

**City of Minneapolis
FY 2010 Revised Budget**

Independent Boards and Agencies

The following board and agency sections include these reports: mission, business line descriptions, performance information, an organizational chart, expense information, revenue information, and staffing information.

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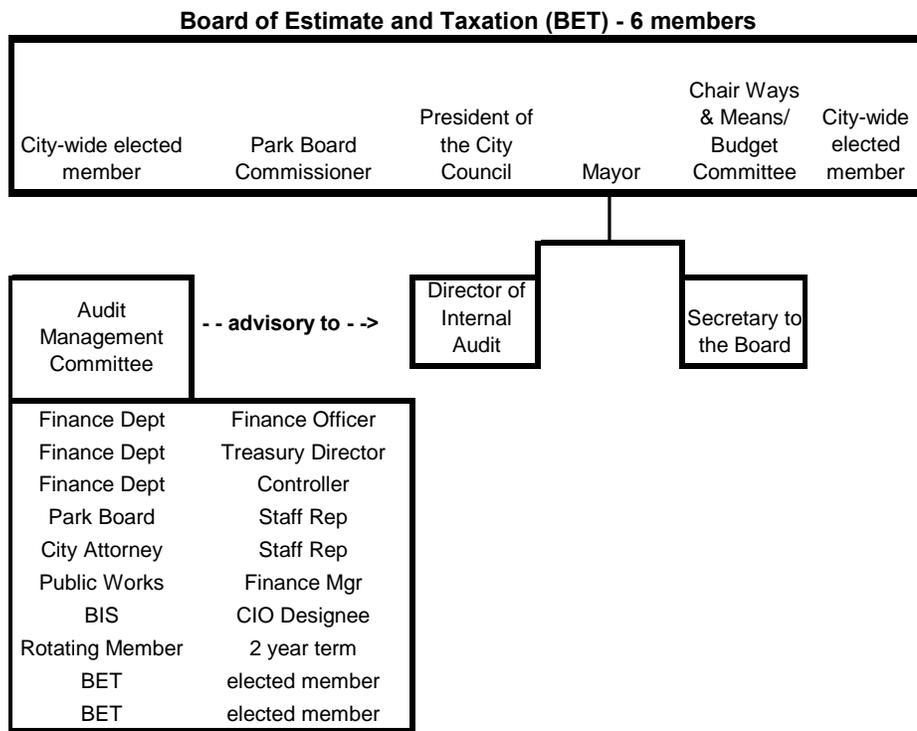
BOARD OF ESTIMATE AND TAXATION

MISSION

The mission of the Board of Estimate & Taxation (“BET”) is to obtain citizen input relating to setting the maximum tax levies for certain tax funds of the City. The Board reviews selected City departmental budgets and, after receiving recommendations from the Mayor and City Council, sets the maximum tax levies for the following funds: general fund, permanent improvement fund, park and recreation fund, shade tree disease control fund, public housing fund, and the estimate and taxation fund.

BUSINESS LINES

- Internal Audit
- General Governmental



Upon request by the City Council and the Park and Recreation Board the BET may vote to incur indebtedness by issuing and selling bonds, and by doing so, pledges full faith and credit of the City for payment of principal and interest. The BET establishes the maximum property tax levies for funds of the City under the State’s Truth-in-Taxation requirements and the City Charter. The Board is also responsible for the internal audit function as defined by the City ordinance.

FIVE YEAR DEPARTMENT GOALS, OBJECTIVES, AND MEASURES		
Goals	Objectives	Measures
Review accounting, financial and operating policies and procedures and evaluate related internal controls on a citywide basis.	Conduct a risk assessment for audit projects included in the overall internal audit work plan.	Generate a risk-index scoring matrix from this assessment.
	Complete 3-4 audits from the internal audit work plan.	Submit audit reports with proposed recommendations.
	Conduct the annual review of the Statement of Economic Interest forms.	Ensure all applicable individuals have submitted a completed and signed statement. Review all omissions & discrepancies.

FINANCIAL ANALYSIS

EXPENDITURE

The full expense budget for BET is \$344,695, a \$1,895 increase over the 2009 Adopted Budget. Excluding City hall rent, the BET budget is \$336,000, a 2.0% or \$7,000 decrease from the 2009 adopted budget. There is no change in the number of positions.

REVENUE

In 2010, the Board will receive \$70,000 from bond proceeds and \$264,600 from property taxes, a total increase of 0.2% over the 2009 budget.

ORIGINAL BUDGET

Council recommended the internal auditor position report to the City Coordinator for administrative purposes, with associated funding from BET. The Council also added funding for two additional audit positions through charges to City departments. These two positions will report to the existing Director of Internal Audit. Future levies will be adjusted to reflect this change.

The budget for this department includes a reduction of BIS charges of \$800 due to the Council's actions to reduce the BIS budget by \$1.7 million. The 2010 budget for the department is \$344,695, a 0.6% increase from the 2009 Revised Budget. The entire increase is due to rent charges (\$9,523) that were not charged to the Board in 2009.

MAYOR'S REVISED BUDGET

The Mayor recommended no changes to the BET's proposed budget.

COUNCIL REVISED BUDGET

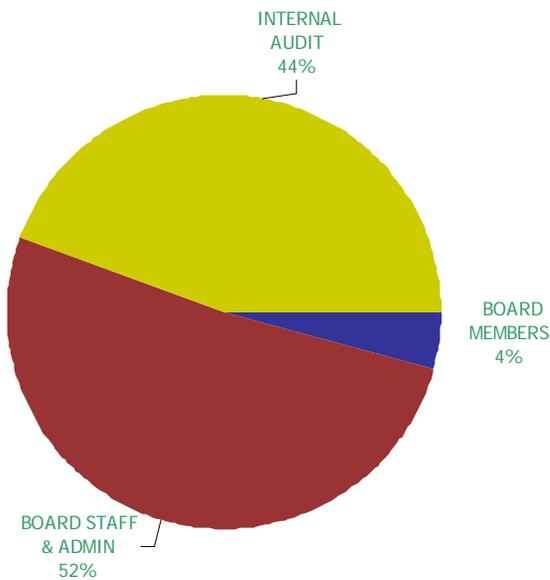
Council adopted the Mayor's recommendations.

BOARD OF ESTIMATE & TAXATION EXPENSE AND REVENUE INFORMATION

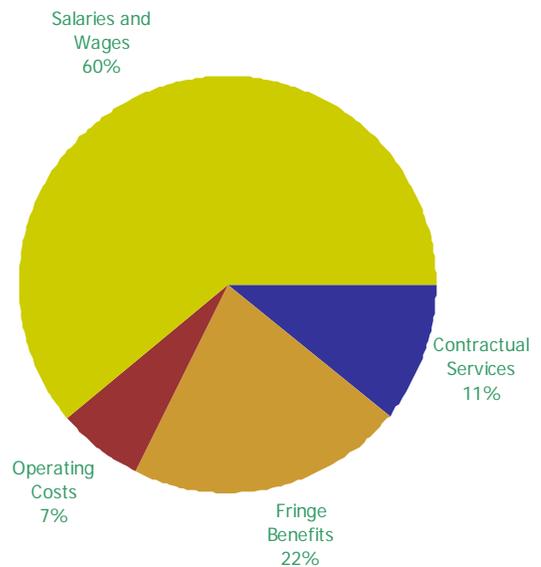
EXPENSE	2007 Actual	2008 Actual	2009 Revised Budget	2010 Revised	Percent Change	Change
SPECIAL REVENUE						
Salaries and Wages	205,978	201,286	226,844	210,504	-7.2%	(16,340)
Fringe Benefits	37,574	34,214	67,067	74,415	11.0%	7,348
Contractual Services	71,428	72,281	27,981	37,032	32.3%	9,050
Operating Costs	13,449	7,908	20,908	22,745	8.8%	1,837
TOTAL SPECIAL REVENUE	328,429	315,689	342,800	344,695	0.6%	1,895
TOTAL EXPENSE	328,429	315,689	342,800	344,695	0.6%	1,895

REVENUE	2007 Actual	2008 Actual	2009 Revised Budget	2010 Council Adopted	Percent Change	Change
SPECIAL REVENUE						
Property Taxes	231,291	241,777	254,834	264,600	3.8%	9,766
Sales and Other Taxes	36	39			0.0%	0
State Government	7,612	6,914			0.0%	0
Other Misc Revenues	0	160			0.0%	0
Transfers In	0	100,000		9,523	0.0%	0
Long Term Liabilities Proceeds	0		90,000	70,000	0.0%	20,000
TOTAL SPECIAL REVENUE	238,939	348,890	344,834	344,123	0.2%	711
TOTAL REVENUE	238,939	348,890	344,834	344,123	0.2%	711

