

CITY OF MINNEAPOLIS

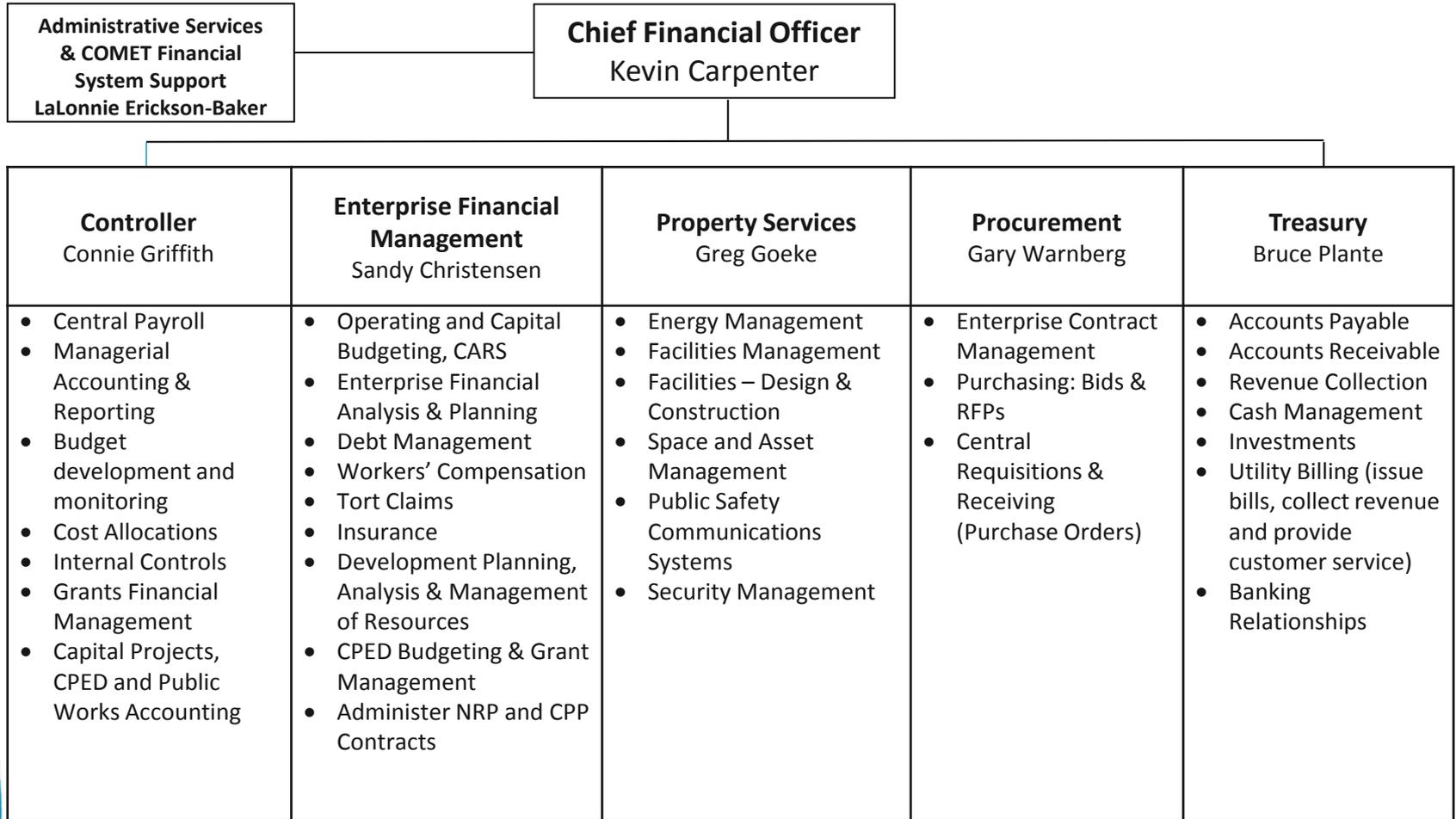
# Finance & Property Services

2016 Mayor recommended budget

October 30, 2015

Budget Book Pages F75-F87

# Organizational Chart



# Budget Summary

| Program name                                | 2015 adopted      |                   | 2016 recommended Funding |                   | Enhancements (new dollars) |                  | FTEs         |            |
|---|-------------------|-------------------|--------------------------|-------------------|----------------------------|------------------|--------------|------------|
|   | General fund      | Non-general fund  | General Fund             | Non general Fund  | General fund               | Non-general fund | Current      | Additional |
| Accounting & Financial Reporting            | 6,855,636         | 214,858           | 6,294,875                | 227,561           |                            |                  | 53.0         |            |
| Utility Billing System                      | 5,526,747         |                   | 5,489,689                |                   |                            |                  | 38.0         |            |
| Order, Buy and Pay for Goods & Services     | 2,672,750         | 725,392           | 2,877,779                | 739,520           |                            |                  | 33.0         |            |
| Investment, Cash Mgmt. & Receivables        | 1,504,574         |                   | 1,487,041                |                   |                            |                  | 9.0          |            |
| Pay Employees                               | 1,283,502         |                   | 1,618,872                |                   |                            |                  | 16.0         |            |
| Risk Mgmt. & Claims                         | 34,664            | 2,459,371         | 35,874                   | 2,096,502         |                            |                  | 9.0          |            |
| Strategic Financial Services                | 2,879,149         |                   | 2,841,141                |                   |                            |                  | 20.0         |            |
| Radio Communications & Electronics          | 34,664            | 2,265,725         | 35,874                   | 2,101,285         |                            |                  | 9.0          |            |
| Facilities, Energy & Security Mgmt.         | 316,633           | 10,581,612        | 182,636                  | 14,367,063        |                            |                  | 59.0         |            |
| MBC/City Hall Operating Costs               |                   | 5,319,887         |                          | 5,076,875         |                            |                  |              |            |
| ERP Application & System Functional Support | 1,061,849         |                   | 559,702                  |                   |                            |                  | 3.0          |            |
| <b>Total</b>                                | <b>22,170,168</b> | <b>21,566,845</b> | <b>21,423,483</b>        | <b>24,608,806</b> |                            |                  | <b>251.0</b> |            |

