

**City of Minneapolis
2004 Adopted Budget**

December 15, 2003

**City of Minneapolis
FY 2004 Budget**

Elected and Public Officials

Mayor

R.T. Rybak*

City Council

Paul Ostrow, President*	1 st Ward
Robert Lilligren, Vice President	8 th Ward
Paul Zerby	2 nd Ward
Donald Samuels	3 rd Ward
Barbara Johnson*	4 th Ward
Natalie Johnson Lee	5 th Ward
Dean Zimmermann	6 th Ward
Lisa Goodman	7 th Ward
Gary Schiff	9 th Ward
Dan Niziolek	10 th Ward
Scott Benson	11 th Ward
Sandra Colvin Roy	12 th Ward
Barret Lane	13 th Ward

Board of Estimate and Taxation

Wallace K. Swan	President (Elected)
Gordon L. Nelson	Vice President (Elected)

Minneapolis Park and Recreation Board

Jon Olson	President, Commissioner District 2
Rochelle Berry Graves	Commissioner at Large
M. Annie Young	Commissioner at Large
John Erwin	Commissioner at Large
Walt Dziedzic	Commissioner District 1
Marie Hauser	Commissioner District 3
Vivian M. Mason	Commissioner District 4
Carol Kummer	Commissioner District 5
Robert B. Fine*	Commissioner District 6

* Serves on the Board of Estimate and Taxation

Minneapolis Library Board

Gregory Gray	Appointed by the Library Board upon an elected Member's resignation
Rod Krueger	Secretary
Anita S. Duckor	Elected at Large
Laura Waterman Wittstock	Appointed by Mayor
Diane Hofstede	Elected at Large
Virginia Holte	Elected at Large
Laurie Savran*	Elected at Large
Kathleen M. Lamb	City Council Appointee

* Serves on the Board of Estimate and Taxation

Charter Department Heads / Assistant City Coordinators

Patrick P. Born	Chief Finance Officer
Karl Kaiser	Chief Information Officer
Scott Renne	City Assessor
Jay Heffern	City Attorney
Merry Keefe	City Clerk
John Moir	City Coordinator
Linda White	Interim Civil Rights Director
Gail Plewacki	Communications Director
Lee Sheehy	Community Planning and Economic Development Director
Rocco Forte	Fire Chief
Ken Dahl	Interim Health Commissioner
Pamela French	Human Resources Director
William Barnhart	Interim Intergovernmental Relations Director
Lori Olson	Interim Operations / Regulatory Services Director
William McManus	Police Chief
Klara Fabry	Public Works Director/City Engineer

Independent Boards/Agencies

Cora McCorvey	Public Housing Authority Executive Director
Jon Gurban	Minneapolis Park and Recreation Board Superintendent
Katherine G. Hadley	Minneapolis Library Board Director

**City of Minneapolis
FY 2004 Budget**

Budget Principles

1. Secure the City's long-term financial health.

- ◆ Plan budgets based on ten-year outlook.
- ◆ Balance budgets across all funds.

2. Live within our means

- ◆ Adopt a revenue and debt policy before making spending decisions.
- ◆ Adopt consistent budget policies across all city government units including independent boards.

3. Challenge assumptions – nothing is off the table.

- ◆ Development agency resources are City resources.
- ◆ Unexpected revenue sources go through the same budget process as other revenue.
- ◆ While some functions may be identified as core services, they will also be scrutinized for efficiencies like anything else.

4. Provide choices and competition.

- ◆ Departments will provide business plans including feasible budget options to policymakers.
- ◆ Elected officials will make strategic resource decisions, not across-the-board cuts.
- ◆ Individual projects in a particular area must not be considered for funding individually.

5. Build in collaborative and transparent decision-making.

- ◆ Mayor will involve Council Members and independent agencies and boards in the development of the budget. Employee suggestions and the citizen survey will also be used.

6. Protect core service delivery by avoiding duplication – both internal and external

- ◆ Between different City departments and agencies,
- ◆ With the County, the State, independent boards, or other levels of Government, and
- ◆ With non-profits or the private sector.
- ◆ Consolidation or realignment of critical functions is an option.

