

City of Minneapolis FY 2005 Budget

How to Use This Document

The average budget book weighs four pounds. Printing of the book uses approximately a ream of paper per copy. But the budget book contents include some of the best sources of information on governmental activities as well as key financial information for policy makers and managers. The highlights below will give the reader hints on where to find information in this book.

The different sections of the budget book give different views of the financial information and the policies and processes which lead to that information:

Introductory Section

This section, found before the first tab, includes lists of the City's elected officials, department and agency heads, the City's budget principles, Goals and Expectations set by the elected officials during strategic planning, and a City-wide organization chart.

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Minneapolis, Minnesota for the Annual Budget beginning in January 1, 2004. In order to receive this award (which is found in this introductory section) a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

The award is valid for a period of one year only. The City believes the current budget continues to conform to program requirements, and will submit the 2005 adopted budget to GFOA to determine its eligibility for another award.

The award for 2004 is the third such honor the City has received in consecutive years. Prior to the 2002 award, the City was last recognized by the GFOA for distinguished budget presentation in 1986. The City has received the GFOA's Certificate of Achievement for Excellence in Financial reporting for the Comprehensive Annual Financial Report (CAFR) for thirty-four years.

Section 1: Table of Contents

The table of contents allows the user of the document to pinpoint the page of a particular department's budget presentation.

Section 2: Background Information

This section contains a community profile of the City of Minneapolis, including an overview of the City's history, economy, population, and attractions. A map of Minneapolis Communities and Neighborhoods is also included in this section. Descriptions of the City's form of government, annual budget process, dates for this year's budget process, and a description of integration of key processes follow. The City's Financial Decision Calendar displays the annual flow of these processes.

Section 3: Financial Overview

The financial overview section summarizes the key decisions and financial issues addressed in this budget. This section includes key charts and graphs which depict the different portions of the City's budget. Key revenue trends are depicted. A chart of the Minneapolis Tax Rates and Levies appears in this section, as well as comparison of the Property Tax Rate and Utility Rate Comparison between 2004 and 2005.

This section also contains a summary of major decisions in the budget. A summary of the demands on the property tax levy and the elected officials' actions to date are included in this section. The Five Year direction and ten year demands on the property tax round out this high-level summary section.

Section 4: Financial Policies

This section presents the major financial policies adopted by the City Council and Mayor. Beginning with the 2005 budget, administrative policies relating to the operating and capital budgets are included in this section. In the past, these policies appeared as recurring footnotes to the budget resolutions.

Descriptions of the major City funds are included in this section, including a bird's eye view of the relationship between fund types, revenue sources, expenditures and departments/boards.

The section also includes the financial planning and policy resolution regarding the City's independent boards (2002) and the resolution directing City departments to conduct business planning within the City's Five Year Financial Direction (2003).

Section 5: Financial Plans

Financial plans for the City's major funds and business lines are found in this section of the budget book. The budget, a three-year forecast and two years of actual expenditures are displayed on the financial page. These plans include narratives which summarize what operations are run in the fund, historical financial performance, and 2005 expenses, revenues, transfers and debt service.

Section 6: Financial Schedules

These schedules summarize transfers, revenues by major category and expenditures by fund and agency, the CDBG program, Community Planning and Economic Development program allocations, and Full Time Employees (FTE's) by department. Summaries of major interfund transactions are also summarized. These schedules are referenced in the appropriation resolutions.

Schedule One (Fund Summary – Changes to Fund Balance) is a high level view of the City's funds, including changes to fund balance.

Schedule Two (Revenues by Fund and Type) summarizes each fund's revenue sources by major categories. A summary of all the City's revenue sources by major categories is included at the end of this schedule.

Schedule Three (Expenditures by Fund and Agency) lists the total agency budget in each fund – this is a quick reference to find the bottom line appropriation in a fund for a department. The final two pages of this schedule include a summary by department in all funds.

Schedule Four outlines the allocations by grant for the Community Development Block Grant, Emergency Shelter Grant, Housing Opportunities for People with Aids, the HOME program, and the American Dream Down payment Initiative (all U.S. Department of Housing and Urban Development grants.) A narrative history of the grant and its obligations are included at the beginning of the schedule. For information on the current consolidated plan for these grants, please see the consolidated plan publication available from the office of Grants and Special Projects.

Schedule Five is a summary of all FTE's by department and agency.

Schedules Six and Seven summarize the Community Planning and Economic Development department's housing and economic development project allocations.

Schedule Eight summarizes the detailed purpose behind interfund transfers in the City's funds.

Schedule Nine summarizes benefits administration fees charged to each department. These charges support the work of the Human Resources department.

Schedule Ten summarizes Business Information Services charges included in each department's budget. These charges are based upon a rate model beginning in 2005.

Schedule Eleven lays out the Equipment charges to each department by the City's Public Works – Equipment Services division.

Schedule Twelve displays the charges to each department by the City's Public Works – Property Services division.

Schedule Thirteen displays a potential allocation of existing revenue to City Hall departments for rent. This is an information only piece.

Schedule Fourteen reviews the General Fund Overhead allocation and its staged implementation over the next several years.

Section 7: Capital Program

This section outlines the capital program, by funding source and in total. A narrative summarizes the program and presents operating cost impacts as described by those who applied for the funds. Information about the City's debt – the legal debt margin, outstanding debt, amortization of the debt, and the bond redemption levy are included in this section. A separate table of contents and glossary are included for this section.

The program is also summarized by Commission, Board or Department which submitted the request. Each major program is also summarized. A five year total of the capital program and the allocation of the program is included. A presentation by amount requested by the department/agency, Capital Long Range Improvement Committee recommendation, the Mayor's recommendation and the adopted budget follows.

Section 8: City Council Operating Departments

This section includes department financial summaries, including expenditures by type (i.e., salaries, benefits, contractual services and operating expense) and fund. The financial summaries also drill down to the division level, where applicable, with summaries by expenditure type. A report that summarizes the department's revenue estimate is also included. The department's positions are summarized.

The departments also prepare narrative summaries for their divisions, including primary businesses, service activities, and performance measures. These summaries are in various stages of development. These summaries include a brief financial overview of the department prepared by Finance staff. Departmental organization charts are included in this section.

This is the largest section of the book because it provides the most detail on a department-by-department basis.

Section 9: Independent Boards and Agencies

This section provides information in a similar format to the City Council Operating Departments for the independent boards and agencies. The amounts included are generally those most recently approved by the board's elected body.

Section 10: Glossary

A glossary is included for key financial and City terms. A more detailed glossary is available in the Red Book, published by the City Clerk's office.