

## FINANCE & PROPERTY SERVICES DEPARTMENT

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### MISSION

Provide essential financial services, resource and asset management, and guide decisions to ensure the City's lasting vibrancy and financial strength.

### BUSINESS LINES

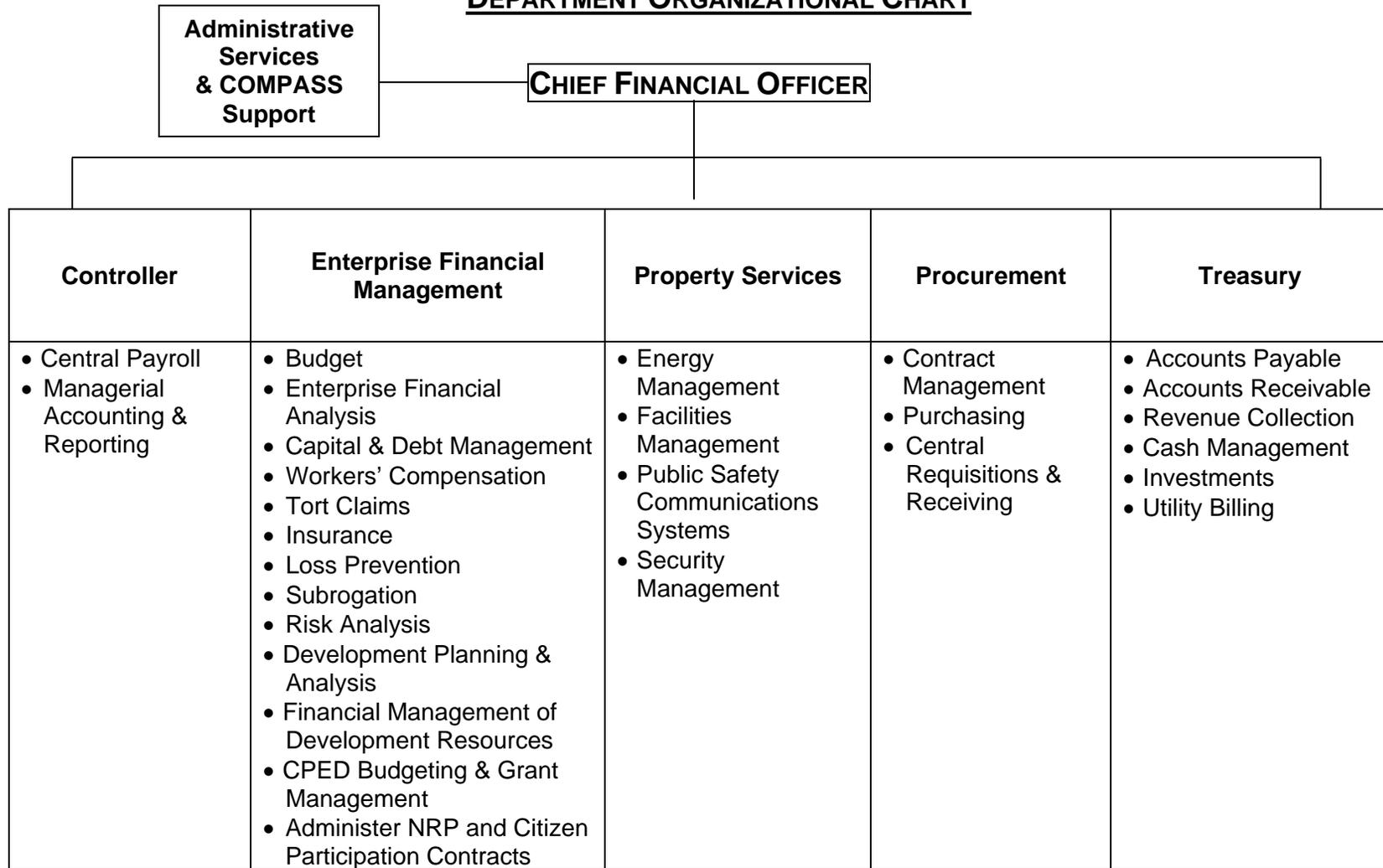
- **ACCOUNTING AND FINANCIAL REPORTING** – monitor and report department revenues and expenditures to managers and policy-makers; prepare City's quarterly financial report and Comprehensive Annual Financial Report (CAFR); respond to internal and external audits; design and administer rate models that allocate shared costs for internal services; assist managers during the annual budget process; and provide functional support of COMPASS; provide services to City departments that receive grants by tracking and monitoring grant-related revenues and expenses, and reporting this information to grantors so the City remains in compliance and continues to receive and preserve the authority to expend these funds; and provide financial analyses and pertinent information necessary to support City development decisions and investment intended to stimulate tax base growth, job creation/retention and the production of new housing units.
- **BUY, ORDER AND PAY FOR GOODS AND SERVICES** – facilitate the purchase of goods and services on the most favorable terms according to state law and City policies; assure contracts are consistent with good business practices and City policies; create requisitions for goods and services, issue purchase orders, document receipt of goods and services, and pay vendors.
- **ERP APPLICATION AND SYSTEM FUNCTIONAL SUPPORT** – this information technology system also known as COMPASS is used to provide information on the City's financial resources to include tracking of financial transactions on a daily, monthly and annual basis, maintaining historical records and details on how each employee is paid and where their time should be charged and recording contractual information, approvals for purchases, quantity, type and price of goods and services purchased, the department making the purchase, and the financial coding to which charges should be applied.
- **FACILITIES, ENERGY AND SECURITY MANAGEMENT** -- 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. Further provide centralized energy management services that support energy conservation, renewable energy and alternative fuels, and emissions reductions.
- **INVESTING, CASH MANAGEMENT AND RECEIPTING** – invest City funds, monitor bank accounts and cash balances, make electronic fund transfers and payments, and bill and collect revenue for utilities and do citywide receivable work. Issue monthly utility bills that include charges for water, sanitary sewer, stormwater and solid waste.
- **MBC CITY HALL OPERATING COSTS** – mechanism to collect revenue for City operating departments housed in City Hall to be paid to the Municipal Building Commission (MBC) as a reimbursement for the City's pro-rated portion of the operating costs (the remainder is paid by Hennepin County).
- **PAY EMPLOYEES** – pay employees according to labor agreements, state and federal laws, and City policies.
- **RADIO COMMUNICATIONS AND ELECTRONICS** – provide, maintain, and manage public safety radio communications systems to meet the needs of the City during emergencies as well as

