

CITY OF MINNEAPOLIS

Overview of Mayor's 2018 Recommended Budget

Presented to the Board of Estimate and
Taxation by the Finance and Property
Services Department

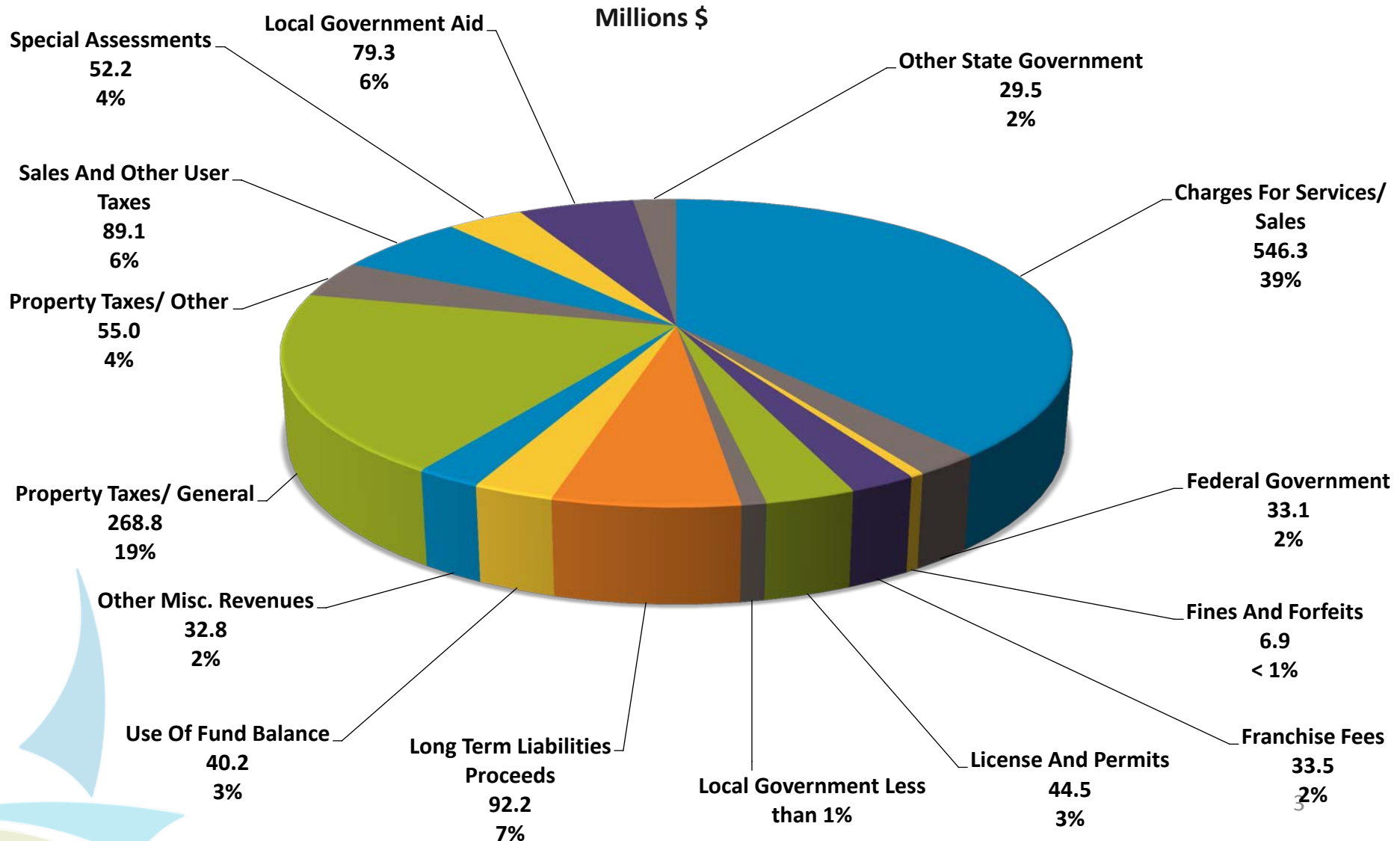
Mayor's Recommended 2018 Budget

2018 Property Tax Levies

Fund			% Change	\$ Change
	2017	2018	From 2017	From 2017
General Fund	176,851,895	189,452,884	7.1%	12,600,989
Minneapolis Park Board - General	58,013,000	60,449,546	4.2%	2,436,546
Minneapolis Park Board - Tree	1,732,000	1,752,173	1.2%	20,173
Bond Redemption	37,800,000	39,350,000	4.1%	1,550,000
Permanent Improvement	500,000	0	-100.0%	-500,000
Pensions (MERF, MPRA, MFRA)	22,310,000	22,310,000	0.0%	0
Board of Estimate and Taxation	180,000	190,000	5.6%	10,000
Municipal Building Commission	4,954,300	5,102,929	3.0%	148,629
Teachers' Retirement	2,300,000	2,300,000	0.0%	0
Library Referendum Debt Service	9,300,000	10,300,000	10.8%	1,000,000
Total	313,941,195	331,207,532	5.5%	17,266,337

City Revenues by Major Sources

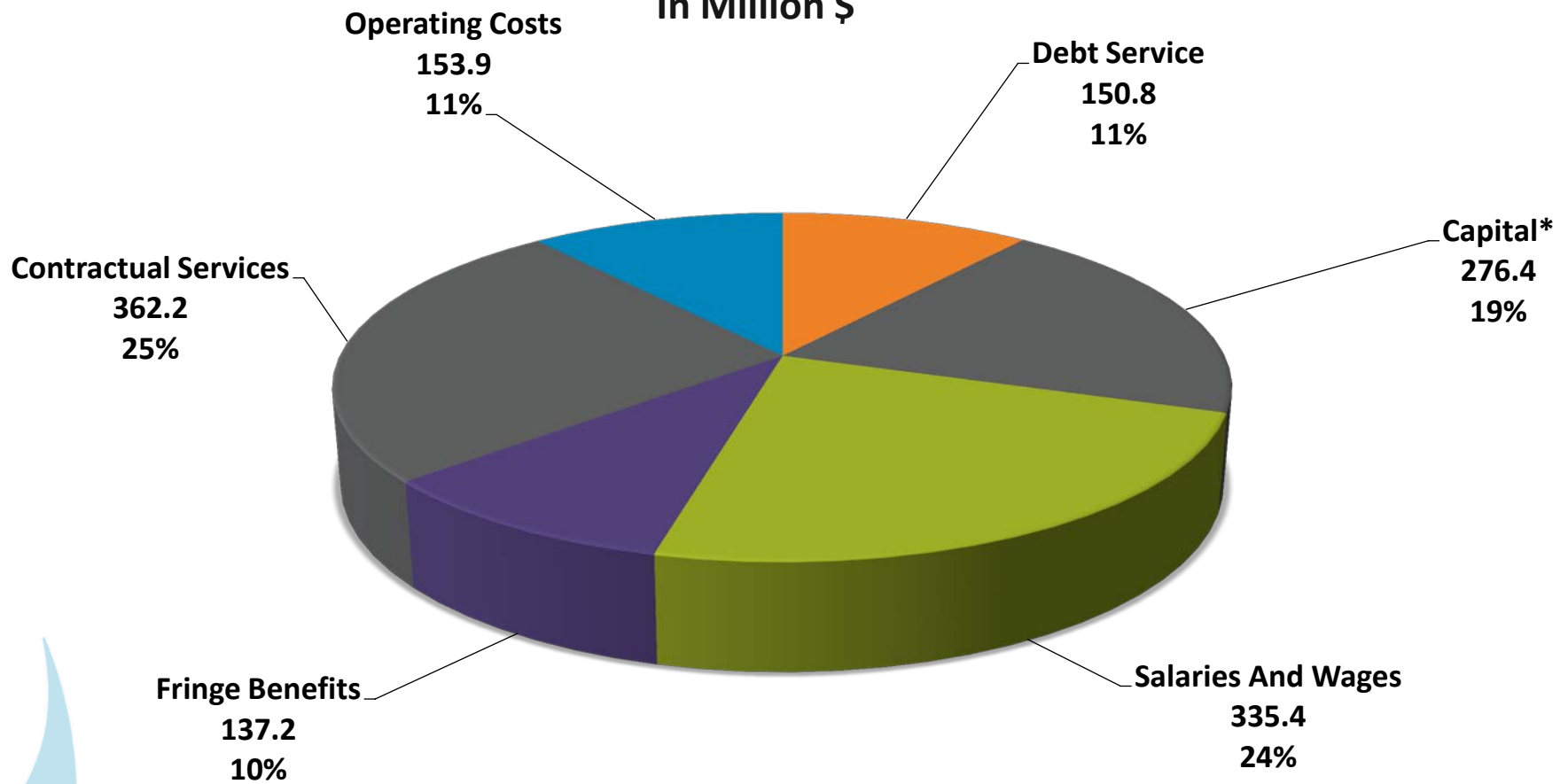
\$1.415 Billion (excludes independent boards)



Expenditures by Major Type

\$1.415 Billion (excludes independent boards)

