

FINANCE

MISSION

Provide essential financial services, resource and asset management, and guide decisions to ensure the City's lasting vibrancy and financial strength.

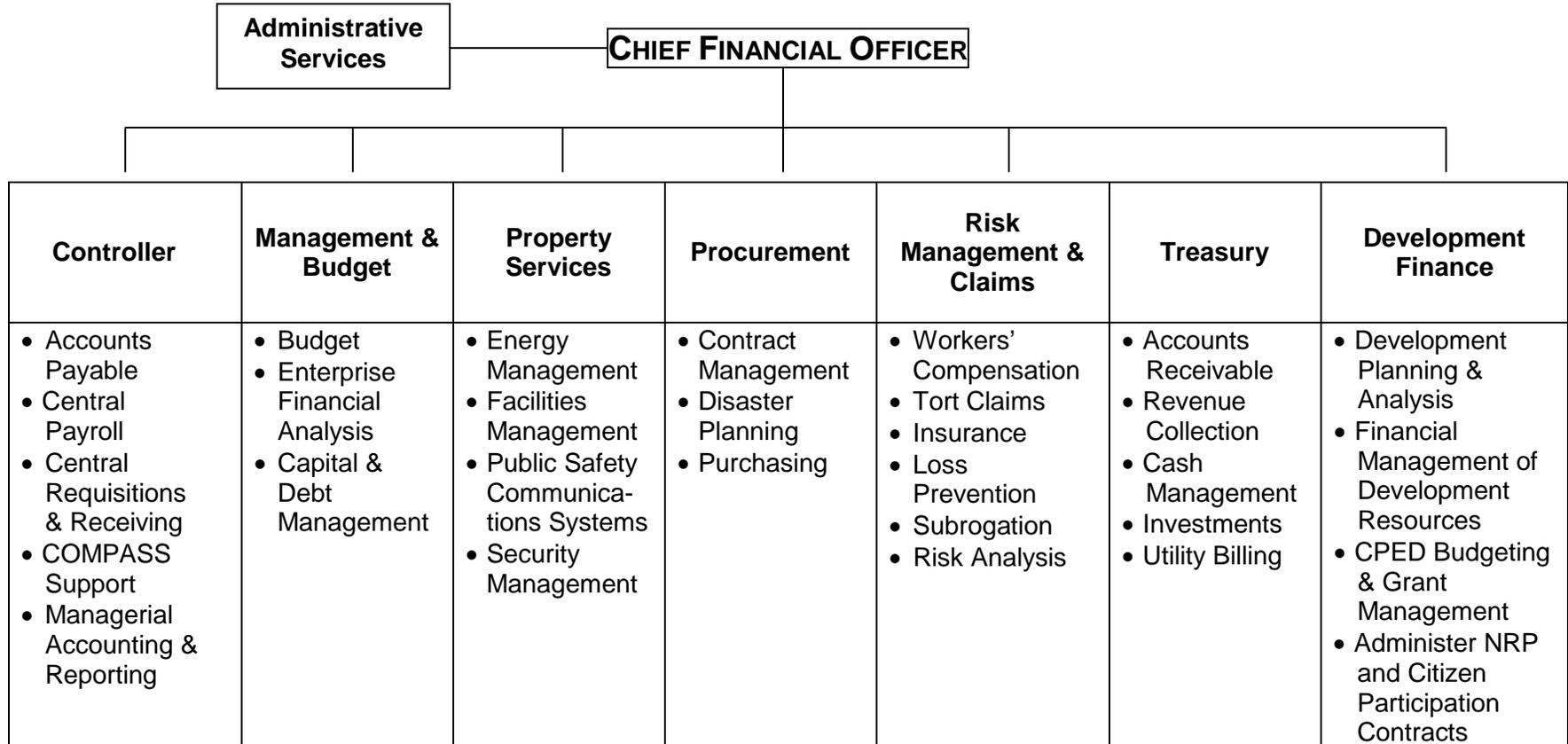
BUSINESS LINES

- **ACCOUNTING, REPORTING AND DEPARTMENT SERVICES** – monitor and report department revenues and expenditures to managers and policy-makers; prepare City's quarterly financial report and Comprehensive Annual Financial Report (CAFR); respond to internal and external audits; design and administer rate models that allocate shared costs for internal services; assist managers during the annual budget process; and provide functional support of COMPASS; provide services to City departments that receive grants by tracking and monitoring grant-related revenues and expenses, and reporting this information to grantors so the City remains in compliance and continues to receive and preserve the authority to expend these funds; and provide financial analyses and pertinent information necessary to support City development decisions and investment intended to stimulate tax base growth, job creation/retention and the production of new housing units.
- **BUY, ORDER AND PAY FOR GOODS AND SERVICES** – facilitate the purchase of goods and services on the most favorable terms according to state law and City policies; assure contracts are consistent with good business practices and City policies; create requisitions for goods and services, issue purchase orders, document receipt of goods and services, and pay vendors.
- **CONCENTRATE CASH AND INVEST RESERVES** – invest City funds, monitor bank accounts and cash balances, and make electronic fund transfers and payments, and do citywide receivable work.
- **ENERGY MANAGEMENT** – provide enterprise-wide services that support energy conservation, renewable energy and alternate fuels, and emissions reduction, for the City's municipal operations and associated operating departments.
- **ENTERPRISE RESOURCE PLANNING SYSTEM** – this information technology system also known as COMPASS is used to provide information on the City's financial resources to include tracking of financial transactions on a daily, monthly and annual basis, maintaining historical records and details on how each employee is paid and where their time should be charged and recording contractual information, approvals for purchases, quantity, type and price of goods and services purchased, the department making the purchase, and the financial coding to which charges should be applied.
- **FACILITIES MANAGEMENT** – provide for the land, facility, and furnishing needs of the City's operating departments to support their ability to provide services to the public in an efficient and effective manner through strategic real estate planning, space and asset management and capital improvements including new facilities, real estate and leasing.
