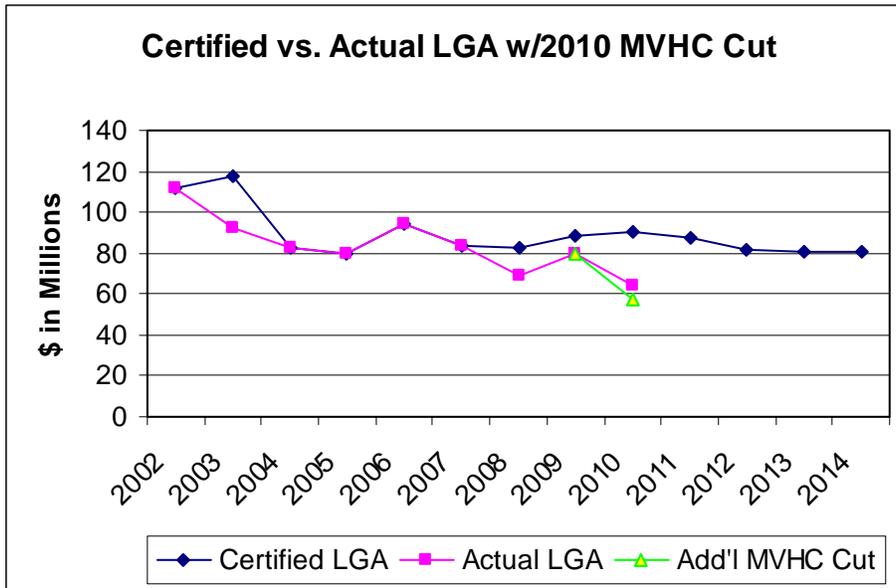
The 2011 Council Adopted Budget for all City funds increases to \$1.362 billion, a \$79 million increase from the 2010 Revised Budget. The Council adopted a tax levy increase of 4.7% over the 2010 level.

2009 and 2010 Unallotments and Legislative Reductions

In June 2009, the City's Local Government Aid (LGA) allocation was reduced through the State's unallotment process by \$8.5 million in 2009 and \$21.3 million in 2010. The Legislature affirmed the 2010 LGA cut and further reduced LGA and Market Value Homestead Credit (MVHC) funding to cities. Additional cuts to Minneapolis in 2010 included \$4.7 million LGA cut and \$6.2 million in MVHC. This combined additional \$10.9 million cut forced the City to revise its 2010 Council Adopted Budget, in April of 2010. These cuts negatively impacted the City's General Fund, which represents 29% of the 2011 Council Adopted Budget based on the certified LGA amount, and is the primary sources of funding for public safety and general government services.

2011 Local Government Aid

In August 2010, the Minnesota Department of Revenue certified that Minneapolis would receive \$87.5 million in LGA in 2011, which is reflected in the 2011 Council Adopted Budget. The following table shows the historical LGA appropriations, both the certified and actual LGA amounts, including the reductions to LGA and MVHC, as well as projected 2011-2014 LGA levels based on the formula in current law:



*2012 and out years are projected numbers for certified amounts.

The following table shows the approximate distribution of LGA between the City's general fund and the independent boards:

City and Independent Boards: 2011 LGA Distribution

	<u>2010 Final LGA</u>	<u>2011 Certified LGA</u>	<u>Difference</u>
General Fund	\$56,552,226	\$76,945,034	\$20,392,808
Park Board	\$7,443,763	\$10,331,471	\$2,887,708
MBC	\$146,279	\$263,495	\$117,216
Totals	\$64,142,268	\$87,540,435	\$23,398,167

Major Highlights

The 2011 Council Adopted Budget includes significant changes to methods for addressing future financial challenges. It is important to be aware of these major changes when making comparisons between budget years.

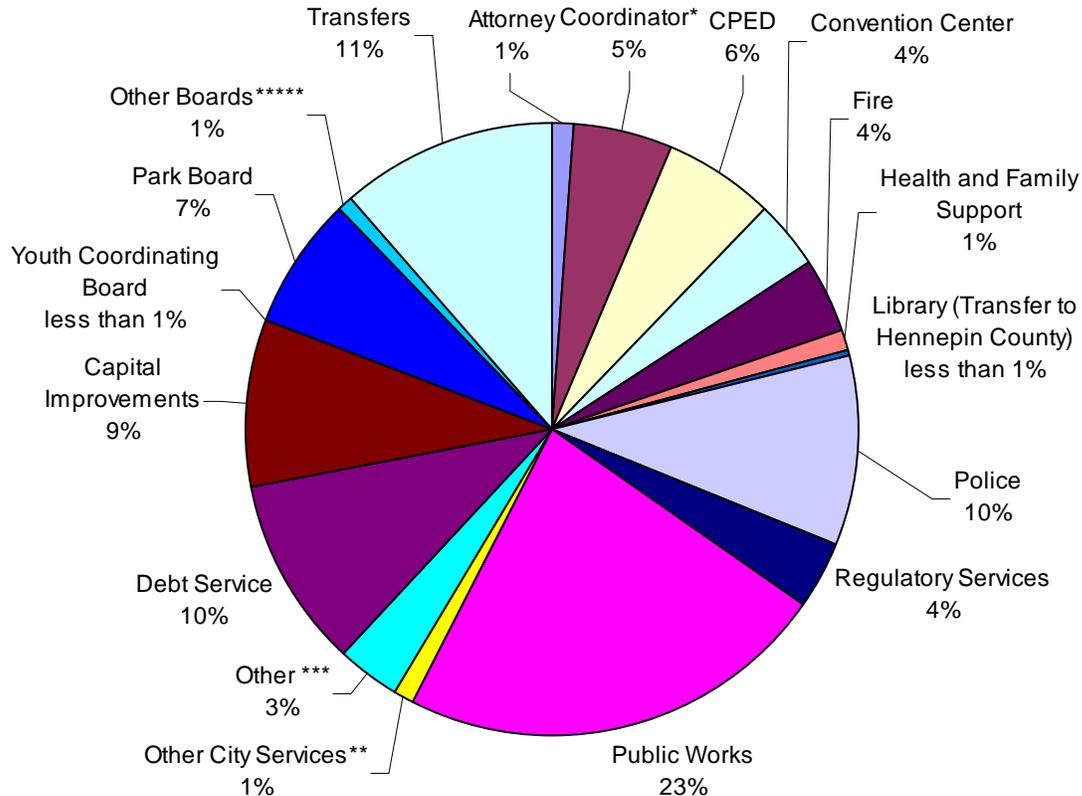
The major changes include:

- This budget reduces spending for City departments by \$14 million in 2011, inclusive of cuts necessary to reach the current service level as well as those cuts adopted by the Council. In addition, the Council directed that department budgets be reduced for two years to reflect no increase in salaries for a two-year period.
- In order to reduce the proposed property tax levy, the Council reduced the capital in the Target Center plan by \$1.1M on a one-time basis and transferred the corresponding resources to the General Fund; eliminated the \$1.4 million property tax levy for the Minneapolis Public Housing Agency for two years; reduced the City's portion of the Municipal Building Commission's budget by \$250,000; cut the 2011 pension management plan by \$400,000; and reduced allocations to the independent boards consistent with the adopted City financial policies.
- In the 2010 Council Adopted Budget, the Council replaced the previous 8% tax revenue policy with a policy of shared revenue distribution. This approach improved transparency and better aligned revenue changes among the City and the independent boards, while addressing shared financial challenges. This approach is intended to allow for consideration of the tax impact on taxpayers with anticipated changes to the City's tax base, LGA unallotments and other General Fund revenues. This policy continues in the 2011 Council Adopted Budget and future years. For 2011, the adopted tax levy increase is 4.7%.
- Future challenges that the 2011 budget plans for include the impacts of the 2009 TIF district decertification, rising pension obligations, and continuing growth in the cost of providing City services.

City Spending

Below is a summary of the 2011 Council Adopted Budget by major spending categories, including transfers between funds and the independent boards.

Total Expense Budget – Use of Funds 2011 Council Adopted Budget \$1.36 Billion



*Includes Human Resources, Finance, 311, Intergovernmental Relations, Communications, Internal Audit, Neighborhood and Community Relations and BIS

**Includes Assessor, City Clerk/Elections/Council, Civil Rights & Mayor

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

****Does not include debt service paid directly from proprietary funds or by independent boards

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

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

Expenditures by Service (In Millions of Dollars)

	2010 Revised Budget	2011 Council Adopted
Attorney	14.4	14.5
Coordinator	65.6	71.8
CPED	86.5	81.9
Convention Center	43.7	48.5
Fire	54.4	52.9
Health and Family Support	12.2	13.4
Library (Transfer to Hennepin County)	6.7	5.9
Police	133.6	136.3
Regulatory Services	49.5	48.3
Subtotal	\$466.6	\$473.3
PW - Administrative Services	2.7	2.8
PW - Eng. Materials & Testing	0.7	0.7
PW - Fleet	43.1	40.4
PW - Property Services	21.1	22.3
PW - Solid Waste	33.5	33.8
PW - Traffic & Parking	53.3	54.8
PW - Transportation Maintenance and Repair	32.9	39.1
PW - Transportation Planning & Engineering	11.4	12.1
PW - Water Treatment & Distribution	48.4	48.4
PW - Surface Water and Sewer - Stormwater	14.1	13.7
PW - Surface Water and Sewer - Sanitary Sewer	41.8	42.3
Public Works Subtotal	\$303.1	\$310.3
Other City Services**	16.5	16.2
Other ***	43.4	46.4
Debt Service	126.2	133.2
Total Capital Improvement	94.3	122.4
Subtotal	\$280.5	\$318.2
Youth Coordinating Board	1.5	1.4
Park Board	91.6	93.9
Other Boards*****	10.3	9.8
Independent Board Subtotal	\$103.4	\$105.1
Total Expenditures Without Transfers	1,153.6	1,208.3
Transfers	129.7	155.5
Total	\$1,283.3	\$1,362.4

*Includes Human Resources, Finance, 311, Intergovernmental Relations, Communications, Internal Audit, Neighborhood and Community Relations and BIS

**Includes Assessor, City Clerk/Elections/Council, Civil Rights & Mayor

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

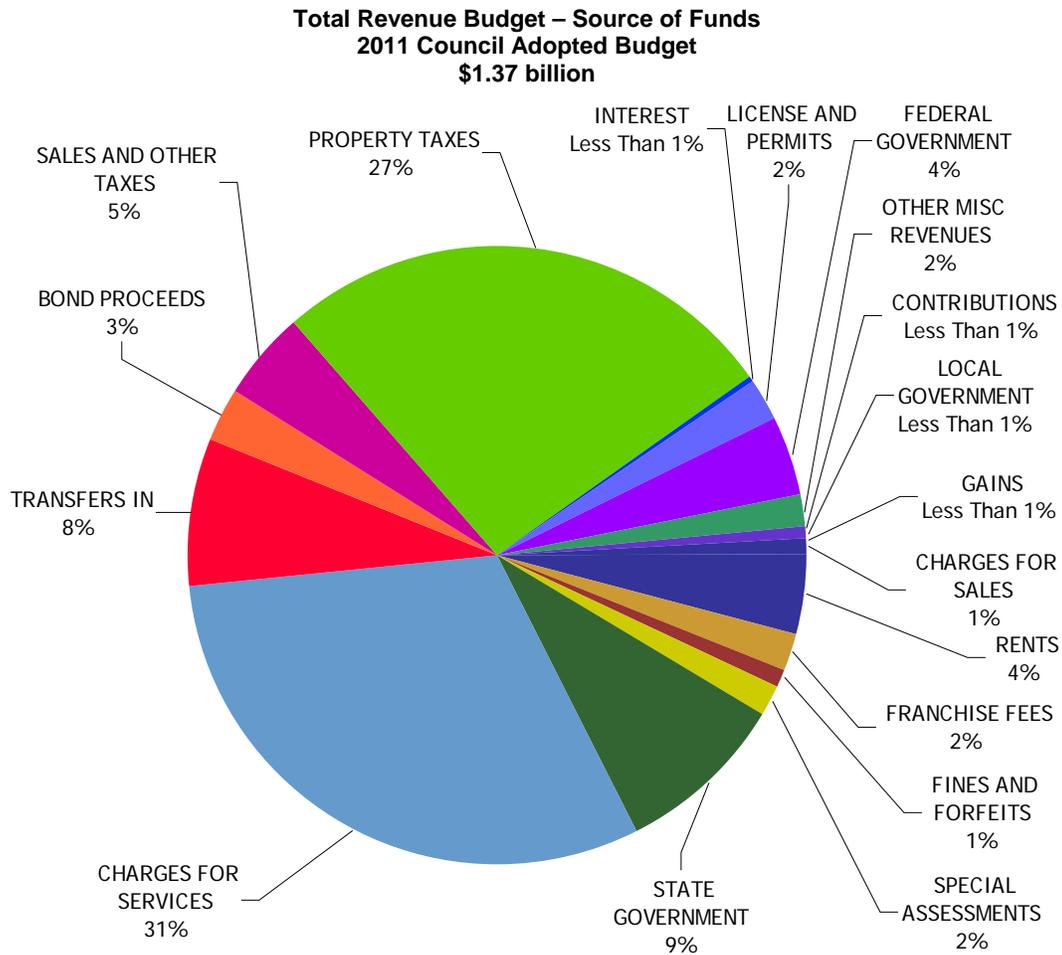
****Does not include debt service paid directly from proprietary funds or by independent boards

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

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 2011 Council Adopted Budget revenues by major category.



In 2011, the City forecasts \$1.37 billion in revenue from a variety of sources. Many of the City's revenue sources are restricted, meaning they are required to be spent in defined areas or on specific programs or projects. This limits the City's ability to apply the revenue to other departments or programs. The City charges fees for services such as water, sewer and garbage pickup, but State law requires that these fees be no higher than the cost of providing the services. For example, the City cannot raise water bills to pay for citywide police services.

Grants and transfers from the Federal Government and other units of government are 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. Some cities increase revenues through assessments for current services, which are also tied to specific purposes like street or sidewalk maintenance. Bond proceeds must go to purposes for which the debt was incurred. Sales tax revenue is dedicated to the Convention Center and Convention Center-related facilities by State law. Like many Minnesota cities, Minneapolis pays for core City services (police, fire, streets, parks, etc.) with property taxes and LGA.

	2010 Revised Budget	2011 Council Adopted
Charges for Sales	15.1	11.6
Charges for Service	374.3	388.6
Contributions	2.3	2.1
Federal Government	54.5	55.6
Fines and Forfeits	11.0	10.9
Franchise Fees	29.1	27.8
Gains	0.3	0.2
Interest	3.1	2.6
License and Permits	30.7	31.4
Local Government	9.3	7.5
Bond Proceeds	35.3	34.1
Other Misc Revenues	29.5	24.7
Property Taxes	317.0	347.1
Rents	55.2	54.6
Sales and Other Taxes	62.6	59.6
Special Assessments	13.6	21.7
State Government	101.8	130.9
Transfers In	133.9	161.6
Total Revenues	\$1,278.6	\$1,372.7

LGA is reflected in the State Government line.

The property taxes category shows a greater change than the levy increase due to increased tax increment property tax revenue because of the recertification of parcels totaling 50.8% of the net tax capacity of the pre-1979 districts [Common Project districts] in addition to the 4.7% general property tax levy increase.

Franchise Fees

Utility companies pay the City franchise fees for their use of the public right-of-way. Franchise fees are calculated as a percentage of each company's total utility revenues, so the amounts paid to the City vary. The 2011 Council Adopted Budget anticipates the total franchise fee revenue will decrease by \$1.3 million from the 2010 Revised Budget, from \$29.1 million in 2010 to \$27.8 million in 2011. The decline in revenue is due to declining usage of natural gas.

There are four franchise agreements that provide revenue for the City. The franchise agreement with Xcel Energy for electricity requires the company to pay the City 5% of its gross revenues for Minneapolis residential service customers, 3% of gross revenues for Minneapolis commercial/industrial customers, and 5% of gross revenues for Minneapolis small commercial/industrial customers. The residential rate will drop to 4.5% of gross revenues beginning in January 2013. This franchise agreement expires on Dec. 31, 2014. Xcel does not provide natural gas services in Minneapolis. For 2011, the Council Adopted Budget anticipates Xcel will pay the City \$15.5 million from this agreement.

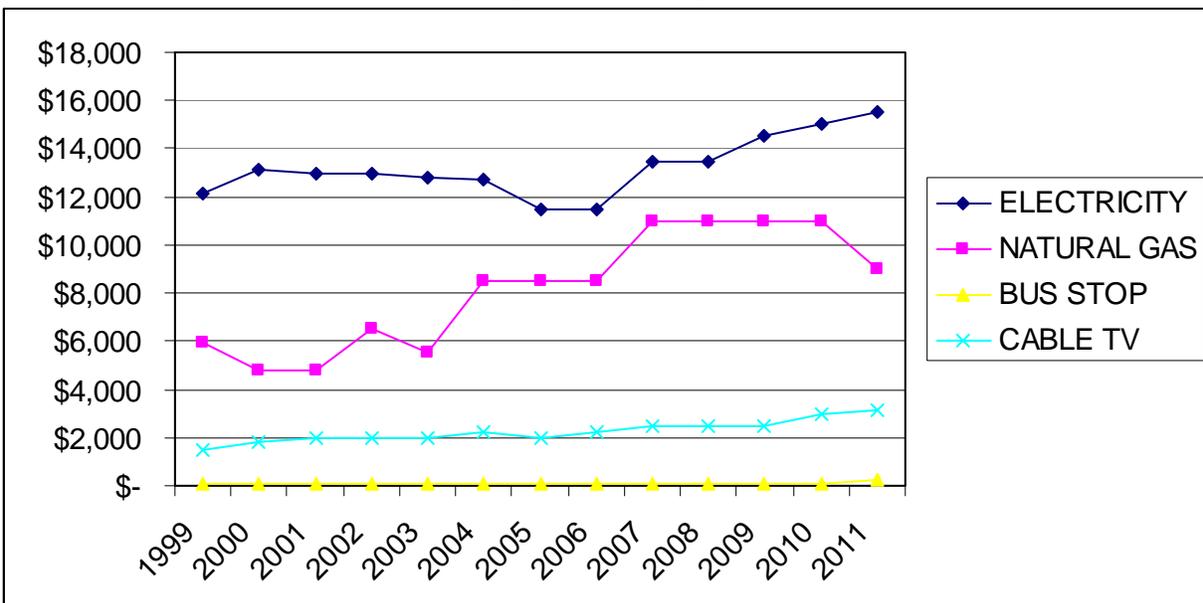
The franchise agreement with CenterPoint Energy for natural gas requires the company to pay the City 4.25% of gross revenues for Minneapolis residential buildings with four units or less, 5% for small commercial/industrial/firm or "interruptible" customers (customers who have agreements to allow their service to be interrupted, generally during peak loads), and 3% for large volume interruptible customers. This franchise agreement expires on Dec. 31, 2015. For

2011, the Council Adopted Budget anticipates CenterPoint Energy will pay the City \$9 million from this agreement, a decrease of \$2 million from the 2010 amount.

The city also has two smaller franchises. The bus stop advertising franchise will generate approximately \$210,000 in revenues for the City in 2011, and the City's cable television franchise is anticipated to generate \$3.1 million for the City in 2011. Comcast collects this fee from subscribers to help fund public services such as police, fire and public works as they relate to maintenance and regulation of the City's rights-of-way. Comcast also collects an "access fee" from subscribers to support public, educational and government (PEG) access programming. It is estimated Comcast will collect \$400,000 from subscribers for the access fee in 2011. There are ten PEG channels in the City of Minneapolis: four public, three educational and three government channels.

Recent rules issued by the Federal Communications Commission governing the way cities award cable TV franchises may impact this revenue source in the future. Keeping the franchise authority at a local level will ensure that the provider fairly compensates the City for the private use of public rights-of-way, provides access to cable services for all residents, ensures proper repair of streets and roadways after cable installations, provides continuous availability of PEG access channels and protects consumer rights.

**Franchise Fee Revenue 1999-2011
(in thousands)**



Budget by Fund

The City uses different “funds” to account for expense and revenue associated with the various services provided. The **General Fund**, where the City accounts for most property tax supported services, represents 29% of the 2011 Council Adopted Budget.

Enterprise Funds include services that the City provides that operate like a “business.” Charges for services are expected to recover operating costs, indirect costs, capital investments, and interest expense. Enterprise services of the City include sanitary sewer services, stormwater management and flood mitigation, water treatment and distribution, solid waste and recycling, and parking.

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

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

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

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

The following tables reflect the expenditures and revenues for these funds:

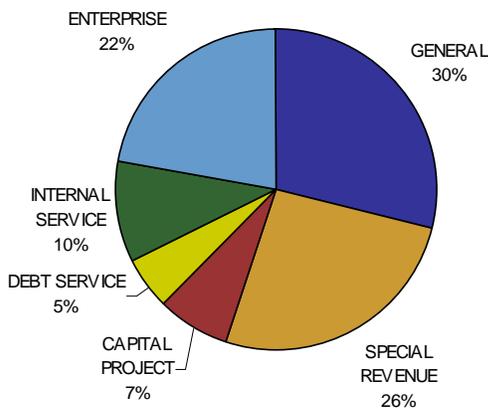
Expense and Revenue by Fund Type (in millions of dollars)

Expense:	2010 Revised Budget	2011 Council Adopted	Pct Increase	\$ Change
GENERAL	371.6	392.3	5.6%	20.8
SPECIAL REVENUE	331.6	357.3	7.7%	25.5
CAPITAL PROJECT	70.2	96.2	37.0%	26.0
DEBT SERVICE	70.7	72.6	2.7%	1.9
INTERNAL SERVICE	153.5	142.3	-7.3%	(11.2)
ENTERPRISE	285.7	301.7	5.6%	16.0
Total	\$1,283.3	\$1,362.4	6.2%	\$78.9

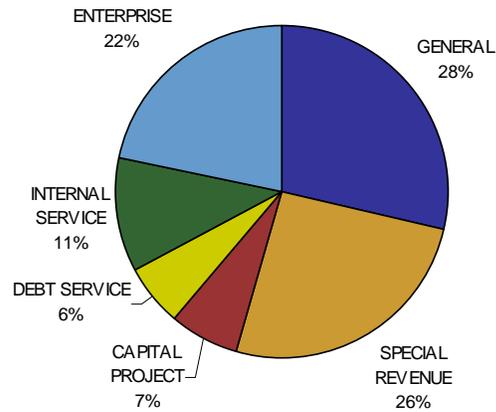
Revenue:	2010 Revised Budget	2011 Council Adopted	Pct Increase	\$ Change
GENERAL	371.6	392.3	5.6%	20.8
SPECIAL REVENUE	324.1	354.9	9.5%	30.8
CAPITAL PROJECT	65.1	92.0	41.3%	26.9
DEBT SERVICE	73.3	83.3	13.6%	10.0
INTERNAL SERVICE	166.9	152.9	-8.4%	-13.9
ENTERPRISE	280.5	297.2	6.0%	16.8
Total	\$1,281.4	\$1,372.7	7.1%	\$91.3

Capital Projects will see the most significant change in funding level between 2010 and 2011. The reason for this increase is primarily due to the \$9 million increased funding for the City's street infrastructure.

**Total City Expense Budget by Fund
2011 Council Adopted Budget
\$1.36 Billion**



**Total City Revenue Budget by Fund
2011 Council Adopted Budget
\$1.37 Billion**

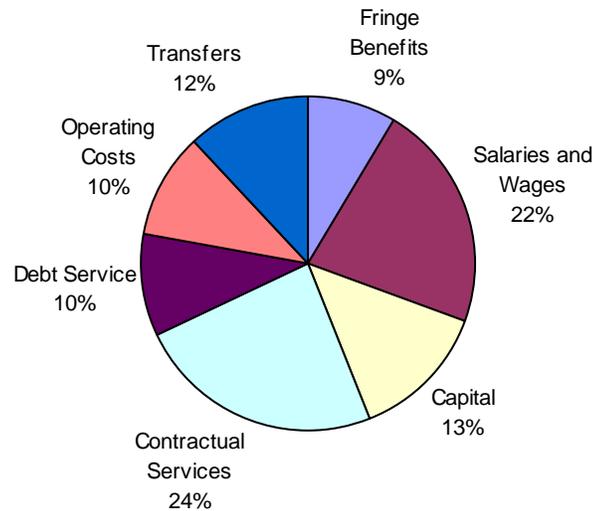


A significant amount of the City's budget is spent on personnel, \$415 million or 30% of the total budget. The 2011 Council Adopted Budget includes an overall decrease of 106 budgeted full-time equivalent positions, inclusive of independent boards.

Spending by Major Categories
(in millions of dollars)

	2010 Revised Budget	2011 Council Adopted	% Change	\$ Change
Fringe Benefits	118.8	117.7	-0.9%	-1.1
Salaries and Wages	294.1	297.2	1.0%	3.1
Capital	159.5	182.8	14.6%	23.3
Contractual Services	314.2	329.4	4.8%	15.2
Debt Service	126.8	133.3	5.1%	6.5
Operating Costs	126.1	138.5	9.9%	12.4
Transfers	143.8	163.5	13.7%	19.7
Total	\$1,283.3	\$1,362.4	6.2%	\$79.1

**Total City Budget – Expenditures by Category
2011 Council Adopted Budget
\$1.36 billion**



Major Budget Pressures:

➤ **Funding for physical infrastructure**

Five-Year Capital Program Totals: For 2011 – 2015, the five-year capital program for City departments, independent boards and commissions totals \$593.67 million including all funding sources. The 2011 portion of this program is \$113.94 million. Property tax supported net debt bonds (NDB) help to leverage many funding sources in the five-year plan.

Infrastructure Acceleration Program (IAP): In addition to the net debt bond funding indicated below, this budget continues the infrastructure acceleration program with \$16.11 million over the next three years to provide additional investment in paving projects, City street lighting, pavement and bikeway maintenance and park infrastructure improvements. Funding for this accelerated program is coming from the use of one-time trust funds and general fund transfers – see complete funding details for the affected projects in the Capital Section of this document.

	2011	2012	2013	Totals
Paving Programs	\$2.70	\$2.85	\$3.05	\$8.60
Major Pavement Maintenance	\$0.61	\$1.00	\$.80	\$2.41
City Street Lighting	\$0.90	\$1.05	\$1.05	\$3.00
Bike Trail Maintenance	\$0.10	\$0.10	\$0.10	\$0.30
Park Infrastructure	\$0.80	\$0.50	\$0.50	\$1.80
Total IAP Program	\$5.11	\$5.50	\$5.50	\$16.11

Property Tax Supported – Public Works: The 2011 budget includes \$9.86 million in property tax supported (NDB) funding for Public Works projects. Below is a summary of the 2011 - 2015 NDB allocation for the Public Works infrastructure program.

	2011	2012	2013	2014	2015	Totals
Net Debt Bond funding	\$9.86	\$12.83	\$10.70	\$12.36	\$13.68	\$59.43

Expanded Resources for Capital Improvements: To improve the City’s street infrastructure, this budget provides significant additional resources from the general fund to four key paving programs as detailed below. These additional resources are combined with net debt bonds, municipal state aid, special assessments and IAP funds. The total funding for these projects can be found in the Capital Program section of this document in the Capital Budget Detail for Funded Projects report.

	2011	2012	2013	2014	2015	Totals
Alley Renovation Program	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$4.00
Asphalt Resurfacing Program	\$4.20	\$4.20	\$3.50	\$4.20	\$4.20	\$20.30
Major Pavement Maintenance	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$10.00
High Volume Corridor Reconditioning	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$10.00
Total Expanded Paving Programs	\$9.00	\$9.00	\$8.30	\$9.00	\$9.00	\$44.30

Neighborhood Parks Infrastructure Funding: The 2011 budget includes \$4.00 million for Park improvements including \$2.0 million of net debt bonds, \$1.5 million of Park capital levy and \$.50 million of infrastructure acceleration funding. Below is a summary of the total 2011 –2015 funding for park board capital improvements.

	2011	2012	2013	2014	2015	Totals
Net Debt Bond funding	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$10.00
Park Capital Levy	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50	\$7.50
Infrastructure Acceleration funding	\$0.50	\$0.50	\$0.50	\$0.00	\$0.00	\$1.50
Total Park Board Capital funding	\$4.00	\$4.00	\$4.00	\$3.50	\$3.50	\$19.00

Property Tax Supported – Miscellaneous and BIS Technology Projects: The 2011 budget includes \$2.48 million in property tax supported funding for these categories. Projects include public art, technology related improvements and physical building, office space and security improvements for Police, Fire and other City buildings. Capital spending in these areas impacts the City’s capacity to maintain and improve the transportation network. These categories use 12.82% of the available net debt bond funds in the five-year plan. Below is a summary of the 2011 - 2015 net debt funding for miscellaneous and technology projects.

	2011	2012	2013	2014	2015	Totals
Net Debt Bond funding	\$2.48	\$1.75	\$1.85	\$1.86	\$3.53	\$11.47

Utility Fee Supported Capital: The 2011 - 2015 budget includes funding for additional water and sewer related infrastructure expenditures. The utility rates proposed for 2011 – 2015 are the same as last year’s adopted plan except for Stormwater Rates for 2012 which were increased an extra 0.5% due to a program increase requested for the Storm Drains and Tunnels Rehabilitation Program of \$20.8 million from 2011 to 2015. The additional revenue will allow for more timely upgrades to the storm tunnel infrastructure in the next five years. Rate details for the Sewer and Water funds can be found in the Capital Program section of this document.

Relationship between the Capital and Operating Budgets: As part of each capital budget request, departments and independent boards identify whether the capital request will result in an increase or decrease in annual operating costs. The Capital Long-Range Improvement Committee (CLIC) ranking process provides for adding or subtracting up to 30 points out of 300 for operating cost implications. Proposals indicating an increase in operating costs without a clear definition of how the costs will be funded stand to lose points and those that reduce annual operating costs or have a responsible strategy to pay the increased costs may receive extra rating points.

➤ **Financing Assistance for the Target Center and Neighborhoods**

Background

Established in 1990, the twenty-year Neighborhood Revitalization Program and its funding ended in 2009. The City and neighborhood groups had been planning this major turning point for almost 10 years. The City's purchase in 1995 of the Target Center increased long-term demand for resources.

During the 2008 Legislative Session, the Minnesota Legislature authorized the City to establish a non-contiguous redevelopment tax increment financing (TIF) district which would be comprised of properties that were located in "pre-1979" TIF districts, which returned to the tax base in 2009. The earliest year the tax increment revenue could be realized from the new district allowed under the special legislation is 2011. If not put into a new district, the value within those pre-1979 TIF would remain in the general tax base after the initial de-certification impacting 2010. This additional value increased the overall size of the tax base, effectively resulting in property tax relief for all property owners in 2010.

Under the special legislation, tax increment from the recertified district could only be used to pay principal and interest on Target Center bonds or for "neighborhood revitalization purposes." The legislation also explicitly stated that the certification of the district would not impact the City's "property wealth" factors in the Local Government Aid program. A \$6.4 million drop in the City's LGA will occur in 2012, whether or not the City used the special legislation. Much of that impact is anticipated in the general fund (\$5.6 million). This loss in these amounts will occur whether or not the City uses the special legislation to create a new district because the legislation requires the additional tax capacity to be included in the calculation of LGA, even if the value is re-certified in a new district.

Council Adopted Plan

The City Council approved the Consolidated TIF plan, as amended, on December 18, 2009. The District, as adopted, is comprised of portions of five of the former pre-1979 TIF districts. It represents 50.8% of the total net tax capacity of all of the former pre-1979 TIF districts and contains 51 percent of the parcels. The District represents the most diverse and stable subset of pre-1979 TIF districts that achieves the 50% target, a goal of the City Council. The tax increment received each year shall first be used to 1) make the necessary reimbursement payments to Hennepin County required under the Special Legislation, and 2) pay for the City and County costs of administering the District. The remaining "Net Tax Increment" is allocated as follows:

- 50% for Target Center Debt Service and
- 50% for Neighborhood Revitalization Purposes

This allocation methodology means that these activities would share equally in the upside and downside. Upside resulting from actual increment being greater than projected and downside stemming from actual increment being less than projected in a given year.

The ten-year Consolidated TIF budget projects an estimated cumulative total Net Tax Increment of \$53.65 million being available for both Target Center Debt and Neighborhood Revitalization purposes, for a total of approximately \$107.3 million net tax increment for both activities generated over the ten-year life of the District. The corresponding projected annual Net Tax Increment to become available for both Target Center Debt and Neighborhood Revitalization Purposes reflected in the TIF plan ranges from approximately \$5.0 million (low end) to approximately \$5.6 million (high end) during the life of the district.

➤ **Funding for Pension Liabilities**

The City's payments to its pension funds continue to increase. Much of the increased costs can be attributed to three of the City's "closed" plans, meaning new members are no longer accepted into the plans. From 2009-2011, property-tax supported contributions to three closed funds total \$45.6 million. For the Minneapolis Police Relief Association (MPRA) and Minneapolis Fire Relief Association (MFRA), the City makes up for market underperformance as compared to State law assumptions (6% investment return), increasing the unfunded liabilities by millions of dollars during economic downturns. In these two plans, the respective market returns for 2008 were -30% and -29%, reflecting the overall 2008 market performance; in 2009 they both had gains of 27%.

Combined with legislatively approved changes, City payments provided from property taxes will increase from \$15.5 million in 2010 to \$23.0 million in 2011 for the three closed pension plans. The City is currently in litigation over benefit payments with the MPRA and MFRA.

Minneapolis Employee's Retirement Fund (MERF), a closed fund:

The 2011 payment to MERF is \$4.5 million, of which \$2.5 million is financed through the property tax levy and \$2.0 million financed through non-tax funds. The 2011 budget allocates funds necessary for the debt service on \$61 million in bonds issued during 2002-03. Debt service in 2011 is \$3.2 million, of which \$2.0 million is financed through tax funds and \$1.2 million in nontax funds.

Due to poor market returns in 2008, MERF was only 56% funded as of June 30, 2009. This placed MERF's funding status in a serious negative position that required immediate attention. During the 2009-2010 legislative session, legislation was approved that merged MERF into a statewide plan in July, 2010, with annual funding commitments from the City from 2012 – 2032 in the range of \$20-\$23 million per year. If the consolidated MERF plan does not meet actuarial assumptions for its investment returns, the City, State and other MERF employers could see additional costs associated with MERF.

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

Legislation passed during the 2005 legislative session extended the amount of time the City has to fully fund this plan's liabilities by ten years to 2020. The result was a lower upfront annual City contribution that increases over time and extends for a longer period. The City's 2010 contribution to MPRA from the tax levy was \$11.8 million.

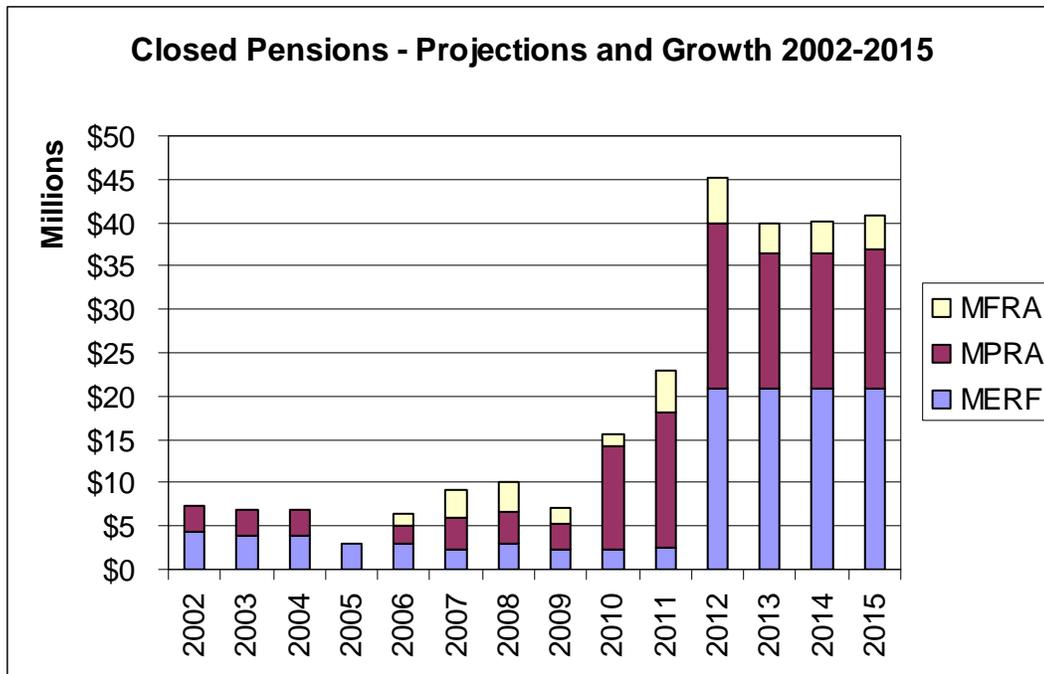
In 2011, the contribution increases to \$15.5 million, though this number would have been greater if the City had not prevailed in a lawsuit against the fund. Investment gains or losses as compared to the State's assumed 6% are phased in over a three-year timeframe. As a result, the 2008 negative investment performance resulted in increases in 2010, 2011 and 2012 unless offset by gains above the 6% assumptions in 2010 and 2011. Current projections call for estimated contributions increasing to \$19 million in 2012. An additional \$2.6 million will be required for debt service in 2011 on the \$53 million MPRA bonds that were issued during 2002-04. This obligation would otherwise have fallen on the property tax levy during those years and was spread out over time through the bonding process.

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

In 2005, the City resumed contributions to the MFRA. The MFRA was previously 100% funded, which meant that the City did not need to make annual contributions. The stock market downturn in 2001 resulted in investment performance that reduced the funding level of the MFRA. The City's 2010 contribution to MFRA from the property tax levy was \$1.3 million. In 2011, this contribution will increase to \$4.9 million.

Investment gains and losses as compared to the State's assumed 6% are phased in over a three-year timeframe. As a result, the 2008 negative investment performance resulted in increases in 2010, 2011 and 2012 also unless offset by gains above the 6% assumptions in 2010 and 2011. Current projections call for contributions increasing to \$5.3 million in 2012.

The following graph shows the historical and projected levy under current law for Minneapolis closed funds (MPRA, MFRA, and MERF), with the Minneapolis share of the MERF second funding in the form of levy:



Teacher's Retirement Association (TRA):

The 2006 Legislative session combined the Minneapolis Teachers Retirement Fund Association (MTRA) with the State's Teachers Retirement Association (TRA). As part of the

legislation the City was required to redirect its annual \$2.25 million MTRA tax levy to TRA through 2037.

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

The 2005 Legislative session increased annual employee and employer contribution levels starting January 1, 2006. During the 2010 Legislative session, the State changed the employer's contribution level in the coordinated plan from 7.00% to 7.25% for 2011. The police and fire plans' employer's contribution level increases from 14.1% to 14.4%. The estimated total cost to the City in 2011 is \$27.6 million, which is covered in the department budgets where the employees work.

	2010	2011	Change
PERA	\$11.7	\$13.1	\$1.4
PERA P&F	\$13.2	\$14.5	\$1.3
Total	\$24.8	\$27.7	\$2.8

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

During the 1990s, 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 annual expenses exceeded revenues. Today, the combined balance is no longer negative. This is a significant improvement over the position of the funds since 2000 when the net asset deficit was \$61.7 million. At year-end 2009, the City's three internal services funds with long-term financial plans had combined net assets of \$24.8 million. Additionally, all three funds had positive cash balances at 2009 year-end.

Status of Workout Plans (in millions)

	Adopted	Original Cash Deficit (2000)	Original Net Asset Deficit (2000)	2009 Year-End Net Assets	Target Date for Positive Cash Balance	2009 Year-End Cash Balance
Self-Insurance	2003	\$ (8.1)	\$ (49.5)	\$ (15.4)	2007	\$ 26.5*
Equipment	2001	(16.6)	0.0	26.5	2003	1.4
BIS	2000	(12.9)	(12.2)***	13.7	2009	0
Internal Service Fund Total		\$ (37.6)	\$ (61.7)	\$ 24.8		\$ 27.9
Parking Fund**	2004	\$ (8.6)	\$ 75.7	\$141.5	2010	\$ 24.1

*Status does not include \$2.5M due from other funds.

***Due to GASB 34, the net asset balance for BIS decreased from (\$12.2) in 2000 to (\$36.3) million in 2001.

General Fund Support for Internal Service Funds



The financial plans of the Self-Insurance, Fleet, and Intergovernmental Services (BIS) internal service funds call for transfers from the General Fund to eliminate deficits. The graph above presents the schedule of General Fund transfers to the three internal service funds with deficits.

To meet the goals of the adopted long-term financial plans, these transfers continue to make up a substantial portion of the City's budget until this budget year as these expenditures begin to decrease. In order to create capacity in 2012, the General Fund will prepay \$5.5 million in obligations to the Self Insurance Fund. The Council adopted a one-time \$1 million reduction to the Self Insurance Fund transfer to help reduce the property tax levy increase from 6.5% to 4.7%. The Council adopted this reduction given the fund's positive performance. Additionally, there will be a postponement of 2012 obligations (\$2.2 million) to the Fleet Services Fund and a partial prepayment of 2014 obligations (\$1.2 million) in 2013.

➤ Growth in personnel costs

- **Salary and wages.** The 2011 Council Adopted Budget keeps personnel expenditures flat at \$415 million (\$297 million in salaries and wages, \$118 million in fringe benefits). For City positions, not including independent boards, growth in salary and wages are budgeted at 0% for two years for bargaining units without settled labor contracts.
- **Benefits.** Health and dental insurance expenditures are budgeted to decrease from \$60.7 million to \$57.8 million. This estimate is based on changes and experience related to the current plan design and the competitive procurement processes. The anticipated health premium increase in 2011 is 0% due to implementation of a new contract.

- **Continuing library obligation to Hennepin County.** Minneapolis libraries merged with the Hennepin County system in 2008. In addition to the \$9.3 million market value referendum supported by Minneapolis taxpayers, the merger finance plan calls on Minneapolis for an additional declining base contribution for 10 years. In 2011, that contribution is over \$5.8 million. The City will also continue to pay the library's share of the MERF pension debt service in addition to the outstanding debt service on other bonds that have already been issued by the City for Library purposes.

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

	Base	Reopen (1)		Reopen	Other City (2)	Total City	Library LGA (3)	Prop tax (4)	One Time (5)	Total
2008	\$7,800	\$445	100%	\$445	\$10,650	\$18,895	\$6,800	\$10,650	\$1,445	\$18,895
2009	\$7,020	\$463	100%	\$463	\$10,650	\$18,133	\$6,800	\$10,650	\$683	\$18,133
2010	\$6,240	\$481	100%	\$481	\$10,650	\$17,371	\$6,721	\$10,650		\$17,371
2011	\$5,460	\$501	79%	\$393	\$10,750	\$16,603	\$5,853	\$10,750		\$16,603
2012	\$4,680	\$521	58%	\$302	\$10,750	\$15,732	\$4,982	\$10,750		\$15,732
2013	\$3,900	\$541	38%	\$206	\$10,750	\$14,856	\$4,106	\$10,750		\$14,856
2014	\$3,120	\$563	21%	\$118	\$10,750	\$13,988	\$3,238	\$10,750		\$13,988
2015	\$2,340	\$586	4%	\$23	\$10,750	\$13,113	\$2,363	\$10,750		\$13,113
2016	\$1,560	\$609	0%		\$10,850	\$12,410	\$1,560	\$10,850		\$12,410
2017	\$780	\$633	0%		\$10,850	\$11,630	\$780	\$10,850		\$11,630

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

(2) Other City includes debt service on referendum and net debt bonds/MERF contributions. Final referendum debt service in 2031.

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

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

(5) The City will be responsible for these one-time costs.

(6) Net Debt is the City's adopted five-year capital improvement plan plus \$500,000 for Walker library improvements.

- **Technology funding**

The City has two main financing mechanisms for technology:

Property tax supported debt financing in the City's capital program: Since 2003, the City has programmed about \$1.5-\$2.0 million annually in property tax supported projects, financed by debt, as prioritized by BIS and the department heads. These technology assets are capitalized and the bond payments are structured within the useful life of the asset. For 2011, a total of \$1.0 million in technology projects funded through property tax supported debt planned in the capital program. The five-year plan totals \$3.7 million.

Pay-as-you go: On occasion, the City will allocate current year funding for a technology project with existing resources rather than issuing bonds.

Regardless of the initial funding source for a capital project, funding the ongoing operating costs for new technology has been a challenge for the City. Departments agree to proceed with projects; however ongoing costs of the systems are rarely identified in departments' long-term financial plans.

➤ Enterprise Challenges

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

Economic Downturn

Recent financial downturns in the economy coupled with State budget cuts have led to unique challenges at the City. At a time when demand for services is up, State funding is reduced. For example, the increased foreclosure rate in Minneapolis results in an increased need for home inspection and monitoring. In addition, City spending on closed pension funds is growing due to poor market returns and legislatively approved changes to assumptions upon which the calculations are based.

Demographic Changes

Diversity of City residents (minority and immigrant populations) is growing faster than any other city in Minnesota. Minority populations make up 29% of adults aged 18-64 years. Foreign-born residents have increased 2.5 times since 1990, posing language barrier challenges for all departments that touch the public directly. Nearly all departments note a need for improved focus on providing service to limited-English proficient residents. Minneapolis' over-age-65 population is also increasing. An increase in the City's older population may pose additional health and accessibility challenges in the future.

Technological Complexity and Increased Demand for Technological Solutions

Departments note an increased technological savvy of customers, and as a result, increased demand of technological approaches to customer service. This translates into additional costs for new equipment and in particular, increased maintenance costs. For example, assistive voting technology enhancements will likely need to be maintained by the City, the full financial impact of which is not yet known. Other examples include increased use of cameras in law enforcement, and a drive toward enterprise-wide technologies for use in business process re-engineering.

Regulatory Complexity/Unfunded Mandates

Departments have noted increased complexity of protocols and regulations at many levels. Civil Rights notes increased complexity of investigation protocols. Regulatory Services cites State codes, protocols, and building standards that are placing additional strains on the workload of inspectors. Public Works notes increased costs for inflow and infiltration required by Metropolitan Council Environmental Services. The City Clerk notes additional election requirements as a result of the 2002 federal "Help America Vote Act" and implementation of Instant Runoff Voting (IRV). Additionally, public safety departments face legislative-directed or nationally developed standards, training, or operating procedures. Departments indicate a need for increased and improved employee training, possibly placing short-term strain on productivity, to address these complexities.

Reliance on Tenuous Inter-Governmental Funding

Reliance on tenuous funding from State and Federal entities for some important City programs complicates the management and planning for these programs, and for the outcomes they hope to achieve. Local Government Aid from the State has been unpredictable with statewide reductions and year-to-year fluctuations, with the stability of the

program tied to the State's financial health. The uncertainty that surrounds these funds drains the time and energy of City managers from administering programs to ensure the best outcomes possible.

The recent American Recovery and Reinvestment Act (ARRA) from the Federal government has helped Minneapolis mitigate the cuts from other funding sources, though the funding is only temporary and does not provide a long-term solution to funding shortfalls.

Health programs have also faced State and Federal cuts recently. Medicare eligibility cuts, State of Minnesota public health care cuts, and reduced funding in early childhood and youth development affects the ability of City departments to project the health of residents.

Homeland Security

Ensuring adequate physical security, health security, electronic security (prevention of viruses, worms, and other system security threats), information backups, and emergency planning consumes resources of nearly every department. Departments continue to build and strengthen relationships with other governmental entities to maximize the effectiveness of security planning.

City Workforce Trends

Retirement rates are expected to rapidly increase over the next few years as the economy improves. As employees reach retirement age, the City loses institutional memory and highly skilled personnel.

Stadiums

Construction of several major stadiums - Target Field, the University of Minnesota's football stadium and a possible new Viking stadium - has and will continue to increase the workload for the City. Such large development efforts require extensive planning and zoning, appraisals, and more permit work due to demolition, new construction and redevelopment associated with the projects. The City must also contribute towards maintenance of the Target Center and Convention Center.

Aging Infrastructure

There are not adequate resources available for maintenance or replacement at most cost-effective frequencies. Public Works' pavement condition index reports the City's roads, bridges and other infrastructure are deteriorating. The Fire Department has noted a funding shortage for equipment updates in the next five to ten years as equipment reaches the end of its useful life cycle. The City Hall and Courthouse were in need of upgrading its mechanical and safety systems. Similar concerns were also noted by the Target Center and Convention Center.

Foreclosure

The volume of foreclosures poses challenges. The Minneapolis foreclosure recovery plan is a strategic and timely government intervention for prevention, reinvestment and market repositioning to the extent necessary to "tip" the market in our neighborhoods. As the housing market begins to decline, Minneapolis continues to employ foreclosure prevention outreach and counseling, engage in community building and marketing efforts to prepare the market for a rebound, and ready to promote rental and homeownership property development. Minneapolis has also partnered with other organizations to clear or rehabilitate dilapidated homes and pursue infill development on vacant lots.

Other Trends

The downtown real estate market continues to have an oversupply of office space available due to the weak commercial market dating back to 2003.

The transfer of property tax burden from commercial and industrial properties to residential properties continues, resulting from valuation changes and State law.

Major Changes in the 2011 Adopted Budget

Please note that reduction amounts are based on the Current Service Level (CSL). The CSL includes inflationary adjustments from 2010, so 2011 cut amounts reflect reductions to current services that are provided by departments. The CSL included an increase of 9.7 percent in health care costs. Some of the following reductions will be offset to some extent by department savings in the City's recent health care contract.

Citywide

Department budget were revised to reflect no increase in City salaries for a two-year period. For contracts that are settled in 2011, budgets should be adjusted in 2012 and 2013.

This assumption change does not affect Independent Boards.

The General Fund transfer to the Self-Insurance fund is reduced by \$1 million on a one-time basis. The pension management plan will be reduced by \$400,000.

311

Mayor's Recommended Budget: The Mayor recommended a reduction to growth of \$47,000. The Mayor also recommended one-time increases of \$60,000 for the 311 Mobile Smart Phone Application and \$140,000 for the 311 Voice Recognition Interactive Voice Response (IVR) Auto Attendant.

Council Adopted Budget: The Council adopted the Mayor's recommendations for this department.

Assessor

Mayor's Recommended Budget: The Mayor recommended no reduction to growth for this department.

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

Attorney

Mayor's Recommended Budget: The Mayor recommended a reduction to growth of \$121,000, which includes the reduction of one paralegal position. The department added one position with grant funds.

Council Adopted Budget: Council approved the Mayor's recommendation. Additionally, the City Attorney is directed to work with Finance, NCR, the NCEC and IGR departments to identify options for property tax relief for the years 2012 and 2013 should legislative authority to consolidate neighborhood programs not be achieved, and report these options to Ways & Means/Budget Committee by February 15, 2011.

BIS

Mayor's Recommended Budget: The Mayor did not recommend a reduction to growth for this department. The Mayor recommended one-time funding of \$465,000 for this department to secure Finance and Human Resources data of which \$200,000 is for data auditing, and \$265,000 is for encryption. The Mayor also recommended a reduction of 13 FTE to meet the department's long-term financial projections.

Council Adopted Budget: The Council adopted the Mayor's recommendation and directed the Department to identify a plan with assistance from the Finance Department to achieve a long-term, structurally balanced budget and report the plan to the Ways and Means/Budget Committee no later than March 1, 2011. The plan should include a recommendation for service reductions and/or additional charges to departments.

The Council also directed the Department to work with the Finance and Human Resources departments to bring forth a funding plan for the Enterprise Resource Planning System to the Ways and Means/Budget Committee by June 1, 2011.

The Council also directed the BIS Department to work with Finance and Regulatory Services to estimate the ongoing costs of the proposed Land Management System and propose an allocation to the departments for ongoing operating costs no later than July 1, 2011.

City Clerk/Elections/City Council

Mayor's Recommended Budget: The Mayor recommended a reduction to growth of \$54,000. The Mayor directed this reduction to be taken by the City Clerk division of the department. The Mayor also recommended a one-time increase of \$100,000 to fund redistricting activities in the Elections Division.

Council Adopted Budget: Council approved the Mayor's recommendations, except that the Mayor's budget is amended to allow up to \$60,000 of the one-time resources for redistricting activities in 2011 to be used to offset the City Council budget reduction on a one-time basis, allowing for restructuring of Council activities. The 2012 resources set aside for redistricting activities shall remain dedicated for that purpose.

City Coordinator Administration

Mayor's Recommended Budget: The Mayor recommended a reduction to growth of \$5,000.

Council Adopted Budget: The Council adopted the Mayor's recommendations for this department.

Civil Rights

Mayor's Recommended Budget: The Mayor recommended no reductions to growth for the department.

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

Communications

Mayor's Recommended Budget: The Mayor recommended the department be reduced by \$124,000 through non-personnel strategies. Of this amount, the allocation for MTN should be proportional to its allocation, approximately \$41,000.

Council Adopted Budget: The Council adopted the Mayor's recommendations and directed the Department to reduce the MTN contract amount no less than in the same proportion as the final appropriation reduction to the Communications Department over the duration of the Five-Year Financial Direction beginning in 2012.

Convention Center

Mayor's Recommended Budget: The Convention Center identified several areas for cost savings. This includes nearly \$2 million in continued departmental operations reductions from 2010, facilities and capital cuts of approximately \$2.5 million, and labor savings (including contracted labor) totaling around \$600,000. The Mayor recommended these changes.

Council Adopted Budget: The Council adopted the Mayor's recommendation and reduced the capital in the Target Center financial plan by \$1.1 million on a one-time basis, transferring the corresponding resources into the General Fund.

CPED

Mayor's Recommended Budget: The Mayor recommended a reduction to growth of \$89,000 in the General Fund and a reduction of 4 FTE across all funds to balance the department's long-term financial projections. The Mayor also recommended one-time funding for the following programs in special revenue funds: \$150,000 to the Regional Economic Development Authority, \$50,000 to the Mississippi Riverfront Corporation, \$200,000 from the Development Account and Local Contribution Fund for Youth Employment, and \$150,000 for the Great Streets program.

Council Adopted Budget: The Council adopted the Mayor's recommendations and reduced funding for Vacant and Boarded programming from the Local Contribution Fund by \$125,000 and increased funding for the All About the Kids program by \$125,000 from the Local Contribution Fund on a one-time basis. The Council also decreased the Year 37 allocation for CDBG for the GMHC Home Ownership Program by \$125,000 and increased the Year 37 allocation to the Vacant and Boarded Program by \$125,000.

The Council also reduced funding for Youth Employment programming by \$75,000 in CDBG resources and increased funding by \$75,000 in CDBG resources for the Domestic Abuse Project. Funding from the Local Contribution Fund is also reduced from the Vacant and Boarded Program by \$75,000 and increased by \$75,000 for Youth Employment programming on a one-time basis. The Year 37 allocation for CDBG for the GMHC Home Ownership Program is decreased by \$75,000 and the Year 37 allocation to the Vacant and Boarded Program is increased by \$75,000.

Further, the Council reduced funding for Vacant and Boarded programming from the Local Contribution Fund by \$100,000 and increased funding for Mortgage Foreclosure Prevention by \$100,000 from the Local Contribution Fund on a one-time basis. The Council also decreased the year 37 allocation for CDBG for the GMHC Home Ownership Program by \$100,000 and increased the Year 37 allocation to the Vacant and Boarded program by \$100,000.

The Council also directed the Department to develop a plan to fund ongoing development activities, including prioritizing the services CPED provides, with the assistance of the Finance Department. CPED is to report back to the Community Development and Ways and Means/Budget Committees no later than March 1, 2011.

Finance

Mayor's Recommended Budget: The Mayor recommended a reduction to growth of \$287,000 including 6 FTE. The Mayor further recommended approval of the proposed revenue initiatives.

Council Adopted Budget: The Council approved the Mayor's recommendation. The Council further directed the department to work with the Neighborhood and Community Relations Department to allow neighborhoods to contract up to 50% of the un-contracted balance of their Phase II allocation (excluding Phase II allocated but not contracted reserve funds), as of City Council adoption of the 2011 budget, but not to exceed a total contracted amount of 50% of their Phase II allocation.

The Council further directed the Department to report to the Ways and Means/Budget Committee no later than February 1, 2011, with a plan to provide property tax relief in 2012 and 2013 by capturing 50% of the value of the properties in the consolidated TIF district in these two years. This report should also include impacts on Target Center funding and neighborhood funding. In addition, Finance staff, working with the Neighborhood and Community Relations Department, the NCEC, the Intergovernmental Relations Department, and the City Attorney's Office, is further directed to identify options for property tax relief for the years 2012 and 2013 should legislative authority to consolidate neighborhood programs not be achieved, and report these options to the Ways and Means/Budget Committee by February 15, 2011. This report shall also include the impacts of limiting revenue generated by the TIF district funding neighborhood programs and the Target Center debt relief to \$10 million annually, with any increment over and above \$10 million used to fund Phase II plans.

The Council further directed the Department to assist the BIS Department to identify a plan to achieve a long-term, structurally balanced budget and report the plan to the Ways and Means/Budget Committee no later than March 1, 2011. The plan should include a recommendation for service reductions and/or additional charges to departments.

The Council also directed the Department to assist CPED in developing a plan to fund ongoing development activities, including prioritizing the services CPED provides.

The Council also directed the Department to work with the Human Resources and BIS departments to bring forth a funding plan for the Enterprise Resource Planning System to the Ways and Means/Budget Committee by June 1, 2011.

The Council also directed the Department to work with Public Works to simplify the Property Services allocation model for implementation in the 2012 budget process.

The Council further directed the Department work with Regulatory Services to report on the nuisance abatement revolving account within the General Fund and develop fund balance policy recommendations for the account and report back to the Ways and Means/Budget Committee by February 1, 2011.

The Council also directed the Finance and BIS Departments to work with Regulatory Services to estimate the ongoing costs of the proposed Land Management System and propose an allocation to the departments for ongoing operating costs no later than July 1, 2011.

The Council also directed Finance staff to increase the Office of Internal Audit's allocation in the Five-Year Financial Direction based on the adjustment made for departmental salaries.

The Council also directed the Finance and Intergovernmental Relations Departments to work together to determine the impacts of not addressing the over-obligation of CDBG resources related to Block E. This information is to be presented with the City's 2010 final report to the Ways and Means/Budget Committee in the first quarter of 2011.

The Council also directed the Finance Department to amend the expense and revenue appropriations of the Fire and Regulatory Services departments to reflect the transfer of Fire Inspection activities from the Fire Department to Regulatory Services in the Five-Year Financial Direction.

Finally, the department was directed to revise the Five-Year Financial Direction to reflect no increase in City salaries for a two-year period. For contracts that are settled in 2011, budgets should be adjusted in 2012 and 2013.

Fire

Mayor's Recommended Budget: The Mayor recommended a reduction to growth of \$847,000, and 32 FTE. Additionally, the Mayor recommended a one-time appropriation of \$1,100,000 in 2011 to allow the department to reduce its FTE through attrition.

Council Adopted Budget: Council approved the Mayor's recommendations. Additionally, Fire is directed to evaluate the current Council policy related to the Standard of Coverage in the context of 2011 budget resources for the department and report back to the Public Safety and Health and Ways & Means/Budget committees no later than February 15, 2011, with recommendations for any changes to that policy.

Fire's expense and revenue appropriations' reflects the transfer to Fire Inspection activities from the Fire Department to Regulatory Services. The changes are reflected in the five-year financial direction. 13 FTE moved from Fire to Regulatory Services as part of this transfer. Additionally, the Fire Department's rent charge has been reduced by \$79,000.

Health and Family Support

Mayor's Recommended Budget: The Mayor recommended a reduction to growth of \$102,000.

Council Adopted Budget: Council approved the Mayor's recommendation. Additionally, CDBG funding for the Domestic Abuse Project is increased by \$75,000.

Human Resources

Mayor's Recommended Budget: The Mayor recommended a reduction to growth of \$154,000 to the General Fund, which is partially offset by health care savings.

Council Adopted Budget: The Council adopted the Mayor's recommendations and directed the Department to work with the Finance and BIS departments to bring forth a funding plan for the Enterprise Resource Planning System to the Ways and Means/Budget Committee by June 1, 2011.

Intergovernmental Relations

Mayor's Recommended Budget: The Mayor recommended a reduction to growth of \$5,000 and increased funding by \$30,000 for national association membership costs.

Council Adopted Budget: The Council adopted the Mayor's recommendation and directed IGR staff to report to the Intergovernmental Relations Subcommittee and Committee of the Whole on January 13, 2011, to pass an amendment to the City's State Legislative Agenda on either January 14 or 28 that includes a proposed strategy to seek legislation consolidating neighborhood programs and eliminating the need for the Joint Powers Board.

The Council also directed the Department to work with Finance staff, the Neighborhood and Community Relations Department, the NCEC, and the City Attorney's Office, to identify options for property tax relief for the years 2012 and 2013 should legislative authority to consolidate neighborhood programs not be achieved, and report these options to the Ways and Means/Budget Committee by February 15, 2011. This report shall also include the impacts of limiting revenue generated by the TIF district funding neighborhood programs and the Target Center debt relief to \$10 million annually, with any increment over and above \$10 million used to fund Phase II plans.

The Council also directed the Finance and Intergovernmental Relations Departments to work together to determine the impacts of not addressing the over-obligation of CDBG resources related to Block E. This information is to be presented with the City's 2010 final report to the Ways and Means/Budget Committee in the first quarter of 2011.

Mayor

Mayor's Recommended Budget: The Mayor did not recommend a reduction for the department.

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

Neighborhood and Community Relations

Mayor's Recommended Budget: The Mayor recommended a reduction to growth of \$3,000 to this department. The Mayor also recommended \$150,000 in one-time funding for homeless outreach programming.

Council Adopted Budget: The Council adopted the Mayor's recommendation and directed the Department to work with Finance staff, the Intergovernmental Relations Department, the NCEC, and the City Attorney's Office, to identify options for property tax relief for the years 2012 and 2013 should legislative authority to consolidate neighborhood programs not be achieved, and report these options to the Ways and Means/Budget Committee by February 15, 2011. This report shall also include the impacts of limiting revenue generated by the TIF district funding neighborhood programs and the Target Center debt relief to \$10 million annually, with any increment over and above \$10 million used to fund Phase II plans.

The Council also directed the Department to work with the Finance Department to allow neighborhoods to contract up to 50% of the un-contracted balance of their Phase II allocation (excluding Phase II allocated but not contracted reserve funds), as of City Council adoption of the 2011 budget, but not to exceed a total contracted amount of 50% of their Phase II allocation.

The Council further directed the Department to work with the NCEC and report back to the City Council by March 1, 2011 on how programs, including the Neighborhood Investment Fund and the Community Innovation Fund, will be implemented moving forward with an emphasis on mitigating equity issues among neighborhoods related to the suspension of new contracts.

Office of Internal Audit

Mayor's Recommended Budget: The Mayor did not recommend a reduction for this department. The Mayor recommended that the department be allowed to carry over its unspent 2010 budget for purposes of contracted audits the department will conduct in 2011 and further recommended a \$50,000 increase to the department's 2012 allocation in the Five-Year Financial Direction.

Council Adopted Budget: The Council adopted the Mayor's recommendations and increased the appropriation for the Internal Audit Department by \$11,000 to reflect actual salaries and directed Finance staff to increase the Department's allocation in the Five-Year Financial Direction accordingly.

Police

Mayor's Recommended Budget: The Mayor recommended a reduction to growth of \$1.025M for this department, which will be partially offset by health care savings for the department. The recommendation also included a reduction of 24 sworn FTE, to 862 sworn FTE, which should be accomplished by the end of the 2011. The Mayor also recommended a one-time appropriation increase of \$500,000 to allow the department to reduce personnel through attrition. In addition, the department will reduce non-personnel expenses by \$1M to meet long-term financial projections.

The department's base budget has been increased by \$300,000, based on actual entertainment tax receipts over budgeted amounts. Entertainment tax resources are transferred into the General Fund for City costs related to citywide entertainment events.

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

Public Works

Mayor's Recommended Budget: The Mayor recommended a reduction to growth of \$463,000 which the department will meet with additional revenue sources (a renegotiated state maintenance contract and from capital overhead to projects) and with health care savings. The Mayor further recommended \$50,000 on a one-time basis to be used for a 38th Street study to be funded from existing resources.

Council Adopted Budget: The Council adopted the Mayor's recommendations. The Council further adopted the following staff direction: the department of Public Works should report back to the Transportation & Public Works and Ways and Means/Budget by March 1, 2011 with a prioritized list of memberships, including prioritizing memberships for funding within the 2011 budget, including a plan for funding high-priority memberships on an ongoing basis. This list of memberships should include costs of City membership in regional coalitions.

Administration

Mayor's Recommended Budget: The Mayor recommended no changes.

Council Adopted Budget: The Council adopted the Mayor's recommendation.

Engineering Materials and Testing (Central Stores)

Mayor's Recommended Budget: The Mayor recommended no changes.

Council Adopted Budget: The Council adopted the Mayor's recommendation.

Fleet Services

Mayor's Recommended Budget: The Mayor recommended no changes.

Council Adopted Budget: The Council adopted an increase in rent charges of \$17,300 to be funded through existing resources.

Property Services

Mayor's Recommended Budget: The Mayor recommended no changes.

Council Adopted Budget: The Council adopted the Mayor's recommendation and further approves the following staff direction: the department of Public Works should work with the Finance department to simplify the Property Services allocation model for implementation in the 2012 budget process.

The Council adopted an increase appropriation in Property Services Fund by \$40,000 from the Property Disposition account for the development of the Citywide Strategic Facilities Space Plan. The Council adopted an increase to appropriation in Property Services Fund by \$80,000 with offsetting revenue from increasing rent charges within existing resources for the Public Works divisions (\$69,700 overall) and Regulatory Services (\$10,300).

The Council adopted a technical amendment to amend the City Hall rent charges for the Regulatory Services department to reflect the transfer of Fire inspection by reducing the rent charge to the Fire Department by \$79,000 and increasing the charge for Property Services by \$79,000.

Solid Waste and Recycling

Mayor's Recommended Budget: The Mayor recommended \$150,000 for graffiti microgrants and \$300,000 for efforts in support of reducing organic waste.

Council Adopted Budget: The Council adopted the Mayor's recommendations and further approves an increase in rent charges of \$10,500 to be funded through existing resources.

Surface Water & Sanitary Sewer – Sanitary Sewer

Mayor's Recommended Budget: The Mayor recommended no changes.

Council Adopted Budget: The Council adopted a rate reduction from the Mayor's recommended rates as follows: 2011, decrease from 8.2% to 4.1%; 2012, decrease from 7.6% to 4.3%; 2013, decrease from 7.0% to 3.5%; 2014, decrease from 6.6% to 4.0%; and 2015, decrease from 5.1% to 4.4% and adjust the revenue estimates accordingly. The Council further adopted an increase in rent charges of \$1,300 to be funded through existing resources.

Surface Water & Sanitary Sewer – Stormwater

Mayor's Recommended Budget: The Mayor recommended no changes.

Council Adopted Budget: The Council adopted an increase in rent charges of \$1,400 to be funded through existing resources.

Traffic & Parking

Mayor's Recommended Budget: The Mayor recommended no changes.

Council Adopted Budget: The Council adopted an increase in rent charges of \$20,500 to be funded through existing resources.

Transportation Maintenance and Repair

Mayor's Recommended Budget: The Mayor recommended \$387,000 be transferred from Infrastructure Acceleration Program to fund seal-coating and pothole repair on a one-time basis.

Council Adopted Budget: The Council adopted the Mayor's recommendations and further approves an increase in rent charges of \$17,400 to be funded through existing resources.

Transportation Planning and Engineering

Mayor's Recommended Budget: The Mayor recommended one transportation planner position (\$98,000) and \$430,000 in one-time funds for transportation planning expenditures.

Council Adopted Budget: The Council adopted the Mayor's recommendations and further approves an increase in rent charges of \$300 to be funded through existing resources.

Water Treatment and Distribution

Mayor's Recommended Budget: The Mayor recommended one-time funding of \$60,000 for hydrant conversion stations for large events and \$10,000 for a community garden irrigation program.

Council Adopted Budget: The Council adopted the Mayor's recommendations. The Council further approves increasing the Water revenue "pay as you go" capital appropriation in the water capital project WTR12 Water Distribution Improvements as follows: 2011, increase from \$1M to \$4M; 2012, increase from \$1.5M to \$5M; 2013, increase from \$1.5M to \$5M; 2014, increase from \$2M to \$5M; and 2015, increase from \$2M to \$5M. In addition, change the funding source for water project WTR23 Treatment Infrastructure Improvements from Water Bonds to Water Revenue for years 2011 through 2015 and update revenue estimates and reserve balances for these changes and current revenue projections. No change in water rate required.

Regulatory Services

Mayor's Recommended Budget: The Mayor recommended a reduction to growth of \$292,000 for the department. 911's share of the reduction is \$207,000.

Council Adopted Budget: Council adopted the Mayor's recommendation. Regulatory Services and Finance are directed to report on the nuisance abatement revolving account within the general fund and develop fund balance policy recommendations for the account and report back to the Ways & Means/Budget committee by February 1, 2011. Additionally, Regulatory Services is directed to work with BIS and Finance to estimate the ongoing costs of the proposed Land Management System and propose an allocation to departments for ongoing operating costs no later than July 1, 2011.

Regulatory Services expense and revenue appropriations reflects the transfer to Fire Inspection activities from the Fire Department to Regulatory Services. The changes are reflected in the five-year financial direction. Additionally, 13 FTE moved from Fire to Regulatory Services as part of this transfer.

Independent Boards:

BET

Mayor's Recommended Budget: The Mayor recommended no changes to BET's proposed budget.

Adopted Budget: The Board of Estimate and Taxation adopted the Mayor's budget recommendation.

MBC

Mayor's Recommended Budget: The Mayor recommended combined tax and LGA revenue of \$4.7M after subtracting shared costs. Total spending includes \$70,000 in one-time funds for clocktower renovations.

Council Adopted Budget: Minneapolis adopted a 4.7% levy, compared to a 6.5% recommendation by the Mayor, which reduces revenue available for shared activities of MBC, Park Board, and the City's general fund. The MBC board adopted a budget with total revenue of \$8.1M. \$4.7M is from property tax and LGA. Much of the remainder comes from revenue generating activities within MBC.

NRP

Mayor's Recommended Budget: The Mayor recommended no changes to NRP's proposed budget.

Council Adopted Budget: Council adopted the Mayor's recommendation.

Park Board

Mayor's Recommended Budget: The Mayor recommended \$3.5 million for the Park Board for operating costs to maintain capital infrastructure. Overall, the Mayor recommended property tax and LGA revenue of \$56.8M. After subtracting shared costs and capital projects funded by the Park levy, the Mayor recommended \$52.3M in revenue for the Park board.

Park Board Adopted Budget: Park Board adopted a budget with property tax and LGA revenue of \$54.7M. The adopted City budget is based on certified LGA, and shares \$8.5M in LGA revenue with the Park Board. Park will use any LGA over \$7.5M for capital expenditures toward a backlog of capital needs.

MPHA

Mayor's Recommended Budget: The Mayor's recommended reinstating the MPHA tax levy at \$1.4 million and \$178,000 in CDBG funds.

Council Adopted Budget:

The City budget eliminated the MPHA tax levy by \$1.424M for taxes payable in both 2011 and 2012. MPHA is awarded \$178,000 in CDBG funds.

YCB

Mayor's Recommended Budget: The Mayor recommended no changes to YCB's proposed budget.

Council Adopted Budget: Council adopted the Mayor's recommendation.

Council Adopted Staff Directions

1. Direct the **Finance** Officer to update the five-year financial direction consistent with recommendations of the City Council.
2. The Council does not intend to renew the Joint Powers Agreement when it expires on December 31, 2011. As a result, **IGR** staff is directed to report to the Intergovernmental Relations Subcommittee/Committee of the Whole on January 13, 2011, with passage on either January 14 or 28 on an amendment to the City's state legislative agenda which would incorporate a proposed strategy to seek legislation consolidating neighborhood programs and eliminating the need for the Joints Powers Board.

3. Direct the **Finance** and **NCR** departments to allow neighborhoods to contract up to 50% of the un-contracted balance of their Phase II allocation (excluding Phase II allocated but not Contracted Reserve funds), as of City Council adoption of the 2011 budget, but not to exceed a total contracted amount of 50% of their Phase II allocation.
4. Direct **NCR** to work with the NCEC and report back to City Council by March 1, 2011, on how programs, including the Neighborhood Investment Fund and the Community Innovation Fund, will be implemented moving forward with an emphasis on mitigating equity issues among neighborhoods related to the suspension of new contracts.”
5. Direct the **Finance** department to report to the Ways & Mean/Budget Committee no later than February 1, 2011, with a plan to provide property tax relief in 2012 and 2013 by capturing on 50% of the value of the properties in the consolidated TIF district in these two years. This report should also include impacts on Target Center funding and neighborhood funding. In addition, Finance staff, working with the **NCR** department, the NCEC, the **IGR** department and the City Attorney’s Office, is further directed to identify options for property tax relief for the years 2012 and 2013 should legislative authority to consolidate neighborhood programs not be achieved, and report these options to Ways and Means/Budget by February 15, 2011. This report should also include the impacts of limiting revenue generated by the TIF district funding neighborhood programs and Target Center debt relief to \$10 million annually, with any increment over and above \$10 million used to fund Phase II plans.
6. Direct the **Finance** Department to revise the five-year financial direction to reflect no increase in City salaries for a two-year period. For contracts that are settled in 2011, budgets should be adjusted in 2012 and 2013.
7. **BIS**, with assistance from the **Finance** Department, should identify a plan to achieve a long-term, structurally balanced budget and report the plan to the Ways & Means/Budget Committee no later than March 1, 2011. The plan should include a recommendation for service reductions and/or additional charges to departments.
8. Direct the **Communications** Department to reduce the MTN contract amount no less than in the same proportion as the final appropriation reduction to the Communications department over the five-year financial plan beginning in 2012.
9. **CPED**, with the assistance of **Finance**, should develop a plan to fund ongoing development activities, including prioritizing the services CPED provides. CPED should report back to the Community Development and Ways & Means/Budget committees no later than March 1, 2011.
10. Direct the **Finance** Department to revise the five-year financial direction to reflect no increase in City salaries for a two-year period. For contracts that are settled in 2011, budgets should be adjusted in 2012 and 2013.
11. **BIS**, with assistance from the **Finance** Department, should identify a plan to achieve a long-term, structurally balanced budget and report the plan to the Ways & Means/Budget Committee no later than March 1, 2011. The plan should include a recommendation for service reductions and/or additional charges to departments.

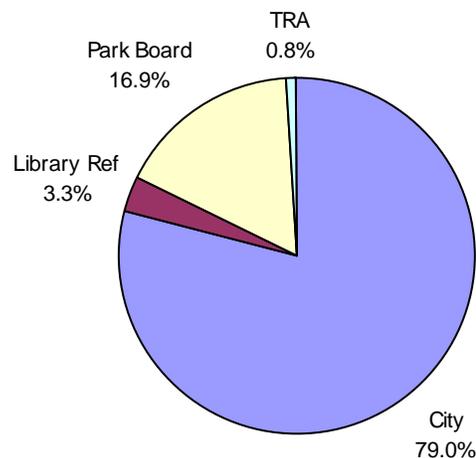
12. Direct the **Communications** Department to reduce the MTN contract amount no less than in the same proportion as the final appropriation reduction to the Communications department over the five-year financial plan beginning in 2012.
13. **CPED**, with the assistance of **Finance**, should develop a plan to fund ongoing development activities, including prioritizing the services CPED provides. CPED should report back to the Community Development and Ways & Means/Budget committees no later than March 1, 2011.
14. The **Fire** department should evaluate the current Council policy related to the Standard of Coverage in the context of the 2011 budget resources allocated to the department and report back to the Public Safety & Health and Ways & Means/Budget committees no later than February 15th with recommendations for any changes to that policy.
15. The **Human Resources**, **Finance** and **BIS** departments should bring a funding plan for the ERP (Enterprise Resource Planning) to the Ways and Means/Budget Committee by June 1, 2011.
16. The department of **Public Works** should report back to the Transportation & Public Works and Ways and Means/Budget by March 1, 2011 with a prioritized list of memberships, including prioritizing memberships for funding within the 2011 budget, including a plan for funding high-priority memberships on an ongoing basis. This list of memberships should include costs of City membership in regional coalitions.
17. The department of **Public Works** should work with the Finance Department to simplify the Property Services allocation model for implementation in the 2012 budget process.
18. The departments of **Regulatory Services** and **Finance** should report on the nuisance abatement revolving account within the general fund and develop fund balance policy recommendations for the account and report back to the Ways & Means/Budget committee by February 1, 2011.
19. The department of **Regulatory Services**, working with BIS and Finance should estimate the ongoing costs of the proposed Land Management System and propose an allocation to departments for ongoing operating costs no later than July 1, 2011.
20. Direct the **IGR** and **Finance** departments to work together to determine the impacts of not addressing the over-obligation of CDBG resources related to Block E. This information should be presented with the City's 2010 final report to the Ways & Means/Budget Committee in the first quarter of 2011.

Property Tax and Fee Changes

➤ Property Tax Revenue

The 2011 Council Adopted Budget includes an estimated net tax capacity rate of 69.906%; this rate is the combined rate for the City, the Board of Estimate and Taxation, the Minneapolis Park and Recreation Board, the Municipal Building Commission (MBC), and the City's special levies for the Minneapolis Public Housing Authority (MPHA) and Teachers Retirement Association (TRA). The library referendum is a \$9.3 million market value based tax estimated at .0267% for 2011 and is not included in the net tax capacity rate. This estimated net tax capacity rate will fund an additional \$12.6 million in property taxes, a 4.7% increase over the 2010 revised budget. The City's net tax capacity (after reductions for tax increment and fiscal disparities) is projected to decrease by 11.1% for taxes payable 2011, from \$439.1 million to \$390.5 million.

Property Tax by Fund - \$279.6 Million



Of the \$12.6 million budgeted increase in property tax revenue, \$10.8 million will be used by the City and \$1.7 million by the Park Board. The levy for MPHA will not be reinstated until 2013. The City's share includes funding for current and future pension obligations, as well as funding for basic City services such as public safety, snow plowing and street repair.

The Park Board budgeted levy increase of \$1.7 million is based off the adopted new tax policy and represents an increase of 3.8%.

From 2009-2011, levy limits are in effect. The City is using special levies for allowable expenses that are beyond the rate of inflation dictated in levy limits. Levy limits reduce flexibility in terms of how the City allocates property tax revenue under the tax policy.

Uses of New Property Tax Revenue

2011 Property Tax Levy Change: \$12.6 Million		
<i>(Why are my taxes going up?)</i>		
	\$ Change*	% of Change
Increased Pension Obligations	\$17.3	137.7%
All Other Obligations	(\$4.7)	-37.7%
Total of Tax Revenue Changes	\$12.6	100.0%

*Dollars shown in Millions.

Increased pension-related obligations:

\$17.3 million

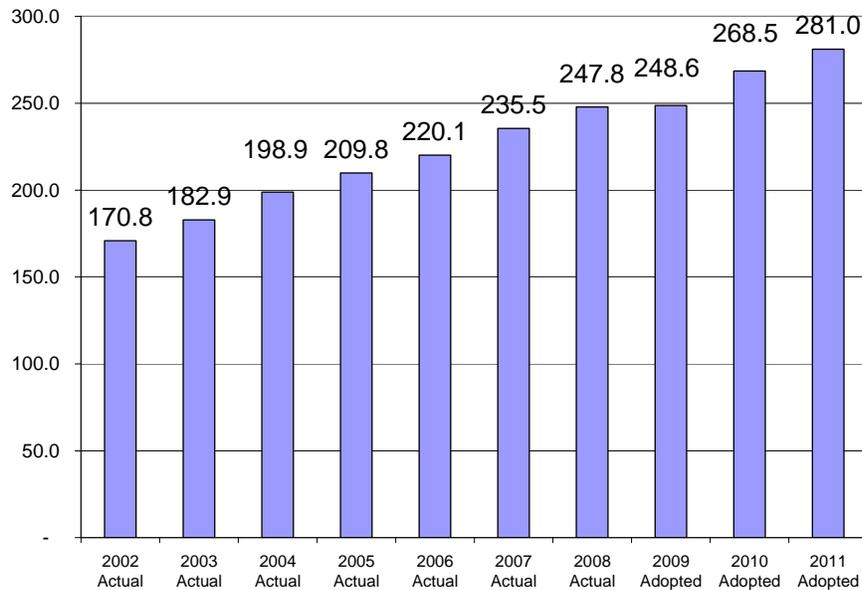
Other obligations including the changes in cost of General Fund City Services, the Permanent Improvement Fund, the Board of Estimate, the Library Referendum Levy, the Park Board, and the Municipal Building Commission:

-\$4.7 million

Total increase:

\$12.6 million

Property tax revenue in constant 2009 dollars*



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

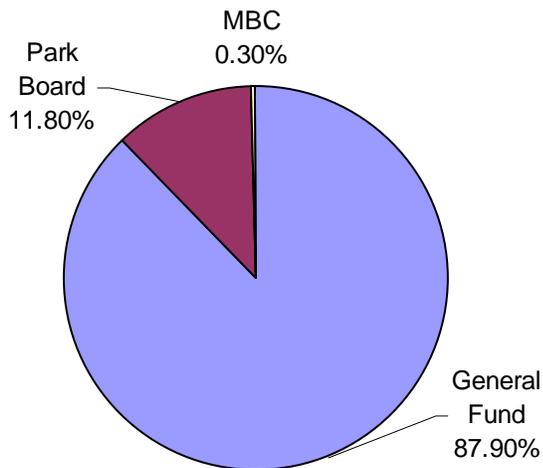
➤ **Local Government Aid**

The State certified an increase to the City’s LGA allocation for 2011 to \$87.5 million, a \$23.4 million increase from the actual amount received in 2010. While the State certified these numbers, actual distributions have been much lower due to State action to reduce LGA. The actual distribution for 2010 was \$64.1 million, a \$25.9 million reduction from the certified level. Certified LGA versus actual distribution of LGA is featured in the table below:

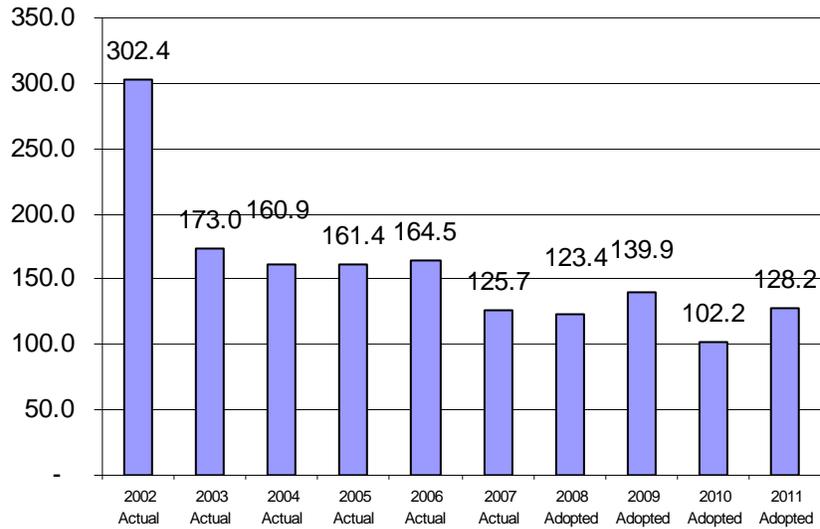
	2010 Certified LGA	2010 Actual LGA	2011 Certified LGA	% Change from 2010
General Fund	\$79,118,244	\$56,552,226	\$76,945,034	36.1%
Park Board	\$10,623,269	\$7,443,763	\$10,331,471	38.8%
MBC	\$270,937	\$146,279	\$263,495	80.1%
Totals	\$90,012,450	\$64,142,268	\$87,540,435	36.5%

The State also cut the Market Value Homestead Credit to Minneapolis for 2010 in the amount of \$6.4 million. The State has not taken action to reduce this credit in 2011 as of December 2010.

LGA Distribution by Percentage



State Government revenue in constant 2009 dollars*



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

Stormwater, Sanitary Sewer and Water Utility Fees: The 2011 Council Adopted Budget includes an increase in utility rates of \$0.15 per 100 cubic feet for water, \$0.12 per 100 cubic feet for sanitary sewer, \$0.33 per equivalent stormwater unit (ESU = 1,530 square feet) for stormwater services, and no increase for solid waste and recycling services. These increases are necessary to fund investments for the City’s sanitary sewer and stormwater management services and water treatment and distribution systems. This represents a 4.9% increase for water fees, a 4.1% increase for sanitary sewer services, a 3.0% increase for Stormwater fees, and no increase for solid waste and recycling. The average monthly charge per residential dwelling is \$25.60 (based on average usage of 800 cubic feet) for water, \$18.30 (based on average usage of 600 cubic feet) for sewer, \$11.42 for Stormwater (based on 1 ESU), and \$24.00 for solid waste and recycling.

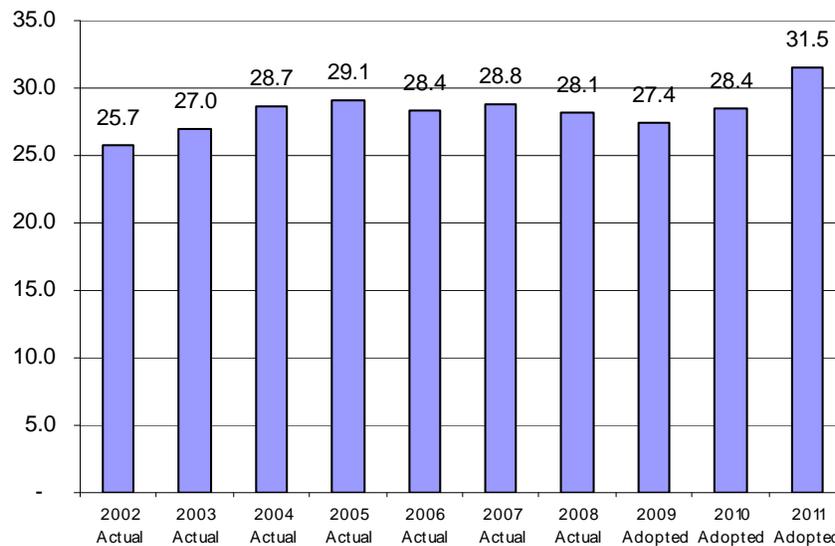
**Combined utility bill
Monthly and annual cost for average consumer**

	2010	2011 Monthly Average	2011 Annual Average	2011 monthly dollar change	2011 % change
Sanitary Sewer	\$17.58	\$18.30	\$220	\$.72	4.1%
Storm Water	\$11.09	\$11.42	\$137	\$0.33	3.0%
Water	\$24.40	\$25.60	\$307	\$1.20	4.9%
Solid Waste/Recycling	\$24.00	\$24.00	\$288	\$0.00	0.0%
Total	\$77.07	\$79.32	\$952	\$2.25	2.9%

- **Solid waste and recycling fee:** The 2011 revised budget left the solid waste and recycling fee unchanged at \$24.00, the average monthly charge per dwelling. Collection fee revenues are calculated on the base dwelling units, with adjustments to recycling credits, and charges applied to large and small carts. In an effort to encourage recycling, the cart fees will be \$2 per small cart compared to \$5 per large cart.
- **Franchise fees:** The 2011 Council Adopted Budget anticipates the total franchise fee revenue to decrease from \$29.1 million to \$27.8 million in 2011.

- **Community development block grant:** After several years of declining funding levels, 2009 and 2010 were the first years the actual funding had exceeded the anticipated funding by approximately 2%. For 2011, the City is anticipating the funding to remain level with the 2010 actual funding of \$14.4 million.
- **Other fee changes:** The licenses and permit fee revenue is expected to increase from \$30.7 million in 2010 to \$31.4 million in 2011 due to increases in the rates charged for some of the licenses and permits.

License and permit revenue in constant 2009 dollars



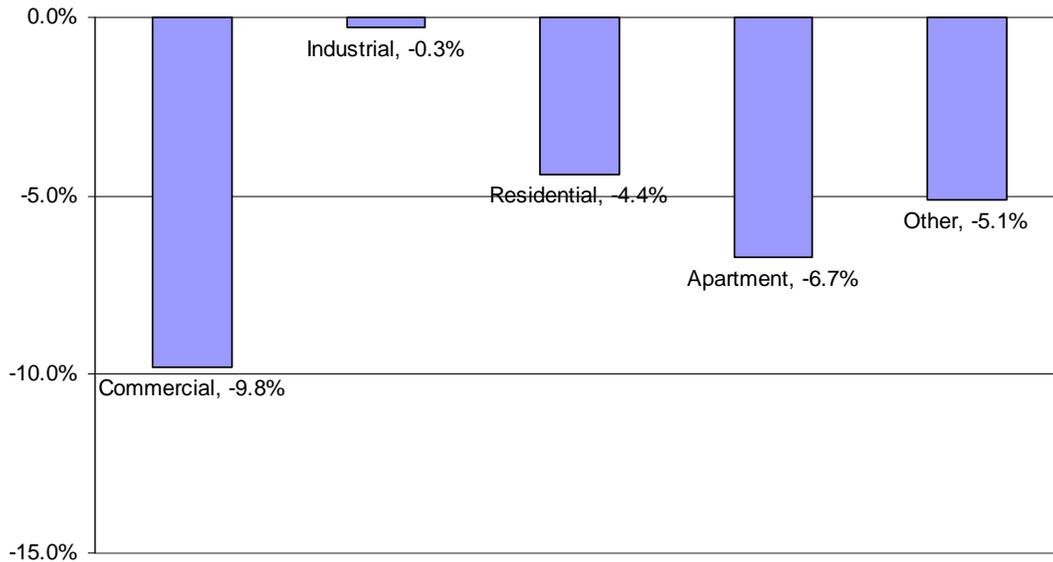
*This revenue chart shows the trend of City revenues adjusted for inflation using the Consumer Price Index (CPI).

Property Market Values and Tax Base Highlights

Following are charts from the City Assessor's Office with estimated market values and corresponding tax capacity by property group.

Group	2010 Estimated Market Value	% of Total	% Change	Tax Capacity	% of Total	% Change
Real Estate						
Commercial	\$6,344,933,600	18.3%	-9.6%	\$124,362,836	28.6%	-9.8%
Industrial	1,469,674,300	4.2%	-0.3%	28,912,199	6.6%	-0.3%
Residential	23,541,324,600	67.8%	-4.3%	241,759,803	55.6%	-4.4%
Apartment	3,322,590,100	9.6%	-6.6%	39,682,151	9.1%	-6.7%
Other	23,621,600	0.1%	-5.0%	317,937	0.1%	-5.1%
Sub Total	\$34,702,144,200	100.0%	-5.4%	\$435,034,926	100.0%	-5.9%

Change in Tax Capacity by Category 2009-2010



The market value and tax capacity data shown above does not include personal property, which is estimated to have a market value of approximately \$380 million and a corresponding tax capacity of \$7.2 million for taxes payable 2011. With personal property included, gross tax capacity is estimated to decrease from the prior year by approximately 5.9%.

The following table provides the estimated changes in tax increment financing, fiscal disparities contribution, and fiscal disparities distribution for taxes payable 2011:

For Taxes Payable in 2011	
Real Estate Tax Capacity	\$435,034,926
Personal Property Tax Capacity	\$7,199,950
Gross Tax Capacity	\$442,234,876
- Less Increment Financing	(\$44,386,152)
- Less Fiscal Disparities Contribution	(\$58,331,426)
+ Plus Fiscal Disparities Distribution	\$57,452,116
Net Tax Capacity	\$396,969,414

Property Values and Tax Trends

Commercial and Industrial Trends

Minneapolis has the highest concentration of commercial office buildings in the State of Minnesota and therefore is the largest contributor of revenue to the state general tax on a per city basis. Minneapolis's 2010 commercial/industrial tax base is \$7.8 billion dollars, of which \$4.04 billion resides in the Minneapolis Central Business District (CBD).

Between January 2009 and January 2010 the Minneapolis CBD experienced a 12.2% reduction in the commercial tax base. The overall commercial property tax base for Minneapolis declined 9.6% from \$7.0 billion dollars in 2009 to \$6.3 billion in 2010.

There was a slight increase in commercial foreclosures from 22 in 2008 to 25 in 2009, but these are not significant numbers relative to the size of the Minneapolis market.

Investment sales will remain at a minimum due to fewer investment properties on the market. Brokers and real estate professionals are of the opinion that unless an owner is forced to sell during the economic recession, property owners will sit tight and wait for the market to show signs of recovery. If the financial markets don't become more accessible, buyers won't be motivated to purchase properties and instead will continue to lease space.

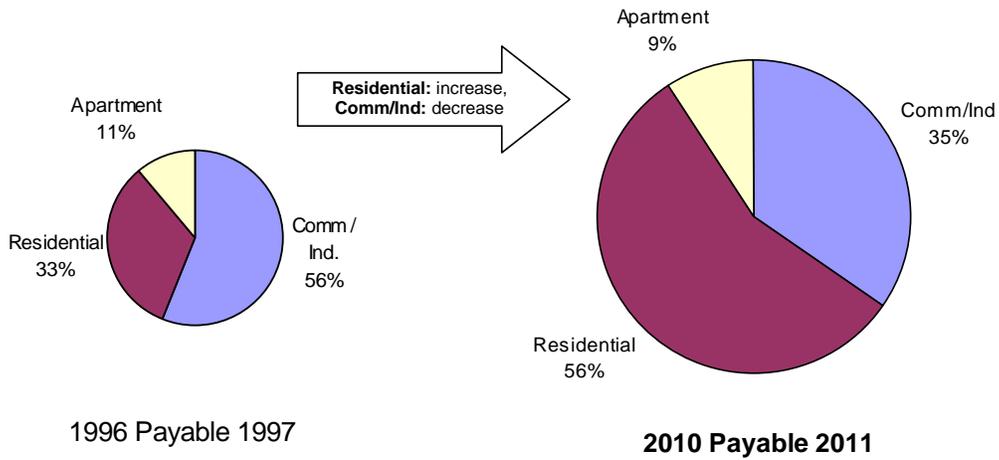
Apartments

The apartment market, although the most stable real estate sector for many years, struggled by the end of 2009. Some owners maintained rent levels by increasing concessions (a typical concession is one month free rent). Toward the end of 2009, some owners reduced rents to improve their occupancy. The key for all landlords is tenant retention. Although 54 apartment properties went into foreclosure in 2009, this number is a relatively small portion of the 3,243 apartment buildings in Minneapolis. GVA Marquette Advisors 4th Quarter reported that average overall rent for an apartment in Minneapolis non-downtown was \$814 per month in December 2009 with 5.9% vacancy. This rent is down from \$821 per month from the previous year. Rent in downtown Minneapolis was reported to be \$1197 per month. Although downtown has the highest reported rents in the metro area, the vacancy increased from 5.6% in December 2008 to 9.8% in December 2009. In 2010, the apartment tax base declined by 6.7 percent over 2009.

Residential

Consistent with national trends, residential property values in Minneapolis have been negatively impacted by foreclosures, short-sales and the current recession. Single family values peaked in early 2007 with a median citywide value of \$230,000, by 2010, that median property value declined to \$183,500 or a reduction of 20 percent in three years. During 2009, the Minneapolis Area Association of Realtors median sale price decreased from \$176,000 in 2008 to \$150,000 in 2009. Residential foreclosures sales in Minneapolis decreased 30 percent from 2,987 in 2008 to 2,081 in 2009, a sign that the foreclosure market is trending downward and a positive indicator for the Minneapolis residential market. In 2010, the residential tax base was reduced 4.4 percent over 2009.

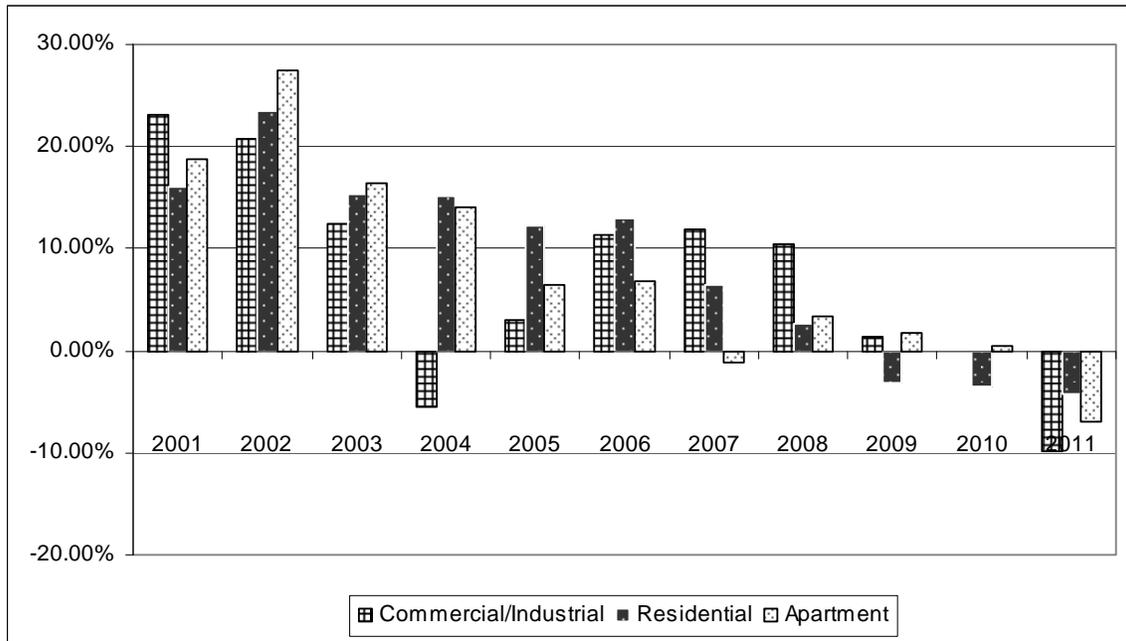
In summary, the Minneapolis real estate market will continue to work its way through the economic slowdown. Unlike real estate markets on either coast, none of Minneapolis's real estate sectors have been dealt a devastating blow by the recession. While Minneapolis is not immune to the current economic crunch, it does not function within a vacuum. Minneapolis has yet to see a Class "A" office building, major apartment complex or retail development turn their keys over to the lender. This bodes well for Minneapolis's diverse industries and balanced economic market place, its focused commitment to sound fundamental investing and its long-term planning in capital and infrastructure.



The changes in distribution of tax base are a function of both market conditions and changing class rates. The table below shows the growth or decline in the market value by the three main property type classifications from payable 2000 to 2011:

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

Change in Market Value (2010, Payable 2011)



**2011 Adopted Budget
Property Tax Levies**

	2010 Adopted Levies	2011 Adopted Budget		
		2011 Adopted Levies	% Change from 2010	\$ Change from 2010
By Major Funds				
General Levies	\$264,804,932	\$277,357,000	4.7%	\$12,552,068
Special Levies Other*	\$2,250,000	\$2,250,000	0.0%	\$0
Grand Totals	\$267,054,932	\$279,607,000	4.7%	\$12,552,068

	2010 Adopted Levies	2011 Adopted Budget		
		2011 Adopted Levies	% Change from 2010	\$ Change from 2010
By Entity				
City**	\$210,016,652	\$220,840,000	5.2%	\$10,823,348
Park Board	\$45,488,280	\$47,217,000	3.8%	\$1,728,720
Library Referendum***	\$9,300,000	\$9,300,000	0.0%	\$0
Public Housing Authority	\$0	\$0	0.0%	\$0
Teachers' Retirement	\$2,250,000	\$2,250,000	0.0%	\$0
Grand Totals	\$267,054,932	\$279,607,000	4.7%	\$12,552,068

* Special Levies other Include; Chapter 595 (CPED), Public Housing Authority, Teachers' Retirement

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

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

2011 Adopted Budget
Property Tax Levies

	2010 Adopted	2011 Adopted Budget		
		2011 Adopted Levies	% Change from 2010	\$ Change from 2010
Levy Only Entities				
Public Housing Auth	\$0	\$0	0.0%	\$0
Teachers Retirement	\$2,250,000	\$2,250,000	0.0%	\$0
Library Referendum***	\$9,300,000	\$9,300,000	0.0%	\$0
Board Estimate & Taxation	\$270,000	\$170,000	-37.0%	(\$100,000)
Perm. Imp Fund	\$1,700,000	\$1,900,000	11.8%	\$200,000
Bond Redemption Fund	\$16,141,429	\$18,500,000	14.6%	\$2,358,571
MERF	\$2,390,000	\$2,570,000	7.5%	\$180,000
MFRA	\$1,335,000	\$4,880,000	265.5%	\$3,545,000
MPRA	\$11,793,000	\$15,525,000	31.6%	\$3,732,000
Subtotals	\$45,179,429	\$55,095,000	21.9%	\$9,915,571
Levy & LGA Entities				
Municip Building Commission	\$4,413,217	\$4,285,000	-2.9%	(\$128,217)
Park & Recreation Board	\$45,488,280	\$47,217,000	3.8%	\$1,728,720
General Fund Levy	\$171,974,006	\$173,010,000	0.6%	\$1,035,994
Subtotals	\$221,875,503	\$224,512,000	1.2%	\$2,636,497
Grand Totals	\$267,054,932	\$279,607,000	4.7%	\$12,552,068

**2011 Adopted Budget
Activities Approach @ Certified LGA Amounts**

Activities Approach for Levy & LGA Entities	2010 Adopted	2011 Adopted Budget		
		2011 Adopted	% Change from 2010	\$ Change from 2010
Municip Building Commission				
Tax Levy \$\$	\$4,413,217	\$4,285,000		
Tax Rev \$\$	\$4,244,734	\$4,199,300	-1.07%	(\$45,434)
Trf to City General Fund OH	(\$45,000)	(\$48,672)	8.16%	(\$3,672)
LGA Rev	\$145,889	\$273,755	87.65%	\$127,866
MBC Activities	\$4,345,623	\$4,424,383	1.81%	\$78,760
Park & Recreation Board				
Tax Levy \$\$	\$45,488,280	\$47,217,000		
Tax Rev \$\$	\$43,680,614	\$46,272,660	5.93%	\$2,592,046
Trf to City General Fund OH	(\$811,687)	(\$895,837)	10.37%	(\$84,150)
Trf to City General Admin Fee	(\$121,056)	(\$125,899)	4.00%	(\$4,843)
Capital Projects from Levy	(\$1,528,800)	(\$1,589,952)	4.00%	(\$61,152)
LGA Rev	\$7,423,928	\$8,521,635	14.79%	\$1,097,707
Park Board Activities	\$48,642,999	\$52,182,607	7.28%	\$3,539,608
General Fund Levy				
Tax Levy \$\$	\$171,974,006	\$173,010,000		
Tax Rev \$\$	\$163,313,107	\$169,549,800	3.82%	\$6,236,693
Trf to County for Library System	(\$6,721,000)	(\$5,853,000)	-12.91%	\$868,000
MV Cr Pension Mgmt Plan set-aside	\$0	(\$6,200,000)	0.00%	(\$6,200,000)
Trf to Other Funds	(\$1,000,000)	(\$477,628)	-52.24%	\$522,372
Trf to Target Center Finance Plan	(\$92,000)	(\$92,000)	0.00%	\$0
Trf to Solid Waste Graffiti	(\$50,000)	(\$50,000)	0.00%	\$0
Capital Projects from Levy Residential Pvg	(\$5,000,000)	(\$9,000,000)	80.00%	(\$4,000,000)
One Time General Fund Capital	(\$6,460,000)	\$0	-100.00%	\$6,460,000
GFd OH Not recovered Park Bd	(\$1,287,025)	(\$1,798,575)	39.75%	(\$511,550)
GFd OH Not recovered from MBC	(\$184,927)	(\$179,158)	-3.12%	\$5,769
GFd OH Not recovered from Others	(\$3,004,803)	(\$1,246,234)	-58.53%	\$1,758,569
GFd OH Recovered from Others	(\$21,640,821)	(\$19,693,483)	-9.00%	\$1,947,338
Trf to Internal Service Fds Workout Plans	(\$25,205,000)	(\$22,604,000)	-10.32%	\$2,601,000
Trf to Pension Debt Service Sinking Fd	(\$8,702,400)	(\$17,856,792)	105.19%	(\$9,154,392)
Subtotal General Fund for Others	(\$79,347,976)	(\$85,050,870)	7.19%	(\$5,702,894)
General Fund Revenue	\$142,525,000	\$139,569,623	-2.07%	(\$2,955,377)
LGA Rev	\$56,416,914	\$78,744,610	39.58%	\$22,327,696
General Fund Activities	\$282,907,045	\$302,813,163	7.04%	\$19,906,118

Residential Property Tax – Sample Bills

Residential Property with Estimated Market Value Change of >>		0.0%			-5.0%			-10.0%		
2010	2011	%	\$	2011	%	\$	2011	%	\$	
		Change	Change		Change	Change		Change	Change	
Assessed Market Value (MV)	\$138,100	\$138,100	0.0%	\$0	\$131,195	-5.0%	(\$6,905)	\$124,290	-10.0%	(\$13,810)
Taxable Value	\$138,100	\$138,100	0.0%	\$0	\$131,195	-5.0%	(\$6,905)	\$124,290	-10.0%	(\$13,810)
Tax Capacity	\$1,381	\$1,381	0.0%	\$0	\$1,312	-5.0%	(\$69)	\$1,243	-10.0%	(\$138)
City Property Taxes										
Tax Capacity based Taxes	\$687	\$836	21.7%	\$149	\$785	14.3%	\$98	\$735	7.0%	\$48
MV Referendum Tax	\$35	\$37	5.7%	\$2	\$35	0.0%	\$0	\$33	-5.7%	(\$2)
Total City Property Taxes	\$722	\$873	20.9%	\$151	\$820	13.6%	\$98	\$768	6.4%	\$46
Utility Fees										
Water	\$293	\$307	4.8%	\$14	\$307	4.8%	\$14	\$307	4.8%	\$14
Storm	\$133	\$137	3.0%	\$4	\$137	3.0%	\$4	\$137	3.0%	\$4
Sanitary Sewer	\$211	\$220	4.3%	\$9	\$220	4.3%	\$9	\$220	4.3%	\$9
Solid Waste Recycling	\$288	\$288	0.0%	\$0	\$288	0.0%	\$0	\$288	0.0%	\$0
Total Utilities	\$925	\$952	2.9%	\$27	\$952	2.9%	\$27	\$952	2.9%	\$27
Total City Property Taxes & Utility	\$1,647	\$1,825	10.8%	\$178	\$1,772	7.6%	\$125	\$1,720	4.4%	\$73
Residential Property with Estimated Market Value Change of >>		0.0%			-5.0%			-10.0%		
2010	2011	%	\$	2011	%	\$	2011	%	\$	
		Change	Change		Change	Change		Change	Change	
Assessed Market Value (MV)	\$216,000	\$216,000	0.0%	\$0	\$205,200	-5.0%	(\$10,800)	\$194,400	-10.0%	(\$21,600)
Taxable Value	\$216,000	\$216,000	0.0%	\$0	\$205,200	-5.0%	(\$10,800)	\$194,400	-10.0%	(\$21,600)
Tax Capacity	\$2,160	\$2,160	0.0%	\$0	\$2,052	-5.0%	(\$108)	\$1,944	-10.0%	(\$216)
City Property Taxes										
Tax Capacity based Taxes	\$1,175	\$1,408	19.8%	\$233	\$1,329	13.1%	\$154	\$1,249	6.3%	\$74
MV Referendum Tax	\$55	\$58	5.5%	\$3	\$55	0.0%	\$0	\$52	-5.5%	(\$3)
Total City Property Taxes	\$1,230	\$1,466	19.2%	\$236	\$1,384	12.5%	\$154	\$1,301	5.8%	\$71
Utility Fees										
Water	\$293	\$307	4.8%	\$14	\$307	4.8%	\$14	\$307	4.8%	\$14
Storm	\$133	\$137	3.0%	\$4	\$137	3.0%	\$4	\$137	3.0%	\$4
Sanitary Sewer	\$211	\$220	4.3%	\$9	\$220	4.3%	\$9	\$220	4.3%	\$9
Solid Waste Recycling	\$288	\$288	0.0%	\$0	\$288	0.0%	\$0	\$288	0.0%	\$0
Total Utilities	\$925	\$952	2.9%	\$27	\$952	2.9%	\$27	\$952	2.9%	\$27
Total City Property Taxes & Utility	\$2,155	\$2,418	12.2%	\$263	\$2,336	8.4%	\$181	\$2,253	4.5%	\$98

Residential Property with Estimated Market Value Change of >>				0.0%			-5.0%			-10.0%		
	2010	2011	% Change	\$ Change	2011	% Change	\$ Change	2011	% Change	\$ Change		
Assessed Market Value (MV)	\$536,000	\$536,000	0.0%	\$0	\$509,200	-5.0%	(\$26,800)	\$482,400	-10.0%	(\$53,600)		
Taxable Value	\$536,000	\$536,000	0.0%	\$0	\$509,200	-5.0%	(\$26,800)	\$482,400	-10.0%	(\$53,600)		
Tax Capacity	\$5,450	\$5,450	0.0%	\$0	\$5,115	-6.1%	(\$335)	\$4,780	-12.3%	(\$670)		
City Property Taxes												
Tax Capacity based Taxes	\$3,178	\$3,765	18.5%	\$587	\$3,533	11.2%	\$355	\$3,302	3.9%	\$124		
MV Referendum Tax	\$135	\$143	5.9%	\$8	\$136	0.7%	\$1	\$129	-4.4%	(\$6)		
Total City Property Taxes	\$3,313	\$3,908	18.0%	\$595	\$3,669	10.7%	\$356	\$3,431	3.6%	\$118		
Utility Fees												
Water	\$293	\$307	4.8%	\$14	\$307	4.8%	\$14	\$307	4.8%	\$14		
Sorm	\$133	\$137	3.0%	\$4	\$137	3.0%	\$4	\$137	3.0%	\$4		
Sanitary Sewer	\$211	\$220	4.3%	\$9	\$220	4.3%	\$9	\$220	4.3%	\$9		
Solid Waste Recycling	\$288	\$288	0.0%	\$0	\$288	0.0%	\$0	\$288	0.0%	\$0		
Total Utilities	\$925	\$952	2.9%	\$27	\$952	2.9%	\$27	\$952	2.9%	\$27		
Total City Property Taxes & Utility	\$4,238	\$4,860	14.7%	\$622	\$4,621	9.0%	\$383	\$4,383	3.4%	\$145		
Residential Property with Estimated Market Value Change of >>				0.0%			-5.0%			-10.0%		
	2010	2011	% Change	\$ Change	2011	% Change	\$ Change	2011	% Change	\$ Change		
Assessed Market Value (MV)	\$1,417,500	\$1,417,500	0.0%	\$0	\$1,346,625	-5.0%	(\$70,875)	\$1,275,750	-10.0%	(\$141,750)		
Taxable Value	\$1,417,500	\$1,417,500	0.0%	\$0	\$1,346,625	-5.0%	(\$70,875)	\$1,275,750	-10.0%	(\$141,750)		
Tax Capacity	\$16,469	\$16,469	0.0%	\$0	\$15,583	-5.4%	(\$886)	\$14,697	-10.8%	(\$1,772)		
City Property Taxes												
Tax Capacity based Taxes	\$9,602	\$11,377	18.5%	\$1,775	\$10,765	12.1%	\$1,163	\$10,153	5.7%	\$551		
MV Referendum Tax	\$358	\$379	5.9%	\$21	\$360	0.6%	\$2	\$341	-4.7%	(\$17)		
Total City Property Taxes	\$9,960	\$11,756	18.0%	\$1,796	\$11,125	11.7%	\$1,165	\$10,494	5.4%	\$534		
Utility Fees												
Water	\$293	\$307	4.8%	\$14	\$307	4.8%	\$14	\$307	4.8%	\$14		
Sorm	\$133	\$137	3.0%	\$4	\$137	3.0%	\$4	\$137	3.0%	\$4		
Sanitary Sewer	\$211	\$220	4.3%	\$9	\$220	4.3%	\$9	\$220	4.3%	\$9		
Solid Waste Recycling	\$288	\$288	0.0%	\$0	\$288	0.0%	\$0	\$288	0.0%	\$0		
Total Utilities	\$925	\$952	2.9%	\$27	\$952	2.9%	\$27	\$952	2.9%	\$27		
Total City Property Taxes & Utility	\$10,885	\$12,708	16.7%	\$1,823	\$12,077	11.0%	\$1,192	\$11,446	5.2%	\$561		

Commercial/Industrial and Apartment Property Tax – Sample Bills

Commercial/Industrial Property with Estimated Pay 2011 Market Value Change of					0.0%			-5.0%			-10.0%		
	2010	2011	% Change	\$ Change	2011	% Change	\$ Change	2011	% Change	\$ Change	2011	% Change	\$ Change
Assessed Market Value (MV)	\$300,000	\$300,000	0.0%	\$0	\$285,000	-5.0%	(\$15,000)	\$270,000	-10.0%	(\$30,000)			
Tax Capacity	\$5,250	\$5,250	0.0%	\$0	\$4,950	-5.7%	(\$300)	\$4,650	-11.4%	(\$600)			
City Property Taxes													
Tax Capacity based Taxes	\$2,090	\$2,306	10.3%	\$216	\$2,306	10.3%	\$216	\$2,306	10.3%	\$216			
MV Referendum Tax	\$76	\$80	5.8%	\$4	\$76	0.5%	\$0	\$72	-4.8%	(\$4)			
Total City Property Taxes	\$2,166	\$2,386	10.2%	\$220	\$2,382	10.0%	\$216	\$2,378	9.8%	\$212			

Commercial/Industrial Property with Estimated Pay 2011 Market Value Change of					0.0%			-5.0%			-10.0%		
	2010	2011	% Change	\$ Change	2011	% Change	\$ Change	2011	% Change	\$ Change	2011	% Change	\$ Change
Assessed Market Value (MV)	\$10,350,000	\$10,350,000	0.0%	\$0	\$9,832,500	-5.0%	(\$517,500)	\$9,315,000	-10.0%	(\$1,035,000)			
Tax Capacity	\$205,500	\$206,250	0.4%	\$750	\$195,900	-4.7%	(\$9,600)	\$185,550	-9.7%	(\$19,950)			
City Property Taxes													
Tax Capacity based Taxes	\$81,813	\$90,587	10.7%	\$8,773	\$90,587	10.7%	\$8,773	\$90,587	10.7%	\$8,773			
MV Referendum Tax	\$2,614	\$2,766	5.8%	\$151	\$2,627	0.5%	\$13	\$2,489	-4.8%	(\$125)			
Total City Property Taxes	\$84,428	\$93,352.29	10.6%	\$8,925	\$93,214	10.4%	\$8,786	\$93,076	10.2%	\$8,648			

Apartment Property with Estimated Pay 2011 Market Value Change of					0.0%			-5.0%			-10.0%		
	2010	2011	% Change	\$ Change	2011	% Change	\$ Change	2011	% Change	\$ Change	2011	% Change	\$ Change
Assessed Market Value (MV)	\$380,000	\$380,000	0.0%	\$0	\$361,000	-5.0%	(\$19,000)	\$342,000	-10.0%	(\$38,000)			
Tax Capacity	\$4,750	\$4,750	0.0%	\$0	\$4,513	-5.0%	(\$238)	\$4,275	-10.0%	(\$475)			
City Property Taxes													
Tax Capacity based Taxes	\$2,772	\$3,281	18.4%	\$509	\$3,117	12.4%	\$345	\$2,953	6.5%	\$181			
MV Referendum Tax	\$96	\$102	5.8%	\$6	\$96	0.5%	\$0	\$91	-4.8%	(\$5)			
Total City Property Taxes	\$2,868	\$3,383	17.9%	\$514	\$3,214	12.0%	\$345	\$3,045	6.1%	\$176			

Apartment Property with Estimated Pay 2011 Market Value Change of					0.0%			-5.0%			-10.0%		
	2010	2011	% Change	\$ Change	2011	% Change	\$ Change	2011	% Change	\$ Change	2011	% Change	\$ Change
Assessed Market Value (MV)	\$686,000	\$686,000	0.0%	\$0	\$651,700	-5.0%	(\$34,300)	\$617,400	-10.0%	(\$68,600)			
Tax Capacity	\$8,575	\$8,575	0.0%	\$0	\$8,146	-5.0%	(\$429)	\$7,718	-10.0%	(\$858)			
City Property Taxes													
Tax Capacity based Taxes	\$5,005	\$5,924	18.4%	\$919	\$5,627	12.4%	\$622	\$5,331	6.5%	\$326			
MV Referendum Tax	\$173	\$183	5.8%	\$10	\$174	0.5%	\$1	\$165	-4.8%	(\$8)			
Total City Property Taxes	\$5,178	\$6,107	17.9%	\$929	\$5,802	12.0%	\$623	\$5,496	6.1%	\$318			

**City of Minneapolis
2011 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.

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City of Minneapolis 2011 Budget

Five-year Financial Direction 2012-2016 (Including detailed information on the City's General Fund)

Introduction

This plan reflects the City's ongoing commitment to long-term financial planning. The purpose of adopting a 2012-2016 financial direction is to provide guidance for departments on available resources in the City's General Fund.

The financial direction provides detailed projections for property tax supported services: the City's general fund, pensions, capital and contributions to the internal service funds. Of the \$434.8 million in the financial direction, \$392.3 million is in the City's general fund, which is the primary funding source for public safety, street paving, snow plowing and other general government services.

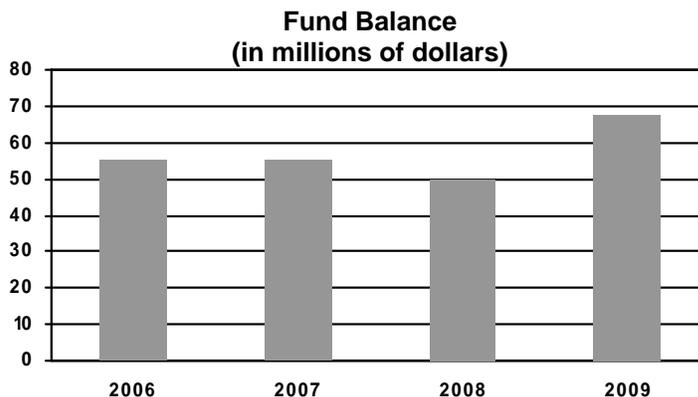
General Fund

The general fund is the general operating fund of the City. Combined, the two largest revenues (state aids and property tax) have historically accounted for approximately 60-70% of total sources of funds for the general fund. The top four sources of revenue account for more than 80% of the general fund's annual financial resources.

Historical Financial Performance

The results of the general fund's annual operations at the end of the year reflect the fund's "fund balance," or the amount of available, spendable resources contained within the fund. The balance provides the City a reserve to cushion adverse economic shocks and to meet a portion of the City's cash flow needs. The City's policy is to maintain a minimum fund balance of 15% of the following year's revenue, which is consistent with best practices for local governments. Further, the City's financial policies place a priority on debt buy-down or debt avoidance for the use of fund balance.

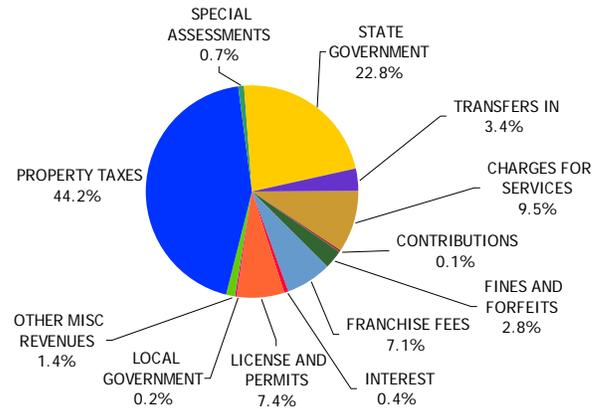
The general fund began 2009 with a fund balance of \$49.7 million. The 2009 year-end fund balance in the General Fund was \$67.3 million, which is above the stated fund balance requirement of 15% of the following years' revenue budget. Tax revenues increased by \$13.2 million or 7% due to the decertification of several Tax Increment Financing districts.



2011 General Fund Revenue Budget

The 2011 budget includes a total of \$392.3 million of revenues for services included in the financial direction, including \$21.2 million in transfers from other funds. Budgeted revenues are 5.6% higher than 2010 budget.

Budgeted Revenue by Source



Revenue Source	2009 Actual	2010 Revised Budget	2011 Council Adopted	% Chg from 2010 Revised	2010 Budget as % of Total	2011 Budget as % of Total
State Aids	84.4	67.3	89.5	33.1%	18.1%	22.8%
Property Tax	166.6	167.7	169.6	1.2%	45.1%	43.2%
Franchise Fees	28.1	29.1	27.8	-4.5%	7.8%	7.1%
Licenses and Permits	27.6	27.4	27.9	1.7%	7.4%	7.1%
Charges for Services	37.6	34.7	36.3	4.6%	9.3%	9.2%
Fund Transfers	28.0	19.9	21.2	6.2%	5.4%	5.4%
Fines & Forfeits	8.5	9.8	9.6	-1.9%	2.6%	2.5%
Misc. Revenues	6.2	15.7	10.5	-33.4%	4.2%	2.7%
Total	387.0	371.6	392.3	5.6%	100.0%	100.0%

State Aids (including Local Government Aid):

The City's local government aid (LGA) allocation increased between 2010 and 2011 by \$23.4 million. This increase is based on the certification received from the State of Minnesota in August. Typically, Minneapolis has seen LGA formula declines of about \$1.5 million each year. The major factors in the formula which lead to these typical reductions are the City's property wealth and declining motor vehicle accidents.

After 2011 the City is assumed to receive a reduction in LGA of \$0.3 million each year as a result of new state legislative provisions capping LGA formula-related reductions. This equates to \$265,000 fewer resources in the general fund annually. The adverse impact of the decertification of tax increment financing districts on the amount of the LGA received by the City is reflected beginning in 2012, and is estimated at \$5.6 million for the General Fund.

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

- The franchise agreement with Xcel Energy for electricity requires payment of 5% of gross revenues for residential service customers, 3% of gross revenues for commercial and industrial customers, and 5% of gross revenues on small commercial and industrial customers. The residential rate will drop to 4.5% of gross revenues beginning in January 2013. This franchise agreement expires on December 31, 2014. For 2011, the City is anticipating \$15.5 million in revenues from this franchise agreement.

- The franchise agreement with Center Point Energy/Minnegasco requires payment of 4.25% of gross revenues for residential buildings with four units or less, 5% for small commercial/industrial or interruptible customers, and 3% for large-volume interruptible customers. This franchise agreement expires on December 31, 2015. For 2011, the City is anticipating \$9 million in revenues from this franchise agreement.
- The City also has two smaller franchises:
 - The bus stop advertising franchise generates approximately \$110,000 in revenues.
 - The City's cable franchise is anticipated to generate \$3.1 million in 2011.

The 2011 budget anticipates the total franchise fee revenue to be \$27.7 million.

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 2011 budget anticipates a 1.5% increase in licenses and permit revenue.

Fines and Forfeitures are anticipated to decline by 1.9% in 2011.

2011 General Fund Expenditure Budget

The 2011 budget for services included in the financial direction is \$392.3 million, which includes \$57.2 million in transfers to other funds.

Nearly 60% of the overall expenditure budget is related to personnel costs. Council directed the Finance department to revise the five-year financial direction to reflect no increase in City salaries for a two-year period. For contracts that are settled in 2011, budgets should be adjusted in 2012 and 2013. Department budgets were revised accordingly in the financial direction. This assumption change does not affect Independent Boards.

In the General Fund, salary and wage expenditures increased 3% from \$164.5 million in 2010 to \$168.9 million in 2011. Settled contracts to date as well as recommended department reductions are reflected. The largest contract, which includes Police sworn, non-appointed positions such as officers and captains, is settled for 2011. The contract was settled at a 1.5% increase. The salary and wages expense category also includes overtime costs, contractually-obligated payments, and one-time funding.

Employer health insurance costs had no increase from 2010. The savings are left in departmental budgets to help offset reductions to growth.

Non-personnel line items increased by 1%.

Assessor

Mayor's Recommended Budget: The Mayor recommended no reduction to growth for this department.

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

Attorney

Mayor's Recommended Budget: The Mayor recommended a reduction to growth of \$121,000, which includes the reduction of one paralegal position. The department added one position with grant funds.

Council Adopted Budget: Council approved the Mayor's recommendation. Additionally, the City Attorney is directed to work with Finance, NCR, the NCEC and IGR departments to identify options for property tax relief for the years 2012 and 2013 should legislative authority to consolidate neighborhood programs not be achieved, and report these options to Ways & Means/Budget Committee by February 15, 2011.

BIS

Mayor's Recommended Budget: The Mayor did not recommend a reduction to growth for this department. The Mayor recommended one-time funding of \$465,000 for this department to secure Finance and Human Resources data of which \$200,000 is for data auditing, and \$265,000 is for encryption. The Mayor also recommended a reduction of 13 FTE to meet the department's long-term financial projections.

Council Adopted Budget: The Council adopted the Mayor's recommendation and directed the Department to identify a plan with assistance from the Finance Department to achieve a long-term, structurally balanced budget and report the plan to the Ways and Means/Budget Committee no later than March 1, 2011. The plan should include a recommendation for service reductions and/or additional charges to departments.

The Council also directed the Department to work with the Finance and Human Resources departments to bring forth a funding plan for the Enterprise Resource Planning System to the Ways and Means/Budget Committee by June 1, 2011.

The Council also directed the BIS Department to work with Finance and Regulatory Services to estimate the ongoing costs of the proposed Land Management System and propose an allocation to the departments for ongoing operating costs no later than July 1, 2011.

City Clerk/Elections/City Council

Mayor's Recommended Budget: The Mayor recommended a reduction to growth of \$54,000. The Mayor directed this reduction to be taken by the City Clerk division of the department. The Mayor also recommended a one-time increase of \$100,000 to fund redistricting activities in the Elections Division.

Council Adopted Budget: Council approved the Mayor's recommendations, except that the Mayor's budget is amended to allow up to \$60,000 of the one-time resources for redistricting activities in 2011 to be used to offset the City Council budget reduction on a one-time basis,

allowing for restructuring of Council activities. The 2012 resources set aside for redistricting activities shall remain dedicated for that purpose.

City Coordinator Administration

Mayor's Recommended Budget: The Mayor recommended a reduction to growth of \$5,000.

Council Adopted Budget: The Council adopted the Mayor's recommendations for this department.

Civil Rights

Mayor's Recommended Budget: The Mayor recommended no reductions to growth for the department.

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

Communications

Mayor's Recommended Budget: The Mayor recommended the department be reduced by \$124,000 through non-personnel strategies. Of this amount, the allocation for MTN should be proportional to its allocation, approximately \$41,000.

Council Adopted Budget: The Council adopted the Mayor's recommendations and directed the Department to reduce the MTN contract amount no less than in the same proportion as the final appropriation reduction to the Communications Department over the duration of the Five-Year Financial Direction beginning in 2012.

Convention Center

Mayor's Recommended Budget: The Convention Center identified several areas for cost savings. This includes nearly \$2 million in continued departmental operations reductions from 2010, facilities and capital cuts of approximately \$2.5 million, and labor savings (including contracted labor) totaling around \$600,000. The Mayor recommended these changes.

Council Adopted Budget: The Council adopted the Mayor's recommendation and reduced the capital in the Target Center financial plan by \$1.1 million on a one-time basis, transferring the corresponding resources into the General Fund.

CPED

Mayor's Recommended Budget: The Mayor recommended a reduction to growth of \$89,000 in the General Fund and a reduction of 4 FTE across all funds to balance the department's long-term financial projections. The Mayor also recommended one-time funding for the following programs in special revenue funds: \$150,000 to the Regional Economic Development Authority, \$50,000 to the Mississippi Riverfront Corporation, \$200,000 from the Development Account and Local Contribution Fund for Youth Employment, and \$150,000 for the Great Streets program.

Council Adopted Budget: The Council adopted the Mayor's recommendations and reduced funding for Vacant and Boarded programming from the Local Contribution Fund by \$125,000 and increased funding for the All About the Kids program by \$125,000 from the Local Contribution Fund on a one-

time basis. The Council also decreased the Year 37 allocation for CDBG for the GMHC Home Ownership Program by \$125,000 and increased the Year 37 allocation to the Vacant and Boarded Program by \$125,000.

The Council also reduced funding for Youth Employment programming by \$75,000 in CDBG resources and increased funding by \$75,000 in CDBG resources for the Domestic Abuse Project. Funding from the Local Contribution Fund is also reduced from the Vacant and Boarded Program by \$75,000 and increased by \$75,000 for Youth Employment programming on a one-time basis. The Year 37 allocation for CDBG for the GMHC Home Ownership Program is decreased by \$75,000 and the Year 37 allocation to the Vacant and Boarded Program is increased by \$75,000.

Further, the Council reduced funding for Vacant and Boarded programming from the Local Contribution Fund by \$100,000 and increased funding for Mortgage Foreclosure Prevention by \$100,000 from the Local Contribution Fund on a one-time basis. The Council also decreased the year 37 allocation for CDBG for the GMHC Home Ownership Program by \$100,000 and increased the Year 37 allocation to the Vacant and Boarded program by \$100,000.

The Council also directed the Department to develop a plan to fund ongoing development activities, including prioritizing the services CPED provides, with the assistance of the Finance Department. CPED is to report back to the Community Development and Ways and Means/Budget Committees no later than March 1, 2011.

Finance

Mayor's Recommended Budget: The Mayor recommended a reduction to growth of \$287,000 including 6 FTE. The Mayor further recommended approval of the proposed revenue initiatives.

Council Adopted Budget: The Council approved the Mayor's recommendation. The Council further directed the department to work with the Neighborhood and Community Relations Department to allow neighborhoods to contract up to 50% of the un-contracted balance of their Phase II allocation (excluding Phase II allocated but not contracted reserve funds), as of City Council adoption of the 2011 budget, but not to exceed a total contracted amount of 50% of their Phase II allocation.

The Council further directed the Department to report to the Ways and Means/Budget Committee no later than February 1, 2011, with a plan to provide property tax relief in 2012 and 2013 by capturing 50% of the value of the properties in the consolidated TIF district in these two years. This report should also include impacts on Target Center funding and neighborhood funding. In addition, Finance staff, working with the Neighborhood and Community Relations Department, the NCEC, the Intergovernmental Relations Department, and the City Attorney's Office, is further directed to identify options for property tax relief for the years 2012 and 2013 should legislative authority to consolidate neighborhood programs not be achieved, and report these options to the Ways and Means/Budget Committee by February 15, 2011. This report shall also include the impacts of limiting revenue generated by the TIF district funding neighborhood programs and the Target Center debt relief to \$10 million annually, with any increment over and above \$10 million used to fund Phase II plans.

The Council further directed the Department to assist the BIS Department to identify a plan to achieve a long-term, structurally balanced budget and report the plan to the Ways and Means/Budget Committee no later than March 1, 2011. The plan should include a recommendation for service reductions and/or additional charges to departments.

The Council also directed the Department to assist CPED in developing a plan to fund ongoing development activities, including prioritizing the services CPED provides.

The Council also directed the Department to work with the Human Resources and BIS departments to bring forth a funding plan for the Enterprise Resource Planning System to the Ways and Means/Budget Committee by June 1, 2011.

The Council also directed the Department to work with Public Works to simplify the Property Services allocation model for implementation in the 2012 budget process.

The Council further directed the Department work with Regulatory Services to report on the nuisance abatement revolving account within the General Fund and develop fund balance policy recommendations for the account and report back to the Ways and Means/Budget Committee by February 1, 2011.

The Council also directed the Finance and BIS Departments to work with Regulatory Services to estimate the ongoing costs of the proposed Land Management System and propose an allocation to the departments for ongoing operating costs no later than July 1, 2011.

The Council also directed Finance staff to increase the Office of Internal Audit's allocation in the Five-Year Financial Direction based on the adjustment made for departmental salaries.

The Council also directed the Finance and Intergovernmental Relations Departments to work together to determine the impacts of not addressing the over-obligation of CDBG resources related to Block E. This information is to be presented with the City's 2010 final report to the Ways and Means/Budget Committee in the first quarter of 2011.

The Council also directed the Finance Department to amend the expense and revenue appropriations of the Fire and Regulatory Services departments to reflect the transfer of Fire Inspection activities from the Fire Department to Regulatory Services in the Five-Year Financial Direction.

Finally, the department was directed to revise the Five-Year Financial Direction to reflect no increase in City salaries for a two-year period. For contracts that are settled in 2011, budgets should be adjusted in 2012 and 2013.

Fire

Mayor's Recommended Budget: The Mayor recommended a reduction to growth of \$847,000, and 32 FTE. Additionally, the Mayor recommended a one-time appropriation of \$1,100,000 in 2011 to allow the department to reduce its FTE through attrition.

Council Adopted Budget: Council approved the Mayor's recommendations. Additionally, Fire is directed to evaluate the current Council policy related to the Standard of Coverage in the context of 2011 budget resources for the department and report back to the Public Safety and Health and Ways & Means/Budget committees no later than February 15, 2011, with recommendations for any changes to that policy.

Fire's expense and revenue appropriations' reflects the transfer to Fire Inspection activities from the Fire Department to Regulatory Services. The changes are reflected in the five-year financial

direction. 13 FTE moved from Fire to Regulatory Services as part of this transfer. Additionally, the Fire Department's rent charge has been reduced by \$79,000.

Health and Family Support

Mayor's Recommended Budget: The Mayor recommended a reduction to growth of \$102,000.

Council Adopted Budget: Council approved the Mayor's recommendation. Additionally, CDBG funding for the Domestic Abuse Project is increased by \$75,000.

Human Resources

Mayor's Recommended Budget: The Mayor recommended a reduction to growth of \$154,000 to the General Fund, which is partially offset by health care savings.

Council Adopted Budget: The Council adopted the Mayor's recommendations and directed the Department to work with the Finance and BIS departments to bring forth a funding plan for the Enterprise Resource Planning System to the Ways and Means/Budget Committee by June 1, 2011.

Intergovernmental Relations

Mayor's Recommended Budget: The Mayor recommended a reduction to growth of \$5,000 and increased funding by \$30,000 for national association membership costs.

Council Adopted Budget: The Council adopted the Mayor's recommendation and directed IGR staff to report to the Intergovernmental Relations Subcommittee and Committee of the Whole on January 13, 2011, to pass an amendment to the City's State Legislative Agenda on either January 14 or 28 that includes a proposed strategy to seek legislation consolidating neighborhood programs and eliminating the need for the Joint Powers Board.

The Council also directed the Department to work with Finance staff, the Neighborhood and Community Relations Department, the NCEC, and the City Attorney's Office, to identify options for property tax relief for the years 2012 and 2013 should legislative authority to consolidate neighborhood programs not be achieved, and report these options to the Ways and Means/Budget Committee by February 15, 2011. This report shall also include the impacts of limiting revenue generated by the TIF district funding neighborhood programs and the Target Center debt relief to \$10 million annually, with any increment over and above \$10 million used to fund Phase II plans.

The Council also directed the Finance and Intergovernmental Relations Departments to work together to determine the impacts of not addressing the over-obligation of CDBG resources related to Block E. This information is to be presented with the City's 2010 final report to the Ways and Means/Budget Committee in the first quarter of 2011.

Mayor

Mayor's Recommended Budget: The Mayor did not recommend a reduction for the department.

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

Neighborhood and Community Relations

Mayor's Recommended Budget: The Mayor recommended a reduction to growth of \$3,000 to this department. The Mayor also recommended \$150,000 in one-time funding for homeless outreach programming.

Council Adopted Budget: The Council adopted the Mayor's recommendation and directed the Department to work with Finance staff, the Intergovernmental Relations Department, the NCEC, and the City Attorney's Office, to identify options for property tax relief for the years 2012 and 2013 should legislative authority to consolidate neighborhood programs not be achieved, and report these options to the Ways and Means/Budget Committee by February 15, 2011. This report shall also include the impacts of limiting revenue generated by the TIF district funding neighborhood programs and the Target Center debt relief to \$10 million annually, with any increment over and above \$10 million used to fund Phase II plans.

The Council also directed the Department to work with the Finance Department to allow neighborhoods to contract up to 50% of the un-contracted balance of their Phase II allocation (excluding Phase II allocated but not contracted reserve funds), as of City Council adoption of the 2011 budget, but not to exceed a total contracted amount of 50% of their Phase II allocation.

The Council further directed the Department to work with the NCEC and report back to the City Council by March 1, 2011 on how programs, including the Neighborhood Investment Fund and the Community Innovation Fund, will be implemented moving forward with an emphasis on mitigating equity issues among neighborhoods related to the suspension of new contracts.

Office of Internal Audit

Mayor's Recommended Budget: The Mayor did not recommend a reduction for this department. The Mayor recommended that the department be allowed to carry over its unspent 2010 budget for purposes of contracted audits the department will conduct in 2011 and further recommended a \$50,000 increase to the department's 2012 allocation in the Five-Year Financial Direction.

Council Adopted Budget: The Council adopted the Mayor's recommendations and increased the appropriation for the Internal Audit Department by \$11,000 to reflect actual salaries and directed Finance staff to increase the Department's allocation in the Five-Year Financial Direction accordingly.

Police

Mayor's Recommended Budget: The Mayor recommended a reduction to growth of \$1.025M for this department, which will be partially offset by health care savings for the department. The recommendation also included a reduction of 24 sworn FTE, to 862 sworn FTE, which should be accomplished by the end of the 2011. The Mayor also recommended a one-time appropriation increase of \$500,000 to allow the department to reduce personnel through attrition. In addition, the department will reduce non-personnel expenses by \$1M to meet long-term financial projections.

The department's base budget has been increased by \$300,000, based on actual entertainment tax receipts over budgeted amounts. Entertainment tax resources are transferred into the General Fund for City costs related to citywide entertainment events.

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

Public Works

Mayor's Recommended Budget: The Mayor recommended a reduction to growth of \$463,000 which the department will meet with additional revenue sources (a renegotiated state maintenance contract and from capital overhead to projects) and with health care savings. The Mayor further recommended \$50,000 on a one-time basis to be used for a 38th Street study to be funded from existing resources.

Council Adopted Budget: The Council adopted the Mayor's recommendations. The Council further adopted the following staff direction: the department of Public Works should report back to the Transportation & Public Works and Ways and Means/Budget by March 1, 2011 with a prioritized list of memberships, including prioritizing memberships for funding within the 2011 budget, including a plan for funding high-priority memberships on an ongoing basis. This list of memberships should include costs of City membership in regional coalitions.

Administration

Mayor's Recommended Budget: The Mayor recommended no changes.

Council Adopted Budget: The Council adopted the Mayor's recommendation.

Engineering Materials and Testing (Central Stores)

Mayor's Recommended Budget: The Mayor recommended no changes.

Council Adopted Budget: The Council adopted the Mayor's recommendation.

Fleet Services

Mayor's Recommended Budget: The Mayor recommended no changes.

Council Adopted Budget: The Council adopted an increase in rent charges of \$17,300 to be funded through existing resources.

Property Services

Mayor's Recommended Budget: The Mayor recommended no changes.

Council Adopted Budget: The Council adopted the Mayor's recommendation and further approves the following staff direction: the department of Public Works should work with the Finance department to simplify the Property Services allocation model for implementation in the 2012 budget process.

The Council adopted an increase appropriation in Property Services Fund by \$40,000 from the Property Disposition account for the development of the Citywide Strategic Facilities Space Plan. The Council adopted an increase to appropriation in Property Services Fund by \$80,000 with offsetting revenue from increasing rent charges within existing resources for the Public Works divisions (\$69,700 overall) and Regulatory Services (\$10,300).

The Council adopted a technical amendment to amend the City Hall rent charges for the Regulatory Services department to reflect the transfer of Fire inspection by reducing the rent charge to the Fire Department by \$79,000 and increasing the charge for Property Services by \$79,000.

Solid Waste and Recycling

Mayor's Recommended Budget: The Mayor recommended \$150,000 for graffiti microgrants and \$300,000 for efforts in support of reducing organic waste.

Council Adopted Budget: The Council adopted the Mayor's recommendations and further approves an increase in rent charges of \$10,500 to be funded through existing resources.

Surface Water & Sanitary Sewer – Sanitary Sewer

Mayor's Recommended Budget: The Mayor recommended no changes.

Council Adopted Budget: The Council adopted a rate reduction from the Mayor's recommended rates as follows: 2011, decrease from 8.2% to 4.1%; 2012, decrease from 7.6% to 4.3%; 2013, decrease from 7.0% to 3.5%; 2014, decrease from 6.6% to 4.0%; and 2015, decrease from 5.1% to 4.4% and adjust the revenue estimates accordingly. The Council further adopted an increase in rent charges of \$1,300 to be funded through existing resources.

Surface Water & Sanitary Sewer – Stormwater

Mayor's Recommended Budget: The Mayor recommended no changes.

Council Adopted Budget: The Council adopted an increase in rent charges of \$1,400 to be funded through existing resources.

Traffic & Parking

Mayor's Recommended Budget: The Mayor recommended no changes.

Council Adopted Budget: The Council adopted an increase in rent charges of \$20,500 to be funded through existing resources.

Transportation Maintenance and Repair

Mayor's Recommended Budget: The Mayor recommended \$387,000 be transferred from Infrastructure Acceleration Program to fund seal-coating and pothole repair on a one-time basis.

Council Adopted Budget: The Council adopted the Mayor's recommendations and further approves an increase in rent charges of \$17,400 to be funded through existing resources.

Transportation Planning and Engineering

Mayor's Recommended Budget: The Mayor recommended one transportation planner position (\$98,000) and \$430,000 in one-time funds for transportation planning expenditures.

Council Adopted Budget: The Council adopted the Mayor's recommendations and further approves an increase in rent charges of \$300 to be funded through existing resources.

Water Treatment and Distribution

Mayor's Recommended Budget: The Mayor recommended one-time funding of \$60,000 for hydrant conversion stations for large events and \$10,000 for a community garden irrigation program.

Council Adopted Budget: The Council adopted the Mayor's recommendations. The Council further approves increasing the Water revenue "pay as you go" capital appropriation in the water capital project WTR12 Water Distribution Improvements as follows: 2011, increase from \$1M to \$4M; 2012, increase from \$1.5M to \$5M; 2013, increase from \$1.5M to \$5M; 2014, increase from \$2M to \$5M; and 2015, increase from \$2M to \$5M. In addition, change the funding source for water project WTR23 Treatment Infrastructure Improvements from Water Bonds to Water Revenue for years 2011 through 2015 and update revenue estimates and reserve balances for these changes and current revenue projections. No change in water rate required.

Regulatory Services

Mayor's Recommended Budget: The Mayor recommended a reduction to growth of \$292,000 for the department. 911's share of the reduction is \$207,000.

Council Adopted Budget: Council adopted the Mayor's recommendation. Regulatory Services and Finance are directed to report on the nuisance abatement revolving account within the general fund and develop fund balance policy recommendations for the account and report back to the Ways & Means/Budget committee by February 1, 2011. Additionally, Regulatory Services is directed to work with BIS and Finance to estimate the ongoing costs of the proposed Land Management System and propose an allocation to departments for ongoing operating costs no later than July 1, 2011.

Regulatory Services expense and revenue appropriations reflects the transfer to Fire Inspection activities from the Fire Department to Regulatory Services. The changes are reflected in the five-year financial direction. Additionally, 13 FTE moved from Fire to Regulatory Services as part of this transfer.

Independent Boards:

BET

Mayor's Recommended Budget: The Mayor recommended no changes to BET's proposed budget.

Adopted Budget: The Board of Estimate and Taxation adopted the Mayor's budget recommendation.

MBC

Mayor's Recommended Budget: The Mayor recommended combined tax and LGA revenue of \$4.7M after subtracting shared costs. Total spending includes \$70,000 in one-time funds for clocktower renovations.

Council Adopted Budget: Minneapolis adopted a 4.7% levy, compared to a 6.5% recommendation by the Mayor, which reduces revenue available for shared activities of MBC, Park Board, and the City's general fund. The MBC board adopted a budget with total revenue of \$8.1M. \$4.7M is from property tax and LGA. Much of the remainder comes from revenue generating activities within MBC.

NRP

Mayor's Recommended Budget: The Mayor recommended no changes to NRP's proposed budget.

Council Adopted Budget: Council adopted the Mayor's recommendation.

Park Board

Mayor's Recommended Budget: The Mayor recommended \$3.5 million for the Park Board for operating costs to maintain capital infrastructure. Overall, the Mayor recommended property tax and LGA revenue of \$56.8M. After subtracting shared costs and capital projects funded by the Park levy, the Mayor recommended \$52.3M in revenue for the Park board.

Park Board Adopted Budget: Park Board adopted a budget with property tax and LGA revenue of \$54.7M. The adopted City budget is based on certified LGA, and shares \$8.5M in LGA revenue with the Park Board. Park will use any LGA over \$7.5M for capital expenditures toward a backlog of capital needs.

MPHA

Mayor's Recommended Budget: The Mayor's recommended reinstating the MPHA tax levy at \$1.4 million and \$178,000 in CDBG funds.

Council Adopted Budget:

The City budget eliminated the MPHA tax levy by \$1.424M for taxes payable in both 2011 and 2012. MPHA is awarded \$178,000 in CDBG funds.

YCB

Mayor's Recommended Budget: The Mayor recommended no changes to YCB's proposed budget.

Council Adopted Budget: Council adopted the Mayor's recommendation.

Five-Year Financial Direction

Property tax estimates are based upon the Council Adopted tax policy. The Council adopted a tax policy increase of 4.7% in 2011, 6.7% in 2012, 6.0% in 2013-2014, 5.5% in 2015 and 5% in 2016. These percentages reflect statutorily-required costs and provide for the following current service level cost escalator for departments and independent boards: 2.4% in 2012; 3.5% in 2013; 4.2% in 2014; 4.3% in 2015 and 4.5% in 2016.

2011 Property Tax Levy Change: \$12.6 Million		
<i>(Why are my taxes going up?)</i>		
	\$ Change*	% of Change
Increased Pension Obligations	\$ 17.3	137.7%
All Other Obligations	\$ (4.7)	-37.7%
Total of Tax Revenue Changes	\$ 12.6	100.0%

*Dollars shown in millions

In 2009-2011, state-mandated levy limits are in effect. The City is using special levies for allowable expenses that are beyond the rate of inflation dictated in levy limits. Levy limits result in reduced flexibility in terms of how the City allocates property tax revenue within the Mayor's recommended tax policy. These limits also served to accelerate reductions to growth that had been anticipated in the prior year's financial direction.

The 2011 budget is the basis for future projections: In other words, the starting place for the 2012-2016 department budget estimates is what is included in the 2011 budget. One-time 2011 supplemental items are removed from department budgets in 2012 and beyond.

Summary of Five-Year Financial Direction 2012-2016 (dollars in millions)			
Department	2016 Resources	Reductions to growth 2012-2016	Reductions to growth in previous plan
Police	\$150.8	\$0.0	(\$1.7)
Fire	61.6	-	(0.6)
Public Works	49.3	-	(0.4)
Regulatory Services	44.1	-	(0.1)
Health and Family Support	3.9	-	(0.1)
Civil Rights	2.5	-	(0.1)
Capital Plan (pay-go and debt)	36.8	-	-
Pensions	45.6	-	-
All other spending	114.4	-	-
Total	\$509.0	\$0.0	(\$3.0)

The financial direction from 2012 to 2016 contains updates to departmental resources: The financial direction includes the most updated assumptions about contract settlements and other commitments.

Reductions to growth required in 2011 only. The departmental cuts necessary to balance the five-year financial direction are required in 2011. In 2011, departments experienced reductions to growth totaling \$5.3 million and 80 full-time equivalents. Any future balances have been allocated to the operating contingency fund.

Salary Assumption -- The City adopted a compensation philosophy during 2007. The philosophy does not specify a salary policy. It is anticipated that salary settlements will vary within and between bargaining units, but overall are projected to experience a 0% increase in 2012 for unsettled contracts and a 0% increase in 2012-2013 for currently settled contracts.

Salaries are assumed to increase 2.5% thereafter. Assumptions are updated annually as contracts are settled.

What changes have been made to the financial plan over the years?

As policy decisions have been made, several departments have been exempted from taking budget cuts, mainly in public safety departments. A history of these exemptions follows:

Exemptions from reductions to growth		
Department	When	Why (generically)
Regulatory Services	2003	Overall net contributor to general fund
Assessor, Council, Coordinator Administration, IGR, Communications, Mayor, Clerk	2003	Too small to withstand additional cuts
Internal Service Fund Workout Plans	2003	Financial progress
Police, Fire	2006	Prioritize Public Safety
Health and Family Support	2006	Maintain funding above match requirements; preserve senior ombudsman and external contracts
BIS, 911/311	2006, 2007	Changed phase-in of cuts
Civil Rights	2007	Smallest department still taking reductions
Elections	2007	No additional cuts - trying to match election cycles; had \$50,000 in reductions to date; also changed phase in of cuts
Public Works	2007 (one year only)	Provide some maintenance funding
All departments	2007	Rescission of the 2% wage policy
All remaining department reductions removed in 2013	2008	Begin to provide an outlook with level funding for departments
All departments	2009	Resets the financial direction to more equably distribute planned reductions to growth
NCR, Assessor	2009	New department and too small to withstand additional cuts, respectively
Internal Audit, Civil Rights	2010	New department and too small to withstand additional cuts, respectively
Assessor, Civil Rights, Council, Mayor, Internal Audit	2011	Too small to withstand additional cuts

Financing Assistance for Target Center and Neighborhoods

Background

During the 2008 Legislative Session, the Minnesota Legislature authorized the City to establish a non-contiguous redevelopment tax increment financing (TIF) district which would be comprised of properties that were located in specific TIF districts, commonly known as “pre-1979” TIF districts, which terminated in 2009. The earliest year the tax increment revenue could be realized from the new district allowed under the special legislation was 2011. Without further action by the City, the value within those pre-1979 TIF would initially go back into the general tax base in 2010 and thereafter remain, increasing the overall size of the tax base, effectively resulting in property tax relief for many property owners.

Under the special legislation, tax increment from the new district could only be used to pay principal and interest on Target Center bonds or for “neighborhood revitalization purposes.” The legislation does not specify or require any particular allocation of revenues between these purposes. The Finance Department transmitted and delivered a proposed plan to the Council known as the Consolidated Tax Increment Financing Plan (the “Plan”) for its consideration on July 31, 2009.

Council Adopted Plan

On December 4, 2009 the City Council directed the Finance Staff to amend the Plan for the Consolidated TIF District to: (1) reduce the size of the proposed Consolidated TIF District by approximately 50%, (2) adjust the tax increment budget contained in the plan accordingly, (3) change the tax increment allocation methodology or funding distribution, (4) reduce the maximum amount of bonds to be issued shown in the plan and (5) and return to the Committee of Whole on December 17, 2009 with the amended Plan and related documents for its consideration. The City Council approved the Plan, as amended, on December 18, 2009.

The Consolidated TIF District, as adopted, containing 50.8% of the total net tax capacity of all of the former pre-1979 TIF districts and 51 percent of the parcels, represents the most diverse and stable subset of pre-1979 TIF districts that achieve the 50% target.

The tax increment that will be received from the Consolidated TIF District in 2011 will first be used to 1) make the necessary reimbursement payments to Hennepin County required under the Special Legislation, and 2) pay for the City and County costs of administering the Consolidated TIF District. The remaining “Net Tax Increment” will be allocated 50% for Target Center debt service and 50% for neighborhood revitalization purposes.

An amendment to the Mayor’s recommended budget adopted by the City Council on December 13, 2010, directs the Finance Department to report to the Ways & Means/Budget Committee no later than February 1, 2011, with a plan to provide property tax relief in 2012 and 2013 by capturing only 50% of the value of the properties in the Consolidated TIF District in those two years.

An additional amendment to the Mayor’s recommended budget directs CPED, with the assistance of the Finance Department, to develop to plan to fund ongoing development activities, including prioritizing the services CPED provides. CPED is to report back to the Community Development and Ways & Means/Budget Committees no later than March 1, 2011.

2011 Budget

Revenues

These revenue projections are based on assumptions that need to be validated annually:

- Revenues from federal grant programs will remain constant.
- Revenues from state and local grants vary in relation to project need and availability but are also expected to remain somewhat constant, reflecting CPED’s success with grant seeking.
- There will be continuing modest increases in bond-related fee income from housing and economic development activities, but actual revenues need to be closely monitored for the impacts from changes in the lending and housing markets.

- There will be annual variations in project income. These are shown as declining at a 5 percent rate from 2009.
- The 2011-2015 projections do not include the use of any revenues from the Legacy Fund. With the sunset of funding to the NRP, one-time Common Project revenues resulting from certain interest earnings, leases and land sale proceeds are now available to CPED and are allocated as one-time revenues in 2011 in the Development Account. Additionally, certain land sale proceeds and parking revenues generated from outside the Common Project are being allocated as one-time revenues in 2011 in the Local Contribution Fund. Actual revenues in these two funds must also be closely monitored to track development revenues that may be available in future year.
- Revenue from the Consolidated TIF District will be used to pay existing Target Center debt and neighborhood revitalization activities. Table 1 does not include any assumptions regarding this district, since currently none of the revenues will be directly available for CPED activities.
- There will be no further legislative actions or valuation events that have a significant negative impact on tax increment or General Fund collections.
- There is only inflationary growth in Planning's fee revenue.
- As of 2009, CPED has repaid all draws from the Legacy Fund. The only projected revenue available to CPED from the Legacy Fund in 2011 and beyond is Program Income generated from CPED activities previously funded from the Legacy Fund draws.

Expenditures

The expenditure projections contain assumptions that also need to be revisited annually in the context of revised revenues and department performance measures:

- CPED staff levels remain constant or reduced slightly with personnel costs increasing 2 percent per annum while non-personnel expenditures increase approximately 1 percent per annum.
- The tax increment revenues of the Common Project will continue to be restricted to existing debt and contractual obligations while such obligations exist.

Debt Service

Debt service on the post-1979 Common Project tax increment districts continues past 2012 and is projected to be serviced by the tax increment revenue from those districts.

General Fund Resources

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

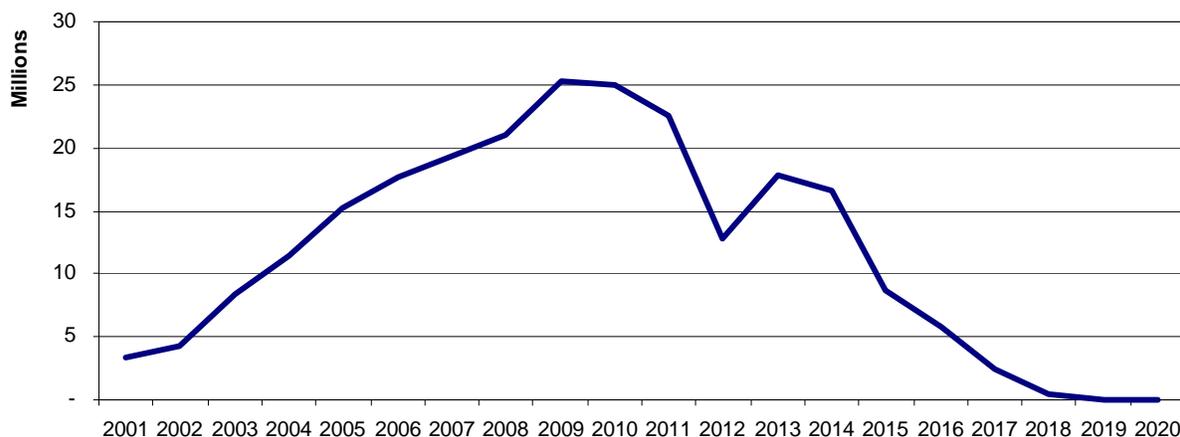
Capital and Debt Service (including pensions)

Pressure on the capital project budgets will continue. Any new projects added to the five-year plan will need to be offset by reductions to existing projects in the current plan. The current level of funding does not keep up with construction inflation which generally exceeds the non-construction inflation rates. In response to critical demands, the Mayor and City Council implemented an infrastructure acceleration program in 2009 by allocating additional net debt and trust fund resources of \$27.5 million for years 2009 – 2013. For 2011 – 2015, additional general fund resources of \$9 million per year were added to make a significant improvement in reducing the backlog of investment needed in the City's street infrastructure. While both of these initiatives added resources to the capital program, the City Council reduced the net debt bond funding available for projects by \$1 million per year for 2011 – 2014 to prepare for possible reductions in funding from the State of Minnesota due to their projected deficit for the next

biennium. The Bond Redemption Levy will start to see increases starting in 2014 to allow for an expanded net debt bond program to continue this emphasis. Even with these extra resources, there remains considerable pent up demand for public works, park board and technology infrastructure investment.

Funding for internal service fund long-term financial plans. To meet the goals of the adopted long-term financial plans, these expenditures continue through 2019 at a declining level. The 2008 adopted long-term financial plans begin reducing the General Fund's contribution to the internal service funds in 2010, but to create capacity in future years, the General Fund prepaid a significant portion of the 2011 and 2012 obligations. The General Fund will prepay \$5.6 million in 2011 to create capacity in future years. The Council adopted a \$1 million one-time reduction to the Self Insurance Fund transfer, reflecting positive experience in that fund, to help reduce the property tax levy increase from 6.5% to 4.7%.

General Fund Support for Internal Service Funds

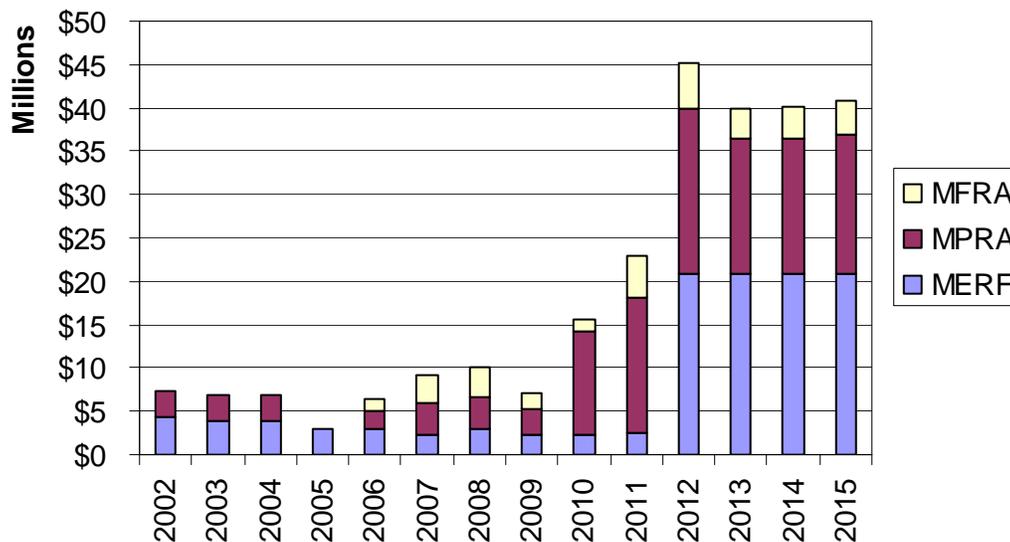


In addition, as one-time resources have become available, the elected officials have prioritized the avoidance and pay down of debt. The following table highlights these important decisions:

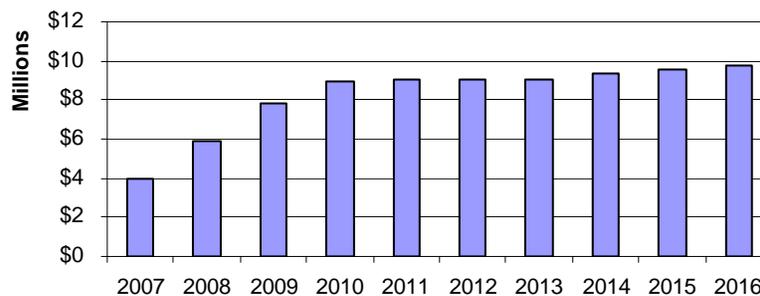
Description (year decided)	Amount (millions)
Hilton Legacy Fund (2003) – proceeds from the sale of the City's share in the downtown hotel.	\$12.5
Year-end savings from 2004 (2005)	\$15.0
One-time LGA, general fund resources (2005 for 2006)	\$10.0
2007 one-time resources	\$3.0
Pre-payment of BIS workout plan obligations for 2012 (2009)	\$1.5
Pre-payment of Self Insurance Fund workout plan obligations for 2011 (2010)	\$3.5
Payment of pension obligations (2010 Revised)	\$2.8
Pre-payment of Self Insurance Fund workout plan obligations for 2012 and 2013 (\$5.6 million); reduction to transfer of \$1 million to the Self Insurance Fund given fund's financial performance (2011)	\$4.6
Postponement of Fleet Fund workout plan obligations for 2012 to 2013 and prepayment of 2014 obligations in 2013 (net zero impact)	\$0
Total	\$52.9

Funding for increasing pension liabilities. The property tax needed to support closed pension fund-related obligations is \$38 million in 2011, and estimated to grow to \$45 million in total obligations in 2012. The debt service portion, included in the numbers above is approximately \$4.5 million in each of those years. The City prevailed on a lawsuit which is currently under appeal. The five-year financial direction includes an additional obligation assigned to the City for the asset losses in the Minneapolis Employees Retirement Fund beginning in 2012. The City also has increasing obligations for the pension plan most City employees are in, the Public Employees Retirement Association (PERA).

City Obligations - Levy



PERA Pension Obligations: Cumulative Annual Increase



Change in Contingency for Adverse Circumstances

The original financial direction in January, 2003 was based upon a 4% salary increase. Subsequent updates assumed the 2% salary cap through 2007. Assuming 0% wage growth for unsettled contracts and department reductions in 2011, contingency exists for adverse circumstances. Examples of adverse circumstances the City has encountered include reductions in LGA, unemployment costs and increased pension obligations.

For the 2012-2016 five-year financial direction, all available funds remaining on the bottom line have been included in contingency to pay for unforeseen costs such as pensions.

Change in cushion for adverse circumstances (dollars in millions)						
Year	2007-2011 Adopted Cushion	2008-2012 Adopted Cushion	2009-2013 Adopted Cushion	2010-2014 Revised Cushion*	2011-2015 Recomm. Cushion	2012-2016 Recomm. Cushion
2007 (adopted)	0.3	n/a	n/a	n/a	n/a	n/a
2008 (adopted)	0.3	2.3	n/a	n/a	n/a	n/a
2009 (adopted)	1.4	2.1	7.5	n/a	n/a	n/a
2010 (recomm.)	4.8	5.7	3.5	-29.2	n/a	n/a
2011 (estimate)	4.9	2.2	0.0	-38.9	0.0	n/a
2012 (estimate)	n/a	4.0	0.5	-42.0	0.0	0.0
2013 (estimate)	n/a	n/a	0.7	-39.9	0.0	0.0
2014 (estimate)	n/a	n/a	n/a	-29.9	0.0	0.0
2015 (estimate)	n/a	n/a	n/a	n/a	0.0	0.0
2016 (estimate)	n/a	n/a	n/a	n/a	n/a	0.0

*As stated previously, the Council did not adopt additional reductions to growth for 2010-2014 in the revised budget given extraordinary circumstances. The 2010 estimate reflected the amount of permanent cuts needed to balance the 2010 budget, with future balances transferred to the operating contingency.

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

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

- *Property taxes:* Future projections plan on the Council adopted property tax increases (outlined below) to support future services – reducing the growth in property taxes in the face of declining LGA and increase pension costs will require more department reductions.
- *Park Board:* Like other participants in the City’s capital funding pool, the Park Board faces significant capital pressures to maintain the facilities it operates.
- *Enterprise funds:* The enterprise funds have experienced a decline in their financial condition (primarily working capital), largely related to increasing debt loads related to approved capital projects.
- *Performance Information:* As the City continues to gain experience with using results information for performance discussions, it will need to undertake benchmark development in using this information for financial decision making.
- *Department Reductions:* The City will continue to see issues with ability to keep up with enterprise demands while subject to increased costs.
- *Higher Police Service Levels:* Now that the Police Department is back at its pre-2003 state aid reduction strength, the challenge of making the best use of these resources and adapting to new technology becomes the central focus of the department’s financial and business planning.
- *Annual Buying Commitment for Wireless Services:* As part of the agreement with US Internet to build a citywide wireless network, the City committed to purchase \$1.2 million of wireless services each year from 2008 through 2017. The transition from wired to wireless technology will require tradeoffs within departmental budgets. Starting in 2011, the wireless commitment is reflected in non-General Fund departments’ budgets (General Fund

departments' share of the commitment is transferred directly to the Intergovernmental Services Fund and therefore is not reflected in operating budgets of those departments).

Assumptions for 2011-2016

- The tax policy for 2011-2016 is as follows: 4.7% in 2011; 6.7% in 2012; 6.5% in 2013-2014; 6.0% in 2015 and 5.5% in 2016. These percentages reflect statutorily-required costs and provide for the following current service level cost escalator for departments and independent boards: 2.4% in 2012; 3.5% in 2013; 4.2% in 2014; 4.3% in 2015 and 4.5% in 2016.
- Contingency increased to provide cushion for uncertainty related to pension costs and economic conditions.
- For unsettled contracts, the direction assumes a 0% salary increase in 2011. Any increase above 0% will be funded through existing departmental appropriation.
- Health increases are assumed at 10% in 2012; 12% in 2013; and 16% thereafter.
- No additional cuts other than what was included in the five-year financial direction are included for the permanent improvement levy or for debt service.
- Reductions in LGA of \$0.265 million annually (excluding independent boards) are reflected in 2013-2016, including a \$6.4 million reduction in 2012 due to the recertification of the TIF district.
- Revenues in the general fund are NOT assumed to increase, except for licenses and permits which are anticipated to increase by 3.0% annually.
- No additional revenues are anticipated from public works (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.
- Currently adopted pension law is reflected.
- Pension estimates include the impact of one year (2008) of -30% investment returns based on actual returns.
- Full funding of pension and internal service fund debts are included. Constraints in internal service funds are maintained.
- Base entertainment tax from the Convention Center fund flows at a higher rate (about \$10.2 million) due to the revenue stream from Target Field sales. Council adopted an additional \$1.1 million be transferred to the General Fund to help reduce the property tax levy increase from 6.5% to 4.7%.
- No changes to state tax law regarding property taxes (including removal of levy limits, changes to classification rates, and change to phase-out of limited market value).

Property Tax Revenue Distribution. In 2009 (for 2010), the Mayor proposed and Council adopted the distribution of revenue be based on the sum of the following: total property tax revenue, total Local Government Aid revenue, and total General Fund revenues. From this total, shared costs are deducted, including: pension obligations, previously approved internal service fund workout plans, the Bond Redemption Fund levy, the Permanent Improvement Fund levy, the Minneapolis Public Housing Authority special levy, the Teacher's Retirement Association special levy, the Library Market Value Referendum levy, the levy for the Board of Estimate and Taxation, General Fund Overhead associated with the Park Board and Municipal Building Commission (MBC), General Fund Overhead for others, and General Fund transfers to other funds. The remaining revenues are then identified as being available for "activities."

"Activity" definition for MBC excludes the General Fund Overhead transfer to the City. "Activity" definition for the Park Board excludes the General Fund Overhead transfer to the City, the HR Benefits Administration Fee paid to the City and the Park Board levy supported capital projects.

The annual percentage change in revenue available for activities of the City, Park Board and MBC are the same for each entity beginning in 2011.

2011 ->>> 2016 Adopted

Property Tax Levies	4.70%	6.70%	6.00%	6.00%	5.50%	5.00%
Activities Approach for Levy & LGA Entities	2011	2012	2013	2014	2015	2016
Municip Building Commission						
Tax Levy \$\$	\$4,285,000	\$4,418,000	\$4,584,000	\$4,759,000	\$4,976,000	\$5,205,000
Tax Rev \$\$	\$4,199,300	\$4,329,200	\$4,492,759	\$4,663,347	\$4,876,562	\$5,100,962
Trf to City General Fund OH	(\$48,672)	(\$48,672)	(\$48,672)	(\$48,672)	(\$48,672)	(\$48,672)
LGA Rev	\$273,755	\$244,262	\$243,359	\$242,455	\$241,552	\$240,649
MBC Activities	\$4,424,383	\$4,524,790	\$4,687,446	\$4,857,130	\$5,069,442	\$5,292,939
\$ Change	\$78,760	\$100,407	\$162,656	\$169,684	\$212,312	\$223,497
% Change	1.81%	2.27%	3.59%	3.62%	4.37%	4.41%
Park & Recreation Board						
Tax Levy \$\$	\$47,217,000	\$47,418,000	\$49,485,000	\$51,639,000	\$54,309,000	\$57,117,000
Tax Rev \$\$	\$46,272,660	\$46,469,843	\$48,495,049	\$50,606,010	\$53,222,692	\$55,974,376
Trf to City General Fund OH	(\$895,837)	(\$895,837)	(\$895,837)	(\$895,837)	(\$895,837)	(\$895,837)
Trf to City General Admin Fee	(\$125,899)	(\$130,935)	(\$136,172)	(\$141,619)	(\$147,283)	(\$153,175)
Capital Projects from Levy	(\$1,589,952)	(\$1,653,554)	(\$1,719,704)	(\$1,788,500)	(\$1,860,040)	(\$1,934,422)
LGA Rev	\$8,521,635	\$9,577,323	\$9,541,917	\$9,506,511	\$9,471,105	\$9,435,699
Park Board Activities	\$52,182,607	\$53,366,840	\$55,285,253	\$57,286,565	\$59,790,637	\$62,426,641
\$ Change	\$3,539,608	\$1,184,233	\$1,918,413	\$2,001,312	\$2,504,072	\$2,636,004
% Change	7.28%	2.27%	3.59%	3.62%	4.37%	4.41%
General Fund Levy						
Tax Levy \$\$	\$173,010,000	\$167,013,000	\$187,467,000	\$199,497,000	\$205,078,000	\$216,203,000
Tax Rev \$\$	\$169,549,800	\$163,672,659	\$183,717,587	\$195,507,334	\$200,976,918	\$211,879,224
Trf to County for Library System	(\$5,853,000)	(\$4,982,000)	(\$4,106,000)	(\$3,238,000)	(\$2,363,000)	(\$1,560,000)
MV Cr Pension Mgmt Plan set-aside	(\$6,200,000)	(\$6,200,000)	(\$6,200,000)	(\$6,200,000)	(\$6,200,000)	(\$6,200,000)
Trf to Other Funds	(\$477,628)	(\$484,444)	(\$491,260)	(\$498,077)	(\$504,893)	(\$482,444)
Trf to Target Center Finance Plan	(\$92,000)	(\$92,000)	(\$550,000)	(\$550,000)	(\$550,000)	(\$550,000)
Trf to Solid Waste Graffiti	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)
Capital Projects from Levy Residential Pvg	(\$9,000,000)	(\$9,000,000)	(\$9,000,000)	(\$9,000,000)	(\$9,000,000)	(\$9,000,000)
GFd OH Not recovered Park Bd	(\$1,798,575)	(\$1,887,490)	(\$1,982,124)	(\$2,102,998)	(\$2,231,948)	(\$2,372,698)
GFd OH Not recovered from MBC	(\$179,158)	(\$186,677)	(\$194,679)	(\$204,899)	(\$215,803)	(\$227,704)
GFd OH Not recovered from Others	(\$1,246,234)	(\$1,937,245)	(\$2,672,690)	(\$3,612,069)	(\$4,614,208)	(\$5,708,054)
GFd OH Recovered from Others	(\$19,693,483)	(\$19,693,483)	(\$19,693,483)	(\$19,693,483)	(\$19,693,483)	(\$19,693,483)
Trf to Internal Service Fds Workout Plans	(\$22,604,000)	(\$12,828,000)	(\$17,914,000)	(\$16,700,000)	(\$8,787,000)	(\$5,719,000)
Trf to Pension Debt Service Sinking Fd	(\$17,856,792)	(\$7,432,000)	(\$11,585,365)	(\$13,550,625)	(\$12,944,152)	(\$12,044,953)
Subtotal General Fund for Others	(\$85,050,870)	(\$64,773,339)	(\$74,439,601)	(\$75,400,151)	(\$67,154,486)	(\$63,608,336)
General Fund Revenue	\$139,569,623	\$139,457,475	\$140,474,962	\$141,522,974	\$142,602,426	\$143,714,261
LGA Rev	\$78,744,610	\$71,328,415	\$71,064,724	\$70,801,033	\$70,537,342	\$70,273,651
General Fund Activities	\$302,813,163	\$309,685,209	\$320,817,672	\$332,431,190	\$346,962,199	\$362,258,800
\$ Change	\$19,906,118	\$6,872,046	\$11,132,463	\$11,613,518	\$14,531,009	\$15,296,601
% Change	7.04%	2.27%	3.59%	3.62%	4.37%	4.41%

2011 Property Tax Supported Budgets						
	2011 Council Adopted Budget	Direct Revenue (received by the department)	Allocated Revenues for Presentation Purposes <i>These revenues are receipted at the Fund Level, but have been allocated to departments in this table for presentation purposes.</i>			Total Revenues
			Other General City Revenues	Local Government Aid	Property Tax Revenue	
General Fund						
<i>General Fund Commitments</i>						
Internal Service Funds Financial Plans	22.532	-	-	-	22.532	22.532
Transfers to BIS for WiFi from Gen Fd Depts	0.478	-	-	-	0.478	0.478
Transfer to Pension Management Plan	13.632	-	-	7.502	6.200	13.702
Graffiti Removal	0.050	-	-	-	0.050	0.050
Target Center Financial Plan	0.092	-	-	-	0.092	0.092
Transfers for City Hall rent	0.486	-	-	-	0.486	0.486
Payment to County for Library System	5.853	-	-	5.853	-	5.853
Transfer to Capital Improvement Fund	9.000	-	-	9.000	-	9.000
Pension Debt Service Mgmt Plan	10.425	-	-	-	10.425	10.425
Total General Fund Commitments	62.548	-	-	22.355	40.263	62.618
<i>General Fund Departments</i>						
Police	128.000	9.971	34.108	25.804	57.720	127.603
Fire	52.267	3.964	13.959	10.560	23.622	52.105
Subtotal for Police & Fire	180.266	13.935	48.067	36.364	81.342	179.708
311	3.178	-	0.918	0.695	1.554	3.167
Assessor	4.040	0.062	1.150	0.870	1.945	4.027
Attorney	7.666	0.025	2.208	1.670	3.737	7.640
BIS	0.465	-	-	-	-	-
City Clerk/Elections/City Council	7.032	0.049	2.018	1.527	3.415	7.008
City Coordinator Administration	1.555	-	0.449	0.340	0.760	1.550
Civil Rights	2.088	-	0.604	0.457	1.021	2.081
Communications	2.315	3.580	-	-	-	3.580
Community Planning & Economic Development (CPED)	3.328	1.140	0.632	0.478	1.070	3.320
Contingency	6.737	-	-	-	6.737	6.737
Finance	19.293	0.059	5.559	4.205	9.407	19.229
Health and Family	3.324	-	0.960	0.727	1.625	3.312
Human Resources	5.684	-	1.642	1.243	2.779	5.665
Intergovernmental Relations	1.421	-	0.411	0.311	0.695	1.416
Internal Audit	0.383	-	0.111	0.084	0.187	0.381
Mayor	1.466	-	0.424	0.321	0.717	1.461
Neighborhood & Community Relations	0.773	-	0.223	0.169	0.378	0.771
Public Works	41.840	12.893	8.365	6.329	14.156	41.743
Regulatory Services	36.935	32.928	1.158	0.876	1.959	36.921
911*	7.251	-	-	-	-	-
Subtotal for all other departments	149.523	50.736	26.832	20.299	52.144	150.011
Total General Fund Departments	329.789	64.670	74.899	56.663	133.486	329.719
Total General Fund	392.337	64.670	74.899	79.018	173.749	392.337
<i>Other Property Tax-Supported Commitments</i>						
Capital - Permanent Improvement	1.862	-	-	-	1.862	1.862
Debt Service	18.130	-	-	-	18.130	18.130
Subtotal	19.992	-	-	-	19.992	19.992
Pensions - Direct Levy for MPRA, MFRA and MERF	22.516	-	-	-	22.516	22.516
Total Property Tax Supported Commitments	434.845	64.670	74.899	79.018	216.257	434.845

(Additional cuts needed)/Cushion for adverse circumstances (0.000)

Note: City Clerk receives \$100k in 2011 and an additional \$100k in 2012 for redistricting

Total Pension Costs	2010 Expense	2011 Expense	% change from 2010
		26.859	46.573

*911 is now part of the Regulatory Services department.

2012 Property Tax Supported Budgets									
	Prior Year Total Expense	Projected Growth in Spending	Reduction to Growth in Spending	Current Year Total Expense	Direct Revenue (received by the department)	Allocated Revenues for Presentation Purposes <i>These revenues are receipted at the Fund Level, but have been allocated to departments in this table for presentation purposes.</i>			Total Revenues
						Other General City Revenues	Local Government Aid	Property Tax Revenue	
General Fund									
<u>General Fund Commitments</u>									
Internal Service Funds Financial Plans	22.532	(9.719)	-	12.813	-	-	-	12.813	12.813
Transfers to BIS for WIFI from Gen Fd Depts	0.478	0.007	-	0.484	-	-	-	0.484	0.484
Transfer to Pension Management Plan	13.632	-	-	13.632	-	-	8.950	4.682	13.632
Graffiti Removal	0.050	-	-	0.050	-	-	-	0.050	0.050
Target Center Financial Plan	0.092	-	-	0.092	-	-	-	0.092	0.092
Transfers for City Hall rent	0.486	0.012	-	0.498	-	-	-	0.498	0.498
Payment to County for Library System	5.853	(0.871)	-	4.982	-	-	4.982	-	4.982
Transfer to Capital Improvement Fund	9.000	-	-	9.000	-	-	9.000	-	9.000
Pension Debt Service Mgmt Plan	10.425	(10.425)	-	(0.000)	-	-	-	(0.000)	(0.000)
Total General Fund Commitments	62.548	(20.997)	-	41.551	-	-	22.932	18.619	41.551
<u>General Fund Departments</u>									
Police	128.000	3.315	-	131.314	9.971	33.685	22.202	65.457	131.314
Fire	52.267	1.211	-	53.478	3.964	13.745	9.059	26.709	53.478
Subtotal for Public Safety	180.266	4.526	-	184.792	13.935	47.431	31.261	92.166	184.792
311	3.178	0.070	-	3.248	-	0.902	0.594	1.752	3.248
Assessor	4.040	0.096	-	4.136	0.062	1.131	0.745	2.197	4.136
Attorney	7.666	0.181	-	7.847	0.025	2.171	1.431	4.219	7.847
BIS	0.465	-	-	-	-	-	-	-	-
City Clerk/Elections/City Council	7.032	0.664	-	7.696	0.049	2.123	1.399	4.125	7.696
City Coordinator Administration	1.555	0.037	-	1.592	-	0.442	0.291	0.859	1.592
Civil Rights	2.088	0.049	-	2.138	-	0.593	0.391	1.153	2.138
Communications	2.315	0.055	-	2.370	3.580	(0.336)	(0.221)	(0.653)	2.370
Community Planning & Economic Development (CPED)	3.328	0.079	-	3.406	1.140	0.629	0.415	1.223	3.406
Contingency	6.737	(0.758)	-	5.979	-	-	-	5.979	5.979
Finance	19.293	0.457	-	19.750	0.059	5.466	3.603	10.622	19.750
Health and Family	3.324	0.079	-	3.402	-	0.944	0.622	1.835	3.402
Human Resources	5.684	0.135	-	5.818	-	1.615	1.065	3.138	5.818
Intergovernmental Relations	1.421	0.034	-	1.455	-	0.404	0.266	0.785	1.455
Internal Audit	0.383	0.059	-	0.442	-	0.123	0.081	0.238	0.442
Mayor	1.466	0.035	-	1.501	-	0.417	0.275	0.810	1.501
Neighborhood & Community Relations	0.773	0.015	-	0.788	-	0.219	0.144	0.425	0.788
Public Works	41.840	0.971	-	42.812	12.893	8.306	5.474	16.139	42.812
Regulatory Services	36.935	1.374	-	38.309	33.916	1.219	0.804	2.370	38.309
Subtotal for all other departments	149.523	3.631	-	152.689	51.724	26.369	17.379	57.218	152.689
Total General Fund Departments	329.789	8.157	-	337.482	65.658	73.799	48.641	149.383	337.482
Total General Fund	392.337	(12.840)	-	379.033	65.658	73.799	71.573	168.003	379.033
<u>Other Property Tax-Supported Commitments</u>									
Capital - Permanent Improvement	1.862	0.392	-	2.254	-	-	-	2.254	2.254
Debt Service	18.130	0.245	-	18.375	-	-	-	18.375	18.375
Subtotal	19.992	0.637	-	20.629	-	-	-	20.629	20.629
Pensions - Direct Levy for MPRA, MFRA and MERF	22.516	21.815	-	44.331	-	-	-	44.331	44.331
Total Property Tax Supported Commitments	434.845	9.612	-	443.993	65.658	73.799	71.573	232.963	443.993
							2011 Max	216.257	
							2012 Max	232.963	
Total Pension Costs									0.000
							(Additional cuts needed)/Cushion for adverse circumstances		
							2011 Expense	46.573	
							2012 Expense	44.331	
							% change	-4.8%	

2013 Property Tax Supported Budgets									
	Prior Year Total Expense	Projected Growth in Spending	Reduction to Growth in Spending	Current Year Total Expense	Direct Revenue (received by the department)	Allocated Revenues for Presentation Purposes <i>These revenues are receipted at the Fund Level, but have been allocated to departments in this table for presentation purposes.</i>			Total Revenues
						Other General City Revenues	Local Government Aid	Property Tax Revenue	
General Fund									
<u>General Fund Commitments</u>									
Internal Service Funds Financial Plans	12.813	5.071	-	17.884	-	-	-	17.884	17.884
Transfers to BIS for WiFi from Gen Fd Depts	0.484	0.007	-	0.491	-	-	-	0.491	0.491
Transfer to Pension Management Plan	13.632	-	-	13.632	-	-	7.432	6.200	13.632
Graffiti Removal	0.050	-	-	0.050	-	-	-	0.050	0.050
Target Center Financial Plan	0.092	0.458	-	0.550	-	-	-	0.550	0.550
Transfers for City Hall rent	0.498	0.020	-	0.518	-	-	-	0.518	0.518
Payment to County for Library System	4.982	(0.876)	-	4.106	-	-	4.106	-	4.106
Transfer to Capital Improvement Fund	9.000	-	-	9.000	-	-	9.000	-	9.000
Pension Debt Service Mgmt Plan	(0.000)	4.154	-	4.153	-	-	-	4.153	4.153
Total General Fund Commitments	41.551	8.833	-	50.384	-	-	20.538	29.846	50.384
<u>General Fund Departments</u>									
Police	131.314	2.755	-	134.070	9.971	33.649	23.149	67.301	134.070
Fire	53.478	1.266	-	54.744	3.964	13.769	9.472	27.539	54.744
Subtotal for Public Safety	184.792	4.021	-	188.814	13.935	47.418	32.621	94.840	188.814
311	3.248	0.077	-	3.325	-	0.902	0.620	1.803	3.325
Assessor	4.136	0.098	-	4.234	0.062	1.131	0.778	2.262	4.234
Attorney	7.847	0.142	-	7.989	0.025	2.159	1.486	4.319	7.989
BIS	-	-	-	-	-	-	-	-	-
City Clerk/Elections/City Council	7.696	0.080	-	7.776	0.049	2.095	1.441	4.190	7.776
City Coordinator Administration	1.592	0.038	-	1.630	-	0.442	0.304	0.884	1.630
Civil Rights	2.138	0.051	-	2.189	-	0.593	0.408	1.187	2.189
Communications	2.370	0.056	-	2.426	3.580	(0.313)	(0.215)	(0.626)	2.426
Community Planning & Economic Development (CPED)	3.406	0.081	-	3.487	1.140	0.636	0.438	1.273	3.487
Contingency	5.979	4.779	-	10.758	-	-	-	10.758	10.758
Finance	19.750	0.468	-	20.218	0.059	5.466	3.760	10.933	20.218
Health and Family	3.402	0.081	-	3.483	-	0.944	0.650	1.889	3.483
Human Resources	5.818	0.138	-	5.956	-	1.615	1.111	3.230	5.956
Intergovernmental Relations	1.455	0.034	-	1.489	-	0.404	0.278	0.808	1.489
Internal Audit	0.442	0.010	-	0.452	-	0.123	0.084	0.245	0.452
Mayor	1.501	0.036	-	1.537	-	0.417	0.287	0.833	1.537
Neighborhood & Community Relations	0.788	0.019	-	0.807	-	0.219	0.150	0.438	0.807
Public Works	42.812	1.013	-	43.825	12.893	8.387	5.770	16.775	43.825
Regulatory Services	38.309	0.907	-	39.216	34.934	1.161	0.799	2.322	39.216
Subtotal for all other departments	152.689	8.106	-	160.795	52.741	26.381	18.149	63.523	160.795
Total General Fund Departments	337.482	12.127	-	349.609	66.676	73.799	50.770	158.364	349.609
Total General Fund	379.033	20.960	-	399.993	66.676	73.799	71.308	188.210	399.993
<u>Other Property Tax-Supported Commitments</u>									
Capital - Permanent Improvement	2.254	0.490	-	2.744	-	-	-	2.744	2.744
Debt Service	18.375	-	-	18.375	-	-	-	18.375	18.375
Subtotal	20.629	0.490	-	21.119	-	-	-	21.119	21.119
Pensions - Direct Levy for MPRA, MFRA and MERF	44.331	(5.244)	-	39.087	-	-	-	39.087	39.087
Total Property Tax Supported Commitments	443.993	16.206	-	460.199	66.676	73.799	71.308	248.416	460.199
Total Pension Costs	2012 Expense 44.331	2013 Expense 43.240	% change -2.5%				2012 Max 232.963 2013 Max 248.416 (Additional cuts needed)/Cushion for adverse circumstances (0.000)		

2014 Property Tax Supported Budgets										
	Prior Year Total Expense	Projected Growth in Spending	Reduction to Growth in Spending	Current Year Total Expense	Direct Revenue (received by the department)	Allocated Revenues for Presentation Purposes <i>These revenues are receipted at the Fund Level, but have been allocated to departments in this table for presentation purposes.</i>			Total Revenues	
						Other General City Revenues	Local Government Aid	Property Tax Revenue		
General Fund										
<u>General Fund Commitments</u>										
Internal Service Funds Financial Plans	17.884	(1.238)	-	16.646	-	-	-	16.646	16.646	
Transfers to BIS for WiFi from Gen Fd Depts	0.491	0.007	-	0.498	-	-	-	0.498	0.498	
Transfer to Pension Management Plan	13.632	-	-	13.632	-	-	7.432	6.200	13.632	
Graffiti Removal	0.050	-	-	0.050	-	-	-	0.050	0.050	
Target Center Financial Plan	0.550	-	-	0.550	-	-	-	0.550	0.550	
Transfers for City Hall rent	0.518	0.021	-	0.539	-	-	-	0.539	0.539	
Payment to County for Library System	4.106	(0.868)	-	3.238	-	-	3.238	-	3.238	
Transfer to Capital Improvement Fund	9.000	-	-	9.000	-	-	9.000	-	9.000	
Pension Debt Service Mgmt Plan	4.153	1.965	-	6.119	-	-	-	6.119	6.119	
Total General Fund Commitments	50.384	(0.113)	-	50.271	-	-	19.670	30.601	50.271	
<u>General Fund Departments</u>										
Police	134.070	4.651	-	138.721	9.971	33.577	23.374	71.799	138.721	
Fire	54.744	1.899	-	56.643	3.964	13.738	9.564	29.377	56.643	
Subtotal for Public Safety	188.814	6.550	-	195.364	13.935	47.315	32.937	101.177	195.364	
311	3.325	0.115	-	3.441	-	0.897	0.625	1.919	3.441	
Assessor	4.234	0.147	-	4.381	0.062	1.126	0.784	2.408	4.381	
Attorney	7.989	0.277	-	8.266	0.025	2.149	1.496	4.596	8.266	
BIS	-	-	-	-	-	-	-	-	-	
City Clerk/Elections/City Council	7.776	0.370	-	8.145	0.049	2.112	1.470	4.515	8.145	
City Coordinator Administration	1.630	0.057	-	1.686	-	0.440	0.306	0.940	1.686	
Civil Rights	2.189	0.076	-	2.264	-	0.591	0.411	1.263	2.264	
Communications	2.426	0.084	-	2.510	3.580	(0.279)	(0.194)	(0.596)	2.510	
Community Planning & Economic Development (CPED)	3.487	0.121	-	3.608	1.140	0.644	0.448	1.376	3.608	
Contingency	10.758	1.003	-	11.761	-	-	-	11.761	11.761	
Finance	20.218	0.701	-	20.919	0.059	5.440	3.787	11.633	20.919	
Health and Family	3.483	0.121	-	3.604	-	0.940	0.654	2.010	3.604	
Human Resources	5.956	0.207	-	6.162	-	1.607	1.119	3.437	6.162	
Intergovernmental Relations	1.489	0.052	-	1.541	-	0.402	0.280	0.859	1.541	
Internal Audit	0.452	0.016	-	0.468	-	0.122	0.085	0.261	0.468	
Mayor	1.537	0.053	-	1.590	-	0.415	0.289	0.887	1.590	
Neighborhood & Community Relations	0.807	0.028	-	0.835	-	0.218	0.152	0.465	0.835	
Public Works	43.825	1.520	-	45.345	12.893	8.463	5.892	18.098	45.345	
Regulatory Services	39.216	1.360	-	40.576	35.982	1.198	0.834	2.562	40.576	
Subtotal for all other departments	160.795	6.308	-	167.103	53.789	26.484	18.436	68.393	167.103	
Total General Fund Departments	349.609	12.858	-	362.466	67.724	73.799	51.373	169.570	362.466	
Total General Fund	399.993	12.744	-	412.738	67.724	73.799	71.043	200.171	412.738	
<u>Other Property Tax-Supported Commitments</u>										
Capital - Permanent Improvement	2.744	0.686	-	3.430	-	-	-	3.430	3.430	
Debt Service	18.375	3.430	-	21.805	-	-	-	21.805	21.805	
Subtotal	21.119	4.116	-	25.235	-	-	-	25.235	25.235	
Pensions - Direct Levy for MPRA, MFRA and MERF	39.087	0.342	-	39.429	-	-	-	39.429	39.429	
Total Property Tax Supported Commitments	460.199	17.202	-	477.402	67.724	73.799	71.043	264.835	477.402	
							2013 Max	248.416		
							2014 Max	264.835		
							(Additional cuts needed)/Cushion for adverse circumstances		(0.000)	
Total Pension Costs		2013 Expense	2014 Expense	% change						
		43.240	45.548	5.3%						

2015 Property Tax Supported Budgets									
	Prior Year Total Expense	Projected Growth in Spending	Reduction to Growth in Spending	Current Year Total Expense	Direct Revenue (received by the department)	Allocated Revenues for Presentation Purposes <i>These revenues are received at the Fund Level, but have been allocated to departments in this table for presentation purposes.</i>			Total Revenues
						Other General City Revenues	Local Government Aid	Property Tax Revenue	
General Fund									
<u>General Fund Commitments</u>									
Internal Service Funds Financial Plans	16.646	(7.895)	-	8.751	-	-	-	8.751	8.751
Transfers to BIS for WiFi from Gen Fd Depts	0.498	0.007	-	0.505	-	-	-	0.505	0.505
Transfer to Pension Management Plan	13.632	-	-	13.632	-	-	7.432	6.200	13.632
Graffiti Removal	0.050	-	-	0.050	-	-	-	0.050	0.050
Target Center Financial Plan	0.550	-	-	0.550	-	-	-	0.550	0.550
Transfers for City Hall rent	0.539	0.022	-	0.560	-	-	-	0.560	0.560
Payment to County for Library System	3.238	(0.875)	-	2.363	-	-	2.363	-	2.363
Transfer to Capital Improvement Fund	9.000	-	-	9.000	-	-	9.000	-	9.000
Pension Debt Service Mgmt Plan	6.119	(0.606)	-	5.512	-	-	-	5.512	5.512
Total General Fund Commitments	50.271	(9.348)	-	40.923	-	-	18.795	22.128	40.923
<u>General Fund Departments</u>									
Police	138.721	5.803	-	144.524	9.971	33.539	23.625	77.390	144.524
Fire	56.643	2.370	-	59.013	3.964	13.721	9.665	31.662	59.013
Subtotal for Public Safety	195.364	8.173	-	203.537	13.935	47.260	33.290	109.052	203.537
311	3.441	0.144	-	3.585	-	0.893	0.629	2.062	3.585
Assessor	4.381	0.183	-	4.564	0.062	1.122	0.790	2.589	4.564
Attorney	8.266	0.346	-	8.612	0.025	2.140	1.508	4.939	8.612
BIS	-	-	-	-	-	-	-	-	-
City Clerk/Elections/City Council	8.145	(0.159)	-	7.986	0.049	1.978	1.394	4.565	7.986
City Coordinator Administration	1.686	0.071	-	1.757	-	0.438	0.308	1.010	1.757
Civil Rights	2.264	0.095	-	2.359	-	0.588	0.414	1.357	2.359
Communications	2.510	0.105	-	2.615	3.580	(0.240)	(0.169)	(0.555)	2.615
Community Planning & Economic Development (CPED)	3.608	0.151	-	3.759	1.140	0.653	0.460	1.506	3.759
Contingency	11.761	1.672	-	13.433	-	-	-	13.433	13.433
Finance	20.919	0.875	-	21.794	0.059	5.418	3.816	12.502	21.794
Health and Family	3.604	0.151	-	3.754	-	0.936	0.659	2.159	3.754
Human Resources	6.162	0.258	-	6.420	-	1.600	1.127	3.693	6.420
Intergovernmental Relations	1.541	0.064	-	1.605	-	0.400	0.282	0.923	1.605
Internal Audit	0.468	0.020	-	0.487	-	0.121	0.086	0.280	0.487
Mayor	1.590	0.067	-	1.656	-	0.413	0.291	0.953	1.656
Neighborhood & Community Relations	0.835	0.035	-	0.870	-	0.217	0.153	0.500	0.870
Public Works	45.345	1.897	-	47.242	12.893	8.562	6.031	19.757	47.242
Regulatory Services	40.576	1.698	-	42.274	37.061	1.299	0.915	2.998	42.274
Subtotal for all other departments	167.103	7.671	-	174.773	54.868	26.539	18.694	74.672	174.773
Total General Fund Departments	362.466	15.844	-	378.310	68.803	73.799	51.984	183.724	378.310
Total General Fund	412.738	6.496	-	419.233	68.803	73.799	70.779	205.852	419.233
<u>Other Property Tax-Supported Commitments</u>									
Capital - Permanent Improvement	3.430	0.490	-	3.920	-	-	-	3.920	3.920
Debt Service	21.805	8.575	-	30.380	-	-	-	30.380	30.380
Subtotal	25.235	9.065	-	34.300	-	-	-	34.300	34.300
Pensions - Direct Levy for MPRA, MFRA and MERF	39.429	0.636	-	40.065	-	-	-	40.065	40.065
Total Property Tax Supported Commitments	477.402	16.197	-	493.598	68.803	73.799	70.779	280.217	493.598
Total Pension Costs	2014 Expense 45.548	2015 Expense 45.577	% change 0.1%				2014 Max 264.835 2015 Max 280.217 (Additional cuts needed)/Cushion for adverse circumstances 0.000		

2016 Property Tax Supported Budgets									
	Prior Year Total Expense	Projected Growth in Spending	Reduction to Growth in Spending	Current Year Total Expense	Direct Revenue (received by the department)	Allocated Revenues for Presentation Purposes <i>These revenues are receipted at the Fund Level, but have been allocated to departments in this table for presentation purposes.</i>			Total Revenues
						Other General City Revenues	Local Government Aid	Property Tax Revenue	
General Fund									
General Fund Commitments									
Internal Service Funds Financial Plans	8.751	(3.024)	-	5.727	-	-	-	5.727	5.727
Transfers to BIS for WIFI from Gen Fd Depts	0.505	(0.022)	-	0.482	-	-	-	0.482	0.482
Transfer to Pension Management Plan	13.632	-	-	13.632	-	-	-	13.632	13.632
Graffiti Removal	0.050	-	-	0.050	-	-	-	0.050	0.050
Target Center Financial Plan	0.550	-	-	0.550	-	-	-	0.550	0.550
Transfers for City Hall rent	0.560	0.022	-	0.582	-	-	-	0.582	0.582
Payment to County for Library System	2.363	(0.803)	-	1.560	-	-	1.560	-	1.560
Transfer to Capital Improvement Fund	9.000	-	-	9.000	-	-	-	9.000	9.000
Pension Debt Service Mgmt Plan	5.512	(0.899)	-	4.613	-	-	-	4.613	4.613
Total General Fund Commitments	40.923	(4.726)	-	36.197	-	-	1.560	34.637	36.197
General Fund Departments									
Police	144.524	6.270	-	150.794	9.971	31.968	29.869	78.986	150.794
Fire	59.013	2.560	-	61.573	3.964	13.078	12.219	32.312	61.573
Subtotal for Public Safety	203.537	8.831	-	212.367	13.935	45.046	42.088	111.299	212.367
311	3.585	0.156	-	3.740	-	0.849	0.793	2.098	3.740
Assessor	4.564	0.198	-	4.762	0.062	1.067	0.997	2.636	4.762
Attorney	8.612	0.374	-	8.986	0.025	2.034	1.901	5.026	8.986
BIS	-	-	-	-	-	-	-	-	-
City Clerk/Elections/City Council	7.986	0.746	-	8.733	0.049	1.971	1.842	4.871	8.733
City Coordinator Administration	1.757	0.076	-	1.833	-	0.416	0.389	1.028	1.833
Civil Rights	2.359	0.102	-	2.462	-	0.559	0.522	1.381	2.462
Communications	2.615	0.113	-	2.729	3.580	(0.193)	(0.181)	(0.477)	2.729
Community Planning & Economic Development (CPED)	3.759	0.163	-	3.922	1.140	0.632	0.590	1.560	3.922
Contingency	13.433	0.471	-	13.904	-	3.156	2.949	7.799	13.904
Finance	21.794	0.946	-	22.740	0.059	5.149	4.811	12.722	22.740
Health and Family	3.754	0.163	-	3.917	-	0.889	0.831	2.197	3.917
Human Resources	6.420	0.279	-	6.699	-	1.521	1.421	3.757	6.699
Intergovernmental Relations	1.605	0.070	-	1.675	-	0.380	0.355	0.939	1.675
Internal Audit	0.487	0.021	-	0.508	-	0.115	0.108	0.285	0.508
Mayor	1.656	0.072	-	1.728	-	0.392	0.367	0.969	1.728
Neighborhood & Community Relations	0.870	0.038	-	0.907	-	0.206	0.192	0.509	0.907
Public Works	47.242	2.050	-	49.292	12.893	8.263	7.720	20.416	49.292
Regulatory Services	42.274	1.834	-	44.108	38.173	1.347	1.259	3.329	44.108
Subtotal for all other departments	174.773	7.871	-	182.644	55.980	28.754	26.866	71.044	182.644
Total General Fund Departments	378.310	16.701	-	395.012	69.915	73.799	68.954	182.343	395.012
Total General Fund	419.233	11.975	-	431.208	69.915	73.799	70.514	216.980	431.208
Other Property Tax-Supported Commitments									
Capital - Permanent Improvement	3.920	0.980	-	4.900	-	-	-	4.900	4.900
Debt Service	30.380	1.470	-	31.850	-	-	-	31.850	31.850
Subtotal	34.300	2.450	-	36.750	-	-	-	36.750	36.750
Pensions - Direct Levy for MPRA, MFRA and MERF	40.065	0.930	-	40.995	-	-	-	40.995	40.995
Total Property Tax Supported Commitments	493.598	15.355	-	508.953	69.915	73.799	70.514	294.725	508.953
Total Pension Costs	2015 Expense 45.577	2016 Expense 45.608	% change 0.1%				2015 Max 280.217 2016 Max 294.725	(Additional cuts needed)/Cushion for adverse circumstances 0.000	

City of Minneapolis 2011 Budget

Ten-Year Projection of Demands on the Property Tax

Background

The ten-year projection was first produced in the spring of 2002 to surface all the demands on the property tax to which the City had committed. This projection led to adoption of the 8% maximum property tax policy in the summer of 2002. The maximum property tax revenue 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 resource parameters for department business plans. This policy was amended in 2010 to fund shared costs and provide consistent current service level adjustments for the City and independent boards.

