City of Minneapolis
Financial Status Report as of 4th Quarter 2008
Prepared by the
City of Minneapolis Finance Department
April 20, 2009

City of Minneapolis

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THE REPORT

The report consists of two sections. The first section of the report includes the Business line review. The second section includes detailed schedules and analysis of the results of individual funds through December 31, 2008.

BUSINESS LINE REVIEW

The City's business activities are accounted for in funds and these funds are divided into two major groupings: Governmental funds and Proprietary funds.

Governmental Funds

Governmental Funds account for services and goods provided within the government and are primarily supported either directly or indirectly by taxes. These groupings include General fund, Special Revenue Funds, Capital Projects, Debt Services, and Agency funds. Governmental funds use the modified accrual basis of accounting to record transactions.

The **General Fund** is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund began 2008 with a fund balance of $55.2 million and an operating budget of $329 million. Subsequent 2007 reappropriation increased fund authorized spending by $2.5 million. Through the fourth quarter, the fund has spent 99% of its appropriations and realized 99% of budgeted revenues. Preliminary year-end results indicate fund balance will be $49.8 million or $6.3 million shy of its 15% requirement. Items of note are: Fire overspending of $1 million, Franchise Fee revenue 17% above expectations, Fines and Forfeitures 24% or $2.7 million less than expected and the State unallottment of $11.5 million in Local Government Aid (LGA).

The **Convention Center Fund** accounts for the operating activities of the Convention Center and for the City's sales tax and other related taxes. All of the tax revenue received by the Convention Center is used to support the Convention Center's capital and operating activities except the entertainment tax. The entertainment tax revenue is transferred to the City's General Fund and Arena Reserve Fund.

The Convention Center's 2008 preliminary results of operations indicate net income of $1.8 million which is $10.2 million better than expected. The primary reason is tax revenues $2.6 million better than expected and equipment and major repairs spending $3.5 million less than budgeted.

Grant Funds are used to record grant related activities. Fund 0300 represents all of the federal grant activity. Fund 0400 captures the Housing and Urban Development grants for community development and housing related programs. This fund includes the Community Development Block Grant, Emergency Shelter Program, HOME Investment Partnership Program, and Housing Opportunities for People with Aids. Fund 0600 is used to record all of the non-federal sources of restricted revenue.

Proprietary Funds

Proprietary funds operate, more or less, like a business and are assumed to be self-supporting. Proprietary funds are normally grouped into two subsets: Internal Service funds, which sell goods and services internally to other government units; and, Enterprise funds which sell goods and services to third parties. The rates charged by these businesses are supposed to cover the full

cost of providing the good or service sold by the fund- including the cost of maintaining, replacing, and expanding the fund's capital assets; Proprietary funds use full accrual accounting.

Enterprise Funds are City owned businesses that sell goods and services to third parties. Excluding the CPED enterprise activities and the River Terminal, the City operates five enterprise funds. A snapshot of these funds follows:

Enterprise Funds (In Thousands)					
		Preliminary Year -End 2008			
Fund	Beg. Net Assets	Revenue	Expense	Net Income	12/31/2008 Net Assets
Sanitary Sewer	86,142	41,615	40,891	724	86,866
Stormwater	231,259	35,345	24,268	11,076	242,335
Solid Waste	24,121	30,546	28,354	2,191	26,312
Water Utility	154,866	64,788	59,901	4,887	159,753
Parking	125,688	72,173	62,287	9,884	135,572

Sewer Utility Fund accounts for sewage interceptor and treatment services and the storm management activities including the Combined Sewer Overflow program. The Sewer Fund was split into two funds in 2005: Stormwater and Sanitary. Preliminary year-end results for the Stormwater Fund show a net income of $11 million which is $4.5 million better than expected, primarily because of lower Metropolitan Council sewage treatment costs. The Sanitary Sewer fund has a net income of $724,000 which is very close to expectations. Both funds have cash balances very close to the three months operating reserve called for in the City's financial policies.

Solid Waste Fund accounts for the City's solid waste collection, disposal, and recycling operations. Preliminary year-end results indicate the fund has net income of $2.1 million which is $3.3 million better than expected; primarily because of rate increases and lower than expected costs related to equipment purchases and disposal. The fund has positive net assets and cash reserves in excess of the stated requirement.

Water Utility Fund accounts for the operation and maintenance of a water delivery system for the City and several suburban city customers. The Water Fund had a $.08 rate increase in 2008. For 2008, the Water Fund had net income of $4.8 million which is $4.2 million worse than expected; the primary reasons are revenue $3.6 million below expectations and expenses $1.4 over budget. The funds current cash reserve is well below the stated requirement.

Parking Fund accounts for the operation and maintenance of parking ramps, lots, on street parking meters, a municipal impound lot, and traffic/parking control. For 2008, the fund is projected to show a net income of $9.8 million, $5.3 million better than expected. The reasons for the outstanding performance are off-street parking revenues $1.6 million better than expected and expenses for the same area $2.1 million less than budgeted primarily due to continual automation. The current cash position of the fund is $24 million. A significant portion of this cash is earmarked for debt retirement and capital improvements in future years.

Internal Service Funds remain one of the largest financial challenges for the City of Minneapolis. An overview of the Internal Service Funds follows:

Internal Service Funds (In Thousands) Preliminary Year-End 2008					
Fund	**Beg. Net Assets**	**Revenue**	**Expense**	**Net Income**	**12/31/2008 Net Assets**
Fleet Services	21,714	46,034	42,967	3,067	24,781
Property Services	27,907	19,310	19,755	(445)	27,462
Intergovernmental Fund	(13,612)	48,861	45,865	2,997	(10,615)
Self Insurance	(26,371)	61,240	52,075	9,164	(17,207)

The **Intergovernmental Service Fund's** preliminary year-end results show a net income of $3 million which is very close to its' financial plan. Depreciation expense continues to pose a challenge for the fund because it is not recovered through the rate model.

The **Fleet Services Fund** also operates under a Council-adopted financial workout plan. The fund has positive cash and net assets and continues to make good progress toward solvency and a pay-as-you-go approach to replacing its capital assets. Expenses are lower than expected due to a decreased level of equipment usage in the Capital Projects area. Because the fund has missed its financial targets for the last few years, its cash position has slipped behind the workout plan target. The Finance and Public Works departments are monitoring the equipment usage and financial results in this fund closely. For 2008, the fund has net income of $3 million which is $1.5 million better than expected.

The **Self-Insurance Fund** had net income of $9.1 million, $3.3 better than expectations, primarily because of lower costs for liability & settlements.

The **Property Services Fund** had a net loss of $.4 million in 2008. It has positive net assets but its cash reserves are well below the stated requirement. This fund's financial performance is hindered by depreciation expense. Similar to BIS, it is not recovering for depreciation in its rental rates and this will continue to adversely affect the fund.

The **Engineering Materials and Testing and Stores Funds** are not included in this report because functional issues within the new financial system (COMPASS) prevented Finance staff from preparing an accurate report for these two funds. The problems are being addressed and will be rectified in time for the submittal of the annual Comprehensive Annual Financial Report (CAFR).

Respectfully Submitted,

Patrick P. Born
Finance Officer

Charles J. Elliott
Controller

Appendix

Detailed Fund Information

General Fund

Fund Description

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

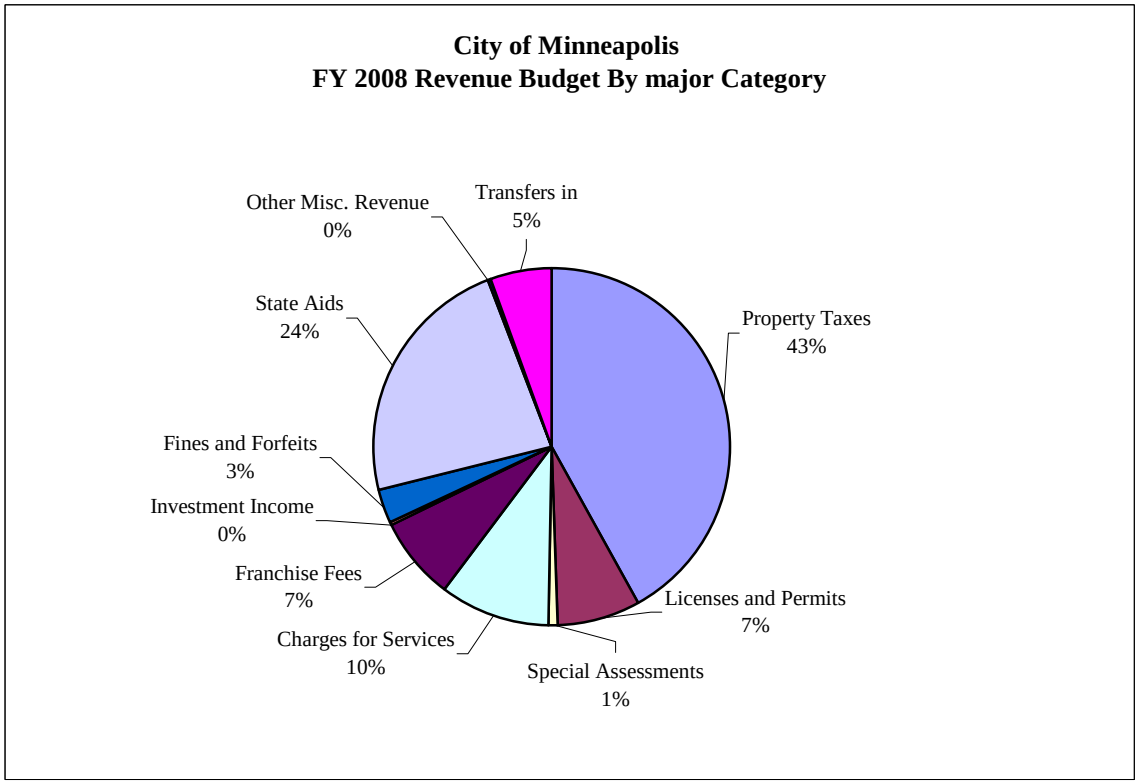
Financial Performance

The fund balance for the General Fund at fiscal year-end 2007 was $55.2 million. Based on the current revenue and expenditure results, we are expecting the fund balance at year-end to be $ 49.8 million.

The City's practice is to maintain a minimum fund balance of 15% of the following year's revenue budget. Fifteen percent of the 2009 Mayor's recommended revenue budget is $ 56.1 million.

Preliminary 2008 Fund Balance		
Fund Balance January 1, 2008	$ 55.2	million
Re-appropriation of Fund Balance	(2.5)	million
2008 Projected Decrease in Fund Balance	(2.9)	million
Fund Balance Projected, December 31, 2008	$ 49.8	million

General Fund Revenues:



The five largest revenue sources account for 92% of total budgeted revenues: property taxes, state aids, charges for services, licenses and permits, and franchise fees.

Property taxes, the major source of General Fund revenue were slightly more than estimated amounts.

State aids, the second major source of fund revenue (24%), are $11.5 million below estimated amounts due to the unallotted portion of the December Local Government Aid payment from the State.

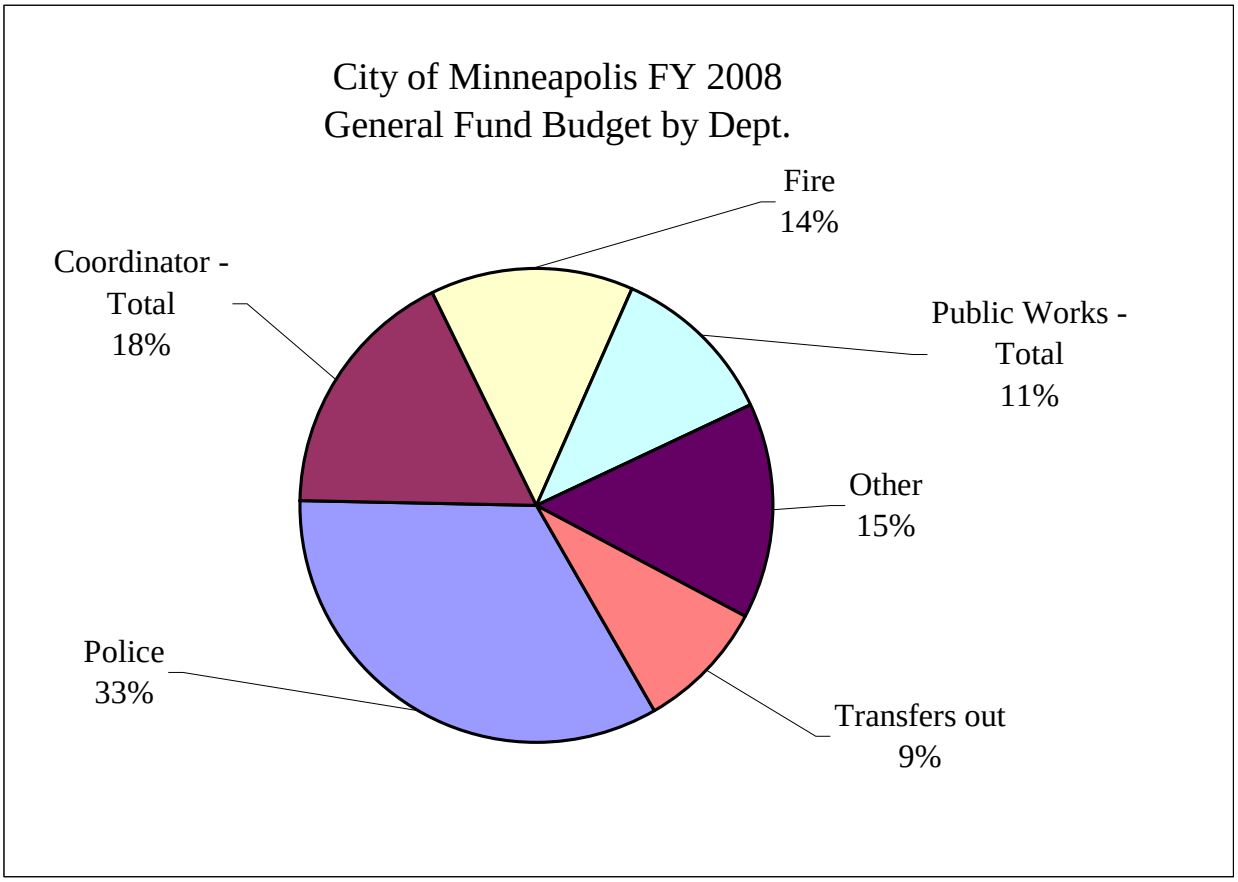
Charges for services, the first major source of fund revenue (10%), were $ 2.0 million over the current estimate of $36.1 million.

Franchise fees, the fourth major source of revenue (9%), were about 17%, or $ 4.6 million, over the current estimate of $ 27.1 million, primarily due to increased revenue from electricity franchise fees.

License and permit fees (7% of fund revenue) were $1.0 million under the current estimate of $27.1 million. This was in the construction permit area and is related to the economy.

Fine and Forfeit revenues are less than the estimated revenue budget by about 24% (or about $2.7 million), primarily due to a continued decrease in collections in police department fine revenues. The decrease in revenues is particularly evident in the area of citations issued by traffic enforcement officers, in the Police Department.

Investment income was $2.9 million over estimates due to the large cash balances in the funds. The sale of parking ramps in late 2007 increased the available cash to invest, and more than offset the lower interest rates in 2008.



General Fund Expenditures:

Four departments make up 76% of the total General Fund expenditures: Police, Coordinator, Fire, and Public Works. Small percentage variances in any of these large departments can have a significant effect on the amount of General Fund expenditures.

