

Overview of Mayor's 2013 Recommended Budget

**Prepared by
the Finance and Property Services
Department
August 27, 2012**

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Agenda – Summary of Presentation

1. Major highlights
2. Financial Overview – total city budget
3. Major budget pressures
4. Property Taxes and taxpayer impacts
5. Financial Policies
6. General Fund and Five-Year Financial Direction
7. Special Revenue Funds (CDBG and Convention Center)

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Agenda – Summary of Presentation

9. Enterprise Funds (Sewer, Water, Solid Waste, and Parking)
10. Internal Service Funds (Intergovernmental, Equipment, and Self Insurance)
11. Capital program overview
12. Summary of remaining budget process and opportunity for public input

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Major Highlights

November 28, 6:05 p.m. Public Comment
December 12, 6:05 p.m. Public Hearing

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Major Highlights

Financial Overview – Budget Book Page A2-A4

- Mayor recommended a 1.7% increase in the tax levy.
- Mayor's Recommended Budget is \$1.086 billion, a \$38 million or 3.3% decrease from the 2012.
- The Mayor's Recommended Budget book itself is significantly smaller this year – reducing the environmental impact of the printed book, though all sections will be included in the Council Adopted Book. As part of this process, the Mayor will move a set of revised financial policies in the coming months to be included in the Council Adopted Budget.

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Major Highlights



- The Mayor's Recommended Budget reduced department expenditures in 2013 to reflect savings attributable to a lower cost for health insurance. This is not a cut to departments as department expenses will be lower due to the reduced rate – the new rate simply reduces anticipated City-incurred costs.
- The Mayor recommends the restructuring of the Regulatory Services Department, with certain functions moving to CPED, Health & Family Support, and Public Works. The remaining functions will be realigned into a more streamlined Department of Inspections.
- The Mayor's Recommended Budget also includes additional expected revenue associated with stadium activities. Without this revenue, the levy would have been \$5 million higher.

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Major Highlights



- Capital Budget includes funding for major initiatives related to street paving, storm sewers and water infrastructure.
- Transfers and independent boards are not included in overview financial information.
- The Mayor's Recommended Budget also includes a Five-Year Financial Direction that is balanced, includes no additional departmental cuts, and holds projected tax levy increases to less than 4% in all years.

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Financial Overview

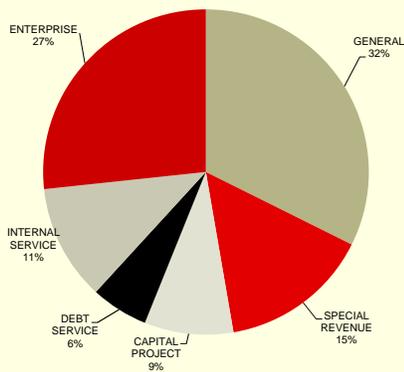
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Financial Overview

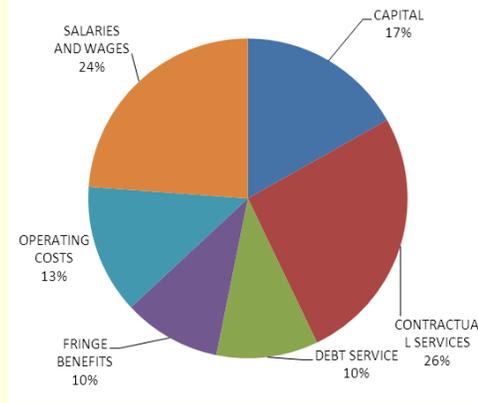
- **\$1.086 Billion Budget**
 - Spending level decreases by \$38 million (3.3%) from 2012 Adopted Budget
- **3,661 Positions**
 - Increase of 6 positions from 2012 adopted level
 - Reduction of over 480 positions from 2008 adopted level

Expenditures by Fund Category

\$1.09 Billion

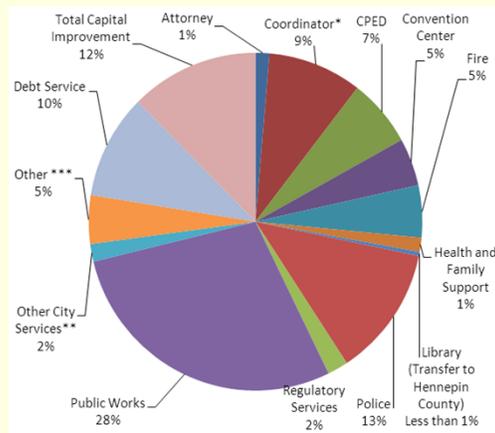


Mayor's Recommended 2013 Budget
Expenditures by Major Type
\$1.09 Billion
Budget Book Page A11



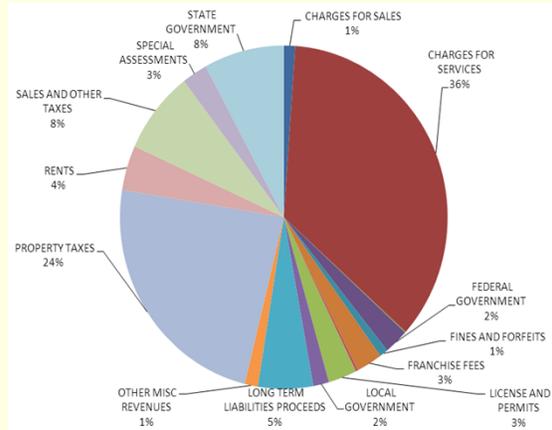
*The Capital category includes capital improvements in the City's Capital Program as well as capital expenditures within operating departments.