Assumptions in the Ten-Year Projection

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

General Fund Operations Assumptions

- A 0% wage increase for unsettled contracts in 2011-2012 and a 0% wage increase in 2012-2013 for settled contracts. The salary assumption is 2% in 2013 for unsettled contracts and 2% for settled contracts in 2014 and a 2.5% wage increase thereafter.
- Annual increases in health insurance premiums of 10% in 2012, 12% in 2013 and 16% thereafter.
- Non-personnel increases are assumed to be 3.5% each year.
- No increase in departmental and citywide revenue (except for regulatory services revenues which are expected to increase by 3%). Please see the discussion in the 2012-2016 five-year financial direction, earlier under this same tab, for more information by department. Internal Service Funds financial plans are phased out according to the schedule adopted in March 2008.
- Reductions to general fund operations are needed in 2011.
- Commitments for the library are included in the general fund. In 2010 and beyond, the property tax levy for operations are levied by the County.

Capital and Debt Assumptions

- The bond redemption levy supports the net debt bond capital program. The level shown in the out years reflect the capacity provided in the 2011-2015 capital budget.

Independent Boards and Special Levies Assumptions

- Park Board, Municipal Building Commission, Public Housing Authority and the Board of Estimate and Taxation all receive the same percentage increase to operating levies as the City (please see the financial overview and financial policies for more information. The Boards are no longer held harmless from the effects of levy limits).
- Includes no Public Housing Authority levy for 2011 and 2012.
- Pension obligations are funded in each year of the projection. Projections include an increase to fund the City's share of obligations related to the merger of MERF into PERA, beginning in 2012.

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund Less Pensions Mgmt Plan	\$ 9.9	\$ 6.2	\$ (4.7)	\$ 18.8	\$ 11.8	\$ 5.5	\$ 10.9	\$ 10.2	\$ 15.7	\$ 20.2	\$ 21.1
Subtotal	\$ 9.9	\$ 6.2	\$ (4.7)	\$ 18.8	\$ 11.8	\$ 5.5	\$ 10.9	\$ 10.2	\$ 15.7	\$ 20.2	\$ 21.1
City Capital/Debt											
Permanent Imp Fund	\$ 0.1	\$ 0.2	\$ 0.4	\$ 0.5	\$ 0.7	\$ 0.5	\$ 1.0	\$ 1.0	\$ 0.5	\$ 0.5	\$ -
Bond Redemption Fund	\$ (6.0)	\$ 2.3	\$ 0.2	\$ -	\$ 3.4	\$ 8.6	\$ 1.5	\$ 2.5	\$ (2.0)	\$ (5.4)	\$ (2.5)
Subtotal	\$ (5.9)	\$ 2.5	\$ 0.6	\$ 0.5	\$ 4.1	\$ 9.1	\$ 2.5	\$ 3.4	\$ (1.5)	\$ (4.9)	\$ (2.5)
City Totals Less Trf to Pension Mgmt Plan	\$ 4.0	\$ 8.7	\$ (4.0)	\$ 19.3	\$ 15.9	\$ 14.5	\$ 13.4	\$ 13.6	\$ 14.2	\$ 15.3	\$ 18.6
Independent Boards											
Board of Estimate & Taxation	\$ 0.0	\$ (0.1)	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Library Referendum Levy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Park & Recreation Board	\$ 0.9	\$ 2.6	\$ 0.4	\$ 1.8	\$ 2.1	\$ 2.6	\$ 2.8	\$ 3.1	\$ 3.4	\$ 3.5	\$ 3.6
Municipal Bldg Commission	\$ (0.0)	\$ (0.0)	\$ 0.1	\$ 0.1	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3
Mpls Public Housing Authority	\$ (1.3)	\$ -	\$ -	\$ 1.5	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
Teachers Retirement Assoc	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ (0.3)	\$ 2.4	\$ 0.6	\$ 3.5	\$ 2.3	\$ 2.9	\$ 3.0	\$ 3.5	\$ 3.8	\$ 3.9	\$ 4.0
Pension Management Plan	\$ 8.2	\$ 7.3	\$ 21.8	\$ (5.2)	\$ 0.3	\$ 0.6	\$ 0.9	\$ 1.1	\$ 1.2	\$ 0.9	\$ (1.6)
Subtotal	\$ 8.2	\$ 7.3	\$ 21.8	\$ (5.2)	\$ 0.3	\$ 0.6	\$ 0.9	\$ 1.1	\$ 1.2	\$ 0.9	\$ (1.6)
Incremental Tax Revenue	\$ 11.9	\$ 18.5	\$ 18.4	\$ 17.5	\$ 18.6	\$ 18.1	\$ 17.3	\$ 18.2	\$ 19.1	\$ 20.1	\$ 21.1
Total Property Tax Revenue	\$ 255.5	\$ 274.0	\$ 292.4	\$ 309.9	\$ 328.5	\$ 346.6	\$ 363.9	\$ 382.1	\$ 401.2	\$ 421.3	\$ 442.3
% Change	4.9%	7.2%	6.7%	6.0%	6.0%	5.5%	5.0%	5.0%	5.0%	5.0%	5.0%

**City of Minneapolis
2011 Budget
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 Convention Center was created 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 the City, the metropolitan region, and the State of Minnesota. The fund also supports an operating transfer to Meet Minneapolis, an independent, non-profit organization contracted by the City of Minneapolis to market Minneapolis and the Twin Cities as a convention and tourist destination.

Historical Financial Performance

The fiscal year-end 2009 fund balance for the Convention Center Special Revenue Fund was \$48.6 million, an increase of \$318,000 from 2008. Local sales taxes (outlined in the table below) support the Convention Center with approximately \$55 million collected in 2009. Due to economic conditions and consumer spending habits, the 2009 local tax revenue was \$5 million less than 2008 which was \$4.4 million under budget. Approximately \$10 million was transferred to the parking fund to cover costs for Convention Center related parking ramps, an increase of \$100,000 over the 2008 transfer.

Comparative amounts collected:

<u>Local Sales Taxes (in millions)</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
0.5% Citywide Sales tax	\$29.5	\$29.5	\$26.5
3.0% Entertainment Tax	\$9.9	\$9.6	\$9.1
3.0% Downtown Restaurant Tax	\$10.3	\$10.8	\$9.9
3.0% Downtown Liquor Tax	\$3.8	\$3.9	\$3.8
<u>3.0% Lodging Tax *</u>	<u>\$6.6</u>	<u>\$6.6</u>	<u>\$5.7</u>
Total Tax Collection	\$60.1	\$60.4	\$55.0

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

The City deposits all of its local tax proceeds (*i.e.*, sales tax, entertainment tax, food tax, liquor tax, and lodging tax) in the Convention Center Special Revenue Fund. All the tax proceeds, with the exception of the entertainment tax, are Convention Center related and are used primarily to fund the debt related to the construction of the Convention Center and related facilities, as well as to fund the operating deficit.

The entertainment tax, established in 1969, is a revenue source for the general fund to offset additional costs associated with City-wide entertainment activities. A portion of the tax (\$1.5 million in 2010) 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 reconciled at the end of the year to the actual entertainment tax the Target Center received. The entertainment tax is deposited into the Convention Center Special Revenue Fund because it is pledged to debt service on outstanding Convention Center bonds in the event other pledged revenue sources are insufficient.

With the new state sales tax increase of 0.375% effective July 1, 2009 the lodging tax was reduced from 3% to 2.625%. The law provides that when the general sales tax rate is combined with any other taxes on lodging within the City of Minneapolis, the total tax amount may not exceed 13%.

Funds are transferred annually to the Convention Center reserve fund for major repair or significant improvements to 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 2009, nearly \$1.2 million was transferred to the reserve fund bringing the balance to \$5.9 million.

Operating revenues are generated directly from the Convention Center operating activities. Exhibit space rental is the largest source of revenue for the Convention Center. Also included in operating revenues are equipment, 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 from food and beverage account for most of the other miscellaneous operating revenue.

In 2009, total operating revenue was \$13.4 million, which was \$2.2 million lower than 2008 and \$1.6 million lower than the 2009 budget.

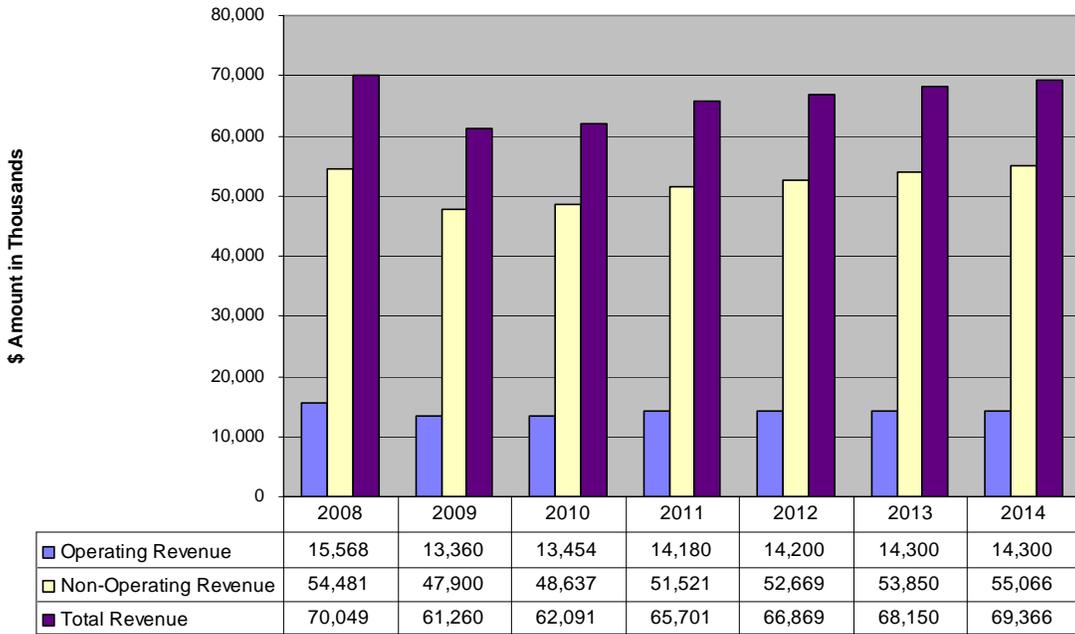
2011 Budget

Revenues

The 2011 revenues for the Convention Center have been adjusted to reflect the actual historical receipts. Total operating revenue in 2011 is expected to increase approximately \$700,000 from \$13.5 million projected in 2010 to nearly \$14.2 million. The Convention Center anticipates a modest increase in 2011 operating revenues as the economy slowly recovers. Meet Minneapolis sales and marketing initiatives include a focus on the auditorium and continued efforts of bringing local business into the Convention Center via the "Meet in Minneapolis" campaign. The convention and meeting industry continues to face significant challenges in controlling costs as centers discount heavily to remain competitive.

Meet Minneapolis is locking in 2010 sales contracts earlier than in previous years, but there is concern about the amount of tentative space the Convention Center is holding for public shows and large national conventions. In addition, there has been a noticeable decline in the use of some exclusive services, which has forced the Convention Center to reevaluate its service offerings for relevancy and value. Moving forward, it is critical to identify clients who use a full range of ancillary services, including food and beverage. Through efforts to promote the Convention Center's ancillary services via Meet Minneapolis initiatives (like promotional sales calls to current clients to promote the Convention Center's services and targeting local food and beverage events), the Convention Center is hopeful that strategic marketing combined with a stronger economy will generate increased revenues.

Convention Center Fund - Revenue

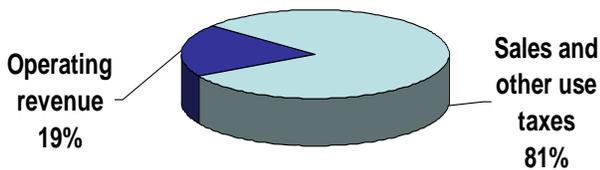


Years (2008-2014)

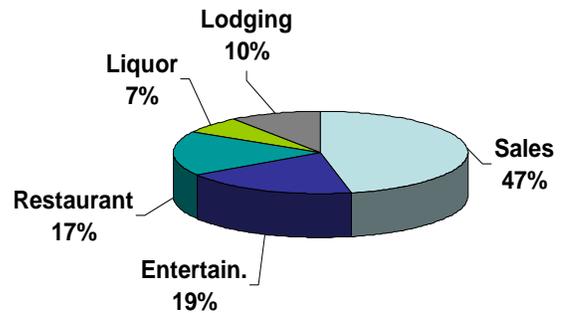
Convention Center Special Revenue Fund Predicted Revenue Growth

Tax Type	Current Growth Assumption 2011-2014
0.5% Sales	-8.7% 2011, 2.5% 2012-2014
3.0% Entertainment Tax	-3.9% 2011, 3.0% 2012-2014
2.625% Lodging Tax	-4.3% 2011, 3.0% 2012-2014
3.0% Other Tax	-0.2% 2011, 3.0% 2012-2014

Convention Center Revenues



Sales and Other Taxes



Tax revenue is expected to decrease 5.4% in 2011 from the 2010 budgeted revenue and increase 3% annually from 2012-2014. A \$1.5 million entertainment tax increase (offset by a corresponding increase to the General Fund) was factored into the budget beginning in 2010 with the opening of the new Target Field to fund public safety services.

Projected operating revenue changes over each prior year:

2011: -\$587,000

2012: +\$20,000

2013: +\$100,000

2014: Flat revenue projection

Expenditures

In 2011, the Convention Center operating expenditure budget including Ongoing Equipment/Improvement is anticipated to decrease by \$4.2 million from the 2010 budget. The Convention Center was able to capture expense savings in 2009 and 2010 through a number of cost containment measures.

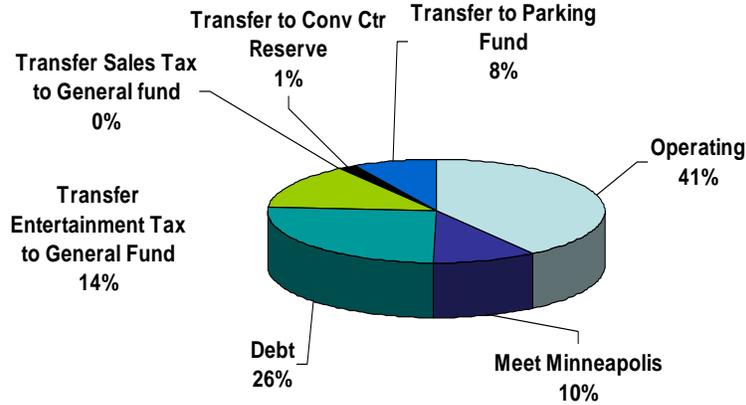
- Reduction of energy consumption
- Reprioritizing capital expenditures
- Identifying and implementing more efficient operations
- Realignment of the Convention Center workforce
- Managing overtime

The 2011 operating expenses, including Ongoing Equipment/Improvement and projected revenue are \$32.2 million and \$14.2 million respectively, resulting in an \$18 million operating subsidy.

In 2004, Meet Minneapolis, the primary sales and booking agent of the Convention Center, entered into a \$2.5 million loan agreement with the City for its joint venture Internet Destination Sales System (iDSS). In 2005, Meet Minneapolis requested that the Council advance an additional \$2.5 million for the project. In August 2005, the loans were rolled together and a promissory note was issued for \$5 million. In April of 2006, the City entered into a 3rd loan agreement of \$5 million for additional iDSS start-up capital. The three loans were consolidated for a total of \$10 million.

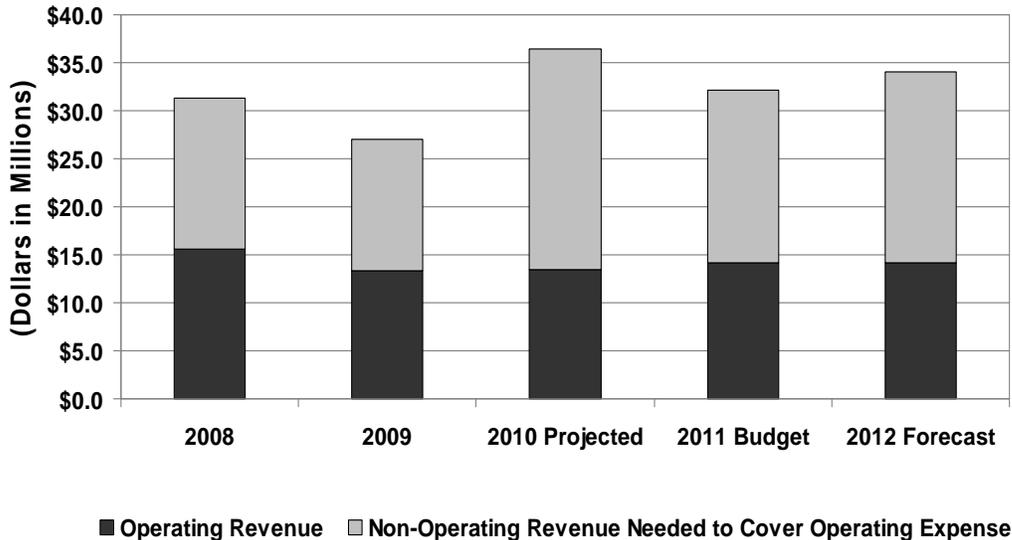
The \$10 million consolidated loan has a 10-year amortization of principal (2008-2017) to be repaid in full in 2017 at a 5% interest rate. The note repayment for the loan is pledged against assets, future appropriation from City funding, and profits from the iDSS. The City began collecting loan interest each quarter in 2008, in addition to a \$500,000 payment of loan principal. The principal payments increased to \$704,011 in 2009 and \$908,022 in 2010 and 2011 before capping at \$1,010,028 in 2012 and beyond. Loan interest and principal payment coincide with Meet Minneapolis's Sales and Marketing payments from the City. In 2011, \$8 million is budgeted for City support of Meet Minneapolis.

Use of Funds (\$80 million)

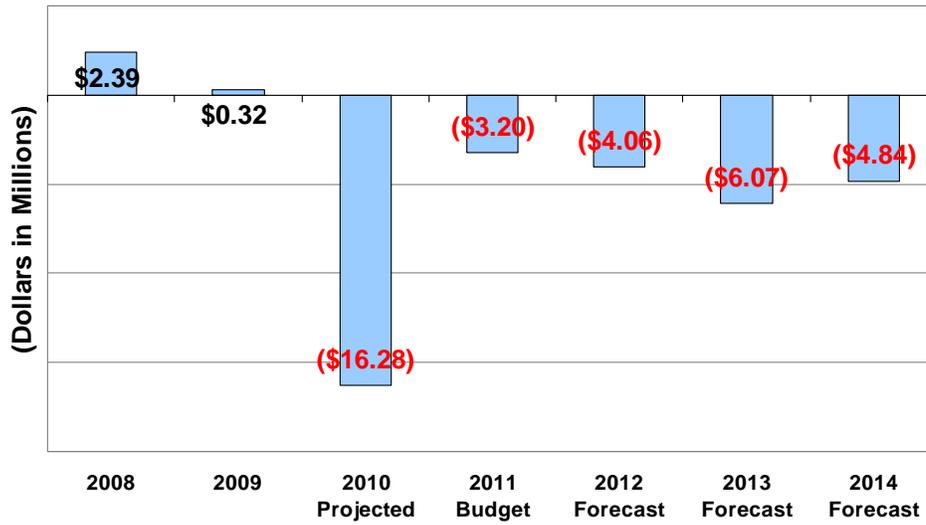


The projected reduction in the ending fund balance from 2010 to 2011 is due primarily to the overall softening of operating and tax revenue coupled with relatively flat expenses, including transfers which results in negative net income. While 2011 – 2014 projected expenses remain relatively flat, revenues are not projected to increase sufficiently enough to produce net income.

Operating Revenue and Expense



Net Income (Loss)
(in millions)



Cash Position Changes

The Convention Center Special Revenue Fund’s 2010 projected cash balance, exclusive of loans to other funds, is expected to fluctuate relative to fund equity. Most operating revenues and expense transactions are cash transactions. The Convention Center has a policy of requiring exhibitors to pay in advance for space rent and services, which has historically contributed to a healthy cash position. The 2009 year-end client advances, sometimes received over two years in advance of the event, were \$1.1 million; outstanding client receivables were \$535,000.

Transfers

Total transfers to other funds in 2011 are budgeted at \$40 million, including a transfer to the Parking Fund. The transfer to the Parking Fund totals \$6.4 million which supports operating expenses and current year debt service obligations for Convention Center related parking ramps. Other transfers include \$11.2 million entertainment tax transfer to the General Fund, \$250,000 to the General Fund to fund Mounted Patrol Officers, \$1.2 million to the Convention Center reserve, \$20.7 million to debt service, \$80,000 to the Target Center, and \$153,000 to fund MERF.

Debt Service

The 2011 budget includes full funding to meet the annual debt service payments. Outstanding debt for the Convention Center was approximately \$204 million in total at the 2009 year-end. Debt service for the Convention Center is projected to be \$21.8 million in 2010 and decreases to \$20.7 million in 2011. Part of the debt is in variable rate mode, and it is likely that total debt service payments will be less than budgeted due to the difference between interest on variable rate and the budget assumption of 5%.

Mayor’s Recommended Budget

The Mayor included a wireless commitment charge of \$69,062 which is offset by healthcare savings.

Council Adopted Budget

The Council adopted the Mayor’s recommendations.

City of Minneapolis
2011 Budget
Financial Plan (in thousands of dollars)

Convention Center Special Revenue Fund

	2008 Actual	2009 Actual	2010 Budget	2010 Projected	2011 Budget	% Chg From 2010 Budget	2012 Forecast	2013 Forecast	2014 Forecast
Source of Funds:									
<i>Operating Revenues:</i>									
Charges For Services	6,062	4,583	5,585	4,990	5,280	-5.5%	5,200	5,200	5,200
Rents	6,705	6,410	6,432	6,214	6,400	-0.5%	6,500	6,600	6,600
Other Miscellaneous Operating	2,801	2,367	2,750	2,250	2,500	-9.1%	2,500	2,500	2,500
Sub-Total	15,568	13,360	14,767	13,454	14,180	-4.0%	14,200	14,300	14,300
<i>Non-Operating Revenues:</i>									
Sales Tax	29,502	26,470	30,238	27,026	27,593	-8.7%	28,283	28,990	29,715
Restaurant Tax	10,789	9,887	10,300	10,095	10,307	0.1%	10,616	10,934	11,262
Liquor Tax	3,939	3,769	3,966	3,848	3,929	-0.9%	4,047	4,168	4,293
Lodging Tax	6,619	5,671	6,180	5,790	5,912	-4.3%	6,089	6,272	6,460
Meet Mpls Donations	510	75	-	-	-	0.0%	-	-	-
Meet Minneapolis(iDSS) Loan Interest	1,278	435	403	403	360	-10.7%	314	265	215
Interest	836	401	750	445	400	-46.7%	300	200	100
Revenue from Trusts	-	160	-	-	-	0.0%	-	-	-
Other Misc Non Operating	8	32	20	30	20	0.0%	20	20	20
Transfer From BIS - BIS Loan	-	-	-	-	1,500	0.0%	1,500	1,500	1,500
Transfer From Facility Reserve	1,000	1,000	1,000	1,000	1,500	50.0%	1,500	1,500	1,500
Sub-Total	54,481	47,900	52,857	48,637	51,521	-2.5%	52,669	53,850	55,066
Total	70,049	61,260	67,624	62,091	65,701	-2.8%	66,869	68,150	69,366
Entertainment Tax	9,631	9,072	11,753	11,066	11,299	-3.9%	11,638	11,988	12,347
Use of Funds:									
Convention Center Operations	25,938	24,617	29,130	27,388	26,803	-8.0%	27,000	26,000	25,000
Ongoing Equipment/Improvement	5,316	2,450	7,292	9,034	5,376	-26.3%	7,076	8,765	9,115
Meet Minneapolis	8,046	7,507	7,300	7,300	8,005	9.7%	8,230	8,462	8,701
Transfer To Gen Fund - Sales Tax	-	-	250	250	250	0.0%	250	250	250
Transfer To Conv Ctr Reserve	1,150	1,150	1,150	1,150	1,150	0.0%	1,150	1,150	1,150
Transfer To Debt Service	16,560	15,174	20,151	21,834	20,744	2.9%	20,571	24,897	24,772
Transfer to Other Debt Serv Fund	68	75	73	73	153	109.6%	80	80	69
Transfer To Parking Fund	9,832	9,969	8,886	11,342	6,420	-27.8%	6,574	4,617	5,151
Transfer To City Capital	750	-	-	-	-	0.0%	-	-	-
Total	67,660	60,942	74,232	78,371	68,901	-7.2%	70,931	74,221	74,208
Transfer to the Gen Fund - Ent. Tax	8,366	8,034	10,253	9,966	11,219	9.4%	10,520	10,870	11,229
Transfer to the Target Center - Ent. Tax	1,265	1,038	1,500	1,100	80	-94.7%	1,118	1,118	1,118
Net Income	2,389	318	(6,608)	(16,280)	(3,200)	-51.6%	(4,062)	(6,071)	(4,842)
Fund Balance/Retained Earnings:									
Beginning Balance	45,918	48,307	48,625	48,625	32,345	-33.5%	29,144	25,082	19,011
Ending Balance	48,307	48,625	42,017	32,345	29,144	-30.6%	25,082	19,011	14,168
Ending Cash Balance	27,418	27,777	21,169	11,497	8,296	-60.8%	4,234	(1,837)	(6,680)

Notes:

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

Beginning in 2011, BIS will be transferring \$1.5 million annually to the MCC with a final payment of \$1.75 million in 2016 to repay their loan from the MCC.

**City of Minneapolis
2011 Budget
Financial Plan**

Arena Reserve Special Revenue Fund

Background

The Arena Reserve Special Revenue Fund accounts for the maintenance and operation of the City-funded portion of the Target Center and related taxable activities. The fund was previously used primarily for transfers and was managed under a custodial agreement with Wells Fargo. Management was transferred to the City in 2010.

Historical Financial Performance

Because the City's management of the fund is new, there is no historical performance to document. This financial plan documents City resources only.

A portion of the entertainment tax (\$1.5 million in 2010) is redirected to the Arena Reserve Fund from the Convention Center Special Revenue 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 reconciled to the actual entertainment tax the Target Center received. The entertainment tax is deposited into the Convention Center Special Revenue Fund because it is pledged to debt service on outstanding Convention Center bonds in the event other revenue sources pledged to meet Convention Center debt service are insufficient.

2011 Budget

Revenues

Revenues for the Arena Reserve Fund come from the Event Parking Transfer, the Entertainment Tax Transfer, and a Property Tax Transfer from the General Fund. When these revenues do not completely offset expenses for Target Center Capital, Professional Services, and the Operator Reimbursement charge that pays for contracted services promoting the Target Center, tax increment revenue is transferred into the fund to cover the balance. Tax increment revenues from several districts flow into the NBA Arena Fund residing in the Community Planning and Economic Development Department and can only be used for administrative, capital and debt service costs. The net amount needed to cover the balance of expenditures remaining in the Arena Reserve Fund after the direct transfers is transferred from the NBA Arena Fund to the Arena Reserve Fund to balance the fund.

Most of the fund's budgeted 2011 revenues are from tax increment revenue generated by the consolidated tax increment district. In 2011, projected revenue from the district amounts to \$5.3 million. Total budgeted revenues in 2011 total \$11.2 million.

Expenditures

In 2011, the fund's projected expenditures will be used for modernization of the arena in the Target Center and base-level systems and structural improvements. Total use of funds in 2011 is budgeted at \$12.0 million.

Council Adopted Budget

Increase the appropriation for the Target Center's operating capital (Fund 01260) by \$1.25 million to be funded through unspent balances from the 2010 budget. Of this amount, \$775,000 will be used to update concessions; \$100,000 for code compliance issues; \$275,000 for additional seating options and off-street storage; and \$100,000 for closed circuit cameras.

Reduce the capital in the Target Center by \$1.1 million on a one-time basis and transfer the corresponding entertainment tax resources into the General Fund on a one-time basis.

**City of Minneapolis
2011 Budget
Financial Plan (in thousands of dollars)**

Target Center Special Revenue Fund

	2010 Budget	2010 Projected	2011 Budget	% Chg From 2010 Projected	2012 Forecast	2013 Forecast	2014 Forecast
Source of Funds:							
<i>Tax Revenues:</i>							
Common Project Tax Increment	1,909	1,909	1,989	4.2%	2,072	1,438	1,474
Arena Tax Increment	979	979	1,038	6.0%	1,059	-	-
Consolidated Tax Increment	-	-	5,309		5,131	5,073	5,172
Sub-Total	2,888	2,888	8,336	188.6%	8,262	6,511	6,646
<i>Non-Operating Revenues:</i>							
Event Parking Transfer	2,241	2,241	2,758	23.1%	2,941	3,129	3,323
Entertainment Tax Transfer	1,500	1,100	80	-92.7%	1,118	1,118	1,118
Property Tax Transfer from the GF	92	92	92	0.0%	92	550	550
Centralized Leases Actions Transfer from the GF	10	10	-	-100.0%	-	-	-
Sub-Total	3,843	3,443	2,930	-14.9%	4,151	4,797	4,991
Total	6,731	6,331	11,266	77.9%	12,413	11,308	11,637
Use of Funds:							
Target Center Capital	1,500	250	6,403	2461.2%	5,617	5,031	5,234
Professional Services & Miscellaneous	310	310	321	3.5%	332	343	355
Operator Reimbursement	1,625	1,625	1,563	-3.8%	1,500	1,470	1,441
Transfer to Debt Service	1,572	1,572	3,686	134.5%	4,956	5,272	4,250
Encumbrance plus Green Roof Change Order	343	305	-	-100.0%	-	-	-
Total	5,350	4,062	11,973	194.8%	12,405	12,116	11,280
Net Income	1,381	2,269	(707)	-131.2%	8	(808)	357
Fund Balance/Retained Earnings:							
Beginning Balance	7,325	7,325	9,594	31.0%	8,887	8,895	8,087
Ending Balance	8,706	9,594	8,887	-7.4%	8,895	8,087	8,444

Notes:

Common Project Tax Increment	May only be used for debt service, certain administrative costs, and capital costs
Arena Tax Increment	May only be used for debt service, certain administrative costs, and capital costs
Consolidated Tax Increment	May only be used for debt service

**City of Minneapolis
2011 Budget
Financial Plan**

Community and Economic Development Funds

Background

Community and Economic Development Funds support the City's development efforts and are primarily managed by the Community Planning and Economic Development (CPED) department with the assistance of the Development Finance Division of the Finance Department. These resources have faced several challenges in past years, including lower than expected Common Project tax increment and non-tax increment revenues, reductions in federal grant allocations, and limited flexible resources.

The reduction in Common Project revenues previously led the City Council to adopt a policy in August 2003 regarding how these funds were to be prioritized between City-wide discretionary development and the Neighborhood Revitalization Program (NRP.) This policy was in place only through 2009, the final year of the City's statutory obligation to provide funding for the NRP. The year 2010 was the first year to reflect the full reduction in tax increment revenues resulting from the decertification of the City's pre-1979 tax increment districts and the first year in which CPED no longer had authority to borrow from the City's Legacy Fund, which is represented in the financial projections. (Please see the *Financial Policies* section of the budget book for the policy detail.)

Background

During the 2008 Legislative Session, the Minnesota Legislature authorized the City to establish a non-contiguous redevelopment tax increment financing (TIF) district which would be comprised of properties that were located in specific TIF districts, commonly known as "pre-1979" TIF districts, which terminated in 2009. The earliest year the tax increment revenue could be realized from the new district allowed under the special legislation was 2011. Without further action by the City, the value within those pre-1979 TIF would initially go back into the general tax base in 2010 and thereafter remain, increasing the overall size of the tax base, effectively resulting in property tax relief for many property owners.

Under the special legislation, tax increment from the new district could only be used to pay principal and interest on Target Center bonds or for "neighborhood revitalization purposes." The legislation does not specify or require any particular allocation of revenues between these purposes. The Finance Department transmitted and delivered a proposed plan to the Council known as the Consolidated Tax Increment Financing Plan (the "Plan") for its consideration on July 31, 2009.

Council Adopted Plan

On December 4, 2009 the City Council directed the Finance Staff to amend the Plan for the Consolidated TIF District to: (1) reduce the size of the proposed Consolidated TIF District by approximately 50%, (2) adjust the tax increment budget contained in the plan accordingly, (3) change the tax increment allocation methodology or funding distribution, (4) reduce the maximum amount of bonds to be issued shown in the plan and (5) and return to the Committee of Whole on December 17, 2009 with the amended Plan and related documents for its consideration. The City Council approved the Plan, as amended, on December 18, 2009.

The Consolidated TIF District, as adopted, containing 50.8% of the total net tax capacity of all of the former pre-1979 TIF districts and 51 percent of the parcels, represents the most diverse and stable subset of pre-1979 TIF districts that achieve the 50% target.

The tax increment that will be received from the Consolidated TIF District in 2011 will first be used to 1) make the necessary reimbursement payments to Hennepin County required under the Special Legislation, and 2) pay for the City and County costs of administering the Consolidated TIF District. The remaining "Net Tax Increment" will be allocated 50% for Target Center debt service and 50% for neighborhood revitalization purposes.

An amendment to the Mayor's recommended budget adopted by the City Council on December 13, 2010, directs the Finance Department to report to the Ways & Means/Budget Committee no later than February 1, 2011, with a plan to provide property tax relief in 2012 and 2013 by capturing only 50% of the value of the properties in the Consolidated TIF District in those two years.

An additional amendment to the Mayor's recommended budget directs CPED, with the assistance of the Finance Department, to develop a plan to fund ongoing development activities, including prioritizing the services CPED provides. CPED is to report back to the Community Development and Ways & Means/Budget Committees no later than March 1, 2011.

2011 Budget

Revenues

These revenue projections are based on assumptions that need to be validated annually:

- Revenues from federal grant programs will remain constant.
- Revenues from state and local grants vary in relation to project need and availability but are also expected to remain somewhat constant, reflecting CPED's success with grant seeking.
- There will be continuing modest increases in bond-related fee income from housing and economic development activities, but actual revenues need to be closely monitored for the impacts from changes in the lending and housing markets.
- There will be annual variations in project income. These are shown as declining at a 5 percent rate from 2009.
- The 2011-2015 projections do not include the use of any revenues from the Legacy Fund. With the sunset of funding to the NRP, one-time Common Project revenues resulting from certain interest earnings, leases and land sale proceeds are now available to CPED and are allocated as one-time revenues in 2011 in the Development Account. Additionally, certain land sale proceeds and parking revenues generated from outside the Common Project are being allocated as one-time revenues in 2011 in the Local Contribution Fund. Actual revenues in these two funds must also be closely monitored to track development revenues that may be available in future year.
- Revenue from the Consolidated TIF District will be used to pay existing Target Center debt and neighborhood revitalization activities. Table 1 does not include any assumptions regarding this district, since currently none of the revenues will be directly available for CPED activities.
- There will be no further legislative actions or valuation events that have a significant negative impact on tax increment or General Fund collections.
- There is only inflationary growth in Planning's fee revenue.

- As of 2009, CPED has repaid all draws from the Legacy Fund. The only projected revenue available to CPED from the Legacy Fund in 2011 and beyond is Program Income generated from CPED activities previously funded from the Legacy Fund draws.

Expenditures

The expenditure projections contain assumptions that also need to be revisited annually in the context of revised revenues and department performance measures:

- CPED staff levels remain constant or reduced slightly with personnel costs increasing 2 percent per annum while non-personnel expenditures increase approximately 1 percent per annum.
- The tax increment revenues of the Common Project will continue to be restricted to existing debt and contractual obligations while such obligations exist.

Debt Service

Debt service on the post-1979 Common Project tax increment districts continues past 2012 and is projected to be serviced by the tax increment revenue from those districts.

General Fund Resources

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

Finance Plan - Table 1

Projected CPED Revenues & Expenditures 2011 - 2015

	2010 Revised Budget	2011 Budget	2012 Forecast	2013 Forecast	2014 Forecast	2015 Forecast
1 Local Funds						
2 General Fund Total	3,407,000	3,320,000	3,406,000	3,487,000	3,608,000	3,759,000
3 GF Property Tax & Non-Direct Revenue	1,864,000	1,702,000	1,852,000	1,909,000	2,020,000	2,159,000
4 General Fund LGA	442,000	478,000	414,000	438,000	448,000	460,000
5 General Fund Direct Revenues	1,101,000	1,140,000	1,140,000	1,140,000	1,140,000	1,140,000
6 Tax Increment	47,996,939	61,329,001	62,255,829	48,975,962	46,512,096	43,179,104
7 Capital Bonding (CIP) (Public Arts Proj)	203,000	347,000	366,000	366,000	366,000	366,000
Dev Acct (Non-TI)	1,600,000	4,830,000	2,085,000	2,035,000	1,785,000	1,785,000
Local Contribution Fund		2,385,000	330,000	100,000	-	-
Legacy Fund (program income)	-	500,000	100,000	100,000	100,000	100,000
8 Total Discretionary Development Revenue	1,600,000	7,715,000	2,515,000	2,235,000	1,885,000	1,885,000
9 Interest Earnings all Funds	4,610,107	2,189,801	2,080,310	1,248,186	1,248,186	1,185,777
10 Housing Program Fees & Revenues	1,396,009	1,339,000	1,365,780	1,393,096	1,420,958	1,449,377
11 Economic Dev Program Fees & Revenues	4,814,250	4,332,825	4,549,466	4,776,940	5,015,787	5,266,576
12 Other Project & Program Income	9,947,174	9,449,815	8,977,324	8,528,458	8,102,035	7,696,933
13 Transfers (Debt Services)	6,000,000	6,000,000	4,000,000	4,000,000	4,000,000	4,000,000
14 Federal Funds						
15 CDBG	10,383,000	10,316,189	10,316,189	10,316,189	10,316,189	10,176,189
16 ESG	577,000	572,765	572,765	572,765	572,765	573,765
17 HOME	3,787,000	3,765,884	3,765,884	3,765,884	3,765,884	3,765,884
18 Other State/Local Grants	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
19 Total Projected Revenues	99,221,479	115,177,280	108,670,548	94,165,479	91,312,899	87,803,605
20 Appropriated						
21 <u>Business Lines:</u>						
22 Economic Policy & Development	15,225,648	15,351,895	15,582,173	15,815,906	16,053,144	16,293,941
23 Workforce Development	10,992,309	11,029,021	11,194,456	11,362,373	11,532,809	11,705,801
24 Housing & Policy Development	20,648,634	16,020,521	16,260,828	16,504,741	16,752,312	17,003,597
25 Community Planning	1,715,702	1,775,617	1,802,251	1,829,285	1,856,724	1,884,575
26 Development Services	2,310,025	2,374,999	2,410,624	2,446,783	2,483,485	2,520,737
27 <u>CPED Support:</u>						
28 Executive & Support Services	5,715,473	4,760,511	4,831,919	4,904,397	4,977,963	5,052,633
29 Transfer & Debt Service	41,673,236	52,908,732	52,481,983	49,566,169	39,891,519	40,157,263
30 Total Appropriated	98,281,027	104,221,295	104,564,235	102,429,654	93,547,957	94,618,547
31 Total Projected Uses	98,281,027	104,221,295	104,564,235	102,429,654	93,547,957	94,618,547
32 Difference	940,452	10,955,984 *	4,106,313	(8,264,175)	(2,235,057)	(6,814,942)

* The projected revenue balance in budget year 2011, generally, represents 2011 tax increment collections that are pledged to the payment of debt service in future years.

**City of Minneapolis
2011 Budget
Financial Plan**

Municipal Parking Fund

Background

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

Historical Financial Performance

The financial condition of the Parking Fund has historically been stable, but continues to present a future financial challenge to the City due to cash flows. While the fund continues to generate positive retained earnings, it is insufficient to pay debt service, make general fund transfers, and restore its productive assets (ramps).

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

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

The fund receives transfers (\$8.9 million in year 2010) from the Minneapolis Convention Center to pay its share of debt service on the Convention Center-related parking facilities. The fund also receives transfers (\$7.4 million in 2010) from tax increment and abatement revenue to pay part of major development projects in downtown area.

The Parking Fund and its operations reflect a long-term financial plan that was adopted by the council in 2004. The plan addresses strategies for managing and responding to growing financial concerns regarding the municipal parking system, with annual updates on the performance of the plan. The budget takes into consideration many of the initiatives from the workout plan to improve the fund's cash position. One initiative in the workout plan was to explore the possibility of selling parking ramps. In July 2007 the City Council approved the sale of eight of them, six were sold in 2007, one in 2008 with additional sales possible in the future.

Operating revenue for 2009 was \$52.2 million compared to \$53.3 million in 2008. The workout plan does indicate increases in revenues can be attributed to initiatives such as automation and centralization of parking ramp fee collections, enhanced parking ramp marketing, updated parking meter technology, and the sale of unclaimed property left in abandoned vehicles. With the current economic conditions the indicated increases in the workout plan did not materialize.

In 2009, operating expenses (without debt service, transfers or capital) increased by \$2.2 million, or 6.2%, to \$37.6 million from \$35.4 million in 2008. The Parking Fund cash balance for year 2009 was \$13.2 million. The parking system created a positive cash flow from the sale of seven ramps, but with transfers, interest payments on debt service and debt service payments, City-owned facilities may have a negative cash position in future years. Based on current and proposed budgets, operating cash balances are going to continue to decrease, especially cash related to the City system.

2011 Budget

Revenues

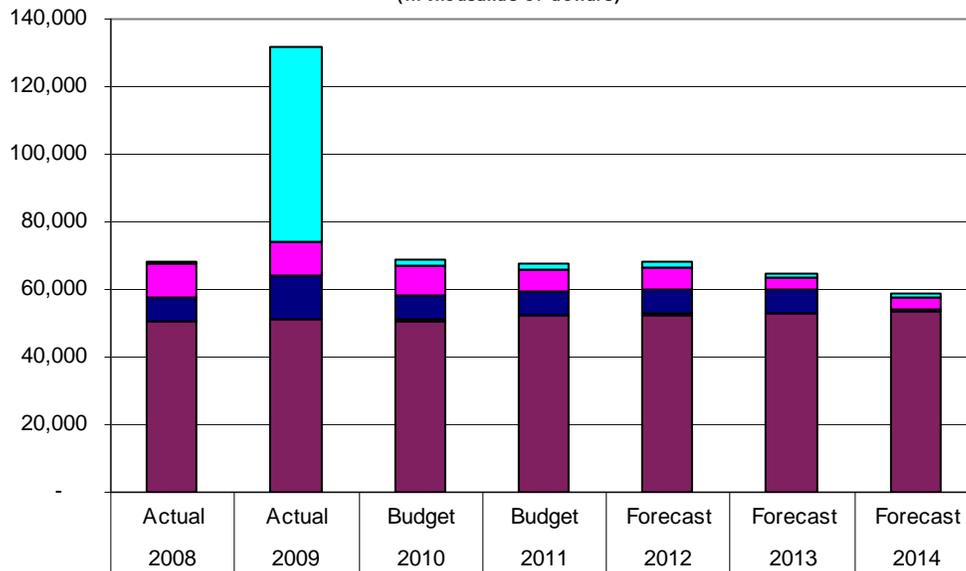
The operating revenue budget for 2011 was increased 2.3% to \$53.9 million compared to \$52.7 million for 2010. The increase is due to new parking meter technology that will be on line and the continued automation of the parking ramps.

Revenue Assumptions (2011)	
Utilization Percentage in 2009	74%
Number of Parking Stalls in the system	20,569 as of 6/30/2010
Forecasted Revenue increase	2011 2.5% 2012 1.0% 2013 1.0%
Assumed rate increases (if any)	0%
System-wide average event rate	\$ 10.00
System-wide average daily rate	\$ 7.25
System wide average monthly rate	\$ 135.00
Number of new stalls in the system	2011 0 2012 0 2013 0

For assumptions regarding sales tax revenue, please see the Convention Center Finance Plan.

Parking Fund Revenues

(in thousands of dollars)



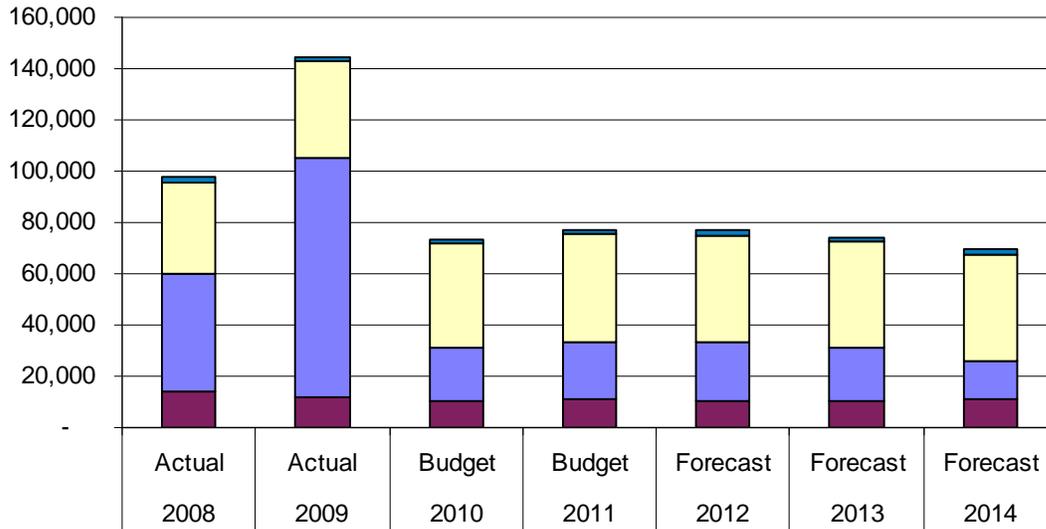
- Charges for Service, Sales/Permits
- Tax Increment Transfers In
- Proceeds of Long Term Liabilities
- Other Misc Revenues
- Sales Tax Transfers In
- Gains on Sales

Expenditures

The operating budget for 2011 stands at \$42.5 million compared to \$41 million for 2010 an increase of \$1.5 million. The 2011 increase is due to \$1.5 million added to the budget for automation of the Government Center and Federal Courts ramps and due to increased credit

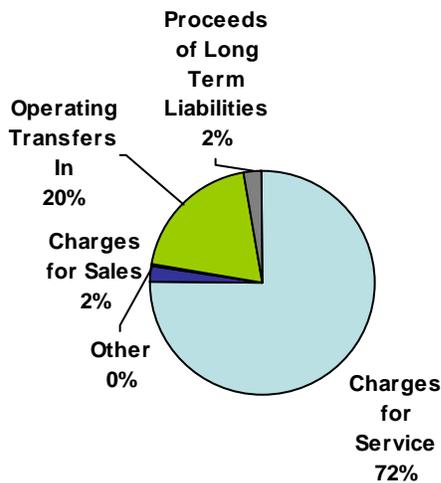
card costs. The capital budget for 2011 is set at \$1.7 million, the same level as the 2010 due to on-going repair and improvement work in the City-owned parking facilities.

Parking Fund Expenditures (in thousands of dollars)

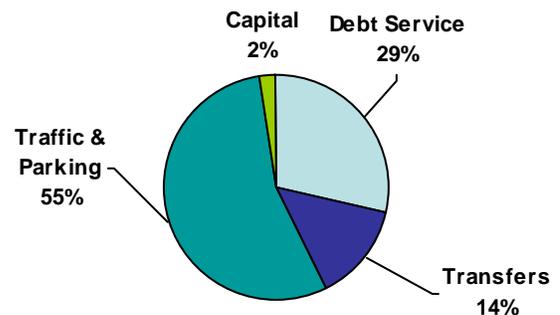


■ Transfers Out
 ■ Debt Service
 ■ PW-Traffic & Parking
 ■ PW-Traffic & Parking Capital

Source of Funds (\$69.6 million)



Use of Funds (\$77.3 million)



Debt Service

Total debt service, which includes principal and interest on bonds issued for construction of municipal parking ramps, is \$22.1 million for 2011. A portion of debt service payments are

reimbursed from tax increment and sales tax revenues, which are transfers to the Parking Fund from the Convention Center and Tax Increment Funds, revenue totaling \$13.9 million for 2011.

Transfers

The transfer to the general fund remained the same for 2011. There is also a transfer to the Target Center Arena. The transfer to the Target Center Arena Fund increases in 2011 by \$0.5 million to \$2.7 million over 2010 at \$2.2 million. This transfer comes out of net assets generated by City parking revenues. Revenues from State-owned garages continue to be transferred to the State on a daily basis. An annual transfer of \$146,000 to the Solid Waste and Recycling fund supports service for bus shelter litter containers. There is an additional transfer to the MERF debt service fund of \$198,000.

Transfers to the parking fund include revenues from sales tax along with revenues from tax increment and abatement. The transfer of sales tax revenue from the Convention Center Special Revenue Fund is \$6.4 million for 2011 and \$8.9 million for 2010. The transfers from the CPED Special Revenue fund for tax increment and abatement are budgeted to increase \$0.1 million, from 7.4 million in 2010 to \$7.5 million in 2011. These revenue transfers are used for debt service payments.

Mayor's Recommended Budget

The Mayor recommended no changes. The Mayor included a wireless commitment of \$51,743 which is partially offset by healthcare savings.

Council Adopted Budget

The Council adopted the Mayor's recommendations.

City of Minneapolis
2011 Budget
Financial Plan (in thousand of dollars)

Municipal Parking Fund - 7500

	2008 Actual	2009 Actual	2010 Budget	2010 Projected	2011 Budget	% Chg From 2010 Budget	2012 Forecast	2013 Forecast	2014 Forecast
Source of Funds:									
Licenses and Permits	252	288	218	240	240	10.1%	242	245	247
State Government			-	-	-		-	-	-
Charges for Service, Sales/Permits	50,500	50,924	50,825	55,657	52,100	2.5%	52,621	53,147	53,679
Charges for Sales	1,805	1,205	1,551	1,613	1,551		1,567	1,582	1,598
Special Assessments	114	86		-					
Interest	42	1	1	-	-		-	-	-
Gains	565		-	-	-		-	-	-
Rents (Transportation)	8	4	3	3	3		3	3	3
Other Misc Revenues	31	12	138	124	46	-66.7%	46	47	47
Tax Increment Transfers In	7,387	12,954	7,433	7,433	7,523	1.2%	7,511	6,700	297
Sales Tax Transfers In	9,832	9,969	8,886	8,886	6,420	-27.8%	6,065	3,404	3,389
Other Transfers In		39		-	-		-	-	-
<i>Total Transfers In</i>	<i>17,219</i>	<i>22,962</i>	<i>16,319</i>	<i>16,319</i>	<i>13,943</i>	<i>-14.6%</i>	<i>13,576</i>	<i>10,104</i>	<i>3,686</i>
Proceeds of Long Term Liabilities		57,995	1,700	1,700	1,700		1,700	1,700	1,700
Total	70,536	133,477	70,755	75,656	69,583	-1.7%	69,755	66,828	60,960
Use of Funds:									
Debt Service	46,073	93,630	20,542	20,542	22,112	7.6%	22,881	20,607	15,213
General Fund Transfer Out	8,618	7,818	7,818	7,818	7,818		7,818	7,818	7,818
Target Arena Transfer Out	2,241	2,241	2,241	2,241	2,758	23.1%	2,408	2,581	2,758
Debt Service Transfer Out	2,773	1,561	-	-	-		-	-	-
MERF Liability Transfer Out	104	115	111	172	198	78.4%	180	115	115
Sanitation Transfer Out	146	146	146	146	146		146	146	146
<i>Total Transfers Out</i>	<i>13,882</i>	<i>11,881</i>	<i>10,316</i>	<i>10,377</i>	<i>10,920</i>	<i>101.4%</i>	<i>10,552</i>	<i>10,660</i>	<i>10,837</i>
PW-Traffic & Parking	35,367	37,564	40,971	44,897	42,553	3.9%	41,637	41,095	41,558
PW-Traffic & Parking Capital	2,270	1,675	1,700	1,700	1,700		1,740	1,740	1,740
Total	97,592	144,750	73,529	77,516	77,285	5.1%	76,810	74,102	69,348
Change in Net Assets	4,847	10,463	2,802	3,716	781	-72.1%	2,683	718	(5,231)
Net Assets	131,040	141,503	144,305	145,219	146,000	1.2%	148,684	149,402	144,171
Cash Balances	24,052	13,211	10,437	11,351	3,649	-65.0%	(3,405)	(10,679)	(19,067)
Cash Balances after Workout Plan	(11,850)	42,661	(16,088)	(15,174)	(24,730)		(30,488)	(36,327)	(42,896)

**City of Minneapolis
2011 Budget
Financial Plan**

Solid Waste and Recycling Fund

Background

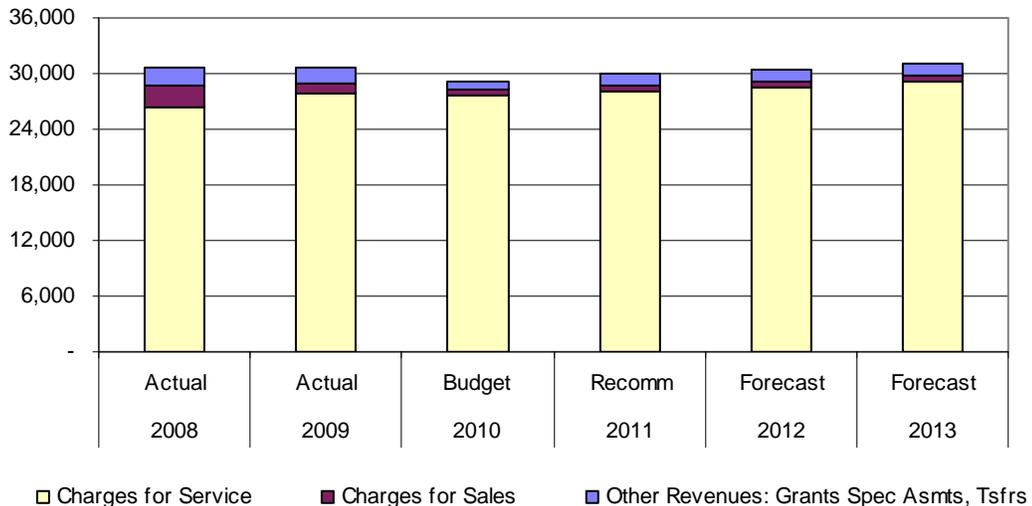
The Solid Waste and Recycling Fund account for solid waste collection, graffiti removal, disposal, recycling activities and organic programs of the City. The Solid Waste Division of Public Works provides weekly and bi-weekly trash, yard-waste, and recycling pickups. It also operates a solid waste transfer station providing service to over 105,000 households. City crews provide approximately one-half of the solid waste collection service with the other half of the service provided through a contract with a consortium of companies specializing in waste collection.

Funding for Solid Waste and Recycling activities is primarily generated from solid waste collection fees. The Fund also receives grants from Hennepin County. Additional revenue is generated through recyclable sales, miscellaneous services, and organic programs.

Historical Financial Performance

The overall financial condition of the Solid Waste and Recycling Fund has remained stable over the years. Total revenues for year 2009 were at \$30.6 million. The year-end cash balance for this fund ended at \$20.6 million compared to \$20.7 million in 2008.

**Solid Waste Fund Revenues
(in thousands of dollars)**

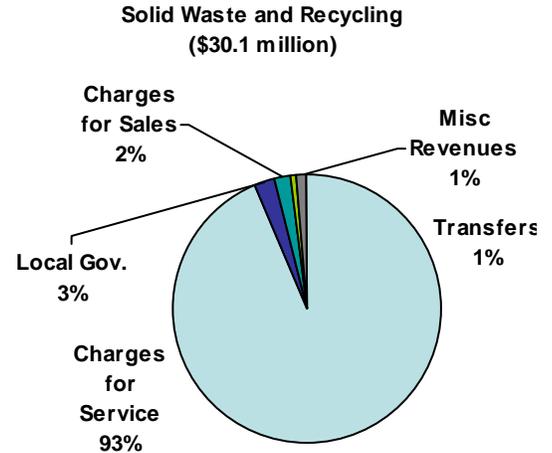


Revenue Assumptions (2011)	
Number of dwelling units	105,429
Number of recycling customers	101,434

2011 Budget

Revenues

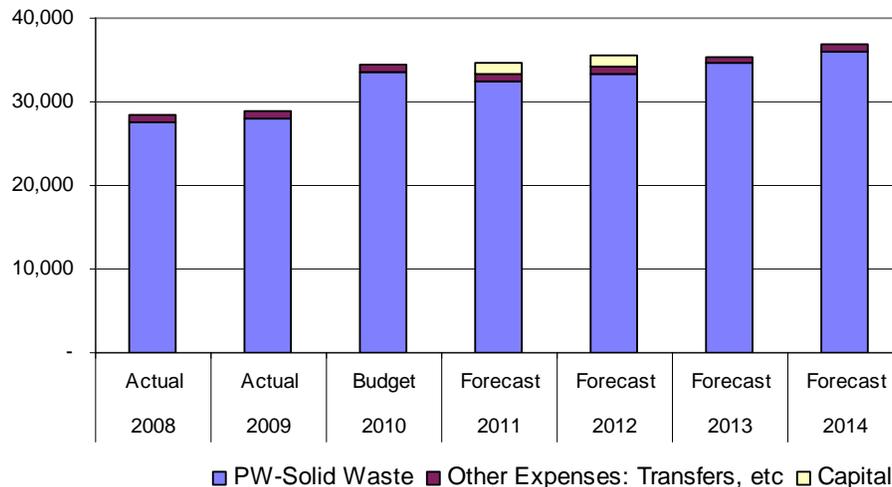
The total revenue budget for the Fund for 2011 amounts to \$30.1 million compared to \$29.2 million for 2010. This is an increase of \$900,000 or 3.2% in estimated revenue. Service revenue has been estimated at \$28 million compared to \$27.6 million for 2010. For 2011, base unit charge has been set at \$24 per dwelling unit with adjustments of \$7 made to recycling credits. Monthly charges for large and small disposal carts are set at \$5 and \$2, respectively. Increase in service revenue is due to anticipated revenues from large cart to small cart conversions. Due to decreasing market for scrap metals, recyclable sales for 2011 are expected to decrease resulting in estimated revenue of \$600,000. Funds from local government include a Hennepin County recycling grant of \$800,000 and reimbursement of \$10,000 from State for graffiti. Revenues generated from debris removals, special district maintenance, and various miscellaneous sources are estimated at \$350,000.



Expenditures

The total expenditure budget for 2011 amounts to \$34.7 million compared to \$34.4 million for 2010, an increase of \$300,000 over 2010. A decrease of \$1.1 million in the 2011 operating budget was offset by an increase in capital outlay for 2011 estimated at \$1.4 million. Capital outlays include purchases and major improvements for the South Transfer Station which is scheduled to continue through 2012. The operating expenditures for 2011 total \$32.4 million compared to \$33.5 million for 2010, a decrease of \$1.1 million, or 3.5%. The reduction was made in contractual services to bring the budget more in line with actual expenditures and major contracts.

Solid Waste Fund Expenditures (in thousands of dollars)

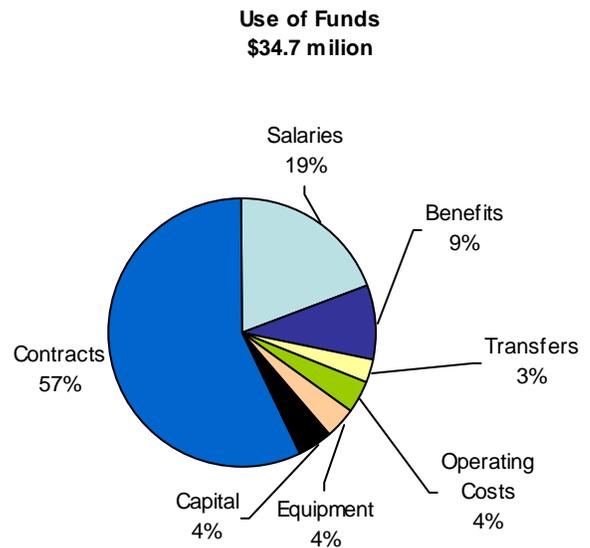


Transfers

The 2011 budget includes a \$700,000 transfer from Solid Waste and Recycling to the General Fund to pay for snow plowing that will ensure delivery of solid waste and recycling services in the alleys. This transfer is projected to continue at \$700,000 in coming years.

The budget also includes a transfer of \$236,000 to the Debt Service Fund for pension obligations related to the Minneapolis Employees Retirement Fund (MERF).

The Solid Waste and Recycling Fund will continue to receive \$146,000 from the Parking Fund for litter container pick-ups in downtown area. Since 2004, the Fund has been receiving \$50,000 as an annual transfer from General Fund for graffiti removal.



Debt Service

This fund does not have any capital debt service payments.

Cash Balance

The \$1.4 million capital outlay and improvement in 2011 for the South Transfer Stations is being paid for with the Fund's revenue. Even with this additional expenditure, the Solid Waste and Recycling Fund is projected to have a \$11.7 million cash balance at the end of 2011.

Mayor's Recommended Budget

The Mayor recommended a one-time appropriation of \$150,000 for graffiti microgrants and a one-time appropriation of \$300,000 for organic waste reduction. The Mayor included a wireless commitment of \$42,367 which is offset by healthcare savings.

Council Adopted Budget

The Council adopted Mayor's recommendations.

**City of Minneapolis
2011 Budget
Financial Plan (in thousands of dollars)**

Solid Waste Fund - 7700

	2008 Actual	2009 Actual	2010 Budget	2010 Projected	2011 Budget	% Chg From 2010 Budget	2012 Forecast	2013 Forecast	2014 Forecast
Sources of Funds:									
Local Government	872	861	800	888	810	1.3%	800	800	800
Charges for Service	26,385	27,892	27,582	27,791	28,145	2.0%	28,511	29,081	29,081
Charges for Sales	2,284	1,095	600	1,437	600		600	600	600
Special Assessments	573	563							
Other Misc Revenues, Rents	85	-		452	350		350	350	350
Operating Transfers In:									
From Grants									
From Parking Fund	146	146	146	146	146		146	146	146
From General Fund	200	50	50	50	50		50	50	50
Total	30,545	30,607	29,178	30,764	30,101	3.2%	30,457	31,027	31,027
Use of Funds:									
PW-Solid Waste	27,594	28,021	33,546	30,012	32,378	-3.5%	33,271	34,602	35,986
Transfers									
To General Fund	700	700	700	700	700		700	700	700
To BIS Fund									
To Self Insurance Fund									
To MERF Fund	109	121	151	151	236	56.3%	164	136	136
Capital				4,195	1,380		1,380	-	-
Human Resources									
Total	28,403	28,842	34,397	35,058	34,694	0.9%	35,515	35,438	36,822
Change in Net Assets	2,143	1,765	(5,219)	(4,294)	(4,592)	-12.0%	(5,058)	(4,411)	(5,795)
Net Asset Balance	26,878	27,948	22,729	23,654	19,062	-16.1%	14,004	9,593	3,798
Cash Balance	20,667	20,560	15,341	16,266	11,674	-23.9%	6,616	2,205	(3,590)

**City of Minneapolis
2011 Budget
Financial Plan**

Sanitary Sewer Fund

Background

The Fund accounts for 95% of the contractual payments made to the Metropolitan Council Environmental Services (MCES) for sewage interceptor and treatment services. It also accounts for sanitary sewer maintenance and design works, capital programs, and long-term debt service.

Historical Financial Performance

Total revenues for 2009 amounted to \$50.1 million compared to \$46.5 million in 2008. This increase of \$3.6 million is due to the combination of rate increase and bond revenues from capital programs. Similarly, the expenditures for 2009 totaled \$50.8 million compared to \$45.2 million in 2008 which is an increase of \$5.6 million, or 12%. The increase in expenditures is mainly due to increases in debt services of \$1.8 million and \$3.3 million in capital programs.

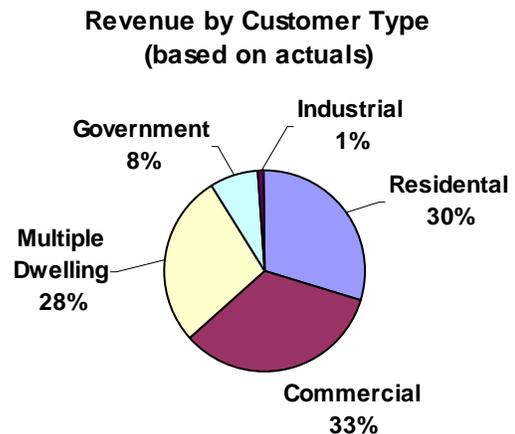
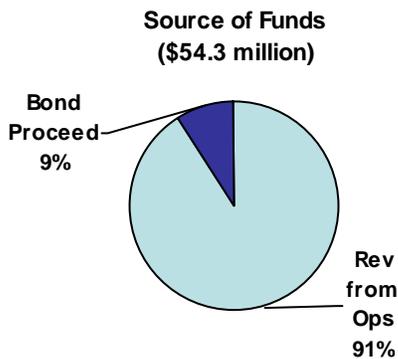
2011 Budget

Revenues

The total revenue budget for the Sanitary Sewer Fund for 2011 amounts to \$54.3 million compared to \$54.9 million budgeted in 2010. This is a decrease of \$600,000 from 2010. Service revenues have been estimated at \$46.4 million, an increase of \$3.5 million; and bond proceeds for 2011 have been budgeted at \$5 million, a decrease of \$4 million from 2010.

Estimated increase in service revenue has been offset by decrease in capital revenues due to fewer capital programs set for 2011. The Sanitary Sewer Fund draws its revenues from: (i) monthly sanitary service fees, (ii) Sewer Access Charges (SAC), (iii) bond revenues, and (iv) design revenue, charged primarily to capital projects, and (v) miscellaneous services provided primarily to external entities. Revenues from operations account for 91% of the budget and bond proceeds from capital programs make up the remaining 9%.

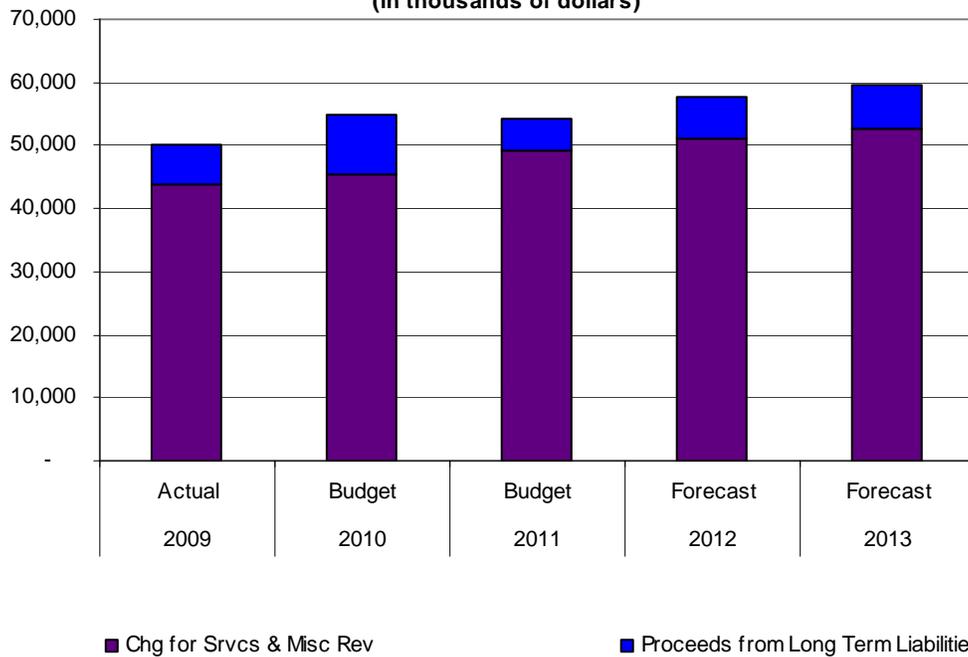
For 2011, sanitary sewer rate has been set at \$3.05 per one hundred cubic feet. This is an increase of 12 cents, or 4.10%, over 2010 rate of \$2.93.



Year	Rate (cost per 100 cubic feet)	% Increase	Average Monthly Bill	Total Planned Revenue from Utility Fee
2011	\$3.05	4.10%	\$18.30	\$45.2 million
2012	\$3.18	4.30%	\$19.08	\$46.4 million
2013	\$3.29	3.50%	\$19.74	\$48.1 million
2014	\$3.42	4.00%	\$20.52	\$51.2 million
2015	\$3.57	4.40%	\$21.42	\$53.1 million

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 sanitary sewer fund from sources other than utility fees, such as SAC.

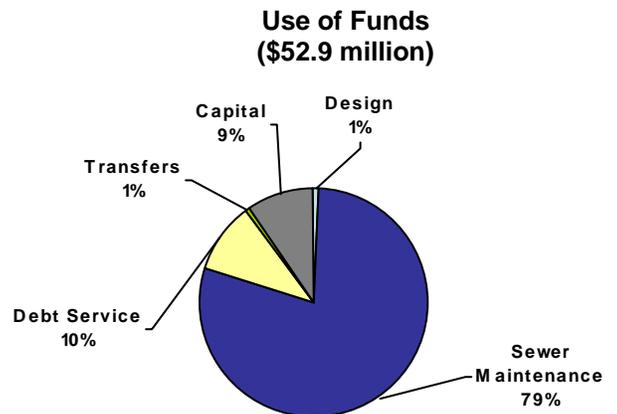
Sanitary Sewer Fund Revenues (in thousands of dollars)



Expenditures

Total expenditure budget for 2011 amounts to \$52.9 million compared to \$55.6 million for 2010. This is a decrease of \$2.7 million, or 4.7%, from 2010. This expense budget will fund maintenance and design works, capital programs, and long-term debts. A decrease in the capital program scheduled for 2011 is the main component for an overall reduction in the Fund's expenditure budget. The operating budget at \$42.3 million is \$500,000 higher than 2010 figure which totaled \$41.8 million.

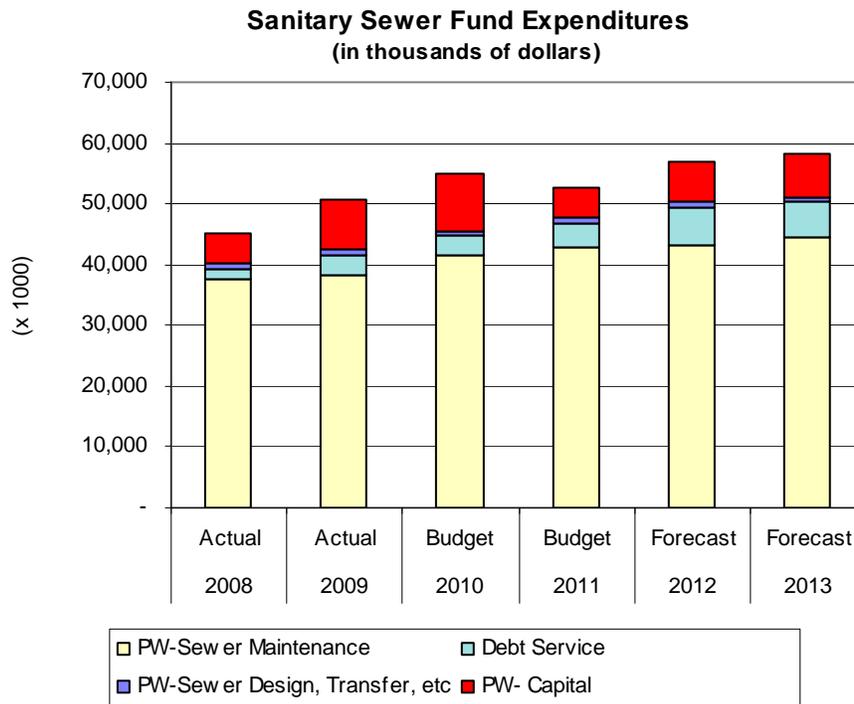
Capital expenditures for 2011 total \$5 million which is \$4 million less than 2010 capital budget.



The largest expense in the Sanitary Sewer Fund is the sanitary sewer charges paid to Met Council Environmental Services (MCES). The estimated payment to MCES for 2011 will be \$31.6 million, an increase of \$1.1 million, or 4%, over 2010. The Sanitary Sewer Fund bears 95%, or \$30 million, of this cost with the remaining \$1.6 million paid from the Storm Water Fund. Minneapolis is the largest customer in MCES system.

Debt Service

Capital programs were instituted in 2007 to address the inflow/infiltration issue in Minneapolis and will continue as part of the on-going five-year plan. Components of the program included expansion of the existing system and major repairs to current infrastructure. For 2011, \$5 million of the budget is set aside for capital programs and another \$5.2 million is set aside as debt service payments for bonds sold in current and previous years to fund these projects.



Mayor’s Recommended Budget

The Mayor recommended a rate increase of \$0.24 per unit. The Mayor included a wireless commitment charge of \$52,808 which is partially offset by healthcare savings.

Council Adopted Budget

The Council adopted a rate increase of \$0.12 per unit compared with the Mayor’s recommendation of \$0.24. The Council adopted the remainder of the Mayor’s recommendations.

City of Minneapolis
2011 Budget
Financial Plan (in thousands of dollars)

Sanitary Sewer Fund - 7100

	2008 Actual	2009 Actual	2010 Budget	2010 Projected	2011 Budget	% Chg from 2010 Budget	2012 Forecast	2013 Forecast	2014 Forecast
Source of Funds:									
Charges for Service	41,615	40,230	42,932	45,192	46,367	8.0%	48,087	49,477	51,155
Other Misc Revenues		3,723	2,575	3,251	2,929	13.7%	3,124	3,189	3,189
Proceeds from Long Term Liabilities	4,839	6,154	9,425	9,425	5,000	-46.9%	6,500	7,000	7,000
Total	46,454	50,107	54,932	57,868	54,296	-1.2%	57,711	59,666	61,344
Use of Funds:									
PW-Sewer Design	312	230	409	307	427	4.4%	431	441	452
PW-Sewer Maintenance	37,624	38,158	41,405	39,905	41,870	1.1%	43,080	44,401	45,765
Debt Service	1,578	3,372	3,317	3,551	3,757	13%	4,127	2,754	2,642
Future Debt Service			749		1,439	92%	2,333	3,296	4,259
Transfers	-								
To MERF Debt Service	629	628	305	305	478	56.7%	319	276	276
To MERF Debt Service -New Plan							-	-	-
PW- Capital	5,039	8,383	9,425	9,425	5,000	-46.9%	6,500	7,000	7,000
Total	45,182	50,771	55,610	53,493	52,971	-4.7%	56,790	58,168	60,394
Change in Net Assets	1,273	(664)	(678)	4,375	1,325	-295.4%	921	1,498	950
Net Asset Balance	86,891	89,638	88,960	94,013	95,338	7.2%	96,259	97,757	98,707
Cash Balances									
Operating Cash	10,585	9,640	8,962	14,014	15,339	71.2%	16,260	17,758	18,705

**City of Minneapolis
2011 Budget
Financial Plan**

Storm Water Fund

Background

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

Historical Financial Performance

In 2009, total revenues increased to \$45.8 million compared to \$39.2 million in 2008. This increase amounts to \$6.6 million, or 17%. Design revenues from capital activities were up by \$2 million and bond revenues from active and closed out capital projects increased by \$4 million. A rate increase of \$0.51 in utility billings accounted for the remaining \$600k increase in the Fund's 2009 revenues. The expenditure of \$32.8 million in 2009 is a decrease of \$2.8 million, or 7%, compared to \$35.6 million in 2008. While design, field services, and maintenance expenditures remained in line with 2008, there were \$1.4 million decrease in debt service, and \$1.7 million decrease in capital in 2009.

It is projected that in 2010 design revenue and proceeds of long-term debt will decrease to bring revenue to \$42.6 million while capital spending will increase by over \$10 million resulting in expenditures of \$43.6 million. The additional capital spending is a result of the acceleration of storm tunnel repair program.

2011 Budget

Revenues

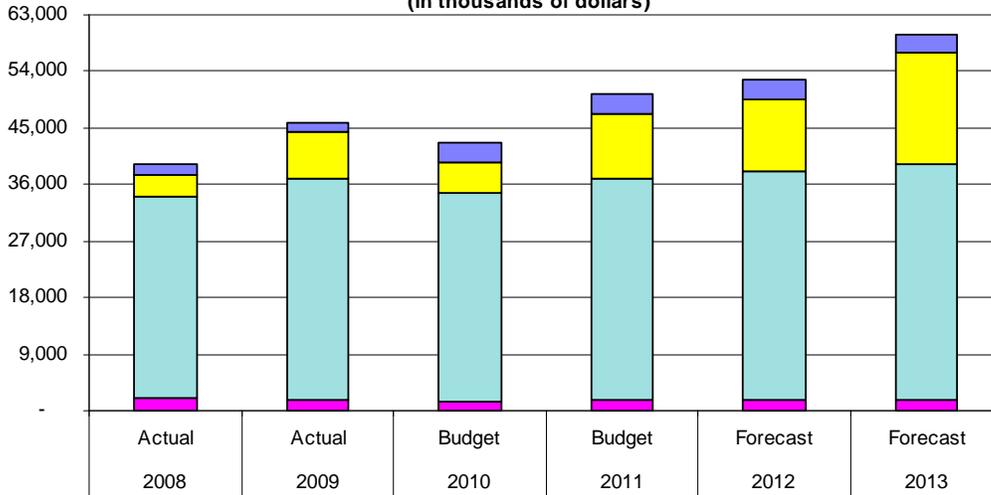
The 2011 revenue budget totals \$50.4 million, compared to \$42.3 million for 2010, an increase of 19%, or \$8 million. The capital program is estimated to generate \$5.5 million more from bond sales in 2011. The Storm water rate or the rate per ESU (Equivalent Storm Water Unit) for 2011 has been set at \$11.42. This rate increase of \$0.33 in storm water billings is estimated to bring in service revenue of \$35.3 million which is \$2.2 million more than the estimated \$33.1 million for 2010. Increases in state and local government reimbursement by \$400,000, as per the agreement, for a 2011 maintenance budget at \$1.4 million compared to \$1 million in 2010.

Year	Rate per ESU (Equivalent Storm Water Unit)	% Increase	Total Planned Revenue from Utility Fee
2011	\$11.42	3%	\$33.9 million
2012	\$11.70	2.5%	\$34.9 million
2013	\$11.93	2%	\$35.6 million
2014	\$12.17	2%	\$36.3 million
2015	\$12.41	2%	\$37.1 million

Note: Total revenue from charges for services in the financial plan exceeds the amount generated by the utility fee because revenue deposited in the Storm Water Fund also include sources other than utility fees, such as capital work for others billings.

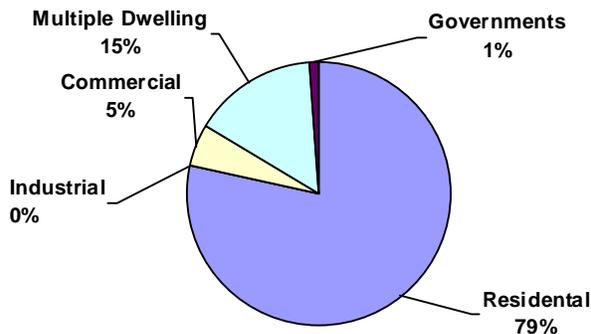
Stormwater Fund Revenues

(in thousands of dollars)



■ Grants, Spec.Asmts, Misc Rev, etc. ■ Charges for Service-Operating
■ Proceeds of Long Term Liabilities ■ Charges for Service-Capital

Total Active Sewer Property Types

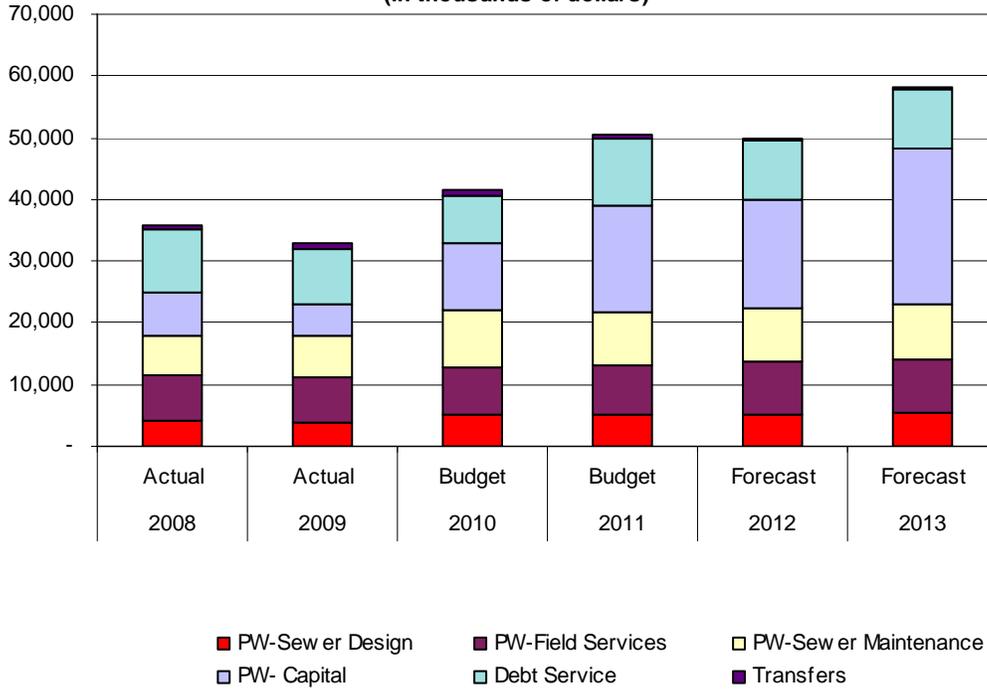


Property Type	Count
Residential	75,813
Commercial	5,206
Government	979
Industrial	10
Multiple Dwelling	14,795
Total	96,803

Expenditures

The 2011 total expenditure budget for the Storm Water Fund amounts to \$50.4 million compared to \$41.4 million in the 2010 budget, an increase of 21.6%. The budget funds operations, capital programs, debt services and pension fund. The Fund's operating budget is used for design, field maintenance work, overflow programs, Met Council payments, and street cleaning. The operating budget for 2011 totals \$21.7 million which is \$300,000 lower than the \$22 million budgeted for 2010. Capital programs are estimated at \$17.3 million compared to \$10.8 million for 2010, an increase of \$6.5 million.

Stormwater Fund Expenditures (in thousands of dollars)



Combined Sewer Overflow (CSO)

Combined Sewer Overflow project started in 2004 in order to design and reconstruct storm water drainage system. This is an on-going program and \$1.6 million has been allotted for 2011 from operating budget with additional funding coming from the Capital programs.

Debt Service

The debt service payments are primarily for bonds sold to finance the Combined Sewer Overflow (CSO) and flood mitigation programs. Total debt service for 2011 increased by \$3.1 million from \$7.8 million in 2010 to \$10.9 million.

Mayor's Recommended Budget

The Mayor recommended a rate increase of \$0.33. The Mayor included a wireless commitment charge of \$27,809 which is offset by healthcare savings.

Council Adopted Budget

The Council adopted Mayor's recommendations.

City of Minneapolis
2011 Budget
Financial Plan (in thousands of dollars)

Stormwater Sewer Fund - 7300

	2008	2009	2010	2010	2011	% Chg	2012	2013	2014
	Actual	Actual	Budget	Projected	Budget	From 2010 Budget	Forecast	Forecast	Forecast
Source of Funds:									
Federal Government									
State Government	887	731	761	1,030	1,022	34.3%	1,022	1,022	1,022
Local Government	345	297	285	384	442	55.1%	442	442	442
Charges for Service-Operating	32,195	35,363	33,136	34,715	35,259	6.4%	36,468	37,669	38,124
Charges for Service-Capital	1,620	1,375	3,000	1,236	3,000		3,000	3,000	3,000
Charges for Sales	-	-	1	1	10	900.0%	10	10	10
Special Assessments	714	498	115	300	60	-47.8%	60	60	60
Interest	-	-	-	-	-		-	-	-
Other Misc Revenues	63	108	47	47	88	87.2%	88	88	88
Proceeds of Long Term Liabilities	3,399	7,473	5,000	4,925	10,500	110.0%	11,535	17,695	16,788
Total	39,222	45,843	42,345	42,638	50,381	19.0%	52,625	59,986	59,534
Use of Funds:									
PW-Sewer Design	4,055	3,874	5,011	4,594	5,185	3.5%	5,269	5,432	5,599
PW-Field Services	7,366	7,242	7,886	7,730	8,040	2.0%	8,329	8,629	8,940
PW-Sewer Maintenance	6,612	6,819	9,124	8,845	8,515	-6.7%	8,710	8,952	9,201
Debt Service	10,183	8,805	6,839	6,752	6,024	-11.9%	5,340	3,154	3,065
Future Debt Service			948		4,890	415.8%	4,218	6,459	6,910
Transfers	513	837	805	305	478	-40.6%	319	276	276
PW- Capital	6,916	5,235	10,820	15,385	17,270	59.6%	17,675	25,320	23,043
Total	35,645	32,812	41,432	43,611	50,402	21.6%	49,860	58,222	57,034
Change in Net Assets	3,578	13,031	913	(973)	(22)	-102.4%	2,765	1,760	2,500
Net Asset Balance	243,691	257,057	257,970	256,084	256,062	-0.7%	258,828	260,588	263,088
Cash Balances	3,850	14,445	15,359	13,472	13,450	-12.4%	16,216	17,976	20,476
Operating Cash									
Construction Cash									
Total Cash Balance	3,850	14,445	15,359	13,472	13,450	-12.4%	16,216	17,976	20,476

**City of Minneapolis
2011 Budget
Financial Plan**

Water Fund

Background

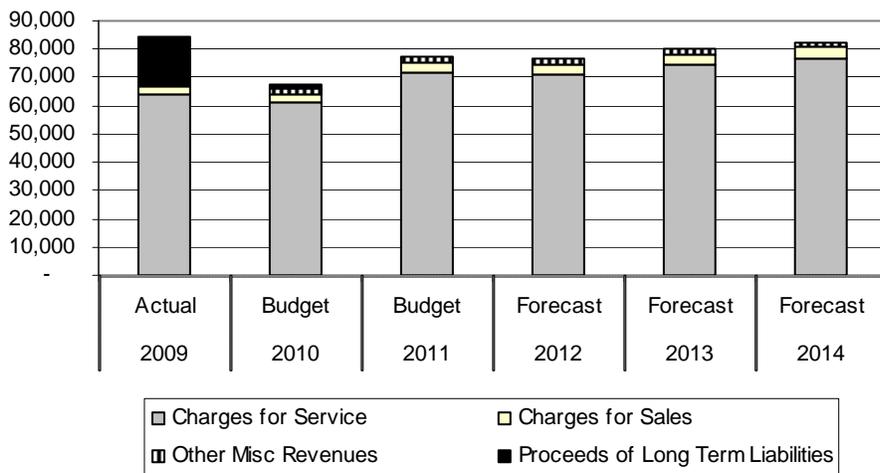
The Water Fund accounts for the operation and maintenance of a water distribution system for the City and several suburban city customers. The City currently sells water to seven cities including Bloomington, Columbia Heights, Hilltop, Golden Valley, New Hope, Crystal and Edina.

Historical Financial Performance

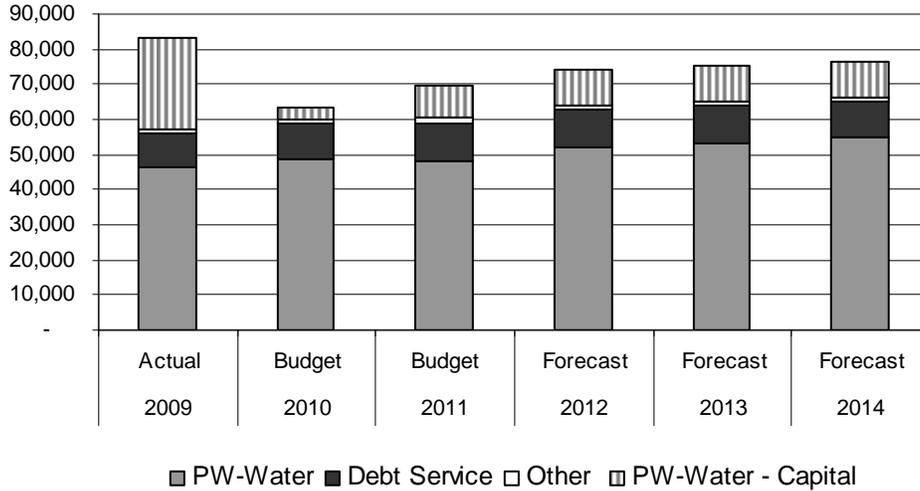
The financial condition of this fund has been stable historically. The net assets of the Water Fund have increased over the past several years due primarily to scheduled rate increases, and major capital improvements. The following table shows the revenue earned from Minneapolis and suburban sales for years 2008-2009 and 2010 projected revenue:

Source of Revenue	2008	2009	2010 Projected
Bloomington	\$3,132,000	\$3,302,000	\$3,080,000
Columbia Heights	984,000	1,032,000	956,000
Edina	325,000	267,000	212,000
Joint Water Commission	5,676,000	6,732,000	6,266,000
Hilltop	104,000	127,000	106,000
Total Suburban	\$10,221,000	\$11,460,000	\$10,620,000
Minneapolis	50,013,000	52,750,000	52,430,535
Total Revenue	\$60,234,000	\$64,210,000	\$63,050,535

**Water Fund Revenues
(in thousands of dollars)**



Water Fund Expenditures (in thousands of dollars)

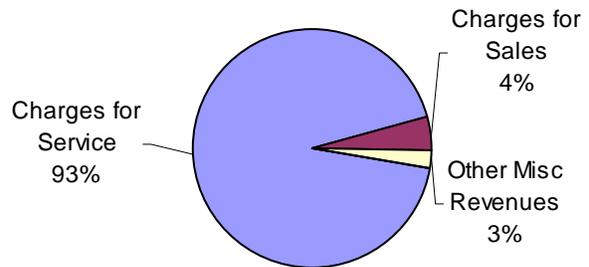


2011 Budget

Revenues

The 2011 revenue budget of \$77.3 million is 14.8% higher than the 2010 revenue budget of \$67.3 million. There are projected rate increases for years 2011-2014 to pay debt service for the capital expenditures, as well as to cover anticipated growth in operating expenditures and to repair infrastructure. Rate increases may not result in increased revenue due to variable water consumption. A long-term trend has shown that Minneapolis water consumption has decreased slightly over the past several years. In 2010 meters are being tested and actual billed consumption is expected to increase. Charges for Service are the amounts charged for water consumption. Charges for Sales relate to other work performed by the staff for requested repairs and design services.

Source of Funds \$77.3 Million

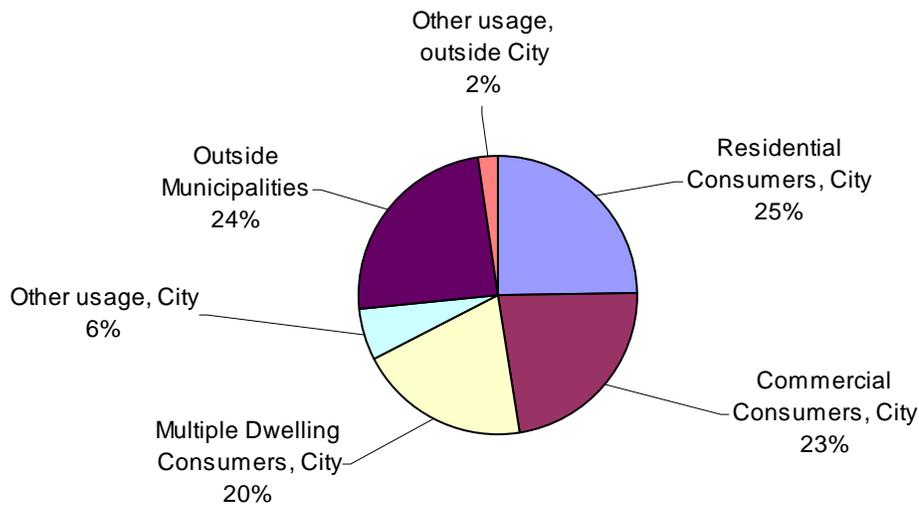


The large revenue increase from \$67.3 million in the 2010 revised budget to \$84.5 million the 2010 projected budget is due to capital projects appropriated in 2009 and completed in 2010. The increase is offset by capital expenditures.

Water Utility Rates

The budget includes a rate increase for water from \$3.05/unit in 2010 to \$3.20/unit in 2011. The rate increase will provide funding for water distribution improvements, and the continued ability to cover the fixed costs of operating the utility in an environment of declining consumption due to conservation efforts.

**Charges for Service by Customer Consumption
(Based on 2009 Consumption)**



Year	Rate (cost per 100 cubic feet)	Cost Per Month for Average Consumer ¹	% Increase	Total Planned Revenue from Utility Fee
2011	\$3.20	25.60	4.9%	\$71.8 Million
2012	\$3.36	26.88	5.0%	\$75.4 Million
2013	\$3.54	28.32	5.4%	\$78.6 Million
2014	\$3.72	29.76	5.1%	\$81.5 Million
2015	\$3.89	31.12	4.6%	\$84.5 Million

¹ Rate is based on cost per 100 cubic feet and assumes 8 units of water are 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 such as water service line repairs and permit fees.

The following table shows the projected revenue earned from suburban utility sales:

Year	Combined Average Rate	% Increase	Total Revenue Earned from Utility Fee - Suburbs
2011	2.1	4.9%	\$13.1 Million
2012	2.2	5.0%	\$13.8 Million
2013	2.3	5.4%	\$14.4 Million
2014	2.4	5.1%	\$14.9 Million
2015	2.6	4.6%	\$15.5 Million

Expenditures

The 2011 expenditure budget is \$69.7 million, an 8.5% increase over the 2010 budget of \$64.2 million. The Water Fund's operating budget includes a minor percentage increase to keep customers' rate increases minimal.

The budget provides funding for the capital improvement program. Current capital projects include improvements to the water distribution network, treatment infrastructure improvements and a \$25 million multiyear project to replace the current dewatering plant which uses centrifuges with new filter presses which will improve efficiency and reduce operating costs. The 2011 recommended capital budget is \$9 million and represents a 157.1% increase from the 2010 capital budget.

Transfers

The Water Fund incurs a transfer expense related to its share of the Minneapolis Employee Retirement Fund (MERF) pension obligations. The \$2 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

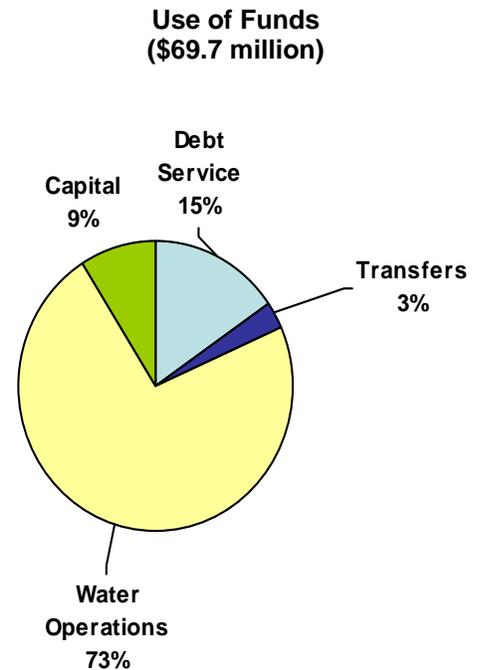
The debt service amounts are primarily for bonds and notes sold to finance the Water-Works Capital Construction program.

Mayor's Recommended Budget

The Mayor recommended an increase to the per unit water rate of \$0.15. The Mayor included a wireless commitment charge of \$61,184 which is offset by healthcare savings.

Council Adopted Budget

The Council adopted the Mayor's recommendations.



City of Minneapolis
2011 Budget
Financial Plan (in thousands of dollars)
Water Fund - 7400

	2009 Actual	2010 Budget	2010 Projected	2011 Budget	% Chg from 2010 Budget	2012 Forecast	2013 Forecast	2014 Forecast
Source of Funds:								
Charges for Service	64,212	61,168	63,051	71,837	17%	71,315	74,304	76,929
Charges for Sales	2,356	2,660	1,964	3,476	31%	3,528	3,581	3,635
Other Misc Revenues	240	2,000	460	2,000	0%	2,000	2,000	2,000
Proceeds of Long Term Liabilities	17,831	1,500	19,000					
Total	84,639	67,328	84,475	77,313	14.8%	76,843	79,885	82,564
Use of Funds:								
PW-Water	46,252	48,446	48,177	48,378	-0.1%	52,194	53,384	54,631
Debt Service	9,924	9,574	9,574	10,266	7.2%	10,364	10,456	10,542
Future Debt Service		1,427	3,136	-		-	-	-
Transfers								
To Debt Service for MERF Liability	1,071	1,258	1,258	2,042	62.3%	1,360	1,182	1,182
PW-Water - Capital	25,909	3,500	18,000	9,000	157.1%	10,110	10,110	10,000
Total	83,155	64,205	80,145	69,686	8.5%	74,028	75,132	76,355
Water Works Fund Margin	1,484	3,123	4,330	7,627	144.2%	2,815	4,753	6,209
Water Fund Balance	159,640	162,763	163,970	171,597	5.4%	174,412	179,165	185,374
Cash Balance	(2,007)	1,116	5,446	13,073	1071.7%	15,888	20,641	26,850

**City of Minneapolis
2011 Budget
Financial Plan**

Public Works Stores Fund

Background

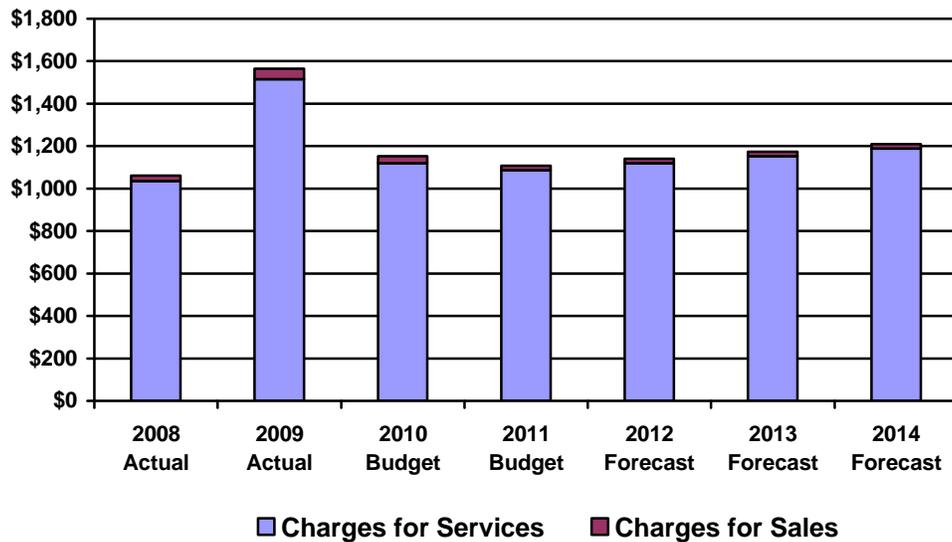
The Public Works Stores fund accounts for the centralized procurement, receiving, warehousing, and distribution of stocked inventory items, and the purchase of special goods and services through Public Works Central and Traffic stores.

Historical Financial Information

Public Works has operated Central stores since January 1965. At that time the stockrooms of property services, bridge maintenance, paving construction, and sewer construction and maintenance were combined to establish a central stores operation. In 1980, central stores began purchasing all of the City's needs for office supplies and non-specialty items. Public Works Traffic stores purchases components for traffic signals, controllers, and street lights.

In June 1998 a redesign of the central stores function determined a revised overhead structure. The revised plan resulted in positive net income for years 2000 through 2007. For year ending 2008, PW Stores recorded a net loss of \$646,000. The net income for 2009 is \$318,094.

Public Works Stores Revenue`
(in thousands of dollars)



2011 Budget

Revenues

Revenues for 2011 are budgeted at \$1.1 million, a decrease of 3.9% from the 2010 budgeted revenue of \$1.2 million. Revenues for 2011 are expected to be sufficient to cover expenses of the fund. Beginning in 2008, revenue is recorded as the amount charged for processing inventory transactions and ordering goods for other City departments. Revenue does not include the cost of goods sold on inventory items.

Expenditures

The 2011 expense budget of \$1.1 million is a 9.5% decrease from the 2010 budget of \$1.2 million. The primary reason for the decline is a decrease in the amount paid for general fund overhead in 2011. The cost of goods sold is not recorded as an expense due to the functionality of the new inventory system implemented in 2008. The system removes the amount paid for the item from the expense budget when the item is sold to the customer. This method permits a zero budget recorded for cost of goods sold.

Transfers

The 2011 budget includes a transfer out of \$51,000 for debt service related to the Minneapolis Employees Retirement Fund (MERF) unfunded pension liability. The amount budgeted in 2011 is a 54.5% increase from the liability in 2010. The liability is expected to decrease to \$35,000 in 2012.

Debt Service

This fund does not have long-term debt.

Net Assets and Cash Balance

The year-end net asset balance for 2009 is \$3.2 million, an increase of \$0.3 million from the ending net asset balance of \$2.9 million in 2008. The fund has experienced as negative cash balance since year-end 2006 when the balance was a deficit of \$0.9 million. In 2008, the deficit increased to \$2.3 million and in 2009, the cash balance improved to a deficit of \$1.6 million.

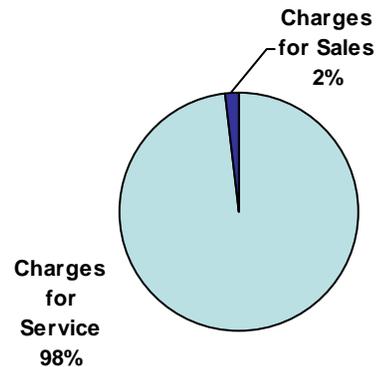
Mayor's Recommended Budget

The Mayor recommended no changes to this fund. The Mayor included a wireless commitment charge of \$1,450 which is offset by healthcare savings.

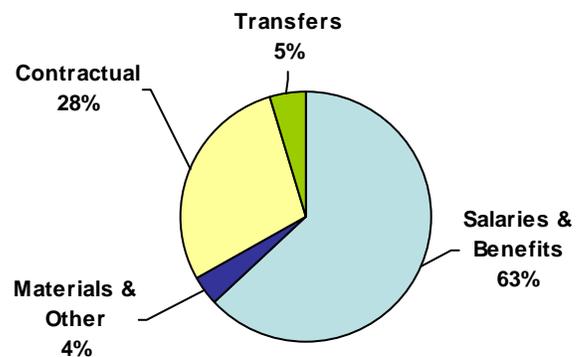
Council Adopted Budget

The Council adopted the Mayor's recommendations.

**Public Works Stores Fund
Source of Funds
(\$1.1 million)**



**Public Works Stores Funds
Use of Funds
(\$1.1 million)**



City of Minneapolis
2011 Budget
Financial Plan (in thousand of dollars)
PW Stores Fund - 06300*

	2008 Actual	2009 Actual	2010 Current Budget	2010 Projected	2011 Budget	% Chg From 2010 Budget	2012 Forecast	2013 Forecast	2014 Forecast
Source of Funds:									
Changes for Services	1,036	1,510	1,120	850	1,087	-2.9%	1,120	1,153	1,188
Charges for Sales	25	45	33	20	20	-38.5%	21	21	22
Misc Revenues	-	5	-	5	-	0.0%	-	-	-
Total	1,061	1,560	1,153	855	1,107	-3.9%	1,140	1,174	1,210
Use of Funds:									
Salaries and Fringes	801	811	736	730	675	-8.4%	690	710	732
Contractual Services	268	342	378	370	302	-20.1%	311	320	330
Materials and Other	591	55	34	15	41	20.9%	43	44	45
Transfers	31	34	33	33	51	54.5%	35	29	29
Total	1,691	1,242	1,181	1,148	1,069	-9.5%	1,078	1,103	1,136
Change in Net Assets	(646)	318	(29)	(293)	38		62	71	74
Net Assets	2,885	3,203	3,175	2,882	3,213		3,275	3,346	3,420
Cash Balance	(2,284)	(1,566)	(1,595)	(1,859)	(1,556)		(1,494)	(1,423)	(1,349)

* This fund includes Public Works Central Stores and Public Works Traffic Stores.

**City of Minneapolis
2011 Budget
Financial Plan**

Engineering Materials and Testing

Background

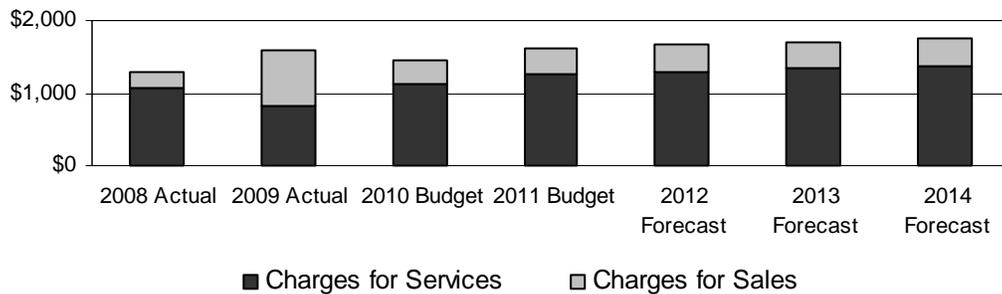
The Engineering Materials and Testing Fund accounts for City purchases of hot-mix asphalt and ready-mix concrete in order to ensure compliance with State and Federal standards and specifications and provide quality control. The Engineering Laboratory is a component of this fund which provides inspection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

Historical Financial Performance

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

The decision to suspend operations at the asphalt plant at the end of 2003 resulted in a \$777,000 loss on the disposal of this asset and a decrease in net assets of \$709,000. From 2003 through 2008, this fund had a decrease in net assets of \$1.5 million of which \$777,000 is due to the loss on the disposal of the asphalt plant. In 2009, the net assets increased \$462,640 bringing the ending balance from \$27,758 in 2008 to \$490,398 in 2009. The cash balance increased from a deficit of \$127,720 in 2008 to a positive balance of \$560,148 in 2009.

Engineering Materials and Testing Revenue



2011 Budget

Revenues

This fund generates revenue from testing and inspection services provided by the Engineering Lab and the sale of concrete and asphalt from outside vendors to other City departments. Product types and quantities are identified for customer departments. A rate model determines product costs to allow the fund to generate revenues that match operating expenditures.

With the implementation of the new financial accounting system in 2008, the recording of revenue earned from asphalt and concrete sales was modified to include only the revenue generated from the mark up overhead added to the cost of the product. Previously, revenue

was recorded as the cost of the goods plus the markup. The 2011 revenue budget includes \$1.3 million earned from charges for services provided by the engineering lab and \$352,000 as mark up on the sale of asphalt and concrete.

Expenditures

The 2011 expense budget is \$1.6 million, an increase of 6.8% from the 2010 budget. The 2010 expense budget for materials includes \$169,000 that had previously been reserved for vacant positions in personnel causing an increase in the materials budget. In 2010, 2.5 positions were added to the fund and the corresponding budget for the salary was removed from materials and added to the personnel.

Transfers

The 2011 budget includes a transfer out of \$88,000 for debt service related to the Minneapolis Employees Retirement Fund (MERF) unfunded liability.

Debt Service

This fund does not have long-term debt.

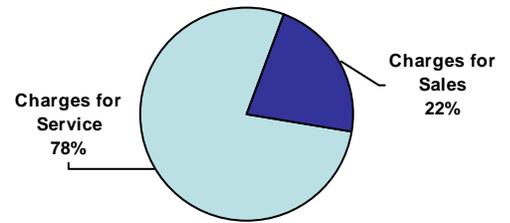
Mayor's Recommended Budget

The Mayor recommended no changes. The Mayor included a wireless commitment charge of \$1,769 which is offset by healthcare savings.

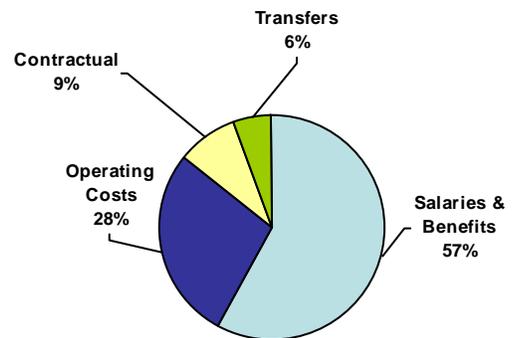
Council Adopted Budget

The Council adopted the Mayor's recommendations.

Source of Funds (\$1.6 million)



Use of Funds (\$1.6 million)



City of Minneapolis
2011 Budget
Financial Plan (in thousands of dollars)
Engineering, Materials and Testing - 6000*

	2008 Actual	2009 Actual	2010 Current Budget	2010 Projected	2011 Budget	% Chg From 2010 Projected	2012 Forecast	2013 Forecast	2014 Forecast
Source of Funds:									
Charges for Services	1,069	830	1,110	820	1,261	13.6%	1,299	1,338	1,378
Charges for Sales	209	760	350	375	352	0.6%	363	373	385
Other Misc Revenues	-	-	-	-	-	-	-	-	-
Total	1,278	1,590	1,460	1,195	1,613	10.5%	1,661	1,711	1,763
Use of Funds:									
Personnel Services	731	747	666	700	900	35.2%	931	958	986
Contractual Services	559	273	492	300	434	-11.8%	447	460	474
Materials and other	67	36	242	40	134	-44.8%	138	142	146
Transfers Out	53	58	57	57	88	54.4%	60	51	51
Total	1,410	1,114	1,457	1,097	1,556	6.8%	1,576	1,611	1,657
Change in Net Assets	(168)	463	3	98	57		85	100	106
Net Assets	28	490	493	589	551		636	736	842
Cash Balance	(128)	560	563	658	620		706	806	812

* This fund includes the Public Works divisions Engineering Lab, Asphalt Distribution, and Ready-Mix Concrete.

**City of Minneapolis
2011 Budget
Financial Plan**

Intergovernmental Services Fund

Background

The Intergovernmental Services Fund accounts for all of the operations of the Business Information Services Department (BIS) including information and technology functions, managed services with Unisys, the Project Management Division (PMD), and telecommunications operations. The fund also records transactions for operations within the City Clerk's office related to central mailing and printing services. A portion of the Human Resources budget that is designated for internal training is included in this fund.

The City Council approved a long-term financial plan for the Intergovernmental Services Fund in September 2000, to resolve both the annual operating deficit and accumulated cash deficits for this fund. Since year-end 2002, the fund has achieved positive increases to the net asset balance bringing the balance from a deficit of \$40.8 million in 2002 to a positive equity of \$13.7 million in 2009. For 2010, the fund is projected to increase net assets by \$2.1 million for an ending balance of \$15.8 million. The updated long-term financial plan projected the net asset balance at year-end 2010 at \$9.7 million.

The City Council appropriated \$1.0 million for technology projects in 2011, funded through net debt bonds. The majority of the funding sources for technology projects are derived from grants and City departmental operating budgets. In 2009, BIS incurred nearly \$8.8 million in expense toward technology projects. The PMD charges the City departments for the cost of creating the technology and providing quality, low-cost project management for technology-related projects. The charges to City departments are calculated to generate enough revenue to cover the overhead expense of the department.

In 2009, \$16.8 million of refunding bonds were issued for outstanding debt with maturities from 2010 to 2012. Debt service for 2010 is \$9.5 million a decrease of \$1.1 million from the \$10.8 paid in 2009. By 2013, the current debt will be reduced to \$768,000.

This fund continues to be active with new initiatives:

- **City-Wide:** *Wireless Minneapolis*, a City-wide wireless broadband IP data access network for use by residents, businesses, guests and governmental entities, was completed in December 2009. The City has entered into a 10-year contract with USI Wireless as the anchor tenant of the network, committing to \$1.25 million in annual usage through spring 2018. Simply converting existing wireless technologies to the wi-fi network will not achieve this level of annual usage. For Minneapolis to fully realize the benefit, the City will need to implement capabilities that previously were not feasible. The community, however, already enjoys the benefits from the City's investment. Broadband access is now available at an affordable rate with the added benefit of mobility; many community technology centers have free accounts, and free hot spots.
- **Department Specific:** Other initiatives include completion of the emergency operations training facility, in squad video, mobile housing inspectors, impound management software, database infrastructure modernization, asset management/work order system; traffic control

enforcement update, risk management and claims system replacement, and Public Works' traffic management system.

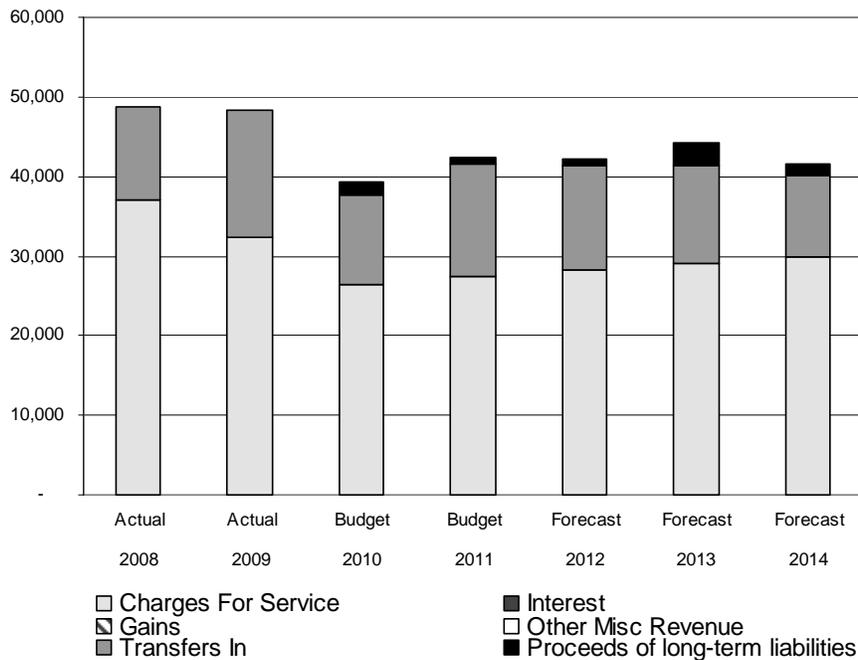
The net asset position in this fund will increase as it continues to provide services to City departments with charges determined through its allocation model and collects fees for service with PMD. The allocation model for the fund was developed using an accounting industry standard known as activity-based costing. The model assigns costs to customers on a "level of effort" basis and began charging customer departments the allocated rates in 2005.

Historical Financial Performance

Net assets were affected by the realignment of fixed assets and its related debt to the Intergovernmental Services Fund. This change in accounting caused a one-time adjustment to the fund's net assets of a negative \$21.7 million. Although this negative adjustment caused fund net assets to have a balance of negative \$40.8 million at year-end 2002, it better represents the financial condition of the fund and the importance of implementing the strategies to meet the guidelines of the financial plan. This trend has been reversed. At year-end 2009, net assets improved to \$13.7 million.

The long-term financial plan projected the net asset balance at year-end 2009 to increase \$8.7 million from a deficit of \$7.9 at year end 2008 to a positive \$0.8 million. The actual net asset balance at year-end 2009, \$13.7 million, represents an increase of \$8.8 million from the 2008 ending balance. The fund's cash balance has also increased as projected in the long-term financial plan. The cash balance at year-end 2003 was a deficit of \$3.2 million. From 2003 to 2009 the cash balance increased \$2.3 million to a deficit of \$915,000 at year-end 2009.

Information Technology Fund Revenues
(in thousands of dollars)



2011 Budget

Revenues

The 2011 revenue budget is \$42.5 million. To fund the cost of providing information technology services, the financial plan required that the annual transfer from the general fund receive an increase of \$0.9 million each year from 2005 through 2008, minus the reductions to growth in those years. In 2009, the fund received \$13.6 million from the general fund and \$2.5 million from the bond redemption fund. The budget for 2010 includes a decrease of \$4.0 million to the transfer from the General Fund. Total transfers to the fund in 2011 are \$14.0 million including \$11.5 million from the general fund, \$1.5 million from the bond redemption fund and \$1.0 million from the Self Insurance fund.

Charges for service are increased in 2011 reflected by the additional revenue that BIS is generating in providing services directly charged to City departments for the services they received over the normal service level provided.

Allocation Model Implications

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

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

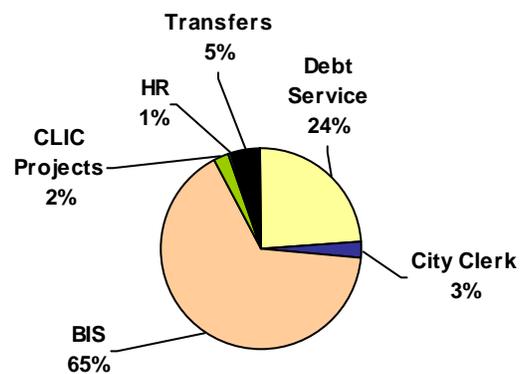
Revenue Assumptions (2011)	
Number of PC's	2,755
Number of telephones	2,921

Expenses

Expenses in the Intergovernmental Services Fund are comprised of the operating expenses (salaries/benefits, contractual, operating, equipment)

of BIS, the City Clerk's office, and Human Resources. Capital expenditures for information technology investments were budgeted in the City's Permanent Improvement Fund, but now are budgeted in the Intergovernmental Services Fund. Capitalized assets are reported in this fund as is the depreciation expense. The 2011 expense budget of \$40.4 million includes \$1.2 million in property tax supported debt for information technology. Beginning In 2011, the fund will pay \$1.5 million annually as loan repayment to the Convention Center, with final payment of \$1.75 million in 2016.

**Intergovernmental Services Fund
Use of Funds by Department
(\$40.4 million)**



Transfers

Transfers-in (revenue) relates to a transfer from the general fund of \$10.6 million to subsidize BIS debt service payments, a \$1.5 million transfer from the general debt service fund, and \$1.0 million transfer from the self insurance fund. BIS also has a transfer out (expense) of \$423,000 for debt service related to the Minneapolis Employees Retirement Fund's (MERF) unfunded

pension liability. A transfer of \$1.5 million is made to the Convention Center fund as an annual payment for an advance from this fund.

Debt Service

In 2011 the fund will have a beginning bond liability of \$20.1 million. A debt service payment of \$9.7 in 2011 including \$678,000 of interest will leave an ending balance of bonds payable of \$11.1 million at year-end.

Mayor's Recommended Budget

The Mayor recommended a transfer from the general fund of \$465,000 for auditing and encryption of Human Resources and Finance data on a one-time basis. The Mayor included a wireless commitment charge of \$40,866 which is offset by healthcare savings. The wireless commitment charge across the City will be transferred to the Intergovernmental Services Fund for payment of the City's wireless commitment. The General Fund portion of the wireless payment (\$478,000) will be transferred to the fund and the remaining portion will be paid by non-General Fund funds as a charge for service.

Council Adopted Budget

The Council adopted the Mayor's recommendations.

The Council further adopted the following staff directions:

- BIS, with assistance from the Finance Department, should identify a plan to achieve a long-term, structurally balanced budget and report the plan to the Ways & Means/Budget Committee no later than March 1, 2011. The plan should include a recommendation for service reductions and/or additional charges to departments.
- The Human Resources, Finance and BIS departments should bring a funding plan for the ERP (Enterprise Resource Planning) to the Ways and Means/Budget Committee by June 1, 2011.
- The department of Regulatory Services, working with BIS and Finance should estimate the ongoing costs of the proposed Land Management System and propose an allocation to departments for ongoing operating costs no later than July 1, 2011.

**City of Minneapolis
2011 Budget
Financial Plan (in thousands of dollars)**

Intergovernmental Services Fund

	2008 Actual	2009 Actual	2010 Current Budget	2010 Projected	2011 Budget	% Chg From 2010 Budget	2012 Forecast	2013 Forecast	2014 Forecast
Source of Funds:									
Charges For Service	37,017	32,258	26,494	32,073	27,510	3.8%	28,319	29,136	29,954
Interest	-	-	-	-	-		-	-	-
Gains	-	-	-	-	-		-	-	-
Other Miscellaneous Revenue	5	(99)	-	-	-		-	-	-
Operating Transfers In	11,762	16,115	11,252	11,252	13,974	24.2%	13,142	12,301	10,275
Proceeds of Long term Liabilities	-	-	1,507	1,507	1,000	-33.6%	750	2,715	1,250
Total	48,784	48,274	39,253	44,832	42,484	8.2%	42,211	44,152	41,479
Use of Funds:									
Transfers	296	277	218	218	1,923	782.1%	1,780	1,745	1,745
Debt Service	3,399	10,816	9,499	9,505	9,703	2.1%	9,604	768	736
City Clerk	1,158	1,157	1,186	1,186	1,133	-4.5%	1,154	1,189	1,224
Human Resources	178	145	253	313	256	1.2%	263	271	279
Business Information Services	13,993	26,777	24,435	30,244	26,396	8.0%	26,727	27,424	28,141
Capital Projects	6,622	1,202	1,507	1,507	1,000	-33.6%	750	2,715	1,250
Total	25,646	40,374	37,098	42,973	40,411	8.9%	40,278	34,111	33,376
Change in Net Assets	18,480	8,810	2,155	1,859	2,073		1,933	10,041	8,103
Net Assets	4,868	13,678	15,833	15,537	17,906		19,839	29,879	37,982
Cash Balance	94	(915)	1,240	944	3,313		5,246	15,286	23,389
Long Term Financial Plan Target Cash¹	(1,632)	16	1,693	1,693	2,566		3,503	9,653	13,889
Variance Cash to Financial Plan	1,726	(931)	(453)	(749)	747		1,743	5,633	9,500

¹The cash projections for 2008 onward are based on the updated long-term financial plan for this fund, adopted by Council in 2008.

**City of Minneapolis
2011 Budget
Financial Plan**

Fleet Services Fund

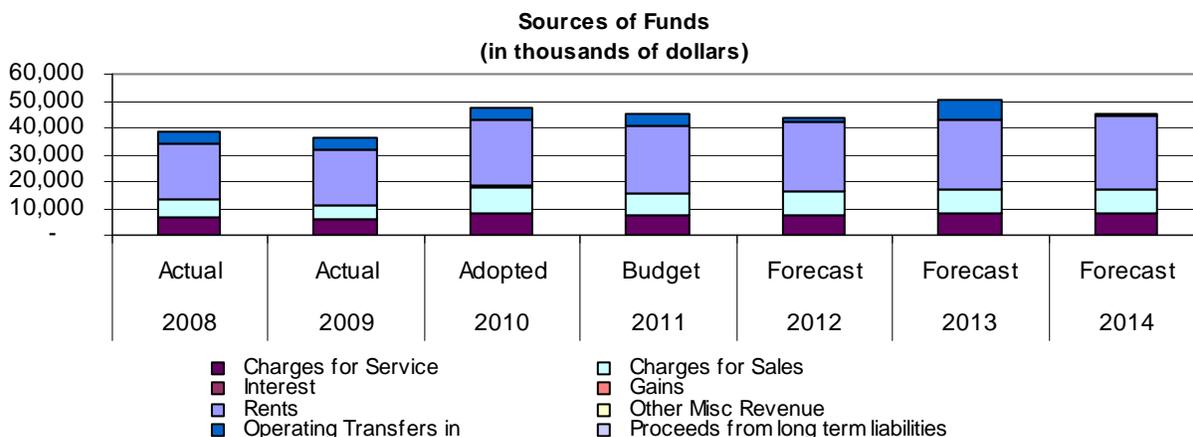
Background

The Fleet Services Division Fund manages the acquisition, maintenance and disposal of 1300 units of equipment; primarily the City's fleet of vehicles, including police cars, fire trucks, snow plows, sedans and pickup trucks along with off road equipment. This fund provides technicians to maintain the equipment as well as the drivers and operators for the equipment that is used in construction and snow removal. In addition, the fund manages the dispatch of City-owned and contractual equipment. The City's fleet of vehicles and equipment has an acquisition value of \$66.2 million and accounts for 50.1% of the net value of the long-term assets in this fund.

Historical Financial Performance

In 2000, the fund had a deficit cash position of \$17.8 million due to costs of operation exceeding revenues collected from City departments. A long-range financial plan was developed in 2001 to generate sufficient revenue to cover the full cost of operations. The fund achieved a positive cash balance of \$3.1 million in 2003 and net assets of \$13.3 million. The fund maintained a positive cash balance through 2009 with the exception of year ending 2008 when the cash balance was a deficit of \$49,000. The 2009 ending net asset balance of \$26.5 represents an increase of \$2.8 in net assets from the 2008 balance of \$23.7 million. The long-term financial plan projected a 2009 net asset balance of \$30.9 million. In 2010 a cash reserve policy was established for internal service funds directing the funds to maintain a minimum cash balance of 15% of the operating budget. The target cash reserve balance for this fund is \$4.3 million to be attained by year end 2013.

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

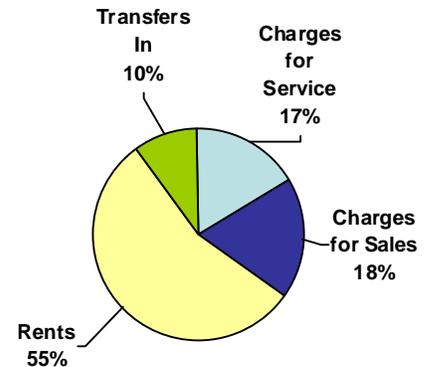


2011 Budget

Revenue

The Fleet Services Division uses an activity-based costing approach to bill internal customers for use of vehicles. This method establishes a fleet rental rate that covers the replacement cost of the vehicles after the useful life. Maintenance, repairs and fuel costs of the fleet are charged separately. These charges are billed at a rate that allows the Fleet Services Division to match revenue to expense. Total revenues for 2011 are budgeted at \$45.0 million, a decrease of 4.4% over the 2010 budget. The decrease in projected revenue is due to a decline in the sale of fuel and in labor services provided to other City departments.

Source of Revenue (\$45.0 million)

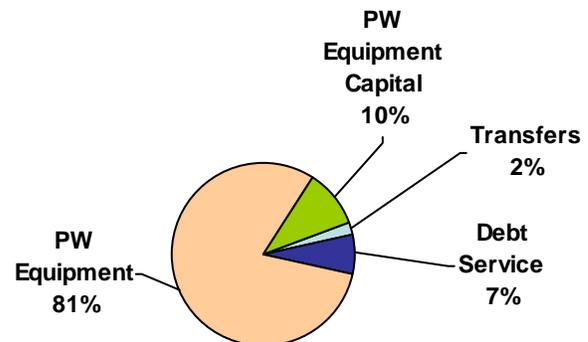


Expenditures

The 2011 expense budget is \$44.3 million which represents a decrease of 5.9% from the 2010 budget of \$47.1 million. The decrease in expenditures is primarily due to an anticipated decline in capital spending for fleet replacement, from \$7.8 million in 2010 to \$4.6 million in 2011.

Revenue Assumptions (2011)	
Number of vehicles serviced	1200
Number of vehicles purchased	60

Use of Funds (\$44.3 million)



Transfers

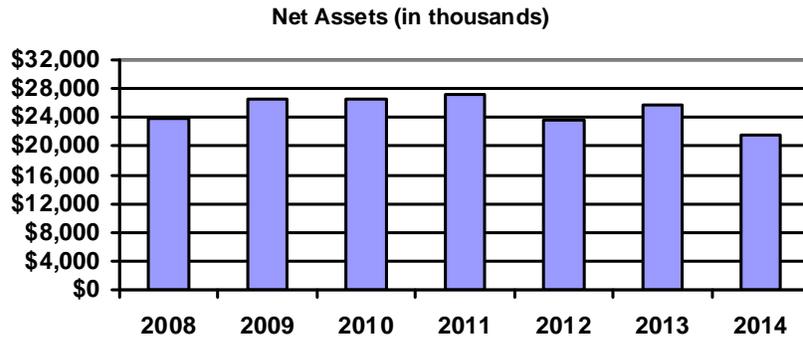
The 2011 budget includes a transfer out of \$923,000 for debt service related to the Minneapolis Employees Retirement Fund (MERF) unfunded liability.

Debt Service

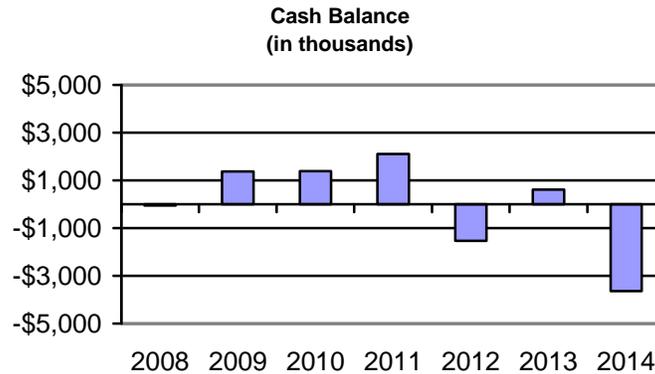
As part of the fleet modernization effort that began in 1997, the City issued bonds to finance fleet upgrades and to build new maintenance facilities. In 2010, the City issued \$22.3 million of refunding bonds to refinance current debt at a lower interest rate. Principal and interest payments totaling \$3 million are due in 2011 related to these bonds.

Net Assets

A primary objective of the long-range financial plan is to increase the fund's net assets and the cash balance. The fund has steadily increased its net asset balance since 2003 when the long range financial plan was first implemented. The net asset balance at year-end 2009 is \$26.5 million which is an increase of \$2.8 million from the 2008 ending balance of \$23.8 million.



The 2009 ending cash balance of \$1.4 million is an increase of \$1.4 million from the 2008 ending balance of a deficit of \$49,000. The following chart illustrates the historical and projected cash performance of the fund:



Mayor's Recommended Budget

The Mayor recommended no changes to this fund. The Mayor included a wireless commitment charge of \$54,414 which is offset by healthcare savings. The Mayor included a one-year postponement of 2012 General Fund obligations to the fund in the amount of \$2.3 million in order to create capacity in 2012. Additionally, the Mayor included a partial prepayment of 2014 obligations in 2013 in the amount of \$1.2 million to create capacity in 2014. The total amount of General Fund support as specified in the workout plan is unchanged.

Council Adopted Budget

The Council adopted the Mayor's recommendations.

**City of Minneapolis
2011 Budget
Financial Plan (in thousand of dollars)**

Fleet Services - 06100

	2008 Actual	2009 Actual	2010 Current Budget	2010 Projected	2011 Budget	% Chg From 2010 Budget	2012 Forecast	2013 Forecast	2014 Forecast
Source of Funds:									
Charges for Service	6,460	5,608	8,133	8,800	7,446	-8.4%	7,669	7,899	8,136
Charges for Sales	6,695	5,274	9,838	7,500	8,272	-15.9%	8,520	8,776	9,039
Interest	-	-	-	-	-	-	-	-	-
Gains	164	59	200	200	200	0.0%	200	200	200
Rents	20,685	20,781	24,726	22,000	24,789	0.3%	25,533	26,299	27,088
Other Misc Revenue	30	119	10	32	10	0.0%	10	10	10
Operating Transfers in	4,180	4,180	4,180	4,180	4,299	2.8%	1,926	7,488	827
Proceeds from long term liabilities	-	-	-	-	-	-	-	-	-
Total	38,214	36,021	47,087	42,712	45,016	-4.4%	43,858	50,672	45,300
Use of Funds:									
Debt Service	3,826	3,367	3,405	3,163	2,996	-12.0%	3,010	3,011	2,911
Transfers	453	502	581	581	923	58.9%	616	535	535
PW Equipment	27,788	25,280	35,334	33,000	35,786	1.3%	36,873	37,975	39,111
PW Equipment Capital	6,996	5,454	7,752	4,000	4,600	-40.7%	7,000	7,000	7,000
Total	39,063	34,603	47,072	40,744	44,305	-5.9%	47,499	48,521	49,557
Change in Net Assets	2,069	2,764	15	1,968	711		(3,641)	2,151	(4,256)
Net Assets	23,784	26,548	26,563	28,516	27,274		23,633	25,783	21,527
Cash Balance	(49)	1,377	1,392	3,345	2,103		(1,538)	612	(3,644)
Target Cash Reserve¹	N/A	1,377	2,108	2,108	2,838		3,569	4,300	4,300
Variance Cash to Target Cash Reserve	N/A	-	(716)	1,237	(735)		(5,107)	(3,688)	(7,944)

¹ The target cash reserve policy for internal services establishes a minimum cash balance at 15% of the operating budget. The reserve amounts were determined April 2010.

**City of Minneapolis
2011 Budget
Financial Plan**

Property Services Fund

Background

The Property Services Fund is responsible for the maintenance and upkeep of City owned buildings including police precinct structures, fire stations, public works buildings and parking structures. The fund does not include the Convention Center, Parking Facilities, or Water and Park Board buildings. The fund is also responsible for the Radio Shop which maintains the City's emergency communications network and accounts for the coordination and management of special property projects. In 2004, the Property Services division assumed the responsibility for space and asset management and security management. In 2005, the property services division began providing maintenance for Community Planning and Economic Development department and in 2007 provided energy management for City properties.

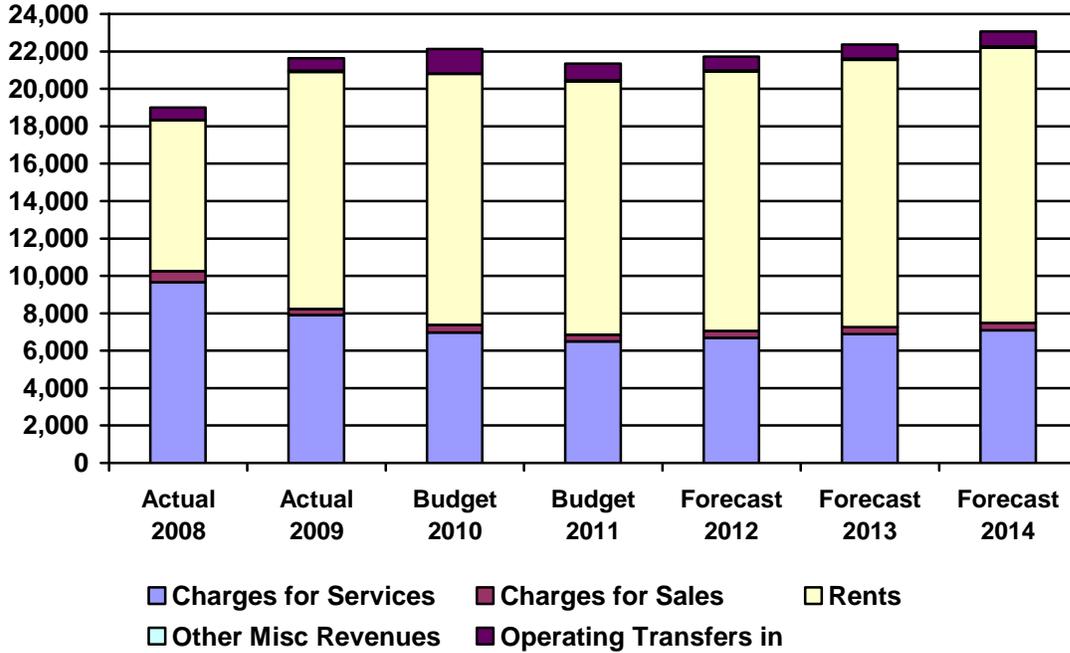
Beginning in 2009, the Council approved a City-wide charge for City Hall rent. The Property Service fund collects the rental charge and remits to the Municipal Building Commission. The revenue and expenditure budgets for the fund were increased by \$4.5 million to account for this flow through rental charge. The City departments located in City Hall received an appropriation increase to fund the rent.

Historical Financial Performance

This fund collects revenue from the City departments that use its goods and services (building space, operational maintenance, security, space and asset management, energy management, janitorial and radio services). The proposed building and equipment rental rates charged to City departments are calculated through rate models using historical and anticipated operational costs. The rate structure is configured to enable the fund to charge the amount required to recover the cost of the goods and services provided to City departments and the cost of the fund's overhead.

The 2009 year-end cash balance is \$353,000, a decrease of 46% from the 2008 year-end balance of \$652,000. In 2010, a target cash balance reserve was established for the internal service funds. The minimum balance is equal to 15% of the operating budget.

Property Services Revenues
(in thousands of dollars)



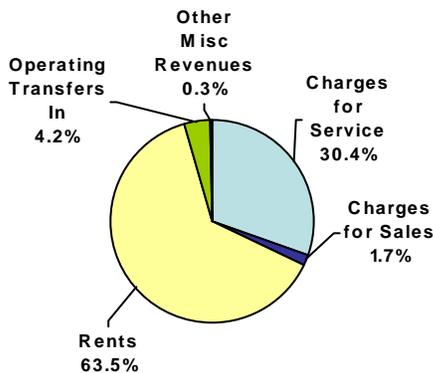
Revenue Assumptions (2011)	
Total Number of Buildings	121
Number of Managed Leases	3
Number of Radios	2200

2011 Budget

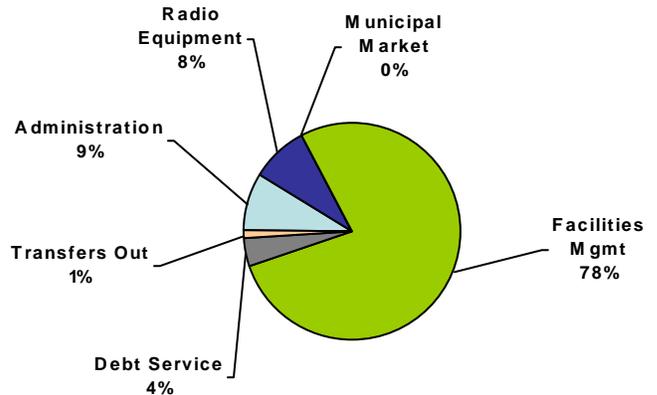
Revenues

The 2011 revenue budget for this fund is \$21.3 million, or a decrease of 3.9% from 2010 budget of \$22.1 million. The decrease in revenue is primarily related to an expected decline in the demand for additional elective services provided to City departments and a decrease in the transfer from the general fund to property services for pass-through City Hall rent. Included in this division's revenue budget is \$4.5 million of pass-through rent revenue collected from City departments that occupy City Hall and remitted to the Municipal Building Commission.

**Property Service Fund
Source of Funds
(\$21.3 million)**



**Property Service Fund
Use of Funds
(\$21.2 million)**



Expenditures

The 2011 expense budget is \$21.2 million, a decrease of 4.0% from 2010 budget of \$22.1 million. The decrease in operating expense is related to an anticipated decline in the demand for elective reimbursable services provided to other City departments. Included in this division's expense budget is \$4.5 million of pass-through cost for services provided by the Municipal Building Commission for maintaining the City's space in City Hall.

Transfers

The 2011 budget includes a transfer out of \$228,000 for debt service relate to the Minneapolis Employees Retirement Fund (MERF) unfunded liability.

The fund receives a transfer of \$530,000 in 2011 from the general fund to cover the general fund's portion of the debt service related to the 800MHz emergency communications project. In addition, the fund receives a transfer of \$291,000 from the general fund to cover the cost of City Hall rent.

Debt Service

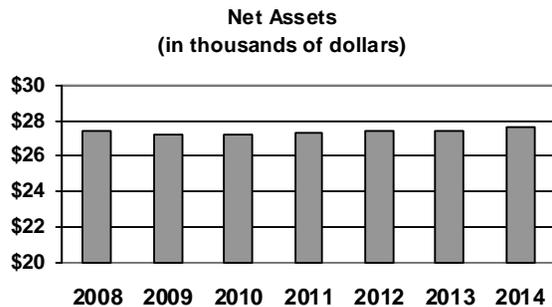
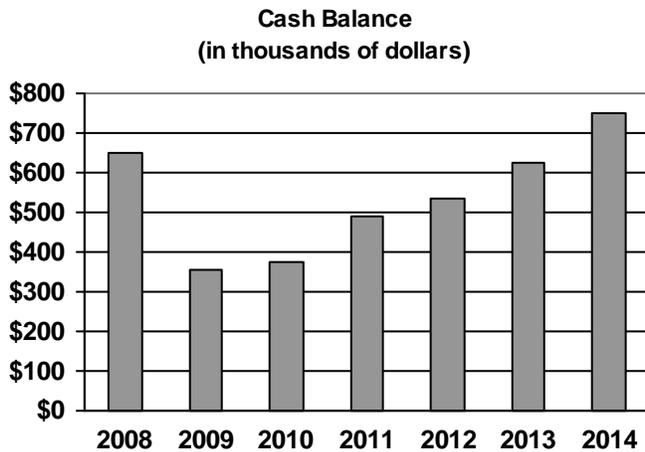
The radio shop, a division of the Property Services, has management responsibility for the \$14.0 million 800 MHz radio system. The property services fund recognizes the fixed asset, along with the debt related to this project. The radio shop is funding a portion of the City's public safety initiative through a contribution of \$350,000 a year.

The debt service for 800 MHz radio system is funded as follows in 2011:

\$530,000	Transfer from the general fund
\$350,000	Property services portion of debt
\$880,000	Total debt service (Year 2011)

Net Assets

The Property Services Fund has a positive net asset balance of \$27.2 million at year-end 2009, a decrease of \$0.2 million from the 2008 ending balance of \$27.4 million. The fund does not recover the cost of depreciation of the buildings that are assets of the fund. Because this cost is not recovered, the fund balance will continue to decline even though the fund recovers its operating costs through a rate model.



Mayor's Recommended Budget

The Mayor recommends no changes to this fund. The Mayor includes a wireless commitment charge of \$26,600 which is offset by healthcare savings.

Council Adopted Budget

The Council adopted the Mayor's recommendations.

The budget for this fund includes a technical adjustment to increase revenue and expense budgets by \$80,000 due to an increase in property rent charges to Public Works departments and to Regulatory Services. The Council further adopted an increase of \$40,000 to the fund's expense appropriation for the development of the Citywide Strategic Facilities Space Plan using the fund's balance as a revenue source. The Council adopted a technical adjustment to City Hall rent to decrease Minneapolis Fire department rent by \$79,000 with an off-setting increase to Property Services to reflect the transfer of Fire Inspections.

The Council further adopted the following staff direction: the department of Public Works should work with the Finance Department to simplify the Property Services allocation model for implementation in the 2012 budget process.

City of Minneapolis
2011 Budget
Financial Plan (in thousand of dollars)
Property Services Fund - 6200

	2008 Actual	2009 Actual	2010 Current Budget	2010 Projected	2011 Budget	% Chg From 2010 Budget	2012 Forecast	2013 Forecast	2014 Forecast
Source of Funds:									
Changes for Services	9,654	7,904	6,979	6,600	6,493	-7.0%	6,688	6,889	7,095
Charges for Sales	597	323	400	300	355	-11.3%	366	377	388
Rents ¹	8,071	12,669	13,429	13,400	13,548	1.1%	13,872	14,288	14,717
Other Misc Revenues	8	83	3	4	61	1932.3%	63	65	67
Transfers In	668	655	1,326	966	821	-38.1%	714	723	736
Proceeds of Long Term Liabilities			-	-	-		-	-	-
Total	18,997	21,634	22,138	21,270	21,278	-3.9%	21,703	22,341	23,003
Use of Funds:									
Property Services Administration	661	1,357	1,217	1,600	1,852	52.2%	1,904	1,960	2,019
Radio Equipment	1,408	1,550	2,394	1,800	1,804	-24.6%	1,858	1,914	1,972
Municipal Market	18	6	42	42	21	-50.9%	21	22	23
Facilities Management	15,796	17,514	17,409	16,600	16,446	-5.5%	16,874	17,380	17,901
Debt Service	968	877	938	886	880	-6.2%	864	873	886
Transfers Out	88	97	118	118	228	93.2%	155	132	132
Total	18,940	21,400	22,118	21,046	21,231	-4.0%	21,676	22,281	22,932
Change in Net Assets	(472)	(226)	20	224	47		27	60	71
Net Assets	27,436	27,210	27,230	27,435	27,277		27,303	27,364	27,435
Cash Balance	652	353	373	577	492		533	623	748
Target Cash Reserve¹	N/A	353	890	890	1,426		1,963	2,500	2,500
Variance Cash to Target Cash Res	N/A	-	(517)	(313)	(934)		(1,430)	(1,877)	(1,752)

¹ The target cash reserve policy for internal services establishes a minimum cash balance at 15% of the operating budget. The reserve amounts were determined April 2010.

**City of Minneapolis
2011 Budget
Financial Plan**

Self-Insurance Fund

Background

The Self-Insurance Fund records tort liability settlements, workers' compensation claims, COBRA medical and dental payments, severance payments to employees who meet eligibility requirements, and the related administrative costs of these services. An activity-based rate model assigns charges to City departments to cover these expenses. The fund records the revenues received related to the rate model charges and other revenues earned by self insurance departments. The 2011 budget for expenditures for this fund is \$25.8 million, a 29.5% decrease from 2010 expense budget due to recording transactions relating to employee flexible spending accounts, Metropass, and dental insurance in another City fund.

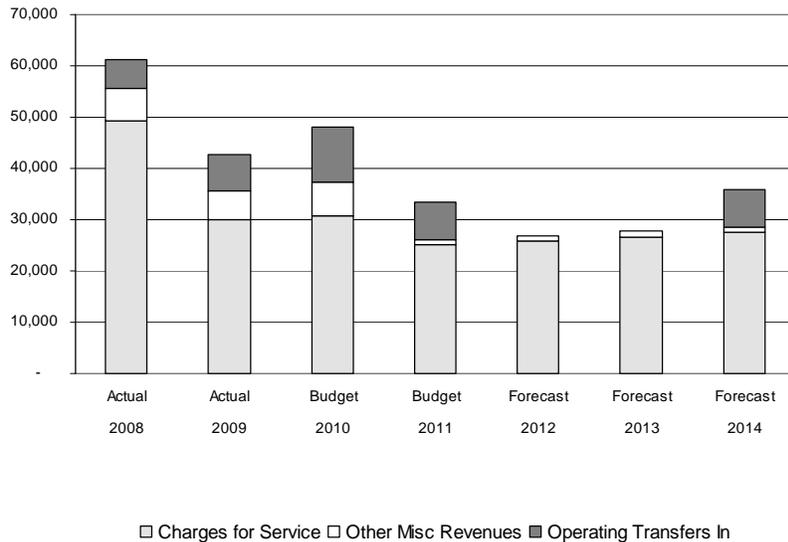
Historical Financial Performance

The net assets of the Self-Insurance Fund reflected a negative position of \$15.4 million at year-end 2009, improving \$27.9 million from the 2002 ending balance of a negative \$43.3 million. The primary reason for the negative balance is the required accounting recognition of liability for unpaid claims. The 2009 unpaid claims liability is \$42.5 million representing an increase of \$10.7 million from the 2008 liability of \$31.8 million. An actuarial study completed for year-end 2009 calculated the increase to the unpaid claims liability based on historical paid claims, incurred loss, and estimated reserves for claims unpaid.

In 2003, the City Council adopted a financial plan for the Self-Insurance Fund to increase net assets and attain a positive cash balance by year-end 2006. The financial plan was updated in 2008 and adopted by the City Council. The fund continues to perform above the financial plan cash projections and ended 2009 with a cash balance of \$29.0 million, an increase of \$10.2 million from the 2008 ending balance of \$18.8 million. The long-term financial plan projected a 2009 ending cash balance of \$23.4 million.

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

Self-Insurance Revenues
(in thousands of dollars)



2011 Budget

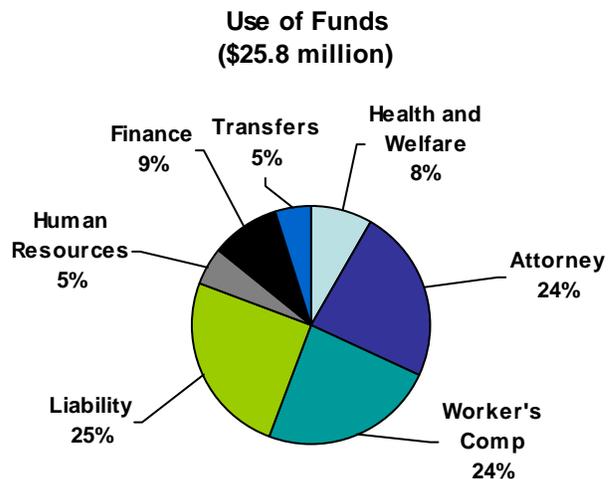
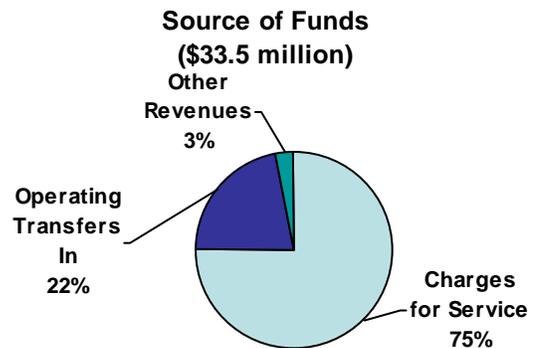
Revenues

Beginning in August 2008, revenues and expenses related to medical and life insurance are processed directly from payroll to the vendors and do not flow through this fund as was previous practice. As of March 2009, revenues and expenses related to dental insurance and flexible spending accounts are recorded in another City fund. The result of these changes is an ongoing decrease to the revenue and expense budgets for this fund.

The 2011 budgeted revenue for the Self Insurance Fund is \$33.5 million, a decrease of 30.4% from the 2010 revised budget of \$48.1 million. The transfer in from the general fund decreased from \$10.8 million in 2010 to \$7.3 million in 2011.

Expenditures

The expense budget for 2011 is \$25.8 million, a decrease of 29.5% from the 2010 revised budget of \$36.6 million. The primary reason for the decrease is the change from recording benefits payments in the



Self Insurance fund to an alternative City fund.

The Unused Sick Leave program provides a payout of unused sick leave to qualified employees at 50% of salary. Payments are funded by 0.7% gross salary contributions from the City and Park Board into a severance pool. The rate for City police officers and firefighters is 1.1% of gross pay.

The worker's compensation payments are estimated at \$6.1 million for 2011. This is a 3.6% decrease over the prior year's budgeted amount to bring the 2011 budget in line with an actuarial study completed in 2009. The same study predicted an increase in liability payments of 2.9%, from \$6.3 million in 2009 to \$6.5 million in the 2011.

Transfers

The 2011 expense budget includes a transfer of \$217,000 to a pension fund debt service to cover the cost of debt related to the Minneapolis Employees Retirement fund (MERF) unfunded liability. The budget also includes a \$1.0 million transfer to the Intergovernmental Services Fund to assist with payment of debt service as determined by the updated 2008 long-term financial plan.

Debt Service

A final debt payment of \$1.1 million processed in 2008 satisfied all debt service. The \$5.4 million in debt outstanding at year end of 2005 was reduced by a \$3.1 million payment in 2006 due to a Council action to apply excess general fund appropriations from 2005.

Net Assets

The net asset balance at year end 2009 is a deficit of \$15.4 million representing an increase of \$0.1 million from the deficit balance of \$15.5 at year end 2009. The long-term financial plan projected a 2009 net asset balance of a deficit of \$13.3 million. Although the fund experienced an increase in cash of \$10.2 million in 2009, a corresponding increase in net assets did not occur due to the \$10.7 million increase in the liability for unpaid claims. The projected increase to net assets in 2010 is \$10.0 million.

Mayor's Recommended Budget

The Mayor recommended a prepayment of General Fund obligations to the Self Insurance Fund of \$5.5 million which covers the 2012 and 2013 transfers. The Mayor recommended a wireless commitment charge of \$10,506 which is offset by healthcare savings.

Council Adopted Budget

The Council adopted the Mayor's recommendations. The Council adopted a \$1 million one-time reduction to the Self Insurance Fund transfer, reflecting positive experience in that fund, to help reduce the property tax levy increase from 6.5% to 4.7%.

City of Minneapolis
2011 Budget
Financial Plan (in thousands of dollars)

Self Insurance Fund - 6900

	2008 Actual	2009 Actual	2010 Current Budget	2010 Projected	2011 Budget	% Chg From 2010 Budget	2012 Forecast	2013 Forecast	2014 Forecast
Source of Funds:									
Charges for Service ¹	49,253	30,110	30,728	22,236	25,119	-18.3%	25,873	26,649	27,448
Interest	-	-	-	-	-	-	-	-	-
Other Misc Revenues	6,356	5,542	6,521	5,424	1,010	-84.5%	1,040	1,072	1,104
Operating Transfers In	5,643	6,915	10,810	10,810	7,330	-32.2%	-	-	7,410
Total	61,252	42,567	48,059	38,470	33,459	-30.4%	26,913	27,720	35,962
Use of Funds:									
Debt Service	1,082	-	-	-	-	-	-	-	-
Transfers	131	145	140	140	1,217	769.3%	1,146	1,126	1,126
Health and Welfare ¹	33,201	9,924	13,925	5,524	2,164	-84.5%	2,229	2,296	2,365
Attorney	5,046	5,569	6,101	6,135	6,101	-	6,190	6,376	6,567
Workers Compensation	7,424	10,820	6,290	6,290	6,065	-3.6%	6,503	6,689	6,881
Liability	1,630	12,067	6,270	6,270	6,450	2.9%	6,644	6,843	7,048
Human Resources	1,092	1,142	1,401	1,701	1,380	-1.5%	1,407	1,450	1,493
Finance Dept - Risk Mgmt	1,829	2,840	2,459	2,459	2,420	-1.6%	2,478	2,552	2,628
Total	51,435	42,507	36,586	28,519	25,797	-29.5%	26,596	27,331	28,109
Change in Net Assets	10,877	60	11,473	9,951	7,662		316	389	7,853
Net Assets	(15,493)	(15,433)	(3,960)	(5,482)	3,702		4,018	4,407	12,261
Cash Balance	18,767	28,995	40,468	38,946	48,130		48,446	48,835	56,689
Long Range Financial Plan Target Cash²	16,678	23,412	30,663	30,663	37,317		42,986	47,670	51,370
Variance Cash to Financial Plan	2,089	5,583	9,805	8,283	10,813		5,460	1,165	5,319

¹ Beginning in August 2008, medical and life insurance charges do not flow through the Self Insurance Fund. The 2008 actual Charges for Service revenue and Health and Welfare expense record medical transactions for part of the year.

² The cash projections for 2008 onward are based on the updated long-term financial plan for this fund, adopted by Council in 2008, which accelerated the target cash balance.

SCHEDULE ONE
FUND SUMMARY - CHANGES TO FUND BALANCE

		<u>Total Revenues</u>	<u>Total Expense</u>	<u>Change in Fund Balance</u>
AGENCY	INVESTMENT POOL			0
	GENERAL FIXED ASSETS-CITY			0
	Capital Assets - Parks			0
	HR COMBO CODE DEFAULT			0
TOTAL AGENCY				0
GENERAL	GENERAL FUND	392,337,000	392,337,000	0
TOTAL GENERAL		392,337,000	392,337,000	0
SPECIAL REVENUE	HUMBOLDT GREENWAY TE BONDS			0
	URBAN VILLAGE TE BONDS			0
	WEST SIDE MILLING TE BONDS			0
	WEST SIDE MILLING TE BONDS II			0
	TAX INCREMENT ADMINISTRATION		100,000	-100,000
	Central Ave Lofts	76,832	72,006	4,826
	CAMDEN MEDICAL FACILITY	41,097	39,000	2,097
	ST ANNE'S HOUSING	55,442	52,774	2,668
	ANTIQUES MINNESOTA	40,303	39,188	1,115
	COMMON PROJECT UNCERTIFIED	106,760	964,660	-857,900
	WEST BROADWAY	363	65,000	-64,637
	EAST BANK 1335	585	110,000	-109,415
	GRANT	256	40,000	-39,744
	CHICAGO AND LAKE	218,210		218,210
	NINTH & HENNEPIN	64,347	249,665	-185,318
	NORTH LOOP	7,128	1,420,000	-1,412,872
	INDUSTRY SQUARE	931	180,000	-179,069
	SEWARD SOUTH	6,782	1,350,000	-1,343,218
	CEDAR RIVERSIDE	10,616	2,115,000	-2,104,384
	HOUSING FOR CHRONIC ALCOHOLICS	27,211	26,000	1,211
	HENNEPIN & LAKE	3,432	85,000	-81,568
	BROADWAY 35-W	3,743	644,875	-641,132
	BOTTINEAU	170,189	157,659	12,530
	FRANKLIN AVENUE			0
	CONSERVATORY	4,072,644	1,700,000	2,372,644
	LORING PARK	75	10,000	-9,925
	LAUREL VILLAGE	2,119,092	1,917,135	201,957
	CITY CENTER	12,154		12,154
	SOUTH NICOLLET MALL	11,137,192	6,143,481	4,993,711
	CENTRAL CARE NURSING HOME			0
	CLARE HOUSING	13,614	400	13,214
	DEEP ROCK TAX INCREMENT			0
	DOWNTOWN EAST LRT			0
	2700 EAST LAKE	89,269	85,221	4,048
	EAST PHILLIPS	26,804	25,512	1,292
	EAST VILLAGE	215,945	199,536	16,409
	50TH & FRANCE	210,418	194,241	16,177
	FRANKLIN PORTLAND WELLSTONE		2,375	-2,375

SCHEDULE ONE
FUND SUMMARY - CHANGES TO FUND BALANCE

		<u>Total Revenues</u>	<u>Total Expense</u>	<u>Change in Fund Balance</u>
SPECIAL REVENUE	FORMER FED RESERVE	1,306,952	1,180,191	126,761
	GRAIN BELT	166,432	153,700	12,732
	GRACO TI	113,259	105,433	7,826
	GRAIN BELT HOUSING DIST 132	49,638	81,201	-31,563
	110 GRANT			0
	13TH AND HARMON	278,192	255,998	22,194
	PARCEL C TI DISTRICT	475,052	439,443	35,609
	HISTORIC DEPOT REUSE DIST 93	786,831	342,763	444,068
	HENNEPIN & 7TH ENTERTAINMENT	2,049,201	1,923,718	125,483
	HUMBOLDT GREENWAY DIST 98	275,459	355,343	-79,884
	HIAWATHA COMMONS HOUSING	83,356	78,426	4,930
	Humboldt Industrial Park	181,126	167,341	13,785
	HERITAGE LAND APTS	509,194	422,880	86,314
	HERITAGE PARK	441,038	509,926	-68,888
	900 6TH AVE SE	75,111	71,013	4,098
	EAST HENNEPIN & UNIVERSITY	1,344,947	1,305,646	39,301
	CAMDEN AREA IMPACT			0
	IVY TOWER	905,527	870,975	34,552
	JOURDAIN	50,978	48,785	2,193
	LOCAL CONTRIBUTION FUND	163,500	2,375,000	-2,211,500
	Lonfellow Station		156,163	0
	LOWRY RIDGE	100,205	90,095	10,110
	LAKE STREET CENTER	2,341,588	2,250,793	90,795
	MAGNUM LOFTS	55,876	53,189	2,687
	MANY RIVERS	68,945	64,965	3,980
	MANY RIVERS WEST	45,062	43,466	1,596
	1900 CENTRAL AVE HSG	68,792	64,802	3,990
	NICOLLET FRANKLIN	222,493	205,316	17,177
	NRP		1,106,012	-1,106,012
	Coloplast	245,870	234,408	11,462
	Consolidated TIF District	16,227,677	14,488,740	1,738,937
	NWIP	14,714		14,714
	HOLMES	14,386		14,386
	NICOLLET ISLAND EAST BANK	12,182		12,182
	PORTLAND PLACE	92,852	3,075	89,777
	NOKOMIS HOLMES	296,814		296,814
	ELLIOT PARK			0
	NICOLLET & LAKE	3,770		3,770
	CENTRAL & 20TH	108,660		108,660
	CENTRAL AVE MARKET			0
	MILES I	140,332		140,332
	NBA ARENA	3,017,734	5,000	3,012,734
	PHILLIPS PARK	67,463	60,656	6,807
	LASALLE PLACE	2,136,628		2,136,628
	CAPITAL PROJECTS- OTHER		75,289	-75,289
	PRELIMINARY PLANNING	100,000	2,743,968	-2,643,968

SCHEDULE ONE
FUND SUMMARY - CHANGES TO FUND BALANCE

		<u>Total Revenues</u>	<u>Total Expense</u>	<u>Change in Fund Balance</u>
SPECIAL REVENUE	NEIMAN MARCUS	1,707,743	423,758	1,283,985
	IDS DATA SERVICE CENTER	3,732,290	2,639,290	1,093,000
	BLOCK E			0
	PARK AVENUE EAST	62,000	11,345	50,655
	36TH AND MARSHALL			0
	COMMON PROJECT RESERVE			0
	CAPITAL PROJECTS-ARBITRAGE			0
	RIPLEY GARDENS	57,532	54,653	2,879
	CREAMETTE DISTRICT 84	143,125	128,684	14,441
	MARSHALL RIVER RUN	88,255	82,831	5,424
	ROSACKER NURSERY SITE	149,640		149,640
	STONE ARCH APARTMENTS	275,882	252,713	23,169
	SPRING & CENTRAL	17,713	15,000	2,713
	SHINGLE CREEK COMMONS	76,380	71,650	4,730
	ST ANTHONY MILLS	89,406	83,891	5,515
	STINSON	860,971	781,239	79,732
	SEMI-PHASE 1	518,727	552,891	-34,164
	SEMI-PHASE 2	245,357	225,217	20,140
	SEMI-PHASE 3	78,092	73,215	4,877
	SEMI-PHASE 4	214,586	197,475	17,111
	SEMI-PHASE 5	164,972	151,883	13,089
	TOWERS AT ELLIOT PARK	1,400,621	786,695	613,926
	2ND ST N HOTEL/APTS TOWNPLACE	223,028	205,116	17,912
	10TH AND WASHINGTON	477,487	434,076	43,411
	UNITED VAN BUS	65,929	195,600	-129,671
	EAST RIVER / UNOCAL SITE	209,616	193,763	15,853
	URBAN VILLAGE	423,092	5,225	417,867
	Van Cleve East	34,453	33,399	1,054
	VILLAGE IN PHILLIPS HOUSING	56,592	53,930	2,662
	VILLAGE IN PHILLIPS PHASE II		2,400	-2,400
	Van Cleve Redevelopment	3,232	52,403	-49,171
	Van Cleve West	7,037	8,749	-1,712
	WASHINGTON COURTS APTS	22,800	23,425	-625
	WEST SIDE MILLING DISTRICT	1,900,647	1,688,432	212,215
	WEST RIVER COMMONS	99,640	93,066	6,574
	HSG REPLACE-WATERSHED 0	362,578	96,632	265,946
	HOUSING REPLACEMENT 2	70,921	114,717	-43,796
	HSG REPLACE-WATERSHED 3		102,447	-102,447
	BLOCK 33	23,336		23,336
	CPED UDAG LEVERAGE INVESTMENT			0
	CPED NEIGHBORHOOD DEVEL ACCT		204,107	-204,107
	CPED OPERATING	4,769,000	6,963,120	-2,194,120
	NRP ADMINISTRATION		356,040	-356,040
	COMMUNITY DEVELOPMENT INVEST			0
	DEVELOPMENT ACCOUNT	1,730,000	4,821,436	-3,091,436
	ECONOMIC DEVELOPMENT PROGRAM	4,532,000	5,887,838	-1,355,838

SCHEDULE ONE
FUND SUMMARY - CHANGES TO FUND BALANCE

		<u>Total Revenues</u>	<u>Total Expense</u>	<u>Change in Fund Balance</u>
SPECIAL REVENUE	HOUSING FINANCE			0
	HOUSING PROGRAM	850,000	1,977,020	-1,127,020
	HOME OWNERSHIP WORKS		800,000	-800,000
	CPED LEVERAGE INVESTMENT			0
	CPED STATE GRANTS & LOAN			0
	NEIGHBORHOOD HOUSING			0
	NRP NON TI			0
	COMMUNITY DEVELOPMENT	1,020,000	7,000,000	-5,980,000
	RESIDENTIAL HOUSING	489,000	735,380	-246,380
	UPPER RIVER LAND BANK			0
	BOARD OF ESTIMATE AND TAXATION	170,600	184,865	-14,265
	Downtown Improvement District	5,800,000	5,800,000	0
	POLICE DEPT - SPECIAL REVENUE	2,137,000	2,559,367	-422,367
	ARENA - RESERVE	2,930,000	8,286,119	-5,356,119
	CONVENTION FACILITES - RESERVE	1,150,000	1,500,000	-350,000
	GRANTS - FEDERAL	21,568,806	21,546,994	21,812
	CPED FEDERAL GRANTS-OTHER			0
	CDBG & UDAG FUNDS	17,019,413	16,822,409	197,004
	CPED CDBG			0
	HOME	3,780,884	3,780,884	0
	GRANTS - OTHER	14,006,888	14,006,887	1
	CONVENTION CENTER OPERATIONS	76,998,757	80,199,423	-3,200,666
	NCR - SPECIAL REVENUE	5,309,036	5,000,000	309,036
	FIRE PENSION BONDS			0
	MERF PENSION BONDS			0
	POLICE PENSION BONDS			0
	EMPLOYEE RETIREMENT	38,352,500	24,720,500	13,632,000
	PARK - GENERAL FUND	60,014,775	59,063,179	951,596
	PARK - MUSEUM (ART INSTITUTE)	11,738,497	11,738,497	0
	PARK - GRANT & SPECIAL REVENUE	1,167,600	1,167,600	0
	PARK-SPEC REV-INTEREST BEARING			0
	LIBRARY - GENERAL FUND			0
	LIBRARY - CAPITAL IMPROVEMENTS	1,040,000	1,040,000	0
	LIBRARY REF DEBT SERVICE			0
	HISTORIC PRESERVATION FUND			0
	MUNICIPAL BUILDING COMMISSION	8,119,652	7,974,789	144,863
	JOINT BOARD			0
	MEDC			0
	YOUTH COORDINATING BOARD	1,405,861	1,405,861	0
	NEIGHBORHOOD REVITAL POLICY	1,162,421	1,162,423	-2
	PUBLIC HOUSING AUTHORITY	439,304	439,305	-1
TOTAL SPECIAL REVENUE		354,934,944	357,302,297	-2,211,191
CAPITAL PROJECT	AUG 01 VARIOUS PURPOSE			0
	JUNE 02 VARIOUS PURPOSE BONDS			0
	DEC02 VARIOUS PURPOSE BONDS			0
	JUNE 03 VARIOUS PURPOSE BONDS			0

SCHEDULE ONE
FUND SUMMARY - CHANGES TO FUND BALANCE

		<u>Total Revenues</u>	<u>Total Expense</u>	<u>Change in Fund Balance</u>
CAPITAL PROJECT	JUNE 04 VARIOUS PURPOSE BONDS			0
	JUNE 05 VARIOUS PURPOSE BONDS			0
	OCT05 VAR PURP REFUNDING BONDS			0
	JUNE 06 VARIOUS PURPOSE BONDS			0
	JUNE 07 VARIOUS PURPOSE BONDS			0
	MAY 08 VARIOUS PURPOSE BONDS			0
	May 09 Various Purpose Bonds			0
	OCT 02 IMPROV BOND ARBITRAGE			0
	NOV03 IMPROV BOND ARBITRAGE			0
	NOV04 IMPROV BOND ARBITRAGE			0
	NOV05 IMPROV BOND ARBITRAGE			0
	NOV06 IMPROV BOND ARBITRAGE			0
	NOV07 IMPROV BOND ARBITRAGE			0
	NOV08 IMPROV BOND ARBITRAGE			0
	NOV09 IMPROV BOND ARBITRAGE			0
	JUNE 06 LIBRARY REF BONDS			0
	May 08 Library Ref Bonds			0
	JUNE00 VARIOUS PURPOSE BONDS			0
	CAPITAL IMPROVEMENTS	78,430,800	83,160,845	-4,730,045
	ARBITRAGE 1993 PARK BONDS			0
	PARK - CAPITAL IMPROVEMENTS	12,036,888	11,536,888	500,000
	PARK-CAPITAL IMPROVE-ASSESSED	500,000	500,000	0
	MBC - CAPITAL IMPROVEMENTS	985,000	985,000	0
TOTAL CAPITAL PROJECT		91,952,688	96,182,733	-4,230,045
DEBT SERVICE	01 IMPROVEMENT BONDS - 20 YR		194,550	-194,550
	00 IMPROVEMENT BONDS			0
	96 IMPROVEMENT BONDS		131,425	-131,425
	97 IMPROVEMENT BONDS		204,675	-204,675
	98 IMPROVEMENT BONDS		1,586	-1,586
	BOND REDEM ARBIT 6/90 IMP BOND			0
	BOND REDEM ARBIT 6/91 IMP BOND			0
	CPED DEBT SERVICE	2,443,088		2,443,088
	ST ANTHONY DEBT SERVICE			0
	BOND REDEM ARBIT 6/92 IMP BOND			0
	BOND REDEM ARBIT 6/93 IMP BOND		167,250	-167,250
	BOND REDEM ARBIT 6/94 IMP BOND			0
	BOND REDEM ARBIT 6/95 IMP BOND			0
	NOV10 IMPROV BOND D/S		1,163,164	0
	OCT 02 IMPROV BOND D/S		401,400	-401,400
	NOV03 IMPROV BOND D/S		546,250	-546,250
	NOV04 IMPROV BOND D/S		821,288	-821,288
	NOV05 IMPROV BOND D/S		364,688	-364,688
	NOV06 IMPROV BOND D/S		354,500	-354,500
	NOV07 IMPROV BOND D/S		535,425	-535,425
	NOV08 IMPROV BOND D_S		1,001,163	-1,001,163
	NOV09 IMPROV BOND D/S		1,205,000	-1,205,000

SCHEDULE ONE
FUND SUMMARY - CHANGES TO FUND BALANCE

		<u>Total Revenues</u>	<u>Total Expense</u>	<u>Change in Fund Balance</u>
DEBT SERVICE	Diseased Tree Assessment D/S		371,000	-371,000
	BOND REDEM ARBIT 6/87 IMP BOND			0
	BOND REDEM ARBIT 9/87 IMP BOND			0
	BOND REDEM ARBIT 6/88 IMP BOND			0
	BOND REDEM ARBIT 6/89 IMP BOND			0
	BOND REDEM ARBIT NIC MALL BOND			0
	BOND REDEMPTION - DEBT SERVICE	18,130,000	12,164,875	5,965,125
	OTH SELF SUPPORTING DEBT SERVC		720,698	-720,698
	MIDTOWN EXCH 108 LOAN ACCOUNT		575,362	-575,362
	PENSION FUND DEBT SERVICE	16,126,992	5,813,013	10,313,979
	Library Ref Debt Service	9,114,000	8,932,063	181,937
	CONVENTION CENTER-DEBT SERVICE	20,744,125	20,744,125	0
	TARGET CENTER	3,686,326	3,686,326	0
	BOND REDEMPTION - ASSESSMENT			0
	CONCERT HALL - DEBT SERVICE			0
	TAX INCREMENT - DEBT SERVICE	13,056,094	12,472,769	583,325
	BOND REDEM ARBIT ASSESS PARK			0
TOTAL DEBT SERVICE		83,300,625	72,572,595	11,891,194
INTERNAL SERVICE	MATERIALS & LAB-INTERNAL SVC	1,612,678	1,555,747	56,931
	EQUIPMENT - INTERNAL SERVICE	45,016,458	44,304,268	712,190
	Property Services	21,278,237	21,231,202	47,035
	STORES - INTERNAL SERVICE	1,107,000	1,068,624	38,376
	INFO TECH - INTERNAL SERVICE	42,483,650	40,411,458	2,072,192
	SELF INSURANCE-INTERNAL SVC	33,459,031	25,797,331	7,661,700
	PARK - INTERNAL SERVICE	5,316,235	5,316,235	0
	PARK-SELF INSURE-INTERNAL SVC	2,659,283	2,659,283	0
TOTAL INTERNAL SERVICE		152,932,572	142,344,148	10,588,424
ENTERPRISE	DEFAULTED PROPERTY ADMIN		86,328	-86,328
	FED HOME LN BANK ECON DEVELOP		75,000	-75,000
	FHLB HOUSING DEVELOPMENT			0
	HOUSING OWNWERSHIP PROGRAM		110,000	-110,000
	HOME OWNERSHIP & RENOVATION		300,000	-300,000
	LOAN & GRANT PROGRAMS			0
	RIVER TERMINAL	1,250,000	1,721,067	-471,067
	GARFS	300,000	307,537	-7,537
	THEATRES			0
	JUNE00 UST/SKYWAY TI BONDS			0
	AUG 01 SEWER ARBITRAGE			0
	JUNE 03 SEWER ARBITRAGE			0
	SURFACE WATER & SEWER-SANITARY	54,296,031	52,971,532	1,324,499
	SURFACE WATER & SEWER-STORMWATER	50,381,275	50,401,197	-19,922
	WATER - ENTERPRISE	77,312,986	69,685,973	7,627,013
	DEC 03 GUTHRIE RAMP ARBITRAGE			0
	VILLAGE GREEN ESCROW			0
	MUNICIPAL PARKING-ENTERPRISE	69,583,212	77,285,657	-7,702,445

SCHEDULE ONE
FUND SUMMARY - CHANGES TO FUND BALANCE

		<u>Total Revenues</u>	<u>Total Expense</u>	<u>Change in Fund Balance</u>
ENTERPRISE	SOLID WASTE - ENTERPRISE	30,101,399	34,694,273	-4,592,874
	PARK - OPERATIONS - ENTERPRISE	14,022,211	14,022,211	0
	LIBRARY PKG ENTERPRISE FUND			0
TOTAL ENTERPRISE		297,247,114	301,660,774	-4,413,660
TOTAL ALL FUNDS		1,372,704,943	1,362,399,548	11,624,721

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% Change
AGENCY					
<u>INVESTMENT POOL</u>					
INTEREST		9,351			0.0%
Total INVESTMENT POOL		9,351			0.0%
<u>GENERAL FIXED ASSETS-CITY</u>					
GAINS	27,883	1,611			0.0%
LONG TERM LIABILITIES PROCEEDS	(39,970)	(1,611)			0.0%
Total GENERAL FIXED ASSETS-CITY	(12,087)				0.0%
TOTAL AGENCY	(12,087)	9,351			0.0%

GENERAL

<u>GENERAL FUND</u>					
PROPERTY TAXES	149,664,009	166,572,706	167,660,550	169,611,800	1.2%
SALES AND OTHER TAXE	22,643	(3,822)			0.0%
FRANCHISE FEES	31,704,849	28,053,256	29,110,000	27,810,000	-4.5%
LICENSE AND PERMITS	25,922,437	27,576,152	27,389,503	27,865,167	1.7%
FEDERAL GOVERNMENT	(1,500)	113,549			0.0%
STATE GOVERNMENT	75,338,587	84,392,774	67,255,465	89,507,509	33.1%
LOCAL GOVERNMENT	562,130	500,381	733,318	753,614	2.8%
CHARGES FOR SERVICES	38,251,560	37,638,300	34,672,426	36,276,473	4.6%
CHARGES FOR SALES	96,101	84,141	31,600	29,833	-5.6%
FINES AND FORFEITS	8,670,164	8,528,637	9,829,727	9,638,287	-1.9%
SPECIAL ASSESSMENTS	4,868,482	3,247,494	2,544,804	2,589,574	1.8%
INTEREST	4,073,754	1,081,517	1,500,000	1,500,000	0.0%
RENTS	6,580	32,321	9,400	10,000	6.4%
CONTRIBUTIONS	425,115	461,434	450,000	450,000	0.0%
OTHER MISC REVENUES	579,312	681,063	10,447,368	5,141,767	-50.8%
TRANSFERS IN	19,163,821	28,035,811	19,926,000	21,152,976	6.2%
Total GENERAL FUND	359,348,046	386,995,711	371,560,161	392,337,000	5.6%
TOTAL GENERAL	359,348,046	386,995,711	371,560,161	392,337,000	5.6%

SPECIAL REVENUE

<u>HUMBOLDT GREENWAY TE BONDS</u>					
INTEREST	5,892	4,168			0.0%
Total HUMBOLDT GREENWAY TE BONDS	5,892	4,168			0.0%
<u>URBAN VILLAGE TE BONDS</u>					
INTEREST	24,844	1,528			0.0%
Total URBAN VILLAGE TE BONDS	24,844	1,528			0.0%
<u>WEST SIDE MILLING TE BONDS</u>					
INTEREST	(536)	(1)			0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% Change
Total WEST SIDE MILLING TE BONDS	(536)	(1)			0.0%
<u>WEST SIDE MILLING TE BONDS II</u>					
INTEREST	839	475			0.0%
Total WEST SIDE MILLING TE BONDS II	839	475			0.0%
<u>TAX INCREMENT ADMINISTRATION</u>					
CHARGES FOR SERVICES	101				0.0%
INTEREST	(115,838)	(18,547)			0.0%
OTHER MISC REVENUES		376			0.0%
TRANSFERS IN	1,252,000	5,550,000	1,920,000		-100.0%
Total TAX INCREMENT ADMINISTRATION	1,136,263	5,531,829	1,920,000		-100.0%
<u>Central Ave Lofts</u>					
PROPERTY TAXES		62,025	108,669	76,784	-29.3%
INTEREST	(4)	11	1	48	4,700.0%
Total Central Ave Lofts	(4)	62,036	108,670	76,832	-29.3%
<u>CAMDEN MEDICAL FACILITY</u>					
PROPERTY TAXES	36,696	39,166	39,753	41,085	3.4%
INTEREST	758	981	398	12	-97.0%
Total CAMDEN MEDICAL FACILITY	37,454	40,147	40,151	41,097	2.4%
<u>ST ANNE'S HOUSING</u>					
PROPERTY TAXES	16,917	45,769	48,839	55,416	13.5%
INTEREST	(23)	(100)	54	26	-51.9%
Total ST ANNE'S HOUSING	16,894	45,669	48,893	55,442	13.4%
<u>ANTIQUES MINNESOTA</u>					
PROPERTY TAXES	33,859	39,162	39,748	40,292	1.4%
INTEREST	140	(62)	2	11	450.0%
Total ANTIQUES MINNESOTA	33,999	39,100	39,750	40,303	1.4%
<u>COMMON PROJECT UNCERTIFIED</u>					
CHARGES FOR SERVICES	2,100		38,000	38,000	0.0%
CHARGES FOR SALES	396,571		618,400		-100.0%
INTEREST	79,692	134,717			0.0%
RENTS	246,824	141,700		68,760	0.0%
OTHER MISC REVENUES	67,826	1,549			0.0%
TRANSFERS IN	864,000	668,000			0.0%
Total COMMON PROJECT UNCERTIFIED	1,657,013	945,966	656,400	106,760	-83.7%
<u>WEST BROADWAY</u>					
PROPERTY TAXES	794,101	467,026			0.0%
STATE GOVERNMENT	10,823	11,141			0.0%
INTEREST	9,568	2,500	22	363	1,550.0%
Total WEST BROADWAY	814,493	480,666	22	363	1,550.0%
<u>EAST BANK 1335</u>					
PROPERTY TAXES	2,901,249	1,468,807			0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% Change
STATE GOVERNMENT	73,735	85,809			0.0%
INTEREST	31,406	9,673	39	585	1,400.0%
Total EAST BANK 1335	3,006,391	1,564,289	39	585	1,400.0%
<u>GRANT</u>					
PROPERTY TAXES	619,040	310,936			0.0%
INTEREST	6,790	600	22	256	1,063.6%
Total GRANT	625,831	311,537	22	256	1,063.6%
<u>CHICAGO AND LAKE</u>					
PROPERTY TAXES	170,192	224,103	227,464	217,102	-4.6%
INTEREST	896	826	4,550	1,108	-75.6%
Total CHICAGO AND LAKE	171,088	224,929	232,014	218,210	-5.9%
<u>NINTH & HENNEPIN</u>					
PROPERTY TAXES	59,260	63,367	64,317	64,317	0.0%
INTEREST	2,779	(366)	643	30	-95.3%
RENTS	16,667	360	60,000		-100.0%
OTHER MISC REVENUES		13,688			0.0%
Total NINTH & HENNEPIN	78,707	77,049	124,960	64,347	-48.5%
<u>NORTH LOOP</u>					
PROPERTY TAXES	8,656,967	5,802,450			0.0%
STATE GOVERNMENT	64,599	60,999			0.0%
INTEREST	83,415	22,110	33	7,128	21,500.0%
Total NORTH LOOP	8,804,981	5,885,560	33	7,128	21,500.0%
<u>INDUSTRY SQUARE</u>					
PROPERTY TAXES	3,438,597	2,658,425			0.0%
STATE GOVERNMENT	7,302	15,873			0.0%
INTEREST	24,210	1,991	23	931	3,947.8%
Total INDUSTRY SQUARE	3,470,109	2,676,288	23	931	3,947.8%
<u>SEWARD SOUTH</u>					
PROPERTY TAXES	2,137,179	1,277,824			0.0%
STATE GOVERNMENT	6,361	6,724			0.0%
INTEREST	26,155	8,844	29	6,782	23,286.2%
OTHER MISC REVENUES	8,166	8,166			0.0%
Total SEWARD SOUTH	2,177,862	1,301,559	29	6,782	23,286.2%
<u>CEDAR RIVERSIDE</u>					
PROPERTY TAXES	3,465,667	2,029,395			0.0%
STATE GOVERNMENT	100,156	98,584			0.0%
CHARGES FOR SERVICES	39,115	13,038			0.0%
INTEREST	42,795	12,853	18,172	10,616	-41.6%
RENTS	1,520	26,080			0.0%
Total CEDAR RIVERSIDE	3,649,252	2,179,950	18,172	10,616	-41.6%
<u>HOUSING FOR CHRONIC ALCOHOLICS</u>					
PROPERTY TAXES	26,676	28,525	28,952	27,204	-6.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% Change
INTEREST	(77)	345	290	7	-97.6%
Total HOUSING FOR CHRONIC ALCOHOLICS	26,599	28,870	29,242	27,211	-6.9%
<u>HENNEPIN & LAKE</u>					
PROPERTY TAXES	1,250,000	688,102			0.0%
INTEREST	13,231	3,919	6,880	3,432	-50.1%
Total HENNEPIN & LAKE	1,263,231	692,020	6,880	3,432	-50.1%
<u>BROADWAY 35-W</u>					
PROPERTY TAXES	1,351,291	778,072			0.0%
INTEREST	7,119	3,093	7,530	3,743	-50.3%
Total BROADWAY 35-W	1,358,411	781,165	7,530	3,743	-50.3%
<u>BOTTINEAU</u>					
PROPERTY TAXES	159,992	165,342	170,066	170,065	0.0%
STATE GOVERNMENT	2,336	2,219			0.0%
INTEREST	1,314	648	165	124	-24.8%
Total BOTTINEAU	163,643	168,209	170,231	170,189	0.0%
<u>FRANKLIN AVENUE</u>					
STATE GOVERNMENT	(12,337)				0.0%
INTEREST	1,168	(136)			0.0%
TRANSFERS IN	(25,000)				0.0%
Total FRANKLIN AVENUE	(36,169)	(136)			0.0%
<u>CONSERVATORY</u>					
PROPERTY TAXES	3,837,083	4,401,408	4,467,426	4,060,694	-9.1%
INTEREST	10,687	(6,321)	28,256	11,950	-57.7%
Total CONSERVATORY	3,847,771	4,395,087	4,495,682	4,072,644	-9.4%
<u>LORING PARK</u>					
PROPERTY TAXES	4,255,086	2,338,654			0.0%
STATE GOVERNMENT	88,081	88,742			0.0%
INTEREST	50,464	14,331	23,485	75	-99.7%
Total LORING PARK	4,393,630	2,441,727	23,485	75	-99.7%
<u>LAUREL VILLAGE</u>					
PROPERTY TAXES	952,477	710,375	1,040,316	1,117,977	7.5%
INTEREST	34,561	36,430	22,224	1,115	-95.0%
RENTS	1,930,998	1,964,752	2,050,159	1,000,000	-51.2%
LONG TERM LIABILITIES PROCEEDS	12,375,247				0.0%
Total LAUREL VILLAGE	15,293,284	2,711,557	3,112,699	2,119,092	-31.9%
<u>CITY CENTER</u>					
PROPERTY TAXES	2,550,865	1,395,773			0.0%
INTEREST	24,458	7,902	12,231	12,154	-0.6%
Total CITY CENTER	2,575,323	1,403,675	12,231	12,154	-0.6%
<u>SOUTH NICOLLET MALL</u>					
PROPERTY TAXES	8,989,582	9,929,614	10,198,057	9,685,849	-5.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% Change
INTEREST	88,945	21,166	51,343	51,343	0.0%
RENTS	1,374,002	1,396,745	1,400,000	1,400,000	0.0%
Total SOUTH NICOLLET MALL	10,452,529	11,347,525	11,649,400	11,137,192	-4.4%
<u>CENTRAL CARE NURSING HOME</u>					
INTEREST	(18)	(11)			0.0%
Total CENTRAL CARE NURSING HOME	(18)	(11)			0.0%
<u>CLARE HOUSING</u>					
PROPERTY TAXES	11,806	13,275	13,474	13,483	0.1%
INTEREST	538	436	241	131	-45.6%
Total CLARE HOUSING	12,343	13,711	13,715	13,614	-0.7%
<u>DEEP ROCK TAX INCREMENT</u>					
INTEREST	(710)	(1)			0.0%
TRANSFERS IN	182,853				0.0%
Total DEEP ROCK TAX INCREMENT	182,143	(1)			0.0%
<u>DOWNTOWN EAST LRT</u>					
PROPERTY TAXES	380,527				0.0%
INTEREST	4,916	35,751			0.0%
TRANSFERS IN	2,773,252				0.0%
Total DOWNTOWN EAST LRT	3,158,695	35,751			0.0%
<u>2700 EAST LAKE</u>					
PROPERTY TAXES	85,364	96,613	98,063	89,190	-9.0%
INTEREST	776	313	6	79	1,216.7%
Total 2700 EAST LAKE	86,141	96,927	98,069	89,269	-9.0%
<u>EAST PHILLIPS</u>					
PROPERTY TAXES	25,523	27,689	28,104	26,791	-4.7%
STATE GOVERNMENT	(20)				0.0%
INTEREST	320	139		13	0.0%
Total EAST PHILLIPS	25,823	27,828	28,104	26,804	-4.6%
<u>EAST VILLAGE</u>					
PROPERTY TAXES	207,053	230,884	236,847	215,623	-9.0%
INTEREST	2,763	1,442	265	322	21.5%
Total EAST VILLAGE	209,816	232,326	237,112	215,945	-8.9%
<u>50TH & FRANCE</u>					
PROPERTY TAXES	193,273	206,674	209,774	210,101	0.2%
INTEREST	3,442	2,084	222	317	42.8%
Total 50TH & FRANCE	196,715	208,758	209,996	210,418	0.2%
<u>FRANKLIN PORTLAND WELLSTONE</u>					
PROPERTY TAXES	174		34,099		-100.0%
INTEREST	(171)	(114)	1		-100.0%
Total FRANKLIN PORTLAND WELLSTONE	4	(114)	34,100		-100.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% Change
<u>FORMER FED RESERVE</u>					
PROPERTY TAXES	841,463	1,144,817	1,161,985	1,304,490	12.3%
INTEREST	6,759	2,882	1,627	2,462	51.3%
Total FORMER FED RESERVE	848,221	1,147,699	1,163,612	1,306,952	12.3%
<u>GRAIN BELT</u>					
PROPERTY TAXES	153,672	158,743	161,123	166,306	3.2%
INTEREST	1,785	839	155	126	-18.7%
Total GRAIN BELT	155,457	159,582	161,278	166,432	3.2%
<u>GRACO TI</u>					
PROPERTY TAXES	108,291	141,576	143,698	113,259	-21.2%
INTEREST	(865)	(734)			0.0%
Total GRACO TI	107,427	140,841	143,698	113,259	-21.2%
<u>GRAIN BELT HOUSING DIST 132</u>					
PROPERTY TAXES	65,268	77,538	80,826	49,618	-38.6%
INTEREST	(211)	440	61	20	-67.2%
Total GRAIN BELT HOUSING DIST 132	65,058	77,978	80,887	49,638	-38.6%
<u>110 GRANT</u>					
PROPERTY TAXES	395,488	494,922	502,344		-100.0%
INTEREST	10,704	(551)	4,047		-100.0%
Total 110 GRANT	406,192	494,371	506,391		-100.0%
<u>13TH AND HARMON</u>					
PROPERTY TAXES	256,318	289,713	294,059	278,192	-5.4%
INTEREST	(1,125)	(1,232)			0.0%
Total 13TH AND HARMON	255,194	288,481	294,059	278,192	-5.4%
<u>PARCEL C TI DISTRICT</u>					
PROPERTY TAXES	474,040	502,541	510,232	474,637	-7.0%
STATE GOVERNMENT	(54)	79			0.0%
INTEREST	39,034	26,330	552	415	-24.8%
Total PARCEL C TI DISTRICT	513,020	528,950	510,784	475,052	-7.0%
<u>HISTORIC DEPOT REUSE DIST 93</u>					
PROPERTY TAXES	730,699	811,707	823,883	782,434	-5.0%
INTEREST	4,212	813	815	4,397	439.5%
Total HISTORIC DEPOT REUSE DIST 93	734,911	812,521	824,698	786,831	-4.6%
<u>HENNEPIN & 7TH ENTERTAINMENT</u>					
PROPERTY TAXES	1,157,689	1,319,862	1,329,008	1,297,927	-2.3%
INTEREST	53,683	46,009		1,274	100.0%
RENTS	1,012,231	1,026,908	750,000	750,000	0.0%
Total HENNEPIN & 7TH ENTERTAINMENT	2,223,602	2,392,780	2,079,008	2,049,201	-1.4%
<u>HUMBOLDT GREENWAY DIST 98</u>					
PROPERTY TAXES	288,025	282,285	333,769	275,272	-17.5%
STATE GOVERNMENT	9,091	14,703			0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% Change
CHARGES FOR SALES	1,248				0.0%
INTEREST	4,893	1,586	417	187	-55.2%
Total HUMBOLDT GREENWAY DIST 98	303,257	298,574	334,186	275,459	-17.6%
<u>HIAWATHA COMMONS HOUSING</u>					
PROPERTY TAXES	82,947	108,007	109,628	83,307	-24.0%
INTEREST	278	(130)	106	49	-53.8%
Total HIAWATHA COMMONS HOUSING	83,225	107,877	109,734	83,356	-24.0%
<u>Humboldt Industrial Park</u>					
PROPERTY TAXES	81,634	155,052	157,377	180,990	15.0%
INTEREST	263	(151)	36	136	277.8%
Total Humboldt Industrial Park	81,897	154,900	157,413	181,126	15.1%
<u>HERITAGE LAND APTS</u>					
PROPERTY TAXES	425,986	455,501	462,335	462,339	0.0%
INTEREST	16,726	11,203	513	855	66.7%
RENTS			46,000	46,000	0.0%
CONTRIBUTIONS	60,411	65,696			0.0%
Total HERITAGE LAND APTS	503,123	532,400	508,848	509,194	0.1%
<u>HERITAGE PARK</u>					
PROPERTY TAXES	398,305	606,201	494,578	441,038	-10.8%
STATE GOVERNMENT	(3,463)	7,425			0.0%
INTEREST	8,954	2,832			0.0%
Total HERITAGE PARK	403,796	616,458	494,578	441,038	-10.8%
<u>900 6TH AVE SE</u>					
PROPERTY TAXES	65,348	73,960	75,069	75,070	0.0%
INTEREST	552	(162)	50	41	-18.0%
Total 900 6TH AVE SE	65,900	73,798	75,119	75,111	0.0%
<u>EAST HENNEPIN & UNIVERSITY</u>					
PROPERTY TAXES	1,362,708	1,404,483	1,428,094	1,344,558	-5.8%
STATE GOVERNMENT	1,724	2,755			0.0%
INTEREST	28,369	20,447	45	389	764.4%
TRANSFERS IN	157,074	307,289			0.0%
Total EAST HENNEPIN & UNIVERSITY	1,549,875	1,734,975	1,428,139	1,344,947	-5.8%
<u>CAMDEN AREA IMPACT</u>					
INTEREST	22	(5)			0.0%
TRANSFERS IN	13,400				0.0%
Total CAMDEN AREA IMPACT	13,422	(5)			0.0%
<u>IVY TOWER</u>					
PROPERTY TAXES	68,582	896,132	796,082	905,064	13.7%
INTEREST	(1,417)	(956)		463	0.0%
Total IVY TOWER	67,165	895,175	796,082	905,527	13.7%
<u>JOURDAIN</u>					

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% Change
PROPERTY TAXES	53,628	50,199	50,952	50,956	0.0%
INTEREST	178	(56)		22	100.0%
Total JOURDAIN	53,806	50,143	50,952	50,978	0.1%
<u>LOCAL CONTRIBUTION FUND</u>					
CHARGES FOR SERVICES		289,657		163,500	100.0%
CHARGES FOR SALES	3,733				0.0%
INTEREST	88,156	88,281			0.0%
RENTS	202,871				0.0%
OTHER MISC REVENUES	662	349,767			0.0%
Total LOCAL CONTRIBUTION FUND	295,423	727,705		163,500	0.0%
<u>LOWRY RIDGE</u>					
PROPERTY TAXES	125,765	110,242	111,461	100,105	-10.2%
STATE GOVERNMENT		23			0.0%
INTEREST	586	(172)	223	100	-55.2%
Total LOWRY RIDGE	126,351	110,093	111,684	100,205	-10.3%
<u>LAKE STREET CENTER</u>					
PROPERTY TAXES	2,312,774	2,583,700	2,773,917	2,340,571	-15.6%
STATE GOVERNMENT	11,036	12,079			0.0%
INTEREST	29,588	14,882	921	1,017	10.4%
LONG TERM LIABILITIES PROCEEDS	2,776,988				0.0%
Total LAKE STREET CENTER	5,130,385	2,610,661	2,774,838	2,341,588	-15.6%
<u>MAGNUM LOFTS</u>					
PROPERTY TAXES	47,997	55,023	55,849	55,849	0.0%
INTEREST	647	347	25	27	8.0%
Total MAGNUM LOFTS	48,644	55,370	55,874	55,876	0.0%
<u>MANY RIVERS</u>					
PROPERTY TAXES	59,667	68,910	69,943	68,906	-1.5%
INTEREST	(264)	(361)	44	39	-11.4%
Total MANY RIVERS	59,403	68,549	69,987	68,945	-1.5%
<u>MANY RIVERS WEST</u>					
PROPERTY TAXES	46,983	45,755	46,442	45,046	-3.0%
INTEREST	242	30	7	16	128.6%
Total MANY RIVERS WEST	47,225	45,785	46,449	45,062	-3.0%
<u>1900 CENTRAL AVE HSG</u>					
PROPERTY TAXES	63,346	67,735	68,751	68,752	0.0%
INTEREST	379	112	40	40	0.0%
Total 1900 CENTRAL AVE HSG	63,726	67,847	68,791	68,792	0.0%
<u>NICOLLET FRANKLIN</u>					
PROPERTY TAXES	212,380	226,500	232,240	222,323	-4.3%
STATE GOVERNMENT	5,495	2,115			0.0%
INTEREST	(1,679)	(1,166)	251	170	-32.3%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% Change
Total NICOLLET FRANKLIN	216,195	227,449	232,491	222,493	-4.3%
<u>NRP</u>					
CHARGES FOR SERVICES	9,509				0.0%
INTEREST	438,493	277,168			0.0%
OTHER MISC REVENUES	1,773,824	1,051,185			0.0%
TRANSFERS IN	1,115,130	16,945,092			0.0%
Total NRP	3,336,956	18,273,445			0.0%
<u>Coloplast</u>					
PROPERTY TAXES		4,774	236,119	245,679	4.0%
INTEREST		(91)	76	191	151.3%
Total Coloplast		4,683	236,195	245,870	4.1%
<u>Consolidated TIF District</u>					
PROPERTY TAXES				16,211,450	100.0%
INTEREST				16,227	100.0%
Total Consolidated TIF District				16,227,677	100.0%
<u>NWIP</u>					
PROPERTY TAXES	2,919,261	1,395,011			0.0%
STATE GOVERNMENT	522	885			0.0%
INTEREST	29,415	9,308	30,377	14,714	-51.6%
Total NWIP	2,949,198	1,405,204	30,377	14,714	-51.6%
<u>HOLMES</u>					
PROPERTY TAXES	2,463,535	1,420,435			0.0%
STATE GOVERNMENT	32,103	35,892			0.0%
INTEREST	28,227	7,454	32,379	14,386	-55.6%
Total HOLMES	2,523,864	1,463,781	32,379	14,386	-55.6%
<u>NICOLLET ISLAND EAST BANK</u>					
PROPERTY TAXES	2,116,097	1,189,587			0.0%
STATE GOVERNMENT	32,453	22,065			0.0%
INTEREST	21,545	6,931	22,906	12,182	-46.8%
Total NICOLLET ISLAND EAST BANK	2,170,095	1,218,583	22,906	12,182	-46.8%
<u>PORTLAND PLACE</u>					
PROPERTY TAXES	93,621	89,194	93,906	91,963	-2.1%
STATE GOVERNMENT	3,561	7,065			0.0%
INTEREST	7,240	4,268	326	889	172.7%
Total PORTLAND PLACE	104,422	100,526	94,232	92,852	-1.5%
<u>NOKOMIS HOLMES</u>					
PROPERTY TAXES	204,078	237,076	293,933	293,875	0.0%
STATE GOVERNMENT	52,761	50,427			0.0%
INTEREST	6,439	577	5,879	2,939	-50.0%
Total NOKOMIS HOLMES	263,278	288,080	299,812	296,814	-1.0%
<u>ELLIOT PARK</u>					