- **PAY EMPLOYEES** – pay employees according to labor agreements, state and federal laws, and City policies.

- **RADIO SHOP** – maintain and provide Public Safety Communications Systems and 800 mhz radio equipment to ensure communications capabilities during emergencies as well as day-to-day City operations.
- **RISK MANAGEMENT AND CLAIMS** – protect City assets, prevent loss of money and injury to City employees, and manage claims for workers' compensation and tort.
- **SECURITY MANAGEMENT** – develop and implement enterprise internal security plans, policies and procedures for municipal buildings, grounds, and other property, conduct security risk and vulnerability assessments, implement capital improvements/modifications to existing facilities and planned requirements for new facilities and provide safe working environments for employees, their clients and visiting members of the public.
- **STRATEGIC FINANCIAL SERVICES** – lead City annual budget and long-term financial planning process, initiate financial analyses on issues impacting the City Enterprise, and provide financial information and advice to policy-makers and City leadership.
- **UTILITY BILLING** – all activities associated with billing, payment collection and processing and call center services for City utilities (sewer, water and waste collection).

ORGANIZATION CHART

DEPARTMENT ORGANIZATIONAL CHART



DEPARTMENTAL PROGRAMS BY GOAL AREA AND FUNDING

Eco-Focused

Energy Management

General Fund: \$27,095

Finance

Other Funds: \$153,701

The goal of this program is to centralize energy management and provide enterprise-wide services that support energy conservation, renewable energy and alternate fuels, and emissions reduction, for the City's municipal operations and associated operating departments.

This program is responsible for oversight of City use of major energy sources such as electricity, natural gas, district energy (steam and chilled water), managing internal conservation and education programs, managing or providing assistance on energy-related capital projects, procurement, budgeting, and accounting for energy purchases, data analysis (software application) of energy consumption, renewable energy initiatives, and emissions reduction efforts.

Measure: Citywide carbon dioxide emissions

A Safe Place to Call Home

Radio Shop

General Fund: \$27,095

Finance

Other Funds: \$2,010,204

The primary purpose of this program is to maintain and provide Public Safety Communications Systems and 800 megahertz radio equipment to ensure communications capabilities during emergencies as well as day-to-day City operations.

