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Government Management

The Coordinator's Office provided information about its various functions and accomplishments.

Neighborhood Revitalization Program (NRP) information came, in part, from NRP staff.

The Finance Department provided the financial information in the Government Management section of this document.

The State of the City acknowledges the help given by staff from this department.

Another major source of financial data and recommended 2002 Priorities was the *Mayor's 2002 Recommended Budget Summary-City of Minneapolis*. The proposed budget was released in November 2001.

Data for the tax increment finance district section was reviewed and updated by Minneapolis Community Development Agency staff.

This chapter can also be found on the city's website at: www.ci.minneapolis.mn.us/planning

Management and Administration
Communications
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Management and Administration

City government in Minneapolis is experiencing great change. In response to changing customers, increased demand for public accountability, changing technology, limited resources, and competition for city services, the city must ensure excellence in the services it delivers. To do this, city government must work together as an enterprise with a shared vision, and it must have management systems that support the delivery of services to the citizens of Minneapolis. The Minneapolis City Coordinator's Office is leading the change, ensuring that changes are integrated and in alignment throughout the organization through its mission: to strengthen the performance of city government and ensure accountability to the people who live and work in Minneapolis.

The role of the City Coordinator is defined by the three key businesses of the City Coordinator's Office:

- Decision Support: Assisting the Mayor and City Council in defining city policy and establishing priorities.

- Initiative Management: Ensuring that the Mayor and City Council's priorities are implemented.
- Performance Accountability: Providing citizens, Mayor, City Council, and department heads with accurate information to determine the value and productivity of city government.

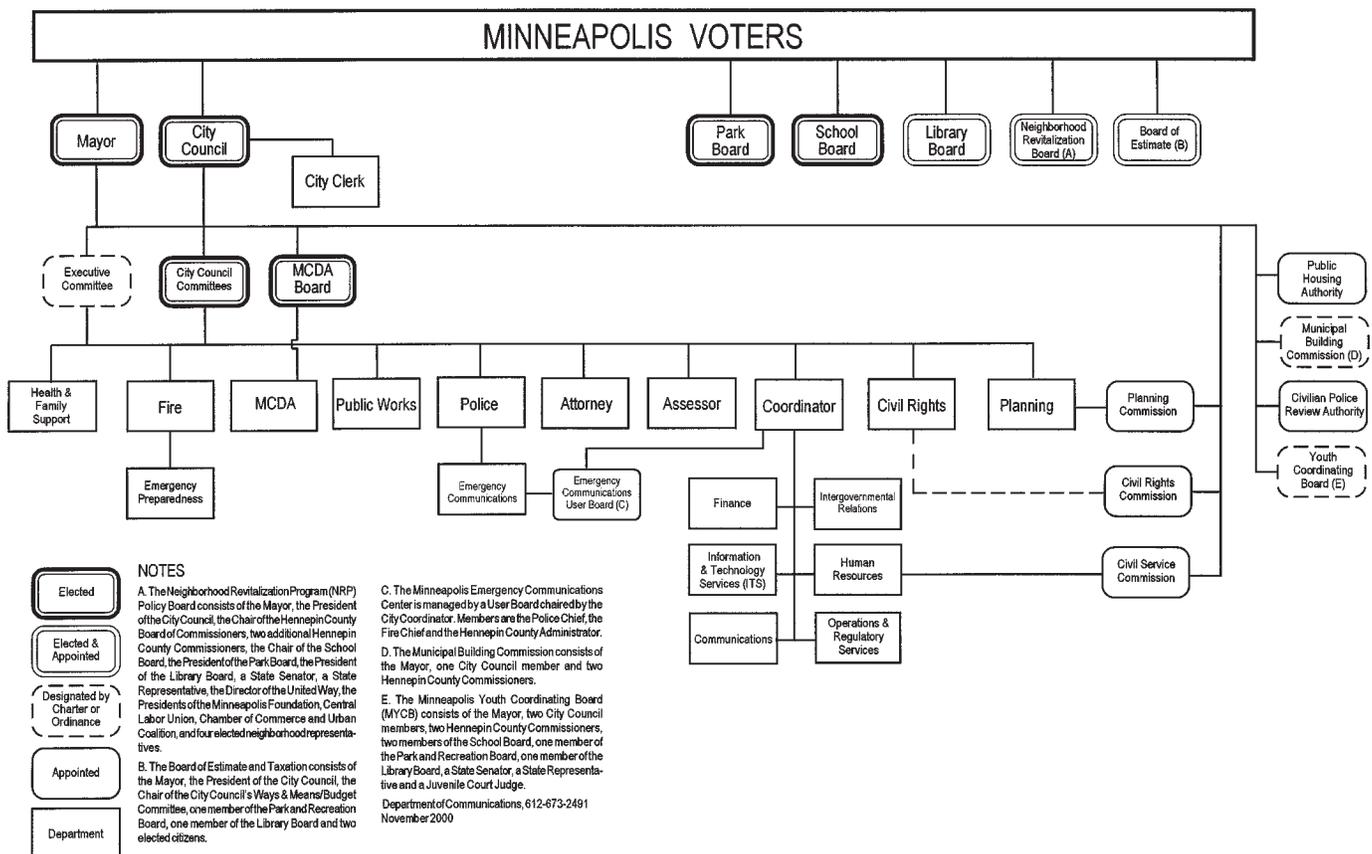
Major initiatives for each of these areas are listed below:

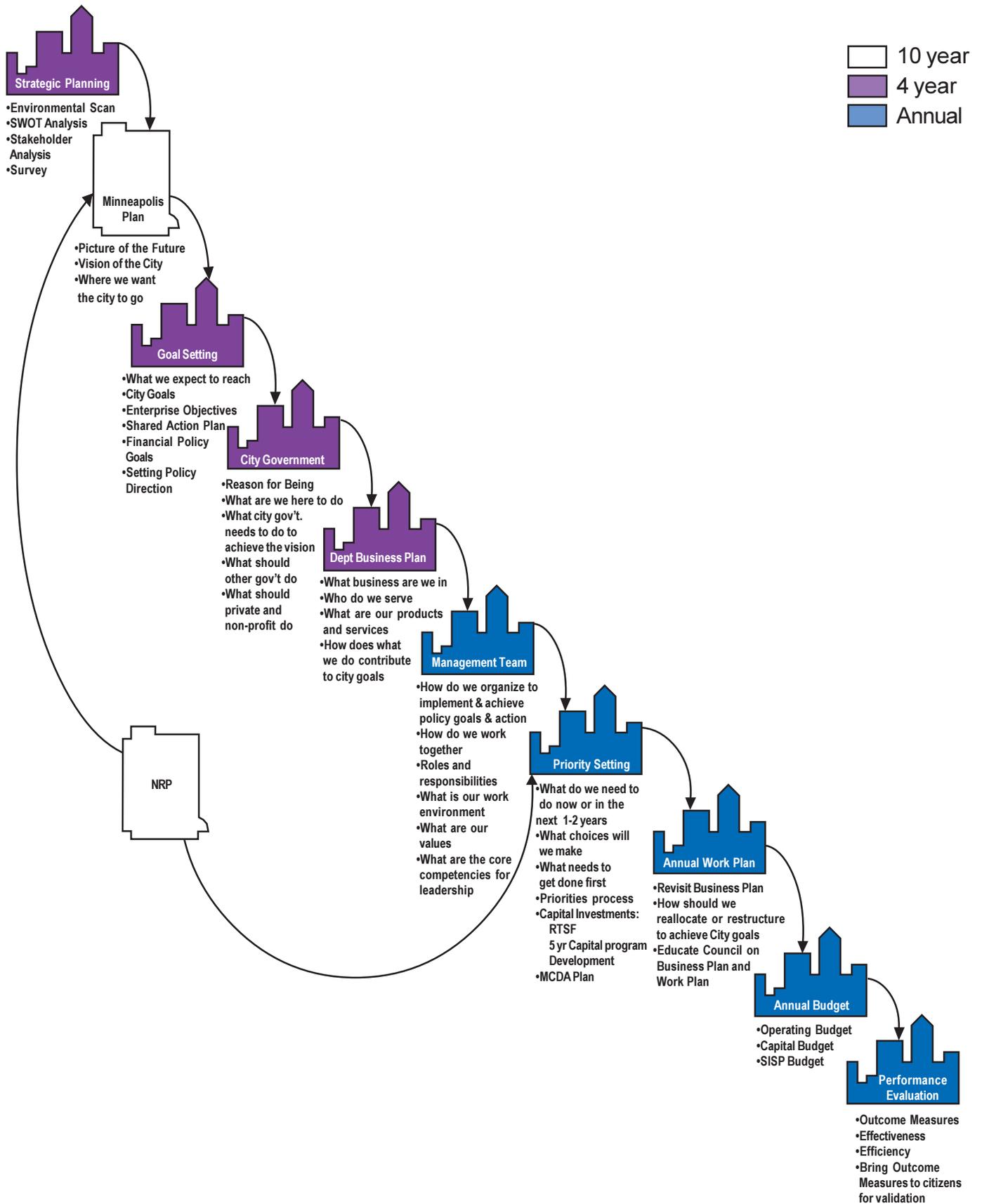
I. Decision Support

Core Processes

The City Coordinator is responsible for the design process and execution of the City's Core Processes (decision making activities). The Core Processes of Minneapolis City Government convene the Mayor and City Council to fulfill their responsibility as the policy leaders for our city. The Core Processes also provide the city department heads the opportunity to align the service activities and performance measures of their departments with the goals and direction established by the Mayor and Council.

City of Minneapolis





City Goals

The Mayor and City Council developed the current goals in 1998 and, as part of strategic planning for next term, will do so again in 2002. The process of setting goals improves the opportunity for collaborative work and outcomes throughout the year. The goals are the foundation for setting priorities, dedicating time, and expending resources. With these goals, elected officials and appointed department heads, as well as city staff, focus on the same set of priorities and concerns.

The goals for 1998 through the end of 2001 are:

Build Community

- Increase safety and confidence in the city of Minneapolis through effective and efficient.
- law enforcement and prosecution, and criminal justice system reform.
- Strengthen the participation of all citizens, including children, in the economic and civic life of the community.
- Reduce the negative environmental impacts of the airport while maintaining its economic benefits to the people who live, work, and play in Minneapolis.

Strengthen Markets

- Increase the city's population and tax base by developing and supporting housing choices citywide through preservation of existing housing and new construction.
- Position the city in the world marketplace to grow our diverse, resilient economy.
- Create strong vital commercial corridors citywide through mixed-use development, including a variety of businesses and creative housing.
- Make downtown a great place to live, work, play, and do business.

Keep the City Clean and Healthy

- Improve public transportation to get people to jobs, school, fun, and other daily activities.
- Preserve, enhance, and create a sustainable natural and historic environment citywide.
- Strengthen our city through infrastructure investments.

Provide Strong Leadership and Management

- Provide an efficient, effective, results-oriented city government that has a clearly defined role in relationship to other levels of government.

Priorities 2002

Initiated by the City Coordinator in 1995, the Priorities process is the city's annual service planning process in which city services are measured for their contribution toward the city's goals. The city's senior management uses the Priorities process to identify opportunities for change. In addition to working toward achieving the city's goals, the Priorities process enhances administrative goals by providing quality service, ensuring ac-

countability, and continuously improving how the city does business.