# Core Programs



# Accounting & Financial Reporting

## Purpose and Context

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.

## Services Provided

- Design, implement and monitor internal controls
- 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
- Assist managers during the annual budget process
- Provide financial analyses and pertinent information necessary to support City decisions and investment

# Accounting & Financial Reporting

| 2015 Adopted Budget |                  | 2016 Recommended Funding |                  | FTEs    | Funding              |
|---------------------|------------------|--------------------------|------------------|---------|----------------------|
| General Fund        | Non-General Fund | General Fund             | Non-General Fund | Current | One-Time<br>(Yes/No) |
| 6,855,636           | 214,858          | 6,294,875                | 227,561          | 53.0    | No                   |

| Goals       |                 |                                     |              |                   |        |
|-------------|-----------------|-------------------------------------|--------------|-------------------|--------|
| Living Well | One Minneapolis | A Hub of<br>Innovation and Activity | Great Places | A City that Works |        |
|             |                 | X                                   |              | X                 |        |
| Values      |                 |                                     |              |                   |        |
| Equity      | Safety          | Health                              | Vitality     | Connectedness     | Growth |
|             |                 |                                     | X            | X                 | X      |

# Utility Billing System

## Purpose and Context

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

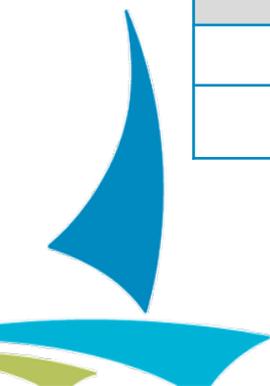
## Services Provided

- Maintain over 100,000 individual customer accounts to ensure accuracy of metering, billing and payment information
- Operate billing system programs to produce and issue approximately 5,000 bills per business day
- Manage the collection of approximately \$15.5 million of revenue billed each month
- Manage the special assessment process of approximately \$600k per year
- Provide functional support for customer online and telephone payment systems
- Respond to phone calls, written requests and customer walk-ins regarding customer accounts
- Manage relationships with various vendors which include collection agencies, billing, telephone and meter reading systems

# Utility Billing

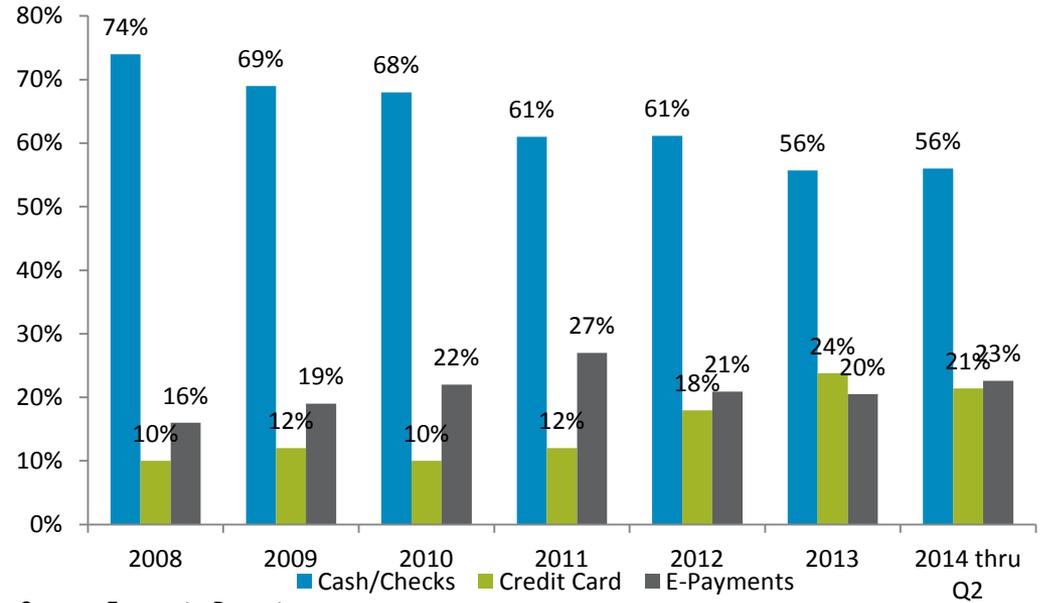
| 2015 Adopted Budget |                  | 2016 Recommended Funding |                  | FTEs    | Funding              |
|---------------------|------------------|--------------------------|------------------|---------|----------------------|
| General Fund        | Non-General Fund | General Fund             | Non-General Fund | Current | One-Time<br>(Yes/No) |
| 5,526,747           |                  | 5,489,689                |                  | 38.0    | No                   |

| Goals       |                 |                                     |              |                   |        |
|-------------|-----------------|-------------------------------------|--------------|-------------------|--------|
| Living Well | One Minneapolis | A Hub of<br>Innovation and Activity | Great Places | A City that Works |        |
| X           | X               |                                     |              | X                 |        |
| Values      |                 |                                     |              |                   |        |
| Equity      | Safety          | Health                              | Vitality     | Connectedness     | Growth |
| X           |                 |                                     |              | X                 | X      |