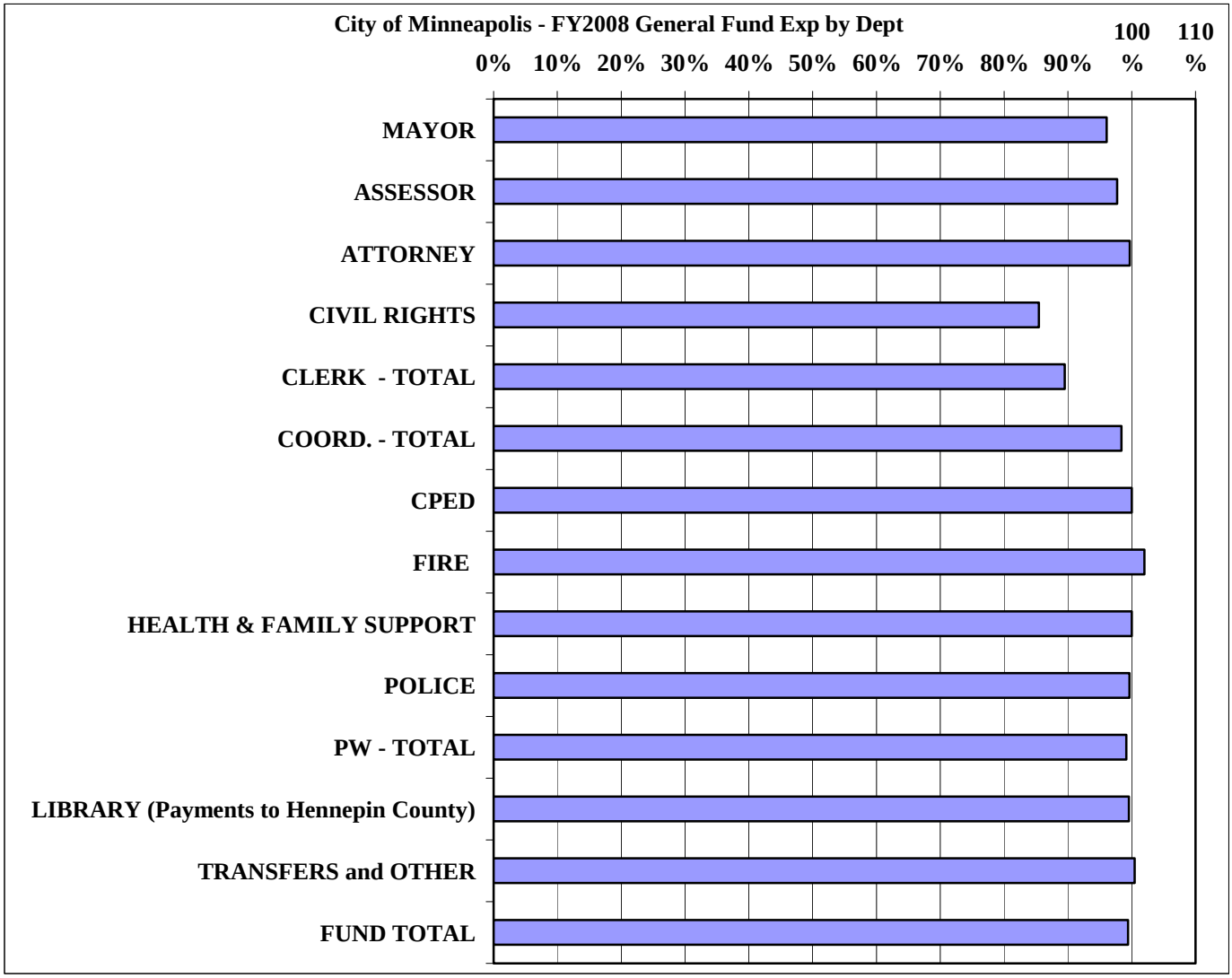
The Police Department's expenditures were $443,000 under budget at year end. This amount will be reappropriated in 2009 due to an unsettled labor contract.

The Fire Department exceeded their budget by $999,000. This is due to back pay for unsettled labor agreements, Fair Labor Standards Act (FLSA) overtime, an increase in contractual services expenses, and because attrition has not occurred at the anticipated rate.

The expenditures of the City Coordinator, and the Public Works Department were both under their respective budgets at the end of the year by $1 million and $350,000.

The other department that had an overage was the contingency department. This is due to an audit adjustment that was made at the end of 2007. The adjustment was made in the CAFR, but was not booked to the financial system. This adjustment was made in 2008 to bring the financial system into balance with our audited financial statements.

Expenditures for the remaining departments are at or below the current budget.



A detailed financial schedule of the General Fund is shown below:

City of Minneapolis
General Fund
December 31, 2008

	Original Budget	Revised Budget	Actual	Variance Original/Actual Amount	Variance Original/Actual Percent
Revenues:					
Property Taxes	152,233,726	148,218,580	149,686,652	1,468,072	1%
State Aids	82,789,646	86,804,792	75,337,087	(11,467,705)	-13%
Charges for Services	36,124,165	37,872,528	38,121,910	249,382	1%
Franchise Fees	27,110,000	27,110,000	31,704,849	4,594,849	17%
Licenses and Permits	26,448,598	26,894,298	25,922,437	(971,861)	-4%
Fines and Forfeits	11,358,197	11,358,197	8,670,165	(2,688,032)	-24%
Special Assessments	1,752,926	3,252,926	4,868,482	1,615,556	50%
Investment Income	1,202,673	1,202,673	4,082,083	2,879,410	239%
Other Shared Taxes	655,794	655,794	562,130	(93,664)	-14%
Other Miscellaneous	1,035,217	1,095,217	585,892	(509,325)	-47%
Contributions	400,000	400,000	425,115	25,115	6%
Total Revenues	**341,110,942**	**344,865,005**	**339,966,802**	**(4,898,203)**	**-1%**
Transfers In	19,635,738	19,635,738	19,163,821	(471,917)	-2%
Revenues and Other Sources	**360,746,680**	**364,500,743**	**359,130,623**	**(5,370,120)**	**-1%**
Expenditures :					
Police	121,247,539	123,157,071	122,733,586	423,485	0%
Coordinator - Total	63,297,505	64,987,982	63,963,466	1,024,516	2%
Fire	50,348,533	50,516,533	51,516,524	(999,991)	-2%
Public Works - Total	40,180,049	42,673,860	42,287,682	386,178	1%
Attorney	7,094,924	7,199,365	7,177,365	22,000	0%
Health & Family Support	4,081,000	4,083,000	4,082,962	38	0%
CPED	3,474,100	3,491,100	3,475,099	16,001	0%
City Council & City Clerk	6,822,000	7,026,659	6,290,316	736,343	10%
Assessor	3,766,000	3,777,000	3,691,761	85,239	2%
Civil Rights	2,492,000	2,936,950	2,509,321	427,629	15%
Contingency	2,733,341	648,341	1,623,008	(974,667)	-150%
Mayor	1,374,000	1,403,500	1,348,418	55,082	4%
Culture and Recreation -Library	22,100,000	22,100,000	22,008,458	91,542	0%
Total Expenditures	**329,010,991**	**334,001,361**	**332,707,967**	**1,293,394**	**0%**
Transfers Out	31,735,689	31,735,689	31,901,689	(166,000)	-1%
Expenditures and Other Uses	**360,746,680**	**365,737,050**	**364,609,656**	**1,127,394**	**0%**
Change in Fund Balance	**-**	**(1,236,307)**	**(5,479,033)**		
Fund Balance - January 1, 2008			55,244,253		
Fund Balance - December 31, 2008			**$ 49,765,220**		

Convention Center Special Revenue Fund Report

The Convention Center Fund accounts for the operating activities of the Convention Center and for the City's sales and other related taxes.

Revenue

Tax Revenue
The Convention Center Special Revenue Fund activity is funded from local tax receipts and Convention Center operating revenue. Tax receipts are made up of a .5% citywide sales tax; a 3% food and liquor tax applied to core downtown establishments; a 3% citywide entertainment tax; and a 3% citywide lodging tax for motels and hotels with 50 units or more. Presently, one-third of all lodging tax proceeds received by the City are paid directly to Meet Minneapolis.

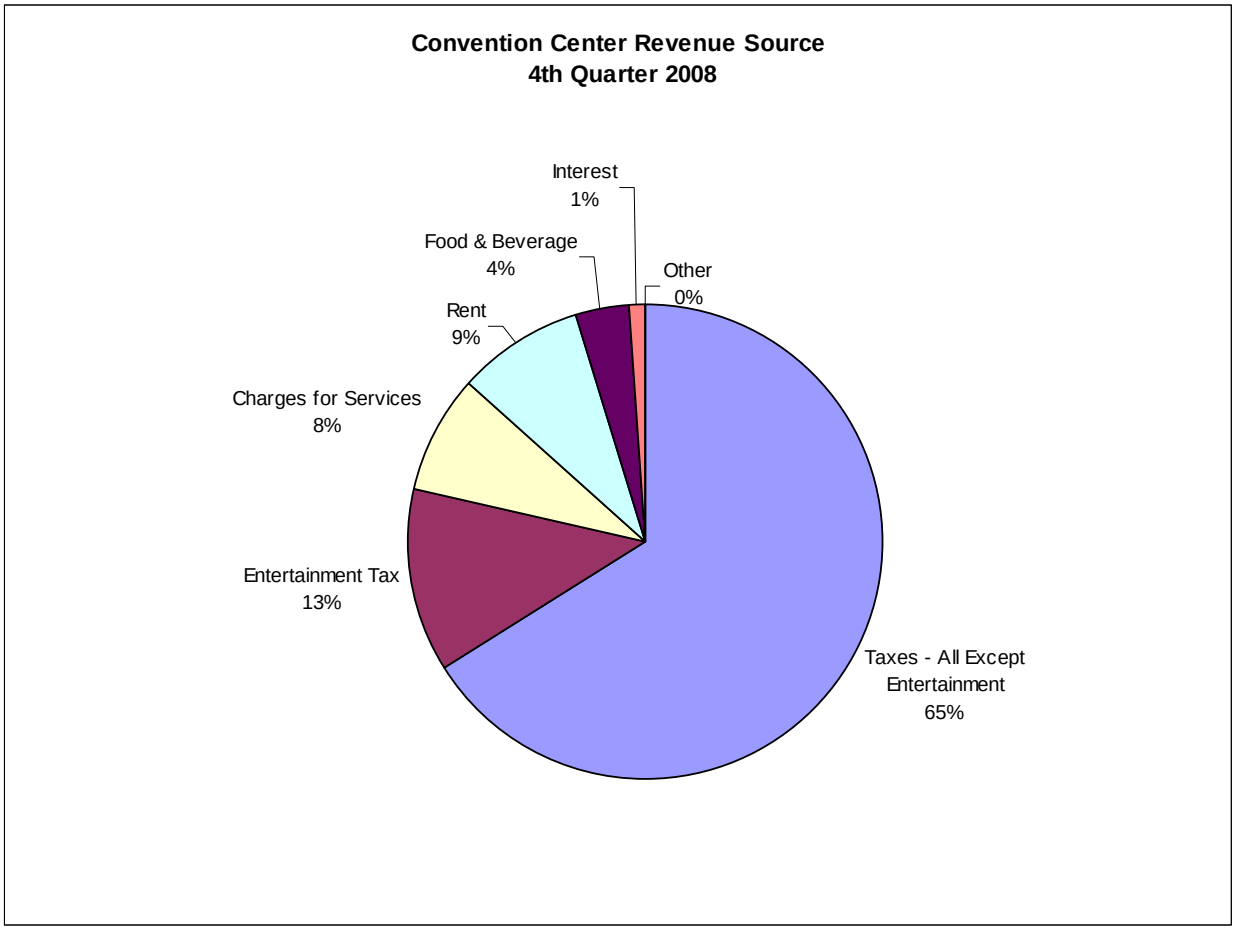
With the exception of entertainment tax, all of the other tax revenue received by the Convention Center is used to support the Convention Center's capital and operating activities. The entertainment tax, established in 1969, is a revenue source for the General Fund to offset additional police and fire department costs associated with citywide entertainment activities. A portion of the tax is redirected to the (Target Center) Arena Reserve Fund to fully credit the fund for entertainment tax proceeds generated from Target Center activities, as required by the (Target Center) Arena finance plan. The entertainment tax is not deposited directly into the General Fund because it is pledged revenue on the outstanding Convention Center bonds in the event other revenue sources pledged to meet the Convention Center debt service are insufficient.

For the quarter ending December 2008, tax proceeds came in above 2007 levels for the same period by nearly 1%. Tax revenue is receipted into the month it is received from the State of Minnesota, and is variable from month to month. Tax revenue is consumer driven and based on consumer spending habits.

Tax	December 2007	December 2008	Variance	% Change
Sales	29,535,001	29,502,258	-32,743	-0.11%
Entertainment	9,880,037	9,630,576	-249,461	-2.59%
Food	10,319,180	10,789,012	469,832	4.35%
Liquor	3,757,352	3,939,477	182,125	4.62%
Lodging	6,573,633	6,619,181	45,548	.69%
Total	**$60,065,203**	**$60,480,504**	**$415,301**	**.69%**

Operating Revenue
Through the fourth quarter 2008, operating revenue achieved approximately 100% of the 2008 budget. Overall, the Convention Center finished the year approximately $35,000 under budget. In 2008, the Convention Center had a strong September due to the RNC (Republican National Convention) and RNC related events held at the Convention Center. Catering Commissions had the strongest gain going 4% over budget. The Dunn Bros Coffee Shop opened in late summer and exceeded expectations averaging $45,000 to $50,000 in monthly revenue. Through a contractual agreement, the Convention Center realizes 20% of the Dunn Bros Coffee Shop revenue.

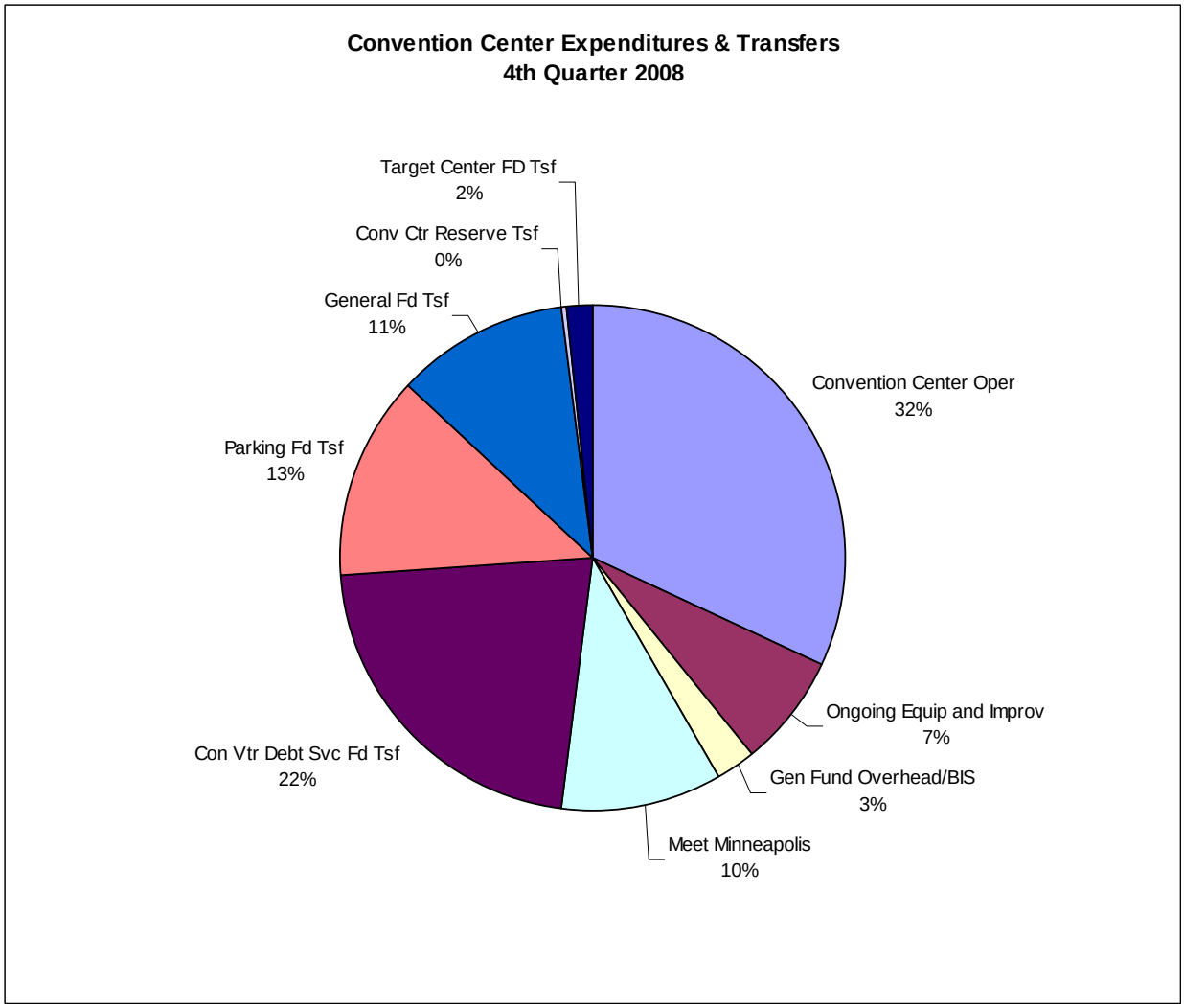
The Convention Center did not pick up the sponsorship revenue that was anticipated. In addition, the sharp economic downturn had an impact on attendance, buying habits, and event cancellations. In Q4, a number of events scaled back on the services the Convention Center provides.



Operating Expenditures

Through fourth quarter 2008, Convention Center operating expenses not including ongoing equipment and improvement, BIS, and General Fund Overhead were $24.1 million or 92% of budget. In 2008, there was $500,000 budgeted for Police that wasn't expensed in 2008. In an effort to reduce expenses, the Convention Center evaluated vacant positions, reduced overtime, and began lighting and energy conservation initiatives. During 2008, the Convention Center has numerous capital improvements and additions budgeted. Some of the significant capital items are lobby signage, public space furniture, a radio system and handsets, ballroom carpeting, marquees, monitors and counters, and an auditorium transfer panel.

The Terrazzo floor restoration and repair was the most significant improvement budgeted in 2008. The floor was completed with the exception of some small floor related repair and maintenance items which will be completed in 2009. Those are expected to be minimal. The Convention Center under spent in capital projects because capital projects were postponed or delayed to work around high profile events like the RNC. The Convention Center had three projects in process totaling approximately $725,000 that a 2008 to 2009 reappropriation of funds has been requested.



