

# City of Minneapolis 2020 Budget

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## How to Use This Document

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

<b>Table of Contents</b>	The table of contents allows the user to pinpoint the page of a particular part of the City's budget.
<b>Introduction and Background Information</b>	This section contains a community profile of the City of Minneapolis, including an overview of the City's history, economy, population, and attractions. The section also includes lists of the City's elected officials, department and agency heads, the City's budget principles, and a citywide organization chart. A map of Minneapolis Communities and Neighborhoods and descriptions of the City's form of government are included in this section, as well as a chronology of financial decision making for the City.
<b>Financial Overview</b>	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.
<b>Strategic Planning</b>	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.
<b>Financial Policies</b>	This section also contains a summary of major decisions in the budget, and enterprise level challenges.
<b>Financial Plans</b>	The strategic planning section lists the set of City goals and strategic directions. The citywide strategic plan provides clear direction for departments' business planning efforts. Annual budget process, dates for this year's budget process, and a description of integration of key processes follow. The City's financial decision calendar displays the annual flow of these processes. Links between the City goals and department five-year business plan goals are described in this section.
<b>Operating Departments</b>	This section presents the major financial policies adopted by the City Council and Mayor.
	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.
	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.
	This section provides the most detail on a department-by-department basis, including departments' financial summaries. These summaries include expenditures by program, type ( <i>i.e.</i> salaries, benefits, contractual services and operating expenses) and fund; the department's revenue estimates; and positions.
	Narrative summaries for each department, including primary businesses and program descriptions are included. A brief financial overview of the department is prepared by finance staff. Department organizational charts are included in this section.

	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.
<b>Capital Program</b>	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.
<b>Independent Boards</b>	This section provides information in a format similar to the City Council operating departments for independent boards. The amounts included are generally those most recently approved by the board of the organization.
<b>Financial Schedules</b>	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.
<b>Glossary</b>	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.

## **City of Minneapolis 2020 Budget**

### **Elected and Public Officials**

#### ***Mayor***

Jacob Frey

#### ***City Council***

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

#### ***Board of Estimate and Taxation***

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

#### ***Minneapolis Park and Recreation Board***

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

## ***Charter Department Heads / Assistant City Coordinators***

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

## ***Independent Boards/Agencies***

Tracey Scott	Interim Public Housing Authority Executive Director
Al Bangoura	Minneapolis Park and Recreation Superintendent

**City of Minneapolis  
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**Budget Principles**

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

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

**2. Live within our means.**

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

**3. Challenge assumptions - nothing is off the table.**

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

**4. Provide choices and competition.**

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

**5. Build in collaborative and transparent decision-making.**

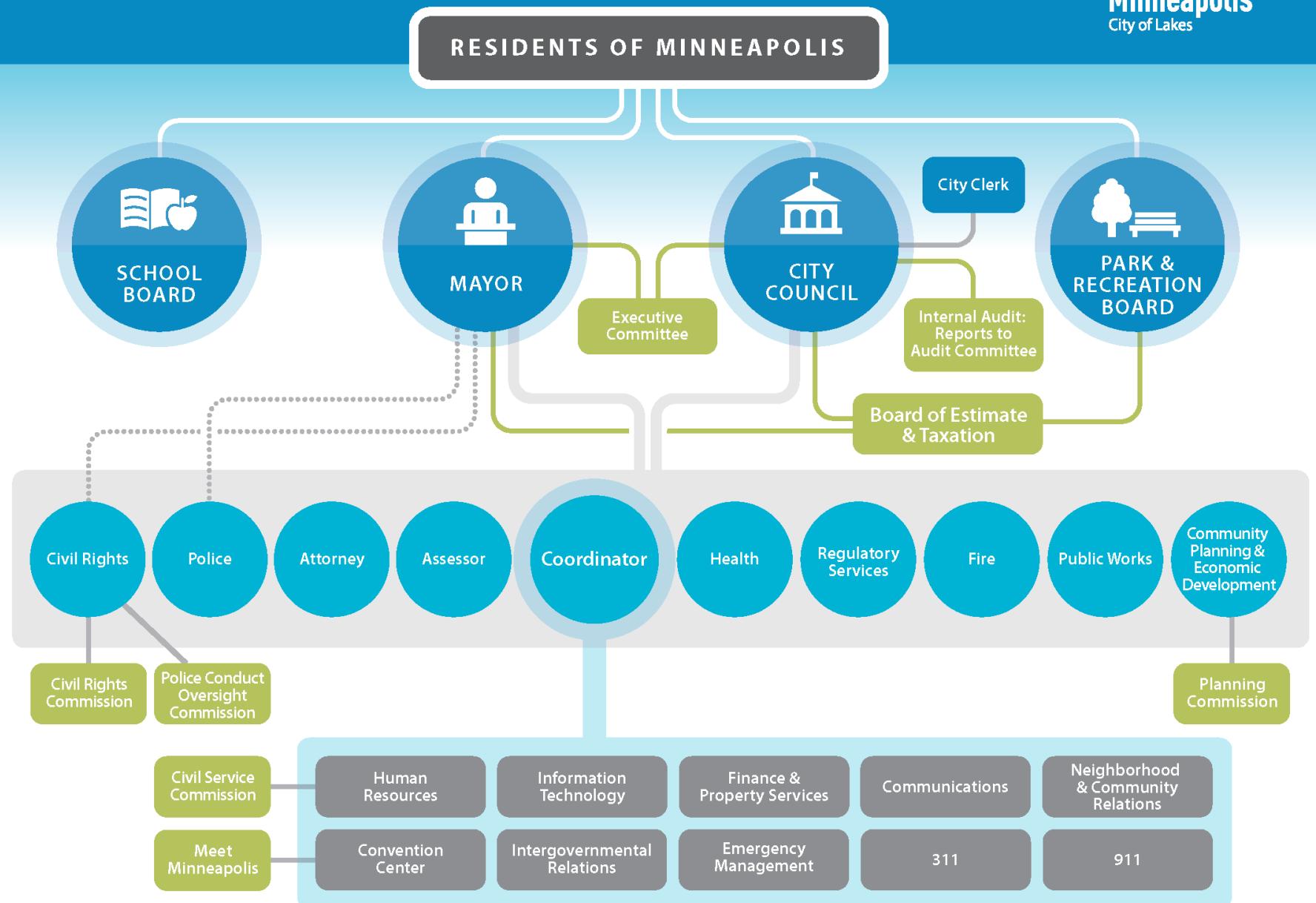
- Mayor will involve Council Members and independent agencies and boards in the development of the budget. Employee suggestions and the citizen survey will also be used.

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

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

**7. Demand accountability.**

- Departments are expected to produce measurable outcomes ( $x$  dollars =  $y$  level of service). Failure to produce measurements will not result in escape from budget cuts.
- Department heads must manage to budget.



# **City of Minneapolis**

## **2020 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 more than 12,000 lakes. Minneapolis is renowned for being an attractive and livable city combining the best of urban life with a strong sense of neighborhood community. Residents enjoy access to jobs, a variety of housing, quality education, exciting cultural and recreational opportunities in beautiful natural surroundings.

#### **Location**

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



#### **Climate**

Minneapolis has an average summer temperature of 70 degrees F and an average winter temperature of 16 degrees F<sup>1</sup>. Minneapolis has four distinct seasons, with moderate spring and fall weather. The abundance of lakes and trees serve as natural air conditioners in the Summer.

#### **SOCIAL**

#### **History**

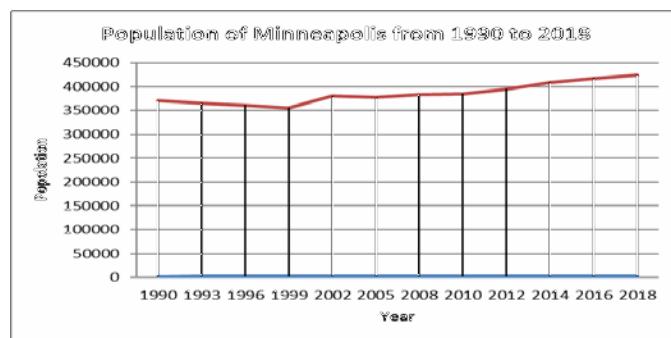
Present-day Minneapolis was Dakota homeland until 1805 when new treaties increased the encroachment by Euro-American settlers into the area. By 1851, a treaty opened the west side of the Mississippi River to settlement resulting in a relocation of the Dakota people.

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

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

<sup>1</sup> Source: Minnesota DNR, [www.dnr.state.mn.us/faq/mnfacts/climate.html](http://www.dnr.state.mn.us/faq/mnfacts/climate.html)

The United States Census Bureau estimated the population of Minneapolis to be 424,403 residents<sup>2</sup> as of July 1, 2018. This means that the population of Minneapolis grew by about 11.2% between 2010 and 2018. According to the same bureau<sup>3</sup>, men and women each make up approximately 50 percent of the population. Children, youth under 18, and seniors aged 65 and above make up 6.7 percent and 19.9 percent, and 9.2 percent of the population respectively. African Americans comprise 18.9 percent of the population, and Hispanic Americans make up 9.8 percent of the population. People of American Indian and Alaska Native descent comprise 1.2 percent of the population, and Asian Americans make up 6.0 percent of the population. People of two or more races make up 4.9 percent of the total population<sup>4</sup>.



## ECONOMICS

### Economy

In the early years, Minneapolis' economy was based on a booming lumber industry and the processing of Minnesota grain with the tremendous power-generating capabilities of St. Anthony Falls. Large flour mills along the river evolved into the international corporations of Pillsbury, Washburn Crosby (General Mills) and Cargill. In 2018, the ten largest Fortune 500 companies headquartered in the metro area are as follows<sup>5</sup>:

Company Name	Fortune 500 Ranking	Revenues \$ Billions
United Health Group	6	\$226.2
Target	39	\$75.4
Best Buy	74	\$42.9
3M	95	\$32.8
CHS	97	\$32.7
U.S. Bancorp	117	\$25.8
C.H. Robinson	185	\$16.6
General Mills	200	\$15.7
SuperValu	201	\$15.7
Land O'Lakes	212	\$14.9

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

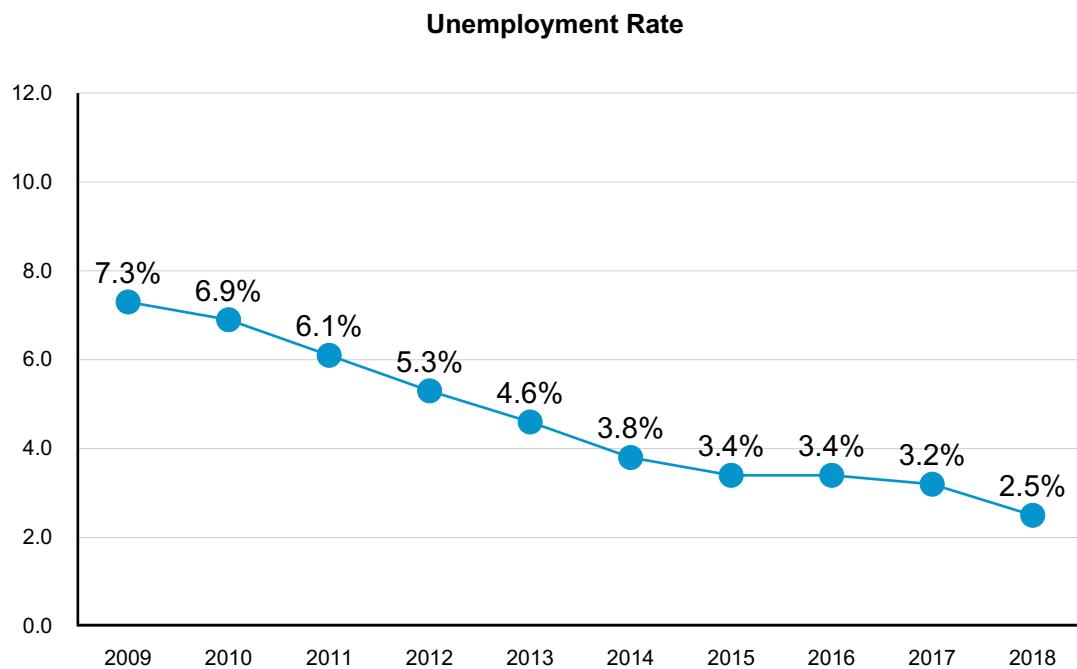
<sup>3</sup> Source : U.S. Census Bureau 2018, <https://www.census.gov/quickfacts/fact/table/minneapoliscityminnesota,MN/PST045218>

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

<sup>5</sup> Source: Fortune 500, <https://fortune.com/fortune500/2019/search/?hqstate=mn>

As of 2017, the city's largest employment sectors were health care and social assistance (19 percent), professional and technical assistance (12 percent), educational service (10 percent), finance and insurance (10 percent), and accommodation and food service (9 percent)<sup>6</sup>. Minneapolis-Saint Paul area is the home of numerous accredited colleges and universities offering a wide choice of education programs. The city's highly educated workforce continues to be a driving force of a strong economy. Some of the accredited institutions located within the metropolitan area with high student enrollment includes University of Minnesota-Twin Cities, Walden University, Capella University, and University of St. Thomas. The University of Minnesota's highly acclaimed medical school and the City's seven hospitals have made Minneapolis a leader in the medical field.

Since 2009, the city's unemployment rate has been falling as shown in the graph below<sup>7</sup>:



## THRIVING CITY

### Neighborhoods

Minneapolis has 87 neighborhoods offering 194,633 residential housing units according to Minneapolis Assessors Office. The city is well known for its socially active residents who have engaged in partnerships with government and business to improve neighborhoods and create economic opportunities. The city shares the nation's current challenge to increase the number of affordable housing units<sup>8</sup>.



6 Source: MN Department of Employment & Development, <https://apps.deed.state.mn.us/lmi/laus/Results.aspx?geog=2705053245&adjusted=0&periodtype=03&resultset=3&startyear=2010&endyear=2019>

7 Source: <http://www.minneapolismn.gov/residents/neighborhoods/index.htm>

### Downtown

Minneapolis downtown is home to offices, retail, parks, hotels, housing, hotels, and corporate headquarters. The vibrancy of downtown is spread throughout the city center, Hennepin Avenue hosts a concentration

of theaters and entertainment, Nicollet Mall is the recently renovated arterial center of downtown, and along the river parks and history abound. Buildings in downtown Minneapolis are connected by a system of glass-enclosed bridges, the skyways, which help to keep activity moving during the cold Minneapolis winters.



### The Arts

Minneapolis is a city infused with creative energy. From internationally recognized arts organizations (such as the Guthrie Theater, Walker Art Center and the Minneapolis Arts Institute) to community driven cultural groups that transform neighborhoods (such as Juxtaposition Arts and the Native American Community Development Institute), arts and culture are a critical element of what makes Minneapolis vibrant. While cultural offerings improve quality of life, creative enterprises also make important contributions to the city's local economy. Minneapolis is the arts and cultural powerhouse for the State as measured by the number of creative workers, (21,000 jobs) and other economic outputs. Since 2006, the number of creative jobs in Minneapolis has grown by 10%, a larger increase than overall job growth of 7.2%. In 2014, revenues in the nonprofit and for-profit arts and creative industries were \$285 million and \$4.5 billion respectively establishing Minneapolis as a national leader in economic creative vitality. Below is an artwork in the recently upgraded Nicollet Mall.



Photo by Blessing Hancock

### 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 land-grant research institution with a long tradition of community and public service, and it ranks among the top 20 universities in the U.S. It is also one of the largest. In addition to the University of Minnesota, other institutions of higher education include Minneapolis Community and Technical College, Dunwoody Institute, Minneapolis College of Art and Design, Augsburg College, Metropolitan State University, the University of Saint Thomas, St. Mary's University, the College of Saint Catherine and Capella University.

### Sports and Outdoor Recreation

Many major league teams call Minnesota home. Fans can watch Major League Baseball's Minnesota Twins

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

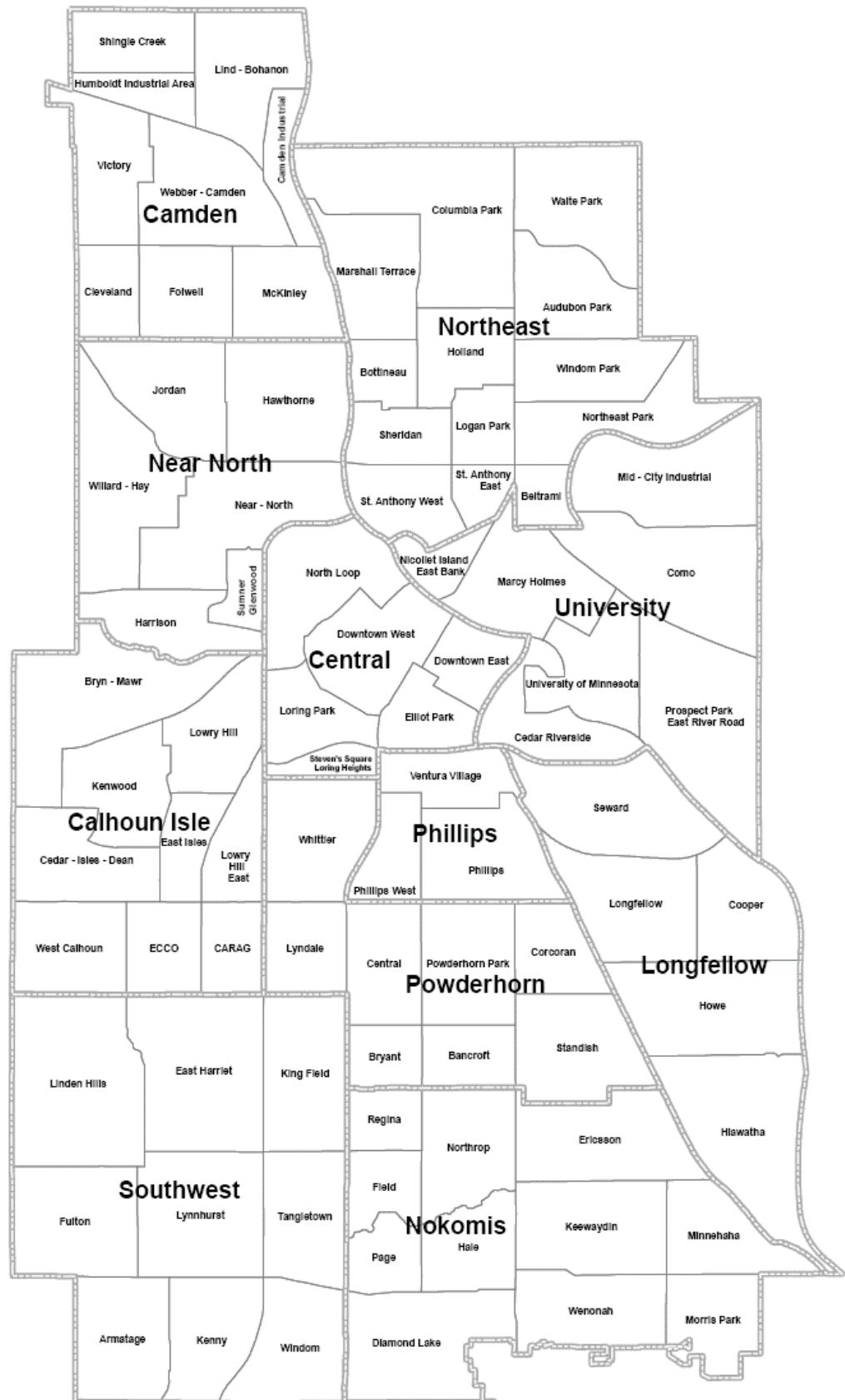


Minneapolis was honored to host Super Bowl LII in February of 2018, and to host the 2019 NCAA Mens Final Four basketball championship, and other national sporting events over the coming years.

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

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

# MINNEAPOLIS COMMUNITIES AND NEIGHBORHOODS



Generated by the City of Minneapolis CRED Department, Planning Division

## City of Minneapolis 2020 Budget

### Form of Government

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

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

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

#### **Blended component units**

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

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

#### **Discretely presented component units**

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

- **Minneapolis Park and Recreation Board.** The Minneapolis Park and Recreation Board was established according to Article VI of the City Charter. The nine-member board is elected by the voters of the City and is responsible for developing and maintaining parkland and parkways, as well as planting and maintaining the City's boulevard trees. The Mayor recommends the tax levies and budget for the Park Board, and the City Council and Mayor approve the allocations of local government aid from the state for Park Board operations. All Park Board actions are submitted to the Mayor, and a mayoral veto may be overridden by a vote of two-thirds of the members of the Park Board. The Board of Estimate and

Taxation approves the maximum property tax levy for the Park Board, and the full faith and credit of the City secure debt issued for Park Board projects. The City Finance Officer acts as Treasurer of the Park Board.

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

### **Related organizations**

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

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

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

#### **Joint ventures**

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

- **Minneapolis/Saint Paul Housing Finance Board.** The Minneapolis/Saint Paul Housing Finance Board was established in the early 1980s, in accordance with a Joint Powers Agreement entered into between the Housing and Redevelopment Authority of the City of Saint Paul and the Community Planning and Economic Development Department, and accepted by the Cities of Minneapolis and Saint Paul under Minnesota law. The Community Planning and Economic Development Department's oversight responsibility of the Board is limited to its governing body's ability to appoint only three of the six members of the Board. The territorial jurisdiction of the Board extends beyond the corporate limits of the City of Minneapolis.
- **Minneapolis Youth Coordinating Board.** The Minneapolis Youth Coordinating Board (YCB) was established in the mid-1980s, in accordance with a Joint Powers Agreement entered into between the Hennepin County Board of Commissioners, the Board of Directors of Special School District No. 1, the Park Board, the Mayor and the City Council under authority of State of Minnesota laws. The Board consists of 10 members as follows: the Mayor of the City of Minneapolis, two Hennepin County Commissioners, the Hennepin County Attorney, two Minneapolis School Board members, two Minneapolis City Council members, a Hennepin County District Court Judge, and one member from the Minneapolis Park and Recreation Board.
- **Minneapolis - Duluth / Superior Passenger Rail Alliance.** The Minneapolis - Duluth/Superior Passenger Rail Alliance was established under a joint powers agreement between Anoka County, Hennepin County, Isanti County, Pine County, St. Louis and Lakes Counties Regional Railroad Authority, City of Duluth, City of Minneapolis, and Douglas County (Wisconsin) to explore options for the development of rail transportation between the Twin Cities and Duluth Superior metropolitan areas. The nine member board consists of one elected official selected by each party in the Alliance as well as a member of the Mille Lacs Band of Ojibwe. Each party also appoints an alternate member. The City of Minneapolis pays an annual membership fee to the Alliance to cover the costs of activities. The percentage share of the City in the Alliance's assets, liabilities, and equity cannot be determined at fiscal year-end. St. Louis and Lake Counties Regional Railroad Authority serves as the fiscal agent.

**City of Minneapolis  
2020 Budget**

**Chronology of Financial Decision Making and Fiscal Sustainability**

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

2010	Minneapolis' revised LGA cut is \$25.9 million and Market Value Homestead Credit (MVHC) is eliminated, costing the City an additional \$6.2 million on top of the LGA cuts.
	Minneapolis regains AAA rating from Moody's.
	MERF pension plan consolidated with statewide local government employee pension plan.
2011	Minneapolis' LGA is held flat from 2010 in 2011 as a response to the State's structural budget crisis.
2012	City implements Priority Budgeting.
2013	Moody's Investors Service downgraded Minneapolis Credit Rating to Aa1 due to declining property values, high pension liabilities and dependence on state revenues, despite improved overall financial position.
2014	The theme of Minneapolis' bid, "Built for the Bold," emphasized the \$1.0 billion Vikings stadium under construction and the state's friendly ethos, hence bringing the Super Bowl to Minneapolis in 2018.
2015	City's closed pension plans meet 80% funding and are fully merged with State plan.
	The City to continue the construction and renewal boom trend by providing \$3.5 million to fully fund the \$50 million redesign of Nicollet Mall, preliminary planning of redevelopment of the Upper Harbor Terminal, purchase of property at Lake Street and Nicollet Avenue as first step to reopen the roadway terminating at that block and substantial completion of the Downtown East mixed use development adjacent to the stadium.
	A total of \$1.4 billion in construction permits were issued for the year; this is the fourth consecutive year that Minneapolis had more than \$1 billion in construction projects approved since 2000.
2016	The City signed a long-term funding plan to equitably address long-standing capital and operating needs for City Streets and Neighborhood Parks. The plan provides for \$33 million in funding each year for up to 20 years, totaling \$800 million over next 20 years, to meet both urgent and ongoing needs.
	The City Council in 2016 endorses a site and concept for a new office building and public safety center to complement the historic city hall. The two buildings together are referred to as the "downtown campus". City Council authorizes staff to retain consultants and report back with a more defined schedule, building scope, and cost estimate by the end of 2016 or early 2017. The initial finance plan for downtown campus improvements include cash to help write down the cost of the feasibility analyses in 2017 and the replacement of library G.O. bonds in 2021 with new debt.
	This is the fifth consecutive year that Minneapolis exceeds \$1 billion in construction permits.

2017

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

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

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

2018

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

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

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

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

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

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

2019

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

Positive effects of the move to self-insurance for Medical continue as the City sees stable utilization within the program and premium increases for 2020 that are well below national averages.

## City of Minneapolis 2020 Budget

### Fund Description

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Park Self-Insurance and Internal Service Funds.** 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**City of Minneapolis  
2020 Budget**

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## **City of Minneapolis 2020 Budget**

### **Financial Overview**

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The 2020 Council Adopted Budget for all City funds is \$1.89 billion as adopted on December 11, 2019. This represents an \$191.7 million, or 11.2 percent increase from the 2019 Council Adopted Budget of \$1.70 billion inclusive of the City's component units. At the same time, the Council adopted an overall increase of 6.95 percent in the property tax levy for the City and its component units (including their respective requests for funding their own budgets), raising the total amount levied by \$22 million, from \$350.0 million in 2019 to \$372.0 million in 2020. This budget also utilizes accumulated fund balances to fund budgetary items that are one-time or short-term in nature to mitigate budgetary fluctuations and to avoid volatile property tax levies which place undue burden on property taxpayers. The City's financial position has benefited from growth in local sales and entertainment taxes and other revenues due to the continued growth in the local economy. This growth is offset by static or even declining revenues in other areas. Local Government Aid (LGA) from the State of Minnesota increases by \$2.2 million from 2019 to \$81.6 million for 2020, however it continues to fall short of the 2010 certified LGA amount of \$90 million. The Financial Overview is presented without transfers to avoid double counting of resources. Transfers have also been removed from charts and graphs within this section, including totals for comparative prior years, unless otherwise noted.

## **Major Highlights**

The 2020 Council Adopted Budget includes significant proposals to address future financial and operating challenges. It is important to be aware of these initiatives when making comparisons between budget years, and to understand the context in which these decisions were made.

The highlights include the following:

- As part of this budget, funds that have accumulated in various City funds due to a growing economy and fiscal restraint in prior years allow for utilization of fund balances for departmental activities, as well as providing for operating capital items and other one-time items.

A primary feature of this budget is an historic investment in Affordable Housing, with over \$31 million of one-time and ongoing resources (exclusive of federal funds) in 2020 alone to address this critical need:

- The Council has adopted a plan to provide \$50 million of local Funds to the Affordable Housing Trust Fund over an eight-year period from 2020-2027, including increasing the levy by \$1.5 million specifically for this purpose. Nearly \$12 million of the total funding over the life of this plan will come in 2020.
- Furthermore, the Council continues to invest in preservation of Naturally Occurring Affordable Housing (\$3 million one-time in 2020); supports renters' rights through Tenant Legal Services, a Tenant Hotline, and year 2 of the Stable Homes Stable Schools program (a combined \$3.2 million one-time in 2021); encourages production of affordable housing through the Minneapolis Homes program (\$2 million one-time in 2020); and supports those experiencing homelessness in our city through a Low Barrier Housing Initiative (\$250,000 one-time) and making an ongoing commitment to fund the Office to end Homelessness in conjunction with Hennepin County (\$50,000 one-time). All of these investments are on top of a local base funding amount of nearly \$9 million in CPED alone.
- Outside of CPED, the Council adds a Tenant Navigator position in Regulatory Services; provides a myriad of resources for MPHA through operating support, enhanced security, and funding for energy efficiency improvements in facilities; and, adds a Homeless Community Navigator position (non-sworn) in the Minneapolis Police Department.

This budget also makes major investments in Community Police Relations across multiple departments:

- Funding is provided to the Police Department for an additional recruit class in 2020 and ongoing investment in training our sworn force.
- MPD is also receiving funding for the continuation of the Mental Health Co-Responder program, maintenance of technology systems and public safety cameras, and a non-sworn sexual assault advocate in Investigations.
- In the City Attorney's office, funding is provided to develop trauma-informed domestic violence programming, and for cash bail reform efforts.
- And within the Health Department, additional increased funding is provided to the Office of Violence Prevention for community-based violence prevention activities - and continued funding is provided for an expansion of the Group Violence Intervention program in South Minneapolis.

This budget also invests directly in Economic Inclusion. Economic Inclusion is the implementation of specific solutions that unmake the legacy of institutionalized and systematic exclusion of black, indigenous, and immigrant people of color (BIPOC). This work furthers the economic and social independence of these communities. In principle and practice, this means that these communities are prioritized as primary beneficiaries of and key partners in economic decisions.

- The primary investment in Economic Inclusion is the funding of a new effort to create Cultural Districts across Minneapolis. \$1.35 million is provided for a variety of activities including street sweeps, trash pickup, improved lighting, and safety initiatives located in some of the most culturally diverse commercial districts in our city. These funds will also be used for façade improvements and an arts fund.
- The City is also launching a commercial property development fund of \$2.5 million to help support commercial development in economically disadvantaged areas. \$2 million of this fund is targeted specifically for Cultural Districts.
- The City is creating a Co-Op and Employee Opportunity Fund of \$100,000 to help prepare, create, or convert worker-owned co-ops or other employee ownership opportunities, particularly for businesses located in areas of poverty.
- And, the City is investing an additional \$250,000 one-time over an existing \$250,000 base to accelerate the MSP TechHire program which increases opportunities for Minneapolis residents to enter the tech sector.

And finally, this budget continues to make the necessary and required investments in City parks and streets as outlined in the historic funding agreement forged in 2016 between the Park Board and City Council.

## **Enterprise Challenges**

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

### *A Quickly Improving Economy and a Construction Boom*

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

### *Shrinking Workforce and Increased Demands*

In response to the economic downturn and increasing hardship on the City's taxpayers, the City made large cuts to its workforce by eliminating positions across all City departments and independent boards. We are just now recovering to staffing levels last seen in 2007. The reduction in staffing over time places increased pressure on remaining employees as the workloads are increasing as the economy improves and the need for responsive resources increases.

### *Workforce Turnover*

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

### *Increased Demand for Technological Solutions*

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

#### *Regulatory Complexity/Unfunded Mandates*

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

#### *Emergency and Security Management Needs*

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

## City Spending

For 2020, the budget includes expenditure appropriations corresponding to priorities outlined in the Council Adopted Budget as well as ongoing projects and current City-provided services. Details of the individual expenditure appropriations within the departments and other categories identified in the pie chart below are available in the Operating Departments and Capital Programs sections of this document.

Below is a summary of the 2020 Council Adopted Budget by departmental activity, excluding transfers.

**Expenditures by Service**  
(In Millions of Dollars)

	2,019	2020 Council	% Change	\$ Change
	Adopted	Adopted		
Attorney	19.0	19.4	1.7%	0.3
Coordinator*	144.5	222.7	54.1%	78.2
CPED	119.9	119.3	-0.5%	-0.6
Convention Center	56.1	56.7	1.1%	0.6
Fire	69.3	71.2	2.7%	1.9
Health	24.0	24.1	0.2%	—
Police	184.9	193.3	4.5%	8.3
Regulatory Services	27.3	25.9	-5.1%	-1.4
Public Works	387.4	398.5	2.9%	11.1
Other City Services**	40.7	45.5	11.9%	4.8
Debt Service	159.9	150.9	-5.6%	-9.0
Capital Improvement	287.0	169.4	-41.0%	-117.6
Other***	46.9	39.4	-16.1%	-7.5
<b>Total City Spending</b>	<b>1,567.1</b>	<b>1,536.2</b>	<b>-2.0%</b>	<b>-30.8</b>

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

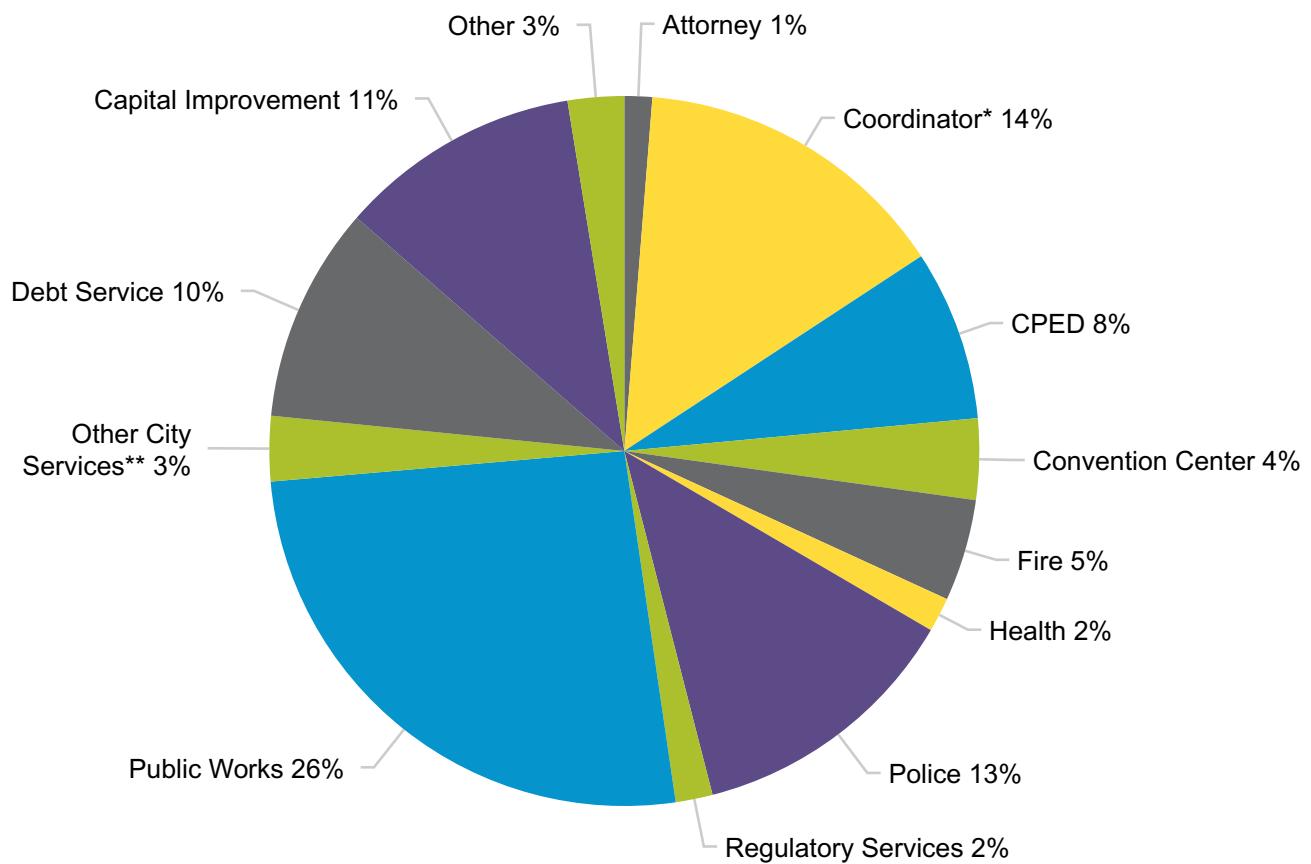
\*\* Includes Assessor, Benefits, City Clerk/Elections/Council, Civil Rights, Internal Audit, Mayor, and Workers Compensation.

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

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

# Total Expenditure Budget - Use of Funds

## 2020 Council Adopted Budget: \$1.6 Billion



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

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

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

## **City Sources of Revenue**

For 2020, the City forecasts \$1.6 billion in revenue from a variety of sources. Many of the City's revenue sources are restricted, meaning they are required to be spent in defined areas or on specific programs or projects. These restrictions limit the City's ability to raise additional funds and to apply the revenue to other departments or programs. For example, the City charges fees for services such as water, sewer and trash pickup, but State law requires that these fees be no higher than the cost of providing the services, including both operating and capital costs. Because these revenues are restricted, the City cannot raise water bills to pay for citywide police services.

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

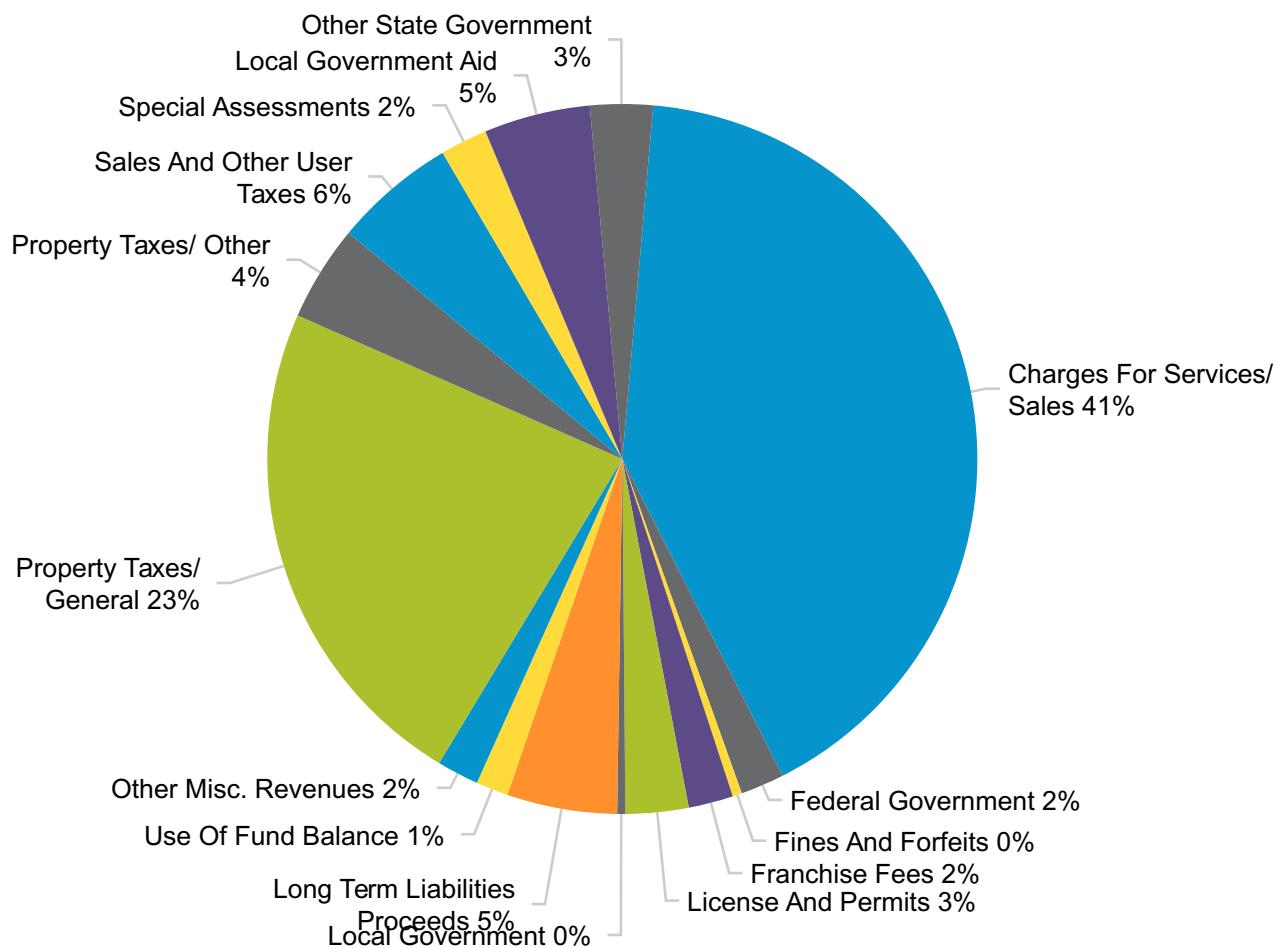
Below is a summary of the 2020 Council Adopted Budget revenues by major category.

### **Revenue by Category**

(In Millions of Dollars)

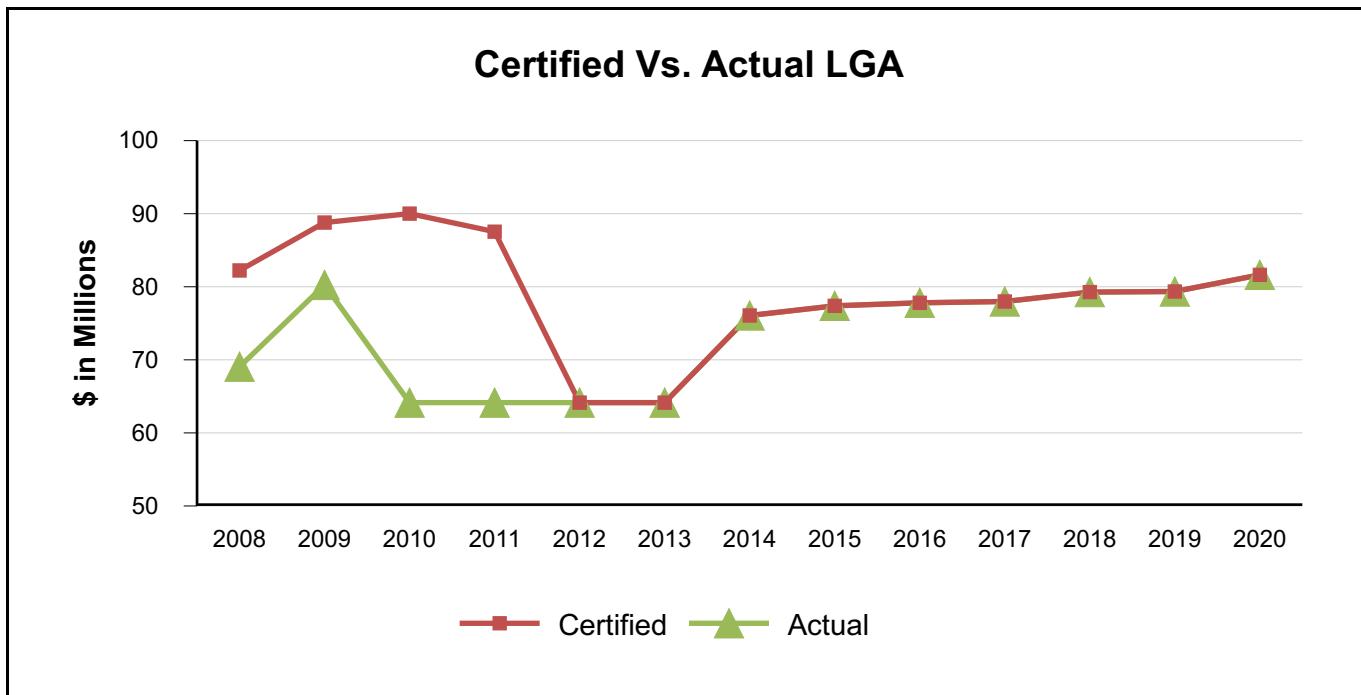
Revenue Category	2019	2020 Council	% Change	\$ Change
	Adopted	Adopted		
Charges For Services/ Sales	617.7	694.9	12.5%	77.2
Federal Government	34.6	33.7	-2.5%	-0.8
Fines And Forfeits	7.3	7.2	-1.5%	-0.1
Franchise Fees	34.1	34.4	1.0%	0.3
License And Permits	48.8	48.4	-0.8%	-0.4
Local Government	8.0	6.2	-22.7%	-1.8
Long Term Liabilities Proceeds	188.2	84.7	-55.0%	-103.6
Use Of Fund Balance	62.3	24.9	-60.0%	-37.4
Other Misc. Revenues	23.1	32.3	40.0%	9.2
Property Taxes/ General	358.7	388.3	8.3%	29.6
Property Taxes/ Other	67.6	73.7	9.0%	6.1
Sales And Other User Taxes	88.9	93.9	5.6%	5.0
Special Assessments	41.3	36.3	-12.1%	-5.0
Local Government Aid	79.3	81.6	2.9%	2.3
Other State Government	42.5	48.2	13.3%	5.7
<b>Total Revenue</b>	<b>1,702.4</b>	<b>1,688.6</b>	<b>-0.8%</b>	<b>-\$13.8</b>

## Total Revenue Budget - Source of Funds 2020 Council Adopted Budget: \$1.6 Billion



## Local Government Aid (LGA)

Following several years of uncertainty in funding from the State of Minnesota in the form of LGA, including the loss of over \$70 million from 2008-2011, the State has made slight annual increases to the amount of LGA appropriated to the City of Minneapolis from \$76.1 million in 2014 to a certified amount of \$81.6 million in 2020. Of this amount, the City plans to allocate \$71.8 million for its General Fund, \$9.6 million to the Park Board, and the remaining \$0.2 million to the Municipal Building Commission (MBC). The table below shows the historical certified and actual LGA amounts, as well as the certified LGA levels for 2020 based on current law.



## Budget by Fund

The City uses different funds to account for expense and revenue associated with the various services provided. The **General Fund**, where the City accounts for most property tax supported services, represents 31.8 percent of the 2020 Council Adopted Budget, an increase from 30.1 percent in the 2019 budget.

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

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

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

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

**Enterprise Funds** include services that the City provides that operate like a “business” - similar to internal service funds but with external customers. Charges for services are expected to recover operating costs, indirect costs, capital investments, and interest expense. Utility rates are set with the intent of funding these costs. Enterprise services of the City include sanitary sewer services, storm water management and flood mitigation, water treatment and distribution, solid waste and recycling, and parking.

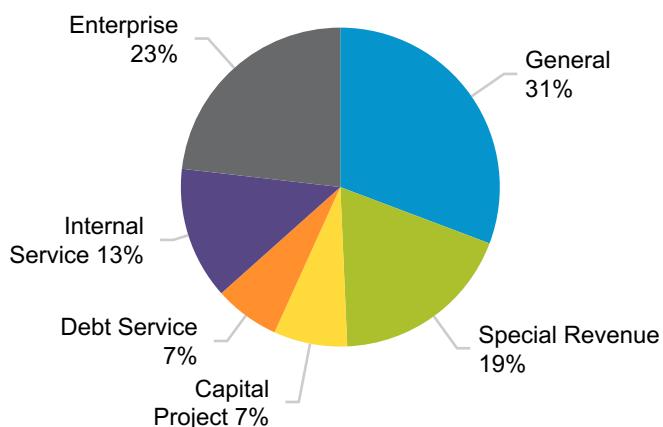
### Expense and Revenue By Fund Type In Millions

	2019 Adopted	2020 Council Adopted	% Change	\$ Change
<b>Expense:</b>				
General	\$482.7	\$519.4	7.6%	\$36.7
Special Revenue	\$220.2	\$198.1	-10.0%	-\$22.1
Capital Project	\$230.0	\$113.1	-50.8%	-\$116.9
Debt Service	\$124.4	\$112.1	-9.9%	-\$12.3
Internal Service	\$143.4	\$215.4	50.2%	\$72.0
Enterprise	\$366.3	\$378.1	3.2%	\$11.8
<b>Total</b>	<b>\$1,567.0</b>	<b>\$1,536.2</b>	<b>-2.0%</b>	<b>-\$30.8</b>

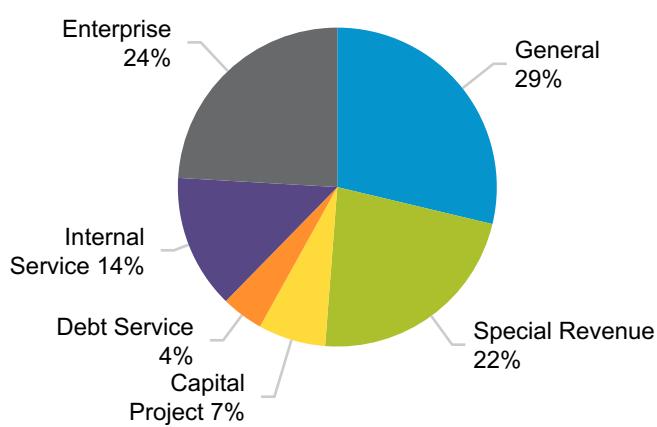
	2019 Adopted	2020 Council Adopted	% Change	\$ Change
<b>Revenue:</b>				
General	\$452.2	\$485.1	7.3%	\$32.9
Special Revenue	\$415.4	\$379.8	-8.6%	-\$35.6
Capital Project	\$214.8	\$115.4	-46.3%	-\$99.4
Debt Service	\$68.2	\$72.0	5.6%	\$3.8
Internal Service	\$157.9	\$229.6	45.4%	\$71.7
Enterprise	\$394.0	\$406.6	3.2%	\$12.6
<b>Total</b>	<b>\$1,702.5</b>	<b>\$1,688.5</b>	<b>-0.8%</b>	<b>-\$14.0</b>

### Expense and Revenue By Fund Type

**Expense**



**Revenue**



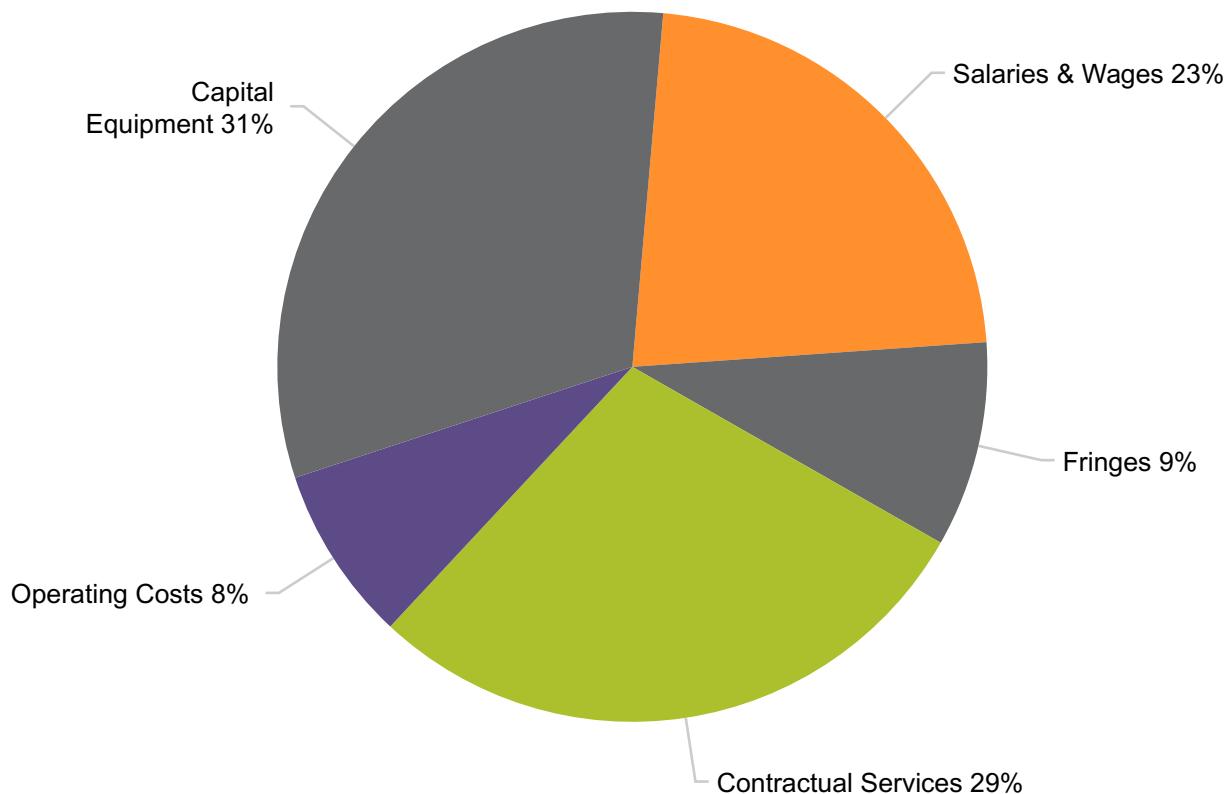
The largest portion of the City's budget is spent on personnel, which comprises \$506.5 million or 31.2 percent of the total budget.

### Expense by Category

Expense Category	2019	2020 Council	% Change	\$ Change
	Adopted	Adopted		
Salaries & Wages	399.0	413.5	3.6%	14.5
Fringes	164.7	171.9	4.4%	7.2
Contractual Services	413.5	488.5	18.1%	75.0
Operating Costs	178.6	178.3	-0.2%	-0.3
Capital Equipment	543.4	437.0	-19.6%	-106.4
<b>Total Expense</b>	<b>\$1,699.2</b>	<b>\$1,689.2</b>	<b>-0.6%</b>	<b>(\$10.0)</b>

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

### Total City Budget - Expenditure by Categories 2020 Council Adopted Budget: \$1.6 Billion



## Funding for Physical Infrastructure

**Five-Year Capital Program Totals:** For 2020 - 2024, the five-year capital program for City departments, independent boards and commissions totals \$923.3 million including all funding sources. The 2020 portion of this program is \$174.9 million. This budget continues the City's commitment to accelerate funding and completion of improvements to the City's infrastructure. Below is a summary of the five-year capital program by major infrastructure category.

Submitting Agency	Infrastructure Category	2020	2021	2022	2023	2024	Total	Percent of Total
<b>Budget in Thousands of Dollars</b>								
PARK BOARD	NEIGHBORHOOD PARKS	12,336	12,780	12,980	12,625	12,986	63,707	6.90%
PUBLIC WORKS	TRANSPORTATION	82,592	76,317	82,605	102,044	117,255	460,813	49.91%
	UTILITY FEE BASED ENTERPRISES	69,185	75,085	63,650	68,350	50,775	327,045	35.42%
	<b>Public Works Department Totals</b>	<b>151,777</b>	<b>151,402</b>	<b>146,255</b>	<b>170,394</b>	<b>168,030</b>	<b>787,858</b>	<b>85.33%</b>
OTHER AGENCIES	CITY HALL, PUBLIC BLDGS, MISC.	10,790	16,590	20,290	15,450	8,659	71,779	7.77%
<b>COUNCIL ADOPTED FIVE-YEAR CAPITAL PROGRAM</b>		<b>174,903</b>	<b>180,772</b>	<b>179,525</b>	<b>198,469</b>	<b>189,675</b>	<b>923,344</b>	<b>100.00%</b>

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

## Funding for Pension Liabilities

The City's property tax levies for its former closed pension funds that have been merged into the Minnesota State Public Employees' Retirement Association (PERA) for 2020 total \$14.8 million, a decrease of \$8.5 million from 2019 associated with state action to restore the MERF funding deal. Since 2015 the State legislature has reduced PERA's out year investment assumptions from 8.5% to 7.5 percent which lowers the assumed out year investment returns, increases the unfunded liability amounts and therefore the annual funding requirement. The three merged funds include:

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

## Teacher's Retirement Association (TRA)

The 2006 Legislative session combined the Minneapolis Teachers Retirement Fund Association (MTRA) with the State's Teachers Retirement Association (TRA). As part of the legislation, the City was required to redirect its annual \$2.25 million MTRA tax levy to TRA through 2037. State law changed the \$2.25 million City levy to a \$2.25 million contribution in 2012. This change increased the total levy for this purpose as the City previously contributed its net TRA levy collection, which was less than \$2.25 million because the City does not collect 100 percent its levy. For 2020, the City will levy \$2.3 million for TRA to insure that net collections provide the \$2.25 million. For the purpose of long-term planning, it is anticipated that these costs will remain constant and end by 2040.

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

The employers' contribution level in PERA's Coordinated Plan for 2020 is 7.5 percent, and the PERA's Police and Fire Plans' employer's contribution remains at 16.95 percent, both same as in 2019. The estimated total cost of contributions to PERA for the City exclusive of its independent boards for 2020 is \$39.0 million, which is covered in the budgets of the departments in which the employees work.

	2019	2020	Change
	(in millions)		
<b>PERA</b>	\$ 19.3	\$ 16.6	\$ (2.7)
<b>PERA Police &amp; Fire</b>	\$ 21.5	\$ 22.4	\$ 0.9
<b>Total</b>	<b>\$ 40.8</b>	<b>\$ 39.0</b>	<b>\$ (1.8)</b>

## **Funding for Internal Services Funds' Long-Term Financial Plans**

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

## **Growth in Personnel Costs**

**Personnel Changes.** The 2020 Council Adopted Budget increases the Full-Time Equivalent (FTE) count of City positions by 35.6 over the 2019 Council Adopted Budget, exclusive of the City's independent boards, from 4,251.8 to 4,287.4 FTEs.

**Salary and Wages.** The 2020 Council Adopted Budget includes an increase in personnel expenditures (\$357.9 million in salaries and wages, compared to a 2019 total of \$352.2 million), excluding the City's independent boards. It also includes \$148.6 million in fringe benefits, compared to \$145.9 million in 2019, exclusive of the City's independent boards.

**Benefits.** Health and dental insurance expenditures are budgeted to decrease from \$76.6 million in 2019 to \$62.1 million in 2020, exclusive of the City's independent boards. This is a decrease of \$14.5 million or 19.0 percent due to projected better medical insurance rates.

## Major Changes in the 2020 Council Adopted Budget

As a starting point for 2020 budget development, departments were provided a preliminary budget amount and asked to submit, for existing programs, proposals that would provide for the continuation of those programs at the same level of service, or the Current Service Level. Departments were also asked to submit supporting documentation for any change items to current programs or any new programs. The changes to ongoing departmental programs, along with new initiatives recommended for funding or implementation, are noted below. Change items proposals not funded in the Council Adopted budget are not included.

The 2020 Council Adopted Budget includes initiatives that have citywide implications. This budget includes the prudent use of accumulated fund balance from various funds for one-time or time-limited activities. These resources were generated through fiscal restraint that resulted in under-spending in City departments and through revenues that exceeded budgetary expectations due to continued growth in the local economy.

### Departmental Changes

The table below outlines additional funding included in this budget beyond the current service level. Detailed descriptions of each change item can be found in the Operating Departments section of this budget book. Some departments' budgets were right-sized with Base Cuts. Those cuts are outlined in the table below but do not have accompanying change item descriptions in the Operating Department Sections. All figures below are shown in thousands of dollars.

Department & Change	General Fund		Other Funds	
	One-Time	Ongoing	One-Time	Ongoing
<b>City Attorney</b>	150	(150)	—	—
Develop Trauma-Informed Domestic Violence Programming	75	—	—	—
Alternative to Cash Bail	75	—	—	—
Victim Witness Specialist	—	—	—	—
Base Cut - City Attorney	—	(50)	—	—
Eliminate Vacant FTE	—	(100)	—	—
<b>City Clerk</b>	160	—	—	—
Data Review & Redaction - Enterprise Funding	25	—	—	—
Esri Redistricting Application	35	—	—	—
Legislative Information Management System (LIMS) - Phase 3	100	—	—	—
<b>City Coordinator</b>	2,027	1,050	—	—
Creative City Challenge	100	—	—	—
Enterprise Engagement	50	—	—	—
Partnerships	485	—	—	—
Senior Advisor to the City on Exploitation and Human Trafficking	52	—	—	—
Transgender Equity Summit	15	—	—	—
Sustainability	350	260	—	—
Public Service Area	600	700	—	—
Promise Zone Coordination	50	—	—	—
Rent Stabilization Study	125	—	—	—
Transgender Equity	—	90	—	—
911/MPD Workgroup & MPD Efficiency Study	200	—	—	—
<b>City Council</b>	—	250	—	—
Council Staff Salary Schedule Update	—	250	—	—

Department & Change	General Fund		Other Funds	
	One-Time	Ongoing	One-Time	Ongoing
<b>Civil Rights</b>	—	313	—	—
Contract Compliance Officer II	—	114	—	—
Labor Standards Investigator	—	90	—	—
Program Assistant	—	40	—	—
Wage Theft Enforcement	—	69	—	—
<b>Communications</b>	85	—	—	—
Cultural Media Contracts	55	—	—	—
Video Services, Maintenance, Hosting & Streaming Service Contracts	30	—	—	—
<b>Convention Center</b>	—	—	200	—
Events Program - Meet Minneapolis	—	—	200	—
<b>CPED</b>	5,640	4,479	8,450	6,264
Affordable Housing Trust Fund (AHTF)	(700)	1,500	3,450	5,514
Cultural Districts: Co-op and Employee Owner Opportunity Fund	100	—	—	—
Cultural Districts: Commercial Property Development Fund	700	—	2,000	—
Cultural Districts Art Fund	100	—	—	—
Cultural Districts: Expand Great Streets Facade Program	—	—	200	—
Expand Staffing for Small Business Team	—	100	—	—
Great Streets Real Estate Gap Financing	—	—	500	—
Homeowner Rehab Program	—	—	—	750
Legal Services for Rental Repairs	100	—	—	—
Low Barrier Housing Initiative	250	—	—	—
Minneapolis Homes	2,000	—	—	—
Naturally Occurring Affordable Housing (NOAH)	3,000	—	—	—
Office to End Homelessness	—	50	—	—
Stable Homes, Stable Schools	(350)	3,350	—	—
TechHire	250	—	—	—
Tenant Hotline	125	—	—	—
CPED Base Cut	—	(362)	—	—
Village Financial	—	—	—	—
MPHA Energy Efficiency Improvements	—	—	2,300	—
Cooperative Technical Assistance Program (CTAP)	50	—	—	—
Payday Lending Refinancing	75	—	—	—
CPED One-Time Reduction	(60)	—	—	—
CPED TOD Vacancy	—	(159)	—	—
<b>Downtown Assets</b>	—	—	845	—
Downtown Assets - Commons	—	—	820	—
Downtown Assets - Special Events	—	—	25	—
<b>Elections</b>	3,910	200	—	—
2020 Presidential Election: Multiple Early Vote Centers	3,910	90	—	—
Supervisor, Election Administration (Voter Outreach & Education)	—	110	—	—
<b>Finance &amp; Property Services</b>	150	(80)	—	—
Asset Management Strategy	150	—	—	—

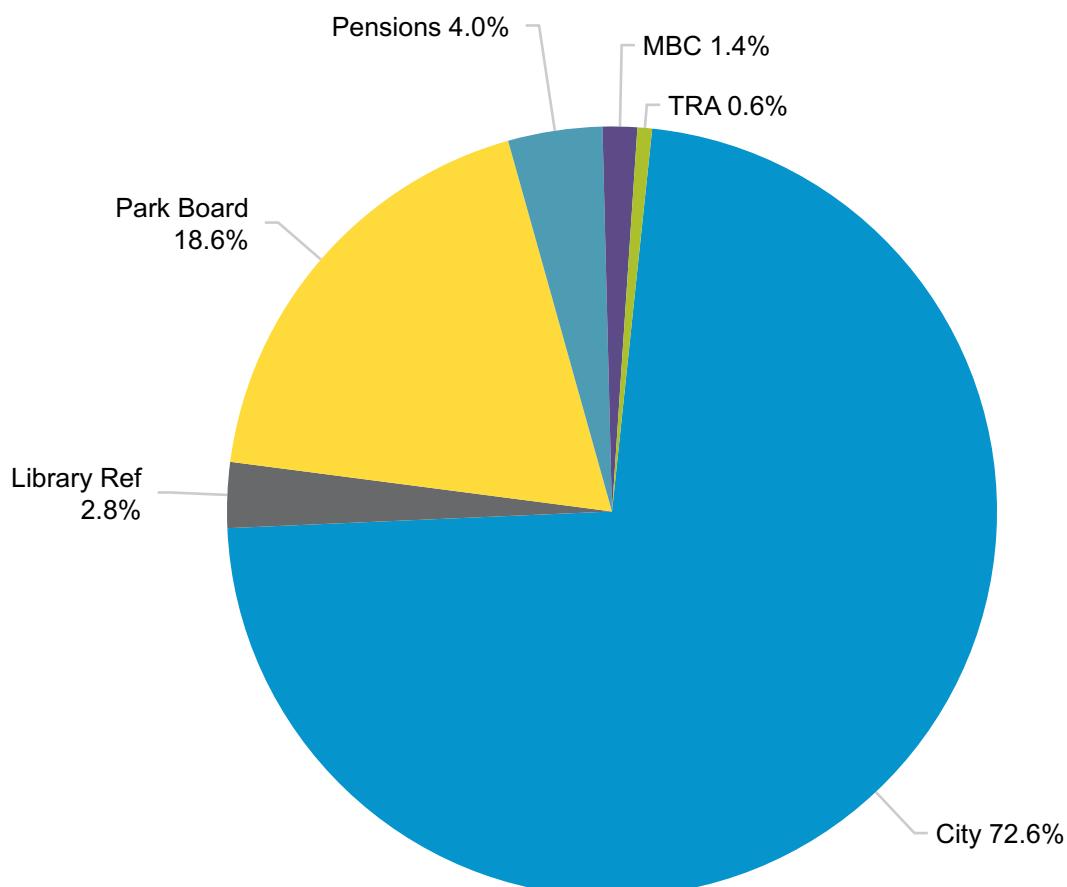
Department & Change	General Fund		Other Funds	
	One-Time	Ongoing	One-Time	Ongoing
Credit Card Fees for Utility Billing	—	—	—	—
Grants Oversight	—	—	—	—
Expanded Internal Investment Strategy	—	(80)	—	—
<b>Fire Department</b>	—	<b>150</b>	—	—
Add Civilian FTEs	—	90	—	—
Personal Protective Equipment	—	150	—	—
Base Cut - Fire	—	(90)	—	—
<b>Health Department</b>	<b>912</b>	<b>390</b>	—	—
Children's Saving Account	50	—	—	—
Environmental Youth Development STEM Pathways	—	45	—	—
Fast Track	50	—	—	—
Group Violence Intervention Southside Expansion	225	75	—	—
Healthy Living in Low-Income Housing	25	—	—	—
Lead Poisoning & Asthma Prevention	—	60	—	—
Health Inspectors	55	—	—	—
Opioid Response	300	105	—	—
Base Cut - Health Department	(30)	—	—	—
Intimate Partner Violence Intervention Initiative	50	—	—	—
Office of Violence Prevention Fund	37	105	—	—
Part-Time Youth Workers in Cedar-Riverside & Seward Neighborhoods	50	—	—	—
Crime Reduction for Ventura Village/Phillips West/Stevens Square	100	—	—	—
<b>Human Resources</b>	<b>2,250</b>	<b>(50)</b>	—	—
Human Capital Management System ((HCMS) - Includes Payroll Management) - Phase II	2,250	—	—	—
Base Cut - Human Resources	—	(50)	—	—
<b>Information Technology</b>	—	—	<b>450</b>	<b>30</b>
Cybersecurity Staffing	—	—	—	30
Enhanced Disaster Recovery	—	—	450	—
<b>Neighborhood &amp; Community Relations</b>	<b>(835)</b>	<b>3,000</b>	—	<b>200</b>
Aging Support Services	140	—	—	—
Office of Immigrant & Refugee Affairs Partnership Agreement Funds Increase	25	—	—	—
Cultural Communities Partnership	—	—	—	200
<b>Police Department</b>	<b>1,106</b>	<b>2,385</b>	<b>789</b>	<b>(1,090)</b>
Automated Pawn System / Workforce Director System	220	218	789	(1,090)
Civilian NIBIN Workforce Development	—	116	—	—
Co-Responder Program	300	—	—	—
Community Navigators	—	93	—	—
In-squad Mobile Video Recorders (MVR)	(62)	240	—	—
Investigations	—	100	—	—
Public Safety Cameras	—	60	—	—
Additional Recruit Class & Training Investment	735	1,558	—	—
Base Cut - Police	(87)	—	—	—

Department & Change	General Fund		Other Funds	
	One-Time	Ongoing	One-Time	Ongoing
<b>Public Works</b>	<b>1,000</b>	<b>907</b>	<b>6,075</b>	<b>—</b>
Advanced Mobility	350	240	—	—
Street Lighting/Litter Pick Up - Cultural Districts	550	—	—	—
Expanded Service: Winter Corner Clearing and Green Infrastructure Maintenance	—	400	—	—
Vision Zero Safety Initiatives	100	—	—	—
Parking Fund Capital	—	—	6,000	—
Downtown Public Safety Partnerships	—	267	—	—
Loring Greenway Maintenance	—	—	75	—
<b>Regulatory Services</b>	<b>322</b>	<b>715</b>	<b>—</b>	<b>(885)</b>
Expanded Animal Care at MACC	—	78	—	—
Permanent Part Time Traffic Control	292	100	—	—
Phased Sunset of the Revolving Fund	—	537	—	(885)
Tenant Navigator	30	—	—	—

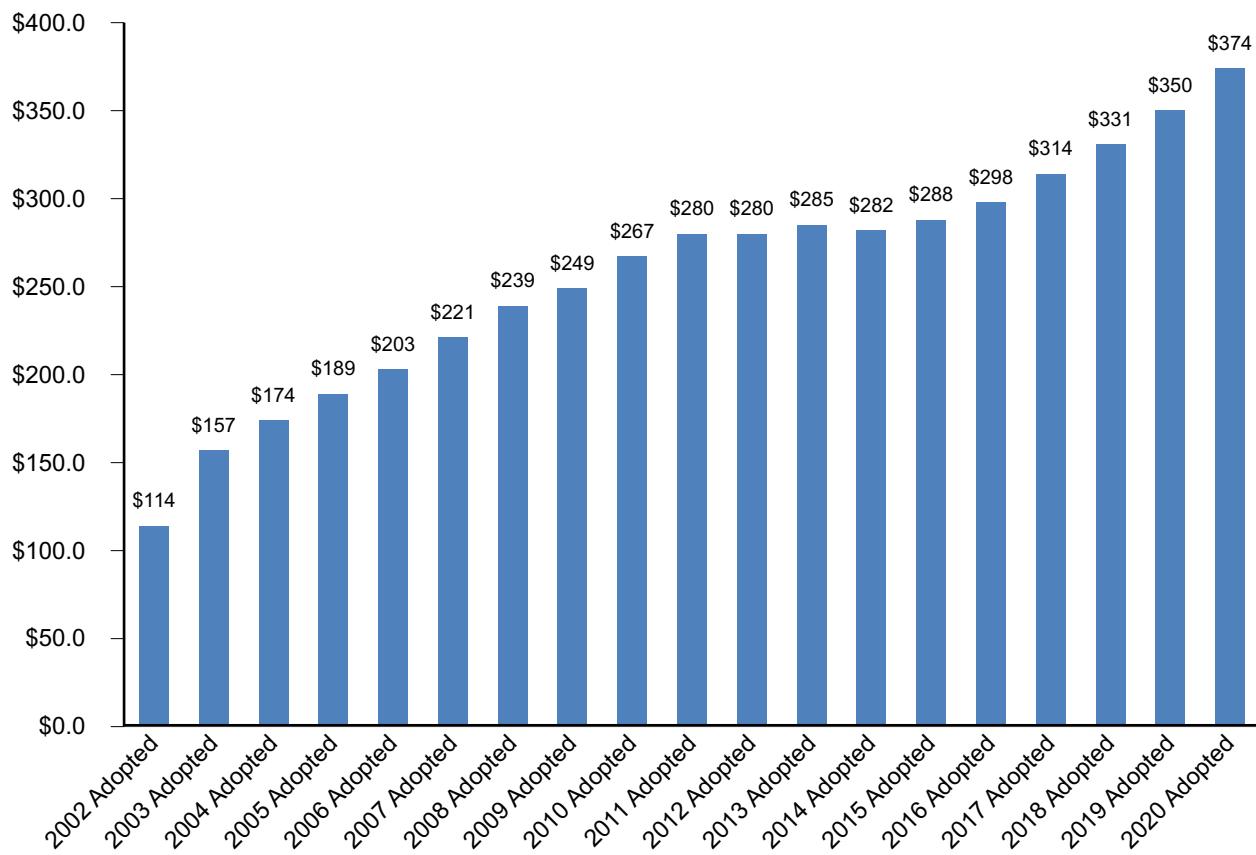
## Property Tax Revenue

The City's 2020 Council Adopted Budget includes an overall property tax levy of \$374.3 million. This levy reflects the combined total for the City, the Minneapolis Park and Recreation Board, and the Municipal Building Commission (MBC) levies, as well as the Library referendum levy which is a \$10.3 million market value based tax levy. The 2020 recommended levy is \$24.3 million more than the 2019 Council Adopted levy of \$350.1 million.

### Property Tax by Entity - \$374.3 Million



## Historical Property Tax Revenue by Year



## Property Taxes on Individual Properties

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

## **Property Market Values and Tax Base Highlights**

The following table shows the estimated market values and corresponding tax capacity by property group for the July 31, 2019 assessment utilized for property taxes payable in 2020 based on preliminary numbers.

### **City Portion of a Property Tax Bill with 6.95% Levy Increase**

#### **Non-Homestead Residential**

<u>Market Value</u>	<u>Tax in 2019</u>	<u>Tax in 2020</u>	<u>Change</u>	<u>% Change</u>
191,000	1,095	1,146	51	4.7%
264,500	1,486	1,587	101	6.8%
366,000	2,068	2,196	128	6.2%

Assumes lower value residential property market value increased by 4% and higher value increased by 6%

#### **Homestead Residential**

<u>Market Value</u>	<u>Tax in 2019</u>	<u>Tax in 2020</u>	<u>Change</u>	<u>% Change</u>
191,000	975	1,030	55	5.6%
264,500	1,400	1,509	109	7.8%
366,000	2,033	2,171	138	6.8%

Assumes lower value residential property market value increased by 4% and higher value increased by 6%

#### **Apartment**

<u>Market Value</u>	<u>Tax in 2019</u>	<u>Tax in 2020</u>	<u>Change</u>	<u>% Change</u>
752,500	4,942	5,610	668	13.5%
5,000,000	32,844	37,278	4,434	13.5%

Assumes median apartment property market value increased by 12.8% (not including new construction value)

#### **Commercial**

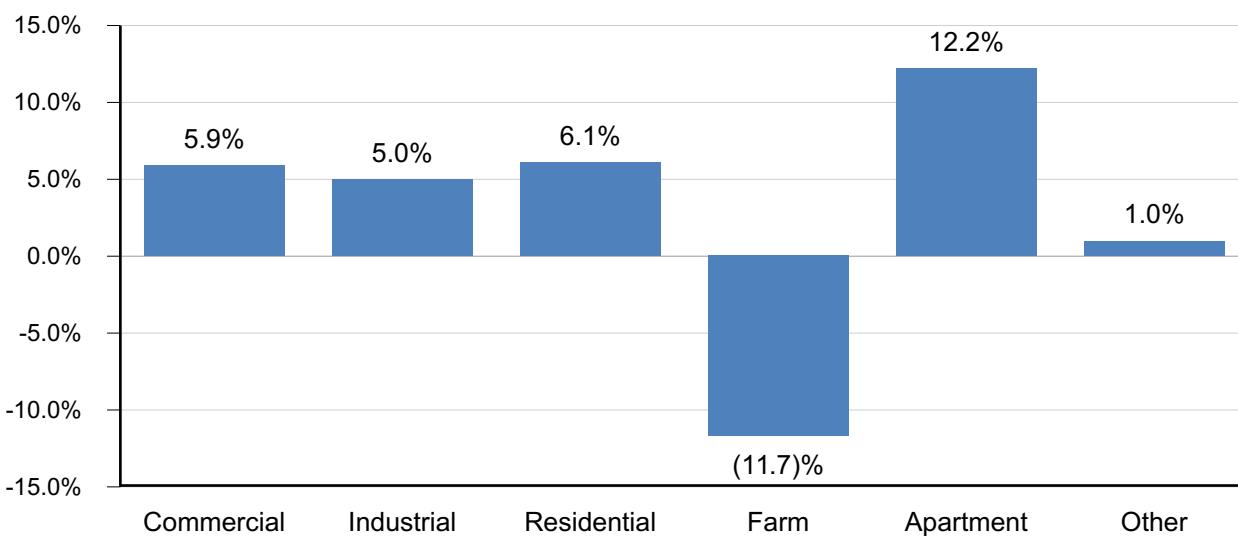
<u>Market Value</u>	<u>Tax in 2019</u>	<u>Tax in 2020</u>	<u>Change</u>	<u>% Change</u>
401,000	2,726	2,950	224	8.2%
5,000,000	37,366	40,181	2,815	7.5%

Assumes median commercial property market value increased by 6.8% (not including new construction value)

## 2019 Assessment for Taxes Collected in 2020

Group	2020 Estimated			
	Market Value	% Total	Tax Capacity	% Total
Commercial	10,842,095,400	19.4%	214,120,962	30.6%
Industrial	1,211,582,500	2.2%	23,735,739	3.4%
Residential	33,415,858,100	59.8%	337,680,629	48.3%
Farm	1,527,600	0.0%	15,276	0.0%
Apartment	10,390,928,800	18.6%	123,032,866	17.6%
Other	25,678,900	0.0%	342,278	0.0%
<b>Subtotal</b>	<b>55,887,671,300</b>	<b>100.0%</b>	<b>698,927,750</b>	<b>100.0%</b>

### Estimated Change in Tax Capacity by Property Group



### Change in Tax Capacity by Group

The following table provides the estimated changes in tax increment financing, fiscal disparities contribution, and fiscal disparities distribution for taxes payable in 2020 based on preliminary numbers from the City and County assessors:

<b>For Payable in 2020*</b>	
Real Estate Tax Capacity	698,927,750
Personal Property Tax Capacity	10,789,838
<b>Gross Tax Capacity</b>	<b>709,717,588</b>
- Less Tax Increment	<b>-54,000,000</b>
- Less Fiscal Increment Value Captured	<b>-61,000,000</b>
- Less Fiscal Disparities Contribution	<b>-83,291,299</b>
<b>Adjusted Net Tax Capacity</b>	<b>511,426,289</b>

\* Property Values July 2019 estimates only at this time

Change in Market Value for Taxes Payable Year-Over-Year			
Taxes Payable in:	Commercial/Industrial*	Residential	Apartment
2006	11.4%	12.9%	6.8%
2007	11.8%	6.4%	-1.2%
2008	10.4%	2.6%	3.3%
2009	1.3%	-3.1%	1.8%
2010	-0.1%	-3.6%	0.5%
2011	-9.8%	-4.4%	-6.7%
2012	-4.5%	-9.1%	-5.2%
2013	0.5%	-5.4%	2.8%
2014	0.6%	0.7%	8.5%
2015	3.3%	8.7%	27.8%
2016	16.4%	-10.5%	29.8%
2017	11.5%	6.6%	18.2%
2018	10.1%	-6.7%	13.9%
2019	8.4%	3.6%	19.3%
2020	5.8%	5%	13.3%

\* Industrial property is now reported separately from commercial property.

Source: City Assessor's Office and County Assessor's Office

2020 Council Adopted Property Tax Levies				
Fund	2019	2020	% Change From 2019	\$ Change From 2019
General Fund	201,345,000	228,149,000	13.31%	26,804,000
Minneapolis Park Board	65,740,000	69,506,000	5.73%	3,766,000
Bond Redemption	41,510,000	43,830,000	5.59%	2,320,000
Pensions (MERF, MPRA, MFRA)	23,310,000	14,810,000	-36.47%	-8,500,000
Board of Estimate and Taxation	210,000	0	-100.00%	-210,000
Municipal Building Commission	5,256,000	5,414,000	3.01%	158,000
Teachers' Retirement	2,300,000	2,300,000	0.00%	0
Library Referendum Debt Service	10,300,000	10,300,000	0.00%	0
<b>Total</b>	<b>349,971,000</b>	<b>374,309,000</b>	<b>6.95%</b>	<b>24,338,000</b>

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# Strategic and Racial Equity Action Plan

## Overview

Every four years at the start of a new elected term, the City of Minneapolis engages in strategic planning to set the four-year vision and goals for the City. This year, the City created a revised strategic planning process that integrates strategic planning and racial equity action planning into a joint plan built on the City's Comprehensive Plan.

The Strategic and Racial Equity Action Plan is used to prioritize work and guide resources toward strategies and actions that address the root-causes of racial disparities and improve outcomes for Black, Indigenous, and People of Color communities. The plan outlines a set of policy and operational priorities that the City will address in the next three years. It creates clear alignment of work from leadership to departments and defines goals at all planning levels which can be objectively measured. Ultimately, the plan provides a common focus and gives direction to City leaders in the development of operational plans and activities.

The City of Minneapolis created the Strategic and Racial Equity Action Plan to ensure implementation of racial equity goals in its work and service delivery. By focusing on a small group of priorities, the City will be more successful in its efforts to embed racial equity principles and strategies into goals, operations, programs, services, and policies. We expect to achieve successful outcomes, and address racial inequities in our city, through effective development, execution, and measurement of the Strategic and Racial Equity Action Plan.

## Vision

Minneapolis is an intentionally compassionate city where each of us can reach our full potential while caring for one another, eliminating racial disparities, improving our environment and promoting social well-being. We lead in innovative and creative ways, focused not only on our present needs, but also the success of future generations.

## Mission

Our City government takes strategic action to address climate change, dismantle institutional injustice and close disparities in health, housing, public safety and economic opportunities. In partnership with residents, City leaders help to ensure all communities thrive in a safe and healthy city.

## Values

- **Equity:** City government works side-by-side with community members to engage all voices, creatively problem solve, and build trust, particularly with those who have been most impacted by inequities. This helps to ensure that opportunities are accessible to everyone.
- **Safety:** People have a strong sense of security and can live peacefully in safe neighborhoods, knowing that City government is accountable for responsive and proactive public safety services.
- **Excellence:** To achieve the best outcomes and the highest quality service, we are forward-thinking and exhibit competence, professionalism, and integrity, and strive for personal growth.

- **Welcoming:** All individuals are welcome, regardless of race, ethnicity or place of origin, gender identity or religious affiliation. This enhances Minneapolis' cultural fabric, economic growth, global competitiveness and overall prosperity for current and future generations.
- **Stewardship:** We serve as trusted stewards of financial, environmental, social, and physical resources, recognizing that resources are for the common good today and tomorrow. We seek solutions that reflect our long-term commitment to end suffering in our city.
- **Transparency:** People can trust City government and hold them accountable for making and communicating decisions grounded in accurate information and integrity. We build credibility by accepting feedback, owning our actions, and providing reliable follow-through.
- **Health:** To achieve physical, emotional and mental health, we all work to ensure equitable access to healthy food, recreational opportunities, natural amenities, positive youth development, and walkable neighborhoods.

## Goals

**Public Safety:** The City prioritizes collaborative and community-inclusive strategies to ensure safety for all members of our community.

**Housing:** The City prioritizes equitable access to safe, stable, accessible, and affordable housing to eliminate racial disparities in housing.

**Economic Development:** The City prioritizes economic inclusion so that all workers and families are supported and People of Color, Indigenous and Immigrant (POCII)-owned businesses in all sectors can thrive.

**Public Services:** The City prioritizes reliable and equitable access to high-quality public services.

**Environmental Justice:** The City prioritizes sustainable practices and renewable resources to equitably address climate change while restoring and protecting our soil, water and air.

**Built Environment & Transportation:** The City prioritizes high quality neighborhoods, streets, infrastructure and equitable access to multimodal transportation in all parts of the City through thoughtful planning and design.

**Public Health:** The City prioritizes positive youth development so that all children can grow healthy and safe.

**Arts and Culture:** The City prioritizes arts and culture as an important part of inclusive economic development and placemaking in our communities.

## Operational Priorities

**Spend diversity:** Increase the percent count of, and spend with, racially and ethnically diverse for-profit suppliers across all departments.

**Racially disaggregated data:** Improve the use of racially disaggregated data for decision-making in the legislative process.

**Community Engagement:** Improve the capacity of appointed boards and commissions (ABCs) to advance the City's racial equity work.

**Workforce:** Increase the hiring and retention of People of Color and Indigenous People in the City's workforce.

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

## January-early April

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

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

## March

### **Preliminary prior year-end budget status report**

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

## March-April

### **Capital improvement budget development**

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

## April-June

### **Operating budget development**

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

### **Capital Long-Range Improvement Committee (CLIC) Process**

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

## June-August

### Mayor's Recommended Budget

The 2020 Mayor's Recommended Budget will be based on program proposals submitted by departments. These program proposals are reviewed and discussed by the submitting department, the Mayor's Office, and staff from the Coordinator's Office and Finance and Property Services for priority-setting. In addition to reviewing operating budgets, the Mayor meets with representatives from CLIC before finalizing the capital budget recommendation. By City Charter, the Mayor must make recommendations to the City Council on the budget no later than August 15 of each year.

## September

### Maximum proposed property tax levy

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

## September-November

### City Council budget review and development

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

## Truth in Taxation

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

## December

### City Council budget adoption

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

## Financial/Business Decisions 2020 Budget Calendar

January	February	March
April	May	June
Departments submit Capital Budget Requests – around April 1st	Departments prepare 2020 budget proposals	Departments work with Coordinator's office to review proposals  Departmental meetings with Mayor on 2020 Budget
July	August	September
CLIC Executive Committee meets with Mayor regarding Capital Budget Recommendations – mid July	Mayor presented recommended 2020 Budget and update to five year financial direction	Council hearings on Mayor's recommended 2020 budget and updates to the five-year financial direction
October	November	December
		Adoption of 2020 budget and five year financial direction
Council hearings on Mayor's recommended 2020 budget and updates to the five-year financial direction		

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# City of Minneapolis 2020 Budget

## Financial Management Policies

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### **OPERATING BUDGET POLICIES**

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

#### ***Balanced Budget***

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

#### ***Basis of Budgeting***

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

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

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

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

#### ***Budgetary Controls***

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

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

Purchase orders, certain contracts, and other commitments are recorded as encumbrances, which may reserve appropriation authority. Encumbrances outstanding at year-end are reported as restrictions of fund

balance. The appropriations for these encumbrances do not automatically transfer to the following year, but rather are included as part of the annual roll-over process.

### ***Proprietary Funds vs Discretionary Budget***

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

### ***Service Levels***

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

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

Changes in service levels shall be governed by the following:

#### ***Budget Process***

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

#### ***Personnel Expenses***

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

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

- Salaries. Each position, active as of March 1<sup>st</sup>, will be budgeted at the enterprise-wide average step for its job class, recognizing that some incumbents are paid at a grade higher than the average and others lower. In addition, all newly created job classes will be budgeted at step 4 of their assigned salary range. Exceptions may be granted on a case by case basis at the discretion of the Budget Director. Departments may request an exception only if they can provide replicable data showing that employees in a particular job class are paid higher on average in their department than the enterprise.
- Overtime. Unless specifically directed by the City Council, overtime costs are not included in salary budgets.
- Premium Pay. Different types of premium pay, such as shift differentials, on call pay, etc., will be included in salary budgets to the extent that it is predictable that such costs will be incurred. The Budget Office will work with Human Resources to identify where and to what extent that predictability exists.

- **Health Insurance & HRA/VEBA.** The Budget Office will work with HR to determine reasonable assumptions for health insurance & HRA/VEBA expense for each department. As an enterprise roughly 60% of employees elect family coverage and 40% elect single coverage. Exceptions may be granted on a case by case basis at the discretion of the Budget Director. Departments may request an exception only if they can provide replicable data showing that their employees elect coverage at a different rate than the enterprise average.

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

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

#### ***Adding FTE Administratively***

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

#### ***Position Reclassification and Promotions***

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

#### ***Overtime Limitation***

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

#### ***Internal Service Fund Charges***

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

### **Elected Official Budgets**

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

### **Five-Year Financial Direction**

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

#### **Self-Supporting Enterprises [including Internal Service Funds]**

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

### **Grant Funded Programs**

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

#### **Grant Funding in the Five-Year Financial Direction**

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

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

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

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

As a condition of accepting the funds, the Council shall identify the amount and source of permanent resources - by adding to, or repurposing within, existing budgets - necessary to fulfil any ongoing commitments associated with the acceptance. If necessary, the Council shall amend the Five-Year Financial Direction to reflect any such changes. In the event the Council fails to provide budgetary

resource necessary to fulfill ongoing commitments associated with the acceptance of a grant, the receiving department shall be responsible for absorbing the costs of those ongoing commitments into their existing budget.

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

## **ALLOCATION MODEL POLICIES**

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

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

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

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

### ***General Fund Allocation Model***

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

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

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

### ***Internal Service Funds (ISFs)***

All ISFs use cost allocation models to recover costs.

#### ***Fleet Services Division (Equipment Services Fund)***

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

#### ***Fleet Defined***

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

#### ***Fleet Acquisitions***

- 1) All Fleet units shall be purchased through and maintained by FSD. Exceptions may be granted on a case by case basis by the Director of Public Works or the City Coordinator or designee.
- 2) The benefitting department shall request funding through the annual budget process, or provide funding through their discretionary budget, for additional units or the underfunded portions of replacement units.

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

#### ***Information Technology (Intergovernmental Services Fund)***

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

#### **IT Defined**

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

#### **IT Acquisitions**

All IT shall be purchased through the IT department. Exceptions may be granted on a case by case basis with the approval of the Chief Information Officer, or the City Coordinator or designee. An IT

Governance Committee, composed at minimum of the City Coordinator, Chief Finance Officer, and Chief Information Officer, shall review all proposed IT purchases annually and may recommend a set of priority IT projects based on current resource constraints and applicable City values, goals, and objectives.

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

#### ***IT Licenses and Maintenance***

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

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

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

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

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

#### ***Legal Services (Self-Insurance Fund)***

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

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

#### ***Property Services (Property Services Fund)***

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

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

#### ***One-Time Costs Assessed***

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

#### ***Management Support Charges to Independent Boards***

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

## **REVENUE POLICIES**

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

### ***Revenue Structure and Sources***

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

### ***Revenues Default to General Fund***

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

### ***Shared Revenue Distribution***

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

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

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

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

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

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

## ***Local Sales Taxes***

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

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

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

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

## ***License, Permit and User Fees***

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

## ***Cost of Service***

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

### **Non-Resident Charges**

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

### **Enterprise Service Fees and Rates**

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

### **Administrative Fees**

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

### **Fines and Administrative Citations**

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

### **Private Revenues**

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

### **City-Administered Special Assessments**

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

- *Capital or Infrastructure/Public Works Improvements:* The most common types of assessments are for infrastructure improvements and replacements such as sidewalks, street improvements, water and sewer line repairs (not including delinquent utility bills) and special service districts.
  - *Park Board:* The most common types of assessments are for tree removal, and parkway and sidewalk reconstruction, similar to Public Works Improvements.
- *Inspections and Code Enforcement:* The most common types are for rubbish removal; trees, grass and brush cutting; inspection fees for inoperable vehicles towed from private property; re-inspection fees; administrative citations; vacant building registration fees; and inspections.
  - *Tax-Forfeited Properties:* A portion of nuisance abatement special assessments under State statute may be cancelled for tax-forfeited properties.
- *Unpaid Citations and Invoices:* The most common types are for unpaid administrative citations and utility bills, as well as abatement and service invoices associated with Inspections and Code Enforcement (above).
- *Special Districts.* Assessments may be collected for the purpose of funding special districts to the extent allowed by State statute, City Charter or Ordinance.

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

Owners of benefiting properties shall have the option of paying their assessments all at once or in installments as part of their annual real estate taxes following the process outlined in MN Statutes 429.061 and Chapter 10 of the City Charter. The City Council shall determine the number of equal annual installments, not to exceed twenty, in which assessments may be paid. The City Council shall also determine the interest rate to be paid annually on all unpaid installments upon certification of the

assessment based on market interest rates. Interest rates shall be determined annually for the new projects to be assessed based on the Daily Treasury Yield Curve Rates in effect on December 1 of the year prior to the property owner receiving notice of the public hearing of a proposed property assessment. The interest rate will correspond to the anticipated term of the assessment plus 2 percent. An alternate structure for timing interest accrual, shifting all interest to the principal balance, shall also be made available to property owners. The first installment shall be payable in the year following certification of the assessment role to Hennepin County and will be payable in the same manner as real estate taxes. Property owners will receive a bill from the City in November of the year before their first payments are due and can prepay this bill up to December 31<sup>st</sup> without incurring interest costs.

### ***Uniform Assessment Rate***

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

### ***Permanent Improvement Fund***

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

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

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

### ***Proceeds from Sale of Real Property***

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

## **ADMINISTRATIVE POLICIES**

### ***Quarterly and Year-End Reporting***

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

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

### ***Operating Costs for Technology***

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

### ***Contract Funding***

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

### ***Gift Acceptance***

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

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

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

### ***Grants Administration***

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

#### ***Applications for Grants***

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

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

#### ***Acceptance of Grants***

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

#### ***Changes to Grants after acceptance***

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

#### ***Approval of Payments and Procurements***

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

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

Additional procurement policies and procedures are available for reference at:

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

#### ***Accounts Receivable Collections Policy***

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

#### ***PCI Information Security Policy***

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

## ***Central Requisitions and Receiving Policy***

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

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

## ***Medical Self-Insurance***

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

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

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

## ***City Time Reporting***

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

## ***Surplus Property Donation***

All donations of surplus property must be in accordance with Minnesota Statute 471.3459, Minneapolis Ordinance 18.160, Minneapolis Surplus Property Disposal Policy, and Minneapolis Surplus Property Disposal Procedures.

## ***Authority of the Finance Officer***

The Finance Officer or his designee has the following authorities:

### ***Related to Loans***

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

### ***Related to Capital and Debt***

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

### ***Related to Appropriations and Transfers***

- To amend appropriations related to technical accounting treatment changes.
- To assign fund balance in accordance with GASB 54 based on analysis provided by the City Controller.
- To adjust the appropriations of the special revenue funds for payments to various pension organizations as may be required.
- To establish or adjust appropriations, transfer balances, or make payments to carry out the intent of any action or resolution Passed and Approved, or any legal agreement Passed, Approved and

- Executed, with respect to any inter-fund loans, advances, residual equity transfers, or operating transfers, or the repayment thereof.
- To make any necessary appropriation adjustments to allow departments to receive and spend funds consistent with Council-approved actions.
  - To review and approve any and all transfers of eligible revenues into and out of the Development Account, based on an eligibility assessment and analysis conducted by Finance & Property Services Department staff.
  - To approve any and all transfers of eligible revenues into the Property Disposition Fund based on approval by the Facilities, Space and Asset Management Committee and eligibility assessment conducted by Finance & Property Services Department staff.
  - To make appropriation adjustments to correct any errors, omissions or misstatements to accurately reflect the intent of the City Council in adopting the Operating or Capital Budget and/or any subsequent City Council action.
  - To administratively increase or decrease capital project appropriations to reflect necessary reductions whenever a revenue source is determined to be uncollectible or to increase appropriations upon receipt of funds and/or a reasonable expectation of receipt of funds based on adopted Council actions.
  - To appropriate and transfer revenue within the Tax Increment and other special revenue funds consistent with the management of the City's tax increment districts and development program.
  - To establish or amend appropriations related to technical accounting treatment changes and to establish and adjust accounts and appropriations, make payments and transfers, process transactions as necessary for the purpose of cash management of revenues, and facilitate any technical corrections, adjustments and completions authorized for the following project/s:
    - Target Center Finance Plan internal allocation models and the appropriations attached to them.

#### ***Related to Expenditures and Public Purpose***

- To develop, implement, and administer food and gift card policies and procedures in accordance with the Public Purpose doctrine and other legal and accounting guidelines.

#### ***Related to Contracts***

- To make minor changes to insurance requirements, coverage and limits, defense and indemnification, and similar provisions in contracts, after consultation with the City Attorney or their designee. Before exercising this authority, the Finance Officer must first develop, implement, and administer a procedure, in accordance with legal and risk management guidelines, describing the circumstance under which changes may be acceptable and the reasonable limits to the changes which may be made under this authority.

#### ***Related to Grants and CDBG***

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

#### ***Related to Claims Administration***

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

#### ***Related to Interest Earnings***

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

### ***Related to State Aids***

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

### ***Related to Rollover***

- To re-appropriate funds and certify that an encumbrance is eligible for re- appropriation at the end of the fiscal year. Additionally, the Finance Officer may reject re-appropriation requests based on the financial health of the fund or extenuating circumstances. To be eligible for re-appropriation, requests must meet all of the following criteria:
  - 1) Be a valid encumbrance;
  - 2) Be a one-time expenditure and not a recurring budget item;
  - 3) Have a purpose consistent with the department's business plan and included as part of the department's planned expenditures for the year;
  - 4) Have the budget year appropriation balance available for the encumbered item; and
  - 5) Have a positive fund financial position

## **FUND BALANCE POLICIES**

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

### ***General Fund Cash Flow and Contingency***

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

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

### ***General Fund Operating Contingency***

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

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

### ***Non-General Governmental Funds***

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

### ***Enterprise Funds***

The City shall maintain a minimum cash balance in its Enterprise Funds equal to three months of operating expense, or 25% of the funds' annual operating budget. This balance shall be maintained to ensure adequate maintenance reserves, operating cash flow requirements, debt service requirements and legal restrictions.

Where cost-effective access to capital markets is available and debt financing is regularly used, replacement balances shall not be maintained in a manner which charges current consumers to pay for future facilities, with exceptions made for those funds associated with economic development purposes. Balances in excess of three months of operating expense may be utilized for capital purchases and replacements in lieu of debt financing if doing so allows for continued maintenance of appropriate balances and funding plans. Alternatively, surplus cash reserves may be used for early debt retirement at the discretion of the Finance Officer. Financing decisions shall consider the impact on user rates.

### ***Internal Service Funds***

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

- *Self-Insurance Fund* shall maintain a cash balance equal to the unpaid claim reserves payable amount on its balance sheet, as defined by the independent actuary plus 10% of the annual department operating budgets within the fund. Net position within the fund should not fall below zero.
- *Medical Self-Insurance Plan* shall maintain a minimum cash balance of 35% of total annual claims. Funding of the reserves shall be included in the premium rates paid by city employees.
- *Fleet Services, Intergovernmental Services, and Property Services Funds*: If allocation model charges to customers are sufficient to cover debt service or depreciation expense, then the minimum cash balance should be 15% of the fund's operating budget. If not, the reserve should be 15% of the fund's total budget. Net position shall not fall below two times the fund's annual depreciation amount.
- *Stores and Engineering Materials & Testing Funds* shall maintain cash and net position equal to 15% of the fund's annual operating budget. For the purposes of the cash and net position target, the fund's annual operating budget shall exclude purchases of construction materials for capital projects.

### ***Use of Fund Balances***

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

### ***Annual Review***

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

## **ACCOUNTING POLICIES**

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

### ***Accounting Standards***

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

### ***Disclosure and Monitoring***

Full disclosure is provided in all financial statements and bond representations. Financial systems are maintained to monitor all financial activity on a daily, monthly, and year-end basis. A Comprehensive Annual Financial Report (CAFR) is published by the City within six months of the fiscal year-end as required by the Office of the Minnesota State Auditor. The CAFR shall be published on the City's website.

## **INVESTMENT POLICIES**

### ***Investment Policy and Strategy***

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

<http://www.ci.minneapolis.mn.us/www/groups/public/@finance/documents/webcontent/wcms1p-128032.pdf>

### ***Depositories***

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

## **DEVELOPMENT FINANCE POLICIES**

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

### ***Tax Increment Policy***

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

[http://www.ci.minneapolis.mn.us/cped/resources/reports/cped\\_tax\\_increment\\_policy](http://www.ci.minneapolis.mn.us/cped/resources/reports/cped_tax_increment_policy)

### ***Tax Abatement Policy***

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

[http://www.ci.minneapolis.mn.us/cped/resources/reports/cped\\_tax\\_abatement\\_historic](http://www.ci.minneapolis.mn.us/cped/resources/reports/cped_tax_abatement_historic)

### ***Tax Increment Special Revenue Funds and Internal Loans***

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

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

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

### ***Housing Improvement Area Policy***

The City's Housing Improvement Area (HIA) Policy establishes the conditions under which HIAs may be approved by the City Council, and provides a framework within which requests for the establishment of HIAs will be considered. This Policy briefly describes the statutory requirements of HIAs, and includes a list of

the City's goals and objectives, guidelines, and minimum criteria associated with the use of this financing tool. The administrative process and procedure for the establishment of HIAs in the City is also available in separate documentation.

#### ***Development Program and Project Appropriation Expiration***

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

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

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

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

## **CDBG REPROGRAMMING POLICIES**

There are four sources for reprogramming funds:

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

### ***Administrative Allocations***

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

### ***Public Service Allocations***

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

### ***Program Income***

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

## **PUBLIC PARTICIPATION POLICIES**

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

### ***Financial Reports***

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

### ***Budget and Service Priorities***

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

## **CAPITAL BUDGET POLICIES**

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

### ***Capital Improvement Program***

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

### ***Planning Direction Provided***

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

### ***Operating Budget Impacts***

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

### ***Repair and Replacement***

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

### ***Capital Requests Outside the CIP***

In addition to physical assets narrowly defined as infrastructure, the City needs to maintain and replace capital equipment such as fleet and rolling stock, software, personal protective equipment and other depreciable assets that are generally not large enough or of the asset nature to fund through the City's CIP process. These non-CIP assets are addressed via the annual operating budget-setting process, and shall at minimum include consideration of ongoing maintenance costs and future replacements prior to being requested. Fleet replacements shall be included as part of the City's Current Service Level to the extent that they are included in a fleet replacement plan and the responsible department is charged in advance for planned replacements. IT-related requests shall be submitted in cooperation between the requesting department and the IT Department and will be reviewed by the IT Governance Committee to ensure consistency with the City's longer-term technology plan.

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

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

### ***Public Art***

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

### ***Neighborhood Park and Street Infrastructure Plans***

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

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

## **CAPITAL PROJECT ADMINISTRATION**

### ***Reduction of Appropriations if revenues are not realized***

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

### ***Re-appropriation of Capital Projects***

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

### ***Expiration of Revenue-Funded Capital Projects in Enterprise funds***

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

### ***Reallocation of Bond Resources***

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

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

### ***Expiration of Capital Project Funding***

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

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

## **DEBT POLICIES**

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

### ***Authority and Oversight***

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

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

### ***Guiding Principles for City of Minneapolis Debt Issuance***

#### ***Method of Sale***

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

#### ***Selection of Independent Advisors***

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

#### ***Use of Derivatives***

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

#### ***Variable Rate Debt***

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

#### ***Conduit Debt Financings***

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

Items reviewed during due diligence reviews may include, but are not limited to, narrative on the company and owners, past three years of financial statements, personal financial statements, tenant and lease data, market feasibility studies, business plans, budget projections, project pro-formas, appraisals, plans and specifications, environmental reviews, insurance covenants, etc. Additionally, the project shall be

evaluated for consistency with other City measures related to land use, job creation and compliance with affirmative action, civil rights, job linkage and other equal employment opportunity requirements.

### ***General Obligation Bonds, Property Tax Supported***

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

### ***General Obligation Revenue Bonds***

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

### ***Tax Increment Bonds***

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

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

### ***Special Obligation Revenue Bonds***

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

### ***Bond Term***

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

### ***Approvals for Bond Issuance***

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

### ***Alternative Financing Arrangements***

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

made a commitment in their annual budgets to provide the funds necessary to repay the advance, with interest, over the term of the agreement.

#### ***Internal Loans for Bond Defeasance***

The Finance Officer is authorized to establish internal loans as an alternative to issuing short to medium term (< 10 years) refunding bonds when bonds become callable. The interest rate to be used for the internal loans will be set using the Daily Treasury Yield Curve Rates at inception of the loan using the term applicable to the weighted average life of the refunding bonds, plus one percent. Internal loans made with tax increment are also subject to interest rate caps set forth in law. To use this approach, the Finance Officer will be required to designate the fund providing the loan proceeds from which the bonds will be paid and will be required to record the loan. The designated loan fund will receive the interest income and the appropriate debt service fund will be used to record the loan principal and interest payments. The loan balance between the designated loan fund and the debt service fund will be adjusted each year based on loan principal paid. Internal loans related to Housing Improvements Areas are not subject to the interest rate restrictions set forth above. A separate resolution will be required to be adopted by the City Council authorizing the loan in lieu of refunding bonds.

#### ***Appropriations for Debt Service***

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

#### ***Post Issuance Compliance Policy***

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

<http://www.minneapolismn.gov/www/groups/public/%40clerk/documents/webcontent/wcms1p-096355.pdf>

#### ***Use of Investment Earnings***

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

#### ***Tax-Exempt Bonds***

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

### ***Source of Repayment***

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

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

### ***Future Declarations of Official Intent to Reimburse***

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

**City of Minneapolis**  
**2020 Budget**

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## **City of Minneapolis 2020 Budget**

### **Five-year Financial Direction 2021-2025 (Including Information on the City's General Fund)**

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#### **Introduction**

The Five-year Financial Direction reflects the City's ongoing commitment to long-term financial planning. The financial direction provides projections for property tax supported services, including the City's General Fund, pensions, capital and debt. The purpose of recommending a 2021-2025 financial direction is to provide guidance for decision making on available planned resources in the City's General Fund.

#### **General Fund**

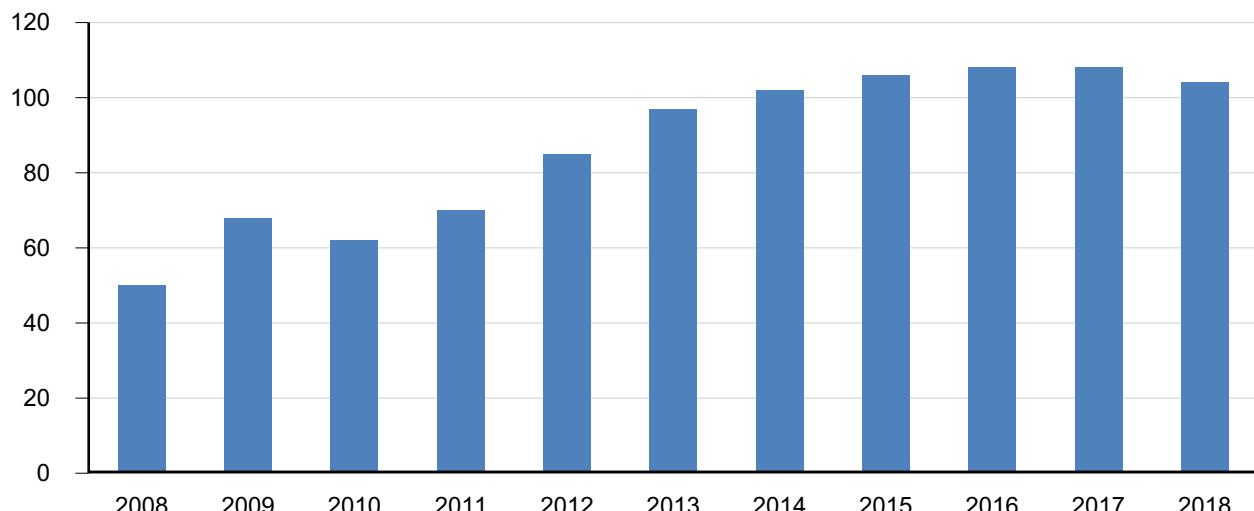
The General Fund is the general operating fund of the City and is the primary funding source for public safety, street paving, snow plowing and other general government services. In 2020 the General Fund expense and revenue, including use of fund balance, is \$532.3 million.

#### **Historical Financial Performance**

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

The General Fund began 2019 with a fund balance of \$104.2 million. The 2019 year-end fund balance in the General Fund is expected to be at \$112.2 million, which is greater than the stated fund balance requirement of 17%, or \$89.6 million, of the following year's expenditure budget.

**Fund Balance**  
(in millions of dollars)



## **2020 General Fund Revenue Budget**

The 2020 Council Adopted budget includes a total of \$532.3 million of revenues for services incorporated in the financial direction, including transfers from other funds and use of fund balance. Budgeted Revenues are expected to increase by 3.9% largely because of a shift of \$8.5 million from the closed pension levies to the General Fund levy, and a \$2 million increase in Local Government Aid.

### **General Fund Revenue Budget - Source of Funds**

2020 Council Adopted Budget: \$532.3 million  
(includes transfers)

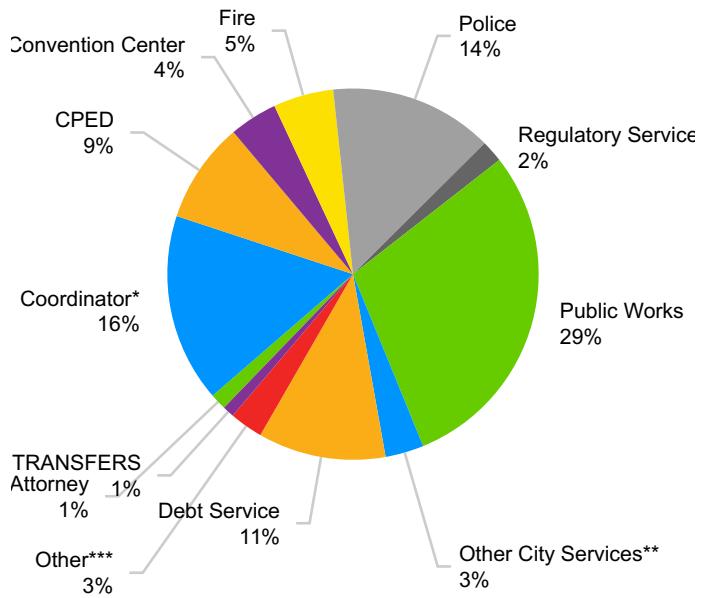
<b>Revenue Source</b>	<b>2018 Actual</b>	<b>2019 Adopted</b>	<b>2020 Council Adopted</b>	<b>% Chg from 2019 Adopted</b>	<b>2019 Adopted % of Total</b>	<b>2020 Adopted % of Total</b>
BUSINESS LICENSES AND PERMITS	11.8	13.8	13.6	-1.4%	2.7%	2.6%
CHARGES FOR SALES	0.1	0.1	0.1	0.0%	0.0%	0.0%
CHARGES FOR SERVICES	53.5	53.6	52.5	-2.1%	10.5%	9.9%
FINES AND FORFEITS	7.1	6.6	6.7	1.5%	1.3%	1.3%
FRANCHISE FEES	33.8	34.1	34.4	0.9%	6.7%	6.5%
INTEREST REVENUE	7.2	6.1	6.3	3.3%	1.2%	1.2%
LOCAL GRANTS & AIDS	0.9	0.9	0.9	0.0%	0.2%	0.2%
MISCELLANEOUS	3.3	3.0	2.9	-3.3%	0.6%	0.5%
NON-BUSINESS LICENSES AND PERMITS	35.5	33.7	33.4	-0.9%	6.6%	6.3%
OTHER TAXES	0.1	—	—	0.0%	0.0%	0.0%
PROPERTY TAXES	193.2	206.6	233.6	13.1%	40.3%	43.9%
RENTS	0.8	0.4	0.7	75.0%	0.1%	0.1%
SPECIAL ASSESSMENTS	2.9	3.4	3.6	5.9%	0.7%	0.7%
STATE GRANTS & AIDS	86.8	85.0	86.5	1.8%	16.6%	16.3%
TRANSFERS	39.4	59.9	47.9	-20.0%	11.7%	9.0%
USE OF FUND BALANCE	—	5.0	10.1	102.0%	1.0%	1.9%
<b>Total</b>	<b>476.4</b>	<b>512.2</b>	<b>532.3</b>	<b>3.9%</b>	<b>100.0%</b>	<b>100.0%</b>

### **2020 General Fund Expenditure Budget**

The 2020 Council Adopted budget for City services included in the financial direction is \$532.3 million, which includes \$13.8 million in transfers to other funds.

Approximately 66.8% of the overall expenditure budget is related to salaries and benefits. In the General Fund, budgeted salary and wage expenditures increased from \$243.1 million in 2019 to \$252.9 million in 2020. The salary and wages expense category also includes overtime costs, contractually-obligated payments, and one-time funding for positions that are not permanent. The General Fund provides funding in some shape or form for most City functions. A breakdown of the allocation of the \$532.3 million in the 2020 General Fund budget is reflected in the chart at below.

**General Fund Expense Budget - Expenditure by Service**  
 2020 Council Adopted Budget: 532.3 million  
 (includes transfers)



\* Other Departments: Assessor, Attorney, Civil Rights, Council/Clerk/Elections, Health, Internal Audit, Mayor, and Regulatory Services

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

## **Five-Year Financial Direction**

The Five-year Financial Direction includes property tax levy increases of 6.11% in 2021, 4.82% in 2022, 5.04% in 2023, 5.44% in 2024, and 4.20% in 2025. These percentages reflect funding for statutorily-required costs, the 20 year program for additional investments in streets and parks, and a current service level cost escalator for departments and support services.

*The 2020 budget is the basis for future projections:* In other words, services and activities included in the 2020 budget provide the starting point for the 2021-2025 department budget estimates. One-time 2020 supplemental items are removed from department budgets in 2021 and beyond.

*The financial direction from 2021 to 2025 contains updates to departmental resources:* The financial direction includes the most updated assumptions about contract settlements and other commitments, as well as projected changes in revenue.

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

## **Capital and Debt Service**

As part of the 2018 budget, the amount of property tax supported resources for capital improvements was again increased due to the historic twenty year Street Infrastructure and Neighborhood Park Funding Plan which was approved in April of 2016. For 2019 and future years, the intent is to provide a higher level of property tax supported (net debt bond) funding along with other resources to improve the overall condition of City streets and neighborhood park infrastructure. As a result of this new plan and base increases, property tax supported bond funding in the 2018 - 2022 five-year plan will be increasing from \$240.7 million to \$251.8 million. The additional resources will improve all types of capital infrastructure with a distinct emphasis on improving street paving, protected bikeways and pedestrian improvements, lighting and traffic related safety improvements and major improvements to neighborhood parks. More detail about the total resources dedicated for the Street Infrastructure and Neighborhood Park Funding Plan can be found in the Capital Budget Narrative Overview later in this document. The City's Water infrastructure is also an area of emphasis in this budget.

The Net Debt Bond (NDB) program is paid for with property tax collections. The five-year financial direction for the bond redemption levy will be increasing in 2018 and beyond to support the new street infrastructure and neighborhood parks funding plan. The increases are possible due in part to lower pension funding costs beginning in 2017, lower current debt levels and the decertification of the consolidated tax increment district in 2020 which will increase the City's tax capacity starting in 2021.

### **Funding for Pension Liabilities**

The five-year financial direction includes obligations for three closed pension funds that have since been merged into the statewide retirement system, the Public Employees Retirement Association (PERA) of Minnesota. The former closed funds that were merged are the Minneapolis Police Relief Association (MPRA), the Minneapolis Firefighters' Relief Association (MFRA), and the Minneapolis Employees Retirement Fund (MERF). The City has ongoing obligations funded from within departmental budgets to PERA to support current and former employees' retirement plans. The City maintains minimal cash balances to respond to policy changes relating to these closed pensions.

### **Contingency for Adverse Circumstances**

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

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

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

- *Property taxes:* Future projections plan on property tax increases to support future services. Reducing the growth in property taxes in the face of additional budget needs will require the City to continue monitoring other revenue sources and expenditures, as well as looking at creative ways in which to reallocated existing resources.
- *Performance Information:* As the City continues to gain experience with using results information for performance discussions, it will need to undertake benchmark development in using this information for financial decision making.
- *Internal Service Costs:* The City continues to see increasing costs to internal services, particularly in fleet - as vehicle replacement costs are rising; and, in information technology (IT) – as increasing demand for new systems create additional future obligations that must be recognized. The City will need to be mindful of containing these costs while continuing to provide current service levels.

- *Department Increases:* The City will continue to see challenges related to the ability to keep up with increased workloads across the enterprise while mitigating the impact on property tax payers.
- *Aging Facilities:* The City is responsible for facilities, including City Hall, Police Stations, and Fire Stations, that are not contemplated in its existing capital processes. As these facilities need major repairs and maintenance, there will be a need to recognize large out-year commitments to fund these projects.

## **Assumptions for 2021-2025**

- The tax policy is managed in the aggregate, with consideration for allocation by use.
- Out-year projections will be adjusted over time as new information becomes available.
- Contingency is maintained to provide cushion for uncertainty related to seasonal and economic conditions proportional to overall anticipate budget increases.
- Health insurance is assumed to increase by 5.0% in 2021 through 2025.
- Non Property Tax Revenues in the General Fund are assumed to increase by between 1.0 and 1.5% annually.
- Expenditures for the cost allocation model for internal City departments and the government service fee also include cost escalators.
- Local tax revenue is recorded as direct revenue into the Downtown Assets Fund, and a portion, generated primarily from entertainment taxes, is transferred to the General Fund. Sales tax revenues in the General Fund are used for capital projects, and economic development.

## Five Year Financial Direction

Sources	2020	2021	2022	2023	2024	2025
Franchise Fees	34,379,000	33,823,000	34,179,000	34,539,000	34,902,000	35,268,000
Licenses & Permits	46,979,000	46,874,000	47,313,000	45,756,000	45,204,000	45,656,000
Charges for Services	52,546,000	53,071,000	53,602,000	54,138,000	54,680,000	55,226,000
Fines & Forfeits	6,670,000	6,737,000	6,804,000	6,872,000	6,941,000	7,010,000
Special Assessments	3,272,000	3,304,000	3,337,000	3,371,000	3,404,000	3,438,000
State Aids	86,537,000	86,537,000	86,537,000	86,537,000	86,537,000	86,537,000
Interest Earnings	6,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000
Other Misc. Revenues	4,545,000	4,581,000	4,618,000	4,656,000	4,694,000	4,732,000
Transfers In	47,586,000	41,847,000	42,310,000	42,986,000	43,676,000	44,379,000
Use of Fund Balance	9,955,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Property Taxes (General Fund + MBC)	233,563,000	251,486,000	265,372,000	280,930,000	299,219,000	312,984,000
<b>Total Sources*</b>	<b>532,282,000</b>	<b>537,510,000</b>	<b>553,322,000</b>	<b>569,035,000</b>	<b>588,507,000</b>	<b>604,480,000</b>

Uses	2020	2021	2022	2023	2024	2025
Base Costs	481,540,000	495,801,000	510,004,000	524,669,000	539,813,000	555,450,000
Additional PERA Contributions	909,000	936,000	964,000	993,000	1,023,000	1,054,000
One-Time Change Items & Transfers Out	25,882,000	4,300,000	8,000,000	8,000,000	8,000,000	8,000,000
Stable Homes, Stable Schools	3,000,000	3,700,000	—	—	—	—
NPP 20 / Parks & Streets Capital	4,952,000	11,287,000	11,690,000	11,701,000	11,711,000	11,722,000
Neighborhoods / NCR Engagement Services	2,000,000	3,000,000	3,000,000	3,000,000	7,000,000	7,000,000
Affordable Housing (City Programming)	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Contingency + Other Ongoing Commitments	9,995,000	10,019,000	10,044,000	10,069,000	10,095,000	10,122,000
Council Adopted Ongoing Change Items	5,503,000	5,118,000	5,272,000	5,430,000	5,593,000	5,761,000
Future Investments						
Public Safety		750,000	1,523,000	2,318,000	2,388,000	2,459,000
Elections Base Increase		200,000	400,000	400,000	400,000	400,000
Regulatory Services Revolving Fund		900,000	927,000	955,000	983,000	1,013,000
<b>Total Uses*</b>	<b>535,281,000</b>	<b>537,511,000</b>	<b>553,324,000</b>	<b>569,035,000</b>	<b>588,506,000</b>	<b>604,481,000</b>

\*Total Sources and Total Uses may not

Property Tax	2019	2020	Change	2021	2022	2023	2024	2025
General Fund	201,345,000	228,149,000	13.31%	245,990,000	259,711,000	275,099,000	293,213,000	306,798,000
Minneapolis Park Board	65,740,000	69,506,000	5.73%	72,286,000	75,178,000	78,185,000	81,312,000	84,565,000
Bond Redemption	41,510,000	43,830,000	5.59%	45,880,000	48,250,000	50,650,000	53,030,000	55,390,000
Pensions	23,310,000	14,810,000	-36.47%	14,810,000	14,810,000	14,810,000	14,810,000	14,810,000
Municipal Building Commission	5,256,000	5,414,000	3.01%	5,496,000	5,661,000	5,831,000	6,006,000	6,186,000
Board of Estimate and Taxation	210,000	—	0.00%	110,000	110,000	110,000	110,000	110,000
Teacher's Retirement Association	2,300,000	2,300,000	0.00%	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000
Library / Downtown Office Debt Service	10,300,000	10,300,000	0.00%	10,300,000	10,300,000	10,300,000	10,300,000	10,300,000
<b>Total Property Taxes</b>	<b>349,971,000</b>	<b>374,309,000</b>	<b>6.95%</b>	<b>397,172,000</b>	<b>416,320,000.</b>	<b>437,285,000.</b>	<b>461,081,000.</b>	<b>480,459,000.</b>
				6.11%	4.82%	5.04%	5.44%	4.20%

## City of Minneapolis 2020 Budget

### **Ten-Year Projection of Demands on the Property Tax**

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#### **Background**

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

#### **Assumptions in the Ten-Year Projection**

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

#### ***Property Tax Levy Assumptions***

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

#### ***General Fund Operations Assumptions***

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

#### ***Capital and Debt Assumptions***

- Beginning in 2018, the bond levy shows increases to correspond with planned increases in net debt bond allocations as part of the 20-year Street Infrastructure and Neighborhood Park Plan. These increases are possible due to reduced pension costs, lower current debt levels and the decertification of the consolidated tax increment district in 2020 which will increase tax capacity in 2021. As a result of this new plan and base increases, property tax supported bond funding in the 2020-2024 five-year plan increases from \$339.8 million (2019-2023 levels) to \$381.9 million, or by about 12.4%. This capital infusion improves all classes of City infrastructure with a greater emphasis on paving projects, pedestrian safety, protected bikeways and lighting improvements, traffic safety and signage improvements, bridge improvements and neighborhood park improvements, and includes the

- impacts of the investment in the new Public Service Center building. These additional resources are supplemented with municipal state aid, special assessments and grant funds to deliver these projects.
- Assumptions for future years are to maintain a robust capital improvement program; and, to be able to retire the bond funded portion of the 20 year Street Infrastructure and Neighborhood Park Plan at its conclusion.

**City of Minneapolis - Details of Annual Demand (changes) in Property Tax Revenue  
2020 Budget Recommendation Factors and Out Year Impacts - 6.95% Levy Increase**

Property Tax	Current Budget												
	Year												
	2019	2020	% Chg	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
General Fund	201,345,000	228,149,000	13.31 %	245,910,000	259,629,000	275,015,000	293,127,000	306,709,000	321,394,000	336,696,000	352,533,000	368,921,000	385,869,000
Minneapolis Park Board	65,740,000	69,506,000	5.73 %	72,286,000	75,178,000	78,185,000	81,312,000	84,565,000	87,947,000	91,465,000	95,124,000	98,929,000	102,886,000
Debt Service	41,510,000	43,830,000	5.59 %	45,880,000	48,250,000	50,650,000	53,030,000	55,390,000	57,720,000	60,000,000	60,000,000	60,000,000	60,000,000
Pensions	23,310,000	14,810,000	(36.47)%	14,810,000	14,810,000	14,810,000	14,810,000	14,810,000	14,810,000	14,810,000	14,810,000	14,810,000	14,810,000
MBC	5,256,000	5,414,000	3.01 %	5,576,000	5,743,000	5,915,000	6,092,000	6,275,000	6,463,000	6,657,000	6,857,000	7,063,000	7,275,000
BET	210,000	0	-	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
TRA	2,300,000	2,300,000	— %	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000
Library Debt Service / New Building Debt Service	10,300,000	10,300,000	— %	10,300,000	10,300,000	10,300,000	10,300,000	10,300,000	10,300,000	10,300,000	10,300,000	10,300,000	10,300,000
Total Property Tax	349,971,000	374,309,000	6.95 %	397,172,000	416,320,000	437,285,000	461,081,000	480,459,000	501,044,000	522,338,000	542,034,000	562,433,000	583,550,000
% Change Property Tax				6.11%	4.82%	5.04%	5.44%	4.20%	4.28%	4.25%	3.77%	3.76%	3.75%

**City of Minneapolis  
2020 Budget  
Financial Plan**

**Arena Special Revenue Fund**

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## **Introduction**

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

Sources of funds include rent that is paid by the Minnesota Timberwolves, transfers from the Municipal Parking Fund, and interest earnings. Entertainment tax generated by the facility has historically been a revenue source for the Arena Special Revenue Fund, but that revenue source ended at the beginning of 2018 with the creation of the Downtown Assets umbrella structure. With the Downtown Assets umbrella structure, a transfer was added from the Downtown Assets Fund from 2020 - 2024 to maintain fund and cash balances at a targeted level. The transfers from the Municipal Parking Fund are specific pledged amounts that were authorized by the City Council back in 1995 and continue through 2021. After 2021 it is assumed that transfers from the Parking Fund will continue at \$5.0 million per year.

There are currently several outstanding bond issues and loans associated with the Target Center. Debt service payments on this debt is not accounted for in the Arena Special Revenue Fund, but is accounted for in separate debt service funds. The first bond issue is the \$57,480,000 Taxable G.O. Refunding Bonds, Series 2009D, which had an outstanding balance of \$23,580,000 as of December 31, 2018. These bonds refunded older bonds that were issued to acquire the Target Center back in 1995. Starting in 2017, semi-annual debt service on the 2009D bonds are 100% paid with tax increment revenues generated by the City's Consolidated TIF District.

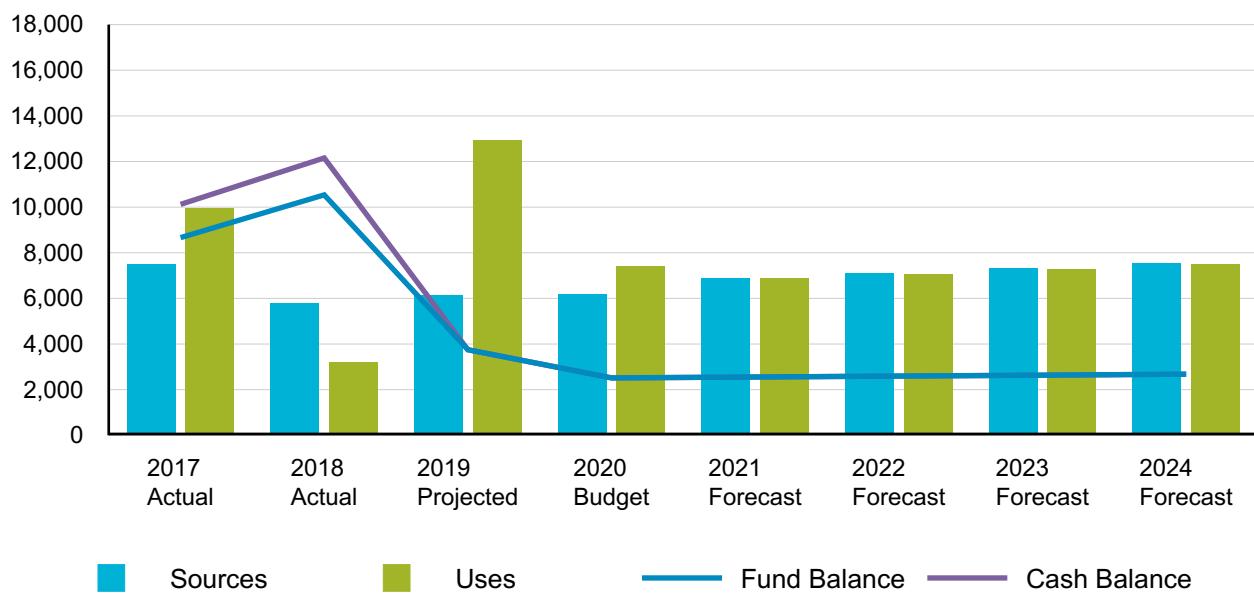
Beginning in 2016 and continuing through 2017, the Target Center underwent major renovation. The City's share of the total cost of this renovation was approximately \$74.0 million. In the first half of 2017 the City issued \$39,915,000 Taxable G.O. Sales Tax Refunding Bonds, Series 2017 to finance a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

## **Historical Financial Performance**

From 2016 - 2017, the financial performance of this fund changed significantly in comparison to prior years. This was predominantly due to the renovation of the Target Center, which has resulted in a significant increase in capital improvements, bond financing fees, and operator reimbursement payments which were coupled with a corresponding decrease in fund balance. At the end of 2016, the fund balance was \$11.1 million. This balance dropped approximately \$2.4 million in 2017, but increased \$1.9 million in 2018. The increase can be largely attributed to unspent capital improvements funds for projects that were in process and unfinished at year-end. \$4.8 million of the unspent 2018 capital improvements budget was rolled over

to 2019 to complete the projects. The 2018 year-ending fund balance was \$10.5 million which includes the reduction of \$737,315 for an outstanding accounts receivable which is over one year old and may not be collected.

### Financial Snapshot Arena Special Revenue Fund (in thousands of Dollars)



### Current Year Projections

#### Revenue

Based on the most current projections, total uses of funds in 2019 will exceed the 2019 source of funds by \$6.8 million. With the new Downtown Assets structure, the Arena Fund is no longer receiving entertainment tax revenue generated by Target Center events which has been a revenue source in prior years. Based on the most current projections, the 2019 sources of funds are expected to finish approximately \$200,000 over budget as the result of interest earnings on cash balances doing better than expected. Sources are projected to fall below uses in 2019 - 2020 before remaining relatively flat from 2021 - 2024 in a deliberate strategy to reduce and maintain targeted fund and cash balance in this fund while maintaining the fund as part of the larger Downtown Assets umbrella fund.

#### Expense

It is assumed that total uses of funds in 2019 will finish 2019 approximately \$1.0 million under the budgeted amount as the result of the capital improvements projected to finish \$1.0 million under budget. The Target Center has a number of capital improvement projects in process, and some of which may be in process but incomplete at year-end. A 2019 to 2020 rollover request may be submitted for any unspent capital improvements funds for projects that are underway but incomplete at year-end. In a planned effort to reduce fund balance while maintaining the Arena Special Revenue Fund as part of the Downtown Assets umbrella fund, a new one-time transfer of \$2.8 million was added to transfer funds from the Arena Special Revenue Fund to the Downtown Assets Fund to further reduce fund and cash balances.

#### Change in Net Position & Fund Balance

The projected 2019 change in net position and corresponding reduction in 2019 fund balance is projected to be negative \$6.8 million. Ending fund balance is projected to be \$3.8 million.

## 2020 Budget

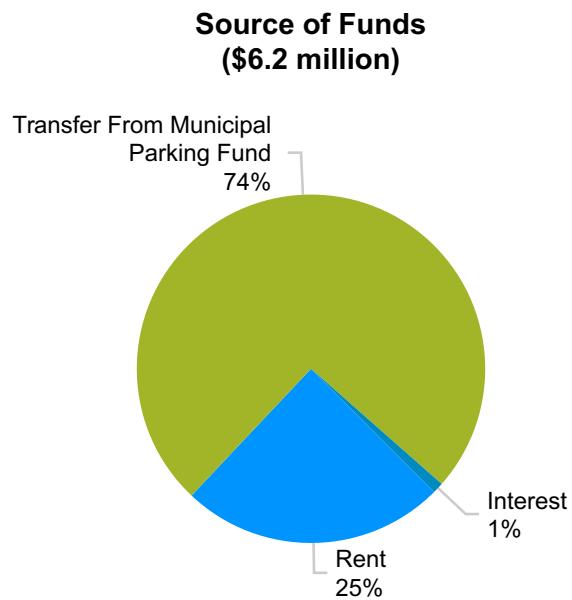
Beginning in 2018, the Arena Special Revenue Fund is being managed as part of the Downtown Assets umbrella fund. The Downtown Assets Fund is intended to help the City provide a coordinated management and funding structure for the physical infrastructure assets in Downtown Minneapolis which help generate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

Total sources of funds in 2020 are budgeted at \$6.2 million, and the total uses of funds are budgeted at \$7.4 million. The 2020 budgeted change in net position is negative \$1.2 million, and the budgeted ending fund balance is \$2.5 million.

### Revenue

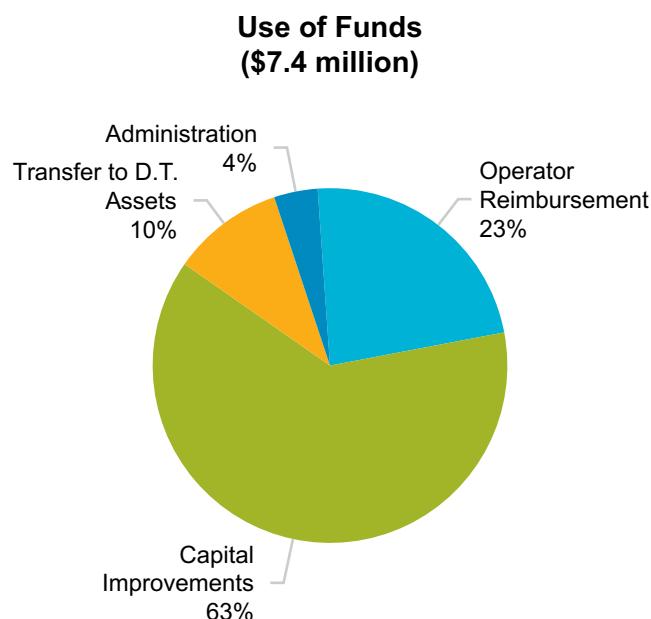
Total sources of funds in 2020 are budgeted at \$6.2 million, which is \$33,000 or 0.5% higher than the total projected sources in 2019 of \$6.2 million. Sources of funds include rent, transfers from the Municipal Parking Fund, and interest earnings. The pie chart shows the percentage that each of these sources represents of the total.

The budgeted amounts for rent and the parking fund transfer show increases when compared to their corresponding projected 2019 figures. This includes \$4.6 million in transfers from the Municipal Parking Fund (an increase of \$232,000 or 5.3%), and \$1.5 million in rent (an increase of \$29,000 or 1.9%), and interest earnings budgeted at \$62,000 which is a decrease of \$228,000 or 78.6% from the 2019 projected amount based on cash inflows and outflows within the fund, and the alignment of the Arena Special Revenue Fund within the Downtown Assets umbrella.



### Expense

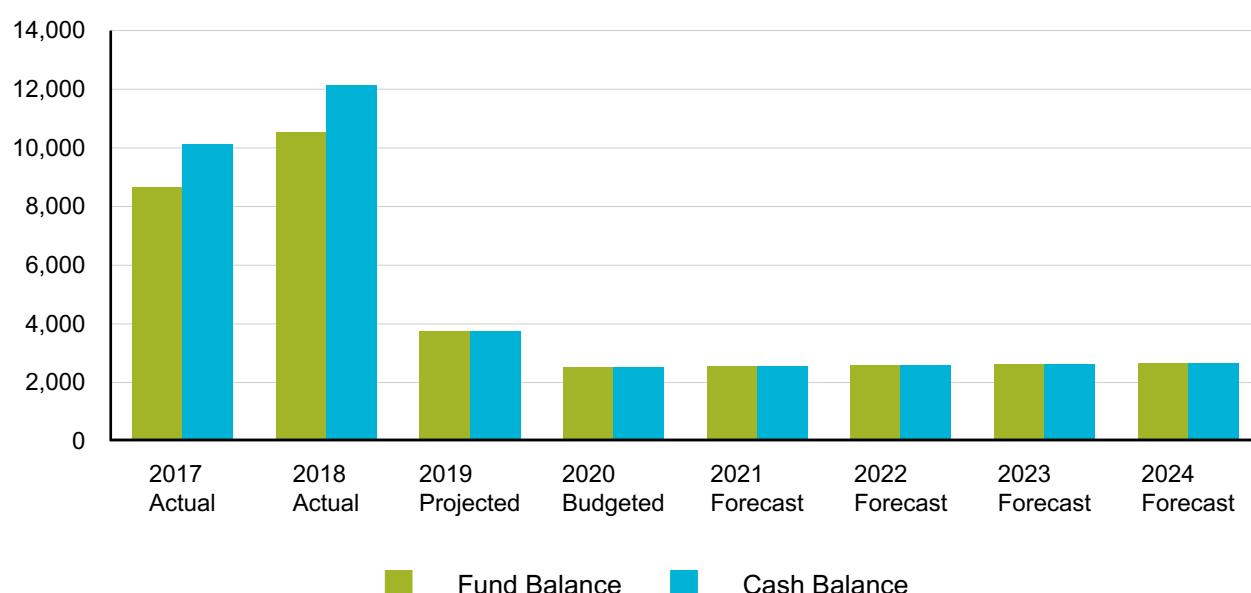
Total uses of funds in 2020 are budgeted at \$7.4 million, which is \$5.5 million or 42.6% lower than the total projected uses in 2019 of \$13.0 million. This is primarily due to the 2019 transfer of \$2.8 million from the Arena Special Revenue Fund to the Downtown Assets Fund being reduced by \$2.0 million to \$759,000 in 2020, in addition to the 2020 capital improvements budgeted at \$4.7 million which is a reduction of \$3.6 million or 43.5% under the most recent 2019 projection.



#### *Fund Balance & Cash Balance*

The 2020 net change in fund balance is projected to be negative \$1.2 million which is \$5.6 million or 81.8% less than 2019. This comes after a negative net change in 2017, a positive net change in 2018, and a projected negative net change in 2019 which significantly reduces fund balance from \$8.7 million at the end of 2017 to a projected balance of \$2.5 million at the end of 2020 with the fund balance remaining relatively flat from 2021 - 2024. The reduction in fund and cash balances are attributed to the loss of entertainment tax as a funding source along with increased operator reimbursements and payments (Unamortized Improvements) to reimburse AEG for construction related losses associated with the renovation, in addition to the new transfer of \$2.8 million in 2019 and \$759,000 in 2020 from the Arena Special Revenue Fund to the Downtown Assets Fund. In 2021 - 2024, a transfer to the Arena Special Revenue Fund from the Downtown Assets Fund was added to maintain relatively flat cash and fund balances.

#### **Arena Fund Cash and Fund Balances (in thousands of Dollars)**



There is currently no prescribed minimum fund balance or cash balance for the Arena Special Revenue Fund, however, at the end of 2020 it is anticipated that the cash and fund balances will be \$2.5 million which is 32.9% lower than the 2019 projected cash and fund balances of \$3.8 million.

**City of Minneapolis**  
**2020 Council Adopted Budget**

**Arena Special Revenue Fund**

	2017 Budget	2017 Actual	2018 Budget	2018 Actual	2019 Budget	2019 Projected	2020 Budget	% Chg From 2019	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast
<b>Source of Funds:</b>												
Rent	1,433	1,433	1,461	1,461	1,491	1,491	1,520	1.9%	1,551	1,582	1,613	1,646
Transfer from Municipal Parking Fund	3,940	3,940	4,158	4,158	4,383	4,383	4,615	5.3%	4,853	5,000	5,000	5,000
Transfer from Downtown Assets Fund	—	—	—	—	—	—	—	—	454	478	655	837
Entertainment Taxes (a)	1,270	1,293	—	—	—	—	—	—	—	—	—	—
Interest Earnings	156	123	159	192	90	290	62	-78.6%	50	51	51	52
Rental Income Land/Buildings	—	737	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>6,799</b>	<b>7,526</b>	<b>5,778</b>	<b>5,811</b>	<b>5,964</b>	<b>6,164</b>	<b>6,197</b>	<b>0.5%</b>	<b>6,908</b>	<b>7,111</b>	<b>7,319</b>	<b>7,535</b>
<b>Use of Funds:</b>												
Operator Reimbursement	2,000	2,000	1,627	1,627	1,672	1,672	1,718	2.8%	1,765	1,814	1,864	1,915
Capital Improvements (c)	7,745	5,324	6,975	1,317	9,244	8,244	4,659	-43.5%	4,799	4,943	5,091	5,244
Administration	274	272	283	258	278	278	296	6.5%	305	314	323	333
Transfer to Downtown Assets Fund	—	—	—	—	2,757	2,757	759	-72.5%	—	—	—	—
Unamortized Improvements (b)	2,179	2,272	—	—	—	—	—	—	—	—	—	—
Financing Fees & Bond Interest	—	83	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>12,198</b>	<b>9,951</b>	<b>8,885</b>	<b>3,202</b>	<b>13,951</b>	<b>12,951</b>	<b>7,432</b>	<b>-42.6%</b>	<b>6,869</b>	<b>7,071</b>	<b>7,278</b>	<b>7,492</b>
<b>Net Change in Fund Balance</b>	<b>(5,399)</b>	<b>(2,425)</b>	<b>(3,107)</b>	<b>2,609</b>	<b>(7,987)</b>	<b>(6,787)</b>	<b>(1,235)</b>	<b>-81.8%</b>	<b>39</b>	<b>40</b>	<b>41</b>	<b>43</b>
<b>Fund Balance</b>	<b>5,689</b>	<b>8,664</b>	<b>5,557</b>	<b>10,537</b>	<b>2,550</b>	<b>3,750</b>	<b>2,515</b>	<b>-32.9%</b>	<b>2,554</b>	<b>2,595</b>	<b>2,635</b>	<b>2,678</b>
<b>Total Cash Balance</b>	<b>9,811</b>	<b>10,121</b>	<b>7,014</b>	<b>12,155</b>	<b>4,168</b>	<b>3,750</b>	<b>2,515</b>	<b>-32.9%</b>	<b>2,554</b>	<b>2,595</b>	<b>2,635</b>	<b>2,678</b>

**Notes**

- (a) Minneapolis entertainment taxes from Target Center events only.
  - (b) Includes reimbursement to Target Center operator (AEG) for unamortized improvement costs.
  - (c) The 2019 projected capital improvements includes the 2019 budget (\$4,412) plus the 2018 to 2019 capital rollover (\$4,832) less \$1,000 that will not be spent.
  - (d) The 2019 projected ending cash balance assumes that the outstanding accounts payable (A/P) at the end of 2018 (\$1,618) is fully paid in 2019.
- Debt service on the 2009 Target Center bonds is paid from Debt Service Fund 05350. Beginning in 2017, semi-annual transfers of tax increment revenues are made from Fund 01CON (Consolidated TIF District) to pay 100% of these expenses.
- Beginning in 2018, transfers of local sales taxes are made from the Downtown Assets Fund to pay 100% of those expenses.

**City of Minneapolis  
2020 Budget  
Financial Plan**

**Minneapolis Convention Center Fund**

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## **Introduction**

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

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

## **Historical Financial Performance**

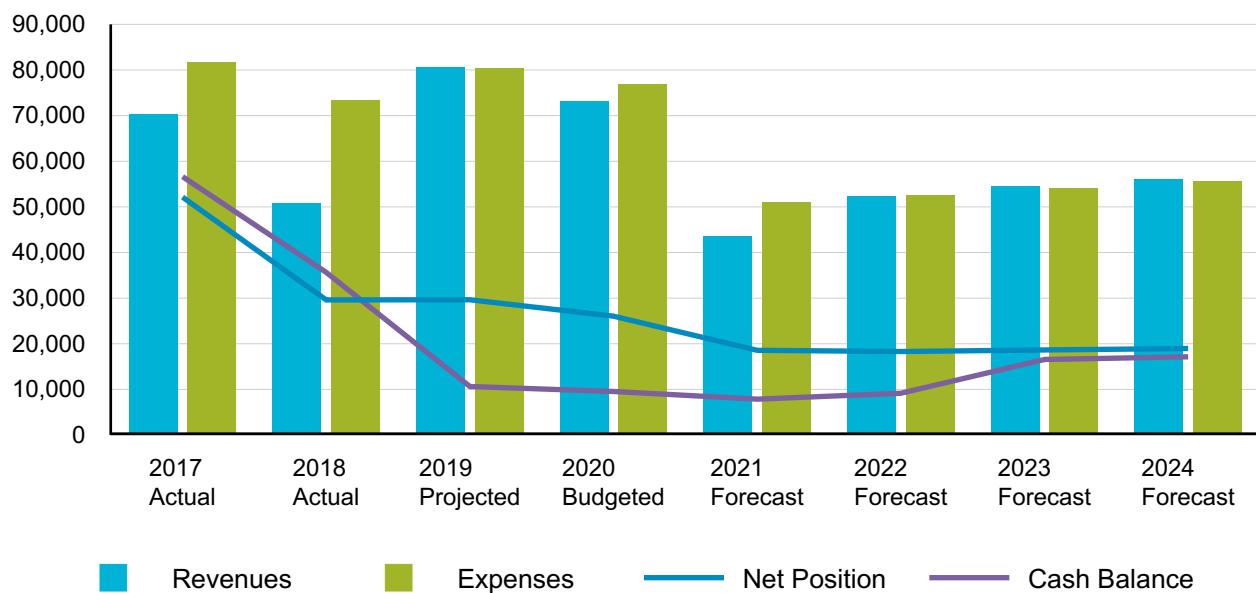
The Convention Center's 2016 operating revenues reached \$18.3 million or 110% of the \$16.7 million budget. The 2017 operating revenue ended at approximately \$19.8 million which was \$1.4 million over 2016, and finished at 105% or \$1.0 million over the \$18.8 million budget. 2018 operating revenue set a record at \$22.9 million and finished \$2.9 million over budget and \$3.2 million over 2017.

Beginning in 2018, the Convention Center Special Revenue Fund is managed as part of the Downtown Assets umbrella fund. The Downtown Assets Fund is intended to help the City provide a coordinated management and funding structure for the physical infrastructure assets in Downtown Minneapolis which help to generate sales, liquor, lodging, restaurant, and entertainment taxes that support City spending. For more information on the Downtown Assets Fund, see the corresponding financial plan in this section of the budget book. In 2018, the Convention Center is no longer receiving a transfer of the local taxes from the General Fund, but is instead receiving a transfer from the Downtown Assets Fund where the local tax revenues are being receipted. The 2018 transfer from the downtown Assets Fund to the Convention Center was \$26.8 million.

The Convention Center's operating expenses were \$25.6 million in 2016, \$25.7 million in 2017, and \$28.6 million in 2018 which were the results of the normal day to day operations of the building. Capital expense over the same period was \$13.0 million, \$10.9 million, and \$9.6 million, and were budgeted based on building facility needs and the Convention Center's long-term capital plan. Actual year-end capital expenses often finish under budget as the result of projects in process at year-end. The unspent funds were rolled over to the following year to complete the projects. Meet Minneapolis expenses were \$9.9 million in 2016, \$10.5 million in 2017, \$10.5 million in 2018, and were based on annual contractual increases, as well as one-time sales and marketing initiatives.

## Current Year Projections

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



#### Revenues

The 2019 operating revenues are projected to finish approximately at \$19.7 million or \$1.2 million over budget based on the composition of 2019 events. The Convention Center also receives interest revenue on the cash balances within the fund and is projected to be \$1.0 million in 2019. In addition, the budgeted transfer from the Downtown Assets Fund to the Convention Center is \$59.5 million. In 2019, the Convention Center Special Revenue Fund made a capital advance to debt service funds of \$19.0 million, and received an interest payment of \$214,000 in 2019. Principal and interest payments are scheduled from 2020 - 2027 at an annual interest rate of 3.5%. The annual interest payments are reflected on the Interest on Capital Advance line on the corresponding statement.

#### Expense

The 2019 operating expenses are projected to finish at \$28.0 million which is at the 2019 adopted budget amount. Ongoing equipment/improvements expenses are projected to finish \$6.0 million under budget. Not included in the original budget is a rollover of \$10.1 million for unspent 2018 budgeted capital improvements. The majority of the \$10.1 million is to continue the plaza redesign project with a lesser amount for the Tallmadge building renovation. Construction work on the plaza project has begun, and the plaza project is expected to be complete during the summer of 2020. The Tallmadge building renovation is currently on hold pending use decisions by the City. The Convention Center may request a 2020 rollover of a portion or all of the unspent 2019 ongoing equipment/improvements budget to complete projects in process but uncompleted at year-end. Meet Minneapolis and debt service are expected to finish at budget.

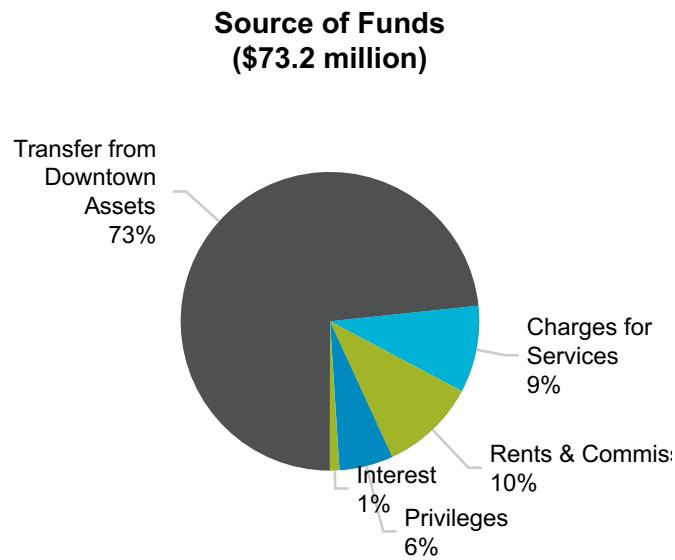
#### Net Income, Cash Balance, Fund Balance

The Convention Center has had a planned use of fund balance resulting in a nearly break-even year with \$37,000 in net income. The 2019 fund balance is expected to remain relatively flat with a \$29.7 million in 2018 to \$29.6 million in 2019. With the \$19.0 million loan, 2019 cash was reduced significantly from \$35.6 million in 2018 to a projected \$10.6 million in 2019.

## 2020 Budget

### Revenues

Total operating revenue for 2020 is expected to be approximately \$18.8 million which is a decrease of approximately \$955,000 over the most recent 2019 projection. The decrease is based on the number and composition of Convention Center events.

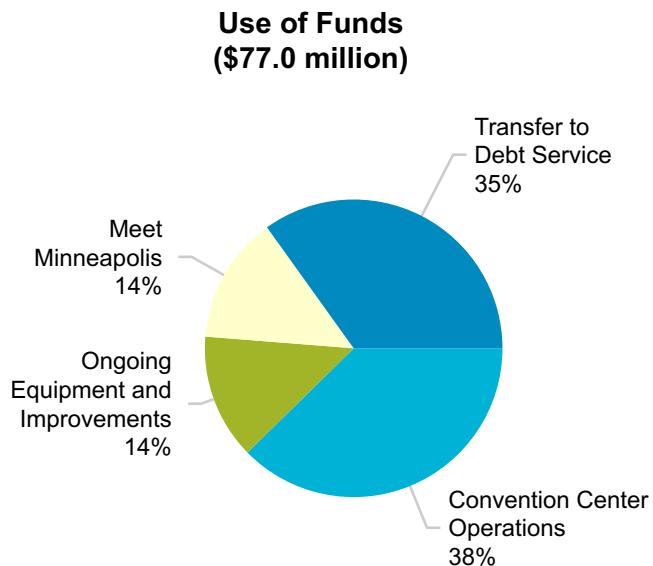


### Expenditures

The 2020 operating expenses are expected to be approximately \$28.9 million which is an increase of \$901,000 or 3.2% over the most recent 2019 projection.

### Transfers/Debt Service

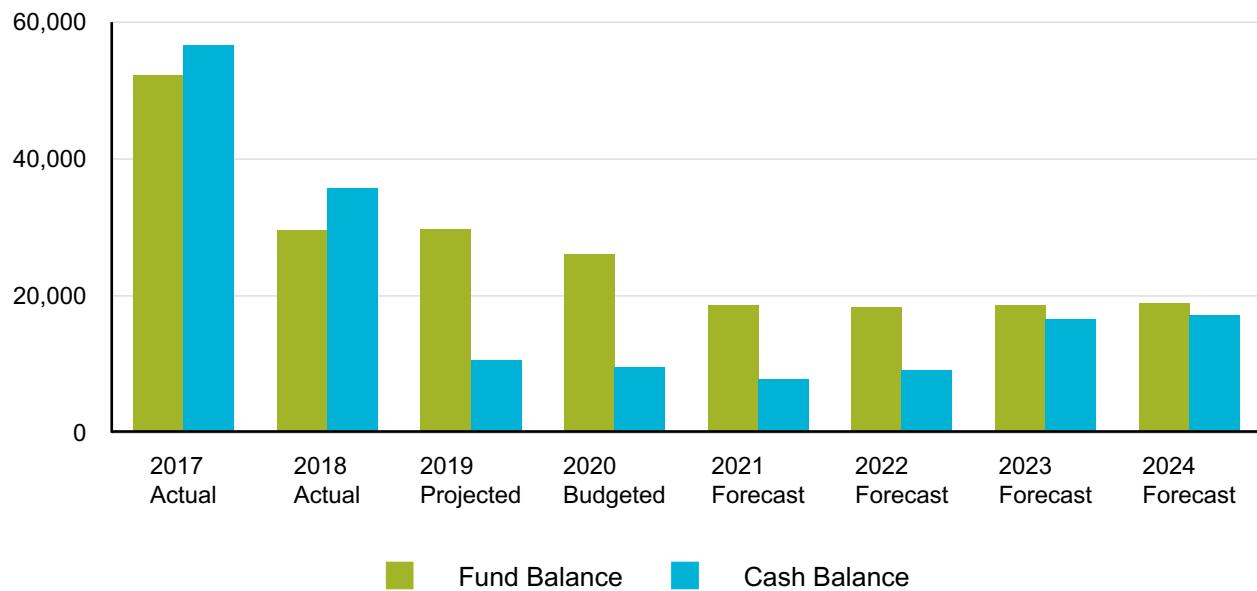
There is a budgeted transfer of \$26.8 million to debt service for building related debt. Convention Center debt service transfers began in 1993, and transfers are made annually. Debt service is expected to be paid off in 2020.



### *Net Income, Cash, and Fund Balances*

2020 net income is budgeted to finish at a \$3.7 million net loss. This comes after net losses from 2016 - 2018 and a nearly break-even year projected in 2019. There has been a planned use of fund balance within the Convention Center Fund to reduce fund and cash balances. This intentional draw down of cash reserves will help build a reserve in the Downtown Assets umbrella fund, of which the Convention Center Fund is a part. Having the Convention Center in the umbrella fund will help provide flexibility in managing all of the City's major revenue-generating downtown assets. The 2020 ending fund and cash balances are projected to be \$25.9 and \$9.4 million, respectively.

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



**City of Minneapolis**  
**2020 Council Adopted Budget**  
**Financial Plan (in thousands of dollars)**

**Minneapolis Convention Center Special Revenue Fund**

	2017 Budget	2017 Actual	2018 Budget	2018 Actual	2019 Budget	2019 Projected	% Chg From 2019	2020 Budget	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast
<b>Source of Funds:</b>												
Charges for Services	6,700	6,614	7,300	8,977	6,700	7,600	6,900	-9.2 %	7,107	7,320	7,540	7,766
Rents and Commissions	7,836	9,100	8,196	9,297	7,830	7,830	7,600	-2.9 %	7,828	8,063	8,305	8,554
Privileges	4,222	4,049	4,514	4,669	4,000	4,300	4,275	(0.6)%	4,403	4,535	4,671	4,812
Interest on Cash Investments	595	667	612	967	457	1,000	140	-86.0 %	50	15	101	180
Interest on Capital Advance	—	—	—	—	—	214	622	190.7 %	476	347	197	68
Other Misc Non Operating	76	142	—	17	—	30	—	—	—	—	—	—
Transfer from General Fund	49,786	49,786	—	—	—	—	—	0.0 %	—	—	—	—
Transfer from Downtown Assets	—	—	26,811	26,811	59,520	59,520	53,531	-10.1 %	23,673	31,993	33,624	34,555
<b>Total</b>	<b>69,215</b>	<b>70,358</b>	<b>47,433</b>	<b>50,738</b>	<b>78,507</b>	<b>80,494</b>	<b>73,068</b>	<b>-9.2 %</b>	<b>43,537</b>	<b>52,273</b>	<b>54,438</b>	<b>55,935</b>
<b>Use of Funds:</b>												
Convention Center Operations	26,826	25,696	28,113	28,613	28,018	28,018	28,919	3.2 %	29,786	30,680	31,601	32,549
Ongoing Equipment/Improvement	22,433	10,909	19,356	9,579	21,515	15,515	10,453	-32.6 %	10,767	11,090	11,422	11,765
Meet Minneapolis	10,613	10,489	10,451	10,451	10,242	10,242	10,637	3.9 %	10,646	10,859	11,076	11,297
Transfer to DID	250	250	—	—	—	—	—	—	—	—	—	—
Transfer to Debt Service	24,669	24,488	24,811	24,630	26,682	26,682	26,807	0.5 %	(181)	(91)	—	—
Transfer to General Fund	3,860	3,860	—	—	—	—	—	—	—	—	—	—
Transfer to City Capital	6,000	6,000	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>94,651</b>	<b>81,692</b>	<b>82,731</b>	<b>73,273</b>	<b>86,457</b>	<b>80,457</b>	<b>76,816</b>	<b>-4.5 %</b>	<b>51,018</b>	<b>52,538</b>	<b>54,099</b>	<b>55,611</b>
<b>Net Income</b>	<b>(25,436)</b>	<b>(11,334)</b>	<b>(35,298)</b>	<b>(22,535)</b>	<b>(7,950)</b>	<b>(1,470)</b>	<b>(3,748)</b>	<b>155.0 %</b>	<b>(7,481)</b>	<b>(265)</b>	<b>339</b>	<b>324</b>
<b>Ending Fund Balance</b>	<b>38,041</b>	<b>52,143</b>	<b>16,845</b>	<b>29,608</b>	<b>21,658</b>	<b>29,645</b>	<b>26,047</b>	<b>-12.1 %</b>	<b>18,566</b>	<b>18,302</b>	<b>18,645</b>	<b>18,965</b>
<b>Ending Cash Balance</b>	<b>40,099</b>	<b>56,623</b>	<b>21,325</b>	<b>35,640</b>	<b>27,690</b>	<b>10,636</b>	<b>9,543</b>	<b>-10.3 %</b>	<b>7,862</b>	<b>9,158</b>	<b>16,558</b>	<b>17,141</b>
<b>Notes</b>												
(a) The 2019 projected ongoing equipment/imp. includes [2019 budget of \$11,437] plus [2018 to 2019 capital rollover of \$10,078] less [\$6,000 to be spent in later years].												
(b) The 2019 projected ending cash balance assumes that the outstanding accounts payable (A/P) at the end of 2019 (\$6,031) is fully paid in 2019.												
In 2019 cash in this fund was used to make a \$19,010 capital advance to prepay City G.O. bonds. This capital advance will be paid back with TI revenue from four (4) City TIF Districts												

**City of Minneapolis  
2020 Budget  
Financial Plan**

**Downtown Assets Fund**

Presented with Downtown East Commons Fund & Peavey Plaza Fund

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## **Introduction**

The Downtown Assets Fund was created in 2018. The purpose of this fund is threefold:

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

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

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

## **Historical Financial Performance**

The Downtown Assets Fund's 2018 Source of Funds reached \$90.3 million or \$2.5 million over budget. The primary reason for the increase was the local taxes finishing better than expected, and interest earnings revenue from investments of cash balances within the fund finishing at \$87,000.

Use of Funds finished 2018 at \$64.3 million which was \$4.1 million under budget. The primary reason for finishing under budget was because only \$8,000 of the \$4.0 million Peavey Plaza renovation project managed by public works was expended in 2018. The unspent project funds have been rolled over to 2019 to complete the project which was incomplete at year-end but is in process in 2019.

## **Current Year Projections**

### *Revenue*

Downtown Assets Fund sources of funds are projected to be approximately \$91.6 million in 2019. The overwhelming majority of revenues come from local taxes (including sales, restaurant, entertainment, liquor, and lodging). Minneapolis local taxes are projected to finish slightly above budget at \$88.5 million which is \$1.3 million under 2018. The decrease from 2018 is primarily due to the City hosting Super Bowl LII which brought in an estimated \$2.4 million of local tax revenue in 2018. In 2019, there is also a budgeted transfer of \$2.8 million from the Arena Special Revenue Fund to the Downtown Assets Fund of excess cash. The transfer is being made to manage cash and fund balances within the Downtown Assets umbrella. The Downtown Assets is also seeing interest earnings through IMS (Investment Management Services) revenue from cash balances within the fund. 2019 interest earnings are projected to be \$350,000 which is \$64,000 under budget due to a reduction in cash from 2018.

### *Expense*

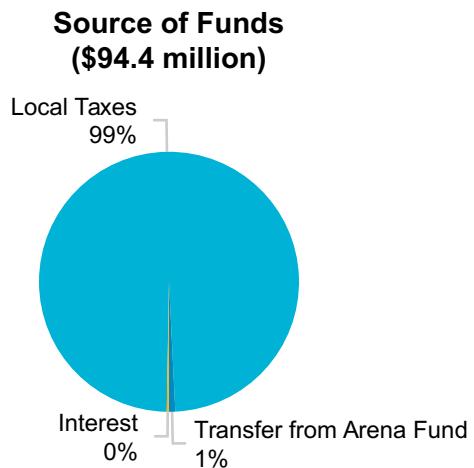
Non-transfer 2019 expenses of \$6.0 million are small in this fund compared to total projected revenues of \$91.6 million. Projected expenses within the fund include a \$4.0 million rollover for the renovation of Peavey Plaza, \$424,000 for special assessments and operation of Peavey Plaza, \$827,000 for one-time operating expenses for the Final Four and X-Games, and \$814,000 for special assessments and maintenance of the Downtown Commons. Budgeted transfers include \$31.5 million to the General Fund, \$59.5 million to the Convention Center, and \$5.7 million to the Arena Special Revenue Fund for building debt service.

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

### **2020 Budget**

#### *Revenue*

Local taxes (including sales, restaurant, entertainment, liquor, and lodging) make up the majority of the Downtown Assets Fund revenue. In 2020, local taxes are projected to be \$93.4 million which is an increase of \$4.9 million over the latest 2019 projection of \$88.5 million. The 2020 budget also includes IMS (Investment Management Services) revenue which is projected to be \$236,000, and is a decrease of \$109,000 from the latest 2019 projection. Interest revenue is projected based on cash inflows and within the fund.



#### *Expense*

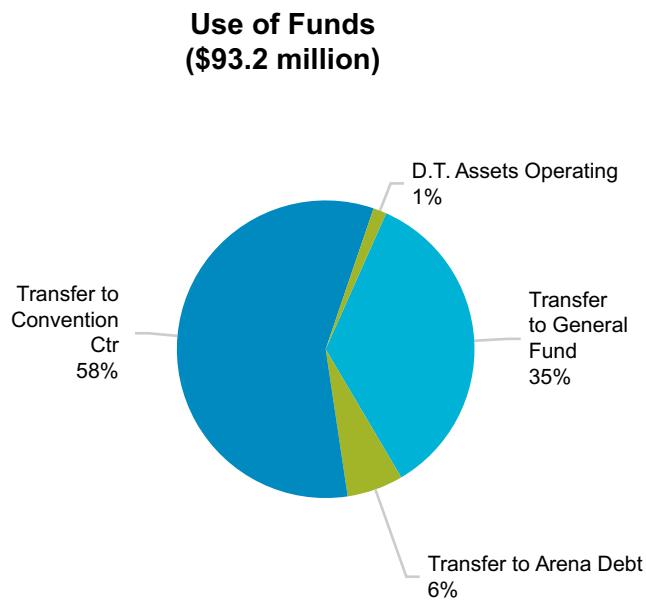
In 2020, non-transfer expenses are budgeted at \$1.3 million which includes a one-time budget \$100,000 in the Downtown Assets Fund for the X-Games, a one-time \$820,000 budget for Commons Operations, and \$424,000 for Peavey Plaza's ongoing operating expenses. The 2020 Use of Funds budget is \$93.2 million or 9.3% under 2019 based on the most current 2019 projection. The primary reason for the reduction is the \$4.0 million 2019 Peavey Plaza capital budget to complete the Peavey Plaza renovation. There isn't a Peavey Plaza capital budget in 2020.

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

#### *Transfers*

The majority of the Use of Funds is made up of transfers. Budgeted transfers include \$32.7 million to the General Fund which is planned to occur on an ongoing basis; a transfer of \$5.7 million to the Arena Special Revenue Fund debt service to pay debt obligations related to the recent renovation of the Target

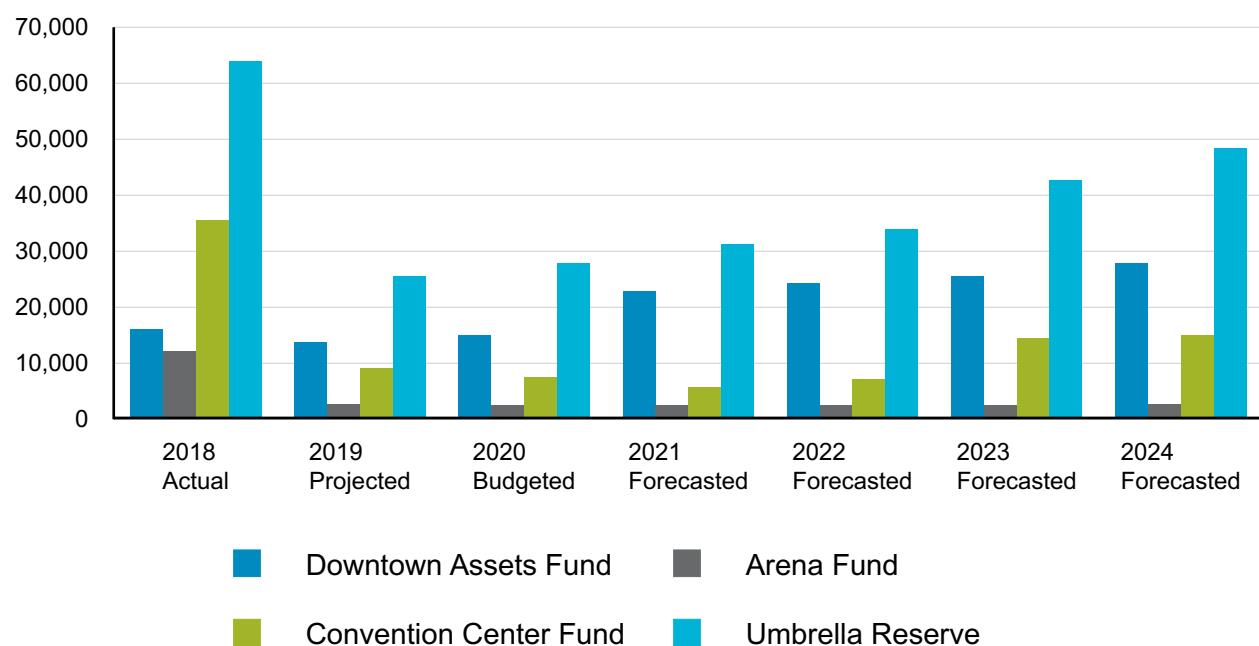
Center, and \$53.5 million to the Convention Center Fund to support operations and debt service of that facility. The Arena Fund debt service transfer will recur until the debt is paid. Debt payments are currently scheduled through 2035. The transfer to the Convention Center will decrease significantly after the building debt is paid off in 2020.



### Cash Balance

The Downtown Assets Fund is designed to provide for a cash reserve which any of the funds can access. The combined reserve, shown as the “umbrella reserve” below is budgeted at \$27.9 million in 2020, and is planned to increase to \$48.5 million in 2024. There is no minimum cash reserve policy for this fund, but the reserve is held to provide a cushion against potential unexpected dips in sales tax receipts, or to provide for emergency repairs to the Downtown Assets.

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



**City of Minneapolis**  
**2020 Council Adopted Budget**  
**Financial Plan (in thousands of dollars)**

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

	2018 Budget	2018 Actual	2019 Budget	2019 Projected	2020 Budget	From 2019 Projected	% Chg	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast
<b>Source of Funds:</b>											
Local Taxes	87,349	89,794	88,400	88,500	93,446	5.6	70,841	73,298	75,825	78,427	
Transfer from Arena Special Revenue Fund	—	—	2,757	2,757	759	0	0	0	0	0	0
Transfer from Commons Bond Proceeds	420	420	—	—	—	0	0	0	0	0	0
Downtown Assets, Peavey Plaza, and Commons Funds Interest Earnings	—	87	414	350	236	-32.6	326	417	444	480	
<b>Total</b>	<b>87,769</b>	<b>90,301</b>	<b>91,571</b>	<b>91,607</b>	<b>94,441</b>	<b>3.1 %</b>	<b>71,167</b>	<b>73,715</b>	<b>76,269</b>	<b>78,907</b>	
<b>Use of Funds:</b>											
Transfer out to City General Fund	30,850	30,850	31,462	31,462	32,711	4	33,286	33,949	34,625	35,315	
Transfer out to Arena Fund Debt Service	5,661	5,661	5,697	5,697	5,698	—	5,697	5,695	5,696	5,700	
Transfer out to Convention Center	26,811	26,811	59,520	59,520	53,531	-10.1	23,565	31,961	33,596	34,532	
Transfer out to Arena Special Rev Fund	—	—	—	—	—	—	454	478	655	837	
Downtown Assets - Operating	—	—	350	827	25	-97	0	0	0	0	0
Commons - Operating	750	839	814	814	820	0	0	0	0	0	0
Peavey Plaza - Capital	4,000	8	3,992	3,992	—	(100)%	—	—	—	—	—
Peavey Plaza - Operating	400	174	574	424	424	0	437	450	463	477	
<b>Total</b>	<b>68,472</b>	<b>64,343</b>	<b>102,409</b>	<b>102,698</b>	<b>93,209</b>	<b>-9.3%</b>	<b>63,439</b>	<b>72,533</b>	<b>75,035</b>	<b>76,861</b>	
<b>Net Change in Fund Balance</b>	<b>19,297</b>	<b>25,958</b>	<b>(10,838)</b>	<b>(11,129)</b>	<b>1,232</b>	<b>-111.1%</b>	<b>7,728</b>	<b>1,182</b>	<b>1,234</b>	<b>2,046</b>	
<b>Downtown Assets-Ending Fund Balance</b>	<b>19,297</b>	<b>25,957</b>	<b>15,119</b>	<b>14,828</b>	<b>16,060</b>	<b>8.3%</b>	<b>23,788</b>	<b>24,970</b>	<b>26,204</b>	<b>28,250</b>	
<b>Downtown Assets - Ending Cash Balance</b>	<b>19,297</b>	<b>16,162</b>	<b>5,324</b>	<b>14,785</b>	<b>16,017</b>	<b>8.3 %</b>	<b>23,745</b>	<b>24,927</b>	<b>26,161</b>	<b>28,207</b>	
<b>Arena Special Revenue Fund - Ending Cash Balance</b>	<b>7,014</b>	<b>12,155</b>	<b>4,168</b>	<b>3,750</b>	<b>2,515</b>	<b>(33)%</b>	<b>2,554</b>	<b>2,595</b>	<b>2,635</b>	<b>2,678</b>	
<b>Convention Center Fund - Ending Cash Balance</b>	<b>21,325</b>	<b>35,640</b>	<b>27,690</b>	<b>10,636</b>	<b>9,393</b>	<b>(12)%</b>	<b>7,712</b>	<b>9,008</b>	<b>16,408</b>	<b>16,991</b>	
<b>Downtown Assets Umbrella-Combined Ending Cash Balance</b>	<b>47,636</b>	<b>63,957</b>	<b>37,182</b>	<b>29,171</b>	<b>27,925</b>	<b>(4)%</b>	<b>34,011</b>	<b>36,530</b>	<b>45,204</b>	<b>47,876</b>	

**City of Minneapolis  
2020 Budget  
Financial Plan**

**Neighborhood & Community Relations Special Revenue Fund**

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## Introduction

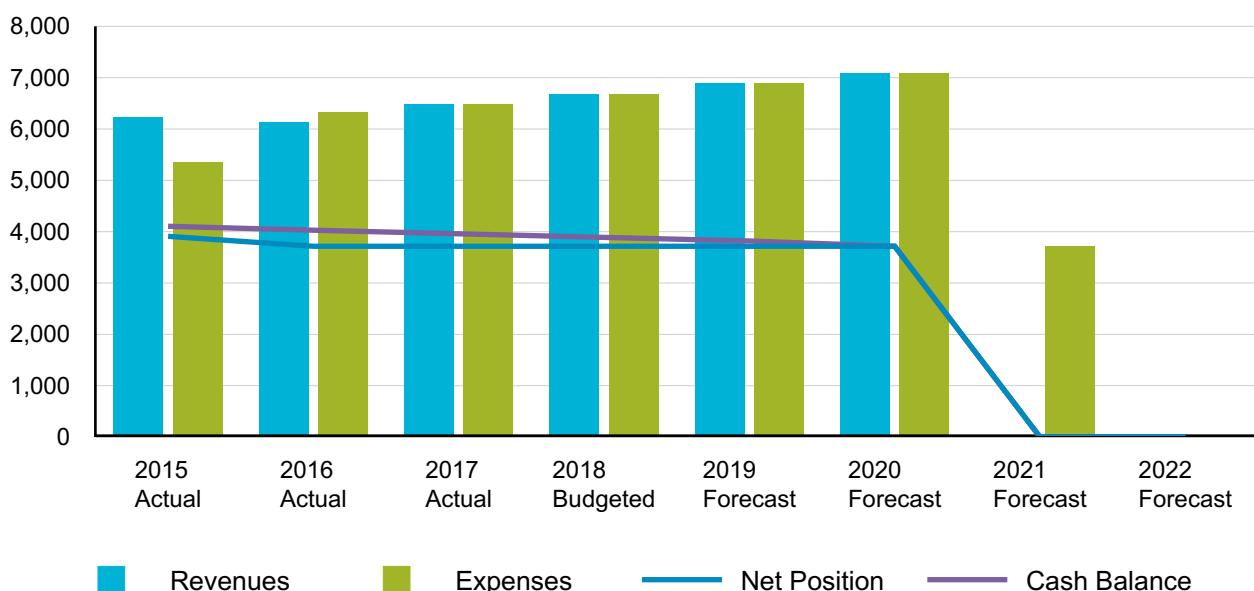
The Neighborhood & Community Relations (NCR) Special Revenue Fund accounts for neighborhood revitalization efforts within the City and is funded by revenues of the Consolidated Redevelopment Tax Increment Financing District. This district was established pursuant to special legislation adopted in 2008,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

## Historical Financial Performance

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

## Current Year Projections

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



## Revenues

The NCR Special Revenue Fund will receive a transfer in of \$6.9 million from the Consolidated Redevelopment Tax Increment Financing District Fund in 2019.

### *Expense*

Expenditures for 2019 are projected to be \$6.9 million, the same as the budget.

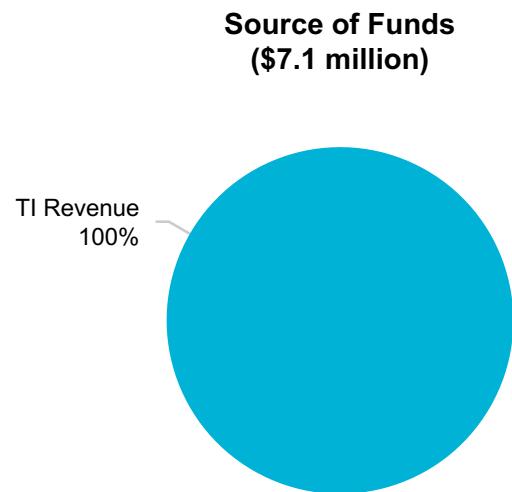
### *Net Position & Cash Balance*

Current year revenue and projected expenditures are for \$6.9 million and no major variances are expected, resulting in no change in fund

## **2020 Budget**

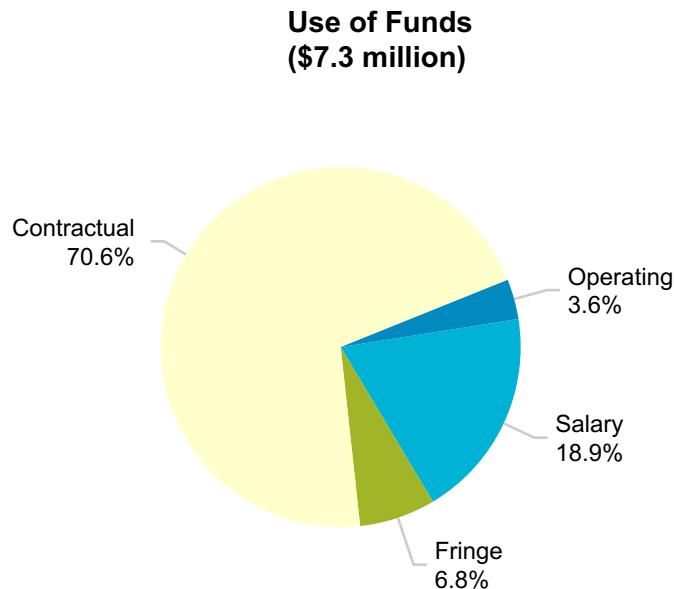
### *Revenues*

\$7.1 million will be transferred to the NCR Special Revenue Fund in 2020 from the Consolidated Redevelopment Tax Increment Financing District Fund. This will reflect a 3% increase from the FY2019 revenue amount.



### *Expense*

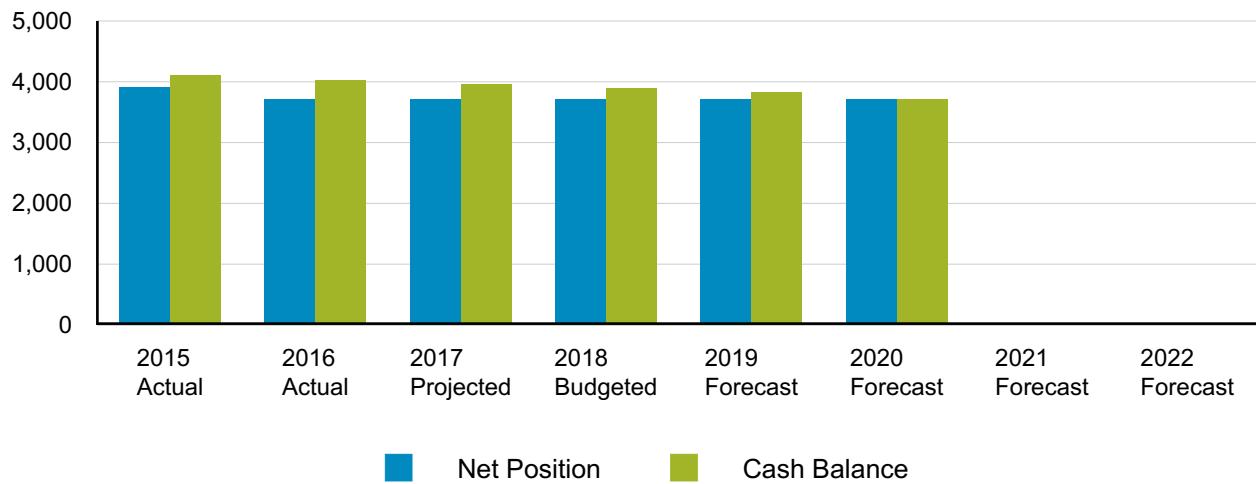
There are no significant changes to prior years Programs. NCR Special Revenue Fund expenditures are planned for \$7.3 million.



### *Net Position & Cash Balance*

As of December 31, 2018, the fund net position was \$3.3 million and the cash balance was \$3.5 million. At the end of 2019 the projected fund net position is \$3.3 million and the projected cash balance is \$3.5 million. These balances are comparable to the prior year. No significant variance in net position or cash balance is anticipated prior to 2021.

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



**City of Minneapolis**  
**2020 Council Adopted Budget**  
**Financial Plan (in thousands of dollars)**

**Neighborhood and Community Relations Special Revenue Fund**

	2017 Budget	2017 Actual	2018 Budget	2018 Actual	2019 Budget	2019 Projected	2020 Budget	% Chg From 2019	2021 Forecast	2022 Forecast	2023 Forecast
<b>Source of Funds:</b>											
Transfer from Tax Increment Funds	6,488	6,488	6,682	6,682	6,883	6,883	7,089	3.0%	—	—	—
Loan recapture	—	—	—	2	—	—	—	—	—	—	—
<b>Total</b>	<b>6,488</b>	<b>6,488</b>	<b>6,682</b>	<b>6,684</b>	<b>6,883</b>	<b>6,883</b>	<b>7,089</b>	<b>3.0%</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Use of Funds:</b>											
Personnel Services	1,241	1,156	1,265	1,136	1,285	1,126	1,345	19.4%	1,385	—	—
Fringes	442	406	457	388	478	418	507	21.3%	522	—	—
Contractual Services	4,978	5,103	4,757	4,969	5,016	5,180	5,331	2.9%	1,380	—	—
Materials/Other	237	233	230	216	104	152	106	-30.3%	—	—	—
<b>Total</b>	<b>6,898</b>	<b>6,898</b>	<b>6,709</b>	<b>6,709</b>	<b>6,883</b>	<b>6,876</b>	<b>7,289</b>	<b>6.0%</b>	<b>3,287</b>	<b>—</b>	<b>—</b>
<b>Net Change in Fund Balance</b>	(410)	(410)	(27)	(25)	—	7	(200)	—%	(3,287)	—	—
<b>Fund Balance</b>	3,306	3,306	3,279	3,281	3,281	3,288	3,088	6.1%	—	—	—
<b>Total Cash Balance</b>		3,507	3,480	3,545	3,545	3,552	3,552			—	—

**City of Minneapolis  
2020 Budget  
Financial Plan**

**Police Special Revenue Fund**

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## **Introduction**

The Police Special Revenue Fund accounts for revenues and expenses related to federal and state administrative forfeitures, lawful gambling, and non-emergency service contracts. Prior to 2020, the Fund included the Automated Property System, and the Workforce Director scheduling and payroll system. The Automated Property and Workforce Director systems are proprietary software systems that are owned and managed by the City of Minneapolis and recover expenses from user agreements with other governmental and non-governmental entities. The 2020 Budget authorized the Minneapolis Police Department (MPD) to decommission both programs as both software neared end of life and were no longer sustainable.

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

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

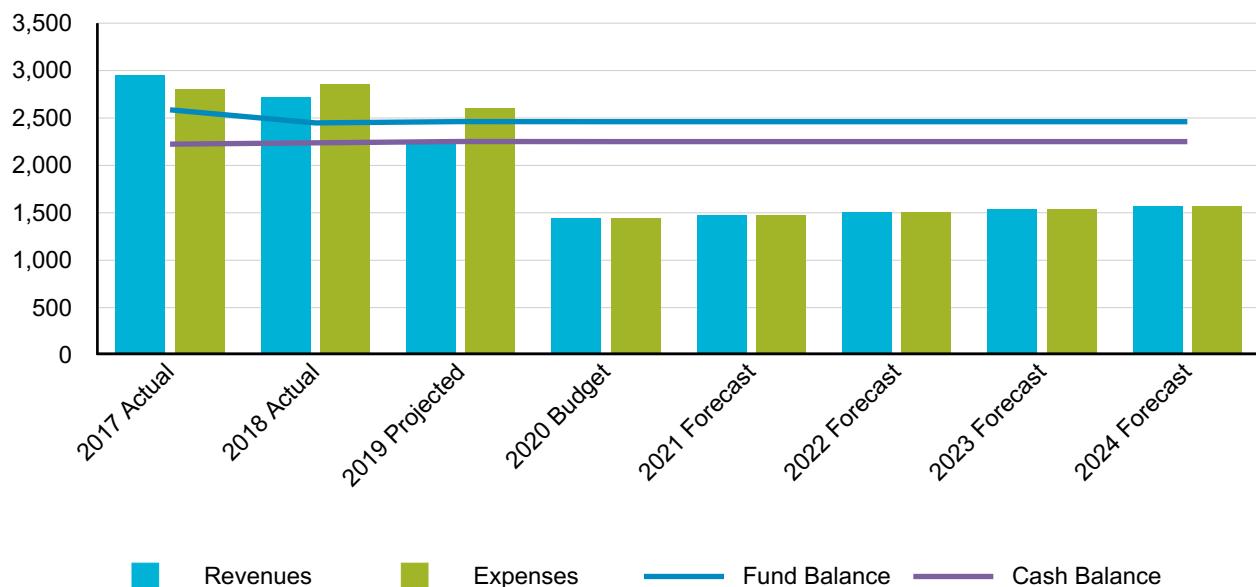
## **Historical Financial Performance**

The projected accumulated fund balance for 2019 is \$2.4 million compared to \$2.6 million in 2017. Over the past five years, the fund balance has increased from \$1.1 million in 2014 to \$2.4 million in 2019. The increase in fund balance over the past six years is primarily due to the following:

- Decrease in 2018 due to a refund issued to charitable gambling organizations, \$224,000.
- Increase due to transfer of Workforce Director expenditures to the general fund of \$250,000 and \$300,000 in 2015 and 2016, respectively. In addition, Workforce Director received additional revenue of \$150,000 in 2018 from MPD to offset programming/configuration cost incurred on behalf of MPD.
- Increase due to reduction of personnel expenditures in 2015 of approximately \$140,000 due to vacancies.
- Increase due to forfeiture revenue of \$567,000 from 2014 to 2018.

## Current Year Projections

### Financial Snapshot Police Special Revenue Fund (in thousands of Dollars)



#### Revenues

Total projected revenue for 2019 is \$2.3 million compared to 2019 budget of \$2.6 million. This decrease is predominately due to loss of the \$200,000 Detox van contract; anticipated \$300,000 decrease due to loss of the US Bank perimeter contract; and a decrease in APS revenue of \$200,000. It is offset by an increase in forfeiture revenue and snow emergency buyback revenue of \$300,000 and \$100,000, respectively. Remaining differences are mainly due to rounding.

#### Expenditures

Total projected expenditures for 2019 are \$2.2 million compared to the 2019 budgeted expenditures of \$2.6 million. This decrease is proximately due to loss of the \$200,000 Detox van contract; an anticipated \$300,000 decrease in the US Bank security service contract mainly due to loss of the perimeter contract; and decrease in DID buyback expenses of \$50,000. The decrease in expenses is offset by an increase in forfeiture expenditures of \$150,000 for the purchase of equipment, an increase in snow emergency service expenses of \$100,000 and a decrease in APS expenditures of \$100,000. Remaining differences are mainly due to rounding.

#### Net Position & Cash Balance

Projected current year Fund Balance of \$2.5 million and Cash Balance of \$2.3 million are slightly more than the budgeted fund balance of \$2.4 million and budgeted Cash Balance of \$2.2 million. The difference is mainly due to rounding and slight increase in forfeiture revenue and offset by decrease in charges for services and sales.

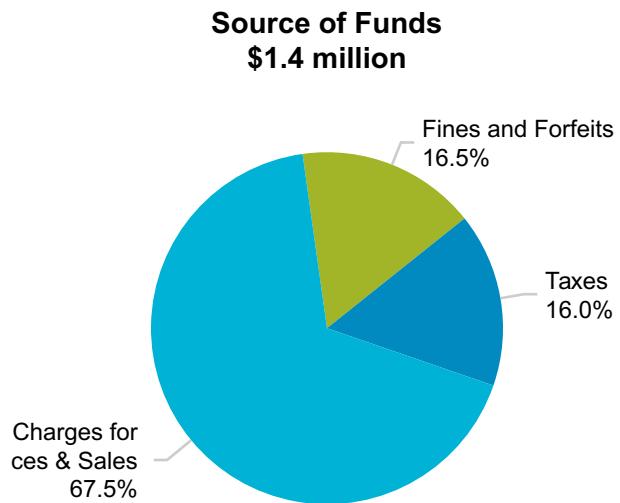
## **2020 Budget**

Fiscal Year 2020 budgeted revenue and expense are expected to decrease as the Detox Van service contract with Hennepin County was discontinued after the end of Fiscal 2018 and SMG terminated US Bank Perimeter contract. Decommissioning the current intellectual property systems also leads to a reduction in both revenues and expenses for 2020.