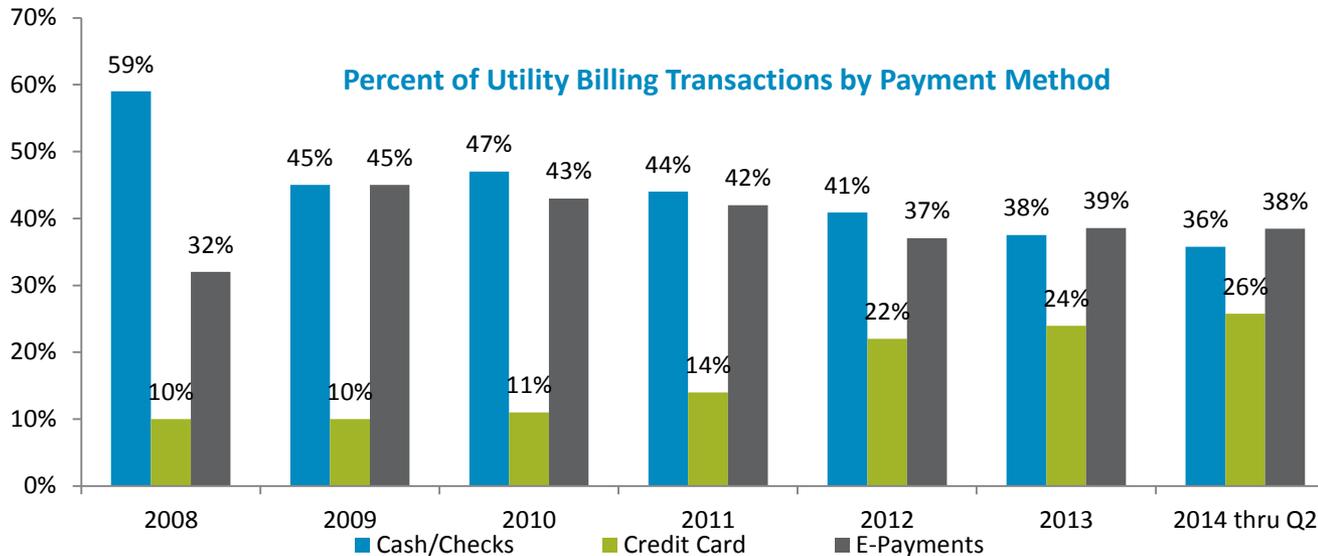
# Utility Billing

## Utility Billing Revenues by Payment Method



Source: Enquesta Reports

## Percent of Utility Billing Transactions by Payment Method



Source: Enquesta Reports

# Order, Buy and Pay for Goods and Services

## **Purpose and Context**

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.

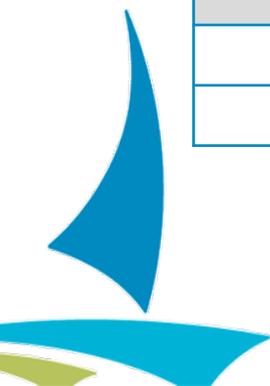
## **Services Provided**

- Create requisitions for goods and services, issue purchase orders, document receipt of goods and services, and pay vendors
- Administer bid and request for proposal processes, price agreements and contract management
- Provide accounts payable function to enter and pay approximately 90,000 invoices annually
- Maintain all City vendor information to ensure internal controls and payments can be made accurately
- Report year-end 1099 tax information to vendors and the IRS

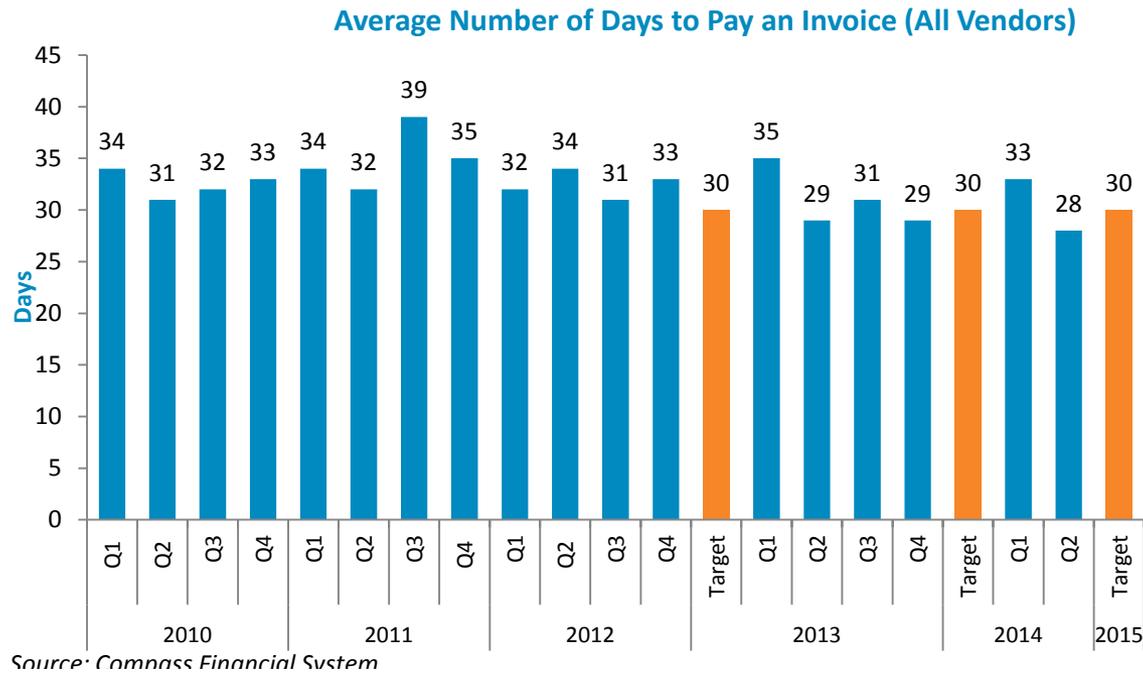
# Order, Buy and Pay for Goods and Services