Transfers

The Convention Center Fund annually transfers a share of its tax revenue to several other funds. Budgeted 2008 transfers include $1.5 million to the Arena Reserve Fund, $8.2 million to the General Fund, $150,000 net transfer to the Convention Center Facility Reserve Fund, $18.7 million to debt service, $750,000 to City Capital, and nearly $9.9 million to parking. The General Fund received $235,000 more than expected as a result of the Arena Reserve Fund not hitting their budgeted amount for 2008 Entertainment tax transfer by $235,000.

Meet Minneapolis

In 2004, Meet Minneapolis entered into a $2.5 million loan agreement with the City for its joint venture Internet Destination Sales System (iDSS). Meet Minneapolis requested that the Council advance an additional $2.5 million for the project in 2005. In August 2005, the loans were rolled together and a promissory note was issued for $5 million. The City entered into a 3rd loan agreement for $5 million for additional iDSS start up capital in April 2006. The three loans were consolidated for a total of $10 million. The loan draws were capped in May 2007. The consolidated loan will have a 10 year amortization of principle (2008-2017) repaid in full in 2017 at a 5% interest rate. The note repayment for the loan is pledged against assets, future appropriations from the City funding, and profit from the iDSS. The total of the loan is nearly $9.1 million.

Quarterly interest payments began on 03/31/08, and annual principal payments will begin on 12/31/08. Interest and principal payments will coincide with Meet Minneapolis's quarterly Sales and Marketing payments from the City. Meet Minneapolis's quarterly Sales and Marketing payment from the City of Minneapolis is being reduced by the amount of the interest and principal payments due for that particular period. The iDSS loan is accounted for on the balance sheet as a Loan Receivable and is not reflected as an expenditure line item on the Statement of Revenues, Expenditures, and Changes in Fund Balance Budget to Actual Report.

Fund Balance

The 2008 fund balance ended the year at $47.7 million, which is significantly better than the $36.8 million budgeted. The increase can be attributed to better than expected tax revenue; lower than expected expenditures, primarily in Convention Center operations and ongoing equipment and improvement, and lower than expected debt service. Variable interest rates were less than the 5% budgeted on the $77 million of Convention Center debt which is in the variable rate mode which resulted in debt service coming in over $2.2 million under budget.

CONVENTION CENTER SPECIAL REVENUE FUND **CITY OF MINNEAPOLIS, MINNESOTA**
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the fiscal quarter ending December 31, 2008

	2008			
	Budget	Actual	Percent of Total	2007 Actual
REVENUE				
Operating Revenue:				
Charges for Services and Sales	6,215,000	6,062,364	98%	5,250,866
Rents and Commissions	6,689,250	6,705,067	100%	6,508,640
Catering Commissions	2,700,000	2,801,451	104%	2,554,579
Total Operating Revenue	15,604,250	15,568,882	100%	14,314,084
Tax Revenue:				
Sales and Use Tax	29,103,000	29,502,258	101%	29,535,001
Entertainment Tax	9,664,000	9,630,576	100%	9,880,036
Food Tax	9,811,000	10,789,012	110%	10,319,180
Liquor Tax	3,826,000	3,939,477	103%	3,757,352
Lodging Tax	5,460,000	6,619,181	121%	6,573,633
Total Tax Revenue	57,864,000	60,480,504	105%	60,065,202
Other Non Operating Revenue:				
Interest	730,000	835,847	114%	1,449,045
Investment Income	20,000	-	0%	95,298
Meet Minneapolis Private Donations	509,500	509,500	100%	391,900
Meet Minneapolis (iDSS) Loan Interest	454,000	340,508	75%	
Other	14,000	7,952	57%	26,985
Total Other Non Operating Revenue	1,727,500	1,693,807	98%	1,963,228
Total Non Operating Revenue	59,591,500	62,174,311	104%	62,028,431
Total Revenue	75,195,750	77,743,193	103%	76,342,515
EXPENDITURES				
Convention Center Operations	25,709,668	24,050,025	94%	22,735,727
Ongoing Equipment and Improvement	8,872,412	5,315,676	60%	1,008,475
General Fund Overhead/BIS Operating	1,888,547	1,888,547	100%	2,002,759
Human Resources	-	-		65,611
Meet Minneapolis	8,046,119	7,705,610	96%	7,872,919
Total Expenditures	44,516,746	38,959,858	88%	33,685,491
Excess of Revenues Over (Under) Expenditures	30,679,004	38,783,335	126%	42,657,023
OTHER FINANCING SOURCES (USES)				
General Fund Transfer	(8,163,738)	(8,365,588)	102%	(8,762,231)
Arena Reserve Fund Transfer	(1,500,000)	(1,264,988)	84%	(1,117,805)
Facility Reserve Fund Transfer	1,000,000	1,000,000		500,000
Convention Center Reserve Fund Transfer	(1,150,000)	(1,150,000)	100%	(1,150,000)
Convention Ctr Debt Service Transfer	(18,796,000)	(16,560,311)	88%	(17,538,641)
Other Debt Service Transfer	(68,000)	(68,000)	100%	(36,000)
Muncipal Parking Enterprise Fund Transfer	(9,832,000)	(9,832,000)	100%	(9,856,000)
Transfer to City Capital	(750,000)	(750,000)	100%	
Total Other Financing Sources (Uses)	(39,259,738)	(36,990,887)	94%	(37,960,677)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(8,580,734)	1,792,450		4,696,347
Fund Balance - January 1	45,917,682	45,917,682		41,221,335
Ending Fund Balance	37,336,948	47,710,132		45,917,682
Ending Cash Balance		27,417,674		27,225,807

SPECIAL REVENUE FUNDS
Federal, CDBG, and Other State and Local Grants
Quarter Ending December 31, 2008

The City receives a number of state and federal grants that are recorded in the Federal (01300), Community Development Block Grant (CDBG) (01400), and Grants Other (01600) funds. These grants have varying grant periods and are used for a range of purposes.

Since the City records its financial information on a modified accrual basis the timing of cash receipts can result in grant funds reflecting a deficit cash balance. For year end reporting purposes cash deficits within funds are eliminated through short term borrowing between the funds resulting in amounts due to and due from other funds.

Federal Grants Fund (01300)

The City accounts for its federal grant activity in fund 01300. As of December 31, expenditures were $23,830,277 as compared to the same period last year expenditures of $20,624,324. The majority of the increase is due to $6.5 million of Republican National Convention expenditures in fund 01300. The 2007 expenditures were inflated due to $2.1 million in expenditures related to the collapse of the 35W Bridge. The net impact of these two events, accounts for $4.1 million of the $3.2 million change in the fund activity during 2008. Overall there was a decline in federal grants for Economic Development.

Empowerment Zone program loans receivable totaled $4,885,265 on December 31, 2008 compared to $3,177,024 in 2007. These amounts are offset by a corresponding amount of deferred revenue. The loans and related deferred revenue are adjusted annually as part of the year end reporting.

CDBG Fund (01400)

The Community Development Block Grant (CDBG) is the City's largest single grant and is accounted for in fund 01400 along with three other Housing and Urban Development (HUD) Programs. The programs are the Emergency Shelter Grant Program (ESG), HOME Investment Partnerships Program and Housing Opportunities for Persons with AIDS (HOPWA). In 2008 the HOME activities were moved to fund 01500 and the transfer between the two funds has been eliminated resulting in a decline in the total expenditures in fund 01400 and an offsetting increase in fund 01500 of $4,212,722. The expenditures in fund 01400 on December 31, 2008 were $16,500,898. The combined expenditures in funds 01400 and 01500 totaled $20,713,621 as compared to the $21,532,016 on December 31, 2007 in fund 0400 alone for 2007. The decrease is due to the decline in the overall level of funding through the HUD Consolidated Plan.

In 1990, the Council committed $7,791,856 of CDBG funds for the redevelopment of Block E. As this commitment was not offset with reductions in other CDBG funded projects, the City over-committed its CDBG Allocation. The City has been able to remain within its cumulative allocation because it continues to receive additional CDBG funding each year. However, should the CDBG funding ever cease, the over commitment of funds will become apparent and other sources will be required to cover the funding shortfall. The City's intent is to reprogram unspent CDBG projects balances to offset the Block E deficit. Since November 2001, the City Council approved the reprogramming of $1,624,299. In 2008 in accordance with the reprogramming policy an additional approximate $950,000 was reprogrammed resulting in a new deficit balance of $5,171,444.

Grants Other Fund (01600)
The fund is used to account for non-federal grants and other restricted revenue sources. There were year to date expenditures of $18,078,949 and $18,228,522 on December 31, 2008 and 2007, respectively. Overall there has been a decline in grant related activities in the fund in 2008 due to a decline in state grants in the Police, Fire, CPED, and Health and Family Support Departments. The decline is offset by the inclusion of the Regulatory Services Revolving Fund activities in fund 01600.

Regulatory Services Revolving Fund
In 2008, Regulatory Services established a revolving fund and began accounting for the activities in fund 01600. During 2008, special assessment revenue of $4,284,801 and County revenue of $1,250,000 was recorded in the fund. Expenses related to these activities totaled $2,943,688 resulting in an increase in fund balance of $2,591,113 as of December 31.

Special Revenue Funds
Grant Funds
Quarter Ending December 31, 2008

	Federal Grants 01300	CDBG Grants 01400	Grants Other 01600	Total
Assets				
Cash and cash equivalents	$53,917	$728,051	$1,589,158	$2,371,126
Accounts - net	0	15,874	0	15,874
Special Assessments Receivable			1,278,613	1,278,613
Intergovernmental Receivables	5,026,216	4,735,935	3,483,798	13,245,949
Loans receivable-net	4,885,265		556,439	5,441,704
Deposits with Fiscal Agents			$443,938	443,938
Due From Other Funds	17,650		4,509,770	4,527,420
Total Assets	$9,983,048	$5,479,860	$11,861,716	$27,324,624
Liabilities				
Salaries payable	$117,759	$107,331	$166,030	$391,120
Accounts payable	787,664	1,146,353	1,345,664	3,279,681
Use Taxes Payable	0		2,070	2,070
Due to Other Funds	517,239	4,161,373	77,153	4,755,765
Inter Governmental Payables	21,242	64,803	21,451	107,496
Deferred revenue & Contracts	8,539,144		5,773,703	14,312,847
Deferred Special Assessments	0		1,165,643	1,165,643
Total Liabilites	9,983,048	5,479,860	8,551,714	24,014,622
Fund Balance	$0	($0)	$3,310,002	$3,310,002
Total Liabilities and Fund Balance	$9,983,048	$5,479,860	$11,861,716	$27,324,624
Revenue				
Taxes-Charitable Gambling			$10,694	$10,694
Grants and Shared Revenues	17,305,271	15,717,171	14,345,650	47,368,092
Special Assessments			4,284,801	4,284,801
Private Contributions			1,460,887	1,460,887
Charges for Services	6,312,510	29,091	124,912	6,466,513
Registration Fees			60,811	60,811
Penalties			149,222	149,222
Interest	28,861	25,438	10,551	64,850
Rent & Commisions		693	11,614	12,307
Loan Recapture	183,635	598,734	114,744	897,113
Lands & Buildings		127,159		127,159
Miscellaneous Revenue	0	2,612	25,538	28,150
Transfer within Special Revenue Fund			55,380	55,380
Total Revenue	$23,830,277	$16,500,898	20,654,804	$60,985,979
Expenditures	$23,830,277	$16,500,898	$18,078,949	$58,410,124
Revenues Over (Under) Expenditures	$0	$0	$2,575,855	$2,575,855

CDBG Program Year 34
Beginning June 1, 2008
December 31, 2008

Department	Agy	Project	Budget	Program Income	Revised Budget	2008 Expenditures	Grant to Date Expenditures	Remaining Grant Budget
						2008		
Capital Grants:								
Non-Departmental	123	General Housing Rehabilitation-MPHA	$ 218,000	$ -	$ 218,000	$ -	$ -	$ 218,000
City Attorney	140	Problem Properties Attorneys	37,000	-	37,000	17,682	17,682	19,318
Police	400	Problem Properties Police	52,000	-	52,000	-	-	52,000
Regulatory Services	835	Lead Reduction	125,000	-	125,000	28,911	28,911	96,089
Regulatory Services	835	Problem Properties Board Bldg	350,000	-	350,000	-	-	350,000
Health & Family Support	860	Childcare Facilities Loan/Grant	224,000	-	224,000	-	-	224,000
CPED	890	Adult Training, Placement and Retention	1,380,000	-	1,380,000	330,259	330,259	1,049,741
CPED	890	High density corridor housing	729,000	-	729,000	-	-	729,000
CPED	890	NonProfit MF Rental Development Assistance	165,000	-	165,000	-	-	165,000
CPED	890	Homeownership Program (GMMHC)	319,000	-	319,000	-	-	319,000
CPED	890	Industry Cluster Program (Living Wage Jobs)	65,100	-	65,100	9,400	9,400	55,700
CPED	890	Multi-Family/Affordable Housing	4,270,000	-	4,270,000	-	-	4,270,000
CPED	890	NEDF/CEDF	518,000	-	518,000	-	-	518,000
CPED	890	Vacant & Boarded Housing	569,000	-	569,000	-	-	569,000
		Subtotal Capital Grants	9,021,100	-	9,021,100	386,253	386,253	8,634,847
Public Service Grants:								
Civil Rights	300	Multi Cultural & Native American Indian	$ 119,000	$ -	# $ 119,000	$ -	$ -	$ 119,000
Public Works	607	Graffiti Removal on Public Property	86,200	-	86,200	-	-	86,200
Health & Family Support	860	Advocacy (Housing)	82,300	-	82,300	77,075	77,075	5,225
Health & Family Support	860	Asian Media Access	26,800	-	26,800	-	-	26,800
Health & Family Support	860	Living at Home Block Nurse Program	64,100	-	64,100	9,618	9,618	54,482
Health & Family Support	860	Child Dental Services	10,500	-	10,500	8,500	8,500	2,000
Health & Family Support	860	Curfew/Truancy Center	98,000	-	98,000	52,641	52,641	45,359
Health & Family Support	860	Domestic Abuse Project	34,500	-	34,500	-	-	34,500
Health & Family Support	860	Resource Inc, Employment Action Center	44,000	-	44,000	19,960	19,960	24,040
Health & Family Support	860	Fremont Community Health Services	44,000	-	44,000	12,985	12,985	31,015
Health & Family Support	860	Greater Minneapolis Council of Churches	44,000	-	44,000	17,117	17,117	26,883
Health & Family Support	860	Lao Assistance Center of MN	48,800	-	48,800	12,176	12,176	36,624
Health & Family Support	860	MIGIZI Communications	42,100	-	42,100	8,083	8,083	34,017
Health & Family Support	860	MPS Teenage Parenting & Pregnancy Program	65,100	-	65,100	804	804	64,296
Health & Family Support	860	Minneapolis Urban League	64,100	-	64,100	21,221	21,221	42,879
Health & Family Support	860	St Marys Health Clinics	18,200	-	18,200	6,277	6,277	11,923
Health & Family Support	860	St Stephens Human Services	44,000	-	44,000	-	-	44,000
Health & Family Support	860	Southside Family Nurturing Center	44,000	-	44,000	8,308	8,308	35,692
Health & Family Support	860	Way to Grow	261,000	-	261,000	135,971	135,971	125,029
Public Works	860	Youth are Here Busses	71,800	-	71,800	-	-	71,800
CPED	890	Mortgage Foreclosure Prevention Program	196,000	-	196,000	147,085	147,085	48,915
CPED	890	Youth Employment & Training	48,000	-	48,000	3,086	3,086	44,914
CPED	890	Youth Employment & Training	28,000	-	28,000	-	-	28,000
CPED	890	Youth Employment & Training	136,000	-	136,000	-	-	136,000
CPED	890	Youth Employment & Training	245,000	-	245,000	-	-	245,000
		Subtotal Public Service Grants	$ 1,965,500	$ -	$ 1,965,500	$ 540,907	$ 540,907	$ 1,424,593
Administrative Grants:								
Non-Departmental	123	MPH Citizen Participation	$ 68,000	$ -	$ 68,000	$ -	$ -	$ 68,000
Non-Departmental	123	YCB Administration	65,000	-	65,000	64,803	64,803	197
Civil Rights	300	Civil Rights Dept Fair Housing	196,000	-	196,000	-	-	196,000
Grants & Special Projects	800	Homeless Initiative		-	-	-	-	-
Grants & Special Projects	800	Grants & Special Projects	235,000	-	235,000	80,351	80,351	154,649
Grants & Special Projects	800	Housing Discrimination Law Project-Legal Aid	54,600	-	54,600	31,850	31,850	22,750
Finance	820	Finance Administration	196,000	-	196,000	-	-	196,000
Health & Family Support	860	Grant Administration	67,972	-	67,972	51,070	51,070	16,902
Health & Family Support	860	Legal Aid Society	33,500	-	33,500	19,542	19,542	13,958
Health & Family Support	860	Neighborhood Services	71,800	-	71,800	23,475	23,475	48,325
Health & Family Support	860	Way to Grow Administration	25,800	-	25,800	10,751	10,751	15,049
Health & Family Support	860	YCB Youth Violence Prevention	120,000	-	120,000	57,242	57,242	62,758
CPED	890	Citizen Participation	233,000	-	233,000	-	-	233,000
CPED	890	Program Admin	62,000	-	62,000	-	-	62,000
CPED	890	Planning - Administration	878,000	-	878,000	327,796	327,796	550,204
		Subtotal Administrative Grants	$ 2,306,672	$ -	$ 2,306,672	$ 666,881	$ 666,881	$ 1,639,791
		GRAND TOTAL	$ 13,293,272	$ -	$ 13,293,272	$ 1,594,041	$ 1,594,041	$ 11,699,231

