



Request for City Council Committee Action from the Department of Finance

Date: June 12, 2008

To: Honorable Paul Ostrow, Chair, Ways & Means/Budget Committee

Referral to:

Subject: Policy Clarification on Use of Property Disposition Fund

Recommendation: Approve recommended changes to specify in the City's Financial Policies that the proceeds of the Property Disposition Fund are to be used for furthering the goals of the City's strategic space plan as outlined by the Facilities, Space and Asset Management Committee.

Previous Directives:

May 12, 2008 – Staff direction that Finance Department staff, in conjunction with the Public Works Department staff, return in 2 cycles (July 7, 2008) with a proposal for a policy clarifying the usage of the Property Disposition Fund.

June 25, 1999 – Creation of Facilities, Space and Asset Management Committee

Prepared by: Heather Johnston, Director, Management & Budget, (612) 673-2918
Greg Goeke, Director, Property Services, (612) 673-2706

Approved by: Patrick Born, Finance Director _____
Steven Bosacker, City Coordinator _____

Presenter in Committee: Heather Johnston, Director, Management & Budget

Reviews

- Permanent Review Committee (PRC): Not Applicable
- Policy Review Group (PRG): Not Applicable

Financial Impact

- No financial impact: Actions are both revenue and expense neutral.

Community Impact

- Not Applicable

Background/Supporting Information

The Property Disposition Fund was created in section 14.120 of City Ordinance. The ordinance requires proceeds from the sale of City property to be deposited into a property disposition fund. The ordinance did not specify the use of the proceeds. Use of the fund has varied from funding shortfalls in projects such as funding space improvements for the Minneapolis Police Department at the Hamilton School (\$500K) to expenses associated with a Public Works land inventory project (\$100K). City ordinance also established the Facilities, Space and Asset Management Committee (FSAM) to prioritize planning for space-related capital projects and approval of strategic facilities plans, including exclusions from policies and major departmental moves.

This fund is actually an account in the Property Services Fund, the internal services fund in which expenditures related to space are accounted.

Recommendation

Approve recommended changes to specify in the City's Financial Policies that the proceeds of the Property Disposition Fund are to be used for implementing the City's strategic real estate plan as developed and approved by the Facilities, Space and Asset Management Committee.