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% Change
PROPERTY TAXES	1,292,394				0.0%
STATE GOVERNMENT	12,928				0.0%
INTEREST	11,067	(3,436)			0.0%
TRANSFERS IN	128,332				0.0%
Total ELLIOT PARK	1,444,722	(3,436)			0.0%
<u>NICOLLET & LAKE</u>					
PROPERTY TAXES	513,014	352,009			0.0%
STATE GOVERNMENT	16,257	18,262			0.0%
INTEREST	5,858	2,215	9,206	3,770	-59.0%
Total NICOLLET & LAKE	535,129	372,486	9,206	3,770	-59.0%
<u>CENTRAL & 20TH</u>					
PROPERTY TAXES	96,076	105,995	107,584	107,584	0.0%
INTEREST	2,203	(61)	2,152	1,076	-50.0%
Total CENTRAL & 20TH	98,279	105,934	109,736	108,660	-1.0%
<u>CENTRAL AVE MARKET</u>					
INTEREST	15	(3)			0.0%
Total CENTRAL AVE MARKET	15	(3)			0.0%
<u>MILES I</u>					
PROPERTY TAXES	128,531	137,913	140,138	138,943	-0.9%
STATE GOVERNMENT	156	156			0.0%
INTEREST	4,505	(674)	2,803	1,389	-50.4%
Total MILES I	133,192	137,394	142,941	140,332	-1.8%
<u>NBA ARENA</u>					
PROPERTY TAXES	975,008	1,009,379	1,024,517	998,615	-2.5%
INTEREST	173,076	117,805	1,372	29,829	2,074.1%
CONTRIBUTIONS		39,406			0.0%
OTHER MISC REVENUES	749,990				0.0%
TRANSFERS IN	3,828,672		1,826,337	1,989,290	8.9%
Total NBA ARENA	5,726,746	1,166,590	2,852,226	3,017,734	5.8%
<u>PHILLIPS PARK</u>					
PROPERTY TAXES	64,224	68,120	72,270	67,396	-6.7%
STATE GOVERNMENT	3,059	3,093			0.0%
INTEREST	1,697	(995)	145	67	-53.8%
Total PHILLIPS PARK	68,980	70,218	72,415	67,463	-6.8%
<u>LASALLE PLACE</u>					
PROPERTY TAXES	1,909,453	2,204,160	2,237,227	2,115,473	-5.4%
INTEREST	19,866	9,528	31,745	21,155	-33.4%
Total LASALLE PLACE	1,929,319	2,213,687	2,268,972	2,136,628	-5.8%
<u>CAPITAL PROJECTS- OTHER</u>					
CHARGES FOR SERVICES	450,000				0.0%
RENTS	50,215	50,000	50,000		-100.0%
TRANSFERS IN	2,748,004	2,229,318			0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% Change
Total CAPITAL PROJECTS- OTHER	3,248,219	2,279,318	50,000		-100.0%
<u>PRELIMINARY PLANNING</u>					
STATE GOVERNMENT			2,000,000		-100.0%
CHARGES FOR SERVICES	22,105	32,342	3,500		-100.0%
CHARGES FOR SALES	243,300	22,568	2,000		-100.0%
RENTS	7,700	8,400			0.0%
OTHER MISC REVENUES		11,685		100,000	100.0%
TRANSFERS IN	1,745,119	19,722			0.0%
Total PRELIMINARY PLANNING	2,018,224	94,718	2,005,500	100,000	-95.0%
<u>NEIMAN MARCUS</u>					
PROPERTY TAXES	1,669,236	1,859,282	1,887,171	1,695,030	-10.2%
INTEREST	17,841	(3,449)	28,308	12,713	-55.1%
Total NEIMAN MARCUS	1,687,077	1,855,832	1,915,479	1,707,743	-10.8%
<u>IDS DATA SERVICE CENTER</u>					
PROPERTY TAXES	3,621,043	4,019,952	4,080,272	3,721,468	-8.8%
INTEREST	26,499	(18,763)	43,418	10,822	-75.1%
Total IDS DATA SERVICE CENTER	3,647,541	4,001,189	4,123,690	3,732,290	-9.5%
<u>BLOCK E</u>					
INTEREST	337	233			0.0%
Total BLOCK E	337	233			0.0%
<u>PARK AVENUE EAST</u>					
CHARGES FOR SERVICES				62,000	100.0%
INTEREST	7,441	5,130			0.0%
Total PARK AVENUE EAST	7,441	5,130		62,000	100.0%
<u>36TH AND MARSHALL</u>					
INTEREST	8,242	2,970			0.0%
Total 36TH AND MARSHALL	8,242	2,970			0.0%
<u>COMMON PROJECT RESERVE</u>					
INTEREST	323,257	218,545			0.0%
Total COMMON PROJECT RESERVE	323,257	218,545			0.0%
<u>CAPITAL PROJECTS-ARBITRAGE</u>					
INTEREST	100	70			0.0%
Total CAPITAL PROJECTS-ARBITRAGE	100	70			0.0%
<u>RIPLEY GARDENS</u>					
PROPERTY TAXES	16,888	70,198	72,978	57,503	-21.2%
STATE GOVERNMENT		1,707			0.0%
INTEREST	89	(70)	98	29	-70.4%
Total RIPLEY GARDENS	16,977	71,835	73,076	57,532	-21.3%
<u>CREAMETTE DISTRICT 84</u>					
PROPERTY TAXES	131,741	140,869	142,981	142,982	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% Change
INTEREST	1,331	(237)	286	143	-50.0%
Total CREAMETTE DISTRICT 84	133,072	140,632	143,267	143,125	-0.1%
<u>MARSHALL RIVER RUN</u>					
PROPERTY TAXES	68,118	86,398	91,498	88,201	-3.6%
STATE GOVERNMENT		455			0.0%
INTEREST	253	(90)	80	54	-32.5%
Total MARSHALL RIVER RUN	68,372	86,763	91,578	88,255	-3.6%
<u>ROSACKER NURSERY SITE</u>					
PROPERTY TAXES	131,786	132,880	138,502	148,158	7.0%
STATE GOVERNMENT	3,527	3,586			0.0%
INTEREST	10,360	3,139	370	1,482	300.5%
Total ROSACKER NURSERY SITE	145,674	139,605	138,872	149,640	7.8%
<u>STONE ARCH APARTMENTS</u>					
PROPERTY TAXES	268,899	295,469	299,900	275,653	-8.1%
INTEREST	2,474	1,234	344	229	-33.4%
Total STONE ARCH APARTMENTS	271,372	296,704	300,244	275,882	-8.1%
<u>SPRING & CENTRAL</u>					
PROPERTY TAXES	12,000	14,988	15,213	17,686	16.3%
INTEREST	720	614	4	27	575.0%
Total SPRING & CENTRAL	12,720	15,602	15,217	17,713	16.4%
<u>SHINGLE CREEK COMMONS</u>					
PROPERTY TAXES	87,999	84,012	85,272	76,333	-10.5%
INTEREST	817	408	54	47	-13.0%
Total SHINGLE CREEK COMMONS	88,816	84,420	85,326	76,380	-10.5%
<u>ST ANTHONY MILLS</u>					
PROPERTY TAXES	93,796	130,953	138,122	89,351	-35.3%
INTEREST	504	(35)	155	55	-64.5%
Total ST ANTHONY MILLS	94,300	130,919	138,277	89,406	-35.3%
<u>STINSON</u>					
PROPERTY TAXES	704,024	823,364	831,299	860,182	3.5%
INTEREST	6,431	1,932	1,067	789	-26.1%
Total STINSON	710,455	825,296	832,366	860,971	3.4%
<u>SEMI-PHASE 1</u>					
PROPERTY TAXES	522,737	542,983	575,899	518,277	-10.0%
INTEREST	60,115	28,434	700	450	-35.7%
Total SEMI-PHASE 1	582,853	571,417	576,599	518,727	-10.0%
<u>SEMI-PHASE 2</u>					
PROPERTY TAXES	218,722	241,533	245,157	245,158	0.0%
INTEREST	31,476	23,079	273	199	-27.1%
Total SEMI-PHASE 2	250,198	264,613	245,430	245,357	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% Change
<u>SEMI-PHASE 3</u>					
PROPERTY TAXES	105,685	115,527	117,259	78,044	-33.4%
STATE GOVERNMENT	(1,121)				0.0%
INTEREST	7,255	6,397	104	48	-53.8%
Total SEMI-PHASE 3	111,820	121,924	117,363	78,092	-33.5%
<u>SEMI-PHASE 4</u>					
PROPERTY TAXES		211,247	214,417	214,417	0.0%
INTEREST	1,704	(1,274)	233	169	-27.5%
Total SEMI-PHASE 4	1,704	209,973	214,650	214,586	0.0%
<u>SEMI-PHASE 5</u>					
PROPERTY TAXES	144,721	157,300	159,693	164,842	3.2%
INTEREST	180	(122)	158	130	-17.7%
Total SEMI-PHASE 5	144,900	157,178	159,851	164,972	3.2%
<u>TOWERS AT ELLIOT PARK</u>					
PROPERTY TAXES	1,424,796	1,434,018	1,442,966	1,394,543	-3.4%
STATE GOVERNMENT	18,034	15,718			0.0%
INTEREST	48,297	13,718	12,179	6,078	-50.1%
Total TOWERS AT ELLIOT PARK	1,491,128	1,463,454	1,455,145	1,400,621	-3.7%
<u>2ND ST N HOTEL/APTS TOWNPLACE</u>					
PROPERTY TAXES	192,796	221,471	224,793	222,851	-0.9%
INTEREST	3,606	2,170	252	177	-29.8%
Total 2ND ST N HOTEL/APTS TOWNPLACE	196,403	223,641	225,045	223,028	-0.9%
<u>10TH AND WASHINGTON</u>					
PROPERTY TAXES	375,929	522,972	530,814	477,057	-10.1%
INTEREST	80	1,282	723	430	-40.5%
Total 10TH AND WASHINGTON	376,009	524,254	531,537	477,487	-10.2%
<u>UNITED VAN BUS</u>					
PROPERTY TAXES	55,964	62,586	66,571	65,276	-1.9%
INTEREST	1,360	(95)	1,331	653	-50.9%
Total UNITED VAN BUS	57,324	62,491	67,902	65,929	-2.9%
<u>EAST RIVER / UNOCAL SITE</u>					
PROPERTY TAXES	214,974	222,591	228,921	209,459	-8.5%
STATE GOVERNMENT	4,822	2,956			0.0%
INTEREST	8,045	194	239	157	-34.3%
Total EAST RIVER / UNOCAL SITE	227,841	225,742	229,160	209,616	-8.5%
<u>URBAN VILLAGE</u>					
PROPERTY TAXES	331,406	427,352	429,881	420,891	-2.1%
STATE GOVERNMENT	9,126	5,107			0.0%
INTEREST	12,166	18,744	4,355	2,201	-49.5%
Total URBAN VILLAGE	352,698	451,203	434,236	423,092	-2.6%
<u>Van Cleve East</u>					

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% Change
PROPERTY TAXES			36,530	34,443	-5.7%
INTEREST		(70)	1	10	900.0%
Total Van Cleve East		(70)	36,531	34,453	-5.7%
<u>VILLAGE IN PHILLIPS HOUSING</u>					
PROPERTY TAXES	56,299	52,403	58,588	56,589	-3.4%
STATE GOVERNMENT	4,703	5,337			0.0%
INTEREST	169	(58)	20	3	-85.0%
Total VILLAGE IN PHILLIPS HOUSING	61,171	57,682	58,608	56,592	-3.4%
<u>VILLAGE IN PHILLIPS PHASE II</u>					
PROPERTY TAXES			52,266		-100.0%
INTEREST	(4)	(3)	1		-100.0%
Total VILLAGE IN PHILLIPS PHASE II	(4)	(3)	52,267		-100.0%
<u>Van Cleve Redevelopment</u>					
PROPERTY TAXES			40,185	3,232	-92.0%
INTEREST		(59)	4		-100.0%
Total Van Cleve Redevelopment		(59)	40,189	3,232	-92.0%
<u>Van Cleve West</u>					
PROPERTY TAXES			18,744	7,037	-62.5%
INTEREST		(78)			0.0%
Total Van Cleve West		(78)	18,744	7,037	-62.5%
<u>WASHINGTON COURTS APTS</u>					
PROPERTY TAXES	13,832	41,967	42,596	22,800	-46.5%
INTEREST	4	(126)			0.0%
Total WASHINGTON COURTS APTS	13,837	41,841	42,596	22,800	-46.5%
<u>WEST SIDE MILLING DISTRICT</u>					
PROPERTY TAXES	1,880,651	2,004,600	1,989,550	1,898,337	-4.6%
STATE GOVERNMENT	3,782	622			0.0%
CHARGES FOR SERVICES	45,191	75,551			0.0%
INTEREST	123,016	71,139	7,922	2,310	-70.8%
Total WEST SIDE MILLING DISTRICT	2,052,640	2,151,912	1,997,472	1,900,647	-4.8%
<u>WEST RIVER COMMONS</u>					
PROPERTY TAXES	94,805	101,270	103,098	99,545	-3.4%
STATE GOVERNMENT	(1,840)	305			0.0%
INTEREST	771	(261)	197	95	-51.8%
Total WEST RIVER COMMONS	93,737	101,314	103,295	99,640	-3.5%
<u>HSG REPLACE-WATERSHED 0</u>					
PROPERTY TAXES	335,607	322,199	350,327	359,094	2.5%
STATE GOVERNMENT	16,697	17,719			0.0%
INTEREST	19,846	15,479	6,631	3,484	-47.5%
Total HSG REPLACE-WATERSHED 0	372,150	355,397	356,958	362,578	1.6%
<u>HOUSING REPLACEMENT 2</u>					

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% Change
PROPERTY TAXES	98,873	100,044	111,828	70,275	-37.2%
STATE GOVERNMENT	3,317	3,642			0.0%
INTEREST	7,082	4,142	2,091	646	-69.1%
Total HOUSING REPLACEMENT 2	109,271	107,828	113,919	70,921	-37.7%
<u>HSG REPLACE-WATERSHED 3</u>					
INTEREST	2,535	1,787			0.0%
Total HSG REPLACE-WATERSHED 3	2,535	1,787			0.0%
<u>BLOCK 33</u>					
PROPERTY TAXES	13,948	17,290	22,872	23,106	1.0%
STATE GOVERNMENT	5,572	5,263			0.0%
INTEREST	427	214	229	230	0.4%
Total BLOCK 33	19,947	22,767	23,101	23,336	1.0%
<u>CPED UDAG LEVERAGE INVESTMENT</u>					
INTEREST	49,369	35,250			0.0%
OTHER MISC REVENUES	77,270	77,270			0.0%
Total CPED UDAG LEVERAGE INVESTMENT	126,640	112,520			0.0%
<u>CPED NEIGHBORHOOD DEVEL ACCT</u>					
OTHER MISC REVENUES	22,126	448,171			0.0%
Total CPED NEIGHBORHOOD DEVEL ACCT	22,126	448,171			0.0%
<u>CPED OPERATING</u>					
SALES AND OTHER TAXE	285	291			0.0%
STATE GOVERNMENT	1,367	1,367			0.0%
CHARGES FOR SERVICES	3,181,793	6,057,036	4,980,800	4,769,000	-4.3%
CHARGES FOR SALES	35,679	61,467			0.0%
INTEREST	248,014	379,625			0.0%
RENTS	94,105	155,014			0.0%
OTHER MISC REVENUES	11,090	10,722			0.0%
TRANSFERS IN	16,000	721,094			0.0%
Total CPED OPERATING	3,588,334	7,386,617	4,980,800	4,769,000	-4.3%
<u>NRP ADMINISTRATION</u>					
CHARGES FOR SERVICES	288,056	354,222			0.0%
INTEREST	(12,339)	(2,119)			0.0%
Total NRP ADMINISTRATION	275,717	352,104			0.0%
<u>COMMUNITY DEVELOPMENT INVEST</u>					
PROPERTY TAXES	1,037				0.0%
INTEREST	66,087	28,172			0.0%
OTHER MISC REVENUES	4,860	4,860			0.0%
Total COMMUNITY DEVELOPMENT INVEST	71,984	33,031			0.0%
<u>DEVELOPMENT ACCOUNT</u>					
CHARGES FOR SALES		16,990			0.0%
INTEREST	86,029	163,742			0.0%
RENTS				160,000	100.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% Change
OTHER MISC REVENUES	34,946	284,324	70,000	170,000	142.9%
TRANSFERS IN	1,372,529	17,863,521	1,400,000	1,400,000	0.0%
Total DEVELOPMENT ACCOUNT	1,493,505	18,328,577	1,470,000	1,730,000	17.7%
<u>ECONOMIC DEVELOPMENT PROGRAM</u>					
CHARGES FOR SERVICES	1,113,813	1,577,705	1,445,000	1,527,000	5.7%
INTEREST	116,825	99,896			0.0%
RENTS		350			0.0%
OTHER MISC REVENUES	868,042	968,683	2,405,000	3,005,000	24.9%
Total ECONOMIC DEVELOPMENT PROGRAM	2,098,680	2,646,634	3,850,000	4,532,000	17.7%
<u>HOUSING FINANCE</u>					
INTEREST	(204)	(74)			0.0%
Total HOUSING FINANCE	(204)	(74)			0.0%
<u>HOUSING PROGRAM</u>					
CHARGES FOR SERVICES	906,033	959,619			0.0%
CHARGES FOR SALES	1,125				0.0%
INTEREST	128,993	76,982			0.0%
OTHER MISC REVENUES	20	79,218		850,000	100.0%
Total HOUSING PROGRAM	1,036,171	1,115,819		850,000	0.0%
<u>HOME OWNERSHIP WORKS</u>					
LOCAL GOVERNMENT	8,000	8,000			0.0%
CHARGES FOR SALES	637,800	123,000			0.0%
INTEREST	(4,217)	(1,312)			0.0%
Total HOME OWNERSHIP WORKS	641,583	129,688			0.0%
<u>CPED LEVERAGE INVESTMENT</u>					
INTEREST	(32,365)	2,423			0.0%
Total CPED LEVERAGE INVESTMENT	(32,365)	2,423			0.0%
<u>CPED STATE GRANTS & LOAN</u>					
STATE GOVERNMENT	322,690	37,124			0.0%
LOCAL GOVERNMENT	12,319	151,868			0.0%
INTEREST	24,677	22,208			0.0%
OTHER MISC REVENUES	406	61,392			0.0%
Total CPED STATE GRANTS & LOAN	360,091	272,592			0.0%
<u>NEIGHBORHOOD HOUSING</u>					
CHARGES FOR SALES	150,000				0.0%
OTHER MISC REVENUES	35,976	185,976			0.0%
Total NEIGHBORHOOD HOUSING	185,976	185,976			0.0%
<u>NRP NON TI</u>					
INTEREST	183,752	172,131			0.0%
TRANSFERS IN	1,578,952	11,000,000			0.0%
Total NRP NON TI	1,762,704	11,172,131			0.0%
<u>COMMUNITY DEVELOPMENT</u>					

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% Change
CHARGES FOR SERVICES	7,150	15,957	15,000	20,000	33.3%
CHARGES FOR SALES		466,224	610,000		-100.0%
INTEREST	1,428,804	1,292,726			0.0%
RENTS		206			0.0%
OTHER MISC REVENUES	432,965	562,525	500,000	1,000,000	100.0%
TRANSFERS IN	4,009,509	11,020,714			0.0%
Total COMMUNITY DEVELOPMENT	5,878,428	13,358,352	1,125,000	1,020,000	-9.3%
<u>RESIDENTIAL HOUSING</u>					
CHARGES FOR SERVICES	258,416	245,111	250,000		-100.0%
INTEREST	82,705	54,457	9,000	9,000	0.0%
OTHER MISC REVENUES	141,958	227,619	140,000	480,000	242.9%
Total RESIDENTIAL HOUSING	483,079	527,187	399,000	489,000	22.6%
<u>UPPER RIVER LAND BANK</u>					
INTEREST	(3,659)	(2,546)			0.0%
Total UPPER RIVER LAND BANK	(3,659)	(2,546)			0.0%
<u>BOARD OF ESTIMATE AND TAXATION</u>					
PROPERTY TAXES	241,777	252,419	264,600	166,600	-37.0%
SALES AND OTHER TAXE	39	(9)			0.0%
STATE GOVERNMENT	6,914	6,949			0.0%
OTHER MISC REVENUES	160				0.0%
TRANSFERS IN	100,000	94,000	9,523	4,000	-58.0%
LONG TERM LIABILITIES PROCEEDS			70,000		-100.0%
Total BOARD OF ESTIMATE AND TAXATION	348,890	353,359	344,123	170,600	-50.4%
<u>Downtown Improvement District</u>					
SPECIAL ASSESSMENTS		1,199,077		5,800,000	100.0%
INTEREST		(13,966)			0.0%
OTHER MISC REVENUES		1,417,093			0.0%
Total Downtown Improvement District		2,602,204		5,800,000	100.0%
<u>POLICE DEPT - SPECIAL REVENUE</u>					
SALES AND OTHER TAXE	147,571	141,806	121,626	140,000	15.1%
LICENSE AND PERMITS	833,436	973,508	540,626	1,025,000	89.6%
FEDERAL GOVERNMENT		7,423			0.0%
CHARGES FOR SERVICES	1,253,706	1,906,937	2,152,629	290,000	-86.5%
CHARGES FOR SALES	12,915				0.0%
FINES AND FORFEITS	733,029	584,969	416,467	652,000	56.6%
CONTRIBUTIONS		24,239			0.0%
OTHER MISC REVENUES		34,000		30,000	100.0%
Total POLICE DEPT - SPECIAL REVENUE	2,980,657	3,672,882	3,231,348	2,137,000	-33.9%
<u>ARENA - RESERVE</u>					
INTEREST	73,350	(9,210)			0.0%
TRANSFERS IN	3,597,988	3,695,691	3,833,000	2,930,000	-23.6%
Total ARENA - RESERVE	3,671,338	3,686,481	3,833,000	2,930,000	-23.6%
<u>CONVENTION FACILITES - RESERVE</u>					

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% Change
TRANSFERS IN	1,150,000	1,150,000	1,150,000	1,150,000	0.0%
Total CONVENTION FACILITES - RESERVE	1,150,000	1,150,000	1,150,000	1,150,000	0.0%
<u>GRANTS - FEDERAL</u>					
LICENSE AND PERMITS					0.0%
FEDERAL GOVERNMENT	17,305,271	23,528,954	20,015,263	21,568,806	7.8%
CHARGES FOR SERVICES	6,312,510	307,600			0.0%
INTEREST	28,861	9,946			0.0%
OTHER MISC REVENUES	183,635	83,964			0.0%
Total GRANTS - FEDERAL	23,830,277	23,930,464	20,015,263	21,568,806	7.8%
<u>CPED FEDERAL GRANTS-OTHER</u>					
OTHER MISC REVENUES	144	173			0.0%
Total CPED FEDERAL GRANTS-OTHER	144	173			0.0%
<u>CDBG & UDAG FUNDS</u>					
FEDERAL GOVERNMENT	15,717,172	14,984,175	15,408,000	16,144,413	4.8%
CHARGES FOR SERVICES	29,091	57,943			0.0%
CHARGES FOR SALES	119,644	60,603		275,000	100.0%
SPECIAL ASSESSMENTS	7,515	376,329		500,000	100.0%
INTEREST	25,438	20,846			0.0%
RENTS	693	1			0.0%
OTHER MISC REVENUES	601,346	230,719	600,000	100,000	-83.3%
Total CDBG & UDAG FUNDS	16,500,899	15,730,617	16,008,000	17,019,413	6.3%
<u>CPED CDBG</u>					
TRANSFERS IN	20,286	668			0.0%
Total CPED CDBG	20,286	668			0.0%
<u>HOME</u>					
FEDERAL GOVERNMENT	3,662,503	1,631,438	3,802,361	3,780,884	-0.6%
CHARGES FOR SALES	537,000	753,000	300,000		-100.0%
INTEREST	13,220	13,352			0.0%
Total HOME	4,212,723	2,397,790	4,102,361	3,780,884	-7.8%
<u>GRANTS - OTHER</u>					
SALES AND OTHER TAXE	10,694	61,220	20,000	8,000	-60.0%
LICENSE AND PERMITS	210,033	463,909	2,124,924	1,652,024	-22.3%
FEDERAL GOVERNMENT				75,000	100.0%
STATE GOVERNMENT	12,623,380	11,884,088	8,589,463	7,384,511	-14.0%
LOCAL GOVERNMENT	1,778,396	1,763,389	147,000	248,288	68.9%
CHARGES FOR SERVICES	124,911	629,032	479,300	725,650	51.4%
FINES AND FORFEITS		176,841	15,300	15,300	0.0%
SPECIAL ASSESSMENTS	4,284,801	6,349,121	3,893,632	3,098,115	-20.4%
INTEREST	10,551	2,847			0.0%
RENTS	11,614				0.0%
CONTRIBUTIONS	1,460,888	1,074,064	872,000	795,000	-8.8%
OTHER MISC REVENUES	140,022	33,355	48,000	5,000	-89.6%
Total GRANTS - OTHER	20,655,289	22,437,865	16,189,619	14,006,888	-13.5%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% Change
<u>CONVENTION CENTER OPERATIONS</u>					
SALES AND OTHER TAXE	60,480,504	54,868,226	62,435,620	59,038,997	-5.4%
CHARGES FOR SERVICES	6,062,364	4,583,253	5,585,000	5,280,000	-5.5%
INTEREST	2,113,563	835,936	1,132,611	759,760	-32.9%
GAINS			20,000		-100.0%
RENTS	6,705,066	6,410,144	6,432,411	6,400,000	-0.5%
CONTRIBUTIONS	509,500	75,000			0.0%
OTHER MISC REVENUES	2,809,463	2,558,556	2,770,000	2,520,000	-9.0%
TRANSFERS IN	1,000,000	1,000,000	1,000,000	3,000,000	200.0%
Total CONVENTION CENTER OPERATIONS	79,680,460	70,331,115	79,375,642	76,998,757	-3.0%
<u>NCR - SPECIAL REVENUE</u>					
TRANSFERS IN				5,309,036	100.0%
Total NCR - SPECIAL REVENUE				5,309,036	100.0%
<u>FIRE PENSION BONDS</u>					
INTEREST	0				0.0%
Total FIRE PENSION BONDS	0				0.0%
<u>MERF PENSION BONDS</u>					
INTEREST	243,014	171,287			0.0%
Total MERF PENSION BONDS	243,014	171,287			0.0%
<u>POLICE PENSION BONDS</u>					
INTEREST	0				0.0%
Total POLICE PENSION BONDS	0				0.0%
<u>EMPLOYEE RETIREMENT</u>					
PROPERTY TAXES	9,636,090	6,971,474	4,806,214	24,720,500	414.3%
SALES AND OTHER TAXE	1,559	(239)			0.0%
STATE GOVERNMENT	2,758,217	4,530,090	5,578,141		-100.0%
FINES AND FORFEITS	297,221	330,243			0.0%
OTHER MISC REVENUES	1,258,802	1,769,111	1,381,719		-100.0%
TRANSFERS IN				13,632,000	100.0%
Total EMPLOYEE RETIREMENT	13,951,889	13,600,679	11,766,074	38,352,500	226.0%
<u>PARK - GENERAL FUND</u>					
PROPERTY TAXES	40,324,408	42,301,777	43,680,950	46,272,466	5.9%
SALES AND OTHER TAXE	6,508	(1,461)	3,000	3,000	0.0%
LICENSE AND PERMITS	176,053	183,041	204,000	364,000	78.4%
FEDERAL GOVERNMENT		267,716			0.0%
STATE GOVERNMENT	10,672,815	12,066,855	8,482,243	9,579,950	12.9%
LOCAL GOVERNMENT		199,256	428,790	400,900	-6.5%
CHARGES FOR SERVICES	952,449	947,128	1,357,379	1,578,580	16.3%
CHARGES FOR SALES	49,396	53,192	62,000	60,000	-3.2%
FINES AND FORFEITS	526,810	560,131	556,500	559,000	0.4%
RENTS	849,864	578,766	696,861	615,879	-11.6%
CONTRIBUTIONS	337,390	236,757	202,500	230,000	13.6%
OTHER MISC REVENUES	360,033	72,915	303,329	56,000	-81.5%
TRANSFERS IN	295,000	295,000	295,000	295,000	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% Change
Total PARK - GENERAL FUND	54,550,726	57,761,072	56,272,552	60,014,775	6.7%
<u>PARK - MUSEUM (ART INSTITUTE)</u>					
PROPERTY TAXES	11,187,671	12,026,961	12,178,277	11,738,497	-3.6%
Total PARK - MUSEUM (ART INSTITUTE)	11,187,671	12,026,961	12,178,277	11,738,497	-3.6%
<u>PARK - GRANT & SPECIAL REVENUE</u>					
LICENSE AND PERMITS	300				0.0%
FEDERAL GOVERNMENT	4,000				0.0%
STATE GOVERNMENT		1,000	12,000	12,000	0.0%
LOCAL GOVERNMENT	1,339,492	1,112,468	1,125,000	1,125,000	0.0%
CHARGES FOR SERVICES	700,674	36,981			0.0%
CHARGES FOR SALES	12,168	2,616			0.0%
FINES AND FORFEITS			6,000	6,000	0.0%
RENTS	32,360	143,510	21,600	21,600	0.0%
CONTRIBUTIONS	334,457	234,524			0.0%
OTHER MISC REVENUES	42,834	49,429	3,000	3,000	0.0%
TRANSFERS IN	123,652	59,835			0.0%
Total PARK - GRANT & SPECIAL REVENUE	2,589,937	1,640,361	1,167,600	1,167,600	0.0%
<u>PARK-SPEC REV-INTEREST BEARING</u>					
CHARGES FOR SALES		2,149,440			0.0%
INTEREST	18,737	13,159			0.0%
Total PARK-SPEC REV-INTEREST BEARING	18,737	2,162,599			0.0%
<u>LIBRARY - GENERAL FUND</u>					
PROPERTY TAXES	230,285				0.0%
SALES AND OTHER TAXE	3,030				0.0%
STATE GOVERNMENT	21,149				0.0%
CHARGES FOR SERVICES	6,174	125,989			0.0%
OTHER MISC REVENUES	406,179				0.0%
Total LIBRARY - GENERAL FUND	666,816	125,989			0.0%
<u>LIBRARY - CAPITAL IMPROVEMENTS</u>					
CHARGES FOR SERVICES		(300)			0.0%
LONG TERM LIABILITIES PROCEEDS			5,810,000	1,040,000	-82.1%
Total LIBRARY - CAPITAL IMPROVEMENTS		(300)	5,810,000	1,040,000	-82.1%
<u>LIBRARY REF DEBT SERVICE</u>					
PROPERTY TAXES			9,114,000		-100.0%
Total LIBRARY REF DEBT SERVICE			9,114,000		-100.0%
<u>HISTORIC PRESERVATION FUND</u>					
RENTS	78,690	86,604			0.0%
OTHER MISC REVENUES	276	198			0.0%
Total HISTORIC PRESERVATION FUND	78,967	86,803			0.0%
<u>MUNICIPAL BUILDING COMMISSION</u>					
PROPERTY TAXES	4,029,616		4,325,078	4,199,300	-2.9%
SALES AND OTHER TAXE	650				0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% Change
STATE GOVERNMENT	323,967	352,533	206,701	273,755	32.4%
CHARGES FOR SERVICES	3,705,897	8,268,308	3,646,048	3,640,597	-0.1%
CHARGES FOR SALES	8,550	1,489	6,000	6,000	0.0%
RENTS	10,818	2,415			0.0%
OTHER MISC REVENUES	8,070	136			0.0%
TRANSFERS IN			60,000		-100.0%
Total MUNICIPAL BUILDING COMMISSION	8,087,568	8,624,880	8,243,827	8,119,652	-1.5%
<u>JOINT BOARD</u>					
CHARGES FOR SERVICES		61,205			0.0%
INTEREST	2,088	750			0.0%
Total JOINT BOARD	2,088	61,956			0.0%
<u>MEDC</u>					
INTEREST	(70)	(8)			0.0%
Total MEDC	(70)	(8)			0.0%
<u>YOUTH COORDINATING BOARD</u>					
FEDERAL GOVERNMENT	64,803	64,803	64,803	64,803	0.0%
LOCAL GOVERNMENT	879,563	841,446	1,635,693	944,058	-42.3%
INTEREST	80,685	19,153			0.0%
GAINS			80,000		-100.0%
RENTS	4,000	20,000			0.0%
CONTRIBUTIONS	1,201,250	(163,756)	530,000	357,000	-32.6%
OTHER MISC REVENUES	258	475		40,000	0.0%
Total YOUTH COORDINATING BOARD	2,230,559	782,121	2,310,496	1,405,861	-39.2%
<u>NEIGHBORHOOD REVITAL POLICY</u>					
STATE GOVERNMENT	1,626,645	1,428,620	1,382,156	1,162,421	-15.9%
INTEREST	33,617	15,736			0.0%
OTHER MISC REVENUES	57,559	63,318			0.0%
Total NEIGHBORHOOD REVITAL POLICY	1,717,821	1,507,675	1,382,156	1,162,421	-15.9%
<u>PUBLIC HOUSING AUTHORITY</u>					
PROPERTY TAXES					0.0%
SALES AND OTHER TAXE				439,304	100.0%
FEDERAL GOVERNMENT			287,000		-100.0%
Total PUBLIC HOUSING AUTHORITY			287,000	439,304	53.1%
TOTAL SPECIAL REVENUE	389,993,207	405,476,630	324,188,259	354,934,944	9.5%

CAPITAL PROJECT

AUG 01 VARIOUS PURPOSE

INTEREST	3,012	(263)			0.0%
Total AUG 01 VARIOUS PURPOSE	3,012	(263)			0.0%

JUNE 02 VARIOUS PURPOSE BONDS

INTEREST	2,231	(123)			0.0%
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**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% Change
Total JUNE 02 VARIOUS PURPOSE BONDS	2,231	(123)			0.0%
<u>DEC02 VARIOUS PURPOSE BONDS</u>					
INTEREST	0				0.0%
Total DEC02 VARIOUS PURPOSE BONDS	0				0.0%
<u>JUNE 03 VARIOUS PURPOSE BONDS</u>					
INTEREST	1,663	19			0.0%
Total JUNE 03 VARIOUS PURPOSE BONDS	1,663	19			0.0%
<u>JUNE 04 VARIOUS PURPOSE BONDS</u>					
INTEREST	42,042	(954)			0.0%
Total JUNE 04 VARIOUS PURPOSE BONDS	42,042	(954)			0.0%
<u>JUNE 05 VARIOUS PURPOSE BONDS</u>					
INTEREST	56,178	5,140			0.0%
TRANSFERS IN	102,487				0.0%
Total JUNE 05 VARIOUS PURPOSE BONDS	158,664	5,140			0.0%
<u>OCT05 VAR PURP REFUNDING BONDS</u>					
INTEREST	(820)	70			0.0%
Total OCT05 VAR PURP REFUNDING BONDS	(820)	70			0.0%
<u>JUNE 06 VARIOUS PURPOSE BONDS</u>					
INTEREST	63,325	5,463			0.0%
TRANSFERS IN	40,000				0.0%
Total JUNE 06 VARIOUS PURPOSE BONDS	103,325	5,463			0.0%
<u>JUNE 07 VARIOUS PURPOSE BONDS</u>					
INTEREST	486,592	27,980			0.0%
TRANSFERS IN	10,000				0.0%
Total JUNE 07 VARIOUS PURPOSE BONDS	496,592	27,980			0.0%
<u>MAY 08 VARIOUS PURPOSE BONDS</u>					
INTEREST	554,387	86,959			0.0%
LONG TERM LIABILITIES PROCEEDS	19,073,313				0.0%
Total MAY 08 VARIOUS PURPOSE BONDS	19,627,700	86,959			0.0%
<u>May 09 Various Purpose Bonds</u>					
INTEREST		207,644			0.0%
LONG TERM LIABILITIES PROCEEDS		26,985,936			0.0%
Total May 09 Various Purpose Bonds		27,193,580			0.0%
<u>OCT 02 IMPROV BOND ARBITRAGE</u>					
INTEREST	(591)				0.0%
Total OCT 02 IMPROV BOND ARBITRAGE	(591)				0.0%
<u>NOV03 IMPROV BOND ARBITRAGE</u>					
INTEREST	0				0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% Change
Total NOV03 IMPROV BOND ARBITRAGE	0				0.0%
<u>NOV04 IMPROV BOND ARBITRAGE</u>					
INTEREST	9,864	613			0.0%
Total NOV04 IMPROV BOND ARBITRAGE	9,864	613			0.0%
<u>NOV05 IMPROV BOND ARBITRAGE</u>					
INTEREST	(2,217)				0.0%
Total NOV05 IMPROV BOND ARBITRAGE	(2,217)				0.0%
<u>NOV06 IMPROV BOND ARBITRAGE</u>					
INTEREST	(14,192)				0.0%
Total NOV06 IMPROV BOND ARBITRAGE	(14,192)				0.0%
<u>NOV07 IMPROV BOND ARBITRAGE</u>					
INTEREST	8,895				0.0%
Total NOV07 IMPROV BOND ARBITRAGE	8,895				0.0%
<u>NOV08 IMPROV BOND ARBITRAGE</u>					
INTEREST	27,055	(8,102)			0.0%
LONG TERM LIABILITIES PROCEEDS	7,805,088				0.0%
Total NOV08 IMPROV BOND ARBITRAGE	7,832,143	(8,102)			0.0%
<u>NOV09 IMPROV BOND ARBITRAGE</u>					
INTEREST		12,235			0.0%
LONG TERM LIABILITIES PROCEEDS		10,356,873			0.0%
Total NOV09 IMPROV BOND ARBITRAGE		10,369,108			0.0%
<u>JUNE 06 LIBRARY REF BONDS</u>					
INTEREST	15,362	(1,333)			0.0%
TRANSFERS IN	898,972				0.0%
Total JUNE 06 LIBRARY REF BONDS	914,334	(1,333)			0.0%
<u>May 08 Library Ref Bonds</u>					
INTEREST	111,079	32,985			0.0%
LONG TERM LIABILITIES PROCEEDS	11,784,633				0.0%
Total May 08 Library Ref Bonds	11,895,712	32,985			0.0%
<u>JUNE00 VARIOUS PURPOSE BONDS</u>					
INTEREST	8,788	(435)			0.0%
Total JUNE00 VARIOUS PURPOSE BONDS	8,788	(435)			0.0%
<u>CAPITAL IMPROVEMENTS</u>					
PROPERTY TAXES	1,569,390	1,577,174	1,666,000	1,862,000	11.8%
SALES AND OTHER TAXE	253	(54)			0.0%
LICENSE AND PERMITS	152,635	334,445	263,159	260,000	-1.2%
FEDERAL GOVERNMENT	8,061,484	19,792,113	14,930,000	13,815,000	-7.5%
STATE GOVERNMENT	8,397,428	13,205,741	7,555,000	18,670,000	147.1%
LOCAL GOVERNMENT	4,157,978	(658,213)	620,000	1,325,000	113.7%
CHARGES FOR SERVICES	2,805,276	4,364,575	6,422,924	6,900,000	7.4%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% Change
CHARGES FOR SALES	5,408	133,675		300	0.0%
SPECIAL ASSESSMENTS	1,204,799	1,327,450	7,061,072	9,645,000	36.6%
OTHER MISC REVENUES	1,507,654	1,654,142		1,000,500	0.0%
TRANSFERS IN	17,025,825	37,396,669	10,800,000	13,613,000	26.0%
LONG TERM LIABILITIES PROCEEDS	199,218	73,355	11,262,000	11,340,000	0.7%
Total CAPITAL IMPROVEMENTS	45,087,349	79,201,072	60,580,155	78,430,800	29.5%
<u>ARBITRAGE 1993 PARK BONDS</u>					
INTEREST		(4)			0.0%
Total ARBITRAGE 1993 PARK BONDS		(4)			0.0%
<u>PARK - CAPITAL IMPROVEMENTS</u>					
FEDERAL GOVERNMENT	597,275	2,114,668			0.0%
STATE GOVERNMENT	33,900	2,100		3,229,000	100.0%
LOCAL GOVERNMENT	3,049,524	3,003,429		1,450,000	100.0%
CHARGES FOR SERVICES	137,558				0.0%
CHARGES FOR SALES	1,330	2,200			0.0%
RENTS		100,000			0.0%
CONTRIBUTIONS	3,657,293	1,159,398			0.0%
OTHER MISC REVENUES	45,584	39,538		4,857,888	100.0%
TRANSFERS IN	2,672,437	2,801,088	2,000,000	500,000	-75.0%
LONG TERM LIABILITIES PROCEEDS			1,000,000	2,000,000	100.0%
Total PARK - CAPITAL IMPROVEMENTS	10,194,902	9,222,421	3,000,000	12,036,888	301.2%
<u>PARK-CAPITAL IMPROVE-ASSESSED</u>					
CHARGES FOR SERVICES	222				0.0%
OTHER MISC REVENUES	141,988	192,852			0.0%
TRANSFERS IN	421,581	300,000			0.0%
LONG TERM LIABILITIES PROCEEDS			500,000	500,000	0.0%
Total PARK-CAPITAL IMPROVE-ASSESSED	563,791	492,852	500,000	500,000	0.0%
<u>MBC - CAPITAL IMPROVEMENTS</u>					
FEDERAL GOVERNMENT	19,260				0.0%
STATE GOVERNMENT	62,764				0.0%
LOCAL GOVERNMENT	35,000				0.0%
CHARGES FOR SERVICES	1,356,528	1,330,761			0.0%
OTHER MISC REVENUES		28,448			0.0%
TRANSFERS IN	704,159	1,248,024			0.0%
LONG TERM LIABILITIES PROCEEDS			996,000	985,000	-1.1%
Total MBC - CAPITAL IMPROVEMENTS	2,177,710	2,607,233	996,000	985,000	-1.1%
TOTAL CAPITAL PROJECT	99,110,895	129,234,284	65,076,155	91,952,688	41.3%

DEBT SERVICE

01 IMPROVEMENT BONDS - 20 YR

SPECIAL ASSESSMENTS	765,009	650,718			0.0%
INTEREST	76,002	50,575			0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% Change
Total 01 IMPROVEMENT BONDS - 20 YR	841,011	701,294			0.0%
<u>00 IMPROVEMENT BONDS</u>					
SPECIAL ASSESSMENTS	2,474	1,135			0.0%
INTEREST	401	299			0.0%
Total 00 IMPROVEMENT BONDS	2,875	1,435			0.0%
<u>96 IMPROVEMENT BONDS</u>					
SPECIAL ASSESSMENTS	56,035	53,445			0.0%
INTEREST	(3,663)	(3,911)			0.0%
Total 96 IMPROVEMENT BONDS	52,371	49,534			0.0%
<u>97 IMPROVEMENT BONDS</u>					
SPECIAL ASSESSMENTS	195,118	173,457			0.0%
INTEREST	5,353	1,412			0.0%
Total 97 IMPROVEMENT BONDS	200,472	174,869			0.0%
<u>98 IMPROVEMENT BONDS</u>					
SPECIAL ASSESSMENTS	93,592	17,393			0.0%
INTEREST	4,895	1,425			0.0%
Total 98 IMPROVEMENT BONDS	98,487	18,818			0.0%
<u>BOND REDEM ARBIT 6/90 IMP BOND</u>					
SPECIAL ASSESSMENTS	162,174	147,826			0.0%
INTEREST	(16,471)	(13,104)			0.0%
Total BOND REDEM ARBIT 6/90 IMP BOND	145,703	134,722			0.0%
<u>BOND REDEM ARBIT 6/91 IMP BOND</u>					
SPECIAL ASSESSMENTS	88,178	76,558			0.0%
INTEREST	(2,318)	(3,225)			0.0%
Total BOND REDEM ARBIT 6/91 IMP BOND	85,860	73,333			0.0%
<u>CPED DEBT SERVICE</u>					
INTEREST	38,029	133,103			0.0%
TRANSFERS IN	39,497,220	22,878,475		2,443,088	100.0%
Total CPED DEBT SERVICE	39,535,249	23,011,578		2,443,088	100.0%
<u>ST ANTHONY DEBT SERVICE</u>					
INTEREST	25,026	5,143			0.0%
TRANSFERS IN	1,037,701	536,310			0.0%
Total ST ANTHONY DEBT SERVICE	1,062,727	541,453			0.0%
<u>BOND REDEM ARBIT 6/92 IMP BOND</u>					
SPECIAL ASSESSMENTS	85,550	79,623			0.0%
INTEREST	3,999	(3,076)			0.0%
Total BOND REDEM ARBIT 6/92 IMP BOND	89,549	76,547			0.0%
<u>BOND REDEM ARBIT 6/93 IMP BOND</u>					
SPECIAL ASSESSMENTS	107,127	113,784			0.0%
INTEREST	889	(280)			0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% Change
Total BOND REDEM ARBIT 6/93 IMP BOND	108,015	113,504			0.0%
<u>BOND REDEM ARBIT 6/94 IMP BOND</u>					
SPECIAL ASSESSMENTS	83,130	76,071			0.0%
INTEREST	236	1,029			0.0%
Total BOND REDEM ARBIT 6/94 IMP BOND	83,366	77,100			0.0%
<u>BOND REDEM ARBIT 6/95 IMP BOND</u>					
SPECIAL ASSESSMENTS	192,344	187,266			0.0%
INTEREST	(6,171)	(2,286)			0.0%
Total BOND REDEM ARBIT 6/95 IMP BOND	186,173	184,980			0.0%
<u>OCT 02 IMPROV BOND D/S</u>					
SPECIAL ASSESSMENTS	331,792	323,236			0.0%
INTEREST	1,374	(1,765)			0.0%
Total OCT 02 IMPROV BOND D/S	333,167	321,471			0.0%
<u>NOV03 IMPROV BOND D/S</u>					
SPECIAL ASSESSMENTS	419,909	344,274			0.0%
INTEREST	1,356	(3,261)			0.0%
Total NOV03 IMPROV BOND D/S	421,265	341,013			0.0%
<u>NOV04 IMPROV BOND D/S</u>					
SPECIAL ASSESSMENTS	863,766	905,750			0.0%
INTEREST	8,096	2,477			0.0%
TRANSFERS IN	11,412	1,813			0.0%
Total NOV04 IMPROV BOND D/S	883,274	910,039			0.0%
<u>NOV05 IMPROV BOND D/S</u>					
SPECIAL ASSESSMENTS	717,268	716,503			0.0%
INTEREST	9,450	8,863			0.0%
Total NOV05 IMPROV BOND D/S	726,717	725,365			0.0%
<u>NOV06 IMPROV BOND D/S</u>					
SPECIAL ASSESSMENTS	497,453	399,565			0.0%
INTEREST	8,841	5,250			0.0%
Total NOV06 IMPROV BOND D/S	506,293	404,815			0.0%
<u>NOV07 IMPROV BOND D/S</u>					
SPECIAL ASSESSMENTS	224,906	224,656			0.0%
INTEREST	(451)	(8,133)			0.0%
TRANSFERS IN	11,433				0.0%
Total NOV07 IMPROV BOND D/S	235,888	216,523			0.0%
<u>NOV08 IMPROV BOND D S</u>					
SPECIAL ASSESSMENTS	86,496	650,237			0.0%
INTEREST	159	1,370			0.0%
TRANSFERS IN	19,969	6,834			0.0%
Total NOV08 IMPROV BOND D_S	106,625	658,441			0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% Change
<u>NOV09 IMPROV BOND D/S</u>					
SPECIAL ASSESSMENTS		55,290			0.0%
INTEREST		115			0.0%
OTHER MISC REVENUES		30,563			0.0%
TRANSFERS IN		35,225			0.0%
Total NOV09 IMPROV BOND D/S		121,193			0.0%
<u>Diseased Tree Assessment D/S</u>					
SPECIAL ASSESSMENTS	833,993	830,347			0.0%
INTEREST	25,866	13,506			0.0%
Total Diseased Tree Assessment D/S	859,859	843,853			0.0%
<u>BOND REDEM ARBIT 6/87 IMP BOND</u>					
SPECIAL ASSESSMENTS	3,091	4,148			0.0%
INTEREST	(5,845)	22			0.0%
TRANSFERS IN	357,993				0.0%
Total BOND REDEM ARBIT 6/87 IMP BOND	355,239	4,170			0.0%
<u>BOND REDEM ARBIT 9/87 IMP BOND</u>					
SPECIAL ASSESSMENTS	3,672	4,687			0.0%
INTEREST	(1,920)	34			0.0%
TRANSFERS IN	128,661				0.0%
Total BOND REDEM ARBIT 9/87 IMP BOND	130,412	4,721			0.0%
<u>BOND REDEM ARBIT 6/88 IMP BOND</u>					
SPECIAL ASSESSMENTS	35,785	5,897			0.0%
INTEREST	(7,798)	51			0.0%
TRANSFERS IN	458,888				0.0%
Total BOND REDEM ARBIT 6/88 IMP BOND	486,874	5,947			0.0%
<u>BOND REDEM ARBIT 6/89 IMP BOND</u>					
SPECIAL ASSESSMENTS	33,345	31,263			0.0%
INTEREST	(11,016)	(7,435)			0.0%
Total BOND REDEM ARBIT 6/89 IMP BOND	22,329	23,828			0.0%
<u>BOND REDEM ARBIT NIC MALL BOND</u>					
SPECIAL ASSESSMENTS	1,630,349	1,631,407			0.0%
INTEREST	66,259	41,736			0.0%
TRANSFERS IN	175,125	172,250	169,125		-100.0%
Total BOND REDEM ARBIT NIC MALL BOND	1,871,733	1,845,393	169,125		-100.0%
<u>BOND REDEMPTION - DEBT SERVICE</u>					
PROPERTY TAXES	17,705,007	21,452,955	15,818,600	18,130,000	14.6%
SALES AND OTHER TAXE	2,860	(745)			0.0%
STATE GOVERNMENT	507,227	591,757			0.0%
SPECIAL ASSESSMENTS	1,884	406			0.0%
INTEREST	425,584	268,125			0.0%
OTHER MISC REVENUES		13,141			0.0%
TRANSFERS IN	5,563,018	5,398,582			0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% Change
Total BOND REDEMPTION - DEBT SERVICE	24,205,579	27,724,221	15,818,600	18,130,000	14.6%
<u>OTH SELF SUPPORTING DEBT SERVC</u>					
CHARGES FOR SERVICES	6,817	3,129			0.0%
INTEREST	418	1,667			0.0%
RENTS	800,582	652,082			0.0%
OTHER MISC REVENUES	1,296,618	8,064,157			0.0%
TRANSFERS IN	69,199	70,889	71,298		-100.0%
Total OTH SELF SUPPORTING DEBT SERVC	2,173,633	8,791,924	71,298		-100.0%
<u>MIDTOWN EXCH 108 LOAN ACCOUNT</u>					
INTEREST	(594)	858			0.0%
TRANSFERS IN	242,812	284,347			0.0%
Total MIDTOWN EXCH 108 LOAN ACCOUNT	242,218	285,205			0.0%
<u>PENSION FUND DEBT SERVICE</u>					
INTEREST	195,367	253,832			0.0%
OTHER MISC REVENUES	78,756	87,194			0.0%
TRANSFERS IN	11,729,000	17,582,000	15,498,954	16,126,992	4.1%
Total PENSION FUND DEBT SERVICE	12,003,123	17,923,026	15,498,954	16,126,992	4.1%
<u>Library Ref Debt Service</u>					
PROPERTY TAXES	9,217,290	9,253,021	9,114,000	9,114,000	0.0%
INTEREST	106,567	35,545			0.0%
TRANSFERS IN	261,610	51,291			0.0%
Total Library Ref Debt Service	9,585,467	9,339,856	9,114,000	9,114,000	0.0%
<u>CONVENTION CENTER-DEBT SERVICE</u>					
INTEREST	(69)	8,053			0.0%
RENTS	301,970	301,970			0.0%
TRANSFERS IN	16,560,311	15,174,216	20,151,000	20,744,125	2.9%
LONG TERM LIABILITIES PROCEEDS		21,151,900			0.0%
Total CONVENTION CENTER-DEBT SERVICE	16,862,212	36,636,138	20,151,000	20,744,125	2.9%
<u>TARGET CENTER</u>					
INTEREST	27,990	863			0.0%
TRANSFERS IN	5,499,118	5,325,152		3,686,326	100.0%
LONG TERM LIABILITIES PROCEEDS		57,644,949			0.0%
Total TARGET CENTER	5,527,108	62,970,963		3,686,326	100.0%
<u>BOND REDEMPTION - ASSESSMENT</u>					
SPECIAL ASSESSMENTS	126,616	693,562			0.0%
INTEREST	103,853	68,583			0.0%
TRANSFERS IN	30,995				0.0%
Total BOND REDEMPTION - ASSESSMENT	261,463	762,145			0.0%
<u>CONCERT HALL - DEBT SERVICE</u>					
INTEREST	28	20			0.0%
Total CONCERT HALL - DEBT SERVICE	28	20			0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% Change
<u>TAX INCREMENT - DEBT SERVICE</u>					
INTEREST	1,403	2,794			0.0%
OTHER MISC REVENUES	108,183	43,037			0.0%
TRANSFERS IN	15,464,680	14,601,834	12,482,791	13,056,094	4.6%
LONG TERM LIABILITIES PROCEEDS		5,483,265			0.0%
Total TAX INCREMENT - DEBT SERVICE	15,574,266	20,130,930	12,482,791	13,056,094	4.6%
<u>BOND REDEM ARBIT ASSESS PARK</u>					
SPECIAL ASSESSMENTS	9,495				0.0%
Total BOND REDEM ARBIT ASSESS PARK	9,495				0.0%
TOTAL DEBT SERVICE	135,876,126	216,150,369	73,305,768	83,300,625	13.6%
<u>INTERNAL SERVICE</u>					
<u>MATERIALS & LAB-INTERNAL SVC</u>					
CHARGES FOR SERVICES	1,065,112	830,165	1,110,000	1,260,678	13.6%
CHARGES FOR SALES		562,728	350,000	352,000	0.6%
OTHER MISC REVENUES	4,371	373			0.0%
Total MATERIALS & LAB-INTERNAL SVC	1,069,483	1,393,267	1,460,000	1,612,678	10.5%
<u>EQUIPMENT - INTERNAL SERVICE</u>					
CHARGES FOR SERVICES	6,462,749	5,608,677	8,132,710	7,446,314	-8.4%
CHARGES FOR SALES	6,535,017	5,203,628	9,838,047	8,271,744	-15.9%
GAINS	50,345	59,322	200,000	200,000	0.0%
RENTS	20,685,212	20,780,810	24,726,768	24,789,400	0.3%
OTHER MISC REVENUES	300,196	188,899	10,000	10,000	0.0%
TRANSFERS IN	4,180,000	4,180,000	4,180,000	4,299,000	2.8%
Total EQUIPMENT - INTERNAL SERVICE	38,213,520	36,021,336	47,087,525	45,016,458	-4.4%
<u>Property Services</u>					
PROPERTY TAXES	(427)				0.0%
FEDERAL GOVERNMENT		106,220			0.0%
CHARGES FOR SERVICES	9,653,758	7,903,643	6,979,499	6,493,283	-7.0%
CHARGES FOR SALES	596,915	323,495	400,000	355,000	-11.2%
RENTS	8,070,724	12,669,101	13,429,345	13,547,884	0.9%
OTHER MISC REVENUES	7,796	83,272	3,000	60,970	1,932.3%
TRANSFERS IN	668,000	654,750	1,325,875	821,100	-38.1%
Total Property Services	18,996,767	21,740,481	22,137,719	21,278,237	-3.9%
<u>STORES - INTERNAL SERVICE</u>					
CHARGES FOR SERVICES	1,036,004	1,074,139	1,120,000	1,087,000	-2.9%
CHARGES FOR SALES	24,994	45,074	32,500	20,000	-38.5%
OTHER MISC REVENUES		4,788			0.0%
Total STORES - INTERNAL SERVICE	1,060,998	1,124,001	1,152,500	1,107,000	-3.9%
<u>INFO TECH - INTERNAL SERVICE</u>					
CHARGES FOR SERVICES	36,996,863	32,299,295	26,474,083	27,489,635	3.8%
CHARGES FOR SALES	20,481	20,270	20,000	20,000	0.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% Change
GAINS		(99,203)			0.0%
OTHER MISC REVENUES	4,680	(62,093)			0.0%
TRANSFERS IN	11,762,368	16,114,693	11,252,279	13,974,015	24.2%
LONG TERM LIABILITIES PROCEEDS			1,507,000	1,000,000	-33.6%
Total INFO TECH - INTERNAL SERVICE	48,784,392	48,272,961	39,253,362	42,483,650	8.2%
<u>SELF INSURANCE-INTERNAL SVC</u>					
CHARGES FOR SERVICES	49,252,833	30,110,087	30,727,420	25,119,031	-18.3%
OTHER MISC REVENUES	6,356,288	5,542,629	6,521,373	1,010,000	-84.5%
TRANSFERS IN	5,642,689	6,915,000	10,810,000	7,330,000	-32.2%
Total SELF INSURANCE-INTERNAL SVC	61,251,811	42,567,716	48,058,793	33,459,031	-30.4%
<u>PARK - INTERNAL SERVICE</u>					
CHARGES FOR SERVICES	950,554	979,931	920,847	898,586	-2.4%
CHARGES FOR SALES	58,190	65,807	50,000	75,000	50.0%
GAINS	64,350	96,407			0.0%
RENTS	3,746,521	3,980,095	4,098,461	4,342,649	6.0%
OTHER MISC REVENUES	16,707	38,810			0.0%
LONG TERM LIABILITIES PROCEEDS	(142,753)	(57,515)			0.0%
Total PARK - INTERNAL SERVICE	4,693,570	5,103,534	5,069,308	5,316,235	4.9%
<u>PARK-SELF INSURE-INTERNAL SVC</u>					
OTHER MISC REVENUES	2,516,527	2,515,440	2,659,283	2,659,283	0.0%
TRANSFERS IN	260,000	260,000			0.0%
Total PARK-SELF INSURE-INTERNAL SVC	2,776,527	2,775,440	2,659,283	2,659,283	0.0%
TOTAL INTERNAL SERVICE	176,847,066	158,998,735	166,878,490	152,932,572	-8.4%
<u>ENTERPRISE</u>					
<u>DEFAULTED PROPERTY ADMIN</u>					
INTEREST	39,979	(1,272)			0.0%
RENTS	2,152,926	312,092			0.0%
OTHER MISC REVENUES		29,420,500			0.0%
Total DEFAULTED PROPERTY ADMIN	2,192,905	29,731,320			0.0%
<u>FED HOME LN BANK ECON DEVELOP</u>					
INTEREST	1,739	(1,088)			0.0%
TRANSFERS IN		350,000			0.0%
Total FED HOME LN BANK ECON DEVELOP	1,739	348,912			0.0%
<u>FHLB HOUSING DEVELOPMENT</u>					
INTEREST	3,185	2,245			0.0%
Total FHLB HOUSING DEVELOPMENT	3,185	2,245			0.0%
<u>HOUSING OWNWERSHIP PROGRAM</u>					
INTEREST	19,325	5,807	6,300		-100.0%
OTHER MISC REVENUES			105,000		-100.0%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% Change
Total HOUSING OWNERSHIP PROGRAM	19,325	5,807	111,300		-100.0%
<u>HOME OWNERSHIP & RENOVATION</u>					
INTEREST	63,877	54,535	63,750		-100.0%
OTHER MISC REVENUES			243,900		-100.0%
Total HOME OWNERSHIP & RENOVATION	63,877	54,535	307,650		-100.0%
<u>LOAN & GRANT PROGRAMS</u>					
INTEREST	5,303	3,738			0.0%
Total LOAN & GRANT PROGRAMS	5,303	3,738			0.0%
<u>RIVER TERMINAL</u>					
CHARGES FOR SERVICES	1,672,284	1,809,975			0.0%
INTEREST	(14,080)	(6,474)			0.0%
RENTS		1,000			0.0%
OTHER MISC REVENUES			1,250,000	1,250,000	0.0%
Total RIVER TERMINAL	1,658,204	1,804,501	1,250,000	1,250,000	0.0%
<u>GARFS</u>					
CHARGES FOR SERVICES	369,231	269,409	250,000		-100.0%
INTEREST	13,064	21,652			0.0%
OTHER MISC REVENUES		680,042		300,000	100.0%
Total GARFS	382,295	971,103	250,000	300,000	20.0%
<u>THEATRES</u>					
INTEREST	(41,072)	(30,663)			0.0%
Total THEATRES	(41,072)	(30,663)			0.0%
<u>JUNE00 UST/SKYWAY TI BONDS</u>					
INTEREST	0				0.0%
Total JUNE00 UST/SKYWAY TI BONDS	0				0.0%
<u>AUG 01 SEWER ARBITRAGE</u>					
INTEREST	(6,155)				0.0%
Total AUG 01 SEWER ARBITRAGE	(6,155)				0.0%
<u>JUNE 03 SEWER ARBITRAGE</u>					
INTEREST	6,285	(119)			0.0%
Total JUNE 03 SEWER ARBITRAGE	6,285	(119)			0.0%
<u>SURFACE WATER & SEWER-SANITARY</u>					
LICENSE AND PERMITS		77,661			0.0%
LOCAL GOVERNMENT			3,500,000		-100.0%
CHARGES FOR SERVICES	41,609,056	43,875,716	45,453,099	49,296,031	8.5%
SPECIAL ASSESSMENTS	5,774	9,691			0.0%
OTHER MISC REVENUES	654		53,841		-100.0%
TRANSFERS IN	(91,450)	37,000			0.0%
LONG TERM LIABILITIES PROCEEDS			5,925,000	5,000,000	-15.6%
Total SURFACE WATER & SEWER-SANITARY	41,524,034	44,000,068	54,931,940	54,296,031	-1.2%

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% Change
<u>SURFACE WATER & SEWER-STORMWATER</u>					
STATE GOVERNMENT	886,787	730,787	761,138	1,022,182	34.3%
LOCAL GOVERNMENT	344,680	578,165	285,072	441,654	54.9%
CHARGES FOR SERVICES	33,815,015	37,472,983	36,136,114	38,312,439	6.0%
CHARGES FOR SALES	417	1,757	1,000		-100.0%
FINES AND FORFEITS	61,437	57,441	45,000	45,000	0.0%
SPECIAL ASSESSMENTS	714,324	497,878	115,000	60,000	-47.8%
OTHER MISC REVENUES	1,561	42,350	2,000		-100.0%
TRANSFERS IN	1,147,466	212,689			0.0%
LONG TERM LIABILITIES PROCEEDS			5,000,000	10,500,000	110.0%
Total SURFACE WATER & SEWER-STORMWATER	36,971,687	39,594,050	42,345,324	50,381,275	19.0%
<u>WATER - ENTERPRISE</u>					
SALES AND OTHER TAXE	0				0.0%
LICENSE AND PERMITS	1,219	1,967	1,000	1,000	0.0%
FEDERAL GOVERNMENT		1,825,606			0.0%
CHARGES FOR SERVICES	62,880,203	66,764,356	65,173,363	77,309,572	18.6%
CHARGES FOR SALES	4,991	7,697	654,000	1,904	-99.7%
SPECIAL ASSESSMENTS	1,234,067	766,797		510	100.0%
INTEREST	4	(4)			0.0%
OTHER MISC REVENUES	9,382	34,408			0.0%
TRANSFERS IN		387,287			0.0%
LONG TERM LIABILITIES PROCEEDS			1,500,000		-100.0%
Total WATER - ENTERPRISE	64,129,865	69,788,114	67,328,363	77,312,986	14.8%
<u>DEC 03 GUTHRIE RAMP ARBITRAGE</u>					
INTEREST	0				0.0%
Total DEC 03 GUTHRIE RAMP ARBITRAGE	0				0.0%
<u>VILLAGE GREEN ESCROW</u>					
CHARGES FOR SALES	660,225				0.0%
INTEREST	38,039				0.0%
Total VILLAGE GREEN ESCROW	698,264				0.0%
<u>MUNICIPAL PARKING-ENTERPRISE</u>					
LICENSE AND PERMITS	255,729	288,412	218,000	240,000	10.1%
CHARGES FOR SERVICES	50,499,699	50,925,562	50,826,033	52,100,500	2.5%
CHARGES FOR SALES	1,805,075	1,204,484	1,551,000	1,550,000	-0.1%
SPECIAL ASSESSMENTS	113,846	86,381			0.0%
GAINS	565,167				0.0%
RENTS	8,531	3,551	3,000	3,500	16.7%
OTHER MISC REVENUES	30,990	12,187	138,000	46,500	-66.3%
TRANSFERS IN	17,652,498	22,961,863	16,319,308	13,942,712	-14.6%
LONG TERM LIABILITIES PROCEEDS			1,700,000	1,700,000	0.0%
Total MUNICIPAL PARKING-ENTERPRISE	70,931,533	75,482,439	70,755,341	69,583,212	-1.7%
<u>SOLID WASTE - ENTERPRISE</u>					
LICENSE AND PERMITS		1,134			0.0%
STATE GOVERNMENT	(25)			10,350	100.0%
LOCAL GOVERNMENT	871,639	861,090	800,000	800,000	0.0%
City of Minneapolis - Financial Schedules	236			2011 Council Adopted Budget	

**SCHEDULE TWO
REVENUES BY FUND AND TYPE**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% Change
CHARGES FOR SERVICES	26,385,461	27,863,403	27,582,210	28,495,049	3.3%
CHARGES FOR SALES	2,284,278	1,095,426	600,000	600,000	0.0%
SPECIAL ASSESSMENTS	572,827	563,243			0.0%
RENTS	2,013	4,134			0.0%
OTHER MISC REVENUES	83,213	22,911			0.0%
TRANSFERS IN	346,000	196,000	196,000	196,000	0.0%
Total SOLID WASTE - ENTERPRISE	30,545,406	30,607,341	29,178,210	30,101,399	3.2%
<u>PARK - OPERATIONS - ENTERPRISE</u>					
FEDERAL GOVERNMENT				185,072	100.0%
LOCAL GOVERNMENT	12,028	11,822			0.0%
CHARGES FOR SERVICES	11,386,436	11,387,605	12,206,217	12,065,565	-1.2%
CHARGES FOR SALES	851	3,267	6,000	6,000	0.0%
FINES AND FORFEITS	6,797	46,494	122,000		-100.0%
INTEREST	7	51			0.0%
GAINS		500			0.0%
RENTS	2,007,730	1,965,608	1,418,547	1,489,574	5.0%
CONTRIBUTIONS	462,038	391,141	220,500	240,000	8.8%
OTHER MISC REVENUES	63,078	40,463	58,999	36,000	-39.0%
TRANSFERS IN	2,784	19,020			0.0%
Total PARK - OPERATIONS - ENTERPRISE	13,941,749	13,865,969	14,032,263	14,022,211	-0.1%
<u>LIBRARY PKG ENTERPRISE FUND</u>					
CHARGES FOR SERVICES	6,644				0.0%
INTEREST	1,662	911			0.0%
Total LIBRARY PKG ENTERPRISE FUND	8,306	911			0.0%
TOTAL ENTERPRISE	263,036,735	306,230,272	280,490,391	297,247,114	6.0%
TOTAL ALL FUNDS	1,424,199,988	1,603,095,353	1,281,499,224	1,372,704,943	7.1%

**SCHEDULE TWO
REVENUES BY TYPE**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% Change
PROPERTY TAXES	325,954,225	330,710,420	317,007,739	347,142,943	9.5%
SALES AND OTHER TAXE	60,676,594	55,065,212	62,580,246	59,629,301	-4.7%
FRANCHISE FEES	31,704,849	28,053,256	29,110,000	27,810,000	-4.5%
LICENSE AND PERMITS	27,551,842	29,900,228	30,741,212	31,407,191	2.2%
FEDERAL GOVERNMENT	45,430,267	64,436,664	54,507,427	55,633,978	2.1%
STATE GOVERNMENT	114,169,095	129,841,316	101,822,307	130,851,678	28.5%
LOCAL GOVERNMENT	13,050,750	8,373,100	9,274,873	7,488,514	-19.3%
CHARGES FOR SERVICES	402,071,022	389,056,022	374,139,601	388,644,483	3.9%
CHARGES FOR SALES	14,303,402	12,464,238	15,132,547	11,622,781	-23.2%
FINES AND FORFEITS	10,295,458	10,284,757	10,990,994	10,915,587	-0.7%
SPECIAL ASSESSMENTS	20,656,983	22,821,963	13,614,508	21,693,199	59.3%
INTEREST	13,906,639	7,110,984	3,149,916	2,556,380	-18.8%
GAINS	707,744	58,636	300,000	200,000	-33.3%
RENTS	50,413,028	52,814,719	55,192,552	54,645,246	-1.0%
CONTRIBUTIONS	8,448,342	3,597,900	2,275,000	2,072,000	-8.9%
OTHER MISC REVENUES	23,252,449	60,059,733	29,713,812	24,731,908	-16.8%
TRANSFERS IN	207,775,534	276,809,055	136,676,490	161,594,754	18.2%
LONG TERM LIABILITIES PROCEEDS	53,831,764	121,637,151	35,270,000	34,065,000	-3.4%
TOTAL REVENUES BY TYPE, ALL FUNDS	1,424,199,988	1,603,095,353	1,281,499,224	1,372,704,943	7.1%

**SCHEDULE THREE
EXPENSES BY FUND AND DEPARTMENT**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
AGENCY					
INVESTMENT POOL					
FINANCE DEPARTMENT	(37,385)	(120)			0.0%
Total INVESTMENT POOL	(37,385)	(120)			0.0%
GENERAL FIXED ASSETS-CITY					
ASSESSOR	0	832			0.0%
FIRE	0	(4,971,961)			0.0%
POLICE	(5,405)	(381,892)			0.0%
REGULATORY SERVICES	(75,168)	(323,017)			0.0%
HEALTH AND FAMILY SUPPORT	0	934			0.0%
PW - TRANSPORTATION PLANNING AND ENGINEERING	0	48			0.0%
PW - TRANSPORTATION MAINTENANCE AND REPAIR	(44,574)	312,090			0.0%
PW - PROPERTY SERVICES	0	(46,275)			0.0%
PW - TRAFFIC AND PARKING SERVICES	0	636,017			0.0%
PW - WATER TREATMENT & DISTR.	0	(47,675)			0.0%
FINANCE DEPARTMENT	0	69			0.0%
COMMUNICATIONS	0	719			0.0%
CONVENTION CENTER	(1,705,065)	(2,763,618)			0.0%
NON DEPARTMENTAL	18,654,829	2,428			0.0%
T9010000 - CAPITAL IMPROVEMENTS	(8,345,681)	(2,709,128)			0.0%
MPHA	0	(32,478,607)			0.0%
MUNICIPAL BUILDING COMMISSION	1,221,679	(1,282,391)			0.0%
Total GENERAL FIXED ASSETS-CITY	9,700,615	(44,051,425)			0.0%
Capital Assets - Parks					
PARK BOARD	9,594,108	(13,208,183)			0.0%
Total Capital Assets - Parks	9,594,108	(13,208,183)			0.0%
HR COMBO CODE DEFAULT					
TOTAL OTHER DEPARTMENTS	3,248				0.0%
Total HR COMBO CODE DEFAULT	3,248				0.0%
TOTAL AGENCY	19,260,586	(57,259,729)			

GENERAL

GENERAL FUND

ASSESSOR	3,691,730	3,825,980	3,985,804	4,040,184	1.4%
ATTORNEY	7,177,366	7,521,332	7,661,942	7,665,695	0.0%
CITY COUNCIL/CLERK/ELECTIONS	6,290,325	7,671,209	7,495,875	7,031,706	-6.2%
FIRE	51,516,507	52,286,367	53,686,511	52,266,883	-2.6%
CIVIL RIGHTS	2,509,326	2,714,743	2,029,237	2,087,692	2.9%
MAYOR	1,348,418	1,499,348	1,467,365	1,466,420	-0.1%
POLICE	122,902,928	126,892,261	123,869,438	128,000,000	3.3%
REGULATORY SERVICES	31,635,854	31,553,718	35,484,532	36,934,488	4.1%
HEALTH AND FAMILY SUPPORT	4,082,996	4,463,334	3,320,372	3,323,934	0.1%
PW - TRANSPORTATION PLANNING AND ENGINEERING	1,330,757	1,461,024	1,972,840	2,577,951	30.7%

**SCHEDULE THREE
EXPENSES BY FUND AND DEPARTMENT**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
PW - TRANSPORTATION MAINTENANCE AND REPAIR	26,525,986	25,491,758	24,352,457	24,581,763	0.9%
SURFACE WATER & SEWERS-STORMWATR	(15,010)	(145)	0		-100.0%
PW - ADMINISTRATIVE SERVICES	2,711,929	2,571,072	2,688,718	2,758,268	2.6%
PW - SOLID WASTE	0	75,000			0.0%
PW - TRAFFIC AND PARKING SERVICES	11,827,594	11,483,314	11,892,304	11,921,917	0.2%
HUMAN RESOURCES	5,718,648	6,190,281	5,788,499	5,683,617	-1.8%
FINANCE DEPARTMENT	18,752,394	19,188,740	19,714,784	19,293,296	-2.1%
311	2,749,600	3,200,252	3,020,211	3,178,114	5.2%
CITY COORDINATOR	1,558,310	1,650,324	1,438,689	1,554,774	8.1%
INTERGOVERNMENTAL RELATIONS	1,210,965	1,452,725	1,522,903	1,421,082	-6.7%
COMMUNICATIONS	2,337,698	2,484,279	2,423,647	2,315,347	-4.5%
INTERNAL AUDIT	0		200,000	382,769	91.4%
NEIGHBORHOOD & COMMUNITY RELATIONS	0	181,726	1,236,357	773,320	-37.5%
NON DEPARTMENTAL	0	(246)			0.0%
GENERAL FUND CONTINGENCY	(38,866)	440,920	2,573,980	6,736,291	161.7%
LIBRARY BOARD	22,008,458	7,749,781	6,721,000	5,853,000	-12.9%
TOTALCPED4	3,491,098	3,878,913	3,444,846	3,328,580	-3.4%
Transfers	31,885,689	42,675,030	43,567,631	57,159,907	31.2%
Total GENERAL FUND	363,210,700	368,603,042	371,559,942	392,337,000	5.6%
TOTAL GENERAL	363,210,700	368,603,042	371,559,942	392,337,000	5.6%

SPECIAL REVENUE

URBAN VILLAGE TE BONDS

TOTALCPED4	130,052	87,496			0.0%
Total URBAN VILLAGE TE BONDS	130,052	87,496			0.0%

WEST SIDE MILLING TE BONDS

TOTALCPED4	59				0.0%
Total WEST SIDE MILLING TE BONDS	59				0.0%

WEST SIDE MILLING TE BONDS II

TOTALCPED4	13,683	12,185			0.0%
Total WEST SIDE MILLING TE BONDS II	13,683	12,185			0.0%

TAX INCREMENT ADMINISTRATION

TOTALCPED4	2,192,411	2,311,478	1,222,037	100,000	-91.8%
Total TAX INCREMENT ADMINISTRATION	2,192,411	2,311,478	1,222,037	100,000	-91.8%

Central Ave Lofts

TOTALCPED4	357		108,636	72,006	-33.7%
Total Central Ave Lofts	357		108,636	72,006	-33.7%

CAMDEN MEDICAL FACILITY

TOTALCPED4	0		39,000	39,000	0.0%
Total CAMDEN MEDICAL FACILITY	0		39,000	39,000	0.0%

ST ANNE'S HOUSING

**SCHEDULE THREE
EXPENSES BY FUND AND DEPARTMENT**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
TOTALCPED4	9,225	32,346	46,150	52,774	14.4%
Total ST ANNE'S HOUSING	9,225	32,346	46,150	52,774	14.4%
<u>ANTIQUES MINNESOTA</u>					
TOTALCPED4	39,759	39,083	39,658	39,188	-1.2%
Total ANTIQUES MINNESOTA	39,759	39,083	39,658	39,188	-1.2%
<u>COMMON PROJECT UNCERTIFIED</u>					
TOTALCPED4	1,783,945	1,004,685	635,621	964,660	51.8%
Total COMMON PROJECT UNCERTIFIED	1,783,945	1,004,685	635,621	964,660	51.8%
<u>WEST BROADWAY</u>					
TOTALCPED4	876,393	316,280			0.0%
Transfers	0		27,500	65,000	136.4%
Total WEST BROADWAY	876,393	316,280	27,500	65,000	136.4%
<u>EAST BANK 1335</u>					
TOTALCPED4	2,572,898	1,445,437			0.0%
Transfers	120,000	65,000	27,500	110,000	300.0%
Total EAST BANK 1335	2,692,898	1,510,437	27,500	110,000	300.0%
<u>GRANT</u>					
TOTALCPED4	561,226	309,887			0.0%
Transfers	0	300,000	40,000	40,000	0.0%
Total GRANT	561,226	609,887	40,000	40,000	0.0%
<u>CHICAGO AND LAKE</u>					
TOTALCPED4	88,000		220,000		-100.0%
Transfers	80,000	80,000			0.0%
Total CHICAGO AND LAKE	168,000	80,000	220,000		-100.0%
<u>NINTH & HENNEPIN</u>					
TOTALCPED4	164,529	172,844	128,412	249,665	94.4%
Total NINTH & HENNEPIN	164,529	172,844	128,412	249,665	94.4%
<u>NORTH LOOP</u>					
TOTALCPED4	8,251,600	6,251,023			0.0%
Transfers	275,000	65,000	830,000	1,420,000	71.1%
Total NORTH LOOP	8,526,600	6,316,023	830,000	1,420,000	71.1%
<u>INDUSTRY SQUARE</u>					
TOTALCPED4	2,308,800	1,570,864			0.0%
Transfers	565,000	2,661,500	2,610,000	180,000	-93.1%
Total INDUSTRY SQUARE	2,873,800	4,232,364	2,610,000	180,000	-93.1%
<u>SEWARD SOUTH</u>					
TOTALCPED4	2,162,067	978,866			0.0%
Transfers	0	7,500	1,227,500	1,350,000	10.0%
Total SEWARD SOUTH	2,162,067	986,366	1,227,500	1,350,000	10.0%

**SCHEDULE THREE
EXPENSES BY FUND AND DEPARTMENT**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
<u>CEDAR RIVERSIDE</u>					
TOTALCPED4	3,488,873	1,683,316			0.0%
Transfers	55,000	100,000	272,500	2,115,000	676.1%
Total CEDAR RIVERSIDE	3,543,873	1,783,316	272,500	2,115,000	676.1%
<u>HOUSING FOR CHRONIC ALCOHOLICS</u>					
TOTALCPED4	0		27,500	26,000	-5.5%
Total HOUSING FOR CHRONIC ALCOHOLICS	0		27,500	26,000	-5.5%
<u>HENNEPIN & LAKE</u>					
TOTALCPED4	1,161,446	611,751			0.0%
Transfers	80,000			85,000	100.0%
Total HENNEPIN & LAKE	1,241,446	611,751		85,000	100.0%
<u>BROADWAY 35-W</u>					
TOTALCPED4	1,460,704	577,898			0.0%
Transfers	0			644,875	100.0%
Total BROADWAY 35-W	1,460,704	577,898		644,875	100.0%
<u>BOTTINEAU</u>					
TOTALCPED4	144,559	158,011	161,834	157,659	-2.6%
Total BOTTINEAU	144,559	158,011	161,834	157,659	-2.6%
<u>CONSERVATORY</u>					
TOTALCPED4	225,000	3,050,000	200,000		-100.0%
Transfers	3,565,450	2,650,175	1,641,850	1,700,000	3.5%
Total CONSERVATORY	3,790,450	5,700,175	1,841,850	1,700,000	-7.7%
<u>LORING PARK</u>					
TOTALCPED4	4,282,800	2,026,351			0.0%
Transfers	75,000	84,750		10,000	100.0%
Total LORING PARK	4,357,800	2,111,101		10,000	100.0%
<u>LAUREL VILLAGE</u>					
TOTALCPED4	12,661,516	112,805	112,216	110,425	-1.6%
Transfers	2,470,494	1,781,551	1,867,633	1,806,710	-3.3%
Total LAUREL VILLAGE	15,132,010	1,894,356	1,979,849	1,917,135	-3.2%
<u>CITY CENTER</u>					
TOTALCPED4	2,207,522	1,260,739			0.0%
Transfers	100,000	4,125	169,125		-100.0%
Total CITY CENTER	2,307,522	1,264,864	169,125		-100.0%
<u>SOUTH NICOLLET MALL</u>					
TOTALCPED4	3,612,004	2,193,998	2,600,000	1,400,000	-46.2%
Transfers	4,076,753	9,478,486	4,663,725	4,743,481	1.7%
Total SOUTH NICOLLET MALL	7,688,757	11,672,484	7,263,725	6,143,481	-15.4%
<u>CLARE HOUSING</u>					
TOTALCPED4	367	379	1,400	400	-71.4%

**SCHEDULE THREE
EXPENSES BY FUND AND DEPARTMENT**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
Total CLARE HOUSING	367	379	1,400	400	-71.4%
<u>DEEP ROCK TAX INCREMENT</u>					
TOTALCPED4	185,000	863			0.0%
Total DEEP ROCK TAX INCREMENT	185,000	863			0.0%
<u>DOWNTOWN EAST LRT</u>					
TOTALCPED4	3,483				0.0%
Total DOWNTOWN EAST LRT	3,483				0.0%
<u>2700 EAST LAKE</u>					
TOTALCPED4	81,082	96,194	97,777	85,221	-12.8%
Total 2700 EAST LAKE	81,082	96,194	97,777	85,221	-12.8%
<u>EAST PHILLIPS</u>					
TOTALCPED4	23,374	30,356	28,299	25,512	-9.8%
Total EAST PHILLIPS	23,374	30,356	28,299	25,512	-9.8%
<u>EAST VILLAGE</u>					
TOTALCPED4	186,868	217,440	223,602	199,536	-10.8%
Total EAST VILLAGE	186,868	217,440	223,602	199,536	-10.8%
<u>50TH & FRANCE</u>					
TOTALCPED4	174,458	195,497	198,697	194,241	-2.2%
Total 50TH & FRANCE	174,458	195,497	198,697	194,241	-2.2%
<u>FRANKLIN PORTLAND WELLSTONE</u>					
TOTALCPED4	0	361	34,069	2,375	-93.0%
Total FRANKLIN PORTLAND WELLSTONE	0	361	34,069	2,375	-93.0%
<u>FORMER FED RESERVE</u>					
TOTALCPED4	691,231	910,462	1,080,637	1,180,191	9.2%
Total FORMER FED RESERVE	691,231	910,462	1,080,637	1,180,191	9.2%
<u>GRAIN BELT</u>					
TOTALCPED4	138,776	151,921	153,391	153,700	0.2%
Total GRAIN BELT	138,776	151,921	153,391	153,700	0.2%
<u>GRACO TI</u>					
TOTALCPED4	97,885	135,977	135,973	105,433	-22.5%
Total GRACO TI	97,885	135,977	135,973	105,433	-22.5%
<u>GRAIN BELT HOUSING DIST 132</u>					
TOTALCPED4	1,202	8,100	77,783	81,201	4.4%
Total GRAIN BELT HOUSING DIST 132	1,202	8,100	77,783	81,201	4.4%
<u>110 GRANT</u>					
TOTALCPED4	678,800	500,000	300,000		-100.0%
Total 110 GRANT	678,800	500,000	300,000		-100.0%

**SCHEDULE THREE
EXPENSES BY FUND AND DEPARTMENT**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
<u>13TH AND HARMON</u>					
TOTALCPED4	231,272	270,927	276,998	255,998	-7.6%
Total 13TH AND HARMON	231,272	270,927	276,998	255,998	-7.6%
<u>PARCEL C TI DISTRICT</u>					
TOTALCPED4	432,600	462,821	486,810	439,443	-9.7%
Total PARCEL C TI DISTRICT	432,600	462,821	486,810	439,443	-9.7%
<u>HISTORIC DEPOT REUSE DIST 93</u>					
TOTALCPED4	2,732	20,386	32,366	7,050	-78.2%
Transfers	796,434	702,984	752,609	335,713	-55.4%
Total HISTORIC DEPOT REUSE DIST 93	799,166	723,370	784,975	342,763	-56.3%
<u>HENNEPIN & 7TH ENTERTAINMENT</u>					
TOTALCPED4	1,400	33,081	89,021	10,662	-88.0%
Transfers	1,993,069	1,544,865	1,889,681	1,913,056	1.2%
Total HENNEPIN & 7TH ENTERTAINMENT	1,994,469	1,577,946	1,978,702	1,923,718	-2.8%
<u>HUMBOLDT GREENWAY DIST 98</u>					
TOTALCPED4	327,533	31,958	15,905	104,068	554.3%
Transfers	0	295,735	297,035	251,275	-15.4%
Total HUMBOLDT GREENWAY DIST 98	327,533	327,693	312,940	355,343	13.5%
<u>HIAWATHA COMMONS HOUSING</u>					
TOTALCPED4	75,003	105,486	104,315	78,426	-24.8%
Total HIAWATHA COMMONS HOUSING	75,003	105,486	104,315	78,426	-24.8%
<u>Humboldt Industrial Park</u>					
TOTALCPED4	73,471	139,981	155,558	167,341	7.6%
Total Humboldt Industrial Park	73,471	139,981	155,558	167,341	7.6%
<u>HERITAGE LAND APTS</u>					
TOTALCPED4	384,140	422,237	436,667	422,880	-3.2%
Total HERITAGE LAND APTS	384,140	422,237	436,667	422,880	-3.2%
<u>HERITAGE PARK</u>					
TOTALCPED4	1,197	12,271	19,620	7,075	-63.9%
Transfers	412,314	482,326	490,351	502,851	2.5%
Total HERITAGE PARK	413,511	494,598	509,971	509,926	0.0%
<u>900 6TH AVE SE</u>					
TOTALCPED4	80,531	74,644	72,552	71,013	-2.1%
Total 900 6TH AVE SE	80,531	74,644	72,552	71,013	-2.1%
<u>EAST HENNEPIN & UNIVERSITY</u>					
TOTALCPED4	1,213,606	774,564	1,425,867	1,305,646	-8.4%
Total EAST HENNEPIN & UNIVERSITY	1,213,606	774,564	1,425,867	1,305,646	-8.4%
<u>CAMDEN AREA IMPACT</u>					
TOTALCPED4	14,425				0.0%

**SCHEDULE THREE
EXPENSES BY FUND AND DEPARTMENT**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
Total CAMDEN AREA IMPACT	14,425				0.0%
<u>IVY TOWER</u>					
TOTALCPED4	2,826	524,968	398,864	494,825	24.1%
Transfers	0		371,505	376,150	1.3%
Total IVY TOWER	2,826	524,968	770,369	870,975	13.1%
<u>JOURDAIN</u>					
TOTALCPED4	51,430	53,130	51,082	48,785	-4.5%
Total JOURDAIN	51,430	53,130	51,082	48,785	-4.5%
<u>LOCAL CONTRIBUTION FUND</u>					
TOTALCPED4	245,075	3,743,651	56,627	2,375,000	4,094.1%
Total LOCAL CONTRIBUTION FUND	245,075	3,743,651	56,627	2,375,000	4,094.1%
<u>Lonfellow Station</u>					
TOTALCPED4	0			156,163	100.0%
Total Lonfellow Station	0			156,163	100.0%
<u>LOWRY RIDGE</u>					
TOTALCPED4	144,301	103,993	100,315	90,095	-10.2%
Total LOWRY RIDGE	144,301	103,993	100,315	90,095	-10.2%
<u>LAKE STREET CENTER</u>					
TOTALCPED4	4,402,268	2,001,136	2,548,147	2,067,660	-18.9%
Transfers	303,697	467,179	185,533	183,133	-1.3%
Total LAKE STREET CENTER	4,705,965	2,468,315	2,733,680	2,250,793	-17.7%
<u>MAGNUM LOFTS</u>					
TOTALCPED4	43,584	32,654	54,574	53,189	-2.5%
Total MAGNUM LOFTS	43,584	32,654	54,574	53,189	-2.5%
<u>MANY RIVERS</u>					
TOTALCPED4	54,102	73,647	67,722	64,965	-4.1%
Total MANY RIVERS	54,102	73,647	67,722	64,965	-4.1%
<u>MANY RIVERS WEST</u>					
TOTALCPED4	42,678	47,122	46,073	43,466	-5.7%
Total MANY RIVERS WEST	42,678	47,122	46,073	43,466	-5.7%
<u>1900 CENTRAL AVE HSG</u>					
TOTALCPED4	57,409	69,021	66,766	64,802	-2.9%
Total 1900 CENTRAL AVE HSG	57,409	69,021	66,766	64,802	-2.9%
<u>NICOLLET FRANKLIN</u>					
TOTALCPED4	213,433	183,462	219,676	205,316	-6.5%
Total NICOLLET FRANKLIN	213,433	183,462	219,676	205,316	-6.5%
<u>NRP</u>					
TOTALCPED4	8,326,527	7,531,096		1,106,012	0.0%

**SCHEDULE THREE
EXPENSES BY FUND AND DEPARTMENT**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
Total NRP	8,326,527	7,531,096		1,106,012	0.0%
<u>Coloplast</u>					
TOTALCPED4	0	11,748	240,267	234,408	-2.4%
Total Coloplast	0	11,748	240,267	234,408	-2.4%
<u>Consolidated TIF District</u>					
TOTALCPED4	0			5,493,378	100.0%
Transfers	0			8,995,362	100.0%
Total Consolidated TIF District	0			14,488,740	100.0%
<u>NWIP</u>					
TOTALCPED4	2,471,695	1,448,215			0.0%
Transfers	225,000				0.0%
Total NWIP	2,696,695	1,448,215			0.0%
<u>HOLMES</u>					
TOTALCPED4	2,456,866	1,135,103			0.0%
Transfers	51,625	32,500			0.0%
Total HOLMES	2,508,491	1,167,603			0.0%
<u>NICOLLET ISLAND EAST BANK</u>					
TOTALCPED4	1,879,298	1,050,951			0.0%
Transfers	215,000				0.0%
Total NICOLLET ISLAND EAST BANK	2,094,298	1,050,951			0.0%
<u>PORTLAND PLACE</u>					
TOTALCPED4	555	8,533	6,320	3,075	-51.3%
Transfers	69,199	70,889	71,298		-100.0%
Total PORTLAND PLACE	69,754	79,422	77,618	3,075	-96.0%
<u>NOKOMIS HOLMES</u>					
TOTALCPED4	355,000	300,000			0.0%
Total NOKOMIS HOLMES	355,000	300,000			0.0%
<u>ELLIOT PARK</u>					
TOTALCPED4	1,452,001	59,692			0.0%
Transfers	0	100,000			0.0%
Total ELLIOT PARK	1,452,001	159,692			0.0%
<u>NICOLLET & LAKE</u>					
TOTALCPED4	440,479	110,211			0.0%
Transfers	85,000	195,000			0.0%
Total NICOLLET & LAKE	525,479	305,211			0.0%
<u>CENTRAL & 20TH</u>					
TOTALCPED4	130,000	120,000			0.0%
Transfers	0	10,000			0.0%
Total CENTRAL & 20TH	130,000	130,000			0.0%

**SCHEDULE THREE
EXPENSES BY FUND AND DEPARTMENT**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
<u>CENTRAL AVE MARKET</u>					
TOTALCPED4	705				0.0%
Total CENTRAL AVE MARKET	705				0.0%
<u>MILES I</u>					
TOTALCPED4	256,704	128,296			0.0%
Transfers	0	35,000			0.0%
Total MILES I	256,704	163,296			0.0%
<u>NBA ARENA</u>					
TOTALCPED4	4,066,458	6,205,794	4,182,365	5,000	-99.9%
Total NBA ARENA	4,066,458	6,205,794	4,182,365	5,000	-99.9%
<u>PHILLIPS PARK</u>					
TOTALCPED4	59,307	89,803	65,043	60,656	-6.7%
Transfers	0	80,000			0.0%
Total PHILLIPS PARK	59,307	169,803	65,043	60,656	-6.7%
<u>LASALLE PLACE</u>					
TOTALCPED4	381,199	3,250,000			0.0%
Transfers	1,150,000	1,880,000	650,000		-100.0%
Total LASALLE PLACE	1,531,199	5,130,000	650,000		-100.0%
<u>CAPITAL PROJECTS- OTHER</u>					
TOTALCPED4	1,624,896	2,101,420	9,221	75,289	716.5%
Total CAPITAL PROJECTS- OTHER	1,624,896	2,101,420	9,221	75,289	716.5%
<u>PRELIMINARY PLANNING</u>					
TOTALCPED4	1,002,638	1,384,958	2,987,340	2,743,968	-8.1%
Total PRELIMINARY PLANNING	1,002,638	1,384,958	2,987,340	2,743,968	-8.1%
<u>NEIMAN MARCUS</u>					
TOTALCPED4	919,557	2,383,569	471,793	423,758	-10.2%
Transfers	888,125	348,125			0.0%
Total NEIMAN MARCUS	1,807,682	2,731,694	471,793	423,758	-10.2%
<u>IDS DATA SERVICE CENTER</u>					
TOTALCPED4	1,700,000	3,700,000	1,909,352	1,989,290	4.2%
Transfers	3,518,125	345,000		650,000	100.0%
Total IDS DATA SERVICE CENTER	5,218,125	4,045,000	1,909,352	2,639,290	38.2%
<u>BLOCK E</u>					
TOTALCPED4	0	16,853			0.0%
Total BLOCK E	0	16,853			0.0%
<u>PARK AVENUE EAST</u>					
TOTALCPED4	2,028	2,322	6,306	11,345	79.9%
Total PARK AVENUE EAST	2,028	2,322	6,306	11,345	79.9%
<u>36TH AND MARSHALL</u>					

**SCHEDULE THREE
EXPENSES BY FUND AND DEPARTMENT**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
TOTALCPED4	0	393,549			0.0%
Total 36TH AND MARSHALL	0	393,549			0.0%
<u>COMMON PROJECT RESERVE</u>					
TOTALCPED4	0	6,299,377			0.0%
Total COMMON PROJECT RESERVE	0	6,299,377			0.0%
<u>RIPLEY GARDENS</u>					
TOTALCPED4	14,578	66,958	68,060	54,653	-19.7%
Total RIPLEY GARDENS	14,578	66,958	68,060	54,653	-19.7%
<u>CREAMETTE DISTRICT 84</u>					
TOTALCPED4	170,152	122,674	128,683	128,684	0.0%
Total CREAMETTE DISTRICT 84	170,152	122,674	128,683	128,684	0.0%
<u>MARSHALL RIVER RUN</u>					
TOTALCPED4	92,765	38,629	87,488	82,831	-5.3%
Total MARSHALL RIVER RUN	92,765	38,629	87,488	82,831	-5.3%
<u>ROSACKER NURSERY SITE</u>					
TOTALCPED4	285,000		120,000		-100.0%
Total ROSACKER NURSERY SITE	285,000		120,000		-100.0%
<u>STONE ARCH APARTMENTS</u>					
TOTALCPED4	242,610	276,249	282,725	252,713	-10.6%
Total STONE ARCH APARTMENTS	242,610	276,249	282,725	252,713	-10.6%
<u>SPRING & CENTRAL</u>					
TOTALCPED4	0		15,000	15,000	0.0%
Total SPRING & CENTRAL	0		15,000	15,000	0.0%
<u>SHINGLE CREEK COMMONS</u>					
TOTALCPED4	79,620	83,941	82,585	71,650	-13.2%
Total SHINGLE CREEK COMMONS	79,620	83,941	82,585	71,650	-13.2%
<u>ST ANTHONY MILLS</u>					
TOTALCPED4	53,400	109,536	130,395	83,891	-35.7%
Total ST ANTHONY MILLS	53,400	109,536	130,395	83,891	-35.7%
<u>STINSON</u>					
TOTALCPED4	720,362	756,238	777,954	781,239	0.4%
Total STINSON	720,362	756,238	777,954	781,239	0.4%
<u>SEMI-PHASE 1</u>					
TOTALCPED4	893,807	370,318	614,270	552,891	-10.0%
Total SEMI-PHASE 1	893,807	370,318	614,270	552,891	-10.0%
<u>SEMI-PHASE 2</u>					
TOTALCPED4	194,163	56,430	231,521	225,217	-2.7%

**SCHEDULE THREE
EXPENSES BY FUND AND DEPARTMENT**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
Total SEMI-PHASE 2	194,163	56,430	231,521	225,217	-2.7%
<u>SEMI-PHASE 3</u>					
TOTALCPED4	500	8,531	112,063	73,215	-34.7%
Total SEMI-PHASE 3	500	8,531	112,063	73,215	-34.7%
<u>SEMI-PHASE 4</u>					
TOTALCPED4	177,773	198,105	202,780	197,475	-2.6%
Total SEMI-PHASE 4	177,773	198,105	202,780	197,475	-2.6%
<u>SEMI-PHASE 5</u>					
TOTALCPED4	130,712	150,526	151,774	151,883	0.1%
Total SEMI-PHASE 5	130,712	150,526	151,774	151,883	0.1%
<u>TOWERS AT ELLIOT PARK</u>					
TOTALCPED4	1,929,516	701,641	834,035	786,695	-5.7%
Total TOWERS AT ELLIOT PARK	1,929,516	701,641	834,035	786,695	-5.7%
<u>2ND ST N HOTEL/APTS TOWNPLACE</u>					
TOTALCPED4	171,528	195,908	212,194	205,116	-3.3%
Total 2ND ST N HOTEL/APTS TOWNPLACE	171,528	195,908	212,194	205,116	-3.3%
<u>10TH AND WASHINGTON</u>					
TOTALCPED4	9,409	11,505	16,940	4,725	-72.1%
Transfers	375,928	470,675	477,733	429,351	-10.1%
Total 10TH AND WASHINGTON	385,337	482,180	494,673	434,076	-12.2%
<u>UNITED VAN BUS</u>					
TOTALCPED4	87,000		193,750	195,600	1.0%
Total UNITED VAN BUS	87,000		193,750	195,600	1.0%
<u>EAST RIVER / UNOCAL SITE</u>					
TOTALCPED4	410,813	112,869	216,949	193,763	-10.7%
Total EAST RIVER / UNOCAL SITE	410,813	112,869	216,949	193,763	-10.7%
<u>URBAN VILLAGE</u>					
TOTALCPED4	3,393	14,522	18,405	5,225	-71.6%
Total URBAN VILLAGE	3,393	14,522	18,405	5,225	-71.6%
<u>Van Cleve East</u>					
TOTALCPED4	0	12,155	57,373	33,399	-41.8%
Total Van Cleve East	0	12,155	57,373	33,399	-41.8%
<u>VILLAGE IN PHILLIPS HOUSING</u>					
TOTALCPED4	57,125	55,237	57,604	53,930	-6.4%
Total VILLAGE IN PHILLIPS HOUSING	57,125	55,237	57,604	53,930	-6.4%
<u>VILLAGE IN PHILLIPS PHASE II</u>					
TOTALCPED4	340		52,203	2,400	-95.4%

**SCHEDULE THREE
EXPENSES BY FUND AND DEPARTMENT**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
Total VILLAGE IN PHILLIPS PHASE II	340		52,203	2,400	-95.4%
<u>Van Cleve Redevelopment</u>					
TOTALCPED4	0	9,229	51,199	52,403	2.4%
Total Van Cleve Redevelopment	0	9,229	51,199	52,403	2.4%
<u>Van Cleve West</u>					
TOTALCPED4	0	14,118	29,001	8,749	-69.8%
Total Van Cleve West	0	14,118	29,001	8,749	-69.8%
<u>WASHINGTON COURTS APTS</u>					
TOTALCPED4	0	34,500	42,591	23,425	-45.0%
Total WASHINGTON COURTS APTS	0	34,500	42,591	23,425	-45.0%
<u>WEST SIDE MILLING DISTRICT</u>					
TOTALCPED4	1,326,823	(1,127)	5,491	21,101	284.3%
Transfers	370,375	3,725,290	1,593,444	1,667,331	4.6%
Total WEST SIDE MILLING DISTRICT	1,697,198	3,724,163	1,598,935	1,688,432	5.6%
<u>WEST RIVER COMMONS</u>					
TOTALCPED4	108,675	99,557	98,918	93,066	-5.9%
Total WEST RIVER COMMONS	108,675	99,557	98,918	93,066	-5.9%
<u>HSG REPLACE-WATERSHED 0</u>					
TOTALCPED4	331,465	1,253,784	58,198	96,632	66.0%
Total HSG REPLACE-WATERSHED 0	331,465	1,253,784	58,198	96,632	66.0%
<u>HOUSING REPLACEMENT 2</u>					
TOTALCPED4	54,982	340,450	60,196	114,717	90.6%
Total HOUSING REPLACEMENT 2	54,982	340,450	60,196	114,717	90.6%
<u>HSG REPLACE-WATERSHED 3</u>					
TOTALCPED4	0			102,447	100.0%
Total HSG REPLACE-WATERSHED 3	0			102,447	100.0%
<u>BLOCK 33</u>					
Transfers	0	20,000			0.0%
Total BLOCK 33	0	20,000			0.0%
<u>CPED NEIGHBORHOOD DEVEL ACCT</u>					
TOTALCPED4	1,179,084	1,133,339	10,035	204,107	1,934.0%
Total CPED NEIGHBORHOOD DEVEL ACCT	1,179,084	1,133,339	10,035	204,107	1,934.0%
<u>CPED OPERATING</u>					
TOTALCPED4	8,021,861	7,195,474	7,958,560	6,963,120	-12.5%
Total CPED OPERATING	8,021,861	7,195,474	7,958,560	6,963,120	-12.5%
<u>NRP ADMINISTRATION</u>					
TOTALCPED4	63,641	168,676	275,469	356,040	29.2%

**SCHEDULE THREE
EXPENSES BY FUND AND DEPARTMENT**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
Total NRP ADMINISTRATION	63,641	168,676	275,469	356,040	29.2%
<u>COMMUNITY DEVELOPMENT INVEST</u>					
TOTALCPED4	1,233,954	119,544			0.0%
Total COMMUNITY DEVELOPMENT INVEST	1,233,954	119,544			0.0%
<u>DEVELOPMENT ACCOUNT</u>					
TOTALCPED4	1,582,648	11,719,265	7,106,233	4,821,436	-32.2%
Total DEVELOPMENT ACCOUNT	1,582,648	11,719,265	7,106,233	4,821,436	-32.2%
<u>ECONOMIC DEVELOPMENT PROGRAM</u>					
TOTALCPED4	4,103,311	4,493,501	5,309,391	5,887,838	10.9%
Total ECONOMIC DEVELOPMENT PROGRAM	4,103,311	4,493,501	5,309,391	5,887,838	10.9%
<u>HOUSING PROGRAM</u>					
TOTALCPED4	1,870,101	1,501,846	2,762,638	1,977,020	-28.4%
Total HOUSING PROGRAM	1,870,101	1,501,846	2,762,638	1,977,020	-28.4%
<u>HOME OWNERSHIP WORKS</u>					
TOTALCPED4	145,700	63,332	800,000	800,000	0.0%
Total HOME OWNERSHIP WORKS	145,700	63,332	800,000	800,000	0.0%
<u>CPED STATE GRANTS & LOAN</u>					
TOTALCPED4	453,558	206,354			0.0%
Total CPED STATE GRANTS & LOAN	453,558	206,354			0.0%
<u>NEIGHBORHOOD HOUSING</u>					
TOTALCPED4	150,000		151,050		-100.0%
Total NEIGHBORHOOD HOUSING	150,000		151,050		-100.0%
<u>COMMUNITY DEVELOPMENT</u>					
TOTALCPED4	3,478,322	5,092,465	3,872,596	1,500,000	-61.3%
Transfers	0	11,239,263	5,650,000	5,500,000	-2.7%
Total COMMUNITY DEVELOPMENT	3,478,322	16,331,728	9,522,596	7,000,000	-26.5%
<u>RESIDENTIAL HOUSING</u>					
TOTALCPED4	619,639	1,507,953	683,130	735,380	7.6%
Total RESIDENTIAL HOUSING	619,639	1,507,953	683,130	735,380	7.6%
<u>UPPER RIVER LAND BANK</u>					
TOTALCPED4	1,546	3,695			0.0%
Total UPPER RIVER LAND BANK	1,546	3,695			0.0%
<u>BOARD OF ESTIMATE AND TAXATION</u>					
BOARD OF ESTIMATE & TAXATION	315,689	297,319	344,695	184,865	-46.4%
Total BOARD OF ESTIMATE AND TAXATION	315,689	297,319	344,695	184,865	-46.4%
<u>Downtown Improvement District</u>					
PW - TRANSPORTATION MAINTENANCE AND REPAIR	0	2,875,816		5,800,000	0.0%

**SCHEDULE THREE
EXPENSES BY FUND AND DEPARTMENT**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
Total Downtown Improvement District	0	2,875,816		5,800,000	0.0%
<u>POLICE DEPT - SPECIAL REVENUE</u>					
POLICE	2,495,073	3,328,287	3,274,968	2,559,367	-21.9%
Total POLICE DEPT - SPECIAL REVENUE	2,495,073	3,328,287	3,274,968	2,559,367	-21.9%
<u>ARENA - RESERVE</u>					
CONVENTION CENTER	0			8,286,119	100.0%
TOTALCPED4	0	5,569,435			0.0%
Transfers	3,697,097	(244,205)			0.0%
Total ARENA - RESERVE	3,697,097	5,325,230		8,286,119	100.0%
<u>CONVENTION FACILITES - RESERVE</u>					
Transfers	1,000,000	1,000,000	1,000,000	1,500,000	50.0%
Total CONVENTION FACILITES - RESERVE	1,000,000	1,000,000	1,000,000	1,500,000	50.0%
<u>GRANTS - FEDERAL</u>					
ATTORNEY	311,892	348,718	581,407	548,814	-5.6%
FIRE	472,899	483,758			0.0%
POLICE	8,095,487	5,924,809	4,157,455	4,002,906	-3.7%
REGULATORY SERVICES	2,674,471	3,132,504	6,333,000	4,599,501	-27.4%
HEALTH AND FAMILY SUPPORT	4,360,073	4,641,196	3,359,795	4,579,822	36.3%
PW - TRANSPORTATION MAINTENANCE AND REPAIR	28,889	1,517			0.0%
SURFACE WATER & SEWERS-STORMWATR	8,843				0.0%
PW - PROPERTY SERVICES	3,870	27,079		2,207,167	100.0%
FINANCE DEPARTMENT	22,942	80,286	44,607	58,474	31.1%
CITY COORDINATOR	0	970			0.0%
COMMUNICATIONS	3,885				0.0%
BUSINESS INFORMATION SERVICES	20,729				0.0%
NON DEPARTMENTAL	8,535				0.0%
T9010000 - CAPITAL IMPROVEMENTS	1,476,608	2,186,293	27,044		-100.0%
TOTALCPED4	4,982,511	7,003,877	5,455,792	5,471,110	0.3%
Transfers	1,147,466	99,457	55,000	79,200	44.0%
Total GRANTS - FEDERAL	23,619,100	23,930,464	20,014,099	21,546,994	7.7%
<u>CDBG & UDAG FUNDS</u>					
ATTORNEY	56,853	32,103	58,000	58,000	0.0%
FIRE	0		694,000	584,000	-15.9%
CIVIL RIGHTS	314,955	486,001	365,000	365,000	0.0%
POLICE	1,012	6,617	933,000	987,386	5.8%
REGULATORY SERVICES	530,462	1,344,580	873,000	973,000	11.5%
HEALTH AND FAMILY SUPPORT	1,430,191	1,122,648	1,049,000	1,124,000	7.1%
PW - TRANSPORTATION MAINTENANCE AND REPAIR	11,778	59,697			0.0%
PW - PROPERTY SERVICES	0	27,826			0.0%
FINANCE DEPARTMENT	207,000	196,000	196,000	195,998	0.0%
CITY COORDINATOR	0			28,146	100.0%
INTERGOVERNMENTAL RELATIONS	1,392,946	1,297,301	1,198,000	1,236,370	3.2%
NEIGHBORHOOD & COMMUNITY RELATIONS	0		198,000	198,000	0.0%
NON DEPARTMENTAL	216,523	197,401	134,000	244,000	82.1%
TOTALCPED4	12,318,888	10,959,774	10,309,999	10,650,511	3.3%

**SCHEDULE THREE
EXPENSES BY FUND AND DEPARTMENT**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
Transfers	20,286	668			0.0%
MPHA	0			178,000	100.0%
Total CDBG & UDAG FUNDS	16,500,894	15,730,616	16,007,998	16,822,409	5.1%
<u>CPED CDBG</u>					
TOTALCPED4	16,713	668			0.0%
Total CPED CDBG	16,713	668			0.0%
<u>HOME</u>					
INTERGOVERNMENTAL RELATIONS	0	30,000	15,000	15,000	0.0%
TOTALCPED4	4,212,723	2,367,790	3,787,000	3,765,884	-0.6%
Total HOME	4,212,723	2,397,790	3,802,000	3,780,884	-0.6%
<u>GRANTS - OTHER</u>					
ATTORNEY	7,842	14,426		85,088	100.0%
CITY COUNCIL/CLERK/ELECTIONS	0	35,000			0.0%
FIRE	82,131	19,187	10,000	10,000	0.0%
MAYOR	0			75,000	100.0%
POLICE	1,069,015	1,335,658	1,328,730	791,811	-40.4%
REGULATORY SERVICES	3,610,271	3,874,898	6,834,540	5,743,240	-16.0%
HEALTH AND FAMILY SUPPORT	3,436,188	3,725,434	4,486,052	4,344,225	-3.2%
PW - TRANSPORTATION MAINTENANCE AND REPAIR	0	506			0.0%
HUMAN RESOURCES	13,075	18,534			0.0%
FINANCE DEPARTMENT	46,743	31,515	34,896	37,524	7.5%
311	0				0.0%
CITY COORDINATOR	1,904				0.0%
COMMUNICATIONS	475				0.0%
BUSINESS INFORMATION SERVICES	2,976				0.0%
NON DEPARTMENTAL	123,591		0		-100.0%
T9010000 - CAPITAL IMPROVEMENTS	175,000	1,802			0.0%
TOTALCPED4	8,802,125	8,551,267	2,500,000	2,220,000	-11.2%
Transfers	700,000	700,000	700,000	700,000	0.0%
Total GRANTS - OTHER	18,071,336	18,308,226	15,894,218	14,006,887	-11.9%
<u>CONVENTION CENTER OPERATIONS</u>					
HUMAN RESOURCES	(1)				0.0%
CONVENTION CENTER	39,300,370	34,573,715	43,722,194	40,183,642	-8.1%
Transfers	37,990,887	35,439,870	42,263,000	40,015,781	-5.3%
Total CONVENTION CENTER OPERATIONS	77,291,256	70,013,585	85,985,194	80,199,423	-6.7%
<u>NCR - SPECIAL REVENUE</u>					
NEIGHBORHOOD & COMMUNITY RELATIONS	0			5,000,000	100.0%
Total NCR - SPECIAL REVENUE	0			5,000,000	100.0%
<u>EMPLOYEE RETIREMENT</u>					
MPLS EMPLOYEE RETIREMENT FD	14,161,327	12,005,719	14,231,203	24,720,500	73.7%
Transfers	0	507,688			0.0%
Total EMPLOYEE RETIREMENT	14,161,327	12,513,406	14,231,203	24,720,500	73.7%
<u>PARK - GENERAL FUND</u>					

**SCHEDULE THREE
EXPENSES BY FUND AND DEPARTMENT**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
PARK BOARD	55,344,499	56,010,355	56,272,552	59,063,179	5.0%
Total PARK - GENERAL FUND	55,344,499	56,010,355	56,272,552	59,063,179	5.0%
<u>PARK - MUSEUM (ART INSTITUTE)</u>					
PARK BOARD	11,187,671	12,027,255	12,178,277	11,738,497	-3.6%
Total PARK - MUSEUM (ART INSTITUTE)	11,187,671	12,027,255	12,178,277	11,738,497	-3.6%
<u>PARK - GRANT & SPECIAL REVENUE</u>					
T9100000 - PARK BD - CAP IMPROV	0	34,512	37,740	37,000	-2.0%
PARK BOARD	1,762,535	874,948	1,130,600	1,130,600	0.0%
Total PARK - GRANT & SPECIAL REVENUE	1,762,535	909,460	1,168,340	1,167,600	-0.1%
<u>PARK-SPEC REV-INTEREST BEARING</u>					
T9100000 - PARK BD - CAP IMPROV	0	4,122,814			0.0%
PARK BOARD	0	3,411			0.0%
Total PARK-SPEC REV-INTEREST BEARING	0	4,126,225			0.0%
<u>LIBRARY - GENERAL FUND</u>					
LIBRARY BOARD	458,661	(2,145)			0.0%
Total LIBRARY - GENERAL FUND	458,661	(2,145)			0.0%
<u>LIBRARY - CAPITAL IMPROVEMENTS</u>					
T9010000 - CAPITAL IMPROVEMENTS	384,101		5,810,000	1,040,000	-82.1%
Total LIBRARY - CAPITAL IMPROVEMENTS	384,101		5,810,000	1,040,000	-82.1%
<u>HISTORIC PRESERVATION FUND</u>					
MUNICIPAL BUILDING COMMISSION	7,395	19,431			0.0%
Total HISTORIC PRESERVATION FUND	7,395	19,431			0.0%
<u>MUNICIPAL BUILDING COMMISSION</u>					
Transfers	0			187,200	100.0%
MUNICIPAL BUILDING COMMISSION	8,073,902	8,583,611	8,183,827	7,787,589	-4.8%
Total MUNICIPAL BUILDING COMMISSION	8,073,902	8,583,611	8,183,827	7,974,789	-2.6%
<u>JOINT BOARD</u>					
NON-CPED	0	11,834			0.0%
Total JOINT BOARD	0	11,834			0.0%
<u>YOUTH COORDINATING BOARD</u>					
YOUTH COORDINATING BOARD	1,409,417	1,822,788	1,480,694	1,405,861	-5.1%
Total YOUTH COORDINATING BOARD	1,409,417	1,822,788	1,480,694	1,405,861	-5.1%
<u>NEIGHBORHOOD REVITAL POLICY</u>					
NEIGH REVITALIZATN POL BD	1,626,376	1,463,205	1,382,156	1,162,423	-15.9%
Total NEIGHBORHOOD REVITAL POLICY	1,626,376	1,463,205	1,382,156	1,162,423	-15.9%
<u>PUBLIC HOUSING AUTHORITY</u>					
MPHA	0	4,126,552	508,020	439,305	-13.5%
Total PUBLIC HOUSING AUTHORITY	0	4,126,552	508,020	439,305	-13.5%

**SCHEDULE THREE
EXPENSES BY FUND AND DEPARTMENT**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
TOTAL SPECIAL REVENUE	382,285,112	397,808,345	331,760,436	357,302,297	7.7%
 CAPITAL PROJECT					
 <u>AUG 01 VARIOUS PURPOSE</u>					
Transfers	228,244				0.0%
Total AUG 01 VARIOUS PURPOSE	228,244				0.0%
 <u>JUNE 02 VARIOUS PURPOSE BONDS</u>					
Transfers	15,490	62,144			0.0%
Total JUNE 02 VARIOUS PURPOSE BONDS	15,490	62,144			0.0%
 <u>JUNE 03 VARIOUS PURPOSE BONDS</u>					
Transfers	12,574	68,646			0.0%
Total JUNE 03 VARIOUS PURPOSE BONDS	12,574	68,646			0.0%
 <u>JUNE 04 VARIOUS PURPOSE BONDS</u>					
Transfers	372,008	103,769			0.0%
Total JUNE 04 VARIOUS PURPOSE BONDS	372,008	103,769			0.0%
 <u>JUNE 05 VARIOUS PURPOSE BONDS</u>					
Transfers	470,017	230,683			0.0%
Total JUNE 05 VARIOUS PURPOSE BONDS	470,017	230,683			0.0%
 <u>OCT05 VAR PURP REFUNDING BONDS</u>					
Transfers	1,379	196			0.0%
Total OCT05 VAR PURP REFUNDING BONDS	1,379	196			0.0%
 <u>JUNE 06 VARIOUS PURPOSE BONDS</u>					
Transfers	953,398	974,873			0.0%
Total JUNE 06 VARIOUS PURPOSE BONDS	953,398	974,873			0.0%
 <u>JUNE 07 VARIOUS PURPOSE BONDS</u>					
Transfers	2,789,064	1,791,600			0.0%
Total JUNE 07 VARIOUS PURPOSE BONDS	2,789,064	1,791,600			0.0%
 <u>MAY 08 VARIOUS PURPOSE BONDS</u>					
Debt Service	1,411,617				0.0%
Transfers	7,835,999	8,512,515			0.0%
Total MAY 08 VARIOUS PURPOSE BONDS	9,247,616	8,512,515			0.0%
 <u>May 09 Various Purpose Bonds</u>					
Debt Service	0	2,159,838			0.0%
Transfers	0	15,255,423			0.0%
Total May 09 Various Purpose Bonds	0	17,415,262			0.0%
 <u>NOV04 IMPROV BOND ARBITRAGE</u>					
Transfers	11,412	333,909			0.0%

**SCHEDULE THREE
EXPENSES BY FUND AND DEPARTMENT**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
Total NOV04 IMPROV BOND ARBITRAGE	11,412	333,909			0.0%
<u>NOV07 IMPROV BOND ARBITRAGE</u>					
Transfers	444,746				0.0%
Total NOV07 IMPROV BOND ARBITRAGE	444,746				0.0%
<u>NOV08 IMPROV BOND ARBITRAGE</u>					
Debt Service	41,408				0.0%
Transfers	7,268,333	512,156			0.0%
Total NOV08 IMPROV BOND ARBITRAGE	7,309,741	512,156			0.0%
<u>NOV09 IMPROV BOND ARBITRAGE</u>					
Debt Service	0	41,603			0.0%
Transfers	0	8,942,149			0.0%
Total NOV09 IMPROV BOND ARBITRAGE	0	8,983,752			0.0%
<u>JUNE 06 LIBRARY REF BONDS</u>					
Transfers	926,618				0.0%
Total JUNE 06 LIBRARY REF BONDS	926,618				0.0%
<u>May 08 Library Ref Bonds</u>					
Debt Service	4,802,554	2,925,000			0.0%
Transfers	233,965	51,291			0.0%
Total May 08 Library Ref Bonds	5,036,519	2,976,291			0.0%
<u>JUNE00 VARIOUS PURPOSE BONDS</u>					
Transfers	52,546	258,025			0.0%
Total JUNE00 VARIOUS PURPOSE BONDS	52,546	258,025			0.0%
<u>CAPITAL IMPROVEMENTS</u>					
PW - TRANSPORTATION PLANNING AND ENGINEERING	5,917,473	5,826,066	8,028,115	8,079,944	0.6%
PW - TRANSPORTATION MAINTENANCE AND REPAIR	642,782	700,302	652,849	659,846	1.1%
T9010000 - CAPITAL IMPROVEMENTS	31,413,812	71,035,138	56,989,013	74,372,577	30.5%
TOTALCPED4	248,705	111,193	48,047	48,479	0.9%
Total CAPITAL IMPROVEMENTS	38,222,772	77,672,699	65,718,023	83,160,845	26.5%
<u>PARK - CAPITAL IMPROVEMENTS</u>					
T9010000 - CAPITAL IMPROVEMENTS	0	6,000			0.0%
T9100000 - PARK BD - CAP IMPROV	9,391,300	8,597,161	3,000,000	11,536,888	284.6%
Total PARK - CAPITAL IMPROVEMENTS	9,391,300	8,603,161	3,000,000	11,536,888	284.6%
<u>PARK-CAPITAL IMPROVE-ASSESSED</u>					
T9100000 - PARK BD - CAP IMPROV	416,866	325,590	500,000	500,000	0.0%
Total PARK-CAPITAL IMPROVE-ASSESSED	416,866	325,590	500,000	500,000	0.0%
<u>MBC - CAPITAL IMPROVEMENTS</u>					
T9010000 - CAPITAL IMPROVEMENTS	2,126,318	2,431,669	996,000	985,000	-1.1%
Total MBC - CAPITAL IMPROVEMENTS	2,126,318	2,431,669	996,000	985,000	-1.1%
TOTAL CAPITAL PROJECT	78,028,628	131,256,940	70,214,023	96,182,733	37.0%

**SCHEDULE THREE
EXPENSES BY FUND AND DEPARTMENT**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
<u>DEBT SERVICE</u>					
<u>01 IMPROVEMENT BONDS - 20 YR</u>					
Debt Service	757,053	737,052	701,553	194,550	-72.3%
Total 01 IMPROVEMENT BONDS - 20 YR	757,053	737,052	701,553	194,550	-72.3%
<u>96 IMPROVEMENT BONDS</u>					
Debt Service	139,075	138,775	135,100	131,425	-2.7%
Total 96 IMPROVEMENT BONDS	139,075	138,775	135,100	131,425	-2.7%
<u>97 IMPROVEMENT BONDS</u>					
Debt Service	386,970	45,800	210,625	204,675	-2.8%
Total 97 IMPROVEMENT BONDS	386,970	45,800	210,625	204,675	-2.8%
<u>98 IMPROVEMENT BONDS</u>					
Debt Service	235,573	1,586	1,586	1,586	0.0%
Total 98 IMPROVEMENT BONDS	235,573	1,586	1,586	1,586	0.0%
<u>BOND REDEM ARBIT 6/90 IMP BOND</u>					
Debt Service	244,988	227,288	274,938		-100.0%
Total BOND REDEM ARBIT 6/90 IMP BOND	244,988	227,288	274,938		-100.0%
<u>BOND REDEM ARBIT 6/91 IMP BOND</u>					
Debt Service	193,275	177,150	176,375		-100.0%
Total BOND REDEM ARBIT 6/91 IMP BOND	193,275	177,150	176,375		-100.0%
<u>CPED DEBT SERVICE</u>					
TOTALCPED4	38,457,223	36,849,958			0.0%
Total CPED DEBT SERVICE	38,457,223	36,849,958			0.0%
<u>ST ANTHONY DEBT SERVICE</u>					
TOTALCPED4	1,014,502	1,168,139			0.0%
Total ST ANTHONY DEBT SERVICE	1,014,502	1,168,139			0.0%
<u>BOND REDEM ARBIT 6/92 IMP BOND</u>					
Debt Service	191,813	430,780			0.0%
Total BOND REDEM ARBIT 6/92 IMP BOND	191,813	430,780			0.0%
<u>BOND REDEM ARBIT 6/93 IMP BOND</u>					
Debt Service	167,102	151,014	174,500	167,250	-4.2%
Total BOND REDEM ARBIT 6/93 IMP BOND	167,102	151,014	174,500	167,250	-4.2%
<u>NOV10 IMPROV BOND D/S</u>					
Debt Service	0			1,163,164	100.0%
Total NOV10 IMPROV BOND D/S	0			1,163,164	100.0%
<u>OCT 02 IMPROV BOND D/S</u>					
Debt Service	484,300	472,300	460,300	401,400	-12.8%
Total OCT 02 IMPROV BOND D/S	484,300	472,300	460,300	401,400	-12.8%

**SCHEDULE THREE
EXPENSES BY FUND AND DEPARTMENT**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
<u>NOV03 IMPROV BOND D/S</u>					
Debt Service	613,028	589,378	576,028	546,250	-5.2%
Total NOV03 IMPROV BOND D/S	613,028	589,378	576,028	546,250	-5.2%
<u>NOV04 IMPROV BOND D/S</u>					
Debt Service	953,675	933,725	842,113	821,288	-2.5%
Total NOV04 IMPROV BOND D/S	953,675	933,725	842,113	821,288	-2.5%
<u>NOV05 IMPROV BOND D/S</u>					
Debt Service	523,488	508,888	494,288	364,688	-26.2%
Total NOV05 IMPROV BOND D/S	523,488	508,888	494,288	364,688	-26.2%
<u>NOV06 IMPROV BOND D/S</u>					
Debt Service	383,300	373,700	364,100	354,500	-2.6%
Total NOV06 IMPROV BOND D/S	383,300	373,700	364,100	354,500	-2.6%
<u>NOV07 IMPROV BOND D/S</u>					
Debt Service	608,865	564,225	549,525	535,425	-2.6%
Total NOV07 IMPROV BOND D/S	608,865	564,225	549,525	535,425	-2.6%
<u>NOV08 IMPROV BOND D_S</u>					
Debt Service	0	1,081,725	1,026,188	1,001,163	-2.4%
Total NOV08 IMPROV BOND D_S	0	1,081,725	1,026,188	1,001,163	-2.4%
<u>NOV09 IMPROV BOND D/S</u>					
Debt Service	0	61,127	1,336,340	1,205,000	-9.8%
Total NOV09 IMPROV BOND D/S	0	61,127	1,336,340	1,205,000	-9.8%
<u>Diseased Tree Assessment D/S</u>					
Debt Service	373,545	397,700	366,800	371,000	1.1%
Total Diseased Tree Assessment D/S	373,545	397,700	366,800	371,000	1.1%
<u>BOND REDEM ARBIT NIC MALL BOND</u>					
Debt Service	1,601,875	1,594,500	1,588,750		-100.0%
Total BOND REDEM ARBIT NIC MALL BOND	1,601,875	1,594,500	1,588,750		-100.0%
<u>BOND REDEMPTION - DEBT SERVICE</u>					
Debt Service	23,839,205	26,478,113	9,152,144	10,697,875	16.9%
Transfers	1,289,368	2,495,492	1,661,000	1,467,000	-11.7%
Total BOND REDEMPTION - DEBT SERVICE	25,128,573	28,973,604	10,813,144	12,164,875	12.5%
<u>OTH SELF SUPPORTING DEBT SERVC</u>					
Debt Service	2,171,199	8,800,008	1,312,730	720,698	-45.1%
Total OTH SELF SUPPORTING DEBT SERVC	2,171,199	8,800,008	1,312,730	720,698	-45.1%
<u>MIDTOWN EXCH 108 LOAN ACCOUNT</u>					
Debt Service	242,812	284,347	568,368	575,362	1.2%
Total MIDTOWN EXCH 108 LOAN ACCOUNT	242,812	284,347	568,368	575,362	1.2%
<u>PENSION FUND DEBT SERVICE</u>					

**SCHEDULE THREE
EXPENSES BY FUND AND DEPARTMENT**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
Debt Service	6,853,063	6,102,318	5,686,838	5,813,013	2.2%
Total PENSION FUND DEBT SERVICE	6,853,063	6,102,318	5,686,838	5,813,013	2.2%
<u>Library Ref Debt Service</u>					
Debt Service	10,207,196	9,366,372	8,897,563	8,932,063	0.4%
Total Library Ref Debt Service	10,207,196	9,366,372	8,897,563	8,932,063	0.4%
<u>CONVENTION CENTER-DEBT SERVICE</u>					
Debt Service	16,883,518	36,630,223	20,150,375	20,744,125	2.9%
Total CONVENTION CENTER-DEBT SERVICE	16,883,518	36,630,223	20,150,375	20,744,125	2.9%
<u>TARGET CENTER</u>					
Debt Service	5,615,550	5,466,404	1,572,032	3,686,326	134.5%
Total TARGET CENTER	5,615,550	5,466,404	1,572,032	3,686,326	134.5%
<u>BOND REDEMPTION - ASSESSMENT</u>					
Debt Service	25,979	5,500			0.0%
Transfers	945,542				0.0%
Total BOND REDEMPTION - ASSESSMENT	971,521	5,500			0.0%
<u>TAX INCREMENT - DEBT SERVICE</u>					
Debt Service	15,709,960	20,111,751	12,416,813	12,472,769	0.5%
Total TAX INCREMENT - DEBT SERVICE	15,709,960	20,111,751	12,416,813	12,472,769	0.5%
TOTAL DEBT SERVICE	131,113,042	162,245,336	70,696,972	72,572,595	2.7%
<u>INTERNAL SERVICE</u>					
<u>MATERIALS & LAB-INTERNAL SVC</u>					
PW - TRANSPORTATION PLANNING AND ENGINEERING	1,008,263	1,006,563	1,400,370	1,467,747	4.8%
PW - ENG. MATERIALS & TESTING	41,986	730			0.0%
Transfers	53,000	58,000	57,000	88,000	54.4%
Total MATERIALS & LAB-INTERNAL SVC	1,103,249	1,065,293	1,457,370	1,555,747	6.8%
<u>EQUIPMENT - INTERNAL SERVICE</u>					
PW - FLEET	34,192,697	31,305,904	43,085,509	40,385,618	-6.3%
T9010000 - CAPITAL IMPROVEMENTS	(721,675)	138,195			0.0%
Debt Service	1,416,220	1,311,648	3,405,300	2,995,650	-12.0%
Transfers	453,000	502,000	581,000	923,000	58.9%
Total EQUIPMENT - INTERNAL SERVICE	35,340,242	33,257,747	47,071,809	44,304,268	-5.9%
<u>Property Services</u>					
PW - PROPERTY SERVICES	19,086,533	21,582,462	21,061,987	20,123,102	-4.5%
Debt Service	312,896	286,912	937,963	880,100	-6.2%
Transfers	88,000	97,000	118,000	228,000	93.2%
Total Property Services	19,487,429	21,966,374	22,117,950	21,231,202	-4.0%
<u>STORES - INTERNAL SERVICE</u>					
PW - ENG. MATERIALS & TESTING	1,272,144	809,765	747,960	685,380	-8.4%

**SCHEDULE THREE
EXPENSES BY FUND AND DEPARTMENT**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
PW - TRAFFIC AND PARKING SERVICES	403,395	(37,858)	400,228	332,244	-17.0%
Transfers	31,000	34,000	33,000	51,000	54.5%
Total STORES - INTERNAL SERVICE	1,706,539	805,907	1,181,188	1,068,624	-9.5%
<u>INFO TECH - INTERNAL SERVICE</u>					
CITY COUNCIL/CLERK/ELECTIONS	1,193,432	1,157,035	1,186,132	1,133,494	-4.4%
HUMAN RESOURCES	213,634	145,197	253,200	256,217	1.2%
BUSINESS INFORMATION SERVICES	26,866,706	35,155,723	24,435,808	26,395,548	8.0%
T9010000 - CAPITAL IMPROVEMENTS	141,034	1,201,684	1,507,000	1,000,000	-33.6%
Debt Service	1,593,998	1,526,299	9,498,963	9,703,200	2.2%
Transfers	295,624	276,594	218,000	1,923,000	782.1%
Total INFO TECH - INTERNAL SERVICE	30,304,428	39,462,532	37,099,103	40,411,458	8.9%
<u>SELF INSURANCE-INTERNAL SVC</u>					
ATTORNEY	5,045,878	5,568,793	6,100,556	6,101,145	0.0%
HUMAN RESOURCES	1,091,881	1,141,576	1,401,232	1,380,161	-1.5%
FINANCE DEPARTMENT	2,205,757	2,840,521	2,458,766	2,420,420	-1.6%
HEALTH AND WELFARE	33,198,296	9,924,021	13,924,921	2,163,636	-84.5%
WORKERS COMPENSATION	7,844,080	10,820,489	6,290,140	6,064,867	-3.6%
LIABILITY	3,767,287	12,066,971	6,270,435	6,450,102	2.9%
Debt Service	25,220				0.0%
Transfers	131,000	145,000	140,000	1,217,000	769.3%
Total SELF INSURANCE-INTERNAL SVC	53,309,399	42,507,370	36,586,050	25,797,331	-29.5%
<u>PARK - INTERNAL SERVICE</u>					
PARK BOARD	5,379,307	3,424,439	5,356,760	5,316,235	-0.8%
Total PARK - INTERNAL SERVICE	5,379,307	3,424,439	5,356,760	5,316,235	-0.8%
<u>PARK-SELF INSURE-INTERNAL SVC</u>					
PARK BOARD	1,988,447	1,935,977	2,659,283	2,659,283	0.0%
Total PARK-SELF INSURE-INTERNAL SVC	1,988,447	1,935,977	2,659,283	2,659,283	0.0%
TOTAL INTERNAL SERVICE	148,619,040	144,425,638	153,529,513	142,344,148	-7.3%
<u>ENTERPRISE</u>					
<u>DEFAULTED PROPERTY ADMIN</u>					
TOTALCPED4	4,022,006	29,443,760	69,200	86,328	24.8%
Total DEFAULTED PROPERTY ADMIN	4,022,006	29,443,760	69,200	86,328	24.8%
<u>FED HOME LN BANK ECON DEVELOP</u>					
TOTALCPED4	49,530	1,027,319	75,000	75,000	0.0%
Total FED HOME LN BANK ECON DEVELOP	49,530	1,027,319	75,000	75,000	0.0%
<u>HOUSING OWNWERSHIP PROGRAM</u>					
TOTALCPED4	226,020	91,734	111,000	110,000	-0.9%
Total HOUSING OWNWERSHIP PROGRAM	226,020	91,734	111,000	110,000	-0.9%
<u>HOME OWNERSHIP & RENOVATION</u>					

**SCHEDULE THREE
EXPENSES BY FUND AND DEPARTMENT**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
TOTALCPED4	335,146	92,042	305,002	300,000	-1.6%
Total HOME OWNERSHIP & RENOVATION	335,146	92,042	305,002	300,000	-1.6%
<u>RIVER TERMINAL</u>					
TOTALCPED4	1,944,460	1,932,593	1,622,167	1,721,067	6.1%
Total RIVER TERMINAL	1,944,460	1,932,593	1,622,167	1,721,067	6.1%
<u>GARFS</u>					
TOTALCPED4	220,179	965,510	332,846	307,537	-7.6%
Total GARFS	220,179	965,510	332,846	307,537	-7.6%
<u>THEATRES</u>					
TOTALCPED4	5,632	5,831	6,955		-100.0%
Total THEATRES	5,632	5,831	6,955		-100.0%
<u>JUNE 03 SEWER ARBITRAGE</u>					
Transfers	7,309	213,329			0.0%
Total JUNE 03 SEWER ARBITRAGE	7,309	213,329			0.0%
<u>SURFACE WATER & SEWER-SANITARY</u>					
SURFACE WATER & SEWERS-STORMWATR	6,888	(3,554)	11,472		-100.0%
SURFACE WATER & SEWERS-SANITARY	39,635,113	38,448,883	41,802,349	42,297,322	1.2%
T9010000 - CAPITAL IMPROVEMENTS	(401,930)	1,101,978	9,425,000	5,000,000	-46.9%
Debt Service	377,573	479,321	4,066,145	5,196,210	27.8%
Transfers	629,341	1,828,003	305,000	478,000	56.7%
Total SURFACE WATER & SEWER-SANITARY	40,246,985	41,854,631	55,609,966	52,971,532	-4.7%
<u>SURFACE WATER & SEWER-STORMWATER</u>					
PW - TRANSPORTATION PLANNING AND ENGINEERING	0				0.0%
PW - TRANSPORTATION MAINTENANCE AND REPAIR	7,407,500	7,273,428	7,885,638	8,040,487	2.0%
SURFACE WATER & SEWERS-STORMWATR	13,928,697	13,508,926	14,133,743	13,699,052	-3.1%
T9010000 - CAPITAL IMPROVEMENTS	1,113,134	1,553,381	10,820,000	17,270,000	59.6%
Debt Service	1,579,725	1,695,534	7,787,683	10,913,658	40.1%
Transfers	505,457	1,087,137	805,000	478,000	-40.6%
MPHA	0	825,007			0.0%
Total SURFACE WATER & SEWER-STORMWATER	24,534,513	25,943,413	41,432,064	50,401,197	21.6%
<u>WATER - ENTERPRISE</u>					
PW - TRANSPORTATION PLANNING AND ENGINEERING	0	135			0.0%
PW - WATER TREATMENT & DISTR.	53,058,457	54,001,712	48,446,303	48,377,390	-0.1%
T9010000 - CAPITAL IMPROVEMENTS	1,215,681	760,842	3,500,000	9,000,000	157.1%
Debt Service	3,405,967	3,655,735	10,975,983	10,266,583	-6.5%
Transfers	1,648,864	2,033,534	1,258,000	2,042,000	62.3%
Total WATER - ENTERPRISE	59,328,969	60,451,959	64,180,286	69,685,973	8.6%
<u>VILLAGE GREEN ESCROW</u>					
Transfers	433,992				0.0%
Total VILLAGE GREEN ESCROW	433,992				0.0%

**SCHEDULE THREE
EXPENSES BY FUND AND DEPARTMENT**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
<u>MUNICIPAL PARKING-ENTERPRISE</u>					
PW - TRAFFIC AND PARKING SERVICES	42,658,152	40,452,410	40,971,202	42,553,804	3.9%
T9010000 - CAPITAL IMPROVEMENTS	(885,588)	3,689,485	1,700,000	1,700,000	0.0%
Debt Service	10,190,160	8,995,771	20,541,957	22,111,853	7.6%
Transfers	13,882,252	11,881,257	10,316,000	10,920,000	5.9%
Total MUNICIPAL PARKING-ENTERPRISE	65,844,976	65,018,923	73,529,159	77,285,657	5.1%
<u>SOLID WASTE - ENTERPRISE</u>					
PW - SOLID WASTE	27,674,471	27,870,271	33,546,632	33,758,273	0.6%
Transfers	809,000	821,000	851,000	936,000	10.0%
Total SOLID WASTE - ENTERPRISE	28,483,471	28,691,271	34,397,632	34,694,273	0.9%
<u>PARK - OPERATIONS - ENTERPRISE</u>					
PARK BOARD	14,195,490	12,290,900	14,032,263	14,022,211	-0.1%
Total PARK - OPERATIONS - ENTERPRISE	14,195,490	12,290,900	14,032,263	14,022,211	-0.1%
<u>LIBRARY PKG ENTERPRISE FUND</u>					
LIBRARY BOARD	86,385	50			0.0%
Total LIBRARY PKG ENTERPRISE FUND	86,385	50			0.0%
TOTAL ENTERPRISE	239,965,064	268,023,266	285,703,540	301,660,774	5.6%
TOTAL ALL FUNDS	1,362,482,171	1,415,102,837	1,283,464,426	1,362,399,548	6.2%

**SCHEDULE THREE
EXPENSES BY DEPARTMENT**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
ASSESSOR	3,691,730	3,826,812	3,985,804	4,040,184	1.4%
ATTORNEY	12,599,831	13,485,372	14,401,904	14,458,741	0.4%
CITY COUNCIL/CLERK/ELECTIONS	7,483,757	8,863,244	8,682,007	8,165,200	-6.0%
FIRE	52,071,537	47,817,352	54,390,511	52,860,883	-2.8%
CIVIL RIGHTS	2,824,281	3,200,744	2,394,237	2,452,692	2.4%
NON-CPED		11,834			0.0%
MAYOR	1,348,418	1,499,348	1,467,365	1,541,420	5.0%
POLICE	134,558,110	137,105,739	133,563,590	136,341,470	2.1%
REGULATORY SERVICES	38,375,890	39,582,683	49,525,072	48,250,229	-2.6%
HEALTH AND FAMILY SUPPORT	13,309,448	13,953,545	12,215,218	13,371,981	9.5%
PW - TRANSPORTATION PLANNING AND ENGINEERING	8,256,493	8,293,835	11,401,324	12,125,642	6.4%
PW - TRANSPORTATION MAINTENANCE AND REPAIR	34,572,361	36,715,114	32,890,944	39,082,095	18.8%
SURFACE WATER & SEWERS-STORMWATR	13,929,418	13,505,227	14,145,215	13,699,052	-3.2%
SURFACE WATER & SEWERS-SANITARY	39,635,113	38,448,883	41,802,349	42,297,322	1.2%
PW - ENG. MATERIALS & TESTING	1,314,130	810,495	747,960	685,380	-8.4%
PW - ADMINISTRATIVE SERVICES	2,711,929	2,571,072	2,688,718	2,758,268	2.6%
PW - SOLID WASTE	27,674,471	27,945,271	33,546,632	33,758,273	0.6%
PW - FLEET	34,192,697	31,305,904	43,085,509	40,385,618	-6.3%
PW - PROPERTY SERVICES	19,090,403	21,591,092	21,061,987	22,330,269	6.0%
PW - TRAFFIC AND PARKING SERVICES	54,889,141	52,533,884	53,263,734	54,807,965	2.9%
PW - WATER TREATMENT & DISTR.	53,058,457	53,954,037	48,446,303	48,377,390	-0.1%
HUMAN RESOURCES	7,037,237	7,495,587	7,442,931	7,319,995	-1.7%
FINANCE DEPARTMENT	21,197,451	22,337,010	22,449,054	22,005,712	-2.0%
311	2,749,600	3,200,252	3,020,211	3,178,114	5.2%
CITY COORDINATOR	1,560,214	1,651,293	1,438,689	1,582,920	10.0%
INTERGOVERNMENTAL RELATIONS	2,603,911	2,780,026	2,735,903	2,672,453	-2.3%
COMMUNICATIONS	2,342,058	2,484,999	2,423,647	2,315,347	-4.5%
INTERNAL AUDIT			200,000	382,769	91.4%
NEIGHBORHOOD & COMMUNITY RELATIONS		181,726	1,434,357	5,971,319	316.3%
CONVENTION CENTER	37,595,305	31,810,097	43,722,194	48,469,761	10.9%
BUSINESS INFORMATION SERVICES	26,890,411	35,155,723	24,435,808	26,395,548	8.0%
NON DEPARTMENTAL	19,003,478	199,584	134,000	244,000	82.1%
HEALTH AND WELFARE	33,198,296	9,924,021	13,924,921	2,163,636	-84.5%
WORKERS COMPENSATION	7,844,080	10,820,489	6,290,140	6,064,867	-3.6%
LIABILITY	3,767,287	12,066,971	6,270,435	6,450,102	2.9%
GENERAL FUND CONTINGENCY	(38,866)	440,920	2,573,980	6,736,291	161.7%
MPLS EMPLOYEE RETIREMT FD	14,161,327	12,005,719	14,231,203	24,720,500	73.7%
LIBRARY BOARD	22,553,504	7,747,686	6,721,000	5,853,000	-12.9%
T9010000 - CAPITAL IMPROVEMENTS	27,690,815	81,397,340	90,774,057	110,367,577	21.6%
T9100000 - PARK BD - CAP IMPROV	9,808,166	13,080,077	3,537,740	12,073,888	241.3%
TOTALCPED4	199,080,220	223,685,253	86,483,525	81,913,403	-5.3%
Debt Service	114,563,745	144,809,408	126,249,966	133,172,849	5.5%
Transfers	141,176,555	178,071,151	129,735,153	155,467,376	19.8%
PARK BOARD	99,452,057	73,359,102	91,629,736	93,930,005	2.5%
YOUTH COORDINATING BOARD	1,409,417	1,822,788	1,480,694	1,405,861	-5.1%
MPHA		(27,527,048)	508,020	617,305	21.5%
BOARD OF ESTIMATE & TAXATION	315,689	297,319	344,695	184,865	-46.4%
MUNICIPAL BUILDING COMMISSION	9,302,976	7,320,651	8,183,827	7,787,589	-4.8%
NEIGH REVITALIZATN POL BD	1,626,376	1,463,205	1,382,156	1,162,423	-15.9%
TOTAL OTHER DEPARTMENTS	3,248				0.0%

**SCHEDULE THREE
EXPENSES BY DEPARTMENT**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
TOTAL EXPENSES BY DEPARTMENT, ALL FUNDS	1,362,482,171	1,415,102,837	1,283,464,426	1,362,399,548	6.2%

**City of Minneapolis
2011 Budget
Community Development Block Grant (CDBG)**

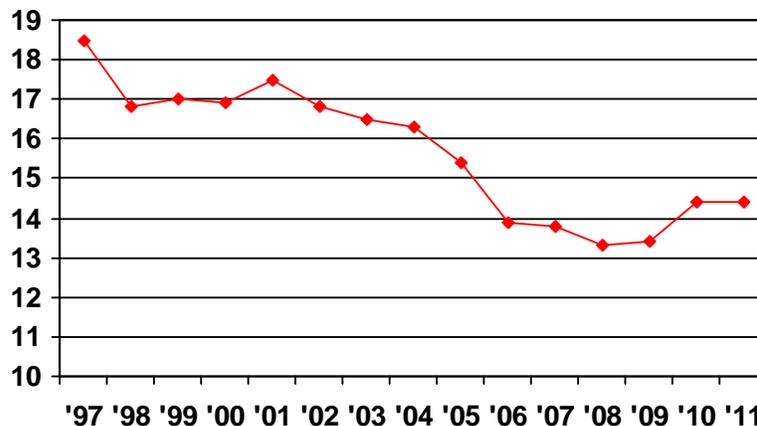
Background

This fund is used to account for the Federal grants received under the Community Development Block Grant (CDBG) provision authorized by Title I of the Housing and Community Development Act of 1974. Included in this entitlement are the CDBG, HOME Investment Partnerships Program (HOME), Emergency Shelter Grants Program (ESGP), and Housing Opportunities for Persons with AIDS (HOPWA). 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.

Historical Financial Performance

For finance and budgeting purposes, the City assumes a draw down of these funds in the year they are allocated. The programs are managed on a cost reimbursement basis and therefore 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. The graph below reflects the trend in CDBG funding for the past 13 years. After several years of declining funding levels, 2009 and 2010 were the first years the actual funding had exceeded the anticipated funding by approximately 2%. For 2011, the City is anticipating the funding to remain level with the 2010 actual funding of \$14.4 million.

CDBG Entitlement 1997 – 2011



2011 Budget

Revenues

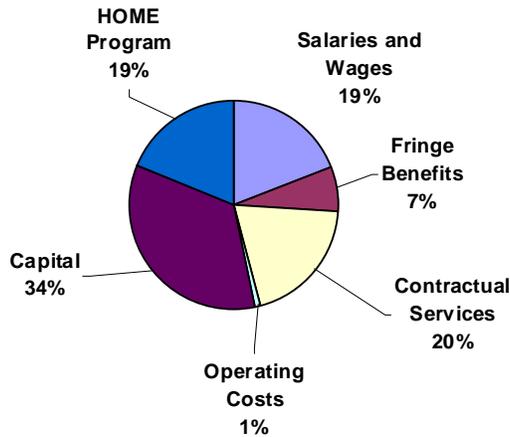
The entitlement funds drawn from HUD are budgeted based on the past relationship between national appropriations and local entitlement amounts. Amounts are based on the most recent actions of Congress.

The HOME, ESGP, and HOPWA awards are anticipated to remain unchanged. Final award numbers from Congress should be available in early 2011. 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.

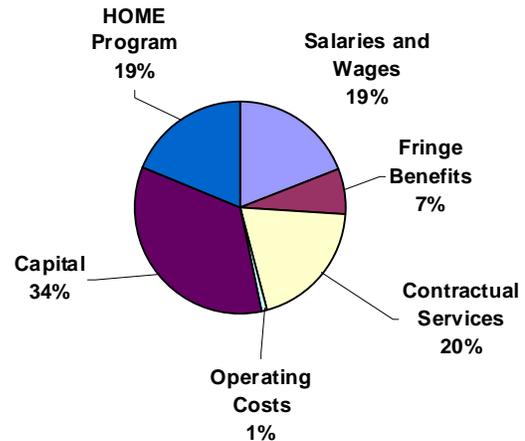
Expenditures

The City distributes its entitlement funds received through the HUD consolidated plan to various departments to carry out program activities, and awards funds to private and public not-for-profit organizations. The graphs below reflect the distribution by department and by cost category.

**Consolidated Plan
Use of Funds by Department
\$19.8 million**



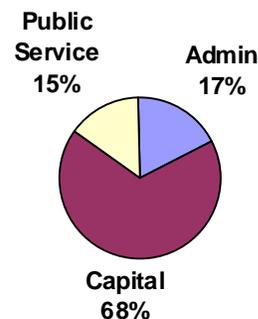
**Consolidated Plan
Use of Funds
\$19.8 million**



CDBG Allocations

The graph to the right shows the distribution of the CDBG allocation in 2011. The public service and administration categories have a 15% and a 20% cap, respectively. Within public service, there is \$400,000 of public service funds for public health in the 2011 program year. The allocation is distributed to non-profit organizations based on recommendations from the Public Health Advisory Committee (PHAC) and City priorities. The PHAC recommended distributions are effective for two years. The 2011 program year begins another two year cycle.

**CDBG
Use of Funds
\$14.4 million**



Debt Service

The CDBG entitlement is obligated over and above the current grant budgets by \$4.8 million. This amount reflects what the City borrowed against its entitlement to fund the Block E economic development project. As program revenues exceed the budget expenditures, these funds will be incrementally applied to the over-obligation (which was originally \$7.4 million).

Council Adopted Budget

The Council approved continued funding for the Community Crime Prevention Specialists for the Police Department and the Restorative Justice Programs for the City Attorney. Both of these programs were recently approved by HUD as eligible for the 2010 program year. The Council amended the Mayor's recommended budget reducing the Youth Employment and Training Program by \$75,000 and adding \$75,000 for the Domestic Abuse Project. The Council further amended the budget by shifting \$300,000 of CDBG funding from the Home Ownership Program to Vacant and Boarded Buildings.

SCHEDULE FOUR
Year 37 (2011) - Community Development Block Grant

Organization	Project	2009 Consolidated Plan	2010 Consolidated Plan	2011 Requested
<u>Capital /Other---CDBG</u>				
Community Planning & Economic Development	Adult Training, Placement and Retention	511,000	982,000	1,255,000
	High Density Corridor Initiative	730,000	730,000	730,000
	Homeownership Program (GMMHC)	334,000	334,000	34,000
	Multi-Family/Affordable Housing	5,715,000	4,011,189	3,411,189
	NEDF/CEDF (Great Streets)		1,500,000	1,127,000
	Non-Profit Development Assistance-Affordable Housing	166,000	166,000	166,000
	Vacant and Boarded Building Program	569,000	782,000	1,782,000
<i>Subtotal CPED capital</i>		<i>8,025,000</i>	<i>8,505,189</i>	<i>8,505,189</i>
Department of Health & Family Support	Childcare Facilities Loan/Grant	225,000	-	-
Minneapolis Public Housing Authority	General Rehabilitation	219,000	-	110,000
Fire Department	Fire Protection Equipment		694,000	584,000
Regulatory Services	Lead Reduction	125,000	125,000	125,000
City Attorney's Office	New Problem Properties Strategy	38,000	38,000	38,000
Police Department	New Problem Properties Strategy	53,000	53,000	53,000
Regulatory Services	New Problem Properties Strategy	348,000	348,000	348,000
Total Capital/Other (65%)		9,033,000	9,763,189	9,763,189
<u>Public Service---CDBG</u>				
Community Planning & Economic Development	Youth Employment	458,000	328,000	253,000
	Mortgage Foreclosure Prevention Program	140,000	-	-
	Advocacy (Housing)	82,000	-	-
City Attorney's Office	Restorative Justice Programs		20,000	20,000
Neighborhood & Community Relations	Access & Outreach (Multicultural Affairs)	121,000	121,000	121,000
Public Works	Graffiti Removal on Public Property	86,000	-	-
Police Department	Community Crime Prevention Specialists		934,386	934,386
Department of Health & Family Support	Way to Grow	262,000	262,000	262,000
	Curfew and Truancy Services	100,000	100,000	100,000
	Domestic Abuse Project			75,000
	You^th are Here buses	51,000	-	-
	<i>Public Health Advisory Recommendations</i>		-	400,000
	Catholic Charities	69,000	49,000	
	Minnesota International Health Volunteers	69,000	49,000	
	Living at Home/Block Nurse Programs	69,000	49,000	
	Southside Community Health Services	66,000	47,000	
	Greater Mpls Council of Churches/Division of Indian Work	36,000	26,000	
	Minneapolis Public Schools TAPPP	69,000	49,000	
	Centro Cultural Chicano, Inc.	47,000	33,000	
	Minneapolis Urban League	69,000	49,000	
	Lao Family Community of MN	69,000	49,000	
Total Public Service (15%)		1,863,000	2,165,386	2,165,386
Public Service - 15% Cap		2,011,007	2,165,936	2,165,936
<u>Administration---CDBG</u>				
Civil Rights Department	Fair Housing Initiative/Davis Bacon Compliance/Monitoring	365,000	365,000	365,000
Community Planning & Economic Development	Program Administration	62,000	-	100,000
	Citizen Participation	233,000	233,000	-
	Planning - Administration	879,000	941,000	1,045,854
	Legal Aid Society	34,000	34,000	34,000
Department of Health & Family Support	Grant Administration	68,000	68,000	68,000
	Neighborhood Services	72,000	72,000	72,000
	Way to Grow Administration	26,000	26,000	26,000
	Youth Violence Prevention	121,000	121,000	121,000
Finance Department	Program Administration	196,000	196,000	196,000
City Coordinator Administration	Director of Arts			28,146
Intergovernmental Relations	Grants & Special Projects	189,710	190,000	190,000
	Legal Aid Society - Housing Discrimination Law Project	54,000	54,000	54,000
Neighborhood & Community Relations	Homelessness initiative	77,000	77,000	77,000
Minneapolis Public Housing	Citizen Participation	68,000	68,000	68,000
Youth Coordinating Board	Administration	66,000	66,000	66,000
Total Administration (20%)		2,510,710	2,511,000	2,511,000
Administration 20% cap		2,681,342	2,887,915	2,887,915
CDBG Total of Requests (100%)		13,406,710	14,439,575	14,439,575
Anticipated CDBG Revenue		13,406,710	14,439,575	14,439,575

SCHEDULE FOUR
Year 37 (2011) - Community Development Block Grant

Organization	Project	2009 Consolidated Plan	2010 Consolidated Plan	2011 Requested
<u>Other Consolidated Plan Entitlement Funds</u>				
HOME Investment Partnerships				
Community Planning & Economic Development	Housing Programs	3,787,361	3,765,884	3,765,884
Intergovernmental Relations	Grants & Special Projects Administration	15,000	15,000	15,000
Emergency Shelter Grants (ESG)				
Community Planning & Economic Development	Emergency Shelter Grant Programs	576,861	572,765	572,765
Intergovernmental Relations	Grants & Special Projects Administration	15,000	15,000	15,000
Housing Opportunities for Persons with AIDS (HOPWA)				
	Third Party Contractors/Subrecipients/Subgrantees	903,558	977,370	977,370
Grand Total Consolidated Plan		18,704,490	19,785,594	19,785,594

SCHEDULE FIVE STAFFING INFORMATION

	2008 Budget	2009 Budget	2010 Budget	2011 Budget	Change	% Change
CHARTER DEPARTMENTS						
ASSESSOR	37.00	36.50	36.50	34.50	(2.00)	-5.5%
ATTORNEY	108.00	105.50	102.00	105.00	3.00	2.9%
CITY COUNCIL/CLERK/ELECTIONS	67.00	66.50	65.50	64.75	(0.75)	-1.1%
CPED	139.00	141.00	135.32	128.00	(7.32)	-5.4%
FIRE	449.00	444.00	438.00	406.00	(32.00)	-7.3%
CIVIL RIGHTS	26.00	21.00	19.00	19.00		0.0%
MAYOR	12.00	12.00	10.00	11.00	1.00	10.0%
POLICE	1,093.00	1,092.00	999.20	992.00	(7.20)	-0.7%
REGULATORY SERVICES	343.00	309.40	368.50	379.00	10.50	2.8%
HEALTH AND FAMILY SUPPORT	66.00	67.00	60.00	61.70	1.70	2.8%
TOTAL CHARTER DEPARTMENTS	2,340.00	2,294.90	2,234.02	2,200.95	(33.07)	-1.5%
PUBLIC WORKS						
PW - TRANSPORTATION PLANNING AND ENGINEERING	66.00	88.00	74.00	78.00	4.00	5.4%
PW - TRANSPORTATION MAINTENANCE AND REPAIR	151.00	144.70	129.95	129.95		0.0%
SURFACE WATER & SEWERS-STORMWATR	117.00	109.90	93.40	52.25	(41.15)	-44.1%
SURFACE WATER & SEWERS-SANITARY				38.65	38.65	
PW - ENG. MATERIALS & TESTING	20.00	7.00	6.00	6.00		0.0%
PW - ADMINISTRATIVE SERVICES	17.00	15.50	15.50	16.00	0.50	3.2%
PW - SOLID WASTE	128.00	129.00	127.00	127.00		0.0%
PW - FLEET	247.00	246.60	180.60	172.00	(8.60)	-4.8%
PW - PROPERTY SERVICES	106.00	108.40	91.30	84.50	(6.80)	-7.4%
PW - TRAFFIC AND PARKING SERVICES	98.00	94.13	90.00	89.00	(1.00)	-1.1%
PW - WATER TREATMENT & DISTR.	253.00	252.75	216.67	207.00	(9.67)	-4.5%
TOTAL PUBLIC WORKS	1,203.00	1,195.98	1,024.42	1,000.35	(24.07)	-2.3%
CITY COORDINATOR						
INTERGOVERNMENTAL RELATIONS	10.00	8.00	8.00	8.00		
INTERNAL AUDIT			2.00	3.00	1.00	50.0%
BUSINESS INFORMATION SERVICES	93.00	90.00	80.00	59.00	(21.00)	-26.3%
COMMUNICATIONS	17.00	15.00	14.00	14.00		
HUMAN RESOURCES	55.00	52.00	47.60	47.60		
311		34.00	28.00	28.00		
CITY COORDINATOR	9.00	9.00	9.00	9.00		
CONVENTION CENTER	212.00	208.18	208.18	193.00	(15.18)	-7.3%
FINANCE DEPARTMENT	202.00	185.00	177.00	172.00	(5.00)	-2.8%
NEIGHBORHOOD & COMMUNITY RELATIONS		8.50	8.50	16.00	7.50	88.2%
Total CITY COORDINATOR Depts	598.00	609.68	582.28	549.60	(32.68)	-5.6%
Total Independent Boards						
PARK BOARD	901.71	859.00	827.00	811.18	(15.82)	-1.9%
YOUTH COORDINATING BOARD	5.00	5.00	5.00	5.80	0.80	16.0%
MPHA	287.00	298.00	313.86	318.00	4.14	1.3%
BOARD OF ESTIMATE & TAXATION	2.00	2.00	2.00	1.00	(1.00)	-50.0%
MUNICIPAL BUILDING COMMISSION	62.00	62.00	62.00	60.00	(2.00)	-3.2%
NEIGH REVITALIZATN POL BD	9.00	9.00	7.00	5.00	(2.00)	-28.6%
Total Independent Boards	1,266.71	1,235.00	1,216.86	1,200.98	(15.88)	-1.3%
TOTAL CITY (including Boards)	5,407.71	5,335.56	5,057.57	4,951.88	(105.69)	-2.1%

SCHEDULE FIVE FOOTNOTES

311: No changes.

Assessor: The department reduced 2 positions to meet the current service level cut.

Attorney: The department added one position using grant funds. Additionally, the department added 2 positions by moving contract work in house. The Mayor recommended the reduction of one paralegal position from the current service level for this department, but the department used health care savings and operational dollars to maintain that position.

BIS: The department reduced 21.00 FTE to meet its long-term financial projections.

City Council/Clerk/Elections: The department reduced 0.75 FTE to meet the current service level.

City Coordinator Administration: No changes.

Civil Rights: No changes.

Communications: No changes.

Community Planning and Economic Development: The department made a reduction of 7.32 FTE across all funds to balance the department's long-term financial projections.

Convention Center: The department made a reduction of 15.18 FTE to meet long-term financial projections.

Finance: The department reduced 5.00 FTE to balance the department's long-term financial projections.

Fire: The department reduced 30 FTE to meet the planned cut. The Mayor recommended contingency funding to allow the department to fund 13 FTE on a one time basis. Additionally, the Mayor recommended the department reduce 2 FTE on a permanent basis. 13 FTE are transferred from Fire to Regulatory Services as part of Fire Inspection activities being transferred from Fire to Regulatory Services.

Health and Family Support: The department added 1.7 FTE with grant funding.

Human Resources: No changes.

Intergovernmental Relations: No changes.

Mayor: The department added one FTE with grant funds.

Neighborhood and Community Relations: No changes.

Office of Internal Audit: No changes.

Police: Within budgeted resources, the department increased budgeted positions by 16.8 FTE by shifting non personnel dollars into personnel. In 2011, the department will reduce 24 sworn FTE through attrition.

Public Works Administration: The department increased 0.5 FTE to handle additional required job maintenance tasks.

Public Works Central Stores/Engineering Materials and Testing: No changes.

Public Works Fleet Services: The department reduced 8.6 vacant FTE.

Public Works Property Services: The department reduced 6.8 positions of which 3.5 were vacancies and 3.3 were temporary.

Public Works Surface Water and Sewers-Sanitary: The department increased 0.25 FTE due to the reallocation of a program assistant position from the Administration division to the Sanitary Sewer division.

Public Works Surface Water and Sewers-Stormwater: The department reduced 2.75 vacant FTE.

Public Works Solid Waste and Recycling: No change.

Public Works Traffic and Parking Services: The department reduced one vacant position.

Public Works Transportation Maintenance and Repair: No change.

Public Works Transportation Planning and Engineering: The department increased 4 FTE (one Supervisor Engineering Technician and two Engineering Technicians II) and the Mayor added one transportation planner.

Public Works Water: The department reduced 9.67 FTE.

Regulatory Services: The department reduced 0.5 FTE and moved the funding into non-personnel. The department gained 13 FTEs due to the transfer of Fire Inspection activities from Fire to Regulatory Services. Additionally, the department removed 2 FTEs as part of restructuring.

INDEPENDENT BOARDS AND AGENCIES

Board of Estimate and Taxation: One FTE was moved out of BET and into the City's Internal Audit department.

Minneapolis Public Housing Authority: The Housing Authority added 4.14 positions.

Municipal Building Commission: MBC reduced 2 positions.

Neighborhood Revitalization Program: The board reduced 2 FTE.

Park Board: The Park Board reduced staffing by 15.8 FTE.

Youth Coordinating Board: YCB added 0.8 FTE.

**Schedule Six
Economic Development Programs**

Strategy/Program	2010 Council Adopted	Source	2011 Council Adopted	Source
Commercial Development				
Great Streets Program ¹	650,000	Reallocated CDBG Program Income		
Great Streets Program ¹	1,500,000	Yr 36 CDBG		
Great Streets Program ¹	1,800,000	Development Account ⁵		
Great Streets Program ¹ - Capital			834,000	Yr 37 CDBG
Great Streets Program ¹ - Capital			1,157,460	Development Account
Great Streets Program ¹ - Capital			1,500,000	Local Contribution Fund ⁸
Capital Acquisition Revolving Fund	300,000	Reallocated Legacy Fund		
Great Streets Program Sub-total	4,250,000		3,491,460	
Commercial Property Management Costs ⁷			293,000	Yr 37 CDBG
Commercial Property Management Costs ⁷			35,000	Legacy Fund Program Income
Commercial Property Management Costs (CARFS)			150,000	Legacy Fund Program Income
Property Management Cost Sub-total			478,000	
BDF Loans ²	125,000	Bond Fees	125,000	Bond Fees
Arena Capital	500,000	Project funding	0	
Riverfront Development Organization	50,000	Reallocated Legacy Fund Prog Income	50,000	Development Account (contingent upon match from other entities)
St. Anthony Heritage Board	31,000	Reallocated Legacy Fund Prog Income	0	
Regional Economic Development Entity (REDE)			50,000	Development Account (contingent upon match from St. Paul)
Regional Economic Development Entity (REDE)			100,000	Local Contribution Fund ⁸ (contingent upon match from St. Paul)
Tax Increment Financing (TIF)	project driven	TIF	project driven	TIF
Revenue Bonds ²	project driven	IDBs	project driven	IDBs
Program Sub-Total	\$4,956,000		\$4,294,460	
Business Assistance / Finance				
BDF Loans ²	125,000	Bond Fees	125,000	Bond Fees
2% Loans	1,500,000	Bond Fees	1,500,000	Bond Fees
Commercial Corridor 2% Loans	500,000	Prior Allocation ³	500,000	Development Account
Commercial Corridor 2% Loans	1,000,000	Bond Fees	1,000,000	Bond Fees
Capital Acquisition Loans	750,000	CRF ⁴	750,000	CRF ⁴
Grants	135,000	Bond Fees	120,000	Bond Fees
Business Assoc. Assistance	210,000	Bond Fees	150,000	Bond Fees
Alternative Loans	300,000	Bond Fees	300,000	Bond Fees
Credit Building Loans	50,000	Bond Fees	25,000	Bond Fees
Revenue Bonds	project driven	IDBs	project driven	IDBs
Program Sub-Total	\$4,570,000		\$4,470,000	
Workforce Development				
Adult Programs	982,000	Yr 36 CDBG - Adults	1,255,000	Yr 37 CDBG
Adult Programs	250,000	Development Account ⁵	1,017,590	Development Account
Adult Programs	1,040,590	Reallocated Legacy Fund	0	
Youth Programs	\$328,000	Yr 36 CDBG - Youth	253,000	Yr 37 CDBG
Youth Programs			575,000	Strategic Partnership Work Plan (Proposed)
Youth Programs			448,000	Development Account
Youth Programs			100,000	Local Contribution Fund ⁸
Youth Programs	575,000	Reallocated Legacy Fund		
Program Sub-Total	\$3,175,590		\$3,648,590	
Keep It Closed ⁶	700,000	Reallocated Legacy Fund	0	
Economic Development Program TOTAL	\$13,401,590		\$12,413,050	

Footnotes:

- 1 - Great Streets Program includes the Community Economic Development, Neighborhood Economic Development, and Commercial Corridor Funds.
- 2 - Business Development Fund Loans
- 3 - Balances from previously approved Council allocations
- 4 - Community Reinvestment Fund
- 5 - Development Account consist of funds resulting from the end of NRP Waterfall
- 6 - City commitment to a 3 way match initiative for Youth Training presently being considered
- 7 - In prior years Property Management costs were not captured in the Capital Schedules
- 8 - Local Contribution Fund consist of revenues again available to CPED with its responsibility for TC Operator subsidy terminating.

Schedule Seven Housing Development Programs

Strategy/Program	2010 Council Adopted (with increased CDBG allocations) ¹	Source	2011 Council Adopted	Source
<u>Affordable Rental / Homelessness</u>				
Affordable Housing Trust Fund (AHTF) ²	2,943,856	Yr 36 CDBG	2,728,951	Yr 37 CDBG
AHTF	2,799,405	HOME	2,851,566	HOME
AHTF	1,255,310	Bond Fees	0	
AHTF	881,350	Development Account ⁶	200,000	Local Contribution Fund ⁸
AHTF			1,750,000	Redirected TIF from Affordable Hsg districts
AHTF Emergency Shelter Grants (ESG)	562,268	ESG	544,127	ESG
AHTF Nonprofit Dev.. Assistance Program	166,000	Yr 36 CDBG	166,000	Yr 37 CDBG
It's All About Kids	200,000	Development Account ⁶	125,000	Local Contribution Fund ⁸
Tax Increment Financing (TIF)	project driven	TIF	project driven	TIF
510(c)3 and Refunding Bonds	project driven	HRB Other	project driven	HRB Other
Low-Income Housing Tax Credits ³	by allocation	LIHTC Allocation	by allocation	LIHTC Allocation
Housing Revenue Bonds	by allocation	HRB Entitlement	by allocation	HRB Entitlement
Program Sub-Total (AHTF)	\$8,808,189		\$8,365,644	
<u>Home Ownership / Affordable / Foreclosure Programs</u>				
Affordable Ownership Combined Program	500,000	Development Account ⁶	250,000	Local Contribution Fund ⁸
Tax Increment Financing (TIF)	project driven	TIF	project driven	TIF
5 Point Housing Strategy - Minneapolis Advantage Prog	250,000	Development Account ⁶	250,000	NSP ⁷
5-Point Housing Strategy⁴ Sub-total	\$250,000		\$250,000	
Mortgage Foreclosure Prevention Program	570,000	Reallocated Legacy Fund	315,000	Legacy Fund Program Income
Mortgage Foreclosure Prevention Program			100,000	Local Contribution Fund ⁸
Mortgage Foreclosure Prevention Sub-total	\$570,000		\$415,000	
Home Ownership Works (HOW)	622,720	HOME	537,702	HOME
GMHC Home Ownership Program	334,000	Yr 36 CDBG	34,000	Yr 37 CDBG
Home Improvement Program	445,000	Development Account ⁶	0	
Vacant and Boarded Building Program	782,253	Yr 36 CDBG	782,000	Yr 37 CDBG
Vacant and Boarded Building Program	1,000,000	Development Account ⁶		
Vacant and Boarded - Property Management Costs ⁹			1,000,000	Yr 37 CDBG
Vacant and Boarded Sub-total	\$1,782,253		\$1,782,000	
Don't Borrow Trouble Campaign				
CityLiving Home Program	market driven	Mortgage Revenue Bonds	market driven	Mortgage Revenue Bonds
NRP Housing Activities	by action plan	NRP	by action plan	NRP
Program Sub-Total	\$4,503,973		\$3,268,702	
<u>Mixed Rental / Ownership Programs</u>				
Higher Density Corridor Initiative	730,000	Yr 36 CDBG	730,000	Yr 37 CDBG
Higher Density Corridor Initiative Sub-total	\$730,000		\$730,000	
Housing Development Program TOTAL	\$14,042,162		\$12,364,346	

Footnotes:

- 1 - Revised to reflect 3/2010 Consolidated Plan adjustments.
- 2 - Affordable Housing Trust Fund funding level is \$10 million, per City policy.
- 3 - Low Income Housing Tax Credits are issued on a statewide basis, and are highly competitive.
- 4 - Funds may be used for the Early Warning System, 249 Restoration agreements, the Homeownership Incentive Program, or other elements of the 5-Point Strategy.
- 5 - City commitment of \$1M leverages Minnesota Housing \$10M loan and \$1M grant for capital acquisition of distressed residential property.
- 6 - Development Account consist of revenues again available to CPED with the end of NRP Waterfall.
- 7 - Neighborhood Stabilization Program Fund
- 8 - Local Contribution Fund consist of revenues again available to CPED with its responsibility for TC Operator subsidy terminating.
- 9 - In prior years Property Management costs were not captured in the Capital Schedules

**SCHEDULE EIGHT
Interfund Transfer Expense**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Description
00100 - GENERAL FUND					
TRANSFER TO CDBG UDAG 0400		26,052			Centralized Leases Action W&M - to CPED
TRANSFER TO OTHER SPEC REV FDS	92,000	92,000	101,523	13,728,000	Target Center-Property Tax Funding in Financial Plan (\$92,000); also includes transfer related to Centralized Leases Action (\$4,000 to Board of Estimate and Taxation); includes \$13,632,000 transfer to pension management plan.
TRANSFER TO CITY CAPITAL 4100		2,329,000	5,800,000	9,000,000	Council adopted a \$400,000 decrease to the pension management plan to reduce the property tax increase. Transfer for paving programs: PV006 Alley Renovation (\$800,000); PV056 Asphalt Pavement Resurfacing (\$4.2 million); PV059 Major Pavement Maintenance (\$2 million); and PV061 High Volume Road Reconditioning (\$2 million) Includes one-time transfer of \$800,000 for the installation of wireless poles (appropriated to Public Works).
TRANSFER TO MBC 31100			60,000		One-time transfer as part of the revised budget for City Hall elevator repair
TRANSFER TO MBC CAPITAL 4200		202,500			
TRNSFR TO GEN DEBT SVC 5250	1,626,000				
TRANSFER TO OTHER DEBT SVC FDS	9,004,000	14,568,000	11,648,954	10,424,792	Property tax supported debt service budgeted in the general fund for pensions
TRANSFER TO EQUIPMENT 6100	4,180,000	4,180,000	4,180,000	4,299,000	Equipment services fund workout plan. Includes partial prepayment of future obligations (\$119,000)
TRANSFER TO PROP SVCS 6200	668,000	654,750	1,325,875	821,100	Includes debt service for 800 MHZ (\$530,100); also includes transfer related to Centralized Leases Action (\$291,000 to Property Services)
TRANSFER TO BUS INFO SVCS 6400	10,473,000	13,619,201	9,591,279	11,507,015	Intergovernmental Services Fund workout plan (\$10,373,000). Also includes transfers related to Centralized Leases Action (\$50,387 to City Clerk and \$141,000 to BIS). Includes one-time expenditures for securing Finance and Human Resources data (\$200,000 for data auditing and \$265,000 for data encryption). Includes transfer from General Fund for General Fund departments' share of the wireless commitment (\$477,628).
TRANSFER TO CITY SELF INS 6900	5,642,689	6,915,000	10,810,000	7,330,000	Self-insurance fund workout plan. Includes prepayment of future obligations (\$5,520,000). Council adopted a \$1,000,000 decrease to reduce the property tax increase.
TRANSFER TO PARKING 7500		38,527			
TRNSFR TO SOLID WASTE 7700	50,000	50,000	50,000	50,000	Graffiti remediation efforts; added in 2004
00100 - GENERAL FUND	31,735,689	42,675,030	43,567,631	57,159,907	
01260 - ARENA - RESERVE					
TRANSFER TO TAX INCR FUNDS		(244,205)			
TRANSFER TO OTHER DEBT SVC FDS					
01260 - ARENA - RESERVE		(244,205)			
01279 - CONVENTION FACILITES - RESERVE					
TRANSFER TO CONV CTR 0760	1,000,000	1,000,000	1,000,000	1,500,000	Funding convention center facility improvements
01279 - CONVENTION FACILITES - RESERVE	1,000,000	1,000,000	1,000,000	1,500,000	
01300 - GRANTS - FEDERAL					
TRANSFER TO CITY GENERAL 0100	54,000	99,457	55,000	79,200	Equal Employment Opportunity Commission (EEOC) reimbursement revenues generated by civil rights and used to support their work in the general fund
01300 - GRANTS - FEDERAL	54,000	99,457	55,000	79,200	
01400 - CDBG & UDAG FUNDS					
TRANSFER TO OTHER SPEC REV FDS	3,596,000	668			
01400 - CDBG & UDAG FUNDS	3,596,000	668			
01600 - GRANTS - OTHER					
TRANSFER TO CITY GENERAL 0100	700,000	700,000	700,000	700,000	Transfer of cable franchise settlement, \$700,000 through 2011
01600 - GRANTS - OTHER	700,000	700,000	700,000	700,000	
01760 - CONVENTION CENTER OPERATIONS					
TRANSFER TO CITY GENERAL 0100	8,163,738	8,033,963	10,503,000	11,468,776	Entertainment tax revenue estimate (\$11,218,776) which includes the Council adopted increase of \$1.1 million and transfer of sales tax for mounted patrol related to convention public safety activities (\$250,000).
TRANSFER TO OTHER SPEC REV FDS	2,650,000	2,187,691	2,650,000	1,230,000	Council adopted \$1.1 million of the Target center facilities transfer be transferred to the General Fund; the remainder (\$80,000) will be transferred to Target Center facilities. The transfer is the Convention Center related facilities reserve in financial plan (\$1,150,000). Includes MERF debt transfer of \$153,000.
TRANSFER TO CITY CAPITAL 4100	750,000				
TRNSFR TO CNV CTR DBT SVC 5300	18,796,000	15,174,216	20,151,000	20,744,125	Convention center related debt
TRANSFER TO OTHER DEBT SVC FDS	68,000	75,000	73,000	153,000	Minneapolis Employee Retirement Fund debt for convention center retirees
TRANSFER TO PARKING 7500	9,832,000	9,969,000	8,886,000	6,419,880	Convention center related parking debt and operating costs
01760 - CONVENTION CENTER OPERATIONS	40,259,738	35,439,870	42,263,000	40,015,781	

**SCHEDULE EIGHT
Interfund Transfer Expense**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Description
01990 - EMPLOYEE RETIREMENT					
TRANSFER TO CITY GENERAL 0100		507,688			
01990 - EMPLOYEE RETIREMENT		507,688			
01C33 - BLOCK 33					
TRNSFR TO TAX INC DBT SVC 5900		20,000			
01C33 - BLOCK 33		20,000			
01CBA - WEST BROADWAY					
TRNSFR TO TAX INC DBT SVC 5900			27,500	65,000	TIF debt service reimbursement
01CBA - WEST BROADWAY			27,500	65,000	
01CBB - EAST BANK 1335					
TRNSFR TO TAX INC DBT SVC 5900	120,000	65,000	27,500	110,000	TIF debt service reimbursement
01CBB - EAST BANK 1335	120,000	65,000	27,500	110,000	
01CBC - GRANT					
TRNSFR TO TAX INC DBT SVC 5900		300,000	40,000	40,000	TIF debt service reimbursement
01CBC - GRANT		300,000	40,000	40,000	
01CBD - CHICAGO AND LAKE					
TRNSFR TO TAX INC DBT SVC 5900	100,000	80,000			
01CBD - CHICAGO AND LAKE	100,000	80,000			
01CBF - NORTH LOOP					
TRNSFR TO TAX INC DBT SVC 5900	275,000	65,000	830,000	1,420,000	TIF debt service reimbursement
01CBF - NORTH LOOP	275,000	65,000	830,000	1,420,000	
01CBG - INDUSTRY SQUARE					
TRNSFR TO TAX INC DBT SVC 5900	565,000	2,661,500	2,610,000	180,000	TIF debt service reimbursement
01CBG - INDUSTRY SQUARE	565,000	2,661,500	2,610,000	180,000	
01CBH - SEWARD SOUTH					
TRNSFR TO TAX INC DBT SVC 5900		7,500	1,227,500	1,350,000	TIF debt service reimbursement
01CBH - SEWARD SOUTH		7,500	1,227,500	1,350,000	
01CBJ - CEDAR RIVERSIDE					
TRNSFR TO TAX INC DBT SVC 5900	55,000	100,000	272,500	2,115,000	TIF debt service reimbursement
01CBJ - CEDAR RIVERSIDE	55,000	100,000	272,500	2,115,000	
01CBM - HENNEPIN & LAKE					
TRNSFR TO TAX INC DBT SVC 5900	80,000			85,000	TIF debt service reimbursement
01CBM - HENNEPIN & LAKE	80,000			85,000	
01CBN - BROADWAY 35-W					
TRNSFR TO TAX INC DBT SVC 5900				644,875	TIF debt service reimbursement
01CBN - BROADWAY 35-W				644,875	
01CBQ - CONSERVATORY					
TRNSFR TO TAX INC DBT SVC 5900		180,000			
TRANSFER TO PARKING 7500	3,432,250	2,470,175	1,641,850	1,700,000	TIF Debt Service Reimbursement to Parking Fund
01CBQ - CONSERVATORY	3,432,250	2,650,175	1,641,850	1,700,000	
01CBT - LORING PARK					
TRNSFR TO TAX INC DBT SVC 5900	75,000	84,750		10,000	TIF debt service reimbursement
01CBT - LORING PARK	75,000	84,750		10,000	
01CBU - LAUREL VILLAGE					
TRNSFR TO TAX INC DBT SVC 5900	2,597,000	1,781,551	1,867,633	1,806,710	TIF debt service reimbursement
01CBU - LAUREL VILLAGE	2,597,000	1,781,551	1,867,633	1,806,710	
01CBX - CITY CENTER					
TRANSFER TO OTHER DEBT SVC FDS		4,125			
TRNSFR TO TAX INC DBT SVC 5900	100,000				
TRANSFER TO PARKING 7500			169,125		TIF Debt Service Reimbursement to Nicollet Mall
01CBX - CITY CENTER	100,000	4,125	169,125		
01CBY - SOUTH NICOLLET MALL					
TRNSFR TO TAX INC DBT SVC 5900	1,050,000	1,000,000			
TRANSFER TO PARKING 7500	3,343,328	8,478,486	4,663,725	4,743,481	TIF Debt Service Reimbursement to Parking Fund
01CBY - SOUTH NICOLLET MALL	4,393,328	9,478,486	4,663,725	4,743,481	
01CHD - HISTORIC DEPOT REUSE DIST 93					
TRNSFR TO TAX INC DBT SVC 5900	689,000	702,984	752,609	335,713	TIF debt service reimbursement
01CHD - HISTORIC DEPOT REUSE DIST 93	689,000	702,984	752,609	335,713	
01CHE - HENNEPIN & 7TH ENTERTAINMENT					
TRNSFR TO TAX INC DBT SVC 5900	2,238,000	1,544,865	1,889,681	1,913,056	TIF debt service reimbursement
01CHE - HENNEPIN & 7TH ENTERTAINMENT	2,238,000	1,544,865	1,889,681	1,913,056	
01CHG - HUMBOLDT GREENWAY DIST 98					
TRNSFR TO TAX INC DBT SVC 5900	289,000	295,735	297,035	251,275	TIF debt service reimbursement
01CHG - HUMBOLDT GREENWAY DIST 98	289,000	295,735	297,035	251,275	

**SCHEDULE EIGHT
Interfund Transfer Expense**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Description
01CHP - HERITAGE PARK					
TRNSFR TO TAX INC DBT SVC 5900	412,000	482,326	490,351	502,851	TIF debt service reimbursement
01CHP - HERITAGE PARK	412,000	482,326	490,351	502,851	
01CIT - IVY TOWER					
TRNSFR TO TAX INC DBT SVC 5900			371,505	376,150	TIF debt service reimbursement
01CIT - IVY TOWER			371,505	376,150	
01CLS - LAKE STREET CENTER					
TRANSFER TO OTHER DEBT SVC FDS		284,347			
TRNSFR TO TAX INC DBT SVC 5900		182,833	185,533	183,133	TIF debt service reimbursement
01CLS - LAKE STREET CENTER		467,180	185,533	183,133	
01CON - Consolidated TIF District					
TRANSFER TO SPECIAL REVENUE				5,309,036	TIF Neighborhood Revitalization transfer from CPED to Neighborhood & Community Relations
TRNSFR TO TAX INC DBT SVC05900				3,686,326	Target Center Debt Service
01CON - Consolidated TIF District				8,995,362	
01CPA - NWIP					
TRNSFR TO TAX INC DBT SVC 5900	125,000				
01CPA - NWIP	125,000				
01CPB - HOLMES					
TRNSFR TO TAX INC DBT SVC 5900	52,000	32,500			
01CPB - HOLMES	52,000	32,500			
01CPC - NICOLLET ISLAND EAST BANK					
TRNSFR TO TAX INC DBT SVC 5900	215,000				
01CPC - NICOLLET ISLAND EAST BANK	215,000				
01CPD - PORTLAND PLACE					
TRANSFER TO OTHER DEBT SVC FDS	69,000	70,889	71,298		Portland place - section 108
01CPD - PORTLAND PLACE	69,000	70,889	71,298		
01CPE - NOKOMIS HOLMES					
TRNSFR TO TAX INC DBT SVC 5900	250,000				
01CPE - NOKOMIS HOLMES	250,000				
01CPF - ELLIOT PARK					
TRNSFR TO TAX INC DBT SVC 5900	455,000	100,000			
01CPF - ELLIOT PARK	455,000	100,000			
01CPG - NICOLLET & LAKE					
TRNSFR TO TAX INC DBT SVC 5900	85,000	195,000			
01CPG - NICOLLET & LAKE	85,000	195,000			
01CPH - CENTRAL & 20TH					
TRNSFR TO TAX INC DBT SVC 5900		10,000			
01CPH - CENTRAL & 20TH		10,000			
01CPJ - MILES I					
TRNSFR TO TAX INC DBT SVC 5900		35,000			
01CPJ - MILES I		35,000			
01CPL - PHILLIPS PARK					
905901 - TRNSFR TO TAX INC DBT SVC05900		80,000			
01CPL - PHILLIPS PARK		80,000			
01CPM - LASALLE PLACE					
TRNSFR TO TAX INC DBT SVC 5900	1,700,000	580,000			
TRANSFER TO PARKING 7500		1,300,000	650,000		TIF Debt Service Reimbursement to Parking Fund
01CPM - LASALLE PLACE	1,700,000	1,880,000	650,000		
01CPQ - NEIMAN MARCUS					
TRANSFER TO OTHER DEBT SVC FDS	235,000	168,125			
TRNSFR TO TAX INC DBT SVC 5900	1,000,000	180,000			
TRANSFER TO PARKING 7500					
01CPQ - NEIMAN MARCUS	1,235,000	348,125			
01CPR - IDS DATA SERVICE CENTER					
TRANSFER TO OTHER DEBT SVC FDS	175,000				
TRNSFR TO TAX INC DBT SVC 5900	1,638,000	110,000			
TRANSFER TO PARKING 7500	885,000	235,000		650,000	TIF transfer to Parking Fund
01CPR - IDS DATA SERVICE CENTER	2,698,000	345,000		650,000	
01CTW - 10TH AND WASHINGTON					
TRANSFER TO PARKING 7500	241,833	470,675	477,733	429,351	TIF Debt Service Reimbursement to Parking Fund
01CTW - 10TH AND WASHINGTON	241,833	470,675	477,733	429,351	
01CWM - WEST SIDE MILLING DISTRICT					
TRNSFR TO TAX INC DBT SVC 5900	1,611,000	3,725,290	1,593,444	1,667,331	TIF debt service reimbursement
01CWM - WEST SIDE MILLING DISTRICT	1,611,000	3,725,290	1,593,444	1,667,331	

SCHEDULE EIGHT
Interfund Transfer Expense

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Description
01SPH - COMMUNITY DEVELOPMENT					
TRANSFER TO CITY CAPITAL 4100		800,000	5,000,000	4,313,000	Expanded Capital from Hilton Trust Funds
TRANSFER TO CITY GENERAL 0100		9,946,703	150,000	387,000	Expanded Capital from Hilton Trust Funds
TRANSFER TO PARK CAPITAL 14300		492,560	500,000	800,000	Expanded Capital from Hilton Trust Funds
01SPH - COMMUNITY DEVELOPMENT		11,239,263	5,650,000	5,500,000	
04A30 - JUNE 02 VARIOUS PURPOSE BONDS					
TRANSFER TO CITY CAPITAL 04100		62,000			
TRNSFR TO GEN DEBT SVC 05250		144			
04A30 - JUNE 02 VARIOUS PURPOSE BONDS		62,144			
04A50 - JUNE 03 VARIOUS PURPOSE BONDS					
TRANSFER TO CITY CAPITAL 04100		68,347			
TRNSFR TO GEN DEBT SVC 05250		299			
04A50 - JUNE 03 VARIOUS PURPOSE BONDS		68,646			
04A60 - JUNE 04 VARIOUS PURPOSE BONDS					
TRANSFER TO CITY CAPITAL 04100		99,514			
TRNSFR TO GEN DEBT SVC 05250		4,255			
04A60 - JUNE 04 VARIOUS PURPOSE BONDS		103,769			
04A70 - JUNE 05 VARIOUS PURPOSE BONDS					
TRANSFER TO CITY CAPITAL 04100		218,133			
TRNSFR TO GEN DEBT SVC 05250		12,550			
04A70 - JUNE 05 VARIOUS PURPOSE BONDS		230,683			
04B10 - OCT05 VAR PURP REFUNDING BONDS					
TRNSFR TO GEN DEBT SVC 05250		196			
04B10 - OCT05 VAR PURP REFUNDING BONDS		196			
04B20 - JUNE 06 VARIOUS PURPOSE BONDS					
TRANSFER TO CITY CAPITAL 04100		884,444			
TRANSFER TO MBC CAPITAL 34200		71,075			
TRNSFR TO GEN DEBT SVC 05250		19,354			
04B20 - JUNE 06 VARIOUS PURPOSE BONDS		974,873			
04B30 - JUNE 07 VARIOUS PURPOSE BONDS					
TRANSFER TO CITY CAPITAL 04100		1,624,080			
TRANSFER TO MBC CAPITAL 34200		100,000			
TRANSFER TO PARK CAPITAL 14300		(36)			
TRNSFR TO GEN DEBT SVC 05250		67,556			
04B30 - JUNE 07 VARIOUS PURPOSE BONDS		1,791,600			
04B40 - MAY 08 VARIOUS PURPOSE BONDS					
TRANSFER TO CITY CAPITAL 04100		7,885,411			
TRANSFER TO MBC CAPITAL 34200		444,863			
TRNSFR TO GEN DEBT SVC 05250		182,242			
04B40 - MAY 08 VARIOUS PURPOSE BONDS		8,512,516			
04B50 - May 09 Various Purpose Bonds					
TRANSFER TO OTHER SPEC REV FDS		94,000			
TRANSFER TO CITY CAPITAL 04100		12,471,650			
TRANSFER TO MBC CAPITAL 34200		429,586			
TRANSFER TO PARK CAPITAL 14300		619,000			
TRNSFR TO GEN DEBT SVC 05250		1,641,187			
04B50 - May 09 Various Purpose Bonds		15,255,423			
04140 - NOV04 IMPROV BOND ARBITRAGE					
TRANSFER TO CITY CAPITAL 04100		188,507			
TRANSFER TO OTHER DEBT SVC FDS		1,813			
TRANSFER TO WATER 07400		143,589			
04140 - NOV04 IMPROV BOND ARBITRAGE		333,909			
04180 - NOV08 IMPROV BOND ARBITRAGE					
TRANSFER TO CITY CAPITAL 04100		261,624			
TRANSFER TO OTHER DEBT SVC FDS		6,834			
TRANSFER TO WATER 07400		243,698			
04180 - NOV08 IMPROV BOND ARBITRAGE		512,156			
04190 - NOV09 IMPROV BOND ARBITRAGE					
TRANSFER TO CITY CAPITAL 04100		8,906,924			
TRANSFER TO OTHER DEBT SVC FDS		35,225			
04190 - NOV09 IMPROV BOND ARBITRAGE		8,942,149			
04L60 - May 08 Library Ref Bonds					
TRANSFER TO OTHER DEBT SVC FDS		51,291			
04L60 - May 08 Library Ref Bonds		51,291			
04Z00 - JUNE00 VARIOUS PURPOSE BONDS					
TRANSFER TO CITY CAPITAL 04100		220,390			
TRNSFR TO GEN DEBT SVC 05250		635			
TRNSFR TO SANITARY SEWER 07100		37,000			
04Z00 - JUNE00 VARIOUS PURPOSE BONDS		258,025			

**SCHEDULE EIGHT
Interfund Transfer Expense**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Description
05250 - BOND REDEMPTION - DEBT SERVICE					
TRANSFER TO BUS INFO SVCS 6400	1,298,000	2,495,492	1,661,000	1,467,000	BIS new capital
05250 - BOND REDEMPTION - DEBT SERVICE	1,298,000	2,495,492	1,661,000	1,467,000	
06000 - MATERIALS & LAB-INTERNAL SVC					
TRANSFER TO OTHER DEBT SVC FDS	53,000	58,000	57,000	88,000	MERF debt service related to engineering materials and testing retirees
06000 - MATERIALS & LAB-INTERNAL SVC	53,000	58,000	57,000	88,000	
06100 - EQUIPMENT - INTERNAL SERVICE					
TRANSFER TO OTHER DEBT SVC FDS	453,000	502,000	581,000	923,000	MERF debt service related equipment fund retirees
06100 - EQUIPMENT - INTERNAL SERVICE	453,000	502,000	581,000	923,000	
06200 - PROPERTY - INTERNAL SERVICE					
TRANSFER TO OTHER DEBT SVC FDS	88,000	97,000	118,000	228,000	MERF debt service related to property services retirees
06200 - PROPERTY - INTERNAL SERVICE	88,000	97,000	118,000	228,000	
06300 - STORES - INTERNAL SERVICE					
TRANSFER TO OTHER DEBT SVC FDS	31,000	34,000	33,000	51,000	MERF debt service related to stores retirees
06300 - STORES - INTERNAL SERVICE	31,000	34,000	33,000	51,000	
06400 - INFO TECH - INTERNAL SERVICE					
TRNSFR TO GEN DEBT SVC 5250		64,594			
TRANSFER TO CONV CTR 01760				1,500,000	Annual payment for an advance from the Convention Center fund (per updated long-term financial plan)
TRANSFER TO OTHER DEBT SVC FDS	192,000	212,000	218,000	423,000	MERF debt service related to BIS/clerk retirees
06400 - INFO TECH - INTERNAL SERVICE	192,000	276,594	218,000	1,923,000	
06900 - SELF INSURANCE-INTERNAL SVC					
TRANSFER TO BUS INFO SVC 06400				1,000,000	
TRANSFER TO OTHER DEBT SVC FDS	131,000	145,000	140,000	217,000	To assist in payment of debt service as determined by the updated 2008 long-term financial plan MERF debt service related to self insurance fund retirees
06900 - SELF INSURANCE-INTERNAL SVC	131,000	145,000	140,000	1,217,000	
07100 - SANITARY SEWER FUND					
TRANSFER TO CITY CAPITAL 04100		1,200,000			
TRNSFR TO GEN DEBT SVC 5250		336,003			
TRANSFER TO OTHER DEBT SVC FDS	264,000	292,000	305,000	478,000	MERF debt service sewer rate funded retirees
07100 - SANITARY SEWER FUND	264,000	1,828,003	305,000	478,000	
07300 - STORMWATER FUND					
TRANSFER TO CITY CAPITAL 04100		250,000			
TRNSFR TO GEN DEBT SVC 5250		545,137			
TRANSFER TO OTHER DEBT SVC FDS	264,000	292,000	805,000	478,000	MERF debt service sewer rate funded retirees
07300 - STORMWATER FUND	264,000	1,087,137	805,000	478,000	
07400 - WATER - ENTERPRISE					
TRNSFR TO GEN DEBT SVC 5250		962,534			
TRANSFER TO OTHER DEBT SVC FDS	968,000	1,071,000	1,258,000	2,042,000	MERF debt service water rate funded retirees
07400 - WATER - ENTERPRISE	968,000	2,033,534	1,258,000	2,042,000	
07500 - MUNICIPAL PARKING-ENTERPRISE					
TRANSFER TO CITY GENERAL 0100	8,618,000	7,818,000	7,818,000	7,818,000	Annual contribution from parking fund per the parking fund workout plan
TRANSFER TO OTHER SPEC REV FDS	2,241,000	2,241,000	2,241,000	2,758,000	Target center finance plan
TRNSFR TO GEN DEBT SVC 5250		1,561,257			
TRANSFER TO OTHER DEBT SVC FDS	104,000	115,000	111,000	198,000	MERF debt service related to parking rate funded retirees
TRNSFR TO SOLID WASTE 7700	146,000	146,000	146,000	146,000	Litter container collection (added in 2001)
07500 - MUNICIPAL PARKING-ENTERPRISE	11,109,000	11,881,257	10,316,000	10,920,000	
07700 - SOLID WASTE - ENTERPRISE					
TRANSFER TO CITY GENERAL 0100	700,000	700,000	700,000	700,000	payment for snowplowing (began in 2003)
TRANSFER TO OTHER DEBT SVC FDS	109,000	121,000	151,000	236,000	MERF debt service related to solid waste rate funded retirees
07700 - SOLID WASTE - ENTERPRISE	809,000	821,000	851,000	936,000	
07530 - JUNE 03 SEWER ARBITRAGE					
TRANSFER TO CITY CAPITAL 4100		10,251			
TRNSFR TO GEN DEBT SVC 5250		640			
TRNSFR TO STORM SEWER 07300		202,438			
07530 - JUNE 03 SEWER ARBITRAGE		213,329			
24400 - LIBRARY - CAPITAL IMPROVEMENTS					
TRANSFER TO CITY GENERAL 0100	1,400,000				
24400 - LIBRARY - CAPITAL IMPROVEMENTS	1,400,000				
31100 - MUNICIPAL BUILDING COMMISSION					
TRANSFER TO OTHER DEBT SVC FDS				187,200	Minneapolis Employee Retirement Fund debt for MBC retirees
31100 - MUNICIPAL BUILDING COMMISSION				187,200	
Summary	118,562,838	178,071,153	129,735,153	155,467,376	

**SCHEDULE NINE
SELF-INSURANCE CHARGES**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
<u>GENERAL</u>					
<u>GENERAL FUND</u>					
ASSESSOR	111,723	89,000	92,929	106,356	14.4%
ATTORNEY	59,280	43,000	43,899	44,936	2.4%
CITY COUNCIL/CLERK/ELECTIONS	349,491	395,000	405,454	461,623	13.9%
FIRE	2,288,014	2,098,290	2,118,271	2,337,610	10.4%
CIVIL RIGHTS	211,151	246,000	253,946	291,225	14.7%
MAYOR	196,810	241,000	249,813	287,336	15.0%
POLICE	5,363,215	5,909,425	6,179,513	7,086,054	14.7%
REGULATORY SERVICES	1,103,729	1,212,000	1,278,513	1,111,827	-13.0%
HEALTH AND FAMILY SUPPORT	106,180	105,000	109,803	126,776	15.5%
PW - TRANSPORTATION PLANNING AND ENGINEERING	7,045	16,000	20,563	24,489	19.1%
PW - TRANSPORTATION MAINTENANCE AND REPAIR	1,228,192	1,667,977	1,813,925	1,444,495	-20.4%
PW - ADMINISTRATIVE SERVICES	371,926	428,000	443,234	456,608	3.0%
PW - TRAFFIC AND PARKING SERVICES	516,663	466,000	481,938	253,233	-47.5%
HUMAN RESOURCES	346,816	424,000	437,881	501,721	14.6%
FINANCE DEPARTMENT	293,012	169,000	168,321	184,151	9.4%
311			18,964	47,977	153.0%
CITY COORDINATOR	68,532	79,000	82,274	94,560	14.9%
INTERGOVERNMENTAL RELATIONS	137,979	156,000	161,768	185,635	14.8%
COMMUNICATIONS	71,151	81,000	83,941	96,502	15.0%
NEIGHBORHOOD & COMMUNITY RELATIONS			2,502	3,304	32.1%
TOTALCPED4	46,402	53,000	54,792	253,088	361.9%
GENERAL FUND	12,877,311	13,878,692	14,502,244	15,399,506	6.19%
TOTAL GENERAL	12,877,311	13,878,692	14,502,244	15,399,506	6.19%
<u>SPECIAL REVENUE</u>					
<u>CPED OPERATING</u>					
TOTALCPED4	806,972	866,435	732,760	800,912	9.3%
CPED OPERATING	806,972	866,435	732,760	800,912	9.30%
<u>BOARD OF ESTIMATE AND TAXATION</u>					
BOARD OF ESTIMATE & TAXATION		500	556	270	-51.4%
BOARD OF ESTIMATE AND TAXATION		500	556	270	-51.44%
<u>GRANTS - FEDERAL</u>					
FIRE		4,283			0.0%
POLICE		31,182			0.0%
PW - TRANSPORTATION MAINTENANCE AND REPAIR		1,517			0.0%
GRANTS - FEDERAL		36,982			0.0%
<u>GRANTS - OTHER</u>					
FIRE		1,428			0.0%
POLICE		10,394			0.0%
REGULATORY SERVICES				318,647	0.0%

**SCHEDULE NINE
SELF-INSURANCE CHARGES**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
PW - TRANSPORTATION MAINTENANCE AND REPAIR		506			0.0%
GRANTS - OTHER		12,327		318,647	0.0%
<u>CONVENTION CENTER OPERATIONS</u>					
CONVENTION CENTER	663,663	736,000	721,230	586,378	-18.7%
CONVENTION CENTER OPERATIONS	663,663	736,000	721,230	586,378	-18.70%
<u>NCR - SPECIAL REVENUE</u>					
NEIGHBORHOOD & COMMUNITY RELATIONS				39,683	100.0%
NCR - SPECIAL REVENUE				39,683	100.0%
<u>PARK - GENERAL FUND</u>					
PARK BOARD		1,966,781	1,827,655		-100.0%
PARK - GENERAL FUND		1,966,781	1,827,655		-100.00%
<u>MUNICIPAL BUILDING COMMISSION</u>					
MUNICIPAL BUILDING COMMISSION	13,055	16,000	17,207	16,712	-2.9%
MUNICIPAL BUILDING COMMISSION	13,055	16,000	17,207	16,712	-2.88%
<u>YOUTH COORDINATING BOARD</u>					
YOUTH COORDINATING BOARD		1,000	1,388		-100.0%
YOUTH COORDINATING BOARD		1,000	1,388		-100.00%
<u>NEIGHBORHOOD REVITAL POLICY</u>					
NEIGH REVITALIZATN POL BD	6,217	5,601	2,498		-100.0%
NEIGHBORHOOD REVITAL POLICY	6,217	5,601	2,498		-100.00%
TOTAL SPECIAL REVENUE	1,489,907	3,641,626	3,303,294	1,762,602	-46.64%
<u>CAPITAL PROJECT</u>					
<u>CAPITAL IMPROVEMENTS</u>					
PW - TRANSPORTATION PLANNING AND ENGINEERING	31,686	63,000	62,313	63,227	1.5%
PW - TRANSPORTATION MAINTENANCE AND REPAIR					0.0%
CAPITAL IMPROVEMENTS	31,686	63,000	62,313	63,227	1.47%
TOTAL CAPITAL PROJECT	31,686	63,000	62,313	63,227	1.47%
<u>INTERNAL SERVICE</u>					
<u>MATERIALS & LAB-INTERNAL SVC</u>					
PW - TRANSPORTATION PLANNING AND ENGINEERING			9,346	13,277	42.1%
MATERIALS & LAB-INTERNAL SVC			9,346	13,277	42.06%
<u>EQUIPMENT - INTERNAL SERVICE</u>					
PW - FLEET	1,120,172	860,000	899,819	969,455	7.7%
EQUIPMENT - INTERNAL SERVICE	1,120,172	860,000	899,819	969,455	7.74%
<u>Property Services</u>					
PW - PROPERTY SERVICES	426,463	386,401	363,764	375,703	3.3%
Property Services	426,463	386,401	363,764	375,703	3.28%
<u>STORES - INTERNAL SERVICE</u>					
PW - ENG. MATERIALS & TESTING	43,039	31,000	31,757	12,384	-61.0%
PW - TRAFFIC AND PARKING SERVICES	43,039	31,000	31,757		-100.0%

**SCHEDULE NINE
SELF-INSURANCE CHARGES**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
STORES - INTERNAL SERVICE	86,078	62,000	63,514	12,384	-80.50%
<u>INFO TECH - INTERNAL SERVICE</u>					
CITY COUNCIL/CLERK/ELECTIONS	33,848	39,000	44,051	46,887	6.4%
BUSINESS INFORMATION SERVICES	83,660	120,000	124,153	140,048	12.8%
INFO TECH - INTERNAL SERVICE	117,508	159,000	168,204	186,935	11.14%
<u>SELF INSURANCE-INTERNAL SVC</u>					
FINANCE DEPARTMENT	13,664		8,766	9,692	10.6%
SELF INSURANCE-INTERNAL SVC	13,664		8,766	9,692	10.56%
<u>PARK - INTERNAL SERVICE</u>					
PARK BOARD		74,477	74,477		-100.0%
PARK - INTERNAL SERVICE		74,477	74,477		-100.00%
TOTAL INTERNAL SERVICE	1,763,885	1,541,878	1,587,890	1,567,446	-1.29%
 ENTERPRISE					
<u>SURFACE WATER & SEWER-SANITARY</u>					
SURFACE WATER & SEWERS-STORMWATR					0.0%
SURFACE WATER & SEWERS-SANITARY	661,340	744,000	535,015	431,388	-19.4%
SURFACE WATER & SEWER-SANITARY	661,340	744,000	535,015	431,388	-19.37%
<u>SURFACE WATER & SEWER-STORMWATER</u>					
PW - TRANSPORTATION MAINTENANCE AND REPAIR		11,856			0.0%
SURFACE WATER & SEWERS-STORMWATR	479,005	541,000	835,248	618,017	-26.0%
SURFACE WATER & SEWER-STORMWATER	479,005	552,856	835,248	618,017	-26.01%
<u>WATER - ENTERPRISE</u>					
PW - WATER TREATMENT & DISTR.	964,532	1,313,000	1,388,403	1,229,860	-11.4%
WATER - ENTERPRISE	964,532	1,313,000	1,388,403	1,229,860	-11.42%
<u>MUNICIPAL PARKING-ENTERPRISE</u>					
PW - TRAFFIC AND PARKING SERVICES	516,663	466,000	473,342	470,000	-0.7%
MUNICIPAL PARKING-ENTERPRISE	516,663	466,000	473,342	470,000	-0.71%
<u>SOLID WASTE - ENTERPRISE</u>					
PW - SOLID WASTE	812,625	847,000	909,927	955,432	5.0%
SOLID WASTE - ENTERPRISE	812,625	847,000	909,927	955,432	5.00%
<u>PARK - OPERATIONS - ENTERPRISE</u>					
PARK BOARD		93,636	86,278		-100.0%
PARK - OPERATIONS - ENTERPRISE		93,636	86,278		-100.00%
TOTAL ENTERPRISE	3,434,165	4,016,492	4,228,213	3,704,697	-12.38%
TOTAL SELF INSURANCE, ALL FUNDS	19,596,954	23,141,687	23,683,954	22,497,478	-5.0%

**SCHEDULE TEN
BUSINESS INFORMATION SERVICES CHARGES**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
<u>GENERAL</u>					
<u>GENERAL FUND</u>					
ASSESSOR	368,380	367,000	305,529	367,354	20.2%
ATTORNEY	600,365	517,300	463,232	514,871	11.1%
CITY COUNCIL/CLERK/ELECTIONS	566,536	589,800	390,399	436,764	11.9%
FIRE	889,183	852,900	808,257	809,003	0.1%
CIVIL RIGHTS	239,079	226,500	267,727	252,495	-5.7%
MAYOR	116,583	99,800	124,258	115,332	-7.2%
POLICE	4,530,420	4,849,400	4,807,213	5,460,103	13.6%
REGULATORY SERVICES	2,232,981	2,618,299	2,897,304	661,562	-77.2%
HEALTH AND FAMILY SUPPORT	485,727	531,156	415,185	503,017	21.2%
PW - TRANSPORTATION PLANNING AND ENGINEERING	134,274	66,700	69,611	88,161	26.6%
PW - TRANSPORTATION MAINTENANCE AND REPAIR	296,826	411,200	346,106	311,286	-10.1%
PW - ADMINISTRATIVE SERVICES	513,961	314,817	260,104	250,718	-3.6%
PW - TRAFFIC AND PARKING SERVICES	201,281	322,800	311,116	318,128	2.3%
HUMAN RESOURCES	1,111,247	1,223,100	1,050,002	999,433	-4.8%
FINANCE DEPARTMENT	1,578,973	2,616,200	2,412,991	2,769,370	14.8%
311	327,932	777,900	822,761	746,953	-9.2%
CITY COORDINATOR	87,368	99,000	63,972	71,043	11.1%
INTERGOVERNMENTAL RELATIONS	21,929	49,900	56,280	68,230	21.2%
COMMUNICATIONS	130,097	160,000	158,516	163,380	3.1%
INTERNAL AUDIT				5,907	100.0%
NEIGHBORHOOD & COMMUNITY RELATIONS				75,971	100.0%
TOTALCPED4	284,858	370,052	290,405	292,997	0.9%
Total GENERAL FUND	14,718,000	17,063,823	16,320,968	15,282,078	-6.4%
TOTAL GENERAL	14,718,000	17,063,823	16,320,968	15,282,078	-6.4%
<u>SPECIAL REVENUE</u>					
<u>CPED OPERATING</u>					
TOTALCPED4	975,052	880,140	778,403	833,933	7.1%
Total CPED OPERATING	975,052	880,140	778,403	833,933	7.1%
<u>ECONOMIC DEVELOPMENT PROGRAM</u>					
TOTALCPED4				5,569	100.0%
Total ECONOMIC DEVELOPMENT PROGRAM				5,569	100.0%
<u>BOARD OF ESTIMATE AND TAXATION</u>					
BOARD OF ESTIMATE & TAXATION	9,835	12,200	11,032	5,907	-46.5%
Total BOARD OF ESTIMATE AND TAXATION	9,835	12,200	11,032	5,907	-46.5%
<u>GRANTS - FEDERAL</u>					

**SCHEDULE TEN
BUSINESS INFORMATION SERVICES CHARGES**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
ATTORNEY				5,807	100.0%
Total GRANTS - FEDERAL				5,807	100.0%
<u>CDBG & UDAG FUNDS</u>					
HEALTH AND FAMILY SUPPORT		3,000			0.0%
INTERGOVERNMENTAL RELATIONS	24,557	3,900	1,149	680	-40.8%
Total CDBG & UDAG FUNDS	24,557	6,900	1,149	680	-40.8%
<u>GRANTS - OTHER</u>					
REGULATORY SERVICES	400,298	521,000	538,243	2,763,799	413.5%
HEALTH AND FAMILY SUPPORT		11,000			0.0%
Total GRANTS - OTHER	400,298	532,000	538,243	2,763,799	413.5%
<u>CONVENTION CENTER OPERATIONS</u>					
CONVENTION CENTER	628,310	640,000	674,309	693,783	2.9%
Total CONVENTION CENTER OPERATIONS	628,310	640,000	674,309	693,783	2.9%
<u>PARK - GENERAL FUND</u>					
PARK BOARD	59,914	61,591	61,591	59,915	-2.7%
Total PARK - GENERAL FUND	59,914	61,591	61,591	59,915	-2.7%
<u>MUNICIPAL BUILDING COMMISSION</u>					
MUNICIPAL BUILDING COMMISSION	1,871	2,000	7,060	6,451	-8.6%
Total MUNICIPAL BUILDING COMMISSION	1,871	2,000	7,060	6,451	-8.6%
<u>YOUTH COORDINATING BOARD</u>					
YOUTH COORDINATING BOARD	37,686	48,100	38,298	41,700	8.9%
Total YOUTH COORDINATING BOARD	37,686	48,100	38,298	41,700	8.9%
<u>NEIGHBORHOOD REVITAL POLICY</u>					
NEIGH REVITALIZATN POL BD	19,719	18,309	19,127	19,122	0.0%
Total NEIGHBORHOOD REVITAL POLICY	19,719	18,309	19,127	19,122	0.0%
TOTAL SPECIAL REVENUE	2,157,242	2,201,240	2,129,212	4,436,666	108.4%
<u>CAPITAL PROJECT</u>					
<u>CAPITAL IMPROVEMENTS</u>					
PW - TRANSPORTATION PLANNING AND ENGINEERING	488,736	460,800	534,711	541,220	1.2%
PW - TRANSPORTATION MAINTENANCE AND REPAIR	21,099	23,800	67,881	67,798	-0.1%
Total CAPITAL IMPROVEMENTS	509,835	484,600	602,592	609,018	1.1%
TOTAL CAPITAL PROJECT	509,835	484,600	602,592	609,018	1.1%

**SCHEDULE TEN
BUSINESS INFORMATION SERVICES CHARGES**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
<u>INTERNAL SERVICE</u>					
<u>MATERIALS & LAB-INTERNAL SVC</u>					
PW - TRANSPORTATION PLANNING AND ENGINEERING	90,796	400	60,977	43,248	-29.1%
PW - ENG. MATERIALS & TESTING	(264)				0.0%
Total MATERIALS & LAB-INTERNAL SVC	90,532	400	60,977	43,248	-29.1%
<u>EQUIPMENT - INTERNAL SERVICE</u>					
PW - FLEET	352,669	406,500	365,211	376,202	3.0%
Total EQUIPMENT - INTERNAL SERVICE	352,669	406,500	365,211	376,202	3.0%
<u>Property Services</u>					
PW - PROPERTY SERVICES	212,474	359,700	242,203	254,828	5.2%
Total Property Services	212,474	359,700	242,203	254,828	5.2%
<u>STORES - INTERNAL SERVICE</u>					
PW - ENG. MATERIALS & TESTING	33,747	33,700	46,925	46,782	-0.3%
Total STORES - INTERNAL SERVICE	33,747	33,700	46,925	46,782	-0.3%
<u>INFO TECH - INTERNAL SERVICE</u>					
CITY COUNCIL/CLERK/ELECTIONS	(265)		26,952	29,764	10.4%
HUMAN RESOURCES			77,896	83,522	7.2%
Total INFO TECH - INTERNAL SERVICE	(265)		104,848	113,286	8.0%
<u>SELF INSURANCE-INTERNAL SVC</u>					
ATTORNEY	366,199	509,200	461,930	491,608	6.4%
HUMAN RESOURCES	39,605	65,100	60,606	64,872	7.0%
FINANCE DEPARTMENT	48,927	61,200	65,599	59,039	-10.0%
Total SELF INSURANCE-INTERNAL SVC	454,731	635,500	588,135	615,519	4.7%
TOTAL INTERNAL SERVICE	1,143,888	1,435,799	1,408,299	1,449,865	3.0%
<u>ENTERPRISE</u>					
<u>SURFACE WATER & SEWER-SANITARY</u>					
SURFACE WATER & SEWERS-STORMWATR					0.0%
SURFACE WATER & SEWERS-SANITARY	31,228	145,300	25,757	101,769	295.1%
Total SURFACE WATER & SEWER-SANITARY	31,228	145,300	25,757	101,769	295.1%
<u>SURFACE WATER & SEWER-STORMWATER</u>					
SURFACE WATER & SEWERS-STORMWATR	213,725	341,500	311,830	263,051	-15.6%
Total SURFACE WATER & SEWER-STORMWATER	213,725	341,500	311,830	263,051	-15.6%

**SCHEDULE TEN
BUSINESS INFORMATION SERVICES CHARGES**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
<u>WATER - ENTERPRISE</u>					
PW - WATER TREATMENT & DISTR.	702,153	774,399	725,777	789,306	8.8%
Total WATER - ENTERPRISE	702,153	774,399	725,777	789,306	8.8%
<u>MUNICIPAL PARKING-ENTERPRISE</u>					
PW - TRAFFIC AND PARKING SERVICES	196,831	185,400	247,106	266,973	8.0%
Total MUNICIPAL PARKING-ENTERPRISE	196,831	185,400	247,106	266,973	8.0%
<u>SOLID WASTE - ENTERPRISE</u>					
PW - SOLID WASTE	282,796	299,581	299,652	287,518	-4.0%
Total SOLID WASTE - ENTERPRISE	282,796	299,581	299,652	287,518	-4.0%
TOTAL ENTERPRISE	1,426,733	1,746,180	1,610,122	1,708,617	6.1%
TOTAL BIS CHARGES, ALL FUNDS	19,955,698	22,931,643	22,071,193	23,486,244	6.4%

**SCHEDULE ELEVEN
FLEET SERVICES CHARGES**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
GENERAL					
GENERAL FUND					
CITY COUNCIL/CLERK/ELECTIONS	820	60			0.0%
FIRE	3,210,343	3,094,762	3,112,868	3,088,067	-0.8%
CIVIL RIGHTS	1,260	140			0.0%
MAYOR	7,890	12,328	10,028	9,622	-4.0%
POLICE	5,246,496	4,446,936	5,137,744	4,987,961	-2.9%
REGULATORY SERVICES	472,646	531,492	826,068	1,023,304	23.9%
HEALTH AND FAMILY SUPPORT	16,215	20,691	4,564		-100.0%
PW - TRANSPORTATION PLANNING AND ENGINEERING	30,473	25,824	31,679	29,153	-8.0%
PW - TRANSPORTATION MAINTENANCE AND REPAIR	8,397,816	7,629,792	7,211,137	8,494,510	17.8%
SURFACE WATER & SEWERS-STORMWATR			0		-100.0%
PW - ADMINISTRATIVE SERVICES	44,387	12,076	27,297	10,752	-60.6%
PW - TRAFFIC AND PARKING SERVICES	749,757	682,597	748,552	714,649	-4.5%
HUMAN RESOURCES	600				0.0%
FINANCE DEPARTMENT	160				0.0%
311			(1)		-100.0%
CITY COORDINATOR	180	40			0.0%
INTERGOVERNMENTAL RELATIONS	100				0.0%
COMMUNICATIONS	1,080	60			0.0%
TOTALCPED4	13,846	11,046	6,616	11,506	73.9%
Total GENERAL FUND	18,194,069	16,467,845	17,116,553	18,369,524	7.3%
TOTAL GENERAL	18,194,069	16,467,845	17,116,553	18,369,524	7.3%
SPECIAL REVENUE					
CPED OPERATING					
TOTALCPED4	15,189	6,307	5,938	11,907	100.5%
Total CPED OPERATING	15,189	6,307	5,938	11,907	100.5%
POLICE DEPT - SPECIAL REVENUE					
POLICE	163,949	196,141	193,657	153,269	-20.9%
Total POLICE DEPT - SPECIAL REVENUE	163,949	196,141	193,657	153,269	-20.9%
GRANTS - FEDERAL					
FIRE		957			0.0%
POLICE	9,829		15,283	3,081	-79.8%
T9010000 - CAPITAL IMPROVEMENTS	320				0.0%
Total GRANTS - FEDERAL	10,149	957	15,283	3,081	-79.8%
CDBG & UDAG FUNDS					
FINANCE DEPARTMENT		20			0.0%

**SCHEDULE ELEVEN
FLEET SERVICES CHARGES**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
Total CDBG & UDAG FUNDS		20			0.0%
<u>GRANTS - OTHER</u>					
POLICE	76,680	76,054	17,571		-100.0%
Total GRANTS - OTHER	76,680	76,054	17,571		-100.0%
<u>CONVENTION CENTER OPERATIONS</u>					
CONVENTION CENTER	11,639	12,527	10,491	12,663	20.7%
Total CONVENTION CENTER OPERATIONS	11,639	12,527	10,491	12,663	20.7%
<u>PARK - GENERAL FUND</u>					
PARK BOARD	61,525	37,451	26,225	25,140	-4.1%
Total PARK - GENERAL FUND	61,525	37,451	26,225	25,140	-4.1%
<u>LIBRARY - GENERAL FUND</u>					
LIBRARY BOARD	580				0.0%
Total LIBRARY - GENERAL FUND	580				0.0%
<u>MUNICIPAL BUILDING COMMISSION</u>					
MUNICIPAL BUILDING COMMISSION	5,050	3,467		3,103	0.0%
Total MUNICIPAL BUILDING COMMISSION	5,050	3,467		3,103	0.0%
TOTAL SPECIAL REVENUE	344,761	332,924	269,164	209,163	-22.3%
<u>CAPITAL PROJECT</u>					
<u>CAPITAL IMPROVEMENTS</u>					
PW - TRANSPORTATION PLANNING AND ENGINEERING	44,267	37,250	48,222	35,626	-26.1%
PW - TRANSPORTATION MAINTENANCE AND REPAIR	15,512	16,571	20,851	19,549	-6.2%
T9010000 - CAPITAL IMPROVEMENTS	2,720,691	3,341,918			0.0%
Total CAPITAL IMPROVEMENTS	2,780,470	3,395,739	69,073	55,175	-20.1%
<u>PARK - CAPITAL IMPROVEMENTS</u>					
T9100000 - PARK BD - CAP IMPROV	1,367	65			0.0%
Total PARK - CAPITAL IMPROVEMENTS	1,367	65			0.0%
TOTAL CAPITAL PROJECT	2,781,837	3,395,804	69,073	55,175	-20.1%
<u>INTERNAL SERVICE</u>					
<u>MATERIALS & LAB-INTERNAL SVC</u>					
PW - TRANSPORTATION PLANNING AND ENGINEERING	22,073	22,055	26,694	25,413	-4.8%
PW - ENG. MATERIALS & TESTING	(1)				0.0%
City of Minneapolis - Financial Schedules	287				

**SCHEDULE ELEVEN
FLEET SERVICES CHARGES**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
Total MATERIALS & LAB-INTERNAL SVC	22,072	22,055	26,694	25,413	-4.8%
<u>EQUIPMENT - INTERNAL SERVICE</u>					
PW - FLEET	175,220		7,293,656	7,374,949	1.1%
Total EQUIPMENT - INTERNAL SERVICE	175,220		7,293,656	7,374,949	1.1%
<u>Property Services</u>					
PW - PROPERTY SERVICES	576,827	221,391	466,060	399,071	-14.4%
Total Property Services	576,827	221,391	466,060	399,071	-14.4%
<u>STORES - INTERNAL SERVICE</u>					
PW - ENG. MATERIALS & TESTING	5,055	5,233	6,185	5,432	-12.2%
PW - TRAFFIC AND PARKING SERVICES			7,082	1,415	-80.0%
Total STORES - INTERNAL SERVICE	5,055	5,233	13,267	6,847	-48.4%
<u>INFO TECH - INTERNAL SERVICE</u>					
HUMAN RESOURCES	20				0.0%
BUSINESS INFORMATION SERVICES	8,603	9,142	8,010	11,140	39.1%
Total INFO TECH - INTERNAL SERVICE	8,623	9,142	8,010	11,140	39.1%
<u>SELF INSURANCE-INTERNAL SVC</u>					
FINANCE DEPARTMENT	60				0.0%
Total SELF INSURANCE-INTERNAL SVC	60				0.0%
<u>PARK - INTERNAL SERVICE</u>					
PARK BOARD	556,710	399,333	511,200	603,461	18.0%
Total PARK - INTERNAL SERVICE	556,710	399,333	511,200	603,461	18.0%
TOTAL INTERNAL SERVICE	1,344,567	657,154	8,318,887	8,420,881	1.2%

ENTERPRISE

<u>SURFACE WATER & SEWER-SANITARY</u>					
SURFACE WATER & SEWERS-STORMWATR					0.0%
SURFACE WATER & SEWERS-SANITARY	861,719	876,134	1,037,811	993,187	-4.3%
T9010000 - CAPITAL IMPROVEMENTS	312,059	1,304,042			0.0%
Total SURFACE WATER & SEWER-SANITARY	1,173,778	2,180,176	1,037,811	993,187	-4.3%
<u>SURFACE WATER & SEWER-STORMWATER</u>					
PW - TRANSPORTATION MAINTENANCE AND REPAIR	5,344,559	5,015,605	5,076,210	5,258,533	3.6%
SURFACE WATER & SEWERS-STORMWATR	223,401	137,092	332,610	161,009	-51.6%
T9010000 - CAPITAL IMPROVEMENTS	1,044,534	882,282			0.0%
Total SURFACE WATER & SEWER-	6,612,494	6,034,979	5,408,820	5,419,542	0.2%

**SCHEDULE ELEVEN
FLEET SERVICES CHARGES**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
STORMWATER					
<u>WATER - ENTERPRISE</u>					
PW - WATER TREATMENT & DISTR.	1,994,766	1,195,075	2,276,026	1,588,693	-30.2%
T9010000 - CAPITAL IMPROVEMENTS	331,996	240,075			0.0%
Total WATER - ENTERPRISE	2,326,762	1,435,149	2,276,026	1,588,693	-30.2%
<u>MUNICIPAL PARKING-ENTERPRISE</u>					
PW - TRAFFIC AND PARKING SERVICES	57,863	73,677	82,198	65,133	-20.8%
Total MUNICIPAL PARKING-ENTERPRISE	57,863	73,677	82,198	65,133	-20.8%
<u>SOLID WASTE - ENTERPRISE</u>					
PW - SOLID WASTE	690,605	565,322	725,315	686,619	-5.3%
Total SOLID WASTE - ENTERPRISE	690,605	565,322	725,315	686,619	-5.3%
<u>PARK - OPERATIONS - ENTERPRISE</u>					
PARK BOARD	7,275	1,724	500	7,978	1,495.6%
Total PARK - OPERATIONS - ENTERPRISE	7,275	1,724	500	7,978	1,495.6%
TOTAL ENTERPRISE	10,868,777	10,291,027	9,530,670	8,761,152	-8.1%
TOTAL ALL FUNDS	33,534,011	31,144,755	35,304,347	35,815,895	1.4%

**SCHEDULE TWELVE
PROPERTY SERVICES CHARGES**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
<u>GENERAL</u>					
<u>GENERAL FUND</u>					
ASSESSOR	143,726	142,382	143,003	150,570	5.3%
ATTORNEY	3,514	4,244	277,345	243,200	-12.3%
CITY COUNCIL/CLERK/ELECTIONS	7,573	893,453	728,786	754,613	3.5%
FIRE	1,144,040	1,251,812	1,231,822	1,109,667	-9.9%
CIVIL RIGHTS	4,871	146,940	2,149	87,400	3,967.0%
MAYOR	1,893	143,318	131,264	135,550	3.3%
POLICE	1,238,620	2,790,332	2,696,964	2,962,369	9.8%
REGULATORY SERVICES	665,523	1,168,418	1,101,585	965,446	-12.4%
HEALTH AND FAMILY SUPPORT	249,280	249,440	216,779	215,731	-0.5%
PW - TRANSPORTATION PLANNING AND ENGINEERING	28,140	24,245	44,846	39,445	-12.0%
PW - TRANSPORTATION MAINTENANCE AND REPAIR	410,923	475,954	434,357	443,774	2.2%
PW - ADMINISTRATIVE SERVICES	18,446	131,896	107,946	156,966	45.4%
PW - TRAFFIC AND PARKING SERVICES	112,416	173,646	118,521	221,842	87.2%
HUMAN RESOURCES	182,195	201,011	185,498	176,690	-4.7%
FINANCE DEPARTMENT	197,660	667,902	623,073	640,398	2.8%
311	79,740	83,021	83,958	85,594	1.9%
CITY COORDINATOR	1,483	81,492	74,031	85,897	16.0%
INTERGOVERNMENTAL RELATIONS	1,236	61,393	55,808	57,550	3.1%
COMMUNICATIONS	1,927	137,553	124,953	130,500	4.4%
INTERNAL AUDIT				19,253	100.0%
NEIGHBORHOOD & COMMUNITY RELATIONS				700	100.0%
TOTALCPED4		86,247	108,181	73,528	-32.0%
GENERAL FUND	4,493,206	8,914,699	8,490,869	8,756,683	3.1%
TOTAL GENERAL	4,493,206	8,914,699	8,490,869	8,756,683	3.1%
<u>SPECIAL REVENUE</u>					
<u>CPED OPERATING</u>					
TOTALCPED4		9,618		10,750	100.0%
CPED OPERATING		9,618		10,750	100.0%
<u>BOARD OF ESTIMATE AND TAXATION</u>					
BOARD OF ESTIMATE & TAXATION			9,629	4,000	-58.5%
BOARD OF ESTIMATE AND TAXATION			9,629	4,000	-58.5%
<u>GRANTS - OTHER</u>					
REGULATORY SERVICES				186,730	100.0%
HEALTH AND FAMILY SUPPORT	27,650				0.0%

**SCHEDULE TWELVE
PROPERTY SERVICES CHARGES**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
GRANTS - OTHER	27,650			186,730	100.0%
<u>CONVENTION CENTER OPERATIONS</u>					
CONVENTION CENTER	15,000	7,762	7,487	10,411	39.1%
CONVENTION CENTER OPERATIONS	15,000	7,762	7,487	10,411	39.1%
<u>NEIGHBORHOOD REVITAL POLICY</u>					
NEIGH REVITALIZATN POL BD		27,819			0.0%
NEIGHBORHOOD REVITAL POLICY		27,819			
TOTAL SPECIAL REVENUE	42,650	45,199	17,116	211,891	1,138.0%
<u>CAPITAL PROJECT</u>					
<u>CAPITAL IMPROVEMENTS</u>					
PW - TRANSPORTATION PLANNING AND ENGINEERING	125,349	177,463	178,086	191,814	7.7%
PW - TRANSPORTATION MAINTENANCE AND REPAIR		54,004			0.0%
T9010000 - CAPITAL IMPROVEMENTS	52,665	62,869		81,574	100.0%
CAPITAL IMPROVEMENTS	178,014	294,336	178,086	273,388	53.5%
TOTAL CAPITAL PROJECT	178,014	294,336	178,086	273,388	53.5%
<u>INTERNAL SERVICE</u>					
<u>MATERIALS & LAB-INTERNAL SVC</u>					
PW - TRANSPORTATION PLANNING AND ENGINEERING	61,002	61,273	6,276	6,102	-2.8%
MATERIALS & LAB-INTERNAL SVC	61,002	61,273	6,276	6,102	-2.8%
<u>EQUIPMENT - INTERNAL SERVICE</u>					
PW - FLEET	997,955	1,072,367	1,103,352	1,089,672	-1.2%
EQUIPMENT - INTERNAL SERVICE	997,955	1,072,367	1,103,352	1,089,672	-1.2%
<u>Property Services</u>					
PW - PROPERTY SERVICES			357,195	591,129	65.5%
Property Services			357,195	591,129	65.5%
<u>STORES - INTERNAL SERVICE</u>					
PW - ENG. MATERIALS & TESTING	28,527	34,054	43,423	41,700	-4.0%
STORES - INTERNAL SERVICE	28,527	34,054	43,423	41,700	-4.0%
<u>INFO TECH - INTERNAL SERVICE</u>					
CITY COUNCIL/CLERK/ELECTIONS	2,328	4,335	88,058	61,787	-29.8%
BUSINESS INFORMATION SERVICES	5,734	158,203	143,046	147,200	2.9%

**SCHEDULE TWELVE
PROPERTY SERVICES CHARGES**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
INFO TECH - INTERNAL SERVICE	8,062	162,538	231,104	208,987	-9.6%
<u>SELF INSURANCE-INTERNAL SVC</u>					
ATTORNEY	2,219	1,570	190,975	243,200	27.3%
FINANCE DEPARTMENT				661	100.0%
SELF INSURANCE-INTERNAL SVC	2,219	1,570	190,975	243,861	27.7%
TOTAL INTERNAL SERVICE	1,097,765	1,331,802	1,932,325	2,181,451	12.9%
<u>ENTERPRISE</u>					
<u>SURFACE WATER & SEWER-SANITARY</u>					
SURFACE WATER & SEWERS-STORMWATR					0.0%
SURFACE WATER & SEWERS-SANITARY	57,270	83,886	94,177	92,885	-1.4%
SURFACE WATER & SEWER-SANITARY	57,270	83,886	94,177	92,885	-1.4%
<u>SURFACE WATER & SEWER-STORMWATER</u>					
PW - TRANSPORTATION PLANNING AND ENGINEERING					0.0%
SURFACE WATER & SEWERS-STORMWATR	132,043	128,858	129,048	143,101	10.9%
SURFACE WATER & SEWER-STORMWATER	132,043	128,858	129,048	143,101	10.9%
<u>WATER - ENTERPRISE</u>					
PW - WATER TREATMENT & DISTR.	131,345	107,454	122,043	96,789	-20.7%
WATER - ENTERPRISE	131,345	107,454	122,043	96,789	-20.7%
<u>MUNICIPAL PARKING-ENTERPRISE</u>					
PW - TRAFFIC AND PARKING SERVICES	195,143	94,495	299,330	71,848	-76.0%
MUNICIPAL PARKING-ENTERPRISE	195,143	94,495	299,330	71,848	-76.0%
<u>SOLID WASTE - ENTERPRISE</u>					
PW - SOLID WASTE	200,466	200,664	215,098	245,560	14.2%
SOLID WASTE - ENTERPRISE	200,466	200,664	215,098	245,560	14.2%
<u>PARK - OPERATIONS - ENTERPRISE</u>					
PARK BOARD	1,100	398			0.0%
PARK - OPERATIONS - ENTERPRISE	1,100	398			
TOTAL ENTERPRISE	717,367	615,754	859,696	650,183	-24.4%
TOTAL ALL FUNDS	6,529,002	11,201,791	11,478,091	12,073,596	5.2%

**SCHEDULE THIRTEEN
COST OF CITY HALL SPACE**

Note: In previous years, Schedule 13 was for informational purposes only. For the 2009 budget, the Mayor recommended a citywide rate for rent be developed and Council approved the Mayor's recommendation. The Council Revised budget process did not change the adopted rate for rent. The result is budgetary neutral. The total amount is based on the Municipal Building Commission property tax levy for 2009.