This program is responsible for hand-held communications equipment as well as the installation and maintenance of electronic communications equipment installed in motor vehicles/equipment for Police, Fire, Public Works, Regulatory Services and Emergency Preparedness, to include in-squad video cameras, Mobile Data Computers and Laptops, Automatic Vehicle Location systems, WIFI in vehicle systems, etc. This program is the City's representative on many local, regional, state and federal communications boards and associations, ensuring that communication systems between these entities are compatible and are in compliance with the standards, rules and laws that govern each level, which is critical in emergency response situations.

Measure: Conviction rates

A City that Works

Accounting, Reporting and Department Services

General Fund: \$6,521,524

Finance

Other Funds: \$284,867

Monitor and report department revenues and expenditures to the City Council, Mayor and department managers; prepare City's quarterly financial report and Comprehensive Annual Financial Report (CAFR); respond to internal and external audits; design and administer rate models that allocate shared costs for internal services; and assist managers during the annual budget process. A critical function of this program is to provide services to City departments that receive grants by tracking and monitoring grant-related revenues and

expenses, and reporting this information to grantors so the City remains in compliance and continues to receive and preserve the authority to expend these funds. Another important function is to provide financial analyses and pertinent information necessary to support City development decisions and investment intended to stimulate tax base growth, job creation/retention and the production of new housing units.

Measure: Satisfaction rating of internally provided City services

Investment, Cash Management, Receivables and Cash Receipting

Finance

General Fund: \$1,367,170

Selecting, contracting, and monitoring Investment Managers responsible for investing City funds for all City Departments. Last year, a monthly average of \$476 million was invested with the goal of securing the best possible return on investment. In 2010, investment managers outperformed the industry benchmarks with investment earnings over \$5.8 million. This includes daily monitoring, analysis, and forecasting of cash flow to ensure that the City is able to meet its funding requirements for vendor payments and employee payroll. This includes monitoring the activity of fifteen (15) bank accounts and sub-accounts.

Measure: Satisfaction rating of internally provided City services

Pay Employees

General Fund: \$1,207,574

Finance

Perform payroll functions according to twenty-three different City labor contract agreements and numerous work rules surrounding pay, and federal and state regulations. Proof and audit employee payroll time on a daily, weekly and bi-weekly schedule in order to ensure paychecks are produced for City Council, Mayor, City department and independent board employees on a bi-weekly basis. Manage federal and state tax withholdings and process bi-weekly (payroll) tax deposits.

Payroll also is responsible for processing the following: process Federal and state tax levies, child support orders, student loan and third party garnishments as required by law. Ensure Human Resource vendors are paid in accordance with various deductions withheld from employee paychecks. Produce yearly wage and tax statements as required by law as well as yearly wage and tax statements.

Measure: Satisfaction rating of internally provided City services

Strategic Financial Services

General Fund: \$1,081,234

Finance

Perform financial analyses and planning on various issues impacting the City Enterprise (*i.e.*, pension reform, labor forecasting), provide financial information and advice to policy-makers and City leadership, support informed and strategic decision-making, and develop and administer the annual Citywide process for budget development.

Measure: Satisfaction rating of internally provided City services

Administer Utility Billing System

General Fund: \$5,162,070

Finance

This program is mandated by Minneapolis City Ordinance and is a collaboration between the Finance and Public Works Department to invoice, collect revenue and provide specific utility customer account information related to the delivery of City water, sewer, solid waste

and stormwater services. The revenues generated sustain the operations of these departments, so it is imperative that revenues are billed and collected in an efficient manner. The activities included in achieving the program goals are:

- * Collaborate with various City departments on problem resolution to ensure accurate monthly billing of water, sewer, stormwater and solid waste services.
- * Maintain over 100,000 individual customer accounts to ensure accuracy of metering, billing and payment information.
- * Operate billing system programs to produce and issue approximately 5,000 bills per business day.
- * Manage the collection of approximately \$14.3 million of revenue billed each month.
- * Issue approximately 800 delinquent payment notices per week.
- * Prepare and manage the weekly termination and restoration of water service due to non-payment.
- * Manage the special assessment process of approximately \$500,000 per year.
- * Respond to an average of 390 phone calls, 52 written requests and 45 customer walk-ins per day regarding specific individual account issues.
- * Provide functional support for customer online and telephone payment systems.
- * Manage relationships with various vendors which include collection agencies, billing, telephone and meter reading systems.