Mayor's Recommended 2013 Budget
Expenditures by Major Functions
\$1.09 Billion
Budget Book Page A4



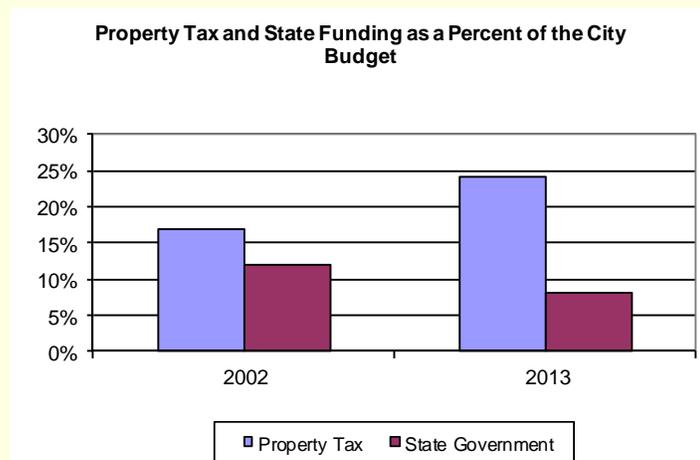
* Includes Human Resources, Finance, 311, Intergovernmental Relations, Communications, Neighborhood and Community Relations, BIS, 911 and Emergency Preparedness
 ** Includes Assessor, City Clerk/Elections/Council, Civil Rights and Mayor
 *** Includes self insurance, contingency and certain pension obligations

Mayor's Recommended 2013 Budget
 Revenues by Major Sources
 \$1.09 Billion
 Budget Book Page A6



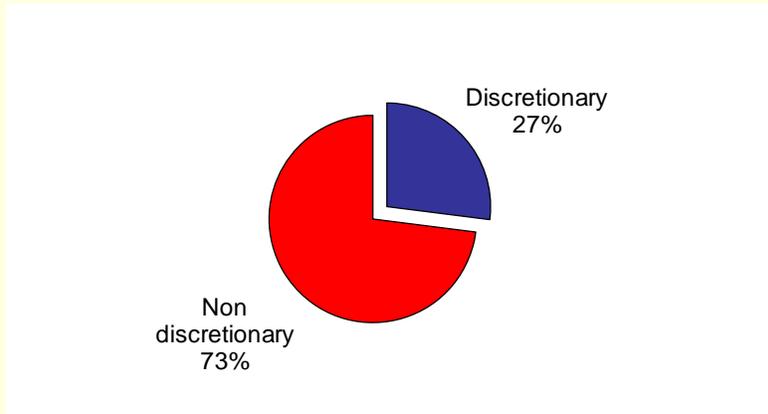
Other Misc Revenues includes gains, contributions, misc, revenues and proceeds from long-term liabilities

Property Taxes vs. State Government Funding
 2002 vs. 2013



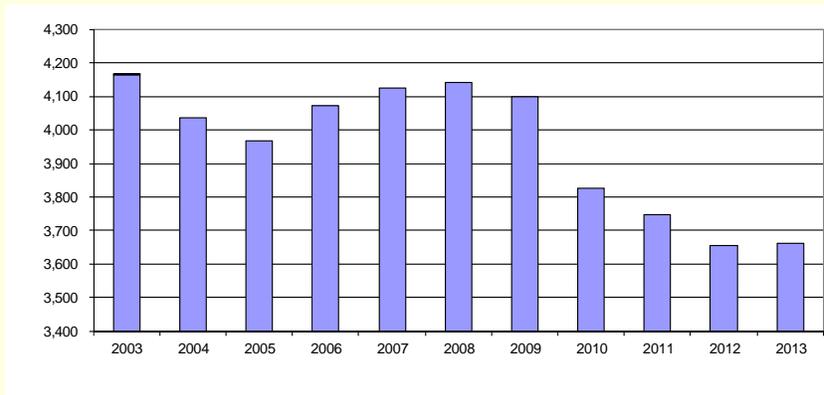
Resource Flexibility (What Funding has Strings Attached?)

