

# FINANCE AND PROPERTY SERVICES

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## MISSION

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

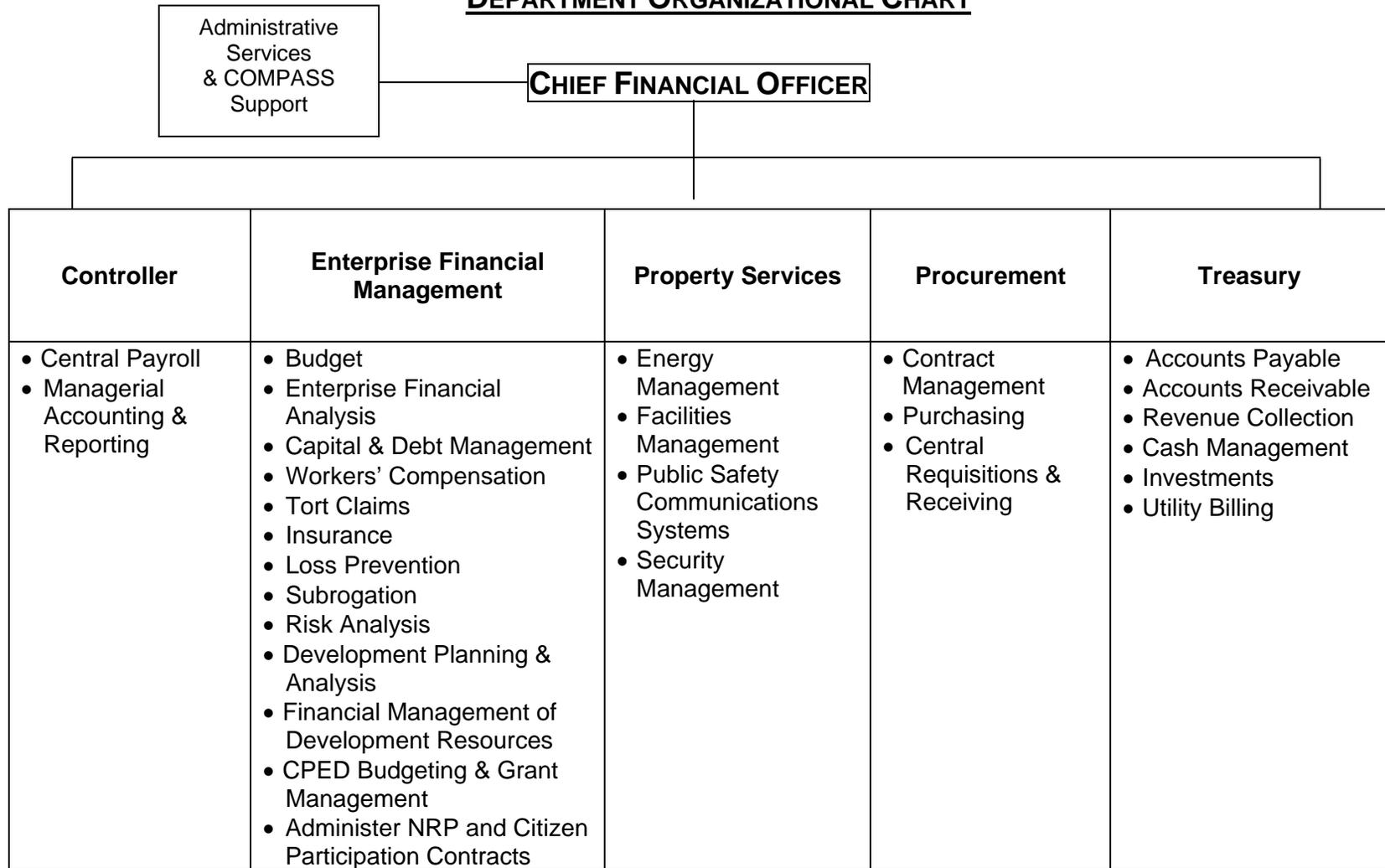
## BUSINESS LINES

- **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**



## **A City that Works**

### **Accounting, Reporting and Department Services**

General Fund: \$8,001,890  
Other Funds: \$251,166

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.