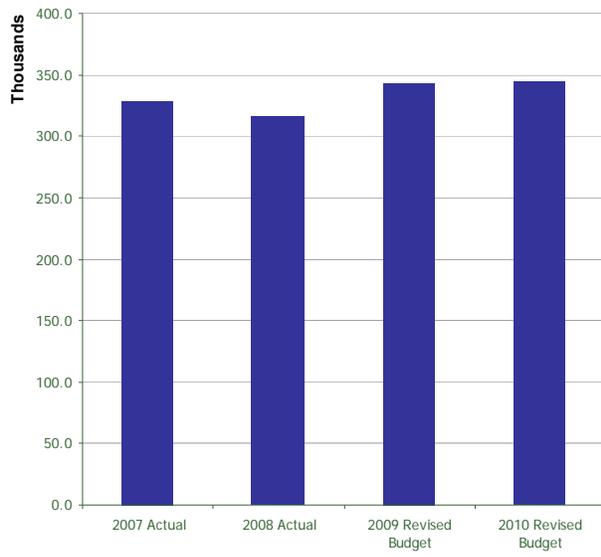
Expense by Division



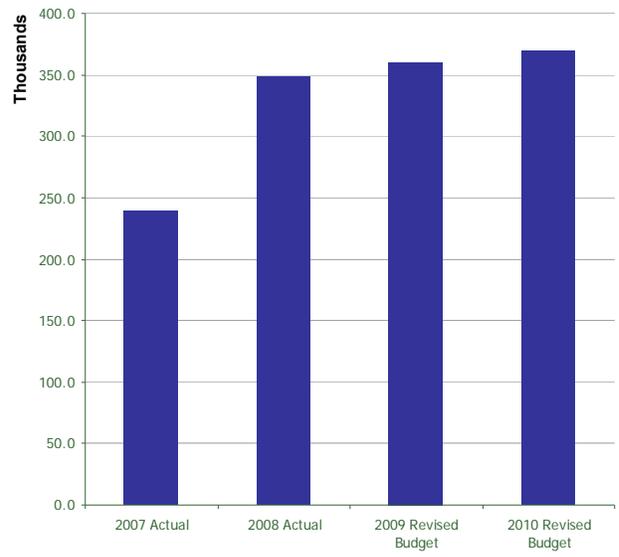
Expense by Category



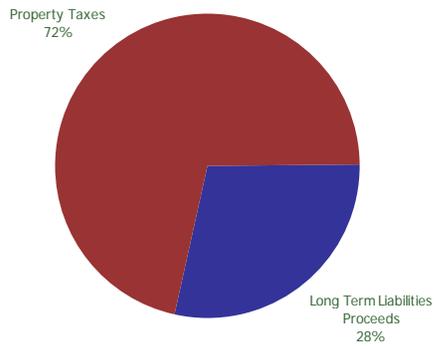
Expense 2007 - 2010



Revenue 2007 - 2010



Direct Revenue by Type

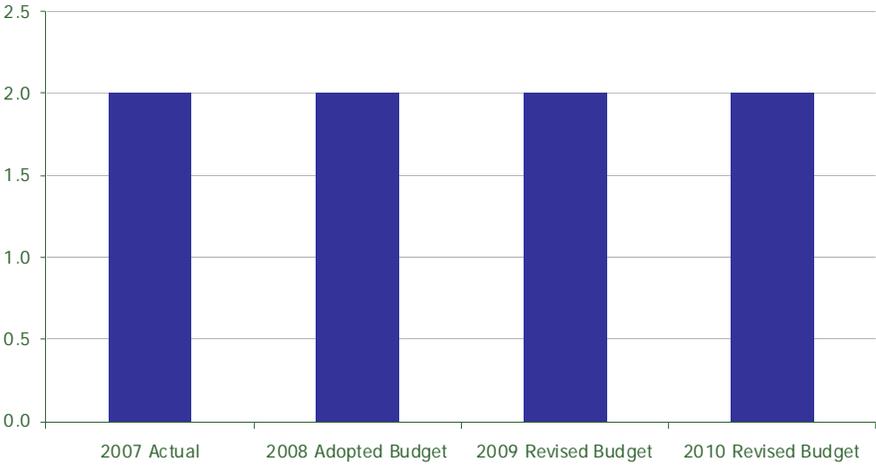


BOARD OF ESTIMATE & TAXATION

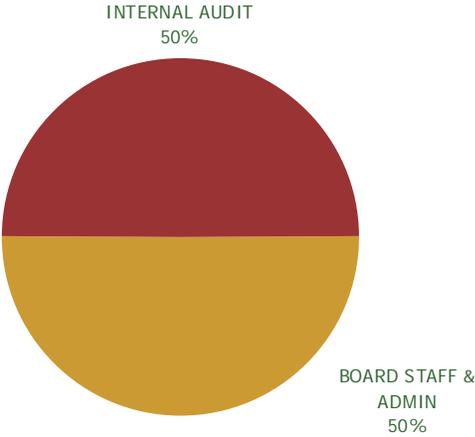
Staffing Information

Expense	2007 Actual	2008 Adopted Budget	2009 Revised Budget	2010 Revised Budget	% Change	Change
BOARD OF ESTIMATE & TAXATION	2	2				
BOARD STAFF & ADMIN			1	1	0.0%	0
INTERNAL AUDIT			1	1	0.0%	0
TOTAL	2	2	2	2	0.0%	0

Positions 2007-2010



Positions by Divison



MUNICIPAL BUILDING COMMISSION

MISSION

The Municipal Building Commission was created by state statute in 1904 and given care and control Minneapolis City Hall and Hennepin County Courthouse building to provide effective and efficient services to operate, maintain and preserve the building, and ensure a safe and functional environment for City and County government employees, citizens and elected officials.

BUSINESS LINES

Primary Business 1: Care of the Minneapolis City Hall and Hennepin County Courthouse Building.

This business line is responsible for maintaining the building operating systems including mechanical, electrical and elevators. In addition, the MBC is responsible to provide custodial, utility, repair and maintenance services.

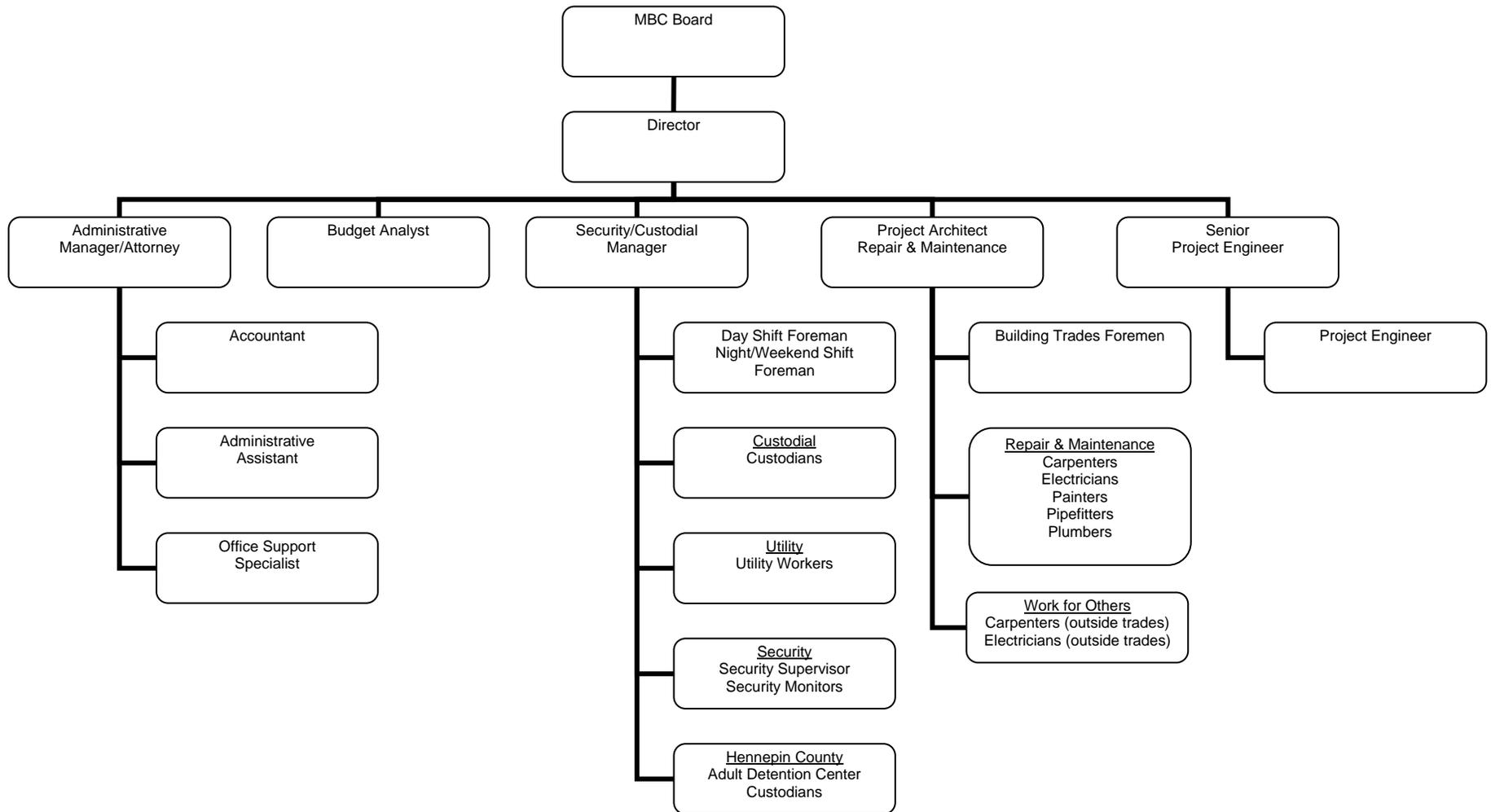
Primary Business 2: Control of the Minneapolis City Hall and Hennepin County Courthouse Building.

This business line is responsible for administrative functions including serving as staff to the MBC Board, implementing Board directives, space assignment and coordinating City and County tenant needs as well as planning, emergency preparedness, security, communications, human resources, labor relations, contract services, information technology, finance, accounting, payroll, and operating and capital budgeting activities.

Primary Business 3: Historic Preservation of the Minneapolis City Hall and Hennepin County Courthouse.

This business line is responsible for all historic preservation activities in the building. Historic preservation refers to any and all activities both operating and capital in keeping with the agency's mission to provide effective and efficient services to operate, maintain and preserve the historic landmark Minneapolis City Hall and Hennepin County Courthouse building, and ensure a safe and functional environment for City and County government employees, citizens and elected officials. Service activities under this business line that generate revenue to promote historic preservation include the café, catering and space rentals, vending machine and memorabilia sales.

2010 MBC Organization Chart



KEY TRENDS AND CHALLENGES

- **Mechanical and Life Safety Systems Upgrade Project**
MBC has completed 12 stages of a 23-stage project to upgrade Mechanical and Life Safety Systems (MLSS) in the City Hall and Courthouse building. This work will continue in 2010 with the completion of approximately two more project stages. The MLSS project is scheduled to conclude in 2016.

Based upon historical reports and recommendations MBC initiated the MLSS upgrade capital project in 1999. The system had been installed in an uncoordinated, piecemeal fashion between 30 and 60 years ago. The mechanical portion of the MLSS project upgrades heating, ventilating and air conditioning systems throughout the building resulting in improved air quality. Life safety components will also be implemented including smoke detection, fire alarms, sprinklers and public address systems.

MLSS work is coordinated with replacing electrical wiring and inefficient lighting; integrating light panels and motion detectors to increase energy efficiency; coordinating the installation of code compliant telephone and computer wiring; removing radiators to reduce the use of steam; and installing new ceiling grids and tiles, carpeting, and wall painting.

Capital project funding is supported 50-50 by the City and County. Capital funding requests are submitted annually to the City Capital and Long-range Improvement Committee and the County Capital Budgeting Task Force, and are approved in five-year cycles. The MBC anticipates seeking capital funding for the MLSS project through 2016.