day-to-day operations. In addition, provide for and support (in partnership with the Information Technology Department) the comprehensive communications, data, video, and electronics needs of the City's Operating Departments.

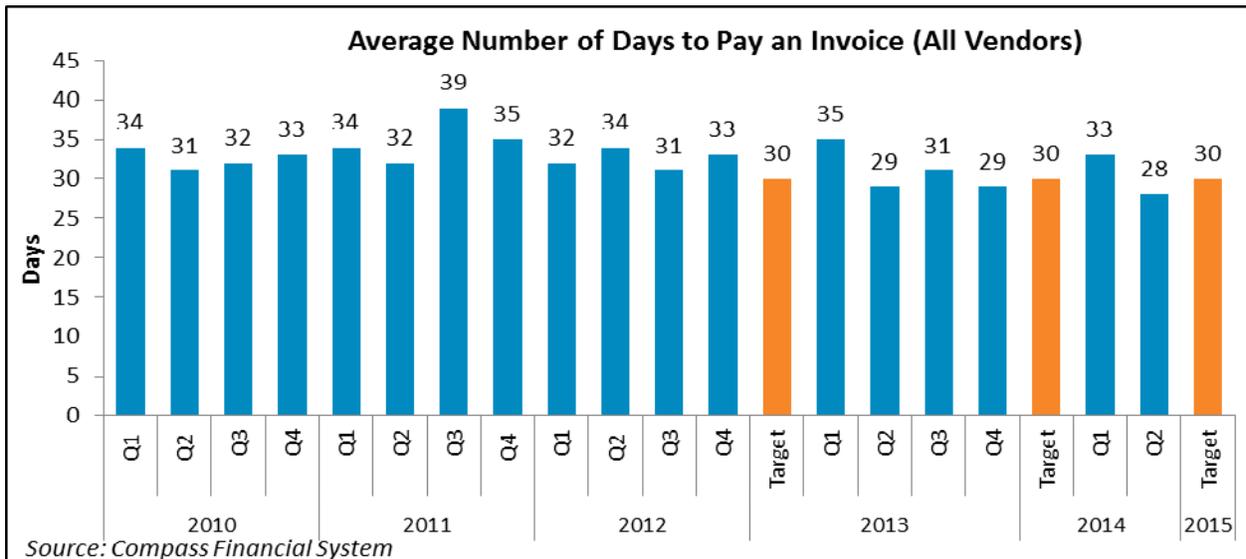
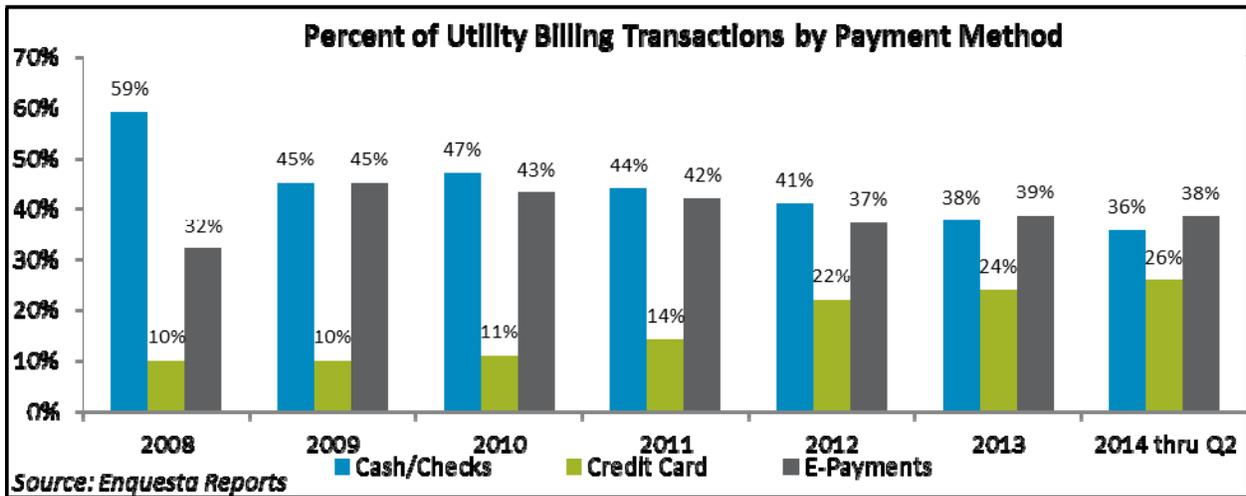
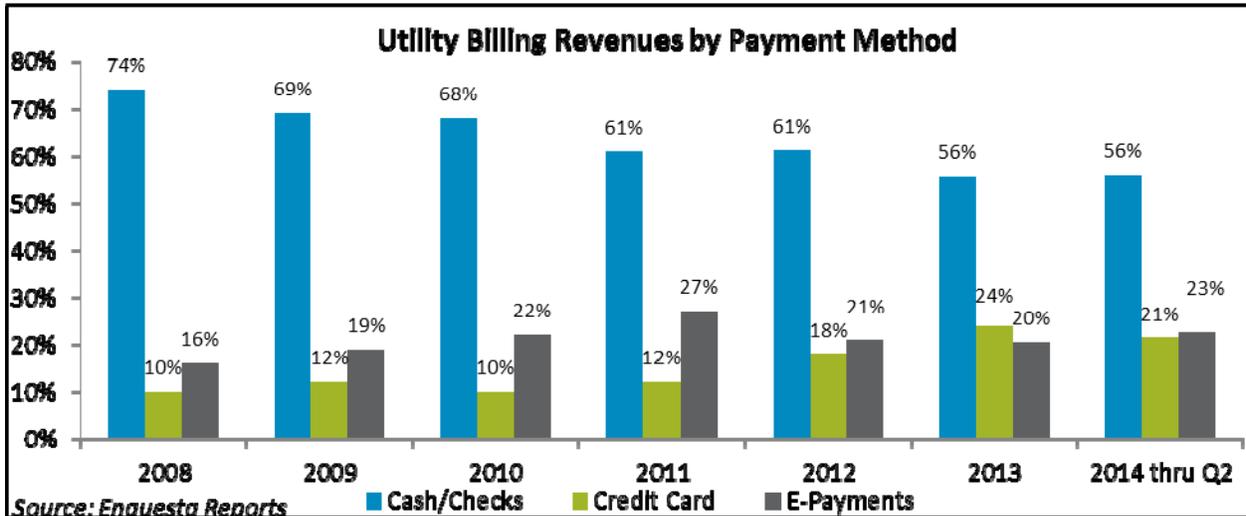
- **RISK MANAGEMENT AND CLAIMS** – protect City assets, prevent loss of money and injury to City employees, and manage claims for workers' compensation and tort.
- **STRATEGIC FINANCIAL SERVICES** – lead City annual budget and long-term financial planning process, initiate financial analyses on issues impacting the City Enterprise, and provide financial information and advice to policy-makers and City leadership.
- **UTILITY BILLING** – all activities associated with billing, payment collection and processing and call center services for City utilities (sewer, water and waste collection).