### *Revenues*

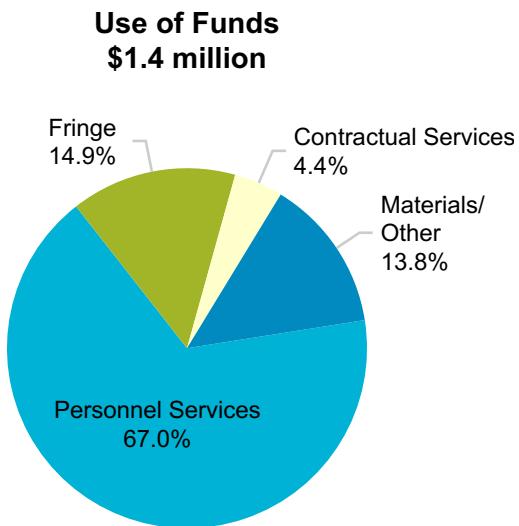
Budgeted Fiscal Year 2020 revenue is expected to decrease by 44% from 2019 to 2020 due to termination of Detox Van service contract and US Bank Perimeter contract and the replacement of Automated Pawn System (APS) and Workforce Director System. Fines and forfeiture revenue fluctuate from year to year as number of forfeiture cases settled in each year fluctuate from year to year.

Charges for services and sales makes up 68% of anticipated revenue in 2020 compared to 61% in 2019 projected amount. In 2018, charges for services and sales made up 80% of actual revenue compared to 76% in 2017.



### *Expenditures*

Salaries and fringe benefits make 58% of anticipated 2020 expenditures compared to 52% in 2019 projected expenditures. In 2018, actual salaries and fringe benefits made up of 54% of actual expenditures compared to 67% in 2017. The decrease from 2017 to 2018 was predominately due to reduction in overtime cost associated with termination of US Bank Stadium perimeter contract coupled with refunding of accumulated gambling fund balance to charitable organization as mandated by the State of Minnesota which resulted increase in expenditures other than salaries and benefits.

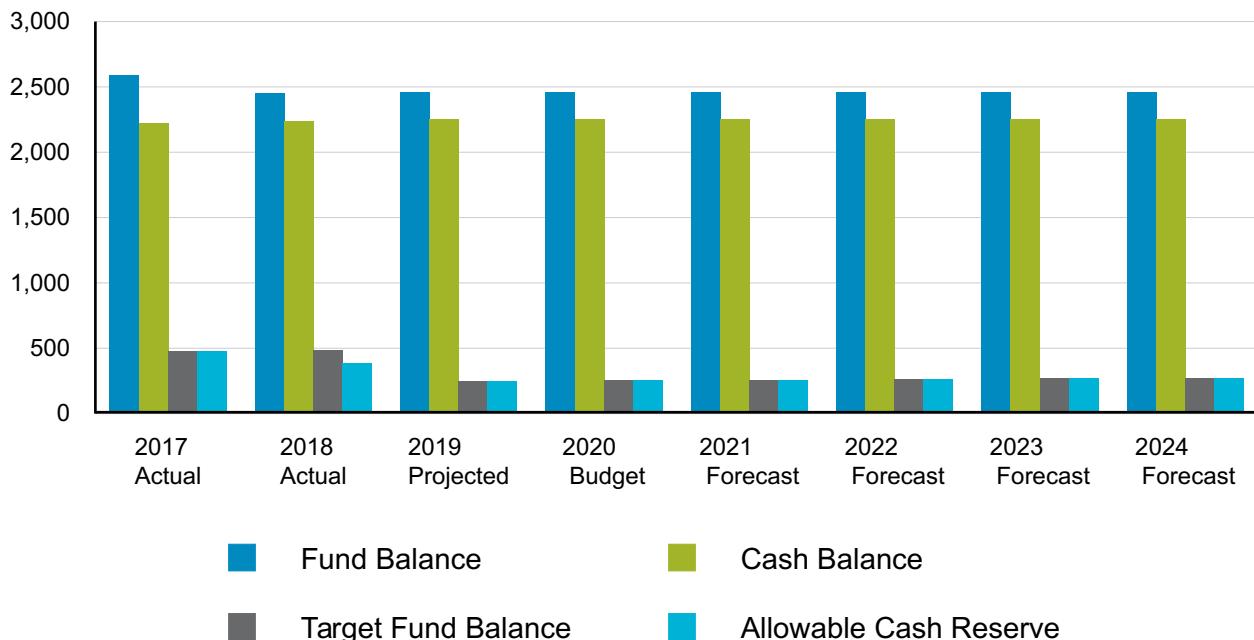


#### *Fund Balance & Cash Balance*

The fund and cash balance as of December 31, 2018 and 2017 were \$2.4 million and \$2.6 million, respectively. Both the fund balance and cash balance have significantly increased over the past five years. The fund balance increased from \$1.1 million in 2014 to \$2.4 million in 2018. The decrease in fund balance from 2017 to 2018 was predominately due to refunding of accumulated gambling fund balance to charitable organizations mandated by the State of Minnesota. The projected fund balance is \$2.54 million in 2019. The fund balance is expected to decrease by \$609,000 in 2020 due to changes with APS and Workforce Director System. The fund's cash balance increased from \$1 million in 2014 to \$2.2 million in 2018. Projected cash balance in 2019 is \$2.3 million but cash balance is expected to decrease by \$609,000 in 2020 due to changes to APS and Workforce Director System.

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

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



**City of Minneapolis**  
**2020 Council Adopted Budget**  
**Financial Plan (in thousands of dollars)**

**Police Special Revenue Fund**

	2017 Budget	2017 Actual	2018 Budget	2018 Actual	2019 Budget	2019 Projected	% Chg 2019 Budget Projected	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast
<b>Source of Funds:</b>											
Charges for Services and Sales	2,455	2,227	2,074	2,175	2,033	1,372	976 -28.9%	1,007	1,037	1,068	1,100
Fines and Forfeits	400	493	338	281	338	631	239 -62.1%	239	239	239	239
Miscellaneous	—	3	—	—	—	—	— 0.0%	—	—	—	—
Taxes	185	224	200	256	231	260	231 -11.2%	231	231	231	231
<b>Total</b>	<b>3,040</b>	<b>2,947</b>	<b>2,612</b>	<b>2,712</b>	<b>2,602</b>	<b>2,263</b>	<b>1,446 -36.1%</b>	<b>1,477</b>	<b>1,507</b>	<b>1,538</b>	<b>1,570</b>
<b>Use of Funds:</b>											
Capital Outlay	—	—	—	40	14	232	— 0.0%	—	—	—	—
Personnel Services	1,620	1,503	1,800	1,241	1,472	910	969 6.5%	998	1,028	1,059	1,090
Fringes	369	365	357	309	342	257	215 -16.3%	221	228	235	242
Contractual Services	649	676	780	1,009	487	567	63 -88.9%	6	7	7	7
Materials/Other	401	255	275	251	287	283	199 -29.7%	252	245	238	231
<b>Total</b>	<b>3,039</b>	<b>2,799</b>	<b>3,212</b>	<b>2,850</b>	<b>2,602</b>	<b>2,249</b>	<b>1,446 -35.7%</b>	<b>1,477</b>	<b>1,508</b>	<b>1,539</b>	<b>1,570</b>
<b>Net Change in Fund Balance <sup>1</sup></b>	<b>1</b>	<b>148</b>	<b>(600)</b>	<b>(138)</b>	<b>—</b>	<b>14</b>	<b>—</b>	<b>—</b>	<b>(1)</b>	<b>(1)</b>	<b>—</b>
<b>Fund Balance <sup>1</sup></b>	<b>2,439</b>	<b>2,586</b>	<b>1,986</b>	<b>2,448</b>	<b>2,448</b>	<b>2,462</b>	<b>2,462 0.0%</b>	<b>2,462</b>	<b>2,461</b>	<b>2,460</b>	<b>2,460</b>
<b>Cash Balance</b>	<b>2,106</b>	<b>2,224</b>	<b>1,624</b>	<b>2,238</b>	<b>2,238</b>	<b>2,252</b>	<b>2,251 0.0%</b>	<b>2,251</b>	<b>2,251</b>	<b>2,251</b>	<b>2,251</b>
<b>Target Cash Reserve <sup>2</sup></b>	<b>517</b>	<b>476</b>	<b>546</b>	<b>485</b>	<b>442</b>	<b>382</b>	<b>246 -35.6%</b>	<b>251</b>	<b>256</b>	<b>262</b>	<b>267</b>
<b>Variance Cash to Target Cash</b>	<b>1,589</b>	<b>1,748</b>	<b>1,078</b>	<b>1,754</b>	<b>1,796</b>	<b>1,870</b>	<b>2,005 7.2%</b>	<b>2,000</b>	<b>1,995</b>	<b>1,989</b>	<b>1,984</b>

<sup>1</sup> The Net Change in Fund Balance and fund balance for 2017 and 2018 are the amounts recorded in the CAFR.

<sup>2</sup> In accordance with the financial reserve policy, target cash reserve is 17%.

**City of Minneapolis  
2020 Budget  
Financial Plan**

**Regulatory Services Special Revenue Fund**

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## Introduction

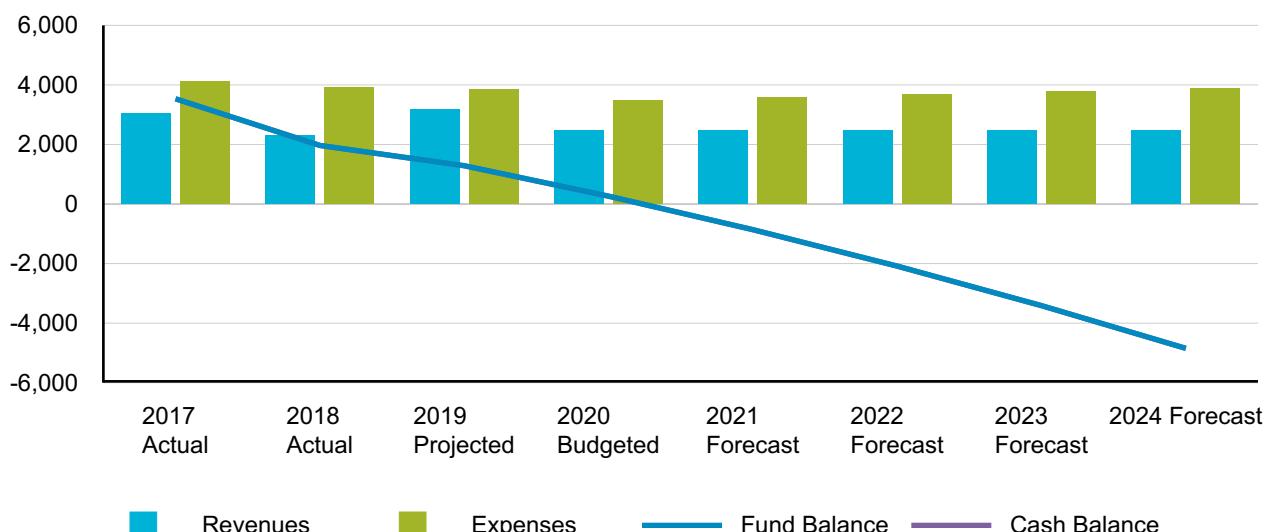
The Regulatory Services Special Revenue Fund accounts for the City's nuisance building abatement efforts, and operations within the fund are primarily managed by the Regulatory Services Department. The Fund is used for the abatement of buildings that have been deemed to be in nuisance condition pursuant to Chapter 249 for removal of nuisance conditions. Property owners are charged to recover the costs of these activities and all recovered costs are credited back to this fund. The majority of revenue in the fund is received from Special Assessments paid with property taxes twice annually. In 2013 the Construction Code Services division of Regulatory Services was transferred to Community Planning and Economic Development (CPED). A portion of the activities in the Regulatory Services Special Revenue Fund are now managed by CPED.

## Historical Financial Performance

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

## Current Year Projections

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



## *Revenues*

The majority of the revenue in this fund comes from Vacant Building Registrations. Homeowner citations, paid directly or through Special Assessments is another source. Special Assessment revenue is projected to experience a significant decline in 2018 due to a calendaring change in the billing procedure for the Vacant Building Registrations in 2017. Revenue for 2019 is projected to be \$2.8 million.

## *Expenses*

Expenditures for the Regulatory Services Special Revenue Fund include services such as demolitions, board-ups, nuisance grass cutting, nuisance tree removals and nuisance rubbish removal. As fewer citations are written, fewer contractors are required to perform nuisance abatements, thereby reducing expenditures. Additionally, fewer demolitions are being performed and that has reduced Capital Outlay spending from budgeted figures although expenses are projected to be slightly higher than in 2017. Expenditures in this fund are projected to end the year under budget. That is consistent with prior year expenses as a percent of the adopted budget. Based on this information, this fund is projected to finish 2019 under the adopted budget by approximately \$300,000 or 7%.

## *Fund Balance & Cash Balance*

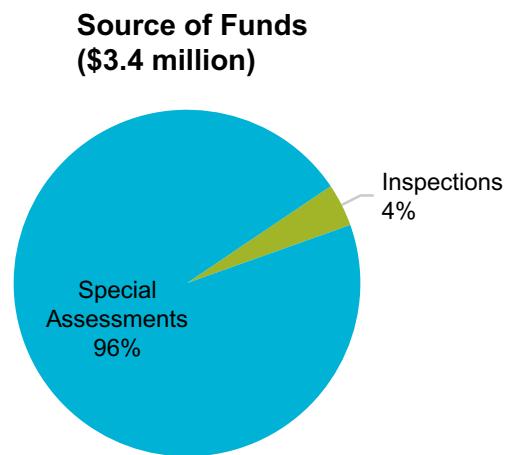
Current year revenue is projected to fall short of the adopted budget, while expenses are projected to be less than budget. The result is that the fund balance is projected to be reduced by \$1,100,000. The cash balance is projected to decline by \$1,100,000.

## **2020 Budget**

There are no significant planned or anticipated changes from prior years for the fund. That being said, both revenue and expenditures are expected to go down approximately 6% and 18% respectively from the 2019 adopted budget. The revenue decrease is from the continued decrease in citations being written, as well as a change in the procedure used to bill Vacant Building Registrations. As fewer citations are written, there is less need for contractors to complete the nuisance abatement repairs.

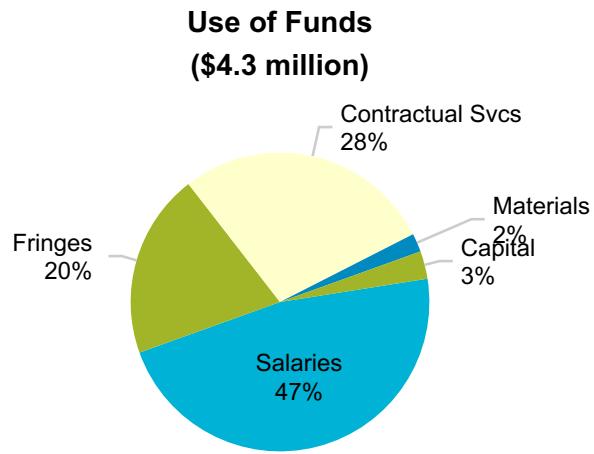
## *Revenues*

Revenue budgeted for the Regulatory Services Special Revenue Fund for 2020 is slightly lower than the 2019 Adopted Budget by 6%. This is a result of less revenue anticipated primarily from Inspections. As previously discussed, revenue is declining due to fewer citations. Focus has shifted from enforcement (citations) to a proactive engagement strategy to manage problem properties and educate homeowners, which has led to a reduction in code.



## *Expenditures*

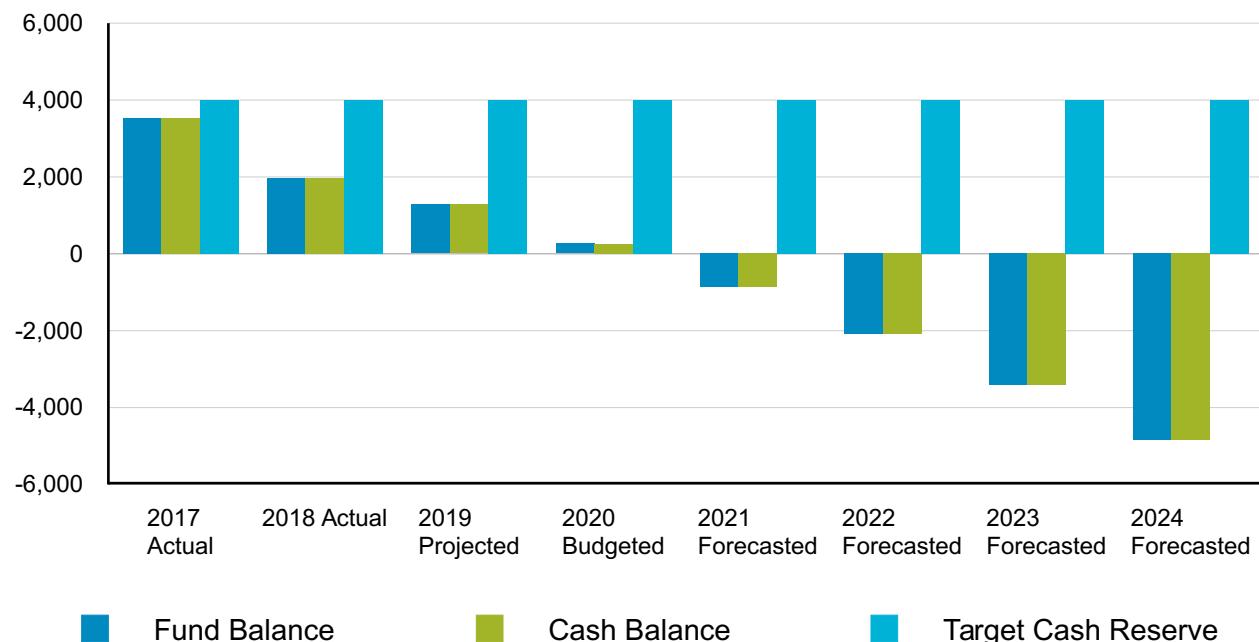
No new program changes are anticipated for 2020. Staff will continue to focus on rehabilitation and education rather than strict enforcement. Expenditures are expected to decrease by 11% from the 2019 projection, and are 18% less than the 2019 adopted budget. Expenditures are projected to increase with the cost of living over the next several years.



## *Fund Balance & Cash Balance*

The fund balance and cash balance for the Regulatory Services Special Revenue Fund was \$2.0 million as of December 31, 2018. The fund balance and cash balance have been declining for several years and are projected to both be less than \$850,000 at the end of 2019. These figures are based on a deficiency of revenue over expenditures of \$1,100,000 in 2019. The result of these figures is that there are insufficient operating reserves in this fund to carry it past 2020 without a transfer from other funds.

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



**City of Minneapolis**  
**2020 Council Adopted Budget**  
**Financial Plan (in thousands of dollars)**

**Regulatory Services Special Revenue Fund**

	2017 Budget	2017 Actual	2018 Budget	2018 Actual	2019 Budget	2019 Projected	2020 Budget	% Chg From 2019	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast
<b>Source of Funds:</b>												
Special Assessments	3,300	2,921	3,116	2,047	2,348	1,924	2,370	23.2%	2,370	2,370	2,370	2,370
Inspections/Miscellaneous	125	150	248	330	279	102	100	-2.0%	100	100	100	100
Transfer In					800	800						
Total	3,425	3,071	3,364	2,377	3,427	2,826	2,470	-12.6%	2,470	2,470	2,470	2,470
<b>Use of Funds:</b>												
Capital Outlay	425	177	425	79	100	161	115	-28.6%	115	115	115	115
Personnel Services	2,527	2,152	2,308	2,101	2,195	1,968	1,648	-16.3%	1,697	1,748	1,801	1,855
Fringes	1,014	827	962	844	883	759	687	-9.5%	723	752	782	813
Contractual Services	1,243	958	1,301	869	1,045	1,022	989	-3.2%	1,005	1,022	1,040	1,058
Materials/Other	45	29	49	51	43	42	53	26.2%	55	57	60	63
Total	5,254	4,143	5,045	3,944	4,266	3,952	3,492	-11.6%	3,595	3,694	3,798	3,904
<b>Net Change in Fund Balance</b>	(1,829)	(1,072)	(1,681)	(1,567)	(839)	(1,126)	(1,022)	-9.2%	(1,125)	(1,224)	(1,328)	(1,434)
<b>Fund Balance</b>	2,778	3,536	1,855	1,969	1,005	843	(179)	-121.2%	(1,304)	(2,528)	(3,856)	(5,290)
<b>Total Cash Balance</b>	2,859	3,532	1,851	1,965	1,001	839	(183)	-121.8%	(1,308)	(2,532)	(3,860)	(5,294)

**City of Minneapolis  
2020 Budget  
Financial Plan**

**Municipal Parking Fund**

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**Introduction**

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

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

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

**Historical Financial Performance**

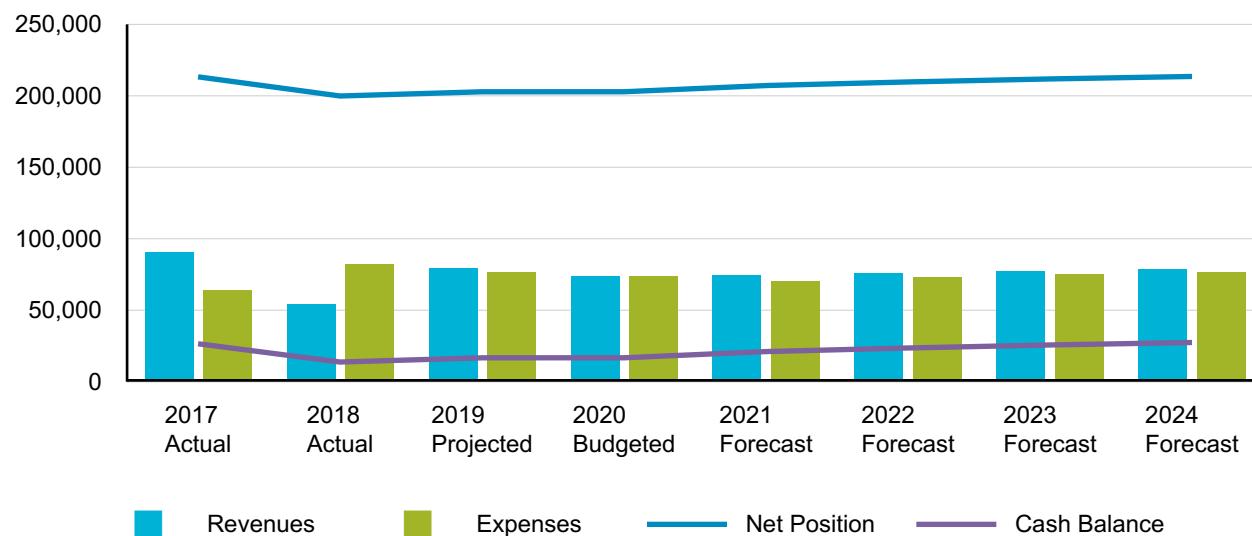
For the most recent five years (2014 to 2018) the Parking Fund's financial condition has historically been stable and positive. The Fund continues to experience financial demands related to remaining debt levels and funding needs of other City functions, with transfers or dividend payments resulting in lower Fund net income. The cash balance has fluctuated yearly based on unique one-time expenses, mostly capital and transfers. The Fund Operating Cash Balance remains positive and at 2018 year-end was \$13.8 million.

For the most recent five years (2014 to 2018) the parking system performance has increased cash flow from operations. The parking system is generally reflective of economic and employment conditions. Steady off-street parking use along with recent economic upturn and employment gains in downtown have resulted in additional off-street parking business. Between 2010 and 2018, the parking meter technology with credit card capability, event rates, additional meter coverage, and improved economic conditions have resulted in strong revenue growth. The recent addition of the parking smartphone app has resulted in on-street revenue growth in both 2017 and 2018. Overall in 2018, the parking system revenue increased about 2.8% due mainly to the continued increase in parking meter revenue for the above reasons and higher performing parking facilities around US Bank Stadium.

The year-end 2018 overall debt principal was \$69.8 million. The future debt is scheduled over the next 15 years with payments that are relatively constant but fluctuate slightly over those years. The Fund's parking system generates positive earnings and is capable of satisfying its debt service while maintaining its capital assets.

## Current Year Projections

### Financial Snapshot – Parking Fund (in thousands of Dollars)



#### Revenues

The current 2019 revenues are performing well and Parking Fund revenues are projected to increase by about 47.0% from \$53.8 million in 2018 to \$79.2 million in 2019 due to the meter telephone app, proceeds from long term debt and transfer of the Government Center Parking Ramp completed in 2018.

#### Expenses

The current 2019 expenses are on-track and the projected Parking Fund expenses are decreasing by 7%. The decrease in expenses in 2019 is due to the buy down of bonded debt.

In addition to operating expenses, the 2019 budget includes \$1.0 million for impound lot capital improvements and \$2.0 million in capital for renovation, replacements or major repairs of parking assets.

#### Net Position & Cash Balance

The Parking Fund net position includes all the assets held by the Fund. The Net Position was \$199.9 million at year-end 2018.

The 2019 Parking Fund expects an increase in net position, which is primarily due to additional On Street Revenues.

The Parking Fund cash balance at year-end 2018 was \$13.8 million. Based on the 2019 projections, the Parking Fund cash balance will increase in 2019 due to additional On Street Revenues.

## 2020 Budget

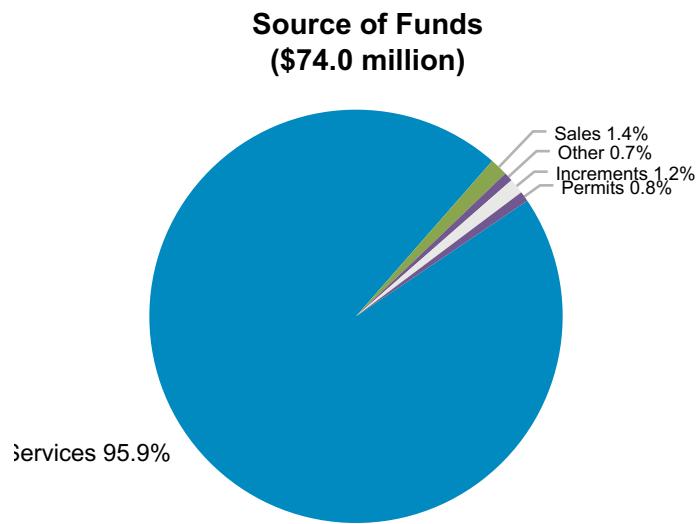
In 2018 the Government Center Parking ramp was discontinued as a City asset as part of the exchange for the new city office building construction. Since this ramp no longer exists as a city asset both the revenue and expenses for 2019 and future years have been removed from the Parking Fund forecasts.

The Parking Fund budget assumed the new Impound Lot construction would start in 2017 and be completed in 2018. The exact timing of the construction is still underway, but it appears the majority of construction may occur in 2020.

### Revenues

The 2020 Parking Fund revenue budget is expected to decrease by 6.5% to \$74.0 million from the \$79.2 million projected 2019 revenue. The 2020 revenue budget incorporates an overall parking system increase that includes continued on-street usage growth of the parking meters with their associated smartphone app, plus one-time ABC ramp revenues to offset expenses noted below and interfund borrowing for capital projects but is decreased because of lost revenue from the Government Center Ramp.

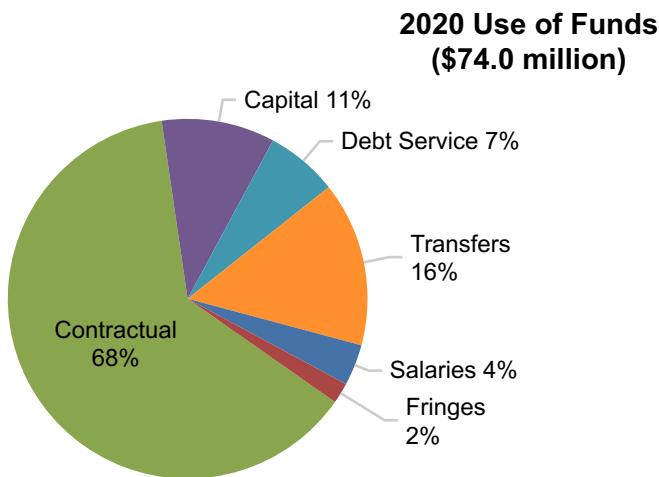
The Fund also receives special assessments and tax increment revenues. These revenues will remain the same with approximately \$0.9 million in 2019 to \$0.9 million in 2020, primarily due to tax increment. These revenues are expected to slightly increase in 2021 but then decrease in future years.



### Expenses

The 2020 proposed Parking Fund expense budget is \$74.0 million which is a 2.9% decrease from 2019 projected expenses of \$76.2 million. This 2020 decrease is due to alignment with historical actuals, and reflects anticipated decrease in Government Center Ramp expenses.

The 2020 capital budget increases from \$3.0 to \$8.5 million. Both 2019 and 2020 capital budgets include planned Impound Lot improvements, with an additional \$6.0 million in one-time maintenance spending in 2020. After 2020, the annual capital budget decreases to \$2.0 million.



### *Transfers*

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

- Target Center Arena Fund transfers are forecasted at 4.0 to 5.0% annual increases. This transfer out increases by \$0.2 million in 2020 to \$4.6 million.
- General Fund transfers increase in 2020 and are forecasted to remain flat thereafter. In 2020 this transfer out will be \$8.0 million.
- Solid Waste and Recycling annual transfer out of \$146,000 remains constant to support service for bus shelter litter containers.

### *Debt Service*

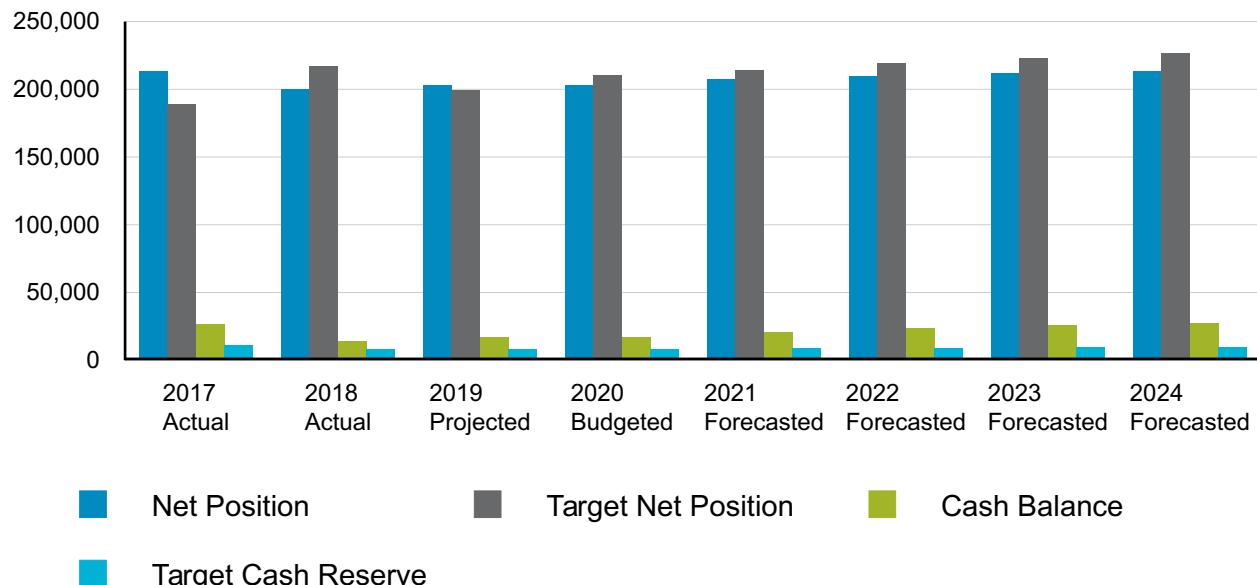
Total debt service, which includes principal and interest on bonds and notes issued for the Parking System is \$5.1 million for 2020. Total debt service payments are forecasted to increase in future years. Opportunities to reduce debt continue to be examined.

### *Net Position & Cash Balance*

The Parking Fund expects net position to remain flat at \$203.0 million in 2020, due to increasing On-Street revenues offset by increased spending.

The Parking Fund cash balance at year-end 2020 is anticipated to be approximately \$16.7 million, which is almost identical to the projected cash balance for 2019. The city financial policy sets the Target Cash Reserve at 25% of operating expenses of \$34.1 million, which equates to \$8.5 million.

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



**City of Minneapolis**  
**2020 Council Adopted Budget**  
**Financial Plan (in thousands of dollars)**  
**Municipal Parking Fund**

	2017 Budget	2017 Actual	2018 Budget	2018 Actual	2019 Budget	2019 Projected	% Chg From 2019	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast
<b>Source of Funds:</b>											
License and Permits	300	487	450	782	495	526	600	14.1 %	612	624	637
Charges for Service, Sales/Permits	60,042	67,950	61,139	69,100	64,191	69,516	71,020	2.2 %	71,243	72,529	73,840
Charges for Sales	1,100	735	1,100	1,230	1,000	1,527	1,000	(34.5)%	1,020	1,040	1,061
Special Assessments	543	—	543	—	543	—	543	— %	543	543	543
Exchange of Gov't Center Ramp	—	20,557	6,000	(18,121)	—	—	—	— %	—	—	—
Other Miscellaneous Revenues	—	13	—	90	—	47	—	— %	—	—	—
Tax Increment Transfers In	704	814	1,137	749	929	855	883	3.3 %	1,158	1,123	1,088
Proceeds of Long Term Liabilities	5,400		3,700		1,000	6,683		— %			
<b>Total</b>	<b>68,089</b>	<b>90,556</b>	<b>74,069</b>	<b>53,830</b>	<b>68,158</b>	<b>79,154</b>	<b>74,046</b>	<b>(6.5)%</b>	<b>74,576</b>	<b>75,860</b>	<b>77,169</b>
<b>Use of Funds:</b>											
Debt Service	7,674	4,814	7,674	19,289	7,143	13,076	5,135	(60.7)%	6,793	8,271	8,514
General Fund Transfer Out	7,000	7,000	7,000	8,000	7,000	7,000	7,990	14.1 %	7,640	7,840	7,840
Target Arena Transfer Out	3,940	3,940	4,158	4,158	4,383	4,383	4,615	5.3 %	4,853	5,099	5,352
Debt Service Transfer Out	—	3	—	—	—	—	—	— %	—	—	—
Sanitation Transfer Out	146	146	146	146	146	146	146	— %	146	146	146
PW-Traffic & Parking	40,973	44,777	44,160	47,365	45,962	44,793	47,639	6.4 %	48,798	49,988	51,211
PW-Traffic & Parking Capital	7,600	3,088	7,200	2,965	3,000	6,808	8,500	24.9 %	2,000	2,000	2,000
<b>Total</b>	<b>67,333</b>	<b>63,768</b>	<b>70,338</b>	<b>81,923</b>	<b>67,634</b>	<b>76,206</b>	<b>74,025</b>	<b>(2.9)%</b>	<b>70,230</b>	<b>73,344</b>	<b>75,063</b>
<b>Change in Net Position</b>	<b>756</b>	<b>26,788</b>	<b>3,731</b>	<b>(28,093)</b>	<b>524</b>	<b>2,948</b>	<b>21</b>	<b>(99.3)%</b>	<b>4,346</b>	<b>2,516</b>	<b>2,106</b>
<b>Net Position*</b>	<b>188,929</b>	<b>213,280</b>	<b>217,011</b>	<b>199,883</b>	<b>200,407</b>	<b>202,831</b>	<b>202,852</b>	<b>0.0%</b>	<b>207,198</b>	<b>209,714</b>	<b>211,820</b>
<b>Total Cash Balance**</b>		26,540	30,271	13,759	14,283	16,707	16,728		21,074	23,590	25,696
<b>Operating Cash balance</b>		26,540	30,271	13,759	14,283	16,707	16,728		21,074	23,590	25,696
<b>Target Cash Reserve</b>		11,194	7,930	8,121	8,455	8,455	8,524		8,781	9,045	9,315
<b>Variance Operating to Target Cash</b>		15,346	22,341	5,638	5,828	8,252	8,204		12,293	14,545	16,381
*Change in Net Position does not include any changes in Balance Sheet items											
**Cash Balance does not include depreciation.											
The Projected 2019 is from the May 2019 Statement of Revenues and Expenses. Revenue and expense forecast are based on anticipated increases.											

**City of Minneapolis  
2020 Budget  
Financial Plan**

**Sanitary Sewer Fund**

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**Introduction**

The Sanitary Sewer Fund accounts for the activities related to wastewater collection and treatment. Approximately 55.5% of the expense in the Sanitary Sewer Fund's 2020 budget are comprised of contractual payments made to the Metropolitan Council Environmental Services (MCES) for sewage interceptor and treatment related services. The Sanitary Sewer Fund portion is approximately 95.0% of the total paid by the City to MCES with the remaining 5.0% being provided by the Storm Water Fund. The fund also accounts for City services, operations, maintenance, design work, capital programs, transfers, and long-term debt service associated with the sanitary sewer system.

Sanitary sewer source of fund includes: monthly billing for sewer services, proceeds from sales of bond used for capital programs, SAC fees and miscellaneous activities. Monthly billing for sewer services is the major source of revenue for sanitary sewer followed by bond sales and SAC fees. SAC fees are off-set by expenditures related to the design activities and SAC charges. The Surface Water & Sewer division of the Public Works Department is responsible for the management of operations within this fund.

**Historical Financial Performance**

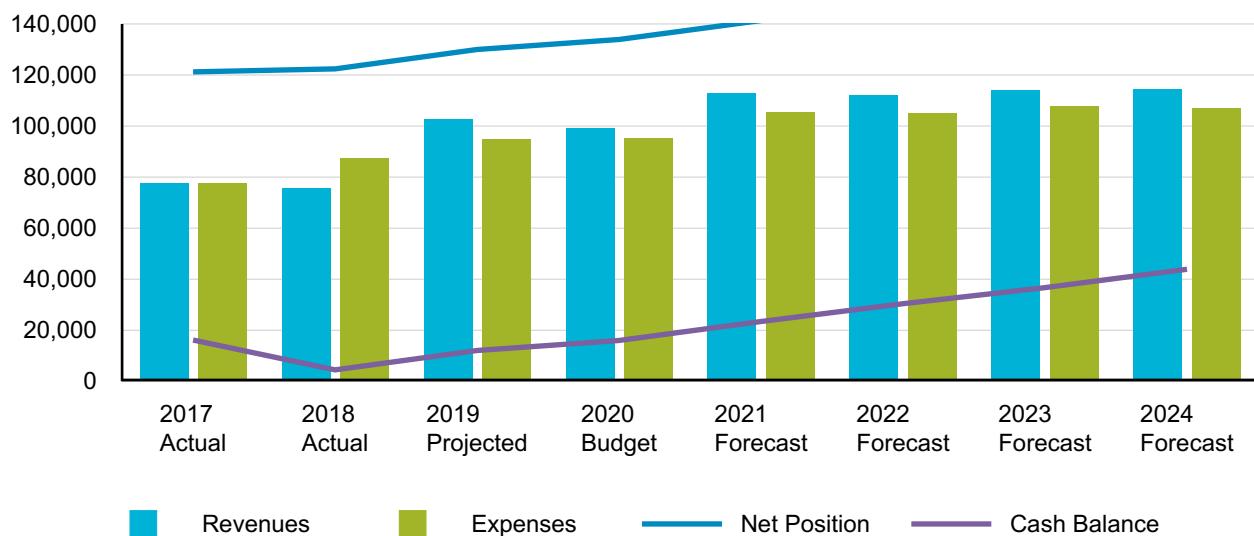
The Sanitary fund has performed consistently over the last five years up until 2018. In 2018, there were no bonds issued, thus contributing to lower than normal cash balance. In 2019, the cash balance improved somewhat to \$12.0 million. However, it is projected to gradually climb back up again starting in 2020 and future years. Other than 2018 and 2019, the fund has regularly posted cash balances in the \$16.0 million range and has also maintained its cash reserve above the three months operating threshold. Both the cash balances and cash reserve are projected to be up in the \$16.0-\$21.0 million range starting in 2020 and future years. As a result, the department has been able to use the cash balance to:

- fund operations and construction;
- (i) meet obligations for shared costs and services with other City departments;
  - (ii) appropriately time the sales of bonds to keep debt financing low;
  - (iii) structure and restructure the debt schedule for lower interest and payments; and
  - (iv) control utility rate increases.

The Sewer division will continue its major repairs, upgrades, rehabilitation and cleaning work paying these out of its operating and capital appropriations. The goal has been to maintain, and build upon, unrestricted cash reserve, and fall upon debt financing only as needed. The outlook for the fund for the next five years looks stable with increasing cash and unrestricted reserve balances.

## Current Year Projections

### Financial Snapshot Sanitary Sewer Fund (in thousands of Dollars)



#### Revenues

The current operating revenue is projected to be under the budgeted amount of \$86.3 million, when accounting for \$6 million in mid-year appropriations, by \$3.2 million due to lower reimbursements for design activities. Proceeds from prior years' bond sales are available in the arbitrage fund to cover infrastructure related costs. This balance has been projected to increase \$18.1 million from additional bond sales in 2019. Sewer Availability Charges, or SAC, are one-time fee collected from residents or businesses for initial connection to the wastewater system. These fee revenues are collected from property owners and developers and passed on to the Metropolitan Council. Therefore, any increase or decrease in SAC revenues corresponds to similar increase or decrease in SAC expenditures.

#### Expense

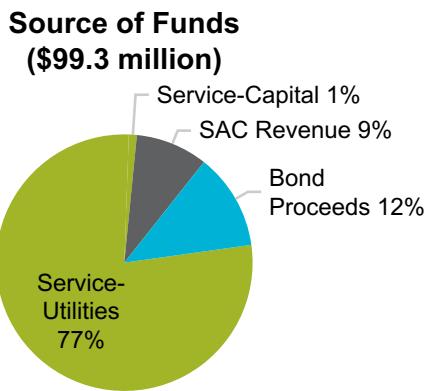
Operating expense for 2019 is projected at \$72.6 million compared to the adopted budget of \$69.9 million. As activities for major repair, rehab, cleaning, and upgrades pickup during the second half of the year, the projection for the year is \$2.7 million over the budgeted amount due largely to increased Met Council contractual obligation. Salaries and fringe at the current rate are projected to fall within the budgeted amount as personnel budgets have been modified to reflect work requirements and needs. The debt services are expected to stay level as the bond sales in 2019 were in line with budget.

#### Net Position & Cash Balance

The Sewer fund net position and cash balance are projected to total \$130.0 million and \$12.1 million respectively by the end of 2019. The cash balance is \$860,000 more than the budgeted amounts due to lower sewer maintenance costs.

#### 2020 Budget

Revenues from operations account for 85.8% of the budget with the remaining 14.2% coming from capital programs which are consistent with prior years. For 2020, use of funds is estimated to increase by 0.3% over 2019's projections.



### Revenues

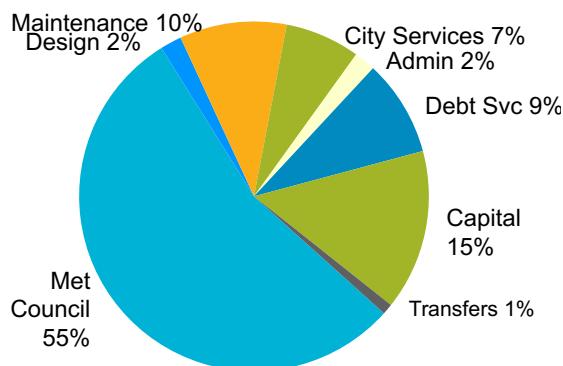
The total revenue budget for the Sanitary Sewer Fund for 2020 is \$99.3 million compared to the 2019 projected revenues of \$102.6 million, a decrease of \$2.4 million, or 3.3%. The majority of the change is a result of a combined: (i) decrease in SAC revenues of \$5.0 million due to a significant increase in city development in 2019 that was not budgeted for in 2020; (ii) increase in service revenues of \$7.3 million, reflecting increases in monthly utility rates; and a decrease in (iii) proceeds from long-term liabilities of \$6.1 million due to 2018 bonds were issued in 2019 and therefore increased bond proceeds in 2019.

### Sanitary Utility Rates

Sanitary sewer rates are comprised of variable and fixed rates. For 2020, the variable sewer rate is proposed to increase to \$4.54 per one hundred cubic feet (one *unit*, or 748 gallons) compared to \$4.21 for 2019, while the fixed rate is set at \$6.30 compared to \$5.80. Rates were increased to fund sanitary treatment programs, design, maintain, upgrade and rehab sanitary tunnels, and to pay for debt service and shared meter costs.

Year	Rate (cost per 100 per cubic feet)	% Increase	Average Monthly Bill	Utility Revenue from variable rates
2019	\$4.21	8.5%	\$25.26	\$61.4 million
2020	\$4.54	7.8%	\$27.24	\$66.5 million
2021	\$4.76	4.9%	\$28.56	\$69.7 million
2022	\$4.93	3.57%	\$29.58	\$72.1 million
2023	\$5.09	3.3%	\$30.54	\$74.4 million

### Use of Funds (\$95.3 million)



### Expense

The total expense budget for 2020 is \$95.3 million compared to the 2019 budget of \$95.7 million, an overall decrease of \$355,000, and reflects the following changes from the 2019 adopted budget: (i) increase in Met Council charges of \$1.8 million due to a rate increase; (ii) decrease in professional services, upgrades, rehab, repairs, and maintenance work by \$48,000 in the Sewer Maintenance section; (iii) increase in City services, as established by the allocation model of \$10,000; (iv) increase of \$244,000 in Sewer administration largely due to adding sewer service line repairs previously handled in the water fund ; (v) increase in debt services and transfers by \$2.0 million; and (vii) decrease in capital programs by \$4.4 million. Capital expenses for 2020 total \$14.1 million, and include a building facility, along with the ongoing inflow/infiltration, sanitary tunnel, and sewer rehab programs.

Met Council sets the rate for treatment services, referred to as Municipal Water Charges (MWC), which are allocated regionally to all users of the system, based upon their proportionate use. The largest expense in the Sanitary Sewer Fund is the service charge paid to Metropolitan Council Environmental Services (MCES) for the treatment of waste water. The estimated payment to MCES for 2020 is \$46.0 million, a 4.4% increase over 2019. The Sanitary Sewer Fund bears \$43.7 million of this cost with the remaining \$2.3 million paid from the Storm Water Fund. Minneapolis is the largest customer in the MCES system. (Please note this

payment is only a portion of the Met Council Environmental Services line as shown on the plan; the SAC payments are included in the plan total).

### *Transfers*

A transfer from this fund is made to the Water Fund to cover shared meter expenses. The transfer was initiated in 2012, and will remain a yearly budget item. For 2020, the transfer amount is estimated at \$879,000 with future year amounts jointly decided in cooperation with Water department.

### *Debt Service*

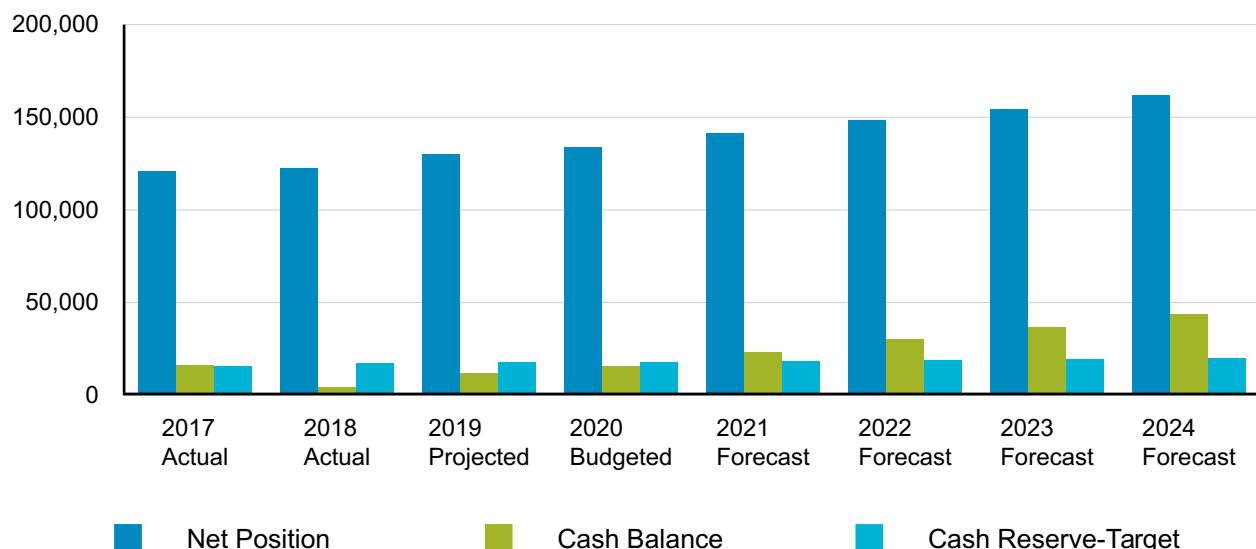
To date, the Fund's outstanding debt arising from bond financing stands at \$39.1 million, of which \$15.7 million was added in 2019. The bonds were sold to finance capital infiltration and inflow programs and upgrade the City's sewer system. For 2020, \$8.4 million is set aside for debt service payments. For the next five years, bond proceeds will be the major source of funding for capital programs. Yearly payments for interest and principal will continue at or above the 2019 rate.

### *Net Position & Cash Balance*

At the start of the year, cash balance was \$4.5 million, with the Fund's net position at \$122.4 million. Based on 2019 projections, the cash balance and net position will increase to \$12.1 million and \$130.0 million respectively by the start of 2020. The five years plan forecasts a continual increase, due to increases in utility rates and proceeds from long term liabilities.

The City's policy is to have a cash balance equal to or greater than three months of operating expenses. Therefore, the targeted cash balance for 2020 is \$18.0 million, leaving the fund below the target reserve by \$2 million.

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



**City of Minneapolis**  
**2020 Council Adopted Budget**  
**Financial Plan (in thousands of dollars)**

**Sanitary Sewer Fund**

	2017 Budget	2017 Actual	2018 Budget	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2019 Projected	% Chg	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast
<b>Source of Funds:</b>													
Charges for Service	60,581	58,837	65,738	63,929	70,890	69,541	76,855	10.5 %	80,840	84,106	87,228	90,493	
SAC Revenues	8,000	9,200	8,000	9,968	9,000	14,000	9,000	(35.7)%	15,000	15,000	15,000	15,000	
Other Misc Revenues	785	705	1,060	167	1,045	200	400	100 %	400	400	400	400	
Charges for Service - Capital	1,000	843	1,000	46	1,000	800	1,000		1,000	1,000	1,000	1,000	
Proceeds from Long Term Liabilities	7,250	8,126	11,000	1,752	14,500	18,087	12,000	(33.7)%	15,500	11,500	10,500	7,500	
Total	77,616	77,711	86,798	75,862	96,435	102,628	99,255	(3.3)%	112,740	112,006	114,128	114,393	
<b>Use of Funds:</b>													
PW-Sewer Design	1,553	1,068	1,586	1,439	1,538	1,538	1,518	(1.3)%	1,548	1,579	1,612	1,644	
PW-Sewer Maintenance	7,662	8,673	9,648	10,121	9,669	8,703	9,601	10.3 %	9,890	10,211	10,292	10,530	
MERF Debt Service -New Plan	210	210	210	210	210	210	210		210	210	210	210	
Met Council Environment Svcs	46,796	47,909	49,398	51,437	51,036	55,036	52,885	(3.9)%	54,634	56,453	58,344	60,311	
Payment for City Services	5,052	4,846	5,454	5,186	6,041	5,916	6,051	2.3 %	6,152	6,254	6,358	6,465	
PW - Sewer Admin	599	556	1,154	1,125	1,429	1,186	1,673	41.1 %	1,635	1,638	1,672	1,710	
Debt Service	3,238	3,027	5,153	4,980	5,193	5,193	5,700	9.8 %	5,306	5,330	3,978		
Future Debt Service	—	—	—	—	1,494	—	2,711	100 %	5,316	7,651	9,572	11,438	
Transfers													
To MERF/Gen Debt Service	—	—	—	—	—	—	—		—	—	—	—	
To Water Fund	1,213	1,225	684	684	593	593	879	48.2 %	1,116	1,209	1,287	1,396	
PW- Capital Programs	9,250	10,226	13,600	12,328	18,500	16,660	14,100	(15.4)%	19,500	14,500	14,500	13,500	
Total	75,573	77,740	86,887	87,510	95,703	95,035	95,328	0.3 %	105,307	105,035	107,825	107,204	
<b>Change in Net Position</b>	2,043	(29)	(89)	(11,648)	732	7,593	3,927		7,433	6,971	6,303	7,189	
<b>Net Position Balance</b>	121,399	121,224	121,135	122,400	123,132	129,993	133,920		141,353	148,324	154,627	161,816	
<b>Cash Balances</b>													
Operating Cash	20,353	16,165	16,076	4,474	5,207	12,067	15,995		23,428	30,399	36,702	43,892	
Construction Cash	—	—	—	—	—	—	—		—	—	—	—	
<b>Total Cash Balance</b>	20,353	16,165	16,076	4,474	5,207	12,067	15,995		23,428	30,399	36,702	43,892	
<b>Target Cash Reserve</b>	15,468	15,816	16,863	17,380	17,481	18,147	17,985		18,517	19,086	19,622	20,218	
<b>Variance Cash Balance to Target</b>	4,885	350	(787)	(12,906)	(12,274)	(6,080)	(1,990)		4,911	11,313	17,080	23,674	

**City of Minneapolis  
2020 Budget  
Financial Plan**

**Solid Waste and Recycling Fund**

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**Background**

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

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

**Historical Financial Performance**

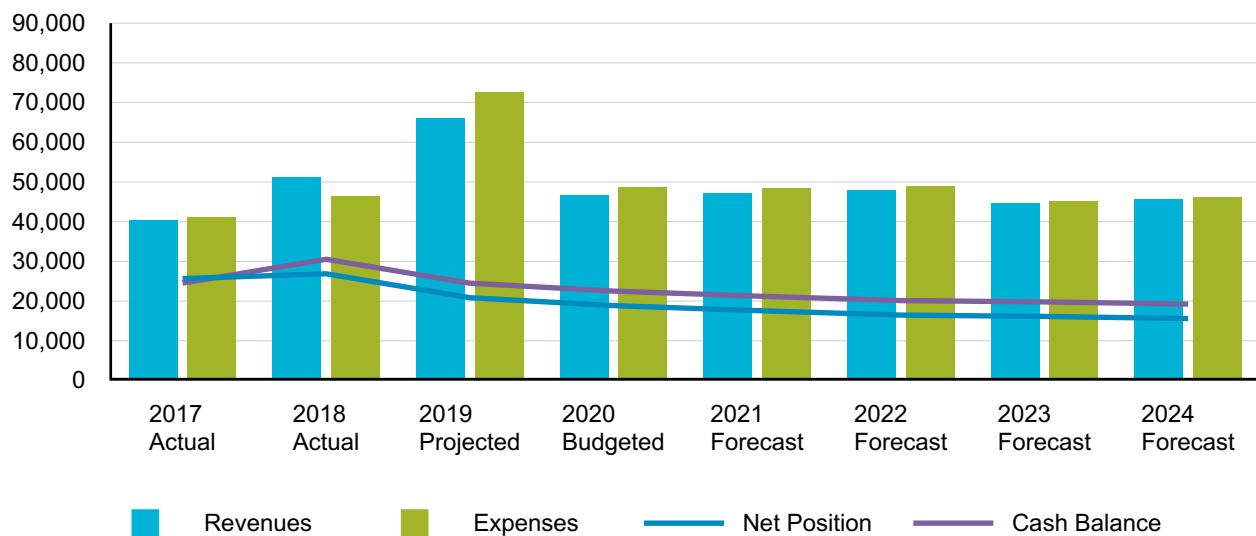
The overall financial condition of the Solid Waste and Recycling Fund has remained stable over the last five years, despite implementing one-sort and organic programs at an additional cost of \$8.9 million. The Fund has been continuously maintaining its cash balance above \$25.3 million, keeping the three-month cash reserve of \$9.4 million, and leaving \$15.1 million as unrestricted. This will change in 2019 and 2020 as some of the cash balance above the reserve requirement is being used to fund part of the new facility. Total revenues for 2018 were at \$51.2 million compared to \$46.4 million in expenses. Increase in the year's expenditures was expected due to Capital program which will continue for the next few years. Even with this ongoing facility construction, the fund has been able to:

- (i) fund new programs - mattress and electronics hauling and recycling;
- (ii) start new initiatives - zero waste studies, litter prevention, step-up interns, and graffiti abatement programs;
- (iii) meet its obligations for shared costs and services with other City departments;
- (iv) finance the Solid Waste Information System(SWIS) replacement project, and upgrade its software support system;
- (v) replace vehicle, trucks, carts, and other business line equipment on a yearly basis;
- (vi) maintain staffing levels;
- (vii) postpone debt financing; and
- (viii) control utility rate increases.

The outlook for the Fund for the next five years looks just as stable as the past five. A new \$25.0 million facility construction is in the works, which is currently being paid out of fund balance, but will eventually be replaced partially with bond proceeds, as we purposely use up the cash reserve excess to alleviate the need for additional debt.

## Current Year Projections

### Financial Snapshot Solid Waste & Recycling Fund (in thousands of Dollars)



#### Revenue

For the current year, revenue is projected to reach \$66.2 million compared to \$51.2 million earned in 2018 reflecting an increase of \$15.0 million mainly due to projected bond sales in 2019. Solid waste utility revenue is projected to increase by \$53,000 compared to 2018 due to increase in rates and dwelling units. County recycling grants and miscellaneous revenues are projected to be realized as budgeted in the current year.

#### Expense

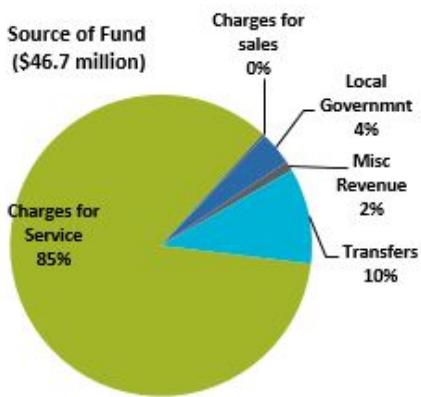
Operating expense for 2019 is projected to equal \$41.1 million compared to \$39.8 million spent in 2018, due to increase in estimates regarding personnel, contractual services, equipment, and SWIS replacement projects. The capital program is projected to incur \$26.9 million in expense compared to \$6.3 million spent, as construction picked up momentum in 2019.

#### Net Position and Cash Balance

Since both the projected revenues and expense are estimated to surpass actual amounts of 2019, the change in net position and cash balance will be more than anticipated. For 2019 year end, net position and cash balance will total \$20.9 million and \$24.5 million respectively.

#### 2020 Budget

Over the last four years, a total of \$28.7 million has been earmarked for a facility improvement to be funded through bonds. The facility is expected to be substantially completed in 2019, although the interior of the building will not be ready until Spring of 2020. In 2020 the use of funds is expected to decrease by 38.9% primarily due to a decrease in capital spending from the fund.



## Revenues

The total revenue budget for 2020 stands at \$46.7 million compared to \$66.2 million in revenue projected for 2019. This is a decrease of \$19.5 million, or 29.5% over the 2019 projection and is a result of: (i) decrease in bond proceeds estimated at \$20.1 million related to capital funding; (ii) decrease in service revenue, estimated at \$38.7 million, which is \$53,000 higher than the budget for 2019, due to lower recycling revenue expected.

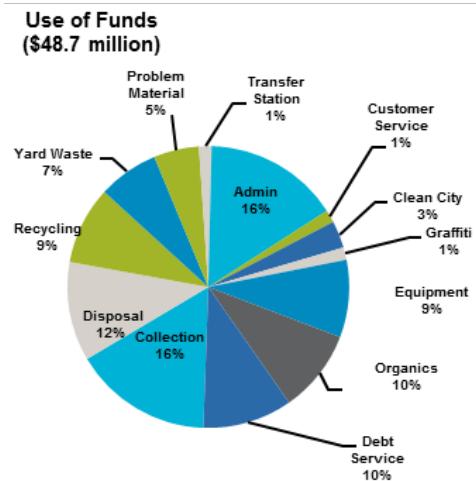
### Solid Waste Utility Rates

The Department proposes to increase the base rate for collection and hauling to \$25.08 per dwelling unit, an increase of \$0.55 over the 2019 utility rate, in order to fund increases in salaries, fringe, contractual services, operating supplies, carts, vehicle replacements, and debt services. This increase is based on the estimated number of dwelling units in 2020 of 107,118.

Revenue Assumptions (2020)	
Number of dwelling units	107,118

### Expense

The total expenditure budget for 2020 amounts to \$48.7 million compared to \$72.2 million projected for 2019, a decrease of \$23.6 million, or 32.6%. The operating budget totals \$43.7 million and the remaining \$5.0 million is for facility related debt service. The 2020 operating budget, compared to 2019, reflects the following changes: (i) an increase in yard waste, garbage, TV, and mattress collecting, hauling, disposing, and recycling costs of \$845,000 due to new vendor contracts; (ii) an increase in equipment, carts, roof repairs, and operating supplies by \$1.7 million; (iii) an overall decrease of \$203,000 in payment for City services, as set by the 2020 allocation model; (iv) a decrease in IT projects by \$107,000; (v) increase in debt services by \$1.7 million.



### Transfers

The Solid Waste and Recycling Fund will continue to receive a \$146,000 transfer from the Parking Fund for litter container pick-ups in the downtown area. The Fund has also been receiving an annual transfer from the General Fund for graffiti removal since 2014. For 2020, General Fund transfers total \$325,000. These transfers are expected to continue into the future with variations in programs and amounts.

## *Debt Service*

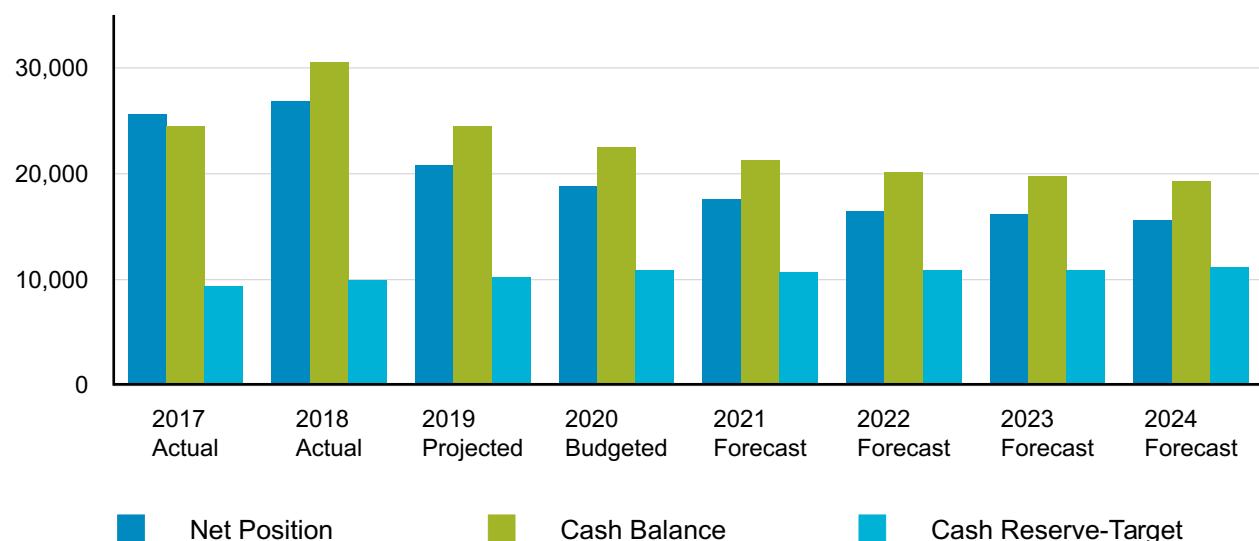
The Fund anticipates \$1.7 million increase in debt service payments for principal and interest in 2020. The increase relates to the additional debt issued in 2019 for the facility.

## *Net Position & Cash Balance*

The Solid Waste Fund started the year with a cash balance of \$30.5 million and a net position total of \$26.9 million. Based on the 2019 estimates, the cash balance and net position will decrease to \$24.5 million and \$20.9 million, respectively. The five year plan forecasts a gradual decline due to debt service payments.

The City's financial policy requires a fund to maintain a cash balance equal to or greater than three months' operating expense. Therefore the target cash balance throughout 2020 is \$10.9 million making \$10.8 million available for debt services.

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



**City of Minneapolis**  
**2020 Mayor Recommended Budget**  
**Financial Plan (in thousands of dollars)**  
**Solid Waste Fund**

	2017 Budget	2017 Actual	2018 Budget	2018 Actual	2019 Budget	2019 Projected	2020 Budget	% Chg From 2019 Projected	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast
<b>Sources of Funds:</b>												
Local Government	1,080	1,526	1,701	1,682	1,768	1,854	1,659	(10.5)%	1,659	1,659	1,659	1,659
Charges for Service	37,065	36,993	37,705	37,861	38,598	38,651	39,578	2.4 %	40,034	40,859	41,704	42,570
Charges for Sales	45	609	350	182	350	203	150	(26.1)%	150	150	150	150
Special Assessments	—	121	—	93	—	—	—	— %	—	—	—	—
Other Misc Revenues, Rents	920	731	758	1,029	758	1,363	488	(64.2)%	758	758	758	758
Long Term Proceeds - Capital	15,000	—	3,710	9,919	—	20,124	—	100 %	—	—	—	—
Operating Transfers In:												
Parking Fund	146	146	146	146	146	146	146	— %	146	146	146	146
General Fund - Graffiti	325	325	325	325	325	325	325	— %	325	325	325	325
Bond Redemption Fund	—	—	—	—	3,523	3,523	4,324	— %	4,136	3,953	—	—
<b>Total</b>	<b>54,581</b>	<b>40,451</b>	<b>44,696</b>	<b>51,237</b>	<b>45,468</b>	<b>66,189</b>	<b>46,670</b>	<b>(29.5)%</b>	<b>47,208</b>	<b>47,850</b>	<b>44,742</b>	<b>45,608</b>
<b>Use of Funds:</b>												
Collection	7,638	7,647	7,709	7,553	7,734	7,925	7,750	(2.2)%	7,942	8,094	8,248	8,406
Disposal	4,814	4,894	5,346	5,114	5,221	5,221	5,541	6.1 %	5,672	5,678	5,848	5,854
Recycle	3,992	3,603	4,064	3,712	4,191	3,950	4,348	10.1 %	4,374	4,453	4,533	4,614
Yard Waste	3,320	2,961	3,336	3,093	3,468	3,150	3,378	7.2 %	3,428	3,480	3,532	3,586
Problem Material	2,000	2,247	2,343	2,341	2,519	2,450	2,525	3.1 %	2,640	2,761	2,890	3,027
Transfer Stations	459	436	470	591	820	762	701	(8)%	484	491	499	506
Admin	7,542	6,708	7,176	7,353	7,668	7,625	7,557	(0.9)%	7,353	7,488	7,625	7,765
Customer Service	649	527	652	528	665	625	699	11.9 %	712	725	738	751
Clean City	1,340	1,089	1,557	1,359	1,567	1,300	1,515	16.6 %	1,541	1,568	1,595	1,623
Graffiti	862	540	749	643	837	588	699	18.9 %	710	723	736	749
Equipment	3,666	2,930	3,367	3,285	3,814	3,329	4,320	29.8 %	3,276	3,273	2,471	2,824
Organics	4,063	4,099	4,078	4,260	4,851	4,175	4,631	10.9 %	4,707	4,784	4,862	4,942
Capital Program	15,000	3,527	3,710	6,266	—	26,939	—	(100)%	—	—	—	—
Debt Service	1,646	—	—	310	4,172	4,172	4,997	19.8 %	5,636	5,453	1,500	1,500
<b>Total</b>	<b>56,991</b>	<b>41,207</b>	<b>44,557</b>	<b>46,408</b>	<b>47,527</b>	<b>72,211</b>	<b>48,660</b>	<b>(32.6)%</b>	<b>48,475</b>	<b>48,971</b>	<b>45,079</b>	<b>46,149</b>
<b>Change in Net Position</b>	<b>(2,410)</b>	<b>(756)</b>	<b>139</b>	<b>4,829</b>	<b>(2,059)</b>	<b>(6,022)</b>	<b>(1,990)</b>		<b>(1,268)</b>	<b>(1,121)</b>	<b>(337)</b>	<b>(541)</b>
<b>Net Position Balance</b>	<b>23,112</b>	<b>25,659</b>	<b>25,529</b>	<b>26,873</b>	<b>24,814</b>	<b>20,851</b>	<b>18,861</b>		<b>17,593</b>	<b>16,472</b>	<b>16,135</b>	<b>15,595</b>
<b>Cash Balance</b>	<b>22,915</b>	<b>24,524</b>	<b>24,663</b>	<b>30,529</b>	<b>28,470</b>	<b>24,507</b>	<b>22,517</b>		<b>21,249</b>	<b>20,128</b>	<b>19,791</b>	<b>19,251</b>
<b>Target Cash Reserve</b>	<b>10,086</b>	<b>9,420</b>	<b>10,212</b>	<b>9,958</b>	<b>10,839</b>	<b>10,275</b>	<b>10,916</b>		<b>10,710</b>	<b>10,879</b>	<b>10,895</b>	<b>11,162</b>
<b>Variance Cash Balance to Target</b>	<b>12,829</b>	<b>15,104</b>	<b>14,451</b>	<b>20,571</b>	<b>17,631</b>	<b>14,232</b>	<b>11,600</b>		<b>10,539</b>	<b>9,249</b>	<b>8,897</b>	<b>8,089</b>

**City of Minneapolis  
2020 Budget  
Financial Plan**

**Storm Water Fund**

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**Background**

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

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

**Historical Financial Performance**

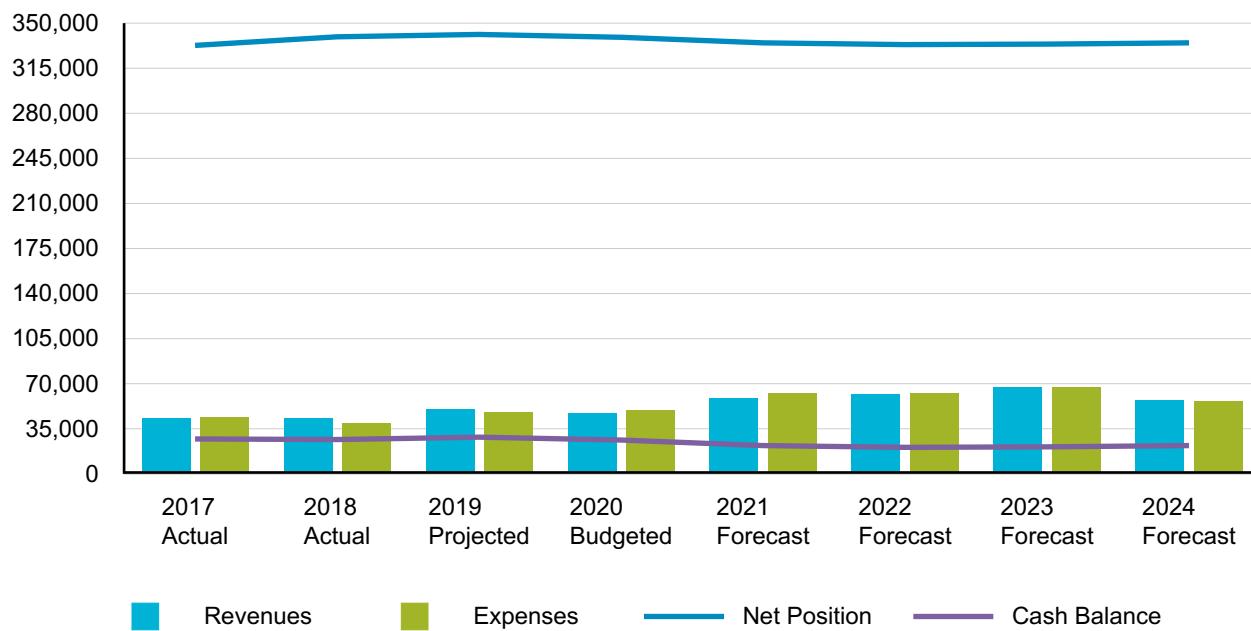
The Storm Water Fund has performed well in the last five years, maintaining a cash balance above \$26 million, and on average, keeping the three-month operating cash reserve to \$8.0 million, restricting an additional \$2.0 million for at-risk-tunnels, and posting an unreserved balance of \$18.4 million. It has consistently generated operating revenues in excess of operating expenses by \$10 million. As a result, the Fund has been able to:

- (i) Pay off all outstanding bonds and debts;
- (ii) Increase personnel for infrastructure and construction programs;
- (iii) Increase capital expenditures for the future years;
- (iv) Meet its obligations for shared costs and services with other City departments;
- (v) Restructure future debt financing; and
- (vi) Control utility rates.

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

## Current Year Projections

### Financial Snapshot Solid Waste and Recycling Fund (in thousands of Dollars)



#### Revenues

For the current year, operating revenue is projected to come in at \$44.0 million, \$200,000 higher than budgeted. The utility rate for the current year is \$13.42 per equivalent storm units (ESU) compared to \$13.09 for 2018. As per a signed agreement, the maintenance revenue from the State and County will be realized in full as budgeted. Design and capital related revenues reflect and are dependent on capital activities; so as capital expenditures increase, bond revenues and reimbursement increase.

#### Expense

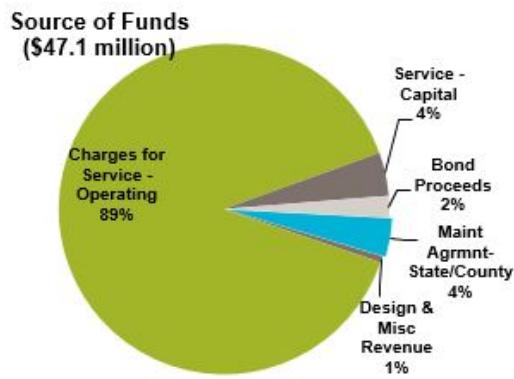
Operating expense for 2019 is projected at \$29.6 million for the year. In capital programs, \$16.9 million is projected to be spent in the current year which is \$1.7 million less than budgeted. Transfer for shared costs, estimated at \$1.6 million, will be expended as budgeted.

#### Net Position and Cash Balance

The Storm fund cash balance and net position have continuously grown in the past five years. For the current year, net position and cash balance are projected to total \$341.2 million, and \$28.5 million respectively. These are slight increases from 2018 actual amounts due to a decrease in capital expenditures.

## 2020 Budget

Revenues from operations account for 99.0% of the budget with remaining 1.0% coming from the capital program as bond proceeds and service charges. With significant increases in capital expenditures planned for next five years, funds from bond sales are in the plan in order to maintain positive cash balance. Expenses from operations account for 63.5% of the total budget with 29.7% allocated for capital, 3.3% for transfers, and 3.4% for debt services. The combined sewer flow program has been discontinued from the operating budget, but will continue in the capital program.



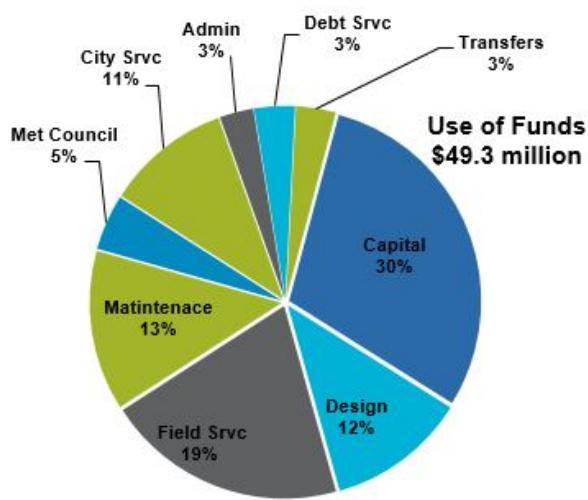
### Revenues

The 2020 revenue budget is \$47.1 million, compared to \$49.8 million projected for 2019, reflecting a decrease of \$2.8 million. This is due to combined increases in: (i) service revenues by \$722,000, due to increases in monthly utility rates; (ii) maintenance revenues by \$47,000 as per State and County schedule; (iii) decrease in capital revenues by \$4.8 million, due to decreases in long term financing; and (iv) a decrease in design revenues of \$700,000 due to planned change of coding design costs directly to the capital projects, thus reducing the intra-fund billing of charges.

### Storm Water Utilities Rates

The Department proposed a storm water utility rate of \$13.42 per ESU for 2020, which is an increase of \$0.33 over the 2019 rate. It was increased to fund operations, transfers, debt services, and capital programs.

Year	Rate per ESU (Equivalent Storm Water Unit)	% Increase	Total Planned Revenue from Utility Fee
2020	\$13.42	2.7%	\$42.0 million
2021	\$13.77	2.5%	\$43.1 million
2022	\$14.13	2.6%	\$44.2 million
2023	\$14.50	2.6%	\$45.4 million
2024	\$14.88	2.6%	\$46.6 million



### Expenses

The 2020 total expense budget for the Storm Water Fund is \$49.3 million, a decrease of \$3.6 million from the 2019 budget with the following changes: (i) increases in salaries and fringe of \$136,000 due to step increase; (ii) increases in City services of \$441,000, as established by the allocation model; (iii) increases in fleet and equipment by \$185,000; (iv) an increase in operations and contractual services by \$127,000; (v) increase in debt services and transfers by \$1.3 million; (vi) increase in professional services, storm tunnel cleaning, televising, catch basin repairs, maintenance work of \$800,000; and (vii) decrease in capital programs by \$4.1 million. Capital expenses for 2020 total \$14.6 million and include combined sewer overflow, storm tunnel rehab, flood mitigation, and storm-paving programs. These are designated to be funded from cash reserves and bond proceeds.

### *Transfers*

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

### *Debt Service*

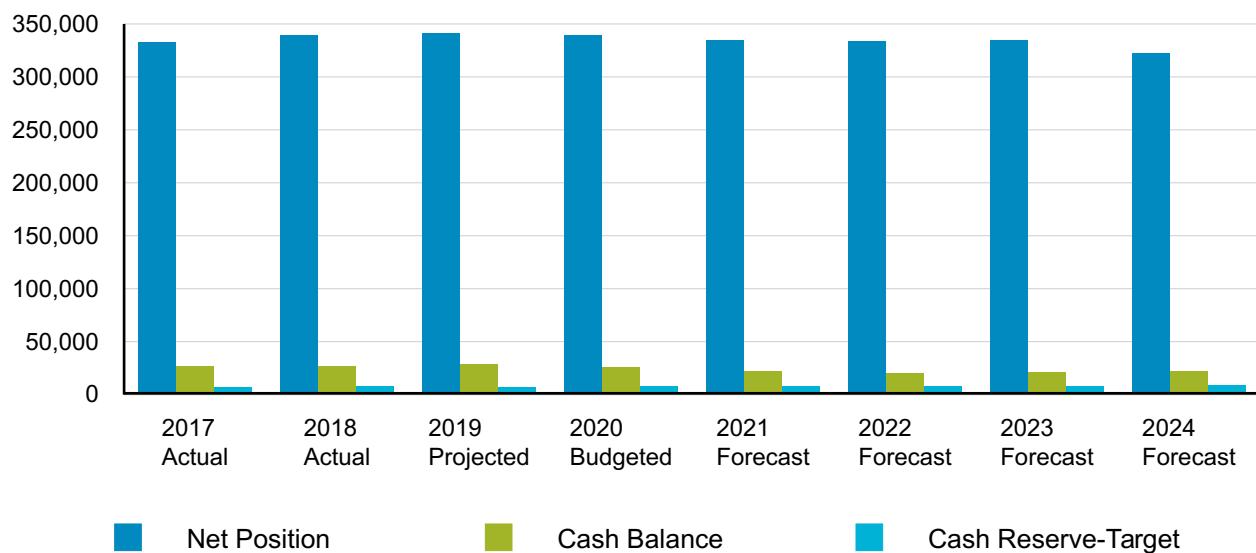
The Fund paid off all of its previous debt service obligations in 2016. Bond funded programs were planned for 2019 and an additional \$1.0 million has been added in 2020. As a result, debt service payments of \$1.7 million are estimated for 2020.

### *Net Position and Cash Balance*

The Storm Water Fund started the year with a cash balance at \$26.6 million and a net position total of \$339.4 million. Both the cash balance and net position are projected to decrease in 2020 due to continual increase in capital expenditures. The five-year plan projects a gradual decline in both cash balance and net position as a result of an increase in capital expenditures.

The City's financial policy requires the fund to carry a cash balance equal to or greater than three month's operating expense. The target cash balance through 2020 is \$7.8 million making \$18.4 million available as an unrestricted amount to fund capital programs, debt services, and transfers.

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



City of Minneapolis 2020 Mayor Recommended Budget Financial Plan (in thousands of dollars)												
Storm Water Fund												
	2017 Budget	2017 Actual	2018 Budget	2018 Actual	2019 Budget	2019 Projected	2020 Budget	% Chg From 2019	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast
<b>Source of Funds:</b>												
Federal Government	—	—	—	—	—	—	—	—	—	—	—	—
State Government	1,327	1,249	1,196	1,315	1,346	1,346	1,403	4.2 %	1,491	1,525	1,525	1,561
Local Government	318	416	335	356	375	375	365	(2.7)%	374	384	384	393
Charges for Service-Operating	38,578	39,751	39,679	38,822	40,735	41,273	41,995	1.7 %	43,092	44,221	45,380	46,572
Design & Misc Revenues	1,318	920	2,045	1,846	1,352	1,000	300	(70)%	300	300	300	300
Special Assessments	—	76	—	81	—	—	—	—	—	—	—	—
Grants Proceeds/Others - Capital	—	—	2,388	375	—	—	—	100 %	—	—	—	—
Charges for Service-Capital	2,000	652	2,000	2	2,000	—	2,000	100 %	2,000	2,000	2,000	2,000
Proceeds of Long Term Liabilities	—	—	2,500	—	6,500	5,847	1,000	100 %	11,000	13,000	17,500	6,000
Total	43,541	43,063	50,143	42,797	52,308	49,841	47,063	(5.6)%	58,257	61,430	67,089	56,825
<b>Use of Funds:</b>												
PW-Storm Design	5,757	5,822	5,038	4,726	5,575	5,356	5,790	8.1 %	5,858	5,937	6,018	6,102
PW-Field Services	9,148	9,514	9,866	9,825	9,945	9,833	9,985	1.5 %	10,294	10,602	10,921	11,251
PW-Storm Maintenance	6,149	6,784	8,099	7,940	7,620	6,120	6,628	8.3 %	6,759	6,894	7,034	7,178
Metropolitan Council	2,034	2,034	2,171	2,172	2,205	2,205	2,301	4.4 %	2,393	2,489	2,588	2,692
Payment for City Services	4,858	4,241	5,081	4,758	5,237	4,937	5,181	4.9 %	5,261	5,344	5,427	5,512
PW-Admin	893	639	1,254	1,046	1,527	1,149	1,405	22.3 %	1,335	1,316	1,347	1,380
Debt Service	—	—	—	—	—	—	1,688	—	—	—	—	—
Future Debt Service	—	—	—	—	401	247	—	100 %	2,059	3,273	4,411	4,470
Transfers	1,610	1,610	1,625	1,625	1,640	1,640	1,655	0.9 %	1,671	1,687	1,702	1,718
PW- Capital	14,965	13,309	19,768	6,794	18,735	16,515	14,645	(11.3)%	26,950	25,250	27,250	15,550
Total	45,414	43,953	52,902	38,886	52,885	48,002	49,278	2.7 %	62,580	62,792	66,698	55,853
Def.Capital Proj - Rev Funded	14,808	5,433	5,680	3,806	—	—	—	—	—	—	—	—
<b>Change in Net Position</b>	(16,681)	(6,323)	(8,439)	105	(577)	1,839	(2,215)	—	(4,323)	(1,362)	391	973
<b>Net Position</b>	310,489	332,711	324,272	339,403	338,826	341,242	339,027	—	334,705	333,343	333,734	334,707
Cash Balances	19,182	27,087	18,648	26,629	26,052	28,648	26,252	—	21,928	20,567	20,957	21,931
Construction Cash	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Cash Balance</b>	19,182	27,087	18,648	26,629	18,070	28,648	26,252	—	21,928	20,567	20,957	21,931
<b>Target Cash Reserve</b>	7,210	7,259	7,877	7,877	8,027	7,400	7,823	—	7,975	8,146	8,334	8,529
<b>Variance Cash Balance to Target</b>	11,972	19,829	10,771	10,771	10,043	21,068	18,429	—	13,953	12,421	12,623	13,402

**City of Minneapolis  
2020 Budget  
Financial Plan**

**Water Treatment and Distribution Services Fund**

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## **Introduction**

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

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

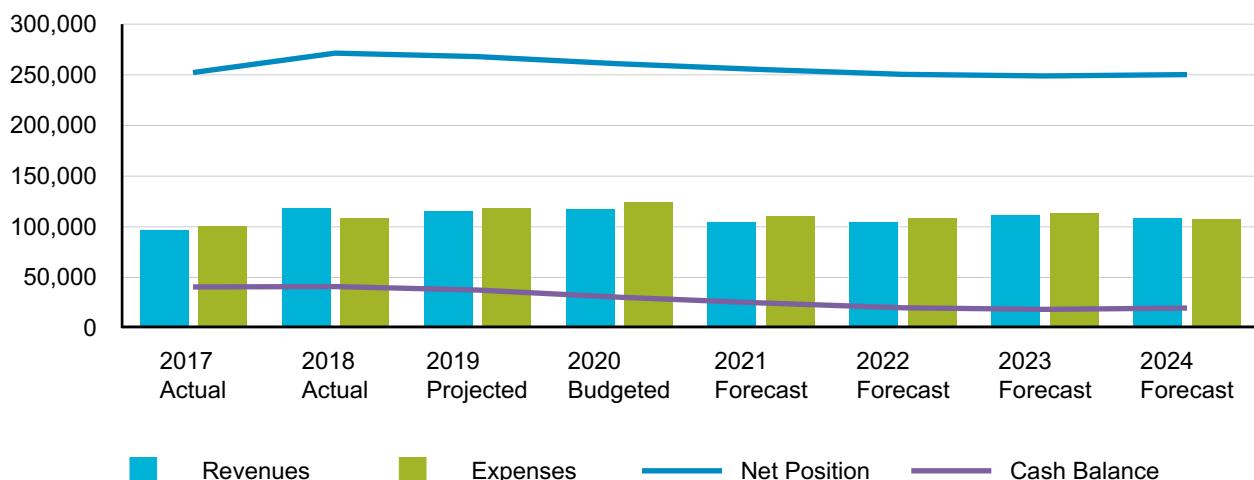
## **Historical Financial Performance**

The net position of the Water Fund has increased over the past several years due primarily to scheduled rate increases and deferrals of some major capital improvements and investments to 2018 and beyond. The fund has performed consistently over the previous five years with its cash balance increasing in four of those years and has continuously maintained its three-month operating cash reserve requirement.

The long-term health of the fund is stable with significant capital projects planned over the next three to four years that will be funded with a combination of cash reserves and debt financing. This will be accomplished while still keeping the increase to the average monthly residential bill under four percent annually.

## **Current Year Projections**

**Financial Snapshot  
Water Fund  
(in thousands of Dollars)**



## *Revenues*

The 2019 operating revenues are projected to total \$81.4 million or 70.6% of the budget. The decrease in revenue is mainly due to decrease in usage from retail sale customers. Proceeds from bond sales are another significant revenue source and are expected to surpass the budgeted amount due to the completion of deferred capital projects.

## *Expenses*

The 2019 operating expenses are projected to total \$55.5 million which is lower than the budgeted amount of \$61.3 million. The decrease in expenditure mainly reflects decrease in energy bills, contractual, and professional services related to repairs, maintenance, and upgrades. Capital expenses are expected to be higher than originally budgeted for 2019 as a result of the completion of deferred capital projects.

## *Net Position & Cash Balance*

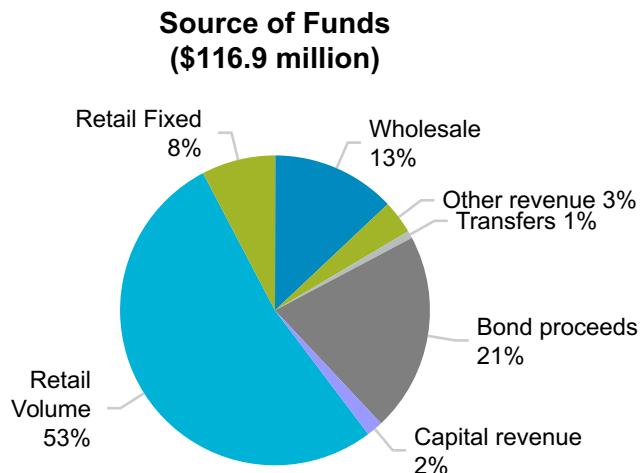
The Water Fund net position is projected to decrease by \$3.4 million in 2019 to a total of \$268.0 million. The cash balance is projected to be \$37.6 million at year end which is sufficient to cover the three-month operating reserve requirement of \$15.3 million and will be used to partially fund capital projects scheduled for the next few years.

## **2020 Budget**

Operating revenues and expenses for the next few years are anticipated to be steady with small percentage increases each year. Due to planned improvements to both water treatment related infrastructure and the distribution system during 2020-2024, capital expenses and the related bond sale proceeds are expected to remain higher during this period.

## *Revenues*

The total revenue budget for 2020 is \$116.9 million compared to the 2019 projected revenues of \$115.2 million, an increase of \$1.7 million, or 1.5%. This is due to increase in operating revenues and transfers which is offset by decrease in debt proceeds as compared to 2019 due to capital projects that carried over to into 2019 from prior years.



### *Water Utility Rates*

The budget includes a fixed rate charge based on meter size as well as a variable rate charge of \$3.68/unit. The fixed rate charge helps to cover the fixed costs of operating the utility which increases the utility's financial stability as it continues to operate in an environment of declining consumption due to conservation efforts.

#### **Projected Revenue from Retail Water Sales**

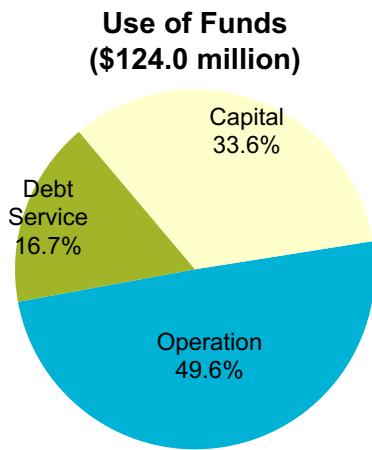
<b>Year</b>	<b>Fixed Rate (5/8" Meter)</b>	<b>Rate (cost per 100 cubic feet)</b>	<b>Total Cost Per Month for Average Consumer</b>	<b>Total % Change</b>	<b>Total Monthly Cost Increase per Household</b>	<b>Total Planned Revenue from Utility Fee</b>
2020	\$5.50	\$3.68	\$31.26	2.8%	\$0.85	\$70.5 Million
2021	\$6.00	\$3.77	\$32.39	3.6%	\$1.13	\$72.9 Million
2022	\$6.50	\$3.86	\$33.52	3.5%	\$1.13	\$75.2 Million
2023	\$7.00	\$3.95	\$34.65	3.4%	\$1.13	\$77.5 Million
2024	\$7.50	\$4.04	\$35.78	3.3%	\$1.13	\$79.8 Million

#### **Projected Revenue from Wholesale Water Sales**

<b>Year</b>	<b>% Change</b>	<b>Total Revenue Earned from Utility Fee - Wholesale</b>
2020	5.7%	\$15.1 Million
2021	3.3%	\$15.6 Million
2022	3.3%	\$16.1 Million
2022	3.3%	\$16.7 Million
2024	3.2%	\$17.2 Million

### *Expenses*

The 2020 expense budget is \$124.0 million, a 4.6% increase from 2019 projected expenses of \$118.6 million. The expense budget includes the operating costs of the Division as well as the capital improvement programs. Planned capital projects include improvements to the water distribution network, treatment infrastructure improvements, rehabilitation of the Fridley Filter facility and replacement of the Distribution Maintenance Facility. The 2020 capital budget of \$41.7 million represents a 4.7% decrease from the 2019 projected capital expenses which include carried over projects from prior years to 2019.



#### *Transfers*

For 2020, the transfer amount of \$908,121 consists primarily of a \$879,121 operating transfer from the Sanitary Sewer Fund for their share of the cost of the meter shop. This is an ongoing transfer that is adjusted annually based on actual meter shop expenses incurred.

#### *Debt Service*

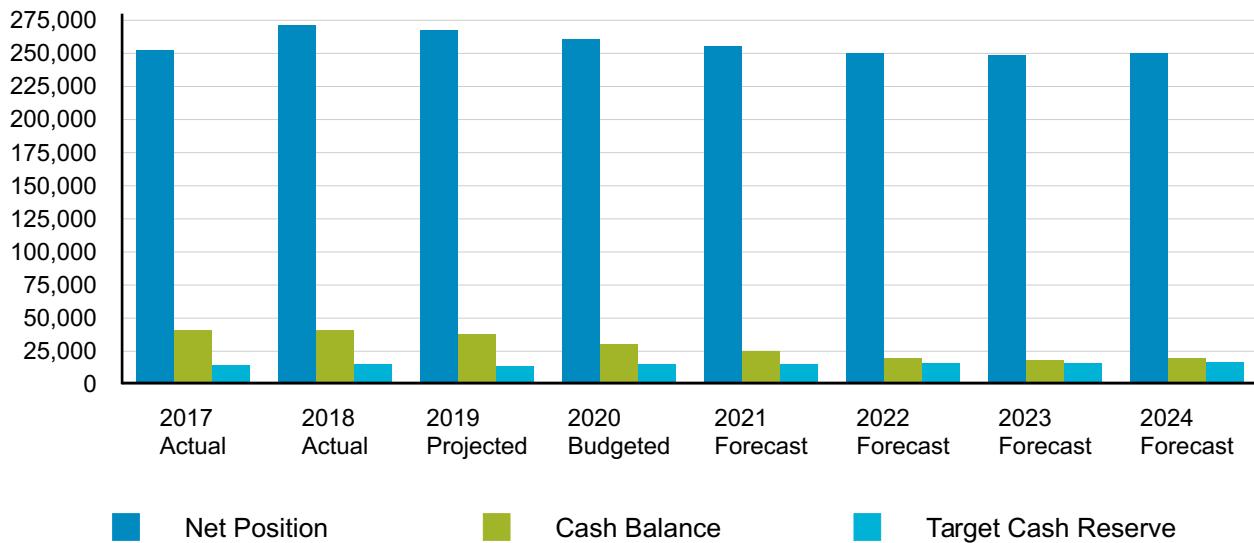
The debt service total of \$20.8 million relates to bonds and notes sold to finance the Water Fund's capital construction program. As of November 2019, the fund's total outstanding debt was \$122.9 million with current debt service running through 2033. Future debt issuances will increase the amount owed and lengthen the payoff schedule.

#### *Net Position & Cash Balance*

The 2018 cash balance was \$41.0 million and the Water Fund's net position totaled \$271.4 million. Based on projections, the cash balance and net position will decrease to \$37.6 million and \$268.0 million respectively in 2019.

The City's policy is to have a cash balance equal to or greater than three months of operating expenses. Therefore, the targeted cash balance in 2020 is \$15.2 million, leaving \$15.4 million available as an unrestricted amount to fund capital programs and debt service payments. The five-year plan shows the projected cash balance dropping through 2023 but continuing to remain above the three-month operating reserve requirement.

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



City of Minneapolis 2020 Council Adopted Budget Financial Plan (in thousands of dollars)													
Water Fund													
	2017 Budget	2017 Actual	2018 Budget	2018 Actual	2019 Budget	2019 Projected	2020 Budget	From 2019 Projected	% Chg	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast
<b>Source of Funds:</b>													
Water Sales - Retail													
Volume Rate	59,262	55,906	60,500	57,017	60,664	55,312	61,501	11.2 %	63,005	64,509	66,013	67,517	
Fixed Rate	6,573	6,635	7,395	7,521	8,217	8,468	9,038	6.7 %	9,860	10,682	11,503	12,325	
Water Sales - Wholesale	17,090	15,605	15,915	15,536	14,310	13,713	15,127	10.3 %	15,629	16,139	16,678	17,215	
Other Operating Revenue	4,239	4,293	6,542	6,452	5,760	3,886	4,085	5.1 %	4,146	4,208	4,283	4,367	
Proceeds of Long Term Liabilities *	58,820	12,320	13,635	30,490	17,890	32,019	24,285	(24.2)%	8,720	5,350	10,100	3,875	
Transfers													
From Sewer Fund for Meter Shop	1,213	1,213	684	684	593	593	879	48.2%	1,116	1,209	1,287	1,396	
From General Fund	25	25	27	27	29	29	29	0.0%	29	29	29	29	
Reimbursed Capital Revenue	2,000	1,004	2,000	533	2,000	1,200	2,000	66.7 %	2,000	2,000	2,000	2,000	
<b>Total</b>	<b>149,222</b>	<b>97,001</b>	<b>106,698</b>	<b>118,260</b>	<b>109,463</b>	<b>115,220</b>	<b>116,944</b>	<b>1.5 %</b>	<b>104,505</b>	<b>104,126</b>	<b>111,893</b>	<b>108,724</b>	
<b>Use of Funds:</b>													
Operating Expense	57,917	50,482	60,406	56,237	61,315	55,515	61,533	10.8 %	62,310	63,847	65,426	67,048	
Debt Service	15,269	15,269	16,509	17,606	17,045	19,314	19,319	0.0%	19,304	18,325	16,616	12,658	
Future Debt Service					2,547		1,444	100.0%	3,152	4,174	4,802	5,986	
Capital*	79,100	34,480	29,390	34,228	34,340	43,802	41,735	(4.7)%	25,370	22,600	26,600	21,725	
<b>Total</b>	<b>152,286</b>	<b>100,231</b>	<b>106,305</b>	<b>108,071</b>	<b>115,247</b>	<b>118,631</b>	<b>124,031</b>	<b>4.6 %</b>	<b>110,136</b>	<b>108,946</b>	<b>113,444</b>	<b>107,417</b>	
<b>Change in Net Position</b>	(3,064)	(3,230)	393	10,189	(5,784)	(3,411)	(7,087)		(5,631)	(4,821)	(1,550)	1,307	
<b>Net Position</b>	<b>230,238</b>	<b>252,260</b>	<b>252,653</b>	<b>271,402</b>	<b>265,618</b>	<b>267,991</b>	<b>260,904</b>		<b>255,273</b>	<b>250,452</b>	<b>248,902</b>	<b>250,209</b>	
<b>Total Cash Balance</b>		40,663		41,041	35,257	37,630	30,543		24,912	20,091	18,541	19,848	
<b>Target Cash Reserve</b>		14,479		15,102	15,329	13,689	15,172		15,364	15,743	16,132	16,532	
<b>Variance Operating Cash to Target</b>		26,184		25,940	19,928	23,941	15,371		9,548	4,348	2,409	3,316	
<b>Notes:</b>													
* The unused 2017 & 2018 Budgeted Capital amount has been carried forward to 2019 and beyond.													

**City of Minneapolis  
2020 Budget  
Financial Plan**

**Engineering, Materials and Testing Fund**

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**Introduction**

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

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

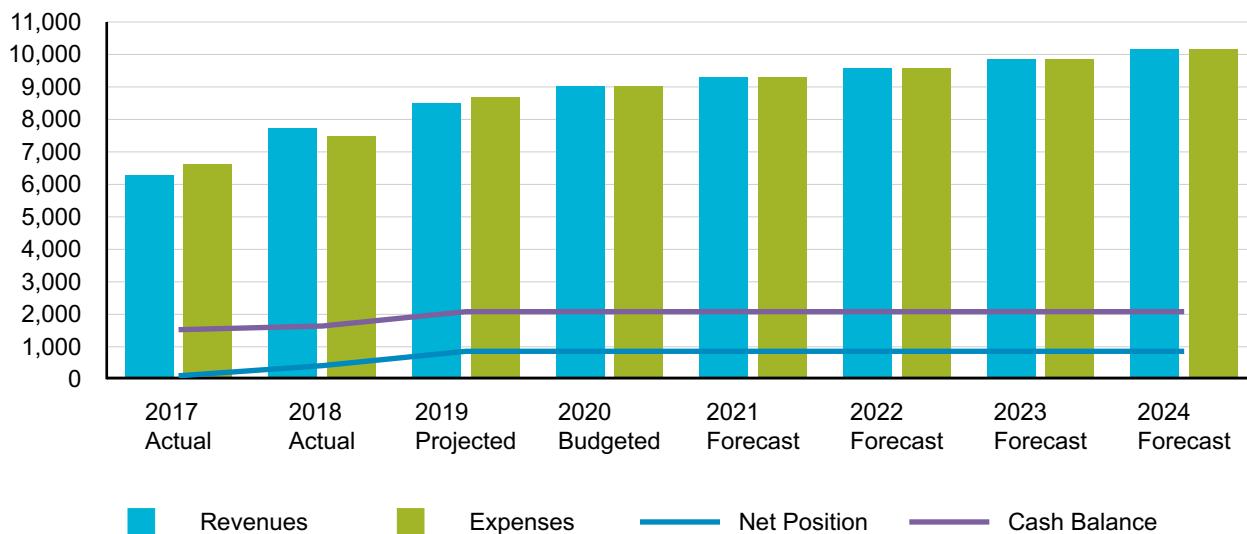
**Historical Financial Performance**

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

From year-end 2013 to year-end 2018, the fund's net position decreased from \$2 million to \$420,000. The most significant factor in this decrease was the implementation GASB No. 68 in 2015 to record pension liabilities, which reduced the fund's net position significantly. The reduction to net position was offset by operating gains of \$416,000 in 2013 and \$309,000 in 2018. From year-end 2013 to year-end 2018, the cash balance decreased from \$2.1 million to \$1.6 million as a result of both operating losses as well as the aforementioned gains in 2013 and 2018.

## Current Year Projections

### Financial Snapshot Engineering, Materials and Testing (in thousands of Dollars)



#### Revenues

The 2019 revenues are projected to be \$9.1 million, which is an increase of 7.5% compared to the 2019 budgeted revenue of \$8.5 million. Revenue throughout the year is dependent upon several factors such as weather and the timing of construction projects. These variables can result in substantial variances in the amount of revenue (and expenses) recorded throughout the year. Prior to 2017, the sale of concrete and asphalt were offset against the expense. Starting in 2017, the purchases and sale of concrete and asphalt were no longer offset, and the full amount of expense and revenue was reported on the financial statements.

#### Expense

The 2019 expense budget is projected to be \$8.7 million, which is a 2.4% increase from the 2019 budgeted expense of \$8.5 million. As noted above, expenses throughout the year are dependent upon several factors such as weather and the timing of construction projects. As stated earlier, starting in 2017 the purchase of concrete and asphalt is reported at cost instead of being offset by sales.

#### Net Position & Cash Balance

The fund's projected net position at the end of 2019 is \$862,000, which is a 100.6% increase compared to the budgeted ending net position of \$430,000. This increase is mainly due to the above stated reasons that resulted in a higher margin. The fund's projected cash balance at the end of 2019 is \$2.1 million, which is 26.2% higher than the budgeted 2019 ending cash balance, also due to higher projected margin.

#### 2020 Budget

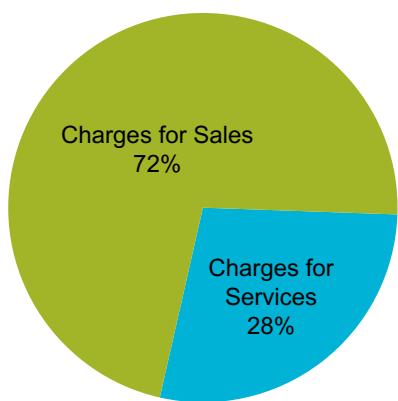
The 2020 budget reflects an increase in revenue and expense from providing services to other divisions of Public Works. The budget for 2020 does not anticipate an increase in the purchase and subsequent reselling of asphalt and concrete.

## Revenues

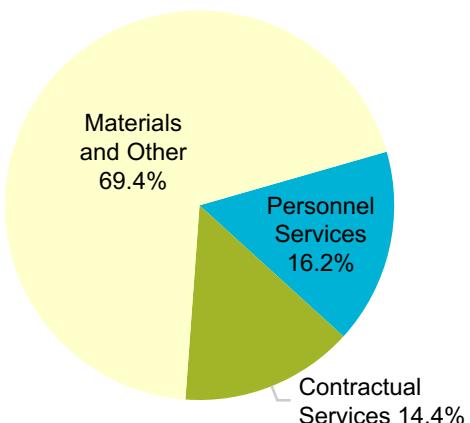
The 2020 revenue budget is \$9.0 million, a slight decrease of 1.1% from the 2019 projected revenue of \$9.1 million due to projected increases in City projects and maintenance activities in 2019.

The 2020 revenue budget of \$9.0 million is an increase of \$529,000 compared to the 2019 revenue budget of \$8.5 million. This increase is due to projected increases in City projects and maintenance activities.

### Source of Funds (\$9.0 million)



### Use of Funds (\$9.0 million)



## Expense

The 2020 expense budget is \$9.0 million, an increase of 3.9% from the 2019 projected expense of \$8.7 million. This increase in the 2020 budgeted expense is due to projected increases in City projects and maintenance activities.

The 2020 expense budget of \$9.0 million is an increase of \$539,000 compared to the 2019 expense budget of \$8.5 million. This increase is due to projected increases in City projects and maintenance activities.

## Transfers

There are no transfers scheduled in 2020 for this fund.

## Debt Service

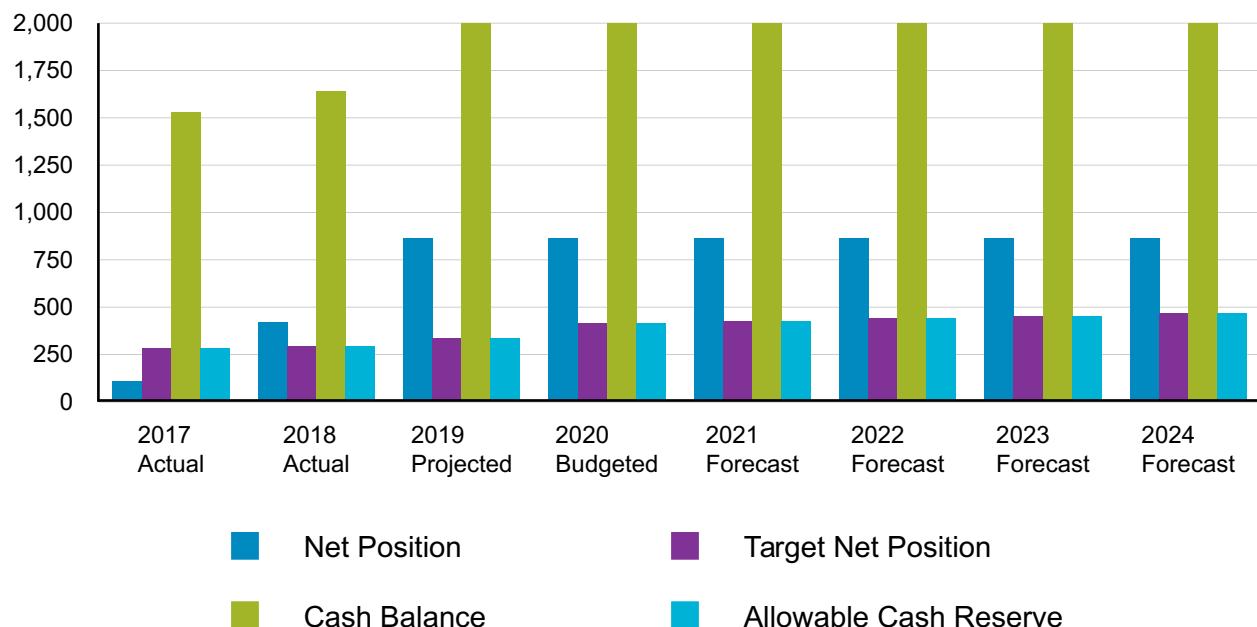
This fund does not have any debt service liabilities.

## Net Position & Cash Balance

The net position is projected to be \$862,000 at the end of 2019 and 2020. The financial policy requires that the fund maintain a net position at least equal to 15.0% of the operating budget, exclusive of materials and related costs. For the year ending 2020, the projected net position is \$447,000 above the benchmark of \$0.4 million.

The cash balance is projected to be \$2.1 million at the end of 2019 and 2020. Financial reserve policies for the Engineering, Materials and Testing fund requires that the cash balance should not be less than 15.0% of the operating budget, exclusive of materials and related costs, or \$0.4 million for 2020. The fund is expected to exceed the benchmark by \$1.7 million in 2020.

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



**City of Minneapolis**  
**2020 Council Adopted Budget**  
**Financial Plan (in thousands of dollars)**

**Engineering, Materials and Testing**

	2017 Budget	2017 Actual	2018 Budget	2018 Actual	2019 Budget	2019 Projected	% Chg From 2019 Projected	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast
<b>Source of Funds:</b>											
Charges for Services	1,657	1,651	1,755	2,199	2,007	2,614	2,536	(3)%	2,613	2,691	2,772
Charges for Sales	320	4,647	5,618	5,524	6,489	6,516	6,489	(0.4)%	6,684	6,884	7,091
Total	1,977	6,298	7,373	7,723	8,496	9,130	9,025	(1.1)%	9,296	9,575	9,862
<b>Use of Funds:</b>											
Personnel Services	1,280	1,308	1,326	1,079	1,410	1,301	1,464	12.5 %	1,508	1,553	1,600
Contractual Services	606	773	613	1,066	808	1,091	1,299	19.1 %	1,338	1,378	1,420
Materials and Other	80	4,538	5,434	5,344	6,269	6,296	6,262	(0.5)%	6,450	6,643	6,843
Total	1,966	6,619	7,373	7,488	8,487	8,688	9,025	3.9 %	9,296	9,575	9,862
<b>Change in Net Position<sup>1</sup></b>	10	(321)	—	309	10	442	—	— %	—	—	—
<b>Net Position<sup>1</sup></b>	439	108	108	420	430	862	430	— %	430	430	430
<b>Total Cash Balance</b>	1,555	1,527	1,527	1,640	1,650	2,082	2,082		2,082	2,082	2,082
<b>Target Cash Reserve<sup>2</sup></b>	283	283	291	291	333	333	415		427	440	453
<b>Variance Operating Cash to Target</b>	1,273	1,244	1,236	1,349	1,317	1,749	1,235		1,655	1,642	1,629
											1,615

1Change in net position and net position for 2017 & 2018 are CAFR values.

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

**City of Minneapolis  
2020 Budget  
Financial Plan**

**Fleet Services Fund**

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**Introduction**

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

The Fleet Services Division assigns nearly all its fleet (as base units) to City departments. The City departments are allocated a rental rate for these units that is calculated through an activity based cost allocation model and designed to capture the replacement cost of the vehicle. The City's fleet of vehicles and equipment has an acquisition value of \$100.1 million and accounts for 64.2% of the net value of the long-term assets in this fund.

**Historical Financial Performance**

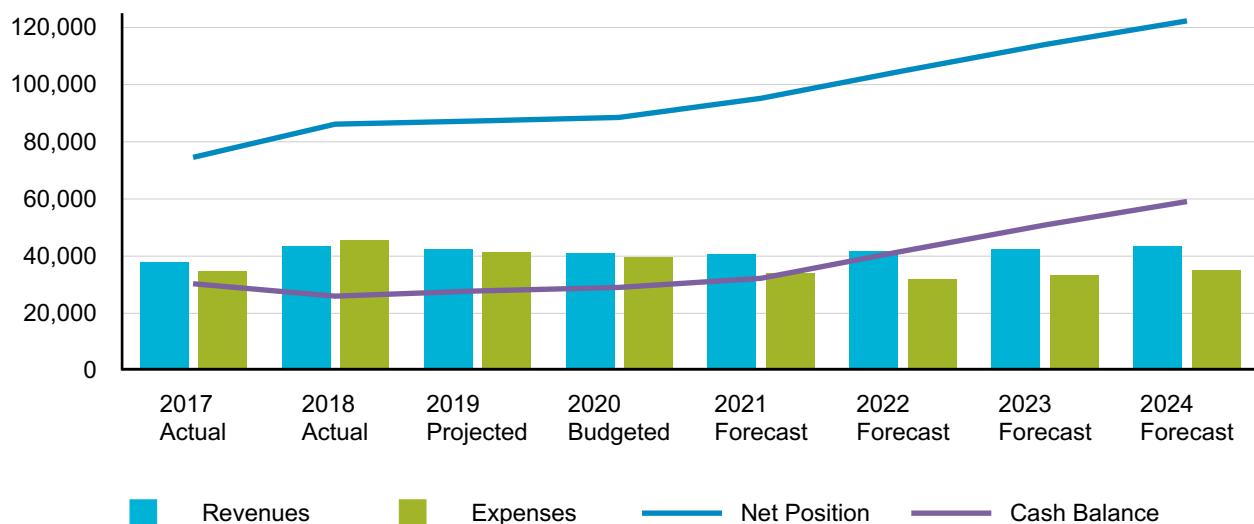
From year-end 2013 through year-end 2018, the Fleet Services fund had an increase in net position of \$36.1 million. Several factors affect the net position, but the increase is primarily due to the increasing net investment in capital assets. Since 2013, the net book value of the Fleet Services Fund's capital assets has increased by \$16.8 million, while the debt related to those assets has decreased by \$15.6 million. The combination of increasing asset value and decreasing liabilities has resulted in an increase to net investment in capital assets of \$35.0 million.

The 2018 ending cash balance of \$26.0 million was an increase of \$7.1 million from the 2013 ending balance of \$18.9 million. The 2018 target cash reserve was \$3.3 million, a decrease of \$1.8 million from 2013. The fund exceeded the target by \$22.7 million in 2018, an increase of \$8.9 million from 2013 of \$13.8 million.

In 2013, the fund received a transfer from the General Fund of \$8.3 million as determined by the long term financial plan to assist with debt service payments. The fund also received transfers from the General Fund from 2014 to 2018 totaling \$7.5 million as part of the Capital Asset Request System (CARS) program to help supplement the cost of replacing vehicles as identified in the lifecycle replacement schedule for fleet capital assets.

## Current Year Projections

### Financial Snapshot Fleet Services Fund (in thousands of Dollars)



#### Revenues

The 2019 revenue for the Fleet Services fund is projected to be \$42.4 million which is 9.0% more than the budgeted amount of \$38.9 million. The projected revenue is more than budgeted primarily due to an increase of \$2.6 million, or 12.7%, in rent income and an increase of \$1 million, or 9% in contract services and apprentice revenue. The increase in rent income is due to increased use of contractual equipment and the purchase of additional vehicles to the Fleet. The increase in charges for services revenue is the result of higher than budgeted billable hours as significant snow in early 2019 required more maintenance of equipment. Charges for sales revenue is projected to be \$242,000 under budget due to a decrease in fuel costs which result in lower revenue from the sale of fuel.

#### Expense

The 2019 expenses are projected to be \$41.3 million or 2.2% more than the budgeted amount of \$40.4 million. This is mainly due to Fleet operating costs such as apprentice labor and contractual rentals increasing while other costs such as fuel are decreasing.

#### Net Position & Cash Balance

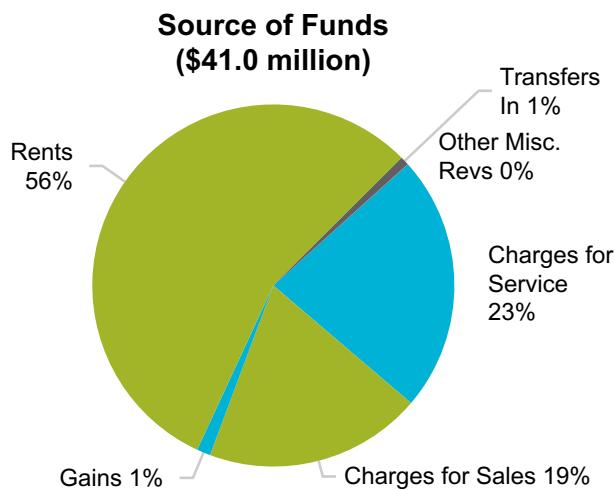
The Fleet Services Division Fund projects net position to be \$87.3 million at the end of 2019, an increase of 3.1% from the budgeted amount of \$84.7 million. The reason for the increase is because revenue is projected to be \$42.4 million which is \$3.5 million more than the budgeted amount of \$38.9 million.

The year-end 2019 cash balance is projected to be \$27.8 million, an increase of 13.5% from the budgeted amount of \$24.5 million. The 2019 target cash reserve is projected to be \$3.4 million and the fund is projected to exceed the target by \$24.5 million.

## 2020 Budget

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

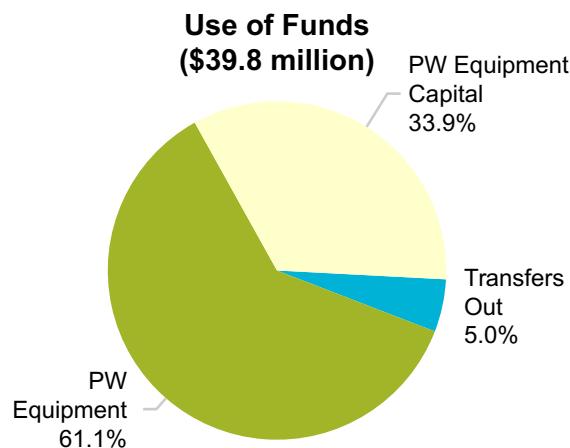
### Revenues



Total revenues for 2020 are budgeted at \$41.0 million, a 3.2% decrease from the 2019 projected amount of \$42.4 million and a 5.5% increase from the 2019 budgeted amount of \$38.9 million. The increase in 2020 budgeted revenue over the 2019 budgeted amount is primarily due to an increase in fleet rental rates used to bill internal customers to cover the replacement cost of vehicles. The increase from the 2019 projected amount is also due to rental revenue.

### Expense

The 2020 expense budget is \$39.8 million, a decrease of 3.6% from the 2019 projected expense of \$41.3 million and a 1.5% decrease from the 2019 budgeted amount of \$40.4 million. The decrease in 2020 budgeted expense over the 2019 projected expense is mostly due to a decrease of \$2.5 million in equipment purchases. This is offset slightly by an increase in the amount budgeted for other operating costs. Fleet equipment capital purchases vary from year to year based on a long-term replacement schedule which requires higher amounts of replacement in some years compared to others.



### *Transfers*

In 2020, the Fleet Services Fund will receive a transfer of \$317,000 from Property Services to pay a portion of the debt expense related to the Currie Maintenance Facility. The Fleet Services Fund will also make a \$2.0 million transfer to the General Fund in 2019.

### *Debt Service*

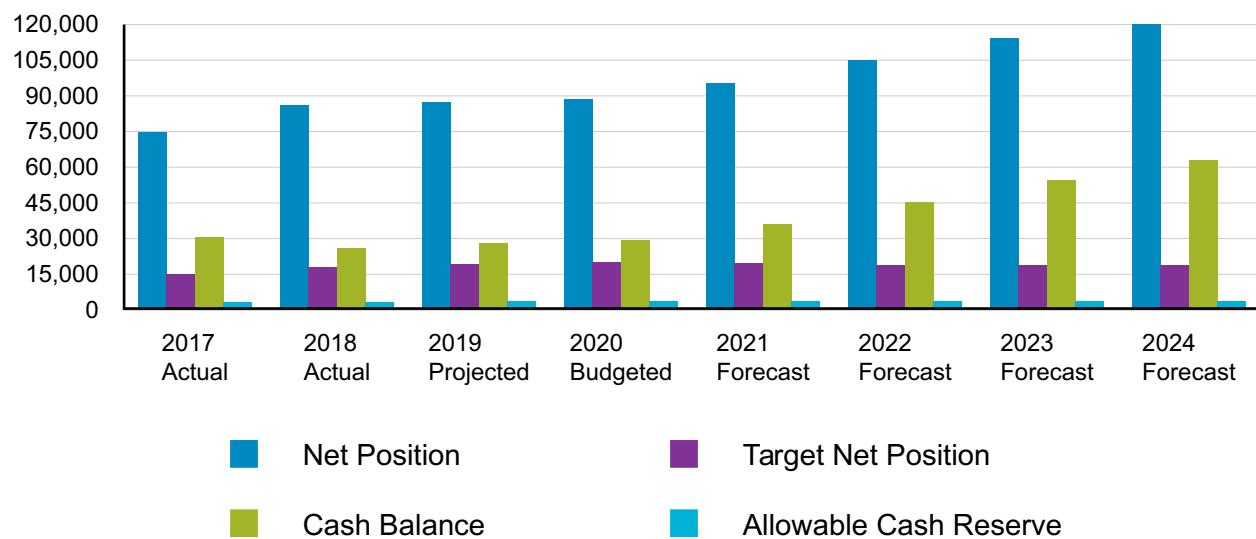
As part of the fleet modernization effort that began in 1997, the City issued bonds to finance fleet upgrades and to build new maintenance facilities. In 2018, the fund paid off the remaining debt obligation of \$9.1 million. There are no further debt obligations in this fund at this time.

### *Net Position & Cash Balance*

The net position at year-end 2020 is budgeted to be \$88.5 million, an increase of 1.4% from the 2019 projected amount of \$87.3 million. The primary reason for the increase is the fleet capital purchases vary from year to year based on a long-term replacement schedule. The financial policy related to net position for the Fleet Services Division states that the net position should not fall below two times the annual depreciation amount. The Fleet Services Division Fund is projected to be in compliance with this policy in 2019 and 2020 as the target net position is projected to be \$19.3 million for 2019 and \$19.8 million for 2020.

The financial policy related to cash balance for the Fleet Services Division states that the minimum cash balance should be 15.0% of the operating budget. For the year-ending 2020, the cash balance is budgeted to be \$29.1 million, an increase of 4.5% from the 2019 projected ending balance of \$27.8 million. The increase is due to the timing of capital equipment purchases. The target cash reserve is \$3.4 million for 2019 and \$3.5 million for 2020. The fund is expected to exceed the target by \$24.5 million in 2019 and \$25.6 million in 2020. The cash balance includes amounts collected for future vehicle replacements which are not reflected in the target cash reserve amount.

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



**City of Minneapolis**  
**2020 Council Adopted Budget**  
**Financial Plan (in thousands of dollars)**

**Fleet Services Fund**

	2017 Budget	2017 Actual	2018 Budget	2018 Actual	2019 Budget	2019 Projected	2020 Budget	From 2019 Projected	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast
<b>Source of Funds:</b>												
Charges for Service	9,897	9,703	9,225	10,694	9,773	10,780	9,399	(12.8)%	9,406	9,674	9,950	10,235
Charges for Sales	7,564	6,319	8,275	9,406	8,092	7,850	7,975	1.6 %	8,489	8,594	8,703	8,814
Gains	350	290	350	1,100	350	500	500	0.0%	350	350	350	350
Rents	14,755	19,195	19,639	21,789	20,329	22,909	22,818	(0.4)%	22,547	23,007	23,443	23,976
Other Misc Revenue	10	3	10	62	10	10	10	0.0%	10	10	10	10
Operating Transfers in	2,304	2,304	597	597	317	317	317	0.0%	—	—	—	—
Total	34,880	37,814	38,095	43,648	38,871	42,366	41,019	(3.2)%	40,802	41,635	42,456	43,385
<b>Use of Funds:</b>												
Debt Service	2,677	2,560	9,260	9,147	—	—	—	0.0%	—	—	—	—
Transfers out	—	—	—	—	1,000	1,000	2,000	100.0%	—	—	—	—
PW Equipment Operations	21,472	21,321	23,249	23,395	23,418	24,305	24,286	(0.1)%	24,387	24,892	25,414	25,951
PW Equipment Capital	10,139	10,840	12,898	13,097	15,952	15,951	13,489	(15.4)%	9,719	7,167	7,818	9,144
Total	34,288	34,721	45,407	45,639	40,370	41,256	39,775	(3.6)%	34,106	32,059	33,232	35,095
<b>Change in Net Position<sup>1</sup></b>	592	8,048	(7,311)	11,571	(1,499)	1,110	1,244	12 %	6,696	9,576	9,224	8,290
<b>Net Position<sup>1</sup></b>	70,059	74,558	76,237	86,171	84,672	87,281	88,525	1.4%	95,221	104,797	114,021	122,311
<b>Total Cash Balance</b>	21,036	30,350	23,039	26,007	24,508	27,817	29,061	4.5 %	35,757	45,333	54,557	62,847
<b>Target Cash Reserve<sup>2</sup></b>	3,041	3,041	3,333	3,333	3,358	3,358	3,488	3.9%	3,503	3,579	3,657	3,738
<b>Variance Operating Cash to Target</b>	17,995	27,309	19,706	22,674	21,150	24,459	25,572	4.6 %	32,253	41,753	50,899	59,109

1 Change in net position and net position are CAFR values for 2017 and 2018

2 The target cash reserve is in accordance with the financial reserve policy for internal service funds. The cash reserve for the Fleet Services Fund at a minimum should be equal to 15% of the operating budget adjusted for intrafund revenue and expense.

**City of Minneapolis  
2020 Budget  
Financial Plan**

**Intergovernmental Services Fund**

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## **Introduction**

The Intergovernmental Services Internal Service Fund accounts for all of the operations of the Information Technology (IT) Department including telecommunications services, network services, application support, internet and intranet services, convenience copier function, broadband wireless, and deployment of software and hardware. Information Technology activities account for 96.1% of the operating activities in the fund. The fund also records transactions for operations within the City Clerk's office related to central mailing and printing services, representing 3.9% of operating activities.

The majority of the fund's revenue is determined by an allocation model, which has four components on the customer expense side: IT application support; IT operations; telecommunications; and special customer specific services. Revenues generated through the allocation model recover the IT operating costs at a level that conforms to the Council-adopted financial plan. The IT Department also earns revenue from the Project Management Office (PMO), which charges City departments for the cost of purchasing or creating technology enhancements and provides quality, low-cost project management for implementing these technology-related projects. The charges to City departments are calculated to generate enough revenue to cover the overhead expense of the department. The City Clerk earns revenue through charges for central mailing and printing services.

## **Historical Financial Performance**

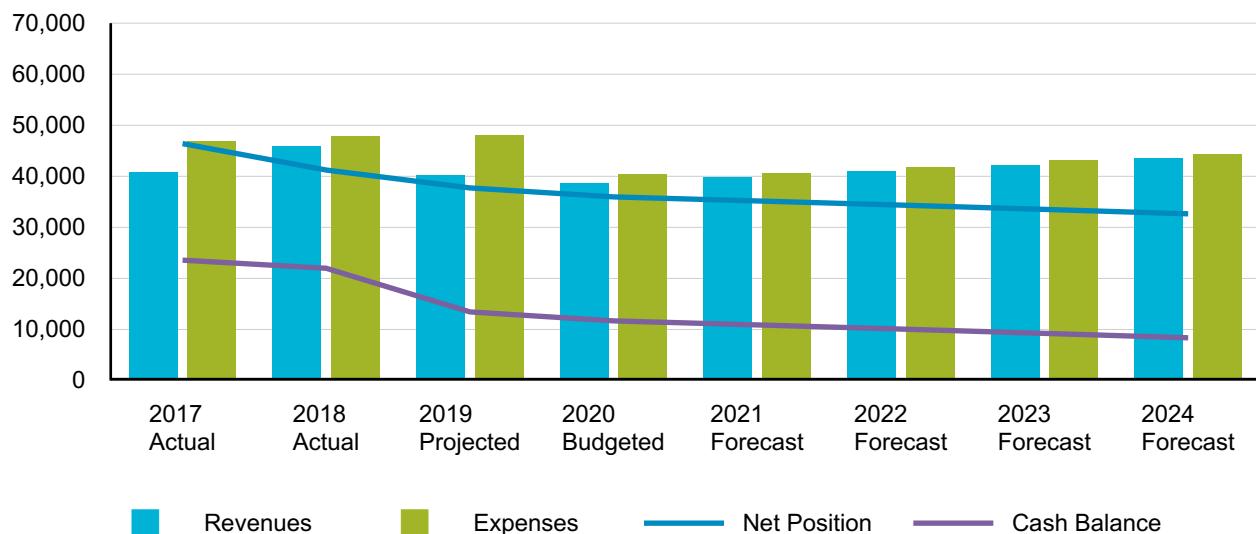
From year-end 2013 to year-end 2017 the fund's net position increased from \$37.4 million to \$46.4 million. The net position decreased to \$41.2 million in 2018. The increase in net position from 2013 to 2017 was primarily due to General Fund transfers of \$28.2 million received from 2013-2014 in accordance with the long-term financial plan for the fund. The City Council approved a long-term financial plan for the Intergovernmental Services Fund in September 2000 to ensure sufficient net position and cash balances. By the end of 2014, it was determined that the fund had sufficient net position and cash balances. The decrease in net position during 2017 is partly due to a \$3.0 million transfer out to the Capital Improvement Fund, decrease in long term assets of \$3.7 million due to depreciation of capital assets, and recognition of pension expense and liabilities of \$3.7 million.

Over the last five years the Intergovernmental Services Fund revenue has been between \$39.2 million to \$41.7 million. Expenses have been between \$37.1 million and \$50.6 million. The variances in revenues and expenses from year-to-year are generally the result of PMO activity. In 2015, the City completed the Enterprise Resource Planning program to implement upgrades to the PeopleSoft system. In 2016, the City implemented an Enterprise Land Management System. The implementation of such significant systems causes the fund's revenue and expense to fluctuate as work is completed. In addition, in 2015, the Council approved the use of \$10.0 million of net position to cover one-time costs associated with insourcing the IT helpdesk and desk side support functions, and expenses related to contracting with a new provider for managed services. The majority of these expenses, \$6.4 million, occurred in 2015 with the remainder in 2016 and 2017.

Through 2016, the fund also included a portion of the Human Resources budget designated for internal training. In 2016, the Human Resources budgeted expense for the fund was \$308,000. The Human Resources' training expense is now accounted for in the General Fund.

## Current Year Projections

### Financial Snapshot Intergovernmental Services Fund (in thousands of Dollars)



#### Revenues

The 2019 revenues are projected to be \$40.2 million, which is an increase of 8.1% from the 2019 budgeted revenue of \$37.2 million. The 2019 projection includes revenue earned during the current year for PMO projects. The 2019 budget includes a conservative revenue amount for charges for services from PMO projects that is increased as work for others is completed and City departments are billed for the services.

#### Expense

The 2019 expenses are projected to be \$48.1 million, which is an increase of 16.6% from the 2019 budgeted expense amount of \$41.2 million. This is partly due to expenses from customer funded PMO projects not included in the original operating budget but included in the projection as expense is recorded to projects and billed to customers. Also, the City Council approved the rollover of 2018 funds to 2019 for \$8.7 million, including \$3.2 million for the Enterprise Content Management system (ECMS), \$1.6 million for the Management Information Network System (MINS), \$1.1 million for the Police Information Management System (PIMS), and \$1.0 million for Property Records & CAMA System.

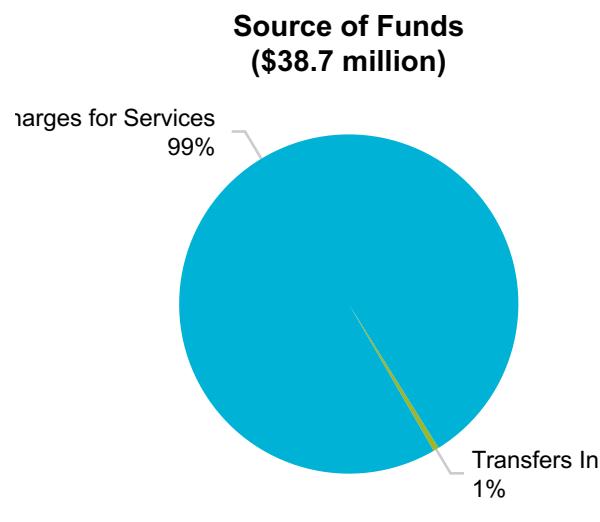
#### Net Position & Cash Balance

The Intergovernmental Services Fund projects net position to be \$37.7 million at the end of 2019, a decrease of \$4.7 million, or 11.0% from the 2019 budgeted ending net position of \$42.4 million. The fund's cash balance is projected to be \$13.4 million at the end of 2019, a decrease of \$5.9 million, or 30.3%, from the budgeted ending cash balance of \$19.3 million. The primary reason for these decreases are because the expenses are over budget due to expenses relating to PMO project expenses that were not included in budget.

## 2020 Budget

There are no significant planned or anticipated changes from prior years for the Intergovernmental Services fund.

### Revenues



The revenues for 2020 are budgeted at \$38.7 million, an increase of 3.9% from the 2019 budgeted amount of \$37.2 million. Charges for services revenue increased by \$1.6 million in the 2020 budget to align allocation model revenues with the approved expense budget.

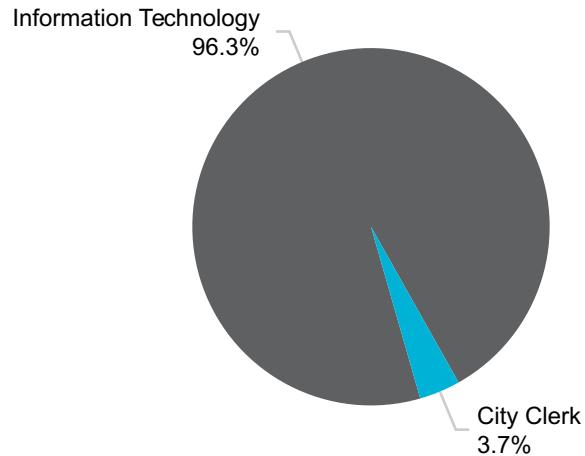
The 2020 revenue budget is a decrease of \$1.6 million, or 3.9%, from the 2019 projected revenue. The 2019 projected revenue includes revenue earned during the year for PMO projects. The budget includes a conservative revenue amount for PMO projects that is increased as work is completed and City departments are billed for the services.

### Expense

The expenses for 2020 are budgeted at \$40.5 million, a decrease of \$.7 million, or 1.9%, from the 2019 budgeted expense of \$41.2 million. The decrease is mostly due to maintenance contracts and license expenses.

The 2020 expense budget is \$7.6 million or 16.6% less than the 2019 projected expense of \$47.4 million, primarily due to the \$3.2 million transfer in 2019 that is reduced to \$1 million in 2020 and projected work for others amount of \$4.7 million. The fund also rolled over appropriations totaling \$8 million that were not utilized in 2018.

### Use of Funds (\$40.5 million)



## *Transfers*

The 2020 revenue budget includes a \$209,000 transfer from the General Fund for the cost of City Hall rent for the Information Technology and City Clerk departments. The fund has received the rent related transfer on an annual basis and expects this transfer to continue in future years. The 2020 expense budget includes a \$1,000,000 transfer to the General Fund on a one-time basis to partly offset costs related to the Human Resources Department's Human Capital Management System.

## *Debt Service*

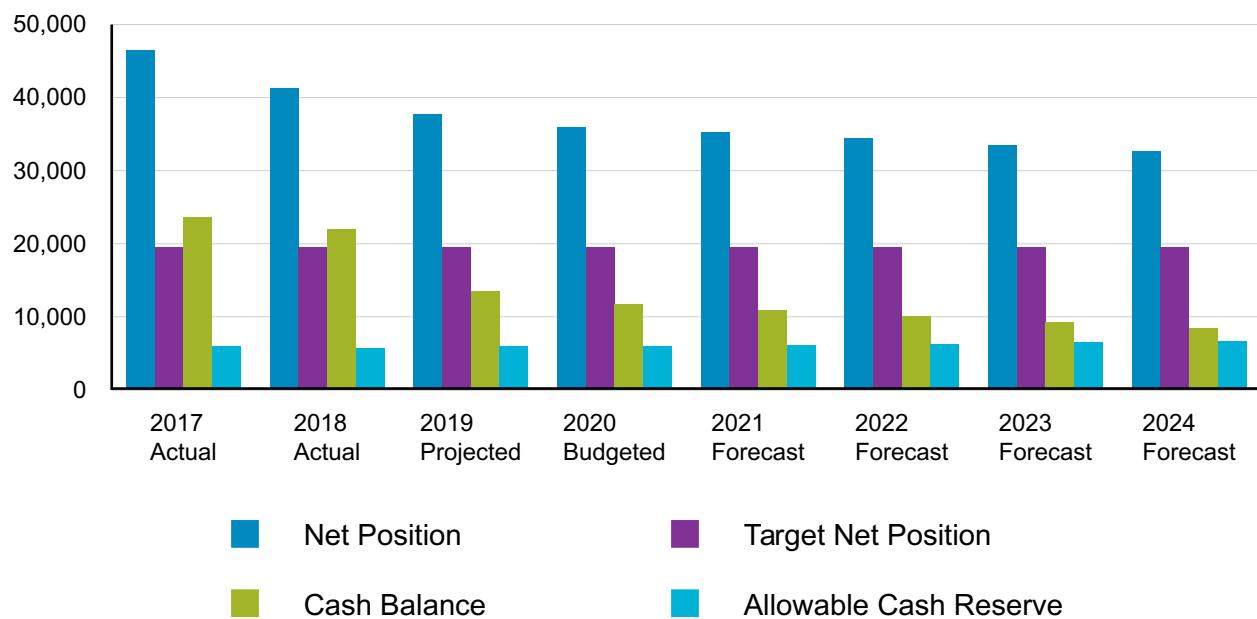
This fund does not have any net debt bonds.

## *Net Position & Cash Balance*

The net position at year-end 2020 is budgeted to be \$36.0 million, a decrease of \$1.8 million, or 4.7%, from the 2019 ending projected amount of \$37.7 million. The cash balance at year-end 2020 is projected to be \$11.7 million, a decrease of \$1.8 million, or 13.1%, from the 2019 projected ending balance of \$13.4 million. The decrease is due to expenses to budgeted exceed revenues.

The financial policy for the Intergovernmental Services fund states that the minimum cash balance should be equal to 15% of the fund's total budget. The projected 2020 year-end cash balance of \$11.7 million exceeds the target amount of \$5.9 million by \$5.8 million. The financial policy also states that the net position should not fall below two times the fund's annual depreciation. The estimated target net position for 2020 is \$19.5 million, and the fund is projected to exceed this target by \$16.5 million.

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



**City of Minneapolis**  
**2020 Council Adopted Budget**  
**Financial Plan (in thousands of dollars)**

**Intergovernmental Services Fund**

	2017 Budget	2017 Actual	2018 Budget	2018 Actual	2019 Budget	2019 Projected	2020 Budget	% Chg From 2019 Projected	% Chg			
									2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast
<b>Source of Funds:</b>												
Charges for Service - IT	32,675	31,531	34,079	34,369	35,508	33,761	37,057	11.7 %	38,169	39,314	40,493	41,708
Charges for Service - City Clerk	1,291	1,355	1,326	1,535	1,366	1,500	1,424	(5)%	1,467	1,511	1,556	1,603
Work for Others	—	6,596	—	5,383	—	5,218	—	(100)%	—	—	—	—
Operating Transfers In	192	1,383	1,760	4,623	353	353	209	(40.7)%	208	215	221	228
<b>Total</b>	<b>32,867</b>	<b>40,865</b>	<b>37,165</b>	<b>45,910</b>	<b>37,227</b>	<b>40,241</b>	<b>38,691</b>	<b>(3.9)%</b>	<b>39,844</b>	<b>41,040</b>	<b>42,270</b>	<b>43,539</b>
<b>Use of Funds:</b>												
Transfers	3,000	3,000	—	—	3,220	3,220	1,000	(68.9)%	—	—	—	—
City Clerk	1,376	1,507	1,403	1,804	1,459	1,315	1,502	14.2 %	1,547	1,593	1,641	1,690
Information Technology	38,558	35,870	36,593	41,107	36,565	38,665	37,950	(1.8)%	39,089	40,262	41,470	42,714
Work for Others	—	6,431	—	4,889	—	4,893	—	— %	—	—	—	—
<b>Total</b>	<b>42,934</b>	<b>46,808</b>	<b>37,996</b>	<b>47,800</b>	<b>41,244</b>	<b>48,093</b>	<b>40,452</b>	<b>(13.8)%</b>	<b>40,636</b>	<b>41,855</b>	<b>43,111</b>	<b>44,404</b>
<b>Change in Net Position</b>	<b>(10,067)</b>	<b>(11,324)</b>	<b>(831)</b>	<b>(5,182)</b>	<b>(4,017)</b>	<b>(7,852)</b>	<b>(1,760)</b>		<b>(792)</b>	<b>(815)</b>	<b>(841)</b>	<b>(865)</b>
<b>Net Position</b>	<b>49,775</b>	<b>46,408</b>	<b>45,577</b>	<b>41,226</b>	<b>42,391</b>	<b>37,725</b>	<b>35,965</b>	<b>(4.7)%</b>	<b>35,173</b>	<b>34,357</b>	<b>33,516</b>	<b>32,651</b>
<b>Total Cash Balance</b>	<b>19,801</b>	<b>23,572</b>	<b>21,541</b>	<b>21,983</b>	<b>19,305</b>	<b>13,439</b>	<b>11,679</b>	<b>(13.1)%</b>	<b>10,887</b>	<b>10,071</b>	<b>9,230</b>	<b>8,365</b>
<b>Target Cash Reserve</b>	<b>5,917</b>	<b>5,917</b>	<b>5,660</b>	<b>5,660</b>	<b>5,665</b>	<b>5,958</b>	<b>5,879</b>	<b>(1.3)%</b>	<b>6,056</b>	<b>6,239</b>	<b>6,428</b>	<b>6,622</b>
<b>Variance Operating Cash to Target Cash Reserve</b>	<b>13,884</b>	<b>17,655</b>	<b>15,881</b>	<b>16,323</b>	<b>13,640</b>	<b>7,481</b>	<b>5,800</b>	<b>(22.5)%</b>	<b>4,830</b>	<b>3,832</b>	<b>2,803</b>	<b>1,744</b>

1 Change in net position and net position for 2017 and 2018 are the amounts recorded in the CAFR.

2 At year end 2018, fund 06400 has a liability balance of \$1.5 million in unearned revenue resulting from prepayments by City departments for future IT projects. These prepayments result in an increase to the cash balance.

3 The 2019 projected expenses do not include any potential rollover requests that may be spent in 2019.

**City of Minneapolis  
2020 Budget  
Financial Plan**

**Property Services Fund**

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**Introduction**

The Property Services Internal Service Fund is responsible for the operations and maintenance of the City-owned buildings including police precinct structures, fire stations, and public works buildings. The Property Services division is responsible for space and asset management, security management, and energy management services for City properties. The fund does not provide services to the Convention Center, Water facilities, or the Minneapolis Park and Recreation Board buildings. The Property Services fund is also responsible for the Radio Shop which maintains the City's emergency communications network. Property Services is part of the Finance and Property Services department within the City Coordinator's department.

The Property Services fund collects revenue from City departments that are either housed in City buildings or use the services provided (building space, operational maintenance, security, space and asset management, energy management, janitorial and radio services). The proposed building and communication equipment charges to City departments are calculated through cost allocation models using historical and anticipated operational costs. The cost recovery structure is configured to enable the fund to charge the amounts required to recover the cost of the goods and services provided to City departments and the cost of the fund's overhead. The Property Services Fund collects revenue for City Hall rent and remits it to the Municipal Building Commission (MBC) to reimburse the MBC for maintenance and property management services.

Included in the Property Services Fund is the Property Disposition Fund. This fund was created in section 14.120 of City Ordinance for the purpose of recording proceeds from the sale of City property. The ordinance did not specify the use of proceeds.

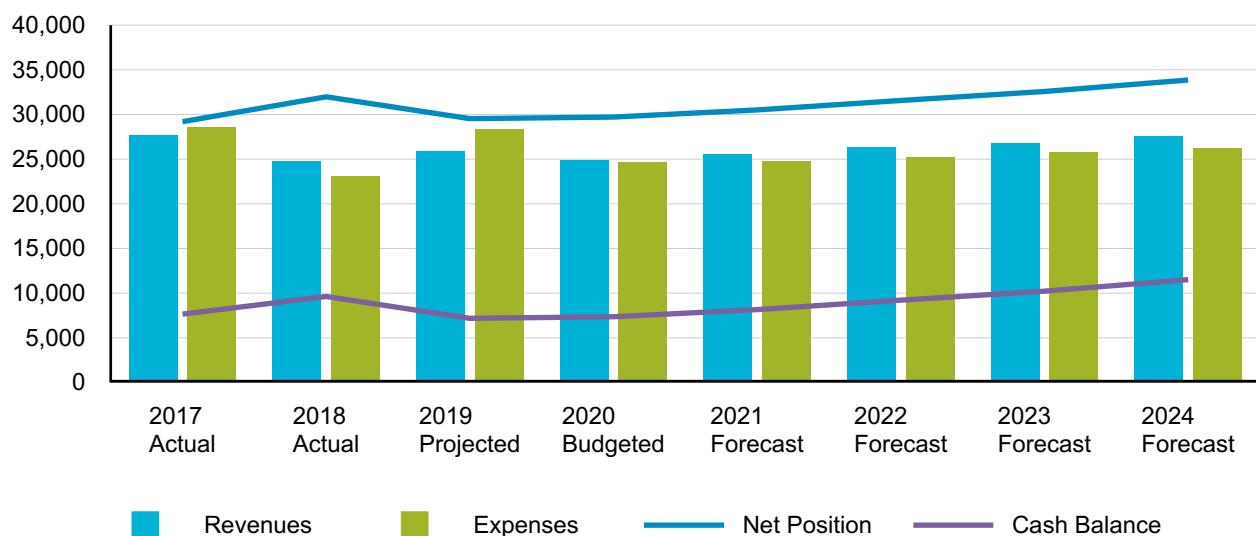
**Historical Financial Performance**

Over the last five years, the Property Services fund revenue has steadily increased from \$19.8 million in 2014 to \$24.7 million in 2018. The most significant reason for this increase was the collection of \$4.0 million annually in asset preservation rental income beginning in 2016 as part of the allocation model to fund facility repairs and improvements to City owned buildings. The Property Services Fund will continue to collect revenues from City departments, who occupy City buildings, to fund improvements for facility repairs and upgrades. This practice replaces funding through net debt bonds.

The Property Services fund decreased its net position by \$1.1 million from \$33.1 million at year-end 2013 to \$32.0 million at year-end 2018. Several factors contribute to changes in net position. Some increases over the years include a \$3.2 million transfer from the General Fund in 2013 to assist with debt service payments which were paid over several years ending in 2018. As previously noted, starting in 2016 the fund has collected \$4.0 million annually in rental income from departments for facility repairs and improvements. Due to the timing of projects over the past three years, less than two-third of this funding has been spent, which is reflected in the net position. Approximately \$4.3 million in appropriation related to these collections is expected to be rolled over to the year 2020 for delayed projects from 2019. These increases to net position were offset by the implementation of GASB 68 to record pension liabilities, which reduced the fund's net position by \$6.1 million.

## Current Year Projections

### Financial Snapshot Property Services Fund (in thousands of Dollars)



#### Revenues

The 2019 revenues are projected to be \$25.9 million, representing an increase of 8.8% from the original revenue budget of \$23.8 million. The increase in 2019 projected revenues is mainly due to revenue earned from work for others. Work for others revenues include discretionary repairs and upgrades which can vary from year to year depending on the available budget of City departments. A base budget is recorded each year and increased as additional projects are completed and billed to other City departments. Rents revenues are projected to be \$20.5 million. Included in rent income is the charge to City departments for use of City owned buildings.

#### Expense

The 2019 expenses are projected to be \$28.4 million, representing an increase of 18.3% from the original budgeted expense of \$24.0 million. Included in the 2019 expense budget is a conservative estimate for costs related to projects completed for other City departments. As the projects are requested and expense is realized, the offsetting revenue is collected through the billing process. The 2019 projected work for others expense reflects this increase in expense related to projects completed for other City departments; Also, facilities management expenses are projected to be \$2.8 million more than budgeted due to capital improvement projects that were originally budgeted in 2018 but due to timing will not be completed until 2019. The City Council approved the rollover of 2018 funds to 2019 for \$6.3 million for these capital projects. Out of the \$6.3 million, \$4.3 million is planned to be moved to 2020 due to delayed projects; and this is reflected in the 2019 Facilities Management projections.

The fund has an appropriation of \$5.2 million for pass-through costs for services provided by the Municipal Building Commission for maintaining the City's space in City Hall.

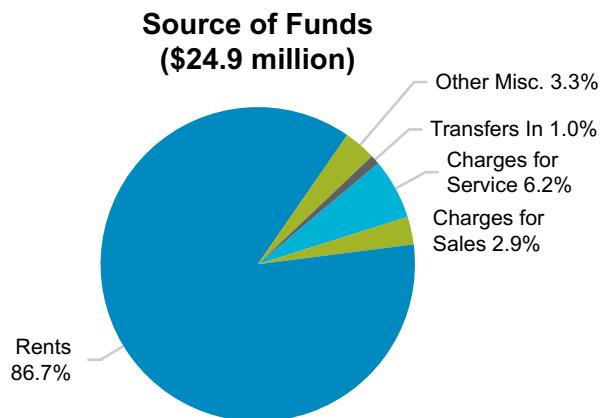
## *Net Position & Cash Balance*

The Property Services Fund's projected net position at the end of 2019 is \$29.5 million, which is a decrease of \$2.3 million, or 7.2%, from the budgeted ending net position of \$31.8 million. The fund's projected cash balance at the end of 2019 is \$7.2 million, which is a decrease of \$2.3 million from the budgeted ending cash balance of \$9.5 million. These decreases are primarily due to the rollover of \$6.3 million in budgeted capital improvement projects from 2018, of which \$4.3 million is expected to be rolled to 2020.

The Property Services Fund cash balance includes operating cash and the cash balance in the Property Disposition Fund, a fund that receives proceeds from the sale of City property. The cash balance in the Property Disposition Fund at year-end 2018 was \$1.7 million and is projected to remain constant at year-end 2019.

## **2020 Budget**

There are no significant planned or anticipated changes from prior years for the Property Services fund.

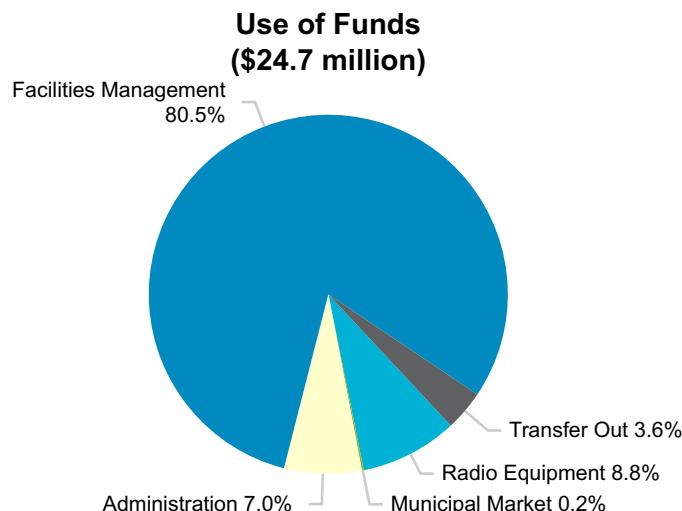


### *Revenues*

The 2020 revenue budget for this fund is \$24.9 million, representing an increase of 4.4% from the original 2019 revenue budget of \$23.8 million. The increase is due to increased rent charged to departments housed in City owned buildings for property maintenance and facility repairs. The 2020 budget is \$1.1 million less than the 2019 projected revenue. As discussed earlier, a base budget is recorded for work for others and adjusted as projects are completed.

### *Expense*

The 2020 Expense Budget is \$24.7 million, representing a \$710,000 increase from the \$24.0 million budgeted in 2019.



### *Transfers*

The 2020 revenue budget includes a General Fund transfer in of \$237,000, which is to cover the cost of City Hall rent for the space occupied by Property Services. The fund has received these transfers on an annual basis and expects the transfers to continue in future years.

The 2020 expense budget includes a transfer out of \$317,000. This payment to the Fleet Services Division assists with the debt payment for the Currie Maintenance Facility. Property Services collects the rent payment through the rent allocation model by charging a portion of debt expense to those departments that occupy space in the facility. The fund has made these transfers on an annual basis. Also, the 2019 expense budget and 2020 proposed expense budget include a transfer of \$500k by collecting it from CPED through rent model for the new capitalized interest on the new Public Service Center debt. In 2021, this will become part of the base model for CPED for their occupancy in the new Building. The 2020 transfer out also includes a Council amendment to the Mayor's Recommended Budget, adding a \$78,000 rent transfer to the General Fund.

### **Debt Service**

There are no debt service payments planned for 2020. In 2018 the fund paid off its remaining debt obligations.

### **Net Position & Cash Balance**

The Property Services Fund has a 2020 budgeted net position of \$29.7 million and the 2019 projected amount is \$29.5 million. The financial policy related to net position for the Property Services Fund directs that the net position should not fall below two times the annual depreciation amount. The Property Services Fund is projected to be in compliance with this policy in 2019 and 2020 as the target net position is projected to be \$2.6 in 2019 and \$2.6 million in 2020.

The 2020 budgeted year-end cash balance is \$5.6 million, and the 2019 year-end projected balance is \$7.7 million. The Property Services Fund cash balance includes operating cash and the cash balance in the Property Disposition Fund, a fund that receives proceeds from the sale of City property. The cash balance in the Property Disposition Fund at year-end 2020 is projected at \$1.7 million. Financial reserve policies for the internal service funds determine that the cash reserve for the Property Services Fund should not be less than 15.0% of the operating budget, or \$2.6 million for 2020.

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



**City of Minneapolis**  
**2020 Council Adopted Budget**  
**Financial Plan (in thousands of dollars)**

**Property Services Fund**

	2017 Budget	2017 Actual	2018 Budget	2018 Actual	2019 Budget	2019 Projected	2020 Budget	% Chg From 2019	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast
<b>Source of Funds:</b>												
Charges for Services	1,665	1,542	1,684	1,240	1,684	1,691	1,550	(8.34)%	1,596	1,644	1,693	1,744
Charges for Sales	324	647	610	666	625	546	709	29.9 %	730	752	775	798
Work For Others	—	4,163	—	2,161	—	2,112	—	(100)%	—	—	—	—
Rents	19,949	19,657	19,910	20,022	20,464	20,522	21,542	4.97 %	22,688	23,369	24,070	24,792
Other Misc. Revenues	348	359	320	322	820	820	820	0.01 %	320	320	3	3
Transfers In	1,300	1,300	319	319	228	228	237	4.11 %	228	228	228	228
Total	23,586	27,667	22,843	24,731	23,820	25,918	24,858	(4.09)%	25,563	26,313	26,769	27,565
<b>Use of Funds:</b>												
Property Services Administration	1,558	1,591	1,479	1,516	1,760	1,760	1,722	-2.16%	1,756	1,792	1,827	1,864
Radio Equipment	1,830	2,046	2,121	2,067	2,155	2,155	2,167	0.56%	2,210	2,255	2,300	2,346
Municipal Market	41	11	41	25	41	41	41	-0.98%	41	42	43	44
Facilities Management	19,760	17,687	18,995	16,614	19,199	22,021	19,857	-22.86%	20,754	21,169	21,593	22,024
Work For Others	—	4,489	—	1,731	—	1,568	—	-100.00%	—	—	—	—
Debt Service	869	869	845	843	—	—	—	0.00%	—	—	—	—
Transfers Out	1,846	1,924	317	317	817	817	895	9.55 %	—	—	—	—
Total	25,903	28,618	23,798	23,111	23,971	28,362	24,603	(12.98)%	24,762	25,257	25,762	26,277
<b>Change in Net Position<sup>1</sup></b>	(2,317)	(951)	(955)	2,782	(151)	(2,444)	176		801	1,056	1,007	1,288
<b>Net Position<sup>1</sup></b>	28,632	29,197	28,242	31,979	31,828	29,535	29,711		30,512	31,568	32,575	33,862
<b>Total Cash Balance<sup>2</sup></b>	6,287	7,653	6,698	9,628	9,477	7,183	7,360		8,160	9,216	10,223	11,511
<b>Operating Cash balance<sup>2</sup></b>	4,592	5,958	4,968	7,898	7,747	5,454	5,630		6,431	7,487	8,494	9,781
<b>Target Cash Reserve<sup>3</sup></b>	2,633	2,633	2,495	2,495	2,550	2,550	2,621		2,743	2,792	2,842	2,884
<b>Variance Operating Cash to Target</b>	1,958	3,325	2,473	5,403	5,197	2,904	3,009		3,688	4,695	5,652	6,897
<b>Cash Reserve</b>												

\* The Property Services fund includes transactions of the Property Disposition Fund, a fund that receives proceeds from the sale of City property.

1The change in net position and the net position for 2017 and 2018 are the amounts recorded in the CAFR.

2Total cash balance is the sum of cash recorded in the Property Disposition fund and the Property Services fund. Operating cash is the cash balance generated from Property Service fund operations and recorded in the Property Services fund.

3The target cash reserve is in accordance with the financial reserve policy for internal service funds. The cash reserve for the Property Services Fund should at a minimum be equal to 15.0% of the adjusted operating budget.

**City of Minneapolis  
2020 Budget  
Financial Plan**

**Public Works Stores Fund**

## Introduction

The Public Works Stores Internal Service Fund accounts for the centralized procurement, receiving, warehousing, and distribution of stocked inventory items and the purchase of special goods and services. The fund's mission is to provide goods in a cost effective manner to City departments. The fund includes the Traffic Stores department, which is managed by Public Works, and the Central Stores department, which is managed by Finance and Property Services. Traffic Stores purchases components for traffic signals, controllers, and street lights. Central Stores purchases the City's office supplies and non-specialty items. The fund earns revenue by applying overhead charges to inventory sales and transaction processing.

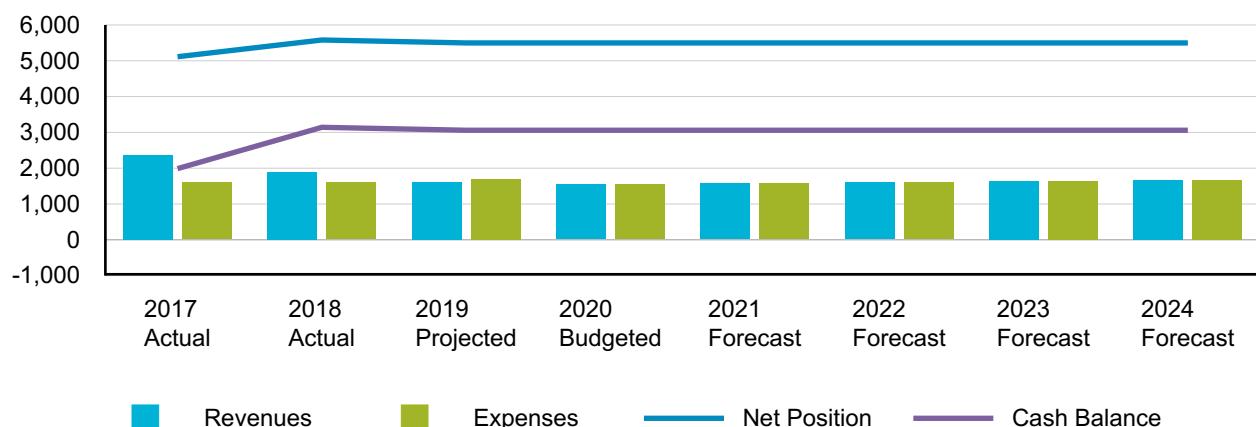
## Historical Financial Performance

The fund has steadily increased net position from \$4.6 million at the end of 2014 to \$5.6 million at the end of 2018. The majority of net position is from inventory held by the fund. At the end of 2018, the inventory balance was \$4.3 million. The fund had a negative cash balance in the past and by the end of 2018 cash balance increased to \$3.1 million. This is an increase of \$3.0 million from cash balance of negative \$202,802 at the end of 2014. The primary reason for the increase is due to a reduction in inventory balance.

From year-end 2013 to year-end 2018, the fund's revenue has remained between \$1.4 million to \$1.9 million. Expenses have remained between \$1.1 million and \$1.6 million. Revenue fluctuates year-to-year based upon the level of inventory purchases by customer departments and requisition processing transactions related to City projects. In addition, starting in 2018, the Traffic Stores department reduced their overhead rate from 22% to 11%, to be closer to the fund's break-even point.

## Current Year Projections

**Financial Snapshot  
Public Works Stores Fund  
(in thousands of Dollars)**



## *Revenues*

Revenues for 2019 are projected at \$1.6 million, an increase of 10.1% over the budgeted amount of \$1.5 million. This is primarily due to an increase of \$83,041 in Traffic Stores and \$45,226 in Central Stores, which is the result of additional overhead charges to inventory sales and transactions processing. The increase is also due to \$20,000 in expected sales to outside customers of Traffic Stores, which had not previously been budgeted.

## *Expense*

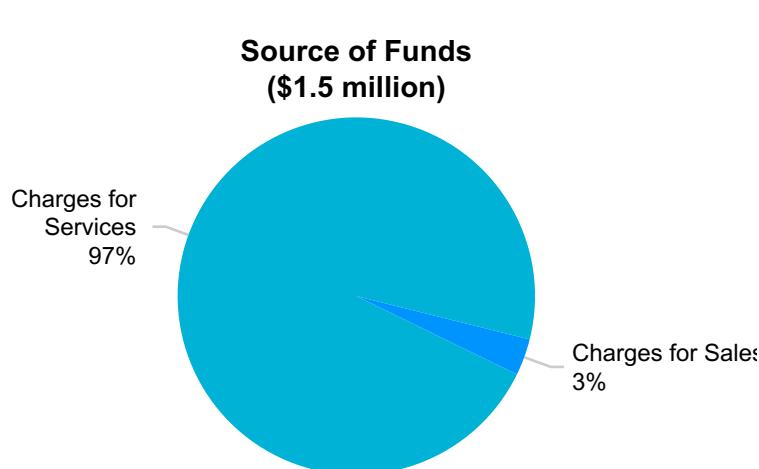
Expenses for 2019 are projected at \$1.7 million, an increase of 15.6% over the budgeted amount of \$1.5 million. This increase is mostly due to higher payroll costs as additional staff were used due to increased sales activity. These increased expenses are offset by the additional revenue earned through overhead charges.

## *Net Position & Cash Balance*

The fund's projected net position at the end of 2019 is \$5.5 million, which is a slight decrease of \$82,000 over the budgeted ending net position of \$5.6 million. This is due to a decrease in the Traffic Stores and Central Stores' overhead charges and sales to outside customers.

The fund's projected cash balance at the end of 2019 is \$3.1 million, which is a slight decrease of \$82,000 over the budgeted ending cash balance of \$3.1 million. This is due to a decrease in the Traffic Stores and Central Stores' revenues in 2019.

## **2020 Budget**



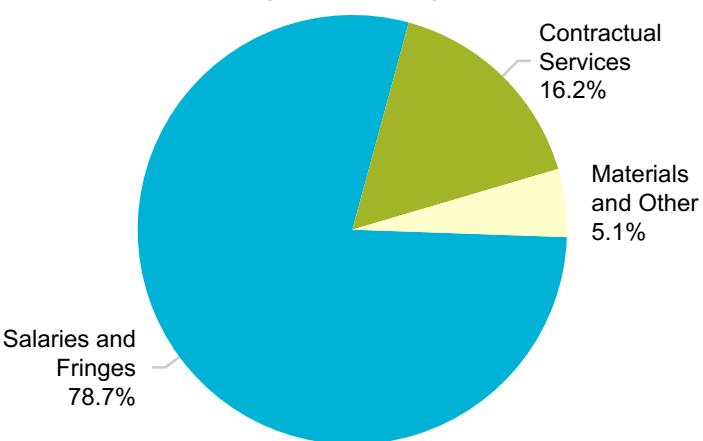
## *Revenues*

Revenues for 2020 are budgeted at \$1.5 million, a slight increase of \$69,000 from the 2019 budget amount of \$1.5 million. The increase in the 2020 budget amount is due to overhead earnings by both Central Stores and Traffic Stores. The 2020 revenue budget reflects a decrease of 4.9% from the 2019 projected amount of \$1.6 million. This decrease from the 2019 projected revenue is due to higher than expected sales in overhead earnings in 2019.

### **Expense**

Expenses for 2020 are budgeted at \$1.5 million, a slight increase of \$69,000 from the 2019 budget amount of \$1.5 million, primarily from salaries and fringes. The 2020 budget reflects a decrease of 9.4% from 2019 projected expenses of \$1.7 million due to higher than expected personnel cost, and contractual services in 2019.

### **Use of Funds (\$1.5 million)**



### **Transfers**

There are no transfers scheduled for this fund in 2020.

### **Debt Service**

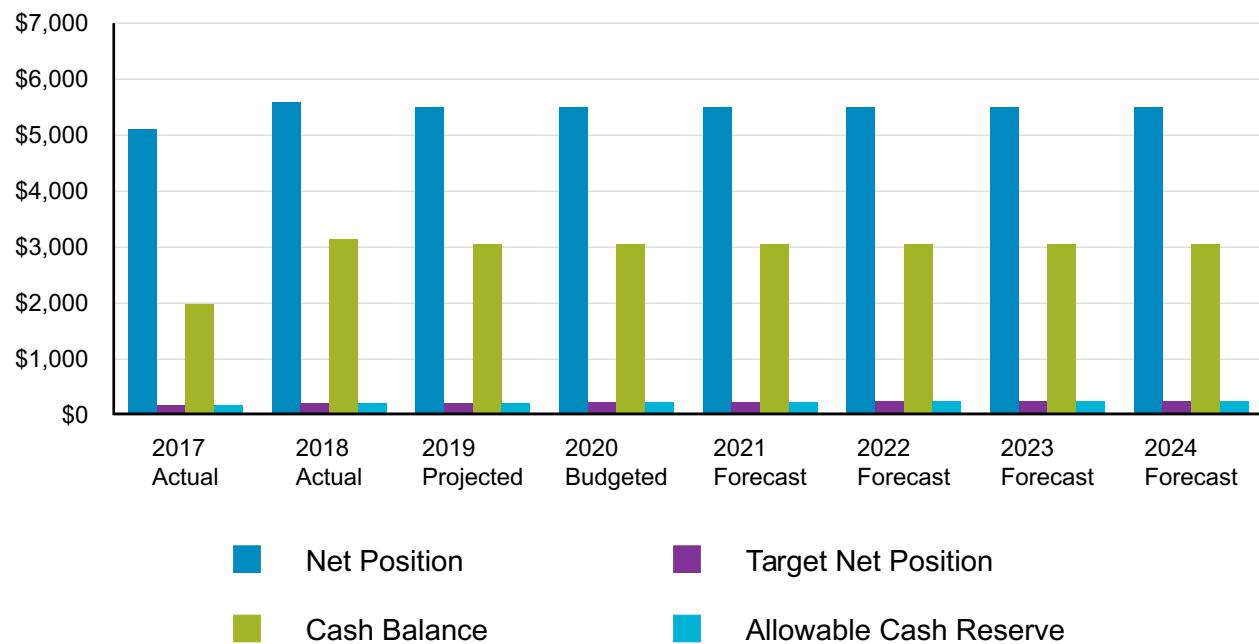
This fund does not have any debt service payments.

### **Net Position & Cash Balance**

The financial policy for this fund states that the fund should maintain a minimum net position equal to 15.0% of the operating budget. The projected year-end net position for both 2019 and 2020 is \$5.5 million. The projected 2019 ending balance exceeds the net position target amount of \$221,000 by \$5.3 million and the projected 2020 ending balance exceeds the net position target amount of \$231,000 by \$5.3 million.

The financial policy for this fund states that the fund should maintain a minimum target cash reserve equal to 15.0% of the operating budget. The projected year-end cash balance for both 2019 and 2020 is \$3.1 million. The projected 2019 ending balance exceeds the cash balance target amount of \$221,000 by \$2.9 million and the projected 2020 ending balance exceeds the cash balance target amount of \$231,000 by \$2.9 million.

## Public Works Stores Fund Net Position & Cash Balance (in thousands of dollars)



**City of Minneapolis**  
**2020 Council Adopted Budget**  
**Financial Plan (in thousands of dollars)**

**Public Works Stores Fund**

	2017 Budget	2017 Actual	2018 Budget	2018 Actual	2019 Budget	2019 Projected	2020 Budget	% Chg From 2019 Projected	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast
<b>Source of Funds:</b>												
Charges for Services	1,225	2,305	1,453	1,840	1,474	1,602	1,493	(6.8)%	1,568	1,646	1,728	1,815
Charges for Sales	—	58	—	49	—	20	50	150.0 %	—	—	—	—
<b>Total</b>	<b>1,225</b>	<b>2,363</b>	<b>1,453</b>	<b>1,889</b>	<b>1,474</b>	<b>1,622</b>	<b>1,543</b>	<b>(4.9)%</b>	<b>1,574</b>	<b>1,606</b>	<b>1,639</b>	<b>1,672</b>
<b>Use of Funds:</b>												
Salaries and Fringes	929	1,159	1,150	1,258	1,138	1,349	1,214	(10.0)%	1,244	1,275	1,307	1,340
Contractual Services	216	270	228	277	265	310	250	(19.4)%	251	252	253	253
Materials and Other	71	174	72	60	71	45	79	75.6 %	79	79	79	79
<b>Total</b>	<b>1,216</b>	<b>1,603</b>	<b>1,451</b>	<b>1,595</b>	<b>1,474</b>	<b>1,661</b>	<b>1,543</b>	<b>(7.1)%</b>	<b>1,574</b>	<b>1,606</b>	<b>1,639</b>	<b>1,672</b>
<b>Change in Net Position<sup>1</sup></b>	<b>9</b>	<b>786</b>	<b>2</b>	<b>463</b>	<b>—</b>	<b>23</b>	<b>—</b>	<b>(100.1)%</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Net Position<sup>1</sup></b>	<b>4,978</b>	<b>5,113</b>	<b>5,569</b>	<b>5,580</b>	<b>5,580</b>	<b>5,498</b>	<b>5,498</b>	<b>— %</b>	<b>5,498</b>	<b>5,498</b>	<b>5,498</b>	<b>5,498</b>
<b>Total Cash Balance</b>	<b>120</b>	<b>1,988</b>	<b>2,144</b>	<b>3,142</b>	<b>3,142</b>	<b>3,060</b>	<b>3,060</b>	<b>— %</b>	<b>3,060</b>	<b>3,060</b>	<b>3,060</b>	<b>3,060</b>
<b>Operating Cash balance</b>	<b>120</b>	<b>1,988</b>	<b>2,144</b>	<b>3,142</b>	<b>3,142</b>	<b>3,060</b>	<b>3,060</b>	<b>— %</b>	<b>3,060</b>	<b>3,060</b>	<b>3,060</b>	<b>3,060</b>
<b>Target Cash Reserve<sup>2</sup></b>	<b>182</b>	<b>182</b>	<b>218</b>	<b>218</b>	<b>221</b>	<b>221</b>	<b>231</b>	<b>4.7 %</b>	<b>236</b>	<b>241</b>	<b>246</b>	<b>251</b>
<b>Variance Operating Cash to Target Cash Reserve</b>	<b>(62)</b>	<b>1,806</b>	<b>1,926</b>	<b>2,924</b>	<b>2,921</b>	<b>2,839</b>	<b>2,828</b>	<b>(0.4)%</b>	<b>2,824</b>	<b>2,819</b>	<b>2,814</b>	<b>2,809</b>

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

1 The change in net position and net position for 2017 and 2018 are the amounts recorded in the CAFR.

2The target cash reserve is in accordance with the financial reserve policy for internal service funds. The cash reserve balance for the PW Stores Fund should be maintained at a minimum of 15.0% of the operating budget.

**City of Minneapolis  
2020 Budget  
Financial Plan**

**Self-Insurance Fund**

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**Introduction**

The Self-Insurance Internal Service Fund accounts for accrued sick leave benefit, tort liability, workers' compensation, civil attorney and risk management services, and the administrative functions to support these activities. An activity-based cost allocation model determines the charge allocated to City departments to provide for self-insurance related to tort liability and workers' compensation. The annual charges are calculated using data determined by an actuarial study based on each City department's responsibility for liability and worker compensation expense. The cost allocation model also assigns a charge for HR employee benefit administration and attorney and risk management services. Beginning in 2018, the Medical Plan is no longer insured by Medica. The City is self-insured and will use its own fund to pay for employees' medical expenses and contracts with Medica for administrative services. The Dental Insurance is also recorded to the Self-insurance fund instead of the Agency fund.

**Historical Financial Performance**

Over the last five years, the Self-insurance fund had an increase in net position of \$7.9 million from 2013 through 2018. The increase was primarily due to transfers from the general fund to attain a positive net position as determined by the long term financial plan, which ended in 2015. The increase is also the result of a decrease in actual tort settlement payments compared to the predicted payout as determined by the actuarial study. The fund had historically recorded a negative net position primarily because of the required accounting recognition of liability for unpaid claims. The 2018 unpaid claims liability is \$71.4 million representing an increase of \$16.7 million from the 2013 unpaid claims liability of \$49.9 million.

For the year ending 2018 the cash balance was \$102.9 million, an increase of \$32.3 million from the 2014 cash balance of \$70.6 million. The 2018 target cash reserve was \$72.6 million, an increase of \$19.8 million from \$52.8 million in 2014. The fund exceeded the target by \$30.3 million in 2018, an increase of \$12.5 million from \$17.8 million in 2014.

In 2014, the fund received a final interfund transfer of \$2.8 million from the general fund as determined by the long term financial plan. In 2015, the fund transferred a final payment of \$1.0 million to the Intergovernmental Services Fund to assist with payment of debt service.

In 2016 the Self-Insurance fund advanced \$995,000 in connection with the refunding of General Obligation Tax Increment Bonds (Midtown Exchange) and \$2.5 million in connection with the refunding of General Obligation Taxable Block E Refunding Bonds.

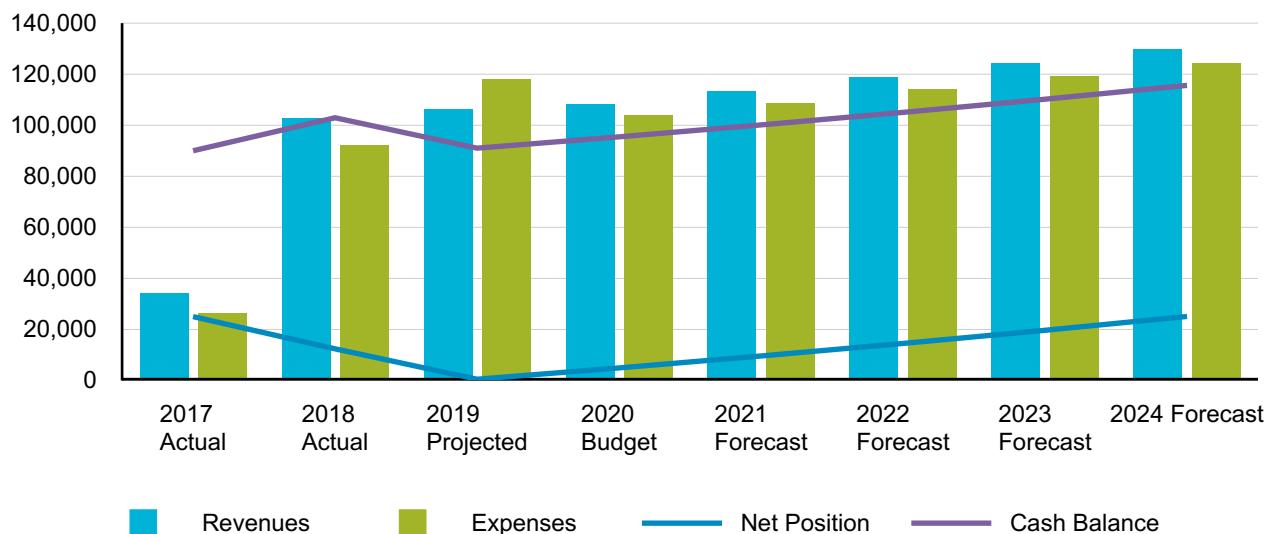
In 2017 the Self-Insurance fund transferred out \$29,000 to the General Fund for costs related to a review of body-worn cameras.

In 2018 the Self- Insurance fund transferred out \$305,000 to the City General fund for body cameras for front line officers and \$8.0 million to the City Capital fund to assist in payment of debt service as determined by the updated 2008 long-term financial plan.

In 2019 the Self- Insurance fund transferred out \$60,000 to the General Fund for costs related to a review of body-worn cameras.

## Current Year Projections

### Financial Snapshot Self-Insurance Fund (in thousands of Dollars)



#### Revenues

The 2019 revenues for the Self-Insurance Fund are projected to be \$106.2 million or \$74.7 million more than the budgeted revenue of \$31.5 million. The primary reason for the increase is due to the budgeted revenues do not include \$69.3 million in the revenue received for medical insurance premiums and \$3.6 million in the revenue received for dental insurance premiums. The increase is also related to a \$608,193 increase in the revenue received for employee sick leave at retirement and a \$624,584 increase in payments received from the WCRA (Workers Compensation Reinsurance) and the State as refunds from medical and indemnity payments and subrogation claims.

#### Expense

The projected expenses for 2019 are \$118.1 million or \$85.1 million more than the budgeted amount of \$33.0 million. The primary reason is related to the budgeted expenses do not include \$63.2 million of medical insurance and \$3.3 million of dental insurance. In addition, the increase is related to a \$2.2 million projected increase in the amount paid out for Workers' Compensation claims and a \$18.2 million projected increase in the amount paid out for tort settlement claims. These increases are partially offset by a decrease of \$1.1 million in the amount paid out for sick leave at retirement.

#### Net Position & Cash Balance

The net position in 2019 is projected to be \$494,000, a decrease of \$10.4 million from the budgeted amount of \$10.9 million. The decrease in net position in 2019 is primarily due to a \$20.0 million settlement paid out in a wrongful death case.

For the year ending 2019, the cash balance is projected to be \$91.0 million, a decrease of \$10.4 million from the budgeted amount of \$101.4 million. The 2019 target cash reserve is projected to be \$77.6 million and the fund is projected to exceed this by \$13.4 million.

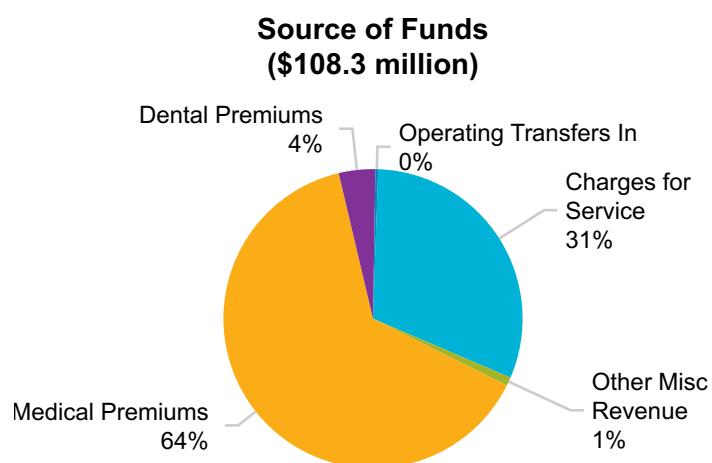
#### 2020 Budget

The 2020 Self-Insurance fund budget includes \$1.5 million additional expenses compared to the 2019 budget. The additional expenses are in the Liability department of \$1.5 million per actuarial study conducted by Aon, which is driven by three large liability claims.

### Revenues

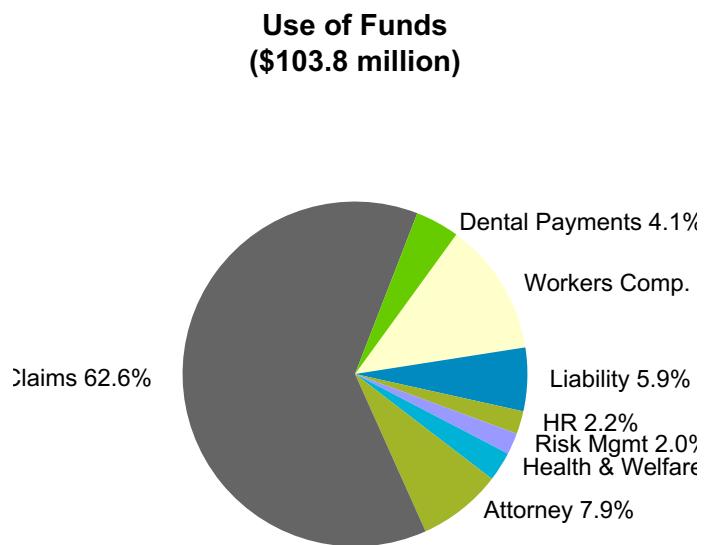
The 2020 budgeted revenue is \$108.3 million, an increase of 1.9% or \$2.1 million from the 2019 projected amount of \$106.2 million. The increase in the 2020 budget amount is due to a \$1.5 million increase in the revenue received for tort liability premiums and an increase in workers' compensation premiums received of \$1.1 million. The increase is also due to a \$616,000 increase in the revenue received for medical insurance premiums. These increases are partially offset by a decrease in payments received from the State as refunds for medical and indemnity payments and subrogation claims of \$624,584 and a \$538,374 decrease in the revenue received for sick leave at retirement.

The 2020 revenue budget reflects an increase of \$76.7 million from the 2019 budgeted revenue of \$31.5 million. The primary reason for the increase is because revenues budgeted include \$69.2 million for medical insurance premiums and \$4.3 million for dental insurance premiums, which was not budgeted for 2019. The 2020 revenue budget increase is also due to a \$1.1 million increase in the worker compensation premiums and a \$1.5 million increase in the tort liability premiums.



### Expense

The expense budget for 2020 is \$103.8 million, a decrease of 12.1% or \$14.3 million from the projected 2019 expenses of \$118.1 million. The primary reason for the decrease from the 2019 projected expense is the 2019 projected expense includes a \$20.0 million settlement paid out in a wrongful death case. The 2020 expense budget reflects an increase of \$70.8 million from the 2019 budgeted expense of \$33.0 million due to expenses budgeted include \$65.0 million for medical insurance and \$4.3 million for dental insurance, which was not budgeted for 2019. In addition, an increase of \$1.5 million in tort settlement claims.



### *Transfers*

The 2020 revenue budget includes a \$324,000 transfer in from the General Fund for the cost of City Hall rent for the City Attorney's Office. The fund receives a transfer in on an annual basis and expects this transfer to continue in future years.

### *Debt Service*

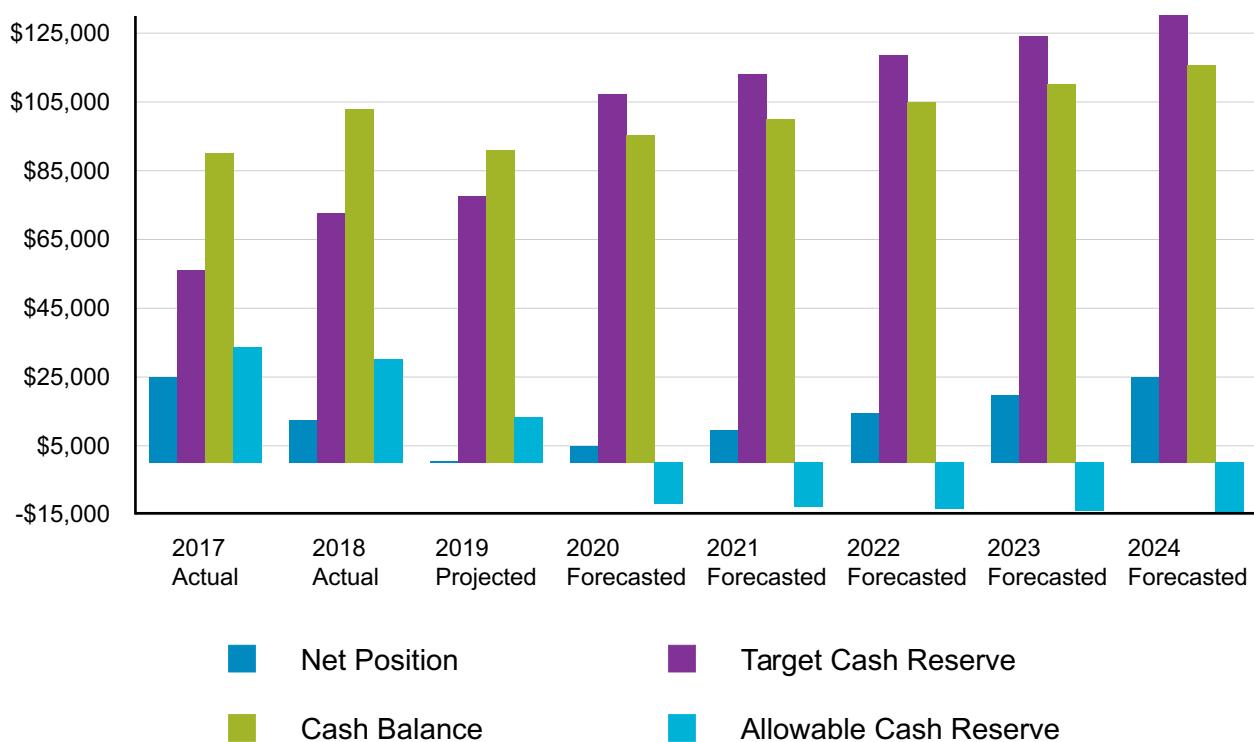
This fund does not have any long-term debt.

### *Net Position & Cash Balance*

The financial reserve policy relating to the internal service funds states that the net position for the Self-Insurance Fund should not fall below zero. The net position at year-end 2020 is projected to be \$4.9 million, representing an increase of \$4.4 million from the 2019 projected net position of \$494,000. The increase in net position is primarily from \$4.2 million net income in medical insurance.

The financial reserve policy states that the Self-Insurance Fund should not be less than the total of the unpaid claims liability balance plus 10.0% of the annual operating budgets within the fund. The reserve requirement for Medical -Self Insurance is 35% of claims. For year ending 2020, the cash balance is projected to be \$95.5 million, an increase of 4.9% from the 2019 projected amount of \$91.0 million. The 2020 target cash reserve is projected to be \$107.4 million, an increase of 38.3% from the 2019 projected amount of \$77.6 million. The fund is projected to exceed the target by \$13.4 million in 2019 and fall short of \$11.9 million in 2020.

