

**City of Minneapolis
FY 2010 Budget**

Strategic Planning

➤ City Goals and Strategic Directions	18
➤ Annual Budget Process	20
➤ Integrating Key Processes for Budget	24
➤ Results Minneapolis	27
➤ Business Planning Resolution	28

Minneapolis 2020 – A Clear Vision for the Future

Minneapolis is a vibrant and welcoming city that encourages learning and innovation and embraces diversity. A mixture of accessible housing, jobs and educational opportunities creates a livable city and stimulates growth. Neighborhoods give the comfort and safety of home while offering the connectedness of community. Thriving commercial areas are linked by state-of-the-art transit and generous green spaces. Renowned cultural and recreational activities entertain and inspire. Minneapolis is a valued state resource and a city people enjoy visiting and calling home. The City's future is shaped through thoughtful and responsible leadership in partnership with residents and coordinated with a regional vision.

Five-Year Goals (Adopted in 2010 for 2010 to 2014)

A Safe Place to Call Home

People and businesses thrive in a safe and secure city

- Collaborative and caring communities help prevent crime
- Youth . . . in school, involved, inspired and connected to an adult
- Sustain gains against violent crime
- Healthy homes, welcoming neighborhoods
- Homelessness eliminated
- Burglaries and domestic violence focused on and fought
- Guns, gangs, graffiti gone

Jobs & Economic Vitality

A world-class city and 21st century economic powerhouse

- Businesses — big and small — start here, stay here, thrive here
- Talent magnet connecting people to training and jobs to people
- Strong commercial corridors, thriving business corners
- Planes, trains and streetcars move goods and workers smartly
- Teens prepared with career and life skills
- Epicenter for the new green jobs economy
- Proactive business development in key growth areas
- Arts and artists are economic drivers in and of themselves

Livable Communities, Healthy Lives

Our built and natural environment adds character to our city, enhances our health and enriches our lives

- Equitable, integrated transit system
- Thoughtful neighborhood design with density done right
- Plentiful arts, cultural and recreational opportunities
- High-quality, affordable housing for all ages and stages in every neighborhood
- Active lifestyles: walkable, bikeable, swimmable
- Healthy choices are easy and economical

Many People, One Minneapolis

Inclusiveness is a treasured asset; everyone's potential is tapped

- Family-friendly opportunities and amenities abound
- New arrivals welcomed, diversity embraced
- Race and class gaps closed in employment and housing
- Tots school-ready, teens on course
- Teen pregnancy a thing of the past
- Seniors stay and talents are tapped

Eco-Focused

Minneapolis is an internationally recognized leader for a healthy environment and sustainable future

- Clean, renewable energy sources successfully integrated
- Trees: a solid green investment
- Lakes and streams pristine
- Use less energy, produce less waste
- World class parks fully enjoyed
- Locally grown food available and chosen

A City That Works

Minneapolis is a model of fiscal responsibility, technological innovation and values-based, results-driven municipal government

- Shared democracy empowers residents as valued partners
- 21st century government: collaborative, efficient and reform-minded
- Tax burden managed and sustainable
- Infrastructure — streets, bridges, sidewalks, sewers, bike lanes & paths — well-managed and maintained
- City employees high-performing, engaged and empowered
- Transparency, accountability and fairness are our hallmarks
- Strong partnerships with parks, schools, government, non-profits and private sector
- Optimal use of technology and wireless capacity

These five-year goals and the strategic directions were developed and approved by the Minneapolis City Council in April 2010.

**City of Minneapolis
2010 Revised Budget
Strategic Planning
Annual Budget Process**

The City of Minneapolis annual budget process integrates information from the City's enterprise priority-setting process, capital long-range improvement committee process and the departmental performance review process to establish annual resource allocations.

March

Preliminary year-end budget status report

Finance presents a year-end budget status report for the previous year to the Ways and Means/Budget Committee. This is a preliminary report because the audited comprehensive annual financial report (CAFR) is available in the second quarter of the year.