2013, All Funds



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Historical FTE levels



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Major Budget Pressures

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Mayor's Recommended 2013 Budget

Major Budget Pressures

Budget Book Page A12

- Funding for pension liabilities
 - The City's levy obligations for its pension funds that have merged into PERA are up \$7.2 million from \$20.1 million in 2012 to \$27.3 million in 2013 due to two primary reasons:
 - the asset position on Jan 1, 2012
 - the State's reduction of the investment return assumption for pension plans from 8.5% to 8.0%.
 - Funding for these obligations will be approximately stable in the next several years unless the State acts to change assumptions related to the plans.
 - Regular costs for the City's obligations to PERA for current employees are expected to rise \$0.6 million, from \$27.4 million in 2012 to \$28.0 million in 2013.

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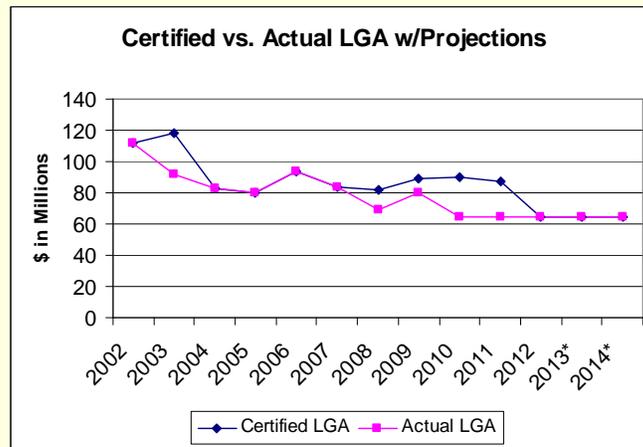
Major Budget Pressures

Budget Book Page A11

- Personnel and benefits
 - Total personnel expenditures are increased to \$300.3 million, up from \$293.3 million in 2012.
 - Benefit costs are anticipated to rise to \$125.5, up from \$119.1 million in 2012, primarily driven by the cost of providing health insurance.
- Support for internal services
 - Asset balances in the workout plans for the IT fund, equipment fund and self-insurance fund were \$61.7 in the red in 2000. By 2011, combined net assets were positive, at \$53.3 million with cash balances of \$71.9 million.

Major Budget Pressures

Local Government Aid Reductions



*2014 is a projected number.

Major Budget Pressures

Budget Book Page A12

- Technology funding
 - For 2013, a total of \$1.2 million in technology projects funded through property tax supported debt (\$9.4 million in 5-year plan).
 - Funding the ongoing operating costs for new technology requires other cost reductions.

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Major Budget Pressures

Budget Book Page A11

- Payment of outstanding bond obligations
 - \$112.0 million in estimated principal and interest payments for 2013, as compared to \$180.9 million in 2012
 - This represents 10% of the City's total budget
 - Budget includes full funding for all bond obligations
- Funding for City infrastructure
 - \$121 million in 2013; \$605 million over five years
- Obligation to Hennepin County for libraries
 - \$9.3 million market value referendum through 2030
 - \$4.1 million in 2013, with declining operating contribution through 2017

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Property Taxes

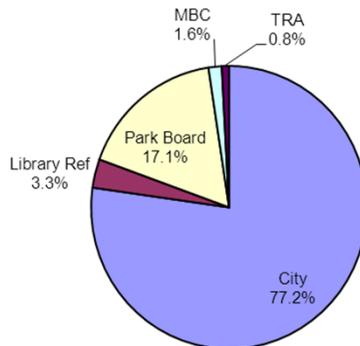
Includes Taxpayer Impacts

Mayor's Recommended 2013 Budget

Property Tax Levies by Entity

Budget Book Page A25

Property Tax by Fund - \$284.4 Million



*City includes BET, pension, library operating transfer, capital and debt levies

2013 Property Tax Levies

Budget Book Page A33

- City levy is up 1.5% to \$219.6 million
- Park Board levy is up 3.0% to \$48.6 million
- Minneapolis Public Housing Authority does not have a levy in 2012 and beyond
- Library referendum levy constant at \$9.3 million
- Teacher's Retirement Association levy is decreased 2% to \$2.4 million
- Net combined levies are up from 2012 at 1.7% to \$284.4 million

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Property Taxpayer Impacts

Budget Book Page A29

- Impacts depend on five key factors:
 - Individual property value
 - Value of other properties in the City
 - Value of properties within tax increment districts
 - Tax rate
 - Market Value Exclusion Program

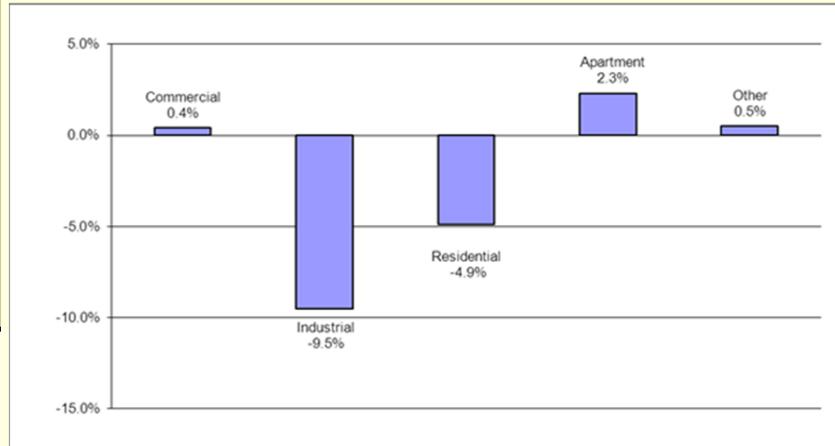


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Mayor's Recommended 2013 Budget

Change in Tax Capacity for Taxes Payable 2013

Budget Book Page A30



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What does revenue increase “feel like” to taxpayer?