### **Administer Utility Billing System**

General Fund: \$5,442,824

This program is mandated by Minneapolis City Ordinance and is 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 storm water services. The revenues generated sustain the operations of these departments, so it is imperative that revenues are billed and collected in an efficient manner.

### **Order, Buy and Pay for Goods and Services**

General Fund: \$2,627,325  
Other Funds: \$622,547

This program manages, facilitates and oversees the purchase of and payment for all goods and services for all City departments and independent boards. A goal of this program is to 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. Additional activities covered under this program include creating requisitions for goods and services, issuing purchase orders, documenting receipt of goods and services, and paying vendors as well as administration of bid and request for proposal processes, price agreements and contract management. The Central Stores functional formerly housed in Public Works also moved into this program as of January 1, 2012.

### **Investment, Cash Management, Receivables and Cash Receipting**

General Fund: \$1,509,635

Selecting, contracting, and monitoring Investment Managers responsible for investing City funds for all City Departments. In 2012, a monthly average of approximately \$530 million was invested with the goal of securing the best possible return on investment. In 2012, Investment Managers outperformed the industry benchmarks with investment earnings over \$4.5 million net of management fees. 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 approximately fifteen (15) bank accounts and sub-accounts.

**Pay Employees**

General Fund: \$1,276,933

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.

**Risk Management**General Fund: \$29,045  
Other Funds: \$2,444,563

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), unemployment program administration as well as loss prevention activities, which include safety, OSHA, ergonomic programs and subrogation.

**Strategic Financial Services**

General Fund: \$1,087,106

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, provide debt management, and develop and administer the annual Citywide process for capital and operating budget development.

**Radio Shop**General Fund: \$29,045  
Other Funds: \$1,916,001

The primary purpose of this program is to 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.

**Security Management**General Fund: \$29,045  
Other Funds: \$248,106

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.

## **Energy Management**

General Fund: \$29,045  
Other Funds: \$169,003

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.

## **Facilities Management**

General Fund: \$445,629  
Other Funds: \$9,307,661

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.

## **MBC Reimbursement for Cost**

Other Funds: \$4,796,130

This program is a mechanism to collect revenue for Operating Departments housed in City Hall to be paid to the Municipal Building Commission (MBC) as a reimbursement for the City's pro-rated portion of the operating costs (the remainder is paid by Hennepin County).

## **ERP Application (COMPASS)**

General Fund: \$989,156

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. This program maintains existing technology functional support for the COMPASS system related to Finance staff (3.0 FTEs) and IT costs for technical staff, system maintenance and support.

## **FINANCIAL ANALYSIS**

### **Expenditure**

The department's overall budget for the year 2014 is \$41.3M, representing a 2.9% increase over 2013.

### **Revenue**

The department is not projected to generate revenue in 2014.

## **Fund Allocation**

Approximately one half of the department's budget is funded by the General Fund at 52%. Of the remaining 48%, 47% is associated with internal service charges and the remaining 1% is special revenue. The special revenue portion decreased by 11.1% from the previous year 2013 while the general fund increased by 5.8% during the same period.

## **Mayor's Recommended Budget**

The Mayor's recommended budget includes funding to reinstate 2.5 FTEs in Property Services using one-time funding that will subsequently become part of the internal service charge mechanism. The Mayor also recommended funding an additional FTE to assist in purchasing and payment processes. Additionally, the Mayor recommended a reduction of \$200,000 in funding to this department to mitigate the impact of the additions.