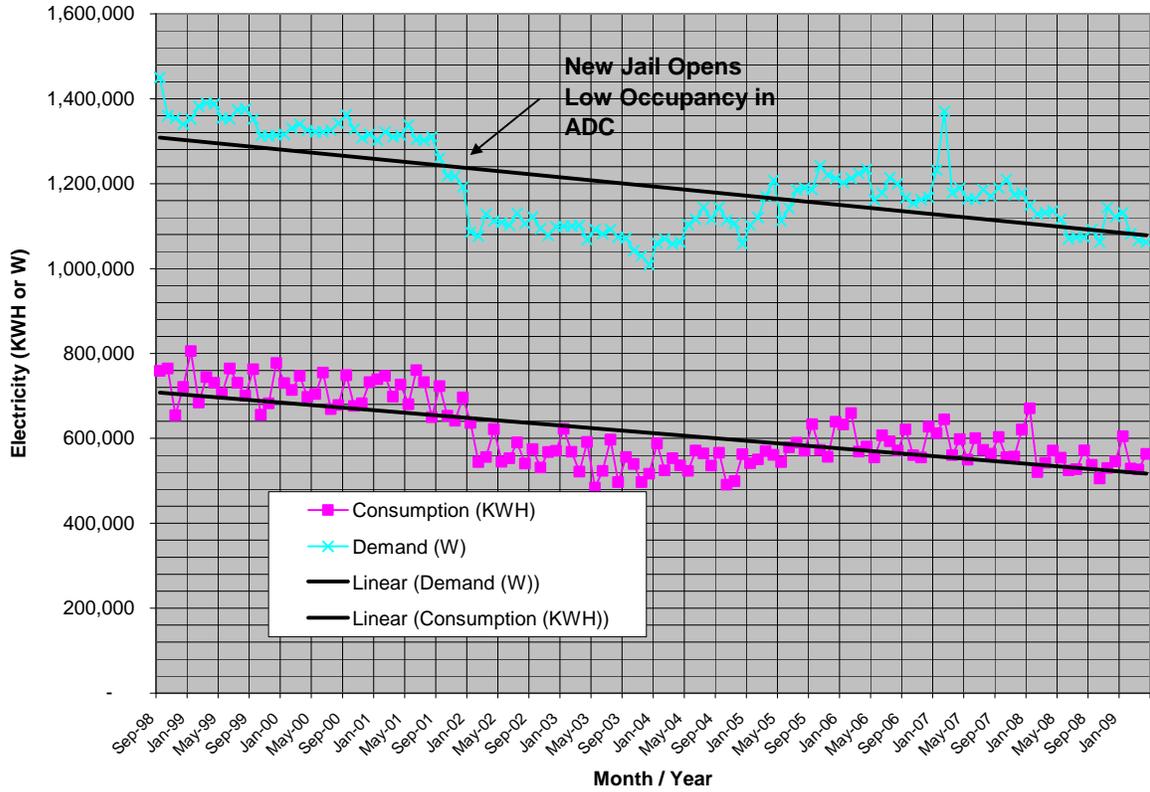
Because capital funding does not cover all of the expense associated with these improvements, project work also is being supported through the MBC operating budget at a cost of approximately \$400,000-500,000 annually for completing routine repair and maintenance work in MLSS project spaces.

- **Energy Conservation**

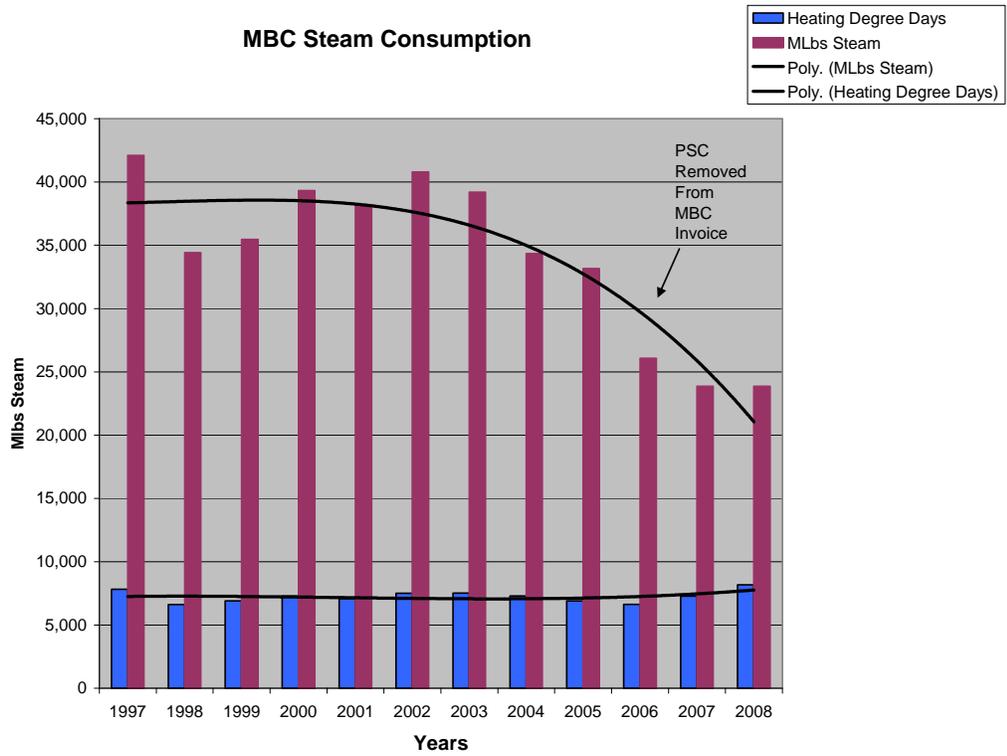
There is a direct correlation between the MLSS Project work and the energy reductions achieved in the building during the past decade.

The MBC closely monitors, analyzes, and adjusts energy usage for electricity, chilled water and steam consumption in the building. Below are several graphs that help to illustrate that the MBC is meeting its goal of improving the quality of lighting, heating, ventilating and air conditioning systems in the building while simultaneously reducing energy consumption.

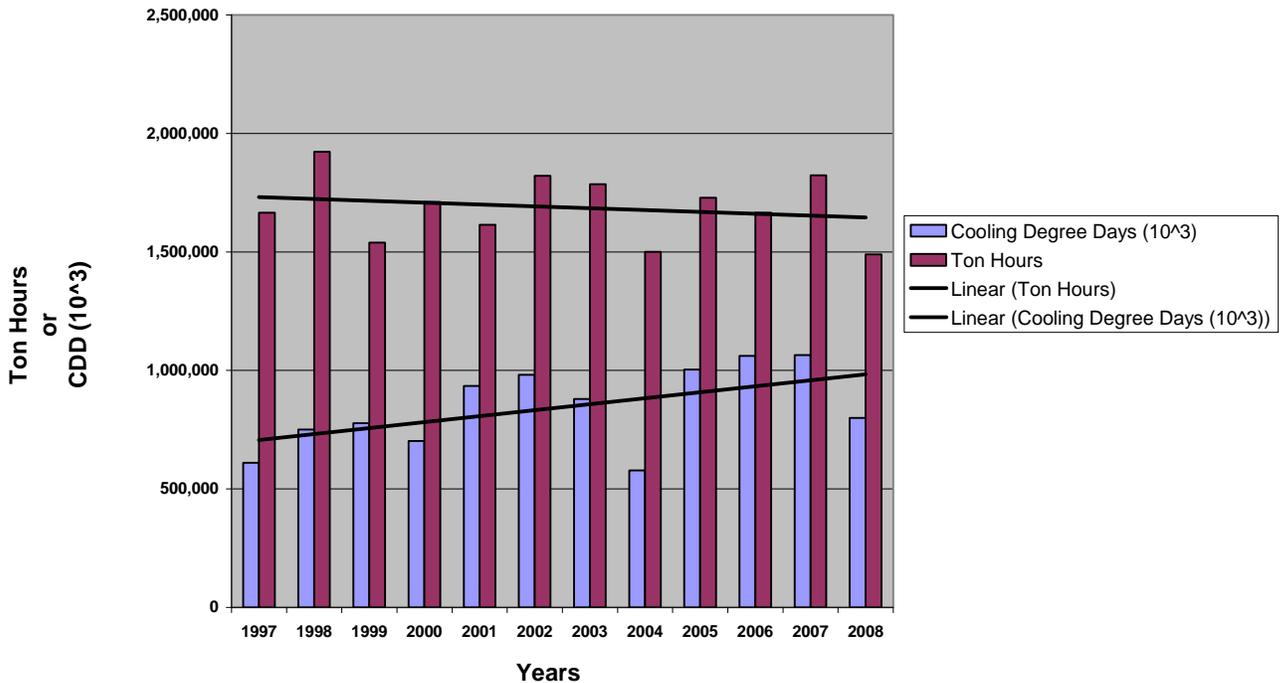
MBC Electricity Consumption



MBC Steam Consumption



MBC Chilled Water Consumption



Energy Conservation

For the first time ever in the history of the City Hall Courthouse, building HVAC operations are ready to be controlled in a centralized, building-wide manner. This constitutes a big step in energy conservation. Two inefficient, 40 year old, air handling units will be removed and replaced with new, energy efficient, air handling units and energy wheels. This work is scheduled to be completed in all four corners of the building by 2010. These new mechanical systems will conserve energy from exhaust air and are projected to save \$160,000 annually in steam and chilled water costs at current rates.

New ductwork from the attic to the basement will allow outside air to be used for “free” cooling during the summer and fall. New computerized control systems will automatically make changes to conserve energy based

on feedback from temperature, pressure, humidity and air quality monitors both inside and outside the building.

Upon completion of the project, the building will automatically monitor ventilation and energy consumption. Based on this monitoring, the energy wheels and air handling units in the attic speed up or slow down, change air composition, and adjust to provide appropriate ventilation while minimizing the utilization of energy. In this manner, the building will evolve into an intelligent building as projected by 21st Century Energy Planners.

- **Security Initiative**

In 2007 the MBC completed approximately \$350,000 of Federal Homeland Security grant work to convert and upgrade the building's outdated building access control and video control systems to state of the art digital technology.

The first step included the Implementation of a fiber backbone to allow connectivity of devices throughout the building. The completion of this work will allow the MBC to expand the building security system in the future as funding becomes available.

The grant work included the installation of a new security operation room; design and installation of equipment room cooling; and system programming for remote control of building security CCTV cameras.

48 cameras and 32 card readers have been coordinated into a single control system, and over 800 access cards have been programmed and distributed to building users.

Several security measures are being researched, evaluated, cost estimated, designed and considered for implementation within the building. Some of these projects include the following:

- Emergency Response Training
- Enhanced security for the Mayor's Office
- Enhanced security for the City Council Offices
- Enhanced security for the City Council Chambers
- Building-Wide Emergency Communication System

It appears that cities across Hennepin County are using federal stimulus grants for security related projects. The City of Minneapolis may consider using this funding mechanism to fund these security measures outlined above.

EXPENDITURE

The 2010 MBC department budget of \$8.1 million is a reduction of 4.0%.

REVENUE

Revenue is estimated at \$8.3 million, with declining sales of documentation copies due to availability of internet access.

ORIGINAL BUDGET

The Mayor recommends \$8.06 million for MBC's 2010 budget.

Under the Mayor's proposed tax revenue policy, MBC and the general fund will receive the same percentage increase in dollars available for activities in 2010. MBC activities will increase by 0.83%, the same percentage increase as activities for the Park Board and general fund. This corresponds to an LGA revenue decrease of \$34,813, or 14.41%, and a tax revenue increase of 1.69%, or \$71,886, resulting in budgeted MBC resources of \$4,486,817, 0.83%, or \$37,073 higher than 2009.