In Million \$

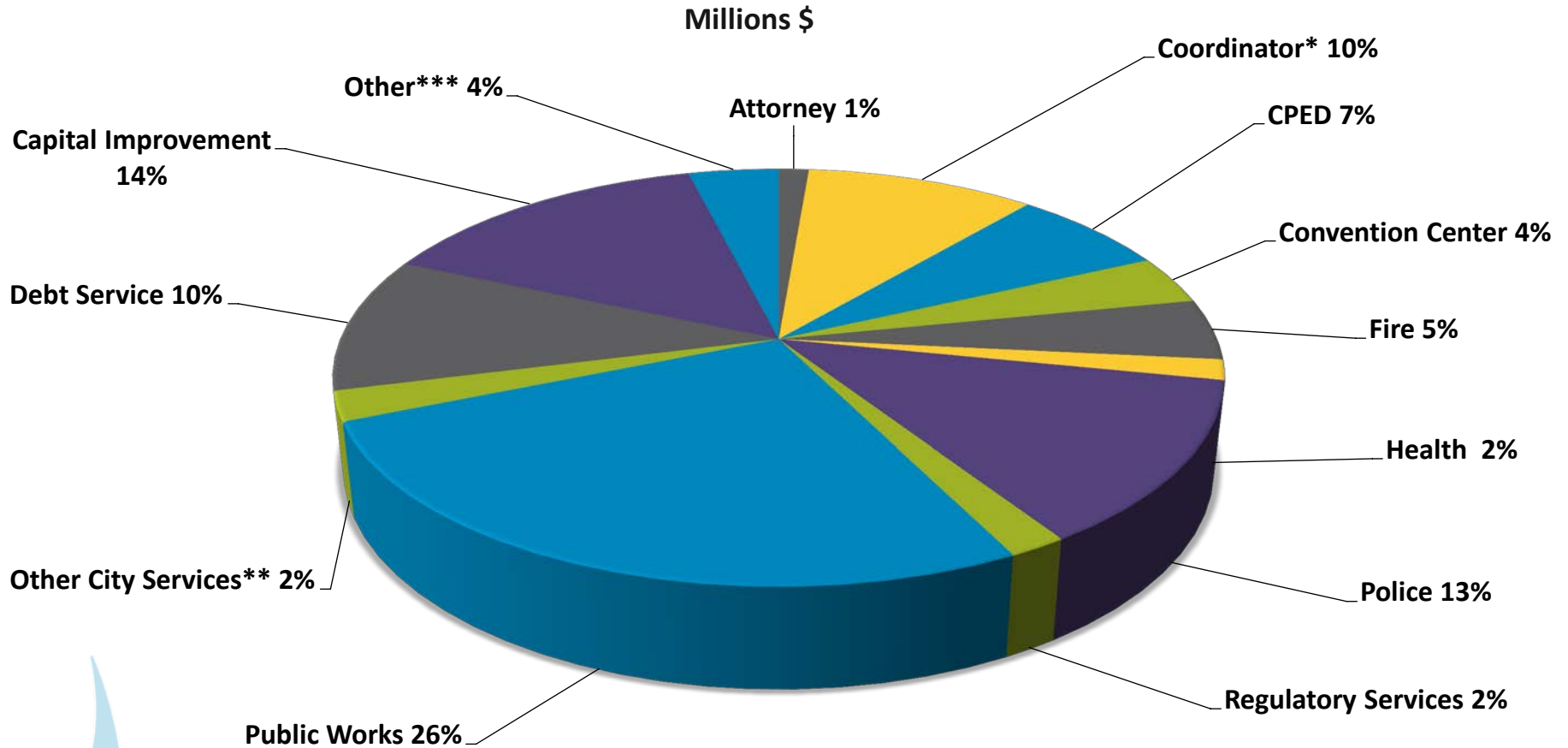


*The Capital category includes capital improvements in the City's Capital Program as well as capital expenditures associated with the CARs program

Mayor's Recommended 2018 Budget

Expenditures by Major Functions

\$1.415 Billion (excludes independent boards)



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

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

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

Major Changes

- **\$1.415 Billion Budget**

- Spending level increases by \$82.5 million, or 6.2%, from 2017 Adopted Budget across all funds
- General Fund (normalized) spending up \$34.3 million
 - Approx \$17 million in 2018 Change Items (see below)
 - Approx \$15 million in Current Service Level Growth
 - Approx \$2 million in additional use of Fund Balance for CARS

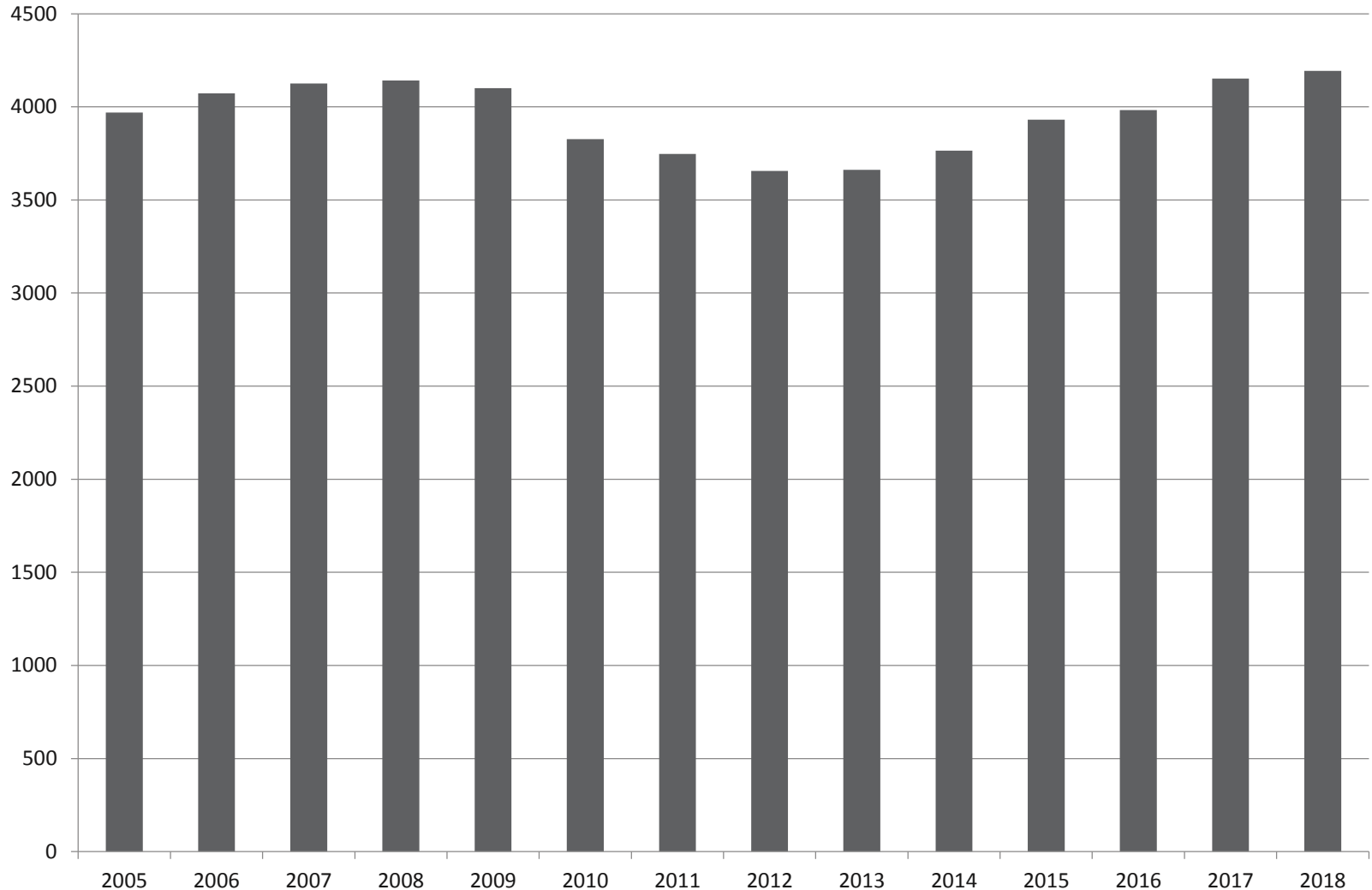
- **4,192.50 Positions**

- Increase of 40.80 positions from 2017 level

- Mayor Recommendation **General Fund change items:**

- \$5.1 million on-going funding
- \$11.9 million in one-time items
 - includes \$3.4 million in Super Bowl reimbursable expenses

Mayor's Recommended 2018 Budget Historical FTE levels*



*Excludes Independent Boards

City Budget Components

- General Fund
 - Property tax impacts
- Enterprise Funds
 - Water, sanitary sewer, storm water and solid waste
 - Parking
- Special Revenue Funds
 - Downtown Assets
 - Convention Center
 - Target Center
- Internal Service
- Capital

CITY OF MINNEAPOLIS

2018 Recommended Budget

General Fund Financial Overview

Major Highlights – General Fund

- 2016 Parks and Streets Agreement Fully Funded
 - .7% of 5.5% levy increase related to planned increase
- Enterprise Emphasis on Public Safety
 - Police Department – eight Crime Prevention Specialists, one new Sworn Officer, two previously grant-funded Sworn Officers, 100 additional body cameras for front-line Sworn Officers, sexual assault victim advocacy pilot, and late-night safety.
 - Fire Department – four new Mobile Healthcare Providers, one new Mobile EMS vehicle
 - Regulatory Services – increased traffic control & nighttime mobility, continuation of temporary downtown traffic control during heightened construction
 - City Attorney and Health Departments – continuation of group violence and domestic violence intervention programs
 - Neighborhood & Community Relations – An additional rounds of Collaborative Safety Strategies funding

Major Highlights – General Fund

- Addressing Climate Change

- Coordinator's Office: Provides for support to move to 100% renewable electricity for City facilities, to expand on-going funding for the Sustainability office, and to allow for additional programs as recommended by the Clean Energy Partnership
- Health Department: Increase residential energy benchmarking and reduce pollution through the Green Business Program

- Affordable Housing/Displacement Programs

- CPED on-going and one-time funding for housing and economic development
- MPHA funding increase through coordinator's office

- Pathways

- CPED, FPS, Fire, Regulatory Services programs to encourage racial and gender balance in City's workforce



Major Highlights – General Fund

- **Transparency & Data Practices**
 - Clerks Office: Data review & redaction system, and centralized data practice request system
- **IT Implementation**
 - Health and Regulatory Services ELMS technical assistance
 - FPS funding for ERP enhancements
- **\$2.6 million in strategic cuts and cost containment**
 - \$1.5 million cost containment in Fleet & IT
 - \$0.9 million strategic cuts to Clerk, CPED, HR, IGR, Police, and Public Works
 - \$0.2 million realignment in City Clerk
- **Medical Self-Insurance to start in 2018**
 - Not a major change in budget
 - Adding 1 FTE for administration