## Self-Insurance Fund Net Position & Cash Balance (in thousands of dollars)



**City of Minneapolis**  
**2020 Council Adopted Budget**  
**Financial Plan (in thousands of dollars)**

**Self-Insurance Fund**

	2017 Budget	2017 Actual	2018 Budget	2018 Actual	2019 Budget	2019 Projected	2020 Budget	% Chg From 2019 Projected	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast
<b>Source of Funds:</b>												
Charges for Service	30,172	32,253	29,654	30,273	30,181	31,313	33,445	6.8 %	34,997	36,731	38,332	39,366
Other Misc Revenues	1,005	1,593	1,021	3,010	1,018	1,667	1,004	(39.8)%	1,000	1,000	1,000	1,000
Medical Insurance Premiums			—	64,771	—	69,261	69,224	(0.1)%	72,685	76,319	80,135	84,142
Dental Premiums			—	3,429	—	3,654	4,271	16.9 %	4,399	4,531	4,667	4,807
Operating Transfers In	297	297	262	1,393	312	312	324	3.8 %	337	350	364	379
<b>Total</b>	<b>31,474</b>	<b>34,143</b>	<b>30,937</b>	<b>102,876</b>	<b>31,511</b>	<b>106,207</b>	<b>108,268</b>	<b>1.9 %</b>	<b>113,418</b>	<b>118,931</b>	<b>124,498</b>	<b>129,694</b>
<b>Use of Funds:</b>												
Health and Welfare	2,658	1,175	2,725	1,612	2,793	1,727	2,863	65.8 %	2,935	3,008	3,083	3,160
Attorney	7,585	7,019	7,738	7,112	8,011	7,116	8,184	15.0 %	8,430	8,683	8,943	9,211
Workers Compensation	8,873	12,276	11,438	12,246	13,242	15,471	13,012	(15.9)%	13,681	14,329	14,966	15,281
Liability	7,189	2,151	4,913	1,904	4,660	22,849	6,175	(73.0)%	6,584	7,210	7,701	7,929
Human Resources	1,804	1,679	1,856	1,922	2,118	2,042	2,238	9.6 %	2,305	2,374	2,445	2,522
Finance Dept - Risk Mgmt/Finance												
Accounting	2,150	2,254	2,274	2,224	2,114	2,362	2,095	(11.3)%	2,158	2,223	2,290	2,359
Medical Claims and Admin Fees			—	52,232	—	63,166	64,999	2.9 %	68,249	71,661	75,244	79,006
Delta Dental payments			—	3,372	—	3,327	4,271	28.4 %	4,399	4,531	4,667	4,807
Transfers	—	29	8,305	9,436	60	60	—	(100.0)%	—	—	—	—
<b>Total</b>	<b>30,259</b>	<b>26,583</b>	<b>39,249</b>	<b>92,060</b>	<b>32,998</b>	<b>118,120</b>	<b>103,837</b>	<b>(12.1)%</b>	<b>108,741</b>	<b>114,019</b>	<b>119,339</b>	<b>124,275</b>
<b>Change in Net Position <sup>1</sup></b>	<b>1,215</b>	<b>3,313</b>	<b>(8,312)</b>	<b>(12,646)</b>	<b>(1,487)</b>	<b>(11,913)</b>	<b>4,431</b>	<b>(137.2)%</b>	<b>4,677</b>	<b>4,912</b>	<b>5,159</b>	<b>5,419</b>
<b>Net Position <sup>1</sup></b>	<b>22,433</b>	<b>25,030</b>	<b>16,718</b>	<b>12,407</b>	<b>10,920</b>	<b>494</b>	<b>4,925</b>	<b>897.0 %</b>	<b>9,602</b>	<b>14,514</b>	<b>19,673</b>	<b>25,092</b>
<b>Total Cash Balance</b>	<b>81,228</b>	<b>90,007</b>	<b>81,695</b>	<b>102,938</b>	<b>101,451</b>	<b>91,025</b>	<b>95,456</b>	<b>4.9 %</b>	<b>100,133</b>	<b>105,045</b>	<b>110,204</b>	<b>115,623</b>
<b>Operating Cash balance</b>												
<b>Target Cash Reserve <sup>2</sup></b>	<b>56,198</b>	<b>56,198</b>	<b>72,629</b>	<b>72,629</b>	<b>77,620</b>	<b>77,620</b>	<b>107,359</b>	<b>38.3 %</b>	<b>113,016</b>	<b>118,548</b>	<b>124,127</b>	<b>130,230</b>
<b>Variance Operating Cash to Target Cash Reserve</b>	<b>25,030</b>	<b>33,809</b>	<b>9,066</b>	<b>30,309</b>	<b>23,831</b>	<b>13,405</b>	<b>(11,903)</b>	<b>(188.8)%</b>	<b>(12,883)</b>	<b>(13,503)</b>	<b>(13,923)</b>	<b>(14,607)</b>

<sup>1</sup> Change in net position and net position are CAFR values for 2017 and 2018.

<sup>2</sup> The target cash reserve is in accordance with the financial reserve policy for internal service funds. The cash reserve for the Self-Insurance fund should not be less than the total of the unpaid claims liability balance plus 10.0% of the annual operating budgets within the fund. The reserve requirement for Medical -Self Insurance is 35% of claims.

**City of Minneapolis**  
**2020 Budget**

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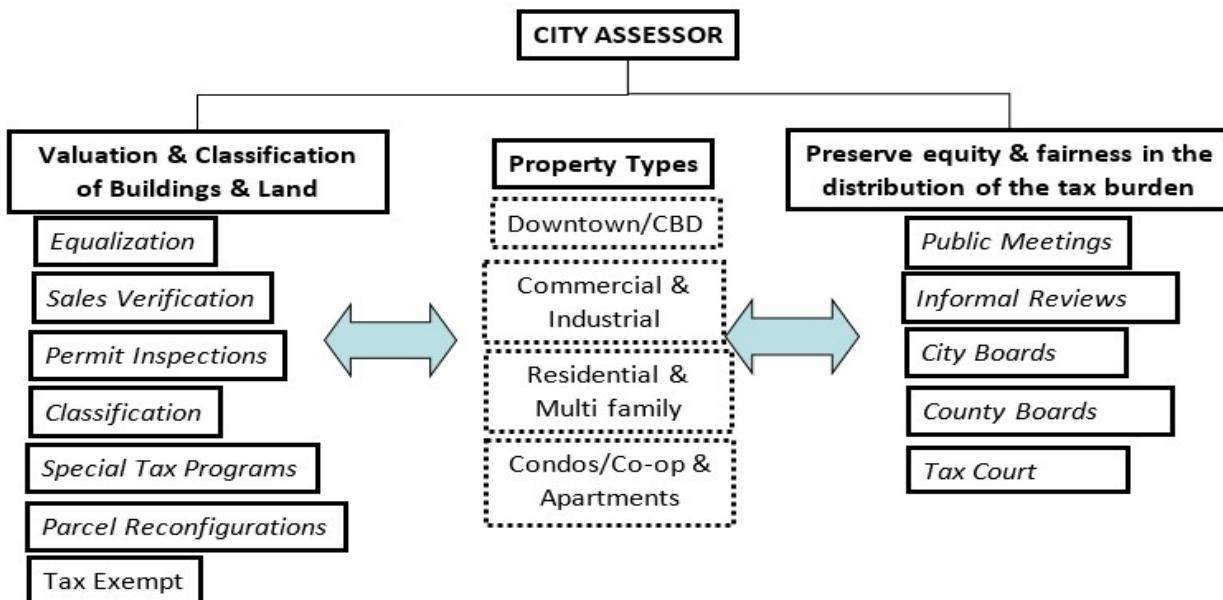
# ASSESSOR

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## Mission

The Minneapolis Assessor's Office serves the taxpayers of the City by valuing and classifying real estate property in an accurate, ethical, equitable and defensible manner as prescribed by state law.

## Organization Chart



## Appraisals and Assessment Administration

General Fund: \$6,266,000

The Assessor's office is statutorily mandated to determine the market value and classification of all land and improvements annually. An annual assessment includes: Property Inspections; Exemptions and Tax Relief Programs; Data & Record Management; Taxpayer Notification; Taxpayer Appeals and Reviews; Tax Court Litigation, Legislation, Neighborhood and Community Outreach and Business Relations. The office administers property tax programs in an accurate, ethical, equitable and defensible manner as prescribed by state law.

## Financial Analysis

### Expenditure

The total Assessor Department's budget increases from \$6.1 million to \$6.3 million from 2019 to 2020. This is an increase of \$117,000, or 1.9%. The Assessor Department's 2020 expenditure budget reflects inflationary increases in operating costs.

### Revenue

This department does not generate revenue.

### Fund Allocation

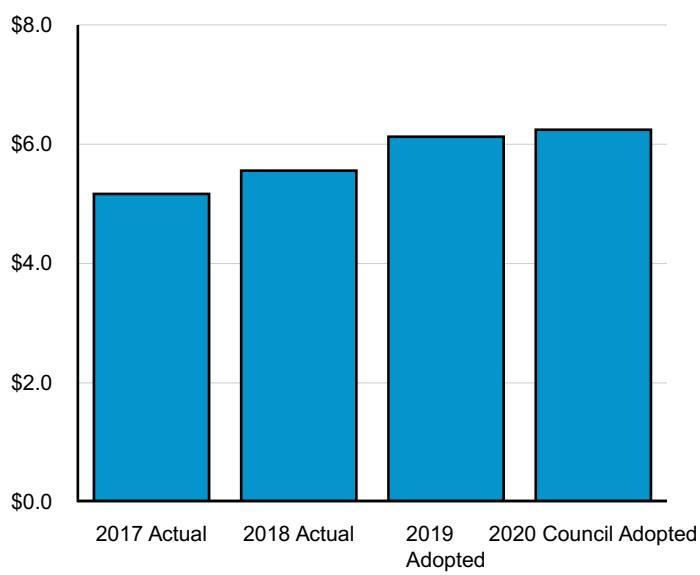
This department is funded completely in the General Fund.

**ASSESSOR**  
**EXPENSE AND REVENUE INFORMATION**

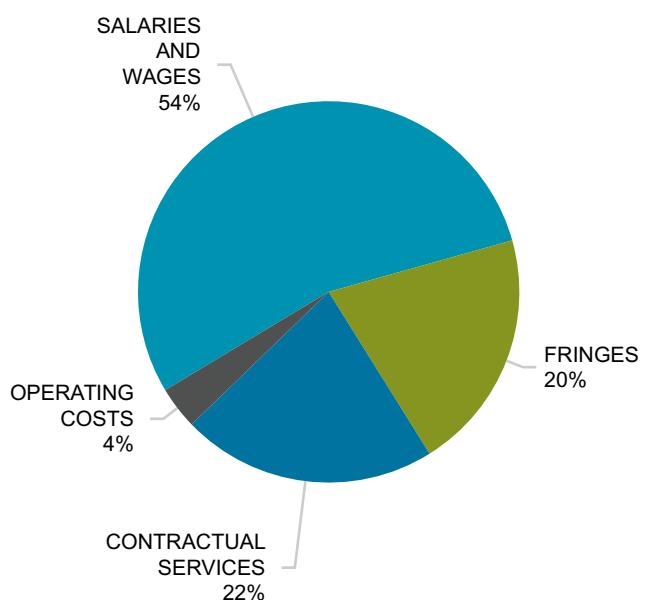
EXPENSE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>GENERAL</b>						
SALARIES AND WAGES	2,931,543	3,210,882	3,270,000	3,399,000	3.9 %	129,000
FRINGE BENEFITS	1,125,667	1,204,922	1,221,000	1,283,000	5.1 %	62,000
CONTRACTUAL SERVICES	861,148	936,640	1,410,000	1,356,000	(3.8)%	(54,000)
OPERATING COSTS	270,683	226,796	247,000	227,000	(8.1)%	(20,000)
CAPITAL	—	—	—	—		0
<b>TOTAL GENERAL</b>	<b>5,189,041</b>	<b>5,579,240</b>	<b>6,148,000</b>	<b>6,265,000</b>	<b>1.9 %</b>	<b>117,000</b>
<b>TOTAL EXPENSE</b>	<b>5,189,041</b>	<b>5,579,240</b>	<b>6,148,000</b>	<b>6,265,000</b>	<b>1.9 %</b>	<b>117,000</b>
REVENUE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>GENERAL</b>						
CHARGES FOR SALES	20	—	—	—	0.0 %	0
OTHER MISC REVENUES	—	—	—	—	0.0 %	0
PROPERTY TAXES	—	—	—	—	0.0 %	0
<b>TOTAL GENERAL</b>	<b>20</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>0.0 %</b>	<b>0</b>
<b>TOTAL REVENUE</b>	<b>20</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>0.0 %</b>	<b>—</b>

## ASSESSOR EXPENSE AND REVENUE INFORMATION

**Expense 2017 - 2020**  
**In Millions**



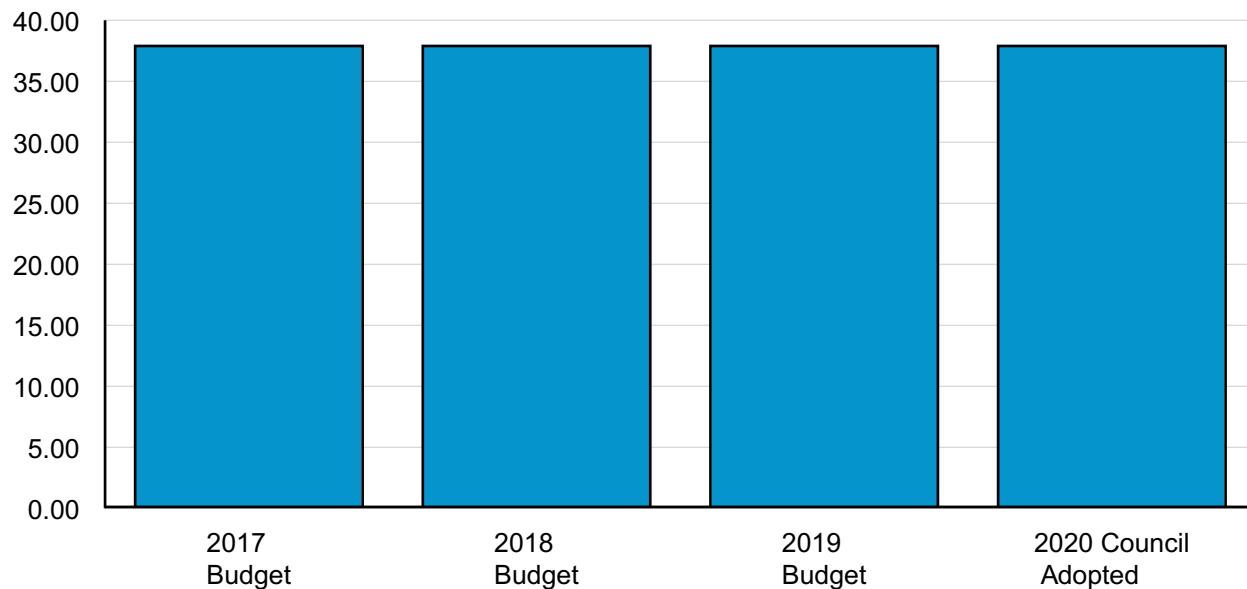
**Expense by Category**



## ASSESSOR Staffing Information

Division	2017 Budget	2018 Budget	2019 Budget	2020 Council Adopted	Percent Change	Change
<b>APPRAISALS AND ASSESSMENT ADMINISTRATION</b>						
Overall	38.00	38.00	38.00	38.00	0.0%	0.00
	38.00	38.00	38.00	38.00	0.0%	0.00

### Positions 2017-2020



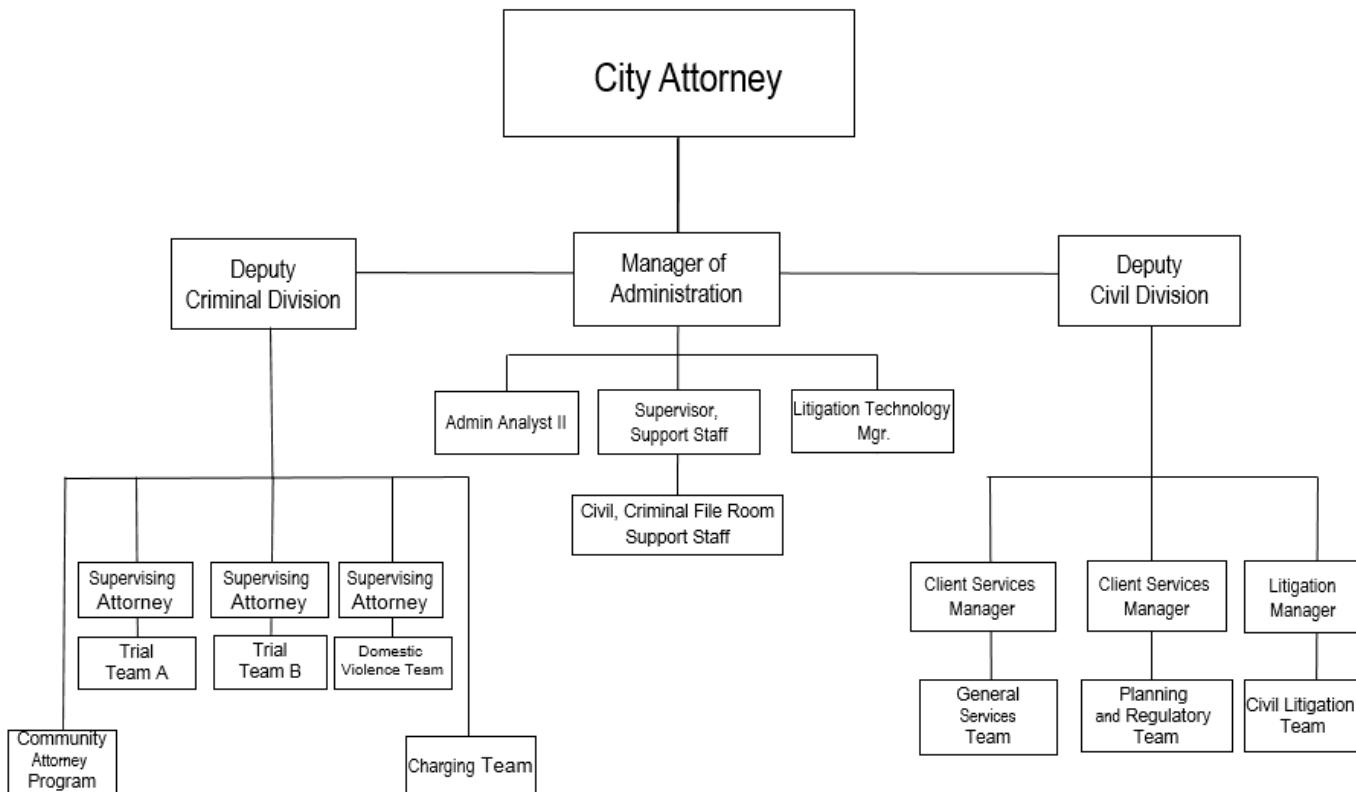
# CITY ATTORNEY

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## Mission

The City Attorney department's mission is to enhance public safety, serve justice and vigorously represent the interests of the City of Minneapolis and its residents by holding criminal offenders accountable and delivering the highest quality, cost effective legal services.

## Organization Chart



## Criminal Justice

General Fund: \$10,858,000

Other Funds: \$316,000

The Criminal Justice Division of the City Attorney's Office (CAO) prosecutes all adult crimes punishable by up to a year in jail, including gross misdemeanor, misdemeanor and petty misdemeanor offenses committed in the City of Minneapolis. Prosecution is a mandated function. The criminal prosecution function is divided into four teams: Domestic Violence, Community Attorney and two general trial teams. The office places a special emphasis on domestic violence cases, with a coordinated, collaborative approach ensuring advocacy and services for victims while seeking effective intervention to prevent future violence. The CAO's community attorneys are housed in each of the five police precincts. The program engages residents and neighborhood businesses in responding to the particular needs and public safety concerns of communities across the City.

The CAO has been a leader in criminal justice reform, without compromising public safety. The CAO has developed unique programs that achieve more effective outcomes by addressing underlying needs of offenders, while reducing the collateral consequences of the criminal justice system. The CAO has greatly increased diversion opportunities and offers pre-charge diversion, allowing individuals to avoid a criminal record. We have reduced the number of individuals booked into jail for lower level offenses and bench warrants.

We have a proven track record of innovation, including the Minneapolis Model for domestic violence prosecutions, the Downtown 100 and Interact, a restorative justice model for misdemeanor obstruction of justice charges. One of the more recent programs is the Pathways program for individuals charged with carrying a weapon without a permit. Instead of incarceration, the program offers a needs assessment and intensive, community-based, trauma-informed programming designed to help these offenders - who are mostly young adult males - to a better future and to avoid future violence. Successful participants avoid a conviction on their record. Prior to this program, those convicted of this offense had a high rate of recidivism and often for violent felonies. The early results from this program are promising. This budget provides ongoing funding for this new program.

<b>Civil Legal Services</b>	Other Funds:	\$8,184,000
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The Civil Division of the City Attorney's Office provides all civil legal services and representation to the City, including its elected officials, departments and boards and commissions and is a highly respected public law office. The Civil Division is divided into two teams, Client Services and Litigation. The Client Services team is called upon to draft ordinances, represent the City in complex real estate and development matters, draft and review contracts and advise the City on a myriad of legal questions ranging from governmental authority and constitutional questions to election law and compliance with the open meeting law and data practices act. The Litigation Team handles all litigation, both defending the City and, when appropriate City employees, as well as bringing affirmative litigation on behalf of the City. In addition to litigation, the team represents the City in labor arbitrations, civil service, worker's compensation and veteran's preference proceedings. The team is proactive in working with City officials and department staff to identify issues that raise a potential for litigation and provide advice on preventive measures.

## **Financial Analysis**

### **Expenditure**

The total City Attorney Department's budget increases from \$19.0 million in 2019 to \$19.4 million in 2020. This is an increase of \$323,000 or 1.7%. This increase in 2020 budget is due to inflationary adjustments to salaries and wages, a decrease in the base operating budget, and budgetary change items.

### **Revenue**

Revenues are projected to increase by \$8.0 million in this department due to reallocation of self-insurance costs within the City. This allocation was formerly recorded in the Liability department. The department's total revenues in 2020 are projected to be \$8.3 million.

### **Fund Allocation**

This department is funded primarily by the General Fund at 56.0% with the remainder of the department's funding found in the Self Insurance Fund at 42.2% and 1.8% funded by the Special Revenue Fund.

### **Budget Change Items**

Detailed change items are presented on the following pages.

## **City Attorney**

*Alternative to Cash Bail*

## **2020 Change Item**

Program: Criminal Justice

Fund: General Fund

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	75	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	75	—	—	—	—

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	—	—	—	—	—

### **Proposal Details:**

The Council approves \$75,000 in one-time funding for the City Attorney's Office for a new initiative to develop and implement an alternative to cash bail for individuals charged with non-domestic, non-DWI misdemeanor offenses in Minneapolis. The City Attorney's Office will contribute an additional \$25,000. This alternative adds conditional release staff from Hennepin County Community Corrections to develop an individualized release plan pre-arraignement for those who would otherwise be subject to the automatic bail schedule. This effort will also connect individuals with needed social services, on a voluntary basis, at the earliest opportunity.

### **Rationale/Background:**

The City Attorney's Office has worked with County Community Corrections and other partners to implement a risk assessment tool to assess the individual risk of those booked in jail on non-targeted and non-domestic misdemeanor offenses in lieu of monetary bail. Those not in a high-risk category can be released from jail without any bail. Others, however, with a higher risk for failure to appear, may be subject to the automatic bail schedule imposed by the court. This proposal offers an alternative to cash bail, reduce risk of failure to appear and help connect individuals who want and need services to an opportunity for referral at the earliest opportunity. In addition, this may allow more defendants to participate in the alternative Restorative Court or other diversion opportunities as opposed to traditional prosecution. This alternative to cash bail addresses the mayoral priority of bail reform.

### **Description of the Change:**

This effort is a next step in the work the City Attorney's Office has already undertaken around bail reform and reduced use of the jail.

The City Attorney's Office will implement a pilot modeled after programs operated by the Brooklyn Justice Initiative and Newark Community Solutions. The funding will be used to add County Community Corrections conditional release staff. In partnership with the County, we would implement a program to

allow release with no cash bail at the pre-arraignement phase, for non-domestic, non-DWI offenses. Conditional release staff would work with the detainee on a plan to help ensure attendance at future court dates and to connect the detainee with social services, as appropriate, on a voluntary basis. This change will avoid persons remaining in jail because they cannot afford cash bail. Such a model would reduce pretrial detention and minimize the negative impact of cash bail and/or detention on individual lives while connecting people more quickly with any needed services.

This alternative requires partnership with County Community Corrections, County Human Services, the Public Defenders Office and the District Court. This pilot will blend well with the new Restorative Court implemented this year in Hennepin County District Court due to the advocacy of the City Attorney's Office and the Hennepin County Public Defender's Office. The special calendar offers an alternative path for individuals charged with a misdemeanor who want to work with a social worker for assistance with underlying needs. We are in the process of meeting with Hennepin County to further develop this budget proposal and have begun discussions with our justice partners. The City Attorney's Office hopes to implement this new project in early 2020.

**Equity Impact:**

Many of the individuals who have bail imposed are low-income and people of color; these groups will be the most impacted by this new process.

**Results:**

The City Attorney's Office will no longer hold people pre-arrainment in jail because of their inability to pay cash bail for non-domestic, non-DWI misdemeanor offenses.

The City Attorney's Office will track the number of persons released, their appearance rates for required court hearings, along with other data, comparing these findings to data collected prior to implementation. Additionally, the City Attorney's Office will also track the number of social service referrals and individuals diverted from traditional prosecution.

**City Attorney****2020 Change Item***Develop Trauma-Informed Domestic Violence Programming*Program: *Criminal Justice*Fund: *General Fund*

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	75	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	75	—	—	—	—

Personnel Impacts	2020	2021	2022	2023	2024
Change in FTE Count	—	—	—	—	—

**Proposal Details:**

The Council approves \$75,000 in one-time funding to develop trauma-informed, culturally specific domestic violence programming for perpetrators and to build community resources that could serve as an alternative to a law enforcement response in lower level matters. The City Attorney's Office will contribute \$25,000, bringing total funding to \$100,000.

**Rationale/Background:**

Treatment is mandated by statute for those convicted of domestic violence (DV). Ensuring that this treatment is effective, which requires that it be trauma-informed, culturally specific and available regardless of ability to pay, is common sense. In addition, the data the City Attorney's Office (CAO) has collected through its Outreach program, focused on proactive follow-up for DV calls in violent crime hot spots, has identified a need for voluntary community resources for families as an alternative to calling for a law enforcement response for low level conflicts within a family. Through community listening sessions led by the Cultural Wellness Center, CAO has confirmed this need.

The Mayor thus recommends funding further efforts in DV prevention by making sure that: (1) culturally specific, trauma-informed, effective programming is available for current court-ordered battering programming, regardless of ability to pay; and (2) families have access, on a voluntary basis, to a credible, community-based resource for assistance with domestic issues before they rise to the level of a police/ criminal justice system response.

**Description of the Change:**

This new recommendation builds upon the work CAO has done for several years with its Outreach pilot in violent crime hot spots along with the promising early results of its Pathways program, the trauma-informed, community-based alternative to incarceration for gross misdemeanor weapons offenses.

This will be a multi-year effort. CAO will use funds in 2020 for pilot programs to help existing providers

build capacity to serve community needs in this area. CAO will do this work through community engagement, working with Neighborhood and Community Relations and a community partner such as the Cultural Wellness Center. CAO will also monitor grant opportunities for potential funding.

CAO will work with County Community Corrections to evaluate current court-ordered battering programs and ensure that trauma-informed, culturally-specific programming is available and available regardless of ability to pay. CAO will continue its work with its Outreach initiative and use a community-led planning process to seed development of a community-based resource that can be accessed on a voluntary basis as an alternative to a 911 – law enforcement response for families, focusing on families living in violent crime hot spots.

Domestic violence issues affect families in various ways and severity levels, due to numerous and changeable stress factors. The ability to create community based and need specific programming that can be a voluntary resource for families in crisis, particularly for families living in areas already stressed by exposure to higher levels of violence, before they become involved in the criminal justice system will be critical to violence prevention. There are issues and problems that come up within families that could effectively be addressed through appropriate intervention. If someone does commit a domestic violence related crime, having an appropriate program that can deal with underlying issues of trauma and is culturally specific, could be used to divert the offender from further criminal activity.

#### **Equity Impact:**

Communities of color are disproportionately involved in the criminal justice system surrounding domestic violence incidents and offenses. The listening sessions through the Cultural Wellness Center gave CAO input from these communities. Other marginalized communities, such as the LGBTQ, Native American and immigrant communities, have long expressed reluctance to involve the criminal justice system in their domestic violence issues. By creating community-based, culturally-specific programming aimed at being a resource to prevent violence, these communities will have resources they feel safe accessing.

By providing alternatives to criminal justice system involvement, the result should be less involvement for communities of color. By creating an alternative for families rather than calling 911, the hope is that the families will reach out for this support, preventing the type of violence that will lead to criminal justice system intervention.

The impact to all groups served by this programming intervention will be positive in that it will address underlying trauma issues that may lead to domestic violence, which will benefit potential offenders and victims. Extensive research about trauma and childhood exposure to violence shows the long lasting and negative impacts these experiences have.

#### **Results:**

Successful implementation will mean that families and communities reach out to the provided programming as an alternative to calling 911 when their family is in need of assistance. (This will be a multi-year initiative). It will also mean that the City Attorney has a diversion opportunity for low level domestic violence offenders. Finally, defendants convicted of DV offenses will be provided the most effective battering treatment, which will help prevent future violence. Data regarding impact and effectiveness will be tracked and evaluated, such as the number of referrals, level of 911 calls coded for DV services, user satisfaction surveys and the like.

**City Attorney****2020 Change Item***Victim Witness Specialist*

Program: Criminal Justice

Fund: Grants - Federal

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	—	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	—	—	—	—	—
Personnel Impacts	2020	2021	2022	2023	2024
Change in FTE Count	1	—	—	—	—

**Proposal Details:**

The Council approves continuing the added unfunded FTE from 2019 into 2020 for the City Attorney's Office (CAO). In 2018, the CAO was awarded a grant for a Victim Witness Specialist (VWS) position in the criminal division, specifically for outreach to crime victims and witnesses who are foreign language speakers.

**Rationale/Background:**

In 2017, the CAO applied for and received a grant jointly from the U.S. Department of Justice, and the Minnesota Department of Public Safety. This grant enabled the CAO to improve its crime victim services for non-English speaking crime victims by hiring an additional VWS who speaks Spanish, increasing the level of service to non-intimate partner domestic victims, assisting more victims with submitting restitution or reparation claims, providing more outreach in the community, and training other allied professionals about the criminal justice system response to crime. This request impacts the mayor's priority to increasing public safety and improving police-community relations. The CAO plans to devote all of the funding required for this position.

**Description of the Change:**

The following are the added activities that this position makes possible:

- Begin calling victims/witnesses prior to the arraignment on non-intimate partner domestic cases
- Calls to victims on Level 3 cases. Level 3 cases involve DWI related collisions with unoccupied vehicles, misdemeanor moving violations in which only property damage is alleged, 4th Degree assault on a police officer or assault on a police horse, criminal damage to property, theft-related cases in which the loss was not recovered and disorderly conduct cases in which physical contact was alleged
- Provide more support for victims in submitting restitution or reparations claims. Previously, only letters were sent
- Provide regular trainings for police officers to inform officers about crime victim services and answer questions

- Attend community meetings with the CAO's community attorneys to provide information about crime victim services and the criminal justice process
- Engage in outreach to immigrant communities to educate about crime victim services

**Equity Impact:**

This position is specifically focused on immigrant communities. Over half of the crime victims/witnesses CAO serves are people of color. A significant number of victims/witnesses are immigrants, refugees, LGBTQ or those with disabilities (cognitive or physical). As previously mentioned, having increased outreach to victims and witnesses of crimes in culturally responsive ways will ensure victims and witnesses will be able to better understand the criminal justice system and be more supported as they go through the process. One of the primary focuses of our outreach is to traditionally underserved and immigrant populations. CAO works with existing collaborative partners, and hope to engage more partners through outreach by VWS staff, to educate the community about the criminal justice system in the United States and crime victim rights.

**Results:**

In 2018, CAO contacted 2,588 new victims/witnesses. The evaluation process for the expanded VWS program will include both qualitative and quantitative data. VWSs currently track and will continue to track

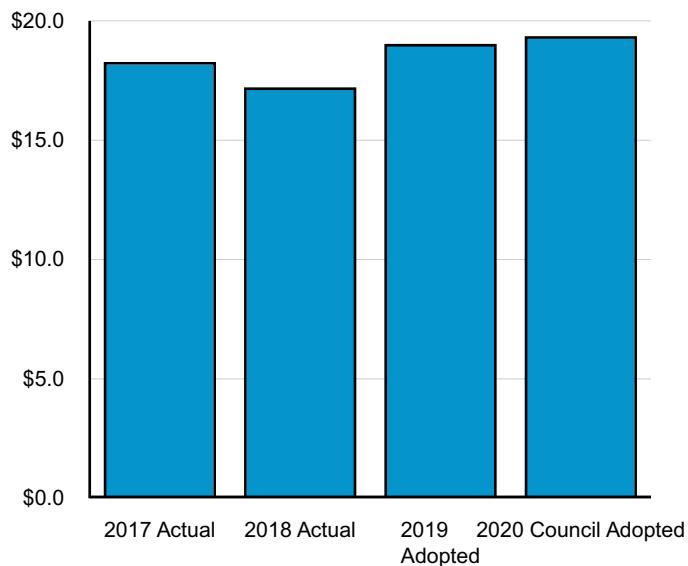
- Number of victim cases and victims, victims successfully contacted and victims who appear for trial
- Number of community meetings and trainings provided, and the number of attendees at each event
- Evaluate the effectiveness of trainings by providing a previously developed evaluation form to attendees to complete. This form rates the training, presenters, topics, and includes a spot to make suggestions for future trainings.

**ATTORNEY**  
**EXPENSE AND REVENUE INFORMATION**

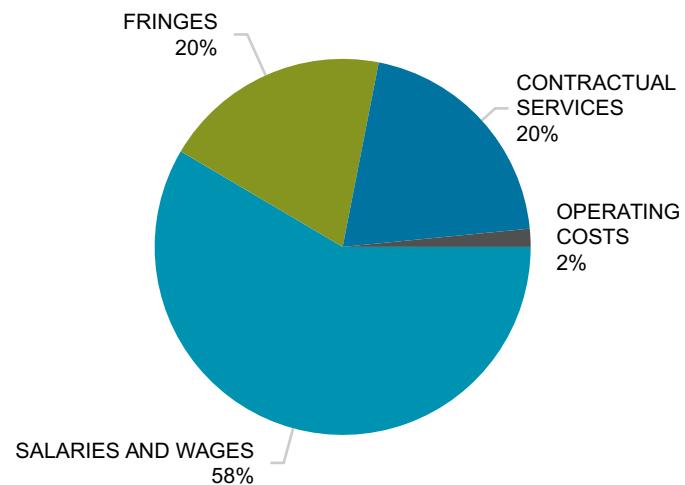
EXPENSE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>GENERAL</b>						
SALARIES AND WAGES	5,457,361	5,567,463	5,916,000	5,971,000	0.9%	55,000
FRINGE BENEFITS	1,786,845	1,756,065	2,103,000	2,131,000	1.3%	28,000
CONTRACTUAL SERVICES	2,272,168	2,206,828	2,501,000	2,593,000	3.7%	92,000
OPERATING COSTS	159,396	161,801	170,000	163,000	-4.1%	(7,000)
<b>TOTAL GENERAL</b>	<b>9,675,770</b>	<b>9,692,157</b>	<b>10,690,000</b>	<b>10,858,000</b>	<b>1.6%</b>	<b>168,000</b>
<b>SPECIAL REVENUE</b>						
SALARIES AND WAGES	147,550	250,241	209,000	236,000	12.9%	27,000
FRINGE BENEFITS	53,365	71,630	90,000	73,000	-18.9%	(17,000)
CONTRACTUAL SERVICES	119,841	89,800	36,000	8,000	-77.8%	(28,000)
OPERATING COSTS	—	4,271	—	—		0
<b>TOTAL SPECIAL REVENUE</b>	<b>320,756</b>	<b>415,942</b>	<b>335,000</b>	<b>317,000</b>	<b>-5.4%</b>	<b>(18,000)</b>
<b>INTERNAL SERVICE</b>						
SALARIES AND WAGES	4,202,110	4,286,455	4,972,000	5,115,000	2.9%	143,000
FRINGE BENEFITS	2,519,976	1,309,589	1,577,000	1,589,000	0.8%	12,000
CONTRACTUAL SERVICES	1,429,855	1,385,946	1,325,000	1,343,000	1.4%	18,000
OPERATING COSTS	129,946	124,470	137,000	137,000	0.0%	0
<b>TOTAL INTERNAL SERVICE</b>	<b>8,281,887</b>	<b>7,106,460</b>	<b>8,011,000</b>	<b>8,184,000</b>	<b>2.2%</b>	<b>173,000</b>
<b>TOTAL EXPENSE</b>	<b>18,278,413</b>	<b>17,214,559</b>	<b>19,036,000</b>	<b>19,359,000</b>	<b>1.7%</b>	<b>323,000</b>
REVENUE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>GENERAL</b>						
CHARGES FOR SERVICES	7,781	8,295	10,000	10,000	0.0%	0
FINES AND FORFEITS	2,379	16,163	5,000	5,000	0.0%	0
OTHER MISC REVENUES	30,313	22,410	30,000	30,000	0.0%	0
<b>TOTAL GENERAL</b>	<b>40,473</b>	<b>46,868</b>	<b>45,000</b>	<b>45,000</b>	<b>0.0%</b>	<b>0</b>
<b>SPECIAL REVENUE</b>						
CONTRIBUTIONS	—	—	—	—	0.0%	0
FEDERAL GOVERNMENT	30,041	72,850	—	—	0.0%	0
LOCAL GOVERNMENT	200,000	200,000	200,000	175,000	-12.5%	(25,000)
<b>TOTAL SPECIAL REVENUE</b>	<b>230,041</b>	<b>272,850</b>	<b>200,000</b>	<b>175,000</b>	<b>-12.5%</b>	<b>(25,000)</b>
<b>INTERNAL SERVICE</b>						
CHARGES FOR SERVICES	—	—	—	—	0.0%	0
OTHER MISC REVENUES	—	123	5,000	8,029,000	160,480.0%	8,024,000
<b>TOTAL INTERNAL SERVICE</b>	<b>—</b>	<b>123</b>	<b>5,000</b>	<b>8,029,000</b>	<b>160,480.0%</b>	<b>8,024,000</b>
<b>TOTAL REVENUE</b>	<b>270,514</b>	<b>319,841</b>	<b>250,000</b>	<b>8,249,000</b>	<b>3,199.6%</b>	<b>7,999,000</b>

## ATTORNEY EXPENSE AND REVENUE INFORMATION

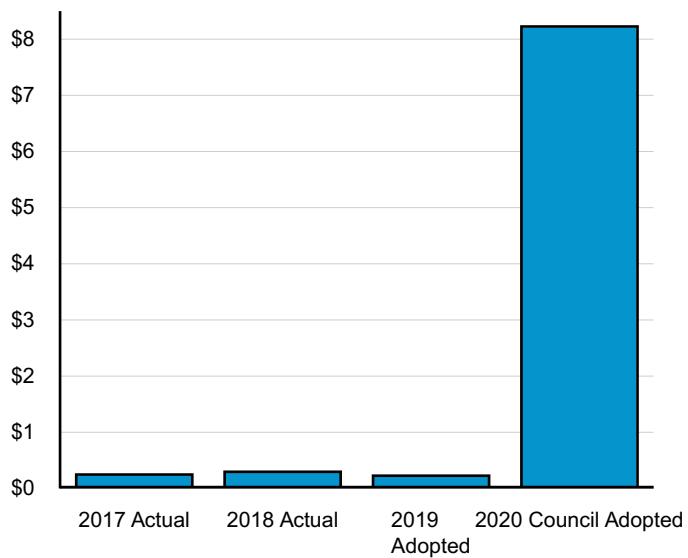
**Expense 2017 - 2020**  
**In Millions**



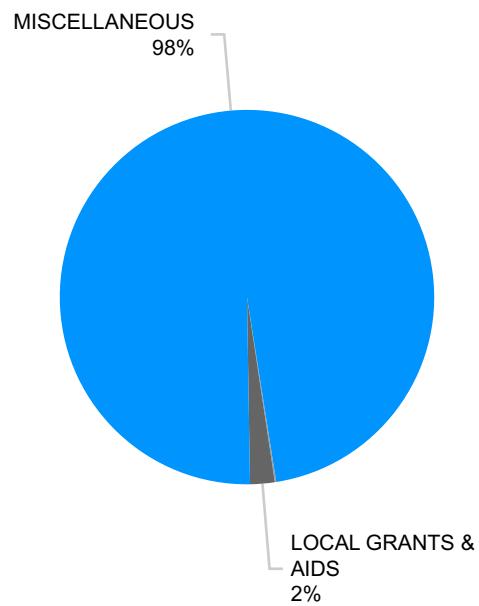
**Expense by Category**



**Revenue 2017 - 2020**  
**In Millions**



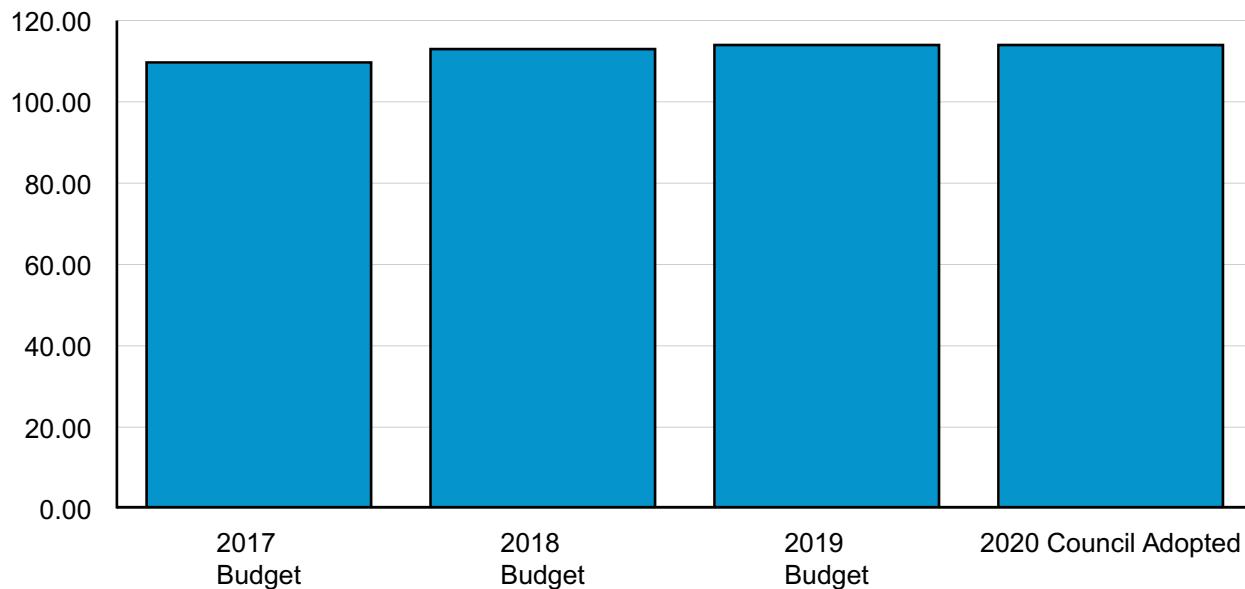
**Revenue by Type**



## CITY ATTORNEY Staffing Information

Division	2017 Budget	2018 Budget	2019 Budget	2020 Council Adopted	Percent Change	Change
CIVIL DIVISION	47.50	47.50	47.50	47.50	0.0%	0.00
CRIMINAL DIVISION	62.50	65.80	66.80	66.80	0.0%	0.00
Overall	110.00	113.30	114.30	114.30	0.0%	0.00

### Positions 2017-2020



\* 2019 FTE counts may differ from 2019 adopted budget due to mid year adjustments, including funding and organizational changes.

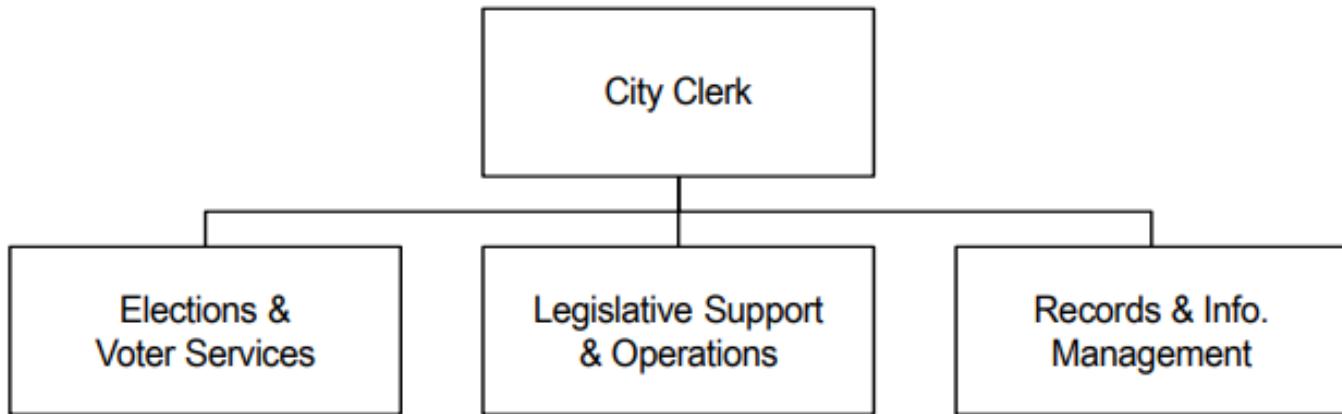
# CITY CLERK

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## Mission

The Office of City Clerk is the secretariat of the City Council and facilitates legislative processes. In addition, the office serves as the organizational center for two enterprise programs: elections administration and voter services and records and information management.

## Organization Chart



### Legislative Support and Operations

General Fund: \$3,246,000

The Legislative Support & Operations Division facilitates legislative and policy-making processes and provides meeting management services for the City Council, its standing policy committees, the independent Audit and Executive committees, as well as other assigned decision-making bodies; publishes and preserves the City Charter and Code of Ordinances; coordinates the appointments process to City boards and commissions; and delivers a myriad of delegated services. Additionally, this division is responsible for administrative operations of the City Council & Clerk Department.

### Records and Information Management

General Fund: \$785,000

Other Funds: \$1,502,000

The Records & Information Management Division manages enterprise information assets across identified lifecycles to ensure business continuity, legal and regulatory compliance, probity, economy, and proper disposition; provides leadership and interdepartmental coordination on information governance, policies, and strategies; fulfills statutory duties assigned to the responsible authority and data compliance official; and oversees the City's archival collections. Additionally, this division provides printing and production services, centralized imaging/scanning, mail/courier/delivery services, and destruction/recycling to all departments.

## **Financial Analysis – Office of City Clerk Legislative Support and Operations, Records and Information Management**

### **Expenditure**

The total City Clerk Department's budget increases from \$5.47 million to \$5.54 million from 2019 to 2020. This is an increase of \$65,000, or 1.2%. The City Clerk Department's 2020 expenditure budget reflects routine inflationary increases in operating costs, and budgetary change items of \$160,000.

### **Revenue**

Revenues are projected to increase by 4.2% in this department due to projected increase in Copy Center Services. The department's total revenues in 2020 are projected to be \$1.4 million.

### **Fund Allocation**

This department is funded primarily by the General Fund at 73.0% with the remainder of the department's funding provided by the Internal Services Fund at 28.1%.

#### **Elections & Voter Services**

General Fund: \$6,400,000

The Elections & Voter Services Division serves as the gateway to representative democracy, protecting voting rights guaranteed by both federal and state constitutions. By ensuring readiness and capability to conduct an election whenever required, this division ensures eligible voters have equitable, impartial access to the ballot box and that every ballot is accurately and properly counted.

## **Financial Analysis – Election and Voter Services**

### **Expenditure**

The total Elections Department's budget increases from \$2.3 million to \$6.4 million from 2019 to 2020. This is an increase of \$4.1 million, or 175.8%. The Elections Department's 2020 expenditure budget reflects routine inflationary increases in operating costs and the budgetary change items of \$4.1 million.

### **Revenue**

Revenues in 2020 are projected to remain constant at \$94,000 as in 2019.

### **Fund Allocation**

This department is funded completely by the General Fund.

### **Budget Change items**

Detailed change items are presented on the following pages.

## **Elections**

## **2020 Change Item**

*2020 Presidential Election: Multiple Early Vote Centers*

Program: *Elections & Voter Services*

Fund: *General Fund*

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	4,000	90	90	90	90
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	4,000	90	90	90	90

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	—	—	—	—	—

### **Proposal Details:**

The Council approves \$3.91 million one-time and \$90,000 ongoing General Fund resources to fund staff and facilities for three election events (PNP, Primary, and General Election) and 3 Early Vote Centers in 2020.

### **Rationale/Background:**

Absentee Balloting is conducted during the 46-day period prior to each primary or general election. It includes two forms: Vote-By-Mail (VBM) and In-Person Voting (IPV). In 2014, “no-excuse” absentee balloting was authorized and in 2016 direct balloting was authorized during the final 7-day period prior to Election Day. While these reforms increase access to the ballot box, it impacts the resources required of EVS to conduct 46 continuous “Election Days” to the same exacting standards and intense public scrutiny as on the actual Election Day. During presidential and gubernatorial elections, Absentee Balloting represents a total of 92 days of voter service; but that does not include the time required to recruit and train seasonal workers. It also does not adequately describe the full impact of expanded service hours that include additional weekday and weekend hours (Saturdays and Sundays), per the policy direction of City Council.

### **Description of the Change:**

EVS is maximizing all funds to increase/enhance/expand ballot access. This request builds on the resources anticipated to be funded through the base budget. The requested base budget includes funds for 3 sites for the 7-day Direct Ballot period. EVS headquarters is relocating away from the downtown core, so EVS will collaborate with Hennepin County at their 46 day Early Vote center and add three 7 day vote locations strategically located in community during the final week of early voting for the 2020 Presidential General Election.

## **Equity Impact:**

Minneapolis is a recognized leader in election administration. In 2016, the City enacted its Tenant Notice of Voter Registration program requiring landlords to provide registration information to voting-age residents on move-in. As a city where more than half its population rent, this is critical to ensuring ballot access. Moreover, because communities of color, unmarried women, and youth (18-34) are disproportionately represented, this helps provide pathways to participation for historically under-represented groups. Minneapolis has a robust Voter Outreach & Education (VOE) program to ensure all qualified voters are “election ready” each year, helping build awareness and participation across the four-year election cycle. VOE initiatives primarily target communities with lower levels of engagement. Expanded service hours during Absentee Balloting means Minneapolis offers greater access to participate than any other jurisdiction in Minnesota, including weekday evenings and weekends (a total of 330 hours in 2017, double for 2018 because of primary). The convenience of IVP has had the biggest impact on communities of color, particularly among the Somali community, as well as voters with disabilities, seniors, and youth/first-time voters. These are the demographic groups that have taken the greatest advantage of Minneapolis’s expanded in-person Absentee Balloting at the Early Vote Center. In 2016, the City offered multiple Early Vote Centers which also enhanced access to the ballot box, resulting in a record-setting level of participation via IVP.

## **Results:**

The results/chart below include the primary and general elections for 2016 and 2018 and the municipal general election in 2017 (when there is no primary due to Ranked-Choice Voting). Absentee turnout is reflected in green in each column, while the blue reflects Election Day turnout. Overall, you can see there has been a slight increase in early voting—which includes Vote-By-Mail, Early In-Person, and other options included under the umbrella of Absentee Balloting, as allowed under state law. Despite the increase in convenience, the majority of voters still prefer to cast ballots at the polls on Election Day.

These data have implications about the number of precincts and polling places needed to accommodate Election Day turnout, staffing for the polls, and how technology could be leveraged to decrease time spent in line waiting to vote. Additionally, there are implications about how the City can continue to nudge voters to consider other options and advocate for expanded conveniences, like true “Early Voting.”

**City Clerk****2020 Change Item***Data Review & Redaction - Enterprise Funding*Program: *Records & Information Management*Fund: *General Fund*

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	25	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	25	—	—	—	—

Personnel Impacts	2020	2021	2022	2023	2024
Change in FTE Count	—	—	—	—	—

**Proposal Details:**

The Council approves \$25,000 one-time General Fund to provide ongoing contractual support for enterprise document review, redaction, and release for public data requests.

**Rationale/Background:**

The City is obligated to respond to requests for public records in a reasonable time despite receiving large increases in the number of requests. From 2015 to 2018, the number of requests received increased by 375%. The Clerk's Office has a team of three full-time positions to manage public records requests; however, this is insufficient to meet growing demands, particularly as request processing is increasingly centralized. Responding to public records requests requires engaging with the requestor, locating and collecting the responsive data, and review it to remove or redact protected information. Average request close times for requests requiring review/redaction are 65 days—three times that of requests not requiring significant review/redaction. The department has currently engaged two contract reviewers, originally to cover a period of staff turn-over but has retained them to reduce the backlog of requests.

**Description of the Change:**

The Clerk's Office has utilized the services of two full-time contract document reviewers from the legal discovery industry in 2018-2019 to cover staff turnover and to stay abreast of the increasing data request volume. This funding will continue those positions for one year in order to:

Reduce the existing backlog of public data requests

Prioritize review during high request volume spikes, such as following an important event

Allow staff to pursue opportunities to increase efficiency gains available from existing technology.

Extending the contract will maintain progress at responding to requests and provide better metrics to determine optimal staffing levels and is a prudent alternative to requesting any FTE positions. Industry standards review rates average between 50-100 pages per hour but assume reviewers are only

classifying documents—our reviewers are also required to make spot redactions throughout a document and cite the basis for each redaction. The temporary addition of two reviewers will allow us to review and redact more than 200,000 pages of data in 2020.

### **Equity Impact:**

This proposal would focus review efforts on reviewing data requests that have a significant community impact as well as those that effect police and community relations or serve traditionally disenfranchised groups. In particular, this could allow more rapid closing of police data requests regarding events which generates a spike in requests. Examples in recent years include officer involved shootings, police response to protests, community interest in police budget items (such as the 4th Precinct), and police actions in preparation for and during major events, such as the Super Bowl.

The City's response to data requests directly affect the trust placed in the city by residents. The Mayor has specifically prioritized fulfilling data practice requests in a timely manner, stating that “[b]eing committed to transparency in city government means promoting transparency with actions, not just public statements of support for the idea of open government. My office will prioritize fulfilling and complying with all requests by press and other individuals for emails and information sent by my staff using city resources.”

### **Results:**

The number of data requests received is rising. The Clerk's Office has seen steady increases year over year. From 2015 to 2018, the number of requests received increased by 375% and is in pace to maintain or exceed that growth rate. The temporary addition of two reviewers will allow us to review and redact more than 200,000 pages of data in 2020. It will also allow us to pursue efforts to improve transparency and efficiency. We expect the public interest in government data to continue but hope to temper the strong trend in requests by leveraging technology and process improvements. Multiple initiatives have already occurred or are underway, including:

A centralized data review platform to review and redact large volumes of information

An enterprise request management system that allows automation for managing requests

Efforts with IT to ensure more data is available on the City website and OpenData Portal.

These efforts are critical to managing the despite the trend of increased numbers. But the press of increasing numbers of requests has redirected staff from other important work—sometimes the very that would reduce the burden of processing requests.

**City Clerk****2020 Change Item***Esri Redistricting Application*Program: *Legislative Support & Administration*Fund: *General Fund*

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	35	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	—	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	35	—	—	—	—

Personnel Impacts	2020	2021	2022	2023	2024
Change in FTE Count	—	—	—	—	—

**Proposal Details:**

The Council approves \$35,000 one-time General Fund resources for Esri Redistricting Application.

**Rationale/Background:**

Minneapolis, led by its Charter Commission, must review and redraw its electoral boundaries after each US Census to ensure that the people of the districts are equally represented. See Charter Section 2.2(c) (4).

**Description of the Change:**

To assist the Charter Commission Redistricting Group and engage in public in the process, the City's IT Department and Clerk's Office propose using a new mapping/collaboration tool from Esri. Esri ArcGIS is the City's enterprise geographic information system. Esri Redistricting is a web-based solution that lets governments, citizens, and advocates work together on redistricting plans. It gives you everything you need to create compliant plans, including design, editing, and validation tools as well as ready-to-use Census and demographic data—all built on Esri's ArcGIS software platform. IT will use its Esri software subscription credits to acquire the new solution. Additional funding is required for Esri's Managed Cloud Services. This will provide secure and reliable web services that support the Esri Redistricting application and access points. It provides the capability to host and publish custom data which can then be consumed by the Esri Redistricting application. Esri also will provide onsite training for the application.

**Equity Impact:**

Esri Redistricting will provide transparency and solicit feedback from stakeholders has historically been limited. Typically, few individuals have had access to redistricting software capabilities to evaluate proposals and provide alternate scenarios.

The Esri application will allow unlimited users (20 concurrent users, equivalent to 100 active users) to create and share redistricting maps. The application will provide the City with a redistricting solution that

satisfies legal requirements, improves inclusiveness and transparency, and maximizes the efficiency of the redistricting process.

**Results:**

This application will help the City efficiently meet its legal requirement to adopt new Ward and Park District maps. The timeline is tight. The Census begins April 2020. The Redistricting Group will be appointed September 2020, and redistricting process begins January 2021, with census data expected April 2021. The Redistricting Group has less than a year to develop maps, hold listening sessions & public hearings, and get Charter Commission and Council approval of the final maps.

Esri Redistricting allows us to create and edit plans, report on redistricting plans, check the integrity of the plans, share the plans with the public, and collaborate with stakeholders—all at a level previous not possible.

**City Clerk****2020 Change Item**

Legislative Information Management System (LIMS) - Phase 3

Program: *Legislative Support & Administration*Fund: *General Fund*

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	100	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	—	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	100	—	—	—	—
<b>Personnel Impacts</b>					
Change in FTE Count	—	—	—	—	—

**Proposal Details:**

The Council approves \$100,000 one-time General Fund resources to complete the design, configuration, and implementation of LIMS – Phase 3 which will extend the system's functionality to include the City's three planning/quasi-judicial bodies and provide a secure, outsourced (hosted) environment for all technical and network services with the existing vendor (DataNet Systems Corp.).

**Rationale/Background:**

Policymakers, staff, media, and the public need access to authoritative legislative data, particularly data on local laws and public policies. As a web-based, digital repository, LIMS enables users to query, search, filter, review, and retrieve this data. The first project phase addressed overall system design and was configured to support City Council and its standing committees, the independent Audit and Executive committees, and the Charter Commission. Launched in September 2017, the system includes all data from the 2014-2017 Council Term through present day. In 2019, the second project phase will improve functionality, provide an Application Program Interface (API) to enable bulk data access, download, and exchange consistent with industry standards for open data and extend LIMS meeting management functionality and public access to Appointed Boards & Commissions (ABCs) within the enterprise (approx. 50 decision-making bodies). The Clerk's Office currently contributes approx. 45% of all content to the City's website, the vast majority of which is legislative and policy data.

**Description of the Change:**

LIMS is an existing project first approved by City Council in 2014. Like "Google for Government," LIMS is a public portal providing 24x7x365 access to the City's legislative and policy data. This request completes the design, configuration, and implementation of LIMS (Phase 3). Phase 3 funding is primarily focused on incorporating system functionality to the City's Planning Commission, Zoning Board of Adjustment, and Heritage Preservation Commission into LIMS. It would also enable the entire system to be outsourced as a hosted solution by the vendor. Despite being an enterprise application used by every department, funding to-date has come from year-end budgetary and vacancy savings from the Office of City Clerk. This proposal would secure funding to complete the entire scope of services through the

existing contract with DataNet Systems Corporation, including an option for a vendor-hosted solution. DataNet is a minority-owned IT-solutions company based in Washington D.C. that primarily works in the government sector.

The LIMS provides the technical infrastructure to manage this mission-critical data, increases accessibility of this data for internal and external users, eliminates the business risk of existing, unsupported legacy systems, and provides a digital repository for the City's official acts—ordinances, resolutions, actions, etc.—which must be permanently preserved under state law.

### **Equity Impact:**

During concept planning, key departments provided input on options to address financial and equity impacts of agenda items. This resulted in the creation of a new fiscal impact analysis and review by the Civil Rights Department. These internal reviews support more scrutiny of policy and business proposals and provide policymakers a fuller understanding of the ramifications decisions intended to advance strategic goals tied to community growth, the reduction or elimination of disparity gaps, and similar metrics. Additionally, because those reviews are part of the public data in LIMS it increases public awareness about the context of these decisions and enables the community to hold elected policymakers accountable.

In support of the City's Open Data Policy, the Clerk's Office engaged members of Open Twin Cities and the University of Minnesota's Center for Urban & Regional Affairs (CURA) in early system development to discuss how LIMS could support bulk data access consistent with industry best practices for open government data.

Finally, aware of the need to ensure the greatest access possible, the Clerk's Office required that the overall system design meet Web Content Accessibility Guidelines (WCAG) developed by the World Wide Web Consortium (W3C). The Clerk's Office is proud to be the first City department to provide a web-based system that fully satisfies WCAG 2.0 Level AA, which addresses the most common barriers for disabled users and aligns with Revised 508 Standards under federal regulations.

### **Results:**

In 2018, the following official acts were made by the Council and Mayor, recorded by the Clerk, and published and made accessible via LIMS—

#### Ordinances:

- 84 ordinances were newly introduced;
- 84 ordinances were enacted, which included two charter amendments, one by ordinance and one by referendum;
- 42 ordinances were codified; and
- 100% of ordinances were produced without error, as determined by the number of re-publications required (0).

#### Resolutions:

- 437 resolutions were adopted, with 99.77% produced without error as determined by the number of re-publications required (1).

#### Actions:

- 1,021 actions were approved, with 99.90% produced without error as determined by the number of re-publications required (1).

#### Appointed Board & Commissions:

- 57 Number of Boards
- 433 Number of Seats
- 581 Applications Received
- 164 Appointments Confirmed

## **Elections**

## **2020 Change Item**

*Supervisor, Election Administration (Voter Outreach & Education)*

Program: Elections & Voter Services

Fund: General Fund

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	110	110	110	110	110
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	—	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	110	110	110	110	110

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	1	1	1	1	1

### **Proposal Details:**

The Council approves \$110,000 ongoing General Fund resources to provide in-house FTE to expertise to plan, coordinate, and manage all aspects of Voter Outreach & Education (VOE) programming.

### **Rationale/Background:**

Beginning in 2018, EVS is being accounted for as an independent department, per the decision of the CFO. This is expected to enable the City to better track for its investment in the administration of elections. To fully separate from the Office of City Clerk, it is necessary to add at least 1 FTE. Staffing in EVS is already well below comparable jurisdictions based on community population and demographics, the number of elections administered in a regular cycle, average voter turnout, and other metrics. Based on these standards, Minneapolis functions as a “county within a county,” being the fourth largest election jurisdiction in the State of Minnesota. Staffing comparisons are Minneapolis 7 FTE, Hennepin County 10 FTE and Ramsey County 9 FTE. Hennepin County, which has the highest number of permanent staff, does not operate a single polling place, but only handles back-office functions of voter registration and ballot design; all voter-facing functions in Hennepin County are administered by cities, the largest of which is Minneapolis.

The department has absorbed and paid for this level of work with contract, seasonal, and temporary workers since the VOE program was launched in 2013. The VOE program has grown year-over-year and is now considered a core part of the overall EVS Division, in all elections throughout the four-year regular cycle.

### **Description of the Change:**

This request will establish a full-time position in the EVS Department to have primary responsibility for its VOE programs. This includes, as examples; the Tenant Notice of Voter Registration (TNVR) program; the Charitable Organizations Recruiting for Elections (CORE) program; support for recruitment and placement of Student Election Judge programs with area schools; community-based partnerships, like

the Make Voting a Tradition with Little Earth; as well as lead work on EVS communications, media relations, and similar initiatives.

### **Equity Impact:**

Minneapolis is a recognized leader in election administration. In 2016, the City enacted its TNVR program requiring landlords to provide registration information to voting-age residents on move-in. As a city where more than half its population rent, this is critical to ensuring ballot access. Moreover, because communities of color, unmarried women, and youth (18-34) are disproportionately represented, this helps provide pathways to participation for historically under-represented groups. Minneapolis has a robust VOE program to ensure all qualified voters are “election ready” each year, helping build awareness and participation across the four-year election cycle. VOE initiatives primarily target communities with lower levels of engagement. Expanded service hours during Absentee Balloting means Minneapolis offers greater access to participate than any other jurisdiction in Minnesota, including weekday evenings and weekends (a total of 330 hours in 2017, double for 2018 because of primary). The convenience of IVP has had the biggest impact on communities of color, particularly among the Somali community, as well as voters with disabilities, seniors, and youth/first-time voters. These are the demographic groups that have taken the greatest advantage of Minneapolis’s expanded in-person Absentee Balloting at the Early Vote Center. In 2016, the City offered multiple Early Vote Centers which also enhanced access to the ballot box, resulting in a record-setting level of participation via IVP. The requested new FTE positions will enable EVS to continue its strong service to Minneapolis voters.

### **Results:**

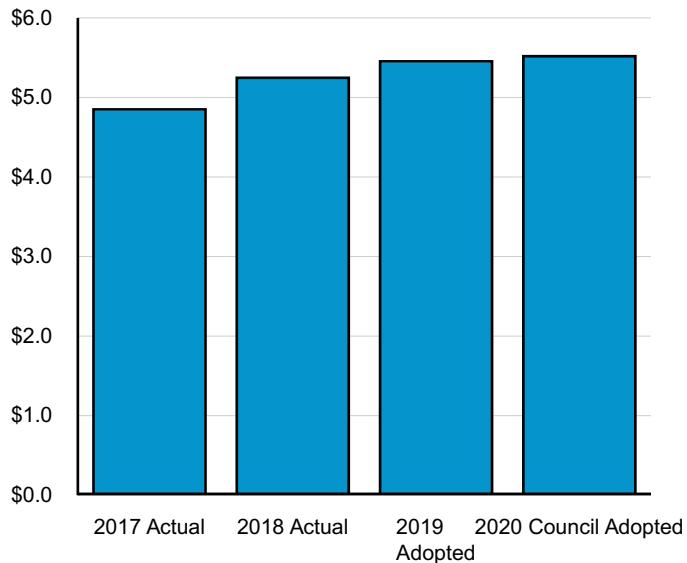
In 2018, the VOE program again benefited from strong partnerships with several City departments; NCR, Communications, IT and 311. These partnerships made possible significant improvements in engaging and educating voters, providing accurate and responsive information, promoting community awareness about the importance of participating, and responding to inquiries and requests in a timely manner. As in prior years, EVS collaborated with the Communications department to develop a comprehensive communications plan to promote the 2018 Gubernatorial Election. Using the YOUR CITY. YOUR VOTE. brand, the communications plan for the 2018 election included the development of materials in a variety of media and formats, including video, targeted paid and earned media campaigns, and—of course—proactive, timely interaction and follow-up with news media outlets. By the numbers, EVS Twitter and Facebook accounts expanded their reach in 2018 by growing the total number of followers to 2,926 (a 26 percent increase) and 1,423 (a 12 percent increase), respectively. Predictably, the accounts gained popularity during the weeks leading up to the primary and general election. EVS also improved its website ([vote.minneapolismn.gov](http://vote.minneapolismn.gov)), which is the centerpiece to all its outreach, education, and engagement work, helping to provide a single source to connect voters, candidates, and election judges with accurate and timely information and data. In 2018, the website was visited by nearly 240,000 users, over a quarter of which visited for the first time on either the day of the primary or general election. In addition, the five interactive maps tracking early voting and overall voter turnout were viewed 13,175 times. Although EVS has partnered with NCR in the past, the department’s renewed commitments re-energized and enhanced initiatives for the 2018 Gubernatorial Election. NCR lead several VOE initiatives to maximize City resources and build enterprise capacity in promoting important election-related messages. One area of particular focus was leveraging community partnerships to reduce registration gaps and make voting as accessible as possible for all eligible residents in the City’s diverse communities. Through these efforts, NCR facilitated conversations with more than 900 people, resulting in 67 new and/or updated voter registrations for 2018. Minneapolis 311 has long been a champion of EVS’ voter outreach efforts by serving as the front-line response to election inquiries coming in from around Minneapolis and the surrounding Twin Cities area.

**CITY CLERK**  
**EXPENSE AND REVENUE INFORMATION**

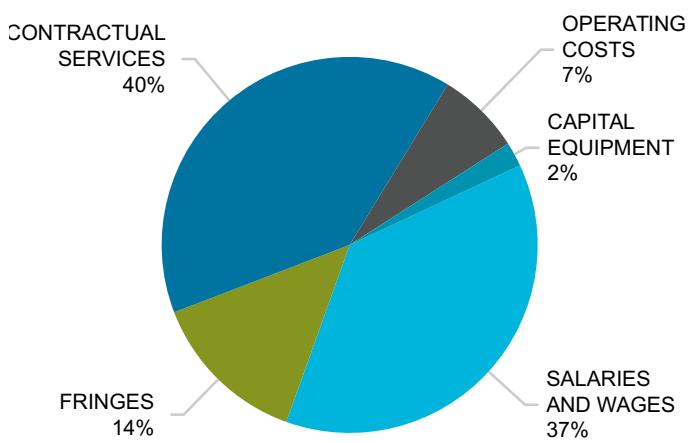
EXPENSE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>GENERAL</b>						
SALARIES AND WAGES	1,487,021	1,438,138	1,650,000	1,698,000	2.9%	48,000
FRINGES	468,575	477,888	630,000	600,000	-4.8%	(30,000)
CONTRACTUAL SERVICES	1,078,947	1,263,011	1,227,000	1,391,000	13.4%	164,000
OPERATING COSTS	249,463	235,603	174,000	245,000	40.8%	71,000
CAPITAL EQUIPMENT	—	51,301	330,000	98,000	-70.3%	(232,000)
<b>TOTAL GENERAL</b>	<b>3,284,006</b>	<b>3,465,941</b>	<b>4,011,000</b>	<b>4,032,000</b>	<b>0.5%</b>	<b>21,000</b>
<b>INTERNAL SERVICE</b>						
SALARIES AND WAGES	252,673	299,388	370,000	373,000	0.8%	3,000
FRINGES	144,877	81,503	149,000	158,000	6.0%	9,000
CONTRACTUAL SERVICES	1,047,623	1,287,107	809,000	799,000	-1.2%	(10,000)
OPERATING COSTS	137,025	129,725	121,000	154,000	27.3%	33,000
CAPITAL EQUIPMENT	—	—	10,000	19,000	90.0%	9,000
<b>TOTAL INTERNAL SERVICE</b>	<b>1,582,198</b>	<b>1,797,723</b>	<b>1,459,000</b>	<b>1,503,000</b>	<b>3.0%</b>	<b>44,000</b>
<b>TOTAL EXPENSE</b>	<b>4,866,204</b>	<b>5,263,664</b>	<b>5,470,000</b>	<b>5,535,000</b>	<b>1.2%</b>	<b>65,000</b>
REVENUE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>GENERAL</b>						
CHARGES FOR SALES	60	139	—	—	0.0%	0
CHARGES FOR SERVICES	6,600	4,800	5,000	5,000	0.0%	0
NON-BUSINESS LICENSES AND PERMITS	3,780	5,300	3,000	3,000	0.0%	0
<b>TOTAL GENERAL</b>	<b>10,440</b>	<b>10,239</b>	<b>8,000</b>	<b>8,000</b>	<b>0.0%</b>	<b>0</b>
<b>INTERNAL SERVICE</b>						
CHARGES FOR SERVICES	1,355,479	1,535,486	1,366,000	1,424,000	4.2%	58,000
<b>TOTAL INTERNAL SERVICE</b>	<b>1,355,479</b>	<b>1,535,486</b>	<b>1,366,000</b>	<b>1,424,000</b>	<b>4.2%</b>	<b>58,000</b>
<b>TOTAL REVENUE</b>	<b>1,365,919</b>	<b>1,545,725</b>	<b>1,374,000</b>	<b>1,432,000</b>	<b>4.2%</b>	<b>58,000</b>

## CITY CLERK EXPENSE AND REVENUE INFORMATION

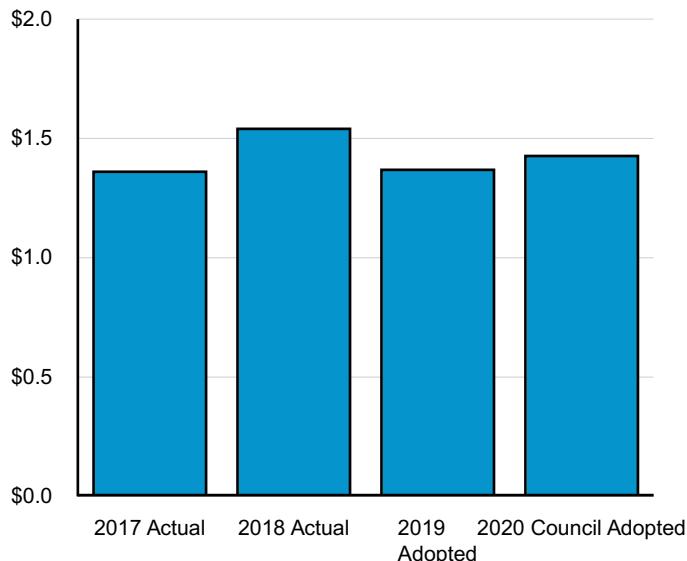
**Expense 2017 - 2020**  
**In Millions**



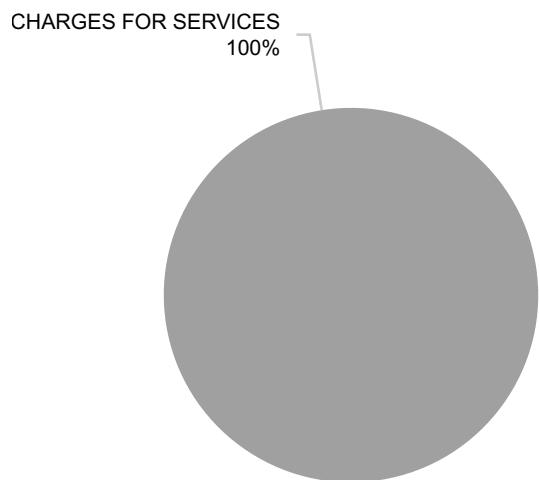
**Expense by Category**



**Revenue 2017 - 2020**  
**In Millions**



**Revenue by Type**

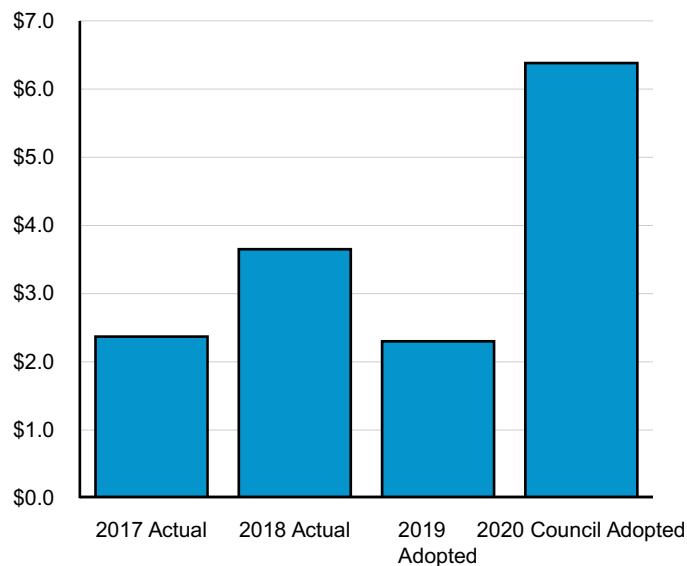


**ELECTIONS & VOTER SERVICES**  
**EXPENSE AND REVENUE INFORMATION**

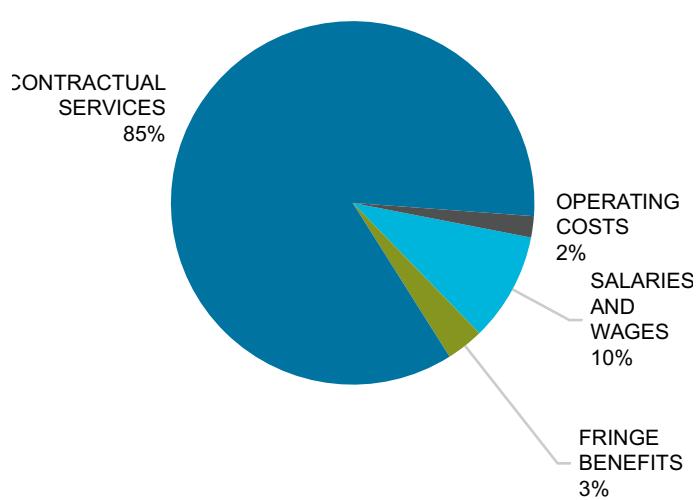
EXPENSE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>GENERAL</b>						
SALARIES AND WAGES	1,240,322	2,460,806	907,000	619,000	-31.8%	(288,000)
FRINGE BENEFITS	246,859	347,322	171,000	213,000	24.6%	42,000
CONTRACTUAL SERVICES	780,119	751,355	818,000	5,448,000	566.0%	4,630,000
OPERATING COSTS	65,157	111,691	79,000	121,000	53.2%	42,000
CAPITAL	56,908	—	346,000	—	-100.0%	(346,000)
<b>TOTAL GENERAL</b>	<b>2,389,365</b>	<b>3,671,174</b>	<b>2,321,000</b>	<b>6,401,000</b>	<b>175.8%</b>	<b>4,080,000</b>
<b>TOTAL EXPENSE</b>	<b>2,389,365</b>	<b>3,671,174</b>	<b>2,321,000</b>	<b>6,401,000</b>	<b>175.8%</b>	<b>4,080,000</b>
REVENUE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>GENERAL</b>						
CHARGES FOR SERVICES	115,991	180	94,000	94,000	0.0%	0
CONTRIBUTIONS	100	—	—	—	0.0%	0
<b>TOTAL GENERAL</b>	<b>116,091</b>	<b>180</b>	<b>94,000</b>	<b>94,000</b>	<b>0.0%</b>	<b>—</b>
<b>TOTAL REVENUE</b>	<b>116,091</b>	<b>180</b>	<b>94,000</b>	<b>94,000</b>	<b>0.0%</b>	<b>0</b>

## ELECTIONS & VOTER SERVICES EXPENSE AND REVENUE INFORMATION

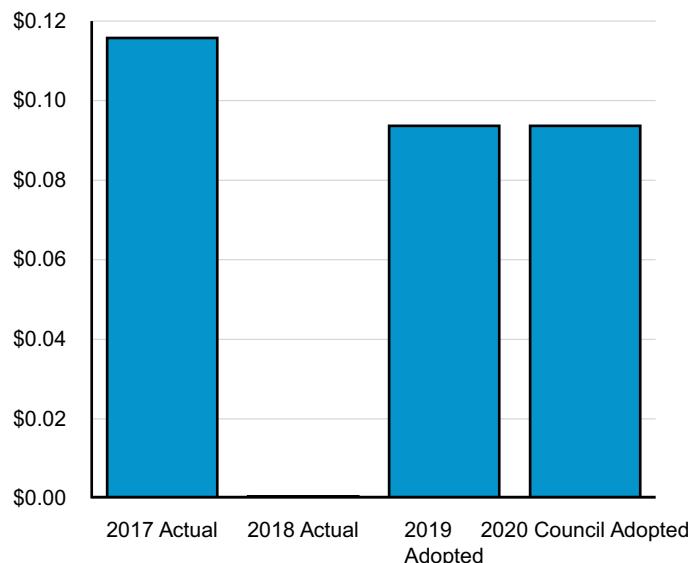
**Expense 2017 - 2020**  
**In Millions**



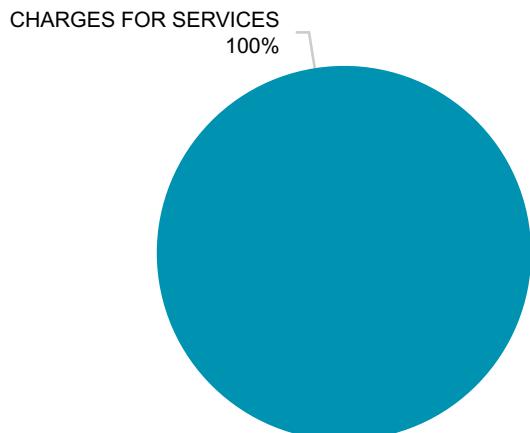
**Expense by Category**



**Revenue 2017 - 2020**  
**In Millions**



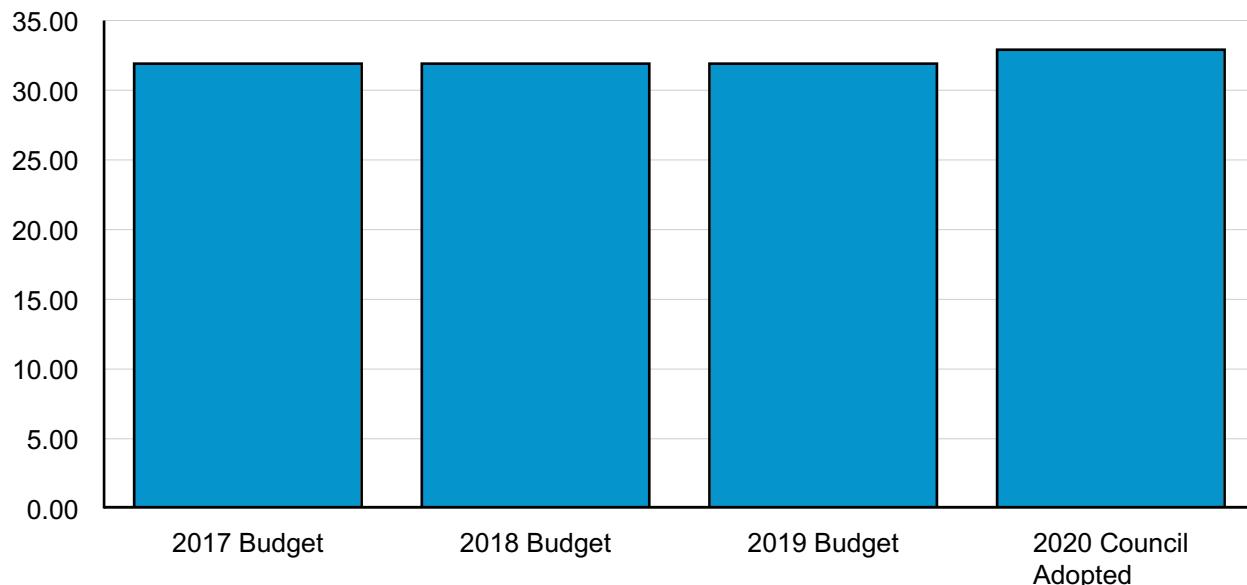
**Revenue by Type**



## CITY CLERK Staffing Information

Division	2017 Budget	2018 Budget	2019 Budget	2020 Council Adopted	Percent Change	Change
CENTRAL MAILING	0.05	0.05	—	—	0.0%	0.00
CITY CLERK - ADMINISTRATION	20.00	20.00	15.00	15.00	0.0%	0.00
COPY CENTER	4.95	5.95	6.00	6.00	0.0%	0.00
RECORDS & INFO. MGMT	1.00	—	5.00	5.00	0.0%	0.00
ELECTIONS & REGISTRATION	6.00	6.00	6.00	7.00	16.7%	1.00
Overall	32.00	32.00	32.00	33.00	3.1%	1.00

### Positions 2017-2020



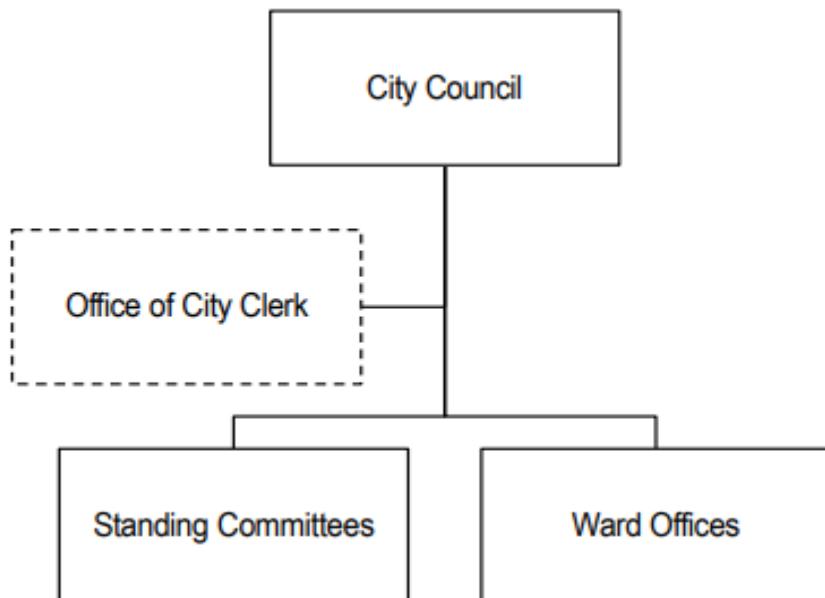
# CITY COUNCIL

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## Mission

The City Council maximizes access to municipal government, exercises oversight of City departments and service delivery, and enables informed decision-making for community governance.

## Organization Chart



### City Council

General Fund: \$5,548,000

The City Council is the legislative body of the City of Minneapolis, providing a direct link between residents and the municipal government. The Council is composed of thirteen Members, each elected from separate wards of approximately 32,000 residents. The Council works in partnership with the Mayor to provide for the general health, safety, and welfare of the community. Without limiting the generality of the foregoing, the Council has the power to:

1. Adopt, amend, and repeal public policies;
2. Levy and apportion taxes, make appropriations and adopt budgets; and
3. Oversee organizational performance and the delivery of municipal services.

## Financial Analysis

### Expenditure

The total City Council Department's budget decreases from \$5.32 million to \$5.30 million from 2019 to 2020. This is a decrease of \$20,000, or 0.4%. Inflationary increases in operational costs in 2020 budget are wholly offset by elimination of \$24,000 one time budget allocation in 2019.

### Revenue

This Department does not produce revenue.

### Fund Allocation

This department is funded completely by the General Fund.

## **City Council**

## **2020 Change Item**

### *Council Staff Salary Schedule Update*

**Program:** City Council

**Fund:** General Fund

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	250	250	250	250	250
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	—	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	250	250	250	250	250

Personnel Impacts	2020	2021	2022	2023	2024
Change in FTE Count	—	—	—	—	—

#### **Proposal Details:**

The Council approves \$250,000 ongoing to support an update to the Council staff salary schedule.

#### **Rationale/Background:**

The roles, responsibilities, and expectations for aides in the thirteen ward offices have significantly evolved over the past decade. Today, in addition to administrative support and constituent services, these positions provide policy-level research and drafting support; project management and interdepartmental coordination; communications, community outreach, and event planning functions, as a few examples. Consequently, these positions need to be evaluated to ensure parity with similar positions, both in the City enterprise as well as the regional marketplace.

Additionally, we know that continuous outreach to the community from multiple sources can foster community distrust. It is important that the City considers the volume of input we request, how we ask for it, and the mechanisms by which we report how we have used this input to inform decisions. The goal of this process is to advance equitable engagement of diverse communities in City services, activities, and programs, by leveraging the right tools for the job.

#### **Description of the Change:**

An evaluation of the junior aide position (office associate) in ward offices has not been completed since it transitioned to a politically-appointed classification in approximately 2007 or 2008. The senior aide position (CM assistant) has always been a politically-appointed classification and, thus, has never had a classification analysis. Both positions have evolved over the years and assumed a variety of broader, higher-level support functions beyond the scope of the original position descriptions. Similar positions in the Mayor's Office are paid at a significantly different (and higher) rate than aides working in ward offices, and some high-level administrative support positions in the City's classified service are also at much higher levels than Council aides. As a matter of parity with such positions—both internal to the enterprise and in comparable jurisdictions—an evaluation of both positions was requested. The Human Resources

Department completed that scope of work in July 2019. Based on the findings of that evaluation, the City Clerk developed three alternatives for consideration by the City Council to bring both aide positions into better alignment with existing comparable positions in the City's classified system as well as in comparison with similar politically-appointed positions in the City of St. Paul. The Human Resources Department is directed to implement updated salary ranges on the Politically Appointed Salary Schedule effective January 1, 2020.

**Equity Impact:**

NA

**Results:**

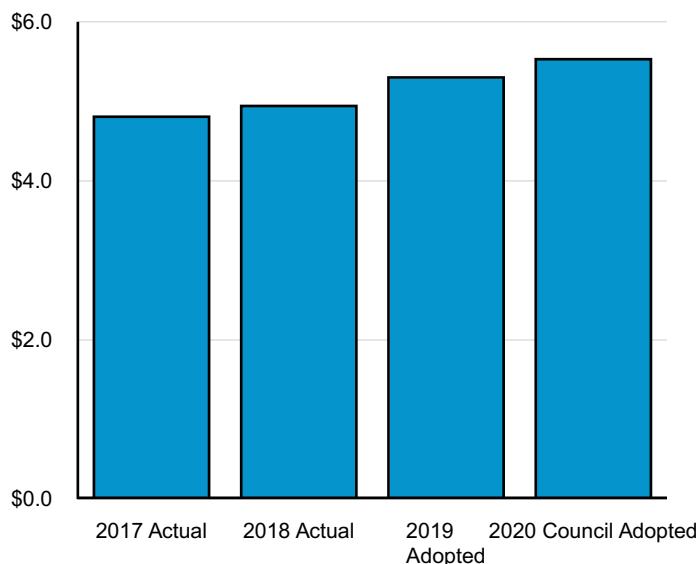
This action provides parity for existing aides working in ward offices, and brings these politically-appointed positions into better alignment with comparable positions, both internal and external to the City enterprise. In doing so, it recognizes the evolution of these positions and ensures that current and future employees are recognized for the full scope of work expected and performed.

## CITY COUNCIL EXPENSE AND REVENUE INFORMATION

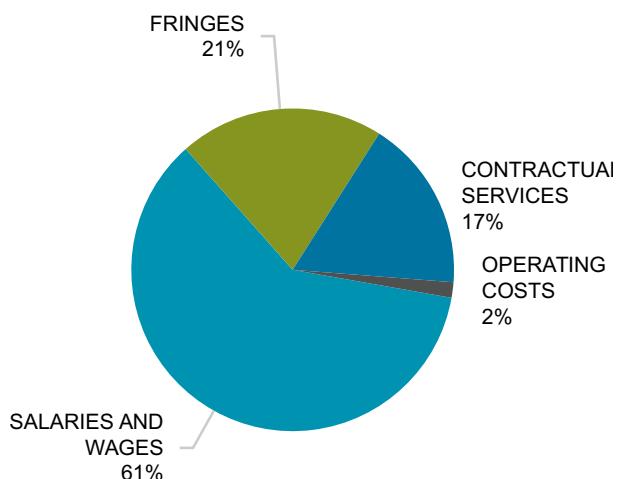
EXPENSE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>GENERAL</b>						
SALARIES AND WAGES	2,836,993	3,006,479	3,194,000	3,366,000	5.4%	172,000
FRINGES	959,436	962,290	1,074,000	1,140,000	6.1%	66,000
CONTRACTUAL SERVICES	745,996	736,749	884,000	955,000	8.0%	71,000
OPERATING COSTS	281,210	253,326	165,000	86,000	-47.9%	(79,000)
<b>TOTAL GENERAL</b>	<b>4,823,635</b>	<b>4,958,844</b>	<b>5,317,000</b>	<b>5,547,000</b>	<b>4.3%</b>	<b>230,000</b>
<b>TOTAL EXPENSE</b>	<b>4,823,635</b>	<b>4,958,844</b>	<b>5,317,000</b>	<b>5,547,000</b>	<b>4.3%</b>	<b>230,000</b>

## CITY COUNCIL EXPENSE AND REVENUE INFORMATION

**Expense 2017 - 2020  
In Millions**



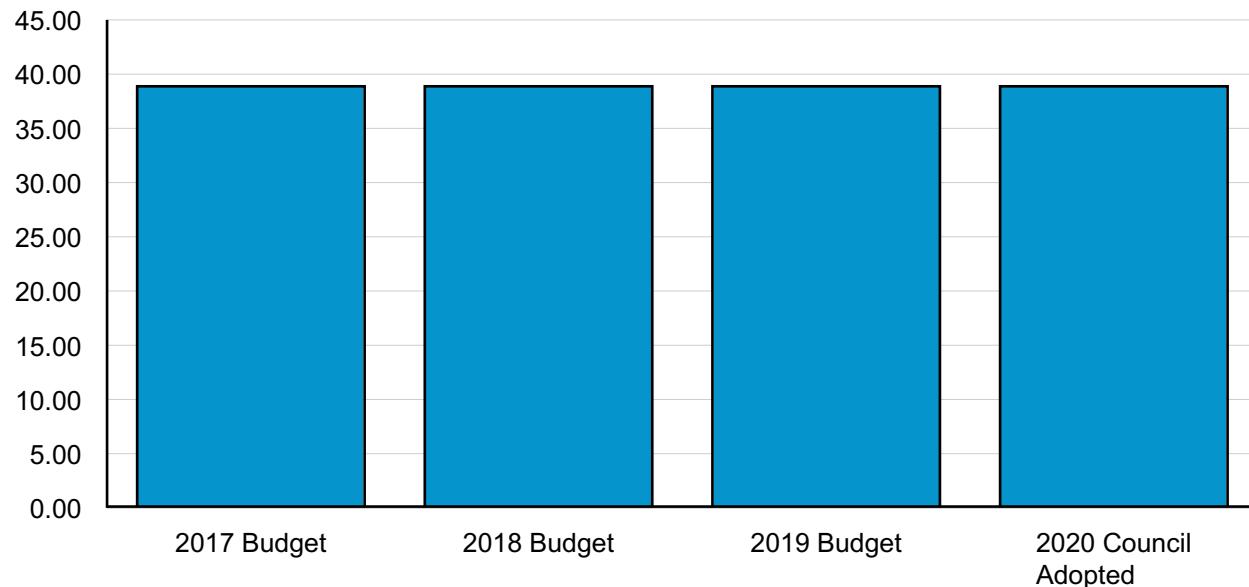
**Expense by Category**



## CITY COUNCIL Staffing Information

Division	2017 Budget	2018 Budget	2019 Budget	2020 Council Adopted	Percent Change	Change
CITY COUNCIL	39.00	39.00	39.00	39.00	0.0%	0.00
Overall	39.00	39.00	39.00	39.00	0.0%	0.00

### Positions 2017-2020



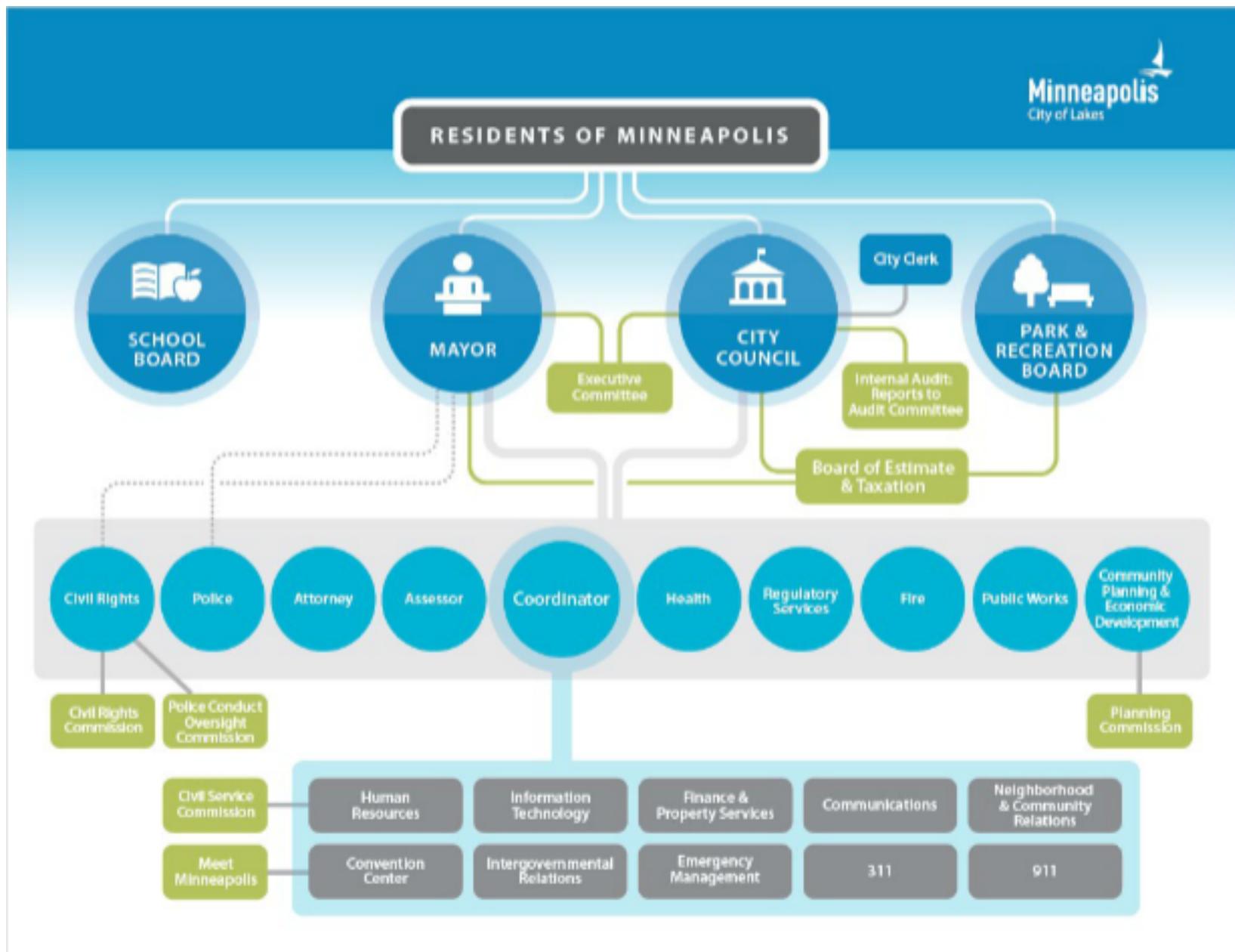
## CITY COORDINATOR

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### Mission

The City Coordinator Department provides strategic, administrative and management services for the City, including but not limited to planning, budgeting and fiscal management, program monitoring and evaluation, personnel, data processing and purchasing. The City Coordinator is also charged with ensuring alignment and coordination across the enterprise, facilitating strategic and business planning, and supervising the Minneapolis Convention Center, federal programs, large city-wide events, and any other such activities as the City Council may direct.

## Organization Chart



## EXPENSE AND REVENUE INFORMATION

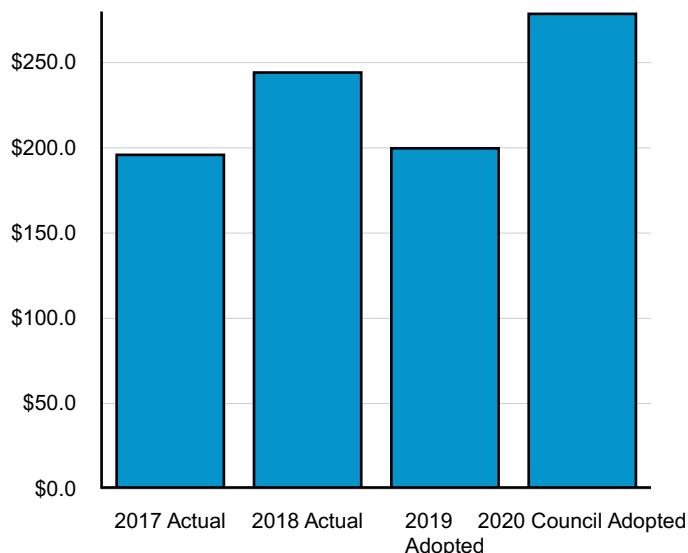
EXPENSE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>GENERAL</b>						
SALARIES AND WAGES	26,452,886	27,580,337	30,074,000	31,654,000	5.3%	1,580,000
FRINGES	9,230,604	9,561,615	10,783,000	11,408,000	5.8%	625,000
CONTRACTUAL SERVICES	13,976,393	14,537,459	17,726,000	21,489,000	21.2%	3,763,000
OPERATING COSTS	2,740,100	2,645,288	2,178,000	2,387,000	9.6%	209,000
CAPITAL EQUIPMENT	793,347	173,124	968,000	10,000	-99.0%	(958,000)
TRANSFERS	1,500	1,500	—	—	0.0%	0
<b>TOTAL GENERAL</b>	<b>53,194,830</b>	<b>54,499,323</b>	<b>61,729,000</b>	<b>66,948,000</b>	<b>8.5%</b>	<b>5,219,000</b>
<b>INTERNAL SERVICE</b>						
SALARIES AND WAGES	15,405,695	16,564,000	16,933,000	17,671,000	4.4%	738,000
FRINGES	9,760,145	5,640,651	5,873,000	6,118,000	4.2%	245,000
CONTRACTUAL SERVICES	39,777,924	91,506,359	33,174,000	103,360,000	211.6%	70,186,000
OPERATING COSTS	6,666,630	6,949,733	4,064,000	4,328,000	6.5%	264,000
CAPITAL EQUIPMENT	264,518	885,005	5,056,000	5,050,000	-0.1%	(6,000)
<b>TOTAL INTERNAL SERVICE</b>	<b>71,874,912</b>	<b>121,545,748</b>	<b>65,100,000</b>	<b>136,527,000</b>	<b>109.7%</b>	<b>71,427,000</b>
<b>SPECIAL REVENUE</b>						
SALARIES AND WAGES	12,736,919	13,251,796	13,593,000	13,960,000	2.7%	367,000
FRINGES	4,422,364	4,738,709	5,686,000	5,934,000	4.4%	248,000
CONTRACTUAL SERVICES	33,297,300	37,331,029	36,790,000	39,189,000	6.5%	2,399,000
OPERATING COSTS	2,271,656	1,705,200	1,622,000	1,722,000	6.2%	100,000
CAPITAL EQUIPMENT	18,878,085	11,696,641	16,021,000	15,112,000	-5.7%	(909,000)
TRANSFERS	—	200,000	—	—	0.0%	0
<b>TOTAL SPECIAL REVENUE</b>	<b>71,606,324</b>	<b>68,923,375</b>	<b>73,712,000</b>	<b>75,917,000</b>	<b>3.0%</b>	<b>2,205,000</b>
<b>TOTAL EXPENSE</b>	<b>196,676,066</b>	<b>244,968,446</b>	<b>200,541,000</b>	<b>279,392,000</b>	<b>39.3%</b>	<b>78,851,000</b>

## EXPENSE AND REVENUE INFORMATION

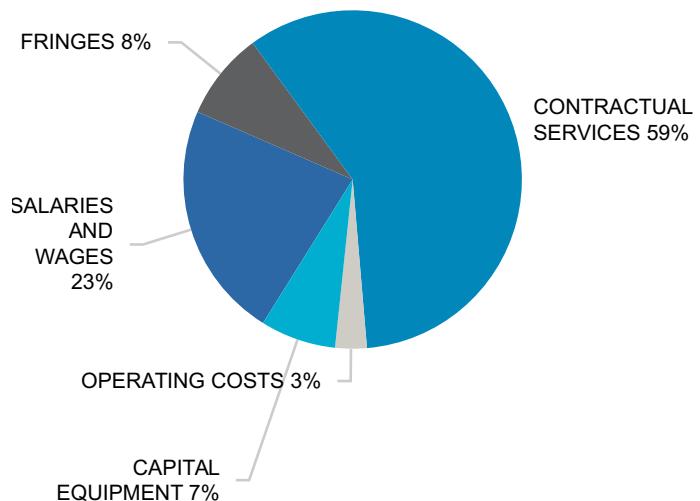
REVENUE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>GENERAL</b>						
CHARGES FOR SALES	1,204	—	2,000	—	-100.0%	(2,000)
CHARGES FOR SERVICES	21,300	4,105	—	400,000	0.0%	400,000
CONTRIBUTIONS	—	1,250	—	—	0.0%	0
FRANCHISE FEES	—	790,958	1,250,000	1,250,000	0.0%	0
LOCAL GRANTS & AIDS	5,000	—	—	—	0.0%	0
RENTS	36	—	—	—	0.0%	0
MISCELLANEOUS	37,225	44,479	—	—	0.0%	0
<b>TOTAL FOR GENERAL</b>	<b>64,765</b>	<b>840,792</b>	<b>1,252,000</b>	<b>1,650,000</b>	<b>31.8%</b>	<b>398,000</b>
<b>INTERNAL SERVICE</b>						
CHARGES FOR SALES	646,500	666,027	625,000	680,000	8.8%	55,000
CHARGES FOR SERVICES	47,203,579	114,867,103	40,360,000	117,600,000	191.4%	77,240,000
FINES AND FORFEITS	10,423	—	—	—	0.0%	0
MISCELLANEOUS	321,333	5,342	3,000	3,000	0.0%	0
OTHER	(217,685)	—	—	—	0.0%	0
RENTS	20,284,065	20,339,243	21,281,000	22,360,000	5.1%	1,079,000
USE OF FUND BALANCE	—	—	4,168,000	(2,640,000)	-163.3%	(6,808,000)
STATE GRANTS & AIDS	8,290	—	—	—	0.0%	0
<b>TOTAL INTERNAL SERVICE</b>	<b>68,256,505</b>	<b>135,877,715</b>	<b>66,437,000</b>	<b>138,003,000</b>	<b>107.7%</b>	<b>71,566,000</b>
<b>SPECIAL REVENUE</b>						
CHARGES FOR SALES	—	400	—	—	0.0%	0
CHARGES FOR SERVICES	10,662,469	13,646,537	10,700,000	11,175,000	4.4%	475,000
CONTRIBUTIONS	911,224	2,385,105	375,000	375,000	0.0%	0
FEDERAL GOVERNMENT GRANTS	1,802,810	959,771	1,880,000	1,880,000	0.0%	0
INTEREST REVENUE	79,481	4,774	15,000	—	-100.0%	(15,000)
LOCAL SALES TAXES	—	—	88,400,000	93,446,000	5.7%	5,046,000
MISCELLANEOUS	33,808	19,241	4,000,000	5,500,000	37.5%	1,500,000
RENTS	9,099,932	10,730,221	9,321,000	9,120,000	-2.2%	(201,000)
REVENUES	—	—	650,000	65,000	-90.0%	(585,000)
STATE GRANTS & AIDS	437,925	1,119,429	515,000	515,000	0.0%	0
TRANSFERS	6,489,016	6,684,016	6,883,000	8,470,000	23.1%	1,587,000
USE OF FUND BALANCE	—	—	7,739,000	2,555,000	-67.0%	(5,184,000)
<b>TOTAL SPECIAL REVENUE</b>	<b>29,516,665</b>	<b>35,549,494</b>	<b>130,478,000</b>	<b>133,101,000</b>	<b>2.0%</b>	<b>2,623,000</b>
<b>TOTAL REVENUE</b>	<b>97,837,935</b>	<b>172,268,001</b>	<b>198,167,000</b>	<b>272,754,000</b>	<b>37.6%</b>	<b>74,587,000</b>

## EXPENSE AND REVENUE INFORMATION

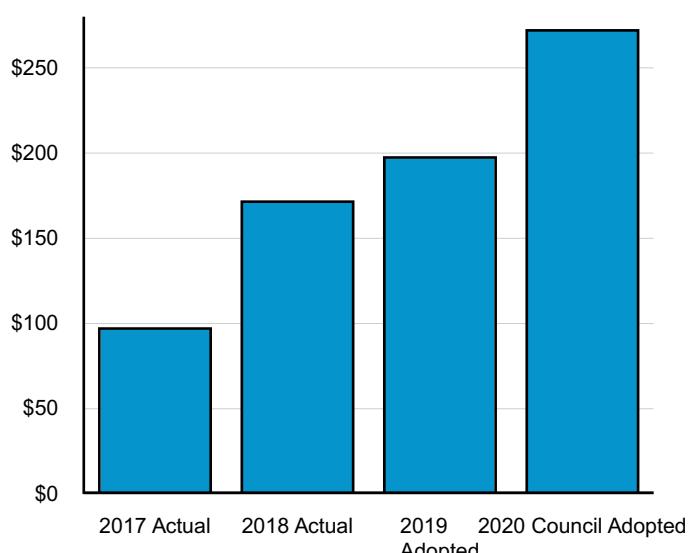
**Expense 2017 - 2020  
In Millions**



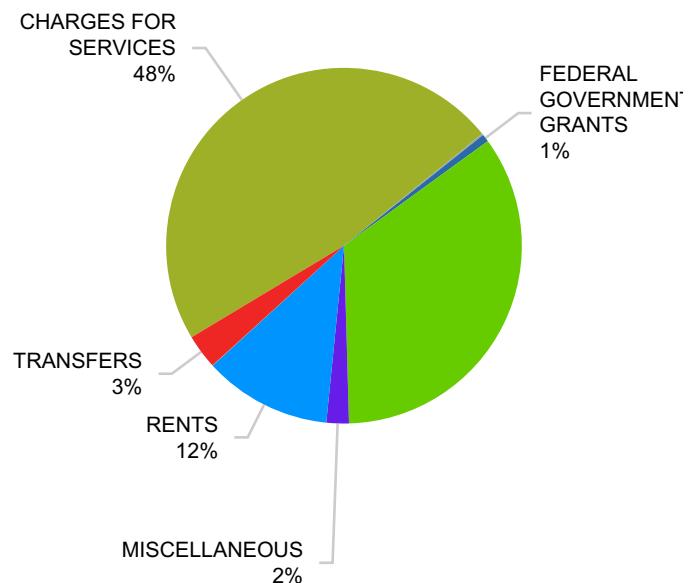
**Expense by Category**



**Revenue 2017 - 2020  
In Millions**



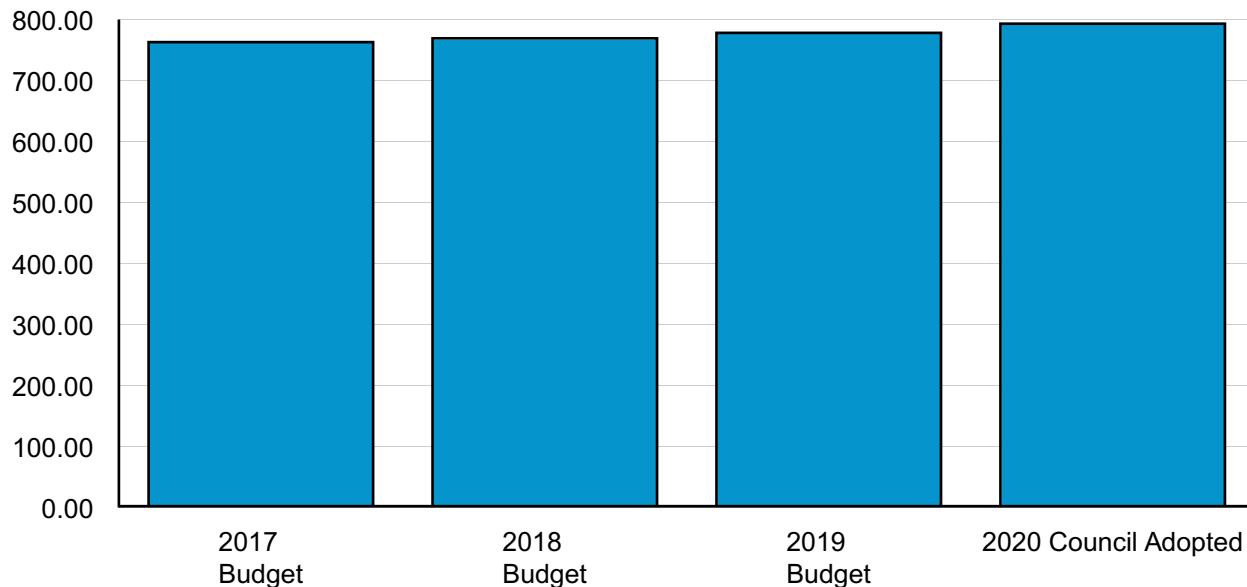
**Revenue by Type**



## CITY COORDINATOR Staffing Information

<b>Division</b>	<b>2017 Budget</b>	<b>2018 Budget</b>	<b>2019 Budget</b>	<b>2020 Council Adopted</b>	<b>Percent Change</b>	<b>Change</b>
311	30.00	30.00	30.00	30.00	0.0%	0.00
911	85.00	85.00	85.00	85.00	0.0%	0.00
City Coordinator Admin	26.00	31.00	34.00	46.00	35.3%	12.00
Communications	12.00	12.00	12.00	12.00	0.0%	0.00
Convention Center	173.30	173.30	173.30	173.30	0.0%	0.00
Emergency Management	8.50	8.50	8.50	8.50	0.0%	0.00
Finance & Property Services	255.50	258.50	263.50	265.50	0.8%	2.00
Human Resources	53.80	55.00	56.00	56.00	0.0%	0.00
Information Technology	96.00	92.00	92.00	93.00	1.1%	1.00
Intergovernmental Relations	8.00	8.00	8.00	8.00	0.0%	0.00
Neighborhood & Community Relations	17.00	18.00	18.00	18.00	0.0%	0.00
Total City Coordinator Depts.	765.10	771.30	780.30	795.30	1.9%	15.00

### Positions 2017-2020



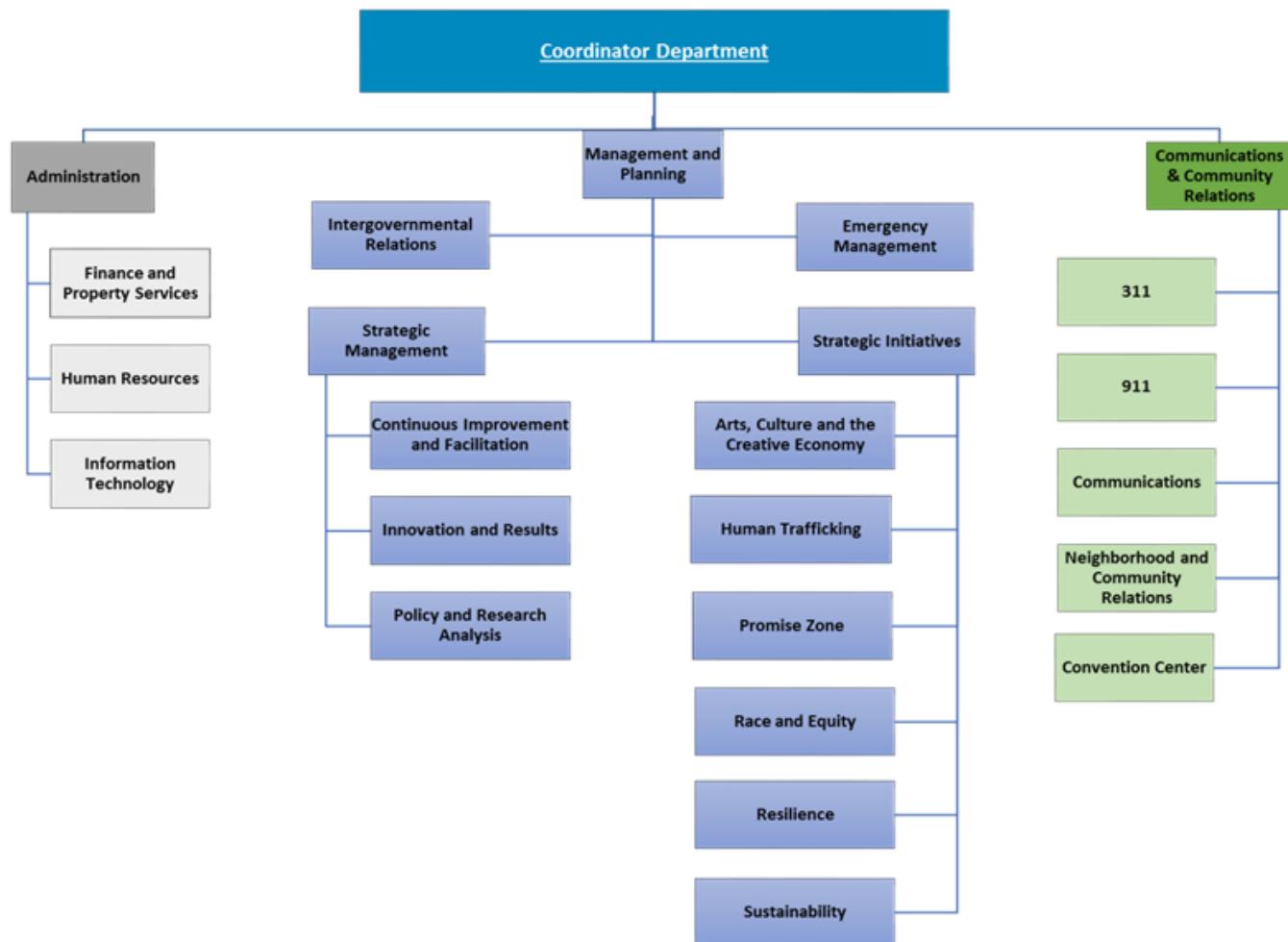
\* 2019 FTE counts may differ from 2019 adopted budget due to mid year adjustments, including funding and organizational changes.

## CITY COORDINATOR - ADMINISTRATION

### Mission

The City Coordinator Department provides strategic, administrative and management services for the City, including but not limited to planning, budgeting and fiscal management, program monitoring and evaluation, personnel, data processing and purchasing. The City Coordinator is also charged with ensuring alignment and coordination on a wide variety of cross-departmental initiatives across the enterprise, facilitating strategic and business planning, and supervising the Minneapolis Convention Center, federal programs, large city-wide events, and any other such activities as the City Council may direct.

### Organization Chart



### Administration and Partnerships

General Fund: \$2,284,000

This program encompasses oversight of the City's Coordinator Departments, management of partnerships duly approved by City Council, and oversight of Coordinator's Office activities, including strategic initiatives and strategic management. It also provides support and coordination of Citywide large events, as well as coordination of large enterprise committees such as the Citywide Labor Management Committee; the Facilities, Space and Asset Management Committee; and, the Permanent Review Committee.

## **Strategic Initiatives**

General Fund: \$5,246,000

Other Funds: \$1,530,000

This program provides strategy building oversight and planning of City-wide initiatives that are deemed critical to the business success of the enterprise and also meet stakeholder needs. It develops processes that ensure appropriate prioritization; implementation; growth; development; and approvals for complex initiatives in the City Coordinator's office. Those initiatives include but are not limited to: Sustainability, Race Equity, and Arts Culture and the Creative Economy, as well as complex cross departmental projects.

## **Strategic Management**

General Fund: \$2,489,000

This program provides the management, administrative and operational direction for the City. It leads planning and implementation of strategic and business specific goals and objectives and manages initiatives that improve the delivery of City services and builds strategic management capacity throughout enterprise. This includes the teams responsible for enterprise and department strategic planning, analysis, reporting, innovation, policy research and analysis, continuous improvement and other City-wide management functions.

## **Financial Analysis**

### **Expenditure**

The total City Coordinator Department's budget increases from \$11.4 million to \$11.5 million from 2019 to 2020. This is an increase of \$140,000, or 1.2%. This increase is due to inflation in salary and fringe benefits and new change items costs.

### **Revenue**

Revenues are projected to decrease by 27.0% due to expiration of federal grants. The department's total revenues in 2020 are projected to be \$1.5 million.

### **Fund Allocation**

This department is funded primarily by the General Fund, with the remainder of the department's funding found in the Special Revenue grant funds.

### **Budget Change items**

Detailed change items are presented on the following pages.

## **City Coordinator**

## **2020 Change Item**

911/MPD Workgroup & MPD Efficiency Study

**Program:** Strategic Management

**Fund:** General Fund

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	200	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	200	—	—	—	—

Personnel Impacts	2020	2021	2022	2023	2024
Change in FTE Count	—	—	—	—	—

### **Proposal Details:**

The Council approved \$200,000 in one-time General Fund resources to evaluate the efficiency of the tax dollars invested in the Minneapolis Police Department, and further explore the recommendations from the 911/MPD Workgroup – including but not limited to the reconfiguration of the priority system.

### **Rationale/Background:**

A 911/MPD workgroup was formed in 2019 in response to a staff direction to explore whether there are opportunities to expand the City's ability to respond to 911 calls beyond the Minneapolis Police Department. The staff direction further requested the workgroup to explore whether there were financial, time, and/or personnel efficiencies to be gained in responding to 911 calls.

The workgroup provided a set of recommendations, including the need to assess the 911 priority coding system as it has not been evaluated in approximately 12 years and continuity of the workgroup which could include prototyping several opportunities for potential future testing and implementation. There continues to be interest in quantifying efficiencies to be gained in police response to 911 calls more generally and beyond the initial scope of the 911/MPD workgroup.

### **Description of the Change:**

The City Coordinator's Office shall work with Emergency Communications (911), the Police Department, and other departments as necessary

- 1) Spend a portion of the \$200,000 to contract for a reconfiguration of the priority coding system
- 2) Spend a portion of the \$200,000 to prototype recommendations from the 911/MPD workgroup
- 3) Spend a portion of the \$200,000 to contract for an efficiency study of the Police Department.

**Equity Impact:**

The purpose of this project is to evaluate and ensure that the City is providing the right resources to the right people at the right time for the best outcomes possible. This work supports the City's ability to provide equitable services across the City and reduce any disparities in current service delivery.

**Results:**

This work should result in:

- A priority coding system that uses other City non-MPD resources or allows alternative responses to lower priority calls and certain call types.
- An improved understanding of Minneapolis Police Department's current workload and capacity, including but not limited to opportunities for optimization.
- Progress toward improved police capacity to handle increases in 911 calls, especially in areas that consume police resources due to extended time spent on calls like a mental health response.

**City Coordinator****2020 Change Item***Rent Stabilization Study***Program:** Strategic Initiatives**Fund:** General Fund

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	125	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	125	—	—	—	—

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	—	—	—	—	—

**Proposal Details:**

The Council approves \$125,000 to support a market analysis and economic impact analysis of potential policies that cap annual rent increases.

**Rationale/Background:**

More than half of Minneapolis residents, 89,000 households, are renters. Renters range in income, age, race and familial and disability status. Since 2000, rental housing costs have increased by 17%, while renters' income has increased by only 4% in the same amount of time. Renters are more likely to be low-income than homeowners, and households of color are more likely to rent than white households. Renter households are also more likely to be cost-burdened (paying more than 30% of income) by monthly housing payments than are homeowners. This cost burden can lead to housing instability. Since 2015 the vacancy rate in Minneapolis has been below 5 percent. The vacancy rate is even lower for apartment units under \$1000 per monthly rent. Renters are also more susceptible to market forces such as low vacancy rates, which can further lead to housing instability.

**Description of the Change:**

Mechanisms of rent stabilization, such as annual rent increase caps have the potential to provide tenants with rent stability and limited predictability in their future rents. This is particularly useful in cities which will experience market fluctuations that lead to increase demand with potentially limited supply. It is also believed that there is a direct correlation in decreasing rental "transiency" when future rents are predictable and manageable, particularly with people who fall within moderate to low income categories. Contrarily, there is also a belief that any rent stabilization method has the potential to increase disinvestment in future development and decrease reinvestment in current housing stock because access to future capital would be limited. It is also thought that stabilization methods over time harm those whom they propose to help, which are low and moderate-income renters. This change item allows the City to better understand our current rental market, including but not limited to: the age of the housing stock; market development and reinvestment; geography and economy of the City's renters and

homeless populations. This foundation will then allow for an economic impact analysis of annual rent increase caps if the City were to entertain such policies in the future (and how it would also impact the City's current applicable housing policies).

**Equity Impact:**

Moderate to no income earning individuals are the most affected by increased demand for rental housing and rising rental prices. Of the more than 89,000 renter households in Minneapolis, nearly 50,000 earned less than 60% of Area Median Income in 2016. Three out of four low income households (earning less than 50% of Area Median Income) in Minneapolis are housing cost-burdened, paying more than 30% of their income for rent. Renters are more likely to be low-income than homeowners, and households of color are more likely to rent than white households. When we look at our City's homeless population, Native American and African Americans represent the majority of those suffering from homelessness, although their percentage of the Minnesota's population is below the majority, particularly for Native Americans.

**Results:**

The City will have more than a fundamental understanding of its current rental market, and potential economic and policy impacts of potential future annual rent increase caps.

**City Coordinator****2020 Change Item**

Promise Zone

**Program:** Strategic Initiatives**Fund:** General Fund

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
Not Applicable	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	50	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	50	—	—	—	—
<b>Personnel Impacts</b>					
<b>Change in FTE Count</b>	—	—	—	—	—

**Proposal Details:**

The Council approves \$50,000 for contract work on Economic Development in the North Minneapolis Promise Zone.

**Rationale/Background:**

This project will advance priorities of affordable housing and economic inclusion. North Minneapolis is an area with significant disparities in all social indicators including economic development and employment. These disparities are particularly stark for African Americans and other people of color. There are numerous small area plans for the City as well as regionally (e.g. Hennepin County) but there has been little success in finding the financing tools to redevelop vacant buildings and land in North Minneapolis. Redevelopment is necessary to secure safe, affordable housing, attract and support small businesses, and create living wage jobs for the North Minneapolis community. Currently, the Promise Zone has one permanent staff and a group of AmeriCorps VISTAs, that due to their programming, turn over each year. This funding provides needed support to further the Promise Zone's stated goals.

**Description of the Change:**

Promise Zone is a four-year-old initiative. This would represent additional capacity to expand the Promise Zone's work on economic development specifically for North Minneapolis, including engagement with property owners, real estate professionals, and other developers to secure projects and deals. This includes housing, mixed-use and industrial real estate project origination; including project feasibility, pre-development and looking for funding. Focus will be on redevelopment of North Minneapolis properties, while incorporating the new zoning code related to Minneapolis 2040. Use a strategy of minimizing displacement for local residents/businesses and increasing local ownership.

**Equity Impact:**

African Americans are the second fastest growing racial group in Minnesota. However, the unemployment and underemployment rate for African Americans in Minneapolis is one of the largest in the nation. There are 6,009 Black or African American-owned businesses, but there remains a 5 percent

ownership group as compared to the whole population. Residents of North Minneapolis, specifically African American and low-income people, will benefit from greater employment and housing opportunities as well as the opportunity to develop real-estate for use in small business. By bringing more economic activity to the Promise Zone, we will support job creation and small business development for disadvantaged residents of North Minneapolis.

**Results:**

- Quantity: Number of projects for which financing was secured; amount of funding secured by organizations serving the Promise Zone.
- Quality: Inclusion of community stakeholders in the planning process for these projects; considerations of prevention of gentrification and displacement factored into proposed projects
- Result: Number of new businesses and job opportunities accessed and newly accessible by African Americans, neighborhood residents, low-income individuals/families and/or other people of color

**City Coordinator****2020 Change Item***Transgender Equity***Program:** Strategic Initiatives**Fund:** General Fund

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	90	90	90	90	90
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	—	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	90	90	90	90	90

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	1	1	1	1	1

**Proposal Details:**

The Council approves the increase to the City Coordinator's Division of Race and Equity by one "Transgender Equity" FTE to collaborate with staff, elected policy makers and the community to advance equity for transgender and gender non-conforming staff and constituents.

**Rationale/Background:**

Since 2013, the City of Minneapolis has prioritized elevating the voices of members of transgender and gender non-conforming communities in policy and practice through the Trans Equity Summit and establishing the Trans Equity Council and Transgender Issues Work Group. Internal and external support for this work has increased significantly necessitating ongoing funding for a staff position to coordinate these efforts.

**Description of the Change:**

Historically, elements of this work have been addressed ad hoc by support staff and temporary, part-time positions focused primarily on planning the annual Transgender Equity Summit. This change would provide dedicated resources to enhance and advance the work the city has already begun in the trans-equity space.

**Equity Impact:**

The individual in this role will focus on addressing the needs of Lesbian, Gay, Bisexual, Transgender, Queer, and Gender Non-Conforming groups through the lens of racial equity.

**Results:**

The additional FTE will:

- Design, implement, and track the annual Trans Equity Summit and its impact
- Collaborate with staff and elected policymaker in the design and implementation of policy and practices that advance racial and/or transgender equity

- Ensure effective and meaningful engagement of Transgender Equity Council
- Ensure effective and meaningful engagement of Transgender Issues Work Group

**City Coordinator****2020 Change Item****Creative City Challenge**Program: *Strategic Initiatives*Fund: *General Fund*

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	100	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	100	—	—	—	—

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	—	—	—	—	—

**Proposal Details:**

The Council Approves \$100,000 in one-time general fund dollars to support the Creative City Challenge which is an entry level project supporting emerging public artists to try a large commission project for the first time, which allows them in turn to leverage the experience to build their businesses and take on larger, more permanent projects. The Coordinator's Office can support \$20,000 of this program.

**Rationale/Background:**

This work aligns with the Mayor's economic inclusion priority by supporting emerging artists, 40 percent of whom are artists of color, who would not normally receive commissions on larger projects because they don't have a portfolio or connections. The CCC helps artists build their portfolio and positions them competitively for larger commissions they may not have been able to access. For example, last year's winner's artwork was moved and re-installed in a St. Paul neighborhood. Each of these 5 artists have gone on to receive other commissions and used the project as part of their portfolio. It is also a creative platform, which can be connected to cultural districts, to make tangible the narratives and experiences of Minneapolis communities who do not have access to influence downtown public spaces. Finally, it showcases emerging creative sector talent to downtown audiences and tourists in public spaces.

**Description of the Change:**

The CCC is an existing program, established in 2013, that has evolved over time from a program originally developed for the Minneapolis Convention Center Plaza to a program managed entirely by the office of Art, Culture and the Creative Economy. The creative city challenge will highlight artists from Cultural Districts along Central Avenue and along 38th Street. It can highlight artists from cultural districts as well as the communities' narratives, perspectives, and experiences. Commissioned artwork would be placed in cultural districts along Central Avenue and 38th Street if related directly to the district's heritage and narrative as an artistic cultural example of what is coming out of the cultural district communities.

The proposal invests in:

- 1) a commission to create a temporary public artwork in the Commons, on 38th Street, or Central Avenue;
- 2) onsite summer long free public programming; and,
- 3) a celebratory opening festival.

The proposal purchases a temporary public artwork, related programming, community engagement to develop an annual artwork theme, artist recruitment, technical assistance, artwork documentation, project management, summer long maintenance, artwork de-installation and an opening festival. This work is executed through a service provider who also manages all subcontractors. The Commons, managed by Green Minneapolis, is a key partner in the program and collaborates on all aspects of artist selection and program implementation; it also provides in-kind services and technical assistance. This program to date has operated with one-time resources; without ongoing support, it will close.

### **Equity Impact:**

According to the Americans for the Arts, the average size of a public art budget is \$100,000. Budgets of this size frequently come with portfolio requirements for experience in managing large budgets, proposal development, and project implementation. The CCC provides emerging public artists with valuable, practical learning experiences designing and implementing a significant public artwork that can later be applied to larger, more permanent projects. Featuring CCC in a high profile downtown public space also provides artists with exposure and critical attention. CCC artists have gone on to build their careers after receiving the commission. Since 2013 the CCC program has supported the work of 33 emerging public artists through 7 commissions. 10 artists were female, 23 male, 13 were POCII and 20 white. From this perspective, the CCC can be viewed as an economic inclusion initiative.

Finally, the content of the artwork changes annually and each year the theme is chosen through a community-based programming council made up of diverse voices from the art world. This changing content allows artists to annually showcase world views, identities and perspectives that are often ignored or hidden for example, the theme for 2019 is We Are Here: Resilience, Renewal and Regeneration.

### **Results:**

The one-time dollars allow us to provide continued growth in the following metrics:

#### 1. Demographic data on winning CCC artists:

Since 2013 CCC has served 33 emerging public artists through 7 commissions.

- 10 artists were female
- 23 were male,
- 13 were POCII
- 20 were white.

#### 2. Data collected of opening festival (2018 data):

- Audience attendance numbers – 32,208
- Audience demographics – 77% white, 10% Asian, 8% Latinx, 5% Native American, 3% African American, 3% African Immigrant, 2% Middle Eastern
- Website views for 2018 – 48,600
- Media impressions for 2018 – 260 million

Ongoing funding would allow us to build a stable foundation for this program. This would include:

- Seeking additional investment through private sector partners to work with additional arts service providers showcasing CCC winners to a broader audience
- Create collaborations with public arts procurement agencies and connect our artists to area training to further build skills and capacity for winning larger commissions

**City Coordinator***Enterprise Engagement***2020 Change Item**

Program: Administration &amp; Partnerships

Fund: General Fund

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	50	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	50	—	—	—	—

Personnel Impacts	2020	2021	2022	2023	2024
Change in FTE Count	—	—	—	—	—

**Proposal Details:**

The Council approves \$50,000 in one-time general fund dollars to advance equitable engagement by leveraging the right communications tools to engage diverse communities. Projects and ideas are submitted to the engagement design team, which provides a host of tools and resources to achieve the intended engagements outcomes. These funds are used to ensure that residents are engaged on important topics with culturally-appropriate communications.

**Rationale/Background:**

The City frequently engages community for input on a variety of topics. While we have many tools across multiple departments to interface with community, departments are frequently left to their own devices to determine the right engagement tools and resources. To address this, City leaders with engagement knowledge and expertise were convened to assess department projects and make recommendations about the right engagement tools and tactics needed to reach their intended outcomes. Additionally, we know that continuous outreach to the community from multiple sources can foster community distrust. It is important that the City considers the volume of input we request, how we ask for it, and the mechanisms by which we report how we have used this input to inform decisions. The goal of this process is to advance equitable engagement of diverse communities in City services, activities, and programs, by leveraging the right tools for the job.

**Description of the Change:**

The Enterprise Engagement process represents a different approach to engagement by creating a one-stop multi-disciplinary staff team that provides consultative services to the enterprise. Through this process, a cross-functional team works with City's departments to create engagement and communication strategies that adapt to their specific needs and desired outcomes rather than a "one-size fits all" approach, and ensures strategies include cultural considerations as well as more creative approaches to maximize engagement. The Enterprise Engagement team consists of 311, NCR, Communications, the City Clerk's office, Arts and Culture and Race & Equity. Funding will ensure

enterprise consistency on messaging and engagement.

### **Equity Impact:**

Ongoing funding will help the City realize its commitment to ensuring City programs, services and information are provided equitably to all residents, businesses and visitors. This enhancement will significantly move the dial on equity, and ensure the City runs more efficiently by leveraging cross-departmental staff and expertise, and better align resources with outreach initiatives to ensure broader and more effective communication with our diverse residents and businesses.

Examples of this work include:

- Leveraging Spanish-language radio to reach out Latino communities;
- Engaging in culturally specific dialogue sessions and facilitated dialogues between community members and city staff;
- Engaging in cross-industry, cross-cultural listening sessions on important issues like municipal sick leave policy;
- Partnering with community organizations to perform targeted outreach to specific cultural communities;
- Staff trainings to ensure a consistent, principled enterprise approach to engagement.

### **Results:**

The projects that are funded through this effort vary greatly in their results metrics (reach, effectiveness etc). As such, evaluating that projects are funded, the need, and the City's ability to be responsive to events throughout the year are an important way by which to know this funding is appropriately used. Below is a list of examples how the funds have been used:

- Encampment outreach and communications
- Human Rights support for immigrants and refugees to Minneapolis: promote basic human needs of people in poverty
- La Raza radio station: translation services to broadcast public messages in Spanish
- Minimum wage enforcement outreach: help businesses understand the rules and guidelines after the first year of enforcement
- Facilitation of the opioid task-force
- 311 paid media

**City Coordinator****2020 Change Item***Partnerships*

Program: Administration &amp; Partnerships

Fund: General Fund

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	485	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	485	—	—	—	—

Personnel Impacts	2020	2021	2022	2023	2024
Change in FTE Count	—	—	—	—	—

**Proposal Details:**

The Council approves \$485,000 one-time general fund dollars to fund partnerships across the enterprise including \$125,000 for Greater MSP, \$75,000 for MPHA additional security, \$80,000 for Kajoog 4H, \$25,000 for DID Homeless Response Storage Containers, \$10,000 for Doors Open, \$20,000 for Youth Programming through the Loppet Foundation, \$50,000 for Sabathani community center preservation, and \$100,000 for other partnerships.

**Rationale/Background:**

The Coordinator's Office has been responsible for the oversight of various enterprise partnerships and ensures that all contracts and agreements comply with appropriate city provisions. Such contracts vary from year to year. This request will provide continuous funding for those Citywide partnership agreements that have been duly authorized and approved by City Council.

**Description of the Change:**

Over the past several years the City Coordinator's Office has received one-time funding for partnerships. We are asking that partnerships continue to be funded in 2020. This funding will allow the City to continue contracting with partnership organizations such as Midtown Community Works, Cedar Riverside Opportunity Center, Government Alliance on Race and Equity (GARE), Minnesota Historical Society/St. Anthony Falls Heritage Board, and others. These partnerships support the City in advancing its goals by supporting economic growth, job creation, investing in green space and the natural environment, providing a hub for youth and adults to access education and employment opportunities, promoting interpretation and preservation of the historic Minneapolis central riverfront, and more.

**Equity Impact:**

The City benefits positively regarding equity through its partnerships with organizations like Government Alliance on Race and Equity (GARE), Cedar Riverside, Midtown Community Works, and others. Specific examples include:

GARE is a national network of government working to achieve racial equity and advance opportunities for all. GARE uses a three-prong approach:

- 1) Managing a membership network of jurisdictions that have made a commitment to advance racial equity.
- 2) Building pathways for new jurisdictions to begin doing racial equity work.
- 3) Expanding and strengthening local and regional collaborations.

Cedar Riverside is focused on youth and jobs in the Cedar Riverside neighborhood. It offers a community-based workforce training center that has demonstrated success in effectively serving low-income adults, dislocated workers, and youth, in achieving employment-related outcomes, including job placement and job retention support. They also provide recreational development and safety programming for youth. Midtown Community Works brings together a range of partners to develop and support the Midtown Greenway and to plan for and leverage economic growth in the area, including the Lake Street corridor. In 2018 focus was placed on the design and implementation of a culturally informed wayfinding system for the Greenway and surrounding areas.

**Results:**

These contracts help keep the City connected to major community and infrastructure initiatives, ensuring the City's interests are represented, and that projects are connected to the community we serve. For example, through the partnership with Greater MSP, Minneapolis benefits from participating with other regional partners, both public and private sector, in the shared goal of a healthy, equitable, growing region; and we gain access to the research and recruiting and policy efforts which Greater MSP leads. This includes:

- Partnering with the City on supplier diversity work by incorporating best practices and coding vendors
- Partnering on cultural districts, bringing best practices around community ownership, resources and opportunities.
- Convening and partnering in our workforce efforts through the Greater Metropolitan Workforce Council.

**City Coordinator****2020 Change Item***Senior Advisor to the City on Exploitation and Human Trafficking*

Program: Strategic Initiatives

Fund: General Fund

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	52	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	52	—	—	—	—

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	—	—	—	—	—

**Proposal Details:**

The Council approves \$52,000 in one-time General Fund dollars to sustain the anti-human trafficking work of the city beyond the ending of the Pathways to Freedom grant in June 2020. These funds would cover the second half of 2020 so the City can decide for the 2021 budget if and how this work should continue. The department will contribute \$20,000 to support this work.

**Rationale/Background:**

The proposal is intended to impact the mayoral priority of public safety. Exploitation and human trafficking, including labor trafficking, continues to be a major problem in Minneapolis. Particularly because we see human trafficking issues in North Minneapolis and Lake Street, potential areas for cultural district areas. We are working to secure a grant from the state in order to support this work.

**Description of the Change:**

This change adds funding to sustain the existing Human Trafficking position, which is currently grant funded by Pathways to Freedom through July of 2020. The FTE currently coordinates the City's internal work, advises departments on policies and best practices, and collaborates with external stakeholders to develop a targeted, appropriate response on human trafficking and exploitation. The City's process and procedures for finding and ending human trafficking are not yet finalized. This funding will allow the current staffer to implement the policies and procedures required to identify whether human trafficking is happening and defining the City's response. This work involves finalizing a labor trafficking implementation plan with internal and external stakeholders, like The Advocates for Human Rights, the State of Minnesota, Office of Immigrant and Refugee Services, Regulatory Services, Civil Rights, MPD and others. Development of this work overlaps with and complements the work of all of the partners, and this ability to bring multiple stakeholders together around a common goal is a core competency of the Coordinator's Office.

**Equity Impact:**

People trafficked at a much higher rate include: Native Americans, Women of Color, folks from LGBTQI communities, people experiencing homelessness, those with mental health issues, people who are disabled, people with chemical dependency, refugees, and immigrants including those who are undocumented. The work in collaboration with Transgender Equity Council, The Family Partnership, MIWRC, UROC, and labor rights advocacy organizations like Work Place Advisory Council, The Advocates for Human Rights, CTUL, AWOOD, Inquilinx, etc., will help to develop tools to close the gaps at the multiple level of city systems, which will help to prevent exploitation, and provide necessary resources to victims, primarily from marginalized communities, to live safe and healthy lives in Minneapolis.

**Results:**

This funding will strengthen the city's response to exploitation and human trafficking through coordination, collaboration, and engagement of victims and survivors at every level of the process.

**Performance measures:**

- Development of policies and procedures to address human trafficking
- Implementation of policies and procedures to address human trafficking
- Ability to accurately measure the impact those policies and procedures have on human trafficking in Minneapolis, including an accurate count of people “reporting” wage theft/labor exploitation/labor trafficking, arrest rates of prostituted adults, and the number of people in diversion programs

**City Coordinator****2020 Change Item***Transgender Equity Summit*

Program: Strategic Initiatives

Fund: General Fund

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	15	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	15	—	—	—	—

Personnel Impacts	2020	2021	2022	2023	2024
Change in FTE Count	—	—	—	—	—

**Proposal Details:**

The Council approves \$15,000 in one-time general fund dollars to hold the Transgender Equity summit.

**Rationale/Background:**

Hosting the annual Transgender Equity Summit supports the City's equity value that City government works side-by-side with community members to engage all voices, creatively problem solve, and build trust, particularly with those who have been most impacted by inequities. Specifically, it supports the broader work of the Transgender Issues Work Group and Transgender Equity Council advisory board and facilitates residents and other community members connecting with the City and other government agencies and resources. The event is planned with existing staff capacity and contractual services provided by the department.

**Description of the Change:**

This is an existing activity that has been growing and has broad support from community organizations and potential partners. In each of the past five years, funding has been provided on a one-time basis. This change item will buy contracts with service providers which the department anticipates will benefit City's target market vendors as well as those in the transgender community. For example, any required event rentals and catering. The proposal will also buy materials, such as printing of programs that are designed by the City's Communications department. This change item complements the work of the Transgender Equity Council advisory board, staffed by the Coordinator's office, and overlaps with the work of the Transgender Issues Works Group, which includes multiple City departments, the Minneapolis Park and Recreation Board, and Minneapolis Public Schools. It also builds off previous council actions establishing the Transgender Equity Council. The Summit, typically planned for September, helps connect people to each other, the City government, and other resources.

### **Equity Impact:**

This change item directly impacts people who are transgender, gender-nonconforming, or non-binary, and takes into consideration intersectionality. The Summit is an opportunity for people to connect with the City and each other, to network, and share experiences and resources. This is especially critical as the city has recently seen the closing of several trans and queer community spaces. Representatives from the Transgender Equity Council and Transgender Issues Work Group have been consulted and invited to collaborate on the continuation of the annual Minneapolis Trans Equity Summit. Each year Summit participants are also asked to complete an evaluation form. A summary of the information from the completed evaluation forms is reported back to the Transgender Issues Work Group. Community members who are often marginalized may connect with opportunities to become more engaged with City opportunities and policies. Also, practical resources, such as information about health care and employment opportunities will help lead to a higher quality of life for all. Listed below is some anecdotal data of the positive impacts:

- Power in numbers - good to see a room full of folks like me and/or support me.
- Inclusive community, warm, celebratory, serious, grassroots but institutionally recognized.
- Activism, intersectionality, and what individuals can do to make change.

### **Results:**

Impacts of this change item will be measured in the following ways:

- Increased attendance at the Summit (see chart above for past attendance trends)
- Attendance and feedback from an evaluation form are currently used as performance measures. For example, 92% of attendees responded that they would recommend the Summit.
- Critical feedback was also included. For example, The Coordinator's department heard that accessibility could be improved (last year only one ASL interpreter was present and this funding would allow for additional interpreters).
- Based on feedback from prior summit surveys, develop contracting opportunities for transgender and gender nonconforming contractors.

**City Coordinator****2020 Change Item**

Public Service Area

**Program:** Strategic Management**Fund:** General Fund

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
Not Applicable	—	—	—	—	—
	—	—	—	—	—
	—	—	—	—	—
<b>Expenditures</b>					
Personnel	389	700	700	700	700
IT	497	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	414	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	1,300	700	700	700	700

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	11	11	11	11	11

**Proposal Details:**

The Council approves \$700,000 ongoing and \$600,000 one time General Fund resources for staffing and technology costs to support the development and long-term functioning of the Public Service Area (PSA). \$350,000 of ongoing costs will be offset by savings to be found in other departments through attrition and operational efficiencies associated with the launch of the PSA.

**Rationale/Background:**

The PSA provides a bold new approach to serving our customers by strategically collocating City employees now working in several different sites downtown to provide an even better customer experience. It will feature a welcoming, customer-centric public service area where new PSA staff will provide in depth services, like solving problems at first contact and on the spot transactions. Providing these new and consolidated services will make working in, and with, the City easier and more efficient. Developing a high-functioning consolidated PSA will require new ways of doing business for all City staff and functions. These funds will provide the supports to develop and sustain the operations of the PSA, which includes the creation of a new classification of employees and in future years, the rightsizing of existing customer service jobs to align with the new customer service model.

**Description of the Change:**

This request includes the salaries, fringes, cost allocation, marketing, translation and interpretation, technology costs as well as project management, business mapping and training support to launch and sustain the PSA. Details of the largest contributors to costs are outlined below.

- Personnel: The number of personnel is based on estimates from departments of anticipated transactions times the minutes per transaction. The personnel include three tiers of staff: six entry level staff (PSA I), three senior level staff (PSA II) and two supervisors.
- Technology costs include:

- o \$650K (\$250K in 2019; \$400K 2020; \$60K ongoing) for iNovah (consolidates payments from multiple system and reconciles on the back end)
- o \$260K for PSA hardware (computers, monitors etc) and Qmatic optimization (text notifications, fast-track kiosks etc)
  - Start-up costs include three temporary or consultant positions.
- o Project manager will support overall management of combining varied services into one central location.
- o Business mapping expert will outline the various steps within all functions operating in the PSA and the process by which staff will move through each function.
- o Training position will write the training based on the results of business mapping and train staff operating in the PSA on the new procedures.

### **Equity Impact:**

Residents rely on many of our departments to provide high-quality customer services for a variety of reasons – from starting a business, to building an addition, to filing complaints. Because of the geographic distribution of accessing these services across seven downtown locations, the experience has been reported as complicated to navigate, especially for those without connections, previous knowledge or who speak a different language. This tends to disproportionately impact the city's BIPOCI residents. Providing a streamlined, consistent, and concentrated services would make interacting and doing business with the City more equitable for all residents and customers. In addition to overall consistent service delivery, the PSA will include important features, like designated quiet spaces, kid's toys, lower counters for ADA accessibility, translation services at first contact and interpretation services in conference rooms and at counters, police located with visibility to both sides of the PSA, public mother's room and all gender restrooms.

### **Results:**

The results of the PSA are intended to improve outcomes for customers and staff, including:

#### Improved customer experience:

- One location for customers with common operating hours
- Space accommodates a variety of interaction types
- All customers have a smooth, positive experience no matter their experience level
- Ready to meet customers with different issues, emotions, skillsets, cultural backgrounds and needs, including features like designated quiet spaces, kids toys, lower counters at pods for ADA accessibility, translation services at the pods and kiosks and interpretation services in conference rooms and at counters, police located with visibility to both sides of the PSA, public mother's room on the first floor, all gender restrooms
- The space is adaptable into the future

#### Improved staff experience:

- Departments easily collaborate without space constraints
- Staff feel proud and comfortable – it's a pleasant place to work
- Staff are supported – integrated systems, accessible supervisors, appropriate coverage for customer volume

**City Coordinator**

Sustainability

**2020 Change Item****Program:** Strategic Initiatives**Fund:** General Fund

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
Not Applicable					
	—	—	—	—	—
	—	—	—	—	—
	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	610	260	260	260	260
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	610	260	260	260	260

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	—	—	—	—	—

**Proposal Details:**

The Council approves \$260,000 in ongoing funds and \$350,000 in onetime funds to expand the City's energy and climate operations.

**Rationale/Background:**

The utility franchise fee increase was adopted in December 2017 and began collecting the full year increased city revenue of \$2,800,000 in 2019.

Climate change disproportionately impacts the most vulnerable populations who have the fewest resources to respond to climate disruption. Programs that reduce energy consumption, greenhouse gas emissions and the impacts of climate change have the greatest opportunity to improve the lives of those who are most resource challenged in Minneapolis.

Expanded programming will accelerate the City's ability to meet the City's adopted climate and energy goals (80% reduction in greenhouse emissions by 2050, 100% renewable electricity by 2030, and ensuring reliable, affordable, local and clean energy citywide by 2040) and will both help residents/businesses reduce their energy costs and increase access to renewable energy.

**Description of the Change:**

This change item will fund additional programming aimed at delivering new and expanded energy and climate programs, such as free energy evaluations for large commercial and residential benchmarked buildings and expanded funding for the city's Green Cost share for the 4D Affordable Housing Incentive Program and naturally-occurring affordable housing (NOAH) multifamily housing energy efficiency.

Commercial and Residential Benchmarking Energy Evaluations (\$60,000): All commercial and residential

buildings over 50,000 SF are required to benchmark their energy and water use. As part of the changes implemented in the expanded residential energy disclosure policies passed in 2019, new program rules were established. These program rules require that buildings who are not achieving prescribed energy savings, or have not obtained energy efficient certifications, or that scored in the lowest 25% of similar buildings are required to have an energy evaluation/audit. However, utility programs currently do not cover the full cost. For the city to require the energy evaluations they must be free to the property owner. Therefore, this additional funding is needed to ensure the city can fully enforce the benchmarking ordinance and maximize the energy efficiency opportunities in low performing buildings.

- Expanded Energy Efficiency and renewable funding for 4D and NOAH housing (\$200,000): In 2019 Sustainability and Environmental Health began an effort to leverage funding through the sustainability franchise fees, green cost share, lead and healthy homes, and utility rebates to maximize the energy efficiency opportunities for property owners who are committed to preserving affording housing in Minneapolis. This funding will go to reduce energy costs for the nearly 1,000 families who rent apartments that are enrolled in 4D as well as other NOAH properties.

#### **Equity Impact:**

An American Council for an Energy Efficient Economy study recently found that “the median household energy cost burden in Minneapolis is 2.32% while the median burden on low-income households is 5.11%. The highest energy burden quartile for low income households is 8.2%, nearly four times the median rate. The energy burden for African-American and Latino households is above the median, 4.14% (7.9% highest quartile) and 3.14% (6.1% highest quartile) respectively” (ACEEE April 2016). According to the recent Minnesota Multifamily Rental Characterization Study, renters pay a significant amount for energy and water (see below), indirectly through increased rents or directly through utility bills. This disproportionate impact of energy burden on low-income residents and people of color contributes to the crisis in housing’s overall affordability. Programming will incentivize landlords to make energy efficiency a reality in their rental properties, thereby reducing costs for renters. Programming will also help homeowners reduce their own energy bills through energy efficiency projects they can directly implement.

Additional funding for energy and climate programming targeted at those enrolled in 4D or having NOAH housing will also prioritize resources for the North Side and South Side Green Zones, which represent low-income communities, Indigenous communities, and communities of color that experience unequal health, wealth, employment, and education outcomes, and also are overburdened by environmental conditions. Additional ongoing funding for 2020 will follow through with the city commitment to target resources at improving health and supporting economic development and inclusion in the green zones.

#### **Results:**

The CCO anticipates the following results from the additional funding:

Funding for Benchmarked building energy evaluations: The expanded commercial and residential building energy and water benchmarking program covers approximately 900 of the largest buildings in Minneapolis. Based on commercial buildings that have been benchmarking these buildings represent 80% of total commercial building square footage, over \$170,000,000 in annual energy costs, and 16% of the entire city’s greenhouse gas emissions (equivalent to 143,000 households). With the assistance of the ordinance and contracted support since 2013, private properties as a whole are using 3.4% less energy in 2016 than in 2014, with the largest savings coming from parking ramps, healthcare, and worship facilities. With the addition of residential properties, representing 50,000 units and the fastest growing segment of new development in the city, we hope to increase the annual energy savings to 4%.

- Funding for 4D and NOAH Energy Efficiency Improvements: The 4D program has proven to be a value tool to maintain long term affordability of NOAH housing. The program which began in 2018 has expanded to nearly 1,000 units, many of which are owned by persons of color and are located in Green Zones. In order to support the continued affordability, Sustainability and Health have reached out to 4D

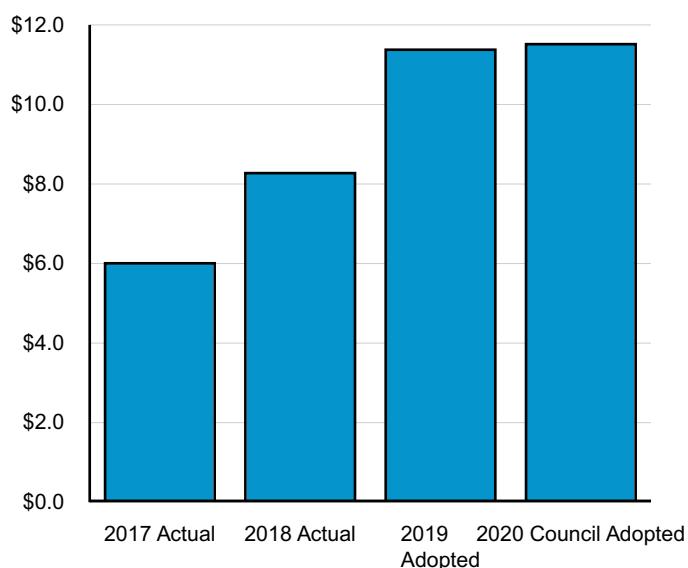
property owners to encourage them to participate in an energy evaluation. This funding will support the implementation of the recommended energy efficiency measures which will save property owners and resource-challenged renters save money and thus reduce the need to raise rents. The efficiency measures also have an added benefit which is to increase resiliency by keeping houses warmer in winter and cooler in summer, even during blackouts and energy interruptions caused by extreme weather events.

**CITY COORDINATOR  
EXPENSE AND REVENUE INFORMATION**

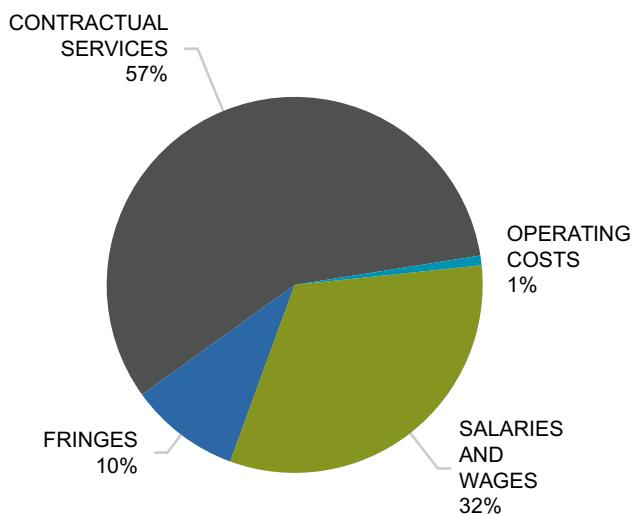
<b>EXPENSE</b>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Adopted</b>	<b>2020 Council Adopted</b>	<b>Percent Change</b>	<b>Change</b>
<b>GENERAL</b>						
SALARIES AND WAGES	1,941,829	2,173,440	2,510,000	3,059,000	21.9%	549,000
FRINGES	588,429	614,785	776,000	866,000	11.6%	90,000
CONTRACTUAL SERVICES	1,943,366	3,016,455	5,794,000	5,999,000	3.5%	205,000
OPERATING COSTS	258,979	247,209	163,000	96,000	-41.1%	(67,000)
CAPITAL EQUIPMENT	7,372	4,066	—	—	0.0%	0
<b>TOTAL GENERAL</b>	<b>4,739,975</b>	<b>6,055,955</b>	<b>9,243,000</b>	<b>10,020,000</b>	<b>8.4%</b>	<b>777,000</b>
<b>SPECIAL REVENUE</b>						
SALARIES AND WAGES	504,048	525,170	806,000	664,000	-17.6%	(142,000)
FRINGES	160,456	160,753	260,000	233,000	-10.4%	(27,000)
CONTRACTUAL SERVICES	575,145	1,514,015	1,100,000	632,000	-42.5%	(468,000)
OPERATING COSTS	60,673	51,151	—	—	0.0%	0
<b>TOTAL SPECIAL REVENUE</b>	<b>1,300,322</b>	<b>2,251,089</b>	<b>2,166,000</b>	<b>1,529,000</b>	<b>-29.4%</b>	<b>(637,000)</b>
<b>TOTAL EXPENSE</b>	<b>6,040,297</b>	<b>8,307,044</b>	<b>11,409,000</b>	<b>11,549,000</b>	<b>1.2%</b>	<b>140,000</b>
<b>REVENUE</b>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Adopted</b>	<b>2020 Council Adopted</b>	<b>Percent Change</b>	<b>Change</b>
<b>GENERAL</b>						
LOCAL GRANTS & AIDS	5,000	—	—	—	0.0%	0
CONTRIBUTIONS	—	1,250	—	—	0.0%	0
<b>TOTAL GENERAL</b>	<b>5,000</b>	<b>1,250</b>	<b>—</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>
<b>SPECIAL REVENUE</b>						
CONTRIBUTIONS	1,446,795	1,783,164	375,000	375,000	0.0%	0
FEDERAL GOVERNMENT GRANTS	450,067	704,344	950,000	950,000	0.0%	0
REVENUES	—	—	650,000	65,000	0.0%	(585,000)
STATE GRANTS & AIDS	(2,799)	18,452	—	—	0.0%	0
USE OF FUND BALANCE	—	—	191,000	139,000	0.0%	(52,000)
<b>TOTAL SPECIAL REVENUE</b>	<b>1,894,063</b>	<b>2,505,960</b>	<b>2,166,000</b>	<b>1,529,000</b>	<b>-29.4%</b>	<b>(637,000)</b>
<b>TOTAL REVENUE</b>	<b>1,899,063</b>	<b>2,507,210</b>	<b>2,166,000</b>	<b>1,529,000</b>	<b>-29.4%</b>	<b>(637,000)</b>

## CITY COORDINATOR EXPENSE AND REVENUE INFORMATION

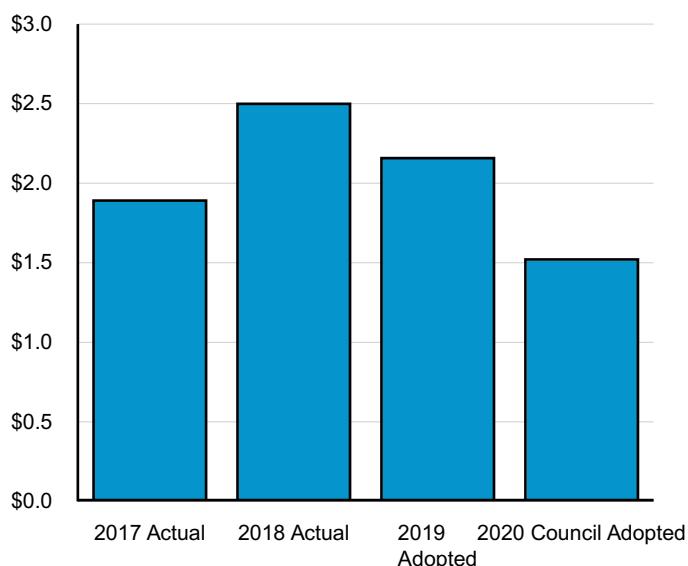
**Expense 2017 - 2020**  
**In Millions**



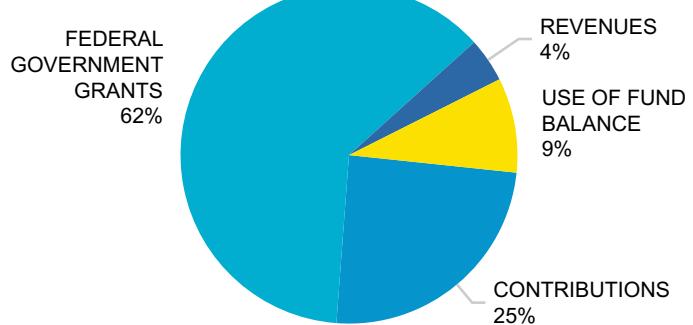
**Expense by Category**



**Revenue 2017 - 2020**  
**In Millions**



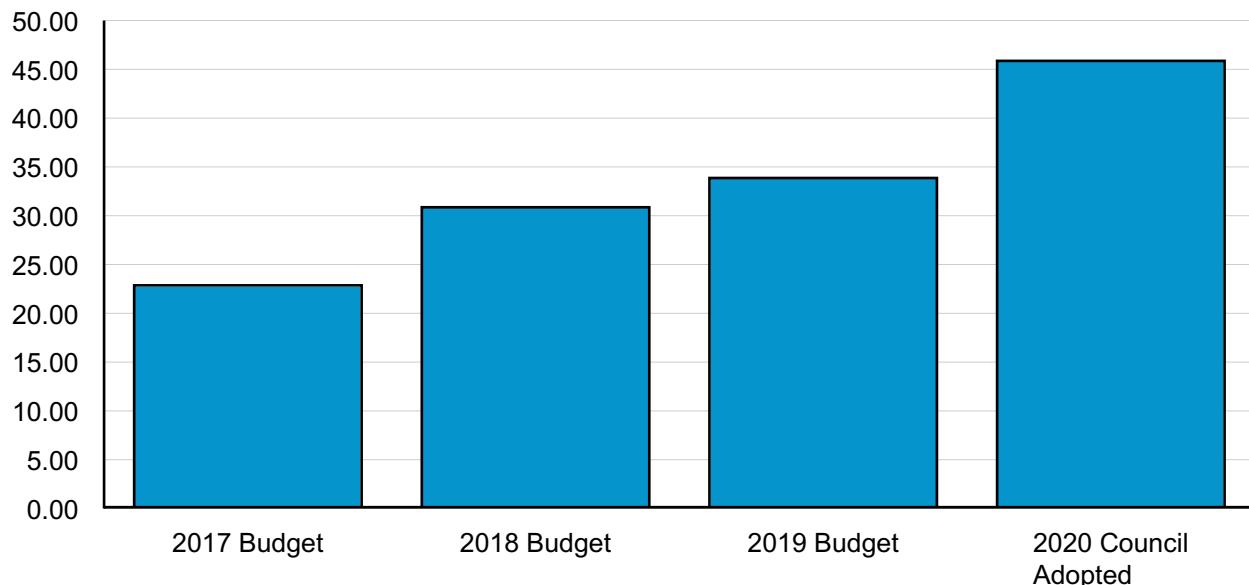
**Revenue by Type**



## CITY COORDINATOR Staffing Information

Division	2017 Budget	2018 Budget	2019 Budget	2020 Council Adopted	Percent Change	Change
ADMIN & PARTNERSHIPS	23.00	31.00	6.00	6.00	0.0%	0.00
STRATEGIC INITIATIVES	—	—	22.00	23.00	4.5%	1.00
STRATEGIC MANAGEMENT	—	—	6.00	17.00	183.3%	11.00
SUSTAINABILITY	—	—	—	—	0.0%	0.00
Overall	23.00	31.00	34.00	46.00	35.3%	12.00

### Positions 2017-2020



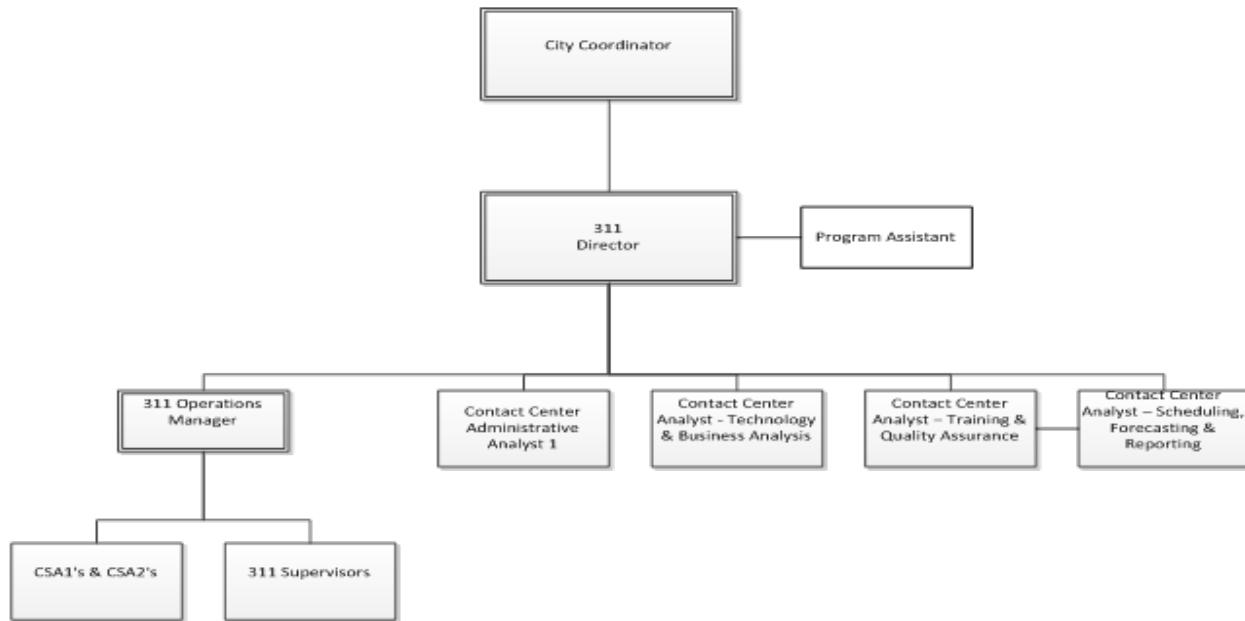
# MINNEAPOLIS 311

## Mission

311 is the gateway to the City of Minneapolis information and services, providing accountability and transparency by:

- Simplifying access to city information and services
- Allowing departments to deliver services more effectively
- Tracking requests for service delivery from inception to completion
- Providing process solutions for citizen access

## Organization Chart



## Minneapolis 311

General Fund: \$4,326,000

311 is the gateway to the City of Minneapolis information and services, ensuring customer service excellence by enabling the City to deliver services more effectively. Minneapolis 311 ensures the City provides accountability and transparency to the public by providing non-emergency assistance, creating requests for service by connecting the public with a department expert. Services can be accessed via telephone, mobile app, online, text messaging, email and voicemail. Language line translation is available using the language line or by contact 311 directly.

## Financial Analysis

### Expenditure

The total 311 Department's budget increases from \$4.1 million to \$4.3 million from 2019 to 2020. This is an increase of \$181,000 or 4.4%. The 311 Department's expenditure budget reflects inflationary increases in operating costs and \$100,000 ongoing costs added to the department's base for Squiz maintenance.

### Revenue

This department does not produce revenue.

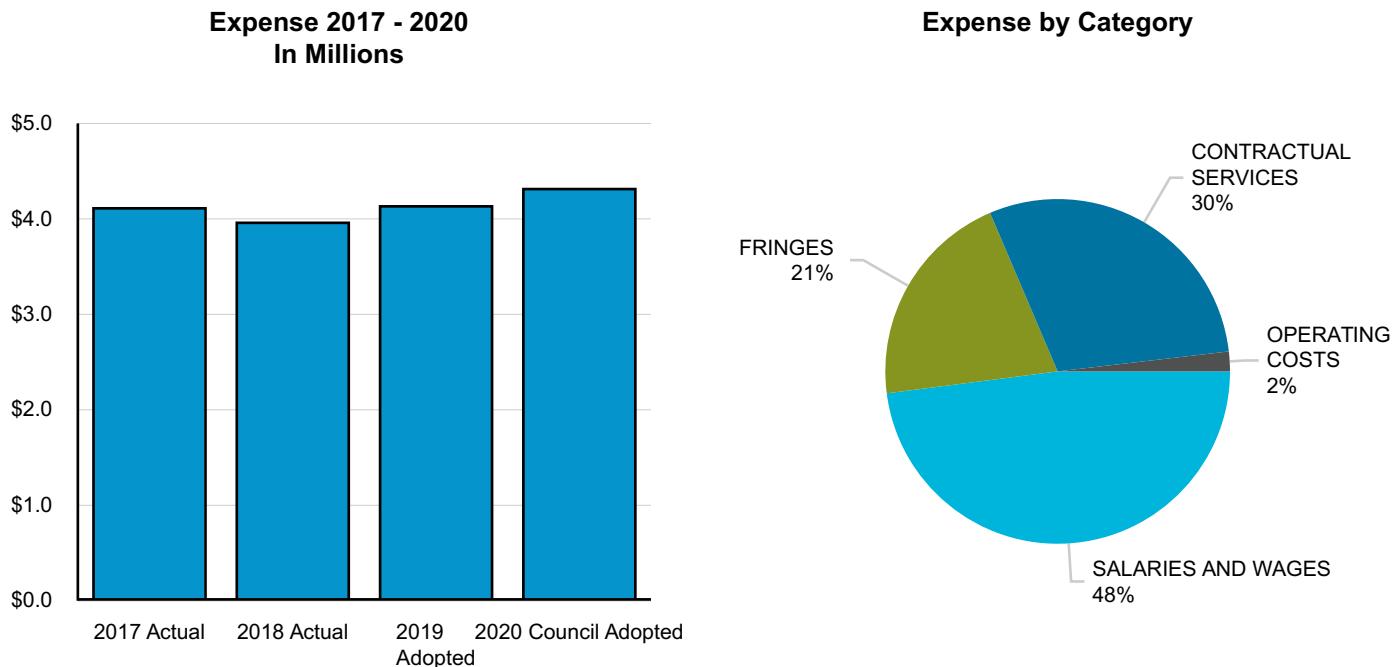
### Fund Allocation

This department is funded completely in the General Fund.

**311**  
**EXPENSE AND REVENUE INFORMATION**

EXPENSE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>GENERAL</b>						
SALARIES AND WAGES	1,891,795	1,922,916	1,982,000	2,075,000	4.7%	93,000
FRINGES	776,986	787,955	794,000	892,000	12.3%	98,000
CONTRACTUAL SERVICES	1,208,870	1,139,542	1,298,000	1,279,000	-1.5%	(19,000)
OPERATING COSTS	113,884	104,375	71,000	80,000	12.7%	9,000
CAPITAL EQUIPMENT	121,594	17,647	—	—		0
<b>TOTAL GENERAL</b>	<b>4,113,129</b>	<b>3,972,435</b>	<b>4,145,000</b>	<b>4,326,000</b>	<b>4.4%</b>	<b>181,000</b>
<b>SPECIAL REVENUE</b>						
CAPITAL EQUIPMENT	11,233	—	—	—	0.0%	0
<b>TOTAL SPECIAL REVENUE</b>	<b>11,233</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>0.0%</b>	<b>0</b>
<b>TOTAL EXPENSE</b>	<b>4,124,362</b>	<b>3,972,435</b>	<b>4,145,000</b>	<b>4,326,000</b>	<b>4.4%</b>	<b>181,000</b>

**311**  
**EXPENSE AND REVENUE INFORMATION**

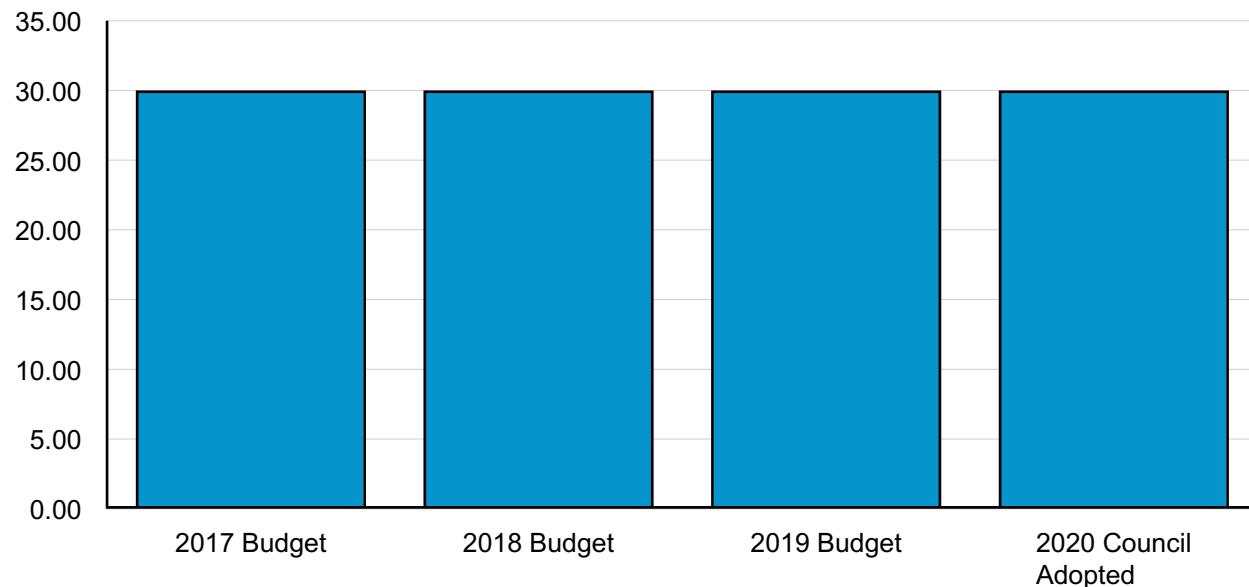


**311**

## Staffing Information

Division	2017 Budget	2018 Budget	2019 Budget	2020 Council Adopted	Percent Change	Change
MINNEAPOLIS 311	30.00	30.00	30.00	30.00	0.0%	0
Overall	30.00	30.00	30.00	30.00	0.0%	0

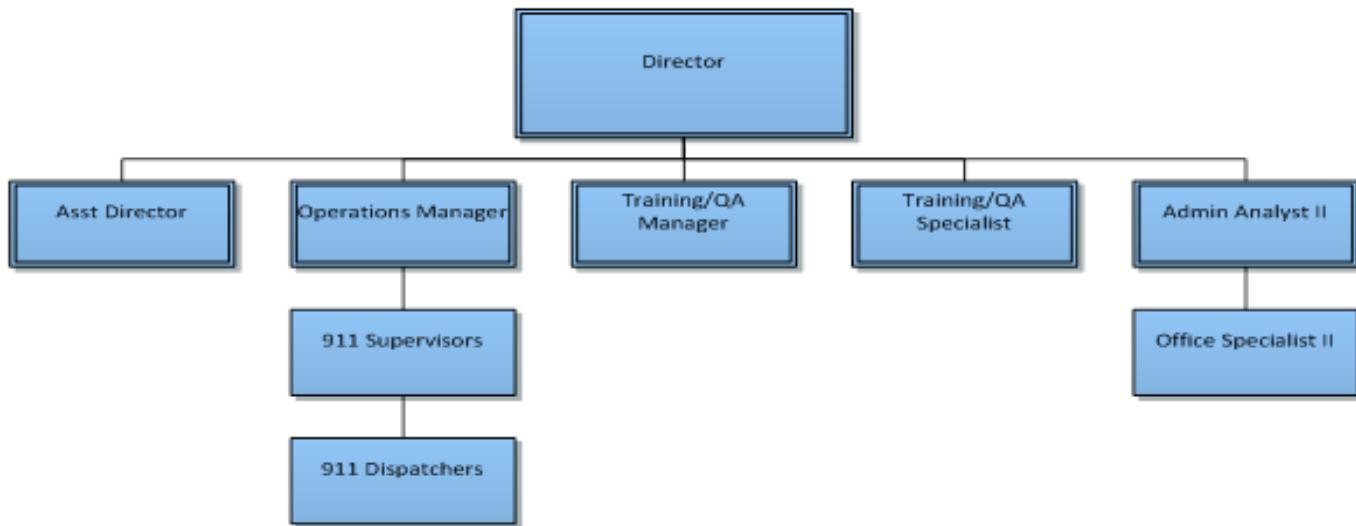
## Positions 2017-2020



## Mission

Minneapolis 9-1-1 forms the vital link between the public and the emergency responders. The department strives to collect and disseminate all requests for service in a prompt, courteous, and efficient manner. The department's actions help save lives, protect property and assist the public in their time of need. The department's motto is "Always here, always ready!"

## Organization Chart



### 911 Call Handling and Dispatch Operations

General Fund: \$10,098,000  
Other Funds: \$516,000

911 is the link between the public and emergency public safety response. Professional, supportive and engaged 911 staff receive, prioritize, dispatch and manage public safety response throughout the city. No police car, fire truck or ambulance responds to an emergency in Minneapolis unless the call has first been answered and processed by the 911 department.

## Financial Analysis

### Expenditure

The total 911 Department's budget increases from \$10.3 million to \$10.6 million from 2019 to 2020. This is an increase of \$286,000 or 4.0%. The 911 Department's 2020 expenditure budget reflects inflationary increases in operating costs.

### Revenue

Revenues are projected to remain constant due to no changes in the Enhanced 911 Funds from the Minnesota Department of Public Safety. The department's total revenues in 2020 are projected to be \$515,000.

### Fund Allocation

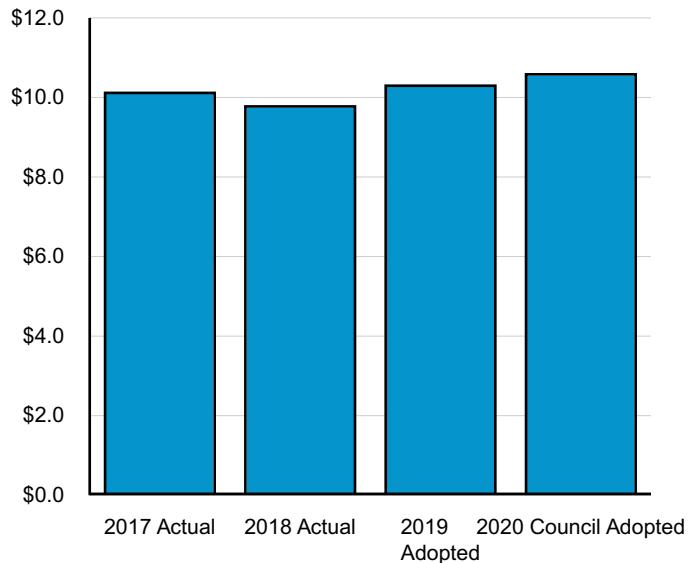
This department is funded primarily by the General Fund, with the remainder of the department's funding found in the Other Grants fund.

**911**  
**EXPENSE AND REVENUE INFORMATION**

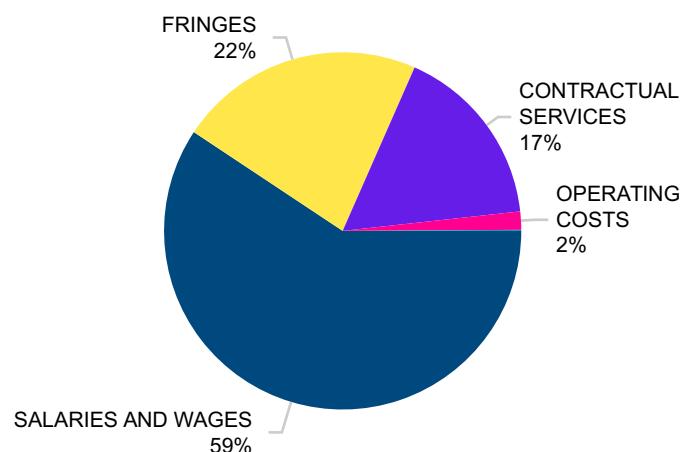
EXPENSE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>GENERAL</b>						
SALARIES AND WAGES	5,943,954	5,886,464	6,183,000	6,297,000	1.8%	114,000
FRINGES	2,034,941	2,056,423	2,297,000	2,364,000	2.9%	67,000
CONTRACTUAL SERVICES	1,199,782	1,306,861	1,217,000	1,311,000	7.7%	94,000
OPERATING COSTS	157,034	137,831	105,000	116,000	10.5%	11,000
CAPITAL EQUIPMENT	378,705	(7,927)	11,000	10,000	-9.1%	(1,000)
<b>TOTAL GENERAL</b>	<b>9,714,416</b>	<b>9,379,652</b>	<b>9,813,000</b>	<b>10,098,000</b>	<b>2.9%</b>	<b>285,000</b>
<b>SPECIAL REVENUE</b>						
CONTRACTUAL SERVICES	398,758	387,082	445,000	457,000	2.7%	12,000
OPERATING COSTS	34,461	40,650	70,000	59,000	-15.7%	(11,000)
<b>TOTAL SPECIAL REVENUE</b>	<b>433,219</b>	<b>427,732</b>	<b>515,000</b>	<b>516,000</b>	<b>0.2%</b>	<b>1,000</b>
<b>INTERNAL SERVICE</b>						
CONTRACTUAL SERVICES	—	—	—	—	0.0%	0
<b>INTERNAL SERVICE</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>0.0%</b>	<b>0</b>
<b>TOTAL EXPENSE</b>	<b>10,147,635</b>	<b>9,807,384</b>	<b>10,328,000</b>	<b>10,614,000</b>	<b>4.0%</b>	<b>286,000</b>
REVENUE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>GENERAL</b>						
CHARGES FOR SERVICES	24	—	—	—	0.0%	0
<b>TOTAL GENERAL</b>	<b>24</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>0.0%</b>	<b>0</b>
<b>SPECIAL REVENUE</b>						
INTEREST REVENUE	3,729	4,774	—	—	0.0%	0
STATE GRANTS & AIDS	440,724	1,100,977	515,000	515,000	0.0%	0
<b>TOTAL SPECIAL REVENUE</b>	<b>444,453</b>	<b>1,105,751</b>	<b>515,000</b>	<b>515,000</b>	<b>0.0%</b>	<b>0</b>
<b>TOTAL REVENUE</b>	<b>444,477</b>	<b>1,105,751</b>	<b>515,000</b>	<b>515,000</b>	<b>0.0%</b>	<b>0</b>

**911**  
**EXPENSE AND REVENUE INFORMATION**

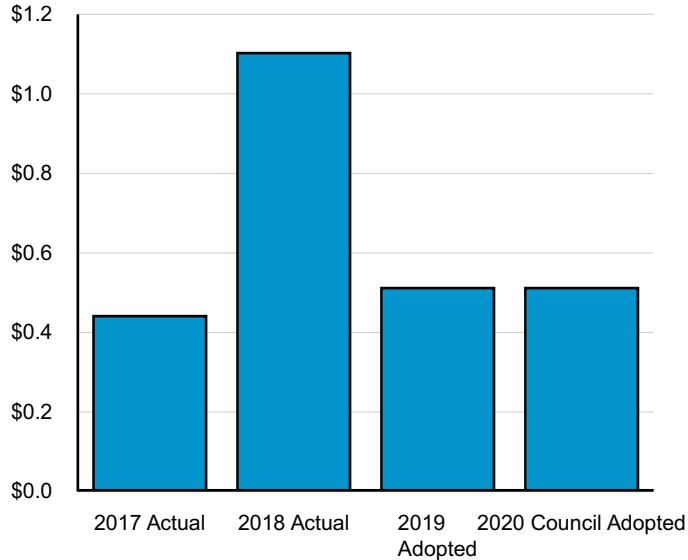
**Expense 2017 - 2020**  
**In Millions**



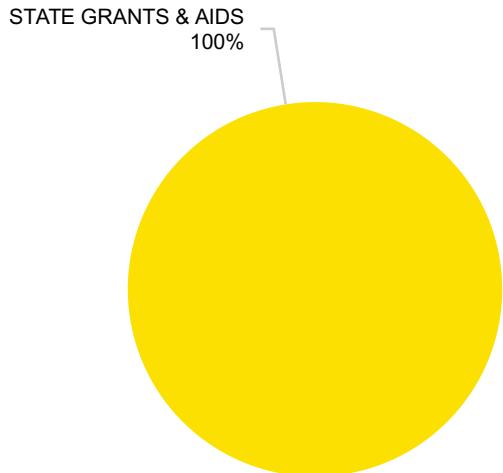
**Expense by Category**



**Revenue 2017 - 2020**  
**In Millions**



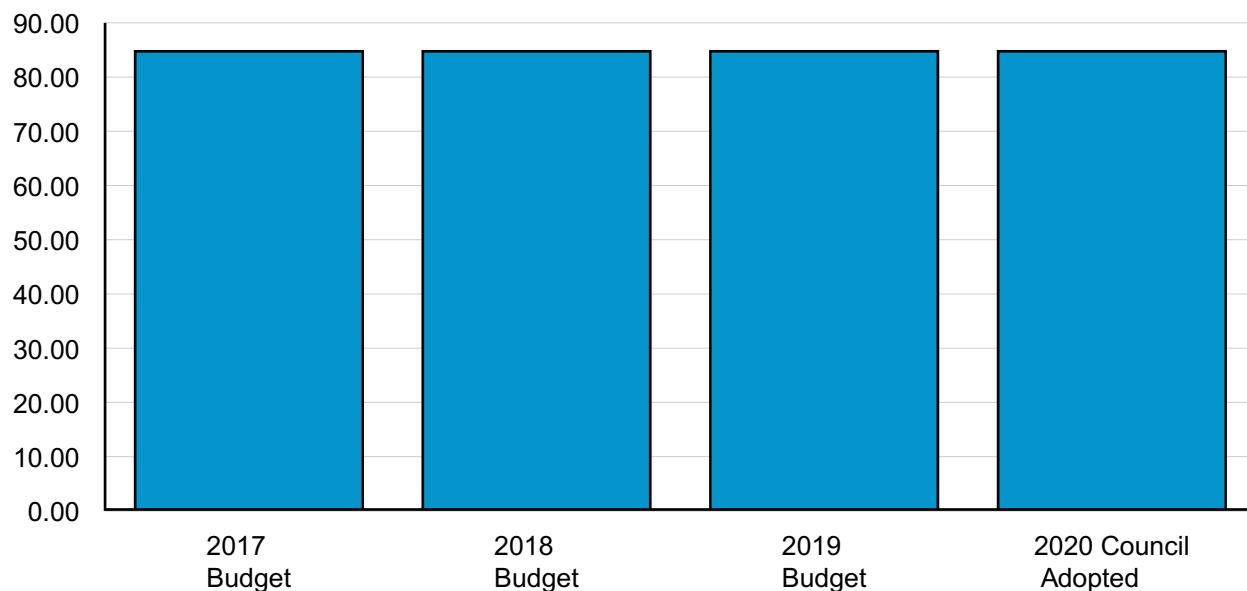
**Revenue by Type**



## 911 Staffing Information

Division	2017 Budget	2018 Budget	2019 Budget	2020 Council Adopted	Percent Change	Change
911 CALL HANDLING AND DISPATCH OPERATIONS	85.00	85.00	85.00	85.00	0.0%	0
Overall	85.00	85.00	85.00	85.00	0.0%	0

### Positions 2017-2020



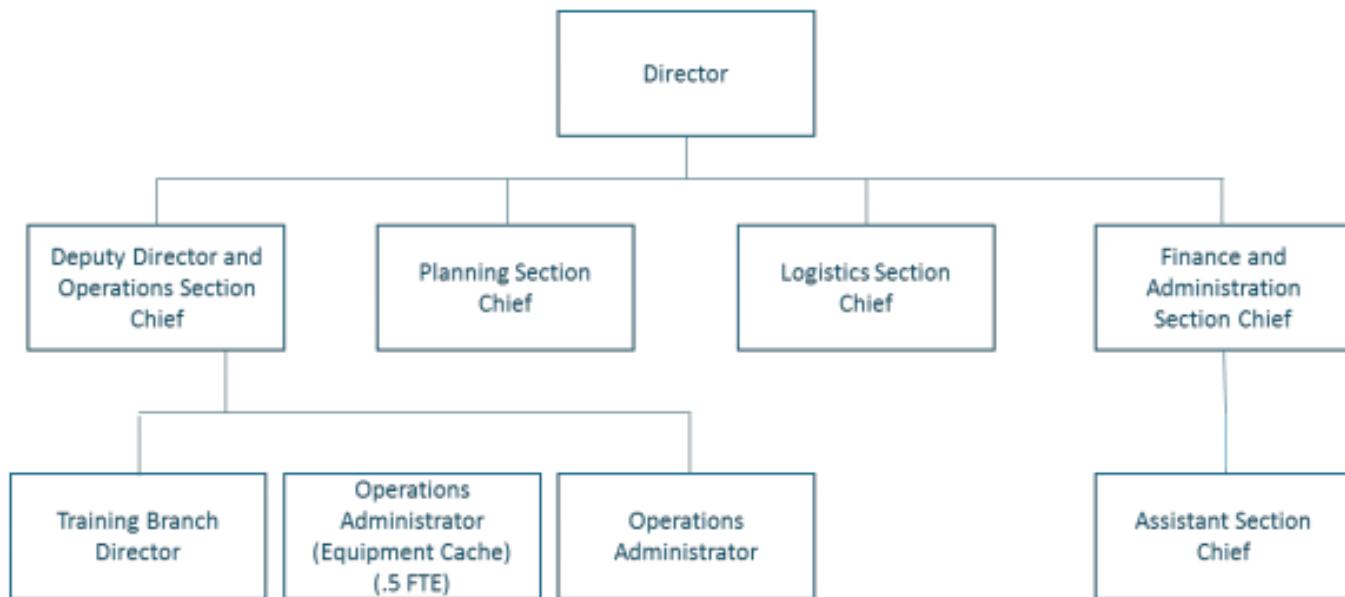
# OFFICE OF EMERGENCY MANAGEMENT

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## Mission

The Office of Emergency Management (OEM) protects the people who live, work and play in the City of Minneapolis, the State and Nation by building, sustaining and improving the department's capability to mitigate against, prepare for, respond to and recover from threatened or actual disasters, whether natural or man-made and acts of terrorism.