- Factors affecting actual property tax: market value, market value exclusion program, citywide tax base, tax increment districts, levy
- Mayor's proposal has 1.7% levy increase
- Combining all factors, almost 2/3 of residential Minneapolis property taxpayers will see their City portion of their taxes drop from 2012 to 2013.

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Mayor's Recommended 2013 Budget

Property tax scenario on typical family home assessed at \$195,500 in 2012 with a declining market value of 5%

Budget Book Page A36

	2012	2013	% Change	\$ Change
Assessed Market Value (MV)	\$195,500	\$185,725	-5.0%	(\$9,775)
Market Value Credit Exclusion	(\$24,005)	(\$20,525)		(\$3,480)
Taxable Value	\$171,495	\$165,200	-3.7%	(\$6,295)
Tax Capacity	\$1,715	\$1,652	-3.7%	(\$63)
City Property Taxes				
Tax Capacity based Taxes	\$1,244	\$1,241	-0.2%	(\$3)
MV Referendum Tax	\$54	\$53	-1.9%	(\$1)
Total City Property Taxes	\$1,298	\$1,294	-0.3%	(\$4)

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Financial Policies

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Financial Policies



■ New In 2013

- The Mayor is moving a major update to the City's financial policies separately from the budget recommendation, but to be incorporated in the final 2013 Council Adopted Budget.
- The policies will be streamlined for readability and moving the package separately will allow for greater focus on the final product, which will be policy-oriented as opposed to procedural.

Five Year Financial Direction

General Fund Financial Plan

General Fund – Big Picture

Budget Book Page C2

- \$351.5 million (\$382.3 with transfers), or 32% of total budget
- Comparison to 2012
 - Department spending: 4.3% increase from 2012
 - Without transfers: 3.4% increase from 2012
 - With transfers: 0.7% increase from 2012

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General Fund – Spending categories

- Department Spending
- General Fund commitments
 - Internal Service Funds
 - Graffiti Removal
 - Wi-fi
 - Target Center Financial Plan
 - Library
 - Pension Management Plan
- Property tax commitments
 - Debt Service
 - Closed Pension Fund levies

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Mayor's Recommended 2013 Budget

General Fund – Cost drivers

■ Departments

- Compensation, Health care and other employee benefits
- Increases to department expense
- If cost inflator of departments increases more than tax rate, choice to be made: cut department spending, cut other general fund spending, increase other revenue

■ General Fund Commitments

- Declining internal service fund debt and library commitment
- Increased GF commitment to Wi-Fi

■ Property tax commitments

- Stable closed fund pension payment
- Debt Service driven by net debt Capital program

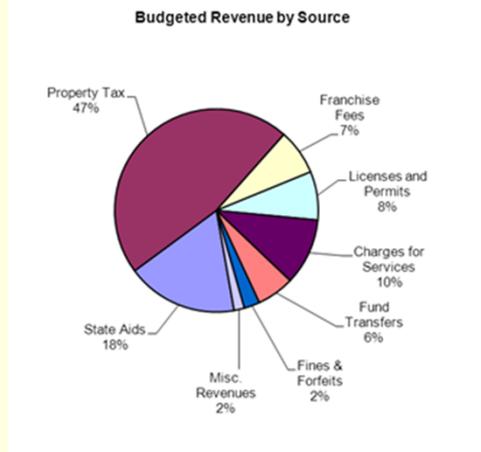
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Mayor's Recommended 2013 Budget

General Fund - Source of Funds by Category

(\$382.3 Million)

Budget Book Page C3



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General Fund

2013 Spending above Target

- **Public Safety**
 - MPD: \$2.5 million
 - MFD: \$1.1 million
 - 911: \$280,000
 - Attorney \$200,000
- **CPED - \$1.6 million**
- **HR**
 - \$800,000 for workforce planning and software licensing
- **Enterprise technology**
 - \$1M to update enterprise technology

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General Fund – Revenue drivers

- **Property tax payer impact**
- **LGA uncertainty**
 - Level stable since 2011, but in 2014 and out years general fund will see \$265,000 less per year due to formula decrease
- **Fine revenue**
 - 10% reduction from 2012 adopted

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Operating Department Summaries

Includes funding from all sources

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Mayor's Recommended 2013 Budget

Assessor, \$4.3 million

Budget Book Page E2

- The Mayor recommends no programmatic changes to this department's budget.
- 35 FTEs – level from 2012

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Mayor's Recommended 2013 Budget

Attorney, \$14.6 million

Budget Book Page E8

The Mayor recommends:

- Increase of 3.1% from 2012 spending levels.
- Department proposed a reduction of 4 FTE to meet original budget target, Mayor added back 2 FTE.
- Department totals 99 FTE.