The purpose of the Priorities Process is to:

- Assist the Mayor and City Council in setting priorities, defining city services, and strengthening policy decision making;
- Utilize the expertise and experience of department heads and city staff to prepare citywide priority service options for the Mayor and Council;
- Create a unified vision for city government and provide annual budget direction;
- Redesign Minneapolis city government to ensure that the service level fits within funding realities; and,
- Integrate community and neighborhood visions, values, and priorities established in *The Minneapolis Plan* and the NRP planning process into the city's annual organizational planning process.

Priorities 2002 was designed to address two of the city's key challenges that were identified through the Priorities 2001 process:

- Defining the role of city government – today and into the future.
- Implementing strategies that resolve the stresses on the city's financial resources.

The purpose of the Priorities 2002 process was to focus on Business Planning and Performance Evaluation (two of the city's core processes) to meet the challenges defined above. Specifically, Priorities 2002:

- Emphasize individual department's business planning to ensure consistency and quality of the plans enterprise wide;
- Help to guide the departments through service activity identification, measurement of these activities, and assessment of legitimate objectives and outcomes;
- Strengthen performance measurement to encourage accountability;
- Present a financial context at the beginning of the process to help departments identify target strategies, savings opportunities, and refined service activities; and,
- Utilize Department Heads and Priorities 2002 work teams for business planning quality assurance and to learn from each other.

Although Priorities 2002 addressed business planning and performance measurement, both components will continue to be reviewed and assessed as to continually improve the enterprise and to ensure accountability.

In addition, Priorities 2002 aimed to strengthen the information base for the upcoming year's strategic planning process and Council Member/Mayor orientation, which will result in new city goals and objectives for 2002-2005 term.

Management Team Building

The City Coordinator initiates Management Team Building to build cohesion and alignment across the management of the city. Every year greater cohesion and alignment have been obtained as the department heads have worked together on issues that impact the city as an enterprise. In 2001, the Management Team focused on rewards, recognition, and incentives to demonstrate the value of city employees and to aid the city of Minneapolis toward becoming an employer of choice. A work team chaired by the Fire Chief, and comprised of the Finance Officer, Director of Civil Rights, City Assessor, Communications Director, City Attorney representatives, and the Human Resources Department was developed. They drafted recommendations and forwarded them to the City Council for approval. Recommendations included non-monetary awards instituted in 2001-2002, such as the "Just for Doing Something Good Program." Follow up from 2000 Management Team Building included the inaugural Executive Development class. This began a curriculum aimed at developing future leaders for the city of Minneapolis through coaching by current department heads and specially designed course work in conjunction with the University of Minnesota.

Emergency Preparedness

Since the Oklahoma incident in 1995, the City of Minneapolis has undergone intensive training and emergency planning. In 2001, City departments updated their sections of the City's Emergency Plan and prepared for a FEMA sponsored training course in Virginia in spring 2002. In addition, city leaders addressed government safety issues, including the establishment of a Facilities Security Work Team and a Personal Security Work Team. Both teams were charged with developing immediate and longer-term recommendations regarding the security measures that should be implemented at public facilities and for city employees.

The City Coordinator has served on the Gilmore Commission, a Congressional Panel to assess the nation's readiness for incidents of domestic terrorism. A three year panel (1999-2001), its work focuses on assessing the threat, defining our desired state of readiness, and recommending the structure, funding, and strategies to achieve national readiness. As a representative of local government management, the Coordinator is working with public safety, emergency preparedness, and public health professionals to ensure first responders design

the system, essential information reaches local levels, and civilian oversight and civil liberties are protected.

Space and Asset Management

The Space and Asset Management Committee, co-chaired by the City Coordinator and City Engineer, is responsible for recommending policies and procedures to the Mayor and Council, overseeing the coordination of the departmental use of space, and prioritizing space related capital projects. In 2001, Space and Asset Management staff developed conceptual and operational policies and procedures that provide the basis for management of city space and assets. City space standards that have been proposed to Council and adopted have been implemented in new buildings as well as renovation projects.

The Space and Asset Management policies and procedures manual, which provides guidance in the areas of Strategic Asset Planning, Space and Furniture Management, and Lease Management, has been approved for implementation. Furniture standards are in development. Extensive evaluation of city workspace is in progress to provide a baseline for effective improvements where needed. In addition, strategic planning efforts are also underway to establish an understanding of current usage, as well as developing a comprehensive plan for city space use today and into the future. The efforts undertaken have been designed to establish the foundation for implementation of the Space and Asset Management component of the City's Facilities Management model.

II. Initiatives Management

New Central Library

On November 7, 2000, the voters of Minneapolis approved a \$140 million referendum to fund the New Central Library as well as expand community libraries. Project milestones completed in 2001 include the organization of the project structure and building program as well as the architect and project management selection. The architect team is Cesar Pelli and Architectural Alliance. The construction team is Mortenson Thor.

The New Central Library project is governed by a joint resolution of the Minneapolis City Council and the Minneapolis Library Board, called the New Central Library Implementation Committee. The Committee was established in 1998 and consists of the Mayor, the President of the Minneapolis Public Library, two Library Board members, two City Council members, library users, representatives of the business community, and downtown residents. The City Coordinator and the Library Director are the executive sponsors directing this effort.

In 1999, the Implementation Committee worked to develop the program and preliminary building design requirements, identified potential sites, and developed preliminary funding strategies. In 2000, the Implementation Committee recommended demolishing the Central

Library and developing a new 350,000 square foot library on the existing site. The cost of the new library is estimated to be approximately \$122.5 million, excluding parking and the planetarium. Construction is scheduled for 2003 – 2006 with the New Central Library opening in 2006.

Minneapolis Convention Center

In May 1999 construction began on the \$207 million expansion of the Minneapolis Convention Center (MCC). The 650,000 square foot expansion will nearly double the exhibit space and add needed meeting rooms and support space. The highlight of the expansion is a 3,400-seat auditorium, which can be converted into a 2,125 seat main auditorium and three 425-seat lecture halls in less than ten minutes. The expanded facility will officially host its first event on April 1, 2001 with the opening of the AFL-CIO Union Industries Show. A Grand Opening celebration is being planned for June of 2002. Also in 2002, the MCC will hire 70 new FTEs to service this larger facility. The Convention Center Implementation Committee comprised of the Mayor, City Council President, the 7th Ward Council Member, the City Coordinator, the Executive Director of the MCDA, and business and community representatives guide the expansion.

Minneapolis' Empowerment Zone

The Empowerment Zone (EZ) is a federal economic development strategy for America's inner cities. A ten-year initiative, its purpose is to create jobs and business opportunities in the most economically distressed areas of cities. The initiative is not a social services program, but rather a method of making disadvantaged communities stable and sustainable through self-empowerment and economic participation.

Minneapolis is a Round II urban Empowerment Zone (EZ), designated in January 1999. The EZ is administered through the U.S. Department of Housing and Urban Development (HUD). The Minneapolis EZ has three areas: north, south, and a developable site in northeast and Southeast Minneapolis. Included in the designation are all or part of 19 of Minneapolis' 81 neighborhoods and more than 50,000 residents, 3,200 businesses and 65,000 employees.

The goals of the EZ are:

- Economic development strategies that generate living wage jobs and community sustainability;
- Access to a variety of housing options that promote family and community stability;
- Neighborhood-based strategies that help residents combat drug-related activity, reduce juvenile crime, and create safe neighborhoods;
- A comprehensive pre-K through life education system that prepares all Minneapolis learners to par-

ticipate in the economic and social fabric of the community; and,

- Coordinated community-based services that nurture and support young people and their families.

The EZ is governed by a board comprised of residents and business owners in the EZ, foundation and banking leaders and representatives of multiple government jurisdictions. The board meets quarterly and makes recommendations to the Mayor and City Council on how best to invest EZ funds, and discusses ways to address community development issues within the EZ.

Since December 1999, the EZ has invested more than \$8 million in federal EZ funds and \$9.1 million in state funding to 24 community based projects. This funding has leveraged more than \$400 million in other private and public resources. From 2002 through 2005 the Minneapolis EZ will invest an additional \$10 million in federal funds. In addition, the EZ has requested an additional \$12 million for EZ projects from the State of Minnesota.

The EZ has also begun building a relationship with local foundations and banks. The "EZ Foundation Consortium" meets quarterly as an entire group and has sub-committees working on affordable housing and community education.

The EZ is planning to broaden its impact through the adoption and implementation of a strategic plan. The plan, adopted in October 2001, will guide the EZ for the period from 2002 – 2005. As a celebration of past success and to culminate the planning process a strategic visioning conference was held on September 7, 2001. It was attended by more than 200 EZ constituents, the Mayor and the National Director of the EZ initiative.

Office of Arts & Cultural Affairs

The Office of Cultural Affairs mission is to encourage arts participation, arts support, and arts making in the City of Minneapolis. OCA is building a foundation for the future by developing art policies and partnerships with other city departments, public agencies, arts organizations, businesses, and artists. This foundation will promote Minneapolis as a center for arts and culture, coordinate community action to foster the arts, educate the public about the benefits of the arts and identify opportunities to fund arts and cultural initiatives in Minneapolis.

2001 Accomplishments:

In 2001, the Mayor and City Council adopted the Arts Vision Statement and Arts Policy recommendations. The arts vision statement and policies align with the city goals, specifically relating to building community and strengthening markets. The arts recommendations were created with input from 45 diverse participants representing city departments, arts organizations, artists, public agencies, neighborhood associations, businesses and educational institutions.

An Economic Impact Study sponsored by Americans for the Arts was initiated in 2001. Minneapolis was one of 75 cities chosen to participate in this study. The first phase of the study on nonprofit art organizations in Minneapolis was completed with surveys collected, and the second phase is underway. In 2002, we will receive information based on Americans for the Arts research, which will reflect local and national expenditures by non-profit arts organizations, induced spending by arts audiences, cultural tourism behavior, and local arts audiences.

OCA established a Public Art Working Committee to develop policy recommendations for public art in city projects. An example was working with the Midtown Greenway to incorporate art enhancements in the bridges along the greenway. Other public art initiatives in 2001 included:

- Partnering with the Midtown Community Works Partnership to implement Public Art master plan;
- Reviewing Neighborhood Gateway proposals;
- Establishing public art in the Near Northside Revitalization Project;
- Assisting with the Ibaraki Bell of Two Friends sculpture, the Mary Tyler Moore sculpture, and the Convention Center Art Wall; and,
- Integrating art elements into the Central Avenue streetscape project.

Also in 2001, the Arts in the Parks program, a collaborative partnership with the Minneapolis Park and Recreation Board was expanded to three parks (Nicollet Island, Lake Harriet band shell, and Minnehaha). The city art grants program was streamlined to increase efficiency and accountability to serve a segment of the arts community who may not be eligible for funding from other sources.

OCA processed 182 permits for commercials, film, and video production. A highlight for 2001 was the filming of Twentieth Century Fox's \$40 million new comedy starring Tim Allen, *Joe Somebody*. The economic impact of dollars spent in Minneapolis was \$6,197,772 dollars. In addition, twenty-two television series were produced in the Twin Cities. The most recognized series in 2001 was Comedy Central's *Let's Bowl*, which requested city production support and spent \$638,000 in Minnesota.

In 2001, Minnesota Electronic Theatre (MET) offered an educational symposium for Minneapolis computer graphics and interactive industries. It included a 16 panel sessions/workshops, 3 keynote speakers, and judged exhibits of local computer graphics, animation, and interactive work.