## Organization Chart



## Office of Emergency Management

General Fund: \$1,165,000

Other Funds: \$930,000

The Office of Emergency Management protects the people who live, work and play in the City of Minneapolis, the State and Nation by building, sustaining and improving our capability to mitigate against, prepare for, respond to and recover from threatened or actual disasters, whether natural, man-made or acts of terrorism. As an enterprise office, the OEM serves other City departments in external emergency management and internal continuity of operations. In order to accomplish its mission, OEM partners with other local, regional, state and federal government as well as the non-profit and private sectors. OEM functions are mandated by Minnesota Statutes as well as Minneapolis Ordinances.

## **Financial Analysis**

### **Expenditure**

The total Office of Emergency Management Department's budget remains constant at \$2.1 million, with an increase of \$41,000 or 2% due to inflationary increases in operating costs. The Office of Emergency Management Department's 2020 expenditure budget reflects no changes from 2019.

### **Revenue**

Revenues are projected to remain flat in this department. The department's total revenues in 2020 are projected to be \$930,000.

### **Fund Allocation**

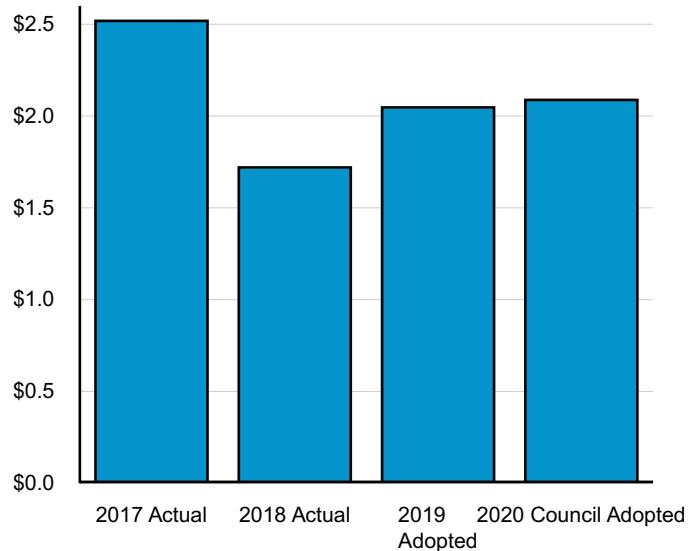
This department is funded primarily by the General Fund, with the remainder of the department's funding found in the Special Revenue Federal Grants fund.

**EMERGENCY MANAGEMENT  
EXPENSE AND REVENUE INFORMATION**

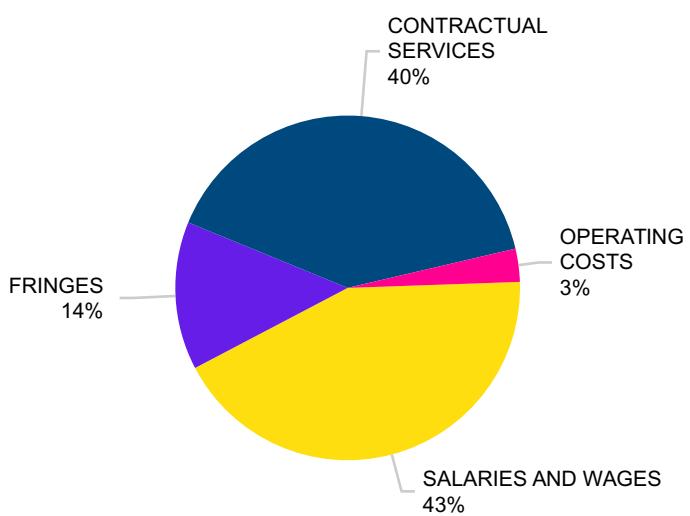
<b>EXPENSE</b>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Adopted</b>	<b>2020 Council Adopted</b>	<b>Percent Change</b>	<b>Change</b>
<b>GENERAL</b>						
SALARIES AND WAGES	378,764	394,667	420,000	438,000	4.3%	18,000
FRINGES	102,640	104,287	131,000	139,000	6.1%	8,000
CONTRACTUAL SERVICES	408,358	470,965	516,000	537,000	4.1%	21,000
OPERATING COSTS	45,386	106,455	57,000	51,000	-10.5%	(6,000)
CAPITAL EQUIPMENT	235,117	51,101	—	—	0.0%	0
<b>TOTAL GENERAL</b>	<b>1,170,265</b>	<b>1,127,475</b>	<b>1,124,000</b>	<b>1,165,000</b>	<b>3.6%</b>	<b>41,000</b>
<b>SPECIAL REVENUE</b>						
SALARIES AND WAGES	329,419	291,736	448,000	460,000	2.7%	12,000
FRINGES	81,546	79,847	138,000	152,000	10.1%	14,000
CONTRACTUAL SERVICES	225,799	64,880	172,000	304,000	76.7%	132,000
OPERATING COSTS	265,421	56,997	—	14,000		14,000
CAPITAL EQUIPMENT	453,075	106,182	172,000	—	-100.0%	(172,000)
<b>TOTAL SPECIAL REVENUE</b>	<b>1,355,260</b>	<b>599,642</b>	<b>930,000</b>	<b>930,000</b>	<b>0.0%</b>	<b>0</b>
<b>TOTAL EXPENSE</b>	<b>2,525,525</b>	<b>1,727,117</b>	<b>2,054,000</b>	<b>2,095,000</b>	<b>2.0%</b>	<b>41,000</b>
<b>REVENUE</b>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Adopted</b>	<b>2020 Council Adopted</b>	<b>Percent Change</b>	<b>Change</b>
<b>SPECIAL REVENUE</b>						
CONTRIBUTIONS	(567,259)	568,259	—	—	0.0%	0
FEDERAL GOVERNMENT GRANTS	1,352,743	255,427	930,000	930,000	0.0%	0
<b>TOTAL SPECIAL REVENUE</b>	<b>785,484</b>	<b>823,686</b>	<b>930,000</b>	<b>930,000</b>	<b>0.0%</b>	<b>0</b>
<b>TOTAL REVENUE</b>	<b>785,484</b>	<b>823,686</b>	<b>930,000</b>	<b>930,000</b>	<b>0.0%</b>	<b>0</b>

## EMERGENCY MANAGEMENT EXPENSE AND REVENUE INFORMATION

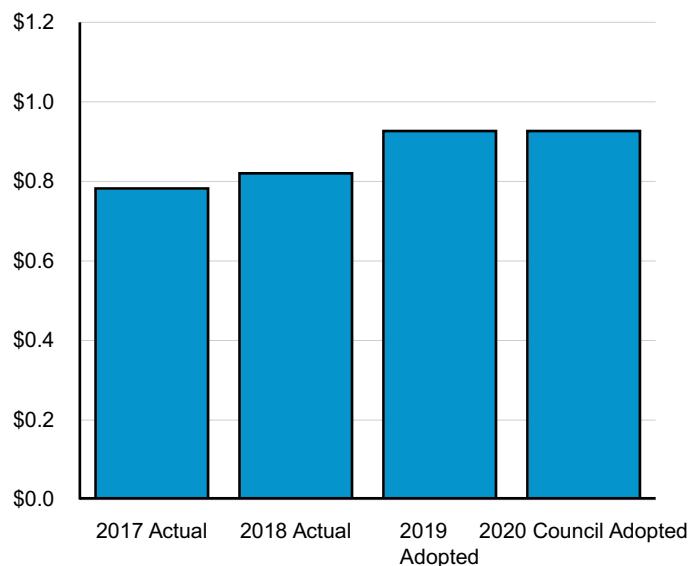
**Expense 2017 - 2020**  
**In Millions**



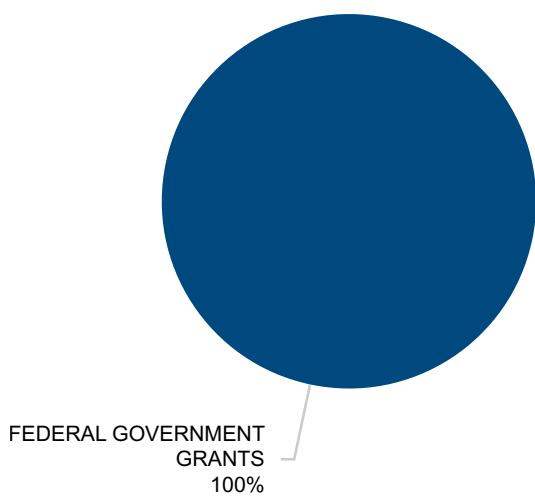
**Expense by Category**



**Revenue 2017 - 2020**  
**In Millions**



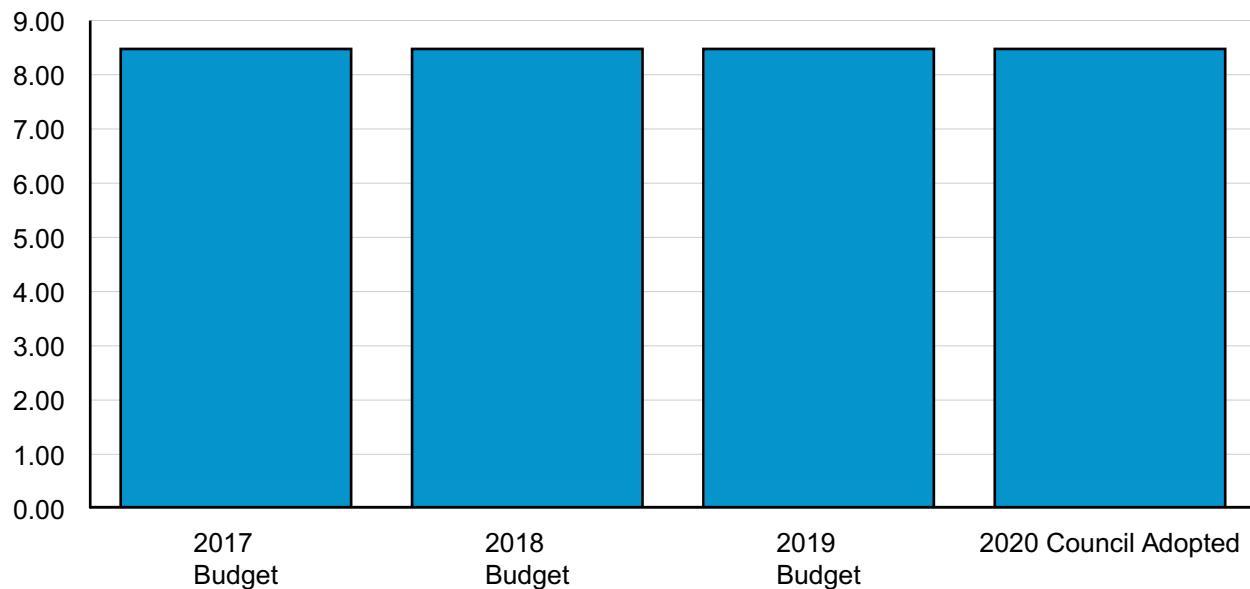
**Revenue by Type**



## EMERGENCY MANAGEMENT Staffing Information

Division	2017 Budget	2018 Budget	2019 Budget	2020 Council Adopted	Percent Change	Change
EMERGENCY MANGEMENT	8.50	8.50	8.50	8.50	0.0%	0
Overall	8.50	8.50	8.50	8.50	0.0%	0

### Positions 2017-2020



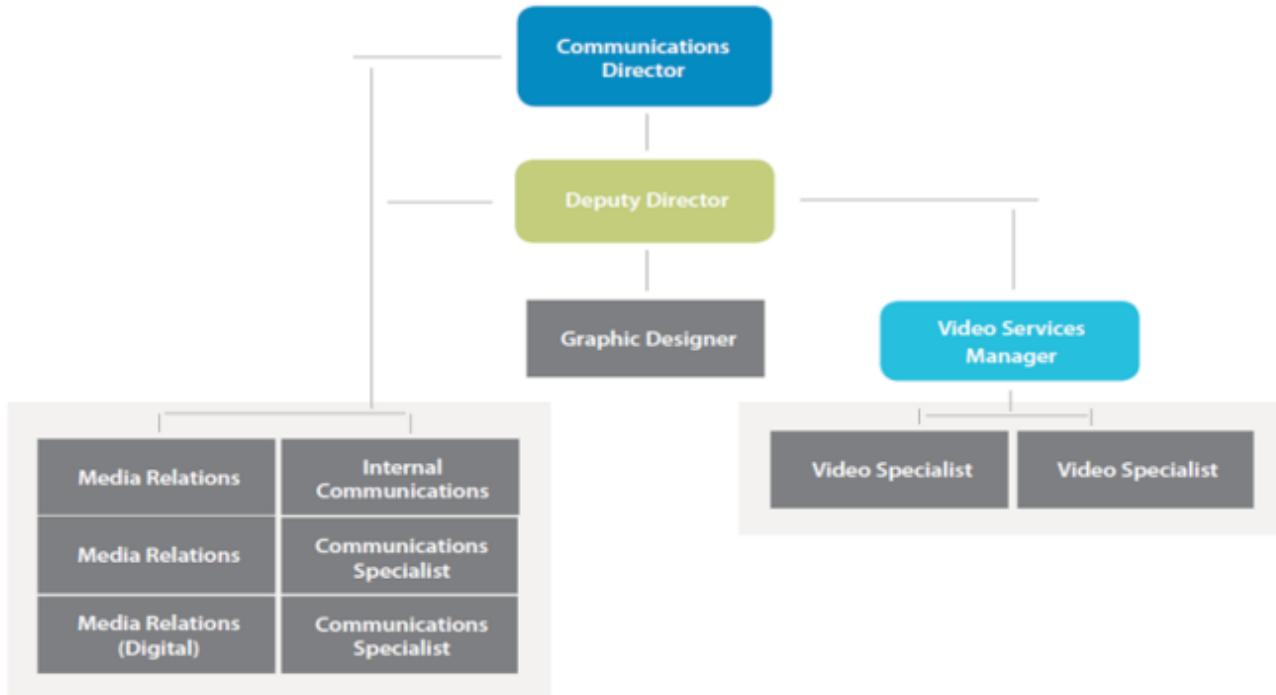
# COMMUNICATIONS DEPARTMENT

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## Mission

To actively communicate City government news and information to the public, so people who live, work and play in Minneapolis understand and benefit from the work the City does and know how to engage in the governing process.

## Organization Chart



## Enterprise Communications

General Fund: \$1,792,000

The Communications Department drives proactive and responsive communications and provides strategic communications support to City departments so the people of Minneapolis have access to City news, information and services. The department's core work includes: media relations, digital communications, social media, internal employee communications, strategic marketing, video production and graphic design. Communications also produces live and rebroadcast City government meetings and manages the government access TV channels. In addition, Communications oversees the City's cable TV franchises with Comcast and Century Link, and the contract with the Minneapolis Telecommunications Network (MTN) for public access services.

## Public Access TV

General Fund: \$472,000

This is direct funding through a contract with Minneapolis Telecommunications Network (MTN) to operate the City's public access TV channels and provide the public with access to television broadcast equipment, training and airtime. MTN serves diverse populations by providing access to all City residents including those who produce programs in languages other than English.

## **Financial Analysis**

### **Expenditure**

The total Communications Department's budget decrease from \$2.31 million to \$2.27 million from 2019 to 2020. This is a decrease of \$43,000 or 1.9%. The Communications Department's 2020 expenditure budget reflects inflationary increases in operating costs wholly offset by elimination of one-time allocation of \$70,000 from 2019 budget, and inclusion of \$85,000 one-time budgetary change items in 2020.

### **Revenue**

Revenues are projected to remain constant in this department. The department's total revenues in 2020 are projected to be \$1.25 million.

### **Fund Allocation**

This department is funded completely in the General Fund.

### **Budget Change items**

Detailed change items are presented on the following pages.

## **Communications**

## **2020 Change Item**

### *Cultural Media Contracts*

Program: *Enterprise Communications*

Fund: *General Fund*

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	55	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	55	—	—	—	—

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	—	—	—	—	—

### **Proposal Details:**

The Council approves \$55,000 in one-time General Fund resources to continue providing ongoing City programming in Spanish, Somali and Hmong, as well as outreach to a diverse array of cultural communities in Minneapolis. The funding request will cover annual contracts with the following media outlets: Somali-American Radio (KALY 101.7 FM); La Raza Spanish radio (AM 1400); KMOJ (89.9 FM) and Hmong radio (WIXK 1590 FM). We expect to maintain existing programming on these stations, including twice per month on KMOJ, every other week on La Raza, and an expansion from once-per-month to twice-per-month on KALY and WIXK. We would also like to increase coverage on KRSM radio (98.9 FM), not as an additional stand-alone program, but to broadcast key announcements from the City in multiple languages.

### **Rationale/Background:**

Maintaining and expanding City radio programs on KALY, WIXK, La Raza, KMOJ and KRSM is key to the City's equity goals of providing accessible, culturally-relevant, in-language news and information to our diverse communities. Continuation of these programs will affect all three of the Mayor's priorities including affordable housing, economic inclusion, and public safety/police-community relations. We are not asking for an FTE to execute this additional work. Existing communications staff will continue to serve as producers of the 7-8 monthly programs as well as oversight of the bonus PSA spots negotiated in the contract and ongoing contract management.

### **Description of the Change:**

This funding request will allow our department to continue providing ongoing City radio programming in Spanish, Somali and Hmong, as well as outreach to a diverse array of cultural communities in Minneapolis. The request will cover annual radio contracts with the following media outlets: Somali-American Radio (KALY 101.7 FM); La Raza Spanish radio (AM 1400); KMOJ (89.9 FM) and Hmong radio (WIXK 1590 FM). We would also like to increase coverage on KRSM radio (98.9 FM), not as a stand-alone program, but to broadcast key announcements from the City in multiple languages. We expect to

maintain existing programming on these stations, including twice per month on KMOJ, every other week on La Raza, and an expansion from once-per-month to twice-per-month on KALY and WIXK.

### **Equity Impact:**

To reach and engage audiences that do not communicate in English, rely on an oral tradition of communications or which are traditionally underserved by mainstream media, the City has partnered with local community radio outlets serving our Latino, Somali, Hmong, African-American and Native residents. Without these formats, the City will have diminished ability to reach large portions of community, widening information disparities which are already prevalent. It is critical that the City have culturally-relevant message channels to connect vital information and news with these audiences. Additionally, many residents that speak Somali or Hmong do not consume written, translated information but communicate orally, making radio a highly targeted and efficient delivery vehicle. The City will also utilize these existing channels to communicate about the U.S. Census (April 1, 2020). We want to maintain these programs to ensure maximum outreach potential to our immigrant and non-English speaking audiences who are part of the hard-to-count population and have disproportionately fewer connection points to the City in terms of information access.

### **Results:**

Should funding be granted again in 2020, the City will be able to maintain key information channels to diverse populations who are disproportionately underserved by traditional media outlets and news sources. Messaging regarding the U.S. Census taking place next year will be especially important to push out via these radio programs, which already have a built-in listenership. The City will be able to maintain radio programming and PSAs (snow emergency, elections, street sweeping, emergency information) that reach residential and business audiences who consume information in Spanish, Somali and Hmong. Funds acquired will be used for the following:

- Continuity of bi-weekly City Spanish radio show and PSAs on La Raza radio (AM 1400)
- Continuity of monthly City Somali radio show and PSAs, and possible expansion to twice per month, on KALY (101.7 FM)
- Continue monthly City Hmong radio show and PSAs, and possible expansion to twice per month, on WIXK (1590 FM)
- Continue bi-monthly City radio show and PSAs on KMOJ (89.9 FM)

The conversational formats allow the City to provide culturally-relevant information and news that resonates with non-English speaking community members, providing greater transparency and access to City services, programs and policies that affect their lives.

## **Communications**

## **2020 Change Item**

*Video Services, Maintenance, Hosting & Streaming Service Contracts*

Program: Enterprise Communications

Fund: General Fund

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	30	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	30	—	—	—	—

Personnel Impacts	2020	2021	2022	2023	2024
Change in FTE Count	—	—	—	—	—

### **Proposal Details:**

The Council approves \$30,000 one-time General Fund resources for annual costs to contract with vendors to maintain or repair AV equipment, access to a music library and archive/stream web content. Funds will be used to support online archiving, live streaming and LIMS content, Council Chamber broadcast system, three editing systems, all A/V equipment and editing and playback servers.

### **Rationale/Background:**

Support AV needs at three locations: the council chamber, editing systems and government channel playback. Audio and video equipment should be maintained to keep everything running smoothly and repaired quickly in case of an emergency. The services performed under these contracts include audio/video equipment maintenance and repair services for portable and integrated systems and equipment, replacement parts with installation, preventative maintenance site visits and remote access support services, option of loaner equipment and emergency assistance repair. Also provide web content hosting, streaming government channel 24/7, archiving meetings and live streaming of official council meetings from a remote location.

### **Description of the Change:**

The Communications Department A/V equipment won't wait for the moment that's most convenient when it decides to fail. Instead, it will almost certainly fail at a moment that will be inconvenient. Service contracts ensure that our equipment is maintained in optimal condition, mitigating possible failures and reducing the probability of post-outage scrambles to arrange for emergency repair. Hosting and streaming services are connected with the Clerk's LIMS system, this will only expand as we look to provide simpler solutions. Providing access to meetings and other government productions online is very essential in providing transparency.

### **Equity Impact:**

If funded, this will continue to provide access and transparency for all Minneapolis residents of council and committee meetings, Minneapolis Park & Recreation Board meetings, NCEC meetings, budget meetings, Planning Commission meetings and all other government productions.

**Results:**

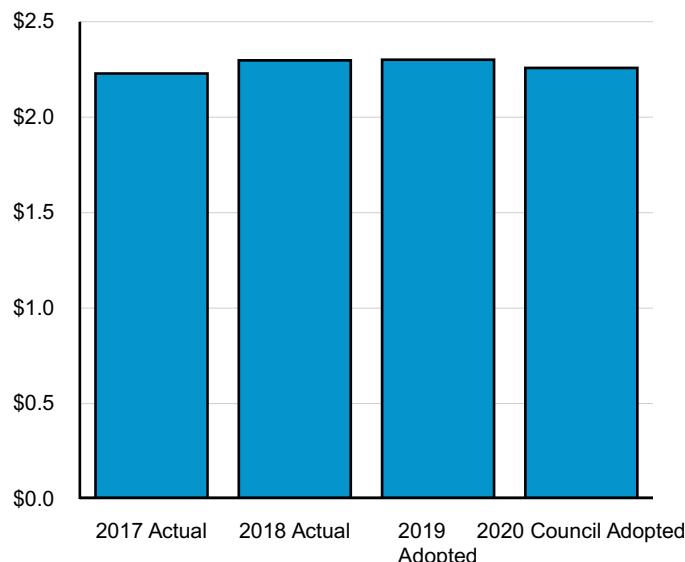
If funded, equipment will be maintained in working order, supported in emergency situations, accessible production music library and unlimited archiving and streaming of all meetings and video productions. If not funded, the City would run the risk of equipment failure without a means to repair it quickly, loss of online streaming, disconnection of content from LIMS system and access to a broadcast music library for government productions.

## COMMUNICATIONS EXPENSE AND REVENUE INFORMATION

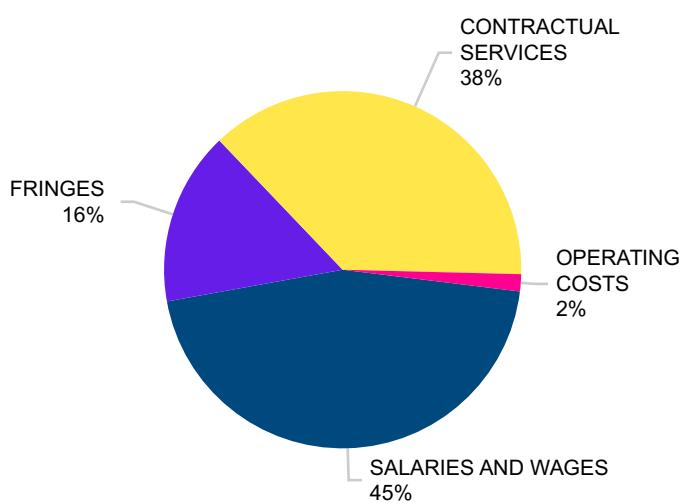
EXPENSE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>GENERAL</b>						
SALARIES AND WAGES	912,278	916,165	1,016,000	1,024,000	0.8%	8,000
FRINGES	304,169	303,730	355,000	356,000	0.3%	1,000
CONTRACTUAL SERVICES	855,874	863,138	904,000	850,000	-6.0%	(54,000)
OPERATING COSTS	114,209	113,448	33,000	35,000	6.1%	2,000
CAPITAL EQUIPMENT	49,045	108,237	—	—	0.0%	0
<b>TOTAL GENERAL</b>	<b>2,235,575</b>	<b>2,304,718</b>	<b>2,308,000</b>	<b>2,265,000</b>	<b>-1.9%</b>	<b>(43,000)</b>
<b>TOTAL EXPENSE</b>	<b>2,235,575</b>	<b>2,304,718</b>	<b>2,308,000</b>	<b>2,265,000</b>	<b>-1.9%</b>	<b>(43,000)</b>
REVENUE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>GENERAL</b>						
CHARGES FOR SALES	—	—	2,000	—	-100.0%	(2,000)
FRANCHISE FEES	—	790,958	1,250,000	1,250,000	0.0%	0
RENTS	36	—	—	—	0.0%	0
<b>TOTAL GENERAL</b>	<b>36</b>	<b>790,958</b>	<b>1,252,000</b>	<b>1,250,000</b>	<b>-0.2%</b>	<b>(2,000)</b>
<b>TOTAL REVENUE</b>	<b>36</b>	<b>790,958</b>	<b>1,252,000</b>	<b>1,250,000</b>	<b>-0.2%</b>	<b>(2,000)</b>

## COMMUNICATIONS EXPENSE AND REVENUE INFORMATION

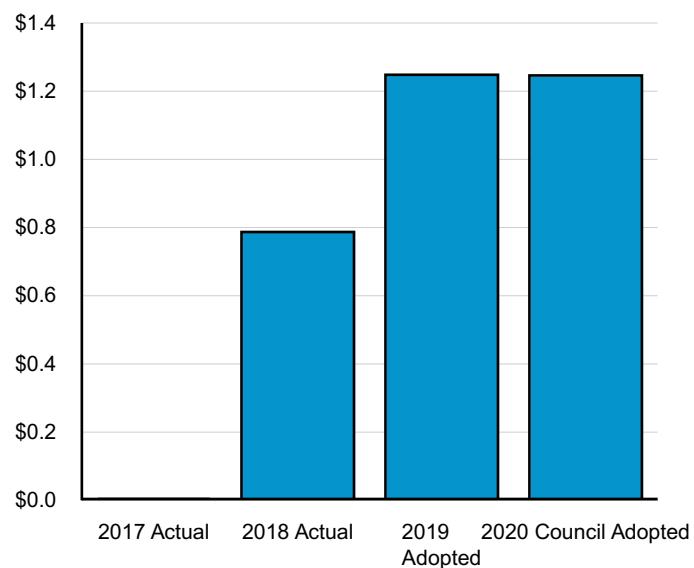
**Expense 2017 - 2020  
In Millions**



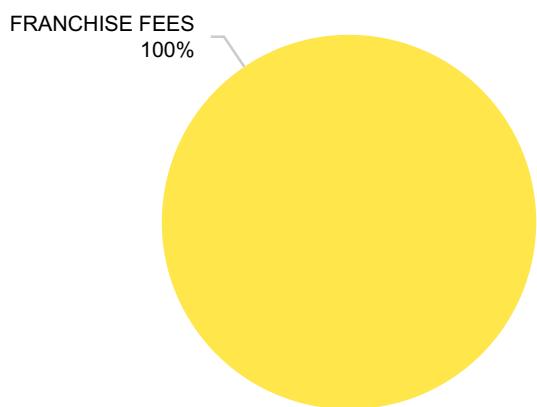
**Expense by Category**



**Revenue 2017 - 2020**  
**In Millions**



**Revenue by Type**

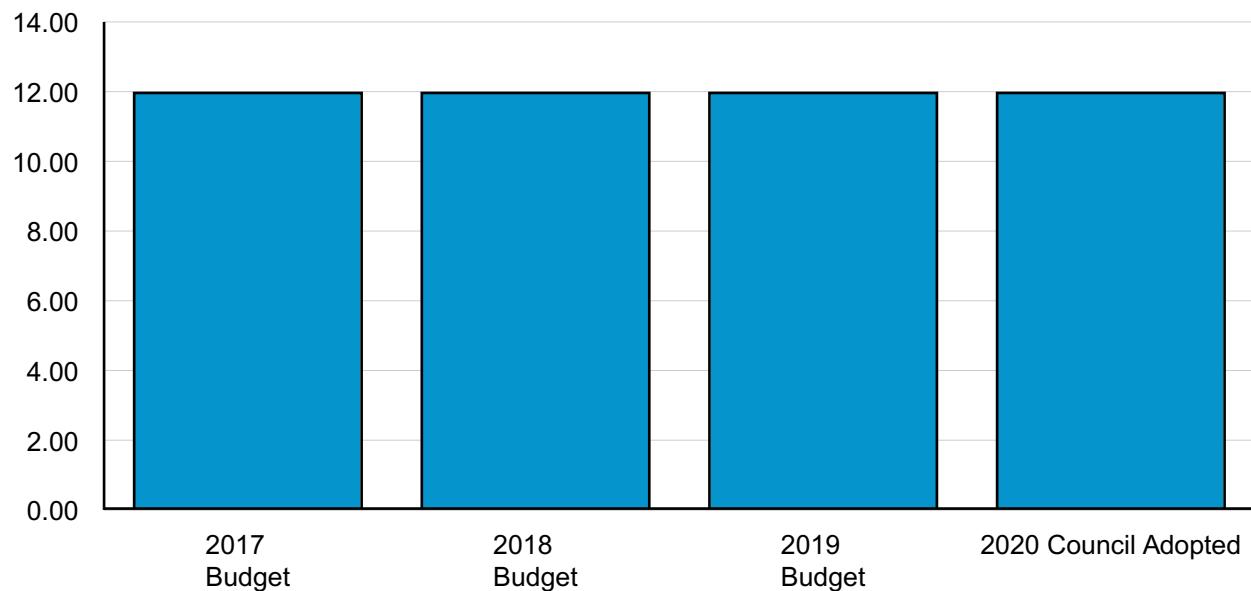


## COMMUNICATIONS

### Staffing Information

Division	2017 Budget	2018 Budget	2019 Budget	2020 Council Adopted	Percent Change	Change
ENTERPRISE COMMUNICATIONS	12.00	12.00	12.00	12.00	0.0%	0
Overall	12.00	12.00	12.00	12.00	0.0%	0

### Positions 2017-2020

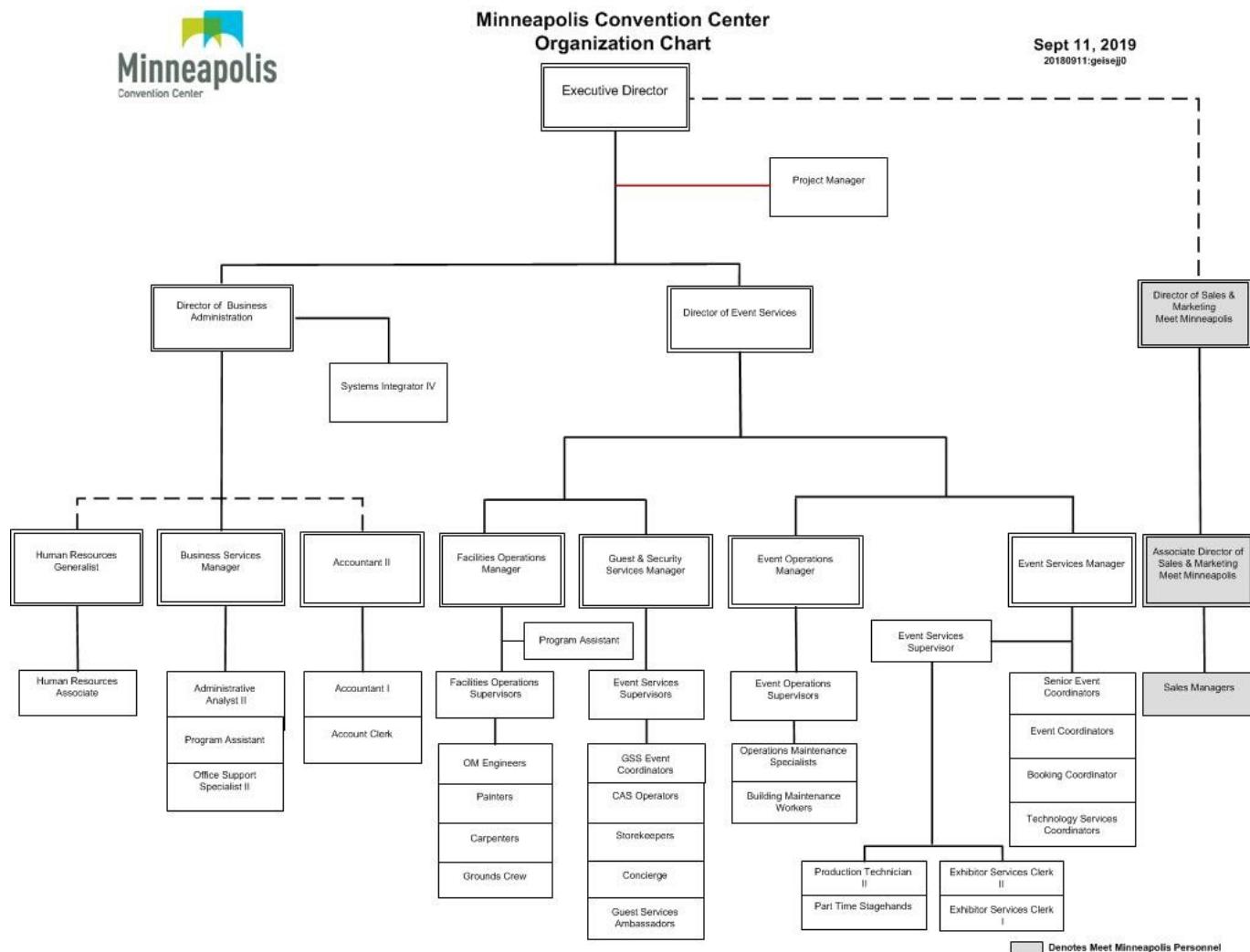


# MINNEAPOLIS CONVENTION CENTER & DOWNTOWN ASSETS

## Mission

The Minneapolis Convention Center will be the best Convention Center by providing an exceptional facility, outstanding internal and external customer service, and responsible use of our resources.

## Organization Chart



## Minneapolis Convention Center Events Program

Other Fund: \$26,235,000

The Convention Center Events Program provides sales, event coordination, delivery of audio visual, utilities, security and guest services to international, national, regional, state and local clients and their attendees. This program also includes the City's contract with Meet Minneapolis, which provides sales and marketing services for the convention center as well as destination marketing for the City of Minneapolis.

Convention Center events drive economic impact to the City as these clients and their attendees purchase goods and services from the convention center as well as local businesses (hotels, restaurants, retail, recreational, arts) sustaining an estimated 8,600 hospitality jobs and contributing to a vibrant downtown. Meet Minneapolis also pursues leisure travelers and sponsorship opportunities.

**Minneapolis Convention Center Facilities Program**

Other Fund: \$23,773,000

The Convention Center Facility Program provides the physical building and grounds of the Convention Center as well as the staff to maintain this City asset. The Events Program utilizes the facility to sell and host events. The Facilities Program includes repair and maintenance expenditures as well as Internal Service charges.

**Target Center Program**

Other Fund: \$6,673,000

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

**The Commons Program**

Other Fund: \$845,000

The Commons Program provides operating funds for maintenance, upkeep, and assessments of this City-owned asset.

**Peavey Plaza Program**

Other Fund: \$424,000

The Peavey Plaza Program provides operating and capital funds for this City-owned asset.

**Financial Analysis****Expenditure**

For 2020, the Convention Center Department's budget is \$50.0 million, a decrease of 10.8% from the 2019 budget of \$56.1 million. The Downtown Assets budget for 2020 is \$8.0 million, which includes \$6.7 million for the Target Center, previously included with the Convention Center budget.

**Revenue**

Revenues are projected to increase by 6.9% in the Convention Center Department. The department's total revenues in 2020 are projected to be \$22.5 million compared to \$21.1 million in the 2019 budget. The Downtown Assets revenue budget is \$95.0 million, a 0.1% increase from the 2019 budget of \$94.9 million.

**Fund Allocation**

This department is funded primarily in the Convention Center and Arena Funds and from funds transferred from the Downtown Assets Fund.

**Budget Change items**

Detailed change items are presented on the following pages.

## Downtown Assets

## 2020 Change Item

### Downtown Assets - Commons

Program: *The Commons Program*

Fund: 01720 - Commons

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	820	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	820	—	—	—	—

Personnel Impacts	2020	2021	2022	2023	2024
Change in FTE Count		—	—	—	—

### Proposal Details:

The Council approves \$820,000 in one-time funding for operations, maintenance and special assessments / property tax for the Downtown Commons East.

### Rationale/Background:

The Downtown East Commons is a public green space designed as a place for respite, everyday activities, and events for residents, workers, and visitors. The Downtown East Commons serves as a public amenity for passive recreation, gatherings, organized events and other park and plaza-like purposes, and is considered a public forum for First Amendment purposes.

The Commons fosters inclusion. In 2017, 500,000 patrons utilized the park. There were 68 free public events with 20,000+ attendees. Free events included outdoor orchestra performances, fitness activities (yoga, kickboxing), games (lawn and board games, ping pong), movies, reading events, and food (Tues eve farmers market, monthly happy hours and lunchtime food trucks). Current programming by Green Minneapolis is free and open to the public. This green space provides respite for resident, downtown workers and visitors. The contract with Green Minneapolis has been assigned to the Minneapolis Park & Recreation Board.

### Description of the Change:

This is year 3 of the Commons being managed and funded through the Downtown Assets Fund. We currently contract with Green Minneapolis to serve as the operator of the Commons. Green Minneapolis programs, schedules, manages and maintains the park and conducts continuing fundraising. That contract value is \$750,000 annually. Additional funding is needed for DID assessments and property taxes.

**Equity Impact:**

Green Minneapolis provides free programming in the Commons space for all Minnesotans. This programming includes arts & culture, games for kids and adults, reading/book carts, music and fitness activities. This green space provides respite for residents, downtown workers and visitors.

**Results:**

The Commons will continue to be maintained, managed, and programmed. There are currently no performance measures outside of the contractual obligations.

## Downtown Assets

2020 Change Item

### Downtown Assets - Special Events

Program: *Downtown Assets*

Fund: 01700 - *Downtown Assets*

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	25	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	25	—	—	—	—

Personnel Impacts	2020	2021	2022	2023	2024
Change in FTE Count		—	—	—	—

#### Proposal Details:

The Council approves \$25,000 in one-time funding to provide funding to pay for City services for the Summer X-Games.

#### Rationale/Background:

Events bring visitors to the City who stimulate spending in our community, thereby contributing to increased tax collection. This event is considered a ‘mega’ event – significant in size and scope that requires additional resources. These additional resources place a strain on city service budgets particularly those of police, fire, public works, and emergency management. These events foster economic inclusion through opportunities for women and minority-owned businesses to participate in the visitor spending.

Due to the magnitude of this event, additional tax collections will cover the reimbursement to City Departments as well as any contractual RFP items.

#### Description of the Change:

Hosting Mega events create opportunities to obtain the goals of the Destination Transformation 2030 Plan through increased awareness, jobs, and economic impact while also creating obligations for the City. The sheer number of people coming to enjoy and experience our City requires a City-wide coordinated effort. These events take staff time and expenditures in traffic control, emergency management services, police, and fire.

US Bank Stadium will host the X-Games. An estimated 35,000 will attend with anticipated economic impact of over \$24 million. While the work of the departments is consistent with the work they currently do, the scope of their work will increase in magnitude due to the influx of

visitors.

**Equity Impact:**

The X-Games will attract all groups of people. Events are ticketed, but available to all members of the community.

**Results:**

The X-Games provide opportunities to showcase the City of Minneapolis nationally and internationally through media exposure. Visitor spending helps local businesses and produces local taxes. The hospitality industry continues to support over 36,000 jobs, Minneapolis' 4th largest industry.

## **Convention Center**

## **2020 Change Item**

Events Program - Meet Minneapolis

Program: *Minneapolis Convention Center Events Program*

Fund: *Convention Center Operations*

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	200	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	200	—	—	—	—

Personnel Impacts	2020	2021	2022	2023	2024
Change in FTE Count		—	—	—	—

### **Proposal Details:**

The Council approves \$200,000 in one-time funding to promote City neighborhoods, with a priority focus in Cultural Districts as tourism destinations, and increase the fulfillment of needs of the Sister City program to Meet Minneapolis.

### **Rationale/Background:**

Meet Minneapolis markets Minneapolis as the destination of choice through its current contract with the City of Minneapolis. This contract provides base funding with an annual inflator and up to \$500,000 in incentive funding based on meeting key performance indicates as annual agreed upon by the City Coordinator and Meet Minneapolis' board of directors.

For the last several years, Meet Minneapolis has encountered considerable expansion in scope as the industry and the City has evolved. This recommendation will provide:

- \$150,000 to expand its annual program investment to market non-downtown attractions and assets, with a priority focus on Cultural Districts
- \$50,000 additional support for the Sister Cities Program. This funding will be used to fulfill the additional needs of the program based on maintaining 12 Sister Cities and increased activities.

### **Description of the Change:**

We currently contract with Meet Minneapolis to promote Minneapolis as the destination of choice for conventions and tourism. Meet Minneapolis is measured on key performance indicators such as convention center revenue and future room nights. This recommendation will provide additional funding for Meet Minneapolis to increase their scope to include the items above. These activities have been funded through reductions of activities related to sponsorship,

housing and event services. Further reductions in current programs is no longer available and will threaten core contractual obligations. These investments will grow the positive impact hospitality has on Minneapolis and its residents.

All funding for Meet Minneapolis is funded through the Downtown Assets Fund.

**Equity Impact:**

The hospitality industry in Minneapolis provides opportunities for women and minority-owned businesses as well as providing career paths for Minneapolis youth. Providing funding allows Meet Minneapolis to highlight Cultural Districts and other non-downtown neighborhoods and assets, provides greater opportunities for businesses to promote and sell their services as well as providing visitors the unique experience our diversity provides, particularly in Cultural Districts.

**Results:**

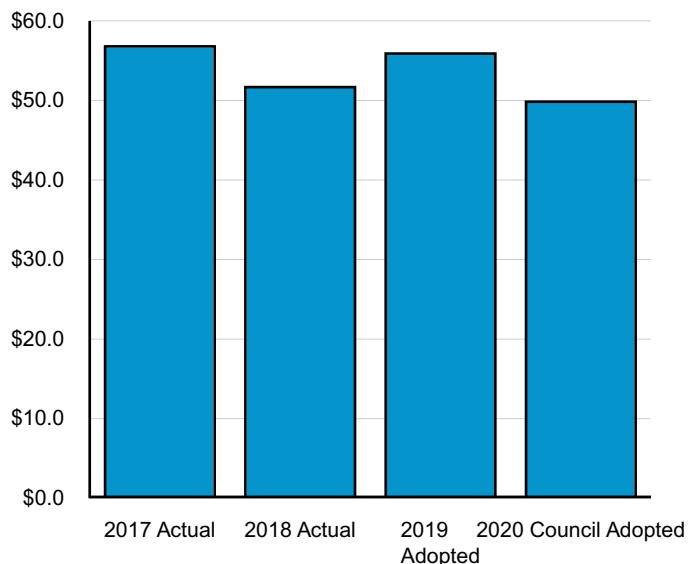
Meet Minneapolis will be able to expand their marketing reach into communities, promote Cultural Districts, and provide appropriate service to the Sister Cities to the benefit of the hospitality community and all Minnesotans. Meet Minneapolis has numerous performance measures including Convention Center revenues, room nights and estimated economic impact data.

**CONVENTION CENTER  
EXPENSE AND REVENUE INFORMATION**

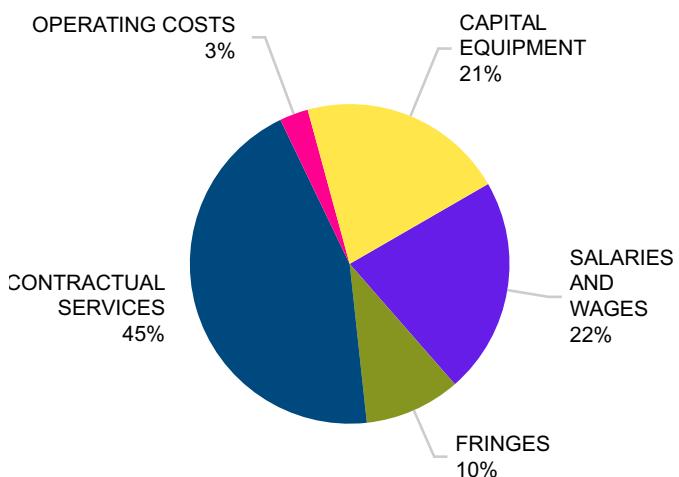
<b>EXPENSE</b>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Adopted</b>	<b>2020 Council Adopted</b>	<b>Percent Change</b>	<b>Change</b>
<b>SPECIAL REVENUE</b>						
SALARIES AND WAGES	10,426,143	11,003,037	10,690,000	10,951,000	2.4%	261,000
FRINGES	3,677,212	4,014,260	4,680,000	4,860,000	3.8%	180,000
CONTRACTUAL SERVICES	22,953,544	24,621,694	23,411,000	22,295,000	-4.8%	(1,116,000)
OPERATING COSTS	1,683,594	1,308,573	1,429,000	1,449,000	1.4%	20,000
CAPITAL EQUIPMENT	18,221,504	10,895,630	15,849,000	10,453,000	-34.0%	(5,396,000)
<b>TOTAL SPECIAL REVENUE</b>	<b>56,961,997</b>	<b>51,843,194</b>	<b>56,059,000</b>	<b>50,008,000</b>	<b>-10.8%</b>	<b>(6,051,000)</b>
<b>TOTAL EXPENSE</b>	<b>56,961,997</b>	<b>51,843,194</b>	<b>56,059,000</b>	<b>50,008,000</b>	<b>-10.8%</b>	<b>(6,051,000)</b>
<b>REVENUE</b>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Adopted</b>	<b>2020 Council Adopted</b>	<b>Percent Change</b>	<b>Change</b>
<b>SPECIAL REVENUE</b>						
CHARGES FOR SALES	—	400	—	—	0.0%	0
CHARGES FOR SERVICES	10,662,469	13,646,537	10,700,000	11,175,000	4.4%	475,000
CONTRIBUTIONS	31,688	26,927	—	—	0.0%	0
INTEREST REVENUE	75,752	—	15,000	—	-100.0%	(15,000)
LOCAL SALES TAXES	1,292,621	—	—	—	0.0%	0
MISCELLANEOUS	33,808	17,579	—	—	0.0%	0
RENTS	11,269,878	10,730,221	9,321,000	7,600,000	-18.5%	(1,721,000)
USE OF FUND BALANCE	—	—	1,028,000	3,748,000	264.6%	2,720,000
<b>TOTAL SPECIAL REVENUE</b>	<b>23,366,216</b>	<b>24,421,664</b>	<b>21,064,000</b>	<b>22,523,000</b>	<b>6.9%</b>	<b>1,459,000</b>
<b>TOTAL REVENUE</b>	<b>23,366,216</b>	<b>24,421,664</b>	<b>21,064,000</b>	<b>22,523,000</b>	<b>6.9%</b>	<b>1,459,000</b>

## CONVENTION CENTER EXPENSE AND REVENUE INFORMATION

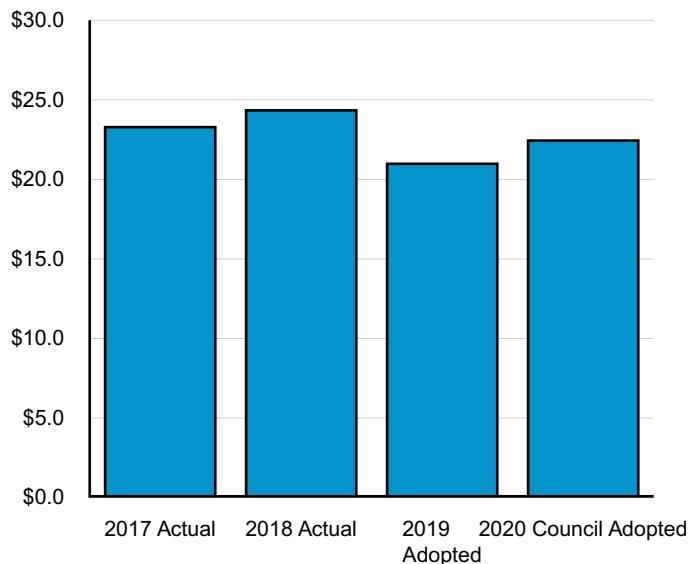
**Expense 2017 - 2020**  
**In Millions**



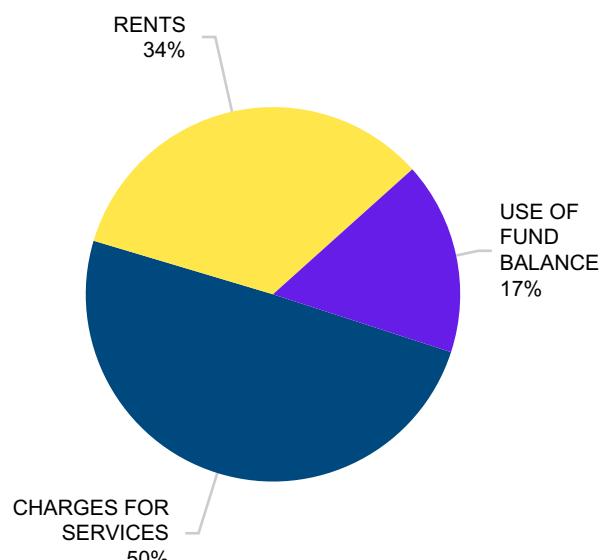
**Expense by Category**



**Revenue 2017 - 2020**  
**In Millions**



**Revenue by Type**

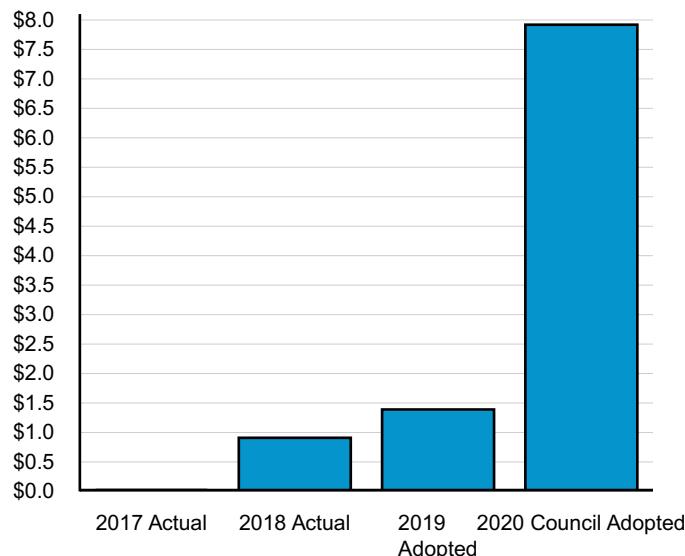


## DOWNTOWN ASSETS EXPENSE AND REVENUE INFORMATION

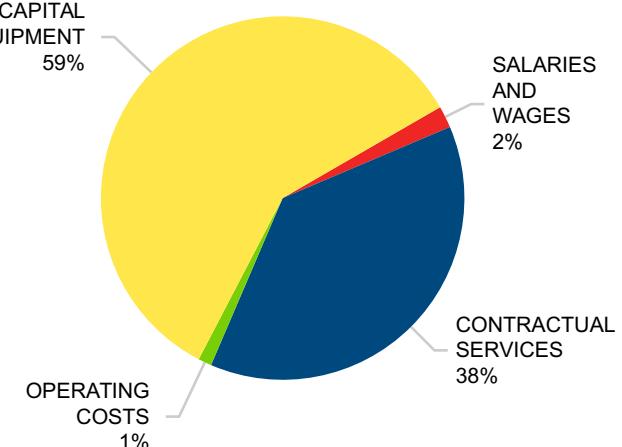
EXPENSE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>SPECIAL REVENUE</b>						
CONTRACTUAL	—	890,174	1,392,000	2,987,000	114.6%	1,595,000
OPERATING COSTS	—	33,959	20,000	94,000	370.0%	74,000
CAPITAL EQUIPMENT	—	7,765	—	4,659,000	0.0%	4,659,000
<b>TOTAL SPECIAL REVENUE</b>	<b>—</b>	<b>931,898</b>	<b>1,412,000</b>	<b>7,942,000</b>	<b>462.5%</b>	<b>6,530,000</b>
<b>TOTAL EXPENSE</b>	<b>—</b>	<b>931,898</b>	<b>1,412,000</b>	<b>7,942,000</b>	<b>462.5%</b>	<b>6,530,000</b>
 <b>REVENUE</b>						
<b>SPECIAL REVENUE</b>						
LOCAL SALES TAXES	—	—	88,400,000	93,446,000	5.7%	5,046,000
RENTS	—	—	—	1,520,000	0.0%	1,520,000
USE OF FUND BALANCE	—	—	6,520,000	(147,000)	-102.3%	(6,667,000)
<b>TOTAL SPECIAL REVENUE</b>	<b>—</b>	<b>—</b>	<b>94,920,000</b>	<b>94,819,000</b>	<b>-0.1%</b>	<b>(101,000)</b>
<b>TOTAL REVENUE</b>	<b>—</b>	<b>—</b>	<b>94,920,000</b>	<b>94,819,000</b>	<b>-0.1%</b>	<b>(101,000)</b>

## DOWNTOWN ASSETS EXPENSE AND REVENUE INFORMATION

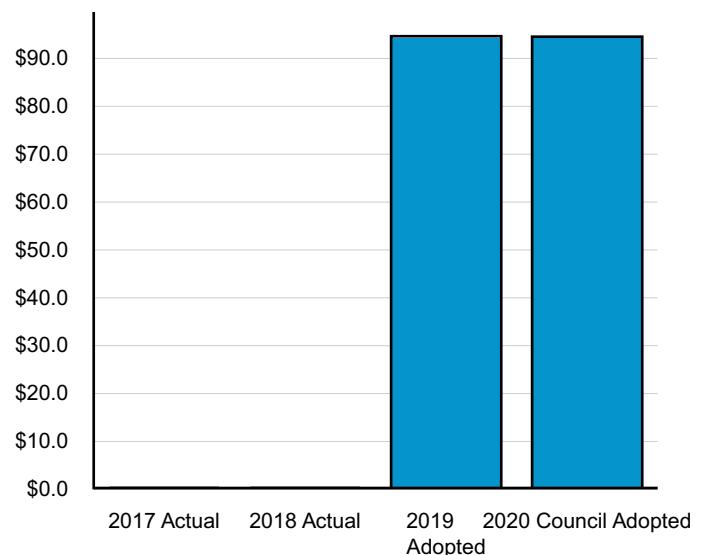
**Expense 2017 - 2020  
In Millions**



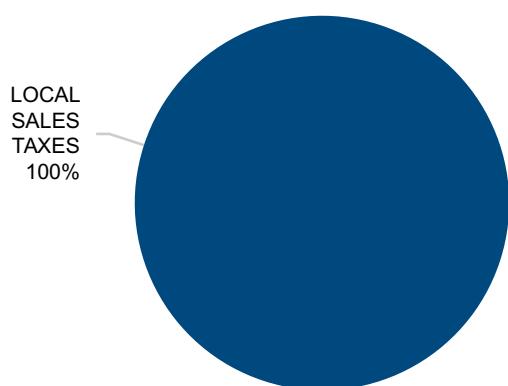
**Expense by Category**



**Revenue 2017 - 2020**  
**In Millions**



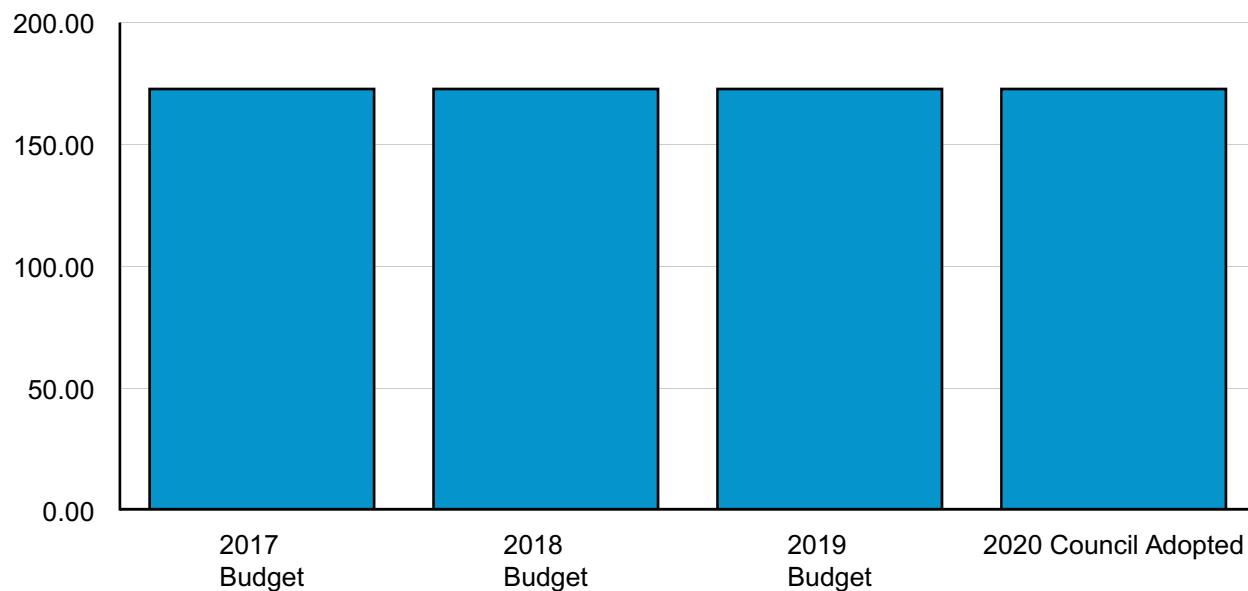
**Revenue by Type**



## CONVENTION CENTER Staffing Information

Division	2017 Budget	2018 Budget	2019 Budget	2020 Council Adopted	Percent Change	Change
CONVENTION CENTER	172.10	172.10	172.10	172.10	0.0%	0
TARGET CENTER	1.20	1.20	1.20	1.20	0.0%	0
Overall	173.30	173.30	173.30	173.30	0.0%	0

### Positions 2017-2020



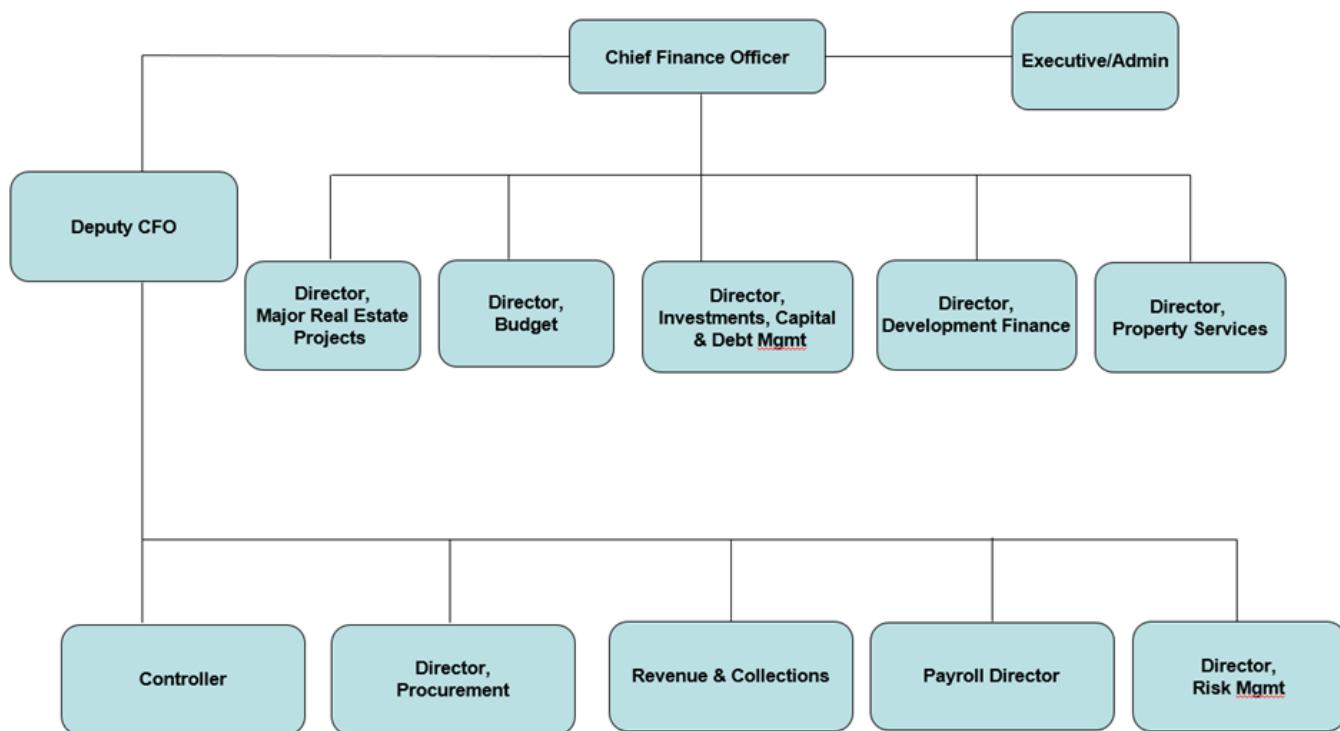
# FINANCE & PROPERTY SERVICES DEPARTMENT

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## Mission

Provide essential financial, resource and asset management services, and engage Enterprise partners in decision-making to uphold the City's lasting vibrancy and strength.

## Organization Chart



### Controller

General Fund: \$8,208,000  
Other Funds: \$269,000

This program plays a critical role in providing financial information to City policy-makers, City staff and decision-makers enabling them to perform their job more effectively and provide services to City residents. Information also is made accessible for external stakeholders such as the public, City investors, bond rating agencies, the State Auditor and grant agencies. A primary goal of this program is to ensure fiscal responsibility through monitoring and internal controls, and provision of financial information for strategic decision-making among department managers and leadership.

Key services provided by this program include: monitor and report department revenues and expenditures to managers and policy-makers including grant-related revenues and expenses, and report this information to grantors, provide information on the City's human and financial resources using COMET (City of Minneapolis Enterprise Technology), prepare City's quarterly financial report and Comprehensive Annual Financial Report (CAFR), respond to internal and external audits, design and administer rate models that allocate shared costs for internal services and assist managers during the annual budget process and to provide financial analyses and pertinent information necessary to support City decisions and investment.

<b>Procurement</b>	General Fund: \$3,848,000 Other Funds: \$1,188,000
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This program manages, facilitates and oversees bidding and contracting for, purchase of and payment for all goods and services for all City departments and independent boards. City departments and independent boards rely on this program for obtaining goods and services through open, competitive and cost effective processes that reflect City values, safe-guarding against malfeasance and for ensuring that vendors are paid in a prompt manner. Through this program external stakeholders also are invited and encouraged to work with the City and establish procurement relationships. Further, this program supports activities related to green purchases and strives to increase the percentage of green purchases throughout City departments, wherever possible.

<b>Revenue &amp; Collections</b>	General Fund: \$6,465,000
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Utility billing, a division within Revenue and Collections, is mandated by Minneapolis City Ordinance, is collaboration between the Finance and Property Services and Public Works Departments to invoice, collect revenue and provide specific utility customer account information related to the delivery of City water, sewer, solid waste and storm water services. The revenues generated sustain the operation of these departments making it imperative that revenues are billed and collected in an efficient and timely manner.

In addition, Accounts Receivable, a division within Revenue and Collections, performs accounts receivable activities for non-utility services provided by other City Departments.

<b>Payroll</b>	General Fund: \$1,919,000
----------------	---------------------------

This program effectively administers the provisions of twenty-three City labor agreements and labor-related pay work rules, numerous federal and state laws, and detailed chart of accounts coding used by some City departments to efficiently and accurately pay 5,000 to 7,000 City employees every two weeks (the number of City employees on the payroll fluctuates throughout the year). Through this program, the City also pays various benefit-related payments such as health and dental premiums, deferred compensation and mini-flex accounts as well as other payments such as union dues.

<b>Risk Management &amp; Claims</b>	Other Funds: \$1,999,000
-------------------------------------	--------------------------

The goals of this program are the preservation of City assets, prevention of the loss of financial resources and injury to City employees, administration and management of workers' compensation claims and tort claims (liability claims under \$25,000), unemployment program administration as well as loss prevention activities, which include safety, OSHA, ergonomic programs and subrogation. This program plays a pivotal role in supporting the City in its ability to provide services to residents, administration of claims, and safety to the work environment, employees, and its citizens.

<b>Executive / Administration</b>	General Fund: \$706,000
-----------------------------------	-------------------------

The Finance Officer (CFO), a position defined by City Charter, is responsible for maintaining the City's financial health so that it can continue to provide a wide array of services to residents, business and visitors, and maintain public health and safety. In addition, this program provides strategic oversight and coordination of the department; and, human resource and administrative support for the department.

<b>Budget</b>	General Fund: \$1,201,000
---------------	---------------------------

This program is responsible for the management, planning, and oversight of the City's financial resources and commitments. In doing so, city departments are challenged to think of innovative and cost effective ways to provide their services and optimize the use of their resources. Policy-makers, City Department staff,

residents and businesses rely on this program for information and direction on City finances, budget development and strategic use of resources.

### **Investments, Capital, and Debt Management**

General Fund: \$563,000

This program oversees and manages the City's investment relationships to provide the best return on financial assets, is responsible for leading the capital budget process through CLIC, and for managing the city's debt. This program is also responsible for facilitating City bond issues, making debt service payments, and tracking the use of bond authority.

### **Development Finance**

General Fund: \$1,709,000

This program provides financial management, analysis, planning and administrative services to the Community Planning and Economic Development (CPED) Department, the Neighborhood and Community Relations (NCR) Department, the Chief Financial Officer, and elected officials in support of the City's economic development and housing policies, objectives, programs, and projects.

### **Property Services**

General Fund: \$258,000

Other Funds: \$23,786,000

The primary purpose of this program is to comprehensively and strategically provide for the land, facility, and furnishing needs of City owned, operated and leased facilities through various activities including preventive maintenance and corrective maintenance, routine cleaning and maintenance, construction, tenant improvements, space and asset management, and security and life safety needs. Also to provide centralized energy management services that support energy conservation, renewable energy and alternative fuels, and emissions reductions. Additionally, to provide centralized internal security management services that reduce risk to the City's Operating Departments. The goals of this program are to provide safe working environments for employees, their clients and visiting members of the public.

## **Financial Analysis**

### **Expenditure**

The total Finance and Property Services Department's budget increases from \$51.5 million to \$52.1 million from 2019 to 2020. This is an increase of \$644,000 or 1.3%. The Finance and Property Services Department's 2020 expenditure budget reflects inflationary increases in operating costs and budgetary change items. One-time change items in 2019 budget amounting to \$550,000 are excluded in coming up with the net increase in 2020 budget. The 2020 budget includes 2.0 new FTEs in change items. The department administratively added 3.0 FTEs in property services division.

### **Revenue**

Revenues are projected to decrease by 13.6% in this department in 2020. The department's total revenues in 2020 are projected to be \$28.0 million.

### **Fund Allocation**

This department is funded primarily by Internal Service Funds (51.9%), with the remainder of the department's funding found in the General Fund (48.0%) and Special Revenue Grant funds (0.1%).

### **Budget Change items**

Detailed change items are presented on the following pages.

## **Finance & Property Services**

### *Asset Management Strategy*

## **2020 Change Item**

Program: *Budget*

Fund: *General Fund*

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	70	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	80	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	150	—	—	—	—

Personnel Impacts	2020	2021	2022	2023	2024
Change in FTE Count	—	—	—	—	—

#### **Proposal Details:**

The Council Approves repurposing one existing department FTE to a budget division staff to enable the budget division to oversee capital budgets in addition to operating budgets and using this position to create and oversee an asset management system that incorporates data from all major City asset categories into one format to aid in budget prioritization, financial reporting and risk management.

#### **Rationale/Background:**

Currently the City budgets for capital without a clear understanding of the condition of one set of its capital assets in relationship to others and without an comprehensive analytical tool to measure the operating cost implications of continuing with that asset. For example, the City does not have a building condition assessment of all of its fire stations and police precincts to determine necessary repairs or replacements of those assets. This lack of information causes increased operating costs and inefficiencies in decision-making processes. FPS has begun the facility condition assessment work but at a pace that will take several years to complete. The City budgets for certain asset replacements in isolation from the rest of the budget and from other assets. This piecemeal approach to assets does not give CLIC and policy-makers access to uniform information. In addition, without a comprehensive tool to measure asset value, our financial statements are at risk of being inaccurate. Finally, we do not have a solid basis for evaluating which assets we should have third party insurance for and which are best self-insured without a comprehensive list of those assets and their condition.

This change item furthers Mayoral/Council goals of public services as well as the built environment. FPS is bringing one FTE to this effort that otherwise would be used for other departmental priorities.

#### **Description of the Change:**

The first change is a alteration to the work flow within FPS. Currently capital budgeting is overseen by the same division manager who oversees debt and investments. This change will move capital budgeting to the full budget team. The second change is to give the budget team member responsible for capital

budgets oversight of the capital assets strategy. The strategy will begin with completing the FPS facility condition assessment for buildings while working with IT to build a data warehouse where existing databases store information on the condition of assets supported by the levy such as streets, vehicles, and major IT systems as a first step.

There are models in other large cities that have created similar data warehouses that combine information from existing City databases housed within individual departments. The one-time money requested will supply funding to complete the FPS building assessment as well as a feasibility study for the data warehouse and analytical tool. Both of these efforts are new to the City but build upon existing data rather than trying to recreate it. We expect to fully implement the asset management strategy will require three to four years. The major expense will not be the IT infrastructure but will be the groundwork necessary to gather data that fits Mayor and Council processes, CLIC analytics, other department and Park Board needs, and our new budget system. FPS hears from other cities that buy-in for this strategy across the enterprise will be enhanced when elected officials reward those departments that provide clear and thorough data with additional funding.

#### **Equity Impact:**

Much like efforts of the Park Board and Public Works to equalize capital improvements with a racial and economic equity lens, the asset management strategy will provide a tool to overcome the tendency of the enterprise to fund the "squeaky wheel". It will also prevent the City from over-investing in one department or asset type because it has traditionally prioritized funding there.

#### **Results:**

The City expends an extraordinary amount of effort in the annual capital and operating budget process. Individual departments work hard to "sell" their priorities to CLIC, the Mayor, and the Council on funding capital assets. Once a department is successful in achieving a funding stream for an asset class, particularly in the less visible internal service funds, the City has no vehicle to properly and regularly examine the efficacy of the funding in relationship to other asset classes. This tool will bring more transparency to this process, both for the elected officials and for the public. The data warehouse could easily become part of the City's transparency website and success would be measured on how much of the City's assets most in need of repair and replacement are funded and where those assets are located.

## **Finance & Property Services**

### *Credit Card Fees for Utility Billing*

## **2020 Change Item**

Program: *Revenue & Collections*

Fund: *General Fund*

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
Charges for Services	400	400	400	400	400
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	—	—	—	—	—
Other	400	400	400	400	400
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	—	—	—	—	—

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	—	—	—	—	—

### **Proposal Details:**

The Council Approves \$400,000 ongoing General Fund resources for increased credit card fees. The funds will be used to pay for credit card fees resulting from the payment of utility bills via credit card. The general fund increased expense will be offset by the general fund overhead charge to the enterprise funds.

### **Rationale/Background:**

It is a priority to make payment of utility bills accessible and user friendly for all. Allowing credit card payments accomplishes both of those objectives. Without additional budget, the use of credit cards for payment of utility bills may be discontinued. The FPS department will contribute \$50,000 in addition to the \$400,000 budget increase.

### **Description of the Change:**

Increase in budget to cover fees charged for the use of credit cards when paying utility bills. This is an increase to an existing activity. As more utility bills are paid via credit card, the credit card fees increase. Credit card fees have increased from \$427,000 in 2015 to an estimated \$884,000 in 2019.

### **Equity Impact:**

All groups are positively impacted by allowing the continued use of credit cards for the payment of utility bills. Elimination of this means of payment may negatively impact some or all groups

### **Results:**

This change item will allow the City to continue accepting credit cards for payment of utility bills. In 2018, 209,000 utility bills were paid via credit card equaling 19.5% of the total payments. In 2015, 16.0% of utility bills were paid by credit card. The upward trend in the number of customers paying via credit card is expected to continue. In 2018, \$42 million out of the total payments of \$231 million were made using

credit cards. This represents approximately 18% of payments received via credit cards. The City will also be exploring options for service fees to encourage bank (ACH) withdrawal instead of credit cards.

## **Finance & Property Services**

### *Expanded Internal Investment Strategy*

## **2020 Change Item**

Program: *Capital, Debt, and Investments*

Fund: *General Fund*

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
Interest Revenue	200	200	200	200	200
<b>Expenditures</b>					
Personnel	120	120	120	120	120
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	—	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	(80)	(80)	(80)	(80)	(80)

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	1	1	1	1	1

#### **Proposal Details:**

The Council approves \$120,000 to hire one additional staff member to assist with the accounting, reporting and administration required by expanding the amount of assets being managed internally in lieu of external management.

#### **Rationale/Background:**

Bringing more investing activity in-house will allow the City to further expand the number of banks and local institutions benefiting from the City funds and increases competition in our marketplace. It will also enable the City to invest in initiatives that help promote affordable housing, sustainable infrastructure and small business development that external managers would typically not get involved in. We estimate there will be net annual increase in revenues to the general fund of approximately \$80,000 in addition to improved efficiencies and more timely and accurate reporting of investments. Without this change the revenues would not be realized.

Expansion of internal investing will require a shift of .25 FTE of existing employee resources to oversee increased investment activity and supervision of the new staff member. This is a contribution from the department.

#### **Description of the Change:**

The City began part of this work with the reorganization of Investments in the last two years incorporated within the Capital and Debt Management Division. This would be an expansion of this relatively new method of investing using internal staff.

This initiative will replace external management of a significant amount of City cash and associated fees with development of in-house expertise and cost savings. During 2018, the internal management of funds yielded higher interest earnings than the externally managed funds – partially due to timing of investments with increasing interest rates.

Currently the City uses three external managers with approximately \$200 million managed by each. With this change, it is expected that the City will be able to reduce fees by approximately \$200,000 which would be partially offset by the expanded staffing requested. These fees are currently not in the City's budget because they are netted out of the investment returns. Therefore this change item is necessary to increase both the revenue budget and the expense budget.

The current staffing is represented by approximately .25 FTE of Director of Investments, Capital & Debt Management and a 1.0 FTE Investment Compliance Administrator. In the new internally managed investing activities already undertaken, management staff are spending too much time on accounting and administrative details and with the expanded staffing would be able to focus on performing more analysis to achieve better investment results and reporting. This expanded staff member would require an additional cubicle and computer equipment and supplies to get set up which the department will cover from existing budget.

This proposal will provide additional staff resources to administer internal loans and other internal investing accounting activity for bond proceeds, bank deposits and security recording. It will also allow for critical cross training efforts between the Investing and Debt Management functions that are now highly specialized within one person in each area. This proposal would not require any additional external costs to achieve results. The additional staff member would be hired by January 2020 with some HR activities required before year end to classify the position.

**Equity Impact:**

This position will allow the City to expand investing activities that help promote affordable housing, sustainable infrastructure and small business development by using City funds for investments and internal loans that meet State Statutes. Mortgage securities currently invested in by external managers tend to be outside of Minnesota. With internal investment, the team will be able to target increased investment in local affordable and multi-family mortgages that benefit other city goals as well as providing competitive returns.

**Results:**

The city uses an external consultant to perform independent performance analysis and to determine appropriate benchmarks for evaluation of investing activities and this consultant will continue to help the City measure internal investment returns versus external returns. The expansion of internal investing is helping the city to improve earnings, reduce external management fees and helping to meet other city goals for improving opportunities in the local environment.

## **Finance & Property Services**

### **Grants Oversight**

## **2020 Change Item**

Program: *Controller*

Fund: *General Fund*

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
Charges for Services	100	100	100	100	100
<b>Expenditures</b>					
Personnel	100	100	100	100	100
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	—	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	—	—	—	—	—

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	1	1	1	1	1

### **Proposal Details:**

The Council approves \$100,000 ongoing General Fund resources for one full time grant accounting position in the Controller's Division. This position will assist in grant accounting, subrecipient grant monitoring, grant management, and technical assistance to recipient departments for all grants received by the City.

### **Rationale/Background:**

The amount of grant dollars managed by the City continues to increase, while staff to monitor those funds has not. From 2017 to 2018 alone there was a 20.8% increase in grant dollars. Prior to 2015, entities receiving \$500,000 or more in federal funding were required to have an external audit, and the city could rely on these reports in lieu of staff monitoring and site visits. In 2015 federal regulations changed and the threshold was raised to \$750,000. This change resulted in fewer of the City's subrecipients getting an outside audit, placing an increased burden on City staff to complete the necessary monitoring. On average, 60 subrecipients per year are subject to monitoring requirements. The single FPS staff member assigned to monitor subrecipients completes approximately 20 on-site reviews per year. FPS estimates that a second, dedicated staff member will increase on-site visits to 40 per year.

The 2019 City Grant Management Audit – Phase I completed by the Internal Audit Department identified a need for additional grant accounting staff to meet the growing demand for subrecipient monitoring and to assist in centralizing the grant management function.

There is a risk involved when grant funds are distributed to entities outside the City. This risk requires additional monitoring and oversight that is very time consuming. Each grant requires monitoring of subrecipients if other organizations are contracted to assist in carrying out the mission of the grant. With current staff, only the minimum required monitoring is completed in an abbreviated version. To reduce risk, additional monitoring is recommended by the Office of the State Auditor and the grantors. The

addition of an FTE will allow for additional subrecipient monitoring.

**Description of the Change:**

This request provides additional support to an existing, required activity. It will fund one FTE in the Controller's Division of FPS. The addition of the FTE will allow for grant monitoring requirements to be met which has been difficult as the number of grants, grant dollars and number of grant subrecipients have increased but staff to monitor grant activities has not. This FTE will allow the accountant to spend adequate time on each subrecipient monitoring project and will increase the number of subrecipients that receive on site visits. Mayor and Council priorities of public safety, housing, economic development and health will be served as grants are all utilized to support these initiatives in the enterprise. This position will not be hired until a methodology for securing revenue from grants to support the position is in place. The implementation date is first quarter 2020 following a recruitment and selection process.

**Equity Impact:**

Grants, particularly those grant funds that go to subrecipients, are some of the most impactful dollars spent by the City. They often reach our most vulnerable residents, particularly people of color and those in economic need. Without additional FTEs to oversee use of these funds, the City will be forced to limit the size of grant to subrecipients to lower the number of entities requiring oversight.

**Results:**

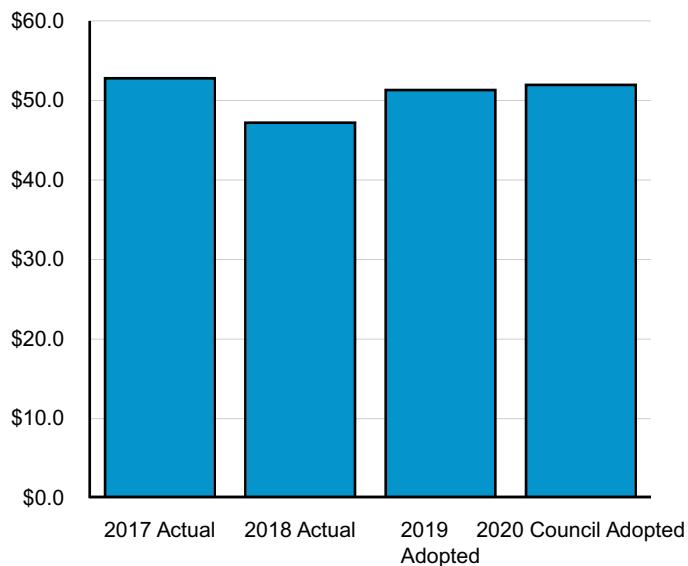
As a result of this change item, grant monitoring will be enhanced reducing the risk for potential misuse of funds and audit findings. The possibility of audit issues and findings will be reduced when adequate professional staff is available to do the grant management work thoroughly and thoughtfully. From 2011 through 2014 the City received audit findings related to a lack of sufficient subrecipient monitoring. After four consecutive years, the issue was finally resolved in 2015, however as the volume of grant dollars grows, there is increased risk of the finding returning due to lack of sufficient monitoring. There have been no subrecipient related findings in the last two Office of State Auditor audits. Although, the Internal Audit Department's 2019 report indicates that additional subrecipient monitoring and a centralized approach to grant monitoring are recommended.

**FINANCE AND PROPERTY SERVICES**  
**EXPENSE AND REVENUE INFORMATION**

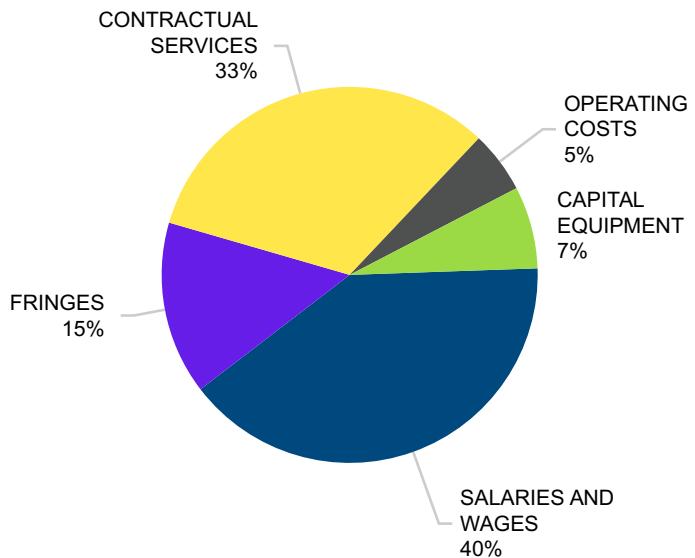
EXPENSE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>GENERAL</b>						
SALARIES AND WAGES	11,269,801	11,934,852	13,137,000	13,763,000	4.8%	626,000
FRINGES	4,044,171	4,268,480	4,794,000	5,088,000	6.1%	294,000
CONTRACTUAL SERVICES	5,690,041	4,851,902	5,100,000	4,894,000	-4.0%	(206,000)
OPERATING COSTS	1,120,176	1,079,054	908,000	1,132,000	24.7%	224,000
CAPITAL EQUIPMENT	1,514	—	958,000	—	-100.0%	(958,000)
<b>TOTAL GENERAL</b>	<b>22,125,703</b>	<b>22,134,288</b>	<b>24,897,000</b>	<b>24,877,000</b>	<b>-0.1%</b>	<b>(20,000)</b>
<b>SPECIAL REVENUE</b>						
SALARIES AND WAGES	105,101	80,829	118,000	128,000	8.5%	10,000
FRINGES	28,003	22,393	43,000	45,000	4.7%	2,000
<b>TOTAL SPECIAL REVENUE</b>	<b>133,104</b>	<b>103,222</b>	<b>161,000</b>	<b>173,000</b>	<b>7.5%</b>	<b>12,000</b>
<b>INTERNAL SERVICE</b>						
SALARIES AND WAGES	6,497,223	6,687,479	6,765,000	7,032,000	3.9%	267,000
FRINGES	4,188,491	2,599,605	2,630,000	2,631,000	0.0%	1,000
CONTRACTUAL SERVICES	17,719,067	14,182,393	11,752,000	12,081,000	2.8%	329,000
OPERATING COSTS	2,250,780	1,616,421	1,579,000	1,640,000	3.9%	61,000
CAPITAL EQUIPMENT	40,358	45,430	3,692,000	3,686,000	-0.2%	(6,000)
<b>TOTAL INTERNAL SERVICE</b>	<b>30,695,919</b>	<b>25,131,328</b>	<b>26,418,000</b>	<b>27,070,000</b>	<b>2.5%</b>	<b>652,000</b>
<b>TOTAL EXPENSE</b>	<b>52,954,726</b>	<b>47,368,838</b>	<b>51,476,000</b>	<b>52,120,000</b>	<b>1.3%</b>	<b>644,000</b>
REVENUE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>GENERAL</b>						
CHARGES FOR SALES	1,204	—	—	—	0.0%	0
CHARGES FOR SERVICES	21,276	4,105	—	400,000	0.0%	400,000
MISCELLANEOUS	37,225	44,479	—	—	0.0%	0
<b>TOTAL GENERAL</b>	<b>59,705</b>	<b>48,584</b>	<b>—</b>	<b>400,000</b>	<b>0.0%</b>	<b>400,000</b>
<b>INTERNAL SERVICE</b>						
CHARGES FOR SALES	646,500	666,027	625,000	680,000	8.8%	55,000
CHARGES FOR SERVICES	7,305,594	5,261,460	2,833,000	4,826,000	70.3%	1,993,000
MISCELLANEOUS	251,209	5,342	3,000	3,000	0.0%	0
STATE GRANTS & AIDS	2,657	—	—	—	0.0%	0
USE OF FUND BALANCE	—	—	151,000	(177,000)	-217.2%	(328,000)
RENTS	20,284,065	20,339,243	21,281,000	22,360,000	5.1%	1,079,000
<b>TOTAL INTERNAL SERVICE</b>	<b>28,490,025</b>	<b>26,272,072</b>	<b>24,893,000</b>	<b>27,692,000</b>	<b>11.2%</b>	<b>2,799,000</b>
<b>TOTAL REVENUE</b>	<b>28,549,730</b>	<b>26,320,656</b>	<b>24,893,000</b>	<b>28,092,000</b>	<b>12.9%</b>	<b>3,199,000</b>

## FINANCE AND PROPERTY SERV EXPENSE AND REVENUE INFORMATION

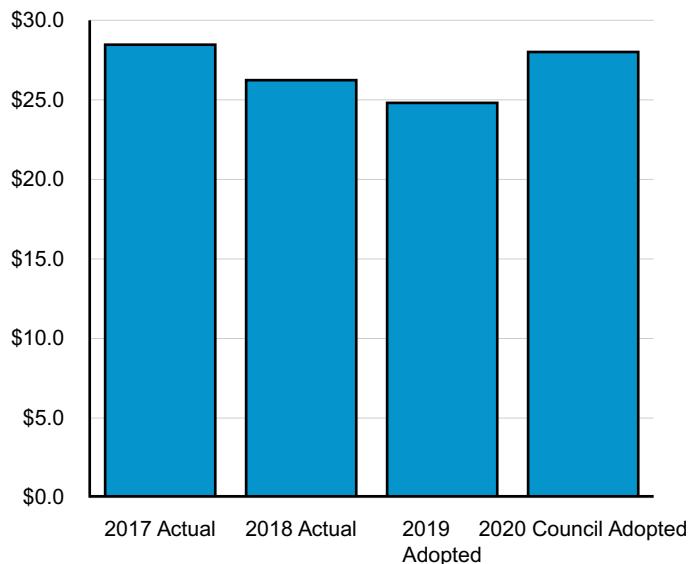
**Expense 2017 - 2020**  
**In Millions**



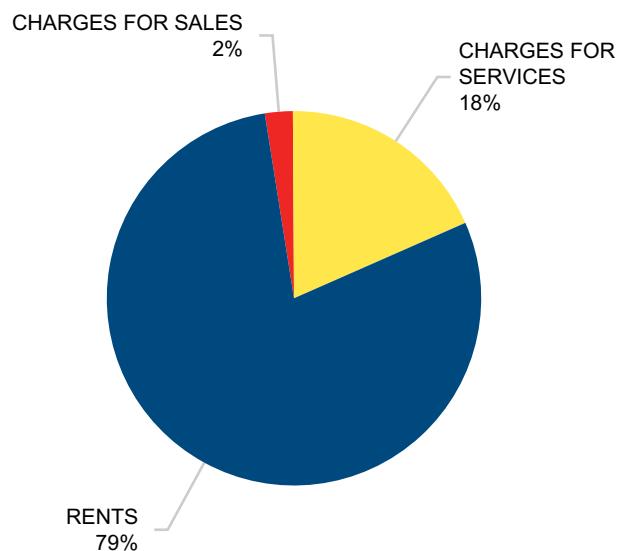
**Expense by Category**



**Revenue 2017 - 2020**  
**In Millions**



**Revenue by Type**

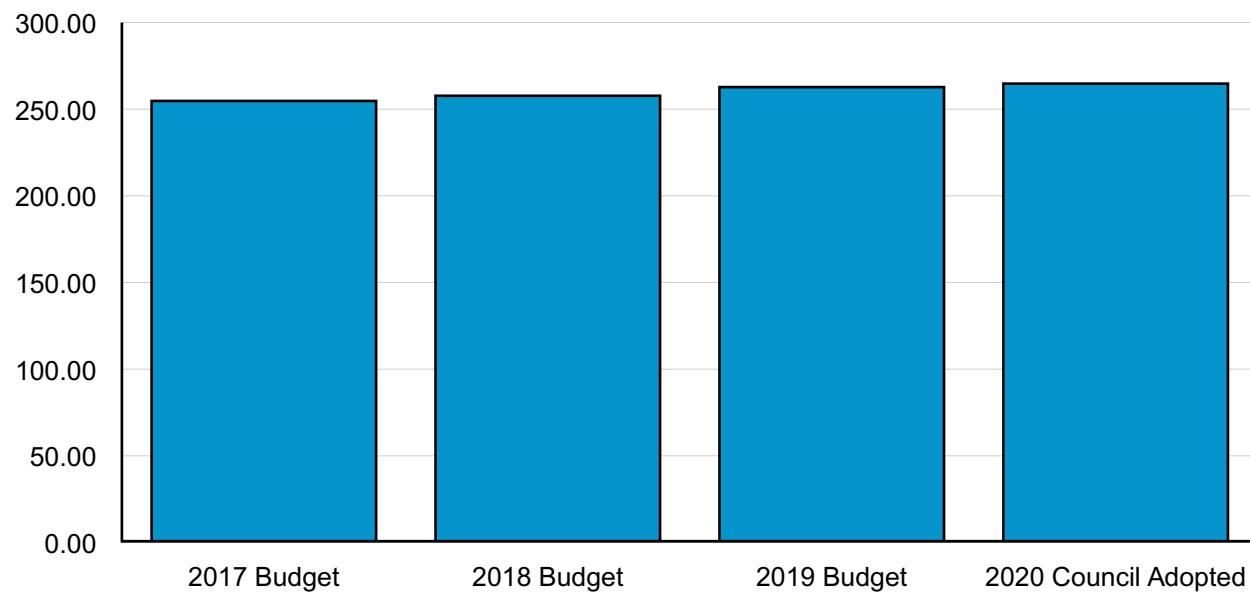


## FINANCE & PROPERTY SERVICES DEPARTMENT

### Staffing Information

Division	2017 Budget	2018 Budget	2019 Budget	2020 Council Adopted	Percent Change	Change
CONTROLLER	68.00	74.00	75.00	76.00	1.3%	1.00
DEVELOPMENT FINANCE	10.00	10.00	10.00	10.00	0.0%	0
EXECUTIVE	6.00	4.00	4.00	4.00	0.0%	0
MANAGEMENT & BUDGET	9.00	5.00	5.00	5.00	0.0%	0.00
INVESTMENT CAPITAL & DEBT	—	3.00	3.00	4.00	33.3%	1.00
PROCUREMENT	29.00	39.00	40.00	40.00	0.0%	0.00
PROPERTY SERVICES	68.50	69.50	72.50	72.50	0.0%	0
RISK MANAGEMENT	9.00	9.00	9.00	9.00	0.0%	0
TREASURY	56.00	45.00	45.00	45.00	0.0%	0.00
Overall	255.50	258.50	263.50	265.50	0.8%	2.00

### Positions 2017-2020



\* 2019 FTE counts may differ from 2019 adopted budget due to mid year adjustments, including funding and organizational changes.

# HUMAN RESOURCES DEPARTMENT (HR)

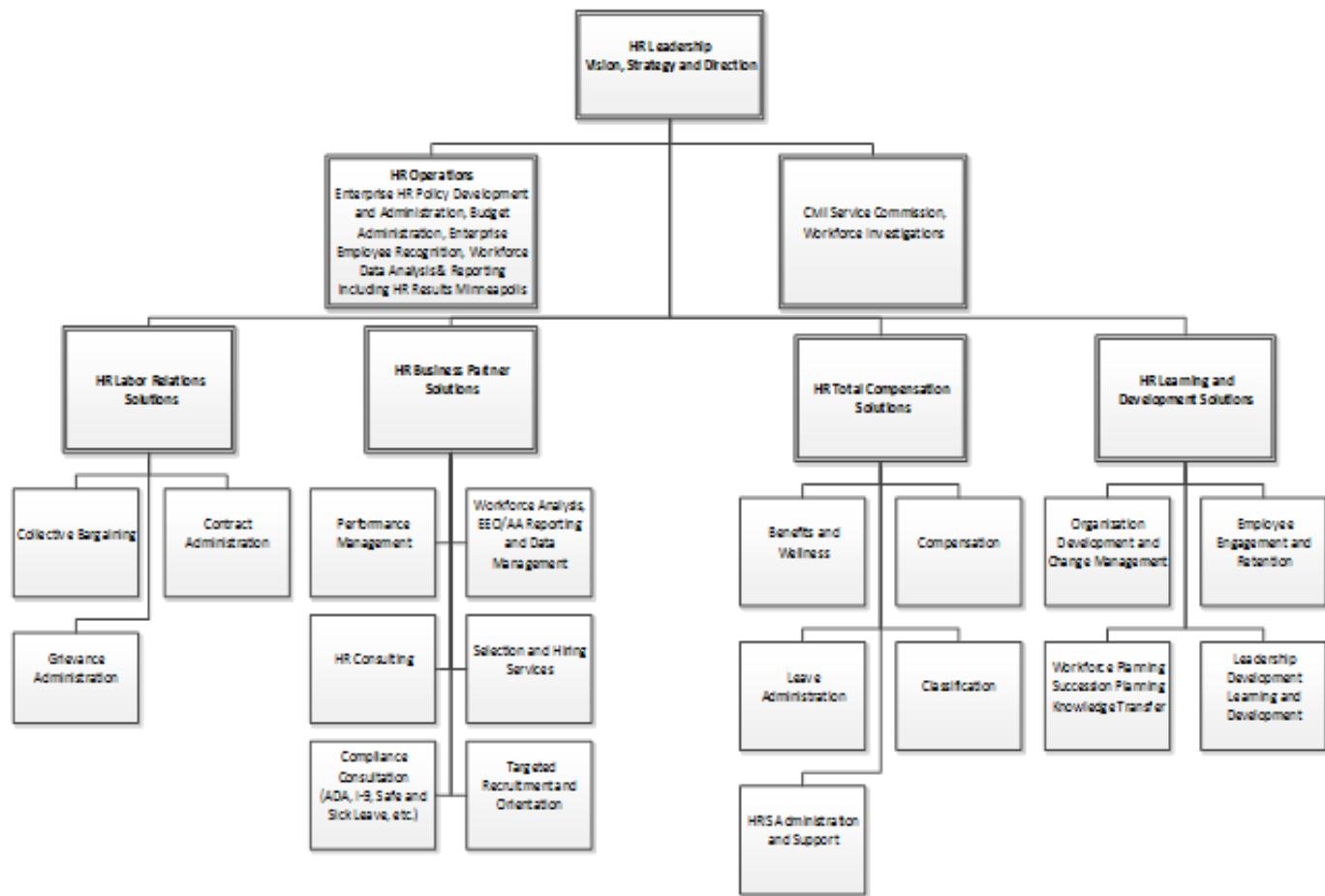
## Mission

To attract and engage the best workforce to serve our community.

Human Resources team members demonstrate the following professional qualities, competencies and behaviors:

- **Strategic.** Provide people strategies in alignment with the City's vision and goals.
- **Talent-driven.** Recruit and retain great people to the City and help employees do their best work.
- **Partners.** Work hand in hand with leaders by providing innovative, value-added Human Resource solutions.
- **Ethical and Respectful.** Create policies, practices and processes designed to promote equity and fairness in employee decisions.

## Organization Chart



## HR Administration

General Fund: \$4,704,000  
Other Funds: \$581,000

Provides enterprise-wide HR leadership and oversight by ensuring the HR strategic direction aligns with City values and goals, ensures fair HR practices in hiring, selection and promotions, ensures EEO and

Affirmative Action goals are developed and integrated into enterprise-wide business plans and ensures the integration of racial equity processes in HR programs, policies and practices. HR Administration also ensures that HR practices align with local, state and federal laws and Civil Service rules.

**HR Business Partner Solutions**

General Fund: \$2,905,000  
Other Funds: \$103,000

Supports the City's goals and values by ensuring effective, value added, human resource services that align and support business objectives through collaboration and strategic partnership with City leaders. Services are focused on attracting, retaining, leading and managing the City's increasingly diverse workforce.

**HR Learning & Development Solutions**

General Fund: \$1,182,000

Helps City employees develop their knowledge and skill to accomplish the City's key strategic initiatives while growing their careers. We engage and retain our increasingly diverse workforce by offering a variety of programs and services designed to support their development.

**HR Labor Relations**

General Fund: \$623,000

Carries out the City's legal obligations under the Minnesota Public Employee Labor Relations Act (PELRA). The division leads and manages all areas of labor relations including the collective bargaining, administration and implementation of 22 collective bargaining agreements. In addition, HR Labor Relations Solutions oversees and implements the City's grievance process. The key activities essential in this program are: negotiate collective bargaining agreements, administer and interpret collective bargaining agreements to insure compliance, provide guidance to City departments on implementation and contract compliance, manage the grievance process, including hearings and addressing third step grievances, oversee contract administration.

**HR Total Compensation Solutions**

General Fund: \$659,000  
Other Funds: \$1,554,000

Provides leadership and management in the areas of compensation, classifications, benefits, wellness and leave administration. The key services provided in this program are: Benefits and Wellness - develop strategy, design, negotiate and implement health and wellness programs and all other benefit programs, including leaves, Classification Administration - Evaluate work in the context of all other work in the City and maintain the integrity of the classification system. (MN Statutes 471.991-999 and MN Rules Chapter 3920), Compensation Administration - Maintain competitive pay and ensure internal equity based on compensable factors (MN Statutes 471.991-999 and MN Rules Chapter 3920).

**HR Self Insurance**

Other Funds: \$69,270,000

The HR Self Insurance Fund is a single-employer, self-insured medical plan reserve fund that collects revenues and provides resources to pay for medical claims and related claims and plan administration expenses for employees and their covered dependents. The Fund includes provision for the employee wellness program and stop-loss insurance for protection against large claims and allowances to establish adequate claim reserves. Fund dollars are used solely for expenses related to the employee medical plan.

## **Financial Analysis**

### **Expenditure**

The total Human Resources Department's budget increases from \$9.8 million to \$81.6 million from 2019 to 2020. This is an increase of \$71.8 million. The Human Resources Department's 2020 expenditure budget reflects; medical and dental expenses related to the City's self-insurance activities, inflationary increases in operating expenses, \$2.25 million in Human Capital Management System one-time change item, and \$70,000 ongoing reduction in General Fund allocations (\$20,000 for Squiz Maintenance costs and an additional \$50,000 cut to administration base budget). Medical and dental expenses related to City being self insured are now budgeted under Human Resources department starting in 2020 budget, hence the sharp increase in expenses.

### **Revenue**

Revenues are projected to increase to \$71.5 million from 2019 to 2020 - medical and dental revenues related to City being self-insured are now budgeted under Human Resources department starting in 2020 budget, hence the sharp increase in revenues.

### **Fund Allocation**

In exclusion of the Self insurance portion of the budget, Human Resources department is funded primarily by the General Fund at 82.0%, with the remainder of the funding found in the Self Insurance fund at 18.0%.

### **Budget Change items**

Detailed change items are presented on the following pages.

## **Human Resources**

## **2020 Change Item**

*Human Capital Management System ((HCMS) - Includes Payroll Management) - Phase II*

Program: *HR Administration*

Fund: *General Fund*

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	2,250	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	2,250	—	—	—	—

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	—	—	—	—	—

### **Proposal Details:**

The Council approves \$2.25 million one-time General Fund allocation to begin/continue the four-year transition of HR and Payroll from existing Oracle PeopleSoft HRIS to a more flexible and cloud based HCMS. The funds will be used to: 1) Pay the new HCMS provider; 2) Consultants to assist with the implementation and 3) IT Support.

### **Rationale/Background:**

The existing Oracle PeopleSoft system was implemented in 1997. The current system is expensive to maintain, support and upgrade. Although the City has kept current with basic system updates, the City is still not using all existing system functionality many of which are key to future business and workforce related operations. This change item aligns with the: 1) City Goal of Public Services: The City prioritizes reliable and equitable access to high-quality public services; and 2) 2040 Plan: Proactive, accessible, and sustainable government. In the short-term, HR proposes that a portion of any existing dollars that are not expended each year be rolled into a fund to support this request. Longer-term many of the existing HR, Finance, and IT resources used to support and maintain the existing PeopleSoft HRIS can be eliminated. An estimated annual savings of ~\$750,000 will be realized due to reductions in system maintenance, staffing levels, etc.

### **Description of the Change:**

This request is Phase II of a three-phase initiative. Upon completion, the City will have a new integrated HCMS that is more efficient and cost effective. Approval of this request will allow the City to continue this initiative. Below is a breakdown of the resources needed in 2020 and 2021:

- 2020-21 - Phase II: \$2.25 Million for IT Support and Contractual Services. Key milestones: 1) Selection of future vendor. 2) Begin implementation of new HCMS.

Overall savings include potential staff reductions and realignment of staff in IT, HR and Finance. These employees maintain the current HRIS. Organizations that implement a cloud based HCMS also typically see a 12% reduction in overall overtime costs due to real-time reporting which allows managers and supervisors greater visibility and flexibility in decisions regarding staffing. The City's overtime costs were more than \$15 million in 2017. (2018 OT costs ~\$17.7 million which includes Super Bowl support). Even a 5% reduction in overtime would yield ~ \$750,000 in annual savings. (These numbers were not included in the cost savings calculations.)

### **Equity Impact:**

Eventually all employees will be impacted by a new HCMS albeit through information access, benefits administration, reporting their time or enrolling in learning and development opportunities. Employees have greater expectations regarding technology than ever before. It is our belief that having a more consistent and integrated system will provide a more positive user-friendly experience for employees. There will be also more access for field staff due to mobile application features afforded by newer technology. New HCMS will have better reporting tools/capabilities giving City Leaders access to more information about the employees in their department or under their span of control. This information will help leaders have the tools and resources to run their departments more effectively. The system will also allow HR staff to more quickly identify trends and/or practices that potential to have a disparate impact on employees (compensation practices, performance review results, etc.)

### **Results:**

Increased efficiency and effectiveness. Because there are numerous manual processes involved in the existing system, staff spends significant time reworking/redesigning their work which often results in increased labor costs in the form of overtime. In addition to the increased efficiencies, the new HCMS will increase the HR department's ability to be more agile, responsive and flexible resulting in a more positive user experience. Because the system has greater reporting capabilities, the City will have stronger analytic driven reports and dashboards which can be utilized for the following purposes:

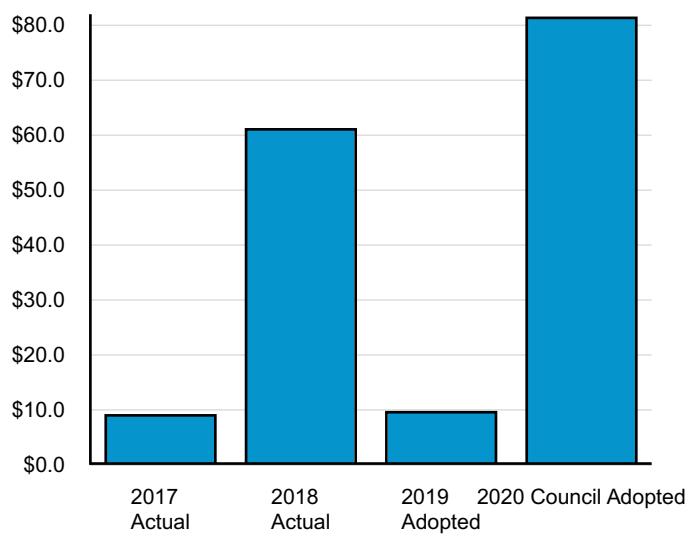
- Workforce and Succession planning
- Budget planning – (Workforce needs, personnel costs)
- Payroll Administration
- Results Minneapolis
- Internal and external personnel data requests
- Strategic Racial Equity Action Plan
- Quarterly HR business meetings with City Leaders
- Compliance reporting
- Enterprise Workforce reporting
- Perform Minneapolis
- Training and Development (including Ethics & ADH&R training)
- Website Dashboards
- Other key information can also be used to assist in making business and policy decisions.

**HUMAN RESOURCES**  
**EXPENSE AND REVENUE INFORMATION**

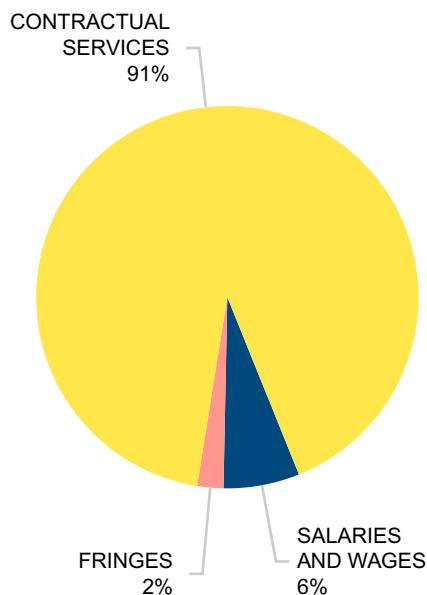
EXPENSE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>GENERAL</b>						
SALARIES AND WAGES	3,406,092	3,467,078	3,960,000	4,103,000	3.6%	143,000
FRINGES	1,189,394	1,177,233	1,367,000	1,417,000	3.7%	50,000
CONTRACTUAL SERVICES	2,007,755	1,932,085	1,722,000	3,857,000	124.0%	2,135,000
TRANSFERS	1,500	1,500	—	—	0.0%	0
OPERATING COSTS	690,048	715,493	661,000	696,000	5.3%	35,000
<b>TOTAL GENERAL</b>	<b>7,294,789</b>	<b>7,293,389</b>	<b>7,710,000</b>	<b>10,073,000</b>	<b>30.6%</b>	<b>2,363,000</b>
<b>SPECIAL REVENUE</b>						
CONTRACTUAL SERVICES	72	430	—	—	0.0%	0
OPERATING COSTS	602	1,059	—	—	0.0%	0
<b>TOTAL SPECIAL REVENUE</b>	<b>674</b>	<b>1,489</b>	<b>—</b>	<b>—</b>	<b>0.0%</b>	<b>0</b>
<b>INTERNAL SERVICE</b>						
SALARIES AND WAGES	878,782	855,555	1,019,000	1,097,000	7.7%	78,000
FRINGES	568,259	334,467	349,000	372,000	6.6%	23,000
CONTRACTUAL SERVICES	499,054	52,798,444	736,000	70,026,000	9,414.4%	69,290,000
OPERATING COSTS	9,459	12,488	13,000	13,000	0.0%	0
<b>TOTAL INTERNAL SERVICE</b>	<b>1,955,554</b>	<b>54,000,954</b>	<b>2,117,000</b>	<b>71,508,000</b>	<b>3,277.8%</b>	<b>69,391,000</b>
<b>TOTAL EXPENSE</b>	<b>9,251,017</b>	<b>61,295,832</b>	<b>9,827,000</b>	<b>81,581,000</b>	<b>730.2%</b>	<b>71,754,000</b>
REVENUE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>INTERNAL SERVICE</b>						
CHARGES FOR SERVICES	1,772,192	70,047,743	2,020,000	75,716,000	3,648.3%	73,696,000
MISCELLANEOUS	69,924	—	—	—	0.0%	0
FINES AND FORFEITS	10,423	—	—	—	0.0%	0
USE OF FUND BALANCE	—	—	—	(4,225,000)	0.0%	(4,225,000)
<b>TOTAL INTERNAL SERVICE</b>	<b>1,852,539</b>	<b>70,047,743</b>	<b>2,020,000</b>	<b>71,491,000</b>	<b>3,439.2%</b>	<b>69,471,000</b>
<b>TOTAL REVENUE</b>	<b>1,852,539</b>	<b>70,047,743</b>	<b>2,020,000</b>	<b>71,491,000</b>	<b>3,439.2%</b>	<b>69,471,000</b>

## HUMAN RESOURCES EXPENSE AND REVENUE INFORMATION

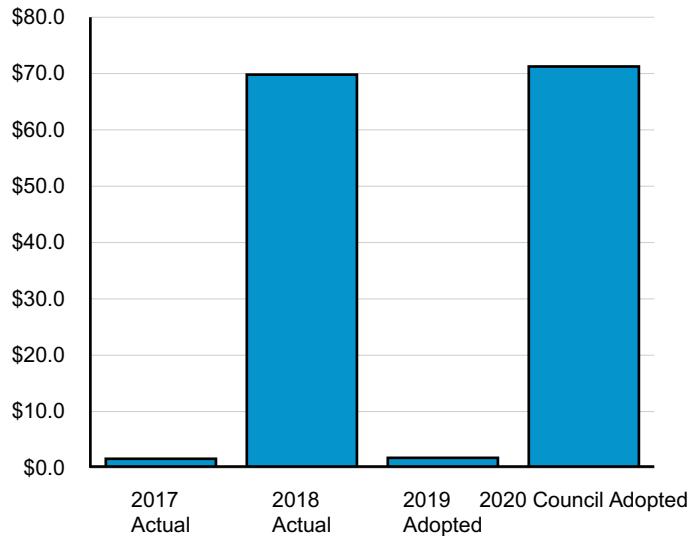
**Expense 2017 - 2020  
In Millions**



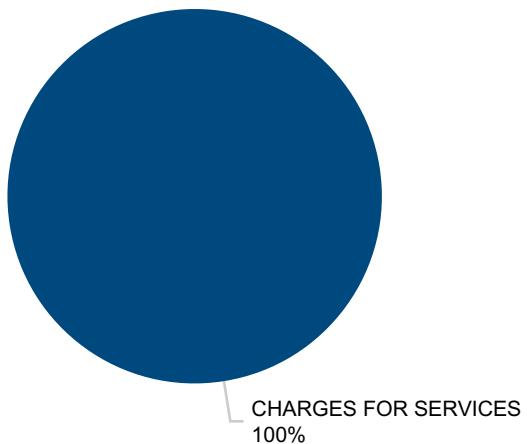
**Expense by Category**



**Revenue 2017 - 2020  
In Millions**



**Revenue by Type**

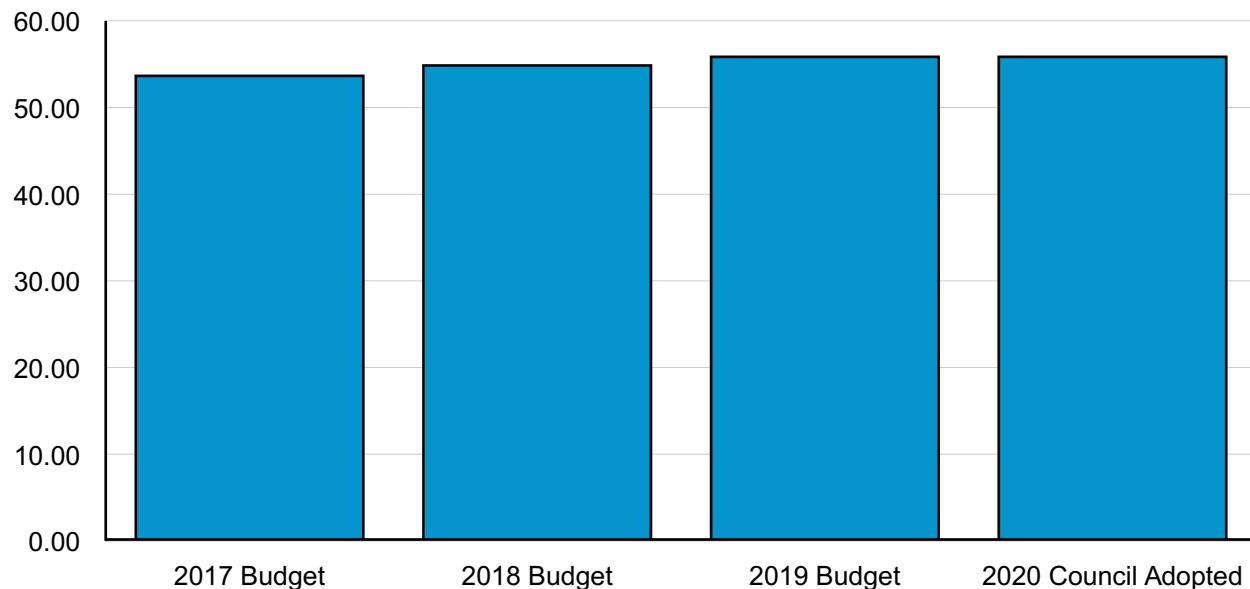


## HUMAN RESOURCES

### Staffing Information

<b>Division</b>	<b>2017 Budget</b>	<b>2018 Budget</b>	<b>2019 Budget</b>	<b>2020 Council Adopted</b>	<b>Percent Change</b>	<b>Change</b>
HR ADMINISTRATION	4.00	6.00	7.00	7.00	0.0%	0.00
HR EMPLOYEE SERVICES	13.80	—	—	—	0.0%	0.00
HR LABOR RELATIONS SOLUTIONS	—	4.00	4.00	4.00	0.0%	0.00
HR LEARNING & DEVELOPMENT SOLUTIONS	8.00	8.00	6.00	6.00	0.0%	0.00
HR BUSINESS PARTNER SOLUTIONS	28.00	28.00	25.00	25.00	0.0%	0.00
HR TOTAL COMPENSATION	—	9.00	14.00	14.00	0.0%	0.00
Overall	53.80	55.00	56.00	56.00	0.0%	0.00

### Positions 2017-2020



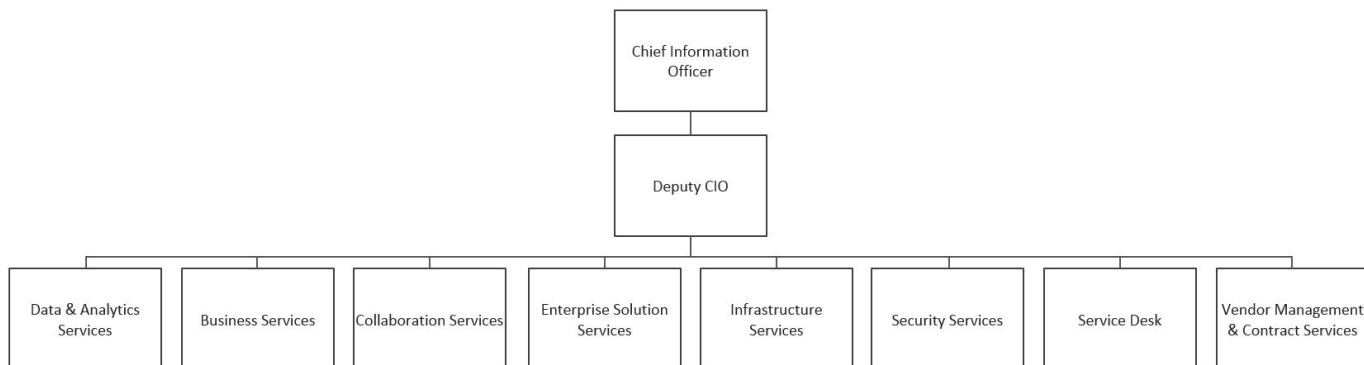
# INFORMATION TECHNOLOGY

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## Mission

The mission of Information Technology (IT) is to deliver innovative, high quality, cost effective decision support, technology, infrastructure and workforce enablement services to City departments and residents in support of their business goals and objectives. IT strives to be a valued partner to *transform Minneapolis through technology* by providing innovative technology solutions to meet City needs, challenges and opportunities.

## Organization Chart



### Workforce Enablement Services

Other Funds: \$20,366,000

Workforce Enablement Services leverages technology to increase worker productivity. It includes the project management office, contract administration, IT solution development and engineering services, and portfolio management for enterprise resource planning, public safety, and land management, etc.

### Decision Support Services

Other Funds: \$1,903,000

The Decision Support Services program utilizes technology to turn the city's data into information and knowledge for better decision making. The program supports enterprise applications for document management, business intelligence, advanced analytics and data visualization. It provides work team support through electronic communications.

### Infrastructure Services

Other Funds: \$15,681,000

The Infrastructure Services program maintains computers and networks for high availability, reliability and performance. It includes architect services, security services, service desk, desk side support, oversight of managed services and broadband services contracts. Enterprise applications such as email and office applications, telecommunications and network services as well as copiers are also included in this program.

## **Financial Analysis**

### **Expenditure**

The total Information Technology Department's budget increases from \$36.7 million to \$38.0 million from 2019 to 2020. This is an increase of \$1.4 million, or 3.8% resulting from inflationary increases in operating expenditures, budget change items totaling \$480,000, and the elimination of \$337,000 one-time expenditures from the 2019 budget.

### **Revenue**

Revenues are projected to increase by 4.4% or \$1.6 million. Department specific technology requests are funded in their respective departments in 2020 as in previous years. The department's total revenues in 2020 are projected to be \$37.1 million, excluding use of fund balance.

### **Fund Allocation**

This department is funded completely in the Intergovernmental Services Fund.

### **Budget Change Items**

Detailed change items are presented on the following pages.

# Information Technology

## Cybersecurity Staffing

# 2020 Change Item

Program: *Workforce Enablement Services*

Fund: *Info Tech - Internal Service*

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	106	106	106	106	106
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	(76)	(76)	(76)	(76)	(76)
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	30	30	30	30	30

Personnel Impacts	2020	2021	2022	2023	2024
Change in FTE Count	1	1	1	1	1

### Proposal Details:

The City's cybersecurity resources are insufficient to effectively manage the increasing volume and severity of threats, putting the City at an unacceptable level of risk. Hiring an additional FTE alleviates single points of failure. The Council approves \$30,000 in new appropriation, in addition to departmental savings, to staff a new cybersecurity position.

### Rationale/Background:

Two FTEs are assigned to IT Security Services (excluding the Director). This is significantly below benchmarks for organizations of our size. Staff spend most of their time responding to cybersecurity events after they happen. Not enough time is available for proactive, preventative work. Reactive cybersecurity means more breaches that aren't detected in time to prevent serious impacts. There also is a single-point-of-failure-risk. As it stands, even reactive response is slowed if one of the two is out of the office. If either employee left, it would take months to hire and orient a replacement to be as effective as the predecessor. This is true for either a temporary contractor or permanent employee.

These conditions are an unacceptable risk to the City's goals for public safety and public trust.

IT will contribute \$100,000 from its Managed Services contract to cover a portion of the costs.

### Description of the Change:

This is an existing activity. The requested funding for the FTE will help cover:

- Total compensation for the new FTE
- Workstation/Laptop and Monitor
- Enterprise software licenses (e.g. Office 365 user license)
- IT business software licenses

HR will be instrumental in helping IT recruit, hire and train the new employee. These skills are hard to

hire and hard to retain in the current IT marketplace.

**Equity Impact:**

All groups should benefit from the City's equal opportunity hiring policies and practices. Other than Veteran's preference policies, qualified members of all the identified groups will be considered for employment. IT has a history of diversity in hiring and works to encourage entry into IT careers.

No negative impact is identified for the identified groups. The positions will require a fingerprint law-enforcement background check as a condition of employment. Individuals with qualifying criminal records as determined by the Minneapolis Police Department cannot be hired into these positions.

**Results:**

The result of this staff increase will be a more effective cybersecurity program for the City. Planned work on detection systems enhancements and vulnerability remediation will get done faster. IT will be better able to partner with departments to plan and monitor the security of their critical business systems. IT will be able to make faster progress on strategic initiatives like enterprise cybersecurity policy and network architecture.

The new employee's performance will be measured using the City's standard employee performance management procedures. IT also is planning to pilot and develop new performance measures for the cybersecurity program as part of 2019 Results Minneapolis. This also is something that can happen sooner with additional staffing help.

## **Information Technology**

### *Enhanced Disaster Recovery*

## **2020 Change Item**

Program: *Workforce Enablement Services*

Fund: *Info Tech - Internal Service*

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	450	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	450	—	—	—	—

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	—	—	—	—	—

### **Proposal Details:**

The City's systems face a growing level of risk due to increasing numbers of attacks targeting entities in the public sector. Due to limited resources, the City backs up a small number of its critical systems in a "disaster recovery environment", which otherwise limits the disruption and damages that could result from a cyberattack. The Council approves \$450,000 one-time for the IT Department in coordination with other City departments to increase the number of City systems in the "disaster recovery environment" that can be restored quickly to continue critical City operations.

### **Rationale/Background:**

The City is not prepared for a major disruption that could be caused by a force of nature, cyberattack, sabotage, etc. Per City Council direction, IT initiated a Business Impact Analysis to understand the criticality of City operations and supporting IT systems. The next steps are to 1) develop mission critical disaster recovery plans and processes for the City's data center and 2) implement and test technology needed for the restoration of critical operations within recovery time objectives. This directly supports the City's goal of A City That Works. In the event of a disaster, resilience of City operations will be achieved through recovery and restoration of its technical environments, which include infrastructure and applications.

In 2019, IT contributed \$400,000 to perform the Business Impact Analysis. In 2020, IT will contribute \$150,000 from its managed services contract to fund some of the disaster recovery technology. Though the Business Impact Analysis is not complete, staff anticipates that this \$150,000 annual expense is insufficient to achieve an acceptable level of disaster recovery.

**Description of the Change:**

As IT is performing the Business Impact Analysis in 2019 per Council directive, this change item takes action on the results of the analysis, allowing IT to work with departments to develop plans and purchase technology that allow the restoration of mission critical operations should a disaster befall the City's data center. This request for \$450,000 one-time money will fund consultant(s) to lead the development of additional disaster recovery plans for identified critical City systems and work with IT's managed services provider to implement and test the technology that restores critical infrastructure and applications.

**Equity Impact:**

This request does not directly impact residents and visitors of the City. Instead, this request impacts the critical City systems used by departments to provide services to these groups should a disaster befall the data center housing the City's systems.

**Results:**

In the event of a disaster, resilience of City operations will be achieved through the recovery and restoration of its technical environments, which include infrastructure and applications. Performance measures include the following:

Quantity: 173 City functions, using 220 applications are covered by this program. The number of at-risk functions will decrease as remediations are implemented. This is measured by the business-defined recovery time objective (RTO) requirements and architected for recovery.

Quality: A tiering of recovery time objectives will be established. The quality will be based on tiering and measured by the number of functions/applications with architected RTOs.

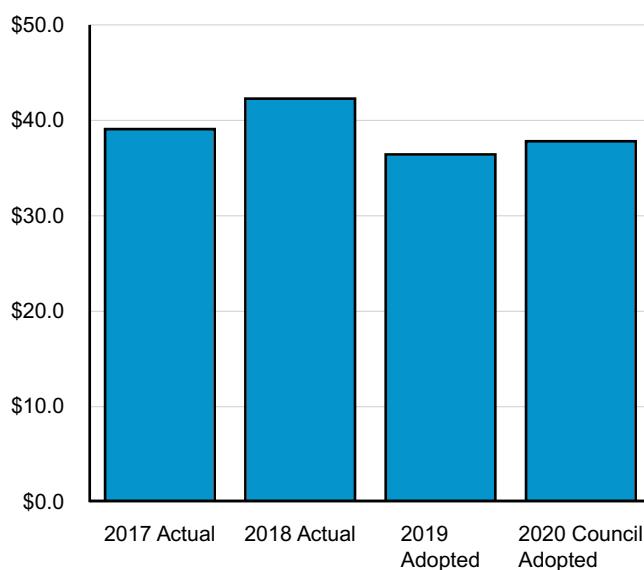
Result: The two performance measures will be (1) function RTO compared to architected RTO. (2) Recovery exercises that demonstrate we can bring systems up in the required timeframe.

**INFORMATION TECHNOLOGY  
EXPENSE AND REVENUE INFORMATION**

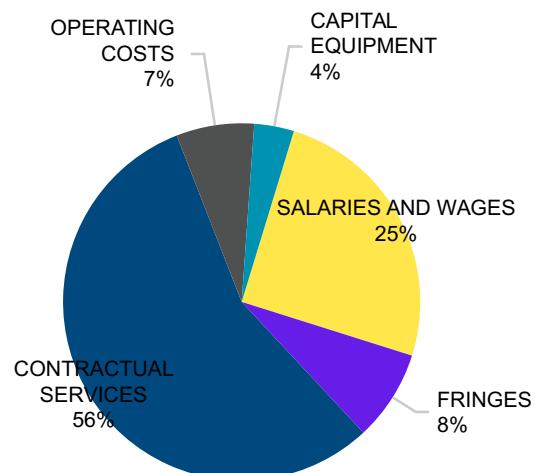
<b>EXPENSE</b>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Adopted</b>	<b>2020 Council Adopted</b>	<b>Percent Change</b>	<b>Change</b>
<b>INTERNAL SERVICE</b>						
SALARIES AND WAGES	8,029,690	9,020,966	9,149,000	9,542,000	4.3%	393,000
FRINGES	5,003,395	2,706,579	2,894,000	3,116,000	7.7%	222,000
CONTRACTUAL SERVICES	21,559,803	24,525,522	20,686,000	21,253,000	2.7%	567,000
OPERATING COSTS	4,406,391	5,320,824	2,471,000	2,675,000	8.3%	204,000
CAPITAL EQUIPMENT	224,160	839,575	1,365,000	1,365,000	0.0%	0
<b>TOTAL INTERNAL SERVICE</b>	<b>39,223,439</b>	<b>42,413,466</b>	<b>36,565,000</b>	<b>37,951,000</b>	<b>3.8%</b>	<b>1,386,000</b>
<b>TOTAL EXPENSE</b>	<b>39,223,439</b>	<b>42,413,466</b>	<b>36,565,000</b>	<b>37,951,000</b>	<b>3.8%</b>	<b>1,386,000</b>
<b>REVENUE</b>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Adopted</b>	<b>2020 Council Adopted</b>	<b>Percent Change</b>	<b>Change</b>
<b>INTERNAL SERVICE</b>						
CHARGES FOR SERVICES	38,125,793	39,557,900	35,507,000	37,057,000	4.4%	1,550,000
MISCELLANEOUS	200	—	—	—	0.0%	0
OTHER	(217,685)	—	—	—	0.0%	0
STATE GRANTS & AIDS	5,633	—	—	—	0.0%	0
USE OF FUND BALANCE	—	—	4,018,000	1,761,000	-56.2%	(2,257,000)
<b>TOTAL INTERNAL SERVICE</b>	<b>37,913,941</b>	<b>39,557,900</b>	<b>39,525,000</b>	<b>38,818,000</b>	<b>-1.8%</b>	<b>(707,000)</b>
<b>TOTAL REVENUE</b>	<b>37,913,941</b>	<b>39,557,900</b>	<b>39,525,000</b>	<b>38,818,000</b>	<b>-1.8%</b>	<b>(707,000)</b>

## INFORMATION TECHNOLOGY EXPENSE AND REVENUE INFORMATION

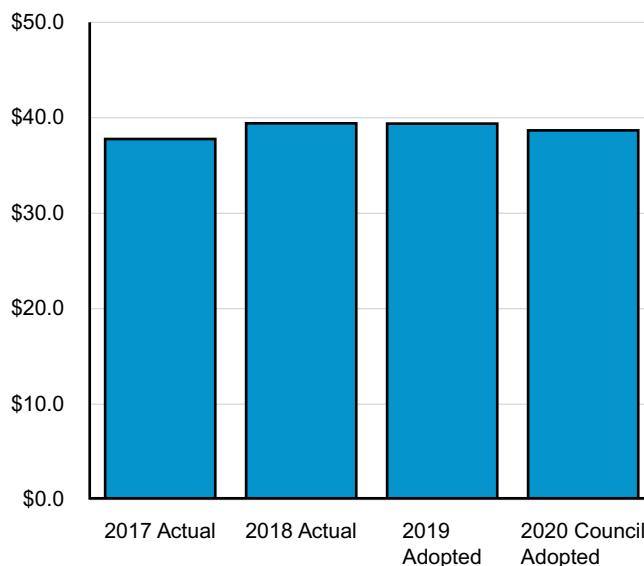
**Expense 2017 - 2020**  
**In Millions**



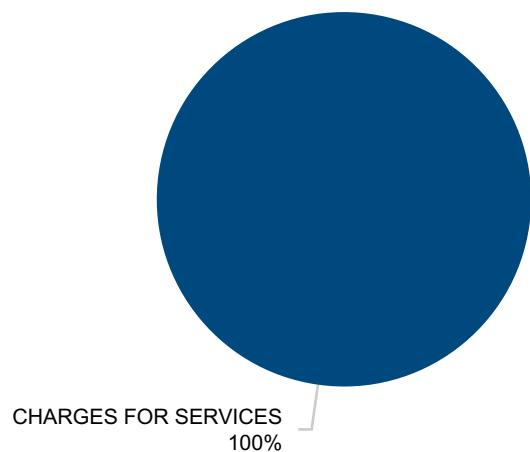
**Expense by Category**



**Revenue 2017 - 2020**  
**In Millions**



**Revenue by Type**

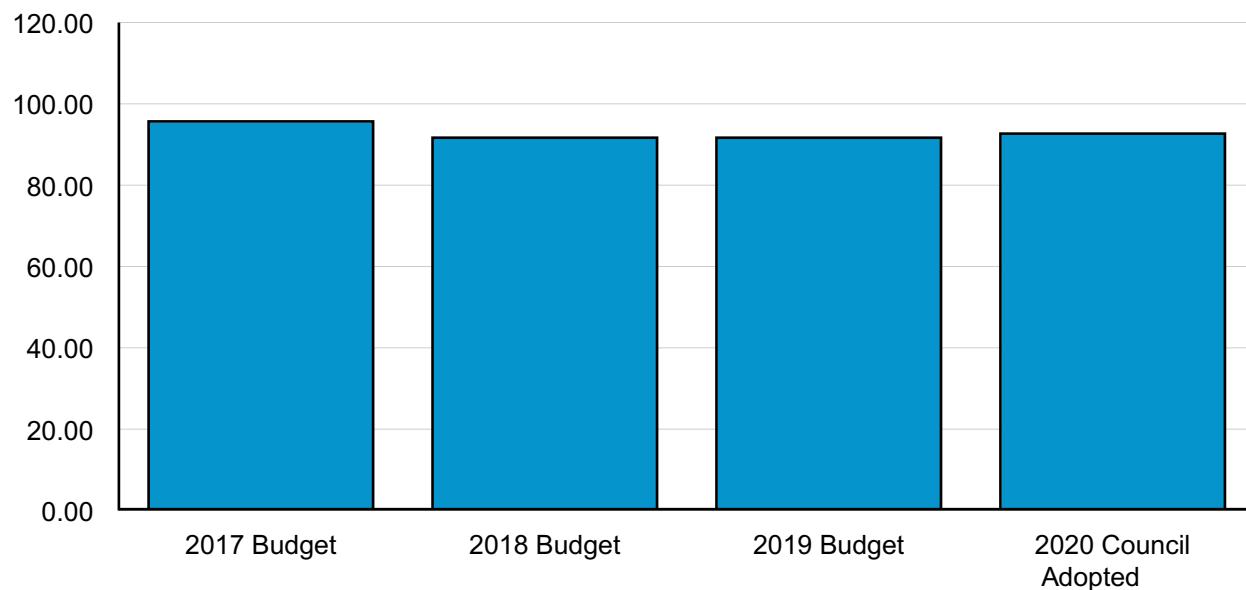


## INFORMATION TECHNOLOGY

### Staffing Information

Division	2017 Budget	2018 Budget	2019 Budget	2020 Council Adopted	Percent Change	Change
ADMINISTRATION	9.00	9.00	9.00	9.00	0.0%	0
BUSINESS INTEL. + DATA SERVICES	6.80	6.80	6.80	6.80	0.0%	0
BUSINESS SERVICES	27.25	27.25	27.25	27.25	0.0%	0
ENTERPRISE SOLUTION SERVICES	7.10	10.10	10.10	10.10	0.0%	0
INFRASTRUCTURE SERVICES	17.85	17.85	17.85	17.85	0.0%	0
IT COLLABORATION SERVICES	5.00	5.00	5.00	5.00	0.0%	0
SECURITY SERVICES	3.00	3.00	3.00	4.00	33.3%	1
SERVICE DESK	20.00	13.00	13.00	13.00	0.0%	0.00
Overall	96.00	92.00	92.00	93.00	1.1%	1.00

### Positions 2017-2020



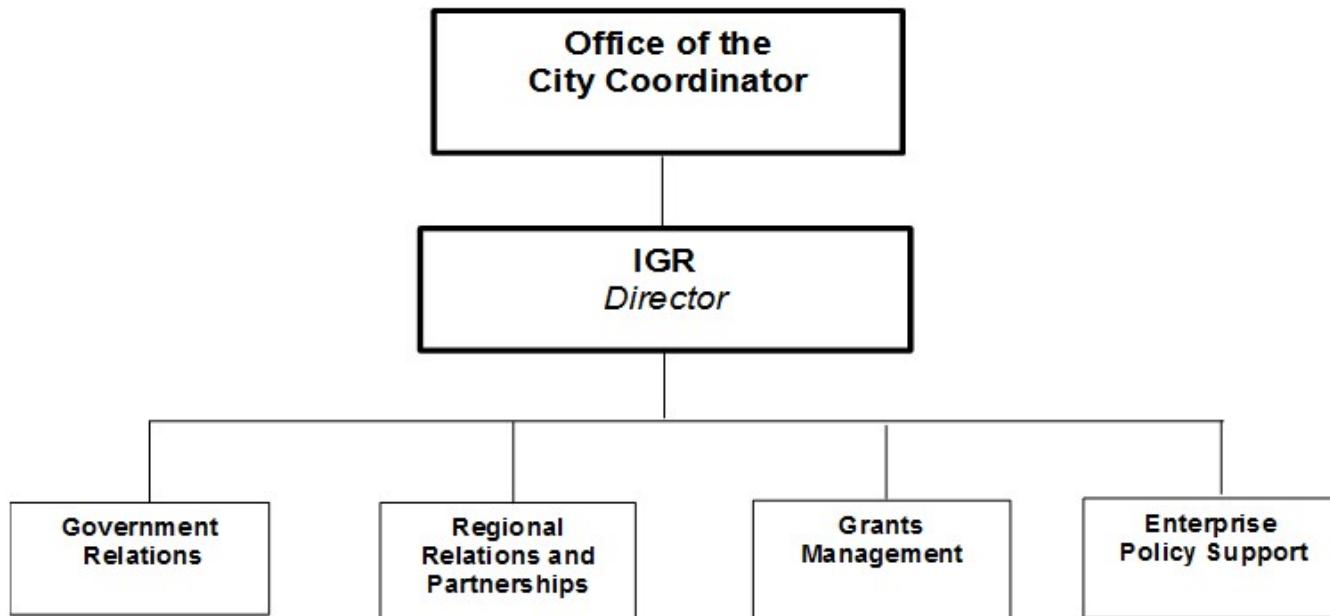
# INTERGOVERNMENTAL RELATIONS

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## Mission

Effectively represent the City of Minneapolis with integrity and dedication to its partners at multiple levels of governance: federal, state, regional, and local in order to achieve legislative and program success.

## Organization Chart



### Grant Management

General Fund: \$152,000  
Other Funds: \$1,930,000

This program provides and administers federal and state resources to support city services and programs including but not limited to community development, housing, economic development, job training, public safety, public health and public infrastructure improvements. The resources obtained are primarily focused on low- and moderate-income households.

Services provided under this program are: (1) administrating the United States Department of Housing and Urban Development's (HUD) community development programs; (2) providing technical assistance to city departments and the Promise Zone regarding federal and state grants; (3) preparation and submission of the annual community development plan and performance report to HUD; (4) issuance of requests for proposals and monitoring and managing of recipients of the federal community development program resources.

### Intergovernmental Relations (IGR)

General Fund: \$1,395,000

This program provides resources for advocacy activities with federal agencies, state branches and regional bodies. Under the leadership of the department's director, the program represents city interests at the federal and state level, and enhances the city's partnership and communications with metropolitan and local units of government, and the Metropolitan Airports Commission. Specifically, the program provides for:

#### Federal Government Relations

IGR advocates for both legislative and administrative policies on behalf of the City to Congress and federal agencies. The work in Washington, D.C. is completed by contracted firms while IGR

administers the program locally. Business plan objectives related to this program include identifying federal funding opportunities and support of policy priorities that meet the City's values and goals.

Services provided under this program include (1) assisting in the development of City Council approved federal agenda; (2) providing information to city officials and staff regarding federal issues; (3) arranging for meetings with Washington-based federal elected officials and staff; and (4) consulting on city grant applications for federal assistance and proposed federal regulations.

### **State Government Relations**

IGR works with the legislative and executive branches of Minnesota state government to foster the development of the city and the state. A legislative agenda and policies that include city positions on numerous public policy issues is adopted annually by the City Council. Additionally, this program is responsible for liaising with state agencies, other local units of government, partners associations, and outside organizations to further City objectives.

Services provided under this activity are: (1) informing city staff on the legislative process and on legislation that could impact their respective areas of work; (2) preparation of the legislative agenda; (3) publication of a legislative newsletter; (4) assisting elected city officials and staff at legislative meetings; (5) drafting legislation and supporting documents; (6) advocating for the City's position on relevant legislation and providing information to state lawmakers regarding the impact of legislation on the City; and (7) maintaining communication with state agencies.

### **Regional Relations and Partnerships**

IGR works with the interests of the City of Minneapolis at the Metropolitan Council and the Metropolitan Airports Commission (MAC). IGR works with city officials and staff to develop responses to and recommendations for regional development policies and programs. IGR also aids city officials and staff in reviewing Metropolitan Council and MAC policies and plans through monitoring Metropolitan Council and MAC meetings, serving on work groups, and staffing the city's Airport Working Group. Program staff also serves on policy committees of the Metro Cities organization.

### **Enterprise Policy Support**

IGR provides support to city enterprise policy initiatives that address City's federal or state legislative agenda priorities but also provides policy planning assistance. Current work includes opportunity zones, opioid policy response, and local support of immigration friendly programming initiatives.

## **Financial Analysis**

### **Expenditure**

The total Intergovernmental Relations Department's budget increases from \$3.0 million to \$3.5 million from 2019 to 2020. This is an overall increase of \$465,000, or 15.4%. The General Fund portion of the expenditure budget increases by \$23,000. Special Revenue's grant funded activities are increasing by \$442,000 from 2019 to 2020.

### **Revenue**

This department does not produce revenue.

### **Fund Allocation**

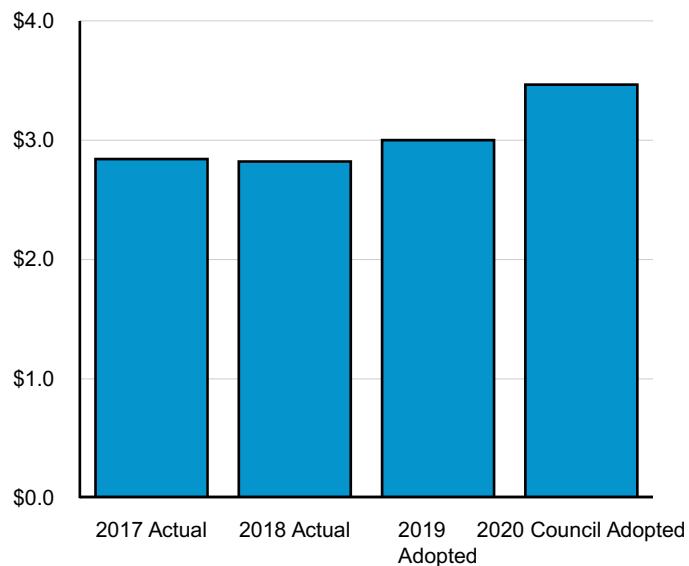
This department is funded 45.0% in the General Fund and 55.0% in the Special Revenue grant funds.

**INTERGOVERNMENTAL RELATIONS  
EXPENSE AND REVENUE INFORMATION**

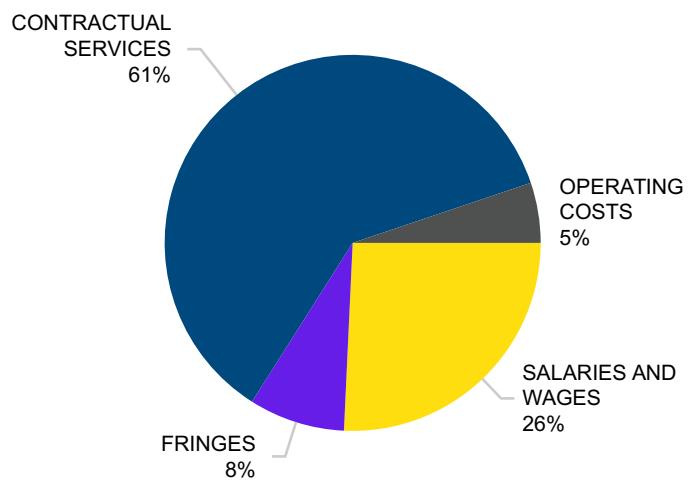
<b>EXPENSE</b>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Adopted</b>	<b>2020 Council Adopted</b>	<b>Percent Change</b>	<b>Change</b>
<b>GENERAL</b>						
SALARIES AND WAGES	648,952	710,920	685,000	706,000	3.1%	21,000
FRINGES	169,141	195,309	204,000	222,000	8.8%	18,000
CONTRACTUAL SERVICES	478,292	440,887	455,000	439,000	-3.5%	(16,000)
OPERATING COSTS	240,384	141,423	180,000	180,000	0.0%	0
<b>TOTAL GENERAL</b>	<b>1,536,769</b>	<b>1,488,539</b>	<b>1,524,000</b>	<b>1,547,000</b>	<b>1.5%</b>	<b>23,000</b>
<b>SPECIAL REVENUE</b>						
SALARIES AND WAGES	150,756	147,968	177,000	189,000	6.8%	12,000
FRINGES	49,334	48,016	58,000	65,000	12.1%	7,000
CONTRACTUAL SERVICES	1,114,428	1,147,939	1,253,000	1,676,000	33.8%	423,000
OPERATING COSTS	2,053	—	—	—	0.0%	0
<b>TOTAL SPECIAL REVENUE</b>	<b>1,316,571</b>	<b>1,343,923</b>	<b>1,488,000</b>	<b>1,930,000</b>	<b>29.7%</b>	<b>442,000</b>
<b>TOTAL EXPENSE</b>	<b>2,853,340</b>	<b>2,832,462</b>	<b>3,012,000</b>	<b>3,477,000</b>	<b>15.4%</b>	<b>465,000</b>
<b>REVENUE</b>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Adopted</b>	<b>2020 Council Adopted</b>	<b>Percent Change</b>	<b>Change</b>
<b>SPECIAL REVENUE</b>						
CONTRIBUTIONS	—	6,755	—	—	0.0%	0
<b>TOTAL SPECIAL REVENUE</b>	<b>—</b>	<b>6,755</b>	<b>—</b>	<b>—</b>	<b>0.0%</b>	<b>0</b>
<b>TOTAL REVENUE</b>	<b>—</b>	<b>6,755</b>	<b>—</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>

## INTERGOVERNMENTAL RELATIONS EXPENSE AND REVENUE INFORMATION

**Expense 2017 - 2020**  
**In Millions**



**Expense by Category**

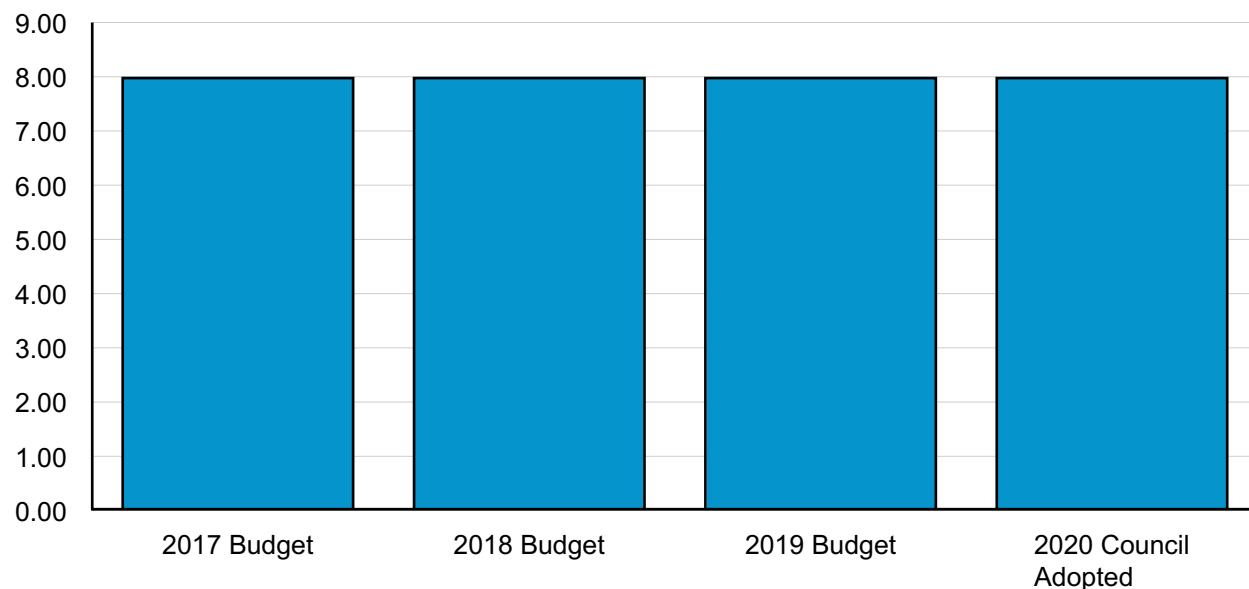


## INTERGOVERNMENTAL RELATIONS

### Staffing Information

Division	2017 Budget	2018 Budget	2019 Budget	2020 Council Adopted	Percent Change	Change
GRANTS MANAGEMENT	3.25	3.25	3.25	3.25	0.0%	0
INTERGOVERNMENTAL RELATNS	4.75	4.75	4.75	4.75	0.0%	0
Overall	8.00	8.00	8.00	8.00	0.0%	0

### Positions 2017-2020

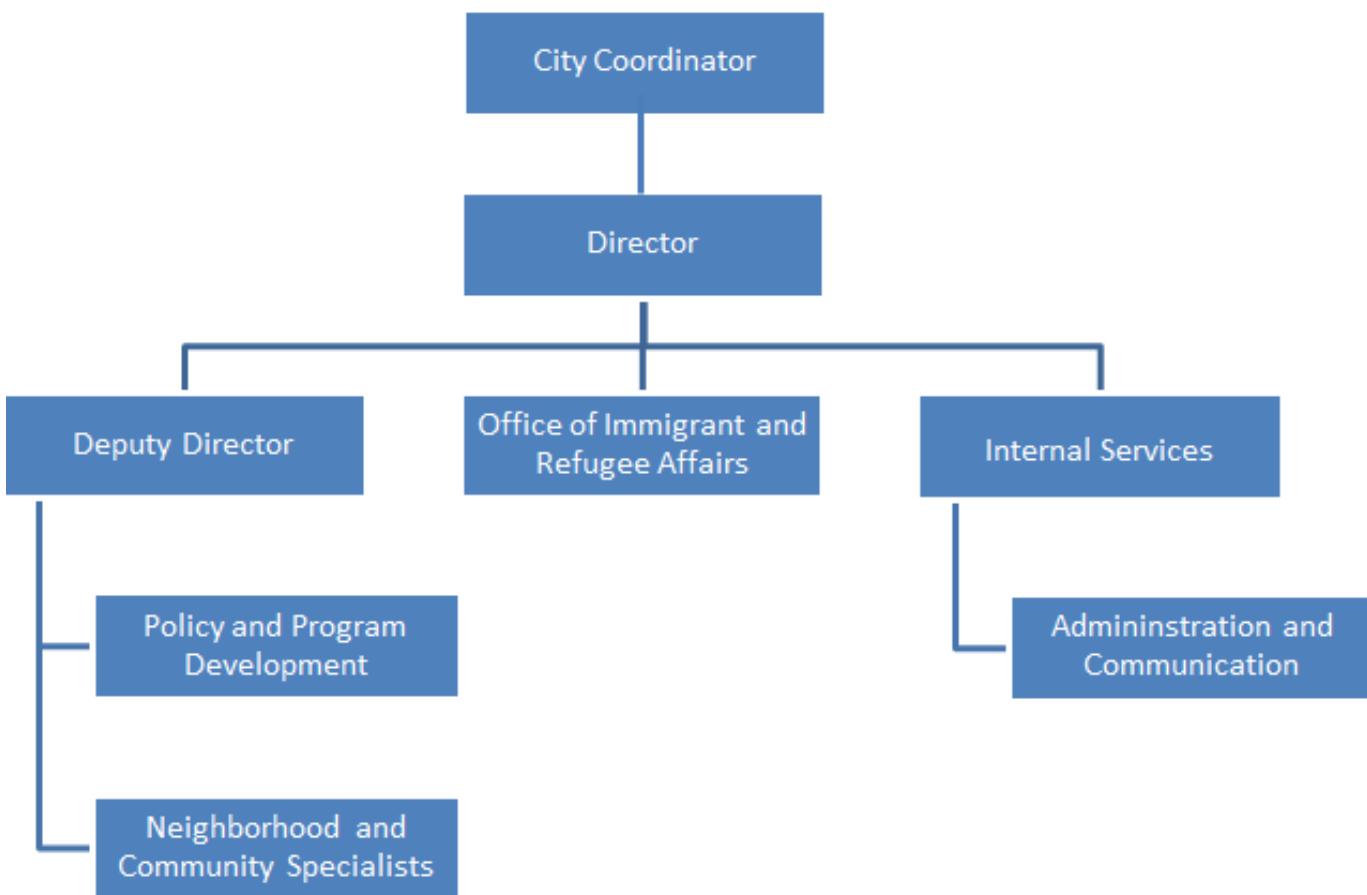


# NEIGHBORHOOD AND COMMUNITY RELATIONS

## Mission

The mission of Neighborhood and Community Relations (NCR) department is to connect the community to the City and the City to the community. NCR fosters public participation and meaningful engagement of all residents by removing barriers and creating equitable access to City programs, services and the decision making process.

## Organization Chart



## Access and Outreach Support

General Fund: \$2,578,000

Other Funds: \$277,000

Access and Outreach provides the logistical and office support for cultural engagement services and federally mandated programming. The program is aimed at broadening engagement through enterprise support of federal mandates and the elimination of barriers to participation by underrepresented groups in neighborhood organizations, boards and commissions and City governance. The services provided include ADA compliance, implementation of the City's ADA transition plan, implementation of language access plan, interpretation and translation services, and administration of program funding for the One Minneapolis Fund. The Office of Immigrant and Refugee Affairs (OIRA) works to make Minneapolis a safe and welcoming city by ensuring that all residents, especially in times of immigration crisis, are able to obtain immigration legal orientation and representation, regardless of ability to pay, with the goal of increasing community stability as well as the integration and civic engagement of immigrant and refugee residents.

**Coordinated Engagement Services**

Other Funds: \$803,000

This program builds a coordinated resident engagement strategy for the city. Following the City's adopted Core Principles of Engagement, this program provides staff support to the City's engagement systems - neighborhood organizations, boards and commissions and enterprise engagement efforts. The various efforts underway at NCR will be connected to and coordinated with other engagement related activities in the city and with multijurisdictional partners. This program includes a blueprint for equitable engagement, which includes American Indian Memorandum of Understanding, Latino Advisory Committee, staff support to the city's 70 neighborhood organizations, Minneapolis for a Lifetime, ongoing engagement with cultural communities, diversification of the city's 18 advisory boards and commissions, city Academy, and staff support to four advisory commissions. In 2019 and 2020, this program will lead the city's efforts to get a complete count of all residents during the 2020 Census.

**Neighborhood Engagement and Support**

Other Funds: \$11,289,000

This program supports the department's support services for neighborhood organizations. The program helps sustain a world-class community engagement program through neighborhood-based priority setting, planning and implementation; and the coordination of this work with the work of the City. This program also includes the direct allocations to neighborhood organizations through the three primary funding programs. The services provided include Community Participation Program (CPP) allocation, Neighborhood Revitalization Program (NRP) allocation, Community Innovation Fund (CIF) funding, and other support services such as contract management, directors and officers insurance, auditing, training, legal support and other related activities.

**Operations**

Other Funds: \$520,000

This program provides department-wide leadership and support for internal City services including budget, business planning, IT, technology services and space. The operations program is also responsible for coordinating department related contracts and invoices, internal and external communications, the department website and committee actions and council process.

## **Financial Analysis**

### **Expenditure**

For 2020, the Neighborhood and Community Relations budget is \$15.5 million, an increase of 29.5% from the 2019 budget of \$11.9 million.

### **Revenue**

In 2020, the department anticipates \$12.8 million in revenue, an increase of 17.5% from 2019 revenue of \$10.9 million.

### **Fund Allocation**

This department is funded primarily by the NCR Special Revenue Fund, with remainder of the department's funding in General Fund.

### **Budget Change Items**

Detailed change items are presented on the following pages.

## **Neighborhood & Community Relations**

**2020 Change Item**

### *Aging Support Services*

Program: *Access and Outreach Support*

Fund: *General Fund*

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	140	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	140	—	—	—	—

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count		—	—	—	—

### **Proposal Details:**

The Council approves \$140,000 in onetime general funding for aging support services for low income older adults. Neighborhood and Community Relations (NCR) has been providing funding to four community based service agencies since 2016 and this recommendation will continue these services.

### **Rationale/Background:**

Residents of the City of Minneapolis are living longer and healthier lives and as a result the desire for residents to remain in their communities is growing. The 2013 Minneapolis for a Lifetime Framework and the 2016 Minneapolis for a Lifetime: Age Friendly Action Plan identify that the aging population in Minneapolis will need housing, transportation, and health and wellness support services in order to remain in their community as they age.

This funding will support partnership grants with organizations to provide supportive services for low income older and aging adults so that they can remain active members of our city.

### **Description of the Change:**

Since 2016, NCR has been funding community partner grants to organizations that provide critical services to Minneapolis' aging community. With \$140,000, it is estimated that four services agencies will be able to continue to serve roughly 500 seniors and their caregivers across the city on an annual basis. Services will continue to include chore services such as snow removal, lawn maintenance, home repair, health and wellness activities such as blood pressure check, fitness classes, health education, healthy eating and balance improvement, in home services such as nurse home visits, caregiver support and rides to medical appointments, grocery visits and other locations.

In 2018, NCR contracted four community based service agencies at \$15,000 per organization. These four organizations provided 1,600 unique services to seniors and their caregivers across the entire city. Funding will continue to be distributed to community based, non-profit senior health, wellness and chore service providers that are able to provide necessary services citywide. The City's Senior Community Engagement Specialist, housed in NCR will manage these contracts. Contracts are offered on an annual basis, with an annual report required.

**Equity Impact:**

In 2011, the leading edge of the baby boomers turned 65 years old. Their numbers will continue to increase dramatically over the next 20 years. The population of older adults in poverty also continues to grow. The City of Minneapolis is a very diverse community with a population close to 60,000 people age 60 and older. Of that population roughly 19% are below the poverty level. And of the 19%, 63% are older adults of color, many from our immigrant communities. While there are many "drivers of poverty", in our communities of color institutionalized discriminatory systems and policies coupled with historical trauma still perpetuate the cycle of generational poverty. Women and our non-white elders may require additional support due to these long-standing inequities of access to affordable and accessible housing options, health, employment discrimination and wealth distribution. Surveys show that the vast majority of older adults want to remain in their homes and communities. The City's elders that access support services are both single family homeowners and also live in multi-unit communities. The organizations that are receiving support from NCR serve our low income older adults throughout the entire city of Minneapolis.

**Results:**

With this funding allocation, four service agencies will be able to continue to serve roughly 500 seniors and their caregivers across the entire city on an annual basis. Services will continue to include chore services such as snow removal, lawn maintenance, home repair, health and wellness activities such as blood pressure check, fitness classes, health education, healthy eating and balance improvement, in home services such as nurse home visits, health insurance "safety net" financial support, caregiver support and rides to medical appointments, grocery visits and other locations.

## **Neighborhood & Community Relations**

**2020 Change Item**

*Cultural Communities Partnership*

**Program:** Access and Outreach Support

**Fund:** NCR - Special Revenue

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	200	200	200	200	200
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	200	200	200	200	200
<b>Personnel Impacts</b>					
Change in FTE Count	—	—	—	—	—

### **Proposal Details:**

Increase spending by \$200,000 ongoing on City-Sponsored initiatives that strengthen engagement with the African American, Latinx, East African, Southeast Asian cultural communities.

### **Rationale/Background:**

Minneapolis is a diverse and welcoming City. We value the relationships we hold with cultural communities in Minneapolis who have historically not engaged with City government. In order to be present in community, we need to ensure that we have a dedicated source of funding to enhance the City's relationships within cultural communities and expand the City's engagement efforts and provide more effective programs, policies and services.

### **Description of the Change:**

Funds will be used to cover expenses related to the City's partnership with cultural communities to support one-time or annual cultural community or cultural commemorative events that strengthen the community's ability to gain more access to the City's wide array of programs, resources, information, and services. The Neighborhood & Community Relations Department will draft guidelines on the definition of a City-sponsored initiative, funding eligibility, spending parameters, and the process of input from community. The Neighborhood & Community Relations Department will report back to the Public Health, Environment, Civil Rights & Engagement Committee by February 28, 2020 with the set of recommendations.

### **Equity Impact:**

This change item supports the City's efforts in engaging with communities who have not historically engaged with City government by ensuring that there are financial resources to support the on-going relationship building in these communities. Providing these funds will allow the City to more effectively engage with cultural communities in collaborative ways and in turn

increase the City's ability to create programs, share information and deliver resources and services.

**Results:**

The Neighborhood and Community Relations department will track these funds through our Blueprint for Equitable Engagement Dashboard. We will create program results at the same time we are creating the program guidelines for these funds and report the measures back to the Public Health, Environment, Civil Rights & Engagement Committee by February 28, 2020. We anticipate tracking both quantity (number of people and communities engaged) and qualitative measures in the program results.

## **Neighborhood & Community Relations**

**2020 Change Item**

*Office of Immigrant & Refugee Affairs Partnership Agreement Funds Increase*

Program: Access and Outreach Support

Fund: General Fund

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	25	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	25	—	—	—	—

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count		—	—	—	—

### **Proposal Details:**

The Council approves one time general funding of \$25,000 for the Office of Immigrant and Refugee Affairs (OIRA) to increase legal services for immigrant and refugee residents. Funds will be used to support specific services for immigrants and refugees through partnership agreements.

### **Rationale/Background:**

One of the roles OIRA plays in the City enterprise is to develop and enhance programs and services for immigrant and refugee residents in Minneapolis. Partnership agreements with legal service providers support and serve immigrant and refugee residents by ensuring meaningful access to critical legal resources, resources that prevent family separation through deportation, and reduce the emotional trauma, fear and economic instability that results from deportation of a loved one. By reducing fear and instability, this support enables Minneapolis residents to participate and prosper, to be part of the city as a hub of economic activity and innovation, and to be connected to City government. The Neighborhood and Community Relations (NCR) department will provide a one-time contribution of \$10,000 as part of the 2020 budget. The NCR funds are being reallocated from another project.

### **Description of the Change:**

Currently, the Office of Immigrant and Refugees Affairs (OIRA) has \$75,000 available for partnership agreements that are used to support specific services for immigrant and refugee residents, such as immigrant legal consultations and full legal representation in immigration court proceedings, free legal clinics, legal advice and representation, and family preparedness training. In 2019, partnership agreements are distributed to three organizations at \$25,000 each to The Immigrant Law Center, Volunteer Lawyers Network, Advocates for Human Rights.

With the additional funding, OIRA will be able to expand partnerships to include an additional organization and come closer to the goal of ensuring that no resident of Minneapolis will be at risk of removal from the United States due to an inability to pay for immigration legal representation. NCR currently works with three partners and will continue to extend partnership agreements on an annual basis.

### **Equity Impact:**

The goal of the OIRA is to promote security, safety and integration of immigrant and refugee communities in the City of Minneapolis. Initial initiatives include Rapid Response Pathway, where in the event of an immigration crisis, OIRA, in partnership with legal service organizations, works to quickly set up legal clinics with experienced immigration attorneys so that community members understand their rights and options.

With additional funding, OIRA will be able to help immigrant and refugee residents keep their families together, experience less fear and instability, and enjoy increased economic and civic integration at a time when the federal government is taking actions through changes in federal immigration policy that have the effect of radically destabilizing immigrant communities. The partnership agreements will impact immigrants in Minneapolis. Services available range from brief legal consultation to full representation. The positive impacts will include an increase in numbers of families that are protected from deportation of a loved one, as well as increased economic stability and greater integration of immigrant and refugee community members. Through increased access to legal information and advice residents will receive critical support in an environment where the federal government is actively seeking ways to destabilize and disenfranchise immigrant communities.

### **Results:**

In 2018, over 1,600 residents received legal services, 24 residents attended citizenship classes and 2,248 people were provided information through public events and presentations through legal service contracts with the city. In addition, through our partnership agreements, 37 Minneapolis residents received full legal representation in immigration court proceedings.

OIRA asks partner organizations to submit an annual report that includes both quantitative and qualitative information. Partners are asked to share stories of how their work has impacted the lives of residents. Below are the measures that OIRA will request moving forward:

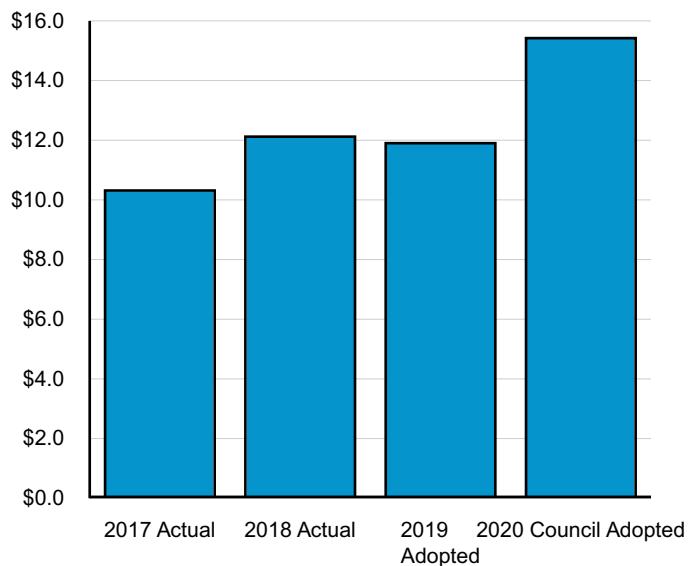
- o Number of residents who received legal advice including full legal representation;
- o Number of public events hosted and the number of people in attendance;
- o Number of residents served through citizenship classes; and
- o Number of individuals who successfully avoided removal/won their immigration cases.

**NEIGHBORHOOD & COMMUNITY RELATIONS  
EXPENSE AND REVENUE INFORMATION**

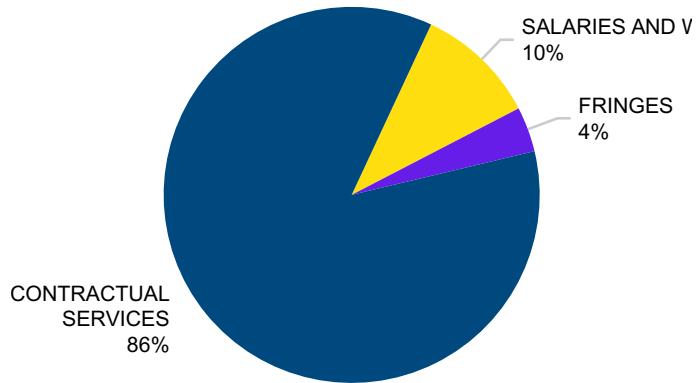
<b>EXPENSE</b>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Adopted</b>	<b>2020 Council Adopted</b>	<b>Percent Change</b>	<b>Change</b>
<b>GENERAL</b>						
SALARIES AND WAGES	59,421	173,835	182,000	190,000	4.4%	8,000
FRINGES	20,733	53,413	65,000	65,000	0.0%	0
CONTRACTUAL SERVICES	184,055	515,624	718,000	2,323,000	223.5%	1,605,000
<b>TOTAL GENERAL</b>	<b>264,209</b>	<b>742,872</b>	<b>965,000</b>	<b>2,578,000</b>	<b>167.2%</b>	<b>1,613,000</b>
<b>SPECIAL REVENUE</b>						
SALARIES AND WAGES	1,221,452	1,203,056	1,353,000	1,415,000	4.6%	62,000
FRINGES	425,813	413,440	506,000	529,000	4.5%	23,000
CONTRACTUAL SERVICES	8,029,554	8,704,815	9,018,000	10,839,000	20.2%	1,821,000
OPERATING COSTS	224,852	212,811	103,000	106,000	2.9%	3,000
CAPITAL EQUIPMENT	192,273	687,064	—	—	0.0%	0
TRANSFERS	—	200,000	—	—	0.0%	0
<b>TOTAL SPECIAL REVENUE</b>	<b>10,093,944</b>	<b>11,421,186</b>	<b>10,980,000</b>	<b>12,889,000</b>	<b>17.4%</b>	<b>1,909,000</b>
<b>TOTAL EXPENSE</b>	<b>10,358,153</b>	<b>12,164,058</b>	<b>11,945,000</b>	<b>15,467,000</b>	<b>29.5%</b>	<b>3,522,000</b>
<b>REVENUE</b>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Adopted</b>	<b>2020 Council Adopted</b>	<b>Percent Change</b>	<b>Change</b>
<b>SPECIAL REVENUE</b>						
MISCELLANEOUS	—	1,662	4,000,000	5,500,000	37.5%	1,500,000
TRANSFERS	6,487,516	6,682,141	6,883,000	8,470,000	23.1%	1,587,000
USE OF FUND BALANCE	—	—	—	(1,185,000)	0.0%	(1,185,000)
<b>TOTAL SPECIAL REVENUE</b>	<b>6,487,516</b>	<b>6,683,803</b>	<b>10,883,000</b>	<b>12,785,000</b>	<b>17.5%</b>	<b>1,902,000</b>
<b>TOTAL REVENUE</b>	<b>6,487,516</b>	<b>6,683,803</b>	<b>10,883,000</b>	<b>12,785,000</b>	<b>17.5%</b>	<b>1,902,000</b>

## NEIGHBORHOOD & COMMUNITY RELATIONS EXPENSE AND REVENUE INFORMATION

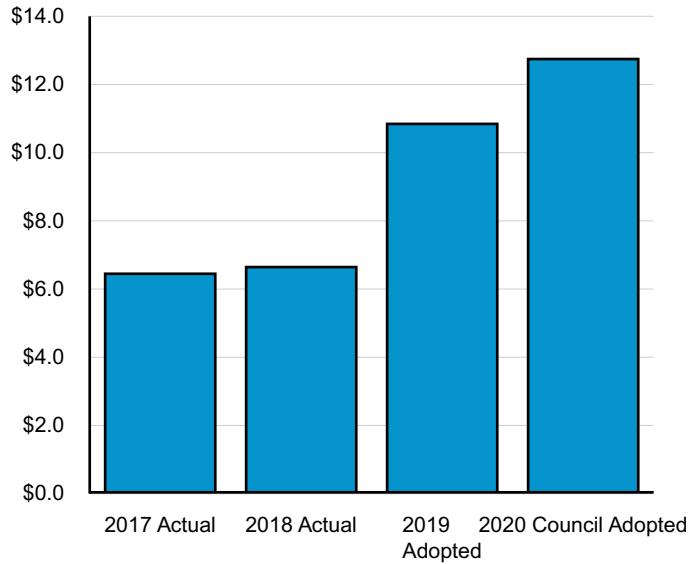
**Expense 2017 - 2020**  
**In Millions**



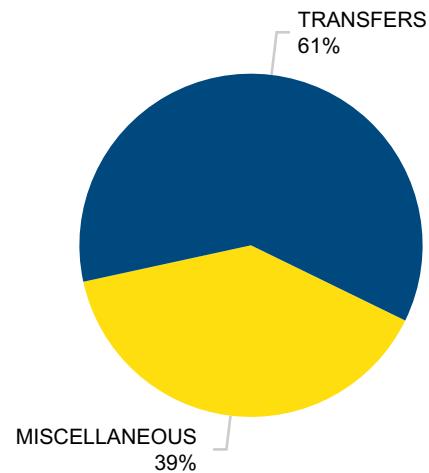
**Expense by Category**



**Revenue 2017 - 2020**  
**In Millions**



**Revenue by Type**

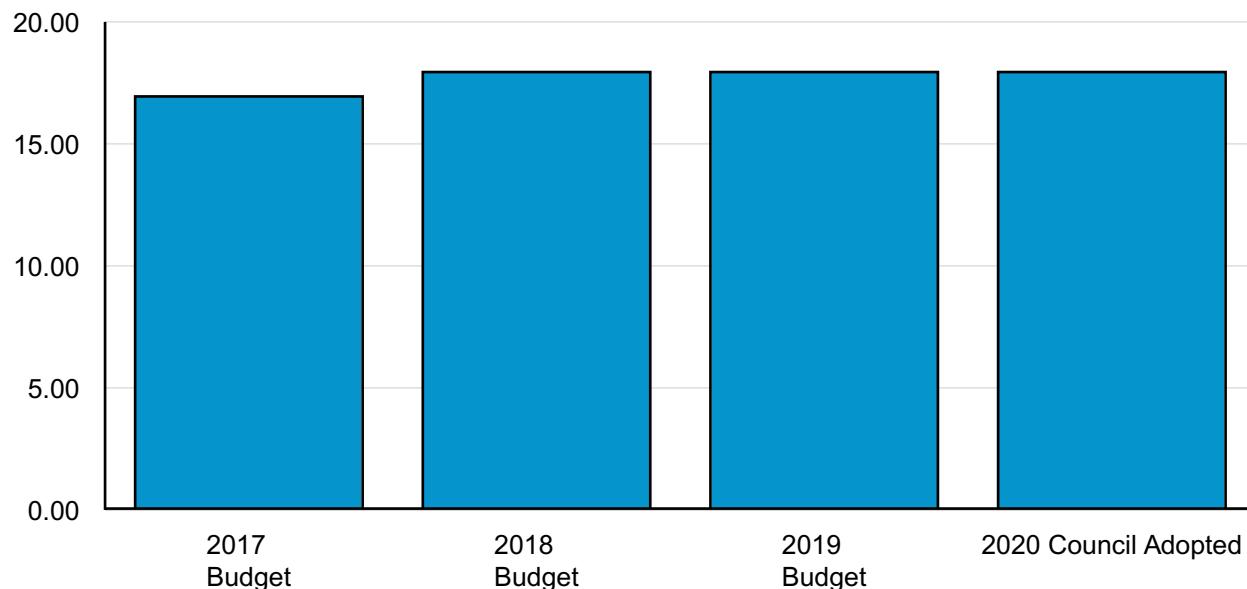


## **NEIGHBORHOOD & COMMUNITY RELATIONS**

### **Staffing Information**

<b>Division</b>	<b>2017 Budget</b>	<b>2018 Budget</b>	<b>2019 Budget</b>	<b>2020 Council Adopted</b>	<b>Percent Change</b>	<b>Change</b>
ADMINISTRATION	17.00	18.00	18.00	18.00	0.0%	0.00
Overall	17.00	18.00	18.00	18.00	0.0%	0.00

### **Positions 2017-2020**



\* 2019 FTE counts may differ from 2019 adopted budget due to mid year adjustments, including funding and organizational changes.

# CIVIL RIGHTS

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## 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); Title 2, Chapter 40 (workplace regulations); and to promote understanding of civil rights among residents, business and government.

## Organization Chart



### Complaint Investigations

General Fund: \$685,000

Other Funds: \$36,000

The Complaint Investigation Division (CID) is required by City Ordinance to neutrally enforce the City's anti-discrimination laws and policies by investigating complaints of discrimination. Also, through a work sharing agreement with the U.S. Equal Employment Opportunity Commission (EEOC), the City serves as a Fair Employment Practice Agency (FEPA), investigating employment discrimination claims dual-filed and/or cases transferred from the EEOC. This program also administers an Alternative Dispute Resolution (ADR) Program to resolve complaints that allege discrimination and provide staff support to the Minneapolis Civil Rights Commission.

### Equity Division

General Fund: \$630,000

This Civil Rights Equity Division (CRED) program in collaboration with other City departments supports and encourages efforts in the City to develop policies, practices, and strategic investments to reverse racial disparity trends, eliminate institutional racism, and ensure that outcomes and opportunities for all people are no longer predictable by race. In support of the divisions within the Civil Rights Department and in cooperation with its private, public, and nonprofit partners, CRED works to create fair and just opportunities

and outcomes for all people. The division also manages Urban Scholars, the City's leadership development internship program for post-secondary students from diverse racial and ethnic backgrounds.

### **Contract Compliance**

General Fund: \$1,846,000  
Other Funds: \$344,000

This Contract Compliance Division (CCD) ensures that City of Minneapolis procurement of construction and development services, commodities and supplies, and professional and technical services includes women, minorities, and low income workers and businesses. CCD also ensures that workers on construction and development projects are paid in accordance with prevailing wage laws. This division monitors and ensures compliance in four primary program areas that affect the general fund: Affirmative Action, Minority and Women Business Inclusion, Low Income Residents and Business Inclusion, and Prevailing Wage Compliance.

### **Office of Police Conduct Review**

General Fund: \$1,036,000

The Office of Police Conduct Review (OPCR) ensures the processing of police conduct complaints in a fair manner with a civilian-sworn leadership model of oversight. OPCR utilizes a hybrid review panel of community members and police officers to issue recommendations. The OPCR provides staff support to the Police Conduct Oversight Commission (Commission), an all civilian commission that recommends policy and training that is positioned to change a culture, build community trust and have a lasting impact on the practice of police oversight. The Commission provides transparency, citizen engagement, and meaningful participation related to police conduct by advising on police policy, auditing OPCR cases, and engaging the community in discussions of police procedure. The ultimate goal is to foster mutual respect between the Minneapolis Police Department and all populations of the city of Minneapolis.

### **Labor Standards Enforcement**

General Fund: \$860,000

The Labor Standards Enforcement Division (LSED) oversees compliance with the City's Workplace Regulations ordinances which include Sick and Safe Time and Municipal Minimum Wage. The work of the division is performed in support of the City wide goal of One Minneapolis with a focus on resident safety, well-being and prosperity. The program also provides staff support to the Workplace Advisory Group, an appointed group of approximately 15 community stakeholders that focus on workplace issues and serves as a resource on outreach and implementation of the Sick and Safe Time Ordinance and Municipal Minimum Wage ordinances. Services provided by this division include culturally specific education and outreach to employees; educating of employers on their requirements and their obligations; technical assistance to employers; complaint investigation; workplace audits; and, compliance reporting.

## **Financial Analysis**

### **Expenditure**

The total Civil Rights Department's budget increases from \$4.9 million to \$5.4 million from 2019 to 2020. This is an increase of \$368,000 or 8% due to inflationary increases in operating costs, and budgetary change items of \$154,000.

### **Revenue**

Revenues are projected to slightly decrease in this department. The department's total revenues in 2020 are projected to be \$36,000.

## **Fund Allocation**

This department is funded primarily by the General Fund, with the remainder of the department's funding found in the CDBG funds and Federal funds.

## **Budget Change Items**

Detailed change items are presented on the following pages.

**Civil Rights****2020 Change Item**

Contract Compliance Officer II

Program: *Contract Compliance*Fund: *General Fund*

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	114	114	114	114	114
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	—	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	114	114	114	114	114

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	1	1	1	1	1

**Proposal Details:**

The Council approves ongoing funding of \$114,000 to the Civil Rights Department for the creation of a Contract Compliance Officer II position (1.0 FTE).

**Rationale/Background:**

The Contract Compliance Division's (CCD) workload has greatly increased with the general increase in City and Park Board construction projects, the enhanced focus on opportunities for minority-owned and woman-owned businesses, and the City's shift to new project delivery methods (such as construction manager as advisor). Additional staff resources will ensure bids are evaluated and responded to as quickly and effectively as possible. With the Mayor's priority of economic development and inclusion, it is critical that CCD have the resources to effectively review and monitor an increased contract volume. This position will ensure a level playing field within the contracting community and maximize the opportunities for businesses owned by women and people of color to have opportunities to do business with the City.

**Description of the Change:**

The addition of 1.0 FTE responds to the City's recent shift to manager as advisor for contracts and a general increase in compliance and oversight work as a result of an increase in publicly funded contracts. The position will complement existing Contract Compliance Officer IIs. CCD currently monitors 407 projects with a combined value of over \$1.2 billion. An analysis of compliance monitoring commitment indicates that for every \$1 million of a contract monitored, there are approximately 20 hours of staff time required. These numbers indicate a workload of more than 24,000 hours requiring over 11 staff members working 52 weeks a year to complete. This estimate was completed prior to the shift to construction manager as advisor, which has already proven to increase contract volume significantly. CCD's new project management software should be instrumental in helping to improve efficiency and reduce staff hours needed for monitoring but compliance monitoring is a labor-intensive process and there remains a gap relating to increased workload and staff-time resources. The work done by CCD and the speed with which projects can be completed has a direct impact on the City's finance, procurement, public works,

and CPED departments. To process a high contract volume, CCD simply needs more work hours and these can only be accomplished with additional staff.

### **Equity Impact:**

The CCO II position is a critical element of a more equitable economy. The 2017 Joint Disparity Study directly addressed how the city can more equitably contract with minority and women owned enterprises, firms owned by veterans, and firms owned by people with disabilities. In this study, both quantitative and qualitative data was collected from over 2,000 underutilized, available firms who not only discussed barriers to doing business with the City, but also with starting and running businesses in the City. The construction manager as advisor method of procurement and contracting allows the City more control over inclusion in the process, but it is only by dedicating staff resources to review bids and proposals that the City's processes benefit underutilized businesses.

### **Results:**

CCD diligent tracks project workload of staff and time dedicated to various elements of monitoring. With the expected increase in contracts and a new compliance management system, CCD will continue to monitor performance-related metrics with the expectation that an additional FTE will have an immediate impact on efficiency. Meeting community and customer needs remains a focus in Civil Rights Results. Contract Compliance aligns with this focus by ensuring direct business opportunities for underutilized businesses with the City and workforce inclusion on City projects are properly analyzed, monitored, and reported.

Program: Complaint Investigation

Fund: General Fund

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>					
Federal Government Grants	—	—	—	—	—
<b>Expenditures</b>					
Personnel	40	40	40	40	40
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	—	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	40	40	40	40	40

Personnel Impacts	2020	2021	2022	2023	2024
Change in FTE Count	1	1	1	1	1

#### **Proposal Details:**

The Council approves \$40,000 in ongoing funding for the creation of one Program Assistant FTE position in the Complaint Investigations Division of the Civil Rights Department. This position is responsible for conducting all discrimination complaint intake, case handling, data entry and analysis related to complaints, and assisting in streamlining messaging and outreach efforts for the division.

#### **Rationale/Background:**

Complaint Investigations Division (CID) enforces the Civil Rights Ordinance by investigating complaints of discrimination that occur within Minneapolis. CID has increased its education and outreach efforts to ensure that populations most impacted by discrimination have meaningful recourse. CID has increased its efforts to ensure that vulnerable populations are empowered to access resources to address issues of inequity. To combat underreporting and barriers to access, CID has made a deliberate effort to leverage and utilize available data to best target efforts at reaching underserved groups. This shift in focus toward a data-driven approach has created the need for resources in the form of a Program Assistant. CID plans to use this \$40,000 General Fund request to supplement federal funding it currently receives from its contract with the U.S. Equal Employment Opportunity Commission (\$40,000) to create and fund an additional FTE.

#### **Description of the Change:**

This request is to fund 50% of a new FTE. The remaining 50% will come from federal dollars. The creation of a dedicated CID Program Assistant will be a new addition to Civil Rights and CID. CID provides immediate programming that supports multiple Mayoral and City goals. More specifically, CID has firmly increased its dedication to encourage civic engagement. Through efforts designed towards increasing outreach in fair housing, CID has, and will continue to have, a clear impact in favor of affordable housing and economic inclusion. In addition, the Mayor's dedication to address historical institutionalized and systemic exclusion of people of color starts with investigating and halting discriminatory practices in the city. By amplifying the voices of discrimination victims, CID actively works

to accomplish the broader goals of equity and inclusion for all people of Minneapolis. CID expects the inclusion of a Program Assistant will lead to faster and customized responses to discrimination complaints filed with the division. In addition, the position will assist in complaint processing. By having a dedicated staff person for complaint handling, individuals will experience a more efficient, personalized, and intentional experience when filing discrimination complaints. CID expects the inclusion of this position to increase communication and efficiency for individuals filing and allow this service to be more accessible for everyone.

**Equity Impact:**

CID investigates a wide variety of discrimination complaints because Minneapolis adopted civil rights protections in 14 legal areas for 13 protected classes. Most frequent legal areas include employment, public accommodations, and housing. Most frequent protected classes include race, disability, gender, national origin, and age. CID has experienced a steady increase in discrimination complaints filed. From 2016 to 2018, complaints filed with CID increased by approximately 237%. This increase is a strong indicator that discrimination is on the rise. CID expects the number of discrimination complaints to increase significantly in the coming years. An additional FTE ensures staff resources are available to engage all communities impacted by discrimination, especially our LGBTQ+ and immigrant neighbors. By building strategic partnerships and increasing resident knowledge, a trend of government distrust within these communities can be reversed. CID is in an optimal position to bring relief to multiple groups that experience discrimination but are not in the habit of reporting. Increased reporting leads to more reliable data and a better understanding of the challenges. CID is in a unique position to identify trends within the City that may help to inform policy development towards addressing systemic issues of discrimination.

**Results:**

CID plans to measure the impact of this position comparing the effectiveness of new initiatives and the amount of work accomplished with a new FTE in place. One major indicator of success is the quality and availability of the data collected. This will provide clear indicators as to the prevailing trends of discrimination within the city. This is significant in identifying underserved populations and previously undetected barriers to services. City resources are meant to serve residents and can only be distributed effectively where the problem being addressed is properly understood. In order to meet the Civil Rights Results Report focus on “Protecting Rights and Promoting Justice in the City,” CID requires a new FTE to increase its analytical and outreach ability to best serve the needs of the community and to better inform the interests of City Government.

**Civil Rights****2020 Change Item***Labor Standards Investigator***Program:** Labor Standards Enforcement**Fund:** General Fund

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
Federal Government Grants	—	—	—	—	—
<b>Expenditures</b>					
Personnel	90	90	90	90	90
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	—	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	90	90	90	90	90

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	1	1	1	1	1

**Proposal Details:**

The Council approves \$90,000 in ongoing funding for a Labor Standards Investigator.

**Rationale/Background:**

To date, LSED has been enforcing the City's Sick and Safe Time Ordinance and Municipal Minimum Wage Act. Beginning in 2020, enforcement will begin on the City's Wage Theft Ordinance. The Division is currently reaching its capacity to complete investigations expeditiously, given its current caseload. The additional scope of the Wage Theft Ordinance is expected to increase complexity and demands of cases. The increased resources provided by an additional investigator are critical in ensuring LSED can manage an increased workload. Increased efficiencies should be expected with more time and staff experience doing enforcement work.

Increases in the awareness and scope of Minneapolis workplace regulations resulted in increased complaint numbers and a heavier workload for Labor Standards Enforcement Division staff. Previous budgets acknowledged that the Division would grow incrementally as we adjust to the full scope of enforcement of new labor laws. On average, LSED investigators spend several months on a case - depending on its complexity - from inquiry, intake, investigation, negotiation, and resolution of a meritorious claim. In addition, the division is tasked to undertake broad and deep communications and outreach to inform thousands of businesses and tens of thousands of workers about relatively new rights and responsibilities. Drafting rules, creating tools and distributing this information across the city while corresponding directly with employers and employees to answer their questions or resolve their concerns stretches existing staff. Both the Mayor and City have made clear their focus on economic inclusion. Money received by low wage workers as a result of labor standards increases the economic power of these workers in their roles as consumers and is reinvested in their local businesses and economies. Effective enforcement of labor standards requires the resources to regulate high violation industries and enforce standards on sometimes recalcitrant employers. This high impact strategy simply cannot occur without sufficient capacity.

### **Description of the Change:**

This change item would add 1 FTE to the existing enforcement and investigations work carried out by LSED. LSED has continued ongoing collaboration with the Office of Mayor, City Council, City Coordinator's Office, CPED, Health, 311, NCR, and Communications. These collaborations have been immensely valuable in providing strategic communication, messaging, and public outreach. LSED has also collaborated with CTUL in order to leverage their resources and relationships with communities in Minneapolis. An increase in investigative resources is the main tool to effectively address an increase in enforcement responsibility, increased complaint filing and strategic focus on more proactive, company-wide investigations in partnership with community. Effective implementation of this FTE would begin immediately. Since LSED has already created process-flow and investigative method documentation, this new position could be trained and utilized immediately.

### **Equity Impact:**

The adoption of the Sick and Safe Time and Minimum Wage ordinances were explicit strategies to address economic disparities across the City. Much of the data is readily available and has been reported extensively; 41% of all black workers and 54% of all Latino workers- and their 71,000 families currently earn less than \$15 per hour. Similarly, workers of color, particularly Latino workers, did not previously have access to sick leave like their white counterparts.

LSED has noted that a disproportionately high volume of those requiring assistance are small, women-owned and minority owned business. The 2016 disparity study determined these businesses lack accesses to many of the same resources enjoyed by their majority owned business counterparts. Many of these changes have created a substantial amount of work. Increasing staffing will not only increase the department's ability to ensure mandated wages are paid to workers in Minneapolis, it will also ensure staff can be responsive to our small business communities in a way that builds relationships to set small businesses up for success.