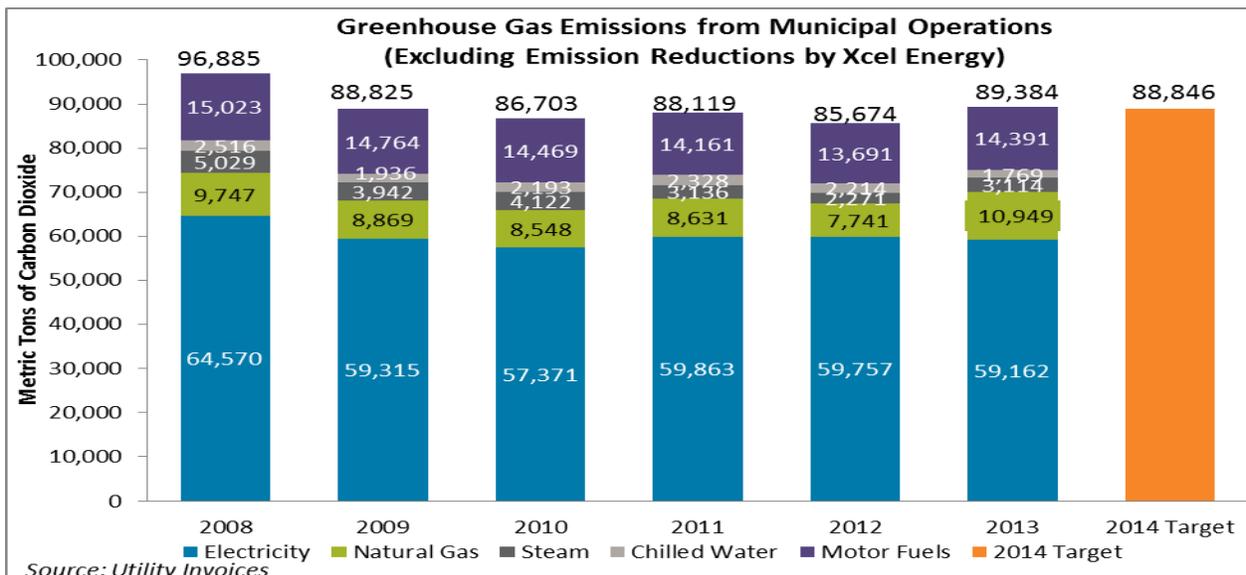
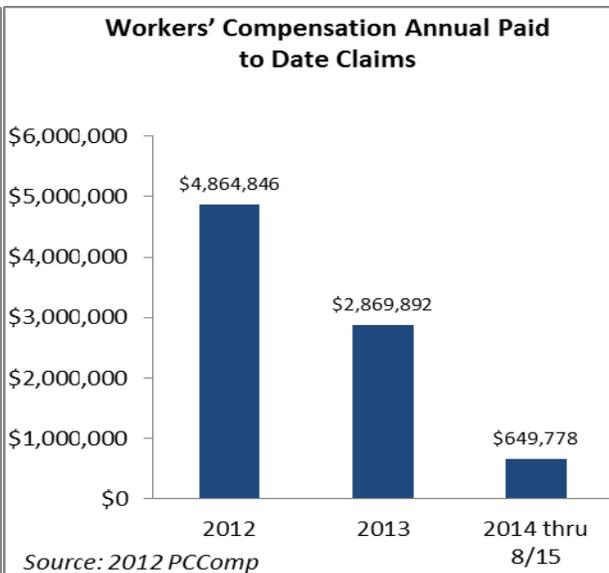
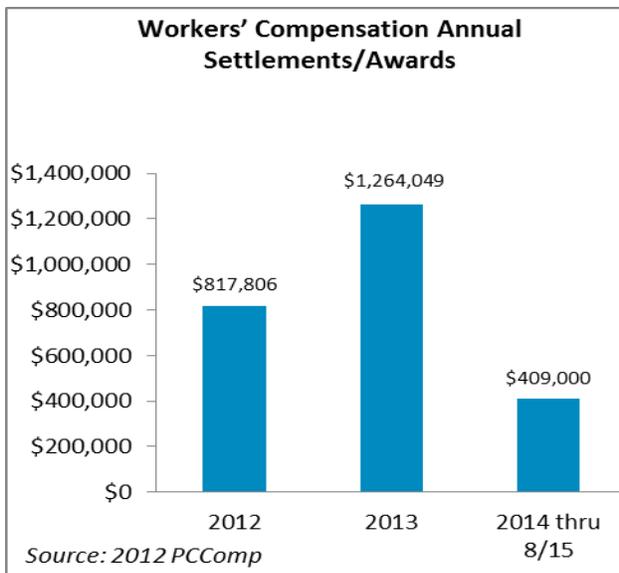
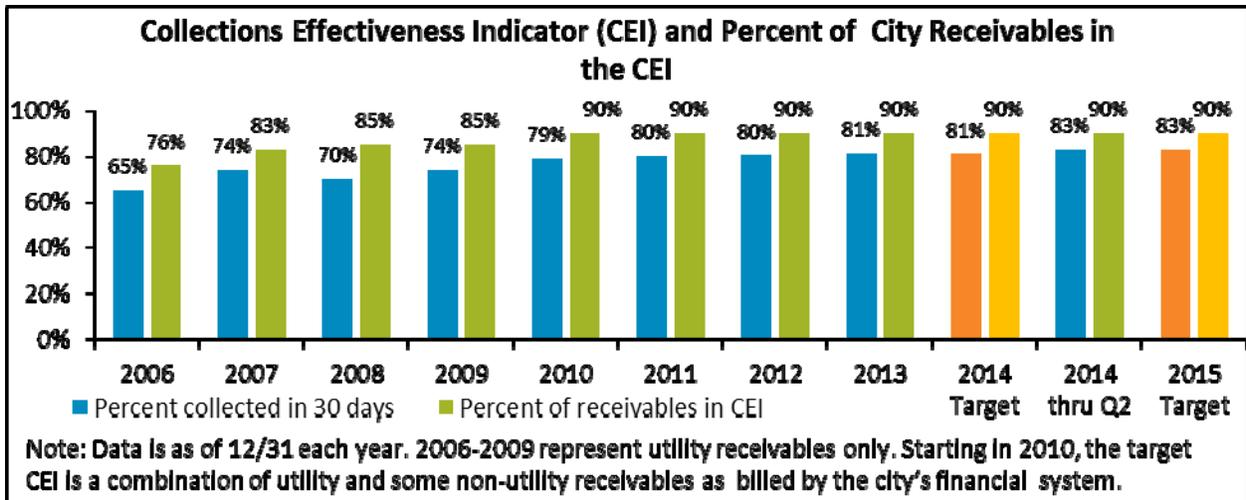
**ORGANIZATION CHART**