| 2015 Adopted Budget |                  | 2016 Recommended Funding |                  | FTEs    | Funding              |
|---------------------|------------------|--------------------------|------------------|---------|----------------------|
| General Fund        | Non-General Fund | General Fund             | Non-General Fund | Current | One-Time<br>(Yes/No) |
| 2,672,750           | 725,392          | 2,877,779                | 739,520          | 33.0    | No                   |

| Goals       |                 |                                  |              |                   |        |
|-------------|-----------------|----------------------------------|--------------|-------------------|--------|
| Living Well | One Minneapolis | A Hub of Innovation and Activity | Great Places | A City that Works |        |
|             | X               | X                                |              | X                 |        |
| Values      |                 |                                  |              |                   |        |
| Equity      | Safety          | Health                           | Vitality     | Connectedness     | Growth |
|             |                 |                                  | X            | X                 | X      |



# Order, Buy and Pay for Goods and Services



# Investment, Cash Management and Receivables

## **Purpose and Context**

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.

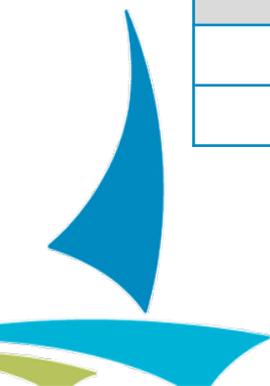
## **Services Provided**

- Establish, monitor, and maintain Internal Controls for City investments, cash management, receivables, and cash receipting
- Measure, analyze, and report investment activity
- Receipt, deposit, and report City revenues from all City Departments including revenues received by cash, credit card, and electronic payments
- Daily monitoring and recording of banking related activities
- Facilitate and monitor PCI (Payment Card Industry) Compliance requirements for credit card activities within all City Departments and comply with all data security requirements

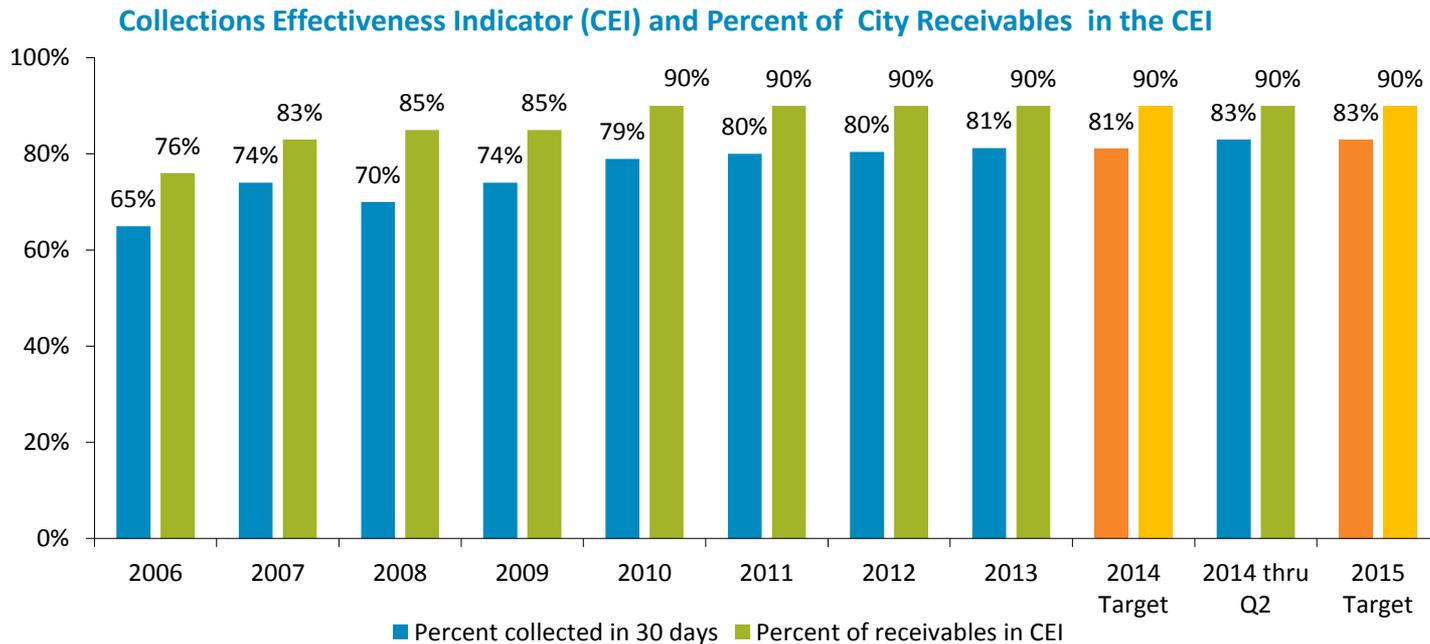
# Investment, Cash Management and Receivables