Department	2009 Revised Budget		2010 Revised Budget*		2011 Adopted Budget****	
	Billable Square Foot	Actual Annual Rental Charge	Billable Square Foot	Potential Annual Rental Charge	Billable Square Foot	Potential Annual Rental Charge
911***/311	13,827	324,234	13,827	294,559	19,634	302,000
Attorney	-	-	21,733	462,981	31,083	479,000
Board of Estimate & Taxation			447	9,523	258	4,000
Business Information Services	6,448	151,201	6,440	137,192	9,144	141,000
City Clerk	22,335	523,741	22,461	478,490	52,266	805,000
City Clerk Elections	2,371	55,598	2,371	50,510	-	-
City Coordinator	3,402	79,775	3,402	72,473	6,716	103,000
City Council	13,035	305,662	13,038	277,750	-	-
Civil Rights	4,544	106,554	-	-	5,508	85,000
Communications	5,766	135,209	5,766	122,834	8,313	128,000
Community Planning and Economic Development	1,111	26,052	1,111	23,668	653	10,000
Finance	21,613	506,810	21,730	462,917	30,582	471,000
Fire	6,825	160,042	6,830	145,500	11,996	106,000
Grants and Special Projects	2,556	59,936	2,556	54,451	3,630	56,000
Health & Family Support			1,160	24,712	1,647	25,000
Human Resources	781	18,314	781	16,638	-	-
Mayor	6,009	140,907	6,059	129,076	8,604	133,000
Police	50,881	1,193,125	50,876	1,083,819	72,937	1,123,000
Public Works - Administrative Services	4,837	113,424	4,458	94,969	9,219	142,000
Public Works - Property Services**	4,595	107,750	17,738	377,875	13,714	291,000
Public Works - Traffic & Parking Services	3,286	77,054	-	-	594	9,000
Public Works - Transportation Maint. & Repair	2,303	54,004	-	-	-	-
Regulatory Services	4,853	113,800	4,853	103,384	6,891	106,000
Total	181,378	\$ 4,253,192	207,637	\$ 4,423,321	293,389	\$ 4,519,000

*Based on data from June 2009

**Includes vacant space

***The charge for 911/311 in 2011 is charged fully to 911

****2011 total based on levy estimate from 2010 Revised budget

**SCHEDULE FOURTEEN
GENERAL FUND OVERHEAD CHARGES**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
<u>GENERAL</u>					
<u>GENERAL FUND</u>					
PW - TRANSPORTATION MAINTENANCE AND REPAIR			1,802		-100.0%
Total GENERAL FUND			1,802		-100.0%
TOTAL GENERAL			1,802		-100.0%
<u>SPECIAL REVENUE</u>					
<u>CPED OPERATING</u>					
TOTALCPED4	3,355,640	2,921,782	2,918,857	2,260,251	-22.6%
Total CPED OPERATING	3,355,640	2,921,782	2,918,857	2,260,251	-22.6%
<u>BOARD OF ESTIMATE AND TAXATION</u>					
BOARD OF ESTIMATE & TAXATION	58,660	10,000	10,000	3,678	-63.2%
Total BOARD OF ESTIMATE AND TAXATION	58,660	10,000	10,000	3,678	-63.2%
<u>GRANTS - FEDERAL</u>					
T9010000 - CAPITAL IMPROVEMENTS			27,044		-100.0%
Total GRANTS - FEDERAL			27,044		-100.0%
<u>GRANTS - OTHER</u>					
REGULATORY SERVICES				302,470	100.0%
Total GRANTS - OTHER				302,470	100.0%
<u>CONVENTION CENTER OPERATIONS</u>					
CONVENTION CENTER	1,260,237	1,500,000	1,566,010	1,443,655	-7.8%
Total CONVENTION CENTER OPERATIONS	1,260,237	1,500,000	1,566,010	1,443,655	-7.8%
<u>NCR - SPECIAL REVENUE</u>					
NEIGHBORHOOD & COMMUNITY RELATIONS				97,755	100.0%
Total NCR - SPECIAL REVENUE				97,755	100.0%
<u>PARK - GENERAL FUND</u>					
PARK BOARD	276,101	828,252		895,837	100.0%
Total PARK - GENERAL FUND	276,101	828,252		895,837	100.0%
<u>MUNICIPAL BUILDING COMMISSION</u>					
MUNICIPAL BUILDING COMMISSION	45,000	46,000	46,800	48,672	4.0%
Total MUNICIPAL BUILDING COMMISSION	45,000	46,000	46,800	48,672	4.0%
TOTAL SPECIAL REVENUE	4,995,638	5,306,034	4,568,711	5,052,318	10.6%

**SCHEDULE FOURTEEN
GENERAL FUND OVERHEAD CHARGES**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
<u>CAPITAL PROJECT</u>					
<u>CAPITAL IMPROVEMENTS</u>					
PW - TRANSPORTATION MAINTENANCE AND REPAIR	82,904	87,049	50,768	34,672	-31.7%
T9010000 - CAPITAL IMPROVEMENTS	2,401,678	1,677,932	1,470,711	1,024,577	-30.3%
Total CAPITAL IMPROVEMENTS	2,484,582	1,764,981	1,521,479	1,059,249	-30.4%
<u>MBC - CAPITAL IMPROVEMENTS</u>					
T9010000 - CAPITAL IMPROVEMENTS	44,381	44,381			0.0%
Total MBC - CAPITAL IMPROVEMENTS	44,381	44,381			0.0%
TOTAL CAPITAL PROJECT	2,528,963	1,809,362	1,521,479	1,059,249	-30.4%
<u>INTERNAL SERVICE</u>					
<u>MATERIALS & LAB-INTERNAL SVC</u>					
PW - TRANSPORTATION PLANNING AND ENGINEERING	169,286	153,000	229,273	176,419	-23.1%
Total MATERIALS & LAB-INTERNAL SVC	169,286	153,000	229,273	176,419	-23.1%
<u>EQUIPMENT - INTERNAL SERVICE</u>					
PW - FLEET	587,536	852,000	871,854	1,034,892	18.7%
T9010000 - CAPITAL IMPROVEMENTS	29,452				0.0%
Total EQUIPMENT - INTERNAL SERVICE	616,988	852,000	871,854	1,034,892	18.7%
<u>Property Services</u>					
PW - PROPERTY SERVICES	247,204	478,019	591,905	721,175	21.8%
Total Property Services	247,204	478,019	591,905	721,175	21.8%
<u>STORES - INTERNAL SERVICE</u>					
PW - ENG. MATERIALS & TESTING	125,258	164,000	176,148	130,078	-26.2%
PW - TRAFFIC AND PARKING SERVICES	62,235	82,000	87,525	64,634	-26.2%
Total STORES - INTERNAL SERVICE	187,493	246,000	263,673	194,712	-26.2%
<u>INFO TECH - INTERNAL SERVICE</u>					
CITY COUNCIL/CLERK/ELECTIONS			265	350	32.1%
BUSINESS INFORMATION SERVICES	208,618	536,000	780,555	1,030,576	32.0%
Total INFO TECH - INTERNAL SERVICE	208,618	536,000	780,820	1,030,926	32.0%
<u>SELF INSURANCE-INTERNAL SVC</u>					
ATTORNEY	37,699	131,000	537,452	354,568	-34.0%
HUMAN RESOURCES		30,000	121,960	80,459	-34.0%
FINANCE DEPARTMENT		53,000	216,518	142,841	-34.0%
HEALTH AND WELFARE	22,978				0.0%
WORKERS COMPENSATION	9,055				0.0%
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**SCHEDULE FOURTEEN
GENERAL FUND OVERHEAD CHARGES**

	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	% change
Total SELF INSURANCE-INTERNAL SVC	69,732	214,000	875,930	577,868	-34.0%
TOTAL INTERNAL SERVICE	1,499,321	2,479,019	3,613,455	3,735,992	3.4%
ENTERPRISE					
<u>SURFACE WATER & SEWER-SANITARY</u>					
SURFACE WATER & SEWERS-STORMWATR					0.0%
SURFACE WATER & SEWERS-SANITARY	2,241,273	1,890,356	2,025,534	2,223,068	9.8%
T9010000 - CAPITAL IMPROVEMENTS	210,395	311,644			0.0%
Total SURFACE WATER & SEWER-SANITARY	2,451,668	2,202,000	2,025,534	2,223,068	9.8%
<u>SURFACE WATER & SEWER-STORMWATER</u>					
PW - TRANSPORTATION MAINTENANCE AND REPAIR	261,202	248,000	332,132	300,143	-9.6%
SURFACE WATER & SEWERS-STORMWATR	1,101,570	1,081,442	1,712,967	1,566,698	-8.5%
T9010000 - CAPITAL IMPROVEMENTS	243,102	192,558			0.0%
Total SURFACE WATER & SEWER-STORMWATER	1,605,874	1,522,000	2,045,099	1,866,841	-8.7%
<u>WATER - ENTERPRISE</u>					
PW - WATER TREATMENT & DISTR.	4,224,655	4,063,884	3,900,394	2,707,706	-30.6%
T9010000 - CAPITAL IMPROVEMENTS	479,325	781,116			0.0%
Total WATER - ENTERPRISE	4,703,980	4,845,000	3,900,394	2,707,706	-30.6%
<u>MUNICIPAL PARKING-ENTERPRISE</u>					
PW - TRAFFIC AND PARKING SERVICES	1,340,488	1,492,000	1,417,840	1,140,787	-19.5%
T9010000 - CAPITAL IMPROVEMENTS	81,920				0.0%
Total MUNICIPAL PARKING-ENTERPRISE	1,422,408	1,492,000	1,417,840	1,140,787	-19.5%
<u>SOLID WASTE - ENTERPRISE</u>					
PW - SOLID WASTE	2,700,480	2,867,000	2,664,765	2,755,024	3.4%
Total SOLID WASTE - ENTERPRISE	2,700,480	2,867,000	2,664,765	2,755,024	3.4%
TOTAL ENTERPRISE	12,884,410	12,928,000	12,053,632	10,693,426	-11.3%
TOTAL ALL FUNDS	21,908,332	22,522,415	21,759,079	20,540,985	-5.6%

**City of Minneapolis
2011 Budget**

Capital Program

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City of Minneapolis
2011 – 2015 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 new and/or modify existing capital improvement proposals. The Finance Department, Community Planning & Economic Development department (CPED) and the Capital Long-Range Improvement Committee (CLIC) review the capital improvement proposals.

CLIC 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 “Human Development.” The task forces receive and review all Capital Budget Requests (CBRs) for their program areas as submitted by the various City departments, independent boards and commissions.

During several half-day or full-day meetings, departments and boards formally present their needs and offer explanations for their requests. Task force members then rate all proposals using a rating system with 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 2011 - 2015, there were 78 CBRs reviewed and rated. The total requested capital budget for the five years was \$531 million. After CBRs were submitted, the Public Works Department notified CLIC of some urgent Storm Sewer Tunnel needs of \$20.8 million which expanded the requested capital budget to \$551.8 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 2011-2015 CAPITAL IMPROVEMENT PLAN

Five-Year Capital Program Totals: For 2011 – 2015, the five-year capital program for City departments, independent boards and commissions totals \$593.67 million including all funding sources. The 2011 portion of this program is \$113.94 million. The increase over the adjusted requests is due to expanded resources for paving that were added to the capital program – see details below. Property tax supported net debt bonds (NDB) help to leverage many funding

sources in the five-year plan. Below are highlights of certain NDB totals (in millions) - more details are contained later in this document.

Infrastructure Acceleration Program (IAP): In addition to the net debt bond funding indicated below, this budget continues the infrastructure acceleration program with \$16.11 million over the next three years to provide additional investment in paving projects, City street lighting, pavement and bikeway maintenance and park infrastructure improvements. Funding for this accelerated program is coming from the use of one-time trust funds and general fund transfers – see complete funding details for the affected projects later in the document.

	2011	2012	2013	Totals
Paving Programs	\$2.70	\$2.85	\$3.05	\$8.60
Major Pavement Maintenance	0.61	1.00	0.80	2.41
City Street Lighting	0.90	1.05	1.05	3.00
Bike Trail Maintenance	0.10	0.10	0.10	0.30
Park Infrastructure	0.80	0.50	0.50	1.80
Total IAP Program	\$5.11	\$5.50	\$ 5.50	\$16.11

Property Tax Supported – Public Works: The 2011 budget includes \$9.71 million in property tax supported (NDB) funding for Public Works projects. Below is a summary of the 2011 - 2015 NDB allocation for the Public Works infrastructure program.

	2011	2012	2013	2014	2015	Totals
Net Debt Bond funding	\$9.86	\$12.83	\$10.70	\$12.36	\$13.68	\$59.43

Expanded Resources for Capital Improvements: To improve the City’s street infrastructure, this budget provides significant additional resources from the general fund to four key paving programs as detailed below. These additional resources are combined with net debt bonds, municipal state aid, special assessments and IAP funds. The total funding for these projects can be found in the Capital Budget Detail for Funded Projects report later in this document.

	2011	2012	2013	2014	2015	Totals
Alley Renovation Program	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$4.00
Asphalt Resurfacing Program	4.20	4.20	3.50	4.20	4.20	20.30
Major Pavement Maintenance	2.00	2.00	2.00	2.00	2.00	10.00
High Volume Corridor Reconditioning	2.00	2.00	2.00	2.00	2.00	10.00
Total Expanded Paving Programs	\$9.00	\$9.00	\$8.30	\$9.00	\$9.00	\$44.30

Neighborhood Parks Infrastructure Funding: The 2011 budget includes \$4.00 million for Park improvements including \$2.0 million of net debt bonds, \$1.5 million of Park capital levy and \$.50 million of infrastructure acceleration funding. Below is a summary of the total 2011 –2015 funding for park board capital improvements.

	2011	2012	2013	2014	2015	Totals
Net Debt Bond funding	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$10.00
Park Capital Levy	1.50	1.50	1.50	1.50	1.50	\$7.50
Infrastructure Acceleration funding	0.50	0.50	0.50	0.00	0.00	\$1.50
Total Park Board Capital funding	\$4.00	\$4.00	\$4.00	\$3.50	\$3.50	\$19.00

Property Tax Supported – Miscellaneous and BIS Technology Projects: The 2011 budget includes \$2.48 million in property tax supported funding for these categories. Projects include public art, technology related improvements and physical building, office space and security improvements for Police, Fire and other City buildings. Capital spending in these areas impacts the City’s capacity to maintain and improve the transportation network. These categories use 12.82% of the available net debt bond funds in the five-year plan. Below is a summary of the 2011 - 2015 net debt funding for miscellaneous and technology projects.

	2011	2012	2013	2014	2015	Totals
Net Debt Bond funding	\$2.48	\$1.75	\$1.85	\$1.86	\$3.53	\$11.47

Utility Fee Supported Capital: The 2011 - 2015 budget includes funding for additional water and sewer related infrastructure expenditures. The utility rates proposed for 2011 – 2015 are the same as last year’s adopted plan for Water and Stormwater services, with the exception being Stormwater rates for 2012 which were increased .5% due to a major capital program increase for the Storm Drains and Tunnels Rehabilitation Program of \$20.8 million from 2011 to 2015. The additional revenue allows for more timely upgrades to the storm tunnel infrastructure in the next five years. Rates for Sanitary Sewer services were reduced from an 8.2% planned increase in 2011 to a 4.1% increase due to favorable financial results in 2010 and lower 2011 sewer treatment charges from the Metropolitan Council. Sanitary Rates for 2012 – 2015 are also reduced by approximately 38% over the previous five-year plan. Rate details for the Sewer and Water funds can be found later in this document.

Relationship between the Capital and Operating Budgets: As part of each capital budget request, departments and independent boards identify whether the capital request will result in an increase or decrease in annual operating costs. The CLIC ranking process provides for adding or subtracting up to 30 points out of 300 for operating cost implications. Proposals indicating an increase in operating costs without a clear definition of how the costs will be funded stand to lose points and those that reduce annual operating costs or have a responsible strategy to pay the increased costs may receive extra rating points.

CITY DEBT

Minneapolis' total general obligation debt decreased from \$1.084 billion at 12/31/2009 to \$.982 billion at 12/31/2010.

The City issued the following notes and bonds in 2010:

In March 2010, the City issued a \$7.055 million General Obligation Water Revenue Note to the Minnesota Public Facilities Authority (PFA) to finance a portion of work on the City’s Drinking Water Ultra-Filtration project. This is the sixth note issued to the PFA for water treatment improvements as part of a federally sponsored below market financing program related to the Safe Drinking Water Act. As of December 31, 2010, the City received proceeds of \$5.99 million from this note. The subsidized interest rate for this new note is 1.00% with a final maturity date of August 20, 2021. Also during 2010, the City received proceeds of \$9.211 million on the fifth note with the PFA which was used to finance a new filter press project at the Fridley Water Plant. This fifth note provides for total proceeds of \$21.960 million and has an interest rate of 2.688% and a final maturity date of August 20, 2027.

In May 2010, the City issued \$32.3 million of General Obligation Various Purpose Bonds, Series 2010. The bonds were issued for a variety of public works infrastructure improvements, park, library, municipal building commission, technology and sewer, water

and parking ramp improvements. The bonds were issued in fixed rate mode and had interest rates ranging from 2.00% to 5.00% and a final maturity date of December 1, 2017.

In May 2010, the City also issued \$74.925 million of General Obligation Refunding Bonds, Series 2010 to advance refund eight series of general obligation bonds on the call dates of December 1, 2010 and December 1, 2011. The proceeds along with funds on hand were provided to a trustee on June 24, 2010 to purchase escrowed securities to advance refund the total outstanding balance of \$79.665 million for the eight series of bonds. This refunding resulted in combined net present value savings of \$9.196 million. The Series 2010 refunding bonds were issued in fixed rate mode and had interest rates ranging from 3.00% - 4.00% and a final maturity date of December 1, 2026. Details regarding the eight individual general obligation bond series refunded will be provided in the 2010 Comprehensive Annual Financial Report.

In May 2010, the City also issued \$14.9 million of Taxable General Obligation Tax Increment Refunding Bonds (West Side Milling), Series 2010. The proceeds along with funds on hand were provided to a trustee on June 24, 2010 to purchase escrowed securities to advance refund the outstanding balance of \$14.495 million of Taxable General Obligation Refunding Bonds, Series 2001A on the call date of February 1, 2011. As a result of this transaction, the City realized net present value savings of \$2.032 million and the refunding bonds have taxable interest rates ranging from 2.00% - 4.40% and a final maturity date of March 1, 2023.

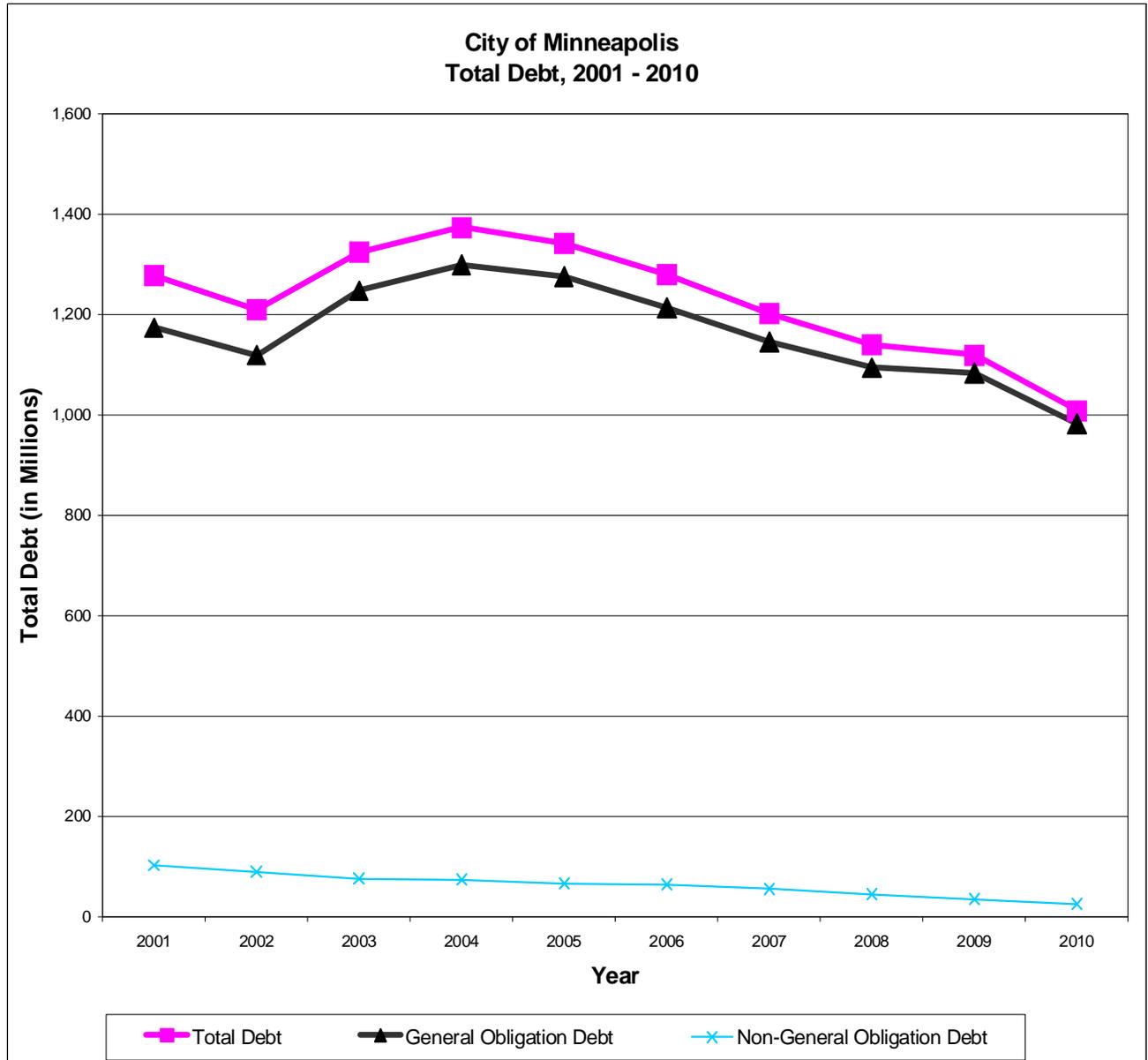
In May 2010, the City also issued \$8.53 million of General Obligation Tax Increment Refunding Bonds, Series 2010 to refund the outstanding General Obligation Tax Increment Refunding Bonds (Laurel Village), Series 2003 and outstanding General Obligation Tax-Exempt Bonds, Series 2010C. A portion of the proceeds along with funds on hand were used on June 25, 2010 to prepay the remaining Series 2003 Laurel Village bonds which became callable on March 1, 2010. As a result of this transaction, the City realized net present value savings of \$357,000 and the Laurel Village related refunding bonds have interest rates ranging from 2.00% - 2.50% and a final maturity date of March 1, 2015. The remaining portion of proceeds along with funds on hand were used to purchase escrowed securities to advance refund the outstanding balance of \$4.235 million of General Obligation Tax-Exempt Bonds, Series 2001C on February 1, 2011 related to the Humboldt Greenway project. As a result of this refunding, the City realized net present value savings of \$421,000 and the refunding bonds have interest rates ranging from 2.00% - 4.00% and a final maturity date of March 1, 2030.

In November 2010, the City issued \$5.95 million of General Obligation Improvement Bonds, Series 2010. The bonds were issued for a variety of special assessment projects including areaway removals, alleys and street paving projects. The bonds were issued in fixed rate mode and had interest rates ranging from 2.00% to 4.00% and a final maturity date of December 1, 2025.

Debt Trends

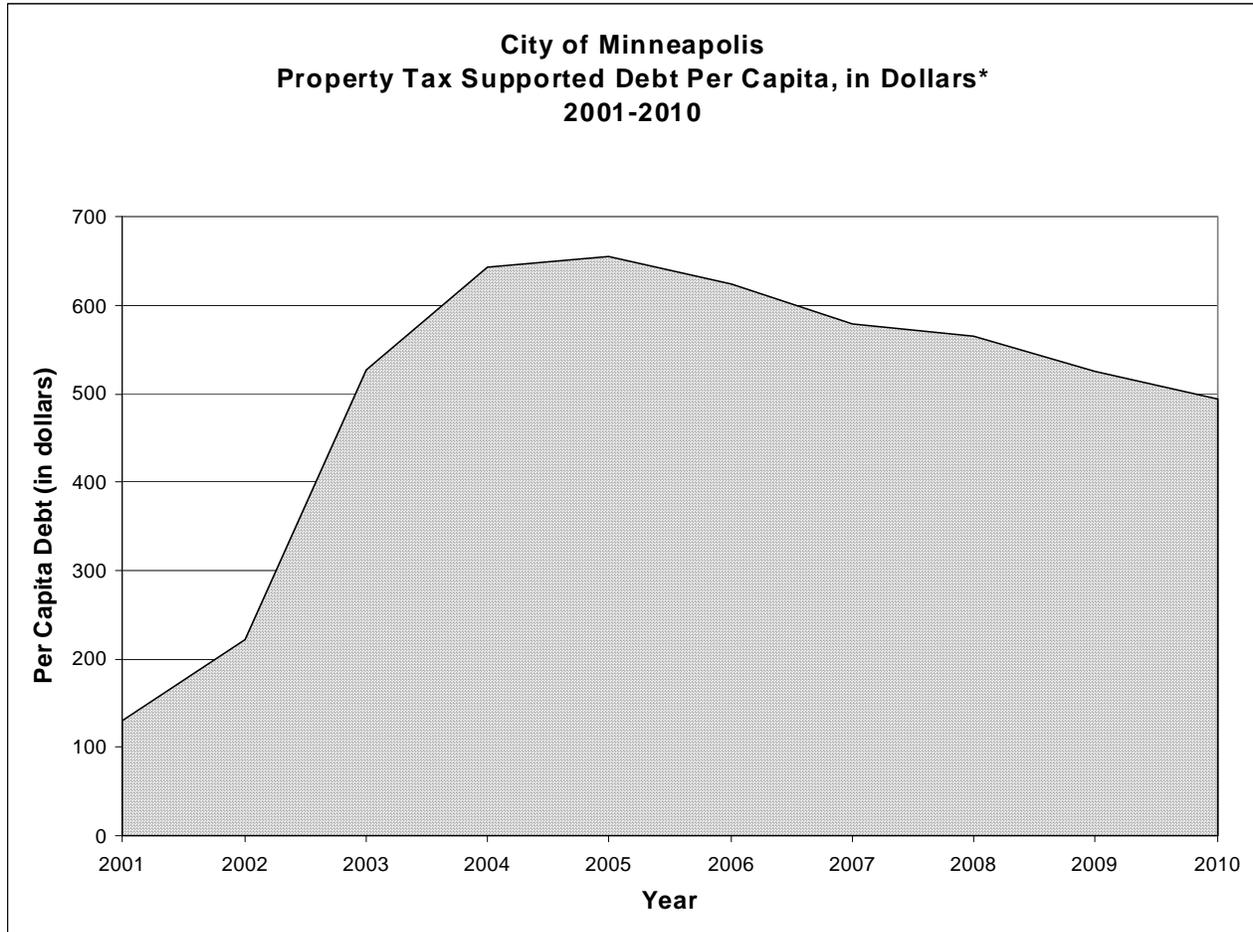
Management of the City's debt involves consideration not only of the absolute amount of debt, but also attention to yearly trends in the relationship of the debt to other financial measures. For purposes of the charts below, General Agency Reserve Fund System bonds are not included as City Debt.

The accompanying chart shows a ten-year history of the total City debt level for years 2001-2010. The total includes general obligation debt, backed by the full faith and credit of the City, and non-general obligation debt, which includes tax increment backed mortgage revenue bonds.



PER CAPITA DEBT

The chart below shows changes in general obligation debt per capita over the past decade for the portion of the City's debt paid for with property taxes. From 2002 - 2005, the City issued significant tax supported debt to fund the Library Referendum capital program and to pay unfunded pension obligations for the City's three closed pension funds - the Minneapolis Police Relief Association (MPRA), Minneapolis Fire Relief Association (MFRA) and Minneapolis Employee Retirement Fund (MERF) resulting in a spike in the debt per capita. The reductions from 2006 to 2010 are partially due to the City using one-time resources to accelerate the pay down of all categories of property tax supported debt including net debt infrastructure bonds, library referendum and pension bonds.



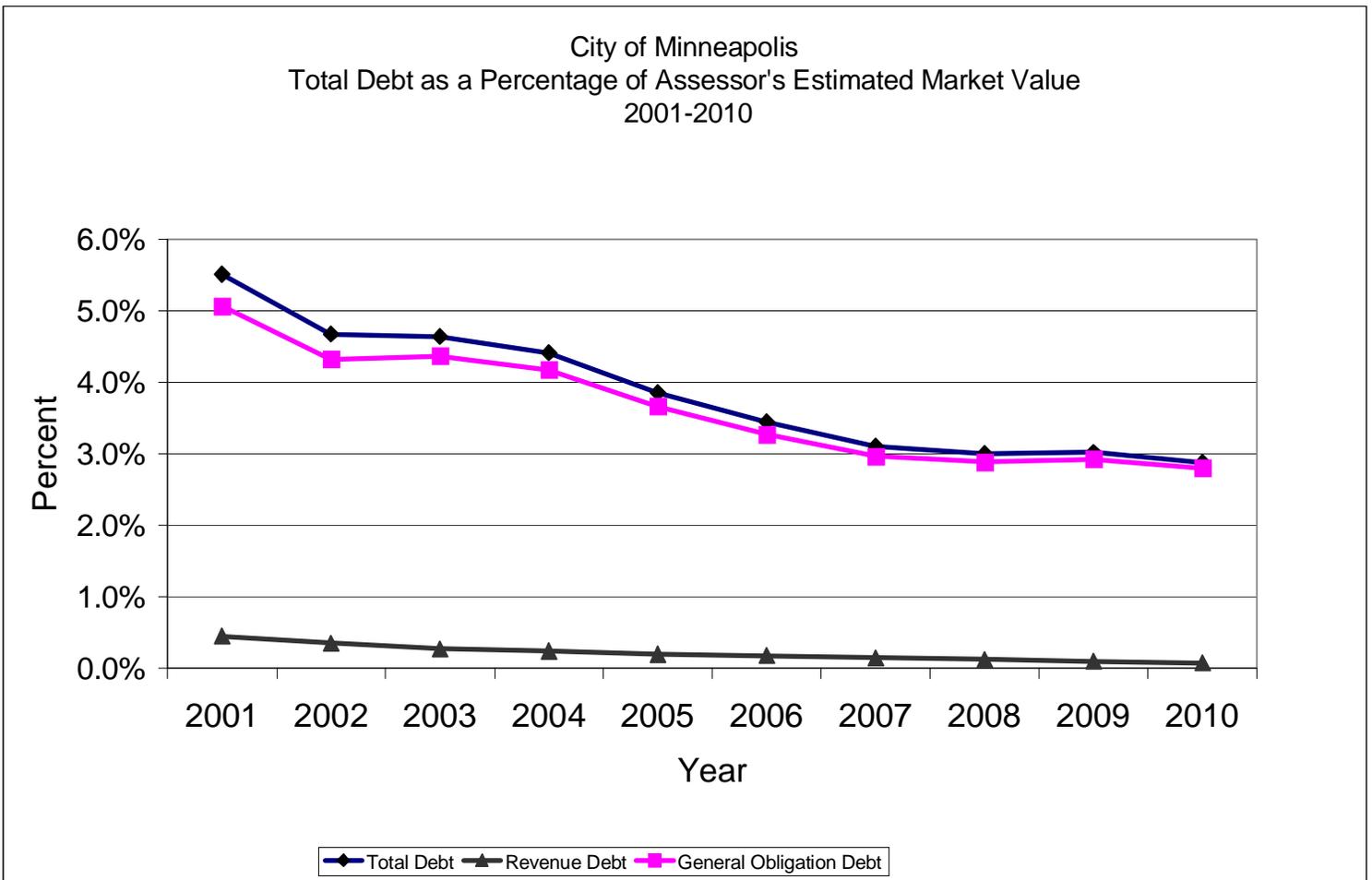
* Figures shown are adjusted indebtedness, which represents the total general obligation indebtedness of the City less that indebtedness supported by revenues other than general property taxes. Funding from self-supporting enterprises of the City offset a portion of the property tax supported pension related debt included above. Population figures used in this graph come from the official census in 2000 or from data provided by the Metropolitan Council for the other years.

DEBT CAPACITY – TOTAL DEBT

The primary goal of the City's debt management effort is to maintain ability to incur debt at low interest rates without endangering ability to finance essential City services.

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 equaled an estimated 3.0 percent from 2007 through 2010, with a slightly improving trend. While property values experienced a decline of approximately \$3.6 billion during this timeframe, the trend line benefitted by a reduction of \$193 million in Total Debt applicable to the calculation.*

The chart below shows 2001 as the highest total debt/market ratio due to one of the higher total debt levels coupled with lower property values. Total Debt levels increased in 2003 and 2004, but the impact of these higher debt levels were more than offset by a continuing increase in the market value of the City's taxable property. The peak debt level was reached in 2004 at \$1.37 billion and has been falling each year to \$1.01 billion by the end of 2010, a \$360 million decrease. Property valuations grew during the 2004 – 2006 period continuing the favorable trend line but have trended down from 2007 – 2010.



COMPUTATION OF THE CITY'S LEGAL DEBT MARGIN

The following is the estimated computation of the legal debt margin to be reported in the City's Comprehensive Annual Financial Report for December 31, 2010

	Dollars in Thousands
Real Property (2010 Market Value)	\$ 36,688,594
Personal Property (2010 Market Value)	368,660
Adjustment for Exempt Personal Property (1966 Market Value)	298,030
Adjustment for Net Fiscal Disparities (Contribution)/Distribution	<u>270,910</u>
Total Assessed Value	37,626,194
Debt Limit (3-1/3% of Market Value Applicable to Debt Limit)	\$ 1,254,206
General Obligation Bonds Subject to Debt Limit:	
Supported by Property Tax Levy	236,570
Supported by Special Assessments:	
Park Diseased Trees	1,120
Self-Supporting (Supported by Internal User Charges):	
Management Information Systems	20,080
Park Board - Land for athletic fields & energy efficiency	5,805
Public Works Fleet and Equipment	25,690
Property Fund	<u>6,170</u>
Total General Obligation Bonds Subject to Debt Limit	295,435
Less: Assets in Debt Service Fund at 12/31/10	<u>(45,469)</u>
Total Debt Applicable to Debt Limit	<u>249,966</u>
Legal Margin for New Bonds Subject to Debt Limit	\$ 1,004,240

SUMMARY OF OUTSTANDING CITY DEBT

Long-term liabilities (in thousands) at December 31, 2010 are detailed below.

	Balance 1/1/2010	Additions	Retirements	Balance 12/31/2010	Amounts Due Within One Year
Governmental activities:					
<u>Bonds and Notes</u>					
Property Tax Supported GO Bonds*	\$ 241,155	\$ 31,652	\$ 36,237	\$ 236,570	\$ 14,405
Self Supporting GO Bonds	219,540	6,245	28,005	197,780	11,830
GO Improvement Bonds	50,531	15,075	17,800	47,806	5,725
Tax Increment GO Bonds	200,865	23,430	84,465	139,830	10,475
Revenue Bonds	35,980	-	9,270	26,710	710
Revenue Notes	19,040	-	775	18,265	384
Internal Service Fund Related GO Bonds	60,845	36,022	44,927	51,940	11,875
Total Governmental Bonds and Notes	827,956	112,424	221,479	718,901	55,404
Business-type activities:					
<u>Bonds and Notes</u>					
Stormwater Fund GO Bonds	21,176	2,440	5,345	18,271	4,785
Sanitary Sewer Fund GO Bonds	13,700	3,650	2,850	14,500	3,100
Water Fund GO Bonds	28,646	3,366	3,241	28,771	2,251
Water Fund GO Note	71,725	15,201	2,405	84,521	3,655
Municipal Parking Fund GO Bonds	175,360	14,725	27,765	162,320	14,620
CPED Related Non GO Fund					
General Agency Reserve Fund System	57,365	43,000	4,410	95,955	3,940
Revenue Notes	591	-	136	455	144
Total Bonds and Notes	368,563	82,382	46,152	404,793	32,495
Grand Total Bonds & Notes	\$ 1,196,519	\$ 194,806	\$ 267,631	\$ 1,123,694	\$ 87,899

* - This category includes debt issued for the City's general infrastructure capital program, the library referendum and unfunded pension liabilities.

Amortization of Outstanding Governmental City Debt

As of December 31, 2010 annual debt service requirements for Governmental activities* (in thousands) to maturity are as follows:

Governmental Activities – Non-Proprietary					
Year Ending	Bonds		Notes		
	Principal	Interest	Principal	Interest	
Dec 31:					
2011	\$ 43,145	\$ 29,461	\$ 384	\$ 366	
2012	43,595	27,682	661	348	
2013	47,481	25,726	395	315	
2014	44,146	23,804	420	298	
2015	44,011	22,053	450	277	
2016 – 2020	227,294	82,991	2,710	1,070	
2021 – 2025	136,869	34,886	2,985	389	
2026 – 2030	61,500	7,716	860	57	
2031 – 2032	655	27	9,400	3	
	<u>\$ 648,696</u>	<u>\$ 245,346</u>	<u>\$ 18,265</u>	<u>\$ 3,123</u>	

Year Ending	Internal Service Fund Bonds		Total Governmental Activity Bonds & Notes	
	Principal	Interest	Principal	Interest
Dec 31:				
2011	11,875	1,704	55,404	31,531
2012	12,160	1,318	56,416	29,348
2013	3,735	918	51,611	26,959
2014	3,750	783	48,316	24,885
2015	3,525	649	47,986	22,979
2016 – 2020	16,895	1,313	246,899	85,374
2021 – 2025	-	-	139,854	35,275
2026 – 2030	-	-	62,360	7,773
2031 – 2032	-	-	10,055	30
	<u>\$ 51,940</u>	<u>\$ 6,685</u>	<u>\$ 718,901</u>	<u>\$264,154</u>

* - Governmental activities include the basic infrastructure assets required to provide services to the residents such as parks, libraries, streets, roads, bridges, traffic signals, lighting, police and fire stations, public buildings, technology platforms, fleet equipment, etc. Governmental activities are supported primarily by property taxes and other governmental aids received.

Amortization of Outstanding Business Type City Debt

As of December 31, 2010, annual debt service requirements for Business-type activities* (in thousands) to maturity are as follows:

Year Ending	Bonds		Notes		Total		Total					
	Dec 31:	Principal	Interest	Principal	Interest	Principal	Interest					
2011	\$	28,696	\$	16,589	\$	3,799	\$	2,227	\$	32,495	\$	18,816
2012		29,455		15,917		3,703		2,127		33,158		18,044
2013		24,795		14,945		3,892		2,031		28,687		16,926
2014		20,225		13,978		3,891		1,930		24,116		15,908
2015		16,980		12,279		4,360		1,829		21,340		14,108
2016 – 2020		61,791		43,519		35,090		7,064		96,881		50,583
2021 – 2025		67,120		29,962		28,620		2,266		95,740		32,228
2026 – 2030		35,465		15,521		1,621		43		37,086		15,564
2031 – 2035		24,855		7,134		-		-		24,855		7,134
2036 – 2040		10,435		1,863		-		-		10,435		1,863
Total	\$	319,817	\$	171,657	\$	84,976	\$	19,517	\$	404,793	\$	191,174

* - Business-type activities include those City functions that operate similar to a private business such as Water and Sewer Services, Solid Waste Collection and Parking Ramps. Business-type activities are supported by user fees charged for services provided. Business activities also include some economic development activities that help spur private development, the debt of which is paid for by the private businesses benefited.



Five-Year Capital Investment Allocation

Council Adopted Budget

Budget in Thousands		2011	2012	2013	2014	2015	Total	Percent of Total
Municipal Building Commission		985	736	3,121	1,825	800	7,467	1.3%
Library Funding - Hennepin County System		1,040	0	0	0	0	1,040	0.2%
Park Board		4,500	4,500	4,500	4,000	4,000	21,500	3.6%
Public Works Department								
	Facility Improvements	1,425	1,575	1,330	1,615	1,700	7,645	1.3%
	Street Paving	33,891	39,678	63,245	43,504	70,975	251,293	42.3%
	Sidewalks	2,880	3,020	3,160	3,315	3,470	15,845	2.7%
	Bridges	26,735	300	13,400	400	8,155	48,990	8.3%
	Traffic Control & Street Lighting	7,410	8,916	3,775	3,825	8,000	31,926	5.4%
	Bike Trails	100	100	100	1,375	0	1,675	0.3%
	Sanitary Sewers	5,000	6,500	7,000	7,000	7,000	32,500	5.5%
	Storm Sewers	16,550	17,065	23,890	22,538	26,630	106,673	18.0%
	Water Infrastructure	9,000	10,000	10,000	10,000	13,000	52,000	8.8%
	Parking Ramps	1,700	1,700	0	0	0	3,400	0.6%
	Public Works Department Total	104,691	88,854	125,900	93,572	138,930	551,947	93.0%
Business Information Services		1,000	750	600	600	750	3,700	0.6%
Miscellaneous Projects		1,727	996	1,254	1,261	2,775	8,013	1.3%
Grand Total		113,943	95,836	135,375	101,258	147,255	593,667	100.0%



Five-Year Capital Funding Summary Council Adopted Budget

General Infrastructure Improvements	2011	2012	2013	2014	2015	Total
Federal Government Grants	13,815	3,635	16,105	1,000	9,850	44,405
Hennepin County Grants	665	1,086	150	1,235	1,635	4,771
Municipal State Aid	11,070	7,200	7,000	7,000	5,225	37,495
Net Debt Bonds	16,365	17,310	17,675	18,050	20,000	89,400
Other Local Governments	660	0	13,566	8,140	32,400	54,766
Other Miscellaneous Revenues	1,000	0	370	0	1,000	2,370
Park Capital Levy	1,500	1,500	1,500	1,500	1,500	7,500
Reimbursements	4,100	4,100	4,100	4,100	4,100	20,500
Special Assessments	10,085	10,520	11,875	10,395	9,215	52,090
State Government Grants	7,600	0	6,804	0	6,500	20,904
Transfer from General Fund	9,000	9,000	8,300	9,000	9,000	44,300
Transfer from Special Revenue Funds	5,113	5,500	5,500	0	0	16,113
Total General Infrastructure Improvements	80,973	59,851	92,945	60,420	100,425	394,614

Enterprise Fund Capital	2011	2012	2013	2014	2015	Total
Other Local Governments	0	2,735	4,715	2,388	5,525	15,363
Parking Bonds	1,700	1,700	0	0	0	3,400
Reimbursements	5,000	5,000	5,000	5,000	5,000	25,000
Sanitary Bonds	5,000	6,500	7,000	7,000	7,000	32,500
Stormwater Bonds	10,500	8,800	12,980	14,400	15,355	62,035
Stormwater Revenue	3,770	3,140	4,625	4,050	2,950	18,535
Water Bonds	0	0	0	0	3,000	3,000
Water Revenue	7,000	8,110	8,110	8,000	8,000	39,220
Total Enterprise Fund Capital	32,970	35,985	42,430	40,838	46,830	199,053

Consolidated City-Wide Capital	2011	2012	2013	2014	2015	Total Budget	Overall Funding Breakdown
Enterprise Bonds	17,200	17,000	19,980	21,400	25,355	100,935	17.00%
Enterprise Revenue	10,770	11,250	12,735	12,050	10,950	57,755	9.73%
Municipal State Aid	11,070	7,200	7,000	7,000	5,225	37,495	6.32%
Net Debt Bonds	16,365	17,310	17,675	18,050	20,000	89,400	15.06%
Other	48,453	32,556	66,110	32,363	76,510	255,992	43.12%
Special Assessments	10,085	10,520	11,875	10,395	9,215	52,090	8.77%
Total City-Wide Capital Program	113,943	95,836	135,375	101,258	147,255	593,667	100.00%

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

2011 - 2015 Council Adopted Capital Resources For Net Debt Bond, Infrastructure Acceleration & Expanded Capital Programs

Recommended Resources by Category	2011	2012	2013	2014	2015	Totals
						(000's)
Available Resources:						
Net Debt Bond (NDB) Authorizations	17,950	18,310	18,675	19,050	20,000	93,985
Prior Year Adjustments made by Mayor and Council*	-585	0	0	0	0	-585
City Council Adjustment for 2011 - 2014	-1,000	-1,000	-1,000	-1,000	0	-4,000
Total 2011 - 2015 Council Adopted NDB Resources	16,365	17,310	17,675	18,050	20,000	89,400
Infrastructure Acceleration Program:						
Transfer from Hilton Trust Fund	5,113	5,500	4,800	0	0	15,413
Transfer from General Fund			700			700
Total Infrastructure Acceleration Program	5,113	5,500	5,500	0	0	16,113
Note: For 2011, \$387 of trust fund resources were moved to operations for pothole repairs and sealcoating.						
Expanded Resources for Capital Improvements:						
PV006 Alley Renovation Program	800	800	800	800	800	4,000
PV056 Asphalt Resurfacing Program	4,200	4,200	3,500	4,200	4,200	20,300
PV059 Major Pavement Maintenance Program	2,000	2,000	2,000	2,000	2,000	10,000
PV061 High Volume Corridor Reconditioning Program	2,000	2,000	2,000	2,000	2,000	10,000
Total Expanded Resources (General Fund Transfers)	9,000	9,000	8,300	9,000	9,000	44,300
Total Council Resources allocated to Capital Programs	30,478	31,810	31,475	27,050	29,000	149,813

Notes:

* - Adjustments represent dollars advanced to or from capital projects in prior years.

This resource summary represents the City's commitment for General Infrastructure assets which includes parks, public buildings, streets, bridges, bike trails, traffic signals and any other capital assets used for providing basic city services. These resources also leverage significant additional funding from special assessments, municipal state aid, other government grants, etc.

2011 Bond Redemption Levy for Capital Program

	Amount	Notes
	(000's)	
Tax Levy Certified for Bond Redemption in 2010	16,141	For supporting Capital Program only
Bond Redemption Levy Adjustment	2,359	Per Five-Year Financial Direction 2011 - 2015
Tax Levy Certified for Bond Redemption in 2011	18,500	For supporting New Capital Programs

INFRASTRUCTURE ACCELERATION PROGRAM (IAP)

COUNCIL ADOPTED BUDGET

YEAR	PROJECT ID	PROJECT TITLE	NDB	MSA	ASSM	OTHER	IAP FUNDING*	TOTAL BY YEAR
(in thousands)								
2011	PV001	Parkway Paving Program	0	0	0	0	150	150
2012			500	0	50	0	150	700
2013			500	0	50	0	150	700
Total			1,000	0	100	0	450	1,550
2011	PV006	Alley Renovation Program	128	0	225	800	200	1,353
2012			0	0	200	800	200	1,200
2013			0	0	200	800	200	1,200
Total			128	0	625	2,400	600	3,753
2011	PV056	Asphalt Pavement Resurfacing Program	400	500	3,550	4,200	2,000	10,650
2012			400	500	3,600	4,200	2,000	10,700
2013			400	500	3,600	3,500	2,700	10,700
Total			1,200	1,500	10,750	11,900	6,700	32,050
2011	PV059	Major Pavement Maintenance Program	0	0	0	2,000	613	2,613
2012		For 2011, \$387 was redirected to the operating	0	0	0	2,000	1,000	3,000
2013		budget for pothole repairs and sealcoating.	0	0	0	2,000	800	2,800
Total			0	0	0	6,000	2,413	8,413
2011	PV061	High Volume Corridor Reconditioning Program	330	0	565	2,000	500	3,395
2012			75	0	500	2,000	500	3,075
2013			110	500	500	2,000	0	3,110
Total			515	500	1,565	6,000	1,000	9,580
2011	TR008	Parkway Street Light Replacement	150	0	0	0	150	300
2012			150	0	0	0	150	300
2013			150	0	0	0	150	300
Total			450	0	0	0	450	900
2011	TR011	City Street Light Renovation	0	0	0	0	900	900
2012			200	0	0	0	900	1,100
2013			100	0	0	0	900	1,000
Total			1,050	0	0	0	3,450	4,500
2011	BIK24	Major Bike Maintenance Program	0	0	0	0	100	100
2012			0	0	0	0	100	100
2013			0	0	0	0	100	100
Total			0	0	0	0	300	300
2011	PRK03	Shelter - Pool - Site Improvements Program	2,000	0	0	400	500	2,900
2012			0	0	0	600	500	1,100
2013			0	0	0	500	500	1,000
Total			2,000	0	0	1,500	1,500	5,000

FUNDING SUMMARY BY YEAR	NDB	MSA	ASSM	OTHER	IAP FUNDING	TOTAL BY YEAR
2011	3,008	500	4,340	9,400	5,113	22,361
2012	1,325	500	4,350	9,600	5,500	21,275
2013	1,260	1,000	4,350	8,800	5,500	20,910
Total Funding Sources	5,593	2,000	13,040	27,800	16,113	64,546
Funding Sources as a percent of Total	8.7%	3.1%	20.2%	43.1%	25.0%	100.0%

* Funding for the IAP program is coming from one-time trust fund resources and \$700 of general fund resources in 2013 which restores the original five-year program to \$5,500 per year. The above table shows the acceleration of capital improvements provided by the IAP funding in the final three years of the five-year plan which started in 2009.



Net Debt Bond Allocation

Council Adopted Budget

Summarized by Major Type of Infrastructure

Description of Category		2011	2012	2013	2014	2015	Total
MUNICIPAL BUILDING COMMISSION		985	736	3,121	1,825	800	7,467
<i>Percentage Allocated to MBC</i>		<i>6.0%</i>	<i>4.3%</i>	<i>17.7%</i>	<i>10.1%</i>	<i>4.0%</i>	8%
LIBRARY FUNDING - HENNEPIN COUNTY SYSTEM		1,040					1,040
<i>Percentage allocated to Libraries*</i>		<i>6.4%</i>					1%
Park Board Capital Program**		2,000	2,000	2,000	2,000	2,000	10,000
<i>Percentage allocated to Park Board</i>		<i>12.2%</i>	<i>11.6%</i>	<i>11.3%</i>	<i>11.1%</i>	<i>10.0%</i>	11%
PUBLIC WORKS DEPARTMENT	FACILITY IMPROVEMENTS	1,425	1,575	1,330	1,615	1,700	7,645
	STREET PAVING	4,068	9,518	6,125	8,289	7,125	35,125
	SIDEWALKS	215	225	235	245	255	1,175
	BRIDGES	2,835	300	2,230	400	2,880	8,645
	TRAFFIC CONTROL & STREET LIGHTING	1,320	1,210	780	1,440	1,715	6,465
	BIKE TRAILS				375		375
Public Works Sub-Total		9,863	12,828	10,700	12,364	13,675	59,430
<i>Percentage allocated to Public Works</i>		<i>60.3%</i>	<i>74.1%</i>	<i>60.5%</i>	<i>68.5%</i>	<i>68.4%</i>	66%
BUSINESS INFORMATION SERVICES		1,000	750	600	600	750	3,700
<i>Percentage allocated to BIS</i>		<i>6.1%</i>	<i>4.3%</i>	<i>3.4%</i>	<i>3.3%</i>	<i>3.8%</i>	4%
MISCELLANEOUS PROJECTS		1,477	996	1,254	1,261	2,775	7,763
<i>Percentage allocated to Misc. Projects</i>		<i>9.0%</i>	<i>5.8%</i>	<i>7.1%</i>	<i>7.0%</i>	<i>13.9%</i>	9%
<i>Percentage Allocated to City Departments</i>		75.4%	84.2%	71.0%	78.8%	86.0%	79%
Total Net Debt Bond Allocation (in thousands)		16,365	17,310	17,675	18,050	20,000	89,400

* These amounts will be transferred to Hennepin County for capital needs for libraries located in the City of Minneapolis.

** This amount is only the net debt bond portion of Park Board Capital funding. They also have a Capital Levy and a share of the expanded capital funding.



Minneapolis Capital Budget Summary
City of Lakes Council Adopted Budget

		Budget in Thousands	2011	2012	2013	2014	2015	Total
MUNICIPAL BUILDING COMMISSION	MBC01 Life Safety Improvements		200	200	340	200	300	1,240
	MBC02 Mechanical Systems Upgrade		785	500	500	645	500	2,930
	MBC04 MBC Elevators		0	0	0	0	0	0
	MBC06 Clock Tower Upgrade		0	36	839	0	0	875
	MBC09 Critical Power Capital Project		0	0	980	980	0	1,960
	CTY01 Restoration of Historic Reception Room		0	0	462	0	0	462
	Total		985	736	3,121	1,825	800	7,467
LIBRARY FUNDING - HENNEPIN COUNTY SYSTEM	LIB01 Library Merger Funding Commitments		1,040	0	0	0	0	1,040
	Total		1,040	0	0	0	0	1,040
PARK BOARD	PRK01 Recreation Center and Site Improvements Program		345	2,350	2,250	0	450	5,395
	PRK02 Playground and Site Improvements Program		350	250	0	750	1,365	2,715
	PRK03 Shelter - Pool - Site Improvements Program		2,900	1,100	1,000	1,500	0	6,500
	PRK04 Athletic Fields and Site Improvements Program		200	200	650	1,150	1,350	3,550
	PRK22 Parking Lot and Lighting Improvement Program		105	0	0	0	35	140
	PRKCP Neighborhood Parks Capital Infrastructure		100	100	100	100	300	700
	PRKDT Diseased Tree Removal		500	500	500	500	500	2,500
	Total		4,500	4,500	4,500	4,000	4,000	21,500
PUBLIC WORKS DEPARTMENT	FACILITY IMPROVEMENTS	PSD01 Facilities - Repair and Improvements	1,125	1,075	830	1,115	1,200	5,345
		PSD11 Energy Conservation and Emission Reduction	300	500	500	500	500	2,300
		Total for FACILITY IMPROVEMENTS	1,425	1,575	1,330	1,615	1,700	7,645
	STREET PAVING	PV001 Parkway Paving Program	150	700	700	750	525	2,825
		PV004 CSAH Paving Program	1,525	1,150	1,750	2,600	2,600	9,625
		PV005 Snelling Ave Extension	0	0	0	200	0	200
		PV006 Alley Renovation Program	1,353	1,200	1,200	1,200	1,200	6,153
		PV007 University Research Park/Central Corridor	0	0	28,845	8,865	44,850	82,560
		PV021 33rd Ave SE and Talmage Ave	1,765	2,555	0	0	0	4,320
		PV028 Franklin/Cedar/Minnehaha Improvement Project	3,295	0	0	0	0	3,295
		PV038 Winter St NE Residential/Commercial	0	0	4,748	197	0	4,945
		PV056 Asphalt Pavement Resurfacing Program	10,650	10,700	10,700	10,772	10,700	53,522
		PV057 Nicollet Ave (31st St E to 40th St E)	0	7,168	5,292	0	0	12,460
		PV059 Major Pavement Maintenance Program	2,613	3,000	2,800	2,000	2,000	12,413
		PV061 High Volume Corridor Reconditioning Program	3,395	3,075	3,110	5,050	5,600	20,230
		PV062 Riverside Ave (Cedar Ave to Franklin Ave E)	5,270	6,030	0	0	0	11,300
		PV063 Unpaved Alley Construction	0	0	0	0	0	0
		PV064 Garfield Ave (32nd to 33rd St W)	375	0	0	0	0	375
		PV066 MnDOT Cooperative Projects	0	0	200	200	0	400
		PV067 Nawadaha Blvd & Minnehaha Ave	0	0	0	3,500	0	3,500
		PV068 LaSalle Ave (Grant to 8th)	0	0	0	4,670	0	4,670
		PV069 Penn Ave S (50th to Crosstown)	0	0	0	0	0	0
		PV070 Riverside Phase II - 4th St/15th Ave	0	600	400	0	0	1,000
	PV99R Reimbursable Paving Projects	3,500	3,500	3,500	3,500	3,500	17,500	
	Total for STREET PAVING	33,891	39,678	63,245	43,504	70,975	251,293	
	SIDEWALKS	SWK01 Defective Hazardous Sidewalks	2,880	3,020	3,160	3,315	3,470	15,845
		Total for SIDEWALKS	2,880	3,020	3,160	3,315	3,470	15,845
	BRIDGES	BR101 Major Bridge Repair and Rehabilitation	300	300	400	400	400	1,800
		BR109 Camden Bridge Rehabilitation	845	0	0	0	0	845
		BR110 Northtown Rail Yard Bridge	25,590	0	0	0	0	25,590
BR111 10th Ave SE Bridge Arch Rehabilitation		0	0	11,000	0	0	11,000	
BR112 Nicollet Ave Reopening		0	0	0	0	5,275	5,275	
BR114 Midtown Corridor Bridge Preservation Program		0	0	2,000	0	2,480	4,480	
Total for BRIDGES	26,735	300	13,400	400	8,155	48,990		



Minneapolis Capital Budget Summary
City of Lakes Council Adopted Budget

		Budget in Thousands	2011	2012	2013	2014	2015	Total
PUBLIC WORKS DEPARTMENT	TRAFFIC CONTROL & STREET LIGHTING	TR008 Parkway Street Light Replacement	300	300	300	350	350	1,600
		TR010 Traffic Management Systems	525	525	0	0	3,700	4,750
		TR011 City Street Light Renovation	900	1,100	1,000	350	350	3,700
		TR021 Traffic Signals	3,830	3,795	200	535	895	9,255
		TR022 Traffic Safety Improvements	1,105	2,496	1,675	1,990	2,105	9,371
		TR023 Trunk Highway 55 Signal Improvements	150	100	0	0	0	250
		TR99R Reimbursable Transportation Projects	600	600	600	600	600	3,000
		Total for TRAFFIC CONTROL & STREET LIGHTING	7,410	8,916	3,775	3,825	8,000	31,926
	BIKE TRAILS	BIK20 Hiawatha LRT Trail Lighting/Trail Extension	0	0	0	1,375	0	1,375
		BIK24 Major Bike Maintenance Program	100	100	100	0	0	300
		Total for BIKE TRAILS	100	100	100	1,375	0	1,675
	SANITARY SEWERS	SA001 Sanitary Tunnel & Sewer Rehabilitation Program	1,000	1,000	1,000	1,000	1,000	5,000
		SA036 Infiltration & Inflow Removal Program	4,000	5,500	6,000	6,000	6,000	27,500
		Total for SANITARY SEWERS	5,000	6,500	7,000	7,000	7,000	32,500
	STORM SEWERS	SW004 Implementation of US EPA Storm Water Regulations	250	250	250	250	250	1,250
		SW005 Combined Sewer Overflow Improvements	2,500	1,500	1,500	1,500	1,500	8,500
		SW011 Storm Drains and Tunnels Rehabilitation Program	9,800	8,300	9,300	9,000	7,900	44,300
		SW018 Flood Area 29 & 30 - Fulton Neighborhood	0	0	0	3,288	6,580	9,868
		SW030 Alternative Stormwater Management Strategies	1,000	1,000	1,000	1,000	1,000	5,000
		SW032 I-35W Storm Tunnel Reconstruction	0	0	0	0	1,000	1,000
		SW033 Flood Area 22 - Sibley Field	0	3,015	0	0	0	3,015
		SW034 Flood Area 21 - Bloomington Pond	0	0	4,840	0	0	4,840
		SW038 Flood Area 5 - North Minneapolis Neighborhoods	0	0	4,000	4,500	5,400	13,900
		SW99R Reimbursable Sewer & Storm Drain Projects	3,000	3,000	3,000	3,000	3,000	15,000
		Total for STORM SEWERS	16,550	17,065	23,890	22,538	26,630	106,673
	WATER INFRASTRUCTURE	WTR12 Water Distribution Improvements	4,000	5,000	5,000	5,000	5,000	24,000
		WTR18 Hiawatha Water Maintenance Facility	0	0	0	0	3,000	3,000
WTR23 Treatment Infrastructure Improvements		3,000	3,000	3,000	3,000	3,000	15,000	
WTR9R Reimbursable Watermain Projects		2,000	2,000	2,000	2,000	2,000	10,000	
Total for WATER INFRASTRUCTURE		9,000	10,000	10,000	10,000	13,000	52,000	
PARKING RAMPS	RMP01 Parking Facilities - Repair and Improvements	1,700	1,700	0	0	0	3,400	
	Total for PARKING RAMPS	1,700	1,700	0	0	0	3,400	
Total Public Works		104,691	88,854	125,900	93,572	138,930	551,947	
BUSINESS INFORMATION SERVICES	BIS03 Enterprise Document Management	100	250	100	100	250	800	
	BIS04 Enterprise Infrastructure Capacity Upgrade	400	450	450	450	450	2,200	
	BIS06 GIS Application Infrastructure Upgrade	0	50	50	50	50	200	
	BIS08 Enterprise Security	100	0	0	0	0	100	
	BIS12 Mobile Assessor	150	0	0	0	0	150	
	BIS13 Risk Management & Claims Application System	250	0	0	0	0	250	
	BIS14 Land Management System	0	0	0	0	0	0	
	BIS15 Enterprise Address System	0	0	0	0	0	0	
	BIS21 ERP Upgrade	0	0	0	0	0	0	
	Total	1,000	750	600	600	750	3,700	
	MISCELLANEOUS PROJECTS	ART01 Art in Public Places	327	346	354	361	400	1,788
CDA01 Heritage Park (Van White Bridge & Roadway)		750	0	0	0	0	750	
CTY02 City Property Reforestation		150	150	150	150	150	750	
CTY05 City Hall Elevator Upgrade		0	0	0	0	0	0	
FIR11 New Fire Station No. 11		0	0	0	0	1,475	1,475	
MPD02 MPD Property & Evidence Warehouse		0	0	0	0	0	0	
PSD03 Facilities - Space Improvements		500	500	750	750	750	3,250	
Total		1,727	996	1,254	1,261	2,775	8,013	
Grand Total		113,943	95,836	135,375	101,258	147,255	593,667	



MUNICIPAL BUILDING COMMISSION

MBC01 Life Safety Improvements

The MBC life safety program includes installation of building sprinkler, fire alarm, smoke detection, and public address systems.

MBC02 Mechanical Systems Upgrade

The MBC Mechanical Systems Upgrade includes renovation and upgrade of the heating, ventilating and air conditioning (HVAC) systems in City Hall.

MBC04 MBC Elevators

Upgrade of 5 Elevators in City Hall.

MBC06 Clock Tower Upgrade

This project will repair the four clock faces and structural elements of the large clock in the tower at City Hall.

MBC09 Critical Power Capital Project

The project will upgrade emergency power systems in the City Hall.

CTY01 Restoration of Historic Reception Room

Historic restoration of a reception hall for public meetings and ceremonies.

LIBRARY FUNDING - HENNEPIN COUNTY SYSTEM

LIB01 Library Merger Funding Commitments

This project is in the capital process to honor an agreement to provide capital funds to improve City libraries taken over by the merger with the Hennepin County Library System.

PARK BOARD

PRK01 Recreation Center and Site Improvements Program

Improved energy efficiency, accessibility, heating and cooling, roofing/interior features for seven recreation centers.

PRK02 Playground and Site Improvements Program

Reconfigure and replace worn out play equipment and additional amenities where budget allows

PRK03 Shelter - Pool - Site Improvements Program

New water recreation and picnic facilities at Webber Park, and pool upgrades at selected parks

PRK04 Athletic Fields and Site Improvements Program

Soil amendments, re-grading, re-seeding, irrigation, lighting, drainage improvement, amenities, parking

PRK22 Parking Lot and Lighting Improvement Program

Upgrade of four parking lots to current standards.

PRKCP Neighborhood Parks Capital Infrastructure

Replacement of infrastructure such as roofs, sidewalks, HVAC, gym floors, etc.



PRKDT Diseased Tree Removal

Removing diseased trees from private property.

PUBLIC WORKS DEPARTMENT

PSD01 Facilities - Repair and Improvements

This is an on-going Capital Maintenance Program intended for repairs and improvements to City owned and operated Facilities.

PSD11 Energy Conservation and Emission Reduction

This Project is an ongoing Capital Program that provides funding for investment in energy conservation and emission reduction strategies for the City's Municipal Operations.

PV001 Parkway Paving Program

The objective is to re-evaluate the pavement condition and annual maintenance expenditures of all parkway paving areas that were constructed with a bituminous surface 30 years ago. The program would renovate instead of totally reconstructing the roadways.

PV004 CSAH Paving Program

This project provides funding for Hennepin County Cooperative Roadway Projects.

PV005 Snelling Ave Extension

This project extends Snelling Ave. south of 46th St. E. & Hiawatha Ave.

PV006 Alley Renovation Program

Repair and overlay existing alleys and repair or replace retaining walls that are currently in poor condition.

PV007 University Research Park/Central Corridor

Infrastructure improvements for a large redevelopment area.

PV021 33rd Ave SE and Talmage Ave

Paving of a currently unpaved oiled dirt roadway.

PV028 Franklin/Cedar/Minnehaha Improvement Project

This project will improve infrastructure in the area of Franklin Ave and Cedar Ave / Minnehaha Ave. The goal and intent of this project is to improve both pedestrian and vehicular safety in this area with a design that also enhances and encourages multi-modal use.

PV038 Winter St NE Residential/Commercial

This project reconstructs various oil dirt streets that were not completed with the 30 year residential paving program.

PV056 Asphalt Pavement Resurfacing Program

The objective of this program is to resurface approximately 15 to 20 miles of streets each year to extend their useful life. Resurfacing will help to slow the deterioration of the city's aging street network and delay the cost of reconstructing the roadway by at least 10 years.

PV057 Nicollet Ave (31st St E to 40th St E)

The proposed roadway will consist of two traffic lanes (one in each direction) and parking on both sides, with new curb and gutter and sidewalks. Public Works is directed to ensure that the design for this roadway allows for the future potential for street cars to use this street.

PV059 Major Pavement Maintenance Program



This is one of several projects receiving funding from the Mayor's Infrastructure Acceleration Program which will upgrade pavement conditions and/or extend the life of the roadways in the City.

PV061 High Volume Corridor Reconditioning Program

This program focuses on the reconditioning of the driving surface of the high volume corridors to extend their expected life span by 10 years.

PV062 Riverside Ave (Cedar Ave to Franklin Ave E)

This Project will reconstruct Riverside Avenue from Cedar Avenue to Franklin Ave.

PV063 Unpaved Alley Construction

This project will begin paving the remaining unpaved alleys in the City of Minneapolis.

PV064 Garfield Ave (32nd to 33rd St W)

This project will reconstruct one block of Garfield Avenue South between 32nd Street West and 33rd Street West.

PV066 MnDOT Cooperative Projects

City participation costs on MnDOT projects

PV067 Nawadaha Blvd & Minnehaha Ave

Reconstruction of existing roadway

PV068 LaSalle Ave (Grant to 8th)

Reconstruction of existing roadway

PV069 Penn Ave S (50th to Crosstown)

Reconstruction of existing street

PV070 Riverside Phase II - 4th St/15th Ave

This project would construct paving improvements to the roads adjacent to the northern end of the Riverside Ave paving project.

PV99R Reimbursable Paving Projects

Work to be done for others with 100% recovery from requesting agency.

SWK01 Defective Hazardous Sidewalks

To provide a hazard free pedestrian passage over approximately 2,000 miles of public sidewalk by inspecting and replacing defective public sidewalks and adding ADA compliant curb ramps where needed.

BR101 Major Bridge Repair and Rehabilitation

Major repair and rehabilitation of existing city bridges to extend the operational life.

BR109 Camden Bridge Rehabilitation

The project proposes to rehabilitate the bridge over the Mississippi River and I-94.

BR110 Northtown Rail Yard Bridge

Replace the existing structurally deficient bridge and approach roadways.



BR111 10th Ave SE Bridge Arch Rehabilitation

The project proposes to protect a large city investment by repairing concrete on the spandrel columns, floor beams and arches.

BR112 Nicollet Ave Reopening

This project would recreate the city grid system by making Nicollet Ave a continuous street which would help to foster development along Nicollet Ave.

BR114 Midtown Corridor Bridge Preservation Program

The purpose of the program will be to maintain and enhance the physical infrastructure, correct current deficiencies, provide for future development and transportation needs.

TR008 Parkway Street Light Replacement

This project consists of replacement of deteriorated services, poles, fixtures and electrical wiring associated with the lighting systems in place along the parkways throughout the City.

TR010 Traffic Management Systems

This project consists of updating the Traffic Management Center and retiming all the traffic signal systems within the City.

TR011 City Street Light Renovation

This project consists of renovating the City's existing decorative street lighting facilities.

TR021 Traffic Signals

This project consists of replacing old and outdated traffic signal equipment.

TR022 Traffic Safety Improvements

This project consists of seven traffic related improvements: 1) Overhead Signal Additions, 2) Operational and Safety Improvements, 3) Signal and Delineation, 4) Mastarm Mounted Street Name Signing, 5) Street & Bridge Navigation Lighting, 6) Pedestrian Safety, 7) Railroad Crossing Safety

TR023 Trunk Highway 55 Signal Improvements

This project will help to improve the signal timing of the traffic lights associated with the Hiawatha LRT line.

TR99R Reimbursable Transportation Projects

Work for others funding to be reimbursed by department, business or individuals requesting the work.

BIK20 Hiawatha LRT Trail Lighting/Trail Extension

This project will provide lighting along the LRT trail from 11th Ave. S. to 28th St. E.

BIK24 Major Bike Maintenance Program

Funds for major bicycle maintenance improvements.

SA001 Sanitary Tunnel & Sewer Rehabilitation Program

The Rehab and Repair of Sanitary Sewer pipes, Lift Stations & Tunnels.

SA036 Infiltration & Inflow Removal Program

The focus of this program is to remove Inflow and Infiltration from the sanitary sewer system and redirect this clear water to the storm sewer system and/or other best management practices.



SW004 Implementation of US EPA Storm Water Regulations

This project provides solutions for Stormwater pollution mitigation measures.

SW005 Combined Sewer Overflow Improvements

Construction of stormwater systems so that catch basins and drains in public ROW can be disconnected from the sanitary sewer and reconnected to a storm sewer.

SW011 Storm Drains and Tunnels Rehabilitation Program

The rehab and repair of storm pipes, pump stations and tunnels throughout the City.

SW018 Flood Area 29 & 30 - Fulton Neighborhood

The goal of this project is to protect Fulton neighborhood homes and businesses from flooding by using runoff volume and runoff rate control.

SW030 Alternative Stormwater Management Strategies

Green Infrastructure Projects for Localized Flooding, Drainage Problems and Water Quality Improvement.

SW032 I-35W Storm Tunnel Reconstruction

Construction of 19 new relief tunnels along the existing St. Mary's Tunnel.

SW033 Flood Area 22 - Sibley Field

Use storm water volume reduction to protect homes near Sibley Pond from flooding as a result of the increased runoff.

SW034 Flood Area 21 - Bloomington Pond

Project will increase runoff by disconnecting CSO areas from the sanitary sewer and then use storm water volume reduction to protect homes near Bloomington Pond from flooding as a result of the increased runoff.

SW038 Flood Area 5 - North Minneapolis Neighborhoods

Green Infrastructure project to address street flooding and improve water quality.

SW99R Reimbursable Sewer & Storm Drain Projects

Work to be done for others with 100% recovery from requesting agency.

WTR12 Water Distribution Improvements

Maintain and sustain existing water distribution system across city.

WTR18 Hiawatha Water Maintenance Facility

Replace very old Water East Yard with new facilities at a new location.

WTR23 Treatment Infrastructure Improvements

Maintain viability of existing water infrastructure through regular upgrades.

WTR9R Reimbursable Watermain Projects

Working capital for watermain projects

RMP01 Parking Facilities - Repair and Improvements



This Project continues a dedicated ongoing capital improvement program for the City's existing Off-Street parking program that consists of 15 City owned and operated parking facilities and 8 surface lots.

BUSINESS INFORMATION SERVICES

BIS03 Enterprise Document Management

This project will consolidate multiple document management systems into a single Enterprise Content Management (ECMS) standard.

BIS04 Enterprise Infrastructure Capacity Upgrade

This project will build capacity for Information Technology Infrastructure including; voice and data networks, application servers and storage, disaster recovery capabilities, and enterprise-wide support tools through the upgrade and/or addition of hardware, software, and communication pathways. This enhanced infrastructure will support both fixed and mobile connectivity between all City facilities and to all mobile-equipped City personnel and vehicles, both emergency and non-emergency.

BIS06 GIS Application Infrastructure Upgrade

This project upgrades the enterprise Geographic Information System (GIS), development and sharing of GIS Services supporting City business systems, and provides the platform to develop applications that improve the City's ability to provide quality public services.

BIS08 Enterprise Security

This project builds on a Security Program to protect the citizens of Minneapolis and continue to call Minneapolis "A safe place to call home."

BIS12 Mobile Assessor

This project will purchase and implement hand held mobile data collection tools to assist in managing information observed while assessing property values and will improve accuracy and efficiency of this important process.

BIS13 Risk Management & Claims Application System

The current Risk Management and Claims system "PC Comp" will be replaced to ensure continuity of business operations and develop business process improvements through system integration. This project will implement a new application for performing risk management and claims processing as well as develop interfaces for several functions that currently reside outside of the PC Comp system.

BIS14 Land Management System

Funding to assist with the purchase of a Land Management System

BIS15 Enterprise Address System

This project will deliver the functionality needed to create and maintain an official enterprise source of City of Minneapolis addresses and spatial locations.

BIS21 ERP Upgrade

Implement the most current version of PeopleSoft ERP

MISCELLANEOUS PROJECTS

ART01 Art in Public Places

This ongoing program incorporates public art into the City's capital program as standalone artworks or as integrated into public infrastructure.

CDA01 Heritage Park (Van White Bridge & Roadway)

The capital funds will be used to complete construction of Van White Boulevard, 4th St. N., alleys and other public service installations (sidewalks, trees, lights and utilities) within Heritage Park.

CTY02 City Property Reforestation



This is an ongoing Capital Program intended for the reforestation of public facility properties, industrial areas, and commercial corridors.

CTY05 City Hall Elevator Upgrade

Modernization of the existing hydraulic elevator located in the Property and Evidence Suite of City Hall

FIR11 New Fire Station No. 11

Planning, Design, and Construction of New Fire Station No. 11

MPD02 MPD Property & Evidence Warehouse

To acquire a site and provide suitable facilities for a Property and Evidence Storage Unit to be operated by the Minneapolis Police Department.

PSD03 Facilities - Space Improvements

Ongoing capital improvement program for the modification of interior spaces adhering to City adopted standards for space and furnishings.



BIK24 Major Bike Maintenance Program

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase/(Decrease)Amount: 0

Year Increase/(Decrease)Takes effect:

Describe Operating Cost Impacts and How Increases Will Be Funded:

Minimal decrease in operating costs by sealing of pavement, extending the life of the existing pavement.

BR101 Major Bridge Repair and Rehabilitation

Existing or New Infrastructure: Existing

Operating Cost Implication: (Decrease)

Increase/(Decrease)Amount: -20,000

Year Increase/(Decrease)Takes effect: 2011

Describe Operating Cost Impacts and How Increases Will Be Funded:

Analysis of "Route Maintenance" expenses

BR110 Northtown Rail Yard Bridge

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase/(Decrease)Amount: 0

Year Increase/(Decrease)Takes effect:

Describe Operating Cost Impacts and How Increases Will Be Funded:

BNSF owns the current bridge and pays all maintenance costs. The City of Minneapolis would be the owner of the new bridge and responsible for all maintenance costs. It is anticipated that there will not be any significant maintenance costs the first five years after the completion of construction.

CDA01 Heritage Park (Van White Bridge & Roadway)

Existing or New Infrastructure: New

Operating Cost Implication: No Change

Increase/(Decrease)Amount: 0

Year Increase/(Decrease)Takes effect:

Describe Operating Cost Impacts and How Increases Will Be Funded:

This is a replacement of existing infrastructure, no changes to current operating expenses are anticipated as a result of this project.

MBC01 Life Safety Improvements

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase/(Decrease)Amount: 0

Year Increase/(Decrease)Takes effect:

Describe Operating Cost Impacts and How Increases Will Be Funded:

Installation of sprinkler, smoke, and fire alarm systems will reduce insurance premiums for the building and also reduce the risk of property loss and potential lawsuits to the City and County. In 2005, property insurance costs for the building were reduced from \$57,500 to \$51,510. A portion of this savings can be attributed to the Life Safety Project.

No cost savings has been assigned for reduced risk of property loss.



MBC02 Mechanical Systems Upgrade

Existing or New Infrastructure: Existing

Operating Cost Implication: (Decrease)

Increase/(Decrease)Amount: -160,000

Year Increase/(Decrease)Takes effect: 2012

Describe Operating Cost Impacts and How Increases Will Be Funded:

Installation of four energy wheels has been scheduled for the years 2009 through 2013. The energy wheels will capture energy from exhaust air and utilize that energy to heat, cool, or humidify incoming ventilation air. Originally these outside air intake units were scheduled at the end of the project. They have been rescheduled to capitalize on energy savings and to coordinate construction sequencing issues. It is estimated that each of the four energy wheels will save \$40 thousand dollars per year for a total of \$160 thousand dollars annually after completion of the project.

MBC06 Clock Tower Upgrade

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase/(Decrease)Amount: 0

Year Increase/(Decrease)Takes effect:

Describe Operating Cost Impacts and How Increases Will Be Funded:

Operating Costs for the MBC are projected to be substantially unchanged by the project.



PRK01 Recreation Center and Site Improvements Program

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase/(Decrease)Amount: 0

Year Increase/(Decrease)Takes effect:

Describe Operating Cost Impacts and How Increases Will Be Funded:

This Minneapolis Park and Recreation Board has been working with McKinstry to review five recreation centers to determine possible energy savings based on their "Guaranteed Savings Performance Contract" Model. This work has revealed that the MPRB may be able to achieve 20 to 29% savings per building with lighting improvements and controls, temperature controls, building envelope improvements (door jams, window/door weather striping, wall/joist seams, roof intrusions), water conservation improvements and vending machine controls. Other improvements such as improved installation and new sensor activated water facets would result in additional savings. Adding air conditioning, however, will increase the costs of operating the building. The exact savings would depend on the current condition of the building.

Northeast Park is the only replacement facility in the program. The Park Board would transfer funds used to operate and program the current recreation center at Northeast Park to the new building. It would also seek new revenue from rentals and programming of the facility.

Comparable operating costs for a 13,000 square foot building are:

Electricity.....	\$21,185
Gas.....	8,863
Water/sewer.....	4,771
Trash removal.....	3,771
Phone.....	980
Alarm Service.....	350
ITS Fee.....	450
Total Building Costs.....	\$40,370

Maintenance Related Costs

Maintenance Supplies.....	\$ 10,000
Outdoor Maintenance.....	25,000
Park keeper (Salary and Fringe).....	87,000
Total Maintenance Costs.....	\$122,000

Recreation Related Costs

Recreation Programming.....	\$50,475
Other Operating Expenses.....	6,000
Center Director (Salary and Fringe).....	83,000
Total Recreation Costs.....	\$139,475

PRK02 Playground and Site Improvements Program

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase/(Decrease)Amount: 0

Year Increase/(Decrease)Takes effect:

Describe Operating Cost Impacts and How Increases Will Be Funded:

Operating costs are generally decreased, as replacement and updating of playgrounds reduce the need for spot repairs and removal of damaged or unsafe equipment.



PRK03 Shelter - Pool - Site Improvements Program

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase/(Decrease)Amount: 0

Year Increase/(Decrease)Takes effect:

Describe Operating Cost Impacts and How Increases Will Be Funded:

The current facilities are very old and use outdated pumps and heaters. New equipment and facilities will use less water and energy. Final figures cost savings will be determined as part of the design and engineering of the projects. Options such as solar heaters will be explored to reduce long-term energy costs.

PRK04 Athletic Fields and Site Improvements Program

Existing or New Infrastructure: Existing

Operating Cost Implication: Increase

Increase/(Decrease)Amount: 15,000

Year Increase/(Decrease)Takes effect: 2012

Describe Operating Cost Impacts and How Increases Will Be Funded:

This is based on costs of maintaining other upgraded neighborhood park fields, such as the newer field at King Park. Costs are associated with irrigation, aeration and fertilization of the turf. The increased cost is expected to be \$5,000 per year per field.

PRK22 Parking Lot and Lighting Improvement Program

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase/(Decrease)Amount: 0

Year Increase/(Decrease)Takes effect:

Describe Operating Cost Impacts and How Increases Will Be Funded:

Operating costs should be favorably impacted as there will be less need for pot-hole repair and crack filling.

PRKCP Neighborhood Parks Capital Infrastructure

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase/(Decrease)Amount: 0

Year Increase/(Decrease)Takes effect:

Describe Operating Cost Impacts and How Increases Will Be Funded:

Operating costs are generally decreased, as replacements reduce the need for spot repairs and, as in the case of furnaces, for example, employ updated and green technology that creates efficiency.

PV001 Parkway Paving Program

Existing or New Infrastructure: Existing

Operating Cost Implication: (Decrease)

Increase/(Decrease)Amount: -15,000

Year Increase/(Decrease)Takes effect: 2011

Describe Operating Cost Impacts and How Increases Will Be Funded:

This project decreases maintenance expenses by improving the quality of the existing pavement by replacing an aged driving surface with a new one, current estimate is approximately \$6,000 per mile saved annually.

PV006 Alley Renovation Program

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase/(Decrease)Amount: 0

Year Increase/(Decrease)Takes effect:

Describe Operating Cost Impacts and How Increases Will Be Funded:

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.



PV021 33rd Ave SE and Talmage Ave

Existing or New Infrastructure: Existing

Increase/(Decrease)Amount: -56,000

Describe Operating Cost Impacts and How Increases Will Be Funded:

Estimated average annual maintenance cost, based on past experience.

Operating Cost Implication: (Decrease)

Year Increase/(Decrease)Takes effect: 2011

PV028 Franklin/Cedar/Minnehaha Improvement Project

Existing or New Infrastructure: Existing

Increase/(Decrease)Amount: 5,000

Describe Operating Cost Impacts and How Increases Will Be Funded:

The roadway condition is not poor therefore there would not be a decrease in operating costs due to the reconstruction of the pavement section. This project may result in the installation of a new signal system and is also likely to include additional street and sidewalk area lighting. The additional lighting will result in a slight increase to the annual operating costs.

Operating Cost Implication: Increase

Year Increase/(Decrease)Takes effect: 2011

PV056 Asphalt Pavement Resurfacing Program

Existing or New Infrastructure: Existing

Increase/(Decrease)Amount: -100,000

Describe Operating Cost Impacts and How Increases Will Be Funded:

These projects decrease the maintenance expenses by removing and replacing the old deteriorated wearing surface of the roadway. An assumed amount of \$4,000 per mile and approximately 5 miles per year were used for a maintenance amount.

Operating Cost Implication: (Decrease)

Year Increase/(Decrease)Takes effect: 2011

PV059 Major Pavement Maintenance Program

Existing or New Infrastructure: Existing

Increase/(Decrease)Amount: -7,500

Describe Operating Cost Impacts and How Increases Will Be Funded:

Based on historical data from the maintenance department.

Operating Cost Implication: (Decrease)

Year Increase/(Decrease)Takes effect: 2011

PV061 High Volume Corridor Reconditioning Program

Existing or New Infrastructure: Existing

Increase/(Decrease)Amount: -36,000

Describe Operating Cost Impacts and How Increases Will Be Funded:

Because of the high volume of traffic, these corridors require a high level of maintenance which is assumed at \$6,000 per mile per year.

Operating Cost Implication: (Decrease)

Year Increase/(Decrease)Takes effect: 2011

PV062 Riverside Ave (Cedar Ave to Franklin Ave E)

Existing or New Infrastructure: Existing

Increase/(Decrease)Amount: -24,000

Describe Operating Cost Impacts and How Increases Will Be Funded:

Because of the age of the roadway and the high volume of traffic extraordinary maintenance is necessary to keep the roadway passable. The maintenance cost is based on an average cost of \$6,000 per mile per year.

Operating Cost Implication: (Decrease)

Year Increase/(Decrease)Takes effect: 2011



PV064 Garfield Ave (32nd to 33rd St W)

Existing or New Infrastructure: Existing

Operating Cost Implication: (Decrease)

Increase/(Decrease)Amount: -4,000

Year Increase/(Decrease)Takes effect: 2011

Describe Operating Cost Impacts and How Increases Will Be Funded:

Because of the sunken curb, maintenance crews are constantly called to this area to remove the ponding water and/or fill the sinking areas. However, maintenance funding is very limited, so most of the needed maintenance is not being accomplished.

PV99R Reimbursable Paving Projects

Existing or New Infrastructure: New

Operating Cost Implication: No Change

Increase/(Decrease)Amount: 0

Year Increase/(Decrease)Takes effect:

Describe Operating Cost Impacts and How Increases Will Be Funded:

SA001 Sanitary Tunnel & Sewer Rehabilitation Program

Existing or New Infrastructure: Existing

Operating Cost Implication: (Decrease)

Increase/(Decrease)Amount: -100,000

Year Increase/(Decrease)Takes effect:

Describe Operating Cost Impacts and How Increases Will Be Funded:

The decreased amount of operating costs represents savings in labor, equipment and material expenses associated with the ongoing maintenance and small repair of the areas in most need of rehabilitation within the sanitary sewer system.

SW004 Implementation of US EPA Storm Water Regulations

Existing or New Infrastructure: New

Operating Cost Implication: No Change

Increase/(Decrease)Amount: 0

Year Increase/(Decrease)Takes effect:

Describe Operating Cost Impacts and How Increases Will Be Funded:

Construction of new stormwater best management practices (BMPs) may require additional maintenance costs which will be paid for from the stormwater utility maintenance funding depending on the BMP constructed. These costs may be leveraged as capital construction costs to assure proper maintenance is done.

SW011 Storm Drains and Tunnels Rehabilitation Program

Existing or New Infrastructure: Existing

Operating Cost Implication: (Decrease)

Increase/(Decrease)Amount: -600,000

Year Increase/(Decrease)Takes effect:

Describe Operating Cost Impacts and How Increases Will Be Funded:

The decreased amount of operating costs represents savings in labor, equipment and material expenses associated with the ongoing maintenance and small repair of the areas in most need of rehabilitation within the storm drain tunnel system.



SW030 Alternative Stormwater Management Strategies

Existing or New Infrastructure: New

Operating Cost Implication: No Change

Increase/(Decrease)Amount: 0

Year Increase/(Decrease)Takes effect:

Describe Operating Cost Impacts and How Increases Will Be Funded:

This project may increase annual operating and maintenance costs of the Surface Water & Sewers Division of Public Works for maintenance of the BMPs. However, this project may decrease annual operating and maintenance costs of the same division for addressing localized flooding issues. Any increase would be paid from the Stormwater Utility enterprise fund.

SWK01 Defective Hazardous Sidewalks

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase/(Decrease)Amount: 0

Year Increase/(Decrease)Takes effect:

Describe Operating Cost Impacts and How Increases Will Be Funded:

This proposal has no effect on annual operating/maintenance costs. Funds for the operation of the Sidewalk Inspection office are provided by: 1) the Sidewalk Construction Permit fees paid by contractors, 2) Administrative fees paid by property owners when they are notified by the Sidewalk Inspections office and are required by ordinance to repair public sidewalk defects, or, when they request to use the City hired sidewalk contractor to make needed repairs to defective public sidewalk, and 3) Administrative fees paid by other City of Minneapolis departments when the sidewalk portion of their project work is constructed by the City hired sidewalk contractor. The cost of maintenance of the public sidewalks is required by ordinance (City Charter, Chapter 8, Section 12 and 13) to be paid for by the adjacent property owner.

TR008 Parkway Street Light Replacement

Existing or New Infrastructure: Existing

Operating Cost Implication: (Decrease)

Increase/(Decrease)Amount: -6,000

Year Increase/(Decrease)Takes effect: 2011

Describe Operating Cost Impacts and How Increases Will Be Funded:

It's estimated that personnel cost would be reduced by \$4,500 and equipment rental by \$1,500.

TR010 Traffic Management Systems

Existing or New Infrastructure: Existing

Operating Cost Implication: Increase

Increase/(Decrease)Amount: 150,000

Year Increase/(Decrease)Takes effect: 2011

Describe Operating Cost Impacts and How Increases Will Be Funded:

The signal retiming effort will not require any additional annual operating costs. The new traffic signal central system and associated communication network will have annual maintenance costs and license fees. At this time, it is anticipated that most of the maintenance for the computer hardware and support of the communication network will be provided by BIS and the vendor of the central system will provide maintenance and support of the central system software. The estimated annual cost for BIS support is \$100,000 and for vendor support is \$75,000. The annual cost for the current system is around \$125,000. This cost covers the vendor maintenance and support of the hardware and software. All other support is done by Traffic and Parking personnel. BIS does not support the current central system. The new annual operating cost for the new central system will be included in the Traffic and Parking Services Division operating budget.



TR011 City Street Light Renovation

Existing or New Infrastructure: Existing

Operating Cost Implication: (Decrease)

Increase/(Decrease)Amount: -15,000

Year Increase/(Decrease)Takes effect: 2011

Describe Operating Cost Impacts and How Increases Will Be Funded:

It's estimated that personnel cost would be reduced by \$6,000 and equipment rental by \$1,500. This project will replace existing lights resulting in a decrease in maintenance costs. Wattage will be reduced in some locations also resulting in an electrical savings.

TR021 Traffic Signals

Existing or New Infrastructure: Existing

Operating Cost Implication: (Decrease)

Increase/(Decrease)Amount: -80,000

Year Increase/(Decrease)Takes effect: 2011

Describe Operating Cost Impacts and How Increases Will Be Funded:

Replacement of old and obsolete traffic signal system equipment with capital funding will help reduce the amount of maintenance money that is used towards replacement of failing equipment. It also helps reduce the number of hours personnel spends maintaining the old and obsolete traffic signal system equipment and more hours can be used on work activities that were previously understaffed.

TR022 Traffic Safety Improvements

Existing or New Infrastructure: Existing

Operating Cost Implication: Increase

Increase/(Decrease)Amount: 24,000

Year Increase/(Decrease)Takes effect: 2011

Describe Operating Cost Impacts and How Increases Will Be Funded:

Overhead signal additions would increase operating costs by \$12.50 per unit per year. There are 76 overhead signal structures proposed for construction from 2011 to 2013. The railroad crossing safety improvement effort will add and remove infrastructure. Additions will primarily include medians, signs, and railroad devices. Most of the maintenance for the railroad devices will be done and paid for by the railroad company and not the City. The SRTS Program will replace some of the existing infrastructure. However, it's expected that potential increases may be realized with future infrastructure additions. The increased maintenance costs will be paid through the existing maintenance budget.

TR023 Trunk Highway 55 Signal Improvements

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase/(Decrease)Amount: 0

Year Increase/(Decrease)Takes effect:

Describe Operating Cost Impacts and How Increases Will Be Funded:

TR99R Reimbursable Transportation Projects

Existing or New Infrastructure: Existing

Operating Cost Implication: No Change

Increase/(Decrease)Amount: 0

Year Increase/(Decrease)Takes effect:

Describe Operating Cost Impacts and How Increases Will Be Funded:



WTR12 Water Distribution Improvements

Existing or New Infrastructure: Existing

Increase/(Decrease)Amount: 0

Describe Operating Cost Impacts and How Increases Will Be Funded:

Reduced maintenance needed for rehabilitated pipes.

Operating Cost Implication: No Change

Year Increase/(Decrease)Takes effect:

WTR23 Treatment Infrastructure Improvements

Existing or New Infrastructure: Existing

Increase/(Decrease)Amount: 0

Describe Operating Cost Impacts and How Increases Will Be Funded:

Generally plan for neutral change or decrease in operating cost. Attempt to improve efficiency wherever possible.

Operating Cost Implication: No Change

Year Increase/(Decrease)Takes effect:

WTR9R Reimbursable Watermain Projects

Existing or New Infrastructure:

Increase/(Decrease)Amount: 0

Describe Operating Cost Impacts and How Increases Will Be Funded:

Operating Cost Implication: No Change

Year Increase/(Decrease)Takes effect:



Capital Budget Detail for Funded Projects
Council Adopted Budget

		Budget in Thousands		2011	2012	2013	2014	2015	Total	
MUNICIPAL BUILDING COMMISSION	MBC01 Life Safety Improvements	Net Debt Bonds		200	200	340	200	300	1,240	
		Total		200	200	340	200	300	1,240	
	MBC02 Mechanical Systems Upgrade	Net Debt Bonds		785	500	500	645	500	2,930	
		Total		785	500	500	645	500	2,930	
	MBC06 Clock Tower Upgrade	Net Debt Bonds		0	36	839	0	0	875	
		Total		0	36	839	0	0	875	
	MBC09 Critical Power Capital Project	Net Debt Bonds		0	0	980	980	0	1,960	
		Total		0	0	980	980	0	1,960	
	CTY01 Restoration of Historic Reception Room	Net Debt Bonds		0	0	462	0	0	462	
		Total		0	0	462	0	0	462	
Total for Municipal Building Commission			985	736	3,121	1,825	800	7,467		
LIBRARY FUNDING - HENNEPIN COUNTY SYSTEM	LIB01 Library Merger Funding Commitments	Net Debt Bonds		1,040	0	0	0	0	1,040	
		Total		1,040	0	0	0	0	1,040	
	Total for Library Funding			1,040	0	0	0	0	1,040	
PARK BOARD	PRK01 Recreation Center and Site Improvements Program	Net Debt Bonds		0	2,000	2,000	0	0	4,000	
		Park Capital Levy		345	350	250	0	450	1,395	
		Total		345	2,350	2,250	0	450	5,395	
	PRK02 Playground and Site Improvements Program	Net Debt Bonds		0	0	0	0	650	650	
		Park Capital Levy		350	250	0	750	715	2,065	
		Total		350	250	0	750	1,365	2,715	
	PRK03 Shelter - Pool - Site Improvements Program	Net Debt Bonds		2,000	0	0	1,500	0	3,500	
		Park Capital Levy		400	600	500	0	0	1,500	
		Transfer from Special Revenue Funds		500	500	500	0	0	1,500	
		Total		2,900	1,100	1,000	1,500	0	6,500	
	PRK04 Athletic Fields and Site Improvements Program	Net Debt Bonds		0	0	0	500	1,350	1,850	
		Park Capital Levy		200	200	650	650	0	1,700	
		Total		200	200	650	1,150	1,350	3,550	
	PRK22 Parking Lot and Lighting Improvement Program	Park Capital Levy		105	0	0	0	35	140	
Total			105	0	0	0	35	140		
PRKCP Neighborhood Parks Capital Infrastructure	Park Capital Levy		100	100	100	100	300	700		
	Total		100	100	100	100	300	700		
PRKDT Diseased Tree Removal	Special Assessments		500	500	500	500	500	2,500		
	Total		500	500	500	500	500	2,500		
Total for Park Board			4,500	4,500	4,500	4,000	4,000	21,500		
PUBLIC WORKS DEPARTMENT	FACILITY IMPROVEMENTS	PSD01 Facilities - Repair and Improvements	Net Debt Bonds		1,125	1,075	830	1,115	1,200	5,345
			Total		1,125	1,075	830	1,115	1,200	5,345
		PSD11 Energy Conservation and Emission Reduction	Net Debt Bonds		300	500	500	500	500	2,300
			Total		300	500	500	500	500	2,300
	Total for FACILITY IMPROVEMENTS			1,425	1,575	1,330	1,615	1,700	7,645	
	STREET PAVING	PV001 Parkway Paving Program	Net Debt Bonds		0	500	500	700	475	2,175



Capital Budget Detail for Funded Projects
Council Adopted Budget

PUBLIC WORKS DEPARTMENT

		Budget in Thousands						Total
		2011	2012	2013	2014	2015	Total	
STREET PAVING	PV001 Parkway Paving Program	Special Assessments	0	50	50	50	50	200
		Transfer from Special Revenue Funds	150	150	150	0	0	450
		Total	150	700	700	750	525	2,825
	PV004 CSAH Paving Program	Net Debt Bonds	0	400	1,000	1,850	1,850	5,100
		Municipal State Aid	850	0	0	0	0	850
		Special Assessments	675	750	750	750	750	3,675
		Total	1,525	1,150	1,750	2,600	2,600	9,625
	PV005 Snelling Ave Extension	Net Debt Bonds	0	0	0	200	0	200
		Total	0	0	0	200	0	200
	PV006 Alley Renovation Program	Net Debt Bonds	128	0	0	200	200	528
		Special Assessments	225	200	200	200	200	1,025
		Transfer from General Fund	800	800	800	800	800	4,000
		Transfer from Special Revenue Funds	200	200	200	0	0	600
		Total	1,353	1,200	1,200	1,200	1,200	6,153
	PV007 University Research Park/Central Corridor	Municipal State Aid	0	0	0	0	2,150	2,150
		Special Assessments	0	0	325	325	0	650
		Stormwater Revenue	0	0	1,150	400	200	1,750
		Federal Government Grants	0	0	7,000	0	3,600	10,600
		State Government Grants	0	0	6,804	0	6,500	13,304
		Other Local Governments	0	0	13,566	8,140	32,400	54,106
	Total	0	0	28,845	8,865	44,850	82,560	
	PV021 33rd Ave SE and Talmage Ave	Net Debt Bonds	495	1,650	0	0	0	2,145
		Municipal State Aid	490	480	0	0	0	970
Special Assessments		670	315	0	0	0	985	
Stormwater Revenue		110	110	0	0	0	220	
Total		1,765	2,555	0	0	0	4,320	
PV028 Franklin/Cedar/Minnehaha Improvement Project	Net Debt Bonds	355	0	0	0	0	355	
	Municipal State Aid	365	0	0	0	0	365	
	Special Assessments	80	0	0	0	0	80	
	Federal Government Grants	1,835	0	0	0	0	1,835	
	Other Local Governments	660	0	0	0	0	660	
	Total	3,295	0	0	0	0	3,295	
PV038 Winter St NE Residential/Commercial	Net Debt Bonds	0	0	2,603	197	0	2,800	
	Special Assessments	0	0	2,040	0	0	2,040	



Capital Budget Detail for Funded Projects Council Adopted Budget

PUBLIC WORKS DEPARTMENT

		Budget in Thousands					2011	2012	2013	2014	2015	Total
STREET PAVING	PV038 Winter St NE Residential/Commercial	Stormwater Revenue	0	0	105	0	0	105	0	0	105	
		Total	0	0	4,748	197	0	4,945				
	PV056 Asphalt Pavement Resurfacing Program	Net Debt Bonds	400	400	400	2,422	2,400	6,022				
		Municipal State Aid	500	500	500	500	500	2,500				
		Special Assessments	3,550	3,600	3,600	3,650	3,600	18,000				
		Transfer from General Fund	4,200	4,200	3,500	4,200	4,200	20,300				
		Transfer from Special Revenue Funds	2,000	2,000	2,700	0	0	6,700				
		Total	10,650	10,700	10,700	10,772	10,700	53,522				
	PV057 Nicollet Ave (31st St E to 40th St E)	Net Debt Bonds	0	2,831	1,062	0	0	3,893				
		Municipal State Aid	0	3,067	2,960	0	0	6,027				
		Special Assessments	0	985	985	0	0	1,970				
		Stormwater Revenue	0	175	175	0	0	350				
		Water Revenue	0	110	110	0	0	220				
		Total	0	7,168	5,292	0	0	12,460				
	PV059 Major Pavement Maintenance Program	Transfer from General Fund	2,000	2,000	2,000	2,000	2,000	10,000				
		Transfer from Special Revenue Funds	613	1,000	800	0	0	2,413				
		Total	2,613	3,000	2,800	2,000	2,000	12,413				
	PV061 High Volume Corridor Reconditioning Program	Net Debt Bonds	330	75	110	520	2,200	3,235				
		Municipal State Aid	0	0	500	1,700	500	2,700				
		Special Assessments	565	500	500	830	900	3,295				
		Transfer from General Fund	2,000	2,000	2,000	2,000	2,000	10,000				
Transfer from Special Revenue Funds		500	500	0	0	0	1,000					
Total	3,395	3,075	3,110	5,050	5,600	20,230						
PV062 Riverside Ave (Cedar Ave to Franklin Ave E)	Net Debt Bonds	1,985	3,062	0	0	0	5,047					
	Municipal State Aid	2,140	1,818	0	0	0	3,958					
	Special Assessments	825	825	0	0	0	1,650					
	Stormwater Revenue	320	325	0	0	0	645					
	Total	5,270	6,030	0	0	0	11,300					
PV064 Garfield Ave (32nd to 33rd St W)	Net Debt Bonds	375	0	0	0	0	375					
	Total	375	0	0	0	0	375					
PV066 MnDOT Cooperative Projects	Net Debt Bonds	0	0	50	50	0	100					
	Municipal State Aid	0	0	150	150	0	300					
	Total	0	0	200	200	0	400					
PV067 Nawadaha Blvd & Minnehaha Ave	Net Debt Bonds	0	0	0	600	0	600					
	Municipal State Aid	0	0	0	2,150	0	2,150					



Capital Budget Detail for Funded Projects
Council Adopted Budget

PUBLIC WORKS DEPARTMENT

			Budget in Thousands					
			2011	2012	2013	2014	2015	Total
STREET PAVING	PV067 Nawadaha Blvd & Minnehaha Ave	Special Assessments	0	0	0	350	0	350
		Stormwater Revenue	0	0	0	400	0	400
		Total	0	0	0	3,500	0	3,500
	PV068 LaSalle Ave (Grant to 8th)	Net Debt Bonds	0	0	0	1,550	0	1,550
		Municipal State Aid	0	0	0	1,950	0	1,950
		Special Assessments	0	0	0	670	0	670
		Stormwater Revenue	0	0	0	500	0	500
		Total	0	0	0	4,670	0	4,670
	PV070 Riverside Phase II - 4th St/15th Ave	Net Debt Bonds	0	600	400	0	0	1,000
		Total	0	600	400	0	0	1,000
	PV99R Reimbursable Paving Projects	Reimbursements	3,500	3,500	3,500	3,500	3,500	17,500
		Total	3,500	3,500	3,500	3,500	3,500	17,500
	Total for STREET PAVING			33,891	39,678	63,245	43,504	70,975
SIDEWALKS	SWK01 Defective Hazardous Sidewalks	Net Debt Bonds	215	225	235	245	255	1,175
		Special Assessments	2,665	2,795	2,925	3,070	3,215	14,670
		Total	2,880	3,020	3,160	3,315	3,470	15,845
	Total for SIDEWALKS			2,880	3,020	3,160	3,315	3,470
BRIDGES	BR101 Major Bridge Repair and Rehabilitation	Net Debt Bonds	300	300	400	400	400	1,800
		Total	300	300	400	400	400	1,800
	BR109 Camden Bridge Rehabilitation	Municipal State Aid	845	0	0	0	0	845
		Total	845	0	0	0	0	845
	BR110 Northtown Rail Yard Bridge	Net Debt Bonds	2,535	0	0	0	0	2,535
		Municipal State Aid	5,125	0	0	0	0	5,125
		Special Assessments	330	0	0	0	0	330
		Stormwater Revenue	40	0	0	0	0	40
		Federal Government Grants	8,960	0	0	0	0	8,960
		State Government Grants	7,600	0	0	0	0	7,600
		Other Miscellaneous Revenues	1,000	0	0	0	0	1,000
		Total	25,590	0	0	0	0	25,590
	BR111 10th Ave SE Bridge Arch Rehabilitation	Net Debt Bonds	0	0	1,200	0	0	1,200
		Municipal State Aid	0	0	2,195	0	0	2,195
		Federal Government Grants	0	0	7,605	0	0	7,605
		Total	0	0	11,000	0	0	11,000
	BR112 Nicollet Ave Reopening	Net Debt Bonds	0	0	0	0	1,000	1,000
		Municipal State Aid	0	0	0	0	1,275	1,275
		Federal Government Grants	0	0	0	0	3,000	3,000



Capital Budget Detail for Funded Projects
Council Adopted Budget

PUBLIC WORKS DEPARTMENT

		Budget in Thousands		2011	2012	2013	2014	2015	Total
BRIDGES	BR112 Nicollet Ave Reopening	Total	0	0	0	0	0	5,275	5,275
	BR114 Midtown Corridor Bridge Preservation Program	Net Debt Bonds	0	0	630	0	1,480	2,110	
		Federal Government Grants	0	0	1,000	0	0	1,000	
		Other Miscellaneous Revenues	0	0	370	0	1,000	1,370	
	Total	0	0	2,000	0	2,480	4,480		
Total for BRIDGES			26,735	300	13,400	400	8,155	48,990	
TRAFFIC CONTROL & STREET LIGHTING	TR008 Parkway Street Light Replacement	Net Debt Bonds	150	150	150	350	350	1,150	
		Transfer from Special Revenue Funds	150	150	150	0	0	450	
		Total	300	300	300	350	350	1,600	
	TR010 Traffic Management Systems	Net Debt Bonds	25	25	0	0	200	250	
		Municipal State Aid	50	50	0	0	250	350	
		Federal Government Grants	400	400	0	0	2,750	3,550	
		Hennepin County Grants	50	50	0	0	500	600	
		Total	525	525	0	0	3,700	4,750	
	TR011 City Street Light Renovation	Net Debt Bonds	0	200	100	350	350	1,000	
		Transfer from Special Revenue Funds	900	900	900	0	0	2,700	
		Total	900	1,100	1,000	350	350	3,700	
	TR021 Traffic Signals	Net Debt Bonds	500	465	200	285	325	1,775	
		Municipal State Aid	530	530	0	125	325	1,510	
		Federal Government Grants	2,400	2,400	0	0	0	4,800	
		Hennepin County Grants	400	400	0	125	245	1,170	
		Total	3,830	3,795	200	535	895	9,255	
	TR022 Traffic Safety Improvements	Net Debt Bonds	495	270	330	455	490	2,040	
		Municipal State Aid	175	755	695	425	225	2,275	
		Federal Government Grants	220	835	500	0	500	2,055	
		Hennepin County Grants	215	636	150	1,110	890	3,001	
		Total	1,105	2,496	1,675	1,990	2,105	9,371	
	TR023 Trunk Highway 55 Signal Improvements	Net Debt Bonds	150	100	0	0	0	250	
		Total	150	100	0	0	0	250	
TR99R Reimbursable Transportation Projects	Reimbursements	600	600	600	600	600	3,000		
	Total	600	600	600	600	600	3,000		
Total for TRAFFIC CONTROL & STREET LIGHTING			7,410	8,916	3,775	3,825	8,000	31,926	
BIKE TRAILS	BIK20 Hiawatha LRT Trail Lighting/Trail Extension	Net Debt Bonds	0	0	0	375	0	375	



Capital Budget Detail for Funded Projects
Council Adopted Budget

PUBLIC WORKS DEPARTMENT

			Budget in Thousands					Total
			2011	2012	2013	2014	2015	
BIKE TRAILS	BIK20 Hiawatha LRT Trail Lighting/Trail Extension	Federal Government Grants	0	0	0	1,000	0	1,000
		Total	0	0	0	1,375	0	1,375
	BIK24 Major Bike Maintenance Program	Transfer from Special Revenue Funds	100	100	100	0	0	300
		Total	100	100	100	0	0	300
	Total for BIKE TRAILS			100	100	100	1,375	0
SANITARY SEWERS	SA001 Sanitary Tunnel & Sewer Rehabilitation Program	Sanitary Bonds	1,000	1,000	1,000	1,000	1,000	5,000
		Total	1,000	1,000	1,000	1,000	1,000	5,000
	SA036 Infiltration & Inflow Removal Program	Sanitary Bonds	4,000	5,500	6,000	6,000	6,000	27,500
		Total	4,000	5,500	6,000	6,000	6,000	27,500
	Total for SANITARY SEWERS			5,000	6,500	7,000	7,000	7,000
STORM SEWERS	SW004 Implementation of US EPA Storm Water Regulations	Stormwater Revenue	250	250	250	250	250	1,250
		Total	250	250	250	250	250	1,250
	SW005 Combined Sewer Overflow Improvements	Stormwater Bonds	2,500	1,500	1,500	1,500	1,500	8,500
		Total	2,500	1,500	1,500	1,500	1,500	8,500
	SW011 Storm Drains and Tunnels Rehabilitation Program	Stormwater Bonds	8,000	7,300	7,800	7,500	6,400	37,000
		Stormwater Revenue	1,800	1,000	1,500	1,500	1,500	7,300
		Total	9,800	8,300	9,300	9,000	7,900	44,300
	SW018 Flood Area 29 & 30 - Fulton Neighborhood	Stormwater Bonds	0	0	0	900	1,055	1,955
		Other Local Governments	0	0	0	2,388	5,525	7,913
		Total	0	0	0	3,288	6,580	9,868
	SW030 Alternative Stormwater Management Strategies	Stormwater Revenue	1,000	1,000	1,000	1,000	1,000	5,000
		Total	1,000	1,000	1,000	1,000	1,000	5,000
	SW032 I-35W Storm Tunnel Reconstruction	Stormwater Bonds	0	0	0	0	1,000	1,000
		Total	0	0	0	0	1,000	1,000
	SW033 Flood Area 22 - Sibley Field	Stormwater Revenue	0	280	0	0	0	280
		Other Local Governments	0	2,735	0	0	0	2,735
		Total	0	3,015	0	0	0	3,015
	SW034 Flood Area 21 - Bloomington Pond	Stormwater Revenue	0	0	445	0	0	445
		Other Local Governments	0	0	4,395	0	0	4,395
		Total	0	0	4,840	0	0	4,840
SW038 Flood Area 5 - North Minneapolis Neighborhoods	Stormwater Bonds	0	0	3,680	4,500	5,400	13,580	
	Other Local Governments	0	0	320	0	0	320	
	Total	0	0	4,000	4,500	5,400	13,900	
SW99R Reimbursable Sewer & Storm Drain Projects	Reimbursements	3,000	3,000	3,000	3,000	3,000	15,000	
	Total	3,000	3,000	3,000	3,000	3,000	15,000	
Total for STORM SEWERS			16,550	17,065	23,890	22,538	26,630	106,673
WATER INFRASTRUCTURE	WTR12 Water Distribution Improvements	Water Revenue	4,000	5,000	5,000	5,000	5,000	24,000
		Total	4,000	5,000	5,000	5,000	5,000	24,000
	WTR18 Hiawatha Water Maintenance Facility	Water Bonds	0	0	0	0	3,000	3,000
		Total	0	0	0	0	3,000	3,000



Capital Budget Detail for Funded Projects Council Adopted Budget

		Budget in Thousands	2011	2012	2013	2014	2015	Total	
PUBLIC WORKS DEPARTMENT	WATER INFRASTRUCTURE	WTR23 Treatment Infrastructure Improvements	Water Revenue	3,000	3,000	3,000	3,000	3,000	15,000
		Total	3,000	3,000	3,000	3,000	3,000	3,000	15,000
	WTR9R Reimbursable Watermain Projects	Reimbursements	2,000	2,000	2,000	2,000	2,000	2,000	10,000
		Total	2,000	2,000	2,000	2,000	2,000	2,000	10,000
	Total for WATER INFRASTRUCTURE		9,000	10,000	10,000	10,000	13,000	52,000	
PARKING RAMPS	RMP01 Parking Facilities - Repair and Improvements	Parking Bonds	1,700	1,700	0	0	0	3,400	
		Total	1,700	1,700	0	0	0	3,400	
	Total for PARKING RAMPS		1,700	1,700	0	0	0	3,400	
Total for Public Works			104,691	88,854	125,900	93,572	138,930	551,947	

BUSINESS INFORMATION SERVICES	BIS03 Enterprise Document Management	Net Debt Bonds	100	250	100	100	250	800
		Total	100	250	100	100	250	800
	BIS04 Enterprise Infrastructure Capacity Upgrade	Net Debt Bonds	400	450	450	450	450	2,200
		Total	400	450	450	450	450	2,200
	BIS06 GIS Application Infrastructure Upgrade	Net Debt Bonds	0	50	50	50	50	200
		Total	0	50	50	50	50	200
	BIS08 Enterprise Security	Net Debt Bonds	100	0	0	0	0	100
		Total	100	0	0	0	0	100
	BIS12 Mobile Assessor	Net Debt Bonds	150	0	0	0	0	150
		Total	150	0	0	0	0	150
	BIS13 Risk Management & Claims Application System	Net Debt Bonds	250	0	0	0	0	250
		Total	250	0	0	0	0	250
Total for Business Information Services		1,000	750	600	600	750	3,700	

MISCELLANEOUS PROJECTS	ART01 Art in Public Places	Net Debt Bonds	327	346	354	361	400	1,788
		Total	327	346	354	361	400	1,788
	CDA01 Heritage Park (Van White Bridge & Roadway)	Net Debt Bonds	500	0	0	0	0	500
		Stormwater Revenue	250	0	0	0	0	250
		Total	750	0	0	0	0	750
	CTY02 City Property Reforestation	Net Debt Bonds	150	150	150	150	150	750
		Total	150	150	150	150	150	750
	FIR11 New Fire Station No. 11	Net Debt Bonds	0	0	0	0	1,475	1,475
		Total	0	0	0	0	1,475	1,475
	PSD03 Facilities - Space Improvements	Net Debt Bonds	500	500	750	750	750	3,250
		Total	500	500	750	750	750	3,250
	Total for Miscellaneous Projects		1,727	996	1,254	1,261	2,775	8,013

Grand Total			113,943	95,836	135,375	101,258	147,255	593,667
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Council Adopted Utility Rates

Supporting 2011 - 2015 Enterprise Operations, Capital Programs & Debt Repayment

Stormwater Rates

2010 Council Adopted Stormwater Rates

Effective Date	Increase	Total Rate*	% Change
01/01/10	0.320	11.09	3.0%
01/01/11	0.330	11.42	3.0%
01/01/12	0.230	11.65	2.0%
01/01/13	0.230	11.88	2.0%
01/01/14	0.240	12.12	2.0%

2011 Council Adopted Stormwater Rates

Effective Date	Increase	Total Rate*	% Change***
01/01/10		11.09	
01/01/11	0.330	11.42	3.0%
01/01/12	0.280	11.70	2.5%
01/01/13	0.230	11.93	2.0%
01/01/14	0.240	12.17	2.0%
01/01/15	0.240	12.41	2.0%

* - Expressed in \$/Equivalent Stormwater Unit (ESU) where 1 ESU = 1,530 square feet of impervious (hard surface) area.

Sanitary Sewer Rates

2010 Council Adopted Sanitary Sewer Rates

Effective Date	Increase	Total Rate**	% Change
01/01/10	0.320	2.93	6.5%
01/01/11	0.240	3.17	8.2%
01/01/12	0.240	3.41	7.6%
01/01/13	0.240	3.65	7.0%
01/01/14	0.240	3.89	6.6%

2011 Council Adopted Sanitary Sewer Rates

Effective Date	Increase	Total Rate**	% Change
01/01/10		2.93	
01/01/11	0.120	3.05	4.1%
01/01/12	0.130	3.18	4.3%
01/01/13	0.110	3.29	3.5%
01/01/14	0.130	3.42	4.0%
01/01/15	0.150	3.57	4.4%

Water Rates

2010 Council Adopted Water Rates

Effective Date	Increase	Total Rate**	% Change
01/01/10	0.140	3.05	4.8%
01/01/11	0.150	3.20	4.9%
01/01/12	0.160	3.36	5.0%
01/01/13	0.180	3.54	5.4%
01/01/14	0.180	3.72	5.1%

2011 Council Adopted Water Rates

Effective Date	Increase	Total Rate**	% Change
01/01/10		3.05	
01/01/11	0.150	3.20	4.9%
01/01/12	0.160	3.36	5.0%
01/01/13	0.180	3.54	5.4%
01/01/14	0.180	3.72	5.1%
01/01/15	0.170	3.89	4.6%

** - Sanitary Sewer and Water Rates are expressed in \$/100 Cubic Feet of Water Consumption



Minneapolis 2011 Capital Budget Decision Summary

Project	Submitting Agency	Department Requested	CLIC Recommended	Mayor's Recommended	Council Adopted
ART01 Art in Public Places	CPED	307	307	327	327
BIK24 Major Bike Maintenance Program	Public Works	100	100	100	100
BIS03 Enterprise Document Management	BIS Department	100	100	100	100
BIS04 Enterprise Infrastructure Capacity Upgrade	BIS Department	500	450	400	400
BIS06 GIS Application Infrastructure Upgrade	BIS Department	50	50		
BIS08 Enterprise Security	BIS Department	520		100	100
BIS12 Mobile Assessor	BIS Department	150	150	150	150
BIS13 Risk Management & Claims Application System	BIS Department	250	250	250	250
BIS14 Land Management System	BIS Department	269			
BIS15 Enterprise Address System	BIS Department	50			
BR101 Major Bridge Repair and Rehabilitation	Public Works	300	300	300	300
BR109 Camden Bridge Rehabilitation	Public Works	845	845	845	845
BR110 Northtown Rail Yard Bridge	Public Works	25,590	25,358	25,590	25,590
CDA01 Heritage Park (Van White Bridge & Roadway)	CPED	750	750	750	750
CTY02 City Property Reforestation	Public Works	150	150	150	150
LIB01 Library Merger Funding Commitments	Other Departments	1,040	1,040	1,040	1,040
MBC01 Life Safety Improvements	MBC	200	200	200	200
MBC02 Mechanical Systems Upgrade	MBC	785	640	785	785
MBC06 Clock Tower Upgrade	MBC	275			
PRK01 Recreation Center and Site Improvements Program	Park Board	345	345	345	345
PRK02 Playground and Site Improvements Program	Park Board	350	350	350	350
PRK03 Shelter - Pool - Site Improvements Program	Park Board	2,900	2,900	2,900	2,900
PRK04 Athletic Fields and Site Improvements Program	Park Board	200	200	200	200
PRK22 Parking Lot and Lighting Improvement Program	Park Board	105	105	105	105
PRKCP Neighborhood Parks Capital Infrastructure	Park Board	100	100	550	100
PRKDT Diseased Tree Removal	Park Board	500	500	500	500
PSD01 Facilities - Repair and Improvements	Public Works	1,125	1,125	1,125	1,125
PSD03 Facilities - Space Improvements	Public Works	500	500	500	500
PSD11 Energy Conservation and Emission Reduction	Public Works	300	300	300	300
PV001 Parkway Paving Program	Public Works	150	150		150
PV004 CSAH Paving Program	Public Works	1,525	1,525	1,525	1,525
PV006 Alley Renovation Program	Public Works	550	267	1,353	1,353
PV021 33rd Ave SE and Talmage Ave	Public Works	1,765		1,765	1,765
PV028 Franklin/Cedar/Minnehaha Improvement Project	Public Works	3,295	3,295	3,295	3,295
PV056 Asphalt Pavement Resurfacing Program	Public Works	4,400	4,400	10,650	10,650
PV059 Major Pavement Maintenance Program	Public Works	1,000	1,000	2,613	2,613
PV061 High Volume Corridor Reconditioning Program	Public Works	1,080	1,080	3,395	3,395
PV062 Riverside Ave (Cedar Ave to Franklin Ave E)	Public Works	5,270	5,270	5,270	5,270
PV064 Garfield Ave (32nd to 33rd St W)	Public Works	375	375	375	375
PV99R Reimbursable Paving Projects	Public Works	3,500	3,500	3,500	3,500
RMP01 Parking Facilities - Repair and Improvements	Public Works	1,700	1,700	1,700	1,700
SA001 Sanitary Tunnel & Sewer Rehabilitation Program	Public Works	1,000	1,000	1,000	1,000
SA036 Infiltration & Inflow Removal Program	Public Works	4,000	4,000	4,000	4,000
SW004 Implementation of US EPA Storm Water Regulations	Public Works	250	250	250	250
SW005 Combined Sewer Overflow Improvements	Public Works	2,500	2,500	2,500	2,500



Minneapolis 2011 Capital Budget Decision Summary

Project	Submitting Agency	Department Requested	CLIC Recommended	Mayor's Recommended	Council Adopted
SW011 Storm Drains and Tunnels Rehabilitation Program	Public Works	3,500	9,800	9,800	9,800
SW030 Alternative Stormwater Management Strategies	Public Works	1,000	1,000	1,000	1,000
SW99R Reimbursable Sewer & Storm Drain Projects	Public Works	3,000	3,000	3,000	3,000
SWK01 Defective Hazardous Sidewalks	Public Works	2,880	2,880	2,880	2,880
TR008 Parkway Street Light Replacement	Public Works	300	300		300
TR010 Traffic Management Systems	Public Works	525	525	525	525
TR011 City Street Light Renovation	Public Works	1,000	1,000	1,000	900
TR021 Traffic Signals	Public Works	3,830	3,830	3,580	3,830
TR022 Traffic Safety Improvements	Public Works	1,175	1,175	1,155	1,105
TR023 Trunk Highway 55 Signal Improvements	Public Works			250	150
TR99R Reimbursable Transportation Projects	Public Works	600	600	600	600
WTR12 Water Distribution Improvements	Public Works	1,000	1,000	1,000	4,000
WTR23 Treatment Infrastructure Improvements	Public Works	3,000	3,000	3,000	3,000
WTR9R Reimbursable Watermain Projects	Public Works	2,000	2,000	2,000	2,000
	Total	94,826	97,537	110,943	113,943



Minneapolis 2012 Capital Budget Decision Summary

Project	Submitting Agency	Department Requested	CLIC Recommended	Mayor's Recommended	Council Adopted
ART01 Art in Public Places	CPED	346	346	346	346
BIK24 Major Bike Maintenance Program	Public Works	100	100	100	100
BIS03 Enterprise Document Management	BIS Department	250	250	250	250
BIS04 Enterprise Infrastructure Capacity Upgrade	BIS Department	500	450	450	450
BIS06 GIS Application Infrastructure Upgrade	BIS Department	50	50	50	50
BIS08 Enterprise Security	BIS Department	450			
BIS14 Land Management System	BIS Department	9,291			
BIS15 Enterprise Address System	BIS Department	50			
BR101 Major Bridge Repair and Rehabilitation	Public Works	300	300	300	300
BR110 Northtown Rail Yard Bridge	Public Works		232		
CTY02 City Property Reforestation	Public Works	150	150	150	150
MBC01 Life Safety Improvements	MBC	340	200	200	200
MBC02 Mechanical Systems Upgrade	MBC	500	500	500	500
MBC04 MBC Elevators	MBC	170			
MBC06 Clock Tower Upgrade	MBC	36	36	36	36
PRK01 Recreation Center and Site Improvements Program	Park Board	2,350	2,350	2,350	2,350
PRK02 Playground and Site Improvements Program	Park Board	250	250	250	250
PRK03 Shelter - Pool - Site Improvements Program	Park Board	1,100	1,100	1,100	1,100
PRK04 Athletic Fields and Site Improvements Program	Park Board	200	200	200	200
PRKCP Neighborhood Parks Capital Infrastructure	Park Board	100	100	600	100
PRKDT Diseased Tree Removal	Park Board	500	500	500	500
PSD01 Facilities - Repair and Improvements	Public Works	1,075	1,075	1,075	1,075
PSD03 Facilities - Space Improvements	Public Works	500	500	500	500
PSD11 Energy Conservation and Emission Reduction	Public Works	500	500	500	500
PV001 Parkway Paving Program	Public Works	700	700		700
PV004 CSAH Paving Program	Public Works	1,750	1,750	1,150	1,150
PV006 Alley Renovation Program	Public Works	267	267	1,200	1,200
PV021 33rd Ave SE and Talmage Ave	Public Works	2,555	1,765	2,555	2,555
PV056 Asphalt Pavement Resurfacing Program	Public Works	4,400	4,400	10,850	10,700
PV057 Nicollet Ave (31st St E to 40th St E)	Public Works	7,323	7,091	7,168	7,168
PV059 Major Pavement Maintenance Program	Public Works	1,000	1,000	3,000	3,000
PV061 High Volume Corridor Reconditioning Program	Public Works	825	825	3,075	3,075
PV062 Riverside Ave (Cedar Ave to Franklin Ave E)	Public Works	6,030	6,030	6,030	6,030
PV070 Riverside Phase II - 4th St/15th Ave	Public Works			600	600
PV99R Reimbursable Paving Projects	Public Works	3,500	3,500	3,500	3,500
RMP01 Parking Facilities - Repair and Improvements	Public Works	1,700	1,700	1,700	1,700
SA001 Sanitary Tunnel & Sewer Rehabilitation Program	Public Works	1,000	1,000	1,000	1,000
SA036 Infiltration & Inflow Removal Program	Public Works	5,500	5,500	5,500	5,500
SW004 Implementation of US EPA Storm Water Regulations	Public Works	250	250	250	250
SW005 Combined Sewer Overflow Improvements	Public Works	1,500	1,500	1,500	1,500
SW011 Storm Drains and Tunnels Rehabilitation Program	Public Works	3,500	8,300	8,300	8,300
SW030 Alternative Stormwater Management Strategies	Public Works	1,000	1,000	1,000	1,000
SW033 Flood Area 22 - Sibley Field	Public Works	3,015	3,015	3,015	3,015
SW99R Reimbursable Sewer & Storm Drain Projects	Public Works	3,000	3,000	3,000	3,000
SWK01 Defective Hazardous Sidewalks	Public Works	3,020	3,020	3,020	3,020



Minneapolis 2012 Capital Budget Decision Summary

Project	Submitting Agency	Department Requested	CLIC Recommended	Mayor's Recommended	Council Adopted
TR008 Parkway Street Light Replacement	Public Works	300	300		300
TR010 Traffic Management Systems	Public Works	525	525	525	525
TR011 City Street Light Renovation	Public Works	1,000	1,000	1,300	1,100
TR021 Traffic Signals	Public Works	3,995	3,995	3,995	3,795
TR022 Traffic Safety Improvements	Public Works	2,496	2,496	2,496	2,496
TR023 Trunk Highway 55 Signal Improvements	Public Works				100
TR99R Reimbursable Transportation Projects	Public Works	600	600	600	600
WTR12 Water Distribution Improvements	Public Works	1,500	1,500	1,500	5,000
WTR23 Treatment Infrastructure Improvements	Public Works	3,000	3,000	3,000	3,000
WTR9R Reimbursable Watermain Projects	Public Works	2,000	2,000	2,000	2,000
	Total	86,359	80,218	92,286	95,836



Minneapolis 2013 Capital Budget Decision Summary

Project	Submitting Agency	Department Requested	CLIC Recommended	Mayor's Recommended	Council Adopted
ART01 Art in Public Places	CPED	354	354	354	354
BIK24 Major Bike Maintenance Program	Public Works	100	100	100	100
BIS03 Enterprise Document Management	BIS Department	100	100	100	100
BIS04 Enterprise Infrastructure Capacity Upgrade	BIS Department	500	450	450	450
BIS06 GIS Application Infrastructure Upgrade	BIS Department	50	50	50	50
BIS08 Enterprise Security	BIS Department	100			
BIS14 Land Management System	BIS Department	2,440			
BIS15 Enterprise Address System	BIS Department	50			
BIS21 ERP Upgrade	BIS Department	1,000			
BR101 Major Bridge Repair and Rehabilitation	Public Works	400	400	400	400
BR111 10th Ave SE Bridge Arch Rehabilitation	Public Works	11,000	11,000	11,000	11,000
BR114 Midtown Corridor Bridge Preservation Program	Public Works	2,000	2,000	2,000	2,000
CTY01 Restoration of Historic Reception Room	MBC	500	462	462	462
CTY02 City Property Reforestation	Public Works	150	150	150	150
MBC01 Life Safety Improvements	MBC	300	340	340	340
MBC02 Mechanical Systems Upgrade	MBC	500	645	500	500
MBC04 MBC Elevators	MBC	490			
MBC06 Clock Tower Upgrade	MBC	564	839	839	839
MBC09 Critical Power Capital Project	MBC	980	980	980	980
PRK01 Recreation Center and Site Improvements Program	Park Board	2,250	2,250	2,250	2,250
PRK03 Shelter - Pool - Site Improvements Program	Park Board	1,000	1,000	1,000	1,000
PRK04 Athletic Fields and Site Improvements Program	Park Board	650	650	650	650
PRKCP Neighborhood Parks Capital Infrastructure	Park Board	100	100	600	100
PRKDT Diseased Tree Removal	Park Board	500	500	500	500
PSD01 Facilities - Repair and Improvements	Public Works	830	830	830	830
PSD03 Facilities - Space Improvements	Public Works	750	750	750	750
PSD11 Energy Conservation and Emission Reduction	Public Works	500	500	500	500
PV001 Parkway Paving Program	Public Works	700	700		700
PV004 CSAH Paving Program	Public Works	1,750	1,750	1,750	1,750
PV006 Alley Renovation Program	Public Works	267	267	1,200	1,200
PV007 University Research Park/Central Corridor	Public Works	28,845	28,845	28,845	28,845
PV021 33rd Ave SE and Talmage Ave	Public Works		2,555		
PV038 Winter St NE Residential/Commercial	Public Works	5,345		4,748	4,748
PV056 Asphalt Pavement Resurfacing Program	Public Works	4,400	4,981	10,850	10,700
PV057 Nicollet Ave (31st St E to 40th St E)	Public Works	5,137	5,369	5,292	5,292
PV059 Major Pavement Maintenance Program	Public Works	800	800	2,800	2,800
PV061 High Volume Corridor Reconditioning Program	Public Works	860	860	3,110	3,110
PV066 MnDOT Cooperative Projects	Public Works	200		200	200
PV070 Riverside Phase II - 4th St/15th Ave	Public Works			400	400
PV99R Reimbursable Paving Projects	Public Works	3,500	3,500	3,500	3,500
SA001 Sanitary Tunnel & Sewer Rehabilitation Program	Public Works	1,000	1,000	1,000	1,000
SA036 Infiltration & Inflow Removal Program	Public Works	6,000	6,000	6,000	6,000
SW004 Implementation of US EPA Storm Water Regulations	Public Works	250	250	250	250
SW005 Combined Sewer Overflow Improvements	Public Works	1,500	1,500	1,500	1,500
SW011 Storm Drains and Tunnels Rehabilitation Program	Public Works	5,500	9,300	9,300	9,300



Minneapolis 2013 Capital Budget Decision Summary

Project	Submitting Agency	Department Requested	CLIC Recommended	Mayor's Recommended	Council Adopted
SW030 Alternative Stormwater Management Strategies	Public Works	1,000	1,000	1,000	1,000
SW034 Flood Area 21 - Bloomington Pond	Public Works	4,840	4,840	4,840	4,840
SW038 Flood Area 5 - North Minneapolis Neighborhoods	Public Works	4,000	4,000	4,000	4,000
SW99R Reimbursable Sewer & Storm Drain Projects	Public Works	3,000	3,000	3,000	3,000
SWK01 Defective Hazardous Sidewalks	Public Works	3,160	3,160	3,160	3,160
TR008 Parkway Street Light Replacement	Public Works	300	300		300
TR011 City Street Light Renovation	Public Works	1,000	1,000	1,300	1,000
TR021 Traffic Signals	Public Works	200	200	200	200
TR022 Traffic Safety Improvements	Public Works	1,675	1,675	1,675	1,675
TR99R Reimbursable Transportation Projects	Public Works	600	600	600	600
WTR12 Water Distribution Improvements	Public Works	1,500	1,500	1,500	5,000
WTR23 Treatment Infrastructure Improvements	Public Works	3,000	3,000	3,000	3,000
WTR9R Reimbursable Watermain Projects	Public Works	2,000	2,000	2,000	2,000
	Total	120,487	118,402	131,825	135,375



Minneapolis 2014 Capital Budget Decision Summary

Project	Submitting Agency	Department Requested	CLIC Recommended	Mayor's Recommended	Council Adopted
ART01 Art in Public Places	CPED	361	361	361	361
BIK20 Hiawatha LRT Trail Lighting/Trail Extension	Public Works	1,375	1,375	1,375	1,375
BIS03 Enterprise Document Management	BIS Department	100	100	100	100
BIS04 Enterprise Infrastructure Capacity Upgrade	BIS Department	500	450	450	450
BIS06 GIS Application Infrastructure Upgrade	BIS Department	200	50	50	50
BIS08 Enterprise Security	BIS Department	250			
BIS15 Enterprise Address System	BIS Department	50			
BR101 Major Bridge Repair and Rehabilitation	Public Works	400	400	400	400
CTY01 Restoration of Historic Reception Room	MBC	1,000			
CTY02 City Property Reforestation	Public Works	150	150	150	150
MBC01 Life Safety Improvements	MBC	200	200	200	200
MBC02 Mechanical Systems Upgrade	MBC	645	645	645	645
MBC04 MBC Elevators	MBC	490			
MBC09 Critical Power Capital Project	MBC	980	980	980	980
MPD02 MPD Property & Evidence Warehouse	Police Department	200			
PRK02 Playground and Site Improvements Program	Park Board	750	750	750	750
PRK03 Shelter - Pool - Site Improvements Program	Park Board	1,500	1,500	1,500	1,500
PRK04 Athletic Fields and Site Improvements Program	Park Board	1,150	1,150	1,150	1,150
PRKCP Neighborhood Parks Capital Infrastructure	Park Board	100	100	600	100
PRKDT Diseased Tree Removal	Park Board	500	500	500	500
PSD01 Facilities - Repair and Improvements	Public Works	1,115	1,115	1,115	1,115
PSD03 Facilities - Space Improvements	Public Works	750	750	750	750
PSD11 Energy Conservation and Emission Reduction	Public Works	500	500	500	500
PV001 Parkway Paving Program	Public Works	750	750		750
PV004 CSAH Paving Program	Public Works	2,600	2,600	2,600	2,600
PV005 Snelling Ave Extension	Public Works	200		200	200
PV006 Alley Renovation Program	Public Works	267		1,200	1,200
PV007 University Research Park/Central Corridor	Public Works	8,865	8,865	8,865	8,865
PV038 Winter St NE Residential/Commercial	Public Works		5,345	197	197
PV056 Asphalt Pavement Resurfacing Program	Public Works	4,400	3,819	10,972	10,772
PV059 Major Pavement Maintenance Program	Public Works			2,000	2,000
PV061 High Volume Corridor Reconditioning Program	Public Works	2,750	2,750	5,050	5,050
PV066 MnDOT Cooperative Projects	Public Works	200		200	200
PV067 Nawadaha Blvd & Minnehaha Ave	Public Works	3,500		3,500	3,500
PV068 LaSalle Ave (Grant to 8th)	Public Works	4,670		4,670	4,670
PV99R Reimbursable Paving Projects	Public Works	3,500	3,500	3,500	3,500
SA001 Sanitary Tunnel & Sewer Rehabilitation Program	Public Works	1,000	1,000	1,000	1,000
SA036 Infiltration & Inflow Removal Program	Public Works	6,000	6,000	6,000	6,000
SW004 Implementation of US EPA Storm Water Regulations	Public Works	250	250	250	250
SW005 Combined Sewer Overflow Improvements	Public Works	1,500	1,500	1,500	1,500
SW011 Storm Drains and Tunnels Rehabilitation Program	Public Works	5,500	9,000	9,000	9,000
SW018 Flood Area 29 & 30 - Fulton Neighborhood	Public Works	3,288	3,288	3,288	3,288
SW030 Alternative Stormwater Management Strategies	Public Works	1,000	1,000	1,000	1,000
SW038 Flood Area 5 - North Minneapolis Neighborhoods	Public Works	4,500	4,500	4,500	4,500
SW99R Reimbursable Sewer & Storm Drain Projects	Public Works	3,000	3,000	3,000	3,000



Minneapolis 2014 Capital Budget Decision Summary

Project	Submitting Agency	Department Requested	CLIC Recommended	Mayor's Recommended	Council Adopted
SWK01 Defective Hazardous Sidewalks	Public Works	3,315	3,315	3,315	3,315
TR008 Parkway Street Light Replacement	Public Works	350	350		350
TR011 City Street Light Renovation	Public Works	350	350	700	350
TR021 Traffic Signals	Public Works	535	535	535	535
TR022 Traffic Safety Improvements	Public Works	1,990	1,990	1,990	1,990
TR99R Reimbursable Transportation Projects	Public Works	600	600	600	600
WTR12 Water Distribution Improvements	Public Works	2,000	2,000	2,000	5,000
WTR23 Treatment Infrastructure Improvements	Public Works	3,000	3,000	3,000	3,000
WTR9R Reimbursable Watermain Projects	Public Works	2,000	2,000	2,000	2,000
	Total	85,146	82,383	98,208	101,258



Minneapolis 2015 Capital Budget Decision Summary

Project	Submitting Agency	Department Requested	CLIC Recommended	Mayor's Recommended	Council Adopted
ART01 Art in Public Places	CPED	400	400	400	400
BIS03 Enterprise Document Management	BIS Department	250	250	250	250
BIS04 Enterprise Infrastructure Capacity Upgrade	BIS Department	500	450	450	450
BIS06 GIS Application Infrastructure Upgrade	BIS Department	50	50	50	50
BIS08 Enterprise Security	BIS Department	400			
BIS15 Enterprise Address System	BIS Department	50			
BR101 Major Bridge Repair and Rehabilitation	Public Works	400	400	400	400
BR112 Nicollet Ave Reopening	Public Works	4,802		5,275	5,275
BR114 Midtown Corridor Bridge Preservation Program	Public Works	2,000	2,000	2,480	2,480
CTY02 City Property Reforestation	Public Works	150	150	150	150
CTY05 City Hall Elevator Upgrade	Public Works	150			
FIR11 New Fire Station No. 11	Fire Department	5,725	1,475	1,475	1,475
MBC01 Life Safety Improvements	MBC	300	300	300	300
MBC02 Mechanical Systems Upgrade	MBC	500	500	500	500
MPD02 MPD Property & Evidence Warehouse	Police Department	4,050	1,480		
PRK01 Recreation Center and Site Improvements Program	Park Board	450	450	450	450
PRK02 Playground and Site Improvements Program	Park Board	1,365	1,365	1,365	1,365
PRK04 Athletic Fields and Site Improvements Program	Park Board	1,350	1,350	1,350	1,350
PRK22 Parking Lot and Lighting Improvement Program	Park Board	35	35	35	35
PRKCP Neighborhood Parks Capital Infrastructure	Park Board	300	300	800	300
PRKDT Diseased Tree Removal	Park Board	500	500	500	500
PSD01 Facilities - Repair and Improvements	Public Works	1,200	1,200	1,200	1,200
PSD03 Facilities - Space Improvements	Public Works	750	750	750	750
PSD11 Energy Conservation and Emission Reduction	Public Works	500	500	500	500
PV001 Parkway Paving Program	Public Works	525	525		525
PV004 CSAH Paving Program	Public Works	2,600	2,600	2,600	2,600
PV006 Alley Renovation Program	Public Works	267	267	1,200	1,200
PV007 University Research Park/Central Corridor	Public Works	44,850	44,850	44,850	44,850
PV056 Asphalt Pavement Resurfacing Program	Public Works	4,400	4,400	10,700	10,700
PV059 Major Pavement Maintenance Program	Public Works			2,000	2,000
PV061 High Volume Corridor Reconditioning Program	Public Works	3,230	3,230	5,600	5,600
PV063 Unpaved Alley Construction	Public Works	300			
PV066 MnDOT Cooperative Projects	Public Works	200			
PV069 Penn Ave S (50th to Crosstown)	Public Works	5,653			
PV99R Reimbursable Paving Projects	Public Works	3,500	3,500	3,500	3,500
SA001 Sanitary Tunnel & Sewer Rehabilitation Program	Public Works	1,000	1,000	1,000	1,000
SA036 Infiltration & Inflow Removal Program	Public Works	6,000	6,000	6,000	6,000
SW004 Implementation of US EPA Storm Water Regulations	Public Works	250	250	250	250
SW005 Combined Sewer Overflow Improvements	Public Works	1,500	1,500	1,500	1,500
SW011 Storm Drains and Tunnels Rehabilitation Program	Public Works	5,500	7,900	7,900	7,900
SW018 Flood Area 29 & 30 - Fulton Neighborhood	Public Works	6,580	6,580	6,580	6,580
SW030 Alternative Stormwater Management Strategies	Public Works	1,000	1,000	1,000	1,000
SW032 I-35W Storm Tunnel Reconstruction	Public Works	1,000	1,000	1,000	1,000
SW038 Flood Area 5 - North Minneapolis Neighborhoods	Public Works	5,400	5,400	5,400	5,400
SW99R Reimbursable Sewer & Storm Drain Projects	Public Works	3,000	3,000	3,000	3,000



Minneapolis 2015 Capital Budget Decision Summary

Project	Submitting Agency	Department Requested	CLIC Recommended	Mayor's Recommended	Council Adopted
SWK01 Defective Hazardous Sidewalks	Public Works	3,470	3,470	3,470	3,470
TR008 Parkway Street Light Replacement	Public Works	350	350		350
TR010 Traffic Management Systems	Public Works	3,700	3,700	3,700	3,700
TR011 City Street Light Renovation	Public Works	350	350	675	350
TR021 Traffic Signals	Public Works	895	895	895	895
TR022 Traffic Safety Improvements	Public Works	2,105	2,105	2,105	2,105
TR99R Reimbursable Transportation Projects	Public Works	600	600	600	600
WTR12 Water Distribution Improvements	Public Works	2,000	2,000	2,000	5,000
WTR18 Hiawatha Water Maintenance Facility	Public Works	3,000	3,000	3,000	3,000
WTR23 Treatment Infrastructure Improvements	Public Works	3,000	3,000	3,000	3,000
WTR9R Reimbursable Watermain Projects	Public Works	2,000	2,000	2,000	2,000
Total		144,402	128,377	144,205	147,255

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 for the annual Bond Redemption Levy.

Park Capital Levy – A portion of the Park Board’s tax levy dedicated to Capital Improvements.

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.

Special Assessments - improvements paid for partially or wholly by property owners.

IAP – Infrastructure Acceleration Program – this is a five-year increase in capital improvement resources using one-time trust fund or general fund dollars to expedite completion of critical capital projects. This program runs from 2009 – 2013.

Other – Refers to all other categories of resources used to support capital programs including grants from other governmental agencies or private foundations, transfers from City operating funds, land sale proceeds, etc. In addition to the other sources above, Public Works has several divisions that have a reimbursable project for tracking and billing overhead costs and for performing construction activities that are billed to the specific projects, benefiting City departments, outside government agencies and private businesses.

Stormwater Bonds/Stormwater Revenue - bonds related to the Stormwater enterprise. Debt Service is paid by user fees charged for enterprise services. Stormwater revenues are used as a “pay as you go” cash source. These revenue sources are also applicable to the Sanitary Sewer, Water and Parking enterprises of the City.

Glossary of Terms & Abbreviations for the Capital Program

ACRONYMS & ABBREVIATIONS USED IN PROJECT TITLES:

CSAH – County State Aid Highway – a County project leveraging a local cost share from the City of Minneapolis

MnDOT – Minnesota Department of Transportation – the State of Minnesota Department responsible for maintaining the State’s transportation network.

LRT – Light Rail Transit

US EPA – United States Environmental Protection Agency

GIS – Geographical Information System

ERP – Enterprise Resource Planning software

MPD – Minneapolis Police Department

SUBMITTING AGENCY OR DEPARTMENT ABBREVIATIONS:

CPED – Community Planning & Economic Development

BIS – Business Information Services

MBC – Municipal Building Commission

ASSESSOR

MISSION

The Minneapolis Assessor's Office serves the taxpayers of the City by valuing and classifying real estate property in an accurate, ethical, equitable and defensible manner as prescribed by state law. The department also provides information and analysis to internal and external partners such as Elected Officials, City Departments, Minneapolis School District, Hennepin County Attorneys and Hennepin County Taxpayer Services, Minnesota Department of Revenue, taxpayers, neighborhood groups and the media.

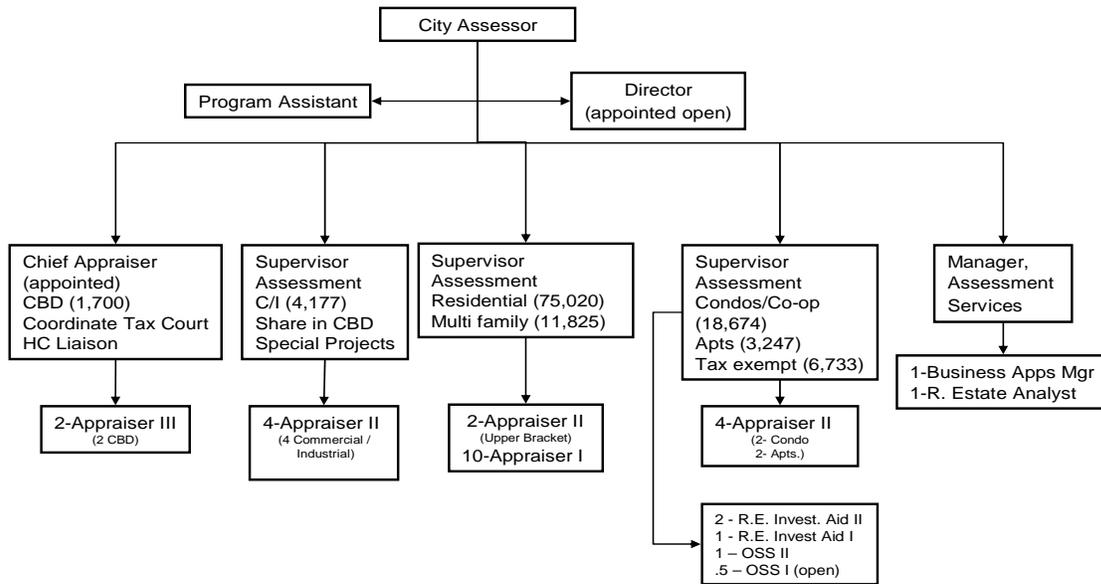
BUSINESS LINES

To fulfill its mission, the Minneapolis Assessor's Office has the following primary business lines and associated service activities:

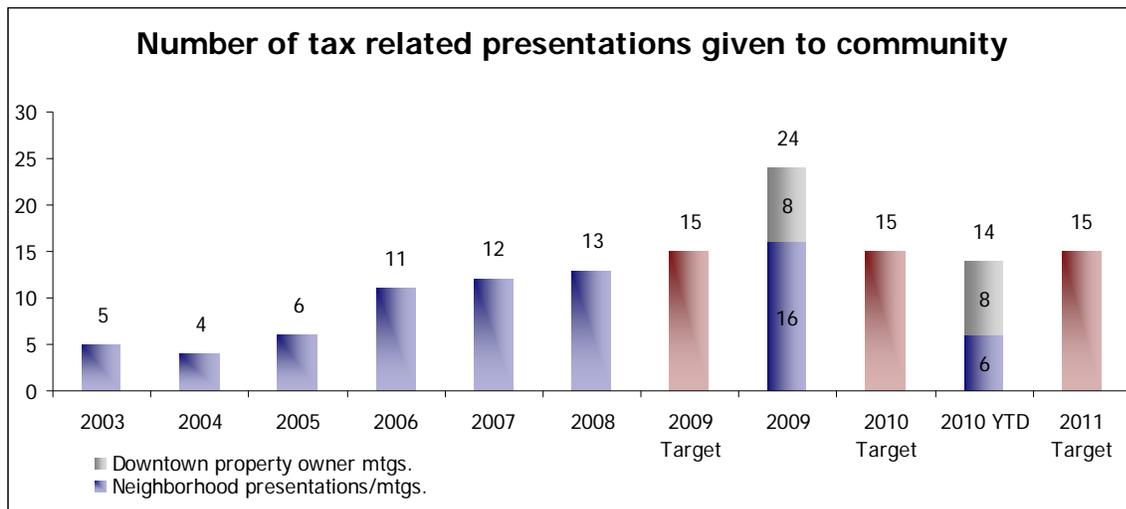
1. **Maintain Data Integrity of the City's Tax Base**
 - a. Collect, verify and maintain property records for the City of Minneapolis
 - i. Per Minnesota statute 20% of the properties must be inspected each year
 - ii. Evaluate new exempt applications and verify existing exempt organizations
 - iii. Administer and enforce all property tax programs and laws
 - iv. Inspect and update property records for all new construction and significant remodeling, modifications or demolition
 - v. Process existing and new property divisions and combinations
 - b. Provide property information to Hennepin County
 - c. Dispose of property records and private data according to data privacy laws and City ordinances.
2. **Real Estate Property Assessment** – Perform the assessment function for all real estate and appropriate personal property
 - a. *Valuation* – The annual estimation of value for all taxable and non-taxable real property per state law.
 - b. *Classification* – The annual classification and recording of parcels by property use and property type.
 - c. *Appeals and Reviews* – Respond to all informal and formal owner/taxpayer appeals and requests for property reviews. Defend assessment values and classifications at the City and County Boards of Appeal and Equalization.
 - d. *Defend Tax Court Cases* - Defend assessment values and classifications in Minnesota Tax Court.
3. **Provide Information and Data Analysis To** –
 - a. Taxpayers
 - b. Elected Officials, City departments, primarily CPED, Regulatory Services, GIS, Finance, Public Works and IGR
 - c. Hennepin County Attorneys, Hennepin County Taxpayer Services
 - d. Minnesota Department of Revenue, Commerce Department
 - e. Minneapolis School District, neighborhood groups and the media

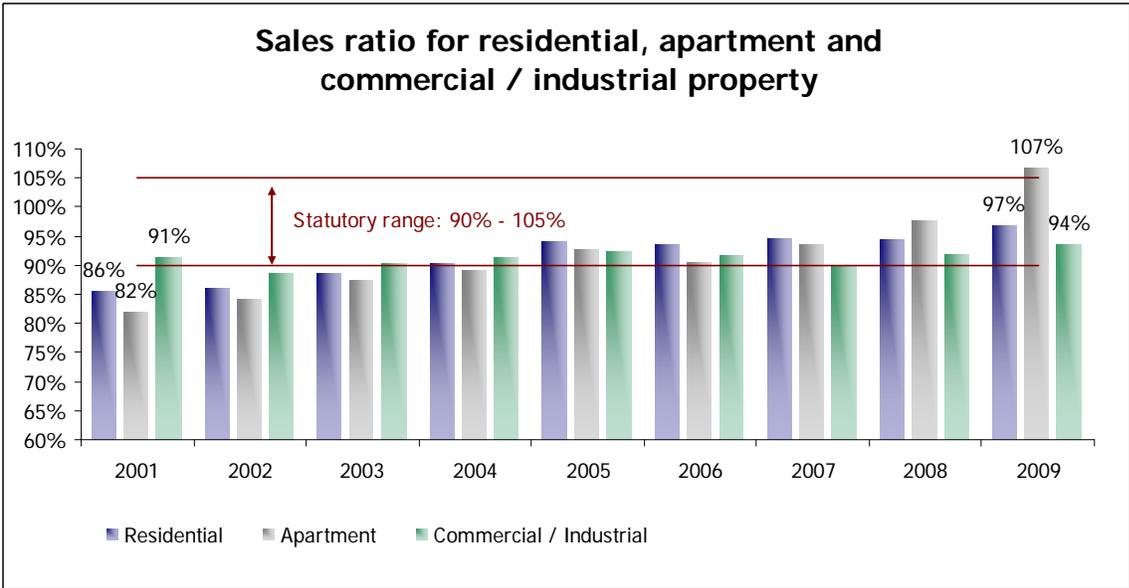
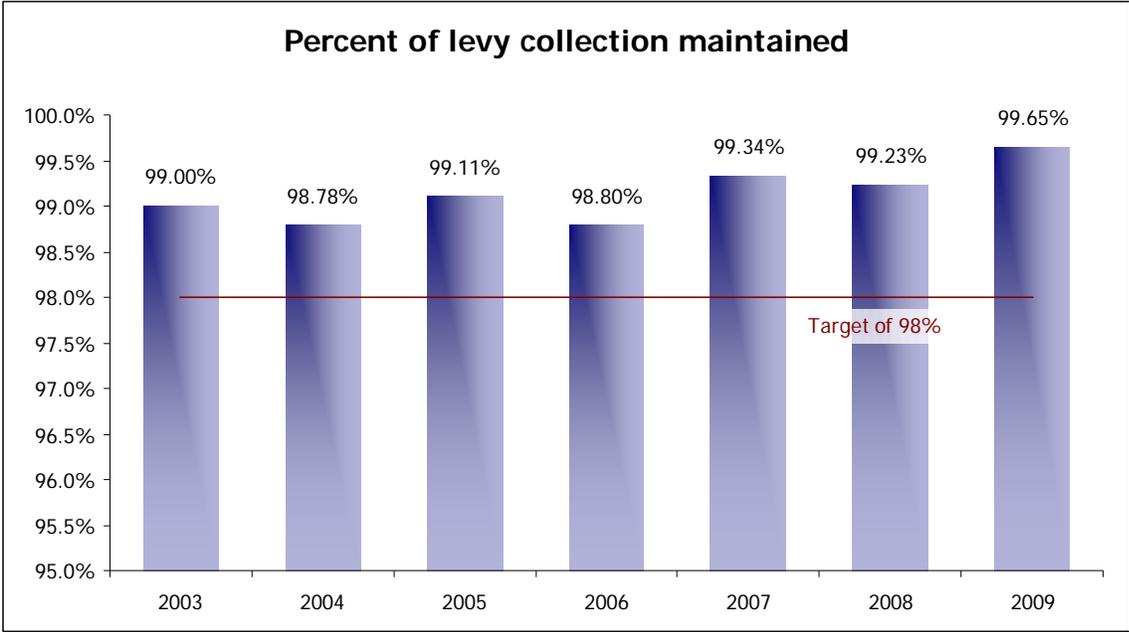
ORGANIZATION CHART

Assessor's Office 2010 Organizational Chart



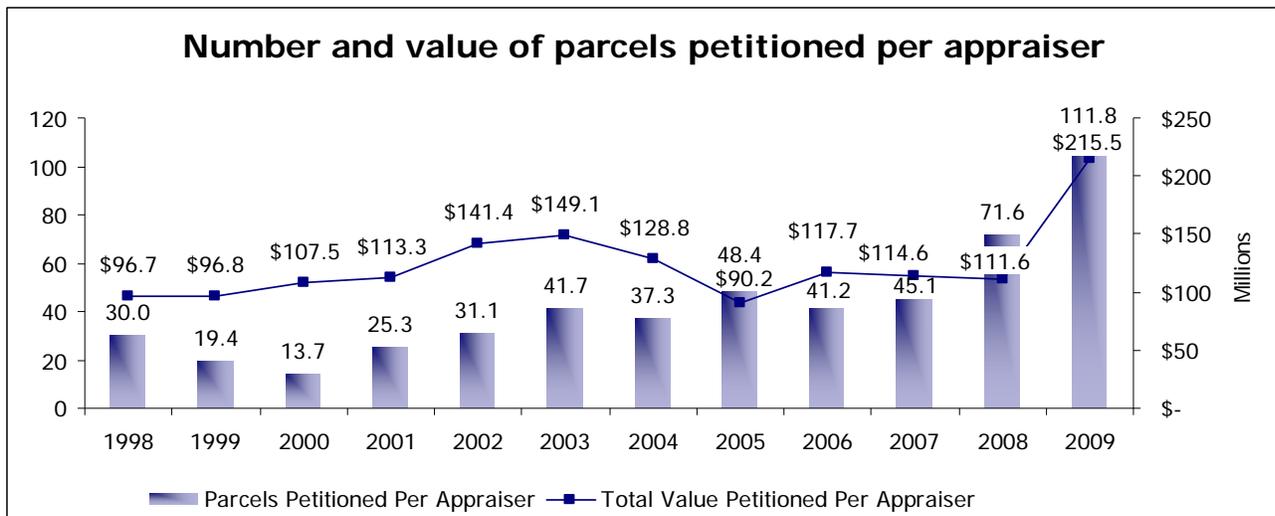
RESULTS MINNEAPOLIS CHARTS (MAY 2010, UNLESS NOTED)





Progress made and current status of tax court cases									
Tax year court case was Filled	2002	2003	2004	2005	2006	2007	2008	2009	2010 YTD
Number of cases petitioned by year	305	426	380	363	349	326	341	535	636
Number of open cases remaining	-	-	-	-	-	7	49	252	636
Number of parcels petitioned	621	833	745	968	823	902	1,431	2,235	2,313
Number of parcels dismissed	204	374	328	306	384	364	200	371	0
Number of parcels under petition	-	-	-	-	-	13	294	1008	2,313
Value of outstanding parcels under petition (in millions \$)	\$ -	\$ -	\$ -	\$ -	\$ -	\$149	\$748	\$3,386	\$4,870

JUNE 17, 2010



What two or three key trends and challenges does the department face and how will each be addressed?

Trend: Current State of the Economy and the Real Estate Market

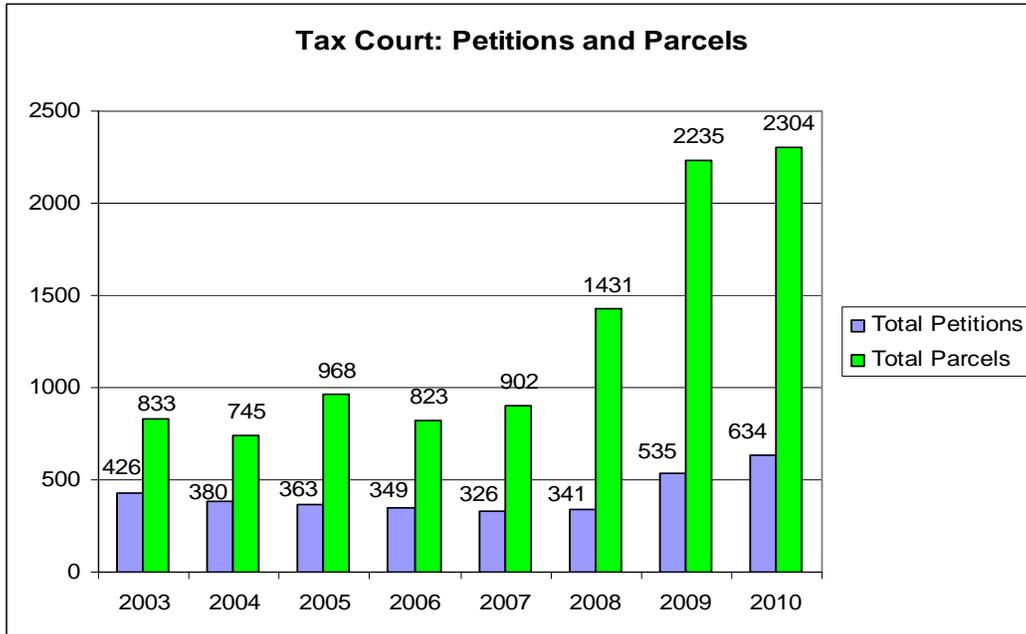
Minneapolis's real estate market has been and continues to pose significant challenges for the Assessor's Office. Due to the high percentage of distressed sales in many neighborhoods, the time-honored definition of "market value" is constantly being challenged by taxpayers and attorneys. Minneapolis neighborhoods have been negatively impacted by pre-foreclosure sales, bank sales, short sales and auctions. The first wave of foreclosures was attributed to unscrupulous sub-prime lending practices. Unfortunately, as the first wave of distressed property drew to a close, a second wave of foreclosures resulting from the current recession and rising unemployment is impacting the market. The volume and stigma associated with the distressed sales have misled many property owners to believe the decline in real estate values permeates much further than in reality.

The current state of the economy has compelled more people to scrutinize all of their financial obligations including their property taxes. Job losses and fear of a job loss has incited people to save more and delay purchases. Taxpayer frustration with the recent trend of declining property values without a corresponding decline in property taxes has resulted in more resources dedicated to phone calls, e-mails, local and county board petitions and tax court cases.

Challenge: Work Loads and Staffing

The department's priorities and resources to meet statutory requirements and defend property values have substantially shifted over the past three years. The reason for the shift can be attributed to the previous 10+ year trend of increasing property values, followed by the collapse of the real estate market in 2007 and the subsequent recession. The challenges are amplified by the fact that property taxes have not declined in proportion to the declining property values, which is at the root of many property owners frustration.

As a result of the market collapse and the high property tax burden, litigation and appeals have ballooned precipitously since 2007. The number of tax court petitions grew from 326 in 2007 to 636 in 2010, a 49% increase. The number of parcels under petition (owners can appeal multiple properties on one petition) grew from 902 in 2007 to 2,313 in 2010 a 61% increase. As the following chart indicates the amount of staff time required to defend the City's tax base via the tax court appeal process is at an all-time high and will continue to demand more department resources than previous years, a trend that will continue for at least the next three years.



During the past three years in anticipation of increased tax court case demands, leadership has initiated efforts to:

- Examine all department processes and significantly reengineered 8 of them. The new process changes enabled the department to reclassify three supports staff positions into two appraiser positions within the department to better manage the tax court workload.
- Expend an increased amount of staff resources to respond to owner concerns and educating taxpayers to reduce the number of property value petitions brought before the City and County Boards
- Develop section and individual staff work plans in order to meet statutory requirements and make time available to complete complex tax court work
- Partner with BIS and CLIC to initiate technology based process improvements aimed at reducing data entry redundancy, improving data quality and freeing up staff time needed to prepare tax court appraisals
- Ensure staff have the knowledge and skills to successfully defend property values
- Build appraisal templates to streamline staff efficiency and ensure the appraisals produced are high quality reports.
- Provide staff weekly feedback on their production and YTD progress made on work plan

These substantial organizational initiatives positioned the Assessor's Office to meet last year's assessment cycle responsibilities, tax court and statutory requirements. Staffing cuts will compromise the department's ability to defend the City's revenue (levy) and minimize future revenue (levy) losses as a result of the recession and declining property values.

Challenge: Maintaining 90% Statutory Sales Ratio Requirement

Appraising land and buildings in today's volatile real estate market is challenging. Distressed sales, short sales, the decrease in the number of traditional real estate sales, rapidly changing building conditions and abrupt and extreme market swings has all added to the complexity of achieving the needed accuracy in the mass appraisal process. The Assessor's Office needs to meet MN statutes and Department of Revenue (DOR) requirements or be subject to DOR mandated property value adjustments similar to the one ordered in 2008.

By law, all municipalities and taxing jurisdictions in Minnesota are required to maintain a median sales ratio of 90% to 105% on their major classes of property. In Minneapolis, failing to meet the State mandated sales ratio requirements can result in a significant increase in number of tax court cases filed against the city of Minneapolis resulting in an increased work load and increased loss of city revenue (levy).

The Assessor's Office is responding to this challenge by increasing the frequency of DOR meetings from quarterly to monthly to review sales data and discuss current Minneapolis market trends. The Assessor's Office is carefully screening sales, talking with buyers, sellers, brokers, downtown property owners and managers and conducting more inspections to stay abreast of the fluctuating market and react accordingly until the market stabilizes, and in time recovers and becomes more normalized In Minneapolis.

Additional efforts include the City Assessor's participation as an active member on the Minnesota Real Estate Appraiser Advisory Board, Board of Director on the NorthStar Chapter of the Appraisal Institute, the Nuisance Condition and Problem Property Committee and continuing to assist the Commerce Department and FBI in fraud cases.

In what internal/external partnerships is the department currently engaged and/or exploring for the future?

The Assessor's Office is fostering a closer partnership with the Hennepin County Attorney's office to manage the increasing case loads and improve the tax court process. In partnership with Minneapolis neighborhoods, the City Assessor's Office has increased neighborhood meetings to help local taxpayers understand how the value of their property is determined, and understand the tax appeal process. In addition, Public Service Announcements (PSAs) are continuing to be aired in Hmong and in Spanish to help members from those communities to better understand the tax process in Minneapolis.

How is the department evaluating programs or services for cost effectiveness?

- Tracking trends in property appeals at three levels: Local Boards, County Boards, and Tax Court.
- Utilizing production reports and section work plans to ensure staff meets assessment cycle responsibilities, statutory requirements and tax court petition work.
- Documenting processes, determine expected performance, identify opportunities and implement process improvements.
- Ensuring staff has the skills, ability and knowledge to perform task efficiently, then hold them accountable for performance.

What actions will the department take to meet the current service level reductions?

The Assessor's Office budget can be segmented into three main categories:

- 80% Wages and Benefits
- 18% Contractual Obligations (BIS, Rent, Insurance, HC connectivity Postage, Mileage)
- 2% Discretionary (Printing, Supplies, Licensing, Training, Data, , etc)

Reductions to meet financial projections \$.066 M cut can only be achieved through staff reductions. Staff reductions will negatively impact the department's ability to achieve its 2011-2014 Goals and Objectives, meet statutory requirements, and defend property values.

2011 Current Service Level Reductions

Cost allocation model increases make it extremely difficult to successfully manage a department's financial obligations year over year.

For Example

Total BIS Charges:	2010 adopted	\$305,529
	2011 budgeted	<u>\$367,354</u>
		\$ 61,829 BIS Increase of 16.8%

The department will need to reduce positions to meet its BIS financial obligation in 2011.

Similar examples can be illustrated with Property Services Rent up \$7,000 (5%) and Self-Insurance Liability Premium up \$11,996 (13%). With the Assessor's office current ratio of 18% Contractual Obligations (BIS, Property Services Rent, Insurance & Self Insurance, Postage, Mileage, Hennepin County connectivity) and 2% Discretionary (Printing, Supplies, Licensing, Training, Data, Multiple Listing Service contract, etc) adopting budget assumptions that result in underfunding departments along with the cost allocation model that continue to increase will almost always result in a reduction of Assessor's Office staff in the department.

The Assessor's Office 2011 CSL cut of \$.066M in addition to required cuts to fund rate model increases will equate to a loss of 2 FTEs staff in the Assessor's Office plus a 38% reduction in Training and Conferences, 33% reduction in Education, 17% reduction in Professional Services, and a 5% reduction in Postage. This will:

- Increase management and supervisory workload
- Restrict staff opportunities for personal and professional growth (2011-2014 Goal)
- Increase processing times for homestead applications, sales data entry, tax exempt applications, special tax programs
- Shift data entry tasks to the appraisal staff thus further reducing the time available to inspect properties, write appraisals and prepare and testify in tax court
- Limit the number of requests for data and data analysis that we provide to City leadership, Legislature, City Departments and other stakeholders.
- Fewer dismissed court cases and larger and more frequent property tax settlements
- Limit the department from achieving some of the 2011-2014 goals and objectives outlined in the department's business plan.

FINANCIAL ANALYSIS

EXPENDITURE

The Assessor's 2011 budget of \$4.04 million meets the five-year financial direction. The budget will increase 1.4% over 2010. The department reduced 2 FTEs to meet the current service level, leaving 34.5 positions remaining. Personnel are 77% of the total department budget. The department's contractual expenses are approximately 19% of its budget. The largest contractual expense is BIS Services.

REVENUE

2011 revenue is projected to be \$62,400. The revenues come 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

The Assessor's department entire budget comes from the general fund.

MAYOR'S RECOMMENDED BUDGET

The Mayor recommended no cuts for this department.

COUNCIL ADOPTED BUDGET

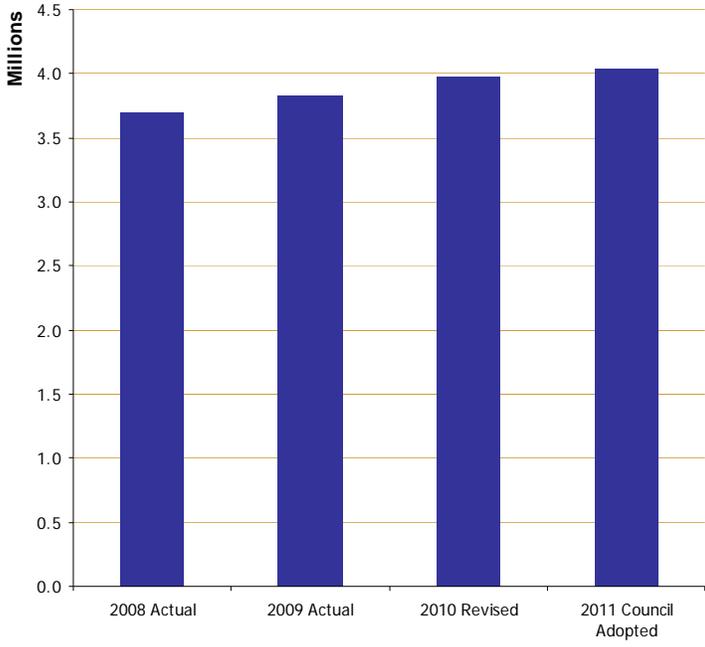
Council adopted the Mayor's recommendations.

