

**City of Minneapolis  
FY 2010 Budget  
Financial Plan**

**Municipal Parking Fund**

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**Background**

The Municipal Parking Fund accounts for the operation and maintenance of parking ramps, lots, on-street parking, and a municipal impound lot. Major parking related capital construction and development activities also occur in this fund.

**Historical Financial Performance**

The financial condition of the Parking Fund has historically been stable, but continues to present a future financial challenge to the City due to cash flows. While the fund continues to generate positive retained earnings, it is insufficient to pay debt service, make general fund transfers, and restore its productive assets (ramps).

Nearly all of the capital costs of ramps have been financed by debt. Revenues for the fund are generated from these three lines of activities:

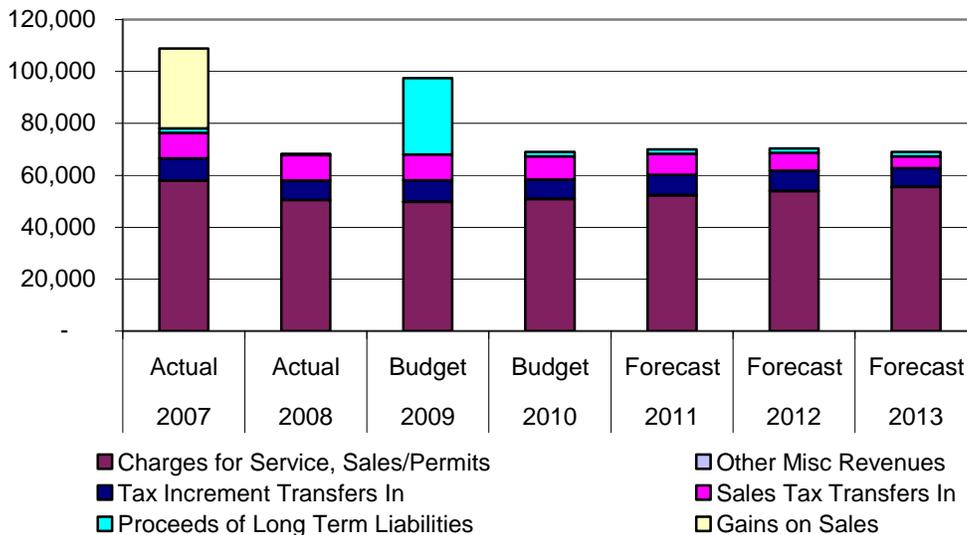
- Off-street parking
- On-street parking
- The impound-lot

The fund receives transfers (\$10.0 million in year 2009) from the Minneapolis Convention Center to pay its share of debt service on the Convention Center-related parking facilities. The fund also receives transfers (\$8.2 million in 2009) from tax increment and abatement revenue to pay part of major development projects in downtown area.

The Parking Fund and its operations reflect a long-term financial plan that was adopted by the council in 2004. The plan addresses strategies for managing and responding to growing financial concerns regarding the municipal parking system, with annual updates on the performance of the plan. The budget takes into consideration many of the initiatives from the workout plan to improve the fund's cash position. One initiative in the workout plan was to explore the possibility of selling parking ramps. In July 2007 the City Council approved the sale of eight of them, six were sold in 2007, one in 2008 with an additional sale possible in 2008.

Operating revenues for 2008 is \$53.3 million compared to \$65.8 million in 2007. The workout plan does indicate increases in revenues can be attributed to initiatives such as automation and centralization of parking ramp fee collections, enhanced parking ramp marketing, updated parking meter technology, and the sale of unclaimed property left in abandoned vehicles.

**Parking Fund Revenues  
(in thousands of dollars)**



In 2008, operating expenses (without debt service, transfers or capital) decreased by \$3.0 million, or .7%, to \$36.3 million, from \$39.3 million in 2007. The Parking Fund cash balance for year 2008 was \$24.0 million. The parking system is creating a positive cash flow from the sale of seven ramps, but with transfers, interest payments on debt service and debt service payments, the City-owned facilities may have a negative in future years. Based on current and proposed budgets, operating cash balances are going to continue to decrease, especially cash related to the City system.