| 2015 Adopted Budget |                  | 2016 Recommended Funding |                  | FTEs    | Funding              |
|---------------------|------------------|--------------------------|------------------|---------|----------------------|
| General Fund        | Non-General Fund | General Fund             | Non-General Fund | Current | One-Time<br>(Yes/No) |
| 1,504,574           |                  | 1,487,041                |                  | 9.0     | No                   |

| Goals       |                 |                                  |              |                   |        |
|-------------|-----------------|----------------------------------|--------------|-------------------|--------|
| Living Well | One Minneapolis | A Hub of Innovation and Activity | Great Places | A City that Works |        |
|             | X               | X                                |              | X                 |        |
| Values      |                 |                                  |              |                   |        |
| Equity      | Safety          | Health                           | Vitality     | Connectedness     | Growth |
| X           |                 |                                  | X            |                   | X      |



# Investment, Cash Management and Receivables



Note: Data is as of 12/31 each year. 2006-2009 represent utility receivables only. Starting in 2010, the target CEI is a combination of utility and some non-utility receivables as billed by the city's financial system.

Source: enQuesta Reports, Cognos Reports, Compass query



# Pay Employees

## **Purpose and Context**

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.

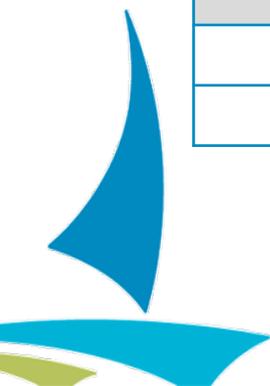
## **Services Provided**

- Proof and audit employee payroll time on a daily, weekly and bi-weekly schedule in order to ensure paychecks are produced
- Manage federal and state tax withholdings and process bi-weekly (payroll) tax deposits
- Payroll also is responsible for processing the following: Federal and state tax levies, child support orders, and student loan and third party garnishments as required by law
- Ensure Human Resource vendors are paid in accordance with various deductions withheld from employee paychecks
- Produce yearly wage and tax statements as required by law

# Pay Employees

| 2015 Adopted Budget |                  | 2016 Recommended Funding |                  | FTEs    | Funding              |
|---------------------|------------------|--------------------------|------------------|---------|----------------------|
| General Fund        | Non-General Fund | General Fund             | Non-General Fund | Current | One-Time<br>(Yes/No) |
| 1,283,502           |                  | 1,618,872                |                  | 16.0    | No                   |

| Goals       |                 |                                     |              |                   |        |
|-------------|-----------------|-------------------------------------|--------------|-------------------|--------|
| Living Well | One Minneapolis | A Hub of<br>Innovation and Activity | Great Places | A City that Works |        |
|             |                 |                                     |              | X                 |        |
| Values      |                 |                                     |              |                   |        |
| Equity      | Safety          | Health                              | Vitality     | Connectedness     | Growth |
| X           | X               | X                                   | X            | X                 | X      |



# Risk Management & Claims

## **Purpose and Context**

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.

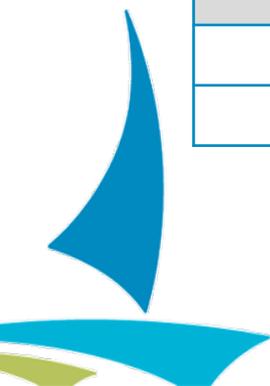
## **Services Provided**

- Manage City Enterprise insurance coverages
- Administer workers' compensation and return to work programs
- Maintain employment services medical provider relationships and contracts
- Process required state-level payments for workers' compensation and unemployment
- Provide safety training and advice, and general guidance to departments on how to reduce financial liability to the City
- Meet federal and state mandated reporting requirements for workers' compensation

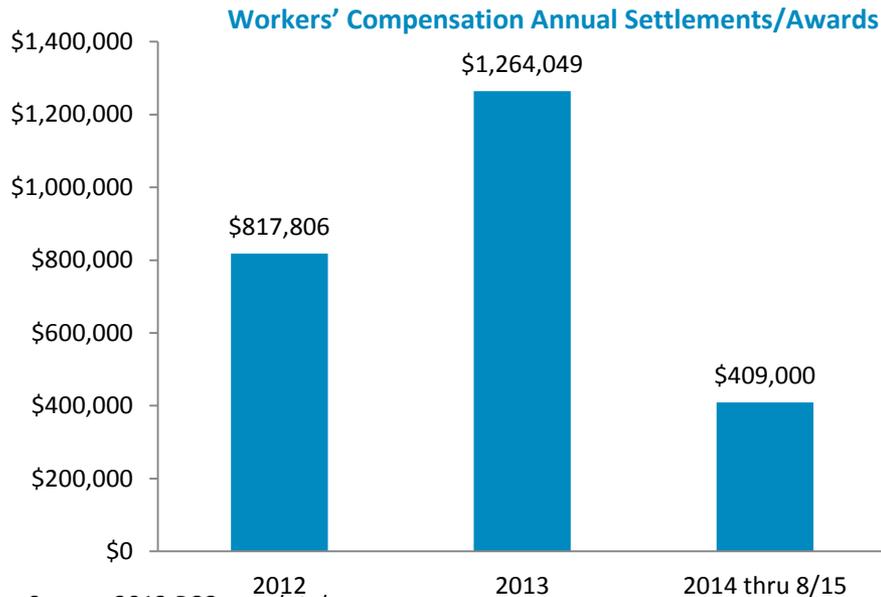
# Risk Management & Claims

| 2015 Adopted Budget |                  | 2016 Recommended Funding |                  | FTEs    | Funding              |
|---------------------|------------------|--------------------------|------------------|---------|----------------------|
| General Fund        | Non-General Fund | General Fund             | Non-General Fund | Current | One-Time<br>(Yes/No) |
| 34,664              | 2,459,371        | 35,873                   | 2,096,502        | 9.0     | No                   |