Council adopted the Mayor's recommendations. Additionally, Council directed that net debt bond funding for MBC elevators be increased by \$130,000 for a revised City total of \$230,000 for 2010.

The budget for this department includes a reduction of BIS charges of \$300 due to the Council's actions to reduce the BIS budget by \$1.7 million. This reduction in BIS charges will subsequently reduce the department's appropriation by the same amount. Additionally, the budget for this department includes a \$46,800 decrease in appropriation due to the Council's actions to fund two internal audit positions. Back out both changes, the 2010 Council Adopted Budget for the department is \$8,186,975, a 3.3% decrease from the 2009 Revised Budget.

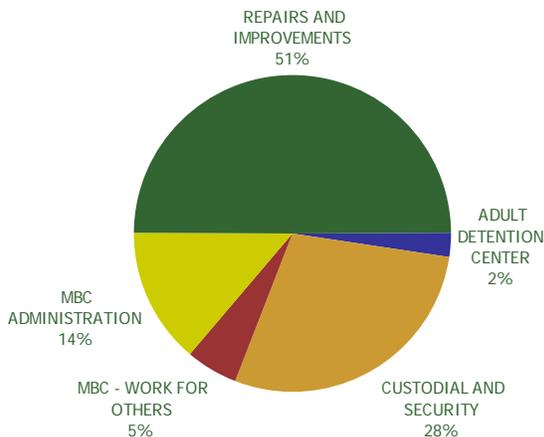
MAYOR'S REVISED BUDGET

The tax revenue policy outlined above results in a revenue cut of \$141,300. \$60,812 was taken from Local Government Aid (LGA) and \$80,219 was taken from property tax due to a state cut in Market Value Homestead Credit.

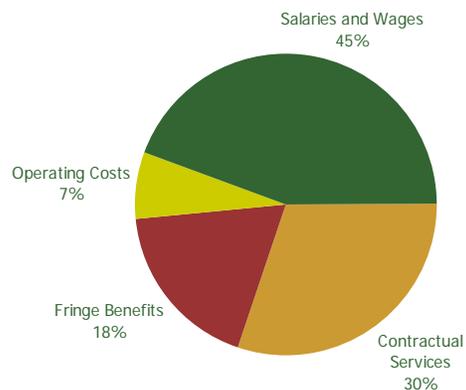
COUNCIL REVISED BUDGET

Council approved the Mayor's recommendation and awarded MBC \$60,000 for elevator repair in City Hall.

Expense by Division



Expense by Category

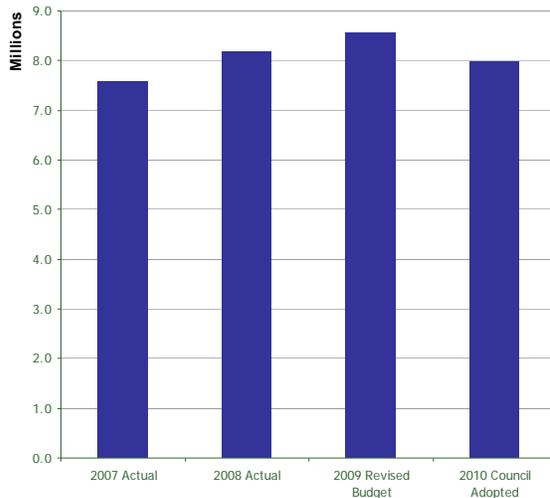


MUNICIPAL BUILDING COMMISSION EXPENSE AND REVENUE INFORMATION

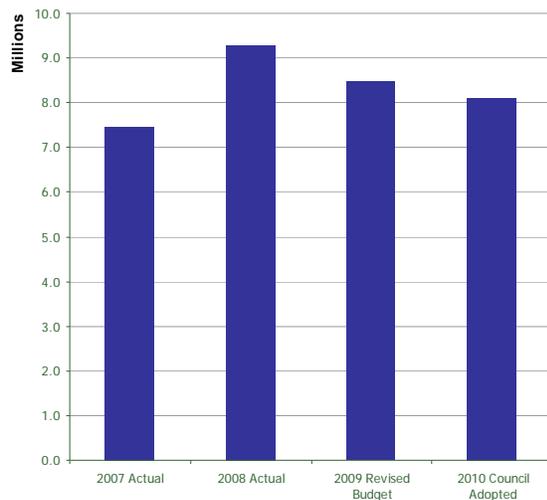
EXPENSE	2007 Actual	2008 Actual	2009 Revised Budget	2010 Revised Budget	Percent Change	Change
AGENCY						
Operating Costs	0	1,221,679			0.0%	0
TOTAL AGENCY	0	1,221,679				0
SPECIAL REVENUE						
Salaries and Wages	2,844,617	2,858,974	3,495,183	3,603,952	3.1%	108,770
Fringe Benefits	1,109,375	1,120,945	1,533,162	1,475,891	-3.7%	(57,270)
Contractual Services	2,942,120	3,234,655	2,873,002	2,434,823	-15.3%	(438,179)
Operating Costs	542,797	855,753	561,320	588,978	4.9%	27,658
Capital	6,468	10,970	2,000	2,000	0.0%	0
TOTAL SPECIAL REVENUE	7,445,377	8,081,297	8,464,667	8,105,645	-4.2%	(359,022)
TOTAL EXPENSE	7,445,377	9,302,976	8,464,667	8,105,645	-4.2%	(359,022)

REVENUE	2007 Actual	2008 Actual	2009 Revised Budget	2010 Revised Budget	Percent Change	Change
SPECIAL REVENUE						
Property Taxes	3,868,974	4,029,616		4,244,859	0.0%	4,244,859
Sales and Other Taxes	604	650			0.0%	0
State Government	397,022	323,967	267,257	4,859	-98.2%	(262,398)
Charges for Service	3,203,418	3,705,897	8,123,200	3,727,079	-54.1%	(4,396,121)
Charges for Sales	5,530	8,550	6,000	6,000	0.0%	0
Interest	0				0.0%	0
Rents	99,069	89,508	2,200		-100.0%	(2,200)
Other Misc Revenues	1,620	8,346	150,600		-100.0%	(150,600)
TOTAL SPECIAL REVENUE	7,576,238	8,166,534	8,549,257	7,982,797	-6.6%	(566,460)
TOTAL REVENUE	7,576,238	8,166,534	8,549,257	7,982,797	-6.6%	(566,460)

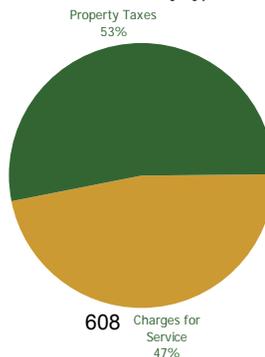
Revenue 2007 - 2010



Expense 2007 - 2010



Direct Revenue by Type

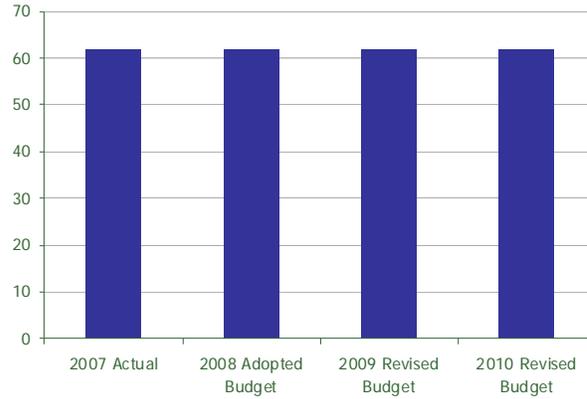


MUNICIPAL BUILDING COMMISSION

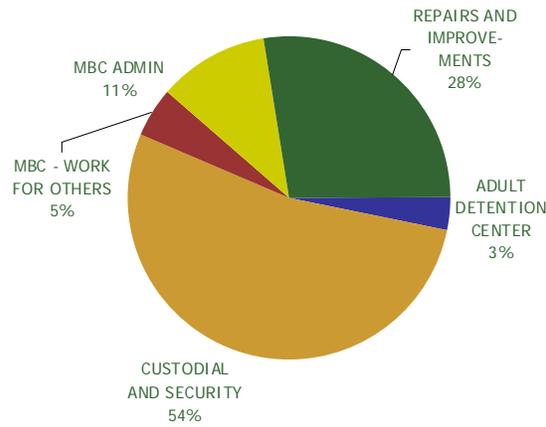
Staffing Information

Expense	2007 Actual	2008 Adopted Budget	2009 Revised Budget	2010 Revised Budget	% Change	Change
ADULT DETENTION CENTER	2	2	2	2	0.0%	
CUSTODIAL AND SECURITY	34	34	34	33	-2.9%	(1)
MBC - WORK FOR OTHERS	3	3	3	3	0.0%	
MBC ADMINISTRATION	6	6	7	7	0.0%	
REPAIRS AND IMPROVEMENTS	17	17	16	17	6.3%	1
TOTAL	62	62	62	62	0.0%	

Positions 2007-2010



Positions by Division



NEIGHBORHOOD REVITALIZATION PROGRAM

Mission:

The Mission of the Minneapolis Neighborhood Revitalization Program (NRP) is to improve the quality of life in the City of Minneapolis by revitalizing its neighborhoods and making them better places to live, work, learn and play.

Goals:

NRP adopted four Goals for Phase I. Those Goals were:

- Build neighborhood capacity
- Redesign public services
- Create a sense of community and place
- Increase intra and intergovernmental collaboration

In addition to these Goals, the Teamworks evaluation report on Phase I identified three additional goals that were distilled from a review of official documents by the NRP Evaluation Task Force, a Policy Board authorized multijurisdictional work team. The three other Goals were to:

- Improve the lives of the citizens of Minneapolis and enhance neighborhood stability
- Bring neighborhoods to a level at which they will attract private investment
- Improve the physical characteristics of neighborhoods, especially as embodied in infrastructure and housing

As part of the multi jurisdictional review and planning process for Phase II the Policy Board adopted six Goals for Phase II that build on and expand the Goals of Phase I and responded to the changed environment for NRP and its participating jurisdictions.

- Create a greater sense of community so that the people who live, work, learn and play in Minneapolis have an increased sense of commitment to and confidence in their neighborhood and their City
- Sustain and enhance neighborhood capability in order to strengthen the civic involvement of all members of the community
- Ensure that neighborhood-based planning remains the foundation of the program, is informed and leads to creative and innovative approaches
- Strengthen the partnerships among neighborhoods and jurisdictions to identify and accomplish shared citywide goals
- Ensure that government agencies learn from and respond to neighborhood plans so that public services ultimately reflect neighborhood priorities
- 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% of NRP funds be spent on housing.

NRP uses five primary business lines to help accomplish these Goals.

1. Assist neighborhoods with development of Neighborhood Action Plans (NAPs).

NAPs are the building blocks of the NRP program and are developed and written by residents and the recognized neighborhood organization. Each NAP provides a vision for the neighborhood, identifies the priorities for achieving that vision, and adopts

specific action steps (strategies) for implementation. The NRP statute requires that NAPs be prepared and approved before any NRP expenditures occur.