ASSESSOR EXPENSE AND REVENUE INFORMATION

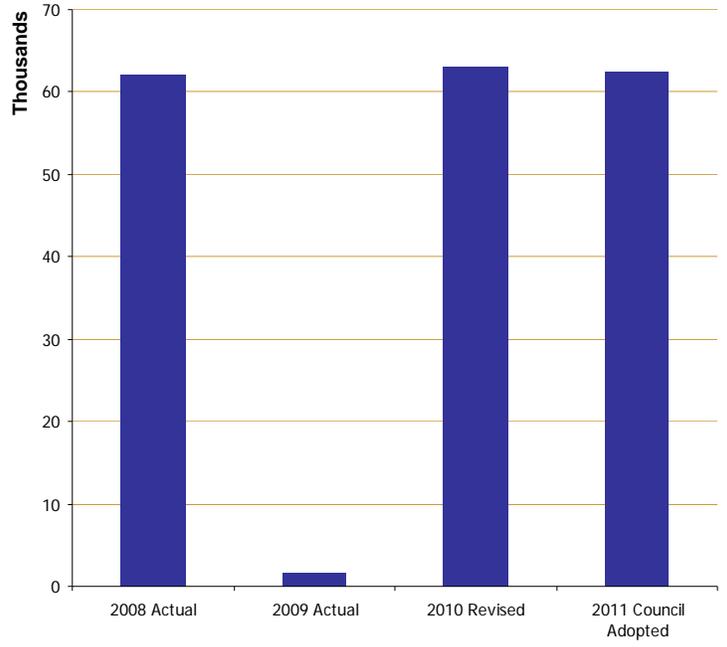
EXPENSE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
AGENCY						
OPERATING COSTS		832			0.0%	0
TOTAL AGENCY		832				0
GENERAL						
SALARIES AND WAGES	2,096,277	2,198,944	2,342,550	2,300,578	-1.8%	(41,973)
FRINGE BENEFITS	642,801	737,568	871,462	812,377	-6.8%	(59,085)
CONTRACTUAL SERVICES	791,419	747,926	606,216	767,700	26.6%	161,484
OPERATING COSTS	161,185	141,542	164,976	158,923	-3.7%	(6,053)
CAPITAL	48		600	606	1.0%	6
TOTAL GENERAL	3,691,730	3,825,980	3,985,804	4,040,184	1.4%	54,380
TOTAL EXPENSE	3,691,730	3,826,812	3,985,804	4,040,184	1.4%	54,380

REVENUE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
GENERAL						
PROPERTY TAXES	62,593		62,000	62,000	0.0%	0
CHARGES FOR SERVICES	79	42	1,000		-100.0%	(1,000)
CHARGES FOR SALES	163	1,531		400	0.0%	400
OTHER MISC REVENUES	(683)				0.0%	0
TOTAL GENERAL	62,151	1,573	63,000	62,400	-1.0%	(600)
TOTAL REVENUE	62,151	1,573	63,000	62,400	-1.0%	(600)

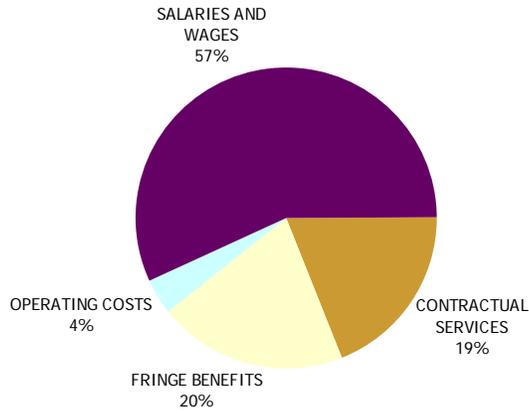
Expense 2008 - 2011



Revenue 2008 - 2011



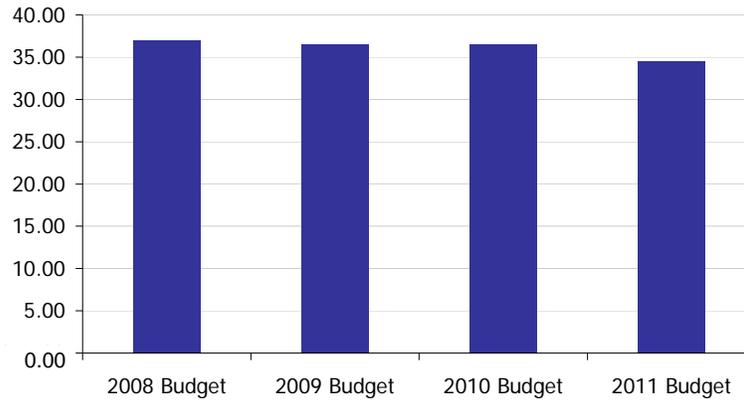
Expense by Category



Staffing Information

Expense	2008 Budget	2009 Budget	2010 Budget	2011 Budget	% Change	Change
ASSESSOR OPERATIONS	37.00	36.50	36.50	34.50	-5.5%	(2.00)
TOTAL	37.00	36.50	36.50	34.50	-5.5%	(2.00)

Positions 2008-2011



ATTORNEY

MISSION

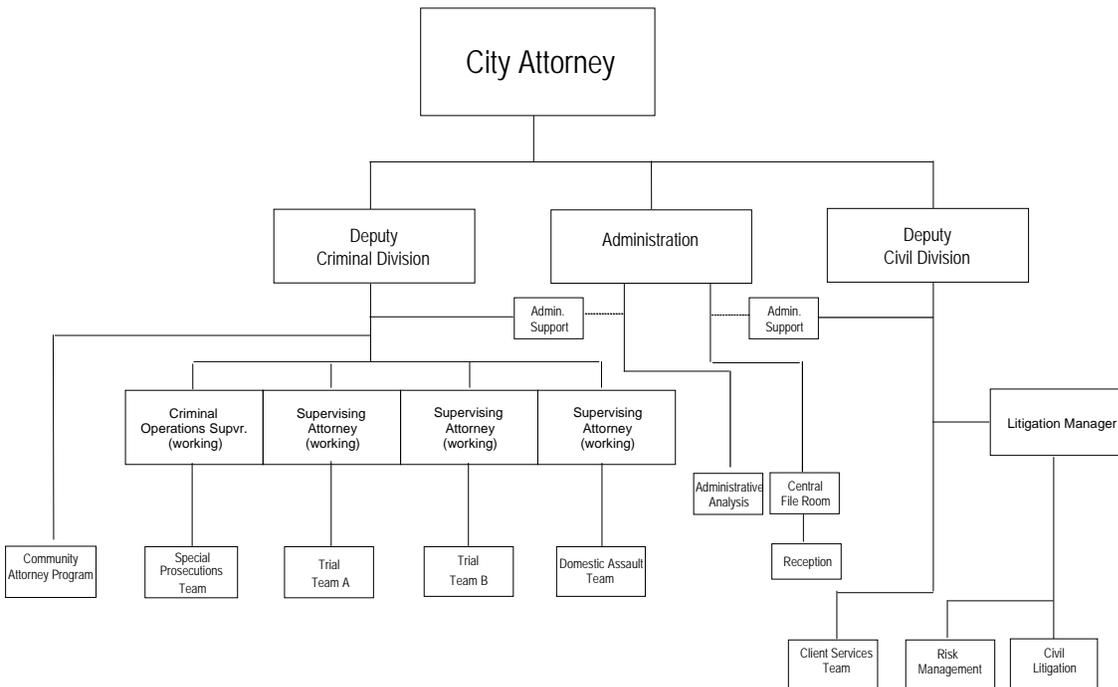
Our mission is to enhance public safety, serve justice and vigorously represent the interests of the City of Minneapolis and its residents by holding criminal offenders accountable and delivering the highest quality, cost effective legal services.

BUSINESS LINES

The City Attorney's Office has two business lines. They are:

1. Criminal Division: Prosecutes all adult misdemeanor, gross misdemeanor and petty misdemeanor crime in the City of Minneapolis.
2. Civil Division: Delivers legal services for City clients and provides litigation representation.

ORGANIZATION CHART



RESULTS MINNEAPOLIS CHARTS

RESULTS MINNEAPOLIS MEASURES, DATA AND TARGETS TABLE								
Measure Name	2004 Data	2005 Data	2006 Data	2007 Data	2008 Data	2009 Data	2010 Data (as of 6/30)	2011 Target
Number of "Top 200" chronic offenders convicted	83	81	129	130	146	136	88	168
Conviction rate of domestic violence cases	48%	48%	58%	54%	61%	66%	72%	70%
Percentage gross misdemeanor weapons cases charged by the City Attorney's Office that result in a conviction	N/A	N/A	86%	86%	84%	88%	100%	95%
Number of cases referred to neighborhood restorative justice programs	247	612	880	600 (Number was limited by capacity of providers)	687	526	187	730
Liability payouts resulting from certain of the City's risk generating activities	\$3,655,901	\$1,944,765	\$1,666,909	\$9,265,492* *includes Duy Ngo (\$4.5M) and Metro Produce (\$2.3M) settlements	\$1,330,938	\$2,400,000	\$1,424,138	\$1,500,000

What two or three key trends and challenges does the department face and how will each be addressed?

A. Criminal Division Key Trends and Challenges

1. Improved Results: The division continues to achieve improved case results using tougher plea negotiation standards. The division has also increased the number of cases taken through trial, which is important to maintaining a healthy criminal justice system. The criminal division is obtaining an increasing number of geographic restrictions and enhanced trespass charges, along with other significant consequences in our chronic offender cases. Improved domestic violence results are noted below. Finally, the division is continuing to maintain a high conviction rate in our DWI cases despite the legal challenges to the intoxilyzer tests.

2. Increased Activities:

Chronic Offenders and Court Watch: The division is continually taking on additional work. For example, this year the division launched the Downtown 100 chronic offender initiative, which combines a dedicated prosecutor and a community probation officer to address downtown chronic offenders, in collaboration with the MPD, Downtown SafeZone and business, nonprofit and community partners. This initiative has been funded by a grant from the Minneapolis Downtown Improvement District.

A court watch program has been added on West Broadway, in addition to continuing our support for the Downtown Court Watch and four other court watch groups located in the 3rd and 5th precincts. (The Downtown Court Watch received an international community policing award last year).

The division's Top Offender program has achieved a 51% reduction in recidivism by top offenders comparing the number of new cases in the year before top offender prosecution to the year after.

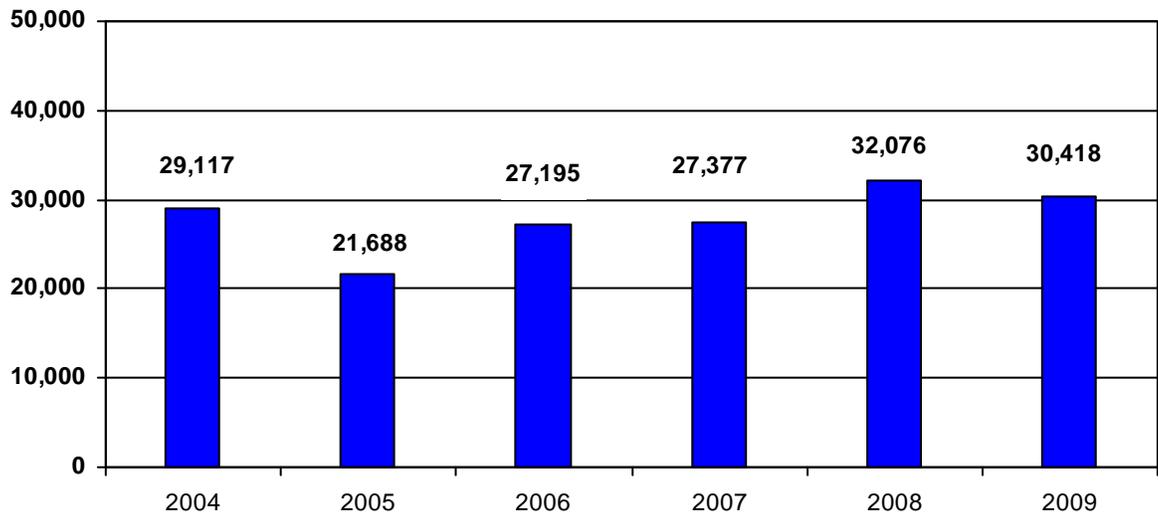
Domestic Violence Protocol: The division completed the training and roll-out of the domestic violence evidence gathering protocol to all MPD precincts. The roll-out involved training for all shifts at each of the police precincts and individualized feedback to officers on evidence gathered at domestic calls.

The division achieved a 72% conviction rate in domestic violence during the first half of 2010, increasing the conviction rate by 50% since 2005. This increase is in large part due to this successful initiative.

Additional Work Created by Budget Cuts of System Partners: As a result of budget reductions among other criminal justice system partners, the division is performing tasks previously undertaken by other system partners. For example, Hennepin County Community Corrections has stopped conducting restitution investigations for misdemeanor cases, requiring our Office to compile this information on behalf of victims.

3. **Transition to Judge Blocking System:** Beginning in September 2010, Hennepin County District Court is changing its criminal case calendaring system to a block system where all Minneapolis misdemeanor cases will be assigned to a judge on one of three teams of judges. This new system will require a more complicated scheduling system for attorneys, potentially requiring prosecutors to cover appearances in more courtrooms. While the expectation is that cases will ultimately be better managed by the court with the new system, we anticipate increased pressure on our staffing as a result.
4. **Heavy Caseload:** The criminal division caseload has held relatively steady with a slight decline since 2008.

Criminal Division Caseload from 2004 through 2009



The caseload per criminal division attorney in 2009 was approximately 1,000 cases per attorney. The American Bar Association standards for public defenders handling misdemeanor cases recommend a caseload of 400 misdemeanor cases per year.

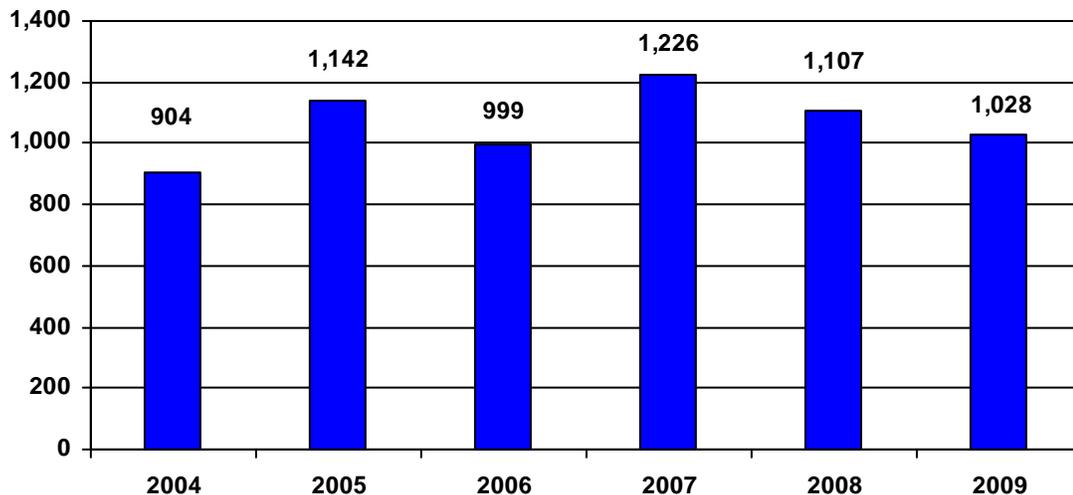
- 5. Impact of Prior Budget Adjustments:** Since the Criminal Division is funded solely by the General Fund, the division has had several budget adjustments due to reductions in local government aid. The impact of those adjustments includes:
- Loss of two criminal attorneys since 2008 through attrition who have not been replaced;
 - Loss of two paralegal positions from regular criminal division work, including elimination of a community paralegal position. (The 3rd and 5th precincts now share a paralegal, which reduces the efficiency of the community attorneys in both precincts);
 - Elimination of all vacant positions in the criminal division; and
 - Elimination of all paid criminal law clerks. (The department relies on volunteers).

- 6. Workhouse Costs:** The budget for the Adult Correctional Facility (ACF) was transferred to the CAO budget beginning in 2008. The formula for establishing the per diem charge for confinement in the ACF is set by state statute. While the CAO carefully reviews the County bills and is able to reduce the amount owed by thousands of dollars compared to the original invoices, the billings for the ACF have exceeded the budgeted amount for both of the last two years by \$164,000 and \$40,000, respectively. The CSL amount for this line item of our budget for 2011 is set at \$12,000 less than our 2009 actual ACF costs. The per diem rates were increased by the County for 2010 and we assume will be increased again for 2011. With budget reductions, the division cannot subsidize this line item through holding open a vacancy or other like means. The ACF billings represent 13% of the criminal division budget.

B. Civil Division Key Trends and Challenges

- 1. Workload:** The amount and complexity of legal work and litigation has continued at a high level. The most recent Employee Survey results reflected strong civil division opinion that they are understaffed. This is a realistic assessment, particularly in litigation. Attorneys in the litigation section each handle a caseload of over 100 matters.

Civil Litigation Matters 2004 through 2009



- 2. Impact of CSL Reduction and Budget Adjustment for 2010:** The self insurance rate model for the 2010 civil division budget resulted in the need to reduce \$305,000 from the budget with an additional \$150,000 reduction in the 2010 final budget. This has resulted in the elimination of 3 civil division positions compared to last year. Any additional budget reductions in the civil division will leave the division unable to handle the present volume of work. An additional reduction would result in the need to increase use of outside counsel to assist with the litigation caseload at a greater cost to the city than maintaining in-house capacity.

C. Technology – Justice System Data System Integration

Technology changes within the legal/justice communities continues to be a significant trend; one which will continue. The Criminal Division is heavily reliant on information received through electronic integration with law enforcement agencies and the courts. As new integration projects are proposed, the office needs to identify funding to make internal system changes to support the external project. If the courts install an upgrade to one of their systems, BIS needs to be involved to manage any needed changes to our system. E-Discovery is a recent example of a more significant project initiated by the Hennepin Justice Integration Program (HJIP) that is being piloted between the City Attorney's Office and the Public Defender's Office to allow electronic submission of discovery requests and responses in criminal cases through the division case management system. Additional upgrades will need to be made to allow electronic transmission of all discovery. This has an estimated cost of \$370,000.

An upgrade to our Practice Manager system will be needed within the next two years at an estimated cost of \$75,000. This upgrade should result in additional efficiencies for staff, making data entry simpler and quicker.

Aside from these projects, the division experiences additional BIS charges to respond to upgrades or other changes being made by the courts or other criminal justice system partners with integrated systems.

In what internal/external partnerships is the department currently engaged and/or exploring for the future?

The office has historically been engaged in numerous partnerships (both internal and external) as a means of improving its work.

Future Partnership – Negotiation Expertise: As a goal in the updated business plan, the CAO will develop a plan to improve negotiation skills not only within the office, but for client representatives.

Other internal partnerships include:

- Problem Properties/Foreclosure Issues: Partnership with Regulatory Services and CPED to address problem property and foreclosure-related issues
- Charter Plain Language Work Group: Staffed multi-department group reviewing the revised charter prepared by the Charter Commission

With respect to external partnerships, the office is engaged in the following:

Group/Partnership	Purpose
Numerous neighborhood groups/associations	Through the Community Attorney program, the department participates in neighborhood and ward care meetings to inform and educate the community about issues with which it is concerned.
Court Watch groups	Brings community members, police, prosecutors and others together to increase awareness of crime and to promote appropriate resolution of cases.
Restorative Justice programs	Where appropriate, offenders face the community and repair damage they have done to the community as prescribed by the RJ program.
Hennepin County Criminal Justice Coordinating Committee (CJCC)	City and County policymakers meet to discuss issues and initiatives requiring cooperation across jurisdictional lines and part of the criminal justice system.
4 th Judicial District Violations Bureau	Delegation of authority to Violations Bureau to resolve certain lower level offenses.
Community Court, Domestic Violence Court, DWI Court, Mental Health Court; Implementation team for Veteran's Court	Specialty courts established to focus on categories of offenses needing special focus or attention.
Numerous criminal justice partner groups formed around domestic violence issues	Focus on domestic violence issues to reduce incidence of DV and to ensure safety of victims of DV
The CAO also maintains attorney liaisons to Metro Transit police, Park police, U of M police, Sheriff's department, State Patrol, MADD and PRIDE	Assist with criminal justice issues
Downtown SafeZone	Public and private partnership established to make downtown safe and welcoming for those who work, live or visit downtown
St. Stephens' Homeless Outreach Team	Work with St. Stephens' outreach effort to address housing and other needs of chronic offenders, in order to reduce incidence of offense.

How is the department evaluating programs or services for cost effectiveness?

CAO evaluates the effectiveness of our criminal operations through the Results Minneapolis measures as well as internal reviews. For example, effectiveness of our Chronic Offender Program is evaluated by the average number of new criminal cases for the Top 200 Chronic Offenders in the year before and the year after prosecution. The division has seen a 51% reduction in crime committed by the Top 200 in the year after prosecution. The division has also conducted a survey to measure the effectiveness of its community attorney program with neighborhood groups, the MPD and other groups served by the program. Conviction rates and sanctions obtained in cases are also reviewed.

A Business Process Improvement (BPI) review of crime victim services is complete and, as discussed below, the department is continuing to analyze alternatives to further reduce costs. The CAO is also engaged in a BPI review of file room operations.

In the Civil Division, employee productivity and outside counsel costs are reviewed, and settlements and judgment numbers are tracked. This spring the division met with client departments and surveyed client needs, satisfaction with legal service delivery, and ways that the division can improve service, provide more client value and increase effectiveness and efficiency.

What actions will the department take to meet the current service level reductions?

A. Criminal Division: \$113,000 cut to 2010 spending levels plus \$39,000 current service level reduction

The Criminal Division will meet the \$152,000 reduction through a reorganization of crime victim services function and budgetary leave. The crime victim services function has been outsourced for over a decade. Through the Business Process Improvement project conducted in 2009, the division has been able to reduce the personnel needed under that contract. However, inefficiencies remain because the contractor retains its own database and recordkeeping system so that it can comply with grant reporting requirements. In addition, the creation of the criminal supervising attorney positions last year means that supervisors can assume management of the victim witness program, thereby eliminating additional personnel costs currently incurred through the provider.

The division would plan to achieve the balance of the reduction through budgetary leave and by delaying the hire of retiring employees. The division achieved \$17,000 in savings through budgetary leave within the criminal division this year. It is anticipated that savings could be matched in 2011. The division is reviewing options to restructure administrative positions to achieve the balance of the budget savings.

FINANCIAL ANALYSIS

EXPENDITURE

The City Attorney's 2011 budget is \$14.5 million, a 0.4% or \$57,000 increase over 2010. There are 105 full-time equivalent positions in the department. Personnel are 74% of the total department budget. Contractual expenses are 23% of the total budget. The Ethical Practices Board is fully funded at \$13,000.

REVENUE

The expenditure and revenue information does not reflect the total amount of revenue because a significant portion of revenue is shared with the police department. This shared revenue is from the Justice Assistance Grants (JAG) and Grants to Assist Arrests. Some expense from the grant is also shared.

FUND ALLOCATION

The primary funding sources for the department are the General Fund (53%) and the Self-Insurance Fund (42%). The remaining 5% is derived from the federal, state or other grant funds. The General Fund budget for the department remains flat from 2010, the self-insurance fund budget remains flat, and the special revenue fund budget increases by 8.2%.

MAYOR'S RECOMMENDED BUDGET

The Mayor recommended a reduction to growth of \$121,000, which includes the reduction of one position. The department used health care savings and operational dollars to maintain the position. The department added one position added with grant funds.

COUNCIL ADOPTED BUDGET

Council approved the Mayor's recommendation. Additionally, the City Attorney is directed to work with Finance, NCR, the NCEC and IGR departments to identify options for property tax relief for the years 2012 and 2013 should legislative authority to consolidate neighborhood programs not be achieved, and report these options to Ways & Means/Budget Committee by February 15, 2011.

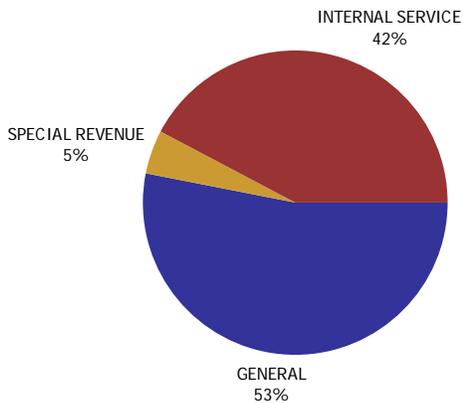
The Attorney added 2 FTE by moving the contract work done by victim witnesses in house. Additionally, the department received a downtown improvement district grant to add one FTE for 2011.

ATTORNEY EXPENSE AND REVENUE INFORMATION

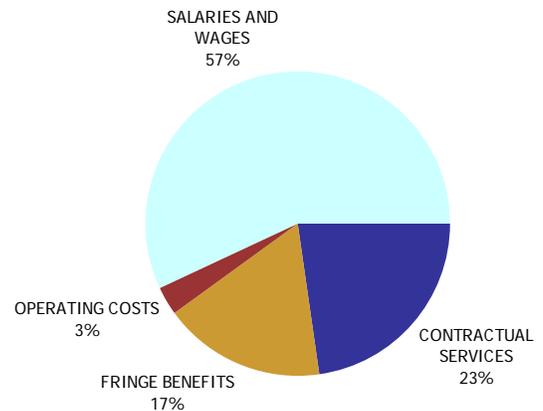
EXPENSE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	3,686,320	3,967,055	3,926,311	4,091,072	4.2%	164,760
FRINGE BENEFITS	1,012,065	1,152,299	1,200,033	1,277,720	6.5%	77,686
CONTRACTUAL SERVICES	2,305,809	2,279,342	2,351,489	2,085,937	-11.3%	(265,552)
OPERATING COSTS	173,172	122,636	184,108	210,967	14.6%	26,859
TOTAL GENERAL	7,177,366	7,521,332	7,661,942	7,665,695	0.0%	3,753
SPECIAL REVENUE						
SALARIES AND WAGES	293,344	305,503	475,707	492,806	3.6%	17,100
FRINGE BENEFITS	74,943	75,318	143,700	168,433	17.2%	24,733
CONTRACTUAL SERVICES			20,000	25,807	29.0%	5,807
OPERATING COSTS	8,300	14,426		4,855	0.0%	4,855
TOTAL SPECIAL REVENUE	376,587	395,247	639,407	691,902	8.2%	52,495
INTERNAL SERVICE						
SALARIES AND WAGES	3,127,368	3,233,824	3,553,178	3,657,965	2.9%	104,787
FRINGE BENEFITS	860,665	934,394	1,111,283	1,062,920	-4.4%	(48,362)
CONTRACTUAL SERVICES	909,571	1,280,525	1,292,810	1,167,637	-9.7%	(125,173)
OPERATING COSTS	148,274	120,050	143,286	212,622	48.4%	69,336
TOTAL INTERNAL SERVICE	5,045,878	5,568,793	6,100,556	6,101,145	0.0%	589
TOTAL EXPENSE	12,599,831	13,485,372	14,401,904	14,458,741	0.4%	56,837

REVENUE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SERVICES	8,390	7,716	10,000	25,000	150.0%	15,000
OTHER MISC REVENUES	(11,040)	319			0.0%	0
TOTAL GENERAL	(2,650)	8,035	10,000	25,000	150.0%	15,000
SPECIAL REVENUE						
FEDERAL GOVERNMENT			81,407	88,902	9.2%	7,495
STATE GOVERNMENT	7,842	14,426			0.0%	0
LOCAL GOVERNMENT				85,088	0.0%	85,088
TOTAL SPECIAL REVENUE	7,842	14,426	81,407	173,990	113.7%	92,583
INTERNAL SERVICE						
CHARGES FOR SERVICES	106		20,000	10,000	-50.0%	(10,000)
OTHER MISC REVENUES	29,983	13,875	10,000	10,000	0.0%	0
TOTAL INTERNAL SERVICE	30,089	13,875	30,000	20,000	-33.3%	(10,000)
TOTAL REVENUE	35,281	36,336	121,407	218,990	80.4%	97,583

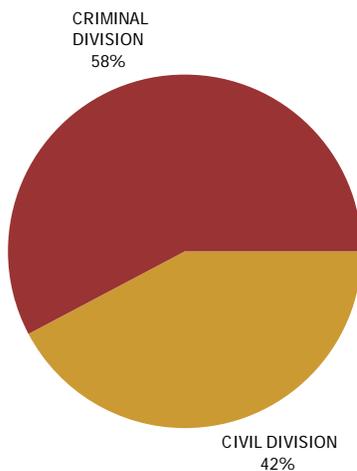
Expense by Fund



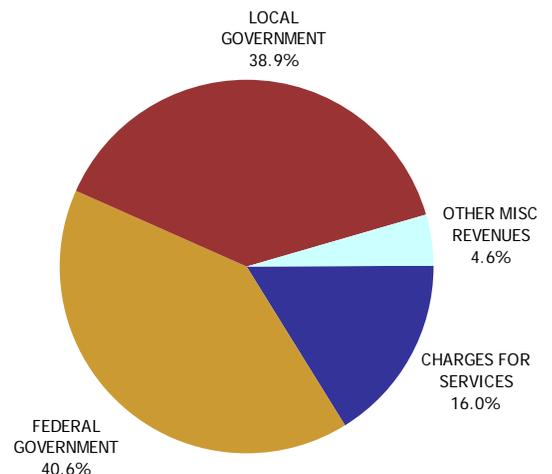
Expense by Category



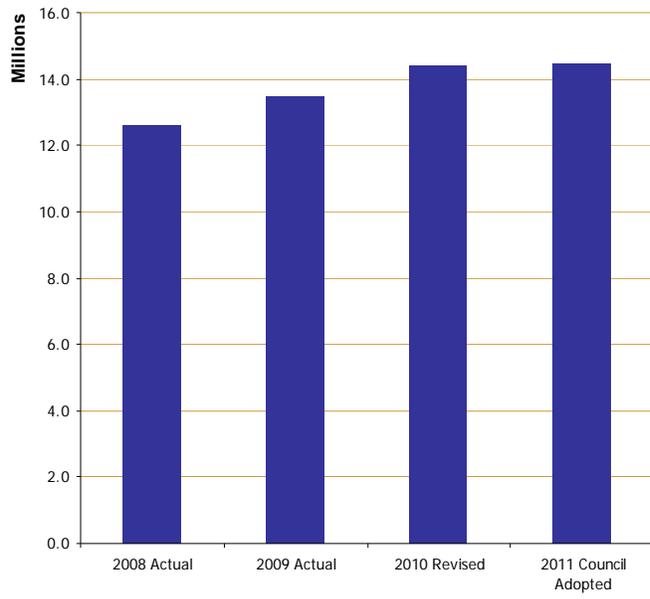
Expense by Division



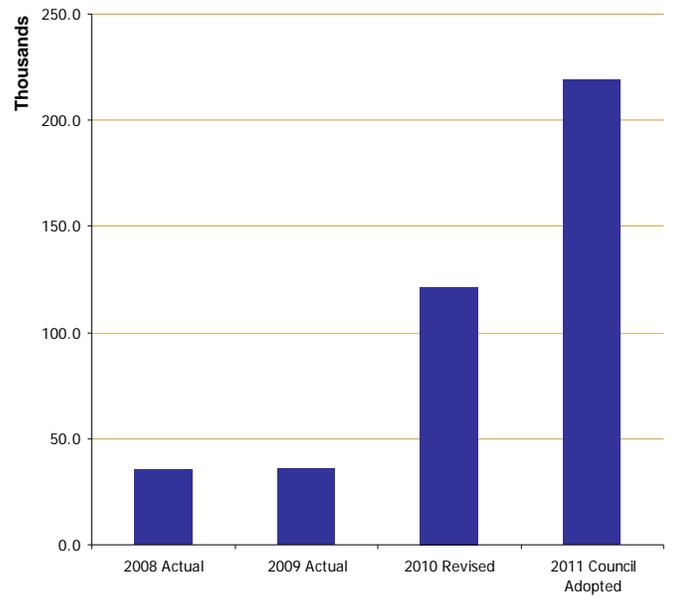
Direct Revenue by Type



Expense 2008 - 2011



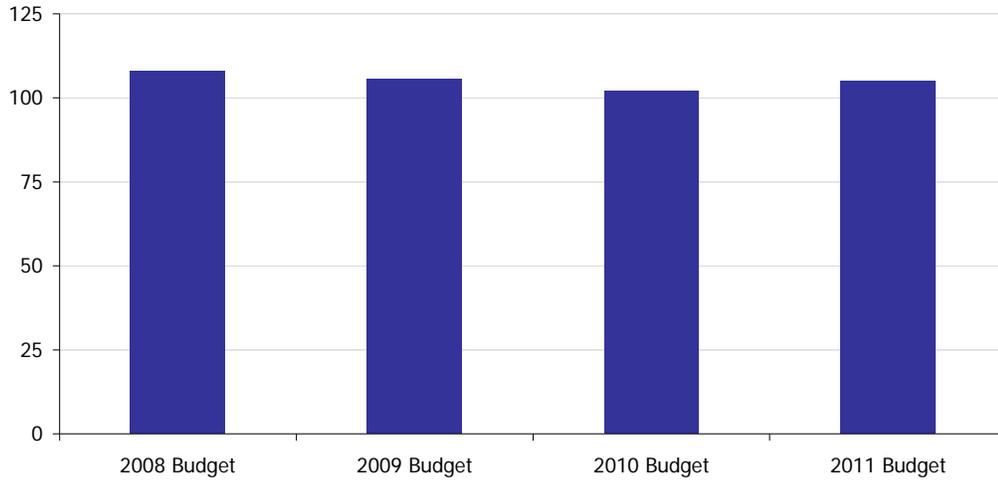
Revenue 2008 - 2011



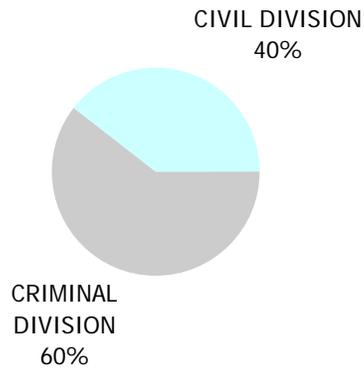
Staffing Information

Expense	2008 Budget	2009 Budget	2010 Budget	2011 Budget	% Change	Change
TENANT REMEDIES ACT FUNDING						
ATTORNEY						
CIVIL DIVISION	45.00	44.50	41.50	41.50	0.0%	
CRIMINAL DIVISION	63.00	61.00	60.50	63.50	5.0%	3.00
TOTAL	108.00	105.50	102.00	105.00	2.9%	3.00

Positions 2008-2011



Positions by Division



CITY CLERK/ELECTIONS/CITY COUNCIL

MISSION

To provide high quality, cost-effective processes and information for Council Members, City staff and the public, so that effective and responsible decisions can be made to govern the City. The mission and actions of the City Clerk Department serve to support all of the City's goals.

- Ensure that all procedures of the Council and Clerk's offices conform to Federal, State and City regulations, so that information management, Council actions and documentation lead to sound and legally-based decisions.
- Conduct elections that facilitate maximum participation of all eligible voters in the City of Minneapolis.
- Provide copying, binding, data process printing and mail services for City departments.
- Act diplomatically and apolitically to document and preserve the archival history of the city and to ensure citizens and lawmakers have unfettered access to information needed for responsible decision-making.

BUSINESS LINES

City Council

- Establish general policies subject to the approval of the Mayor; to ensure the health, safety, life, property and general, social, and economic welfare of the City's citizens.
- Handle constituent concerns.
- Conduct regularly scheduled Council meetings, committee meetings, and public hearings to carry out the policies of the City.

Committee Management and Council Information

Coordinate activities of the City Council including full City Council meetings, 12 standing committees, Executive Committee and the Charter Commission.

- Coordinate committee activity and legal procedures with Council Members, Mayor and City Attorney's Office.
- Provide process training for City staff, adapt technology to the electronic flow of documents from staff, through Council and into publication and continuously work on improving committee procedures and the quality of documents used for policy making by elected officials.
- Produce the official record of all Council actions.
- Maintain all Council information on the City Web site.
- Provide indexing and research of Council actions.

Administration for Council and Clerk

Provide administrative support to Council Members, their staff and the City Clerk's Department

- Provide human resource services including preparing job descriptions, hiring, assisting with or conducting the disciplinary process, grievance process, counseling/coaching and performance management of Council staff employees. Write employment contracts for non-permanent Council staff.
- Develop, administer, monitor and project spending of Ward operating budgets. Assist the purchase of supplies and equipment. Assist Council Members with vendor problems such as invoice issues.
- Technology: Oversee web and network support for the City Clerk and City Council.
- Coordinate Mayor-Council inauguration activities and provide extensive orientation for new Council Members and staff.
- Write policies and procedures.
- Coordinate the Open Appointments Process for City boards and commissions.
- Administer the Board of Equalization.

- Provide facilities management including managing remodeling projects, key control, security and workplace safety.
- Purchase major furniture items. Conduct ergonomic workplace studies and purchase remedial furniture. Write bid specifications for larger one-time and ongoing purchases.

Records Management and Enterprise Information Management (EIM)

- Oversee all of the official government records for the City of Minneapolis.
- Policies: Manage the City's paper and electronic records. Develop and oversee policies and procedures governing information.
- Records Retention: Manage retention and destruction schedules for general city records for finance, personnel and administration and develop department-specific schedules for records unique to individual departments.
- Data practices: Respond to requests for information: 120-140 requests per year.
- Records Center, Records Warehouse and Archives: 1,500 new boxes received, 1,000 boxes destroyed per year, and 1,400 retrievals/re-filings per year.

Printing, Data Operations and Mailing

Provide copying and bindery services for all City departments including:

- High speed black and white and color xerography, offset printing
- Collating/folding
- Paper cutting/drilling, hand assembly and numbering
- Envelope insertion and stitching/stapling/binding
- Printing personalized vendor checks, payroll checks, utility bills and other licensing

Provide mailing services for City departments including:

- First class and standard mail (bulk mail) assistance
- Interoffice mail delivery in City Hall
- Courier service to city departments in downtown buildings
- Package assistance and mailing through United Parcel Service
- Assistance with specialty mail such as certified, registered and insured mail

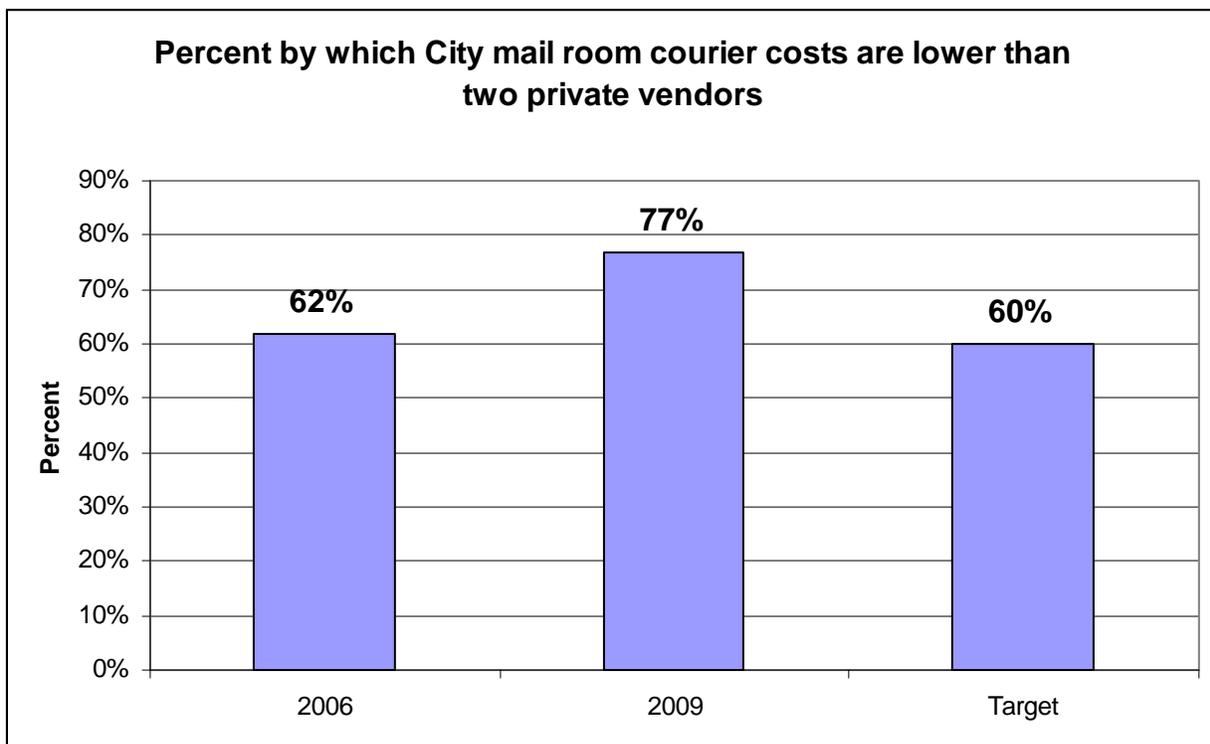
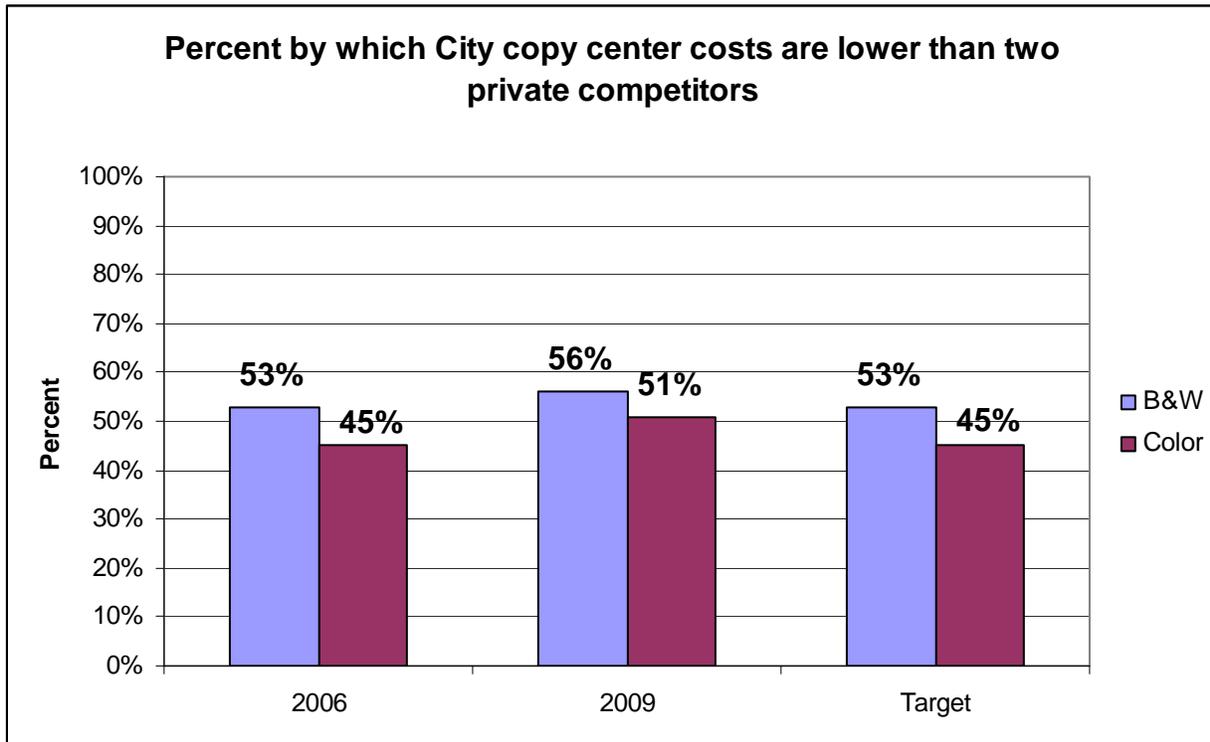
Elections

Administer Federal, State, County and Local elections for the citizens of Minneapolis.

- Manage elections for 225,000 registered voters, register up to 51,000 new voters per election, coordinate equipment, supplies and staffing for 131 polling places, and train between 1500-2200 election judges each election year (range from local to fed election).
- Community engagement: Work with constituency groups to provide voter education, advocate for legislative initiatives related to elections and to recruit election judges.

RESULTS MINNEAPOLIS CHARTS

Two measures from March 3, 2009 report are highlighted:



WHAT TWO OR THREE KEY TRENDS AND CHALLENGES DOES THE DEPARTMENT FACE AND HOW WILL EACH BE ADDRESSED?

Ranked Choice Voting (RCV). Beginning with the General Election of November 3, 2009, the City has successfully instituted RCV in municipal contests, using a vote counting method not previously used anywhere in the world. The longer term challenge is to purchase a federal and state certified ballot tabulator, not currently in existence, which is why hand counting will occur until a tabulator is certified and purchased by the City or County. With a tabulator, votes will be announced within a few hours of the polls' closing.

The Elections budget will need to be modified in future years as it pertains to RCV given costs realized in the 2009 RCV election and future projections (see also report at: http://www.ci.minneapolis.mn.us/council/2010-meetings/20100430/Docs/RCV-CostReport_RCA.pdf).

Redistricting. Redistricting is the process by which a census is conducted and boundaries of representative districts are adjusted. Minneapolis will take part in the redistricting process, in either 2011 or 2012, depending on when the legislature finishes its redistricting activities. Based on the 2002 process, costs are estimated to be between \$125,000 and \$200,000. In addition to factors existing in 2002, there is also a Charter amendment in progress which will go before the voters in November 2010 and could change processes, which may include additional commissioners, meetings, publication costs and administrative support.

Transition Planning

With the retirement of the previous City Clerk in February 2010, all three of the upper management positions in Clerk's office became vacant and were staffed on an interim basis. The City Clerk position has been filled; however, permanent assignments are yet to be determined for the Assistant City Clerk and Director of Elections.

Storage Space for Records (Paper and Electronic). Paper storage has continued to grow over time and the growth of electronic storage has skyrocketed. This exponential growth in the City's electronic storage has been a focus for BIS in recent years. Developing retention schedules is the primary method to reduce storage space because of the ability to identify duplicates and identify when records have met their retention requirements. The Clerk's Office will continue to partner with BIS on efforts to apply retention to electronic records and will seek resources to address e-mail and desktop records as separate projects.

In what internal/external partnerships is the department currently engaged and/or exploring for the future?

As a result of conversations with our City Clerk/City Council *Results Minneapolis* review panel, the department, particularly Elections, has made attempts to increase engagement with individuals and organizations outside the City.

A number of voter outreach tactics were used in the RCV election of 2009. Elections staff conducted an RCV voting test and the public and organizations were invited to attend the multi day process to increase transparency and knowledge. The City engaged a consulting firm to provide outreach and education to Minneapolis residents. That firm initiated an "issues" group inviting everyone to participate, conducted a door-knocking campaign and organized a speakers' bureau to educate residents about RCV, among many other outreach activities. A grant from the Minneapolis Foundation funded a direct mail piece to every household in the city explaining RCV. A study by Saint Cloud State University found that most 2009 voters knew about RCV before voting and found the process easy to understand. In an April 2010 report to

Council, Elections staff noted that funds for voter education and outreach must be available in future years to be able to continue conducting similar voter education and outreach.

The City Clerk's office has made an extra effort to ensure the Business Process Improvement (BPI) is successful with the Boards and Commissions BPI team. The main initiatives of the BPI process for Boards and Commissions is to streamline the open appointment process, gain marketability with the public, and clearly interpret steps for all stakeholders.

In other areas, the City Clerk has been involved and continues to be involved with Business Process Improvement teams. The department is also currently engaged in the COMPASS Users Group, BIS business planning teams, the Facility and Space Asset Management Team (FSAM), and the Security Work Team, among others.

How is the department evaluating programs or services for cost effectiveness?

Board of Appeal and Equalization

Previously, the Board of Appeal and Equalization used a minimum of two administrative support staff from the Assessor's office and the City Clerk's office. This was a joint administrative effort from both departments to ensure accurate record keeping starting at the appeal process and continuing through the board hearings. With the loss of employees both offices, a new process was evaluated and implemented in 2010 to make best use of the staff available. By using the Assessor's software 'Govern' the two departments had accurate, timely records for the process in 2010. This year's new process allowed the Board of Appeal and Equalization to operate with 3 – 4 less staff and after trial and error, brought forth new ideas for further success in the future.

Copy Center and Mail Room

The Copy Center conducts a rate comparison annually with two private sector vendors. This analysis has always shown this service provides a significant savings. The most recent survey demonstrated a 60% cost savings for black and white copies and a 59% savings for color copies. These savings are achieved through efficient leveraging of technology and bundled purchasing practices.

The Mail Room utilizes a variety of vendors and innovative services to improve process while focusing on cost reduction.

- Pitney Bowes Postal Services process mail at a reduced presort postage rate results in a 25% savings over full first class postage.
- Lifeworks courier services for non campus mail results in a 77% savings over commercial courier companies.
- Commercial courier routes with Dynamex courier services for Public Works, School Health Clinics and Traffic departments result in an annual cost savings of \$21,000 over the use of city driver staff.

City policy requires that before a department can use a provider other than the Copy Center, the department must show the job to the Supervisor, Copy Center Operations. The Supervisor determines if the Copy Center can perform the job, or if it should be sent to our low bidder meeting specifications or sent to another vendor, at which time the department is expected to obtain bids for each job. This process ensures taxpayers receive the best cost to achieve the service.

What actions will the department take to meet the current service level reductions as well as the alternative scenario? Please include a description of any revenue proposals. Identify *Results Minneapolis* measures where you anticipate a service level impact based

on cuts. Specifically include charts that show 2011 projections of no cuts and target reductions.

The City Clerk's department 2010 supplemental cut of \$113,000 was achieved through one-time measures requires that the department's strategy for 2011 includes this amount. In addition, an April 30, 2010, City Council action stated that for budget reductions needed for 2011, the department plans that the three divisions in the Clerk's budget (Clerk, Council and Elections) will proportionally share in the cuts required.

With the major transition of a new City Clerk this year, leadership is looking at all options for connecting business planning and budget. Therefore, the department's strategy includes a combination of one-time and permanent cuts to meet the \$113,000 for 2011.

FINANCIAL ANALYSIS

EXPENDITURE

The 2011 City Clerk, Council, and Elections & Registrations department's budget of \$8.2 million is a \$524,000 decrease from the 2010 budget. In determining the 2011 current service level, the department's base funding was reduced by \$500,000, because 2011 is not an election year.

All City postage is paid by the Central Mailing budget, estimated at \$445,941 for 2011. The Copy Center budget is estimated at \$544,206 for 2011 for the copy requisition (printing) function. The Mail Room and the Copy Center have equal revenues for services, both are estimated, and expenditures and revenues may need increases during the year, based on use of services.

REVENUE

Revenue is estimated at \$993,360, with declining sales of documentation copies due to availability of internet access. Central Mailing expects mailing services expenditures to match revenues. The Copy Center also expects matching revenues to expenditures in the copy requisitions (printing) function.

The Data Operations Center should bring in matching revenues to expenditures with the rate model. The function of the Data Operations Center will be eliminated in 2012, if the RFB (request for bids) finds that an outside vendor can fill the needs of Treasury and the Water department at a lower cost. The other smaller departments that use the printer in the data ops center will also be affected with this function loss.

FUND ALLOCATION

The department's expenditure budget is funded by the General Fund (86%) and Internal Service Funds (14%).

MAYOR'S RECOMMENDED BUDGET

The Mayor recommended a reduction to growth of \$54,000 for this department. A portion of this reduction to growth will be offset by health care savings. The Mayor recommended this reduction be taken by the City Clerk division of the department. The Council and Elections divisions are not recommended to take a reduction to growth. The Mayor also recommended a one-time increase of \$100,000 in 2011 and 2012 to fund redistricting activities in the Elections Division.

COUNCIL ADOPTED BUDGET

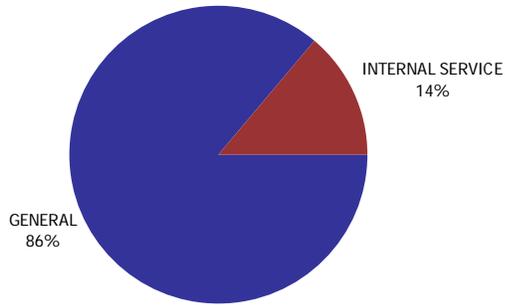
Council approved the Mayor's recommendations, except that the Mayor's budget is amended to allow up to \$60,000 of the one-time resources for redistricting activities in 2011 to be used to offset the City Council budget reduction on a one-time basis, allowing for restructuring of

Council activities. The 2012 resources set aside for redistricting activities shall remain dedicated for that purpose.

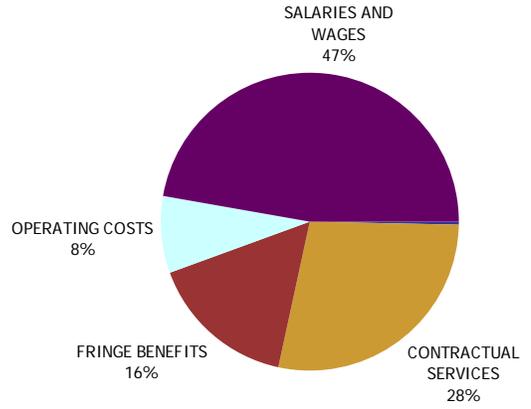
CITY COUNCIL/CLERK/ELECTIONS EXPENSE AND REVENUE INFORMATION

EXPENSE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	3,360,583	3,693,425	3,513,337	3,594,891	2.3%	81,554
FRINGE BENEFITS	947,870	1,048,107	1,366,198	1,221,436	-10.6%	(144,761)
CONTRACTUAL SERVICES	1,520,821	2,380,476	2,145,382	1,677,258	-21.8%	(468,124)
OPERATING COSTS	448,193	549,202	454,333	521,328	14.7%	66,995
CAPITAL	12,858		16,626	16,793	1.0%	167
TOTAL GENERAL	6,290,325	7,671,210	7,495,875	7,031,706	-6.2%	(464,169)
SPECIAL REVENUE						
CONTRACTUAL SERVICES		35,000			0.0%	0
TOTAL SPECIAL REVENUE		35,000				0
INTERNAL SERVICE						
SALARIES AND WAGES	223,712	244,155	273,134	252,375	-7.6%	(20,759)
FRINGE BENEFITS	109,687	86,258	134,684	104,005	-22.8%	(30,679)
CONTRACTUAL SERVICES	555,736	555,861	609,728	607,380	-0.4%	(2,348)
OPERATING COSTS	304,297	270,761	151,859	159,427	5.0%	7,568
CAPITAL			16,727	10,307	-38.4%	(6,420)
TOTAL INTERNAL SERVICE	1,193,432	1,157,035	1,186,132	1,133,494	-4.4%	(52,638)
TOTAL EXPENSE	7,483,757	8,863,244	8,682,007	8,165,200	-6.0%	(516,807)
REVENUE						
	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
GENERAL						
LICENSE AND PERMITS	2,770	5,344	2,500	2,500	0.0%	0
CHARGES FOR SERVICES	8,166	102,955	45,735	45,735	0.0%	0
CHARGES FOR SALES	2,767	8,789	600	425	-29.2%	(175)
OTHER MISC REVENUES	(40)	51	325		-100.0%	(325)
TOTAL GENERAL	13,663	117,139	49,160	48,660	-1.0%	(500)
SPECIAL REVENUE						
CONTRIBUTIONS		35,000			0.0%	0
TOTAL SPECIAL REVENUE		35,000			0.0%	0
INTERNAL SERVICE						
CHARGES FOR SERVICES	1,065,036	1,008,025	935,500	945,941	1.1%	10,441
CHARGES FOR SALES	213				0.0%	0
OTHER MISC REVENUES	267				0.0%	0
TOTAL INTERNAL SERVICE	1,065,516	1,008,025	935,500	945,941	1.1%	10,441
TOTAL REVENUE	1,079,179	1,160,164	984,660	994,601	1.0%	9,941

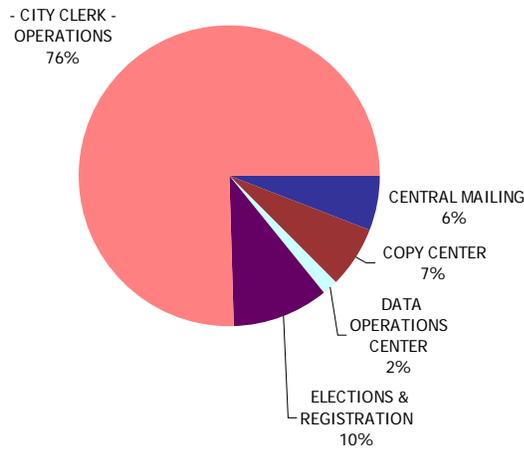
Expense by Fund



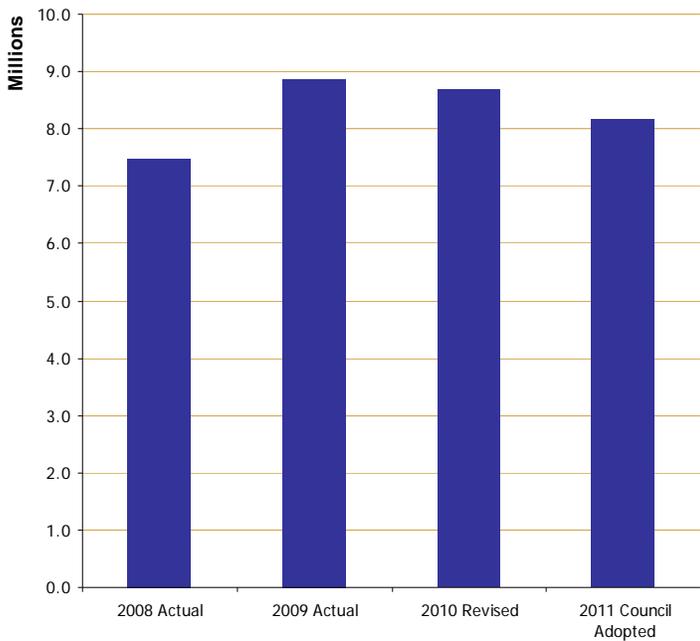
Expense by Category



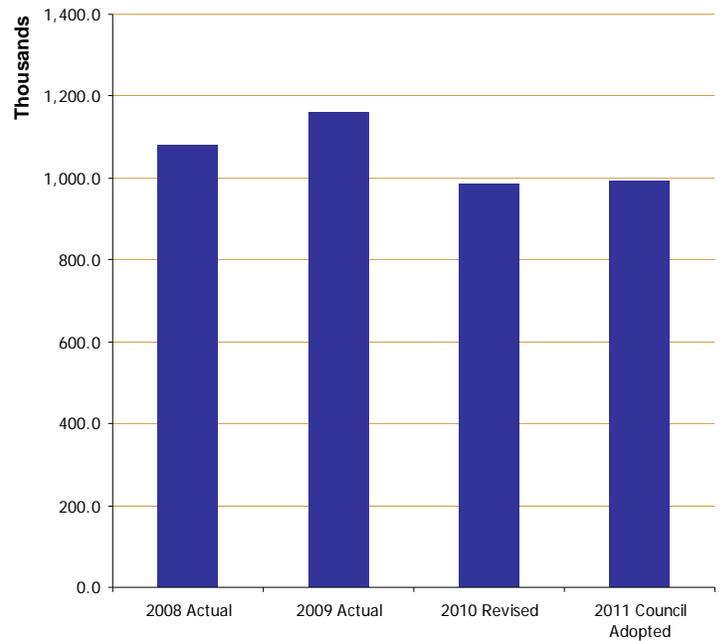
Expense by Division



Expense 2008 - 2011



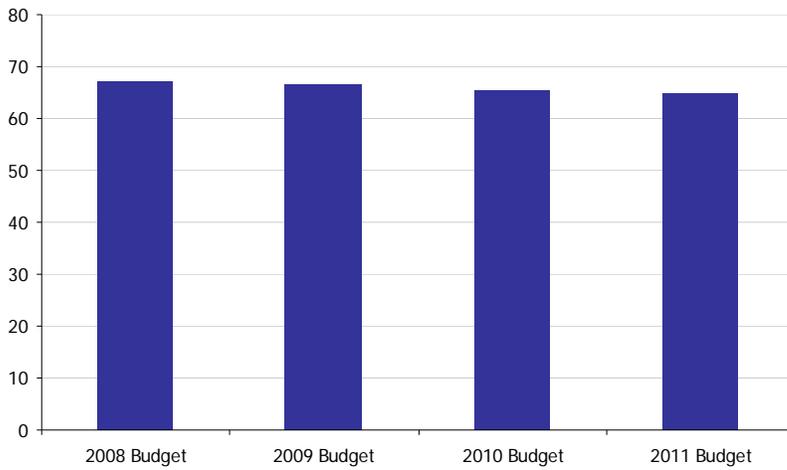
Revenue 2008 - 2011



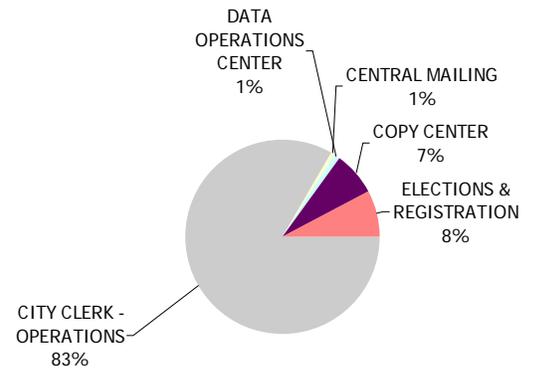
Staffing Information

Expense	2008 Budget	2009 Budget	2010 Budget	2011 Budget	% Change	Change
DATA OPERATIONS CENTER	1.00	1.30	1.30	0.75	-42.3%	(0.55)
ELECTIONS & REGISTRATION	6.00	5.00	5.00	5.00	0.0%	
CENTRAL MAILING		0.35	0.35	0.35	0.0%	
CITY CLERK - OPERATIONS	55.00	55.00	54.00	54.00	0.0%	
COPY CENTER	5.00	4.85	4.85	4.65	-4.1%	(0.20)
CITY CLERK						
TOTAL	67.00	66.50	65.50	64.75	-1.1%	(0.75)

Positions 2008-2011



Positions by Division



CITY COORDINATOR

MISSION

(EXCERPTED FROM THE CITY CHARTER)

The Office of the City Coordinator provides administrative and management services for the City, including but not limited to planning, budgeting and fiscal management, program monitoring and evaluation, personnel, data processing and purchasing. The Coordinator shall coordinate City activities as directed by the City Council and shall supervise the inspections department, the Minneapolis Convention Center, convention and tourism, licenses and consumer services, federal programs, and such other activities as the City Council may direct. The City Coordinator, after consultation with City agencies, shall recommend to the City Council and Mayor a management system for all agencies.

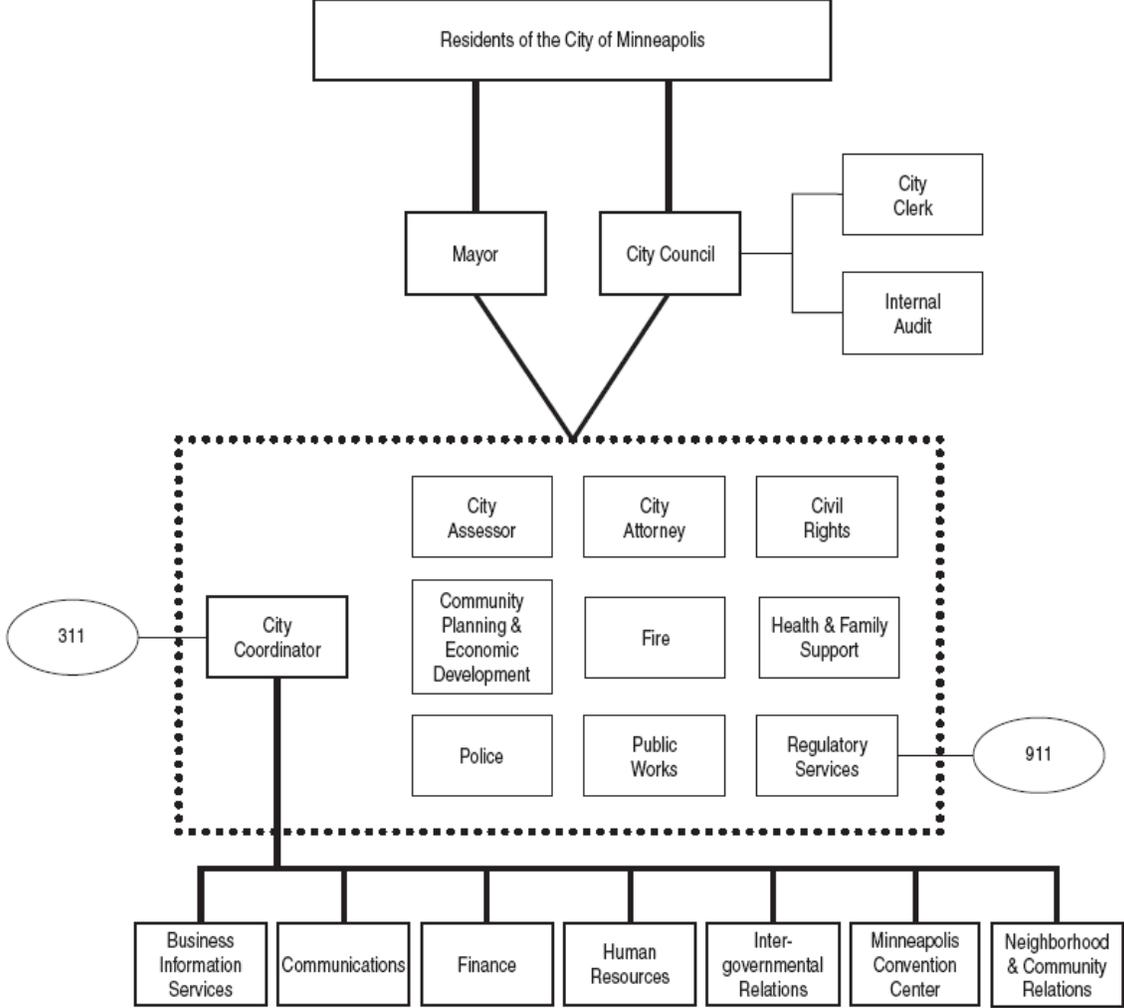
BUSINESS LINES

Strategic Direction Development and Implementation: The City Coordinator acts as a strategic policy advisor to the Mayor and City Council and ensures that policy and project implementations are accountable and consistent with Mayor and Council direction.

Enterprise Management Services: The City Coordinator provides direction and oversight to the City's management departments including Business Information Services, Communications, Finance, Human Resources, Intergovernmental Relations and Neighborhood and Community Relations to ensure the effectiveness of internal services.

Direct Resident Services: The City Coordinator has direct management oversight responsibilities to ensure cost-effective, high-quality service and public accountability for neighborhood and community relations, non-emergency information and services provided by Minneapolis 311 and the work of the Minneapolis Convention Center.

City of Minneapolis



RESULTS MINNEAPOLIS CHARTS

Historically, the City Coordinator's Office has included a full set of performance measures here that track progress on all the City goals and strategic directions. While the direct work for many of these measures is conducted by colleagues throughout the eighteen City departments, the department's work on behalf of the enterprise is about helping them achieve their performance targets.

The information about the best measures to use for the new set of six City goals and 41 strategic directions is in development alongside the completion of five-year business plans for every department in the City, and will be available by September 2010.

What two or three key trends and challenges does the department face and how will each be addressed?

Service expectations remain high; resources to pay for those services are inadequate.

This is a theme that will be heard from every corner of the City enterprise. For years departments have been asked to maintain or grow their effectiveness with declining funds and personnel. Departments have shifted responsibilities to higher priorities, eliminated duplicative efforts, streamlined administrative support, reengineered business processes and cut back on lesser-used services. The City is now left with no easy choices as its leaders consider what gets changed or eliminated next.

Innovation and creativity are still at a premium. The basic work of a municipality – public health and safety, infrastructure, regulatory work – is fundamental to livability aspirations as a City, and in many ways, simply requires the numbers of skilled personnel to get the job done. Because these folks are already stretched with serious responsibilities, it can be difficult to carve out the time or support needed to develop creative solutions to the City's biggest challenges. There are tangible tools to help, and the City Coordinator's Office along with Public Works has had some early successes with them (*e.g.*, downtown traffic management), but the department will need to convince other departments of the value of investing in innovation.

Risks of decentralizing management services. Minneapolis benefits from centralized services and coordination in the following areas: budget and finance, human resources including training and development, technology, communications and intergovernmental relations. The City would be better if it also funded centralized grants management work, but resources and structure currently hinder this. The department works hard for these centralized services to be efficient and cost-effective. That said, as coordinator services are cut, the department's ability to provide the services requested is jeopardized. Achieving the right balance between what frontline departments do and what is provided centrally is crucial considering the value the City gets from central management information, efficiencies of scale, and coordinated communications.

In what internal/external partnerships is the department currently engaged and/or exploring for the future?

The work of the Coordinator's Office is *entirely* about partnerships, internal and external.

Internally, the department works with all City departments on strategic and business planning, performance measurement and management, business process improvement, development of strategic partnerships with the private and foundation sectors, and sustainability goals and initiatives. The department does this through monthly department leadership meetings, weekly results progress conferences and literally hundreds of ad hoc meetings addressing a myriad of issues.

Externally, the members of the City Coordinator team work regularly with governmental colleagues at Hennepin County, the State of Minnesota and the Metropolitan Council, parks, schools, the business community (Downtown Council and the various chambers of commerce), Meet Minneapolis, many foundations and corporations, and hundreds of nonprofits.

The success of most of the City's goals and strategic directions recently posed will depend more and more on a broad and effective network of community connections.

How is the department evaluating programs or services for cost effectiveness?

Most of the services provided by the City Coordinator's Office come at minimal cost to departments through the administrative rate model. The cost of services like business process improvement training has been decreased more and more as the department brings the expertise within the organization to do the training and facilitation of improvement teams. In addition, the department has been very aggressive in negotiating favorable rates with any outside vendors needed for their short-term expertise.

About every two years, the department conducts a management services survey of internal City customers to determine whether it is achieving the value departments need. This survey is used to make changes and correct problems in the department's work.

What actions will the department take to meet the current service level reductions? Please include a description of any revenue proposals. Identify *Results Minneapolis* measures where you anticipate a service level impact based on cuts. Specifically include charts that show 2011 projections of no cuts and target reductions.

The Coordinator's Office will meet the current service level reductions through savings realized with the elimination of the Executive Assistant position in mid-2010. It should be noted, however, that along with the elimination of the Deputy City Coordinator position in 2009, the City Coordinator's workload has increased substantially in the past two years, and structurally, some of this support should be reconsidered in the future if ever resources allow.

FINANCIAL INFORMATION FOR ALL COORDINATOR'S DEPARTMENTS COMBINED

The Coordinator's 2011 budget is \$120.3 million, a 10.1% increase from 2010. The budget is funded by the General Fund, seven special revenue funds including the Convention Center Operations Fund, and two internal service funds. The overall change in positions from the 2010 budget to the 2011 budget is a decrease of 33 positions to 550. This change is reflective of reorganizations including moving 911 into Regulatory Services and making Regulatory Services a Charter Department.

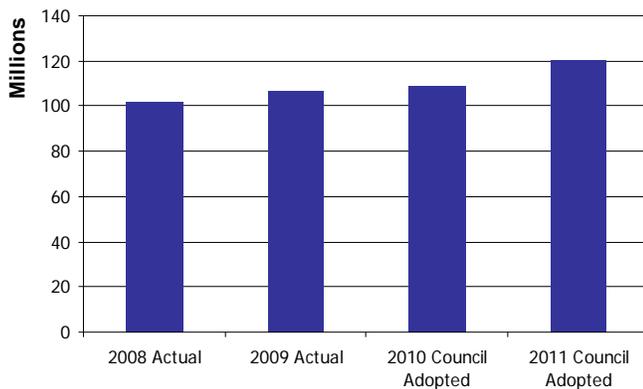
EXPENDITURES

AGENCY	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
OPERATING COSTS	(1,742,450)	(2,762,950)				
TOTAL AGENCY	(1,742,450)	(2,762,950)				
GENERAL						
SALARIES AND WAGES	16,225,263	16,419,452	16,490,651	16,243,733	-1.5%	(246,918)
CONTRACTUAL SERVICES	9,144,888	10,556,729	10,685,629	10,406,246	-2.6%	(279,383)
OPERATING COSTS	1,842,487	1,853,843	1,891,769	1,999,908	5.7%	108,139
FRINGE BENEFITS	5,032,043	5,502,425	6,214,906	5,928,886	-4.6%	(286,020)
CAPITAL	82,934	15,878	62,134	23,546	-62.1%	(38,588)
TOTAL GENERAL	32,327,615	34,348,327	35,345,089	34,602,320	-2.1%	(742,770)
INTERNAL SERVICE						
SALARIES AND WAGES	5,296,274	6,866,976	6,783,499	6,283,155	-7.4%	(500,344)
CONTRACTUAL SERVICES	18,352,115	19,758,361	17,738,074	20,466,120	15.4%	2,728,046
OPERATING COSTS	5,035,453	10,548,453	1,260,607	1,519,627	20.5%	259,020
FRINGE BENEFITS	1,694,136	2,109,228	2,630,494	2,061,968	-21.6%	(568,527)
CAPITAL			136,333	121,477	-10.9%	(14,856)
TOTAL INTERNAL SERVICE	30,377,978	39,283,017	28,549,007	30,452,346	6.7%	1,903,339
SPECIAL REVENUE						
SALARIES AND WAGES	9,942,951	9,757,190	9,968,004	10,557,768	5.9%	589,764
CONTRACTUAL SERVICES	21,130,577	19,107,052	21,942,191	27,008,254	23.1%	5,066,063
OPERATING COSTS	1,240,387	1,209,494	1,316,428	1,559,356	18.5%	242,928
FRINGE BENEFITS	3,383,453	3,704,773	4,890,497	4,331,774	-11.4%	(558,722)
CAPITAL	5,315,676	2,449,811	7,291,577	11,782,119	61.6%	4,490,542
TOTAL SPECIAL REVENUE	41,013,044	36,228,320	45,408,697	55,239,271	21.6%	9,830,574
TOTAL EXPENSES	101,976,187	107,096,714	109,302,793	120,293,937	10.1%	10,991,144

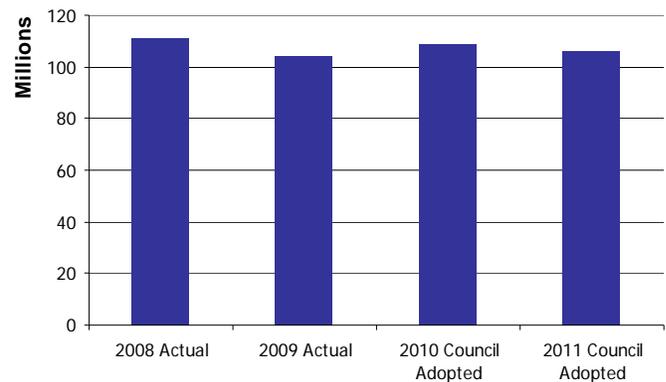
REVENUES

AGENCY	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
GAINS	6,505					
INTEREST		(10,649)				
LONG TERM LIABILITIE	(7,737)					
TOTAL AGENCY	(1,233)	(10,649)				
GENERAL						
CHARGES FOR SALES	1,631	6,165	2,000	5,000	150.0%	3,000
CHARGES FOR SERVICES	12,671	3,301	6,000	1,500	-75.0%	(4,500)
CONTRIBUTIONS	425,080	461,274	450,000	450,000	0.0%	
FRANCHISE FEES	3,098,707	3,213,725	3,000,000	3,100,000	3.3%	100,000
LOCAL GOVERNMENT	17,781	6,012	15,000	5,000	-66.7%	(10,000)
OTHER MISC REVENUES	65,718	18,941	32,109	67,108	109.0%	34,999
RENTS	6,581	32,321	7,000	10,000	42.9%	3,000
SPECIAL ASSESSMENTS	(129)					
TOTAL GENERAL	3,628,040	3,741,737	3,512,109	3,638,608	3.6%	126,499
INTERNAL SERVICE						
CHARGES FOR SALES	20,268	20,270	20,000	20,000	0.0%	
CHARGES FOR SERVICES	29,074,668	31,020,214	26,948,526	28,180,893	4.6%	1,232,367
GAINS		(99,203)				
OTHER MISC REVENUES	11,562	(61,943)				
TOTAL INTERNAL SERVICE	29,106,498	30,879,338	26,968,526	28,200,893	4.6%	1,232,367
SPECIAL REVENUE						
CHARGES FOR SERVICES	6,062,364	4,583,253	5,585,000	5,280,000	-5.5%	(305,000)
CONTRIBUTIONS	1,209,975	775,000	700,000	700,000	0.0%	
FEDERAL GOVERNMENT	(250)					
INTEREST	1,277,715	435,261	402,611	359,760	-10.6%	(42,851)
LOCAL GOVERNMENT	1,904					
OTHER MISC REVENUES	2,822,788	2,577,089	2,770,000	2,520,000	-9.0%	(250,000)
RENTS	6,705,066	6,410,144	6,432,411	6,400,000	-0.5%	(32,411)
SALES AND OTHER TAXE	60,480,504	54,868,226	62,435,620	59,038,997	-5.4%	(3,396,623)
TOTAL SPECIAL REVENUE	78,560,066	69,648,973	78,325,642	74,298,757	-5.1%	(4,026,885)
TOTAL REVENUES	111,293,372	104,259,399	108,806,277	106,138,258	-2.5%	(2,668,019)

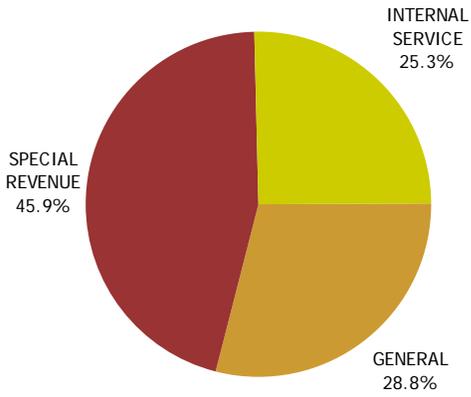
Total Expenditures



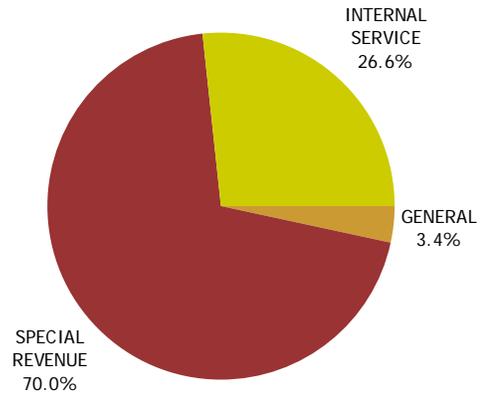
Total Revenues



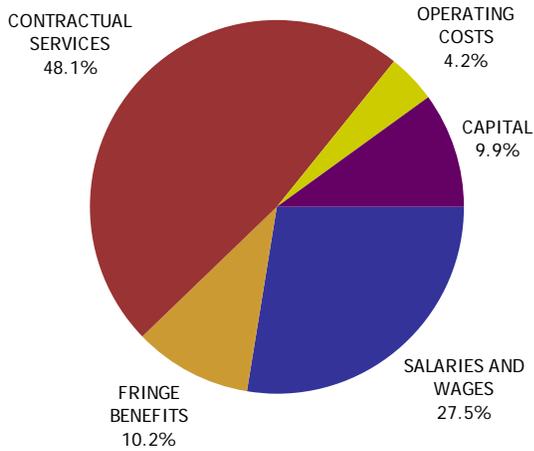
Expense by Fund



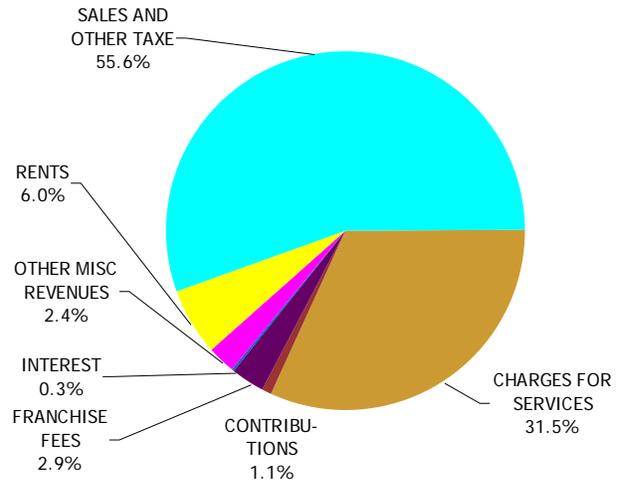
Revenue by Fund



Expenditures by Type



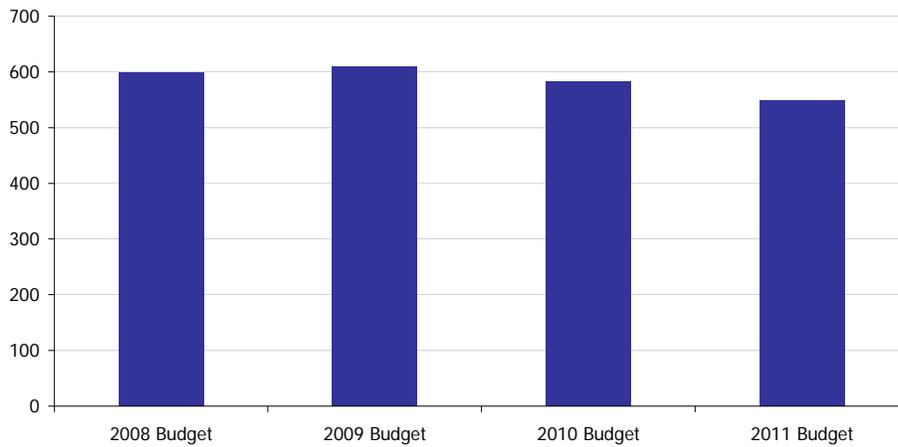
Revenue by Type



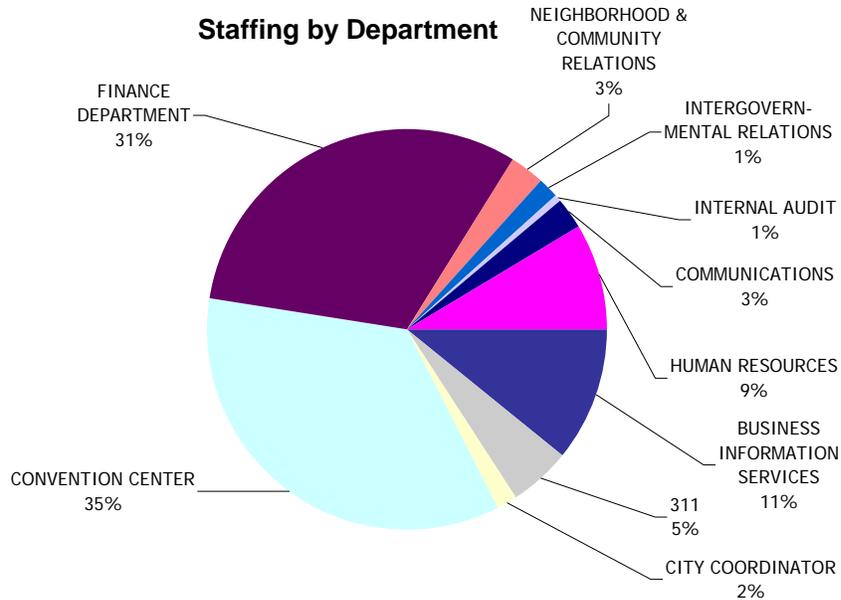
CITY COORDINATOR Staffing Information

Department	2008 Budget	2009 Budget	2010 Budget	2011 Budget	% Change	Change
BUSINESS INFORMATION SERVICES	93.00	90.00	80.00	59.00	-26.3%	(21.00)
COMMUNICATIONS	17.00	15.00	14.00	14.00	0.0%	
HUMAN RESOURCES	55.00	52.00	47.60	47.60	0.0%	
INTERGOVERNMENTAL RELATIONS	10.00	8.00	8.00	8.00	0.0%	
INTERNAL AUDIT			2.00	3.00	50.0%	1.00
311		34.00	28.00	28.00	0.0%	
CITY COORDINATOR	9.00	9.00	9.00	9.00	0.0%	
CONVENTION CENTER	212.00	208.18	208.18	193.00	-7.3%	(15.18)
FINANCE DEPARTMENT	202.00	185.00	177.00	172.00	-2.8%	(5.00)
NEIGHBORHOOD & COMMUNITY RELATIONS		8.50	8.50	16.00	88.2%	7.50
Total CITY COORDINATOR Depts	598.00	609.68	582.28	549.60	-0.8%	(32.68)

Positions 2008-2011



Staffing by Department



CITY COORDINATOR – ADMINISTRATION

FINANCIAL ANALYSIS

EXPENDITURE

The 2011 budget for the City Coordinator Administration department is \$1.6 million, a 10% increase from the 2010 Revised Budget. The increase is primarily due to \$75,000 in Tree Trust funding being transferred into the department from Regulatory Services on an ongoing basis and the transfer of the Arts Coordinator position from CPED. The Deputy City Coordinator position was not authorized for 2011, leaving the FTE count for the department unchanged.

REVENUE

This department does not generate revenue.

FUND ALLOCATION

98% of the City Coordinator Administration Department's budget is funded from the General Fund with the remaining 2% of the budget coming from Community Development Block Grants.

MAYOR'S RECOMMENDED BUDGET

The Mayor recommended a reduction to growth of \$5,000.

COUNCIL ADOPTED BUDGET

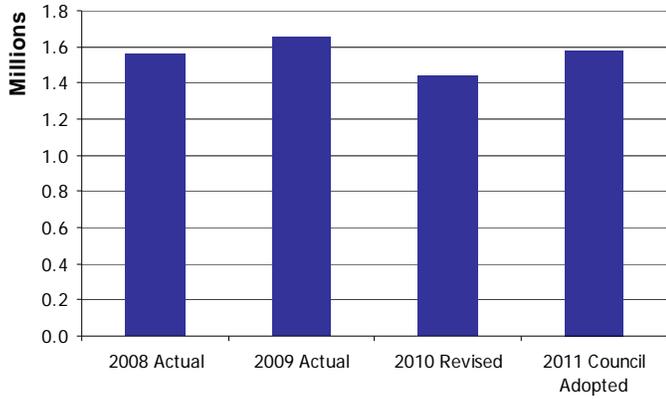
The Council adopted the Mayor's recommendations for this department.

CITY COORDINATOR EXPENSE AND REVENUE INFORMATION

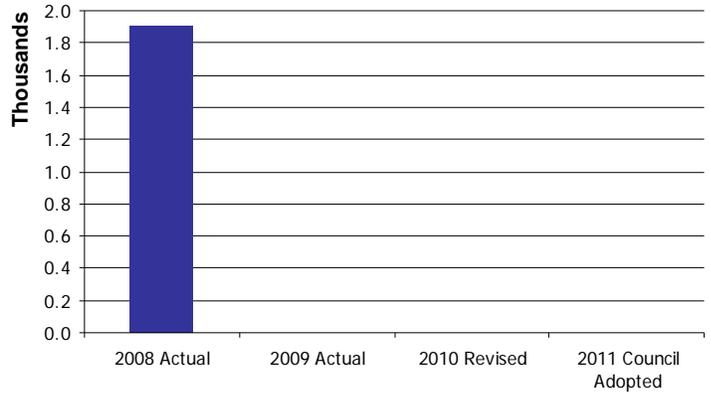
EXPENSE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	801,457	894,407	718,360	774,329	7.8%	55,969
FRINGE BENEFITS	213,547	246,880	247,131	263,449	6.6%	16,318
CONTRACTUAL SERVICES	417,541	404,858	372,240	396,986	6.6%	24,746
OPERATING COSTS	122,820	103,807	97,301	116,315	19.5%	19,014
CAPITAL	2,945	372	3,658	3,695	1.0%	38
TOTAL GENERAL	1,558,310	1,650,324	1,438,689	1,554,774	8.1%	116,085
SPECIAL REVENUE						
SALARIES AND WAGES				20,677	0.0%	20,677
FRINGE BENEFITS				7,469	0.0%	7,469
CONTRACTUAL SERVICES	1,904	970			0.0%	0
TOTAL SPECIAL REVENUE	1,904	970		28,146		28,146
TOTAL EXPENSE	1,560,214	1,651,293	1,438,689	1,582,920	10.0%	144,231

REVENUE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
SPECIAL REVENUE						
FEDERAL GOVERNMENT	(250)				0.0%	0
LOCAL GOVERNMENT	1,904				0.0%	0
OTHER MISC REVENUES	250				0.0%	0
TOTAL SPECIAL REVENUE	1,904				0.0%	0
TOTAL REVENUE	1,904				0.0%	0

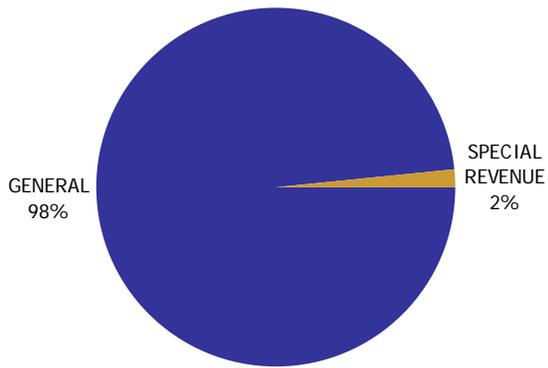
Expense 2008 - 2011



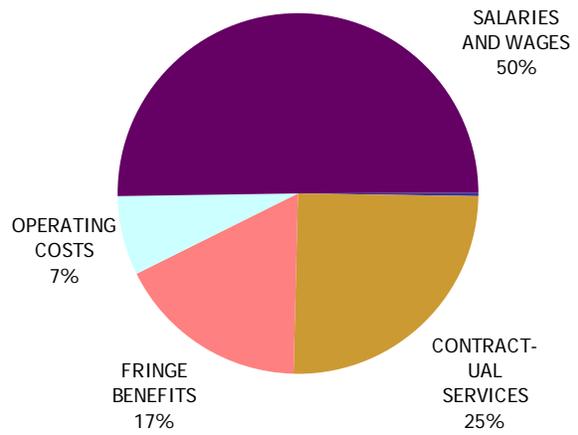
Revenue 2008 - 2011



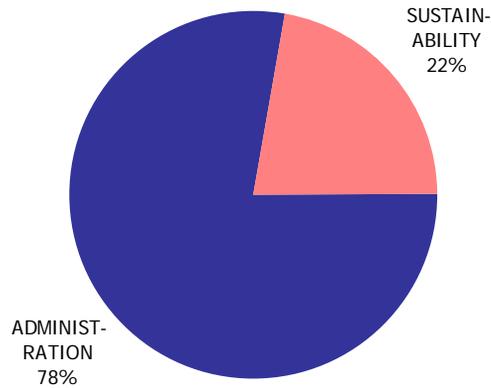
Expense by Fund



Expense by Category



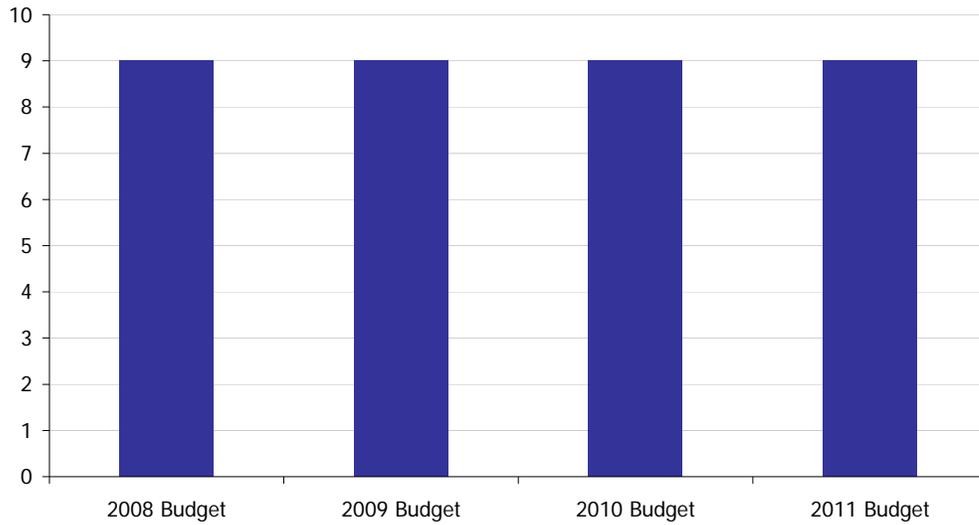
Expense by Division



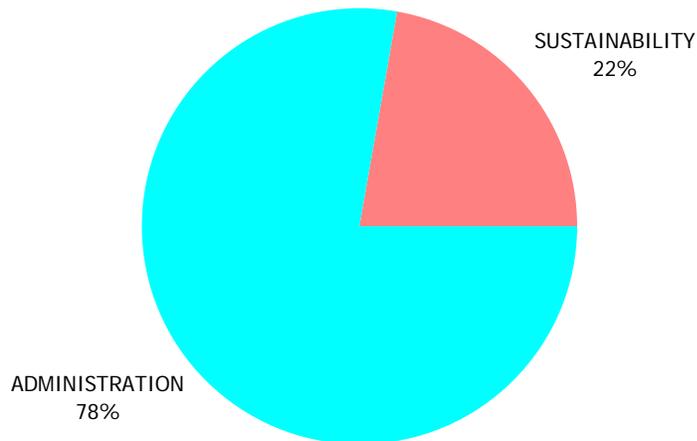
CITY COORDINATOR Staffing Information

Expense	2008 Budget	2009 Budget	2010 Budget	2011 Budget	% Change	Change
ADMINISTRATION	9.00	7.00	7.00	7.00	0.0%	
SUSTAINABILITY		2.00	2.00	2.00	0.0%	
TOTAL	9.00	9.00	9.00	9.00	0.0%	

Positions 2008-2011



Positions by Division



311

MISSION

Minneapolis 311 serves as the single point of contact to the City of Minneapolis for all non-emergency requests for information and services.

311:

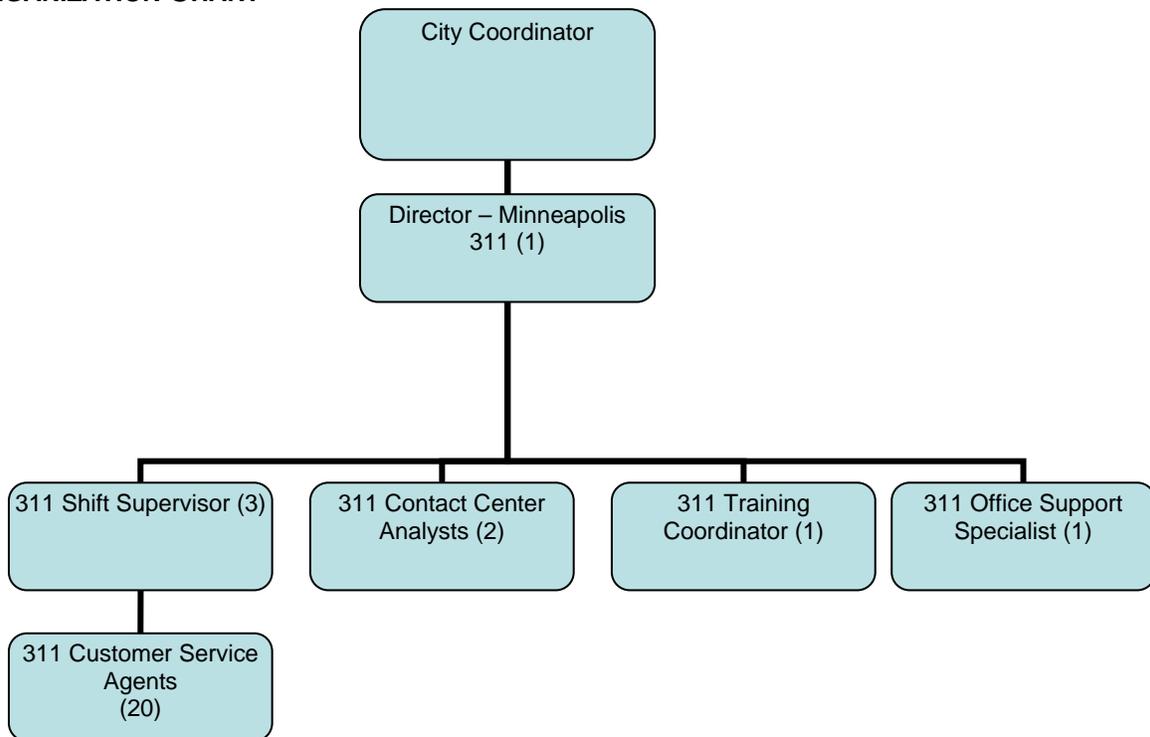
- simplifies citizen access to City services and information
- enables City employees to deliver services more effectively
- tracks requests for service delivery from inception to completion
- provides access to City services by voice, e-mail and the web

BUSINESS LINES

The 311 Department is the primary source of contact for City government through the following business lines:

1. Provide accurate and timely Information to the customer
2. Collect Information and Requirements for Service Requests
3. Connect customers with subject matter experts
4. Enterprise reporting on Service Level attainment and follow-up

ORGANIZATION CHART



RESULTS MINNEAPOLIS CHARTS

Measure Name	2007 Data	2008 Data	2009 Data	2010 Target	2011 Target
Abandon calls (%)	4.8%	4.0%	3.7%	5.8%	6.0%
311 Answer Time (sec)	22 sec	18 sec	17 sec	25 sec	25 sec
311 Contact Center Service Level (% <20 sec)	74.4%	80.4%	82.3%	70.0%	67.0%
311 First-Call Resolution	76.0%	80.7%	83.4%	84.0%	85.0%
Self Service Utilization	2.1%	3.1%	5.9%	10%	10%
Citizen Satisfaction with access to city services	(no resident survey) (65% 2005)	77% (Good /Very Good)	(no resident survey)	80%	-
Cost Per Contact For 311	\$5.64	\$5.94	\$7.45***	\$7.23	\$7.00
311 Business Hours	7am – 11pm	7am – 11pm	7am – 11pm	7am – 7pm	7am – 7pm

***311 Budget increased to include all Lagan maintenance and support costs for City.

What two or three key trends and challenges does the department face and how will each be addressed?

- **311 Budget Cutbacks:** Likely the most significant trend and challenge for Minneapolis 311 is reduced funding. At a time when customers want more and easier access to local municipal government services, 311's funding and hours have received significant cuts. In 2010, 311 staffing was reduced 18% and hours cut by 25%. To address these reductions and still meet customer needs, the following tactics are being taken:
 - Continuing to develop and offer additional online services.
 - Developing an even more flexible, efficient and responsive workforce by implementing 311 Virtual (work from home) Agents.
 - Continuing to explore 311 shared service opportunities, internally and externally.
- **311 Strategic Partnerships and Shared Services:** While Minneapolis 311 has dramatically improved the simplicity and accessibility to City of Minneapolis non-emergency information and services, some services remain outside the current scope of 311. Additionally, other City services are duplicative with those of independent agencies and other local government organizations causing confusion, duplication of effort and waste. Minneapolis 311 will continue to be a catalyst for change in reducing this confusion and continuing to simplify these processes while building strategic partnerships and enabling shared services.

- **311 Engaging the Resident:** Resident survey results indicate 59% of Minneapolis residents are aware of 311. Key to increasing the resident awareness of Minneapolis 311 will be successfully engaging various resident groups. Specifically targeted are limited English and college student groups. Additionally, engaging resident groups as “citizen sensors” will increase overall awareness and use of 311. Finally, connecting with residents via emerging technology platforms and social media will be crucial.

In what internal/external partnerships is the department currently engaged and/or exploring for the future?

Hennepin County’s interest in partnering with the City of Minneapolis for 311 shared services has greatly dissipated. Likelihood of any such partnership in the future appears remote.

Public Works – Solid Waste & Recycling has partnered with 311 to handle Graffiti, Garbage and Recycling calls during their office hours of 8am – 4:30pm. Callers to 311 can select an option that routes the caller to a Solid Waste & Recycling Customer Service Representative.

Minneapolis 311 is exploring potential opportunities with Meet Minneapolis and neighboring municipalities.

Minneapolis 311 continues to partner with Regulatory Services, Public Works, Police, Finance and BIS to develop, improve and expand 311 contact center services and online services.

How is the department evaluating programs or services for cost effectiveness?

311 is in the process of gathering responses to a survey that was distributed to 311’s in the United States and Canada. This survey is intended to help identify organizational alignment, scope, hours of operation, performance metrics, costs and best practices.

311’s Quality Assurance process is nearing completion of a complete review and redesign effort. The purpose of the redesign is to establish a more objective measurement and scoring process. A new baseline for comparison and continuous improvement is being established.

An online customer satisfaction survey process on the 311 webpage was implemented in May. This tool will provide customers with a way to provide direct feedback on their 311 experience plus suggestions for improvement.

A recently concluded Business Process Improvement (BPI) Kaizan event produced 10 recommendations that are in various stages of development and implementation. Recommendations are aimed at streamlining communication processes between resolving departments and 311, reducing the time required for making knowledge base and service request changes and streamlining overall customer access to 311.

What actions will the department take to meet the current service level reductions? Please include a description of any revenue proposals. Identify *Results Minneapolis* measures where you anticipate a service level impact based on cuts. Specifically include charts that show 2011 projections of no cuts and target reductions.

In addition to the Current Service Level Reduction (\$39,000), 311 must also provide reductions to offset the \$115,000 in one-time funds that were provided to 311 in 2010 to help with the transition to reduced business hours.

Following are actions that have been or can be taken:

- Reduced the 2011 BIS rate model chargeback's to the 311 department by reducing the number of computer devices by 24% - \$75,000.
- Savings from new contract for new third party over the phone interpretive services - \$13,000.
- Reduce Personnel Expenses by:
 - Eliminating all overtime - \$29,000
 - Realization of incremental annualized savings for staff laid off in 2010 - \$37,000.

Results Minneapolis Impacts:

- 2010 call volumes have been running more than forecast. If this trend continues into 2011, 311 Service Levels and Average Speed of Answer will continue to decline.
- 311 will not be open after 7pm or on weekends for Snow Emergencies for the winter of 2010 – 2011.
- Graffiti, Garbage and Recycling calls to 311 between 8am – 4:30pm are routed to and handled by Solid Waste & Recycling staff.
- Less ability to flex staff to cover unexpected work volumes or changes. Impacts are longer wait times, more abandoned calls and decreased customer satisfaction.

FINANCIAL ANALYSIS

EXPENDITURE

The 2011 budget for 311 is \$3.2 million, an increase of 5.2% from the 2010 revised budget. In the 2011 current service level budget, 311 eliminated \$29,000 of overtime and \$11,742 in contractual services relating to a new third party contract for phone interpretive services.

Personnel expense makes up 65% of the department's budget and contractual services make up 34% of the budget. Other operating expenses make up 1% of the budget. Part of the growth in fringe benefits is due to an adjustment to more accurately reflect health insurance expenditures. The remainder of the difference is primarily due to a change in how the MERF contributions are accounted for in the budget.

Of the non-personnel expenses that represent approximately 35% of the department's budget, the majority 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, memberships and supplies.

REVENUE

311 does not generate revenue.

FUND ALLOCATION

311's entire budget comes from the General Fund.

MAYOR'S RECOMMENDED BUDGET

The Mayor recommended a reduction to growth of \$47,000. The Mayor also recommended one-time increases of \$60,000 for the 311 Mobile Smart Phone Application and \$140,000 for the 311 Voice Recognition Interactive Voice Response (IVR) Auto Attendant.

COUNCIL ADOPTED BUDGET

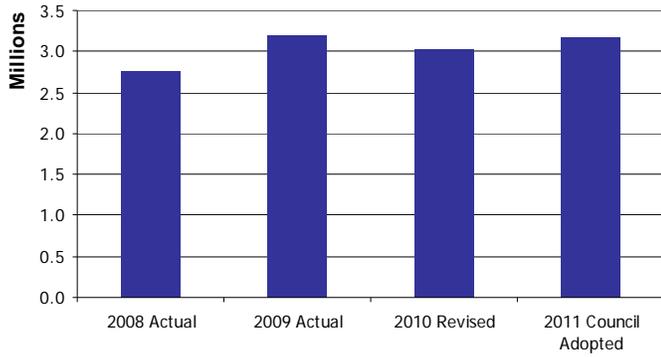
The Council adopted the Mayor's recommendations for this department.

**311
EXPENSE AND REVENUE INFORMATION**

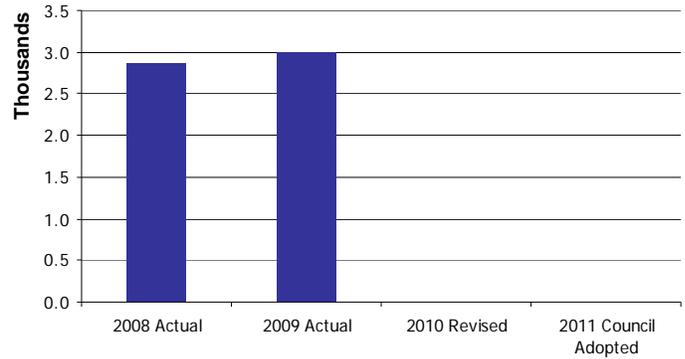
EXPENSE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	1,467,289	1,529,083	1,416,766	1,396,995	-1.4%	(19,771)
FRINGE BENEFITS	522,841	626,162	628,261	642,206	2.2%	13,945
CONTRACTUAL SERVICES	701,131	1,018,742	955,257	1,094,716	14.6%	139,459
OPERATING COSTS	58,339	26,265	19,927	44,197	121.8%	24,270
TOTAL GENERAL	2,749,600	3,200,252	3,020,211	3,178,114	5.2%	157,904
SPECIAL REVENUE						
CONTRACTUAL SERVICES					0.0%	0
TOTAL SPECIAL REVENUE						0
TOTAL EXPENSE	2,749,600	3,200,252	3,020,211	3,178,114	5.2%	157,904

REVENUE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SERVICES	2,683	3,001			0.0%	0
OTHER MISC REVENUES	175				0.0%	0
TOTAL GENERAL	2,858	3,001			0.0%	0
TOTAL REVENUE	2,858	3,001			0.0%	0

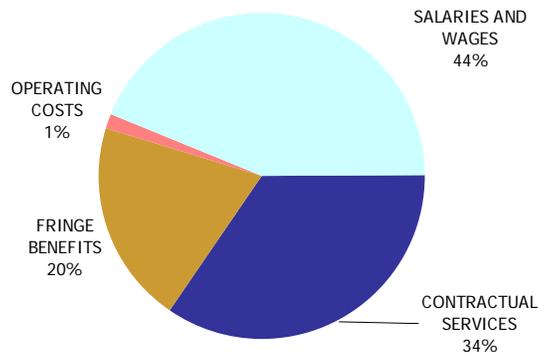
Expense 2008 - 2011



Revenue 2008 - 2011



Expense by Category

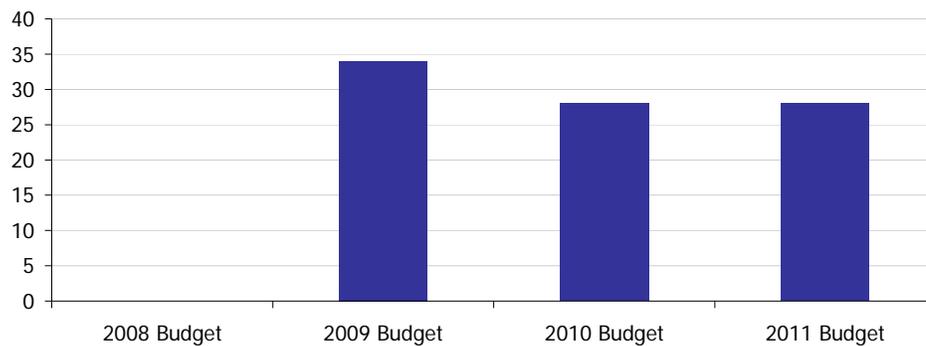


311

Staffing Information

Expense	2008 Budget	2009 Budget	2010 Budget	2011 Budget	% Change	Change
311		34.00	28.00	28.00	0.0%	
TOTAL		34.00	28.00	28.00	0.0%	

Positions 2008-2011



BUSINESS INFORMATION SERVICES

MISSION

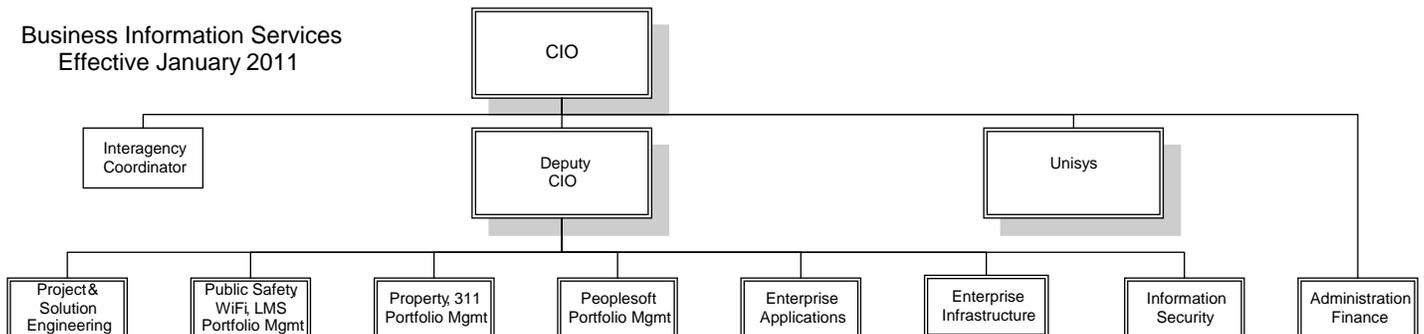
The department's mission is to deliver innovative, high quality, value-added services at a reasonable cost to City departments in support of their business goals and objectives. *BIS drives results and a positive City image by being progressive partners with City departments.*

BUSINESS LINES

BIS delivers service through three business lines:

- **Application Services:** partners with City departments to support critical business applications, ensures sustainability of business functionality through lifecycle planning, and provides business performance measurement capabilities.
- **Business Development Services:** collaborates with City departments to design and implement information technology services that meet business needs. This includes re-engineering business processes, leveraging enterprise architecture and technology investments, and expanding e-government and geographic information services.
- **Enterprise Infrastructure Services:** works with City departments to understand their needs and partners with external service providers to sustain and enhance City computer and telecom operations. Focus is to ensure that the information technology infrastructure meets today's needs and is positioned to meet the City's future needs.

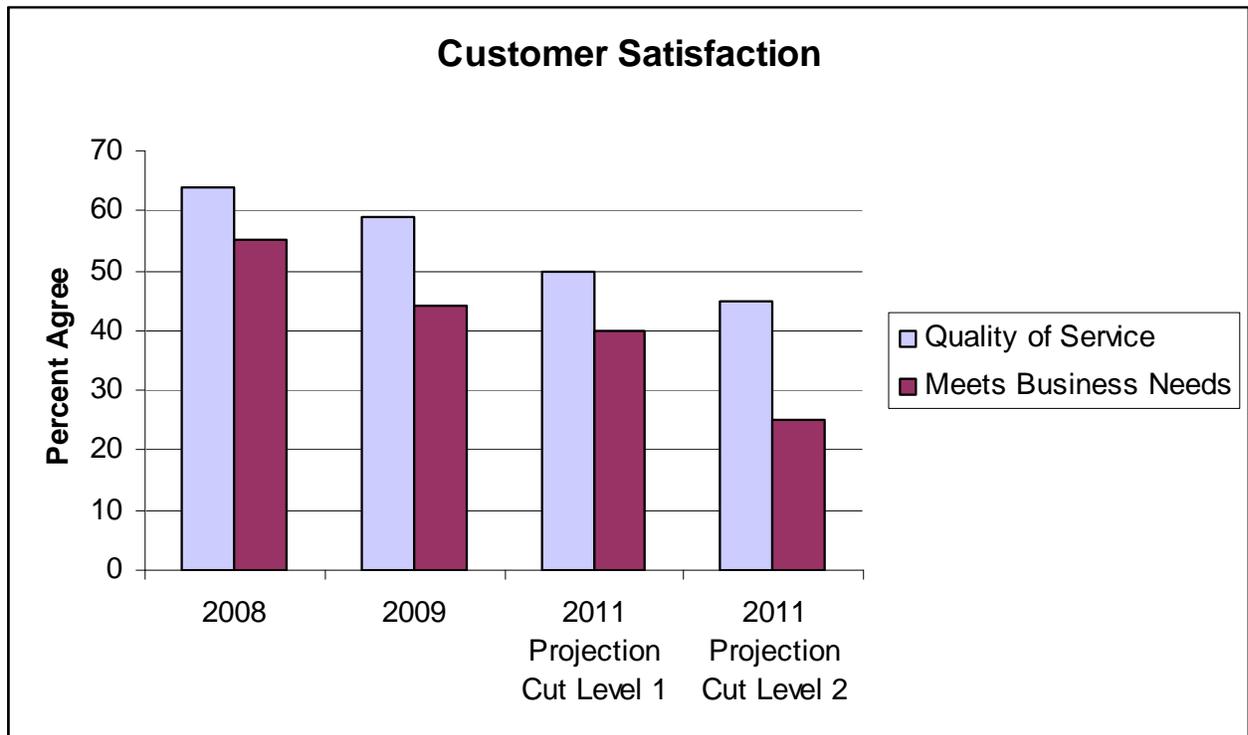
ORGANIZATION CHART



RESULTS MINNEAPOLIS CHARTS

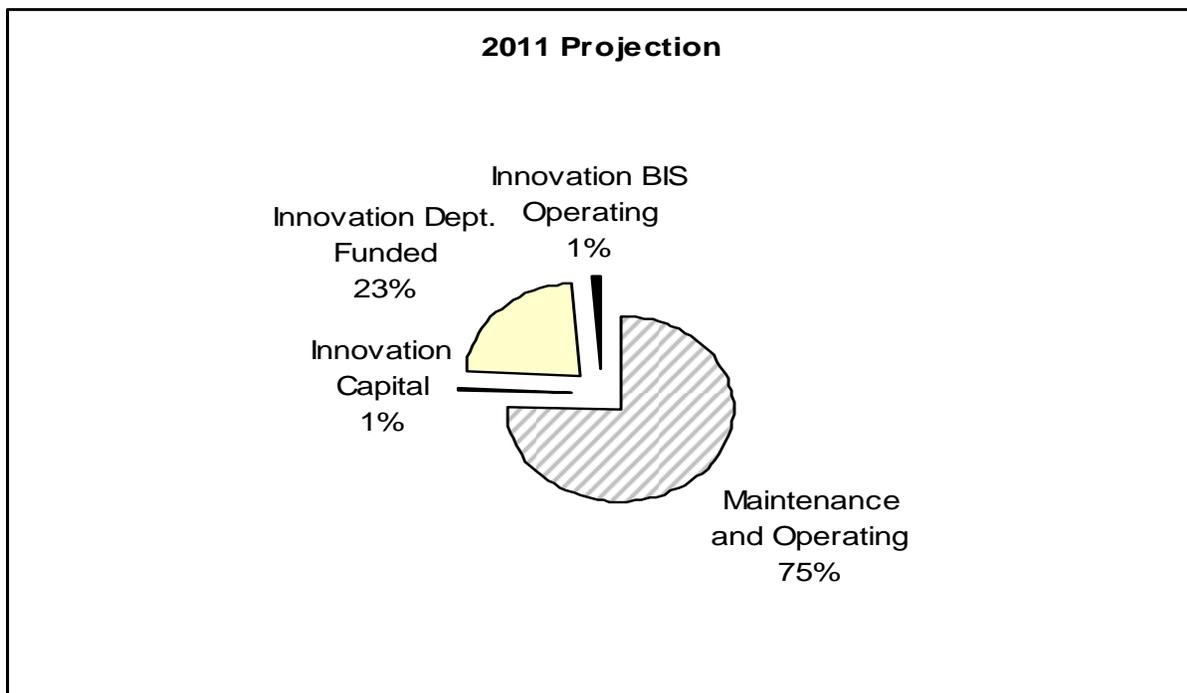
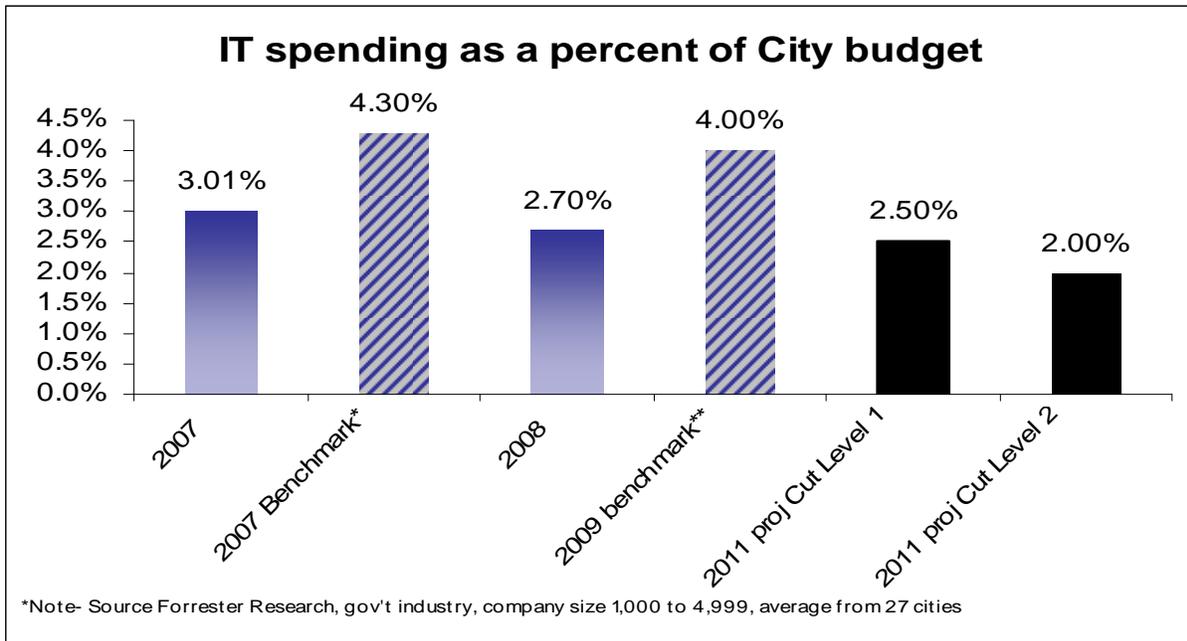
+ Customer Satisfaction

BIS had been showing steady improvement in customer satisfaction until budgets were reduced in recent years. The department expected to see continued improvement with more strategic focus and improved outsourcing relationship. Unfortunately, the gains have been lost. With additional staff reductions BIS will have insufficient resources to fully implement the business plan and strategic priorities. The two categories shown below, *Quality of Services* and *Business Needs*, are BIS' sole responsibility. Therefore, these are the areas most impacted by a budget reduction. Meeting the business needs and projects are strategic activities which would be reduced to ensure that foundational support activities still occur.



+ IT Spending

There are two *Results Minneapolis* measures around IT spending. The first is as percentage of the City budget as benchmarked against other government entities and the second is the percent of IT spending on maintenance and operations vs. innovation. The department has seen both these drop in recent years and additional budget reductions will further their decline. Following are the graphs representing the anticipated changes:



+ Managed Services

Generally, steps taken to stabilize the infrastructure and renegotiate the managed services contract will mitigate the reduction impact. Seven of the 38 SLA have a BIS dependency component. As such, reductions in BIS staff may limit Unisys' ability to resolve issues timely. There is no reason to believe there will be additional outages, but the rate of outage seen today could be much more painful to City staff. In the event of an outage, the department expects longer resolution time which translates to employees losing access to critical business systems for longer periods of time, resulting in lost productivity. Because the City has contributed to the failure to meet the SLA, the department will be unable to assess the penalty credit and recoup losses from the missed SLAs; essentially eliminating nine of the 38 (24 %) contractual SLA measures.

What two or three key trends and challenges does the department face and how will each be addressed?

The most daunting trend/challenge faced by BIS is the reduced operating budget. Over the last three years BIS has had \$3,150,000 in budget reductions inclusive of department cuts and reductions to growth. The other part of the financial challenge is the inflationary increases in non-personnel costs that are not covered in budgets. These items have left the City with little capacity for innovation and reduced ability to maintain current operations. This, coupled with the continuing appetite departments have for implementing technology solutions to further their business objectives, is severely straining BIS resources. While on the surface this appetite may appear as an opportunity, it puts a strain on BIS' declining resources.

Furthermore, the demand for information services and technology solutions is increasing as customers demand better, faster services and departments increase their use of technology to save resources and increase productivity. A review of Department Business Plans shows that departments have identified hundreds of potential opportunities to streamline business processes to improve efficiency and customer services. The majority of these opportunities involves technology and, unfortunately, BIS does not have the capacity to actually implement these improvements.

Finally, BIS typically funds enterprise-wide core technology service needs through capital funds (when appropriate) or through operating funds accumulated by maintaining vacancies. Recent and proposed budget cuts will completely eliminate the ability of BIS to absorb unbudgeted expenditures to fund core services.

To effectively address these challenges, BIS needs support for minimizing the growth of the environment. A department's funding availability should not ensure the implementation of technology that is not an enterprise priority.

In what internal/external partnerships is the department currently engaged and/or exploring for the future?

BIS regularly engages partners to achieve the goals and objectives of the City. The nature of the department's work requires a collaborative working relationship with entities both internal and external to the City. The department's most strategic partnership is with its outsourcing service provider, Unisys. Recently, the department has renegotiated the contract to reduce the

expenditure during these tight budgetary times. In addition, several organizations are partnering with BIS to enable City staff to utilize more self-service options. This will enable greater efficiency while reducing costs.

How is the department evaluating programs or services for cost effectiveness?

As is standard practice, the department not only reviews the cost effectiveness of programs but also the cost / value proposition. For example, BIS has reviewed every major technology contract, negotiating significant savings and identifying service reductions to garner even greater savings. Working collaboratively with the citywide department representation on the Information Services Business Advisory Group and the Information Services Executive Group, the service reduction was determined to be acceptable for the savings that can be obtained.

What actions will the department take to meet the current financial projections?

To reach the \$455,000 reduction to growth, BIS will delay by one year the refresh of computers scheduled for the remainder of 2010 and all of 2011; effectively modifying the schedule from four years to five years for every device in the environment today. In addition, the department has negotiated changes in the storage, email, and network connectivity that will have negligible impact on City staff. Finally, the department will eliminate a manager position.

In summary, these cuts will significantly reduce BIS capabilities and the impact will be felt by every department. The effort BIS has begun, to consolidate and right-size the City's IT environment will not move forward.

FINANCIAL ANALYSIS

EXPENDITURE

The 2011 budget for Business Information Services department is \$26.4 million, an 8.0% or \$2.0 million increase from 2010. The increase is primarily due to two factors: budgeting to more accurately reflect the actual cost of maintenance contracts and the Unisys contract, as well as one-time funding initiatives in 2011. The 2011 budget includes an increase in customer sponsored maintenance contracts of \$126,765. The maintenance contract expenditures are offset by revenues received from the sponsors. The general fund overhead charge is funded by BIS reductions. There are 59 positions in the department, including a decrease of 21 FTE needed to meet the department's long-term financial projections. Personnel are 25% of the total department budget. The department's contractual expenses are 71% of its budget. The 2011 BIS budget does not include a reduction to growth. Part of the reduction in fringe benefits is due to an adjustment to more accurately reflect health insurance expenditures. The remainder of the difference is primarily due to a change in how the MERF contributions are accounted for in the budget.

REVENUE

With anticipated revenues of \$26.6 million, the BIS budget for 2011 shows an increase of 3.9% or \$1.0 million over the 2010 Revised Budget of \$25.6 million.

FUND ALLOCATION

Business Information Services is funded entirely within the Intergovernmental Services Internal Service Fund.

MAYOR'S RECOMMENDED BUDGET

The Mayor did not recommend a reduction to growth for this department. The Mayor recommended one-time funding of \$465,000 for this department to secure Finance and Human Resources data of which \$200,000 is for data auditing, and \$265,000 is for encryption. The Mayor also recommended a reduction of 13 FTE to meet the department's long-term financial projections.

COUNCIL ADOPTED BUDGET

The Council adopted the Mayor's recommendation and directed the Department to identify a plan with assistance from the Finance Department to achieve a long-term, structurally balanced budget and report the plan to the Ways and Means/Budget Committee no later than March 1, 2011. The plan should include a recommendation for service reductions and/or additional charges to departments.

The Council also directed the Department to work with the Finance and Human Resources departments to bring forth a funding plan for the Enterprise Resource Planning System to the Ways and Means/Budget Committee by June 1, 2011.

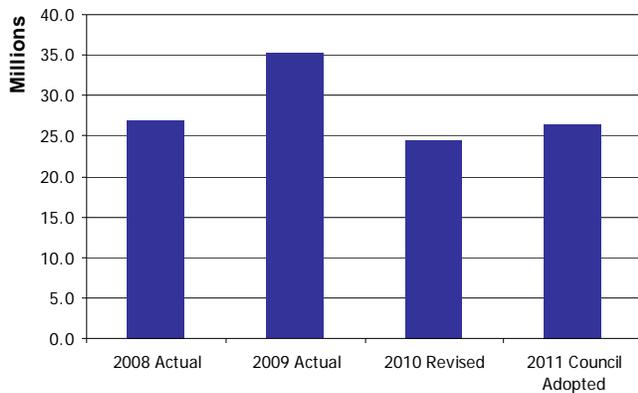
The Council also directed the BIS Department to work with Finance and Regulatory Services to estimate the ongoing costs of the proposed Land Management System and propose an allocation to the departments for ongoing operating costs no later than July 1, 2011.

BUSINESS INFORMATION SERVICES EXPENSE AND REVENUE INFORMATION

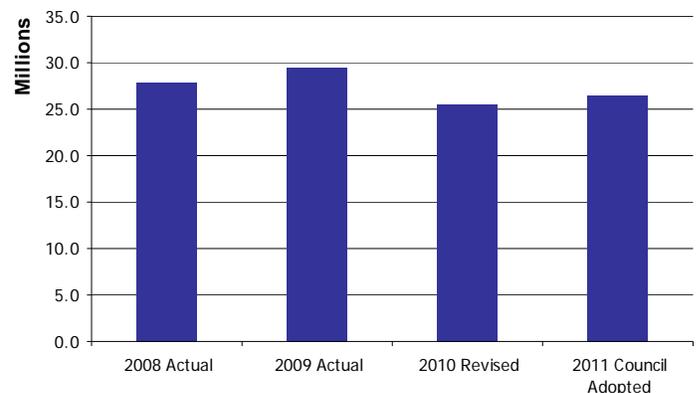
EXPENSE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
SPECIAL REVENUE						
SALARIES AND WAGES	14,419				0.0%	0
FRINGE BENEFITS	573				0.0%	0
CONTRACTUAL SERVICES	8,713				0.0%	0
TOTAL SPECIAL REVENUE	23,705					0
INTERNAL SERVICE						
SALARIES AND WAGES	4,250,729	5,722,687	5,565,441	5,020,613	-9.8%	(544,828)
FRINGE BENEFITS	1,311,912	1,718,951	2,205,989	1,640,879	-25.6%	(565,110)
CONTRACTUAL SERVICES	16,740,404	18,124,065	16,001,932	18,835,386	17.7%	2,833,454
OPERATING COSTS	4,563,661	9,590,021	532,034	783,173	47.2%	251,139
CAPITAL			130,412	115,497	-11.4%	(14,915)
TOTAL INTERNAL SERVICE	26,866,706	35,155,723	24,435,808	26,395,548	8.0%	1,959,739
TOTAL EXPENSE	26,890,411	35,155,723	24,435,808	26,395,548	8.0%	1,959,739

REVENUE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
SPECIAL REVENUE						
FEDERAL GOVERNMENT					0.0%	0
TOTAL SPECIAL REVENUE					0.0%	0
INTERNAL SERVICE						
CHARGES FOR SERVICES	27,750,893	29,602,026	25,538,583	26,543,694	3.9%	1,005,111
CHARGES FOR SALES	20,268	20,270	20,000	20,000	0.0%	0
GAINS		(99,203)			0.0%	0
OTHER MISC REVENUES	4,263	(62,093)			0.0%	0
TOTAL INTERNAL SERVICE	27,775,424	29,460,999	25,558,583	26,563,694	3.9%	1,005,111
TOTAL REVENUE	27,775,424	29,460,999	25,558,583	26,563,694	3.9%	1,005,111

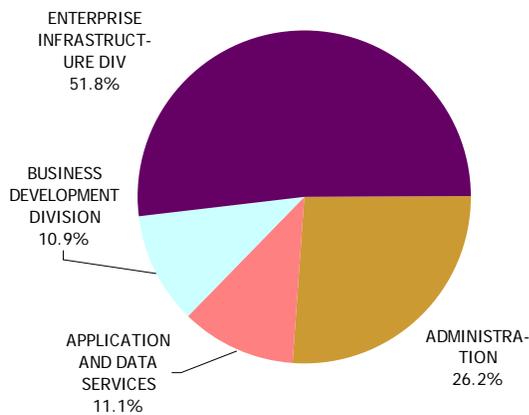
Expense 2008 - 2011



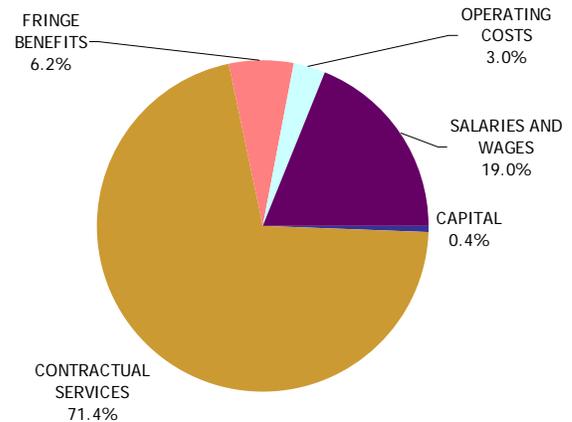
Revenue 2008 - 2011



Expense by Division



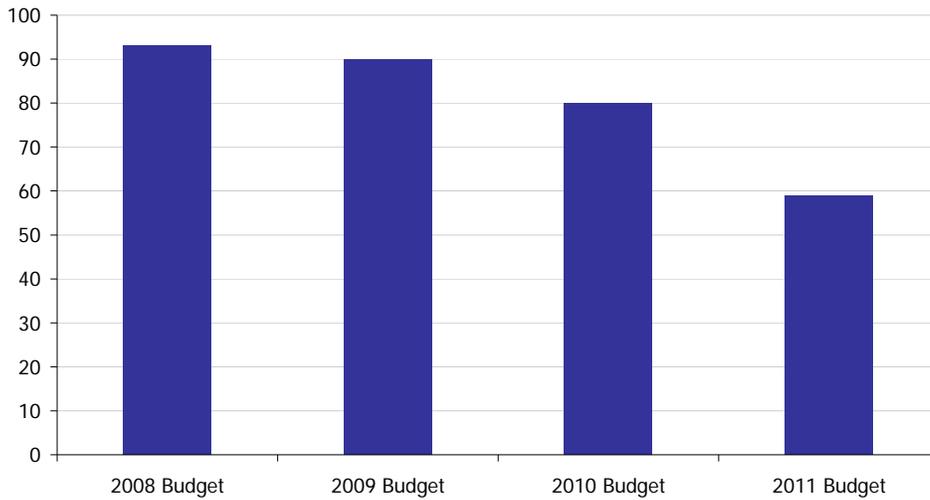
Expense by Category



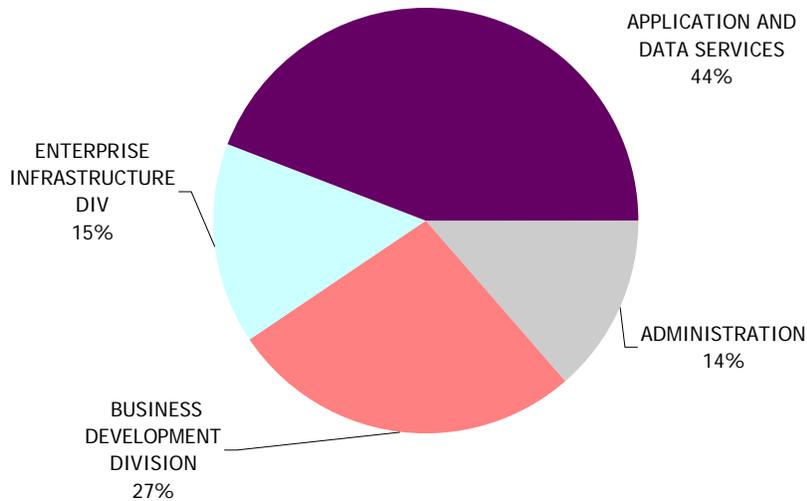
BUSINESS INFORMATION SERVICES Staffing Information

Expense	2008 Budget	2009 Budget	2010 Budget	2011 Budget	% Change	Change
ENTERPRISE INFRASTRUCTURE DIV	22.00	22.00	19.00	9.00	-52.6%	(10.00)
ADMINISTRATION	11.00	10.00	7.00	8.00	14.3%	1.00
BUSINESS DEVELOPMENT DIVISION	12.00	32.00	24.00	16.00	-33.3%	(8.00)
APPLICATION AND DATA SERVICES	48.00	26.00	30.00	26.00	-13.3%	(4.00)
TOTAL	93.00	90.00	80.00	59.00	-26.3%	(21.00)

Positions 2008-2011



Positions by Division



COMMUNICATIONS

MISSION

The Communications Department will proactively partner with City departments and policy makers and be a driving force in effectively and accurately communicating information about the City of Minneapolis, promoting transparency, and inviting the public to engage in the governing process so people who live, work, and play in Minneapolis better understand, appreciate, and benefit from the work the City does.

BUSINESS LINES

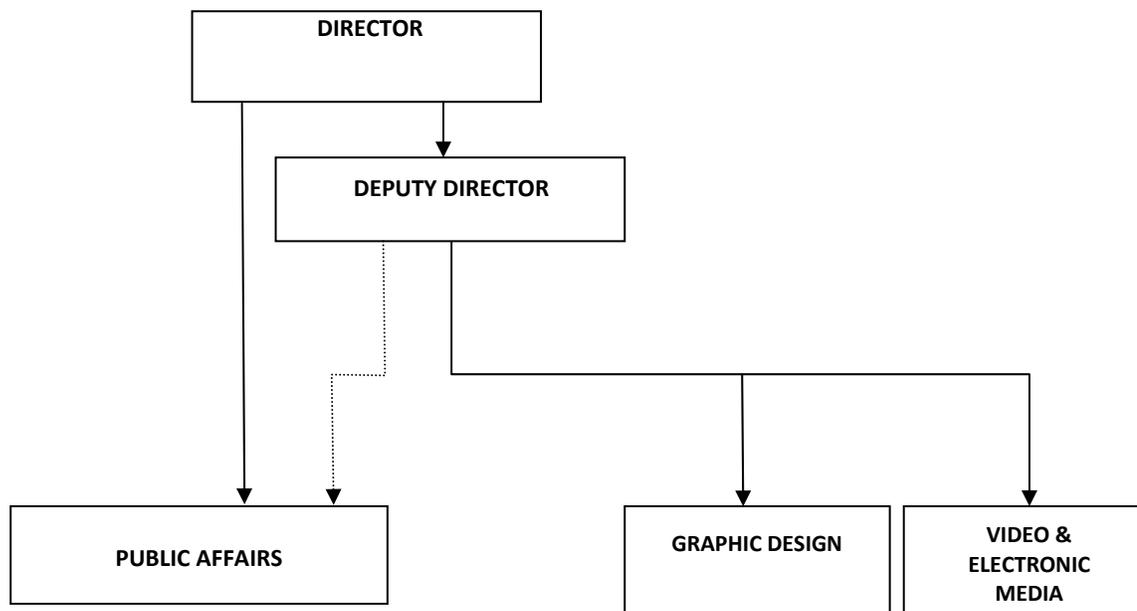
1) Lead Communications planning and execution for the City enterprise (internal and external audiences) and assist elected officials and City departments with their proactive and reactive communications challenges and opportunities.

Communications staff provides strategic communications support and planning to all City departments and elected officials, edits and designs print publications and other communications products, manages and oversees Internet and intranet Web content and government cable access, and oversees employee communications. It does this through direct staff support, establishing protocols and procedures for departments, conducting trainings and department-specific communications planning efforts.

2) Manage the City's cable franchise

Communications manages the City's cable franchise, including overseeing the current franchise agreement, handling consumer complaints, and working with the City Attorney's office and the Finance Officer to negotiate a new franchise agreement.

COMMUNICATIONS DEPARTMENT ORGANIZATION CHART



What two or three key trends and challenges does the department face and how will each be addressed?

- **News & information from non-traditional sources**

The number of people who report regularly getting news from traditional sources has steadily declined for the past decade (most significant declines are seen by newspapers and radio, with local television news viewership being less impacted). Today people get news and information from a host of sources, but the continued trend away from traditional print and broadcast news is stronger than ever.

The Communications Department has already launched a number of new initiatives that have given the City new channels for reaching audiences and getting news and information directly in the hands of the consumer. In 2010, Communications will continue to use social media tools to deliver City news and information, and will revamp video production approach to respond to the changing ways people get video.

The department has a plan to continue that work in 2011, as well as to explore additional tools that it can use for both internal and external communications.

- **Increasing expectations around transparency & accountability**

The American Recovery & Reinvestment Act was among the most prominent examples of the increased expectations surrounding providing open and transparent access to information on government spending and results-oriented information. The Communications Department met this challenge by using Web, social media and traditional media relations tools and developed enterprise operations for collecting consisting data to adequately meet those expectations. It will be a challenge for City government to continue to make the necessary investments – particularly given the current financial situation – to most effectively provide transparency in government decision-making. Communications tackled the short-term challenge of meeting the needs of the ARRA transparency requirement and intends to be a lead partner in pursuing strategies that could bring forth long-term solutions.

- **Diminished resources**

Most recent budget cuts have required the department to eliminate an administrative support position, on the heels of eliminating a Public Information Officer position that was specifically focused on Police communications. These staff eliminations have required the department to make even more difficult priority-decisions as the department is faced with new communications challenges and potential projects.

In what internal/external partnerships is the department currently engaged and/or exploring for the future?

Internal Partnerships:

Because Communications is an internal service department, its work is primarily focused on partnerships with other City departments. However, there are a few key initiatives that are outside of Communications' day-to-day services where the department is working in partnership with internal departments to advance enterprise-wide strategies.

- Social Media & employee communication. The Communications will be pursuing a partnership with BIS & HR to explore how the City can employ social media (and Web

2.0 tools) to improve internal communications and potentially lead to service/process improvements in how the City provides services and manages issues and projects.

- Live broadcasts in City Hall. The Communications Department has prepared a proposal in partnership with the Municipal Building Commission to hardwire City Hall for live broadcasts from key locations. This also involves Regulatory Services/Emergency Management as they have prepared a grant proposal to fund the potential project.
- Wireless Minneapolis. Working in partnership with the Neighborhood & Community Relations Department & BIS to continue executing the Wireless Minneapolis community benefits program.
- Transparency & Web 2.0. With the American Recovery & Reinvestment requirements for transparency as a driver, the Communications Department has been in partnership with BIS to make Minneapolis a government leader in Web 2.0 applications that can encourage two-way communications with residents and provide transparency in decision-making around resource allocation and results. This work will continue through the duration of the ARRA grant period.

External Partnerships:

- Destination Target Field. The Communications Department has developed a working partnership with the Minnesota Twins, Target Center/Timberwolves, Metro Transit, the Warehouse District, the ABC Ramps, Hennepin County and other key players to develop and deliver consistent messaging around Target Field. This has been extremely successful so far in 2010, and the department expects this partnership to continue into the 2011 Twins season.
- Meet Minneapolis. Communications is maintaining a strong working relationship with Meet Minneapolis, which was developed during the 2008 Republican National Convention. This partnership includes greater collaboration on how Minneapolis is promoted as a destination for conventions and visitors, as well as how key messages are reinforced around Minneapolis (as a City and a destination ... e.g., promoting Active, Outdoors & Green Minneapolis).
- Clean Minneapolis. The department continues to work pro-bono with Wolfmotell on a public relations campaign that encourages folks to keep the City clean. This work is being done in partnership with Solid Waste & Recycling.
- Tap Minneapolis. Communications' effort around promoting Minneapolis tap water continues in 2010 and beyond, though the contract work being completed by LaBreche will likely be concluded in 2010.
- MTN & MPS. The department has had preliminary discussions around potential partnerships with MTN and Public Schools around collective video services operations. While those conversations have not been particularly fruitful, the department intends to continue to pursue this potential as it may offer streamlined services and budget savings.
- Rebranding. The department has been working in partnership with Periscope branding agency on a new brand identity and logo for the City; however this project has been on hold due to political climate and budget concerns. The department will be evaluating whether or how to proceed on this project.

How is the department evaluating programs or services for cost effectiveness?

The Tap Minneapolis campaign began with a pre-campaign survey, and the department intends to conduct a post-campaign survey as well to determine if the public awareness campaign was impactful.

The department uses Web tracking tools (tracks the number of hits) for public Web, Minneapolis Matters and CityTalk communications work. The department also tracks media coverage for the proactive media relations work done in the department. The department also tracks how the NewsBites stories are used in elected officials' newsletters.

What actions will the department take to meet the current service level reductions? Please include a description of any revenue proposals. Identify *Results Minneapolis* measures where you anticipate a service level impact based on cuts. Specifically include charts that show 2011 projections of no cuts and target reductions.

The Communications Department will meet its 4.4% CSL reduction by cutting its professional development budget (training, tuition, professional memberships and travel), administrative costs, and professional services budget. The budget cut also includes a reduction in the allocation to Minneapolis Television Network. Note that roughly one-third of the Communications Department expense budget goes to MTN.

These reductions will significantly decrease the Communications Department's ability to put additional resources toward special projects (previous examples include work around the American Recovery & Reinvestment Act and the Downtown traffic management/improvement communications work in partnership with the Minnesota Twins). In addition, the cut to professional development may impact the Department's ability to retain top performing employees.

FINANCIAL ANALYSIS

EXPENDITURE

The 2011 expenditure budget for the Communications Department, which includes public affairs, graphics, cable regulation, and video services, is \$2.3 million, a 4.5%, or a \$108,300 decrease from 2010. The budget includes \$700,000 in annual draw downs of the cable franchise settlement. This recommendation results in level funding for cable-related items until an increase to Public, Educational and Governmental (PEG) programming fees comes online in 2012. Part of the reduction in fringe benefits is due to an adjustment to more accurately reflect health insurance expenditures. The remainder of the difference is primarily due to a change in how the MERF contributions are accounted for in the budget.

REVENUE

The Communications Department's \$4.3 million revenue budget is a 2.4% increase from the 2010 Revised Budget. The increase is mainly due to expected increases in franchise fees.

FUND ALLOCATION

The Communications Department is funded entirely by the General Fund.

MAYOR'S RECOMMENDED BUDGET

The Mayor recommended the department be reduced by \$124,000 through non-personnel strategies. Of this amount, the allocation for MTN should be proportional to its allocation, approximately \$41,000.

COUNCIL ADOPTED BUDGET

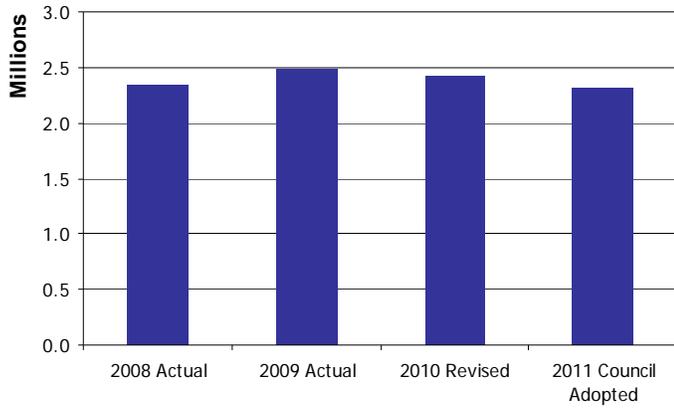
The Council adopted the Mayor's recommendations and directed the Department to reduce the MTN contract amount no less than in the same proportion as the final appropriation reduction to the Communications Department over the duration of the Five-Year Financial Direction beginning in 2012.

**COMMUNICATIONS
EXPENSE AND REVENUE INFORMATION**

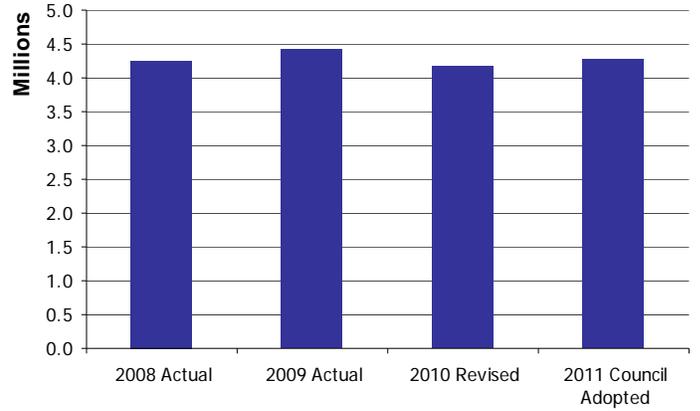
EXPENSE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
AGENCY						
OPERATING COSTS		719			0.0%	0
TOTAL AGENCY		719				0
GENERAL						
SALARIES AND WAGES	896,009	917,374	865,070	871,998	0.8%	6,928
FRINGE BENEFITS	260,412	298,996	301,013	282,093	-6.3%	(18,920)
CONTRACTUAL SERVICES	1,005,934	1,148,709	1,091,910	1,042,915	-4.5%	(48,995)
OPERATING COSTS	111,565	109,884	140,573	113,010	-19.6%	(27,563)
CAPITAL	63,778	9,315	25,081	5,331	-78.7%	(19,750)
TOTAL GENERAL	2,337,698	2,484,279	2,423,647	2,315,347	-4.5%	(108,300)
SPECIAL REVENUE						
SALARIES AND WAGES	2,836				0.0%	0
FRINGE BENEFITS	1,049				0.0%	0
CONTRACTUAL SERVICES	475				0.0%	0
TOTAL SPECIAL REVENUE	4,360					0
TOTAL EXPENSE	2,342,058	2,484,999	2,423,647	2,315,347	-4.5%	(108,300)

REVENUE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
GENERAL						
FRANCHISE FEES	3,098,707	3,213,725	3,000,000	3,100,000	3.3%	100,000
CHARGES FOR SERVICES	(64)				0.0%	0
CHARGES FOR SALES	1,623	6,165	2,000	5,000	150.0%	3,000
RENTS	6,581	32,321	7,000	10,000	42.9%	3,000
CONTRIBUTIONS	425,080	461,274	450,000	450,000	0.0%	0
OTHER MISC REVENUES	29,032	19,174	20,000	15,000	-25.0%	(5,000)
TOTAL GENERAL	3,560,960	3,732,658	3,479,000	3,580,000	2.9%	101,000
SPECIAL REVENUE						
CONTRIBUTIONS	700,475	700,000	700,000	700,000	0.0%	0
TOTAL SPECIAL REVENUE	700,475	700,000	700,000	700,000	0.0%	0
TOTAL REVENUE	4,261,435	4,432,658	4,179,000	4,280,000	2.4%	101,000

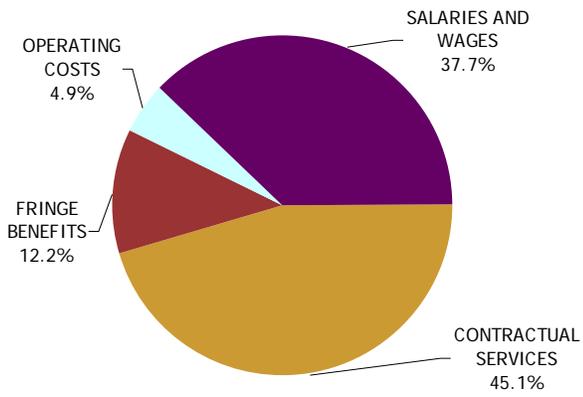
Expense 2008 - 2011



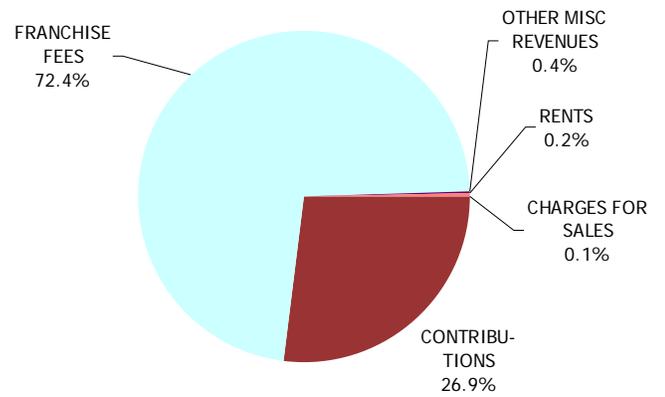
Revenue 2008 - 2011



Expense by Category



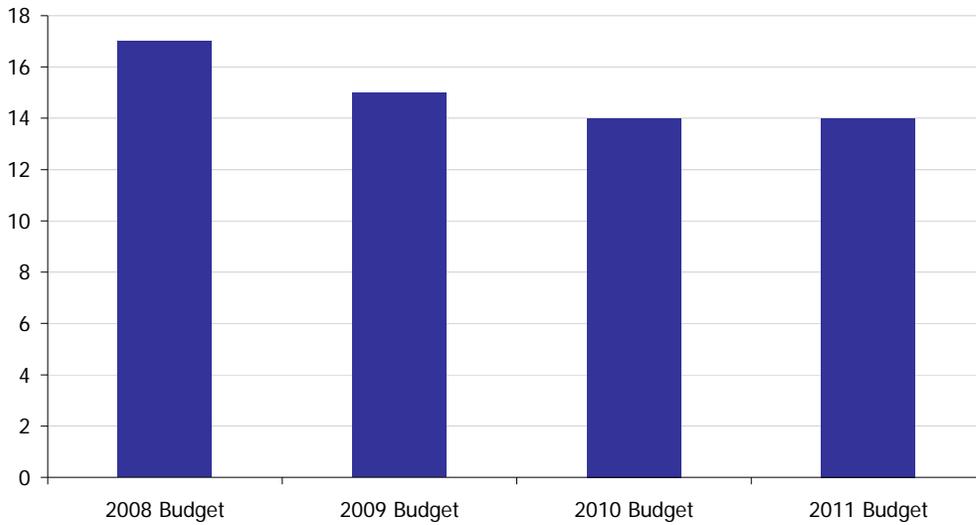
Direct Revenue by Type



COMMUNICATIONS Staffing Information

Expense	2008 Budget	2009 Budget	2010 Budget	2011 Budget	% Change	Change
COMMUNICATIONS	17.00	15.00	14.00	14.00	0.0%	
TOTAL	17.00	15.00	14.00	14.00	0.0%	

Positions 2008-2011



CONVENTION CENTER

MISSION

The Minneapolis Convention Center will be the best convention center by providing an exceptional facility, outstanding internal and external customer service, and responsible use of departmental resources.

BUSINESS LINES

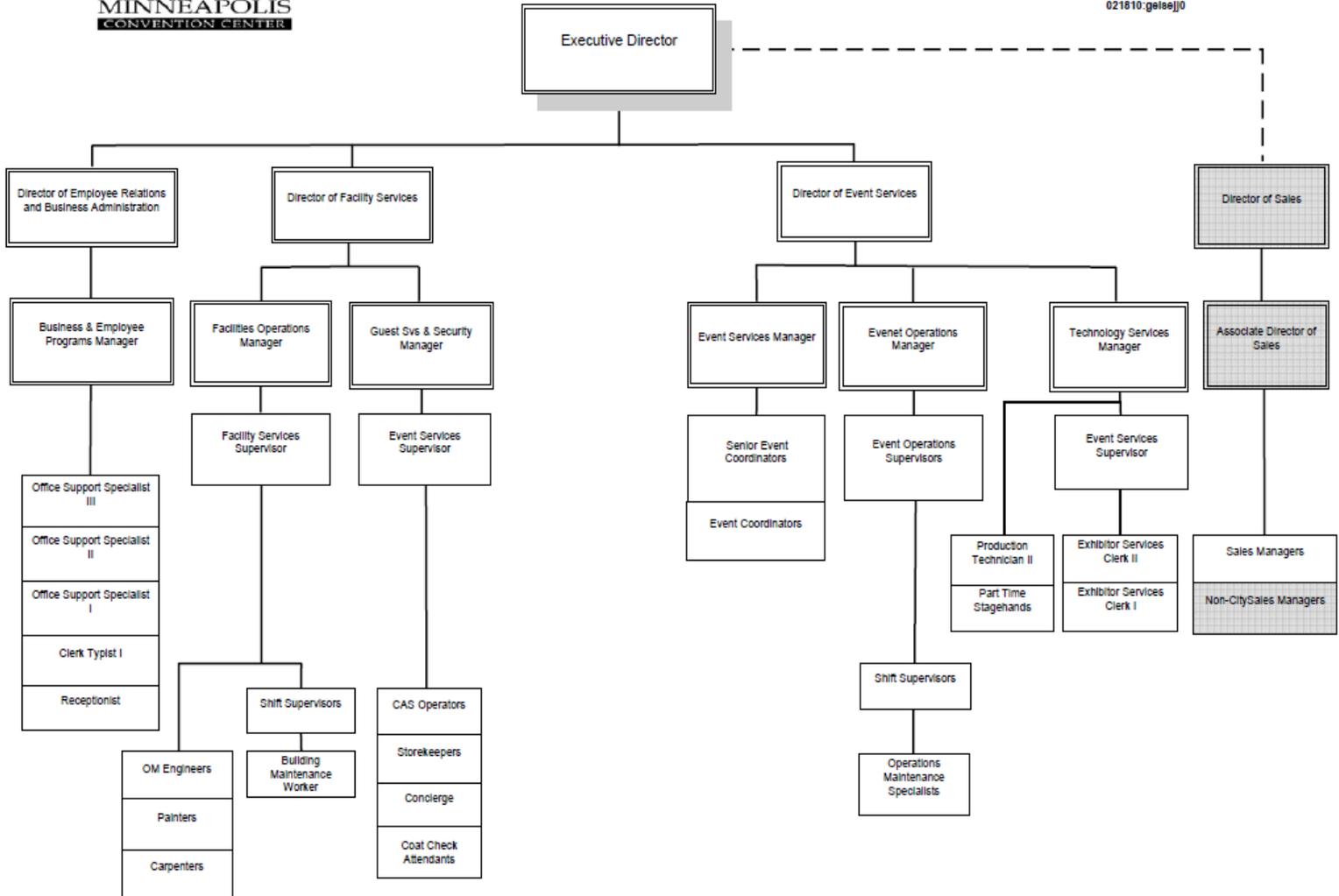
- ◆ **Event Services** is responsible for providing an exceptional product through the coordination of both in-house departments and contracted services for these major event activities: Event Services, Event Operations, and Technology Services. These business units work to address the areas of production, set-up, event coordination, and other client needs.
- ◆ **Facility Services** ensures that sufficient building, safety, and capital resources are available to maintain world-class facilities for customers. Proper maintenance, contract management, and capital planning are keys to maintaining a world-class facility. Facility Services coordinates the areas of safety and security, guest services, parking and marshaling operations, building and grounds maintenance, capital project planning and management, as well as custodial operations.
- ◆ **Sales and Marketing Services** provides the first point of contact for all business. This group is responsible for providing information about the facility, identifying and attracting events, maintaining relationships, and gathering data on how the MCC serves customers. The majority of these services are provided through partnership with Meet Minneapolis, in coordination with the Convention Center's Executive Management Team.
- ◆ **Business and Employee Services** addresses the growing need to for depth and sophistication in the business reporting requirements for the Executive Management Team, as well as responds to employee relations and employee development needs. The Convention Center recognizes that its labor force must be fully developed, fully utilized, and fully recognized in order to move the Center to the next level of superior customer service.

ORGANIZATION CHART



Minneapolis Convention Center Organizational Chart

February 18, 2010
021810:galaejjo



Denotes Meet Minneapolis Personnel

RESULTS MINNEAPOLIS MEASURES, DATA AND TARGETS TABLE					
MEASURE	2006	2007	2008	2009	2010 target
Total revenue (in millions)	\$14.54	\$14.34	\$15.56	\$13.36	\$14.55
Operating expense % of MCC fund	30.7%	32.0%	33.4%	37.4%	35.5%
Capital projects completed	83%	88%	93%	56%	90%
Client satisfaction rating	4.42	4.57	4.42	4.26	4.4
Total occupancy	61.8%	60.7%	61.0%	56.5%	60%
Total attendance (1,000s)	836	782	779	754	750

What two or three key trends and challenges does the department face and how will each be addressed?

- *MCC leadership stability*

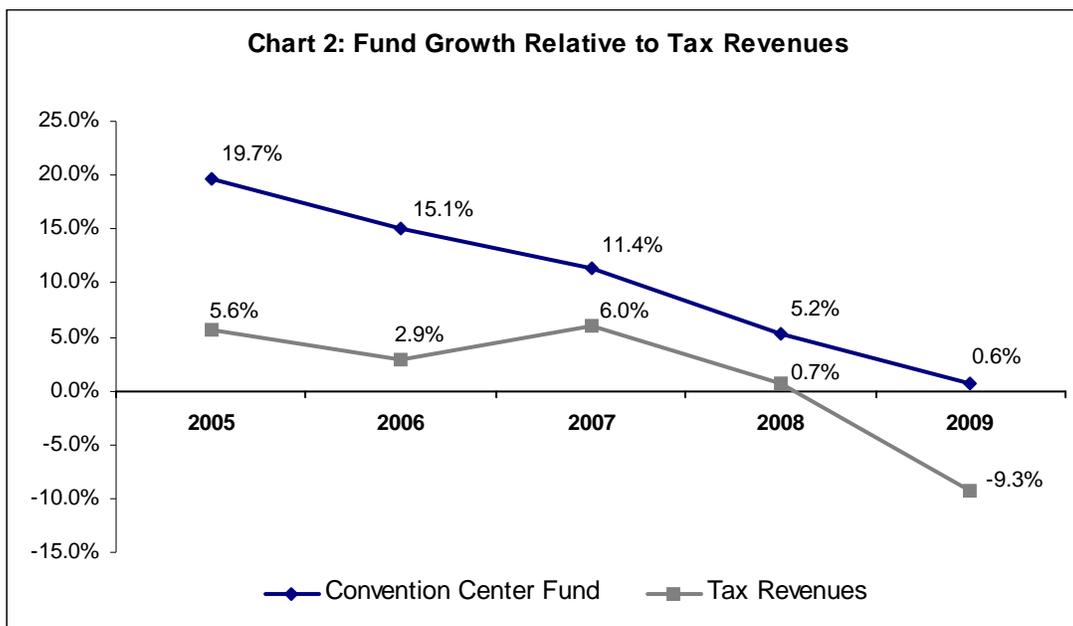
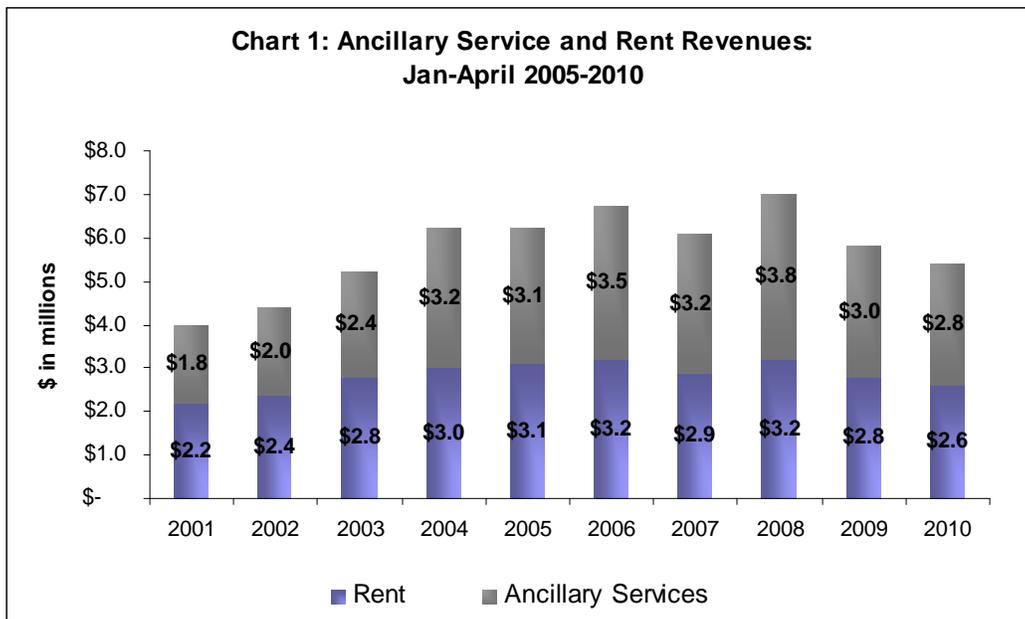
Since 2006, there have been four Executive Directors of the Convention Center with three interim designations in between official appointments. At the same time, the department's primary partner, Meet Minneapolis, has also turned over a vast majority of its executive team, including a new CEO and three new Senior Vice Presidents. In order to provide for the success of both organizations, stability is needed and a clear direction for the future of the hospitality industry in Minneapolis must be a priority.

A renewed relationship with Meet Minneapolis will take the partnership to a new level. A results-oriented, performance-based contract outlines goals and desired outcomes that, if achieved, lead to performance pay for Meet Minneapolis and greater community effect through increased economic impact. Strong leadership at both the Convention Center and Meet Minneapolis will be a key component to shared successes.

As new leaders become a part of the Convention Center team, it will be imperative for them to interact well with staff and to help redefine the work culture at the Convention Center. Because employee buy-in is essential to the continued improvement and increased success of the organization, department leadership recently worked with all staff members to recreate the department's mission, vision, and values. The next step is for Convention Center leadership to collaborate with all employees to define these words and integrate them into the renewed workplace culture.

- *Flat and declining revenues with increasing expenses will impact the Convention Center Fund's health*

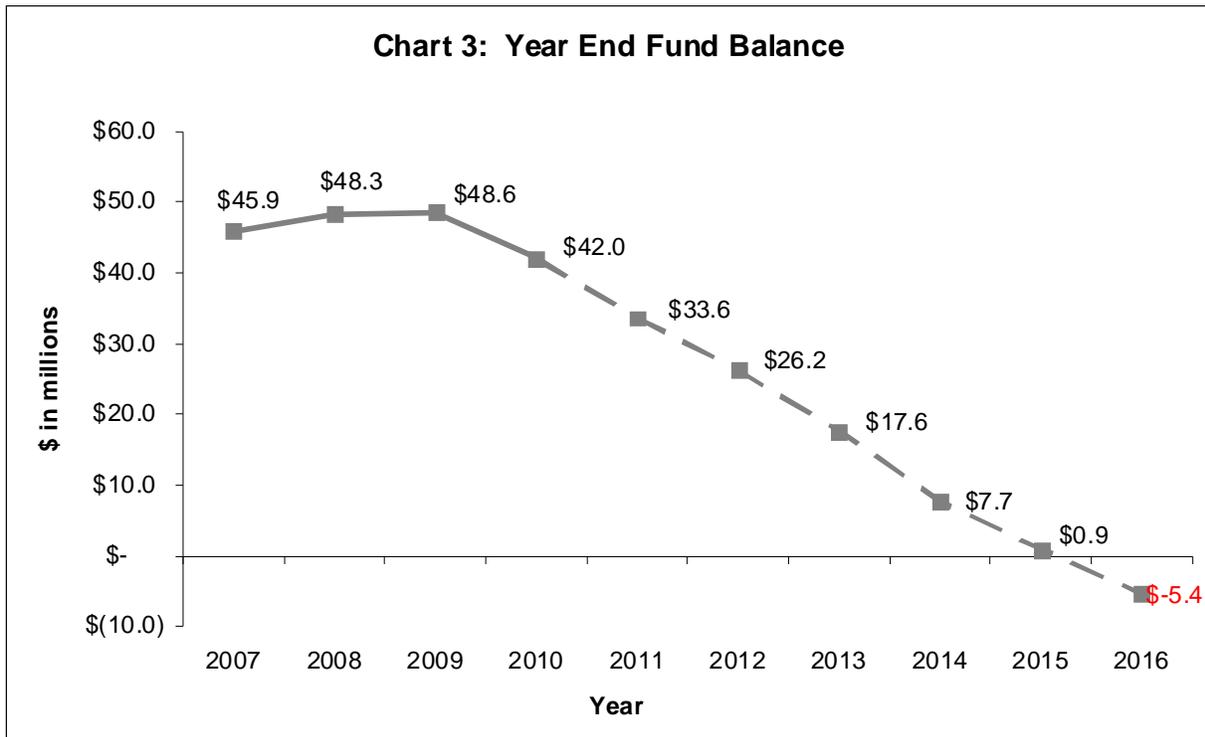
Both the Convention Center operating revenues (Chart 1) and the Convention Center Fund tax revenues (Chart 2) reached their lowest level since 2004, with projections for 2010 after the first quarter showing little or no growth. Convention Center customers have scaled back spending on ancillary services to levels at or below pre-expansion levels. Industry trends are showing that spending is slowly increasing but many areas of revenue may never regain their past levels. Competition for clients both nationally and internationally is fierce due to an oversupply of meeting space compared to the demand. Convention Center clients are in a buyer's market and have been asking for and receiving monetary concessions that lessen the department's ability to show a direct revenue impact of the Convention Center. Understanding and being able to show the benefits of wider economic impact to the City, region, and State will be a key component of success in demonstrating the importance of the Convention Center.



Expenses continue to be a challenging area of focus. For several years, the Convention Center has reduced operating expenses through efficiencies in energy use, staffing, and purchases. The department's ability to impact expenses in the future without additional significant changes becomes difficult under the current structure and revenue forecasts. The facility is well kept, but passing 20 years old and in need of significant capital outlays to maintain the resource into the future. Minneapolis must decide on its path so that adjustments may be made to future operation of the Convention Center accordingly.

The Convention Center Fund has been historically healthy; after 2009, the fund balance topped \$48 million. The cash balance, exclusive of loans to other entities, is approximately \$28 million. Current trends will result in a projected zero Fund balance by 2016. The Convention Center has the opportunity to alter the course of these projections through significant changes to its structure and operations.

The Convention Center has begun the practice of analyzing data to produce a long-term financial plan and to better track trends. The department believes that information opens the door to good fiscal management.



- *Industry Competitiveness*

Many communities are debating their place in the hospitality industry and trying to position themselves appropriately. Across the industry in places like Chicago, Las Vegas, and others, there have been substantial changes to government-supported funding of subsidies, staffing plans/structures, and pricing models while others are pulling back resources. Still other communities have also invested in their hospitality products, making competition for convention and meeting business intense. As competitors have invested in their hospitality products, some have been able to diversify and increase their offerings, leading to a positive

impact in their ability to attract clients to their cities. Some destinations have been able to improve their hospitality offerings to give themselves a competitive advantage over other cities including Minneapolis. Just as cities have invested in their hospitality community, many convention centers have been built, remodeled, or renovated to better serve the needs of the industry.

Minneapolis has reaped considerable benefits from having the Convention Center as the centerpiece of a visitor attraction and economic impact strategy. The Minneapolis Convention Center is very fortunate to have a well maintained and functional building that has served the City well for many years. The department must build on to this strong foundation and continue to invest in unique products and quality services that provide what clients need.

In what internal/external partnerships is the department currently engaged and/or exploring for the future?

The Convention Center's role in the City has continued to grow and evolve. The partnerships with Meet Minneapolis and the Target Center have been well established, but the department will do additional work to further relationships with the other major hospitality venues and organizations throughout the City. This work will allow the Center to continue to showcase the City for visitors and expose them to other opportunities and experiences available in Minneapolis. By expanding partnerships with other cultural, entertainment, and hospitality entities, the Convention Center will be able to better serve guests and community and therefore expand economic impact.

Partnerships with internal City departments in BIS, Public Works, and CPED will also help the Convention Center become a better and more efficient tool for the City.

- ◆ Technology: The Convention Center has undertaken an IT Assessment through an outside vendor that will help the Center discuss business needs more intelligently with BIS. Partnering with BIS so that the department can respond to the technology needs of the industry will help the Center have better service and offerings to its clients, as well as make employees more efficient.
- ◆ Parking: Discussions with Public Works have been centered on needs dedicated to the Plaza Ramp that is connected to the Convention Center and managed through Public Works. Customers have asked for certain specific outcomes at the Plaza Ramp that may be different than other City ramps, so a working relationship with Public Works is critical to customers' satisfaction and accessibility the Convention Center.
- ◆ Energy Efficiency: The Convention Center has been partnering with Public Works to facilitate the LEED-EB process to increase the facility's energy efficiency. In addition, Public Works has been a strong partner in the solar panel project.
- ◆ Community Planning: The department's work with the Target Center has opened up many different avenues with CPED in areas where it makes sense to leverage the assets of the Convention Center with the work that CPED does to enhance the City.

How is the department evaluating programs or services for cost effectiveness?

- *Quality products and services balanced with efficiency*

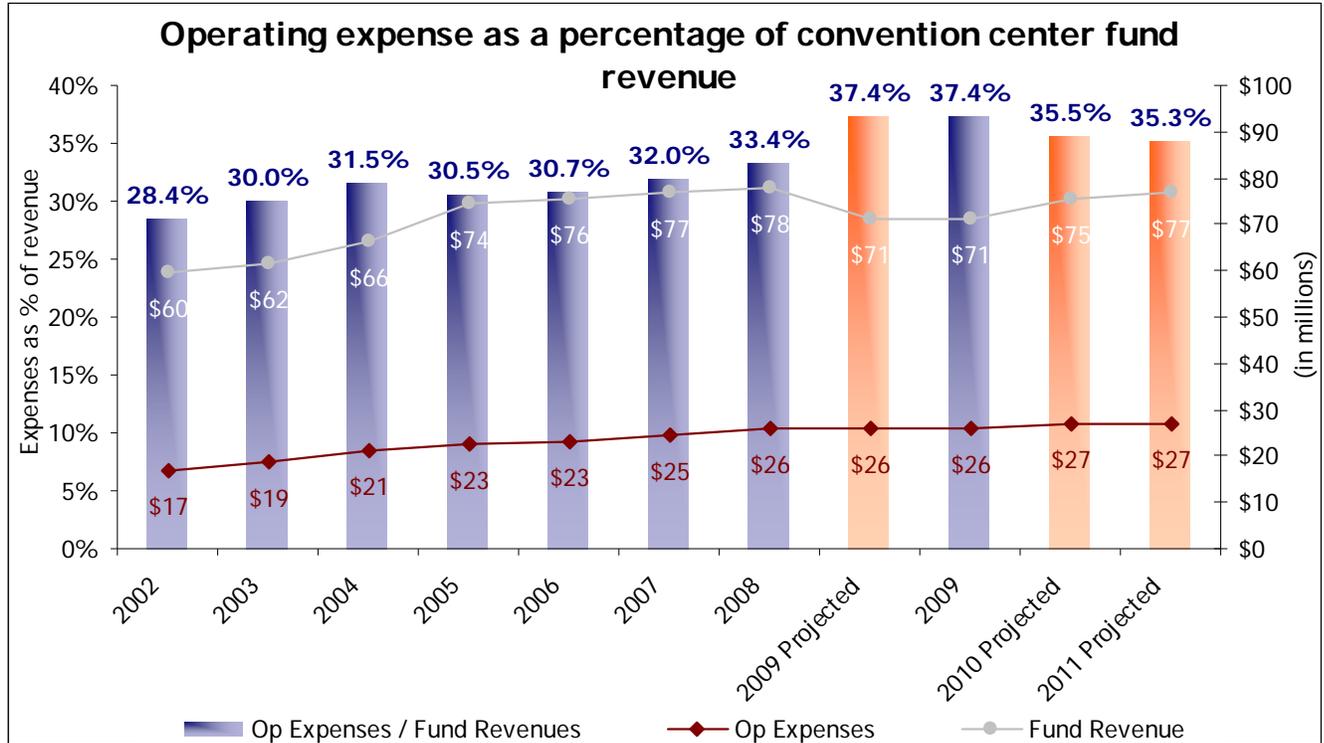
Due to challenges on both the revenue and expense sides of the budget, the department must look at its business model to determine areas of innovation and areas that may need to be retooled or discarded. The department has been in a long process of trying to determine the cost of each event that it hosts as it relates to the revenues and economic impact that it produces. Understanding this costing information will allow management to understand the profitability of services better along with pricing strategies. Some services that the department provides do not produce significant profit, but provide opportunities for excellent service which increases the customer's satisfaction. The Convention Center's reputation in the industry helps attract and retain clients.

- *Facility Efficiency*

Making the Convention Center more energy efficient and eco-friendly will result in cost savings in electricity as well as building heating and cooling. The Convention Center has already taken initial steps towards attaining LEED-EB certification and continues to make progress in retro-commissioning. Finally, the department will be undertaking a facility condition assessment to ascertain the needs of the facility as it ages in order to make capital planning and spending as efficient as possible.

What actions will the department take to meet the current service level reductions? Please include a description of any revenue proposals. Identify *Results Minneapolis* measures where you anticipate a service level impact based on cuts. Specifically include charts that show 2011 projections of no cuts and target reductions.

In the interest of good fiscal management, the department has analyzed its budget and decided to reduce the Current Service Level for 2011 from \$37 million to \$32 million, exclusive of accounting for the Target Center and Meet Minneapolis. These cuts will place the Center in better position to keep the subsidy at approximately 50% of operating expenses; however, this level of subsidy is unsustainable in the future. Revenues must increase and expenses must be, at a minimum, held flat. The "easy" expense reductions have already been made, so additional reductions will be part of a challenging discussion about departmental operations going forward.



FINANCIAL ANALYSIS

EXPENDITURE

The Convention Center's 2011 budget is \$48.5 million, a \$4.7 million increase from the 2010 Revised Budget. The 2011 amount includes \$8.3 million in funding for the Target Center through the Arena Reserve Fund. Backing out this amount, the Convention Center's expenditure budget would be \$40.2 million, a \$3.5 million decrease from the 2010 Revised Budget.

The Convention Center reduced their operating expenditures by approximately \$5 million after the current service level increase to better align expenses with 2011 business needs. If not for the reduction, backing out the Target Center, the departmental budget would have been \$45 million.

The City changed the health care budget methodology and made a health care adjustment to City departments for 2011 to better reflect actual use of health insurance based on 2010 elections. With the composition of Convention Center employees, the Convention Center's adjustment was a reduction of \$409,460.

REVENUE

The Convention Center's 2011 revenue is expected to decrease to \$73.6 million, a \$4.0 million decrease from the 2010 Revised Budget. The 2011 decreases include: \$3.4 million to tax revenue, \$305,000 from charges for services, and \$250,000 from other miscellaneous revenue from the 2010 Revised Budget. The Convention Center has seen a general scaling back of services customers purchase during their events.

MAYOR'S RECOMMENDED BUDGET

The Convention Center identified several areas for cost savings. This includes nearly \$2 million in continued departmental operations reductions from 2010, facilities and capital cuts of approximately \$2.5 million, and labor savings (including contracted labor) totaling around \$600,000. The Mayor recommended these changes.

COUNCIL ADOPTED BUDGET

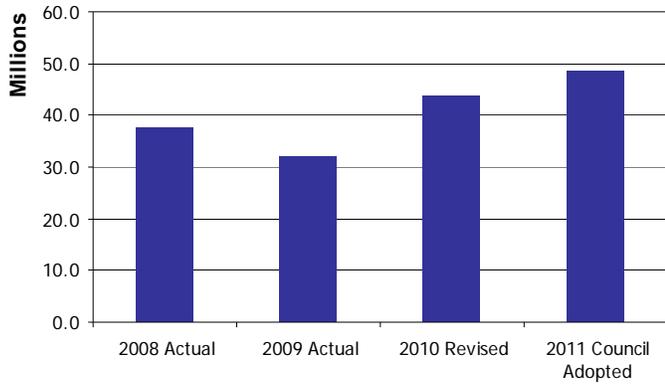
The Council adopted the Mayor's recommendation and reduced the capital in the Target Center financial plan by \$1.1 million on a one-time basis, transferring the corresponding resources into the General Fund.

CONVENTION CENTER EXPENSE AND REVENUE INFORMATION

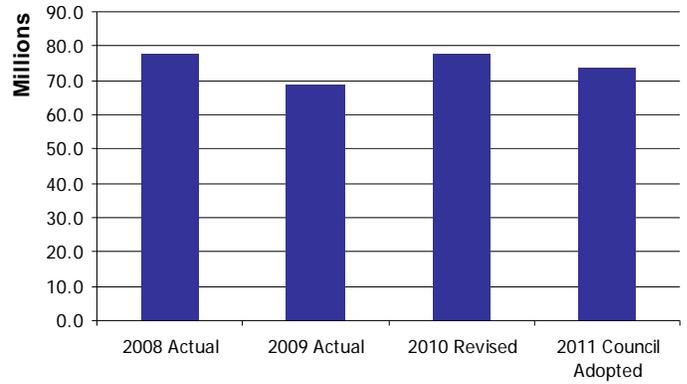
EXPENSE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
AGENCY						
OPERATING COSTS	(1,705,065)	(2,763,618)			0.0%	0
TOTAL AGENCY	(1,705,065)	(2,763,618)				0
SPECIAL REVENUE						
SALARIES AND WAGES	9,500,093	9,274,756	9,470,596	9,496,592	0.3%	25,996
FRINGE BENEFITS	3,262,672	3,584,485	4,709,835	3,929,310	-16.6%	(780,524)
CONTRACTUAL SERVICES	19,986,632	18,053,595	20,933,758	21,834,057	4.3%	900,299
OPERATING COSTS	1,235,297	1,211,068	1,316,428	1,430,682	8.7%	114,254
CAPITAL	5,315,676	2,449,811	7,291,577	11,779,119	61.5%	4,487,542
TOTAL SPECIAL REVENUE	39,300,370	34,573,715	43,722,194	48,469,761	10.9%	4,747,567
TOTAL EXPENSE	37,595,305	31,810,097	43,722,194	48,469,761	10.9%	4,747,567

REVENUE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
AGENCY						
GAINS	6,505				0.0%	0
LONG TERM LIABILITIES PROCEEDS	(7,737)				0.0%	0
TOTAL AGENCY	(1,233)				0.0%	0
SPECIAL REVENUE						
SALES AND OTHER TAXE	60,480,504	54,868,226	62,435,620	59,038,997	-5.4%	(3,396,623)
CHARGES FOR SERVICES	6,062,364	4,583,253	5,585,000	5,280,000	-5.5%	(305,000)
INTEREST	1,277,715	435,261	402,611	359,760	-10.6%	(42,851)
RENTS	6,705,066	6,410,144	6,432,411	6,400,000	-0.5%	(32,411)
CONTRIBUTIONS	509,500	75,000			0.0%	0
OTHER MISC REVENUES	2,809,463	2,558,556	2,770,000	2,520,000	-9.0%	(250,000)
TOTAL SPECIAL REVENUE	77,844,612	68,930,440	77,625,642	73,598,757	-5.2%	(4,026,885)
TOTAL REVENUE	77,843,380	68,930,440	77,625,642	73,598,757	-5.2%	(4,026,885)

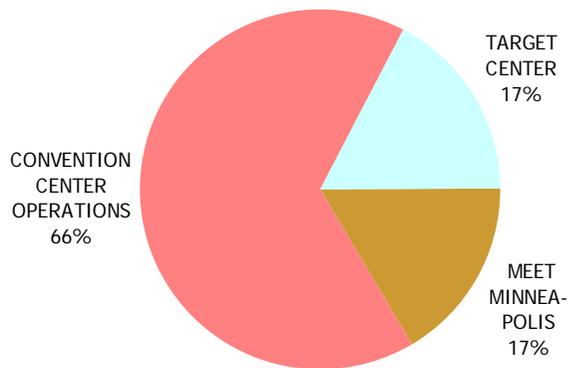
Expense 2008 - 2011



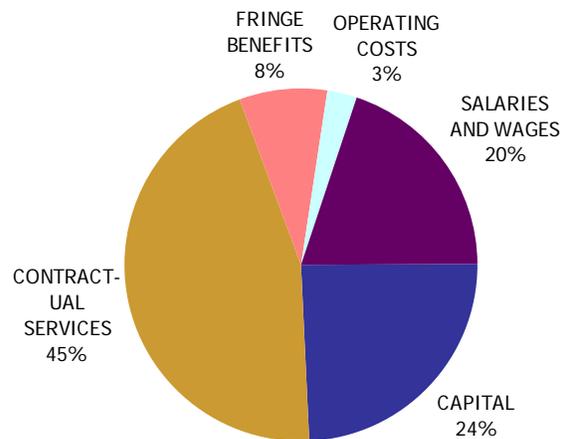
Revenue 2008 - 2011



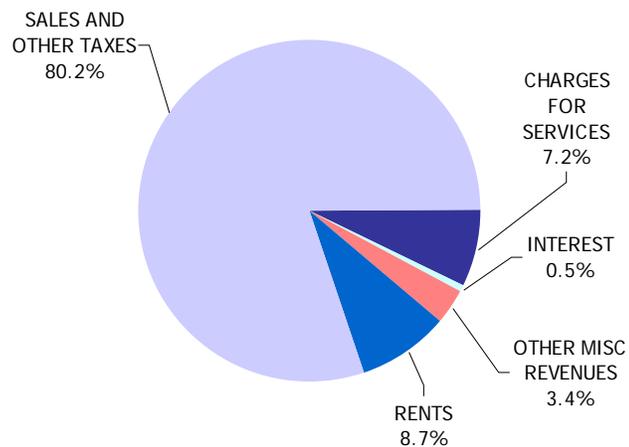
Expense by Division



Expense by Category



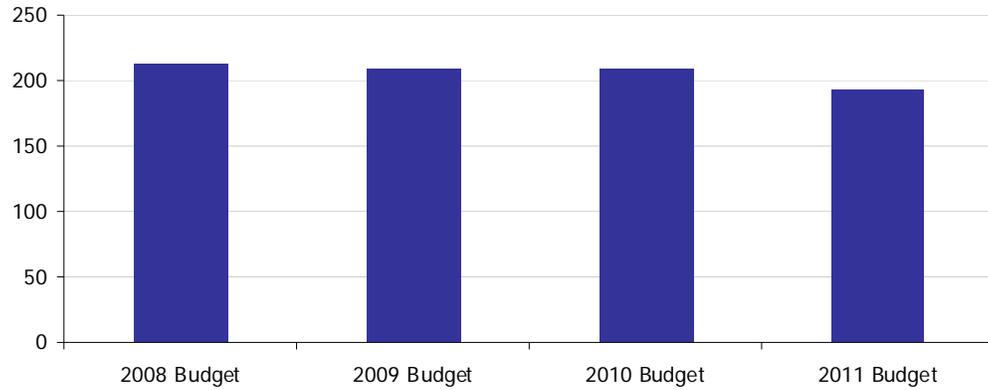
Direct Revenue by Type



CONVENTION CENTER Staffing Information

Expense	2008 Budget	2009 Budget	2010 Budget	2011 Budget	% Change	Change
CONVENTION CENTER	212.00	208.18	208.18	193.00	-7.3%	(15.18)
TOTAL	212.00	208.18	208.18	193.00	-7.3%	(15.18)

Positions 2008-2011



FINANCE

MISSION

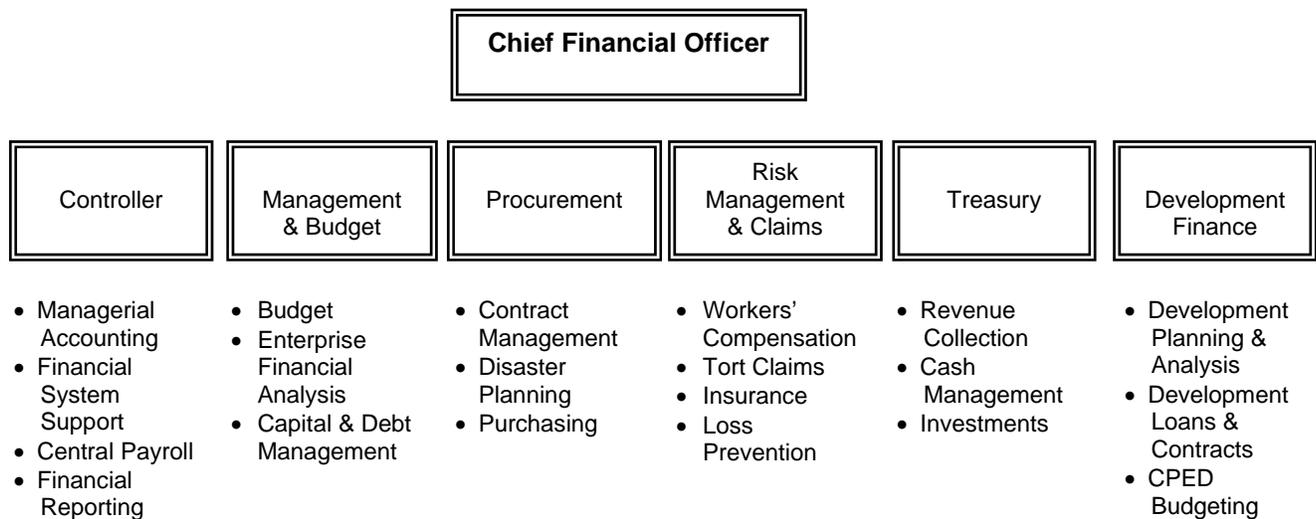
Provide essential financial services and guide decisions to ensure the City's lasting vibrancy and financial strength.

FINANCE SERVICES

The Finance Department has six primary services:

- Pay Employees
- Order, Receive and Pay for Goods and Services
- Bill and Collect Revenues, Cash Management and Investment
- Strategic Financial Services to the Enterprise
- Financial Services to Departments
- Risk Management

ORGANIZATION CHART



RESULTS MINNEAPOLIS MEASURES, DATA AND TARGETS TABLE

Measure Name	2005 Data	2006 Data	2007 Data	2008 Data	2009 Actual	2011 Target
Bond ratings	AAA Aa1 AAA	AAA Aa1 AAA	AAA Aa1 AAA	AAA Aa1 AAA	AAA Aa1 AAA	AAA Aaa AAA
Total debt as a percentage of Assessor's estimated market value	3.6%	3.2%	3.0%	3.0%	Est. 3.0%	3.0%
General fund performance (minimum fund balance of 15%)	16%	16%	15%	14%	Est. 19%	15%

Measure Name	2005 Data	2006 Data	2007 Data	2008 Data	2009 Actual	2011 Target
Net assets of internal service funds with workout plans (dollars in millions)	-\$55	-\$35	-\$18	\$13	\$25	\$50
Collections effectiveness indicator (CEI)	68%	61%	74%	70%	74%**	71%**
Percent of receivables in CEI	74%	76%	83%	85%	85%	85%
Utility billing electronic payments as percent of utility billing revenues	18.0%	19.7%	25.7%	25.8%	27.8%	29.0%
Investment return (operating funds) total return/benchmark	2.5%/1.7%	4.4%/4.0%	5.5%/5.8%	2.8%/3.1%	1.7%/0.3%	NA
Citywide liability claims paid out (in thousands)	\$457	\$396	\$446	\$381	\$228	\$404
Citywide workers' compensation claims paid out (in thousands)	\$5,899	\$5,393	\$5,646	\$6,915	\$4,180	\$5,073
Average Number of Days to Pay an Invoice – All Vendors (new in 2008)				35	34	20
Percent of Payments Meeting Best Practices Payment Terms (new in 2008)				23%	32%	80%
Percent of Targeted Supplies that are "Green" Purchases – Office Supplies (new in 2008)				19%	60%	69%
Percent of Targeted Supplies that are "Green" Purchases – Fine Paper (new in 2008)				81%	90%	94%

* Data for 2011 targets assume no budget reductions.

** This data target assumes 100% collection of all receivables from all entities, which is not currently occurring.

What two or three key trends and challenges does the department face and how will each be addressed?

The key issues and challenges facing Finance over the next five years include the following:

- Nine years (2003-2011) of budget reductions have severely impacted the ability of the Finance Department to maintain current service levels.** Since 2003, Finance has reduced growth to the department budget by \$1.34 million (including \$204,000 for 2011) to meet the five-year financial direction and an additional \$4.42 million to meet budget targets and respond to cuts in Local Government Aid. Together, spending cuts since 2003 total \$5.76 million. Finance has lost a total of 38 FTEs since 2003 (twenty of which occurred during the 2009 and 2010 budget processes). In addition, Finance has internally reallocated \$6.7 million toward payment of the City enterprise resource system (financial and human resources information) since 2005 and will continue annual \$1.2 million in contributions from the department's operating budget through 2015.

As a result of budget reductions, the remainder of the department's staff has taken on more work and stress levels have increased. In general, Finance has reduced its capacity to advise policymakers and managers about financial decisions, but has maintained essential services (payroll, purchasing, financial reports, claims administration, revenue collection, investment and cash management) at adequate levels. The reduction of Finance's capacity for independent analysis has led some departments to add financial support positions, resulting in a loss of enterprise focus. Finance also has developed additional process improvement strategies to work more

efficiently and use financial resources better. Unfortunately, these strategies are unable to keep pace with the rate of budget cuts. Finance has come to a point where further reductions will most certainly result in reductions to or elimination of services.

- **Continue business process improvements (simplification, automation, or elimination) to reduce costs and improve customer service.** Finance continually seeks to improve its business processes to reduce costs and improve customer service. Over the last two years, Finance has participated in four City Business Process Improvement program initiatives related to contracting, procure-to-pay, paying employees and position management, and is actively working to change processes surrounding these critical department services. Finance also has implemented several process improvements through centralizing accounts payable and citywide accounts receivable, more efficient cash handling practices, and streamlining the process to contract for professional services.

Major efforts are underway in 2010 to change the way that City staff submit and process biweekly payroll information to reduce the amount of time and resources directed toward this activity. Additional process improvement initiatives currently underway include streamlining of the process for reconciling city credit card transactions, development of an electronic invoice library, improving services surrounding processes used to order goods and services, implementation of Web-based ordering for certain large-volume vendors and automated, electronic processing of invoice payments.

- **Significant investment has been made in technology information systems** to help facilitate and support the work of the Finance department. Finance has four critical information systems: the COMPASS financial system, the enQuesta utility billing system, the OpenScape enterprise call center system, the Cognos budget and reporting module. Finance also has a workers' compensation claims processing and tracking system. These technology systems are complex and have become integral for Finance to provide services to its customers and require much more time from Finance staff to perform system maintenance formerly provided by technology staff. As technology has become more widespread throughout the marketplace, customers have become accustomed to quick and easy ways to do their business and get the information they need –expectations no different for government organizations for customers.

Finance staff has engaged in several projects to make improvements in technology systems and will continue these efforts. Aside from keeping pace with regular updates or version upgrades for information systems, Finance is also currently working to select and implement a new system for processing and tracking workers' compensation claims, to implement the Time and Labor module within the COMPASS financial system for processing biweekly payroll and labor contract rules, to provide more options to vendors doing business with the City to allow them to submit electronic invoices and auto-process them, and to setup online ordering for City staff with certain high-volume vendors. One-time appropriation increases received through the 2010 supplemental budget process have allowed Finance to continue moving forward on process improvement work. Without these additional funds, Finance would not have had the funds to implement these critical improvements. Finance will continue to explore ways to use technology; however, budget reductions are now to a point where they are outpacing efficiencies gained from technology improvements.

In what internal/external partnerships is the department currently engaged and/or exploring for the future?

Finance has had discussions with several smaller City departments including the Assessor, Communications, Human Resources and Intergovernmental Relations to explore the potential for sharing Finance Department administrative services. It was determined that sharing these services would not result in efficiencies or service enhancements for these departments. Finance is continuing to explore whether procurement or workers' compensation claims administration services could be provided to external public sector organizations such as the Minneapolis Public Schools.

How is the department evaluating programs or services for cost effectiveness?

Finance has an established practice of evaluating programs and services to improve business operations and foster quality service provision to customer departments. Finance has taken the following actions relating to its financial resources:

- **COMPASS.** Since 2005, Finance has reallocated \$1.3 million annually (\$6.7 million total) from its operating budget to fund the upgrade and replacement of the City's enterprise resource system (financial and human resources information). Finance will continue to repay COMPASS through 2015.
- **Business Process Improvements.** Finance has engaged in the City's Business Process Improvement program to review and evaluate processes related to contracts, procure-to-pay, bi-weekly payroll processing and labor contract rule administration, and position management. Several of the recommendations from these BPI initiatives have been implemented. Finance will continue to evaluate and identify where business process improvements are possible.
- **Redesign the procure-to-pay business process.** The largest business process improvement associated with the implementation of COMPASS is the "three-way match" process. Finance reallocated seven positions from various accounting units in 2008 to create an accounts payable unit. Further work will be done in 2010 to support departments in the process for ordering goods and services using a purchase order. Finance staff currently spend a significant amount of time tracking down missing information from goods and services ordered without a purchase order, which delays payments to vendors and is much more resource intensive.
- **Improve revenue collection processes.** Treasury identified two business processes that were determined to have low value and discontinued them in 2007 in order to reallocate resources to the higher value work of improving revenue collections by closing the cash counting facility and moving to a lockbox check processing environment, which eliminated significant manual processing of City payments. In 2009, Finance's Treasury Division centralized revenue collection throughout the City enterprise to increase and speed up revenue collection. Additional steps are being taken in 2010 to redesign the process for reconciling credit card transactions to save staff time and reduce the possibility for error and minimize potential for fraud.
- **Internal administrative support.** In 2008 Finance reallocated a position to improve internal administrative capabilities to support performance measurement, hiring, workforce improvements, budget management and contracting.
- **Enterprise decision support.** Starting in 2004, Finance funded four financial analyst positions to support the high value initiatives of pension reform, compensation analysis,

financial planning, cost allocation models, and support for labor negotiations. Due to budget cuts, one of these positions has since been eliminated.

- **Workers' Compensation and Tort claims administration.** The Risk Management and Claims Division continually analyzes and reallocates resources between staff and contracted services to manage the City's workers compensation and tort claims administrative work. Mitigation work will focus on higher department users.
- **Finance Department core services.** The Finance department also must continue to maintain and provide core services across the Enterprise (services no other department can be expected to provide), which include paying employees, paying vendors, administering the process for procuring goods and services, general, daily cash management, collecting revenues, investing cash reserves, administering statutory driven claims for torts, employee injuries and re-employment compensation, and issuing bonds. In addition, Finance must provide support to managers and policymakers for decision-making including preparing, distributing, and interpreting basic financial reports, answering questions, assisting in the development and preparation of the annual budget, and developing long-term financial plans and policies.

As described in preceding paragraphs, Finance continually strives to be more efficient in providing services to customer departments and citizens. Through process improvements and strategic use of its technology systems, Finance has or will realize efficiencies in several service areas.

What actions will the department take to meet the current service level reductions? Please include a description of any revenue proposals. Identify *Results Minneapolis* measures where you anticipate a service level impact based on cuts. Specifically include charts that show 2011 projections of no cuts and target reductions.

As noted previously, the Finance Department has experienced a reduction in financial resources totaling \$5.8 million since 2003 and has redirected \$6.7 million of the department operating budget since 2005 toward repayment of the COMPASS system internal loan with additional payments totaling \$7.2 million through 2015. Further reductions to the Finance department will result in the following:

- Further reduce Finance's ability to provide independent analysis for Mayor and City Council financial decisions. Policymakers must rely on department managers for information and analysis in support of financial decisions.
- Greater risk of fraud and theft due to insufficient financial controls.
- Higher likelihood of negative audit findings from the State Auditor.
- Loss of revenues and investment income.
- Public communication and response to public inquiries on financial information will be curtailed.
- Inability to provide accurate and timely financial information for managers and policymakers.
- Inability to respond to certain financial trends, events and implementation of strategic controls to reduce costs.

To put some perspective on the impact of further General Fund reductions on the Finance budget, it is helpful to illustrate how the department is funded. Finance charges out for services provided to other departments throughout the City Enterprise through the General Fund

Overhead Allocation model. Only a portion of the Finance department budget is actually supported by charges to the General Fund -- Finance now funds 23% or \$5 million of its budget from the General Fund model (see table below):

Distribution of Finance Department General Fund Charges by Service Activity

Service Activity	2010 GFOH Gen Fund Allocation	2010 GFOH All Other Funds Allocation	2010 GFOH Total Allocation
Bill and Collect Revenues, Cash Management and Investment	\$792,437	\$5,869,121	\$6,661,558
Financial Services to Departments	\$1,267,324	\$3,194,449	\$4,461,773
Order, Receive and Pay for Goods and Services	\$1,010,201	\$3,426,683	\$4,436,884
Pay Employees	\$1,210,826	\$883,224	\$2,094,050
Strategic Financial Services to the Enterprise	\$700,952	\$1,357,855	\$2,058,807
Risk Management	\$0	\$2,458,764	\$2,458,764
Total:	\$4,981,740	\$17,190,096	\$22,171,836

* Note: 2011 GFOH data is not yet available; 2010 data is for illustrative purposes.

Reductions of the CSL as outlined in 2011 budget instructions represent an 8 percent cut, to the Finance General Fund-supported portion of its budget. As department reductions across the last several years have been targeted at cuts to services provided to General Fund departments, a disparity has been created in service levels for the “haves” and “have-nots.” Departments supported by revenue outside of the General Fund are able to afford financial services and those within the General Fund are not.

Finance has prepared a contingency plan to address the current service level reductions as instructed, which includes two different revenue initiatives. Again, financial services to other departments outside of the General Fund are not impacted by 2011 budget proposals; however, a 1.0 vacant Administrative Analyst FTE that previously provided services to the Business Information Services department (a non-General Fund department) was eliminated for 2011 as BIS chose not to fund this service.

The 2011 budget proposal includes two revenue initiatives as described below:

- **Implementation of a procure-to-pay surcharge (\$64,000).** Finance department Accounts Payable staff continues to spend additional time tracking down missing information on invoices submitted by vendors for payment. Invoices lacking necessary information have not been entered into the financial system and did not get pre-approval prior to purchase of the good or service. Finance staff enter the information after the fact and after goods or services have already been received and search for missing information such as the purchasing department and for verification that the items were actually received. Finance is working on a process improvement to help support departments adhere to the three-way match process when ordering goods or services, which will be in place by the end of 2010. Departments that do not follow the three-way match process will be charged a fee to cover the costs associated with the extra time needed for Finance staff to process these payment transactions.
- **Improved recovery of costs associated with services provided to support grants (\$50,000).** The Finance department does not currently recoup costs for all services provided to support departments who expend grant funds. Use of grant dollars carry with

them certain guidelines for how the money is spent as well as specific reporting requirements to verify how the money is spent. Finance staff directs a higher level of resources to track grant expenditures and prepare required reports. Up to this point, City departments have not budgeted in costs to pay for charges associated with administrative overheads such as financial accounting. The 2011 budget proposal includes implementation of overhead charges to grant funds to increase revenues to the General Fund for these services.

CSL Reductions

The CSL reduction level will require Finance to cut \$403,000 of the department’s General Fund portion of the budget and includes cuts beyond the required Five-Year Financial Direction target in order to meet budget guidelines. A total of 5.0 FTEs would be eliminated under this scenario.

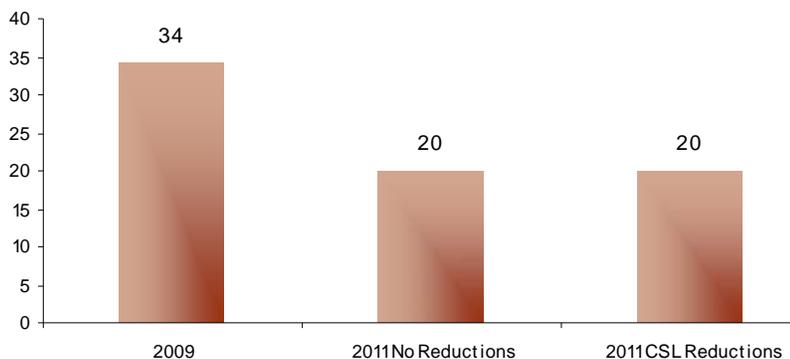
Finance anticipates being able to make most of the CSL reductions through implementation of process improvements related to paying employees and ordering goods and services. These process improvements are expected to reduce the staff time involved with these critical finance department functions and were made possible by the additional one-time appropriation increase received through the 2010 supplemental budget process. Without these one-time funds, Finance would not have been in a position to pay for these process improvements. Implementation of the reductions outlined for the Service impacts will result, however, in the area of cash management. Oversight of the cash reconciliation process will be reduced and result in slower processing time and open up a greater possibility for inappropriate use of City funds.

CSL Scenario			
Service Activity	CSL Reduction	CSL Reduction Staffing Impact	% Reduction to Service Activity (Gen Fund)
Bill and Collect Revenues, Cash Management and Investment	\$203,000	3.0	26%
Order, Receive and Pay for Goods and Services	\$130,000	1.0	13%
Pay Employees	\$70,000	1.0	6%
Total Gen Fund Reduction:	\$403,000	5.0	8.0%

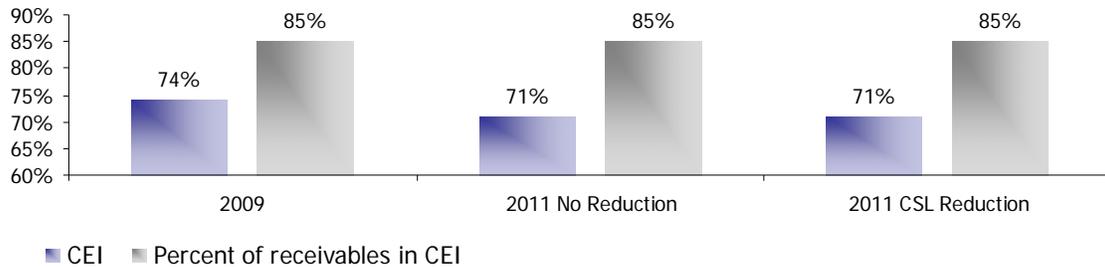
Results Implications

The following are estimated impacts to the department’s performance based on the CSL and alternative scenario reductions.