### **Results:**

The provision of resources to LSED directly supports ordinance enforcement ability and ensuring workers are receiving the benefits and wages they earn. Additionally, ensuring that the 71,000 employees are being paid a better wage is a key element in helping those individuals obtain and provide affordable housing for their families. Low wage workers in Minneapolis commonly lose a significant portion of earnings to wage and hour infractions, shifting that money outside of the city, depriving our local economy of that investment, and further depressing our communities. LSED, if fully funded, can shift that dynamic in the opposite direction.

To date, LSED has been enforcing the City's Sick and Safe Time Ordinance and Municipal Minimum Wage Act. Beginning in 2020, enforcement will begin on the City's Wage Theft Ordinance. The Division is currently reaching its capacity to complete investigations expeditiously, given its current caseload. The additional scope of the Wage Theft Ordinance is expected to increase complexity and demands of cases. The increased resources provided by an additional investigator are critical in ensuring LSED can manage an increased workload. Increased efficiencies should be expected with more time and staff experience doing enforcement work.

**Civil Rights****2020 Change Item***Wage Theft Enforcement***Program:** Labor Standards Enforcement**Fund:** General Fund

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>	—	—	—	—	—
Federal Government Grants	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	69	69	69	69	69
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	69	69	69	69	69
	—	—	—	—	—
<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Change in FTE Count</b>	—	—	—	—	—

**Proposal Details:**

The Council approves \$69,000 ongoing for collaborative enforcement of the City's Sick and Safe Time and Municipal Minimum Wage Ordinances in the Labor Standards Enforcement Division (LSED).

**Rationale/Background:**

The LSED is currently responsible for oversight and enforcement of the City's Sick and Safe Time and Municipal Minimum Wage Ordinances. LSED has utilized Community Based Organizations' (CBOs) expertise and resources at many points during the implementation of these ordinances to ensure that outreach and education are connecting with the individuals who will be impacted most. CBOs can utilize knowledge and relationships with Minneapolis workers groups which can provide a tremendous benefit to the City as it continues to ensure employers and employees are aware of changes and policies being implemented as part of ordinances. The role of Labor Standards Enforcement includes outreach and education elements but as ordinances become more established and visible, the need for LSED resources to place more emphasis on the investigations of violations will continue to increase. This results in few resources that LSED is able to deploy to outreach and education efforts, which is an area that CBOs have proven incredibly valuable. By working with CBOs, Minneapolis can use a collaborative effort to reach impacted residents and take full advantage of groups that have made improving the lives of workers in Minneapolis their mission.

**Description of the Change:**

Funds will be used by CBOs to conduct outreach, engagement, and provide technical assistance to both low wage workers and small businesses. At the end of the pilot, a determination of the impact and effectiveness will be presented as a justification for continuation, modification, or termination of the program. Effectiveness will be measured in how many complaints are brought or identified by CBOs, how many workers receive sick and safe time or wage compensation that will not otherwise have occurred, or numbers of businesses receiving payroll and other types of compliance technical assistance. The number of compliance issues resolved and workers and businesses trained can all be quantified. To

date, almost fully half of the meritorious complaints received by the LSED were brought by our initial partnership with a community-based organization called Centro de Trabajadores Unidos en Lucha (CTUL). Even more importantly, every single one of these complaints involved financial harm to Spanish-speaking or African-American low wage workers. Workers received remedies and training in every one of these cases. In comparison, other complaints filed (unaffiliated with a community-based organization) have come from predominantly Caucasian complainants, many of whom were union members.

This item ensures that the City is able to leverage partnerships with agencies that serve a similar mission and have detailed knowledge of the landscape impacted by City labor regulations. This partnership will begin immediately (likely in the first quarter of 2019) once the funding is allocated and a contract is finalized.

**Equity Impact:**

The adoption of the Sick and Safe Time and Minimum Wage ordinances were explicit strategies to address economic disparities across the City. Much of the data is readily available and has been reported extensively; 41% of all black workers and 54% of all Latino workers- and their 71,000 families currently earn less than \$15 per hour. Similarly, we know that workers of color, particularly Latino workers, did not previously have access to sick leave like their white counterparts.

A co-enforcement model of enforcement, in partnership with CBOs, is the single most effective way to ensure that the intended benefits of low wage workers protections are realized in traditionally underrepresented communities. Government, by definition, cannot have nearly the same access and trust within traditionally underserved communities, compared to relationships built by CBOs. When executed properly, community members themselves are empowered through the enforcement of their labor standards. A rising minimum wage and enforcement of sick and safe time intends to attack race and income disparities across the city, by empowering lower wage communities and the businesses they patronize. The work, strategic priorities, and investments of LSED through co-enforcement can effect transformational change if fully funded.

Minneapolis Workplace Advisory, a collection of stakeholders in the City, has continued to bring the concerns of the community to the department each month. They highlight the many small businesses working diligently to implementation and adhere to several new workplace regulations. While LSED is tasked with enforcement, the division must also take care to build relationships and not punish those businesses that want to be in compliance but are struggling to do so. They must balance two of the City's goals around an inclusive economy; both protecting the rights of workers, while still supporting an environment where small businesses can thrive. Current investigators are acting as investigators, technical assistant providers, and working to ensure businesses are indeed implementing these changes. This takes substantial time.

**Results:**

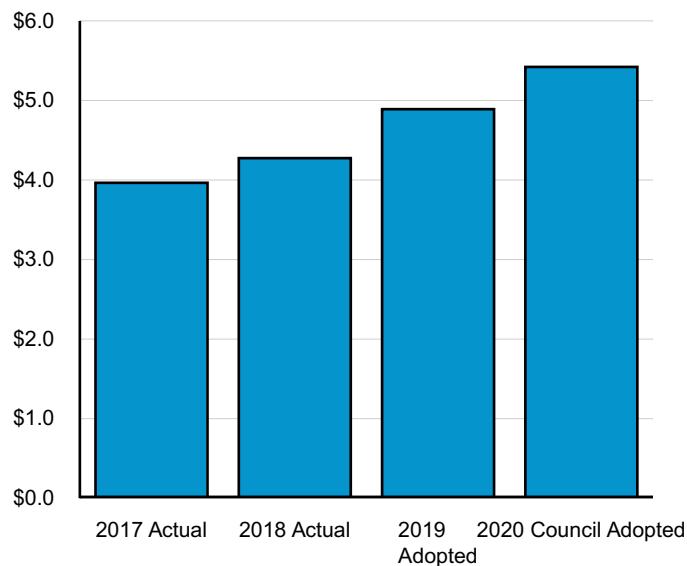
Effectiveness will be measured in how many complaints are identified by CBOs, how many workers receive sick and safe time or wage compensation that will not otherwise have occurred, or numbers of businesses receiving payroll and other types of compliance technical assistance from CBOs. The number of compliance issues resolved and workers and businesses trained by CBOs can all be quantified. By collecting data and analyzing trends, the goal is to have a clear picture of the impact a co-enforcement model has on labor standards work in Minneapolis and the merits of continuing this arrangement in the future.

**CIVIL RIGHTS**  
**EXPENSE AND REVENUE INFORMATION**

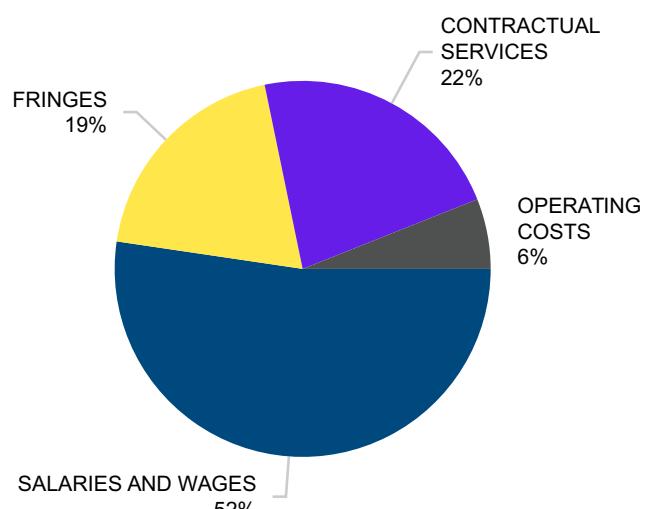
EXPENSE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>GENERAL</b>						
SALARIES AND WAGES	1,904,465	2,143,626	2,299,000	2,594,000	12.8%	295,000
FRINGES	600,147	673,115	833,000	965,000	15.8%	132,000
CONTRACTUAL SERVICES	796,206	866,316	1,100,000	1,171,000	6.5%	71,000
OPERATING COSTS	427,539	316,709	311,000	328,000	5.5%	17,000
<b>TOTAL GENERAL</b>	<b>3,728,357</b>	<b>3,999,766</b>	<b>4,543,000</b>	<b>5,058,000</b>	<b>11.3%</b>	<b>515,000</b>
<b>SPECIAL REVENUE</b>						
SALARIES AND WAGES	187,843	218,213	234,000	252,000	7.7%	18,000
FRINGES	63,993	71,936	88,000	91,000	3.4%	3,000
CONTRACTUAL SERVICES	—	—	42,000	37,000	-11.9%	(5,000)
OPERATING COSTS	1,117	1,803	—	—	0.0%	0
<b>TOTAL SPECIAL REVENUE</b>	<b>252,953</b>	<b>291,952</b>	<b>364,000</b>	<b>380,000</b>	<b>4.4%</b>	<b>16,000</b>
<b>TOTAL EXPENSE</b>	<b>3,981,310</b>	<b>4,291,718</b>	<b>4,907,000</b>	<b>5,438,000</b>	<b>10.8%</b>	<b>531,000</b>
REVENUE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>SPECIAL REVENUE</b>						
CHARGES FOR SERVICES	—	31,350	—	—	0.0%	0
CONTRIBUTIONS	—	220,563	—	—	0.0%	0
FEDERAL GOVERNMENT GRANTS	7,358	263,732	42,000	36,000	-14.3%	(6,000)
MISCELLANEOUS	—	5,120	—	—	0.0%	0
<b>TOTAL SPECIAL REVENUE</b>	<b>7,358</b>	<b>520,765</b>	<b>42,000</b>	<b>36,000</b>	<b>-14.3%</b>	<b>(6,000)</b>
<b>TOTAL REVENUE</b>	<b>7,358</b>	<b>520,765</b>	<b>42,000</b>	<b>36,000</b>	<b>-14.3%</b>	<b>(6,000)</b>

## CIVIL RIGHTS EXPENSE AND REVENUE INFORMATION

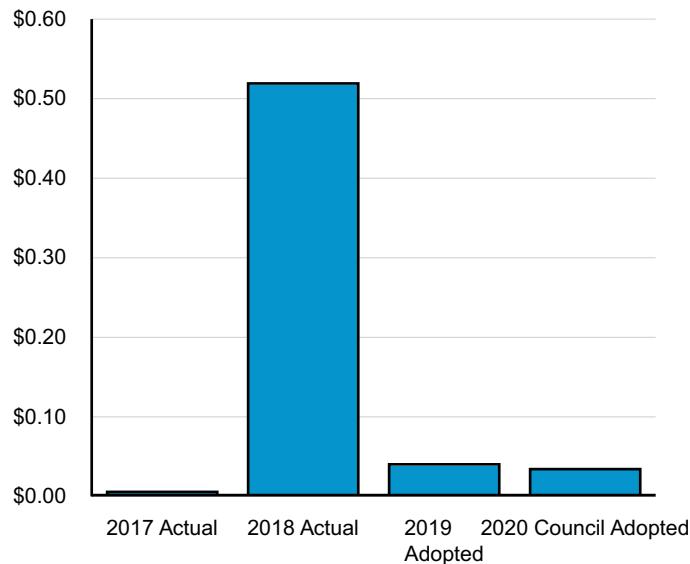
**Expense 2017 - 2020**  
**In Millions**



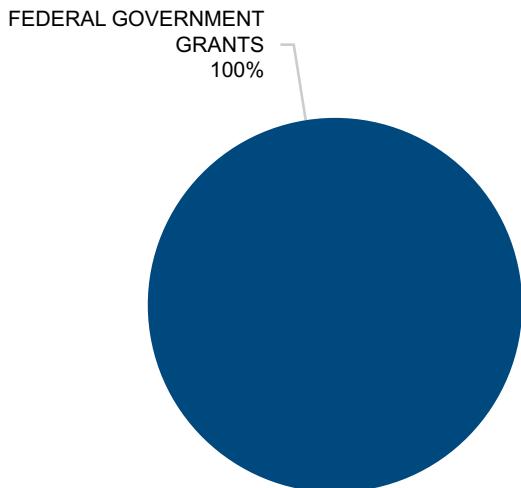
**Expense by Category**



**Revenue 2017 - 2020**  
**In Millions**



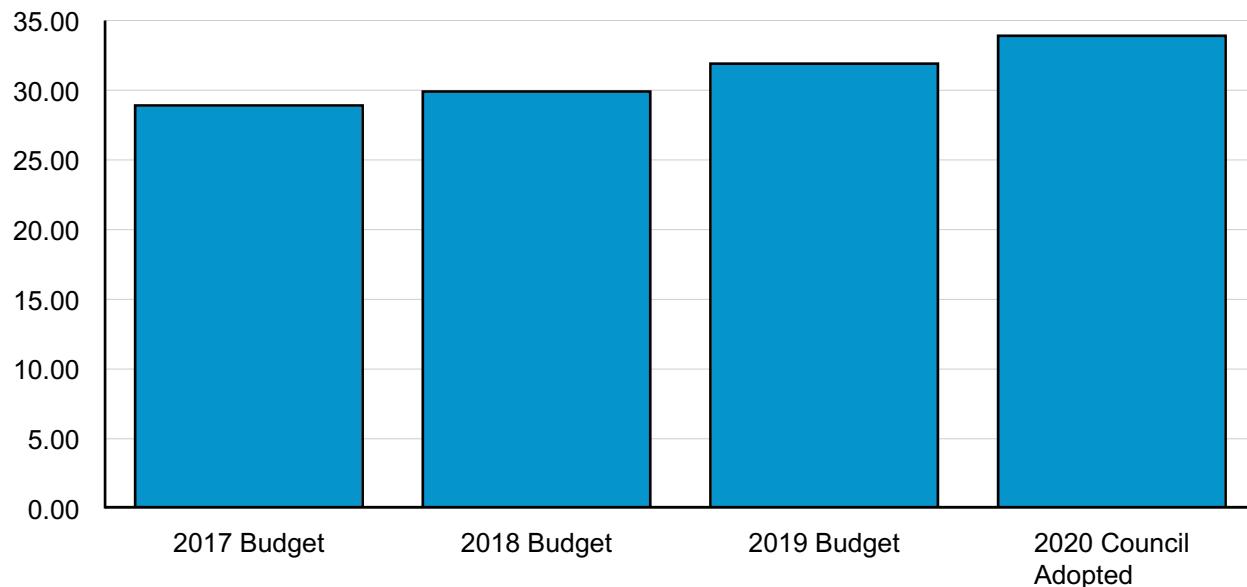
**Revenue by Type**



## CIVIL RIGHTS Staffing Information

Division	2017 Budget	2018 Budget	2019 Budget	2020 Council Adopted	Percent Change	Change
COMPLAINT INVESTIGATION	6.52	5.69	5.63	6.63	17.8%	1.00
CONTRACT COMPLIANCE	10.74	10.05	9.96	10.96	10.0%	1.00
EQUITY IN EMPLOYMENT	3.22	3.36	3.33	3.33	0.0%	0.00
LABOR STANDARDS ENFORCEMENT	2.00	3.21	4.33	5.33	23.1%	1.00
POLICE CONDUCT REVIEW	6.52	7.69	8.75	8.75	0.0%	0.00
Overall	29.00	30.00	32.00	35.00	9.4%	3.00

### Positions 2017-2020

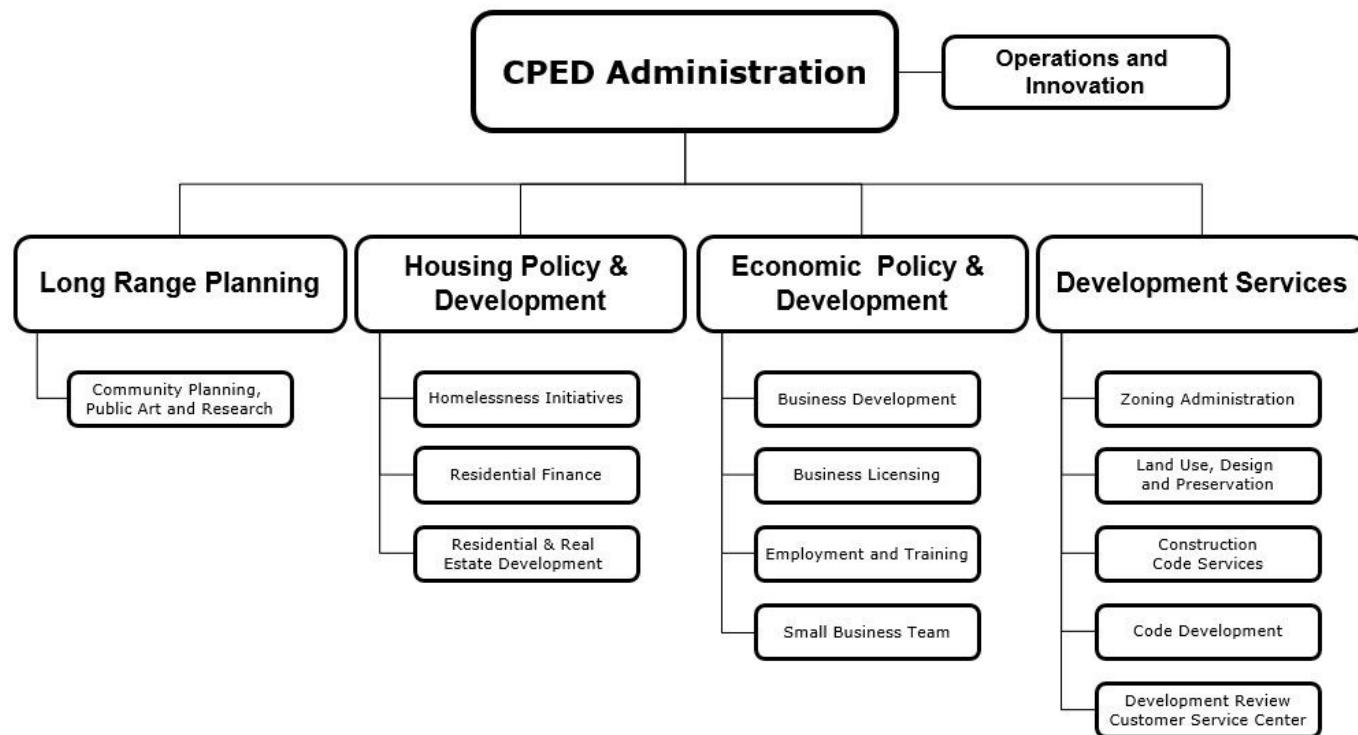


# COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT

## Mission

Grow a vibrant, livable, safely built city for everyone.

## Organization Chart



### Administration and Support

General Fund: \$8,841,000

Other Funds: \$1,560,000

This division provides department-wide leadership and support for internal City services including budget, technology services, business process improvements, finances, information-technology, communications, fleet management, space management, employee engagement, and workforce planning, and community engagement/outreach. It is also responsible for oversight and management of data analytics and administrative enforcement. The division strives to improve and facilitate accountability and innovation throughout its divisions, providing analysis and long-range thinking that supports responsible decision making. It is also responsible for coordination of projects, public policy process and implementation, committee actions and council process.

### Housing Policy & Development

General Fund: \$3,508,000

Other Funds: \$385,000

Housing Policy & Development establishes housing policy, finances and redevelops single and multifamily residential real estate to stimulate private investment, increase the tax base and sustain a healthy housing market.

**Affordable Housing Development**

General Fund: \$5,409,000  
Other Funds: \$19,351,000

This program provides necessary financing for the development, redevelopment or preservation of affordable and mixed income rental housing to meet current and future resident needs, stimulate private investment, increase tax base, and sustain a healthy housing market.

**Homeownership Support & Development**

General Fund: \$2,751,000  
Other Funds: \$7,354,000

This program is designed to assist with the development, redevelopment and support of ownership housing of 1-4 units. The work is critical to promote high quality and healthy housing, and promote affordable, sustainable homeownership, with a strong focus on reducing racial disparities in homeownership rates. The major sub programs include Minneapolis Homes: Buy, Build, Rehab, Home Ownership Works, Homeownership Opportunity Minneapolis, Homeownership Counseling and Education, Homeowner Rehab, Vacant and Boarded program and property management of vacant properties.

**Economic Policy & Development**

General Fund: \$392,000

Economic policy & Development supports investment that grows businesses, jobs and the City's tax base, and works to ensure that Minneapolis residents are competitive for those jobs.

**Business Development**

General Fund: \$3,064,000  
Other Funds: \$9,133,000

Business Development helps businesses to start, stay and grow in Minneapolis to expand job growth, business ownership, tax base and commercial vitality particularly for those populations and neighborhoods that have been disenfranchised. To accomplish its work, Business Development has an array of programs and projects including small business loans and facade grants, business technical assistance, site search assistance, and commercial real estate development.

**Adult Workforce Development & Youth Training**

General Fund: \$1,455,000  
Other Funds: \$8,151,000

Funding for the City's Minneapolis Works, Career Pathways, and WIOA Adult programs, Dislocated Worker Program, and Youth Programs (Step Up and Year Round WIOA Youth) that, through a network of community-based providers, help In 2018, through its various programs and strategies, Adult Workforce Development programs assisted over 2,000 Minneapolis residents through employment training, career navigation, and job counseling services; over 1,200 gained employment; 600 earned industry-recognized training; hundreds continue in training into 2019; average wage change from program entry to exit was +35.5%.

**Business Licensing**

General Fund: \$3,293,000

This program regulates business licensing for liquor establishments and over 200 other types of businesses. Business Licensing annually licenses 11,000 businesses and individuals. The services include assisting

business owners through various stages of the business onboarding processes. These stages include license application review, background checks, collection of license fees with an annual renewal billing system, and onsite facility inspections. Onsite facility inspections allow Business Licensing to verify that the business delivers on the level of service commitment to its patrons as defined in the license agreement and serves as an opportunity to provide education, where appropriate, to help the business succeed in the City.

## **Small Business Program**

General Fund: \$497,000

Small Business provides direct, one on one assistance to business owners and entrepreneurs in navigating City requirements, regulations, and resources. In addition to this central role, the Team also conducts small business outreach and engagement with a particular focus on communities of color and supports City improvement efforts to make Minneapolis an easier place to start and grow small businesses.

CPED Long Range Planning Division

General Fund: \$1,996,000

Other Funds: \$1,191,000

Long Range Planning Division has three key components:

- (1) Comprehensive Planning actively aligns the City's planning, economic development, housing development, and transportation planning functions into a sustainable, regional framework for managed growth over the next generation.
  - (2) Research activities guide and inform our planning work; this includes developing and utilizing applied research derived from quantitative and qualitative methods and data.
  - (3) The Art in Public Places program is comprised of six areas of regular work activity which include the commissioning and creation of art in public places, conservation, technical assistance to other agencies, public art policy, proposals for art on city property, proposals for art on private property, and working with cultural communities.

## **Development Services Policy & Development**

General Fund: \$303,000

Development Services manages zoning administration, land use, design and preservation review, construction code services and the customer service center that serves as the front door for the City's consolidated development activities.

**Development Services Policy & Development - Customer Service Center**

General Fund: \$2,169,000

The Customer Service Center serves as the front door and service center for the City's consolidated development activities and focuses on consistent, streamlined customer service. It ensures high-quality development while requiring that building construction and rehabilitation projects meet the City's standards in terms of safety, livability and health and environmental sensitivity. Business licenses, rental licenses and critical parking permits may also be obtained at this center.

## Land Use, Design and Preservation

General Fund: \$2 240 000

Other Funds: \$797,000

The Land Use, Design, Preservation and Zoning department guides development as required by law, helping residents and property owners invest in the City in a way that aligns with the City's comprehensive plan and development regulations. The department is responsible for managing, reviewing, and enforcing land use, zoning, preservation, and environmental review applications. The department staffs and administers public processes, including public meetings of the City Planning Commission, Heritage Preservation Commission and Zoning Board of Adjustment. The department performs administrative reviews and preservation permits at the customer service center, as well as guiding ongoing regulatory reform affecting land use and development.

### **Construction Codes Services**

General Fund: \$9,489,000

Construction Code Services (CCS) ensures the comprehensive application of the Minnesota State Building Code and applicable city ordinances. CCS consists of the three business lines of construction plan review, construction inspections, and programs. Construction plan review accepts all applications for building, elevator, mechanical, and plumbing work that require a plan review and a permit. Plans are reviewed and permits are issued for these projects. Construction inspections performs all required inspections for building, elevator, mechanical, and plumbing work covered by issued permits and respond to complaints regarding construction projects. Programs include elevator registration and annual inspections, code compliance, truth-in-sale-of-housing, certificate of occupancy, and fire escrow.

### **CPED Debt Service & Transfers**

Other Funds: \$37,312,000

This program relates to the administration and management of certain CPED financial resources, both with external partners and between CPED funds. This program provides for the transfer of revenues necessary to pay annual debt service on bonds and other contractual obligations issued to undertake various CPED activities as well as the internal transfer of eligible revenues to finance CPED development activities.

## **Financial Analysis**

### **Expenditure**

For 2020, Community Planning and Economic Development's (CPED) budget is \$130.6 million, a decrease of 0.2% or \$220,000 from the 2019 budget.

### **Revenue**

In 2020, the department anticipates \$127.7 million in revenue, an decrease of \$16.0 million or 11.1% from 2019.

### **Fund Allocation**

In 2020, 35.8% of the department's budget is funded from general fund resources, or \$45.4 million. The remaining budget is funded from federal and state grants, tax increment property taxes and transfers as well as other resources.

**Program:** Economic Planning & Development

**Fund:** General Fund

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>	—	—	—	—	—
None	—	—	—	—	—
<b>Expenditures</b>	—	—	—	—	—
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	50	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>		—	—	—	—
Expenditures - Revenues	50	—	—	—	—

Personnel Impacts	2020	2021	2022	2023	2024
Change in FTE Count	—	—	—	—	—

### **Proposal Details:**

The Council approves \$50,000 in one-time general funds to be deployed specifically in conjunction with a cooperative public market for the Africa Village project in the Cedar-Riverside neighborhood.

### **Rationale/Background:**

In late 2019 the City issued a request for proposals (RFP) to develop a City-owned lot in the Cedar-Riverside neighborhood. Among other development objectives, the RFP seeks to create a new “Africa Village” cultural area and public market featuring a range of retail and professional small businesses serving and accessible to African and non-African communities. The RFP states a strong preference for a nonprofit or cooperative operation and ownership structure for the public market to promote sustainable, affordable rent levels for a range of businesses, and democratic, transparent decision-making.

### **Description of the Change:**

These funds will be deployed to support the cooperative public market for the Africa Village project.

### **Equity Impact:**

Not only will the market provide a place for people to shop, it will also provide economic opportunities to rising entrepreneurs to grow their businesses. The Africa Village area and public market has the potential to become a regional destination that generates customer traffic and other resources for the broader West Bank business community. The Africa Village vision and public market is aligned with the City’s goals around economic inclusion.

**Results:**

These funds will be deployed to support the cooperative public market for the Africa Village project.

**Program:** Business Development**Fund:** General Fund

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>	—	—	—	—	—
None	—	—	—	—	—
<b>Expenditures</b>	—	—	—	—	—
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	—	—	—	—	—
Other	75	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	75	—	—	—	—

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	—	—	—	—	—

**Proposal Details:**

The Council approves \$75,000 in one-time general funds to fund a contract with an entity or entities to provide no interest, no fee refinanced loans for people with payday lending loans.

**Rationale/Background:**

This program will help borrowers of payday loans to escape the high costs of such loans.

**Description of the Change:**

The City will issue a request for proposals to contract with one or more entities that can provide no interest, no fee refinanced loans for people with payday lending loans.

**Equity Impact:**

This contract will help borrowers of payday loans to escape the high costs of such loans.

**Results:**

Fund will result in a contract with one or more entities that provide these refinancing services.

**CPED****2020 Change Item**

*Cultural Districts: Commercial Property Development Fund*

Program: *Economic Planning & Development*

Fund: *Development and General Funds*

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	—	—	—	—	—
Other	2,700	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	2,700	—	—	—	—

Personnel Impacts	2020	2021	2022	2023	2024
Change in FTE Count	—	—	—	—	—

### **Proposal Details:**

The Council approves \$2,000,000 in one-time development funding, and \$700,000 in one time general funding to seed a fund that provides patient debt capital on favorable terms to commercial development projects located in economically challenged areas, namely Cultural Districts. External partners and philanthropic funders will invest in this fund. The \$2,000,000 in development funding will be used in cultural districts, while the \$700,000 in general funding will be used outside of cultural districts.

### **Rationale/Background:**

This recommendation aligns well with the Mayor's priority around economic inclusion and City Council's adopted Economic Development goal to grow BIPOC-owned businesses and for the Built Environment. Economically challenged neighborhoods face barriers in attracting equity and debt capital for commercial property development. These barriers include, but are not limited to:

- significant deferred maintenance on the inventory of commercial properties
- reluctance of lenders to support projects at levels needed
- lack of generational wealth and development experience in the hands of would-be developers
- lower rents available to projects in challenged communities
- smaller commercial spaces required by potential tenants results in higher leasehold improvement costs
- the perception and/or reality of higher crime rates, which discourages lenders, tenants, investors and developers from undertaking projects

### **Description of the Change:**

While the City has provided financing for commercial property revitalization for years, for example through Great Streets Real Estate Gap Financing loans, the scale and terms of the

assistance with this recommendation will be new. The Fund will provide patient debt capital in larger dollar amounts than other existing financing tools. It will also offer more favorable terms including the deferral of payments of interest and principal; instead the loans will be due-on-sale of the property and will not accrue interest. \$2,000,000 of the Fund will be focused on projects located in Cultural Districts with \$700,000 reserved for areas outside of Cultural Districts but within economically challenged areas. An example of a potential project could be the renovation of 927 West Broadway. City staff will seek to use the City's contribution to the Fund to leverage contributions from other community development-oriented local and national foundations. The City will commit and disburse the loan funds on schedules determined by the needs of eligible projects. With this recommendation, the Fund could provide and catalyze financing for 2-4 real estate projects. In collaboration with the Mayor's office, staff will draft, Mayor will review, and the City Council will approve more detailed program guidelines.

**Equity Impact:**

The Commercial Property Development Fund is targeted to benefit real estate projects located in Cultural Districts, particularly in racially segregated areas with concentrated poverty. The projects often clean up blighted or underutilized properties and provide commercial and/or social services to the community. As part of the development process, Cultural Districts stakeholders, neighborhood groups and other community stakeholders will provide input on the project.

**Results:**

Funding the Commercial Property Development Fund will allow commercial revitalization projects located in Cultural Districts to occur that otherwise would not. This leads to strengthened commercial ecosystems in a community, job opportunities, improved commercial building conditions, and an enhanced tax base. Projects can start with more confidence and reach completion sooner, ultimately supporting the City's goals of growing businesses owned by BIPOC communities and the Mayor's goal of implementing economic inclusion.

Program: *Housing Policy & Development*Fund: *CDBG & UDAG Funds*

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	—	—	—	—	—
Other	9,764	7,014	5,014	3,014	3,014
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	9,764	7,014	5,014	3,014	3,014

Personnel Impacts	2020	2021	2022	2023	2024
Change in FTE Count	—	—	—	—	—

### Proposal Details:

The Council approves \$8,964,000 in one-time TIF funding, \$800,000 in ongoing general funding, and \$750,000 in one-time CDBG program income for the Affordable Housing Trust Fund (AHTF) to provide gap financing for the production and preservation of affordable rental housing. CPED will also be transferring \$750,000 of ongoing CDBG funding from AHTF to Homeowner Rehab.

### Rationale/Background:

This request directly addresses the Mayor's priority of expanding access to affordable housing throughout the City. The City is growing faster than it has since 1950, and is a majority renter population. Minneapolis renters are facing increasing housing costs with decreasing incomes, and the city has fewer affordable housing units today than it did 15 years ago. The energy cost burden is disproportionately high for low income renters, and disparities in housing quality have serious health impacts for residents, especially children. The AHTF is one of the City's primary tools for providing financing to help close the gap between what it costs to provide decent, safe housing and what low income residents can afford. Significant resources for the AHTF, which increases the number of projects that can be fully funded and constructed on a faster timeline, is perhaps the most direct way the City can expand access to affordable housing.

### Description of the Change:

This request is an expansion of an established program, and paired with \$7 million in base budget, will create a \$16.8 million AHTF. This is less than 2019's historic \$20 million AHTF, but significantly more than the historical budget target of \$10 million per year.

A \$16.8 million AHTF will allow financing of 175 units affordable at 30% AMI, 170 units affordable at or below 50% AMI (awards ranging from \$30,000-\$50,000/unit). This production

level aligns with 2020-2030 annual goals assigned by the Metropolitan Council.

The AHTF complements other City enterprise work that addresses the need for more affordable housing. It directly overlaps with the federal Low Income Housing Tax Credit program and the Housing Revenue Bond program, and is in some ways constrained by the resources available in those programs. Due to the costs associated with housing development, it is rarely feasible to finance a new project without bonds and/or tax credits in addition to AHTF.

The City relies on multiple partners to execute the AHTF program including private developers (nonprofit/for profit) and other funding partners (federal, state, regional, local). The AHTF directly expands access to affordable housing. Other challenges listed in the background section are addressed through program requirements related to affordability level and term, green and healthy building requirements, and locational choice incentives.

### **Equity Impact:**

Communities of color are most directly negatively impacted by the shortage of affordable rental and rent and energy cost burdened households are disproportionately communities of color. Evictions disproportionately impact neighborhoods with majority non-white populations. Persons with disabilities experience poverty at higher rates than the population as a whole and veterans are overrepresented among the homeless population.

The AHTF is one tool the City uses to implement its duty to Affirmatively Further Fair Housing to overcome patterns of segregation and foster inclusive communities. There are many requirements in the AHTF designed to improve disparities in housing need and access, replace segregated living patterns with integrated and balanced living patterns, improve access to opportunity in areas of concentrated poverty and foster and maintain compliance with civil rights and fair housing laws. Robust community engagement continues to be a key component of the City's certifications related to Affirmatively Furthering Fair Housing.

The production and preservation of affordable housing made possible by expanded funding within the AHTF will help reduce disparities by expanding locational choice and access to decent, safe, affordable housing, both inherently and as the result of specific program policies and rules designed to achieve that outcome.

### **Results:**

AHTF resources will be used with other financial tools (housing tax credits, tax exempt bonds, tax increment financing) and to leverage other funding sources (debt, private equity, Minnesota Housing, Hennepin County, private philanthropy, etc.) to increase the number of affordable housing units produced and preserved. Projects funded through the AHTF are required to remain affordable for a minimum of 30 years. Historically, CPED reported on units produced and preserved below 80% of Area Median Income (AMI) and below 50% of AMI. In 2019, CPED shifted to start tracking outcomes at 30%, 50%, and 60% of AMI consistent with Met Council annual goals. By program rule, AHTF resources only support units at or below 50% AMI.

A \$16.8 million AHTF would provide the ability to finance 175 units affordable at 30% AMI and 170 units affordable at or below 50% AMI (awards ranging from \$30,000-\$50,000/unit per current program rules).

*Cultural Districts: Co-op and Employee Owner Opportunity Fund*Program: *Economic Planning & Development*Fund: *General Fund*

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	100	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	100	—	—	—	—

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	—	—	—	—	—

**Proposal Details:**

The Council approves \$100,000 in one-time general funding to help pay for the preparation and transaction costs to create or convert worker-owned co-ops or other employee-ownership opportunities, particularly for businesses located in areas of poverty.

**Rationale/Background:**

The recommendation aligns well with the Mayor's priority around economic inclusion and the City Council's adopted goals for Economic Development. Cooperative businesses are a way to advance community ownership and the related community wealth building and democratic governance. By focusing on Cultural Districts, we will increase the participation of BIPOC community members. There is increasing interest in worker-owned co-ops and other employee-ownership approaches as ways to build worker and community wealth. And there is an opportunity to pursue worker-owned co-ops and other employee-ownership approaches as businesses face ownership transitions with aging Baby-Boomers.

**Description of the Change:**

While providing funding to help create worker-owned co-ops or other employee-ownership opportunities is new, the City has supported the creation of cooperative businesses generally through the Cooperative Technical Assistance Program (C-TAP) for a few years. C-TAP provides training and tailored business consulting to groups exploring the feasibility of creating a co-op, launching new co-ops, and sustaining existing co-ops. The existing C-TAP can provide and support technical assistance for groups creating new or converting existing businesses into worker-owned co-ops. What this change item request would do is provide matching funds for the transaction costs, e.g. legal, accounting, etc., that may be a barrier to the formation and implementation of worker-owned co-ops for businesses and workers from economically

challenged communities and populations with less access to wealth. The funding could assist 3-6 businesses to establish worker-owned co-operatives or other employee-ownership structures.

**Equity Impact:**

This support for creating and converting into worker-owned co-ops and other employee-ownership approaches would be focused on businesses and workers from economically challenged communities and populations. The opportunity to participate in cooperative or employee ownership of a business would give those workers and their communities the chance to build wealth and have a voice in the governance of their business.

**Results:**

This support would help groups ready to create or convert into worker-owned co-ops or other employee-ownership approaches to implement the transactions. The funding could lead to more transactions and more employee-owned businesses.

Program: *Economic Planning & Development*Fund: *General Fund*

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	100	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	100	—	—	—	—

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	—	—	—	—	—

**Proposal Details:**

The Council approves \$100,000 in one-time general funding to increase artistic and cultural expressions in Cultural Districts through funding for murals and arts programming activities.

**Rationale/Background:**

This recommendation aligns well with the City's adopted policy in the Minneapolis 2040 comprehensive plan around Cultural Districts. "A Cultural District is a contiguous area with a rich sense of cultural and/or linguistic identity rooted in communities significantly populated by people of color, Indigenous people, and/or immigrants." The City is going through a process to identify and designate the Districts. The comp plan policy includes an action step to partner with various stakeholders to develop strategies that elevate the district's cultural and linguistic identity. For this recommendation, staff will administer the funds through the existing Great Streets program and can devote some of the existing base funding for Great Streets programs to activities focused in Cultural Districts.

**Description of the Change:**

While a focus on Cultural Districts designation is new, the Great Streets program has previously supported artistic and cultural expressions through murals and programming in neighborhood commercial districts, some of which are likely to be Cultural Districts. The Great Streets facade improvement program provides matching grants to business and property owners for improvements to the outside of commercial buildings. The business district support program of Great Streets provides funding to local, community-based organizations for a range of activities that organize, promote, and activate neighborhood commercial districts. Artistic-oriented events and activations, and the creation of murals have been eligible activities. This funding would support the Cultural Districts along West Broadway, Cedar Avenue, and East Lake Street.

Great Streets works through local, community-based organizations to implement the program and disburse funding. Staff will add a category to the requests for proposals in 2020 for both facade and business district support focused on murals and artistic programming, respectively, to support Cultural Districts. The funding will seed planning and implementation activities for 2-6 projects. A range of nonprofits, including arts and cultural groups, are eligible to apply for Great Streets funding. Partnerships involving multiple groups often result in stronger, more coordinated proposals.

**Equity Impact:**

The Cultural Districts policy is rooted in the goal to strengthen commercial areas and protect the racial diversity and uplift the cultural identity of the city's areas where a significant portion of the population is comprised of Black, Indigenous, and immigrant people of color. The recommendation will bring additional funding to Cultural Districts to support their cultural identity. Administering the program through local, community-based organizations, as Great Streets is, will help ensure the selected activities reflect the people living and working in the districts.

**Results:**

This recommendation will support and catalyze greater artistic and cultural expressions in Cultural Districts, particularly along West Broadway, Cedar Avenue, and East Lake Street. The amount of funding awarded and disbursed for these activities could be tracked. Depending on the activity, the nature of the community partnerships involved, the numbers of participants or event attendees, and/or the outcomes from the activities, with the help of the local administering organizations, could be tracked.

*Cultural Districts: Expand Great Streets Facade Program*

Program: *Economic Planning & Development*

Fund: *Development Account*

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	200	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	200	—	—	—	—

Personnel Impacts	2020	2021	2022	2023	2024
Change in FTE Count	—	—	—	—	—

### Proposal Details:

The Council approves \$200,000 in one-time development funding to expand the City's Great Streets facade improvement grant program to include a broader range of building improvements, such as interior and building system work, as eligible costs in Cultural Districts.

### Rationale/Background:

This recommendation aligns well with the Mayor's priority around economic inclusion and City Council's adopted goals for Economic Development and for the Built Environment. Areas of market failure occur in Minneapolis as a by-product of intentional public-policy choices and racially-based market actions. These choices and actions result in lower real estate values per-square-foot compared to other areas in the City, eroding our tax base. Past real estate practices such as steering, block busting, and redlining created economic consequences in these areas. These factors increase deferred maintenance, reducing building quality and overall economic attractiveness for investment, contributing to deceased commercial property supply. The current match requirements are a challenge for BIPOC-owned businesses.

### Description of the Change:

This recommendation expands the scope of eligible costs of the program to include improvements inside a building, such as building systems and tenant fit-out work. The facade program is currently focused on funding improvements to the exterior of commercial buildings located in neighborhood-serving commercial areas. The program provides a matching grant, up to a maximum, to a property or business owner's investment. A key goal is to improve the appearance of commercial buildings making them more inviting places for people to walk and shop.

The expanded scope of eligible interior improvements will be limited to properties located in Cultural Districts along West Broadway, Cedar Avenue, and East Lake Street. These areas are the most economically challenged and face the most barriers to maintaining the commercial building stock and financing interior improvements for small business tenants. The expanded scope will include a restructuring of the program to reduce the match requirement in Cultural Districts. Currently, local business associations and other nonprofit community development organizations largely administer the program to property and building owners. Staff foresee that approach continuing. Staff will begin to implement this expanded scope in 2020. The additional funding could help improve the condition of 5-20 commercial buildings depending on the specific guidelines of the program. Staff will draft, Mayor will review, and the City Council will approve more detailed program guidelines.

**Equity Impact:**

Limiting the expansion of this funding to Cultural Districts, which have more severe economic challenges and generally have higher populations of people of color, indigenous people, and immigrants, allows for greater measurable impact. The program will be administered through local, community-based business associations and other community development organizations that are rooted in the community and possess relevant cultural competency.

**Results:**

This recommendation will support and catalyze greater private investment in the maintenance and improvement of the commercial building stock in economically challenged areas. Currently Results already tracks the amount of public investment from the Greats Program and the amount of private investment that it leverages on a yearly basis that result from improvements to building facades. The amount of public and private investment in the interior of buildings could be similarly tracked.

**CPED****2020 Change Item**

*Expand Staffing for Small Business Team*

Program: *Economic Planning & Development*

Fund: *General Fund*

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	98	98	98	98	98
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	—	—	—	—	—
Other	2	2	2	2	2
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	100	100	100	100	100

Personnel Impacts	2020	2021	2022	2023	2024
Change in FTE Count	1	1	1	1	1

### **Proposal Details:**

The Council approves \$100,000 in ongoing general funding for an additional Small Business Community Liaison on the Small Business Team who can support and engage with businesses with a focus on historically disadvantaged POCII communities.

### **Rationale/Background:**

Making an additional investment in the Small Business Team directly supports the Mayor's priority of Economic Inclusion. Business ownership can be an effective strategy for building individual and community wealth, but there continue to be significant racial disparities in business ownership by race in Minneapolis. Entrepreneurs face a range of challenges to starting, sustaining, or expanding their businesses, everything from creating a business plan, securing financing, to navigating regulatory issues. The goals of the Small Business Team are to support small businesses in navigating relations and getting connected to resources, with a focus on service to entrepreneurs of color.

### **Description of the Change:**

This recommendation is an expansion of current services. Currently, there are two Liaisons on the Small Business Team. Adding a third liaison will provide additional capacity to support around 500 more businesses per year, including responding to direct requests for assistance, conducting proactive outreach, and connecting through community events. Adding an additional Liaison will also expand the reach that the team has to particular cultural groups to ensure equitable outreach and service to entrepreneurs of color. This staffing is complementary to Business Technical Assistance Program (B-TAP) services. As with all the work of the Small Business Team, the efforts of the Liaison position require continued cooperation from the City's regulatory and business development divisions. If approved, the Team could post for this

position using an existing job classification immediately and have a candidate in the position within 2-3 months.

### **Equity Impact:**

The groups that benefit from the liaison position include potentially any entrepreneurs or small business owner in Minneapolis, as the Team will respond to requests from entrepreneurs across any group. The targeted promotion and outreach that the team does, however, are focused on traditionally underserved groups, including Latinx, African American, African, Asian, and Native/Indigenous people. A primary intended outcome of additional Small Business Team staffing is to reduce racial disparities in business ownership and business success. The Team liaisons work to support an entrepreneur through the required City business processes and connect them to resources, with a focus on outreach and engagement with communities of color to ensure that those entrepreneurs who most need services can receive them. Anecdotally, the impact of this support is positive and meaningful for those entrepreneurs who work with the Team.

Entrepreneurs appreciate having one person they can call to understand the range of City regulations and resources, particularly those who do not otherwise have connections within the City and those who benefit from the language skills and cultural understanding of the Liaisons on the Team.

### **Results:**

Adding a third liaison will provide additional capacity to support around 500 more businesses per year, including responding to direct requests for assistance, conducting proactive outreach, and connecting through community events. In the launch year of the Small Business Team in 2017, we received 121 requests for assistance (cases), in 2018 that had grown to 415, and in 2019 we are on-track to meet or exceed this volume. With an additional Liaison promoting the team's services, we expect demand for services to increase even further. As the Team matures, additional measurements of satisfaction and impact will be put in place.

**CPED****2020 Change Item***Great Streets Real Estate Gap Financing*Program: *Economic Planning & Development*Fund: *CDBG & UDAG Funds*

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	500	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	500	—	—	—	—

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	—	—	—	—	—

**Proposal Details:**

The Council approves \$500,000 in federal Community Development Block Grant (CDBG) dollars from program income for loans made under the City's Great Streets Real Estate Gap Financing program and other business development activities.

**Rationale/Background:**

The recommendation aligns well with the Mayor's and City Council's adopted goals for Economic Development and for the Built Environment. Great Streets Real Estate Gap Financing loans provide critical funding to catalytic commercial real estate revitalization projects located in designated Great Streets neighborhood commercial districts. The loan is often the last piece of funding needed to allow a project to begin construction. The projects involve taking blighted and underutilized commercial properties and improving them into community-benefiting assets. Examples of past projects include Project for Pride in Living's Franklin Theater, the Eastside Food Co-op, the Five Points building, Chicago Avenue Fire Arts Center, African Development Center's headquarters, Kindred Kitchen, and the main Seward Coop store.

**Description of the Change:**

This funding will allow existing activities to continue. Business Development received a large allocation of CDBG funds several years ago and has been spending it down through Great Streets and Business Technical Assistance Program (B-TAP) activities. This new allocation will fund at least one, possibly two, Great Streets Gap loans in the hundreds of thousands of dollars range. Potential projects that may seek a Great Streets Gap loan include the Baldwin Square project at 42nd and Fremont Ave. N., the commercial component of the Mino Bimadziwin project near the Franklin Ave LRT station, and the Family Partnership project at Bloomington and Lake St. Other eligible projects can arise over the course of the year. The City commits and disburses

the loan funds on schedules determined by the needs of eligible projects.

This program complements the recommendation for a Commercial Property Development Fund. While that Fund and Great Streets Gap loans provide funding for catalytic commercial real estate projects, Great Streets Gap loans are sized in the hundreds of thousands of dollars range and are generally funded with federal CDBG dollars, while the Commercial Property Development Fund generally makes large loans on more favorable terms using local funds.

**Equity Impact:**

Great Streets Gap loans address real estate funding needs in economically challenged neighborhood commercial districts with higher proportions of residents of color. The projects often clean up blighted or underutilized properties and provide commercial and/or social services to the community. As part of the development process, neighborhood groups and other community stakeholders provide input on the project.

**Results:**

Funding Great Streets Gap loans will allow commercial revitalization projects to occur that would otherwise not. This leads to improved commercial services in a community, job opportunities, improved building conditions, and an enhanced tax base.

Program: *Housing Policy & Development*Fund: *CDBG & UDAG Funds*

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	750	750	750	750	750
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	750	750	750	750	750
<b>Personnel Impacts</b>					
Change in FTE Count	—	—	—	—	—

**Proposal Details:**

The Council approves \$750,000 in ongoing Community Block Development Grant (CDBG) dollars from CDBG Affordable Housing Trust Fund allocation to continue the work of providing rehabilitation loans to low and moderate income Minneapolis homeowners to address health and safety concerns of the homes.

**Rationale/Background:**

The goal of this program has been to preserve property values and assist homeowners in making basic livability improvements and increase living space for growing families. For over a decade, Minneapolis outsourced the services associated with the administration of this program. In 2017, the vendor notified staff it was discontinuing its lending activities. To make an informed business decision, CPED contracted with Ehlers, Inc. to perform an analysis of our programs. It was determined that it was more cost-effective to perform the services in-house.

To expand the available resources available, CPED applied for and received funding from MHFA. To allow the Rehab Support Program to continue, CPED applied to Minnesota Housing and was approved to become a lender of their products. As an approved lender, the City will be able to utilize any MHFA loan products, which allows more resources to be available to Minneapolis homeowners.

**Description of the Change:**

There is no programmatic change to the program; the purpose of the recommendation is to reallocate \$750,000 in CDBG funds.

**Equity Impact:**

The City of Minneapolis does not have a goal related to rate of service to any one population. The focus of this program is to assist homeowners in need of rehab work to their home. There is an income cap of 80% AMI. We will continue to work with the Department of Neighborhood and Community Relations to ensure our outreach efforts are diverse enough and reaching all segments of our population.

**Results:**

This recommendation, coupled with the base of \$257,350, will result in serving 30-35 low- and moderate-income homeowners. As home values continue to increase throughout the City, this is a critical anti-displacement strategy to ensure low and moderate-income homeowners can continue to maintain their homes and support the desire of residents to age in place. This investment allows the City to leverage funding from the State and County to double the number of households served (60-70 households) through the program.

Program: *Housing Policy & Development*Fund: *General Fund*

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	100	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	100	—	—	—	—

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	—	—	—	—	—

**Proposal Details:**

The Council approves \$100,000 in one time general funding to provide legal services to low-income renter households to protect and enforce their right to live in safe, quality housing in compliance with City code.

**Rationale/Background:**

Minnesota State Law establishes legal processes for tenants to enforce their legal rights to live in safe and healthy housing, including Rent Escrow Actions and Tenant Remedies Actions. Unfortunately, many low-income tenants believe they must live with the poor conditions in their apartments and homes because they are unaware of their rights and how to enforce them, fear retaliation from their landlord or involvement in the legal system, or lack the time and resources to do this. For these tenants, having a skilled attorney advise and assist them throughout the process has demonstrated success in improving tenant outcomes in court and improvements in housing conditions.

This recommendation supports the City's goal of improving housing stability for low-income Minneapolis renters, and addresses the Mayoral priority of protecting Minneapolis renters. This service was recommended as a priority in the Housing Stability Roundtable convened by the Mayor's Housing Committee in early 2018.

**Description of the Change:**

This program was funded in the 2018 budget for the first time in many years. Funding was also included in the 2019 budget.

The City contracts with a service provider, currently Mid-Minnesota Legal Aid and Volunteer

Lawyers Network, to provide this service. The initial contract was approved by the City Council for a one-year period with an option to renew for four additional years. This level of funding is expected to support legal services for 225 low-income tenant households per year. This service complements housing inspection and rental licensing work of Regulatory Services. CPED and Regulatory Services have jointly recommended funding for this service in 2018, 2019 and 2020 budgets.

**Equity Impact:**

Legal services will be provided to low income renters who cannot afford traditional legal services and are living in housing in need of repairs to meet City code standards. Low income renter households in need of this service are disproportionately women, black, indigenous and/or people of color, and recent immigrants.

**Results:**

This service is expected to serve 225 renter households/year in Hennepin County District Court. The contract providers were selected through an RFP process. The first quarter report results included:

Quantity: 58 cases

- 67% female headed households
- 86% of tenants served black, indigenous and people of color (46% black; 29% Hispanic)
- 90% below 125% of the poverty level (100% below 300% of poverty level)
- Tenants lived in 10 Minneapolis wards, with the most cases in Wards 4, 5, and 9, where a disproportionate share of evictions are filed

Result:

- 65% of cases resulted in repairs made
- 60% of cases resulted in financial benefit to tenant
- The service provider submits quarterly reports. A status report will be communicated in the form of a receive and file report to the Housing Policy & Development Committee

*Low Barrier Housing Initiative*Program: *Housing Policy & Development*Fund: *General Fund*

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	250	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	250	—	—	—	—

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	—	—	—	—	—

**Proposal Details:**

The Council approves \$250,000 in one-time general funding for capital costs to develop low barrier site based housing. Housing will be combined with wrap-around services to help transition persons experiencing homelessness, with a focus on persons experiencing unsheltered homelessness, into permanent housing.

**Rationale/Background:**

While the total number of people experiencing homelessness has decreased by 19% since 2014, the number of people experiencing unsheltered homelessness more than doubled during this time. This recommendation supports the Mayor's goal of expanding access to affordable housing.

**Description of the Change:**

This recommendation will fill a gap in the homelessness response continuum by supporting community-led initiatives to provide short-term housing solutions. Funding will be used for capital costs only for new construction or acquisition and rehabilitation of existing housing. These funds will leverage market opportunities and other public, non-profit and philanthropic funding to maximize the use of State housing subsidies. Funds will be available on a pipeline basis.

This program is intended to support housing that can be acquired and ready for occupancy in less than 12 months, with priority for housing that can be ready for occupancy in less than 6 months.

The City already plays a critical role in funding the development and preservation of affordable

housing, including permanent supportive housing for persons experiencing homelessness. Since 2006, the City has provided more than \$68 million to support the development of more than 900 units of supportive housing for persons experiencing homelessness. Due to the complexity of those developments and their funding sources, the timeline from concept to ready for occupancy takes years. This initiative is intended to complement that role and take advantage of additional opportunities, allowing funds to be deployed quickly to respond to urgent needs and creative, community-led solutions.

The recommendation is consistent with recommendations from unsheltered homelessness design team to increase direct access to permanent, affordable housing, especially low barrier housing accessible to low-income individuals with criminal or evictions history, low or no credit history, chemical dependency and/or other characteristics that make securing housing more challenging.

The recommendation complements the City's support for Heading Home Hennepin and the Minneapolis-Hennepin Office to End Homelessness goals of ending and preventing homelessness. It complements work of City departments of CPED, Regulatory Services, and Health, to promote quality housing, healthy homes and affordable housing for low income persons.

**Equity Impact:**

Low-income persons experiencing homelessness in Minneapolis are disproportionately people of color. Black/African American and American Indian/Alaska Native populations experience homelessness at a disproportionate rate, comprising about 68% of the total population of persons experiencing homelessness. BIPOC represent about 78% of the population experiencing homelessness in Hennepin County.

**Results:**

Based on recent housing models by community-based organizations, this funding could support the addition of 15-20 new housing opportunities for persons experiencing homelessness. These units will be income restricted to 30% AMI level or below, most likely supporting residents with little to no income.

Program: *Housing Policy & Development*

Fund: *General Fund*

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	—	—	—	—	—
Other	2,000	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	2,000	—	—	—	—

Personnel Impacts	2020	2021	2022	2023	2024
Change in FTE Count	—	—	—	—	—

### Proposal Details:

The Council approves \$2,000,000 in one-time general funding for Minneapolis Homes to provide financial assistance to create homeownership housing opportunities, facilitate development of City-owned properties, and provide long term affordability of ownership housing.

### Rationale/Background:

This recommendation addresses the Mayoral priority of promoting inclusive and equitable development. This was the high priority recommendation of the Homeownership Roundtable convened by the Mayor's Housing Committee. The recommended activity of providing development gap assistance to create new housing opportunities furthers City goals to grow the population, reduce racial disparity rates in homeownership, and provide a diversity of housing stock to meet population needs. This will be accomplished while also putting these City-owned properties back to productive tax-producing assets to the City.

### Description of the Change:

Funds will be used to support an existing activity—facilitating development of approximately 40 homeownership units developed on City-owned vacant lots. This will provide financial assistance to create homeownership housing opportunities and provide long term affordability of ownership housing. The cost for developing these vacant lots are more than what they will sell for, so there is a need to subsidize these units through development gap assistance.

Minneapolis Homes builds off historic City investments. From 2008-2014, the City invested \$115 million in foreclosure recovery efforts and disaster relief from the North Minneapolis tornado. As a result, the CPED-owned properties are concentrated in the geographic areas of North Minneapolis and South-Central Minneapolis that are the most vulnerable and most effected by

past discriminatory policies. In these geographic areas there are higher rates of disinvestment and high concentration of residents in poverty. A more recent trend in the City, that is also concentrated in these areas, is a concern about resident displacement—distressed ownership housing is being purchased and converted to rental and rental rates are increasing faster than the incomes of area residents.

### **Equity Impact:**

The City of Minneapolis and Twin Cities Region have the worst racial disparities in homeownership in the nation. Communities of color in the City of Minneapolis are more likely to be cost burdened and pay higher energy costs. Minneapolis Homes seeks to mitigate these disparities by stabilizing households in homeownership.

Historically, approximately 70% of homebuyers of Minneapolis Homes (formerly Green Homes North) housing units have been existing residents of the City of Minneapolis, with average incomes around 60% of area median income (AMI). Given the increasing market concern about displacement of existing residents the continuation and extension of this program to provide affordable homeownership opportunity was critical. All housing created in South and Northeast Minneapolis is required to be affordable to households at 80% AMI for 30 years through the Minneapolis Homes model. Due to the increasing home sale prices and increasing rental prices, long term affordable units are also encouraged in North Minneapolis. The Minneapolis Homes program has a strong history of a high rate of service to Black/African American, but has a low rate to all other minority groups.

### **Results:**

The recommended activity will increase the number of housing units created and increase the rate of service to households of color. It is anticipated that the increase in housing units created through the program will result in more units affordable to households at 80% AMI or below, which is a measure in the department's Results Minneapolis report.

The 2020 recommendation is lower than the 2019 council adopted amount, but we still believe that this award will allow us to be competitive in the Minnesota Housing 2019 Impact Funding and the production will continue to support the overall goal of the program.

**CPED****2020 Change Item**

*Naturally Occurring Affordable Housing (NOAH)*

Program: *Housing Policy & Development*

Fund: *General Fund*

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	1,600	—	—	—	—
Other	1,400	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	3,000	—	—	—	—

Personnel Impacts	2020	2021	2022	2023	2024
Change in FTE Count	—	—	—	—	—

**Proposal Details:**

The Council approves \$3,000,000 in one-time general funding for programs supporting preservation of Naturally Occurring Affordable Housing (NOAH) properties.

**Rationale/Background:**

This recommendation directly addresses the Mayor's priority of expanding access to affordable housing throughout the City. NOAH properties generally refer to unsubsidized multifamily, Class C rental housing projects that have at least 20% of the units with rents affordable to households with incomes at or below 60% of the Area Median Income (AMI). Minneapolis has approximately 30,000 Class C units in buildings of 4 or more units, and fewer than 15,000 of these units have rents affordable to households with incomes at or below 60% AMI. Preservation of NOAH properties is a critical issue given the growing overall shortage of affordable housing. With metro area rental vacancy rates at about 3%, NOAH properties remain attractive to local and national speculators intent on maximizing cash flow through increasingly higher rents. Once a NOAH property is up-scaled or torn down, it's lost forever.

**Description of the Change:**

This is a continuation of one-time budget support of existing programs:

NOAH Preservation Fund – \$1,400,000 to assist eligible preservation buyers to acquire and preserve NOAH rental property in Minneapolis that is at risk of increased rents to protect low-income tenants occupying such housing that are at risk of involuntary displacement. At \$25,000 - \$50,000/unit, funds will support acquisition of an additional 20-50 units.

Small and Medium Multifamily Land Banking Pilot Program – \$1,600,000 to help stabilize

buildings with 2 or more units that are occupied by low to moderate income tenants. These properties are susceptible to market pressure resulting in property sales, increased evictions, and rising rents. The program goal is to remove these properties from the speculative market and restrict them as affordable for the long-term. At \$35,000 - \$50,000/unit, funds will support acquisition or property management costs for an additional 35-50 units.

City partners for the NOAH Preservation Fund include experienced nonprofit housing owner operators, public agencies, or the Land Bank Twin Cities and potentially local Community Development Financial Institutions. City partners for the SMMF Land Banking Pilot Program include Twin Cities Local Initiative Support Corporation (LISC), the Land Bank Twin Cities, and experienced mission-driven and/or community-based long-term owners.

**Equity Impact:**

Racial and ethnic groups are over-represented amongst low income households and most people of color are renters, which means that the negative impacts of the shortage of affordable rental housing are disproportionately experienced by communities of color. Rent and energy cost burdened households are disproportionately communities of color. Evictions disproportionately impact neighborhoods with majority non-white populations. Historic discriminatory housing policies have had a lasting impact on development patterns. Persons with disabilities experience poverty at higher rates than the population as a whole, and veterans are over-represented among the homeless population.

**Results:**

NOAH preservation programs are specifically designed as anti-displacement strategies, which are part of the City's duty to Affirmatively Further Fair Housing. NOAH preservation will help to reduce housing disparities among affected groups by expanding location choice and access to decent, safe, affordable housing. The SMMF program is feasible for very small-scale owners located throughout the entire city, and disposition strategies prioritize expansion of community-based ownership. Whenever possible, the City will work with program partners to sell SMMF properties through processes that give priority to developers and investors with ties to the neighborhoods where they are purchasing property, and to community-based organizations.

**CPED****2020 Change Item**

MPHA Energy Efficiency Improvements

**Program:** Housing Policy & Development**Fund:** Historic Depot Reuse Dist 93

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
Not Applicable	—	—	—	—	—
	—	—	—	—	—
	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	—	—	—	—	—
Other	2,300	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	2,300	—	—	—	—

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	—	—	—	—	—

**Proposal Details:**

The Council approves \$2.3 million in one-time TIF funding for MPHA to preserve and improve public housing through energy efficiency investments.

**Rationale/Background:**

MPHA owns and operates 5,006 high-rise units, serving extremely low-income seniors and persons with a disability. The average annual income of high-rise resident households is around \$10,000, significantly below 30% AMI. MPHA is embarking on a 20-year strategy to re-position the public housing portfolio as a high quality, energy-efficient, permanent public asset for the lowest income Minneapolis residents. Energy improvements are estimated to result in annual energy cost savings of up to 40% and a 50% reduction in carbon footprint. MPHA is pursuing HUD-approval for subsidy conversion through the rental assistance demonstration program to increase the federal subsidy and access federal low-income housing tax credits to maximize leverage from federal resources.

**Description of the Change:**

This recommendation will support energy improvements, such as: Triple pane windows, LED lighting, total envelope enhancement (recladding with insulated panels, high efficiency roofing system), new HVAC (fan coil system with energy recovery), and electric ranges. This grouping of energy improvements costs \$2.3 million and will yield net savings of \$68,000 in utility costs per year. The City payment for the energy improvements would be in the form of a capital contribution to the project. This operating cost savings would enable the MPHA to pay for other improvements with an additional \$1.1 million in debt capacity for the project (reducing the overall

gap).

The cost of energy improvements for the high-rise portfolio is estimated at \$13,000-\$20,000 per unit, or \$65 million to \$100 million for the entire 5,006-unit portfolio. MPHA expects the preservation and improvements strategy to take 20 years to implement. Any future City investment would also be made on a project by project basis. Other sources of energy efficient funding from the City's Clean Energy Partnership and other grant funds could augment the City's investment.

**Equity Impact:**

MPHA high-rise units are home to 5,325 extremely low-income residents, 84% of which are elderly or disabled. Residents pay 30% of their income for rent. There are nearly 10,000 households on the waiting list for these units. Proposed improvements to the portfolio will preserve this important affordable housing resource, improve energy efficiency and improve livability and support aging in place.

**Results:**

\$2.3 million city investment will help preserve 174 deeply affordable units and leverage \$19.4 million in other funding, reduce energy costs by 40% and the carbon footprint by 50%, improve livability and accessibility for existing and future residents, most of which are elderly or disabled.

Program: Housing Policy &amp; Development

Fund: General Fund

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	50	50	50	50	50
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	50	50	50	50	50

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	—	—	—	—	—

**Proposal Details:**

The Council approves \$50,000 in ongoing general funding to continue City-County collaboration to support the Minneapolis/Hennepin County Office to End Homelessness. Funds will be used to support the position of the Director of Minneapolis/Hennepin County Office to End Homelessness.

**Rationale/Background:**

The Minneapolis/Hennepin County Office to End Homelessness was created to lead the implementation of the City/County Plan to End Homelessness (OEH): Heading Home Hennepin, and subsequent plans to prevent and end homelessness for families, youth, and veterans. The OEH coordinates data collection, research, activities, addresses system and policy issues, provides public education, fundraises for various initiatives within the plan, and convenes key internal government and community stakeholder meetings. The City and Hennepin County entered into a Memorandum of Understanding (MOU) in 2011 to support OEH.

**Description of the Change:**

This ongoing funding recommendation is to continue City-County collaboration for the Office to End Homelessness. The current Memorandum of Understanding between the City and the County expires on December 31, 2019. A new agreement will be negotiated between the City and County and considered for approval prior to the current MOU expiration date of 12/31/19.

Under the current terms of the MOU, the City provides \$45,000 annually to Hennepin County to support the Director of the Minneapolis/Hennepin County Office to End Homelessness position. Hennepin County is responsible for the full salary and benefit expenses of this position in addition to office space and overhead for the entire OEH staff team.

**Equity Impact:**

While the total number of people experiencing homelessness has decreased by 19% since 2014, the number of people experiencing unsheltered homelessness more than doubled during this time period.

Black/African American and American Indian/Alaska Native population experiences homelessness at a disproportionate rate, comprising about 68% of the total population of persons experiencing homelessness. BIPOC represent about 78% of the population experiencing homelessness in the County.

**Results:**

The OEH leads the City/County efforts to prevent and end homelessness.

Program: Housing Policy &amp; Development

Fund: General Fund

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	3,000	3,350	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	3,000	3,350	—	—	—

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count		—	—	—	—

**Proposal Details:**

The Council approves \$3 million in one-time general funding for the Stable Homes, Stable Schools initiative. The funding will be used to provide rental assistance and services to prevent and reduce homelessness for families with children in Minneapolis Public Schools.

**Rationale/Background:**

In Minneapolis Public Schools (MPS), 7.3 percent (3,069) of students experienced homelessness during the 2017-18 school year. Nearly half of all students experiencing homelessness attend just 15 MPS schools. Increasing rents and record low vacancy rates in Minneapolis create insurmountable barriers for some low-income families to find affordable housing.

A significant barrier to student success is a lack of long-term stable housing. Research shows that students who have experienced homelessness are less likely to graduate high school and less likely to attend secondary level education programs. All students are more successful when families have long-term housing, starting from the elementary school years.

This recommendation supports the Mayor's goal of expanding access to affordable housing.

**Description of the Change:**

The initiative supports children and families in two ways:

1. Low barrier funding is available to families who are housed but are facing housing instability or eviction. These families are eligible to receive one-time financial assistance to secure their housing by paying off their outstanding rent, utility bills, or other costs. The Pohlad Family

Foundation has committed \$500,000 over two years for this part of the program.

2. Rental assistance is available to families in each of the 15 schools that face the highest levels of homelessness (homelessness at these schools ranges between 10 and 25 percent.) Rental assistance supports families who are homeless, including those who are doubled-up. Families who receive rental assistance also receive supportive services to help achieve long-term housing stability.

The City currently contracts with MPHA to administer the rental assistance payments to participating families and to administer a third-party services contract (currently the YMCA). City funds are used to support housing subsidies, supportive services, program management costs and evaluation. MPHA funds 40 percent of the rental assistance costs. Two years of prevention funds are secured from the Pohlad Family Foundation. MPS and Hennepin County provide in-kind staff time to support program implementation.

This level of funding is expected to support up to 320 families and as many as 648 students, or 20 percent of all MPS students experiencing homelessness, over the first three years of the pilot program.

### **Equity Impact:**

Low-income families with children experiencing homelessness and housing instability in Minneapolis are disproportionately people of color. Homelessness causes trauma in the lives of children and families. Housing instability negatively impacts the health and success of both children and parents, perpetuating income and wealth inequality.

The recommendation complements the City's support for Heading Home Hennepin and the Minneapolis-Hennepin Office to End Homelessness goals of ending and preventing family homelessness. It complements work of City departments of CPED, Regulatory Services, and Health, to promote quality housing, healthy homes and affordable housing for low income families and children.

### **Results:**

The Stable Homes, Stable Schools pilot program began in April 2019. MPHA will be providing the City with quarterly reports identifying:

- Number of households served
- Number of children within those households
- Number of schools represented
- Families/number of students broken down by each of the 15 schools
- Description of services accessed by families

In addition, MPHA will be working with researchers at the University of Minnesota on a robust evaluation of the initiative that tracks both the housing and educational outcomes of participating families.

Program: Economic Planning & Development

Fund: General Fund

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	250	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	250	—	—	—	—

Personnel Impacts	2020	2021	2022	2023	2024
Change in FTE Count	—	—	—	—	—

### Proposal Details:

The Council approves \$250,000 in one time general funding to fund additional scholarships, tuition support, and wrap-around services in tech training programs within MSP TechHire and attract new partners to increase opportunities for Minneapolis residents to enter tech career pathway.

### Rationale/Background:

The technology sector has for years lagged in recruiting people of color and women to the various jobs within the broad definition of IT. Recent developments within employer networks have prioritized opening the sector to new and diverse talent. MSP TechHire was designed to address the lagging and open new access points for diverse talent: <https://www.forbes.com/sites/eriklarson/2017/09/21/new-research-diversity-inclusion-better-decision-making-at-work/#3e6352354cbf>

- This project works to create new access points for diverse talent and skills that allow for access to career opportunities in tech that pay family-sustaining wages.
- In 2018, Employment and Training has been leveraging existing career pathways funds (local and federal) to match current MSP TechHire funding. In total we will match dollar for dollar any new commitment of financial support in the 2020 budget.

### Description of the Change:

MSP TechHire is an ongoing initiative, started in 2015 with support from the Obama administration, it continues to operate with a mix of federal and local dollars.

### Examples or what the program will buy include:

- On-going investment will support contracts with community-based providers to offer

outreach and wrap-around services to job seekers interested in IT careers and offer tuition assistance to low-income individuals, to reduce the barrier to entry into quality tech training courses. A small portion of any funding will support the administrative duties associated with oversight.

- This is part of a broader career pathways strategy that brings together accelerated learning models, employer input and commitments, and community-based workforce development supports.

- To be deliberate with our career pathways strategies, Employment and Training, works closely with many external partners (community-based organizations, businesses with IT needs, education/training providers) and CPED business development.

- Equity and inclusion as a primary goal, and we work with a network of culturally/social conscious and competent organizations to further this goal. Currently partners include: Jewish Family and Children's Services, American Indian OIC/Takoda Institute, Prime Digital Academy, Minnesota Computers for Schools, IT Ready, and more than 500 employer that have hired our trained graduates.

### **Equity Impact:**

MSP TechHire was designed based on the national strategy to address workforce gaps in IT for people of color and women, two key demographic groups well underrepresented in the sector's labor force.

Since 2015, the initiative has graduated 1,666 students from accelerated programs, 40% are people of color and 30% are women. Well above the industry averages. 1,322 graduates are employed in full-time positions with an average annual wage increase of \$16,000. MSP TechHire has engaged over 500 employers across a range of industries all with IT workforce needs.

### **Results:**

The recommended \$250,000 will enable us to reach an enrollment into TechHire of over 200 participants and to diversify the training offerings to attract more residents to the IT sector and at a wider range of job types.

All MSP TechHire participants supported by City of Minneapolis dollars are entered into our performance tracking system, Workforce One, allowing for Employment and Training staff to access real time programmatic updates and performance metrics.

Program: Housing Policy &amp; Development

Fund: General Fund

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	125	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	125	—	—	—	—

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	—	—	—	—	—

**Proposal Details:**

The Council approves \$125,000 in one time general funding to support free and confidential legal information and referral services for Minneapolis renters.

**Rationale/Background:**

This recommendation addresses the Mayoral priority of protecting Minneapolis renters. This service was recommended as a priority in the Housing Stability Roundtable convened by the Mayor's Housing Committee in early 2018.

The estimated cost of providing this service for Minneapolis renters is \$164,000 per year, based on the cost of providing this service to 3,244 Minneapolis renters in 2018.

**Description of the Change:**

This service has been supported by the City in the amount of \$100,000 annually in the 2015-2018 budgets. It was increased to \$125,000 in the 2019 budget.

Minneapolis is now a majority renter city facing increasing affordable housing challenges, particularly for low income renters, who are disproportionately people of color. Given the ongoing and increasing importance of renter protections, staff recommends transitioning this budget item from a one-time to an on-going budget item.

The city contracts with a non-profit service provider for this service. Currently, this service is provided by HOME Line. The City issued an RFP for this service in early 2019, staff is recommending continuing to contract with HOME Line. A contract with HOME Line was approved by the HPD Committee on May 8, 2019. It is expected that 3,200 Minneapolis tenants

will be served by this program. The most common issues advised on include: repairs, return of security deposits, eviction prevention, advice about notices and leases, infestations/bed bugs, and privacy intrusions.

This service complements housing inspection and rental licensing work of Regulatory Services, and furthers the goals of the Renters First Housing Policy, adopted by the City in 2019.

**Equity Impact:**

The Hotline service is available in the following languages: English, Spanish, Somali, and Hmong. The majority of clients serviced are low- or extremely-low income households under HUD guidelines. In 2018, 3,244 renter households were served, 67% were female headed-households, 47% were black, indigenous, people of color (33% African American, 7% Hispanic, 3% Native American, 2% Asian Pacific Islander, 2% other)

**Results:**

In 2018, 3,244 Minneapolis renter households, representing 8,110 total renters, benefited from this service. This is an almost 10% increase in households served compared to 2017 (2,956 renter households served). An estimated \$377,994 in damage deposits and rent abatements was secured for Minneapolis renters

**COMMUNITY PLANNING & ECONOMIC DEVELOPMENT**  
**EXPENSE AND REVENUE INFORMATION**

EXPENSE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>GENERAL</b>						
SALARIES AND WAGES	14,892,749	15,304,825	17,115,000	17,536,000	2.5%	421,000
FRINGES	5,306,951	5,469,041	6,269,000	6,501,000	3.7%	232,000
CONTRACTUAL SERVICES	8,421,477	7,858,769	9,014,000	13,916,000	54.4%	4,902,000
OPERATING COSTS	2,428,353	2,703,393	2,289,000	2,371,000	3.6%	82,000
CAPITAL EQUIPMENT	2,410,782	3,658,715	109,000	5,084,000	4,564.2%	4,975,000
<b>TOTAL GENERAL</b>	<b>33,460,312</b>	<b>34,994,743</b>	<b>34,796,000</b>	<b>45,408,000</b>	<b>30.5%</b>	<b>10,612,000</b>
<b>DEBT SERVICE</b>						
TRANSFERS	1,458,493	1,992,007	—	—	0.0%	0
CAPITAL EQUIPMENT	1,292,640	2,110,824	2,135,000	2,149,000	0.7%	14,000
<b>TOTAL DEBT SERVICE</b>	<b>2,751,133</b>	<b>4,102,831</b>	<b>2,135,000</b>	<b>2,149,000</b>	<b>0.7%</b>	<b>14,000</b>
<b>CAPITAL PROJECT</b>						
CONTRACTUAL SERVICES	256,755	261,938	—	—	0.0%	0
OPERATING COSTS	1,384	369	—	—	0.0%	0
CAPITAL EQUIPMENT	—	—	730,000	700,000	-4.1%	(30,000)
<b>TOTAL CAPITAL PROJECT</b>	<b>258,139</b>	<b>262,307</b>	<b>730,000</b>	<b>700,000</b>	<b>-4.1%</b>	<b>(30,000)</b>
<b>ENTERPRISE</b>						
SALARIES AND WAGES	85,483	100,176	103,000	106,000	2.9%	3,000
FRINGES	31,074	36,918	34,000	35,000	2.9%	1,000
CONTRACTUAL SERVICES	1,262,916	1,017,263	1,238,000	1,238,000	0.0%	0
OPERATING COSTS	—	—	1,000	1,000	0.0%	0
CAPITAL EQUIPMENT	68,355	65,776	—	—	0.0%	0
<b>TOTAL ENTERPRISE</b>	<b>1,447,828</b>	<b>1,220,133</b>	<b>1,376,000</b>	<b>1,380,000</b>	<b>0.3%</b>	<b>4,000</b>
<b>SPECIAL REVENUE</b>						
SALARIES AND WAGES	4,515,589	4,622,003	4,546,000	4,743,000	4.3%	197,000
FRINGES	1,223,384	1,269,182	1,640,000	1,709,000	4.2%	69,000
CONTRACTUAL SERVICES	7,305,137	9,206,442	31,347,000	14,839,000	-52.7%	(16,508,00)
OPERATING COSTS	3,970,794	3,918,768	1,842,000	1,842,000	0.0%	0
CAPITAL EQUIPMENT	36,971,390	43,867,744	41,530,000	46,571,000	12.1%	5,041,000
TRANSFERS	16,570,492	14,354,420	10,922,000	11,302,000	3.5%	380,000
<b>TOTAL SPECIAL REVENUE</b>	<b>70,556,786</b>	<b>77,238,559</b>	<b>91,827,000</b>	<b>81,006,000</b>	<b>-11.8%</b>	<b>(10,821,00)</b>
<b>TOTAL EXPENSE</b>	<b>108,474,198</b>	<b>117,818,573</b>	<b>130,864,000</b>	<b>130,643,000</b>	<b>-0.2%</b>	<b>(221,000)</b>

**COMMUNITY PLANNING & ECONOMIC DEVELOPMENT**  
**EXPENSE AND REVENUE INFORMATION**

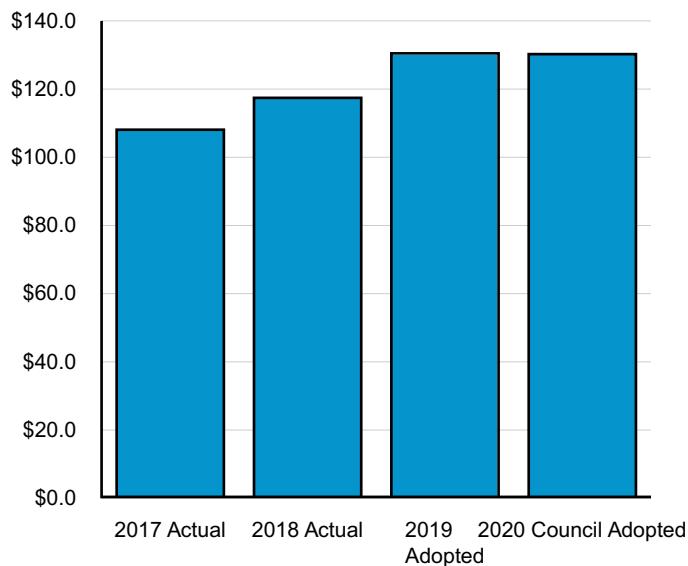
REVENUE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>GENERAL</b>						
BUSINESS LICENSES AND PERMITS	7,824,644	7,693,447	7,080,000	7,200,000	1.7%	120,000
CHARGES FOR SALES	292	144	1,000	2,000	100.0%	1,000
CHARGES FOR SERVICES	3,312,857	2,912,475	3,240,000	3,310,000	2.2%	70,000
CONTRIBUTIONS	5,000	—	—	—	0.0%	0
FINES AND FORFEITS	218,224	82,283	157,000	190,000	21.0%	33,000
INTEREST REVENUE	152,605	157,281	—	—	0.0%	0
MISCELLANEOUS	2,108,438	2,155,249	2,250,000	2,050,000	0.0%	(200,000)
NON-BUSINESS LICENSES AND PERMITS	25,857,670	28,270,932	26,698,000	26,828,000	0.0%	130,000
SPECIAL ASSESSMENTS	—	—	330,000	300,000	-9.1%	(30,000)
<b>TOTAL GENERAL</b>	<b>39,479,730</b>	<b>41,271,811</b>	<b>39,756,000</b>	<b>39,880,000</b>	<b>0.3%</b>	<b>124,000</b>
<b>SPECIAL REVENUE</b>						
CHARGES FOR SALES	2,519,150	4,383,315	—	—	0.0%	0
CHARGES FOR SERVICES	1,266,894	2,898,163	10,000,000	—	-100.0%	(10,000,00)
CONTRIBUTIONS	20,447	120,201	—	—	0.0%	0
FEDERAL GOVERNMENT GRANTS	3,378,124	20,555,467	4,931,000	4,967,000	0.7%	36,000
FINES AND FORFEITS	72,000	8,000	—	—	0.0%	0
INTEREST REVENUE	228,054	889,890	561,000	2,382,000	324.6%	1,821,000
LOCAL GRANTS & AIDS	6,858,658	8,450,510	—	—	0.0%	0
MISCELLANEOUS	2,083,619	10,446,039	1,952,000	1,877,000	-3.8%	(75,000)
NON-BUSINESS LICENSES AND PERMITS	77,644	118,459	—	—	0.0%	0
PROPERTY TAXES	52,738,440	59,358,876	60,793,000	66,886,000	10.0%	6,093,000
RENTS	2,449,051	2,559,690	528,000	—	-100.0%	(528,000)
SPECIAL ASSESSMENTS	447,302	248,204	—	—	0.0%	0
STATE GRANTS & AIDS	5,803,318	3,625,328	1,800,000	1,800,000	0.0%	0
TRANSFERS	7,971,999	12,110,206	184,000	683,000	271.2%	499,000
USE OF FUND BALANCE	—	—	18,945,000	(6,573,000)	-134.7%	(25,518,00)
<b>TOTAL SPECIAL REVENUE</b>	<b>85,914,700</b>	<b>125,772,348</b>	<b>99,694,000</b>	<b>72,022,000</b>	<b>-27.8%</b>	<b>(27,672,00)</b>
<b>CAPITAL PROJECT</b>						
BOND SALES	—	—	741,000	700,000	-5.5%	(41,000)
TRANSFERS	259,000	319,000	—	—	0.0%	0
<b>TOTAL CAPITAL PROJECT</b>	<b>259,000</b>	<b>319,000</b>	<b>741,000</b>	<b>700,000</b>	<b>-5.5%</b>	<b>(41,000)</b>
<b>DEBT SERVICE</b>						
INTEREST REVENUE	4,066	16,491	—	—	0.0%	0
PROPERTY TAXES	—	—	—	—	0.0%	0
TRANSFERS	2,955,024	4,683,018	2,135,000	2,149,000	0.7%	14,000
USE OF FUND BALANCE	—	—	—	—	0.0%	0
<b>TOTAL DEBT SERVICE</b>	<b>2,959,090</b>	<b>4,699,509</b>	<b>2,135,000</b>	<b>2,149,000</b>	<b>0.7%</b>	<b>14,000</b>

**COMMUNITY PLANNING & ECONOMIC DEVELOPMENT**  
**EXPENSE AND REVENUE INFORMATION**

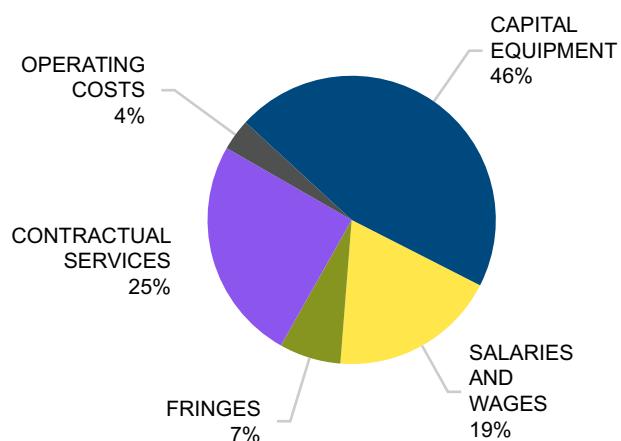
REVENUE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>ENTERPRISE</b>						
CHARGES FOR SERVICES	969,306	1,051,230	1,280,000	1,100,000	-14.1%	(180,000)
RENTS	200,641	1,175	—	—	0.0%	0
USE OF FUND BALANCE	—	—	95,000	6,779,000	7,035.8%	6,684,000
<b>TOTAL ENTERPRISE</b>	<b>1,169,947</b>	<b>1,052,405</b>	<b>1,375,000</b>	<b>7,879,000</b>	<b>473.0%</b>	<b>6,504,000</b>
<b>TOTAL REVENUE</b>	<b>129,782,467</b>	<b>173,115,073</b>	<b>143,701,000</b>	<b>122,630,000</b>	<b>-14.7%</b>	<b>(21,071,000)</b>

## COMMUNITY PLANNING & ECONOMIC DEVELOPMENT EXPENSE AND REVENUE INFORMATION

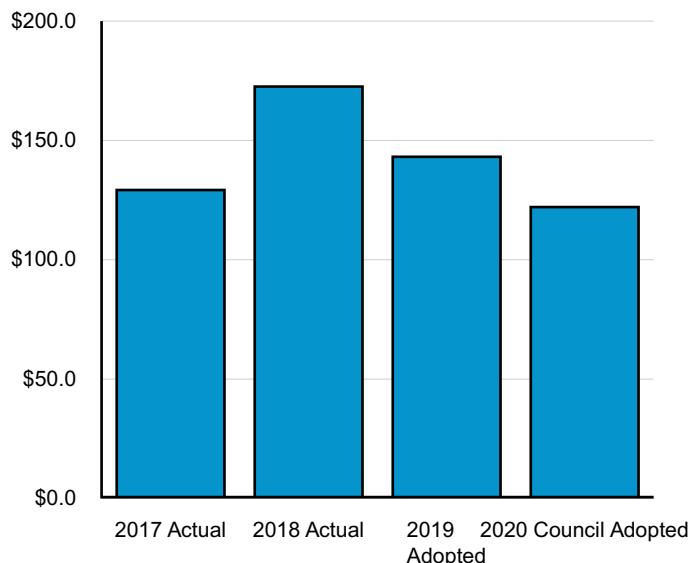
**Expense 2017 - 2020  
In Millions**



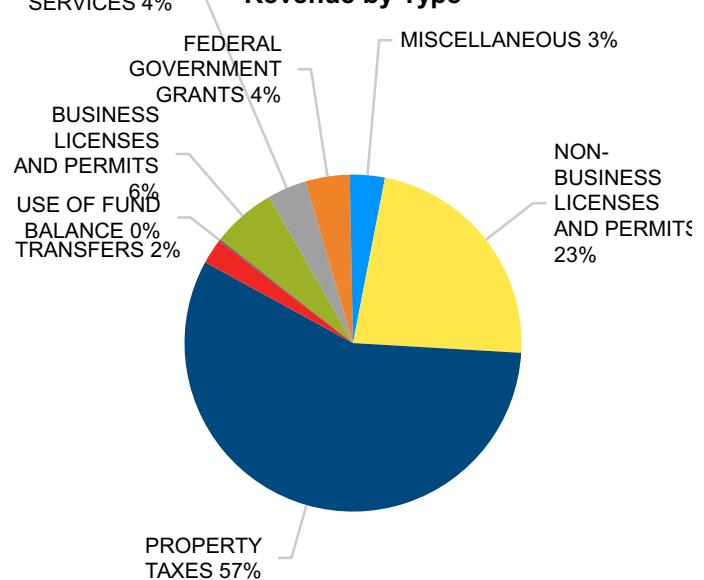
**Expense by Category**



**Revenue 2017 - 2020  
In Millions**



**Revenue by Type**

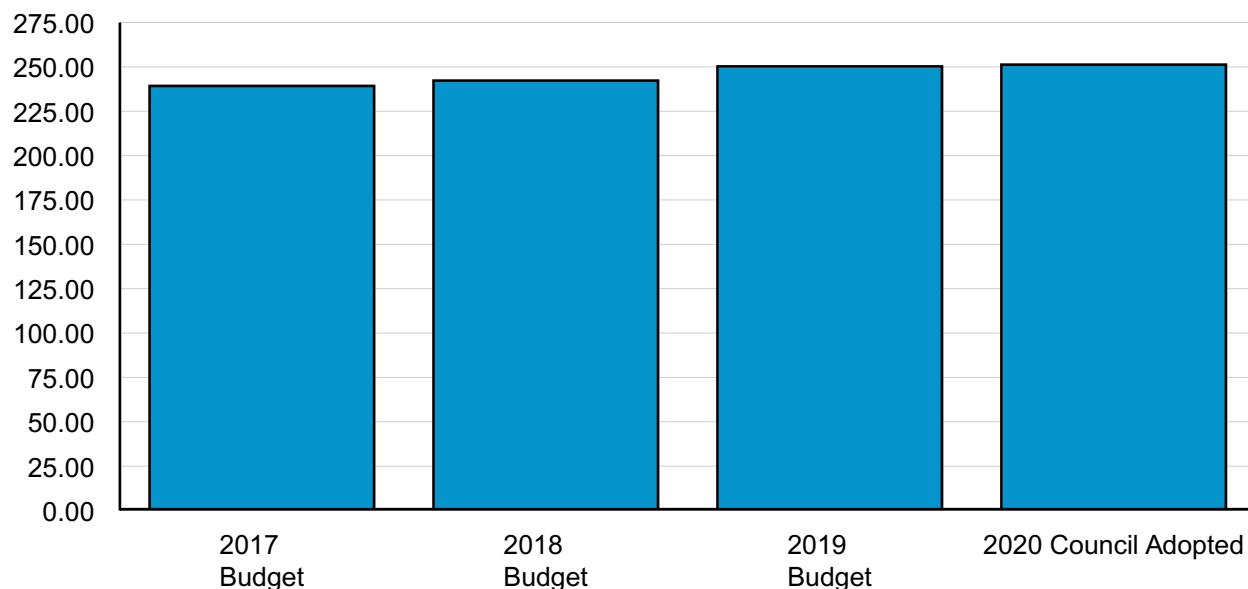


## COMMUNITY PLANNING & ECONOMIC DEVELOPMENT

### Staffing Information

Division	2017 Budget	2018 Budget	2019 Budget	2020 Council Adopted	Percent Change	Change
ADMIN AND SUPPORT	11.00	12.00	12.00	13.00	8.3%	1.00
DEVELOPMENT SERVICES	116.00	115.00	116.00	116.00	0.0%	0.00
ECONOMIC POLICY & DEV	68.00	68.00	71.00	71.00	0.0%	0.00
HOUSING POLICY & DEV	30.00	33.00	37.00	37.00	0.0%	0.00
LONG RANGE PLANNING	15.00	15.00	15.00	15.00	0.0%	0.00
Overall	240.00	243.00	251.00	252.00	0.4%	1.00

### Positions 2017-2020



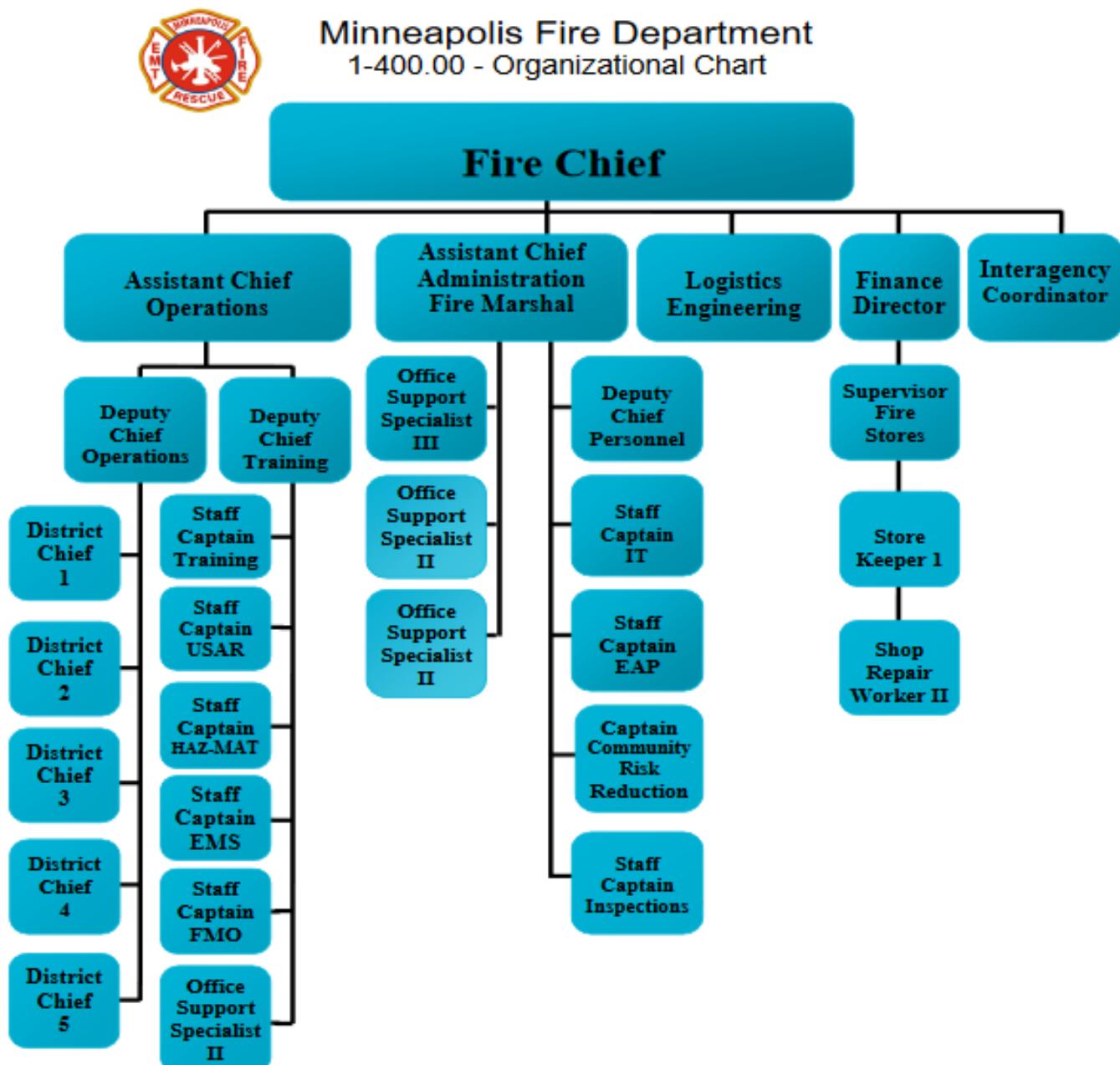
# FIRE

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## Mission

The Minneapolis Fire Department is thoroughly trained and ready to protect lives, property and the environment by rapidly responding to emergencies and hazardous situations. The department is committed to prevention by proactively working with the community to reduce risk to life, property and the environment.

## Organization Chart



March, 2016

## **Fire Suppression, Emergency Medical Service and Technical Rescue** General Fund: \$51,455,000

Fire Suppression, Emergency Medical Service and Technical Rescue describes the increased demand for services by cross-trained personnel who perform multiple functions in a growing range of services, such as Fire Response, Emergency & Medical Services, Hazardous Materials Response (Terrorism/WMD Response), Technical Rescue, Community Outreach and Prevention Education.

### **Training & Recruitment**

General Fund: \$10,517,000

The Training program is fundamental in building and maintaining firefighter's skills. The program aims at and developing a high-performing diverse workforce where personal strengths are recognized and individual differences are respected. The aim is to create potential career opportunities both internal and external, and cross disciplinary.

### **Community Risk Reduction and Community Outreach**

General Fund: \$9,221,000

Prevention is the best form of suppression. The Community Risk Reduction and Community Outreach program promotes prevention/community risk reduction by proactively working with and in the community to support changes that will preserve life, property and the environment. This can be accomplished through community education, coaching organizations, focusing on school age children for early interventions and providing warning equipment to residents. The highest need populations include juveniles, non-English speaking residents, low income and our aging populations.

## **Financial Analysis**

### **Expenditure**

The total Fire Department budget increases from \$69.3 million to \$71.2 million from 2019 to 2020. This is an increase of \$1.9 million, or 2.7%. The Fire Department's 2020 expenditure budget reflects inflationary increases in operating costs and \$240,000 in budgetary change items.

### **Revenue**

Revenues are projected to be flat to 2019 in this department due to stability in service contracts with the Whipple Federal Building and the VA Hospital. The department's total revenues in 2020 are projected to be \$2.3 million.

### **Fund Allocation**

This department is funded completely in the General Fund, with the exception of \$10,000 in private donations/contributions.

### **Budget Change Items**

Detailed change items are presented on the following pages.

## **Fire Department**

Add Civilian FTEs

## **2020 Change Item**

Program: *Fire Suppression, EMS & Technical Rescue*

Fund: *General Fund*

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	90	90	90	90	90
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	—	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	90	90	90	90	90

Personnel Impacts	2020	2021	2022	2023	2024
Change in FTE Count	2	2	2	2	2

### **Proposal Details:**

The Council approves \$90,000 ongoing for two ongoing civilian positions on the administrative staff of the Fire Department.

### **Rationale/Background:**

The Fire Department currently has only seven civilian positions on its staff. These additional positions would add critical support and address areas of need in the department's administrative staff. The Fire Department will contribute the approximate cost of one position (\$75,000) out of its non-personnel operating budget.

### **Description of the Change:**

The two proposed positions are:

(1) Health & Safety Coordinator - This position will be responsible for coordinating and tracking employees who are out on injury or medical leave status and the timeline for their return, including doctor visits, rehabilitation, etc. This position is critical in getting injured members back to work and helping the department manage the department's hire back overtime budget. This position will report to the Deputy Chief of Administration.

(2) Office Support Specialist II - This is a position that is currently filled and that the department has been paying for out of its operating budget for the past two years. This position supports the Chief, Assistant Chiefs and administrative staff as well as doing reporting and other office support duties.

### **Equity Impact:**

None

### **Results:**

Making these positions civilians rather than staffing them with sworn members of the department increases sworn staff available for rotation and will reduce the department's hire back overtime. The

results attained by the Health & Safety Coordinator position should reduce future time out with injuries, reduce cost due to those injuries and provide a more accurate tracking mechanism when it comes to workers compensation within the department.

**Fire Department***Personal Protective Equipment***2020 Change Item**

Program: Fire Suppression, EMS &amp; Technical Rescue

Fund: General Fund

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	(50)	(50)	(50)	(50)	(50)
Other	200	200	200	200	200
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	150	150	150	150	150
<b>Personnel Impacts</b>					
Change in FTE Count	—	—	—	—	—

**Proposal Details:**

The Council approves \$150,000 in ongoing funding to purchase new and/or replacement personal protective equipment (turnout gear) for firefighters.

**Rationale/Background:**

Each of the 400+ sworn members of the Fire Department needs two sets of turnout gear as part of their standard equipment. Approximately 800 sets are needed to outfit the entire department. Turnout gear has a life of 4-6 years with a mandatory replacement after 10 years. A standard set of turnout gear costs a little under \$2,000. The Fire Department will re-purpose \$50,000 out of its non-personnel operating budget to support this change.

The Fire Department has received an annual one-time appropriation of \$100,000-\$200,000 since 2014 for this program.

**Description of the Change:**

A \$200,000 annual investment, including funds requested under the change and those re-purposed from the existing department discretionary budget, will purchase roughly 100-120 sets of turnout gear (consisting of helmet, jacket, pants, boots and gloves), allowing the department to turn inventory every seven years. This is a critical component of a firefighter's job safety. Given its heavy use, consistent replacement of old equipment is necessary.

**Equity Impact:**

No equity impact.

**Results:**

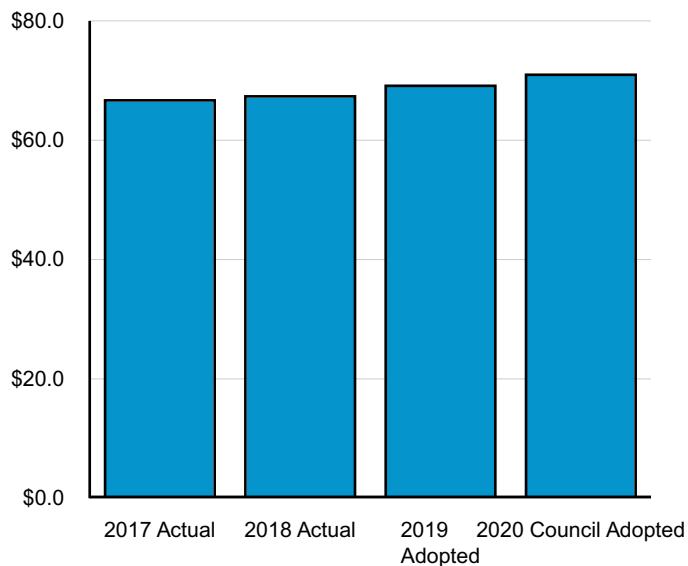
National standards require turnout gear to be in service no longer than 10 years. It is reasonable to assume that newer, more current turnout gear will mean fewer injuries and a reduction in pay for firefighters who are injured on duty and not able to report to work. This step is a proactive, preventative measure. Maintaining a steady stream of funds for continual replacement avoids the possibility of a significant one-time expense in future years.

**FIRE**  
**EXPENSE AND REVENUE INFORMATION**

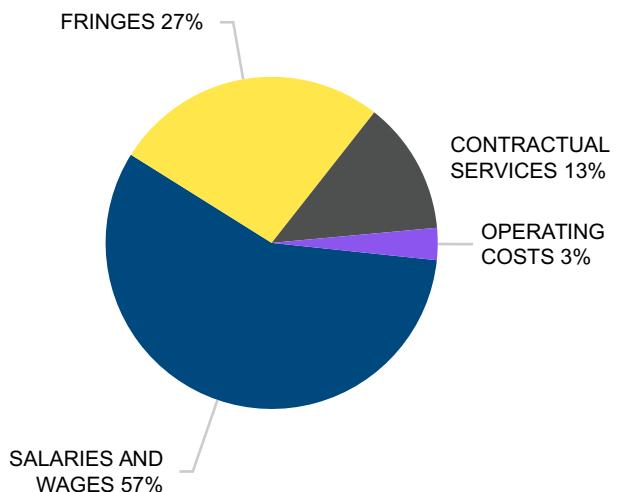
EXPENSE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>GENERAL</b>						
SALARIES AND WAGES	38,236,257	39,465,468	39,741,000	40,552,000	2.0%	811,000
FRINGES	16,766,426	17,266,800	18,129,000	18,912,000	4.3%	783,000
CONTRACTUAL SERVICES	8,331,635	8,510,843	8,929,000	9,169,000	2.7%	240,000
OPERATING COSTS	2,355,527	2,145,751	2,272,000	2,211,000	-2.7%	(61,000)
CAPITAL EQUIPMENT	420,688	117,465	260,000	350,000	34.6%	90,000
<b>TOTAL GENERAL</b>	<b>66,110,533</b>	<b>67,506,327</b>	<b>69,331,000</b>	<b>71,194,000</b>	<b>2.7%</b>	<b>1,863,000</b>
<b>SPECIAL REVENUE</b>						
SALARIES AND WAGES	495,274	(4,856)	—	—	0.0%	0
FRINGES	155,837	(5,701)	—	—	0.0%	0
CONTRACTUAL SERVICES	138,323	72,502	10,000	—	-100.0%	(10,000)
OPERATING COSTS	1,047	4,317	—	—	0.0%	0
<b>TOTAL SPECIAL REVENUE</b>	<b>790,481</b>	<b>66,262</b>	<b>10,000</b>	<b>—</b>	<b>-100.0%</b>	<b>(10,000)</b>
<b>TOTAL EXPENSE</b>	<b>66,901,014</b>	<b>67,572,589</b>	<b>69,341,000</b>	<b>71,194,000</b>	<b>2.7%</b>	<b>1,853,000</b>
REVENUE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>GENERAL</b>						
CHARGES FOR SALES	436	397	—	—	0.0%	0
CHARGES FOR SERVICES	113,855	146,351	303,000	272,000	-10.2%	(31,000)
DESCRIPTION PENDING					0.0%	0
MISCELLANEOUS	28,586	6,399	—	—	0.0%	0
SPECIAL ASSESSMENTS	10,910	(1,823)	—	—	0.0%	0
STATE GRANTS & AIDS	2,054,861	2,149,328	1,980,000	1,980,000	0.0%	0
<b>TOTAL GENERAL</b>	<b>2,208,648</b>	<b>2,300,652</b>	<b>2,283,000</b>	<b>2,252,000</b>	<b>-1.4%</b>	<b>(31,000)</b>
<b>SPECIAL REVENUE</b>						
CHARGES FOR SERVICES	188,290	33,636	—	—	0.0%	0
CONTRIBUTIONS	19,527	101,835	10,000	—	-100.0%	(10,000)
STATE GRANTS & AIDS	10,000	19,000	—	—	0.0%	0
FEDERAL GOVERNMENT GRANTS	554,100	(1)	—	—	0.0%	0
<b>TOTAL SPECIAL REVENUE</b>	<b>771,917</b>	<b>154,470</b>	<b>10,000</b>	<b>—</b>	<b>-100.0%</b>	<b>(10,000)</b>
<b>TOTAL REVENUE</b>	<b>2,980,565</b>	<b>2,455,122</b>	<b>2,293,000</b>	<b>2,252,000</b>	<b>-1.8%</b>	<b>(41,000)</b>

## FIRE EXPENSE AND REVENUE INFORMATION

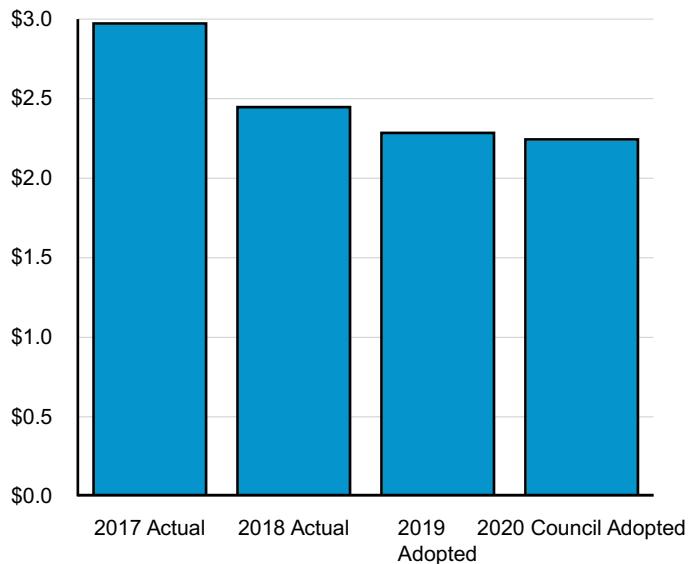
**Expense 2017 - 2020**  
**In Millions**



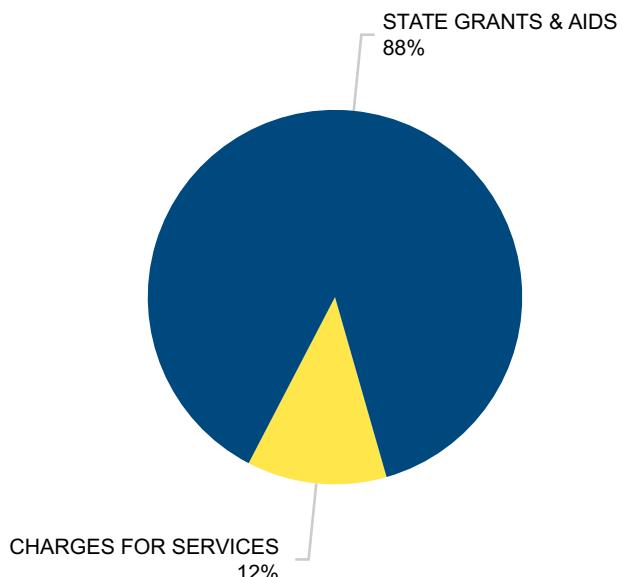
**Expense by Category**



**Revenue 2017 - 2020**  
**In Millions**



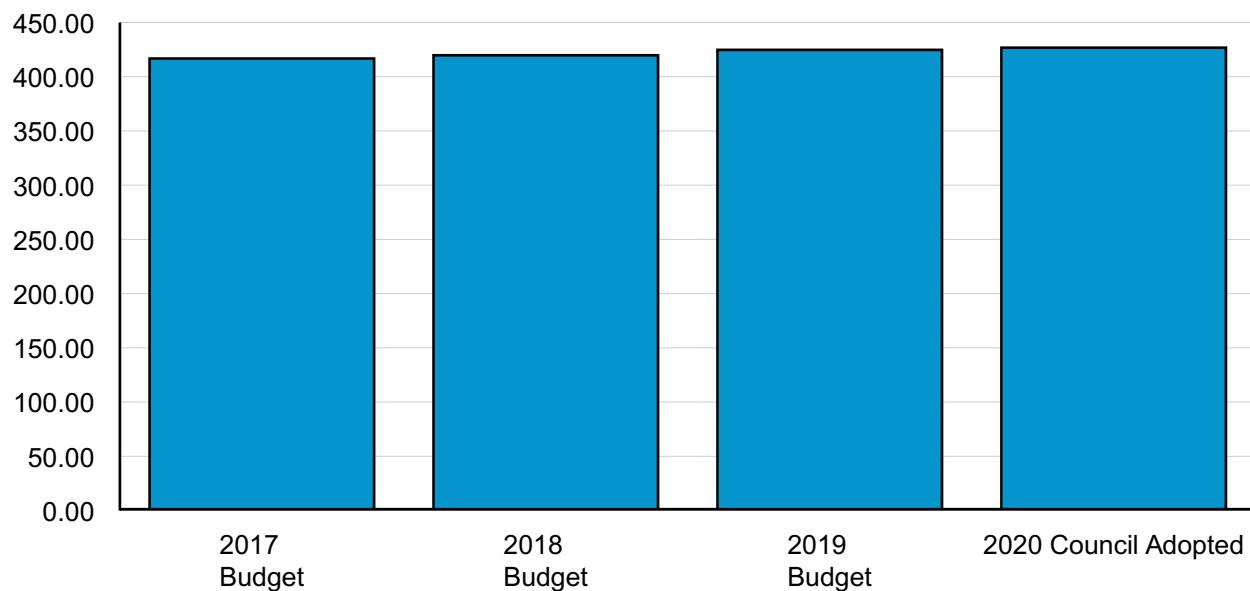
**Revenue by Type**



## FIRE Staffing Information

Division	2017 Budget	2018 Budget	2019 Budget	2020 Council Adopted	Percent Change	Change
FIRE EMERGENCY RESPONSE	293.83	296.83	301.83	303.83	0.7%	2.00
FIRE EMPLOYEE TRAINING AND DEV	60.68	60.68	60.68	60.68	0.0%	0
FIRE PREVENTION SERVICES	63.48	63.48	63.48	63.48	0.0%	0
Overall	417.99	420.99	425.99	427.99	0.5%	2.00

### Positions 2017-2020



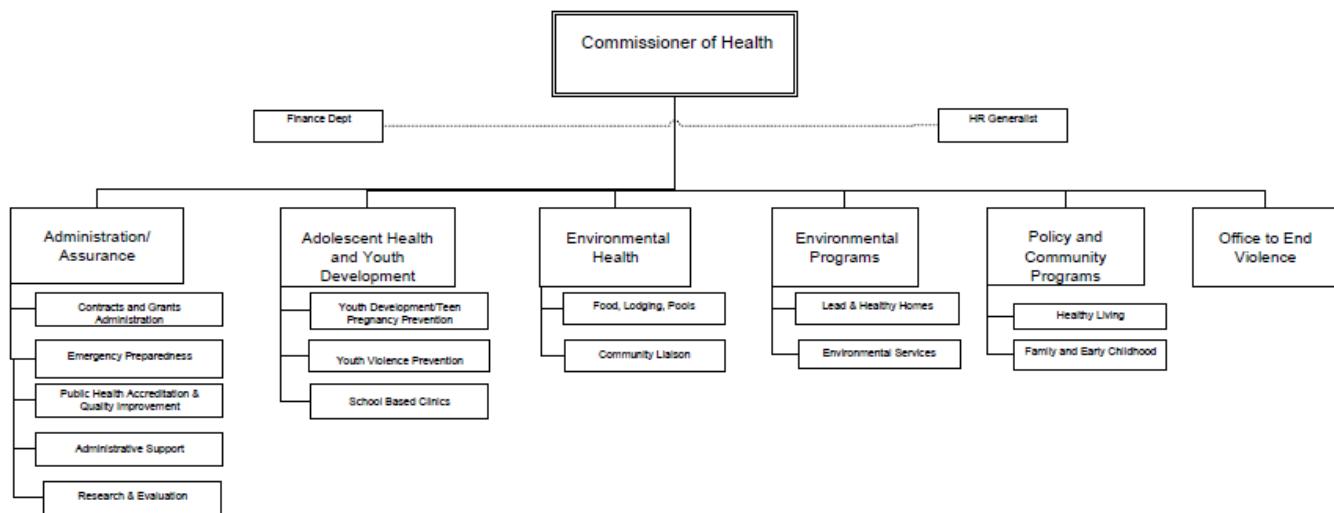
# HEALTH DEPARTMENT

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## Mission

The Minneapolis Health Department improves the quality of life for all people in the city by protecting the environment, preventing disease and injury, promoting healthy behaviors, and creating a city that is a healthy place to live, work, and play.

## Organization Chart



### Family and Early Childhood

General Fund: \$511,000

Other Funds: \$2,546,000

Programs and services promote healthy birth outcomes, positive parent-child interaction, child growth and development, family self sufficiency, nutrition education, and family planning and connection to early childhood education. Additional programs promote school ready children.

### School Based Clinic Program

General Fund: \$202,000

Other Funds: \$2,566,000

The Department operates School Based Clinics (SBC) in six Minneapolis public high schools and health education and screening services at one alternative school site for pregnant and parenting teens. All clinic services are provided by medical, behavioral health, and health education professionals. The focus is on adolescent health services including acute illness care, well-teen exams, reproductive care, nutrition education, immunizations, individual and group health education, and mental health screenings, diagnostic assessments and counseling.

### Youth Development and Sexual Health

General Fund: \$720,000

Other Funds: \$1,104,000

This program includes policy work and out-of-school time services for low income youth; collaborative partnerships with schools, county and community based agencies; technical assistance and training to youth

workers, teachers and volunteers; comprehensive sexual healthy education; and coordination of the City's prevention response to the Safe Harbors Act.

**Office of Violence Prevention**

General Fund: \$1,889,000  
Other Funds: \$695,000

The Health Department leads and coordinates citywide efforts around violence prevention through policy work, planning, community support, and programming. Activities include service coordination with jurisdictional partners, capacity building with small community-based agencies, and partnerships on community engagement activities. MHD programming includes: Group Violence Intervention, in collaboration with the Minneapolis Police Department; hospital-based violence intervention, in partnership with HCMC and North Memorial; the Juvenile Supervision Center for curfew, truancy, and low-level offenders alongside Hennepin County and Minneapolis Public Schools; individualized case management and mentoring for youth at risk of involvement with violence; street and community outreach and positive youth engagement; and implementation of a teen dating violence curriculum.

**Senior Services**

General Fund: \$69,000

The Minnesota Visiting Nurse Agency provides home health care/therapeutic services for eligible high-risk and low-income seniors age 60 and older who lack medical reimbursement. Eligible seniors receive skilled nursing and therapy visits and home health aide/ homemaker visits; a significant number require interpreter services.

**Lead Poisoning and Healthy Homes**

General Fund: \$736,000  
Other Funds: \$1,462,000

The Lead Poisoning Prevention and Healthy Homes initiative assures residential homes are safe from lead hazards by conducting inspections for children with diagnosed lead poisoning. The program repairs lead hazards to protect children from exposure to lead which interferes with brain development during a critical stage. Minneapolis currently inspects homes of children with a blood lead level of 5 ug/dl of blood. A Federal grant also supports efforts to address other healthy homes concerns such as radon, asthma triggers, and slip/trip/fall hazards.

**Emergency Preparedness and Infectious Disease Prevention**

General Fund: \$46,000  
Other Funds: \$422,000

The Minneapolis Health Department is required by Minnesota statute and City Charter to assure the health and safety of residents and visitors from infectious disease; to prepare for and respond to emergencies; and assist the community in recovery. The Department does so through collaboration, contracts, and participation in a community-wide continuum of care. Public health response includes: routine prevention and intervention activities (provided through contract with Hennepin County); response to small events such as measles and food borne illness; planning and preparing to host large events such as the Super Bowl and NCAA Final Four; support for residents affected by natural or other disasters such as the Northside tornado; and, response to large public health emergencies such as a flu epidemic.

**Food Lodging and Pools**

General Fund: \$3,382,000

The Food Lodging and Pools program ensures commercial and institutional foods are safe and in compliance with state and local health codes by conducting more than 8,000 inspections a year of over 5,000 facilities including restaurants, schools, board and lodging facilities, hotels, pools, tanning and body arts establishments, day care centers, farmers markets, groceries, and food vendors. Health inspectors investigate all food and water borne illness outbreaks that occur in the City. The Health Department has become a national leader in providing outreach, education and business support to all our licensed food businesses with a special focus on providing culturally and linguistically appropriate support to immigrant managers and workers.

**Environmental Services**

General Fund: \$1,996,000

Environmental Services protects environmental and public health from the adverse effects of pollution through two states delegated well programs, one federally mandated storm water program, nine local environmental permits, and immediate response to spills and citizen concern. The Health Department has become a progressive leader in local environmental work conducting local air quality studies, management of the Midwest's first energy disclosure policy, the strongest renewable energy incentives by any city in the country and nationally recognized partnership programs with local businesses to improve neighborhood environmental quality.

**Minneapolis Healthy Living Initiative**

Other Funds: \$1,224,000

The Healthy Living Initiative is a collection of 34 projects implemented at 640 sites with community partners to increase opportunities for healthy eating, physical activity and tobacco-free living in public housing, schools, neighborhoods, clinics, food shelves, stores, restaurants, worksites and other settings. The goal of these strategies is to reduce the burden of tobacco- and obesity-related chronic diseases on individuals, communities, employers, and the health care system.

**Core Public Health Infrastructure**

General Fund: \$3,099,000

Other Funds: \$977,000

As a local public health entity operating under a Community Health Board (City Council), the department is mandated by Minnesota Statutes, chapter 145A, to provide directly or contract for essential public health services for Minneapolis residents. An adequate public health infrastructure includes a governance structure, assessing community health needs, setting health priorities, meeting state reporting requirements, engaging the community, advocating for policy changes, fostering healthy environments, and ensuring that staffing reflects the diversity of the Minneapolis community. In Minneapolis, grant writing to address priority needs is also an essential component of the Public Health Infrastructure.

## **Financial Analysis**

### **Expenditure**

The total Minneapolis Health Department's budget increases from \$24.0 million to \$24.1 million from 2019 to 2020. This is an increase of \$41,000, or 0.2%.

### **Revenue**

Revenues are projected to decrease in this department due to a reduction in grant funding. The department's total revenues in 2020 are projected to be \$13.1 million.

### **Fund Allocation**

This department is funded in the General Fund and Special Revenue Grant funds which include federal funds and state/other funds.

### **Budget Change Items**

Detailed change items are presented on the following pages.

## **Health Department**

**2020 Change Item**

### *Environmental Youth Development STEM Pathways*

Program: Environmental Services

Fund: General Fund

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	43	43	43	43	43
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	—	—	—	—	—
Other	2	2	2	2	2
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	45	45	45	45	45

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	1	1	1	1	1

#### **Proposal Details:**

The Council approves \$45,000 in ongoing general funding for the Minneapolis Department of Health to create the Environmental Youth Development Science, Technology, Engineering and Math (STEM) Pathways Coordinator, connecting youth of color to environmental science careers and supporting a STEM Pathway/Pipeline. This Pathway will connect high school youth to environmental science and energy related careers, support existing partnerships with MPS, and educate and expose diverse youth to environmental careers and opportunities in their community.

#### **Rationale/Background:**

This position supports the mayoral priority of economic inclusion, city goals of equity and connectedness, and the health department's mission to improve the quality of life for all people. It meets an identified need through the Clean Energy Partnership and Energy Visioning Advisory Committee for career pathways connected to cutting edge climate change work being led by Minneapolis. The position builds on recommendations of energy industry expert Center for Energy and the Environment to engage youth and adults in pursuing these careers and ensuring diverse youth have access to a growing workforce.

The proposed 1 FTE requires funding of \$95,000 in total; \$50,000 will be repurposed from the Environmental Budget and other programs. The position will be responsible for leveraging programmatic funding through grant funding, non-profit partnerships, business partnerships, and programmatic funding, from a variety of existing programs through the city, community organizations and utilities.

#### **Description of the Change:**

This position will create two programs. One program will create an economic inclusion pathway, connecting diverse youth from high school to environmental science and energy careers. Another will be centered on community economic inclusion, through educating and exposing youth to environmental work conducted in their community.

Existing partners include Minneapolis Public Schools, Spark-Y, Just Go Solar, Go Solar Kidz, Project Sweetie Pie, CenterPoint, Xcel, Center for Energy and Environment, Environmental Justice Coordinating Council, Climate Generation, and other community energy partners.

The City of Minneapolis is at the forefront of innovative environmental science related programming. From drinking water quality to renewable energy or pollution monitoring, Minneapolis sets the bar. Careers of the future are in STEM. This position allows us to connect the science work being done at the City of Minneapolis and in the community to STEM education and pathways to work, with intentional inclusionary emphasis on the Green Zones and environmental justice areas.

### **Equity Impact:**

This program will prioritize efforts in Minneapolis recognized Green Zones and other recognized environmental justice areas. These zones are designated as communities with a high percentage of people of color, low income and have been historically overburdened by environmental pollutants. Due to the partnership with MPS, much of these same residents are youth to be served through this Environmental Youth Development STEM Pathways program. The role of this position will be to engage community members, groups and relevant advisory committees, such as the Public Health Advisory Committee, Community Environmental Advisory Commission, Southside Green Zone, Northside Green Zone, Youth Coordinating Board and the Youth Violence Executive Committee. This program will direct service towards areas of inequity in education, potentially impacting long term employment in Minneapolis. It is our aim to affect STEM education access, prepare youth for employment in the City of Minneapolis and create employment outcomes, especially for disadvantaged youth and communities.

Leveraging the City's commitment to improve health and economic development in areas overburdened by pollution, Minneapolis Environmental Education will continue partnerships with Minneapolis Public Schools, Green Zones participants, Clean Energy Advisory Committee members and community organizations and to gauge direction of programming.

### **Results:**

Environmental Services tracks every metric of its work from pounds of pollution reduced, contamination levels in soils, and revenue created to meet targets. This pilot project will be no different. As this project creates new and innovative programs, there will also be benchmarks for success created, including how many youth are enrolled in the programs we develop; how many youth we are able to assist in gaining internships and individual scoring on programs to measure content retention. In 2018, Environmental Services was able to serve approximately 225 students who attended Solar Camp, Soils Camps, and Expedition Camp through the GISE and GEMS program. Due to the success of the 2018 programming, we expect these numbers to grow in 2020. The department is preparing for the creation of the Environmental Youth Development STEM Pathways program. We expect to grow the number of student participants in 2020 to 300 students and 350 students by 2021. 2020 will be the first year of the STEM career pathways portion. In 2019, we are preparing and designing the STEM pathways programming with the assistance of Urban Scholars to take and provide feedback on trainings. In 2020, the department expects to have 5 young adults enrolled with full workforce certifications in the program as a pilot, expanding to 25 young adults in 2021.

Program: *Youth Development & Sexual Health*Fund: *General Fund*

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	50	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	50	—	—	—	—

Personnel Impacts	2020	2021	2022	2023	2024
Change in FTE Count	—	—	—	—	—

**Proposal Details:**

The Council approves \$50,000 in one-time funds for the Health Department to implement 3 of the 16 items listed in the Fast Track Initiative Action Plan created by a group of community stakeholders in partnership with the Health Department. The goal is to prioritize 3-4 action items each year over the next 5 years.

**Rationale/Background:**

Since 2016, 92 people in Minneapolis have been diagnosed with HIV, bringing the total of people living with HIV/AIDS in the city to 3,134 . This figure accounts for 37% of the state population of people living with HIV/AIDS (PLWHIV). Meanwhile, the rate of new infections has remained stagnant in the state over the past decade, with roughly 300 new infections per year. This proposal supports the city's goal of public safety, which prioritizes collaborative and community-inclusive strategies to ensure safety for all members of our community. It supports this goal by preventing the spread of infectious disease in Minneapolis through engaging our public health partners, community organizations and residents most affected by HIV/AIDS. The Health Department has dedicated \$20,000 to the Fast Track Initiative and is applying for Robert Wood Johnson Foundation funding (\$20,000) to support the goal of reducing stigma and discrimination for PLWHIV.

**Description of the Change:**

The Minneapolis Fast Track Task Force has worked to develop a plan so that there can be measured and demonstrated success in the four long-term goals:

- 90% of PLWHIV will know their status;
- 90% of people who know their HIV-positive status will receive treatment;
- 90% of PLWHIV on HIV treatment with have suppressed viral loads; and
- Zero stigma and discrimination against PLWHIV

The Health Department has a history of work around sexual and reproductive health, with regards to teen pregnancy prevention and STIs. The county and state have a lead role in HIV and AIDS in which we have

provided input into their work. Health Department will expand our sexual health prevention strategies to include populations impacted by HIV/AIDs that are at high risk. The department's work thrives on the importance we place on community engagement and the relationships we have built to address health disparities. The Health Department has been innovative because of our ability to engage marginalized communities. Larger systems like the county and state often lack the ability to be nimble and focused on a city level. This proposal will cover costs associated with continuing the Advisory Committee, the time that the Youth Development and Sexual Health Coordinator and Deputy Commissioner commit to the project (.15 FTE total), and a small amount to contract out to our community partners in support of this work.

### **Equity Impact:**

HIV affects people of every background, race, gender identity, sexual orientation, age and socioeconomic status, but disproportionately impacts marginalized populations and contribute to health disparities, particularly among men, who have sex with men (MSM), transgender individuals, and people of color. MSM have the highest rate of HIV diagnosis compared to any other sub-category. In 2017, the estimated rate of HIV diagnosis among MSM was 150.0 per 100,000, more than 56 times higher than the rate among non-MSM men. African-born and African-Americans (non-Hispanic) had the highest rate of diagnoses in 2017 with 55.6 HIV diagnoses per 100,000 population and 46.6 HIV diagnoses per 100,000 respectively. This represents a rate of HIV diagnosis among the black, African-born community that is 25 times higher than the white non-Hispanic population. The rate among African-American (non-Hispanic) population is 21 times higher than white non-Hispanic population. In 2017, 3% of new reported cases HIV where attributed to transgender individuals. Additionally, the need for a community-based approach driven by data is important because it will give us a better sense of people disconnected from treatment and care. Communities of color, transgender individuals, and MSM are the most disproportionately impacted by HIV/AIDs and historically marginalized by health care systems.

### **Results:**

The Health Department will:

- (1) assist 5 Federally Qualified Health Care (FHQC) clinics to move from "opt-in" to "opt-out" testing of HIV by working with clinics to develop a protocol for opt-out HIV testing including resources and technical assistance.
- (2) create a Fast Track clinic designation for clinics that provide rapid testing for HIV, have a provider that prescribes PrEP, and has providers and staff who have participated in LGBTQ competency training. We will engage with clinics to explore the feasibility of a designation, get input on the criteria and assistance necessary for implementation.
- (3) develop an agreement to access HIV/AIDs data with Hennepin County and the MN Department of Health to help us understand the state of HIV/AIDs in Minneapolis. We will work collaboratively with Hennepin County and the State to establish (1) what data can be shared (2) how it is shared and (3) with whom it is shared.

**Health Department**

Group Violence Intervention Southside Expansion

**2020 Change Item**Program: *Office of Violence Prevention*Fund: *General Fund*

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	300	75	75	75	75
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	300	75	75	75	75
<b>Personnel Impacts</b>					
<b>Change in FTE Count</b>	—	—	—	—	—

**Proposal Details:**

The Council approves \$75,000 in ongoing funding and \$225,000 in one-time funding to facilitate the expansion of the Group Violence Intervention (GVI) model to south Minneapolis.

A portion of the funds will be used to enhance the expansion of the GVI model in Minneapolis through technical assistance with John Jay College and the National Network for Safe Communities (NNSC). Technical assistance from NNSC was previously covered by a federal grant through the Department of Justice; this grant concluded in March of 2019.

**Rationale/Background:**

According to an analysis from John Jay College in 2016 roughly 60% of the shootings in Minneapolis involved group/gang members. In 2017, the GVI strategy was launched in North Minneapolis. GVI is an evidence-based model focused on bringing social service agencies, law enforcement and communities members together to address gun violence perpetrated by gangs. The model has been successful in reducing the number of group member involved shootings and homicides in the 4th precinct. The city will expand these efforts to address group/gang violence in south Minneapolis communities to have a comprehensive approach to gun violence.

**Description of the Change:**

Funds will be used to enhance the expansion of the GVI model to south Minneapolis and for technical assistance. It is expected that the city will need resources to do the following:

- Contract with agencies/consultants to serve the East African, American Indian and Latino communities in addition to current services available in the African American Community
- Host community events and meeting with culturally specific workgroups in south Minneapolis
- Plan and host GVI Call-Ins to deliver the GVI message of keeping individuals safe, alive and free
- Staff time for research and ongoing evaluation of gun/gang violence in south Minneapolis
- Uniforms/gear for GVI outreach staff including bulletproof vests

- Training on GVI and other gun/gang violence prevention models, including travel expenses for out of state training and conferences

The increase in culturally specific contracts/consultants and workgroups—similar to the one for African Americans in north Minneapolis—will improve community understanding of the model and will lead to increased credibility and buy-in for the project in south Minneapolis. Uniforms and gear will make GVI team members easy to identify in community and bulletproof vest will aid in keeping team members safe in high violence environments. Research and evaluation of the model are fundamental to the model's success, and City Council gave a staff direction for a data audit on gangs every 6 months. Ongoing training and opportunities for peer exchanges with other cities implementing the GVI model have been essential to the growth and high quality of the work to date in north Minneapolis.

Funds will also be used to continue technical assistance from John Jay College and NNSC which includes the following:

1. Regular strategic advising calls: NNSC staff with deep experience in this work will conduct regular calls with the key partners to guide the strategic implementation of GVI, plan and support additional investments in the comprehensive strategy, and provide expert guidance on any challenges that arise. NNSC anticipates that these calls will occur on a weekly basis through the contract's first year, and that frequency will be reduced to biweekly as implementation proceeds.
2. Regular project management calls: NNSC will continue to conduct weekly calls with GVI's Project Manager to provide strategic advising. NNSC also anticipates that these calls will occur on a weekly basis.
3. Regular implementation reviews: NNSC will conduct implementation reviews with the Minneapolis project manager using a comprehensive implementation review rubric that will serve as a tool for a) quarterly assessment of Minneapolis's fidelity to the GVI model, and b) ongoing strategic planning. As part of NNSC's strategic advising, NNSC field staff will conduct this review in partnership with Minneapolis's project manager to identify strengths, gaps, and priorities.
4. Periodic site visits: NNSC staff will conduct three site visits over the course of one year, providing in-person strategic advising around specific elements of the intervention, e.g. incorporating innovations to the call-in structure, supporting key trainings or workshops, etc. NNSC will also use these site visits as opportunities to meet in person with key stakeholders to address specific questions, areas of concerns, and emerging innovations and to conduct fidelity checks on critical processes. NNSC will make staff available to provide on-site support for call-ins and call-in rehearsals and assist the Minneapolis GVI partnership in refining speaker talking points, slide presentations, and overall event logistics as needed. As expansion efforts continue, one of these site visits will be dedicated to a custom notification training specifically designed for Hennepin County probation officers. NNSC will cover travel expenses for its staff for these site visits.
5. Access to management and development tools: NNSC recognizes that jurisdictions implementing GVI and Reconciliation benefit from ongoing development opportunities for key stakeholders as well as tools to help project managers support rigorous implementation. NNSC feels strongly that while firsthand exposure, either from NNSC or from subject area experts in partner jurisdictions, is important when adopting new approaches or emerging innovations, it is equally important that jurisdictions are equipped with tools to manage their own ongoing successes and challenges about the core strategy.
7. Technological support: The NNSC will continue to elevate the use of secure project management platforms and file sharing to improve real-time partnership on documents and tracking information.
8. Other special support as needed: The NNSC will make experienced staff available to support the Minneapolis partnership on discrete meetings or tasks.

**Equity Impact:**

Communities of color are at an increased risk for experiencing violence.

- The homicide rate for Black Americans in all 50 states is, on average, eight times higher than that of Whites (CDC, 2017). In general, U.S. residents are 128 times more likely to be killed by everyday gun violence than by international terrorism; Black people specifically are 500 times more likely to die this way (Xu, Murphy, Kochanek, & Bastian, 2016).

- Importantly, most urban areas, especially those that experience the most gun violence, are characterized by poverty, inequality, and racial segregation (Sampson, 2013).

Implementing models like GVI which evidence are evidence-based, data driven and proven to be effective in reducing gun violence is essential to creating violence prevention that is equitable. GVI addresses urban gun violence utilizing a 3-pronged approach that bring Law Enforcement, Social Services and the Community together to address gun violence. Utilizes community voice to implement parts of the strategy makes this model highly adaptable to the diverse needs of communities in Minneapolis.

Expanding GVI to south Minneapolis will address current gaps in service for the East African/Somali, Native American, and Latino communities.

**Results:**

Successfully establishing the GVI strategy in Minneapolis requires ongoing technical assistance from John Jay College/NNSC. GVI has led to reductions in group member involved shootings, better understanding of the ongoing gang/gun violence issues in Minneapolis and better-established relationships with key stakeholders in Minneapolis community. Current measures used to assess the success include police data to capture violence reduction trends, socials service outcomes provided by contracted partners and community input.

**Health Department****Healthy Living in Low-Income Housing****2020 Change Item**Program: *Minneapolis Healthy Living Initiative*Fund: *General Fund*

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	25	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	25	—	—	—	—

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	—	—	—	—	—

**Proposal Details:**

The Council approves \$25,000 in one-time funding to expand public health awareness and comprehensive wellness activities at two additional large housing communities. These funds will allow for a contract of up to \$25,000 with housing partners for program development, coordination, and implementation.

The expansion of this initiative will target public housing residents of the residents of the Cedar High Apartments and Hiawatha Towers.

**Rationale/Background:**

Mental and physical health and housing stability are inextricably intertwined. In Minneapolis, premature death rates from chronic conditions, including heart disease, stroke, hypertension and diabetes, are 2.7 times higher among black residents than white residents (source: Minnesota Vital Records). In addition, many public housing residents also have mental health challenges. These health inequities are associated with substantial income inequities, and low-income residents of color are at especially high risk. At-risk populations (mostly people of color) are concentrated in low-income housing communities, as is the case in the populations targeted by this program. Given the concentration of at-risk people, large housing communities provide a venue to engage with residents and to bring resources and services into buildings that improve health.

**Description of the Change:**

The Minneapolis Health Department (MHD) will apply a successful model used at eight public housing high-rise sites to improve the availability of public health awareness and comprehensive wellness activities at two additional large housing communities. MHD will work with community health providers and residents to increase healthy living options for tenants including access to food (on-site gardens, mobile grocery bus, healthier vending), exercise opportunities (on-site classes, addressing walking barriers), and chronic disease prevention/management programming (Chronic Disease Self-Management

program; on-site visits from community health workers (CHWs).

The work will be led by the CDC-employed Public Health Associate Program (PHAP) and contracts will be managed by Health Department Staff. The associate will conduct assessments, coordinate work across sites, and evaluate projects and impacts. Based on past work with MPHA, MHD will bring additional health and social services to residents in these housing sites.

**Equity Impact:**

While chronic disease is driven by preventable health behaviors (poor nutrition, lack of physical activity, tobacco use and insufficient preventive physical and mental health care) and socioeconomic factors in all communities, the historical and current context differs among them. However, the cultural context—a long history of racism and segregation in the African American community, recent immigration in Minneapolis' sizeable Somali community, and systemic eradication of American Indian culture—contribute to the need for community-driven healthy living solutions. Since these populations are concentrated in Minneapolis' most low-income communities, one of the best venues for engaging residents and supporting their self-expressed food, physical activity and health priorities is in large low-income housing complexes.

**Results:**

Across all MPHA housing communities, the Healthy Living Initiative has recorded an overall increase of 10% more MPHA housing communities with comprehensive wellness activities available to residents, and a 9% increase in residents who access them (since 2016, as recorded in Results Minneapolis). MHD expects this proposed expansion to increase the overall percentage of available comprehensive wellness activities to 35% (a 6% increase based on previous year results).

Additional measures include:

1. An increase in the number of housing communities and residents with new or increased access to healthy foods
2. An increase in the number of residents who have safe, accessible places for walking and access to on-site physical activity opportunities
3. An increase in resident use of onsite and community-based programs and services
4. An increase in intentional programs with residents to support reducing mental health barriers to managing chronic disease or healthy living lifestyle choices

**Health Department***Health Inspectors***2020 Change Item**Program: *Food, Lodging, & Pools*Fund: *General Fund*

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>					
Business Licenses and Permits	—	—	—	—	—
<b>Expenditures</b>					
Personnel	50	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	5	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	55	—	—	—	—

Personnel Impacts	2020	2021	2022	2023	2024
Change in FTE Count	1	—	—	—	—

**Proposal Details:**

The Council approves \$55,000 in onetime funding for a fully trained and experienced health inspector to provide adequate staffing levels for the health inspections team to support businesses, implement creative solutions for health code compliance in a rapidly changing and innovative industry, support a vibrant outdoor festival scene, and respond to public health emergencies.

**Rationale/Background:**

With a 58% increase in sales in eight years, Minneapolis's \$1.8 billion hospitality industry is booming and helping fuel the city's goals for economic inclusion. This growth, while an economic boon to the City, continues to stretch the capacity of health inspectors to proactively respond to emerging food trends as evidenced by a record 15 food-related disease outbreaks in 2018 and a record 1,000 hours in non-Super Bowl related staff overtime. This recommendation continues one current health inspector position that is funded as a one-time expense.

**Description of the Change:**

Environmental Health Inspectors safeguard the integrity of Minneapolis' hospitality industry. Inspectors conduct over 7,000 inspections a year at restaurants, schools, swimming pools and spas, hotels and board and lodging, tattoo parlors, farmers markets, festivals and community events, food trucks and stadiums. Working under delegation agreements from both the Minnesota Department of Health and the Minnesota Department of Agriculture, Environmental Health incorporates City goals and values into how it approaches enforcing state rules. Instead of focusing only on health codes, inspectors focus on economic inclusion, equity and public health within the context of being good stewards of public resources.

Inspectors ensure all businesses are treated fairly by consistent enforcement of city and state codes. Significant investment in education and consultation coupled with appropriate staffing levels, allows staff to support businesses in complying with health codes as opposed to using enforcement only. In fact,

Minneapolis health inspectors issued less than \$9,000 in citations last year down from over \$150,000 in 2010.

This proposal includes costs for inspector, inspection equipment and supplies, fleet vehicles and training.

**Equity Impact:**

Environmental Health prides itself with providing a fair, clear and consistent regulatory environment. Being an insider should not give an advantage in meeting the rules. This creates a level or equal playing field. By investing resources towards our immigrant and underserved communities through outreach, engagement and trainings and by hiring a diverse and multilingual staff, Environmental Health moves beyond equality to provide an equitable regulatory environment for all our businesses.

Unlike other Minnesota communities where corporate chains dominate, over 80% of Minneapolis restaurants are locally owned. This makes Minneapolis a world-class foodie destination. It also makes Minneapolis' industry unique as a driver for local entrepreneurship and economic inclusion. However, local businesses lack the support to meet health codes provided by corporate safety professionals. Minneapolis Environmental Health steps into this gap, proactively engaging with business management and taking the time to provide education, support and consultation.

Citing Minneapolis's work with immigrant communities, Environmental Health was just awarded the 2019 Crumbine Award, the most prestigious award for food safety in the United States and Canada.

**Results:**

Environmental Health is a science-driven, data-rich field. Performance measures are incorporated into every level of program management. Inspector performance is monitored in number, type and timeliness of inspections, consistency of inspections and report writing, number and types of violations called. Inspection frequency or ensuring businesses are inspected on time as defined in state statute, is a major driver for meeting the program's delegation agreements. Currently Minneapolis achieves a rate of 95% of inspections conducted within required time frames.

Without this funding, Minneapolis will lose a highly trained inspector. In order to maintain inspection frequency and other delegated requirements at a reduced staffing level, Environmental Health would curtail its inspections of city required inspections such as tattoo parlors, tanning, staple foods and green to go. Additionally, Minneapolis inspectors will spend less time educating and consulting with operators and revert to an enforcement dominate approach in order to maintain compliance with health codes.

**Health Department**

Lead Poisoning &amp; Asthma Prevention

**2020 Change Item**Program: *Healthy Homes and Environment*Fund: *General Fund*

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	52	52	52	52	52
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	—	—	—	—	—
Other	8	8	8	8	8
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	60	60	60	60	60

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	1	1	1	1	1

**Proposal Details:**

Proposal Details: The Council approves \$60,000 in ongoing funding (1 FTE) for an Environmental Inspector and the purchase of diagnostic tools and interventions. The position will address lead, asthma triggers and other environmental hazards in homes. The remaining portion of this FTE and programming will be funded via contributions from the Health Department and Regulatory Services.

**Rationale/Background:**

This recommendation aligns with the Mayor's affordable housing and economic inclusion priorities and provides additional resources to ensure that housing in Minneapolis meets basic safety requirements as lead poisoning and asthma are linked to unsafe housing maintenance conditions. The health and fiscal impacts resulting from these environmental hazards disproportionately affect the most vulnerable—those least able to absorb the associated financial burdens as well as children and the elderly. This recommendation aligns with Stable Homes, Stable Schools by preventing housing-related illness which has been shown to positively impact school attendance. This work also helps to implement the Renter First policy by improving housing conditions for vulnerable renters in a way that preserves their housing stability, safety, health and dignity. Each department will re-purpose \$37,500 in a hard match (\$75,000 total) as well as in-kind matches of current Lead and Healthy Homes and Regulatory Services analysts and managers.

**Description of the Change:**

Increasing our programmatic capacity to conduct proactive inspections for lead hazards, asthma triggers and other environmental hazards in homes will allow us to use data analytics to preemptively locate and address these hazards. An additional inspector devoted to health-based inspections and coordination focused on prevention will double the amount of preventative inspections in housing, particularly in those properties posing the highest risks to children's health.

Regulatory Services will contribute \$37,500 in the form of a partial FTE and additional in-kind matches of

their Data Analysts, Supervisor and Manager to focus specifically on lead and asthma issues. The Health Department is contributing \$37,500 and additional in-kind match of positions from their Lead and Healthy Homes Supervisor, Asthma Specialist, Lead and Healthy Homes Manager and Inspectors. In addition to an FTE, this initiative includes funding for equipment, including moisture meters, low-cost thermal cameras and portable air particulate monitors. Program implementation will begin January 1, 2020, by hiring a new inspector. After training, this inspector will conduct inspections and begin coordination to address environmental hazards in our housing stock.

**Equity Impact:**

Lead poisoning and asthma stem from poor housing quality, often linked to poverty. A disproportionate percentage of Hispanic and Latino, African American and Native American children test positive for lead poisoning or asthma. Children in low-income households are more likely to seek emergency room treatment or urgent care due to asthma. Therefore, the population least able to mitigate these effects is the most impacted. Doubling the number of proactive inspections and reducing allergens that result from poor housing quality will reduce the burden of disparities children and families face. Similarly, increasing prevention inspections has helped drive down the lead exposure in rental properties by mitigating hazardous conditions. As shown in previous pilot asthma projects carried out in Minneapolis, measurable outcomes include 5 fewer school days missed, 0.5 fewer hospitalizations, 1 less emergency department visit, significant reduction in medication usage and an increased ability to participate in physical activities. In addition to rental properties, preventative inspections have positively impacted homeowner-occupied properties. Proactive inspections have prevented youth blood lead levels from rising to the level of legal enforcement and prevented harm to children while ensuring cost-effective use of City resources.

**Results:**

Preventative inspections for lead hazards and asthma and educational interactions and products delivered are currently tracked in a Microsoft database, while inspections and violations are tracked in ELMS. Service delivery evaluation is part of our continuous improvement planning. This includes an evaluation survey after service delivery, geographical analysis of prevalence of health impacts, and performing risk factor analysis (age of housing, percentage of rental housing in a neighborhood, income, frequency of inspection). These elements provide a data-driven selection of properties to proactively inspect for maximum health improvement. Health and Regulatory Services will coordinate efforts for impactful improvements in service delivery. We specifically track the number of lead and asthma hazards identified and mitigated. Performance measures of targeted preventative inspections for lead poisonings show that increased inspections result in significantly greater discovery of lead hazards and reductions in the potential for lead poisoning.

**Health Department**

Opioid Response

**2020 Change Item**

Program: Opioid Response

Fund: General Fund

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	105	105	105	105	105
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	300	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	405	105	105	105	105

Personnel Impacts	2020	2021	2022	2023	2024
Change in FTE Count	1	1	1	1	1

**Proposal Details:**

The Council approves \$105,000 in ongoing funding and \$300,000 in onetime funding to the Health Department to support the city's response to the opioid epidemic. Funding will provide resources for the design and implementation of a hospital and community-based program model (similar to Next Step) that will be implemented in conjunction with non-profit partners, Hennepin Health, North Memorial, Minneapolis Police Department, Minneapolis Fire Department, and Emergency Medical Services. Funding is also being allocated to address the immediate and ongoing public health hazard caused by syringe litter.

**Rationale/Background:**

City and community resources are increasingly directed toward responding to overdoses due to opioids. The current approach does not allow for intervention with those individuals that are overdosing. These occurrences are a prime opportunity for someone to step in and provide education and support to an individual so that they do not overdose again and/or receive information they need to pursue treatment and recovery.

In 2015, the Minneapolis Police Department spent 255 hours on non-fatal overdose calls. In 2018, that figure rose to 839 hours. This represents a 229 percent increase in hours dedicated to non-fatal overdose calls. The Minneapolis Police 3rd Precinct encapsulates some of the neighborhoods most impacted by opioid-related overdoses and fatalities. In the precinct's coverage area there were 80 non-fatal overdoses in 2015. In 2018, there were 359 non-fatal overdoses. This is a 348 percent increase in non-fatal overdoses in the 3rd Precinct over the span of just three years.

In 2016, there were 418 overdose/poisoning primary patient complaint calls to EMS services of the Minneapolis Fire Department. In 2012, the same figure was 197 overdose/poisoning primary patient complaint calls to EMS services - Minneapolis Fire Department. This represents a 112 percent increase from 2012 to 2016.

During the 30-month period of January 2016-June 2018, Minnesota hospitals experienced a total of 1,776 visits by Minneapolis residents that involved acute drug poisoning associated with the effects of opioids - an average of 59 visits per month, up by 23 percent from the previous two years.

Implementation of this project will achieve a recommendation that was made three different times by three different sub-committees of the Multi-Jurisdictional Task Force on Opioids. The Health Department will supplement this funding through grant writing. There are currently two grants pending that will support this project; a third will be submitted in June.

Minneapolis Police, Fire, community agencies, community members, City Council, and the media have identified a problem of hundreds of used syringes littering Minneapolis streets. The increased presence of syringes on our streets reflects the increased use of drugs in our community. Syringe litter is a public health hazard byproduct of drug use and is a safety threat to community members, especially to children.

To date, removal of syringes has been conducted by a disparate group of people including but not limited to; firefighters, police, community agency workers, concerned citizens, business owners, and residents. Proper syringe handling and disposal requires training and appropriate tools that are not available to all who have taken it upon themselves to address the issue. The proposals in this request represent a multi-jurisdictional, coordinated, standardized, measurable and safe method of addressing the syringe litter health hazard.

#### **Description of the Change:**

These initiatives come directly out of the recommendations from the Mayor's Multi-Jurisdictional Task Force on Opioids. The money will allow the Health Department to start up a hospital and community-based intervention program for people experiencing non-fatal overdoses as well as initiate immediate and ongoing syringe litter and safe disposal initiatives. The money in large part will be contracted out to the hospital, community-based organizations, and service providers to administer each program which MHD is developing with stakeholder collaboration.

For the hospital-based intervention program, initially HCMC then North Memorial, will receive a contract to hire Peer Navigators or Wellness Coaches to work with the individuals coming to the hospital emergency room (ER). An additional contract with a community-based organizations and service providers will be considered if we can determine a way to be in contact with those persons to whom Police, Fire or EMS administer naloxone, but who do not go to ER. The department believes that being in contact with ALL non-fatal overdose survivors both in the hospital and out in the community is very important. We are currently in conversation with Police, Fire, and EMS on how to connect with those individuals who receive naloxone in the community.

#### **Equity Impact:**

This project will impact the two communities in Minneapolis most disproportionately affected by the opioid epidemic, the American Indian and African American communities. Both groups were represented on the Mayor's Multi-Jurisdictional Task Force on Opioids and that is the group that recommended this project. Additionally, meetings will take place with both communities as we move towards implementation. For the community based portion of the project it will likely require that we have a contract within each community to be effective and more conversations will take place at that point.

This project will decrease the number of fatal overdoses experienced in these communities. By intervening with individuals at their lowest point (survival of a non-fatal overdose) either in the hospital or in the community we will provide individuals with the necessary services, education and supports to pursue treatment for their addiction or to provide them with the means to prevent further overdoses. Both a community based and hospital based intervention will reduce the number of fatal overdoses.

## **Results:**

Individuals experiencing non-fatal overdoses that are admitted to the hospital or are treated with Narcan in the community will have access to OD Risk Reduction Counseling, OD rescue training, naloxone, follow-up, referrals, navigation to harm reduction, drug treatment and other services.

Because this is a new program we do not know how many people will be impacted, but based on current level of naloxone administration and number of ER visits we can make the following estimates:

Number of people reached by a Wellness Coach or Peer Navigator (in the hospital or in the community): 350

- Percentage of people we see that DO NOT return to ER or DO NOT have a repeat overdose reversal within 12 months: 85%
- Percentage of people we see that are connected to needed resources including but not exclusive to treatment services: 75%

This data will be collected by our partners on the project include the hospitals, non-profit organizations, police, fire and EMS.

The syringe litter and safe disposal programs will be measured through the following metrics:

- Quantity: Number of sweeps, pounds of needles of the streets
- Quality: The Project Manager will have oversight of the contractor to make certain the process and scheduled services are on time and completed.
- Result: Safer City
- Performance: Vendors will report the number of pounds of needles collected and the information will be shared through a marketing campaign such as information listed on our website working with Communications to contact media as appropriate. Fliers and community agency awareness campaign.

## **Health Department**

## **2020 Change Item**

### *Intimate Partner Violence Intervention Initiative*

**Program:** Office of Violence Prevention

**Fund:** General Fund

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	50	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	50	—	—	—	—

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Change in FTE Count</b>	—	—	—	—	—

#### **Proposal Details:**

The Council approves \$50,000 to identify and begin the implementation process for a strategy to prevent and intervene in domestic violence incidence. It is expected that the city will need to explore existing evidence based domestic violence strategies, engage with local and national partners and identify the model best suited for the diverse communities of Minneapolis.

#### **Rationale/Background:**

The City of Minneapolis has high rates of domestic violence. In some parts of the city, such as MPD's 4th Precinct, it is the number one call for police service. John Jay College and the National Network for Safe Communities (NNSC) have submitted a proposal to work with the City of Minneapolis on an intimate partner violence strategy. In 2019, NNSC conducted a training with the Minneapolis Police Department, the Minneapolis City Attorney's Office, the Minneapolis Office of Violence Prevention and several culturally responsive domestic violence agencies to assess the capacity to launch their existing program in Minneapolis. It was determined that Minneapolis is well suited for this program. Minneapolis has some but, not all of the pieces in place to begin developing this program. While Minneapolis is and will continue to work with NNSC to consider the implementation of their model, exploration of other model will be considered to ensure that a model will be selected that best meet the need in Minneapolis' diverse communities.

#### **Description of the Change:**

In an online survey conducted by the Minneapolis Office of Violence Prevention in the spring of 2019, 41.32% of respondents listed domestic violence as a top priority area for the Office of Violence Prevention to focus on. The Minneapolis Office of Violence Prevention does not currently have a focused body of work that is designed to address domestic violence. The resources allocated will allow for further exploration of the intimate partner project at NNSC as well as other national best practices.

**Equity Impact:**

Domestic violence disproportionately impacts communities of color. According to the National Coalition Against Domestic Violence (NCADV), intimate partner violence was one of the leading causes of death for black women between 15 and 35 years old. Almost 50% of Indigenous American women report having been “raped, beaten, or stalked by an intimate partner” according to the Department of Justice, and more than 50% of Asian women report physical and/or sexual violence by an intimate partner during their lifetime. With these statistics in mind it is essential that this work includes focused attention on culturally specific service delivery and design. The Office of Violence Prevention will convene a stakeholder group made up of culturally responsive domestic violence service providers to ensure that consideration of any strategy selected will be appropriate for the diverse communities reflected in the population in Minneapolis.

**Results:**

The Minneapolis Office of Violence Prevention will continue to meet in person and virtually with NNSC to build capacity in Minneapolis to implement their intimate partner violence project. In addition to continuing to establish that model, the Minneapolis Office of Violence Prevention will use 2020 to explore other models to develop a comprehensive approach to addressing domestic violence in Minneapolis. The Minneapolis Office of Violence Prevention will convene a group of stakeholders from culturally diverse and domestic violence agencies to explore and identify one or more domestic violence strategies that will be implemented in Minneapolis.

## **Health Department**

*Office of Violence Prevention Fund*

## **2020 Change Item**

**Program:** Office of Violence Prevention  
**Fund:** General Fund

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	142	105	105	105	105
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	142	105	105	105	105

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	—	—	—	—	—

### **Proposal Details:**

The Council approves \$105,000 ongoing funds and \$37,000 one-time funds to enhance the existing Office of Violence Prevention Fund. The Office of Violence Prevention focuses on funding community driven and designed violence prevention projects. In 2020, a competitive Request for Proposal (RFA) process will be done to fund projects with budgets ranging from \$10,000-\$50,000.

### **Rationale/Background:**

The Violence Prevention Fund is intended to invest in community-led strategies that address violence in Minneapolis. As part of that allocation, funding will be designated for community-led violence prevention strategies to take place throughout Minneapolis. Projects can be focused on prevention of one or more forms of violence. The intent of the Violence Prevention Fund is to support community-led strategies.

### **Description of the Change:**

The intent of the Violence Prevention Fund is to support community-led strategies. With that in mind, applicants are encouraged to propose activities that reflect their own expertise, experience, and knowledge and that have the potential for tangible violence prevention impact. While applicants are encouraged to propose projects that reflect community need and applicant expertise, here are a few examples of strategies or activities that could be proposed:

- Outreach, violence interrupters, peacekeeper patrols, and/or community guardians
- Crime Prevention Through Environmental Design (e.g., vacant lot clean-up, community gardens, neighborhood fix-it teams, graffiti removal, murals, park revitalization, etc.)
- Activation/placemaking
- Increased access to social services
- Youth mentoring opportunities
- Community and police dialogues
- Employment, certification, education, and trade opportunities
- Civic engagement opportunities

- Recreational and outdoor offerings (e.g. midnight basketball, community bike rides, etc.)
- Community events
- Healing circles

### **Equity Impact:**

Violence is disproportionately experienced by people of color and GLBTQ communities. The homicide rate for Black Americans in all 50 states is, on average, eight times higher than that of Whites (CDC, 2017). In general, U.S. residents are 128 times more likely to be killed by everyday gun violence than by international terrorism; Black people specifically are 500 times more likely to die this way (Xu, Murphy, Kochanek, & Bastian, 2016). Importantly, most urban areas, especially those that experience the most gun violence, are characterized by poverty, inequality, and racial segregation (Sampson, 2013).

According to the “Crisis of Hate” report released by the National Coalition of Anti-Violence Programs (NCAVP) in January. The report tracked at least 52 people who were killed as a result of hateful anti-LGBTQ+ violence in 2017, making for an average of one homicide per week. The Office of Violence Prevention Fund will use a data driven approach to ensure that communities most impacted by violence are the focus of the grant opportunities made available through the RFP process.

### **Results:**

In 2019, the Minneapolis Office of Violence Prevention was able to provide funding to 11 organizations to do grassroots violence prevention projects. The additional resources in 2020 should allow for an increase in the number of agencies funded. In addition, funds allocated in 2019 were geographically split between downtown and other parts of the city. Those restrictions have been lifted in 2020 thus, allowing for increased spending flexibility.

**Health Department***Children's Savings Account***2020 Change Item****Program:** Core Public Health Infrastructure**Fund:** General Fund

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	50	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	50	—	—	—	—

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	—	—	—	—	—

**Proposal Details:**

The Council approves the Youth Coordinating Board (YCB) request for \$50,000 in one-time funding to continue building the Children's Savings Account Program in Minneapolis. 2020 is a pilot year in which will work with the Northside Achievement Zone, Healthy Start, the Longfellow Teen Parenting Program, the Nurse Family Partnership and Healthy Families America to implement the program targeted at low income parents. Fund will support a consultant who will be responsible for overseeing all aspects of the pilot. A request for \$50,000 has also been made of Hennepin County. A full report of this work by the YCB is available upon request.

**Rationale/Background:**

A Children's Savings Account is a long-term savings account opened on behalf of a child through public and private investments and contributions from family members, the account balance grows over time and the funds saved support a child's post-high school education or job training. When CSAs are combined with other wrap around services and methods of engaging families in financial education, they have been found to decrease health disparities, build financial capability skills, and improve educational outcomes.

As the proven outcomes show, this strategy will have a long-term effect on homelessness and employment. At its heart, it is an equity strategy aimed improving the potential of academic success for poor children and children of color, those children who have the least resources and hope for post-secondary training.

**Description of the Change:**

The YCB has been working on Children's Savings Accounts since 2016; this request represents a change to an existing activity.

CSAs are a Financial Empowerment strategy that is showing great promise. This additional funding will

be used to contract with Lucy Mullany, a national expert on financial empowerment. Her deliverables will include:

- Fund Development: leverage public and private funder relationships for seed accounts and ongoing management of the program
- Communications and Outreach: develop a brand identity and marketing strategy
- Infrastructure: establishment of relationships with financial institutions, development of record keeping mechanisms, ensure proper legal procedures are in place and determine staffing needed for ongoing support
- Partnerships: leverage existing partnerships to engage designated communities, work with St. Paul to coordinate programs
- Policy: recommend policy changes at the federal, state and municipal level to guarantee program stability and operations

YCB's partners in this initiative are the Minneapolis Health Department, Hennepin County Maternal and Child Health, the Northside Achievement Zone, Healthy Start, the Longfellow Teen Parenting Program, the Nurse Family Partnership and Healthy Families America.

### **Equity Impact:**

People of color, including indigenous peoples and recent immigrants, make up the fastest-growing segment of our population. Yet people of color in Minnesota are more likely to live in poverty, less likely to graduate from high school, less likely to own a home, more likely to be unbanked, and more likely to suffer major health challenges. With growing populations of color, the future economic success of Minneapolis depends on everyone having the opportunity to reach their full potential. As a city we need to begin to look at how we help children, from birth to early adulthood, acquire the skills and gain access to institutions needed to succeed, build wealth and sustain wealth over the course of their lifetime. Children's Savings Accounts (CSAs) can help us achieve this goal.

A CSA program creates the infrastructure that the City of Minneapolis and our families can use to build wealth. A seeded savings account is a vehicle for future savings and, when more public and private funds are allocated, larger and more long-term savings. Over the past ten years, states, counties, municipalities and nonprofit organizations have developed CSA programs as an effective tool for addressing an array of issues from college access and completion, maternal and child health, financial capability, and workforce development. Ranging from small programs serving children at one school to statewide initiatives, most of these programs focus on helping children access post-secondary education by building both their savings and their educational aspirations, particularly for students from low- and moderate-income families. By the end of 2016 there were 42 CSA programs serving 313,000 children in 30 U.S. states.

### **Results:**

While still a young field, the impact of CSA programs is evident:

- Health & Well-Being of Families: Low-moderate income mothers whose children receive a CSA at birth have reduced maternal depression symptoms. In turn, their children score higher on early social-emotional measurements than their peers.
- College-Bound Identity: Youth participating in a CSA program are more likely to plan to attend college after high school. Students who expect to attend post-secondary education are more likely to do so when they have dedicated school savings.
- Early Academic Success: CSAs can have an impact on early academic achievement in grade school, including positively impacting math and reading scores.
- College Enrollment & Completion: Children with a college-saver identity and \$500 or more saved are two times more likely to graduate from post-secondary education than children with a college-bound identity only. For children in low and moderate-income households, this figure is three times more likely.
- Long Term Financial Health: CSA programs connect families with mainstream financial institutions that can create greater overall financial health. Additionally, programs that include youth financial education are associated with increased financial capability among elementary school students that will continue to develop into adulthood.

Growing wealth inequity may be one of the biggest threats facing our children's future. While a CSA alone will not close the racial wealth gap, it provides children with a vehicle to build wealth and access financial and educational institutions they may not otherwise have had the opportunity to participate in. Minneapolis has an opportunity to build an equitable CSA program that integrates with existing cradle to career goals and efforts to support family financial well-being.

**Health Department***Part-Time Youth Workers in Cedar-Riverside & Seward Neighborhoods***2020 Change Item****Program:** Core Public Health Infrastructure**Fund:** General Fund

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	50	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	50	—	—	—	—

Personnel Impacts	2020	2021	2022	2023	2024
Change in FTE Count	—	—	—	—	—

**Proposal Details:**

The Council approves \$50,000 in one-time funding to contract with the Youth Coordinating Board (YCB) for part-time youth workers in the Cedar-Riverside and Seward neighborhoods.

**Rationale/Background:**

Given the past success of the YCB Team in response to increased criminal activity and observable violence in Downtown Minneapolis, community called for the YCB Youth Street Outreach Team to work in the Cedar-Riverside neighborhood.

**Description of the Change:**

The YCB Youth Street Outreach Team interrupts behavior cycles of youth who are disruptive or disengaged by connecting them to meaningful activities and resources. This funding allows an experienced team of youth workers to continue their demonstrably successful efforts to engage their peers in Cedar-Riverside and Seward.

**Equity Impact:**

The YCB Youth Street Outreach Team will be composed of caring adult youth work professionals who relate to them and their experiences. Their model is driven by the approach that young people are positively impacted by caring adults from their own communities and with whom they have a connection.

**Results:**

Juvenile and youth crime rates decrease when the YCB Youth Street Outreach Team is operating, as validated by the group's efforts in the First Precinct.

**Health Department****2020 Change Item**

Crime Reduction for Ventura Village/Phillips West/Stevens Square

**Program:** Office of Violence Prevention**Fund:** General Fund

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	100	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	100	—	—	—	—

Personnel Impacts	2020	2021	2022	2023	2024
Change in FTE Count	—	—	—	—	—

**Proposal Details:**

Funds are designated to work with the following communities on crime reduction strategies: Ventura Village - \$40,000

Phillips West - \$40,000 (with at least \$15,000 going to Phillips West Safety Center)

Stevens Square -\$20,000

**Rationale/Background:**

The Office of Violence Prevention was designed to serve as a coordinating entity working across the City of Minneapolis enterprise to align efforts that address and intervene in incidence of violence. The Office of Violence Prevention can and will work with neighborhoods and communities in Minneapolis identified as having high levels of violence to develop violence prevention strategies. Funds in the 2020 budget were allocated to the Office of Violence to work with specific communities to design violence and crime prevention strategies that are grassroots, and community centered in Ventura Village, Phillips West and Stevens Square.

**Description of the Change:**

The Minneapolis Office of Violence Prevention will work with Phillips West Safety Center and other organizations to develop and design strategies that reduce crime and violence. Strategies will be designed in partnership with the neighborhood organizations and leaders. Strategies could include but are not limited to the following:

- Outreach, violence interrupters, peacekeeper patrols, and/or community guardians
- Crime Prevention Through Environmental Design (e.g., vacant lot clean-up, community gardens, neighborhood fix-it teams, graffiti removal, murals, park revitalization, etc.)
- Activation/placemaking
- Increased access to social services
- Youth mentoring opportunities
- Community and police dialogues

- Employment, certification, education, and trade opportunities
- Civic engagement opportunities
- Recreational and outdoor offerings (e.g. midnight basketball, community bike rides, etc.)
- Community events
- Healing circles

**Equity Impact:**

Communities of Color, Immigrant and low-income communities are at increased risk for being victims and perpetrators of violence. Ventura Village, Phillips West and Stevens Square neighborhoods are areas with large ethnically and socio-economically diverse communities.

**Results:**

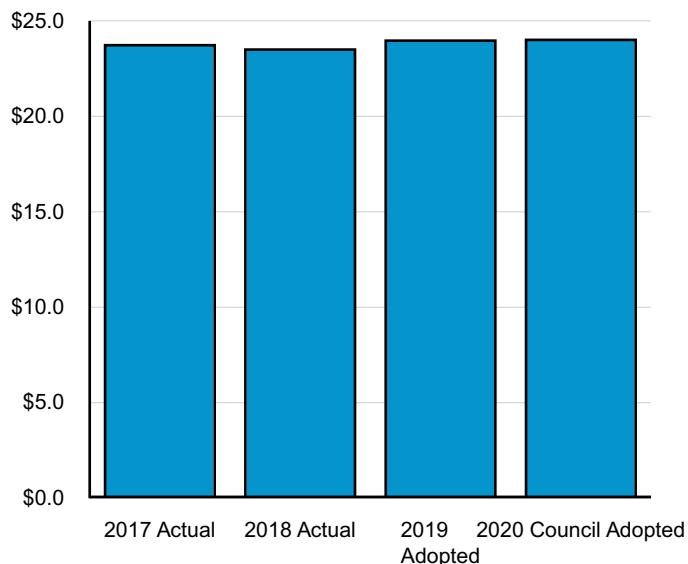
These funds will allow the Office of Violence Prevention to work intentionally with agencies and individuals in Ventura Village, Phillips West and Stevens Square. Strategic planning and design around violence prevention should lead to better understanding violence issues in the aforementioned neighborhoods and better-established relationships with key stakeholders in those communities.

**MINNEAPOLIS HEALTH DEPARTMENT  
EXPENSE AND REVENUE INFORMATION**

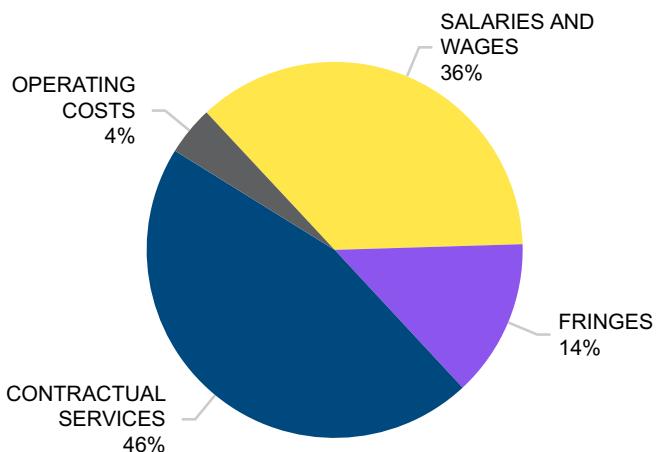
<b>EXPENSE</b>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Adopted</b>	<b>2020 Council Adopted</b>	<b>Percent Change</b>	<b>Change</b>
<b>GENERAL</b>						
SALARIES AND WAGES	4,004,197	4,673,757	4,788,000	4,876,000	1.8%	88,000
FRINGES	1,530,747	1,759,143	1,697,000	1,800,000	6.1%	103,000
CONTRACTUAL SERVICES	4,384,256	4,672,917	5,123,000	5,959,000	16.3%	836,000
OPERATING COSTS	506,649	367,890	697,000	445,000	-36.2%	(252,000)
CAPITAL EQUIPMENT	—	25,215	—	—	0.0%	0
<b>TOTAL GENERAL</b>	<b>10,425,849</b>	<b>11,498,922</b>	<b>12,305,000</b>	<b>13,080,000</b>	<b>6.3%</b>	<b>775,000</b>
<b>SPECIAL REVENUE</b>						
SALARIES AND WAGES	3,562,901	3,393,458	3,932,000	3,902,000	-0.8%	(30,000)
FRINGES	1,226,109	1,182,058	1,368,000	1,467,000	7.2%	99,000
CONTRACTUAL SERVICES	8,028,810	7,012,212	5,500,000	5,056,000	-8.1%	(444,000)
OPERATING COSTS	552,606	480,157	929,000	570,000	-38.6%	(359,000)
CAPITAL EQUIPMENT	—	—	—	—	0.0%	0
<b>TOTAL SPECIAL REVENUE</b>	<b>13,370,426</b>	<b>12,067,885</b>	<b>11,729,000</b>	<b>10,995,000</b>	<b>-6.3%</b>	<b>(734,000)</b>
<b>TOTAL EXPENSE</b>	<b>23,796,275</b>	<b>23,566,807</b>	<b>24,034,000</b>	<b>24,075,000</b>	<b>0.2%</b>	<b>41,000</b>
<b>REVENUE</b>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Adopted</b>	<b>2020 Council Adopted</b>	<b>Percent Change</b>	<b>Change</b>
<b>GENERAL</b>						
BUSINESS LICENSES AND PERMITS	157,332	173,059	340,000	180,000	-47.1%	(160,000)
CHARGES FOR SERVICES	180	72	—	—	0.0%	0
FINES AND FORFEITS	42,735	28,860	65,000	35,000	-46.2%	(30,000)
MISCELLANEOUS	122,333	106,917	100,000	100,000	0.0%	0
NON-BUSINESS LICENSES AND PERMITS	2,507,182	2,499,299	2,408,000	2,500,000	3.8%	92,000
SPECIAL ASSESSMENTS	241	9,401	—	—	0.0%	0
<b>TOTAL GENERAL</b>	<b>2,830,003</b>	<b>2,817,608</b>	<b>2,913,000</b>	<b>2,815,000</b>	<b>-3.4%</b>	<b>(98,000)</b>
<b>SPECIAL REVENUE</b>						
CHARGES FOR SERVICES	1,363,883	1,109,395	1,274,000	1,012,000	-20.6%	(262,000)
CONTRIBUTIONS	169,715	915,513	300,000	300,000	0.0%	0
FEDERAL GOVERNMENT GRANTS	7,064,128	4,549,163	4,277,000	4,143,000	-3.1%	(134,000)
LOCAL GRANTS & AIDS	15,709	95,306	202,000	—	-100.0%	(202,000)
MISCELLANEOUS	8,952	521,545	200,000	200,000	0.0%	0
OTHER TAXES	39,138	169,334	7,000	7,000	0.0%	0
STATE GRANTS & AIDS	4,164,721	2,861,350	4,797,000	4,636,000	-3.4%	(161,000)
USE OF FUND BALANCE	—	—	—	(16,000)	0.0%	(16,000)
<b>TOTAL SPECIAL REVENUE</b>	<b>12,826,246</b>	<b>10,221,606</b>	<b>11,057,000</b>	<b>10,282,000</b>	<b>-7.0%</b>	<b>(775,000)</b>
<b>TOTAL REVENUE</b>	<b>15,656,249</b>	<b>13,039,214</b>	<b>13,970,000</b>	<b>13,097,000</b>	<b>-6.2%</b>	<b>(873,000)</b>

## MINNEAPOLIS HEALTH DEPARTMENT EXPENSE AND REVENUE INFORMATION

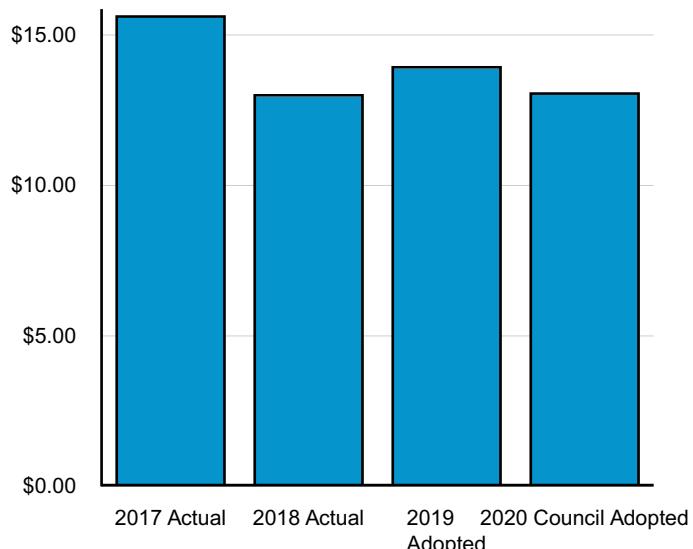
**Expense 2017 - 2020**  
**In Millions**



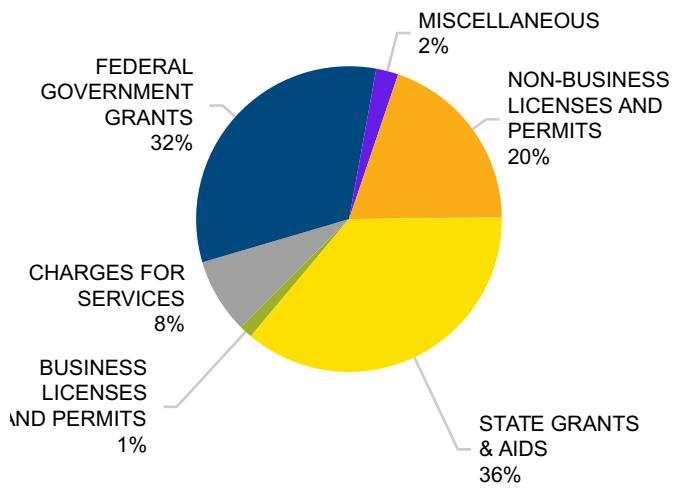
**Expense by Category**



**Revenue 2017 - 2020**  
**In Millions**



**Revenue by Type**

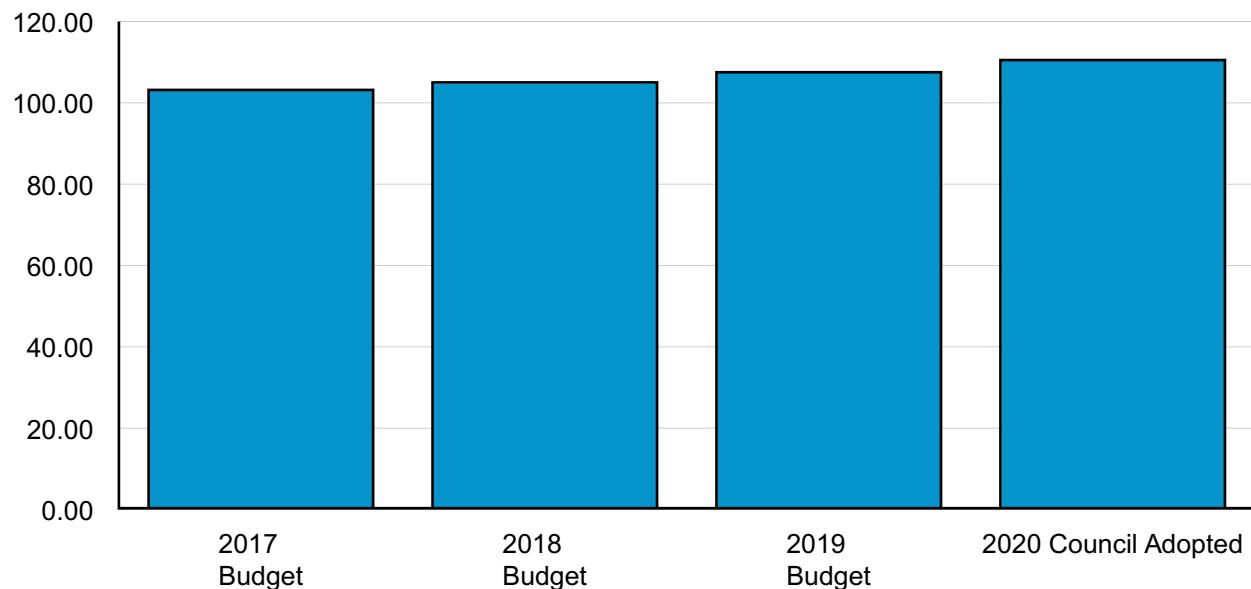


## MINNEAPOLIS HEALTH DEPARTMENT

### Staffing Information

Division	2017 Budget	2018 Budget	2019 Budget	2020 Council Adopted	Percent Change	Change
CORE INFRASTRUCTURE	14.30	15.82	15.82	16.82	6.3%	1.00
EMERGENCY PREP & INFECTIOUS DISEASE	2.70	2.30	2.30	2.30	0.0%	0
ENVIRONMENTAL SERVICES	12.75	12.80	12.80	13.80	7.8%	1
FOOD LODGING AND POOLS	25.00	26.00	28.00	27.00	-3.6%	(1)
HEALTHY HOMES AND ENVIRONMENT	—	—	—	1.00	0.0%	1
HEALTHY LIVING	6.65	5.85	5.85	5.85	0.0%	0
LEAD AND HEALTHY HOMES	9.00	9.00	9.50	9.50	0.0%	0.00
PERINATAL EARLY CHILDHOOD/FAMILY	2.55	2.25	2.25	2.25	0.0%	0
SCHOOL BASED CLINICS	23.05	24.25	24.25	24.25	0.0%	0
SENIOR SERVICES	—	—	—	—	0.0%	0
YOUTH DEVEL- TEEN PREG PREV	2.25	1.75	1.75	1.75	0.0%	0
YOUTH VIOLENCE PREVENTION	5.25	5.33	5.33	6.33	18.8%	1.00
Overall	103.50	105.35	107.85	110.85	2.8%	3.00

### Positions 2017-2020



\* 2017 FTE counts may differ from 2017 adopted budget due to mid year adjustments, including funding and organizational changes.

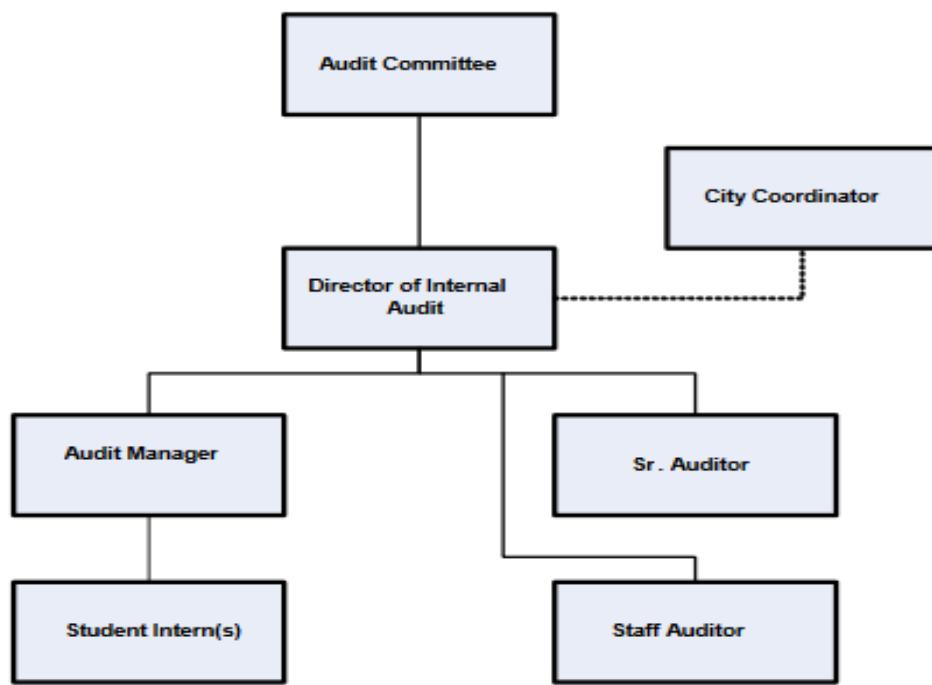
# INTERNAL AUDIT

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## Mission

To serve the City of Minneapolis and the public interest by providing objective services that enhance the City's ability to manage risk, improve internal controls, optimize efficiencies, reduce costs and strengthen accountability.

## Organization Chart



## Internal Audit

General Fund: \$813,000

Internal Audit provides objective and independent assessment on the effectiveness and efficiency of City operations and reports results to the Audit Committee at public meetings. Through an annual risk assessment process, Internal Audit collaborates with management to identify program or department risks and expected controls to manage those risks. Risks may include financial, operational, information technology, reputation, regulatory, third party, and strategic risks. Internal Audit analyzes annual department/program risk assessment results to update the overall audit plan which must be approved by the Audit Committee. During an audit engagement, Internal Audit independently assesses the design and operating effectiveness of controls that mitigate key risks in scope for the audit. Internal Audit also provides consulting services upon management request but does not participate in management decision-making. Internal Audit conducts investigations when requested through the complaints management process.

## Financial Analysis

### Expenditure

The total Internal Audit Department's budget decreases from \$858,000 to \$812,000 from 2019 to 2020. This is a decrease of \$46,000, or 5.4%. Inflationary increases in operating expenses in 2020 are wholly offset by elimination of \$40,000 one-time budgetary allocations in 2019.

## Revenue

This Department does not produce revenue.

## Fund Allocation

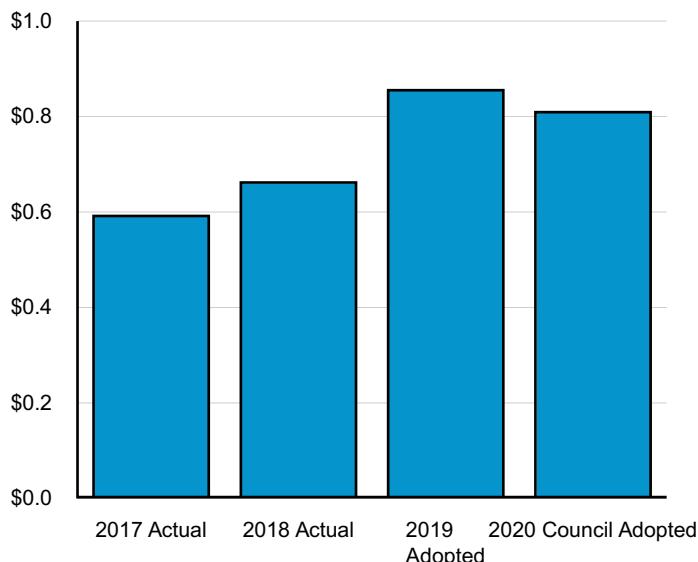
This department is funded completely by the General Fund.

### INTERNAL AUDIT EXPENSE AND REVENUE INFORMATION

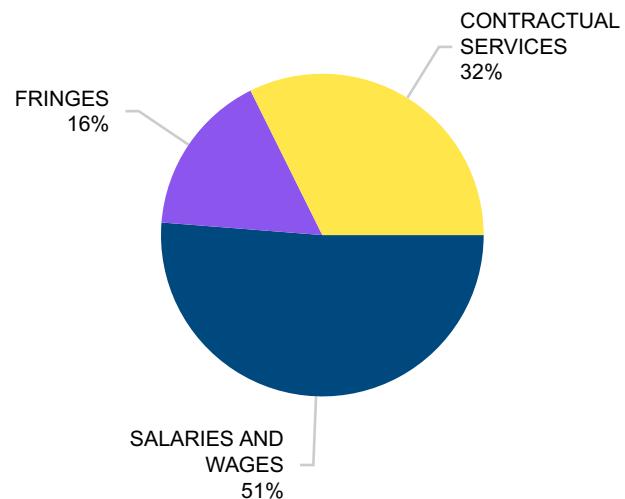
EXPENSE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>GENERAL</b>						
SALARIES AND WAGES	319,143	322,516	421,000	412,000	-2.1%	(9,000)
FRINGES	74,932	86,934	131,000	132,000	0.8%	1,000
CONTRACTUAL SERVICES	180,500	233,911	296,000	260,000	-12.2%	(36,000)
OPERATING COSTS	19,939	21,223	10,000	8,000	-20.0%	(2,000)
<b>TOTAL GENERAL</b>	<b>594,514</b>	<b>664,584</b>	<b>858,000</b>	<b>812,000</b>	<b>-5.4%</b>	<b>(46,000)</b>
<b>TOTAL EXPENSE</b>	<b>594,514</b>	<b>664,584</b>	<b>858,000</b>	<b>812,000</b>	<b>-5.4%</b>	<b>(46,000)</b>

### INTERNAL AUDIT EXPENSE AND REVENUE INFORMATION

Expense 2017 - 2020  
In Millions



Expense by Category

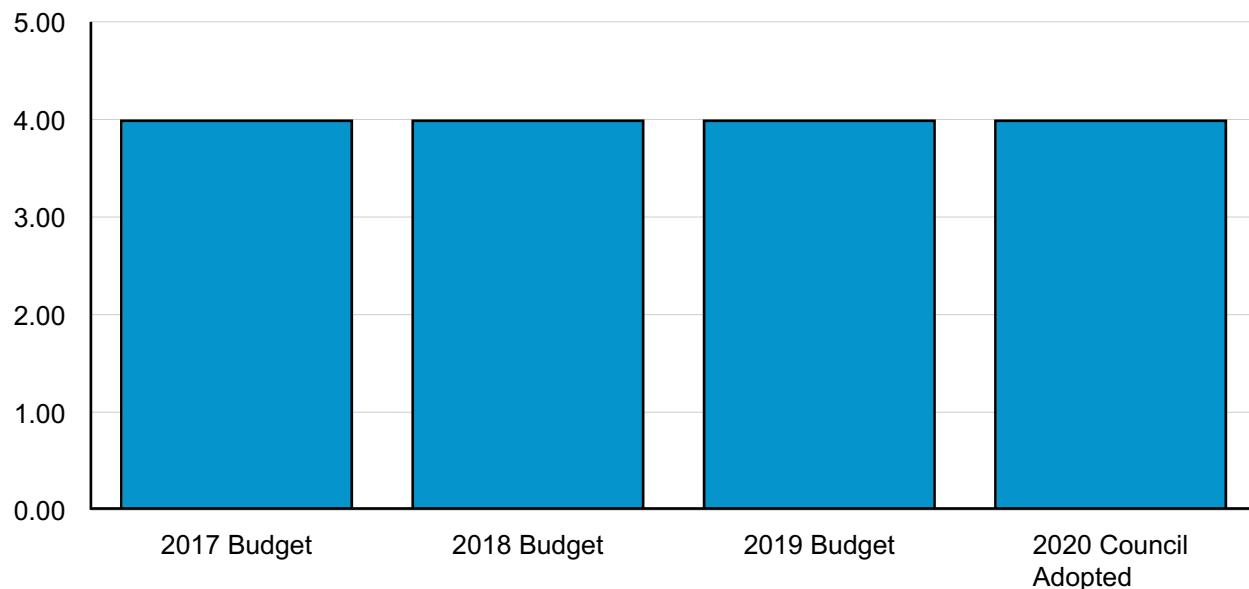


## **INTERNAL AUDIT**

### **Staffing Information**

<b>Division</b>	<b>2017 Budget</b>	<b>2018 Budget</b>	<b>2019 Budget</b>	<b>2020 Council Adopted</b>	<b>Percent Change</b>	<b>Change</b>
INTERNAL AUDIT	4.00	4.00	4.00	4.00	0.0%	0
Overall	4.00	4.00	4.00	4.00	0.0%	0

### **Positions 2017-2020**



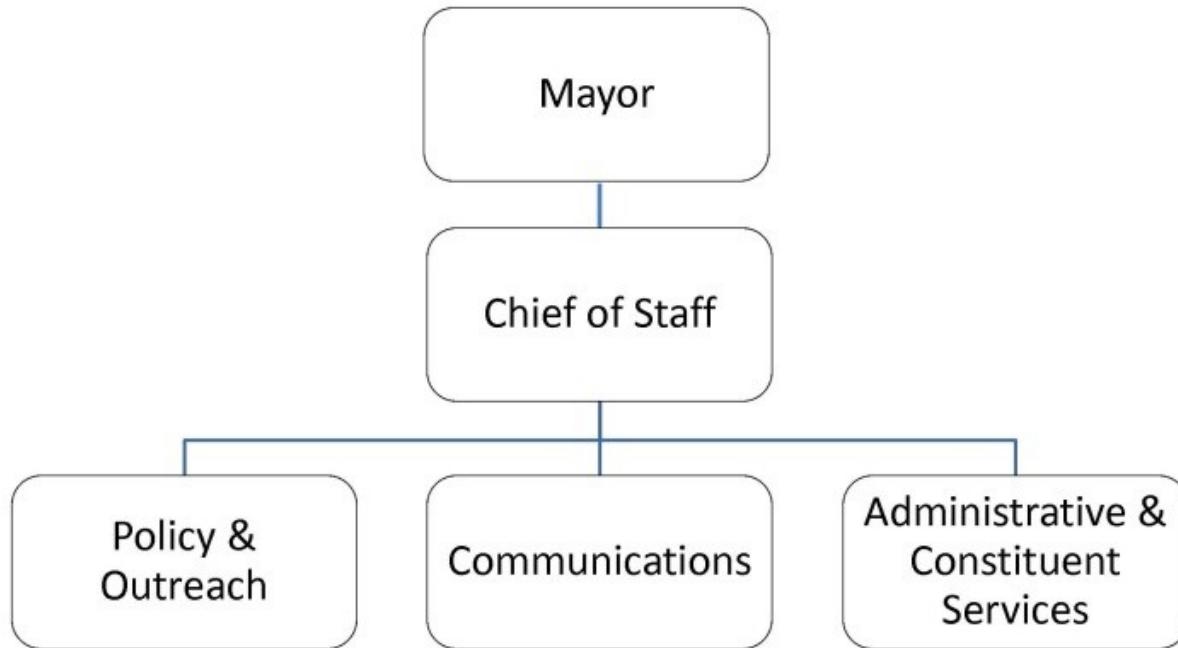
# MAYOR

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## Mission

Dedicated to making Minneapolis a vibrant, safe city that offers opportunity for all.