NRP staff provide guidance on development of the NAP, monitor the public participation process, help the neighborhood obtain any needed professional or technical support as the strategies are being considered, and assist, as needed and requested, with preparation of the draft plans.

2. Review, modify and approve NAPs prepared by neighborhoods.

During the development and drafting of the NAP, NRP staff helps neighborhoods obtain needed support, information and perspectives from public and non-profit staff with knowledge of the subject areas of concern to the neighborhood. After the neighborhood approves its draft NAP, the plan is reviewed by NRP staff and forwarded to public staff for comments and NRP's external counsel for a legal opinion on conformance with the NRP statute.

NRP staff work to make the NAP approval process as considerate and respectful as possible by providing information to the neighborhood before they begin the process, facilitating the participation of public and other staff in the identification of possible priorities and potential strategies for addressing those priorities, identifying possible problem areas in the plan draft, encouraging neighborhood representative attendance and presentations at the Policy Board during the review of the plan, providing assistance with making changes suggested by NRP, jurisdictional staff or legal counsel before the Policy Board presentation, and preparing all needed transmittal and descriptive documents.

3. Oversee, monitor and evaluate implementation of approved NAPs and their strategies.

The City Attorney has opined that NRP staff cannot manage implementation contracts for strategies contained in an NAP unless they are for planning, oversight or evaluation. NRP staff serves as the contract administrator for neighborhood organization activities associated with these functions and develop the scopes of service and budgets for the needed contracts. Staff reviews reimbursement requests, monitors performance and ensures that implementation of the plan is occurring as approved.

NRP staff coordinates governmental and private efforts in the development of other needed contracts and implementation of NAPs. They serve as the contact for the involvement and participation of appropriate implementing departments, private for-profit and non-profit vendors and jurisdictions.

NRP staff work with neighborhoods and these organizations to clearly define the approved programs, projects, services or activities, and draft appropriate scopes of service, program guidelines and budgets prior to preparation of needed contracts or agreements. Another major part of the service provided by NRP staff is to ensure funding is available, as needed, for the programs, projects, services or activities contained in an approved NAP.

4. Manage NRP's financial resources and expenditures.

NRP is responsible for the expenditures of NRP funds and for the management of the public resources that have been provided to the program. NRP monitors and evaluates

program activities and expenditures to ensure consistency with approved contracts and the strategies in NAPs.

In addition, NRP works to minimize administrative costs for NRP's central office and the neighborhoods by initiating group purchase discounts, special professional service arrangements and elimination of duplicate activities.

One of the most important results that must be achieved is meeting the statute mandate that 52.5% of all NRP funds expended must be for housing or housing related programs, projects, services or activities.

5. Educate, inform and train residents for participating effectively in neighborhood improvement efforts.

Training and development is necessary to create new and informed leaders, a greater sense of community, increase civic involvement, and make it possible for meaningful partnerships between neighborhood organizations and their government and non profit collaborators. NRP staff offer training that provides neighborhood volunteers and employees with specific skills designed to help create and maintain healthy organizations. Workshops are offered on a regular basis and specific trainings are available upon request to individual neighborhoods. NRP also initiated and sponsored the Community Leadership Institute conducted with the University of St. Thomas.

Accomplishments:

The primary goal of NRP is gaining approval of neighborhood action plans.

NRP is well on the way to achieving this Goal. As of June 22, 2009 the Policy Board has approved 44 Phase II NAPs or 61.1% of the 72 possible plans. These approvals have allocated 65% of the funds allocated to neighborhoods based on the March 2004 City projections for Common Project revenues. Phase II Participation Agreements have been approved for more than 80% of the neighborhoods.

Every strategy in a neighborhood action plan must be helping to accomplish, and is tied to, a goal of the City of Minneapolis. To date, fewer than 5 strategies from draft plans have been rejected by legal counsel as inconsistent with the NRP statute. After modifications were made, with NRP staff assistance, each and every plan, and all of the more than 5,000 strategies in those approved plans has been reviewed and approved by the NRP Policy Board and the Minneapolis City Council as an appropriate expenditure of NRP funds.

Neighborhood plans are allocating their funds to Housing programs, projects, services or activities. For the Phase II Neighborhood Action Plans approved to date, more than 75% of their full allocation is committed to Housing programs, projects, services or activities. At this time, and with these commitments, NRP will be able to meet its legislated mandate for all of the funds appropriated since the program began in 1991. If the total dollars available to NRP in Phase II decline, however, the program may not be able to meet the mandated percentage.

Administrative expenses account for only 18% of the appropriated funds for the Phase II plans approved to date.

NRP's central office staff will again be reduced in the proposed 2010 Budget. The recommendation to the Policy Board will be to reduce the office FTE count to 7 by the end of 2010. NRP has no vacancies and fills its staffing needs by reassignment of duties, professional service agreements, or MOUs. NRP intends to continue reducing central office staff and will do so, to the maximum extent possible, without layoffs or terminations.

What key trends and challenges does your organization face and how will they be addressed?

Neighborhoods in the City have improved greatly since NRP was initiated in 1990. The investment of NRP resources during the first ten years helped reverse years of neglect and decline in neighborhoods and provided resources that were used to leverage additional investments by public and private sources. In Elliot Park alone, the neighborhood's investment of \$ 4.4 million from NRP helped leverage over \$ 151 million of new development in that neighborhood. As improvement has occurred, however, the perceptions of need and the urgency attached to continuing NRP have changed.

State tax law changes adopted in 2001 and a more negative public attitude toward government, in general, have greatly reduced the revenues available for Phase II from the Common Project. Reductions in Local Government Aid have impacted the General Fund of the City and reduced the opportunities for City contributions to neighborhood priorities. Actions taken by the City Council and Mayor, such as the Discretionary Development Financing Resolution adopted 8/22/03, have further depleted NRP's potential revenue stream. Over the past eighteen months economic conditions beyond the control of the state, city or neighborhoods have placed additional pressures on NRP's revenue sources.

Phase II was initially planned to begin in 2001. With the tax law changes adopted by the legislature in 2001 NRP had to place implementation of Phase II on hold. Residents and neighborhoods that had expected to seamlessly move into Phase II as they completed their Phase I plans were forced to wait, and uncertainty about resource availability led to questions about city commitment, the value of resident-based planning and the interest in resident participation.

As the time required to answer the questions about future revenues extended, residents turned their attention to other areas of interest, neighborhoods lost volunteers, projects were placed on hold or canceled and there were questions raised whether Phase II would begin.

Adoption of the revised Chapter 419 of the Minneapolis City Ordinance in August 2003 and the March 2004 calculation of the Common Project revenue stream removed some of this uncertainty. Residents were encouraged to recommit to their neighborhood and the city, based on this renewed commitment to NRP. Unfortunately, the many and varied Common Project Revenue Projections made by the City between 2004 and 2009 created uncertainty and reduced neighborhood faith in the stability of the funding stream for neighborhood improvement activities.

The funding available for Phase II has changed dramatically over the past seven years. In June 2000, as NRP was about to begin its second decade, City officials projected, based on the legislation establishing NRP, the city ordinance implementing the program and the revenues anticipated from the tax increment districts in the Common Project,

that approximately \$180 million would be available for Phase II. With the legislative changes in 2001 and the results from the Brookfield loan negotiations, the revenues available from the Common Project dropped to less than \$ 85 million, the figure used to determine the Phase II allocations to neighborhoods.

When the City released its projections for Common Project revenues in April 2007, projections showed future revenues of only \$ 66.5 million. The City Council and Mayor acted in December 2007 to “guarantee” that 70% of Phase II neighborhood allocations would be available for Phase II. In June, 2008 the NRP Policy Board reallocated \$1.7 million to help increase the percentage of Phase II dollars that will be available to neighborhoods to about 74%. They made a second reallocation in November, 2008 to increase the percentage available to neighborhoods to 80%. In May, 2009 the City issued new projections for the capitalization of Phase II that increased the percentage expected to be available to 93.4%. The new projection includes the assumption that the Brookfield lease payment will be paid in full in December 2009. The 2009 capitalization represents almost 48% of the total capitalization for Phase II NAPs.

Neighborhoods accepted fewer resources in Phase II and still worked to improve participation and adopt plans to address their priorities. They reviewed results from Phase I, researched resident issues, gathered and analyzed data, created work groups and committees to develop strategies for Phase II NAPs, and drafted, discussed, reviewed, and finally approved Phase II plans.

NRP’s revenue stream officially ends in 2009. After that date, the program will be spending down the revenues that it received between 1990 and 2009 and contracting out its remaining resources.

Finding ways to encourage resident participation and dealing with continually changing revenue projections have been two of the major challenges that NRP has faced. The third has been the erosion of political support and the changing attitude toward resident empowerment by the City. Not one of the City’s elected officials and none of its major department heads were in their current positions when NRP started. In an effort to gain more control and “accountability” over neighborhood activities, the City initiated an NRP Work Group in 2007 that produced a Framework for Community Engagement after NRP’s revenue streams end in 2009. Four of the six members of the Work Group were City Council members and one was a representative of the Mayor. The new approach to community engagement is that neighborhoods and the City will be in a more cooperative and collaborative environment.

A Neighborhood and Community Relations Department and an all resident Neighborhood and Community Engagement Commission will manage the new approach to Community Engagement. The new department and commission will have a new source of revenue (a Consolidated Redevelopment TIF District) that can be invested in neighborhood revitalization over the next ten years. One of the major issues to be resolved is how the revenues and activities of NRP will relate to the activities of the new Commission and Department.

What level of vacancies does NRP have? What strategies in the business plan are related to maintaining these vacancies? What possibilities exist for reducing these vacancies?

NRP has no vacancies. When a position is vacated, the responsibilities and skills required for the position are analyzed and redistribution, discontinuation or contracting is used to maintain the level of service for the office. NRP has gradually reduced its office complement from 25 FTE in 1995 to 8 FTE in 2009. We have done so without layoffs or terminations. The last hire made by NRP was in 1999.

What are the major areas of contractual expense for NRP? What opportunities or drawbacks exist to changing from contractual provision of services toward provision of services by NRP employees?

The largest single expenditure for NRP, outside of its personnel complement, is for services from CPED and DFD. The 2007 Memorandum of Understanding charges NRP \$375,000 for the contract management, support and legal services NRP receives from the City. This single line item now accounts for more than 15% of NRP's administrative budget.

The 2010 NRP administrative budget proposes a reduction of 1 FTE in the staff complement and a reduction in the office budget of more than 8%. This budget is subject to significant changes and has not been discussed or presented to the NRP Policy Board. One of the biggest uncertainties is the amount for DFD and CPED support. Negotiations on a new MOU have not yet begun and will determine the amount needed for this line item. The Policy Board will be provided with a proposed budget at its September 2009 meeting.