7. Demand accountability.

- ◆ Departments are expected to produce measurable outcomes (x dollars = y level of service). Failure to produce measurements will not result in escape from budget cuts.
- ◆ Department heads must manage to original budget.

Minneapolis City Goals and Expectations

As approved by the City Council and Mayor, January 2003

Build communities where all people feel safe and trust the City's public safety professionals and systems.

Maintain the physical infrastructure to ensure a healthy, vital and safe City

Deliver consistently high quality City services at a good value to our taxpayers

Create an environment that maximizes economic development opportunities within Minneapolis by focusing on the City's physical and human assets.

Foster the development and preservation of a mix of quality housing types that is available, affordable, meets current needs, and promotes future growth.

Preserve and enhance our natural and historic environment and promote a clean, sustainable Minneapolis

Promote public, community and private partnerships to address disparities and to support strong, healthy families and communities.

Strengthen City government management and enhance community engagement

Build communities where all people feel safe and trust the City's public safety professionals and systems.

Expectations:

Prevention and Response:

The City will balance its resources between prevention and response. Working with our partners, we will create awareness and prevention models to minimize safety issues before they arise. We will focus more of our energies on livability issues by exploring creative methods to address livability crimes within our communities. We will employ and encourage environmental design strategies to physically promote public safety.

Relationship with the Community:

The City will provide quality public safety services that are competent, consistent, and fair. We will hold ourselves accountable to these standards. We will strive to ensure the community's trust and confidence in our public safety professionals by strengthening relationships with the community and engaging them as partners in public safety approaches. Particular focus will be given to strengthening our relationship with communities of color and new arrivals. We will balance public expectations with available resources and will communicate our priorities to the community, so that they know what to expect from our public safety services.

Partnerships:

The City will lead our partners to implement strategies to address issues of emergency preparedness, criminal justice reform, and neighborhood livability issues.

Maintain the physical infrastructure to ensure a healthy, vital and safe City

Expectations:

Maintaining the existing infrastructure:

Available resources must first be focused on maintaining and improving the City's existing physical infrastructure rather than building or acquiring new infrastructure. The City will invest in new infrastructure only when those investments are essential for meeting critical City goals and where funding can be identified. Maintenance activities should develop and enhance a multi-modal transportation system where appropriate.

Integration of Infrastructure and Development Planning:

The City will coordinate infrastructure improvements with other development planning and implementation efforts in order to avoid unnecessary costs and disruptions. We will include infrastructure planning at critical points in the development process. The City will partner with other levels of government, including the Park and Library Boards, the University of Minnesota, Hennepin County, Minneapolis Public Schools, neighboring municipalities and the State, as we plan our infrastructure improvements.

Improved Communication between the City and the Community:

Community and individual input will be incorporated more effectively. The City will focus on an effective two-way dialogue and information exchange between the community and the City, so that people have the opportunity to impact a project at the appropriate times in the process.

Infrastructure as part of the urban fabric:

The City will use the opportunities infrastructure provides to maximize the physical characteristics, social activities and cultural resources of a community. As we plan our infrastructure improvements, the City will consider the important role transit and physical and technological infrastructure plays in supporting a strong vital community. We will work with our partners to encourage them to do the same.

Deliver consistently high quality City services at a good value to our taxpayers

Expectations:

Improve Service Delivery:

Minneapolis will develop a culture of customer service within City government. We will make City services more accessible and user-friendly and will make our processes clear and understandable. City government will deliver all services in an effective and cost-efficient manner. We will ensure equitable City service delivery for all communities and will advocate with our partners for community-based service delivery.

Service Delivery Opportunities:

Minneapolis will continue to find ways of improving upon the way we do business. City departments will work together to seek out and address opportunities for improving service delivery. We will engage the community in these efforts where appropriate.

Evaluate Service Delivery:

Minneapolis will explore strategies and technologies that measure service delivery. These tools will be used to determine where resources are most needed and what services the City should deliver.