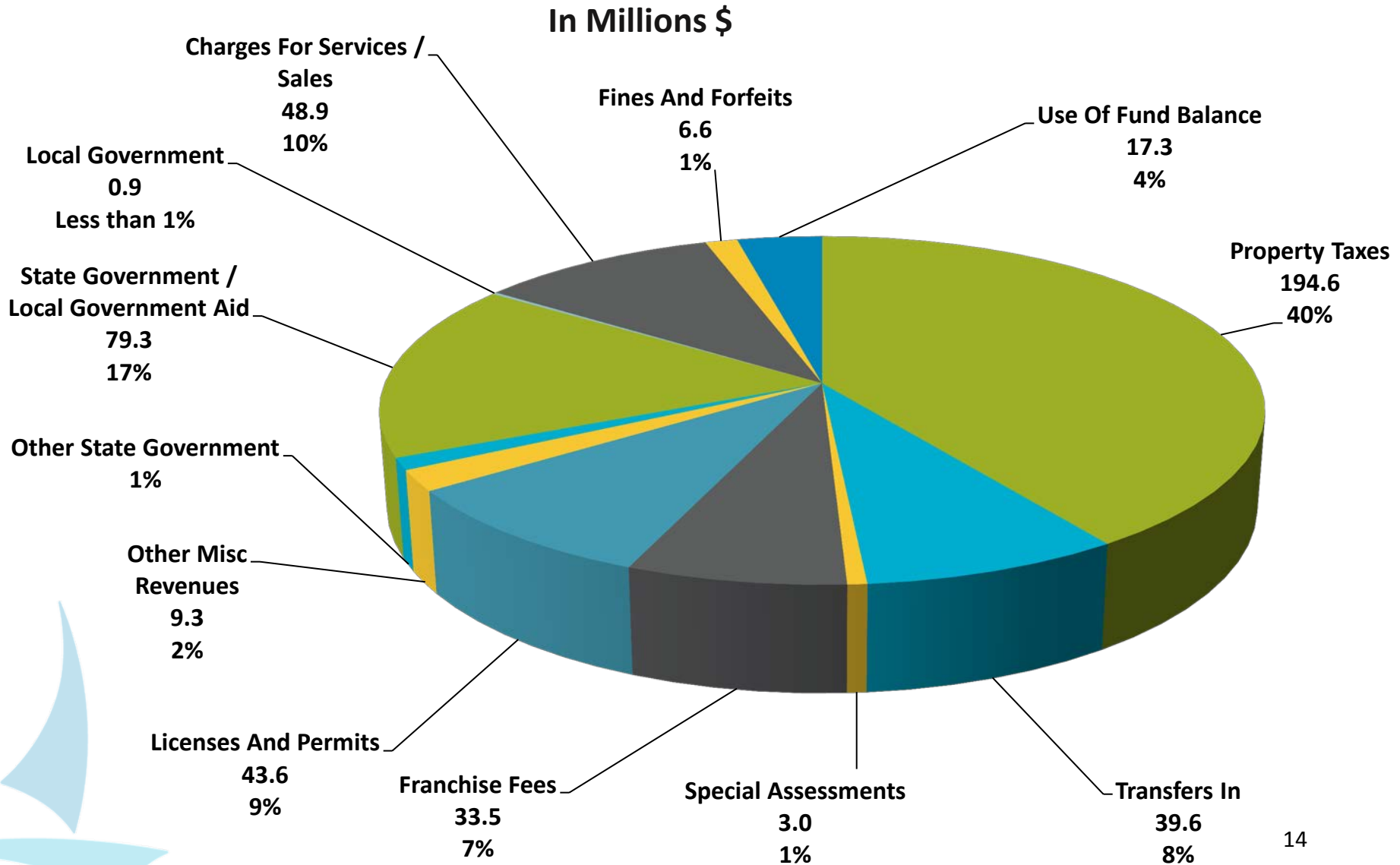
General Fund - Revenue by Category

Comparison to 2017 (includes transfers)

Revenue Source	2017 Adopted	2018 Mayor's Recommended	% Change from 2017 Adopted
Property Taxes – General	176.9	189.5	7.1%
Property Taxes – MBC	5.0	5.1	3.0%
Sales and Other User Taxes	82.3		-100.0%
Franchise Fees	30.9	33.5	8.3%
Licenses and Permits	42.9	43.6	1.5%
State Government / LGA	78.0	79.3	1.7%
Other State Government	5.0	5.3	6.4%
Charges For Services / Sales	45.6	48.9	7.3%
Local Government	1.0	0.9	-12.2%
Special Assessments	4.1	3.0	-26.3%
Fines and Forfeits	6.5	6.6	0.2%
Transfers In	12.5	39.6	217.9%
Use of Fund Balance	5.5	17.3	213.5%
Misc. Revenues	5.3	9.3	77.1%
Total	497.8	481.9	-3.2%

General Fund - Revenue by Category

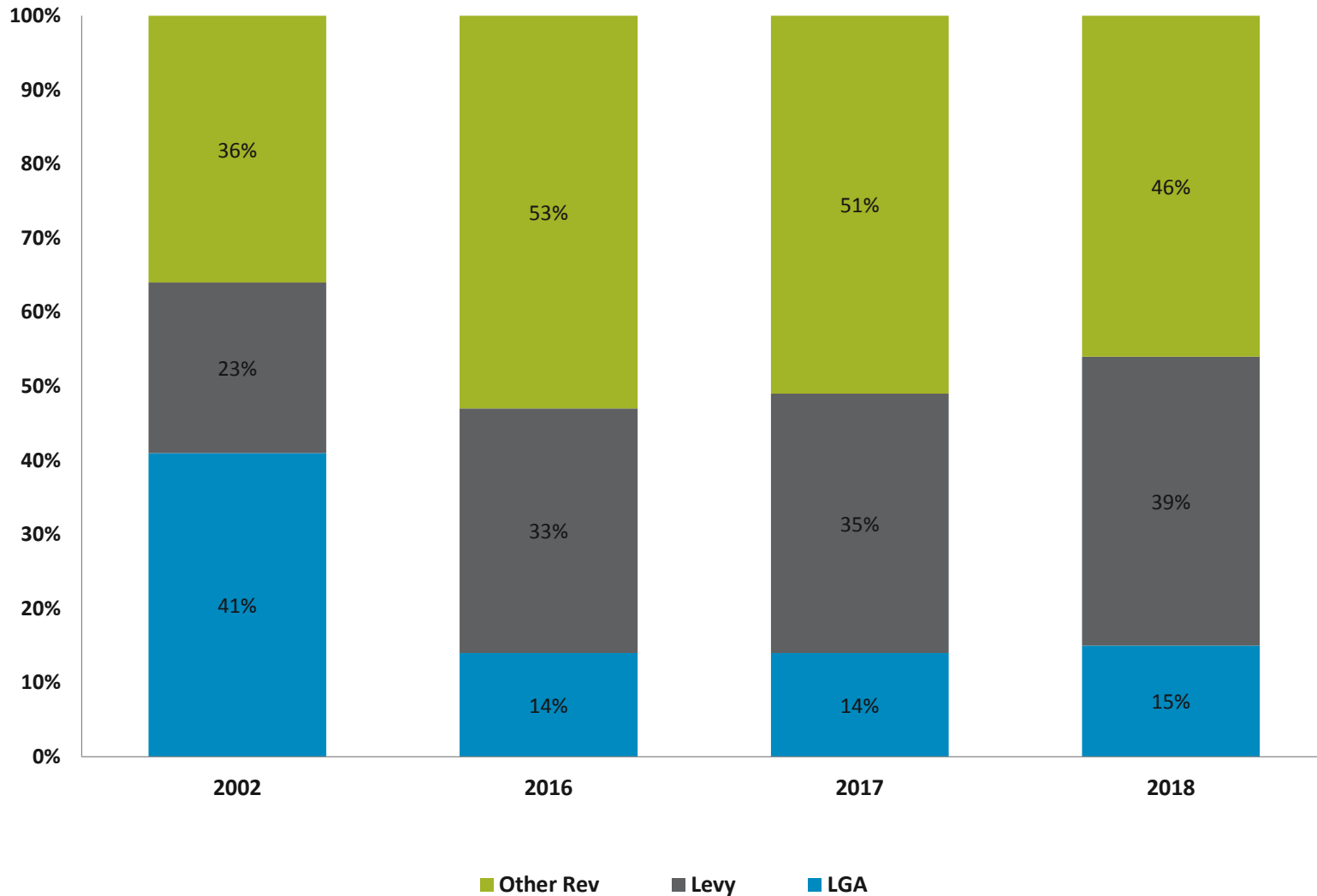
(\$481.9 million) – includes transfers



Mayor's Recommended 2018 Budget

Levy and Local Government Aid Funding

(for City General Fund)