**FINANCE AND PROPERTY SERV  
EXPENSE AND REVENUE INFORMATION**

| EXPENSE                       | 2011 Actual       | 2012 Actual       | 2013<br>Adopted   | 2014 Mayor's<br>Recommended | Percent<br>Change | Change           |
|-------------------------------|-------------------|-------------------|-------------------|-----------------------------|-------------------|------------------|
| <b>GENERAL</b>                |                   |                   |                   |                             |                   |                  |
| SALARIES AND WAGES            | 9,487,169         | 9,233,260         | 10,020,490        | 10,459,685                  | 4.4%              | 439,195          |
| FRINGE BENEFITS               | 3,446,677         | 3,498,261         | 4,004,278         | 4,485,189                   | 12.0%             | 480,911          |
| CONTRACTUAL SERVICES          | 5,485,475         | 5,889,121         | 5,548,360         | 5,799,862                   | 4.5%              | 251,502          |
| OPERATING COSTS               | 744,342           | 622,174           | 742,045           | 744,334                     | 0.3%              | 2,289            |
| CAPITAL                       | 1,035             |                   | 7,609             | 7,609                       | 0.0%              | 0                |
| <b>TOTAL GENERAL</b>          | <b>19,164,698</b> | <b>19,242,817</b> | <b>20,322,781</b> | <b>21,496,679</b>           | <b>5.8%</b>       | <b>1,173,898</b> |
| <b>SPECIAL REVENUE</b>        |                   |                   |                   |                             |                   |                  |
| SALARIES AND WAGES            | 293,896           | 282,693           | 206,934           | 182,381                     | -11.9%            | (24,554)         |
| FRINGE BENEFITS               | 102,285           | 77,542            | 74,419            | 68,785                      | -7.6%             | (5,634)          |
| CONTRACTUAL SERVICES          | 976,374           | 2,504,549         | 1,218             |                             | -100.0%           | (1,218)          |
| OPERATING COSTS               | 93,685            | 56,125            |                   |                             |                   | 0                |
| CAPITAL                       | 40,091            | 332,711           |                   |                             |                   | 0                |
| <b>TOTAL SPECIAL REVENUE</b>  | <b>1,506,332</b>  | <b>3,253,620</b>  | <b>282,571</b>    | <b>251,166</b>              | <b>-11.1%</b>     | <b>(31,405)</b>  |
| <b>INTERNAL SERVICE</b>       |                   |                   |                   |                             |                   |                  |
| SALARIES AND WAGES            | 4,959,742         | 4,384,862         | 5,053,489         | 5,228,860                   | 3.5%              | 175,371          |
| FRINGE BENEFITS               | 2,327,194         | 2,210,548         | 2,301,280         | 2,364,760                   | 2.8%              | 63,480           |
| CONTRACTUAL SERVICES          | 10,264,856        | 11,112,356        | 10,449,880        | 10,318,353                  | -1.3%             | (131,527)        |
| OPERATING COSTS               | 1,296,091         | 1,521,460         | 1,667,043         | 1,585,963                   | -4.9%             | (81,080)         |
| CAPITAL                       | 0                 |                   | 31,076            | 6,076                       | -80.4%            | (25,000)         |
| <b>TOTAL INTERNAL SERVICE</b> | <b>18,847,882</b> | <b>19,229,226</b> | <b>19,502,768</b> | <b>19,504,011</b>           | <b>0.0%</b>       | <b>1,244</b>     |
| <b>TOTAL EXPENSE</b>          | <b>39,518,913</b> | <b>41,725,663</b> | <b>40,108,121</b> | <b>41,251,856</b>           | <b>2.9%</b>       | <b>1,143,736</b> |