Minneapolis Arts Commission

The Minneapolis Arts Commission's (MAC) focus in 2001 was on the Neighborhood Arts Program, Public Art, and Arts Advocacy. The Commissioners participated in all OCA working committees and a facilitator will assist in the planning effort to coordinate OCA and MAC 2002 goals.

Neighborhood Revitalization Program

The 2001 Tax Bill significantly impacted the city's ability to continue community development at its previous pace. Changes to property tax laws and Tax Increment (TI) revenue decreased the amount of funds available to fund the Neighborhood Revitalization Program (NRP) and the Minneapolis Community Development Agency's (MCDA) community development projects and programs. In July 2001, at the direction of the Mayor and City Council, the City Coordinator formed a Community Development Work Team to address this issue, assess the future of community development in Minneapolis, and identify strategies to continue our neighborhood community development commitments.

The work team is addressing the community development issue in four subgroups: Legal, Finance, Program, and Communication. Community meetings were held to inform citizens of the impact of the tax reform, to answer citizen questions, and to learn citizens' concerns. Members of the work team included: the City Coordinator, Finance Officer, Director of the Planning Department, Executive Director of MCDA, Communications Director, City Attorney, and the Executive Director of NRP.

Prior to the legislative action, NRP embarked on its second phase in 2001. The City Coordinator chairs the Management Review Team (MRT) of the NRP and staffed the NRP Policy Board's Phase II Planning Steering Committee. The MRT is coordinating the work of various jurisdictions in preparation for implementing the NRP Phase II Policy Framework. The City Coordinator appointed an interjurisdictional staff team to develop a work plan for interjurisdictional collaboration during Phase II. At this point, the activities of the staff team are being reoriented to assist in the revision of the NRP Phase II plan when a decision about the future of Phase II is reached.

III. Performance Accountability

Business Planning and Performance Measurement

A successful performance measurement system can lead to continuous improvement of program performance, improved customer service, strengthened accountability, and empowered employees. In implementing the Performance Measurement Model, our goal is to create an enterprise-wide system of performance measurement that is useful to managers, meaningful to elected officials and integrated into the city's core processes.

In April 1999, the Mayor and City Council adopted a Performance Measurement Model for the city of Minneapolis. Components of the model include the following:

- Development of outcome, efficiency and effectiveness measures;
- Alignment of city goals with department services using enterprise objectives;
- Definition of the roles of elected officials and department heads; and
- Development of a citizen engagement framework (postponed – adopted August 2000)

Outcomes of Performance Measurement

- *Enhancing Governance.* The ability of public officials to use performance measurement in setting priorities, speaking with constituents, and holding the system accountable.
- *Enhancing Enterprise Management.* Seeks greater alignment between city goals and department service activities. Department service activities work together to achieve goals and objectives provide context for decision-making with options (choices) for best investment with limited resources. Departments' enhanced ability to redesign their service activities leads to greater creativity.
- *Enhancing Relationships with Citizens.* Effective communication of performance to the public enables constituents to understand their role not only as customers, but also as stakeholders and co-creators of the system.

In 2001, implementation of the performance measurement model took on new momentum. During the 2001 Budget process, the Mayor and City Council allocated resources for a citizen's survey and annual report. They also supported the reallocation of funds in the City Coordinator's area to create a new position, Performance Evaluation and Business Planning Coordinator.

Beginning in July 2001, managers and key staff were trained on the city's performance measurement model. In addition, in preparation for the 2002 budget process, every department received coaching to refine their service activities and performance measures.

By including performance data in the budget process, the City stands to significantly improve its budget discussions. Performance measures can provide the information needed to demonstrate the benefits of additional resources for a particular service area. They can also help make the case for targeted reductions rather than the across the board budget cuts that have been a part of the City's budget process the last several years. In addition, performance measures can assist in keeping budget discussions focused on expected outcomes, allowing for greater creativity on the part of the departments. Finally, performance measures can give both

the policy makers and department management the language they need to have a discussion about what resources are needed and why.

Citizen Engagement

Implementation of the citizen engagement component of the performance measurement system is a major priority. Last fall, the city successfully hosted a series of community dialogue meetings to review and discuss the objectives and outcomes. About 150 residents from around the city participated.

In mid-November 2001, the City conducted a random telephone survey of Minneapolis residents to measure citizen opinions, perceptions, and expectations regarding city government services and priorities and the city's progress toward achieving our city goals. The results of the Citizens Survey will be used to inform the city's strategic planning process in January 2002 and to establish baseline information for departments to track key outcomes. Key results of the survey will be included in the city's annual report to citizens to be published in early spring 2002. The City intends to repeat this survey on an annual or biannual basis so that the City can track changes in citizen perceptions, opinions and expectations.



Communications

The Communications Department's short-term and long-range plans are designed to ensure that city departments, including the City Council and the Mayor, have ready access to communications support and counsel. In the year 2001, the Communications Department continued to focus on offering strong counsel, having good anticipatory skills, keeping things clear and simple, and staying focused on the needs of the city's primary audiences. In addition, staffing for residents and customers who are hearing impaired (such as translation services) is provided through the department. Among the top priorities for 2001:

Emergency Preparedness

With the tragic events that began on Sept. 11, 2001, educating the public about the City's Emergency Preparedness efforts became a top priority. Developing an expanded Emergency Preparedness web site, written materials for public distribution, and a phone hotline for those who didn't have access to the Internet were among the first priorities. The Communications Department also provided communications consulting to elected officials, public safety staff, and emergency preparedness staff.

Clean City Minneapolis

Keeping Minneapolis clean is a key responsibility of city government. However, the public has an important role in the entire effort. Clean City Minneapolis is a public awareness initiative reminding Minneapolis residents and visitors to do their part to put litter in its place. Communications staff convened a public relations team to develop creative materials to reinforce this message. Martin Williams, a Minneapolis-based advertising firm, provided its expertise on a pro-bono basis, and the Minnesota Department of Transportation partnered with the city to fund the campaign. The result was a public education effort that blended paid advertising aimed to influence the target audiences (those who are likely to litter) and public service and free-media opportunities. The Clean City Minneapolis initiative will continue in 2002 and its efforts include the work of many other city departments, most notably Regulatory Services and Solid Waste Management.

Community Development Funding Challenges

Changes to the State's property tax structure made by the Minnesota Legislature in 2001 challenge the future of the City of Minneapolis' community development programs, including the Minneapolis Community Development Agency (MCDA) and the Neighborhood Revitalization Program (NRP). The Communications Department was involved in educating the public about the scope and potential impacts of the reduced property taxes on future community development and NRP activities. Preparing informational materials and organizing and promoting community meetings were the first steps in the overall effort. In 2002, the dialogue between the city and its residents will continue.

Public Works

From street sweeping and snow plowing to road maintenance and preparations for the future Hiawatha Light Rail Transit line, the efforts of Minneapolis' Public Works Department frequently have a direct impact on city residents and visitors. The Communications Department partners with Public Works staff to help inform residents about activities that may impact their lives. Communicating information about Snow Emergencies is among the top priorities. Keeping Minneapolis' streets well-plowed and safe requires that everyone follow Snow Emergency parking regulations. The Communications Department produces and distributes Snow Emergency information through a variety of outlets, including the media, the Internet, and the annual Minneapolis Calendar. New during the 2001-2002 snow season are Snow Emergency materials and a phone hotline for Somali speakers, something that is already being provided for Spanish speakers.

In 2001, a new Web-based street construction site was unveiled. The site provides weekly updates of street and lane closures resulting from public and private construction and routine street maintenance projects.

Rainwater and environmental concerns, solid waste, recycling, and street sweeping are among a number of other Public Works projects that involved Communications planning and efforts.

2002 Calendar

A favorite among residents (according to survey returns), the annual Minneapolis Calendar features a wealth of information about the priorities, projects and important contacts within city government packaged with vibrant photographs showcasing the people and places of Minneapolis. Each household in Minneapolis receives a copy of the calendar, and an additional 25,000 are distributed through municipal parking ramps, public service centers, and community and neighborhood organizations.

Web Partnership

More and more, individuals are relying on the Internet to gather information and conduct business. The Communications Department partners with the city's ITS Department to ensure that Minneapolis' website remains user-friendly and its content is easy to understand and contains useful and up-to-date information. Communications staff make strategic decisions about how best to promote and deliver information on the Web and are involved in content review.



Minneapolis continues to be among the few triple-A rated major cities in the nation. Two major credit rating services (Fitch and Standard & Poor's) affirmed the City's highest possible "AAA" general obligation bond credit rating. The third rating service, Moody's Investors Service, changed the City's rating from "Aaa" to "Aa1," the second highest rating, due to the deficits in three internal service funds of the City. The City Council and Mayor have approved financial plans that will reduce and eliminate these deficits.

Minneapolis' Credit Rating

The City's credit ratings result in highly favorable interest rates and market acceptance when the City issues bonds to finance capital improvements for streets, bridges, parks, recreation centers, libraries, parking structures, water and sewer systems, economic development projects, residential mortgage loans, and other public projects. Credit ratings are based on several factors: the strong, diversified economy of the city, the city's financial management and controls, and debt management coordinated by the city, county, and school district.

Treasury

In late 1999, the Cash and Revenue Management and Utility Billing Divisions merged. The new division is named "Treasury". There are three main subdivisions: Utility Billing, Cash Management, and Investments and Special Projects.

At the end of the first quarter of 2001, the Interactive Voice Response (IVR) telephone system went into production. Utility Billing customers have access 24 hours a day, 7 days a week, 365 days a year to their account information, frequently asked questions, and have the ability to make payments by credit card. In the fourth quarter of 2001, the Interactive Web Response system will be available for the Utility Billing customers and will allow them the same access to their account information, ability to make payments by credit card, and the ability to link to other City websites.

Financial Services and Budget

The Financial Services and Budget Division provides capital and debt management, financial planning and budgeting, accounting transactions, and financial reporting services for the City.

Management Analysis

The Management Analysis Division (MAD) serves as internal management consultants. MAD provides a wide range of management support services for elected officials and department managers to facilitate informed decision making and improvements in services, policies, procedures, and processes. The following are examples of how MAD assisted various departments in 2001:

- **Impound Lot/Concrete Crushing/Linden Yards Storage.** Worked with a City-Owned Land Work Group, a multi-departmental team, to analyze operations and develop short- and long-term location alternatives for these operations.
- **NRP/Community Development Work Team.** Provided staff assistance to the work team as it analyzed the impact of legislative action on the Neighborhood Revitalization Program and the Minneapolis Community Development Agency.
- **Planetarium Staff Team.** Served on a multi-jurisdictional work team to research and develop recommendations for a new Planetarium's governance structure, staffing, and capital and operating revenue mechanisms.
- **Fire Department Shift Analysis.** Worked with the Fire Department to analyze how the addition of a 48-hour shift affects personnel performance.
- **Cell Phone Policy.** Assisted Public Works with developing a new citywide policy on the use of cell phones, pagers, and radios.
- **Travel Policy.** Worked with Finance Department and other city staff to review and revise the city's existing travel policies and procedures.

Procurement

Procurement, space and asset management, and contract management services are provided for city departments, boards, and related agencies. The City Council and Mayor approved new procedures for contract management, monitoring, and standards for space and asset management.

Risk Management and Claims

Tort Liability and the Staff Claims Committee utilize a third party investigation and a claims administration program to recommend to reject, accept, or modify claims of \$25,000 or less made against the city. A major focus of the committee is to correct city processes and diminish future claims against the city.