FINANCIAL ANALYSIS

EXPENDITURE

The 2010 NRP budget is \$1.4 million.

REVENUE

Revenue is estimated at \$1.4 million.

ORIGINAL BUDGET

The Mayor recommended, and Council approved no changes to this department.

The budget for this department includes a reduction of BIS charges of \$1,100 due to the Council's actions to reduce the BIS budget by \$1.7 million. This reduction in BIS charges will subsequently reduce the department's appropriation by the same amount.

MAYOR'S REVISED BUDGET

The Mayor recommended no changes to this department.

COUNCIL REVISED BUDGET

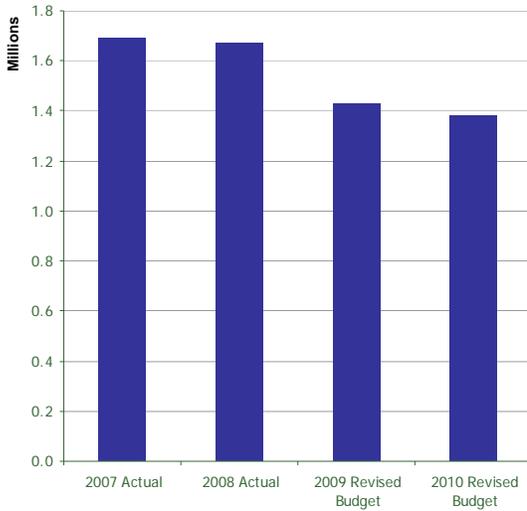
Council approved the Mayor's recommendation.

NEIGHBORHOOD REVITALIZATION BOARD EXPENSE AND REVENUE INFORMATION

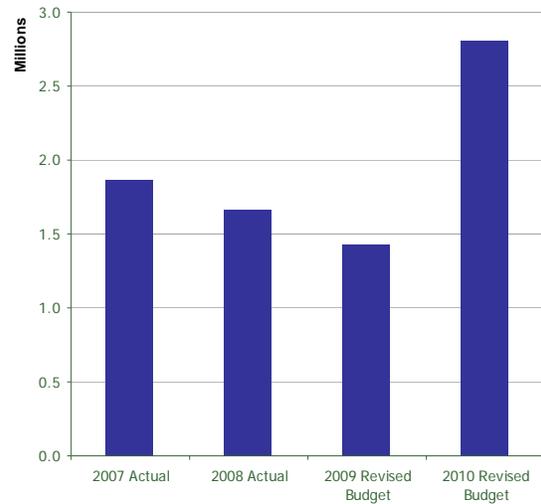
EXPENSE	2007 Actual	2008 Actual	2009 Revised Budget	2010 Revised Budget	Percent Change	Change
SPECIAL REVENUE						
Salaries and Wages	637,097	580,475	509,736	456,355	-10.5%	(53,381)
Fringe Benefits	151,326	155,000	138,184	188,462	36.4%	50,279
Contractual Services	817,486	848,476	714,900	645,348	-9.7%	(69,552)
Operating Costs	81,788	83,050	61,499	88,991	44.7%	27,492
Capital	5,797	3,500	3,500	3,000	-14.3%	(500)
TOTAL SPECIAL REVENUE	1,693,494	1,670,501	1,427,819	1,382,156	-3.2%	(45,663)
TOTAL EXPENSE	1,693,494	1,670,501	1,427,819	1,382,156	-3.2%	(45,663)

REVENUE	2007 Actual	2008 Actual	2009 Revised Budget	2010 Council Adopted	Percent Change	Change
SPECIAL REVENUE						
State Government	1,778,889	1,661,925	1,428,620	2,810,776	96.7%	1,382,156
Charges for Service	15,186				0.0%	0
Other Misc Revenues	66,418				0.0%	0
TOTAL SPECIAL REVENUE	1,860,494	1,661,925	1,428,620	2,810,776	96.7%	1,382,156
TOTAL REVENUE	1,860,494	1,661,925	1,428,620	2,810,776	96.7%	1,382,156

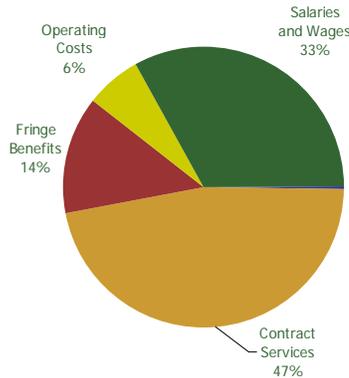
Expense 2007 - 2010



Revenue 2007 - 2010



Expense by Category

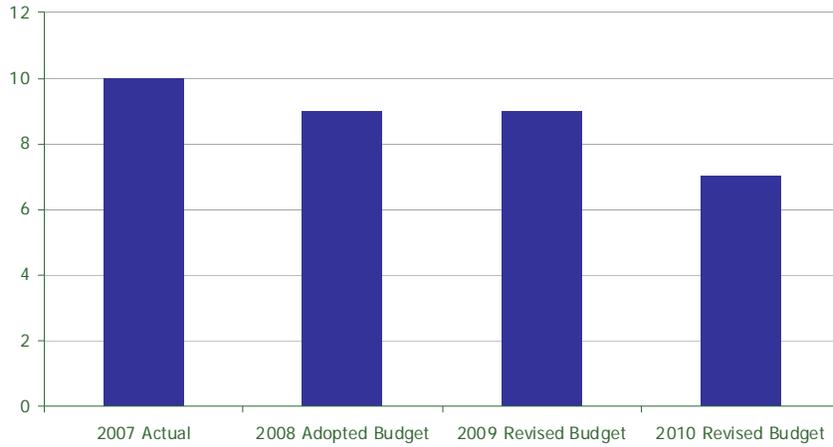


NEIGHBORHOOD REVITALIZATION BOARD

Staffing Information

Expense	2007 Actual	2008 Adopted Budget	2009 Revised Budget	2010 Revised Budget	% Change	Change
NEIGH REVITALIZATN POL BD	10	9	9	7	-22.2%	(2)
TOTAL	10	9	9	7	-22.2%	(2)

Positions 2007-2010



PARK BOARD

MISSION

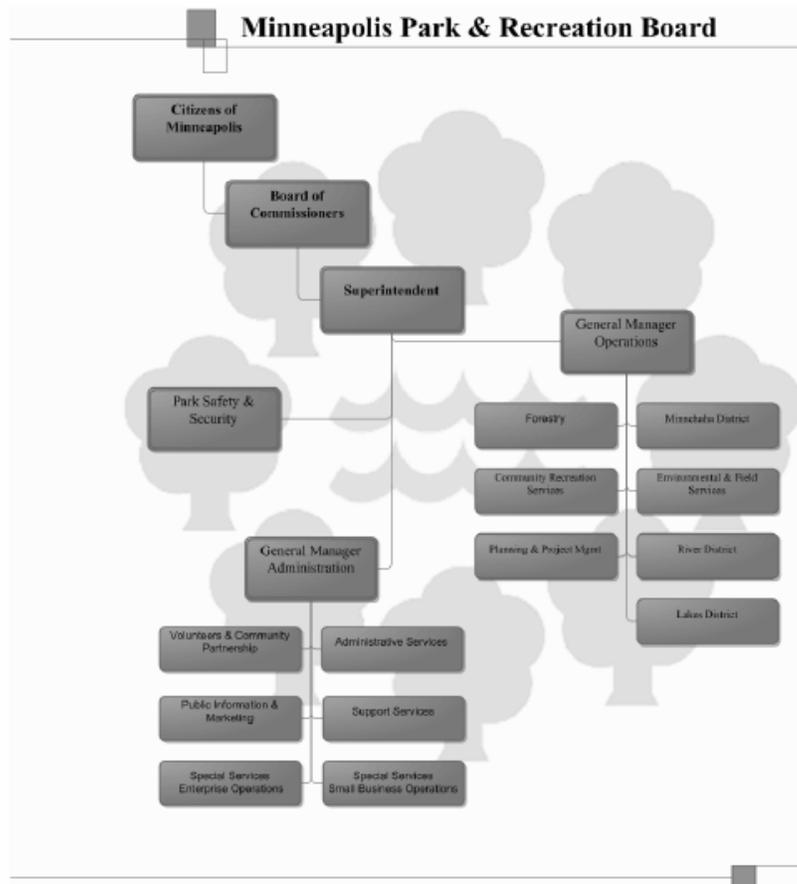
The Minneapolis Park and Recreation Board shall permanently preserve, protect, maintain, improve and enhance its natural resources, parkland and recreational opportunities for current and future generations.

The Minneapolis Park and Recreation Board exists to provide places and recreation opportunities for all people to gather, celebrate, contemplate and engage in activities that promote health, well-being, community and the environment.

BUSINESS LINES

- Park Administrative Services
- Environmental
- Field Services and District Maintenance
- Forestry
- Information Technology Services
- Park Police
- Planning and Project Management
- Recreation Services
- Special Facilities
- Volunteers and Community Partnerships

ORGANIZATIONAL CHART



FINANCIAL ANALYSIS

EXPENDITURE

The Park Board adopted its 2010 budget in December 2009. The 2010 Park Board budget of \$91.5 million is 1.3% less than the 2009 revised budget.

REVENUE

Revenue is estimated at \$91.2 million, a 1.2% decrease from the 2009 revised budget.

ORIGINAL BUDGET

The Mayor recommended and Council approved no change to the budget.

The Mayor's proposed tax revenue policy for 2010 has been amended from previous years. This year, the Mayor proposes a policy that subtracts general fund commitments, such as the obligation to the pension management plan, the transfer to Hennepin County for the library system, and the Target Center Financial Plan from the property tax total available for distribution to the General Fund and Independent Boards.

Under the Mayor's proposed tax revenue policy Park Board and the general fund will receive the same percentage increase in dollars available for activities in 2010. The Park Board will experience an LGA loss of 14.41%, or \$1,365,026, and a tax revenue increase of \$1,843,460, or 4.31%. The 2010 Park Board budgeted resources will be \$50,223,384, or 0.83% (\$414,978) higher than the 2009 activity level.

The budget for this department includes a \$861,382 decrease in appropriation due to the Council's actions to fund two internal audit positions. Back out both changes, the 2010 Council Adopted Budget for the department is \$93,079,737, a 3.0% increase from the 2009 Revised Budget.

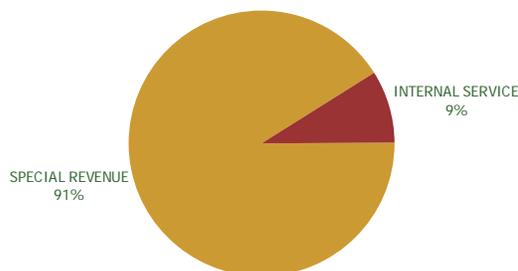
MAYOR'S REVISED BUDGET

The tax revenue policy outlined above results in a revenue cut of \$1,578,565. \$680,655 was taken from Local Government Aid (LGA) and \$897,900 was taken from property tax due to a state cut in Market Value Homestead Credit.