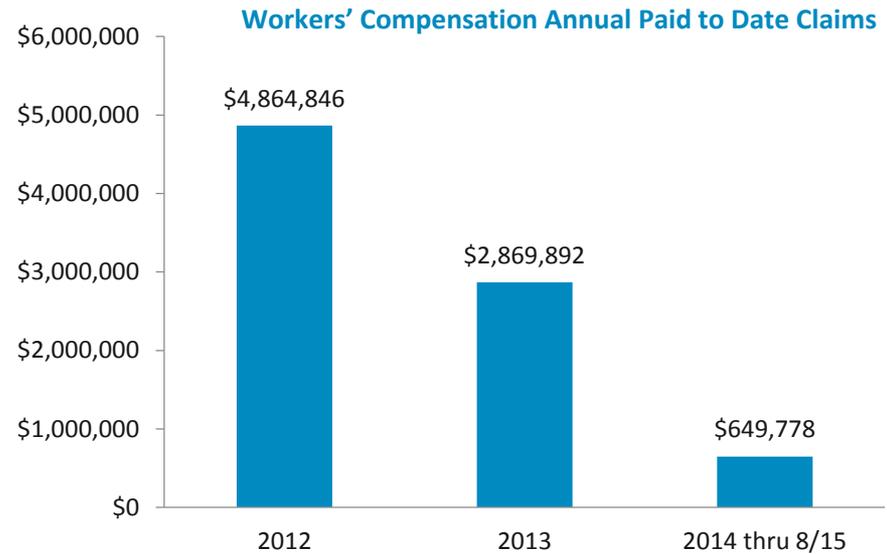
| Goals       |                 |                                     |              |                   |        |
|-------------|-----------------|-------------------------------------|--------------|-------------------|--------|
| Living Well | One Minneapolis | A Hub of<br>Innovation and Activity | Great Places | A City that Works |        |
| X           | X               |                                     |              | X                 |        |
| Values      |                 |                                     |              |                   |        |
| Equity      | Safety          | Health                              | Vitality     | Connectedness     | Growth |
| X           | X               | X                                   |              |                   | X      |



# Risk Management & Claims



Source: 2012 PCComp database,



Source: 2012 PCComp database,



# Strategic Financial Services

## **Purpose and Context**

A primary 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.

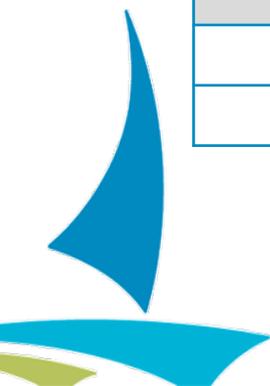
## **Services Provided**

- Manage, plan and oversee the City's financial resources and commitments
- Provide financial information and advice to policy-makers and City leadership
- Perform financial analyses and planning on various issues impacting the City Enterprise (*i.e.*, pension reform, labor forecasting)
- Establish strategies and provide management for Citywide debt
- Develop and administer the annual Citywide process for capital, CARS (capital asset replacement system) and operating budget development

# Strategic Financial Services

| 2015 Adopted Budget |                  | 2016 Recommended Funding |                  | FTEs    | Funding              |
|---------------------|------------------|--------------------------|------------------|---------|----------------------|
| General Fund        | Non-General Fund | General Fund             | Non-General Fund | Current | One-Time<br>(Yes/No) |
| 2,879,149           |                  | 2,841,141                |                  | 20.0    | No                   |

| Goals       |                 |                                     |              |                   |        |
|-------------|-----------------|-------------------------------------|--------------|-------------------|--------|
| Living Well | One Minneapolis | A Hub of<br>Innovation and Activity | Great Places | A City that Works |        |
| X           |                 | X                                   |              | X                 |        |
| Values      |                 |                                     |              |                   |        |
| Equity      | Safety          | Health                              | Vitality     | Connectedness     | Growth |
|             |                 |                                     | X            | X                 | X      |



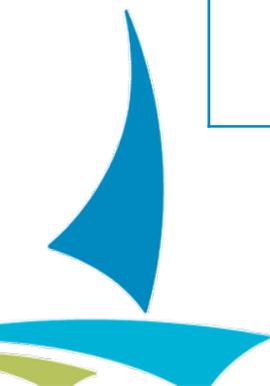
# Radio Communications & Electronics

## Purpose and Context

The 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.