Source : GP06 Compass Report 12/31/07 - 12/31/08 run date 3/26/09

CDBG Program Year 33
Beginning June 1, 2007
December 31, 2008

Department	Agy	Project	Budget	Program Income	Council Action 2008R-060	Revised Budget	2008 Expenditures	2008 Grant to Date Expenditures	Remaining Grant Budget
Capital Grants:									
CPED	890	Adult Training, Placement and Retention	844,000			844,000	652,176	839,684	4,316
CPED	890	High density corridor housing	801,000			801,000	25,505	25,505	775,495
CPED	890	Homeownership Program (GMMHC)	350,500			350,500	-	-	350,500
CPED	890	Industry Cluster Program (Living Wage Jobs)	71,900			71,900	11,000	11,000	60,900
CPED	890	Multi-Family/Affordable Housing	4,388,000			4,388,000	130,121	130,121	4,257,879
CPED	890	NEDF/CEDF	1,167,000			1,167,000	224,020	224,020	942,980
CPED	890	NonProfit MF Rental Development Assistance	180,700			180,700	-	-	180,700
CPED	890	Vacant & Boarded Housing	625,000			625,000	3,151,620	3,511,772	(2,886,772)
Health & Family Support	860	Childcare Facilities Loan/Grant	233,700			233,700	-	-	233,700
Regulatory Services	835	Lead Reduction	130,800			130,800	504	91,789	39,011
Regulatory Services	835	Problem Properties Board Bldg	346,240	187,500 [1]	15,965	549,705	481,685	489,297	60,408
Police	400	Problem Properties Police	53,880			53,880	1,012	1,012	52,868
Fire	280	Problem Properties Fire	15,965		(15,965)	0	-	-	-
City Attorney	140	Problem Properties Attorneys	38,915			38,915	35,583	38,915	-
Non-Departmental	123	General Housing Rehabilitation-MPHA	227,700			227,700	74,657	74,656	153,044
		Subtotal Capital Grants	9,475,300	187,500	0	9,662,800	4,787,883	5,437,771	4,225,029
Public Service Grants:									
CPED	890	Mortgage Foreclosure Prevention Program	204,700	100,000 [2]		304,700	100,000	400,000	(95,300)
CPED	890	Youth Employment & Training	476,133			476,133	398,221	452,201	23,932
Health & Family Support	860	Advocacy (Housing)	92,600			92,600	12,664	92,600	-
Health & Family Support	860	Asian Media Access	30,000			30,000	27,150	30,000	-
Health & Family Support	860	Cardondelet Life Care	21,000			21,000	11,496	21,000	-
Health & Family Support	860	Child Dental Services	11,000			11,000	1,573	11,000	-
Health & Family Support	860	Curfew/Truancy Center	98,000			98,000	-	98,000	-
Health & Family Support	860	Domestic Abuse Project	40,000			40,000	12,500	12,500	27,500
Health & Family Support	860	Fremont Community Health Services	50,000			50,000	21,962	50,000	-
Health & Family Support	860	Greater Minneapolis Council of Churches	50,000			50,000	15,652	49,700	300
Health & Family Support	860	Lao Assistance Center of MN	55,000			55,000	33,000	55,000	-
Health & Family Support	860	Living at Home Block Nurse Program	75,000			75,000	47,417	74,960	40
Health & Family Support	860	MIGIZI Communications	48,000			48,000	30,909	48,000	-
Health & Family Support	860	Minneapolis Urban League	75,000			75,000	35,173	75,000	-
Health & Family Support	860	MPS Teenage Parenting & Pregnancy Program	76,000			76,000	71,132	76,000	-
Health & Family Support	860	Resource Inc, Employment Action Center	50,000			50,000	25,705	49,999	1
Health & Family Support	860	Southside Family Nurturing Center	50,000			50,000	28,782	43,779	6,221
Health & Family Support	860	St Stephens Human Services	50,000			50,000	32,676	50,000	-
Health & Family Support	860	Way to Grow	296,000			296,000	111,254	296,000	-
Public Works	607	Graffiti Removal on Public Property	91,400			91,400	11,778	91,400	(0)
Civil Rights	300	Multi Cultural & Native American Indian	132,800			132,800	119,000	121,948	10,852
		Subtotal Public Service Grants	2,072,633	100,000	0	2,172,633	1,148,045	2,199,087	(26,454)
Administrative Grants:									
CPED	890	Citizen Participation	242,700			242,700	228,859	252,158	(9,458)
CPED	890	Planning - Administration	878,000			878,000	497,619	911,710	(33,710)
CPED	890	Program Admin	103,000			103,000	-	35,943	67,057
Health & Family Support	860	Grant Administration	71,900			71,900	24,164	70,354	1,546
Health & Family Support	860	Legal Aid Society	35,000			35,000	14,583	35,000	-
Health & Family Support	860	Neighborhood Services	74,900			74,900	74,900	74,900	-
Health & Family Support	860	Way to Grow Administration	27,000			27,000	12,186	27,000	-
Finance	820	Finance Administration	205,000			205,000	58,135	58,135	146,865
Grants & Special Projects	800	Grants & Special Projects	244,900			244,900	132,254	239,960	4,940
Grants & Special Projects	800	Housing Discrimination Law Project-Legal Aid	56,900			56,900	37,923	56,900	-
Civil Rights	300	Civil Rights Dept Fair Housing	205,000			205,000	61,168	61,168	143,832
Non-Departmental	123	MPH Citizen Participation	70,900			70,900	-	-	70,900
Non-Departmental	123	YCB Administration	64,900			64,900	-	64,803	97
		Subtotal Administrative Grants	2,280,100	-	-	2,280,100	1,141,791	1,888,030	2,280,100
	123	Block E Deficit Reduction	0				-	-	0
		GRAND TOTAL	$ 13,828,033	$ 287,500	$ -	$ 14,115,533	7,077,719	9,524,889	$ 6,478,674
							(0)	(0)	

Source : GP06 Compass Report 12/31/07 - 12/31/08 run date 3/26/09

CDBG Program Year 32
Beginning June 1, 2006
December 31, 2008

Department	Agy	Project	Adopted Budget	Council Action 2006R-093	Adjustments & Program Income [1]	Council Action 2008R-060	Revised Budget	2008 Expenditures	2008 Grant to Date Expenditures	Remaining Grant Budget
Capital Grants:										
CPED	890	Adult Training, Placement and Retention	$ 580,000	$ (32,500)			547,500	$ -	$ 547,500	$ -
CPED	890	High density corridor housing	1,000,000	(56,100)			943,900	1,424,050	1,425,650	(481,750)
CPED	890	Homeownership Program (GMMHC)	437,000	(24,600)			412,400	-	-	412,400
CPED	890	Industry Cluster Program (Living Wage Jobs)	90,000	(5,050)			84,950	8,137	63,657	21,293
CPED	890	Multi-Family/Affordable Housing	4,999,000	(299,000)			4,700,000	3,109,995	4,280,500	419,500
CPED	890	NEDF/CEDF	136,000	(7,630)			128,370	57,435	57,435	70,935
CPED	890	NonProfit MF Rental Development Assistance	226,000	(12,679)			213,321	111,748	141,748	71,573
CPED	890	Vacant & Boarded Housing[3]	1,154,000	(64,725)	2,000,000 [2]		3,089,275	(145)	2,351,217	738,058
Health & Family Support	860	Childcare Facilities Loan/Grant	292,000	(16,381)	(127,427)		148,192	11,333	11,333	136,859
Regulatory Services	835	Lead Reduction	163,000	(9,144)			153,856	-	153,856	-
Regulatory Services	835	Vacant & Boarded Housing-249 List[3]	-	-	-		-	-	-	-
Regulatory Services	835	Problem Properties Board Bldg	54,900	0		18,300	73,200	-	54,900	18,300
Police	400	Problem Properties Police	64,050	0			64,050	-	-	64,050
Fire	280	Problem Properties Fire	18,300	0		(18,300)	0	-	-	-
City Attorney	140	Problem Properties Attorneys	45,750	0			45,750	2,189	45,750	-
Non-Departmental	123	General Housing Rehabilitation-MPHA	282,000	(15,820)			266,180	77,065	266,180	-
		Subtotal Capital Grants	9,542,000	(543,629)	1,872,573	0	10,870,944	4,801,805	9,399,727	1,471,217
Public Service Grants:										
CPED	890	Mortgage Foreclosure Prevention Program	218,000	(13,000)	44,224 [1]		249,224	-	249,224	-
CPED	890	Youth Employment & Training	506,000	(29,000)			477,000	-	477,000	-
Health & Family Support	860	Advocacy (Housing)	100,000	(5,610)	20,422		114,812	20,422	114,812	-
Health & Family Support	860	Block Nurse Program	62,000	(3,478)	(2,315)		56,207	-	56,207	-
Health & Family Support	860	Minneapolis Urban League	24,000	(1,346)	(336)		22,318	-	22,318	-
Health & Family Support	860	Curfew/Truancy Center	98,000	0			98,000	-	98,000	-
Health & Family Support	860	Early Childhood School Rediness	19,000	(1,066)			17,934	-	17,934	-
Health & Family Support	860	GMDCA Child Care	135,000	(7,573)	0		127,427	-	-	127,427
Health & Family Support	860	Lao Advancement Organization of America	47,000	(2,637)			44,363	-	44,363	-
Health & Family Support	860	Minneapolis Medical Research Foundation	43,000	(2,412)	(9,987)		30,601	-	30,601	(0)
Health & Family Support	860	MPS Teenage Parenting & Pregnancy Program	80,000	(4,488)			75,512	-	75,512	-
Health & Family Support	860	Native American Community Clinic	26,000	(1,459)	(1)		24,540	-	24,540	-
Health & Family Support	860	MELD	38,000	(2,132)	(6,276)		29,592	-	29,592	-
Health & Family Support	860	Child Dental Services	10,000	(561)			9,439	-	9,439	-
Health & Family Support	860	Cardondelet Life Care	71,000	(3,983)			67,017	-	67,017	-
Health & Family Support	860	New American Community Services	47,000	(2,637)	(65)		44,298	(50)	44,298	(0)
Health & Family Support	860	Southside Community Health Services	47,000	(2,637)			44,363	-	44,363	-
Health & Family Support	860	Westside Community Health Services	38,000	(2,132)	(2,928)		32,940	-	32,940	0
Health & Family Support	860	YWCA Day Care Scholorships	28,000	(1,571)			26,429	-	26,429	-
Health & Family Support	860	Neighborhood Healthcare Services	135,000	(7,573)			127,427	-	127,427	-
Health & Family Support	860	Little Earth Residents Association	33,000	(1,851)			31,149	-	31,149	-
Health & Family Support	860	Way to Grow	296,000				296,000	-	296,000	-
Health & Family Support	860	Cardondelet Life Care yr33	0	0	2,800		2,800	2,800	2,800	-
Health & Family Support	860	Child Dental Services yr33	0	0	500		500	500	500	-
Health & Family Support	860	Fremont CHS yr33	0	0	6,000		6,000	-	-	6,000
Health & Family Support	860	GMCC Division of Indian Works yr33	0	0	6,000		6,000	6,000	6,000	-
Health & Family Support	860	Migizi Communications yr33	0	0	5,900		5,900	5,900	5,900	-
Health & Family Support	860	Minneapolis Teenage Pregnancy yr33	0	0	10,900		10,900	10,900	10,900	-
Health & Family Support	860	Minneapolis Urban League yr33	0	0	10,900		10,900	10,900	10,900	-
Health & Family Support	860	Resource Inc yr33	0	0	6,000		6,000	6,000	6,000	-
Health & Family Support	860	Senior Block Nurse yr33	0	0	10,900		10,900	3,633	3,633	7,267
Health & Family Support	860	Southside Community Health Services yr33	0	0	6,000		6,000	-	-	6,000
Health & Family Support	860	St. Stephens Yr33	0	0	6,000		6,000	-	-	6,000
Health & Family Support	860	Neighborhood Healthcare Services	0	0	57,012		57,012	-	-	57,012
Public Works	607	Graffiti Removal on Public Property	97,000	(5,500)			91,500	-	91,500	-
Civil Rights	300	Multi Cultural & Native American Indian	165,300	(9,320)	(66)		155,914	-	155,914	0
		Subtotal Public Service Grants	2,363,300	(111,966)	171,584	0	2,422,918	67,005	2,213,212	209,706
Administrative Grants:										
CPED	890	Citizen Participation	303,000	(17,000)			286,000	11,307	286,857	(857)
CPED	890	Planning - Administration	1,146,800	(105,907)			1,040,893	-	1,040,893	-
CPED	890	Program Admin	8,900	41,100			50,000	-	50,000	-
Health & Family Support	860	Grant Administration	90,000	(5,005)		(6,849)	84,995	-	84,995	-
Health & Family Support	860	Legal Aid Society	44,000	(2,903)			41,097	-	41,097	-
Health & Family Support	860	Neighborhood Services	94,000	(5,269)			88,731	-	88,731	-
Health & Family Support	860	Way to Grow Administration	34,000	(2,244)			31,756	-	31,756	-
Finance	820	Finance Administration	255,000	(14,025)			240,975	138,336	240,381	594
Grants & Special Projects	800	Grants & Special Projects	206,000	(17,335)			188,665	-	188,665	-
Grants & Special Projects	800	Homeless Initiative	100,000				100,000	53,330	97,556	2,444
Grants & Special Projects	800	Housing Discrimination Law Project-Legal Aid	71,000	(3,751)			67,249	-	67,249	-
Grants & Special Projects	800	Metro Fair Housing-Multi Jurisdictional	16,000	(16,000)			0	-	-	-
Civil Rights	300	Civil Rights Dept Fair Housing	255,000	(14,025)			240,975	134,159	240,975	-
Non-Departmental	123	Administration YCB	57,000	0			57,000	-	57,000	-
Non-Departmental	123	Citizen Participation MPHA	88,000	(4,895)			83,105	-	29,314	53,791
		Subtotal Administrative Grants	2,768,700	(167,259)	0	(6,849)	2,601,441	337,132	2,545,470	55,971
	123	Block E Deficit Reduction	0	0	0		0	0		0
		GRAND TOTAL	$ 14,674,000	$ (822,854)	$ 2,044,157	$ (6,849)	$ 15,895,303	$ 5,205,942	$ 14,158,408	$ 1,736,895

[1] Council Action 2006R-146

[2] Council Action 2006R-355

[3] Council Action 2006R-356, 2006R-047 authorized and later rescinded Agency 835 $125,000 249 List program spending that was to be funded from reduction in Agency 890 Boarded Building spending.