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Mayor's Recommended 2013 Budget

City Clerk & Elections, \$5.1 million

Budget Book Page E14

The Mayor recommends:

- \$5.1 million, a 3.2% increase from 2012.
- 27 FTEs, an increase of 1, per a contractual agreement, funded with \$77,000 in one-time funding.
- The Mayor also recommended an additional \$100,000 in one-time funding to provide for extra technology expenses associated with the Ranked Choice Voting initiative.

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Mayor's Recommended 2013 Budget
City Council, \$4.5 million

Budget Book Page E20

The Mayor recommends:

- \$4.5 million, an 2.6% increase from 2012.
- No programmatic changes in the budget for this department.
- 39 FTE

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Mayor's Recommended 2013 Budget

Coordinator Administration, \$1.6 million

Budget Book Page E29

- Mayor recommends:
 - No changes to the proposed budget
 - Department does not generate revenue
 - 9 FTE, flat from 2012

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Mayor's Recommended 2013 Budget

311, \$3.1 million

Budget Book Page E36

- No changes to proposed budget
- Department does not generate revenue
- 28 FTE, flat from 2012

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Mayor's Recommended 2013 Budget

911, \$8.1 million

Budget Book Page E41

- Mayor funded 3 FTE to allow department to maintain staffing at 2012 level (\$282,000)
- Revenue: \$515,000 in 911 surcharge fees collected
- 78 FTE, flat from 2012

46

Emergency Management, \$1.7 million

Budget Book Page E46

- Mayor recommends proposed budget with 2 exceptions:
 - Fleet charges on 2 vehicles be transferred to public safety
 - Contractual service spending held to 2012 levels
- 4 FTE in 2013, 2 FTE reduced from 2012 due to attrition and grants ending

47

Information Technology, \$27.3 million

Budget Book Page E81

- Mayor recommends the proposed budget.
- Mayor recommends \$200,000 in one time spending to initiate work on Managed Services RFP
- 54 FTE – the department reduced 3 vacant FTE from 2012 levels

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Mayor's Recommended 2013 Budget

Communications, \$2.1 million

Budget Book Page E51

- Mayor recommends proposed budget
- Mayor recommends \$110,500 in one time funding for Government Access Equipment
- Department increased fraction of FTE from 2012 staffing levels within existing resources

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Mayor's Recommended 2013 Budget

Finance, \$40.1 million

Budget Book Page E63

- Mayor recommends proposed budget in addition to
 - 1 new FTE to augment existing internal controls, particularly around grant management
 - \$150,000 as part of enterprise technology upgrade in conjunction with HR
- 240.5 FTE, Mayor recommends adding one FTE and department added 0.5 FTE within existing resources

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Mayor's Recommended 2013 Budget

Human Resources, \$9.0 million

Budget Book Page E72

- Mayor recommends proposed budget and
 - \$850,000 for enterprise technology upgrade
 - \$90,000 for performance management software licensing
 - \$700,000 for Workforce Planning
 - \$100,000 for Metropass subsidy funded by parking fund transfer. Includes recommendation that employee paid parking move to City owned ramps only.
- Department decreased 1.5 vacant FTE, and Mayor recommends adding 6 for a net addition of 4.5 FTE

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Mayor's Recommended 2013 Budget

Intergovernmental Relations, \$2.8 million

Budget Book Page E87

- The Mayor recommends the proposed budget, and
 - One FTE to compliment grants function in Finance
- 8 FTEs in 2013, and increase of 1 from 2012

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Mayor's Recommended 2013 Budget

Neighborhood & Community Relations,

\$2.6 million, Budget Book Page E92

- The Mayor recommends the proposed budget and
 - \$25,000 in one time funding for Resident Partners program
- Flat FTEs from 2013

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Mayor's Recommended 2013 Budget

Civil Rights, \$2.8 million

Budget Book Page E99

- The Mayor recommends an increase of 12.1% and the addition of 2 FTE to support the One Minneapolis program on an ongoing basis.
- 21 FTEs in total.
- \$17,000 in additional program funding for administration expense for the new Police Conduct Oversight Commission.

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Mayor's Recommended 2013 Budget

Community Planning and Economic Development

\$81.9 million, Budget Book Page 105

- Mayor recommends shifting the Minneapolis Development Review and Business Licensing Divisions from Regulatory Services into CPED, though the budget for this is reflected programmatically and will be refined by committee in the interim prior to the Council Adopted Budget
- 1 Management FTE from the Environmental Health/Licenses and Consumer Services Program will be eliminated.
- 6 Health Inspectors are added to the Environmental Health program, which will be shifted to the Health and Family Support Department.
- \$125k in ongoing support for Greater MSP.
- 3 additional FTE are eliminated.