**DEPARTMENT ORGANIZATIONAL CHART**



**SELECTED RESULTS MINNEAPOLIS MEASURES**





## **A Hub of Economic Activity and Innovation**

### **Accounting and Financial Reporting**

General Fund: \$6,224,876  
Other Funds: \$227,560

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 includes: monitor and report department revenues and expenditures to managers and policy-makers including grant-related revenues and expenses, and report this information to grantors, 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.

### **Order, Buy and Pay for Goods and Services**

General Fund: \$2,947,779  
Other Funds: \$739,520

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.

## **One Minneapolis**

### **Utility Billing System**

General Fund: \$5,489,689

This program is mandated by Minneapolis City Ordinance and is collaboration between the Finance and Public Works Department 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 operations of these departments, so it is imperative that revenues are billed and collected in an efficient manner.

### **Investment, Cash Management and Receivables**

General Fund: \$1,487,041

This program oversees and manages the City's investment and banking relationships to provide the best return on financial assets and provide customers with the most current banking products and payment channels. This program is further charged with daily monitoring, analysis, and forecasting of cash flow to ensure that the City is able to meet its funding requirements for vendor payments and employee payroll. The functions of receipting, depositing, and reporting

City revenues from all City Departments including revenues received by cash, credit card, and electronic payments are also performed by this program.

## **A City That Works**

### **Pay Employees**

General Fund: \$1,618,872

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.