Source : GP06 Compass Report 12/31/07 - 12/31/08 run date 3/26/09

CDBG Program Year 31
Beginning June 1, 2005
December 31, 2008

Department	Agy	Project	Adopted Budget	Council Agency Actions	Revised Budget	2008 Expenditures	2008 Grant to Date Expenditures	Remaining Grant Budget
Capital Grants:								
CPED	890	Adult Training, Placement and Retention	$ 610,878		$ 610,878	$ -	$ 610,878	$ -
CPED	890	High density corridor housing	953,008		953,008	100,862	1,014,855	(61,847)
CPED	890	Homeownership Program (GMMHC)	439,174		439,174	-	-	439,174
CPED	890	Industry Cluster Program (Living Wage Jobs)	94,348		94,348	-	94,348	0
CPED	890	Multi-Family/Affordable Housing	4,898,461		4,898,461	301,771	4,907,533	(9,072)
CPED	890	NEDF/CEDF	142,951		142,951	15,275	15,275	127,676
CPED	890	NonProfit MF Rental Development Assistance	238,252		238,252	152,779	238,252	0
CPED	890	Residential Loan/Grant	571,805		571,805	297,892	515,704	56,101
CPED	890	Vacant & Boarded Housing	1,200,000		1,200,000	-	1,201,330	(1,330) [4]
Health & Family Support	860	Childcare Facilities Loan/Grant	306,869		306,869	82,699	106,143	200,726
Regulatory Services	835	Lead Reduction	171,541		171,541	-	171,541	0
Regulatory Services	835	Problem Properties Board Bldg	49,557	23,825 [1]	73,382	-	44,966	28,416
Police	400	Problem Properties Police	71,476		71,476	-	30,246	41,230
Fire	280	Problem Properties Fire	23,825	(23,825) [1]	0	-	-	0
City Attorney	140	Problem Properties Attorneys	47,650		47,650	-	47,650	0
Non-Departmental	123	General Housing Rehabilitation-MPHA	297,338		297,338	-	297,338	0
		Subtotal Capital Grants	10,117,133	0	10,117,133	951,277	9,296,060	821,073
Public Service Grants:						-		
CPED	890	Mortgage Foreclosure Prevention Program	238,252		238,252	-	238,252	0
CPED	890	Youth Employment & Training	541,309		541,309	-	541,309	0
Health & Family Support	860	Advocacy (Housing)	104,831		104,831	-	104,831	0
Health & Family Support	860	Block Nurse Program	66,000		66,000	-	66,000	0
Health & Family Support	860	Child Dental Services	11,000		11,000	-	11,000	0
Health & Family Support	860	Curfew/Truancy Center	99,113		99,113	-	99,113	0
Health & Family Support	860	Early Childhood School Rediness	90,412	(15,247) [2]	75,165	-	75,165	0
Health & Family Support	860	GMDCA Child Care	142,500	14,568 [2]	157,068	-	157,068	0
Health & Family Support	860	HIV/AIDS	45,000	(1,939) [2]	43,061	-	43,061	0
Health & Family Support	860	Lao Advancement Organization of America	50,000	(41) [2]	49,959	-	49,959	(0)
Health & Family Support	860	Minneapolis Community Clinics	335,561	5,455 [2]	341,016	-	341,016	0
Health & Family Support	860	MPS Teenage Parenting & Pregnancy Program	85,000	[2]	85,000	-	85,000	0
Health & Family Support	860	MUL-Mental Health	25,000	(2,623) [2]	22,377	-	22,377	0
Health & Family Support	860	New American Community Services	50,000	(173) [2]	49,827	-	49,827	0
Health & Family Support	860	School Success Programs	35,000		35,000	-	35,000	0
Health & Family Support	860	Way to Grow	295,432		295,432	-	295,432	0
Public Works	607	Graffiti Removal on Public Property	101,972		101,972	-	101,972	0
Civil Rights	300	Multi Cultural & Native American Indian	166,776		166,776	-	166,776	0
		Subtotal Public Service Grants	2,483,158	(0)	2,483,158	0	2,483,158	(0)
Administrative Grants:								
CPED	890	Citizen Participation	328,788		328,788	-	314,253	14,535
CPED	890	Planning - Administration	1,230,400		1,230,400	-	963,913	266,487
CPED	890	Program Admin	13,657		13,657	-	13,657	0
Health & Family Support	860	Grant Administration	95,301		95,301	-	95,301	0
Health & Family Support	860	Legal Aid Society	46,697		46,697	-	46,697	0
Health & Family Support	860	Neighborhood Services	101,972	(54,989) [3]	46,983	-	46,983	0
Health & Family Support	860	Way to Grow Administration	34,308		34,308	-	34,308	0
Finance	820	Finance Administration	271,607	(22,193) [3]	249,414	-	249,414	0
Grants & Special Projects	800	Grants & Special Projects	219,192	(46,005) [3]	173,187	-	173,187	0
Grants & Special Projects	800	Housing Discrimination Law Project-Legal Aid	76,241		76,241	-	76,241	0
Grants & Special Projects	800	Metro Fair Housing-Multi Jurisdictional	17,154		17,154	16,154	16,154	1,000
Civil Rights	300	Fair Housing Initiative/Davis Bacon Compliance	257,312		257,312	524	257,312	0
Non-Departmental	123	Administration YCB	56,227		56,227	-	56,227	0
Non-Departmental	123	Citizen Participation MPHA	93,395		93,395	-	53,395	40,000
		Subtotal Administrative Grants	2,842,251	(123,187)	2,719,064	16,678	2,397,043	322,022
	123	Block E Deficit Reduction	0	123,187 [3]	123,187	0	-	123,187
		GRAND TOTAL	$ 15,442,542	$ (0)	$ 15,442,542	$ 967,955	$ 14,176,261	$ 1,266,281

[1] Council Action 2007R-266

[2] Agency Change in CDBG Program Funding

[3] 2005R-618 Council Action Reprograming CDBG funds for Block E Reduction.

[4] Includes offsetting credit recorded in fund FBG0

Source : GP06 Compass Report 12/31/07 - 12/31/08 run date 3/26/09

CDBG Program Year 30
Beginning June 1, 2004
December 31, 2008

Department	Agy	Project	Adopted 2003R-610	Amended Budget	Council Action 2005R-618	Revised Budget	2008 2,008 Expenditures	2008 Grant to Date Expenditures	Remaining Grant Budget
Capital Grants:									
CPED	890	Adult Training, Placement & Retention	$ 641,000	$ 639,823		$ 639,823		$ 639,823	$ -
CPED	890	High Density Corridor Housing	1,000,000	998,164		998,164	-	998,164	-
CPED	890	Home Ownership Program (GMMHC)	465,000	464,146		464,146	11,036	43,959	420,187
CPED	890	Industrial Cluster Training (Living Wage Jobs)	99,000	98,818		98,818		98,818	-
CPED	890	Multi Family Affordable Housing	5,390,000	5,380,106		5,380,106	-	5,286,081	94,025
CPED	890	Neighborhood/Commercial Economic Dev Fd	150,000	149,725		149,725	192,130	192,130	(42,405)
CPED	890	Residential Loan / Grant	444,000	443,185		443,185	-	443,185	-
CPED	890	Vacant/Boarded Housing Program	1,000,000	998,164		998,164	-	998,164	-
CPED	890	VHR Distressed	393,000	392,279		392,279	-	220,374	171,905
Health & Family Support	860	GMDCA- Child care facilities	323,000	322,407		322,407	-	322,407	-
Inspections Department	850	Hud Lead Program	180,000	34,353		34,353	-	34,353	-
Licenses & Consumer Services	835	Boarded Building Demolition	202,000	201,629		201,629	-	198,608	3,021
Regulatory Services	835	Hud Lead Program		145,317		145,317	-	132,373	12,944
Non Departmental	123	General Housing Rehabilitation-MPHA	313,000	312,425		312,425	-	312,425	-
		Subtotal Capital Grants	10,600,000	10,580,541	-	10,580,541	203,166	9,920,865	659,676
Public Service Grants:									
CPED	890	Mortgage Foreclosure Program	250,000	249,541		249,541		249,541	-
CPED	890	Youth Employment & Training	568,000	566,957		566,957		566,957	-
Health & Family Support	860	Advocacy	110,000	86,033		86,033		86,033	-
Health & Family Support	860	Block Nurse prg	66,000	65,879		65,879		65,879	-
Health & Family Support	860	Child Dental Services	11,000	10,980		10,980		10,980	-
Health & Family Support	860	Curfew Truancy Center	104,000	103,809		103,809		103,809	-
Health & Family Support	860	Domestic Abuse Prevention	58,000	57,894		57,894		57,894	-
Health & Family Support	860	GMDCA- Child care sliding fee	301,000	300,447		300,447		300,447	-
Health & Family Support	860	Head Start	66,000	65,879		65,879		65,879	-
Health & Family Support	860	Minnesota Aids Project	23,000	22,958		22,958		22,958	-
Health & Family Support	860	MPLS Community Clinics	261,000	260,521		260,521		256,951	3,570
Health & Family Support	860	Senior Services	61,000	60,888		60,888		56,178	4,710
Health & Family Support	860	Tubman Family Alliance	41,000	40,925		40,925		40,925	-
Health & Family Support	860	Volunteers of America	80,000	79,853		79,853		79,853	-
Health & Family Support	860	Way To Grow	311,000	310,429		310,429		310,428	1
Regulatory Services	835	Groundworks	17,000	16,969		16,969		16,969	-
Public Works	607	Grafitti Removal	107,000	106,804		106,804		106,804	-
Civil Rights	300	Multicultural Services	101,749	101,529		101,529		101,529	(0)
Civil Rights	300	American Indian Advocacy	0	23,765		23,765		23,765	-
Park & Recreation Board	127	Teamworks	15,000	14,972		14,972		14,972	-
		Subtotal Public Service Grants	2,551,749	2,547,032	0	2,547,032	0	2,538,751	8,281
Administrative Grants:									
CPED	890	Citizen (Resident) Participation	346,000	345,365		345,365		345,365	-
CPED	890	Neighborhood Business Association	174,000	173,681		173,681		173,681	-
CPED	890	Planning Administration	1,213,000	1,210,773		1,210,773	-	976,128	234,645
CPED	890	Program Administration	75,000	74,862		74,862		74,862	-
Health & Family Support	860	Grant Administration	100,000	99,816		99,816		99,816	-
Health & Family Support	860	Legal Aid Services	49,000	48,910		48,910		48,910	-
Health & Family Support	860	Neighborhood Services Administration	162,000	161,703	(79,096)	82,607		82,607	-
Health & Family Support	860	New Arrivals	18,251	18,251		18,251		18,251	0
Health & Family Support	860	Way To Grow Administration	36,000	35,934		35,934		35,934	-
Finance Department	820	General Administration Finance	343,000	342,370	(89,801)	252,569		252,569	0
Grants and Special Projects	800	Administration	230,000	229,579	(25,237)	204,342		204,342	-
Grants and Special Projects	800	Metro Fair Housing-Multi Jurisdictional	18,000	17,967		17,967	7,312	17,967	-
Grants and Special Projects	800	Housing Discrimination Law Project-Legal Aid	80,000	79,853		79,853		79,853	-
Civil Rights	300	Fair Housing Initiative	190,000	189,651		189,651		189,651	-
Non Departmental	123	Citizen (Resident) Participation-MPHA	98,000	97,820		97,820	-	93,608	4,212
Non Departmental	123	Youth Coordinating Board (YCB)	59,000	58,892		58,892	-	58,892	-
		Subtotal Administrative Grants	3,191,251	3,185,427	(194,135)	2,991,292	7,312	2,752,435	238,857
	123	Block E Deficit Reduction	0	0	194,135	194,135	0	0	194,135
		GRAND TOTAL	$ 16,343,000	$ 16,313,000	$ -	$ 16,313,000	$ 210,478	$ 15,212,051	$ 1,100,949

Source : GP06 Compass Report 12/31/07 - 12/31/08 run date 3/26/09

City of Minneapolis
Fleet Services Division
For the Fourth Quarter Ending December 31, 2008

Fund 6100	2008 Budget	2008 Actual	Remaining Budget	% of Actual To Budget
Revenue including transfers	46,854,000	45,840,059	1,013,941	97.8%
Expenses including transfers	44,054,270	41,550,582	2,503,688	94.3%
Revenue Over (Under) Expenses	2,799,730	4,289,477		

Program Description:
The Fleet Services Fund manages the acquisition, maintenance and disposal of 1300 units of equipment; primarily the City's fleet of vehicles, including police cars, fire trucks and snow plows. This fund provides mechanics to maintain the equipment and drivers and operators for the machinery that is used in construction and snow plowing. In addition, the fund manages the dispatch of City-owned and contractual equipment.

Revenue:
The revenue for this fund is earned from charges to City departments (customers) for rental of equipment and drivers, maintenance of equipment, and the sale of fuel. The rental rates are calculated through an activity based rate model and are adjusted at the beginning of the current year to account for any changes in fuel prices or expected utilization of equipment. In 2008, the operating revenue through the fourth quarter is $41,660,059 and closely matches the operating expenses of $41,097,582. Revenue earned in 2008 increased 6.2% over the 2007 revenue due primarily to an increase in both the rental rate for equipment and drivers and the amount charged for fuel.

Expenses:
Total 2008 operating expenditures are $41,097,582 which is 3.5% under the budgeted amount of $42,556,824. Personnel expenditures represent 35.1% of the operating expenditures and are less than the budgeted amount by 21.3%. In 2008, a reduction in personnel occurred and vacant positions remained unfilled due to a decreased work load. Expenses for contractual services are increased due to a higher utilization of equipment personnel by City departments as equipment operators and drivers. The cost of providing this service is charged internally by the Fleet Services Division to other City departments. The budgeted operating margin is a deficit of (927,270) primarily due to an increase in depreciation and an increase in the cost of fuel inventory. In 2008, the cost of fuel inventory is recorded in materials, supplies, and services rather than a calculated cost of stores issuance due to implementation of new inventory software.

Transfers:
This fund receives an annual transfer in of $4.18 million from the general fund in accordance with the accepted long term financial plan. The fund has a transfer out of $453,000 to cover debt service related to the Minneapolis Employees Retirement Fund's unfunded pension liability.

Net Assets:
This fund is projected to have an increase in net assets for the year ended 2008 and is tracking close to the net asset balance calculated in the long range financial plan. Since the long range financial plan was determined in 2001, the fund has consistently recorded increases in net assets. The net assets are expected to increase over the next decade as the fund continues to replace old equipment and pay off the $30.9 million in bonds that are currently outstanding. The financial plan for this fund eliminated the sale of bonds to finance equipment purchases.

City of Minneapolis

Fleet Services Division Fund

Statement of Revenue and Expenses

For Fourth Quarter / Years Ending 2008, 2007, and 2006

	Budget Current Year 2008	For Year Ending 2008	For Year Ending 2007	For Year Ending 2006
Operating Revenues:				
Charges for Services and Sales	15,670,000	17,181,991	16,859,053	14,757,349
Rent Public Works and Other	27,004,000	24,478,068	22,360,887	23,137,121
Total Operating Revenue	42,674,000	41,660,059	39,219,940	37,894,470
Operating Expenses:				
Personal Services	18,338,879	14,438,819	15,333,808	14,726,580
Contractual Services	9,052,696	10,001,880	8,499,738	8,931,206
Materials, supplies, services and other	9,786,952	10,234,140	5,086,495	3,017,217
Rent	997,955	997,955	980,092	964,030
Cost of Stores Issuance	-	-	4,418,735	4,166,254
Depreciation	5,424,788	5,424,788	5,148,715	5,517,018
Total Operating Expenses	43,601,270	41,097,582	39,467,583	37,322,305
Operating Margin	(927,270)	562,477	(247,642)	572,165
Non-Operating Revenues/(Expenses):				
Interest Revenue	500	-	791	1,384
Interest on Bonds	(1,512,650)	(1,416,391)	(1,732,900)	(1,949,950)
Gains/Losses on disposal of fixed assets	200,000	164,042	281,943	100,151
Damages/Losses recovered	-	453	4,338	45,958
Other Revenue	-	29,647	-	-
Total Non-Operating Revenues(Expenses)	(1,312,150)	(1,222,249)	(1,445,828)	(1,802,457)
Operating Transfers in (out)				
Transfers from other fund	4,180,000	4,180,000	4,180,000	4,180,000
Transfers to other fund	(453,000)	(453,000)	(332,000)	(130,669)
Total Operating Transfers	3,727,000	3,727,000	3,848,000	4,049,331
Net Income	1,487,580	3,067,228	2,154,529	2,819,039
Significant Balance Sheet Items				
Fleet Purchases		6,996,372	4,356,604	6,646,400
Operating Cash		11,293	200,262	2,036,301
Net Building Value		24,783,824	25,221,580	25,821,732
Net Fleet Value		29,728,020	27,721,241	27,859,227
Bonds Payable		30,914,014	33,415,028	39,136,041
Significant Cash Flow Items				
Principal on Work out Bonds	(1,885,000)	(1,885,000)	(5,235,000)	(6,377,700)
Principal on Facilities Bonds	(525,000)	(525,000)	(395,000)	(1,312,250)

[1] Cost of Stores Issuance is included in Materials due to functionality of inventory system implemented in 2008.

City of Minneapolis
Property Services Division
For the Fourth Quarter ending December 31, 2008

Fund 6100	2008 Budget	2008 Actual	Remaining Budget	% of Actual To Budget
Revenue including transfers	20,438,000	19,309,855	1,128,145	94.5%
Expenses including transfers	20,582,504	19,442,162	1,140,342	94.5%
Revenue Over (Under) Expenses	(144,504)	(132,307)		

Program Description:
The Property Services Fund is responsible for the maintenance and upkeep of City owned buildings including police precinct structures, fire stations, public works buildings and parking structures. The fund does not manage City Hall or Water and Park Board buildings. The fund is also responsible for the Radio Shop which maintains the City's emergency communications network.

Revenue:
This fund collects revenue from the City departments that use its goods and services (building space, ramp maintenance, janitorial and radio services). The rate structure is configured to enable the fund to charge the amount required to recover the cost of the goods and services provided to City departments and the cost of the fund's overhead. Operating revenue through fourth quarter 2008 is $18,641,855, a slight decrease of 1.5% compared to the same period in 2007. Although the rates charged for 2008 property service rents increased an average of 5.0%, total revenue decreased due to a decrease in radio shop rentals and in maintenance services provided to the City's parking facilities.

Expenses:
The operating expenditures through the fourth quarter are $19,354,162, slightly decreased when compared to the expenditure of $19,649,480 in 2007. Personnel expenses, accounting for 45.1% of operating costs, increased 4.2% from 2007 due to the increase in the cost of providing medical insurance benefits. The decrease in the expenditures for contractual services, materials and supplies follows the decrease in demand for radio shop rentals and parking facility maintenance.

Transfers:
Property Services is responsible for paying $350,000 per year in debt service. In 2008 the debt service consists of $655,000 in principal payment and $312,896 of interest. Each year, the general fund transfers an amount to cover the difference between the $350,000 and the total debt payment for the year. In 2008, the transfer amount is $668,000. There is also a transfer out of $88,000 related to the debt service for the Minneapolis Employees Retirement Fund's unfunded pension liability.

Net Assets:
The fund is projected to have a decrease in net assets for fiscal year 2008 consistent with the decrease of previous years. In 2002 the City began capitalizing all of its assets, including buildings that are included in this fund. The rate model for this fund does not recover the depreciation costs related to these assets. At year end 2007, the fund has a net asset position of $27.9 million a decrease of $0.7 million from the 2006 balance of $28.6 million. The depreciation of capital assets will continue to decrease the net asset position.