March–April

Capital improvement budget development

The City has a five-year capital improvement plan. The departments prepare and modify capital improvement proposals on annual basis. Finance, Planning, and the capital long-range improvements committee (CLIC) review capital improvement proposals of the departments. CLIC is the citizen advisory committee to the Mayor and the City Council on capital programming.

Strategic planning

The City engages in citywide strategic planning every four years to develop citywide goals and strategic directions. These citywide goals and strategic directions set guidelines for each department to develop its business plan. Early in 2010, the elected officials participated in three sessions which aimed at setting a future direction for the City within the financial parameters anticipated. As a result of the decisions arrived to in these sessions, a new vision, five-year goals, and strategic directions have been adopted.

April–June

Operating budget development

Departments work in coordination with Finance to prepare operating budgets referred to as the "current service level" (CSL). The current service level budget reflects the current year cost of providing the same level of service as provided in the prior year. In addition to preparing a current service level budget, departments prepare proposals that describe policy and the organizational changes with financial implications. The current service levels and proposals form the basis for the Mayor's budget meetings with departments held in June and July.

Business Planning

Each department maintains a five-year business plan. As part of the budget process, departments provide status reports on their plan outlining progress made on their department and City goals.

June–August

Mayor's recommended budget

Mayor holds departmental budget meetings to review department budget proposals, other additional policy changes, and alternative funding choices. In addition to reviewing operating

budgets, the Mayor meets representatives from CLIC before finalizing the capital budget recommendation. By City Charter, the Mayor must make recommendations to the City Council on the budget no later than August 15.

September

Maximum proposed property tax levy

As a requirement of State law, the maximum proposed property tax levy increase is set by September 15 by the Board of Estimate and Taxation for the City, Municipal Building Commission, Public Housing Authority and Park Board.

October–November

City Council budget review and development

The City Council holds public hearings on the budget. Departments present their Mayor recommended budgets to the Ways and Means/Budget Committee with all Council members invited to attend. Following departmental budget hearings, the Ways and Means/Budget Committee approves and moves forward final recommended budget to the City Council. The Committee-recommended budget includes any and all changes that are made to the Mayor's recommended budget.

Truth in Taxation

"Truth in Taxation" or "TNT" property tax statements are mailed by Hennepin County to property owners indicating the maximum amount of property taxes that the owner will be required to pay. These statements also indicate the dates when truth in taxation public hearings will be held. State law was changed in the 2009 Legislative session to eliminate a separate TNT hearing and replace it with a requirement to allow public comments at the meeting at which the final budget adoption occurs. State law also requires that the meeting shall not be held before 6:00 p.m.