### **Risk Management & Claims**

General Fund: \$35,873  
Other Funds: \$2,096,502

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.

### **ERP Application & System Functional Support**

General Fund: \$559,702

This program provides services related to the Enterprise Resource Planning (ERP) system used by both Finance and Human Resources, and technically supported by the Information Technology Department – the Human Resources Information System (HRIS) and the City's "COMPASS" financial system, which through current upgrade efforts will be re-launched late in 2015 as COMET (City of Minneapolis Enterprise Technology). These two systems provide information on the City's human and financial resources. Information from the COMPASS/COMET ERP system is for managing the City's financial resources, long-term planning and making decisions on how these limited resources should be invested or expended. The City shares financial information with external stakeholders such as City residents and businesses, bond rating agencies, investors, State Auditor, and other public and private organizations. This data is used by all parties to inform and empower them, and for planning, making decisions and offering suggestions regarding the ways in which the City does business and invests financial resources. The ERP system provides access to current and historical financial information for the entire City. Using data from the ERP, Finance regularly publishes and makes publicly available financial information on the budget and annual audited financial statements to support transparency and access to quality information.

## **Living Well**

### **Strategic Financial Services**

General Fund: \$2,841,141

The goal of this program is to support and maintain the City's financial health so the City can continue to provide its array of services to residents, businesses and visitors, and maintain

public health and safety. Through the use of projections and financial analyses, this program strives to provide information to policy-makers and others for making important decisions about the future and stability of the City. In addition, as part of the annual budget process coordinated and administered under this program, 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.

**Radio Communications & Electronics**

General Fund: \$35,873  
Other Funds: \$2,101,285

The primary purpose of this program is to provide, maintain, and manage public safety radio communications systems to meet the needs of the City during emergencies as well as day-to-day operations. This program also provides for and supports (in partnership with the Information Technology Department) the comprehensive communications, data, video, and electronics needs of the City's Operating Departments.

**Facilities, Energy & Security Management**

General Fund: \$182,636  
Other Funds: \$14,367,063

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.

**Great Places**

**MBC/City Hall Operating Costs**

Other Funds: \$5,076,875

This purpose of this program is to provide a mechanism to collect revenue for operating departments housed in City Hall to be paid to the Municipal Building Commission (MBC) as a reimbursement for the City's pro-rated portion of the building operating costs (the remainder is paid by Hennepin County). The MBC is a four-member independent board consisting of: President - Chair, Hennepin County Board; Vice President - Mayor, City of Minneapolis; County Member - Hennepin County Commissioner; and City Member - City Council Member. A state statute governs the authority and responsibility of the MBC to preserve, maintain and care for one building - the Minneapolis City Hall and Hennepin County Courthouse.

**Financial Analysis**

**Expenditure**

The total Finance and Property Services Department's budget increases from \$43.7 million to \$46.0 million from 2015 to 2016. This is an increase of \$2.3 million, or 5.2%. The Finance and Property Services Department's 2016 expenditure budget reflects the following changes from 2015: inflationary increases in operating costs, \$3.8 million for capitalized equipment expenditures in Property Services, \$700,000 reduction in one-time General Fund resources

related to ERP upgrade in 2015, and rightsizing initiatives of \$100,000 reduction in ongoing General Fund resources.

**Revenue**

Projected revenues of \$23.2 million in 2016 reflect an increase of \$3.7 million or 19.3% from 2015 due to an increase in internal service charges reflecting capital maintenance costs.

**Fund Allocation**

This department is funded primarily by Internal Service funds (52%), with the remainder of the department's funding found in the General Fund (47%) and Special Revenue grant funds (1%).

**Mayor's Recommended Budget**

The Mayor recommended rightsizing the budget by reducing \$101,000 of ongoing General Fund allocations.