Measure: Resident satisfaction rating of City services

Enterprise Resource Planning System

General Fund: \$1,236,185

Finance

The Enterprise Resource Planning (ERP) system is used by both Finance and Human Resources to provide services to the City Council, Mayor, City department leaders and staff, City businesses and residents, and other external stakeholders. "ERP" refers to the Human Resources Information System (HRIS) and the City's "COMPASS" financial system. Together, these two systems provide information on the City's human and financial resources. For Finance, this includes every financial transaction that takes place on a daily, monthly and annual basis. A historical record is maintained for every paycheck issued, details on how each employee is paid and where their time should be charged, contractual information, approvals for purchases, quantity, type and price of goods and services purchased, the department making the purchase, and the project or grant to which charges should be applied. The system also tracks complex financial information involving thousands of codes for assigning employee labor time and non-personnel expenditures for City departments. This program maintains existing technology support for the COMPASS system related to Finance staff (3.0 FTEs) and BIS costs for technical staff, system maintenance and support. Additional funding is requested for 1) loan repayment from initial system implementation, 2) 1.0 additional FTE in Finance to better coordinate and strategize on system operations and enhancements, 3) additional BIS support costs related to implementation of Time and Labor, and 4) optimizing use of the system through various projects to better connect and pull out data for accuracy and reporting, implement procurement cards for making purchases, establish web-based ordering and explore other ways to enable the COMPASS financial system to work better and provide users with the information they need.

Measure: Satisfaction rating of internally provided City services

Order, Buy and Pay for Goods and Services

General Fund: \$2,921,768

Finance

Other Funds: \$682,618

Create requisitions for goods and services, document receipt of goods and services, and pay vendors. Facilitate the purchase of goods and services on the most favorable terms according to state law and City policies, and assure contracts are consistent with good business practices and City policies.

Measure: Satisfaction rating of internally provided City services

Facilities Management

General Fund: \$27,095

Finance

Other Funds: \$13,686,509

The purpose of this enterprise program is to comprehensively and strategically provide for the land, facility, and furnishing needs of the City's operating departments in order for the services to be provided to the public in an efficient and effective manner. All services are to be provided with the holistic goal of managing the City's facilities in an environmentally responsible manner.

Measure: Satisfaction rating of internally provided City services

Security Management

General Fund: 27,095

Finance

Other Funds: \$224,244

This program is responsible for development and implementation of enterprise internal security plans, policies and procedures for municipal buildings, grounds, and other property. The program conducts security risk and vulnerability assessments, and audits in response to department security and life safety needs. This includes comprehensive capital improvements/modifications to existing facilities and planned requirements for new facilities. The goals of this program are to provide safe working environments for employees, their clients and visiting members of the public. This is accomplished by employing adequate security measures that provide for the protection of people and property.

Measure: Satisfaction rating of internally provided City services

Risk Management

General Fund: \$27,095

Finance

Other Funds: \$2,465,503

The goals of this program are the preservation of City assets; prevention of the loss of financial resources and injury to City employees, administration and management of workers' compensation claims and tort claims (liability claims under \$25,000), the unemployment program administration as well as loss prevention activities; which include safety, OSHA and ergonomic programs. This program is responsible for City Enterprise insurance coverage, workers' compensation and employment services medical provider relationships and contracts, the return to work program, processing required state-level payments for workers' compensation and unemployment, safety training and advice, general guidance to departments on how to reduce financial liability to the City, and meeting federal and state mandated reporting requirements for workers' compensation. This program plays a pivotal role in supporting the City in its ability to provide services to residents.