## Organizational Chart



## Mayor Policy & Operations

General Fund: \$2,484,000

This program is charged with leading strategic policy development and supports policy implementation to meet the goals of the city. The program is also in charge of nominating and supporting strong department heads, overseeing the performance and accountability of the Police and Civil Rights departments, and developing responsible fiscal policies and an annual budget that reflects the City's goals.

## Financial Analysis

### Expenditure

The total Mayor department's budget increases from \$2.4 million to \$2.5 million from 2019 to 2020. This is an increase of \$96,000 or 4.0% due to inflationary increases in operating expenses.

### Revenue

This department does not produce revenue.

### Fund Allocation

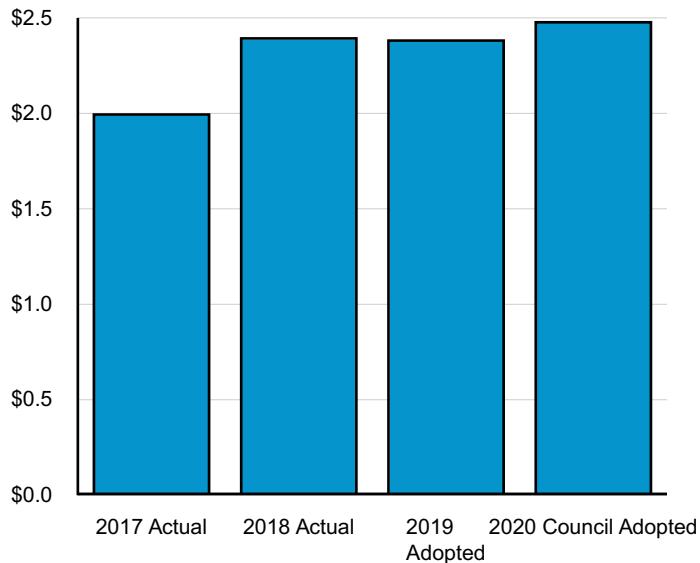
This department is funded completely in the General Fund.

**MAYOR**  
**EXPENSE AND REVENUE INFORMATION**

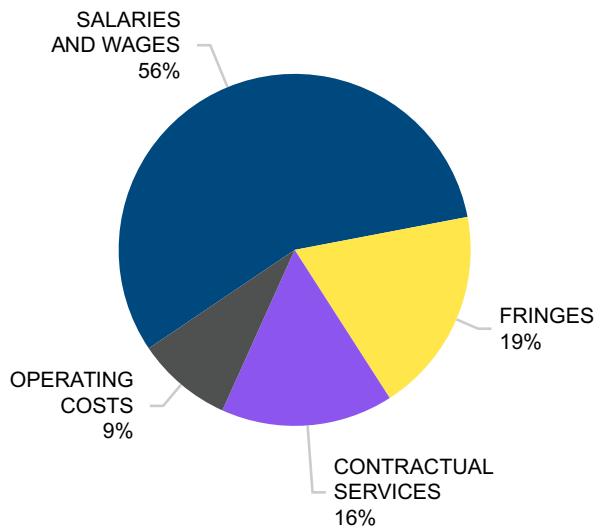
EXPENSE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>GENERAL</b>						
SALARIES AND WAGES	1,125,113	1,281,678	1,337,000	1,402,000	4.9%	65,000
FRINGES	281,145	442,077	433,000	470,000	8.5%	37,000
CONTRACTUAL SERVICES	370,971	428,759	388,000	393,000	1.3%	5,000
OPERATING COSTS	224,017	234,389	230,000	219,000	-4.8%	(11,000)
<b>TOTAL GENERAL</b>	<b>2,001,246</b>	<b>2,386,903</b>	<b>2,388,000</b>	<b>2,484,000</b>	<b>4.0%</b>	<b>96,000</b>
<b>SPECIAL REVENUE</b>						
SALARIES AND WAGES	(525)	10,606	—	—	0.0%	0
FRINGES	—	1,894	—	—	0.0%	0
<b>TOTAL SPECIAL REVENUE</b>	<b>(525)</b>	<b>12,500</b>	<b>—</b>	<b>—</b>	<b>0.0%</b>	<b>0</b>
<b>TOTAL EXPENSE</b>	<b>2,000,721</b>	<b>2,399,403</b>	<b>2,388,000</b>	<b>2,484,000</b>	<b>4.0%</b>	<b>96,000</b>
REVENUE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>SPECIAL REVENUE</b>						
CONTRIBUTIONS	(525)	50,525	—	—	0.0%	0
<b>TOTAL SPECIAL REVENUE</b>	<b>(525)</b>	<b>50,525</b>	<b>—</b>	<b>—</b>	<b>0.0%</b>	<b>0</b>
<b>TOTAL REVENUE</b>	<b>(525)</b>	<b>50,525</b>	<b>—</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>

## MAYOR EXPENSE AND REVENUE INFORMATION

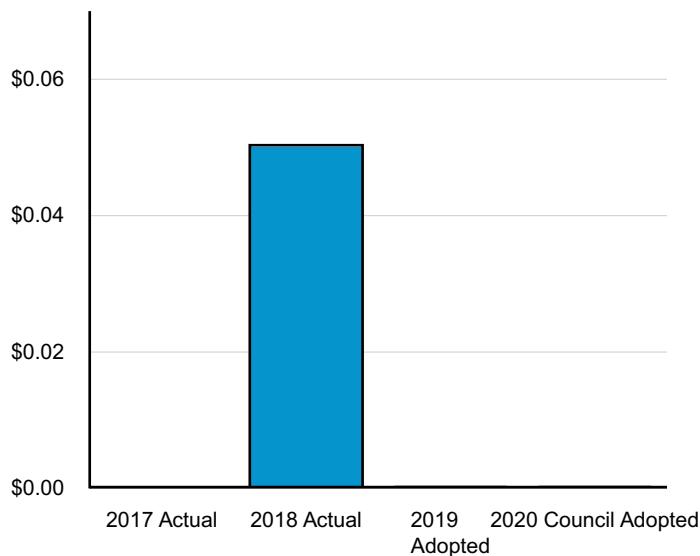
**Expense 2017 - 2020**  
In Millions



**Expense by Category**



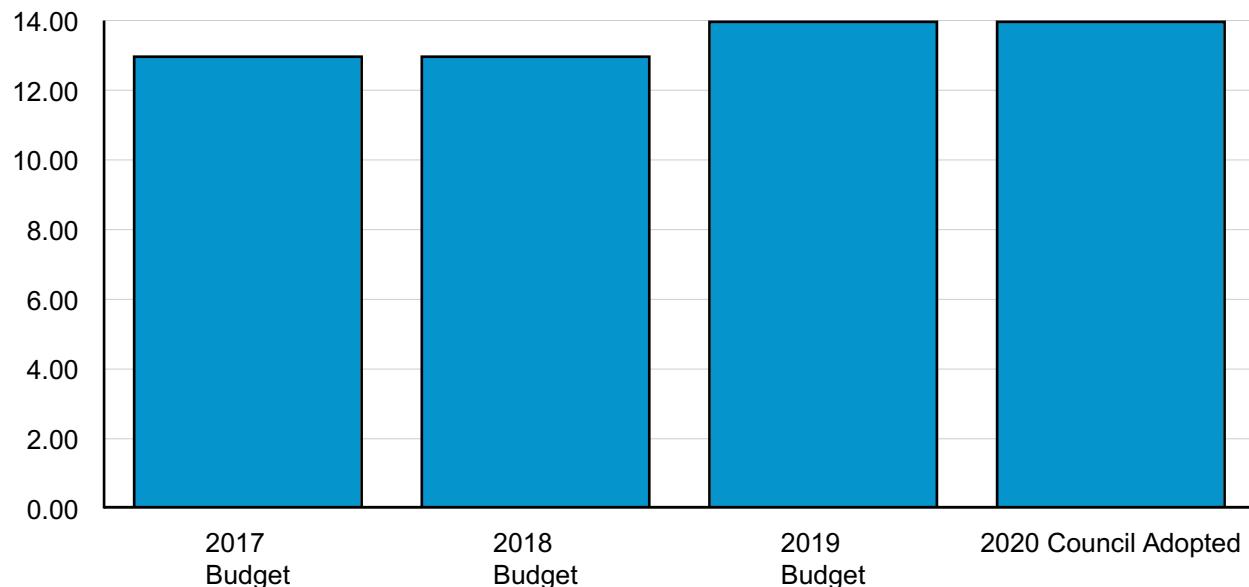
**Revenue 2017 - 2020**  
In Millions



## MAYOR Staffing Information

Division	2017 Budget	2018 Budget	2019 Budget	2020 Council Adopted	Percent Change	Change
MAYOR POLICY & OPERATIONS	13.00	13.00	14.00	14.00	0.0%	0
Overall	13.00	13.00	14.00	14.00	0.0%	0

### Positions 2017-2020

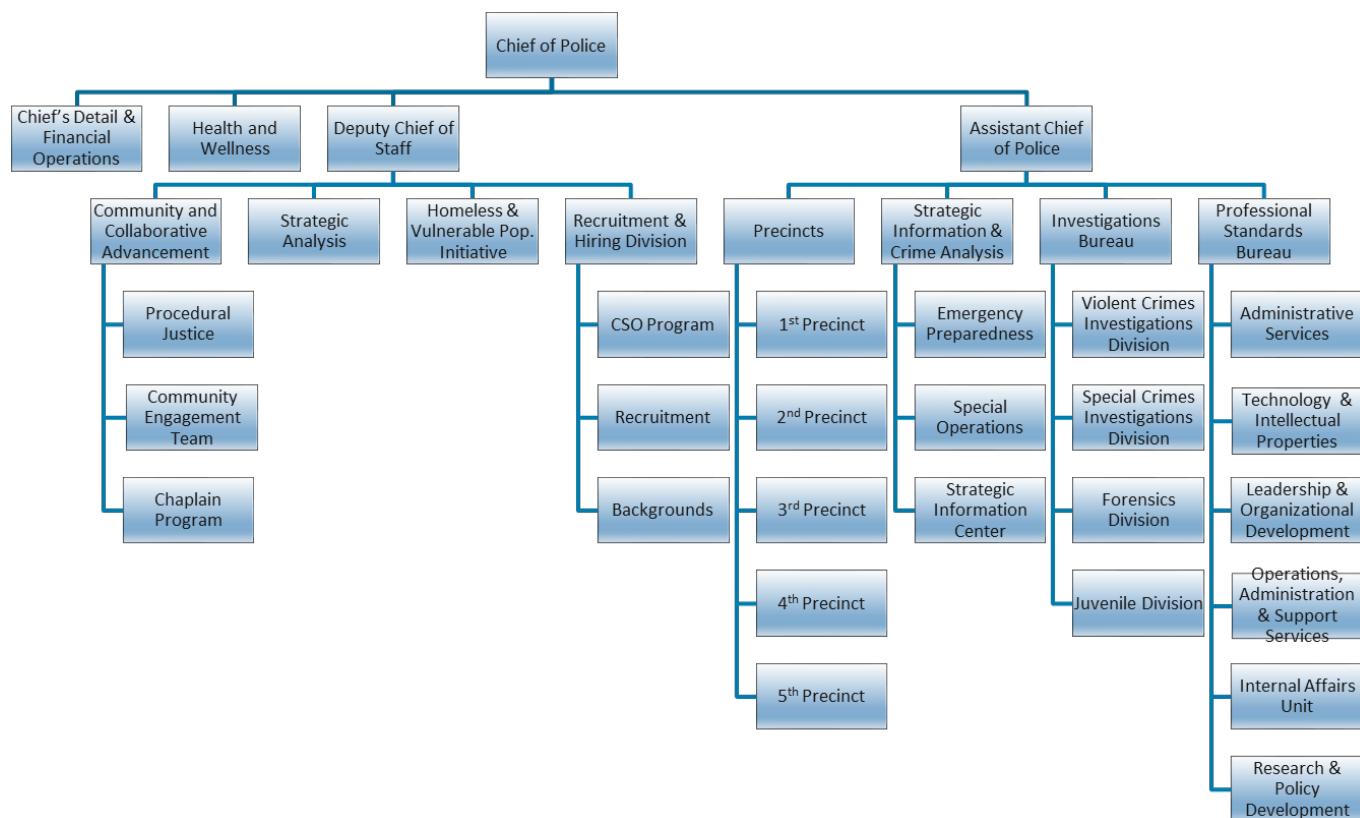


# MINNEAPOLIS POLICE DEPARTMENT

## Mission

The Minneapolis Police Department is committed to providing quality and professional service in partnership with all communities to continue to advance the City's safety, growth and viability. The department is committed to excellence through the development, accountability and support of its employees to achieve their full potential.

## Organization Chart



## MPD Public Safety Services

General Fund: \$104,162,000

Other Funds: \$1,712,000

The chief responsibility of MPD is maintaining law and order and restoring peace when public safety is threatened. Public Safety Services includes all the work in the City's five police precincts including 911 response and patrol, Property Crimes investigations, Community Response Teams (CRT), the Bicycle Rapid Response Team (BRRT), and Mounted Patrol. In addition, Crime Prevention Specialists, civilian staff assigned to each precinct, serve the community by conducting outreach, education and assist neighbors with problem solving in the neighborhoods. Co-Responder Teams, also assigned to each of the five precincts, are comprised of a mental health worker paired with a police officer. They serve the community by responding to 911 calls in which citizens are in the midst of a mental health crisis and are able to provide

on scene support. Services provided within the Patrol Bureau are truly the "backbone" of the Minneapolis Police Department.

#### **MPD Investigations and Forensics**

General Fund: \$39,110,000  
Other Funds: \$1,560,000

Investigations and Forensics provides both initial and follow-up investigations regarding criminal activity in Minneapolis, compiles comprehensive and factual case files to be presented in court, and assists with proactive enforcement to curtail future criminal activity from occurring. The employees who conduct criminal investigations and provide forensics services work ethically and professionally to provide justice for victims and their families. The program includes three units. The Violent Crimes Investigations Division includes both reactive units (Homicide, Assault, Robbery, and Weapons) and proactive units (FBI Safe Streets Task Force, DEA Task Force, ATF Task Force and the Violent Crimes Apprehension Team). Investigators assigned to the Special Crimes Division also work collaboratively with criminal justice partners and community stakeholders to investigate and hold those who commit crimes accountable. Special Crimes Units include: Domestic Assault, Crimes against Children (child abuse and juvenile sex trafficking, absent/missing children), Sex Crimes, Traffic Investigations, and Licensing. The Juvenile Division is also part of the Investigative Bureau. It not only contains investigative resources and personnel dedicated to working cases involving juvenile suspects, it also includes robust outreach efforts like the Police Activities League (PAL), School Resource Officers (SROs) and the Juvenile Outreach and Diversion Unit. Finally, MPD Forensic professionals provide scientifically-based information through the analysis of physical evidence collected at crime scenes, and is responsible for the identification, analysis, and preservation of physical evidence that meet professional standards in order to be admissible in court.

#### **MPD Community and Collaborative Advancement**

General Fund: \$11,309,000  
Other Funds: \$488,000

The MPD is working diligently to increase community relationships and public safety partnerships, and that mission focuses on building community trust. The Community and Collaborative Advancement Division is dedicated to improving the way police interact with the public, and how the characteristics of those interactions shape crime rates and the public's view of the police. The program's goal is to enable the MPD to respectfully provide effective, unbiased public safety, and enhance community partnerships that encourage collaborative problem solving. The Division is comprised of various components - Community Crime Prevention, a Community Engagement Team, the Community Navigators, the Procedural Justice Unit, the Strategic Analysis Unit, Recruiting and Hiring, and the Community Service Officer Program.

#### **MPD Special Operations and Intelligence**

General Fund: \$9,228,614  
Other Funds: \$860,000

The Special Operations and Intelligence Division delivers specialized response to support both the patrol and investigations mission. Officers assigned to this program have undergone specialized training and are equipped with state of the art equipment allowing them to effectively respond to rapidly evolving, unexpected police emergencies which might otherwise result in substantial loss of life and/or property damage. Special Operations personnel are the first group to be called in the event of a large-scale disaster or event. Services provided under this program include crisis negotiation, mobile command, SWAT response, Bomb Squad, Canine, and special events/dignitary protection, and Police Reserves. The program also includes the Strategic Information Center, which combines real-time intelligence, deep data mining, and link analysis to aid in the deployment of department resources and maximize effectiveness. To assist in operations, incidents and arrests are reviewed for criminal patterns, threats, gang involvement, and criminal associations.

**MPD Professional Standards, Administration, and Professional Development**

General Fund: \$24,744,000

Other Funds: \$82,000

The MPD's Administration (Chief, Assistant Chief, Deputy Chiefs and Finance Director) lead the department through the allocation of financial and personnel resources under the umbrella of improving trust, accountability and professional service. The Administration determines how to best leverage the various programs and external resources to address needs and emerging public safety issues. While providing vital public safety services is at the core of the services the Department provides, the Office of Professional Standards ensures integrity, accountability and professional service within the MPD through the Internal Affairs and the Leadership and Organizational Development Divisions (training and the academy). Also included under Administration are Property and Evidence, Business Technology, Fleet and Support Services, and other support services.

**Financial Analysis****Expenditure**

The total Minneapolis Police Department's budget increases from \$184.9 million to \$193.3 million from 2019 to 2020. This is an increase of \$8.3 million, or 4.5%. The Police Department's 2020 expenditure budget reflects inflation in operating costs and new budgetary change items.

**Revenue**

Revenues are projected to decrease by 11.7% in this department due to decreases in Police Special Revenue Fund, along with Federal and State grants. The department's total revenues in 2020 are projected to be \$13.8 million.

**Fund Allocation**

This department is funded primarily by the General Fund at 95.6%, with the remainder of the department's funding found in the Special Revenue, Federal Grant, Other Grant funds and the CDBG fund.

**Budget Change Items**

Detailed change items are presented on the following pages.

**Police Department****2020 Change Item***Additional Recruit Class & Training Investment***Program:** Professional Standards, Administration, and Professional Development**Fund:** General Fund

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>	—	—	—	—	—
None	—	—	—	—	—
<b>Expenditures</b>	—	—	—	—	—
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	—	—	—	—	—
Other	2,293	1,558	1,558	1,558	1,558
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	2,293	1,558	1,558	1,558	1,558
<b>Personnel Impacts</b>	—	—	—	—	—
<b>Change in FTE Count</b>	—	—	—	—	—

**Proposal Details:**

The Council approved one-time funding of \$735,000 and ongoing funding of \$1,558,000 for additional recruiting class resource, which will allow the Minneapolis Police Department (MPD) to more evenly maintain a consistently higher number of sworn officers. Funding covers costs associated with hiring, salary and fringe, and training additional recruits.

**Rationale/Background:**

Current resources limit the number of new officers that can be hired and trained in any year resulting in large variations in the number of active officers. The number of active officers is often well below the MPD targeted strength of 888 and lengthy lead times needed for hiring/training results in significant swings in the number of sworn officers. Increasing attrition and leaves exacerbate the swings in staffing. Additional funds, used to increase the number of candidates in training, will allow the MPD to maintain a more consistently higher number of active officers reducing the fluctuation in available staff and improving response times and community response.

**Description of the Change:**

Additional funding will allow the MPD to increase recruit hiring, adding an additional academy class in 2020. The increased hiring/training capacity will allow a consistently higher number of active sworn officers improving Community response and public safety. Funds will be used for hiring, new hire salary and fringe, and associated training costs. The MPD anticipates hiring an additional class of 38 recruits in 2020 resulting in an expected year end active sworn officers of 888. Adding an additional class will also result in maximum programmatic capacity of MPD training facilities. Ongoing funding will allow the MPD to maintain active sworn staffing that is more consistent with MPD budgeted sworn strength of 888.

**Equity Impact:**

Consistently higher staffing levels will enhance efforts to provide public safety of all communities, enhances community engagement, communication, and collaboration to address safety issues.

**Results:**

Reducing the variability in the number of active sworn officers will address community safety issues, provide improved response times, increased staffing consistency, and will reduce the number of open sworn positions leading to improved community response and service.

**Police Department****Investigations****2020 Change Item**Program: *Investigations and Forensics*Fund: *General Fund*

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	100	100	100	100	100
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	—	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	100	100	100	100	100

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	—	—	—	—	—

**Proposal Details:**

The Council approves that the Minneapolis Police Department (MPD) receive ongoing funding of \$100,000 to continue to support victim survivors within the Sexual Assault unit. Ongoing funding covers contractual costs for a sexual assault advocate.

**Rationale/Background:**

The MPD has responded to community concerns of the victim/survivor experience in our response to Sexual Assault through changes in protocol. Changes include a prioritization of victim safety, well-being, recovery, and collaboration with various stakeholders including the Minneapolis City Attorney's Office, and the Hennepin County Attorney's Office, and the assistance of victim advocates, including one advocate hired with one-time funding from the Sexual Violence Center (SVC). The SVC contract providing the additional advocate will end in 2019, stopping a service that has provided significant help to survivors of sexual violence.

Continuing the availability of a sexual assault victim advocate will allow MPD to continue providing victim/survivor support and services.

**Description of the Change:**

Funding of \$100,000 will be used to fund the contractual hiring of a civilian advocate to assist victims of sexual assault.

**Equity Impact:**

While these crimes are not exclusive to any one segment of our society, it is believed that sexual and domestic assaults are frequently underreported in our East African, Native American, LGBTQIA+, and other immigrant populations. With the addition of investigators, advocates, analysts, and other support staff, MPD Investigations will have the necessary capacity to serve victim/survivors with a collaborative multi-disciplinary outreach utilizing MPD Community Navigators, domestic assault and sexual assault

advocates, the Criminal Justice System, and other partners, and build community trust and legitimacy in these underserved communities to assure the victim/survivor voices are heard and validated to aid the victim in finding justice and healing.

**Results:**

Many sexual assault crimes are under-reported partly due to less than desirable victim experience when dealing with the criminal justice system. As MPD moves forward with the prioritization of a victim-centered response, including with its records management and performance metrics systems, it is anticipated that more victims will be willing to report crime. Victim advocacy is necessary to support victims in the recovery and healing process while navigating the criminal justice system.

The contracted advocate can further provide the liaison services between investigators and victim/survivors to provide ongoing support and case status updates. This contract has already produced a better accountability of the MPD response and a more positive victim/survivor experience with MPD.

**General Revenues****2020 Change Item**

Automated Pawn System / Workforce Director System

Program: *Business Technology*Fund: *General Fund*

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
Non-Business Licenses and Permits	253	—	—	—	—
Transfers	—	—	—	—	—
<b>Expenditures</b>					
Personnel	218	218	218	218	218
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	475	—	—	—	—
Other	250	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	691	218	218	218	218

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	2	2	2	2	2

Program: *Business Technology*Fund: *Police Special Revenue Fund*

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
Non-Business Licenses and Permits	(789)	(789)	(789)	(789)	(789)
Transfers	—	—	—	—	—
<b>Expenditures</b>					
Personnel	(481)	(481)	(481)	(481)	(481)
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	(609)	(609)	(609)	(609)	(609)
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	(301)	(301)	(301)	(301)	(301)

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	(4)	(4)	(4)	(4)	(4)

### **Proposal Details:**

The Council approves onetime funding of \$473,000 for the Minneapolis Police Department (MPD) to decommission MPD's current Intellectual Property programs (\$441,000) and to implement a new time/scheduling system (estimated \$250,000) to replace the Department's current system, which is reaching end of life. Ongoing funding of \$218,000 is requested to transfer two FTEs from the MPD Special Revenue Fund to the General Fund.

### **Rationale/Background:**

The MPD developed two intellectual properties over 15 years ago. Both programs were marketed to other government agencies in Minnesota and bordering states. Automated Pawn System (APS) was created to record transactions of secondhand property sales like pawnshops and in response to State statutes and City ordinances. Revenues are decreasing and will continue to do so as a result of changes in the property sales for secondhand property, such as the advent of eBay, and due to increased competition from similar products that offer more functionality. APS is currently on an application-based platform and must be moved to a web-based platform to be competitive, which would require an infusion of funds. Workforce Director, MPD's time and scheduling system also used by other City departments and outside entities, was developed by MPD with funds from a Federal Grant. To continue functioning, the system needs upgrades estimated to cost \$1,000,000-\$1,500,000. Workforce Director generates a net loss that was previously offset by APS net revenue. With the decline in APS revenue and the cost to upgrade WFD, the two programs are no longer sustainable.

With direction from the IT Governance Committee, MPD has been directed to exit the management and software selling of intellectual property. The City will be starting an IT initiative of looking at a City-wide solution for a time and scheduling, HR system which would be functional in three or more years. Continuing with WFD for 3+ years presents a major risk due to the possibility of failure and the significant cost that would be incurred to fix the system. Based on IT review, the cost of a new system will be significantly less than the cost to upgrade the current system. The City is unable to accelerate the City-wide project to sufficiently reduce the risk of WFD failure.

The requested funding of \$473,000 would allow MPD to eliminate APS, cover the losses related to WFD for one year and purchase and implement "off the shelf" time and scheduling software to take the place of the current system. In 2019, MPD will fund \$50,000 to hire a project coordinator, through IT, who will help develop business needs and evaluate various package options. MPD will devote 1 FTE to act as the Subject Matter Expert on the project, for a one-time cost of approximately \$185,000 over a two-year period. Annual ongoing cost for system support, after installation, are covered under MPD's existing budget, an estimated cost of approximately \$100,000.

### **Description of the Change:**

Continuation of APS will require programming costs that will likely result in a break-even business as the revenue base decreases due to business changes and will result in the MPD continuing to work in an area that is beyond the scope and knowledge of the Department. To comply with IT Governance Committee's directive, MPD would turn the APS functionality, which will support state statute, to a third party allowing the MPD to exit the business. Business Watch International, a national competitor, has expressed interest in working with us to transfer the current customer base.

The MPD, with assistance from IT, will hire an IT project manager in 2019 to help coordinate efforts to develop business needs and evaluate available programs. While the optimal solution would be for a single time and scheduling solution, IT recognizes that may not be possible due to specific requirements of the MPD. Finance, Human Resources, IT, and other City departments using WFD would be included in the business development process to help evaluate the best options.

To reduce risk, if a system failure were to occur, the MPD will send a notification to other agency users of the intent to cease operations for WFD in a 6 to 12-month time period. The City Attorney's Office has

reviewed contract requirements as well as Federal requirements for retiring a grant funded asset. The estimated loss of APS revenue combined with a net loss of Workforce Director for 2020, offset by payroll savings, is estimated at \$441,000. Part of this loss is due to external agencies leaving Workforce Director. Estimated cost of a new time/scheduling system is estimated to be \$250,000 for a combined one-time cost of \$691,000. Ongoing funding of \$218,000 is requested to transfer two FTEs from the MPD Special Revenue Fund to the General Fund to support MPD time/scheduling procedures and support the new system and other related functions. Two additional positions will be eliminated. When including future losses associated with Workforce Director, payback of the costs will occur within four years.

Solutions will be evaluated in early 2020, after the RFP process and implementation would occur in late 2020 with a desired overlap with our current system in late 2020 or early 2021.

**Equity Impact:**

NA

**Results:**

Use of an off the shelf time and scheduling program will allow MPD to exit the intellectual property business and will result in significant cost savings especially when compared with the cost to update the current system. Maintenance of the system will be through City IT, eliminating the need to use outside contractors.

**Police Department***Co-Responder Program***2020 Change Item**Program: *Public Safety Services*Fund: *General Fund*

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	300	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	300	—	—	—	—

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	—	—	—	—	—

**Proposal Details:**

The Council approves Minneapolis Police Department (MPD) receive \$300,000 in one-time funds to continue the Co-Responder program in all Precincts. All monies will be used to fund 3.5 Hennepin County mental health professionals. Hennepin County Community Outreach for Psychiatric Emergencies (COPE) is providing funds for an additional 1.5 mental health professional.

**Rationale/Background:**

The MPD receives over 5,500 Emotionally Disturbed Person (EDP) calls annually. While officers have Crisis Intervention Training, they do not always have adequate time or training to effectively help individuals in crisis or have in-depth knowledge of services available. The purpose of the Minneapolis Police Co-Responder Program is to provide effective and compassionate crisis intervention to individuals with mental illness in the community. The Unit delivers comprehensive services to those with a mental illness as they work alongside Hennepin County mental health professionals who can conduct onsite assessments with greater knowledge of resources available.

The goals of the program include:

- Reduce hospitalization and/or arrest of mentally ill individuals
- Reduce injuries to officers, individuals experiencing mental illness and others involved
- Reduce future Use of Force events
- Reduce time non Co-Responder officers spend on EDP calls
- Provide a service where there is currently a gap. Disparities exists in obtaining mental health services and this program fills some of that gap. While services exist in every precinct to provide support to those who experience mental illness, access to them may not be so easy to acquire
- Continuing the program would allow MPD to advance community outreach, assist some of our most vulnerable citizens to receive timely and appropriate help, and reduce overall costs.

This collaborative effort, embraced by both the Community and the Police Officers, was expanded to all Precincts in 2019. Positive impact was immediate and those in need are more able to receive

compassionate and effective support in a timely manner.

Due to the effectiveness of the pilot program in 2018, the Co-Responder program was expanded with one-time funding in 2019 to include all Precincts. Expansion required hiring mental health professionals by Hennepin County, securing office space within each Precinct, vehicle purchases, and the assignment of five MPD officers dedicated to the program.

**Description of the Change:**

The requested funding of \$300,000 would continue the program on a permanent basis and covers the contract cost with Hennepin County for 3.5 mental health professionals dedicated to the City-wide Co-Responder program. 1.5 health professionals are funded through a grant secured by Hennepin County. The current contract with Hennepin County would allow the program to continue uninterrupted in 2020.

The MPD provides 5 full-time officers, oversight, 5 vehicles, computers, and space for the program and within MPD's current budget, plus the cost of supervision and administration of the program. The officers work full time with 5 mental health professionals. The one-time funding, currently in place, is used exclusively to contract with Hennepin County for the mental health professionals. The requested funding would allow MPD to continue the program throughout the City, and all funding would be used to contract with Hennepin County COPE. Future expansion, primarily extending hours using additional personnel, would be considered at a later date.

Some of the follow-up EDP calls are based on data/tips received from patrol officers, Crime Prevention Staff, or the community requesting that the Co-Responder Unit look into a possible EDP to ensure that they are receiving the appropriate mental health resources and services. Additional staff would enable officers and Community members to more easily gain access to specialized staff for quicker response to help those in need.

The Co-Responder program allows for effective and compassionate crisis intervention, provides time for professionals to arrange for services and support, reduces hospitalization and/or time in jail for those with mental illness, allows non-EDP officers more time to spend on non-EDP calls, and reduces overall cost of care. All new funding, \$300,000, would go directly to the contractual cost for mental health professionals. MPD's current cost for 5 officers and ongoing costs for squad and equipment would continue under MPD's current service level.

**Equity Impact:**

The Co-Responder Program expanded more quickly than anticipated due to Community support and the desire for City-wide accessibility. It is a positive impact as some of our most vulnerable people may have quicker access to needed support services.

**Results:**

149 EDP clients were able to remain in their home during the first 6-month pilot period. We anticipate that an estimated 450 EDP clients will be able to remain in their home annually, a major goal of the program. 326 contacts were attempted by the Unit as 911 responses or follow up calls. 277 were adult and 49 were juveniles. Based on current trends, over 950 attempted contacts would be made to help Community members gain quicker access to support services each year. 109 mental health assessments were conducted by the Co-Responder mental health professionals.

109 mental health assessments were conducted by the Co-Responder mental health professionals during the pilot period. Additional staff would allow for the completion of over 300 assessments per year. 96 EDP clients were transported to the hospital for further care. Continuation of the program would result in 288 receiving hospitalized care annually.

Performance metrics are compiled, analyzed and reported to the City of Minneapolis Public Safety & Emergency Management Committee to communicate program effectiveness.

**Police Department***In-squad Mobile Video Recorders (MVR)***2020 Change Item**Program: *Public Safety Services*Fund: *General Fund*

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	62	124	186	248	310
Other	116	116	116	116	116
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	178	240	302	364	426

Personnel Impacts	2020	2021	2022	2023	2024
Change in FTE Count	—	—	—	—	—

**Proposal Details:**

The Council approves that Minneapolis Police Department (MPD) receive ongoing funding of \$178,000, over a 5-year period, to replace 200 in-squad mobile video recorders (MVR) that are no longer supported by the current manufacturer. 40 cameras, utilizing a cloud-based storage system, will be replaced yearly at an estimated annual cost of \$116,000. Storage for 40 cameras is \$62,000 per year, cumulative as more cameras are replaced.

**Rationale/Background:**

MVRs are important tools as they capture the officer view from the front of the squad and in the backseat of the squad, which is often key evidence and provides transparency and enhances Community trust during events. Video footage has become an expectation for attorneys and juries in court. Our current provider has notified us that they will no longer be manufacturing the current generation of MRS and that we will no longer be able to purchase replacement parts for our existing system. A new MVR system will allow MPD to maintain current service levels as current equipment becomes obsolete and maintenance and parts are no longer supported by the manufacturer. The MVR data is currently saved in a proprietary L3 system. Cloud based storage is not available and we pay for storage on local servers. If a copy of the recording is needed for court, staff must save the recording to hardware (flash drive/DVD) to share for court/staff. A replacement system will allow video to be integrated with MPD current cloud-based evidence storage system, which will save staff time and increase MPD's ability to timely share and provide data with criminal justice partners.

The Department will fund the initial research process, estimated at \$50,000, including costs associated with research and testing of various possible systems.

**Description of the Change:**

The purchase of MVRs is a replacement of a necessary existing technology needed to maintain current service levels and will allow some additional staff efficiencies when information is copied for court or

other events. The MPD will research and test replacement systems that best meet department needs.

The likely plan is for MPD to purchase 40 systems in each of the 5 years to be installed by the City's radio shop. Each system will consist of a front facing and back seat camera, all mounts and cabling, I-car microphones, mobile digital video recorder, and wireless router kit for uploading video for storage. Each system will fully equip one marked squad car.

The current system requires a manual process to first copy all video data to physical long-term storage (Blu Ray Discs), using a unique and expensive video transfer system (Rimage), and then a second manual process to re-instate video on the video server when needed for court or other investigative needs. This process occupies about 5 hours every week (250 hours per year) of time from the current MVR manager. Moving to a cloud-based storage system where video is maintained according to pre-determined retention schedules will reduce the time spent on this task until the project is complete when it will eliminate this task.

The cloud-based storage system, which is required to meet the Criminal Justice Information System (CJIS) requirements for secure storage and access control, will also allow MPD to store all squad and body camera video, photos, audio, and other digital evidence related to any case in one location resulting in increased efficiency for investigators and prosecutors when trying to locate evidence.

Implementation will begin immediately upon selecting an approved vendor that can provide the equipment and storage service required. Installation will occur over a 5-year period at 40 cameras per year to replace our current system. Per unit cost, including installation, is approximately \$2,900 and storage cost is \$1,550 annually per squad. New squads will be immediately fitted with the new system. The cost for the new squads include any equipment additions, including MVRs.

**Equity Impact:**

MVRs helps ensure accurate and consistent reporting for all events.

**Results:**

A new MVR system will allow in squad installation of the latest generation of cameras and recorders and avoid the possibility of system failure with no replacement available.

The ability to save data to cloud-based storage will decrease staff costs, storage costs, and the necessity to maintain specialty DVD recorders and the DVDs that are produced. Cloud-based storage will also enable MPD to share squad video with criminal justice partners in a time and cost-efficient manner.

**Police Department**

Civilian NIBIN Workforce Development

**2020 Change Item**Program: *Investigations and Forensics*Fund: *General Fund*

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	110	110	110	110	110
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	5	5	5	5	5
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	116	116	116	116	116

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	1	1	1	1	1

**Proposal Details:**

The Council approves ongoing funding for Minneapolis Police Department (MPD) in the amount of \$115,616 for one FTE to meet standards for the Crime Gun Intelligence Center (CGIC). This funding will allow for the hire of one Forensic Firearms Technician.

**Rationale/Background:**

The CGIC is a national law enforcement program that is coordinated through the Alcohol, Tobacco, Firearms, and Explosives Bureau (ATF). CGIC participants have access to a database known as the National Integrated Ballistics Information Network (NIBIN) which serves as a valuable crime gun intelligence tool, identifying and linking shooting events and ultimately combatting violent crime.

Discharged cartridge casings are collected at all crime scenes and those from semi-automatic firearms, along with test fired casings from collected firearms are entered into NIBIN. In 2018 there were 410 linked cases found through using NIBIN out of a total of 1219 entries. Some of these involved multiple cases.

NIBIN is the narrative thread that has the capacity to identify leads and sources, fill gaps and recognize a broader context of gun violence. Having detailed forensic information has a direct impact on the effectiveness with which MPD deploys resources to dismantle and disrupt gang activities. By reviewing NIBIN information, patterns emerge, and individuals are identified who have significant documented links to firearms and violent crimes. As an example, in the past two years 54 firearms and 132 shootings have been linked to one specific gang.

The effectiveness of the NIBIN database relies on the abilities of participating agencies to enter evidence in an expeditious manner. Current ATF standards dictate that gun violence evidence is entered into NIBIN within 48 hours of evidence being collected. The MPD is unable to meet the 48-hour standard with current staffing, and the ATF has communicated that MPD is at risk for losing this valuable tool. Low staffing also results in a limited ability to provide investigators with timely and comprehensive follow-up

reports related to gun violence.

MPD, through timing of hiring for all positions in 2020, will contribute all hiring, location, workstation charges, equipment for an estimated cost of \$14,000.

**Description of the Change:**

The MPD Crime Lab currently has one technician but he is unable to test fire guns, enter NIBIN information, swab for DNA and process for prints within 48 hours of evidence collection. A second technician will enable the Lab to meet the 48-hour standard. Technology has enabled us to gather significant data regarding gun crime, but organization and analysis is needed to take action on that information and determine relevant/important pieces and relay that information to MPD investigators.

Gun violence is investigated by multiple units within MPD, i.e. Weapons Unit, Assault Units, CRT Unit, Homicide. All of them rely on NIBIN linkages to help gain actionable intelligence in their cases. Sometimes investigators don't even know their cases are connected until the NIBIN linkages come out. A second technician will allow the Department to retain the equipment, and help the investigators sort through information on a timely and efficient manner resulting in improved public safety for the Community.

Funding will cover the cost of 1 Technician and the annual cost of specialized training and required certifications. Implementation date depends on the hiring and background process, which is estimated to be 4 months. MPD will cover cost of workstations, computers within the current budget. The MPD Crime Lab continues to seek grant funding for other specialized equipment to help defray costs associated with the Lab.

**Equity Impact:**

NIBIN analysis is a fact based impartial investigatory tool, allowing a completely unbiased review of evidence.

**Results:**

The MPD is able to track timeliness of NIBIN information. The additional NIBIN FTE will allow MPD to meet the ATF standards, retain the highly beneficial investigatory tool, and allow for the analysis and timely dissemination of useful and relevant information to the investigators to resolve and reduce gun crimes. Performance is measured by the Lab's ability to meet ATF standards, and the number of casings that can be processed to find and analyze pertinent information.

**Police Department****Community Navigators****2020 Change Item**Program: *Community and Collaborative Advancement*Fund: *General Fund*

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	87	87	87	87	87
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	—	6	6	6	6
Other	6	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	93	93	93	93	93

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	1	1	1	1	1

**Proposal Details:**

The Council approves \$93,024 in ongoing funding for the Minneapolis Police Department (MPD) to hire an additional Navigator as a liaison to people experiencing homelessness. The recommendation is bolstered by an extended grant that funds part of this expenditure.

**Rationale/Background:**

The MPD recognizes that during the response to the nearly 500,000 calls for service per year, officers are not always equipped or best positioned to offer the services necessary to those who call upon them. The role of the Community Navigators is to fill the gaps within these situations and find, cultivate and share resources with clients both internal and external to MPD. These employees bring a wealth of knowledge and experience to both their respective communities and organizational resources. The position aligns with both the Minneapolis 2040 Plan and Mayor Frey's agenda to improve police-community relations by allowing MPD to further enhance community outreach, offer victim services, expand communication, and build public trust.

**Description of the Change:**

As an expansion of the Homelessness and Vulnerable Populations Initiative, the additional FTE will work with people who are experiencing homelessness whom historically were underserved by MPD from a victim-specific lens. The FTE will provide programmatic support for the Initiative, assist its personnel, serve as a coordinator with the multi-department and multi-jurisdictional response team, and build public trust. This work will complement MPD by assisting patrol officers in supporting victims and/or survivors of crime and MPD's outreach functions (Procedural Justice, Community Engagement Team, Crime Prevention Specialists and Chaplain). Navigators help MPD deliver an improved customer service experience and response. The hiring process takes 4-5 months, resulting in a start date of June 2020 for the new FTE.

## **Equity Impact:**

The groups most impacted by this addition to MPD are people experiencing homelessness in Minneapolis. African Americans, American Indians, and youth who identify as LGBTQ are particularly over-represented among the homeless population. Navigators ensure that these groups have representation and voice and that they have been consulted through established partner organizations in the City enterprise. The intent of the program is to reduce barriers to communication in reporting crime, service to victims of crime, and general support. The positive impact for each group are similar: through representation there will be better communication, both internally and externally, about the needs, concerns and services that each have with and receive from MPD. As bridges between the department and their assigned communities, they will also act as conduits between those we serve and MPD leadership in a way that has not been done prior in an informed, respectful, and transparent manner.

## **Result:**

The addition of Community Navigators will be measured by the following:

- Number of contacts within Community (Quantity)
- How often they are deployed to assist in critical incidents (Quantity)
- How well do they assist internal customers (Patrol, Investigations, Community Outreach, other) (Quality)
- How well do they assist external customers (Community) (Quality)

The results will be measured through anecdotal stories and internal/external customer surveys. Activities will be measured. Performance measures will be collected and maintained through internal databases, and the results communicated to MPD leadership through periodic reporting.

The most immediate impact of the program has been an increase in relationships and partnerships with both community and social service organizations. The expected impact on crime reporting will be both an increase in reporting from communities that have historically been distrustful of law enforcement and an improved willingness to assist in investigations and a greater understanding of policing.

Since the inception of the Community Navigator Unit (October 2018), the bulk of the team's time has been focused on gaining knowledge of the internal processes of MPD. There have been over 45 outside agency contacts and partnerships fostered including Minnesota Indian Women's Resource Center, Joint Community Police Partnership, African American Mena and Women in Need, LVY Foundation, Hennepin County Sheriff's Office, Siempre Padres Program, Metropolitan Urban Indian Directors, YouthLink, 800 West Broadway, MCF-Red Wing & Faribault, Mujeres Latinas, Minneapolis Neighborhood and Community Relations, and others.

The program is working well and as the Community Navigators gain more experience and continue to respond to patrol and critical incidents, there will be even greater outcomes for both MPD and the Communities MPD serves.

**Police Department****Public Safety Cameras****2020 Change Item**

Program: Special Operations and Intelligence

Fund: General Fund

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	—	—	—	—	—
Other	60	60	60	60	60
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	60	60	60	60	60

Personnel Impacts	2020	2021	2022	2023	2024
Change in FTE Count	—	—	—	—	—

**Proposal Details:**

The Council approves that the Minneapolis Police Department (MPD) receive annual ongoing funding of \$60,000 to maintain public safety camera. Public safety cameras are an essential tool for crime prevention and investigation. MPD has an inventory of 234 public safety cameras that have a life expectancy of 5-7 years. Ongoing funding will allow MPD requests to keep these cameras in good repair and to ensure high quality recordings and to maintain current service levels.

Current MPD funding provides general maintenance of these cameras, but as the cameras age, additional replacement/major maintenance is also required beyond the current MPD budget.

**Rationale/Background:**

The MPD public safety camera system is a vital part of maintaining public safety within the City of Minneapolis. The system includes a network of 234 fixed cameras located throughout the City including along the Greenway Trail. The cameras have been instrumental in maintaining situational awareness in key areas of the City and have dramatically increased a sense of safety and security throughout the City. These cameras are monitored at the MPD Strategic Information Center and have captured criminal activities, providing key evidence in criminal cases. Surveillance video has become an expectation of attorneys and juries in court. In the first 4 months of 2019, video from the public safety cameras has been used in 225 criminal offense investigations. In addition, many of these cameras are monitored at MPD police precincts. Various neighborhoods, throughout the City, continue to request or donate cameras to be used both as a deterrent and as an investigatory tool.

**Description of the Change:**

Funding will allow MPD to replace 15 cameras that are approaching the end of their lifecycle. Among the cameras that will be refreshed are those on the Greenway. The requested refresh requires only camera replacement, as infrastructure is currently in place. This refresh will ensure that these public safety cameras are providing the best quality recordings possible, provide safety and security to the Community, and can be used as quality investigatory tools.

**Equity Impact:**

NA

**Results:**

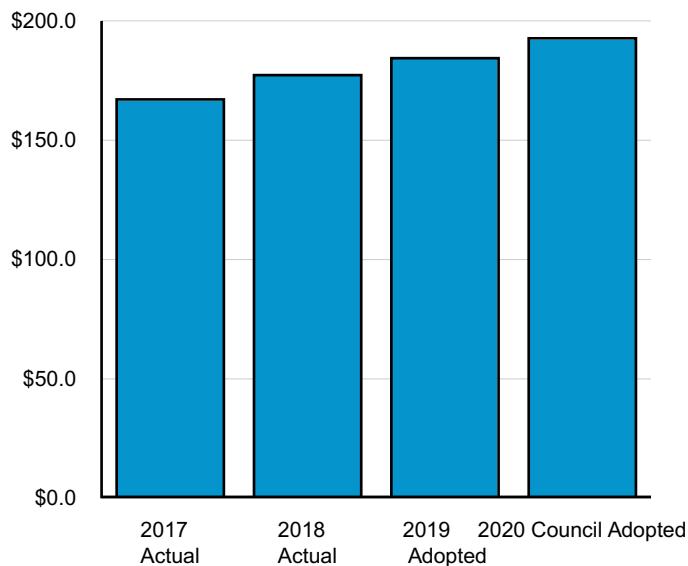
Funding will ensure that public safety cameras are in good working order to provide quality recordings and assist in crime prevention and follow up investigation.

**POLICE**  
**EXPENSE AND REVENUE INFORMATION**

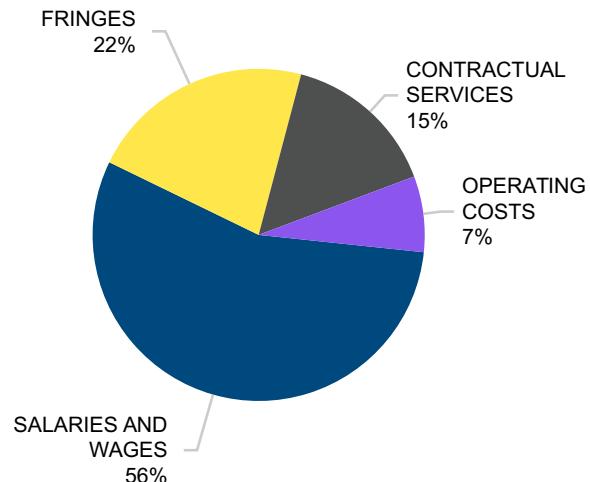
EXPENSE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>GENERAL</b>						
SALARIES AND WAGES	92,097,766	97,199,188	100,487,000	103,959,000	3.5%	3,472,000
FRINGES	33,874,339	36,512,944	39,187,000	41,323,000	5.5%	2,136,000
CONTRACTUAL	24,089,492	27,373,846	28,355,000	28,873,000	1.8%	518,000
OPERATING COSTS	10,998,824	10,538,678	10,957,000	13,873,000	26.6%	2,916,000
CAPITAL EQUIPMENT	1,375,327	1,307,678	210,000	526,000	150.5%	316,000
<b>TOTAL GENERAL</b>	<b>162,435,748</b>	<b>172,932,334</b>	<b>179,196,000</b>	<b>188,554,000</b>	<b>5.2%</b>	<b>9,358,000</b>
<b>SPECIAL REVENUE</b>						
SALARIES AND WAGES	3,120,960	2,638,255	3,217,000	3,062,000	-4.8%	(155,000)
FRINGES	752,248	616,997	1,022,000	909,000	-11.1%	(113,000)
CONTRACTUAL	866,545	870,532	1,019,000	349,000	-65.8%	(670,000)
OPERATING COSTS	388,261	389,521	427,000	356,000	-16.6%	(71,000)
CAPITAL EQUIPMENT	86,856	388,033	56,000	27,000	-51.8%	(29,000)
<b>TOTAL SPECIAL REVENUE</b>	<b>5,214,870</b>	<b>4,903,338</b>	<b>5,741,000</b>	<b>4,703,000</b>	<b>-18.1%</b>	<b>(1,038,000)</b>
<b>TOTAL EXPENSE</b>	<b>167,650,618</b>	<b>177,835,672</b>	<b>184,937,000</b>	<b>193,257,000</b>	<b>4.5%</b>	<b>8,320,000</b>
REVENUE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>GENERAL</b>						
CHARGES FOR SALES	168	1,325	—	—	0.0%	0
CHARGES FOR SERVICES	1,385,784	1,228,824	1,450,000	1,450,000	0.0%	0
FINES AND FORFEITS	1,181,659	1,077,045	1,050,000	1,050,000	0.0%	0
MISCELLANEOUS	55,261	30,457	—	—	0.0%	0
NON-BUSINESS	—	—	—	253,000	0.0%	253,000
STATE GRANTS & AIDS	7,563,418	8,569,763	7,160,000	7,160,000	0.0%	0
<b>TOTAL GENERAL</b>	<b>10,186,290</b>	<b>10,907,414</b>	<b>9,660,000</b>	<b>9,913,000</b>	<b>2.6%</b>	<b>253,000</b>
<b>SPECIAL REVENUE</b>						
CHARGES FOR SERVICES	1,335,929	1,220,787	2,033,000	978,000	-51.9%	(1,055,000)
CONTRIBUTIONS	38,827	122,889	—	—	0.0%	0
FEDERAL GOVERNMENT	1,498,943	1,540,607	1,939,000	2,116,000	9.1%	177,000
FINES AND FORFEITS	492,508	281,224	338,000	239,000	-29.3%	(99,000)
INTEREST REVENUE	2,636	—	—	—	0.0%	0
MISCELLANEOUS	(588)	—	—	—	0.0%	0
NON-BUSINESS	891,830	941,590	—	—	0.0%	0
OTHER TAXES	223,746	255,846	231,000	231,000	0.0%	0
STATE GRANTS & AIDS	256,617	302,286	508,000	395,000	-22.2%	(113,000)
<b>TOTAL SPECIAL REVENUE</b>	<b>4,740,448</b>	<b>4,665,229</b>	<b>5,049,000</b>	<b>3,959,000</b>	<b>-21.6%</b>	<b>(1,090,000)</b>
<b>TOTAL REVENUE</b>	<b>14,926,738</b>	<b>15,572,643</b>	<b>14,709,000</b>	<b>13,872,000</b>	<b>-5.7%</b>	<b>(837,000)</b>

## POLICE EXPENSE AND REVENUE INFORMATION

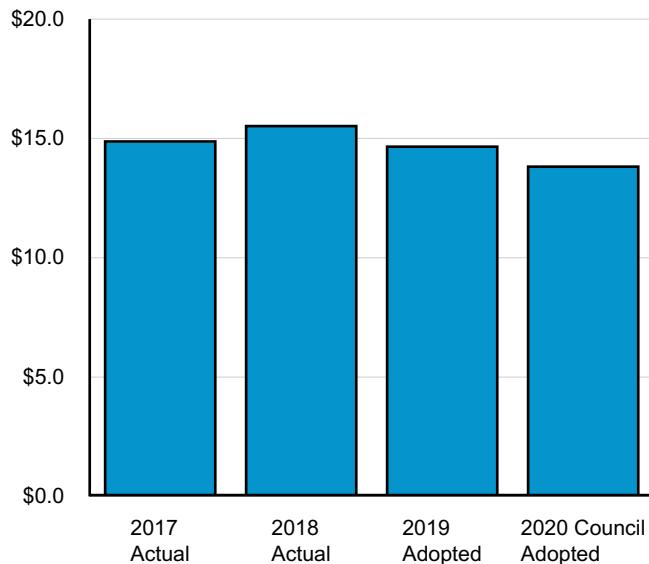
**Expense 2017 - 2020**  
**In Millions**



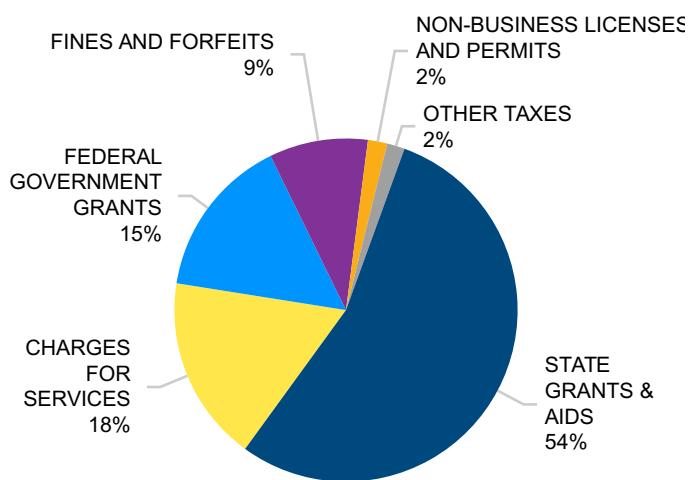
**Expense by Category**



**Revenue 2017 - 2020**  
**In Millions**



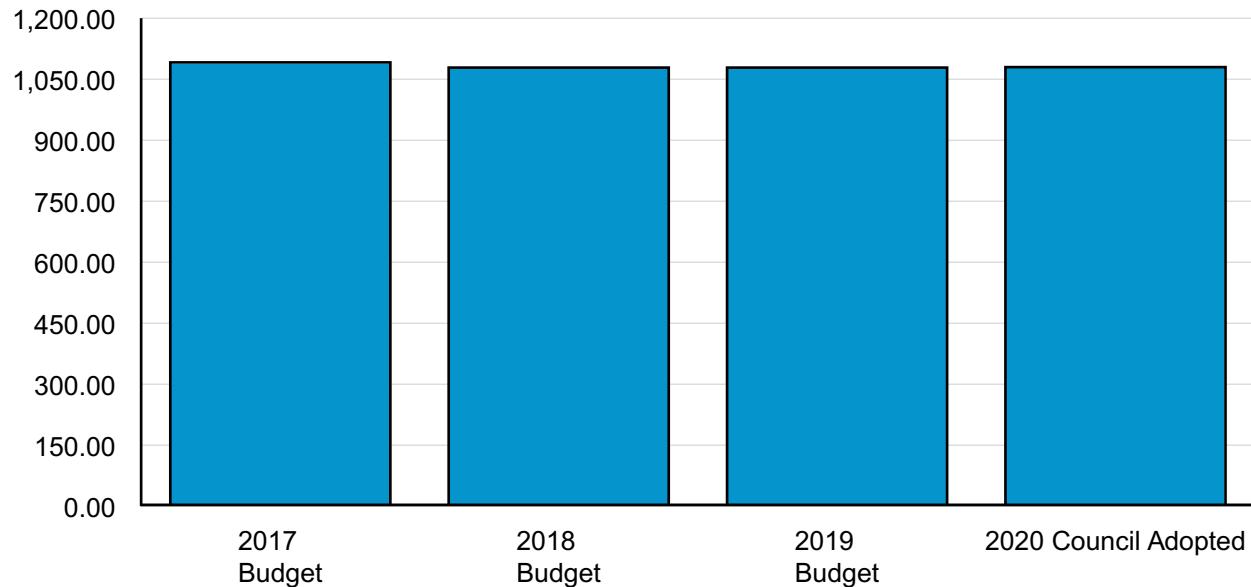
**Revenue by Type**



**MINNEAPOLIS POLICE DEPARTMENT**  
**Staffing Information**

Division	2017 Budget	2018 Budget	2019 Budget	2020 Council Adopted	Percent Change	Change
COMMUNITY & COLLABORATIVE ADVANCEMENT	27.00	48.70	72.20	74.40	3.0%	2.20
INVESTIGATIONS & FORENSICS	202.50	205.00	229.00	226.00	-1.3%	(3.00)
PROFESSIONAL STANDARDS, DEVELOPMENT & ADMINISTRATION	192.00	192.00	132.50	131.50	-0.8%	(1.00)
PUBLIC SAFETY SERVICES	627.00	596.00	604.00	604.00	0.0%	0.00
SPECIAL OPERATIONS & INTELLIGENCE	46.00	40.00	44.00	47.00	6.8%	3.00
Overall	1,094.50	1,081.70	1,081.70	1,082.90	0.1%	1.20

**Positions 2017-2020**



\* 2019 FTE counts may differ from 2019 adopted budget due to mid year adjustments, including funding and organizational changes.

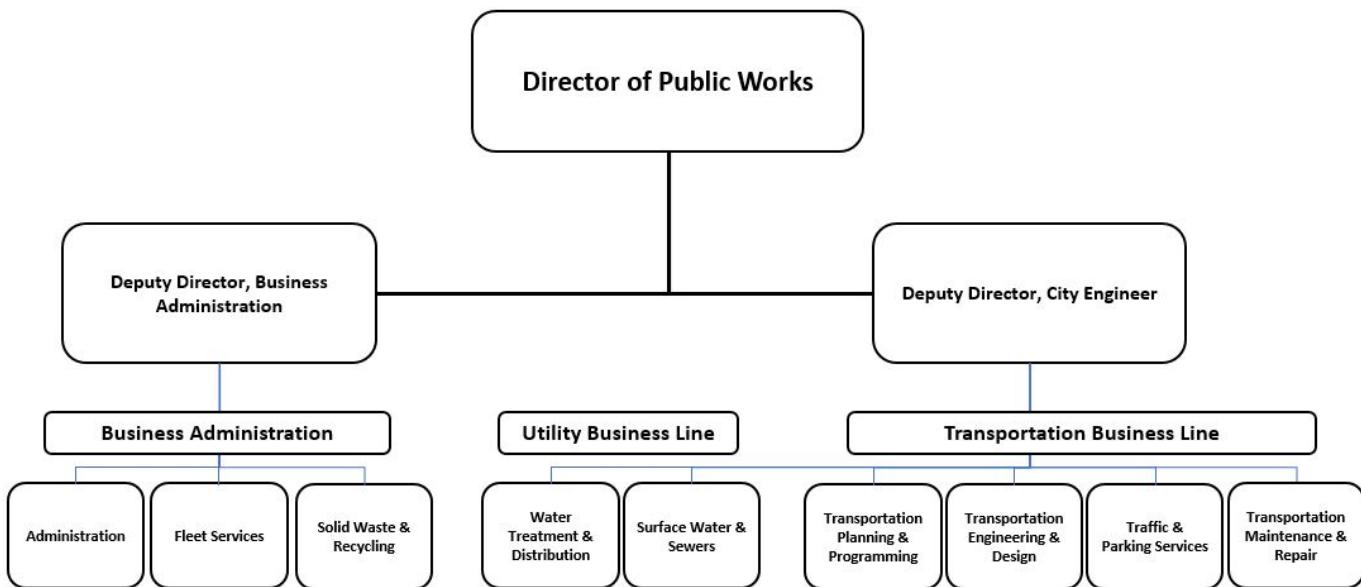
# PUBLIC WORKS DEPARTMENT

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## Mission

To be effective stewards of the public infrastructure, and provide valued city services that contributes to public safety, economic vitality and neighborhood livability in Minneapolis.

## Organization Chart



### Public Works Administration

General Fund: \$3,875,000

The Public Works Administration program provides leadership and support to the Public Works Department. This includes working with City leaders in maintaining and preserving its public infrastructure, delivering related essential services as efficiently as possible with the financial resources provided and ensuring that public safety is not compromised. This program also supports the department in the areas of finance, personnel, safety and training, emergency management, and interagency collaboration.

### Fleet Operations

Other Funds: \$37,774,000

The Fleet Operations program provides fleet management, service maintenance, and field support. Fleet management includes developing fleet replacement programs for all vehicles and equipment to meet the needs of using departments. Service maintenance includes set-up, maintenance, repair, and decommissioning of all vehicles and equipment as well as managing fueling sites at City-owned facilities and environmental compliance with federal, state, and local laws, rules, and policies. Field support includes logistics services for the department including dispatching, supplemental staffing, equipment movement, and rental equipment services.

**Solid Waste & Recycling**

Other Funds: \$43,665,000

The solid waste and recycling program manages collection of solid waste, recyclables, white goods, and yard waste for 100,000 residential customers as well as supports clean city programs such as graffiti abatement. Services provided by this program include collection and disposal of solid waste, collection of recyclable materials including household organics and household electronics, collection and disposal of large items such as appliances, and collection of yard waste.

**Sanitary Sewer**

Other Funds: \$71,937,000

The Sanitary Sewer program meets regulatory requirements while collecting sanitary flow data within the City of Minneapolis for Metropolitan Council Environmental Service (MCES) treatment and discharge to the Mississippi River. Maintaining system flow is critical in minimizing the risk of sanitary backups and combined sewer overflows to the Mississippi River. Activities in this program include the design and analysis of the sanitary system for self-cleaning velocity in pipes and identifying sources of clear water. It also includes daily cleaning and operation of the system as well as emergency responses and payments to MCES for the treatment of the sanitary discharge.

**Stormwater Sewer**

Other Funds: \$21,292,000

The Stormwater program meets regulatory requirements while collecting stormwater and treating it prior to entering the lakes, creeks and rivers in the City of Minneapolis. Maintaining stormwater in the system is essential to control the flow of stormwater and minimize flooding risks while protecting water quality. Activities range from the design and analysis of the stormwater system including pipes and water quality infrastructure components to implementation and completion of regulatory activities, as well as daily cleaning and ongoing operation of the system.

**Transportation Maintenance**

General Fund: \$37,304,000

Other Funds: \$18,364,000

The Transportation Maintenance program provides basic maintenance and repair services on city streets, bridges, alleys, and sidewalks. Services include street sweeping, pothole patch and repair, crack sealing, sealcoating, utility cut restoration, and other pavement-related repairs, as well as snow and ice control and other winter maintenance services, including enforcing the City's sidewalk shoveling ordinance in the winter season, and acts as a first responder for bridge and storm-related emergency response. This program also provides year round basic maintenance on all greenspaces, minimalls, plazas, and bike trails in the public right-of-way throughout the City.

**Transportation Operations and Mobility**

General Fund: \$20,808,000

Other Funds: \$55,995,000

The Transportation Operations and Mobility program supports the operations of the transportation system. This includes existing traffic control devices, their related infrastructure for traffic management and safety equipment, and all streetlights. The impound lot, on-street and off-street parking, which includes a portfolio of City and State-owned and leased parking ramps and parking lots are also included in this program.

**Transportation Planning, Design, and Engineering**

General Fund: \$2,882,000

Other Funds: \$22,522,000

The Transportation Planning, Design and Engineering program plans, designs, and engineers a safe, complete, efficient and integrated multi-modal transportation system. Transportation planning involves long-range multi-modal transportation planning; coordination and development of the Public Works Capital Improvement Plan; partnerships with other public agencies; grant applications for outside funding sources; and community engagement around transportation projects along with representing the City on policy boards and technical and advisory committees. This program provides transportation design and engineering for Minneapolis roadways, bridges, streetscapes, and bike trails as well as manages the coordination of work associated with State of Minnesota and Hennepin County projects within Minneapolis. This program also provides varying degrees of construction management and oversight of construction requirements for all roadways, bridges, streetscapes, and bike paths within Minneapolis.

**Potable Water**

General Fund: \$61,533,000

The Potable Water program provides for the distribution of clean and reliable drinking water to every residential and non-residential City customer. The program also provides water for fire-fighting and maintains a system to bill and collect for the water used to provide sustainability of the water system.

## **Financial Analysis**

### **Expenditure**

The total expenditure budget for all Public Works divisions combined is \$398.5 million for 2020. This is an increase of 2.9% or \$11.1 million over the 2019 budget. The largest appropriation increases are found in the enterprise funds, with a budgeted increase of 3.7% from 2019. The 2020 budget includes budgetary change items of \$7.6 million (includes 2.0 FTEs) to fund new initiatives.

### **Revenue**

Total revenue for all Public Works divisions combined is projected to be \$428.3 million, excluding the use of fund balance. This is an increase of 3.8% or \$15.8 million over the 2019 budget.

### **Fund Allocation**

The department is funded from a variety of sources including Enterprise Funds (66.4%), the General Funds (16.2%), Internal Service Funds (11.9%), Capital Project Funds (3.7%), and Special Revenue Funds (1.8%).

### **Budget Change Items**

Please see the divisional sections below for any budget change items.

**PUBLIC WORKS**  
**EXPENSE AND REVENUE INFORMATION**

EXPENSE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>CAPITAL PROJECT</b>						
SALARIES AND WAGES	3,634,233	4,044,142	4,700,000	5,134,000	9.2%	434,000
FRINGES	1,302,711	1,480,078	1,795,000	1,855,000	3.3%	60,000
CONTRACTUAL SERVICES	7,916,251	10,232,816	8,211,000	7,546,000	-8.1%	(665,000)
OPERATING COSTS	73,379	86,419	116,000	120,000	3.4%	4,000
CAPITAL EQUIPMENT	27,815	50,670	80,000	80,000	0.0%	0
<b>TOTAL CAPITAL PROJECT</b>	<b>12,954,389</b>	<b>15,894,125</b>	<b>14,902,000</b>	<b>14,735,000</b>	<b>-1.1%</b>	<b>(167,000)</b>
<b>ENTERPRISE</b>						
SALARIES AND WAGES	35,058,010	36,475,890	40,972,000	42,061,000	2.7%	1,089,000
FRINGES	21,487,692	17,462,176	19,619,000	20,596,000	5.0%	977,000
CONTRACTUAL SERVICES	110,799,113	119,378,814	124,668,000	124,026,000	-0.5%	(642,000)
OPERATING COSTS	61,652,782	63,707,167	64,198,000	66,227,000	3.2%	2,029,000
CAPITAL EQUIPMENT	363,041	1,841,118	5,207,000	11,155,000	114.2%	5,948,000
<b>TOTAL ENTERPRISE</b>	<b>229,360,638</b>	<b>238,865,165</b>	<b>254,664,000</b>	<b>264,065,000</b>	<b>3.7%</b>	<b>9,401,000</b>
<b>GENERAL</b>						
SALARIES AND WAGES	19,398,711	21,430,175	21,058,000	21,733,000	3.2%	675,000
FRINGES	8,772,971	9,710,940	9,770,000	10,263,000	5.0%	493,000
CONTRACTUAL SERVICES	21,658,358	24,299,529	22,626,000	24,265,000	7.2%	1,639,000
OPERATING COSTS	9,227,603	8,825,507	8,870,000	8,841,000	-0.3%	(29,000)
CAPITAL EQUIPMENT	492,015	381,664	241,000	141,000	-41.5%	(100,000)
<b>TOTAL GENERAL</b>	<b>59,549,658</b>	<b>64,647,815</b>	<b>62,565,000</b>	<b>65,243,000</b>	<b>4.3%</b>	<b>2,678,000</b>
<b>INTERNAL SERVICE</b>						
SALARIES AND WAGES	5,749,469	6,364,034	6,495,000	6,736,000	3.7%	241,000
FRINGES	5,078,074	3,061,853	3,062,000	3,138,000	2.5%	76,000
CONTRACTUAL SERVICES	8,078,785	9,433,722	9,127,000	10,290,000	12.7%	1,163,000
OPERATING COSTS	10,708,012	12,597,291	14,333,000	14,541,000	1.5%	208,000
CAPITAL EQUIPMENT	319,292	12,619,402	15,163,000	12,451,000	-17.9%	(2,712,000)
<b>TOTAL INTERNAL SERVICE</b>	<b>29,933,632</b>	<b>44,076,302</b>	<b>48,180,000</b>	<b>47,156,000</b>	<b>-2.1%</b>	<b>(1,024,000)</b>
<b>SPECIAL REVENUE</b>						
SALARIES AND WAGES	2,761	—	—	—	0.0%	0
FRINGES	1,215	—	—	—	0.0%	0
CONTRACTUAL SERVICES	6,902,400	7,007,505	7,121,000	7,296,000	2.5%	175,000
OPERATING COSTS	310	—	—	—	0.0%	0
<b>TOTAL SPECIAL REVENUE</b>	<b>6,906,686</b>	<b>7,007,505</b>	<b>7,121,000</b>	<b>7,296,000</b>	<b>2.5%</b>	<b>175,000</b>
<b>TOTAL EXPENSE</b>	<b>338,705,003</b>	<b>370,490,912</b>	<b>387,432,000</b>	<b>398,495,000</b>	<b>2.9%</b>	<b>11,063,000</b>

REVENUE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
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**PUBLIC WORKS**  
**EXPENSE AND REVENUE INFORMATION**

**CAPITAL PROJECT**

CHARGES FOR SERVICES	7,416,316	13,721,991	12,825,000	10,891,000	-15.1%	(1,934,000)
MISCELLANEOUS	2,144	26,118	—	—	0.0%	0
NON-BUSINESS LICENSES AND TRANSFERS	336,762	217,958	310,000	310,000	0.0%	0
SPECIAL ASSESSMENTS	(500,000)	—	—	—	0.0%	0
USE OF FUND BALANCE	60,282	118,694	100,000	100,000	0.0%	0
<b>TOTAL CAPITAL PROJECT</b>	<b>7,315,504</b>	<b>14,084,761</b>	<b>14,901,000</b>	<b>14,235,000</b>	<b>-4.5%</b>	<b>(666,000)</b>

**ENTERPRISE**

CHARGES FOR SALES	1,609,419	1,382,020	1,510,000	1,384,000	-8.3%	(126,000)
CHARGES FOR SERVICES	291,572,164	305,563,873	313,739,000	327,612,000	4.4%	13,873,000
FINES AND FORFEITS	66,303	(269)	45,000	—	-100.0%	(45,000)
GAIN ON SALE OF ASSETS	24,877,722	253,386	—	—	0.0%	0
LOCAL GRANTS & AIDS	1,891,701	2,237,074	2,143,000	2,024,000	-5.6%	(119,000)
MISCELLANEOUS	22,688	133,262	—	—	0.0%	0
NON-BUSINESS LICENSES AND OTHER	565,074	895,244	670,000	773,000	15.4%	103,000
RENTS	(28,500)	—	—	—	0.0%	0
SPECIAL ASSESSMENTS	716,890	967,386	49,000	49,000	0.0%	0
STATE GRANTS & AIDS	1,566,086	1,586,415	1,896,000	1,864,000	-1.7%	(32,000)
TRANSFERS	1,579,566	1,321,115	1,346,000	1,403,000	4.2%	57,000
USE OF FUND BALANCE	1,212,666	684,147	—	—	0.0%	0
<b>TOTAL ENTERPRISE</b>	<b>325,651,779</b>	<b>315,023,653</b>	<b>329,255,000</b>	<b>313,757,000</b>	<b>-4.7%</b>	<b>(15,498,000)</b>

**GENERAL**

CHARGES FOR SALES	107,229	111,883	65,000	82,000	26.2%	17,000
CHARGES FOR SERVICES	15,849,493	13,319,236	12,474,000	12,569,000	0.8%	95,000
LOCAL GRANTS & AIDS	1,014,881	949,165	880,000	875,000	-0.6%	(5,000)
MISCELLANEOUS	458,080	488,809	225,000	360,000	60.0%	135,000
NON-BUSINESS LICENSES AND RENTS	3,357,701	3,157,469	2,965,000	2,240,000	-24.5%	(725,000)
SPECIAL ASSESSMENTS	313,965	760,185	400,000	720,000	80.0%	320,000
STATE GRANTS & AIDS	2,494,451	2,304,208	2,460,000	2,759,000	12.2%	299,000
<b>TOTAL GENERAL</b>	<b>28,753,379</b>	<b>26,710,673</b>	<b>24,809,000</b>	<b>24,951,000</b>	<b>0.6%</b>	<b>142,000</b>

**INTERNAL SERVICE**

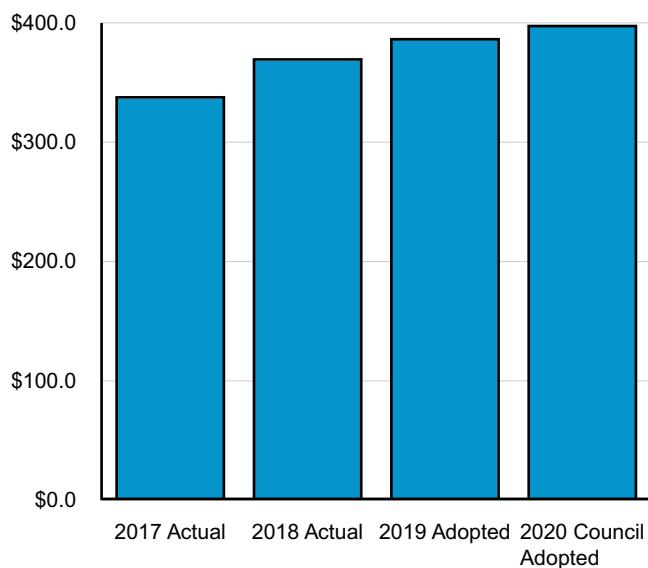
CHARGES FOR SALES	11,016,641	14,240,091	14,930,000	15,015,000	0.6%	85,000
CHARGES FOR SERVICES	12,386,000	13,334,941	12,106,000	12,242,000	1.1%	136,000
GAIN ON SALE OF ASSETS	290,285	729,897	—	—	0.0%	0
MISCELLANEOUS	17,842	3,859	10,000	10,000	0.0%	0
RENTS	19,194,995	21,789,178	20,329,000	22,818,000	12.2%	2,489,000
STATE GRANTS & AIDS	3,936	—	—	—	0.0%	0
USE OF FUND BALANCE	—	—	1,489,000	(1,244,000)	-183.5%	(2,733,000)
<b>TOTAL INTERNAL SERVICE</b>	<b>42,909,699</b>	<b>50,097,966</b>	<b>48,864,000</b>	<b>48,841,000</b>	<b>0.0%</b>	<b>(23,000)</b>

**PUBLIC WORKS**  
**EXPENSE AND REVENUE INFORMATION**

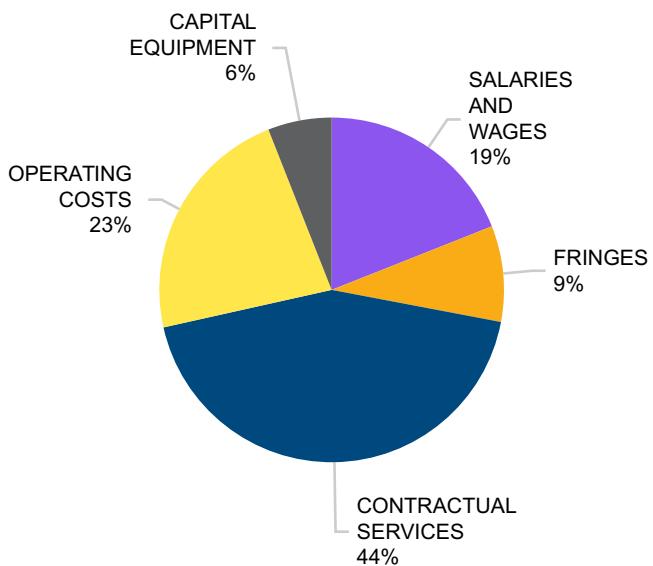
REVENUE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>SPECIAL REVENUE</b>						
CONTRIBUTIONS	(5,174)	11,910	—	—	0.0%	0
MISCELLANEOUS	20,494	41,344	—	—	0.0%	0
SPECIAL ASSESSMENTS	6,693,253	6,747,614	7,121,000	7,296,000	2.5%	175,000
STATE GRANTS & AIDS	8,846	23,313	—	—	0.0%	0
<b>TOTAL SPECIAL REVENUE</b>	<b>6,717,419</b>	<b>6,824,181</b>	<b>7,121,000</b>	<b>7,296,000</b>	<b>2.5%</b>	<b>175,000</b>
<b>TOTAL REVENUE</b>	<b>411,347,780</b>	<b>412,741,234</b>	<b>424,950,000</b>	<b>409,080,000</b>	<b>-3.7%</b>	<b>(15,870,000)</b>

## PUBLIC WORKS EXPENSE AND REVENUE INFORMATION

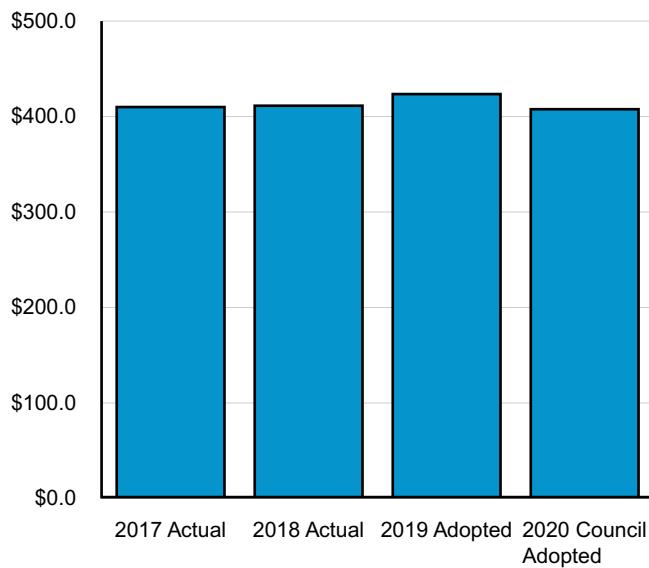
**Expense 2017 - 2020**  
**In Millions**



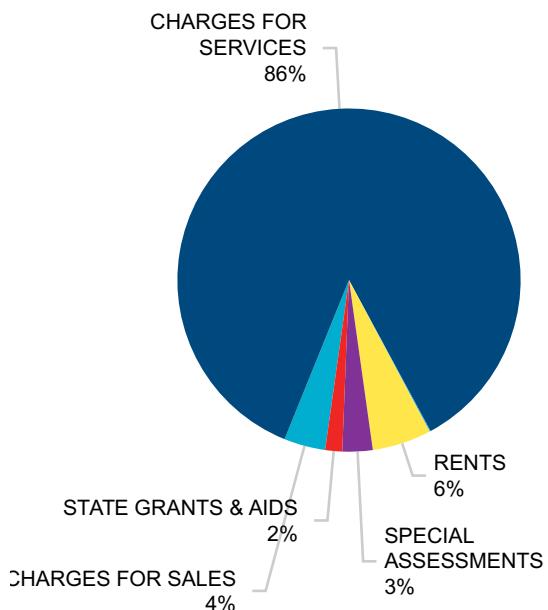
**Expense by Category**



**Revenue 2017 - 2020**  
**In Millions**



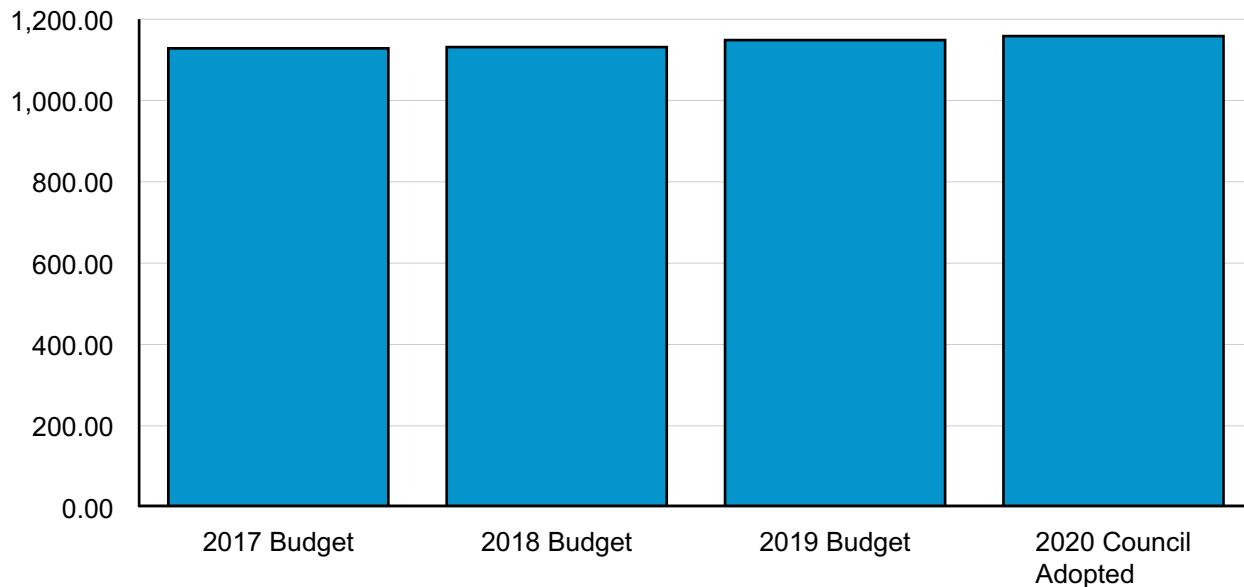
**Revenue by Type**



## PUBLIC WORKS Staffing Information

Division	2017 Budget	2018 Budget	2019 Budget	2020 Council Adopted	Percent Change	Change
PW - Capital	150.00	150.00	161.00	161.00	0.0%	0.00
PW - ADMINISTRATIVE SERVICES	16.00	16.00	16.00	16.00	0.0%	0.00
PW - FLEET	75.00	75.00	75.00	75.00	0.0%	0.00
PW - SOLID WASTE	151.00	151.00	151.00	151.00	0.0%	0.00
PW - SURFACE WATER & SEWERS-SANITARY	59.75	59.75	60.25	59.75	-0.8%	(0.50)
PW - SURFACE WATER & SEWERS-STORMWATER	53.50	54.00	54.50	53.50	-1.8%	(1.00)
PW - TRAFFIC AND PARKING SERVICES	112.40	114.40	114.40	120.45	5.3%	6.05
PW - TRANSPORTATION ENGINEERING & DESIGN	81.00	81.00	81.50	81.50	0.0%	0.00
PW - TRANSPORTATION MAINTENANCE AND REPAIR	219.95	219.95	219.95	219.95	0.0%	0.00
PW - TRANSPORTATION PLAN/PROGRAMMING	21.00	21.50	22.50	23.50	4.4%	1.00
PW - WATER TREATMENT & DISTR.	192.00	192.00	195.75	200.00	2.2%	4.25
Overall	1,131.60	1,134.60	1,151.85	1,161.65	0.8%	9.80

### Positions 2017-2020



\* 2019 FTE counts may differ from 2019 adopted budget due to mid year adjustments, including funding and organizational changes.

## **Financial Analysis – Public Works Administration**

### **Expenditure**

The Public Works Administration Division's total budget remains relatively flat at \$3.9 million in 2019 and 2020, decreasing \$59,000, or 1.5%. This division's 2020 expenditure budget reflects a reduction of \$325,000 in one-time allocations included in the previous year's budget, and a further decrease of \$88,000 in contractual and operating costs, offset by an increase in personnel costs of \$91,000 associated with position changes and general inflationary increases. The budget also shows new ongoing costs of \$267,000 for the Downtown Public Safety Partnerships Change Item.

### **Revenue**

Revenues are projected to decrease by \$130,000 or 3.8% in this department due to a decrease in overhead charges. The department's total revenues in 2020 are projected to be \$3.3 million.

### **Fund Allocation**

This division is funded completely by the General Fund.

### **Budget Change Items**

The Public Works Administration Division has one Change Item totaling \$267,000 in 2020.

## **Public Works**

## **2020 Change Item**

### *Downtown Public Safety Partnerships*

Program: Public Works Administration

Fund: General Fund

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	267	267	267	267	267
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	267	267	267	267	267

Personnel Impacts	2020	2021	2022	2023	2024
Change in FTE Count	—	—	—	—	—

#### **Proposal Details:**

Increasing the expense budget in the General Fund for the Public Works Department by \$267,000 ongoing for a contract with the Downtown Improvement District for downtown public safety partnerships.

#### **Rationale/Background:**

Public safety downtown is a stated priority for Mayor Frey and the City Council. Addressing this concern requires a multi-faceted approach, and cooperation between the public, private and community sectors. These funds will help DID develop a public safety plan to complement law enforcement efforts that is focused on harm-reduction through livability outreach, engagement activation, vibrancy, crime prevention through environmental design (CPTED), and advocacy throughout the year.

#### **Description of the Change:**

To complement law enforcement efforts, funds will provide support for community organization outreach, prevention and positive programming, assisting MPD homelessness engagement work, strategic static deployment of DID Ambassadors, expanding the Ambassador program to late night, late night activation pilot (street performers or other), exploration into overnight security on Nicollet, and other like strategies.

#### **Equity Impact:**

Outreach efforts will be implemented in part by community agencies serving a wide range of demographic groups (race, age and orientation) in downtown. Late night activation programs will be open and inclusive to all groups. All initiatives will be administered with the intent of making downtown safer and more vibrant for all people.

#### **Results:**

The availability of these funds will allow the Downtown Improvement District to:

- 1) Expand its services to the late-night hours in the entertainment district – introducing a hospitality function that will combine with increased activation. Together these new components of the late-night

scene will provide an atmosphere of safety and will assist visitors, with the idea that this will help both MPD and existing outreach programs to place their focus on areas needing their attention;

2) Expand the capacity of community agency outreach. Prevention and positive programming , and MPD Homelessness Engagement, downtown; and

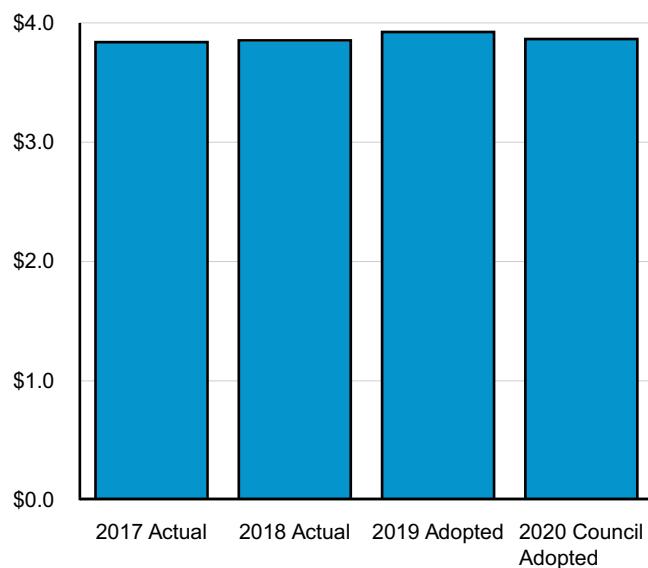
3) Strategically address safety concerns in areas on Nicollet that may experience displacement from Hennepin due to construction.

**PUBLIC WORKS ADMINISTRATION  
EXPENSE AND REVENUE INFORMATION**

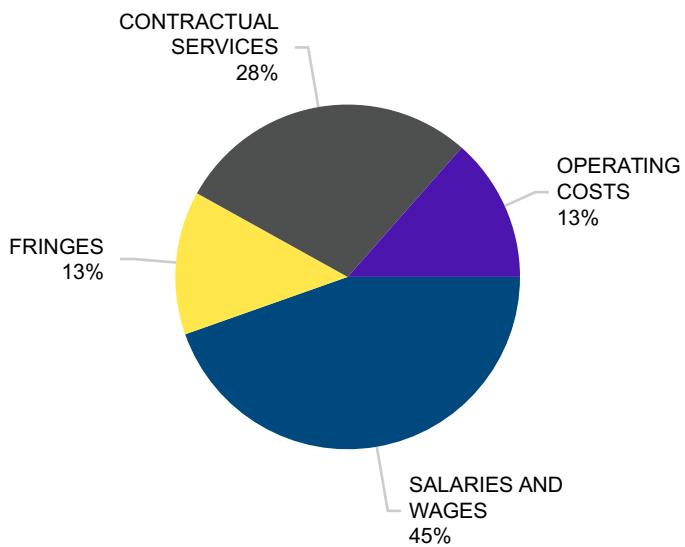
EXPENSE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>GENERAL</b>						
SALARIES AND WAGES	1,426,962	1,409,680	1,637,000	1,728,000	5.6%	91,000
FRINGES	439,346	435,287	531,000	522,000	-1.7%	(9,000)
CONTRACTUAL SERVICES	1,221,773	1,281,679	1,118,000	1,102,000	-1.4%	(16,000)
OPERATING COSTS	753,156	737,635	648,000	523,000	-19.3%	(125,000)
CAPITAL EQUIPMENT	8,779	—	1,000	1,000	0.0%	0
<b>TOTAL GENERAL</b>	<b>3,850,016</b>	<b>3,864,281</b>	<b>3,935,000</b>	<b>3,876,000</b>	<b>-1.5%</b>	<b>(59,000)</b>
<b>TOTAL EXPENSE</b>	<b>3,850,016</b>	<b>3,864,281</b>	<b>3,935,000</b>	<b>3,876,000</b>	<b>-1.5%</b>	<b>(59,000)</b>
REVENUE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>GENERAL</b>						
CHARGES FOR SALES	653	—	—	—	0.0%	0
CHARGES FOR SERVICES	2,941,103	2,664,870	2,854,000	2,649,000	-7.2%	(205,000)
NON-BUSINESS LICENSES	729,127	837,515	600,000	675,000	12.5%	75,000
<b>GENERAL</b>	<b>3,670,883</b>	<b>3,502,385</b>	<b>3,454,000</b>	<b>3,324,000</b>	<b>-3.8%</b>	<b>(130,000)</b>
<b>TOTAL REVENUE</b>	<b>3,670,883</b>	<b>3,502,385</b>	<b>3,454,000</b>	<b>3,324,000</b>	<b>-3.8%</b>	<b>(130,000)</b>

## PUBLIC WORKS ADMINISTRATION EXPENSE AND REVENUE INFORMATION

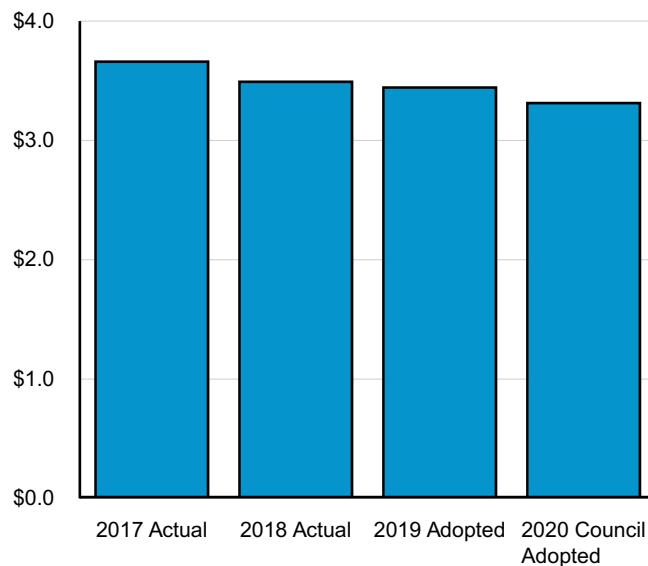
**Expense 2017 - 2020**  
**In Millions**



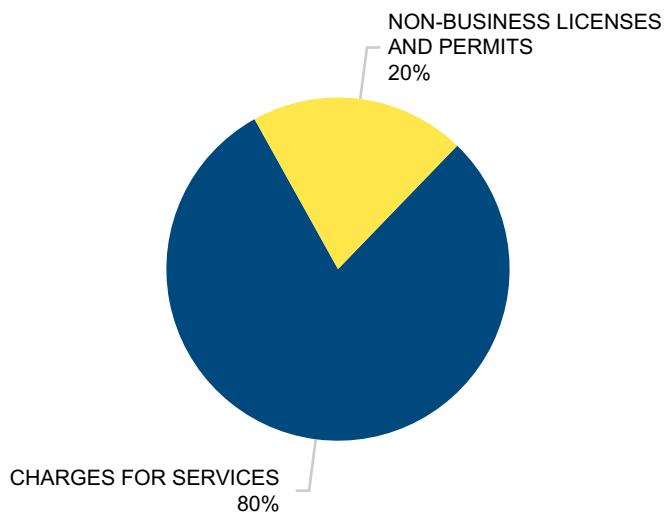
**Expense by Category**



**Revenue 2017 - 2020**  
**In Millions**



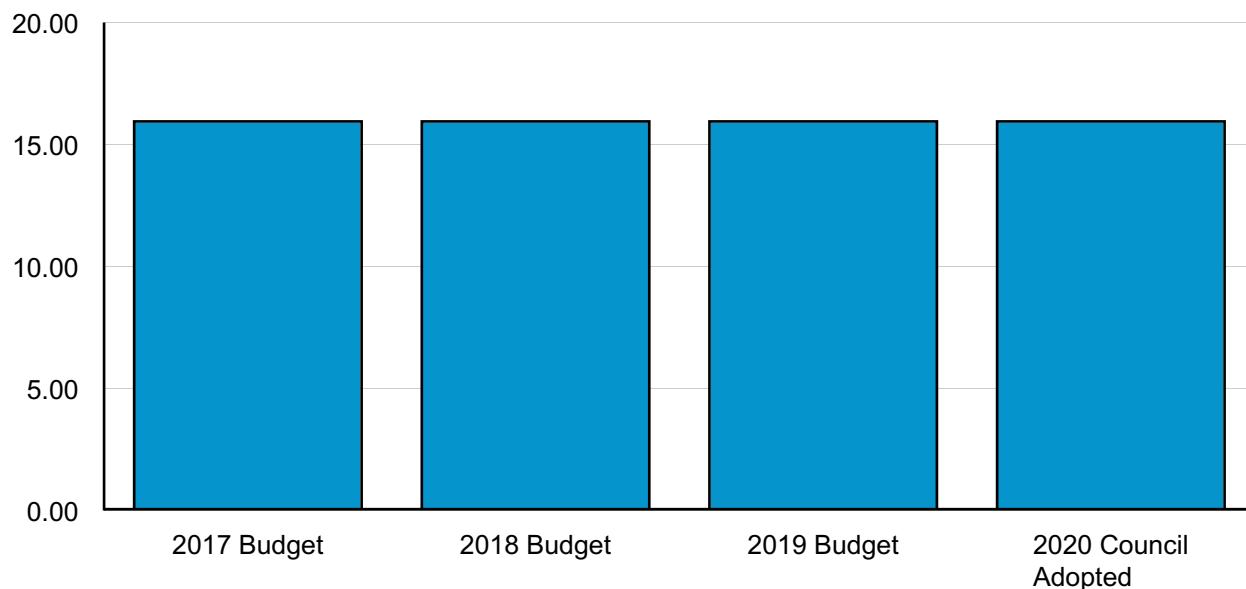
**Revenue by Type**



**PUBLIC WORKS ADMINISTRATION**  
**Staffing Information**

Division	2017 Budget	2018 Budget	2019 Budget	2020 Council Adopted	Percent Change	Change
MANAGEMENT SERVICES	13.00	13.00	13.00	13.00	0.0%	0
SAFETY/RISK MANAGEMENT	3.00	3.00	3.00	3.00	0.0%	0
Overall	16.00	16.00	16.00	16.00	0.0%	0

**Positions 2017-2020**



## **Financial Analysis – Fleet Services**

### **Expenditure**

The total PW-Fleet Services Department's budget decreases from \$39.4 million to \$37.8 million from 2019 to 2020. This is a decrease of \$1.6 million, or 4.1%. The Fleet Services Department's 2020 expenditure budget reflects planned general inflationary cost increases offset by a planned decrease in capital purchases during the year based on the vehicle and equipment replacement schedule.

### **Revenue**

Revenues are projected to increase by 3.9% in this department, excluding use of fund balance, due to an increase in fleet rental rates used to bill internal customers to cover the replacement cost of vehicles. The increase is also due to an increase in revenue received from the sale of parts and fuel. These increases are offset by a decrease in revenue received from labor services. The department's total revenues in 2020 are projected to be \$40.7 million excluding the use of fund balance.

### **Fund Allocation**

This division is funded completely by the Fleet Services Fund, which consists of resources accumulated through charges to other departments.

### **Budget Change Items**

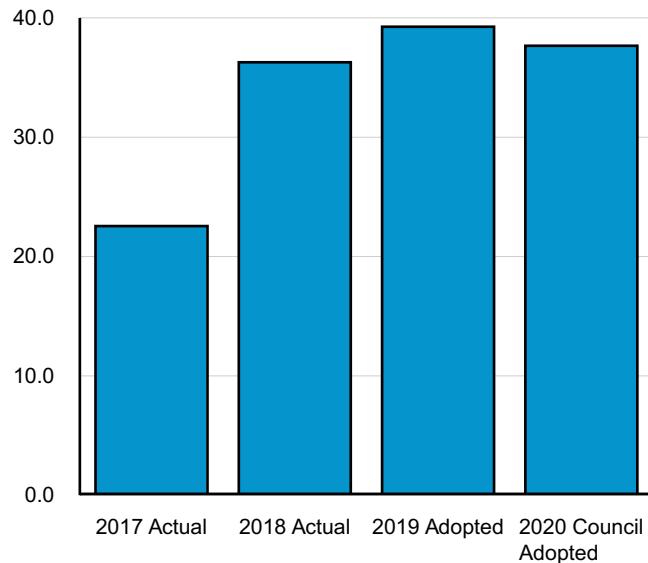
The Fleet Services Division does not have any change items for 2020.

**FLEET SERVICES**  
**EXPENSE AND REVENUE INFORMATION**

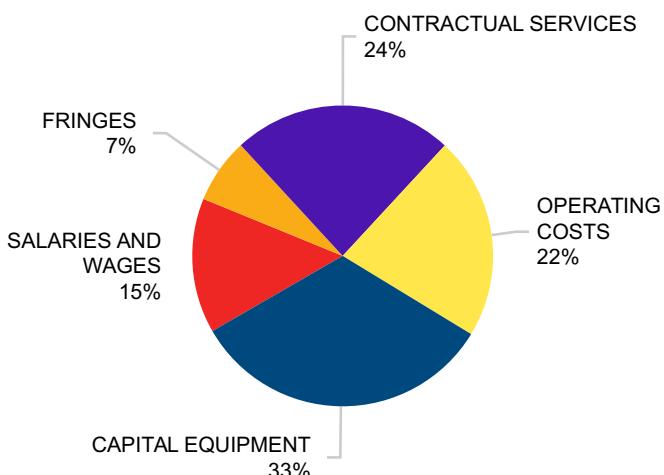
EXPENSE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>INTERNAL SERVICE</b>						
SALARIES AND WAGES	4,689,605	5,351,718	5,306,000	5,484,000	3.4%	178,000
FRINGES	4,382,547	2,718,000	2,576,000	2,635,000	2.3%	59,000
CONTRACTUAL SERVICES	7,197,300	8,294,671	8,287,000	8,960,000	8.1%	673,000
OPERATING COSTS	6,077,400	7,409,127	8,038,000	8,245,000	2.6%	207,000
CAPITAL EQUIPMENT	319,292	12,619,402	15,163,000	12,451,000	-17.9%	(2,712,000)
<b>TOTAL INTERNAL SERVICE</b>	<b>22,666,144</b>	<b>36,392,918</b>	<b>39,370,000</b>	<b>37,775,000</b>	<b>-4.1%</b>	<b>(1,595,000)</b>
<b>TOTAL EXPENSE</b>	<b>22,666,144</b>	<b>36,392,918</b>	<b>39,370,000</b>	<b>37,775,000</b>	<b>-4.1%</b>	<b>(1,595,000)</b>
REVENUE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>INTERNAL SERVICE</b>						
CHARGES FOR SALES	6,311,179	8,666,851	8,441,000	8,476,000	0.4%	35,000
CHARGES FOR SERVICES	9,702,516	10,693,560	9,773,000	9,399,000	-3.8%	(374,000)
GAIN ON SALE OF	290,285	729,897	—	—	0.0%	0
MISCELLANEOUS	17,253	3,859	10,000	10,000	0.0%	0
RENTS	19,194,995	21,789,178	20,329,000	22,818,000	12.2%	2,489,000
STATE GRANTS & AIDS	3,421	—	—	—	0.0%	0
USE OF FUND BALANCE	—	—	1,499,000	(1,244,000)	-183.0%	(2,743,000)
<b>TOTAL INTERNAL SERVICE</b>	<b>35,519,649</b>	<b>41,883,345</b>	<b>40,052,000</b>	<b>39,459,000</b>	<b>-1.5%</b>	<b>(593,000)</b>
<b>TOTAL REVENUE</b>	<b>35,519,649</b>	<b>41,883,345</b>	<b>40,052,000</b>	<b>39,459,000</b>	<b>-1.5%</b>	<b>(593,000)</b>

## FLEET SERVICES EXPENSE AND REVENUE INFORMATION

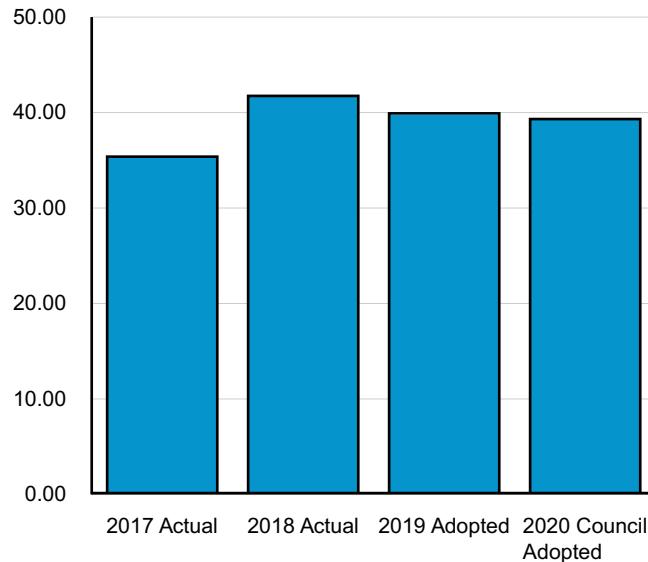
**Expense 2017 - 2020**  
**In Millions**



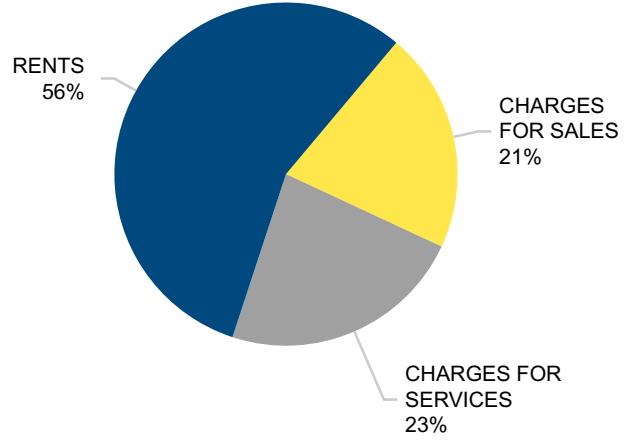
**Expense by Category**



**Revenue 2017 - 2020**  
**In Millions**



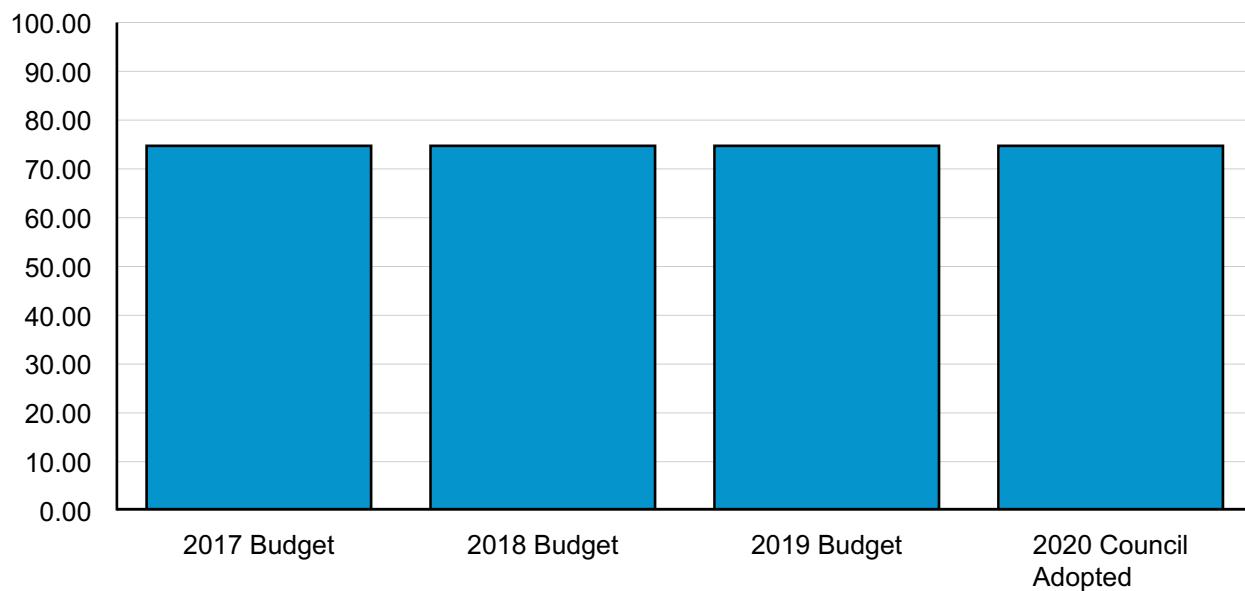
**Revenue by Type**



## FLEET SERVICES Staffing Information

Division	2017 Budget	2018 Budget	2019 Budget	2020 Council Adopted	Percent Change	Change
FSD ADMINISTRATION	10.00	10.00	10.00	10.00	0.0%	0.00
FSD OPERATIONS	4.00	5.00	5.00	5.00	0.0%	0.00
MAINTENANCE	61.00	60.00	60.00	60.00	0.0%	0.00
Overall	75.00	75.00	75.00	75.00	0.0%	0.00

### Positions 2017-2020



## **Financial Analysis – Solid Waste & Recycling**

### **Expenditure**

The total Solid Waste and Recycling Department's budget increased from \$43.4 million to \$43.7 million from 2019 to 2020. This is an increase of \$0.5 million, or 1.2%. The Solid Waste and Recycling Department's 2020 expenditure budget reflects the following changes from 2019:

- An increase in yard waste, garbage, TV, and mattress collecting, hauling, disposing, and recycling costs of \$283,000 due to new vendor contracts;
- An increase in equipment, carts, roof repairs, and operating supplies by \$506,000;
- A decrease of \$203,000 in payments due for City Services as set by the 2020 allocation model;
- A decrease of \$107,000 in IT projects due to the SWIS software completion in 2020.

### **Revenue**

Revenues are projected to increase by 1.0% in this department excluding use of fund balance due to increase in (i) service revenue by \$710,000 due to increase in monthly utility billing rates from \$24.53 to \$25.08 per dwelling unit; offset by decreases in charges for sales and in local grants and aids. The department's total revenues in 2020 are projected to be \$41.9 million.

### **Fund Allocation**

This department is funded completely in the Solid Waste and Recycling fund.

### **Budget Change Items**

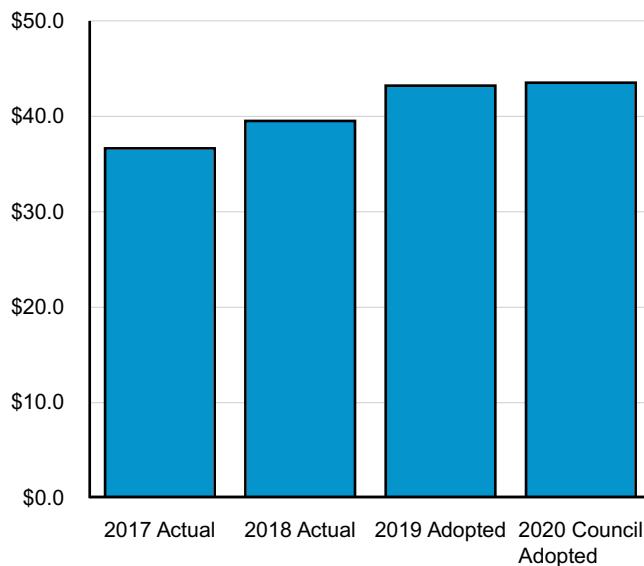
Solid Waste & Recycling had no change items for 2020.

**SOLID WASTE & RECYCLING  
EXPENSE AND REVENUE INFORMATION**

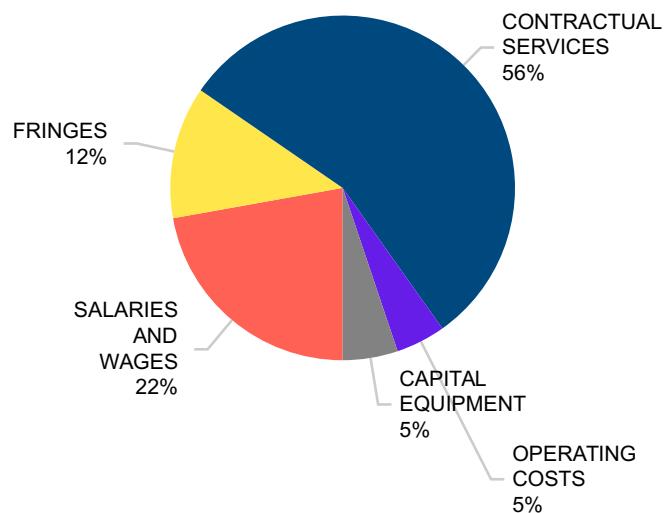
EXPENSE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>GENERAL</b>						
CONTRACTUAL SERVICES	—	—	—	—	0.0%	0
<b>TOTAL GENERAL</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>
<b>ENTERPRISE</b>						
SALARIES AND WAGES	8,308,282	8,550,567	9,867,000	9,684,000	-1.9%	(183,000)
FRINGES	4,478,978	4,774,375	5,212,000	5,418,000	4.0%	206,000
CONTRACTUAL SERVICES	21,492,124	22,329,855	24,136,000	24,273,000	0.6%	137,000
OPERATING COSTS	2,506,383	2,636,932	2,150,000	2,032,000	-5.5%	(118,000)
CAPITAL EQUIPMENT	—	1,367,697	1,990,000	2,257,000	13.4%	267,000
<b>TOTAL ENTERPRISE</b>	<b>36,785,767</b>	<b>39,659,426</b>	<b>43,355,000</b>	<b>43,664,000</b>	<b>0.7%</b>	<b>309,000</b>
<b>TOTAL EXPENSE</b>	<b>36,785,767</b>	<b>39,659,426</b>	<b>43,355,000</b>	<b>43,664,000</b>	<b>0.7%</b>	<b>309,000</b>
REVENUE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>ENTERPRISE</b>						
CHARGES FOR SALES	625,668	201,325	350,000	150,000	-57.1%	(200,000)
CHARGES FOR SERVICES	37,490,216	38,278,902	39,356,000	40,066,000	1.8%	710,000
GAIN ON SALE OF	103,307	253,386	—	—	0.0%	0
LOCAL GRANTS & AIDS	1,525,884	1,681,690	1,768,000	1,659,000	-6.2%	(109,000)
MISCELLANEOUS	1,671	27,117	—	—	0.0%	0
SPECIAL ASSESSMENTS	221,829	174,093	—	—	0.0%	0
STATE GRANTS & AIDS	11,209	6,478	—	—	0.0%	0
USE OF FUND BALANCE	—	—	2,059,000	1,991,000	-3.3%	(68,000)
<b>TOTAL ENTERPRISE</b>	<b>39,979,784</b>	<b>40,622,991</b>	<b>43,533,000</b>	<b>43,866,000</b>	<b>0.8%</b>	<b>333,000</b>
<b>TOTAL REVENUE</b>	<b>39,979,784</b>	<b>40,622,991</b>	<b>43,533,000</b>	<b>43,866,000</b>	<b>0.8%</b>	<b>333,000</b>

## SOLID WASTE & RECYCLING EXPENSE AND REVENUE INFORMATION

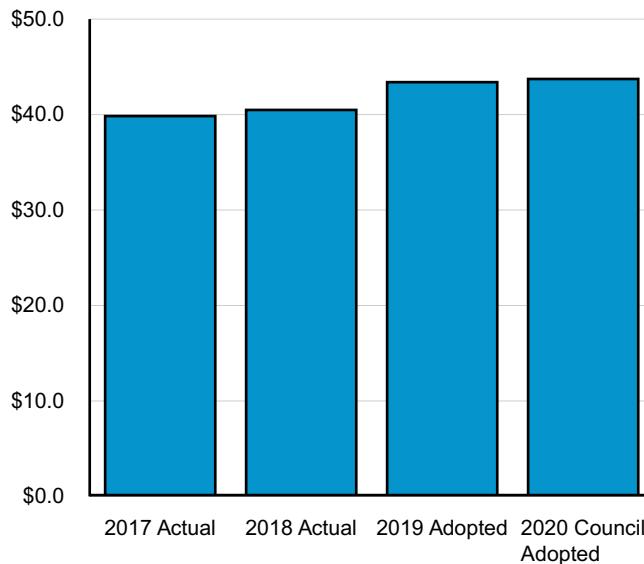
**Expense 2017 - 2020**  
**In Millions**



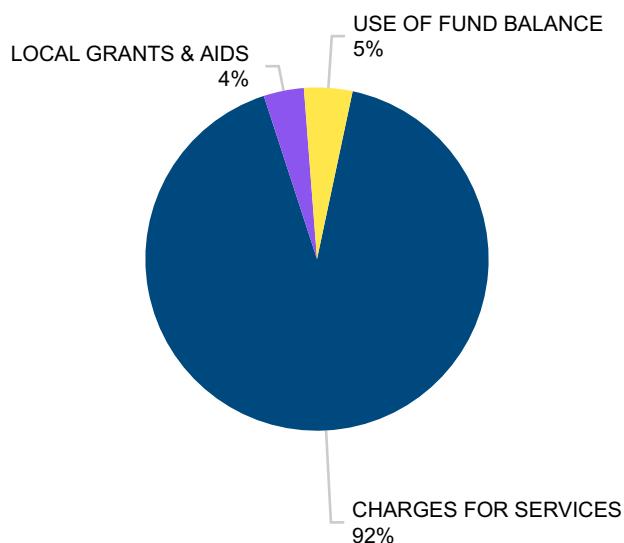
**Expense by Category**



**Revenue 2017 - 2020**  
**In Millions**



**Revenue by Type**

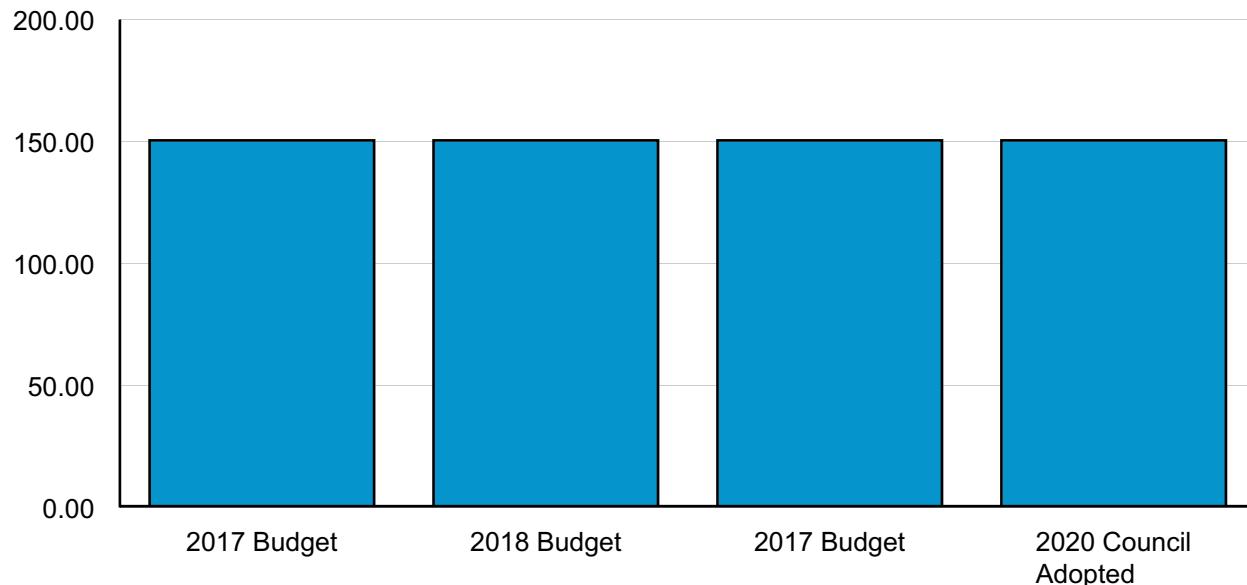


## **SOLID WASTE & RECYCLING**

### **Staffing Information**

<b>Division</b>	<b>2017 Budget</b>	<b>2018 Budget</b>	<b>2019 Budget</b>	<b>2020 Council Adopted</b>	<b>Percent Change</b>	<b>Change</b>
ADMINISTRATION	16.00	17.00	17.00	17.00	0.0%	0.00
CLEAN CITY	19.00	19.00	19.00	19.00	0.0%	0.00
COLLECTION	38.00	38.00	39.00	39.00	0.0%	0.00
CUSTOMER SERVICE	8.00	8.00	8.00	8.00	0.0%	0.00
EQUIPMENT	12.00	11.00	11.00	11.00	0.0%	0.00
LARGE ITEM/PROBLEM MATERIAL	8.00	8.00	8.00	8.00	0.0%	0.00
ORGANICS	17.00	17.00	16.00	16.00	0.0%	0.00
RECYCLING	20.00	20.00	20.00	20.00	0.0%	0.00
TRANSFER STATIONS	1.00	1.00	1.00	1.00	0.0%	0.00
YARD WASTE PROGRAM	12.00	12.00	12.00	12.00	0.0%	0.00
Overall	151.00	151.00	151.00	151.00	0.0%	0.00

### **Positions 2017-2020**



## **Financial Analysis – Sanitary Sewer**

### **Expenditure**

The total Sanitary Sewer Department's budget increased from \$69.9 million to \$71.9 million from 2019 to 2020. This is an increase of \$2.0 million, or 2.9%. The Sanitary Sewer Department's 2020 expenditure budget reflects the following changes from 2019:

- Estimated rate increase of 4.4% in monthly Met Council fees for waste water discharge totaling \$43.7 million, an increase of \$1.8 million over 2019;
- An overall decrease in Sewer maintenance area in the professional services, televise sanitary system, upgrades, rehab, repairs, root control, and maintenance work of \$48,000;
- Increase in payments to City services by \$10,000 as set by the 2020 rate model allocations; and
- Increase of \$244,000 in Sewer administration largely due to adding sewer service line repairs previously handled in the water fund.

### **Revenue**

Revenues are projected to increase by 7.5% in this department due to combined increase in: (i) service revenue of \$6.0 million due to increase in monthly variable and fixed utility rates of \$0.33 and \$0.50 per billing unit; and (ii) a decrease in miscellaneous revenue by \$645,000 due to decrease in design activities and penalty fees. The department's total revenues in 2020 are projected to be \$86.3 million.

### **Fund Allocation**

This department is funded completely in the Sanitary Sewer Fund.

### **Budget Change Items**

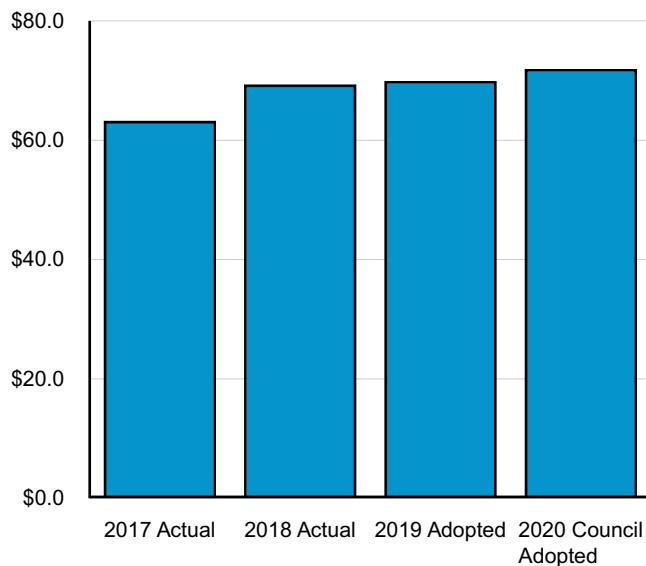
The Sanitary Sewer Division does not have any change items for 2020.

**SANITARY SEWER  
EXPENSE AND REVENUE INFORMATION**

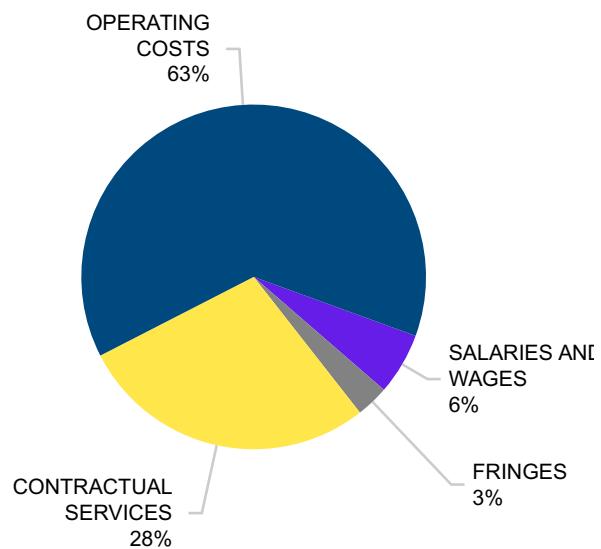
EXPENSE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>ENTERPRISE</b>						
SALARIES AND WAGES	3,670,275	3,805,448	4,189,000	4,178,000	-0.3%	(11,000)
FRINGES	1,785,877	1,865,057	2,161,000	2,198,000	1.7%	37,000
CONTRACTUAL SERVICES	18,192,353	21,168,021	20,654,000	20,150,000	-2.4%	(504,000)
OPERATING COSTS	39,608,628	42,459,504	42,850,000	45,361,000	5.9%	2,511,000
CAPITAL EQUIPMENT	—	48,165	70,000	50,000	-28.6%	(20,000)
<b>TOTAL ENTERPRISE</b>	<b>63,257,133</b>	<b>69,346,195</b>	<b>69,924,000</b>	<b>71,937,000</b>	<b>2.9%</b>	<b>2,013,000</b>
<b>TOTAL EXPENSE</b>	<b>63,257,133</b>	<b>69,346,195</b>	<b>69,924,000</b>	<b>71,937,000</b>	<b>2.9%</b>	<b>2,013,000</b>
REVENUE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>ENTERPRISE</b>						
CHARGES FOR SALES	27,131	13,560	—	—	0.0%	0
CHARGES FOR SERVICES	68,304,403	73,936,192	80,835,000	86,255,000	6.7%	5,420,000
NON-BUSINESS LICENSES AND PERMITS	23,525	—	100,000	—	-100.0%	(100,000)
SPECIAL ASSESSMENTS	75,055	115,027	—	—	0.0%	0
STATE GRANTS & AIDS	310,765	—	—	—	0.0%	0
USE OF FUND BALANCE	—	—	(732,000)	(5,028,000)	586.9%	(4,296,000)
<b>TOTAL ENTERPRISE</b>	<b>68,740,879</b>	<b>74,064,779</b>	<b>80,203,000</b>	<b>81,227,000</b>	<b>1.3%</b>	<b>1,024,000</b>
<b>TOTAL REVENUE</b>	<b>68,740,879</b>	<b>74,064,779</b>	<b>80,203,000</b>	<b>81,227,000</b>	<b>1.3%</b>	<b>1,024,000</b>

## SANITARY SEWER EXPENSE AND REVENUE INFORMATION

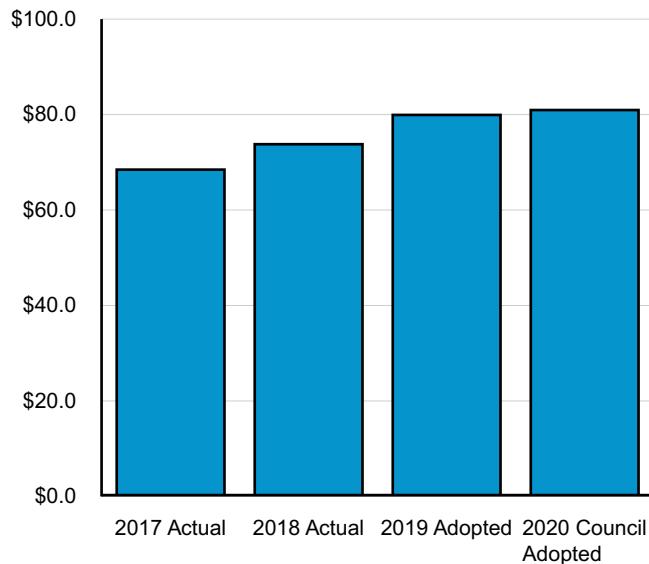
**Expense 2017 - 2020**  
**In Millions**



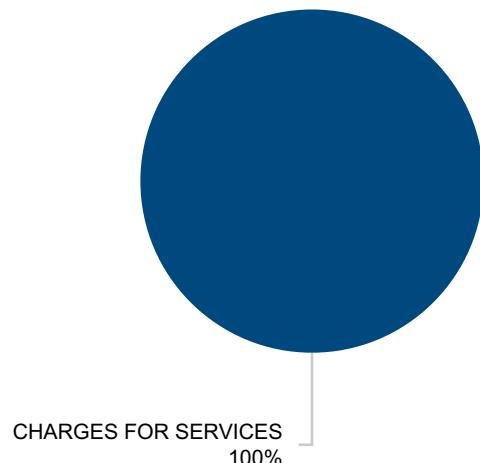
**Expense by Category**



**Revenue 2017 - 2020**  
**In Millions**



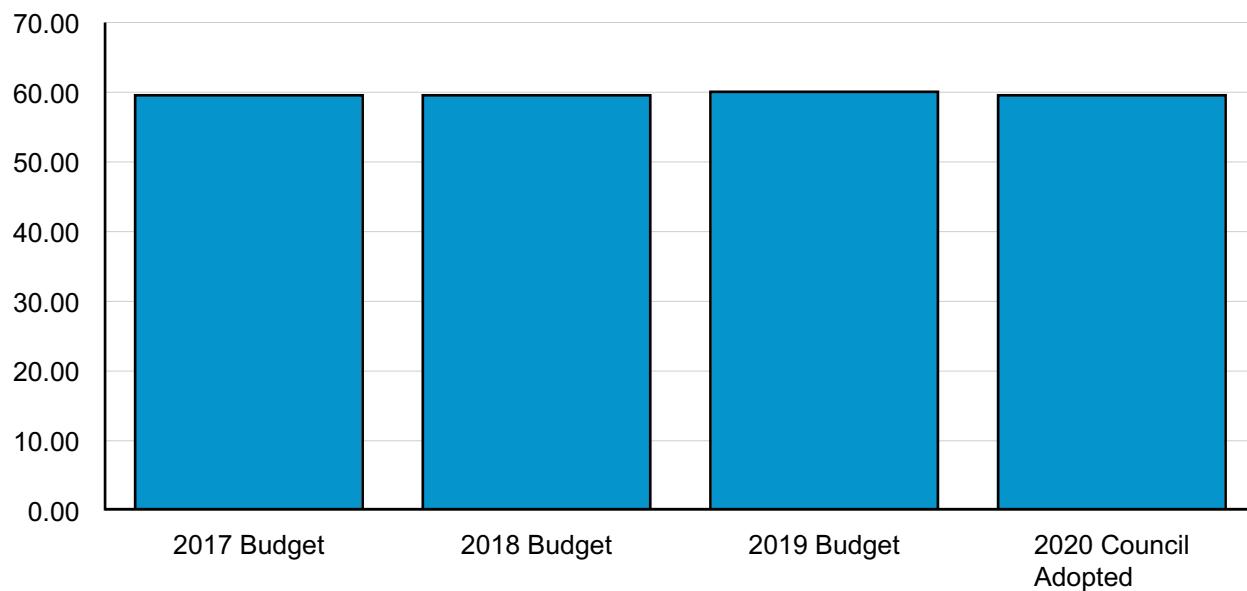
**Revenue by Type**



## **SANITARY SEWER Staffing Information**

<b>Division</b>	<b>2017 Budget</b>	<b>2018 Budget</b>	<b>2019 Budget</b>	<b>2020 Council Adopted</b>	<b>Percent Change</b>	<b>Change</b>
DESIGN	5.50	5.50	5.00	6.50	30.0 %	1.50
SANITARY SEWER	47.25	47.25	46.25	44.25	(4.3)%	(2.00)
SEWER ADMINISTRATION	7.00	7.00	9.00	9.00	0.0 %	0.00
Overall	59.75	59.75	60.25	59.75	(0.8)%	(0.50)

### **Positions 2017-2020**



## **Financial Analysis – Stormwater Sewer**

### **Expenditure**

The Stormwater Sewer Department's total budget decreases from \$22.2 million in 2019 to \$21.3 million in 2020. This is a decrease of \$873,000, or 3.9%. The Stormwater Department's 2020 expenditure budget reflects the following changes from 2019: an increase in personnel costs related to step increases offset by decreases related to contractual and city services based on 2020 rate models.

### **Revenue**

Revenues are projected to stay flat in this department due to an increase of \$1.1 million in service (utility) revenues, driven by a \$0.33 rate increase from \$13.09 to \$13.42 per "equivalent stormwater unit" (ESU) in the monthly billings and a decrease in miscellaneous revenue by \$1.1 million based on demand for additional design activities. The department's total revenues in 2020 are \$42.6 million excluding the use of fund balance.

### **Fund Allocation**

This division is funded completely in the Stormwater Fund, which is an enterprise activity.

### **Budget Change Items**

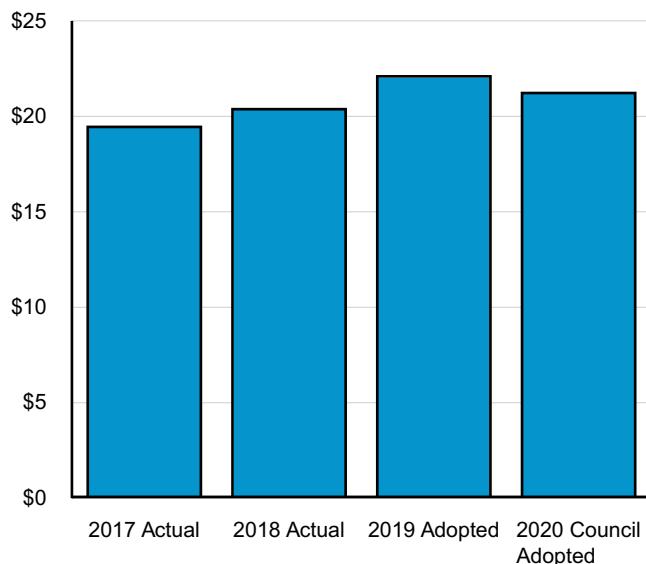
The Stormwater Sewer Division does not have any change items for 2020.

**STORMWATER SEWER  
EXPENSE AND REVENUE INFORMATION**

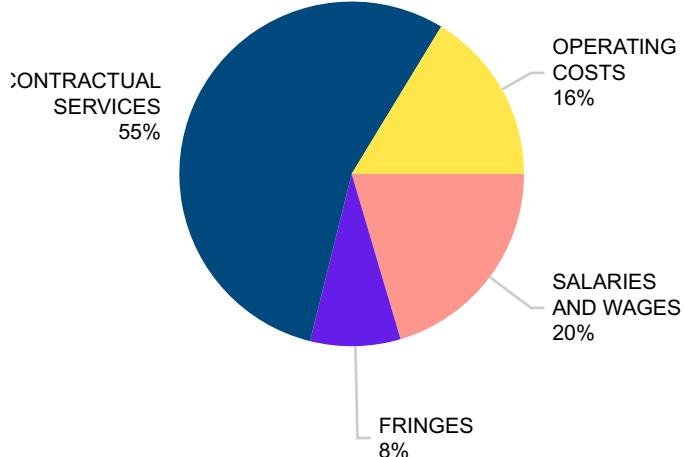
<b>EXPENSE</b>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Adopted</b>	<b>2020 Council Adopted</b>	<b>Percent Change</b>	<b>Change</b>
<b>ENTERPRISE</b>						
SALARIES AND WAGES	3,667,140	3,915,230	4,237,000	4,292,000	1.3%	55,000
FRINGES	1,614,857	1,719,671	1,797,000	1,778,000	-1.1%	(19,000)
CONTRACTUAL SERVICES	11,018,494	11,547,719	12,407,000	11,520,000	-7.1%	(887,000)
OPERATING COSTS	3,216,318	3,127,072	3,449,000	3,427,000	-0.6%	(22,000)
CAPITAL EQUIPMENT	—	136,165	275,000	275,000	0.0%	0
<b>TOTAL ENTERPRISE</b>	<b>19,516,809</b>	<b>20,445,857</b>	<b>22,165,000</b>	<b>21,292,000</b>	<b>-3.9%</b>	<b>(873,000)</b>
<b>TOTAL EXPENSE</b>						
<b>REVENUE</b>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Adopted</b>	<b>2020 Council Adopted</b>	<b>Percent Change</b>	<b>Change</b>
<b>ENTERPRISE</b>						
CHARGES FOR SALES	5,430	—	—	—	0.0%	0
CHARGES FOR SERVICES	40,180,711	40,273,223	42,041,000	42,220,000	0.4%	179,000
FINES AND FORFEITS	66,303	(269)	45,000	—	-100.0%	(45,000)
LOCAL GRANTS & AIDS	433,963	278,524	84,000	82,000	-2.4%	(2,000)
SPECIAL ASSESSMENTS	75,882	80,513	—	75,000	0.0%	75,000
STATE GRANTS & AIDS	253,553	116,725	119,000	176,000	47.9%	57,000
USE OF FUND BALANCE	—	—	578,000	(9,430,000)	-1,731.5%	(10,008,000)
<b>TOTAL ENTERPRISE</b>	<b>41,015,842</b>	<b>40,748,716</b>	<b>42,867,000</b>	<b>33,123,000</b>	<b>-22.7%</b>	<b>(9,744,000)</b>
<b>TOTAL REVENUE</b>						

## STORMWATER SEWER EXPENSE AND REVENUE INFORMATION

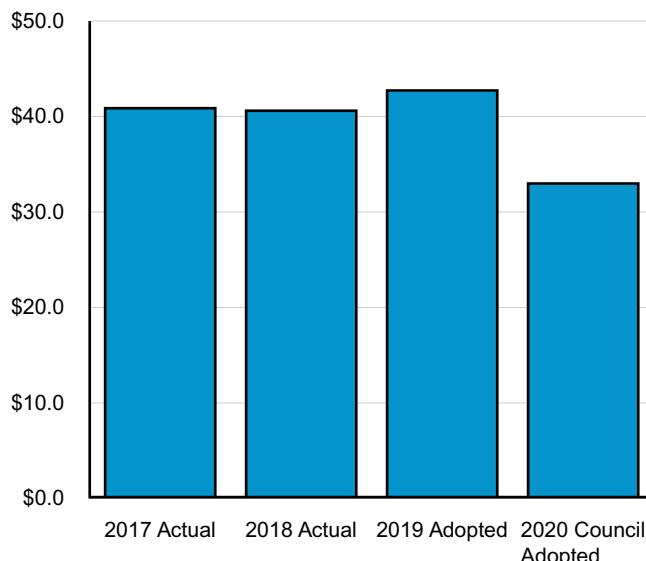
**Expense 2017 - 2020**  
**In Millions**



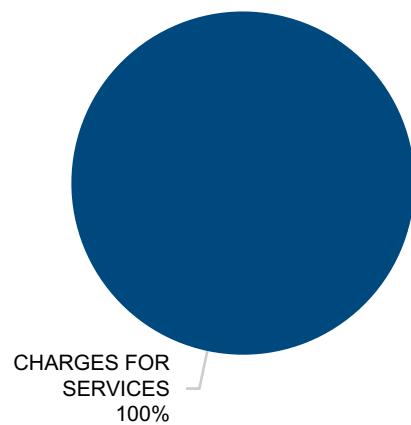
**Expense by Category**



**Revenue 2017 - 2020**  
**In Millions**



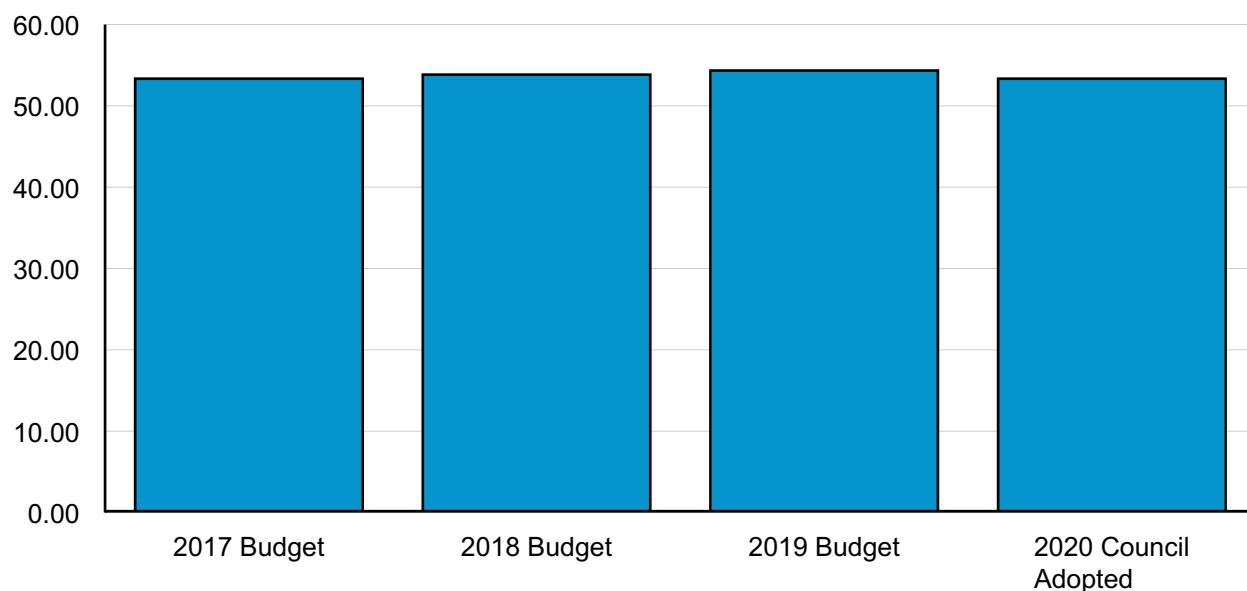
**Revenue by Type**



## STORMWATER SEWER Staffing Information

Division	2017 Budget	2018 Budget	2019 Budget	2020 Council Adopted	Percent Change	Change
SANITARY STORMWATER DESIGN	24.00	24.00	24.00	23.00	(4.2)%	(1.00)
SEWER MAINTENANCE	23.00	23.00	21.50	22.00	2.3 %	0.50
STORMWATER ADMINISTRATION	6.50	7.00	9.00	8.50	(5.6)%	(0.50)
Overall	53.50	54.00	54.50	53.50	(1.9)%	(1.00)

### Positions 2017-2020



\* 2019 FTE counts may differ from 2019 adopted budget due to mid year adjustments, including funding and organizational changes.

## **Financial Analysis – Traffic & Parking Services**

The total Traffic & Parking Services budget increases from \$65.9 million to \$74.9 million from 2019 to 2020. This is an increase of \$9.0 million, or 13.7%. The Traffic & Parking Services 2020 expenditure budget growth is driven primarily by inflationary factors and departmental change items totaling \$7.0 million.

### **Revenue**

Revenues are projected to increase by 10.5% in Traffic & Parking Services due primarily to a realignment of the budget with historical actuals, primarily with regard to parking utilization. The department's total revenues in 2020 are projected to be \$79.2 million excluding the use of fund balance.

### **Fund Allocation**

This department is funded primarily by the Parking Fund (74.6%), with the remainder of the department's funding found in the General Fund (25.0%) and Traffic Stores Department (0.5%).

### **Budget Change Items**

Detailed change items are presented on the following pages.

## Public Works

### Vision Zero Safety Initiatives

## 2020 Change Item

Program: Transportation Operations & Mobility

Fund: General Fund

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	100	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	100	—	—	—	—

Personnel Impacts	2020	2021	2022	2023	2024
Change in FTE Count	—	—	—	—	—

#### Proposal Details:

The Council approves \$100,000 in one-time funding for targeted strategies to reduce fatalities and serious injuries on Minneapolis streets, which may include speed reduction strategies and improved enforcement of speed and traffic signal traffic laws.

#### Rationale/Background:

The City adopted a Vision Zero Policy in 2017 – with a goal of zero severe injury and fatal crashes by 2027. These initiatives are critical path items to accomplishing this goal.

Minneapolis is experiencing an increase in crashes and the severe injuries and death that result from crashes. There is a direct link between speed limits and safety, and the safety benefits of lower speed limits. We need to lower speeds in Minneapolis, and sufficient analysis and methodology must be completed to uphold the results under scrutiny. Speed is a top 5 factor in contributing to crashes in Minnesota, and a factor in 31% of all traffic fatalities Nationwide.

Public Works has \$200,000 in one-time and \$50,000 in ongoing funding budgeted to support these proposals.

#### Description of the Change:

##### Speed Limit Reduction Strategy Study:

This report will provide a framework of the implementation of speed limit reduction on streets under the City's Jurisdiction. Legislation requires that a city that uses the authority under this paragraph must develop procedures to set speed limits based on the city's safety, engineering, and traffic analysis. At a minimum, the safety, engineering, and traffic analysis must consider national urban speed limit guidance and studies, local traffic crashes, and methods to effectively communicate the change to the public.

#### Strategies and Plan for the Feasibility of Automated Enforcement Implementation:

The automated enforcement of vehicle speeds and red light running will provide significant safety benefits by reducing many serious crash types. The first step in obtaining these benefits is to gauge the feasibility and develop a strategy. Study deliverables include review and documentation of regulations; best practices for automated enforcement and lessons learned from other cities and states; documentation of the safety need for automated enforcement; and developing a list of locations for pilot automated enforcement.

**Equity Impact:**

Data show fatalities and severe injuries due to crashes on Minneapolis streets disproportionately impact residents with low income. While 31% of Minneapolitans live in census tracts where there are larger shares of people with lower incomes and over half of residents are people of color, 42% of pedestrian crashes, 40% of vehicle crashes, and 35% of bicycle crashes occur in these neighborhoods. Moving forward with these Vision Zero safety initiatives while using equity criteria in the planning process will reduce fatality and severe injury disparities in the city. (source: 2018 City of Minneapolis Vision Zero Crash Study)

**Results:**

This change item will have a positive impact on the following Public Works performance measure:

1. Crash Serious Injuries and Fatalities – Vehicle speed and failing to yield the right of way are two critical factors in fatalities and serious injuries on Minneapolis streets. Each of the Vision Zero Safety Initiatives in this proposal aligns with international best practices for reducing fatalities and serious injuries from crashes on Minneapolis streets.

**Public Works**

Advanced Mobility

**2020 Change Item**Program: *Transportation Operations & Mobility*Fund: *General Fund*

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	223	223	223	223	223
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	367	17	17	17	17
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	590	240	240	240	240

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	2	2	2	2	2

**Proposal Details:**

The Council approves \$350,000 in one-time and \$240,000 in ongoing funding to better plan for, manage and enforce the citywide curbside asset and right of way through expanded efforts surrounding Curbside Management, Right of Way Management, Mobility Innovation, Micro-mobility Infrastructure, Advanced Mobility Outreach, and Mobility Hub Infrastructure .

**Rationale/Background:**

The curbside plays host to Uber, Lyft, taxis, freight delivery, single occupant vehicle parking, scooter parking, bike parking, bus stops, obstruction permits, parklets, café's, etc. Automated vehicles and deliveries are holding both promise and threat to the organization of our space. We must be able to adapt to the changing needs of parking supply and demand with dynamic management of the space.

## Examples of support for Mayoral priorities:

- 1) Economic inclusion and equity – this group would ensure that new mobility options are available to all people who travel, including the unbanked and those without smartphones.
- 2) Climate – Curbside management and mobility hubs will reduce single occupant vehicles and GHG

**Description of the Change:**

This proposal is an expansion to existing activities currently operating in skeleton form (one staff person, one Fellow who has funding until December only). This will result in harnessing transportation technology to meet our city goals, more organized use of public right of way, and leveraging our assets for broader outcomes. This is largely achieved by managing curbside and parking resources in a more efficient manner to accommodate innovation, while reaching safety, equity and climate goals.

Ongoing proposal: the one-time funding would provide additional resources to support the implementation of Mobility Hubs, which are primarily funded through CMAQ grant money but requires additional City investment. The ongoing funding will cover 2 additional FTEs to support the department

as it seeks to continue the work of the Urban Transportation Innovation Fellow, develop and manage systems for curbside and modern parking management, enforce curbside issues through right of way management and micro-mobility infrastructure improvements (eg striping, signing, and other markings to clarify use and parking), and perform education and outreach to users of the transportation system.

Mobility hub work complements the work of the Sustainability Division. External partners: McKnight Foundation, St. Paul, the University of Minnesota, Hennepin County, Minnesota Department of Transportation and the Metropolitan Council.

**Equity Impact:**

The proposal supports safety, equity, and climate goals.

Safety: In 2016 the City adopted a Vision Zero policy with a goal of reducing deaths and serious injury on our streets that result from traffic crashes. Native Americans areas within RCAPs are over-represented in crash data. Increased planning and management of the curbside will reduce conflict in street operations, thereby contributing the city's Vision Zero goal.

Equity: Twenty three percent of the City's population does not have a smartphone, and does not have access to mobility options such as Lyft or scooters. Bike Share require a credit card, which is not possible for the unbanked. Positions included in this proposal would leverage our control of the right of way to demand better access to mobility options from private providers for low income populations as well as those with mobility impairments.

Climate: This effort will reduce greenhouse gas emissions by greatly expanding access to non-motorized and electric transportation options. Sixty-one percent of scooter users in 2018 reported they used personal vehicles, TNCs or taxis less frequently with access to scooters. This work was completed with a skeleton staff and is not replicable without additional support.

**Results:**

This change item will positively impact two Public Works performance measures:

1. Crash Serious Injuries and Fatalities – intentional management of the right of way will protect space used by all modes and better coordinate all uses.
2. Commute Mode – successful efforts in advanced mobility will reduce the number of single occupancy vehicle trips.

Parking utilization and revenue may also be affected.

A new measure could be considered that includes distance of population served from non-motorized mobility options.

**Public Works***Parking Fund Capital***2020 Change Item**

Program: Transportation Operations &amp; Mobility

Fund: Municipal Parking-Enterprise

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
Not Applicable	—	—	—	—	—
	—	—	—	—	—
	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	—	—	—	—	—
Other	6,000	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	6,000	—	—	—	—
<b>Personnel Impacts</b>					
<b>Change in FTE Count</b>	—	—	—	—	—

**Proposal Details:**

The Council approves \$3 million one-time to off-street parking capital for ramp maintenance, and add \$3 million one-time to on-street parking capital for replacement of multi-space parking meters. These are ongoing needs, and the department may return to request additional funding as needed.

**Rationale/Background:**

Minneapolis owns or manages 17 parking ramps. The average age of the ramps is 30 years, creating the need for more maintenance to extend the useful life the structures and systems as well as to maintain quality customer experiences and safety in a competitive marketplace.

Minneapolis also operates approximately 8,000 on-street metered spaces. The current multi-space meters are approaching the end of their useful life and are due for a phased replacement over three years. The new meters will meet current accessibility standards.

**Description of the Change:**

The department has planned capital investment in parking ramps of \$2 million per year. This proposal adds another \$3 million in 2020 for this work. Planned 2020 work includes elevator repairs, retrofit lighting, escalator removal/replacement, and ramp work. thereby extending the safety and life of the off-street parking facility.

The meter portion of this request is related to the City's need to fund the replacement of all multi-space meters in the city beginning in 2020. The department may return to request additional funding as total meter replacement is expected to take three years.

**Equity Impact:**

The new multi-space parking meters will meet current accessibility requirements.

**Results:**

Maintaining adequate capital investment amounts in the off-street parking system will have a positive impact on the following Results Minneapolis measures:

1. Occupancy Rate: City parking ramps.
2. 311 Parking Meter Problem Cases

**TRAFFIC AND PARKING SERVICES**  
**EXPENSE AND REVENUE INFORMATION**

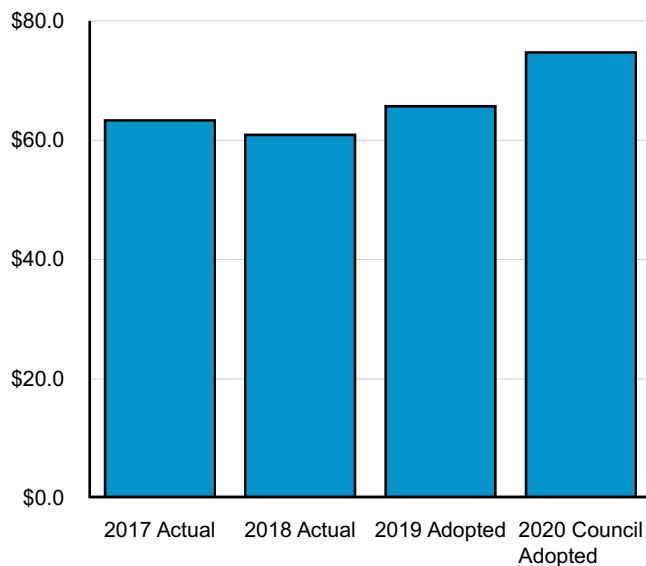
EXPENSE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>GENERAL</b>						
SALARIES AND WAGES	4,470,775	4,848,304	4,918,000	5,343,000	8.6%	425,000
FRINGES	1,883,200	2,104,353	2,077,000	2,260,000	8.8%	183,000
CONTRACTUAL SERVICES	7,818,262	7,662,439	8,051,000	8,625,000	7.1%	574,000
OPERATING COSTS	2,891,576	2,327,810	2,578,000	2,705,000	4.9%	127,000
CAPITAL EQUIPMENT	254,247	14,414	—	—	0.0%	0
<b>TOTAL GENERAL</b>	<b>17,318,060</b>	<b>16,957,320</b>	<b>17,624,000</b>	<b>18,933,000</b>	<b>7.4%</b>	<b>1,309,000</b>
<b>INTERNAL SERVICE</b>						
SALARIES AND WAGES	205,289	199,457	183,000	194,000	6.0%	11,000
FRINGES	141,848	78,609	84,000	97,000	15.5%	13,000
CONTRACTUAL SERVICES	77,589	73,246	32,000	31,000	-3.1%	(1,000)
OPERATING COSTS	132,359	(155,670)	27,000	33,000	22.2%	6,000
<b>TOTAL INTERNAL SERVICE</b>	<b>557,085</b>	<b>195,642</b>	<b>326,000</b>	<b>355,000</b>	<b>8.9%</b>	<b>29,000</b>
<b>ENTERPRISE</b>						
SALARIES AND WAGES	3,342,462	3,633,649	3,827,000	4,162,000	8.8%	335,000
FRINGES	2,299,648	1,534,004	1,703,000	1,845,000	8.3%	142,000
CONTRACTUAL SERVICES	35,353,941	35,339,472	36,543,000	38,385,000	5.0%	1,842,000
OPERATING COSTS	4,469,191	3,425,320	3,749,000	3,247,000	-13.4%	(502,000)
CAPITAL EQUIPMENT	191,700	29,931	2,140,000	8,000,000	273.8%	5,860,000
<b>TOTAL ENTERPRISE</b>	<b>45,656,942</b>	<b>43,962,376</b>	<b>47,962,000</b>	<b>55,639,000</b>	<b>16.0%</b>	<b>7,677,000</b>
<b>TOTAL EXPENSE</b>	<b>63,532,087</b>	<b>61,115,338</b>	<b>65,912,000</b>	<b>74,927,000</b>	<b>13.7%</b>	<b>9,015,000</b>
REVENUE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>GENERAL</b>						
CHARGES FOR SALES	97,083	82,811	55,000	72,000	30.9%	17,000
CHARGES FOR SERVICES	1,310,799	1,227,444	645,000	832,000	29.0%	187,000
LOCAL GRANTS & AIDS	821,528	768,466	690,000	690,000	0.0%	0
MISCELLANEOUS	440,662	487,319	225,000	360,000	60.0%	135,000
NON-BUSINESS LICENSES AND PERMITS	2,554,284	2,270,959	2,310,000	1,510,000	-34.6%	(800,000)
RENTS	313,965	760,185	400,000	720,000	80.0%	320,000
SPECIAL ASSESSMENTS	196,630	198,071	200,000	200,000	0.0%	0
STATE GRANTS & AIDS	1,539,933	1,677,836	1,315,000	1,315,000	0.0%	0
<b>TOTAL GENERAL</b>	<b>7,274,884</b>	<b>7,473,091</b>	<b>5,840,000</b>	<b>5,699,000</b>	<b>-2.4%</b>	<b>(141,000)</b>

**TRAFFIC AND PARKING SERVICES  
EXPENSE AND REVENUE INFORMATION**

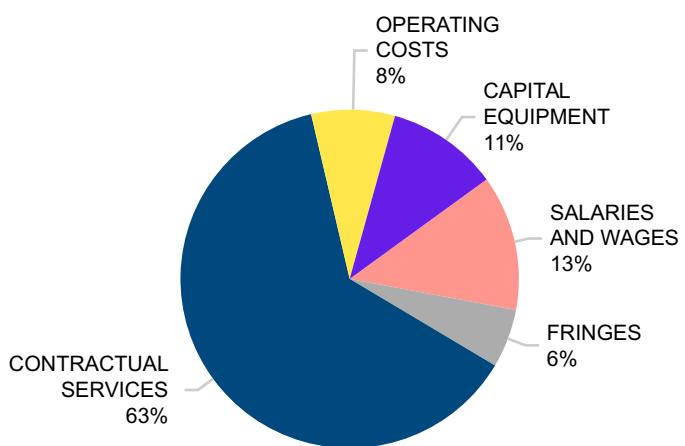
<b>REVENUE</b>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Adopted</b>	<b>2020 Council Adopted</b>	<b>Percent Change</b>	<b>Change</b>
<b>INTERNAL SERVICE</b>						
CHARGES FOR SALES	58,286	49,028	—	50,000	0.0%	50,000
CHARGES FOR SERVICES	1,033,183	442,676	325,000	306,000	-5.8%	(19,000)
<b>TOTAL INTERNAL SERVICE</b>	<b>1,091,469</b>	<b>491,704</b>	<b>325,000</b>	<b>356,000</b>	<b>9.5%</b>	<b>31,000</b>
<b>ENTERPRISE</b>						
CHARGES FOR SALES	785,211	870,309	1,000,000	1,000,000	0.0%	0
CHARGES FOR SERVICES	64,737,457	68,282,224	64,142,000	70,876,000	10.5%	6,734,000
GAIN ON SALE OF ASSETS	24,774,415	—	—	—	0.0%	0
MISCELLANEOUS	12,750	10,835	—	—	0.0%	0
NON-BUSINESS LICENSES AND PERMITS	487,544	782,144	495,000	695,000	40.4%	200,000
OTHER	(28,500)	—	—	—	0.0%	0
RENTS	716,890	967,386	49,000	49,000	0.0%	0
SPECIAL ASSESSMENTS	—	—	543,000	543,000	0.0%	0
USE OF FUND BALANCE	—	—	168,000	(522,000)	-410.7%	(690,000)
<b>TOTAL ENTERPRISE</b>	<b>91,485,767</b>	<b>70,912,898</b>	<b>66,397,000</b>	<b>72,641,000</b>	<b>9.4%</b>	<b>6,244,000</b>
<b>TOTAL REVENUE</b>	<b>99,852,120</b>	<b>78,877,693</b>	<b>72,562,000</b>	<b>78,696,000</b>	<b>8.5%</b>	<b>6,134,000</b>

## TRAFFIC AND PARKING SERVICES EXPENSE AND REVENUE INFORMATION

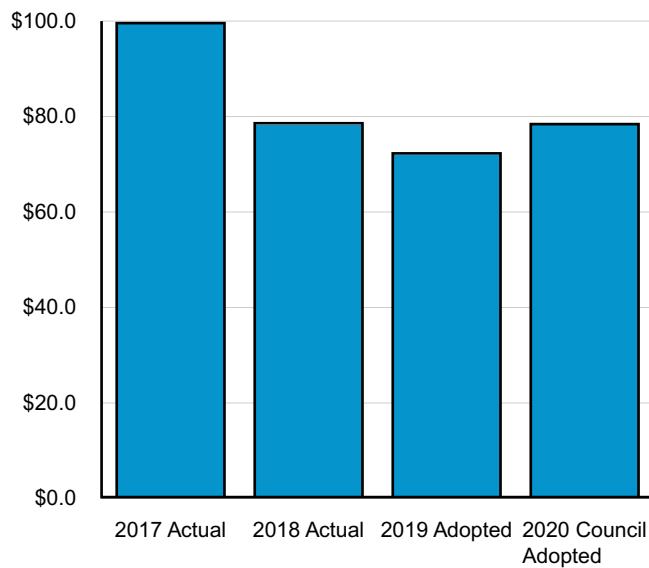
**Expense 2017 - 2020**  
**In Millions**



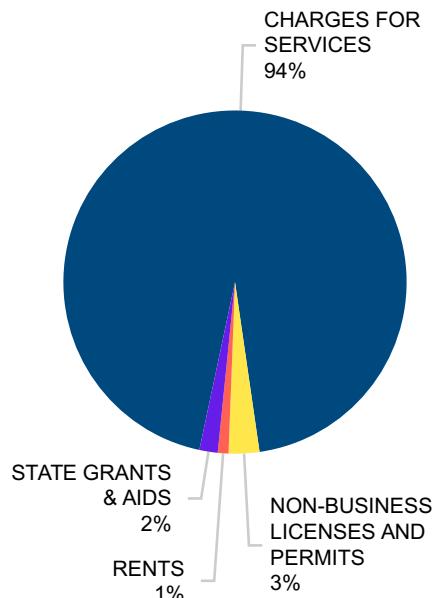
**Expense by Category**



**Revenue 2017 - 2020**  
**In Millions**



**Revenue by Type**

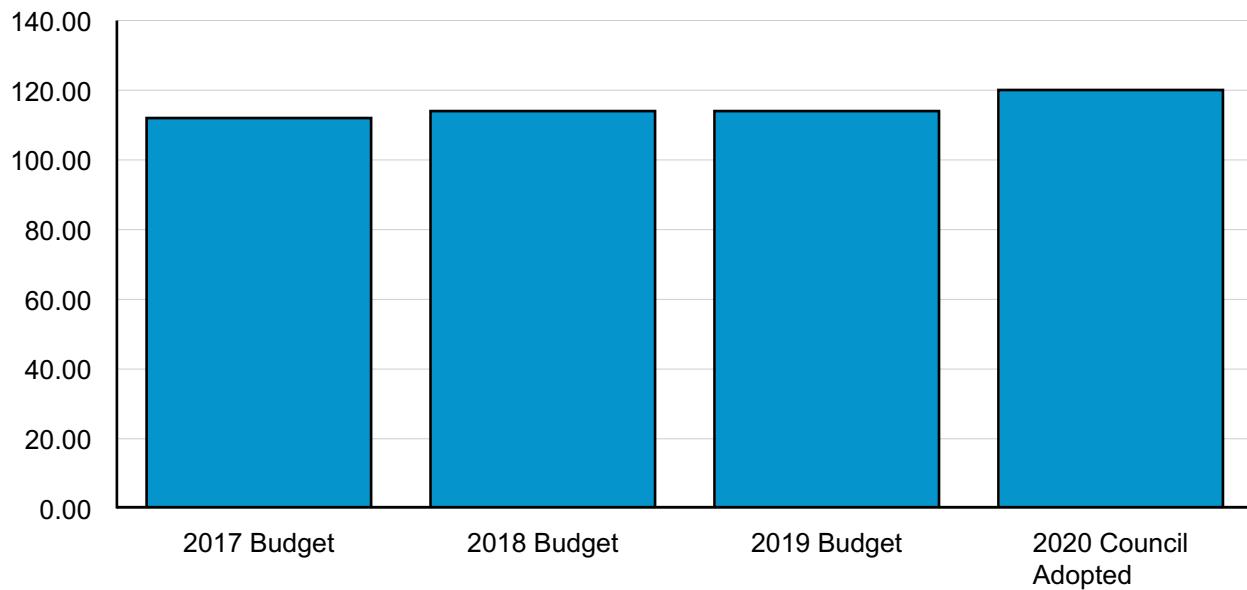


## TRAFFIC AND PARKING SERVICES

### Staffing Information

Division	2017 Budget	2018 Budget	2019 Budget	2020 Council Adopted	Percent Change	Change
FIELD OPERATIONS	46.30	46.30	44.30	46.55	5.1%	2.25
INVENTORY	3.00	3.00	3.00	3.00	0.0%	0
OFF-STREET PARKING	11.95	11.95	12.95	14.70	13.5%	1.75
ON-STREET PARKING	15.90	17.90	18.90	19.25	1.9%	0.35
PLANNING & DESIGN	6.50	6.50	6.50	6.50	0.0%	0
STREET LIGHTING	5.85	5.85	5.85	7.45	27.4%	1.6
TOWING AND IMPOUND	22.90	22.90	22.90	23.00	0.4%	0.1
Overall	112.40	114.40	114.40	120.45	5.0%	6.05

### Positions 2017-2020



## **Financial Analysis – Transportation Maintenance & Repair**

### **Expenditure**

The Transportation Maintenance and Repair Division's total budget increases from \$54.3 million in 2019 to \$55.9 million in 2020. This is an increase of \$1.6 million or 2.9%. The Transportation Maintenance and Repair Division's 2020 expenditure budget reflects the following changes from 2019: an increase of \$60,000 for fleet charges in Street Cleaning, an increase of \$500,000 for fleet charges in Snow, a decrease of \$100,000 capital equipment in ramps, as well as a budgetary change items totaling \$780,000 described below (an additional \$320,000, presented altogether in the Street Lighting/Litter Pick Up - Cultural Districts Change Item for the purposes of this book, will be expended from the Traffic & Parking Services Division.

### **Revenue**

Revenues are projected to remain flat in this department. The division's total revenues in 2020 are projected to be \$23.5 million excluding the use of fund balance.

### **Fund Allocation**

This division is funded primarily by the General Fund (67.0%), with the remainder of the division's funding found in the Special Revenue Funds (12.8%), Enterprise Funds (17.9%) and Capital Project Funds (2.2%).

### **Budget Change Items**

Detailed change items are presented on the following pages.

## Public Works

## 2020 Change Item

Expanded Service: Winter Corner Clearing and Green Infrastructure Maintenance

Program: *Transportation Maintenance*

Fund: *General Fund*

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	400	400	400	400	400
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	400	400	400	400	400
<b>Personnel Impacts</b>					
Change in FTE Count	—	—	—	—	—

### Proposal Details:

The Council approves \$400,000 ongoing to support the department's ability to: 1) maintain current and future 'green elements', such as planters, bulb-outs, and other greening elements within the City's right of way (\$100,000 ongoing) and 2) increase responsiveness to sidewalk snow and ice corner clearing on pedestrian street lighting corridors (\$300,000 ongoing).

### Rationale/Background:

The city's adopted policy to implement Complete Streets has led to an increase of protected bikeways, and there is a high desire to install something other than sticks or concrete as a separator. In addition, storm water goals for improved retention and treatment at street level will add green spaces to the public realm. Currently, neither the City nor the Park Board maintain anything outside of grass or trees. Public Works does not have budget to keep pace with the growing amount of specialized maintenance required by higher quality green elements within our right of way. Partnership with MPRB will be pursued to augment the City's efforts.

The second portion of this request supports the city's complete streets policy by providing a higher level of service for snow and ice corner clearing efforts on pedestrian street lighting corners. With additional funding, we would be able to reduce corner clearing on this network from 5 days to 2 days. Public Works could dedicate \$200,000 of current budget to supplement the \$300,000 mayor request.

### Description of the Change:

This request would add budget to the Transportation Maintenance program to provide a higher level of service for street maintenance, as it relates to green infrastructure, and sidewalk

clearing. The City's effort to green our streets requires additional maintenance equipment and personnel to handle the growing desire for planted protected bike lanes, as well as the ability to expand our efforts to provide green spaces within the right of way that assist with stormwater run-off. While some elements of maintenance are currently the responsibility of Surface Water and Sewers, there are projects that will fall outside of the current level of service provided that will still provide environmental benefit.

The snow and ice corner clearing on pedestrian street lighting corridors proposal is an enhancement to a current activity. Currently, there are two circumstances that will trigger the initiation of corner clearing activities: an accumulation of 4" or more of snow, or a declared Snow Emergency. Corner clearing commences at the completion of the Snow Emergency; this allows the City to remove the windrows left in place after street plowing is completed. This is a five-day operation. The requested funding would be used to hire contractors to perform the work and allow corners to be cleared in 2 to 3 days.

**Equity Impact:**

Quicker response snow and ice corner clearing on pedestrian street lighting corridors benefits all pedestrians. Clearing corners makes walking safer and more accessible during the winter months and especially residents who are transit dependent or disabled.

**Results:**

This change item will have a positive impact on the following Public Works performance measure:

Percent of 311 Street Snow and Ice Complaints resolved in SLA – 311 complaints about sidewalk intersection corners that are blocked by snow and ice windrows are logged as “Street Snow and Ice Complaints.”

## Public Works

## 2020 Change Item

### Street Lighting/Litter Pick Up - Cultural Districts

Program: *Transportation Maintenance*

Fund: *General Fund*

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	550	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	550	—	—	—	—
<b>Personnel Impacts</b>					
Change in FTE Count	—	—	—	—	—

### Proposal Details:

The Council approves \$550,000 one-time for additional or accelerated services within identified cultural districts. The proposal includes improved street lighting on East Lake Street and West Broadway, and litter sweeps on East Lake Street, West Broadway, Cedar Ave, and E. 38th Street. The cost of improved street lighting is \$320,000 (one-time) and the cost for litter sweeps is \$230,000 (one-time).

### Rationale/Background:

This request includes two elements supporting the broader city effort on Cultural Districts: lighting and litter sweeps. The street lighting proposal accelerates pedestrian level lighting improvements and the litter sweep proposal provides regular hand collection of litter within the right of way.

The Cultural District effort directly supports the Mayor's economic inclusion priority. This work will create a welcoming and affirming environment by supporting commercial activity and boosting safety, walkability, and a sense of community.

### Description of the Change:

Lighting improvements can include items such as conversion of existing lights from high pressure sodium fixtures to LED or new pedestrian level lighting. Public Works has existing programs for these improvements and the additional funding will allow for targeted improvements in cultural districts.

Public realm litter control is a second area of interest within Cultural Districts. The litter sweep portion of this proposal provides regular hand collection of litter within the Right of Way. Frequency of sweeps would be matched to the seasonality of litter as well as funding levels. The cost of the proposal could be reduced by narrowing collection areas or reducing collection intervals.

Litter sweeps may be performed by city crews or private contractor. This will be determined later.

### Equity Impact:

This proposal supports the broader city Cultural Districts effort. Cultural Districts strengthen neighborhoods by prioritizing and accelerating economic development, public transit, and affordable

housing policies, practices, and resources to protect the racial diversity and uplift the cultural identity of the city's areas where a significant portion of the population is comprised of people of color, Indigenous people, and/or immigrant communities.

**Results:**

This change item will have a positive impact on the following Public Works performance measure:

1. Street Light Trouble – the LED conversion portion of this proposal will reduce the number of street light complaints. LED bulbs have a much longer life and result in a reduced number of reported failures.

**Public Works***Loring Greenway Maintenance***2020 Change Item****Program:** Transfers**Fund:** General Fund

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
Not Applicable	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	75	—	—	—	—
Other	75	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	150	—	—	—	—

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	—	—	—	—	—

**Proposal Details:**

Increasing the expense budget in the General Fund for the Public Works Department by \$75,000 to contract for maintenance of the Loring Greenway, with a commensurate increase of \$75,000 to transfer funds from the Downtown Assets Fund to the General Fund to support this work.

**Rationale/Background:**

Loring Greenway is a city-owned urban garden and pedestrian walkway between Loring Park and Nicollet Mall. The urban greenway is nationally recognized for its design and it is a critical public space in downtown Minneapolis. This funding will support the ongoing maintenance needs of this important public asset.

**Description of the Change:**

The funding will support maintenance and greening above and beyond city standard service.

**Equity Impact:**

The Loring Greenway connects Loring Park to Nicollet Mall and Peavey Plaza. These iconic Minneapolis landmarks serve all users for downtown.

**Results:**

NA

**TRANSPORTATION MAINTENANCE AND REPAIR  
EXPENSE AND REVENUE INFORMATION**

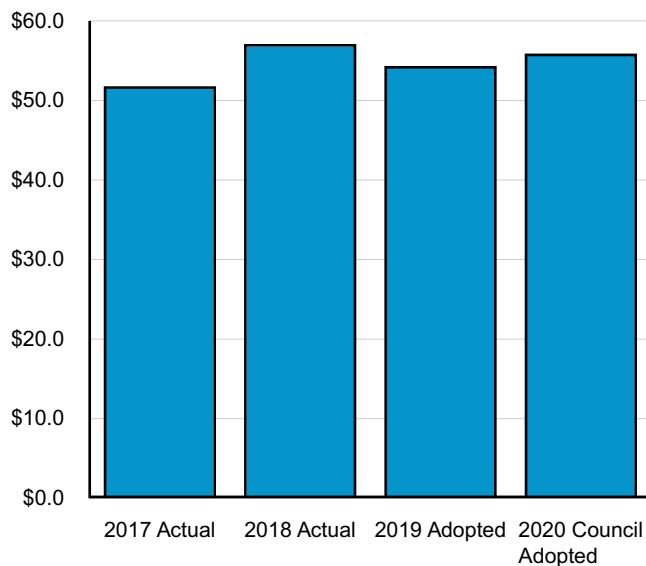
<b>EXPENSE</b>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Adopted</b>	<b>2020 Council Adopted</b>	<b>Percent Change</b>	<b>Change</b>
<b>GENERAL</b>						
SALARIES AND WAGES	11,231,059	12,572,257	11,615,000	11,675,000	0.5%	60,000
FRINGES	5,676,954	6,294,730	6,133,000	6,454,000	5.2%	321,000
CONTRACTUAL SERVICES	11,640,377	14,087,595	12,457,000	13,539,000	8.7%	1,082,000
OPERATING COSTS	5,517,834	5,699,422	5,570,000	5,549,000	-0.4%	(21,000)
CAPITAL EQUIPMENT	228,989	367,250	240,000	140,000	-41.7%	(100,000)
<b>TOTAL GENERAL</b>	<b>34,295,213</b>	<b>39,021,254</b>	<b>36,015,000</b>	<b>37,357,000</b>	<b>3.7%</b>	<b>1,342,000</b>
<b>SPECIAL REVENUE</b>						
SALARIES AND WAGES	2,836	—	—	—	0.0%	0
FRINGES	1,221	—	—	—	0.0%	0
CONTRACTUAL SERVICES	6,902,400	7,007,505	7,121,000	7,296,000	2.5%	175,000
OPERATING COSTS	310	—	—	—	0.0%	0
<b>TOTAL SPECIAL REVENUE</b>	<b>6,906,767</b>	<b>7,007,505</b>	<b>7,121,000</b>	<b>7,296,000</b>	<b>2.5%</b>	<b>175,000</b>
<b>CAPITAL PROJECT</b>						
SALARIES AND WAGES	317,259	335,477	384,000	396,000	3.1%	12,000
FRINGES	123,869	143,371	148,000	153,000	3.4%	5,000
CONTRACTUAL SERVICES	607,647	862,141	701,000	668,000	-4.7%	(33,000)
OPERATING COSTS	17,732	16,712	22,000	22,000	0.0%	0
<b>TOTAL CAPITAL PROJECT</b>	<b>1,066,507</b>	<b>1,357,701</b>	<b>1,255,000</b>	<b>1,239,000</b>	<b>-1.3%</b>	<b>(16,000)</b>
<b>ENTERPRISE</b>						
SALARIES AND WAGES	2,682,702	2,493,949	2,844,000	2,862,000	0.6%	18,000
FRINGES	1,321,097	1,320,847	1,508,000	1,578,000	4.6%	70,000
CONTRACTUAL SERVICES	4,914,041	5,140,088	4,908,000	4,856,000	-1.1%	(52,000)
OPERATING COSTS	597,070	755,841	684,000	702,000	2.6%	18,000
<b>TOTAL ENTERPRISE</b>	<b>9,514,910</b>	<b>9,710,725</b>	<b>9,944,000</b>	<b>9,998,000</b>	<b>0.5%</b>	<b>54,000</b>
<b>TOTAL EXPENSE</b>	<b>51,783,397</b>	<b>57,097,185</b>	<b>54,335,000</b>	<b>55,890,000</b>	<b>2.9%</b>	<b>1,555,000</b>

**TRANSPORTATION MAINTENANCE AND REPAIR  
EXPENSE AND REVENUE INFORMATION**

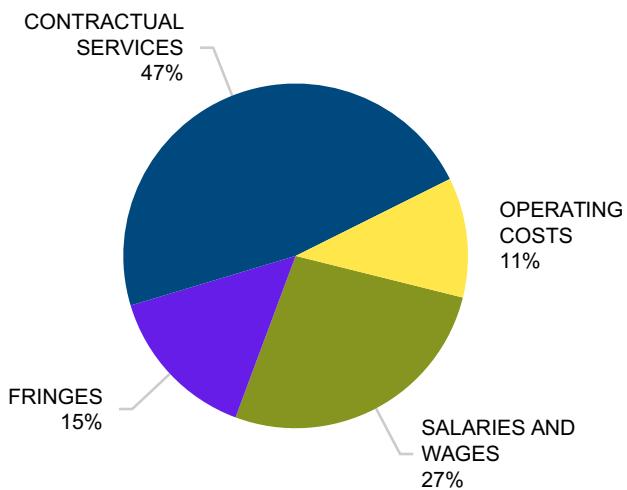
REVENUE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>GENERAL</b>						
CHARGES FOR SALES	9,493	29,072	10,000	10,000	0.0%	0
CHARGES FOR SERVICES	10,188,018	8,028,980	7,975,000	7,988,000	0.2%	13,000
LOCAL GRANTS & AIDS	193,353	180,699	190,000	185,000	-2.6%	(5,000)
MISCELLANEOUS	17,418	70	—	—	0.0%	0
SPECIAL ASSESSMENTS	2,297,821	2,106,137	2,260,000	2,559,000	13.2%	299,000
STATE GRANTS & AIDS	3,617,646	3,941,882	4,025,000	4,031,000	0.1%	6,000
<b>TOTAL GENERAL</b>	<b>16,323,749</b>	<b>14,286,840</b>	<b>14,460,000</b>	<b>14,773,000</b>	<b>2.2%</b>	<b>313,000</b>
<b>SPECIAL REVENUE</b>						
CONTRIBUTIONS	(5,174)	11,910	—	—	0.0%	0
MISCELLANEOUS	20,494	41,344	—	—	0.0%	0
SPECIAL ASSESSMENTS	6,693,253	6,747,614	7,121,000	7,296,000	2.5%	175,000
STATE GRANTS & AIDS	8,846	23,313	—	—	0.0%	0
<b>TOTAL SPECIAL REVENUE</b>	<b>6,717,419</b>	<b>6,824,181</b>	<b>7,121,000</b>	<b>7,296,000</b>	<b>2.5%</b>	<b>175,000</b>
<b>CAPITAL PROJECT</b>						
MISCELLANEOUS	2,144	26,104	—	—	0.0%	0
NON-BUSINESS LICENSES AND PERMITS	336,762	217,958	310,000	310,000	0.0%	0
SPECIAL ASSESSMENTS	60,282	118,694	100,000	100,000	0.0%	0
USE OF FUND BALANCE	—	—	846,000	328,000	-61.2%	(518,000)
<b>TOTAL CAPITAL PROJECT</b>	<b>399,188</b>	<b>362,756</b>	<b>1,256,000</b>	<b>738,000</b>	<b>-41.2%</b>	<b>(518,000)</b>
<b>ENTERPRISE</b>						
CHARGES FOR SALES	196	2,448	—	—	0.0%	0
CHARGES FOR SERVICES	2,906	829	1,000	1,000	0.0%	0
LOCAL GRANTS & AIDS	284,182	276,860	291,000	284,000	-2.4%	(7,000)
STATE GRANTS & AIDS	1,106,267	1,197,912	1,226,000	1,227,000	0.1%	1,000
<b>TOTAL ENTERPRISE</b>	<b>1,393,551</b>	<b>1,478,049</b>	<b>1,518,000</b>	<b>1,512,000</b>	<b>-0.4%</b>	<b>(6,000)</b>
<b>TOTAL REVENUE</b>	<b>24,833,907</b>	<b>22,951,826</b>	<b>24,355,000</b>	<b>24,319,000</b>	<b>-0.1%</b>	<b>(36,000)</b>

## TRANSPORTATION MAINTENANCE AND REPAIR EXPENSE AND REVENUE INFORMATION

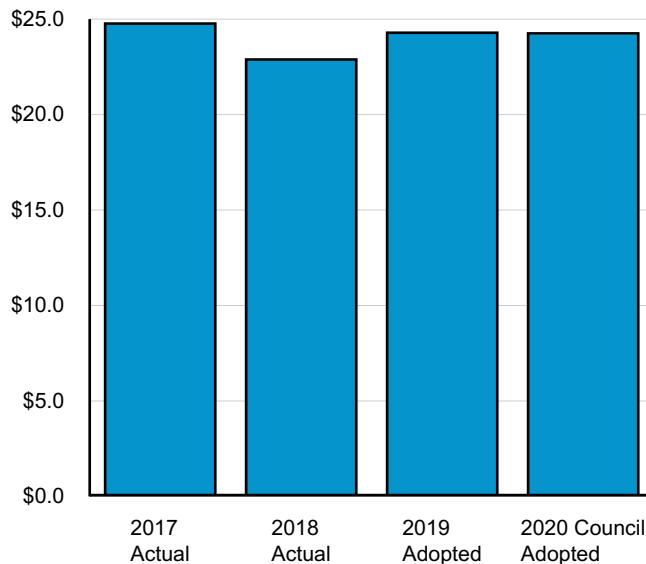
**Expense 2017 - 2020**  
**In Millions**



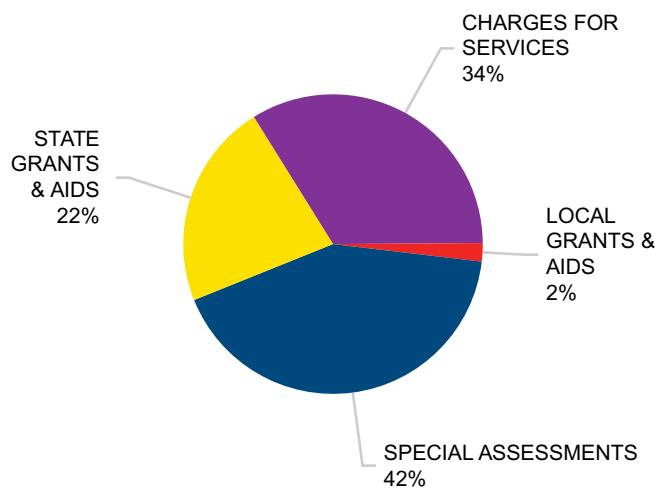
**Expense by Category**



**Revenue 2017 - 2020**  
**In Millions**



**Revenue by Type**

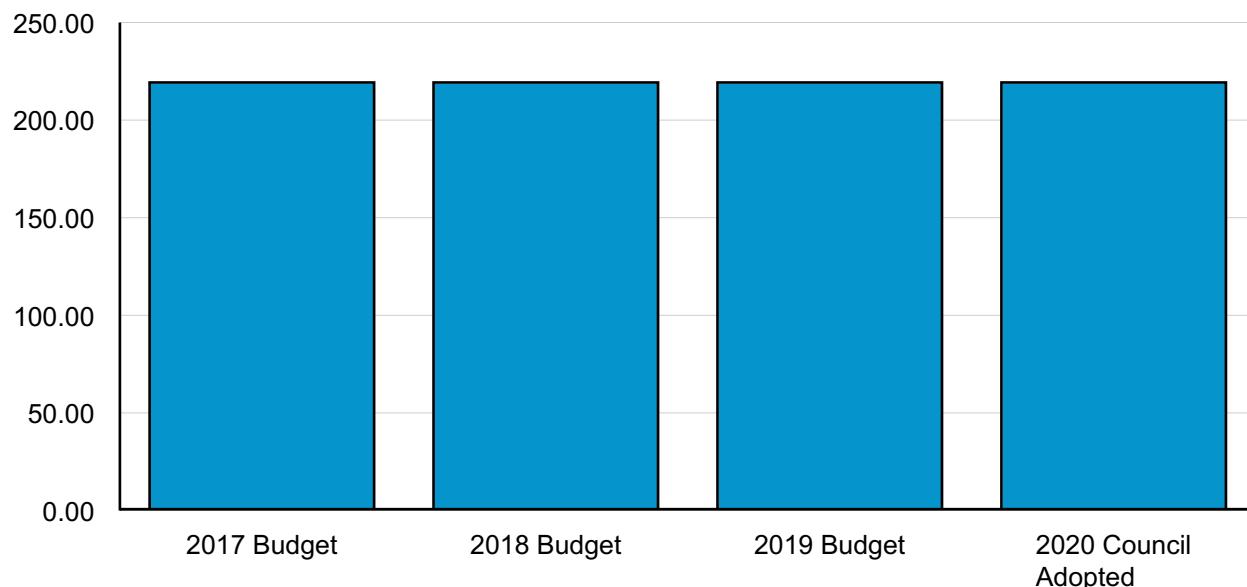


## TRANSPORTATION MAINTENANCE AND REPAIR

### Staffing Information

Division	2017 Budget	2018 Budget	2019 Budget	2020 Council Adopted	Percent Change	Change
BRIDGE MAINTENANCE & REPAIR	17.00	17.00	17.00	17.00	0.0%	0
MALLS & PLAZAS - MAINTENANCE	14.00	14.00	14.00	14.00	0.0%	0
RAMP MAINTENANCE	17.00	17.00	17.00	17.00	0.0%	0
SIDEWALK INSPECTION	6.00	6.00	5.68	5.68	0.0%	0
SNOW & ICE CONTROL	52.40	52.40	52.40	52.40	0.0%	0
STREET ADMINISTRATION	10.50	10.50	10.82	10.82	0.0%	0
STREET CLEANING	46.05	46.05	46.05	46.05	0.0%	0
STREET MAINTENANCE & REPAIR	57.00	57.00	57.00	57.00	0.0%	0
Overall	219.95	219.95	219.95	219.95	0.0%	0

### Positions 2017-2020



\* 2019 FTE counts may differ from 2019 adopted budget due to mid year adjustments, including funding and organizational changes.

## **Financial Analysis – Transportation Engineering & Design**

### **Expenditure**

The total Transportation Engineering & Design Department's budget increases from \$23.5 million to \$23.8 million from 2019 to 2020. This is an increase of \$0.3 million, or 1.3%. The Transportation Engineering & Design Department's 2020 expenditure budget primarily reflects inflationary increases in salaries and wages offset by reduced contractual services related to capital projects.

### **Revenue**

Revenues are projected to decrease by 6.1% in this department excluding uses of fund balance, due to reduced charges for services related to the City's capital program, partly offset by increased sale of asphalt/concrete and inspection fees. The department's total revenues in 2020 excluding uses of fund balance are projected to be \$20.3 million.

### **Fund Allocation**

This department is funded primarily by the 04160 Fund, with the remainder of the department's funding found in the General funds and Internal Service funds.

### **Budget Change Items**

The Transportation Engineering & Design Division does not have any change items for 2020.