**FINANCE AND PROPERTY SERV  
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2013 Actual	2014 Actual	2015 Adopted	2016 Mayor's Recommended	Percent Change	Change
<b>GENERAL</b>						
SALARIES AND WAGES	9,610,670	10,340,991	11,022,063	11,031,367	0.1%	9,304
FRINGE BENEFITS	3,554,647	3,936,596	4,521,418	4,688,185	3.7%	166,767
CONTRACTUAL SERVICES	9,262,197	6,512,392	5,825,516	4,934,178	-15.3%	(891,338)
OPERATING COSTS	705,675	837,503	751,562	762,144	1.4%	10,582
CAPITAL		410,000	49,609	7,609	-84.7%	(42,000)
<b>TOTAL GENERAL</b>	<b>23,133,188</b>	<b>22,037,482</b>	<b>22,170,168</b>	<b>21,423,483</b>	<b>-3.4%</b>	<b>(746,686)</b>
<b>SPECIAL REVENUE</b>						
SALARIES AND WAGES	226,540	161,045	157,345	156,829	-0.3%	(516)
FRINGE BENEFITS	62,910	39,739	57,513	70,731	23.0%	13,218
CONTRACTUAL SERVICES	199,127	182				0
OPERATING COSTS	31,275					0
<b>TOTAL SPECIAL REVENUE</b>	<b>519,852</b>	<b>200,966</b>	<b>214,858</b>	<b>227,560</b>	<b>5.9%</b>	<b>12,702</b>
<b>INTERNAL SERVICE</b>						
SALARIES AND WAGES	4,722,138	5,194,354	5,595,253	5,596,563	0.0%	1,311
FRINGE BENEFITS	2,221,990	1,876,038	2,492,843	2,438,666	-2.2%	(54,176)
CONTRACTUAL SERVICES	12,540,425	13,501,419	11,188,485	10,419,020	-6.9%	(769,465)
OPERATING COSTS	1,390,288	1,368,947	1,603,792	1,603,994	0.0%	202
CAPITAL		0	471,616	4,323,000	816.6%	3,851,384
<b>TOTAL INTERNAL SERVICE</b>	<b>20,874,842</b>	<b>21,940,758</b>	<b>21,351,988</b>	<b>24,381,244</b>	<b>14.2%</b>	<b>3,029,255</b>
<b>TOTAL EXPENSE</b>	<b>44,527,882</b>	<b>44,179,206</b>	<b>43,737,015</b>	<b>46,032,287</b>	<b>5.2%</b>	<b>2,295,272</b>

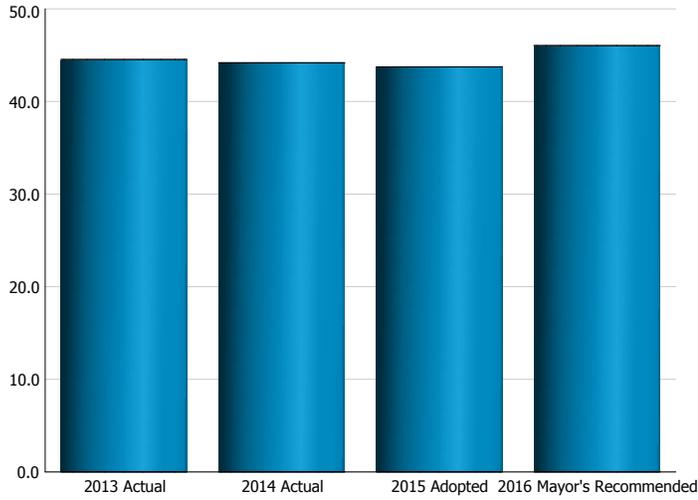
REVENUE	2013 Actual	2014 Actual	2015 Adopted	2016 Mayor's Recommended	Percent Change	Change
<b>GENERAL</b>						
CHARGES FOR SALES	41				0.0%	0
CHARGES FOR SERVICES	4,305	3,894			0.0%	0
OTHER MISC REVENUES	5,315	36,020			0.0%	0
<b>GENERAL</b>	<b>9,661</b>	<b>39,914</b>				<b>0</b>
<b>SPECIAL REVENUE</b>						
FEDERAL GOVERNMENT	(16)				0.0%	0
<b>SPECIAL REVENUE</b>	<b>(16)</b>					<b>0</b>
<b>DEBT SERVICE</b>						
INTEREST		171,161			0.0%	0
<b>DEBT SERVICE</b>		<b>171,161</b>				<b>0</b>