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Mayor's Recommended 2013 Budget

Convention Center, \$49.6 million

Budget Book Page E57

- Department reduced 17 FTE by moving to a staffing model that allows for more work to be done using part-time staffing.
- 177 FTE in total
- No programmatic changes to the department's budget proposed by the Mayor.
- Target Center operations funded at \$6.8 million

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Mayor's Recommended 2013 Budget

Fire Department, \$54.3 million

Budget Book Page E119

- The Mayor recommends:
 - \$1.1 million in ongoing funding to support the new recruit class hired in 2012. This will allow the department to build bell-curve staffing and maintain adequate staffing for the SAFER grant.
 - 413 FTEs in total authorized maximum staffing in 2013.

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Mayor's Recommended 2013 Budget

Health and Family Support, \$14.8 million

Budget Book Page E125

- The Mayor's recommended budget transfers the Environmental Services and Lead & Healthy Homes programs into the Health and Family Support Department from Regulatory Services.
- The Mayor also recommends \$203,000 of additional ongoing funding for the Environmental Services program to reduce environmental toxin pollution, improve energy efficiency in buildings and implement a new building energy benchmarking program.
- The Mayor recommends \$165,000 in one-time funding and \$110,000 and 1.1 FTE in ongoing support for a new initiative to prevent high-risk youth from becoming victims of crime.
- The Mayor recommends \$50,000 in one-time funding for the Safe and Healthy Homes Investment Partnership so that residents receive coordinated assistance with addressing indoor health issues.

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Mayor's Recommended 2013 Budget

Internal Audit, \$0.4 million

Budget Book Page E135

- 2 FTE in total ongoing support funded (one-time money in 2012 for 0.5 FTE not carried forward).
- No programmatic changes recommended for this department's budget.

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Mayor's Recommended 2013 Budget

Mayor, \$1.6 million

Budget Book Page E141

- The Mayor recommends a 3.2% increase to the operating budget of this department.
- No FTE reduction or programmatic changes. (11 FTE funded)

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Mayor's Recommended 2013 Budget

Police, \$136.1 million

Budget Book Page E146

- This department's budget is \$136.1 million, a 0.5% increase from 2012. The department's General Fund budget \$131.6 million.
- The department's staffing is increased by 10 FTEs from 2012 staffing levels to allow for an increased sworn officer count during summer months. \$2.5 million has been put towards this initiative.
- \$50,000 provided for Mad Dads organization.
- 978 FTE in total, 855 are sworn.

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Mayor's Recommended 2013 Budget

Public Works - \$308.5 million

Budget Book page E153

- \$308.5 million in programs funded
- 3.0% increase in expense from 2012 adopted
- 35 positions reduced
- Total revenue = \$330.8 million (3.6% increase from 2012 adopted)

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Mayor's Recommended 2013 Budget

Public Works Administration, \$2.9 million

- No changes from proposed budget
- No changes in staffing

63

Mayor's Recommended 2013 Budget

Public Works Fleet Services

\$42.9 million

- The Mayor recommends the proposed budget
- 12 vacant FTEs reduced to reflect reduced workload

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Mayor's Recommended 2013 Budget

Public Works Solid Waste & Recycling, \$ 36.8 million

- Department increased 7.33 FTEs within existing resources to reflect actual staffing
- \$150,000 for graffiti micro-grants (ongoing)

65

Mayor's Recommended 2013 Budget

Public Works Surface Water & Sanitary Sewer, Sanitary Sewer - \$46.2 million

- 39.5 FTE - Department increased 1.75 FTE within existing resources (Combined with Stormwater, net loss is 0.75 FTE)

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Mayor's Recommended 2012 Budget

Public Works Surface Water & Sanitary Sewer- Stormwater, \$17.3 million

- 52.4 FTE - Department reduced 0.75 FTE through reorganization (Combined with Stormwater, net loss is 0.75 FTE)

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Mayor's Recommended 2013 Budget

Public Works Traffic & Parking, \$58.0 million

- Changes to programs:
 - Mayor recommends Traffic Control division in Regulatory Services be moved to Traffic & Parking (\$4.6 million, 46 FTE)
 - Mayor funds department's graffiti proposal at \$98,000

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Mayor's Recommended 2013 Budget

Public Works Transportation Maintenance & Repair
\$42.3 million

- Mayor recommends no changes to proposed budget
- Department added 1.68 positions within existing resources to reflect actual staffing patterns

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Mayor's Recommended 2013 Budget

Public Works Transportation Planning & Engineering, \$11.3 million

- Mayor recommends no changes to proposed budget.
- Reduction of 4 vacant positions
- Changes to program:

70

Mayor's Recommended 2013 Budget

Public Works Water Treatment & Distribution

\$50.9 million

- Mayor recommends no changes to the proposed budget
- 12 positions moved to Capital budget, 1 position added within existing resources for net reduction of 11 positions

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Mayor's Recommended 2013 Budget

Regulatory Services, \$21.7 million

Budget Book Page E208

- The Mayor recommends that the Regulatory Services Department be restructured, with the Development Review and Business License Divisions moving to CPED, the Environmental Health and Environmental Services Divisions moving to the Health and Family Support Department, and the Traffic Control Division moving to the Public Works Department.
- The Mayor also recommends the elimination of 2 management FTEs within the remaining Regulatory Services Department, the elimination of 1 management FTE within the Environmental Health/Licenses and Consumer Services program and the transfer of 1 management FTE to CPED.