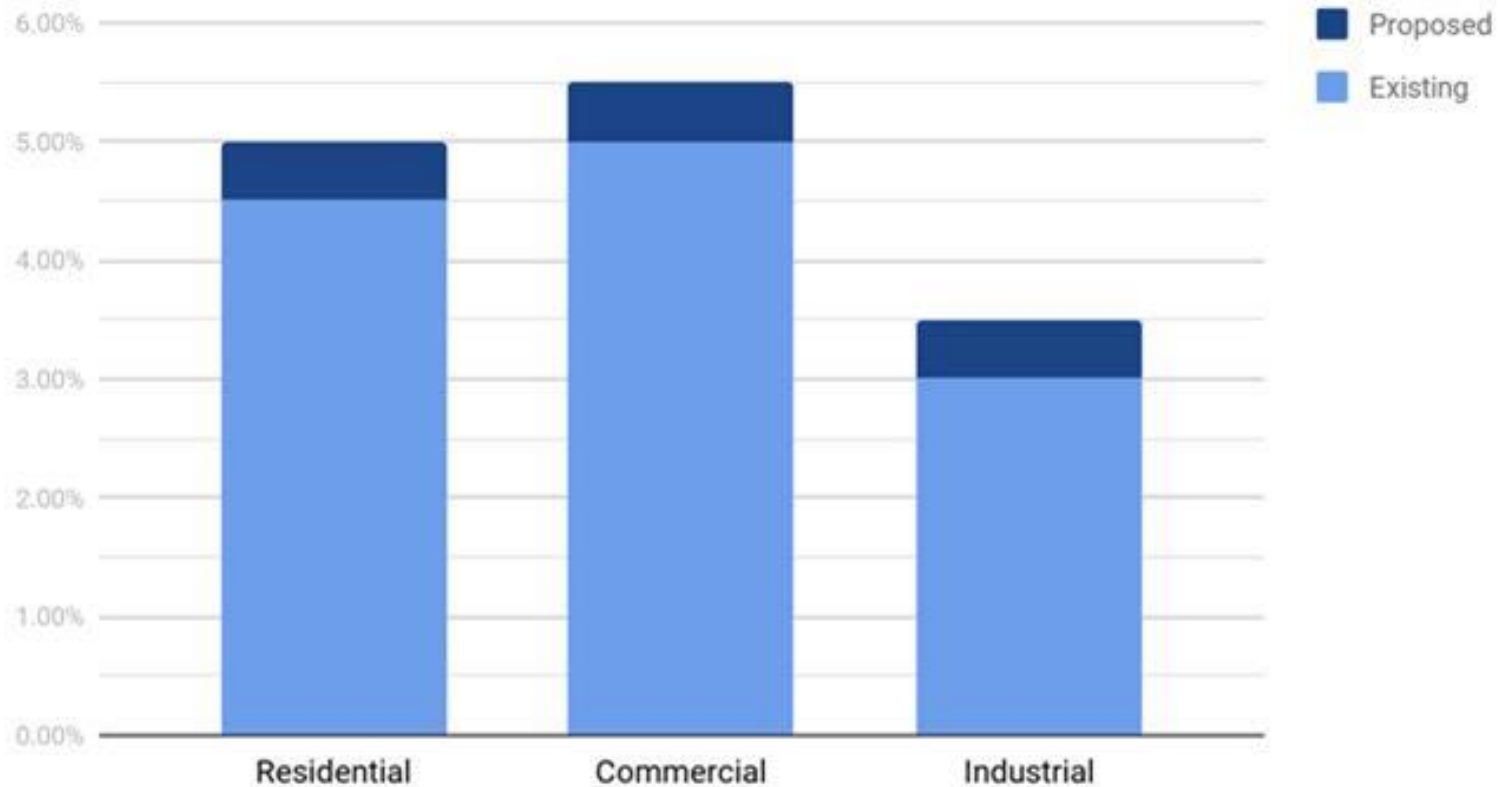
Franchise Fees Overview

- \$33.5 million proposed for 2018 budget
 - \$5 million related to cable TV fees (no rate increase)
 - \$19.4 million for Xcel electricity utility (.5% rate adjustment)
 - \$9.1 million for CenterPointe gas utility (.5% rate adjustment)
- Fee is paid by consumer and collected by utility
 - Percentage of utility revenues calculated like sales tax
- Pursuant to a franchise agreement and ordinance
- Ordinance change required with 90 notice to utility after conclusion of ordinance
 - \$2.9 million if full year
 - 2018 budget anticipates \$2.2 million due to implementation period
- Endorsed by Clean Energy Partnership
- Different fee classes

Mayor's Recommended 2018 Budget

Franchise Fees Rates

Franchise Fee Rates by Customer Class



Mayor's Recommended 2018 Budget

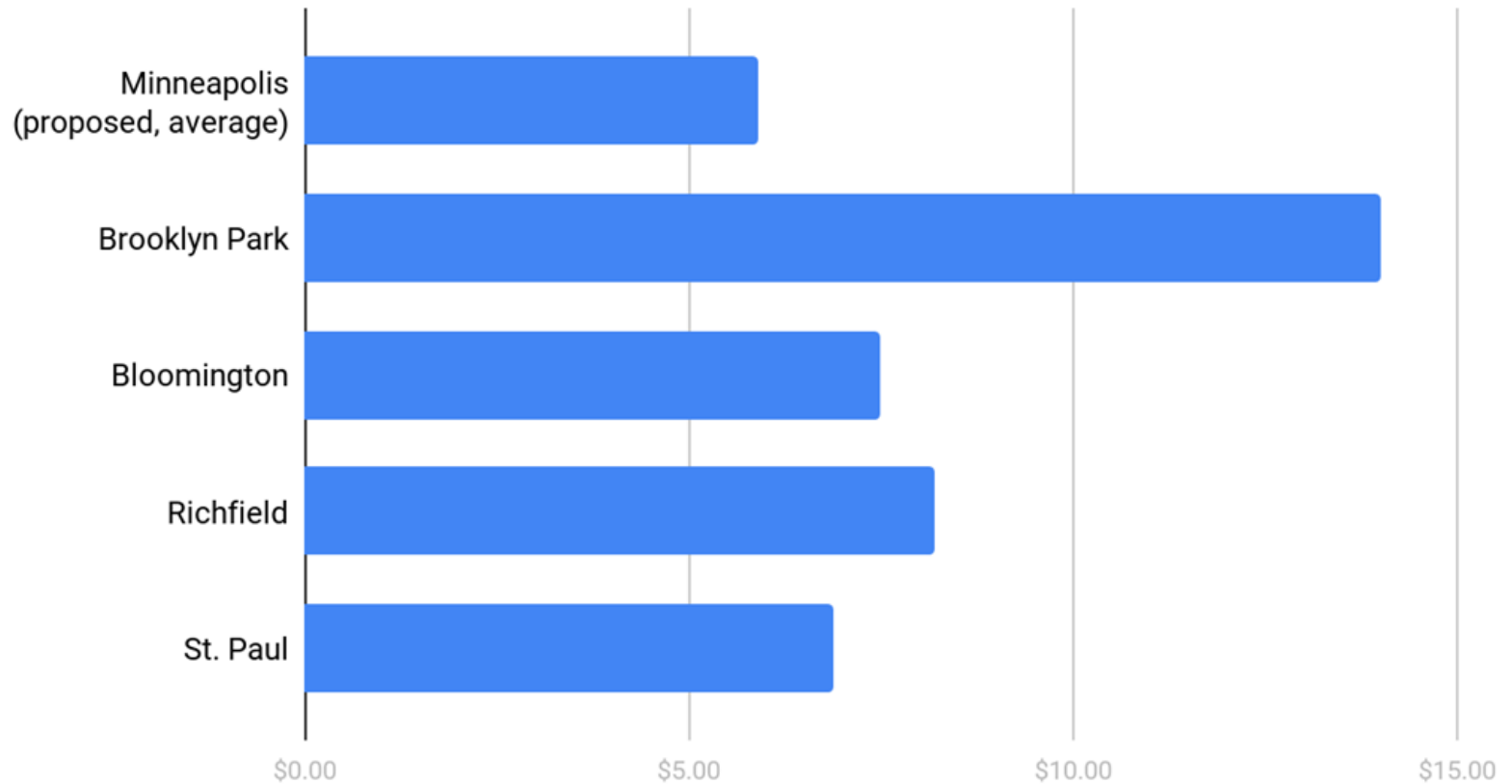
Franchise Fees Increase

Anticipated Monthly Per-Customer Incremental Franchise Fee Increase			
	Residential (0.5%)	Commercial (0.5%)	Industrial (0.5%)
Xcel	\$0.29	\$4.99	\$23.65
CenterPoint	\$0.29	\$2.17	\$171.54
Total	\$0.57	\$7.16¹	\$195.19

Anticipated Total Monthly Per-Customer Franchise Fee Charge After Increase			
	Residential (5.0%)	Commercial (5.5%)	Industrial (3.5%)
Xcel	\$2.86	\$54.84	\$165.52
CenterPoint	\$3.04	\$25.26	\$1,187.37
Total	\$5.89	\$80.10	\$1,352.89

Franchise Fees Sample City Comparison

Monthly Franchise Fees (Residential)



General Fund Expense – Ongoing

Attorney –

- \$60,000 for the MPD Family Violence Unit program
- \$200,000 for the Pre-Filing Charge Review Team program (includes 2.0 FTEs)
- \$50,000 to hire paid Criminal Division Law Clerks (1.3 FTEs)

City Clerk –

- \$10,000 for a centralized data practices request system
- \$60,000 for a data review and redaction system
- Re-allocation of General Fund resources, moving \$200,000 from the City Clerk's Legislative Support & Operations, and Records & Info. Management divisions to the Election and Voter Services division

Fire –

- \$225,000 ongoing appropriation for Mobile Healthcare Providers (includes 4.0 FTEs)

General Fund Expense – Ongoing

City Coordinator –

- \$1.4 million for projects to be allocated through the Clean Energy Partnership including Renewable Connect program
- \$225,000 for Strategic Planning and Continuous Improvement (includes 4.0 FTEs)
- \$125,000 for increased security for Minneapolis Public Housing Authority (MPHA) residences
- \$90,000 for a new Community Initiatives Coordinator (includes 1.0 FTE)
- \$190,000 for enterprise Sustainability activities

Finance and Property Services –

- \$88,000 for an Accountant Recruitment and Training program (includes 2.0 FTEs)
- \$30,000 for a Bloomberg Terminal for managing City investments

General Fund Expense – Ongoing

Civil Rights –

- \$96,800 for an additional 1.0 FTE in the Office of Police Conduct Review
- \$60,000 for education and outreach on the Minimum Wage ordinance in the Labor Standards Enforcement division (including 1.0 FTE)
- Transferring on an ongoing basis \$98,300 (including 1.0 FTE) from Civil Rights to Neighborhood and Community Relations (NCR) department for the Office of Immigrant and Refugee Affairs in the General Fund

Health –

- \$150,000 for Group Violence Intervention (1.5 FTE)
- \$272,000 for Pollution Reduction via the Green Business Program
- \$74,000 for Residential Energy Benchmarking
- \$100,000 for Sexual Health STI Prevention
- Additional 1 FTE for Succession Planning and Right-sizing to be funded with existing department resources

General Fund Expense – Ongoing

Human Resources –

- \$130,000 for the labor relations program (includes 1.0 FTE)

Neighborhood and Community Relations –

- \$100,000 for Collaborative Safety Strategies

Police –

- \$734,000 for hiring eight Crime Prevention Specialists (includes 8.0 FTEs)
- \$79,400 to expand the records information unit (includes 1.0 FTE)
- \$196,800 for unit and precinct administrative support (includes 2.0 FTEs)
- \$25,000 for late night safety/curfew awareness in downtown
- \$122,500 for adding 1.0 sworn officer
- \$239,000 for transferring 2.0 sworn officers from Grant Fund to General Fund due to the completion of the grants

General Fund Expense – Ongoing

Public Works - Traffic & Parking Services

- \$250,000 to hire an Engineer and Planner (includes 2.0 FTEs) for the comprehensive safety program

Public Works – Transportation Planning and Programming

- 75,000 (includes 0.5 FTE) to fund Urban Design – Green Storm Water Management and the Public Realm Greening program.