**2010 Budget**

*Revenues*

The operating revenue budget for 2010 was increased 2.1% to \$52.7 million compared to \$51.6 million for 2009. The increase is due to Target Field (the Twins Ballpark) opening and new parking meter technology that will be on line.

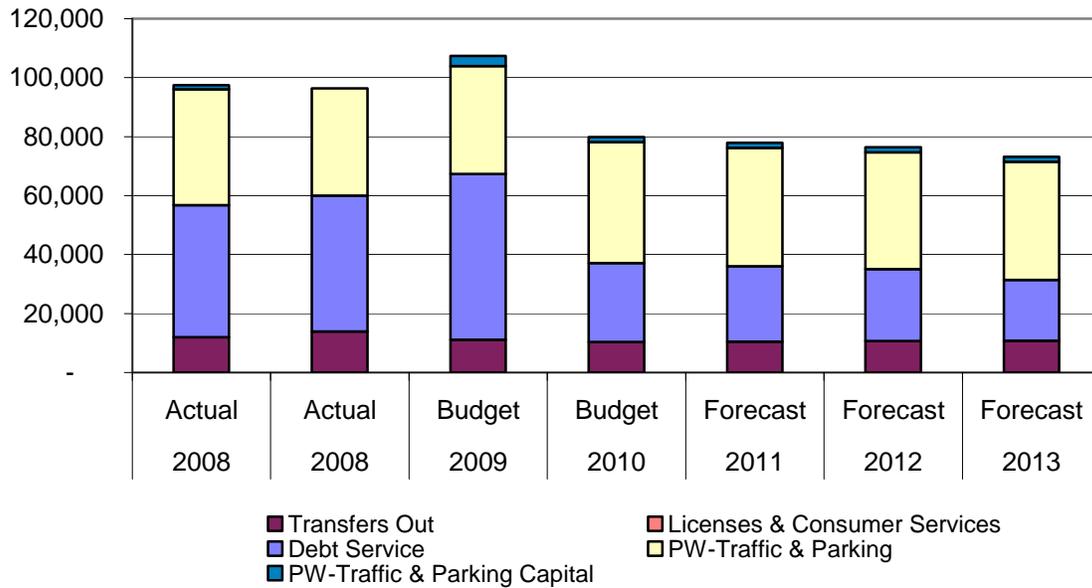
<b>Revenue Assumptions (2010)</b>	
Utilization Percentage in 2009	74%
Number of Parking Stalls in the system	20,569 as of 6/30/2009
Forecasted Revenue increase	2010 7.2% 2011 3.0% 2012 3.0%
Assumed rate increases (if any)	2%
System-wide average event rate	\$9.60
System-wide average daily rate	\$6.26
System wide average monthly rate	\$126.43
Number of new stalls in the system	2009 0 2010 0 2011 0

For assumptions regarding sales tax revenue, please see the Convention Center Finance Plan.

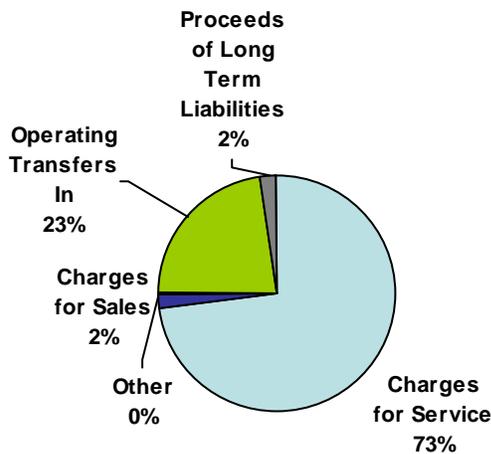
**Expenditures**

The operating budget for 2010 stands at \$41.0 million compared to \$36.6 million for 2009. There is a increase of \$4.4 million in 2010 over 2009. The 2010 increase is due to \$2.0 million added to the budget for automation of the Orchestra and Plaza ramps and additional operating expenses due to the Twins Ballpark. The capital budget for 2010 has been set \$1.7 million and the 2009 level is \$3.4 million. The capital budget was maintained at the \$1.7 million level due to on-going repair and improvement work in the City-owned parking facilities but the 2008 capital budget was moved to 2009 due to delays in the projects..