December

City Council budget adoption

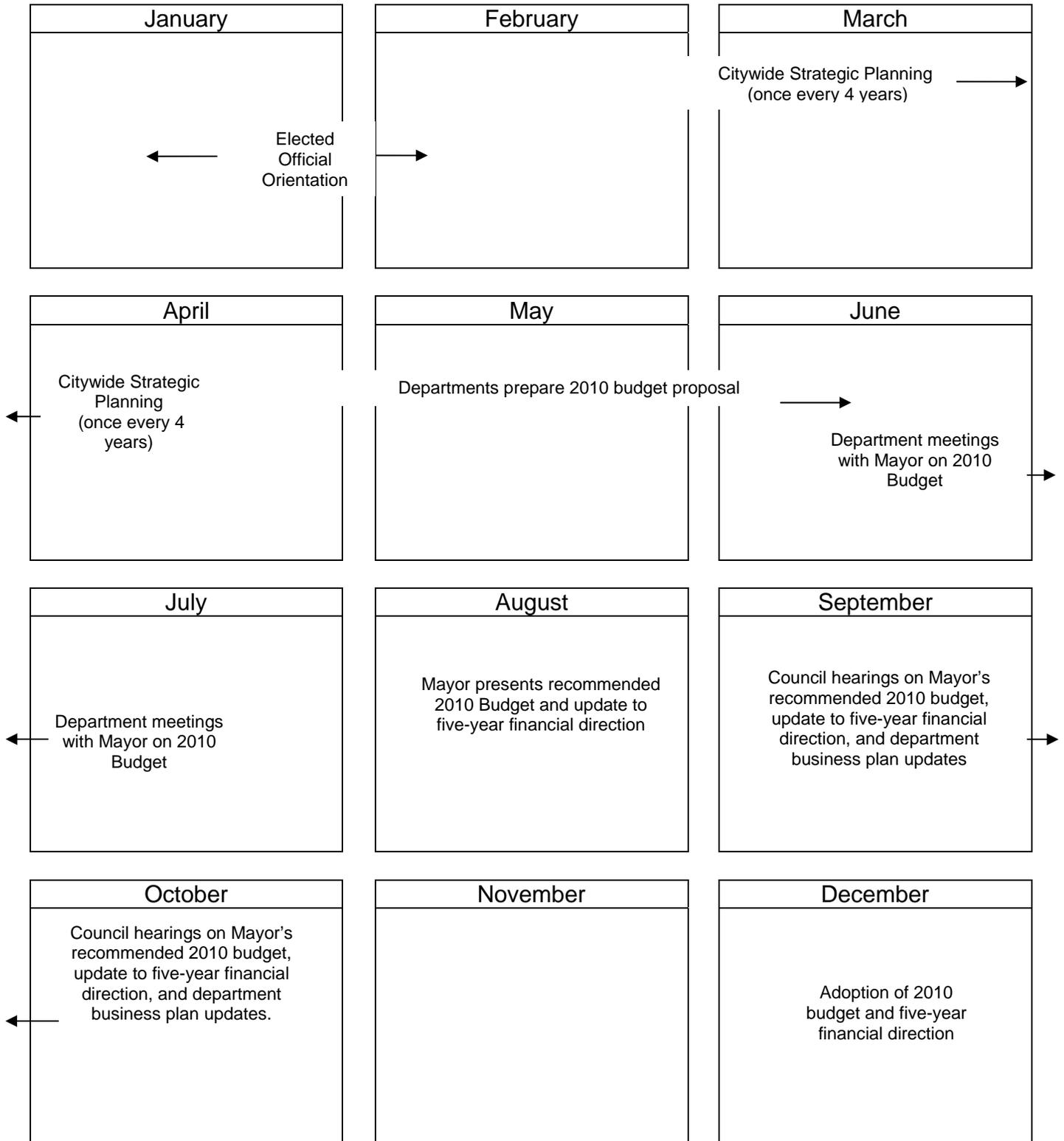
The City Council adopts final budget that reflects any and all changes made to the Mayor's recommended budget. Once the final budget resolutions are adopted, all the requests from departments for additional funds or positions made throughout the year are brought as amendments to the original budget resolutions before the Ways and Means/Budget Committee and the City Council for approval.

The independent boards and commissions adopt their own operating budgets. State law requires that final budget adoption occur after November 24.