The actuarial study to address the City's concern regarding our past experience and projected obligations in the areas of tort liability, workers' compensation, and health benefits has been completed. Recommendations on a revised allocation process are expected.

Workers' Compensation was audited by the MN Department of Labor & Industry and was defined with a 98.9% timely action rate. The average rate for other self-insured employers in the state is 89.7%. Settlement authority per the Code of Ordinance for staff in the WC unit has been formalized.

The medical managed care system for Workers' Compensation claims and employment services has been operational with some new services and physician changes to better fit the city's goals. Employment services fee rates increased an average of 4%. The con-



tract was extended to better coordinate with our health insurance renewal. New fee schedule addenda were negotiated and protocols revised for departmental employment health screenings.

Loss Prevention has worked with departments to encourage reporting incidents/accidents on a database to better measure property claims through the HRIS upgrade. Divisional resources have been heavily committed to policy development in the issues of workplace violence, crisis management, safety, and security. The work done in advisory positions has been contributed to the City's Labor Management Committee for Health, Sick Leave Redesign, Emergency Operations Planning, and the State's LRT Risk Management Advisory Committee.

Our primary mission is to help the City make the best decisions about its investments in human capital. In 2001, the Human Resources (HR) Department finished Phase II of HR Reform.

HR Reform - Phase II

We began HR Reform - Phase II in 1999 by asking our customers for their input. Over 900 employees completed a written survey. We conducted individual interviews and focus groups that included over 200 managers, supervisors, and elected officials. Based on this input, we developed four project teams to address our customer's most critical needs. Each project team followed rigorous project planning techniques. They established milestones, deliverables, a firm schedule, contingency plans, and quality measures.

HR Reform - Four Key Initiatives

1. Workforce Planning

- Expected Outcomes: Develop workforce action plans for all City departments.
- Since its inception, the Workforce Planning Team has accomplished the following:
 - Conducted pilot projects in the Fire Department and the Assessor's Office;
 - Completed Workforce Action Plans for Human Resources, Planning, Finance, the City Clerk's Office, the Minneapolis Police Department, Public Works, and the Health and Family Support Departments. We are just now completing Workforce Action Plans for ITS, City Attorney's Office and the Civil Rights Department;
 - Each plan provided the department with strategies for meeting their future human resource needs;
 - Hired a full-time Workforce Planning Coordinator;
 - Recognized by Governing Magazine and IPMA for our workforce planning initiative; and,
 - Developed a new Executive Development Program that will create a pool of qualified candidates for future department head and department director positions.
- We discovered some important trends from completed Workforce Action Plans including:
 - Increased number of retirements make filling vacancies a challenge;
 - Need for more flexible benefits and compensation to attract new employees;
 - Need succession planning for upper management positions; and,
 - Need to make major development and training investments (enterprise skills, cross training, competency development, etc.) to make the workforce more productive.

2. Improve Recruiting

- Expected Outcomes: Hiring managers will see more qualified and diverse applicants.
- Since its inception, the Improve Recruiting Team has accomplished the following:
 - Created the Affirmative Action Roundtable, made up of influential representatives of all protected class groups and major department heads;
 - Hired and trained organizers from each community of color;
 - Defined minimum job requirements and eliminated artificial barriers to hiring.
 - Increased the advertising and recruiting budget;
 - Made six different videos highlighting the benefits of some of our difficult-to-fill positions;
 - Made “the mayor’s top ten reasons to work for the city of Minneapolis” video
 - Attended over fifty job fairs so far this year, using our new display and video shows;
 - Created attractive recruitment brochures and distributed them to various locations;
 - Set aside two parking spaces outside the public service center so applicants can park more easily;
 - Started three feeder system programs to help grow our own for hard-to-fill and high turnover positions (account clerks, engineering aides, auto mechanics, and laborers);
 - Increased the average number of applicants for hard-to-fill positions by 18 percent; and,
 - Increased the average number of protected class applicants for under-represented positions by 7.4 percent.
- The Team’s recruitment strategies:
 - Create a web site that accepts job applications online;
 - Install kiosks in the reception area so applicants can apply online; and,
 - Redesigned job announcements and advertisements using a more attractive format, with more common and current language.

3. Streamline Staffing

- Expected Outcomes: Managers can hire within 35 days of requisition, choose from more qualified applicants, and use HRIS to speed up the process.
- Since its inception the Streamline Staffing project team has accomplished the following:
 - Re-allocated work to eliminate bottlenecks in four of the seven phases of selection process;
 - Solved job application data entry problem;
 - Designed a new application management system;
 - Identified responsibilities and training needs for each hr job title;

- Developed customer service survey tools that give us immediate feedback;
- Created a common directory that contains tools to help hr staff use consistent staffing processes;
- Developed an online application system;
- Created a Staffing Process Checklist to encourage dialogue with hiring authorities;
- Upgrading the HRIS PeopleSoft program to take advantage of “E-Recruit” efficiencies; and,
- Reduced time required to create an eligible list from 100 days to 48 days.

4. Improve HR Service Delivery

- Expected Outcomes: Reorganize the HR department so customers find it more competent and responsive.
- Since its inception, the Improve HR Service Delivery Team has accomplished the following:
 - Developed HR employees to manage change through the Health Realization Model;
 - clarified the mission of HR;
 - Designed a new organizational structure along business lines to improve service delivery; and,
 - Constructed new HR Generalist model integrating staffing duties.

In summary, the Human Resources Department has achieved almost all of the HR Reform major milestones, and can demonstrate significant improvements. The few remaining milestones are on target for completion before the end of the year.



Information and Technology Services

The year 2001 represents a transition year for ITS. A new Chief Information Officer and the reorganization of divisions within this department have helped to clarify and focus attention on meeting the business needs of our customer departments, and the information and service needs of our constituents and local businesses.

ITS Management

ITS Management has focused on the alignment of technology investments with city goals. We have reorganized our operating structure to help the city in its efforts to reengineer, streamline, and improve overall quality and delivery of internal department information services, and external web services to citizens and businesses of the city of Minneapolis.

Major Successes

- Action Center has focused on “quick win” ITS system and operation issues. Through analysis of Action Center ticket information they have helped prioritize and spearhead corrective action on chronic system and operation issues.
- Administration has successfully negotiated a purchase of leased PC workstations that had expired leases. The cost savings and extension the useful life of these workstations will allow the city to avoid expenses in excess of \$600,000 for 2001 and around \$1,000,000 in 2002.
- A Citrix thin-client sever technology is being established to stretch out the life of desktop computer equipment.
- Customer Relations launched and analyzed a city department ITS satisfaction survey. Results from this survey were incorporated into the ITS Strategic Plan and will also provide the basis for division operation planning for 2002.
- Information Access perfected e-Government web business capability for future virtual city of Minneapolis services. Customer departments and elected officials may offer their website to those that “work, live, and play” in the city of Minneapolis.
- Information Technology Operations installed a robust firewall defense for the city that has proved highly effective at repelling Internet spread viruses and unauthorized attempts at accessing our internal network information systems.
- Media Services has diligently managed the franchise contract negotiations with Time Warner and the proposed high bandwidth institutional network infrastructure that would be part of the contract. The negotiations are proceeding and should be completed to both parties’ satisfaction in November 2001.
- Program Management introduced a business outcome focused project management methodology during 2001. They have been employing this project management framework on all ITS projects since June 2001.

Action Center

Operational emphasis for the Action Center has been on a quick identification of the responsible ITS workgroup to address a network customer issue, and the subsequent notification to that workgroup. In establishing this workflow process, this workgroup began assembling and interpreting groupings of customer issues and has driven many of our internal process improvement activities.

Administration

The Administration workgroup focused its attention on financial process management issues. All contract and procurement activities are reviewed for proper authorization and budget compliance. This workgroup is also taking the leadership role in divisional budget planning for 2002.

Architecture

All traditional IT architecture fronts were challenged in 2001. Decisions had to be made with respect to what type of software application development platform we were going to employ for web development activities. Issues with the current data warehouse, and increased customer demand for data integration between city business systems, has required a data architecture roadmap to be developed for future business system acquisitions or updates. The operating systems for the city’s servers and workstations were dated and required migration planning for installing current operating systems and related services such as email and network management systems.

Customer Relations and Business Application Support

Customer Relations has carried the torch for providing business analysis and project management for business system acquisitions and upgrades through most of this year. This group has also provided the programming application support for the city’s legacy business systems. Adoption of formalized project management in the Program Management division and a significant shift in programming language for new Web applications will require organizational change for this department in 2002.

Information Access

Information Access has tasked itself with establishing web development standards and formal software development practices. This division has defined web page format standards, Internet e-Government security practices, and has adopted a documented repeatable software development life cycle process for future web based application services. This division has also worked with several other city departments to coordinate an enterprise approach to the growing need for content management at the city.



Intergovernmental Relations

Information Technology Operations

Technology Operations grappled with issues of network security, bandwidth, and network storage demands. All three of these areas are critical to providing a safe and secure computing environment for the city's business systems. The installation of a robust firewall has been very effective against intrusion attempts and external virus attacks. Internal virus scanning software has eliminated internal virus attacks for all non-mobile workstations. Bandwidth needs across our internal campus and to all remote network sites have been planned and many of the improvements are under way. This division has done a commendable job at providing disk storage for business systems that were installed or updated in 2001 with insufficient disk storage requirements considered. The division vigorously reclaimed squandered network storage space and reallocated it for better business system use.

Media Services

Media Services' core business is to provide media recording and broadcast service for official public meetings. It has added audio streaming to its list of broadcast services to allow internal network customers to monitor meeting discussions, or attend when their agenda item is up for discussion. This division is also responsible for the management of any contracts for telecommunication services with carrier providers such as Time Warner, AT&T and Qwest.

Program Management Division

The Program Management Division was formed in 2001 to meet the need for a systematic and effective approach to addressing business system needs from customer departments. To this end the department has established a documented process for assessing and taking on a business system project. The focus of this division is not the physical acquisition and installation of a software business solution, but rather is the review and rationalization of the core business process that is driving the solution, and the acquisition of the best business solution to meet the resulting business need.

The Intergovernmental Relations Office and the Office of Grants and Special Projects serve as valuable and essential resources for the City in its policy development, priority setting, issue management, grant seeking, and government relations initiatives. The Intergovernmental Relations Office effectively represents the city policies and priorities at the international, federal, state, and regional levels, as well as non-governmental partnerships.

Intergovernmental Relations

The primary business of Intergovernmental Relations (IGR) is to retain and defend local government authority and service needs by developing the city's strategic IGR policy position and advocating for that policy. The IGR Office provides services by:

- **Legislative Analysis.** Identifying issues and political concerns needing review and decision by the Mayor, City Council, and department heads.
- **Policy Development.** Establish work teams and incorporate team research results into a legislative package. Develop a unique action plan for each item.
- **Information Delivery.** Advocate a clear message of policy position and the service needs of Minneapolis to the federal, state, and regional governments. These messages are outlined and prioritized by the council and mayor. IGR represents the city on numerous boards, task forces, and affinity organizations charged with designing public policy.

Three major city issues during the 2001 State Legislative Session were:

- Tax Reform
- Affordable Housing
- Transportation

Federal Legislative Package. The city has a formally defined federal legislative package. IGR staff, in consultation with the city's federal lobbyist, will refine the federal legislative agenda for the 2002 Congressional Session.