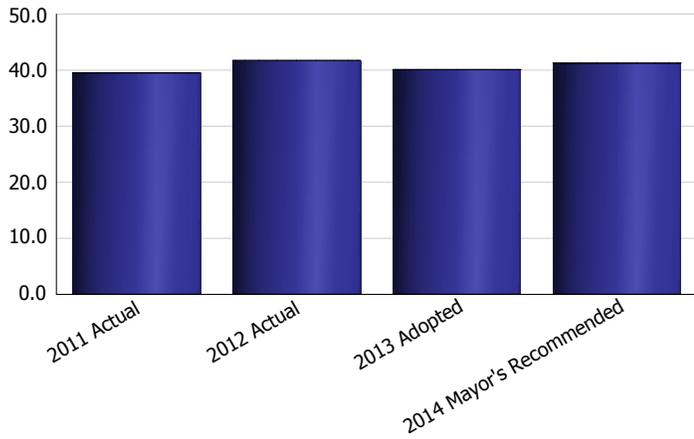
| REVENUE                | 2011 Actual    | 2012 Actual      | 2013<br>Adopted | 2014 Mayor's<br>Recommended | Percent<br>Change | Change   |
|------------------------|----------------|------------------|-----------------|-----------------------------|-------------------|----------|
| <b>GENERAL</b>         |                |                  |                 |                             |                   |          |
| CHARGES FOR SALES      | 416            | 1,872            | 0               |                             | 0.0%              | 0        |
| CHARGES FOR SERVICES   | 1,402          | 105              | 0               |                             | 0.0%              | 0        |
| INTEREST               | 110            | 0                | 0               |                             | 0.0%              | 0        |
| OTHER MISC REVENUES    | 19,267         | 769              | 0               |                             | 0.0%              | 0        |
| <b>GENERAL</b>         | <b>21,194</b>  | <b>2,747</b>     |                 |                             |                   | <b>0</b> |
| <b>SPECIAL REVENUE</b> |                |                  |                 |                             |                   |          |
| CHARGES FOR SERVICES   | 0              | 4,230            | 0               |                             | 0.0%              | 0        |
| FEDERAL GOVERNMENT     | 363,899        | 1,199,948        | 0               |                             | 0.0%              | 0        |
| LOCAL GOVERNMENT       | (1,250,000)    | 0                | 0               |                             | 0.0%              | 0        |
| OTHER MISC REVENUES    | 0              | 375,551          | 0               |                             | 0.0%              | 0        |
| STATE GOVERNMENT       | 1,750,742      | 23,865           | 0               |                             | 0.0%              | 0        |
| <b>SPECIAL REVENUE</b> | <b>864,641</b> | <b>1,603,595</b> |                 |                             |                   | <b>0</b> |

**FINANCE AND PROPERTY SERV  
EXPENSE AND REVENUE INFORMATION**

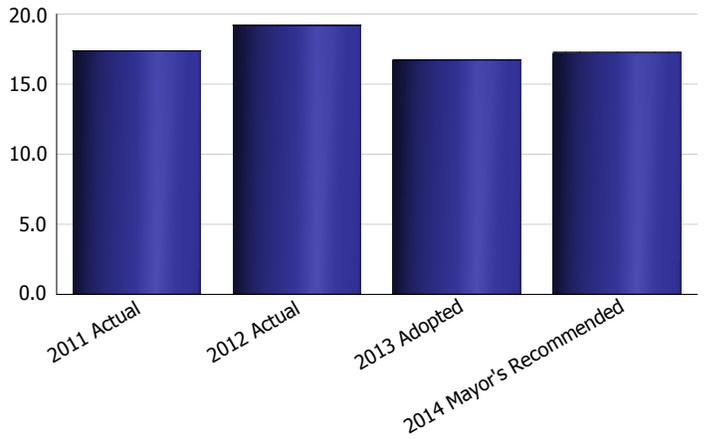
| REVENUE                 | 2011 Actual       | 2012 Actual       | 2013<br>Adopted   | 2014 Mayor's<br>Recommended | Percent<br>Change | Change         |
|-------------------------|-------------------|-------------------|-------------------|-----------------------------|-------------------|----------------|
| <b>INTERNAL SERVICE</b> |                   |                   |                   |                             |                   |                |
| CHARGES FOR SALES       | 301,160           | 460,815           | 360,325           | 324,293                     | -10.0%            | (36,032)       |
| CHARGES FOR SERVICES    | 3,377,594         | 3,871,048         | 2,405,000         | 2,588,642                   | 7.6%              | 183,642        |
| FEDERAL GOVERNMENT      | 26,895            | 0                 | 0                 |                             | 0.0%              | 0              |
| OTHER MISC REVENUES     | 76,727            | 23,140            | 3,000             | 3,000                       | 0.0%              | 0              |
| RENTS                   | 12,700,464        | 13,240,297        | 13,965,731        | 14,350,830                  | 2.8%              | 385,099        |
| STATE GOVERNMENT        | 8,965             | 0                 | 0                 |                             | 0.0%              | 0              |
| <b>INTERNAL SERVICE</b> | <b>16,491,803</b> | <b>17,595,299</b> | <b>16,734,056</b> | <b>17,266,765</b>           | <b>3.2%</b>       | <b>532,709</b> |
| <b>TOTAL REVENUE</b>    | <b>17,377,638</b> | <b>19,201,641</b> | <b>16,734,056</b> | <b>17,266,765</b>           | <b>3.2%</b>       | <b>532,709</b> |