Regulatory Services –

- \$131,000 (1 FTE) to increase capacity for High Occupancy Dwelling Inspections
- \$478,000 for Nighttime Mobility

General Fund Expense – One-time

911 –

- \$41,000 for planned overtime expense related to increased staffing for Super Bowl LII, reimbursable by the Super Bowl Committee

Attorney –

- \$40,000 to continue to pursue alternative sentencing in carrying without permit cases
- \$25,000 for Pre-Charge Diversion programs in prostitution cases
- \$60,000 for continuation of the Violent Crime Hot Spots program

City Clerk –

- \$50,000 for a centralized imaging and scanning system
- \$25,000 for transition and orientation of the newly elected officials following the 2017 municipal election

General Fund Expense – One-time

City Coordinator –

- \$122,000 for Arts Culture and the Creative Economy
- \$80,000 for Enterprise Engagement Services
- \$130,000 for Equity and Inclusion
- \$175,000 for various Citywide partnerships (including Midtown Community Works, St Anthony Falls Heritage Board, Mississippi Riverfront, Cedar Riverside, and others)
- \$125,000 for Partnership Initiatives specifically in conjunction with Greater MSP
- \$25,000 for a Community Economic Development plan
- \$25,000 for a Downtown Mobility Plan Assessment following implementation of downtown mobility improvements
- \$50,000 for community initiatives programming
- \$15,000 for expense related to Super Bowl LII, reimbursable by the Super Bowl Committee

General Fund Expense – One-time

City Clerk – Election and Voter Services –

- \$1.0 million for the 2018 Gubernatorial election

CPED –

- \$1,000,000 for the Family Housing Initiative
- \$3,000,000 for the Housing Preservation Strategy
- \$250,000 for Minneapolis Homes
- \$75,000 for Minneapolis Career Pathways
- \$50,000 for the Cedar Riverside Opportunity Hub

Finance and Property Services –

- \$75,000 for Enterprise Resource Planning (ERP) application and systems functional support
- \$50,000 for a banking alternatives equity partnership

General Fund Expense – One-time

Fire –

- \$75,000 for Mobile EMS vehicles
- \$147,000 for planned overtime expense related to increased staffing for Super Bowl LII, reimbursable by the Super Bowl Committee

Health –

- \$60,000 for Land Management Configuration Resources
- \$25,000 for Next Step Hospital Based Interventions
- \$25,000 for Intervention and Outreach to Victims of Sex Trafficking
- \$40,000 for the Minneapolis Children's Savings Account program (YCB)
- \$40,840 for expenses related to Super Bowl LII, reimbursable by the Super Bowl Committee



General Fund Expense – One-time

NCR –

- \$475,000 for Collaborative Safety Strategies
- \$20,000 for Senior Support Services

Police –

- \$100,000 for the mental health co-responder program
- \$25,000 for restorative justice strategies
- \$80,000 for a sexual assault survivor advocate pilot program
- \$2,350,000 for planned overtime expense related to increased staffing for Super Bowl LII reimbursable by the Super Bowl Committee
- \$305,000 transferred from the Self-Insurance Fund to the General Fund for body cameras

General Fund Expense – One-time

Public Works –

- Administration
 - \$25,000 for public restrooms
 - \$725,000 for planned overtime expense related to increased staffing for traffic operations and snow and ice control during Super Bowl LII, reimbursable by the Super Bowl Committee
- Traffic & Parking Services
 - \$150,000 to launch the comprehensive safety program
- Transportation Planning and Programming
 - \$250,000 to develop the Access Minneapolis Action Plan

General Fund Expense – One-time

Regulatory Services–

- \$375,000 to increase Traffic Control service hours
- \$140,000 for Land Management Configuration Resources
- \$145,000 for Nighttime Mobility
- \$50,000 for Equity and Inclusion
- \$75,600 for increased Traffic Management and Fire Inspections for Super Bowl LII, reimbursable by the Super Bowl Committee