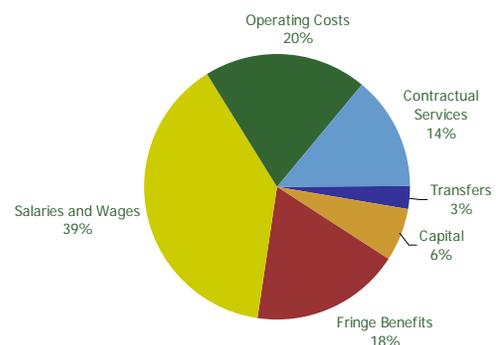
COUNCIL REVISED BUDGET

Council approved the Mayor's recommendations.

Expense by Fund



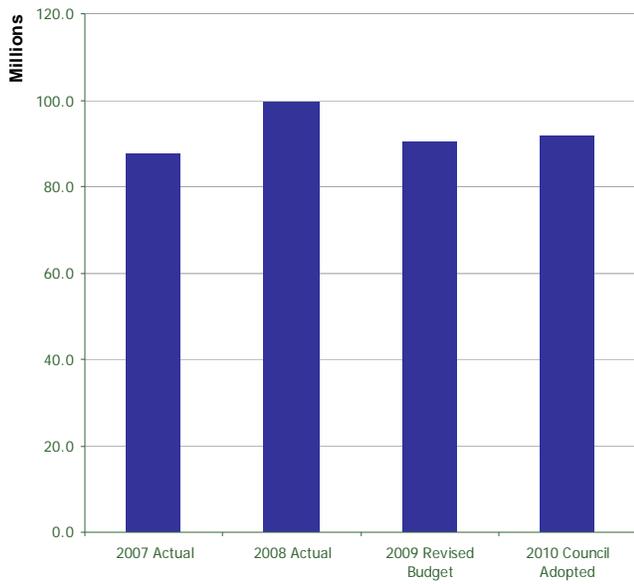
Expense by Category



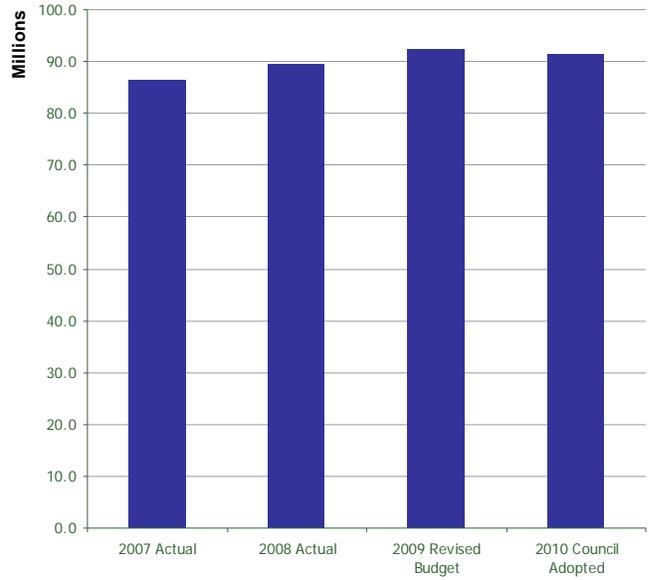
**PARK BOARD
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2007 Actual	2008 Actual	2009 Revised Budget	2010 Revised Budget	Percent Change	Change
AGENCY						
Operating Costs	0	9,594,108			0.0%	0
TOTAL AGENCY	0	9,594,108				0
SPECIAL REVENUE						
Salaries and Wages	34,462,557	33,820,274	33,900,182	33,924,410	0.1%	24,228
Fringe Benefits	11,408,982	12,318,071	13,174,914	13,814,710	4.9%	639,796
Contractual Services	15,842,186	15,683,102	15,267,577	12,055,641	-21.0%	(3,211,936)
Operating Costs	16,117,775	17,347,999	16,754,033	16,620,838	-0.8%	(133,195)
Capital	601,942	715,678	1,819,851	4,406,529	142.1%	2,586,678
Debt Service	85,299	97,799	97,800	98,000	0.2%	200
Transfers	0	2,507,272	1,525,000	2,565,000	68.2%	1,040,000
TOTAL SPECIAL REVENUE	78,518,741	82,490,195	82,539,357	83,485,129	1.1%	945,772
INTERNAL SERVICE						
Salaries and Wages	1,951,773	1,726,312	1,769,978	1,774,316	0.2%	4,338
Fringe Benefits	2,322,941	1,986,645	2,475,178	2,538,596	2.6%	63,418
Contractual Services	473,122	360,220	476,104	450,993	-5.3%	(25,111)
Operating Costs	2,906,302	2,496,642	1,691,428	1,719,715	1.7%	28,287
Capital	1,391,449	797,935	1,388,159	1,532,422	10.4%	144,263
TOTAL INTERNAL SERVICE	9,045,587	7,367,754	7,800,847	8,016,043	2.8%	215,196
TOTAL EXPENSE	87,564,328	99,452,057	90,340,204	91,501,172	1.3%	1,160,968
REVENUE						
SPECIAL REVENUE						
Property Taxes	48,476,804	51,512,080	54,838,501	55,859,227	1.9%	1,020,726
Sales and Other Taxes	6,019	6,508	3,000	3,000	0.0%	0
License and Permits	95,929	176,353	174,000	204,000	17.2%	30,000
Federal Government	14,145	4,000			0.0%	0
State Government	13,054,570	10,672,815	11,537,290	8,482,243	-26.5%	(3,055,047)
Local Government	1,415,645	1,351,520	1,528,790	1,528,790	0.0%	0
Charges for Service	12,325,912	13,022,399	12,854,447	13,663,596	6.3%	809,149
Charges for Sales	142,349	62,415	86,000	68,000	-20.9%	(18,000)
Fines and Forfeits	614,780	533,607	696,500	684,500	-1.7%	(12,000)
Interest	12	7			0.0%	0
Gains	(7,150)				0.0%	0
Rents	2,109,889	2,889,954	2,251,198	2,137,008	-5.1%	(114,190)
Contributions	791,019	1,121,885	203,000	423,000	108.4%	220,000
Other Misc Revenues	33,318	428,657	61,700	136,764	121.7%	75,064
Transfers In	0	321,436	295,000	295,000	0.0%	0
TOTAL SPECIAL REVENUE	79,073,240	82,103,635	84,529,426	83,485,128	-1.2%	(1,044,298)
DEBT SERVICE						
Special Assessments	0				0.0%	0
Interest	0				0.0%	0
Gains	0				0.0%	0
TOTAL DEBT SERVICE	0				0.0%	0
INTERNAL SERVICE						
Charges for Service	984,779	950,554	970,393	920,847	-5.1%	(49,546)
Charges for Sales	549,474	58,190	68,798	50,000	-27.3%	(18,798)
Gains	(109,581)	64,350			0.0%	0
Rents	3,575,260	3,746,521	4,102,372	4,098,461	-0.1%	(3,911)
Contributions	0				0.0%	0
Other Misc Revenues	2,258,144	2,533,234	2,659,283	2,659,283	0.0%	0
Transfers In	0	260,000			0.0%	0
Long Term Liabilities Proceeds	0	(142,753)			0.0%	0
TOTAL INTERNAL SERVICE	7,258,075	7,470,097	7,800,846	7,728,591	-0.9%	(72,255)
TOTAL REVENUE	86,331,316	89,573,732	92,330,272	91,213,719	-1.2%	(1,116,553)

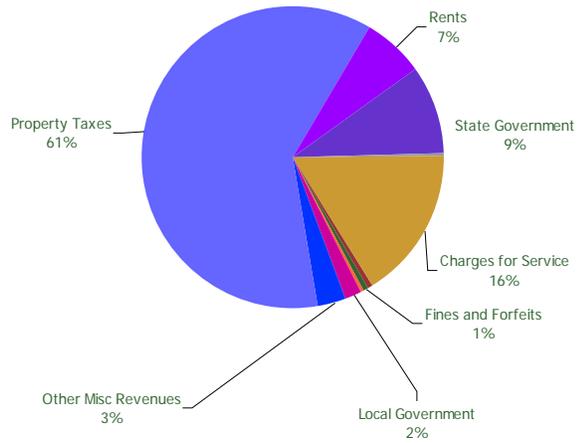
Expense 2007 - 2010



Revenue 2007 - 2010



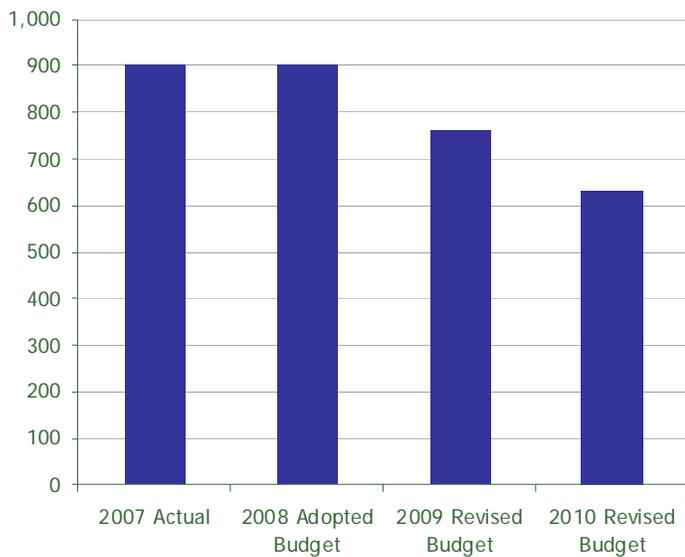
Direct Revenue by Type



PARK BOARD Staffing Information

Expense	2007 Actual	2008 Adopted Budget	2009 Revised Budget	2010 Revised Budget	% Change	Change
PARK BOARD	902	902	859	827	-3.7%	(32)
TOTAL	902	902	859	827	-3.7%	(32)

Positions 2007-2010



MINNEAPOLIS PUBLIC HOUSING AUTHORITY

MISSION

To promote and deliver quality, well-managed homes to a diverse low-income population; and, as a valued partner, contribute to the well-being of the individuals, families and communities it serves.

FINANCIAL ANALYSIS

Sources & Uses	2007 Actual	2008 Actual	2009 Council Adopted	2010 Revised Budget
<i>Sources:</i>				
Tax Levy	\$1,212,965	\$1,259,076	\$1,289,613	\$0
CDBG Rehab	\$378,738	\$106,735	\$214,000	\$0
CDBG Citizen Participation	\$76,715	\$61,046	\$67,000	\$68,000
PILOT	\$271,456	\$295,229	\$300,000	\$440,000
<i>Uses:</i>				
Security Services	\$1,863,159	\$1,661,040	\$1,817,613	\$440,000
Citizen Participation	\$76,715	\$61,046	\$67,000	\$68,000

Tax levy: MPHA is classified as an independent board. Due to significant increases in federal stimulus funds received MPHA has not requested a tax levy amount in 2010. Under the 4% tax revenue policy, MPHA would have received \$1,368,569 in tax revenue.