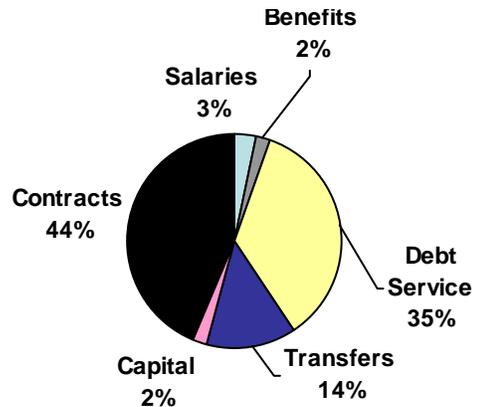
**Parking Fund Expenditures**  
(in thousands of dollars)



**Source of Funds**  
(\$70.8 million)



**Use of Funds by Type**  
(\$73.5 million)



### *Debt Service*

Total debt service, which includes principal and interest on bonds issued for construction of municipal parking ramps, is \$20.5 for 2010. A portion of debt service payments are reimbursed from tax increment and sales tax revenues, which are transfers to the Parking Fund from the Convention Center and Tax Increment Funds totaling \$16.6 million for 2010.

### *Transfers*

The transfer to the general fund declined by \$1.0 million for 2010. There is also a transfer to the Target Center Arena. The transfer to the Target Center Arena Fund remained constant in 2010 and 2009 at \$2.2 million. This transfer comes out of net assets generated by City parking revenues. Revenues from State-owned garages continue to be transferred to the State on a daily basis. A transfer of \$146,000 a year to the Solid Waste and Recycling fund is also done for bus shelter litter containers.

Transfers to the parking fund include revenues from sales tax along with revenues from tax increment and abatement. Tax increment and abatement revenues are transferred from CPED and the sales tax revenue is transferred from Convention Center. These transfer revenues are used for debt service payments. The transfer from sales tax funds is reduced to \$8.9 million for 2010 in comparison to \$9.8 for 2009. The transfers from tax increment and abatement are budgeted to decrease \$.5 million, from \$8.2 million in 2009 to \$7.7 million in 2010.

### **Mayor's Recommended Budget**

Traffic & Parking is required to allocate, within existing resources, the City's portion of the assessment for a downtown improvement district which is \$388,000 for 2010. This amount represents the assessment for City parking facilities in the zone. The Mayor also recommended reducing revenue estimates to reflect national economic conditions. The Council approved the Mayor's recommendations.

The budget for this fund includes a reduction of BIS charges of \$16,500 due to the Council's actions to reduce the BIS budget. This reduction in BIS charges will subsequently reduce the fund's appropriation by the same amount. Additionally, the budget for this fund includes a \$9,235 increase to General Fund Overhead charges due to the Council's actions to fund two internal audit positions.

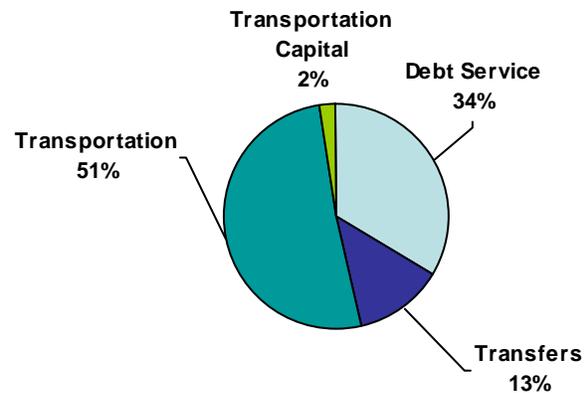
### **Mayor's Revised Budget**

The Mayor recommended no changes to this fund.

### **Council Revised Budget**

The Council approves the Mayor's recommendations.