General Fund – Cuts / Reallocations

CPED – \$60,000

IGR – \$80,000

Human Resources – \$50,000

Public Works – \$325,000

Public Works Traffic and Parking Services - \$245,000



CITY OF MINNEAPOLIS

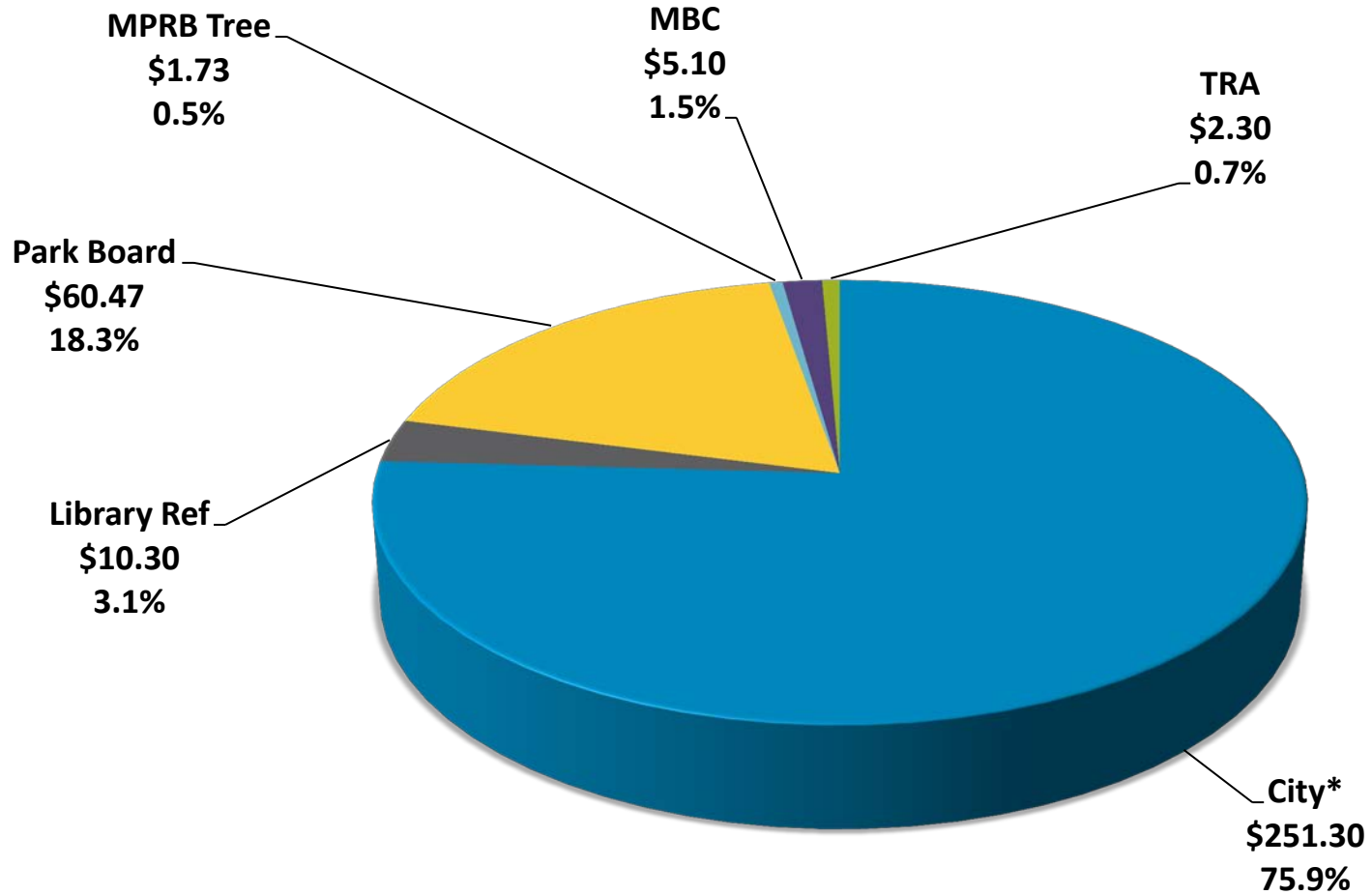
2018 Recommended Budget

Property Taxes

Includes Taxpayer Impacts

Property Tax Levies by Entity

Property Tax by Entity - \$331.2 Million



*City includes BET, pension, capital and debt levies

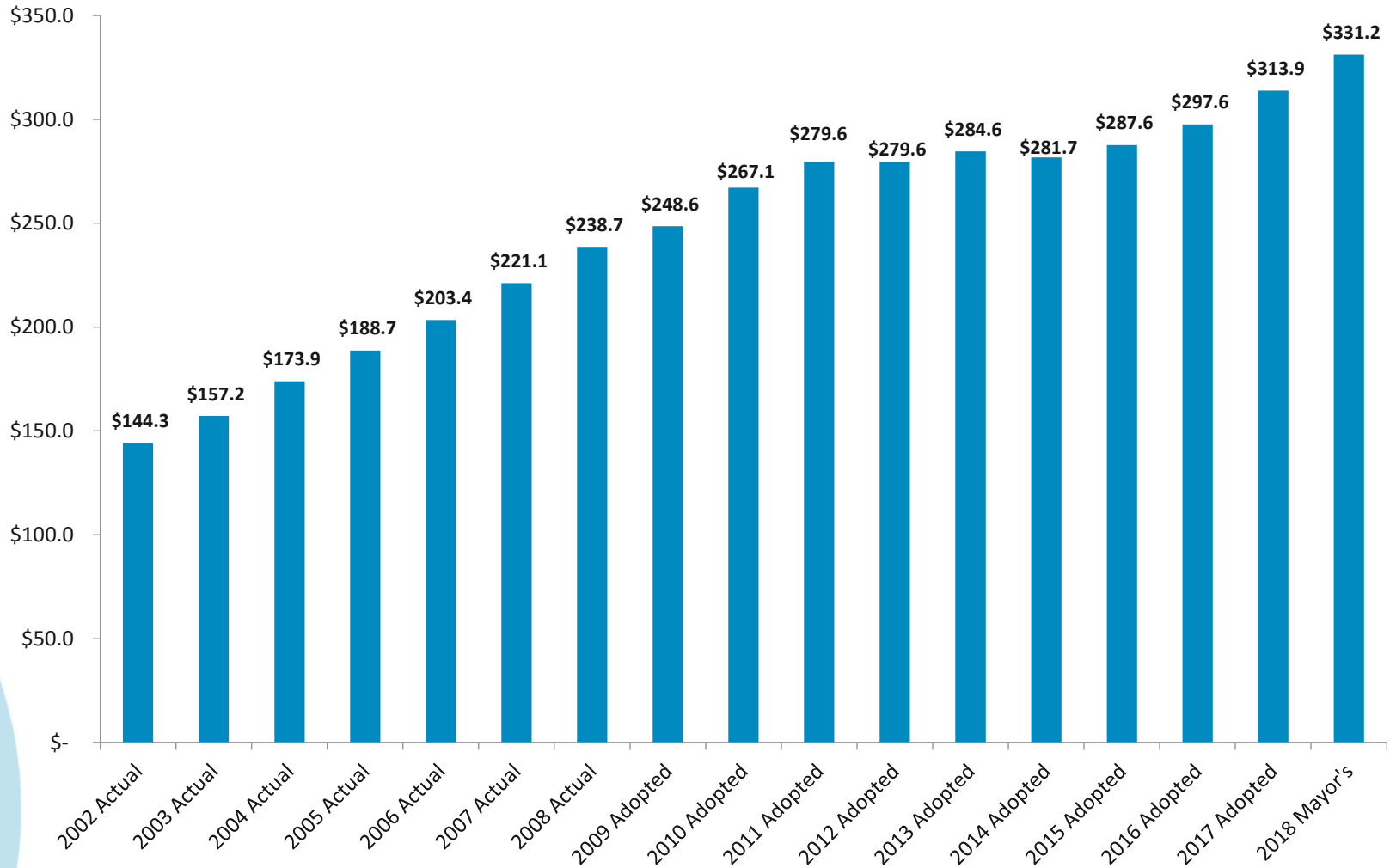
Property Tax Highlights

- Closed pension fund levies stable
 - Legislature kept pension aid constant (for 2 years)
- Library Debt Service Levy
 - Increased by \$1 million
 - Repurposed capital levy for downtown office
 - Will receive \$400,000 more in State library debt aid
 - Will shorten the term of bonds
 - Reduce interest costs
 - Free up levy for other capital uses



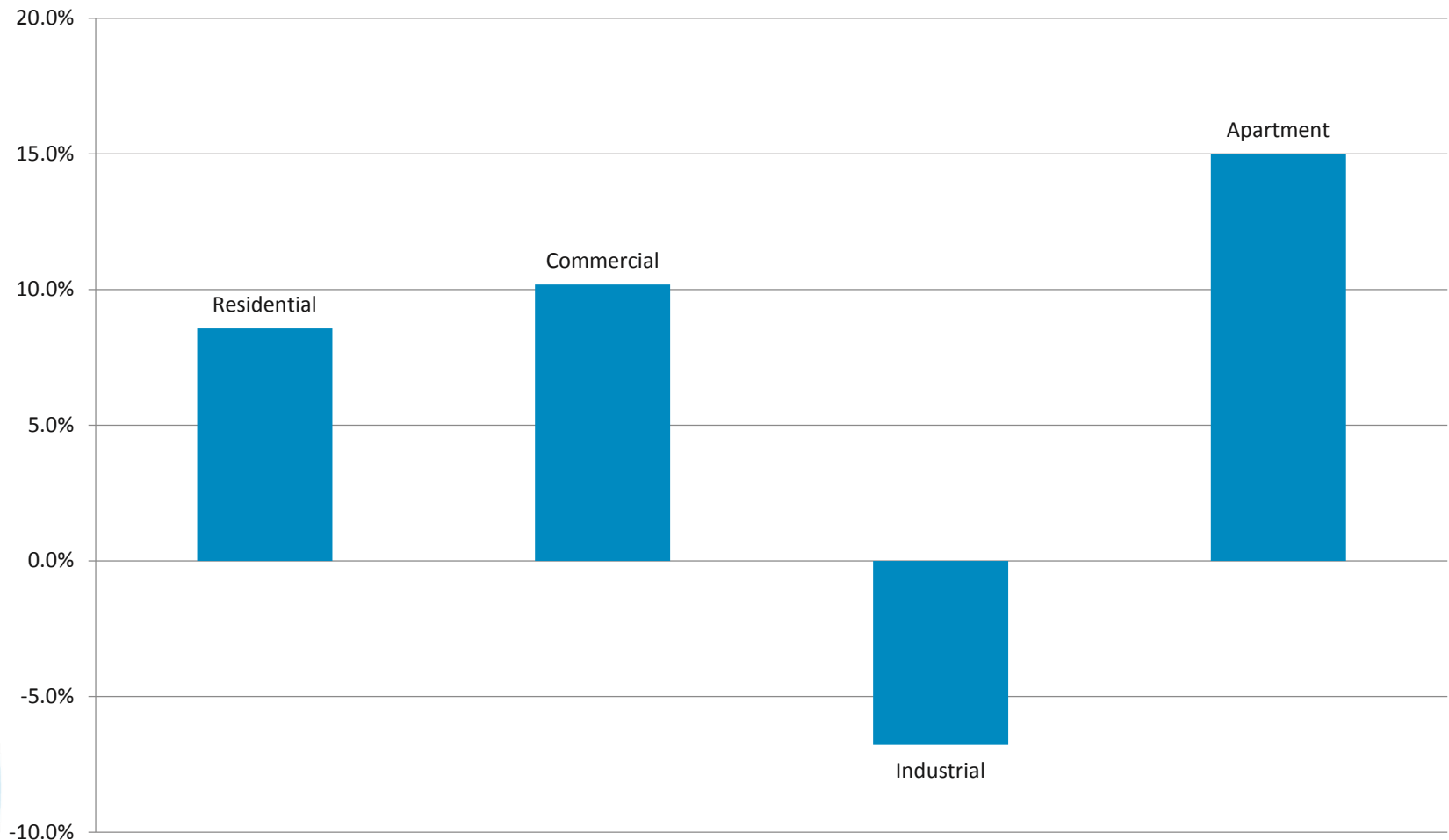
Mayor's Recommended 2018 Budget

City Property Tax Levy History



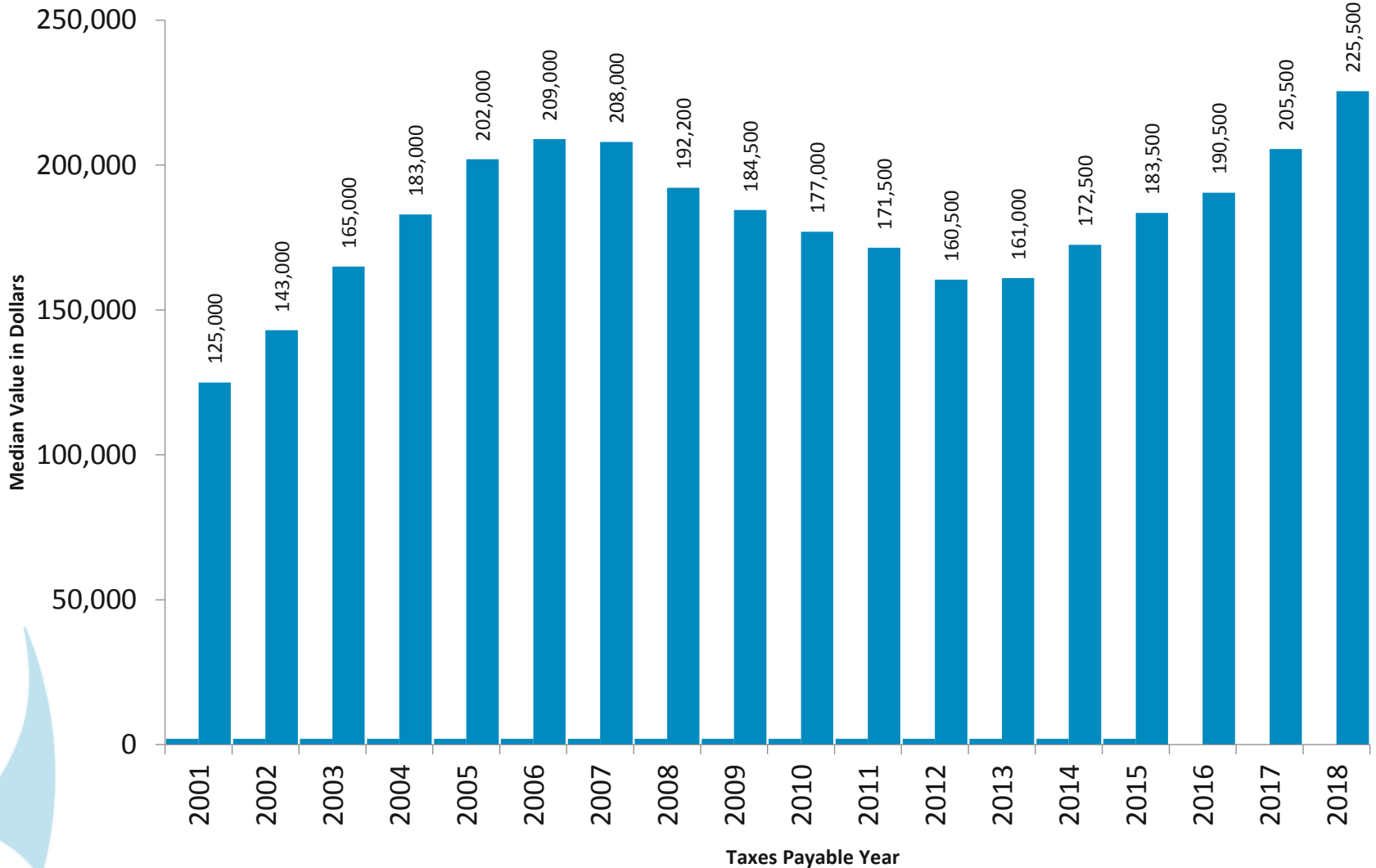
Mayor's Recommended 2018 Budget

Change in Value for Taxes Payable in 2018



SINGLE FAMILY MEDIAN VALUE TREND

(2001-2018)



City Property Tax Increases by Type

Homestead Residential

<u>Market Value</u>	<u>Tax In 2017</u>	<u>Tax in 2018</u>	<u>\$ Change</u>	<u>% Change</u>
166,500	841	902	61	7.3%
225,500	1,221	1,302	81	6.6%
310,500	1,767	1,877	110	6.2%