Office of Grants and Special Projects

The year 2000 brought many changes to the Office of Grants and Special Projects. In order to foster better interaction between the city, federal, and state sources of funding, the office was transferred from reporting to the Assistant City Coordinator for Communications to the Intergovernmental Relations Office. A new manager was hired and a City Planner II position is now shared with the Empowerment Zone Office. The office continued to implement the Management Analysis Division recommendations for improving the grant management process and the first meetings of the citywide Grant Users' Group were held. The office facilitated the application for over 60 million dollars in grant funds.



Office of International Affairs

The Office of International Affairs continued to arrange tours and meetings for international visitors interested in learning more about city government. This office manages these random visits as well as all of the interaction with the eight sister city groups. An official visit was made to Kuopio, Finland, and sculptures were exchanged to commemorate the Sister city relationship with Ibaraki, Japan. The office responds to a variety of requests from around the world and cooperates with foreign governments providing services to their citizens living in Minneapolis.

The Department of Operations and Regulatory Services is a part of the Office of the City Coordinator that provides direct services to customers that include residents, businesses and visitors. The department consists of two major functions: Regulatory Services and Operations. Regulatory Services consists of two divisions: Licenses and Consumer Services, and Inspections. The activities of these divisions protect and enhance the livability of the city's neighborhoods. The Operations function of the department consists of the Minneapolis Convention Center, whose activities strengthen the economy of the city, region, and state. It is the department's mission to provide the highest quality service to its customers in all of its many functions.

The department was very active in 2001, implementing a future vision for the organization which is customer focused, performance driven, and results oriented. Highlights from year 2001 include:

- The significant new expansion of the Convention Center that will make the facility world competitive;
- Overseeing safe construction of new homes and businesses in one of the fastest growing real estate markets in the country;
- Focusing on ways to address problem businesses through greater collaboration among departments;
- Forming geographic based service delivery teams to encourage a team-based approach and interdepartmental cooperation;
- Creating new customer initiatives including interactive websites, public information materials, and customer-friendly service areas;
- Continuing the city's commitment to new technology and automation, including BIIS, GIS, and E-Government, that will enable staff to do their jobs smarter, faster, and better;
- Creating a successful Regulatory Services "Employee Recognition and Awards" program held in conjunction with the annual training conference; and,
- Planning for succession management and workforce sharing.

Operations: The Minneapolis Convention Center and Greater Minneapolis Convention and Visitors Association

The Minneapolis Convention Center (MCC) is one of the primary economic engines driving the success and vitality of downtown Minneapolis, the metro region and Minnesota. The convention and visitor business is very big business for the city and state, with hundreds of hotels, restaurants, entertainment venues, and attendant facilities. The hospitality industry employs tens of thousands, and generates significant revenue for city and state programs and services. In 2001, the MCC:

- Continued an ongoing reorganization by completing the convention center management team and implementing realignment of departments. Preparations were made for the mass hirings required to add approximately 70 full-time employees during the fourth quarter of 2001 and first and second quarter of 2002;

- Began the Workforce Planning process in conjunction with the Human Resources Department to prepare for upcoming changes in our workforce;
- Placed a renewed emphasis on communication and empowerment of employees by standardizing a system of informational and interactive meetings including bi-monthly meetings for all staff and bi-weekly department meetings; and,
- Continued to coordinate the ongoing expansion with a wide variety of challenging events. Challenges included staging load-ins with the closing of the 12th Street drive up lane, the 3rd Avenue Bridge over Interstate 94, the addition of another trailer for construction in the marshaling yard, and the loss of exhibit space to meet egress requirements during expansion. Through all of the challenges, the convention center continues to receive ratings that average between 4 and 5 on a 5-point scale.

Regulatory Services: Licenses and Consumer Services and the Inspections Divisions

Regulatory Services plays a key role in the city assuring a safe built and natural environment. In 2001, the two Divisions of Regulatory Services were responsible for tens of thousands of code compliance inspections involving a wide range of activities including business operations, single and multifamily housing, building construction, food safety, and the environment. Greater detail on many of these activities can be found in the Physical Environment Chapter of the State of the City report.

Our primary goal and accomplishment in 2000 was the restructuring of Regulatory Services into five major, functional service areas:

- 1) Business Services,
- 2) Environmental Services within the Licenses Division,
- 3) Development Review Services,
- 4) Construction Inspection Services, and
- 5) Housing Inspection Services within the Inspections Division.

Licenses and Consumer Services

The Licenses and Consumer Services Division consists of Business Services and Environmental Services. Business Services oversees the Licenses Division and Traffic Control. Environmental Services represents Animal Control, Environmental Health (food safety), Environmental Management (pollution control), and the Lead Hazard Control Program.

In 2001, Business Services

- Identified and targeted over 30 problem businesses.
- Implemented "Request for Service" (RFS) computerized complaint tracking system.
- Conducted five Administrative Law Judge Hearings.
- Increased problem business license fees to recover actual costs.

- Made business application, insurance, and bond images available to all departments on KIVA computer system through the imaging project.
- Implemented Administrative Fine System in conjunction with the City Attorney's Office to remedy persistent problems.
- Developed and translated education materials into several foreign languages.
- Developed and implemented in ordinance general business management expectations and responsibilities.
- Proposed major initiatives in the taxicab industry including additional handicap accessible cabs and metro wide standardization of taxi vehicle and driver requirements.
- Successfully hosted NCAA finals.
- Traffic Control has played a vital role in facilitating rush hour traffic by enforcing construction sites to the proper work hours and directing traffic which has been adversely impacted by building and Light Rail Transit construction.

In 2001, Environmental Services

- Reduced the risks of food borne illnesses through educational activities and publications, including in-house training in Spanish, Somali, and English.
- Implemented the Lay Educator initiative from grant received from State Legislature.
- Increased the number of administrative hearings for compliance with food code.
- The Middle Mississippi River Watershed Management Organization moved into implementation of its 2000 Watershed Management Plan with approval and certification to Hennepin County of first Capital Implementation Program and Budget.
- The beginning of Environmental Land Use Planning efforts for the Hiawatha Corridor, Humboldt Industrial Area, and West Broadway projects.
- Several ordinances were created and updated. This includes Chapter 55 that regulates the use and application of lawn fertilizers and the application of Phosphorus containing fertilizers. Chapter 48 was updated to include a stricter review of facility storage of extremely hazardous substances and significant quantities of regulated chemicals.
- The Delegated Well Program began addressing well disclosure notices that are filed with the County as part of property sales or transfers.
- A large facility inspections program was initiated with the Minneapolis Fire Department. The program was created to address concerns related to chemical storage, environmental impact and fire risks at these large and sometimes aging industrial buildings.
- KIVA Request for Service was rolled out in Environmental Management. KIVA RFS created the first electronic cataloging of complaints and compliance tracking for environmental issues in Minneapolis. It has permitted the standardization of orders and enforcement in areas of air, water, and land protection.

- Collaborated with the US Attorney's office in investigating local rental property owners for Deceral Title X disclosure compliance.
- Established 24 hours a day, 7 days a week field service by animal control agents for select complaints such as nuisance barking and stray dogs, and to provide assistance to the police.
- Issued more than 2,000 permits for dog parks and continued work with the Minneapolis Park and Recreation Board and other stakeholders to maintain, monitor, and develop these parks.
- Enforced the new microchip requirement for dangerous and potentially dangerous dogs, ensuring that these dogs can be identified and their owners held accountable for harm caused or a failure to confine these dogs.
- Worked with Public Works and the Minneapolis Community Development Agency to acquire a site for the construction of the New Animal Shelter.
- Introduced the Late Night Enforcement Pilot Project, which offered select overnight field services and used a new abatement and enforcement procedure for nuisance barking.
- Worked with the Minneapolis Park and Recreation Board, the Minneapolis Chapter of Responsible Owners of Mannerly Pets, and other stakeholders to create off leash areas.

Inspections

The Inspections Division consists of three major programs:

1. Development Review Services consisting of Permit Issuance, Zoning, and Plan Review.
2. Construction Inspection Services consisting of Building and Trades Inspections, Truth in Sale of Housing and Occupancy Certification.
3. Housing Inspection Services consisting of Housing Inspections, Rental Licensing, and Hazardous/Boarded Buildings.

In addition, the Administration section oversees the Division's operations in fleet, finance, work force planning, customer relations, space planning, and records management. In 2001, the Inspections and Licensing Divisions also organized a Regulatory Services Business Development and Support group in partnership with the Information and Technology Services (ITS) Department for the purposes of implementing and supporting business planning and process improvements through customer input, process reform, and innovative technology.

Inspections Administration in 2001

- Updated the Inspections Business Plan with input from internal and external stakeholders and business planning team.
- Reorganized the Division into 3 main sections (Construction Inspection Services, Development Review Services, and Housing Inspection Services) to advance the new Business Plan, provide improved cus-

tommer service, and realign existing resources with core business services to achieve citywide goals.

- Newly reconfigured offices in the Public Service Center are more accessible to development services and foster a full service department.
- Completed a work force planning report.
- Enhanced the Division's website providing more information and application forms for customers.
- Implemented a new technology and business process improvement project in the Environmental Management Division.
- Began projects to implement the Request for Services application in the Business Services Division of Licensing and to provide for remote access and input capability for Construction Inspections Services field inspectors.
- Implemented a new application for the Vacant Building Registration Program.

Development Review Services in 2001

- Performed plan review and approval on the following major projects:
 - Hennepin County Juvenile Justice Center expansion
 - Block E Redevelopment Project
 - Blake School addition, Minnehaha Academy addition, and many other public and private school remodeling projects
 - LRT Maintenance Facility and right-of-way structures
 - New Wells Fargo campus additions and improvements
 - 162 unit Loring Park City Apartments downtown as well as other new townhouse, apartment, and condominium construction and conversion projects along both side of the river
 - St. Anthony Falls Heritage Center
 - Addition to and renovation of the former Federal Reserve Bank
- Provided continued review and additional approvals for the following major projects:
 - 32 story Target office building at 1000 Nicollet Avenue
 - 14 story high-rise and Target retail facility at 900 Nicollet Avenue
 - Milwaukee Depot site redevelopment
 - 25 story American Express tower
 - Minneapolis Convention Center expansion
 - Hennepin County Adult Correctional Facility
 - 50 South 6th Street.
- Continued and expanded our successful homeowner permits night service.
- Added more customer handouts and information to the Inspections web site.
- Further refined and simplified our permit processes.
- Refined and streamlined our zoning approval processes.
- Completed a soil report database.



Neighborhood Revitalization Program

Construction Inspection Services in 2001

- Assisted in the issuance of over 36,000 permits with associated revenue of \$10.6 million.
- Performed over 50,000 inspections of alterations, remodeling, and new construction resulting in a safer built environment.
- Coordinated issuance of 187 certificates of occupancy authorizing occupancy of safe schools, day care centers, businesses, and homes.
- Created a new team as part of the reorganization in support of our mission and customer service.
- Reviewed and processed nearly 7,000 Truth In Sale of Housing (TISH) evaluations, a 15% increase from 1999. This included the collection of \$142,500 in fees.
- Issued over 5,000 certificates of approvals for successful closings, which assured properly installed smoke detectors, elimination of plumbing hazards, and the certification of over 1,000 heating systems.
- Conducted 168 inspections of condemned properties, and issued complete correction orders to assure code compliance.
- Issued 134 code compliance certificates approving the safe reuse of previously condemned buildings.
- Safely removed ten buildings in imminent threat of collapse without damage to property or injury to the public, and assessed the costs to the property.
- Utilized fire escrow insurance funds based on state legislation to remove three buildings severely damaged by fire at no cost to the city and its taxpayers.
- Processed 38 fire escrow requests and successfully closed 17 escrow accounts ensuring fire repairs were completed to code using appropriate insurance funds.
- Field-tested the remote inspector (field data device) for a 2002 rollout.