City of Minneapolis, Minnesota
Property Services Fund
Statement of Revenues and Expenses
For Fourth Quarter / Years Ending 2008, 2007, and 2006

	Budget Current Year 2008	For Year Ending 2008	For Year Ending 2007	For Year Ending 2006
Operating Revenues:				
Charges for Services And Sales[1]	11,335,500	10,331,776	11,614,196	8,428,660
Rents Public Works and Other	8,434,500	8,310,079	7,306,214	7,266,776
Total Operating Revenue	19,770,000	18,641,855	18,920,410	15,695,436
Operating Expenses:				
Personal Services	8,185,105	8,425,687	8,086,044	7,561,286
Contractual Services[1]	8,637,849	7,884,805	8,250,828	6,561,024
Materials, Supplies, Services and Other	2,287,877	1,659,998	1,888,872	1,593,335
Rent	221,430	221,430	197,703	194,038
Depreciation	1,162,243	1,162,243	1,226,033	1,243,378
Total Operating Expenses	20,494,504	19,354,162	19,649,480	17,153,061
Operating Margin	(724,504)	(712,307)	(729,069)	(1,457,625)
Non-Operating Revenues/(Expenses):				
Interest Revenue	-	8	83	20
Interest on Bonds	(332,763)	(312,896)	(357,363)	(383,563)
Total Non-Operating Revenues(Expenses)	(332,763)	(312,888)	(357,280)	(383,543)
Operating Transfers in(out)				
Transfers from other fund	668,000	668,000	653,000	843,600
Transfers to other fund	(88,000)	(88,000)	(69,000)	(31,089)
Total Operating Transfers	580,000	580,000	584,000	812,511
Net Income	(477,267)	(445,195)	(502,349)	(1,028,657)
Significant Balance Sheet Items				
Operating Cash		592,014	829,006	37,714
Bonds Payable		(6,825,000)	(8,262,505)	(8,896,144)
Significant Cash Flow Items				
Bond Principle payments	655,000	655,000	615,000	655,000

[1] A 2008 technical adjustment of 3,000,000 was added to the current budget for Charges for Services and Sales and to Contractual Services for the increase in work for others. The technical adjustment had no effect on the operating margin.

City of Minneapolis
Intergovernmental Service Fund
For the Fourth Quarter ending December 31, 2008

Fund 6400	2008 Budget	2008 Actual	Remaining Budget	% of Actual To Budget
Operating Revenue including Transfers	49,720,166	48,861,711	858,455	98.3%
Operating Expenditures including Transfers	42,161,358	41,857,491	303,867	99.3%
Operating Revenue Over (Under) Expenditures	7,558,808	7,004,220		

Program Description:
The Intergovernmental Service Fund accounts for operations of Business Information Services (BIS); the City Clerk's printing and central mailing services; and a small portion of Human Resources training services. BIS is comprised of telecommunications services, network services, application support, internet and intranet services, convenience copier function, broadband wireless, and deployment of software and hardware.

Revenue:
Operating revenue through the fourth quarter of 2008 is $37,099,343 or 97.8% of the annual budgeted amount of $37,949,166. Revenue sources include mailing and copying services, telecom charges, Project Management Operations (PMO) projects, and BIS charges based on the rate model. The revenue for BIS is driven by rates charged for services and customers' technology needs. The BIS rate model uses the expense budget, depreciation, and overhead to determine technology rates. Revenue earned through PMO projects for fiscal year 2008 is $241,602 less than PMO expenditures for the same period. Revenues include a $5,226,000 interfund receivable related to the COMPASS project. PMO expenditures exceeded revenue due to WIFI expenditures of $348,000 related to implementation. Fourth quarter revenues include a transfer from the general fund of $10.5 million and a transfer from the debt service fund of $1.3 million. The Intergovernmental Services Fund receives transfers based on the long term financial plan for the fund.

Expenses:
Operating expenses through the fourth quarter 2008 are $41,561,867 or 99.3% of the annual budget of $41,969,358. Expenses include an annual service commitment of $1,250,000 for wireless services and $1,707,610 for implementation and on-going support related to wireless. Expenses are expected to exceed revenue until implementation of the wireless network is complete. Also included is $7,185,000 expenses related to the COMPASS finance system implementation. In the PMO cost center, expenses typically exceed revenues during the project initiation phase until a proposal is signed by the customer department and funding has been identified As projects are added to the BIS-PMO cost center, the revenue and expenditure budgets increase as funding for projects is provided by the customer. Expenditures are recorded throughout the duration of the project. Interest payments on bonded debt totaled $1.6 million for the fiscal year.

Financial:
The Intergovernmental Services Fund is projected to increase its net asset position for fiscal year 2008 by an amount greater than the increase predicted in the long term financial plan. The 2007 net asset balance is a deficit of $13.6 million resulting from an increase in net assets of $10.2 million in that year. Net assets have increased due to use of an allocation model to determine charges for service, a transfer from the general fund that is provided through the financial plan, and an increased level of activity in the Project Management Operations area.

City of Minneapolis, Minnesota
Intergovernmental Services Fund
Statement of Revenues and Expenses
For Fourth Quarter/Years Ending 2008, 2007 and 2006

	Budget Current Year 2008	For Year Ending 2008	For Year Ending 2007	For Year Ending 2006
Operating Revenues:				
Charges for Service:				
BIS - PMO	14,016,062	13,110,193	14,786,540	14,523,182
BIS-Telecom	2,949,544	3,014,661	5,774,633	6,382,488
BIS - Operating-other	19,972,854	19,895,809	14,113,515	12,836,673
CC-Mailing Services/Data Center	495,400	573,987	592,115	461,425
CC-Copy Services	515,306	504,543	623,486	914,431
Human resources	-	150	-	-
Total Operating Revenues	37,949,166	37,099,343	35,890,289	35,118,198
Operating Expenses:				
BIS - PMO	13,740,822	13,351,795	17,414,577	15,206,006
BIS - Telecom	2,008,257	2,153,173	1,641,475	1,628,910
BIS - Operating-other	24,708,014	24,691,613	19,558,478	17,742,917
CC-Mailing Services/Data Center	659,532	627,318	677,378	455,598
CC-Copy Services	606,036	547,795	670,010	790,217
Human resources	246,697	190,173	198,124	195,437
Total Operating Expenses	41,969,358	41,561,867	40,160,041	36,019,085
Operating Margin	(4,020,192)	(4,462,524)	(4,269,752)	(900,887)
Non-Operating Revenues/(Expenses)				
Gains (Losses)	-	-	-	(31,852)
Depreciation	(2,412,783)	(2,412,783)	(2,441,971)	(3,962,907)
Interest on Bonded Debt	(1,624,763)	(1,593,997)	(1,672,782)	(2,038,485)
Other Non Operating Income (Expense)	-	-	-	(4,041)
Total Non-Operating Revenues (Expenses)	(4,037,546)	(4,006,780)	(4,114,753)	(6,037,285)
Operating Transfer In (Out)				
Transfers from other fund	11,771,000	11,762,368	15,036,269	10,570,193
Transfers to other fund	(192,000)	(295,624)	(177,030)	(57,349)
Total Operating Transfers	11,579,000	11,466,744	14,859,239	10,512,844
Net Income	3,521,262	2,997,440	6,474,734	3,574,672
Significant Balance Sheet Items				
Cash		93,865	(1,885,745)	(1,661,324)
Work-in-progress		21,070,901	24,913,697	13,040,241
Interfund Loans		(10,114,051)	(10,114,051)	(14,548,952)
Bonds Payable		(34,574,725)	(34,759,138)	(35,775,000)
Deferred Income		(4,608,536)	(4,182,529)	(5,755,117)
Significant Cash Flow Items				
Capital Outlay				(8,325,000)
Principal on Bonds		(1,805,000)	(2,565,000)	(8,325,000)

City of Minneapolis
Self-Insurance Fund
For the Fourth Quarter Ending December 31, 2008

Fund 6900	2008 Budget	2008 Actual	Remaining Budget	% of Actual To Budget
Revenue including transfers	94,236,101	61,239,537	N/A	N/A
Expenditures including transfers	88,399,980	52,054,390	N/A	N/A
Revenue Over (Under) Expenses	5,836,121	9,185,147		

Note: Employee benefit payments for health and life insurance did not flow through the self insurance fund after July 2008, decreasing budget revenue and expenditures by an equal amount.

Program Description:
The Self-Insurance Fund records employee benefit accounting, workers compensation, tort liability, and the administrative functions to support these activities.

Revenue:
Revenues vary by activity. Employee benefits collect revenue from payroll withholding and employee contribution enabling revenues to match expenditures. Workers Compensation, with related administrative services in Risk Management and Human Resources for the return-to-work program, recognizes revenues from direct billing of users. Tort Liability including administrative services of the City Attorney's Civil Division earns revenue by billing departments participating in Self-Insurance. Deferred revenue for 2008 decreased to reflect a reduction in reserves for the Metro Pass program due to increased ridership and increased fees.

For fiscal year end 2008, total revenues, including a transfer from the general fund of $5.64 million, are $61,239,537. Revenue decreased 30.3% from the revenue earned through year-end 2007 due to a business process change for the payment of employee medical and life insurance. Payments for these benefits flowed through the self insurance fund as revenue transferred from the City departments as payment for fringe benefits. Beginning August 2008, these payments were made directly to the providers, bypassing the self insurance fund. A loss of revenue to the fund with a corresponding decrease in expense for employee health benefits, did not impact the operating margin.

The cost of providing health care benefits increased in 2008 as did the rates charged to departments for the self insurance liability and workers compensation premiums. The Finance-Employment Services cost center receives revenue from City departments as reimbursement for services related to employment screenings. The revenue received for these services in 2008 is $293,549. The remaining budgeted revenue for this cost center is provided through premiums for workers compensation and liability received from City departments.

Expenses:
The primary expenditure of this fund, the payment of employee fringe benefits included in Health and Welfare, accounts for 76.7% of the fund's 2008 budget for the first two quarters of 2008. Beginning August 2008, the payment for employee health and life insurance occurred directly from payroll and did not pass through the self insurance fund resulting in a $33.2 million decrease in budgeted expenditures for the Health and Welfare cost center. Total operating expenditures for 2008 including transfers to other debt service funds are $52,054,390, a decrease of 38.1% from the total expenditures in 2007 primarily due to medical premiums paid directly from payroll transactions.

Worker's Compensation and Tort Liability expenditures include the payments for settlements related to tort litigation and workers compensation claims. The costs of administering the plans are funded through the City Attorney and Risk Management cost centers. The expenditures related to liability and settlements through year end 2008 are $2,526,225 or 62.6% of the budgeted amount of $4,035,411. In addition, the fund is required to set aside resources annually to cover the future cost of compensated absences based on benefit accrual.

Transfers:
In 2008, this fund received an interfund transfer of $5,642,689 from the general fund to assist with payment of bond principal and interest. The total bond debt of $1,060,000 was eliminated through a final payment processed in December.

Net Assets:
This fund expects to increase its net asset position in 2008 in an amount greater than the increase calculated in the long range financial plan. The ending net asset balance for 2007 was a deficit of $26.4 million, an increase of $3.7 million from the 2006 deficit balance of $30.1 million. The deficit is primarily due to the large liability for unpaid claims for the City's General Liability and Workers Compensation. The liability was determined to be $33.5 million at the end of 2007.

City of Minneapolis, Minnesota
Self Insurance Fund
Statement of Revenues and Expenses
For Fourth Quarter/Years Ending 2007, 2006 and 2005

	Budget Current Year 2008	For Year Ending 2008	For Year Ending 2007	For Year Ending 2006
Operating Revenues:				
Health & Welfare (employee benefits)	67,517,738	33,356,887	59,993,307	54,719,946
Workers Compensation	8,130,956	9,524,961	8,252,076	8,786,419
Liability - Subrogation	9,523,946	11,353,987	13,319,374	8,590,318
Attorney Office Services	30,000	30,089	11,863	43,668
Human Resources Services	1,218,772	1,037,375	1,116,895	857,723
Finance-Employment Services	2,172,000	293,549	338,616	559,295
Total Operating Revenues	88,593,412	55,596,848	83,032,131	73,557,369
Operating Expenses:				
Health & Welfare (employee benefits)	67,540,716	33,175,852	58,700,370	53,987,035
Workers Compensation	7,721,613	7,844,078	6,340,188	6,041,860
Liability & Settlements	4,035,711	2,526,225	9,866,643	6,350,799
City Attorney's Office/Civil Division-Litigation	5,379,393	5,123,884	5,405,857	4,845,994
Risk Management - WC/Risk	2,184,150	2,183,613	2,463,967	1,963,442
Human Resource - Employee Benefits	1,407,397	1,069,738	1,115,857	1,089,526
Total Operating Expenses	88,268,980	51,923,390	83,892,882	74,278,656
Operating Margin	324,432	3,673,458	(860,751)	(721,287)
Non-Operating Revenues/(Expenses)				
Interest on Bonded Debt	(53,000)	(21,178)	(52,420)	(114,061)
Other Non Operating Income (Expense)	-	-	(839)	(166,930)
Total Non-Operating Revenues (Expenses)	(53,000)	(21,178)	(53,259)	(280,991)
Operating Transfer In (Out)				
Transfers from other fund	5,642,689	5,642,689	4,750,000	8,745,047
Transfers to other fund	(131,000)	(131,000)	(97,000)	(45,349)
Total Operating Transfers	5,511,689	5,511,689	4,653,000	8,699,698
Net Income	5,783,121	9,163,969	3,738,990	7,697,420
Significant Balance Sheet Items				
Cash Balance		18,766,917	11,001,677	5,541,017
Due from Other funds		181,930	181,930	2,823,000
Bonds Payable		-	(1,060,000)	(1,380,000)
Unpaid Claims		(33,467,000)	(33,467,000)	(32,245,631)
Net Assets			(24,927,102)	(30,102,435)
Significant Cash Flow Items				
Bond Principal Payments		(1,060,000)	(320,000)	(890,000)

City Of Minneapolis
Sanitary Sewer Fund
For the Fourth Quarter Ending December 31, 2008

Fund 07100	2008 Budget	31-Dec-08 Actual	Remaining Budget	% of Actual To Budget
Operating Revenue	43,819,895	41,609,709	2,210,186	95%
Operating Expenditures	40,516,860	37,971,701	1,451,967	94%
Operating Margin	3,303,035	3,638,008		
Net Income	1,537,707	723,679		

Program Description:
Sanitary Sewer Fund accounts for 95% of the contractual payments to the Metropolitan Council Environmental Services (MCES) for sewage interceptor and treatment services. The Fund also accounts for the sanitary sewer maintenance and design works.

Revenue:
With sewer revenue of $41.6 million through the end of the fourth quarter, 95% of the budgeted revenue has been realized. This is a decrease of $400,000, or 1%, compared to $42 million for the fourth quarter of 2007. The decrease in revenue through the quarter is primarily due to decrease in Inspection Service revenues from SAC charges.

Expenses:
The Sanitary Sewer fund's operating expenditures of $38 million through the fourth quarter is at 94% of the budget. This is a decrease of $1 million , or 3%, compared to $39 million through the fourth quarter of 2007. The decrease is mainly due to lower SAC charges made to Met Council for 2008.

Transfers:
The transfer from this Fund goes to MERF unfunded liability or the pension fund. As budgeted, $264,000 has been fully transferred. In addition to this transfer, another $365,000 has been transferred to General Debt Service fund.

Debt Service:
This fund did not have any debt service in the past, but, starting from 2007, there were capital projects which were bond-funded. In 2008, $5.5 million worth of bonds were sold. The fund paid out $1.2 million in principal and $400,000 in interest on its outstanding debts generated from past bond sales.

Other Financial Items:
The current operating cash balance is $10.6 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Therefore, the target cash balance is $9.5 million. The cash position is $1 million above its goal.