Create an environment that maximizes economic development opportunities within Minneapolis by focusing on the City's physical and human assets.

Expectations:

Physical Assets:

City government will serve as a community catalyst for business development, job creation and transit access. The City's physical infrastructure will support our economic development policies and facilitate access to jobs and services. Land use policies will promote mixed uses and strategically locate job-intensive industries. The City will strategically target and leverage its economic development resources to maximize economic development opportunities by focusing on specific industry sectors and locations (including commercial corridors and brownfields) where there are opportunities for transit or mixed use.

Human Assets:

The City will focus its human infrastructure investments in preparing our workforce for living wage jobs, specifically targeting hard to employ populations and emerging markets. The City will support a diversity of jobs and access to those jobs for its residents by working with our partners in the private, educational, and non-profit sectors.

Amenities:

Minneapolis is the premier regional center for education, health care, arts, entertainment, and recreational opportunities, and the location of a major research university. The City will encourage the development of these amenities in order to create a strong sense of place and an environment in which businesses want to locate and workers want to live. Working with our partners in the private and non-profit sectors in the development of these amenities will serve as an economic development tool to encourage people to live, work and play in Minneapolis.

Seizing Opportunities:

Minneapolis will be recognized as a good place in which to do business. The City will develop understandable processes for development and will balance promoting development opportunities with minimizing potential negative impacts. In addition, the City will support building capacity within the business community, in order to strengthen the business community's ability to attract new businesses and foster entrepreneurship.

Foster the development and preservation of a mix of quality housing types that is available, affordable, meets current needs, and promotes future growth.

Expectations:

Housing Affordability:

The City will identify gaps in housing affordability and will target our affordable housing efforts to address those gaps. The City will continue to provide leadership, along with our partners, in order to ensure a range of housing affordability levels in all of our communities, particularly in adding affordable housing in non-concentrated areas. The City will focus its investments on projects that ensure long-term affordability, meet specific guidelines for leveraging private funding sources, and optimize the number of units produced.

Housing Quality:

The City will ensure housing quality through planning, zoning and building and housing code compliance. Housing quality is defined as housing that is safe, well constructed, well maintained, and designed to fit the character of the neighborhood in which it is built.

Housing Mix:

The City will promote a range of housing options to fit current needs and to capture future growth opportunities. This range should include a mix of densities, unit sizes, styles, and ownership and rental opportunities. Special focus will be given to addressing housing disparities, integrating housing with other development opportunities, and promoting the City as having a range of housing choices.

Interrelationship among City Goals:

As economic development, transportation and infrastructure policies are developed, special consideration will be given to how they integrate the City's housing objectives.

Preserve and enhance our natural and historic environment and promote a clean, sustainable Minneapolis

Expectations:

Environmental Policy:

The City's environmental policies will be focused on improving air, water and soil quality. The City will partner with county, state, federal and other jurisdictions to meet these objectives and to identify key areas where environmental damage can be mitigated. Key components of this policy will include monitoring, engaging the community, encouraging sustainable development (starting with City projects), environmental justice, conservation, addressing noise issues, and enforcement.

Clean Neighborhoods:

The City will work with residents and businesses to strengthen their role in enhancing the environment in Minneapolis neighborhoods. Special focus will be given to noise issues, litter and graffiti, and the urban forest. In addition to engaging the community, the City will be more aggressive in our enforcement efforts.

Environmentally friendly alternatives

Minneapolis will lead by example and encourage others to explore environmentally friendly and cost effective construction, transportation, energy, and solid waste strategies.

Promote public, community and private partnerships to address disparities and to support strong, healthy families and communities.

Expectations:

Partnerships:

The City will lead and promote public, community and private partnerships to address disparities in health, education and access to employment. We will advocate for change where disparities are identified. The City will identify our partners in building strong, healthy communities. We will work with the community to hold our partners accountable and expect them to hold the City accountable for our role as well.