Housing Inspection Services in 2001

- Brought 20 boarded buildings before City Council for recommended action.
- Instituted a new ordinance change to cover inspection costs by charging a \$75 administrative fee for towing inoperable vehicles from properties.
- Identified 340+ properties eligible for the newly developed Vacant Building Registration program. Applications and registration fee statements were mailed to property owners of buildings that stand vacant. The program was instituted to help shorten the length of time a property stands vacant.
- Answered over 22,500-customer service telephone calls through September 30, 2001.
- Conducted 58,000 initial inspections for all housing cases for a total of 87,000 inspections. It is anticipated that this number will increase to approximately 110,000 plus by the end of year 2001.
- Strengthened relationships with neighborhood groups and block club leaders by attending over 150 neighborhood meetings to date in 2001.
- Initiated rental license reviews on 218 rental properties and issued 265 approved rental licenses.

In 2001, all 81 residential neighborhoods continued to be involved in some phase of the Neighborhood Revitalization Program.

The Neighborhood Revitalization Program (NRP) is an internationally recognized and unique effort to change the future of the city's neighborhoods, making them better places to live, work, learn, and play. Neighborhood-based planning and priority setting are the heart of the NRP. Through collaboration with government and others, neighborhood residents organize together, gather information, prioritize needs, identify resources, and implement solutions to improve neighborhood and city livability.

The NRP was created by the Minnesota State Legislature in 1990 as a response to growing concerns by city officials and community leaders about the declining state of Minneapolis neighborhoods. The legislation that established the NRP called for a \$20 million per year program for 20 years between 1990 and 2009.

Residents participating in the NRP use a systematic planning process to develop their Neighborhood Action Plan – a multi-year, neighborhood-based plan that identifies the visions, goals, objectives, and strategies that will address neighborhood priorities and direct the expenditure of NRP funds. Some neighborhoods have formed voluntary partnerships resulting in a single plan for several neighborhoods. These partnerships mean that 66 Neighborhood Action Plans will be in place when all neighborhoods have completed their planning efforts. Already 62 of the 66 possible Neighborhood Action Plans have been approved and are being implemented. Neighborhood associations, residents, government staff, nonprofit agencies, and the private sector work to turn the strategies in Neighborhood Action Plans into reality. In addition, the NRP staff is continually working to streamline the contracting and implementation process to get resources out to neighborhoods more quickly.

The NRP is governed by a legal agreement among the City of Minneapolis, the Minneapolis School Board, the Minneapolis Park and Recreation Board, the Minneapolis Library Board, and Hennepin County. The agreement provides a framework under which the five jurisdictions work together to implement approved Neighborhood Action Plans.

The NRP has six primary goals:

1. Create a greater sense of community so people who live, work, learn, and play in Minneapolis have an increased sense of commitment to and confidence in their neighborhood and city.
2. Sustain and enhance neighborhood capability in order to strengthen the civic involvement of all members of the community.
3. Ensure that neighborhood-based planning remains the foundation of the program, is informed, and leads to creative and innovative approaches

4. Strengthen the partnerships among neighborhoods and jurisdictions to identify and accomplish shared citywide goals.
5. Ensure that government agencies learn from and respond to neighborhood plans so that public services ultimately reflect neighborhood priorities.
6. Develop and support life cycle housing citywide through the preservation of existing housing and new construction by reaffirming our commitment to the state mandate that 52.5 percent of NRP funds be spent on housing.

Program Accomplishments through October 2001

Since it began operation in 1991, the NRP has been involved in more than 1,500 projects scattered throughout the city. These projects come out of the Neighborhood Action Plans created by citizens working together to address neighborhood priorities. NRP projects have had a dramatic impact on neighborhood and city priorities in the following areas: Housing, Economic Development, Community Building, Crime Prevention, Transportation/Infrastructure, Environment, Parks and Recreation, Human Services, and Schools and Libraries.

Housing

The NRP has allocated approximately \$102 million to programs and projects aimed at maintaining and improving the city's housing stock. They include: home improvement loan and grant programs, new housing development programs, rental property rehabilitation programs, and other programs designed to make physical improvements to the city's existing housing stock.

Economic Development

The NRP has allocated nearly \$28.9 million to economic development initiatives throughout the city. Eight major commercial corridors have been improved with NRP funds: Nicollet Ave, Franklin Ave, Lake St, Hennepin Ave, Central Ave, Glenwood Ave, University Ave, and Excelsior Blvd. Nearly \$6.3 million has been allocated for business development activities. Other economic development activities include commercial loan/grant programs, programs designed to address home-based businesses, and job creation programs.

Community Building

The NRP has allocated more than \$9.3 million to neighborhoods for projects aimed at community building. Examples include: gateway projects, programs and materials that welcome new residents, programs designed to preserve neighborhood history, and arts and culture programs.

Crime Prevention and Community Safety

The NRP has allocated more than \$7.8 million for projects and programs designed to make neighborhoods safer places to live, work, learn, and play. This funding has been used for such things as additional police services, block clubs and citizen pa-

trols, crime prevention education programs, lighting, and other neighborhood security improvements.

Transportation/Infrastructure

The NRP has allocated more than \$4.5 million to improve pedestrian, bicycle, and transit services throughout the city.

Environment

The NRP has allocated more than \$4.2 million for projects and programs aimed at improving the physical environment of our city's neighborhoods. Environmental projects include: tree, bush and garden planting projects, neighborhood clean-up projects, energy conservation or recycling projects, and water quality projects.

Parks and Recreation

The NRP has allocated nearly \$15.7 million for projects aimed at improving parks and recreation facilities and programs. More than \$8 million has been used to improve park buildings, playgrounds, and fields throughout the city. Nearly \$2 million has been approved for park landscaping projects. In addition, more than \$500,000 has been used for the creation and improvement of park programs.

Human Services

The NRP has allocated nearly \$13.4 million for programs and projects designed to create or improve services for families and children in neighborhoods throughout the city. These projects include family, childcare, and parenting programs, youth and teen programs, disabled person programs, and senior programs. In addition, more than \$1.6 million has been approved by neighborhoods for community health clinic facilities and programs.

Schools and Libraries

The NRP has allocated nearly \$5.9 million for the improvement of school and library programs and facilities. Fifty-one schools and 5 libraries have been improved with NRP funds.

NRP Year 2001 "Project" Highlights

The types of NRP projects that neighborhoods embarked upon or completed in 2001 were varied and diverse and included:

East Village Apartments – Residents in the Elliot Park neighborhood invested \$500,000 of NRP funds in a \$30 million mixed-income, mixed-use development project consisting of 179 housing units – 20 percent of which are affordable to households earning 30-50 percent of the Metro Median Income.

Humboldt Greenway Housing – Three Minneapolis neighborhoods, Shingle Creek, Lind-Bohanon and Webber-Camden, invested \$250,000 of NRP funds in the \$80 million Humboldt Greenway housing project. By 2002, approximately 200 new single-family

homes and a 75-unit senior apartment building will be added to an eight-block stretch of Humboldt Ave. from Victory Memorial Drive to 53rd Ave N. In addition, the Humboldt Greenway project will feature a new parkway that will include major improvements to Shingle Creek, landscaped medians, boulevards, increased green space, and a pedestrian mall.

Holland Neighborhood Townhomes – Residents in the Holland neighborhood invested \$156,000 of NRP funds to begin construction on eight new townhomes at 24th and Jackson St NE. The NRP investment helped leverage the donation of land valued at \$90,000 by US Bank. Construction should be completed in 2002.

Artists on Chicago – Residents living in two neighborhoods, Powderhorn Park and Central, collaborated to build 10 units of artist studio/living spaces. The units were sold to households at or below 80 percent of the Metro Median Income. The two neighborhoods invested \$450,000 of NRP funds in the project.

Central Avenue Streetscape – Residents in four neighborhoods, Holland, Windom Park, Logan Park, and Audubon Park invested \$327,000 of NRP funds in a \$1.5 million project that is now underway to revitalize Central Avenue. Included in the project is the installation of new pedestrian-scale lighting, the establishment of a new Business Watch Program to keep crime down, and Central Avenue identification banners with a new Central Avenue logo.

Nicollet Avenue Streetscape – Residents in the Kingfield neighborhood invested more than \$300,000 of NRP funds in a project to improve Nicollet Avenue from 40th to 46th Streets South. New streetlights, trees, and sidewalk enhancements were all part of the project. The improvements are designed to increase overall neighborhood safety and livability along Martin Luther King Park as well as to accentuate the mixed-uses of housing and business on the thoroughway.

Chicago Avenue Streetscape – Residents in the Field, Regina, and Northrop neighborhoods invested \$127,000 of NRP funds in a Chicago Avenue Streetscape project spanning from 46th Street to 49th Street. In addition to repaving the street, NRP funds also paid for expanded street lighting, additional trees, and decorative sidewalk.

Lake Hiawatha Park Playground – Residents in the Standish and Ericsson neighborhoods invested \$450,000 of NRP funds to install new playground equipment in a renovated play area at Lake Hiawatha Park.

East Side Neighborhood Services (ESNS) Neighborhood House – Bottineau neighborhood resi-

dents invested \$200,000 of NRP funds to support the construction of a new \$7.8 million Neighborhood House. The facility enabled ESNS to increase its childcare capacity from 70 to 105 children and provided much needed space for ESNS's Menlo Park Alternative High School. In addition to the multitude of senior services that ESNS offers the agency also has a Minnesota Care program, a food shelf for families in crisis, employment services, and family intervention programs.

Jefferson Community School Computer Lab – Residents in the Lowry Hill East neighborhood invested \$291,000 of NRP funds in several Jefferson School technology initiatives including furnishing a new computer lab with 30 computers used by the school's children by day and the community by night.

Lake Harriet School Playground – Residents in the Fulton and Linden Hills neighborhoods invested \$290,000 of NRP funds to build a new playground at Lake Harriet Community School's upper campus. The playground renovation was part of a \$4.7 million Minneapolis Public Schools project that included the building of a new gymnasium, a new cafeteria and food service area, a new media center, a new computer lab, two new classrooms, and a new art room.

Keewaydin Park Playground – Residents from the Nokomis East Neighborhood Association (NENA) invested \$70,000 of NRP funds in a \$300,000 project that included major site improvements and the installation of new play equipment at the Keewaydin Park playground. NENA collaborated with the Minneapolis Park and Recreation Board and the Minneapolis Public Schools to make the project possible.

Northeast Flood Basin – Residents in the Holland neighborhood worked with the city of Minneapolis Public Works Department to create a flood prevention basin adjacent to Edison High School. Neighborhood volunteers helped beautify the flood basin by planting trees and shrubs in the area. More extensive landscaping and a new amphitheater will be added to the flood basin in the next year.

East Calhoun Tot Lot – Residents in the ECCO neighborhood invested \$311,000 of NRP funds to build a new tot lot on the Eastern Shore of Lake Calhoun near West 32nd Street and East Calhoun Parkway. The tot lot blends nicely into the environment and features a curved seat wall and wider park benches.

Bassett's Creek Wetlands Restoration – Residents in the Bryn Mawr neighborhood invested \$5,000 of NRP funds to help restore the shoreline along Bassett's Creek by planting wetlands, uplands, and woodlands plants. Neighborhood volun-

teers did the planting in partnership with the Minneapolis Park and Recreation Board and others. The NRP investment in this ongoing project was matched with a \$5,000 DNR Habitat Grant.