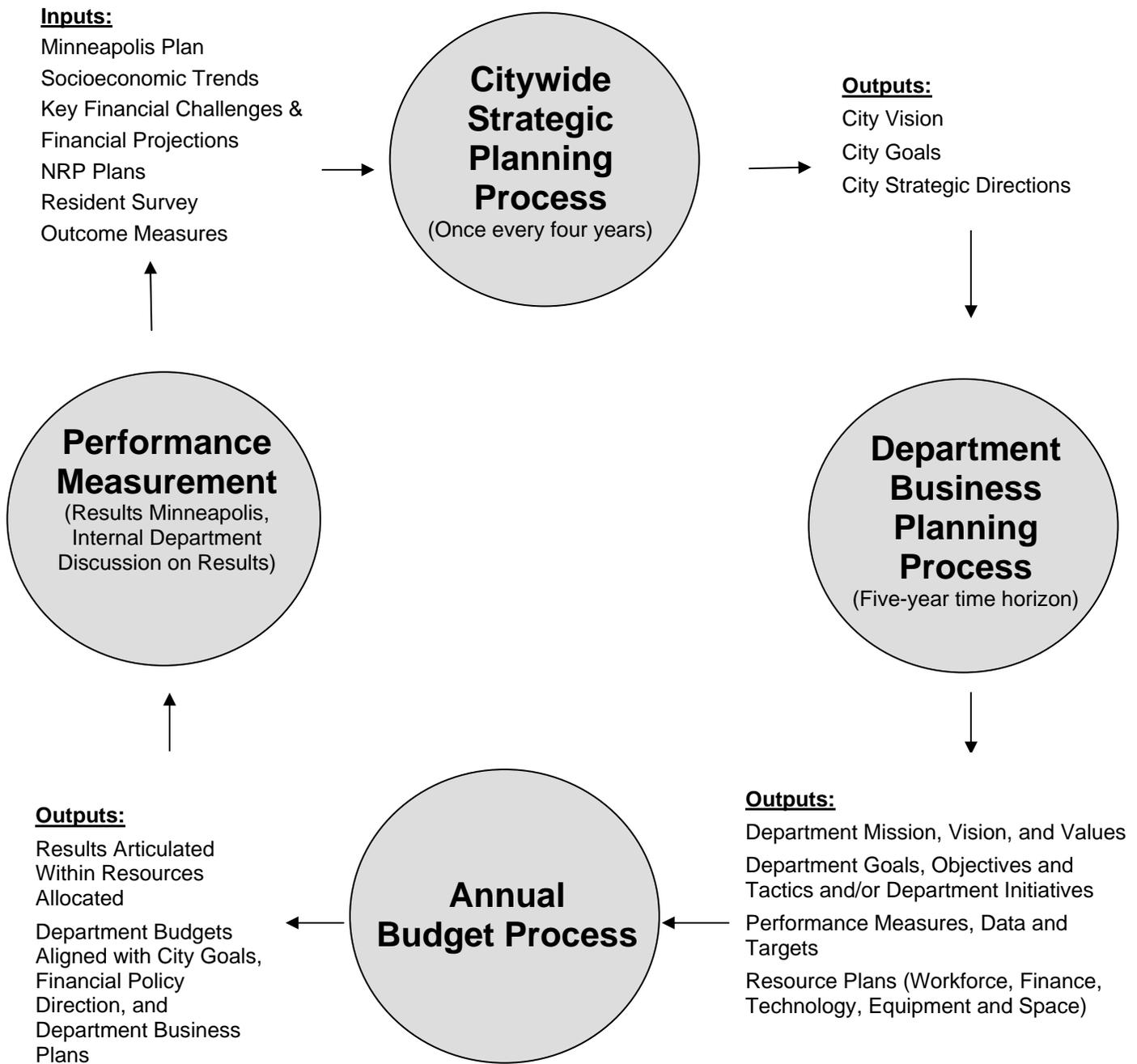
Specific significant dates for 2010 budget adoption are as follows:

- Mar 25, 2009 State of the City Speech
- Apr 7 Capital project requests due for Capital Long Range Improvement Committee (CLIC) consideration
- Apr 24-May 9 CLIC review and presentations of capital proposals
- June-July Mayor will meet with each city department and the independent boards to review budget and business plan proposals
- May 21 Joint public hearing of CLIC and Planning Commission on 2010-2014 Capital Plan
- July-Aug Mayor finalizes budget recommendation
- July 15 CLIC report distributed to Mayor and Council Members
- Aug 13 Mayor's Budget Recommendation presented to Council 2:00 pm
- Aug 26 Board of Estimate public hearing on maximum property tax levies 6:05 pm
- Sept 9 Board of Estimate meeting to set the maximum property tax levies
- Sept-Oct Ways and Means Hearings on the Budget and Business Plans (schedule to be determined by City Council)
- Oct Special City Council meeting to be called by the Mayor requesting Council action to provide preliminary approval of the budget, if needed*
- Nov 19 Public Comment on Levy and Budget 6:05 pm
- Dec 2 Mark-up by Ways and Means Committee, with all Council Members invited to attend 9:30 am until noon and 1:00 pm until 4:30 pm
- Dec 3 Mark-up by Ways and Means Committee, with all Council members invited to attend 1:00 pm until 4:30 pm
- Dec 7 Required Public Comment and Council budget adoption 6:05 pm
- Apr 8, 2010 Mayor releases the proposed 2010 Revised Budget due to reduced State funding.
- Apr 26 Mark-up by Ways and Means Committee, with all Council members invited to attend 1:30 pm until 4:00 pm
- Apr 30 Council Adopts 2010 Revised Budget, as amended, 9:30 am – 12:00 noon.

FINANCIAL/BUSINESS DECISIONS CALENDAR



INTEGRATING KEY CITY PROCESSES



City of Minneapolis 2010 Revised Budget Integrating Key City Processes

Setting priorities for the City is one of the most important responsibilities Minneapolis' elected officials have. These priorities are articulated and discussed through a number of different means: Citywide strategic planning, department business planning, the annual budget process, and performance measurement.

The diagram on the previous page illustrates the linkages among these key City processes. By fully integrating strategic planning, business planning, budgeting and performance measurement, Minneapolis has the opportunity to change the way it plans for the future and to ensure its efforts and resources are aligned in the same direction.

Citywide Strategic Planning

Strategic planning is a process in which an organization sets its long-term future direction. It is a tool for assessing its current and future environment and for ensuring the organization's energies are focused toward achieving strategic goals.

In April 2010, the Mayor and the City Council adopted a new set of City Goals and Strategic Directions. This work builds on previous City goals and a resolution establishing commitment to business planning and the five-year financial direction. This strategic policy direction serves as a guide by which all other policy decisions should be assessed. As elected officials and departments make decisions throughout the year, they should be asking: "Does this support the City's strategic plan?"

Department Business Planning

The development of the Citywide strategic plan is intended to provide clear direction for departments' business planning efforts. Through the planning and budgeting processes, departments are given direction as to City priorities and their projected level of resources over the next several years, and now have the opportunity to structure their work accordingly. A department's business plan will articulate the alignment of its services with the Citywide strategic plan.

Business planning is a process that provides both strategic and tactical direction to City departments. A business plan is a mid-range plan (5-year planning horizon) that aligns department services with City strategic goals. A business plan addresses what the department does; what it is trying to achieve; how to achieve it; what resources to use; and how it will know when it has been successful.

Long-Term Timeline for Business Planning

The City has moved from asking departments to complete annual re-writes of their business plans to the development of one five-year 2010-2014 Business Plan accompanied by annual updates as needed at the end of each year following the adoption of the budget.

	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	
2010	City Goals & Strategic Directions est.		Departments write 5 year 2010-2014 Business Plans					Council Approval of Business Plans				Business Plan Annual Update (optional)
2011												Business Plan Annual Update
2012												Business Plan Annual Update
2013											 Election	Business Plan Annual Update

The Annual Budget Process

Minneapolis' annual budget process is when the Mayor and City Council articulate their priorities for the upcoming year by allocating City financial resources accordingly. Through the further integration of the City's planning, budgeting and performance measurement processes, it is expected that the decisions surrounding the budget process will be better informed. The business plans provide greater clarity of the hoped-for future direction of departments, and performance measurement helps assess whether current strategies are yielding those expected results.

As stated above, during the planning and budgeting process, departments are given the projected level of financial resources to expect over the next several years and plans are adjusted accordingly.

Performance Measurement

Performance Measurement is the means we use to monitor our progress toward both our City and department goals. A successful performance measurement system can lead to continuous improvement of program performance, improved customer service, strengthened accountability, and empowered employees.