## Services Provided

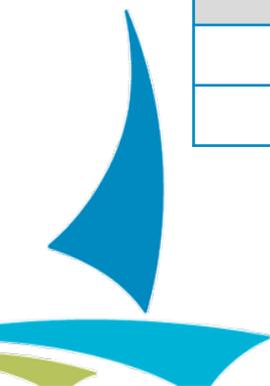
- Responsible for hand-held communications equipment
- Manage installation and maintenance of electronic communications equipment in motor vehicles/equipment for Police, Fire, Public Works, Regulatory Services and Emergency Preparedness, to include in-squad video cameras, Mobile Data Computers and Laptops, Automatic Vehicle Location systems, and WIFI in vehicle systems



# Radio Communications & Electronics

| 2015 Adopted Budget |                  | 2016 Recommended Funding |                  | FTEs    | Funding              |
|---------------------|------------------|--------------------------|------------------|---------|----------------------|
| General Fund        | Non-General Fund | General Fund             | Non-General Fund | Current | One-Time<br>(Yes/No) |
| 34,664              | 2,265,725        | 35,874                   | 2,101,285        | 9.0     | No                   |

| Goals       |                 |                                     |              |                   |        |
|-------------|-----------------|-------------------------------------|--------------|-------------------|--------|
| Living Well | One Minneapolis | A Hub of<br>Innovation and Activity | Great Places | A City that Works |        |
| X           |                 |                                     | X            | X                 |        |
| Values      |                 |                                     |              |                   |        |
| Equity      | Safety          | Health                              | Vitality     | Connectedness     | Growth |
| X           | X               | X                                   | X            | X                 | X      |



# Facilities, Energy & Security Management

## Purpose and Context

The purpose of this Enterprise 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. Provide centralized energy management services that support energy conservation, renewable energy and alternative fuels, and emissions reductions. 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.

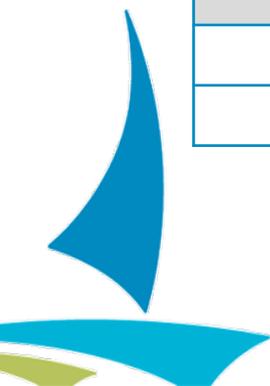
## Services Provided

- Provide strategic real estate planning, space and asset management and capital improvements for the City's owned and leased facilities
- Design, construct and upgrade facility infrastructure and systems to meet the functional needs of City departments, and preserve existing City assets
- Through effective space utilization and management, create work environments that meet the diverse work requirements of City departments
- Renovate space and implement space/furniture standards
- Oversee City use of major energy sources such as electricity, natural gas, and steam and chilled water
- Manage and provide assistance on energy-related capital projects, renewable energy initiatives and emissions reduction efforts
- Develop and implement enterprise internal security plans, policies and procedures for municipal buildings, grounds, and other property
- Conduct security risk and vulnerability assessments, and audits in response to dept security and life safety needs
- Manage security-related capital improvements/modifications to existing facilities and planned requirements for new facilities

# Facilities, Energy & Security Management

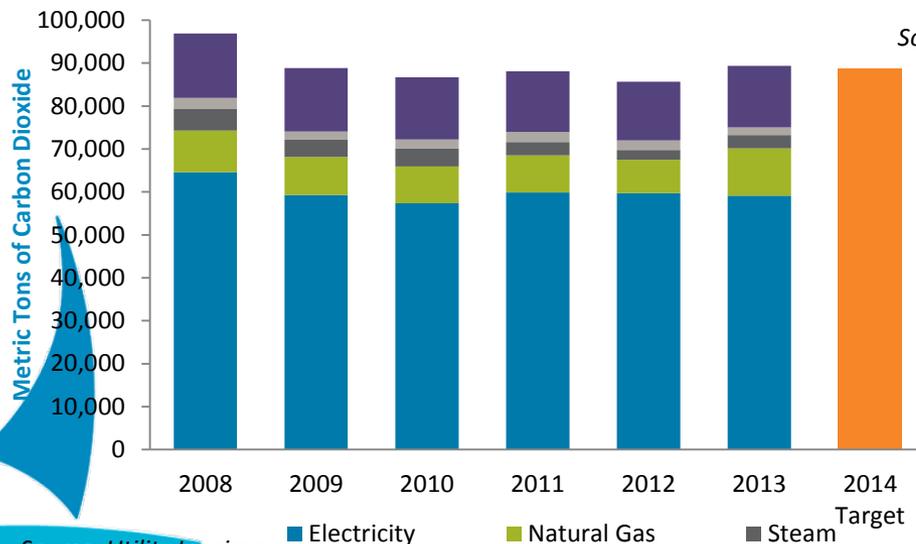
| 2015 Adopted Budget |                  | 2016 Recommended Funding |                  | FTEs    | Funding              |
|---------------------|------------------|--------------------------|------------------|---------|----------------------|
| General Fund        | Non-General Fund | General Fund             | Non-General Fund | Current | One-Time<br>(Yes/No) |
| 316,633             | 10,581,612       | 182,636                  | 14,367,063       | 59.0    | No                   |

| Goals       |                 |                                     |              |                   |        |
|-------------|-----------------|-------------------------------------|--------------|-------------------|--------|
| Living Well | One Minneapolis | A Hub of<br>Innovation and Activity | Great Places | A City that Works |        |
| X           |                 |                                     | X            | X                 |        |
| Values      |                 |                                     |              |                   |        |
| Equity      | Safety          | Health                              | Vitality     | Connectedness     | Growth |
| X           | X               | X                                   | X            |                   | X      |