**Use of Funds by Department  
(\$73.5 million)**



**City of Minneapolis**  
**FY 2010 Budget**  
**Financial Plan (in thousands of dollars)**

**Municipal Parking Fund - 7500**

	2007 Actual	2008 Actual	2009 Budget	2009 Projected	2010 Budget	% Chg From 2009 Budget	2011 Forecast	2012 Forecast	2013 Forecast
<b>Source of Funds:</b>									
Licenses and Permits	241	252	218	240	218		220	222	225
State Government			-	-	-		-	-	-
Charges for Service, Sales/Permits	58,009	50,500	49,721	50,218	50,826	2.2%	52,351	53,921	55,539
Charges for Sales	7,473	1,805	1,551	1,613	1,551		1,567	1,582	1,598
Special Assessments	34	114							
Interest	18	42							
Gains	30,711	552							
Rents (Transportation)	20	9	3	3	3		3	3	3
Other Misc Revenues	8	31	138	124	138		139	141	142
Tax Increment Transfers In	8,505	7,387	8,214	8,214	7,433	-9.5%	7,657	7,677	7,038
Sales Tax Transfers In	9,856	9,832	9,969	9,969	8,886	-10.9%	8,140	6,916	4,541
Other Transfers In									
<i>Total Transfers In</i>	<i>18,361</i>	<i>17,219</i>	<i>18,183</i>	<i>18,183</i>	<i>16,319</i>	<i>-10.3%</i>	<i>15,797</i>	<i>14,593</i>	<i>11,579</i>
Proceeds of Long Term Liabilities	1,700		29,450	29,450	1,700		1,700	1,700	1,700
<b>Total</b>	<b>116,575</b>	<b>70,524</b>	<b>99,264</b>	<b>99,832</b>	<b>70,755</b>	<b>-28.7%</b>	<b>71,777</b>	<b>72,163</b>	<b>70,786</b>
<b>Use of Funds:</b>									
Debt Service	44,806	46,073	56,256	56,256	20,542	-63.5%	23,803	22,740	20,370
General Fund Transfer Out	1,618	8,618	8,618	8,618	7,818	-9.3%	7,818	7,818	7,818
Target Arena Transfer Out	2,078	2,773	2,241	2,241	2,241		2,408	2,581	2,758
Debt Service Transfer Out	48	2,241							
Internal Service Funds Tranfers Out	8,000								
MERF Liability Transfer Out	73	104	104	104	111	6.7%	111	111	111
Sanitation Transfer Out	146	146	146	146	146		146	146	146
Park Board Transfer Out									
<i>Total Transfers Out</i>	<i>11,963</i>	<i>13,882</i>	<i>11,109</i>	<i>11,109</i>	<i>10,316</i>	<i>-2.6%</i>	<i>10,483</i>	<i>10,656</i>	<i>10,833</i>
PW-Traffic & Parking	39,304	36,377	36,572	35,841	40,971	12.0%	40,089	39,567	40,013
Finance Department									
Licenses & Consumer Services									
PW-Traffic & Parking Capital	1,330		3,400	3,400	1,700	-50.0%	1,740	1,740	1,740
<b>Total</b>	<b>97,403</b>	<b>96,332</b>	<b>107,337</b>	<b>106,606</b>	<b>73,529</b>	<b>-31.5%</b>	<b>76,116</b>	<b>74,702</b>	<b>72,956</b>
<b>Change in Net Assets</b>	<b>38,781</b>	<b>4,999</b>	<b>31,505</b>	<b>31,926</b>	<b>8,719</b>	<b>-72.3%</b>	<b>6,719</b>	<b>8,198</b>	<b>5,322</b>
<b>Net Assets</b>	<b>126,193</b>	<b>131,192</b>	<b>162,697</b>	<b>163,118</b>	<b>171,837</b>	<b>5.6%</b>	<b>178,556</b>	<b>186,755</b>	<b>192,077</b>
<b>Cash Balances</b>	<b>42,661</b>	<b>24,053</b>	<b>15,980</b>	<b>17,279</b>	<b>14,505</b>	<b>-9.2%</b>	<b>10,167</b>	<b>7,627</b>	<b>5,457</b>