City of Minneapolis, Minnesota
Sanitary Sewer Fund
Statement of Revenues and Expenses
For Fourth Quarter/Years Ending 2008, 2007, 2006

	Budget Year 2008	For Year Ending 2008	Year Ending 2007	Year Ending 2006
Operating Revenues:				
Sewage Disposal	40,326,212	39,123,470	38,050,432	34,483,121
Other Services Provided	1,108,841	826,484	296,688	147,604
Inspection Services	2,384,842	1,659,756	3,659,793	3,856,433
Interest				121,336
Total Operating Revenues	43,819,895	41,609,709	42,006,913	38,608,494
Operating Expenses:				
Sewer Design	311,731	312,433	258,052	91,742
Sewer Maintenance	6,773,000	5,126,411	5,591,157	5,470,737
Met Council Env. Svcs.	33,432,129	32,532,857	33,215,685	32,927,301
Total Operating Expenses	40,516,860	37,971,701	39,064,893	38,489,780
Operating Margin	3,303,035	3,638,008	2,942,019	118,714
Non-Operating Revenues/(Expenses)				
Net Transfers (out)	(264,000)	(629,341)	(347,851)	
Non-Oper Expenses				(42,752)
Depreciation	(1,199,528)	(1,913,189)	(1,202,643)	(1,216,303)
Special Assessments		5,774	11,136	3,934
Net Interest Income (Exp)	(301,800)	(377,573)	(137,239)	(9,116)
Total Non-Operating Revenues (Expenses)	(1,765,328)	(2,914,330)	(1,676,597)	(1,264,236)
Net Income	1,537,707	723,679	1,265,422	(1,145,522)
Significant Balance Sheet Items				
Operating Cash	-	10,622,178	8,482,571	7,591,344
Accounts Receivable	-	3,103,489	3,393,086	2,706,241
Significant Cash Flow Items				
Capital Outlay	5,625,000	4,817,586	3,023,251	185,449
Bond Principle payments	1,200,000	1,200,000	904,239	72,000

City Of Minneapolis
Stormwater Fund
For the Fourth Quarter Ending December 31, 2008

Fund 07300	2008 Budget	12/31/08 Actual	Remaining Budget	% of Actual To Budget
Operating Revenue	33,899,579	33,489,006	410,573	99%
Operating Expenditures	20,413,606	18,122,800	2,290,806	89%
Operating Margin	13,485,973	15,366,206		
Net Income	6,451,518	11,076,411		

Program Description:
The Stormwater fund bears 15% of the expenditures for treatment work done by Met Council Environmental Services. Other activities within the Fund include Combined Sewer Overflow (CSO) program, Street Cleaning, Sewer Design and Sewer Maintenance. With street cleaning, Stormwater Fund is only a custodian of the finances while the operations remain with Street Department.

Revenue:
The Stormwater revenue of $33.5 million through the fourth quarter equates to 99% of the operating revenue budget. It is an increase of $2.1 million or 7%, compared to $31.4 million, over fourth quarter of 2007. The increase is due to revenues from storm water disposal fees; and this is due, in part, to a rate increase from $9.77 to $10.26. With grants fully realized, the overall revenue more than makes up for a slight decrease of $89,000 in revenue from Engineering Services compared to 2007.

Expenses:
For the year 2008, Stormwater fund operating expenses ended at 91% of the budget. Expenses through the quarter totaled $18.1 million compared to $17.4 million for 2007. This is an increase of $700,000 or 4%. Street cleaning activities increased by $600,000 and Maintenance expenditures rose by $200,000 over 2007.

Transfers:
Transfers out from Stormwater Fund includes $264,000 to pension fund for MERF unfunded liability. The Fund also transferred $249,000 to the debt service fund for bond redemption. Meanwhile, the Fund received $1.2 million as a transfer from grants fund for an EPA funded project.

Debt Service:
The debt service payments through the quarter totaled $10.2 million of which $8.6 million went towards the principal and $1.6 million was paid out to cover interest. These payments are primarily for bonds sold to finance the Combined Sewer Overflow program and Flood Mitigation programs.

Other Financial Items:
The operating cash balance for the year was at $3.9 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Therefore, the target cash balance is $4.7 million, which results in a shortfall of $800,000.

City of Minneapolis, Minnesota
Stormwater Fund
Statement of Revenues and Expenses
For Fourth Quarter/Years Ending 2008, 2007 and 2006

	Budget Year 2008	For Year Ending 2008	For Year Ending 2007	For Year Ending 2006
Operating Revenues:				
State Grants	746,775	886,787	831,690	671,526
County Grants	332,921	344,680	332,920	205,934
Sewage Disposal	30,995,483	30,946,028	28,868,760	27,869,040
Other Services Provided	1,824,400	1,311,511	1,398,805	1,031,806
Total Operating Revenues	33,899,579	33,489,006	31,432,175	29,778,306
Operating Expenses:				
Sewer Design	3,147,171	3,072,605	3,073,732	2,634,627
Stormwater Management CSO	1,304,759	982,291	1,096,967	1,206,966
Street Cleaning	7,614,959	7,363,079	6,764,484	7,211,034
Sewer Maintenance	3,170,798	2,213,723	2,004,579	2,100,924
Met Council Env. Svcs.	5,175,919	4,491,102	4,453,234	4,480,344
Total Operating Expenses	20,413,606	18,122,800	17,392,996	17,633,895
Operating Margin	13,485,973	15,366,206	14,039,179	12,144,411
Non-Operating Revenues/(Expenses)				
Net Transfers in (out)	(264,000)	634,699	(49,379)	(147,696)
Depreciation	(4,582,230)	(4,582,230)	(3,228,022)	(3,651,631)
Special Assessments	115,000	714,324	501,911	157,622
Net Interest Income (Exp)	(2,303,225)	(1,563,380)	(2,563,467)	(2,482,657)
Other Non Operating Income (Exp)		506,792	(1,265,313)	(1,529,659)
Total Non-Operating Revenues (Expenses)	(7,034,455)	(4,289,795)	(6,604,270)	(7,654,021)
Net Income	6,451,518	11,076,411	7,434,909	4,490,390
Significant Balance Sheet Items				
Operating Cash		3,894,096	596,907	(1,316,044)
Construction Cash		11,924,351	213,246	1,209,787
Accounts Receivable		4,217,773	4,484,745	6,697,637
Bonds Payable		28,634,910	11,583,044	15,045,426
Significant Cash Flow Items				
Capital Outlay	11,193,000	5,788,311	5,793,504	7,669,863
Bond principle payments	8,485,000	8,620,000	7,796,999	8,360,000

City of Minneapolis
Water Fund
For the Third Quarter Ending December 31, 2008

Fund 7400	2008 Budget	31-December-08 Actual	Remaining Budget	% of Actual To Budget
Operating Revenue	66,825,031	63,209,266	(3,615,765)	95%
Operating Expenditures	44,757,877	46,292,091	(1,534,214)	103%
Operating Margin	22,067,154	16,917,175		
Net Income (Loss)	9,122,350	4,886,794		

Program Description:
This Fund accounts for operation, maintenance and new construction of the water treatment and delivery system for the City and several suburban city customers. The City sells water directly to seven cities including Bloomington, Columbia Heights, Hilltop, Golden Valley, New Hope, Crystal, and Edina.

In 2008, the Water Fund received appropriations to continue ongoing capital projects. The projects include the Minneapolis Water Works Facilities Security Improvement in the amount of $500,000, the Ultrafiltration Program in the amount of $4.5 million and Pump Station #4 Rehabilitation in the amount of $6 million. In addition, each year, capital funding of $4.5 million provides for water distribution improvements including cleaning and lining of 10 miles of pipeline with replacement of valves and hydrants to provide holistic system rehabilitation in project areas. Distribution improvements also include replacement of watermain where conductive soils have caused a number of watermain breaks.

The Ultrafiltration Membrane Program was originally going to be built in two phases. Phase one is the newly constructed Columbia Heights Membrane Filtration Plant. Completed at a cost of $63.3 million, the new plant is currently operating in a testing and confirmation phase. Full plant operation is expected in the early summer of 2009. This plant began distributing water into the Minneapolis system in the fall of 2005. Phase two is the Fridley Membrane Filtration Plant which was cancelled this year.

Pump Station #4 renovations begin this year and be completed in 2009. This project completely refurbishes the 100+ year old pump station that supplies softened water to the new Columbia Heights Membrane Filtration Plant.

Revenue:
For the year 2008, there was a 3% increase in the water rates raising the cost of 100 cubic feet from $2.67 to $2.75 per unit. Due to a decrease in water usage, sales of water decreased by 3.1% over the same period in 2007, from 65.2 million to 63.2 million.

The operating margin for 2008 is $16.9 million or 26.6% less than the same period of 2007. The net income for 2008 decreased from $10.9 million in 2007 to $4.9 million in 2008 due to a decrease in operating revenue of $2.9 million from the same period in 2007 and an increase in operating expenses of $3.2 million from the same period in 2007.

Expenditures:
Through the end of 2008, operating expenditures totaled $46.3 million or 7.3% greater than for the same period in 2007. This increase is primarily due to an increase in operational cost of chemicals and energy for treatment of water for distribution into the Minneapolis water works system. Energy costs for pumping have increased by approximately 10% and chemical costs have increased between 40 to 90%, depending on the chemical

Capital construction and Distribution costs have been rising primarily due to increases in construction materials, mainly iron costs and rising fuel costs. Over the last year, metal costs have risen dramatically. Total construction cost increases have been tempered somewhat by a competitive bidding market but are still on the rise and difficult to predict.

Transfers:
The transfers out of $1,648,864 have been made, which includes the MERF (Minneapolis Employee Retirement Fund) pension debt service payments.

Debt Services:
The debt service payments are primarily for bonds sold to finance the Water Works capital improvement program. Current capital projects include SCADA, the membrane ultrafiltration programs, the Minneapolis Water Works facilities security improvement, and the rehabilitation of Pump Station #4.

Other Financial Items:
The Ultrafiltration Membrane Project is financed through loans from the Drinking Water State Revolving Fund managed by the Minnesota Public Facilities Authority. Beginning December 2002, the City has borrowed a total of $78.4 million at interest rates of 2.82%, 2.80% and 2.53%. The ending cash balance for the fourth quarter of 2008 is $473,025 compared to $1,965,367 for the same period in 2007. The objective is to have a cash balance equal to or greater than 3 months of operating expenses. Based on the current budget this would be $5.1 million in cash.

City of Minneapolis, Minnesota
Water Fund
Statement of Revenues and Expenses
For the Fourth Quarter/Years Ending 2008, 2007, 2006

	Budget Year 2008	For Year Ending 2008	For Year Ending 2007	For Year Ending 2006	For Year Ending 2005
Operating Revenues:					
Federal Grants		-	-	36,036	-
State Grants		-			
County Grants					
Licenses & Permits	1,000	1,219	871	728	1,009
Charges For Services	65,488,931	63,202,724	65,234,205	63,223,867	59,897,682
Charges For Sales	1,315,000	4,991	920,450	1,702,574	829,696
Rents					
Interest			938	289	990
Other Misc Revenues	20,100	332	346	27,918	1,251
Total Operating Revenues	66,825,031	63,209,266	66,156,810	64,991,411	60,730,628
Operating Expenses:					
Security	0		-	642,091	911,559
Water Design	1,171,415	618,400	937,199	675,654	657,732
Contribution To Other Funds	8,918,655	8,487,693	7,674,082	5,760,399	6,300,932
Administration & Permits	1,289,423	1,871,679	1,593,561	1,152,765	1,202,302
Operations Treatment	13,905,084	15,853,766	13,604,953	14,607,515	13,134,777
Treatment Maintenance	7,635,924	6,197,802	7,679,260	7,261,963	7,477,241
Distribution	7,959,232	9,200,968	8,065,826	8,184,004	7,762,956
Major Repairs & Replacement	3,878,144	4,061,783	3,552,154	7,656,719	4,929,336
Total Operating Expenses	44,757,877	46,292,091	43,107,035	45,941,111	42,376,835
Operating Margin	22,067,154	16,917,175	23,049,775	19,050,301	18,353,793
		-			
Non-Operating Revenues/(Expenses)					
				-	-
Net Transfers in (out)	(968,000)	(1,648,864)	(760,405)	(274,517)	(689,005)
Depreciation	(7,196,443)	(7,634,963)	(7,196,443)	(6,846,284)	(6,450,504)
Special Assessments		1,234,068	834,398	628,894	825,321
Net Interest Income (Exp)	(4,780,361)	(3,405,967)	(3,438,633)	(4,371,899)	(4,077,976)
Other Non Operating Income	2,000,000	344,653	383,889	603,376	336,960
Other Non Operating (Expenses)	(2,000,000)	(919,308)	(911,354)	(1,000,818)	(791,522)
Total Non-Operating Revenues (Expenses)	(12,944,804)	(12,030,381)	(11,088,548)	(11,261,248)	(10,846,725)
Net Income	9,122,350	4,886,794	11,961,227	7,789,052	7,507,068
Significant Balance Sheet Items					
Operating Cash		473,025	1,965,367	2,541,860	1,555,548
Construction Cash		8,118,608	-	-	436,484
Accounts Receivable		3,668,667	7,559,328	4,876,827	5,210,034
Bonds & Notes Payable		97,701,909	87,004,292	92,028,999	92,810,711
Significant Cash Flow Items					
Capital Outlay	23,500,000	15,087,425	12,375,804	13,486,869	18,549,576
Bond & Note Principle payments	6,679,791	6,926,791	8,419,436	8,658,552	10,829,467
Total Cash Flow Items	30,179,791	22,014,216	20,795,240	22,145,421	29,379,043

City of Minneapolis
Municipal Parking Fund
For the Year Ended Dec 31, 2008

Fund 7500*	2008 Original Budget	Dec 31, 2008 Yr End Actual	Remaining Budget	% of Actual To Budget
Revenue	43,470,492	34,813,163	8,657,329	80%
Expenditures	27,715,551	19,026,222	8,689,329	69%
Operating Margin	15,754,941	15,786,941		
Net Income (Loss)	4,802,587	7,572,676		

* Figures in the table do not include State-owned ABC parking facilities.
Net Income (Loss) includes all non-operating expenditures & revenues.

Program Description:
This fund accounts for operation and maintenance of parking ramps, lots, on-street parking meters, and the municipal impound lot. Major parking-related capital construction and development activities occur in this fund. The parking system has fourteen ramps with the sale of the St. Anthony ramp on February 28, 2008. The City has 6 lots with the addition of Park Avenue Lot. The City Council has approved the sale of two additional ramps. Negotiations continue on the potential sale of the Federal Courts and the Riverfront ramps.

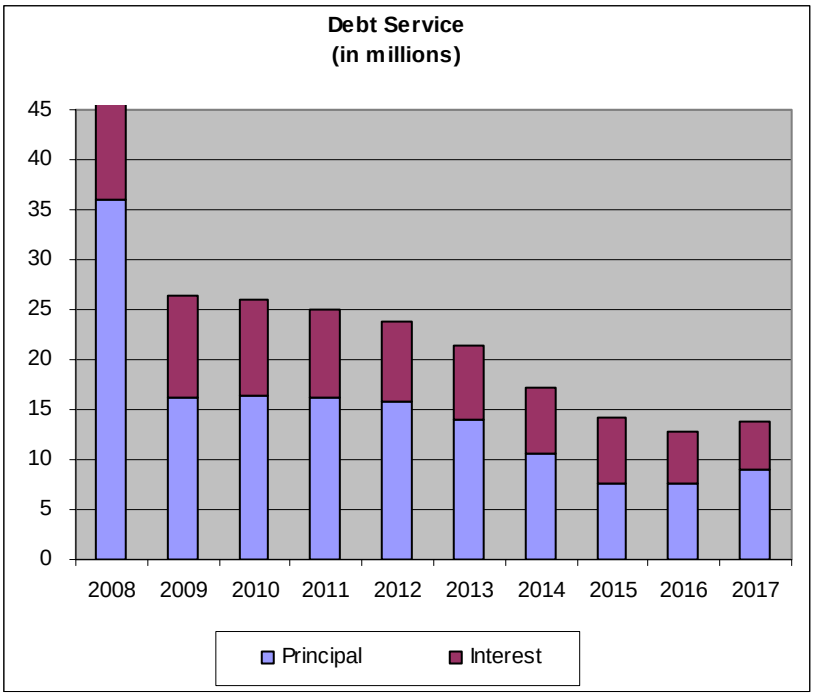
Revenues:
The revenues for the year 2008 decreased by $6.3 million, or 12.3%, to $45.1 million for 2008 compared to $51.5 million for 2007. Off-street parking revenue accounts for $5.4 million of the decrease due to the sale of ramps. The Impound Lot revenue accounts for $0.3 million of the decrease and On-street Parking accounts for $0.6 million of the decrease.

Expenditures:
Expenditures for 2008 decreased by $5.7 million to $25.4 million or 18.3% compared to $31.1 million in 2007. Expenditures for off-street parking decreased by $4.5 million, towing decreased by $1.2 million and on-street parking had no change over 2007.

Transfers to and from other funds:
The 2008 transfers into the Parking Fund include $8.8 million from the Convention Center for debt, $1.0 million from the Convention Center for operations and $7.4 million from CPED Tax Increment Financing. Transfers out to other funds for the year are budgeted for a total of $13.9 million with $8.6 million going to the General Fund, $2.2 million to the Target Center Arena, $2.8 million to CPED due to the sale of the Downtown East Ramp and $0.3 million to other funds. The 2008 Target Center Arena transfer is $2.2 million and is projected to reach $5.8 million by 2014, based on the updated payment schedule. There were $11.9 million in transfers out during 2007.

Debt Service:

The total debt service for 2008 is $46.1 million including $19.3 million in bonds called on Dec. 1, 2008 to pay down existing parking ramp debt from the proceeds from the ramps that were sold. These payments cover the costs of bonds that were sold to fund capital projects for construction of municipal parking ramps and lots. As new facilities are added to the system, debt service will continue to grow. According to the current schedule, debt service payments will reach $26.0 million in 2009.



The total amount of outstanding bonds in the Parking Fund increased by $1.7 million in 2007 with the sale of additional bonds to fund facilities repairs and improvements. There were no Parking Fund bonds issued in 2008. There is currently $202 million in outstanding bonds.

Other Financial Items:

The current operating cash balance is $24.1 million. The City's policy is to have cash equal to or greater than three months of operating expenses. Therefore, the target cash balance is $6.3 million, which results in an excess of $17.8 million. The excess is reserved for future debt service payment.