Minneapolis Urban League's Glover-Sudduth Center – Residents in the Near North and Willard Hay neighborhoods invested \$350,000 in the Glover-Sudduth Center for Urban Affairs and Economic Development. The center, named in honor of two of Minneapolis' most esteemed leaders, houses a new Employment and Training Center.

Significant NRP Events

NRP 10-year Anniversary Conference and Awards Dinner

On February 24, 2001, more than 400 Minneapolis residents attended the NRP's historic 10-year Anniversary Conference and Awards Dinner. The event provided an opportunity for neighborhood activists involved in the NRP to celebrate their successes and receive inspiration to accomplish even greater things in Phase II of the NRP. Twenty NRP initiatives from the program's first decade were honored with NRP Awards as 63 projects were nominated in 12 different categories. Dozens of neighborhood volunteers were also recognized during the event for their individual contributions to their neighborhoods. In addition to recognizing the results from Phase I, the event also included 27 workshops designed to help residents prepare for Phase II.

Phase II of NRP threatened by 2001 Tax Bill

Funding for the 20-year NRP was threatened in June 2001 when the Minnesota State Legislature passed a tax bill that drastically reduced the funding stream that has supported the NRP since 1991. Early estimates indicate the new tax bill will reduce tax increment financing (TIF) revenues for the city of Minneapolis by more than \$25 million annually. TIF revenues have been a primary funding source for the NRP. In response to the lost revenues, the City of Minneapolis established a NRP Community Development Work Team to identify strategies that will enable the city to continue its commitment to community development and the NRP.

Citywide NRP Impacts

A San Francisco-based program evaluator found:

- **NRP has made a significant difference in the number of repairs and improvements to the Minneapolis housing stock.**
- **NRP made a significant contribution to increasing homeownership rates in Minneapolis neighborhoods.**

A Minnesota-based program evaluator found:

- **NRP loan and grant home improvement programs stimulated significant investment in Minneapolis residential properties.**
94 percent of 500 randomly sampled survey participants from loan and grant programs said the availability of NRP funds influenced their decision to improve their property. In addition, 56 percent of the respondents said they would not have improved their property without NRP funds.
- **NRP Loan and grant improvement programs helped foster neighborhood stability.**
83 percent of the respondents said they felt the NRP made a big difference in increasing the property values in their neighborhood. Of those surveyed, 89 percent of the NRP loan/grant recipients expected to live in their present home 2-3 years from now. For the same asked of a separate random sample of more than 1000 Minneapolis residents, only 54 percent of the respondents felt they would live in their home for 2-3 years.



City Revenues and Expenditures

The 2002 City Council adopted budget (net of internal transfers) calls for city operating expenditures of over \$980 million against revenues of nearly \$993 million.

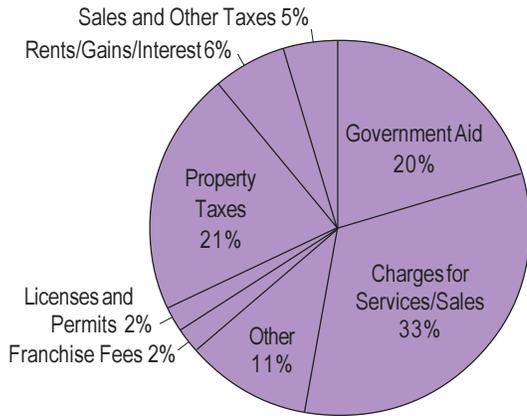
Within the operating budget recommendations, the City of Minneapolis 2002 Budget calls for \$226 million of general fund expenditures, balanced by a like amount of revenue. In comparison, the 2001 approved budget called for general fund expenditures of just over \$218 million.

The general fund is the largest of the City's operating funds. It finances the majority of the "general" government activities, such as public safety, street construction and maintenance, culture and recreation. It receives financial support from a number of sources such as general property tax, government aid, licenses and permits, franchise fees, service charges, fines and forfeitures.

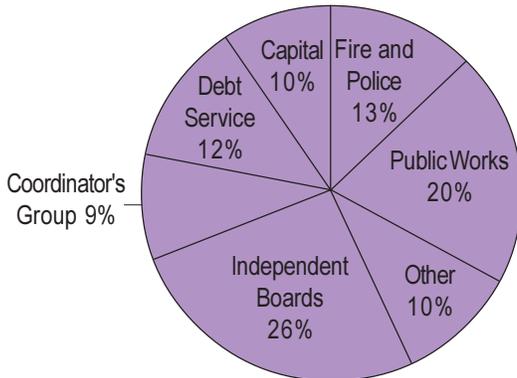
The pie charts below show general fund revenues by major category and expenditures by service.

2002 COUNCIL ADOPTED BUDGET

Revenues



Expenditures



Source: 2002 Council Adopted Budget, City of Minneapolis, December 2001

The following table shows the 2002 General Fund operating expenditures for several departments, whose activities are discussed, in part, within this *State of the City* report. The 2001 approved amounts for these departments are also included for comparison.

GENERAL FUND OPERATING EXPENDITURES SELECTED DEPARTMENTS AND BOARDS 2001 & 2002 BUDGETS (IN MILLIONS)

Department	2001	2002
Fire	\$38.9	\$41.6
Police	\$90.8	\$92.9
Inspections & Licenses	\$17.2	\$19.0
Health & Family Support	\$3.8	\$4.0
Public Works	\$35.7	\$36.3



Property Tax

Property taxes payable in 2001 were determined under a system first used in 1989. The calculation of a parcel's tax begins with the Assessor's determination of its estimated market value. This is defined as the usual selling price of the property that would be obtained at private sale.

The taxable value of property is calculated as a percentage of the estimated market value. This taxable value is known as net tax capacity. Net tax capacity equals estimated market value multiplied by a given percentage for the particular classification of property. The percentages used vary with the type of property and its value. For example, in the case of residential homestead property, the 2001 net tax capacity percentages, also known as class rates and applicable market values are shown in the following table:

2001 Estimated Market Value	Percentage Net Tax Capacity/ Class Rate
< \$500,000	1.00%
> \$500,000	1.25%

Tax rates that are applied to the net tax capacity are determined each year by the various taxing jurisdictions. Each jurisdiction estimates the amount of tax revenue necessary for the following year and divides that amount by the total value of taxable property (total net tax capacity) within the jurisdiction.

Net tax capacity rates result from the relationship of tax amount needed and total net tax capacity. The results are expressed as a percentage. For Minneapolis, the net tax capacity rates applicable to residential homestead taxes payable in 2002 are as follows:

Jurisdiction	Tax Rate	Total Tax Levy	% of Total Tax Rate
City of Minneapolis	57.118%	\$143,890,010	39.10%
School District #1	32.86%	\$72,235,000	22.50%
Hennepin County	45.29%	\$113,817,000	31.00%
Special Taxing Jurisdictions ¹	10.807%	\$22,500,000	7.40%
Total²	146.076%	\$352,442,010	100.00%

¹ Special taxing jurisdictions include: the City's Chapter 595 Levy, Metro Mosquito Control, Metropolitan Council, MetroTransit, Park Museum, Hennepin County Regional Railroad Authority, and does not include fiscal disparities distribution levy attributable to property in Minneapolis. As a result of limited levy information, the Special Taxing Jurisdiction rate and levy amount are approximations.

² Please note that the School, County and Special Taxing Jurisdiction rates are proposed only; the actual certified amounts were not available at the time that this address was printed.

The tax rates given above as applied to a homesteaded residential property with an estimated market value of \$150,000 would result in the following property tax amount:

- Step 1:** Determine the 2001 estimated market value:
\$150,000
- Step 2:** Calculate the property's tax capacity by multiplying the market value and the applicable class rate:
 $\$150,000 \times 1.0\% = \$1,500$ in tax capacity
- Step 3:** Multiply the property's tax capacity with the applicable tax rate/s:
 $\$1,500 \times 146.076\%$ (tax rate) = \$2,191

Total estimated taxes \$2,191

Estimated tax amounts for other property values are as follows:

2001 Estimated Market Value	Total Taxes
\$300,000	\$4,400
\$500,000	\$7,400
\$750,000	\$12,025

The property tax refund systems provides relief for homeowners and renters, determined by a formula that includes the amount of property tax due and the income of the taxpayer. If eligible, the taxpayer receives a cash refund during the last quarter of the year.



Tax Increment Financing

Relative to taxes payable in 2001, the total net captured tax capacity of the city's tax increment districts was estimated at \$53.83 million.

Tax increment financing (TIF) uses increases in property values and taxes attributed to redevelopment to pay for public redevelopment costs. Tax increment financing may be used to provide public funds for the redevelopment or rehabilitation of blighted or deteriorated areas of the city, the construction of low and moderate income housing, and for the promotion of economic development and employment opportunities in the city. In Minneapolis, the tax increment districts are administered by the Minneapolis Community Development Agency.

A tax increment financing district is created by City Council adoption of a plan for redevelopment and tax increment financing. The tax capacity of the property within the district is then determined according to the last equalized tax roll (with that year becoming the base year) and represents the original tax capacity of the tax increment district. Each of the taxing jurisdictions (city, county, school district, and special taxing jurisdictions) continue to receive the share of taxes collected on the tax capacity representing the original tax capacity. This continues as if the district had never been created, and there had been no change in the valuation of the area.

The City or the MCDA may sell bonds, issue notes, or use available MCDA resources to clean up pollution, acquire property, relocate businesses and residents, preserve historic structures, demolish buildings, and prepare sites for redevelopment in tax increment districts. The assembled parcels of cleared land are sold to a private developer. When construction is complete and the new buildings are on the tax rolls, the tax increment district has a new, higher tax capacity (since it will have a higher market value, and tax capacity is based on a percentage of market value).

Property tax reforms enacted during the 2001 legislative session will directly impact the amount of tax increment revenue to be collected in future years. Initial estimates made by House Research indicate the reduction could be approximately 30 percent in 2002. The MCDA is closely monitoring the impact of property tax reform on tax increment revenues. It is anticipated tax increment revenues will be sufficient to pay outstanding tax increment debt.

The captured tax capacity is calculated each year for districts that are active. The net tax capacity captured for all active projects totaled \$53.83 million for taxes payable in 2001, up from \$47.71 million in 2000.

The following active Minneapolis TIF districts are located by number on an accompanying map. Modifications are not included in the listing. Note that the Housing Replacement District (number 42) involves multiple locations (parcels), and is not shown on the map.