**TRANSPORTATION ENGINEERING & DESIGN  
EXPENSE AND REVENUE INFORMATION**

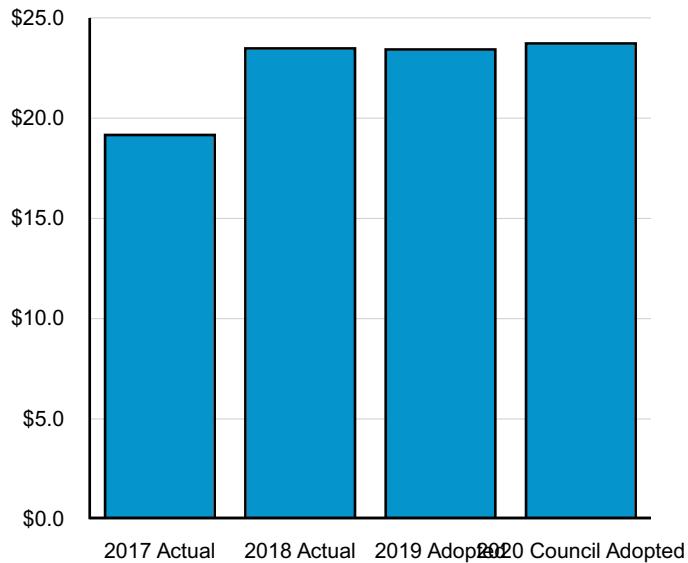
<b>EXPENSE</b>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Adopted</b>	<b>2020 Council Adopted</b>	<b>Percent Change</b>	<b>Change</b>
<b>GENERAL</b>						
SALARIES AND WAGES	1,033,617	1,120,346	1,221,000	1,236,000	1.2%	15,000
FRINGES	369,578	400,077	466,000	468,000	0.4%	2,000
CONTRACTUAL SERVICES	392,207	462,944	409,000	452,000	10.5%	43,000
OPERATING COSTS	24,458	23,700	47,000	38,000	-19.1%	(9,000)
<b>TOTAL GENERAL</b>	<b>1,819,860</b>	<b>2,007,067</b>	<b>2,143,000</b>	<b>2,194,000</b>	<b>2.4%</b>	<b>51,000</b>
<b>SPECIAL REVENUE</b>						
SALARIES AND WAGES	(75)	—	—	—	0.0%	0
FRINGES	(6)	—	—	—	0.0%	0
<b>TOTAL SPECIAL REVENUE</b>	<b>(81)</b>	<b>—</b>	<b>—</b>	<b>—</b>		<b>0</b>
<b>CAPITAL PROJECT</b>						
SALARIES AND WAGES	3,153,649	3,590,835	4,058,000	4,369,000	7.7%	311,000
FRINGES	1,128,915	1,296,653	1,560,000	1,587,000	1.7%	27,000
CONTRACTUAL SERVICES	6,331,541	9,040,237	7,069,000	6,437,000	-8.9%	(632,000)
OPERATING COSTS	55,647	69,707	93,000	98,000	5.4%	5,000
CAPITAL EQUIPMENT	27,815	50,670	80,000	80,000	0.0%	0
<b>TOTAL CAPITAL PROJECT</b>	<b>10,697,567</b>	<b>14,048,102</b>	<b>12,860,000</b>	<b>12,571,000</b>	<b>-2.2%</b>	<b>(289,000)</b>
<b>INTERNAL SERVICE</b>						
SALARIES AND WAGES	854,575	812,859	1,007,000	1,058,000	5.1%	51,000
FRINGES	553,679	265,244	403,000	406,000	0.7%	3,000
CONTRACTUAL SERVICES	803,896	1,065,805	808,000	1,299,000	60.8%	491,000
OPERATING COSTS	4,498,253	5,343,834	6,269,000	6,262,000	-0.1%	(7,000)
<b>TOTAL INTERNAL SERVICE</b>	<b>6,710,403</b>	<b>7,487,742</b>	<b>8,487,000</b>	<b>9,025,000</b>	<b>6.3%</b>	<b>538,000</b>
<b>TOTAL EXPENSE</b>	<b>19,227,749</b>	<b>23,542,911</b>	<b>23,490,000</b>	<b>23,790,000</b>	<b>1.3%</b>	<b>300,000</b>

**TRANSPORTATION ENGINEERING & DESIGN  
EXPENSE AND REVENUE INFORMATION**

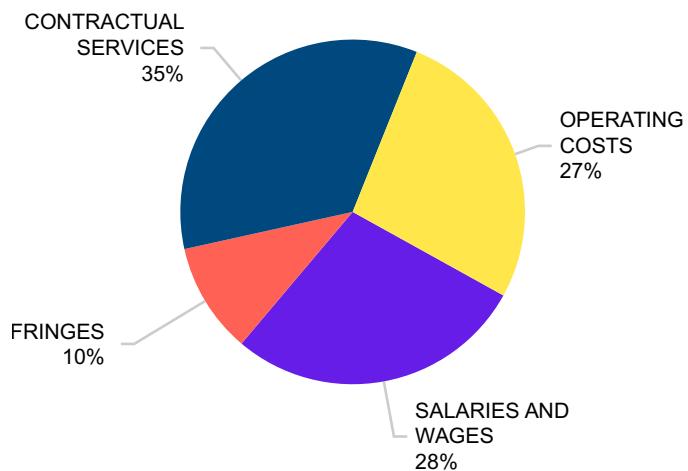
REVENUE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>GENERAL</b>						
CHARGES FOR SERVICES	1,296,140	1,397,942	1,000,000	1,100,000	10.0%	100,000
MISCELLANEOUS	—	1,420	—	—	0.0%	0
NON-BUSINESS LICENSES AND	74,290	48,995	55,000	55,000	0.0%	0
<b>TOTAL GENERAL</b>	<b>1,370,430</b>	<b>1,448,357</b>	<b>1,055,000</b>	<b>1,155,000</b>	<b>9.5%</b>	<b>100,000</b>
<b>CAPITAL PROJECT</b>						
CHARGES FOR SERVICES	7,151,305	12,863,760	12,025,000	10,090,000	-16.1%	(1,935,000)
TRANSFERS	(500,000)	—	—	—	0.0%	0
USE OF FUND BALANCE	—	—	820,000	2,480,000	202.4%	1,660,000
<b>TOTAL CAPITAL PROJECT</b>	<b>6,651,305</b>	<b>12,863,760</b>	<b>12,845,000</b>	<b>12,570,000</b>	<b>-2.1%</b>	<b>(275,000)</b>
<b>INTERNAL SERVICE</b>						
CHARGES FOR SALES	4,647,176	5,524,212	6,489,000	6,489,000	0.0%	0
CHARGES FOR SERVICES	1,650,301	2,198,705	2,007,000	2,536,000	26.4%	529,000
MISCELLANEOUS	589	—	—	—	0.0%	0
STATE GRANTS & AIDS	515	—	—	—	0.0%	0
USE OF FUND BALANCE	—	—	(10,000)	—	-100.0%	10,000
<b>TOTAL INTERNAL SERVICE</b>	<b>6,298,581</b>	<b>7,722,917</b>	<b>8,486,000</b>	<b>9,025,000</b>	<b>6.4%</b>	<b>539,000</b>
<b>TOTAL REVENUE</b>	<b>14,320,316</b>	<b>22,035,034</b>	<b>22,386,000</b>	<b>22,750,000</b>	<b>1.6%</b>	<b>364,000</b>

## TRANSPORTATION ENGINEERING & DESIGN EXPENSE AND REVENUE INFORMATION

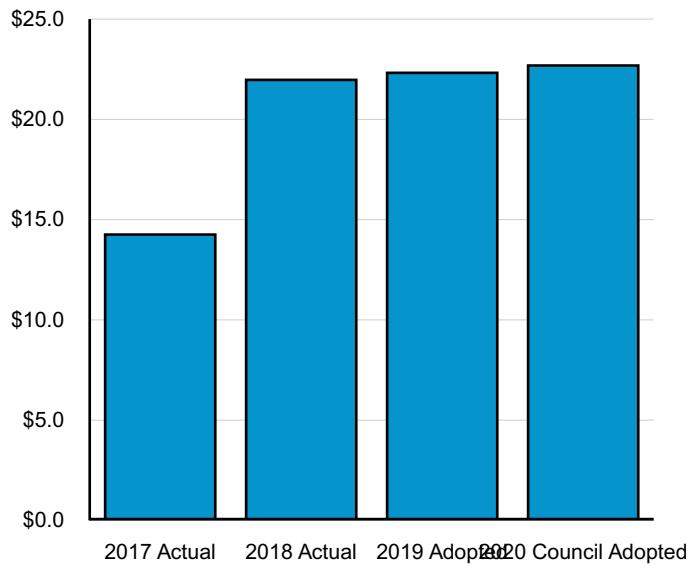
**Expense 2017 - 2020**  
**In Millions**



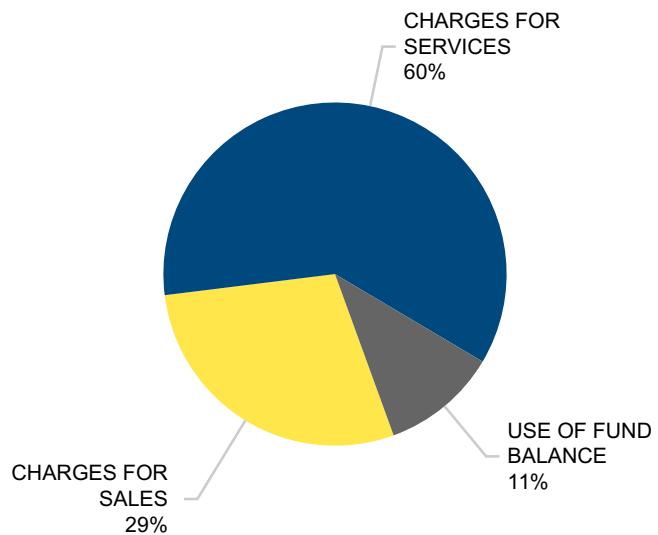
**Expense by Category**



**Revenue 2017 - 2020**  
**In Millions**



**Revenue by Type**

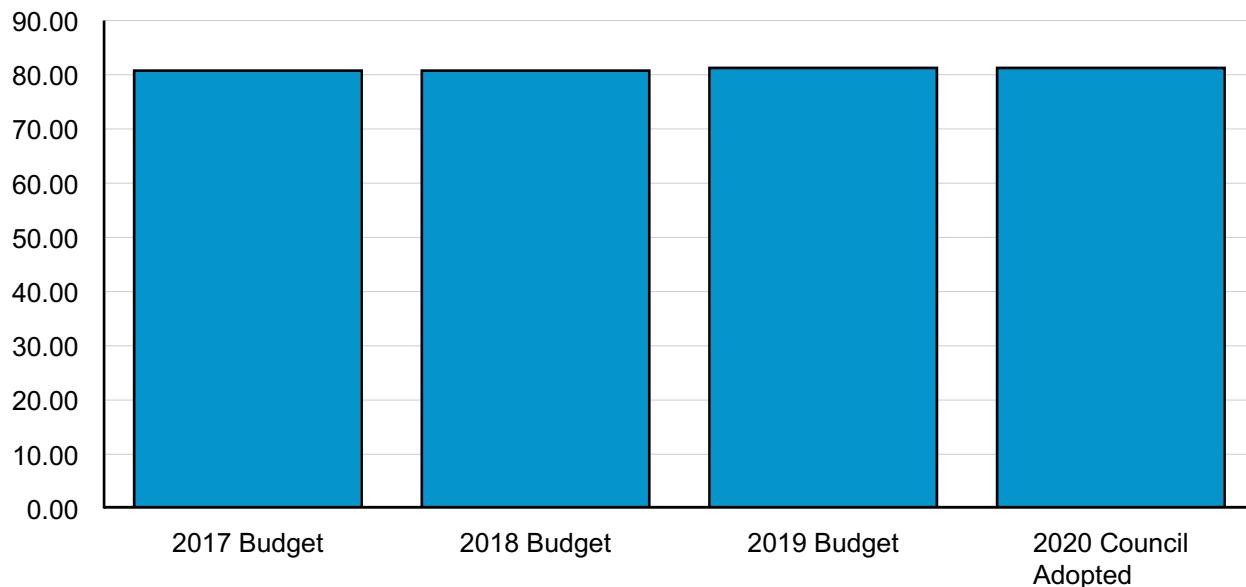


## TRANSPORTATION ENGINEERING & DESIGN

### Staffing Information

Division	2017 Budget	2018 Budget	2019 Budget	2020 Council Adopted	Percent Change	Change
BRIDGE INSPECTIONS	2.50	2.50	2.50	2.50	0.0%	0
ENGINEERING LABORATORY	13.50	13.50	14.00	14.00	0.0%	0
PLANNING AND DESIGN	52.00	52.00	52.00	52.00	0.0%	0
SP ASSESS & ROW MGNT	6.00	6.00	6.00	6.00	0.0%	0
UTILITY CONNECTIONS	7.00	7.00	7.00	7.00	0.0%	0
Overall	81.00	81.00	81.50	81.50	0.0%	0

### Positions 2017-2020



\* 2019 FTE counts may differ from 2019 adopted budget due to mid year adjustments, including funding and organizational changes.

## **Financial Analysis – Transportation Planning & Programming**

### **Expenditure**

The total Transportation Planning & Programming Department's budget increases from \$3.6 million to \$3.8 million from 2019 to 2020. This is an increase of \$0.2 million, or 4.8%. The Transportation Planning & Programming Department's 2020 expenditure budget primarily reflects an increase in personnel costs within the Capital Fund.

### **Revenue**

Revenues are projected to remain flat in this department, with an increased use of fund balance due to the timing of the Capital Project startup. The department's total revenues in 2020 are projected to be \$801,000 excluding use of fund balance.

### **Fund Allocation**

This department is funded primarily by the General Fund, with the remainder of the department's funding found in the 04160 funds.

### **Budget Change Items**

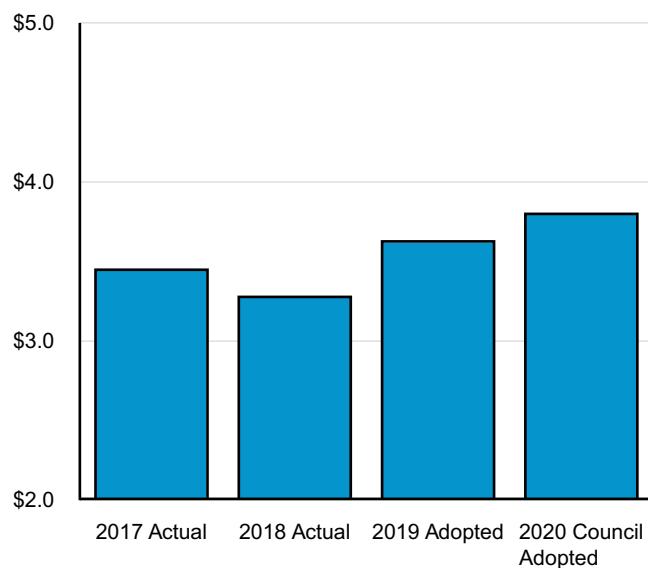
The Transportation Planning & Programming Division does not have any change items for 2020.

**TRANSPORTATION PLANNING & PROGRAMMING  
EXPENSE AND REVENUE INFORMATION**

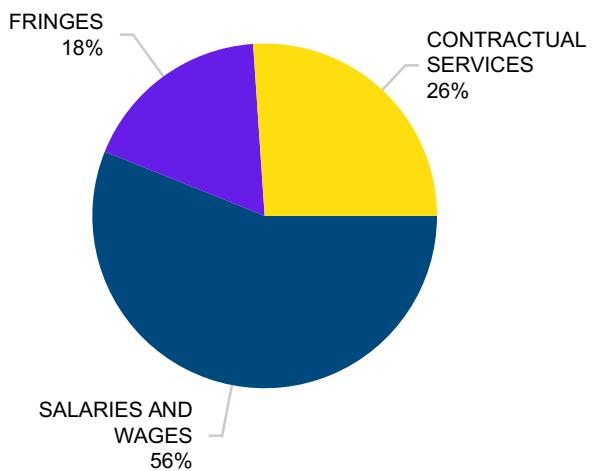
<b>EXPENSE</b>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Adopted</b>	<b>2020 Council Adopted</b>	<b>Percent Change</b>	<b>Change</b>
<b>GENERAL</b>						
SALARIES AND WAGES	1,236,298	1,479,588	1,667,000	1,751,000	5.0%	84,000
FRINGES	403,893	476,493	563,000	559,000	-0.7%	(4,000)
CONTRACTUAL SERVICES	585,739	804,872	592,000	545,000	-7.9%	(47,000)
OPERATING COSTS	40,579	36,940	28,000	26,000	-7.1%	(2,000)
<b>TOTAL GENERAL</b>	<b>2,266,509</b>	<b>2,797,893</b>	<b>2,850,000</b>	<b>2,881,000</b>	<b>1.1%</b>	<b>31,000</b>
<b>CAPITAL PROJECT</b>						
SALARIES AND WAGES	163,325	117,830	258,000	370,000	43.4%	112,000
FRINGES	49,927	40,054	86,000	116,000	34.9%	30,000
CONTRACTUAL SERVICES	977,063	330,438	441,000	441,000	0.0%	0
<b>TOTAL CAPITAL PROJECT</b>	<b>1,190,315</b>	<b>488,322</b>	<b>785,000</b>	<b>927,000</b>	<b>18.1%</b>	<b>142,000</b>
<b>TOTAL EXPENSE</b>	<b>3,456,824</b>	<b>3,286,215</b>	<b>3,635,000</b>	<b>3,808,000</b>	<b>4.8%</b>	<b>173,000</b>
<b>REVENUE</b>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Adopted</b>	<b>2020 Council Adopted</b>	<b>Percent Change</b>	<b>Change</b>
<b>GENERAL</b>						
CHARGES FOR SERVICES	113,433	—	—	—	0.0%	0
<b>TOTAL GENERAL</b>	<b>113,433</b>	<b>—</b>	<b>—</b>	<b>—</b>		<b>0</b>
<b>CAPITAL PROJECT</b>						
CHARGES FOR SERVICES	265,011	858,231	800,000	801,000	0.1%	1,000
USE OF FUND BALANCE	—	—	—	126,000	0.0%	126,000
<b>TOTAL CAPITAL PROJECT</b>	<b>265,011</b>	<b>858,231</b>	<b>800,000</b>	<b>927,000</b>	<b>15.9%</b>	<b>127,000</b>
<b>TOTAL REVENUE</b>	<b>378,444</b>	<b>858,231</b>	<b>800,000</b>	<b>927,000</b>	<b>15.9%</b>	<b>127,000</b>

## TRANSPORTATION PLANNING & PROGRAMMING EXPENSE AND REVENUE INFORMATION

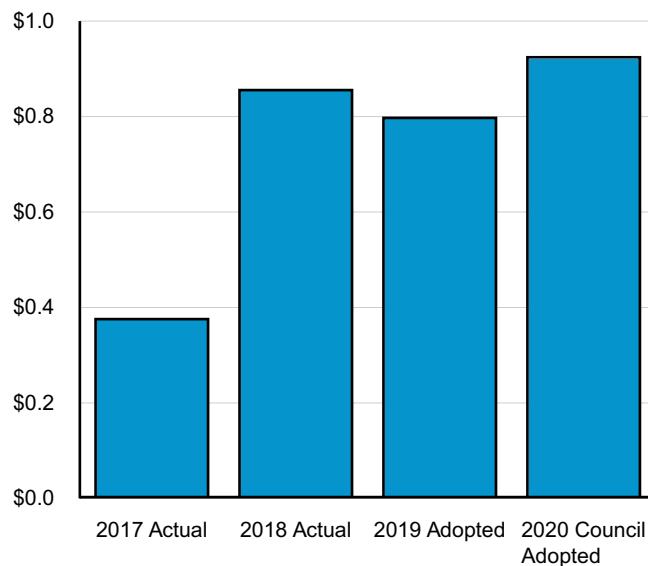
**Expense 2017 - 2020**  
In Millions



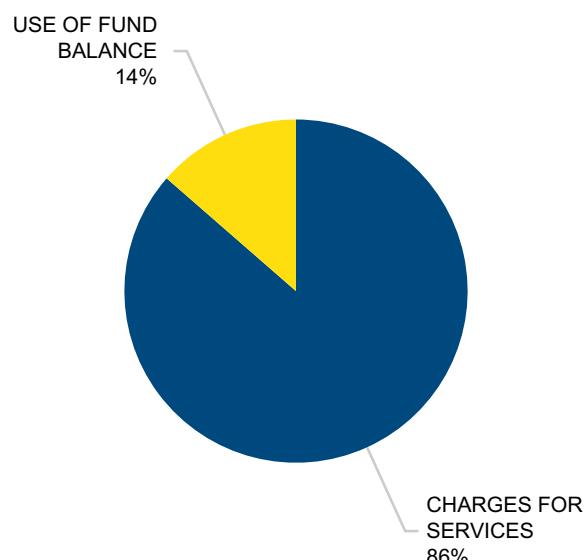
**Expense by Category**



**Revenue 2017 - 2020**  
In Millions



**Revenue by Type**

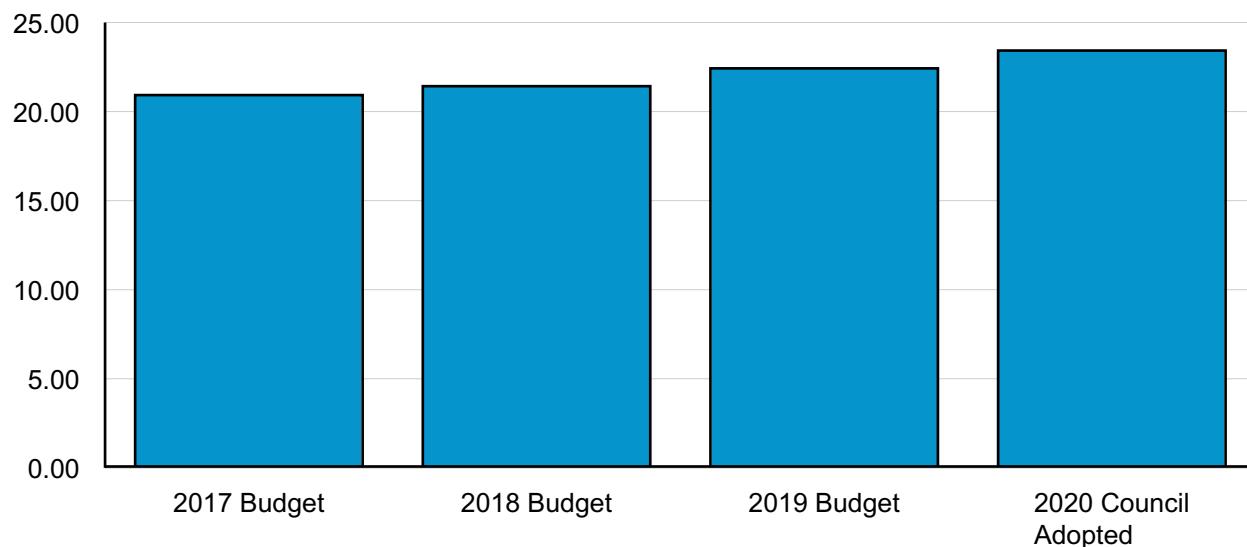


## TRANSPORTATION PLANNING & PROGRAMMING

### Staffing Information

Division	2017 Budget	2018 Budget	2019 Budget	2020 Council Adopted	Percent Change	Change
TRANSPORTATION PLAN/ PROGRAMMING	21.00	21.50	22.50	23.50	4.4%	1.00
Overall	21.00	21.50	22.50	23.50	4.3%	1.00

### Positions 2017-2020



\* 2019 FTE counts may differ from 2019 adopted budget due to mid year adjustments, including funding and organizational changes.

## **Financial Analysis – Water Treatment & Distribution Services**

The total Water Treatment and Distribution Services Department's budget increased from \$61.3 million to \$61.5 million from 2019 to 2020. This is an increase of \$220,000, or 0.4%. The Water Treatment and Distribution Services Department's 2020 expenditure budget reflects the following changes from 2019:

- Net increase of 4.25 FTEs;
- Increase in salaries and fringes by \$1,416,000;
- Increase in fleet, software, hardware, equipment and other capital outlay by \$831,000;
- Increase in City Services by \$1,083,000;
- Increase in travels and training by \$57,000;
- Decrease in utilities, professional services, repairs, and maintenance by \$3,051,000.

### **Revenue**

Revenues are projected to increase by 0.9% in the department due to increase in water retail sales and water whole sales. This reflects an increase in fixed charge rate of 50 cents per month and a water volume charge rate increase of 5 cents per unit. The department's total revenues in 2020 are projected to be \$89.8 million compared to \$89.0 million for 2019, excluding use of fund balance.

### **Fund Allocation**

This department is funded completely in the Water Treatment and Distribution Services Fund, which is an enterprise activity.

### **Budget Change Items**

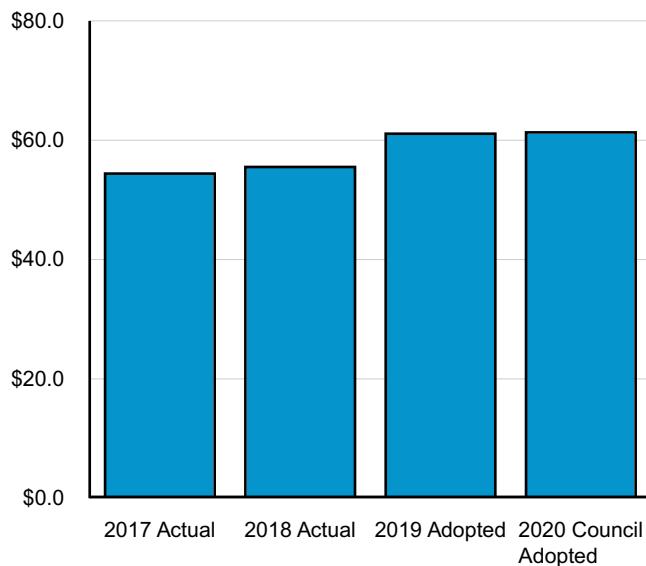
The Water Treatment & Distribution Services Division does not have any change items for 2020.

**WATER TREATMENT & DISTRIBUTION SERVICES  
EXPENSE AND REVENUE INFORMATION**

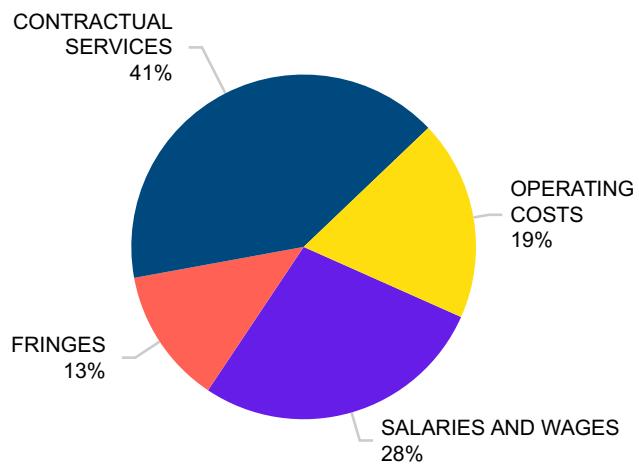
<b>EXPENSE</b>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Adopted</b>	<b>2020 Council Adopted</b>	<b>Percent Change</b>	<b>Change</b>
<b>ENTERPRISE</b>						
SALARIES AND WAGES	13,387,149	14,077,047	16,008,000	16,883,000	5.5%	875,000
FRINGES	9,987,235	6,248,222	7,238,000	7,779,000	7.5%	541,000
CONTRACTUAL SERVICES	19,828,160	23,853,659	26,020,000	24,842,000	-4.5%	(1,178,000)
OPERATING COSTS	11,255,192	11,302,498	11,316,000	11,457,000	1.2%	141,000
CAPITAL EQUIPMENT	171,341	259,160	732,000	573,000	-21.7%	(159,000)
<b>TOTAL ENTERPRISE</b>	<b>54,629,077</b>	<b>55,740,586</b>	<b>61,314,000</b>	<b>61,534,000</b>	<b>0.4%</b>	<b>220,000</b>
<b>TOTAL EXPENSE</b>	<b>54,629,077</b>	<b>55,740,586</b>	<b>61,314,000</b>	<b>61,534,000</b>	<b>0.4%</b>	<b>220,000</b>
<b>REVENUE</b>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Adopted</b>	<b>2020 Council Adopted</b>	<b>Percent Change</b>	<b>Change</b>
<b>ENTERPRISE</b>						
CHARGES FOR SALES	165,783	294,378	160,000	234,000	46.3%	74,000
CHARGES FOR SERVICES	81,020,329	84,792,503	87,364,000	88,194,000	1.0%	830,000
MISCELLANEOUS	6,866	95,310	—	—	0.0%	0
NON-BUSINESS LICENSES	54,005	113,100	75,000	78,000	4.0%	3,000
SPECIAL ASSESSMENTS	1,193,320	1,216,782	1,353,000	1,245,000	-8.0%	(108,000)
USE OF FUND BALANCE	—	—	5,783,000	(8,363,000)	-244.6%	(14,146,000)
STATE GRANTS & AIDS	8,809	—	—	—	0.0%	0
TRANSFERS	1,212,666	684,147	—	—	0.0%	0
<b>TOTAL ENTERPRISE</b>	<b>83,661,778</b>	<b>87,196,220</b>	<b>94,735,000</b>	<b>81,388,000</b>	<b>-14.1%</b>	<b>(13,347,000)</b>
<b>TOTAL REVENUE</b>	<b>83,661,778</b>	<b>87,196,220</b>	<b>94,735,000</b>	<b>81,388,000</b>	<b>-14.1%</b>	<b>(13,347,000)</b>

## WATER TREATMENT & DISTRIBUTION SERVICES EXPENSE AND REVENUE INFORMATION

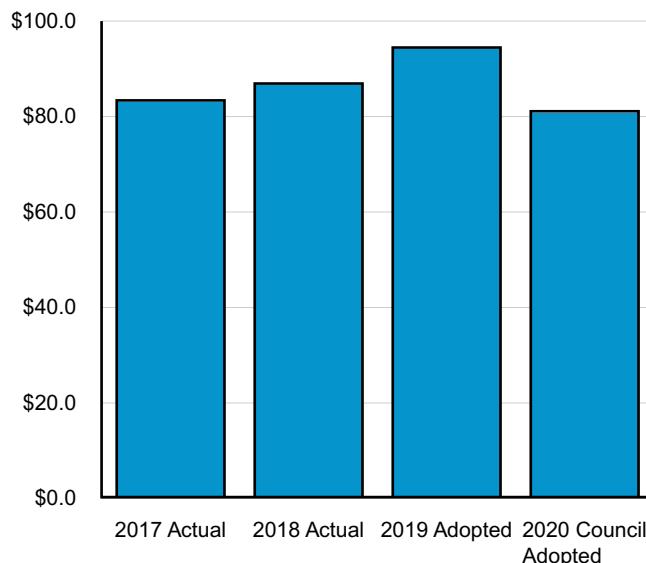
**Expense 2017 - 2020**  
**In Millions**



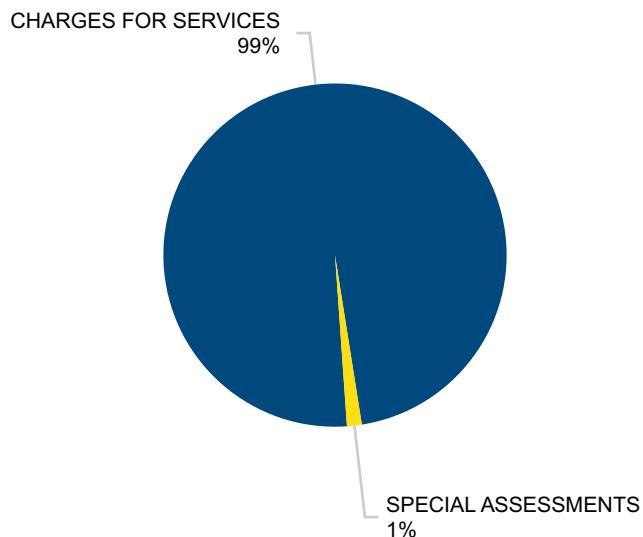
**Expense by Category**



**Revenue 2017 - 2020**  
**In Millions**



**Revenue by Type**

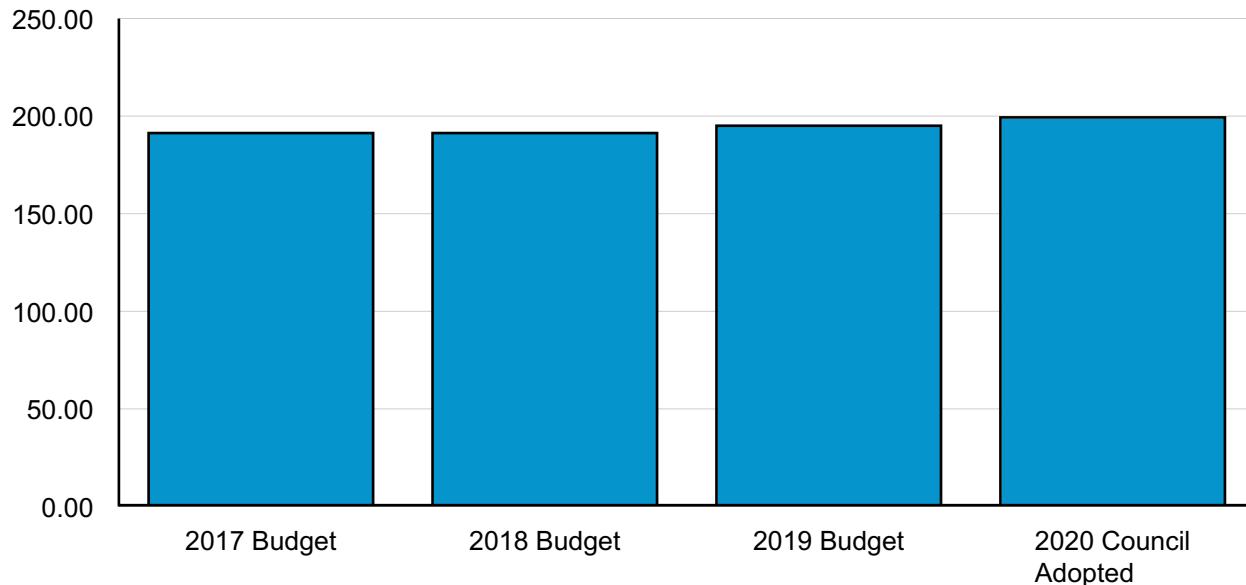


## WATER TREATMENT & DISTRIBUTION SERVICES

### Staffing Information

Division	2017 Budget	2018 Budget	2019 Budget	2020 Council Adopted	Percent Change	Change
DISTRIBUTION	61.50	56.00	60.00	59.25	(1.3)%	(0.75)
METER SHOP	19.00	17.00	17.00	17.00	0.0 %	0.00
OPERATIONS - WATER	88.50	81.00	81.00	85.75	5.9 %	4.75
REIMBURSABLE ALTERATIONS	9.00	24.00	22.00	7.00	(68.2)%	(15.00)
WATER ADMINISTRATION & PERMITS	5.00	5.00	5.75	21.00	265.2 %	15.25
WATER ENGINEERING	9.00	9.00	10.00	10.00	0.0 %	0
Overall	192.00	192.00	195.75	200.00	2.1 %	4.25

### Positions 2017-2020



\* 2019 FTE counts may differ from 2019 adopted budget due to mid year adjustments, including funding and organizational changes.

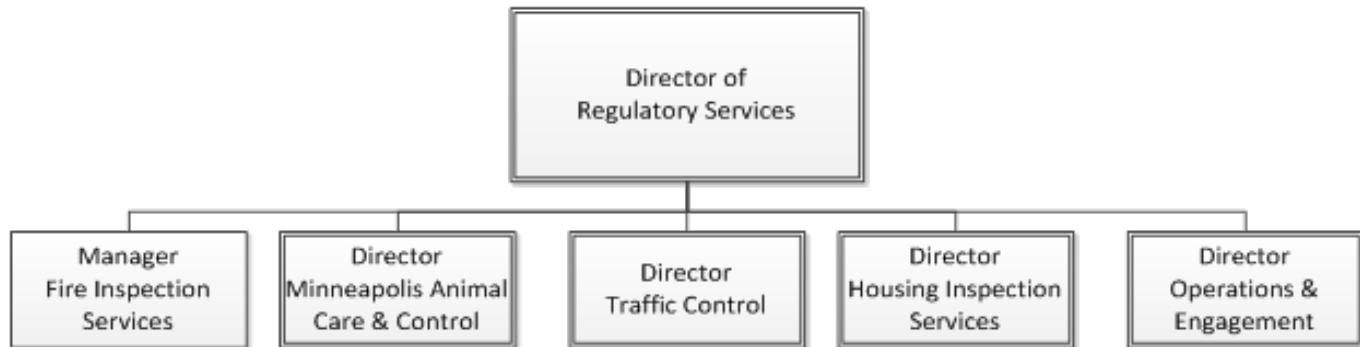
# REGULATORY SERVICES

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## Mission

The Minneapolis Regulatory Services Department strengthens communities by partnering with residents, neighborhoods and businesses to make the city safer, healthier and more inviting for all.

## Organization Chart



### Animal Care & Control (MACC)

General Fund: \$3,519,000

Minneapolis Animal Care & Control has a dual focus on public safety and shelter care that allows for a holistic view of animal welfare. MACC works with MPD, City Attorney, and non-profit partners to address criminal conduct involving animals. MACC promotes sound animal welfare policies such as pet licenses and spay and neuter programs; impounding, kenneling and providing proper veterinary care for injured, stray or surrendered animals; and adopting out pets in search of forever homes. MACC also conducts rabies quarantines for all bites to humans involving animals.

### Fire Inspection Services (FIS)

General Fund: \$3,245,000

Fire Inspection Services is responsible for managing all Fire Suppression/Protection Permits including plan review and site inspections, conducting commercial and residential inspections and managing the City's Hazardous Materials facilities inventory and inspections. FIS also reviews and inspects thousands of fire suppression systems and supports and answers complex fire code questions. FIS works with property owners and renters to ensure high-occupancy residential dwelling units are safe, stable and healthy and conducts hundreds of commercial inspections annually.

### Housing Inspection Service (HIS)

General Fund: \$4,991,000

Other Funds: \$2,968,000

HIS provides a range of programs and activities designed to ensure safe and quality properties for property owners and renters. Mandated activities include enforcement of those portions of the International Property Maintenance Code pertaining to rental licensing, removal of hazardous structures and legal due process

requirements for special assessments. HIS is responsible for managing the city's housing stock through enforcement of licensing standards and consistent enforcement of the Housing Maintenance Code. It is also responsible for code enforcement in rental properties of 1-3 units and all vacant residential buildings, removing substandard housing through demolition activity and creating incentives to rehab vacant properties by using and managing redevelopment through restoration agreements.

### **Code Compliance & Traffic Control (Traffic)**

General Fund: \$6,381,000

Traffic Control provides parking enforcement and intersection control to assist traffic flow at intersections by providing for additional throughput on lights, allowing for additional turns and pedestrian movement. This allows for safer, more efficient traffic flow during rush hour, special events, around construction sites and during emergencies and natural disasters. CCTC also coordinates with public works for street cleaning operations and snow emergencies. CCTC also responds to 311-reported parking violation and abandoned vehicle service requests.

### **Operations & Engagement**

General Fund: \$4,229,000

Other Funds: \$614,000

Operations & Engagement provides department-wide leadership and support for internal City services including budget, technology services, business planning, process improvement, finances, IT, space, employee engagement, workforce planning, and community engagement/outreach. It is also responsible for oversight and management of data quality, data analytics and administrative enforcement. It oversees the administrative hearing program and is responsible for coordination of projects, public policy process and implementation, committee actions and council process.

## **Financial Analysis**

### **Expenditure**

For 2020, the Regulatory Services Department's budget is \$25.9 million, a decrease of 5.1% from the 2019 budget of \$27.3 million.

### **Revenue**

In 2020, the department anticipates \$18.3 million in revenue, a decrease of 11.4% from the 2019 revenue of \$20.7 million.

### **Fund Allocation**

This department is funded primarily by the General Fund, with the remainder of the department's funding found in special revenue funds.

### **Budget Change Items**

Detailed change items are presented on the following pages.

## **Regulatory Services**

*Phased Sunset of the Revolving Fund*

## **2020 Change Item**

Program: Operations & Engagement

Fund: General Fund

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	537	537	537	537	537
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	—	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	537	537	537	537	537

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	5.9	5.9	5.9	5.9	5.9

Program: Operations & Engagement

Fund: Revolving Fund

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	(885)	(885)	(885)	(885)	(885)
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	—	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	(885)	(885)	(885)	(885)	(885)

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count	(8.5)	(8.5)	(8.5)	(8.5)	(8.5)

### **Proposal Details:**

The Council approves a multi-year phase out of its Special Revenue (Revolving) Fund by eliminating 3.6 vacant FTE from the General Fund (\$350,000) and moving 8.5 FTE (\$885,000) currently funded in the Revolving Fund into the General Fund on an ongoing basis in 2020. Regulatory Services will ask for remaining FTE to be moved into the General Fund on an

ongoing basis in 2021 (approximately \$900,000) and request the sunset of the Revolving Fund.

### **Rationale/Background:**

This proposal impacts all three of the mayoral goals. The Revolving Fund was established in 2008 to recoup nuisance abatement costs. In 2011, the Department was directed by City Council to reduce the fund balance. Due to fund restrictions, the only ongoing expense available was moving FTEs. Shortly after, and per policy direction, a shift began away from enforcement as the primary tool and toward education and engagement. A 2016 department analysis showed that these combined factors will result in fund insolvency. Proactive steps by the Department to shore up the fund included moving expenses to the General Fund, eliminating 4 vacant positions, and funding nuisance-type activities with General Fund dollars. Through this work, over \$1 million of one-time and \$426,000 ongoing savings were realized. The department is also holding an additional 6 positions vacant, to provide options as we further reduce the scope of the insolvency.

The department continues to evaluate spending through a lens of preserving fund balance. One-time funding in the 2019 budget of \$800,000 is projected to extend the fund through a portion of 2020 at current spending levels. Workload impacts from the absorbed 8 FTE are felt throughout the Department. Should the issue not be resolved, impacts will grow to include an inability to maintain current service levels and, due to contract requirements and a commitment to internal hiring and promotions, impacts could extend to other departments as well.

### **Description of the Change:**

The Mayor recommends sunsetting the Revolving Fund in 2021 by shifting fund expenses into the General Fund. To accomplish this, the department will shift 8.5 staff currently funded by the Revolving Fund into the General Fund in January 2020. At the end of 2021, the department will shift the Revolving Fund balance, remaining FTEs and associated expenses, and fund revenue into the General Fund. The FTEs in the fund are comprised of: inspectors who address nuisance concerns and conduct rental license inspections; housing administrative staff who process the citations and rental licenses that inspectors issue; and Operations and Engagement administrative staff who work on nuisance abatement work, including administrative citation hearings and community engagement.

The department will pay associated contractor and rate model expenses from the General Fund. Long-term, these combined actions will allow the department to maintain our current service level and the department to operate at current capacity. As revenue into the fund has been decreasing due to greater compliance, all FTE impacts are based on calculated projections, in conjunction with Finance.

### **Equity Impact:**

Attrition in order to preserve the life of the fund has occurred throughout the department, affecting residents, property owners, businesses and those who work and play in Minneapolis. Until now, the internal services of the department have borne the majority of the absorption and the overall impact on the public has been minimized. Continued absorption will, by necessity, result in more direct impact.

Maintaining these positions allows Regulatory Services - as an entire department - to continue its current service levels, as well as participate actively with renter advocacy groups, neighborhood associations, property owner groups, and other internal and external

stakeholders. These relationships and the positive impact they have are resulting in better outcomes for Minneapolis residents, especially those who most benefit from culturally appropriate engagement and support. Without these positions, the Department will experience limitations in its ability to provide innovative, responsive programming that is aimed at improving living conditions for Minneapolis renters and residents.

Additional equity impacts will be felt within Regulatory Services and, potentially other departments. Additionally, layoffs will most affect our newest hires and promotions who are disproportionately women and people of color.

**Results:**

With a multi-year phase out, Regulatory Services can maintain 16 staff in their current positions, ensuring quality service throughout the department. Renters, especially, will benefit with continued ready access to inspectors, engagement, and administrative resources to address housing issues and concerns. With these positions, Regulatory Services can maintain current levels across the department including housing and fire code inspections, traffic control services, animal care and control services, administrative hearings and public access to department data and analysis.

Without this recommendation, the performance in many current measures will be affected across the department. Importantly: a) the department's ability to respond to complaints, b) number of violations found, c) resolution time, d) inspections across all categories, and e) public trust.

## **Regulatory Services**

Tenant Navigator

## **2020 Change Item**

Program: Housing Inspections Services

Fund: General Fund

<b>Overall Impact (\$000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	—	—	—	—	—
IT	5	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	25	—	—	—	—
Other	—	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	30	—	—	—	—

<b>Personnel Impacts</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Change in FTE Count		—	—	—	—

### **Proposal Details:**

The Council approves \$30,000 in one time general funding and the conversion of one General Fund Inspector position into a Tenant Navigator (TN) and associated uniform, equipment and vehicle costs. This position will use culturally agile relationship building skills and housing knowledge to support renter rights in complex and sensitive housing situations. TN will also provide a renter-focused approach in implementing policies.

### **Rationale/Background:**

This recommendation supports the Mayor's affordable housing and economic inclusion priorities by protecting renter rights. Compared to homeowners, renters are more likely to belong to minority groups as well as be more vulnerable to market forces, cost-burdened, and living in environments conducive to predatory practices. These positions also build public trust by ensuring renters have access to services and information and that their voices are brought into decisions about their housing. Demand for these roles continues to grow, driven by: implementation of Renter First, an increasing number of renter protections in City ordinance, increases in the number of Tenant Remedies Actions and conditions on rental properties, and an increased awareness of the role and value of the TN.

Though two inspectors were included in the 2019 budget, the Department, through consultation with Finance and policymakers, did not fill the positions to preserve additional flexibility in addressing the Revolving Fund. At this time, the Department has identified alternative fund options and asks to convert the inspectors into roles focused on renter support.

### **Description of the Change:**

TNs increase the department's capacity to proactively and positively focus on renter stability and renter-specific concerns that can result in displacement. Included when the City is taking an action that could impact the renter's housing stability or if the renter has indicated a potential violation of a renter protection, TNs engage directly with the resident and then the property owner to understand and help resolve the situation. Their work ensures renters are partners in the inspection process and understand the City's regulatory process. The TN and case inspector work together, with the inspector focused on making sure the violations are abated and the TN providing further support for the renter.

Additionally, TNs support Tenant Remedies Actions, promote 311, help build trust in residents and cross-train their inspector colleagues. As inspectors, they also carry an inspections case load, keeping their skills sharp and allowing the department to stay on track with its service goals. Given our current experience with 3 Navigator positions in Housing and Fire Inspection Services, we are capable of immediately hiring for these positions.

### **Equity Impact:**

TNs break down barriers and address systemic oppression in housing for vulnerable renters by helping to shift the power dynamic in complex and sensitive situations. This added capacity in turn creates greater opportunities for renters to participate fully in community life. Navigators have the cultural agility skills needed to effectively communicate with the diversity of Minneapolis. The impacts of the program reach beyond the individual cases, with current Navigators appearing on cultural radio shows and answering live calls, attending community meetings, and encouraging renters to participate. TNs also contribute to effectively implementing and guiding work and policies that prioritize the needs of the renter when enforcing. They have built and are continuing to build networks within the community, identifying gaps in services and creating innovative partnerships to fill those gaps. As we work to fill these positions, the Department will be especially interested in candidates who speak multiple languages.

### **Results:**

Comprehensive tracking systems are being built for this program so that we can better understand the populations served and whether we're meeting our goals of increasing housing stability and livability. Measures will include a) inspectors utilizing these services, b) geographic locations of cases, c) renter demographics, d) possible clusters by property owner and e) case outcomes. For our Renter First Policy we are also hosting sessions with all of our Housing and Fire Inspectors to see how this policy reinforces our current direction and takes us to the next level as we take actions that hold noncompliant property owners accountable while minimizing the impact on renters. We will be asking staff who work with rental licensing inspectors for their input on the types of metrics we should track.

## **Regulatory Services**

*Permanent Part Time Traffic Control*

## **2020 Change Item**

Program: Code Compliance & Traffic Control

Fund: General Fund

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>					
Charges for Services	100	100	100	100	100
<b>Expenditures</b>					
Personnel	385	200	200	200	200
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	86	—	—	—	—
Other	21	—	—	—	—
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	392	100	100	100	100
<b>Personnel Impacts</b>					
Change in FTE Count		—	—	—	—

### **Proposal Details:**

The Council approves \$100,000 in ongoing general funding and \$292,000 in one time general funding for 5 existing part-time positions and 2 additional part-time positions, and associated vehicles (2), and equipment costs. This equates to 4.8 positions.

### **Rationale/Background:**

Demands on Traffic Control are increasing dramatically. Between 2014 and 2018, Traffic Control-related 311 and 911 cases have increased 67% while hours directing traffic have increased 30%. In the same period, traffic flow work for construction and special events has increased by nearly 2,000 hours per year. Traffic Control works strategically to meet staffing requests and ensure the safety of those travelling near and around these events. With the Mayor's goal of fostering economic inclusion and Meet Minneapolis's goal of attracting 50 million annual visitors by 2030, the City will need to increase its capacity to serve a larger number of clients while providing safe travel for residents and visitors to events and through heavily-trafficked areas. Additionally, opportunities for meter and construction-related revenue often arise, which can only be taken advantage of with sufficient staffing levels. In 2020, this revenue is estimated at \$100,000.

### **Description of the Change:**

From 2015 to 2018, Regulatory Services received one-time funding for 10 part-time code compliance specialists. In 2019, 4 of these positions were funded permanently and 5 were funded on a one-time basis. This recommendation accommodates an increasing demand on Traffic Control services. The funds will be used to retain 5 permanent part-time positions; hire two additional part-time staff; and purchase uniforms, equipment and two vehicles. The staff will be hired during the first quarter of 2020.

Permanent and augmented part-time staffing will allow Regulatory Services to provide better and safer coverage for special events, rush hour, and construction zones. It also allows the Department and Public Works to proactively plan construction projects and traffic issues and street cleaning leading to better service delivery for the public and a better customer experience for developers. In addition to Public Works, coordination will be further enhanced with the Police and Fire Departments for emergencies, bar closures, community service parades, conferences and block party street closures, and special events.

**Equity Impact:**

Smooth traffic flow and parking compliance benefit all residents and visitors to Minneapolis. Traffic management services are visible downtown, but proactive management of neighborhood and other parking issues benefit residents and visitors citywide. Traffic Control as a division, and part-time staff especially, are proven, effective career entry points for City employment. Division staff is particularly representative of the diversity in Minneapolis and many specialists move from part-time to full-time employment, increasing retention and reducing training time for these positions. Additionally, Traffic Control Agents often move to other positions in the City and Regulatory Services, including MPD, Housing Inspection Services and Animal Care & Control. Given a constant interface of sensitive issues, it is particularly helpful to ensure that the public feels represented by our staff.

**Results:**

Increased need for traffic flow support, especially for special events and in construction zones, impacts availability of staff to educate and enforce in the rest of the city. Part-time staff provide a flexible way to respond to increased traffic demands and provide coverage for other agents to respond to the complaint workload—in 2018, only 58% of urgent complaints were addressed within one hour and 81% of all other complaints within 24 hours. Regulatory Services depends on these part-time staff to meet service goals, handle summer and winter peak issues, and address unexpected congestion.

Moving the staffing from one-time to ongoing dollars will allow us to be even more effective by allowing early planning with other departments to create a viable staffing plan.

**Regulatory Services**  
*Expanded Animal Care at MACC*

**2020 Change Item**

Program: *Minneapolis Animal Care & Control*

Fund: *General Fund*

Overall Impact (\$000s)	2020	2021	2022	2023	2024
<b>Revenue Sources</b>					
None	—	—	—	—	—
<b>Expenditures</b>					
Personnel	73	73	73	73	73
IT	—	—	—	—	—
Fleet	—	—	—	—	—
Contractual Services	—	—	—	—	—
Other	5	5	5	5	5
<b>Net Budgetary Impact</b>					
Expenditures - Revenues	78	78	78	78	78

Personnel Impacts	2020	2021	2022	2023	2024
Change in FTE Count	1	1	1	1	1

**Proposal Details:**

The Council approves \$78,000 (1 FTE) in ongoing general funding for an Animal Care Technician (ACT). Adding this position will allow surgeries to happen more rapidly, reducing the time between when an animal enters the shelter and its availability for adoption. It will also support expanded community programs and increased community outreach including owner education and low-cost vaccination clinics.

**Rationale/Background:**

As a result of taking in roughly 3,500 animals (pets and wildlife) annually, MACC's daily animal care demands are beyond what the current ACTs can handle. To keep up, staff in other roles contribute time to ACT duties, resulting in diverted resources from important work and underutilization of staff. Animal care best practices are to move animals swiftly through the shelter in order to reduce their stress and increase placement opportunities. Currently, MACC provides surgeries 2 days per week and over 600 surgeries annually, with an average shelter stay of 12 days. MACC subsidizes the cost of these surgeries, passing along the expense to neither the adopting family nor rescue partner which meets the Mayoral goal of economic inclusion. Longer stays in the shelter means MACC spends more staff time on sheltering and caring for animals. MACC will use time savings from shortened kennel stays toward community programming activities.

**Description of the Change:**

This recommendation will fill critical daily animal care needs currently being met by other staff. Instead of cleaning cages and feeding animals, the Vet Tech will be able assist with surgeries, officers will be able to spend more time in the field, the Volunteer Coordinator will leverage

community volunteers and provide outreach, and the MACC Director will focus on strategic oversight. More frequent surgeries will also speed up the process for animals to become eligible for adoption. In addition to quicker health care, shortened shelter stays have been shown to lower risks for behavioral and health problems for animals, while increasing a shelter's capacity to care for and save lives by opening up beds more frequently. The ACT will also provide coverage to ensure vaccinations occur upon an animal's entry into the shelter, safeguarding herd health. Staff time realized from shorter kennel stays will be utilized for community benefit—to better engage and educate potential adopters, increase MACC's visibility, and provide additional education and outreach opportunities. This recommendation will also provide for further implementation of shelter best practices from a University of Wisconsin collaboration with MACC, improving our public health-based approach to safety and ensuring efficient and effective work meets our measurable goals and the City's value of driving towards results.

**Equity Impact:**

MACC services are geared toward all residents of Minneapolis with special services for low-income and senior citizen pet owners, including low-cost vaccination clinics and reduced-cost kennel and registration fees. In improving services and increasing owner education, MACC improves the public safety for the entire City. This division currently works with MPD, Hennepin County Prosecutor's Office, City Attorney's Office, MN Board of Animal Health, MN Health Department, US Department of Agriculture, University of Minnesota, ASPCA, HSUS as well as other code compliance divisions to ensure the health and safety of the city.

**Results:**

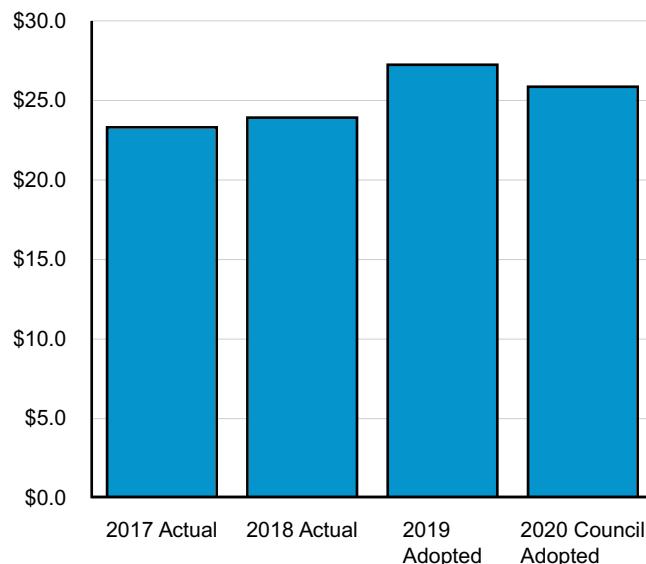
An additional Animal Control Technician will ensure that animals receive vaccinations, surgeries, and medical attention more quickly and are put on the adoption floor faster, reducing the average time animals spend in the shelter and improving their health outcomes. An additional technician will also result in staff participating in expanded community programs and education and outreach. This recommendation will improve upon the following existing measures: a) average shelter stay, b) number of vaccination clinics, c) hours spent with adopters, better matching animals with potential adopters, d) expanded ACT hours in shelter, and e) reduced hours with no ACT on duty. The additional ACT will enable staff in the division to utilize their expertise to better assist and educate residents with their animal-related issues and questions.

**REGULATORY SERVICES**  
**EXPENSE AND REVENUE INFORMATION**

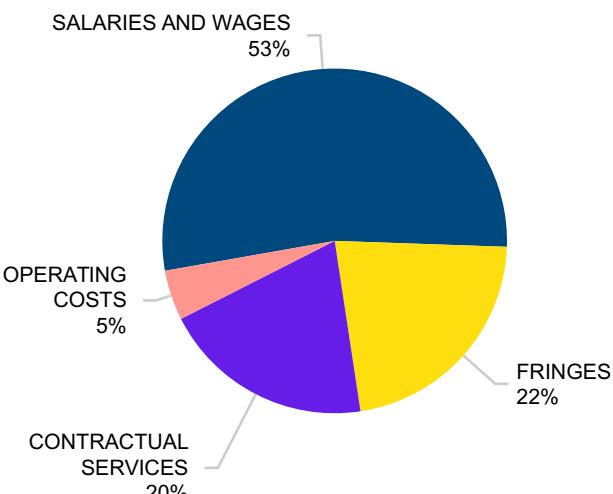
EXPENSE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>GENERAL</b>						
SALARIES AND WAGES	9,658,814	10,482,525	10,884,000	12,070,000	10.9%	1,186,00
FRINGES	3,702,395	4,105,477	4,488,000	4,988,000	11.1%	500,000
CONTRACTUAL SERVICES	4,204,204	3,823,457	4,199,000	4,145,000	-1.3%	(54,000)
OPERATING COSTS	1,805,933	1,583,473	1,205,000	1,160,000	-3.7%	(45,000)
CAPITAL EQUIPMENT	27,549	20,903	—	—	0.0%	0
<b>TOTAL GENERAL</b>	<b>19,398,895</b>	<b>20,015,835</b>	<b>20,776,000</b>	<b>22,363,000</b>	<b>7.6%</b>	<b>1,587,00</b>
<b>SPECIAL REVENUE</b>						
SALARIES AND WAGES	2,019,757	2,107,372	2,260,000	1,704,000	-24.6%	(556,000)
FRINGES	795,576	847,359	903,000	709,000	-21.5%	(194,000)
CONTRACTUAL SERVICES	953,684	918,459	3,103,000	1,001,000	-67.7%	(2,102,00)
OPERATING COSTS	52,424	44,543	60,000	53,000	-11.7%	(7,000)
CAPITAL EQUIPMENT	172,280	70,067	225,000	115,000	-48.9%	(110,000)
<b>TOTAL SPECIAL REVENUE</b>	<b>3,993,721</b>	<b>3,987,800</b>	<b>6,551,000</b>	<b>3,582,000</b>	<b>-45.3%</b>	<b>(2,969,00)</b>
<b>TOTAL EXPENSE</b>	<b>23,392,616</b>	<b>24,003,635</b>	<b>27,327,000</b>	<b>25,945,000</b>	<b>-5.1%</b>	<b>(1,382,00)</b>
REVENUE	2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	Percent Change	Change
<b>GENERAL</b>						
BUSINESS LICENSES AND PERMITS	3,786,991	3,947,061	6,350,000	6,225,000	-2.0%	(125,000)
CHARGES FOR SERVICES	720,246	775,812	690,000	825,000	19.6%	135,000
CONTRIBUTIONS	134	89	—	—	0.0%	0
FINES AND FORFEITS	6,066,711	5,922,496	5,325,000	5,390,000	1.2%	65,000
MISCELLANEOUS	330,799	396,772	350,000	325,000	-7.1%	(25,000)
NON-BUSINESS LICENSES AND PERMITS	1,595,548	1,582,130	1,650,000	1,550,000	-6.1%	(100,000)
SPECIAL ASSESSMENTS	646,340	555,723	650,000	512,000	-21.2%	(138,000)
<b>TOTAL GENERAL</b>	<b>13,146,769</b>	<b>13,180,083</b>	<b>15,015,000</b>	<b>14,827,000</b>	<b>-1.3%</b>	<b>(188,000)</b>
<b>SPECIAL REVENUE</b>						
CHARGES FOR SERVICES	36,375	131,692	279,000	100,000	-64.2%	(179,000)
CONTRIBUTIONS	35,028	101,188	75,000	—	-100.0%	(75,000)
FINES AND FORFEITS	750	6,600	—	—	0.0%	0
SPECIAL ASSESSMENTS	2,635,857	2,065,710	4,348,000	2,370,000	-45.5%	(1,978,00)
USE OF FUND BALANCE	—	—	964,000	1,022,000	6.0%	58,000
<b>TOTAL SPECIAL REVENUE</b>	<b>2,708,010</b>	<b>2,305,190</b>	<b>5,666,000</b>	<b>3,492,000</b>	<b>-38.4%</b>	<b>(2,174,00)</b>
<b>TOTAL REVENUE</b>	<b>15,854,779</b>	<b>15,485,273</b>	<b>20,681,000</b>	<b>18,319,000</b>	<b>-11.4%</b>	<b>(2,362,00)</b>

## REGULATORY SERVICES EXPENSE AND REVENUE INFORMATION

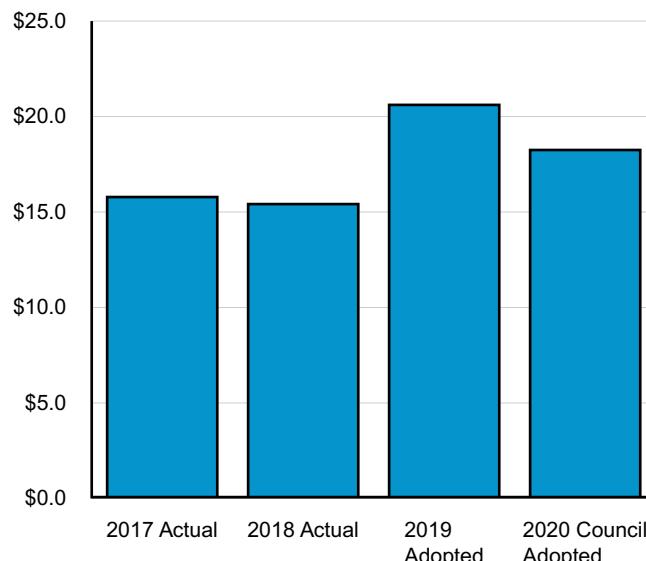
**Expense 2017 - 2020**  
**In Millions**



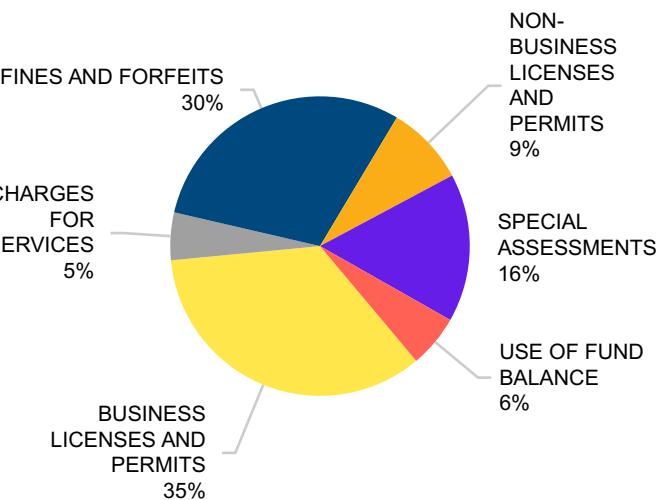
**Expense by Category**



**Revenue 2017 - 2020**  
**In Millions**



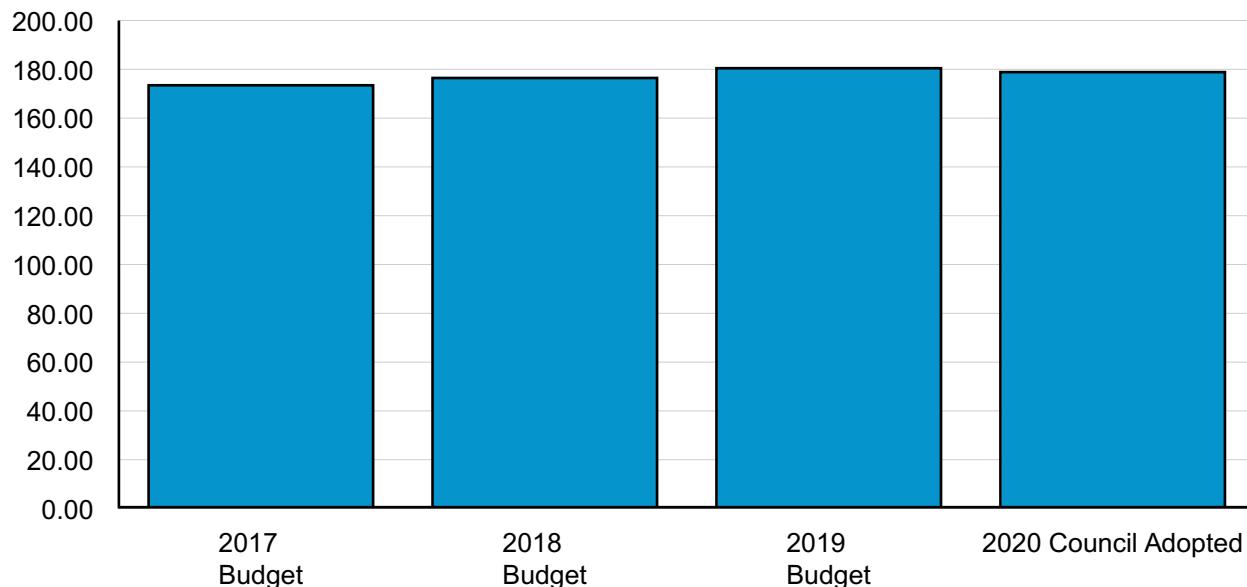
**Revenue by Type**



## REGULATORY SERVICES Staffing Information

Division	2017 Budget	2018 Budget	2019 Budget	2020 Council Adopted	Percent Change	Change
ANIMAL CONTROL	26.00	26.00	26.00	27.00	0.0 %	0.00
FIRE INSPECTIONS	21.00	24.00	23.00	22.00	(4.3)%	(1.00)
HOUSING INSPECTIONS	45.00	45.00	40.00	41.00	2.5 %	1.00
OPERATIONS & ENGAGEMENT	26.00	26.00	36.00	33.40	(7.2)%	(2.60)
STRATEGIC INSPECTIONS GROUP	10.00	10.00	8.00	8.00	0.0 %	0.00
TRAFFIC CONTROL	46.00	46.00	48.00	48.00	0.0 %	0.00
Overall	174.00	177.00	181.00	179.40	(0.9)%	(1.60)

### Positions 2017-2020



\* 2019 FTE counts may differ from 2019 adopted budget due to mid year adjustments, including funding and organizational changes.

**City of Minneapolis  
2020 Budget**

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## **City of Minneapolis**

### **2020-2024 Capital Program**

#### **Capital Budget Overview**

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#### **CAPITAL IMPROVEMENT BUDGET DEVELOPMENT**

The City adopts a five-year capital improvement program (CIP) that is updated annually. Each year, City departments & independent boards and commissions prepare new and/or modify existing capital budget requests (CBRs). The CBRs are then reviewed by the Capital Long- Range Improvement Committee (CLIC) which is a citizen advisory committee to the Mayor and City Council. The CLIC process is facilitated by Finance & Property Services staff.

CLIC is comprised of 33 appointed members, including two members per Council Ward and seven at-large members appointed by the Mayor. The overall committee elects a Chair and Vice Chair. The committee functions with two programmatic task forces of approximately the same number of members. Each task force, "Transportation" and "Human Development", elects a Chair and Vice Chair. Collectively, these six elected members form the Executive Committee and represent CLIC in meetings with the Mayor and City Council. The task force members receive and review all CBRs for their program areas as submitted by the various City departments, independent boards and commissions.

During several half-day or full-day meetings, departments and boards formally present their requests and offer explanations. Task force members then rate all proposals using a rating system with specific criteria and create a numerical ranking for each project. Highest-ranking projects are then balanced against proposed available resources by year to arrive at a five-year capital improvement program recommendation to the Mayor and City Council.

CLIC's recommendations serve as the starting point from which the Mayor and City Council's decisions are made. The Mayor makes recommendations on the capital budget as well as the operating budget. The Council adopts the five-year capital plan simultaneously with the operating budget, although appropriation is only adopted for the first year.

For this five-year plan covering years 2020 - 2024, there were 108 CBRs reviewed and rated. The total requested capital budget for the five years was \$1,074.42 million.

## HIGHLIGHTS OF THE 2020 - 2024 COUNCIL ADOPTED CAPITAL IMPROVEMENT PROGRAM

The 2020-2024 Council Adopted Budget originally included an additional \$92.0 million in capital appropriation for the new Public Service Building project (\$78.5 million in 2020 and \$13.5 million in 2021), which brought the total 2020 capital budget to \$253.6 million and the 5-year total to \$1.0 billion. In October 2019, however, Council approved a staff request to bring this appropriation forward to 2019 in order to issue bonds during favorable interest rate conditions and due to cash flow needs for the project. The figures presented below reflect the Council action to bring the \$92.0 million appropriation into 2019 and out of the 2020-2024 Capital Improvement Program.

**Five-Year Capital Program Totals:** For 2020 - 2024, the five-year capital program for City departments, independent boards and commissions totals \$923.3 million including all funding sources. The 2020 portion of this program is \$174.9 million. This budget demonstrates significant commitments to improving the City and Park Board's infrastructure.

The table below provides a high level summary of the Council Adopted five-year capital program. Funding for individual projects can be found in the "Capital Budget Detail for Funded Projects" report later in this document.

Submitting Agency	Infrastructure Category	2020	2021	2022	2023	2024	Total	Percent of Total
<b>Budget in Thousands</b>								
PARK BOARD	NEIGHBORHOOD PARKS	12,336	12,780	12,980	12,625	12,986	63,707	6.90%
PUBLIC WORKS	TRANSPORTATION	82,592	76,317	82,605	102,044	117,255	460,813	49.91%
	UTILITY FEE BASED ENTERPRISES	69,185	75,085	63,650	68,350	50,775	327,045	35.42%
	<b>Public Works Department Totals</b>	<b>151,777</b>	<b>151,402</b>	<b>146,255</b>	<b>170,394</b>	<b>168,030</b>	<b>787,858</b>	<b>85.33%</b>
OTHER AGENCIES	CITY HALL, PUBLIC BLDGS, MISC.	10,790	16,590	20,290	15,450	8,659	71,779	7.77%
<b>COUNCIL ADOPTED FIVE-YEAR CAPITAL PROGRAM</b>		<b>174,903</b>	<b>180,772</b>	<b>179,525</b>	<b>198,469</b>	<b>189,675</b>	<b>923,344</b>	<b>100.00%</b>

### **Property Tax Supported Net Debt Bond Program:**

The Net Debt Bond (NDB) program is funded by property tax revenue, and is used to finance infrastructure improvements and to leverage other important funding sources presented in the five-year plan. As a result of increasing the NDB program for additional infrastructure improvements over the last several years and the 20-year funding plan for streets and parks, the bond redemption levy will increase 2020 and future years to support the additional debt service that will be incurred. The impact of these increases will be mitigated due to the decertification of the consolidated tax increment district in 2020 which will increase the tax capacity in 2021. Below are highlights of the 2020 - 2024 NDB program.

**NDB Resources for Capital Improvements:** The base NDB funding levels have averaged approximately \$163.34 million for each five-year plan over the last three capital budget cycles. This budget includes a base amount of \$186.57 million in the five-year plan to continue significant improvements to the City's infrastructure. The table below reflects increases in the Street Infrastructure & Neighborhood Park Plan to be funded with NDB. The new higher NDB levels will improve all classes of City infrastructure with a greater emphasis on paving projects, pedestrian and bikeway connections, traffic safety, signage and lighting improvements, bridge improvements and significant additional park improvements. These additional resources are combined with municipal state aid, special assessments and grant funds. Total funding for individual projects can be found in the "Capital Budget Detail for Funded Projects" report later in this document.

<b>\$ millions</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>TOTAL</b>
<b>NDB Base Funding Totals</b>	\$ 30.07	\$ 31.67	\$ 33.63	\$ 45.07	\$ 46.13	\$ 186.57
<b>Streets Infrastructure Incr</b>	\$ 9.50	\$ 10.10	\$ 10.14	\$ 9.88	\$ 9.51	\$ 49.13
<b>Neighborhood Parks Incr</b>	\$ 8.00	\$ 8.00	\$ 8.16	\$ 8.32	\$ 8.49	\$ 40.97
<b>New Public Service Center</b>	\$ —	\$ —	\$ 6.70	\$ 4.30	\$ 2.00	\$ 13.00
<b>Total Property Tax-Supported Debt</b>	\$ 47.57	\$ 49.77	\$ 58.63	\$ 67.57	\$ 66.13	\$ 289.67

**Street Infrastructure and Neighborhood Park Funding Plan:** The new expanded 20-year funding (over base) for streets and neighborhood parks is included in this budget. The total dollar increases for the five-year plan have been broken out into several existing and new paving projects for Street Infrastructure along with additional special assessments and municipal state aid adjustments as determined by the Public Works Department. For the Park Board, funds of \$8 million per year were added to various neighborhood park projects, adjusted beginning in 2022 to \$8.16 million and growing thereafter. The total resources added by funding source (excluding special assessments and municipal state aid) are summarized in the table below:

\$ millions	2020	2021	2022	2023	2024	TOTAL
<b>NDB - Parks</b>	\$ 8.00	\$ 8.00	\$ 8.16	\$ 8.32	\$ 8.49	<b>\$ 40.97</b>
<b>NDB - Streets</b>	9.50	10.10	10.14	9.88	9.51	<b>49.13</b>
<b>Stormwater Revenues - Streets</b>	2.94	1.56	1.58	0.91	1.61	<b>8.60</b>
<b>General Fund Transfer - Streets</b>	4.95	11.29	11.69	11.06	10.37	<b>49.36</b>
<b>Special Revenue Transfer - Streets</b>	<u>6.50</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<b>6.50</b>
<b>Total funding added by year</b>	<b>\$ 31.89</b>	<b>\$ 30.95</b>	<b>\$ 31.57</b>	<b>\$ 30.17</b>	<b>\$ 29.98</b>	<b>\$ 154.56</b>

**Public Works – NDB funding:** The 2020 capital budget includes \$19.55 million in base NDB funding for Public Works projects and \$9.50 million in new Street Infrastructure NDB. This budget includes support for the replacement of streetlights with LED illumination to reduce energy consumption. Instead of net debt bonds, this budget includes a debt financing tool called equipment certificates that will use operating budget energy savings rather than property taxes to make the required debt service payments. This will enable the program to proceed as quickly as possible. Below is a summary of the 2020-2024 NDB allocation for Public Works infrastructure programs.

\$ millions	2020	2021	2022	2023	2024	TOTAL
<b>NDB - Public Works base</b>	\$ 19.55	\$ 22.11	\$ 22.09	\$ 30.43	\$ 34.89	<b>\$ 129.07</b>
<b>NDB - Street Infrastructure</b>	9.50	10.10	10.14	11.90	12.38	<b>\$ 54.02</b>
<b>Total Public Works NDB</b>	<b>\$ 29.05</b>	<b>\$ 32.21</b>	<b>\$ 32.23</b>	<b>\$ 42.34</b>	<b>\$ 47.26</b>	<b>\$ 183.09</b>

**Neighborhood Parks NDB and Park Capital Levy funding:** The 2020-2024 capital budget includes an average of \$2.4 million of base NDB per year, and \$8 million of new Neighborhood Parks NDB funding with increases each year beginning in 2022. The 2020 budget includes \$10.5 million of net debt bonds, and \$1.54 million of park capital levy. Below is a summary of the total 2020-2024 funding for neighborhood parks capital improvements, excluding the Diseased Tree Removal Program which is funded through special assessment bonds.

\$ millions	2020	2021	2022	2023	2024	TOTAL
<b>NDB - Park Board base</b>	\$ 2.50	\$ 2.50	\$ 2.54	\$ 2.18	\$ 2.02	<b>\$ 11.74</b>
<b>NDB - Neighborhood Parks</b>	8.00	8.00	8.16	8.32	8.49	<b>40.97</b>
<b>Park Capital Levy</b>	1.54	1.98	1.98	1.83	2.18	<b>9.51</b>
<b>Total Neighborhood Parks</b>	<b>\$ 12.04</b>	<b>\$ 12.48</b>	<b>\$ 12.68</b>	<b>\$ 12.33</b>	<b>\$ 12.69</b>	<b>\$ 62.22</b>

The Park Capital Levy is a portion of the Park Board's total tax levy dedicated to capital improvements at the discretion of the Park Board.

**NDB funding for Municipal Building Commission (MBC), Public Grounds & Facilities, and Miscellaneous Projects:** The 2020 capital budget includes \$6.4 million in NDB funding for these categories. Projects include building improvements for Police, Fire and other City buildings, including City Hall, public safety radio system replacements and public art. These categories comprise 14.0% of the available NDB resources in the five-year plan. Below is a summary of the 2020-2024 NDB funding for MBC, Public Grounds & Facilities, and Miscellaneous projects, including Public Art which is funded at 1.5% of the total NDB in 2020-2024. The new Public Service Center also utilizes the NDB program in the 2020-2024 plan, with additional funding coming from non-NDB program debt sources; debt service for this project will be provided by a combination of tax levies continued after the City's library debt obligations are fully paid and from enterprise and fee revenues.

\$ millions	2020	2021	2022	2023	2024	TOTAL
<b>NDB - Other</b>	\$ 6.40	\$ 7.06	\$ 9.00	\$ 10.43	\$ 6.36	<b>\$ 39.25</b>
<b>PSC CIP/Charter Bonds</b>	\$ —	\$ —	\$ 6.70	\$ 4.30	\$ 2.00	<b>\$ 13.00</b>

**Utility Fee/Rate Supported Capital:** The 2020-2024 capital budget includes funding for sanitary and storm sewers and water infrastructure improvements which are supported by utility rates. Long-term financial plans are used to determine utility fees required to support operations and infrastructure costs. The table below does not include utility fund contributions of \$8.6 million over the five-year period for utility work performed as part of certain paving projects, most of which relates to storm sewer contributions on the new street infrastructure program. Utility Fees can be found in the Financial Schedules section of this book. Below is a summary of the Council Adopted capital program for these enterprises:

#### PUBLIC WORKS UTILITY FEE-BASED ENTERPRISES

*(in millions)*

	2020	2021	2022	2023	2024	Total	Percent of Total
SANITARY SEWERS	\$ 13.10	\$ 18.50	\$ 13.50	\$ 13.50	\$ 12.50	\$ 71.10	23.91%
STORM SEWERS	11.25	24.95	23.25	25.25	13.55	98.25	33.04%
WATER INFRASTRUCTURE	39.74	23.37	20.60	24.60	19.73	128.03	43.05%
<b>TOTAL</b>	<b>\$ 64.09</b>	<b>\$ 66.82</b>	<b>\$ 57.35</b>	<b>\$ 63.35</b>	<b>\$ 45.78</b>	<b>\$ 297.38</b>	<b>100.00%</b>

**Relationship between the Capital and Operating Budgets:** As part of each capital budget request, submitting agencies identify whether the capital request will result in an increase or decrease in annual operating costs. Departments are instructed to manage operating cost increases or decreases within existing operating budget funding levels.

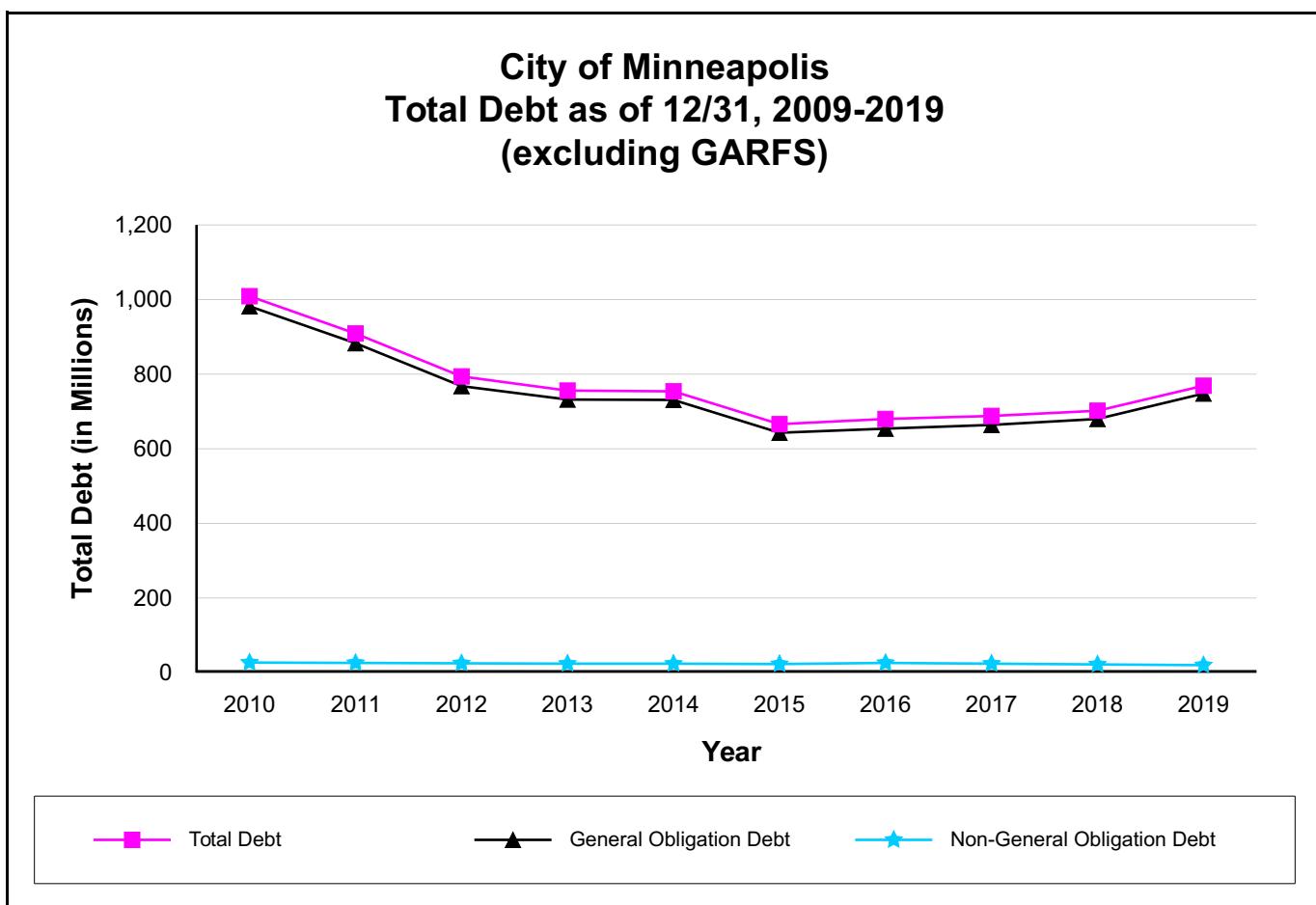
## CITY DEBT

Minneapolis' total outstanding general obligation debt increased from \$680 million as of December 31, 2018 to \$748 million for the year ending December 31, 2019. These totals include debt that the City issues on behalf of discrete its current component units, the Minneapolis Park & Recreation Board and the Municipal Building Commission, and debt the City has previously issued on behalf of the Minneapolis Library Board. Issuances of general obligation bonds and notes in 2019 totaled \$242.8 million, for housing improvement, general infrastructure, special assessment, sanitary and storm sewer, and water treatment and distribution projects. Within the scope of its debt policy, the City continuously explores for advantageous terms and debt instruments to finance its long term capital improvements.

## DEBT TRENDS

Management of the City's debt involves consideration of not only the absolute amount of debt, but also of yearly trends in the relationship of the debt to other financial measures. For purposes of the charts below, \$58.8 million of General Agency Reserve Fund System (GARFS or common bond fund) bonds are not included as City Debt.

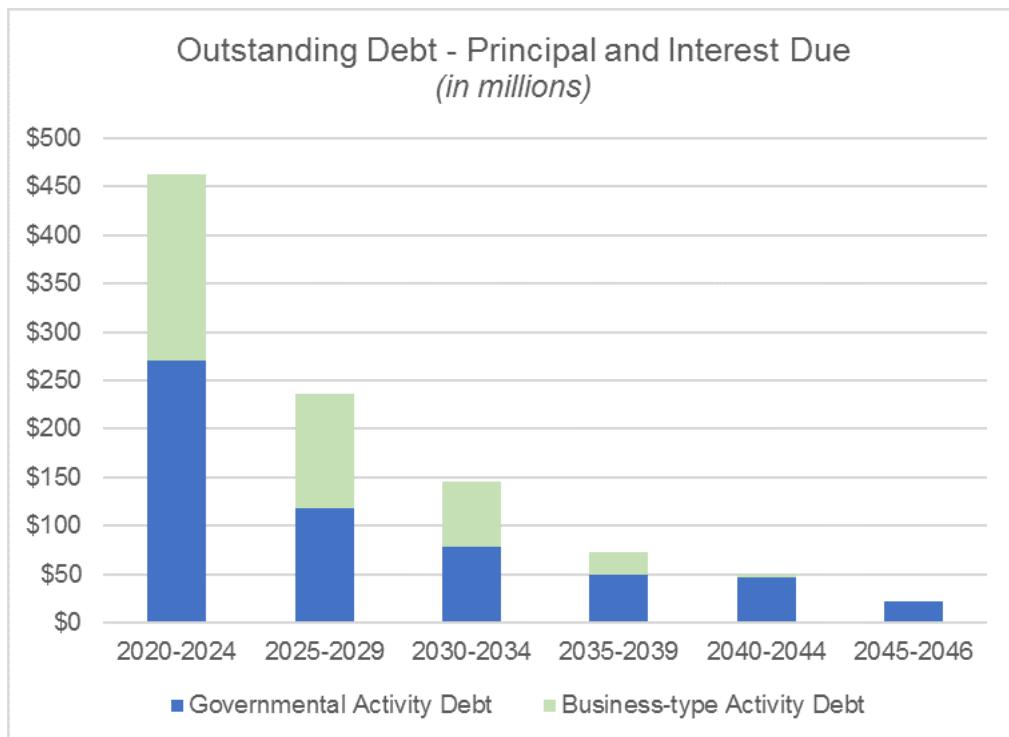
The accompanying chart shows a ten-year history of the total City debt level for years 2010-2019. The total includes general obligation debt, backed by the full faith and credit of the City, and non-general obligation debt, which includes tax increment backed revenue bonds and notes.



## AMORTIZATION OF OUTSTANDING CITY DEBT

The debt service requirements for outstanding City Debt as of December 31, 2019 are presented below. This includes debt for governmental activities, which are supported by property taxes, other governmental aids and general revenues, and for business-type activities, which are supported by user fees and in certain cases by private businesses that benefited directly from the debt issuance.

For the 2020-2024 period, average annual debt service for outstanding Governmental Activity Debt is \$54.0 million, and is \$38.7 million for outstanding Business-type Activity Debt.



#### **ANNUAL DEBT SERVICE REQUIREMENTS (in thousands)**

Year Ending Dec 31	Governmental Activity		Business Type		Total
	Principal	Interest	Principal	Interest	
2020	\$ 86,025	\$ 18,865	\$ 32,430	\$ 10,388	147,708
2021	29,745	15,479	33,550	9,387	88,161
2022	31,280	14,389	35,020	8,355	89,044
2023	25,850	13,253	29,635	7,276	76,014
2024	22,765	12,289	20,995	6,485	62,534
2020-2024	195,665	74,275	151,630	41,891	463,461
2025-2029	99,500	49,754	88,645	22,137	260,036
2030-2034	75,815	34,466	46,970	11,091	168,342
2035-2039	58,880	22,653	18,520	3,479	103,532
2040-2044	68,420	11,070	2,520	116	82,126
2045-2046	20,810	1,070	—	—	21,880
	\$ 519,090	\$ 193,288	\$ 308,285	\$ 78,714	1,099,377

## **FUTURE DEBT CAPACITY**

The City monitors its debt levels continuously against its legal maximums as determined by its statutory debt limit, which restricts the City's "net debt" (gross debt less certain current revenues and excluding certain obligations) from exceeding 3-1/3% of the market value of its taxable property. This ratio has remained below 3% since 2007 and resources requested under the 2020-2024 CIP are not projected to exceed this level.

The City also evaluates the impact of its debt levels in consideration of its overall demands on the property tax levy, as described in the Financial Plans found earlier in this document. Within the Financial Plans, the Ten-Year Projection of Demands on the Property Tax addresses the assumed operational cost increases for the General Fund.

The latest information on the City's debt capacity can be found in its latest available bond offering document published on the City's finance website, [www.minneapolismn.gov/finance](http://www.minneapolismn.gov/finance).



## Five-Year Capital Investment Allocation Council Adopted Budget

	Budget in thousands						
	2020	2021	2022	2023	2024	Total	Breakdown
Municipal Building Commission	1,140	5,620	5,740	2,940	1,400	<b>16,840</b>	1.82%
Park Board	12,336	12,780	12,980	12,625	12,986	<b>63,707</b>	6.9%
Public Works	151,777	151,402	146,255	170,394	168,030	<b>787,858</b>	85.33%
Public Grounds and Facilities	8,950	10,250	13,800	11,700	6,444	<b>51,144</b>	5.54%
Miscellaneous Projects	700	720	750	810	815	<b>3,795</b>	0.41%
<b>Grand Total</b>	<b>174,903</b>	<b>180,772</b>	<b>179,525</b>	<b>198,469</b>	<b>189,675</b>	<b>923,344</b>	<b>100.00%</b>

### Public Works Department Breakdown

	Budget in thousands						
	2020	2021	2022	2023	2024	Total	Breakdown
PW - Street Paving	62,152	55,747	59,100	78,809	75,000	<b>330,808</b>	41.99%
PW - Sidewalks	3,505	3,515	3,525	3,535	3,545	<b>17,625</b>	2.24%
PW - Bridges	6,495	2,030	2,880	8,480	27,490	<b>47,375</b>	6.01%
PW - Traffic Control and Street Lighting	7,400	8,970	11,565	9,220	9,220	<b>46,375</b>	5.89%
PW - Bike-Ped	3,040	6,055	5,535	2,000	2,000	<b>18,630</b>	2.36%
PW - Sanitary Sewer	13,500	17,000	14,500	14,500	13,500	<b>73,000</b>	9.27%
PW - Stormwater Sewer	13,250	24,450	25,250	27,250	15,550	<b>105,750</b>	13.42%
PW - Water	42,435	33,635	23,900	26,600	21,725	<b>148,295</b>	18.82%
<b>Grand Total</b>	<b>151,777</b>	<b>151,402</b>	<b>146,255</b>	<b>170,394</b>	<b>168,030</b>	<b>787,858</b>	<b>100.00%</b>



## Five-Year Capital Funding Summary Council Adopted Budget

### General Infrastructure and Enterprise Funding Summary

	Budget in thousands					
	2020	2021	2022	2023	2024	Total
<b>General Infrastructure</b>						
Federal Grants	\$ 7,000	\$ 2,350	\$ 5,495	\$ 7,000	\$ 7,000	<b>28,845</b>
Hennepin County Grants	1,645	4,310	4,595	2,720	1,000	<b>14,270</b>
Municipal State Aid	13,725	13,575	11,000	8,246	10,800	<b>57,346</b>
Net Debt Bonds	45,972	49,769	51,929	63,267	64,127	<b>275,064</b>
CIP/Charter Bonds	—	—	6,700	4,300	2,000	<b>13,000</b>
Other Local Governments	—	300	—	8,890	—	<b>9,190</b>
Park Capital Levy	1,536	1,980	1,980	1,825	2,181	<b>9,502</b>
Private Contributions	—	—	—	—	—	—
Reimbursements	4,100	4,100	4,100	4,100	4,100	<b>20,500</b>
Sidewalk Assessments	3,000	3,000	3,000	3,000	3,000	<b>15,000</b>
Special Assessment Bonds	9,252	9,720	12,610	13,300	8,865	<b>53,747</b>
State Grants	—	—	—	—	22,050	<b>22,050</b>
Transfer from General Fund	8,253	17,287	12,689	11,064	10,668	<b>59,961</b>
Transfer from Special Revenue Funds	6,500	—	—	—	—	<b>6,500</b>
Transfer from Stormwater Fund	2,940	1,561	1,577	907	1,609	<b>8,594</b>
Other Debt Financing	1,395	1,000	1,500	1,500	1,500	<b>6,895</b>
<b>General Infrastructure Total</b>	<b>105,318</b>	<b>108,952</b>	<b>117,175</b>	<b>130,119</b>	<b>138,900</b>	<b>600,464</b>
<b>Enterprise</b>						
Parking Revenue	500	—	—	—	—	<b>500</b>
Reimbursements	5,000	5,000	5,000	5,000	5,000	<b>25,000</b>
Sanitary Bonds	12,000	15,500	11,500	10,500	7,500	<b>57,000</b>
Sanitary Revenue	1,100	3,000	2,000	3,000	5,000	<b>14,100</b>
Stormwater Bonds	1,000	11,000	13,000	17,500	6,000	<b>48,500</b>
Stormwater Revenue	10,250	13,950	10,250	7,750	7,550	<b>49,750</b>
Water Bonds	24,285	8,720	5,350	10,100	3,875	<b>52,330</b>
Water Revenue	15,450	14,650	15,250	14,500	15,850	<b>75,700</b>
<b>Enterprise Total</b>	<b>69,585</b>	<b>71,820</b>	<b>62,350</b>	<b>68,350</b>	<b>50,775</b>	<b>322,880</b>
<b>Grand Total</b>	<b>174,903</b>	<b>180,772</b>	<b>179,525</b>	<b>198,469</b>	<b>189,675</b>	<b>923,344</b>

### City-Wide Capital Funding Summary

	Budget in thousands						
	2020	2021	2022	2023	2024	Total	Breakdown
Enterprise Bonds	37,285	35,220	29,850	38,100	17,375	<b>157,830</b>	<b>17.09%</b>
Enterprise Revenue	27,300	31,600	27,500	25,250	28,400	<b>140,050</b>	<b>15.17%</b>
Municipal State Aid	13,725	13,575	11,000	8,246	10,800	<b>57,346</b>	<b>6.21%</b>
Net Debt Bonds	45,972	49,769	51,929	63,267	64,127	<b>275,064</b>	<b>29.79%</b>
CIP/Charter Bonds	—	—	6,700	4,300	2,000	<b>13,000</b>	<b>1.41%</b>
Other	41,369	40,888	39,936	46,006	58,108	<b>226,307</b>	<b>24.51%</b>
Special Assessment Bonds	9,252	9,720	12,610	13,300	8,865	<b>53,747</b>	<b>5.82%</b>
<b>Grand Total</b>	<b>174,903</b>	<b>180,772</b>	<b>179,525</b>	<b>198,469</b>	<b>189,675</b>	<b>923,344</b>	<b>100.00%</b>

Note: Transfers from Stormwater and Sanitary Sewer Funds are actually reflected in certain Street Paving Projects in the Capital Budget Detail for Funded Projects report found later in this document.



# Five-Year Capital Funding Summary (Public Works)

## Council Adopted Budget

### General Infrastructure and Enterprise Funding Summary

	Budget in thousands					
	2020	2021	2022	2023	2024	Total
<b>General Infrastructure</b>						
Federal Grants	7,000	2,350	5,495	7,000	7,000	<b>28,845</b>
Hennepin County Grants	1,075	775	1,000	2,000	1,000	<b>5,850</b>
Municipal State Aid	13,725	13,575	11,000	8,246	10,800	<b>57,346</b>
Net Debt Bonds	29,052	32,214	32,234	42,337	47,263	<b>183,100</b>
Other Local Governments	—	300	—	8,890	—	<b>9,190</b>
Reimbursements	4,100	4,100	4,100	4,100	4,100	<b>20,500</b>
Sidewalk Assessments	3,000	3,000	3,000	3,000	3,000	<b>15,000</b>
Special Assessment Bonds	8,952	9,420	12,310	13,000	8,565	<b>52,247</b>
State Grants	—	—	—	—	22,050	<b>22,050</b>
Transfer from General Fund	4,953	11,287	11,689	11,064	10,368	<b>49,361</b>
Transfer from Special Revenue Funds	6,500	—	—	—	—	<b>6,500</b>
Transfer from Stormwater Fund	2,940	1,561	1,577	907	1,609	<b>8,594</b>
Other Debt Financing	1,395	1,000	1,500	1,500	1,500	<b>6,895</b>
<b>General Infrastructure Total</b>	<b>82,692</b>	<b>79,582</b>	<b>83,905</b>	<b>102,044</b>	<b>117,255</b>	<b>465,478</b>
<b>Enterprise</b>						
Reimbursements	5,000	5,000	5,000	5,000	5,000	<b>25,000</b>
Sanitary Bonds	12,000	15,500	11,500	10,500	7,500	<b>57,000</b>
Sanitary Revenue	1,100	3,000	2,000	3,000	5,000	<b>14,100</b>
Stormwater Bonds	1,000	11,000	13,000	17,500	6,000	<b>48,500</b>
Stormwater Revenue	10,250	13,950	10,250	7,750	7,550	<b>49,750</b>
Water Bonds	24,285	8,720	5,350	10,100	3,875	<b>52,330</b>
Water Revenue	15,450	14,650	15,250	14,500	15,850	<b>75,700</b>
<b>Enterprise Total</b>	<b>69,085</b>	<b>71,820</b>	<b>62,350</b>	<b>68,350</b>	<b>50,775</b>	<b>322,380</b>
<b>Grand Total</b>	<b>151,777</b>	<b>151,402</b>	<b>146,255</b>	<b>170,394</b>	<b>168,030</b>	<b>787,858</b>

### Public Works Capital Funding Summary

	Budget in thousands						
	2020	2021	2022	2023	2024	Total	Breakdown
Enterprise Bonds	37,285	35,220	29,850	38,100	17,375	<b>157,830</b>	<b>20.03%</b>
Enterprise Revenue	26,800	31,600	27,500	25,250	28,400	<b>139,550</b>	<b>17.71%</b>
Municipal State Aid	13,725	13,575	11,000	8,246	10,800	<b>57,346</b>	<b>7.28%</b>
Net Debt Bonds	29,052	32,214	32,234	42,337	47,263	<b>183,100</b>	<b>23.24%</b>
Other	35,963	29,373	33,361	43,461	55,627	<b>197,785</b>	<b>25.10%</b>
Special Assessment Bonds	8,952	9,420	12,310	13,000	8,565	<b>52,247</b>	<b>6.63%</b>
<b>Grand Total</b>	<b>151,777</b>	<b>151,402</b>	<b>146,255</b>	<b>170,394</b>	<b>168,030</b>	<b>787,858</b>	<b>100.00%</b>

## 2020-2024 Council Adopted Net Debt Bond For Property Tax Supported Bond Program

<b>Recommended Resources by Year (000s)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Totals</b>
Available NDB Resources:						
2020-2024 Base NDB Program	29,900	30,500	32,400	36,500	37,000	166,300
Council Adjustments to Base NDB Program	-1,428	1,169	1,229	8,567	9,127	18,664
<b>Council Adopted Base NDB Program*</b>	<b>28,472</b>	<b>31,669</b>	<b>33,629</b>	<b>45,067</b>	<b>46,127</b>	<b>184,964</b>
 * Base funding includes an average of \$10.0 million per year for Streets and \$2.5 million per year for Parks based on 2016 funding levels before the Streets and Parks Infrastructure Ordinance was approved on April 29, 2016.						
Expanded Street Infrastructure and Neighborhood Park Funding Plan (NDB portion only):						
Street Infrastructure NDB Increase**	9,500	10,100	10,140	9,880	9,510	49,130
Neighborhood Parks NDB Increase	8,000	8,000	8,160	8,320	8,490	40,970
<b>Total NDB Increases for Streets and Neighborhood Parks</b>	<b>17,500</b>	<b>18,100</b>	<b>18,300</b>	<b>18,200</b>	<b>18,000</b>	<b>90,100</b>
<b>Grand Total Recommended NDB Program</b>	<b>45,972</b>	<b>49,769</b>	<b>51,929</b>	<b>63,267</b>	<b>64,127</b>	<b>275,064</b>

This resource summary represents the City's commitment for General Infrastructure assets which includes parks, public buildings, streets, bridges, bike & pedestrian improvements, traffic signals and 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.

\*\*The Street Infrastructure portion of the 20 year plan includes additional cash transfers from the General Fund, special revenue funds, stormwater revenues and special assessments not shown above.

## 2020 Bond Redemption Levy for Capital Program

	Amount (000's)
Tax Levy Certified for Bond Redemption in 2020	41,510
Bond Redemption Levy Base Adjustment	500 Per Five-Year Financial Direction 2020-2024
Streets & Parks Funding Increase	1,820 Per Streets & Parks Ordinance Funding Plan
<b>Tax Levy Certified for Bond Redemption in 2020***</b>	<b>43,830</b> For supporting ongoing Capital Programs

\*\*\* Planning for NDB levels above include long-term financial plans that anticipate future bond redemption levy increases for the 20-Year Streets & Neighborhood Parks Plan, inflationary increases, current cash balances in the debt service fund, an estimate of interest earnings and currently structured debt service.



# Net Debt Bond Allocation

## Council Adopted Budget

### Summarized by Major Type of Infrastructure

	Budget in thousands						
	2020	2021	2022	2023	2024	Total	Breakdown
Municipal Building Commission	570	2,085	2,145	2,220	1,400	8,420	3.06%
Park Board	10,500	10,500	10,700	10,500	10,505	52,705	19.11%
Public Works	29,052	32,214	32,234	42,337	47,263	183,100	66.57%
Public Grounds and Facilities	5,150	4,250	6,100	7,400	4,144	27,044	9.83%
Miscellaneous Projects	700	720	750	810	815	3,795	1.37%
<b>Grand Total</b>	<b>45,972</b>	<b>49,769</b>	<b>51,929</b>	<b>63,267</b>	<b>64,127</b>	<b>275,064</b>	<b>100.00%</b>

	Budget in thousands						
	2020	2021	2022	2023	2024	Total	
Municipal Building Commission	570	2,085	2,145	2,220	1,400	8,420	
	1.2%	4.2%	4.1%	3.5%	2.2%	3.1%	
Park Board	10,500	10,500	10,700	10,500	10,505	52,705	
	22.8%	21.1%	20.6%	16.6%	16.4%	19.2%	
PW - Street Paving	15,252	16,404	18,274	26,202	33,158	109,290	
	33.2%	33%	35.2%	41.4%	51.7%	39.7%	
PW - Sidewalks	505	515	525	535	545	2,625	
	1.1%	1%	1%	0.8%	0.8%	1%	
PW - Bridges	5,100	2,030	2,880	7,480	5,440	22,930	
	11.1%	4.1%	5.5%	11.8%	8.5%	8.3%	
PW - Traffic Control and Street Lighting	4,555	5,495	5,720	6,120	6,120	28,010	
	9.9%	11%	11%	9.7%	9.5%	10.2%	
PW - Bike-Ped	2,940	4,505	3,535	2,000	2,000	14,980	
	6.4%	9.1%	6.8%	3.2%	3.1%	5.4%	
PW - Water	700	3,265	1,300	—	—	5,265	
	1.5%	6.6%	2.5%	—%	—%	1.9%	
Public Grounds and Facilities	5,150	4,250	6,100	7,400	4,144	27,044	
	11.2%	8.5%	11.7%	11.7%	6.5%	9.8%	
Miscellaneous Projects	700	720	750	810	815	3,795	
	1.5%	1.4%	1.4%	1.3%	1.3%	1.4%	
<b>Grand Total</b>	<b>45,972</b>	<b>49,769</b>	<b>51,929</b>	<b>63,267</b>	<b>64,127</b>	<b>275,064</b>	

## Capital Budget Summary

### Council Adopted Budget

	Budget in thousands					
	2020	2021	2022	2023	2024	Total
<b>Municipal Building Commission</b>						
MBC01 - Life Safety Improvements	—	—	250	280	—	530
MBC02 - Mechanical Systems Upgrade	240	1,070	940	1,160	—	3,410
MBC10 - Exterior Improvements	—	—	—	—	—	—
MBC12 - Safety Improvements - Non-Stagework Areas	900	4,550	4,550	1,500	1,400	12,900
MBC13 - 4th St Sidewalk/Exterior Light Poles Upgrade	—	—	—	—	—	—
MBC14 - Historic Restoration Project	—	—	—	—	—	—
<b>Municipal Building Commission Total</b>	<b>1,140</b>	<b>5,620</b>	<b>5,740</b>	<b>2,940</b>	<b>1,400</b>	<b>16,840</b>
<b>Park Board</b>						
PRK02 - Playground and Site Improvements Program	1,891	1,243	1,041	1,065	1,172	6,412
PRK03 - Shelter - Pool - Site Improvements Program	—	—	845	—	—	845
PRK04 - Athletic Fields - Site Improvement Program	—	516	—	—	—	516
PRK33 - Bryn Mawr Meadows Field Improvements	—	3,082	366	—	—	3,448
PRK35 - Keewaydin Park Implementation	630	—	—	—	—	630
PRK36 - North Commons Park Implementation	800	800	—	—	—	1,600
PRK37 - Powderhorn Park Implementation	—	460	640	—	—	1,100
PRK38 - Sibley Field Park Implementation	920	—	—	—	—	920
PRK39 - Whittier Park Implementation	1,105	—	—	—	—	1,105
PRK40 - Elliot Park Implementation	—	—	—	1,080	425	1,505
PRKCP - Neighborhood Parks Capital Infrastructure	2,570	2,064	5,993	6,395	7,329	24,351
PRKDT - Diseased Tree Removal	300	300	300	300	300	1,500
PRKRP - Neighborhood Parks Rehabilitation Program	4,120	4,315	3,795	3,785	3,760	19,775
<b>Park Board Total</b>	<b>12,336</b>	<b>12,780</b>	<b>12,980</b>	<b>12,625</b>	<b>12,986</b>	<b>63,707</b>
<b>Public Works</b>						
<b>PW - Street Paving</b>						
PV001 - Parkway Paving Program	750	750	750	750	750	3,750
PV006 - Alley Renovation Program	250	250	250	250	250	1,250
PV056 - Asphalt Pavement Resurfacing Program	7,015	7,015	7,015	7,015	7,015	35,075
PV059 - Major Pavement Maintenance Program	250	250	250	250	250	1,250
PV063 - Unpaved Alley Construction	200	200	200	200	200	1,000
PV074 - CSAH & MnDOT Cooperative Projects	3,130	1,050	1,650	3,650	3,300	12,780
PV075 - Development Infrastructure Program	500	500	500	500	500	2,500
PV095 - 4th St N & S (2nd Ave N to 4th Ave S)	3,991	—	—	—	—	3,991
PV104 - ADA Ramp Replacement Program	500	500	500	500	500	2,500
PV108 - Concrete Streets Rehabilitation Program	4,000	7,935	3,880	4,544	5,406	25,765
PV113 - 29th St W Phase 2	—	—	2,835	—	—	2,835
PV118 - Hennepin Ave (Wash Ave N to 12th St S)	28,129	1,462	—	—	—	29,591
PV122 - Dowling Ave (I-94 to 1st St N)	—	—	4,090	—	—	4,090
PV123 - Logan Park Industrial	—	—	6,040	—	—	6,040
PV126 - Bryant Ave S (50th St W to Lake St W)	—	—	—	9,065	9,715	18,780
PV127 - 37th Ave NE (Central Ave NE to Stinson Blvd)	—	—	—	10,720	—	10,720
PV131 - Res Neighborhood Reconst Projects	3,735	4,403	3,780	4,425	5,985	22,328
PV132 - 1st Ave S (Lake St to Franklin Ave)	—	—	—	7,014	2,031	9,045
PV137 - 29th Ave NE (Central to Stinson)	—	—	7,771	—	—	7,771
PV138 - 26th St E (Minnehaha Ave to 29th Ave S)	—	—	—	4,875	—	4,875
PV139 - 18th Ave NE (Johnson St NE to Stinson Blvd NE)	4,867	—	—	—	—	4,867
PV140 - 13th Ave NE (Sibley St NE to 4th St NE)	—	—	—	7,140	—	7,140

## Capital Budget Summary

### Council Adopted Budget

	Budget in thousands					
	2020	2021	2022	2023	2024	Total
PV141 - Grand Ave S (Lake St. W to 48th St W)	—	14,708	1,207	—	—	15,915
PV142 - Downtown East Paving	—	3,215	—	—	—	3,215
PV143 - North Industrial	—	—	5,125	—	—	5,125
PV146 - 9th St SE (6th Ave SE to 9th Ave SE)	—	—	1,795	—	—	1,795
PV147 - Girard Ave S (Lake St to Lagoon Ave)	1,335	—	—	—	—	1,335
PV150 - 1st Ave N (10th St N to Wash Ave)	—	—	—	—	14,178	14,178
PV152 - Plymouth Ave (Washburn Ave N to Penn Ave N)	—	4,597	—	—	—	4,597
PV153 - 60th St W (Xerxes Ave S to Sunrise Drive)	—	—	—	—	—	—
PV154 - Franklin Ave W ( Henn Ave S to Lyndale Ave S)	—	—	2,220	—	—	2,220
PV158 - Hennepin Ave (Lake St W to Douglas Ave)	—	—	5,742	14,411	—	20,153
PV159 - Sunrise Dr/58th St W (60th St to Aldrich Ave)	—	—	—	—	—	—
PV160 - 1st Ave S (Franklin Ave to Grant St)	—	—	—	—	6,765	6,765
PV161 - 3rd St S (Hennepin Ave to Norm McGrew Pl)	—	—	—	—	14,655	14,655
PV99R - Reimbursable Paving Projects	3,500	3,500	3,500	3,500	3,500	17,500
PV156 - Johnson St NE (18th Ave NE to Lowry Ave NE)2	—	5,412	—	—	—	5,412
<b>PW - Street Paving Total</b>	<b>62,152</b>	<b>55,747</b>	<b>59,100</b>	<b>78,809</b>	<b>75,000</b>	<b>330,808</b>
<b>PW - Sidewalks</b>						
SWK01 - Defective Hazardous Sidewalks	3,355	3,365	3,375	3,385	3,395	16,875
SWK02 - Sidewalk Gaps	150	150	150	150	150	750
<b>PW - Sidewalks Total</b>	<b>3,505</b>	<b>3,515</b>	<b>3,525</b>	<b>3,535</b>	<b>3,545</b>	<b>17,625</b>
<b>PW - Bridges</b>						
BR101 - Major Bridge Repair and Rehabilitation	400	400	400	400	400	2,000
BR106 - 1st Ave S over HCRAA	—	—	—	5,170	—	5,170
BR111 - 10th Ave Bridge	3,000	—	—	—	—	3,000
BR117 - 1st St N Bridge over Bassett Creek	1,395	—	—	—	—	1,395
BR127 - Nicollet Ave over Minnehaha Creek	—	—	—	—	24,050	24,050
BR133 - Cedar Lake Road Bridges over Bassett Cr & RR	—	—	—	—	1,210	1,210
BR134 - Bridge 9 Program	1,700	1,630	2,480	2,910	1,830	10,550
<b>PW - Bridges Total</b>	<b>6,495</b>	<b>2,030</b>	<b>2,880</b>	<b>8,480</b>	<b>27,490</b>	<b>47,375</b>
<b>PW - Traffic Control and Street Lighting</b>						
TR008 - Parkway Street Light Replacement	350	350	350	350	350	1,750
TR010 - Traffic Management Systems	875	1,150	1,250	1,250	1,250	5,775
TR011 - City Street Light Renovation	1,395	1,000	1,500	1,500	1,500	6,895
TR021 - Traffic Signals	1,800	2,125	2,125	2,125	2,125	10,300
TR022 - Traffic Safety Improvements	1,380	2,350	4,245	1,500	1,500	10,975
TR024 - Pedestrian Street Lighting Corridors	1,000	500	600	1,000	1,000	4,100
TR025 - Sign Replacement Program	—	895	895	895	895	3,580
TR99R - Reimbursable Transportation Projects	600	600	600	600	600	3,000
<b>PW - Traffic Control and Street Lighting Total</b>	<b>7,400</b>	<b>8,970</b>	<b>11,565</b>	<b>9,220</b>	<b>9,220</b>	<b>46,375</b>
<b>PW - Bike-Ped</b>						
BIK28 - Protected Bikeways Program	1,940	1,000	1,000	1,000	1,000	5,940
BP001 - Safe Routes to Schools Program	500	700	2,000	400	400	4,000
BP003 - Midtown Greenway Trail Mill & Overlay	—	1,505	—	—	—	1,505
BP004 - Pedestrian Safety Program	600	600	2,000	600	600	4,400
BP005 - Queen Ave N Bike Boulevard	—	2,250	—	—	—	2,250
BP006 - 18th Ave NE Trail Gap (Marshall to California)	—	—	535	—	—	535
<b>PW - Bike-Ped Total</b>	<b>3,040</b>	<b>6,055</b>	<b>5,535</b>	<b>2,000</b>	<b>2,000</b>	<b>18,630</b>

**Capital Budget Summary**
**Council Adopted Budget**

	Budget in thousands					
	2020	2021	2022	2023	2024	Total
<b>PW - Sanitary Sewer</b>						
SA001 - Sanitary Tunnel & Sewer Rehab Program	8,000	8,000	8,000	8,000	7,000	<b>39,000</b>
SA036 - Infiltration & Inflow Removal Program	2,500	2,500	3,500	3,500	3,500	<b>15,500</b>
SA99R - Reimbursable Sanitary Sewer Projects	1,000	1,000	1,000	1,000	1,000	<b>5,000</b>
SAPVR - Sanitary Sewer Paving Project Program	2,000	5,500	2,000	2,000	2,000	<b>13,500</b>
<b>PW - Sanitary Sewer Total</b>	<b>13,500</b>	<b>17,000</b>	<b>14,500</b>	<b>14,500</b>	<b>13,500</b>	<b>73,000</b>
<b>PW - Stormwater Sewer</b>						
SW004 - Implementation of US EPA Storm Water Regs	250	250	250	250	250	<b>1,250</b>
SW005 - Combined Sewer Overflow Improvements	1,500	1,500	1,500	1,500	1,500	<b>7,500</b>
SW011 - Storm Drains and Tunnels Rehab Program	3,000	3,000	4,000	4,000	4,000	<b>18,000</b>
SW032 - I-35 Storm Tunnel	—	—	—	—	1,000	<b>1,000</b>
SW039 - Flood Mitigation - Stormwater Alternatives	5,000	5,000	5,000	5,000	5,000	<b>25,000</b>
SW040 - Central City Parallel Storm Tunnel	—	11,000	11,000	13,000	—	<b>35,000</b>
SW99R - Reimbursable Sewer & Storm Drain Projects	2,000	2,000	2,000	2,000	2,000	<b>10,000</b>
SWPVR - Storm Sewer Paving Project Program	1,500	1,700	1,500	1,500	1,800	<b>8,000</b>
<b>PW - Stormwater Sewer Total</b>	<b>13,250</b>	<b>24,450</b>	<b>25,250</b>	<b>27,250</b>	<b>15,550</b>	<b>105,750</b>
<b>PW - Water</b>						
WTR12 - Water Distribution Improvements	9,550	9,650	9,750	9,000	9,100	<b>47,050</b>
WTR18 - Water Distribution Facility	15,985	9,265	1,300	—	—	<b>26,550</b>
WTR23 - Treatment Infrastructure Improvements	5,000	5,000	5,500	5,500	6,750	<b>27,750</b>
WTR27 - Advanced Metering Infrastructure	1,500	270	—	—	—	<b>1,770</b>
WTR29 - Columbia Heights Campus Upgrades	150	2,450	1,350	5,100	3,875	<b>12,925</b>
WTR31 - Electrical Service Rehabilitation	2,000	2,000	2,000	3,000	—	<b>9,000</b>
WTR32 - Softening Plant Chemical System Improvements	2,000	2,000	2,000	2,000	—	<b>8,000</b>
WTR33 - 3rd Ave Bridge Water Main	1,000	1,000	—	—	—	<b>2,000</b>
WTR34 - Fridley Facilities and Campus Improvements	750	—	—	—	—	<b>750</b>
WTR35 - Renewable Energy at Water Treatment Campuses	2,500	—	—	—	—	<b>2,500</b>
WTR9R - Reimbursable Water Main Projects	2,000	2,000	2,000	2,000	2,000	<b>10,000</b>
<b>PW - Water Total</b>	<b>42,435</b>	<b>33,635</b>	<b>23,900</b>	<b>26,600</b>	<b>21,725</b>	<b>148,295</b>
<b>Public Works Total</b>	<b>151,777</b>	<b>151,402</b>	<b>146,255</b>	<b>170,394</b>	<b>168,030</b>	<b>787,858</b>
<b>Public Grounds and Facilities</b>						
FIR11 - New Fire Station No. 11	—	—	—	5,000	4,144	<b>9,144</b>
FIR12 - New Fire Station No. 1	2,250	250	—	—	—	<b>2,500</b>
FIR14 - New Fire Station No. 19	—	—	—	—	—	—
MPD04 - New 1st Police Precinct	500	4,000	6,100	2,400	—	<b>13,000</b>
PSD15 - Traffic Maintenance Facility Improvement	—	—	—	—	—	—
PSD16 - Farmer's Market Improvements	—	—	—	—	—	—
PSD18 - Regulatory Services Facility	—	—	—	—	—	—
PSD19 - Impound Lot Facility	500	—	—	—	—	<b>500</b>
PSD20 - City Hall & New Public Service Center	3,000	6,000	7,700	4,300	2,300	<b>23,300</b>
RAD01 - Public Safety Radio System Replacement	2,700	—	—	—	—	<b>2,700</b>
<b>Public Grounds and Facilities Total</b>	<b>8,950</b>	<b>10,250</b>	<b>13,800</b>	<b>11,700</b>	<b>6,444</b>	<b>51,144</b>
<b>Miscellaneous Projects</b>						
ART01 - Art in Public Places	700	720	750	810	815	<b>3,795</b>
<b>Miscellaneous Projects Total</b>	<b>700</b>	<b>720</b>	<b>750</b>	<b>810</b>	<b>815</b>	<b>3,795</b>
<b>Grand Total</b>	<b>174,903</b>	<b>180,772</b>	<b>179,525</b>	<b>198,469</b>	<b>189,675</b>	<b>923,344</b>

**Capital Budget Detail for Funded Projects**  
**Council Adopted Budget**

	Budget in thousands					
	2020	2021	2022	2023	2024	Total
<b>Municipal Building Commission</b>						
<b>Municipal Building Commission</b>						
MBC01 - Life Safety Improvements						
Hennepin County Grants	—	—	125	140	—	265
Net Debt Bonds	—	—	125	140	—	265
<b>MBC01 - Life Safety Improvements Total</b>	<b>—</b>	<b>—</b>	<b>250</b>	<b>280</b>	<b>—</b>	<b>530</b>
MBC02 - Mechanical Systems Upgrade						
Hennepin County Grants	120	535	470	580	—	1,705
Net Debt Bonds	120	535	470	580	—	1,705
<b>MBC02 - Mechanical Systems Upgrade Total</b>	<b>240</b>	<b>1,070</b>	<b>940</b>	<b>1,160</b>	<b>—</b>	<b>3,410</b>
MBC10 - Exterior Improvements						
Hennepin County Grants	—	—	—	—	—	—
Net Debt Bonds	—	—	—	—	—	—
<b>MBC10 - Exterior Improvements Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
MBC12 - Safety Improvements - Non-Stagework Areas						
Hennepin County Grants	450	3,000	3,000	—	—	6,450
Net Debt Bonds	450	1,550	1,550	1,500	1,400	6,450
<b>MBC12 - Safety Improvements - Non-Stagework Areas Total</b>	<b>900</b>	<b>4,550</b>	<b>4,550</b>	<b>1,500</b>	<b>1,400</b>	<b>12,900</b>
MBC13 - 4th St Sidewalk/Exterior Light Poles Upgrade						
Hennepin County Grants	—	—	—	—	—	—
Net Debt Bonds	—	—	—	—	—	—
<b>MBC13 - 4th St Sidewalk/Exterior Light Poles Upgrade Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
MBC14 - Historic Restoration Project						
Hennepin County Grants	—	—	—	—	—	—
Net Debt Bonds	—	—	—	—	—	—
<b>MBC14 - Historic Restoration Project Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Municipal Building Commission Total</b>	<b>1,140</b>	<b>5,620</b>	<b>5,740</b>	<b>2,940</b>	<b>1,400</b>	<b>16,840</b>
<b>Municipal Building Commission Total</b>	<b>1,140</b>	<b>5,620</b>	<b>5,740</b>	<b>2,940</b>	<b>1,400</b>	<b>16,840</b>
<b>Park Board</b>						
<b>Park Board</b>						
PRK02 Playground and Site Improvements Program						
Net Debt Bonds	1,295	1,220	365	—	—	2,880
Park Capital Levy	596	23	676	1,065	1,172	3,532
<b>PRK02 Playground and Site Improvements Program Total</b>	<b>1,891</b>	<b>1,243</b>	<b>1,041</b>	<b>1,065</b>	<b>1,172</b>	<b>6,412</b>
PRK03 - Shelter - Pool - Site Improvements Program						
Net Debt Bonds	—	—	845	—	—	845
<b>PRK03 - Shelter - Pool - Site Improvements Program Total</b>	<b>—</b>	<b>—</b>	<b>845</b>	<b>—</b>	<b>—</b>	<b>845</b>
PRK04 - Athletic Fields - Site Improvement Program						
Net Debt Bonds	—	115	—	—	—	115
Park Capital Levy	—	401	—	—	—	401
<b>PRK04 - Athletic Fields - Site Improvement Program Total</b>	<b>—</b>	<b>516</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>516</b>
PRK33 - Bryn Mawr Meadows Field Improvements						

**Capital Budget Detail for Funded Projects**  
**Council Adopted Budget**

	Budget in thousands					
	2020	2021	2022	2023	2024	Total
Net Debt Bonds	—	2,305	90	—	—	2,395
Park Capital Levy	—	777	276	—	—	1,053
PRK33 - Bryn Mawr Meadows Field Improvements Total	—	3,082	366	—	—	3,448
PRK35 - Keewaydin Park Implementation						
Net Debt Bonds	630	—	—	—	—	630
PRK35 - Keewaydin Park Implementation Total	630	—	—	—	—	630
PRK36 - North Commons Park Implementation						
Net Debt Bonds	800	800	—	—	—	1,600
PRK36 - North Commons Park Implementation Total	800	800	—	—	—	1,600
PRK37 - Powderhorn Park Implementation						
Net Debt Bonds	—	460	640	—	—	1,100
PRK37 - Powderhorn Park Implementation Total	—	460	640	—	—	1,100
PRK38 - Sibley Field Park Implementation						
Net Debt Bonds	920	—	—	—	—	920
PRK38 - Sibley Field Park Implementation Total	920	—	—	—	—	920
PRK39 - Whittier Park Implementation						
Net Debt Bonds	660	—	—	—	—	660
Park Capital Levy	445	—	—	—	—	445
PRK39 - Whittier Park Implementation Total	1,105	—	—	—	—	1,105
PRK40 - Elliot Park Implementation						
Net Debt Bonds	—	—	—	1,080	425	1,505
PRK40 - Elliot Park Implementation Total	—	—	—	1,080	425	1,505
PRKCP - Neighborhood Parks Capital Infrastructure						
Net Debt Bonds	2,495	1,900	5,660	6,320	6,980	23,355
Park Capital Levy	75	164	333	75	349	996
PRKCP - Neighborhood Parks Capital Infrastructure Total	2,570	2,064	5,993	6,395	7,329	24,351
PRKD - Diseased Tree Removal						
Special Assessment Bonds	300	300	300	300	300	1,500
PRKD - Diseased Tree Removal Total	300	300	300	300	300	1,500
PRKR - Neighborhood Parks Rehabilitation Program						
Net Debt Bonds	3,700	3,700	3,100	3,100	3,100	16,700
Park Capital Levy	420	615	695	685	660	3,075
PRKR - Neighborhood Parks Rehabilitation Program Total	4,120	4,315	3,795	3,785	3,760	19,775
<b>Park Board Total</b>	<b>12,336</b>	<b>12,780</b>	<b>12,980</b>	<b>12,625</b>	<b>12,986</b>	<b>63,707</b>
<b>Park Board Total</b>	<b>12,336</b>	<b>12,780</b>	<b>12,980</b>	<b>12,625</b>	<b>12,986</b>	<b>63,707</b>
<b>Public Works</b>						
<b>PW - Street Paving</b>						
PV001 - Parkway Paving Program						
Net Debt Bonds	700	700	700	700	700	3,500
Special Assessment Bonds	50	50	50	50	50	250
Transfer from Stormwater Fund	—	—	—	—	—	—
PV001 - Parkway Paving Program Total	750	750	750	750	750	3,750
PV006 - Alley Renovation Program						
Net Debt Bonds	200	200	200	200	200	1,000

**Capital Budget Detail for Funded Projects**  
**Council Adopted Budget**

	Budget in thousands					
	2020	2021	2022	2023	2024	Total
Special Assessment Bonds	50	50	50	50	50	250
PV006 - Alley Renovation Program Total	250	250	250	250	250	1,250
PV056 - Asphalt Pavement Resurfacing Program						
Net Debt Bonds	2,100	2,100	2,100	2,100	2,100	10,500
Special Assessment Bonds	4,915	4,915	4,915	4,915	4,915	24,575
PV056 - Asphalt Pavement Resurfacing Program Total	7,015	7,015	7,015	7,015	7,015	35,075
PV059 - Major Pavement Maintenance Program						
Net Debt Bonds	250	250	250	250	250	1,250
PV059 - Major Pavement Maintenance Program Total	250	250	250	250	250	1,250
PV063 - Unpaved Alley Construction						
Net Debt Bonds	150	150	150	150	150	750
Special Assessment Bonds	50	50	50	50	50	250
PV063 - Unpaved Alley Construction Total	200	200	200	200	200	1,000
PV074 - CSAH & MnDOT Cooperative Projects						
Net Debt Bonds	1,700	1,050	1,500	3,650	3,300	11,200
Sanitary Revenue	600	—	—	—	—	600
Special Assessment Bonds	830	—	150	—	—	980
PV074 - CSAH & MnDOT Cooperative Projects Total	3,130	1,050	1,650	3,650	3,300	12,780
PV075 - Development Infrastructure Program						
Net Debt Bonds	500	500	500	500	500	2,500
PV075 - Development Infrastructure Program Total	500	500	500	500	500	2,500
PV095 - 4th St N & S (2nd Ave N to 4th Ave S)						
Municipal State Aid	3,602	—	—	—	—	3,602
Net Debt Bonds	389	—	—	—	—	389
PV095 - 4th St N & S (2nd Ave N to 4th Ave S) Total	3,991	—	—	—	—	3,991
PV104 - ADA Ramp Replacement Program						
Net Debt Bonds	500	500	500	500	500	2,500
PV104 - ADA Ramp Replacement Program Total	500	500	500	500	500	2,500
PV108 - Concrete Streets Rehabilitation Program						
Net Debt Bonds	3,500	5,707	3,380	4,044	4,906	21,537
Special Assessment Bonds	500	500	500	500	500	2,500
Transfer from General Fund	—	1,728	—	—	—	1,728
PV108 - Concrete Streets Rehabilitation Program Total	4,000	7,935	3,880	4,544	5,406	25,765
PV113 - 29th St W Phase 2						
Net Debt Bonds	—	—	1,061	—	—	1,061
Special Assessment Bonds	—	—	70	—	—	70
Transfer from General Fund	—	—	1,704	—	—	1,704
PV113 - 29th St W Phase 2 Total	—	—	2,835	—	—	2,835
PV118 - Hennepin Ave (Wash Ave N to 12th St S)						
Federal Grants	7,000	—	—	—	—	7,000
Municipal State Aid	6,479	465	—	—	—	6,944
Net Debt Bonds	2,075	257	—	—	—	2,332
Special Assessment Bonds	1,195	—	—	—	—	1,195
Transfer from General Fund	3,880	740	—	—	—	4,620
Transfer from Special Revenue Funds	6,500	—	—	—	—	6,500

**Capital Budget Detail for Funded Projects**  
**Council Adopted Budget**

	Budget in thousands					
	2020	2021	2022	2023	2024	Total
Transfer from Stormwater Fund	1,000	—	—	—	—	1,000
PV118 - Hennepin Ave (Wash Ave N to 12th St S) Total	28,129	1,462	—	—	—	29,591
PV122 - Dowling Ave (I-94 to 1st St N)						
Federal Grants	—	—	750	—	—	750
Municipal State Aid	—	—	825	—	—	825
Special Assessment Bonds	—	—	175	—	—	175
Transfer from General Fund	—	—	2,340	—	—	2,340
PV122 - Dowling Ave (I-94 to 1st St N) Total	—	—	4,090	—	—	4,090
PV123 - Logan Park Industrial						
Net Debt Bonds	—	—	1,525	—	—	1,525
Special Assessment Bonds	—	—	2,730	—	—	2,730
Transfer from General Fund	—	—	1,785	—	—	1,785
PV123 - Logan Park Industrial Total	—	—	6,040	—	—	6,040
PV126 - Bryant Ave S (50th St W to Lake St W)						
Municipal State Aid	—			674	5,271	5,945
Net Debt Bonds	—	—	—	4,243	2,130	6,373
Special Assessment Bonds	—			2,130	—	2,130
Transfer from General Fund	—			2,018	2,314	4,332
Transfer from Stormwater Fund	—	—	—	—	—	—
PV126 - Bryant Ave S (50th St W to Lake St W) Total	—	—	—	9,065	9,715	18,780
PV127 - 37th Ave NE (Central Ave NE to Stinson Blvd)						
Municipal State Aid	—	—	—	1,065	—	1,065
Net Debt Bonds	—	—	—	340	—	340
Other Local Governments	—	—	—	8,890	—	8,890
Special Assessment Bonds	—	—	—	425	—	425
PV127 - 37th Ave NE (Central Ave NE to Stinson Blvd) Total	—	—	—	10,720	—	10,720
PV131 - Res Neighborhood Reconst Projects						
Net Debt Bonds	3,022	3,828	3,780	3,865	5,985	20,480
Special Assessment Bonds	240	575	—	560	—	1,375
Transfer from General Fund	473	—	—	—	—	473
Transfer from Stormwater Fund	—	—	—	—	—	—
PV131 - Res Neighborhood Reconst Projects Total	3,735	4,403	3,780	4,425	5,985	22,328
PV132 - 1st Ave S (Lake St to Franklin Ave)						
Municipal State Aid	—	—		657	506	1,163
Net Debt Bonds	—	—	—	1,973	1,525	3,498
Special Assessment Bonds	—	—		1,330	—	1,330
Transfer from General Fund	—	—		2,934	—	2,934
Transfer from Stormwater Fund	—	—		120	—	120
PV132 - 1st Ave S (Lake St to Franklin Ave) Total	—	—	—	7,014	2,031	9,045
PV137 - 29th Ave NE (Central to Stinson)						
Municipal State Aid	—	—	5,480	—	—	5,480
Net Debt Bonds	—	—	47	—	—	47
Special Assessment Bonds	—	—	670	—	—	670
Transfer from General Fund	—	—	947	—	—	947
Transfer from Stormwater Fund	—	—	627	—	—	627
PV137 - 29th Ave NE (Central to Stinson) Total	—	—	7,771	—	—	7,771

## Capital Budget Detail for Funded Projects

### Council Adopted Budget

	Budget in thousands					
	2020	2021	2022	2023	2024	Total
PV138 - 26th St E (Minnehaha Ave to 29th Ave S)						
Municipal State Aid	—	—	—	1,479	—	1,479
Net Debt Bonds	—	—	—	2,476	—	2,476
Special Assessment Bonds	—	—	—	920	—	920
PV138 - 26th St E (Minnehaha Ave to 29th Ave S) Total	—	—	—	4,875	—	4,875
PV139 - 18th Ave NE (Johnson St NE to Stinson Blvd NE)						
Municipal State Aid	3,644	—	—	—	—	3,644
Net Debt Bonds	166	—	—	—	—	166
Special Assessment Bonds	1,057	—	—	—	—	1,057
PV139 - 18th Ave NE (Johnson St NE to Stinson Blvd NE) Total	4,867	—	—	—	—	4,867
PV140 - 13th Ave NE (Sibley St NE to 4th St NE)						
Municipal State Aid	—	—	—	3,445	—	3,445
Net Debt Bonds	—	—	—	1,082	—	1,082
Special Assessment Bonds	—	—	—	275	—	275
Transfer from General Fund	—	—	—	1,551	—	1,551
Transfer from Stormwater Fund	—	—	—	787	—	787
PV140 - 13th Ave NE (Sibley St NE to 4th St NE) Total	—	—	—	7,140	—	7,140
PV141 - Grand Ave S (Lake St. W to 48th St W)						
Municipal State Aid	—	6,108	1,207	—	—	7,315
Net Debt Bonds	—	1,162	—	—	—	1,162
Special Assessment Bonds	—	1,950	—	—	—	1,950
Transfer from General Fund	—	5,488	—	—	—	5,488
PV141 - Grand Ave S (Lake St. W to 48th St W) Total	—	14,708	1,207	—	—	15,915
PV142 Downtown East Paving						
Municipal State Aid	—	491	—	—	—	491
Special Assessment Bonds	—	600	—	—	—	600
Transfer from General Fund	—	2,124	—	—	—	2,124
PV142 Downtown East Paving Total	—	3,215	—	—	—	3,215
PV143 - North Industrial						
Net Debt Bonds	—	—	1,641	—	—	1,641
Special Assessment Bonds	—	—	1,860	—	—	1,860
Transfer from General Fund	—	—	1,624	—	—	1,624
PV143 - North Industrial Total	—	—	5,125	—	—	5,125
PV146 - 9th St SE (6th Ave SE to 9th Ave SE)						
Special Assessment Bonds	—	—	980	—	—	980
Transfer from General Fund	—	—	815	—	—	815
PV146 - 9th St SE (6th Ave SE to 9th Ave SE) Total	—	—	1,795	—	—	1,795
PV147 - Girard Ave S (Lake St to Lagoon Ave)						
Hennepin County Grants	125	—	—	—	—	125
Special Assessment Bonds	65	—	—	—	—	65
Transfer from General Fund	600	—	—	—	—	600
Transfer from Stormwater Fund	545	—	—	—	—	545
PV147 - Girard Ave S (Lake St to Lagoon Ave) Total	1,335	—	—	—	—	1,335
PV150 - 1st Ave N (10th St N to Wash Ave)						

**Capital Budget Detail for Funded Projects**  
**Council Adopted Budget**

	Budget in thousands					
	2020	2021	2022	2023	2024	Total
Municipal State Aid	—	—	—	—	1,202	1,202
Net Debt Bonds	—	—	—	—	4,952	4,952
Special Assessment Bonds	—	—	—	—	1,195	1,195
Transfer from General Fund	—	—	—	—	6,024	6,024
Transfer from Stormwater Fund	—	—	—	—	805	805
PV150 - 1st Ave N (10th St N to Wash Ave) Total	—	—	—	—	14,178	14,178
PV152 - Plymouth Ave (Washburn Ave N to Penn Ave N)						
Municipal State Aid	—	2,766	—	—	—	2,766
Special Assessment Bonds	—	320	—	—	—	320
Transfer from General Fund	—	745	—	—	—	745
Transfer from Stormwater Fund	—	766	—	—	—	766
PV152 - Plymouth Ave (Washburn Ave N to Penn Ave N) Total	—	4,597	—	—	—	4,597
PV153 - 60th St W (Xerxes Ave S to Sunrise Drive)						
Municipal State Aid	—	—	—	—	—	—
Net Debt Bonds	—	—	—	—	—	—
Special Assessment Bonds	—	—	—	—	—	—
Transfer from General Fund	—	—	—	—	—	—
Transfer from Stormwater Fund	—	—	—	—	—	—
PV153 - 60th St W (Xerxes Ave S to Sunrise Drive) Total	—	—	—	—	—	—
PV154 - Franklin Ave W ( Henn Ave S to Lyndale Ave S)						
Municipal State Aid	—	—	1,249	—	—	1,249
Special Assessment Bonds	—	—	110	—	—	110
Transfer from General Fund	—	—	861	—	—	861
PV154 - Franklin Ave W ( Henn Ave S to Lyndale Ave S) Total	—	—	2,220	—	—	2,220
PV158 Hennepin Ave (Lake St W to Douglas Ave)						
Federal Grants	—	—	—	7,000	—	7,000
Municipal State Aid	—	—	2,239	926	—	3,165
Net Debt Bonds	—	—	940	129	—	1,069
Special Assessment Bonds	—	—	—	1,795	—	1,795
Transfer from General Fund	—	—	1,613	4,561	—	6,174
Transfer from Stormwater Fund	—	—	950	—	—	950
PV158 Hennepin Ave (Lake St W to Douglas Ave) Total	—	—	5,742	14,411	—	20,153
PV159 - Sunrise Dr/58th St W (60th St to Aldrich Ave)						
Net Debt Bonds	—	—	—	—	—	—
Special Assessment Bonds	—	—	—	—	—	—
Transfer from General Fund	—	—	—	—	—	—
PV159 - Sunrise Dr/58th St W (60th St to Aldrich Ave) Total	—	—	—	—	—	—
PV160 - 1st Ave S (Franklin Ave to Grant St)						
Net Debt Bonds	—	—	—	—	5,960	5,960
Special Assessment Bonds	—	—	—	—	805	805
PV160 - 1st Ave S (Franklin Ave to Grant St) Total	—	—	—	—	6,765	6,765
PV161 - 3rd St S (Hennepin Ave to Norm McGrew Pl)						

**Capital Budget Detail for Funded Projects**  
**Council Adopted Budget**

	Budget in thousands					
	2020	2021	2022	2023	2024	Total
Federal Grants	—	—	—	—	7,000	7,000
Municipal State Aid	—	—	—	—	3,821	3,821
Special Assessment Bonds	—	—	—	—	1,000	1,000
Transfer from General Fund	—	—	—	—	2,030	2,030
Transfer from Stormwater Fund	—	—	—	—	804	804
PV161 - 3rd St S (Hennepin Ave to Norm McGrew Pl)						
<b>Total</b>	—	—	—	—	14,655	14,655
PV99R - Reimbursable Paving Projects						
Reimbursements	3,500	3,500	3,500	3,500	3,500	17,500
<b>PV99R - Reimbursable Paving Projects Total</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>	<b>3,500</b>	<b>17,500</b>
PV156 - Johnson St NE (18th Ave NE to Lowry Ave NE)						
Municipal State Aid	—	3,745	—	—	—	3,745
Special Assessment Bonds	—	410	—	—	—	410
Transfer from General Fund	—	462	—	—	—	462
Transfer from Stormwater Fund	—	795	—	—	—	795
PV156 - Johnson St NE (18th Ave NE to Lowry Ave NE) Total	—	5,412	—	—	—	5,412
<b>PW - Street Paving Total</b>	<b>62,152</b>	<b>55,747</b>	<b>59,100</b>	<b>78,809</b>	<b>75,000</b>	<b>330,808</b>
<b>PW - Sidewalks</b>						
SWK01 - Defective Hazardous Sidewalks						
Net Debt Bonds	355	365	375	385	395	1,875
Sidewalk Assessments	3,000	3,000	3,000	3,000	3,000	15,000
<b>SWK01 - Defective Hazardous Sidewalks Total</b>	<b>3,355</b>	<b>3,365</b>	<b>3,375</b>	<b>3,385</b>	<b>3,395</b>	<b>16,875</b>
SWK02 - Sidewalk Gaps						
Net Debt Bonds	150	150	150	150	150	750
<b>SWK02 - Sidewalk Gaps Total</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>750</b>
<b>PW - Sidewalks Total</b>	<b>3,505</b>	<b>3,515</b>	<b>3,525</b>	<b>3,535</b>	<b>3,545</b>	<b>17,625</b>
<b>PW - Bridges</b>						
BR101 - Major Bridge Repair and Rehabilitation						
Net Debt Bonds	400	400	400	400	400	2,000
<b>BR101 - Major Bridge Repair and Rehabilitation Total</b>	<b>400</b>	<b>400</b>	<b>400</b>	<b>400</b>	<b>400</b>	<b>2,000</b>
BR106 - 1st Ave S over HCRRRA						
Hennepin County Grants	—	—	—	1,000	—	1,000
Net Debt Bonds	—	—	—	4,170	—	4,170
<b>BR106 - 1st Ave S over HCRRRA Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>5,170</b>	<b>—</b>	<b>5,170</b>
BR111 - 10th Ave Bridge						
Net Debt Bonds	3,000	—	—	—	—	3,000
<b>BR111 - 10th Ave Bridge Total</b>	<b>3,000</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>3,000</b>
BR117 - 1st St N Bridge over Bassett Creek						
Transfer from Stormwater Fund	1,395	—	—	—	—	1,395
<b>BR117 - 1st St N Bridge over Bassett Creek Total</b>	<b>1,395</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,395</b>
BR127 - Nicollet Ave over Minnehaha Creek						
Net Debt Bonds	—	—	—	—	2,000	2,000
State Grants	—	—	—	—	22,050	22,050
<b>BR127 - Nicollet Ave over Minnehaha Creek Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>24,050</b>	<b>24,050</b>
BR133 - Cedar Lake Road Bridges over Bassett Cr & RR						

**Capital Budget Detail for Funded Projects**  
**Council Adopted Budget**

	Budget in thousands					
	2020	2021	2022	2023	2024	Total
Net Debt Bonds	—	—	—	—	1,210	1,210
BR133 - Cedar Lake Road Bridges over Bassett Cr & RR Total	—	—	—	—	1,210	1,210
BR134 - Bridge 9 Program						
Net Debt Bonds	1,700	1,630	2,480	2,910	1,830	10,550
BR134 - Bridge 9 Program Total	1,700	1,630	2,480	2,910	1,830	10,550
<b>PW - Bridges Total</b>	<b>6,495</b>	<b>2,030</b>	<b>2,880</b>	<b>8,480</b>	<b>27,490</b>	<b>47,375</b>
<b>PW - Traffic Control and Street Lighting</b>						
TR008 - Parkway Street Light Replacement						
Net Debt Bonds	350	350	350	350	350	1,750
TR008 - Parkway Street Light Replacement Total	350	350	350	350	350	1,750
TR010 - Traffic Management Systems						
Hennepin County Grants	225	275	250	250	250	1,250
Net Debt Bonds	650	875	1,000	1,000	1,000	4,525
TR010 - Traffic Management Systems Total	875	1,150	1,250	1,250	1,250	5,775
TR011 - City Street Light Renovation						
Other Debt Financing	1,395	1,000	1,500	1,500	1,500	6,895
TR011 - City Street Light Renovation Total	1,395	1,000	1,500	1,500	1,500	6,895
TR021 - Traffic Signals						
Hennepin County Grants	125	250	250	250	250	1,125
Net Debt Bonds	1,675	1,875	1,875	1,875	1,875	9,175
TR021 - Traffic Signals Total	1,800	2,125	2,125	2,125	2,125	10,300
TR022 - Traffic Safety Imrovements						
Federal Grants	—	1,350	2,745	—	—	4,095
Hennepin County Grants	500	—	500	500	500	2,000
Net Debt Bonds	880	1,000	1,000	1,000	1,000	4,880
TR022 - Traffic Safety Imrovements Total	1,380	2,350	4,245	1,500	1,500	10,975
TR024 - Pedestrian Street Lighting Corridors						
Net Debt Bonds	1,000	500	600	1,000	1,000	4,100
TR024 - Pedestrian Street Lighting Corridors Total	1,000	500	600	1,000	1,000	4,100
TR025 - Sign Replacement Program						
Net Debt Bonds	—	895	895	895	895	3,580
TR025 - Sign Replacement Program Total	—	895	895	895	895	3,580
TR99R - Reimbursable Transportation Projects						
Reimbursements	600	600	600	600	600	3,000
TR99R - Reimbursable Transportation Projects Total	600	600	600	600	600	3,000
<b>PW - Traffic Control and Street Lighting Total</b>	<b>7,400</b>	<b>8,970</b>	<b>11,565</b>	<b>9,220</b>	<b>9,220</b>	<b>46,375</b>
<b>PW - Bike-Ped</b>						
BIK28 - Protected Bikeways Program						
Net Debt Bonds	1,940	1,000	1,000	1,000	1,000	5,940
BIK28 - Protected Bikeways Program Total	1,940	1,000	1,000	1,000	1,000	5,940
BP001 - Safe Routes to Schools Program						
Federal Grants	—	—	1,000	—	—	1,000
Hennepin County Grants	100	—	—	—	—	100
Net Debt Bonds	400	400	1,000	400	400	2,600
Other Local Governments	—	300	—	—	—	300
BP001 - Safe Routes to Schools Program Total	500	700	2,000	400	400	4,000
BP003 - Midtown Greenway Trail Mill & Overlay						

**Capital Budget Detail for Funded Projects**  
**Council Adopted Budget**

	Budget in thousands					
	2020	2021	2022	2023	2024	Total
Net Debt Bonds	—	1,505	—	—	—	1,505
BP003 - Midtown Greenway Trail Mill & Overlay Total	—	1,505	—	—	—	1,505
BP004 - Pedestrian Safety Program						
Federal Grants	—	—	1,000	—	—	1,000
Net Debt Bonds	600	600	1,000	600	600	3,400
BP004 - Pedestrian Safety Program Total	600	600	2,000	600	600	4,400
BP005 - Queen Ave N Bike Boulevard						
Federal Grants	—	1,000	—	—	—	1,000
Hennepin County Grants	—	250	—	—	—	250
Net Debt Bonds	—	1,000	—	—	—	1,000
BP005 - Queen Ave N Bike Boulevard Total	—	2,250	—	—	—	2,250
BP006 - 18th Ave NE Trail Gap (Marshall to California)						
Net Debt Bonds	—	—	535	—	—	535
BP006 - 18th Ave NE Trail Gap (Marshall to California) Total	—	—	535	—	—	535
<b>PW - Bike-Ped Total</b>	<b>3,040</b>	<b>6,055</b>	<b>5,535</b>	<b>2,000</b>	<b>2,000</b>	<b>18,630</b>
<b>PW - Sanitary Sewer</b>						
SA001 - Sanitary Tunnel & Sewer Rehab Program						
Sanitary Bonds	8,000	7,500	8,000	7,000	5,000	35,500
Sanitary Revenue	—	500	—	1,000	2,000	3,500
SA001 - Sanitary Tunnel & Sewer Rehab Program Total	8,000	8,000	8,000	8,000	7,000	39,000
SA036 - Infiltration & Inflow Removal Program						
Sanitary Bonds	2,500	2,500	3,500	3,500	2,500	14,500
Sanitary Revenue	—	—	—	—	1,000	1,000
SA036 - Infiltration & Inflow Removal Program Total	2,500	2,500	3,500	3,500	3,500	15,500
SA99R - Reimbursable Sanitary Sewer Projects						
Reimbursements	1,000	1,000	1,000	1,000	1,000	5,000
SA99R - Reimbursable Sanitary Sewer Projects Total	1,000	1,000	1,000	1,000	1,000	5,000
SAPVR - Sanitary Sewer Paving Project Program						
Sanitary Bonds	1,500	3,000	—	—	—	4,500
Sanitary Revenue	500	2,500	2,000	2,000	2,000	9,000
SAPVR - Sanitary Sewer Paving Project Program Total	2,000	5,500	2,000	2,000	2,000	13,500
<b>PW - Sanitary Sewer Total</b>	<b>13,500</b>	<b>17,000</b>	<b>14,500</b>	<b>14,500</b>	<b>13,500</b>	<b>73,000</b>
<b>PW - Stormwater Sewer</b>						
SW004 - Implementation of US EPA Storm Water Regs						
Stormwater Revenue	250	250	250	250	250	1,250
SW004 - Implementation of US EPA Storm Water Regs Total	250	250	250	250	250	1,250
SW005 - Combined Sewer Overflow Improvements						
Stormwater Revenue	1,500	1,500	1,500	1,500	1,500	7,500
SW005 - Combined Sewer Overflow Improvements Total	1,500	1,500	1,500	1,500	1,500	7,500
SW011 - Storm Drains and Tunnels Rehab Program						
Stormwater Bonds	—	—	2,000	3,000	2,000	7,000

**Capital Budget Detail for Funded Projects**  
**Council Adopted Budget**

	Budget in thousands					
	2020	2021	2022	2023	2024	Total
Stormwater Revenue	3,000	3,000	2,000	1,000	2,000	11,000
SW011 - Storm Drains and Tunnels Rehab Program Total	3,000	3,000	4,000	4,000	4,000	18,000
SW032 - I-35 Storm Tunnel						
Stormwater Revenue	—	—	—	—	1,000	1,000
SW032 - I-35 Storm Tunnel Total	—	—	—	—	1,000	1,000
SW039 - Flood Mitigation - Stormwater Alternatives						
Stormwater Bonds	1,000	1,000	2,000	4,000	4,000	12,000
Stormwater Revenue	4,000	4,000	3,000	1,000	1,000	13,000
SW039 - Flood Mitigation - Stormwater Alternatives Total	5,000	5,000	5,000	5,000	5,000	25,000
SW040 - Central City Parallel Storm Tunnel						
Stormwater Bonds	—	7,500	9,000	10,500	—	27,000
Stormwater Revenue	—	3,500	2,000	2,500	—	8,000
SW040 - Central City Parallel Storm Tunnel Total	—	11,000	11,000	13,000	—	35,000
SW99R - Reimbursable Sewer & Storm Drain Projects						
Reimbursements	2,000	2,000	2,000	2,000	2,000	10,000
SW99R - Reimbursable Sewer & Storm Drain Projects Total	2,000	2,000	2,000	2,000	2,000	10,000
SWPVR - Storm Sewer Paving Project Program						
Stormwater Revenue	1,500	1,700	1,500	1,500	1,800	8,000
SWPVR - Storm Sewer Paving Project Program Total	1,500	1,700	1,500	1,500	1,800	8,000
<b>PW - Stormwater Sewer Total</b>	<b>13,250</b>	<b>24,450</b>	<b>25,250</b>	<b>27,250</b>	<b>15,550</b>	<b>105,750</b>
<b>PW - Water</b>						
WTR12 - Water Distribution Improvements						
Water Revenue	9,550	9,650	9,750	9,000	9,100	47,050
WTR12 - Water Distribution Improvements Total	9,550	9,650	9,750	9,000	9,100	47,050
WTR18 - Water Distribution Facility						
Net Debt Bonds	700	3,265	1,300	—	—	5,265
Sanitary Bonds	—	2,500	—	—	—	2,500
Stormwater Bonds	—	2,500	—	—	—	2,500
Water Bonds	15,285	1,000	—	—	—	16,285
WTR18 - Water Distribution Facility Total	15,985	9,265	1,300	—	—	26,550
WTR23 - Treatment Infrastructure Improvements						
Water Revenue	5,000	5,000	5,500	5,500	6,750	27,750
WTR23 - Treatment Infrastructure Improvements Total	5,000	5,000	5,500	5,500	6,750	27,750
WTR27 - Advanced Metering Infrastructure						
Water Bonds	1,500	270	—	—	—	1,770
WTR27 - Advanced Metering Infrastructure Total	1,500	270	—	—	—	1,770
WTR29 - Columbia Heights Campus Upgrades						
Water Bonds	—	2,450	1,350	5,100	3,875	12,775
Water Revenue	150	—	—	—	—	150
WTR29 - Columbia Heights Campus Upgrades Total	150	2,450	1,350	5,100	3,875	12,925
WTR31 - Electrical Service Rehabilitation						
Water Bonds	2,000	2,000	2,000	3,000	—	9,000
WTR31 - Electrical Service Rehabilitation Total	2,000	2,000	2,000	3,000	—	9,000
WTR32 - Softening Plant Chemical System Improvements						

**Capital Budget Detail for Funded Projects**  
**Council Adopted Budget**

	Budget in thousands					
	2020	2021	2022	2023	2024	Total
Water Bonds	2,000	2,000	2,000	2,000	—	8,000
WTR32 - Softening Plant Chemical System Improvements Total	2,000	2,000	2,000	2,000	—	8,000
WTR33 - 3rd Ave Bridge Water Main						
Water Bonds	1,000	1,000	—	—	—	2,000
WTR33 - 3rd Ave Bridge Water Main Total	1,000	1,000	—	—	—	2,000
WTR34 - Fridley Facilities and Campus Improvements						
Water Revenue	750	—	—	—	—	750
WTR34 - Fridley Facilities and Campus Improvements Total	750	—	—	—	—	750
WTR35 - Renewable Energy at Water Treatment Campuses						
Water Bonds	2,500	—	—	—	—	2,500
WTR35 - Renewable Energy at Water Treatment Campuses Total	2,500	—	—	—	—	2,500
WTR9R - Reimbursable Water Main Projects						
Reimbursements	2,000	2,000	2,000	2,000	2,000	10,000
WTR9R - Reimbursable Water Main Projects Total	2,000	2,000	2,000	2,000	2,000	10,000
<b>PW - Water Total</b>	<b>42,435</b>	<b>33,635</b>	<b>23,900</b>	<b>26,600</b>	<b>21,725</b>	<b>148,295</b>
<b>Public Works</b>	<b>151,777</b>	<b>151,402</b>	<b>146,255</b>	<b>170,394</b>	<b>168,030</b>	<b>787,858</b>
<b>Public Grounds and Facilities</b>						
<b>Public Grounds and Facilities</b>						
FIR11 - New Fire Station No. 11						
Net Debt Bonds	—	—	—	5,000	4,144	9,144
FIR11 - New Fire Station No. 11 Total	—	—	—	5,000	4,144	9,144
FIR12 - New Fire Station No. 1						
Net Debt Bonds	2,250	250	—	—	—	2,500
FIR12 - New Fire Station No. 1 Total	2,250	250	—	—	—	2,500
FIR14 - New Fire Station No. 19						
Net Debt Bonds	—	—	—	—	—	—
FIR14 - New Fire Station No. 19 Total	—	—	—	—	—	—
MPD04 - New 1st Police Precinct						
Net Debt Bonds	200	4,000	6,100	2,400	—	12,700
Transfer from General Fund	300	—	—	—	—	300
MPD04 - New 1st Police Precinct Total	500	4,000	6,100	2,400	—	13,000
PSD15 - Traffic Maintenance Facility Improvement						
Net Debt Bonds	—	—	—	—	—	—
PSD15 - Traffic Maintenance Facility Improvement Total	—	—	—	—	—	—
PSD16 - Farmer's Market Improvements						
Net Debt Bonds	—	—	—	—	—	—
Private Contributions	—	—	—	—	—	—
PSD16 - Farmer's Market Improvements Total	—	—	—	—	—	—
PSD18 - Regulatory Services Facility						
Net Debt Bonds	—	—	—	—	—	—
PSD18 - Regulatory Services Facility Total	—	—	—	—	—	—
PSD19 - Impound Lot Facility						
Parking Revenue	500	—	—	—	—	500
PSD19 - Impound Lot Facility Total	500	—	—	—	—	500

**Capital Budget Detail for Funded Projects**  
**Council Adopted Budget**

	<b>Budget in thousands</b>					
	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Total</b>
PSD20 - City Hall & New Public Service Center						
Net Debt Bonds	—	—	—	—	—	—
CIP/Charter Bonds	—	—	6,700	4,300	2,000	13,000
Transfer from General Fund	3,000	6,000	1,000	—	300	10,300
PSD20 - City Hall & New Public Service Center Total	3,000	6,000	7,700	4,300	2,300	23,300
RAD01 - Public Safety Radio System Replacement						
Net Debt Bonds	2,700	—	—	—	—	2,700
RAD01 - Public Safety Radio System Replacement Total	2,700	—	—	—	—	2,700
<b>Public Grounds and Facilities Total</b>	<b>8,950</b>	<b>10,250</b>	<b>13,800</b>	<b>11,700</b>	<b>6,444</b>	<b>51,144</b>
<b>Public Grounds and Facilities Total</b>	<b>8,950</b>	<b>10,250</b>	<b>13,800</b>	<b>11,700</b>	<b>6,444</b>	<b>51,144</b>
Miscellaneous Projects						
Miscellaneous Projects						
ART01 - Art in Public Places						
Net Debt Bonds	700	720	750	810	815	3,795
ART01 - Art in Public Places Total	700	720	750	810	815	3,795
<b>Miscellaneous Projects Total</b>	<b>700</b>	<b>720</b>	<b>750</b>	<b>810</b>	<b>815</b>	<b>3,795</b>
<b>Miscellaneous Projects Total</b>	<b>700</b>	<b>720</b>	<b>750</b>	<b>810</b>	<b>815</b>	<b>3,795</b>
<b>Grand Total</b>	<b>174,903</b>	<b>180,772</b>	<b>179,525</b>	<b>198,469</b>	<b>189,675</b>	<b>923,344</b>

## MUNICIPAL BUILDING COMMISSION

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### **MBC01 Life Safety Improvements**

Installation of building sprinkler, fire alarm, smoke detection, and public address systems.

### **MBC02 Mechanical Systems Upgrade**

Renovation and upgrade of the heating, ventilating and air conditioning (HVAC) systems in City Hall.

### **MBC10 Exterior Improvements**

This project addresses building envelope issues including waterproofing, exterior windows and doors, and masonry.

### **MBC12 Safety Improvements - Non-Stagework Areas**

Provide for safety and security infrastructure improvements in non-stagework areas.

### **MBC 13 4th St Sidewalk / Exterior Light Poles Upgrade**

Update the look, increase pedestrian safety, and better accommodate the bikeway along the 4th Street side of the City Hall/Courthouse.

### **MBC14 Historic Restoration Project**

Restore the Mayor's Reception Hall, Clerk's Office, and Mayor's Office to their original appearance and incorporate design features to support current and future users.

## PARK BOARD

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### **PRK02 Playground and Site Improvements Program**

This project will reconfigure and replace worn out play equipment and additional amenities where budget allows.

### **PRK03 Shelter - Pool - Site Improvements Program**

Wading pool upgrade at Fuller Park, including accessibility improvements.

### **PRK04 Athletic Fields -Site Improvements Program**

Improvements include soil amendments, re-grading, re-seeding, irrigation, lighting, drainage, amenities and parking.

### **PRK33 Bryn Mawr Meadows Field Improvements**

Renovation and possible redesign for athletic fields at Bryn Mawr Meadows.

### **PRK35 Keewaydin Park Implementation**

Implement various recreational improvements, as called for in the South Service Area Master Plan.

### **PRK36 North Commons Park Implementation**

Implementation of various recreational improvements, based on results of the in-progress North Service Area Master Plan.

## 2020 - 2024 Capital Program Descriptions

### **PRK37 Powderhorn Park Implementation**

Implementation of various recreational improvements, as called for in the South Service Area Master Plan.

### **PRK38 Sibley Field Park Implementation**

Implementation of various recreational improvements, as called for in the South Service Area Master Plan.

### **PRK39 Whittier Park Implementation**

Implementation of various recreational improvements, as called for in the in-progress Southwest Service Area Master Plan.

### **PRK40 Elliot Park Implementation**

Implementation of various recreational improvements, as called for in the Downtown Service Area Master Plan.

### **PRKCP Neighborhood Parks Capital Infrastructure**

This project reflects the additional resources for neighborhood parks approved by ordinance as part of the 20 year "Neighborhood Park and Street Infrastructure Plans" on April 29, 2016. Parks included here have allocations of \$1,060,000 or less.

### **PRKD T Diseased Tree Removal**

Removing diseased trees from private property.

### **PRKRP Neighborhood Parks Rehabilitation Program**

Rehabilitation of existing park facilities, as authorized under the "Neighborhood Park and Street Infrastructure Plans" in 10 distinct categories.

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## **PUBLIC WORKS DEPARTMENT**

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### **PV001 Parkway Paving Program**

The objective is to re-evaluate the pavement condition and annual maintenance expenditures of all parkway paving areas that were constructed with a bituminous surface 30 years ago. The program will renovate rather than totally reconstruct the roadways.

### **PV006 Alley Renovation Program**

Repair and overlay existing alleys and repair or replace retaining walls that are currently in poor condition.

### **PV056 Asphalt Pavement Resurfacing Program**

The objective of this program is to resurface approximately 15 to 20 miles of streets each year to extend their useful life. Resurfacing will help to slow the deterioration of the city's aging street network and delay the cost of reconstructing the roadway by at least 10 years. Until specific paving projects are defined, this project will also reflect the additional resources for street infrastructure approved by ordinance as part of the 20 year "Neighborhood Park and Street Infrastructure Plans" on April 29, 2016.

### **PV059 Major Pavement Maintenance Program**

This project will upgrade pavement conditions and/or extend the life of the roadways in the City.

### **PV063 Unpaved Alley Construction**

Place concrete pavement and any necessary storm drain and retaining walls in existing dirt or oiled dirt surfaced alleys.

### **PV074 CSAH & MnDOT Cooperative Projects**

Project funding to be used for City's share of cooperative paving/bridge projects with Hennepin County and MnDOT.

### **PV075 Development Infrastructure Program**

This project would provide funding for various City wide development projects.

### **PV095 4th St N & S (2nd Ave N to 4th Ave S)**

Reconstruction of existing roadway.

### **PV104 ADA Ramp Replacement Program**

Replace pedestrian ramps to meet new standards set by the Americans with Disabilities Act.

### **PV108 Concrete Streets Rehabilitation Program**

This program would repair and rehabilitate various existing concrete streets in the City.

### **PV113 29th St W Phase 2**

Reconstruction of existing roadway to be replaced with woonerf concept.

### **PV118 Hennepin Ave (Wash Ave N to 12th St S)**

Reconstruction of existing roadway with pedestrian and bicycle amenities.

### **PV122 Dowling Ave (I-94 to 1st St N)**

Reconstruct existing street to new connection at 1st St N.

### **PV123 Logan Park Industrial**

Reconstruction of oil dirt and paver streets.

### **PV126 Bryant Ave S (50th St W to Lake St W)**

Reconstruction of existing street/bike boulevard.

### **PV127 37th Ave NE (Central Ave NE to Stinson Blvd)**

Reconstruction of existing concrete roadway, narrowing traffic area and adding an off-street trail in cooperation with Columbia Heights.

### **PV131 Res Neighborhood Reconst Projects**

The project includes reconstruction of segments of residential streets within a residential paving area that warrant repairs beyond those provided in the residential resurfacing program. This includes new sidewalks with ADA pedestrian ramps, roadway pavement, curb and gutter, and utility improvements. The project is also expected to include new signage and new pavement markings, where necessary.

### **PV132 1st Ave S (Lake St to Franklin Ave)**

## 2020 - 2024 Capital Program Descriptions

Reconstruction of existing right-of-way, to include new sidewalks, ADA pedestrian ramps, bicycle accommodations, pavement, curb and gutter, and utility improvements.

### **PV137 29th Ave NE (Central to Stinson)**

The project will include new sidewalks with ADA pedestrian ramps, on-street bike lanes, roadway pavement, curb and gutter, and utility improvements. The project is also expected to include signal improvements, new signage, and new pavement markings.

### **PV138 26th St E (Minnehaha Ave to 29th Ave S)**

Reconstruction of existing roadway.

### **PV139 18th Ave NE (Johnson St NE to Stinson Blvd NE)**

The project will include new sidewalks with ADA pedestrian ramps, improving the existing trail facility, roadway pavement, curb and gutter, and utility improvements. The project is also expected to include signal improvements, new signage, and new pavement markings.

### **PV140 13th Ave NE (Sibley St NE to Monroe St NE)**

Reconstruction of Existing roadway, sidewalks, bike lanes, with curb and gutter.

### **PV141 Grand Ave S (Lake St W to 48th St W)**

The project includes new sidewalks with ADA pedestrian ramps, roadway pavement, curb and gutter, and utility improvements. The project is also expected to include signal improvements, new signage, and pavement markings.

### **PV142 Downtown East Paving**

Reconstruction of several streets in the area near the US Bank Stadium.

### **PV143 North Industrial**

The project includes reconstruction of segments of local streets within the industrial areas between I-94, 23rd Ave N, 34th Ave N, and the Mississippi River. This project will include new sidewalks with ADA pedestrian ramps, roadway pavement, curb and gutter, and utility improvements. The project is also expected to include new signage and new pavement markings, where necessary.

### **PV146 9th St SE (6th Ave SE to 9th Ave SE)**

Reconstruction of existing roadway.

### **PV147 Girard Ave S (Lake St to Lagoon Ave)**

Reconstruction of existing roadway.

### **PV150 1st Ave N (10th St N to Wash Ave)**

Reconstruction of exsting roadway.

### **PV152 Plymouth Ave (Washburn Ave N to Penn Ave N)**

Reconstruction of existing roadway.

### **PV153 60th St W (Xerxes Ave S to Sunrise Drive)**

## 2020 - 2024 Capital Program Descriptions

Reconstruction of existing right-of-way, to include new sidewalks, potential bicycle accommodations, ADA pedestrian ramps, pavement, curb and gutter, and utility improvements.

### **PV154 Franklin Ave W (Henn Ave S to Lyndale Ave S)**

Reconstruction of existing roadway.

### **PV156 Johnson St NE (18th Ave NE to Lowry Ave NE)**

Reconstruction of existing roadway, sidewalk, signals, street lighting, curb and gutter.

### **PV158 Hennepin Ave (Lake St W to Douglas Ave)**

Reconstruction of existing roadway, sidewalks, signals, street lighting, etc.

### **PV159 Sunrise Dr / 58th St W (60th St to Aldrich Ave)**

Reconstruction of existing right-of-way, to include new sidewalks, potential bicycle accommodations, ADA pedestrian ramps, pavement, curb and gutter, and utility improvements.

### **PV160 1st Ave S (Franklin Ave to Grant St)**

Reconstruction of existing right-of-way, to include new sidewalks, bicycle accommodations, ADA pedestrian ramps, pavement, curb and gutter, and utility improvements.

### **PV161 3rd St S (Hennepin Ave to Norm McGrew Pl)**

Reconstruction of existing right-of-way, to include new sidewalks, bicycle accommodations, ADA pedestrian ramps, pavement, curb and gutter, and utility improvements.

### **PV99R Reimbursable Paving Projects**

Work to be done for others with 100% recovery from requesting agency.

### **SWK01 Defective Hazardous Sidewalks**

To provide a hazard free pedestrian passage over approximately 2,000 miles of public sidewalk by inspecting and replacing defective public sidewalks and adding ADA compliant curb ramps where needed.

### **SWK02 Sidewalk Gaps**

Construction of sidewalks where gaps in the sidewalk system exist.

### **BR101 Major Bridge Repair and Rehabilitation**

Major repair and rehabilitation of existing city bridges to extend the operational life.

### **BR106 1st Ave S over HCRRA**

Reconstruction of the existing bridge over the Midtown Greenway.

### **BR111 10th Ave Bridge**

Rehabilitation of the 10th Avenue SE Bridge over the Mississippi River and West River Parkway.

### **BR117 1st St N Bridge over Bassett's Creek**

Reconstruction of a structurally deficient bridge.

**BR127 Nicollet Ave over Minnehaha Creek**

Bridge Rehabilitation.

**BR133 Cedar Lake Road Bridges over Bassett Cr & RR**

Reconstruct existing bridges over Bassett Creek and Burlington Northern Santa Fe railroad.

**BR134 Bridge 9 Program**

Ongoing safety projects to maintain the bike/ped bridge crossing the Mississippi River.

**TR008 Parkway Street Light Replacement**

This project consists of replacement of deteriorated services, poles, fixtures and electrical wiring associated with the lighting systems in place along the parkways throughout the City.

**TR010 Traffic Management Systems**

This project consists of updating and retiming all the traffic signal systems within the City.

**TR011 City Street Light Renovation**

This project consists of renovating the City's existing decorative street lighting facilities.

**TR021 Traffic Signals**

This project consists of replacing old and outdated traffic signal equipment.

**TR022 Traffic Safety Improvements**

This project consists of seven traffic related improvements: 1) Overhead Signal Additions, 2) Operational and Safety Improvements, 3) Signal and Delineation, 4) Mastarm Mounted Street Name Signing, 5) Street & Bridge Navigation Lighting, 6) Pedestrian Safety, and 7) Railroad Crossing Safety.

**TR024 Pedestrian Street Lighting Corridors**

Construct pedestrian level lighting on various pedestrian corridors throughout the City.

**TR025 Sign Replacement Program**

Replace deficient signs with new signs that meet current reflectivity standards.

**TR99R Reimbursable Transportation Projects**

Work for others funding to be reimbursed by department, business or individuals requesting the work.

**BIK28 Protected Bikeways Program**

This program will create a network of bikeways which provide bicyclists with a physical means of protection from motor vehicles on roadways as recommended in the Bicycle Master Plan.

**BP001 Safe Routes to School Program**

This program will make safety improvements to roadways and intersections to encourage bicycling and walking to and from Minneapolis Schools.

### **BP003 Midtown Greenway Trail Mill & Overlay**

Phase I renovation of the Midtown Greenway.

### **BP004 Pedestrian Safety Program**

Street improvements to create safer pedestrian/bicycle crossings at intersections.

### **BP005 Queen Ave N Bike Boulevard**

Creation of a bicycle boulevard on Queen Ave N.

### **BP006 18th Ave NE Trail Gap (Marshall to California)**

The project will add an off street trail connecting the East River Trail to the 18th Ave NE Trail.

### **SA001 Sanitary Tunnel & Sewer Rehab Program**

This program will rehabilitate and repair sanitary sewer pipes, lift stations & tunnels.

### **SA036 Infiltration & Inflow Removal Program**

The focus of this program is to remove inflow and infiltration of water from the sanitary sewer system and redirect this clear water to the storm sewer system and/or other best management practices.

### **SA99R Reimbursable Sanitary Sewer Projects**

Work to be done for others with 100% recovery from requesting agency.

### **SAPVR Storm Sewer Paving Project Program**

Data-driven repair and rehabilitation activities, with coordination between sanitary sewer and capital paving projects.

### **SW004 Implementation of US EPA Storm Water Regs**

This project provides solutions for stormwater pollution mitigation measures.

### **SW005 Combined Sewer Overflow Improvements**

Construction of stormwater systems so that catch basins and drains in public right of way can be disconnected from the sanitary sewer and reconnected to a storm sewer.

### **SW011 Storm Drains and Tunnels Rehab Program**

The rehab and repair of storm pipes, pump stations and tunnels throughout the City.

### **SW032 I-35W Storm Tunnel**

Construction of a parallel storm tunnel or expansion of the existing tunnel.

### **SW039 Flood Mitigation - Stormwater Alternatives**

The purpose of this program is to address localized flooding and drainage problems City-wide. Where practical, environmentally friendly "green infrastructure" stormwater practices such as rain gardens, bioswales, constructed wetlands, pervious pavements and hard surface reduction will be utilized.

### **SW040 Central City Parallel Storm Tunnel**

Construction of a new parallel tunnel in the Central City storm tunnel system.

### **SW99R Reimbursable Sewer & Storm Drain Projects**

Work to be done for others with 100% recovery from requesting agency.

### **SWPVR Storm Sewer Paving Project Program**

Data-driven repair and rehabilitation activities, with coordination between storm sewer and capital paving projects.

### **WTR12 Water Distribution Improvements**

Maintain and sustain existing water distribution system infrastructure citywide.

### **WTR18 Water Distribution Facility**

Site acquisition, planning, design, and construction of a new water distribution maintenance facility.

### **WTR23 Treatment Infrastructure Improvements**

Maintain viability of existing water infrastructure through regular upgrades.

### **WTR27 Advanced Metering Infrastructure**

Implementation of advanced metering infrastructure.

### **WTR29 Columbia Heights Campus Upgrades**

Improve or replace century-old structures on Columbia Heights campus.

### **WTR31 Electrical Service Rehabilitation**

Rehabilitation of the electrical equipment at the Fridley Campus.

### **WTR32 Softening Plant Chemical System Improvements**

Replacement of lime chemical feed equipment and upgrade/expansion of on-line lime storage at the Fridley Softening Plant.

### **WTR33 3rd Ave Bridge Water Main**

Shoring and renovation related to the 36" water main that hangs from the 3rd Avenue Bridge deck, in conjunction with MnDOT's bridge deck replacement and sub-structure renovation project.

### **WTR34 Fridley Facilities and Campus Improvements**

Design and implementation of a master plan for the Fridley Campus, including one or more buildings to more efficiently run the business of the utility.

### **WTR35 Renewable Energy at Water Treatment Campuses**

Design and installation of a 1-Megawatt photovoltaic solar array at the Columbia Heights water treatment campus.

### **WTR9R Reimbursable Water Main Projects**

This project provides working capital for watermain projects reimbursable by other City Departments or private businesses.

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## PUBLIC GROUNDS & FACILITIES

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### **FIR11 Fire Station No. 11**

Planning, design, and construction of a new Fire Station #11 at an existing City-owned site.

### **FIR12 New Fire Station No. 1**

The project would plan, design, renovate and expand the current Fire Station #1 at its current location or construction of a new station as part of a redevelopment strategy.

### **FIR14 New Fire Station No. 19**

Planning, design, and construction of a new Fire Station No. 19 on property yet to be identified and acquired, in the UofM TCF Bank Stadium area.

### **MPD04 New 1st Police Precinct**

Planning, design, and construction of a new Police Precinct No. 1 on property yet to be identified and acquired, in the downtown north area.

### **PSD15 Traffic Maintenance Facility Improvement**

The scope of the project is to complete the final phase of the renovation and modernization of the Traffic Maintenance Facility.

### **PSD16 Farmers Market Improvements**

This project will provide for the long term capital improvement plan for the Farmer's Market site and facilities.

### **PSD18 Regulatory Services Facility**

To acquire an adequate site and to design and construct a new facility to meet the program needs of Housing and Fire Inspections.

### **PSD19 Impound Lot Facility**

This project will provide for needed site improvements (drainage, lighting, security, landscape screening), and for the comprehensive renovation and expansion, or replacement, of the Impound service building at or near its current location.

### **PSD20 City Hall & New Public Service Center**

This project will consist of renovations to the City's space in the historic City Hall at 350 South 5th St and construction of a new office building/public service center located adjacent to City Hall at 501 4th Ave S.

### **RAD01 Public Safety Radio System Replacement**

Replace hardware and update infrastructure of the ARMER interoperable radio system.

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## MISCELLANEOUS PROJECTS

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### **ART01 Art in Public Places**

This ongoing program incorporates public art into the City's capital program as stand alone artworks or as integrated into public infrastructure.