Parking Fund Workout Plan:

A financial workout plan, as adopted by the City Council, approved parking initiatives to cut costs and increase revenues. The Workout Plan is in the process of being revised due to the sale of 6 ramps in 2007 and 1 in February of 2008. An updated Workout Plan and financial projections should be available during 2009 based on actual figures through the year of 2008, the current update to the Workout Plan and specific performance include:

Revenues:

- Off-Street Parking and Enhanced Parking Ramp Marketing Activities: Figures for the year indicate that revenue has increased from last year's overall performance by $144,000 even after accounting for the sale of 6 ramps which represents an improvement of 0.5%. The offering of credit payment in our newly automated facilities is a primary factor contributing to the increase in overall revenues as we are attracting daily customers by offering this as an option.

- On-Street Parking and Parking Meter Management Plan: A request for proposals for new meter technology was developed and new meters are currently being tested. The pilot program for testing of new meter technologies will occur during the 4th quarter of 2008 and 1st quarter of 2009. Possibilities for new equipment features include offering multiple payment options, adjustable rate technology, improved enforcement capabilities and electronic reporting using the City's WiFi network. 93 total additional meters have been installed along Washington Avenue and are now being utilized.

- Impound Lot and Collection of Unpaid Tow and Storage Fees: The initiative for collection of unpaid tow and storage fee did not meet its revenue estimates of an additional $1.2 million. However, the impound lot exceeded the revenue target by $200,000 through the 2008. This is due to the higher prices received from the auction of abandoned vehicles and contents. We are currently working with the City of St. Paul to further improve the auction process and maintain this increased revenue stream.

- **Expenditures:**

The status of the various expense reduction initiatives:

- Off-street parking 2008 expenses are 9.7% or $2.1 millions less than budgeted. This is primarily a result of savings due to conversion to automation, as well as the sale of 1 facility in 2008. Savings from executing new janitorial contracts has also contributed to overall savings.

- Salaries and wages have been reduced due to continuing efforts toward reorganization and centralization resulting from the sale of the facilities mentioned above.

- Enhance Wayfinding Program: Two new installations are in process and have gone into operation in 2008 at Haaf and Government Center facilities.

- Repair & Maintenance Program: estimated expenditure of $2 million; Major projects for 2008 included completion of automation of the revenue control equipment and systems upgrades at the Haaf, LaSalle and Hawthorne Ramps as well as building automation and fire alarm system conversion of the Haaf Ramp and refurbishing elevator equipment at the 11th and Marquette Ramp.

- Impound Lot expenditures were under budget by $456,000 due to the fact that there was only one snow emergency in 2008 which occurred in the last week of 2008 as well as the adjustment of operating hours which has reduced labor costs.

- On-Street Parking expenditures were less than budgeted by $300,000.

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The following table presents a summary of the various business line actual figures and variances for the year of 2008.

Revenue* And Expense Categories	2008 Original Budget	2008 Year End Actual		Variance Budget Vs Actual
Off-Street Parking	29,201,572	30,840,861		1,639,289
On-Street Parking	7,155,532	6,976,669		(178,863)
Impound Lot	7,116,137	7,326,364		210,227
Total Revenue	**43,473,241**	**44,446,616**		**1,670,653**
Off-Street Parking	21,730,153	19,616,021		(2,114,132)
On-Street Parking	1,169,124	857,476		(311,648)
Impound Lot	5,362,501	4,906,788		(455,713)
Total Expenditures	**28,261,778**	**25,380,285**		**(2,881,493)**
Operating Margin	**15,211,463**	**19,763,609**		**4,552,146**

*Figures in the table do not include State-owned ABC parking facilities.

Summary:
Based on the annual data, revenues has exceed the amount budgeted by $1,670,653 or 3.8% and expenditures are under budget by $2,881,493 or 10.2% thereby resulting in an overall excess profit of $4,552,146 or 16.1% more than the annual budget.

City of Minneapolis, Minnesota
Municipal Parking Fund
Statement of Revenues and Expenditures
For The Years Ending 2008, 2007, and 2006

	Current Budget Year 2008	For Year Ending 2008	For Year Ending 2007	For Year Ending 2006
Operating Revenues:				
Off-Street Parking: City Owned	29,201,572	28,543,210	36,244,898	35,052,251
Off-Street Parking: State Owned	8,257,844	9,695,494	8,845,687	8,232,233
Towing	7,116,137	7,326,364	7,923,461	7,554,067
On-Street Meters	7,155,532	6,976,669	7,296,020	7,235,050
Total Operating Revenues	51,731,085	52,541,737	60,310,066	58,073,601
Operating Expenses:				
Off-Street Parking: City Owned-Direct Expenses	14,830,552	15,889,943	20,669,123	22,481,314
Off-Street Parking: State Owned-Direct Expenses	8,189,134	7,859,934	8,180,916	7,540,909
Towing	5,362,501	4,906,788	6,057,458	5,474,639
On-Street Meters	1,169,124	857,476	907,832	795,003
Other Operating Expenses	6,899,601	3,726,078	3,410,618	3,261,349
Total Operating Expenses	36,450,912	33,240,219	39,225,947	39,553,214
Operating Margin	15,280,173	19,301,518	21,084,119	18,520,387
Non-Operating Revenues/(Expenses)				
General Fund Transfer Out	(8,618,000)	(8,618,000)	(1,618,000)	(10,618,000)
Arena Reserve Transfer Out	(2,241,000)	(2,241,000)	(2,078,000)	(1,921,000)
Debt Service Transfer Out	(104,000)	(2,877,252)	(121,104)	(38,500)
Internal Service Fund Transfer Out	-		(8,000,000)	-
Sanitation Transfer Out	(146,000)	(146,000)	(146,000)	(146,000)
Total Transfers Out	(11,109,000)	(13,882,252)	(11,963,104)	(12,723,500)
Convention Center related facility Transfer	9,832,000	9,832,000	9,856,000	9,565,097
TI and MCDA Transfers In	7,386,506	7,386,506	8,504,777	10,018,683
Arbitrage Fund and Other Transfers In	0	0	-	-
Total Transfers In	17,218,506	17,218,506	18,360,777	19,583,780
Depreciation	(5,117,974)	(5,117,974)	(6,821,129)	(7,045,340)
Special Assessments*	113,846	113,846	38,373	12,556,838
Interest Income		0	163,761	
Bond Interest Expense	(11,807,810)	(10,047,006)	(12,881,548)	(12,623,204)
Other Non Operating Expenses	0	0	(180,251)	(33,353)
Other Non-Operating Income **	0	2,297,651	30,719,735	150,032
Total Non-Operating Revenues (Expenses)	(10,702,432)	(9,417,229)	17,436,615	(134,747)
Net Income+/(-)	4,577,741	9,884,289	38,520,734	18,385,640

* - In 2006 the Council passes a special assessment levy for the Vineland Ramp.
** - In 2007 this includes $30,660,842 of gain in the sale of 6 ramps.

Significant Balance Sheet Items				
Operating Cash		24,053,271	42,264,881	(12,306,289)
Construction Cash		0	395,953	3,420,289
Bonds Payable		202,125,042	238,140,542	268,374,642
Total Balance Sheet Items	-	226,178,313	280,801,376	259,488,642
Significant Cash Flow Items				
Principal on debt		36,025,500	31,924,100	14,174,100
Capital Outlay		2,270,435	1,366,695	1,753,949
Total Cash Flow Items	-	38,295,935	33,290,795	15,928,049

City Of Minneapolis
Solid Waste and Recycling Fund
For the Fourth Quarter Ending December 31, 2008

Fund 07700	2008 Budget	12/31/2008 Actual	Remaining Budget	% of Actual To Budget
Operating Revenue	31,488,710	29,626,579	1,777,810	94%
Operating Expenditures	31,153,451	26,841,146	4,312,305	86%
Operating Margin	335,259	2,785,434		
Net Income/(Loss)	(1,209,820)	2,191,072		

Program Description:
The Solid Waste Fund accounts for City's solid waste collection, disposal and recycling operations. Activities include trash and yard waste pickups which are done on a weekly basis. Recyclables and problem materials, such as appliances, are picked up on a biweekly basis. In addition, operations of a solid waste transfer station which covers over 105,000 households, are included in this Fund. The division also provides "clean city" activities such as neighborhood clean sweeps, litter-graffiti controls and removals in business districts. It has initiated “organics” pilot program in few school districts. City crews provide approximately one-half of the solid waste collection services and the other half of the services are provided through a contract with a consortium of companies specializing in waste collection.

Revenue:
The operating revenues for the Fund through the quarter totaled $29.6 million compared to $29.5 million through the fourth quarter of 2007. This is an overall increase of $100,000 in 2008 operating revenue, even though Solid Waste Fees declined by $500,000. This decrease was off set by increase in County grants and Recyclable sales. Revenues from recyclable sales vary from year to year and are tied to economic indicators in the market place. The grant revenue of $872,000 exceeded the estimate by $72,000.

Expenses:
The operating expenses through fourth quarter ended at $26.8 million compared to $25.8 million in 2007. This is an increase in expenditures of $1 million or 4%, over the same period in 2007. While expenditures for more of the cost centers compare favorably with 2007, four main areas, such as Collection, Yard Waste, Administration, and Clean City account for this increase. Over $300,000 was spent from the Fund in the purchase of compost carts and in support of micro grants.

Transfers:
Estimated transfers into the Solid Waste and Recycling fund include $146,000 from the Parking fund for litter containers and $50,000 from the General fund for graffiti removal. For 2008, there was an additional one time $150,000 transfer for micro grant program from General Fund. The Fund has recognized all of these transfers through the quarter. Transfers out of the Fund include $700,000 for alley plowing and $109,000 for MERF Unfunded Liability. These have been transferred out to General Fund in full for the quarter.

Debt Service: This fund has no debt service.

Other Financial Items:
The fund's cash balance for the year ended at $20.7 million and outstanding receivables were $3 million. The City’s policy is to have cash equal to or greater than three months of operating expenses which averages to $6.7 million of the year. Therefore, the year end cash balance of the Fund far exceeds this requirement.

City of Minneapolis, Minnesota
Solid Waste and Recycling Fund
Statement of Revenues and Expenses
For Fourth Quarter/Years Ending 2008, 2007, 2006

	Budget Year 2008	For Year Ending 2008	For Year Ending 2007	For Year Ending 2006
Operating Revenues:				
County Grants	800,000	871,639	783,762	802,623
Solid Waste Fees	28,989,310	26,385,324	26,853,386	26,300,313
Recyclable Sales	1,699,400	2,284,278	1,875,837	1,497,204
Charges for Other Services	-	85,338	31,976	14,877
Total Operating Revenues	31,488,710	29,626,579	29,544,961	28,615,018
Operating Expenses:				
Collection	7,629,285	6,894,417	6,465,493	6,667,334
Recycling	3,711,542	3,063,915	3,144,651	3,264,125
Disposal	6,385,054	4,892,029	4,901,091	5,180,850
Yard Waste	2,150,025	1,607,817	1,440,611	1,381,365
Large Item/Problem Material	825,788	1,027,048	1,080,192	1,125,980
Transfer Stations	212,634	206,433	125,542	173,753
Administration	4,690,406	4,360,989	4,228,996	4,186,945
Customer Service	381,256	580,176	437,592	540,547
Clean City	2,012,478	1,855,486	1,609,132	1,412,747
Equipment	3,154,983	2,352,836	2,340,266	4,212,945
Total Operating Expenses	31,153,451	26,841,146	25,773,566	28,146,591
Operating Margin	335,259	2,785,434	3,771,395	468,426
Non-Operating Revenues/(Expenses)				
Net Transfers In	196,000	346,000	196,000	506,000
Net Transfers Out	(809,000)	(809,000)	(778,000)	(735,221)
Gains (Losses)				
Depreciation	(932,079)	(704,188)	(932,079)	(1,034,312)
Special Assessments	-	572,827	119,614	15,281
Total Non-Operating Revenues (Expenses)	(1,545,079)	(594,362)	(1,394,465)	(1,248,252)
Net Income	(1,209,820)	2,191,072	2,376,931	(779,826)
Significant Balance Sheet Items				
Operating Cash		20,669,920	17,635,380	15,497,282
Accounts Receivable		2,882,587	3,133,296	2,824,168

2008 Fourth Quarter Investment Report

In accordance with the City's investment policy, revenue not immediately required for payment of obligations shall be placed in authorized investments. The objectives of the City's investment strategy, in order of priority, are safety of principal, liquidity and yield.

As of December 31, 2008, the City's current investment portfolio was valued at approximately $469 million. The sector holdings and fund distributions are shown below. For the twelve months ended December 31, 2008, the portfolio has just slightly underperformed its benchmark.

Investment Performance period ended December 31, 2008	City Portfolio	Custom Benchmark*
3 month Total Return	0.8%	.9%
12 months Total Return	2.8%	3.1%
Credit Quality	AGY	AGY

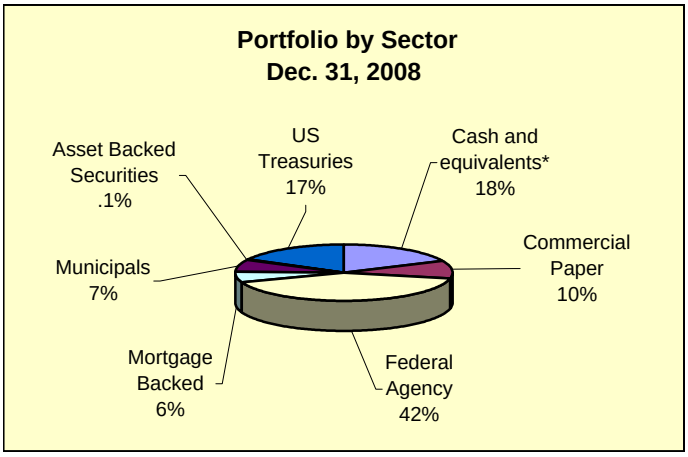
** Custom Benchmark is a combination of the Merrill Lynch 1-3 year Treasury Index, the Merrill Lynch 3 month US T-Bill Index and the Citigroup 1 month T-Bill Index. The custom benchmark more appropriately aligns with the City's current investment strategy.*

Portfolio Holdings By Sector

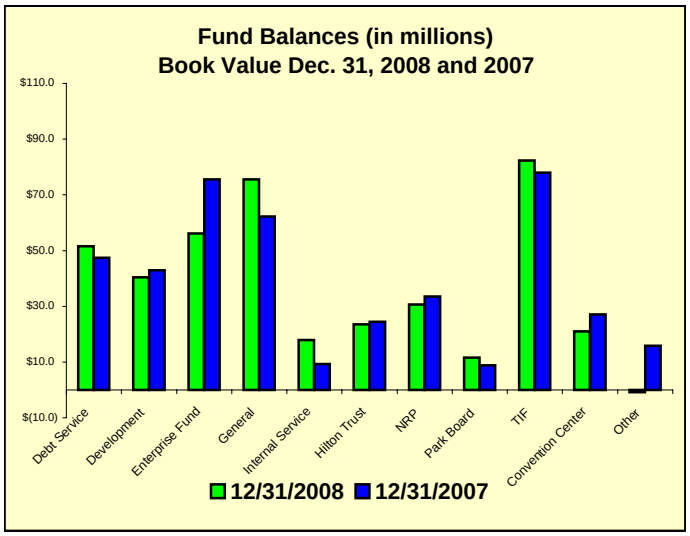
Market Value in millions

		Dec. 31 2008	% of port.		Dec. 31 2007	% of port.
Cash and equivalents*	$	85.0	18%	$	306.6	66%
Commercial Paper	$	48.1	10%	$	-	0%
Federal Agency	$	192.7	41%	$	91.1	20%
Mortgage Backed	$	28.7	6%	$	22.4	5%
Municipals	$	32.7	7%	$	17.9	4%
Asset Backed Securities	$	0.3	0%	$	0.4	0%
US Treasuries	$	81.2	17%	$	16.0	3%
Bond - Mutual Funds	$	-	0%	$	7.6	2%
Total Market Value	$	468.7	100%	$	462.0	100%

*Net of checks outstanding



Funds Performance

Book Value in millions

		Dec. 31 2008	% of total funds		Dec. 31 2007	% of total funds
Debt Service	$	51.5	11%	$	47.4	10%
Development	$	40.4	9%	$	42.9	9%
Enterprise Fund	$	56.2	12%	$	75.6	16%
General	$	75.5	16%	$	62.2	14%
Internal Service	$	17.9	4%	$	9.3	2%
Hilton Trust	$	23.5	5%	$	24.4	5%
NRP	$	30.7	7%	$	33.5	7%
Park Board	$	11.6	2%	$	8.8	2%
TIF	$	82.3	18%	$	78.0	17%
Convention Center	$	21.0	5%	$	27.1	6%
Other	$	(0.8)	0%	$	15.8	3%
Sub Total City Op. Port.	$	409.8	88%	$	425.0	93%
Bond Proceeds/Const.	$	56.4	12%	$	33.9	7%
TOTAL Book Value	$	466.2	100%	$	458.9	100%
Unrealized G/L & Acc int	$	2.5		$	3.1	
All Funds Mkt Value	$	468.7		$	462.0