Performance measures can assist in keeping budget discussions focused on expected outcomes, allowing for greater creativity in how those outcomes are achieved. 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.

In addition to incorporating performance measures into the budget process, the City has recently begun an effort called *Results Minneapolis*. *Results Minneapolis* is a performance measure accountability effort whereby each City department stands before a peer review panel at least semi-annually to discuss progress on the department's most critical outcome measures.



What is “Results Minneapolis?”

Results Minneapolis is a management tool Minneapolis city leaders use to monitor progress and offer strategic counsel toward achieving the City’s recently adopted five-year goals and 20-year vision. The six city goals are:

A Safe Place to Call Home – People and businesses thrive in a safe and secure city.

Livable Communities, Healthy Lives – Our built and natural environment adds character to our city, enhances our health and enriches our lives.

Eco-Focused – Minneapolis is an internationally recognized leader for a healthy environment and sustainable future.

Jobs & Economic Vitality – A world-class city and 21st century economic powerhouse.

Many People, One Minneapolis – Inclusiveness is a treasured asset; everyone’s potential is tapped.

A City that Works – Minneapolis is a model of fiscal responsibility, technological innovation and values-based, results-driven municipal government.

A review panel of city leaders meets with a different department head each week to track progress and discuss strategies on key performance measures. The discussions are meant to be probing, informative and at all times constructive. By regularly tracking performance data at “progress conferences,” city leaders can identify areas where the City is excelling, as well as opportunities for improvement.

Results Minneapolis is patterned after the Citistat program, a nationally recognized accountability tool pioneered in Baltimore. The method was originally based on ComStat, which was developed by the New York City Police Department and helped reduce crime through accountability sessions.

How *Results Minneapolis* is better helping us meet our goals

After several years of business planning and performance measurement at the City, *Results Minneapolis* provides the next step in institutionalizing a results-focused, accountable and more transparent government. Monitoring performance helps City decision-makers to be more effective by providing the information they need to proactively implement management changes for improved results. *Results Minneapolis* ensures that all managers are focused on achieving common outcomes and resources are aligned with the greatest needs of the City.

Public reporting of our measures

While performance data has for years been publicly available City’s budget document, the City developed a more “public-friendly” website (www.ci.minneapolis.mn.us/results) in 2008 with the help of residents to share the City’s key performance information. This website is the residents’ window for monitoring the City’s progress on the critical areas that residents care about most.

INTRODUCED BY COUNCIL MEMBERS OSTROW, JOHNSON, AND LANE

**COUNCIL RESOLUTION ESTABLISHING COMMITMENT TO
BUSINESS PLANNING AND FIVE YEAR FINANCIAL DIRECTION**

(January 31, 2003)

Whereas:

- The Council adopted and the Mayor approved a long-term (year 2010) property tax policy, which established the maximum annual revenue to be provided for from the property tax.
- The Council and Mayor adopted budget principles, which support long-term financial planning.
- The Council and Mayor want to provide financial resource direction, within the limits of the adopted tax policy, to departments as input into developing long-term (five-year) operating plans for the businesses of the City.
- The Council and Mayor believe that departments will be able to prepare better work force plans, and communicate anticipated service activity levels if they have better information on what to anticipate with respect to future resources.

Now Therefore Be It Resolved as Follows by the City Council:

- The City departments will prepare business plans with a five-year planning horizon. In connection with the 2004 budget, all departments will have a plan completed by year-end 2003. Each of these plans will be presented to the Mayor and Council for review and approval by no later than the end of First Quarter 2004.
- The Mayor, Council President, and Chair of Ways and Means/Budget Committee, and the Ways and Means/Budget Committee will provide specific direction to the departments concerning process, form, and timeline for completion of business plans.
- The City departments' business plans will reflect the allocation of general city revenues and property tax revenue provided for in the financial schedules.