Average number of days to pay an invoice



Collections Effectiveness Indicator (CEI) and Percent of Receivables in the CEI



* Note: Data includes Park Board receivables. The Park Board does not currently submit full payment for all billings.

FINANCIAL ANALYSIS

EXPENDITURE

For 2011, the department's expense budget for all funds is \$22.0 million, a 2.0% reduction from the 2010 revised budget, keeping the department in line with the five-year financial direction. In 2010, \$500,000 in one-time process improvements funds was included. Part of the reduction in fringe benefits is due to an adjustment to more accurately reflect health insurance expenditures. The remainder of the difference is primarily due to a change in how the MERF contributions are accounted for in the budget.

REVENUE

The revenue budget for the Finance Department is \$258,608, reflecting the implementation of the self-insurance rate model for internal service funds and risk management.

FUND ALLOCATION

The department's budget is primarily derived from the general fund (\$19.3 million or 88%) with \$2.4 million (11%) coming from the self-insurance internal services fund. Special revenue funds account for the remaining budget for support of departments that are significantly funded by grants.

MAYOR'S RECOMMENDED BUDGET

The Mayor recommended a reduction to growth of \$287,000 including 6 FTE. The Mayor further recommended approval of the proposed revenue initiatives.

COUNCIL ADOPTED BUDGET

The Council approved the Mayor's recommendation. One FTE was added in Treasury outside of the budget process to support department functions, leaving Finance with a net 5 FTE reduction.

The Council directed the department to work with the Neighborhood and Community Relations Department to allow neighborhoods to contract up to 50% of the un-contracted balance of their Phase II allocation (excluding Phase II allocated but not contracted reserve funds), as of City Council adoption of the 2011 budget, but not to exceed a total contracted amount of 50% of their Phase II allocation.

The Council further directed the Department to report to the Ways and Means/Budget Committee no later than February 1, 2011, with a plan to provide property tax relief in 2012 and 2013 by capturing 50% of the value of the properties in the consolidated TIF district in these two years. This report should also include impacts on Target Center funding and neighborhood funding. In addition, Finance staff, working with the Neighborhood and Community Relations Department, the NCEC, the Intergovernmental Relations Department, and the City Attorney's Office, is further directed to identify options for property tax relief for the years 2012 and 2013 should legislative authority to consolidate neighborhood programs not be achieved, and report these options to the Ways and Means/Budget Committee by February 15, 2011. This report shall also include the impacts of limiting revenue generated by the TIF district funding neighborhood programs and the Target Center debt relief to \$10 million annually, with any increment over and above \$10 million used to fund Phase II plans.

The Council further directed the Department to assist the BIS Department to identify a plan to achieve a long-term, structurally balanced budget and report the plan to the Ways and Means/Budget Committee no later than March 1, 2011. The plan should include a recommendation for service reductions and/or additional charges to departments.

The Council also directed the Department to assist CPED in developing a plan to fund ongoing development activities, including prioritizing the services CPED provides.

The Council also directed the Department to work with the Human Resources and BIS departments to bring forth a funding plan for the Enterprise Resource Planning System to the Ways and Means/Budget Committee by June 1, 2011.

The Council also directed the Department to work with Public Works to simplify the Property Services allocation model for implementation in the 2012 budget process.

The Council further directed the Department work with Regulatory Services to report on the nuisance abatement revolving account within the General Fund and develop fund balance policy recommendations for the account and report back to the Ways and Means/Budget Committee by February 1, 2011.

The Council also directed the Finance and BIS Departments to work with Regulatory Services to estimate the ongoing costs of the proposed Land Management System and propose an allocation to the departments for ongoing operating costs no later than July 1, 2011.

The Council also directed Finance staff to increase the Office of Internal Audit's allocation in the Five-Year Financial Direction based on the adjustment made for departmental salaries.

The Council also directed the Finance and Intergovernmental Relations Departments to work together to determine the impacts of not addressing the over-obligation of CDBG resources related to Block E. This information is to be presented with the City's 2010 final report to the Ways and Means/Budget Committee in the first quarter of 2011.

The Council also directed the Finance Department to amend the expense and revenue appropriations of the Fire and Regulatory Services departments to reflect the transfer of Fire Inspection activities from the Fire Department to Regulatory Services in the Five-Year Financial Direction.

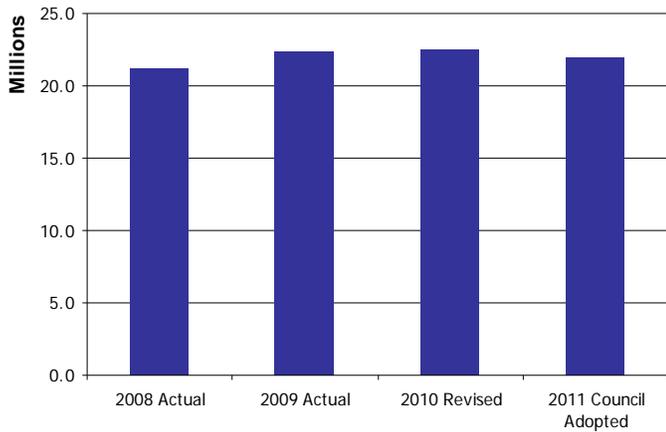
Finally, the department was directed to revise the Five-Year Financial Direction to reflect no increase in City salaries for a two-year period. For contracts that are settled in 2011, budgets should be adjusted in 2012 and 2013.

FINANCE DEPARTMENT EXPENSE AND REVENUE INFORMATION

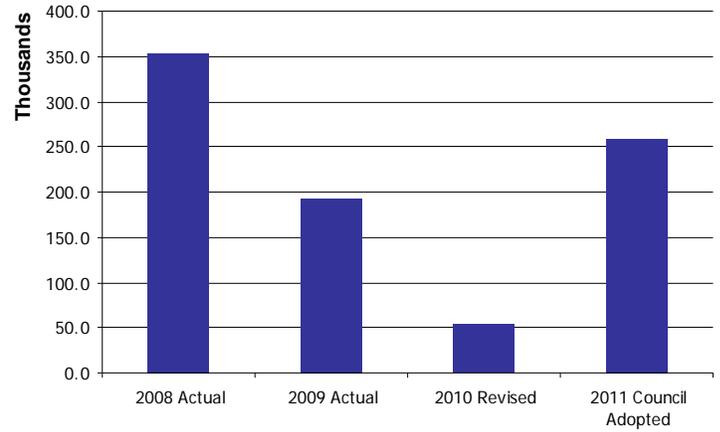
EXPENSE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
AGENCY						
OPERATING COSTS	(37,385)	(51)			0.0%	0
TOTAL AGENCY	(37,385)	(51)				0
GENERAL						
SALARIES AND WAGES	9,796,070	9,618,502	9,554,381	9,406,605	-1.5%	(147,776)
FRINGE BENEFITS	3,181,421	3,339,624	3,791,690	3,598,673	-5.1%	(193,017)
CONTRACTUAL SERVICES	4,999,054	5,442,251	5,693,960	5,595,949	-1.7%	(98,011)
OPERATING COSTS	759,638	786,368	667,338	684,580	2.6%	17,242
CAPITAL	16,211	1,995	7,415	7,489	1.0%	74
TOTAL GENERAL	18,752,394	19,188,740	19,714,784	19,293,296	-2.1%	(421,488)
SPECIAL REVENUE						
SALARIES AND WAGES	218,865	246,081	200,289	207,954	3.8%	7,666
FRINGE BENEFITS	57,470	60,878	72,006	73,842	2.5%	1,836
CONTRACTUAL SERVICES	318	62	3,209	10,199	217.8%	6,990
OPERATING COSTS	32	779			0.0%	0
TOTAL SPECIAL REVENUE	276,685	307,800	275,503	291,995	6.2%	16,492
INTERNAL SERVICE						
SALARIES AND WAGES	507,473	617,912	641,069	638,770	-0.4%	(2,300)
FRINGE BENEFITS	183,369	204,262	226,003	220,032	-2.6%	(5,971)
CONTRACTUAL SERVICES	1,117,139	1,089,670	991,372	954,699	-3.7%	(36,673)
OPERATING COSTS	397,776	928,677	594,400	600,940	1.1%	6,540
CAPITAL			5,921	5,980	1.0%	59
TOTAL INTERNAL SERVICE	2,205,757	2,840,521	2,458,766	2,420,420	-1.6%	(38,346)
TOTAL EXPENSE	21,197,451	22,337,010	22,449,054	22,005,712	-2.0%	(443,342)

REVENUE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
AGENCY						
INTEREST		(10,649)			0.0%	0
TOTAL AGENCY		(10,649)			0.0%	0
GENERAL						
LOCAL GOVERNMENT	17,781	6,012	15,000	5,000	-66.7%	(10,000)
CHARGES FOR SERVICES	5,857	300	6,000	1,500	-75.0%	(4,500)
CHARGES FOR SALES	8				0.0%	0
SPECIAL ASSESSMENTS	(129)				0.0%	0
OTHER MISC REVENUES	35,350	(756)	12,109	52,108	330.3%	39,999
TOTAL GENERAL	58,867	5,556	33,109	58,608	77.0%	25,499
INTERNAL SERVICE						
CHARGES FOR SERVICES	286,400	198,593	20,000	200,000	900.0%	180,000
OTHER MISC REVENUES	7,149				0.0%	0
TOTAL INTERNAL SERVICE	293,549	198,593	20,000	200,000	900.0%	180,000
TOTAL REVENUE	352,416	193,501	53,109	258,608	386.9%	205,499

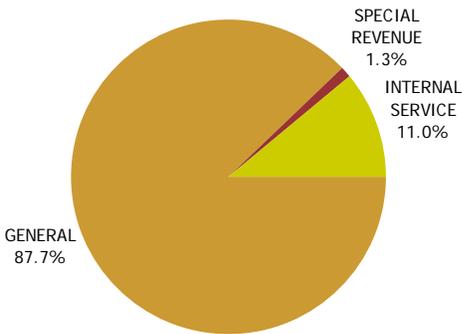
Expense 2008 - 2011



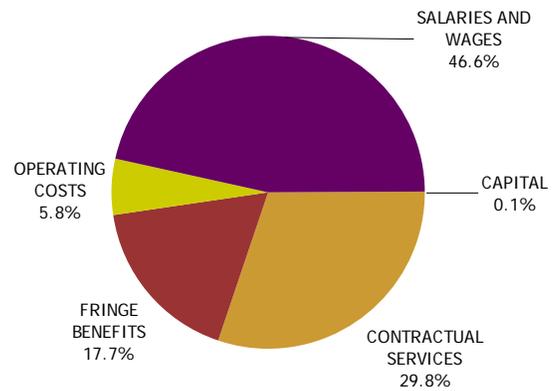
Revenue 2008 - 2011



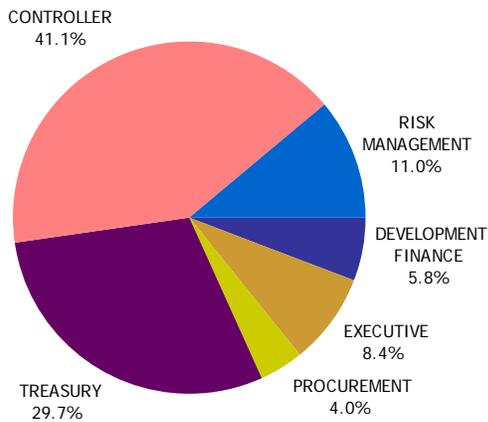
Expense by Fund



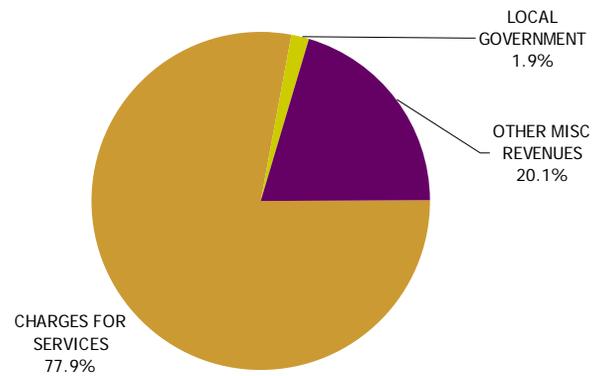
Expense by Category



Expense by Division



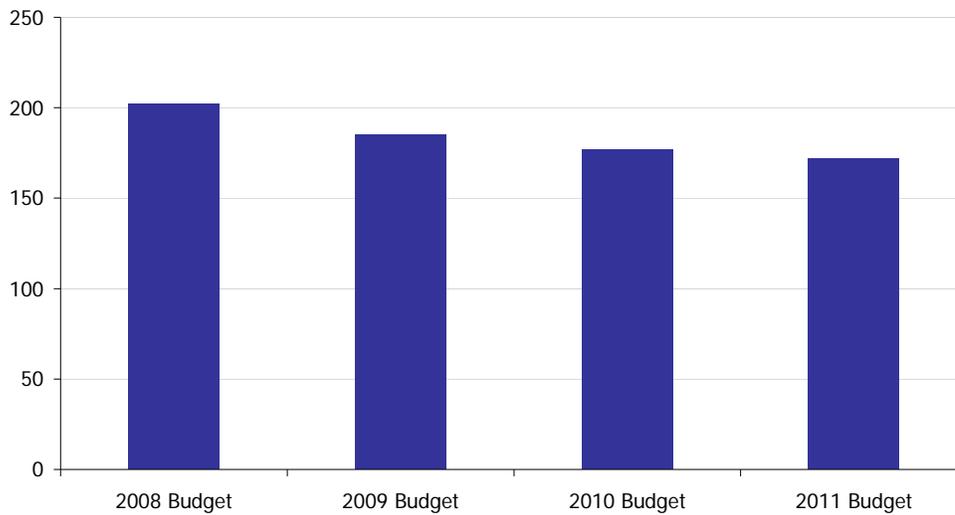
Direct Revenue by Type



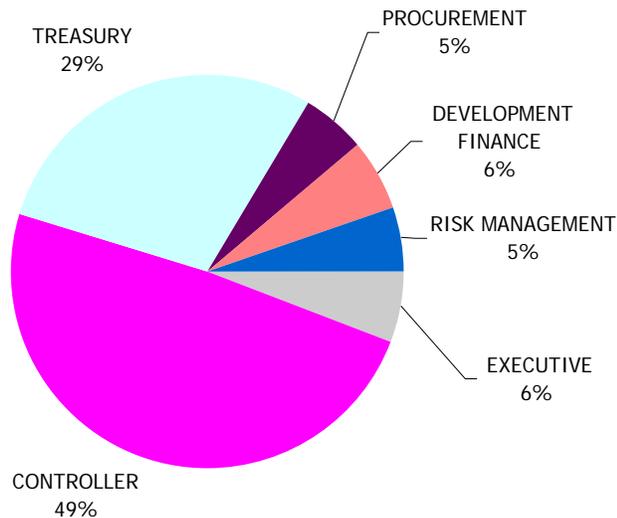
FINANCE DEPARTMENT Staffing Information

Expense	2008 Budget	2009 Budget	2010 Budget	2011 Budget	% Change	Change
DEVELOPMENT FINANCE	15.00	12.00	10.00	10.00	0.0%	
EXECUTIVE	9.00	10.00	10.00	10.00	0.0%	
TREASURY	59.00	53.00	52.00	50.00	-3.8%	(2.00)
RISK MANAGEMENT	9.00	9.00	9.00	9.00	0.0%	
CONTROLLER	100.00	92.00	87.00	84.00	-3.4%	(3.00)
PROCUREMENT	10.00	9.00	9.00	9.00	0.0%	
TOTAL	202.00	185.00	177.00	172.00	-2.8%	(5.00)

Positions 2008-2011



Positions by Division



HUMAN RESOURCES

MISSION

The mission of the Human Resources (HR) Department is to strategically partner with departments to implement a comprehensive, competency-based talent management strategy so that the City of Minneapolis is able to hire, develop and retain an excellent workforce that contributes to the achievement of City goals through the delivery of high quality, cost-effective services.

BUSINESS LINES

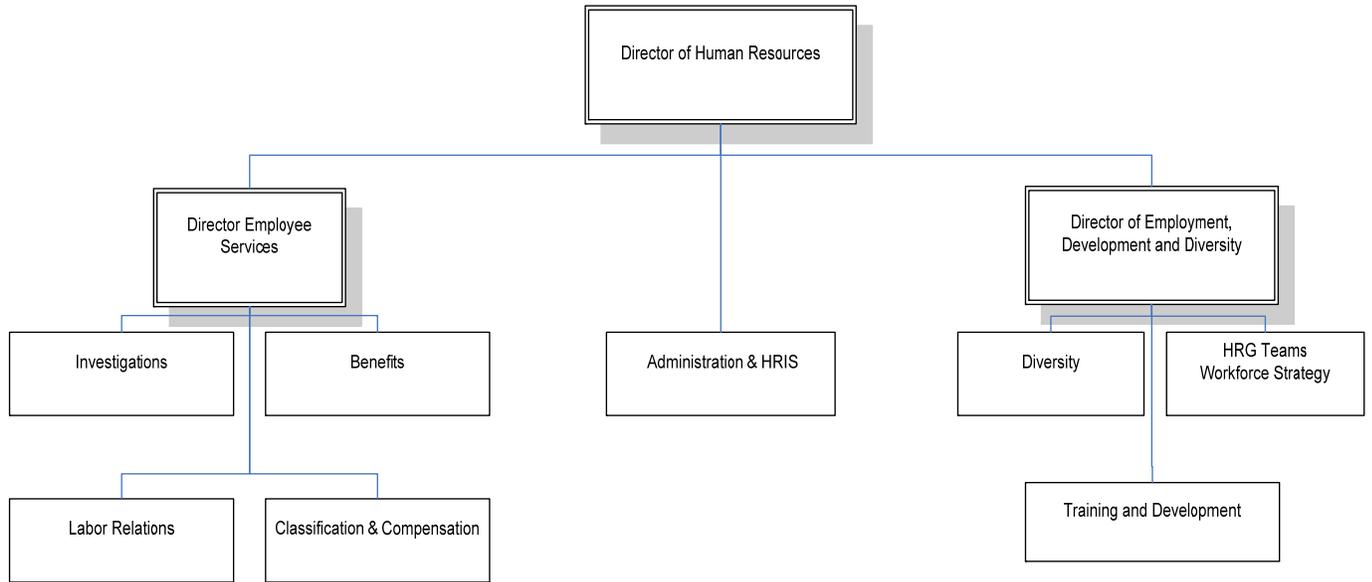
The HR Department has three primary business lines – Administration/HRIS, Employment, Development and Diversity, and Employee Services. Because the work of the department involves more than just one business line, it is necessary that the employees of each division engage in cross-divisional cooperation so that the department can accomplish its goals and eliminate the existence of ‘silo-mentality’ across the department.

- ❖ **Administration & HRIS:** The key services associated with this business line are twofold.
 - 1) Department Administration: Administration of the department to include policy development and implementation, business planning and strategic direction, and Civil Service Commission oversight.
 - 2) HRIS: Also important to this business line are services provided by the HRIS Team which include enterprise employment information management, managing and providing information to other City departments and Independent Boards and Agencies for decision making purposes and supporting Enterprise Learning Management (ELM) and Enterprise Resource Planning (ERP) related efforts and initiatives.

- ❖ **Employment, Development and Diversity** designs and implements enterprise-focused diversity initiatives to include developing and implementing an Affirmative Action Plan, targeted recruitment efforts, and strategic direction for workforce strategies. Also important to this business line are the services provided by the HR Generalist teams, which include customer-focused strategic and operational advice, staffing, and performance management consultation. This business line provides learning opportunities for managers, supervisors and employees to maximize their development and to minimize organizational risk.

- ❖ **Employee Services** provides strategic and operational leadership for all of the City’s collective bargaining. In addition to the collective bargaining responsibilities, the key activities essential to this business line are contract administration, compensation administration, classification administration, complaint investigation, the implementation of the Return-to-Work Program; and designing, negotiating and implementing employee healthcare and wellness programs.

ORGANIZATION CHART



OVERVIEW OF SERVICES

Following is a summary of the services provided by HR to City Council Departments as well as other Independent Boards and Agencies. The services are broken down by those required by law, statutes, ordinances and those that are not required but best serve the City when they are centralized because they are more cost-effective and enterprise-focused.

Human Resource Department Services

Services Required by Federal Law, State Statute, and City Charter or Ordinance	Service Delivered to City Departments?	Service Delivered to Other Agencies?
Administer Benefits	Yes	Yes (Fee Based)
Administer Compensation	Yes	No
Advertising	Yes	Yes
Affirmative Action Plan Development and Administration	Yes	No
Civil Service Commission Appeals	Yes	Yes
Compliance Investigations	Yes	No
HRIS (Payroll and Records Management)	Yes	Yes
Job Bank	Yes	No
Job Classification	Yes	Yes
Negotiate and Administer Labor Agreements	Yes	No
Policy Development & Training (Respect in the Workplace, Ethics)	Yes	No
Testing and Selection	Yes	Yes

Services Not Required by Federal Law, State Statute, and City Charter or Ordinance	Service Delivered to City Departments?	Service Delivered to Other Agencies?
Diversity Management and Affirmative Action Support	Yes	Limited
Management Consultation	Yes	No
Recruiting	Yes	No
Training & Development	Yes	No

RESULTS MINNEAPOLIS CHARTS

Measure Name	2004	2005	2006	2007	2008	2009	2010 Target	2011 Target
% Female Applicants	36.5%	46.9%	38.3%	43.1%	48.5%	47.0%	45.0%	45.0%
# of Female Applicants	2382	3654	4417	4691	5616	2184	2700	3600
% Female Eligibles	35.3%	42.2%	45.3%	41.1%	48.4%	47.0%	45.0%	45.0%
# of Female Eligibles	1016	1444	2202	1992	2339	802	1134	1512
% Female Hires	34.8%	32.9%	35.7%	43.3%	34.1%	43.0%	40.0%	40.0%
# of Female Hires	98	118	153	123	112	34	40	50
% People of Color Applicants	35.5%	34.7%	31.7%	30.9%	29.1%	30.7%	31.0%	33.0%
# of People of Color Applicants	2316	2704	3607	3367	3371	1422	1860	2640
% People of Color Eligibles	34.6%	31.0%	25.0%	29.4%	26.6%	28.5%	30.0%	32.0%
# of People of Color Eligibles	995	1061	1216	1426	1285	471	756	1075
% People of Color Hires	32.3%	34.0%	28.7%	28.2%	27.7%	26.0%	28.0%	30.0%
# of People of Color Hires	91	122	123	80	91	21	28	37
Females by EEO-4 Category (%)								
1. Officials & Administrators	NA	NA	NA	45.2%	44.0%	41.9%	NA	NA
2. Professionals	NA	NA	NA	47.7%	48.6%	48.7%	49.0%	50.0%
3. Technicians	NA	NA	NA	20.4%	19.8%	19.5%	19.5%	20.0%
4. Protective Service (Sworn)	NA	NA	NA	16.9%	15.6%	15.8%	16.2%	17.6%
4. Protective Service (Non-Sworn)	NA	NA	NA	NA	36.3%	38.6%	38.6%	40.0%
6. Administrative Support	NA	NA	NA	80.5%	80.1%	80.3%	NA	NA
7. Skilled Craft	NA	NA	NA	2.9%	2.5%	3.0%	3.0%	3.5%
8. Service Maintenance	NA	NA	NA	10.6%	13.8%	13.7%	14.0%	14.2%
Employees of Color by EEO-4 Category (%)								
1. Officials & Administrators	NA	NA	NA	15.4%	16.5%	16.2%	16.2%	17.5%
2. Professionals	NA	NA	NA	19.6%	19.4%	19.2%	NA	NA
3. Technicians	NA	NA	NA	16.3%	15.8%	16.1%	NA	NA
4. Protective Service (Sworn)	NA	NA	NA	25.0%	25.1%	25.6%	NA	NA
4. Protective Service (Non-Sworn)	NA	NA	NA	NA	36.3%	30.1%	NA	NA
6. Administrative Support	NA	NA	NA	27.9%	27.3%	28.6%	NA	NA
7. Skilled Craft	NA	NA	NA	11.5%	11.1%	11.4%	NA	NA
8. Service Maintenance	NA	NA	NA	30.4%	29.7%	30.0%	NA	NA
# of Days to Fill a Vacant Position	122	113	108	115	96	82	90	90
Hard to Fill Positions (% Deemed Hard to Fill)	26.0%	40.0%	31.0%	26.0%	33.0%	35.0%	31.0%	30.0%
Hard to Keep Filled	NA	NA	NA	NA	NA	NA	TBD	TBD

Measure Name	2004	2005	2006	2007	2008	2009	2010 Target	2011 Target
Positions								
% of Employees with Completed Performance Review in HRIS	5.6%	6.7%	10.1%	34.6%	41.0%	46.0%	50.0%	55.0%
Health Insurance Cost Growth to City & Employee	\$6,848	\$7,939	\$9,118	\$9,938	\$10,040	\$11,160	\$12,760	\$14,370

Note: In the 2010 & 2011 Targets, "NA" means that underutilization did not exist in these categories.

What two or three key trends and challenges does the department face and how will each be addressed?

The HR Department continues to face the challenges of meeting enterprise needs with diminishing resources. Challenges include:

1. Full funding for future upgrades to the HRIS/COMPASS enterprise system.
2. Items identified in the 2009 employee survey including overall decreases in employee engagement and concerns about employee trust. HR plans to work with City Leadership to identify ways to respond to these concerns and work to integrate employee engagement into department business planning, *Results Minneapolis* and performance management systems.
3. Aging workforce and loss of institutional knowledge as employees retire and leave the organization.
4. Implementing the Talent Management Strategy – assisting the organization with the hiring, training & development, and retention of a highly qualified, diverse workforce – is a key challenge for the HR Department and for the City of Minneapolis.
5. Increases in health care cost also continue to be both a trend and a challenge. The department is working in partnership with the Benefits Labor Management Committee and healthcare providers to identify cost-savings solutions.

In what internal/external partnerships is the department currently engaged and/or exploring for the future?

HR has identified a number of tactics in its Business Plan in terms of developing partnerships including:

1. Develop relationships and learn from other companies that have strong diversity programs including Best Buy, Target, General Mills, 3M and Medtronic.
2. Partner with the Minneapolis Public Schools and the Minneapolis Employment and Training Program (METP) to recruit candidates for positions and internships with the City.

HR will also pursue and establish closer relationships with HR representatives from Hennepin and Ramsey Counties and the City of St. Paul to determine if there are areas where the department can share resources and/or programs.

How is the department evaluating programs or services for cost effectiveness?

The HR Department plans to:

1. Explore HR Shared Service delivery models that may be able to provide HR Services in a more cost effective manner via self-service, call centers and via technology (HR Portals).
2. Review, amend or remove laws, systems, rules, etc. that hinder efficient HR processes and recommend improvements.
3. Compare the City’s compensation package to the packages of other jurisdictions in the metro area.
4. Explore opportunities to reduce the cost of administering the City’s benefit plans.
5. Monitor and respond to the impacts of the Health Care Reform Act.

What actions will the department take to meet the current service level reductions? Please include a description of any revenue proposals. Identify *Results Minneapolis* measures where you anticipate a service level impact based on cuts. Specifically include charts that show 2011 projections of no cuts and target reductions.

- A. **General Fund** – HR plans to take the following reductions to meet the current service level. This is being done in conjunction with eliminating a position in the General Fund and funding the position out of existing resources and realized cost savings in the 6900 Fund. Listed below are the cuts HR is proposing:

Division	Account Code	Amount
All	782901 - Health Insurance	\$43,000
Administration	HR Senior Associate	\$78,532
Total of Above		\$121,532

Note: The total of the above cuts exceeds the CSL cut of \$116,748. HR would like the excess dollars be reallocated to Professional Services in Administration.

Impact statement: Funding the above position from the 6900 Fund is possible because of cost savings realized from other efforts in the last several years and reflects activities performed by this employee. Further reductions in the 6900 Fund will be possible, lowering overall costs within the fund resulting in projected savings to all departments. In addition, in the last two years some of the funds that have remained in the 6900 Fund have been saved and rolled over to help fund the future upgrade of HRIS.

- B. **6400 Fund** – To meet the current service level reduction of \$3,579 in the 6400 Fund, HR is proposing a reduction in the Professional Services Account (507000).

Impact statement: These funds are used to support the delivery of training and development programs and services to City employees. This reduction will decrease the amount of resources available to fund ongoing efforts and also reduce the potential to save and roll over unexpended funds for future initiatives including the HRIS upgrade.

FINANCIAL ANALYSIS

EXPENDITURE

The 2011 budget for the Human Resource department is \$7.3 million, a 1.7% decrease from the 2010 revised adopted budget. Personnel expenditures are 60% of the total department budget. Contractual services make up 29% of the department's budget.

REVENUE

The department's revenue budget of \$1.4 million reflects a 3.4% or \$47,300 increase from 2010 to 2011, attributable to the benefits administration fee that is charged to customer departments through the Self Insurance Fund rate model. The Self Insurance Fund is the only source of revenue for the Human Resources Department.

FUND ALLOCATION

The Human Resources Department is funded from the General Fund, the Self Insurance Fund, and the Intergovernmental Services Fund. An appropriation of \$5.7 million from the General Fund provides 78% of the department's budget. The department operates the benefits administration function out of the Self Insurance Fund using an expenditure budget of \$1.4 million. The department also provides enterprise services through the Intergovernmental Services Fund where it is budgeted at \$257,000.

MAYOR'S RECOMMENDED BUDGET

The Mayor recommended a reduction to growth of \$154,000 to the General Fund, which is partially offset by health care savings.

COUNCIL ADOPTED BUDGET

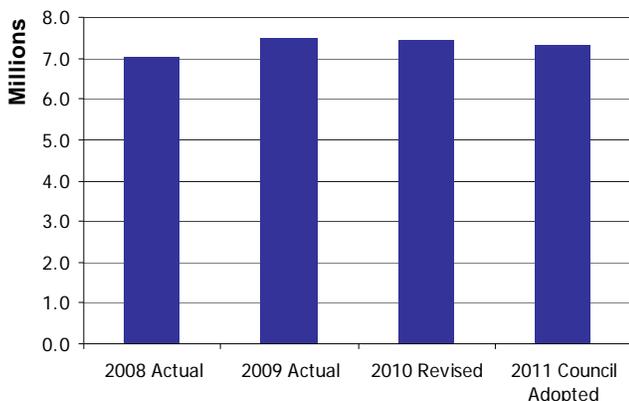
The Council adopted the Mayor's recommendations and directed the Department to work with the Finance and BIS departments to bring forth a funding plan for the Enterprise Resource Planning System to the Ways and Means/Budget Committee by June 1, 2011.

HUMAN RESOURCES EXPENSE AND REVENUE INFORMATION

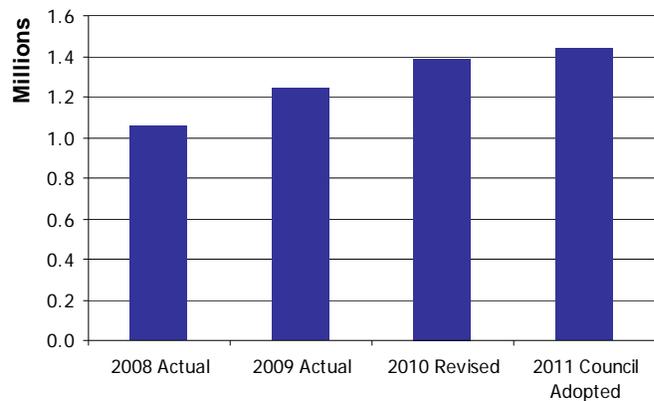
EXPENSE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	2,831,944	2,916,523	2,856,604	2,776,303	-2.8%	(80,301)
FRINGE BENEFITS	758,226	856,089	901,274	848,887	-5.8%	(52,387)
CONTRACTUAL SERVICES	1,682,827	1,951,260	1,498,519	1,458,373	-2.7%	(40,145)
OPERATING COSTS	445,651	466,409	532,103	600,054	12.8%	67,951
TOTAL GENERAL	5,718,648	6,190,281	5,788,499	5,683,617	-1.8%	(104,881)
SPECIAL REVENUE						
FRINGE BENEFITS	(1)				0.0%	0
CONTRACTUAL SERVICES	12,674	18,534			0.0%	0
OPERATING COSTS	401				0.0%	0
TOTAL SPECIAL REVENUE	13,074	18,534				0
INTERNAL SERVICE						
SALARIES AND WAGES	538,072	526,377	576,988	623,772	8.1%	46,784
FRINGE BENEFITS	198,855	186,014	198,502	201,057	1.3%	2,555
CONTRACTUAL SERVICES	494,572	544,626	744,770	676,035	-9.2%	(68,735)
OPERATING COSTS	74,016	29,756	134,172	135,514	1.0%	1,342
TOTAL INTERNAL SERVICE	1,305,515	1,286,773	1,654,432	1,636,378	-1.1%	(18,054)
TOTAL EXPENSE	7,037,237	7,495,587	7,442,931	7,319,995	-1.7%	(122,935)

REVENUE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SERVICES	4,195				0.0%	0
OTHER MISC REVENUES	1,161	522			0.0%	0
TOTAL GENERAL	5,355	522			0.0%	0
SPECIAL REVENUE						
OTHER MISC REVENUES	13,075	18,533			0.0%	0
TOTAL SPECIAL REVENUE	13,075	18,533			0.0%	0
INTERNAL SERVICE						
CHARGES FOR SERVICES	1,037,375	1,219,595	1,389,943	1,437,199	3.4%	47,256
OTHER MISC REVENUES	150	150			0.0%	0
TOTAL INTERNAL SERVICE	1,037,525	1,219,745	1,389,943	1,437,199	3.4%	47,256
TOTAL REVENUE	1,055,956	1,238,800	1,389,943	1,437,199	3.4%	47,256

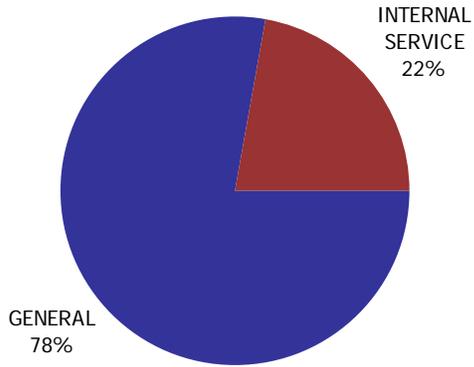
Expense 2008 - 2011



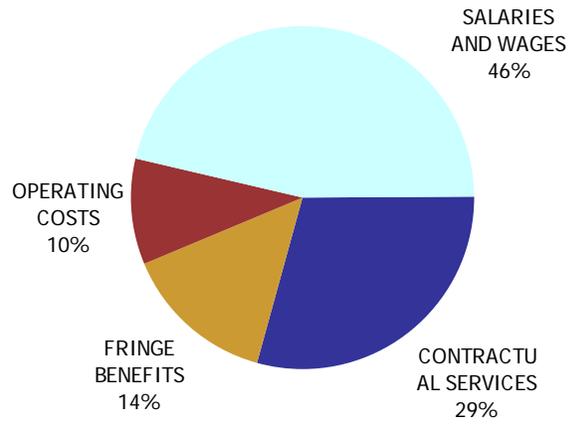
Revenue 2008 - 2011



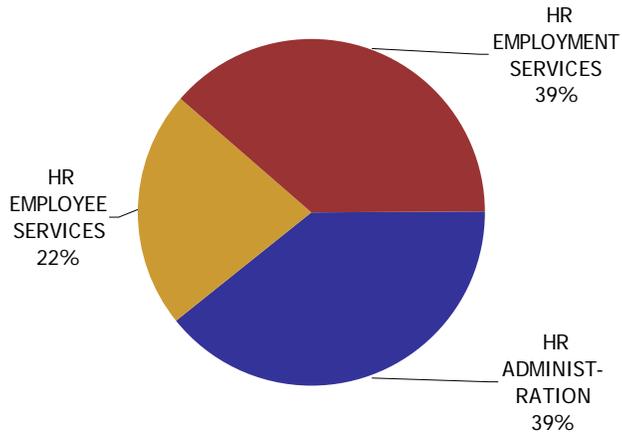
Expense by Fund



Expense by Category



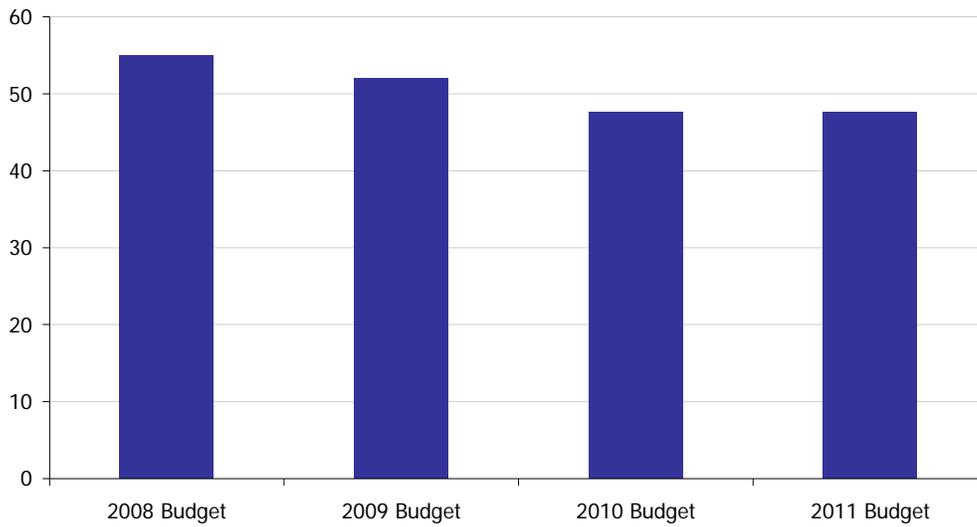
Expense by Division



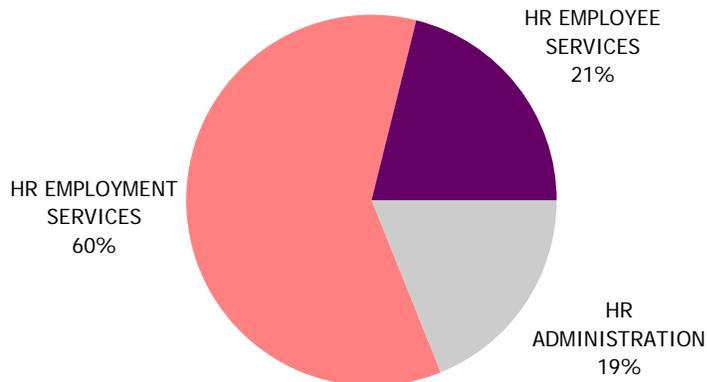
HUMAN RESOURCES Staffing Information

Expense	2008 Budget	2009 Budget	2010 Budget	2011 Budget	% Change	Change
HR EMPLOYEE SERVICES	9.00	11.95	10.00	10.00	0.0%	
HR ADMINISTRATION	2.00	10.05	9.00	9.00	0.0%	
HR ENTERPRISE SERVICES	17.00					
HR EMPLOYMENT SERVICES	27.00	30.00	28.60	28.60	0.0%	
TOTAL	55.00	52.00	47.60	47.60	0.0%	

Positions 2008-2011



Positions by Division



INTERGOVERNMENTAL RELATIONS

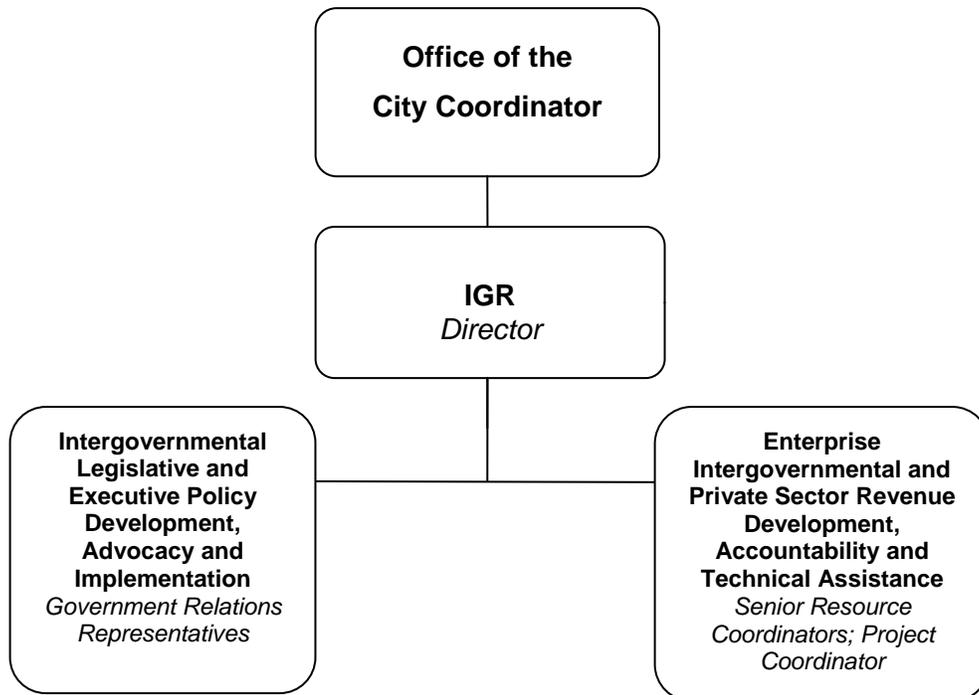
MISSION

Assist City officials and departments with superior education, advocacy, management and fiduciary responsibility in pursuit of priority City goals. IGR strives to effectively represent the City of Minneapolis with integrity and dedication to its partners at multiple levels of governance – federal, state, regional, and local in order to achieve legislative and program success.

BUSINESS LINES

- 1) Intergovernmental Legislative and Executive Policy Development, Advocacy and Implementation through: Representation, Consultation, Advocacy and Feedback.
- 2) Enterprise Intergovernmental and Private Sector Revenue Development, Accountability and Technical Assistance through: Knowledge, Coaching, Management, Planning and Advocacy.

ORGANIZATION CHART



RESULTS MINNEAPOLIS CHARTS

MEASURES, DATA AND TARGETS TABLE

Measure Name	2010 Target
Percentage of grant funds supporting City revenue budget	4.0
Amount of funds awarded annually (millions)	\$35.0 M
Priority Policies- Legislatively approved	21
Bonding projects submitted/approved	3/7 \$7.75 M
Federal earmark Requests/Approved	2/6 \$1.1 M

What two or three key trends and challenges does the department face and how will each be addressed?

2010 was an election year for all state constitutional and legislative offices. The State has a new Governor, a new Speaker of the House of Representatives at least 25 new legislators and a new Metropolitan Council. Even with new leadership, the major policy issue of state/local fiscal relations will continue and the state budget deficit will continue.

Staff will develop a 2011 legislative agenda that will focus on fiscal as well as policy issues. Elected officials will, as in the past, be active in advocating City positions at the Capitol.

A similar challenge is occurring with Congress. A federal agenda will be drafted and advocated. In addition, the department will work with other City departments to identify and pursue opportunities for federal funding through competitive grant and new federal initiatives.

In what internal/external partnerships is the department currently engaged and/or exploring for the future?

The nature of the department's business is the building of and participation in partnerships to enact legislation or obtain resources. The department maintains active, working relationships with City organizations such as the League of Minnesota Cities, advocacy groups and staff of Congressional offices, legislators and non-partisan staff.

How is the department evaluating programs or services for cost effectiveness?

The Department annually reviews its performance and those of its contractors. As a result of the reviews, the budget has been adjusted accordingly. For example, legislative contracted services have been reduced as have other budget items – computer software, travel, and subscriptions – that have not been fully utilized or replaced by more current technology.

What actions will the department take to meet the current service level reductions?

The department will continue to make reductions in non-personnel items to meet its target.

FINANCIAL ANALYSIS

EXPENDITURE

The expense budget for this department includes the grants and special projects function of the City as well as Intergovernmental Relations staff. The department's budget also includes grants to external organizations that receive funding from the Community Development Block Grant (CDBG) Consolidated Plan. The 2011 operating budget for these functions is \$2.7 million, with \$1.4 million from the general fund and \$1.3 million from the CDBG fund. The general fund budget has a 6.7% decrease from 2010 due to the removal of one-time money. Part of the reduction in fringe benefits is due to an adjustment to more accurately reflect health insurance expenditures. The remainder of the difference is primarily due to a change in how the MERF contributions are accounted for in the budget.

REVENUE

This department does not generate revenue.

FUND ALLOCATION

The Intergovernmental Relations function is funded entirely from the General Fund while the Grants and Special Projects Division receives \$1.3 million of its funding from CDBG funds for efforts supporting the Consolidated Plan and related grant processes.

MAYOR'S RECOMMENDED BUDGET

The Mayor recommended a reduction to growth of \$5,000 and increased funding by \$30,000 for national association membership costs.

COUNCIL ADOPTED BUDGET

The Council adopted the Mayor's recommendation and directed IGR staff to report to the Intergovernmental Relations Subcommittee and Committee of the Whole on January 13, 2011, to pass an amendment to the City's State Legislative Agenda on either January 14 or 28 that includes a proposed strategy to seek legislation consolidating neighborhood programs and eliminating the need for the Joint Powers Board.

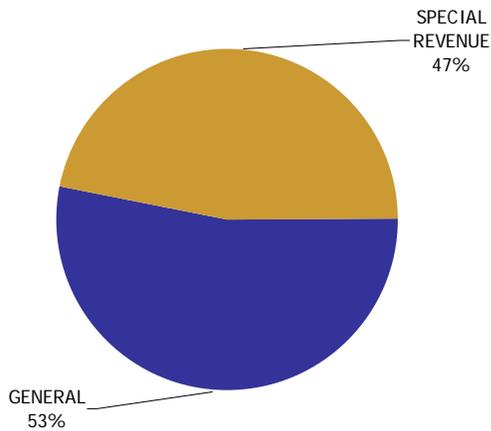
The Council also directed the Department to work with Finance staff, the Neighborhood and Community Relations Department, the NCEC, and the City Attorney's Office, to identify options for property tax relief for the years 2012 and 2013 should legislative authority to consolidate neighborhood programs not be achieved, and report these options to the Ways and Means/Budget Committee by February 15, 2011. This report shall also include the impacts of limiting revenue generated by the TIF district funding neighborhood programs and the Target Center debt relief to \$10 million annually, with any increment over and above \$10 million used to fund Phase II plans.

The Council also directed the Finance and Intergovernmental Relations Departments to work together to determine the impacts of not addressing the over-obligation of CDBG resources related to Block E. This information is to be presented with the City's 2010 final report to the Ways and Means/Budget Committee in the first quarter of 2011.

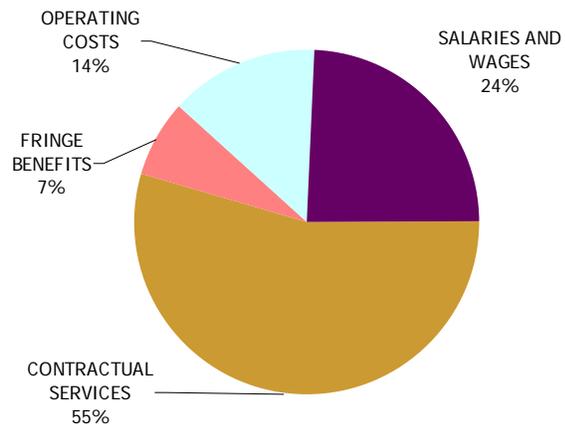
INTERGOVERNMENTAL RELATIONS EXPENSE AND REVENUE INFORMATION

EXPENSE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	432,494	427,047	439,321	446,100	1.5%	6,779
FRINGE BENEFITS	95,596	113,569	138,538	122,874	-11.3%	(15,664)
CONTRACTUAL SERVICES	338,401	567,906	611,618	468,312	-23.4%	(143,306)
OPERATING COSTS	344,474	344,203	328,445	378,765	15.3%	50,320
CAPITAL			4,981	5,031	1.0%	50
TOTAL GENERAL	1,210,965	1,452,725	1,522,903	1,421,082	-6.7%	(101,821)
SPECIAL REVENUE						
SALARIES AND WAGES	206,738	236,353	154,573	199,518	29.1%	44,946
FRINGE BENEFITS	61,690	59,410	58,698	70,639	20.3%	11,940
CONTRACTUAL SERVICES	1,119,861	1,033,892	999,729	981,213	-1.9%	(18,516)
OPERATING COSTS	4,657	(2,354)			0.0%	0
TOTAL SPECIAL REVENUE	1,392,946	1,327,301	1,213,000	1,251,370	3.2%	38,370
TOTAL EXPENSE	2,603,911	2,780,026	2,735,903	2,672,453	-2.3%	(63,451)

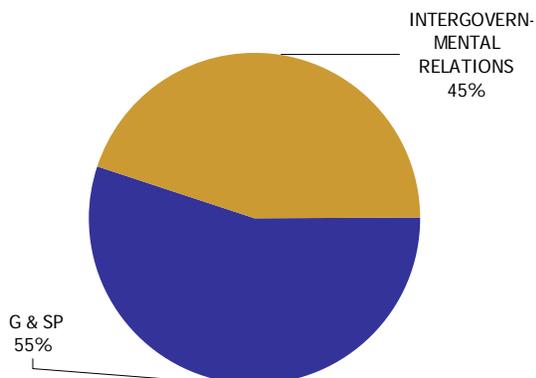
Expense by Fund



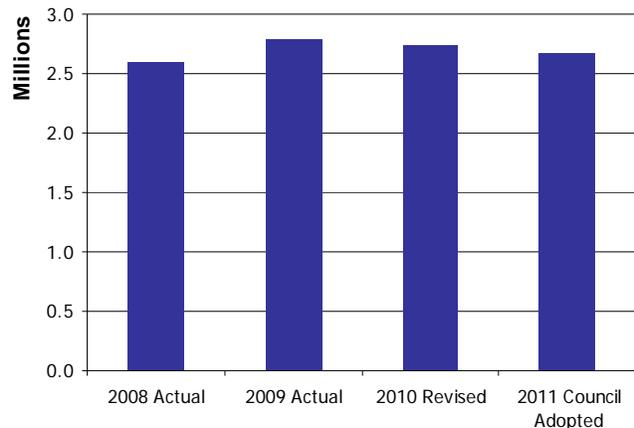
Expense by Category



Expense by Division



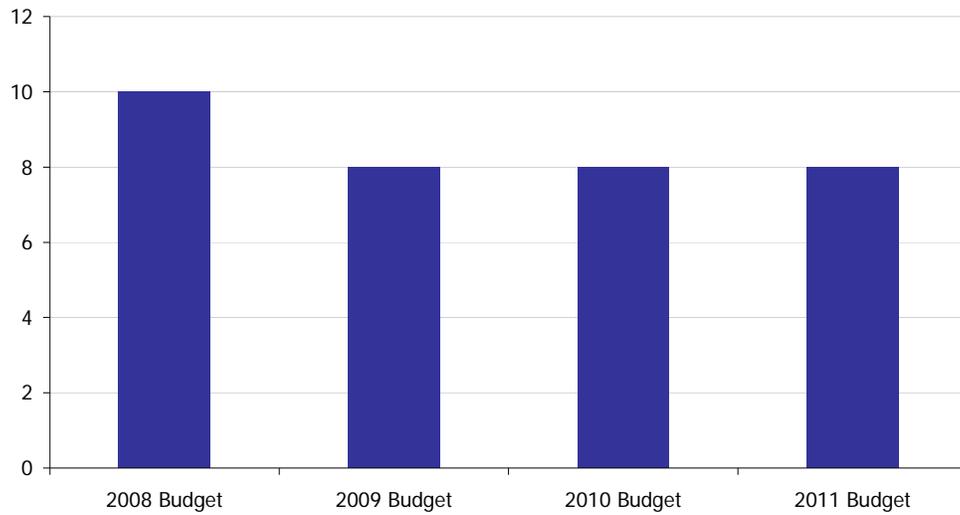
Expense 2008 - 2011



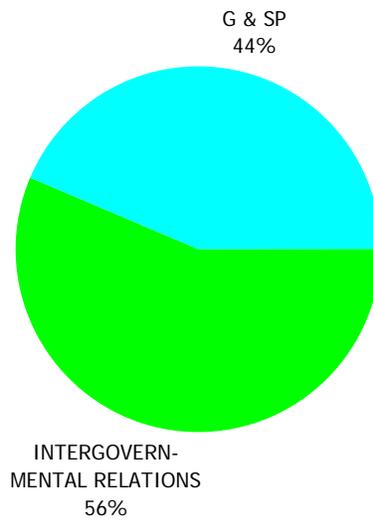
INTERGOVERNMENTAL RELATIONS Staffing Information

Expense	2008 Budget	2009 Budget	2010 Budget	2011 Budget	% Change	Change
G & SP	6.00	3.50	3.50	3.50	0.0%	
INTERGOVERNMENTAL RELATIONS	4.00	4.50	4.50	4.50	0.0%	
TOTAL	10.00	8.00	8.00	8.00	0.0%	

Positions 2008-2011



Positions by Divison



NEIGHBORHOOD AND COMMUNITY RELATIONS

MISSION

To strengthen the City's quality of life through vigorous community participation, resident involvement in neighborhood and community organizations, and supporting clearly defined links between the City, City services, neighborhood and community organizations.

BUSINESS LINES

Minneapolis has a long and rich history of community engagement and resident involvement. Intentionally and systematically building stronger networks and improved communication lines between the residents and the City will result in more informed residents, a more democratic community, and a more sustainable and resilient Minneapolis. The NCR department will accomplish this work through these main business lines:

1. Neighborhood Engagement

The department will focus on nurturing neighborhood engagement through neighborhood-based priority setting, planning and implementation; and the integration of this work with the work of the City.

2. Access and Outreach Engagement

The department will build connections with communities where cultural norms or practices, language or disabilities limit knowledge or access to government. The department will lead an enterprise-wide initiative to remove barriers to participation and meaningful engagement. The department will provide translation and interpretation services to city departments and will be a resource for Americans with Disabilities Title II requirements, Limited English Proficiency compliance, and will provide guidance for successful interactions with cultural communities.

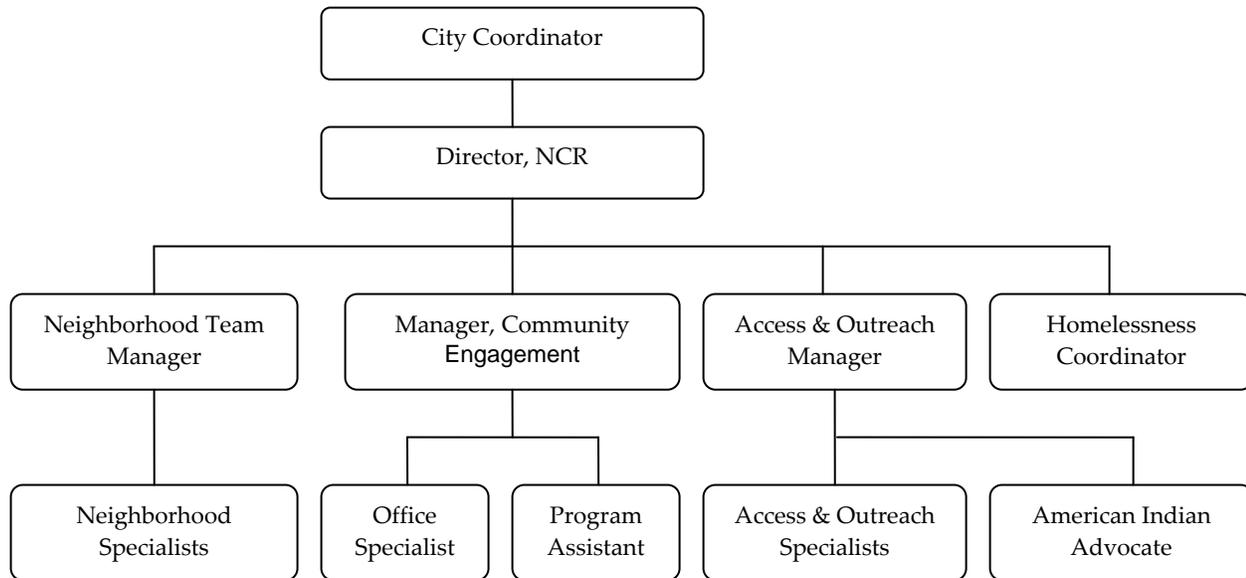
3. Principles of Community Engagement

The department will be a resource for the enterprise for supporting the Core Principles of Community Engagement. The department will establish a foundation of expectations and resources as a guide for the City.

4. Support for the City Enterprise

The department will serve as a resource to all City departments and work with City staff members on new and dynamic ways to incorporate community participation activities into their work. Through broader and inclusive engagement, City departments will be better informed about meeting community needs. The department will strive to align the priorities of the City, neighborhoods and community organizations.

ORGANIZATION CHART



RESULTS MINNEAPOLIS CHARTS

As a new department in the City of Minneapolis, the Neighborhood and Community Relations Department is in the process of developing and tracking specific measures to be used in Results Minneapolis.

What two or three key trends and challenges does the department face and how will each be addressed?

The creation of and work within the Neighborhood and Community Relations (NCR) Department represents a major new initiative supporting community engagement broadly for the City. As a new department, Neighborhood and Community Relations will be presented with many opportunities and challenges. Significant areas of work with challenges in 2011 include:

1. Development and implementation of a new neighborhood program set to begin in 2011.
 - More closely aligning the work of the City and its stakeholders in a collaborative way.
 - Redefining the relationship between the City and neighborhood organization as a core city service.
 - Creating and building trust with communities where trust has been lost or never fully developed.

To address these challenges the Neighborhood and Community Relations Department has been and will continue to work closely with the Neighborhood and Community Engagement Commission, directly with neighborhood organizations, and with other City departments to

build on what has worked, simplify where possible, and modify programs to reflect today's environment.

2. Integrate the Neighborhood Revitalization Program in to the department.
 - Transitioning an external program in to the City's existing systems and structure will require special attention to technical components and departmental culture.

To address these challenges, the Department, in collaboration with the Neighborhood Revitalization Program, has developed a consolidation plan that will guide much of the work.

3. Supporting culturally-focused outreach to increase engagement by all residents of the City.
 - Providing ways for all communities to engage in the City's work entails more tailored outreach and often an initial focus of establishing a greater sense of trust, particularly in communities that have not had trustful working relationships with government entities.

Meeting directly and regularly with community members and maintaining strong working relationships with the community will allow for dynamic and relevant relationships over time.

4. As a new department, additional set up work particularly around staffing remains including the following:
 - Completing the hiring of neighborhood-focused staff to implement the new neighborhood program.
 - Reviewing current departmental staff, including the Access and Outreach and American Indian Advocate compliment to ensure it is properly aligned for achieving department goals and objectives.

The neighborhood-focused staff positions will be informed by the work of the Neighborhood Revitalization Program and the Consolidation Plan.

In what internal/external partnerships is the department currently engaged and/or exploring for the future?

The Department has a dual focus of engaging the community while also providing services to and collaborating with City departments internally. Some of the major initiatives that involve extensive internal and external partnerships follow:

1. Developing of relationships with cultural and community-based organizations.
2. Continuing and refreshing relationships with neighborhood organizations.
3. Enterprise-wide integration of the Principles of Community Engagement.
4. Enterprise-wide support of culturally-focused outreach to increase engagement by all residents of the City.
5. Enterprise-wide focus on addressing barriers to participation and access to City services, programs and engagement.
6. Developing staff collectives and coordination teams around community engagement, improving access for all residents through ADA and LEP compliance; incorporating community input into departmental work plans, programs and service delivery; etc.
7. Working with City departments and City boards and commissions to continue improving the effectiveness of boards and commissions in the City of Minneapolis through improved communications; clarifying roles, responsibilities; and providing resources and assistance.

8. Working with block clubs, neighborhoods and CCP/SAFE to re-examine the roles and responsibilities of each and support a broader initiative to expand the network.

How is the department evaluating programs or services for cost effectiveness?

The City's authorization of the Consolidated TIF and corresponding funding of a new program for neighborhood revitalization purposes represents an updated funding source for an ongoing program for neighborhood organizations. For the purposes of administering the new program and providing direct services to neighborhood organizations, the Neighborhood and Community Relations department will follow the current service levels and expenses of the Neighborhood Revitalization Program.

What actions will the department take to meet the current service level reductions? Please include a description of any revenue proposals. Identify *Results Minneapolis* measures where you anticipate a service level impact based on cuts. Specifically include charts that show 2011 projections of no cuts and target reductions.

The work of implementing a new neighborhood program is getting underway in 2011 and the consolidation with NRP will primarily be executed in 2010 and 2011. Any reductions to growth would impact these activities.

FINANCIAL ANALYSIS

EXPENDITURE

The 2011 expenditure budget for NCR is \$6.0 million. The department is supported by the general fund at 13%, and special revenue funds at 87%. Starting in 2011, \$5.1 million of the special revenue funds are supported through tax increment financing for neighborhood revitalization. 7.5 FTE were added to the department to implement its business plan.

REVENUE

This department does not generate revenue.

MAYOR'S RECOMMENDED BUDGET

The Mayor recommended a reduction to growth of \$3,000 to this department. The Mayor also recommended \$150,000 in one-time funding for homeless outreach programming.

COUNCIL ADOPTED BUDGET

The Council adopted the Mayor's recommendation and directed the Department to work with Finance staff, the Intergovernmental Relations Department, the NCEC, and the City Attorney's Office, to identify options for property tax relief for the years 2012 and 2013 should legislative authority to consolidate neighborhood programs not be achieved, and report these options to the Ways and Means/Budget Committee by February 15, 2011. This report shall also include the impacts of limiting revenue generated by the TIF district funding neighborhood programs and the Target Center debt relief to \$10 million annually, with any increment over and above \$10 million used to fund Phase II plans.

The Council also directed the Department to work with the Finance Department to allow neighborhoods to contract up to 50% of the un-contracted balance of their Phase II allocation

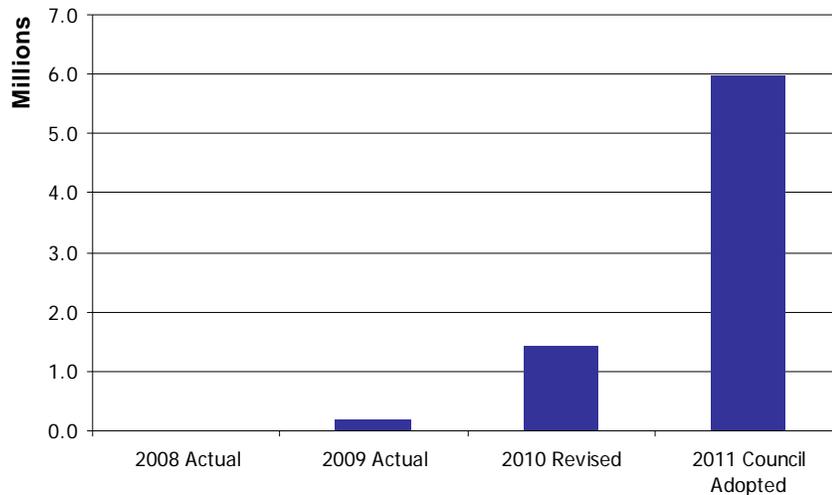
(excluding Phase II allocated but not contracted reserve funds), as of City Council adoption of the 2011 budget, but not to exceed a total contracted amount of 50% of their Phase II allocation.

The Council further directed the Department to work with the NCEC and report back to the City Council by March 1, 2011 on how programs, including the Neighborhood Investment Fund and the Community Innovation Fund, will be implemented moving forward with an emphasis on mitigating equity issues among neighborhoods related to the suspension of new contracts.

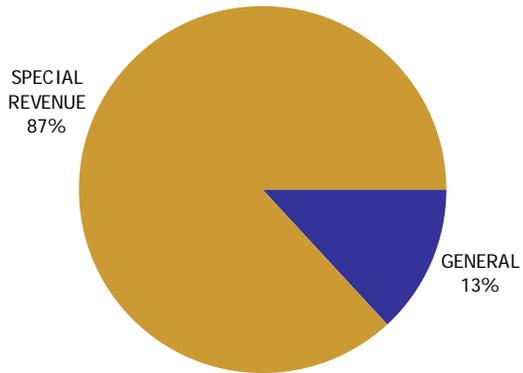
NEIGHBORHOOD & COMMUNITY RELATIONS EXPENSE AND REVENUE INFORMATION

EXPENSE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES		116,515	491,413	330,767	-32.7%	(160,646)
FRINGE BENEFITS		21,105	155,735	82,497	-47.0%	(73,238)
CONTRACTUAL SERVICES		23,002	462,126	305,335	-33.9%	(156,791)
OPERATING COSTS		16,907	106,083	52,720	-50.3%	(53,363)
CAPITAL		4,196	21,000	2,000	-90.5%	(19,000)
TOTAL GENERAL		181,726	1,236,357	773,320	-37.5%	(463,038)
SPECIAL REVENUE						
SALARIES AND WAGES			142,547	633,026	344.1%	490,479
FRINGE BENEFITS			49,958	250,515	401.5%	200,557
CONTRACTUAL SERVICES			5,495	4,182,785	76,019.8%	4,177,290
OPERATING COSTS				128,674	0.0%	128,674
CAPITAL				3,000	0.0%	3,000
TOTAL SPECIAL REVENUE			198,000	5,197,999	2,525.3%	5,000,000
TOTAL EXPENSE		181,726	1,434,357	5,971,319	316.3%	4,536,962

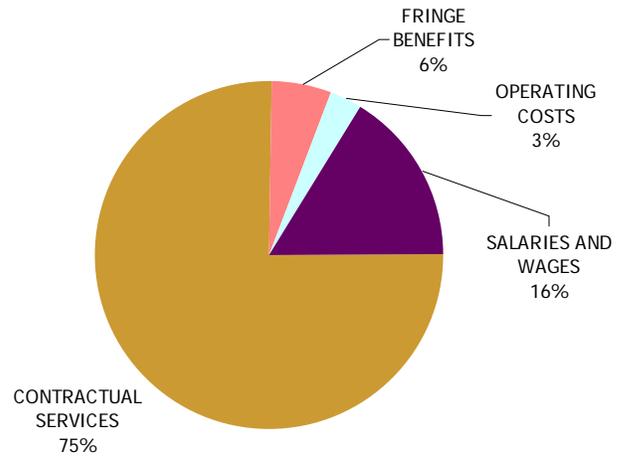
Expense 2008 - 2011



Expense by Fund



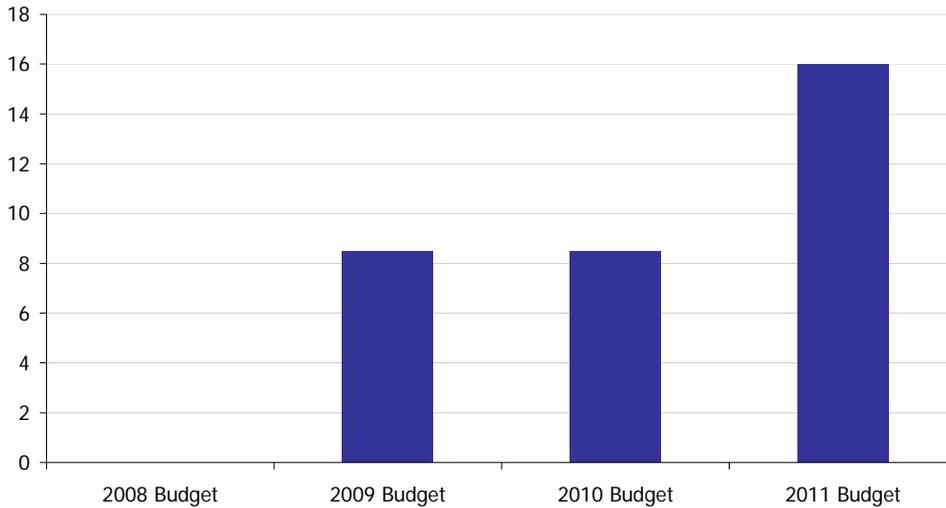
Expense by Category



**NEIGHBORHOOD & COMMUNITY RELATIONS
Staffing Information**

Expense	2008 Budget	2009 Budget	2010 Budget	2011 Budget	% Change	Change
Neighborhood and Community Rel		8.50	8.50		-100.0%	(8.50)
Administration				16.00		16.00
TOTAL			8.50	16.00	88.2%	7.50

Positions 2008-2011



CIVIL RIGHTS

MISSION

The mission of the Minneapolis Department of Civil Rights is to enforce Minneapolis Code of Ordinances Title 7 (non-discrimination); Title 9, Chapter 172 (civilian police review authority) Title 16, Chapter 423 (small and underutilized business programs); Title 23, Chapter 6 (prevailing wage); and, to promote understanding of civil rights among residents, business and government.

BUSINESS LINES

The Civil Rights Department has three business lines carried out through its business units: Complaint Investigations, Contract Compliance, and Civilian Police Review.

Complaint investigations are carried out by the **Complaint Investigations Unit (CIU)**. CIU investigates and resolves complaints that allege illegal discrimination according to the Civil Rights Ordinances. For most of 2010 CIU was staffed with 3 individuals who conducted complaint investigations and 1 supervisor. The unit receives 200-250 charges per year. The investigators meet a performance standard of 60 cases per year and the supervisor handles a small number of cases as well.

The CIU partners with the Minneapolis Civil Rights Commission to perform its work. The Minneapolis Commission on Civil Rights (MCCR), while not an operational entity within the MDCR, plays a crucial part in the execution of the Department's role. By ordinance the MCCR: initiates/investigates discrimination complaints; reviews complainants appeals of the Civil Rights Director's "No Probable Cause" determinations; holds hearings on "Probable Cause" findings; and, advises the Director with respect to matters relating to the Commission's purpose.

The **Contract Compliance Unit (CCU)** monitors construction employment and training goals, prevailing wage payments, and affirmative action plans for City contractors. Additionally, the CCU investigates complaints alleging a violation of the ordinances it oversees. The CCU also aids prime contractors in successfully executing their "good faith" efforts relating to employment goals. Good faith efforts assistance includes (1) linking prime contractors to labor sources of minority and women and (2) supporting the development and growth of minority and women-owned businesses so they may participate as sub-contractors.

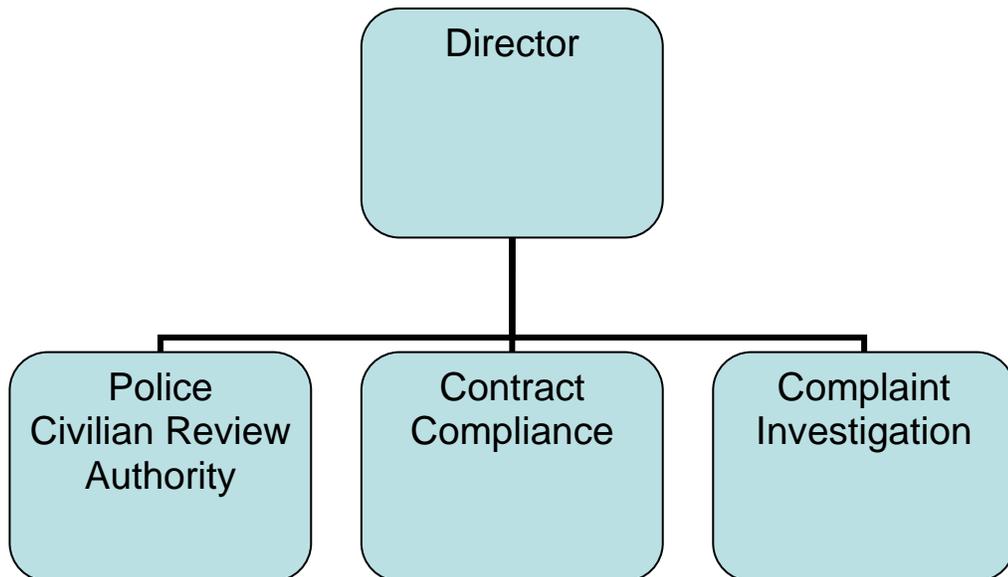
The Small and Underutilized Business Program (SUBP) is a program within the CCU. The SUBP program sets project goals for small, women and minority businesses in the awarding of City contracts in the following areas: construction and development, and goods and services. Additionally it reviews bid and contract award recommendations, coordinates the certification process for small and underutilized businesses, and assists prime contractors with attracting certified small and underutilized businesses in order to meet the project goals.

CCU is staffed with six compliance officers and a supervisor. Four of the six compliance officers perform work to monitor and review activities with Community Development Block Grant Funds, one handles HUD Section 3 compliance monitoring and one handles the City's SUB Program.

The **Civilian Police Review Authority (CRA)** business unit receives and investigates complaints of police misconduct; mediates or fairly adjudicates complaints of police misconduct; and, educates the Minneapolis Police Department and the public on their rights and responsibilities under the CRA ordinance. The CRA typically receives over 300 complaints per year.

CRA is staffed with two case investigators, two administrative persons and one supervisor.

ORGANIZATION CHART



What two or three key trends and challenges does the department face and how will each be addressed?

Trends

Backsliding on progress in Civil Rights (e.g., K-12 schools become more diverse and less productive, and colleges and universities become less diverse and more exclusive; anti-immigrant sentiment; requests for exclusivity, etc.).

- Examine internal policies and practices to ensure the department is not institutionalizing racism.
- Be vigilant.
- Challenge the status-quo.

Pervasive and growing disparities in health, education and prosperity between Whites and non-Whites.

- Vision, persistence, courage, consistency & adaptability

Challenges

The division must continue to exist as a service that is vital to the City's well-being.

- Leadership must commit to providing a level of resources to allow the unit to perform and must hold MDCR accountable.

The division must deliver sustained performance that contributes to the wealth and welfare of Minneapolis residents and visitors.

- MDCR leadership must commit to setting realistic, obtainable goals and measures and must be resolved in achieving the goals on a consistent basis.
- While increased federal revenue for community development, neighborhood revitalization and stabilization are a good thing for residents, federal sources require compliance monitoring above the current level of resources.

The division must be respected as a strategic partner and as an enforcer of the ordinances.

- The department staff need to work hard at the right things, be accessible, approachable and professional.

The division must defeat inertia.

- The department must build good relationships with stakeholders, handle the current state as if it is a project, and promptly correct and learn from mistakes.
- Celebrate and communicate successes.

In what internal/external partnerships is the department currently engaged and/or exploring for the future?

MDCR is currently exploring opportunities with Neighborhood and Community Relations for effective outreach and engagement; the Community Planning and Economic Development Department for community readiness on City projects. Externally the department is collaborating with Metro-area law schools to bring in interns to assist with case preparation and with the Minnesota State Bar Association and the Minnesota Chapter of the American Bar Association to bring in pro-bono mediators.

How is the department evaluating programs or services for cost effectiveness?

The appropriate goals and measures for the MDCR will be discussed as part of the business planning process.

What actions will the department take to meet the current service level reductions? Please include a description of any revenue proposals. Identify *Results Minneapolis* measures where you anticipate a service level impact based on cuts. Specifically include charts that show 2011 projections of no cuts and target reductions.

In 2010, the department lost two positions and \$257,000. This reduction created a situation for MDCR in which it cannot meet performance objectives. This level of resources does not provide what is necessary for satisfactory performance even if every employee is performing at a high level. Without a priority-setting mechanism, the department will continue to fall behind.

The 2011 budget still leaves the department without the necessary resources to perform satisfactorily. It leaves the department playing a game of catch-up that will never be won. This reduction will be absorbed in salaries and fringes. Even in some cases where BPI recommendations are implemented, this level of resources is not enough. While the total appears to be a slight increase of \$24,487, this proposal includes a significant increase in rent (\$87,400) and insurance premiums (up \$36,972). This budget will also need to absorb \$27K in renovation costs.

FINANCIAL ANALYSIS

EXPENDITURE

The total 2011 Civil Rights budget of \$2.5 million is a 2.4% increase from 2010. The General fund is \$2.1 million and the CDBG fund is \$365,000.

REVENUE

The department's revenue from EEOC (Equal Opportunities Employment Commission) work share agreement is projected in 2011 at \$79,200.

FUND ALLOCATION

The department is funded by the general fund (85%) and CDBG funds (15%).

MAYOR'S RECOMMENDED BUDGET

The Mayor recommended no reductions to growth for the department.

COUNCIL ADOPTED BUDGET

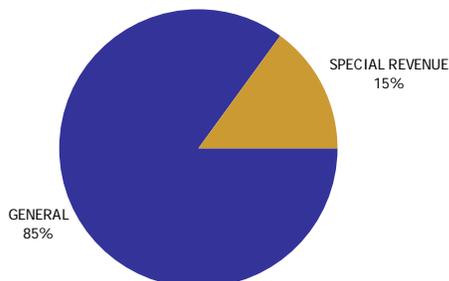
Council adopted the Mayor's recommendations.

CIVIL RIGHTS EXPENSE AND REVENUE INFORMATION

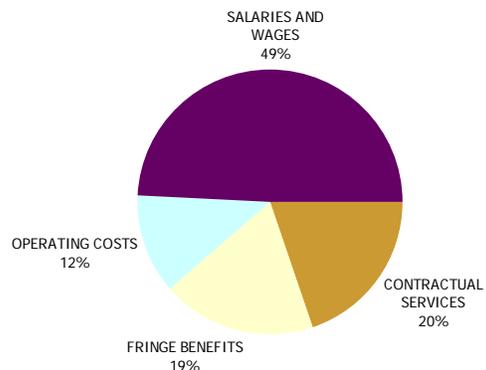
EXPENSE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	1,188,905	1,299,487	993,663	942,598	-5.1%	(51,065)
FRINGE BENEFITS	336,424	432,064	383,822	363,323	-5.3%	(20,499)
CONTRACTUAL SERVICES	730,366	710,998	379,775	484,046	27.5%	104,271
OPERATING COSTS	253,631	272,194	269,612	297,726	10.4%	28,114
CAPITAL			2,366		-100.0%	(2,366)
TOTAL GENERAL	2,509,326	2,714,743	2,029,237	2,087,692	2.9%	58,455
SPECIAL REVENUE						
SALARIES AND WAGES	237,044	359,547	165,202	265,701	60.8%	100,499
FRINGE BENEFITS	77,911	126,296	67,323	99,298	47.5%	31,975
CONTRACTUAL SERVICES			132,475		-100.0%	(132,475)
OPERATING COSTS		158	(1)		-100.0%	1
TOTAL SPECIAL REVENUE	314,955	486,001	365,000	365,000	0.0%	(1)
TOTAL EXPENSE	2,824,281	3,200,744	2,394,237	2,452,692	2.4%	58,455

REVENUE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
GENERAL						
FEDERAL GOVERNMENT	(1,500)				0.0%	0
CHARGES FOR SERVICES	23,055	500			0.0%	0
CHARGES FOR SALES	26	1,106			0.0%	0
OTHER MISC REVENUES		(408)			0.0%	0
TOTAL GENERAL	21,581	1,197			0.0%	0
SPECIAL REVENUE						
LICENSE AND PERMITS					0.0%	0
FEDERAL GOVERNMENT		99,457	55,000	79,200	44.0%	24,200
TOTAL SPECIAL REVENUE		99,457	55,000	79,200	44.0%	24,200
TOTAL REVENUE	21,581	100,655	55,000	79,200	44.0%	24,200

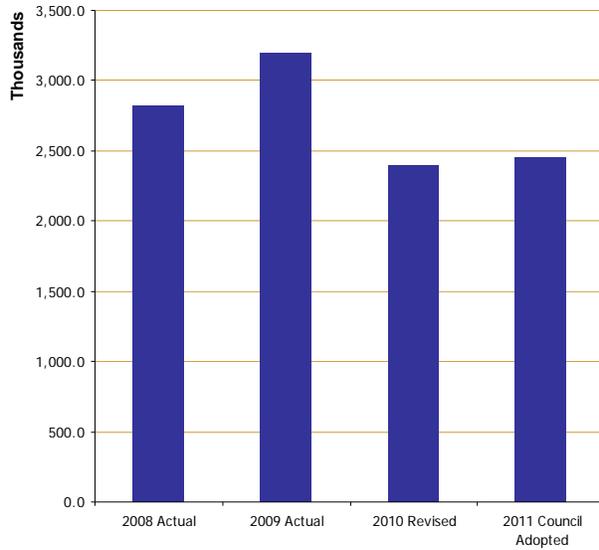
Expense by Fund



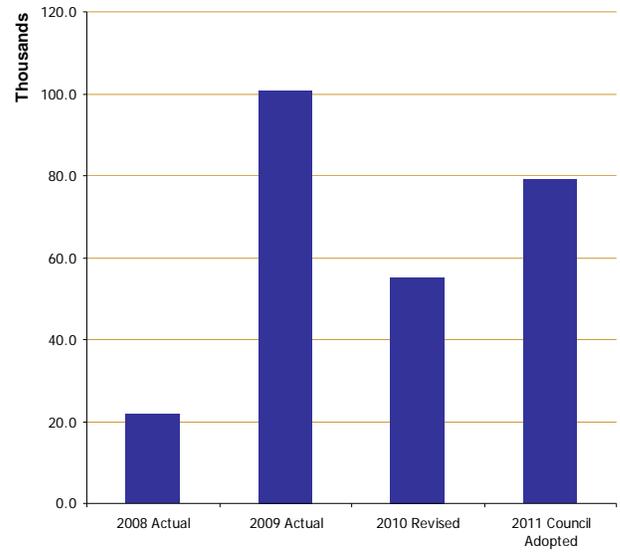
Expense by Category



Expense 2008 - 2011



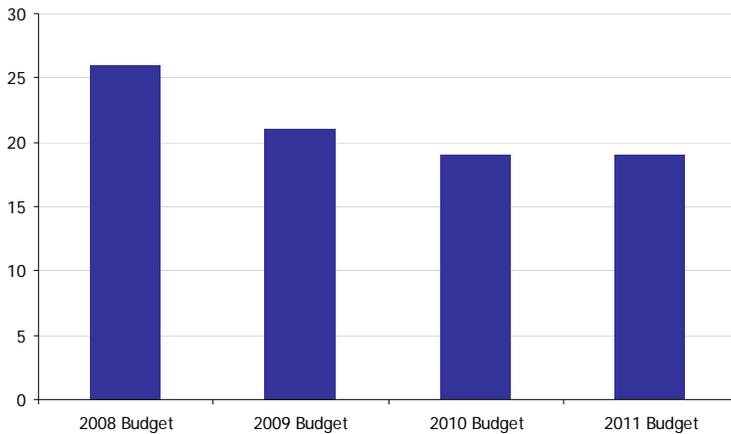
Revenue 2008 - 2011



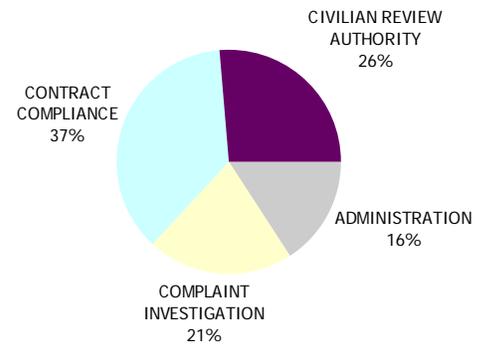
Staffing Information

Expense	2008 Budget	2009 Budget	2010 Budget	2011 Budget	% Change	Change
ADMINISTRATION	5.00	5.00	3.00	3.00	0.0%	
CIVILIAN REVIEW AUTHORITY	4.00	5.00	5.00	5.00	0.0%	
CONTRACT COMPLIANCE	6.00	6.00	7.00	7.00	0.0%	
COMPLAINT INVESTIGATION	5.00	5.00	4.00	4.00	0.0%	
TOTAL	26.00	21.00	19.00	19.00	0.0%	

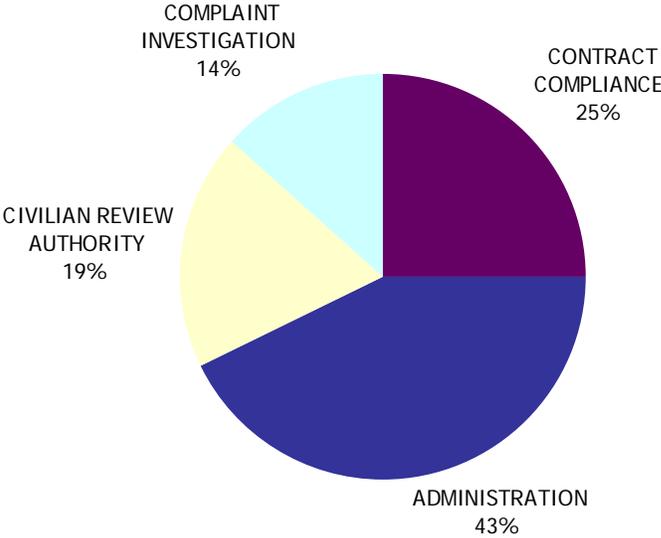
Positions 2008-2011



Positions by Divison



Expense by Division



COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT

MISSION

CPED works to grow a sustainable City.

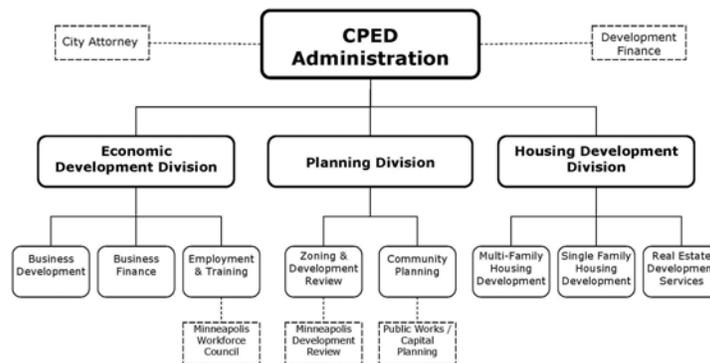
BUSINESS LINES

- **Community Planning** – CPED prepares and implements the City's comprehensive plan and other adopted plans and informs the City's development and infrastructure strategies.
- **Economic Policy & Development** – CPED grows businesses and jobs through real estate development financing, site assembly, providing technical assistance, and establishing business-to-business connections.
- **Workforce Development** – CPED manages a network that prepares Minneapolis residents for living-wage jobs and builds partnerships to improve career opportunities within the City.
- **Housing Policy & Development** – CPED provides financing from public as well as private and philanthropic sources and administers programs for housing development, preservation and rehabilitation to advance a continuum of housing choices throughout the City.
- **Zoning and Development Review** – CPED administers, interprets and enforces the zoning code, land subdivision regulations and heritage preservation regulations, and conducts environmental reviews as required by law.

Other program and management-support activities include real-estate and related technical services, research, arts and cultural activities.

Throughout all of the above business lines, CPED works collaboratively with other public, private, and non-profit partners. Program investments made through CPED business lines are consistent with the City's Comprehensive Plan and are supported by development consultation, regulatory tools and processes, long range planning efforts, including transportation and land use planning carried out by Planning staff. In the last two years, the department has coordinated efforts across all business lines to address the local impacts of the recession and housing crisis.

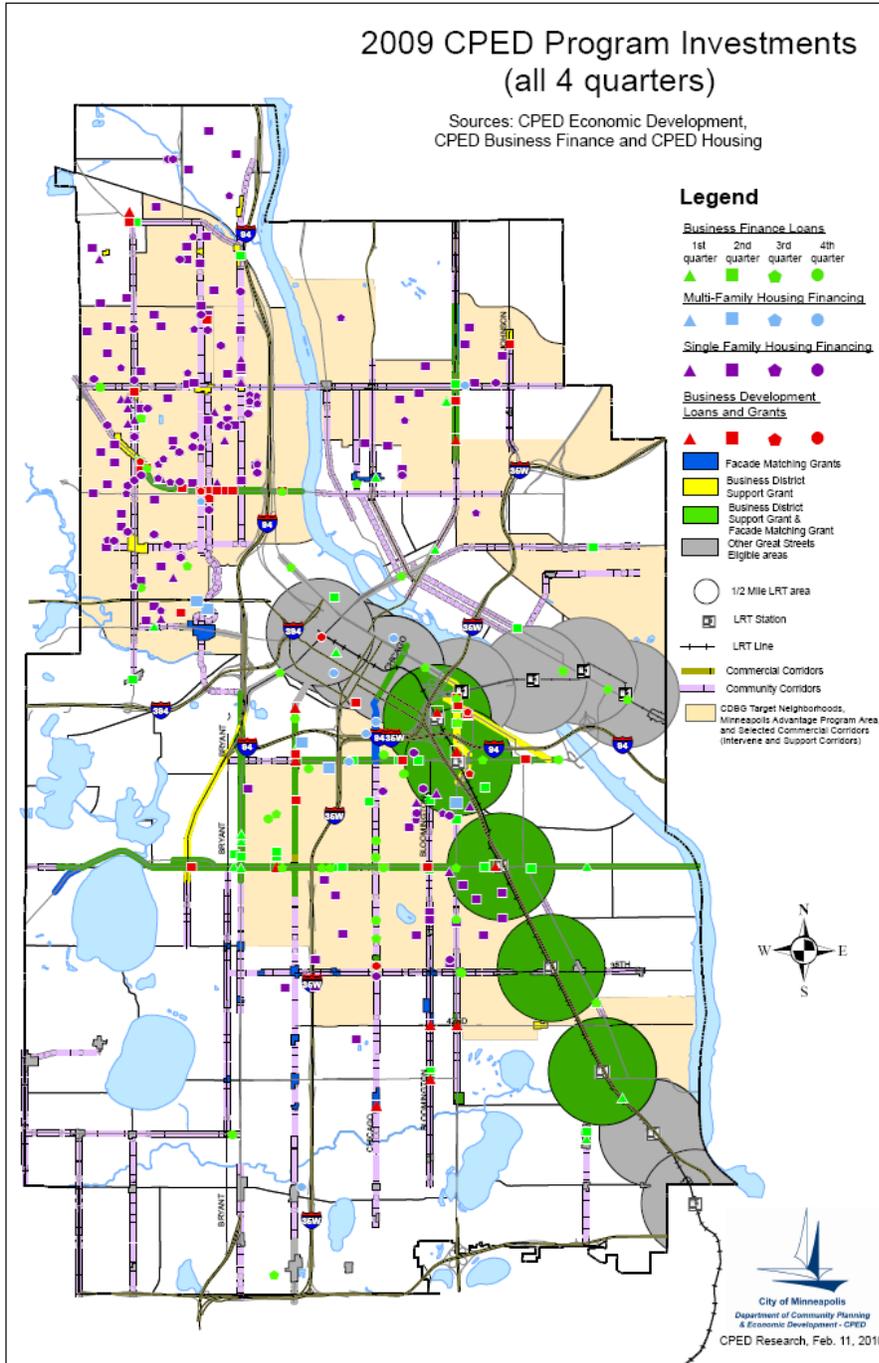
ORGANIZATION CHART



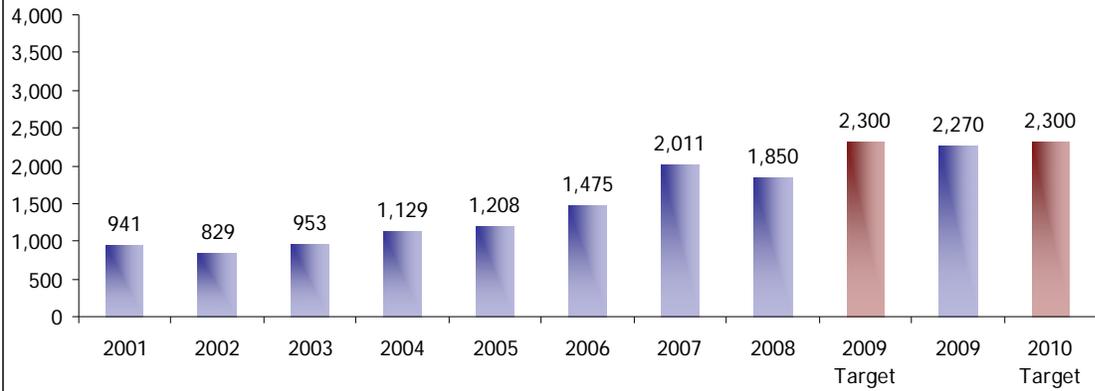
RESULTS MINNEAPOLIS CHARTS

A sampling from the February 2010 Results Minneapolis report follows:

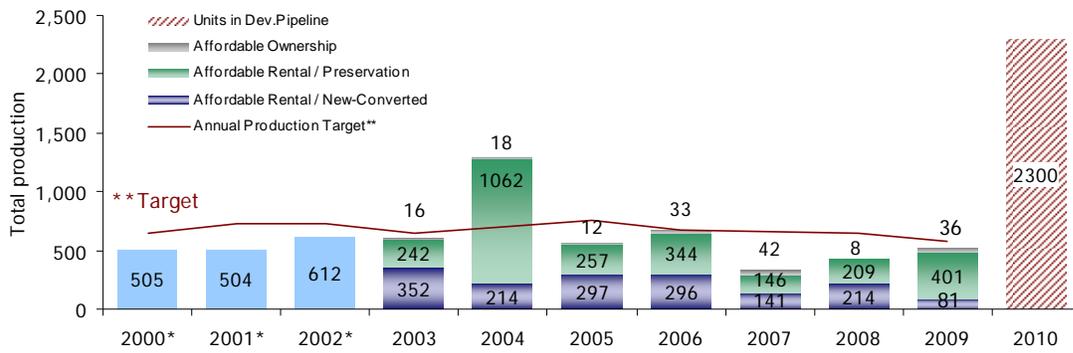
The following map displays housing and economic projects assisted during 2009:



METP youth program summer job placements

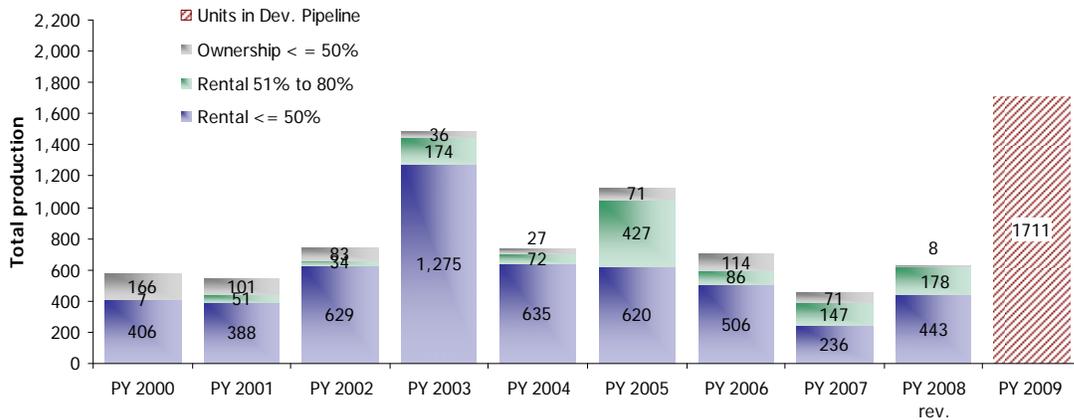


Affordable Housing Production 2000-2009 Number of Affordable Units Completed <= 50% MMI

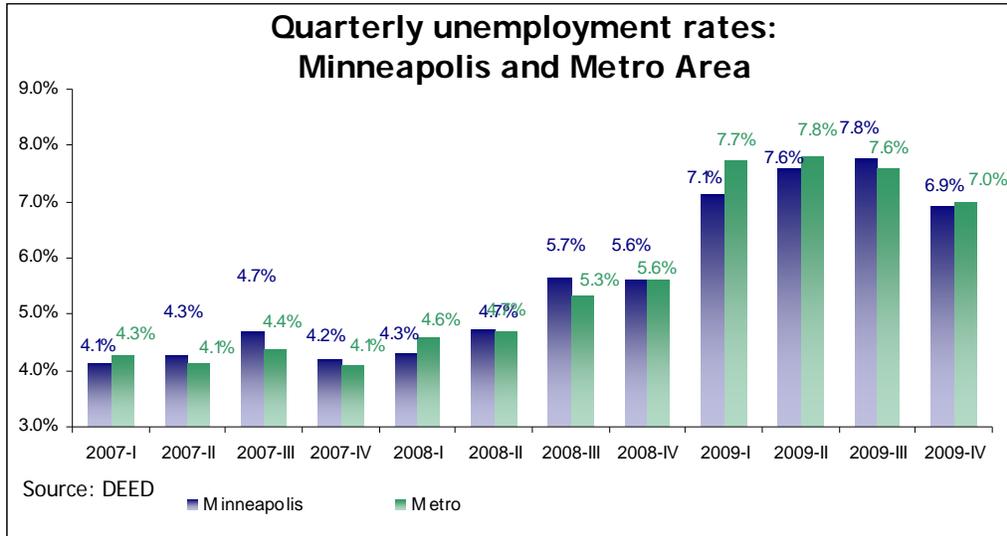


* Figures for 2000-2002 include shelter-related production and are presented as aggregate annual totals
 ** The annual production targets are based on Council actions; multi-year targets are displayed as annual averages

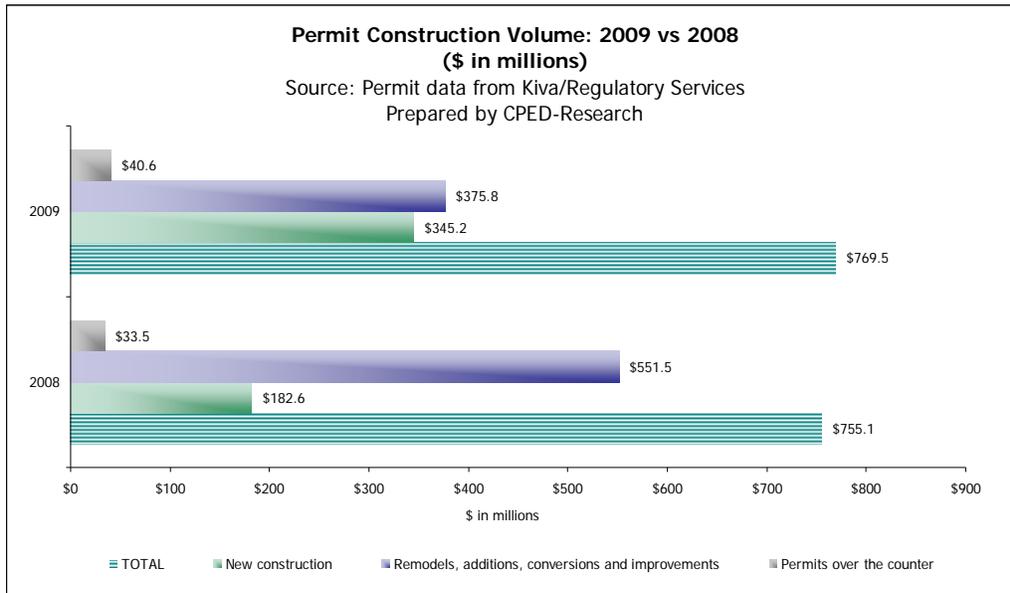
Affordable Housing Production Program Year 2000-2009 Number of Affordable Units Completed <= 80% MMI



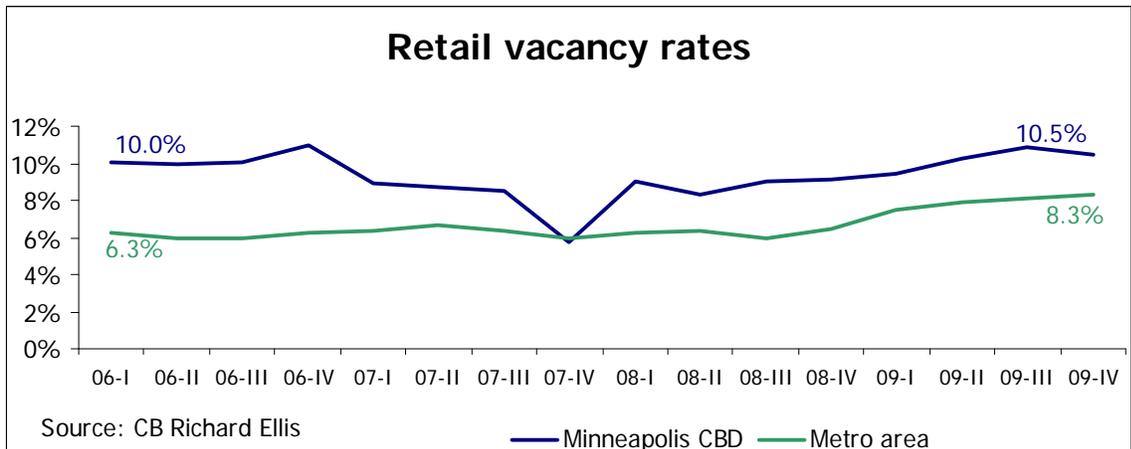
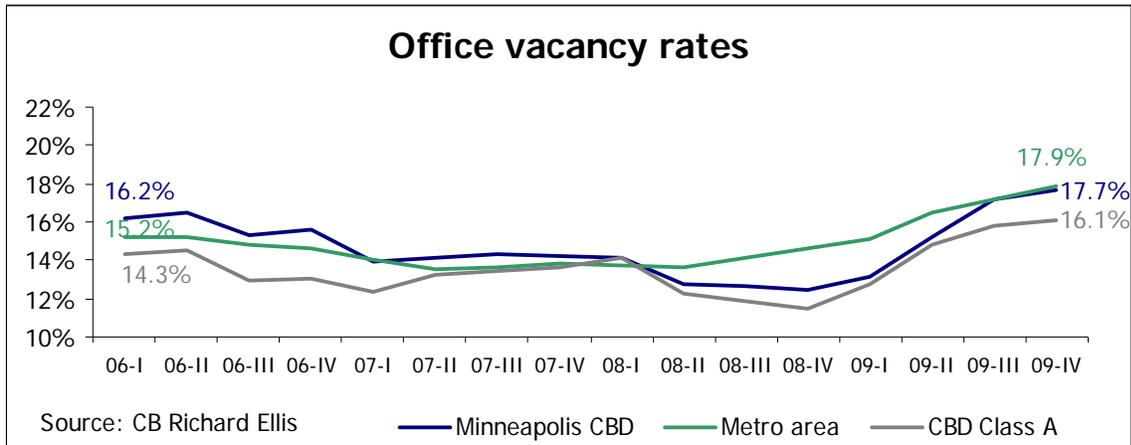
After peaking in 3rd quarter of 2009, unemployment rates began to decline; Minneapolis continues to have a lower rate than the metro area.



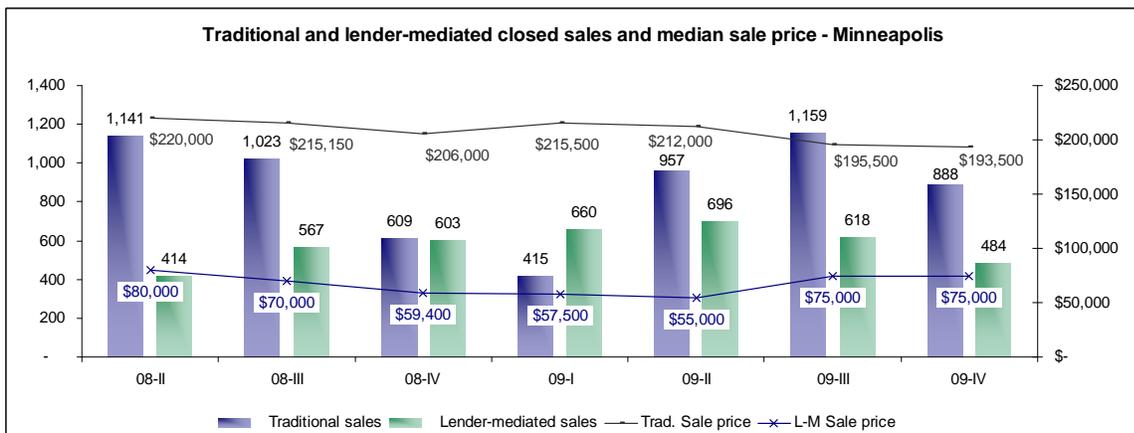
The value of permitted 2009 construction and remodeling work in Minneapolis was \$769 million, up slightly over 2008. This included Target Field, (\$257.3 million for new construction permit) and Children’s Hospital (remodeling/addition permit of \$76.4 million).



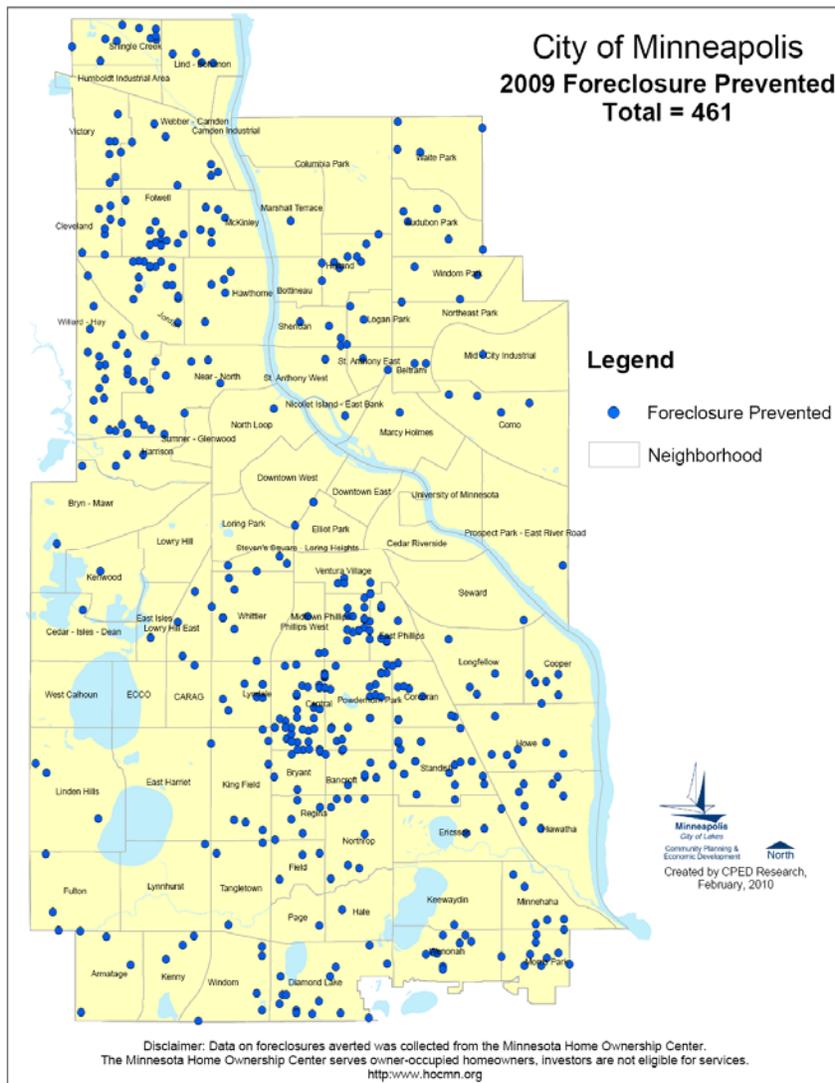
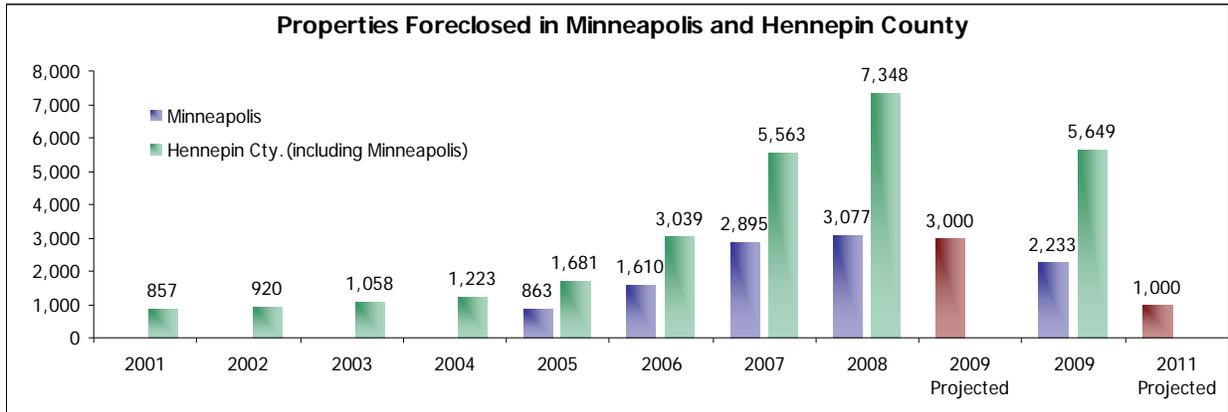
In 2009, the Minneapolis CBD continued to have lower office vacancy rates than the metro area, but higher retail vacancies.



Although median home sale prices remain below historical levels, the volume of traditional sales increased in 2009, a positive sign that the real estate market is beginning to return to health.



After peaking in 2008, foreclosures fell by 25% in 2009.

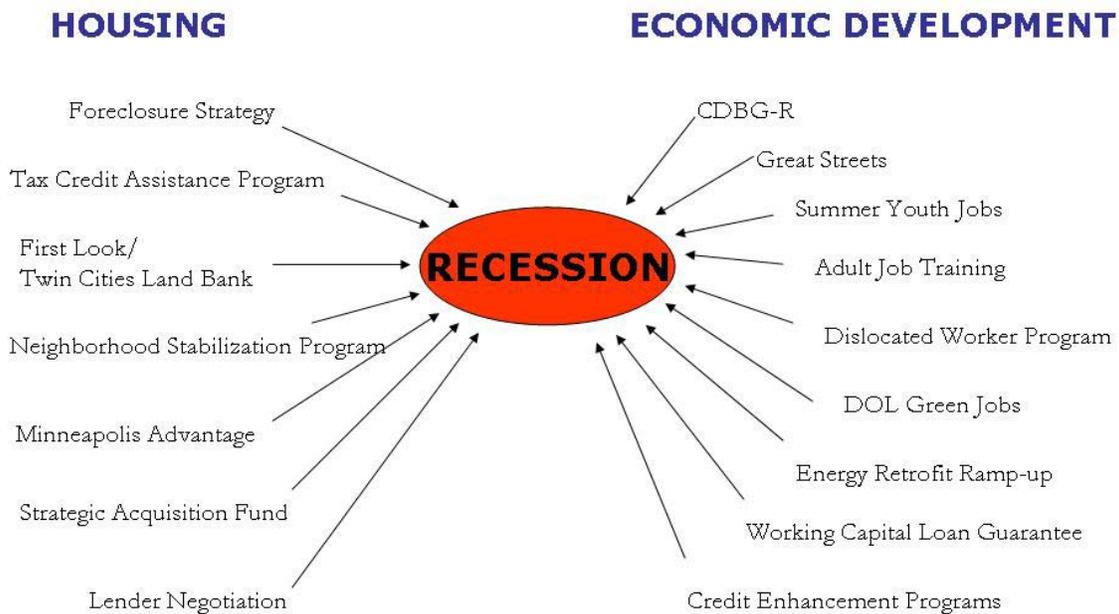


What two or three key trends and challenges does the department face and how will each be addressed?

Given the slow pace of recovery in both the economy and housing market, the department's primary challenge is one of capacity and resources to continue its recession fighting efforts.

As the graphic below illustrates, CPED has responded to the related challenges of the economic recession and housing crisis in numerous ways. The results, as referenced below and listed in the above Results measures, are substantial: hundreds of adult workers trained and placed into jobs and the City's unemployment rates lower than metro rates, hundreds of foreclosures prevented, hundreds of dilapidated buildings acquired for redevelopment and resale, a re-awakening of residential housing construction in the City, with CPED directly assisting in 296 of the 411 new housing units permitted in 2009.

RECENT CPED INTERVENTIONS



Collectively, the jobs impact in 2009 of the above efforts has been:

- 309 permanent jobs created
- 692 permanent jobs retained
- 2,270 summer youth jobs
- 1,422 construction jobs
- 484 permanent jobs and 5,200 construction jobs projected from Brownfield Remediation Grants received

The housing impact of the above efforts includes:

- 461 foreclosures prevented
- 250 home purchases via the Minneapolis Advantage Program
- 173 foreclosed properties acquired through The First Look program
- 343 vacant or foreclosed properties acquired through the Strategic Acquisition Fund or the Neighborhood Stabilization Program for future redevelopment or rehabilitation

- 6 stalled housing projects underway with financing arranged: Nicollet Square, Clare Midtown, Creekside Commons, Audubon Crossings, PPL Near North, and Mill City Apartments

These accomplishments have been supported in part by federal stimulus and related housing funds, as well as other local one-time funding. Approximately \$10.7 million [40%] of CPED's 2010 capital program of \$27.1 million was supported by the local one-time funds – excluding stimulus – which is not sustainable. As the department looks ahead to the next five years, projected revenues will not be sufficient to maintain this vigorous programmatic response to continuing distress in the housing and jobs markets.

The 2011 budget again is dependent on substantial drawn down of one-time funds, amounting to approximately \$7.4 million, virtually depleting the available total of \$7.7 million. Even with this drawdown, the 2011 budget for housing and economic development capital programs for will be decreased by a combined \$2.6 million compared to 2010. Certain capital programs will be reduced or eliminated. Absent an infusion of new ongoing dollars, the department's capacity to acquire any additional properties is extremely limited.

In what internal/external partnerships is the department currently engaged and/or exploring for the future?

CPED provides most of its services in coordination with a variety of public, private, and non-profit partners, as well as with many City departments. A partial listing follows:

Public

Hennepin County
Metropolitan Council
MN – DEED
MN Housing
MnDOT
University of MN

Private

Neighborhood business associations
Private lenders
Private developers
Downtown Council
Mpls Area Association of Realtors
Mpls Workforce Investment Board

Non-profit

Achieve Minneapolis
Community Development Corporations
Employment and training service providers - 25
Family Housing Fund
MN Homeownership Center
Neighborhood groups
Twin Cities Community Land Bank

Multi-party partnerships

Cedar Riverside Partnership
Downtown SafeZone
Hiawatha Com. Works
Northside Home Fund
Phillips Partnership
University Alliance
West Broadway SafeZone

How is the department evaluating programs or services for cost effectiveness?

Due to its heavy reliance on teaming with outside partners and outside funders to deliver programs, CPED is constantly being monitored by others, or monitoring the performance of its various public, private, and non-profit partners. Examples include:

- The majority of CPED's housing and economic development funds are distributed to private or non-profit developers via an RFP process, which by its nature involves a competitive allocation of funds and an up front agreement on costs for specified outcomes. Poor proposals do not get funded, and poor performance against contractually defined project goals does not get paid.

- The majority of CPED's housing and development work is supported by non-City funds, either federal, state, metro, county, or private. Most of these fund sources require regular and detailed reporting on outcomes achieved, which creates an obligation on both City staff and external partners to pay close attention to both costs and performance. That is, CPED is accountable to many external funders.
- CPED's job placement and training functions are structured as a 'pay for performance' vendor contract; *i.e.* the non-profit vendors get paid only for actual results achieved based on a standard City-defined unit costs and vendors are regularly evaluated against City-defined performance standards;
- CPED closely monitors trends in market value [EMV] as one factor in prioritizing public investment [*e.g.* Great Streets program], and as a success measure of program outcomes [*e.g.* changes in residential EMV as a measure of the impact of housing investments];
- CPED continually strives for transparency and accountability via regular reporting of program results from individual programs and through compilation publications such as the CPED Results Minneapolis, the Consolidated Annual Performance and Evaluation Report for various federally funded housing programs, and Minneapolis Trends.

What actions will the department take to meet the current service level reductions? Please include a description of any revenue proposals. Identify *Results Minneapolis* measures where you anticipate a service level impact based on cuts. Specifically include charts that show 2011 projections of no cuts and target reductions.

For the General Fund, the target will be achieved through the reduction of one FTE (to be named later) and careful management of non-personnel expenses by the Planning Division, the division of CPED where the vast majority of GF dollars are carried. The target can be achieved by the reduction of an additional FTE (or less depending if unspent balances remain) combined with shifting the remaining 50% of the Public Art Administrator's salary and benefits to the Public Art Capital Fund. Service levels of the Planning Division will decrease if there are staff reductions. However, the exact nature and impact of those cuts and the impact on current *Results Minneapolis* measures are not known at this time. The 2011 budget also eliminates 3 positions in other CPED divisions not supported by the General Fund.

Regarding new revenue proposals, CPED proposed the reinstatement of the HRA Levy at a level of \$2 million. In addition, CPED staff is actively engaged in applying for grants for planning, program, and project (development and infrastructure) purposes through Hennepin County, Met Council, various state and federal departments as well as other sources.

FINANCIAL ANALYSIS

EXPENDITURE

The total 2011 expenditure budget of \$81.9 million is a 5.3% decrease from the 2010 budget of \$86.5 million. This reduction is primarily due to a total of seven fewer FTEs in the department. Four FTEs, one from each of the three CPED divisions and one from Executive Administration, are being eliminated in 2011. This is in addition to two FTEs that have already been reduced in 2010. The Arts Coordinator position was transferred to the City Coordinator. Part of the growth in fringe benefits is due to an adjustment to more accurately reflect health insurance expenditures. The remainder of the difference is primarily due to a change in how the MERF contributions are accounted for in the budget.

REVENUE

The Department's projected revenue budget for 2011 has increased by \$11.0 million (12.7%) when compared to 2010. This is primarily due to the new Consolidated TIF District which is expected to generate approximately \$16.2 million in 2011. Revenue generated by the TIF District will first be used to make the necessary reimbursement payments to Hennepin County under the Special Legislation and pay administrative costs of the District, with the remainder transferred to debt service and special revenue funds to pay for Target Center debt and neighborhood revitalization programs. Tax increment revenue from this district is dedicated to pay Target Center debt and neighborhood revitalization. None of these revenues will fund CPED activities. When projected revenues for 2011, excluding revenues from the Consolidated TIF District, are compared to 2010, there is a decrease in revenues of \$5.2 million (6.0%) when compared to 2010. This decrease in revenue is balanced by the use of debt service reserves carried over from prior years and used to pay 2011 debt, as well as the use of \$7.4M in one-time fund balances to pay for ongoing costs of capital programs and related administrative costs.

MAYOR'S RECOMMENDED BUDGET

The Mayor recommended a reduction to growth of \$89,000 in the General Fund and a reduction of 4 FTE across all funds to balance the department's long-term financial projections. The Mayor also recommended one-time funding for the following programs in special revenue funds: \$150,000 to the Regional Economic Development Authority, \$50,000 to the Mississippi Riverfront Corporation, \$200,000 from the Development Account and Local Contribution Fund for Youth Employment, and \$150,000 for the Great Streets program.

COUNCIL ADOPTED BUDGET

The Council adopted the Mayor's recommendations and increased funding for the *All About the Kids* program by \$125,000 from the Local Contribution Fund on a one-time basis. The Council decreased the Year 37 allocation for CDBG for the GMHC Home Ownership Program by \$300,000.

The Council also increased funding by \$75,000 in CDBG resources for the Domestic Abuse Project. Further, the Council increased funding for Mortgage Foreclosure Prevention by \$100,000 from the Local Contribution Fund on a one-time basis.

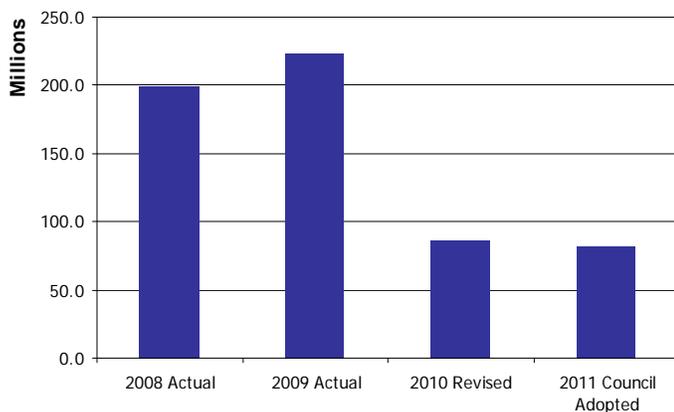
The Council also directed the Department to develop a plan to fund ongoing development activities, including prioritizing the services CPED provides, with the assistance of the Finance Department. CPED is to report back to the Community Development and Ways and Means/Budget Committees no later than March 1, 2011.

**COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT
EXPENSE AND REVENUE INFORMATION**

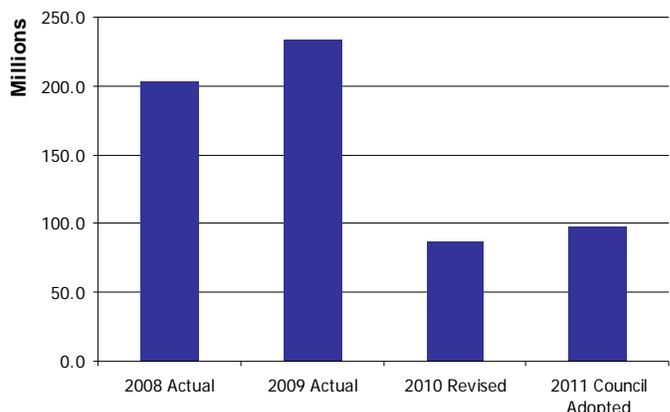
EXPENSE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	2,081,810	2,079,122	1,992,308	1,850,124	-7.1%	(142,184)
FRINGE BENEFITS	602,445	683,937	583,265	699,936	20.0%	116,672
CONTRACTUAL SERVICES	572,501	873,592	730,556	514,157	-29.6%	(216,399)
OPERATING COSTS	217,917	91,804	138,717	264,363	90.6%	125,646
CAPITAL	425				0.0%	0
TRANSFERS	16,000	150,458			0.0%	0
TOTAL GENERAL	3,491,098	3,878,913	3,444,846	3,328,580	-3.4%	(116,266)
SPECIAL REVENUE						
SALARIES AND WAGES	6,202,650	7,767,216	7,192,339	7,067,418	-1.7%	(124,921)
FRINGE BENEFITS	1,701,755	2,236,010	1,939,225	2,528,707	30.4%	589,483
CONTRACTUAL SERVICES	28,239,201	29,633,167	21,495,882	26,781,572	24.6%	5,285,690
OPERATING COSTS	5,727,209	2,493,176	2,124,033	2,170,231	2.2%	46,198
CAPITAL	35,365,008	40,530,503	35,950,936	31,025,180	-13.7%	(4,925,756)
DEBT SERVICE	12,262,141		261,724	110,425	-57.8%	(151,299)
TRANSFERS	59,567,755	65,458,187	11,504,324	6,252,879	-45.6%	(5,251,445)
TOTAL SPECIAL REVENUE	149,065,719	148,118,259	80,468,463	75,936,413	-5.6%	(4,532,050)
CAPITAL PROJECT						
SALARIES AND WAGES			35,534	35,443	-0.3%	(91)
FRINGE BENEFITS			12,513	12,604	0.7%	91
CONTRACTUAL SERVICES	243,971	110,832			0.0%	0
OPERATING COSTS	4,734	361		432	0.0%	432
CAPITAL					0.0%	0
TOTAL CAPITAL PROJECT	248,705	111,193	48,047	48,479	0.9%	432
DEBT SERVICE						
DEBT SERVICE	39,314,651	37,710,808			0.0%	0
TRANSFERS	157,074	307,289			0.0%	0
TOTAL DEBT SERVICE	39,471,725	38,018,097				0
ENTERPRISE						
SALARIES AND WAGES	115,355	129,747	134,152	135,928	1.3%	1,776
FRINGE BENEFITS	32,876	39,120	33,845	44,700	32.1%	10,855
CONTRACTUAL SERVICES	2,222,805	1,894,773	777,573	851,076	9.5%	73,503
OPERATING COSTS	350,534	1,351,031	1,478,400	1,474,946	-0.2%	(3,454)
CAPITAL	22,364	1,969	98,200	93,282	-5.0%	(4,918)
DEBT SERVICE	49,530	41,609			0.0%	0
TRANSFERS	4,009,509	30,100,542			0.0%	0
TOTAL ENTERPRISE	6,802,973	33,558,790	2,522,170	2,599,932	3.1%	77,762
TOTAL EXPENSE	199,080,220	223,685,253	86,483,525	81,913,403	-5.3%	(4,570,122)

REVENUE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
GENERAL						
LICENSE AND PERMITS	633,304	734,029	690,000	705,000	2.2%	15,000
CHARGES FOR SERVICES	346,434	327,339	411,000	435,000	5.8%	24,000
OTHER MISC REVENUES	1,846	761			0.0%	0
TOTAL GENERAL	981,584	1,062,128	1,101,000	1,140,000	3.5%	39,000
SPECIAL REVENUE						
PROPERTY TAXES	82,149,109	70,301,931	48,379,470	61,328,495	26.8%	12,949,025
SALES AND OTHER TAXE	285	291			0.0%	0
FEDERAL GOVERNMENT	8,442,405	8,657,444	9,102,361	9,251,994	1.6%	149,633
STATE GOVERNMENT	9,093,540	7,661,369	4,795,000	2,220,000	-53.7%	(2,575,000)
LOCAL GOVERNMENT	296,675	1,649,319			0.0%	0
CHARGES FOR SERVICES	6,352,473	9,678,291	6,732,300	6,579,500	-2.3%	(152,800)
CHARGES FOR SALES	2,126,101	1,503,853	1,530,400	275,000	-82.0%	(1,255,400)
INTEREST	1,359,766	1,632,449	447,255	295,905	-33.8%	(151,350)
RENTS	4,937,826	4,770,516	4,356,159	3,424,760	-21.4%	(931,399)
CONTRIBUTIONS	388,757	151,290			0.0%	0
OTHER MISC REVENUES	4,968,490	4,615,881	3,115,000	5,705,000	83.1%	2,590,000
TRANSFERS IN	21,780,112	66,299,367	5,146,337	3,389,290	-34.1%	(1,757,047)
LONG TERM LIABILITIES PROCEEDS	15,152,235				0.0%	0
TOTAL SPECIAL REVENUE	157,047,773	176,922,002	83,604,282	92,469,944	10.6%	8,865,662
CAPITAL PROJECT						
LONG TERM LIABILITIES PROCEEDS	199,218	73,355			0.0%	0
TOTAL CAPITAL PROJECT	199,218	73,355			0.0%	0
DEBT SERVICE						
INTEREST	60,605	2,395			0.0%	0
TRANSFERS IN	40,534,921	23,414,785		2,443,088	0.0%	2,443,088
TOTAL DEBT SERVICE	40,595,526	23,417,179		2,443,088	0.0%	2,443,088
ENTERPRISE						
CHARGES FOR SERVICES	2,041,515	2,079,383	250,000		-100.0%	(250,000)
INTEREST	80,692	58,003	70,050		-100.0%	(70,050)
RENTS	2,152,926	313,092			0.0%	0
OTHER MISC REVENUES		30,100,542	1,598,900	1,550,000	-3.1%	(48,900)
TRANSFERS IN		350,000			0.0%	0
TOTAL ENTERPRISE	4,275,133	32,901,020	1,918,950	1,550,000	-19.2%	(368,950)
TOTAL REVENUE	203,099,234	234,375,685	86,624,232	97,603,032	12.7%	10,978,800

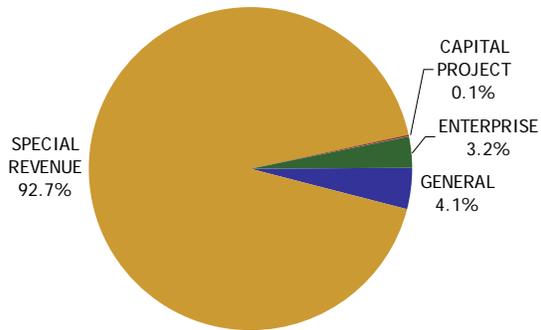
Expense 2008 - 2011



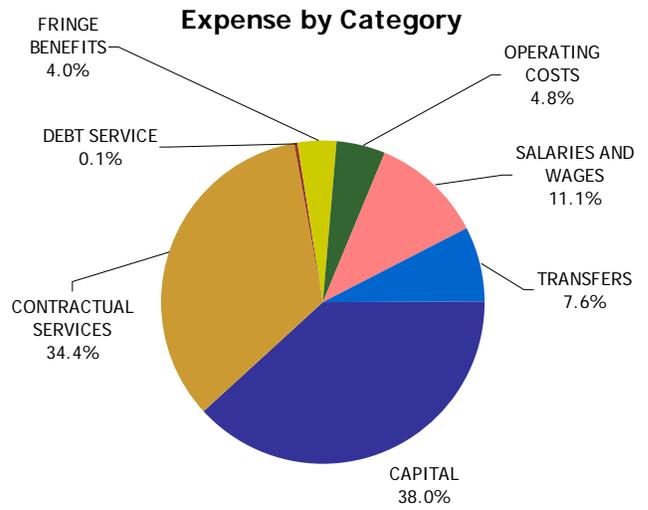
Revenue 2008 - 2011



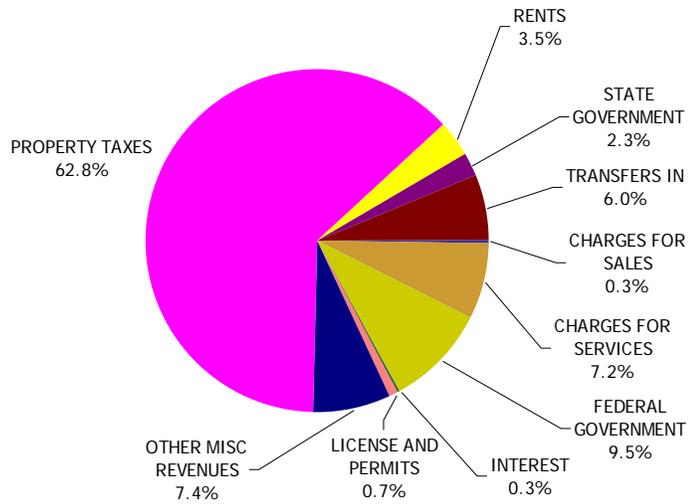
Expense by Fund



Expense by Category



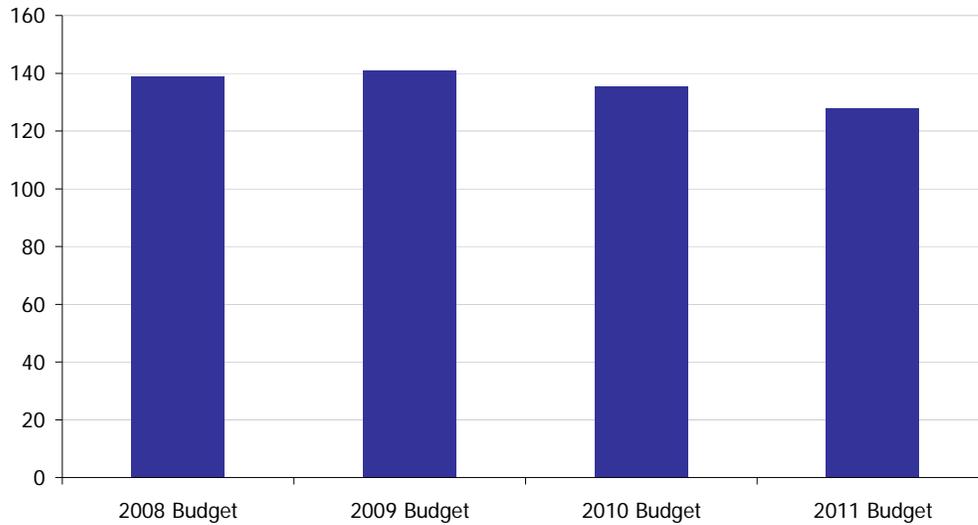
Direct Revenue by Type



**COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT
Staffing Information**

Expense	2008 Budget	2009 Budget	2010 Budget	2011 Budget	% Change	Change
TOTAL CPED	139.00	141.00	135.32	128.00	-5.4%	(7.32)
TOTAL	139.00	141.00	135.32	128.00	-5.4%	(7.32)

Positions 2008-2011



FIRE DEPARTMENT

MISSION

The Minneapolis Fire Department is a customer service organization committed to providing professional emergency and non-emergency services to protect lives, property and the environment of our community and the region we serve.

BUSINESS LINES

The Minneapolis Fire Department is organized into the following two primary business lines:

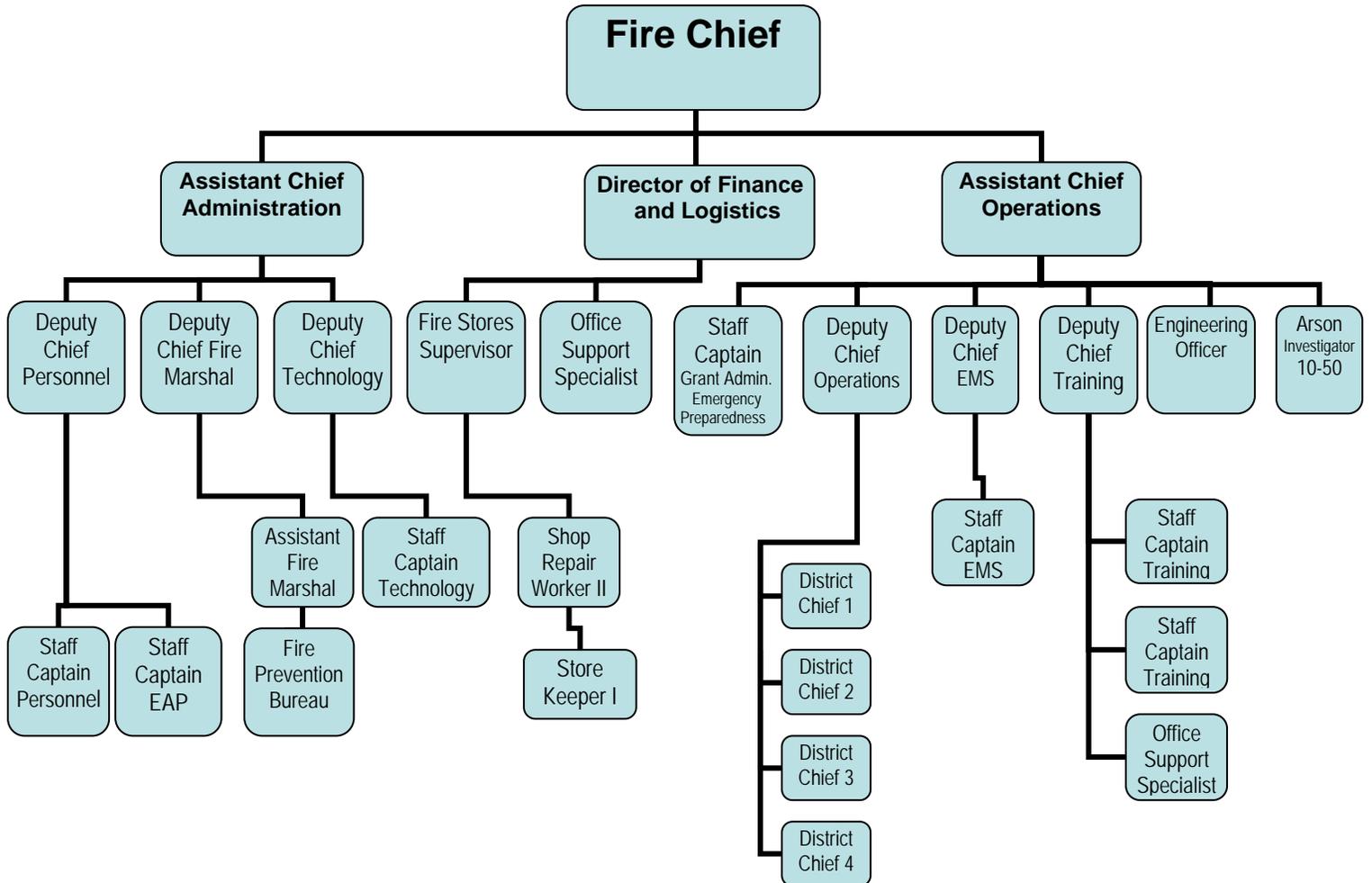
Response Business Line: Safely minimize the loss of life and property during emergency events is accomplished through:

- Fire Response—providing superior response to fires.
- Emergency Medical Services (EMS)—providing emergency medical services.
- Hazardous Material (Haz-mat) & Specialized Rescue—providing emergency response and mitigation services to Haz-mat and specialized rescues.
- Regional Emergency Service Support—active participation on the regional All Hazard Incident Management Team (AHIMT) and Minnesota Task Force One (MNTF1—a State asset of specially trained personnel in technical rescue). Additionally, we participate in regional joint mutual aid and auto aid agreements for the cooperative use of fire personnel and equipment.

Prevention Business Line: Reduction in loss of life and reduced property losses caused by fire can be significantly minimized through:

- Fire Inspections and Code Enforcement—providing fire prevention inspections and enforcing the fire code.
- Fire Education—providing fire and Emergency Medical Services (EMS) education programs and community risk reduction information to the public.

ORGANIZATION CHART



What two or three key trends and challenges does the department face and how will each be addressed?

- 1. Funding for Adequate Staffing Levels.** Adequate staffing levels continue to be the most significant challenge for the Fire Department. ***The department does not have enough funding for current levels of FTEs to provide current levels of service.*** The projected budget and five-year financial direction will necessitate FTE reductions.

Standard of Coverage. The Council adopted Standard of Coverage mandates a minimum daily staffing level of 96. Unless funding is provided to pay for overtime costs associated with hiring enough personnel to meet the standard, this directive will need to be revisited as staffing levels are reduced.

Consequences of not being able to meet the standard of coverage would include sporadic rig closures, reassignment of staff to provide optimal city-wide coverage and negatively impact the response time measure of 14 firefighters on scene in nine minutes or less.

Response Times. There are two response time measurements the Fire Department utilizes to evaluate performance. The first measure is percent of time response to an ***emergency event*** is five minutes or less. Year to date, the Department is meeting this target 84% of the time. The impacts of eliminating positions would be minimal on this particular measurement. However, there would be no progress toward meeting the National Fire Protection Association (NFPA) recommended 90% target.

The second response time measurement is the percentage of time 14 firefighters are on the scene at ***structure fires*** in nine minutes or less. This standard has a NFPA recommended target of 90% and the Department's year-to-date performance is 83.3%. Staffing levels are critical to meeting and exceeding this standard. Any substantial position reductions would have a corresponding impact on this measurement. Station closures and/or apparatus closures would directly influence the Department's performance.

SAFER Grant. One tool available to the Department to assist in raising the staffing levels may be to seek Council approval to apply for a SAFER grant. The grant has been modified to allow for the re-hiring of laid-off firefighters and used for the retention of current firefighters. Also, the matching fund requirements and the maintenance of effort provisions have been adjusted to allow for greater flexibility and eligibility.

- 2. Departmental Attrition.** Over the last ten years, the Fire Department has averaged 28 employment separations per year. For 2008, 2009 and thus far into 2010, the retirements and other separations were significantly lower. In 2008, 27 employees were eligible for retirement; however, only 12 separations occurred by the end of the year; for 2009, 39 were eligible for retirement, with only 9 separations occurring. The number of employees eligible for retirement in 2010 has risen to 44.

Over the next decade, a projected 192 employees will be eligible for retirement – 44 for 2010 and an additional 148 through the year 2020. As large numbers of staff turnovers loom on the horizon, the department faces a challenge in having cadets available to restore

staff levels. Budget stability will be the major factor determining the ability to hire future cadet classes.



- 3. Apparatus and Equipment Replacement.** Another challenge facing the Fire Department is apparatus replacement. Between now and 2014, at least 19 apparatus are scheduled for necessary replacement; 11 are currently past their recommended 15 year life expectancy. The impact shows up in rig downtime for repeated repairs, increased costs for those repairs, and an aging fleet which frequently is not in use as either a frontline or spare apparatus. In an effort to restore the department's apparatus replacement schedule, CDBG funding will be used to purchase one new fire engine; two additional engines will be obtained through the standard fleet purchasing process. Three new fire engines were purchased in 2008; two went into service in 2008 and the third went into service in May of 2009.

Even with the recent purchases, the Department remains behind in the replacement schedule and the fleet continues to deteriorate. The Department will seek to continue the use of CDBG funds for apparatus acquisition and will also explore other alternative funding sources such as federal grant opportunities.

The City of Minneapolis has received millions of dollars in grant-funded equipment over the past five to seven years. As all of this equipment reaches the end of its useful life, it will need to be replaced. None of the grants included maintenance or replacement funding. This issue will have to be addressed in the next five to ten years. The Department will continue to apply for federal funding through the Assistance to Firefighters Grant program and will work with the Intergovernmental Relations Office for direct federal funding.

In the past several years, when the department exceeded budgeted amounts it was in the non-salary categories of contractual services, supplies (equipment) and capital outlay. The overall budget deficit was reduced by applying any savings realized from the personnel category. As personnel costs rise, there is no longer a cushion to cover increases in non-salary expenses – thus decisions will have to be made regarding the prioritization of personnel and equipment.

The Department received CDBG funding to help fill the gap for equipment purchases. This funding can be used for the purchase of fire protection equipment within eligible areas and

can also be used to help relieve the financial pressures between salary and non-salary expenditure categories. The Department continues to seek this funding.

- 4. Training Facility/EOC.** Another key challenge for the Fire Department will be costs associated with the new training facility/emergency operations center. Lease agreements with other fire departments for use of the training facility were a projected source of revenue to help off-set operational costs. The economic conditions will likely reduce the amount of training dollars other municipalities are able to allocate, thus reducing the number of revenue generating lease agreements.

The Department continues to work with the Public Works/Property Management Division and BIS to reduce annual operational costs.

In what internal/external partnerships is the department currently engaged and/or exploring for the future?

The Department has over 40 mutual aid agreements in place and is a partner in the North Suburban Mutual Aid Association and the Southwest Mutual Aid Association. There are specific partners who have specialized Hazardous Materials training, technical rescue resources or water rescue resources. Under mutual aid, services are provided across jurisdictional boundaries upon request. The service may include directly responding to an incident or may involve “back filling” at stations and responding to other incidents within a jurisdiction. The Department has one automatic aid agreement with the City of Richfield. Automatic aid differs from mutual aid in that response is continual and based upon the closest resource available.

Internal Partnerships:

- MECC – 911 calls and Computer Aided Dispatch
- MPD – fitness contract; scene security and investigation
- Regulatory Services – Multi-Unit Housing Inspections
- Regulatory Services/MPD – New Training Facility/EOC
- Regulatory Services – inspection and regulation of hazardous material sites
- Human Resources – development of a tailor-made training module for supervisors and managers; workforce planning and management
- 311 – requests for apparatus visits, station visits and complaints from citizens
- Emergency Preparedness – coordinated response for natural and man-made disasters

External Partnerships:

- Participant in specialized regional urban search and rescue team.
- Metro Fire Chief
- Hennepin County Fire Chief
- Metropolitan Medical Response System participant
- AHIMT (All Hazard Incident Management Team participant)
- HCMC and North Memorial ambulance service and transport

How is the department evaluating programs or services for cost effectiveness?

- Two position vacancies at the deputy chief level are under filled with staff captains. This resulted in salary savings and prevented the removal of additional personnel from apparatus assignment.
- Successfully applied for federal grants for the replacement of two aging air compressor systems providing the opportunity for funds to be used in other spending areas.
- With federal grant supported funding, the Department is undertaking a campaign to address 3,500 high fire risk households. The households will be supplied with a free, installed smoke detector equipped with a 10-year battery.
- Increase fees for service to match increasing costs to provide related services to the public.
- Use of COMPASS Accounts Receivable Module for streamlined Hazmat permit billing and other one-time permitting payments.
- Explore additional opportunities to “charge for services” such as response to gas leaks.
- The Department continues to promote an employee health and wellness initiative to decrease the number of workdays lost due to injury and reduce workers’ compensation claims and premiums. Several years of data are now available and will allow for comparative and trend analysis.
- The Department continues to refine its use of the Computer Aided Dispatch (CAD) System. Automatic Vehicle Locator (AVL) technology is used to send the nearest available units to emergency calls. This replaces the old way of dispatching using static “running cards” to dispatch units. A “Live Move Up” module allows dispatchers to see strengths and weaknesses in current coverage in real time. This allows them to offer move up recommendations, allowing the Department to keep coverage balanced throughout the City.
- FireView software provides the Fire Department with mapping tools to help review existing deployment policies and develop new strategies. FireView integrates fire and EMS data with GIS, allowing the Department to map and analyze data. By identifying patterns and trends, resources can then be redeployed to maximize effectiveness.
- The Mobile Command vehicle was staged at Fire Station 1 and a light fleet vehicle is used to conduct non-emergency, routine departmental duties.

What actions will the department take to meet the current service level reductions? Please include a description of any revenue proposals. Identify *Results Minneapolis* measures where you anticipate a service level impact based on cuts. Specifically include charts that show 2011 projections of no cuts and target reductions.

1. Current Service Level Reductions

The expected CSL reduction for the Fire Department is \$3,069,518. \$800,000 is estimated to be available at the end of 2010 from a two-year contingency fund appropriation. This “carry-forward” balance will reduce the CSL reduction to \$2,269,518. The department’s planned reduction to growth for 2011 is \$641,000. The remaining \$1.6 million is due to spending, outside available resources. Fire received a \$2 million one time appropriation for use in 2010 and 2011 contingent upon a plan to reduce this spending. The department will implement the plan and spending levels will be within resources by year end 2011.

The table below summarizes the CSL calculations.

2011 Current Service Budget Appropriation	\$53,661,000
Projected 2011 Expenditures	- \$56,730,518
Difference	(\$3,069,518)
Expected 2010 Carry-over	+ \$800,000
Total Reduction Needed	(\$2,269,518)

When calculating how to address the reduction, the Department took into consideration the fact that there are no vacant positions to eliminate; there were only 3 mandatory retirements for 2011 and, the possible effect the retirement incentive may have. The model that has the least immediate impact on public safety is:

- The elimination of 1 Deputy Chief position
- The elimination of 3 administrative staff captain positions
- The redeployment of existing suppression personnel by unstaffing specialty resource apparatus. Rescue 1 and Mobile Command would be unstaffed and the personnel reallocated to the 3 shifts to balance staffing levels
- A reduction to baseline staffing of 30 firefighter positions

The significance of this action would be:

- A reduction in administrative staffing
- No station closures
- No additional apparatus closure

- Maintained response time performances
- No noticeable reductions to service delivery for fire and emergency services

The detrimental impacts of this action would be:

- Specialized apparatus available only on a special call basis
- Average daily staffing reduced to 92; does not meet the Standard of Coverage
- Injury levels and workers' compensation costs increase (See Charts 3 & 4)
- Both large scale incidents and multiple alarms fires would require the use of overtime to re-hire or call back enough staff to adequately respond with the proper number and ratio of personnel
- The number of multiple alarm fires may increase as fewer resources are available limiting the ability to effectively confine fires to the room of origin, resulting in increased property losses
- Increased apparatus "unavailable" when personnel are needed for non-emergency activities, *i.e.* boarding vacant buildings, firewatch

SAFER Grant – Options and Flexibility

Modifications made to the SAFER grant requirements would provide the Department the flexibility to explore an option for the maintenance of staffing levels. An application could be submitted for a portion of the firefighters identified for layoff instead of applying to retain all positions. Any vacant positions created through attrition would be filled by "recalling" laid-off firefighters. This option has the potential to reduce the total number of positions eliminated and it allows the Department to maintain a staffing level without jeopardizing federal funding.

Retirement Incentive and Departmental Attrition. This factor is a large variable in the Department's budget projections and operational considerations. Once a better picture of the participation in the incentive is known, additional decisions regarding the staffing levels and operational deployment models can be made. For example, the retirement of a veteran deputy chief has many more operational repercussions than the loss of a veteran firefighter. Any retirements from the incentive or other departmental attrition will directly off-set the number of lay-offs required.

Transfer of Fire Prevention Bureau. Although the Council has approved the transfer of the Fire Prevention Bureau to Regulatory Services, there are 4 sworn personnel who will remain with the department. Details regarding functional areas of responsibility need to be finalized. This is another variable in budget planning and operational considerations.

Chart 1

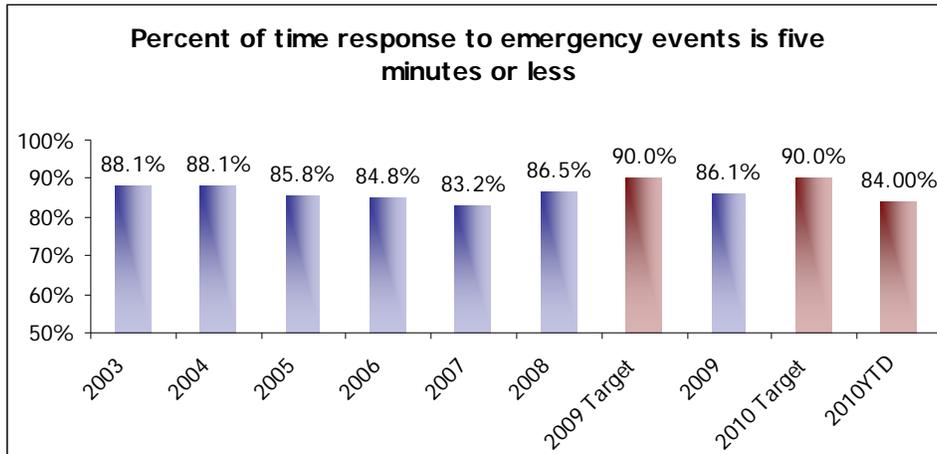


Chart 2

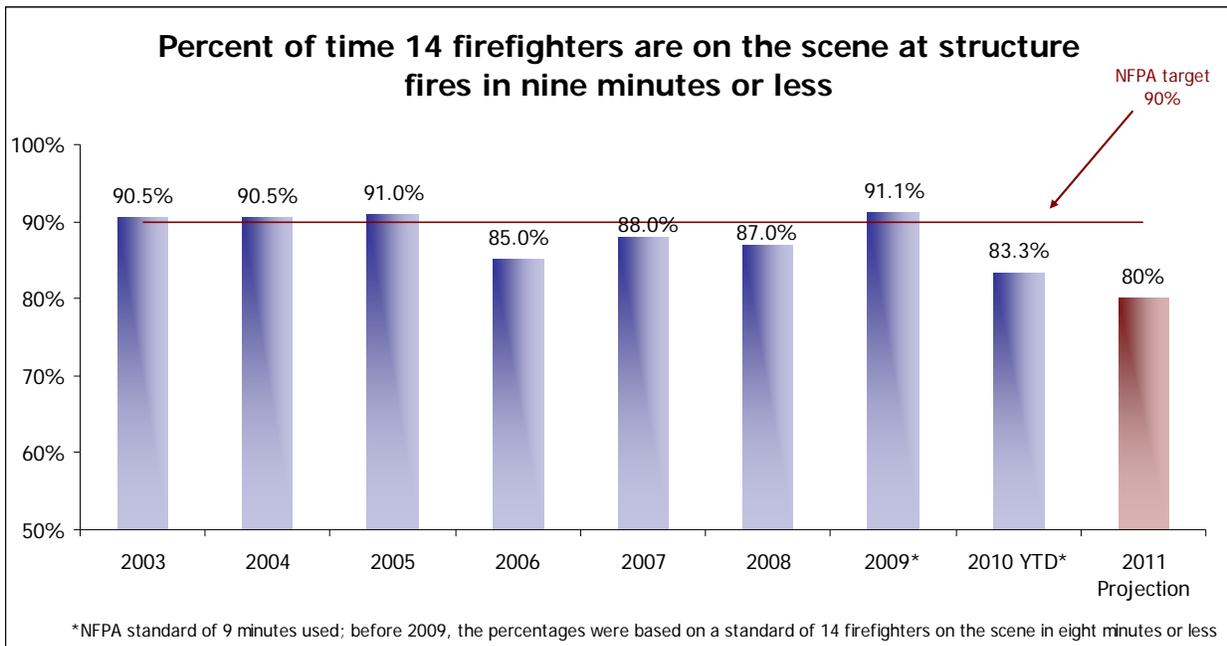


Chart 3

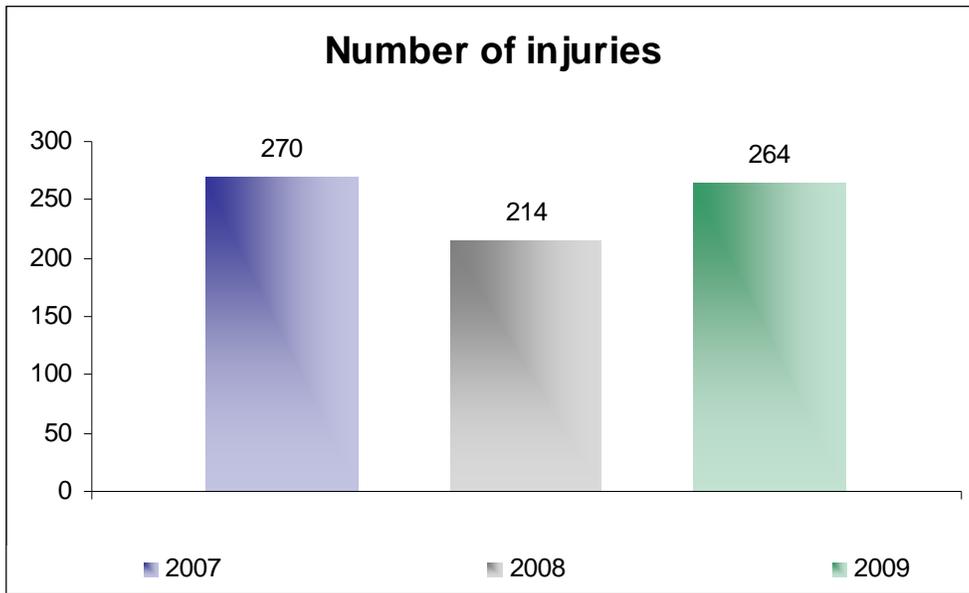
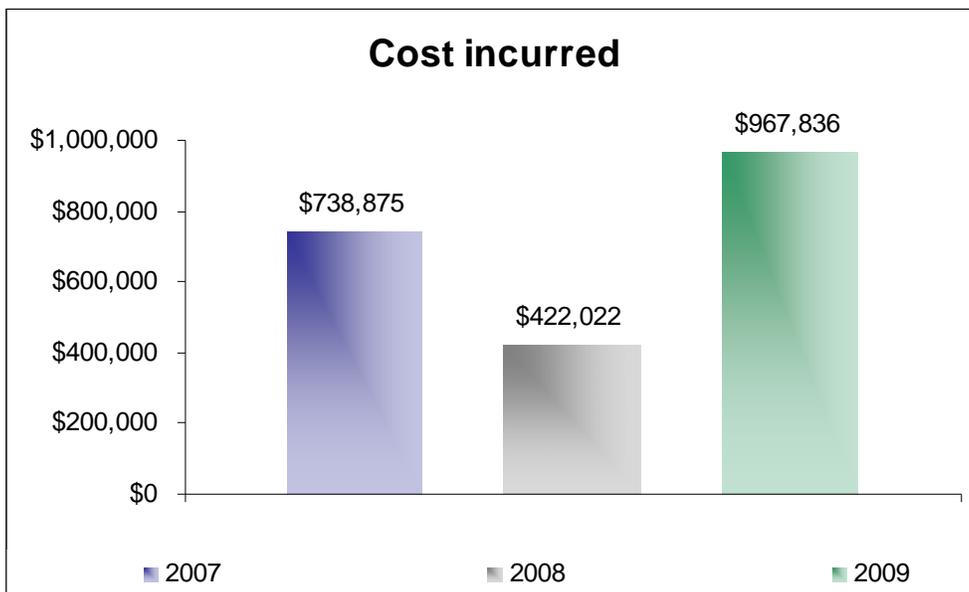


Chart 4



FINANCIAL ANALYSIS

EXPENDITURE

The Fire Department's 2011 expense budget for all funds of \$52.9 million represents a 2.8% decrease from the 2010 Revised Budget. Personnel expenses make up 85% of the total budget. Salaries are 60% and benefits are 25%. The total FTE is 406.

Non-personnel expenses make up 16% of the total budget.

REVENUE

The Department anticipates \$4.0 million in revenue in 2011 compared to \$4.9 million in 2010, a 19.8% decrease. This includes \$400,000 in revenue from Regulatory Services for providing the vacant and boarded building services. Fire's total revenue appropriations' reflects the transfer of Fire Inspection activities and associated revenue from the Fire Department to Regulatory Services. The Department also receives \$1.8 million in state government funds accounted for in the general fund that is allocated to offset some of the pension costs for active firefighters since 1980.

FUND ALLOCATION

The Fire Department expense budget is 99% funded through the general fund and 1% is funded through special revenue funds, specifically CDBG, other local grants, and donations.

MAYOR'S RECOMMENDED BUDGET

The Mayor recommended a reduction to growth of \$847,000, and 32 FTE. A portion of this reduction to growth will be offset by health care savings for the department. Additionally, the Mayor recommended a one-time appropriation of \$1.1 million to allow the department to reduce positions through attrition.

COUNCIL ADOPTED BUDGET

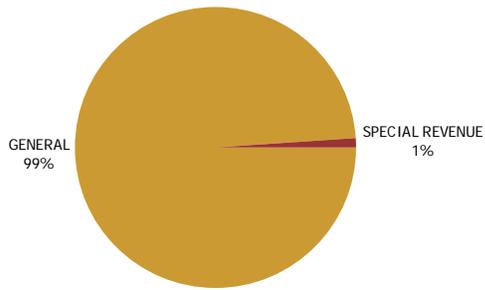
Council approved the Mayor's recommendations. Additionally, Fire is directed to evaluate the current Council policy related to the Standard of Coverage in the context of 2011 budget resources for the department and report back to the Public Safety and Health and Ways & Means/Budget committees no later than February 15, 2011, with recommendations for any changes to that policy.

Fire's expense and revenue appropriations' reflects the transfer to Fire Inspection activities from the Fire Department to Regulatory Services. 13 FTE moved from Fire to Regulatory Services as part of this transfer. Additionally, the Fire Department's rent charge has been reduced by \$79,000. The changes are reflected in the five-year financial direction.

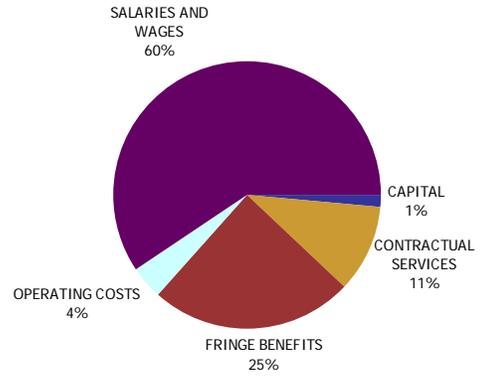
FIRE EXPENSE AND REVENUE INFORMATION

EXPENSE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
AGENCY						
OPERATING COSTS		(4,971,961)			0.0%	0
TOTAL AGENCY		(4,971,961)				0
GENERAL						
SALARIES AND WAGES	32,115,885	32,133,255	33,175,099	31,494,805	-5.1%	(1,680,294)
FRINGE BENEFITS	10,897,010	12,345,758	12,839,181	13,040,368	1.6%	201,186
CONTRACTUAL SERVICES	6,257,643	5,984,681	5,695,326	5,590,927	-1.8%	(104,399)
OPERATING COSTS	2,245,969	1,822,672	1,841,519	2,004,045	8.8%	162,526
CAPITAL			135,386	136,739	1.0%	1,353
TOTAL GENERAL	51,516,507	52,286,367	53,686,511	52,266,883	-2.6%	(1,419,628)
SPECIAL REVENUE						
SALARIES AND WAGES	77,189	6,816			0.0%	0
FRINGE BENEFITS	10,338	6,603			0.0%	0
CONTRACTUAL SERVICES	2,747	33,537	7,000	7,000	0.0%	0
OPERATING COSTS	298,392	410,945			0.0%	0
CAPITAL	166,364	45,044	697,000	587,000	-15.8%	(110,000)
TOTAL SPECIAL REVENUE	555,030	502,945	704,000	594,000	-15.6%	(110,000)
TOTAL EXPENSE	52,071,537	47,817,352	54,390,511	52,860,883	-2.8%	(1,529,628)
REVENUE						
	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
GENERAL						
LICENSE AND PERMITS	1,388,314	2,005,885	2,576,103	1,419,796	-44.9%	(1,156,307)
STATE GOVERNMENT	1,568,310	1,580,300	1,863,000	1,863,000	0.0%	0
CHARGES FOR SERVICES	84,394	317,637	121,000	121,000	0.0%	0
CHARGES FOR SALES	290	332	250	250	0.0%	0
SPECIAL ASSESSMENTS			200,000	400,000	100.0%	200,000
OTHER MISC REVENUES	245,710	258,437	184,330	160,000	-13.2%	(24,330)
TOTAL GENERAL	3,287,019	4,162,590	4,944,683	3,964,046	-19.8%	(980,637)
SPECIAL REVENUE						
FEDERAL GOVERNMENT	672,513	479,476			0.0%	0
STATE GOVERNMENT		2,039			0.0%	0
CONTRIBUTIONS	82,131	15,721	10,000	10,000	0.0%	0
TOTAL SPECIAL REVENUE	754,645	497,235	10,000	10,000	0.0%	0
TOTAL REVENUE	4,041,663	4,659,826	4,954,683	3,974,046	-19.8%	(980,637)

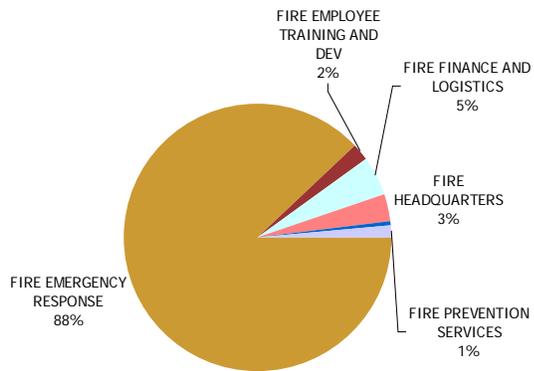
Expense by Fund



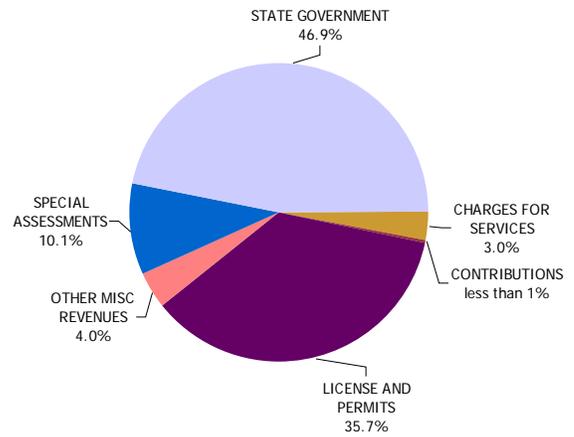
Expense by Category



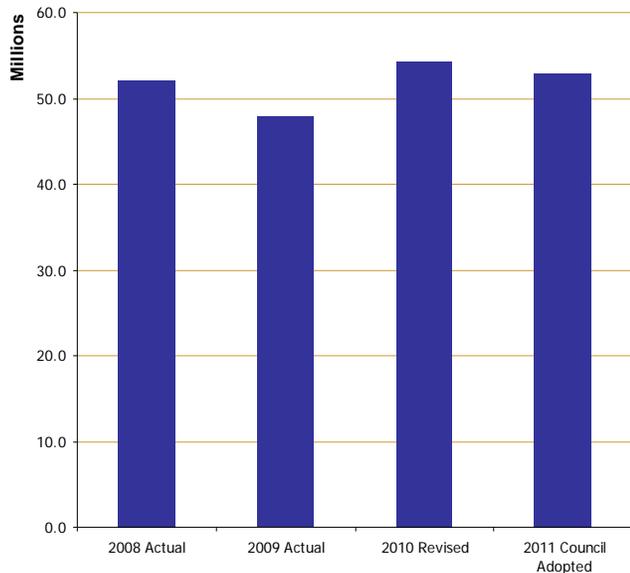
Expense by Division



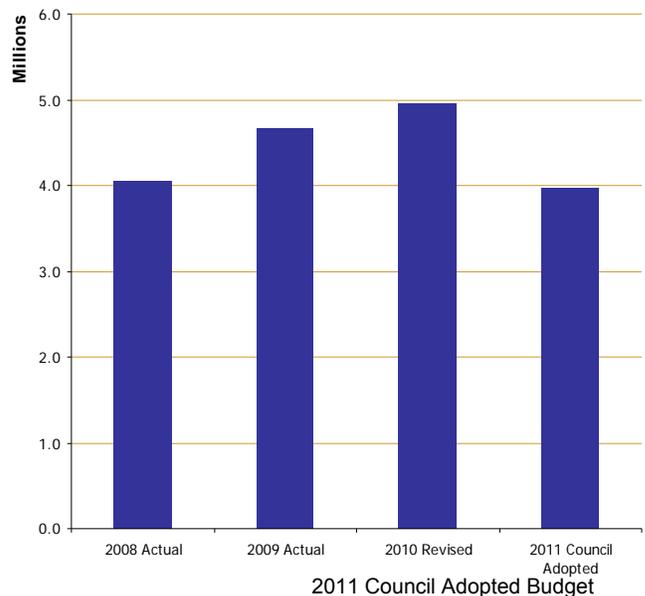
Direct Revenue by Type



Expense 2008 - 2011



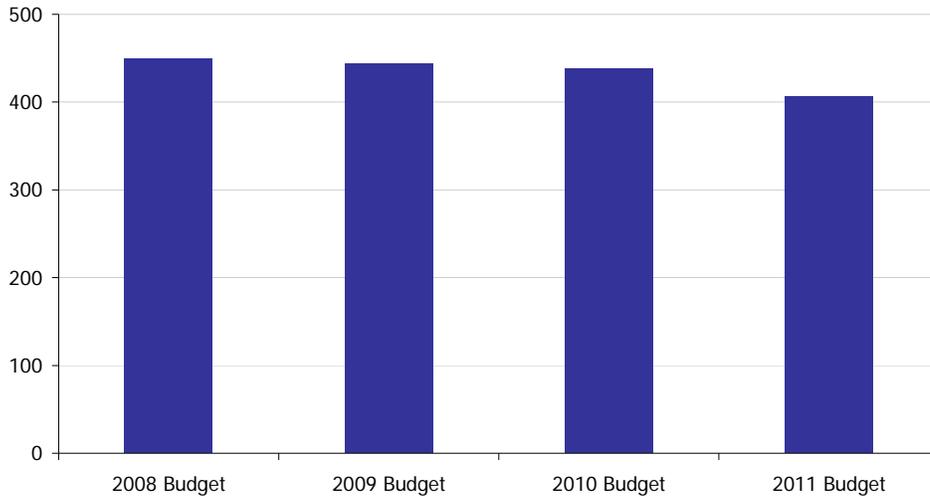
Revenue 2008 - 2011



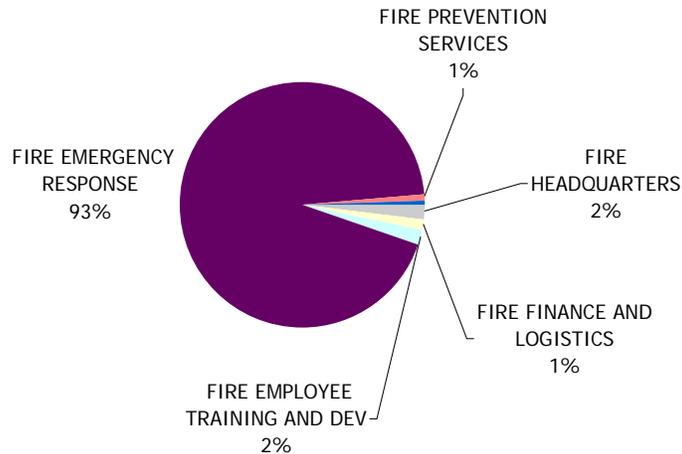
Staffing Information

Expense	2008 Budget	2009 Budget	2010 Budget	2011 Budget	% Change	Change
FIRE EMPLOYEE TRAINING AND DEV		6.00	6.00	8.00	33.3%	2.00
FIRE EMERGENCY RESPONSE	405.00	406.00	400.00	379.00	-5.3%	(21.00)
FIRE FINANCE AND LOGISTICS		5.00	5.00	5.00	0.0%	
FIRE INFORMATION SERVICES		2.00	2.00	2.00	0.0%	
FIRE PREVENTION SERVICES	22.00	17.00	17.00	4.00	-76.5%	(13.00)
FIRE HEADQUARTERS	22.00	8.00	8.00	8.00	0.0%	
TOTAL	449.00	444.00	438.00	406.00	-7.3%	(32.00)

Positions 2008-2011



Positions by Divison



HEALTH AND FAMILY SUPPORT

MISSION

To promote health equity in Minneapolis and meet the unique needs of the urban population by providing leadership and fostering partnerships.

BUSINESS LINES

A. Promote health; healthy residents, communities, and environments

A major responsibility of a local public health agency is health promotion. In Minneapolis, the department believes that community engagement and partnerships are critical to success in this area. The department seeks out representatives of diverse communities to elicit their unique perspectives and build on their strengths to improve community health. Families, youth, and seniors are involved in decisions that affect their well-being. Special projects target key phases across the lifespan.

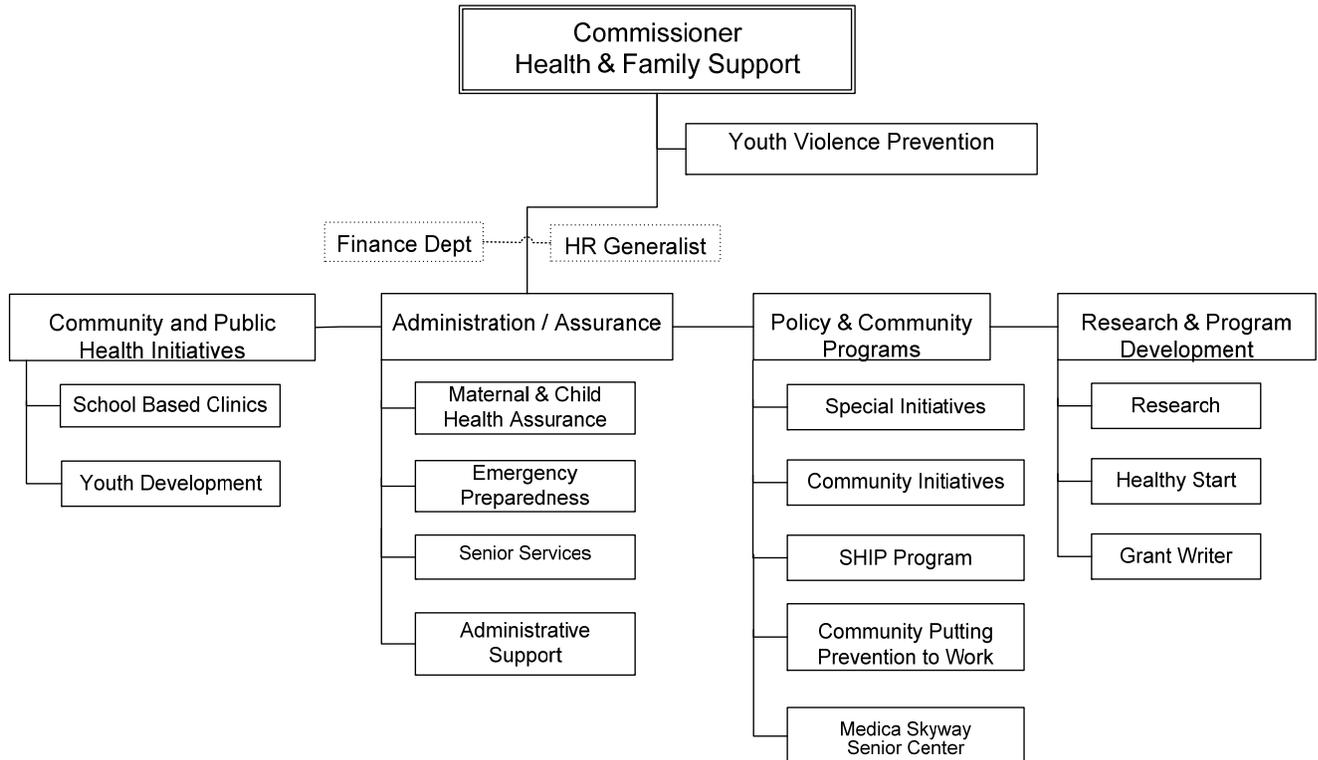
B. Address factors affecting health: social conditions and physical environment

Individual health is highly dependent on the environments in which individuals live and work, and this is most apparent in urban environments, where population density and mobility are higher, and poverty is more concentrated. The health department works with community agencies to promote lead- and smoke-free homes and ensure physical safety for infants and toddlers in their homes and child care centers. To promote healthy weight through easier access to physical activity options and more nutritious foods, the department works with City departments, schools, child care centers, and worksites to create healthier environments through policy changes. The department also supports place-based interventions, such as the Allina Backyard Initiative and the Northside Achievement Zone which aim to create broad collaborations to institute change at multiple levels to address a variety of goals simultaneously.

C. Protect the Public's health: disease prevention and control and emergency preparedness

Preventing and controlling infectious diseases is vital to community health. Pandemic influenza is an example of a situation that requires combined expertise in infectious disease control and emergency preparedness. Responsibilities are addressed through partnerships with Hennepin County, community clinics, and other community agencies. As an urban public health agency, the department focuses on populations that require messages and intervention tailored to their particular needs, whether due to language differences, cultural norms, social isolation, or history of traumatic experiences.

ORGANIZATION CHART



RESULTS MINNEAPOLIS CHARTS

No measurable changes in Results Minneapolis indicators are expected as a result of the 2011 budget.

What two or three key trends and challenges does the department face and how will each be addressed?

- The recession has put additional strain on safety-net services and community infrastructure

Cuts from the City in 2011 would be deeply felt by community based organizations. The recession has increased the demand for social support and services as well as health care for uninsured people. At the same time state and county funding has decreased for providers of these services. In 2010, Minneapolis avoided most cuts to community partners. Federal Recovery Act funding has supported some capital projects for community clinics but has not alleviated the strain on financial operations. Federal Health Care Reform legislation may provide some ongoing support for some community health organizations but details are needed.

- There has been a significant influx of State and Federal funding to the City for policy and system change for obesity prevention and exposure to tobacco

Approximately \$5.3 million has been allocated between July 2009 and March of 2012 to impact policy and system changes that support healthier eating, more physical activity, and reduced

exposure to second hand smoke. This substantial but short-term infusion of funding is correctly aimed at creating changes that will have a longer term impact. Staffing up for this level of activity with the possibility that the funding and activities will be short lived has been one challenge associated with this funding. The community's health will be significantly influenced by policy and system change, but other strategies will also be needed to reverse the obesity epidemic. There is a potential for longer term lower level funding from both the State Health Improvement Program and from a new Wellness Fund established as part of the Federal Health Care Reform Act. Without one or both of these sources of funding it will be difficult to build on current efforts and maintain momentum in this area of ongoing public health need.

- Long term efforts need sustainable funding (Youth violence prevention, obesity reduction, emergency preparedness)

Sustained investments are also needed in key areas in addition to obesity reduction, most notably, youth development/violence prevention and public health emergency preparedness. Long-term planning is challenging given the financial environment of the foreseeable future. Funding for efforts to address obesity are somewhat promising, both from the state and federal government because of the potential to save health care dollars if chronic conditions are reduced. The Blueprint to Prevent Youth Violence has helped to align City resources to maximize their impact. Nevertheless, there has been an overall drop in the investment in youth development that impacts the wellbeing of youth in Minneapolis. Likewise, a close working relationship between Health and Family Support and the Office of Emergency Preparedness in Regulatory Services helped the City respond well to the outbreak of H1N1. To date there have been sufficient funds from the federal government for the public health emergency preparedness infrastructure but the level of future funding is uncertain; without this support the department's ability to effectively respond is unsustainable.

In what internal/external partnerships is the department currently engaged and/or exploring for the future?

Health and Family Support believes that community partnerships are critical to effectively addressing public health issues. As part of the 2010-2014 Business Plan several principles called "The Way We Work" were articulated. Several of the principles describe how the department connects with the community:

- The department builds on our urban community's cultural diversity, wisdom, strengths, and resilience.
- The department supports individual health within the context of families and communities across the lifespan.
- To achieve health equity, the department invests in the social and physical environments of our residents.
- The department brings people and resources together to achieve common health goals.

Recently, the City has begun exploring ways that it might align investments of resources with two place-based health and well-being improvement efforts in Minneapolis (Northside Achievement Zone and Allina Backyard). These two efforts are located in clearly defined areas that experience a disproportionate number of challenges, including crime and safety, educational success, unemployment and health disparities. Coordination and alignment of those resources across City departments and in consultation with community members may be able to amplify the impact of existing investments directed to these communities.

How is the department evaluating programs or services for cost effectiveness?

The Department is involved in a number of initiatives to enhance cost effectiveness of its services:

- **Senior Ombudsman's Office/Tax Service**

In late 2009, prior to the beginning of the 2010 tax preparation season, a number of legal and risk management issues were raised related to the City sponsorship of the AARP tax preparation program. The service was never initiated in 2010 because insufficient progress was made in addressing the concerns which were raised. Other services, including one in the Hennepin County Government Center, were able to serve residents who would have come to the Minneapolis site. In the face of continuing cost reduction pressures in the General Fund, the Department is recommending that the City no longer sponsor the AARP tax program. This will allow for a reduction of computers and relocating the Ombudsman's Office to the Public Service Center where clerical support can be shared with other Health and Family Support functions.

- **Decreased use of printers**

In 2010 the Department worked with BIS to reduce its printer, copier and fax use by 72% for a 42% saving over the next 36 months.

- **School based clinic services**

There have been several business practice improvements to increase cost effectiveness for school-based clinic services. The closure of the Public Health Laboratory prompted the development of new business relationships. Working with Public Works, a new courier service shared by the departments has maintained services and cuts costs by more than half compared to projections. A new contract for laboratory services for the school based clinics has also resulted in 50% lower costs than originally budgeted. Finally, a new medical director and a model for reduced use of on-site physician services promise to save additional dollars in 2011.

- **Making the case for insurance payment for social support services for pregnant women**

The Department's Healthy Start program to decrease infant mortality among African American and American Indian families is funded through a federal grant. The grant supports case management for women living in poverty and in need of mental health services and social support and services. The Department is in the 4th and final year of a federally funded study that is assessing the validity of a psychosocial screening interview, the value of repeat screenings during pregnancy, and determining whether paraprofessional community health workers can conduct the screening process as effectively as professional nurses. A positive finding would provide a cost-saving option for community clinics and other health providers. Program staff is also examining birth outcomes relative to identified risk factors and subsequent services; if there is empirical evidence that these services can reduce health care costs the Department will use the information to influence health care reimbursement policies so that these types of services would be covered by health plans.

What actions will the department take to meet the current service level reductions?

Current Service Level reduction of \$63,000 (No *Results Minneapolis* indicators will be impacted by these cuts.)

\$43,000 will be saved by discontinuing the AARP tax service and moving the Senior Ombudsman's office from City Hall to the Public Service Center. Savings include 11 computers, printers and phones as well as associated space and operations costs.

\$20,000 can be reduced from the 2010 base by eliminating the Public Health Laboratory contingency expense line. The closure of the Public Health Laboratory in 2010 after more than 100 years of operation was done as a cost saving measure. Nonetheless, in 2010 there were some expenses associated with disposal of supplies and equipment, space transition and other costs associated with closing down an operation, which is not needed in 2011.

New staffing needed to respond to grant opportunities and implement youth violence prevention programming

The Department has applied for a number of federal funding opportunities related to preventing youth violence. The grants, if received, will support activities ranging from school based youth development activities with at-risk middle school students to violence interrupters using the Cease Fire model. In the course of writing the grant applications it has become clear that the Department's ability to continue to apply for and manage grants related to youth violence prevention has exceeded the capacity of current staff.

If the Cease Fire Grant is awarded to Minneapolis, the Department would like to reallocate \$50,000 of General Funds from supporting the salaries of the Directors to supporting an additional 0.6 FTE Family Support Specialist II. This, combined with the Cease Fire grant, will finance the addition of a new staff person to manage community contracts and work on youth development issues in areas such as the Somali community and among the growing population of homeless youth.

FINANCIAL ANALYSIS

EXPENDITURE

In 2011, the department's total budget is approximately \$13.4 million, a 9.5% increase from 2010. During 2010, the department added 1.7 FTE with grant funding. The General Fund budget is \$3.3 million. The City needs to maintain a minimum of \$2.2 million as local match to qualify for available local public health grants.

REVENUE

There is an overall 13.7% revenue increase. In 2011, the largest revenue source is the federal grant fund. It will increase by \$1.22 million or 36% from the 2010 level, due to increases in new federal grants. The state and local funds revenue decreased by \$148,000 or 3% due to the major State grant ending in mid 2011. There is no revenue associated with the General Fund or the CDBG fund.

FUND ALLOCATION

The department's expense budget for the year 2011 is derived from the general fund (25%), federal grants (34%), CDBG (8%), and state and other local grants (32%).

MAYOR'S RECOMMENDED BUDGET

The Mayor recommended a reduction to growth of \$102,000. A portion of this reduction to growth will be offset by health care savings for the department.

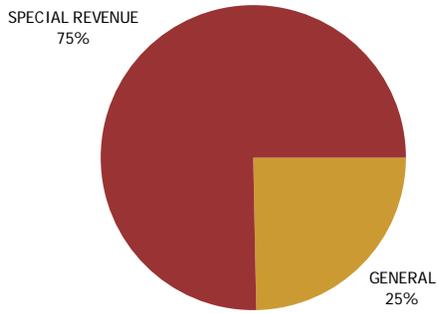
COUNCIL ADOPTED BUDGET

Council approved the Mayor's recommendation and added \$75,000 in CDBG funding for the Domestic Abuse Project.

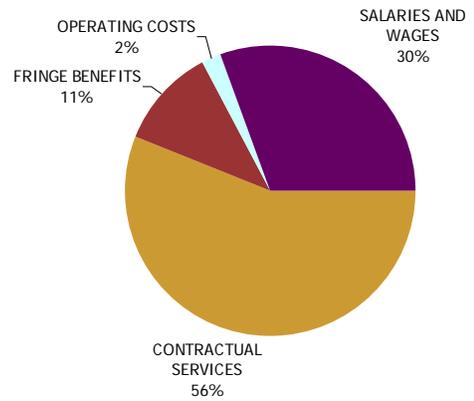
HEALTH AND FAMILY SUPPORT EXPENSE AND REVENUE INFORMATION

EXPENSE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
AGENCY						
OPERATING COSTS		934			0.0%	0
TOTAL AGENCY		934				0
GENERAL						
SALARIES AND WAGES	918,558	1,240,835	494,938	633,128	27.9%	138,190
FRINGE BENEFITS	319,358	447,363	185,399	225,382	21.6%	39,983
CONTRACTUAL SERVICES	2,541,253	2,503,017	2,447,015	2,238,958	-8.5%	(208,057)
OPERATING COSTS	303,827	272,120	193,020	226,466	17.3%	33,446
TOTAL GENERAL	4,082,996	4,463,334	3,320,372	3,323,934	0.1%	3,562
SPECIAL REVENUE						
SALARIES AND WAGES	2,825,436	2,674,696	3,440,305	3,439,537	-0.0%	(768)
FRINGE BENEFITS	831,930	914,812	1,270,291	1,253,060	-1.4%	(17,231)
CONTRACTUAL SERVICES	5,277,835	5,676,211	4,107,496	5,273,690	28.4%	1,166,194
OPERATING COSTS	215,408	216,557	76,754	81,760	6.5%	5,006
CAPITAL	75,843	7,001			0.0%	0
TOTAL SPECIAL REVENUE	9,226,452	9,489,277	8,894,847	10,048,047	13.0%	1,153,201
TOTAL EXPENSE	13,309,448	13,953,545	12,215,218	13,371,981	9.5%	1,156,763
REVENUE						
GENERAL						
CHARGES FOR SERVICES	502,550	451,741			0.0%	0
OTHER MISC REVENUES	21,494	40			0.0%	0
TOTAL GENERAL	524,045	451,781			0.0%	0
SPECIAL REVENUE						
SALES AND OTHER TAXES	10,694	61,220	20,000	8,000	-60.0%	(12,000)
FEDERAL GOVERNMENT	4,320,675	4,536,887	3,359,795	4,579,821	36.3%	1,220,026
STATE GOVERNMENT	2,744,357	2,954,407	3,950,948	3,810,549	-3.6%	(140,399)
LOCAL GOVERNMENT	192,559	236,222	147,000	163,200	11.0%	16,200
CHARGES FOR SERVICES	124,911	433,033	233,000	310,000	33.0%	77,000
INTEREST	2,620	1,591			0.0%	0
RENTS	11,614				0.0%	0
CONTRIBUTIONS	234,993	206,777	162,000	85,000	-47.5%	(77,000)
OTHER MISC REVENUES	52,686	23,847	8,000	5,000	-37.5%	(3,000)
TOTAL SPECIAL REVENUE	7,695,109	8,453,983	7,880,743	8,961,570	13.7%	1,080,827
TOTAL REVENUE	8,219,153	8,905,764	7,880,743	8,961,570	13.7%	1,080,827

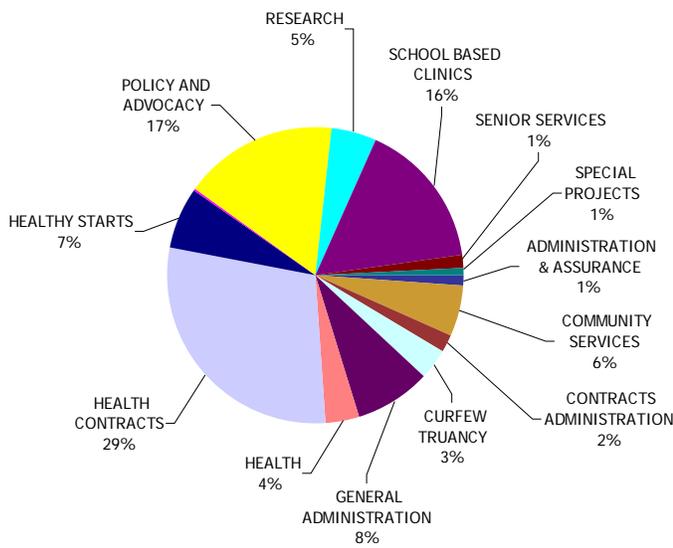
Expense by Fund



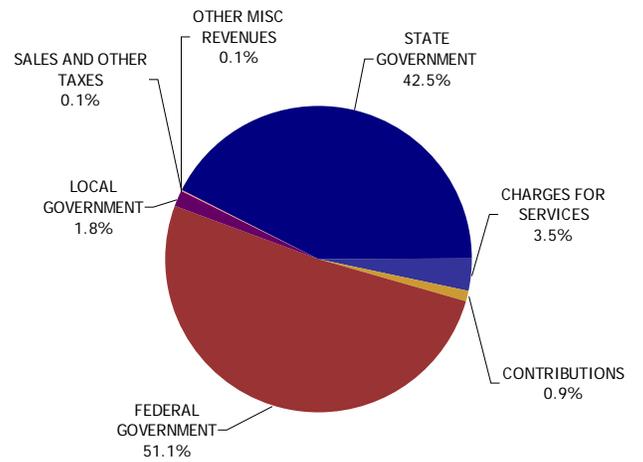
Expense by Category



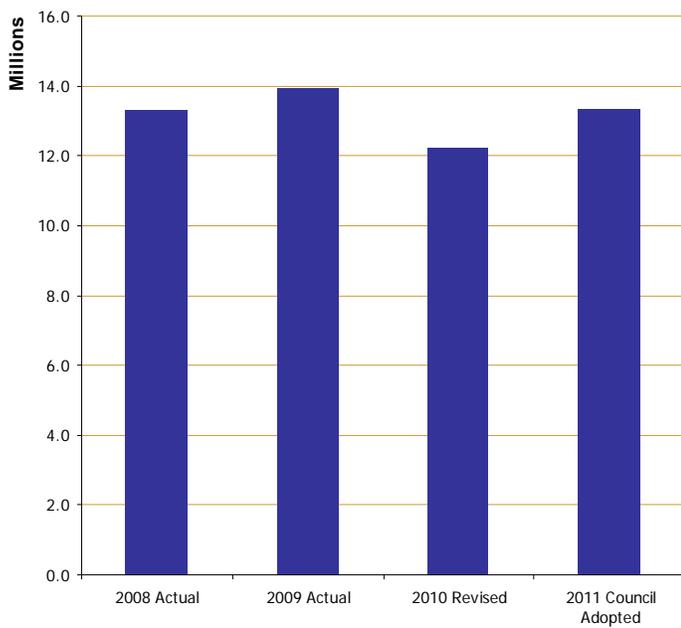
Expense by Division



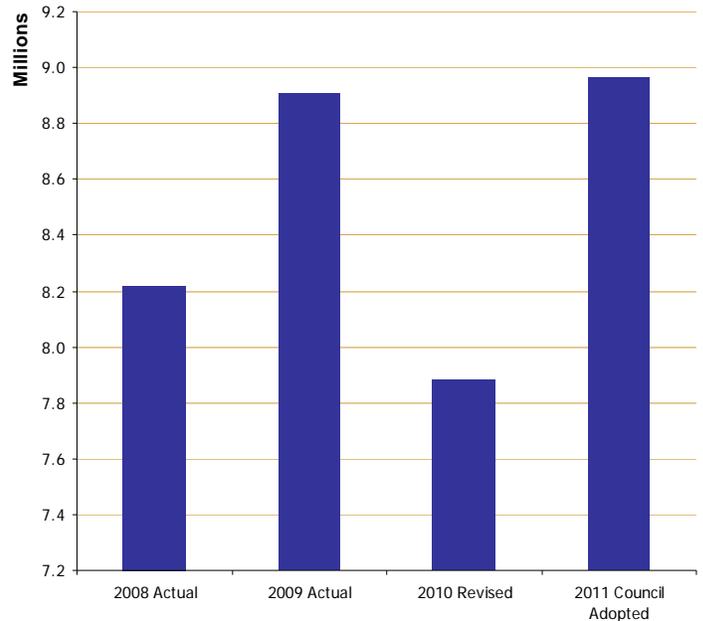
Direct Revenue by Type



Expense 2008 - 2011



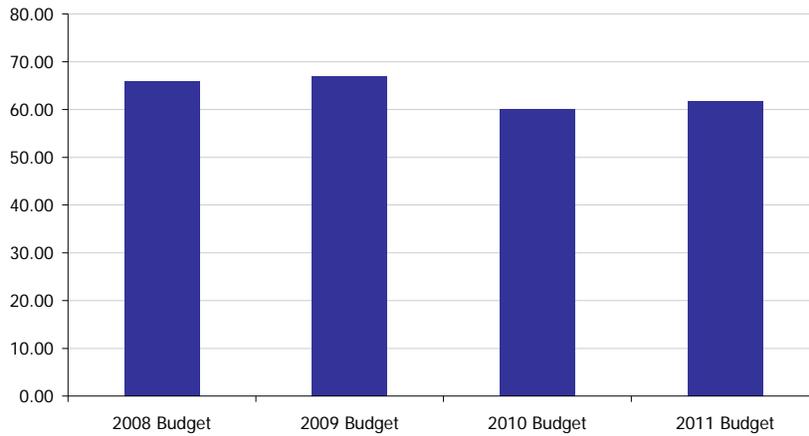
Revenue 2008 - 2011



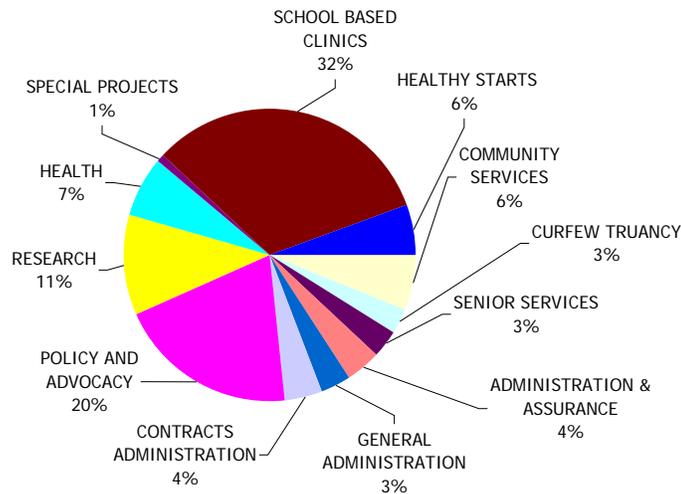
Staffing Information

Expense	2008 Budget	2009 Budget	2010 Budget	2011 Budget	% Change	Change
RESEARCH		7.00	8.00	6.80	-15.0%	(1.20)
LABORATORY		9.25				
SCHOOL BASED CLINICS		20.75	21.50	20.00	-7.0%	(1.50)
HEALTHY STARTS		4.00	4.00	3.50	-12.5%	(0.50)
CONTRACTS ADMINISTRATION		2.50	2.50	2.50	0.0%	
ADMINISTRATION & ASSURANCE		2.50	1.00	2.40	140.0%	1.40
HEALTH CONTRACTS						
CURFEW TRUANCY			2.80	1.65	-41.1%	(1.15)
HEALTH AND FAMILY SUPPORT						
COMMUNITY SERVICES	66.00	5.35	2.70	3.80	40.7%	1.10
SPECIAL PROJECTS		1.50	1.50	0.50	-66.7%	(1.00)
POLICY AND ADVOCACY		5.15	9.00	12.45	38.3%	3.45
HEALTH		4.00	3.00	4.10	36.7%	1.10
GENERAL ADMINISTRATION		2.00	2.00	2.00	0.0%	
SENIOR SERVICES		3.00	2.00	2.00	0.0%	
TOTAL	66.00	67.00	60.00	61.70	2.8%	1.70

Positions 2008-2011



Positions by Division



OFFICE OF INTERNAL AUDIT

The independent Office of Internal Audit is charged with conducting financial, fiscal compliance, and financial procedure audits of all City departments, boards and commissions. The Office of Internal Audit conducts audits of individual financial transactions, contracts and franchises of the City; and audits the financial and accounting systems and procedures administered by City departments, boards and commissions for compliance with generally accepted accounting principles, best financial management practices, and any applicable laws and regulations governing the financial practices of the City. The Office of Internal Audit is under the control and supervision of the Internal Auditor.

The Internal Auditor shall organize and administer the Auditor's office to operate without interference or other influence that might adversely affect an independent and objective judgment of the auditor.

The Office of Internal Audit adheres to the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors and such other standards set by other bodies that apply to internal audit practices of local governments to conduct the auditor's work and is independent as defined by the standards.

The Council approved transition funding of \$200,000 to fund two internal audit positions in 2010, funded by increasing charges to departments in the general fund overhead rate model charges. In addition, the existing position that resides in the Board of Estimate and Taxation now reports to the Audit Committee, with support from the City Coordinator for administrative purposes. Levies for 2011 and beyond will be adjusted to reflect this change. The 2011 budget for the Office of Internal Audit includes funding for the Internal Auditor and two supporting Auditors.

FINANCIAL ANALYSIS

EXPENDITURE

The 2011 budget for the Internal Audit Department is \$0.4 million, a 91% increase from 2010. One FTE was added to this department, which now has authorization for 3 FTE and related costs. All FTE in this department support the audit function of the City.

REVENUE

This department does not generate revenue.

FUND ALLOCATION

The Internal Audit Department department's budget is funded from the General Fund.

MAYOR'S RECOMMENDED BUDGET

The Mayor did not recommend a reduction for this department. The Mayor recommended that the department be allowed to carry over its unspent 2010 budget for purposes of contracted audits the department will conduct in 2011 and further recommended a \$50,000 increase to the department's 2012 allocation in the Five-Year Financial Direction.

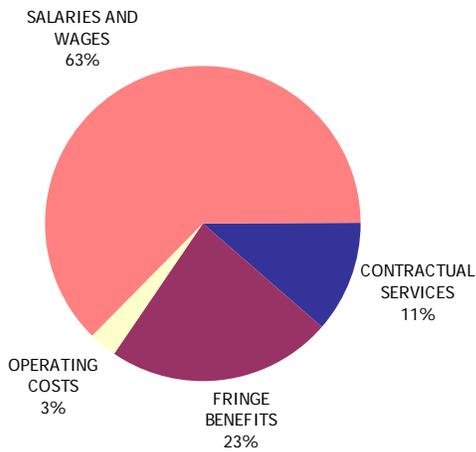
COUNCIL ADOPTED BUDGET

The Council adopted the Mayor's recommendations and increased the appropriation for the Internal Audit Department by \$11,000 to reflect actual salaries.

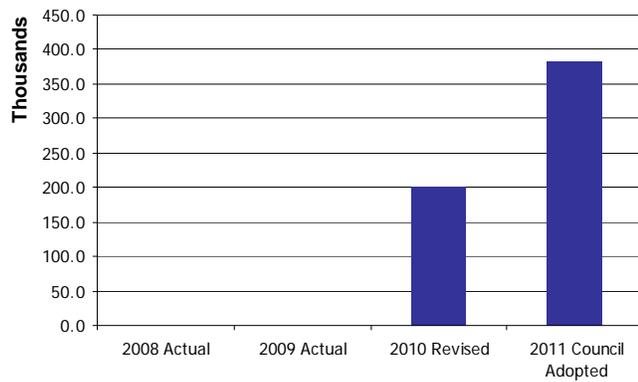
INTERNAL AUDIT EXPENSE AND REVENUE INFORMATION

EXPENSE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES			148,736	240,636	61.8%	91,900
FRINGE BENEFITS			51,264	88,206	72.1%	36,942
CONTRACTUAL SERVICES				43,660	0.0%	43,660
OPERATING COSTS				10,267	0.0%	10,267
TOTAL GENERAL			200,000	382,769	91.4%	182,769
TOTAL EXPENSE			200,000	382,769	91.4%	182,769

Expense by Category



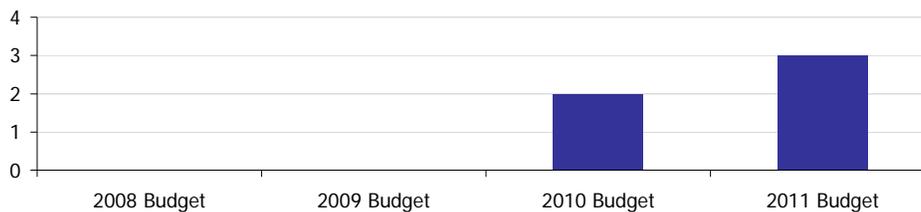
Expense 2008 - 2011



INTERNAL AUDIT Staffing Information

Expense	2008 Budget	2009 Budget	2010 Budget	2011 Budget	% Change	Change
Internal Audit			2.00	3.00	50.0%	1.00
TOTAL			2.00	3.00	50.0%	1.00

Positions 2008-2011



MAYOR

MISSION

Dedicated to making Minneapolis a vibrant, safe city that offers opportunity for all.

BUSINESS LINES

• Policy Development

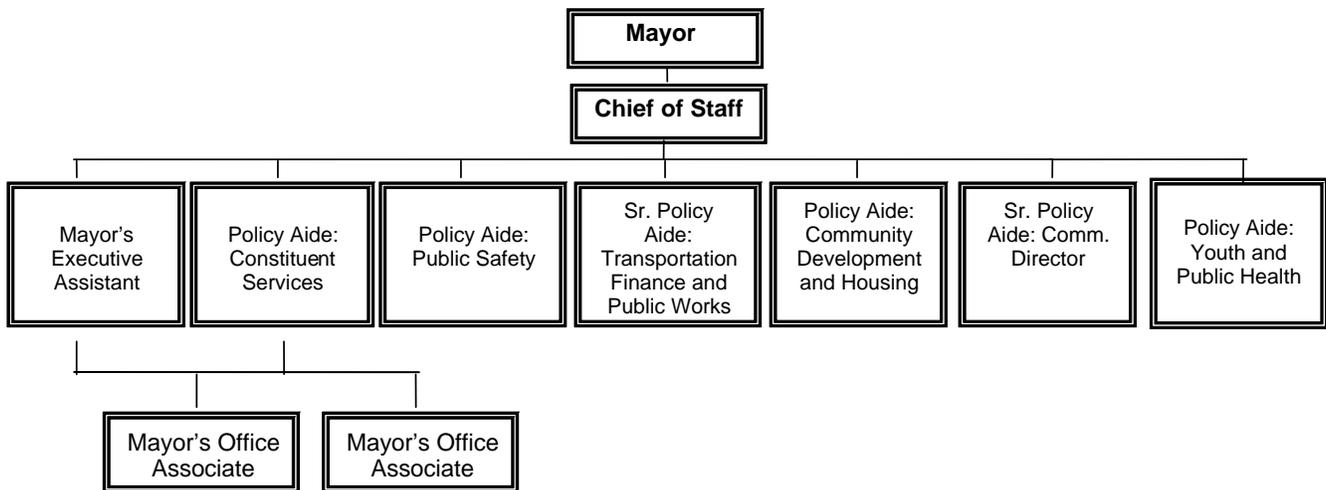
- Lead and support policy development that reflects the City's five-year goals.
- Partner with the City Council to develop and lead the strategic direction for the City.
- Develop responsible fiscal policies and an annual budget that reflects City's goals.
- Support the work of the City to provide better, more coordinated and responsive services.
- Ensure that the community is actively engaged as an active partner in City work.