TAX INCREMENT FINANCE DISTRICTS

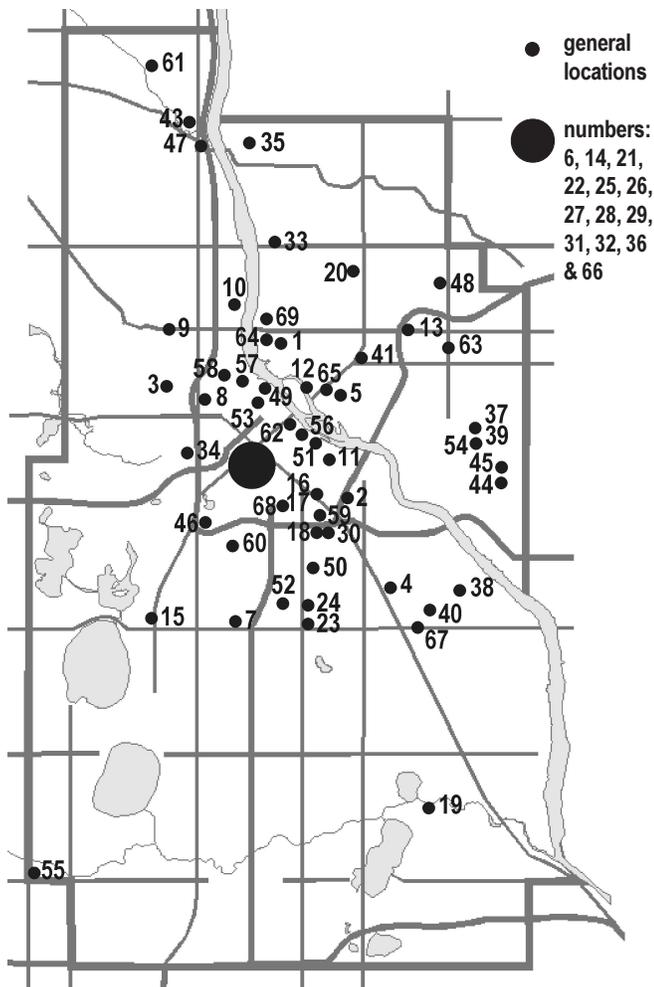
Active Districts	Base Year
1. St. Anthony West	1971
2. Cedar-Riverside	1971
3. Grant	1971
4. Seward South	1971
5. Holmes	1972
6. Loring Park	1972
7. Nicollet-Lake	1972
8. North Loop	1973
9. West Broadway	1973
10. North Washington Industrial Park	1973
11. Industry Square	1973
12. Nicollet Island-East Bank	1979
13. Broadway I-35	1977
14. City Center	1977
15. Hennepin-Lake	1979
16. Elliot Park #1	1980
17. Elliot Park #2	1981
18. Franklin Avenue	1980
19. Nokomis Homes	1981
20. 20th & Central	1982
21. One Ten Grant	1982
22. Convention Hotel/Retail	1985
23. Chicago-Lake (knocked down)	1985
24. 28th and Chicago	1985
25. Conservatory	1985
26. Laurel Village	1985
27. LaSalle Plaza	1985
28. NBA Arena	1986
29. IDS Data Service Center	1986
30. Block 33-Franklin Avenue	1986
31. Neiman Marcus	1988
32. Block E	1989
33. MILES I	1991
34. Housing for Chronic Alcoholics	1994
35. 36th & Marshall N.E.	1994
36. 9th & Hennepin	1995
37. S.E. Minneapolis Industrial Area (SEMI) Phase I	1995
38. United Van/Bus	1996
39. S.E. Minneapolis Industrial Area (SEMI) Phase II	1996
40. Deep Rock Economic Development	1996
41. Spring and Central	1996
42. Housing Replacement District	1996
43. Impact Mailing	1997
44. S.E. Minneapolis Industrial Area (SEMI) Phase III	1997
45. S.E. Minneapolis Industrial Area (SEMI) Phase IV	1997
46. Lowry Ridge	1997
47. Camden Medical Facility	1998
48. Rosacker Nursery Site	1998
49. Creamette	1998
50. Phillips Park	1998
51. West Side Milling District	1998
52. Portland Place	1999
53. Heritage Landing Housing District	1999
54. S.E. Minneapolis Industrial Area (SEMI) Phase V (Kasota Phase II)	1999
55. 50th and France	1999
56. Historic Milwaukee Depot Reuse	1999



TAX INCREMENT FINANCE DISTRICTS (CON'T)

Active Districts	Base Year
57. 2 nd Street North Hotel/Apts	2000
58. 10th & Washington	2000
59. East Village	2000
60. Nicollet-Franklin	2000
61. Humboldt Greenway	2000
62. Former Federal Reserve	2000
63. Stinson Technology Campus	2000
64. Graco Campus Expansion	2000
65. East Hennepin & University	2000
66. Hennepin & 7 th Entertainment	2000
67. 2700 East Lake	2000
68. Towers at Elliot Park	2000
69. Grain Belt Brew House	2000
70. Magnum Loft Apartments	2001
71. 13 th & Harmon	2001
72. Shingle Creek Commons	2001
73. Urban Village	2001

TAX INCREMENT FINANCE DISTRICTS



Number 42 not shown (see text).

Minneapolis' total general obligation debt increased from \$1.164 billion at December 31, 2000 to \$1.175 billion at December 31, 2001.

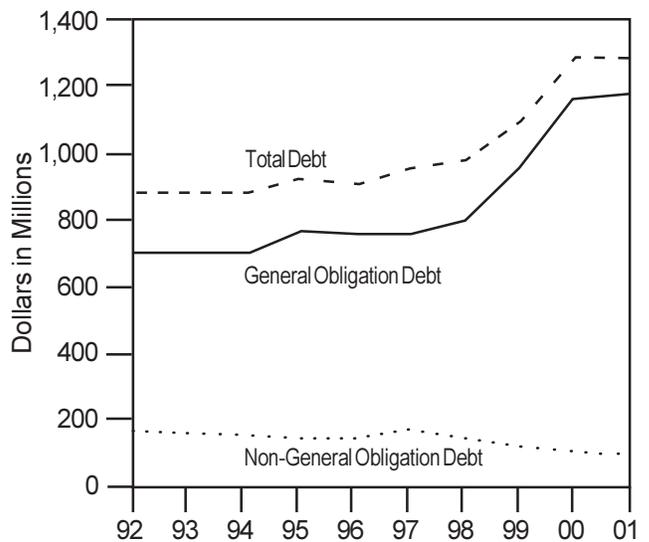
Management of the city's debt involves consideration not only of the absolute amount of debt, but also attention to yearly trends in the relationship of the debt to other financial measures. For purposes of this report, Mortgage Revenue bonds and General Agency Reserve Fund System bonds of the Minneapolis Community Development Agency are not included as city debt.

Debt Trends

The accompanying chart shows a ten-year history of the total city debt level for years 1992 - 2001. The total includes general obligation debt, backed by the full faith and credit of the city, and non-general obligation debt, which currently includes only tax increment revenue bonds. The chart shows a gradual increase of general obligation debt and total debt from 1992-1995, a slight decrease in 1996 and 1997, and then an accelerated increase from 1998 - 2000.

The chart showing general obligation debt per capita suggests that on a per-person basis, the general obligation debt supported by property taxes peaked in 1994 and has been decreasing ever since. Part of the reduction in 2000 and 2001 is due to the census increasing the population from 368,383 to 382,618, but this type of debt has continued to fall during this time-frame and is currently at its lowest level in ten years.

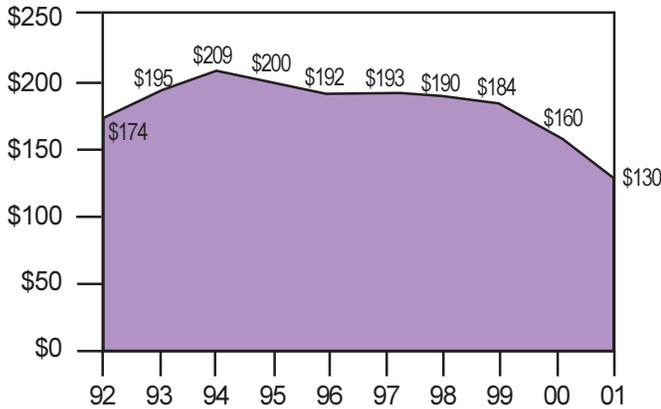
TOTAL DEBT, 1992 - 2001





Debt Capacity - Total Debt

PER CAPITA DEBT, IN DOLLARS, 1992 - 2001



The following information details the Year 2001 Bond Sales:

August

In August the City issued \$93,000,000 of General Obligation Various Purpose fixed rate bonds supporting the five year capital plan and also issued \$9,245,000 of General Obligation Improvement bonds for several special assessment projects.

The various purpose bonds were for construction activities as follows:

11,102,000	Sewer & Flood Mitigation Projects
6,225,000	Water Works Projects
15,000,000	Parking Ramp – East LRT
25,620,000	Calling/Restructuring Variable Rate Bonds
6,000,000	Fleet Equipment Purchases
2,050,000	Park Improvements
5,800,000	Park Board – Fort Snelling Complex
2,003,000	Library Improvements
436,500	Municipal Building Commission Projects
5,518,000	Information Technology Projects
11,045,500	Public Works and Miscellaneous Projects
500,000	Park Board Diseased Trees
1,700,000	Public Safety Initiative Projects

October

In October the City issued \$36,400,000 of General Obligation Convention Center variable rate bonds for the final phase of the Minneapolis Convention Center Expansion project.

November

In November the City issued \$15,275,000 of Taxable General Obligation Tax Increment fixed rate bonds and \$1,100,000 of General Obligation Tax Increment Bonds for the West Side Milling project and \$4,500,000 of General Obligation Tax Increment Bonds for the Humboldt Greenway project.

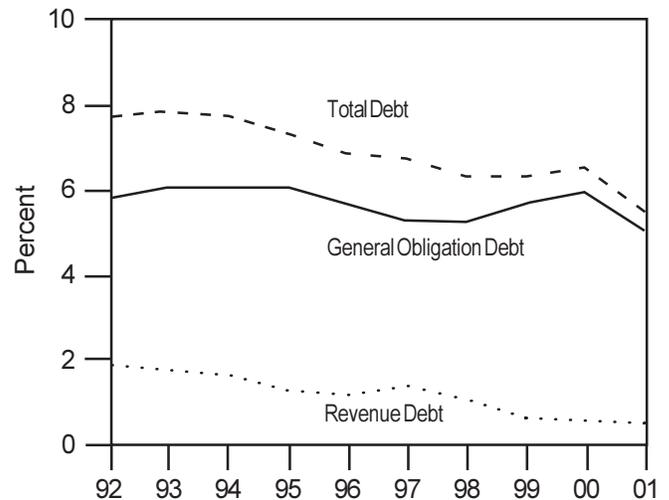
The ratio of total outstanding debt to the Minneapolis City Assessor's market value of taxable property decreased to an estimated 5.5 percent in 2001, from 6.6 percent the previous year.

The primary goal of the City's debt management is maintaining the City's ability to incur debt at minimal interest rates without endangering the city's ability to finance essential city services. The policy focuses on a revenue/debt ratio approach and calls for the city to closely monitor the absolute amounts and year-to-year trends of key financial ratios. The policy states that the city should limit the issuance of new bonded debt so as to make improvements in the key financial ratios over time.

The key management ratio used in monitoring total debt is total debt outstanding as a percent of estimated full market value of Minneapolis' taxable property.

The data from 1992 - 1994 shows the highest total debt/market ratio even while the total debt level was decreasing each year. This fact was due to declining market valuations experienced in the early 1990's. From 1994 - 1999, the ratio's favorable downward trend reflects a recovery in property valuations at the same time the total debt level was stable to slightly increasing. Total debt levels increased significantly in 2000 and to a lesser degree in 2001 but the impacts were offset by a continuing increase in the market value of the city's taxable property.

TOTAL DEBT AS A PERCENTAGE OF ASSESSOR'S ESTIMATED MARKET VALUE, 1992 - 2001



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The computer generated maps in this year's report were supplied by the Minneapolis Public Works Department (Engineering Design and Traffic Engineering divisions), the Minneapolis Planning Department, and the Minneapolis Park Board.



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