## 2020 CAPITAL BUDGET DECISION SUMMARY

	<b>Department Requested</b>	<b>CLIC Recommended</b>	<b>Mayor Recommended</b>	<b>Council Adopted</b>
<b>Municipal Building Commission</b>				
MBC01 - Life Safety Improvements	—	—	—	—
MBC02 - Mechanical Systems Upgrade	240	240	240	240
MBC10 - Exterior Improvements	4,300	—	—	—
MBC12 - Safety Improvements - Non-Stagework Areas	1,100	1,100	900	900
MBC13 - 4th St Sidewalk/Exterior Light Poles Upgrade	350	—	—	—
MBC14 - Historic Restoration Project	200	—	—	—
<b>Park Board</b>				
PRK02 Playground and Site Improvements Program	1,891	1,891	1,891	1,891
PRK03 - Shelter - Pool - Site Improvements Program	—	—	—	—
PRK04 - Athletic Fields - Site Improvement Program	—	—	—	—
PRK33 - Bryn Mawr Meadows Field Improvements	—	—	—	—
PRK35 - Keewaydin Park Implementation	630	630	630	630
PRK36 - North Commons Park Implementation	1,000	1,000	1,000	800
PRK37 - Powderhorn Park Implementation	—	—	—	—
PRK38 - Sibley Field Park Implementation	920	920	920	920
PRK39 - Whittier Park Implementation	1,105	1,105	1,105	1,105
PRK40 - Elliot Park Implementation	—	—	—	—
PRKCP - Neighborhood Parks Capital Infrastructure	2,570	2,570	2,570	2,570
PRKD - Diseased Tree Removal	300	300	300	300
PRKRP - Neighborhood Parks Rehabilitation Program	4,120	4,120	4,120	4,120
<b>PW - Street Paving</b>				
PV001 - Parkway Paving Program	750	750	750	750
PV006 - Alley Renovation Program	250	—	250	250
PV056 - Asphalt Pavement Resurfacing Program	7,015	7,015	7,015	7,015
PV059 - Major Pavement Maintenance Program	250	250	250	250
PV063 - Unpaved Alley Construction	200	—	200	200
PV074 - CSAH & MnDOT Cooperative Projects	3,130	3,130	3,130	3,130
PV075 - Development Infrastructure Program	500	—	500	500
PV095 - 4th St N & S (2nd Ave N to 4th Ave S)	3,991	3,991	3,991	3,991
PV104 - ADA Ramp Replacement Program	500	500	500	500
PV108 - Concrete Streets Rehabilitation Program	4,750	4,750	4,000	4,000
PV113 - 29th St W Phase 2	—	—	—	—
PV118 - Hennepin Ave (Wash Ave N to 12th St S)	28,129	28,129	28,129	28,129
PV122 - Dowling Ave (I-94 to 1st St N)	—	—	—	—
PV123 - Logan Park Industrial	—	—	—	—
PV126 - Bryant Ave S (50th St W to Lake St W)	—	—	—	—
PV127 - 37th Ave NE (Central Ave NE to Stinson Blvd)	—	—	—	—
PV131 - Res Neighborhood Reconst Projects	3,735	3,735	3,735	3,735
PV132 - 1st Ave S (Lake St to Franklin Ave)	—	—	—	—
PV137 - 29th Ave NE (Central to Stinson)	—	—	—	—
PV138 - 26th St E (Minnehaha Ave to 29th Ave S)	—	—	—	—

## 2020 CAPITAL BUDGET DECISION SUMMARY

PV139 - 18th Ave NE (Johnson St NE to Stinson Blvd NE)	4,867	4,867	4,867	4,867
PV140 - 13th Ave NE (Sibley St NE to 4th St NE)	—	—	—	—
PV141 - Grand Ave S (Lake St. W to 48th St W)	—	—	—	—
PV142 Downtown East Paving	—	—	—	—
PV143 - North Industrial	—	—	—	—
PV146 - 9th St SE (6th Ave SE to 9th Ave SE)	—	—	—	—
PV147 - Girard Ave S (Lake St to Lagoon Ave)	1,335	1,335	1,335	1,335
PV150 - 1st Ave N (10th St N to Wash Ave)	—	—	—	—
PV152 - Plymouth Ave (Washburn Ave N to Penn Ave N)	—	—	—	—
PV153 - 60th St W (Xerxes Ave S to Sunrise Drive)	—	—	—	—
PV154 - Franklin Ave W ( Henn Ave S to Lyndale Ave S)	—	—	—	—
PV156 - Johnson St NE (18th Ave NE to Lowry Ave NE)	—	—	—	—
PV158 Hennepin Ave (Lake St W to Douglas Ave)	—	—	—	—
PV159 - Sunrise Dr/58th St W (60th St to Aldrich Ave)	—	—	—	—
PV160 - 1st Ave S (Franklin Ave to Grant St)	—	—	—	—
PV161 - 3rd St S (Hennepin Ave to Norm McGrew Pl)	—	—	—	—
PV99R - Reimbursable Paving Projects	3,500	3,500	3,500	3,500
<b>PW - Sidewalks</b>				
SWK01 - Defective Hazardous Sidewalks	3,355	3,355	3,355	3,355
SWK02 - Sidewalk Gaps	150	150	150	150
<b>PW - Bridges</b>				
BR101 - Major Bridge Repair and Rehabilitation	400	400	400	400
BR106 - 1st Ave S over HCRRRA	—	—	—	—
BR111 - 10th Ave Bridge	3,000	3,000	3,000	3,000
BR117 - 1st St N Bridge over Bassett's Creek	1,395	1,395	1,395	1,395
BR127 - Nicollet Ave over Minnehaha Creek	—	—	—	—
BR133 - Cedar Lake Road Bridges over Bassett Cr & RR	—	—	—	—
BR134 - Bridge 9 Program	1,700	1,700	1,700	1,700
<b>PW - Traffic Control and Street Lighting</b>				
TR008 - Parkway Street Light Replacement	350	350	350	350
TR010 - Traffic Management Systems	875	875	875	875
TR011 - City Street Light Renovation	1,395	1,395	1,395	1,395
TR021 - Traffic Signals	1,800	1,800	1,800	1,800
TR022 - Traffic Safety Improvements	1,380	1,380	1,380	1,380
TR024 - Pedestrian Street Lighting Corridors	1,000	1,000	1,000	1,000
TR025 - Sign Replacement Program	—	—	—	—
TR99R - Reimbursable Transportation Projects	600	600	600	600
<b>PW - Bike-Ped</b>				
BIK28 - Protected Bikeways Program	1,940	1,940	1,940	1,940
BP001 - Safe Routes to Schools Program	500	500	500	500
BP003 - Midtown Greenway Trail Mill & Overlay	—	—	—	—
BP004 - Pedestrian Safety Program	600	600	600	600
BP005 - Queen Ave N Bike Boulevard	—	—	—	—

## 2020 CAPITAL BUDGET DECISION SUMMARY

BP006 - 18th Ave NE Trail Gap (Marshall to California)	—	—	—	—
<b>PW - Sanitary Sewer</b>				
SA001 - Sanitary Tunnel & Sewer Rehab Program	8,000	8,000	8,000	8,000
SA036 - Infiltration & Inflow Removal Program	2,500	2,500	2,500	2,500
SA99R - Reimbursable Sanitary Sewer Projects	1,000	1,000	1,000	1,000
SAPVR - Sanitary Sewer Paving Project Program	2,000	2,000	2,000	2,000
<b>PW - Stormwater Sewer</b>				
SW004 - Implementation of US EPA Storm Water Regs	250	250	250	250
SW005 - Combined Sewer Overflow Improvements	1,500	1,500	1,500	1,500
SW011 - Storm Drains and Tunnels Rehab Program	3,000	3,000	3,000	3,000
SW032 - I-35 Storm Tunnel	—	—	—	—
SW039 - Flood Mitigation - Stormwater Alternatives	5,000	5,000	5,000	5,000
SW040 - Central City Parallel Storm Tunnel	—	—	—	—
SW99R - Reimbursable Sewer & Storm Drain Projects	2,000	2,000	2,000	2,000
SWPVR - Storm Sewer Paving Project Program	1,500	1,500	1,500	1,500
<b>PW - Water</b>				
WTR12 - Water Distribution Improvements	9,550	9,550	9,550	9,550
WTR18 - Water Distribution Facility	15,285	15,285	15,985	15,985
WTR23 - Treatment Infrastructure Improvements	5,000	5,000	5,000	5,000
WTR27 - Advanced Metering Infrastructure	1,500	1,500	1,500	1,500
WTR29 - Columbia Heights Campus Upgrades	150	150	150	150
WTR31 - Electrical Service Rehabilitation	2,000	2,000	2,000	2,000
WTR32 - Softening Plant Chemical System Improvements	2,000	—	2,000	2,000
WTR33 - 3rd Ave Bridge Water Main	1,000	1,000	1,000	1,000
WTR34 - Fridley Facilities and Campus Improvements	750	750	750	750
WTR35 - Renewable Energy at Water Treatment Campuses	2,500	2,500	2,500	2,500
WTR9R - Reimbursible Water Main Projects	2,000	2,000	2,000	2,000
<b>Public Grounds and Facilities</b>				
FIR11 - New Fire Station No. 11	—	—	—	—
FIR12 - New Fire Station No. 1	2,500	2,500	2,250	2,250
FIR14 - New Fire Station No. 19	—	—	—	—
MPD04 - New 1st Police Precinct	200	—	500	500
PSD15 - Traffic Maintenance Facility Improvement	—	—	—	—
PSD16 - Farmer's Market Improvements	—	—	—	—
PSD18 - Regulatory Services Facility	—	—	—	—
PSD19 - Impound Lot Facility	500	500	500	500
PSD20 - City Hall & New Public Service Center	86,500	86,500	81,500	3,000
RAD01 - Public Safety Radio System Replacement	2,700	2,700	2,700	2,700
<b>Miscellaneous Projects</b>				
ART01 - Art in Public Places	700	700	700	700
<b>Grand Total</b>	<b>263,653</b>	<b>255,653</b>	<b>253,603</b>	<b>174,903</b>

## 2021 CAPITAL BUDGET DECISION SUMMARY

	<b>Department Requested</b>	<b>CLIC Recommended</b>	<b>Mayor Recommended</b>	<b>Council Adopted</b>
<b>Municipal Building Commission</b>				
MBC01 - Life Safety Improvements	—	—	—	—
MBC02 - Mechanical Systems Upgrade	1,070	1,070	1,070	1,070
MBC10 - Exterior Improvements	5,200	—	—	—
MBC12 - Safety Improvements - Non-Stagework Areas	5,900	5,900	4,550	4,550
MBC13 - 4th St Sidewalk/Exterior Light Poles Upgrade	—	—	—	—
MBC14 - Historic Restoration Project	5,500	—	—	—
<b>Park Board</b>				
PRK02 Playground and Site Improvements Program	1,243	1,243	1,243	1,243
PRK03 - Shelter - Pool - Site Improvements Program	—	—	—	—
PRK04 - Athletic Fields - Site Improvement Program	516	516	516	516
PRK33 - Bryn Mawr Meadows Field Improvements	3,082	3,082	3,082	3,082
PRK35 - Keewaydin Park Implementation	—	—	—	—
PRK36 - North Commons Park Implementation	800	800	800	800
PRK37 - Powderhorn Park Implementation	460	460	460	460
PRK38 - Sibley Field Park Implementation	—	—	—	—
PRK39 - Whittier Park Implementation	—	—	—	—
PRK40 - Elliot Park Implementation	—	—	—	—
PRKCP - Neighborhood Parks Capital Infrastructure	2,064	2,064	2,064	2,064
PRKD - Diseased Tree Removal	300	300	300	300
PRKRP - Neighborhood Parks Rehabilitation Program	4,315	4,315	4,315	4,315
<b>PW - Street Paving</b>				
PV001 - Parkway Paving Program	750	750	750	750
PV006 - Alley Renovation Program	250	—	250	250
PV056 - Asphalt Pavement Resurfacing Program	7,015	7,015	7,015	7,015
PV059 - Major Pavement Maintenance Program	250	250	250	250
PV063 - Unpaved Alley Construction	200	—	200	200
PV074 - CSAH & MnDOT Cooperative Projects	1,050	1,050	1,050	1,050
PV075 - Development Infrastructure Program	500	—	500	500
PV095 - 4th St N & S (2nd Ave N to 4th Ave S)	—	—	—	—
PV104 - ADA Ramp Replacement Program	500	500	500	500
PV108 - Concrete Streets Rehabilitation Program	5,185	5,185	7,935	7,935
PV113 - 29th St W Phase 2	—	—	—	—
PV118 - Hennepin Ave (Wash Ave N to 12th St S)	1,462	1,462	1,462	1,462
PV122 - Dowling Ave (I-94 to 1st St N)	—	—	—	—
PV123 - Logan Park Industrial	—	—	—	—
PV126 - Bryant Ave S (50th St W to Lake St W)	—	9,065	—	—
PV127 - 37th Ave NE (Central Ave NE to Stinson Blvd)	—	—	—	—
PV131 - Res Neighborhood Reconst Projects	4,403	4,403	4,403	4,403
PV132 - 1st Ave S (Lake St to Franklin Ave)	—	—	—	—

## 2021 CAPITAL BUDGET DECISION SUMMARY

PV137 - 29th Ave NE (Central to Stinson)	—	—	—	—
PV138 - 26th St E (Minnehaha Ave to 29th Ave S)	—	—	—	—
PV139 - 18th Ave NE (Johnson St NE to Stinson Blvd NE)	—	—	—	—
PV140 - 13th Ave NE (Sibley St NE to 4th St NE)	—	—	—	—
PV141 - Grand Ave S (Lake St. W to 48th St W)	14,708	—	14,708	14,708
PV142 Downtown East Paving	3,215	—	3,215	3,215
PV143 - North Industrial	—	—	—	—
PV146 - 9th St SE (6th Ave SE to 9th Ave SE)	—	—	—	—
PV147 - Girard Ave S (Lake St to Lagoon Ave)	—	—	—	—
PV150 - 1st Ave N (10th St N to Wash Ave)	—	—	—	—
PV152 - Plymouth Ave (Washburn Ave N to Penn Ave N)	4,597	4,597	4,597	4,597
PV153 - 60th St W (Xerxes Ave S to Sunrise Drive)	—	—	—	—
PV154 - Franklin Ave W ( Henn Ave S to Lyndale Ave S)	—	—	—	—
PV156 - Johnson St NE (18th Ave NE to Lowry Ave NE)	5,412	5,412	5,412	5,412
PV158 Hennepin Ave (Lake St W to Douglas Ave)	—	—	—	—
PV159 - Sunrise Dr/58th St W (60th St to Aldrich Ave)	—	—	—	—
PV160 - 1st Ave S (Franklin Ave to Grant St)	—	—	—	—
PV161 - 3rd St S (Hennepin Ave to Norm McGrew Pl)	—	—	—	—
PV99R - Reimbursable Paving Projects	3,500	3,500	3,500	3,500
<b>PW - Sidewalks</b>				
SWK01 - Defective Hazardous Sidewalks	3,365	3,365	3,365	3,365
SWK02 - Sidewalk Gaps	150	150	150	150
<b>PW - Bridges</b>				
BR101 - Major Bridge Repair and Rehabilitation	400	400	400	400
BR106 - 1st Ave S over HCRRRA	—	—	—	—
BR111 - 10th Ave Bridge	—	—	—	—
BR117 - 1st St N Bridge over Bassett's Creek	—	—	—	—
BR127 - Nicollet Ave over Minnehaha Creek	—	—	—	—
BR133 - Cedar Lake Road Bridges over Bassett Cr & RR	—	—	—	—
BR134 - Bridge 9 Program	1,630	1,630	1,630	1,630
<b>PW - Traffic Control and Street Lighting</b>				
TR008 - Parkway Street Light Replacement	350	350	350	350
TR010 - Traffic Management Systems	1,150	1,150	1,150	1,150
TR011 - City Street Light Renovation	1,000	1,000	1,000	1,000
TR021 - Traffic Signals	2,125	2,125	2,125	2,125
TR022 - Traffic Safety Improvements	2,600	2,600	2,350	2,350
TR024 - Pedestrian Street Lighting Corridors	500	500	500	500
TR025 - Sign Replacement Program	895	895	895	895
TR99R - Reimbursable Transportation Projects	600	600	600	600
<b>PW - Bike-Ped</b>				
BIK28 - Protected Bikeways Program	1,000	1,000	1,000	1,000
BP001 - Safe Routes to Schools Program	700	700	700	700

## 2021 CAPITAL BUDGET DECISION SUMMARY

BP003 - Midtown Greenway Trail Mill & Overlay	1,505	1,505	1,505	1,505
BP004 - Pedestrian Safety Program	600	600	600	600
BP005 - Queen Ave N Bike Boulevard	2,250	2,250	2,250	2,250
BP006 - 18th Ave NE Trail Gap (Marshall to California)	—	—	—	—
<b>PW - Sanitary Sewer</b>				
SA001 - Sanitary Tunnel & Sewer Rehab Program	8,000	8,000	8,000	8,000
SA036 - Infiltration & Inflow Removal Program	2,500	2,500	2,500	2,500
SA99R - Reimbursable Sanitary Sewer Projects	1,000	1,000	1,000	1,000
SAPVR - Sanitary Sewer Paving Project Program	5,500	5,500	5,500	5,500
<b>PW - Stormwater Sewer</b>				
SW004 - Implementation of US EPA Storm Water Regs	250	250	250	250
SW005 - Combined Sewer Overflow Improvements	1,500	1,500	1,500	1,500
SW011 - Storm Drains and Tunnels Rehab Prog.	3,000	3,000	3,000	3,000
SW032 - I-35 Storm Tunnel	—	—	—	—
SW039 - Flood Mitigation - Stormwater Alternatives	5,000	5,000	5,000	5,000
SW040 - Central City Parallel Storm Tunnel	11,000	11,000	11,000	11,000
SW99R - Reimbursable Sewer/Storm Drain Proj	2,000	2,000	2,000	2,000
SWPVR - Storm Sewer Paving Project Program	1,700	1,700	1,700	1,700
<b>PW - Water</b>				
WTR12 - Water Distribution Improvements	9,650	9,650	9,650	9,650
WTR18 - Water Distribution Facility	11,265	11,265	9,265	9,265
WTR23 - Treatment Infrastructure Improvements	5,000	5,000	5,000	5,000
WTR27 - Advanced Metering Infrastructure	270	270	270	270
WTR29 - Columbia Heights Campus Upgrades	2,450	2,450	2,450	2,450
WTR31 - Electrical Service Rehabilitation	2,000	2,000	2,000	2,000
WTR32 - Softening Plant Chemical System Improvements	2,000	—	2,000	2,000
WTR33 - 3rd Ave Bridge Water Main	1,000	1,000	1,000	1,000
WTR34 - Fridley Facilities/Campus Improvements	—	—	—	—
WTR35 - Renewable Energy at Water Treatment Campuses	—	—	—	—
WTR9R - Reimbursible Water Main Projects	2,000	2,000	2,000	2,000
<b>Public Grounds and Facilities</b>				
FIR11 - New Fire Station No. 11	7,000	—	—	—
FIR12 - New Fire Station No. 1	—	—	250	250
FIR14 - New Fire Station No. 19	—	—	—	—
MPD04 - New 1st Police Precinct	800	—	4,000	4,000
PSD15 - Traffic Maintenance Facility Improvement	200	—	—	—
PSD16 - Farmer's Market Improvements	—	—	—	—
PSD18 - Regulatory Services Facility	1,000	—	—	—
PSD19 - Impound Lot Facility	—	—	—	—
PSD20 - City Hall & New Public Service Center	14,500	14,500	19,500	6,000
RAD01 - Public Safety Radio System Replcmnt	—	—	—	—
<b>Miscellaneous Projects</b>				
ART01 - Art in Public Places	720	720	720	720

<b>Grand Total</b>	<b>205,572</b>	<b>174,064</b>	<b>194,272</b>	<b>180,772</b>
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## 2022 CAPITAL BUDGET DECISION SUMMARY

	<b>Department Requested</b>	<b>CLIC Recommended</b>	<b>Mayor Recommended</b>	<b>Council Adopted</b>
<b>Municipal Building Commission</b>				
MBC01 - Life Safety Improvements	250	250	250	250
MBC02 - Mechanical Systems Upgrade	940	940	940	940
MBC10 - Exterior Improvements	—	—	—	—
MBC12 - Safety Improvements - Non-Stagework Areas	5,900	5,900	4,550	4,550
MBC13 - 4th St Sidewalk/Exterior Light Poles Upgrade	—	—	—	—
MBC14 - Historic Restoration Project	—	—	—	—
<b>Park Board</b>				
PRK02 Playground and Site Improvements Program	1,041	1,041	1,041	1,041
PRK03 - Shelter - Pool - Site Improvements Program	845	845	845	845
PRK04 - Athletic Fields - Site Improvement Program	—	—	—	—
PRK33 - Bryn Mawr Meadows Field Improvements	366	366	366	366
PRK35 - Keewaydin Park Implementation	—	—	—	—
PRK36 - North Commons Park Implementation	—	—	—	—
PRK37 - Powderhorn Park Implementation	640	640	640	640
PRK38 - Sibley Field Park Implementation	—	—	—	—
PRK39 - Whittier Park Implementation	—	—	—	—
PRK40 - Elliot Park Implementation	—	—	—	—
PRKCP - Neighborhood Parks Capital Infrastructure	5,993	5,993	5,993	5,993
PRKDT - Diseased Tree Removal	300	300	300	300
PRKRP - Neighborhood Parks Rehabilitation Program	3,795	3,795	3,795	3,795
<b>PW - Street Paving</b>				
PV001 - Parkway Paving Program	750	750	750	750
PV006 - Alley Renovation Program	250	—	250	250
PV056 - Asphalt Pavement Resurfacing Program	7,015	7,015	7,015	7,015
PV059 - Major Pavement Maintenance Program	250	250	250	250
PV063 - Unpaved Alley Construction	200	—	200	200
PV074 - CSAH & MnDOT Cooperative Projects	3,800	3,800	1,650	1,650
PV075 - Development Infrastructure Program	500	—	500	500
PV095 - 4th St N & S (2nd Ave N to 4th Ave S)	—	—	—	—
PV104 - ADA Ramp Replacement Program	500	500	500	500
PV108 - Concrete Streets Rehabilitation Program	5,130	5,130	3,880	3,880
PV113 - 29th St W Phase 2	2,835	2,835	2,835	2,835
PV118 - Hennepin Ave (Wash Ave N to 12th St S)	—	—	—	—
PV122 - Dowling Ave (I-94 to 1st St N)	4,090	4,090	4,090	4,090
PV123 - Logan Park Industrial	6,040	6,040	6,040	6,040

PV126 - Bryant Ave S (50th St W to Lake St W)	—	9,715	—	—
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## 2022 CAPITAL BUDGET DECISION SUMMARY

PV127 - 37th Ave NE (Central Ave NE to Stinson Blvd)	—	—	—	—
PV131 - Res Neighborhood Reconst Projects	3,780	3,780	3,780	3,780
PV132 - 1st Ave S (Lake St to Franklin Ave)	—	7,014	—	—
PV137 - 29th Ave NE (Central to Stinson)	7,771	7,771	7,771	7,771
PV138 - 26th St E (Minnehaha Ave to 29th Ave S)	—	—	—	—
PV139 - 18th Ave NE (Johnson St NE to Stinson Blvd NE)	—	—	—	—
PV140 - 13th Ave NE (Sibley St NE to 4th St NE)	—	—	—	—
PV141 - Grand Ave S (Lake St. W to 48th St W)	1,207	—	1,207	1,207
PV142 Downtown East Paving	—	—	—	—
PV143 - North Industrial	5,125	5,125	5,125	5,125
PV146 - 9th St SE (6th Ave SE to 9th Ave SE)	1,795	—	1,795	1,795
PV147 - Girard Ave S (Lake St to Lagoon Ave)	—	—	—	—
PV150 - 1st Ave N (10th St N to Wash Ave)	—	—	—	—
PV152 - Plymouth Ave (Washburn Ave N to Penn Ave N)	—	—	—	—
PV153 - 60th St W (Xerxes Ave S to Sunrise Drive)	—	—	—	—
PV154 - Franklin Ave W ( Henn Ave S to Lyndale Ave S)	2,220	2,220	2,220	2,220
PV156 - Johnson St NE (18th Ave NE to Lowry Ave NE)	—	—	—	—
PV158 Hennepin Ave (Lake St W to Douglas Ave)	5,742	5,742	5,742	5,742
PV159 - Sunrise Dr/58th St W (60th St to Aldrich Ave)	—	—	—	—
PV160 - 1st Ave S (Franklin Ave to Grant St)	—	—	—	—
PV161 - 3rd St S (Hennepin Ave to Norm McGrew Pl)	—	—	—	—
PV99R - Reimbursable Paving Projects	3,500	3,500	3,500	3,500
<b>PW - Sidewalks</b>				
SWK01 - Defective Hazardous Sidewalks	3,375	3,375	3,375	3,375
SWK02 - Sidewalk Gaps	150	150	150	150
<b>PW - Bridges</b>				
BR101 - Major Bridge Repair and Rehabilitation	400	400	400	400
BR106 - 1st Ave S over HCRRA	—	—	—	—
BR111 - 10th Ave Bridge	—	—	—	—
BR117 - 1st St N Bridge over Bassett's Creek	—	—	—	—
BR127 - Nicollet Ave over Minnehaha Creek	—	—	—	—
BR133 - Cedar Lake Road Bridges over Bassett Cr & RR	1,210	—	—	—
BR134 - Bridge 9 Program	2,480	2,480	2,480	2,480
<b>PW - Traffic Control and Street Lighting</b>				
TR008 - Parkway Street Light Replacement	350	350	350	350
TR010 - Traffic Management Systems	1,250	1,250	1,250	1,250
TR011 - City Street Light Renovation	1,500	1,500	1,500	1,500
TR021 - Traffic Signals	2,500	2,500	2,125	2,125

TR022 - Traffic Safety Improvements	4,495	4,495	4,245	4,245
TR024 - Pedestrian Street Lighting Corridors	600	600	600	600

## 2022 CAPITAL BUDGET DECISION SUMMARY

TR025 - Sign Replacement Program	895	895	895	895
TR99R - Reimbursable Transportation Projects	600	600	600	600
<b>PW - Bike-Ped</b>				
BIK28 - Protected Bikeways Program	1,000	1,000	1,000	1,000
BP001 - Safe Routes to Schools Program	2,000	2,000	2,000	2,000
BP003 - Midtown Greenway Trail Mill & Overlay	—	—	—	—
BP004 - Pedestrian Safety Program	2,000	2,000	2,000	2,000
BP005 - Queen Ave N Bike Boulevard	—	—	—	—
BP006 - 18th Ave NE Trail Gap (Marshall to California)	535	535	535	535
<b>PW - Sanitary Sewer</b>				
SA001 - Sanitary Tunnel & Sewer Rehab Program	8,000	8,000	8,000	8,000
SA036 - Infiltration & Inflow Removal Program	3,500	3,500	3,500	3,500
SA99R - Reimbursable Sanitary Sewer Projects	1,000	1,000	1,000	1,000
SAPVR - Sanitary Sewer Paving Project Program	2,000	2,000	2,000	2,000
<b>PW - Stormwater Sewer</b>				
SW004 - Implementation of US EPA Storm Water Regs	250	250	250	250
SW005 - Combined Sewer Overflow Improvements	1,500	1,500	1,500	1,500
SW011 - Storm Drains and Tunnels Rehab Program	4,000	4,000	4,000	4,000
SW032 - I-35 Storm Tunnel	—	—	—	—
SW039 - Flood Mitigation - Stormwater Alternatives	5,000	5,000	5,000	5,000
SW040 - Central City Parallel Storm Tunnel	11,000	11,000	11,000	11,000
SW99R - Reimbursable Sewer & Storm Drain Projects	2,000	2,000	2,000	2,000
SWPVR - Storm Sewer Paving Project Program	1,500	1,500	1,500	1,500
<b>PW - Water</b>				
WTR12 - Water Distribution Improvements	9,750	9,750	9,750	9,750
WTR18 - Water Distribution Facility	—	—	1,300	1,300
WTR23 - Treatment Infrastructure Improvements	5,500	5,500	5,500	5,500
WTR27 - Advanced Metering Infrastructure	—	—	—	—
WTR29 - Columbia Heights Campus Upgrades	1,350	1,350	1,350	1,350
WTR31 - Electrical Service Rehabilitation	2,000	2,000	2,000	2,000
WTR32 - Softening Plant Chemical System Improvements	2,000	—	2,000	2,000
WTR33 - 3rd Ave Bridge Water Main	—	—	—	—
WTR34 - Fridley Facilities and Campus Improvements	—	—	—	—
WTR35 - Renewable Energy at Water Treatment Campuses	—	—	—	—
WTR9R - Reimbursible Water Main Projects	2,000	2,000	2,000	2,000
<b>Public Grounds and Facilities</b>				
FIR11 - New Fire Station No. 11	2,144	7,000	—	—
FIR12 - New Fire Station No. 1	—	—	—	—

FIR14 - New Fire Station No. 19	—	—	—	—
MPD04 - New 1st Police Precinct	10,000	—	6,100	6,100
PSD15 - Traffic Maintenance Facility Improvement	2,000	—	—	—
PSD16 - Farmer's Market Improvements	2,500	—	—	—
PSD18 - Regulatory Services Facility	3,750	—	—	—
PSD19 - Impound Lot Facility	—	—	—	—
PSD20 - City Hall & New Public Service Center	7,700	7,700	7,700	7,700
RAD01 - Public Safety Radio System Replacement	—	—	—	—
<b>Miscellaneous Projects</b>				
ART01 - Art in Public Places	750	750	750	750
<b>Grand Total</b>	<b>199,104</b>	<b>195,277</b>	<b>179,525</b>	<b>179,525</b>

## 2023 CAPITAL BUDGET DECISION SUMMARY

	<b>Department Requested</b>	<b>CLIC Recommended</b>	<b>Mayor Recommended</b>	<b>Council Adopted</b>
<b>Municipal Building Commission</b>				
MBC01 - Life Safety Improvements	280	280	280	280
MBC02 - Mechanical Systems Upgrade	1,160	1,160	1,160	1,160
MBC10 - Exterior Improvements	—	—	—	—
MBC12 - Safety Improvements - Non-Stagework Areas	—	—	1,500	1,500
MBC13 - 4th St Sidewalk/Exterior Light Poles Upgrade	—	—	—	—
MBC14 - Historic Restoration Project	—	—	—	—
<b>Park Board</b>				
PRK02 Playground and Site Improvements Program	1,065	1,065	1,065	1,065
PRK03 - Shelter - Pool - Site Improvements Program	—	—	—	—
PRK04 - Athletic Fields - Site Improvement Program	—	—	—	—
PRK33 - Bryn Mawr Meadows Field Improvements	—	—	—	—
PRK35 - Keewaydin Park Implementation	—	—	—	—
PRK36 - North Commons Park Implementation	—	—	—	—
PRK37 - Powderhorn Park Implementation	—	—	—	—
PRK38 - Sibley Field Park Implementation	—	—	—	—
PRK39 - Whittier Park Implementation	—	—	—	—
PRK40 - Elliot Park Implementation	1,080	1,080	1,080	1,080
PRKCP - Neighborhood Parks Capital Infrastructure	6,395	6,395	6,395	6,395
PRKD T - Diseased Tree Removal	300	300	300	300
PRKRP - Neighborhood Parks Rehabilitation Program	3,785	3,785	3,785	3,785
<b>PW - Street Paving</b>				
PV001 - Parkway Paving Program	750	1,150	750	750
PV006 - Alley Renovation Program	250	—	250	250
PV056 - Asphalt Pavement Resurfacing Program	7,015	7,015	7,015	7,015
PV059 - Major Pavement Maintenance Program	250	250	250	250
PV063 - Unpaved Alley Construction	200	—	200	200

PV074 - CSAH & MnDOT Cooperative Projects	3,300	3,300	3,650	3,650
PV075 - Development Infrastructure Program	500	—	500	500

## 2023 CAPITAL BUDGET DECISION SUMMARY

PV095 - 4th St N & S (2nd Ave N to 4th Ave S)	—	—	—	—
PV104 - ADA Ramp Replacement Program	500	500	500	500
PV108 - Concrete Streets Rehabilitation Program	5,350	5,350	4,544	4,544
PV113 - 29th St W Phase 2	—	—	—	—
PV118 - Hennepin Ave (Wash Ave N to 12th St S)	—	—	—	—
PV122 - Dowling Ave (I-94 to 1st St N)	—	—	—	—
PV123 - Logan Park Industrial	—	—	—	—
PV126 - Bryant Ave S (50th St W to Lake St W)	9,065	—	9,065	9,065
PV127 - 37th Ave NE (Central Ave NE to Stinson Blvd)	10,720	10,720	10,720	10,720
PV131 - Res Neighborhood Reconst Projects	4,425	4,425	4,425	4,425
PV132 - 1st Ave S (Lake St to Franklin Ave)	7,014	2,031	7,014	7,014
PV137 - 29th Ave NE (Central to Stinson)	—	—	—	—
PV138 - 26th St E (Minnehaha Ave to 29th Ave S)	4,875	4,875	4,875	4,875
PV139 - 18th Ave NE (Johnson St NE to Stinson Blvd NE)	—	—	—	—
PV140 - 13th Ave NE (Sibley St NE to 4th St NE)	7,140	7,140	7,140	7,140
PV141 - Grand Ave S (Lake St. W to 48th St W)	—	14,708	—	—
PV142 Downtown East Paving	—	—	—	—
PV143 - North Industrial	—	—	—	—
PV146 - 9th St SE (6th Ave SE to 9th Ave SE)	—	—	—	—
PV147 - Girard Ave S (Lake St to Lagoon Ave)	—	—	—	—
PV150 - 1st Ave N (10th St N to Wash Ave)	—	—	—	—
PV152 - Plymouth Ave (Washburn Ave N to Penn Ave N)	—	—	—	—
PV153 - 60th St W (Xerxes Ave S to Sunrise Drive)	6,355	—	—	—
PV154 - Franklin Ave W ( Henn Ave S to Lyndale Ave S)	—	—	—	—
PV156 - Johnson St NE (18th Ave NE to Lowry Ave NE)	—	—	—	—
PV158 Hennepin Ave (Lake St W to Douglas Ave)	14,411	14,411	14,411	14,411
PV159 - Sunrise Dr/58th St W (60th St to Aldrich Ave)	—	—	—	—
PV160 - 1st Ave S (Franklin Ave to Grant St)	—	—	—	—
PV161 - 3rd St S (Hennepin Ave to Norm McGrew Pl)	—	—	—	—
PV99R - Reimbursable Paving Projects	3,500	3,500	3,500	3,500
<b>PW - Sidewalks</b>				
SWK01 - Defective Hazardous Sidewalks	3,385	3,385	3,385	3,385
SWK02 - Sidewalk Gaps	150	150	150	150
<b>PW - Bridges</b>				
BR101 - Major Bridge Repair and Rehabilitation	400	400	400	400
BR106 - 1st Ave S over HCRRA	5,170	5,170	5,170	5,170
BR111 - 10th Ave Bridge	—	—	—	—

BR117 - 1st St N Bridge over Bassett's Creek	—	—	—	—
BR127 - Nicollet Ave over Minnehaha Creek	—	—	—	—

## 2023 CAPITAL BUDGET DECISION SUMMARY

BR133 - Cedar Lake Road Bridges over Bassett Cr & RR	—	—	—	—
BR134 - Bridge 9 Program	2,910	2,910	2,910	2,910
<b>PW - Traffic Control and Street Lighting</b>				
TR008 - Parkway Street Light Replacement	350	350	350	350
TR010 - Traffic Management Systems	1,850	1,850	1,250	1,250
TR011 - City Street Light Renovation	1,500	1,500	1,500	1,500
TR021 - Traffic Signals	2,500	2,500	2,125	2,125
TR022 - Traffic Safety Improvements	1,750	1,750	1,500	1,500
TR024 - Pedestrian Street Lighting Corridors	1,000	1,000	1,000	1,000
TR025 - Sign Replacement Program	895	895	895	895
TR99R - Reimbursable Transportation Projects	600	600	600	600
<b>PW - Bike-Ped</b>				
BIK28 - Protected Bikeways Program	1,000	1,000	1,000	1,000
BP001 - Safe Routes to Schools Program	400	400	400	400
BP003 - Midtown Greenway Trail Mill & Overlay	—	—	—	—
BP004 - Pedestrian Safety Program	600	600	600	600
BP005 - Queen Ave N Bike Boulevard	—	—	—	—
BP006 - 18th Ave NE Trail Gap (Marshall to California)	—	—	—	—
<b>PW - Sanitary Sewer</b>				
SA001 - Sanitary Tunnel & Sewer Rehab Program	8,000	8,000	8,000	8,000
SA036 - Infiltration & Inflow Removal Program	3,500	3,500	3,500	3,500
SA99R - Reimbursable Sanitary Sewer Projects	1,000	1,000	1,000	1,000
SAPVR - Sanitary Sewer Paving Project Program	2,000	2,000	2,000	2,000
<b>PW - Stormwater Sewer</b>				
SW004 - Implementation of US EPA Storm Water Regs	250	250	250	250
SW005 - Combined Sewer Overflow Improvements	1,500	1,500	1,500	1,500
SW011 - Storm Drains and Tunnels Rehab Program	4,000	4,000	4,000	4,000
SW032 - I-35 Storm Tunnel	—	—	—	—
SW039 - Flood Mitigation - Stormwater Alternatives	5,000	5,000	5,000	5,000
SW040 - Central City Parallel Storm Tunnel	13,000	13,000	13,000	13,000
SW99R - Reimbursable Sewer & Storm Drain Projects	2,000	2,000	2,000	2,000
SWPVR - Storm Sewer Paving Project Program	1,500	1,500	1,500	1,500
<b>PW - Water</b>				
WTR12 - Water Distribution Improvements	9,000	9,000	9,000	9,000
WTR18 - Water Distribution Facility	—	—	—	—
WTR23 - Treatment Infrastructure Improvements	5,500	5,500	5,500	5,500
WTR27 - Advanced Metering Infrastructure	—	—	—	—
WTR29 - Columbia Heights Campus Upgrades	5,100	5,100	5,100	5,100

WTR31 - Electrical Service Rehabilitation	3,000	3,000	3,000	3,000
WTR32 - Softening Plant Chemical System Improvements	2,000	—	2,000	2,000
WTR33 - 3rd Ave Bridge Water Main	—	—	—	—
WTR34 - Fridley Facilities and Campus Improvements	—	—	—	—
WTR35 - Renewable Energy at Water Treatment Campuses	—	—	—	—
WTR9R - Reimbursible Water Main Projects	2,000	2,000	2,000	2,000
<b>Public Grounds and Facilities</b>				
FIR11 - New Fire Station No. 11	—	2,144	5,000	5,000
FIR12 - New Fire Station No. 1	—	—	—	—
FIR14 - New Fire Station No. 19	1,000	—	—	—
MPD04 - New 1st Police Precinct	2,000	—	2,400	2,400
PSD15 - Traffic Maintenance Facility Improvement	2,000	—	—	—
PSD16 - Farmer's Market Improvements	2,500	—	—	—
PSD18 - Regulatory Services Facility	—	—	—	—
PSD19 - Impound Lot Facility	—	—	—	—
PSD20 - City Hall & New Public Service Center	4,300	4,300	4,300	4,300
RAD01 - Public Safety Radio System Replacement	—	—	—	—
<b>Miscellaneous Projects</b>				
ART01 - Art in Public Places	810	810	810	810
<b>Grand Total</b>	<b>205,105</b>	<b>191,504</b>	<b>198,469</b>	<b>198,469</b>

## 2024 CAPITAL BUDGET DECISION SUMMARY

	Department Requested	CLIC Recommended	Mayor Recommended	Council Adopted
<b>Municipal Building Commission</b>				
MBC01 - Life Safety Improvements	—	—	—	—
MBC02 - Mechanical Systems Upgrade	—	—	—	—
MBC10 - Exterior Improvements	—	—	—	—
MBC12 - Safety Improvements - Non-Stagework Areas	—	—	1,400	1,400
MBC13 - 4th St Sidewalk/Exterior Light Poles Upgrade	—	—	—	—
MBC14 - Historic Restoration Project	—	—	—	—
<b>Park Board</b>				
PRK02 Playground and Site Improvements Program	1,172	1,172	1,172	1,172
PRK03 - Shelter - Pool - Site Improvements Program	—	—	—	—
PRK04 - Athletic Fields - Site Improvement Program	—	—	—	—
PRK33 - Bryn Mawr Meadows Field Improvements	—	—	—	—
PRK35 - Keewaydin Park Implementation	—	—	—	—
PRK36 - North Commons Park Implementation	—	—	—	—
PRK37 - Powderhorn Park Implementation	—	—	—	—
PRK38 - Sibley Field Park Implementation	—	—	—	—
PRK39 - Whittier Park Implementation	—	—	—	—

PRK40 - Elliot Park Implementation	425	425	425	425
PRKCP - Neighborhood Parks Capital Infrastructure	7,329	7,329	7,329	7,329

## 2024 CAPITAL BUDGET DECISION SUMMARY

PRKD - Diseased Tree Removal	300	300	300	300
PRKRP - Neighborhood Parks Rehabilitation Program	3,760	3,760	3,760	3,760
<b>PW - Street Paving</b>				
PV001 - Parkway Paving Program	750	750	750	750
PV006 - Alley Renovation Program	250	—	250	250
PV056 - Asphalt Pavement Resurfacing Program	7,015	7,015	7,015	7,015
PV059 - Major Pavement Maintenance Program	250	250	250	250
PV063 - Unpaved Alley Construction	200	—	200	200
PV074 - CSAH & MnDOT Cooperative Projects	1,500	1,500	3,300	3,300
PV075 - Development Infrastructure Program	500	—	500	500
PV095 - 4th St N & S (2nd Ave N to 4th Ave S)	—	—	—	—
PV104 - ADA Ramp Replacement Program	500	500	500	500
PV108 - Concrete Streets Rehabilitation Program	5,350	5,350	5,406	5,406
PV113 - 29th St W Phase 2	—	—	—	—
PV118 - Hennepin Ave (Wash Ave N to 12th St S)	—	—	—	—
PV122 - Dowling Ave (I-94 to 1st St N)	—	—	—	—
PV123 - Logan Park Industrial	—	—	—	—
PV126 - Bryant Ave S (50th St W to Lake St W)	9,715	—	9,715	9,715
PV127 - 37th Ave NE (Central Ave NE to Stinson Blvd)	—	—	—	—
PV131 - Res Neighborhood Reconst Projects	5,985	5,985	5,985	5,985
PV132 - 1st Ave S (Lake St to Franklin Ave)	2,031	—	2,031	2,031
PV137 - 29th Ave NE (Central to Stinson)	—	—	—	—
PV138 - 26th St E (Minnehaha Ave to 29th Ave S)	—	—	—	—
PV139 - 18th Ave NE (Johnson St NE to Stinson Blvd NE)	—	—	—	—
PV140 - 13th Ave NE (Sibley St NE to 4th St NE)	—	—	—	—
PV141 - Grand Ave S (Lake St. W to 48th St W)	—	1,207	—	—
PV142 Downtown East Paving	—	—	—	—
PV143 - North Industrial	—	—	—	—
PV146 - 9th St SE (6th Ave SE to 9th Ave SE)	—	—	—	—
PV147 - Girard Ave S (Lake St to Lagoon Ave)	—	—	—	—
PV150 - 1st Ave N (10th St N to Wash Ave)	14,178	14,178	14,178	14,178
PV152 - Plymouth Ave (Washburn Ave N to Penn Ave N)	—	—	—	—
PV153 - 60th St W (Xerxes Ave S to Sunrise Drive)	—	—	—	—
PV154 - Franklin Ave W ( Henn Ave S to Lyndale Ave S)	—	—	—	—
PV156 - Johnson St NE (18th Ave NE to Lowry Ave NE)	—	—	—	—
PV158 Hennepin Ave (Lake St W to Douglas Ave)	—	—	—	—

PV159 - Sunrise Dr/58th St W (60th St to Aldrich Ave)	5,700	—		
PV160 - 1st Ave S (Franklin Ave to Grant St)	6,765	—	6,765	6,765

## 2024 CAPITAL BUDGET DECISION SUMMARY

PV161 - 3rd St S (Hennepin Ave to Norm McGrew Pl)	14,655	14,655	14,655	14,655
PV99R - Reimbursable Paving Projects	3,500	3,500	3,500	3,500
<b>PW - Sidewalks</b>				
SWK01 - Defective Hazardous Sidewalks	3,395	3,395	3,395	3,395
SWK02 - Sidewalk Gaps	150	150	150	150
<b>PW - Bridges</b>				
BR101 - Major Bridge Repair and Rehabilitation	400	400	400	400
BR106 - 1st Ave S over HCRRA	—	—	—	—
BR111 - 10th Ave Bridge	—	—	—	—
BR117 - 1st St N Bridge over Bassett's Creek	—	—	—	—
BR127 - Nicollet Ave over Minnehaha Creek	24,050	24,050	24,050	24,050
BR133 - Cedar Lake Road Bridges over Bassett Cr & RR	—	—	1,210	1,210
BR134 - Bridge 9 Program	1,830	1,830	1,830	1,830
<b>PW - Traffic Control and Street Lighting</b>				
TR008 - Parkway Street Light Replacement	350	350	350	350
TR010 - Traffic Management Systems	1,850	1,850	1,250	1,250
TR011 - City Street Light Renovation	1,500	1,500	1,500	1,500
TR021 - Traffic Signals	2,500	2,500	2,125	2,125
TR022 - Traffic Safety Improvements	1,750	1,750	1,500	1,500
TR024 - Pedestrian Street Lighting Corridors	1,000	1,000	1,000	1,000
TR025 - Sign Replacement Program	895	895	895	895
TR99R - Reimbursable Transportation Projects	600	600	600	600
<b>PW - Bike-Ped</b>				
BIK28 - Protected Bikeways Program	1,000	1,000	1,000	1,000
BP001 - Safe Routes to Schools Program	400	400	400	400
BP003 - Midtown Greenway Trail Mill & Overlay	—	—	—	—
BP004 - Pedestrian Safety Program	600	600	600	600
BP005 - Queen Ave N Bike Boulevard	—	—	—	—
BP006 - 18th Ave NE Trail Gap (Marshall to California)	—	—	—	—
<b>PW - Sanitary Sewer</b>				
SA001 - Sanitary Tunnel & Sewer Rehab Program	7,000	7,000	7,000	7,000
SA036 - Infiltration & Inflow Removal Program	3,500	3,500	3,500	3,500
SA99R - Reimbursable Sanitary Sewer Projects	1,000	1,000	1,000	1,000
SAPVR - Sanitary Sewer Paving Project Program	2,000	2,000	2,000	2,000
<b>PW - Stormwater Sewer</b>				
SW004 - Implementation of US EPA Storm Water Regs	250	250	250	250
SW005 - Combined Sewer Overflow Improvements	1,500	1,500	1,500	1,500
SW011 - Storm Drains and Tunnels Rehab Program	4,000	4,000	4,000	4,000

SW032 - I-35 Storm Tunnel	1,000	1,000	1,000	1,000
SW039 - Flood Mitigation - Stormwater Alternatives	5,000	5,000	5,000	5,000

## 2024 CAPITAL BUDGET DECISION SUMMARY

SW040 - Central City Parallel Storm Tunnel	—	—	—	—
SW99R - Reimbursable Sewer & Storm Drain Projects	2,000	2,000	2,000	2,000
SWPVR - Storm Sewer Paving Project Program	1,800	1,800	1,800	1,800
<b>PW - Water</b>				
WTR12 - Water Distribution Improvements	9,100	9,100	9,100	9,100
WTR18 - Water Distribution Facility	—	—	—	—
WTR23 - Treatment Infrastructure Improvements	6,750	6,750	6,750	6,750
WTR27 - Advanced Metering Infrastructure	—	—	—	—
WTR29 - Columbia Heights Campus Upgrades	3,875	3,875	3,875	3,875
WTR31 - Electrical Service Rehabilitation	—	—	—	—
WTR32 - Softening Plant Chemical System Improvements	—	—	—	—
WTR33 - 3rd Ave Bridge Water Main	—	—	—	—
WTR34 - Fridley Facilities and Campus Improvements	—	—	—	—
WTR35 - Renewable Energy at Water Treatment Campuses	—	—	—	—
WTR9R - Reimbursable Water Main Projects	2,000	2,000	2,000	2,000
<b>Public Grounds and Facilities</b>				
FIR11 - New Fire Station No. 11	—	—	4,144	4,144
FIR12 - New Fire Station No. 1	—	—	—	—
FIR14 - New Fire Station No. 19	13,000	—	—	—
MPD04 - New 1st Police Precinct	—	—	—	—
PSD15 - Traffic Maintenance Facility Improvement	—	—	—	—
PSD16 - Farmer's Market Improvements	—	—	—	—
PSD18 - Regulatory Services Facility	—	—	—	—
PSD19 - Impound Lot Facility	—	—	—	—
PSD20 - City Hall & New Public Service Center	2,300	2,300	2,300	2,300
RAD01 - Public Safety Radio System Replacement	—	—	—	—
<b>Miscellaneous Projects</b>				
ART01 - Art in Public Places	815	815	815	815
<b>Grand Total</b>	<b>200,990</b>	<b>164,036</b>	<b>189,675</b>	<b>189,675</b>

**City of Minneapolis  
2020 Budget**

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**Independent Boards and Agencies**

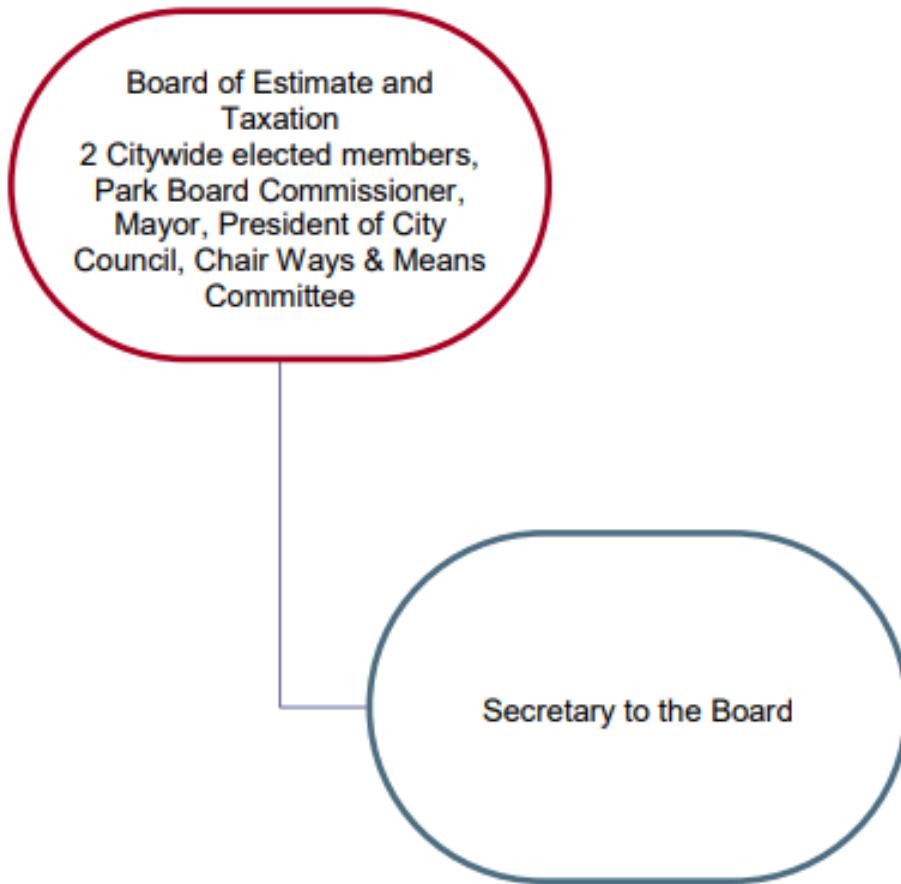
Board of Estimate and Taxation	611
Municipal Building Commission	614
Park and Recreation Board	618

## BOARD OF ESTIMATE AND TAXATION

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### MISSION

The mission of the Board of Estimate & Taxation (“BET”) is to obtain citizen input relating to setting the maximum tax levies of the City for compliance with the City Charter and The Truth In Taxation State Statute. The Board, after receiving recommendations from the [Mayor](#), [City Council](#), Minneapolis Park Board, and the Public, sets the maximum tax levies by individual levy for the following: General Fund, Permanent Improvement Fund, Bond Redemption Fund, Minneapolis Fire Relief Association, Minneapolis Police Relief Association, Minneapolis Employees Retirement Fund, Minneapolis Public Housing Authority, Economic Development Chapter 595 levy, Teacher’s Retirement Association levy, Municipal Building Commission, Board of Estimate & Taxation, Lake Pollution Control, Tree Preservation & Reforestation, Shade Tree Diseased Control, Park Rehabilitation & Parkway Maintenance, Park and Recreation. The Board, on an affirmative vote of at least 4 members, authorizes the City to issue General Obligation Bonds of the City of Minneapolis which are used to support the City’s Capital Infrastructure Program - the exception is for Tax Increment Bonds which are issued by the City Council.



Upon request by the City Council and the Park and Recreation Board, BET may vote to authorize the City to incur indebtedness by issuing and selling bonds, and by doing so, pledges full faith and credit of the City for payment of principal and interest. BET establishes the maximum property tax levies for funds of the City under the State’s Truth-in-Taxation requirements and the City Charter.

## FINANCIAL ANALYSIS

### Expenditure

The 2020 expense budget for BET is \$0.1 million, a 60% decrease from 2019. Personnel related costs comprise 87% of the budget, with contractual and operating expenses representing the remaining 13%.

### Revenue

The revenue budget is \$0.1 million, a decrease of 60% from the 2019 adopted budget. The Board receives all of its revenue from property tax.

### Mayor's Recommended Budget

The mayor made no changes to the Board's proposed budget.

### Adopted Budget

The Board approved the Mayor's recommendation.

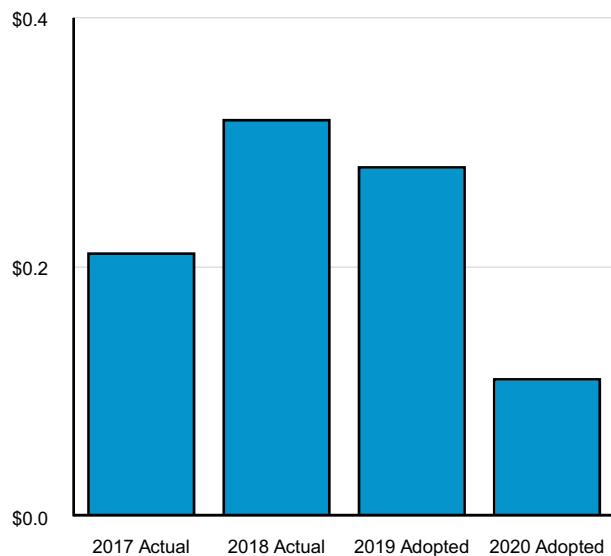
## BOARD OF ESTIMATE & TAXATION EXPENSE AND REVENUE INFORMATION

EXPENSE	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted	Percent Change	Change
<b>SPECIAL REVENUE</b>						
SALARIES AND WAGES	161,228	170,265	206,054	70,000	-66.0%	(136,054)
FRINGE BENEFITS	24,022	25,161	48,027	11,650	-75.7%	(36,377)
CONTRACTUAL SERVICES	18,440	18,061	16,561	17,836	7.7%	1,275
OPERATING COSTS	8,148	5,410	10,359	11,500	11.0%	1,141
<b>TOTAL SPECIAL REVENUE</b>	<b>211,838</b>	<b>218,897</b>	<b>281,001</b>	<b>110,986</b>	<b>-60.5%</b>	<b>(170,015)</b>
<b>TOTAL EXPENSE</b>	<b>211,838</b>	<b>218,897</b>	<b>281,001</b>	<b>110,986</b>	<b>-60.5%</b>	<b>(170,015)</b>

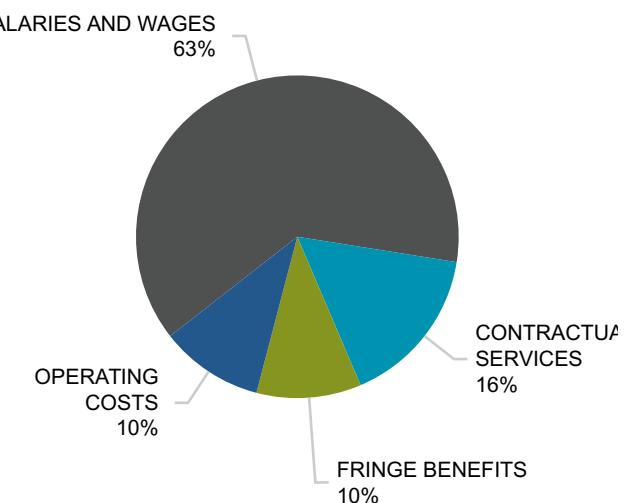
REVENUE	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted	Percent Change	Change
<b>SPECIAL REVENUE</b>						
PROPERTY TAXES	177,032	190,643	210,000	—	-100.0%	(210,000)
SALES AND OTHER TAXES	4	63	—	—	0.0%	0
STATE GOVERNMENT	256	271	—	—	0.0%	0
USE OF FUND BALANCE	—	—	66,001	110,986	68.2%	44,985
<b>SPECIAL REVENUE</b>	<b>177,292</b>	<b>190,977</b>	<b>276,001</b>	<b>110,986</b>	<b>-59.8%</b>	<b>(165,015)</b>
<b>TOTAL REVENUE</b>	<b>177,292</b>	<b>190,977</b>	<b>276,001</b>	<b>110,986</b>	<b>-59.8%</b>	<b>(165,015)</b>

**BOARD OF ESTIMATE & TAXATION  
EXPENSE AND REVENUE INFORMATION**

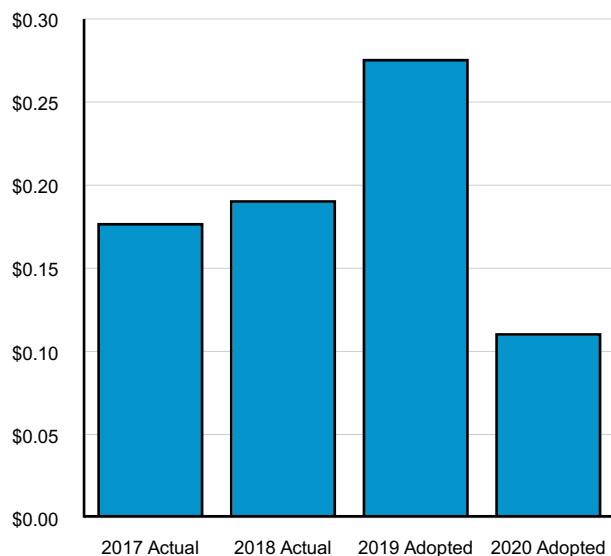
**Expense 2017 - 2020  
In Millions**



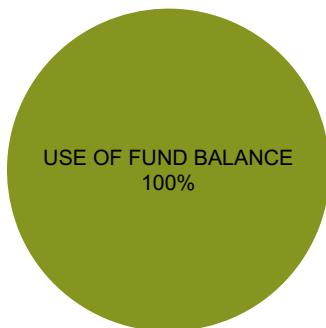
**Expense by Category**



**Revenue 2017 - 2020  
In Millions**



**Revenue by Type**



# MUNICIPAL BUILDING COMMISSION

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## MISSION

The Municipal Building Commission (MBC) was created by state statute in 1904 and charged with exclusive care and control of the Minneapolis City Hall and Hennepin County Courthouse building to provide effective and efficient services to operate, maintain, and preserve this historic landmark building and ensure a safe and functional environment for City and County government employees, citizens, and elected officials.

## BUSINESS LINES

### Care for Minneapolis City Hall and Hennepin County Courthouse Building:

The MBC is responsible for maintaining the building operating systems including mechanical, electrical, fire/life/safety, and elevators. In addition, the MBC is responsible for providing custodial, utility, security, repair, and maintenance services.

### Control of Minneapolis City Hall and Hennepin County Courthouse Building:

The MBC is responsible for administrative functions including serving as staff to the MBC Board, implementing Board directives, space assignment and coordinating City and County tenant needs as well as planning, emergency preparedness, communications, human resources, labor relations, contract services, information technology, finance, accounting, payroll, and operating and capital budgeting activities.

### Historic Preservation of the Minneapolis City Hall and Hennepin County Courthouse Building:

The MBC is responsible for all historic preservation activities in the building. Historic preservation refers to any and all activity, both operating and capital, in keeping with the agency's mission to provide effective and efficient services to operate, maintain, and preserve the historic landmark City Hall and Courthouse Building and ensure a safe and functional environment for City and County government employees, citizens and elected officials. The MBC recently celebrated the completion of the historic Clock Restoration Project and completion of repairs to the Bells Support system. The City Hall/Courthouse Catering and Events program helps facilitate historic preservation activities in the building by providing financial support of the Historic Preservation Fund.

## Financial Arrangements and City Funding Relationships

### Funding Sources

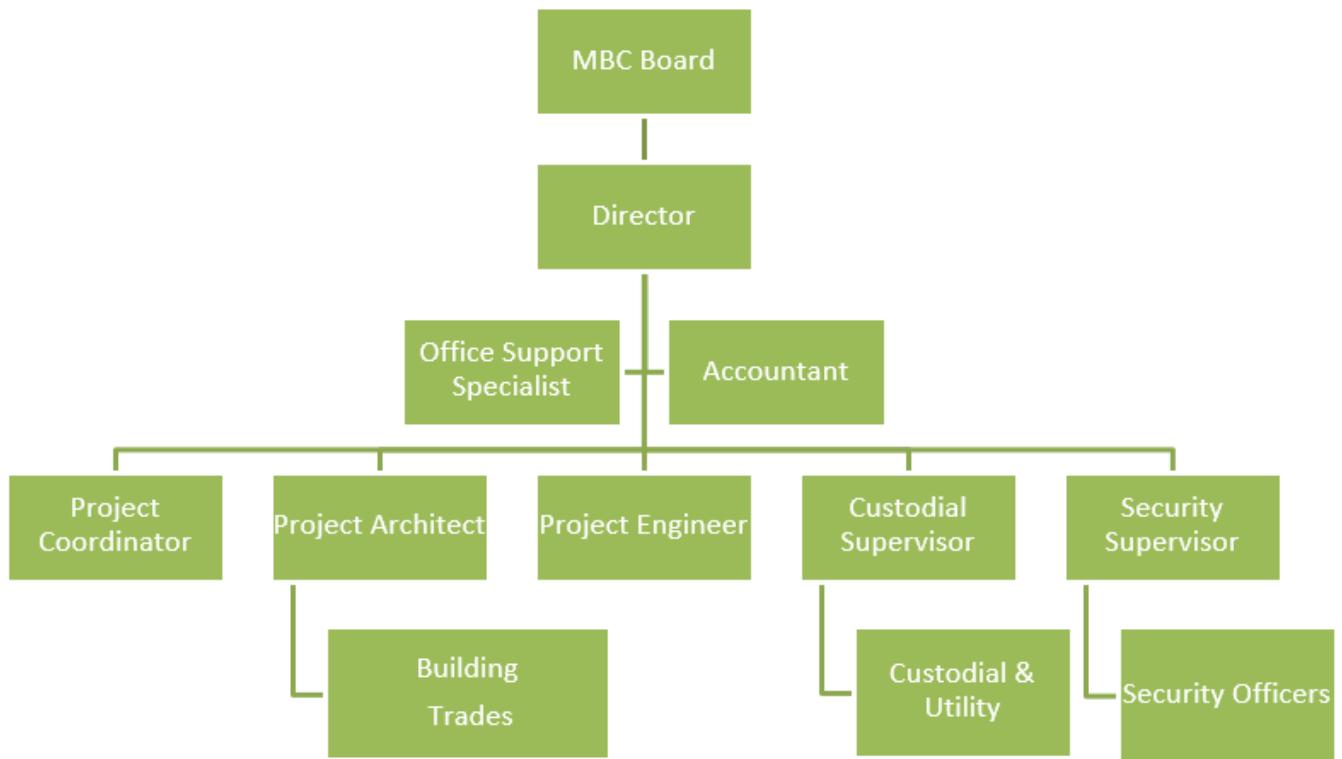
The revenue budget for MBC in 2018 was \$9.8 million, approximately 40% funded by Hennepin County and approximately 60% funded by City property tax levy and state Local Government Aid (LGA).

### 2019 City Funding

The MBC, consisting of an appointed Board of Commissioners made up of two County and two City elected officials, sets its own budget in conformance with County and City guidelines and levy targets. By State Statute, the Mayor serves as the Vice President of the MBC Board and the second City member is an appointee of the Minneapolis City Council. The MBC has historically been the recipient of about 0.3% of the City of Minneapolis's LGA funding from the State of Minnesota, which can fluctuate year to year depending on the total LGA allocation to the City under State law. While the MBC budget is set independently of the City, the City has, at times, directly funded joint ventures in collaboration with the MBC and dedicated specific allocations to functions carried out by the MBC.

## MBC ORGANIZATION CHART

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## FINANCIAL ANALYSIS

### Expense

Municipal Building Commission's 2020 budget of \$9,742,000 million is a 0.3% increase over the 2019 budget of \$9716884,000. Personnel costs and contractual services represent 61% and 39% of the expenditure budget, respectively.

### Revenue

The revenue budget for MBC is \$9.8 million, a 1.6% increase from 2019. The board will receive nearly all of its revenues from charges for services.

### Mayor's Recommended Budget

The mayor made no changes to the proposed budget.

### Adopted Budget

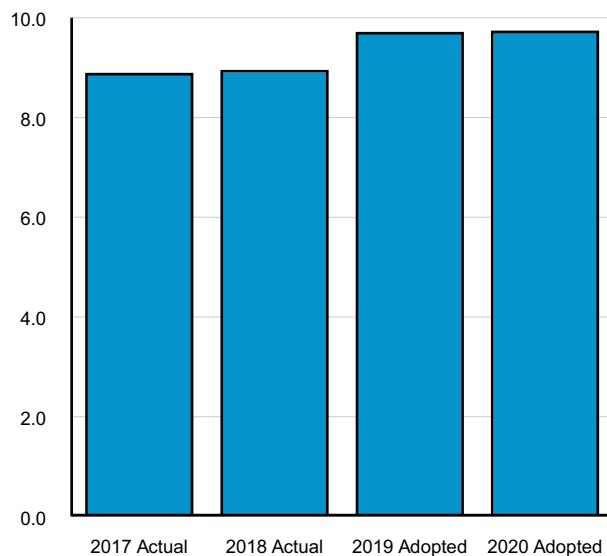
The Board approved the Mayor's recommendations.

**MUNICIPAL BUILDING COMMISSION  
EXPENSE AND REVENUE INFORMATION**

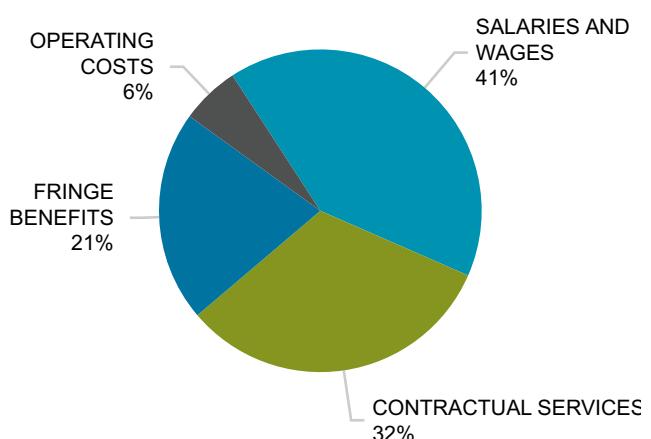
<b>EXPENSE</b>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Adopted</b>	<b>2020 Adopted</b>	<b>Percent Change</b>	<b>Change</b>
<b>SPECIAL REVENUE</b>						
SALARIES AND WAGES	2,740,181	2,818,064	3,894,600	3,957,788	1.6%	63,188
FRINGE BENEFITS	1,107,063	1,212,017	1,988,278	2,056,545	3.4%	68,267
CONTRACTUAL SERVICES	3,951,751	4,287,615	3,138,500	3,131,316	-0.2%	(7,184)
OPERATING COSTS	871,779	506,078	669,506	571,245	-14.7%	(98,261)
CAPITAL	—	5,028	26,000	25,823	-0.7%	(177)
TRANSFERS	225,000	125,000	—	—	0.0%	—
<b>TOTAL SPECIAL REVENUE</b>	<b>8,895,774</b>	<b>8,953,802</b>	<b>9,716,884</b>	<b>9,742,717</b>	<b>0.3%</b>	<b>375,989</b>
<b>TOTAL EXPENSE</b>	<b>8,895,774</b>	<b>8,953,802</b>	<b>9,716,884</b>	<b>9,742,717</b>	<b>0.3%</b>	<b>375,989</b>
<b>REVENUE</b>						
<b>SPECIAL REVENUE</b>						
CHARGES FOR SALES	3,452	—	—	—	0.0%	—
CHARGES FOR SERVICES	8,610,000	8,261,005	9,478,109	9,626,841	4.0%	148,732
CONTRIBUTIONS	—	—	—	—	0.0%	—
OTHER MISC REVENUES	80,000	389	—	—	0.0%	—
RENTS	4,174	4,085	—	—	0.0%	—
STATE GOVERNMENT	234,724	238,627	238,598	245,841	1.7%	7,243
<b>SPECIAL REVENUE</b>	<b>8,932,350</b>	<b>8,504,106</b>	<b>9,716,707</b>	<b>9,872,682</b>	<b>1.6%</b>	<b>155,975</b>
<b>TOTAL REVENUE</b>	<b>8,932,350</b>	<b>8,504,106</b>	<b>9,716,707</b>	<b>9,872,682</b>	<b>1.6%</b>	<b>155,975</b>

## MUNICIPAL BUILDING COMMISSION EXPENSE AND REVENUE INFORMATION

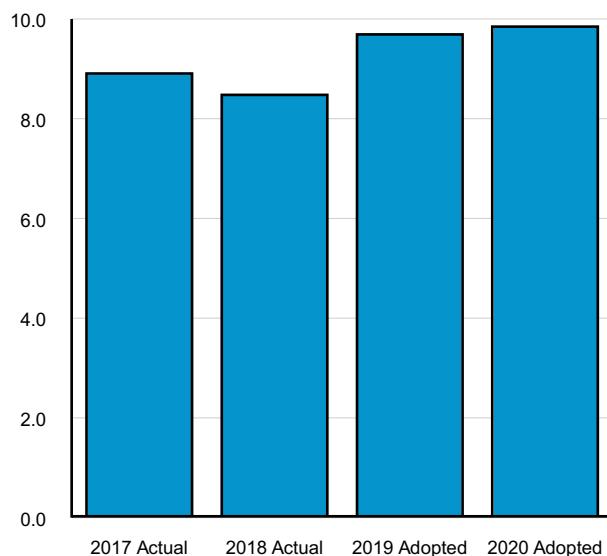
**Expense 2017 - 2020  
In Millions**



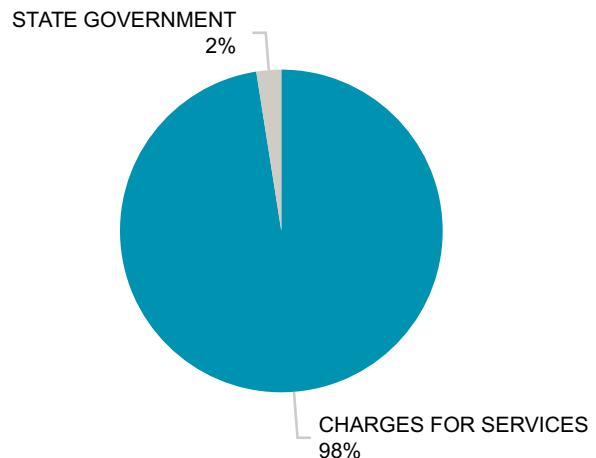
**Expense by Category**



**Revenue 2017 - 2020  
In Millions**



**Revenue by Type**



\* 2019 FTE counts may differ from 2018 adopted budget due to mid year adjustments, including funding and organizational changes.

## **MINNEAPOLIS PARK AND RECREATION BOARD**

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### **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**

- Care & Maintenance of the Park System
- Recreation Facility Operations and Programming
- Planning for Development & Redevelopment of the Park System
- Park Safety & Security
- Executive Management
- Administrative Support Services
- Park System Communications & Marketing
- Enterprise Operations
- Acquisition, Construction and Improvement of the Park System

### **Financial Arrangements and City Funding Relationships**

#### **2020 City Funding**

The MPRB, consisting of an independently elected Board of Commissioners sets its own budget and levy independently of the City, subject to the maximum levies certified by the Board of Estimate and Taxation. The MPRB has historically been the recipient of about 11.8% of the City of Minneapolis's LGA funding from the State of Minnesota, which can fluctuate year to year depending on the total LGA allocation to the City under State law. While the MPRB budget is set independently of the City, the City has, at times, directly funded joint ventures in collaboration with the MPRB and dedicated specific allocations to functions carried out by the MPRB. In 2016, the Mayor, City Council, the Park Board reached an agreement to fund the infrastructure and operations of our neighborhood parks and streets for the next 20 years, transparently and equitably.

More information regarding the Minneapolis Park and Recreation Board (MPRB) 2020 Annual Budget, and the Board's published budget book can be found at [www.minneapolisparks.org](http://www.minneapolisparks.org).

## **FINANCIAL ANALYSIS**

### **Expense**

The Board's 2020 expense budget is \$131.9 million, a 6.7% increase over 2019. Special Revenue funded activities accounts for most of this increase (\$6.0 million) with the remainder found in enterprise and internal service charges.

### **Revenue**

The Board's 2020 revenue budget is \$131.9 million, a 6.4% increase over 2019. Special revenues account for approximately 81.3% of the MPRB revenues.

### **Mayor's Recommended Budget**

The Mayor made no changes to the proposed budget.

### **Board Adopted Budget**

The Board approved the Mayor's recommendations.

**PARK BOARD**  
**EXPENSE AND REVENUE INFORMATION**

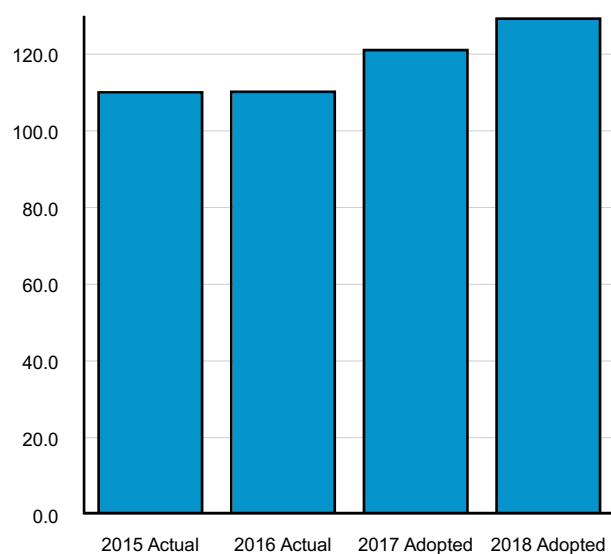
EXPENSE CAPITAL PROJECT	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted	Percent Change	Change
CONTRACTUAL SERVICES	—	—	—	—		0
<b>TOTAL CAPITAL PROJECT</b>	—	—	—	—		0
<b>INTERNAL SERVICE</b>						
SALARIES AND WAGES	1,953,000	2,061,306	2,264,576	2,373,780	4.8%	109,204
FRINGE BENEFITS	2,713,000	1,853,937	2,756,276	2,637,185	-4.3%	(119,091)
CONTRACTUAL SERVICES	2,262,000	1,521,443	989,842	1,089,217	10.0%	99,375
OPERATING COSTS	1,385,000	1,707,228	1,649,077	1,733,384	5.1%	84,307
CAPITAL	1,584,000	2,380,983	2,890,833	3,484,271	20.5%	593,438
TRANSFERS OUT		192,016		49,065		49,065
<b>TOTAL INTERNAL SERVICE</b>	<b>9,897,000</b>	<b>9,716,913</b>	<b>10,550,604</b>	<b>11,366,902</b>	<b>7.7%</b>	<b>816,298</b>
<b>SPECIAL REVENUE</b>						
SALARIES AND WAGES	38,419,000	40,659,064	42,608,265	45,271,507	6.3%	2,663,242
FRINGE BENEFITS	14,335,000	15,570,834	16,692,612	17,300,384	3.6%	607,772
CONTRACTUAL SERVICES	18,366,000	18,172,337	17,657,297	19,104,807	8.2%	1,447,510
OPERATING COSTS	17,907,000	18,686,616	19,115,037	20,321,751	6.3%	1,206,714
CAPITAL	1,198,000	468,460	3,486,634	3,621,655	3.9%	135,021
TRANSFERS	3,841,000	6,199,087	1,527,383	1,527,383	0.0%	0
<b>TOTAL SPECIAL REVENUE</b>	<b>94,066,000</b>	<b>99,756,398</b>	<b>101,087,228</b>	<b>107,147,487</b>	<b>6.0%</b>	<b>6,060,259</b>
<b>ENTERPRISE</b>						
SALARIES AND WAGES	3,334,000	3,827,219	4,111,328	4,206,703	2.3%	95,375
FRINGE BENEFITS	1,214,000	1,340,173	1,411,969	1,464,100	3.7%	52,131
CONTRACTUAL SERVICES	3,881,000	3,358,326	3,516,521	3,739,400	6.3%	222,879
OPERATING COSTS	1,285,000	1,355,770	1,541,254	1,470,908	-4.6%	(70,346)
CAPITAL	1,632,000	178,425	1,356,378	2,382,544	75.7%	1,026,166
TRANSFERS	365,000	765,050	—	75,000		75,000
<b>TOTAL ENTERPRISE</b>	<b>11,711,000</b>	<b>10,824,963</b>	<b>11,937,450</b>	<b>13,338,655</b>	<b>11.7%</b>	<b>1,401,205</b>
<b>TOTAL EXPENSE</b>	<b>115,674,000</b>	<b>120,298,274</b>	<b>123,575,282</b>	<b>131,853,044</b>	<b>6.7%</b>	<b>8,277,762</b>

**PARK BOARD**  
**EXPENSE AND REVENUE INFORMATION**

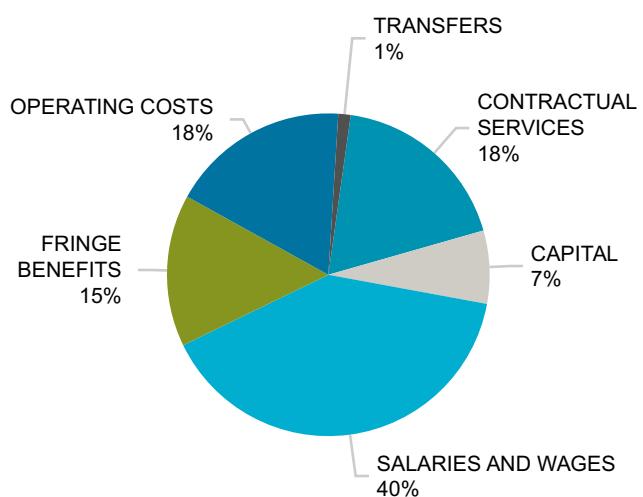
REVENUE	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted	Percent Change	Change
<b>SPECIAL REVENUE</b>						
CHARGES FOR SALES	35,000	324,451	—	—	—	0
CHARGES FOR SERVICES	6,444,000	7,069,653	8,667,507	9,538,792	10.1%	871,285
CONTRIBUTIONS	289,000	718,460	—	—	—	0
FEDERAL GOVERNMENT	46,000	40,075	—	—	—	0
FINES AND FORFEITS	270,000	319,114	352,000	316,000	-10.2%	(36,000)
INTEREST	—	(1,048)	—	—	—	0
LICENSE AND PERMITS	192,000	2,919,598	294,375	294,094	-0.1%	(281)
LOCAL GOVERNMENT	2,886,000	958,676	—	—	—	0
OTHER MISC REVENUES	4,238,000	279,431	138,164	162,253	17.4%	24,089
PROPERTY TAXES	71,464,000	4,056	79,048,377	83,720,540	5.9%	4,672,163
RENTS	1,776,000	74,622,387	1,102,774	1,180,458	7.0%	77,684
SALES AND OTHER TAXES	3,000	1,656,569.18	300,000	—	-100.0%	(300,000)
SPECIAL ASSESSMENTS	—	146	—	—	—	0
STATE GOVERNMENT	9,400,000	9,898,342	11,464,031	11,811,285	3.0%	347,254
TRANSFERS IN	25,000	512,383	—	124,065	—	124,065
USE OF FUND BALANCE	—	—	20,000	—	-100.0%	(20,000)
<b>SPECIAL REVENUE</b>	<b>97,068,000</b>	<b>99,322,293.1</b>	<b>101,387,228</b>	<b>107,147,487</b>	<b>5.7%</b>	<b>5,760,259</b>
<b>INTERNAL SERVICE</b>						
CHARGES FOR SALES	86,000	195,716	—	—	0.0%	0
CHARGES FOR SERVICES	1,790,000	2,012,764	2,321,893	2,569,725	10.7%	247,832
OTHER MISC REVENUES	2,410,000	2,380,790	2,172,586	2,150,000	—	(22,586)
RENTS	5,661,000	5,593,856	5,762,976	6,100,942	5.9%	337,966
TRANSFERS IN	270,000	270,050	—	—	0.0%	0
USE OF FUND BALANCE	—	—	293,149	546,235	86.3%	253,086
<b>INTERNAL SERVICE</b>	<b>10,217,000</b>	<b>10,453,176</b>	<b>10,550,604</b>	<b>11,366,902</b>	<b>7.7%</b>	<b>816,298</b>
<b>ENTERPRISE</b>						
CHARGES FOR SALES		6,500			0.0%	0
CHARGES FOR SERVICES	7,982,000	9,498,532	10,377,770	10,558,196	1.7%	180,426
CONTRIBUTIONS	—	200	—	—	0.0%	0
FEDERAL GOVERNMENT	567,000	—	—	—	0.0%	0
LICENSE AND PERMITS	16,000	14,570	—	—	0.0%	0
OTHER MISC REVENUES	17,000	15,200	16,000	984,844	0.0%	968,844
RENTS	2,378,000	2,740,653	2,225,631	2,240,631	0.7%	15,000
TRANSFERS IN	—	—	—	25,000	0.0%	25,000
USE OF FUND BALANCE	—	—	(681,951)	(470,016)	-31.1%	211,935
<b>ENTERPRISE</b>	<b>10,960,000</b>	<b>12,275,655</b>	<b>11,937,450</b>	<b>13,338,655</b>	<b>11.7%</b>	<b>1,401,205</b>
<b>TOTAL REVENUE</b>	<b>118,245,000</b>	<b>122,051,124.</b>	<b>123,875,282</b>	<b>131,853,044</b>	<b>6.4%</b>	<b>7,977,762</b>

## PARK BOARD EXPENSE AND REVENUE INFORMATION

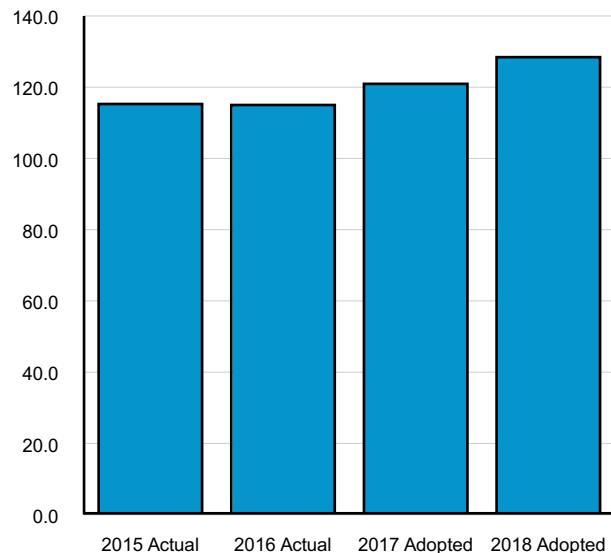
**Expense 2017 - 2020  
In Millions**



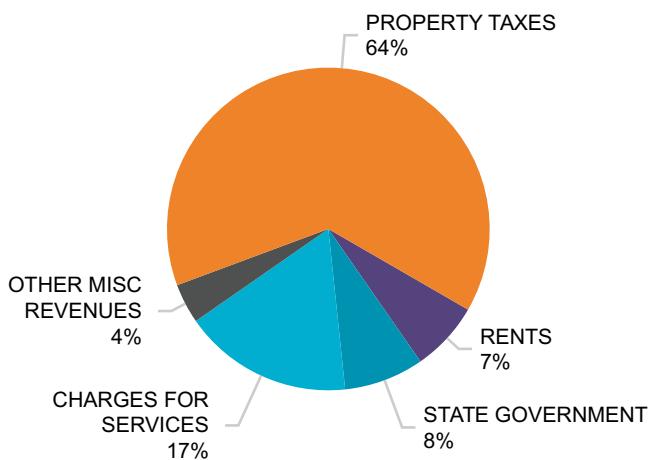
**Expense by Category**



**Revenue 2017 -2020  
In Millions**



**Revenue by Type**



**City of Minneapolis  
2020 Budget**

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

		Total Revenue	Total Expense	Change in Fund Balance
GENERAL	GENERAL FUND	522,929,000	532,995,000	(10,066,000)
	GENERAL FUND - FUND BALANCE USES	10,066,000	0	10,066,000
<b>TOTAL GENERAL &amp; USE OF FUND BALANCE</b>		<b>532,995,000</b>	<b>532,995,000</b>	<b>0</b>
SPECIAL REVENUE	TAX INCREMENT ADMINISTRATION	10,000	10,000	0
	ECONOMIC DEVELOPMENT	72,840,000	72,840,000	0
	DOWNTOWN ASSETS	91,814,000	91,814,000	0
	PEAVEY PLAZA	424,000	424,000	0
	COMMONS	820,000	820,000	0
	DOWNTOWN IMPROVEMENT DISTRICT	7,296,000	7,296,000	0
	POLICE DEPT - SPECIAL REVENUE	1,446,000	1,446,000	0
	ARENA - RESERVE	7,432,000	7,432,000	0
	GRANTS - FEDERAL	11,075,000	11,075,000	0
	CDBG & UDAG FUNDS	15,213,000	15,213,000	0
	HOME	2,067,000	2,067,000	0
	GRANTS - OTHER	9,604,000	9,604,000	0
	CONVENTION CENTER OPERATIONS	76,815,000	76,815,000	0
	NCR - SPECIAL REVENUE	7,285,000	7,285,000	0
	REGULATORY SRVS SPECIAL REVENUE	3,492,000	3,492,000	0
	EMPLOYEE RETIREMENT	27,144,000	27,144,000	0
	BOARD OF ESTIMATE AND TAXATION	111,000	111,000	0
	PARK BOARD	107,147,000	107,147,000	0
	MUNICIPAL BUILDING COMMISSION	9,743,000	9,743,000	0
<b>TOTAL SPECIAL REVENUE</b>		<b>451,778,000</b>	<b>451,778,000</b>	<b>0</b>
CAPITAL PROJECT	CAPITAL IMPROVEMENTS	92,892,000	92,892,000	0
	CAPITAL TP & E	13,497,000	13,497,000	0
	CAPITAL SIDEWALK INSPECTIONS	1,238,000	1,238,000	0
	PROPERTY SERVICES CAPITAL	3,000,000	3,000,000	0
	PARK - CAPITAL IMPROVEMENTS	20,213,000	20,213,000	0
	PARK - CAPITAL IMPROVEMENTS-ASSESSED	300,000	300,000	0
	MBC - CAPITAL IMPROVEMENTS	1,140,000	1,140,000	0
<b>TOTAL CAPITAL PROJECT</b>		<b>132,280,000</b>	<b>132,280,000</b>	<b>0</b>
DEBT SERVICE	IMPROVEMENT BONDS	8,599,000	8,599,000	0
	STREET CAR VALUE CAPTURE FUND	2,000,000	2,000,000	0
	Diseased Tree Assessment D/S	315,000	315,000	0
	BOND REDEMPTION - DEBT SERVICE	43,830,000	43,830,000	0
	OTH SELF SUPPORTING DEBT SERVC	3,940,000	3,940,000	0
	MIDTOWN EXCH 108 LOAN ACCOUNT	593,000	593,000	0
	CPED DEBT SERVICE	2,149,000	2,149,000	0
	DOWNTOWN EAST	3,426,000	3,426,000	0
	CIP Bond Debt Service	6,145,000	6,145,000	0
	LIBRARY REF DEBT SERVICE	12,204,000	12,204,000	0
	CONVENTION CENTER-DEBT SERVICE	26,988,000	26,988,000	0
	TARGET CENTER	0	0	0
	TARGET CTR SALES TAX DS	5,698,000	5,698,000	0
	TAX INCREMENT - DEBT SERVICE	2,529,000	2,529,000	0
<b>TOTAL DEBT SERVICE</b>		<b>118,416,000</b>	<b>118,416,000</b>	<b>0</b>
INTERNAL SERVICE	MATERIALS & LAB-INTERNAL SVC	9,025,000	9,025,000	0
	EQUIPMENT - INTERNAL SERVICE	26,518,000	26,518,000	0
	EQUIPMENT ACQUISITION FUND	13,258,000	13,258,000	0
	PROPERTY SERVICES	24,681,000	24,681,000	0
	STORES - INTERNAL SERVICE	1,543,000	1,543,000	0
	INFO TECH - INTERNAL SERVICE	40,452,000	40,452,000	0
	SELF INSURANCE-INTERNAL SVC	103,837,000	103,837,000	0
	PARK - INTERNAL SERVICE	9,217,000	9,217,000	0
	PARK-SELF INSURE-INTERNAL SVC	2,150,000	2,150,000	0
<b>TOTAL INTERNAL SERVICE</b>		<b>230,681,000</b>	<b>230,681,000</b>	<b>0</b>
ENTERPRISE	RIVER TERMINAL	1,193,000	1,193,000	0
	GARFS	6,686,000	6,686,000	0
	SURFACE WATER & SEWER-SANITARY	95,328,000	95,328,000	0
	SURFACE WATER & SEWER-STORMWATER	49,278,000	49,278,000	0
	WATER - ENTERPRISE	124,731,000	124,731,000	0
	MUNICIPAL PARKING-ENTERPRISE	74,024,000	74,024,000	0
	SOLID WASTE - ENTERPRISE	48,661,000	48,661,000	0
	PARK - OPERATIONS - ENTERPRISE	13,339,000	13,339,000	0

<b>TOTAL ENTERPRISE</b>	<b>413,240,000</b>	<b>413,240,000</b>	<b>0</b>
<b>TOTAL ALL FUNDS</b>	<b>1,879,390,000</b>	<b>1,879,390,000</b>	<b>0</b>

**SCHEDULE TWO**  
**REVENUES BY FUND AND TYPE**  
(excludes transfers)

		2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	% Change
<b>GENERAL</b>	BUSINESS LICENSES AND PERMITS	11,768,967	11,813,567	13,770,000	13,605,000	-1.2%
	CHARGES FOR SALES	148,516	138,841	68,000	84,000	23.5%
	CHARGES FOR SERVICES	50,857,773	53,517,658	53,567,000	52,546,000	-1.9%
	CONTRIBUTIONS	5,234	1,339	—	—	—
	DESCRIPTION PENDING					
	FINES AND FORFEITS	7,556,401	7,137,800	6,602,000	6,670,000	1.0%
	FRANCHISE FEES	32,143,175	33,772,721	34,050,000	34,379,000	1.0%
	INTEREST REVENUE	3,310,886	7,202,437	6,050,000	6,250,000	3.3%
	LOCAL GRANTS & AIDS	1,019,881	949,165	880,000	875,000	-0.6%
	LOCAL SALES TAXES	81,973,205	—	—	—	—
	MISCELLANEOUS	3,172,554	3,256,279	2,955,000	2,865,000	-3.0%
	NON-BUSINESS LICENSES AND	33,321,881	35,515,130	33,724,000	33,374,000	-1.0%
	OTHER TAXES	4,473	63,942	—	—	—
	PROPERTY TAXES	180,882,775	193,218,169	206,601,000	233,563,000	13.1%
	RENTS	314,002	760,185	400,000	720,000	80.0%
	SPECIAL ASSESSMENTS	3,151,942	2,867,509	3,440,000	3,570,000	3.8%
	STATE GRANTS & AIDS	84,110,671	86,800,717	85,046,000	86,537,000	1.8%
	USE OF FUND BALANCE	—	—	5,047,000	10,066,000	99.4%
	<b>TOTAL GENERAL FUND</b>	<b>493,742,336</b>	<b>437,015,459</b>	<b>452,200,000</b>	<b>485,104,000</b>	<b>7.3%</b>
<b>SPECIAL</b>	CHARGES FOR SALES	2,558,036	4,403,097	5,000	5,000	0.0%
<b>REVENUE</b>	CHARGES FOR SERVICES	29,908,091	34,317,695	42,426,000	32,425,000	-23.6%
	CONTRIBUTIONS	1,478,093	4,390,040	882,000	814,000	-7.7%
	DESCRIPTION PENDING					
	FEDERAL GOVERNMENT GRANTS	28,516,946	23,062,951	25,502,000	26,703,000	4.7%
	FINES AND FORFEITS	834,775	614,938	690,000	555,000	-19.6%
	INTEREST REVENUE	2,591,148	5,565,433	1,522,000	3,442,000	126.1%
	LOCAL GRANTS & AIDS	9,960,073	11,665,414	1,768,000	1,658,000	-6.2%
	LOCAL SALES TAXES	1,292,621	—	88,400,000	93,446,000	5.7%
	MISCELLANEOUS	9,702,105	14,578,470	9,422,000	10,855,000	15.2%
	NON-BUSINESS LICENSES AND	1,161,501	1,298,327	294,000	294,000	0.0%
	OTHER TAXES	266,194	437,356	538,000	459,000	-14.7%
	PROPERTY TAXES	148,839,593	158,579,208	165,361,000	167,496,000	1.3%
	RENTS	15,498,760	14,777,741	10,951,000	10,301,000	-5.9%
	REVENUES	—	—	650,000	65,000	-90.0%
	SPECIAL ASSESSMENTS	9,776,412	9,061,528	11,469,000	9,666,000	-15.7%
	STATE GRANTS & AIDS	25,090,462	21,329,972	22,737,000	22,676,000	-0.3%
	USE OF FUND BALANCE	—	—	32,734,000	(1,033,000)	-103.2%
	<b>TOTAL SPECIAL REVENUE</b>	<b>287,474,810</b>	<b>304,082,170</b>	<b>415,351,000</b>	<b>379,827,000</b>	<b>-8.6%</b>

**SCHEDULE TWO**  
**REVENUES BY FUND AND TYPE**  
(excludes transfers)

		2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	% Change
<b>CAPITAL PROJECT/ FUNDING</b>	BOND SALES	58,835,000	—	149,315,000	45,272,000	-69.7%
<b>GOVERNMENTAL FUNDS</b>	CHARGES FOR SALES	683,671	1,656,649	—	—	
	CHARGES FOR SERVICES	16,377,504	20,004,205	16,925,000	14,991,000	-11.4%
	CONTRIBUTIONS	1,205,310	120,912	—	—	
	FEDERAL GOVERNMENT GRANTS	11,619,528	8,427,358	9,050,000	7,000,000	-22.7%
	INTEREST REVENUE	126,571	711,863	—	—	
	LOCAL GRANTS & AIDS	6,147,341	11,028,470	3,233,000	1,645,000	-49.1%
	MISCELLANEOUS	41,130,384	2,687,416	1,543,000	2,180,000	41.3%
	NON-BUSINESS LICENSES AND	341,152	217,958	310,000	310,000	0.0%
	OTHER TAXES	12	—	—	—	
	PROPERTY TAXES	7,319,128	7,363,480	6,800,000	6,800,000	0.0%
	SPECIAL ASSESSMENTS	2,437,863	1,667,492	15,400,000	12,352,000	-19.8%
	STATE GRANTS & AIDS	32,296,403	10,455,291	12,750,000	19,207,000	50.6%
	USE OF FUND BALANCE	—	—	(548,000)	4,280,000	-881.0%
	<b>TOTAL CAPITAL PROJECT</b>	<b>236,953,056</b>	<b>69,341,094</b>	<b>214,778,000</b>	<b>115,432,000</b>	<b>-46.3%</b>
<b>DEBT SERVICE</b>	BOND REFUNDING	56,010,000	31,560,000	—	—	
	CONTRIBUTIONS	2,750,000	2,980,000	3,230,000	3,426,000	6.1%
	DESCRIPTION PENDING	—	—	—	—	
	INTEREST REVENUE	514,356	801,336	9,000	—	-100.0%
	MISCELLANEOUS	1,218,188	1,166,488	5,274,000	4,120,000	-21.9%
	NOTE SALES	2,449,305	—	—	—	
	OTHER TAXES	930	12,932	—	—	
	PREMIUMS AND ACCRUED	2,415,878	897,527	—	—	
	PROPERTY TAXES	46,773,832	49,195,414	47,527,000	54,130,000	13.9%
	RENTS	181,384	181,384	181,000	—	-100.0%
	SPECIAL ASSESSMENTS	11,976,932	9,445,307	9,102,000	8,844,000	-2.8%
	STATE GRANTS & AIDS	54,324	55,357	—	—	
	USE OF FUND BALANCE	—	—	2,864,000	1,473,000	-48.6%
	<b>TOTAL DEBT SERVICE</b>	<b>124,345,129</b>	<b>96,295,745</b>	<b>68,187,000</b>	<b>71,993,000</b>	<b>5.6%</b>
<b>INTERNAL SERVICE</b>	CHARGES FOR SALES	11,748,890	14,722,149	15,588,000	15,895,000	2.0%
	CHARGES FOR SERVICES	91,985,101	159,712,220	84,281,000	154,774,000	83.6%
	DESCRIPTION PENDING	—	—	—	—	
	FINES AND FORFEITS	10,423	—	—	—	
	GAIN ON SALE OF ASSETS	290,285	1,100,419	—	—	
	INTEREST REVENUE	31,455	15,280	13,000	—	-100.0%
	MISCELLANEOUS	4,943,173	5,266,479	3,191,000	11,192,000	250.7%
	OTHER	(285,560)	—	—	—	
	RENTS	45,140,309	47,722,277	47,373,000	51,279,000	8.2%
	STATE GRANTS & AIDS	12,226	—	—	—	
	USE OF FUND BALANCE	—	—	7,438,000	(3,545,000)	-147.7%
	<b>TOTAL INTERNAL SERVICE</b>	<b>153,876,302</b>	<b>228,538,824</b>	<b>157,884,000</b>	<b>229,595,000</b>	<b>45.4%</b>

**SCHEDULE TWO**  
**REVENUES BY FUND AND TYPE**  
(excludes transfers)

		2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	% Change
<b>ENTERPRISE</b>	BOND SALES	—	—	38,890,000	37,985,000	-2.3%
	CHARGES FOR SALES	1,610,702	1,382,020	1,510,000	1,384,000	-8.3%
	CHARGES FOR SERVICES	301,847,271	315,537,904	330,396,000	344,271,000	4.2%
	DESCRIPTION PENDING					
	FEDERAL GOVERNMENT GRANTS	567,122	—	—	—	—
	FINES AND FORFEITS	66,303	(269)	45,000	—	-100.0%
	GAIN ON SALE OF ASSETS	24,877,722	253,386	—	—	—
	INTEREST REVENUE	3,150	3,107	—	—	—
	LOCAL GRANTS & AIDS	3,739,113	2,612,892	2,143,000	2,024,000	-5.6%
	LOCAL SALES TAXES	—	—	—	—	—
	MISCELLANEOUS	38,550	148,402	16,000	985,000	6,056.%
	NON-BUSINESS LICENSES AND	582,006	909,914	670,000	773,000	15.4%
	OTHER	(13,561,252)	—	—	—	—
	RENTS	3,295,274	3,697,104	2,275,000	2,290,000	0.7%
	SPECIAL ASSESSMENTS	1,578,440	1,600,462	1,896,000	1,864,000	-1.7%
	STATE GRANTS & AIDS	1,690,603	1,321,115	1,346,000	1,403,000	4.2%
	USE OF FUND BALANCE	—	—	14,771,000	13,652,000	-7.6%
	<b>TOTAL ENTERPRISE</b>	<b>326,335,968</b>	<b>327,466,037</b>	<b>393,958,000</b>	<b>406,631,000</b>	<b>3.2%</b>
<b>TOTAL FUNDS</b>		<b>1,622,727,601</b>	<b>1,462,739,329</b>	<b>1,702,358,000</b>	<b>1,688,582,000</b>	<b>-0.8%</b>

\* Detailed schedule by specific fund and specific department will be available upon request.

\*\* For 2020 the Council Adopted Budget, transfers in the amount of \$190,812,025 are detailed in Schedule 7.

**SCHEDULE THREE**  
**EXPENSES BY FUND AND DEPARTMENT**  
**(excludes transfers)**

		2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	% Change
<b>GENERAL</b>	311	4,113,129	3,972,435	4,145,000	4,326,000	4.4%
	911	9,714,416	9,379,652	9,813,000	10,098,000	2.9%
	ASSESSOR	5,189,041	5,579,240	6,148,000	6,266,000	1.9%
	ATTORNEY	9,675,770	9,692,157	10,691,000	10,858,000	1.6%
	CITY CLERK	3,284,006	3,465,941	4,010,000	4,032,000	0.5%
	CITY COORDINATOR	4,739,975	6,055,955	9,243,000	10,020,000	8.4%
	CITY COUNCIL	4,823,635	4,958,844	5,318,000	5,548,000	4.3%
	CIVIL RIGHTS	3,728,357	3,999,766	4,543,000	5,057,000	11.3%
	COMMUNICATIONS	2,235,575	2,304,718	2,309,000	2,265,000	-1.9%
	CPED	33,460,312	34,994,743	34,797,000	45,408,000	30.5%
	ELECTIONS	2,389,365	3,671,174	2,321,000	6,400,000	175.7%
	EMERGENCY MANAGEMENT	1,170,265	1,127,475	1,124,000	1,165,000	3.6%
	FINANCE & PROPERTY SERVICES	22,125,703	22,134,288	24,896,000	24,877,000	-0.1%
	FIRE	66,110,533	67,506,327	69,331,000	71,193,000	2.7%
	GENERAL FUND CONTINGENCY	—	—	4,700,000	5,100,000	8.5%
	GENERAL REVENUES	780,000	—	1,030,000	—	-100.0%
	HEALTH	10,425,849	11,498,922	12,306,000	13,080,000	6.3%
	HUMAN RESOURCES	7,293,289	7,291,889	7,711,000	10,073,000	30.6%
	INTERGOVERNMENTAL RELATIONS	1,536,769	1,488,539	1,523,000	1,547,000	1.6%
	INTERNAL AUDIT	594,514	664,584	858,000	813,000	-5.2%
	MAYOR	2,001,246	2,386,903	2,387,000	2,484,000	4.1%
	NEIGHBORHOOD & COMMUNITY RELATIONS	264,209	742,872	965,000	2,578,000	167.2%
	POLICE	162,435,748	172,932,334	179,195,000	188,554,000	5.2%
	PW - Admin	3,850,016	3,864,281	3,934,000	3,876,000	-1.5%
	PW - Traffic & Parking	17,318,060	16,957,320	17,624,000	18,934,000	7.4%
	PW - Transportation Engineering, and Design	1,819,860	2,007,067	2,142,000	2,195,000	2.5%
	PW - Transportation Maintenance & Repair	34,295,213	39,021,254	36,014,000	37,357,000	3.7%
	PW - Transportation Planning & Programming	2,266,509	2,797,893	2,851,000	2,882,000	1.1%
	REGULATORY SERVICES	19,398,895	20,015,835	20,776,000	22,364,000	7.6%
	<b>TOTAL GENERAL FUND</b>	<b>437,040,259</b>	<b>460,512,408</b>	<b>482,705,000</b>	<b>519,350,000</b>	<b>7.6%</b>
<b>SPECIAL</b>	311	11,233	—	—	—	0.0%
	911	433,219	427,732	515,000	515,000	0.0%
	ATTORNEY	320,756	415,942	335,000	317,000	-5.4%
	BOARD OF ESTIMATE & TAXATION	211,837	220,606	281,000	111,000	-60.5%
	CAPITAL IMPROVEMENTS	703,276	340,364	—	—	0.0%
	CITY COORDINATOR	1,300,322	2,251,089	2,166,000	1,529,000	-29.4%
	CIVIL RIGHTS	252,953	291,952	364,000	381,000	4.7%
	CONVENTION CENTER	56,961,997	51,843,194	56,059,000	50,008,000	-10.8%
	CPED	53,986,294	62,884,139	80,903,000	69,704,000	-13.8%
	DEBT SERVICE - NON DEPARTMENTAL	82,600	—	—	—	0.0%
	DOWNTOWN ASSETS	—	931,898	1,412,000	7,942,000	462.5%
	EMERGENCY MANAGEMENT	1,355,260	599,642	930,000	930,000	0.0%
	FINANCE & PROPERTY SERVICES	133,104	103,222	161,000	172,000	6.8%
	FIRE	790,481	66,262	10,000	—	-100.0%
	HEALTH	13,370,426	12,067,885	11,729,000	10,995,000	-6.3%
	HUMAN RESOURCES	674	1,489	—	—	0.0%
	INTERGOVERNMENTAL RELATIONS	1,316,571	1,343,923	1,488,000	1,929,000	29.6%
	MAYOR	(525)	12,500	—	—	0.0%
	MUNICIPAL BUILDING COMMISSION	8,789,815	8,837,076	9,717,000	9,743,000	0.3%
	NEIGHBORHOOD & COMMUNITY RELATIONS	10,093,944	11,221,186	10,981,000	12,890,000	17.4%
	OTHER/NON-DEPARTMENTAL	64,803	64,803	75,000	75,000	0.0%
	PARK BOARD - CAP IMPROV	472,975	—	—	—	0.0%
	PARK BOARD	90,225,318	93,556,197	99,560,000	109,740,000	10.2%
	PENSIONS	30,163,029	30,163,029	33,644,000	25,144,000	-25.3%
	POLICE	5,214,870	4,903,338	5,742,000	4,703,000	-18.1%
	PW - Transportation Maintenance & Repair	6,906,767	7,007,505	7,121,000	7,296,000	2.5%
	REGULATORY SERVICES	3,993,721	3,987,800	6,551,000	3,582,000	-45.3%

**SCHEDULE THREE**  
**EXPENSES BY FUND AND DEPARTMENT**  
**(excludes transfers)**

		2017 Actual	2018 Actual	2019 Adopted	2020 Council Adopted	% Change
<b>INTERNAL</b>	<b>TOTAL SPECIAL REVENUE</b>	<b>287,155,639</b>	<b>293,542,773</b>	<b>329,744,000</b>	<b>317,706,000</b>	<b>-3.7%</b>
311		—	—	—	—	0.0%
ATTORNEY		8,281,887	7,106,460	8,011,000	8,184,000	2.2%
CAPITAL IMPROVEMENTS		29,676	2,914,246	—	—	0.0%
CITY CLERK		1,582,198	1,797,723	1,459,000	1,502,000	2.9%
DEBT SERVICE - NON DEPARTMENTAL		231,099	146,123	—	—	0.0%
FINANCE & PROPERTY SERVICES		30,695,919	25,131,328	26,417,000	27,069,000	2.5%
GENERAL LIABILITY		5,105,773	1,685,350	4,660,000	6,175,000	32.5%
HUMAN RESOURCES		1,955,554	54,000,954	2,118,000	71,508,000	3,276.2%
INFORMATION TECHNOLOGY		39,223,439	42,413,466	36,565,000	37,951,000	3.8%
OTHER/NON-DEPARTMENTAL		1,174,953	1,612,075	2,793,000	2,863,000	2.5%
PARK BOARD		9,895,611	9,524,897	10,551,000	11,318,000	7.3%
PW - Fleet		22,666,144	36,392,918	39,370,000	37,775,000	-4.1%
PW - Traffic & Parking		557,085	195,642	325,000	355,000	9.2%
PW - Transportation Engineering, and Design		6,710,403	7,487,742	8,487,000	9,025,000	6.3%
WORKER'S COMP		12,276,105	12,235,735	13,242,000	13,012,000	-1.7%
<b>TOTAL INTERNAL SERVICE</b>		<b>140,385,846</b>	<b>202,644,659</b>	<b>153,998,000</b>	<b>226,737,000</b>	<b>47.2%</b>
<b>CAPITAL</b>	<b>CAPITAL IMPROVEMENTS</b>	<b>223,267,525</b>	<b>142,668,397</b>	<b>214,417,000</b>	<b>106,581,000</b>	<b>-50.3%</b>
CPED		258,139	262,307	730,000	700,000	-4.1%
DEBT SERVICE - NON DEPARTMENTAL		97,875	—	—	—	0.0%
PW - Transportation Engineering, and Design		10,697,567	14,048,102	12,861,000	12,571,000	-2.3%
PW - Transportation Maintenance & Repair		1,066,507	1,357,701	1,256,000	1,238,000	-1.4%
PW - Transportation Planning & Programming		1,190,315	488,322	784,000	926,000	18.1%
<b>TOTAL CAPITAL PROJECTS</b>		<b>236,577,928</b>	<b>158,824,829</b>	<b>230,048,000</b>	<b>122,016,000</b>	<b>-47.0%</b>
<b>DEBT</b>	<b>CPED</b>	<b>1,292,640</b>	<b>2,110,824</b>	<b>2,135,000</b>	<b>2,149,000</b>	<b>0.7%</b>
DEBT SERVICE - NON DEPARTMENTAL		165,884,823	142,171,014	122,244,000	109,942,000	-10.1%
<b>TOTAL DEBT SERVICE</b>		<b>167,177,463</b>	<b>144,281,838</b>	<b>124,379,000</b>	<b>112,091,000</b>	<b>-9.9%</b>
<b>ENTERPRISE</b>	<b>CAPITAL IMPROVEMENTS</b>	<b>13,531,261</b>	<b>59,738,762</b>	<b>72,575,000</b>	<b>71,680,000</b>	<b>-1.2%</b>
CPED		1,447,828	1,220,133	1,375,000	1,379,000	0.3%
DEBT SERVICE - NON DEPARTMENTAL		3,370,380	4,496,889	37,687,000	40,993,000	8.8%
GENERAL REVENUES		105	40	—	—	0.0%
PARK BOARD		11,345,259	10,059,914	11,937,000	13,264,000	11.1%
PW - Sanitary		63,257,133	69,346,195	69,923,000	71,938,000	2.9%
PW - Solid Waste		36,785,767	39,659,426	43,355,000	43,665,000	0.7%
PW - Stormwater		19,516,809	20,445,857	22,165,000	21,293,000	-3.9%
PW - Traffic & Parking		45,656,942	43,962,376	47,962,000	55,639,000	16.0%
PW - Transportation Maintenance & Repair		9,514,910	9,710,725	9,945,000	9,997,000	0.5%
PW - Water		54,629,077	55,740,586	61,315,000	61,533,000	0.4%
<b>TOTAL ENTERPRISE</b>		<b>259,055,471</b>	<b>314,380,903</b>	<b>378,239,000</b>	<b>391,381,000</b>	<b>3.5%</b>
<b>TOTAL FUNDS</b>		<b>1,527,392,606</b>	<b>1,574,187,410</b>	<b>1,699,113,000</b>	<b>1,689,281,000</b>	<b>-6.6%</b>

\* Detailed schedule by specific fund and specific department will be available upon request.

\*\* For the 2020 Council Adopted budget, transfers in the amount of \$190,112,092 are detailed in Schedule 7.

**SCHEDULE FOUR**  
**Year 46 (2020) - COMMUNITY DEVELOPMENT BLOCK GRANT**

Organization	Project	2018 Consolidated Plan	2019 Consolidated Plan	2020 Council Adopted
<b>Capital /Other---CDBG</b>				
Community Planning & Economic Development	Adult Training, Placement and Retention	1,342,900	1,325,200	1,362,000
	High Density Corridor Initiative	462,730	499,100	494,000
	Multi-Family/Affordable Housing	3,542,414	3,454,000	3,420,000
	NEDF/CEDF (Great Streets)	87,726	94,600	94,000
	Home Ownership Support & Development	207,974	197,200	195,000
	Vacant and Boarded Building Program	1,574,300	1,553,700	1,488,000
<b>Subtotal CPED capital</b>		<b>7,218,044</b>	<b>7,123,800</b>	<b>7,053,000</b>
Health Department	Lead Reduction	62,600	61,800	61,000
<b>Total Capital/Other (65%)</b>		<b>7,280,644</b>	<b>7,185,600</b>	<b>7,114,000</b>
<b>Public Service---CDBG</b>				
Community Planning & Economic Development	Youth Employment	255,160	253,800	251,000
	Youth Pre-Employment Services	100,000	108,400	107,000
Police Department	Community Crime Prevention Specialists	901,870	897,000	888,000
Health Department	Way to Grow	255,190	224,000	222,000
	Juvenile Supervision Center (Curfew Truancy Program)	100,000	100,000	100,000
	Domestic Abuse Project	75,430	75,000	74,000
<b>Total Public Service (15%)</b>		<b>1,687,650</b>	<b>1,658,200</b>	<b>1,642,000</b>
<b>Public Service - 15% Cap</b>		<b>1,674,999</b>	<b>1,658,208</b>	<b>1,642,000</b>
<b>Administration---CDBG</b>				
Civil Rights Department	Fair Housing Initiative/Davis Bacon Compliance/Monitoring	350,590	347,900	344,000
Community Planning & Economic Development	Planning - Administration	941,790	934,600	925,000
Health Department	Mid-Minnesota Legal Aid	25,780	25,600	25,000
	Grant Administration	64,880	64,400	64,000
	Way to Grow Administration	15,680	5,100	5,000
	Youth Violence Prevention	165,410	164,100	162,000
Finance Department	Program Administration	175,690	174,299	172,000
Intergovernmental Relations	Grants & Special Projects	182,920	181,500	180,000
	Mid-Minnesota Legal Aid	41,890	41,600	41,000
Youth Coordinating Board	Administration	64,803	74,523	75,000
Neighborhood & Community Relations	Access & Outreach (Multicultural Affairs)	106,770	105,900	105,000
Regulatory Services	New Problem Properties Strategy	92,160	91,400	90,000
<b>Total Administration (20%)</b>		<b>2,228,363</b>	<b>2,210,922</b>	<b>2,188,000</b>
<b>Administration 20% cap</b>		<b>2,233,331</b>	<b>2,210,944</b>	<b>2,189,000</b>
<b>CDBG Total of Requests (100%)</b>		<b>11,196,657</b>	<b>11,054,722</b>	<b>10,944,000</b>
<b>CDBG Revenue</b>		<b>11,166,657</b>	<b>11,054,722</b>	<b>10,944,000</b>
<b>Other Consolidated Plan Entitlement Funds</b>				
<b>HOME Investment Partnerships</b>				
Community Planning & Economic Development	Affordable Housing Trust Fund (AHTF)	1,669,800	1,535,643	1,216,000
	Home Ownership Works (HOW)	899,123	826,885	644,000
	CPED Administration	270,435	247,503	192,000
Intergovernmental Relations	Grants & Special Projects Administration	15,000	15,000	15,000
<b>Emergency Solutions Grant (ESG)</b>				
Community Planning & Economic Development	Emergency Solutions Grant Programs	702,955	707,501	685,000
	Street Outreach	150,000	150,000	150,000
	CPED Administration	64,158	66,064	64,000
	Homelessness Info Mgmt Sys (HMIS) Support			18,950
Intergovernmental Relations	Grants & Special Projects Administration	5,000	5,000	5,000
<b>Housing Opportunities for Persons with AIDS (HOPWA)</b>				
	Third Party Contractors/Subrecipients/Subgrantees	1,321,029	1,492,383	1,620,000
Intergovernmental Relations	Grants & Special Projects Administration	40,856	46,156	50,000
<b>Grand Total Consolidated Plan</b>		<b>16,305,013</b>	<b>16,165,807</b>	<b>15,603,000</b>

\* This schedule represents the distribution of entitlement funds only excluding any program income.

**SCHEDULE FIVE**  
**SUMMARY OF POSITIONS BY DEPARTMENT**

	2017 Budget	2018 Budget	2019 Budget*	2020 Council Adopted	% Change	% Change
<b>CITY COORDINATOR</b>						
311	30.00	30.00	30.00	30.00	—	0.0%
911	85.00	85.00	85.00	85.00	—	0.0%
CITY COORDINATOR	26.00	31.00	34.00	46.00	12.00	35.3%
COMMUNICATIONS	12.00	12.00	12.00	12.00	—	0.0%
CONVENTION CENTER	173.30	173.30	173.30	173.30	—	0.0%
EMERGENCY MANAGEMENT	8.50	8.50	8.50	8.50	—	0.0%
FINANCE AND PROPERTY SERV	255.50	258.50	263.50	265.50	2.00	0.8%
HUMAN RESOURCES	53.80	55.00	56.00	56.00	—	0.0%
INFORMATION TECHNOLOGY	96.00	92.00	92.00	93.00	1.00	1.1%
INTERGOVERNMENTAL RELATIONS	8.00	8.00	8.00	8.00	—	0.0%
NEIGHBORHOOD & COMMUNITY RELATIONS	17.00	18.00	18.00	18.00	—	0.0%
<b>CITY COORDINATOR</b>	<b>765.10</b>	<b>771.30</b>	<b>780.30</b>	<b>795.30</b>	<b>15.00</b>	<b>1.9%</b>
<b>COMMUNITY PLANNING &amp; ECONOMIC DEVELOPMENT</b>						
COMMUNITY PLANNING & ECONOMIC DEVELOPMENT	240.00	243.00	251.00	252.00	1.00	0.4%
<b>COMMUNITY PLANNING &amp; ECONOMIC DEVELOPMENT</b>	<b>240.00</b>	<b>243.00</b>	<b>251.00</b>	<b>252.00</b>	<b>1.00</b>	<b>0.4%</b>
<b>OTHER CHARTER DEPARTMENTS</b>						
ASSESSOR	38.00	38.00	38.00	38.00	—	0.0%
ATTORNEY	110.00	113.30	114.30	114.30	—	0.0%
CITY CLERK	26.00	26.00	26.00	26.00	—	0.0%
ELECTIONS & REGISTRATION	6.00	6.00	6.00	7.00	1.00	16.7%
CITY COUNCIL	39.00	39.00	39.00	39.00	—	0.0%
CIVIL RIGHTS	29.00	30.00	32.00	35.00	3.00	9.4%
FIRE	418.00	421.00	426.00	428.00	2.00	0.5%
INTERNAL AUDIT	4.00	4.00	4.00	4.00	—	0.0%
MAYOR	13.00	13.00	14.00	14.00	—	0.0%
MINNEAPOLIS HEALTH DEPARTMENT	103.50	105.35	107.85	110.85	3.00	2.8%
POLICE	1,060.50	1,081.70	1,080.50	1,082.90	2.40	0.2%
REGULATORY SERVICES	174.00	177.00	181.00	179.40	(1.60)	-0.9%
<b>OTHER CHARTER DEPARTMENTS</b>	<b>2,021.00</b>	<b>2,054.35</b>	<b>2,068.65</b>	<b>2,078.45</b>	<b>9.80</b>	<b>0.5%</b>
<b>PUBLIC WORKS</b>						
PW - ADMINISTRATIVE SERVICES	16.00	16.00	16.00	16.00	—	0.0%
PW - FLEET SERVICES	75.00	75.00	75.00	75.00	—	0.0%
PW - SOLID WASTE & RECYCLING	151.00	151.00	151.00	151.00	—	0.0%
PW - TRAFFIC AND PARKING SERVICES	112.40	114.40	114.40	120.45	6.05	5.3%
PW - TRANSPORTATION MAINTENANCE AND REPAIR	219.95	219.95	219.95	219.95	—	0.0%
PW - TRANSPORTATION ENGINEERING & DESIGN	81.00	81.00	81.50	81.50	—	0.0%
PW - WATER TREATMENT & DISTRIBUTION	192.00	192.00	195.75	200.00	4.25	2.2%
PW - SURFACE WATER & SEWERS-SANITARY	59.75	59.75	60.25	59.75	(0.50)	-0.8%
PW - SURFACE WATER & SEWERS-STORMWATER	53.50	54.00	54.50	53.50	(1.00)	-1.8%
PW - TRANSPORTATION PLANNING & PROGRAMING	21.00	21.50	22.50	23.50	1.00	4.4%
PW - CAPITAL	150.00	150.00	161.00	161.00	—	0.0%
<b>PUBLIC WORKS</b>	<b>1,131.60</b>	<b>1,134.60</b>	<b>1,151.85</b>	<b>1,161.65</b>	<b>9.80</b>	<b>0.9%</b>
<b>TOTAL CITY</b>	<b>4,157.70</b>	<b>4,203.25</b>	<b>4,251.80</b>	<b>4,287.40</b>	<b>35.60</b>	<b>0.8%</b>

\* 2019 FTE counts may differ from 2019 adopted budget due to mid year adjustments, including funding and organizational change

			2020 CPED PROGRAM ALLOCATION BY FUNDING SOURCE										
	2018	2019	Sources										
	Adopted Budget	Adopted Budget	Adopted Budget	General Fund	1400 CDBG & ESG Prog Income	01500 (HOME)	State and Federal Grants	Develop Funds	TIF for Affordable Hsg	GARFS	Restricted Dev Funds & TIF Funds	Other Funds	
<b>ADMINISTRATION AND SUPPORT</b>	<b>10,687,000</b>	<b>10,145,000</b>	<b>10,401,000</b>	<b>8,841,000</b>	<b>24,000</b>	-	-	-	-	-	-	<b>1,536,000</b>	
<b>LONG RANGE PLANNING</b>	<b>3,052,000</b>	<b>3,124,000</b>	<b>3,187,000</b>	<b>1,996,000</b>	<b>491,000</b>	-	-	-	-	-	-	<b>700,000</b>	
ADMINISTRATION AND OPERATIONS	2,166,000	2,324,000	2,417,000	1,926,000	491,000	-	-	-	-	-	-	700,000	
ART IN PUBLIC PLACES	786,000	800,000	770,000	70,000	-	-	-	-	-	-	-	700,000	
MAPPING PREJUDICE	100,000	-	-	-	-	-	-	-	-	-	-	-	
<b>HOUSING &amp; POLICY DEVELOPMENT</b>	<b>930,000</b>	<b>4,294,000</b>	<b>3,894,000</b>	<b>3,508,000</b>	<b>386,000</b>	-	-	-	-	-	-	-	
ADMINISTRATION AND OPERATIONS	556,000	564,000	458,000	458,000	-	-	-	-	-	-	-	-	
STABLE HOMES, STABLE SCHOOLS	3,350,000	3,000,000	3,000,000	3,000,000	-	-	-	-	-	-	-	-	
OFFICE TO END HOMELESSNESS	-	-	50,000	50,000	-	-	-	-	-	-	-	-	
VACANT & BOARDED HOUSING PROG	112,000	115,000	118,000	118,000	-	-	-	-	-	-	-	-	
AFFORDABLE HOUSING PROGRAMS (Multi-Family)	112,000	115,000	118,000	118,000	-	-	-	-	-	-	-	-	
EMERGENCY SOLUTIONS GRANT PROG	150,000	150,000	150,000	150,000	-	-	-	-	-	-	-	-	
<b>AFFORDABLE HOUSING</b>	<b>13,030,000</b>	<b>26,440,000</b>	<b>24,760,000</b>	<b>5,409,000</b>	<b>4,159,000</b>	<b>1,200,000</b>	-	-	<b>13,500,000</b>	-	<b>242,000</b>	<b>250,000</b>	
ADMINISTRATION AND OPERATIONS	1,211,000	1,238,000	1,376,000	1,134,000	-	-	-	-	-	-	242,000	-	
AFFORDABLE HSG TRUST FUND	6,004,000	20,058,000	16,205,000	800,000	3,005,000	1,200,000	-	-	11,200,000	-	-	-	
AFFORDABLE HOUSING PROGRAMS (Multi-Family)	1,000,000	-	-	-	-	-	-	-	-	-	-	-	
NOAH - Naturally Occurring Affordable Housing	3,650,000	3,300,000	3,000,000	3,000,000	-	-	-	-	-	-	-	-	
EMERGENCY SOLUTIONS GRANT PROG	786,000	767,000	749,000	749,000	-	-	-	-	-	-	-	-	
HIGH DENSITY CORRIDOR HOUSING	379,000	377,000	405,000	405,000	-	-	-	-	-	-	-	-	
MPHA ENERGY EFFICIENCY IMPROVEMENTS	-	-	2,300,000	-	-	-	-	-	2,300,000	-	-	-	
TENANT HOTLINE	-	125,000	125,000	125,000	-	-	-	-	-	-	-	-	
TENANT LEGAL SERVICES	-	175,000	100,000	100,000	-	-	-	-	-	-	-	-	
LOW BARRIER HOUSING INITIATIVE	-	-	250,000	250,000	-	-	-	-	-	-	-	-	
4D PROGRAM	-	250,000	250,000	-	-	-	-	-	-	-	250,000	-	
EVICTION REPRESENTATION PROGRAM	-	150,000	0	-	-	-	-	-	-	-	-	-	
<b>HOMEOWNERSHIP SUPPORT &amp; DEV.</b>	<b>9,188,000</b>	<b>14,077,000</b>	<b>10,106,000</b>	<b>2,751,000</b>	<b>2,766,000</b>	<b>851,000</b>	-	<b>992,000</b>	-	-	<b>1,775,000</b>	<b>971,000</b>	
ADMINISTRATION AND OPERATIONS	368,000	375,000	380,000	213,000	-	-	-	167,000	-	-	-	-	
MINNEAPOLIS HOMES	1,616,000	5,163,000	3,129,000	2,379,000	-	-	-	250,000	-	-	500,000	-	
VACANT & BOARDED HOUSING PROG	1,328,000	1,325,000	1,370,000	-	1,370,000	-	-	-	-	-	-	-	
HIGH DENSITY CORRIDOR HOUSING	84,000	86,000	89,000	89,000	-	-	-	-	-	-	-	-	
AFFORDABLE HSG TRUST FUND	397,000	420,000	438,000	297,000	141,000	-	-	-	-	-	-	-	
HOM (Homeownership Opportunity in Minneapolis)	524,000	721,000	721,000	-	-	-	-	525,000	-	-	196,000	-	
HOMEOWNERSHIP COUNSELING AND OUTREACH	175,000	225,000	175,000	-	-	-	-	-	-	-	175,000	-	
HOW - HOME OWNERSHIP WORKS	1,206,000	1,206,000	1,210,000	-	-	710,000	-	-	-	-	500,000	-	
HOMEOWNERSHIP CAPACITY	100,000	100,000	100,000	-	-	-	-	-	-	-	100,000	-	
HOMEOWNER REHABILITATION PROGRAMS	1,998,000	1,057,000	1,060,000	-	1,010,000	-	-	50,000	-	-	-	-	
HOUSING REPLACEMENT WATERSHED	1,016,000	1,017,000	1,024,000	-	-	-	-	-	-	-	1,024,000	-	
HOUSING AND ECONOMIC DEVELOPMENT PROGRAMS	146,000	149,000	159,000	159,000	-	-	-	-	-	-	-	-	
COMMON PROJECTS UNCERTIFIED	230,000	233,000	251,000	-	-	-	-	-	-	-	251,000	-	
AFFORDABLE MISSING MIDDLE	-	500,000	0	-	-	-	-	-	-	-	-	-	
HOUSING STABILIZATION	-	1,500,000	0	-	-	-	-	-	-	-	-	-	
<b>ECONOMIC POLICY AND DEVELOPMENT</b>	<b>464,000</b>	<b>477,000</b>	<b>392,000</b>	<b>392,000</b>	<b>3,064,000</b>	-	-	-	-	-	-	-	
<b>BUSINESS DEVELOPMENT</b>	<b>8,589,000</b>	<b>9,153,000</b>	<b>12,197,000</b>	<b>3,064,000</b>	<b>571,000</b>	-	-	<b>4,375,000</b>	-	<b>183,000</b>	<b>1,454,000</b>	<b>2,550,000</b>	
ADMINISTRATION AND OPERATIONS	2,510,000	2,586,000	2,609,000	2,059,000	-	-	-	550,000	-	-	-	-	
SMALL BUSINESS REVOLVING LOAN PROG	2,200,000	2,200,000	2,200,000	-	-	-	-	-	-	-	2,200,000	-	
SMALL BUSINESS PARTNERSHIP	100,000	105,000	105,000	105,000	-	-	-	-	-	-	-	-	
GREAT STREETS PROGRAM	916,000	1,461,000	1,621,000	-	571,000	-	-	1,050,000	-	-	-	-	
CULTURAL DIST- COMM. PROP. DEVELOPMENT	-	-	2,700,000	700,000	-	-	-	2,000,000	-	-	-	-	
CULTURAL DIST - ART FUND	-	-	100,000	100,000	-	-	-	-	-	-	-	-	
VILLAGE TRUST FINANCIAL	-	0	0	-	-	-	-	-	-	-	-	-	
CULTURAL DIST- CO-OP & EMPLOYEE OWNER FUND	-	-	100,000	100,000	-	-	-	-	-	-	-	-	
BUSINESS TECHNICAL ASSISTANCE PROG	350,000	350,000	350,000	-	-	-	-	-	-	-	350,000	-	
CO-OP TECHNICAL ASSISTANCE PROG	56,000	-	-	-	-	-	-	-	-	-	-	-	
CAPITAL ACQUISITION REVOLVING FUND	500,000	500,000	500,000	-	-	-	-	500,000	-	-	-	-	
COMMERCIAL PROPERTY MANAGEMENT	120,000	120,000	120,000	-	-	-	-	120,000	-	-	-	-	
COMMON PROJECTS UNCERTIFIED	185,000	185,000	186,000	-	-	-	-	-	-	-	186,000	-	
RIVER TERMINAL	1,348,000	1,348,000	1,348,000	-	-	-	-	155,000	-	-	1,193,000	-	
GARFS	179,000	183,000	183,000	-	-	-	-	-	-	183,000	-	-	
COMMERCIAL LAND TRUST ASSESSMENT	50,000	-	-	-	-	-	-	-	-	-	-	-	
LAKE STREET AND NICOLLET	75,000	75,000	75,000	-	-	-	-	-	-	-	75,000	-	
AFRICAN AMERICAN MUSEUM	-	40,000	0	-	-	-	-	-	-	-	-	-	
<b>SMALL BUSINESS TEAM</b>	<b>-</b>	<b>343,000</b>	<b>497,000</b>	<b>497,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>BUSINESS LICENSING</b>	<b>3,086,000</b>	<b>3,186,000</b>	<b>3,293,000</b>	<b>3,293,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>ADULT WORKFORCE DEVELOPMENT</b>	<b>5,939,000</b>	<b>5,720,000</b>	<b>5,625,000</b>	<b>862,000</b>	<b>1,362,000</b>	-	<b>2,400,000</b>	<b>1,001,000</b>	-	-	-	-	
<b>YOUTH TRAINING AND DEVELOPMENT</b>	<b>4,453,000</b>	<b>4,086,000</b>	<b>3,981,000</b>	<b>593,000</b>	<b>358,000</b>	-	<b>2,300,000</b>	<b>730,000</b>	-	-	-	-	
<b>DEVELOPMENT SERV - POLICY &amp; DEVELOPMENT</b>	<b>283,000</b>	<b>295,000</b>	<b>303,000</b>	<b>303,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>LAND USE, DESIGN &amp; PRESERVATION</b>	<b>2,764,000</b>	<b>2,936,000</b>	<b>3,037,000</b>	<b>2,240,000</b>	<b>797,000</b>	-	-	-	-	-	-	-	
<b>DEVELOPMENT SERVICES - CSC</b>	<b>2,029,000</b>	<b>2,121,000</b>	<b>2,169,000</b>	<b>2,169,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>CONSTRUCTION CODE SERVICES</b>	<b>9,052,000</b>	<b>9,301,000</b>	<b>9,489,000</b>	<b>9,489,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>TRANSFER AND DEBT SERVICES</b>	<b>36,651,000</b>	<b>35,167,000</b>	<b>37,312,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,312,000</b>	<b>-</b>	<b>-</b>	
<b>TOTAL</b>	<b>110,197,000</b>	<b>130,865,000</b>	<b>130,643,000</b>	<b>45,407,000</b>	<b>10,914,000</b>	<b>2,051,000</b>	<b>4,700,000</b>	<b>7,098,000</b>	<b>13,500,000</b>	<b>183,000</b>	<b>40,783,000</b>	<b>6,007,000</b>	

**SCHEDULE SEVEN**  
**INTERFUND TRANSFER EXPENSE**

	2017 Actual	2018 Actual	2019 Budget	2020 Council Adopted	Description (2020 transfers)
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TRANSFER TO OTHER SPEC REV FDS 01000	4,317	4,000	5,000	—	
TRANSFER TO OTHER SPEC REV FDS 01100	—	250,000	—	—	
TRANSFER TO OTHER SPEC REV FDS 00100	—	—	—	3,771,000	Transfer to longterm CPED special revenue fund
TRANSFER TO REGULATORY SERVICES 0190	—	—	800,000	—	
TRANSFER TO TAX INCREMENT FUNDS	—	—	16,471,000	—	
TRANSFER TO MBC CAPITAL 34200	—	—	200,000	—	
TRANSFER TO CONV CTR 01760	49,786,220	—	—	—	
TRANSFER TO CAPITAL 04100	5,500,000	5,909,000	8,526,000	5,752,158	Capital Projects including 20 Year Streets
TRANSFER TO CAPITAL ARBITRAGE	—	—	—	3,000,000	Public Service Center
TRANSFER TO PROPERTY SRV CAPITAL 0418	—	—	5,100,000	—	
TRANSFER TO EQUIPMENT 06100	1,958,030	280,000	—	—	
TRANSFER TO PROP SVCS 06200	300,260	219,071	228,000	236,748	Transfer related to Centralized Leases Action
	1,000,000	—	—	—	
	—	100,000	—	—	
TRANSFER TO INFO TECH 06400	191,708	192,784	203,000	209,184	Includes transfers related to Centralized Leases Action
	—	1,567,000	—	—	
	—	—	150,000	—	
TRANSFER TO CITY SELF INS 06900	296,657	262,000	312,000	324,127	Transfer related to Centralized Leases Action
TRANSFER TO WATER 07400	24,511	27,000	29,000	29,000	Transfer related to Centralized Leases Action
TRANSFER TO SOLID WASTE 07700	325,000	325,000	325,000	325,000	Graffiti remediation efforts
<b>00100 - GENERAL FUND</b>	<b>59,386,703</b>	<b>9,135,855</b>	<b>32,349,000</b>	<b>13,647,217</b>	
<b>01260 - ARENA</b>					
TRANSFER TO DOWNTOWN ASSETS	—	—	2,757,000	759,094	Excess cash balance in Arena Spec. Rev. Fund
<b>01260 - ARENA</b>			<b>2,757,000</b>	<b>759,094</b>	
<b>01700 - DOWNTOWN ASSETS</b>					
TRANSFER TO CITY GENERAL 00100	—	21,000,000	31,200,000	32,711,000	Local Taxes supporting the General Fund
TRANSFER TO CITY GENERAL 00100	—	9,850,000	—	—	
TRANSFER TO CITY GENERAL 00100	—	—	262,000	—	
TRANSFER TO CONV CTR 01760	—	26,811,000	26,682,000	53,531,000	Convention Center Operating and Capital
TRANSFER TO CONV CTR 01760	—	—	32,838,000	—	
TRANSFER TO OTHER DEBT SERVICE FUNDS	—	5,661,000	5,697,000	5,697,635	Sales Tax Supported Arena Debt Service
TRANSFER TO PEAVY PLAZA 01710	—	4,400,000	—	424,000	Peavey Plaza operating
TRANSFER TO COMMONS 01720	—	750,000	—	820,000	Commons operating
<b>01700 - DOWNTOWN ASSETS</b>		<b>68,472,000</b>	<b>96,679,000</b>	<b>93,183,635</b>	
<b>01760 - CONVENTION CENTER OPERATIONS</b>					
TRANSFER TO CITY GENERAL 00100	3,859,657	—	—	—	
TRANSFER TO SPECIAL REVENUE 01100	250,000	—	—	—	
TRANSFER TO CITY CAPITAL 04100	6,000,000	—	—	—	
TRANSFER TO CNV CTR DBT SVC 05300	24,487,743	24,811,125	26,682,000	26,806,618	Convention Center related debt
<b>01760 - CONVENTION CENTER OPERATIONS</b>	<b>34,597,400</b>	<b>24,811,125</b>	<b>26,682,000</b>	<b>26,806,618</b>	
<b>019FO - FIRE PENSION BONDS</b>					
TRANSFER TO CITY GENERAL 00100	—	—	2,500,000	1,000,000	Ongoing General Fund Operating Needs
<b>019FO - FIRE PENSION BONDS</b>			<b>2,500,000</b>	<b>1,000,000</b>	
<b>019PO - POLICE PENSION BONDS</b>					
TRANSFER TO CITY GENERAL 00100	—	—	2,500,000	1,000,000	Ongoing General Fund Operating Needs
<b>019PO - POLICE PENSION BONDS</b>			<b>2,500,000</b>	<b>1,000,000</b>	
<b>VARIOUS - TIF FUNDS</b>					
TRANSFER TO CITY GENERAL 00100	—	122,000	—	—	
TRANSFER TO TAX INC DBT SVC 05900	5,625,076	3,007,313	3,773,000	2,528,664	TIF debt service reimbursement
TRANSFER TO PARKING 07500	814,000	1,136,668	929,000	883,000	TIF debt service reimbursement
TRANSFER TO OTHER DEBT SVC FDS	5,468,180	5,805,803	18,343,000	595,000	TIF debt service reimbursement
<b>VARIOUS - TIF FUNDS</b>	<b>11,907,256</b>	<b>10,071,784</b>	<b>23,045,000</b>	<b>4,006,664</b>	

**SCHEDULE SEVEN**  
**INTERFUND TRANSFER EXPENSE**

2017 Actual	2018 Actual	2019 Budget	2020 Council Adopted	Description (2020 transfers)
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<b>VARIOUS PURPOSE BOND FUNDS</b>				
TRANSFER TO CITY CAPITAL 04100	50,249,119	—	—	—
TRANSFER TO MBC CAPITAL 34200	967,975	—	—	—
TRANSFER TO PARK CAPITAL 14300	10,471,955	—	—	—
TRNSFR TO GEN DEBT SVC 05250	396,678	—	—	—
TRANSFER TO OTHER DEBT SVC FDS	200,064	—	—	3,304,088    2019 CIP Bonds
TRANSFER TO INFO TECH 06400	1,191,482	—	—	—
<b>VARIOUS PURPOSE BOND FUNDS</b>	<b>63,477,273</b>	<b>—</b>	<b>—</b>	<b>3,304,088</b>
<b>01SDA- DEVELOPMENT ACCOUNT</b>				
TRANSFER TO DOWNTOWN ASSETS	—	—	10,000,000	—
<b>01SDA- DEVELOPMENT ACCOUNT</b>	<b>—</b>	<b>—</b>	<b>10,000,000</b>	<b>—</b>
<b>IMPROVEMENT BOND ARBITRAGE</b>				
TRANSFER TO DOWNTOWN ASSETS 01720	—	420,000	—	—
TRNSFR TO OTHER DEBT SVC FDS	85,013	—	—	—
TRNSFR TO WATER 07400	—	—	—	—
<b>IMPROVEMENT BOND ARBITRAGE</b>	<b>85,013</b>	<b>420,000</b>	<b>—</b>	<b>—</b>
<b>041SC - STREET CAR VALUE CAPTURE FUND</b>				
TRANSFER TO GENERAL FUND 00100	—	—	2,000,000	2,000,000    Ongoing general funding for operating needs
<b>041SC - STREET CAR VALUE CAPTURE FUND</b>	<b>—</b>	<b>—</b>	<b>2,000,000</b>	<b>2,000,000</b>
<b>04G01 - BOND REDEMPTION - DEBT SERVICE</b>				
TRANSFER TO SOLID WASTE FUND 07700	—	—	2,586,000	—
TRANSFER TO OTHER DEBT SVC FDS	—	—	—	2,841,300    Capitalized Interest
<b>04G01 - BOND REDEMPTION - DEBT SERVICE</b>	<b>—</b>	<b>—</b>	<b>2,586,000</b>	<b>2,841,300</b>
<b>05250 - BOND REDEMPTION - DEBT SERVICE</b>				
TRANSFER TO SOLID WASTE 07700	—	—	3,523,000	4,324,250    Net 2018 East Side Storage Facility Bond Debt Service
<b>05250 - BOND REDEMPTION - DEBT SERVICE</b>	<b>—</b>	<b>—</b>	<b>3,523,000</b>	<b>4,324,250</b>
<b>05270 - PENSION FUND - DEBT SERVICE</b>				
TRNSFR TO GEN DEBT SVC 05250	—	—	—	—
<b>05270 - PENSION FUND - DEBT SERVICE</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>0531 - TARGET CTR SALES TAX DS</b>				
TRNSFR TO GEN DEBT SVC 05250	70,000	—	—	—
<b>0531 - TARGET CTR SALES TAX DS</b>	<b>70,000</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>06100 - EQUIPMENT INTERNAL SERVICE</b>				
TRANSFER TO CITY GEN 00100	—	—	1,000,000	2,000,000    Ongoing general funding for operating needs
<b>06100 - EQUIPMENT INTERNAL SERVICE</b>	<b>—</b>	<b>—</b>	<b>1,000,000</b>	<b>2,000,000</b>
<b>06200 - PROPERTY - INTERNAL SERVICE</b>				
TRANSFER TO CITY GENERAL 00100	1,500,000	—	—	78,000    One-time transfer for DID Public Safety Partnerships
TRANSFER TO OTHER DEBT SVC FDS	—	—	500,000	500,000    City Hall and New Public Service Center Debt Service
TRANSFER TO EQUIPMENT 06100	345,663	316,893	317,000	316,893    Property Services debt paid by Fleet
<b>06200 - PROPERTY - INTERNAL SERVICE</b>	<b>1,845,663</b>	<b>316,893</b>	<b>817,000</b>	<b>894,893</b>
<b>06210 - PROPERTY DISP - INTERNAL SERVICE</b>				
TRANSFER TO CITY CAPITAL 04100	78,523	—	—	—
<b>06210 - PROPERTY DISP - INTERNAL SERVICE</b>	<b>78,523</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>06400 - INFO TECH - INTERNAL SERVICE</b>				
TRANSFER TO CITY CAPITAL 04100	3,000,000	—	3,000,000	—
TRANSFER TO CITY GEN 00100			220,000	—
TRANSFER TO CITY GEN 00100	—	—	—	1,000,000    HCMS implementation
TRANSFER TO OTHER SPEC REV FDS	13,933	—	—	—

**SCHEDULE SEVEN**  
**INTERFUND TRANSFER EXPENSE**

	2017 Actual	2018 Actual	2019 Budget	2020 Council Adopted	Description (2020 transfers)
<b>06400 - INFO TECH - INTERNAL SERVICE</b>	<b>3,013,933</b>	—	<b>3,220,000</b>	<b>1,000,000</b>	
<b>06900 - SELF INSURANCE-INTERNAL SVC</b>					
TRANSFER TO CITY GENERAL 00100	29,120	305,000	60,000	—	
TRANSFER TO CITY CAPITAL 04100	—	8,000,000	—	—	
<b>06900 - SELF INSURANCE-INTERNAL SVC</b>	<b>29,120</b>	<b>8,305,000</b>	<b>60,000</b>	<b>—</b>	
<b>07100 - SANITARY SEWER FUND</b>					
TRNSFR TO GEN DEBT SVC 05250	11,975	—	—	—	
TRANSFER TO WATER 07400	1,212,666	684,147	593,000	879,121	Supports the Meter Shop operations
<b>07100 - SANITARY SEWER FUND</b>	<b>1,224,641</b>	<b>684,147</b>	<b>593,000</b>	<b>879,121</b>	
<b>07300 - STORMWATER FUND</b>					
TRANSFER TO CITY GENERAL 00100	110,000	110,000	110,000	110,000	Funds 2 Environmental Services FTEs
TRANSFER TO CITY CAPITAL 04100	1,500,000	1,515,000	1,530,000	1,545,000	Street Infrastructure & Neighborhood Funding Plan
<b>07300 - STORMWATER FUND</b>	<b>1,610,000</b>	<b>1,625,000</b>	<b>1,640,000</b>	<b>1,655,000</b>	
<b>07400 - WATER - ENTERPRISE</b>					
TRANSFER TO GEN DEBT SVC 05250	18,210	—	—	—	
<b>07400 - WATER - ENTERPRISE</b>	<b>18,210</b>	—	—	—	
<b>07500 - MUNICIPAL PARKING-ENTERPRISE</b>					
TRANSFER TO CITY GENERAL 00100	7,000,000	7,000,000	7,000,000	7,990,000	Includes annual contribution from parking fund per the parking fund workout plan
TRANSFER TO OTHER SPEC REV FDS	3,940,228	4,158,435	4,383,000	4,614,684	Target center finance plan
TRNSFR TO GEN DEBT SVC 05250	3,657	—	—	—	
TRNSFR TO SOLID WASTE 07700	146,000	146,000	146,000	146,000	Litter container collection
<b>07500 - MUNICIPAL PARKING-ENTERPRISE</b>	<b>11,089,885</b>	<b>11,304,435</b>	<b>11,529,000</b>	<b>12,750,684</b>	
<b>07ERZ - GARFS</b>					
TRANSFER TO CITY CAPITAL 04100	—	—	7,500,000	6,500,000	Street Infrastructure & Neighborhood Funding Plan
<b>07ERZ - GARFS</b>	<b>—</b>	<b>—</b>	<b>7,500,000</b>	<b>6,500,000</b>	
<b>SUMMARY</b>	<b>188,433,620</b>	<b>135,146,239</b>	<b>230,980,000</b>	<b>178,552,564</b>	

In addition to the transfers above, the Council approves \$11,302,000 in transfers in the TIF and CPED Special Revenue Funds. The adopted budget includes an additional \$1,651,000 in Park Board transfers. Detailed schedule by specific fund and specific department will be available upon request.

## SCHEDULE EIGHT UTILITY FEES SCHEDULE

The **2020 Council Adopted Rates** for Water and Sanitary Sewer fees include both a variable rate component based on water usage and a fixed rate component based on the size of the water meter servicing the property. The Stormwater Sewer fees are based on the size of the property and an accepted stormwater runoff coefficient, and the Solid Waste and Recycling fees are presented as a base fee plus a large/small cart component. Factors affecting the utility rates are discussed in the Financial Plans for the respective enterprise funds. The table below provides a summary of the anticipated change in an average residential customer's combined utility bill from **2019 to 2020**.

### Monthly and Annual Cost for Average Customer

	2019	2020 Monthly Average*	2020 Annual Average	2020 monthly dollar change	2020 % change
<b>Water*</b>	\$30.41	\$31.26	\$375.00	\$0.85	2.8%
<b>Sanitary Sewer</b>	\$31.06	\$33.54	\$402.00	\$2.48	8.0%
<b>Stormwater</b>	\$13.09	\$13.42	\$161.00	\$0.33	2.5%
<b>Solid Waste/Recycling**</b>	\$29.53	\$30.08	\$361.00	\$0.55	1.9%
<b>Total</b>	<b>\$104.09</b>	<b>\$108.30</b>	<b>\$1,300.00</b>	<b>\$4.21</b>	<b>4.0%</b>

\*The average household rate for water is based on 7 units of consumption at \$3.68 per unit plus a \$5.50 fixed charge. Sanitary rates are based on 6 units of water consumption at \$4.54 per unit plus a fixed charge of \$6.30. Stormwater rates are based on 1 equivalent Stormwater unit of 1,530 square feet on impervious surface at \$13.42 per unit.

\*\*The solid waste rate is based on a \$25.08 monthly charge with a large recycling cart fee of \$5.00. Customers can substitute a small cart with a \$2.00 fee.

Over the five-year period from **2020 to 2024**, the average residential customer's combined utility bill is anticipated to change as shown in the table below.

### Monthly Cost for Average Customer - 2020-2024

	2019	2020	2021	2022	2023	2024
<b>Water</b>	\$30.41	\$31.26	\$32.39	\$33.52	\$34.65	\$35.78
<b>Sanitary Sewer</b>	\$31.06	\$33.54	\$35.36	\$36.88	\$38.34	\$39.86
<b>Stormwater</b>	\$13.09	\$13.42	\$13.77	\$14.13	\$14.50	\$14.88
<b>Solid Waste/Recycling</b>	\$29.53	\$30.08	\$30.65	\$31.48	\$32.41	\$33.44
<b>Total</b>	<b>\$104.09</b>	<b>\$108.30</b>	<b>\$112.17</b>	<b>\$116.01</b>	<b>\$119.90</b>	<b>\$123.96</b>
Percent change		4.0%	3.6%	3.4%	3.4%	3.4%
\$ change		\$4.21	\$3.87	\$3.84	\$3.89	\$4.06

Anticipated annual revenues from utility billing rates are presented below.

### Annual Utility Billing Revenues - 2020-2024 (in thousands)

	2019	2020	2021	2022	2023	2024
<b>Water</b>	\$ 68,881	\$ 70,539	\$ 72,865	\$ 75,191	\$ 77,516	\$ 79,842
<b>Sanitary Sewer</b>	70,890	76,855	80,121	83,386	86,652	89,918
<b>Stormwater</b>	40,735	41,995	43,092	44,221	45,380	46,572
<b>Solid Waste/</b>	38,007	38,718	39,444	40,269	41,114	41,980
<b>Total</b>	<b>\$ 218,513</b>	<b>\$228,107</b>	<b>\$235,522</b>	<b>\$243,067</b>	<b>\$250,662</b>	<b>\$258,312</b>
Percent change		4.39%	3.25%	3.20%	3.12%	3.05%
\$ change		\$9,594	\$7,415	\$7,545	\$7,595	\$7,650

## SCHEDULE EIGHT UTILITY FEES SCHEDULE

### **Water**

The following rates are effective with utility billings for water meters read from and after **January 1, 2020**. Charges commence when the street valve is turned on for water service. The meter rates for water are hereby fixed and shall be collected as follows:

<b>Customer</b>	<b>Rate</b>
Customers not otherwise mentioned	\$3.68 / 100 cubic feet
<b>Municipalities, Municipal Corporations, Villages &amp; customers outside the corporate limits of the city</b>	\$3.83 / 100 cubic feet
Contractual Customers*	\$* / 100 cubic feet

\*Rates for municipalities, municipal corporations and villages, which are established by contract, shall continue on the existing contract basis

In addition to the above rates a fixed charge based on meter size will be billed each billing period or fraction thereof as follows:

<b>Meter Size (Inches)</b>	<b>Fixed Charge</b>
5/8	\$ 5.50
3/4	8.25
1	13.75
1 1/2	27.50
2	44.00
3	88.00
4	137.50
6	275.00
8	440.00
10	632.50
12	1,815.00

### **Sanitary Sewer**

The sanitary sewer rates rate shall be applied to utility billings for water meters read from and after **January 1, 2020**.

<b>Service</b>	<b>Rate</b>
Sanitary Sewer (Inside City of Minneapolis)	\$4.54 / 100 cubic feet
Sanitary Sewer (Outside City of Minneapolis)*	\$4.54 / 100 cubic feet*
Sanitary Sewer only (Outside the City of Minneapolis)	\$33.54 / Month

\*When the City of Minneapolis also provides water. In addition, the fixed charge sanitary sewer rate shall be based on meter size as show below

## SCHEDULE EIGHT UTILITY FEES SCHEDULE

In addition, a fixed charge based on water meter size will be billed each billing period or fraction thereof as follows:

Meter Size (Inches)	Fixed Charge
5/8	\$ 6.30
3/4	9.45
1	15.75
1 1/2	31.50
2	50.40
3	100.80
4	157.50
6	315.00
8	504.00
10	724.50
12	2,079.00

### Stormwater

The stormwater rate, subject to the provisions in Chapter 510, of the Minneapolis Code of Ordinances, is imposed on each and every Single-Family Residential Developed Property, Other Residential Developed Property, Non-Residential Developed Property, and Vacant Property, other than Exempt Property, and the owner and non-owner users, and is hereby set from and after **January 1, 2020** as follows:

Single Family Residential Developed Property	Stormwater Rate
High (>1578 sq. ft.) *ESU=1.25	\$ 16.78
Medium ( $\geq 1485 \text{ & } \leq 1578$ sq. ft.) *ESU=1.00	13.42
Low (<1485 sq. ft.) *ESU=0.75	10.07

\*The Equivalent Stormwater Unit (ESU) rate is **\$13.42**. The ESU measurement is 1,530 square feet of impervious area.

Stormwater charges for **all other properties** will be based on the following calculation:

$$\begin{aligned} \text{Monthly Fee} &= (\text{Gross Lot Size in sq. ft.} \times \text{Runoff Coefficient}) \div 1,530 \text{ sq. ft.} = \# \text{ of ESU} \\ &\# \text{ of ESU} \times \$ 13.42 \end{aligned}$$

The runoff coefficient assumed for each land use category is shown below.

## SCHEDULE EIGHT UTILITY FEES SCHEDULE

<b>Land Use</b>	<b>Coefficient</b>	<b>Land Use (cont'd)</b>	<b>Coefficient</b>
Bar-Rest.-Entertainment	.75	Multi-Family Apartment	.75
Car Sales Lot	.95	Multi-Family Residential	.40
Cemetery w/Monuments	.20	Office	.91
Central Business District	1.00	Parks & Playgrounds	.20
Common Area	.20	Public Accommodations	.91
Garage or Misc. Res	.55	Retail	.91
Group Residence	.75	Single Family Attached	.75
Ind. Warehouse- Factory	.90	Single Family Detached	ESU
Industrial Railway	.85	Sport or Rec. Facility	.60
Institution-Sch.- Church	.90	Utility	.90
Misc. Commercial	.90	Vacant Land Use	.20
Mixed Comm. -Res -Apt	.75	Vehicle Related Use	.90

### **Solid Waste and Recycling**

Solid waste and recycling variable rate charges associated with water meter read dates from and after **January 1, 2020** are set as follows:

<b>Type of Charge</b>	<b>Monthly Rate per Dwelling</b>
Base Charge	\$ 25.08
Small Cart	2.00
Large Cart	5.00

### **Schedule Nine - General Fund - Fund Balance Policy**

**Cash Flow and Contingency.** The City shall maintain a minimum unrestricted General Fund balance of 17% of the following year's General Fund budgeted expenditures amount to be used for cash flow purposes, unanticipated expenditures of a non-recurring nature, and to meet unexpected increases in service delivery costs or unexpected revenue shortfalls. These funds are used to avoid cash flow interruptions, generate interest income, and to avoid the need for short-term borrowing.

<b>General Fund*</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Fund Balance - Policy	\$81.9	\$87.1	\$87.3
Fund Balance - Actual	\$107.3	\$90.9	\$112.2

\* in millions; 2018 amounts represent estimated year-end balances.

### **Schedule Nine - Enterprise Fund Cash Balance Policy**

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

<b>Enterprise Fund Cash Requirements*</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Sanitary Sewer Fund - Policy	\$15.8	\$16.9	\$18.1
Sanitary Sewer Fund - Actual	\$17.8	<b>\$16.1</b>	<b>\$12.1</b>
Stormwater Fund - Policy	\$7.3	\$7.8	\$7.4
Stormwater Fund - Actual	\$27.1	\$25.1	\$28.5
Solid Waste Fund - Policy	\$9.4	\$9.9	\$10.3
Solid Waste Fund - Actual	\$24.5	\$30.1	\$24.5
Water Fund - Policy	\$7.3	\$7.8	\$13.7
Water Fund - Actual	\$27.1	\$25.1	\$37.6
Parking Fund - Policy	\$11.2	\$8.1	\$8.5
Parking Fund - Actual	\$26.5	\$13.8	\$16.7

\* in millions; 2018 amounts represent estimated year-end balances.

Funds that are not meeting the Fund Policy are highlighted and italicized

## Schedule Nine - Internal Service Fund Balance Policy

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

- Self-Insurance Fund shall maintain a cash balance equal to the unpaid claims payable amount on its balance sheet plus 10% of the annual department operating budgets within the fund. Net Position within the fund should not fall below zero.

- Fleet Services, Intergovernmental Services and Property Services Funds: If allocation model charges to customers are sufficient to cover debt service or depreciation expense, then the minimum cash balance should be 15% of the fund's operating budget. If not, the reserve should be 15% of the fund's total budget. Net Position shall not fall below two times the fund's annual depreciation amount.

- Stores and Engineering Materials & Testing Funds shall maintain cash and net Positions equal to 15% of the fund's annual operating budget.

Internal Service Fund Balance Requirements*	2017	2018	2019
Self Insurance Fund Cash Balance Policy	\$56.2	\$61.9	\$77.6
Self Insurance Fund Cash Balance Actual	\$90.0	\$93.6	\$91.0
Self Insurance Fund Net Position Policy	—	—	—
Self Insurance Fund Net Position Actual	\$25.0	\$12.4	\$0.5
Fleet Services Fund Cash Balance Policy	\$3.0	\$3.3	\$3.4
Fleet Services Fund Cash Balance Actual	\$30.4	\$19.2	\$27.8
Fleet Services Fund Net Position Policy	\$15.3	\$17.6	\$19.8
Fleet Services Fund Net Position Actual	\$70.4	\$71.7	\$87.2
Intergovernmental Services Fund Cash Balance Policy	\$5.9	\$5.7	\$6.0
Intergovernmental Services Fund Cash Balance Actual	\$23.6	\$23.5	\$13.4
Intergovernmental Services Fund Net Position Policy	\$19.5	\$19.5	\$19.5
Intergovernmental Services Fund Net Position Actual	\$46.4	\$46.9	\$37.1
Property Services Fund Cash Balance Policy	\$2.9	\$2.5	\$2.6
Property Services Fund Cash Balance Actual	\$8.2	\$7.2	\$5.5
Property Services Fund Net Position Policy	\$2.6	\$2.5	\$1.7
Property Services Fund Net Position Actual	\$30.3	\$25.4	\$25.7
Stores Fund Cash Balance Policy	\$0.2	\$0.2	\$0.2
Stores Fund Cash Balance Actual	\$2.0	\$2.3	\$3.0
Stores Fund Net Position Policy	\$0.2	\$0.2	\$0.2
Stores Fund Net Position Actual	\$5.1	\$5.6	\$5.6
Engineering Materials & Testing Fund Cash Balance Policy	\$0.3	\$0.3	\$0.3
Engineering Materials & Testing Fund Cash Balance Actual	\$1.5	\$1.8	\$2.1
Engineering Materials & Testing Fund Net Position Policy	\$0.3	\$1.3	\$1.4
Engineering Materials & Testing Fund Net Position Actual	<b>\$0.1</b>	<b>\$0.4</b>	<b>\$0.4</b>

\* in millions; 2018 amounts represent estimated year-end balances.

Funds that are not meeting the Fund Policy are highlighted and italicized

## Schedule Nine - Variable Rate Debt Policy

**Variable Rate Debt.** The City uses variable rate debt to provide debt structuring flexibility and potential interest savings to the total debt portfolio. Generally, the City maintains no more than 25% of its total debt obligations in variable rate mode. It also strives for no more than 25% of the debt in variable rate mode within the major business functions that issue debt such as the Stormwater, Sanitary Sewer, Water and Parking funds or the Convention Center.

<b>Variable Rate Debt by Fund</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Total General Obligation Debt	11.8%	4.5%	—
Property Tax Supported Debt	—	—	—
Special Assessment Debt	8.8%	6.2%	3.76%
Tax Increment Debt	4.5%	—	—
Parking Fund Debt	<b>48%</b>	<b>39.5%</b>	<b>46.8%</b>

*Policy: No more than 25%; 2019 amounts represent year-end balances.*

Rates that are not meeting the Rate Policy are highlighted and italicized

**City of Minneapolis  
2020 Budget**

**Glossary of Terms**

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**AC** - Animal Control.

**Accrual Basis of Accounting** - Recognizes transactions when they occur regardless of the related cash flows. Recognizes revenues in the accounting period in which they are earned and measurable.

**ACH** - Automated Clearing House.

**Actuarial Accrued Liability** - Term used in connection with defined benefit pension and other post-employment benefit plans to describe that portion of the present value of benefits promised to employees that will not be provided through future normal cost.

**Actuarial Assumptions** - Term used in connection with defined benefit pension and other post-employment benefit plans to describe assumptions that an actuary must make as to the occurrence of future events affecting benefit costs (e.g., mortality).

**Actuarial Value of Assets** - Term used in connection with defined benefit pension and other post-employment benefit plans. The value assigned to plan assets for actuarial purposes. Because this value often represents an average over time, and because the valuation date may be different from the reporting date, the actuarial value of assets may differ from the amount reported in the financial statements as of the end of the fiscal period.

**Advance Refunding** - Transaction in which new debt is issued to refinance existing debt (old debt), but the proceeds must be placed in escrow pending call date or maturity (i.e., refunding in advance of redemption).

**ACN** - Automatic Collision Notification.

**ADA** - Americans with Disabilities Act.

**ADR** - Alternative Dispute Resolution program.

**Agency** - This is the term for the highest organizational level, in most cases a city department or independent board.

**Agency Funds** - Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments, and/or other funds.

**AHTF** - Affordable Housing Trust Fund.\_

**Amortization** - Process of allocating the cost of an intangible asset over a period of time / Also refers to the repayment of loan principal over time

**Appropriation** - Spending authority created by City Council resolutions that are signed into law with related revenue estimates, which includes all revenues, transfers, allocations, and other legally authorized budget changes. Appropriations expire at the end of the year unless action is taken by the Council (or delegated to the City Finance Officer) to reappropriate unspent balances.

**Arbitrage** - In government finance, the reinvestment of the proceeds of tax-exempt securities in materially higher yielding taxable securities.

**Assessed Valuation** - Valuation set upon real estate or other property by a government as a basis for levying taxes.

**ASSM** - Assessments - improvements paid for partially or wholly by property owners.

**ASP** - Application Service Provider.

**Audit** - examination of an entity's accounting records, as well as the physical inspection of its assets

**Balanced Budget** - Refers to a budget in which revenues are equal to expenditures.

**Basis of Budgeting** - Method used to determine when revenues and expenditures are recognized for budgetary purposes.

**BET** - Board of Estimate and Taxation, consisting of the Mayor, the President of the City Council, the Chair of the City Council's Ways and Means/Budget Committee, one member of the Park and Recreation Board, and two elected citizens.

**BIPOC** - Black, Indigenous, and people of color.

**BLOA** - Budgetary Leave of Absences. A term used to describe a type of unpaid leave.

**Body Camera** - A small video camera worn on the body, typically used by police officers to record arrests, evidence from crime scenes

**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** - Estimate of income and expenditure for a set period.

**Business-type Activities** - One of two classes of activities reported in the government-wide financial statements. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. These activities are usually reported in enterprise funds.

**CAD** - Computer Aided Dispatch.

**CAFR** - Comprehensive Annual Financial Report.

**CAMA** - Computer Assisted Mass Appraisal.

**CAO** - City Attorney's Office.

**Capital Assets** - Land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

**Capital Improvement Plan (CIP)** - A five-year plan for proposed capital improvements. The first year of the CIP is formally adopted as the Capital Budget.

**Capital Program** - see Capital Improvement Plan (CIP).

**Capital Projects Funds** - Used to account for financial resources and expenditures applied to the construction of capital facilities and major purchased items for governmental fund types.

**Cash** - In the context of cash flows reporting, not only currency on hand, but also demand deposits with banks or other financial institutions. Cash also includes deposits in other kinds of accounts or cash management pools that have the general characteristics of demand deposit accounts in that the governmental enterprise may deposit additional cash at any time and also effectively may withdraw cash at any time without prior notice or penalty.

**Cash Basis of Accounting** - Basis of accounting that recognizes transactions or events when related cash amounts are received or disbursed.

**CBA** - Collective Bargaining Agreement.

**CBR** - Capital Budget Request.

**CCS** - Construction Code Services, a division / program within Community Planning and Economic Development department.

**CCU/D** - Contract Compliance Unit/Division.

**CDBG** - Community Development Block Grant. Grants provided to the City, based on its submitted consolidated plan. They are annual direct grants that can be used to revitalize neighborhoods, expand affordable housing and economic opportunities, and/or improve community facilities and services, principally to benefit low- and moderate-income persons.

**CID** - Complaint Investigations Division

**CIP** - Capital Improvement Program

**Claims** - Requests for reimbursement for damages resulting from fault or liability of the City.

**Classification Rate** - The percentage set by State statute that is applied to the market value of each property to arrive at the tax capacity.

**CLIC** - Capital Long-Range Improvement Committee - a committee of 33 private residents appointed by the 13 Council members (2 per ward) and Mayor (7). The committee reviews Capital proposals and recommends priorities for capital spending within specified resource parameters.

**CMS** - Case Management System (City Attorney's Office).

**COLA** - Cost of Living Adjustment.

**COMET** - City of Minneapolis Enterprise Technology - an upgraded City software system for human resources, financials, and business information reporting and analysis.

**Component Unit** - Legally separate organization for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature

and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

**Conduit Debt** - Certain limited-obligation revenue bonds, certificates of participation, or similar debt instruments issued by a state or local governmental entity for the express purpose of providing capital financing for a specific third party that is not a part of the issuer's financial reporting entity. Although conduit debt obligations bear the name of the governmental issuer, the issuer has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf they are issued.

**Contingency** - Budget for undesignated expenditures. These expenditures cannot be placed in departmental budgets, primarily due to uncertainty about the level or timing of expenditures when the budget is adopted. These funds are earmarked for emergency or unanticipated expenses, special projects or shortfalls in revenue. The release of these funds is governed by the City Council.

**Contractual Services** - The summary expense category, which displays expenses such as contracts for service, quasi-contractual arrangement such as utilities, or services billed by another unit of government.

**CPED** - Community Planning and Economic Development Department. CPED is directed to oversee and coordinate all City planning and development activity.

**CPC** - City Planning Commission.

**CPI** - Consumer Price Index.

**CPP** - Community Participation Program.

**CRA** - Civilian Review Authority.

**CSA** - County-State Aid, received by the City for work done on County roads.

**CSAH** - County State Aid Highways.

**CRM** - Customer Relationship Management.

**CRT** - Community Response Team.

**CSO** - Combined Sewer Overflow, which separates the remaining storm sewer lines that are connected to sanitary sewer lines. (Public Works).

**CSO** - Community Service Officer. (Police Department)

**CY** - Calendar Year or Current Year.

**DAPT** - Domestic Abuse Prosecution Team, in the City Attorney's office.

**Debt Service** - Amount of resources required for payment of principal and interest on outstanding bonds and notes.

**Debt Service Funds** - Used to account for the accumulation of resources for, and the payment of, general long-term debt, principal, interest and related costs.

**Defined Benefit Pension Plan** - Pension plan having terms that specify the amount of pension benefits to be provided at a future date or after a certain period of time; the amount specified usually is a function of one or more factors such as age, years of service and compensation.

**Depreciation** - reduction in the value of an asset with the passage of time, due in particular to wear and tear.

**Direct Expense** - Expense that is specifically associated with a service, program, or department and, thus, is clearly identifiable to a particular function.

**Duration** - In the context of investment disclosure, a measure of a debt investment's exposure to fair value changes arising from changing interest rates based upon the present value of cash flows, weighted for those cash flows as a percentage of the investment's full price.

**EAP** - Employee Assistance Program.

**ECM** - Enterprise Case Management.

**EIM** - Enterprise Information Management.

**EMIS** - Equipment Management Information System.

**Employer Contributions** - Term used in the context of pension and other post-employment benefits to describe contributions actually made by the employer in relation to the annual required contribution (ARC) of the employer. (Only amounts paid to trustees and outside parties qualify.)

**EOTF** - Emergency Operations Training Facility.

**Encumbrances** - Commitments related to unperformed (executable) contracts for goods or services. For financial reporting purposes, encumbrance accounting is restricted to governmental funds.

**Enterprise Bonds/Revenue** - Bonds related to Sewer, Water and Parking enterprises of the City. Debt Service is paid for by user fees charged for these enterprise services. Enterprise revenues are "Pay as you go" sources anticipated to be available in the enterprise funds.

**Enterprise Funds** - Used to account for those activities of the City which are financed and operated in a manner similar to private business enterprises where costs and expenses, including depreciation, are recovered principally through user charges. Examples include the Water and Sewer Funds.

**enQuesta** - an application database to provide operational and management reports for Utility Billing.

**Equivalent Stormwater Unit (ESU)** - The stormwater utility fee is based on impervious area and is charged on a per unit basis. Each ESU (Equivalent Stormwater Unit) is 1,530 square feet of impervious area on a property.

**ESG** - Emergency Solutions Grant

**Expenditure** - Funds paid, or designated to be paid, for an asset or goods and services.

**Fiduciary Funds** - Funds used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support the government's own programs. The fiduciary fund category includes pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

**Final Amended Budget** - Original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes applicable to the fiscal year, whenever signed into law or otherwise legally authorized. Also referred to as current budget or amended budget.

**Fiscal Disparities** - Fiscal disparities is a law by which commercial-industrial tax base growth is shared annually among metropolitan taxing jurisdictions according to a statutory formula.

**Formula Grants** - Government-mandated or voluntary non-exchange transactions involving the provision of resources based upon established criteria (e.g., number of full-time equivalent students) other than the incurrence of qualifying expenditures.

**FSAM** - Facilities Space & Asset Management. This committee consists of the City Coordinator (Co-chair), City Engineer (Co-chair), and two department heads. Staff in attendance includes the Director of Management and Budget, Facility Manager/Staff, and Space and Asset Manager/Staff.

**FTE (Full Time Equivalent)** - A unit of measurement to account for the number of positions authorized to departments.

**Fund** - A major accounting vehicle used by the city to account for revenues, expenditures, assets, and liabilities of major sectors of city activities as established by legal requirements.

**Fund Balance** - Difference between assets and liabilities reported in a governmental fund.

**Fund Classifications** - One of the three categories (governmental, proprietary, and fiduciary) used to classify fund types.

**Fund Financial Statements** - Basic financial statements presented on the basis of funds, in contrast to government-wide financial statements.

**Fund Summary** - A budgetary document that summarizes on an annual basis the activities of a city fund. It compares revenues with expenditures on an annual basis. This budget fund summary may not be the same as the audited financial statement since the fund summary includes only resources which are available to pay expenses of the fund (i.e., excludes inventory and depreciation) during the current year.

**Fund Type** - One of eleven classifications into which all individual funds can be categorized. Governmental fund types include the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds. Proprietary fund types include enterprise funds and internal service funds. Fiduciary fund types include pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

**Funded Ratio** - In the context of defined benefit pension and other post-employment benefit plans, the actuarial value of assets expressed as a percentage of the actuarial accrued liability.

**FY** - Fiscal Year.

**GAAP** - Generally Accepted Accounting Principles.

**GASB** - Governmental Accounting Standards Board.

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

**General Obligation Debt** - General obligation debt reduced by the amount of any accumulated resources restricted to repaying the principal of such debt.

**GFOA** - Government Finance Officers Association, the professional association of finance professionals in the public sector.

**Governmental Activities** - Activities generally financed through taxes, intergovernmental revenues, and other non-exchange revenues. These activities are usually reported in governmental funds and internal service funds.

**Governmental Entity** - For accounting and financial reporting purposes, an entity subject to the hierarchy of GAAP applicable to state and local governmental unity.

**Governmental Funds** - Used to account for functions of the City principally supported by taxes and intergovernmental revenues.

**Government-wide Financial Statements** - Financial statements that incorporate all of a government's governmental and business-type activities, as well as its non-fiduciary component units. There are two basic government-wide financial statements: the statement of net assets and the statement of activities.

**HPC** - Heritage Preservation Commission.

**HOME** - Home Investment Partnerships Program, a U.S. Department of Housing and Urban Development grant program.

**HOPWA** - Housing Opportunities for People With Aids, a U.S. Department of Housing and Urban Development grant program.

**HRA** - Housing and Redevelopment Authority.

**HRIS** - Human Resources Information System.

**IDSS** - Internet Destination Sales System, a venture of Meet Minneapolis.

**IGR** - Intergovernmental Relations.

**Improvement** - Addition made to, or change made in, a capital asset, other than maintenance, to prolong its life or to increase its efficiency or capacity. The cost of the addition or change normally is added to the book value of the asset.

**Indirect Expenses** - Expenses that cannot be specifically associated with a given service, program or department and thus, cannot be clearly associated with a particular functional category.

**Industrial Revenue Bond** - Bond proceeds are used to finance the purchase or construction of facilities or equipment to be leased to a private corporation. The bonds are backed by the revenue generated by the lease payment and ultimately by the credit of the corporation.

**Infrastructure** - Long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems.

**IT** - Information Technology - Directed to deliver innovative high quality, cost effective civic enablement, decision support, infrastructure and workforce empowerment services to City departments and residents. Predecessors were BIS (Business Information Services ) and Technology Infrastructure Services.

**Interfund Activity** - Activity between funds of the primary government, included blended component units. Interfund activities are divided into two broad categories: reciprocal and nonreciprocal.

**Interfund Loans** - Amounts provided between funds and blended component units of the primary government with a requirement for repayment.

**Interfund Transfers** - Flows of assets (such as cash or goods) between funds and blended component units of the primary government without equivalent flows of assets in return and without a requirement for repayment.

**ISF** - Internal Service Funds - Funds used to account for those City services which are financed and operated in a manner similar to private business enterprises and the customer is other City departments instead of the public.

**IWR** - Utility Billing's Interactive Web Response application.

**JP** - Joint Powers.

**Legal Debt Margin** - Excess of the amount of debt legally authorized over the amount of debt outstanding.

**Legal Level of Budgetary Control** - Level at which a government's management may not reallocate resources without special approval from the legislative body.

**LGA** - Local Government Aid.

**LMC** - League of Minnesota Cities.

**LMV** - Limited Market Value. A limitation on the amount that a property's market value may grow from one year to the next for purposes of property taxation. It was enacted to help mitigate rising property taxes resulting from rapidly inflating property values. The program was eliminated in 2010.

**Major Fund** - Governmental fund or enterprise fund reported as a separate column in the basic fund financial statements and subject to a separate opinion in the independent auditor's report. The general fund is always a major fund. Otherwise, major funds are funds whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds for the same item. Any other governmental or enterprise fund may be reported as a major fund if the government's officials believe that the fund is particularly important to financial statement users.

**Market Value** - The estimated amount as determined by the City Assessor that a willing seller and a willing buyer would agree upon for a piece of property.

**Mayor's Recommendation** - The recommended annual budget by the Mayor as required by the City Charter.

**MBC** - Municipal Building Commission, a component unit of the City which operates the City Hall/Courthouse Building.

**MCC** - Minneapolis Convention Center.

**MCCR** - Minneapolis Commission on Civil Rights.

**MHD** - Minneapolis Health Department.

**Meet Minneapolis (MM)** - The City's official Convention and Visitor's Association.

**MERF** - Minneapolis Employee Retirement Fund, a closed retirement plan for general City employees that merged with the statewide plan.

**METP** - Minneapolis Employment and Training Program.

**MFD** - Minneapolis Fire Department.

**MFRA** - Minneapolis Firefighter's Relief Association, a retirement plan for firefighters that is closed to new members.

**Minneapolis 311** - Serves as the single point of contact to the City for all non-emergency requests for information and services, which simplifies citizen access to city services and information; enables city employees to deliver services more effectively; tracks requests for service delivery from inception to completion; and provides access to city services by voice, e-mail and the web.

**Modified Accrual Accounting** - Recognizes expenses in the accounting period in which they are incurred and measurable. Recognizes revenues in the accounting period in which they are measurable and available.

**MPD** - Minneapolis Police Department.

**MPHA** - Minneapolis Public Housing Authority, the public agency responsible for administering public housing and Section 8 rental assistance programs for eligible individuals and families in Minneapolis.

**MPRA** - Minneapolis Police Relief Association, a retirement plan for police officers that is closed to new members.

**MPRB** - Minneapolis Park and Recreation Board, a directly elected body that is responsible for the City's park and recreation programs and assets.

**MRI** - Municipal Refuse Incorporated, provider of solid waste disposal in parts of Minneapolis.

**MSA** - Municipal State Aid - refers to gas tax dollars distributed to local governments for use on State designated Municipal State Aid streets - usually major thoroughfares.

**MTRA** - MN Teachers Retirement Fund Association.

**MVHC** - Market Value Homestead Credit.

**MVNA** - Minneapolis Visiting Nurse's Association, a community non-profit.

**NCEC** - Neighborhood and Community Engagement Commission.

**NCR** - Neighborhood and Community Relations.

**NDB** - Net Debt Bonds - property tax supported bonds issued to finance general infrastructure improvements. Debt service is paid by taxes collected for the annual Bond Redemption Levy.

**Net Tax Levy** - This is the total tax levy (including fiscal disparities). The net tax levy is now the certified tax levy as required by a change in state law.

**NFPA** - National Fire Protection Association, accreditation organization for Fire Departments.

**NLC** - National League of Cities.

**NON APPROP** - Non Appropriated - reflects cost participation from County, State or Federal dollars and usually on these types of projects, the City of Minneapolis is not the lead agency.

**Normal Cost** - In the context of defined benefit pension and other post-employment benefit plans, that portion of the actuarial present value of plan benefits and expenses which is allocated to a valuation year by the actuarial cost method.

**OJP** - Office of Justice Programs.

**Operating Activities** - Term used in connection with cash flows reporting. Operating activities generally results from providing services and producing and delivering goods, and include all transactions and other events that are not defined as capital and related financing, non-capital financing, or investing activities.

**Operating Budget** - Financial plan that allows City departments to maintain adequate service levels at reasonable costs by following sound financial management practices. Each City department prepares its own budget for review by the Mayor to assist the Mayor in preparing a budget recommendation for the City Council. A department's Operating Budget authorizes designated spending, revenue, and personnel levels.

**Operating Revenues and Expenses** - Cost of goods sold and services provided to customers and the revenue thus generated.

**Operating Tax Funds** - Those funds at least partially financed by property taxes, which support the normal functions of city government. They include the General fund, Board of Estimate and Taxation fund, Municipal Building Commission fund, and the Park Tax funds.

**OPCR** - Office of Police Conduct Review.

**Original Budget** - First complete appropriated budget. The original budget may be adjusted by reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes before the beginning of the fiscal year. The original budget should also include actual appropriation amounts automatically carried over from prior years by law. For example, a legal provision may require the automatic rolling forward of appropriations to cover prior-year encumbrances.

**Original/Current Appropriation** - The amount of money allocated by the respective governing body for the budgeted year. The original appropriation is the amount approved at the time the budget was initially adopted. The current appropriation is the original budget as amended to reflect any approved changes.

**Other Post-Employment Benefits (OPEB)** - Post-employment benefits other than pension benefits. Other post-employment benefits (OPEB) include post-employment healthcare benefits, regardless of the type of plan that provides them, and all post-employment benefits provided separately from a pension plan, excluding benefits defined as termination offers and benefits.

**Outcome Measures** - In the context of service efforts and accomplishments reporting, indicators that measure accomplishments or results that occur (at least partially) because of services provided. Results also include measures of public perceptions of outcomes.

**Own-source Revenues** - Revenues that are generated by a government itself (e.g., tax revenues; water charges; investment income) rather than provided from some outside source (e.g., intergovernmental aid and shared revenues).

**Pass-through Grants** - Grants and other financial assistance received by a governmental entity to transfer to, or spend on behalf of, a secondary recipient.

**PAVER** - Pavement Management System software application that computes the Pavement Condition Index (PCI) of roads and parking lots.

**Payment In Lieu of Taxes (PILOT)** - Payment that a property owner not subject to taxation makes to a government to compensate it for services that the property owner receives that normally are financed through property taxes.

**PCI** - Pavement Condition Index, used to rate the condition of pavement.

**Pension Benefits** - Retirement income and all other benefits (e.g. disability benefits, death benefits, life insurance) except healthcare benefits that are provided through a defined benefit pension plan to plan members and beneficiaries after termination of employment or after retirement. Post-employment healthcare benefits are considered other post-employment benefits, regardless of how they are provided.

**Pension Cost** - Accrual measure of the periodic cost of an employer's participation in a defined benefit pension plan.

**Pension Obligation Bonds** - Bonds issued by employers to finance one or more elements of their pension obligation to employees.

**Pension Plan** - Arrangement for the provision of pension benefits in which all assets accumulated for the payment of benefits may legally be used to pay benefits (including refunds of member contributions) to any of the plan members or beneficiaries, as defined by the terms of the plan.

**PERA** - Public Employees Retirement Association, state-wide pension plan, to which most 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 types of proprietary funds: enterprise funds and internal service funds.

**PW** - Public Works.

**RCV** - Ranked-choice voting.

**Reappropriation** - Inclusion of a balance from the prior year's budget as part of the budget of the subsequent fiscal year. Reappropriation is common for encumbrances outstanding at the end of a fiscal year that a government intends to honor in the subsequent fiscal year.

**Refunding** - Issuance of new debt whose proceeds are used to repay previously issued debt. The proceeds may be used immediately for this purpose (a current refunding), or they may be placed with an escrow agent and invested until they are used to pay principal and interest on the old debt at a future time (an advance refunding).

**REIMB** - Capital work performed by divisions of Public Works for which reimbursements are received from other City departments, outside government agencies or private businesses.

**Results Minneapolis** - A management tool the City uses to systematically track performance toward achieving the city's five-year goals and 2020 vision.

**Revenue** - Funds received from various sources used to finance City expenditures.

**RFP** - Request for Proposal, the process by which the City receives service descriptions and estimates of costs from potential providers of a service.

**SAFER** - Staffing for Adequate Fire and Emergency Response. A federal grant program aiming to help fire departments increase the number of frontline firefighters. SAFER is part of the Assistance to Firefighters Grants and is under the purview of the Office of Grants and Training of the Department of Homeland Security.

**SBC** - School Based Clinics.

**SCADA** - Supervisory Control and Data Acquisition: a control systems program that provides monitoring, control, historical logging, and reporting data for industrial systems - for water treatment and water pumping systems.

**Schedule of Employer Contributions** - In the context of defined benefit pension plans and other post-employment benefit plans, trend data on employers' annual required contribution to a plan of actual contributions.

**Schedule of Funding Progress** - In the context of defined benefit pension plans and other post-employment benefit plans, trend data on the relationship between the actuarial value of plan assets and the related actuarial accrued liability.

**SDP** - Service Delivery Plan.

**Special Assessment** - Compulsory levy made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

**Special Revenue Funds** - Used to account for the proceeds of specific revenue sources that are restricted by legal and regulatory provisions to finance specific activities.

**Sponsor** - In the context of pension and other post-employment benefits, the entity that established the plan.

**SW&R** - Solid Waste and Recycling.

**Tax Capacity** - That amount of estimated market value subject to taxes after the total estimated value is multiplied by a "tax classification rate".

**Tax Capacity Rate** - After calculating the dollars to be levied, each taxing jurisdiction uses the total tax capacity to calculate their "tax capacity rate". This rate is essentially the percentage of tax capacity to be paid in taxes.

**Tax Classification Rate** - The percentage set by state statute that is applied to the market value of each property classification to arrive at tax capacity (replaced assessment ratios).

**Tax Increment (TI)** - Tax increment of real property within a municipality whose assessed valuation for tax purposes is frozen when the tax increment district is certified. The proceeds from the tax increment bond sale are used to develop this distressed or under-utilized property. Taxes collected from the frozen assessed valuation continue to be distributed to the various taxing districts. As development caused the valuation of the property to rise, the difference or increment between the frozen valuation levels and increased value after development provides the needed payment to pay off the bonds.

**Tax Increment Finance Bonds** - Bonds sold to investors to raise capital for development activities. Interest paid to bond purchasers is usually exempt from state and federal taxation, although TIF bonds can also be sold to investors with no interest exemption from state and federal taxes.

**Tax-Increment Financing (TIF)** - Financing secured by the anticipated incremental increase in tax revenue, resulting from the redevelopment of an area.

**TISH** - Truth in the Sale of Housing, a business function of Construction Code Services division of CPED.

**TNT** - Truth in Taxation Statement mailed to property owners each November, with approximate City taxes to be paid in following year.

**Total Expenses** - The total costs of a cost center or department including debt service and capital improvements.

**Transfer** - Movement of funds from one City Fund to another.

**TRA** - Teachers Retirement Association

**UB** - Utility billing.

**Unallowment** - Executive branch power to reduce spending to avoid a deficit without legislative action.

**Undesignated Unreserved Fund Balance** - Available expendable financial resources in a governmental fund that are not the object of tentative management plans (*i.e.*, designations).

**Unfunded Actuarial Accrued Liability** - Excess of the actuarial accrued liability over the actuarial value of assets. This value may be negative, in which case it may be expressed as a negative unfunded actuarial accrued liability, the excess of the actuarial value of assets over the actuarial accrued liability, or the funding excess.

**Unrealized Gains and Losses** - Difference between the carrying value of an asset and its fair value prior to sale.

**Variable-rate Investment** - In the context of investment disclosure, and investment with terms that provide for the adjustment of its interest rate on set dates (such as the last day of a month or calendar quarter).

**VCAT** - Violent Criminal Apprehension Team.

**VPN** - Virtual Private Network.

**WC** - Worker Compensation.

**YCB** - Youth Coordinating Board, a joint power agreement of the City.

**YTD** - Year to date.

## **RESOLUTION**

**By Palmisano**

**Approving the 2019 property tax levies, payable in 2020, 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 2019 for taxes payable in 2020 for the following funds:

<b>FUND</b>	<b>CERTIFIED LEVY AMOUNT</b>
General Fund	\$228,149,000
Municipal Building Commission	\$5,414,000
Bond Redemption	\$43,830,000
Firefighters Relief Association (MFRA)	\$2,200,000
Police Relief Association (MPRA)	\$1,000,000
Minneapolis Employees Retirement (MERF)	\$11,610,000
<b>Total</b>	<b>\$292,203,000</b>

Be It Further Resolved that the difference between the amounts herein levied for the Bond Redemption Fund and the aggregate of levies previously certified to the Hennepin County Auditor are made up by cash from prior years' balances. The dollar amount shown in the levy is hereby certified and such amounts to be determined by the County Auditor are to be due to the City under the "Fiscal Disparities" law.

Be It Further Resolved that a tax levy of \$10,300,000 be assessed against and levied based on market value upon the real and personal property in the City of Minneapolis in 2019 for taxes payable in 2020 for debt service associated with the voter approved Library Referendum Bond authorization of 2000 for \$140,000,000.

Be It Further Resolved that the Certified Local Government Aid (LGA) Amount estimated at \$81,630,785 shall be initially distributed as follows:

<b>RECIPIENT</b>	<b>CERTIFIED LGA AMOUNT</b>
Municipal Building Commission	\$245,708
Minneapolis Park & Recreation Board	\$9,634,065
General Fund	\$71,751,011
<b>Total</b>	<b>\$81,630,785</b>

## **RESOLUTION**

**By Palmisano**

**Fixing the maximum amounts to be expended by the various departments for 2020 from the various funds under the jurisdiction of the City Council for which the City Council levies taxes and fees.**

Resolved by The City Council of The City of Minneapolis:

That there be appropriated out of the monies in the City Treasury and revenues of the City applicable to named fund types the maximum appropriation amounts as outlined in Financial Schedules 1, 2, 3, 4 (Community Development Block Grant ("CDBG") Program Allocations, 6 and 7 as published in the final 2020 Adopted Budget Book.

That the proper City officers be authorized to execute and/or carry out the intent of the 2020 Consolidated Plan program allocations (CDBG, HOME, ESG and HOPWA entitlement grants), as amended, including the 2020 Adopted Budget Schedule 4 CDBG Program and Schedule 6 CPED Program Allocations by fund.

That the proper City officers be authorized to enter into any necessary grant agreements with the Department of Housing and Urban Development to receive Fiscal Year 2020 Consolidated Plan funding.

**RESOLUTION**

**By Palmisano**

**Adopting the 2020 - 2024 Five-Year Capital Program and fixing the maximum amounts for 2020 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 2020 - 2024 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 2020 as detailed in the Capital Section of the 2020 Adopted Budget:

Fund	Department		Amount
34200	9010901	MBC Capital Improvements	\$ 1,140,000
14300	9101000	Park Capital Improvements	12,036,000
14370	9103000	Park Capital Improvements - Assessed	300,000
04100	9010937	Public Works Street Paving Capital Improvements	59,612,000
04100	9010943	Public Works Bike Ped Capital Improvements	3,040,000
04100	9010938	Public Works Bridge Capital Improvements	5,100,000
04100	9010939	Public Works Sidewalk Capital Improvements	3,505,000
04100	9010943	Public Works Traffic Capital Improvements	9,340,000
<i>Total Public Works Fund 04100 Capital Improvements</i>			<i>81,297,000</i>
04100	9010923	Property Services Capital Improvements	5,450,000
04100	8900420	Community Planning	700,000
<i>Total City 04100 Capital Improvements</i>			<i>87,447,000</i>
04180	9010923	Property Services Capital Improvements	3,000,000
07100	9010932	Public Works Sanitary Sewer Capital Improvements	14,100,000
07300	9010932	Public Works Stormwater Capital Improvements	14,645,000
07400	9010950	Public Works Water Capital Improvements	42,435,000
07500	9010946	Public Works Parking Ramp Capital Improvements	500,000
<i>Grand Total All Funds</i>			<i>\$ 174,903,000</i>

## RESOLUTION

**Requesting that the Board of Estimate and Taxation authorize the City to incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$8,952,000 for certain purposes other than the purchase of public utilities.**

Resolved by The City Council of The City of Minneapolis:

That the Board of Estimate and Taxation be requested to authorize the City to incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$8,952,000, the proceeds of which are to be used for the purpose of paying the portion of the cost of making and constructing certain local improvements to be assessed against benefited properties as estimated by the City Council and the Park Board, including assessable portions of the costs relating to paving, mill and overlays, alley resurfacing, retaining walls, streetscapes, landscaping, curb and gutter, street lighting, traffic management plans, ornamental lighting and bike lane development, of which assessments shall be collected in successive equal annual installments, payable in the same manner as real estate taxes, with the number of installments determined by the type of improvement and current City Council policy.

PV001	Parkway Paving Program (PV00120)	50,000
PV006	Alley Renovation Program (PV00620)	50,000
PV056	Asphalt Pavement Resurfacing Program (PV05620)	4,915,000
PV063	Unpaved Alley Construction (PV06320)	50,000
PV074	CSAH & MnDOT Cooperative Project (PV07420)	830,000
PV108	Concrete Streets Rehabilitation Program (PV10820)	500,000
PV118	Hennepin Ave (Wash Ave N to 12 <sup>th</sup> St S)	1,195,000
PV131	Residential Neighborhood Reconstruction Projects (PV13120)	240,000
PV139	18 <sup>th</sup> Ave NE (Johnson St NE to Stinson Blvd NE)	1,057,000
PV147	Girard Ave S (Lake St to Lagoon Ave)	65,000

## **RESOLUTION**

**Requesting that the Board of Estimate and Taxation authorize the City to incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$300,000 for certain purposes other than the purchase of public utilities.**

Resolved by The City Council of The City of Minneapolis:

That the Board of Estimate and Taxation be requested to authorize the City to incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$300,000, the proceeds of which are to be used for the PRKDT Diseased Tree Removal program. Assessments shall be collected in five successive equal annual installments, payable in the same manner as real estate taxes.

## RESOLUTION

**Requesting that the Board of Estimate and Taxation authorize the City to incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$45,972,000 for certain purposes other than the purchase of public utilities.**

Resolved by The City Council of The City of Minneapolis:

That the Board of Estimate and Taxation be requested to authorize the City to incur indebtedness and issue and sell City of Minneapolis bonds, in the amount of \$45,972,000, the proceeds of which are to be used as follows:

**Municipal Building Commission, in the amount of \$570,000**

MBC02	Mechanical Systems Upgrade	120,000
MBC12	Safety Improvements - Non-Stagework Areas	450,000

**Park & Recreation Board, in the amount of \$10,500,000**

PRK02	Playground and Site Improvements Program	1,295,000
PRK35	Keewaydin Park Implementation	630,000
PRK36	North Commons Park Implementation	800,000
PRK38	Sibley Field Park Implementation	920,000
PRK39	Whittier Park Implementation	660,000
PRKCP	Neighborhood Parks Capital Infrastructure	2,495,000
PRKR	Neighborhood Parks Rehabilitation Program	3,700,000

**City Council, in the amount of \$34,902,000**

PV001	Parkway Paving Program (PV00120)	700,000
PV006	Alley Renovation Program (PV00620)	200,000
PV056	Asphalt Pavement Resurfacing Program (PV05620)	2,100,000
PV059	Major Pavement Maintenance Program (PV05920)	250,000
PV063	Unpaved Alley Construction (PV06320)	150,000
PV074	CSAH & MnDOT Cooperative Projects (PV07420)	1,700,000
PV075	Development Infrastructure Program (PV07520)	500,000
PV095	4 <sup>th</sup> St N & S (2 <sup>nd</sup> Ave N to 4 <sup>th</sup> Ave S)	389,000
PV104	ADA Ramp Replacement Program (PV10420)	500,000
PV108	Concrete Streets Rehabilitation Program (PV10820)	3,500,000
PV118	Hennepin Ave (Wash Ave N to 12 <sup>th</sup> St S)	2,075,000
PV131	Residential Neighborhood Reconstruction Projects (PV13120)	3,022,000
PV139	18 <sup>th</sup> Ave NE (Johnson St Ne to Stinson Blvd NE)	166,000
WTR18	Water Distribution Facility	700,000
SWK01	Defective Hazardous Sidewalks (SWK0120)	355,000
SWK02	Sidewalk Gaps (SWK0220)	150,000
BR101	Major Bridge Repair and Rehabilitation (BR10120)	400,000
BR111	10 <sup>th</sup> Ave Bridge	3,000,000
BR134	Bridge 9 Program	1,700,000
TR008	Parkway Street Light Replacement (TR00820)	350,000
TR010	Traffic Management Systems (TR01020)	650,000
TR021	Traffic Signals (TR02120)	1,675,000
TR022	Traffic Safety Improvements (TR02220)	880,000
TR024	Pedestrian Street Lighting Corridors (TR02420)	1,000,000
BIK28	Protected Bikeways Program (BIK2820)	1,940,000
BP001	Safe Routes to School Program (BP00120)	400,000
BP004	Pedestrian Safety Program (BP00420)	600,000

FIR12	Fire Station No. 1 Renovation & Expansion	2,250,000
RAD01	Public Safety Radio System Replacement	2,700,000
ART01	Art in Public Places (ART0120)	700,000
MPD04	New 1 <sup>st</sup> Police Precinct	200,000

## RESOLUTION

**Requesting that the Board of Estimate and Taxation authorize the City to incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$37,285,000 for certain purposes other than the purchase of public utilities.**

Resolved by The City Council of The City of Minneapolis:

That the Board of Estimate and Taxation be requested to authorize the City to incur indebtedness and issue and sell City of Minneapolis bonds in the amount of \$37,285,000, the proceeds of which are to be used for Sanitary Sewer, Stormwater and Water projects as follows:

**Sanitary Sewer Projects - Fund 07100 - \$12,000,000:**

SA001	Sanitary Tunnel & Sewer Rehab Program (SA00120)	8,000,000
SA036	Infiltration & Inflow Removal Program (SA03620)	2,500,000
SAPVR	Sanitary Sewer Paving Project Program (SAPVR20)	1,500,000

**Stormwater Projects - Fund 07300 - \$1,000,000**

SW039	Flood Mitigation - Stormwater Alternatives (SW03920)	1,000,000
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**Water Projects - Fund 07400 - \$24,285,000**

WTR18	Water Distribution Facility	15,285,000
WTR27	Advanced Metering Infrastructure	1,500,000
WTR31	Electrical Service Rehabilitation	2,000,000
WTR32	Softening Plant Chemical System Improvements	2,000,000
WTR33	3 <sup>rd</sup> Ave Bridge Water Main	1,000,000
WTR35	Renewable Energy at Water Treatment Campuses	2,500,000

## **RESOLUTION**

**Requesting that the Board of Estimate and Taxation authorize the City to incur indebtedness and issue and sell City of Minneapolis equipment certificates in the amount of \$1,395,000 for certain purposes other than the purchase of public utilities.**

Resolved by The City Council of The City of Minneapolis:

That the Board of Estimate and Taxation be requested to authorize the City to incur indebtedness and issue and sell City of Minneapolis equipment certificates in the amount of \$1,395,000, the proceeds of which are to be used for the City Street Light Renovation program. Energy savings will be used as the source of repayment for the equipment certificates in equal installments not to exceed 10 years.

## **RESOLUTION By Palmisano**

**Designating the utility rates for water, sewer, stormwater and solid waste services effective with water meters read on and after January 1, 2020.**

Resolved by The City Council of The City of Minneapolis:

### **Water Rate**

Effective with utility billings for water meters read from and after January 1, 2020, and commencing whenever the street valve is turned on for water service, the meter rates for water are hereby fixed and shall be collected as follows:

1. Three dollars and sixty-eight cents (\$3.68) per one hundred (100) cubic feet for customers not otherwise mentioned.
2. Three dollars and eighty-three cents (\$3.83) per one hundred (100) cubic feet to municipalities, municipal corporations, villages and customers outside the corporate limits of the city where service is furnished through individual customer meters.
3. Rates for municipalities, municipal corporations and villages, which are established by contract, shall continue on the existing contract basis.
4. In addition to the above rates a fixed charge based on meter size will be billed each billing period or fraction thereof as follows:

<u>Meter Size</u>	<u>Fixed Charge</u>
5/8-inch	\$5.50
3/4-inch	\$8.25
1-inch	\$13.75
1 1/2-inch	\$27.50
2-inch	\$44.00
3-inch	\$88.00
4-inch	\$137.50
6-inch	\$275.00
8-inch	\$440.00
10-inch	\$632.50
12-inch	\$1,815.00

5. The fixed charge for a property serviced by a combined fire/general service line shall be based on the small side register of the combined meter, provided the volume of water used on the large side register does not exceed 45,000 gallons per year. The volume of water used on the large side register in the previous year will be used to establish the fixed rate in the current year.

The fixed charge for a property serviced by a combined fire/general service line shall be based on the large side register of the combined meter, when volume of water used on the large side register exceeds 45,000 gallons per year. The volume of water used on the large side register in the previous year will be used to establish the fixed rate in the current year.

The fixed charge for a combined fire/general service line shall remain in place for the entire year.

6. All fire standpipes, supply pipes and automatic sprinkler pipes with detector meters, direct meters or non-metered, shall be assessed according to size of connection at the following rates each per annum for the service and inspection of the fire protection pipes and meters installed, as follows:

<u>Fire Line Pipe Size</u>	<u>Annual Charge</u>
1½ inch pipe connection	\$30.00
2-inch pipe connection	\$30.00
3-inch pipe connection	\$40.00
4-inch pipe connection	\$60.00
6-inch pipe connection	\$120.00
8-inch pipe connection	\$190.00
10-inch pipe connection	\$275.00
12-inch pipe connection	\$790.00

When the seal of any of the valves connecting with such fire protection pipes shall be broken, it shall be resealed by authority of the director of the Minneapolis Water Treatment and Distribution Services Division. All connections for fire systems must have a post indicator valve installed at the curb if ordered by the director of the Minneapolis Water Treatment and Distribution Services Division. (98-Or-135, § 4, 11-13-98; 2012-Or-076, § 75, 11-16-12)

#### **Sanitary Sewer Rate**

The sanitary sewer rates to be charged for 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, from and after January 1, 2020, are hereby set as follows:

1. The sanitary sewer rate applicable inside the City of Minneapolis is four dollars and fifty-four cents (\$4.54) per one hundred (100) cubic feet.
2. In addition, a fixed charge based on water meter size will be billed each billing period or fraction thereof as follows:

<u>Meter Size</u>	<u>Fixed Charge</u>
5/8-inch	\$6.30
3/4-inch	\$9.45
1-inch	\$15.75
1 1/2-inch	\$31.50
2-inch	\$50.40
3-inch	\$100.80
4-inch	\$157.50
6-inch	\$315.00
8-inch	\$504.00
10-inch	\$724.50
12-inch	\$2,079.00

3. The sanitary sewer rate applicable outside the City of Minneapolis for all sewage flow generated is four dollars and fifty-four cents (\$4.54) per one hundred (100) cubic feet when the City of Minneapolis also provides water. In addition, the fixed charge sanitary sewer rate shall be based on meter size per section (b).
4. Sanitary sewer only service outside the City of Minneapolis shall be thirty-three dollars and fifty-four cents (\$33.54) per month.
5. 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.
6. 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, from and after January 1, 2020, and is hereby set as follows:

1. The Equivalent Stormwater Unit (ESU) rate is thirteen dollars and forty-two cents (\$13.42). The ESU measurement is 1,530 square feet of impervious area.
2. 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 sixteen dollars and seventy-eight cents (\$16.78).

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 thirteen dollars and forty-two cents (\$13.42).

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 ten dollars and seven cents (\$10.07).

3. Stormwater charges for all other properties will be based on the following calculation:  
(Gross Lot Size in sq.ft. X Runoff Coefficient) ÷ 1,530 sq. ft. = # of ESU  
# of ESU X \$ 13.42 = Monthly Fee

The runoff coefficient assumed for each land use category is shown below.

<u>Land Use</u>	<u>Coefficient Applied</u>
Bar-Restaurant-Entertainment	.75
Car Sales Lot	.95
Cemetery w/Monuments	.20
Central Business District	1.00
Common Area	.20
Garage or Misc. Res.	.55
Group Residence	.75
Ind. Warehouse-Factory	.90
Industrial Railway	.85
Institution-Sch.-Church	.90
Misc. Commercial	.90
Mixed Comm.-Res-Apt	.75
Multi-Family Apartment	.75
Multi-Family Residential	.40
Office	.91
Parks & Playgrounds	.20
Public Accommodations	.91
Retail	.91
Single Family Attached	.75
Single Family Detached	ESU
Sport or Rec. Facility	.60
Utility	.90
Vacant Land Use	.20
Vehicle Related Use	.90

### **Solid Waste Rate**

The solid waste and recycling charges associated with water meter read dates from and after January 1, 2020, shall be as follows:

1. The base unit charge shall be twenty-five dollars and eight cents (\$25.08) per dwelling unit per month.
2. The cart disposal charge shall be two dollars (\$2.00) per month for each small cart.
3. The cart disposal charge shall be five dollars (\$5.00) per month for each large cart assigned to a dwelling unit.