**FINANCE AND PROPERTY SERV  
EXPENSE AND REVENUE INFORMATION**

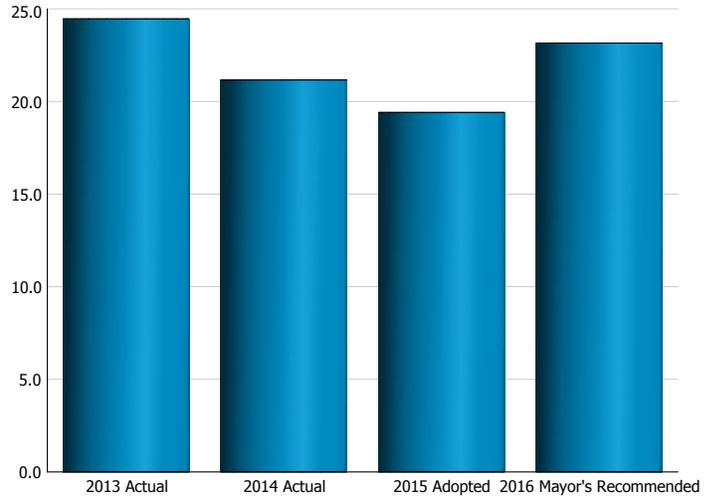
REVENUE	2013 Actual	2014 Actual	2015 Adopted	2016 Mayor's Recommended	Percent Change	Change
<b>INTERNAL SERVICE</b>						
CHARGES FOR SALES	586,406	592,898	324,293	324,293	0.0%	0
CHARGES FOR SERVICES	4,947,655	5,593,028	2,781,373	2,695,033	-3.1%	(86,340)
LONG TERM LIABILITIES PROCEEDS	4,844,732	365,914	347,987	350,595	0.7%	2,608
OTHER MISC REVENUES	11,067	11,269	3,000	3,000	0.0%	0
RENTS	14,060,331	14,388,150	15,951,461	19,782,462	24.0%	3,831,001
<b>INTERNAL SERVICE</b>	<b>24,450,191</b>	<b>20,951,259</b>	<b>19,408,114</b>	<b>23,155,383</b>	<b>19.3%</b>	<b>3,747,269</b>
<b>TOTAL REVENUE</b>	<b>24,459,836</b>	<b>21,162,334</b>	<b>19,408,114</b>	<b>23,155,383</b>	<b>19.3%</b>	<b>3,747,269</b>

## FINANCE AND PROPERTY SERV EXPENSE AND REVENUE INFORMATION

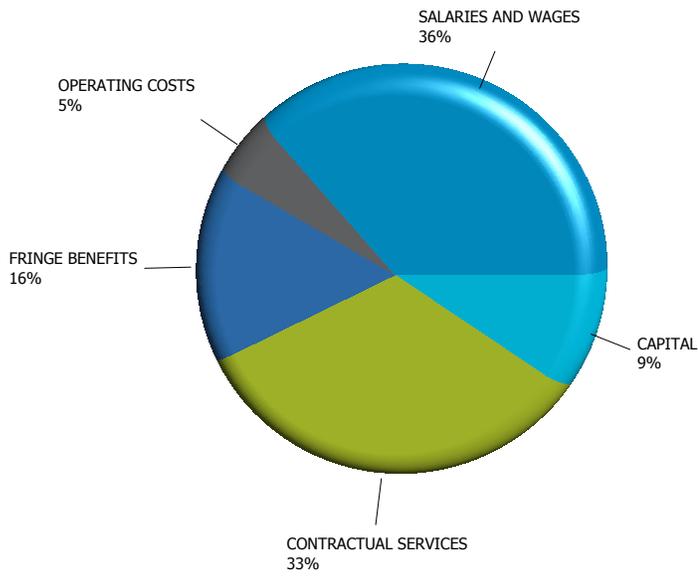
**Expense 2013 - 2016**  
In Millions



**Revenue 2013 - 2016**  
In Millions



**Expense by Category**



# FINANCE AND PROPERTY SERV

## Staffing Information

Division	2013 Budget	2014 Budget	2015 Budget	2016 Mayor's Recommended	% Change	Change
CONTROLLER	68.00	68.00	68.00	68.00	0.0%	0
DEVELOPMENT FINANCE	10.00	11.00	13.00	12.00	-7.7%	(1.00)
EXECUTIVE	6.00	6.00	6.00	6.00	0.0%	0
Management & Budget	7.00	7.00	7.00	8.00	14.3%	1.00
PROCUREMENT	23.00	24.00	25.00	25.00	0.0%	0
PROPERTY SERVICES	63.50	66.00	68.00	68.00	0.0%	0
RISK MANAGEMENT	9.00	9.00	9.00	9.00	0.0%	0
TREASURY	54.00	55.00	55.00	55.00	0.0%	0
Overall	240.50	246.00	251.00	251.00	0.00	0

## Positions 2013-2016