Assumes residential property average market value increase by 7.7%

Apartment

<u>Market Value</u>	<u>Tax In 2017</u>	<u>Tax in 2018</u>	<u>\$ Change</u>	<u>% Change</u>
1,000,000	7,258	7,727	469	6.5%
5,000,000	36,291	38,637	2,346	6.5%

Assumes apartment property increase by 9% (not including new construction value)

Commercial

<u>Market Value</u>	<u>Tax In 2017</u>	<u>Tax in 2018</u>	<u>\$ Change</u>	<u>% Change</u>
1,000,000	8,082	8,509	427	5.3%
5,000,000	40,409	42,543	2,134	5.3%

Assumes commercial property increase by 7.8% (not including new construction value)



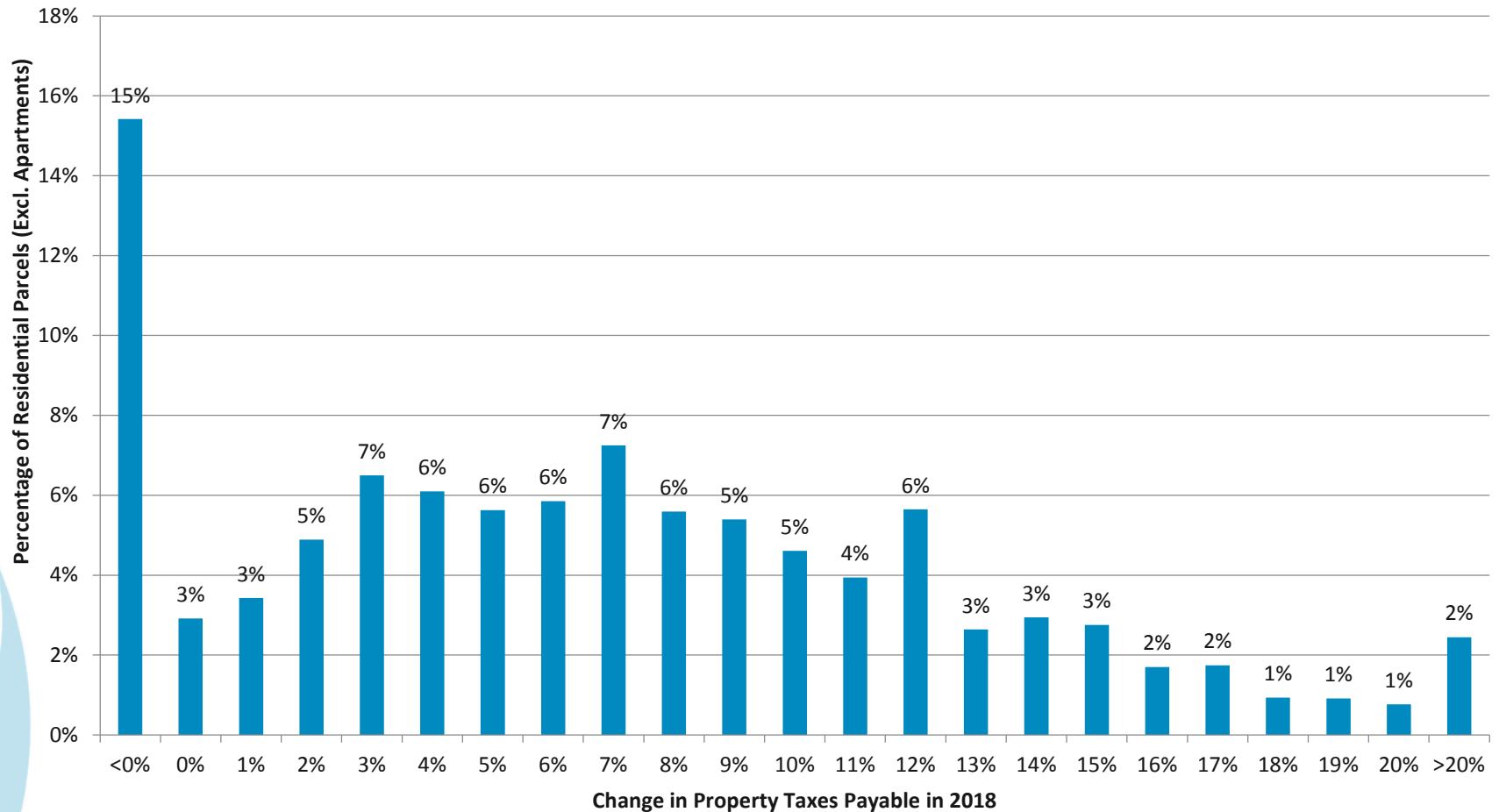
Market Value and Tax Increases

- Market Value increase of 8.7%
 - New construction value less than 2%
 - Inflation on existing property drives most of market value increase
- Other factors influence “feels like”
 - Market value exclusion program
 - Fiscal disparities
 - TIF
- 18% of residential property with no City property tax increase
 - Excludes low valued parcels (\$30k) and new construction
 - Median increase closer to 6%

Mayor's Recommended 2018 Budget Est. City Portion of Property Tax Increase for parcels over \$30,000 in value and no construction

Property Tax Increase in 2018 - Estimates for Residential (excl. Apartments)

N = 101,387



CITY OF MINNEAPOLIS

2018 Recommended Budget Enterprise Funds

Enterprise Funds

- Public Works Enterprises
 - Sanitary Sewer
 - Stormwater
 - Water
 - Solid Waste
 - Municipal Parking



Municipal Parking Funds

- Operating revenue increases from \$62.0M in 2017 to \$69.2M in 2018, an increase of 11.1%
- Operating expense increases from \$41.0M in 2017 to \$44.2M in 2018, an increase of 2.7%.
- The capital budget for 2018 is set at \$7.2 million
- Total debt service, which includes principal and interest on bonds issued for construction of municipal parking ramps, is \$7.7 million for 2018
- Transfers out
 - General Fund: \$7.0 million, no change from 2017
 - Target Center: \$4.2 million, an increase of 5% from 2017

Enterprise Funds Budget Comparison

(millions \$)

	2017 Adopted	2018 Recommended	% Change	\$ Diff
Solid Waste	40.3	40.9	1.3%	0.5
Water Treatment & Distribution	57.9	60.5	4.7%	2.6
Surface Water and Sewer - Stormwater	28.8	31.6	9.6%	2.8
Surface Water and Sewer - Sanitary Sewer	61.9	67.5	9.1%	5.6
Total Utility Enterprises	188.9	200.5	6.1%	11.5

Water Utility Rates - Monthly Cost for Average Consumer

Recommended Rates and Projections for Average Households				
Year	Fixed Rate	2018 Proposed Rate per unit (100 cubic feet)	Proposed % increase year to year on usage only	Cost per Month for average household*
2017	\$4.00	\$3.53		\$28.71
2018	\$4.50	\$3.58	3.0%	\$29.56
2019	\$5.00	\$3.63	2.9%	\$30.41
2020	\$5.50	\$3.68	2.8%	\$31.26
2021	\$6.00	\$3.73	2.7%	\$32.11
2022	\$6.50	\$3.78	2.6%	\$32.96

* Assumes 5/8" meter connection and 7 units of water

Sanitary Sewer Utility Rates Average Bills and Revenue

Recommended Rates and Projections for Average Households				
Year	Fixed Rate	2018 Proposed Rate per unit (100 Cubic feet)	Proposed % increase year to year on usage only	Cost per Month for average household*
2017	\$4.80	\$3.55		\$21.30
2018	\$5.30	\$3.88	9.3%	\$23.28
2019	\$5.80	\$4.21	8.5%	\$25.26
2020	\$6.30	\$4.54	7.8%	\$27.24
2021	\$6.80	\$4.87	7.3%	\$29.22
2022	\$6.80	\$5.20	6.8%	\$31.20

* Assumes 5/8" meter and 6 units of Sanitary Sewer usage

Stormwater Utility Rates Average Bills and Revenue

Recommended Rates and Projections for Average Households			
Year	Rate / ESU (Equivalent Stormwater Unit) = 1,530 square feet of impervious surface	Cost per Month for average household*	% increase
2017	\$12.36	\$12.36	
2018	\$12.71	\$12.71	2.8%
2019	\$13.09	\$13.09	3.0%
2020	\$13.59	\$13.59	3.8%
2021	\$14.19	\$14.19	4.4%
2022	\$14.79	\$14.79	4.2%

* Average household is 1 ESU

Combined Utility Bill - Monthly Cost for Average Consumer

Combined Utility Bill					
Monthly and Annual cost for average customer					
	2017	2018 Monthly Average*	2018 Annual Average	2018 monthly Amount change	2018 % change
Water*	\$28.71	\$29.56	\$355	\$0.85	3.0%
Sanitary Sewer	\$26.10	\$28.58	\$343	\$2.48	9.5%
Stormwater	\$12.36	\$12.71	\$153	\$0.35	2.8%
Solid Waste/Recycling**	\$28.47	\$28.99	\$348	\$0.52	1.8%
Total	\$95.64	\$99.84	\$1,199	\$4.20	4.4%

*Assumes average household water and sewer usage

CITY OF MINNEAPOLIS

2018 Recommended Budget
Special Revenue Funds

Downtown Assets

- More predictable revenue stream to general fund
- Overseen by committee led by City Coordinator
- Day to day implementation by one department
 - Convention Center, Target Center, Commons and Peavey
- \$87.6 million sales and entertainment tax accounting change
 - \$30.6 million transfer to general fund and inflated
 - Convention Center and Meet Minneapolis support
 - Target Center transfers including new renovation debt
 - \$4 million match for capital for Peavey Plaza and on-going operating support
 - \$0.75 million one-time operating for DT East Commons

Target Center

- Successful renovation nearing its end
- Renovation Debt Payments \$5.7 million per year
- Rent from Team continues
- Pay AEG for operator reimbursement
- Acquisition debt continued to be paid from Consolidated TIF district through 2020



Convention Center

- Operating revenue expectation of \$20 million
 - \$1.1 million increase from 2017 projected (5.9% increase)
- Operating expense expectation of \$28.1 million
 - \$1.3 million increase from 2017 projected (4.9% increase)
- Continued debt service through 2020
- Major event one-time expense of \$0.1 million
- \$0.65 million (one-time) for Meet Minneapolis change items
 - More than half of the additional funding to use opportunity of major events to promote City to new audiences

CITY OF MINNEAPOLIS

2018 Recommended Budget
Internal Service Funds

Internal Service Fund Summary

- Minimal Change to Internal Service Funds
- Drawing \$8M of Self Insurance Fund Balance for Neighborhood Parks & Streets Plan, Reserves Remain Healthy
- Intergovernmental Service Fund & Fleet Service Funds asked to find combined \$1.5M of General Fund cost containment from initial projection in order to keep increase consistent with historic averages.