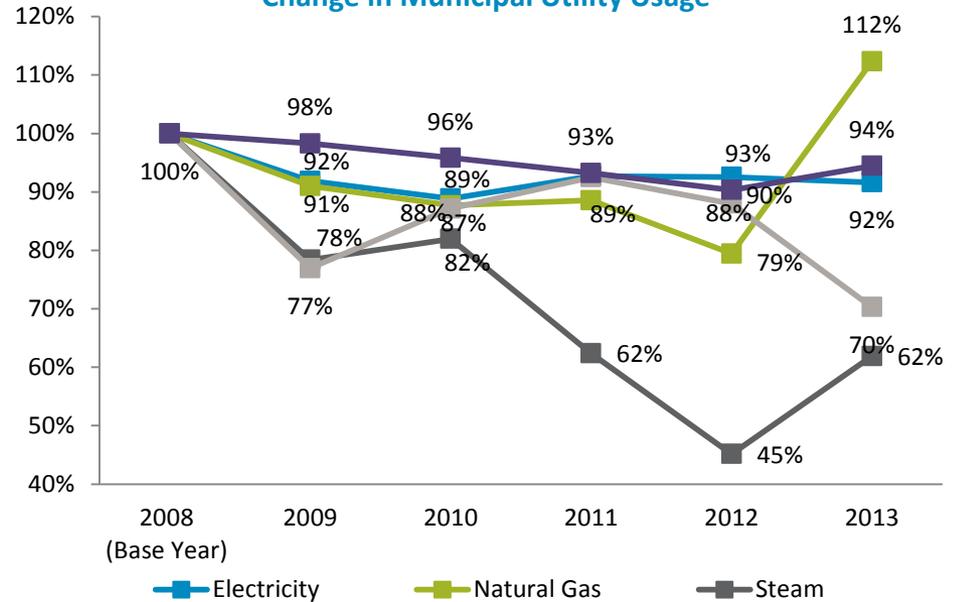
# Facilities, Energy & Security Management

**Greenhouse Gas Emissions from Municipal Operations**  
(Excluding Emission Reductions by Xcel Energy)



Source: Utility Invoices

**Change in Municipal Utility Usage**



Source: Utility Invoices

# MBC/City Hall Operating Costs

## **Purpose and Context**

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.

## **Services Provided**

- The MBC is responsible for the care, maintenance, and restoration of the City Hall building.

# MBC/City Hall Operating Costs

| 2015 Adopted Budget |                  | 2016 Recommended Funding |                  | FTEs    | Funding              |
|---------------------|------------------|--------------------------|------------------|---------|----------------------|
| General Fund        | Non-General Fund | General Fund             | Non-General Fund | Current | One-Time<br>(Yes/No) |
|                     | 5,319,887        |                          | 5,076,875        |         | No                   |

| Goals       |                 |                                     |              |                   |        |
|-------------|-----------------|-------------------------------------|--------------|-------------------|--------|
| Living Well | One Minneapolis | A Hub of<br>Innovation and Activity | Great Places | A City that Works |        |
| X           |                 |                                     | X            | X                 |        |
| Values      |                 |                                     |              |                   |        |
| Equity      | Safety          | Health                              | Vitality     | Connectedness     | Growth |
|             |                 |                                     | X            | X                 |        |

# ERP Application & System Functional Support

## **Purpose and Context**

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.

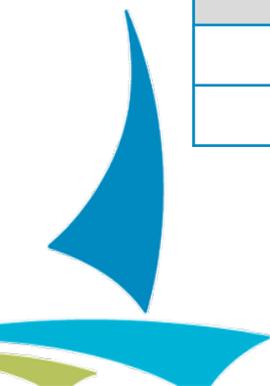
## **Services Provided**

- Track and monitor financial transactions (payroll, purchasing, contracting, revenue, expenditures) on a daily, monthly and annual basis
- Provide queries and reports to track and summarize financial data
- Monitor and deter fraudulent use of City funds through the use of system approvals and other financial audit-related activities
- Maintain software to most current version and effective utilization of existing functionality
- Provide system and customer functional support by monitoring system processes, and troubleshooting and resolving functional issues
- Evaluate requests for changes to existing or implementation of new system functionality, and administer a change control and documentation process
- Manage user access, system security and system coding/reporting structures
- Create and maintain system training materials

# ERP Application & System Functional Support

| 2015 Adopted Budget |                  | 2016 Recommended Funding |                  | FTEs    | Funding              |
|---------------------|------------------|--------------------------|------------------|---------|----------------------|
| General Fund        | Non-General Fund | General Fund             | Non-General Fund | Current | One-Time<br>(Yes/No) |
| 1,061,849           |                  | 559,702                  |                  | 3.0     | No                   |

| Goals       |                 |                                     |              |                   |        |
|-------------|-----------------|-------------------------------------|--------------|-------------------|--------|
| Living Well | One Minneapolis | A Hub of<br>Innovation and Activity | Great Places | A City that Works |        |
|             |                 |                                     |              | X                 |        |
| Values      |                 |                                     |              |                   |        |
| Equity      | Safety          | Health                              | Vitality     | Connectedness     | Growth |
|             |                 |                                     | X            | X                 |        |



# Operating Capital Request - CARS



# Operating capital request - CARS

- **Security Camera Surveillance System Replacement**, current camera's at 8 remaining locations are obsolete. *\$360,000*
- **Security Camera Surveillance System Addition**, Install at 12 facilities that do not currently have them (Police, Fire, PW, & office facilities). *\$125,000*
- **City Facilities Access Control System Replacement**, end of useful life for many panels. *\$35,000*



CITY OF MINNEAPOLIS

Questions?

THANK YOU