• Policy & Program Promotion

- Champion the innovations and successes of Minneapolis as a premier destination, a growing economic and cultural leader.
- Promote education excellence as the lynchpin to a successful city.

• Policy & Program Implementation

- Nominate and support strong City department heads.
- Oversee the performance and accountability of the Police and Civil Rights departments.
- Through *Results Minneapolis* as well as department head evaluations, ensure that the City enterprise is accountable for results.



FINANCIAL ANALYSIS

EXPENDITURE

The Mayor's 2011 budget of \$1.54 million is in line with the five-year financial direction. Spending on fringe benefits was reduced from 2010 because a health benefit assumption was changed to more accurately reflect department usage.

REVENUE

The department expects to receive \$75,000 in grant funding in 2011.

FUND ALLOCATION

The department expects to receive \$75,000, or 5% of its budget from grant funding in 2011. The remainder of the Mayor's budget is funded from the General Fund.

MAYOR'S RECOMMENDATION

The Mayor did not recommend a reduction for this department.

COUNCIL ADOPTED BUDGET

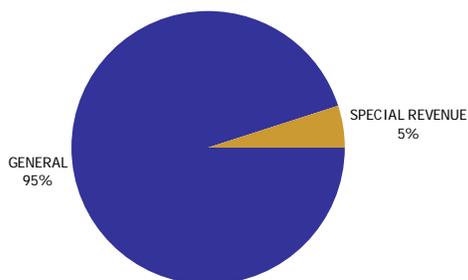
Council adopted the Mayor's recommendations.

MAYOR EXPENSE AND REVENUE INFORMATION

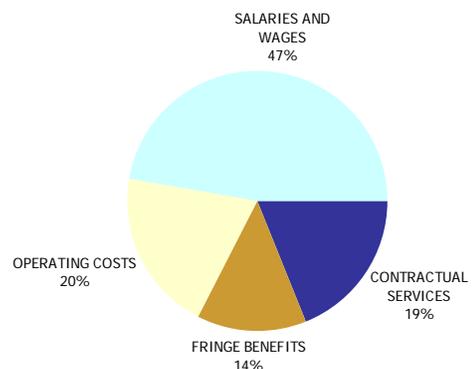
EXPENSE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	714,154	734,281	664,642	668,982	0.7%	4,340
FRINGE BENEFITS	187,564	212,361	244,563	208,272	-14.8%	(36,290)
CONTRACTUAL SERVICES	176,025	288,551	297,749	291,290	-2.2%	(6,459)
OPERATING COSTS	270,675	264,154	260,412	297,876	14.4%	37,464
TOTAL GENERAL	1,348,418	1,499,348	1,467,365	1,466,420	-0.1%	(945)
SPECIAL REVENUE						
SALARIES AND WAGES				60,533	0.0%	60,533
FRINGE BENEFITS				(0)	0.0%	(0)
OPERATING COSTS				14,467	0.0%	14,467
TOTAL SPECIAL REVENUE				75,000		75,000
TOTAL EXPENSE	1,348,418	1,499,348	1,467,365	1,541,420	5.0%	74,055

REVENUE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
GENERAL						
CHARGES FOR SERVICES		188			0.0%	0
TOTAL GENERAL		188			0.0%	0
SPECIAL REVENUE						
FEDERAL GOVERNMENT				75,000	0.0%	75,000
TOTAL SPECIAL REVENUE				75,000	0.0%	75,000
TOTAL REVENUE		188		75,000	0.0%	75,000

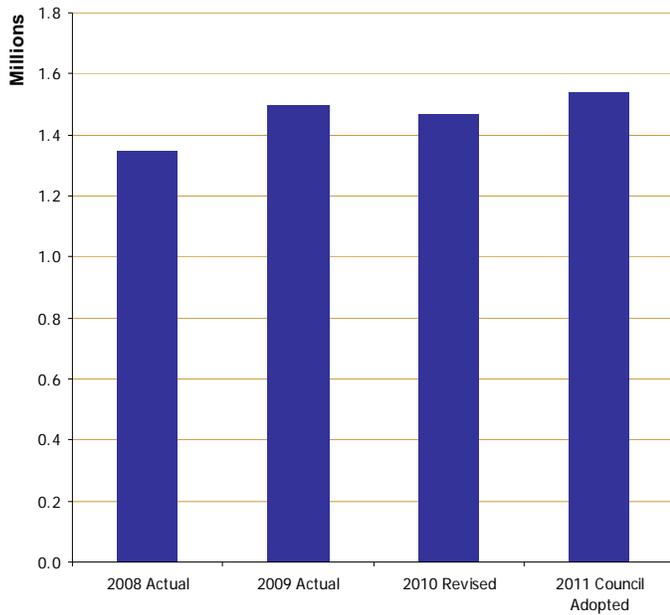
Expense by Fund



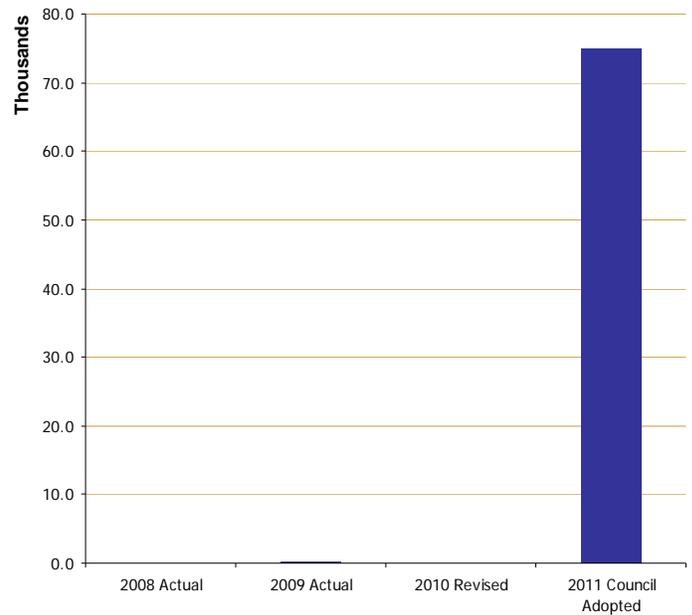
Expense by Category



Expense 2008 - 2011



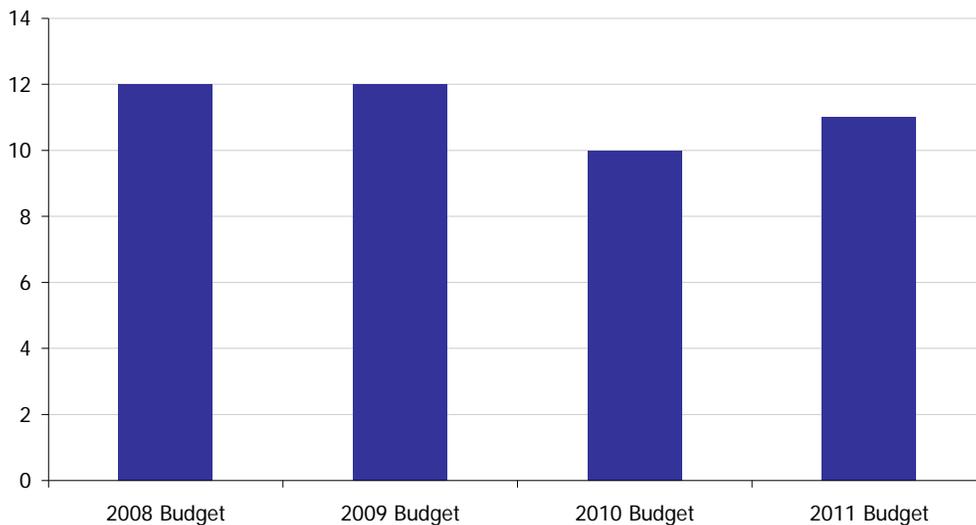
Revenue 2008 - 2011



Staffing Information

Expense	2008 Budget	2009 Budget	2010 Budget	2011 Budget	% Change	Change
MAYOR - ADMINISTRATION	12.00	12.00	10.00	11.00	10.0%	1.00
MAYOR - CONTINGENCY						
MAYOR						
TOTAL	12.00	12.00	10.00	11.00	10.0%	1.00

Positions 2008-2011



POLICE

MISSION

Working with our diverse communities to safeguard the lives and property, to reduce the incidence and fear of crime, and to enhance public safety.

SLOGAN

- TO PROTECT WITH COURAGE
- TO SERVE WITH COMPASSION

BUSINESS LINES

The Minneapolis Police Department has three business lines, focused on the strengths of each individual bureau's responsibilities.

Patrol Bureau Business Line

- **Precincts** – Patrol (911 Response, Directed Patrol), Investigations, Community Response Teams (CRT), Mounted Patrol and Crime Prevention Specialists.
- **Special Operations Division** – Emergency Preparedness Unit : Police Activities League (PAL), Special Events; Emergency Services Unit: Bomb/Arson, Crisis Negotiations, SOD Patrol, SWAT; Special Operations Unit: Canine, Public Housing, Traffic Accident Investigations;

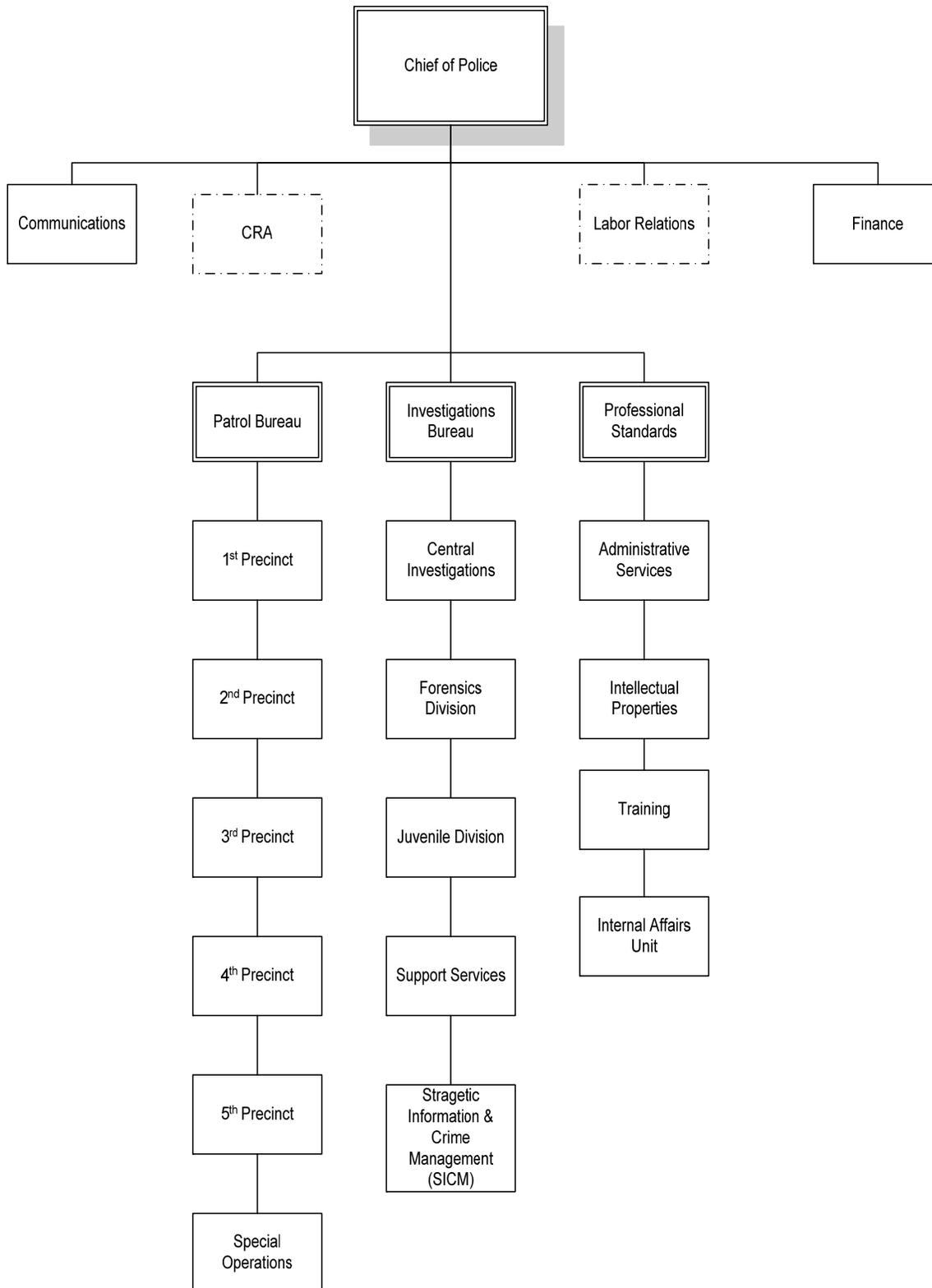
Investigations Bureau Business Line

- **Criminal Investigations Division** – Child Abuse, Domestic Assault, Financial Crimes Unit, Joint Terrorism Task Force (JTTF), Homicide/Violent Criminal Apprehension Team (VCAT)/Auto Theft Prevention (ATP), Robbery/Assault, Sex Crimes/Predatory Offender Registration, and Violent Offender Task Force (VOTF)/VOTF DEA Task Force.
- **Forensics Division** – Crime Lab - Field Operations, Firearms/Toolmark, Forensic Garage, Photo Lab, and MAFIN.
- **Juvenile Division** – Juvenile Investigations and School Resource Officer Program.
- **Support Services** – Criminal History, Property and Evidence, and Transcription.
- **Strategic Information and Crime Management (SICM)** – Crime Analysis, Gang Enforcement Team, I-Care, and Weapons.

Professional Standards Bureau

- **Administrative Services** – Backgrounds Unit, Business Technology and Support, Court Liaison, Fleet, Health & Wellness, Police Stores, and Research & Policy Development.
- **Internal Affairs Unit**
- **Training** – Academy, Community Service Officer (CSO) Program, In-Service, and Pre-Service.

ORGANIZATION CHART



RESULTS MINNEAPOLIS CHARTS

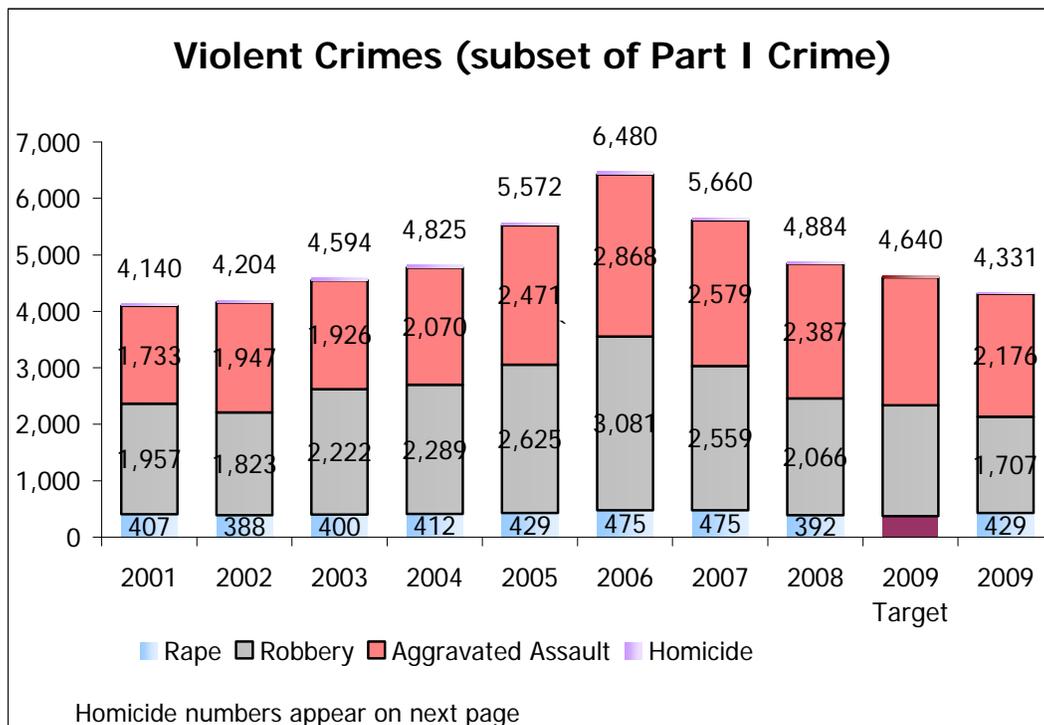
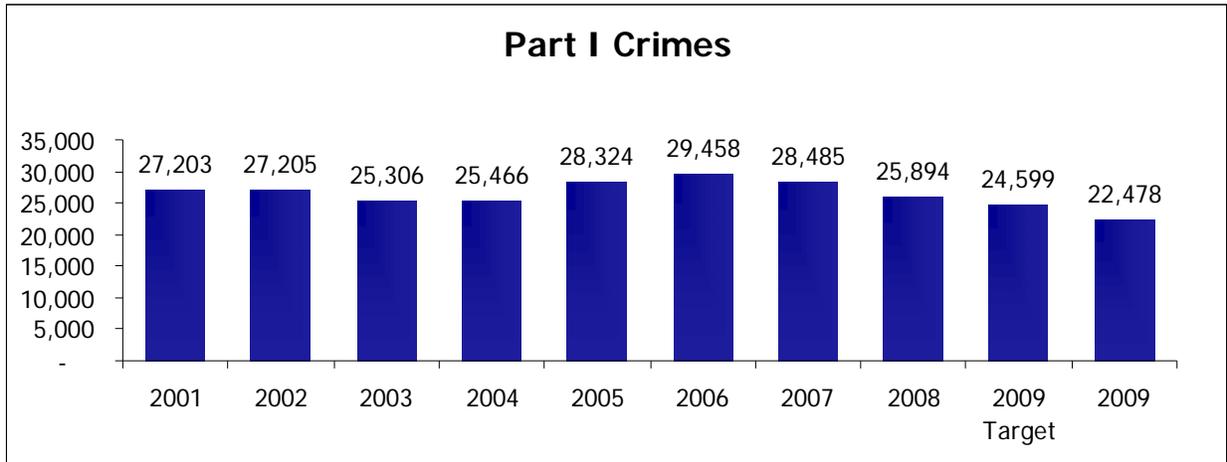
MEASURES, DATA AND TARGETS TABLE

Measure Name	2007 Data	2008 Data	2009 Data	2010* Data	2011 Target	2014 Target
Part 1 crimes	28,485	25,895	22,478	4,419	-5%	-5%
Part II crimes	38,184	35,135	33,169	6,705	-5%	-5%
Violent Crimes	5,660	4,884	4,331	905	-5%	-5%
Agg. Assault	2,579	2,487	2,176	447	-5%	-5%
Homicide	47	39	19	13	-5%	-5%
Rape	475	392	429	99	-5%	-5%
Robbery	2,559	2,066	1,707	346	-5%	-5%
Juveniles involved in violent crime arrestees	293	281	176	45	-5%	-5%
Agg Assault	116	70	80	20	-5%	-5%
Homicide	10	7	1	3	-5%	-5%
Rape	7	11	3	0	-10%	-10%
Robbery	160	94	92	22	-5%	-5%
Juveniles involved in violent crime suspects	950	771	618	122	-5%	-5%
Guns seized	1,087	1,002	929	196	1,000	1,000
Part 1 & II arrests	30,327	26,141	25,761	5,072	+5%	+5%
Adults	22,323	22,107	25,763	4,043	+5%	+5%
Juveniles	8,004	5,154	4,921	1,029	+5%	+5%
Incidents closed by arrest/complaint	29,936	46,179	44,148	10,094	+5%	+5%
Response time for priority one calls-citywide average	9:49	8:33	8:00	8:00	8:00	8:00
Response time for priority two calls	25:15	22:29	20:44	20:04	21:00	21:00
Response time for priority three calls	33:09	29:05	24:48	23:46	25:00	25:00
Externally generated internal affairs complaints	230	248			-5%	-5%
Curfew incidents	1,487	1,487	1,173	204	+5%	+5%
Curfew arrests	1,903	1,620	1,692	295	+5%	+5%

Source: Minneapolis Uniform Crime Reports (UCR)

- *First Quarter 2010 results

RESULTS MINNEAPOLIS CHARTS



What two or three key trends and challenges does the department face and how will each be addressed?

• Maintain decreases in crime.

Minneapolis Police Department (MPD) has had success in the last three years focusing on violent and Part 1 crimes. According to the FBI's Uniform Crime Reports (UCR), the decrease in violent crimes is one of the best measures of the City's safety. The majority of the MPD's resources are committed to the prevention and deterrence of crime. With a smaller overall Department and fewer administrative resources, this will require more time from line officers and supervisors to be spent on administrative duties, thus decreasing time spent on proactively addressing crime issues. Leveraging limited resources with outside partners has been very effective for the MPD and enhancing these partnerships will be even more critical in 2011.

• Managing and organizing a smaller police department.

Decreases in department funding mean that new officers will not be hired and current officers will not be promoted. It is also possible that there will be additional sworn staffing reductions in 2011. Vacancies in both the sworn and civilian ranks will remain unfilled and some services may not be provided. While there are models for predicting increases in crime based on decreases in police officers, it is unclear what the real impact of these changes will be in the City. Rand Corporation studies have shown that a 10% reduction in sworn staffing can result in a 10% increase in crime which can result in an increase to Minneapolis taxpayers. It will be imperative that the MPD organize its smaller Department to maximize patrol presence. Prioritization of investigative resources will also be critical.

• Meeting demands for technology

Technology brings a whole new set of challenges to MPD. To date the Department has been successful in finding grant funding for Mobile Data Computers and digital squad cameras and other items. These sources, however, cannot be used to pay the ongoing costs of managing and maintaining this technology. Further, implementation of digital squad cameras has been hindered by complications with infrastructure needs to support an ever increasing digital video database. Although it is imperative that this technology be installed and implemented, the challenges associated with costs and logistics in doing so will remain in 2011 and beyond. In 2011, BIS support costs are expected to increase by 13% in spite of fewer computers due to small number of employees within the MPD. These types of increases are largely out of the control of the MPD.

Although technology and support costs remain high, there is a benefit of technology. The use of cameras in squads specifically has been successfully used to defend lawsuits and provide increased transparency of MPD actions to the community.

In what internal/external partnerships is the department currently engaged and/or exploring for the future?

The Minneapolis Police Department partners with dozens of law enforcement agencies and taskforces, City of Minneapolis departments, community businesses and organizations and neighborhood groups.

Examples of some critical partnerships:

Law Enforcement-related

Minnesota Internet Crimes Against Children (MNICAC)

FBI Cybercrime Taskforce
Violent Offender Taskforce (VOTF)
Safe Streets (FBI, BCA, St. Paul Police)
Firearms Examination and Charging (ATF)
Juvenile Violent Crime Prevention Initiative (Henn County, District Court, Mpls Public Schools)

Community Businesses and Organizations

Restorative Justice
Corner House

Strategic Information Center

Mpls Fire, Mpls Emergency Preparedness, U.S. Coast Guard, law enforcement agencies in the region.

Neighborhood Groups, Associations and Advocate Organizations

Neighborhood Problem Property Taskforces
Downtown Improvement District (DID)
Safezone

In addition, over 47 businesses and organizations participate in neighborhood groups and associations working to reduce crime, and improve safety and livability conditions in Minneapolis neighborhoods. A few examples:

- Target Corp
- MadDads
- SuperAmerica Corp
- Domestic Abuse Project (DAP)

How is the department evaluating programs or services for cost effectiveness?

When evaluating the cost effectiveness of each program and unit, MPD examines the overall value of the program in terms of the impact each program has on violent crime prevention or reduction first, and then evaluate the cost of the program. The benefits derived from a program sometimes out-weigh the high costs associated with the program. For example, the cost of a homicide, depending on the study, is estimated between \$2 million and \$10 million per incident. The \$2 million represents *direct* costs for investigation, prosecution, and incarceration with the *indirect* costs being associated with rises in insurance premiums, decreases in property values, etc. A dollar figure cannot be placed on the personal and emotional costs of homicide victims' families. In the case of homicide, solving the crime and seeking justice for the victims and their families outweigh the cost to the department and City to investigate the homicides.

MPD strives to balance crime prevention and crime analysis in order to keep crime stats down and criminals off the street, the need for investigators to investigate cases and be successful in getting criminals charged, and the need for maintaining a qualified, efficient workforce which directly affects the perceived professionalism of our department by elected officials and the community. There is little debate about the need for the patrol function (911 response) to be prioritized over the investigative function and for both of those functions take priority over the professional standards functions.

Sometimes however, MPD is required to provide services for special events held in the City such as the Aquatennial, Juneteenth, Cinco de Mayo, security for dignitary visits, etc. regardless of the cost to the department. There is no cost recovery associated with providing these types

of additional service over and above normal patrol duties. With decreased personnel, it will become more of a challenge to provide these services without incurring increases in overtime, which have an adverse affect on the budget. MPD continually strives to maximize efficiency throughout the organizational structure.

What actions will the department take to meet the current service level reductions? Please include a description of any revenue proposals. Identify *Results Minneapolis* measures where you anticipate a service level impact based on cuts.

MPD had been developing strategies to minimally meet a \$1.709 million CSL cut in 2011. In preparing the budget, it was determined based upon projections for increases in several areas in 2011, that MPD would be faced with a 2011 reduction of \$5.7 million to achieve a long-term balanced budget. The unexpected increases are largely due to the following:

Actual staffing higher than authorized/budgeted:

- Proportion of personnel/non personnel budget dollars not reflective of staffing levels

Expense in excess of revenue for separate policing agreements:

- School liaison & MPHA agreement \$820,000

13% increase in BIS costs which equals \$653,000:

- This in spite of reduction of 38 computers in 2011 due to 2010 staffing reductions.
- \$85,000 of this increase is for ongoing technology support for the new *strategic information center* that is not covered by grants.

10% increase in Property Services rent which equals \$266,000:

- This increase may be offset by planned decrease costs which will be realized in rented space due to VOTF and Ballistics moves which could exceed \$100,000 in savings annually.

15% Self-insurance fund rate increase which equals \$880,000.

Contingency funding (set to expire in 2011) which equals \$1.5 million

As a result, the MPD's plan for achieving this \$5.7 million reduction includes the following strategies:

- \$1 million potential in reductions of personnel due to incentive (10 sworn est.).
- \$200,000 in potential further reductions in fleet costs due to fewer personnel.
- \$2.8 million in personnel reductions (sworn layoffs and other attrition of up to 31 FTE's)
- Use of unspent contingency, this is currently estimated at \$800,000 of the \$1.5 million appropriated in 2010 could offset some of the above layoffs.

In early budget preparation for 2011, layoffs were a possibility. The Adopted budget reduces the chances of layoff by appropriating \$500,000 in one time dollars to allow attrition without layoffs.

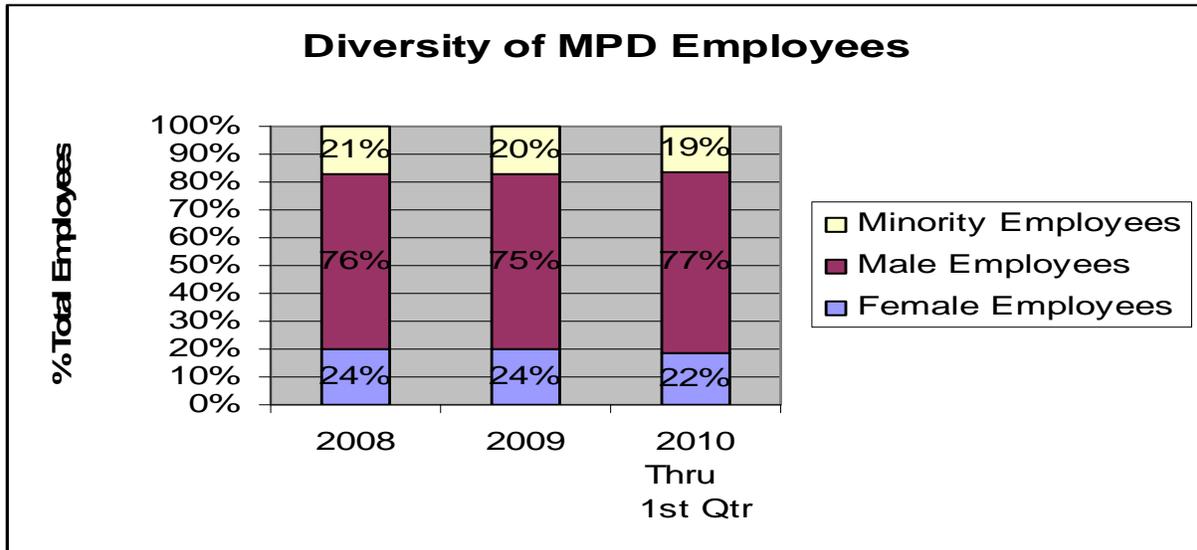
Arrests

Arrests are a measure of police activity and represent a positive outcome for a crime that has been committed. Decreases in officers on the street will mean that fewer arrests will be made. It

is difficult to estimate the changes in crime in relation to a percentage of staffing cuts. A Rand Corporation report estimates that for every 10% reduction in a police force, there is a corresponding increase in crime varying from 0-10% depending upon the offense as well as a decrease in the number of arrests made.

Diversity of Workforce

Over the past few years, the MPD has made significant progress with increasing diversity in the workforce. The loss of sworn FTE's will result in decreased diversity in the MPD.



Retirement Incentive:

The MPD has 52 sworn who are currently eligible or will become eligible to retire in 2010. In 2011, the MPD will have an additional 11 sworn employees eligible to retire. Due to the poor economy, people are postponing retirement. If eligible employees take advantage of the retirement incentive, the increased attrition would result in additional savings in employee salaries and benefit costs, as well as creating opportunities for advancement for other sworn and for potential increased diversity throughout the sworn ranks.

2011 Revenue:

In 2010, City Council allocated \$250,000 in one-time funding to replace MPD's current electronic ticket writing system. The MPD is purchasing this new software which, when operational, will allow for greater tracking of citations through the system. Ultimately, this should increase fine revenue realized from citations.

FINANCIAL ANALYSIS

EXPENDITURE

The Police budget is \$136 million, a 2.1% increase over 2010. Personnel expenses make up about 78% of the total budget. For 2011, to more accurately reflect actual spending, the department moved non personnel dollars into personnel to add 16.8 FTE within existing resources. Non-personnel expenses make up about 22% 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 make up the majority of non-personnel expense. The remainder of the expenses covers uniform allowance, translator fees, training, supplies, and jail fees.

The Police Federal Grant Budget is \$4,002,906 which includes 13 officers funded by the COPS Hiring Grant. The Grants-Other Budget for the Police is \$791,811. The Federal Grants & Grants-other make up 3.5% of the Police Budget. These grant funds are for personnel including overtime, equipment, training, contractual services, operating costs etc.

REVENUE

The department's revenue for 2011 is about \$17.4 million, a 1.6% decrease from the prior year. Federal and state government aid is the largest source of department revenue. The general fund revenue budget receives about \$4.4 million in state aid to offset PERA pension costs.

The Revenue Budget in the MPD Federal Grants is \$4.48 million which includes City Attorney's expenses in 2 Federal Grants.

The department's police special revenue fund's revenue makes up about 1.6% of the total revenue budget. It accounts for forfeitures, lawful gambling tax, the Automated Pawn System, Workforce Director, and reimbursable services such as the detox van, bomb sweeps at sporting events and police overtime for snow emergencies. Public housing patrol services and school liaison, which had been part of the special revenue fund, are reflected in the general fund.

FUND ALLOCATION

The majority (94%) of the department's expenditure budget comes from the general fund, and the rest comes out of the police special revenue fund, state, federal and other grants.

MAYOR'S RECOMMENDED BUDGET

The Mayor recommended a reduction to growth of \$1.025M for this department, which will be partially offset by health care savings for the department. The recommendation also included a reduction of 24 sworn FTE, to 862 sworn FTE, to be accomplished by the end of the 2011. The Mayor also recommended a one-time appropriation increase of \$500,000 to allow the department to reduce personnel through attrition. In addition, the department was directed to reduce non-personnel expenses by \$1M to meet long-term financial projections.

Based on actual receipts, the City's entertainment tax revenues have increased by \$300,000 from previous estimates. The department's base budget was increased to reflect this change. Entertainment tax resources are transferred into the general fund for activities related to Citywide entertainment events. As the largest general fund department, most of these resources support the Police department.

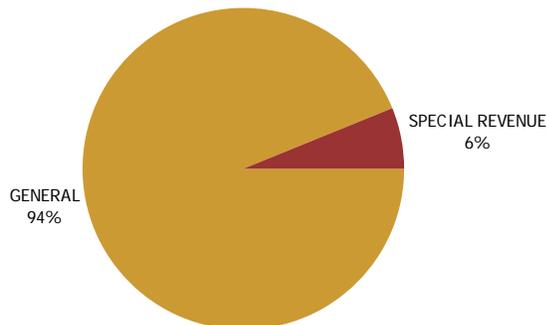
COUNCIL ADOPTED BUDGET

Council adopted the Mayor's recommendations.

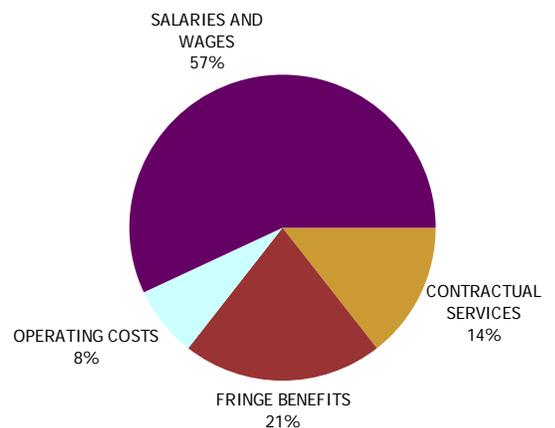
POLICE EXPENSE AND REVENUE INFORMATION

EXPENSE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
AGENCY						
OPERATING COSTS	(55,468)	(381,894)			0.0%	0
TOTAL AGENCY	(55,468)	(381,894)				0
GENERAL						
SALARIES AND WAGES	73,759,618	74,920,285	72,772,108	73,596,342	1.1%	824,234
FRINGE BENEFITS	23,000,289	25,885,471	25,389,767	27,670,581	9.0%	2,280,814
CONTRACTUAL SERVICES	17,168,337	17,631,456	16,355,567	17,451,031	6.7%	1,095,464
OPERATING COSTS	8,737,559	8,323,097	8,894,448	9,181,460	3.2%	287,012
CAPITAL	67,785	131,942	457,548	100,585	-78.0%	(356,963)
TOTAL GENERAL	122,733,588	126,892,251	123,869,438	128,000,000	3.3%	4,130,562
SPECIAL REVENUE						
SALARIES AND WAGES	8,176,164	5,576,257	5,244,935	4,011,035	-23.5%	(1,233,900)
FRINGE BENEFITS	1,317,131	1,600,403	1,546,234	1,002,738	-35.1%	(543,496)
CONTRACTUAL SERVICES	1,474,111	1,963,243	1,461,132	2,114,159	44.7%	653,027
OPERATING COSTS	547,196	1,325,109	1,441,851	1,213,539	-15.8%	(228,312)
CAPITAL	365,388	130,368	(0)		-100%	0
TOTAL SPECIAL REVENUE	11,879,990	10,595,380	9,694,151	8,341,470	-14.0%	(1,352,681)
TOTAL EXPENSE	134,558,110	137,105,737	133,563,589	136,341,470	2.1%	2,777,881

Expense by Fund

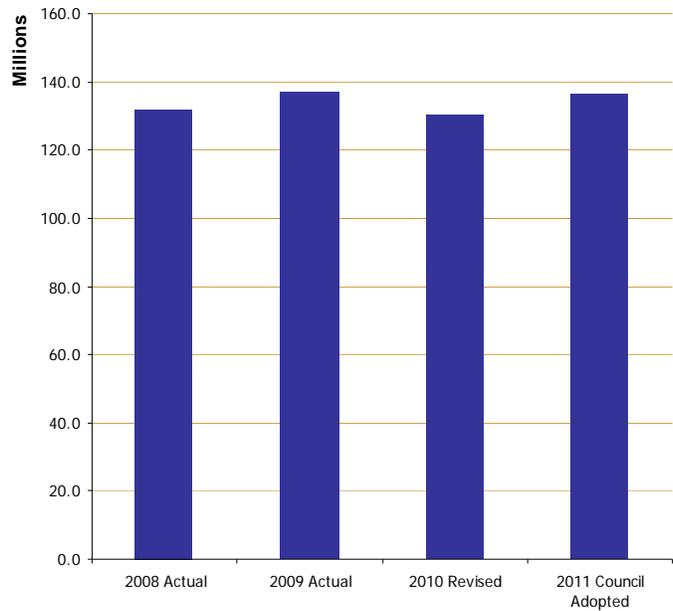
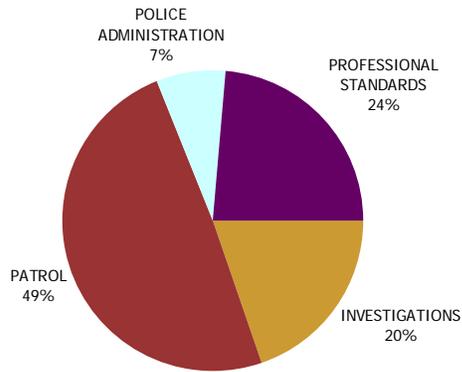


Expense by Category



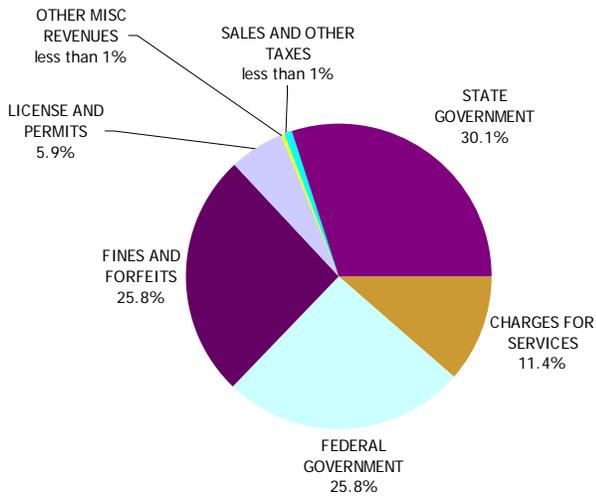
Expense by Division

Expense 2008 - 2011

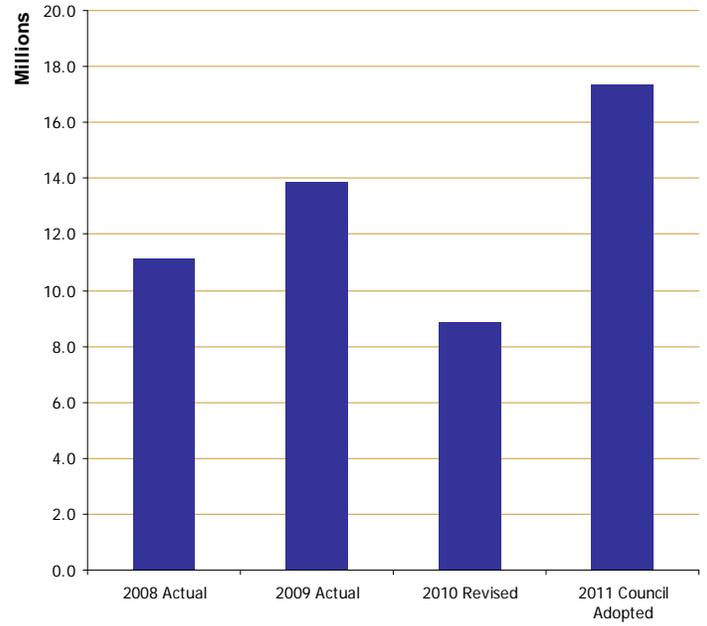


REVENUE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
AGENCY						
GAINS	1,063	1,611			0.0%	0
LONG TERM LIABILITIES PROCEEDS	(1,063)	(1,611)			0.0%	0
TOTAL AGENCY					0.0%	0
GENERAL						
SALES AND OTHER TAXES		1,567				
LICENSE AND PERMITS			400		-100.0%	(400)
STATE GOVERNMENT	4,428,440	4,443,294	4,380,000	4,440,000	1.4%	60,000
CHARGES FOR SERVICES	643,810	333,308	167,643	1,690,238	908.2%	1,522,595
CHARGES FOR SALES		2,212				
FINES AND FORFEITS	8,195,359	8,153,561	3,718,877	3,837,000	3.2%	118,123
OTHER MISC REVENUES	2,093	30,596	3,340	3,270	-2.1%	(70)
TOTAL GENERAL	13,269,702	12,964,538	8,270,260	9,970,508	20.6%	1,700,248
SPECIAL REVENUE						
SALES AND OTHER TAXES	147,571	141,806	121,626	140,000	15.1%	18,374
LICENSE AND PERMITS	833,436	973,508	540,626	1,025,000	89.6%	484,374
FEDERAL GOVERNMENT	2,196,931	5,985,533	4,841,454	4,484,632	-7.4%	(356,822)
STATE GOVERNMENT	997,168	1,215,963	1,288,730	791,811	-38.6%	(496,919)
LOCAL GOVERNMENT	55,380	26,233				
CHARGES FOR SERVICES	1,253,707	1,935,619	2,152,629	290,000	-86.5%	(1,862,629)
CHARGES FOR SALES	12,915					
FINES AND FORFEITS	733,029	584,969	416,467	652,000	56.6%	235,533
INTEREST	12,561	7,358				
CONTRIBUTIONS	38,825	45,585				
OTHER MISC REVENUES	590	35,022	40,000	30,000	-25.0%	(10,000)
TOTAL SPECIAL REVENUE	6,282,113	10,951,596	9,401,532	7,413,443	-21.1%	(1,988,089)
TOTAL REVENUE	19,551,815	23,916,134	17,671,792	17,383,951	-1.6%	(287,841)

Direct Revenue by Type



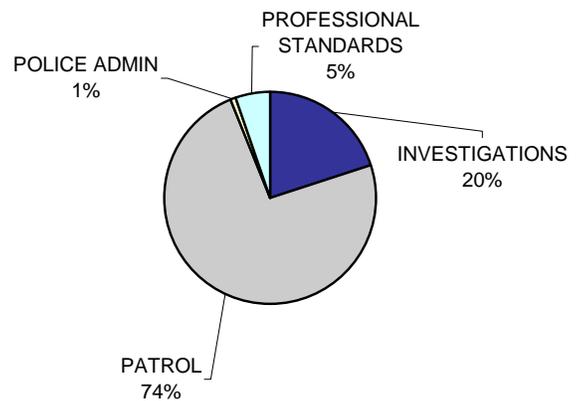
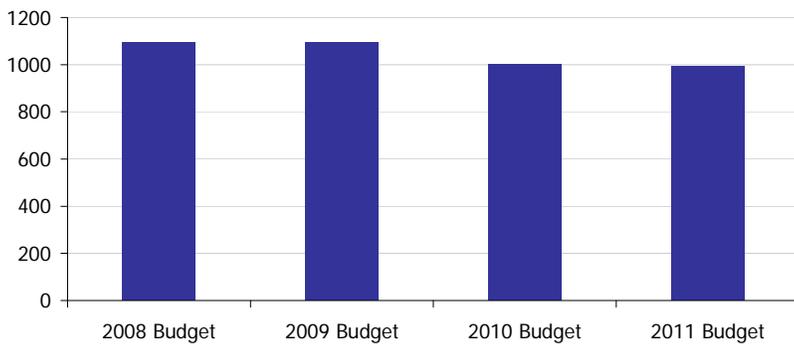
Revenue 2008 - 2011



Staffing Information

Expense	2008 Budget	2009 Budget	2010 Budget	2011 Budget	% Change	Change
INVESTIGATIONS	143.00	217.50	201.00	199.00	-1.0%	(2.00)
PATROL	785.00	734.35	716.70	731.00	2.0%	14.30
POLICE ADMINISTRATION	11.00	13.00	14.00	9.00	-35.7%	(5.00)
PROFESSIONAL STANDARDS	154.00	127.15	67.50	53.00	-21.5%	(14.50)
TOTAL	1,093.00	1,092.00	999.20	992.00	-0.7%	(7.20)

Positions 2008-2011



PUBLIC WORKS

MISSION

To be effective stewards of the public infrastructure, and provide valued city services that contribute to public safety, economic vitality and neighborhood livability in Minneapolis.

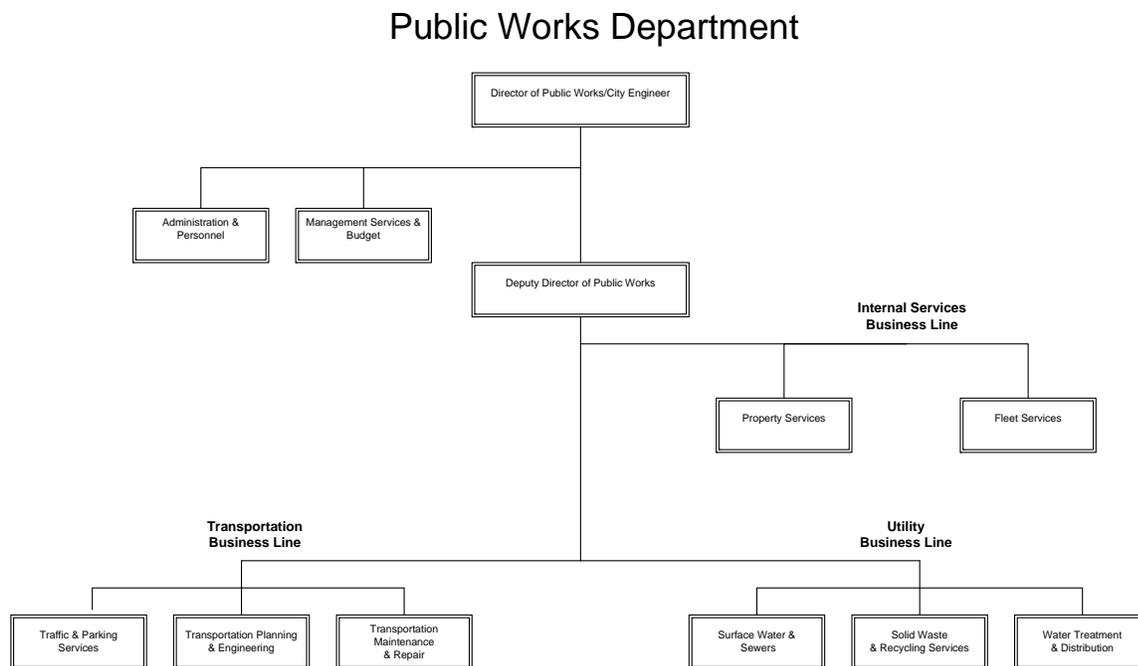
BUSINESS LINES

Internal Services – The Internal Services business line is comprised of services that are provided primarily to internal City departments and are funded mostly within formal Internal Service funds. Fees for these services are intended to recover the costs incurred for providing each service. Property Services and Fleet Services are the two divisions in the Internal Services business line.

Utilities – This business line provides services that promote the health and safety of people and property by providing potable water, managing non-potable water, and maintaining a clean city through the collection and disposal of solid waste, recyclables, problem materials, yard waste, and coordination of Clean City activities. The three divisions of the Utilities business line are Surface Water & Sewers, Water Treatment & Distribution, and Solid Waste & Recycling Services.

Transportation – The Transportation Business Line within the Department of Public Works exists to offer people a variety of safe, convenient options for moving throughout the City and within the region. Transportation options enhance the aesthetics of the environment, improving livability, while contributing to economic vitality through the safe, efficient movement of people and goods. The three divisions in the Transportation business line are Traffic & Parking Services, Transportation Planning & Engineering, and Transportation Maintenance & Repair.

ORGANIZATION CHART

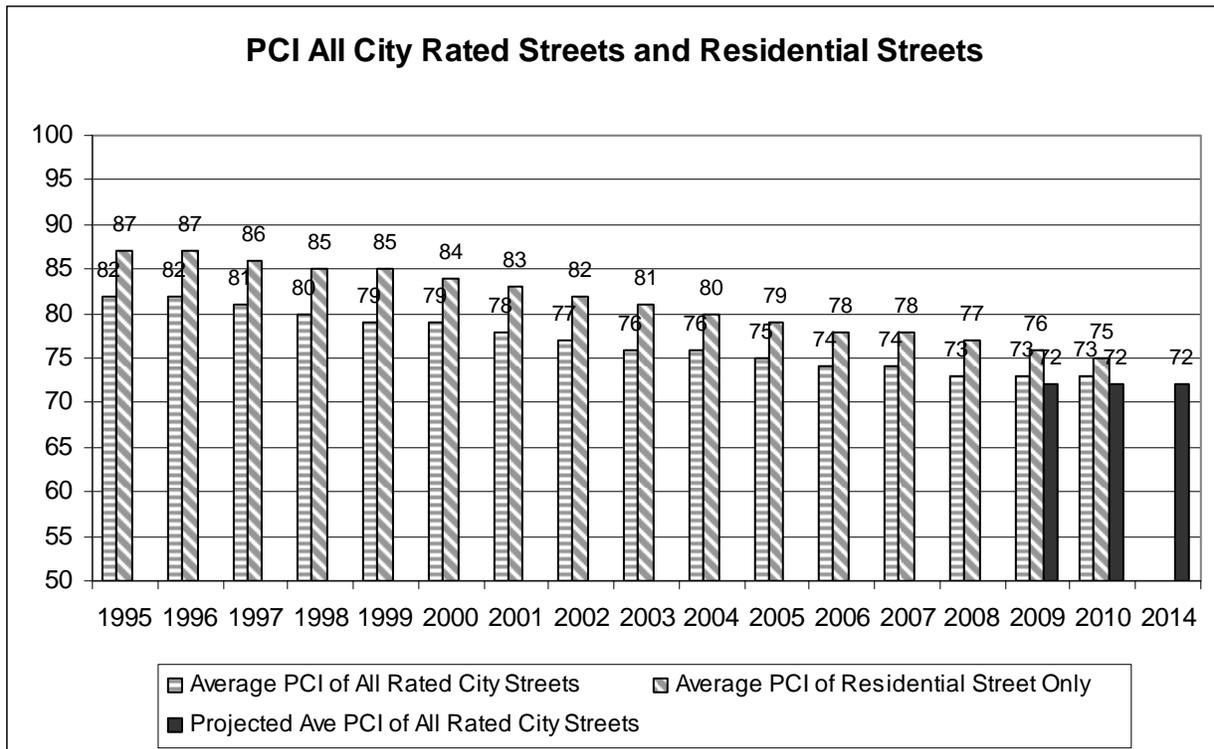


What two or three key trends and challenges does the department face and how will each be addressed?

Infrastructure Condition

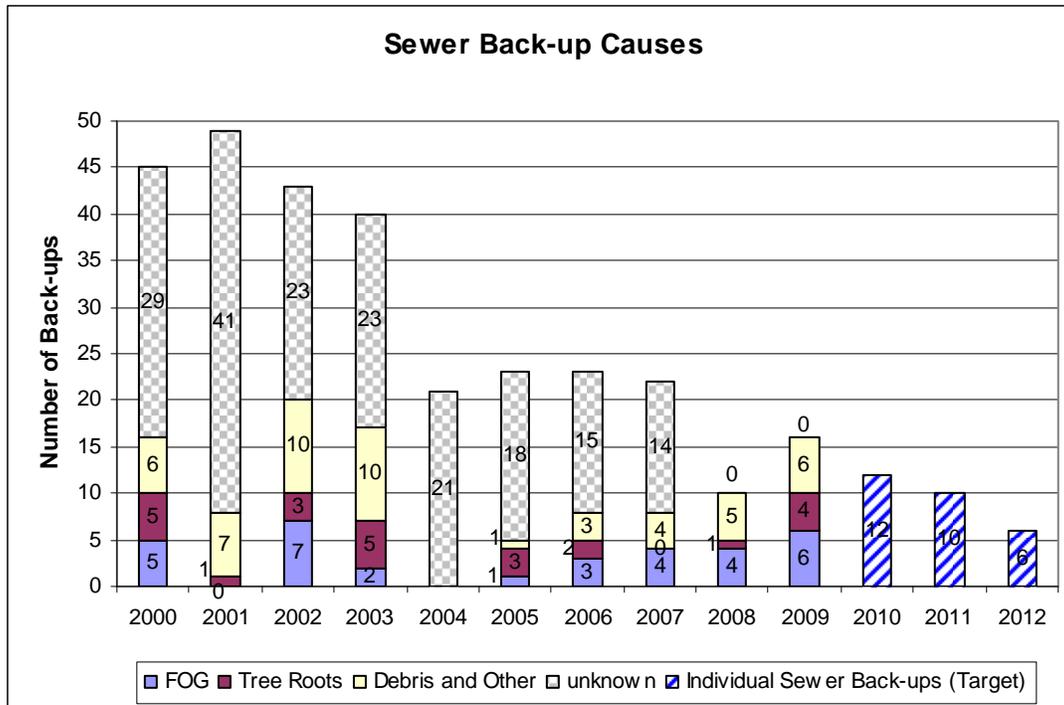
- **TRANSPORTATION MAINTENANCE & REPAIR:**

- The repeated annual pressure on the General Fund to reduce costs have adversely impacted the City’s related infrastructure which includes streets, alleys, bridges, malls, street lights, signs, and traffic signals. The roadways are requiring more reactive maintenance that has almost eliminated the available funding for preventative maintenance. Adding to the challenge is the fact that costs for labor, fleet and materials are growing faster than inflation.



- **SANITARY SEWER:**

- The sanitary sewer system is experiencing an increased amount of sedimentation in the larger pipes as a result of the clear water that has been removed from the system. This is causing deterioration and accumulation in the pipes. Public Works will be initiating an operations program in 2011 with an initial investment of \$500,000.
- Public Works is also expending a significant amount of time (staff and equipment) cleaning and maintaining the sanitary lines near restaurants due to the disposal of fats, oil and grease (FOG) in the system.



- **STORMWATER:**

- Significant capital needs have been identified in the tunnel segments of the stormwater system. Surface Water and Sewers has initiated an annual inspection program to monitor and track the conditions of the tunnels and has proposed to increase the capital tunnel program to address the condition in an accelerated manner.
- In addition there are concerns regarding future Total Maximum Daily Load (TMDL) for local lakes and creeks as well as Lake Pepin. The potential financial responsibilities could be significant.

Unfunded Initiatives

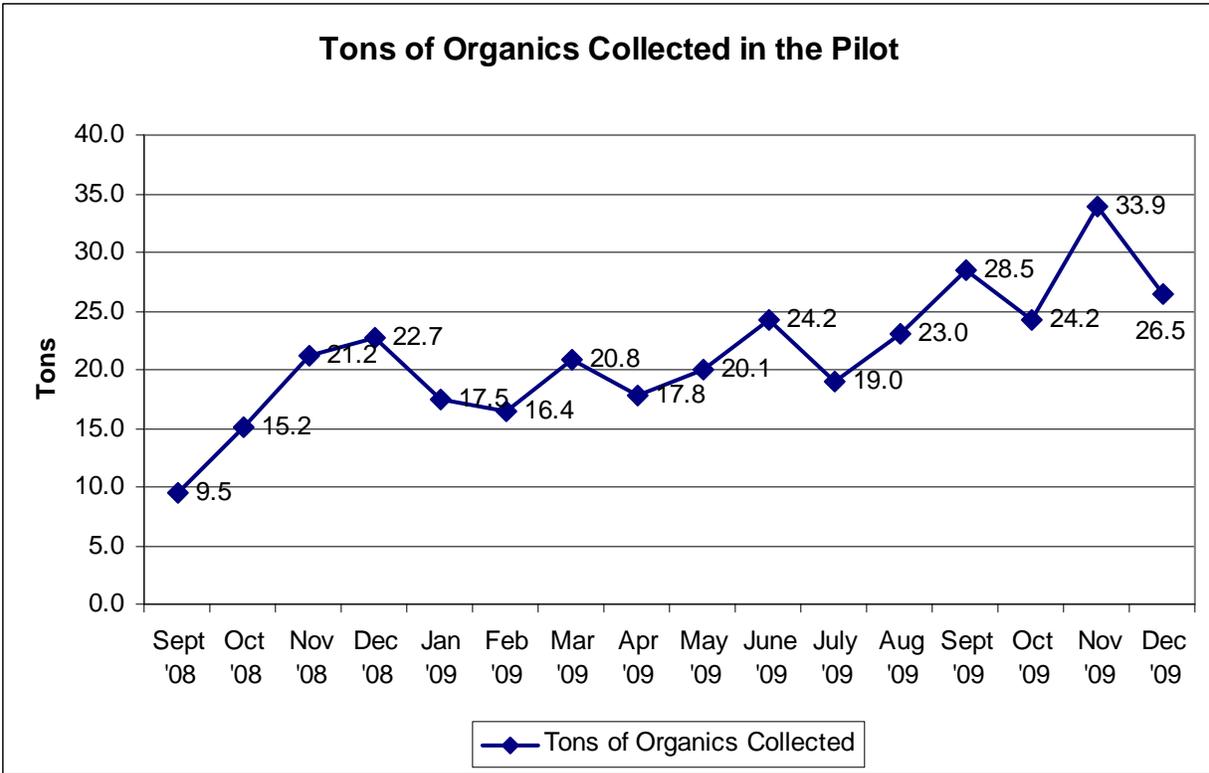
- **TRANSPORTATION PLANNING & ENGINEERING:**

- There are an increasing number of projects and/or initiatives that require technical and engineering expertise that are of interest to the City and do not at this time have an identified funding source. Public Works feels the appropriate funding source is tax levy dollars for these types of projects, which include the Central Corridor Light Rail Transit (LRT), the Street Car Study, the ADA Transition Plan, the Transit/Access Project and possibly others.

Sustainable Future

- **Solid Waste & Recycling:**

- In fall, 2010, Public Works presented a report to Council which identified state and county regulatory changes requiring future City changes to solid waste and recycling operations, which may impact expenses.



In what internal/external partnerships is the department currently engaged and/or exploring for the future?

- **SANITARY SEWER:**
 - The Surface Water & Sewers Division is partnering with Regulatory Services and the City Attorney’s Office to reduce the amount of fats, oil and grease (FOG) in the sanitary sewer system.
- **Solid Waste & Recycling**
 - In collaboration with Hennepin County, Public Works is actively urging citizen customers to recycle more and to discard less solid waste by raising large garbage cart fees by \$1.00 per month in 2011. This action should result in a portion of solid waste customers reducing the amount of solid waste they discard and switching to a smaller cart with a lower fee.
 - Solid Waste & Recycling is partnering with 311 to take the majority of the Graffiti complaint calls.

How is the department evaluating programs or services for cost effectiveness?

Public Works periodically reconsiders the service activities it provides and the methods used to provide services. Through monthly financial meetings with divisions and continuing work on performance measurement, the department analyzes the value and effectiveness of different activities.

What actions will the department take to meet the current service level reductions? Please include a description of any revenue proposals. Identify Results Minneapolis measures where you anticipate a service level impact based on cuts.

- **Current Service Level Cut**
Public Works has analyzed the revenue estimates for the General Fund and by evaluating and more accurately estimating revenues in all divisions has increased its overall estimated revenues in the General Fund by about \$429,000. Included are the following are additional revenue sources:
 - \$418,000 revenue in State Trunk Highway, Municipal State Aid and County State Aid maintenance funding
 - \$360,000 revenue in Traffic Capital overhead recovery
 - \$75,000 revenue in Traffic WiFi Franchise Fee

- **Reductions to arrive at the 5-Year Financial Direction**
In order to reach the Five-year Financial Direction, the Street Maintenance & Repair Division will reduce its budget by approximately \$387,000. The reduction in expenses will mean that there will be one less general patch and repair crew for approximately 22 weeks during the summer. This will result in a reduction of pothole patching on 20 to 25 miles of streets, and some 50,000 pothole repairs.

Request additional funding to cover the aforementioned Unfunded Initiatives within Transportation Planning and Engineering Division.

- Public Works requested additional funding to cover a projects that do not have funding. These projects include East/West Spine, Streetcar study, Transit/Access, and Central Corridor LRT.

- This request is in the General Fund (00100) in the Transportation Planning & Special Assessments/Right of Way Management Cost Center (6000200). The following is the detail of this request:

○ 1 Transportation Planner	\$108,690	
○ Other personnel expenses	\$ 2,850	
○ Personnel and Fringes		\$111,540
○ Project expenses	<u>\$500,000</u>	
○ Total of Request		\$611,540

FINANCIAL ANALYSIS

The department’s 2011 expenditure budget is \$310.3 million, a 2.4% increase from the 2010 revised budget. The department is funded by the general fund, the capital projects fund, four internal service funds and five enterprise funds. The estimated overall change in personnel is a reduction of positions for a total of 24, most of which are vacancies.

MAYOR’S RECOMMENDED BUDGET

The Mayor recommended a reduction to growth of \$463,000 which the department will meet with additional revenue sources (a renegotiated state maintenance contract and from capital overhead to projects) and with health care savings. The Mayor further recommended \$50,000 on a one-time basis to be used for a 38th Street study to be funded from existing resources.

COUNCIL ADOPTED BUDGET

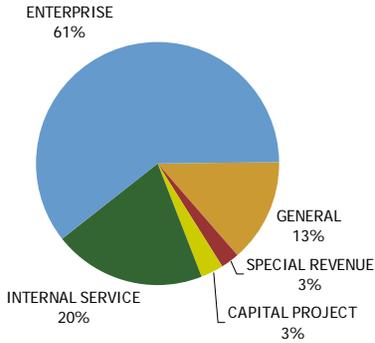
The Council adopted the Mayor's recommendations. The Council further adopted the following staff direction: the department of Public Works should report back to the Transportation & Public Works and Ways and Means/Budget by March 1, 2011 with a prioritized list of memberships, including prioritizing memberships for funding within the 2011 budget, including a plan for funding high-priority memberships on an ongoing basis. This list of memberships should include costs of City membership in regional coalitions.

PUBLIC WORKS EXPENSE AND REVENUE INFORMATION

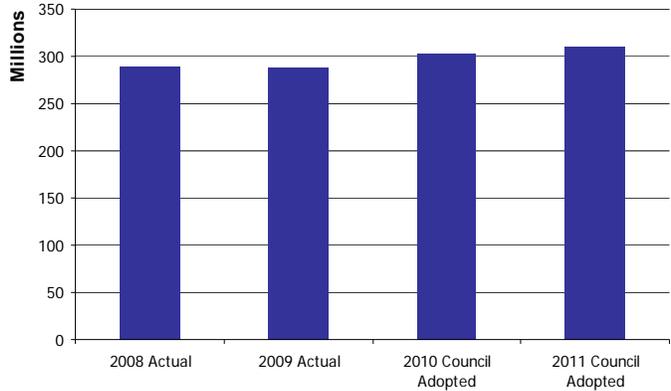
EXPENSE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
AGENCY						
OPERATING COSTS	(44,574)	854,205				
TOTAL AGENCY	(44,574)	854,205				
CAPITAL PROJECT						
SALARIES AND WAGES	2,900,354	3,107,034	3,341,075	3,488,974	4.4%	147,899
CONTRACTUAL SERVICES	2,562,278	2,126,164	3,179,869	3,219,839	1.3%	39,970
OPERATING COSTS	119,549	128,553	731,445	635,126	-13.2%	(96,319)
FRINGE BENEFITS	974,879	1,164,617	1,387,775	1,348,747	-2.8%	(39,028)
CAPITAL	3,195		40,800	47,104	15.5%	6,304
TOTAL CAPITAL PROJECT	6,560,255	6,526,368	8,680,964	8,739,790	0.7%	58,826
ENTERPRISE						
SALARIES AND WAGES	27,555,656	28,462,352	28,687,110	31,156,456	8.6%	2,469,346
CONTRACTUAL SERVICES	82,412,145	81,467,517	95,665,366	91,612,980	-4.2%	(4,052,386)
OPERATING COSTS	60,780,891	57,886,601	43,595,294	48,527,147	11.3%	4,931,853
FRINGE BENEFITS	12,712,387	13,642,648	14,461,778	12,834,772	-11.3%	(1,627,006)
CAPITAL	908,199	93,094	4,387,790	4,594,972	4.7%	207,182
TOTAL ENTERPRISE	184,369,278	181,552,212	186,797,338	188,726,327	1.0%	1,928,989
GENERAL						
SALARIES AND WAGES	12,095,109	11,281,005	10,583,699	11,570,609	9.3%	986,911
CONTRACTUAL SERVICES	18,998,626	18,588,069	19,039,443	19,158,906	0.6%	119,463
OPERATING COSTS	6,247,956	6,112,976	5,658,990	5,807,733	2.6%	148,743
FRINGE BENEFITS	4,966,391	5,030,272	5,140,718	5,202,702	1.2%	61,984
CAPITAL	73,174	69,700	283,469	99,948	-64.7%	(183,521)
DEBT SERVICE			200,000		-100.0%	(200,000)
TOTAL GENERAL	42,381,256	41,082,023	40,906,319	41,839,899	2.3%	933,580
INTERNAL SERVICE						
SALARIES AND WAGES	16,284,188	16,312,280	15,494,624	16,317,054	5.3%	822,430
CONTRACTUAL SERVICES	13,563,390	16,050,784	22,539,629	23,213,560	3.0%	673,931
OPERATING COSTS	18,050,950	14,238,350	13,169,588	11,150,560	-15.3%	(2,019,028)
FRINGE BENEFITS	8,015,165	8,052,921	7,640,690	7,656,255	0.2%	15,566
CAPITAL	91,325	13,231	7,851,523	4,656,661	-40.7%	(3,194,862)
TOTAL INTERNAL SERVICE	56,005,018	54,667,566	66,696,053	62,994,091	-5.6%	(3,701,962)
SPECIAL REVENUE						
SALARIES AND WAGES	8,843					
CONTRACTUAL SERVICES	32,759	2,990,418		8,007,167		8,007,167
OPERATING COSTS	11,778					
FRINGE BENEFITS		2,023				
TOTAL SPECIAL REVENUE	53,380	2,992,441		8,007,167		8,007,167
TOTAL EXPENSE	289,324,613	287,674,815	303,080,674	310,307,274	2.4%	7,226,599

REVENUE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
CAPITAL PROJECT						
CHARGES FOR SALES	258	606		300		300
CHARGES FOR SERVICES	4,166,445	5,947,424	2,322,924	2,800,000	20.5%	477,076
FEDERAL GOVERNMENT		113,485				
LICENSE AND PERMITS	152,635	334,445	263,159	260,000	-1.2%	(3,159)
LOCAL GOVERNMENT		74,400				
OTHER MISC REVENUES	824	2,394		500		500
SPECIAL ASSESSMENTS	73,631	127,232	16,072	60,000	273.3%	43,928
TOTAL CAPITAL PROJECT	4,393,793	6,599,985	2,602,155	3,120,800	19.9%	518,645
ENTERPRISE						
CHARGES FOR SALES	4,754,671	2,309,364	2,806,000	2,151,904	-23.3%	(654,096)
CHARGES FOR SERVICES	213,233,418	225,896,667	220,170,819	240,513,591	9.2%	20,342,772
FINES AND FORFEITS	61,437	57,441	45,000	45,000	0.0%	
GAINS	565,167					
LICENSE AND PERMITS	256,948	369,149	219,000	241,000	10.0%	22,000
LOCAL GOVERNMENT	1,216,319	1,157,598	1,085,072	1,241,654	14.4%	156,582
LONG TERM LIABILITIES		(5,536,059)				
OTHER MISC REVENUES	115,749	111,155	193,841	46,500	-76.0%	(147,341)
RENTS	10,544	7,685	3,000	3,500	16.7%	500
SALES AND OTHER TAXE	(0)					
SPECIAL ASSESSMENTS	302,386	955,326	115,000	60,510	-47.4%	(54,490)
STATE GOVERNMENT	885,337	730,787	761,138	1,032,532	35.7%	271,394
TOTAL ENTERPRISE	221,401,975	226,059,113	225,398,870	245,336,191	8.8%	19,937,321
GENERAL						
CHARGES FOR SALES	60,083	60,667	28,500	23,500	-17.5%	(5,000)
CHARGES FOR SERVICES	7,720,087	7,268,197	5,146,500	6,083,848	18.2%	937,348
FEDERAL GOVERNMENT		113,549				
FRANCHISE FEES	197,923	117,817	110,000	210,000	90.9%	100,000
LICENSE AND PERMITS	1,404,946	1,076,965	1,510,000	986,000	-34.7%	(524,000)
LOCAL GOVERNMENT	544,349	442,465	664,918	693,612	4.3%	28,694
OTHER MISC REVENUES	248,517	229,579	648,492	126,100	-80.6%	(522,392)
RENTS			2,400		-100.0%	(2,400)
SPECIAL ASSESSMENTS	2,071,984	906,161	799,804	902,804	12.9%	103,000
STATE GOVERNMENT	3,800,442	3,129,525	4,002,530	3,866,878	-3.4%	(135,652)
TRANSFERS IN		700,000				
TOTAL GENERAL	16,048,331	14,044,925	12,913,144	12,892,742	-0.2%	(20,402)
INTERNAL SERVICE						
CHARGES FOR SALES	6,662,471	6,134,925	10,620,547	8,998,744	-15.3%	(1,621,803)
CHARGES FOR SERVICES	18,217,622	15,416,624	17,342,209	16,287,275	-6.1%	(1,054,934)
FEDERAL GOVERNMENT		106,220				
GAINS	50,345	59,322	200,000	200,000	0.0%	
OTHER MISC REVENUES	311,224	279,172	13,000	70,970	445.9%	57,970
PROPERTY TAXES	(427)					
RENTS	28,755,936	33,449,911	38,156,113	38,337,284	0.5%	181,171
TOTAL INTERNAL SERVICE	53,997,171	55,446,173	66,331,869	63,894,273	-3.7%	(2,437,596)
SPECIAL REVENUE						
OTHER MISC REVENUES		1,417,093				
SPECIAL ASSESSMENTS		1,199,077		5,800,000		5,800,000
TOTAL SPECIAL REVENUE		2,616,169		5,800,000		5,800,000
TOTAL REVENUE	295,841,270	304,766,366	307,246,038	331,044,006	7.7%	23,797,968

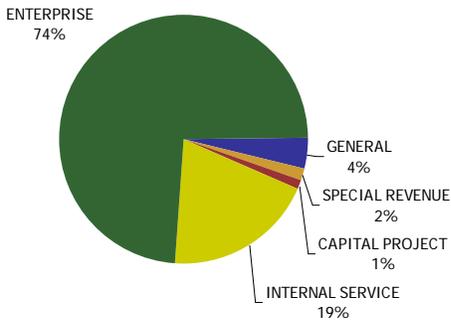
Expense by Fund



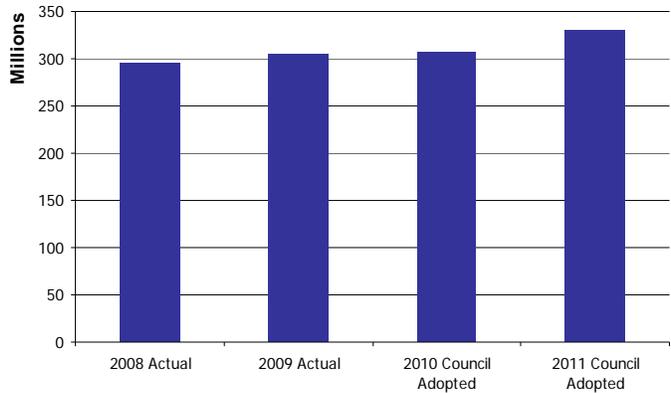
Expense 2008 - 2011



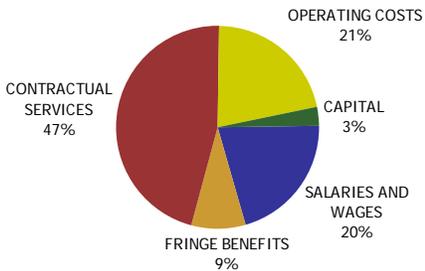
Revenue by Fund



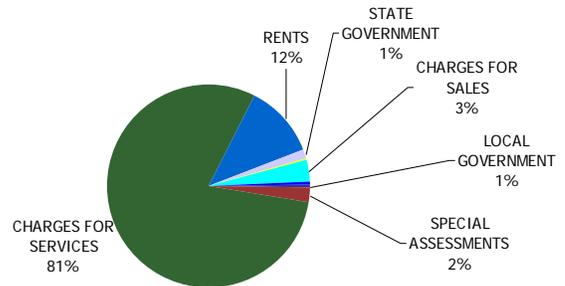
Revenue 2008 - 2011



Expenditures by Type



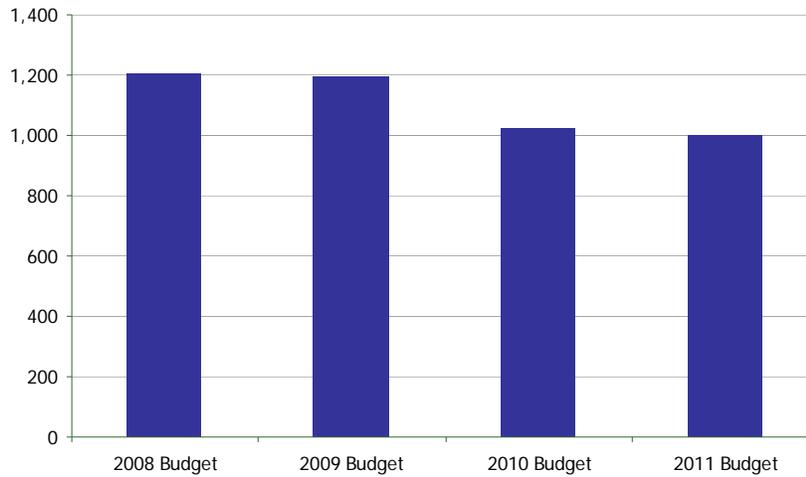
Revenue by Type



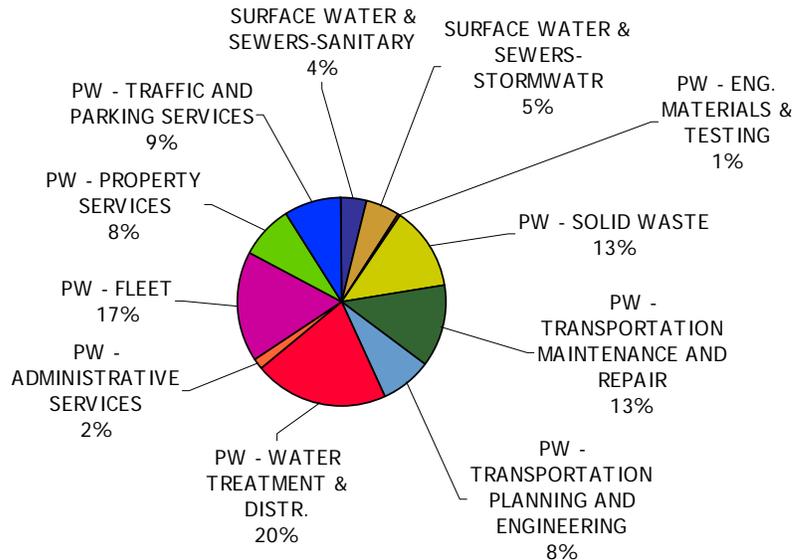
PUBLIC WORKS Staffing Information

FTE's By Department	2008 Budget	2009 Budget	2010 Budget	2011 Budget	% Change	Change
SURFACE WATER & SEWERS-SANITARY	39.00	41.40	38.40	38.65	0.7%	0.25
SURFACE WATER & SEWERS-STORMWATR	77.40	68.50	55.00	52.25	-5.0%	(2.75)
PW - ENG. MATERIALS & TESTING	20.00	7.00	6.00	6.00	0.0%	
PW - SOLID WASTE	128.00	129.00	127.00	127.00	0.0%	
PW - TRANSPORTATION MAINTENANCE AND REPAIR	151.00	144.70	129.95	129.95	0.0%	
PW - TRANSPORTATION PLANNING AND ENGINEERING	66.00	88.00	74.00	78.00	5.4%	4.00
PW - WATER TREATMENT & DISTR.	253.00	252.75	216.67	207.00	-4.5%	(9.67)
PW - ADMINISTRATIVE SERVICES	17.00	15.50	15.50	16.00	3.2%	0.50
PW - FLEET	247.00	246.60	180.60	172.00	-4.8%	(8.60)
PW - PROPERTY SERVICES	106.00	108.40	91.30	84.50	-7.4%	(6.80)
PW - TRAFFIC AND PARKING SERVICES	98.00	94.13	90.00	89.00	-1.1%	(1.00)
Total PUBLIC WORKS Depts	1,203.00	1,195.98	1,024.42	1,000.35	-2.3%	(24.07)

Positions 2008-2011



Positions by Division



ADMINISTRATIVE SERVICES

EXPENDITURE

The 2011 budget is \$2.8 million or a 2.6% increase over the 2010 budget of \$2.7 million. The increase is a result of increased non-personnel costs. The number of positions is increasing by 0.5 FTE from 15.5 to 16.0, in order to handle additional required job maintenance tasks for the department.

REVENUE

Revenue of \$2.6 million in administrative services results from overhead charged to other Public Works functions and also permit and plan review fees. This is an increase of 12.8% from the 2010 budget.

FUND ALLOCATION

Administrative Services operates within the City's General Fund.

MAYOR'S RECOMMENDED BUDGET

The Mayor recommended no changes.

COUNCIL ADOPTED BUDGET

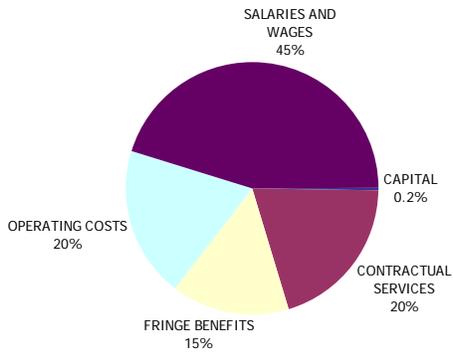
The Council adopted the Mayor's recommendation.

PUBLIC WORKS - ADMINISTRATIVE SERVICES EXPENSE AND REVENUE INFORMATION

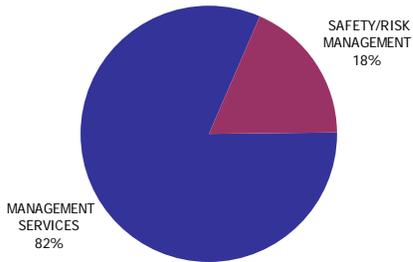
EXPENSE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	1,233,140	1,177,570	1,230,566	1,246,661	1.3%	16,095
FRINGE BENEFITS	347,137	342,277	411,019	413,895	0.7%	2,877
CONTRACTUAL SERVICES	683,043	584,691	509,106	552,911	8.6%	43,805
OPERATING COSTS	447,095	466,533	519,902	540,215	3.9%	20,313
CAPITAL	1,514		18,126	4,586	-74.7%	(13,540)
TOTAL EXPENSE	2,711,929	2,571,072	2,688,718	2,758,268	2.6%	69,550

REVENUE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
GENERAL						
LICENSE AND PERMITS	341,678	328,678	335,000	250,000	-25.4%	(85,000)
LOCAL GOVERNMENT	30,000				0.0%	0
CHARGES FOR SERVICES	2,193,589	2,588,157	1,926,000	2,300,000	19.4%	374,000
CHARGES FOR SALES	91				0.0%	0
OTHER MISC REVENUES	174	781			0.0%	0
TOTAL REVENUE	2,565,532	2,917,616	2,261,000	2,550,000	12.8%	289,000

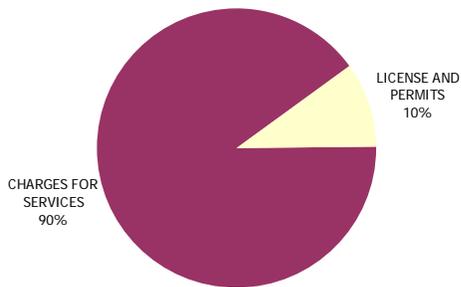
Expense by Category



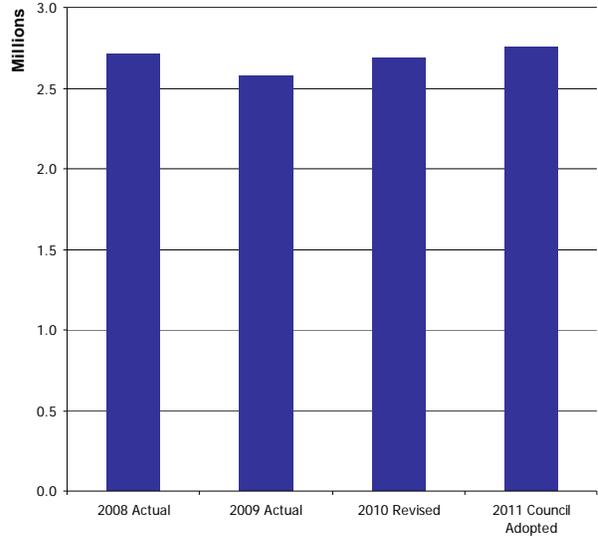
Expense by Division



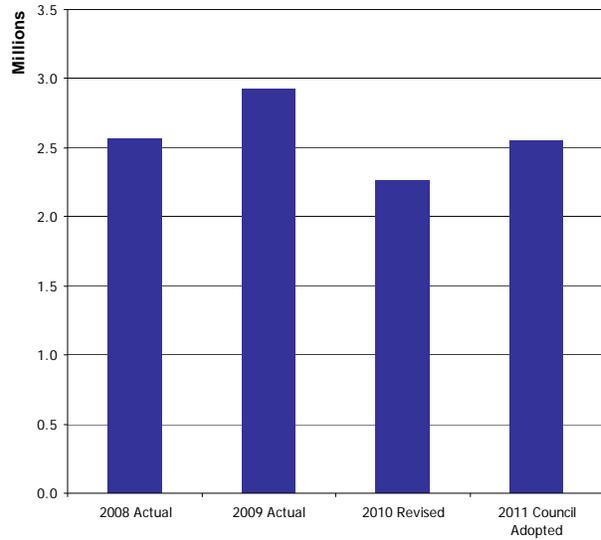
Direct Revenue by Type



Expense 2008 - 2011



Revenue 2008 - 2011

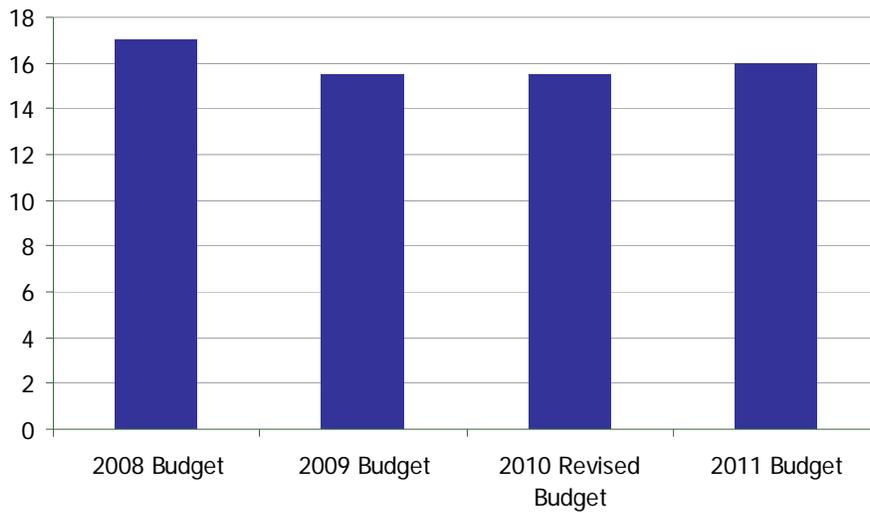


PUBLIC WORKS - ADMINISTRATIVE SERVICES

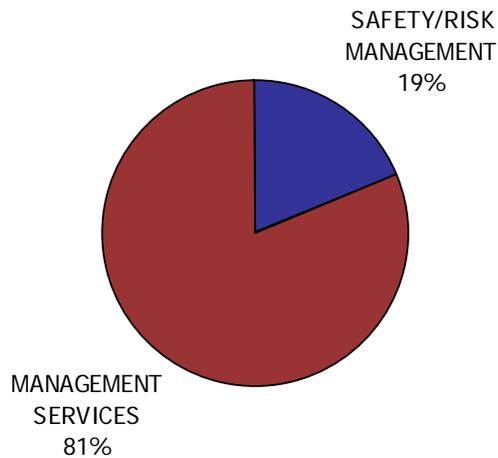
Staffing Information

Expense	2008 Budget	2009 Budget	2010 Revised Budget	2011 Budget	% Change	Change
SAFETY/RISK MANAGEMENT	3.00	3.00	3.00	3.00	0.0%	
PW - ADMINISTRATIVE SERVICES						
MANAGEMENT SERVICES	14.00	12.50	12.50	13.00	4.0%	0.50
TOTAL	17.00	15.50	15.50	16.00	3.2%	0.50

Positions 2008-2011



Positions by Divison



ENGINEERING MATERIALS AND TESTING (ALSO KNOWN AS CENTRAL STORES)

EXPENDITURE

Central Stores provides procurement services to all Public Works divisions as well as several City departments. The 2011 expenditure budget is \$685,000, a decrease of 8.4% from 2010 budget of \$748,000. The decrease in expense is primarily due to a \$46,000 decrease in general fund overhead charges which is offset by a \$20,000 increase in personnel cost.

The total number of positions is 6.0, the same level as 2010. Personnel expenditures account for 66.5% of the division's budget.

REVENUE

The division projects overhead revenues of \$500,000 for 2011 based on actual revenues recorded in 2009.

FUND ALLOCATION

The division is funded in the Public Works Stores internal service fund.

For more information on the Public Works Stores fund, please see the financial plans section of this document.

MAYOR'S RECOMMENDED BUDGET

The Mayor recommended no changes.

COUNCIL ADOPTED BUDGET

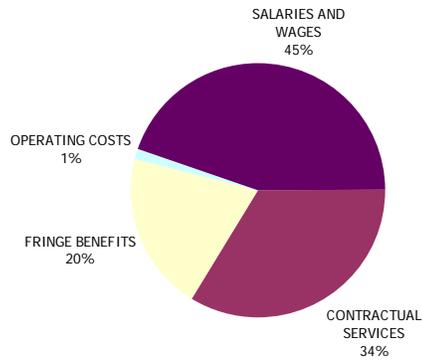
The Council adopted the Mayor's recommendation.

PUBLIC WORKS - ENGINEERING MATERIALS & TESTING EXPENSE AND REVENUE INFORMATION

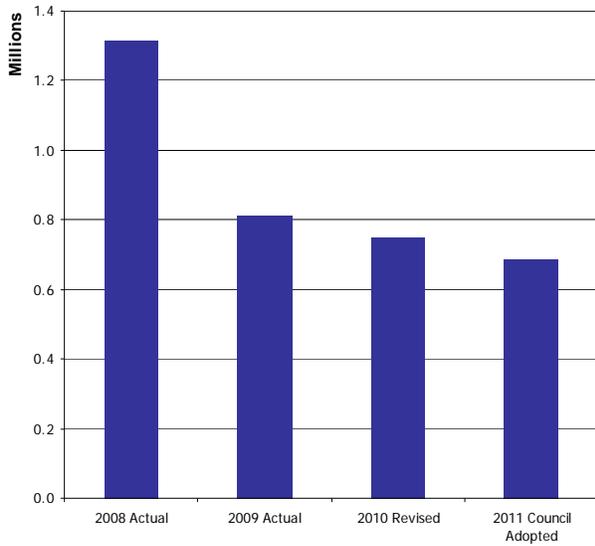
EXPENSE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
INTERNAL SERVICE						
SALARIES AND WAGES	350,704	346,224	305,801	306,542	0.2%	741
FRINGE BENEFITS	189,404	196,852	160,249	138,306	-13.7%	(21,943)
CONTRACTUAL SERVICES	200,220	252,444	276,780	230,859	-16.6%	(45,921)
OPERATING COSTS	567,329	14,962	5,130	9,673	88.5%	4,543
CAPITAL	6,473	12			0.0%	0
TOTAL EXPENSE	1,314,130	810,495	747,960	685,380	-8.4%	(62,580)

REVENUE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
INTERNAL SERVICE						
CHARGES FOR SERVICES	737,338	487,773	755,000	500,000	-33.8%	(255,000)
CHARGES FOR SALES	11,089	514	12,500		-100.0%	(12,500)
OTHER MISC REVENUES		4,788			0.0%	0
TOTAL REVENUE	748,427	493,075	767,500	500,000	-34.9%	(267,500)

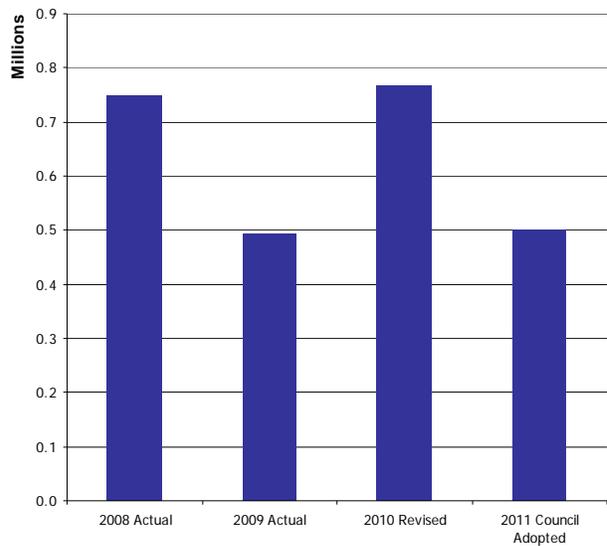
Expense by Category



Expense 2008 - 2011



Revenue 2008 - 2011



PUBLIC WORKS - ENGINEERING MATERIALS & TESTING

Staffing Information

Expense	2008 Budget	2009 Budget	2010 Revised Budget	2011 Budget	% Change	Change
ASPHALT DISTRIBUTION & PROCURE	1.00					
CENTRAL STORES	7.00	7.00	6.00	6.00	0.0%	
PW - ENG. MATERIALS & TESTING	12.00					
TOTAL	20.00	7.00	6.00	6.00	0.0%	

FLEET SERVICES

EXPENDITURE

The total expense budget for Fleet Services is \$40.4 million, a decrease of 6.3% from the 2010 expense budget of \$43.1 million. This decrease is related to a decline in anticipated capital spending for fleet replacement in 2011. Budgeted fleet replacement in 2011 is \$4.6 million compared to \$7.8 budgeted in 2010.

Personnel cost increased 5.9% from \$14.1 million in 2010 to \$14.9 million in 2011 representing 37% of the budget. The number of budgeted full-time equivalent positions decreased from 180.6 in 2010 to 172.0 in 2011. All 8.6 FTE were vacant positions. The increase in personnel cost is primarily due to a \$550,000 reserve for salary for temporary employees.

General fund overhead charges increased 18.7% from 2010 to 2011. The internal service funds received a larger increase in general fund overhead in 2011 due to historically receiving lower payments to assist with long-term financial plans and to increase the total net asset balance.

REVENUE

The 2011 revenue budget of \$40.7 million represents a decrease of 5.1% over the 2010 budgeted amount of \$42.9 million. The decrease is primarily due to a projected \$1 million decline in the sale of fuel and a \$0.7 million decrease in labor services provided to other City departments. The projected revenue is determined through an activity based rate model using historical operational utilization and budgeted 2011 divisional costs. The rates determined by the model are calculated to replenish direct and indirect costs of the division.

The fund receives a transfer from the General Fund of \$4.3 million to provide funding for debt service on the general obligation bonds in accordance with the adopted long-term financial plan. This includes \$119,000 in partial prepayments of future obligations.

FUND ALLOCATION

The transactions of this division are recorded in the Fleet Services internal service fund.

For more information, see the Fleet Services Fund within the financial plans section of this document.

MAYOR'S RECOMMENDED BUDGET

The Mayor recommended no changes.

COUNCIL ADOPTED BUDGET

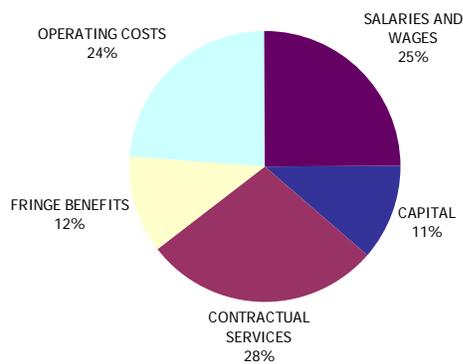
The Council adopted an increase in rent charges of \$17,300 to be funded through existing resources.

PUBLIC WORKS - FLEET SERVICES EXPENSE AND REVENUE INFORMATION

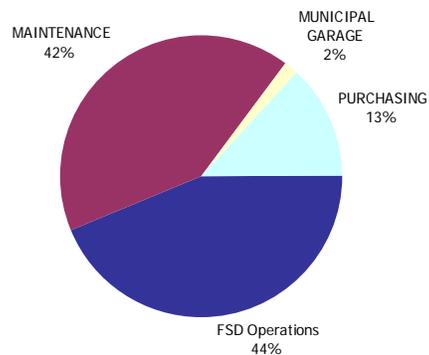
EXPENSE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
INTERNAL SERVICE						
SALARIES AND WAGES	9,548,933	9,930,948	9,364,514	10,149,630	8.4%	785,116
FRINGE BENEFITS	4,825,313	4,796,503	4,731,243	4,773,055	0.9%	41,812
CONTRACTUAL SERVICES	4,941,340	4,596,967	10,677,597	11,298,429	5.8%	620,832
OPERATING COSTS	14,845,454	11,980,874	10,516,732	9,564,504	-9.1%	(952,228)
CAPITAL	31,657	612	7,795,423	4,600,000	-41.0%	(3,195,423)
TOTAL EXPENSE	34,192,697	31,305,904	43,085,509	40,385,618	-6.3%	(2,699,891)

REVENUE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
INTERNAL SERVICE						
CHARGES FOR SERVICES	6,462,749	5,608,677	8,132,710	7,446,314	-8.4%	(686,396)
CHARGES FOR SALES	6,040,561	5,203,628	9,838,047	8,271,744	-15.9%	(1,566,303)
GAINS	50,345	59,322	200,000	200,000	0.0%	0
RENTS	20,685,212	20,780,810	24,726,768	24,789,400	0.3%	62,632
OTHER MISC REVENUES	300,196	188,899	10,000	10,000	0.0%	0
TOTAL REVENUE	33,539,064	31,841,336	42,907,525	40,717,458	-5.1%	(2,190,067)

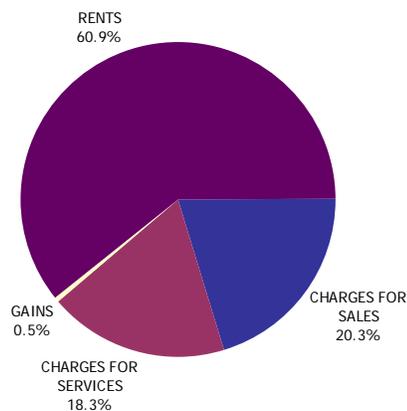
Expense by Category



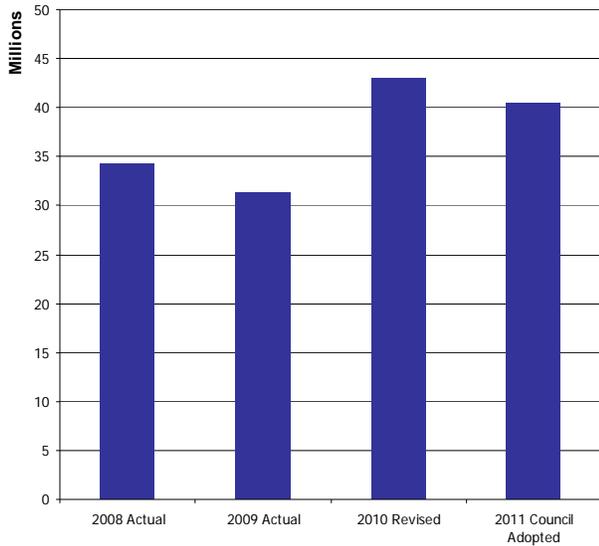
Expense by Division



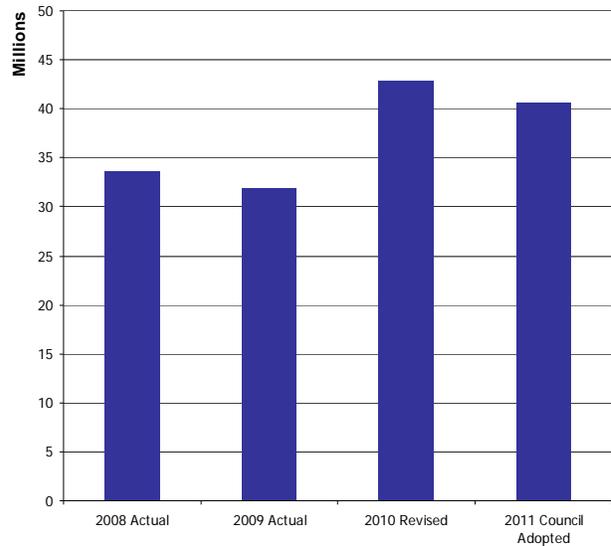
Direct Revenue by Type



Expense 2008 - 2011



Revenue 2008 - 2011

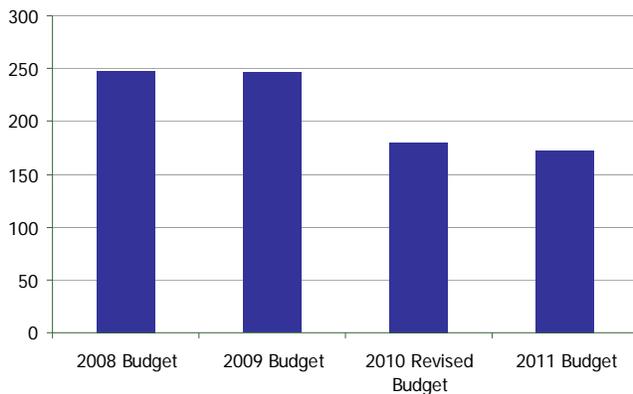


PUBLIC WORKS - FLEET SERVICES

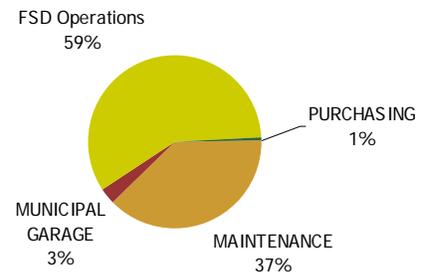
Staffing Information

Expense	2008 Budget	2009 Budget	2010 Revised Budget	2011 Budget	% Change	Change
FSD Operations	161.00	161.00	103.50	101.50	-1.9%	(2.00)
MUNICIPAL GARAGE				5.50		5.50
PURCHASING				1.00		1.00
MAINTENANCE	86.00	85.60	77.10	64.00	-17.0%	(13.10)
PW - FLEET SERVICES			0.00		-100.0%	(0.00)
TOTAL	247.00	246.60	180.60	172.00	-4.8%	(8.60)

Positions 2008-2011



Positions by Division



PROPERTY SERVICES

EXPENDITURE

The 2011 expenditure budget for Property Services is \$22.3 million which represents a 6% increase from the 2010 expenditure budget of \$21.1 million. The increase in special revenue represents a federal American Recovery & Reinvestment Act (ARRA) grant. Included in this division's expense budget is \$4.5 million of pass-through cost for services provided by the Municipal Building Commission for maintaining the City's space in City Hall. The decrease in the operating expense is related to an anticipated decline in demand for elective reimbursable services provided to other City departments.

The budget includes funding for 84.5 full-time equivalent positions from 91.3 FTE in 2010. The unfunded positions are 3.5 vacant and the rest are temporary. Personnel expenditures account for 48.8% of the \$15.6 million operating budget. Property Services experienced a 21.8% increase in general fund overhead charges for 2011 due to historically receiving lower payments to assist with increasing the combined net asset balance for all internal service funds.

REVENUE

The division's 2011 revenue budget is \$20.5 million, a 1.7% decrease from 2010 revenue budget of \$20.8 million. Included in the division's revenue budget is \$4.5 million of pass-through rent revenue collected from City departments that occupy City Hall and remitted to the Municipal Building Commission.

Rate models using historical and anticipated operational costs calculate charges to City departments for the cost of building space, equipment rental, and management services. The charges calculated through the rate models account for 45.2% of the projected 2011 revenue. Pass-through City Hall rent to MBC accounts for 22.2% of the revenue budget. The remaining sources of revenue include reimbursable services for the maintenance of the City's parking facilities, development properties, and emergency communication network, and elective services to other City departments.

FUND ALLOCATION

The transactions of this division are recorded in the Property Services Internal Service fund.

For more information, please see the Property Services fund in the financial plans section of this document.

MAYOR'S RECOMMENDED BUDGET

The Mayor recommended no changes.

COUNCIL ADOPTED BUDGET

The Council adopted the Mayor's recommendation and further approves the following staff direction: the department of Public Works should work with the Finance department to simplify the Property Services allocation model for implementation in the 2012 budget process.

The Council adopted an increase appropriation in Property Services Fund by \$40,000 from the Property Disposition account for the development of the Citywide Strategic Facilities Space Plan. The Council approves an increase to appropriation in Property Services Fund by \$80,000 with offsetting revenue from increasing rent charges within existing resources for the Public Works divisions (\$69,700 overall) and Regulatory Services (\$10,300).

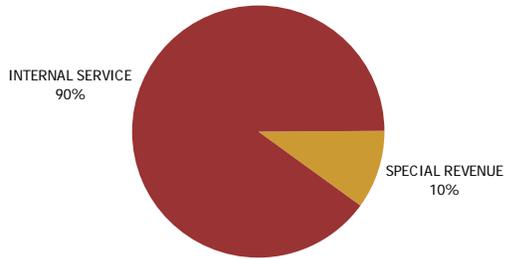
The Council adopted a technical amendment to amend the City Hall rent charges for the Regulatory Services department to reflect the transfer of Fire inspection by reducing the rent charge to the Fire Department by \$79,000 and increasing the charge for Property Services by \$79,000.

PUBLIC WORKS - PROPERTY SERVICES EXPENSE AND REVENUE INFORMATION

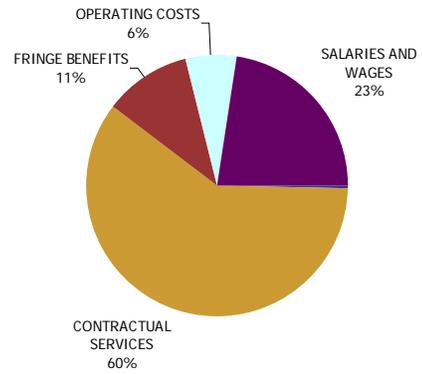
EXPENSE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
AGENCY						
OPERATING COSTS		(46,275)			0.0%	0
TOTAL AGENCY		(46,275)				0
SPECIAL REVENUE						
CONTRACTUAL SERVICES	3,870	54,905		2,207,167	0.0%	2,207,167
TOTAL SPECIAL REVENUE	3,870	54,905		2,207,167		2,207,167
INTERNAL SERVICE						
SALARIES AND WAGES	5,688,904	5,333,808	5,195,338	5,051,854	-2.8%	(143,485)
FRINGE BENEFITS	2,704,601	2,745,860	2,442,293	2,424,072	-0.7%	(18,222)
CONTRACTUAL SERVICES	7,795,507	10,838,648	10,991,887	11,179,342	1.7%	187,455
OPERATING COSTS	2,890,594	2,651,560	2,376,368	1,411,173	-40.6%	(965,195)
CAPITAL	6,927	12,587	56,100	56,661	1.0%	561
TOTAL INTERNAL SERVICE	19,086,533	21,582,462	21,061,987	20,123,102	-4.5%	(938,885)
TOTAL EXPENSE	19,090,403	21,591,092	21,061,987	22,330,269	6.0%	1,268,282

REVENUE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
INTERNAL SERVICE						
PROPERTY TAXES	(427)				0.0%	0
FEDERAL GOVERNMENT		106,220			0.0%	0
CHARGES FOR SERVICES	9,653,758	7,903,643	6,979,499	6,493,283	-7.0%	(486,216)
CHARGES FOR SALES	596,915	323,495	400,000	355,000	-11.3%	(45,000)
RENTS	8,070,724	12,669,101	13,429,345	13,547,884	0.9%	118,539
OTHER MISC REVENUES	6,656	85,111	3,000	60,970	1,932.3%	57,970
TOTAL INTERNAL SERVICE	18,327,627	21,087,569	20,811,844	20,457,137	-1.7%	(354,707)
TOTAL REVENUE	18,327,627	21,087,569	20,811,844	20,457,137	-1.7%	(354,707)

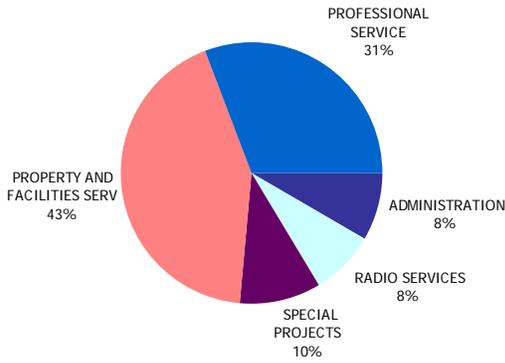
Expense by Fund



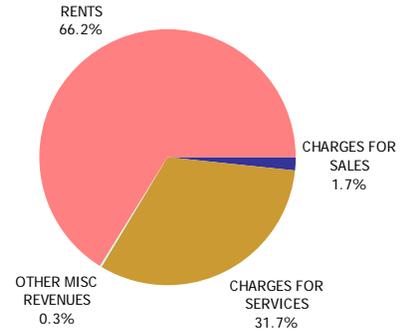
Expense by Category



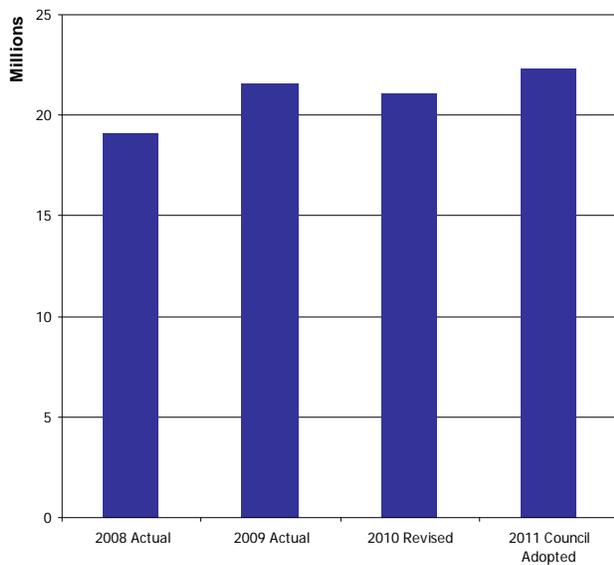
Expense by Division



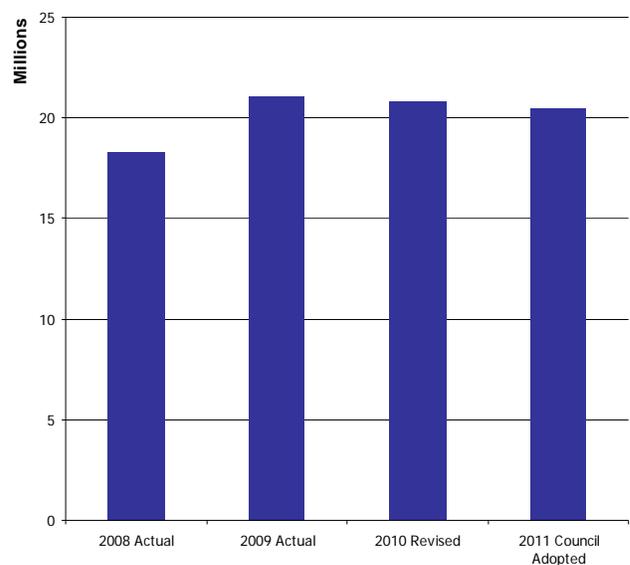
Direct Revenue by Type



Expense 2008 - 2011



Revenue 2008 - 2011

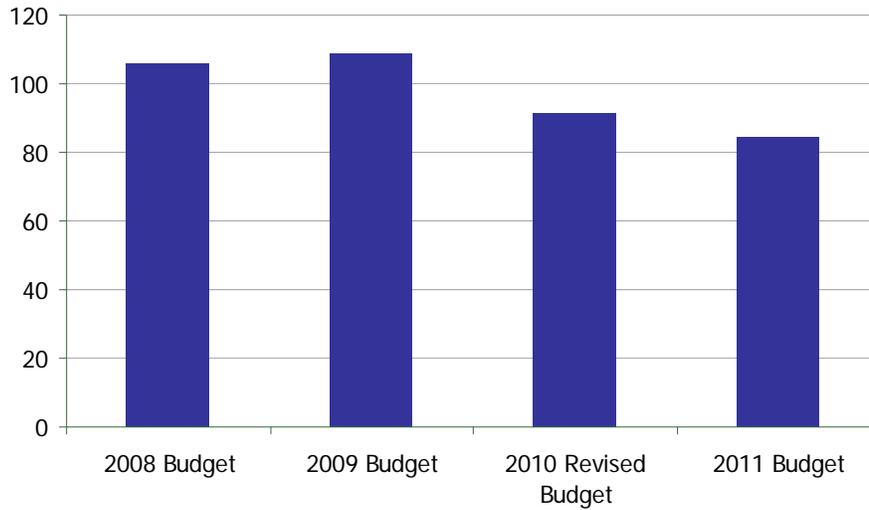


PUBLIC WORKS - PROPERTY SERVICES

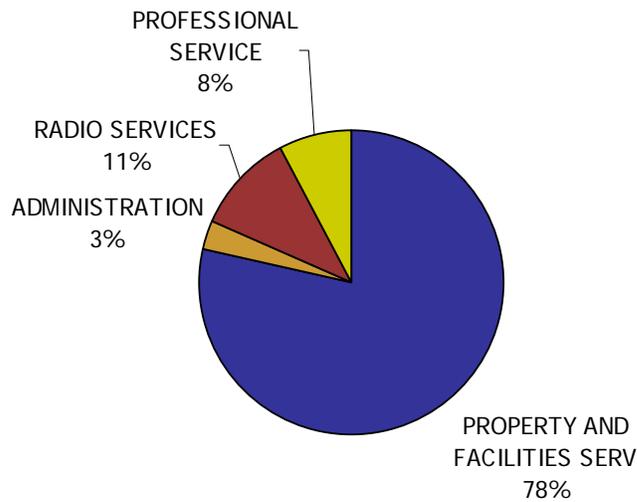
Staffing Information

Expense	2008 Budget	2009 Budget	2010 Revised Budget	2011 Budget	% Change	Change
PROPERTY AND FACILITIES SERV		86.90	71.80	66.50	-7.4%	(5.30)
ADMINISTRATION	95.00	3.00	3.00	2.50	-16.7%	(0.50)
RADIO SERVICES	11.00	11.00	9.00	9.00	0.0%	
PROFESSIONAL SERVICE		7.50	7.50	6.50	-13.3%	(1.00)
TOTAL	106.00	108.40	91.30	84.50	-7.4%	(6.80)

Positions 2008-2011



Positions by Division



SOLID WASTE & RECYCLING SERVICES

EXPENDITURE

The expenditure budget for 2011 totals \$33.8 million compared to \$33.5 million for 2010. This is an increase of \$212,000 or 0.6% over 2010. The maintenance budget was decreased to reflect historical actual costs and was achieved through reduction in contractual budget line items of several cost centers within the Solid Waste division. Part of the reduction in fringe benefits is due to an adjustment to more accurately reflect health insurance expenditures (\$182,000). The remainder of the difference is primarily due a change in how the MERF contributions are accounted for in the budget.

The total number of FTE did not change from the 2010 level of 127 FTE. These FTEs total \$6.8 million in salaries and \$3.4 million in fringes. Estimated Internal service transfer cost to the Solid Waste totaled \$5.5 million for 2011. This internal transfer include BIS charges, Fleet Services, Overheads, Rents, MERF, Workers Comp, Government Contracted Services, and Self Insurance charges.

REVENUE

Anticipated operating revenue for 2011 totals \$29.9 million, an increase of \$923,000 or 3.2% over 2010 revenue budget of \$29 million. Revenues from collection and recycling fees make up for \$28.1 million or 94% of the budget. The rest of the revenue budget comes from grants, recyclable sales, and transfers from various City departments for services provided by Solid Waste. Collection fee revenues are calculated on the base dwelling units, with adjustments to recycling credits, and charges applied to large and small carts. In an effort to encourage recycling, the cart fees will be \$2 per small cart compared to \$5 per large cart.

FUND ALLOCATION

The division is funded by the Solid Waste enterprise fund.

MAYOR'S RECOMMENDED BUDGET

The Mayor recommended \$150,000 for graffiti microgrants and \$300,000 for efforts in support of reducing organic waste.

COUNCIL ADOPTED BUDGET

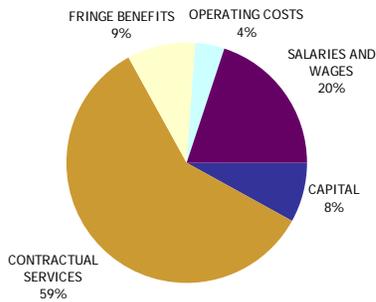
The Council adopted the Mayor's recommendations and further approves an increase in rent charges of \$10,500 to be funded through existing resources.

PUBLIC WORKS - SOLID WASTE & RECYCLING EXPENSE AND REVENUE INFORMATION

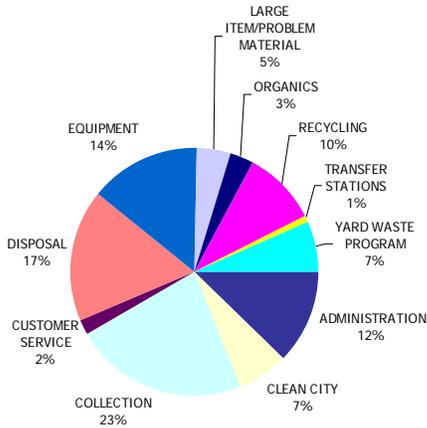
EXPENSE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
GENERAL						
CONTRACTUAL SERVICES		75,000			0.0%	0
TOTAL GENERAL		75,000				0
ENTERPRISE						
SALARIES AND WAGES	5,899,004	6,286,183	6,591,450	6,719,844	1.9%	128,394
FRINGE BENEFITS	2,915,163	3,217,386	3,486,127	3,125,526	-10.3%	(360,601)
CONTRACTUAL SERVICES	16,172,108	16,108,776	21,039,473	19,882,838	-5.5%	(1,156,635)
OPERATING COSTS	1,792,582	2,257,926	1,145,119	1,352,756	18.1%	207,637
CAPITAL	895,614		1,284,464	2,677,309	108.4%	1,392,845
TOTAL ENTERPRISE	27,674,471	27,870,271	33,546,632	33,758,273	0.6%	211,641
TOTAL EXPENSE	27,674,471	27,945,271	33,546,632	33,758,273	0.6%	211,641

REVENUE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
ENTERPRISE						
LICENSE AND PERMITS		1,134			0.0%	0
STATE GOVERNMENT	(25)			10,350	0.0%	10,350
LOCAL GOVERNMENT	871,639	861,090	800,000	800,000	0.0%	0
CHARGES FOR SERVICES	26,385,461	27,863,403	27,582,210	28,495,049	3.3%	912,839
CHARGES FOR SALES	2,284,278	1,095,426	600,000	600,000	0.0%	0
SPECIAL ASSESSMENTS	200,779	342,879			0.0%	0
RENTS	2,013	4,134			0.0%	0
OTHER MISC REVENUES	83,213	22,911			0.0%	0
TOTAL REVENUE	29,827,358	30,190,977	28,982,210	29,905,399	3.2%	923,189

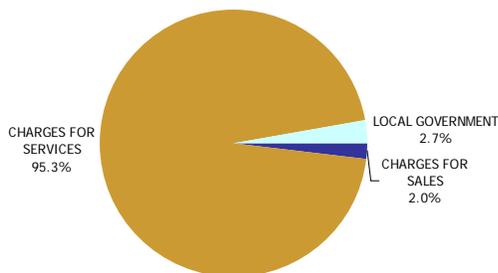
Expense by Category



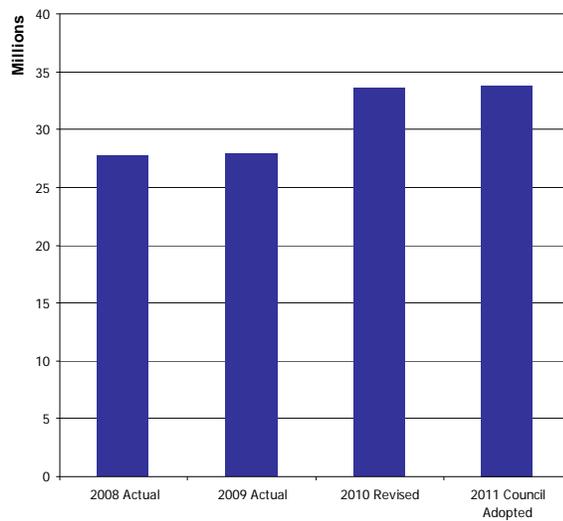
Expense by Division



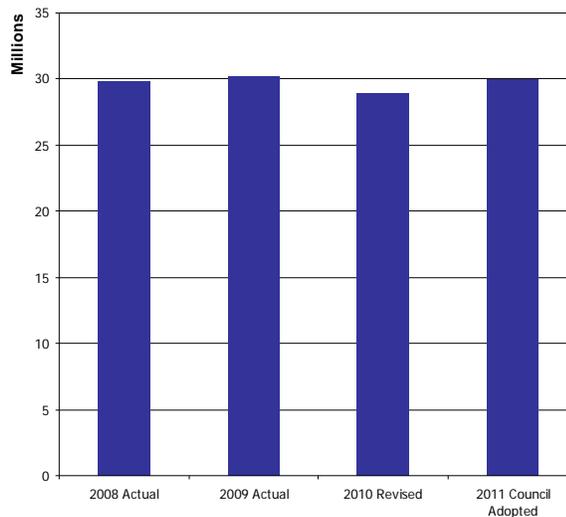
Direct Revenue by Type



Expense 2008 - 2011



Revenue 2008 - 2011

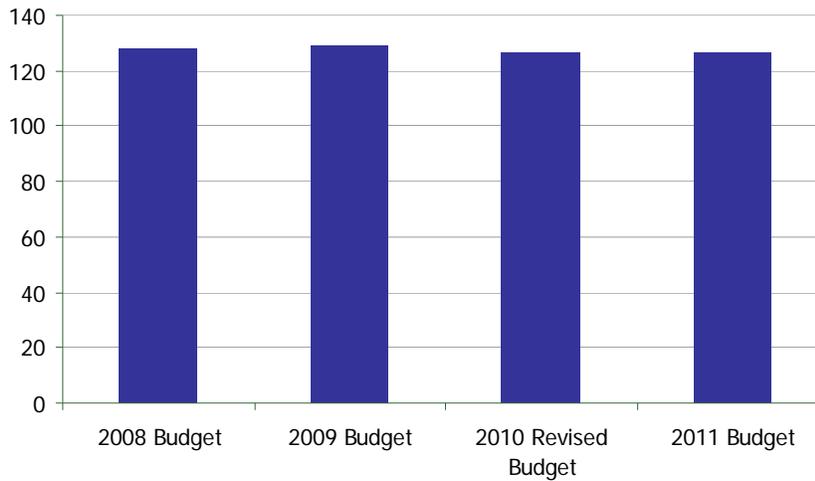


PUBLIC WORKS - SOLID WASTE & RECYCLING

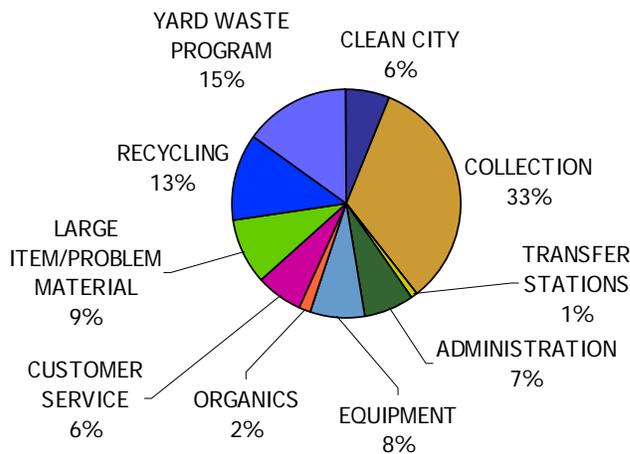
Staffing Information

Expense	2008 Budget	2009 Budget	2010 Revised Budget	2011 Budget	% Change	Change
CLEAN CITY	5.00	6.00	7.00	8.00	14.3%	1.00
COLLECTION	44.00	41.00	42.00	42.00	0.0%	
PW - SOLID WASTE TRANSFER STATIONS			1.00	1.00	0.0%	
ADMINISTRATION	19.00	19.50	9.00	9.00	0.0%	
EQUIPMENT	10.00	10.00	10.00	10.00	0.0%	
DISPOSAL ORGANICS				2.00		2.00
CUSTOMER SERVICE	7.00	7.00	9.00	8.00	-11.1%	(1.00)
LARGE ITEM/PROBLEM MATERIAL	4.00	7.00	12.00	12.00	0.0%	
RECYCLING	26.00	26.00	18.00	16.00	-11.1%	(2.00)
YARD WASTE PROGRAM	13.00	12.50	19.00	19.00	0.0%	
TOTAL	128.00	129.00	127.00	127.00	0.0%	

Positions 2008-2011



Positions by Division



SURFACE WATER & SANITARY SEWER - SANITARY SEWER

EXPENDITURE

Starting with the 2011 budget, Surface Water and Sanitary Sewer will be shown as two separate divisions of Public Works: one in the Sanitary Sewer fund and the other in the Stormwater fund.

The 2011 expense budget of Sanitary Sewer is \$42.3 million is an increase of \$495,000 or 1.2% as compared to \$41.8 million budget of 2010. The increase falls within inflationary estimate over prior year. The actual charges from Metropolitan Council Environmental Services (MCES) for 2011 were reduced from the anticipated increase of \$1.5 million. The operating budget covers expenditures for design, maintenance, and met council cost centers along with internal transfers which include BIS charges, rent, overhead, fleet services, self insurance, government contracted services, and workers comp.

The budget includes an increase of 0.25 FTE from 38.40 in 2010 to 38.65 to 2011 due to the reallocation of a program assistant position from the Administration division to the Sanitary Sewer division. Direct salaries and fringes make up 7%, or \$2.9 million, of the Fund's operating budget for 2011.

Internal transfers make up \$5.1 million or 12% and the remaining \$2.4 million or 6% is budgeted for contractual services, daily operations, and equipment.

REVENUE

The revenue for 2011 is projected at \$49.3 million compared to \$45.5 million for 2010. This is an increase of \$3.8 million or 8.3% over 2010. Revenue estimates for the 2011 utility charges is \$46.4 million based on historical metered sewer usage, anticipated meter corrections, projected usage and the proposed rate of \$3.05 per 100 cubic feet of water. Projected SAC revenues have increased to \$2 million from \$1.6 million in 2010.

FUND ALLOCATION

The division is funded by the Sanitary Sewer fund.

MAYOR'S RECOMMENDED BUDGET

The Mayor recommended no changes.

COUNCIL ADOPTED BUDGET

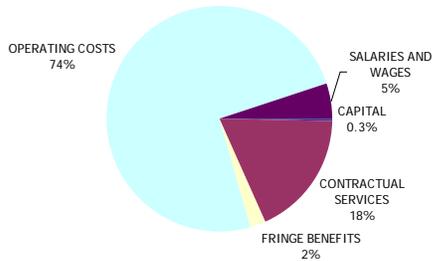
The Council adopted a rate reduction from the Mayor's recommended rates as follows: 2011, decrease from 8.2% to 4.1%; 2012, decrease from 7.6% to 4.3%; 2013, decrease from 7.0% to 3.5%; 2014, decrease from 6.6% to 4.0%; and 2015, decrease from 5.1% to 4.4% and adjust the revenue estimates accordingly. The Council further approves an increase in rent charges of \$1,300 to be funded through existing resources.

PUBLIC WORKS - SURFACE WATER & SANITARY SEWER - SANITARY SEWER EXPENSE AND REVENUE INFORMATION

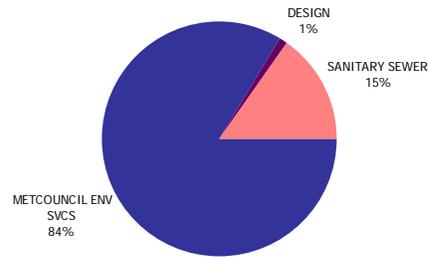
EXPENSE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
ENTERPRISE						
SALARIES AND WAGES	1,965,928	2,226,765	2,117,543	2,155,869	1.8%	38,326
FRINGE BENEFITS	1,021,059	1,023,532	991,788	934,309	-5.8%	(57,479)
CONTRACTUAL SERVICES	6,327,102	5,250,744	7,969,453	7,588,877	-4.8%	(380,576)
OPERATING COSTS	30,321,024	29,947,842	30,584,256	31,477,565	2.9%	893,309
CAPITAL			139,309	140,702	1.0%	1,393
TOTAL ENTERPRISE	39,635,113	38,448,883	41,802,349	42,297,322	1.2%	494,973
TOTAL EXPENSE	39,635,113	38,448,883	41,802,349	42,297,322	1.2%	494,973

REVENUE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
ENTERPRISE						
LICENSE AND PERMITS		77,661			0.0%	0
CHARGES FOR SERVICES	41,609,056	43,875,716	45,453,099	49,296,031	8.5%	3,842,932
OTHER MISC REVENUES	654		53,841		-100.0%	(53,841)
TOTAL ENTERPRISE	41,609,710	43,953,377	45,506,940	49,296,031	8.3%	3,789,091
TOTAL REVENUE	41,609,710	43,953,377	45,506,940	49,296,031	8.3%	3,789,091

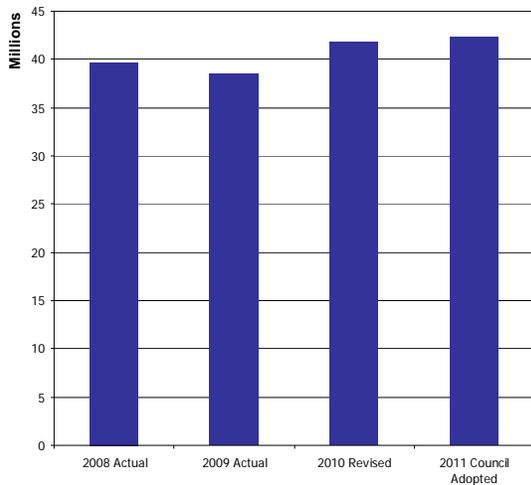
Expense by Category



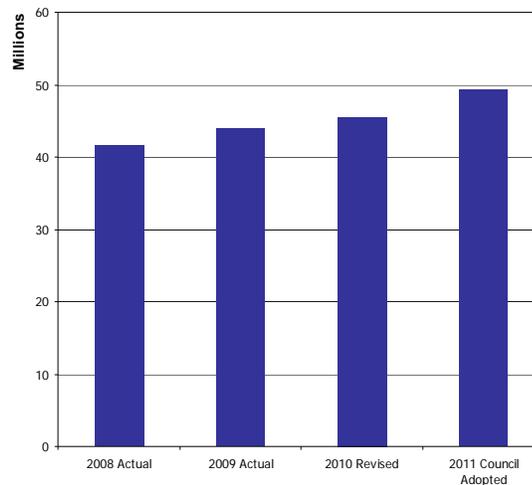
Expense by Division



Expense 2008 - 2011



Revenue 2008 - 2011

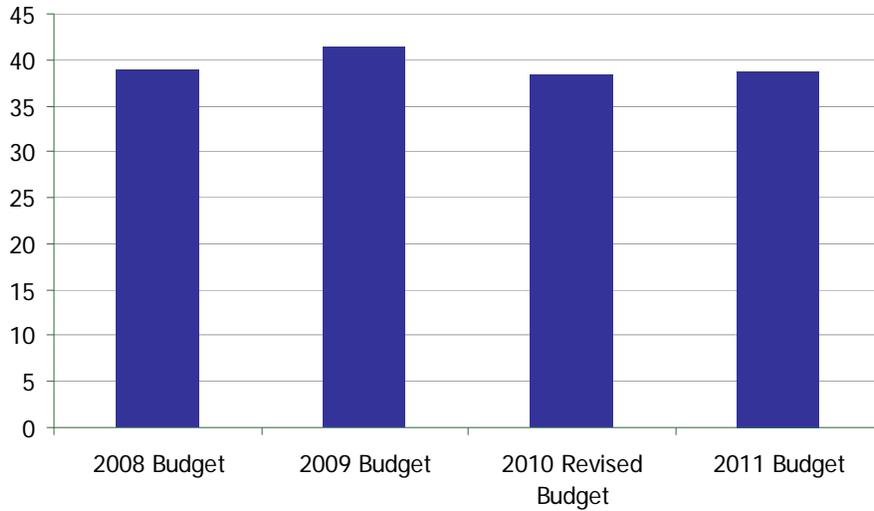


SURFACE WATER & SEWERS-SANITARY SEWER

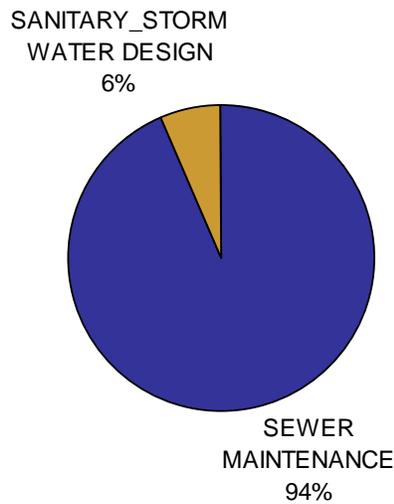
Staffing Information

Expense	2008 Budget	2009 Budget	2010 Revised Budget	2011 Budget	% Change	Change
STORMWATER DESIGN					0.0%	
SEWER MAINTENANCE	36.50	38.90	35.90	36.15	0.7%	0.25
SANITARY_STORMWATER DESIGN	2.50	2.50	2.50	2.50	0.0%	
TOTAL	39.00	41.40	38.40	38.65	0.7%	0.25

Positions 2008-2011



Positions by Division



SURFACE WATER & SANITARY SEWER - STORMWATER

EXPENDITURE

Starting with the 2011 budget, Surface Water and Sanitary Sewer will be shown as two separate divisions of Public Works: one in the Sanitary Sewer fund and the other in the Stormwater fund.

The 2011 operating budget of Stormwater totals \$13.7 million compared to \$14.1 million for 2010, a decrease of \$446,000 from 2010. The operating budget covers expenditures for design, maintenance, management, and met council charges cost centers.

The 2011 budget includes a reduction of 2.75 FTE from the 2010 budget to a total of 52.25 FTE. Three full-time vacant positions have been eliminated from the combined sewer overflow management area, while 0.25 FTE was added from the Administration division. In Street Cleaning, FTE count has increased to 28.05 compared to 27 for 2010. The resulting increase of 1.05 FTE accounts for reallocation of positions from Transportation Maintenance & Repair.

REVENUE

The operating revenue for 2011 is estimated at \$35.6 million, \$2.3 million higher than 2010. Revenue estimates for the 2011 utility charges is \$33.9 million based on the actual monthly ESU count and the proposed rate of \$11.42 per ESU. The new rate is a \$0.33 increase over 2010 rate of \$11.09. Stormwater also anticipates \$249,000 in on-going maintenance agreements with the State and County and additional revenues from design, work for others, and various other sources of \$1.4 million.

FUND ALLOCATION

The division is funded by the Stormwater Fund.

MAYOR'S RECOMMENDED BUDGET

The Mayor recommended no changes.

COUNCIL ADOPTED BUDGET

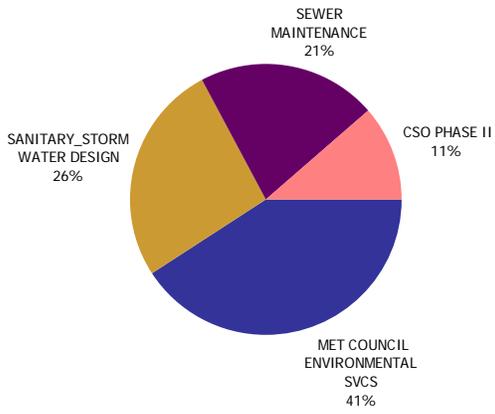
The Council adopted an increase in rent charges of \$1,400 to be funded through existing resources.

**PUBLIC WORKS - SURFACE WATER & SANITARY SEWER - STORMWATER
EXPENSE AND REVENUE INFORMATION**

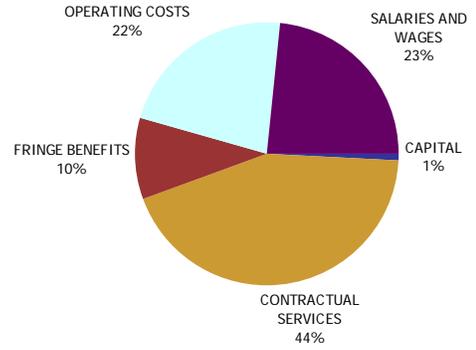
EXPENSE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
GENERAL						
SALARIES AND WAGES	(15,010)				0.0%	0
CONTRACTUAL SERVICES			0		-100.0%	(0)
OPERATING COSTS		(145)			0.0%	0
TOTAL GENERAL	(15,010)	(145)	0		-100.0%	(0)
SPECIAL REVENUE						
SALARIES AND WAGES	8,843				0.0%	0
TOTAL SPECIAL REVENUE	8,843					0
ENTERPRISE						
SALARIES AND WAGES	2,699,074	2,795,254	3,327,747	3,200,673	-3.8%	(127,074)
FRINGE BENEFITS	1,107,660	1,180,889	1,487,348	1,377,090	-7.4%	(110,258)
CONTRACTUAL SERVICES	4,838,171	4,608,357	5,904,148	5,965,703	1.0%	61,555
OPERATING COSTS	2,022,475	2,108,427	3,303,652	3,032,043	-8.2%	(271,609)
CAPITAL			122,320	123,543	1.0%	1,223
TOTAL ENTERPRISE	10,667,380	10,692,927	14,145,215	13,699,052	-3.2%	(446,163)
TOTAL EXPENSE	10,661,213	10,692,782	14,145,215	13,699,052	-3.2%	(446,163)

REVENUE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
ENTERPRISE						
STATE GOVERNMENT	103,594	62,343	74,541	135,325	81.5%	60,784
LOCAL GOVERNMENT	88,667	76,275	49,111	113,613	131.3%	64,502
CHARGES FOR SERVICES	32,181,862	36,691,541	33,135,114	35,302,439	6.5%	2,167,325
CHARGES FOR SALES	50				0.0%	0
FINES AND FORFEITS	61,437	57,441	45,000	45,000	0.0%	0
OTHER MISC REVENUES	560	42,350			0.0%	0
TOTAL REVENUE	32,436,169	36,929,950	33,303,766	35,596,377	6.9%	2,292,611

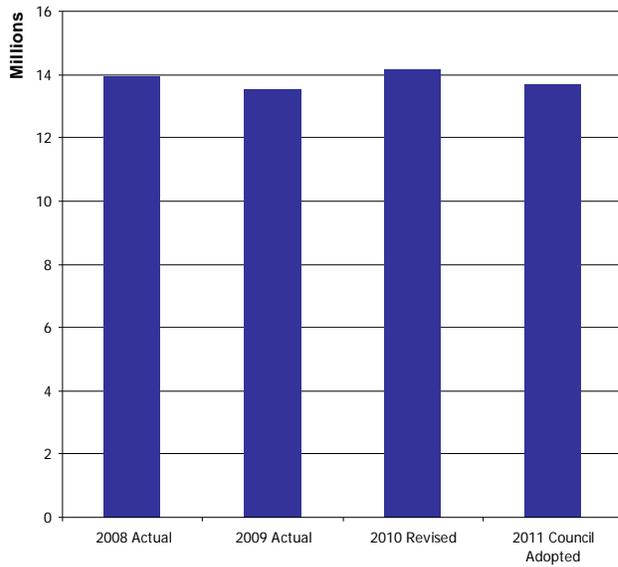
Expense by Division



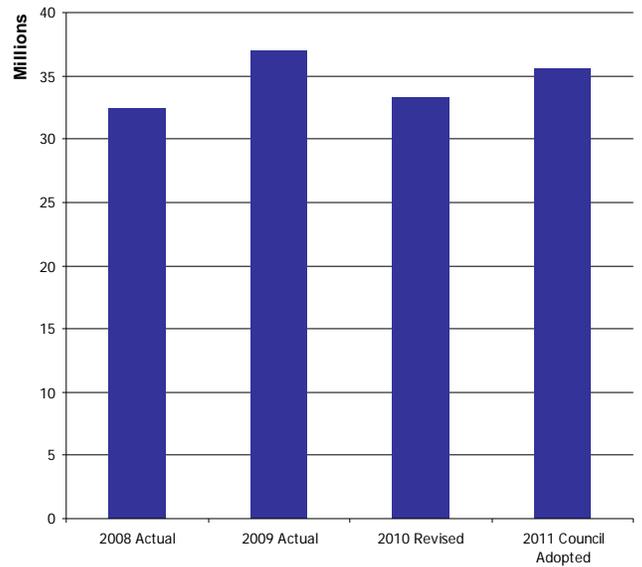
Expense by Category



Expense 2008 - 2011



Revenue 2008 - 2011

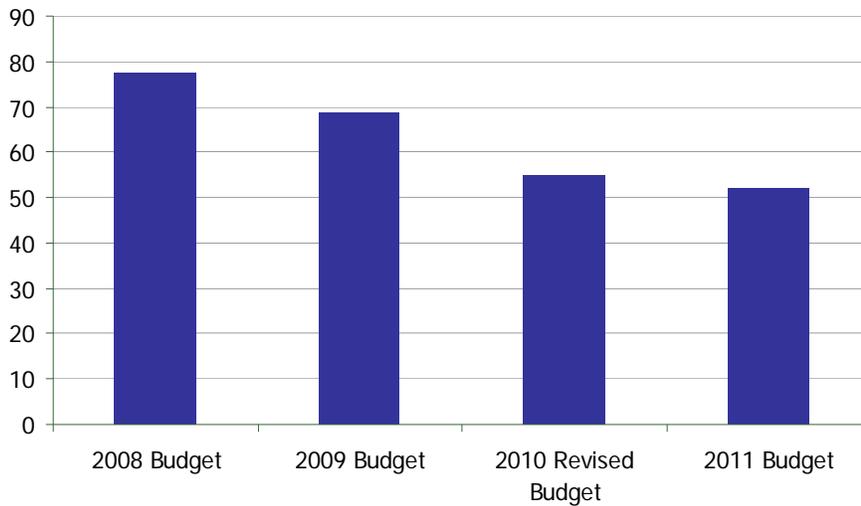


PUBLIC WORKS - SURFACE WATER & SEWERS-STORMWATER

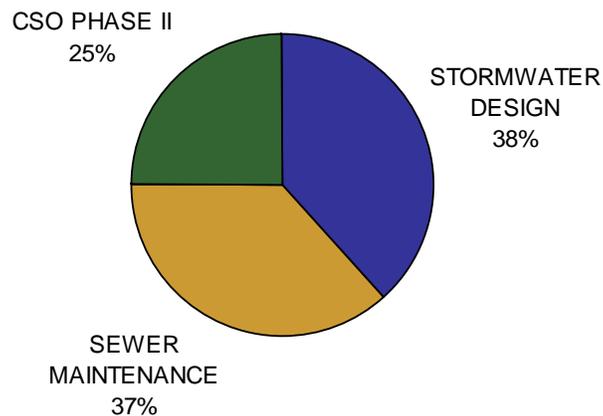
Staffing Information

Expense	2008 Budget	2009 Budget	2010 Revised Budget	2011 Budget	% Change	Change
STORMWATER DESIGN	25.40	25.00	20.00	20.00	0.0%	
SEWER MAINTENANCE	28.50	27.50	19.00	19.25	1.3%	0.25
UTILITY CONNECTIONS	6.50	-	-	-	0.0%	
WORK FOR OTHERS	1.00	-	-	-	0.0%	
CSO PHASE II	16.00	16.00	16.00	13.00	-18.8%	(3.00)
TOTAL	77.40	68.50	55.00	52.25	-5.0%	(2.75)

Positions 2008-2011



Positions by Division



TRAFFIC & PARKING SERVICES

EXPENDITURE

The 2011 budget for Traffic and Parking Services totals \$54.8 million compared to \$53.3 million for 2010. This is an increase of \$1.5 million or 2.9% over 2010. Almost the entire increase is attributed to a project that will automate two ramps (\$1.5 million).

One vacant position was reduced, leaving the total positions at 89 in 2011 from 90 in 2010.

REVENUE

Projected revenue of \$57.6 million for 2011 is an increase of 1.1% from the 2010 budget of \$57 million. The increase is due to new parking meter technology coming online.

FUND ALLOCATION

This division is funded by the Municipal Parking Fund (93.6% of total budget), the General Fund (5.4%), and the Traffic Stores Fund (1.0%).

MAYOR'S RECOMMENDED BUDGET

The Mayor recommended no changes.

COUNCIL ADOPTED BUDGET

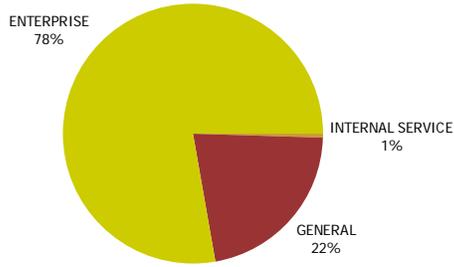
The Council adopted an increase in rent charges of \$20,500 to be funded through existing resources.

**PUBLIC WORKS - TRAFFIC AND PARKING SERVICES
EXPENSE AND REVENUE INFORMATION**

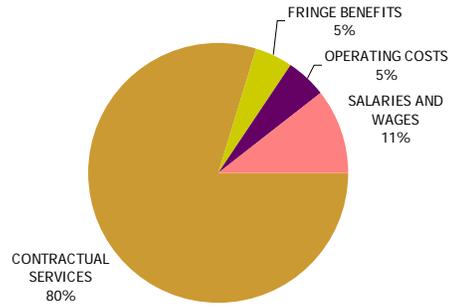
EXPENSE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
AGENCY						
OPERATING COSTS		636,017			0.0%	0
TOTAL AGENCY		636,017				0
GENERAL						
SALARIES AND WAGES	3,194,642	2,533,073	2,489,011	2,756,416	10.7%	267,406
FRINGE BENEFITS	1,317,330	1,133,030	1,196,195	1,176,032	-1.7%	(20,163)
CONTRACTUAL SERVICES	5,988,019	6,612,910	6,870,083	6,793,838	-1.1%	(76,245)
OPERATING COSTS	1,327,603	1,204,301	1,061,857	1,195,630	12.6%	133,773
CAPITAL			75,158		-100.0%	(75,158)
DEBT SERVICE			200,000		-100.0%	(200,000)
TOTAL GENERAL	11,827,594	11,483,314	11,892,304	11,921,917	0.2%	29,613
INTERNAL SERVICE						
SALARIES AND WAGES	164,033	167,946	166,449	164,570	-1.1%	(1,879)
FRINGE BENEFITS	102,621	99,671	103,610	65,119	-37.1%	(38,491)
CONTRACTUAL SERVICES	66,787	89,911	101,097	70,894	-29.9%	(30,203)
OPERATING COSTS	23,686	(395,386)	29,073	31,661	8.9%	2,588
CAPITAL	46,268		(0)		-100.0%	0
TOTAL INTERNAL SERVICE	403,395	(37,858)	400,228	332,244	-17.0%	(67,984)
ENTERPRISE						
SALARIES AND WAGES	2,806,357	2,786,614	2,644,151	2,928,898	10.8%	284,747
FRINGE BENEFITS	1,117,592	1,166,868	1,398,655	1,319,529	-5.7%	(79,126)
CONTRACTUAL SERVICES	31,528,578	32,504,989	33,125,719	36,805,425	11.1%	3,679,706
OPERATING COSTS	7,205,341	3,993,940	1,185,944	1,490,380	25.7%	304,436
CAPITAL	284		2,616,733	9,572	-99.6%	(2,607,161)
TOTAL ENTERPRISE	42,658,152	40,452,410	40,971,202	42,553,804	3.9%	1,582,602
TOTAL EXPENSE	54,889,141	52,533,884	53,263,734	54,807,965	2.9%	1,544,231

REVENUE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
GENERAL						
FRANCHISE FEES	197,923	117,817	110,000		-100.0%	(110,000)
LICENSE AND PERMITS	1,044,373	723,958	1,159,000	710,000	-38.7%	(449,000)
FEDERAL GOVERNMENT		113,549			0.0%	0
STATE GOVERNMENT	1,489,918	1,065,009	1,236,395	1,136,518	-8.1%	(99,877)
LOCAL GOVERNMENT	416,660	358,429	489,489	568,437	16.1%	78,948
CHARGES FOR SERVICES	256,555	280,904	202,500	435,000	114.8%	232,500
CHARGES FOR SALES	44,217	42,051	18,500	13,500	-27.0%	(5,000)
SPECIAL ASSESSMENTS	113,193	5,089	65,000	110,000	69.2%	45,000
OTHER MISC REVENUES	209,664	217,739	622,492	125,000	-79.9%	(497,492)
TOTAL GENERAL	3,772,503	2,924,545	3,903,376	3,098,455	-20.6%	(804,921)
INTERNAL SERVICE						
CHARGES FOR SERVICES	298,666	586,367	365,000	587,000	60.8%	222,000
CHARGES FOR SALES	13,905	44,559	20,000	20,000	0.0%	0
TOTAL INTERNAL SERVICE	312,571	630,926	385,000	607,000	57.7%	222,000
ENTERPRISE						
LICENSE AND PERMITS	255,729	288,387	218,000	240,000	10.1%	22,000
CHARGES FOR SERVICES	50,499,699	50,925,562	50,826,033	52,100,500	2.5%	1,274,467
CHARGES FOR SALES	2,465,300	1,204,484	1,551,000	1,550,000	-0.1%	(1,000)
SPECIAL ASSESSMENTS	57,589	543,481			0.0%	0
GAINS	565,167				0.0%	0
RENTS	8,531	3,551	3,000	3,500	16.7%	500
OTHER MISC REVENUES	30,991	12,187	138,000	46,500	-66.3%	(91,500)
TOTAL ENTERPRISE	53,883,004	52,977,652	52,736,033	53,940,500	2.3%	1,204,467
TOTAL REVENUE	57,968,078	56,533,122	57,024,409	57,645,955	1.1%	621,546

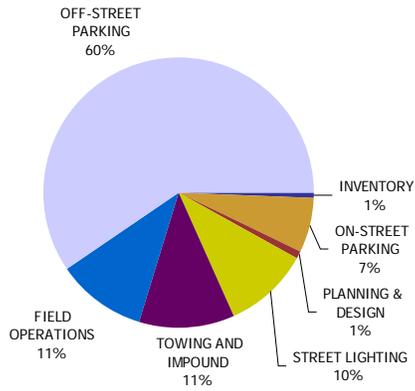
Expense by Fund



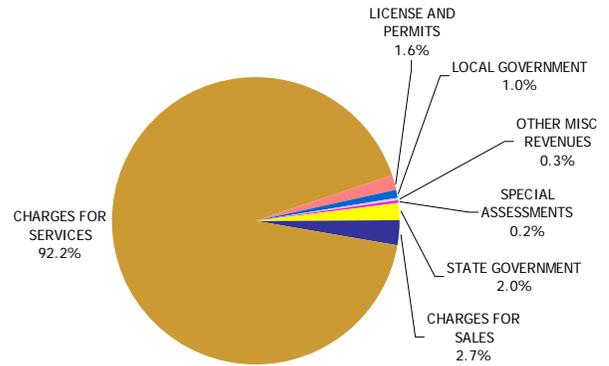
Expense by Category



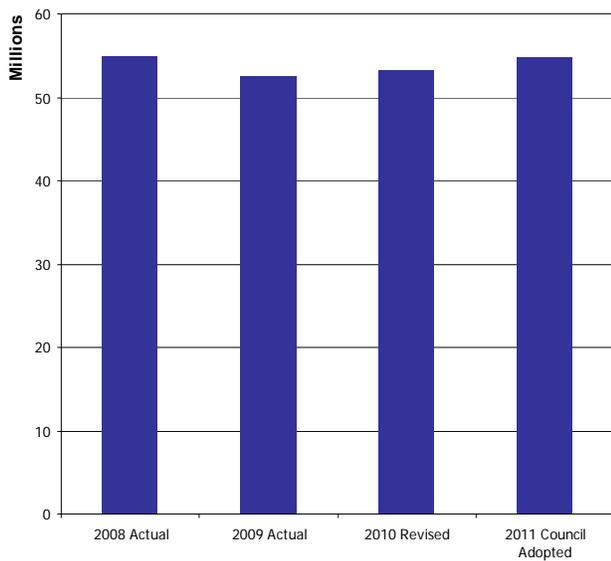
Expense by Division



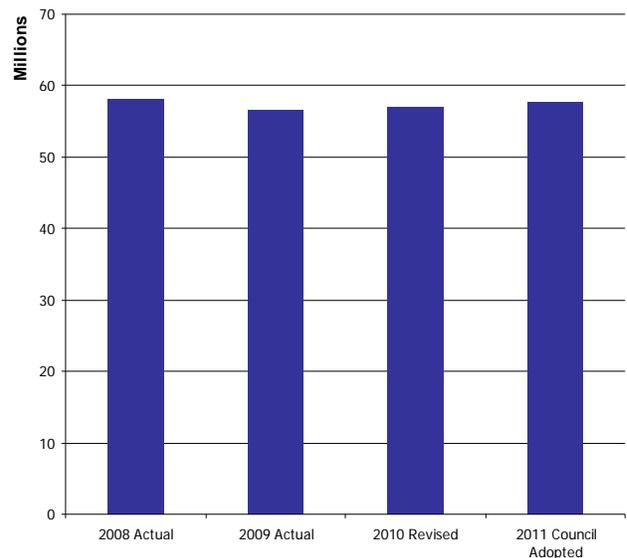
Direct Revenue by Type



Expense 2008 - 2011



Revenue 2008 - 2011

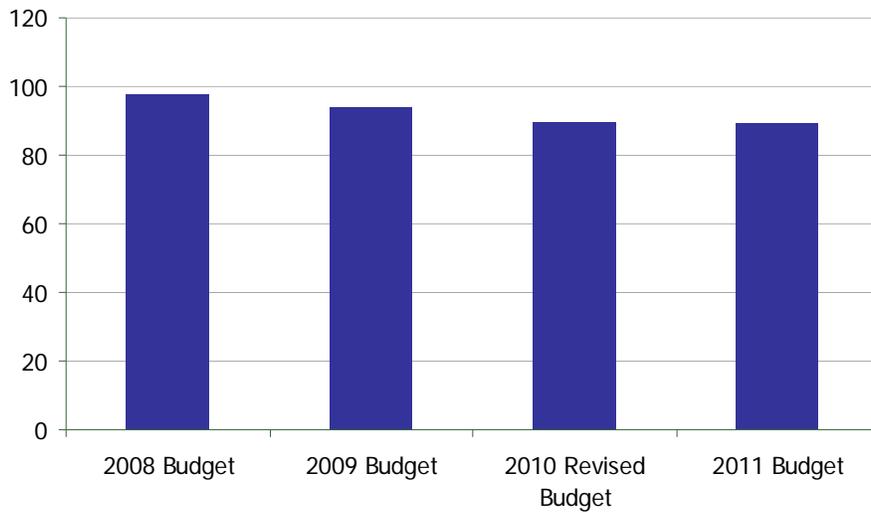


PUBLIC WORKS - TRAFFIC AND PARKING SERVICES

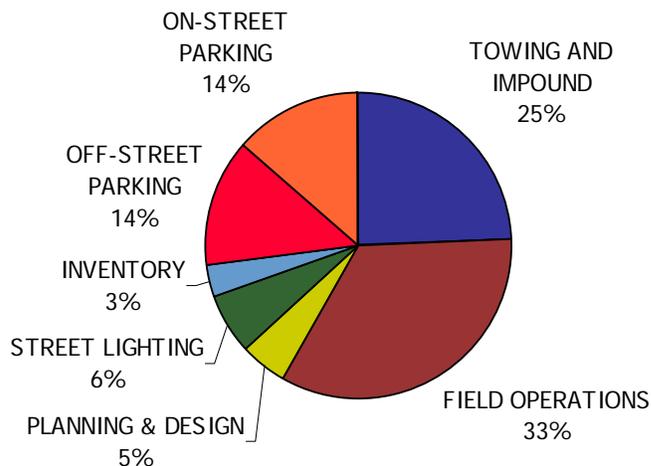
Staffing Information

Expense	2008 Budget	2009 Budget	2010 Revised Budget	2011 Budget	% Change	Change
TOWING AND IMPOUND ENGINEERING SYSTEMS	26.00	25.60	22.85	21.85	-4.4%	(1.00)
FIELD OPERATIONS	32.00	31.10	30.40	29.80	-2.0%	(0.60)
PLANNING & DESIGN	7.00	5.25	5.25	4.45	-15.2%	(0.80)
STREET LIGHTING	6.00	5.25	5.25	5.65	7.6%	0.40
INVENTORY	2.00	2.00	3.00	3.00	0.0%	
OFF-STREET PARKING	14.00	14.10	11.10	12.10	9.0%	1.00
ON-STREET PARKING	11.00	10.83	12.15	12.15	0.0%	
Traffic and Parking Services						
TOTAL	98.00	94.13	90.00	89.00	-1.1%	(1.00)

Positions 2008-2011



Positions by Division



TRANSPORTATION MAINTENANCE & REPAIR

EXPENDITURE

The division's 2011 expense budget of \$39.1 million reflects an 18.8% increase over the 2010 revised budget due primarily to the addition of the Downtown Improvement District Special Revenue fund. The portion in the Stormwater fund increased by 2.5%, primarily due to increases in the equipment contractual service charges. Sidewalk Inspections, housed in the Permanent Improvement fund, increased 7% due to anticipated increases in salary related expenses.

There is no change to the division's workforce from the 2010 level of 129.95 positions.

REVENUE

The department's revenue budget is \$14.1 million, a \$6.5 million or 85.1% increase from the 2010 budget. Of this amount, \$5.8 million is due to the addition of special assessments revenue related to the new Downtown Improvement District.

FUND ALLOCATION

The department is funded by the General Fund (62.5%), Permanent Improvement fund (1.7%), the Stormwater Fund (20.9%) and the Downtown Improvement District special revenue Fund (14.9%). The General Fund budget includes Bridge, Street Maintenance, Snow and Ice, and Malls and Plazas.

MAYOR'S RECOMMENDED BUDGET

The Mayor recommended \$387,000 be transferred from Infrastructure Acceleration Program to fund seal-coating and pothole repair on a one-time basis.

COUNCIL ADOPTED BUDGET

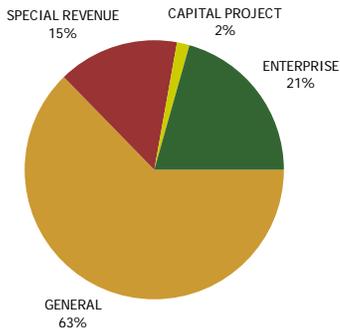
The Council adopted the Mayor's recommendations and further approves an increase in rent charges of \$17,400 to be funded through existing resources.

**PUBLIC WORKS - TRANSPORTATION MAINTENANCE AND REPAIR
EXPENSE AND REVENUE INFORMATION**

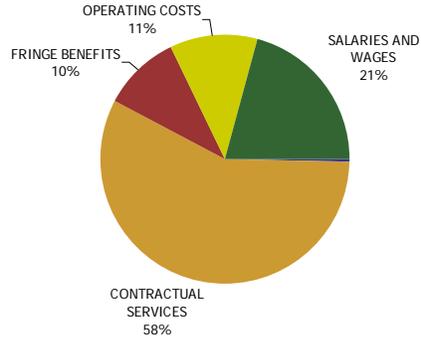
EXPENSE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
AGENCY						
OPERATING COSTS	(44,574)	312,090			0.0%	0
TOTAL AGENCY	(44,574)	312,090				0
GENERAL						
SALARIES AND WAGES	6,933,881	6,622,382	5,678,429	6,304,260	11.0%	625,831
FRINGE BENEFITS	3,041,682	3,203,910	3,089,984	3,102,738	0.4%	12,753
CONTRACTUAL SERVICES	12,023,090	11,175,850	11,360,983	11,059,155	-2.7%	(301,828)
OPERATING COSTS	4,455,673	4,419,915	4,039,931	4,030,648	-0.2%	(9,283)
CAPITAL	71,660	69,700	183,130	83,962	-54.2%	(99,168)
TOTAL GENERAL	26,525,986	25,491,758	24,352,457	24,580,763	0.9%	228,306
SPECIAL REVENUE						
FRINGE BENEFITS		2,023			0.0%	0
CONTRACTUAL SERVICES	28,889	2,935,513		5,800,000	0.0%	5,800,000
OPERATING COSTS	11,778				0.0%	0
TOTAL SPECIAL REVENUE	40,667	2,937,536		5,800,000		5,800,000
CAPITAL PROJECT						
SALARIES AND WAGES	317,070	328,217	302,546	316,978	4.8%	14,432
FRINGE BENEFITS	102,330	116,509	129,970	134,022	3.1%	4,051
CONTRACTUAL SERVICES	210,472	250,162	207,410	197,621	-4.7%	(9,789)
OPERATING COSTS	12,910	5,413	12,923	11,225	-13.1%	(1,698)
TOTAL CAPITAL PROJECT	642,782	700,302	652,849	659,846	1.1%	6,997
ENTERPRISE						
SALARIES AND WAGES	1,091,483	1,101,906	1,553,954	1,542,156	-0.8%	(11,798)
FRINGE BENEFITS	508,887	526,766	642,417	631,685	-1.7%	(10,732)
CONTRACTUAL SERVICES	5,317,434	5,173,648	5,285,976	5,451,131	3.1%	165,155
OPERATING COSTS	489,696	471,108	403,291	415,515	3.0%	12,224
TOTAL ENTERPRISE	7,407,500	7,273,428	7,885,638	8,040,487	2.0%	154,849
TOTAL EXPENSE	34,572,361	36,715,114	32,890,944	39,081,095	18.8%	6,190,152

REVENUE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
GENERAL						
FRANCHISE FEES				210,000	0.0%	210,000
STATE GOVERNMENT	2,310,524	2,064,515	2,766,135	2,730,360	-1.3%	(35,775)
LOCAL GOVERNMENT	97,689	84,037	175,429	125,175	-28.6%	(50,254)
CHARGES FOR SERVICES	4,836,664	3,770,758	2,538,000	2,818,000	11.0%	280,000
CHARGES FOR SALES	15,775	18,616	10,000	10,000	0.0%	0
SPECIAL ASSESSMENTS	1,958,791	901,072	734,804	792,804	7.9%	58,000
RENTS			2,400		-100.0%	(2,400)
OTHER MISC REVENUES	38,667	10,251	26,000	1,000	-96.2%	(25,000)
TRANSFERS IN		700,000			0.0%	0
TOTAL GENERAL	9,258,110	7,549,249	6,252,768	6,687,339	7.0%	434,571
SPECIAL REVENUE						
SPECIAL ASSESSMENTS		1,199,077		5,800,000	0.0%	5,800,000
OTHER MISC REVENUES		1,417,093			0.0%	0
TOTAL SPECIAL REVENUE		2,616,169		5,800,000	0.0%	5,800,000
CAPITAL PROJECT						
LICENSE AND PERMITS	152,635	334,445	263,159	260,000	-1.2%	(3,159)
CHARGES FOR SERVICES	(695)		39,924		-100.0%	(39,924)
SPECIAL ASSESSMENTS	73,631	127,232	16,072	60,000	273.3%	43,928
TOTAL CAPITAL PROJECT	225,571	461,676	319,155	320,000	0.3%	845
ENTERPRISE						
STATE GOVERNMENT	781,769	668,444	686,597	886,857	29.2%	200,260
LOCAL GOVERNMENT	256,013	220,233	235,961	328,041	39.0%	92,080
CHARGES FOR SERVICES	12,741	15,305	1,000	10,000	900.0%	9,000
CHARGES FOR SALES	52	1,757	1,000		-100.0%	(1,000)
SPECIAL ASSESSMENTS	44,018	68,468	115,000	60,000	-47.8%	(55,000)
OTHER MISC REVENUES			2,000		-100.0%	(2,000)
TOTAL ENTERPRISE	1,094,592	974,207	1,041,558	1,284,898	23.4%	243,340
TOTAL REVENUE	10,578,273	11,601,301	7,613,481	14,092,237	85.1%	6,478,756

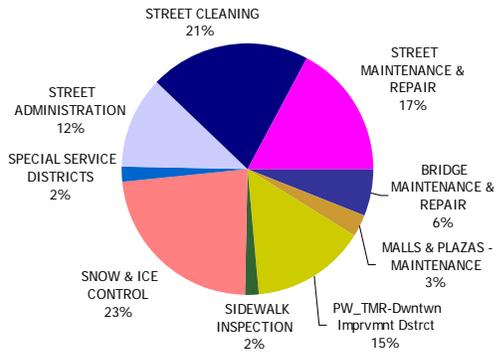
Expense by Fund



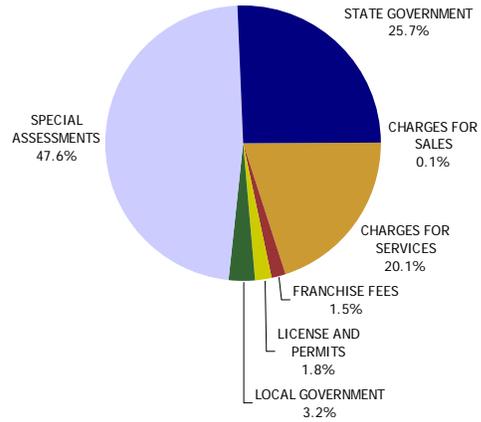
Expense by Category



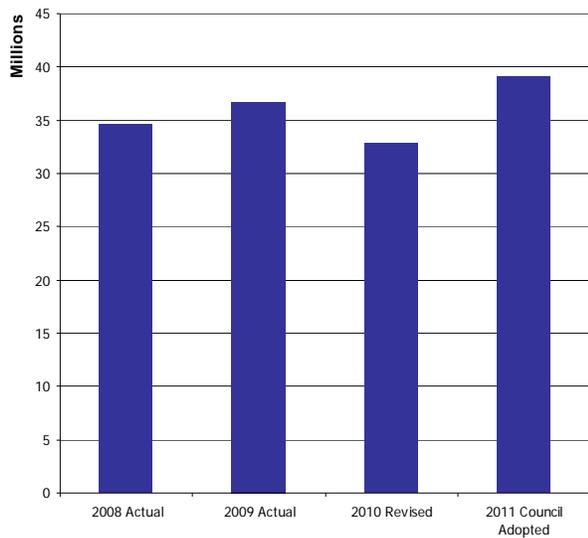
Expense by Division



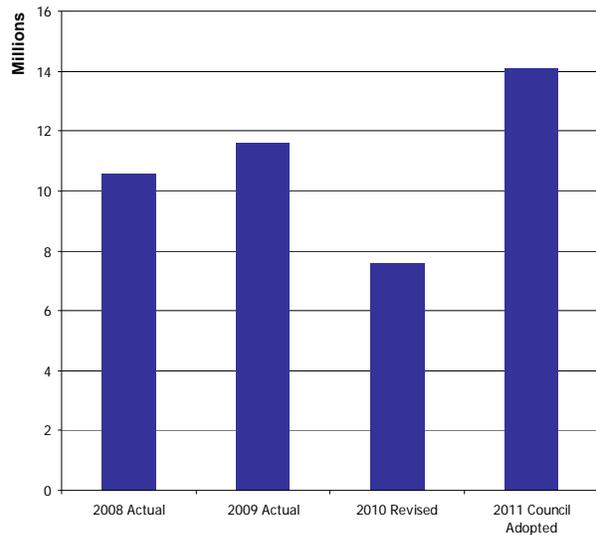
Direct Revenue by Type



Expense 2008 - 2011



Revenue 2008 - 2011

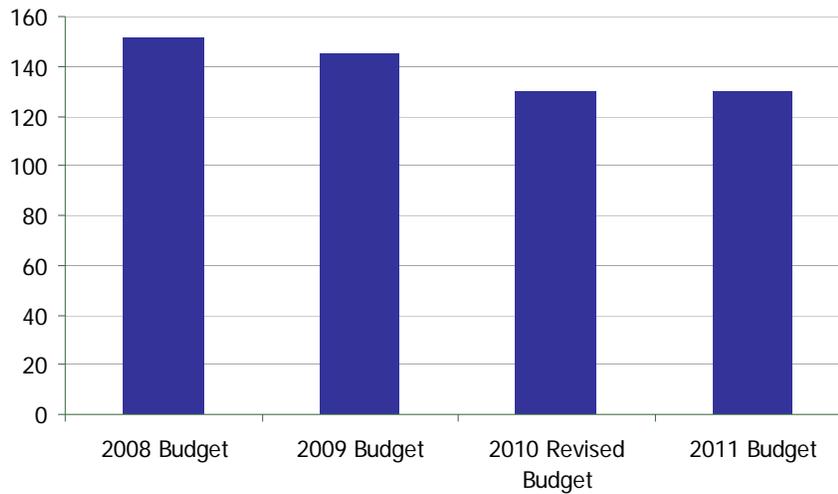


PUBLIC WORKS - TRANSPORTATION MAINTENANCE AND REPAIR

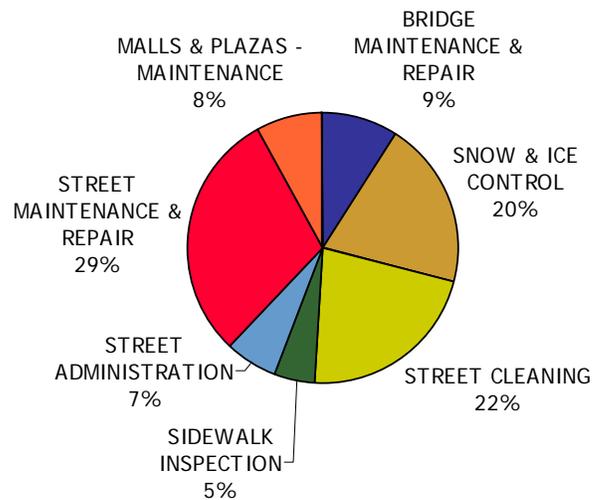
Staffing Information

Expense	2008 Budget	2009 Budget	2010 Revised Budget	2011 Budget	% Change	Change
BRIDGE MAINTENANCE & REPAIR	14.00	14.00	12.00	12.00	0.0%	
SNOW & ICE CONTROL	31.00	30.40	25.55	26.00	1.8%	0.45
TRANS MAINTENANC & REPAIR						
STREET CLEANING	27.00	26.80	27.00	28.05	3.9%	1.05
SIDEWALK INSPECTION	6.00	6.00	6.00	6.00	0.0%	
STREET ADMINISTRATION	11.00	10.50	8.50	8.50	0.0%	
STREET MAINTENANCE & REPAIR	47.00	41.50	40.50	39.00	-3.7%	(1.50)
MALLS & PLAZAS - MAINTENANCE	9.00	9.40	10.40	10.40	0.0%	
NICOLLET MALL	6.00	6.10				
PW_TMR-Dwntwn Imprvmt Dstrct						
SPECIAL SERVICE DISTRICTS						
TOTAL	151.00	144.70	129.95	129.95	0.0%	

Positions 2008-2011



Positions by Division



TRANSPORTATION PLANNING & ENGINEERING

EXPENDITURE

Transportation Planning & Engineering is comprised of Transportation Design as well as Right of Way Management, Pavement Management, Utility Connections, the Engineering Lab and Bridge Inspections. Asphalt and Concrete are no longer recorded as inventory transactions and the cost of goods sold is no longer budgeted in these areas.

The total budget for this department in 2011 is \$12.1 million, a 6.4% increase from 2010.

The division added 3 positions, Supervisor Engineering Technician and two Engineering Technicians II to the Design area (in the Capital Improvements fund) and moved two Engineering Tech I positions from the Capital Improvements fund to the Engineering Materials and Testing internal service fund. These changes were made to accommodate workload, thus bringing the total number of positions to 78, an increase of 4 FTE from 2010.

REVENUE

Total revenues for 2011 are budgeted at \$5 million, an increase of 17.3% from 2010. The increase is related to an increase capital project costs in the planned capital program as well as an increase in new permit revenue. Engineering Lab revenue is recorded with cost and related overheads due to the department in the 2011 budget.

FUND ALLOCATION

The Transportation Planning & Engineering division is now funded by the General Fund (17%), the Capital Improvements Fund (70%) and the Engineering Materials and Testing internal service fund (13%).

The General Fund consists of the Right of Way Management, Special Assessments, Pavement Management, Transportation Planners, Utilities Connections and Bridge Inspections.

MAYOR'S RECOMMENDED BUDGET

The Mayor recommended one transportation planner position (\$98,000) and \$430,000 in one-time funds for transportation planning expenditures.

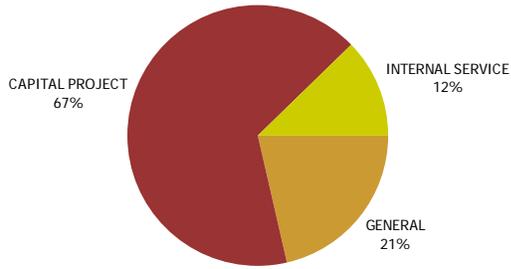
COUNCIL ADOPTED BUDGET

The Council adopted the Mayor's recommendations and further approves an increase in rent charges of \$300 to be funded through existing resources.

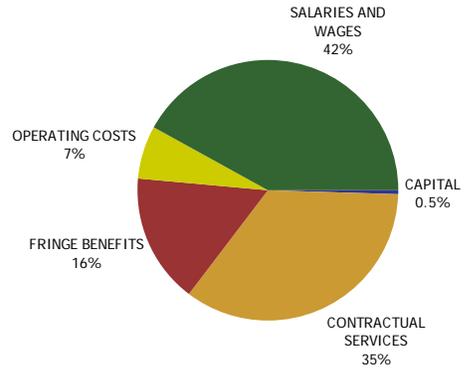
**PUBLIC WORKS - TRANSPORTATION PLANNING AND ENGINEERING
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
AGENCY						
OPERATING COSTS		48			0.0%	0
TOTAL AGENCY		48				0
GENERAL						
SALARIES AND WAGES	748,456	947,980	1,185,693	1,263,272	6.5%	77,579
FRINGE BENEFITS	260,242	351,054	443,520	510,037	15.0%	66,517
CONTRACTUAL SERVICES	304,474	139,617	299,271	752,002	151.3%	452,731
OPERATING COSTS	17,585	22,373	37,301	41,240	10.6%	3,939
CAPITAL			7,055	11,400	61.6%	4,345
TOTAL GENERAL	1,330,757	1,461,024	1,972,840	2,577,951	30.7%	605,111
CAPITAL PROJECT						
SALARIES AND WAGES	2,583,284	2,778,817	3,038,529	3,171,995	4.4%	133,467
FRINGE BENEFITS	872,549	1,048,108	1,257,805	1,214,726	-3.4%	(43,079)
CONTRACTUAL SERVICES	2,351,806	1,876,002	2,972,459	3,022,218	1.7%	49,759
OPERATING COSTS	106,639	123,139	718,522	623,901	-13.2%	(94,621)
CAPITAL	3,195		40,800	47,104	15.5%	6,304
TOTAL CAPITAL PROJECT	5,917,473	5,826,066	8,028,115	8,079,944	0.6%	51,829
INTERNAL SERVICE						
SALARIES AND WAGES	531,614	533,353	462,522	644,458	39.3%	181,936
FRINGE BENEFITS	193,226	214,035	203,295	255,704	25.8%	52,409
CONTRACTUAL SERVICES	559,536	272,814	492,268	434,036	-11.8%	(58,232)
OPERATING COSTS	(276,113)	(13,659)	242,285	133,549	-44.9%	(108,736)
CAPITAL		20			0.0%	0
TOTAL INTERNAL SERVICE	1,008,263	1,006,563	1,400,370	1,467,747	4.8%	67,377
ENTERPRISE						
CONTRACTUAL SERVICES					0.0%	0
OPERATING COSTS		135			0.0%	0
TOTAL ENTERPRISE		135				0
TOTAL EXPENSE	8,256,493	8,293,835	11,401,324	12,125,642	6.4%	724,318
REVENUE						
GENERAL						
LICENSE AND PERMITS	18,895	24,330	16,000	26,000	62.5%	10,000
CHARGES FOR SERVICES	433,278	628,378	480,000	530,848	10.6%	50,848
OTHER MISC REVENUES	12	807		100	0.0%	100
TOTAL GENERAL	452,185	653,515	496,000	556,948	12.3%	60,948
CAPITAL PROJECT						
FEDERAL GOVERNMENT		113,485			0.0%	0
LOCAL GOVERNMENT		74,400			0.0%	0
CHARGES FOR SERVICES	4,167,140	5,947,424	2,283,000	2,800,000	22.6%	517,000
CHARGES FOR SALES	258	606		300	0.0%	300
OTHER MISC REVENUES	824	2,394		500	0.0%	500
TOTAL CAPITAL PROJECT	4,168,222	6,138,309	2,283,000	2,800,800	22.7%	517,800
INTERNAL SERVICE						
CHARGES FOR SERVICES	1,065,112	830,165	1,110,000	1,260,678	13.6%	150,678
CHARGES FOR SALES		562,729	350,000	352,000	0.6%	2,000
OTHER MISC REVENUES	4,371	373			0.0%	0
TOTAL INTERNAL SERVICE	1,069,483	1,393,267	1,460,000	1,612,678	10.5%	152,678
TOTAL REVENUE	5,689,891	8,185,091	4,239,000	4,970,426	17.3%	731,426

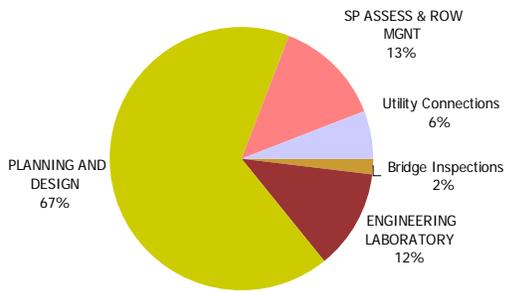
Expense by Fund



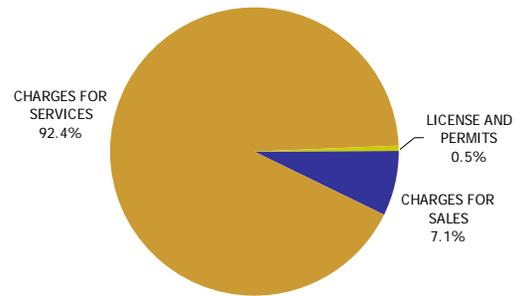
Expense by Category



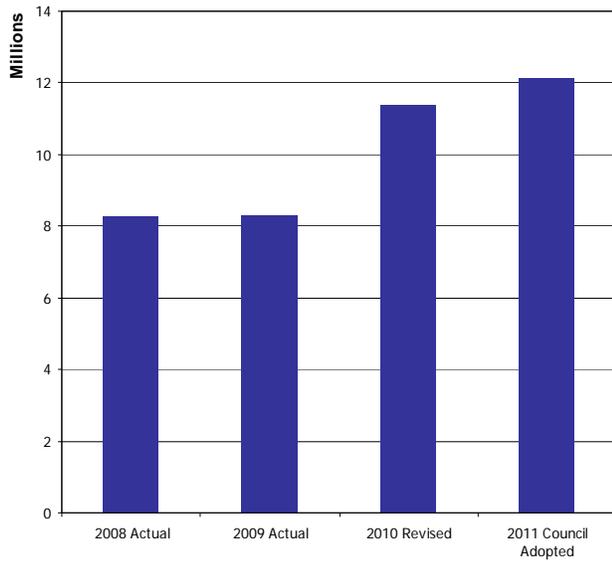
Expense by Division



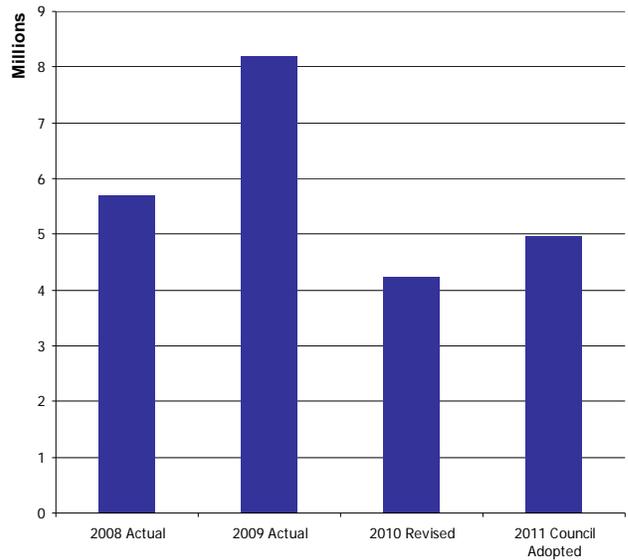
Direct Revenue by Type



Expense 2008 - 2011



Revenue 2008 - 2011

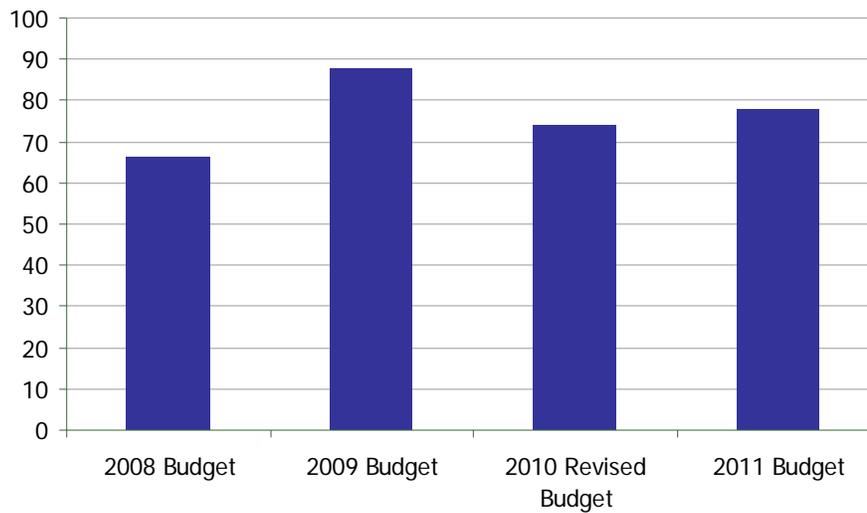


PUBLIC WORKS - TRANSPORTATION PLANNING AND ENGINEERING

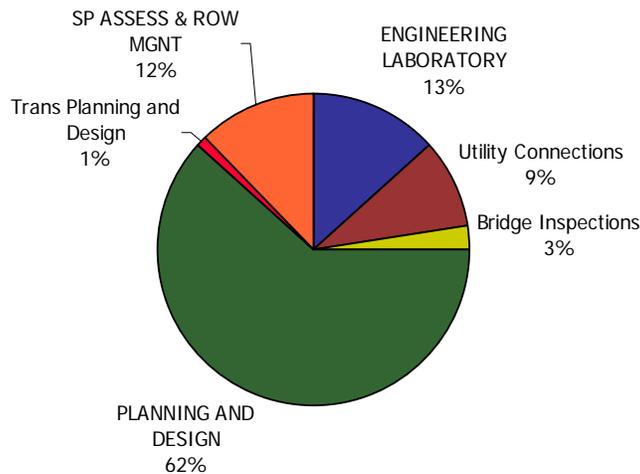
Staffing Information

Expense	2008 Budget	2009 Budget	2010 Revised Budget	2011 Budget	% Change	Change
ENGINEERING LABORATORY		13.50	7.50	10.50	40.0%	3.00
Ready Mix Concrete						
Utility Connections	7.00	7.00	7.00	7.00	0.0%	
Bridge Inspections			2.00	2.00	0.0%	
PLANNING AND DESIGN	56.00	56.00	48.00	48.00	0.0%	
Asphalt Distribution		1.00				
Trans Planning and Design				1.00		1.00
SP ASSESS & ROW MGNT	3.00	10.50	9.50	9.50	0.0%	
TOTAL	66.00	88.00	74.00	78.00	5.4%	4.00

Positions 2008-2011



Positions by Division



WATER TREATMENT & DISTRIBUTION SERVICES

EXPENDITURE

The 2011 expense budget remains relatively flat from \$48.4 million in 2010 to \$48.4 million in 2011, a decrease of 0.1%.

A total of 10 positions were eliminated bringing the total number of positions to 207 from the 2010 budget of 216.67, a 4.65% decrease. Some of these reductions were completed in 2010, but were not planned for in the 2010 budget and thus are reflected in the 2011 budget. Five positions were filled; the remainder is permit positions.

REVENUE

The 2011 revenue is projected to increase approximately \$11.5 million to \$75.3 million, an overall increase of 18%. In the 2010 budget the revenue was conservatively projected and combined with the commercial meters currently being tested to verify the gallons of water sold, the revenue is projected to increase 10% in 2010 and for 2011 is expected to increase 21.9% over the 2010 budget.

FUND ALLOCATION

The division is funded by the Water enterprise fund. Due to the revenue increases attributable to the commercial meter testing, the Pay-As-You-Go capital activities were increased in 2011 by \$4 million. This increase will be mostly used to restore the water pipe lining activities.

MAYOR'S RECOMMENDED BUDGET

The Mayor recommended one-time funding of \$60,000 for hydrant conversion stations for large events and \$10,000 for a community garden irrigation program.

COUNCIL ADOPTED BUDGET

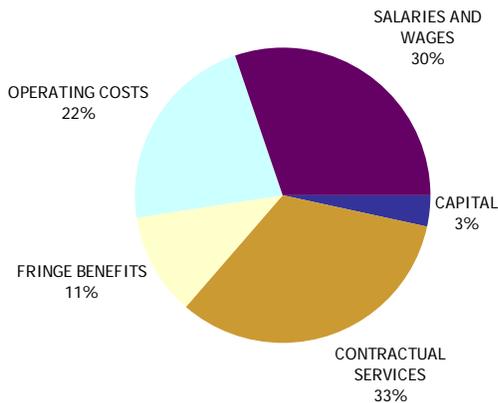
The Council adopted the Mayor's recommendations. The Council further approves increasing the Water revenue "pay as you go" capital appropriation in the water capital project WTR12 Water Distribution Improvements as follows: 2011, increase from \$1M to \$4M; 2012, increase from \$1.5M to \$5M; 2013, increase from \$1.5M to \$5M; 2014, increase from \$2M to \$5M; and 2015, increase from \$2M to \$5M. In addition, change the funding source for water project WTR23 Treatment Infrastructure Improvements from Water Bonds to Water Revenue for years 2011 through 2015 and update revenue estimates and reserve balances for these changes and current revenue projections. No change in water rate required.

PUBLIC WORKS - WATER TREATMENT & DISTRIBUTION EXPENSE AND REVENUE INFORMATION

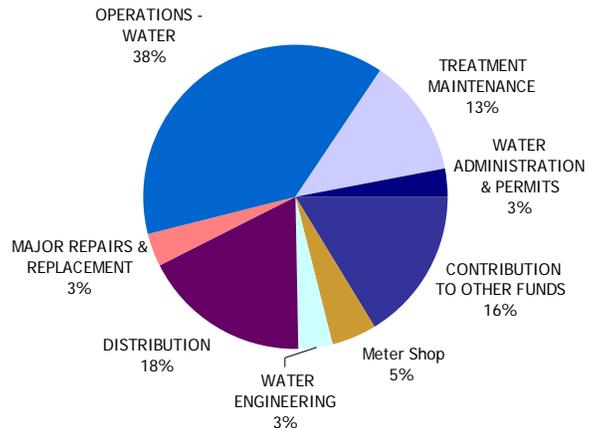
EXPENSE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
AGENCY						
OPERATING COSTS		(47,675)			0.0%	0
TOTAL AGENCY		(47,675)				0
ENTERPRISE						
SALARIES AND WAGES	13,230,373	13,258,317	12,452,265	14,609,015	17.3%	2,156,751
FRINGE BENEFITS	6,000,694	6,456,740	6,455,444	5,446,634	-15.6%	(1,008,810)
CONTRACTUAL SERVICES	18,121,834	17,799,786	22,340,597	15,919,006	-28.7%	(6,421,591)
OPERATING COSTS	15,693,255	16,393,775	6,973,032	10,758,888	54.3%	3,785,856
CAPITAL	12,301	93,094	224,965	1,643,846	630.7%	1,418,881
TOTAL ENTERPRISE	53,058,457	54,001,712	48,446,303	48,377,390	-0.1%	(68,914)
TOTAL EXPENSE	53,058,457	53,954,037	48,446,303	48,377,390	-0.1%	(68,914)

REVENUE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
ENTERPRISE						
SALES AND OTHER TAXE	(0)				0.0%	0
LICENSE AND PERMITS	1,219	1,967	1,000	1,000	0.0%	0
CHARGES FOR SERVICES	62,544,600	66,525,140	63,173,363	75,309,572	19.2%	12,136,209
CHARGES FOR SALES	4,991	7,697	654,000	1,904	-99.7%	(652,096)
SPECIAL ASSESSMENTS		498		510	0.0%	510
OTHER MISC REVENUES	332	33,708			0.0%	0
LONG TERM LIABILITIES PROCEEDS		(5,536,059)			0.0%	0
TOTAL REVENUE	62,551,141	61,032,950	63,828,363	75,312,986	18.0%	11,484,623

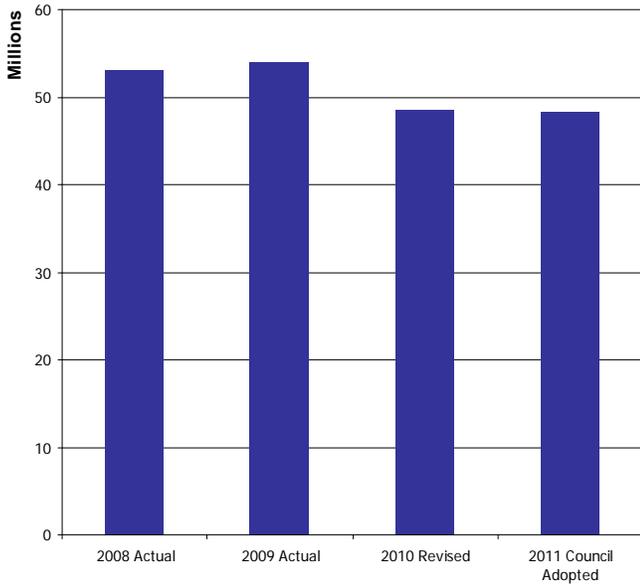
Expense by Category



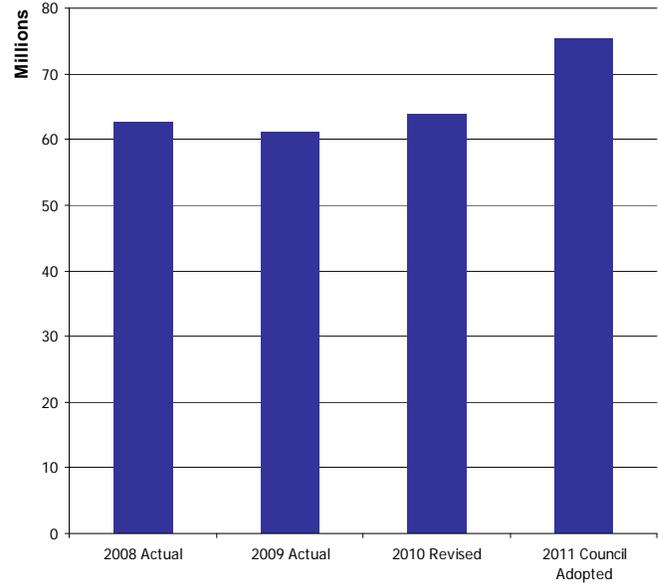
Expense by Division



Expense 2008 - 2011



Revenue 2008 - 2011



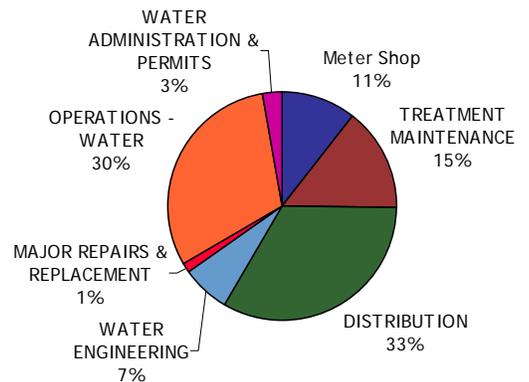
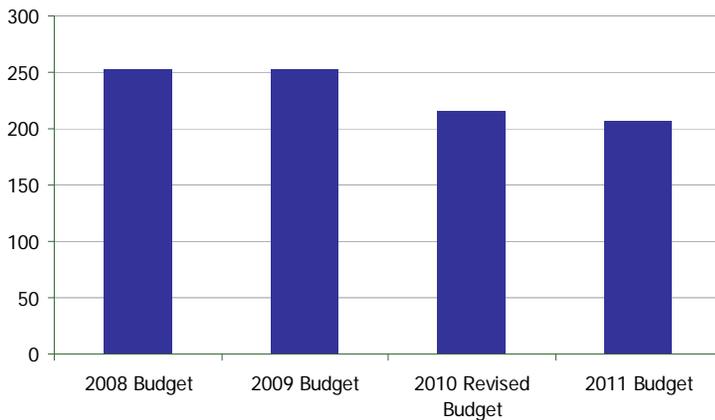
PUBLIC WORKS - WATER TREATMENT & DISTRIBUTION

Staffing Information

Expense	2008 Budget	2009 Budget	2010 Revised Budget	2011 Budget	% Change	Change
Meter Shop			23.00	22.00	-4.3%	(1.00)
PW - WATER TREATMENT & DISTR.						
TREATMENT MAINTENANCE	59.00	57.00	33.67	30.50	-9.4%	(3.17)
CONTRIBUTION TO OTHER FUNDS						
DISTRIBUTION	91.00	90.00	73.00	68.00	-6.8%	(5.00)
WATER ENGINEERING	13.00	21.00	15.00	14.50	-3.3%	(0.50)
MAJOR REPAIRS & REPLACEMENT				3.00		3.00
OPERATIONS - WATER	82.00	76.75	65.00	63.00	-3.1%	(2.00)
WATER ADMINISTRATION & PERMITS	8.00	8.00	7.00	6.00	-14.3%	(1.00)
TOTAL	253.00	252.75	216.67	207.00	-4.5%	(9.67)

Positions by Division

Positions 2008-2011



REGULATORY SERVICES AND EMERGENCY PREPAREDNESS

MISSION

Working to ensure the safety, health, and livability of our community through information, education, regulation, and enforcement of applicable laws and regulations.

VALUES

- **Safety** – addressing an issue that can cause fatal harm to an individual.
- **Health** – addressing an issue that could cause sickness or other non-fatal harm to an individual.
- **Livability** – addressing an issue that affects quality of life.
- **Accountability** – each employee will be accountable to systems, policies, people, and the public interest to provide excellent customer service; accept the obligation and responsibility to be accountable for their actions; measure and report actions.

BUSINESS LINES

Administration and Emergency Preparedness

- **Administration** - financial management, human resources management, technology management, and business planning.
- **Emergency Preparedness** - plans, prepares, responds and recovers for and from natural and human-made disasters. This is done through an All-Hazards Emergency Operations Plan (EOP), Continuity of Operations Plan (COOP), Pandemic Flu Plan, Urban Area Security Initiative (UASI) Plan, and the TIC-P plan. Along with planning, Emergency Preparedness provides the necessary training and equipment to mitigate and reduce or eliminate long-term risk to people and their property from hazards and their effects. Emergency Preparedness applies for many state and federal grants for planning, training and equipment.

Inspections Services

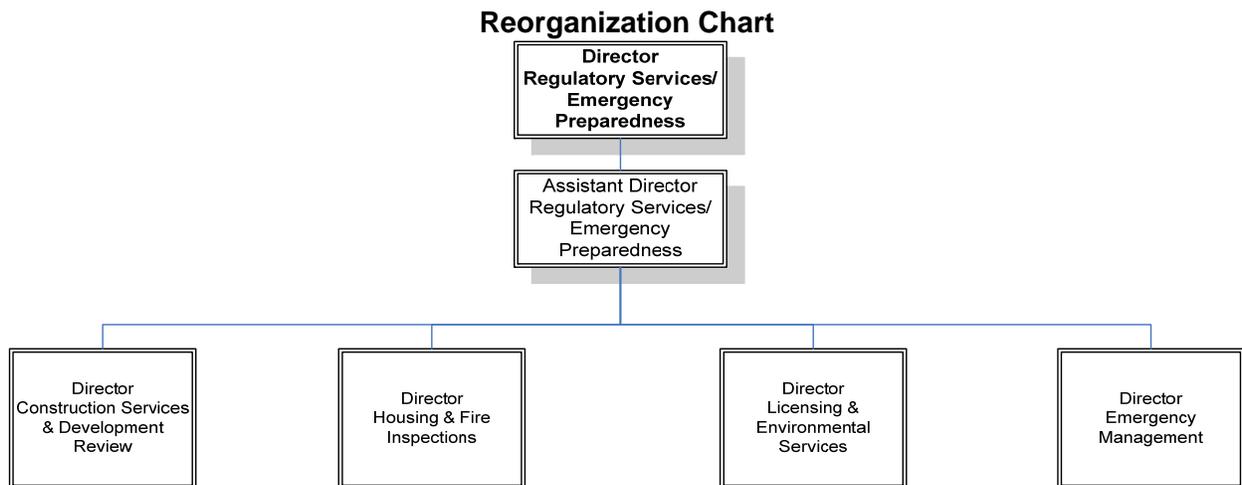
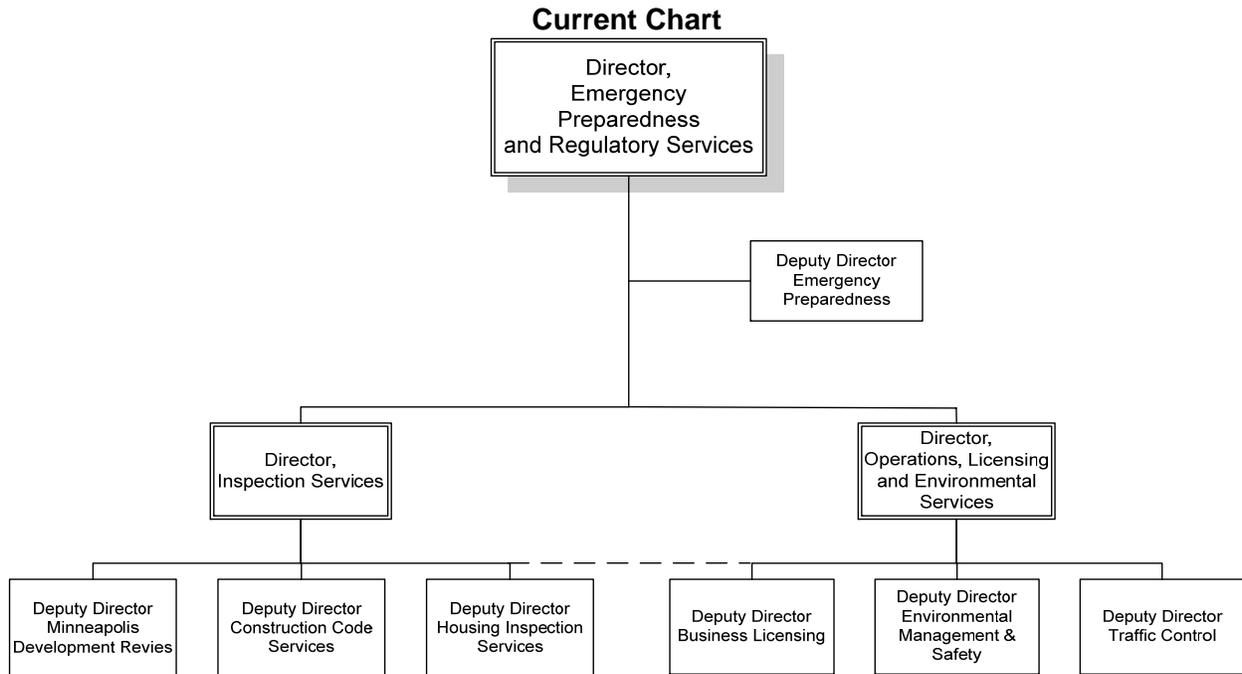
- **Development Review Services (formerly Minneapolis One Stop)**—provides efficient ways for the public to work with the City to obtain development or building applications and reviews, permitting, licensing, zoning, and inspections services in one location, both in person and on the Web.
- **Construction Code Services**—provides quality plan review and construction inspection services to citizens, businesses, developers, contractors, and design professionals.
- **Housing Inspection Services**—provides quality education and consistent enforcement of Minneapolis Housing Maintenance and other applicable codes to maintain, improve, and protect the housing stock and the livability of the City's housing. The Problem Properties Unit provides a multi-departmental, multi-agency initiative to reduce the number and severity of problem properties in the city.

Operations, Licensing, and Environmental Services

- **Business Licensing Services**—provides education and enforcement of the City's codes related to business licensing, including food, liquor, construction trades, taxi cabs and general licenses.

- **Environmental Management & Safety**—provides education and enforcement of the City’s codes related to animal control, safe food, air and water quality, and a clean, healthy outdoor environment.
- **Traffic Control**—provides traffic flow management for events and other traffic situations, as well as parking enforcement.