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Financial Plans

Budget Book Page A9



- **City General Fund:** police, fire, public works, inspections/licenses, other departments
- **Enterprise Funds:** sewer, water, parking, solid waste, stormwater, park operations
- **Internal Service Funds:** equipment, information technology, property services, self insurance
- **Special Revenue Funds:** convention center, federal/state grants
- **Capital/Debt Funds:** includes governmental related capital and debt - not the proprietary funds
- **Independent Boards:** Park, Building Commission, Board of Estimate

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Special Revenue Funds

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Mayor's Recommended 2013 Budget

Community Development Block Grant

Financial Schedule – Budget Book Page F54

- Mayor's Recommendation is flat from 2012 Consolidated Plan (\$14.9M)
- Departments asked to plan for 25% and 50% reductions in the event that the award amount is substantially reduced



Mayor's Recommended 2013 Budget

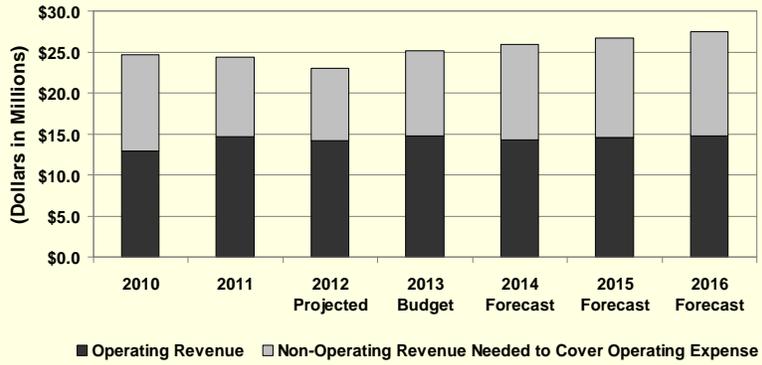
Convention Center Fund

Financial Schedule – Budget Book Page C19

- Expense \$25.2 million, Revenue \$14.8 million, Operating deficit: \$10.4 million
- Ongoing equipment and improvements budgeted at \$8.8 million
- Local tax projected to increase 3.1%
- Entertainment tax not longer included in Convention Center Fund revenues. It is considered direct revenue to the General Fund

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Mayor's Recommended 2013 Budget
Convention Center
Operating Revenue and Expense



Enterprise Funds

Public Works Utility Fees

Financial Overview – Budget Book Page A28

- **Stormwater, Sanitary Sewer and Water Utility Fee increases**
 - Water Rate increase: 2.8%, average monthly charge is \$28.33
 - Sanitary Sewer Rate increase: 3.0%, average monthly charge is \$21.83
 - Stormwater Rate increase: 1.1%, average monthly charge is \$11.83
- **Solid Waste and Recycling Fee**
 - Rate increase: 2.8%, average monthly charge per dwelling is \$24.70

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Water Utility Rates

Monthly Cost for Average Consumer

Water - Recommended Rates for Average Households				
Year	Fixed Rate	2013 Proposed Rate (cost per 100 Cubic feet)	Proposed % increase year to year	2013 Cost per Month for avg household (Rate X 8 units + Fixed Rate)
2012	\$2.00	\$3.20		\$27.60
2013	\$2.00	\$3.29	2.8 %	\$28.32
2014	\$2.00	\$3.38	2.7 %	\$29.04
2015	\$2.00	\$3.48	3.0 %	\$29.84
2016	\$2.00	\$3.58	2.9 %	\$30.64
2017	\$4.00	\$3.58	0.0 %	\$32.64

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Mayor's Recommended 2013 Budget

Sanitary Sewer Utility Rates

Average Bills and Revenue



Sanitary Sewer - Recommended Rates for Average Households				
Year	Fixed Rate	2013 Proposed Rate (cost per 100 Cubic feet)	Proposed % increase year to year	2013 Cost per Month for avg household (Rate X 6 units + Fixed Rate)
2012	\$3.00	\$3.05		\$21.30
2013	\$3.00	\$3.14	3.0 %	\$21.84
2014	\$3.00	\$3.24	3.2 %	\$22.44
2015	\$3.00	\$3.34	3.1 %	\$23.04
2016	\$3.00	\$3.44	3.0 %	\$23.64
2017	\$4.00	\$3.44	0.0 %	\$24.64

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Mayor's Recommended 2013 Budget