Measure: Satisfaction rating of internally provided City services

FINANCIAL ANALYSIS

EXPENDITURE

The total Finance Department Mayor's Recommended Budget decreases from \$41.7 million to \$39.1 million from 2011 to 2012. This is a reduction of \$2.6 million, or 6.1%. The Finance Department's 2012 budget reflects an increase in funding related to the addition of the Property Services Division, a Division which was transferred to Finance from Public Works. Funding for the Property Services Division drops from \$16.9 million to \$16.1 million from 2011 to 2012. The General Fund funding to this department increases by 2.5% or \$476,704 across all divisions to a total of \$19.6 million.

Finance will make a debt payment of \$598,000 in 2012 for costs related to MERF using cash recorded in the property disposition fund. Finance will reimburse the property disposition fund through revenue generated by increasing rents for City buildings as determined by the rent allocation model.

REVENUE

Revenues are projected to decline by 4.5% in this department due to the loss of revenue generated from providing parking services in the Property Services Division. This revenue is now captured in the Ramp Maintenance Program within Public Works.

FUND ALLOCATION

This department is funded primarily in the General Fund (50%) and internal service funds (49%) with the remainder of funding coming from special revenue funds.

MAYOR'S RECOMMENDED BUDGET

The Mayor recommended a \$250,000 reduction from 2011 department proposals.

COUNCIL ADOPTED BUDGET

The Council approved the Mayor's Recommendations and included the following directions. The Finance Department is directed to amend all schedules and final budget documents by removing references to the Growth Fund.

The Finance Department is directed to remove all funding and FTE associated with the Homegrown Minneapolis Business Development Initiative from the City's financial schedules.

Finance Staff is directed to report to the Regulatory, Energy & Environment Committee and Ways and Means by January 31, 2012 about cost recovery models in every department.

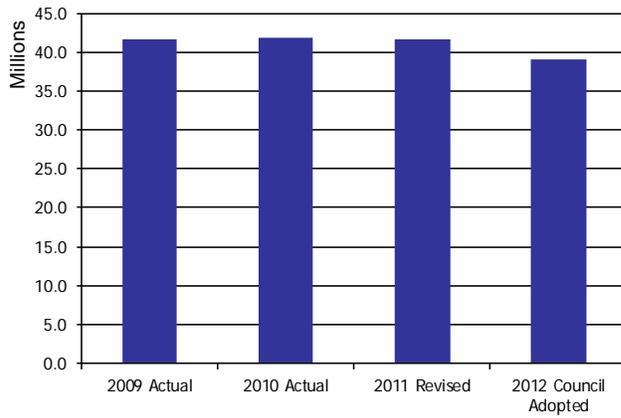
Finance and NCR staff are directed to report back to the Community Development Committee in two cycles regarding the appropriate use of Community Development Block Grant funding to support the CPED Citizen Participation program and the issues raised about that funding source.