ORGANIZATION CHART



RESULTS MINNEAPOLIS CHART

Measure Name	2006 Data	2007 Data	2008 Data	2009 Data	2010 Target	2011 Target
Annual Police Calls for Service at Top 15 Problem Grocery Stores	1,856	303	148	171	135	136
Average Days to Process Liquor Licenses	68	42	40	31	38	38
Food Inspections resulting in Violations related to Food Handler Health and Hygiene	N/A	N/A	N/A	10%	8%	7%
Reported Animal Bites	407	453	423	382	360	350
Reported Serious Animal Bites	N/A	N/A	113	74	60	55
Customer Satisfaction Rate with MDR	N/A	91%	94%	93%	90%	90%
Average Days to Route Formal Plans (MDR)	19	11	9	10	10	10
Percent of Permits Processed via the Web	15%	15%	18%	21%	N/A	25%
Citywide Valuation of Building Permits (in millions)	\$840	\$761	\$773	\$778	\$750	\$750
Response to Construction Code Inspection Requests from Contractors or Building Owners	72 Hours	48 Hours	48 Hours	48 Hours	48 Hours	48 Hours
Construction/Building Permit Plan Reviews Completed within Two Days	85%	87%	86%	89%	85%	82%
Construction Code Inspections Performed per Day	288	296	270	307	290	295
Unpermitted Building Construction Violations	N/A	651	741	562	500	500
Number of Buildings Registered Vacant on 12/31	526	1007	1366	1396	1250	900
Chapter 249 Demolitions	34	59	124	71	65	55
Restoration Agreements Completed	6	5	9	45	75	75
Number of Housing Inspections (in thousands)	105,000	106,000	92,000	106,000	105,000	105,000

Rental Properties Inspected	8,320	7,541	7,325	8,243	7,400	7,400
Rental Properties Violations Written	31,463	28,948	28,261	34,559	29,000	29,000
Rental License Revocation Actions Initiated	32	69	73	102	90	90
% of 311 Animal Control Requests Responded to Within service level agreement	N/A	90%	90%	90%	90%	90%
% of 311 Exterior Nuisance Complaints Responded within service level agreement	N/A	87%	91%	95%	92%	92%
% of 311 Residential Condition Complaints Responded within service level agreement	N/A	96%	97%	97%	98%	98%
Parking Citations Written	217,872	221,979	229,624	219,689	237,026	249,381
Parking Citation Revenues	\$4.7 million	\$4.8 million	\$4.8 million	\$4.6 million	\$4.9 million	\$5.2 million
Traffic Control Hours	9,270	12,456	12,866	12,807	10,600	10,600

What two or three key trends and challenges does the department face and how will each be addressed?

• Revenue Budget Calculation for Traffic Control

The revenue budget for 2010 is \$5.8 million, while the actual revenues from 2003 to 2009 have ranged from \$4.4 million to \$5.2 million. Data shows the change in management will have a positive impact on revenue collection.

• Fee Increases

Regulatory Services revenues are primarily fee-driven. When fees are frozen by the elected officials, the department's ability to reach the revenue budget as approved by the elected officials is at risk. The approved revenue budget includes a 3% increase to all Regulatory Services revenues. A freeze on fee revenues greatly reduces the flexibility of the department to achieve its revenue goals. If future annual fee increases are denied, the department's revenue forecast should be held flat. If the 2011 fee increases are denied, then the revenue budget for those areas should be held flat.

• Foreclosures

Regulatory Services continues to work closely with Hennepin County and CPED to strategize on new efforts to minimize the negative impact of foreclosures. Foreclosures cause the level of boardups and demolitions to increase. In order to reduce the need for demolitions, the department has a program allowing owners of vacant and boarded buildings to bring their property back up to code. Because foreclosed properties often become maintenance problems, Regulatory Services will maintain focus on housing inspections and nuisance abatement activities, as well as work proactively with property managers to obtain compliance.

- **Fleet**

Based on our business plan, Regulatory Services has aggressively replaced 71 older fleet vehicles with green vehicles over the past three years. Green vehicles are defined as clean and fuel-efficient options that meet our needs. Low emissions and good fuel economy are both important for the environment and the budget. Some examples are E85 flexible fuel vehicles and hybrid gas-electric vehicles. By the end of 2009, the department reduced the fleet by 54 vehicles that were not utilized to capacity, and had a fleet that includes 82 “green” vehicles (56% of fleet). Of the 146 fleet vehicles, only eight are from years prior to 2006.

In addition, Regulatory Services has worked to maximize fuel savings and vehicle use by locating 19 vehicles at our North and South Field Offices, and assigned two inspectors to share one car. This improved vehicle usage and resulted in cost savings and savings in transit time, mileage and fuel for inspectors moving from downtown to their districts and back.

- **Technology**

Technology is an ongoing challenge. The current version of the primary management system (KIVA) is no longer supported. Regulatory Services has begun working with BIS on a future replacement land management system. The department will define the new system business requirements in conjunction with our key partners (CPED, Fire, Assessor, Public Works and BIS). Regulatory Services will strive to ensure the new system is built to meet the goals of all strategic enterprise partners for master addressing and overall land management. In addition, the new system will integrate property information which is currently contained in disparate systems (GOVERN, MINS, KIVA and CAD) that do not interface. A new ticket-writer system has been proposed to work together with the new parking meters. The plan is for this system to be web-enabled and allow for administrative citations.

- **Sustainability:**

Regulatory Services continues to be a leader in sustainable initiatives. Some of the department’s more recent initiatives include a revised air quality ordinance, a revised noise ordinance, and a comprehensive idling ordinance. Other trends and accomplishments include a new green building website, an increased LEED certification focus citywide, and a particular focus and effort in Regulatory Services’ plan review and development review functions to encourage green development and educate the customers on the economic benefits of responsible environmental practices. Despite numerous ordinance changes and new staff concentrations, the main challenge continues to be adequately enforcing new and existing mandates. The department has increased training requirements for environmental response staff to be cross-trained. An immediate response by qualified staff can minimize the environmental impact of a spill, emission or other incident affecting the quality of air, water or sewer systems. However, the remediation cost for the rapid response is unfunded, and usually cannot be recovered. For 2009, the department created a manager level position to coordinate department-wide green building initiatives. In addition, the Emergency Operations Training Facility/Strategic Information Center is built to the LEED Silver level.

In what internal/external partnerships is the department currently engaged and/or exploring for the future?

Emergency Preparedness -The Emergency Preparedness staff has been working to enhancing emergency preparedness capabilities. In addition to citywide efforts, a wide-range of projects will continue with our national, state, regional and county partners. Specific areas of collaboration include the Governor’s Homeland Security Senior Advisory Committee, the Twin Cities Urban Area, the National Urban Area Security Initiative (co-chair North Central Region). These relationships have enhanced the City’s capability to compete for grant funds.

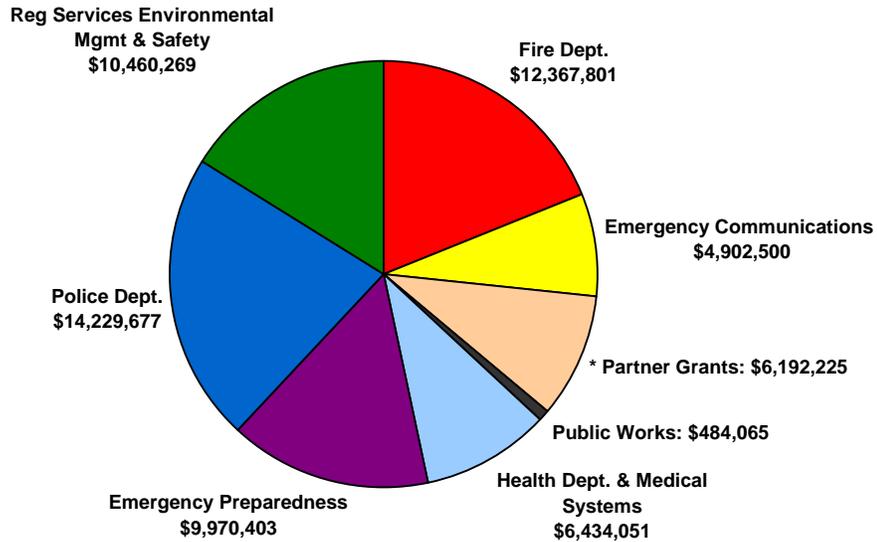
Emergency Preparedness/Regulatory Services Grants

1999 - Dec. 2009

~ Homeland Security

~ Environmental Management & Safety

TOTAL: \$65,040,991



EXAMPLES OF HOW GRANT FUNDS WERE USED:

Police	Fire	Emergency Preparedness	Emergency Communications	Health	Environmental
Bomb Squad	Haz Mat Collapse Structure Team	EOC	New CAD System 311/Backup 911 System	Planning	Lead Reduction
Training	Turnout Gear	Training Exercises		Training	Food Safety Training
Equipment Strategic Info Ctr	Radios	Planning		Equipment	Trees & Solar Panels
Radios	Training Exercises			Pharmaceuticals	Downspout Disconnects
Video Cameras	Fire Training Ctr				Environmental Services

* Partner Grants benefited infrastructure for: Fridley Water Treatment Plant, Metro Transit, Minneapolis Convention Center, Minneapolis Public Schools, St. Anthony Falls Upper Lock & Dam and multiple private sector facilities

Development Review team - Staff participates on a team that includes CPED and Public Works to explore ideas to improve the development review process and streamline it for customers. Additionally, Public Works and CPED both have staff present in the Development Review intake area to simplify the review process.

Problem Properties Unit (PPU) - Staff identifies condemned and boarded properties that need to be demolished or rehabbed. PPU staff work with the Police and Fire departments, Hennepin County and CPED staff to identify solutions for the City’s boarded and vacant properties. During 2010, the decorative boarding services are being transitioned into the Fire Department. Regulatory Services will continue to provide administration of the program.

Troubled Business Task Force - One of the most effective partnerships for Regulatory Services and Emergency Preparedness is the Grocery Store Task Force. This cross-departmental collaborative team reviews data such as police calls and enforcement actions, prioritizes establishments based on criminal activity, and develops action plans to eliminate behaviors, improve operating standards, or take adverse license actions, up to and including revoking licenses. This partnership has been effective by reducing crime incidents at problematic stores and Police response costs associated with them. In addition, there have been improvements due to this team’s work on problem liquor establishments as well as other troubled businesses.

Traffic Management – Regulatory Services meets regularly with Public Works to continuously improve traffic management services at downtown venues such as the Target Field and elsewhere throughout the City. Public Works is also purchasing new meters and Regulatory Services is improving its enforcement system to be compliant with the new meters. This partnership has been helpful in coordinating traffic management services.

Guided Compliance Unit - This unit identifies developments in the City that meet certain criteria – e.g. two or more instances of unpermitted work, zoning violations, unpaid assessments, inadequate site plan completion, etc. A multi-divisional and multi-departmental work team meets regularly on the Guided Compliance list of properties. In some cases, property owners or contractors are required meet with the Guided Compliance team prior to obtaining any permits or licenses for the site.

Green Building Policy Development – In partnership with CPED, Regulatory Services is launching a work team with representatives from Public Works, Sustainability, Finance and the City Attorney’s Office to develop a comprehensive City policy on green buildings. This cross-departmental work team will review green building code best practices of other communities, establish measurable green building goals and targets for the City, identify new tools required to maximize success, develop a comprehensive City green building policy for Council consideration and adoption, outline an implementation plan that coordinates use of the tools available throughout City departments and through stakeholder programs, and track and coordinate the implementation of the green building policy and implementation plan.

Transportation Electrification – Regulatory Services partners with Public Works to lead the Minnesota Transportation Electrification initiative. This public-private initiative is implementing the deployment of next generation electric vehicles and public electric vehicle charging infrastructure in the Metro Area.

Public Works-Solid Waste Rubbish Removal Program - Public Works Solid Waste provides the rubbish removal on private properties after receiving authorization from Regulatory Services & Emergency Preparedness. This has been an excellent partnership and the efficiency of the Public Works-Solid Waste efforts has saved money on these expenses.

Lead Poisoning Prevention – Regulatory Services participates in the City/County Lead Task Force. This team meets quarterly to discuss enforcement on lead paint issues, long term funding strategies for making properties lead safe and grant applications. City staff coordinates with Hennepin County on HUD grant resources by referring lead poisoned children and sharing resources. In addition, staff works with many local groups to provide education and outreach on the hazards of lead. Lead staff also works with Code Construction Services to require lead risk assessments on properties undergoing a code compliance inspection.

Food Recalls/Food Borne Illness - Staff maintains key partnerships with local, state and federal agencies to address food protection. Environmental Health works closely with the Minnesota Department of Health, Minnesota Department of Agriculture, and Hennepin County on food recalls and food borne illness investigations.

How is the department evaluating programs or services for cost effectiveness?

• Cost Recovery

Regulatory Services & Emergency Preparedness does cost recovery reviews through the mandated State Fee Study project, as well as through other fee to cost reviews for those areas not covered in the State Fee Study project. As of 2008, all divisions except Animal Control have

achieved full cost recovery. However, Housing Inspections may not sustain this cost recovery given that the level of administrative citations may be reduced over time as property owners become more aware of the financial implications of not keeping properties up to code.

• Cost Effectiveness

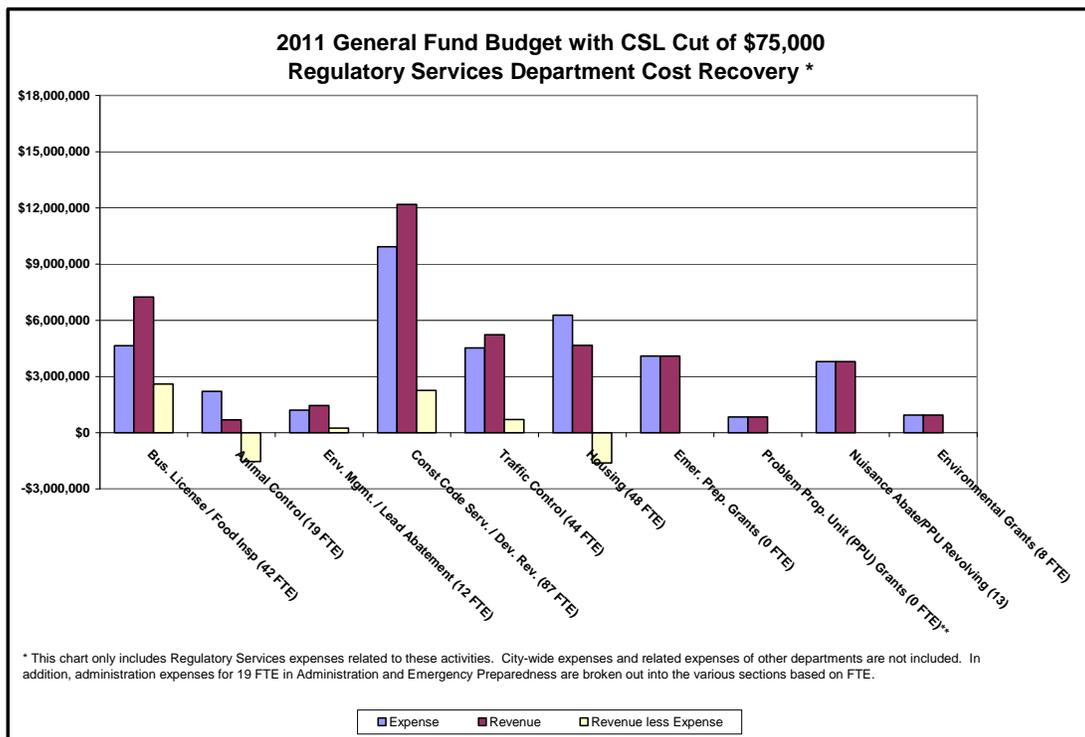
Regulatory Services & Emergency Preparedness reviews performance charts for divisions at the Top Management Team on a quarterly basis. In addition, the divisions meet monthly to discuss budget and revenue status, identifying areas where costs can be reduced or where overages are expected. Surveys are also provided at our Minneapolis Development Review area so clients can provide feedback as to cost effectiveness and customer service.

What actions will the department take to meet the current service level reductions? Please include a description of any revenue proposals. Identify *Results Minneapolis* measures where you anticipate a service level impact based on cuts. Specifically include charts that show 2011 projections of no cuts and target reductions.

Internal service increases of \$175,673 require an analysis of business areas to determine those which do not provide cost-recovery, and focus cuts on those areas. The two major areas without cost recovery are Traffic Flow Management and Animal Control. In addition, the new revolving fund overhead charge requires \$302,000 of cuts in revolving fund areas or increased fees to cover this new charge. Here are the actions that would be taken and the related revenue impact:

- The \$175,673 would be implemented as an operational reduction. It will be managed by reducing or eliminating non-revenue producing services.

A Current Service Level reduction of \$75,000 would be implemented as an operational reduction to Traffic Control. This will be managed by reducing or eliminating non-revenue producing services.



FINANCIAL ANALYSIS

EXPENDITURE

On June 18, 2010, 911 became a division within Regulatory Services under City ordinance 2010R-284. 911's 2011 general fund budget is approximately \$7.3 million. For 2011, the entire Regulatory Services department budget, including 911, is \$48.3 million, a 2.6% decrease from 2010, primarily due to a reduction in expenses associated with grant-funded activities. The expense budget for Regulatory Services includes \$11.3 million in federal, CDBG and other grant fund expenditures, down \$2.7 million from 2010 (19.4%). The department moved 0.5 FTE to non-personnel expense.

REVENUE

In 2011, the department anticipates \$43.8 million in revenue, a 1.4% decrease from 2010. Licenses and permits account for 60% of the total, or \$27 million. Revenue from special assessments is budgeted to decline by 10% (\$0.5M), to \$4.9 million, from the 2010 Revised Budget. Federal grant revenue is budgeted to decline by 28% (\$1.8M) to \$4.6 million. Revenue expectations were reduced by \$130,000 to reflect the Council action on fee increases.

FUND ALLOCATION

In 2011, 77% of the department's budget is from the general fund (\$36.9 million). The remaining budget comes from federal grants and other sources.

MAYOR'S RECOMMENDED BUDGET

The Mayor recommended a reduction to growth of \$292,000 for the department. 911's share of the reduction should be \$207,000. The majority of this cut will be offset by health care savings for the department.

COUNCIL ADOPTED BUDGET

Council approved the Mayor's recommendation. Regulatory Services and Finance are directed to report on the nuisance abatement revolving account within the general fund and develop fund balance policy recommendations for the account and report back to the Ways & Means/Budget committee by February 1, 2011. Additionally, Regulatory Services is directed to work with BIS and Finance to estimate the ongoing costs of the proposed Land Management System and propose an allocation to departments for ongoing operating costs no later than July 1, 2011.

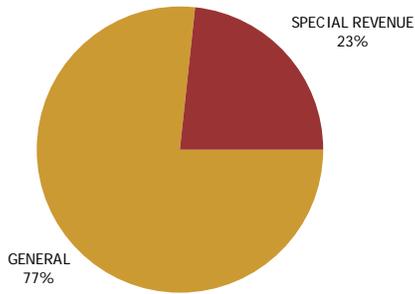
The budget represents the transfer of expense, revenue and 13 FTE related to Fire inspection activities to Regulatory Services from Fire beginning January 1, 2011.

As a part of restructuring, the department removed 2 FTE from its budget.

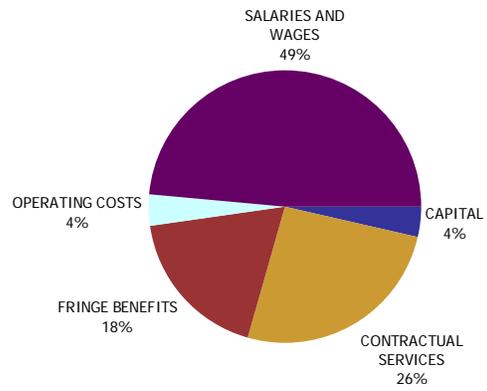
REGULATORY SERVICES EXPENSE AND REVENUE INFORMATION

EXPENSE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Council Adopted	Percent Change	Change
AGENCY						
OPERATING COSTS	(75,168)	(323,017)			0.0%	0
TOTAL AGENCY	(75,168)	(323,017)				0
GENERAL						
SALARIES AND WAGES	17,051,785	17,335,729	19,169,544	21,923,976	14.4%	2,754,433
FRINGE BENEFITS	5,351,668	6,043,305	7,731,152	8,192,537	6.0%	461,385
CONTRACTUAL SERVICES	7,732,863	6,789,409	6,905,555	5,158,627	-25.3%	(1,746,928)
OPERATING COSTS	1,369,775	1,376,169	1,564,093	1,544,910	-1.2%	(19,183)
CAPITAL	129,763	9,106	114,189	114,438	0.2%	249
TOTAL GENERAL	31,635,854	31,553,718	35,484,532	36,934,488	4.1%	1,449,956
SPECIAL REVENUE						
SALARIES AND WAGES	948,439	1,733,045	2,903,785	1,481,602	-49.0%	(1,422,183)
FRINGE BENEFITS	262,715	497,163	1,131,926	562,987	-50.3%	(568,938)
CONTRACTUAL SERVICES	3,103,950	4,680,645	6,475,133	7,378,360	13.9%	903,227
OPERATING COSTS	342,602	737,027	333,542	311,425	-6.6%	(22,117)
CAPITAL	2,157,498	704,102	3,196,154	1,581,367	-50.5%	(1,614,787)
TOTAL SPECIAL REVENUE	6,815,204	8,351,982	14,040,540	11,315,741	-19.4%	(2,724,799)
TOTAL EXPENSE	38,375,890	39,582,683	49,525,072	48,250,229	-2.6%	(1,274,843)
REVENUE						
AGENCY						
GAINS	20,315				0.0%	0
LONG TERM LIABILITIES PROCEEDS	(31,170)				0.0%	0
TOTAL AGENCY	(10,855)				0.0%	0
GENERAL						
LICENSE AND PERMITS	22,493,103	23,753,929	22,610,500	24,751,871	9.5%	2,141,371
LOCAL GOVERNMENT		51,904	53,400	55,002	3.0%	1,602
CHARGES FOR SERVICES	866,875	656,750	871,750	721,518	-17.2%	(150,232)
CHARGES FOR SALES	521	3,040	250	258	3.2%	8
FINES AND FORFEITS	472,442	375,076	6,110,850	5,801,287	-5.1%	(309,563)
SPECIAL ASSESSMENTS	2,789,267	2,225,139	1,545,000	1,286,770	-16.7%	(258,230)
CONTRIBUTIONS	35	160			0.0%	0
OTHER MISC REVENUES	5,405	141,506	57,700	311,681	440.2%	253,981
TOTAL GENERAL	26,627,649	27,207,504	31,249,450	32,928,387	5.4%	1,678,937
SPECIAL REVENUE						
LICENSE AND PERMITS	210,033	463,909	2,124,924	1,652,024	-22.3%	(472,900)
FEDERAL GOVERNMENT	2,443,802	3,135,589	6,377,607	4,657,974	-27.0%	(1,719,633)
STATE GOVERNMENT	498,853	612,593	554,785	562,151	1.3%	7,366
LOCAL GOVERNMENT	1,252,196	11,482			0.0%	0
CHARGES FOR SERVICES		183,850	246,300	415,650	68.8%	169,350
FINES AND FORFEITS		176,841	15,300	15,300	0.0%	0
SPECIAL ASSESSMENTS	4,292,316	6,725,450	3,893,632	3,598,115	-7.6%	(295,517)
INTEREST		4,488			0.0%	0
CONTRIBUTIONS	1,117	49,030			0.0%	0
OTHER MISC REVENUES	5,440	34,303			0.0%	0
TOTAL SPECIAL REVENUE	8,703,758	11,397,536	13,212,548	10,901,214	-17.5%	(2,311,334)
ENTERPRISE						
LICENSE AND PERMITS		25			0.0%	0
TOTAL ENTERPRISE		25			0.0%	0
TOTAL REVENUE	35,320,552	38,605,065	44,461,998	43,829,601	-1.4%	(632,397)

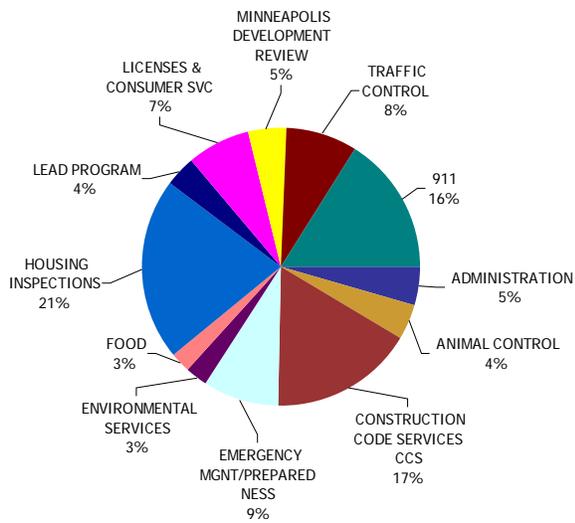
Expense by Fund



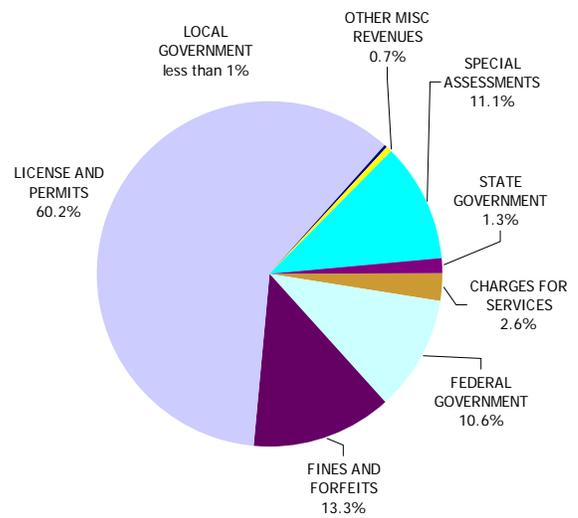
Expense by Category



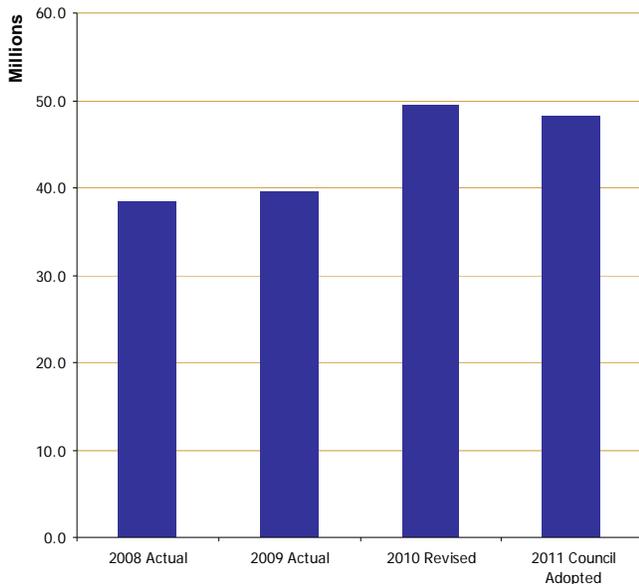
Expense by Division



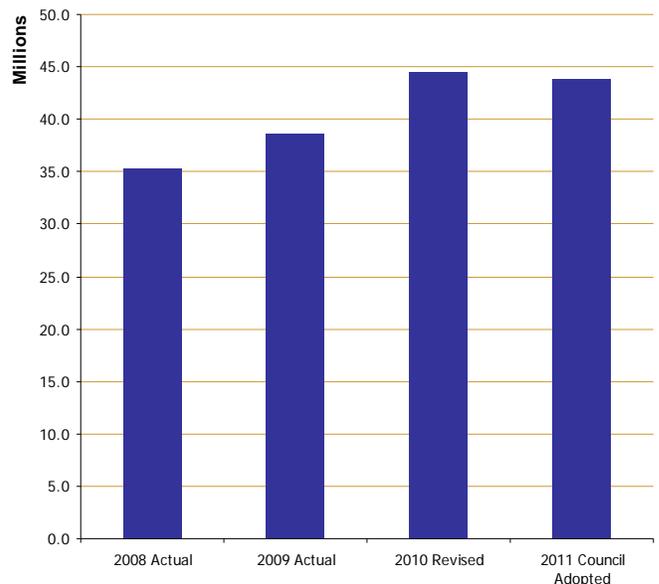
Direct Revenue by Type



Expense 2008 - 2011



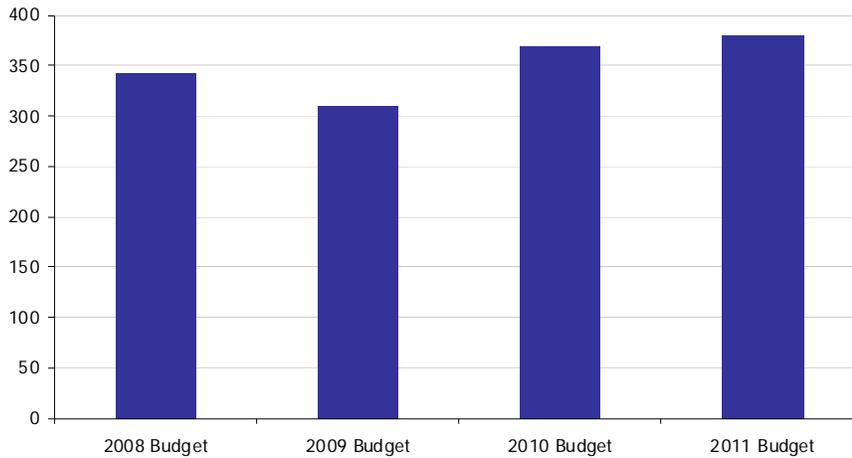
Revenue 2008 - 2011



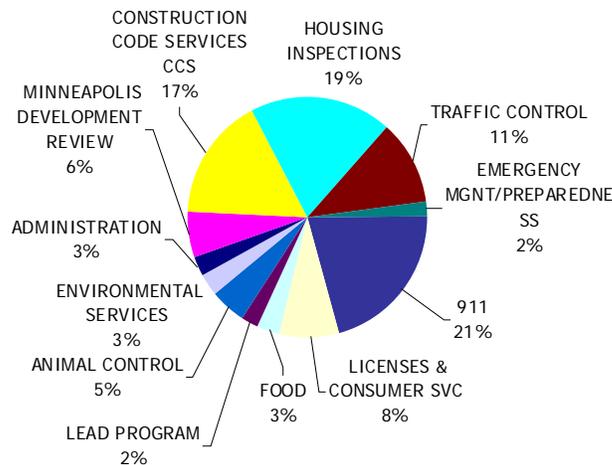
Staffing Information

Expense	2008 Budget	2009 Budget	2010 Budget	2011 Budget	% Change	Change
ANIMAL CONTROL	20.00	16.00	19.00	19.00	0.0%	
CONSTRUCTION CODE SERVICES CCS	63.00	65.50	65.00	64.00	-1.5%	(1.00)
EMERGENCY MGNT/PREPAREDNESS		6.40	5.40	7.41	37.2%	2.01
FOOD	11.00	12.00	12.00	12.00	0.0%	
ADMINISTRATION	17.00	12.60	9.75	10.74	10.1%	0.99
MINNEAPOLIS DEVELOPMENT REVIEW	23.00	22.00	21.00	23.00	9.5%	2.00
911	122.00	84.00	78.00	78.00	0.0%	
TRAFFIC CONTROL				43.50		43.50
PROBLEM PROPERTIES	7.00					
HOUSING INSPECTIONS	36.00	50.40	62.50	72.50	16.0%	10.00
REGULATORY SERVICES						
LEAD PROGRAM	7.00	3.34	10.34	8.34	-19.3%	(2.00)
LICENSES & CONSUMER SVC	27.00	28.00	75.00	30.00	-60.0%	(45.00)
LEAD CONTROL - HUD PROJECT		1.00				
ENVIRONMENTAL SERVICES	10.00	8.16	10.51	10.51	0.0%	
TOTAL	343.00	309.40	368.50	379.00	2.8%	10.50

Positions 2008-2011



Positions by Division



**City of Minneapolis
2011 Budget**

Independent Boards and Agencies

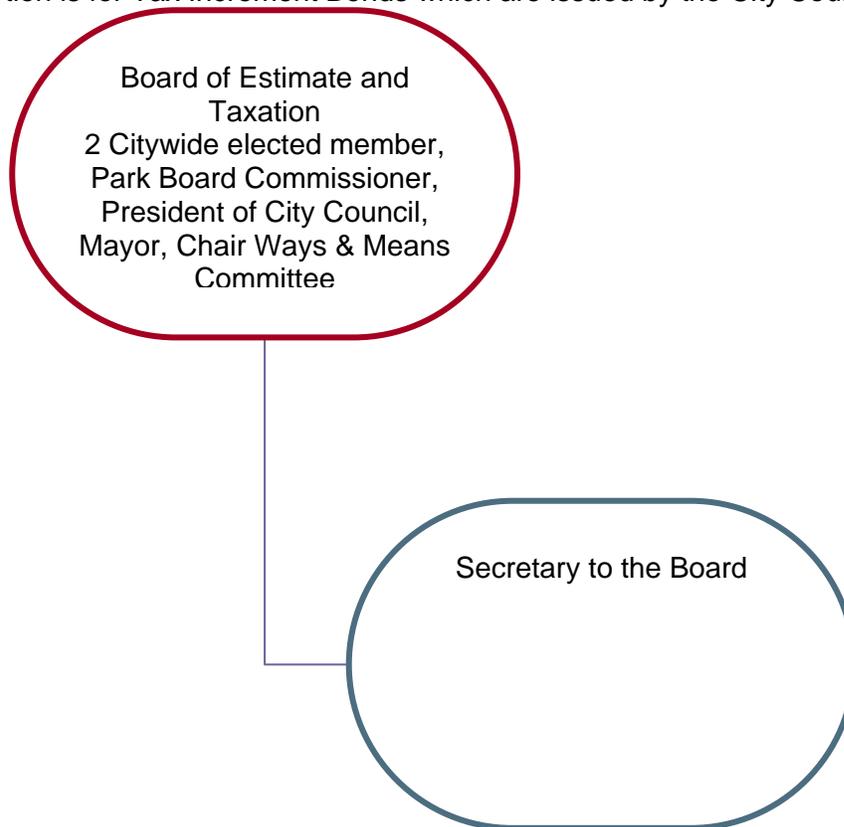
The following board and agency sections include these reports: mission, business line descriptions, performance information, an organizational chart, expense information, revenue information, and staffing information.

- Board of Estimate and Taxation 578
- Municipal Building Commission 581
- Neighborhood Revitalization Program 591
- Park and Recreation Board 596
- Public Housing Authority 602
- Youth Coordinating Board 605

BOARD OF ESTIMATE AND TAXATION

MISSION

The mission of the Board of Estimate & Taxation (“BET”) is to obtain citizen input relating to setting the maximum tax levies of the City for compliance with the City Charter and The Truth In Taxation State Statute. The Board reviews selected City departmental budgets and, after receiving recommendations from the Mayor and City Council and the Public, sets the maximum tax levies by individual levy for the following: General Fund, Permanent Improvement Fund, Bond Redemption Fund, Minneapolis Fire Relief Association, Minneapolis Police Relief Association, Minneapolis Employees Retirement Fund, Minneapolis Public Housing Authority, Economic Development Chapter 595 levy, Teacher’s retirement Association levies Mn Stat Chap 357 Sec 4 and Laws of Mn 1996 Chap 438 Art 4 Sec 9. Municipal Building Commission, Board of Estimate & Taxation, Lake Pollution Control, Tree Preservation & Reforestation, Shade Tree Diseased Control, Park Rehabilitation & Parkway Maintenance, Park and Recreation. The Board on a vote of a minimum of 5 yeas issues General Obligation Bonds of the City of Minneapolis used to support the Capital Program, the exception is for Tax Increment Bonds which are issued by the City Council.



Upon request by the City Council and the Park and Recreation Board the BET may vote to incur indebtedness by issuing and selling bonds, and by doing so, pledges full faith and credit of the City for payment of principal and interest. The BET establishes the maximum property tax levies for funds of the City under the State’s Truth-in-Taxation requirements and the City Charter.

In December 2009, the City Council adopted changes to ordinance 2009-Or-190 relating to the internal audit function. This change removed internal audit functions from the Board and placed them as an independent department under City Council beginning with the 2010 budget.

FINANCIAL ANALYSIS

EXPENDITURE

The full expense budget for BET is \$185,000, a 46% decrease from 2010. Personnel make up 84% of the budget, with contractual expenses and operating expense making up the remaining 16%. This decrease is due to the transfer of funds and position to the Office of Internal Audit in the General Fund. Three of the largest non-personnel expenditures are: General Fund Overhead (\$3,678), BIS charges (\$5,907) and rent (\$4,000), which total \$13,585.

REVENUE

The revenue budget is \$166,600, a 50% decrease over the 2010 Revised Budget. The Board will receive all revenue from property tax.

MAYOR'S REVISED BUDGET

The Mayor recommended no changes to BET's proposed budget.

BOARD OF ESTIMATE AND TAXATION ADOPTED BUDGET

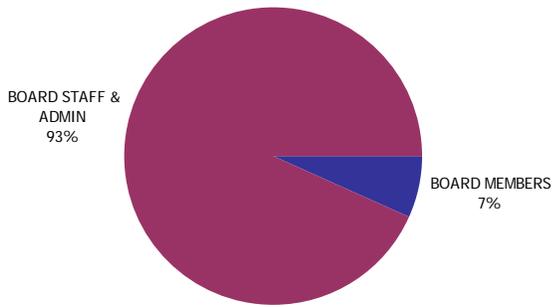
The Board of Estimate and Taxation adopted the Mayor's budget recommendation.

BOARD OF ESTIMATE & TAXATION EXPENSE AND REVENUE INFORMATION

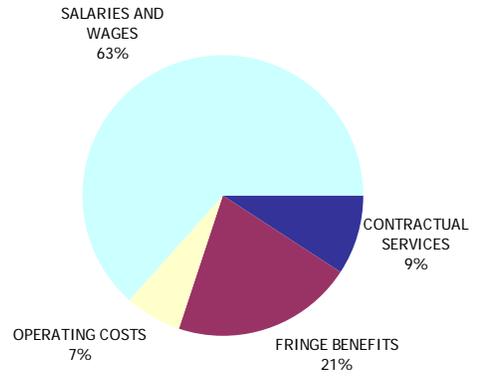
EXPENSE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Adopted Budget	Percent Change	Change
SPECIAL REVENUE						
SALARIES AND WAGES	201,286	224,482	210,504	117,117	-44.4%	(93,387)
FRINGE BENEFITS	34,214	35,915	74,415	38,452	-48.3%	(35,962)
CONTRACTUAL SERVICES	72,281	27,747	37,032	16,815	-54.6%	(20,217)
OPERATING COSTS	7,908	9,175	22,745	12,480	-45.1%	(10,265)
TOTAL SPECIAL REVENUE	315,689	297,319	344,695	184,865	-46.4%	(159,831)
TOTAL EXPENSE	315,689	297,319	344,695	184,865	-46.4%	(159,831)

REVENUE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Adopted	Percent Change	Change
SPECIAL REVENUE						
PROPERTY TAXES	241,777	252,419	264,600	166,600	-37.0%	(98,000)
SALES AND OTHER TAXE	39	(9)			0.0%	0
STATE GOVERNMENT	6,914	6,949			0.0%	0
OTHER MISC REVENUES	160				0.0%	0
TRANSFERS IN	100,000	94,000			0.0%	0
LONG TERM LIABILITIES PROCEEDS			70,000		-100.0%	(70,000)
TOTAL SPECIAL REVENUE	348,890	353,359	334,600	166,600	-50.2%	(168,000)

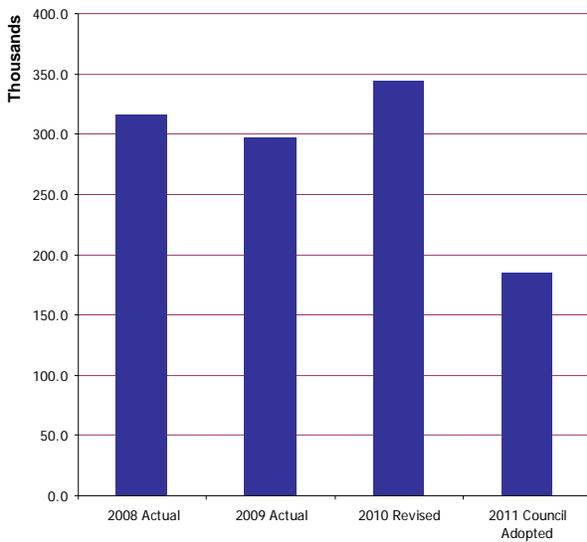
Expense by Division



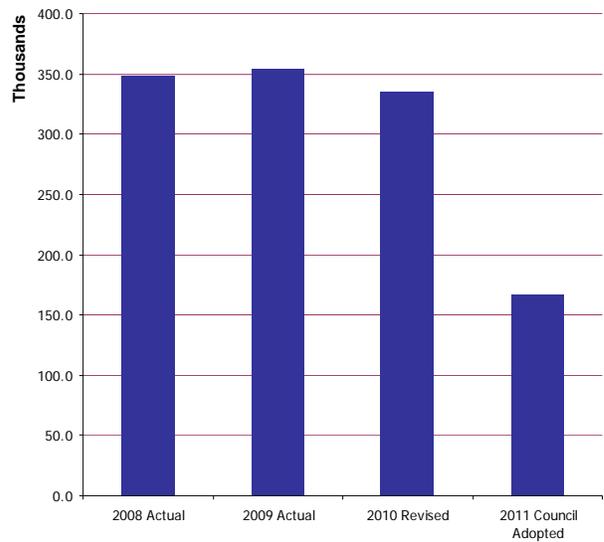
Expense by Category



Expense 2008 - 2011



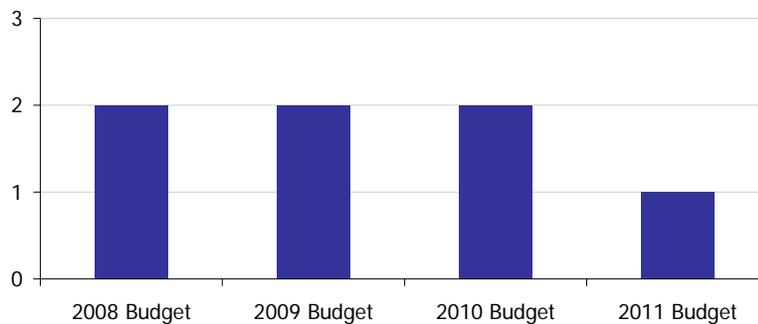
Revenue 2008 - 2011



Staffing Information

Expense	2008 Budget	2009 Budget	2010 Budget	2011 Budget	% Change	Change
BOARD STAFF & ADMIN		1.00	1.00	1.00	0.0%	
BOARD MEMBERS						
INTERNAL AUDIT		1.00	1.00		-100.0%	(1.00)
ESTIMATE & TAXATION	2.00					
TOTAL	2.00	2.00	2.00	1.00	-50.0%	(1.00)

Positions 2008-2011



MUNICIPAL BUILDING COMMISSION

MISSION

To provide effective and efficient services to operate, maintain and preserve the historic landmark City Hall and Courthouse building, and ensure a safe and functional environment for city and county government employees, citizens and elected officials.

BUSINESS LINES

Primary Business 1: Care of the Minneapolis City Hall and Hennepin County Courthouse Building.

This business line is responsible for maintaining the building operating systems including mechanical, electrical and elevators. In addition, MBC is responsible to provide custodial, utility, repair and maintenance services.

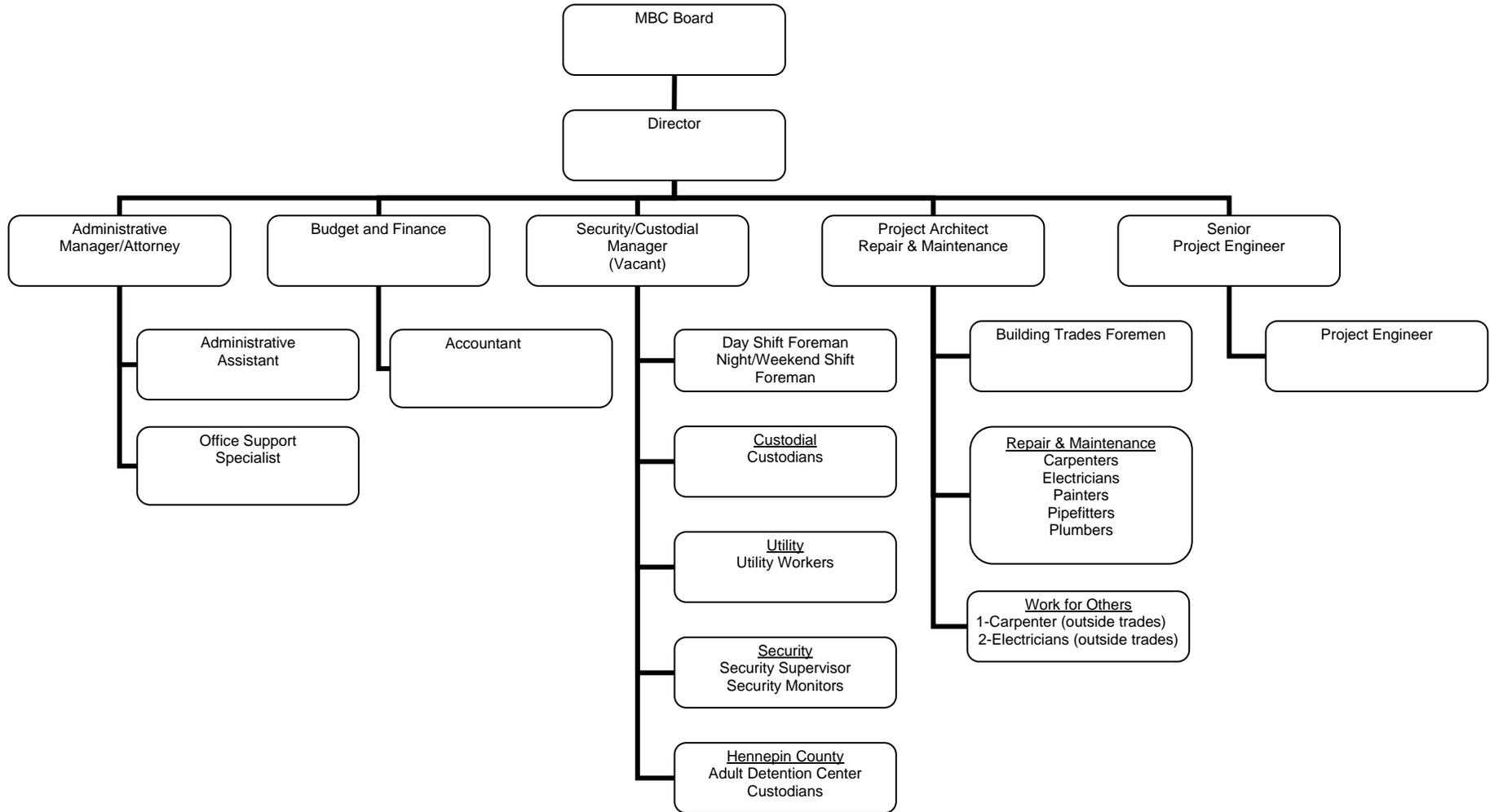
Primary Business 2: Control of the Minneapolis City Hall and Hennepin County Courthouse Building.

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.

Primary Business 3: Historic Preservation of the Minneapolis City Hall and Hennepin County Courthouse.

This business line is responsible for all historic preservation activities in the building. Historic preservation refers to 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. Service activities under this business line that generate revenue to promote historic preservation include the café, catering and space rentals, vending machine and memorabilia sales.

2011 MBC Organization Chart



KEY TRENDS AND CHALLENGES

Mechanical and Life Safety Systems Upgrade Project, (MLSS)

The MBC has completed 13 stages of a 23-stage project to upgrade Mechanical and Life Safety Systems (MLSS) in the City Hall and Courthouse building. Stage 14 is scheduled for completion in the fall of 2010. This work will continue in 2011 with the completion of one more project stage, Stage 16. The MLSS project is scheduled to conclude in 2016.

Based upon historical reports and recommendations the MBC initiated the MLSS upgrade capital project in 1999. Those reports indicated that the City Hall and Courthouse was past due in upgrading the building mechanical system. The system had been installed in an uncoordinated, piecemeal fashion between 30 and 60 years ago. The mechanical portion of the MLSS project upgrades heating, ventilating and air conditioning systems throughout the building resulting in improved air quality. Life safety components also implemented include smoke detection, fire alarms, sprinklers and public address systems.

The MLSS work is coordinated with replacing electrical wiring and inefficient lighting; integrating light panels and motion detectors to increase energy efficiency; 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 wall painting.

Capital project funding is supported 50-50 by the City and County. 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 2016.

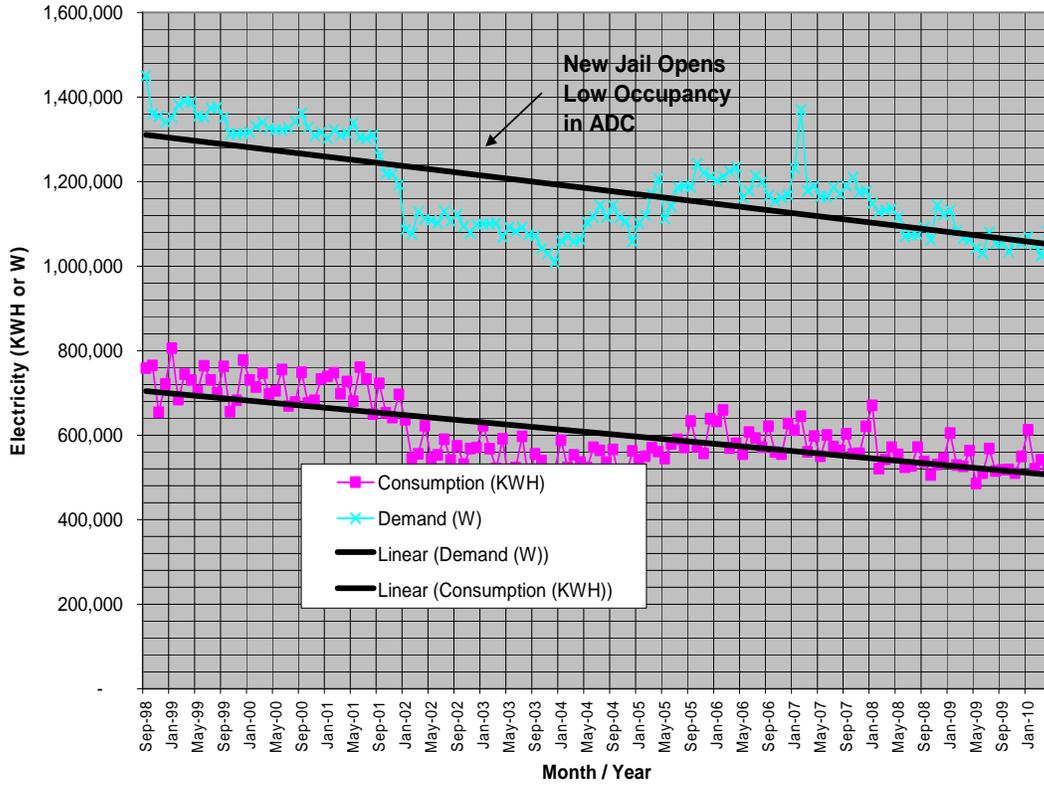
Because capital funding does not cover all of the expense associated with these improvements, project work also is being supported through the MBC operating budget at a cost of approximately \$400,000-500,000 annually for completing routine repair and maintenance work in MLSS project spaces.

Energy Conservation

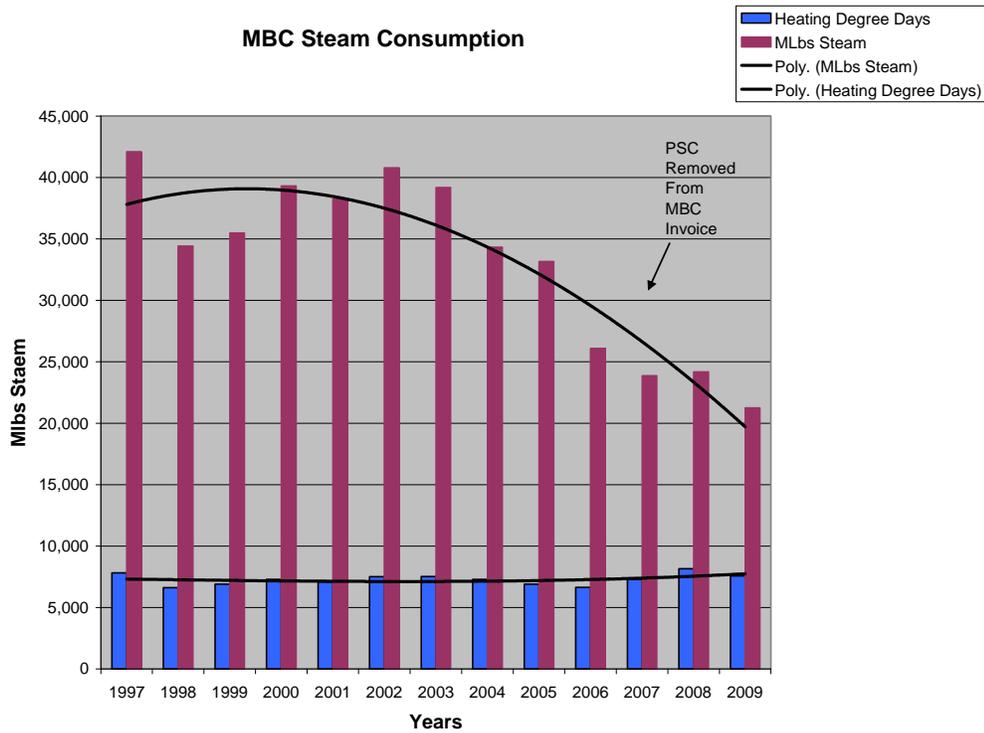
There is a direct correlation between the MLSS Project work and the energy reductions achieved in the building during the past decade.

The MBC closely monitors, analyzes, and adjusts energy usage for electricity, chilled water and steam consumption in the building. Below are several graphs that help to illustrate that the MBC is meeting its goal of improving the quality of lighting, heating, ventilating and air conditioning systems in the building while simultaneously reducing energy consumption.

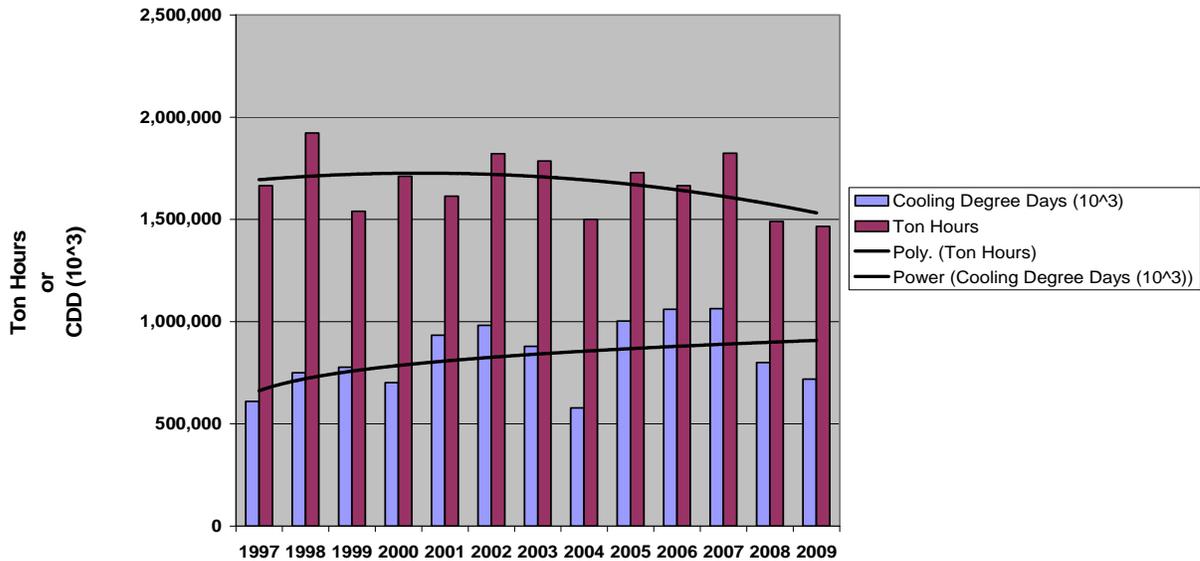
MBC Electricity Consumption



MBC Steam Consumption



MBC Chilled Water Consumption



Energy Conservation Program Continues

The City Hall Courthouse HVAC operation continues to expand the use of its Energy Management Systems, (new computerized control systems) to control temperature, pressure, humidity and air quality within spaces in the building in a centralized, building-wide manner.

In addition, one of two inefficient, 40 year old, air handling units, (AHU) has been removed and has been replaced with a new, energy efficient, AHU, and energy wheel. The second of two AHU's is scheduled to be removed and replaced in 2011. These new mechanical systems will conserve energy from exhaust air and are projected to help save approximately \$160,000 annually in steam and chilled water costs.

Furthermore, new ductwork from the attic to the basement will allow outside air to be utilized for “free” cooling during the summer and fall. Again, the new computerized control systems will automatically make changes to conserve energy based on feedback from temperature, pressure, humidity and air quality monitors both inside and outside the building.

Upon completion of the project, the building will automatically monitor ventilation and energy consumption. Based on this monitoring, the energy wheels and AHU's in the attic speed up or slow down, change air composition, and adjust to provide appropriate ventilation while minimizing the utilization of energy. In this manner, the City Hall Courthouse building has been evolving into an intelligent building.

2011 will be a transition year for the energy conservation program. Two major changes will need to be closely monitored and managed.

The first is that three new energy wheels will be online in 2011. These energy wheels will be in a shakedown / commissioning phase during 2011. The second significant change is the transfer of steam and chilled water service from NRG to Hennepin County Energy Center.

New equipment within the City Hall Courthouse and modified operations at the Hennepin County Energy Center utility plant will be fine tuned during 2011. Significant issues with both these changes may arise and are expected. It is anticipated that these changes will be identified, addressed, and optimized during 2011. 2011 will nonetheless be a transition year as described above and will include numerous temporary inefficiencies resulting from these modifications.

This process, however, is standard procedure for bringing complex, new equipment online and the MBC is confident that this shakedown / commissioning period will result in long term energy reductions for the building.

Security Program

Throughout 2010 the MBC, along with City and County Security personnel have been working diligently to identify security service improvements for City Hall and Courthouse tenants and visitors.

Hennepin County (HC) has reviewed the possibility of expanding its security services contract with the MBC. The County has identified the following list of requirements for the County to proceed, as approved by the MBC Board:

1. The Hennepin County option to expand services under the MBC's security contract is still open and on the table for discussion.
2. The HC option does not include absorbing the current MBC security staff.
3. If the HC option is selected, the City will be required to resolve AFSCME labor issues, (absorb the MBC staff into City positions, or work with AFSCME to amenablely eliminate positions).
4. The City acknowledged that they are responsible for all increased costs associated with security services above the current level.
5. The MBC security manager position will not be filled until a final plan is determined.

The current MBC Security Program has several components. Comments for discussion here will center around three areas:

1. Improved performance and training of Security Staff
2. Implementation of Security Policy Manual
3. Security Technology, (CCTV, Access Control, Duress and Intrusion Alarms)

Improved performance and training of Security Staff

In 2010, several initiatives to improve staff performance and training were implemented. The initiatives include annual performance communication plans, active performance coaching and employment separations, when necessary. Training initiatives included expanding required training, use of electronic training database and regulating appropriate trainers.

Implementation of Security Policy Manual

In late 2008 MBC staff developed a Security Policy Manual. The manual is designed to provide security staff with detailed and current policy information to assist with the varied and complex tasks they perform on a daily basis.

In addition, the Security Policy Manual provides management with performance standards that can be monitored and measured to ensure that appropriate security services are being provided.

Security Technology

In 2007 the MBC completed approximately \$350,000 of Federal Homeland Security grant work to convert and upgrade the building's outdated analog building access and video control systems to state of the art digital technology.

This work included the Implementation of a fiber backbone to allow connectivity of devices throughout the building. The completion of this work has allowed the MBC to expand the building security systems in the future as funding becomes available.

In addition, the grant work included the installation of a new security operation room; complete with the installation of equipment room cooling; and system programming for remote control of building security CCTV cameras.

Furthermore, over 50 cameras and 32 card readers have been coordinated into a single control system, and over 800 access control cards have been programmed and issued to building users.

Although the City Hall Courthouse building has had many security improvements as a result of the grant funding, much security technology work remains to be done. MBC staff have developed and submitted additional Homeland Security Funding Grants for consideration in both 2008 and 2009, but these requests have not been funded.

MBC Security Consultant Paulson & Clark Engineering has identified approximately \$200,000 in CCTV security improvements remaining for the "common areas" of the building. MBC staff recommends that \$200,000 of the 2011 Operation Budget be allocated specifically for the CCTV security improvements remaining for the "common areas" of the building.

For the past two years, MBC staff has participated in a City Hall Security Working Group with the City's and County's Security Managers, Minneapolis Police Department, Federal Marshall's Office and others.

In 2010 several security technology improvements have been researched, evaluated, cost estimated, designed and implemented within the building. Some of these projects include the following:

1. Enhanced security for the City Attorney's Office
2. Enhanced security for the City Council Chambers
3. Enhanced security for the Mayor's Office
4. Building-Wide Emergency Communication System, (City's 911 VIP System)

FINANCIAL ANALYSIS

EXPENDITURE

The MBC budget is \$7.97 million, a 2.6% decrease from the 2010 Revised Budget.

REVENUE

The department's revenue for 2011 is \$8.12 million, a 0.8% decrease from the prior year.

MAYOR'S RECOMMENDED BUDGET

The Mayor recommended combined tax and LGA revenue of \$4.7M after subtracting shared costs. Total spending includes \$70,000 in one-time funds for clocktower renovations.

MUNICIPAL BUILDING COMMISSION ADOPTED BUDGET

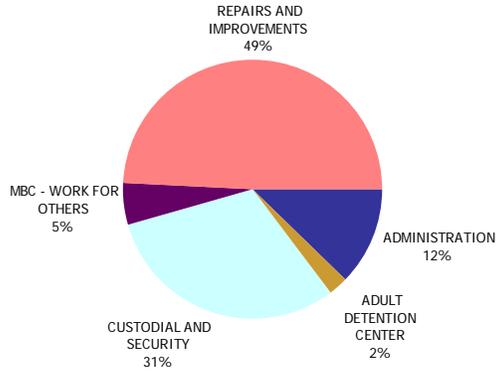
Minneapolis adopted a 4.7% levy, compared to a 6.5% recommendation by the Mayor, which reduces revenue available for shared activities of MBC, Park Board, and the City's general fund. The MBC board adopted a budget with total revenue of \$8.1M. \$4.7M is from property tax and LGA. Much of the remainder comes from Hennepin County.

MUNICIPAL BUILDING COMMISSION EXPENSE AND REVENUE INFORMATION

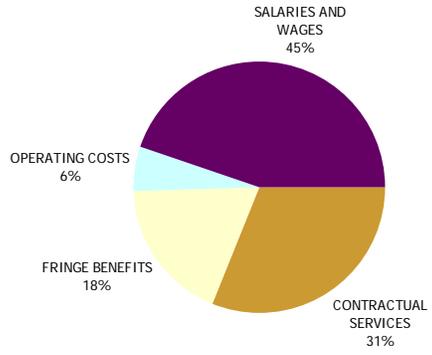
EXPENSE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Adopted Budget	Percent Change	Change
AGENCY						
OPERATING COSTS	1,221,679	(1,282,391)			0.0%	0
TOTAL AGENCY	1,221,679	(1,282,391)				0
SPECIAL REVENUE						
SALARIES AND WAGES	2,858,974	2,968,113	3,603,952	3,486,771	-3.3%	(117,181)
FRINGE BENEFITS	1,120,945	1,164,586	1,475,891	1,422,121	-3.6%	(53,770)
CONTRACTUAL SERVICES	3,234,655	3,666,826	2,513,005	2,426,959	-3.4%	(86,046)
OPERATING COSTS	855,753	789,800	588,978	451,738	-23.3%	(137,240)
CAPITAL	10,970	13,717	2,000		-100.0%	(2,000)
TOTAL SPECIAL REVENUE	8,081,297	8,603,042	8,183,827	7,787,589	-4.8%	(396,238)
TOTAL EXPENSE	9,302,976	7,320,651	8,183,827	7,787,589	-4.8%	(396,238)

REVENUE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Adopted Budget	Percent Change	Change
SPECIAL REVENUE						
PROPERTY TAXES	4,029,616		4,325,078	4,199,300	-2.9%	(125,778)
SALES AND OTHER TAXE	650				0.0%	0
STATE GOVERNMENT	323,967	352,533	206,701	273,755	32.4%	67,054
CHARGES FOR SERVICES	3,705,897	8,268,308	3,646,048	3,640,597	-0.1%	(5,451)
CHARGES FOR SALES	8,550	1,489	6,000	6,000	0.0%	0
RENTS	89,508	89,019			0.0%	0
OTHER MISC REVENUES	8,346	335			0.0%	0
TOTAL SPECIAL REVENUE	8,166,534	8,711,683	8,183,827	8,119,652	-0.8%	(64,175)
TOTAL REVENUE	8,166,534	8,711,683	8,183,827	8,119,652	-0.8%	(64,175)

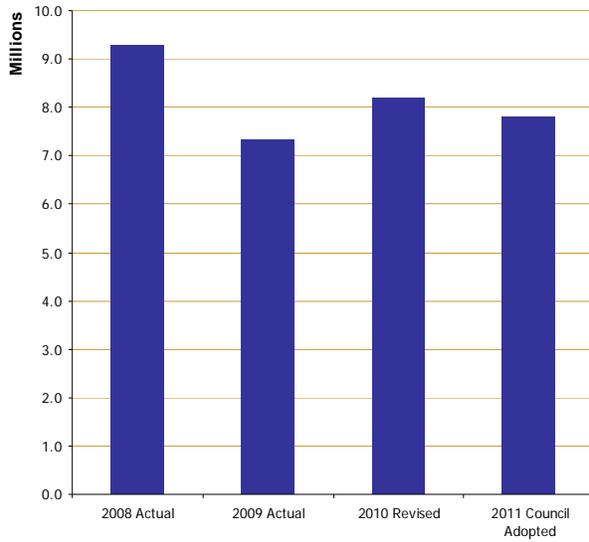
Expense by Division



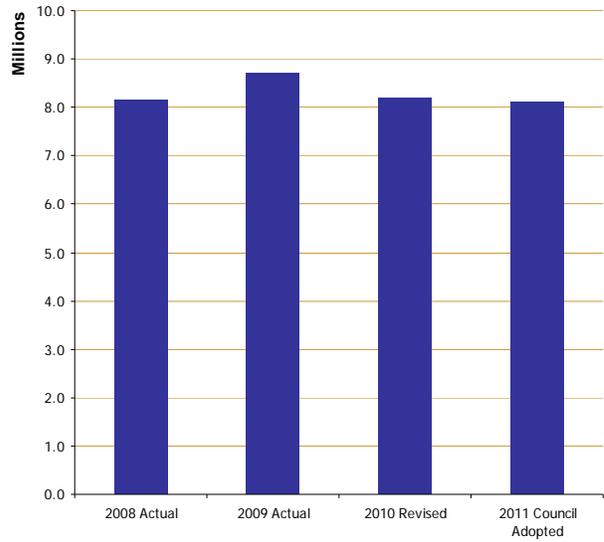
Expense by Category



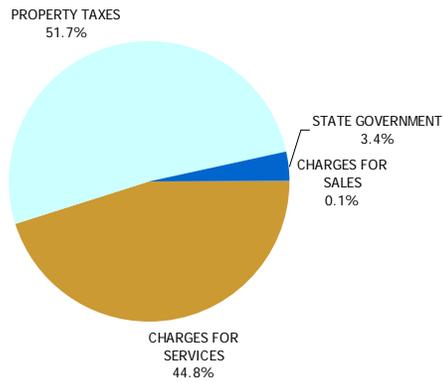
Expense 2008 - 2011



Revenue 2008 - 2011



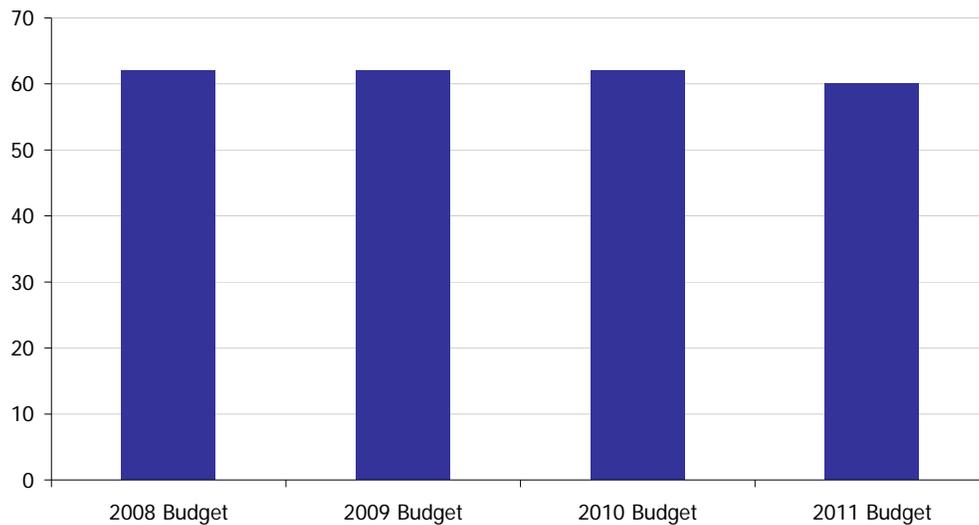
Direct Revenue by Type



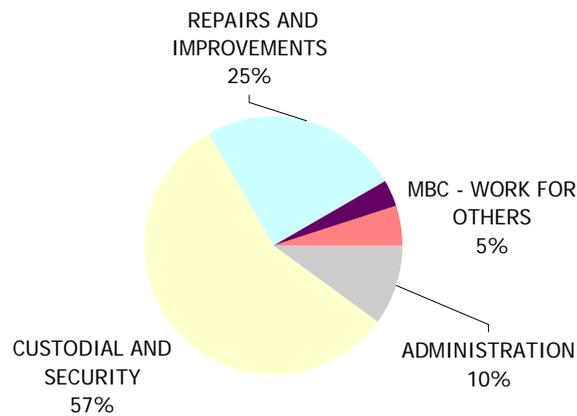
Staffing Information

Expense	2008 Budget	2009 Budget	2010 Budget	2011 Budget	% Change	Change
REPAIRS AND IMPROVEMENTS	17.00	16.00	17.00	15.00	-11.8%	(2.00)
ADMINISTRATION	6.00	7.00	7.00	6.00	-14.3%	(1.00)
ADULT DETENTION CENTER	2.00	2.00	2.00	2.00	0.0%	
BUILDING COMMISSION						
MBC - WORK FOR OTHERS	3.00	3.00	3.00	3.00	0.0%	
CUSTODIAL AND SECURITY	34.00	34.00	33.00	34.00	3.0%	1.00
TOTAL	62.00	62.00	62.00	60.00	-3.2%	(2.00)

Positions 2008-2011



Positions by Division



MINNEAPOLIS NEIGHBORHOOD REVITALIZATION PROGRAM (NRP)

MISSION

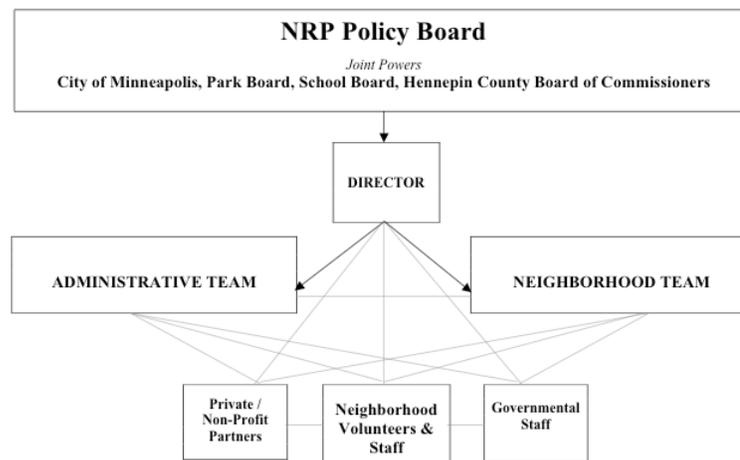
The Mission of the Minneapolis Neighborhood Revitalization Program (NRP) is to improve the quality of life in the City of Minneapolis by revitalizing its neighborhoods and making them better places to live, work, learn and play.

BUSINESS LINES

- Assist neighborhoods with development of Neighborhood Action Plans (NAPs)
- Review, modify and approve NAPs prepared by neighborhoods
- Oversee, monitor and evaluate implementation of approved NAPs and their strategies
- Manage NRP's financial resources and expenditures

ORGANIZATION CHART

2011 NEIGHBORHOOD REVITALIZATION PROGRAM STAFF ORGANIZATIONAL CHART



TOTAL NRP OFFICE FTEs = 5

What two or three key trends and challenges does the department face and how will each be addressed?

NRP has received its final revenues from the Common Project, development fund and Brookfield repayment income streams. As a result, final allocations for neighborhoods were approved by the NRP Policy Board on May 24, 2010 and by the Minneapolis City Council on June 18. This allocation of resources will be the last NRP allocation to neighborhoods.

NRP's activities will be focused on developing and approving the remaining Phase II NAP's (Neighborhood Action Plan), creating and managing implementation contracts for strategies in

Phase I and Phase II NAP's, processing payment requests and NAP modifications and maintaining the NRP database.

NRP will continue to work to minimize administrative overlap and duplication with the new Neighborhood and Community Relations Department. A plan for "Collaboration, Cooperation and Consolidation" with NCR was drafted by NRP and NCR staff and approved by the NRP Policy Board on September 27, 2010. Approval of this plan was dependent upon achieving the agreed upon actions in a timely, professional and practical manner and ensuring that NRP will be able to continue to meet its statutory and contractual obligations. Actions taken by the Minneapolis City Council on December 14 as part of the approval process for the 2011 City Budget dramatically affected the environment for implementing this plan and the NRP Policy Board rescinded its approval on December 20.

In what internal/external partnerships is the department currently engaged and/or exploring for the future?

NRP works, as appropriate, with City of Minneapolis Departments, Hennepin County, the Minneapolis School Board, the Minneapolis Park and Recreation Board, nonprofit service and development organizations and the 72 recognized neighborhood associations in Minneapolis on the development and implementation of strategies in NAPs.

How is the department evaluating programs or services for cost effectiveness?

Forty-nine of the 72 possible Phase II NAPs have been approved by the neighborhood, NRP Policy Board and Minneapolis City Council. The plan approval targets for 2010 and 2011 are eight NAPs in 2010 and 12 in 2011. NRP exceeded its 2010 target when it approved nine NAP's in 2010.

The expectation is that existing NRP staff will continue to process and oversee NRP expenditures of \$ 8.5 million in 2010 and \$ 9.4 million in 2011.

What actions will the department take to meet the current service level reductions? Please include a description of any revenue proposals. Identify *Results Minneapolis* measures where you anticipate a service level impact based on cuts. Specifically include charts that show 2011 projections of no cuts and target reductions.

The budget for 2011 was developed based on commitments from NCR and expectations of the City contained in the plan of "Collaboration, Cooperation and Consolidation". Those commitments and expectations were dramatically and adversely changed by the actions taken by the City Council during the 2011 City Budget adoption process and may adversely impact NRP's 2011 expenditures.

NRP is, however, continuing its efforts to minimize its administrative expenses and maximize the resources available to neighborhoods. The 2011 administrative office budget approved by the NRP Policy Board reduces Central Office expenses by 16% from the approved 2010 administrative budget.

NRP has been reducing its staff complement gradually and without terminations or layoffs since 1995. The FTE complement has been reduced from 26 in 1995 to 7 in 2010. The 2011 budget continues these reductions and reduces the personnel complement to 5 FTE. The result is an

80% reduction in the personnel in the NRP Central Office since 1995. These reductions are being made as part of NRP's effort to cost effectively manage its available resources while providing high quality services to its neighborhood partners and maximizing the number of NRP dollars available for investing in neighborhood improvement.

FINANCIAL ANALYSIS

EXPENDITURE

The NRP budget is \$1.16million, a 16% decrease over the 2010 Revised Budget. Personnel expenses make up 46% of the expenditure budget.

REVENUE

The department's revenue for 2011 is about \$1.16 million, a 16% decrease from the prior year.

MAYOR'S RECOMMENDED BUDGET

The Mayor recommended no changes to NRP's budget.

COUNCIL ADOPTED BUDGET

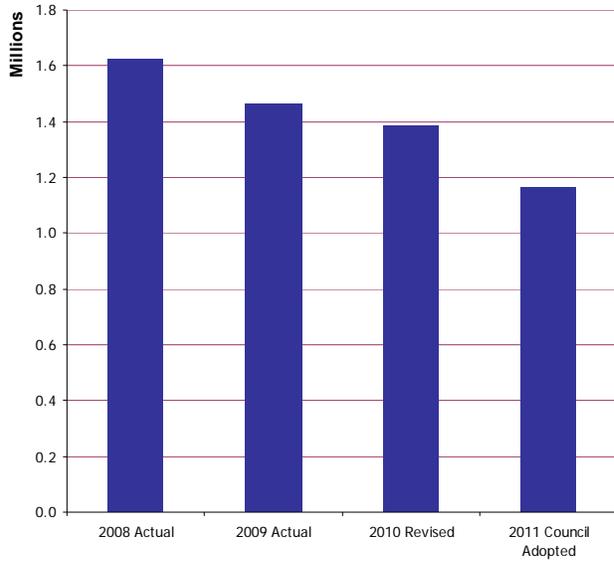
Council adopted the Mayor's recommendation.

NEIGHBORHOOD REVITALIZATION PROGRAM EXPENSE AND REVENUE INFORMATION

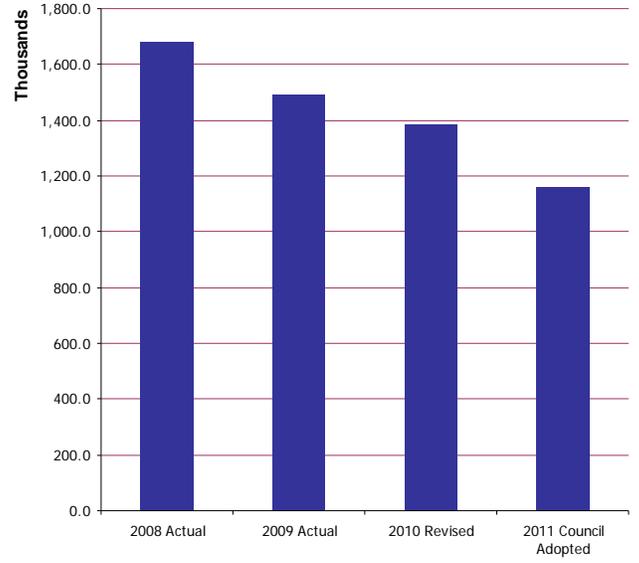
EXPENSE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Adopted Budget	Percent Change	Change
SPECIAL REVENUE						
SALARIES AND WAGES	568,601	556,380	456,355	411,082	-9.9%	(45,273)
FRINGE BENEFITS	144,310	164,184	188,462	130,541	-30.7%	(57,921)
CONTRACTUAL SERVICES	819,624	679,746	645,348	579,300	-10.2%	(66,048)
OPERATING COSTS	93,275	62,880	88,991	36,000	-59.5%	(52,991)
CAPITAL	566	15	3,000	5,500	83.3%	2,500
TOTAL SPECIAL REVENUE	1,626,376	1,463,205	1,382,156	1,162,423	-15.9%	(219,734)
TOTAL EXPENSE	1,626,376	1,463,205	1,382,156	1,162,423	-15.9%	(219,734)

REVENUE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Adopted	Percent Change	Change
SPECIAL REVENUE						
STATE GOVERNMENT	1,626,645	1,428,620	1,382,156	1,162,421	-15.9%	(219,735)
OTHER MISC REVENUES	57,559	63,318			0.0%	0
TOTAL SPECIAL REVENUE	1,684,204	1,491,938	1,382,156	1,162,421	-15.9%	(219,735)
TOTAL REVENUE	1,684,204	1,491,938	1,382,156	1,162,421	-15.9%	(219,735)

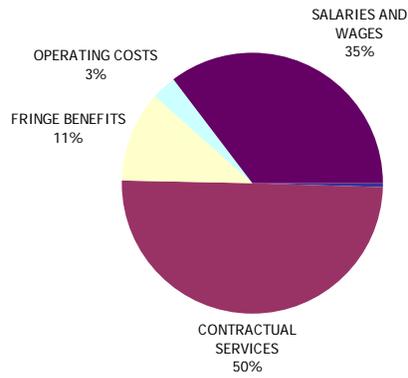
Expense 2008 - 2011



Revenue 2008 - 2011



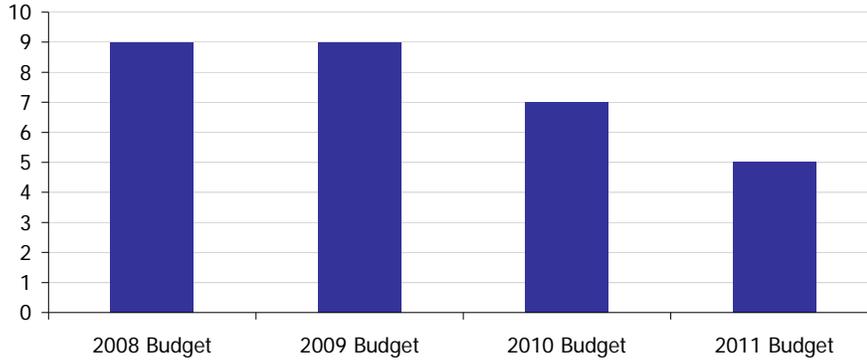
Expense by Category



Staffing Information

Expense	2008 Budget	2009 Budget	2010 Budget	2011 Budget	% Change	Change
NEIGH REVITALIZATN POL BD	9.00	9.00	7.00	5.00	-28.6%	(2.00)
TOTAL	9.00	9.00	7.00	5.00	-28.6%	(2.00)

Positions 2008-2011



PARK BOARD

MISSION

The Minneapolis Park and Recreation Board shall permanently preserve, protect, maintain, improve and enhance its natural resources, parkland and recreational opportunities for current and future generations.

The Minneapolis Park and Recreation Board exists to provide places and recreation opportunities for all people to gather, celebrate, contemplate and engage in activities that promote health, well-being, community and the environment.

BUSINESS LINES

- Park Administrative Services
- Environmental
- Maintenance
- Forestry
- Information Technology Services
- Park Police
- Planning and Project Management
- Recreation Services
- Special Facilities
- Volunteers and Community Partnerships

FINANCIAL ANALYSIS

EXPENDITURE

The estimated 2011 Park Board budget of \$93.9 million is 2.6% higher than the 2010 Revised Budget.

REVENUE

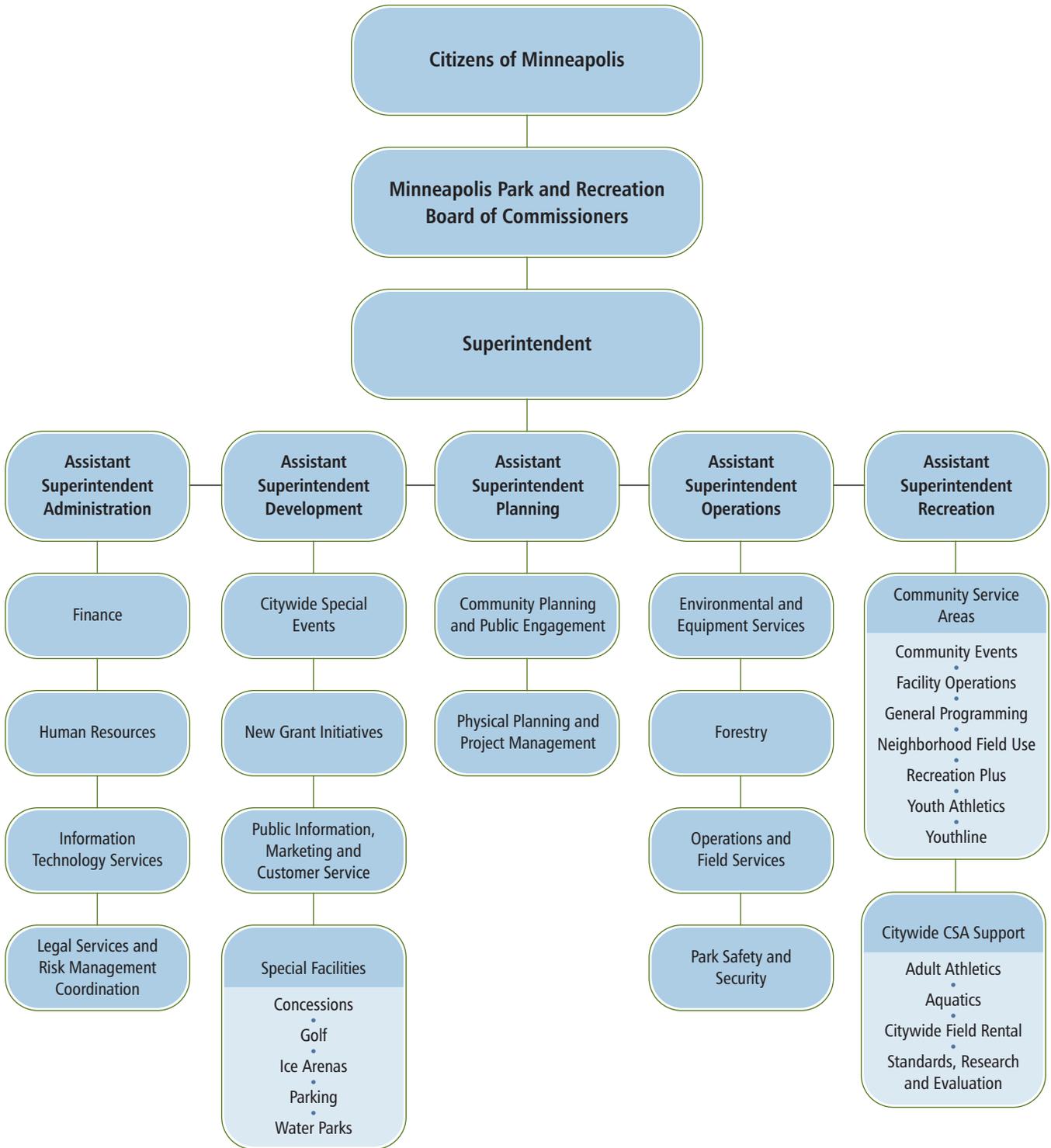
Revenue is estimated at \$94.9 million, a 4% increase from the 2010 Revised Budget.

MAYOR'S RECOMMENDED BUDGET

The Mayor recommended \$3.5 million for the Park Board for operating costs to maintain capital infrastructure. Overall, the Mayor recommended property tax and LGA revenue of \$56.8M. After subtracting shared costs and capital projects funded by the Park levy, the Mayor recommended \$52.3M in revenue for the Park board.

PARK BOARD ADOPTED BUDGET

Park Board adopted a budget with property tax and LGA revenue of \$54.7M. The adopted City budget is based on certified LGA, and shares \$8.5M in LGA revenue with the Park Board. Park will use any LGA over \$7.6M for capital expenditures toward a backlog of capital needs.

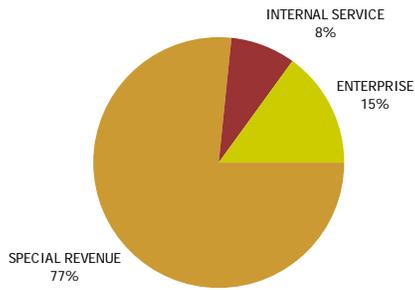


**PARK BOARD
EXPENSE AND REVENUE INFORMATION**

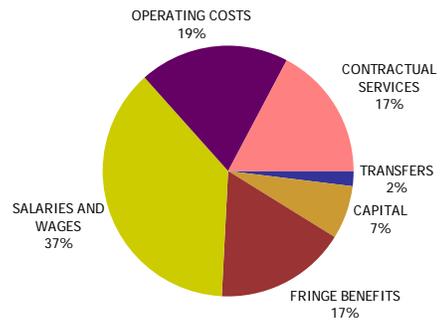
EXPENSE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Adopted Budget	Percent Change	Change
AGENCY						
OPERATING COSTS	9,594,108	(13,208,183)			0.0%	0
TOTAL AGENCY	9,594,108	(13,208,183)				0
SPECIAL REVENUE						
SALARIES AND WAGES	29,139,002	28,679,771	29,122,365	28,322,639	-2.7%	(799,726)
FRINGE BENEFITS	11,022,562	11,966,535	12,488,328	12,033,678	-3.6%	(454,649)
CONTRACTUAL SERVICES	11,038,928	10,665,810	9,580,930	11,752,060	22.7%	2,171,130
OPERATING COSTS	14,667,469	14,664,914	15,011,679	14,558,900	-3.0%	(452,779)
CAPITAL	214,480	629,542	1,898,128	4,034,999	112.6%	2,136,871
TRANSFERS	2,212,264	2,309,398	1,480,000	1,230,000	-16.9%	(250,000)
TOTAL SPECIAL REVENUE	68,294,705	68,915,969	69,581,429	71,932,276	3.4%	2,350,847
INTERNAL SERVICE						
SALARIES AND WAGES	1,726,312	1,748,924	1,774,316	1,745,653	-1.6%	(28,663)
FRINGE BENEFITS	1,986,645	2,164,775	2,538,596	2,525,007	-0.5%	(13,589)
CONTRACTUAL SERVICES	360,220	397,439	450,993	502,549	11.4%	51,555
OPERATING COSTS	2,496,642	11,970	1,719,715	1,809,569	5.2%	89,853
CAPITAL	797,935	1,037,308	1,532,422	1,392,740	-9.1%	(139,682)
TOTAL INTERNAL SERVICE	7,367,754	5,360,415	8,016,043	7,975,518	-0.5%	(40,526)
ENTERPRISE						
SALARIES AND WAGES	4,681,272	4,602,665	4,809,088	5,112,876	6.3%	303,787
FRINGE BENEFITS	1,295,509	1,321,110	1,379,361	1,542,431	11.8%	163,070
CONTRACTUAL SERVICES	4,644,174	4,396,434	3,832,612	3,866,154	0.9%	33,542
OPERATING COSTS	2,680,530	1,442,535	1,829,827	1,897,107	3.7%	67,280
CAPITAL	501,198	140,551	1,538,375	1,024,643	-33.4%	(513,732)
DEBT SERVICE	97,799	92,605	98,000	34,000	-65.3%	(64,000)
TRANSFERS	295,008	295,000	545,000	545,000	0.0%	0
TOTAL ENTERPRISE	14,195,490	12,290,900	14,032,263	14,022,211	-0.1%	(10,052)
TOTAL EXPENSE	99,452,057	73,359,102	91,629,736	93,930,005	2.5%	2,300,269

REVENUE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Adopted	Percent Change	Change
SPECIAL REVENUE						
PROPERTY TAXES	51,512,080	54,328,739	55,859,227	58,010,963	3.9%	2,151,736
SALES AND OTHER TAXE	6,508	(1,461)	3,000	3,000	0.0%	0
LICENSE AND PERMITS	176,353	183,041	204,000	364,000	78.4%	160,000
FEDERAL GOVERNMENT	4,000	267,716				0
STATE GOVERNMENT	10,672,815	12,067,855	8,482,243	9,579,950	12.9%	1,097,707
LOCAL GOVERNMENT	1,339,492	1,311,723	1,528,790	1,500,900	-1.8%	(27,890)
CHARGES FOR SERVICES	1,635,963	980,808	1,357,379	1,578,580	16.3%	221,201
CHARGES FOR SALES	61,564	55,808	62,000	60,000	-3.2%	(2,000)
FINES AND FORFEITS	526,810	560,131	562,500	565,000	0.4%	2,500
RENTS	882,224	722,276	718,461	637,479	-11.3%	(80,982)
CONTRIBUTIONS	659,847	470,980	202,500	230,000	13.6%	27,500
OTHER MISC REVENUES	365,579	79,244	306,329	59,000	-80.7%	(247,329)
TRANSFERS IN	318,652	354,835	295,000	295,000	0.0%	0
TOTAL SPECIAL REVENUE	68,161,886	71,381,694	69,581,429	72,883,872	4.7%	3,302,443
INTERNAL SERVICE						
CHARGES FOR SERVICES	950,554	979,931	920,847	898,586	-2.4%	(22,261)
CHARGES FOR SALES	58,190	65,807	50,000	75,000	50.0%	25,000
GAINS	64,350	96,407				0
RENTS	3,746,521	3,980,095	4,098,461	4,342,649	6.0%	244,188
OTHER MISC REVENUES	2,533,234	2,554,250	2,659,283	2,659,283	0.0%	0
TRANSFERS IN	260,000	260,000				0
LONG TERM LIABILITIES	(142,753)	(57,515)				0
PROCEEDS						
TOTAL INTERNAL SERVICE	7,470,097	7,878,974	7,728,591	7,975,518	3.2%	246,927
ENTERPRISE						
FEDERAL GOVERNMENT				185,072		185,072
LOCAL GOVERNMENT	12,028	11,822				0
CHARGES FOR SERVICES	11,386,436	11,387,605	12,206,217	12,065,565	-1.2%	(140,652)
CHARGES FOR SALES	851	3,267	6,000	6,000	0.0%	0
FINES AND FORFEITS	6,797	46,494	122,000		-100.0%	(122,000)
INTEREST	7	51				0
GAINS		500				0
RENTS	2,007,730	1,965,608	1,418,547	1,489,574	5.0%	71,027
CONTRIBUTIONS	462,038	391,141	220,500	240,000	8.8%	19,500
OTHER MISC REVENUES	63,078	40,463	58,999		-100.0%	(58,999)
TRANSFERS IN	2,784	19,020		36,000		36,000
TOTAL ENTERPRISE	13,941,749	13,865,969	14,032,263	14,022,211	-0.1%	(10,052)
TOTAL REVENUE	89,573,732	93,126,638	91,342,283	94,881,601	3.9%	3,539,318

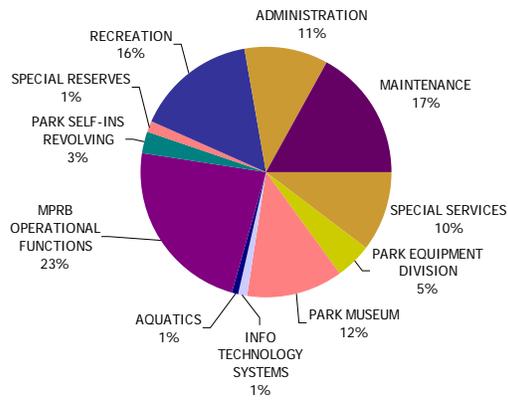
Expense by Fund



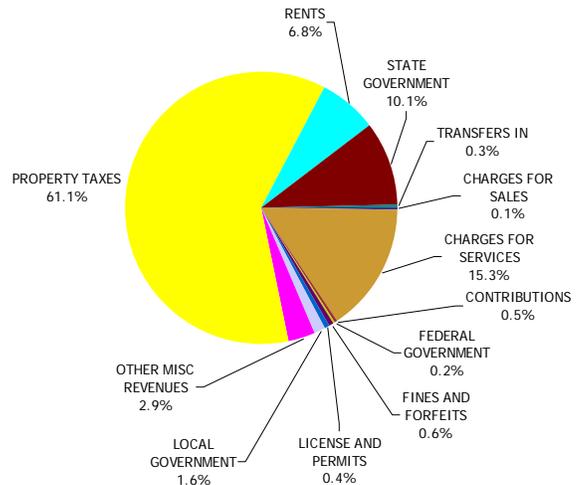
Expense by Category



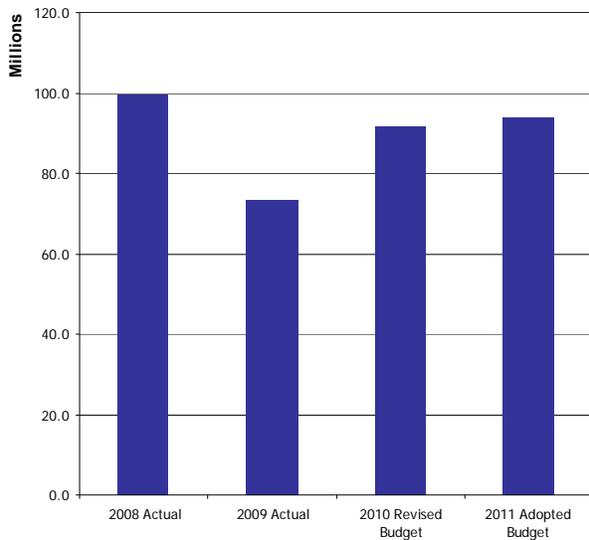
Expense by Division



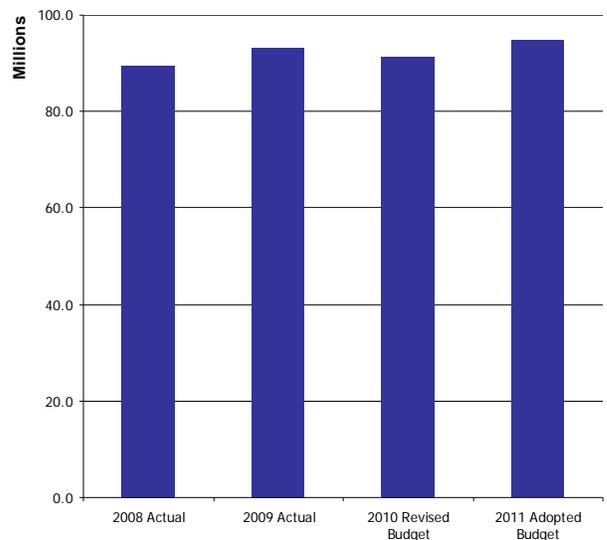
Direct Revenue by Type



Expense 2008 - 2011



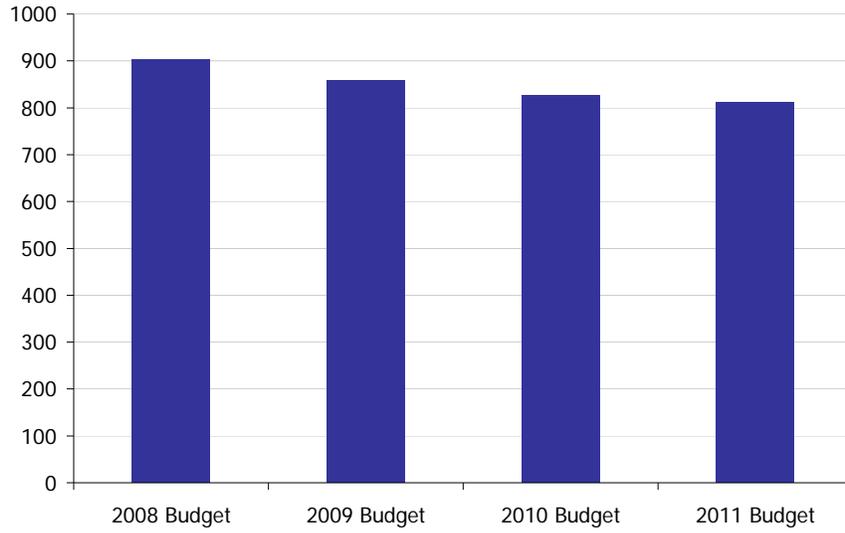
Revenue 2008 - 2011



Staffing Information

Expense	2008 Budget	2009 Budget	2010 Budget	2011 Budget	% Change	Change
PARK BOARD	902.00	859.00	827.00	811.18	-0.02	-15.82
TOTAL	902.00	859.00	827.00	811.18	-1.9%	(15.82)

Positions 2008-2011



MINNEAPOLIS PUBLIC HOUSING AUTHORITY

MISSION

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.

BUSINESS LINES

Low Income Public Housing Overview

Public housing was established by the federal government to provide decent and safe rental housing for eligible low-income families, the elderly, and persons with disabilities. The U.S. Department of Housing and Urban Development (HUD) provides operating subsidies for the management of housing for low-income residents at rents they can afford. Eligibility for public housing is determined based on the participating family's annual gross income and meeting other federal and local eligibility thresholds. The program is limited to U.S. citizens and specified categories of non-citizens who have eligible immigration status. In addition to federal aid for the operation of public housing, HUD also provides MPHA with capital grant funds for public housing modernization and new public housing unit development.

Low Income Public Housing Performance

High Performer Status. When MPHA first became an independent agency nineteen years ago, it was at risk of being labeled a "troubled" housing authority. It pursued a strategic vision, and with bold and consistent leadership, was able to transform itself. MPHA achieved HUD's highest performance rating, and for twelve consecutive years has maintained that status. Under the Public Housing Assessment System (PHAS), HUD rates public housing authorities across the nation in various performance categories, including the physical condition of property, financial status, and management practices. Through prudent investments and wise operational practices, MPHA has consistently received grades in excess of 90% in all these areas. MPHA's most recent financial audit by the State of Minnesota Auditor shows no findings in its Low Income Public Housing operations.

Section 8 Housing Choice Voucher Program Overview

The Section 8 Housing Choice Voucher Program (HCV) assists very low-income families, the elderly, and the disabled in finding decent, affordable, safe, and sanitary housing in the private market. Eligible program participants may rent single-family homes, townhouses, duplexes, and apartments where the owner of the selected property and the property itself has been approved for program participation. The family pays the difference between the actual rent charged by the landlord and the amount subsidized by the program.

Eligibility for participation in the Section 8 HCV Program is based on income, eligible citizenship status, and the ability to pass a criminal history background check. The amount of the subsidy available to the family is based on the family's income level and the household's composition. In general, the family's income may not exceed 50 percent of the median income for the county or metropolitan area in which the family chooses to live. By law, MPHA must provide 75 percent of its vouchers to applicants whose incomes do not exceed 30 percent of the area median income.

Collaboration with the City and the County. MPHA's Section 8 HCV staff continues to work in partnership with City of Minneapolis elected officials and senior staff, along with neighborhood groups, to develop solutions and to resolve issues associated with program participants and the properties leased to them.

Most recently, MPHA entered into an agreement with the Minneapolis Police Department to assist the Section 8 HCV Program with its program integrity. At the most basic level, a Minneapolis Police Sergeant will investigate alleged criminal activity, neighborhood complaints, and suspected fraud committed by voucher holders or program owners who participate in the Section 8 HCV Program. The goal is to clearly demonstrate MPHA's commitment to protecting the Program's integrity when there is

reason to believe that any criminal or fraudulent activity is taking place in connection with the Section 8 HCV Program.

Capital Improvements Program

MPHA's Facilities and Development Department works closely with the Executive Director to identify capital needs, make improvements, complete modernizations, and ensure the preservation of our properties. This department also takes the lead in new development initiatives pursued by MPHA. With its Moving to Work authority, the infusion of American Recovery and Reinvestment Act (ARRA) funds, and its Energy Performance Contract initiative, MPHA has been able to strategically allocate its resources to make substantial improvements in our managed portfolio of capital assets. These improvements position the agency to make significant progress in its capital needs backlog, and enhance its ability to address energy conservation needs, thereby reducing MPHA's carbon footprint, while ensuring the long-term preservation of its housing stock.

Energy Performance Contract

MPHA entered into a \$33.6 million contract with Honeywell International, Inc. to implement energy conservation measures throughout MPHA's high-rise apartment inventory. The contract, which is primarily financed through a municipal lease from Bank of America, is authorized under a special HUD incentive program that encourages PHAs to borrow private capital to fund energy improvements. The improvements include replacing 40-to-50-year-old boilers, installing low flow toilets and shower heads, and replacing existing stoves with energy efficient models. This "green" project is expected to be fully completed by the end of 2010 and is anticipated to save 124 million gallons of water, 119 million cubic feet of gas, and 3.3 million kilowatt hours of electricity annually.

American Recovery and Reinvestment Act (ARRA) Grants

The American Recovery and Reinvestment Act of 2009 was enacted by Congress and signed into law by President Barack Obama on February 17, 2009. This legislation was enacted to provide a stimulus to the U.S. economy in the wake of the economic downturn brought about by the subprime mortgage crisis and the resulting credit crunch.

In March 2009, MPHA received an ARRA Capital Fund Formula Grant of \$18.2 million. In addition, MPHA successfully competed for three ARRA grants totaling over \$31.6 million, which were awarded in September 2009, for the creation of a new state-of-the-art Senior Center, a first in the nation "green" 48-unit public housing Memory Care—Continuum of Care housing development, and an energy efficient Scattered Site "green" initiative.

Funding Sources and Uses

As in previous years, MPHA continues to be heavily financed by the federal government. In 2009, federal grants and subsidies made up 85 percent of the MPHA's funding sources. These funds were provided for general program operation, capital uses for both improvements to existing structures and new public housing development, and Section 8 housing assistance payments. Capital grants increased significantly from 2008 levels. The increase in capital grants primarily relates to ARRA funding.

As in previous years, the majority of these funds were used for housing assistance payments to Section 8 landlords. The most significant increase in uses of funds relates to capital spending. MPHA expended over \$10 million in ARRA funds on public housing building improvements. In addition, due to spending flexibility provided under the Moving To Work Demonstration Program, MPHA accelerated its normal capital improvements spending and dedicated increased funding to keeping its public housing properties viable for the long-term.

FINANCIAL ANALYSIS

EXPENDITURE

The department’s expense budget is \$617,304.

REVENUE

The department’s revenue budget is \$617,304.

MAYOR’S RECOMMENDED BUDGET

The Mayor’s recommends reinstating the MPHA tax levy at \$1.4 million and awarding \$178,000 in CDBG funds.

COUNCIL ADOPTED BUDGET

The City budget reduces the MPHA tax levy by \$1.424M for taxes payable in both 2011 and 2012. MPHA is awarded \$178,000 in CDBG funds.

Security Services		Citizen Participation		Total Budget Request	
Sources		Sources		Sources	
Tax Levy ¹	\$0			Tax Levy ¹	\$0
CDBG	\$110,000	CDBG	\$68,000	CDBG	\$178,000
PILOT Reduction ²	\$439,304			PILOT Reduction ²	\$439,304
				Total Sources	\$617,304
Uses		Uses		Uses	
Security Guards	\$549,304			Security Guards	\$549,304
		Citizen P	\$68,000	Citizen Participation	\$68,000
				Total Uses	\$617,304

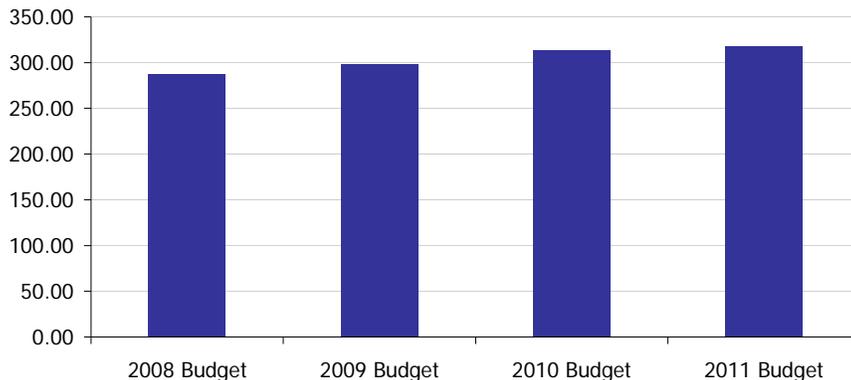
¹The City budget eliminated the MPHA tax levy by \$1.424M for taxes payable in both 2011 and 2012. MPHA is awarded \$178,000 in CDBG funds.

²By State Statute MPHA is exempt from real and personal property taxes, but through the Cooperative 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 Highrise Security program. MPHA would use the savings to fund public housing costs.

Staffing Information

Expense	2008 Budget	2009 Budget	2010 Budget	2011 Budget	% Change	Change
PUBLIC HOUSING	287.00	298.00	313.86	318.00	1.32%	4.14
TOTAL	287.00	298.00	313.86	318.00	1.32%	4.14

Positions 2008-2011



YOUTH COORDINATING BOARD

MISSION

Dedicated to promoting the healthy, comprehensive development of Minneapolis children and youth ages 0-20 through collaborative action and policy alignment.

GOALS AND STRATEGIC ACTIVITIES

The YCB has four primary goals for 2011:

1. *All Minneapolis children enter kindergarten ready to learn.*
 - Work to ensure low income children and families' access to high quality childcare and early learning opportunities.
 - Support a seamless transition from early childhood to kindergarten.
 - Work to ensure all children receive early childhood screening by the age of 3 and that health care support is available in child care centers throughout Minneapolis.
2. *All Minneapolis children and youth succeed in school*
 - Support school and community efforts to eliminate the achievement gap.
 - Support the expansion of comprehensive, bi-cultural social services in schools for families who are English Language Learners.
 - Work to improve the collection of data from student surveys.
 - Support expansion of career and education initiatives such as the Minneapolis Promise.
3. *All Minneapolis young people have access to quality out-of-school opportunities.*
 - Create and maintain an online Out of School Time information resource.
 - Work with youth-serving agencies to create a common framework for quality program assessment.
 - Work to increase public and private funding for Out of School Time activities.
 - Support the goals of the Blueprint for Action: Preventing Youth Violence in Minneapolis.
4. *All Minneapolis children and young people have opportunities to prepare themselves for the responsibilities of an active civic life.*
 - Support the Minneapolis Youth Congress with staffing, funding, and training.
 - Support the establishment of an annual convention between young people and community leaders from both the public and private sectors.
 - Work with and encourage our jurisdictional partners to develop and strengthen formal mechanisms for authentic youth engagement in their decision making.
 - Coordinate with youth engagement programs community-wide on policy initiatives, programs, and planning.

YCB also has infrastructure goals related to developing capacity to address policy issues affecting Minneapolis children and youth, educating legislators on related policy matters, and disseminating information on such issues.

FINANCIAL ANALYSIS

EXPENDITURE

The 2011 expenditure budget for the YCB is \$1.4 million. \$350,000 comes from the City's general fund, and an additional \$65,000 of City CDBG funding is granted through a joint powers agreement between the City, County, School District and the Park Board, for total City funding of \$415,000.

REVENUE

The YCB's 2011 revenue budget is \$1.4 million. In addition to the joint powers agreement, other funding sources for YCB are County and foundation funding.

MAYOR'S RECOMMENDED BUDGET

The Mayor recommends no change to the proposed budget.

COUNCIL ADOPTED BUDGET

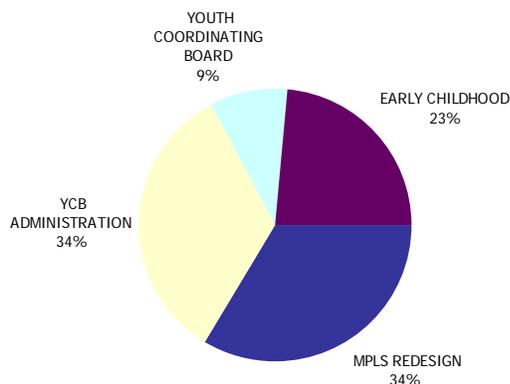
Council adopted the Mayor's recommendation.

YOUTH COORDINATING BOARD EXPENSE AND REVENUE INFORMATION

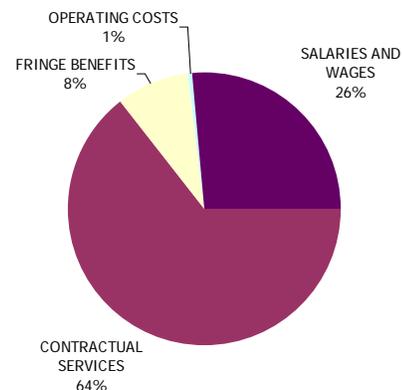
EXPENSE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Adopted Budget	Percent Change	Change
SPECIAL REVENUE						
SALARIES AND WAGES	225,991	303,658	328,783	370,849	12.8%	42,066
FRINGE BENEFITS	61,073	89,696	93,720	118,848	26.8%	25,127
CONTRACTUAL SERVICES	1,089,400	1,382,118	1,047,090	906,381	-13.4%	(140,709)
OPERATING COSTS	30,492	47,316	11,100	9,782	-11.9%	(1,318)
CAPITAL	2,461				0.0%	0
TOTAL SPECIAL REVENUE	1,409,417	1,822,788	1,480,694	1,405,860	-5.1%	(74,834)
TOTAL EXPENSE	1,409,417	1,822,788	1,480,694	1,405,860	-5.1%	(74,834)

REVENUE	2008 Actual	2009 Actual	2010 Revised Budget	2011 Adopted	Percent Change	Change
SPECIAL REVENUE						
FEDERAL GOVERNMENT	64,803	64,803	64,803	64,803	0.0%	0
LOCAL GOVERNMENT	879,563	841,446	1,635,693	944,058	-42.3%	(691,635)
GAINS			80,000		-100.0%	(80,000)
RENTS	4,000	20,000			0.0%	0
CONTRIBUTIONS	1,201,250	(163,756)	530,000	357,000	-32.6%	(173,000)
OTHER MISC REVENUES	258	475		40,000	0.0%	40,000
TOTAL SPECIAL REVENUE	2,149,874	762,968	2,310,496	1,405,861	-39.2%	(904,635)
TOTAL REVENUE	2,149,874	762,968	2,310,496	1,405,861	-39.2%	(904,635)

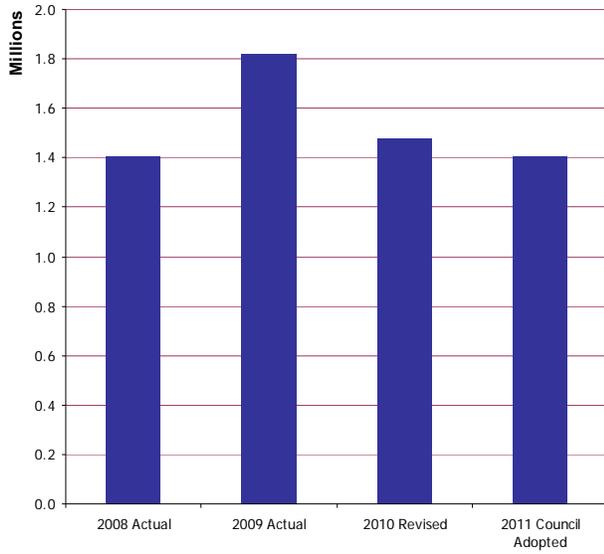
Expense by Division



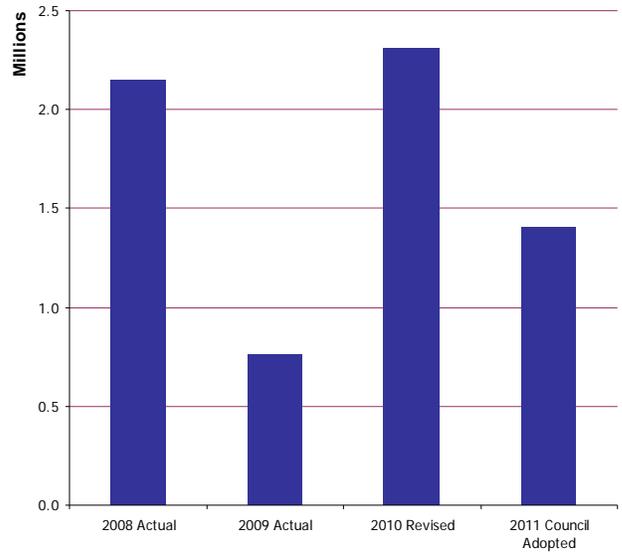
Expense by Category



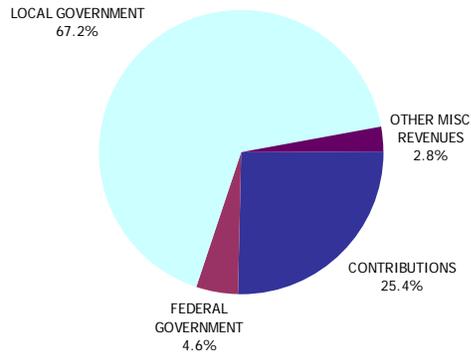
Expense 2008 - 2011



Revenue 2008 - 2011



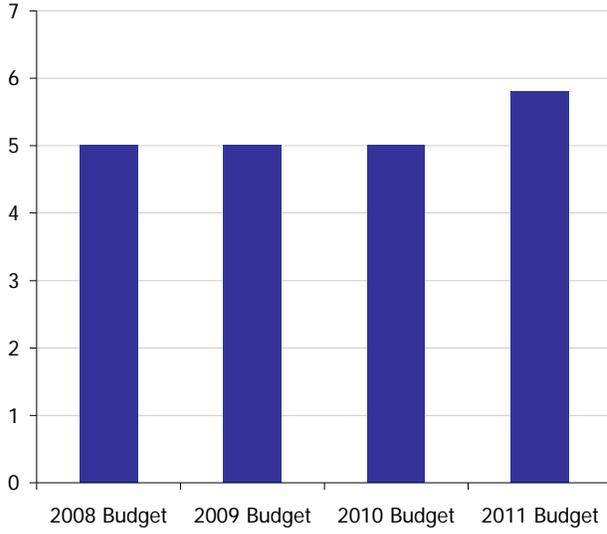
Direct Revenue by Type



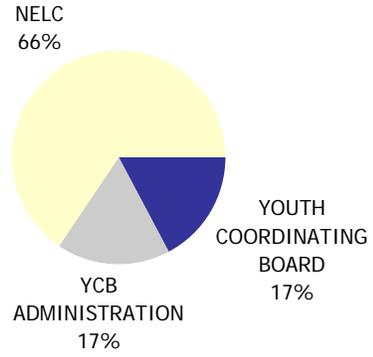
Staffing Information

Expense	2008 Budget	2009 Budget	2010 Budget	2011 Budget	% Change	Change
YOUTH COORDINATING BOARD	5.00	5.00	5.00	5.80	16.0%	0.80
TOTAL	5.00	5.00	5.00	5.80	0.16	0.80

Positions 2008-2011



Positions by Division



City of Minneapolis 2011 Budget

Glossary of Terms *Or a helping of "Alphabet Soup"*

AC – Animal Control.

Access and Outreach Division – division of NCR that facilitates access for deaf/hard of hearing communities.

Accrual Basis of Accounting – Recognizes transactions when they occur regardless of the related cash flows. Recognizes revenues in the accounting period in which they are earned and measurable.

ACH – Automated Clearing House.

Actuarial Accrued Liability – Term used in connection with defined benefit pension and other post-employment benefit plans to describe that portion of the present value of benefits promised to employees that will not be provided through future normal cost.

Actuarial Assumptions – Term used in connection with defined benefit pension and other post-employment benefit plans to describe assumptions that an actuary must make as to the occurrence of future events affecting benefit costs (e.g., mortality).

Actuarial Value of Assets – Term used in connection with defined benefit pension and other post-employment benefit plans. The value assigned to plan assets for actuarial purposes. Because this value often represents an average over time, and because the valuation date may be different from the reporting date, the actuarial value of assets may differ from the amount reported in the financial statements as of the end of the fiscal period.

Advance Refunding – Transaction in which new debt is issued to refinance existing debt (old debt), but the proceeds must be placed in escrow pending call date or maturity (i.e., refunding in advance of redemption).

ACN – Automatic Collision Notification.

ADA – Americans with Disabilities Act.

ADC – Adult Detention Center, a Hennepin County facility in the City Hall/Courthouse.

ADR – Alternative Dispute Resolution program.

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.

AMR – Automated Meter Reading.

APO – Administrative Penalty Orders.

Appropriation – Spending authority created by City Council resolutions that are signed into law with related revenue estimates. Includes all revenues, transfers, allocations, and other legally authorized budget changes. Appropriations expire at the end of the year unless action is taken by the Council (or delegated to the City finance officer) to reappropriate unspent balances.

APS – Automated Pawn System, the Police Department's information System for regulating pawn and second hand dealers.

Arbitrage – In government finance, the reinvestment of the proceeds of tax-exempt securities in materially higher yielding taxable securities.

Assessed Valuation – Valuation set upon real estate or other property by a government as a basis for levying taxes.

ASSM – Assessments – improvements paid for partially or wholly by property owners.

ASP – Application Service Provider.

AutoCAD – Auto Computer-Aided Drafting.

A/V Services – Audio/Visual Services.

Basis of Budgeting – Method used to determine when revenues and expenditures are recognized for budgetary purposes.

BCA – Bureau of Criminal Apprehension.

BET – Board of Estimate and Taxation, consisting of the Mayor, the President of the City Council, the Chair of the City Council's Ways and Means/Budget Committee, one member of the Park and Recreation Board, and two elected citizens.

BIS – Business Information Services is directed to support Business Development, E-Government & Enterprise Information, Business Application and Technology Infrastructure Services (formerly ITS).

BLOA – Budgetary Leave of Absences. A term used to describe a type of unpaid leave.

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.

Bond Anticipation Note – Short term, interest-bearing note issued by a government in anticipation of bond proceeds to be received at a later date. The note is retired from proceeds of the bonds to which it is related.

Bonds – General Obligation Bonds (GO Bonds): A bond secured by the "full faith and credit" of the issuing government and backed by taxing power.

Budget Committee – See Ways & Means/Budget Committee.

Business-type Activities – One of two classes of activities reported in the government-wide financial statements. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. These activities are usually reported in enterprise funds.

CAD – Computer Aided Dispatch

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 Assets – Land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

Capital Improvement Plan (CIP) – A five-year plan for proposed capital improvements. The first year of the CIP is formally adopted as the Capital Budget.

Capital Program – see Capital Improvement Plan (CIP).

Capital Projects Funds – Used to account for financial resources and expenditures applied to the construction of capital facilities and major purchased items for governmental fund types.

CAPRS – Computer Assisted Police Reporting System

CAPR – Consolidated Annual Performance Report

Cash – In the context of cash flows reporting, not only currency on hand, but also demand deposits with banks or other financial institutions. Cash also includes deposits in other kinds of accounts or cash management pools that have the general characteristics of demand deposit accounts in that the governmental enterprise may deposit additional cash at any time and also effectively may withdraw cash at any time without proper notice or penalty.

Cash Basis of Accounting – Basis of accounting that recognizes transactions or events when related cash amounts are received or disbursed.

CBA – Collective Bargaining Agreement.

CBD – Central Business District.

CBTF – County Budget Task Force. Hennepin County's Capital Budget Process (similar in nature to CLIC).

CCNP – Central City Neighborhoods Partnership, a community non-profit.

CCP/SAFE – Community Crime Prevention/Safety for Everyone, program of the Police Department.

CCU – Contract Compliance Unit

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. They are annual direct grants that can be used to revitalize neighborhoods, expand affordable housing and economic opportunities, and/or improve community facilities and services, principally to benefit low- and moderate-income persons.

CDC's – Community Development Corporations.

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.

CCS – Construction Code Services, a division of Regulatory Services.

CIU – Complaint Investigations Unit

CJCC – Criminal Justice Coordinating Committee.

Claims – Requests for reimbursement for damages resulting from fault or liability of the City.

Class A – Newer buildings in the Central Business District in first class condition, design and décor. Large and/or tall in size with mostly multiple skyway (enclosed pedestrian bridge) linkage.

Class B – Seasoned buildings in good condition in the Central Business District and generally over ten years old. Mid-rise in size and may include skyway (enclosed pedestrian bridge) linkage.

Classification Rate – The percentage set by State statute that is applied to the market value of each property to arrive at the tax capacity.

CLIC – Capital Long-Range Improvement Committee - a committee of 33 private residents appointed by the 13 Council members (2 per ward) and Mayor (7). The committee reviews Capital proposals and recommends priorities for capital spending within specified resource parameters.

CLUES – Chicanos Latinos Unidos en Servicio.

CMC – Comprehensive Managed Care.

CMS – Case Management System (City Attorney's Office).

CO – Certificate of Occupancy.

COA – Certificate of Approval.

COLA – Cost of Living Adjustment.

COMPASS – The City's implementation of Oracle's PeopleSoft Financial Systems Enterprise Resource Planning, which replaced FISCOL.

Community Innovation Fund – Provides grants to officially designated neighborhood organizations to seek out innovative and locally-relevant approaches to City-identified goals or problems.

Component Unit – Legally separate organization for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Conduit Debt – Certain limited-obligation revenue bonds, certificates of participation, or similar debt instruments issued by a state or local governmental entity for the express purpose of providing capital financing for a specific third party that is not a part of the issuer's financial reporting entity. Although conduit debt obligations bear the name of the governmental issuer, the issuer has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf they are issued.

Contingency – Budget for undesignated expenditures. These expenditures cannot be placed in departmental budgets, primarily due to uncertainty about the level or timing of expenditures when the budget is adopted. These funds are 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.

Coverage Ratio – Ratio of pledged revenues to related debt service payments.

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.

CRA – Civilian Review Authority.

CriMNet – A State of Minnesota effort to develop architecture for criminal and juvenile justice information.

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.

CRM – Customer Relationship Management.

CSO – Combined Sewer Overflow, which separates the remaining storm sewer lines that are connected to sanitary sewer lines. (Public Works)

CSO – Community Service Officer. (Police Department)

CUE – Committee on the Urban Environment, staffed by the Planning department.

CUP – Conditional Use Permit

CY - Calendar Year or Current Year.

DAP – Domestic Abuse Project, a community non-profit.

DARE – Drug Abuse Resistance Education.

DAPT – Domestic Abuse Prosecution Team, in the City Attorney's office.

DC – Deputy Chief.

DEA – Drug Enforcement Administration.

Debt Service – Money that is required in order to make payments on the principal and interest of outstanding bonds.

Debt Service Funds – Used to account for the accumulation of resources for, and the payment of, general long-term debt, principal, interest and related costs.

Defined Benefit Pension Plan – Pension plan having terms that specify the amount of pension benefits to be provided at a future date or after a certain period of time; the amount specified usually is a function of one or more factors such as age, years of service and compensation.

Direct Expense – Expense that is specifically associated with a service, program, or department and, thus, is clearly identifiable to a particular function.

DNR – Department of Natural Resources, a state government agency.

DEED – Department of Employment and Economic Development, state government agency.

Duration – In the context of investment disclosure, a measure of a debt investment's exposure to fair value changes arising from changing interest rates based upon the present value of cash flows, weighted for those cash flows as a percentage of the investment's full price.

EAP – Employee Assistance Program.

EEOC – Equal Employment Opportunities Commission, of the federal government.

EIM - Enterprise Information Management.

EMIS – Equipment Management Information System.

Employer Contributions – Term used in the context of pension and other post-employment benefits to describe contributions actually made by the employer in relation to the annual required contribution (ARC) of the employer. (Only amounts paid to trustees and outside parties qualify.)

EMS – Emergency Medical Services.

EMT – Emergency Medical Technician, employed in the Fire Department.

EOTF – Emergency Operations Training Facility

Encumbrances – Commitments related to unperformed (executable) contracts for goods or services. For financial reporting purposes,

encumbrance accounting is restricted to governmental funds.

Enterprise Bonds/Revenue – Bonds related to Sewer, Water and Parking enterprises of the City. Debt Service is paid for by user fees charged for these enterprise services. Enterprise revenues are “Pay as you go” sources anticipated to be available in the enterprise funds.

Enterprise Funds – Used to account for those activities of the City which are financed and operated in a manner similar to private business enterprises where costs and expenses, including depreciation, are recovered principally through user charges.

EPA – Environmental Protection Agency, a federal government agency.

ESG – Emergency Shelter Grant, funded by the U.S. Department of Housing and Urban Development.

ESL – English as a Second Language.

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.

FBI – Food borne illness. (Health & Family Support)

FCC – Federal Communications Commission.

FEMA – Federal Emergency Management Administration.

FERC – Federal Energy Regulatory Commission.

Fiduciary Funds – Funds used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support the government’s own programs. The fiduciary fund category includes pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

Final Amended Budget – Original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes applicable to the fiscal year, whenever signed into law or otherwise legally authorized. Also referred to as current budget or amended budget.

Fiscal Disparities – Fiscal disparities is a law by which commercial-industrial tax base growth is shared annually among metropolitan taxing jurisdictions according to a statutory formula.

Formula Grants – Government-mandated or voluntary non-exchange transactions involving the provision of resources based upon established criteria (e.g., number of full-time equivalent students) other than the incurrence of qualifying expenditures. Also referred to as “shared revenues.”

FRC – Family Resource Centers.

FSAM – Facilities Space Asset Management. This committee includes the City Coordinator (Co-chair), City Engineer (Co-chair), two department heads, Director of Management and Budget, Facility Manager/Staff, Space and Asset Manager/Staff.

FTE (Full Time Equivalent) – A unit of measurement to account for the number of positions authorized to departments.

Fund – A major accounting vehicle used by the city to account for revenues, expenditures, assets, and liabilities of major sectors of city activities as established by legal requirements.

Fund Balance – Difference between assets and liabilities reported in a governmental fund.

Fund Classifications – One of the three categories (governmental, proprietary, and fiduciary) used to classify fund types.

Fund Financial Statements – Basic financial statements presented on the basis of funds, in contrast to government-wide financial statements.

Fund Summary – A budgetary document that summarizes on an annual basis the activities of a city fund. It compares revenues with expenditures on an annual basis. This budget fund summary may not be the same as the audited financial statement since the fund summary includes only resources which are available to pay expenses of the fund (i.e., excludes inventory and depreciation) during the current year.

Fund Type – One of eleven classifications into which all individual funds can be categorized. Governmental fund types include the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds. Proprietary fund types include enterprise funds and internal service funds. Fiduciary fund types include pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

Funded Ratio – In the context of defined benefit pension and other post-employment benefit plans, the actuarial value of assets expressed as a percentage of the actuarial accrued liability.

FY – Fiscal Year.

GAAP – Generally Accepted Accounting Principles.

GARFS – General Agency Reserve Fund System

GASB – Governmental Accounting Standards Board.

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

General Obligation Debt – General obligation debt reduced by the amount of any accumulated resources restricted to repaying the principal of such debt.

GFOA – Government Finance Officers Association, the professional association of Finance professionals in the public sector.

GIS – Geographical Information Systems, a division of Business Information Services.

GMCVA – Greater Minneapolis Convention and Visitor's Association, now called Meet Minneapolis.

GMMHC – Greater Minneapolis Metropolitan Housing Corporation.

Govern – Assessor's information technology equipment.

Governmental Activities – Activities generally financed through taxes, intergovernmental revenues, and other non-exchange revenues. These activities are usually reported in governmental funds and internal service funds.

Governmental Entity – For accounting and financial reporting purposes, and entity subject to the hierarchy of GAAP applicable to state and local governmental unity.

Governmental Funds – Used to account for functions of the City principally supported by taxes and intergovernmental revenues.

Government-wide Financial Statements – Financial statements that incorporate all of a government's governmental and business-type activities, as well as its non-fiduciary component units. There are two basic government-wide financial statements: the statement of net assets and the statement of activities.

HAVA – Help America Vote Act.

HC – Hennepin County, the county where the City of Minneapolis is located.

HCAO – Hennepin County Attorney's Office.

HCRRRA – Hennepin County Regional Railroad Authority.

HAP – Health Assessment and Promotion.

HIS – Housing Inspection Services.

HPC – Heritage Preservation Commission.

HOLLMAN DECREE – The Hollman Consent Decree is a 1995 lawsuit settlement (to which the City, MCDA, & MPHA were parties) designed to provide public housing in a full range of metropolitan communities, beyond the core city, in order to improve housing choice for public housing residents. Heritage Park was the resulting development.

HOME – Home Investment Partnerships Program, a U.S. Department of Housing and Urban Development grant program.

HOPWA – Housing Opportunities for People with Aids, a U.S. Department of Housing and Urban Development grant program.

HOW – Home Ownership Works, a program of the CPED.

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.

IACP – International Association of Chiefs of Police.

IACVB – International Association of Convention and Visitors Bureaus.

ICMA – International City/County Managers Association.

IDIS – Integrated Disbursement and Information Systems

iDSS – Internet Destination Sales System, a venture of Meet Minneapolis

IGR – Intergovernmental Relations.

Improvement – Addition made to, or change made in, a capital asset, other than maintenance, to prolong its life or to increase its efficiency or capacity. The cost of the addition or change normally is added to the book value of the asset.

Indirect Expenses – Expenses that cannot be specifically associated with a given service, program or department and thus, cannot be clearly associated with a particular functional category.

Industrial Revenue Bond - Bond proceeds are used to finance the purchase or construction of facilities or equipment to be leased to a private corporation. The bonds are backed by the revenue generated by the lease payment and ultimately by the credit of the corporation.

Infrastructure – Long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems.

IRS – Internal Revenue Service.

Interfund Activity – Activity between funds of the primary government, included blended component units. Interfund activities are divided into two broad categories: reciprocal and nonreciprocal.

Interfund Loans – Amounts provided between funds and blended component units of the primary government with a requirement for repayment.

Interfund Transfers – Flows of assets (such as cash or goods) between funds and blended component units of the primary government without equivalent flows of assets in return and without a requirement for repayment.

Internal Service Funds – Funds used to account for those City services which are financed and operated in a manner similar to private business enterprises and the customer is other City departments instead of the public.

IS Architecture – Information Systems Architecture.

IWR – Utility Billing's Interactive Web Response application.

JP – Joint Powers.

KIVA – The vendor that provides the City's Building Inspections Information System (BIIS), in the department of Regulatory Services.

LAN – Local Area Network.

LCPR – Legislative Commission on Pensions and Retirement.

LCTS – Long-term Collaborative Time Study, a funding program through the State and Hennepin County for the department of Health and Family Support.

LED Light - Light Emitting Diode (found in pedestrian signal cross lights for example).

Legal Debt Margin – Excess of the amount of debt legally authorized over the amount of debt outstanding.

Legal Level of Budgetary Control – Level at which a government's management may not reallocate resources without special approval from the legislative body.

LEP – Limited English Proficiency.

LGA – Local Government Aid.

LMC – League of Minnesota Cities.

LMV - Limited Market Value. A limitation on the amount that a property's market value may grow from one year to the next for purposes of property taxation. It was enacted to help mitigate rising property taxes resulting from rapidly inflating property values. The program sunsets in 2010.

LRT – Light Rail Transit.

MAC – Metropolitan Airports Commission, the independent body which runs the regions airports.

Major Fund – Governmental fund or enterprise fund reported as a separate column in the basic fund financial statements and subject to a separate opinion in the independent auditor's report. The general fund is always a major fund. Otherwise, major funds are funds whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds for the same item. Any other governmental or enterprise fund may be reported as a major fund if the government's officials believe that the fund is particularly important to financial statement users.

Market Value – The estimated amount as determined by the City Assessor that a willing seller and a willing buyer would agree upon for a piece of property.

Mayor's Recommendation – The recommended annual budget by the Mayor as required by the City Charter.

MBC – Municipal Building Commission, a component unit of the City which operates the City Hall/Courthouse Building.

MCC – Minneapolis Convention Center.

MCCR – Minneapolis Commission on Civil Rights.

MCDA – former Minneapolis Community Development Association, now CPED.

MCES – Metropolitan Council Environmental Services, provider of sewage interceptor and treatment services for the City.

MCH – Maternal Child Health.

MDCR – Minneapolis Department of Civil Rights.

MDC – Police Department’s Mobile Data Computers.

MDHFS – Minneapolis Department of Health and Family Support.

Meet Minneapolis – Official Convention and Visitor’s Association.

MERF – Minneapolis Employee Retirement Fund, a closed retirement plan for general City employees.

METP – Minneapolis Employment and Training Program.

Metropolitan Council – Regional government of the 7 county metro area.

MFD – Minneapolis Fire Department.

MFIP – Minnesota Family Investment Program, the State’s successor to the Aid for Families with Dependent Children.

MFRA – Minneapolis Firefighter’s Relief Association, a closed retirement plan for firefighters.

MHFA – Minnesota Housing Finance Agency, state government agency.

MBE – Minority-owned business enterprises.

MHz – Megahertz Radio System.

MLSS – Mechanical Life and Safety Systems.

MMRS – Metropolitan Medical Response System.

Minneapolis 311 – Serves as the single point of contact to the City for all non-emergency requests for information and services, which simplifies citizen access to city services and information; enables city employees to deliver services more effectively; tracks requests for service delivery from inception to

completion; and provides access to city services by voice, e-mail and the web.

MNCIS – Minnesota Court Information System.

MN DNR – Minnesota Department of Natural Resources.

MNDOT – Minnesota Department of Transportation, state government agency.

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.

MPD – Minneapolis Police Department.

MPHA – Minneapolis Public Housing Authority, the public agency responsible for administering public housing and Section 8 rental assistance programs for eligible individuals and families in Minneapolis.

MPRA – Minneapolis Police Relief Association, a closed retirement plan for police officers.

MPRB – Minneapolis Park and Recreation Board, a directly elected body.

MRI – Municipal Refuse Incorporated, provider of solid waste disposal in parts of Minneapolis.

MSA – Municipal State Aid – refers to gas tax dollars distributed to local governments for use on State designated Municipal State Aid streets - usually major thoroughfares.

MUPS – Municipal Utility and Package System.

MVHC – Market Value Homestead Credit.

MVNA – Minneapolis Visiting Nurse’s Association, a community non-profit.

NAMC – National Association of Minority Contractors.

NCIC – National Crime Information Center.

NCEC – Neighborhood and Community Engagement Commission

NCR – Neighborhood and Community Relations.

NDB – Net Debt Bonds – property tax supported bonds issued to finance general infrastructure improvements. Debt service is paid by taxes collected for the annual Bond Redemption Levy.

Net Tax Levy – This is the total tax levy (including fiscal disparities). The net tax levy is now the certified tax levy as required by a change in state law.

NFIRS - National Fire Incident Reporting System.

NFPA – National Fire Protection Association, accreditation organization for Fire Departments.

NHCN – Neighborhood Health Care Network, a community health provider.

NIP – Neighborhood Initiatives Program of CPED.

NLC – National League of Cities.

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.

Normal Cost – In the context of defined benefit pension and other post-employment benefit plans, that portion of the actuarial present value of plan benefits and expenses which is allocated to a valuation year by the actuarial cost method.

NRP – Neighborhood Revitalization Program, established in 1990, a joint powers agreement of the City to undertake neighborhood programs.

NSP Fund – Neighborhood Stabilization Program Fund

OIC – Opportunities Industrialization Centers.

OJT – On the Job Training.

O&M - Operations and Maintenance.

Operating Activities – Term used in connection with cash flows reporting. Operating activities generally results from providing services and producing and delivering goods, and include all transactions and other events that are not defined as capital and related financing, non-capital financing, or investing activities.

Operating Budget – Financial plan that allows City departments to maintain adequate service levels at reasonable costs by following sound financial management practices. Each City department 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 Revenues and Expenses – Cost of goods sold and services provided to customers and the revenue thus generated.

Operating Tax Funds – Those funds at least partially financed by property taxes, which support the normal functions of city government. They include the General fund, Board of Estimate and Taxation fund, Municipal Building Commission fund, and the Park Tax funds.

Original Budget – First complete appropriated budget. The original budget may be adjusted by reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes before the beginning of the fiscal year. The original budget should also include actual appropriation amounts automatically carried over from prior years by law. For example, a legal provision may require the automatic rolling forward of appropriations to cover prior-year encumbrances.

Original/Current Appropriation – The amount of money allocated by the respective governing body for the budgeted year. The original appropriation is the amount approved at the time the budget was initially adopted. The current appropriation is the original budget as amended to reflect any approved changes.

OSA – Office of the State Auditor.

OSHA – Occupational Safety and Health Administration, of the federal government.

Other Post-Employment Benefits (OPEB) – Post-employment benefits other than pension benefits. Other post-employment benefits (OPEB) include post-employment healthcare benefits, regardless of the type of plan that provides them, and all post-employment benefits provided separately from a pension plan, excluding benefits defined as termination offers and benefits.

Outcome Measures – In the context of service efforts and accomplishments reporting, indicators that measure accomplishments or results that occur (at least partially) because of services provided. Results also include measures of public perceptions of outcomes.

Own-source Revenues – Revenues that are generated by a government itself (e.g., tax revenues; water and sewer charges; investment income) rather than provided from some outside source (e.g., intergovernmental aid and shared revenues).

PAL – Police Activity League.

Pass-through Grants – Grants and other financial assistance received by a governmental entity to transfer to, or spend on behalf of, a secondary recipient.

PAVER – Pavement Management System software application that computes the Pavement Condition Index (PCI) of roads and parking lots.

Payment In Lieu of Taxes (PILOT) – Payment that a property owner not subject to taxation makes to a government to compensate it for services that the property owner receives that normally are financed through property taxes.

PC/NPC – Probable cause/ no probable cause.

PCAB – Pollution Control Annual Billing.

PCI – Pavement Condition Index, used to rate the condition of pavement.

Pension Benefits – Retirement income and all other benefits (e.g. disability benefits, death benefits, life insurance) except healthcare benefits that are provided through a defined benefit pension plan to plan members and beneficiaries after termination of employment or after retirement. Post-employment healthcare benefits are considered other post employment benefits, regardless of how they are provided.

Pension Cost – Accrual measure of the periodic cost of an employer's participation in a defined benefit pension plan.

Pension Obligation Bonds – Bonds issued by employers to finance one or more elements of their pension obligation to employees. Pension obligation bonds may be used, for example 1) to reduce or eliminate the employer's net pension obligation, 2) to pay the employer's annual required contribution for the year, or 3) to reduce or eliminate the plan's unfunded actuarial accrued liability.

Pension Plan – Arrangement for the provision of pension benefits in which all assets accumulated for the payment of benefits may legally be used to pay benefits (including refunds of member contributions) to any of the plan members or beneficiaries, as defined by the terms of the plan.

PERA – Public Employees Retirement Association, state-wide pension plan, to which a majority of the City's employees belong.

Post-employment – Period following termination of employment, including the time between termination and retirement.

Post-employment Healthcare Benefits – Medical, dental, vision and other health-related benefits provided to terminated employees, retired employees, dependents, and beneficiaries.

PI – Permanent Improvement.

PM – Performance Management.

Primary Government – Term used in connection with defining the financial reporting entity. A state government or general purpose local government. Also, a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. The primary government is the focus of the financial reporting entity.

Program Revenue - Revenues that derive directly from the program itself or from parties outside the reporting government's taxpayers or citizenry, as a whole' they reduce the net cost of the function to be financed from the government's general revenues.

Proprietary Funds – Funds that focus on the determination of operating income, changes in net assets (or cost recovery, financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

PS&RS – Public Safety and Regulatory Services, standing committee of the City Council.

PSC – Public Service Center, one of the main buildings in the City's downtown campus.

PW – Public Works Department.

RCV – Ranked-choice voting.

Reappropriation – Inclusion of a balance from the prior year's budget as part of the budget of the subsequent fiscal year. Reappropriation is common for encumbrances outstanding at the end of a fiscal year that a government intends to honor in the subsequent fiscal year.

Refunding – Issuance of new debt whose proceeds are used to repay previously issued debt. The proceeds may be used immediately for this purpose (a current refunding), or they may be placed with an escrow agent and invested until they are used to pay principal and interest on the old debt at a future time (an advance refunding).

REIMB – Capital work performed by divisions of Public Works for which reimbursements are received from other City departments, outside government agencies or private businesses.

Results Minneapolis – A management tool the City uses to systematically track performance toward achieving the city's five-year goals and 2020 vision.

Revenue – Funds received from various sources used to finance City expenditures.

RFP – Request for Proposal, the process by which the City receives service descriptions and estimates of costs from potential providers of a service.

RFS – Request for Service, a violation related module of the Kiva application used by inspectors in Regulatory Services.

ROP – Repeat Offender Program.

RTW – Return to Work.

SAC – Sewer Access Credits, issued by the Metropolitan Council.

SAFER - Staffing for Adequate Fire and Emergency Response. A federal grant program aiming to help fire departments increase the number of frontline firefighters. SAFER is part of the Assistance to Firefighters Grants and is under the purview of the Office of Grants and Training of the Department of Homeland Security.

SBA – Small Business Administration, of the Federal Government.

SBC – School Based Clinics.

SCADA – Supervisory Control and Data Acquisition, a program to automate the water control system from one point so that all gates, pumps, monitors and controls will be in one controlled area.

Schedule of Employer Contributions – In the context of defined benefit pension plans and other post-employment benefit plans, trend data on employers' annual required contribution to a plan and actual contributions.

Schedule of Funding Progress – In the context of defined benefit pension plans and other post-employment benefit plans, trend data on the relationship between the actuarial value of plan assets and the related actuarial accrued liability.

SCORE – Select Committee on Recycling & Environment.

SDP – Service Delivery Plan.

SEMI – Southeast Minneapolis Industrial area – refers to a development area now referred to as University Research Park.

SFD – single family dwelling.

SISP – Strategic Information Systems Plan.

SLA – Service Level Agreements.

SOC – Hennepin County Security Operations Center.

Special Assessment – Compulsory levy made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

Special Revenue Funds – Used to account for the proceeds of specific revenue sources that are restricted by legal and regulatory provisions to finance specific activities.

Sponsor – In the context of pension and other post-employment benefits, the entity that established the plan.

SUBP – Small and Underutilized Business Program of the Civil Rights Department.

SW&R – Solid Waste and Recycling.

T&PW – Transportation and Public Works, a standing committee of the City Council.

TAC – Technical Advisory Committee.

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 --Bonds sold to investors to raise capital for development activities.

Interest paid to bond purchasers is usually exempt from state and federal taxation, although TIF bonds can also be sold to investors with no interest exemption from state and federal taxes.

Tax-Increment Financing (TIF) – Financing secured by the anticipated incremental increase in tax revenue, resulting from the redevelopment of an area.

TISH – Truth in the Sale of Housing, a business function of Construction Code Services division of Regulatory Services.

TMP – The Minneapolis Plan, the City's comprehensive plan.

TNT – Truth in Taxation Statement mailed to property owners each November, with approximate City taxes to be paid in following year.

Total Expenses – The total costs of a cost center or department including debt service and capital improvements.

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.

UCR – Uniform Crime Rate.

Unallotment – Executive branch power to reduce spending to avoid a deficit without legislative action.

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.

Undesignated Unreserved Fund Balance – Available expendable financial resources in a governmental fund that are not the object of tentative management plans (*i.e.*, designations).

Unfunded Actuarial Accrued Liability – Excess of the actuarial accrued liability over the actuarial value of assets. This value may be negative, in which case it may be expressed as a negative unfunded actuarial accrued liability, the excess of the actuarial value of assets over the actuarial accrued liability, or the funding excess.

Unrealized Gains and Losses – Difference between the carrying value of an asset and its fair value prior to sale.

USCM – U.S. Conference of Mayors.

U.S. EPA – United States Environmental Protection Agency.

Variable-rate Investment – In the context of investment disclosure, and investment with terms that provide for the adjustment of its interest rate on set dates (such as the last day of a month or calendar quarter) and that, upon each adjustment until the final maturity of the instrument of the period remaining until the principal amount can be recovered through demand, can reasonably be expected to have a fair value that will be unaffected by interest rate changes.

VEU – Vehicle Equivalent Units.

VPN – Virtual Private Network.

Ways & Means/Budget Committee – City Council Sub-Committee made up of six City Council Members, which provides Council oversight on issues such as: acceptance of bids, appropriation of funds, approval of increases/decreases/transfers of funds, assignment of wages and salaries, budgetary items (including approval of the City's annual budget), the certification to Hennepin County of taxes to be levied for bonds sold, civil rights issues, execution of contracts, issuance of bonds, Minneapolis Employment and Training Program agreements, and the operating, structure and organization of departments (during the budget process).

WBE – Women-owned business enterprises.

WC – Worker Compensation.

WiFi – Wireless fidelity.

YCB – Youth Coordinating Board, a joint power agreement of the City.

YTD – Year to date.

Z&P – Zoning and Planning, City Council Sub Committee

MINNEAPOLIS CITY COUNCIL OFFICIAL PROCEEDINGS

ADJOURNED SESSION OF THE REGULAR MEETING OF DECEMBER 10, 2010 HELD DECEMBER 13, 2010

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Council Chamber
Room 317 City Hall
350 South 5th Street
Minneapolis, Minnesota
December 13, 2010 - 6:05 p.m.

The Council met pursuant to adjournment.

President Johnson in the Chair.

Present - Council Members Gordon, Reich, Hofstede, Schiff, Lilligren, Colvin Roy, Tuthill, Quincy, Glidden, Goodman, Hodges, Samuels, President Johnson.

Lilligren moved adoption of the agenda. Seconded.

Adopted upon a voice vote 12/13/2010.

Absent - Hofstede, Schiff, Goodman.

A public hearing was held to receive comments on the proposed 2011 budget and tax levy. A complete copy of the speakers list is available for public inspection (Petn No 274677) on file in the office of the City Clerk.

PETITIONS AND COMMUNICATIONS

WAYS AND MEANS BUDGET (See Rep):

FINANCE DEPARTMENT (274677)

2011 Budget: Mark-up materials, 2011 Budget Book, and Public Hearing Speakers List relating to Mayor's 2011 Recommended Budget and public submitted handouts.

The following reports were signed by Mayor Rybak on December 16, 2010. 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 2010 property tax levies, payable in 2011, for various funds of the City of Minneapolis for which the City Council levies taxes.

Adopted 12/13/2010. Yeas, 10; Nays, 3 as follows:

Yeas - Reich, Hofstede, Schiff, Colvin Roy, Quincy, Glidden, Goodman, Hodges, Samuels, Johnson.

Nays - Gordon, Lilligren, Tuthill.

DECEMBER 13, 2010

Resolution 2010R-597, approving the 2010 property tax levies, payable in 2011, for various funds of the City of Minneapolis for which the City Council levies taxes, was adopted 12/13/2010 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 2010R-597 By Hodges

Approving the 2010 property tax levies, payable in 2011, 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 2010 for taxes payable in 2011 for the following funds:

FUND	CERTIFIED LEVY AMOUNT	ESTIMATED TAX CAPACITY RATES¹
General Fund	\$173,010,000	44.583
Municipal Building Commission	\$4,285,000	1.105
Permanent Improvement	\$1,900,000	0.490
Bond Redemption	\$18,500,000	4.768
Firefighters Relief Association (MFRA)	\$4,880,000	1.258
Police Relief Association (MPRA)	\$15,525,000	4.001
Minneapolis Employees Retirement (MERF)	\$2,570,000	0.663
Total	\$220,670,000	56.868

Be It Further Resolved that the difference between the amounts herein levied for the Bond Redemption Fund and the aggregate of levies previously certified to the Hennepin County Auditor are made up by cash from prior years' balances. 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 \$442,234,876 and a spread levy tax capacity value of \$339,517,298, 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 \$9,300,000 be assessed against and levied based on market value upon the real and personal property in the City of Minneapolis in 2010 for taxes payable in 2011 for debt service associated with the voter approved Library Referendum Bond authorization of \$140,000,000.

Be It Further Resolved that the "Certified Levy Amount" shown for the General Fund Levy & the Total Levy is based on the assumption that the Minneapolis Park & Recreation Board will, for pay 2011, adopt a "Certified Levy Amount" of \$47,217,000. If the Minneapolis Park & Recreation Board adopts for pay 2011 a "Certified Levy Amount" higher than the \$47,217,000, Finance Department staff is directed to reduce the "Certified Levy Amount" shown above for the General Fund Levy & the Total Levy by a corresponding amount. The "Certified Levy Amount" for the General Fund when added to the "Certified Levy Amount" for the Minneapolis Park & Recreation Board shall equal \$220,227,000.

Be It Further Resolved that the Certified Local Government Aid (LGA) Amount estimated at \$87,540,000 shall be initially distributed as follows:

Municipal Building Commission	\$273,755
Minneapolis Park & Recreation Board	\$8,521,635
<u>General Fund</u>	<u>\$78,744,610</u>
TOTAL	\$87,540,000

Any adjustments from this amount will be allocated in accordance to the principle of maintaining the proportional relationships in funding available for activities as set forth in the City's adopted financial policies.

Be It Further Resolved that if any adjustment occurs in the Certified General Fund amount as a result of a certified Minneapolis Park & Recreation Board levy in excess of \$47,217,000, then an equal offsetting reduction will be made in the initial LGA distribution for the Minneapolis Park & Recreation Board with a corresponding increase in the General Fund levy.

Adopted 12/13/2010. Yeas, 10; Nays, 3 as follows:

Yeas - Reich, Hofstede, Schiff, Colvin Roy, Quincy, Glidden, Goodman, Hodges, Samuels, Johnson.

Nays - Gordon, Lilligren, Tuthill.

W&M/Budget - Your Committee having under consideration the Mayor's 2011 Recommended Budget, as revised on September 16, 2010, now recommends passage of the accompanying Resolution fixing the maximum amounts to be expended by the various departments for 2011 (2011 General Appropriation Resolution), from the various funds under the jurisdiction of the City Council for which the City Council levies taxes and fees, based on the recommendations submitted by the Mayor (Petn No 274677).

Your Committee further recommends that if the City receives less than the anticipated amount of state aids as proposed in the Governor's budget in February 2011, the changes as set forth in the section entitled "Changes to State Aids in the Budget" of the attached resolution will occur, and the 2011 appropriation levels for various City departments will be decreased accordingly.

Lilligren moved that the resolution be amended by deleting the following language to Footnote "p", Section "1":

"p) Neighborhood Programs

1. ~~The Council does not intend to renew the Joint Powers Agreement when it expires on December 31, 2011. As a result, IGR staff is directed to report to the Intergovernmental Relations Subcommittee/Committee of the Whole on January 13, 2011, with passage on either January 14 or 28 on an amendment to the City's state legislative agenda which would incorporate a proposed strategy to seek legislation consolidating neighborhood programs and eliminating the need for the Joints Powers Board.~~"
- Seconded.

Goodman called the question. Seconded.

Adopted upon a voice vote.

Lilligren's motion lost. Yeas, 4; Nays, 9 as follows:

Yeas - Gordon, Reich, Hofstede, Lilligren.

Nays - Schiff, Colvin Roy, Tuthill, Quincy, Glidden, Goodman, Hodges, Samuels, Johnson.

Lilligren moved to amend Footnote "p", Section "2" of the resolution by deleting the following language:

“p) Neighborhood Programs

2. Direct the Finance and NCR departments to allow neighborhoods to contract up to 50% of the un-contracted balance of their Phase II allocation (excluding Phase II allocated but not Contracted Reserve funds), as of City Council adoption of the 2011 budget, but not to exceed a total contracted amount of 50% of their Phase II allocation.” Seconded.

Goodman called the question. Seconded.

Adopted upon a voice vote.

Lilligren’s motion lost. Yeas, 4; Nays, 9 as follows:

Yeas - Gordon, Reich, Hofstede, Lilligren.

Nays - Schiff, Colvin Roy, Tuthill, Quincy, Glidden, Goodman, Hodges, Samuels, Johnson.

Lilligren moved to amend Footnote “p”, Sections “3” and “4”, to read as follows:

“p) Neighborhood Programs

3. Direct NCR to work with the NCEC and report back to City Council by March 1, 2011, on how programs will be implemented moving forward with an emphasis on mitigating equity issues among neighborhoods related to the suspension of new contracts.
4. Direct the Finance department to report to the Ways & Mean/Budget Committee no later than February 1, 2011, with a plan to provide property tax relief in 2012 and 2013 by capturing on 50% of the value of the properties in the consolidated TIF district in these two years. This report should also include impacts on Target Center funding and neighborhood funding. In addition, Finance staff, working with the NCR department, the NCEC, the IGR department and the City Attorney’s Office, is further directed to identify options for property tax relief for the years 2012 and 2013 should legislative authority to consolidate neighborhood programs not be achieved, and report these options to Ways and Means/Budget by February 15, 2011.
3. Direct the Finance department to identify options for property tax relief for the years 2012 and 2013 and report to the Ways & Means/Budget Committee no later than February 15, 2011, with a plan for providing at least \$5.5 million dollars in tax relief each year.

The plan should consider all sources of potential property tax relief including, but not limited to, the following:

- a. The new consolidated TIF district,
- b. All other TIF districts,
- c. The Arena/Target Center funding,
- d. The Self Insurance Fund
- e. The new Neighborhood Community Relations Department
- f. The Community Participation Program and
- g. The Affordable Housing Trust Fund.

The NCR department, working with the NCEC, shall develop and implement a process to engage residents, neighborhoods and neighborhood organizations to advise and recommend on how to address equity and programmatic issues resulting from this budget action.”

Seconded.

Glidden moved to amend Lilligren’s motion, as follows:

“p) Neighborhood Programs

3. Direct the Finance department to report to the Ways & Mean/Budget Committee no later than February 1, 2011, with a plan to provide property tax relief in 2012 and 2013 by capturing on 50% of the value of the properties in the consolidated TIF district in these two years. Further direct the Finance department to identify options for property

tax relief for the years 2012 and 2013 and report to the Ways & Means/Budget Committee no later than February 15, 2011, with a plan for providing at least \$5.5 million dollars in tax relief each year. The plan should consider all sources of potential property tax relief including, but not limited to, the following:

- a) The new consolidated TIF district,
- b) All other TIF districts,
- c) The Arena/Target Center funding,
- d) The Self Insurance Fund
- e) The new Neighborhood Community Relations Department
- f) The Community Participation Program and
- g) The Affordable Housing Trust Fund.

The NCR department, working with the NCEC, shall develop and implement a process to engage residents, neighborhoods and neighborhood organizations to advise and recommend on how to address equity and programmatic issues resulting from this budget action.”
Seconded.

President Johnson declared Glidden’s motion withdrawn, per her request.

Goodman called the question. Seconded.

Adopted upon a voice vote.

Lilligren’s motion lost. Yeas, 2; Nays, 11 as follows:

Yeas - Gordon, Lilligren.

Nays - Reich, Hofstede, Schiff, Colvin Roy, Tuthill, Quincy, Glidden, Goodman, Hodges, Samuels, Johnson.

Reich moved to amend Footnote “p”, Section “2”, to read as follows:

“p) Neighborhood Programs

2. Direct the Finance and NCR departments to allow neighborhoods to contract up to ~~50%~~75% of the un-contracted balance of their Phase II allocation (excluding Phase II allocated but not Contracted Reserve funds), as of City Council adoption of the 2011 budget, but not to exceed a total contracted amount of ~~50%~~75% of their Phase II allocation.” Seconded.

Goodman called the question. Seconded.

Adopted upon a voice vote.

Reich’s motion lost. Yeas, 4; Nays, 9 as follows:

Yeas - Gordon, Reich, Hofstede, Lilligren.

Nays - Schiff, Colvin Roy, Tuthill, Quincy, Glidden, Goodman, Hodges, Samuels, Johnson.

Glidden moved to amend Footnote “p”, Section “4”, to read as follows:

“p) Neighborhood Programs

4. Direct the Finance department to report to the Ways & Mean/Budget Committee no later than February 1, 2011, with a plan to provide property tax relief in 2012 and 2013 by capturing on 50% of the value of the properties in the consolidated TIF district in these two years. This report should also include impacts on Target Center funding and neighborhood funding. In addition, Finance staff, working with the NCR department, the NCEC, the IGR department and the City Attorney’s Office, is further directed to identify options for property tax relief for the years 2012 and 2013 should legislative authority to consolidate neighborhood programs not be achieved, and report these options to Ways and Means/Budget by February 15, 2011.

This report should also include the impacts of limiting revenue generated by the TIF district funding neighborhood programs and Target Center debt relief to \$10 million annually, with any increment over and above \$10 million used to fund Phase II plans.”

Further, Glidden move to amend Sub-section "Directions to Staff" of the resolution, by adding the following Footnote:

"bb) Direct the IGR and Finance departments to work together to determine the impacts of not addressing the over-obligation of CDBG resources related to Block E. This information should be presented with the City's 2010 final report to the Ways & Means/Budget Committee in the first quarter of 2011." Seconded.

Goodman called the question. Seconded.

Adopted upon a voice vote.

Glidden's motions were adopted.

Colvin Roy moved to amend Footnote "p", Section "3", to read as follows:

"p) Neighborhood Programs

3. Direct NCR to work with the NCEC and report back to City Council by March 1, 2011, on how programs, including the Neighborhood Investment Fund and the Community Innovation Fund, will be implemented moving forward with an emphasis on mitigating equity issues among neighborhoods related to the suspension of new contracts."

Seconded.

Adopted.

Lilligren assumed the Chair.

Johnson moved that the resolution be amended by adding the following Section and Footnote to the end of the resolution, to read as follows:

"Additional Changes to the Recommended Budget

ii) Amend the Mayor's 2011 recommended budget, as amended by the Ways and Means/Budget Committee, to allow up to \$60,000 of the one-time resources for redistricting activities in 2011 to be used to offset the City Council budget reduction on a one-time basis, allowing time for restructuring of Council activities. The 2012 resources set aside for redistricting activities shall remain dedicated for that purpose." Seconded.

Adopted. Yeas, 10; Nays, 3 as follows:

Yeas - Reich, Hofstede, Schiff, Lilligren, Colvin Roy, Tuthill, Quincy, Hodges, Samuels, Johnson.

Nays - Gordon, Glidden, Goodman.

Johnson resumed the Chair.

The report, as amended, was adopted 12/13/2010. Yeas, 10; Nays, 3 as follows:

Yeas - Reich, Hofstede, Schiff, Colvin Roy, Quincy, Glidden, Goodman, Hodges, Samuels, Johnson.

Nays - Gordon, Lilligren, Tuthill.

Resolution 2010R-598, fixing the maximum amounts to be expended by the various departments for 2011, from the various funds under the jurisdiction of the City Council for which the City Council levies taxes and fees, was adopted 12/13/2010 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 2010R-598

By Hodges

Fixing the maximum amounts to be expended by the various departments for 2011 from the various funds under the jurisdiction of the City Council for which the City Council levies taxes and fees:

Resolved by the City Council of The City of Minneapolis:

That there be appropriated out of the monies in the City Treasury and revenues of the City applicable to specifically named funds the maximum appropriation amounts as outlined in Financial Schedules 1, 2, 3, 4 (Community Development Block Grant ("CDBG") Program Allocations), 5, 6, 7, 8, 9, 10, 11, 12, and 14 as published in the final 2011 Budget Book.

2011 Operating Budget

Resolution Footnotes:

a) Administrative Financial Policies, as included in the Financial Policies Section of the 2011 Adopted Budget book, are hereby adopted as part of the 2011 budget.

b) Be it Further Resolved that this resolution may be cited as the "General Appropriation Resolution of 2011."

Additional/Changes to Financial Policies (as needed)

c) Direct the Finance Officer to update the five-year financial direction consistent with recommendations of the City Council.

d) Amend page 74 of the financial policies to include the following language: This rate shall be calculated no later than the end of September in the year preceding the commencement of project construction. Public Works and Finance shall review this rate annually to ensure it accurately reflects project costs. The uniform assessment rate used for public notification shall reflect the year in which the project is constructed. If the public notice has already been given for a project and the project is delayed into the following construction year, the uniform assessment rate in place at the time of public notification will be used and Public Works shall identify any gaps in project funding as a result of using the prior year's rate and identify the source of funding for the possible financial shortfall. If the source of funding for the shortfall exceeds the project contingency, City Council must approve the funding source. If a project delay is in excess of one construction season, a new public notice shall be given and a new public hearing held.

e) Amend page 77 of the city's financial policies on restricted investments to include a listing of the countries in which the City currently does not invest: Northern Ireland, Burma (Myanmar), and Sudan. The prohibition from investing in these three countries shall expire at the end of 2013 unless renewed by subsequent Council action. The policy of divestment from South Africa shall end at the end of 2010.

f) After the language on management support charges on page 86 of the Mayor's 2011 Recommended Budget, insert the following sentence: "This reduction shall only occur after an affirmative vote of the Council to implement this authority."

g) Amend page 84 of the City's financial policies to include the following language: Pension Payment Adjustments. The Finance Director is authorized in December of each year, after review of the actual revenues received by the Police Relief & the Fire Relief associations in comparison to the budgeted revenues, if there is a shortfall to transfer funds from the "Pension Management Plan" to meet the "City's minimum obligation" to the funds.

Changes to the Recommended Budget

h) Amend the Mayor's Recommended Budget for 2011, as revised on September 16, 2010, to reduce the proposed property tax levy, from a 6.5% increase to a 4.7% increase. The following reductions should be made to offset the levy decrease:

1. Reduce General Fund transfer to the Self-Insurance Fund by \$1M on a one-time basis;
2. Reduce the capital in the Target Center plan by \$1.1M on a one-time basis and transfer the corresponding entertainment tax resources into the General Fund on a one-time basis;
3. Reduce the MPHA property tax levy by \$1.424M on a two-year basis;
4. Reduce the appropriation for the Municipal Building Commission by \$250,000;
5. Reduce property tax and LGA resources to the Minneapolis Park Board and the Municipal Building Commission by the amounts consistent with the 4.7% levy increase, as detailed in existing City financial policies; and
6. Reduce pension management plan by \$400,000.

i) Reduce funding for Vacant & Boarded from the Local Contribution Fund by \$125,000 and increase funding for "All About the Kids" by \$125,000 from the Local Contribution Fund on a one-time basis (schedules 4 and 7). Decrease the Year 37 allocation for CDBG for GMHC Home Ownership Program by \$125,000 and increase the Year 37 allocation to the vacant & Boarded by \$125,000.

j) On Schedule 4, page 255, reduce funding for Youth Employment by \$75,000 in CDBG resources and increase funding of \$75,000 in CDBG resources for the Domestic Abuse Project. Reduce funding for Vacant & Boarded from the Local Contribution Fund by \$75,000 and increase the funding from the Local Contribution Fund for Youth Employment by \$75,000 on a one-time basis. Decrease the Year 37 allocation for CDBG for GMHC Home Ownership Program by \$75,000 and increase the Year 37 allocation to the Vacant & Boarded by \$75,000.

k) Amend the Mayor's 2011 recommended budget as follows: Reduce funding for Vacant & Boarded from the Local Contribution Fund by \$100,000 and increase funding for "Mortgage Foreclosure Prevention by \$100,000 from the Local Contribution Fund on a one-time basis (Schedules 4 and 7). Decrease the Year 37 allocation for CDBG for GMHC Home Ownership Program by \$100,000 and increase the Year 37 allocation to the Vacant & Boarded by \$100,000.

l) Increase the appropriation for the Target Center's operating capital (fund 01260) by \$1.25 million, to be funded through unspent balances from the 2010 budget. Of this amount, \$775,000 will be used to update concessions; \$100,000 for code compliance issues; \$275,000 for additional seating options and off-street storage; and \$100,000 for closed circuit security cameras.

m) Reduce the Mayor's recommended rates in the Sanitary Sewer Fund as follows: 2011, decrease from 8.2% to 4.1%; 2012, decrease from 7.6% to 4.3%; 2013, decrease from 7.0% to 3.5%; 2014, decrease from 6.6% to 4.0%; and 2015, decrease from 5.1% to 4.4% and adjust the revenue estimates accordingly.

n) Increase appropriation in Property Services Fund by \$80,000, with offsetting revenue from increasing rent charges for the Public Works divisions (+\$69,663 total) and Regulatory Services (+\$10,337).

o) Increase appropriation in Property Services Fund by \$40,000 from the Property Disposition account for the development of the Citywide Strategic Facilities Space Plan.

Directions to Staff

p) Neighborhood Programs

1. The Council does not intend to renew the Joint Powers Agreement when it expires on December 31, 2011. As a result, IGR staff is directed to report to the Intergovernmental Relations Subcommittee/Committee of the Whole on January 13, 2011, with passage on either January 14 or 28 on an amendment to the City's state legislative agenda which would incorporate a proposed strategy to seek legislation consolidating neighborhood programs and eliminating the need for the Joints Powers Board.
2. Direct the Finance and NCR departments to allow neighborhoods to contract up to 50% of the un-contracted balance of their Phase II allocation (excluding Phase II allocated but not Contracted Reserve funds), as of City Council adoption of the 2011 budget, but not to exceed a total contracted amount of 50% of their Phase II allocation.
3. Direct NCR to work with the NCEC and report back to City Council by March 1, 2011, on how programs, including the Neighborhood Investment Fund and the Community Innovation Fund, will be implemented moving forward with an emphasis on mitigating equity issues among neighborhoods related to the suspension of new contracts."
4. Direct the Finance department to report to the Ways & Mean/Budget Committee no later than February 1, 2011, with a plan to provide property tax relief in 2012 and 2013 by capturing on 50% of the value of the properties in the consolidated TIF district in these two years. This report should also include impacts on Target Center funding and neighborhood funding. In addition, Finance staff, working with the NCR department, the NCEC, the IGR department and the City Attorney's Office, is further directed to identify options for property tax relief for the years 2012 and 2013 should legislative authority to consolidate neighborhood programs not be achieved, and report these options to Ways and Means/Budget by February 15, 2011. This report should also include the impacts of limiting revenue generated by the TIF district funding neighborhood programs and Target Center debt relief to \$10 million annually, with any increment over and above \$10 million used to fund Phase II plans.
5. Direct the Finance department to revise the five-year financial direction to reflect no increase in City salaries for a two-year period. For contracts that are settled in 2011, budgets should be adjusted in 2012 and 2013.

q) BIS, with assistance from the Finance Department, should identify a plan to achieve a long-term, structurally balanced budget and report the plan to the Ways & Means/Budget Committee no later than March 1, 2011. The plan should include a recommendation for service reductions and/or additional charges to departments.

r) Direct the Communications department to reduce the MTN contract amount no less than in the same proportion as the final appropriation reduction to the Communications department over the five-year financial plan beginning in 2012.

s) CPED, with the assistance of Finance, should develop a plan to fund ongoing development activities, including prioritizing the services CPED provides. CPED should report back to the Community Development and Ways & Means/Budget committees no later than March 1, 2011.

t) The Fire department should evaluate the current Council policy related to the Standard of Coverage in the context of the 2011 budget resources allocated to the department and report back to the Public Safety & Health and Ways & Means/Budget committees no later than February 15th with recommendations for any changes to that policy.

u) The Human Resources, Finance and BIS departments should bring a funding plan for the ERP (Enterprise Resource Planning) to the Ways and Means/Budget Committee by June 1, 2011.

v) The department of Public Works should report back to the Transportation & Public Works and Ways and Means/Budget by March 1, 2011 with a prioritized list of memberships, including prioritizing memberships for funding within the 2011 budget, including a plan for funding high-priority memberships on an ongoing basis. This list of memberships should include costs of City membership in regional coalitions.

w) The department of Public Works should work with the Finance Department to simplify the Property Services allocation model for implementation in the 2012 budget process.

x) The departments of Regulatory Services and Finance should report on the nuisance abatement revolving account within the general fund and develop fund balance policy recommendations for the account and report back to the Ways & Means/Budget committee by February 1, 2011.

y) The department of Regulatory Services, working with BIS and Finance should estimate the ongoing costs of the proposed Land Management System and propose an allocation to departments for ongoing operating costs no later than July 1, 2011.

z) That the proper City officers be authorized to execute and/or amend contracts to carry out the intent of the 2011 Consolidated Plan program allocations, as further detailed in the 2011 Adopted Budget book, Schedule 4 – CDBG Program, to included CDBG, HOME, ESG, and HOPWA entitlement grants.

aa) 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 2011 Consolidated Plan funding.

bb) Direct the IGR and Finance departments to work together to determine the impacts of not addressing the over-obligation of CDBG resources related to Block E. This information should be presented with the City's 2010 final report to the Ways & Means/Budget Committee in the first quarter of 2011.

Technical Changes

cc) Amend the expense and revenue appropriations of the Fire and Regulatory Services departments to reflect the transfer of Fire Inspection activities from the Fire Department to Regulatory Services and amend the 5-year financial direction accordingly.

dd) Amend the City Hall rent charges for the Regulatory Services department to reflect the transfer of Fire inspection by reducing the rent charge to the Fire Department by \$79,000 and increasing the charge for Property Services by \$79,000.

ee) Increase the appropriation for the Internal Audit department by \$11,000 to reflect actual salaries and amend the five-year financial direction accordingly.

Changes to State Aids in the Budget

If the City receives less than the anticipated amount of state aids as proposed in the Governor's budget in February 2011, the following changes will occur:

ff) Any reduction to the Market Value Homestead Credit shall reduce the allocation to the pension management plan by a like amount.

gg) Any reduction to the July 30, 2010 certified LGA will be distributed proportionally among the City's General fund and the independent boards, as outlined in the City's financial policies.

hh) In addition to the allocations in paragraph (h),

1. If the proposed LGA appropriation for Minneapolis is less than the certified \$87.5 million but more than \$82.4 million, the pension management plan shall be reduced by the amount that is the difference between the certified amount and the final appropriation.
2. If the proposed LGA appropriation for Minneapolis is reduced below \$82.4 million, then, in addition to the reductions in paragraph c, clause 1, the appropriations for the following Public Works programs shall be reduced proportionally, for a maximum reduction of \$9 million in total: Alley Renovation Program, Asphalt Resurfacing Program; Major Pavement Maintenance; and High Volume Corridor Reconditioning.
3. If the proposed LGA appropriation for Minneapolis is below \$73.4 million, then, in addition to the reductions in paragraph c, clauses 1 and 2, the following reductions shall occur:
 - a. 311, the appropriation shall be reduced by \$140,000 for voice recognition software;
 - b. BIS, the appropriation shall be reduced by \$265,000 for securing Finance and Human Resources data; and
 - c. Public Works, the appropriation shall be reduced by \$330,000 for regional collaborative transportation planning efforts.
4. If the proposed LGA appropriation for Minneapolis is below \$72.665 million, then, in addition to the reductions in paragraph c, clauses 1-3, an additional amount up to \$2 million shall be reduced from the pension management plan.
5. If the proposed LGA appropriation for Minneapolis is below \$70.66 million, then, in addition to the reductions in paragraph c, clauses 1-4, the Fire Department appropriation shall be reduced to eliminate the \$700,000 one-time contingency funding.
6. If the proposed LGA appropriation for Minneapolis is below \$69.96 million, then in addition to the reductions in clauses 1-5, \$1.3 million in one-time initiatives including \$400,000 in Fire Department backfill and \$500,000 in Police Department backfill will be eliminated.
7. If the LGA appropriation is below \$68.66 million, then, in addition to the reductions in clauses 1-6, reductions in funding to the Minneapolis Park board in the amount of \$950,000 and \$81,000 to the Municipal Building Commission will be made per the City's Adopted Financial Policies.
8. If the LGA appropriation is below \$67.63 million, then, in addition to the reductions in clauses 1-7, reductions in funding to departments in the amount of \$2.04 million will be made to recapture savings generated from the City's settlement of its health care contract.

9. If the LGA appropriation is below \$65.59 million, then, in addition to the reductions in clauses 1-8, the Finance Officer is directed to reduce department appropriations in amounts equal to savings from the health care contract.

Additional Changes to the Recommended Budget

ii) Amend the Mayor's 2011 recommended budget, as amended by the Ways and Means/Budget Committee, to allow up to \$60,000 of the one-time resources for redistricting activities in 2011 to be used to offset the City Council budget reduction on a one-time basis, allowing time for restructuring of Council activities. The 2012 resources set aside for redistricting activities shall remain dedicated for that purpose.

Adopted 12/13/2010. Yeas, 10; Nays, 3 as follows:

Yeas - Reich, Hofstede, Schiff, Colvin Roy, Quincy, Glidden, Goodman, Hodges, Samuels, Johnson.

Nays - Gordon, Lilligren, Tuthill.

W&M/Budget - Your Committee recommends passage of the accompanying resolution adopting the 2011-2015 Five Year Capital Program, as shown in the "Capital Section" of the adopted 2011 Budget Book (Petn No 274677), fixing the maximum amounts of capital funds to be expended by the various funds under the jurisdiction of the City Council.

Adopted 12/13/2010.

Resolution 2010R-599, adopting the 2011-2015 Five Year Capital Program, was adopted 12/13/2010 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 2010R-599
By Hodges**

Adopting the 2011- 2015 Five Year Capital Program and fixing the maximum amounts for 2011 to be expended by the various funds under the jurisdiction of the City Council.

Resolved by the City Council of the City of Minneapolis:

That the Five Year Capital Program for 2011 - 2015 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 2011:

Fund	Department Project	Amounts (in thousands)	Revenue Source Description
34200 MBC - CAPITAL IMPROVEMENTS			
9010901 MBC CAPITAL			
	MBC01 Life Safety Improvements	200	Net Det Bonds
	MBC02 Mechanical Systems Upgrade	785	Net Debt Bonds
	TOTAL FOR FUND 34200 - 9010901	985	

24400 LIBRARY - CAPITAL IMPROVEMENTS

91010907 LIBRARY CAPITAL

Library Commitment to Hennepin County		
Library System	1,040	Net Debt Bonds
TOTAL FOR FUND 24400 - 91010907	1,040	

14370 PARK - CAPITAL IMPROVEMENTS ASSESSED

9103000 FORESTRY & TREE DISEASE CONTROL

PRKDT Diseased Tree Removal	500	Assessment Bonds
TOTAL FOR FUND 14370 - 9103000	500	

14300 PARK - CAPITAL IMPROVEMENTS

9101000 PARKS CAPITAL IMPROVEMENT

PRK01 Recreation Center and Site Improvements Program	345	Park Board Tax Levy
PRK02 Playground and Site Improvements Program	350	Park Board Tax Levy
PRK03 Shelter – Pool – Site Improvements Program	2,000	Net Debt Bonds
PRK03 Shelter – Pool – Site Improvements Program	400	Park Board Tax Levy
PRK03 Shelter – Pool – Site Improvements Program	500	Hilton Trust Funds
PRK04 Athletic Fields and Site Improvements Program	200	Park Board Tax Levy
PRK22 Parking Lot and Lighting Improvement Program	105	Park Board Tax Levy
PRKCP Neighborhood Parks Capital Infrastructure (b)	100	Park Board Tax Levy
TOTAL FOR FUND 14300 - 9101000	4,000	

04100 CITY - CAPITAL IMPROVEMENTS

PUBLIC WORKS CAPITAL IMPROVEMENTS

91010923 PROPERTY SERVICES CAPITAL

PSD01 Facilities – Repair & Improvements (PS1101)	1,125	Net Debt Bonds
PSD03 Facilities - Space Improvements (PS1103)	500	Net Debt Bonds
PSD11 Energy Conservation and Emission Reduction (PS11E11)	300	Net Debt Bonds
CTY02 City Property Reforestation	150	Net Debt Bonds
04100-91010923 Property Services Subtotal	2,075	

91010937 STREET PAVING CAPITAL

PV001 2011 Parkway Paving (PV1101) (b)	150	Hilton Trust Funds
PV004 2011 CSAH Paving Program (PV1104)	850	Municipal State Aid
PV004 2011 CSAH Paving Program (PV1104)	675	Assessment Bonds
PV006 2011 Alley Renovation (PV1106)	128	Net Debt Bonds
PV006 2011 Alley Renovation (PV1106)	225	Assessment Bonds
PV006 2011 Alley Renovation (PV1106)	(a)800	General Fund Transfer
PV006 2011 Alley Renovation (PV1106)	200	Hilton Trust Funds
PV021 33rd Ave SE and Talmage Ave	495	Net Debt Bonds
PV021 33rd Ave SE and Talmage Ave	490	Municipal State Aid
PV021 33rd Ave SE and Talmage Ave	670	Assessment Bonds
PV028 Franklin/Cedar/Minnehaha Improvement Project	355	Net Debt Bonds
PV028 Franklin/Cedar/Minnehaha Improvement Project	365	Municipal State Aid
PV028 Franklin/Cedar/Minnehaha Improvement Project	80	Assessment Bonds
PV028 Franklin/Cedar/Minnehaha Improvement Project	1,835	Federal Government
PV028 Franklin/Cedar/Minnehaha Improvement Project	660	Other Local Govt
PV056 2011 Asphalt Pavement Resurfacing Program (PV1156)	400	Net Debt Bonds

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PV056 2011 Asphalt Pavement Resurfacing Program (PV1156)	500	Municipal State Aid
PV056 2011 Asphalt Pavement Resurfacing Program (PV1156)	3,550	Assessment Bonds
PV056 2011 Asphalt Pavement Resurfacing Program (PV1156)	(a)4,200	General Fund Transfer
PV056 2011 Asphalt Pavement Resurfacing Program (PV1156)	2,000	Hilton Trust Funds
PV059 2011 Major Pavement Maintenance (PV1159)	(a)2,000	General Fund Transfer
PV059 2011 Major Pavement Maintenance (PV1159)	613	Hilton Trust Funds
PV061 2011 High Volume Corridor Reconditioning Program (PV1161)	330	Net Debt Bonds
PV061 2011 High Volume Corridor Reconditioning Program (PV1161)	565	Assessment Bonds
PV061 2011 High Volume Corridor Reconditioning Program (PV1161)	(a)2,000	General Fund Transfer
PV061 2011 High Volume Corridor Reconditioning Program (PV1161)	500	Hilton Trust Funds
PV062 Riverside Ave (Cedar Ave to Franklin Ave E)	1,985	Net Debt Bonds
PV062 Riverside Ave (Cedar Ave to Franklin Ave E)	2,140	Municipal State Aid
PV062 Riverside Ave (Cedar Ave to Franklin Ave E)	825	Assessment Bonds
PV064 Garfield Ave (32nd to 33rd St W)	375	Net Debt Bonds
PV99R Reimbursable Paving Projects (PV11R)	3,500	Reimbursements
04100-9010937 Street Paving Subtotal	33,461	

9010938 BRIDGE CAPITAL

BR101 Major Bridge Repair and Rehabilitation (BR1101)	300	Net Debt Bonds
BR109 Camden Bridge Rehabilitation	845	Municipal State Aid
BR110 Northtown Rail Yard Bridge	2,535	Net Debt Bonds
BR110 Northtown Rail Yard Bridge	5,125	Municipal State Aid
BR110 Northtown Rail Yard Bridge	330	Assessment Bonds
BR110 Northtown Rail Yard Bridge	8,960	Federal Government
BR110 Northtown Rail Yard Bridge	7,600	State of Minnesota
BR110 Northtown Rail Yard Bridge	1,000	Other Misc Revenues
04100-9010938 Bridge Subtotal	26,695	

9010939 SIDEWALK CAPITAL

SWK01 2011 Defective Hazardous Sidewalks (SWK11)	215	Net Debt Bonds
SWK01 2011 Defective Hazardous Sidewalks (SWK11)	2,665	Assessments
04100-9010939 Sidewalk Subtotal	2,880	

9010943 TRAFFIC CAPITAL

BIK24 Major Bike Maintenance Program (BIK1124)	100	Hilton Trust Funds
TR008 Parkway Street Light Replacement (TR1108) (b)	150	Net Debt Bonds
TR008 Parkway Street Light Replacement (TR1108) (b)	150	Hilton Trust Funds
TR010 Traffic Management Systems (TR1110)	25	Net Debt Bonds
TR010 Traffic Management Systems (TR1110)	50	Municipal State Aid
TR010 Traffic Management Systems (TR1110)	400	Federal Government
TR010 Traffic Management Systems (TR1110)	50	Hennepin County
TR011 City Street Light Renovation (TR1111) (d)	900	Hilton Trust Funds
TR021 Traffic Signals (TR1121) (d)	500	Net Debt Bonds

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TR021 Traffic Signals (TR1121)	530	Municipal State Aid
TR021 Traffic Signals (TR1121)	2,400	Federal Government
TR021 Traffic Signals (TR1121)	400	Hennepin County
TR022 Traffic Safety Improvements (TR1122) (d)	495	Net Debt Bonds
TR022 Traffic Safety Improvements (TR1122)	175	Municipal State Aid
TR022 Traffic Safety Improvements (TR1122)	220	Federal Government
TR022 Traffic Safety Improvements (TR1122)	215	Hennepin County
TR023 Trunk Highway 55 Signal Improvements (d)	150	Net Debt Bonds
TR99R Reimbursable Transportation Projects (TR11R)	600	Reimbursements
04100-9010943 Traffic Subtotal	7,510	
04100 - PUBLIC WORKS CAPITAL IMPROVEMENTS Subtotal	72,621	
8900420 COMMUNITY PLANNING & ECONOMIC DEVELOPMENT (CPED)		
ART01 Art in Public Places (ART11)	327	Net Debt Bonds
CDA01 Heritage Park (Van White Bridge & Roadway)	500	Net Debt Bonds
04100-8900420 CPED Subtotal	827	
TOTAL FOR FUND 04100	73,448	
06400 INFORMATION TECHNOLOGY INTERNAL SERVICE FUND		
9010972 BIS CAPITAL		
BIS03 Enterprise Document Management	100	Net Debt Bonds
BIS04 Enterprise Infrastructure Capacity Upgrade	400	Net Debt Bonds
BIS08 Enterprise Security	100	Net Debt Bonds
BIS12 Mobile Assessor	150	Net Debt Bonds
BIS13 Risk Management & Claims Application System	250	Net Debt Bonds
TOTAL FOR FUND 06400 - 9010972	1,000	
07100 SANITARY SEWER ENTERPRISE FUND		
9010932 SANITARY/STORM CAPITAL		
SA001 Sanitary Tunnel and Sewer Rehabilitation Program (SA1101)	1,000	Sanitary Sewer Bonds
SA036 Infiltration & Inflow Removal Program (SA1136)	4,000	Sanitary Sewer Bonds
TOTAL FOR FUND 07100 - 9010932	5,000	
07300 STORMWATER ENTERPRISE FUND		
9010932 SANITARY/STORM CAPITAL		
SW004 Implementation of US EPA Storm Water Regulations (SW1104)	250	Stormwater Revenue
SW005 Combined Sewer Overflow Improvements (SW1105)	2,500	Stormwater Bonds
SW011 Storm Drains & Tunnels Rehab Program (SW1111)	8,000	Stormwater Bonds
SW011 Storm Drains & Tunnels Rehab Program (SW1111)	1,800	Stormwater Revenue
SW030 Alternative Stormwater Management Strategies (SW1130)	1,000	Stormwater Revenue
SW99R Reimbursable Sewer & Storm Drain Projects (SW11R)	3,000	Reimbursements
BR110 Northtown Rail Yard Bridge	40	Stormwater Revenue
CDA01 Heritage Park Van White Bridge & Roadway)	250	Stormwater Revenue
PV021 33rd Ave SE and Talmage Ave	110	Stormwater Revenue
PV062 Riverside Ave (Cedar Ave to Franklin Ave E)	320	Stormwater Revenue
TOTAL FOR FUND 07300 - 9010932	17,270	

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07400 WATER ENTERPRISE FUND

9010950 WATER CAPITAL

WTR12 Water Distribution Improvements (WTR1112) (c)	4,000	Water Revenue
WTR23 Treatment Infrastructure Improvements (WTR1123) (c)	3,000	Water Revenue
WTR9R Reimbursable Watermain Projects (WTR11R)	2,000	Reimbursements
TOTAL FOR FUND 07400 - 9010950	9,000	

07500 MUNICIPAL PARKING ENTERPRISE FUND

9010946 PARKING RAMP CAPITAL

RMP01 Parking Facilities - Repair and Impr (RP1101)	1,700	Parking Bonds
TOTAL FOR FUND 07500 - 9010946	1,700	

GRAND TOTALS FOR ALL FUNDS 113,943

Be It Further Resolved that the following 2011 Capital Budget footnotes are hereby incorporated into the 2011 Capital Resolution:

a) For the paving projects totaling \$9,000,000, which would be receiving General Fund Transfers as a source of funding, these appropriations and transfers will be automatically reduced if the City does not receive the certified Local Government Aid in 2011 as anticipated at the time this Capital Resolution was adopted and no further action is required by the City Council to effectuate this appropriation and funding source reduction. In the event of Local Government Aid reductions from the 2011 level certified by the State of Minnesota, the reduction of the \$9,000,000 is detailed in the 2011 Operating Budget resolution.

b) Amending the Mayor's 2011 recommended capital budget by restoring Parkway Paving and Parkway Street Lighting to the CLIC recommendation and eliminate all references to service redesign in the budget. Adoption of this motion results in several appropriation and funding source changes to the 2011 - 2015 Mayor's Recommended Capital Budget for Park Board and Public Works capital projects. (See: Attachment A of the Chair's amendments)

c) Amending the Mayor's 2011 recommended capital budget by increasing the Water Revenue "pay as you go" capital appropriation in the water capital project WTR12 Water Distribution Improvements as follows: 2011, increase from \$1M to \$4M; 2012, increase from \$1.5M to \$5M; 2013, increase from \$1.5M to \$5M; 2014, increase from \$2M to \$5M; and 2015, increase from \$2M to \$5M. In addition, change the funding source for water project WTR23 Treatment Infrastructure Improvements from Water Bonds to Water Revenue for years 2011 through 2015 and update revenue estimates and reserve balances for these changes and current revenue projections. No change in water rates required.

- d) Amending the Mayor's 2011 recommended capital budget as follows:
1. Decrease the 2011 net debt bond funding in TR011 City Street Light Renovation by \$100,000 for a revised total of \$0; increase the 2012 net debt bond funding in TR011 City Street Light Renovation by \$100,000 for a revised total of \$200,000;
 2. Increase the 2011 net debt bond funding in TR021 Traffic Signals by \$250,000 for a revised total of \$500,000;
 3. Decrease the 2012 net debt bond funding in TR021 Traffic Signals by \$200,000 for a revised total of \$465,000;
 4. Decrease the 2011 net debt bond funding in TR022 Traffic Safety Improvements by \$50,000 for a revised total of \$495,000;
 5. Decrease the 2011 net debt bond funding in TR023 Trunk Highway 55 Signal Improvements by \$100,000 for a revised total of \$150,000; and

6. Increase the 2012 net debt bond funding for TR023 Trunk Highway 55 Signal Improvements by \$100,000 for a revised total of \$100,000.

These changes are being requested to match federal grant funding with local match dollars in the proper years.

Adopted 12/13/2010.

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 2011 Capital Appropriation Resolution.

Adopted 12/13/2010.

Resolutions 2010R-600 through 2010R-604, 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 2011 Capital Appropriation Resolution, were adopted 12/13/2010 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 2010R-600

By Hodges

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 12/13/2010.

The following is the complete text of the unpublished summarized resolution.

RESOLUTION 2010R-601

By Hodges

Requesting that the Board of Estimate and Taxation incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$6,920,000 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 \$6,920,000, 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.

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PV004	2011CSAH Paving Program (PV1104)	675,000
PV006	2011 Alley Renovation Program (PV1106)	225,000
PV021	33rd Ave SE and Talmage Ave	670,000
PV028	Franklin/Cedar/Minnehaha Improvement Project	80,000
PV056	2011 Asphalt Pavement Resurfacing Program (PV1156)	3,550,000
PV061	2011 High Volume Corridor Reconditioning Program (PV1161)	565,000
PV062	Riverside Ave (Cedar Ave to Franklin Ave E)	825,000
BR110	Northtown Rail Yard Bridge	330,000
	Total	\$6,920,000

Adopted 12/13/2010.

The following is the complete text of the unpublished summarized resolution.

RESOLUTION 2010R-602
By Hodges

Requesting that the Board of Estimate and Taxation incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$16,365,000 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 \$16,365,000, the proceeds of which are to be used as follows:

Municipal Building Commission, in the amount of \$985,000

MBC01	Life Safety Improvements	200,000
MBC02	Mechanical Systems Upgrade	785,000

Library Commitment to Hennepin County Library System 1,040,000

Park & Recreation Board, in the amount of \$2,000,000

PRK03	Shelter – Pool – Site Improvements Program	2,000,000
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City Council, in the amount of \$12,340,000

PSD01	Facilities – Repair & Improvements (PS1101)	1,125,000
PSD03	Facilities - Space Improvements (PS1103)	500,000
PSD11	Energy Conservation and Emission Reduction (PS11E11)	300,000
CTY02	City Property Reforestation	150,000
PV006	2011 Alley Renovation Program (PV1106)	128,000
PV021	33rd Ave SE and Talmage Ave	495,000
PV028	Franklin/Cedar/Minnehaha Improvement Project	355,000
PV056	2011 Asphalt Pavement Resurfacing Program (PV1156)	400,000
PV061	2011 High Volume Corridor Reconditioning Program (PV1161)	330,000
PV062	Riverside Ave (Cedar Ave to Franklin Ave E)	1,985,000
PV064	Garfield Ave (32nd to 33rd St W)	375,000
BR101	Major Bridge Repair and Rehabilitation (BR1101)	300,000
BR110	Northtown Rail Yard Bridge	2,535,000
SWK01	2011 Defective Hazardous Sidewalks (SWK11)	215,000
TR008	Parkway Street Light Replacement (TR1108)	150,000
TR010	Traffic Management Systems (TR1110)	25,000
TR021	Traffic Signals (TR1121)	500,000
TR022	Traffic Safety Improvements (TR1122)	495,000

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TR023	Trunk Highway 55 Signal Improvements	150,000
BIS03	Enterprise Document Management	100,000
BIS04	Enterprise Infrastructure Capacity Upgrade	400,000
BIS08	Enterprise Security	100,000
BIS12	Mobile Assessor	150,000
BIS13	Risk Management & Claims Application System	250,000
ART01	Art in Public Places (ART11)	327,000
CDA01	Heritage Park (Van White Bridge & Roadway)	500,000
	Grand Total	\$16,365,000

Adopted 12/13/2010.

The following is the complete text of the unpublished summarized resolution.

**RESOLUTION 2010R-603
By Hodges**

Requesting that the Board of Estimate and Taxation incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$15,500,000 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 \$15,500,000, the proceeds of which are to be used for sanitary and storm sewer related projects, as follows:

Sanitary Sewer Projects:

SA001	Sanitary Tunnel and Sewer Rehab Program (SA1101)	1,000,000
SA036	Infiltration & Inflow Removal Program (SA1136)	4,000,000
	Total	\$5,000,000

Storm Sewer Projects:

SW005	Combined Sewer Overflow Improvements (SW1105)	2,500,000
SW011	Storm Drains & Tunnels Rehab Program (SW1111)	8,000,000
	Total	\$10,500,000

Adopted 12/13/2010.

The following is the complete text of the unpublished summarized resolution.

**RESOLUTION 2010R-604
By Hodges**

Requesting that the Board of Estimate and Taxation incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$1,700,000 for certain purposes other than the purchase of public utilities.

Resolved by The City Council of The City of Minneapolis:

That the Board of Estimate and Taxation be requested to incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$1,700,000, the proceeds of which are to be used for Parking Facility related projects, as follows:

RMP01	Parking Facilities - Repair and Impr (RP1101)	\$1,700,000
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Adopted 12/13/2010.

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W&M/Budget - Your Committee recommends passage of the accompanying resolution designating the utility rates for water, sewer, stormwater, solid waste, and recycling services, effective on and after January 1, 2011.

Adopted 12/13/2010.

Resolution 2010R-605, designating the utility rates for water, sewer, stormwater, solid waste, and recycling services, effective on and after January 1, 2011, was adopted 12/13/2010 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 2010R-605 By Hodges

Designating the utility rates for water, sewer, stormwater, solid waste, and recycling service effective with water meters read on and after January 1, 2011.

Resolved by The City Council of The City of Minneapolis:

Effective with utility billings for water meters read from and after January 1, 2011, the meter rates for water are hereby fixed and shall be collected as follows:

Charges commence when the street valve is turned on for water service.

(a) Three dollars and twenty cents (\$3.20) per one hundred (100) cubic feet for customers not otherwise mentioned.

(b) Three dollars and twenty-nine cents (\$3.29) 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.

(c) Three dollars and thirty-five cents (\$3.35) 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.

(d) Rates for municipalities, municipal corporations and villages, which are established by contract, shall continue on the existing contract basis.

(e) 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:

Meter Size	Net Minimum Monthly Bill	Net Minimum 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

(f) 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.

(g) All fire standpipes, supply pipes and automatic sprinkler pipes with detector meters, direct meters or non-metered, shall be assessed according to size of connection at the following rates each per annum for the service and inspection of the fire protection pipes and meters installed, as follows:

1½ inch pipe connection	\$ 30.00
2 inch pipe connection . . .	\$ 30.00
3 inch pipe connection . . .	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. (Code 1960, As Amend., § 606.030; Ord. of 12-28-73, § 1)

The sanitary sewer rates and stormwater service rate shall be applied to utility billings for water meters read from and after January 1, 2011.

Sanitary Sewer Rate

The sanitary sewer rates to be charged properties within and outside the City of Minneapolis that are served directly by the City of Minneapolis sewer system and that are all served either directly or indirectly by the sewage disposal system constructed, maintained and operated by the Metropolitan Council Environmental Services under and pursuant to Minnesota Statutes Sections 473.517, 473.519 and 473.521, Sub. 2, are hereby set as follows:

(a) The sanitary sewer rate applicable inside the City of Minneapolis is three dollars and five cents (\$3.05) per one hundred (100) cubic feet. The minimum sanitary sewer rate shall be two dollars (\$2.00) per month.

(b) The sanitary sewer rate applicable outside the City of Minneapolis for all sewage flow generated is three dollars and five cents (\$3.05) per one hundred (100) cubic feet. The minimum sanitary sewer rate shall be six dollars (\$6.00) per month. Sanitary sewer only service shall be thirteen dollars (\$13.00) per month.

(c) The sanitary sewer charge for residential property not exceeding three (3) residential units shall be based on the volume of water used during the winter season which is defined as a four (4) month period between November 1 and March 31.

(d) The sanitary sewer charge for residential property exceeding three (3) residential units and all other commercial and industrial property shall be based on measured sewage volume or the total water volume used during the billing period as is appropriate.

Stormwater Rate

The stormwater rate, subject to the provisions in Chapter 510, of the Minneapolis Code of Ordinances, is imposed on each and every Single-Family Residential Developed Property, Other Residential Developed Property, Non-Residential Developed Property, and Vacant Property, other than Exempt Property, and the owner and non-owner users, and is hereby set as follows:

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(a) The Equivalent Stormwater Unit (ESU) rate is eleven dollars and forty-two cents (\$11.42). The ESU measurement is 1,530 square feet of impervious area.

(b) The stormwater rate imposed on Single-Family Residential Developed Properties shall be categorized into three tiers based on the estimated amount of impervious area as follows:

High – Single-Family Residential Developed Property – greater than one thousand five hundred and seventy-eight (1,578) square feet of estimated impervious area. The ESU shall be 1.25 and the stormwater rate set at fourteen dollars and twenty-eight cents (\$14.28).

Medium – Single-Family Residential Developed Property – equal to or greater than one thousand four hundred and eighty-five (1,485) square feet and less than or equal to one thousand five hundred and seventy-eight (1,578) square feet of estimated impervious area. The ESU shall be 1.00 and the stormwater rate set at eleven dollars and forty-two cents (\$11.42).

Low – Single-Family Residential Developed Property – less than one thousand four hundred and eighty-five (1,485) square feet of estimated impervious area. The ESU shall be .75 and the stormwater rate set at eight dollars and fifty-seven cents (\$8.57).

(c) Stormwater charges for all other properties will be based on the following calculation:

$$\text{(Gross Lot Size in sq. ft. X Runoff Coefficient)} \div 1,530 \text{ sq. ft.} = \# \text{ of ESU} \# \text{ of ESU X } \$ 11.42 = \text{Monthly Fee}$$

The runoff coefficient assumed for each land use category is shown below.

<u>Land Use</u>	<u>Coefficient Applied</u>
Bar-Rest.-Entertainment	.75
Car Sales Lot	.95
Cemetery w/Monuments	.20
Central Business District	1.00
Common Area	.20
Garage or Misc. Res.	.55
Group Residence	.75
Ind. Warehouse-Factory	.90
Industrial railway	.85
Institution-Sch.-Church	.90
Misc. Commercial	.90
Mixed Comm.-Res-Apt	.75
Multi-Family Apartment	.75
Multi-Family Residential	.40
Office	.91
Parks & Playgrounds	.20
Public Accommodations	.91
Retail	.91
Single Family Attached	.75
Single Family Detached	ESU
Sport or Rec. Facility	.60
Utility	.90
Vacant Land Use	.20
Vehicle Related Use	.90

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Solid waste and recycling variable rate charges associated with water meter read dates from and after January 1, 2011, the charges shall be as follows:

- (a) The base unit charge shall be twenty-four dollars (\$24.00) 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 five dollars (\$5.00) per month for each large cart assigned to a dwelling unit.

Adopted 12/13/2010.

Lilligren moved to adjourn. Seconded.
Adopted upon a voice vote 12/13/2010.

Casey Joe Carl,
City Clerk.

Unofficial Posting: 12/15/2010
Official Posting: 12/20/2010