Stormwater Rates

Average Bills and Revenue



Stormwater - Recommended Rates			
Year	Rate / ESU (Equivalent Stormwater Unit) = 1,530 square feet if impervious surface	Cost per Month for avg household	% increase
2012	\$11.70	\$11.70	
2013	\$11.82	\$11.82	1.0 %
2014	\$11.94	\$11.94	1.0 %
2015	\$12.06	\$12.06	1.0 %
2016	\$12.22	\$12.22	1.3 %
2017	\$12.38	\$12.38	1.3 %

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Mayor's Recommended 2013 Budget

Combined Utility Bill

Monthly Cost for Average Consumer

Residential Average Monthly Bill		
	Current 2012	Recommended 2013
Sanitary	\$ 21.30	\$ 21.84
Storm	\$ 11.70	\$ 11.82
Water	\$ 27.60	\$ 28.32
Solid Waste	\$ 22.00	\$ 24.70
Total	\$ 82.60	\$ 86.68

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Mayor's Recommended 2013 Budget

Water Fund

Financial Plans – Budget Book Page C50

- Contains revenue from water delivery system for the City and suburban customers. Suburban customers are 17% of the fund's business
- 2013 recommended budget includes 2.8% rate increase
- The rate increase will provide for multi-year capital projects, anticipated growth in infrastructure and infrastructure repair

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Parking Fund

Financial Plans – Budget Book Page C36

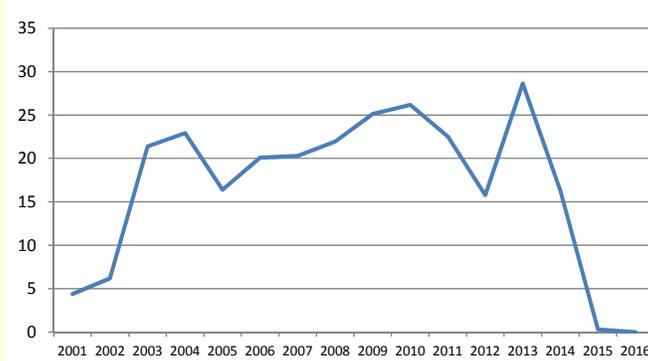
- Revenue increases 2.4% from 2012 as a result of smart meters, declining tows
- Expenses decrease 9% from 2012 as a result of completion of on street meter implementation and associated one time costs, operational efficiencies, declining tows



Internal Service Funds

Mayor's Recommended 2013 Budget

Internal Service Funds: General Fund Support



The steep decline in 2012 was a postponement of Internal Service Fund obligations to create capacity in the General Fund to pay other obligations (such as pensions)

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Mayor's Recommended 2013 Budget

Internal Service Fund Summary

Financial Plans – Budget Book Pages C55-C84

- Intergovernmental Services Fund
 - \$32 million in spending for 2013, a 27% decrease from 2012 projected
 - Debt service payment reduced 78% in 2013
 - Transfer from general fund \$13.5 million
- Self-Insurance Fund
 - \$28.5 million in spending for 2013, a 11% increase from 2012 projected
 - 2012 year end net asset position projected to be \$1.5 million
 - Transfer from general fund \$3.6 million
- Fleet Services Fund
 - \$45.8 million in spending for 2013, a 7% decrease from 2012 projected
 - General fund contribution for debt service in 2012 is \$8.3 million⁸⁸

Mayor's Recommended 2013 Budget Status of Long-Term Financial Plans

Status of Workout Plans (in millions)

	Adopted	Original Cash Deficit (2000)	Original Net Asset Deficit (2000)	2011 Year-End Net Assets	Target Date for Positive Cash Balance	2011 Year-End Cash Balance
Self-Insurance	2003	(\$8.10)	(\$49.50)	(\$4.10)	2007	\$48.60
Equipment	2001	-16.6	0	35.2	2003	12.3
IT	2000	-12.9	(12.2)*	22.2	2009	11.0
Internal Service Fund Total		(\$37.60)	(\$61.70)	\$53.30		\$71.90
Parking Fund	2004	(\$8.60)	\$75.70	\$157.20	2010	\$11.60

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

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Capital Budget

Presentation on October 31

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Capital Program

Capital Section – Budget Book Page D1

- \$605 million five-year capital improvement program.
- \$121 million recommended for 2013.
- More detailed capital presentation on October 31.

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2013 Recommended Budget

Upcoming Dates

November 28, 6:05 p.m. Public Comment
December 12, 6:05 p.m. Public Hearing

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2013 Recommended Budget Upcoming Dates

- November 28 – **Public Comment** on Budget and Levy at 6:05pm
- December 5- Budget Mark-up (if needed, continuing December 6)
- December 12 – **Public Comment** at 6:05pm to be followed by Final Budget Adoption

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For More Information...

All of the Mayor's Recommended Budget documents are available on the City's website at

<http://www.minneapolismn.gov/city-budget/2013recc/index.asp>

Thank you for your interest and attention!

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