FINANCE DEPARTMENT EXPENSE AND REVENUE INFORMATION

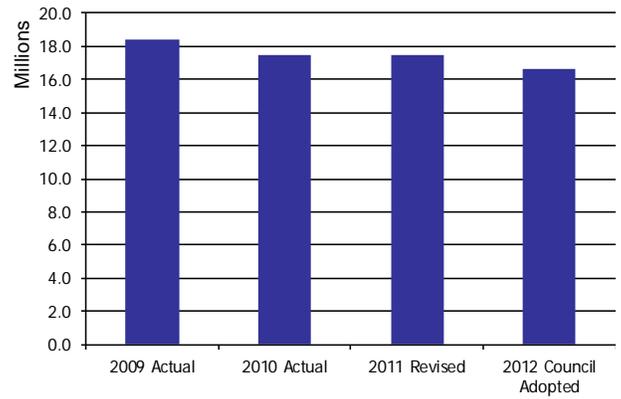
EXPENSE	2009 Actual	2010 Actual	2011 Revised	2012 Council Adopted	Percent Change	Change
AGENCY						
OPERATING COSTS	(46,326)	3,157				0
TOTAL AGENCY	(46,326)	3,157				0
GENERAL						
CAPITAL	1,995	1,035	7,489	7,609	1.6%	120
CONTRACTUAL SERVICES	5,442,251	5,428,155	5,595,949	5,389,540	-3.7%	(206,409)
FRINGE BENEFITS	3,340,495	3,572,264	3,461,673	3,874,485	11.9%	412,812
OPERATING COSTS	786,368	825,896	684,580	710,658	3.8%	26,078
SALARIES AND WAGES	9,624,108	9,634,774	9,406,605	9,650,708	2.6%	244,103
TOTAL GENERAL	19,195,217	19,462,123	19,156,296	19,633,000	2.5%	476,704
SPECIAL REVENUE						
CAPITAL		9,704				0
CONTRACTUAL SERVICES	54,967	1,555,564	2,217,366	5,823	-99.7%	(2,211,543)
FRINGE BENEFITS	60,878	113,534	73,842	75,386	2.1%	1,544
OPERATING COSTS	779	50,155				0
SALARIES AND WAGES	246,081	338,690	207,954	207,521	-0.2%	(434)
TOTAL SPECIAL REVENUE	362,705	2,067,646	2,499,162	288,730	-88.4%	(2,210,432)
INTERNAL SERVICE						
CAPITAL	12,599		62,641	63,644	1.6%	1,003
CONTRACTUAL SERVICES	11,360,854	10,743,002	11,451,024	10,550,933	-7.9%	(900,091)
FRINGE BENEFITS	2,510,908	2,418,833	2,217,900	2,206,958	-0.5%	(10,942)
OPERATING COSTS	3,246,819	2,259,336	1,696,756	1,651,352	-2.7%	(45,404)
SALARIES AND WAGES	4,937,342	4,879,592	4,608,285	4,746,029	3.0%	137,744
TOTAL INTERNAL SERVICE	22,068,522	20,300,763	20,036,606	19,218,916	-4.1%	(817,691)
TOTAL EXPENSE	41,580,119	41,833,689	41,692,065	39,140,646	-6.1%	(2,551,419)

REVENUE	2009 Actual	2010 Actual	2011 Revised	2012 Council Adopted	Percent Change	Change
AGENCY						
INTEREST	(10,649)	(31,875)				0
TOTAL AGENCY	(10,649)	(31,875)				0
GENERAL						
CHARGES FOR SERVICES	300		1,500		-100.0%	(1,500)
LOCAL GOVERNMENT	6,012		5,000		-100.0%	(5,000)
OTHER MISC REVENUES	(756)	12,299	52,108		-100.0%	(52,108)
TOTAL GENERAL	5,556	12,299	58,608		-100.0%	(58,608)
SPECIAL REVENUE						
FEDERAL GOVERNMENT		12,386				0
LOCAL GOVERNMENT		1,250,000				0
TOTAL SPECIAL REVENUE		1,262,386				0
INTERNAL SERVICE						
CHARGES FOR SALES	329,638	284,866	355,000	355,000	0.0%	0
CHARGES FOR SERVICES	5,254,815	3,365,253	3,443,283	2,965,600	-13.9%	(477,683)
FEDERAL GOVERNMENT	106,220					0
OTHER MISC REVENUES	89,652	142,321	60,970	3,000	-95.1%	(57,970)
RENTS	12,670,361	12,427,824	13,547,884	13,351,440	-1.4%	(196,444)
TOTAL INTERNAL SERVICE	18,450,685	16,220,264	17,407,137	16,675,040	-4.2%	(732,097)
TOTAL REVENUE	18,445,593	17,463,074	17,465,745	16,675,040	-4.5%	(790,705)