Community Health:

Many of the services the City provides contribute to the health of our community, including our public safety services, infrastructure, community development efforts, and health advocacy, but our partners more directly impact the social and physical health of our residents through their social and health programs. The City will provide leadership, along with our partners, in maintaining healthy communities throughout the City, and will primarily deliver direct services through the use of community providers.

Strengthening Relationships among Communities:

The increasing diversity of Minneapolis creates both opportunities and challenges for our communities and the City as a whole. The City will support the strengthening of new relationships among our different communities and will lead by example within our own organization.

Strengthen City government management and enhance community engagement

Expectations:

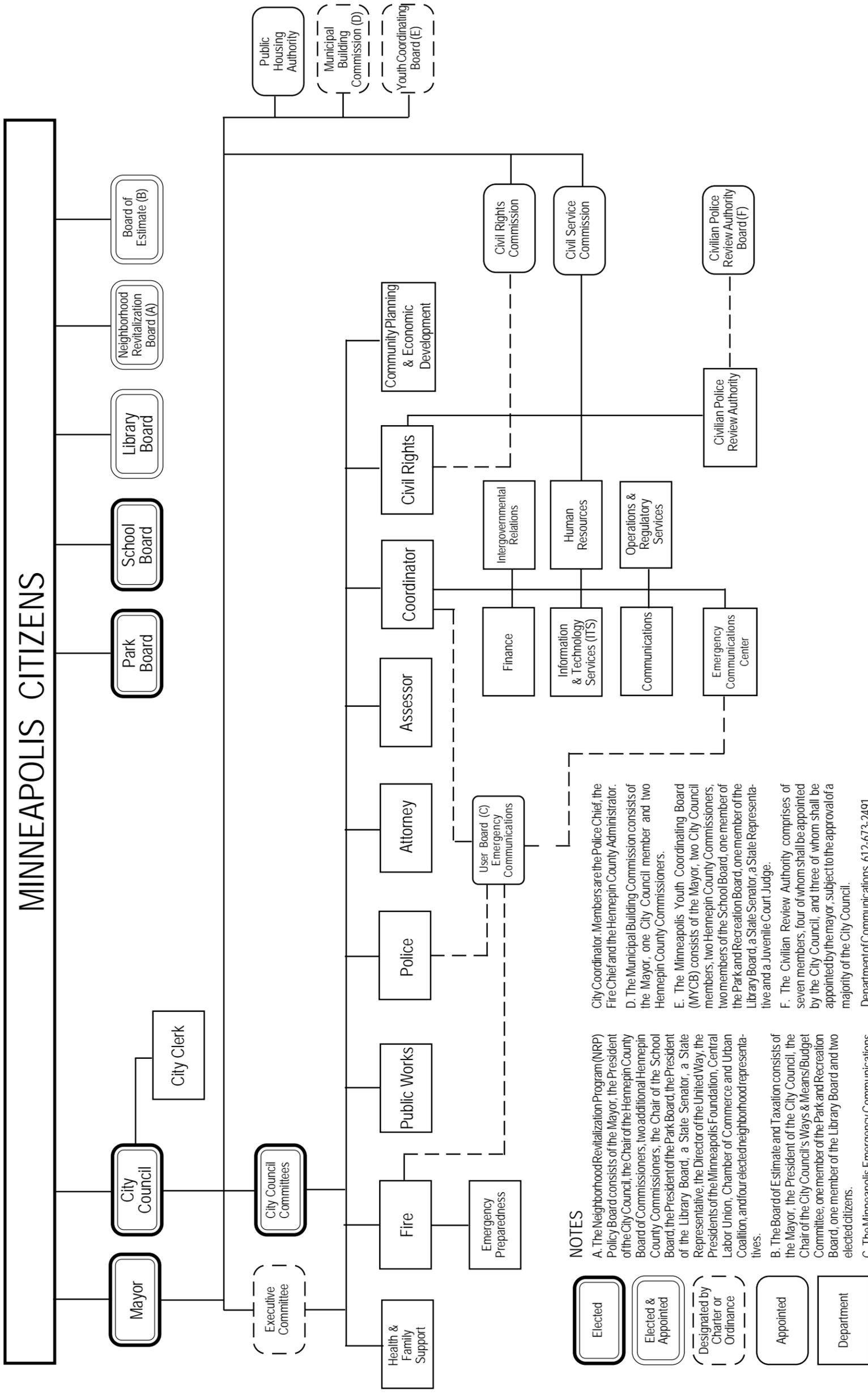
Community Engagement:

The voices of individuals and the community are valued and will be heard and involved at appropriate points in the City's decision-making processes. The City will be more effective and efficient in how we communicate with and engage communities, and will work to include those who are typically under-represented in public dialogue. We will focus our engagement efforts in a manner that supports the long-term strength of a community.

Government Management:

The City will focus on enhancing productivity and creating a customer service-oriented culture. We will create a work environment where employees can excel, by building employee skills and improving employee diversity. Better information and analysis will be used to allow for more informed decision-making at both the elected and staff levels. We will develop and maintain a long-term, sustainable financial plan for the City. Special focus will be given to engaging our employees and the community in how we address and communicate these financial challenges. Elected officials and departments will hold themselves accountable to City goals, policies and plans.

City of Minneapolis



NOTES

- A. The Neighborhood Revitalization Program (NRP) Policy Board consists of the Mayor, the President of the City Council, the Chair of the Hennepin County Board of Commissioners, two additional Hennepin County Commissioners, the Chair of the School Board, the President of the Park Board, the President of the Library Board, a State Senator, a State Representative, the Director of the United Way, the Presidents of the Minneapolis Foundation, Central Labor Union, Chamber of Commerce and Urban Coalition, and four elected neighborhood representatives.
- B. The Board of Estimate and Taxation consists of the Mayor, the President of the City Council, the Chair of the City Council's Ways & Means/Budget Committee, one member of the Park and Recreation Board, one member of the Library Board and two elected citizens.
- C. The Minneapolis Emergency Communications Center is managed by a User Board chaired by the

- City Coordinator. Members are the Police Chief, the Fire Chief and the Hennepin County Administrator.
 - D. The Municipal Building Commission consists of the Mayor, one City Council member and two Hennepin County Commissioners.
 - E. The Minneapolis Youth Coordinating Board (MYCB) consists of the Mayor, two City Council members, two Hennepin County Commissioners, two members of the School Board, one member of the Park and Recreation Board, one member of the Library Board, a State Senator, a State Representative and a Juvenile Court Judge.
 - F. The Civilian Review Authority comprises of seven members, four of whom shall be appointed by the City Council, and three of whom shall be appointed by the mayor, subject to the approval of a majority of the City Council.
- Department of Communications, 612-673-2491
February 2004



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Minneapolis
Minnesota**

For the Fiscal Year Beginning

January 1, 2003

President

Executive Director

City of Minneapolis FY 2004 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:

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, population, and attractions. Descriptions of the City's form of government, annual budget process and performance measurement implementation follow.

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. 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 2003 and 2004. This section also contains a summary of major decisions in the Adopted budget. A summary of the demands on the property tax levy and the elected officials actions to date are included in this section.

Section 4: Financial Policies

This section presents the major financial policies adopted by the City Council and Mayor. Descriptions of the major City funds are included in this section.

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 2004 expenses, revenues, transfers and debt service.

Section 6: Financial Schedules

These schedules summarize transfers, revenues by major category, expenditures by fund and agency, the CDBG program, and Full Time Employees (FTE's) by department.

Schedule One is a high level view of the City's funds, including changes to fund balance.

Schedule Two summarizes each fund's revenue sources.

Schedule Three 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.

Schedule Four outlines the allocations by grant for the Community Development Block Grant, Emergency Shelter Grant, Housing Opportunities for People with Aids, and the HOME program (all U.S. Department of Housing and Urban Development grants.) For information on the current consolidated plan for these grants, please see the consolidated plan publication available from Grants and Special Projects.

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

Section 7: Capital Program

This section outlines the Adopted 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.

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.

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 short 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.

Note: 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 01, 2003. In order to receive this award, 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.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.