CITY OF MINNEAPOLIS

2018 Recommended Budget Capital

Capital Budget Considerations

- Payment of outstanding bond obligations
 - \$150.8 million in estimated principal and interest payments for 2018, as compared to \$137.7 million in 2017
 - This represents 10.7% of the City's total budget
- Downtown Office Building in planning stage and not included this budget
 - Cost not known at this time
 - Not paid from net debt bonds
 - Capitalize costs with bond issue until library bonds paid and other revenue sources captured
 - More information to Council in December with majority of bids in mid to late 2018.

Mayor's Recommended 2018 Budget

Capital Investment Allocation \$196.97 M

Commission/Board/Department	2017 Funding	2018 Funding	% of Total 2018 Capital Funding
Municipal Building Commission	\$8.54 M	\$5.60 M	2.79%
Park Board	\$13.22 M	\$12.33 M	6.15%
Public Works	\$137.44 M	\$171.35 M	85.50%
Public Grounds & Facilities	\$25.39 M	\$10.41 M	5.20%
Miscellaneous Projects	\$11.15 M	\$.72 M	0.36%
Total	\$195.4 M	\$200.41 M	100.00%

Major Projects with Funding in 2018

- Fire Station #1
- Hiawatha Campus Expansion
 - water, sewer, and net debt portion
- Public safety radio system,
- Solid waste portion of the Eastside storage and maintenance,
- Pedestrian safety programs,
- Water filtration programs
- Additional funding for the impound lot project

Mayor's Recommended 2018 Budget Capital Investment – Next Five Years

Submitting Agency	2018	2019	2020	2021	2022	Total	Percent of Total
Budget in Thousands							
MUNICIPAL BUILDING COMMISSION	5,600	2,066	1,246	856	330	10,098	1.08%
PARK BOARD	12,335	12,342	12,337	12,980	13,140	63,134	6.75%
PUBLIC WORKS DEPARTMENT	171,352	190,043	150,855	141,695	169,846	823,791	88.05%
PUBLIC GROUNDS & FACILITIES	10,410	7,700	11,700	5,000	0	34,810	3.72%
MISCELLANEOUS PROJECTS	716	756	775	763	767	3,777	0.40%
TOTAL	200,413	212,907	176,913	161,294	184,083	935,610	100.00%

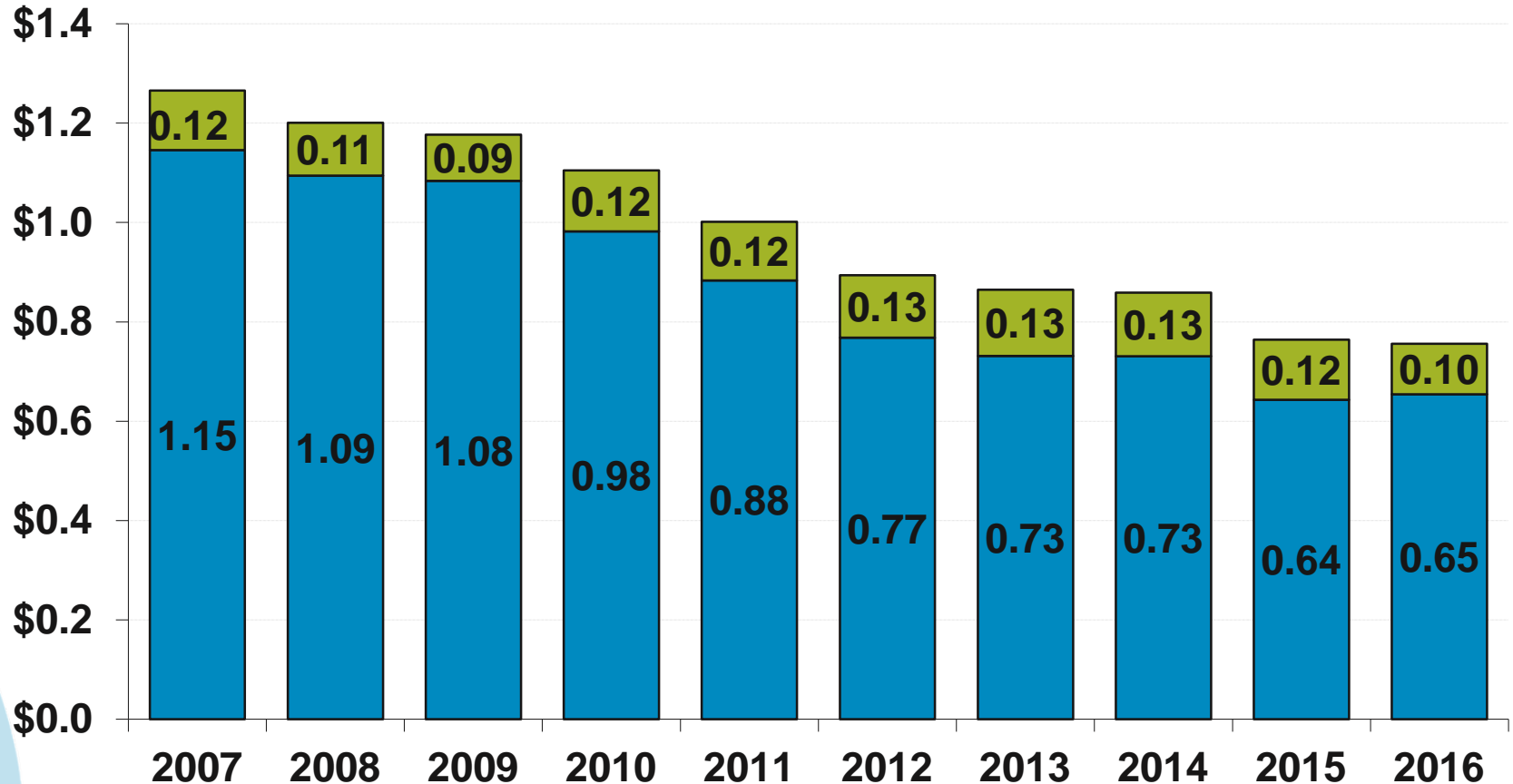
Mayor's Recommended 2018 Budget Public Works Capital

Public Works Department	2018	2019	2020	2021	2022	Total	Percent of Total
Budget in Thousands							
STREET PAVING	80,888	73,147	58,790	66,140	67,927	346,892	37.08%
SIDEWALKS	4,190	4,400	4,610	4,820	5,030	23,050	2.46%
BRIDGES	400	400	6,570	1,525	25,094	33,989	3.63%
TRAFFIC CTRL & STR LIGHTING	9,176	6,936	7,550	9,225	9,095	41,982	4.49%
BIKE - PED PROJECTS	2,000	2,140	5,065	2,745	2,000	13,950	1.49%
SANITARY SEWERS	10,500	12,500	12,500	12,500	12,500	60,500	6.47%
STORM SEWERS	16,038	27,170	26,750	26,750	29,750	126,458	13.52%
WATER INFRASTRUCTURE	48,160	63,350	29,020	17,990	18,450	176,970	18.91%
Public Works Department Total	171,352	190,043	150,855	141,695	169,846	823,791	88.05%

Mayor's Recommended 2018 Budget

Outstanding Debt: Year Ending 2006 to 2015

In Billions



■ General Obligation Bonds/Notes

Capital Asset Request System (CARS)

- **Funding for Capital Equipment**

- Capital Asset Request System (CARS) process was implemented in the 2014 budget
- For this five-year planning cycle, the City received requests from departments totaling \$90.6 million
- For 2018, the requests totaled \$28.9 million; this budget recommends funding of \$22.1 million for 2018
- Of the \$22.1 million funded in 2018, \$6.9 million is funded by the General Fund



Mayor's Recommended 2018 Budget

Capital Asset Request System (CARS)

Department	General Fund	Other Funds	Total
311	48,000		48,000
911	270,000		270,000
Assessor	1,275,000		1,275,000
Civil Rights	465,000		465,000
Communications	40,000		40,000
CPED	1,719,455		1,719,455
Finance and Property Services	100,000		100,000
Fire	110,000		110,000
Health	30,000		30,000
Information Technology	1,875,000		1,875,000
Police	380,000		380,000
Public Works	539,999	15,184,427	15,724,426
Regulatory Services	30,000		30,000
Total	6,882,454	15,184,427	22,066,881

Five Year Financial Direction

- **Modest Increases Needed to Match Rising Costs**
 - 2019: 5.52%
 - 2020: 5.40%
 - 2021: 7.08% (includes decertification of consolidated TIF district)
 - 2022: 5.00%
 - 2023: 4.75%



Next Steps

- Budget Subcommittee
 - September 18th , 5:05 PM
- Department Presentations to Budget Committee
 - Beginning Tuesday, October 3rd, 9:30 AM
 - <http://www.minneapolismn.gov/budget/index.htm>
- Certify Proposed (maximum levy) by September 30th
- Truth-in-Taxation notices sent out second week in November
- Public Comments received November 29th, 6:05 PM
- Budget Markup – December 1st
- Budget Adoption – December 6th, 6:05 PM

Departmental Budget Hearings

- October 3, 2017
 - Mayor, City Clerk/Elections, City Council, Health, Attorney, Assessor
- October 5, 2017
 - Public Works, CPED, Regulatory Services
- October 17, 2017
 - 911, Police, Emergency Management, Fire, Finance and Property Services, Information Technology
- October 27, 2017
 - Civil Rights, YCB, MBC, MPRB, Capital and Debt Budget, Convention Center, Target Center, Meet Minneapolis
- November 16, 2017
 - Overflow Time for Presentation

CITY OF MINNEAPOLIS

2018 Recommended Budget
Thank you