PILOT: Under state statute, MPHA is exempt from real and personal property taxes, but through the cooperation agreement with the City, the MPHA is required to make a payment in lieu of taxes.

City services: MPHA operates on a pay-as-you-go basis for City services utilized.

ORIGINAL BUDGET

The Mayor concurred with MPHA's proposed budget and also recommended \$287,000 in CDBG funds. Council decreased CDBG funds by \$219,000 from the general rehabilitation program.

MAYOR'S REVISED BUDGET

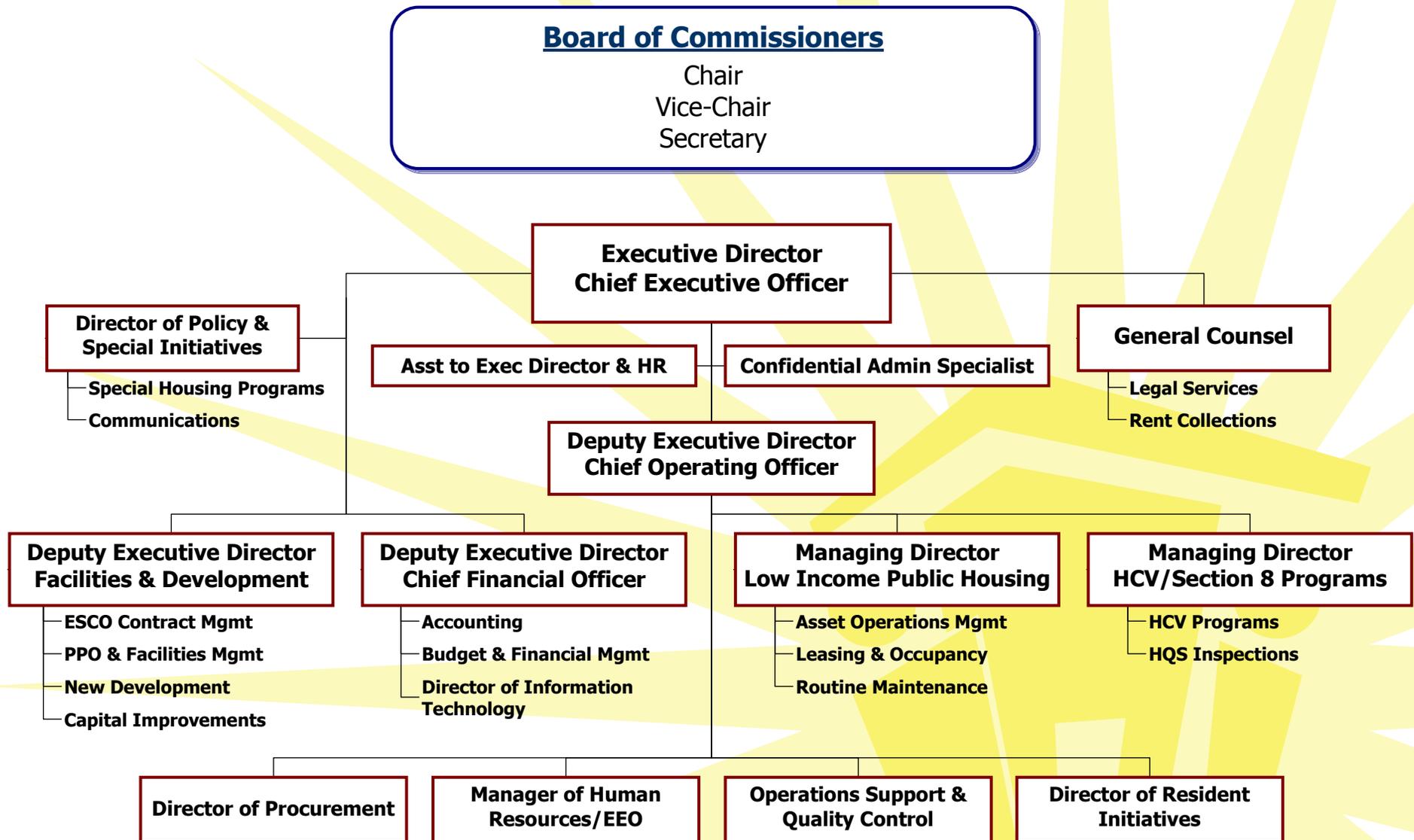
The Mayor proposed no changes to this department.

COUNCIL REVISED BUDGET

Council concurred with the Mayor's recommendation.

Minneapolis Public Housing Authority	2007 Actual	2008 Actual	2009 Council Adopted	2010 Revised Budget
Positions	288	287	290	313

Minneapolis Public Housing Authority



YOUTH COORDINATING BOARD

MISSION

Dedicated to promoting the healthy, comprehensive development of Minneapolis children and youth ages 0-20 through collaborative action and policy alignment.

GOALS AND STRATEGIC ACTIVITIES

The YCB has four primary goals for 2010:

1. *All Minneapolis children enter kindergarten ready to learn.*
 - Work to ensure low income children and families' access to high quality childcare and early learning opportunities.
 - Support a seamless transition from early childhood to kindergarten.
 - Work to ensure all children receive early childhood screening by the age of 3 and that health care support is available in child care centers throughout Minneapolis.
2. *All Minneapolis children and youth succeed in school*
 - Support school and community efforts to eliminate the achievement gap.
 - Support the expansion of comprehensive, bi-cultural social services in schools for families who are English Language Learners.
 - Work to improve the collection of data from student surveys.
 - Support expansion of career and education initiatives such as the Minneapolis Promise.
3. *All Minneapolis young people have access to quality out-of-school opportunities.*
 - Create and maintain an online Out of School Time information resource.
 - Work with youth-serving agencies to create a common framework for quality program assessment.
 - Work to increase public and private funding for Out of School Time activities.
 - Support the goals of the Blueprint for Action: Preventing Youth Violence in Minneapolis.
4. *All Minneapolis children and young people have opportunities to prepare themselves for the responsibilities of an active civic life.*
 - Support the Minneapolis Youth Congress with staffing, funding, and training.
 - Support the establishment of an annual convention between young people and community leaders from both the public and private sectors.
 - Work with and encourage our jurisdictional partners to develop and strengthen formal mechanisms for authentic youth engagement in their decision making.
 - Coordinate with youth engagement programs community-wide on policy initiatives, programs, and planning.

YCB also has infrastructure goals related to developing capacity to address policy issues affecting Minneapolis children and youth, educating legislators on related policy matters, and disseminating information on such issues.

FINANCIAL ANALYSIS

EXPENDITURE

The 2010 expenditure budget for the YCB is \$1.5 million.

REVENUE

The YCB's 2009 revenue budget is \$1.5 million.

ORIGINAL BUDGET

The Mayor recommended and Council approved no change to the budget.

The budget for this department includes a reduction of BIS charges of \$2,800 due to the Council's actions to reduce the BIS budget by \$1.7 million. This reduction in BIS charges will subsequently reduce the department's appropriation by the same amount.

MAYOR'S REVISED BUDGET

The Mayor recommended no change to the budget.

COUNCIL REVISED BUDGET

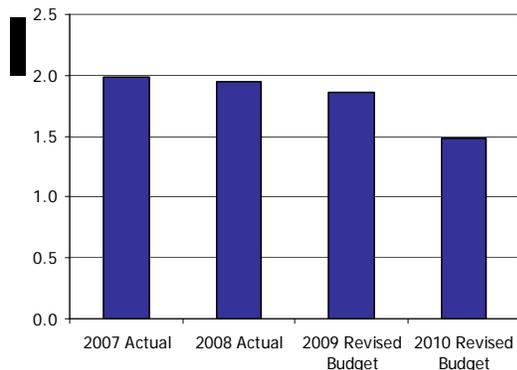
Council approved the Mayor's recommendation.

**YOUTH COORDINATING BOARD
EXPENSE AND REVENUE INFORMATION**

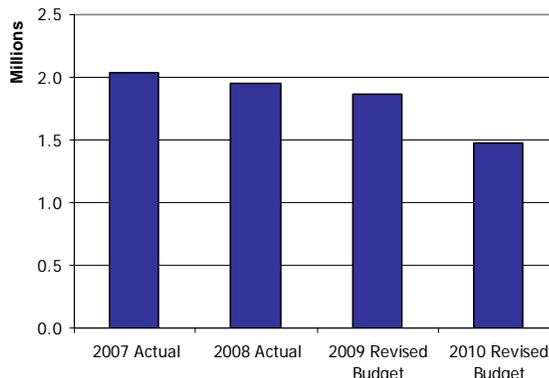
EXPENSE	2007 Actual	2008 Actual	2009 Revised Budget	2010 Revised Budget	% Change	Change
SPECIAL REVENUE						
Salaries and Wages	249,800	516,095	377,000	328,783	-99.8%	(516,078)
Fringe Benefits	60,591			93,720	441.6%	13,966
Contractual Services	1,662,914	1,419,050	1,472,100	1,047,090	2.5%	35,777
Operating Costs	17,058	13,900	12,224	11,100	2.0%	278
TOTAL SPECIAL REVENUE	1,990,363	1,949,045	1,861,324	1,480,693		(466,057)
TOTAL EXPENSE	1,990,363	1,949,045	1,861,324	1,480,693		(466,057)

REVENUE	2007 Actual	2008 Actual	2009 Revised Budget	2010 Revised Budget	Percent Change	Change
SPECIAL REVENUE						
Federal Government	171,724	64,803	64,803	64,803	0.0%	0
Local Government	1,643,726	1,329,242	1,109,521	927,890	0.0%	(181,631)
Gains	0	25,000	80,000	80,000	0.0%	0
Rents	12,000		12,000		0.0%	(12,000)
Contributions	205,634	530,000	595,000	408,000	0.0%	(187,000)
Other Misc Revenues	653				0.0%	0
TOTAL SPECIAL REVENUE	2,033,737	1,949,045	1,861,324	1,480,693	0.0%	(380,631)
TOTAL REVENUE	2,033,737	1,949,045	1,861,324	1,480,693	0.0%	(380,631)

Expense 2007-2010



Revenue 2007-2010



YOUTH COORDINATING BOARD Staffing Information

Expense	2007 Actual	2008 Adopted Budget	2009 Revised Budget	2010 Revised Budget	% Change	Change
YOUTH COORDINATING BOARD	5	5	5	5	0%	0
TOTAL	5	5	5	5	0%	0

Positions 2007-2010