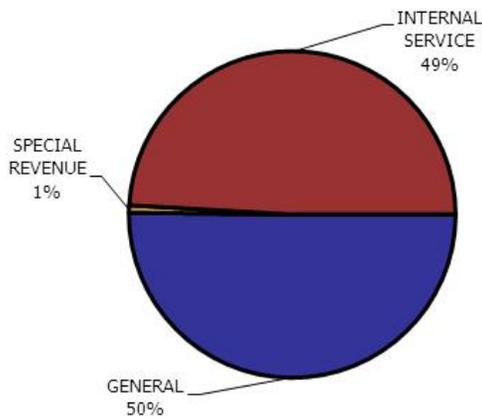
Expense 2009 - 2012



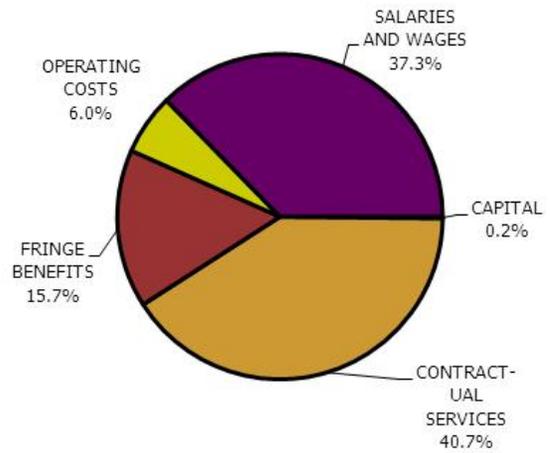
Revenue 2009 - 2012



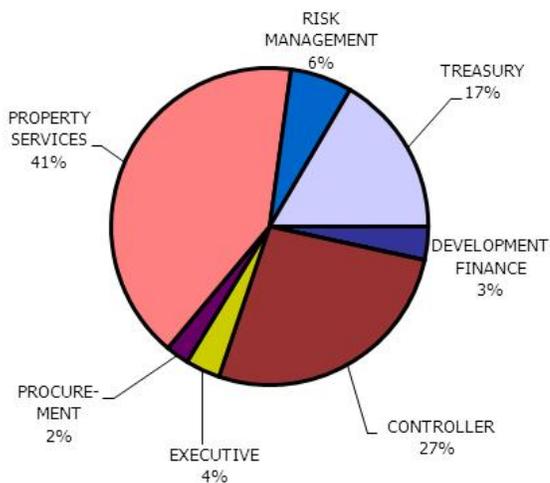
Expense by Fund



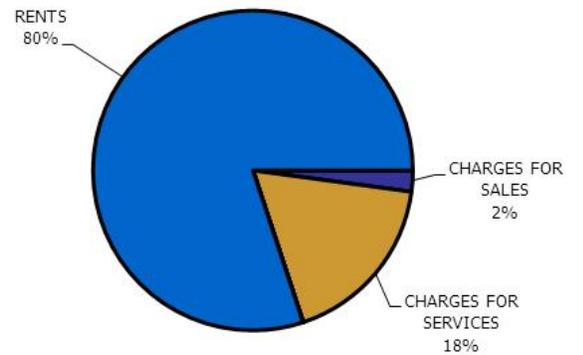
Expense by Category



Expense by Division



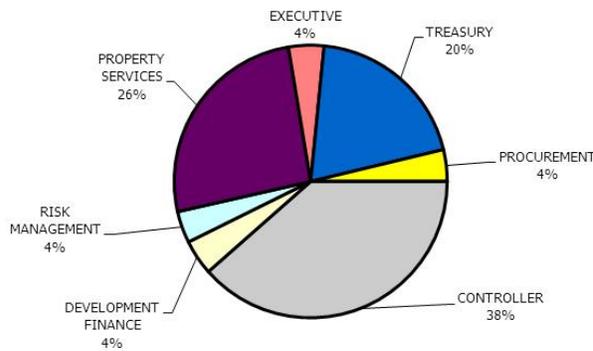
Direct Revenue by Type



FINANCE DEPARTMENT Staffing Information

Division	2009 Budget	2010 Budget	2011 Budget	2012 Budget	% Change	Change
PROPERTY SERVICES	77.00	63.00	62.00	62.00	0.0%	
DEVELOPMENT FINANCE	12.00	8.00	10.00	10.00	0.0%	
EXECUTIVE	10.00	10.00	10.00	10.00	0.0%	
TREASURY	53.00	51.00	50.00	47.00	-6.0%	(3.00)
RISK MANAGEMENT	9.00	8.00	9.00	9.00	0.0%	
CONTROLLER	99.00	93.00	90.00	92.00	2.2%	2.00
FINANCE		5.00				
PROCUREMENT	9.00	9.00	9.00	9.00	0.0%	
TOTAL	269.00	247.00	240.00	239.00	-0.4%	(1.00)

Positions by Division



Positions 2009-2012