# FINANCE AND PROPERTY SERV EXPENSE AND REVENUE INFORMATION

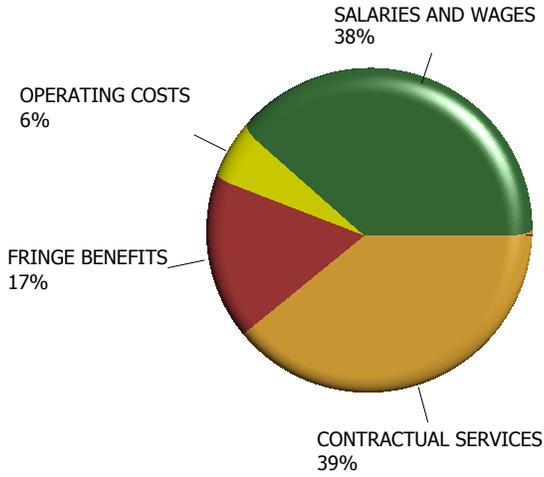
**Expense 2011 - 2014**  
In Millions



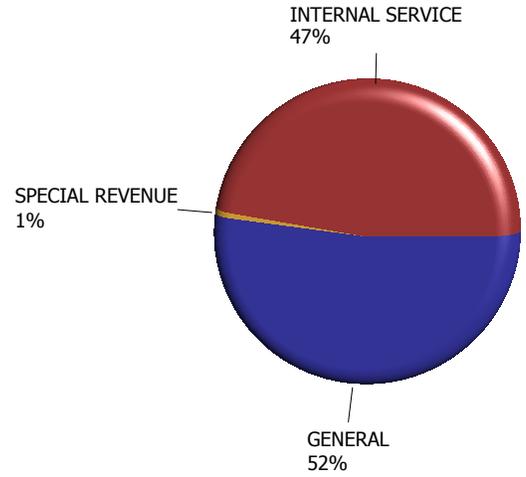
**Revenue 2011 - 2014**  
In Millions



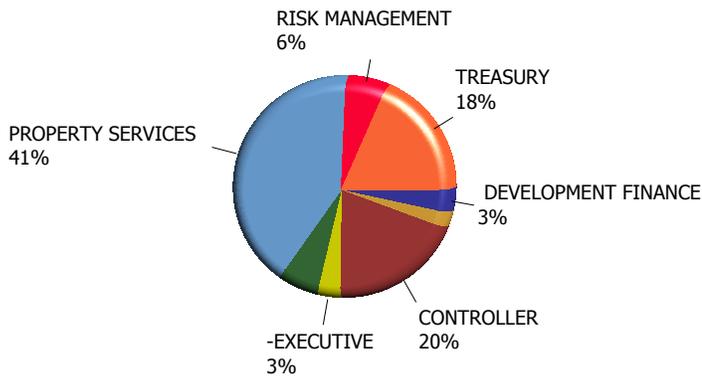
**Expense by Category**



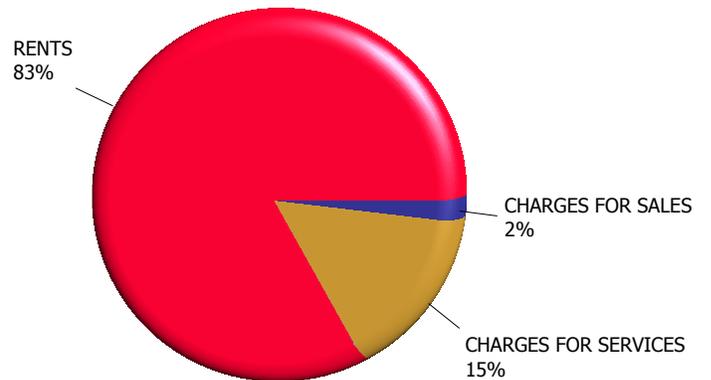
**Expense by Fund**



**Expense by Division**



**Direct Revenue by Type**

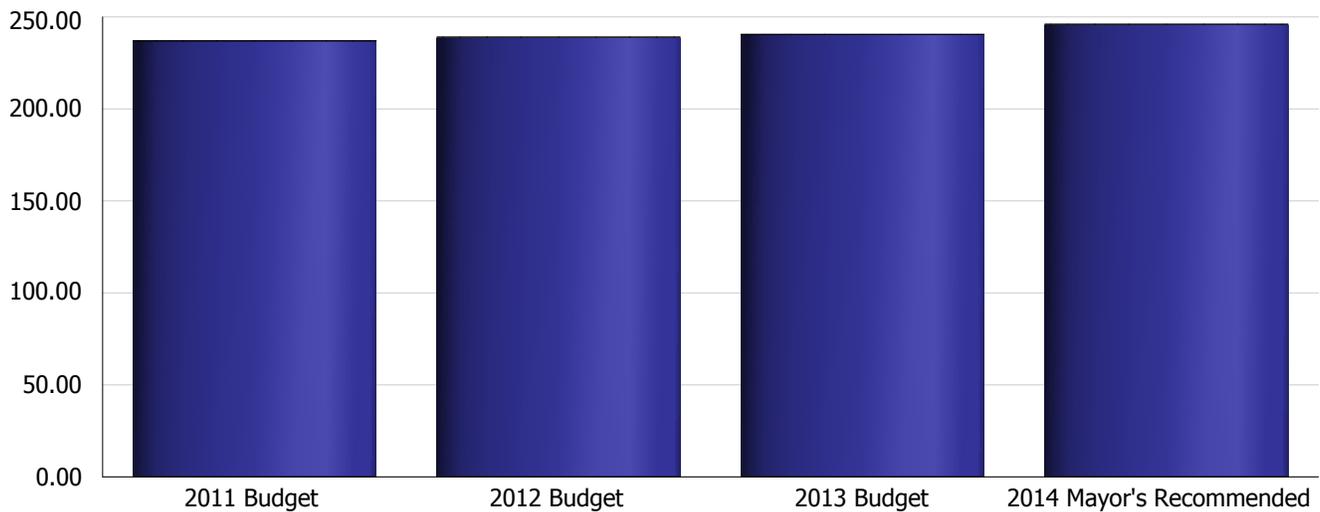


# FINANCE AND PROPERTY SERV

## Staffing Information

| Division            | 2011 Budget   | 2012 Budget   | 2013 Budget   | 2014 Mayor's Recommended | % Change    | Change      |
|---------------------|---------------|---------------|---------------|--------------------------|-------------|-------------|
| CONTROLLER          | 90.00         | 92.00         | 68.00         | 68.00                    | 0.0%        | 0.00        |
| DEVELOPMENT FINANCE | 10.00         | 10.00         | 10.00         | 11.00                    | 10.0%       | 1.00        |
| EXECUTIVE           | 10.00         | 10.00         | 6.00          | 6.00                     | 0.0%        | 0.00        |
| Management & Budget |               |               | 7.00          | 7.00                     | 0.0%        | 0           |
| PROCUREMENT         | 9.00          | 9.00          | 23.00         | 24.00                    | 4.3%        | 1.00        |
| PROPERTY SERVICES   | 59.00         | 62.00         | 63.50         | 66.00                    | 3.9%        | 2.50        |
| RISK MANAGEMENT     | 9.00          | 9.00          | 9.00          | 9.00                     | 0.0%        | 0           |
| TREASURY            | 50.00         | 47.00         | 54.00         | 55.00                    | 1.9%        | 1.00        |
| <b>Overall</b>      | <b>237.00</b> | <b>239.00</b> | <b>240.50</b> | <b>246.00</b>            | <b>2.3%</b> | <b>5.50</b> |

## Positions 2011-2014



## Positions by Divison

